LAZARD
FRÈRES GESTION

January 2020

Lazard Convertible Global IC EUR

International convertible bonds	ISIN Code	NAV €	Net Assets (M €)	Total Net Asset (M €)
IC EUR share	FR0000098683	1 551,08	760,03	3024,14

MANAGEMENT

MORNINGSTAR Overall ★★★★★

INVESTMENT POLICY

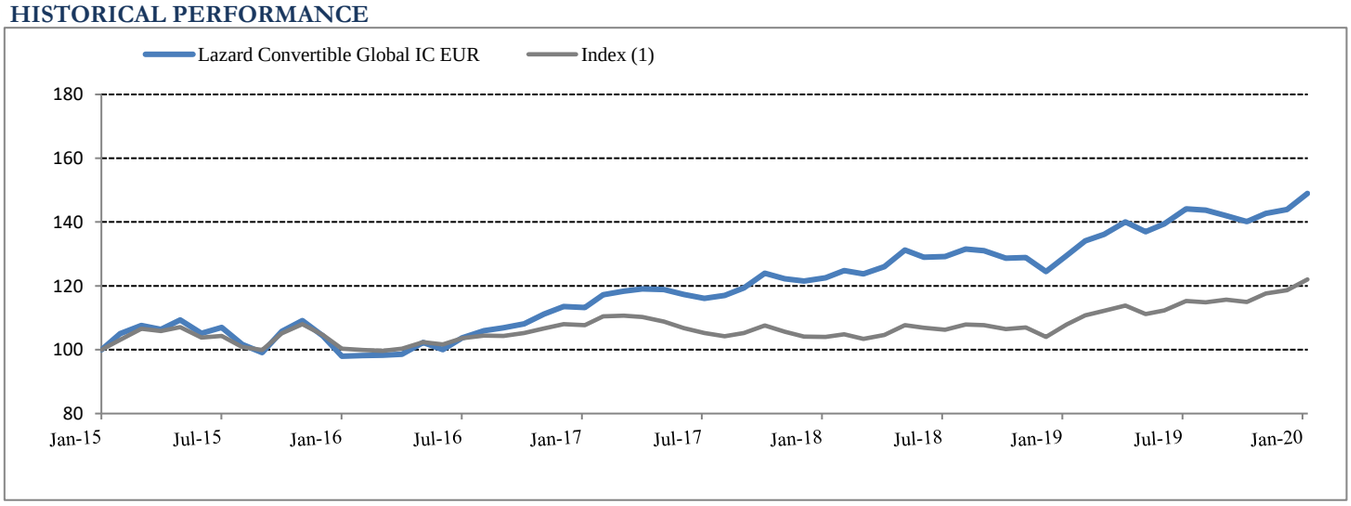
The fund seeks to outperform the Thomson Reuters Convertible Global Focus Index in euro in the mid-term. To attain this objective, the strategy will rely on an active management of interest, currency and credit risks and on our stock-picking approach.
The portfolio is mainly invested in convertible bonds, exchangeable bonds, bonds with equity warrants, perpetual preferred shares, corporate and financials traded debt, sovereign debt, French law money-market and bond funds (whether or not UCITS-compliant) invested in bonds and other types of Euro-denominated debt (10% maximum), and shares resulting from a conversion of the above-defined instrument types (10% maximum). All returns are net of fees and total return.

FUND MANAGERS' COMMENT - Arnaud BRILLOIS

During the month of January 2020, Lazard Convertible Global I – share class returned 3.48% versus 2.80% for its benchmark (Thomson Reuters Global Focus Convertible in Euros). The fund's equity sensitivity slightly increased during the period, currently standing at 52.0%, the benchmark's equity exposure decreased, now standing at 42.7%. Modified duration increased over the month and remains higher than the benchmark, standing at 2.68 versus 2.28. Security selections in US auto manufacturers, banks, software and Chinese communications added to relative performance. Selections in Asia and our underweight to Chinese semiconductors detracted to relative performance. Wirecard, present in the benchmark but absent from the fund, is recovering from a very sharp drop last year with new top management nominations in January, this had a negative relative impact. Our higher equity exposure compared to the index had a positive relative impact. Sensitivity to interest rates was also positive to relative performance with lower US and European rates. Over the month, we reduced our exposure to European consumer discretionary (Kering, LVMH) with concerns about the coronavirus propagation. We took some profits in the US automotive sector and reduced our exposure to European semiconductors. We sold a number of low delta and close-to-maturity names in Japan and Europe. We increased our exposure to US healthcare (DNA analysis and biopharma), slightly increased technology (software, LED manufacturers) and e-commerce exposures. We increased our exposure to Asia with convex names in the Chinese educational sector. We also increased our exposure to European energy. We maintained our overweight exposure to the dollar and the Swiss franc against all other currencies over the month.

PERFORMANCE

HISTORICAL PERFORMANCE



Past performance is not a guarantee of current or future performance. The return may increase or decrease as a result of currency fluctuations

PERFORMANCE

Cumulative performance *	Month	YTD	1 year	3 years	5 years
Lazard Convertible Global	**3,5%**	**3,5%**	**15,1%**	**31,6%**	**49,0%**
Index (1)	*2,8%*	*2,8%*	*13,1%*	*13,3%*	*22,0%*

Annualized performance *	1 year	3 years	5 years
Lazard Convertible Global	**15,1%**	**9,6%**	**8,3%**
Index (1)	*13,1%*	*4,3%*	*4,1%*

Annual performance *	2019	2018	2017	2016	2015
Lazard Convertible Global	**15,7%**	**2,4%**	**7,0%**	**8,8%**	**9,7%**
Index (1)	*14,1%*	*0,0%*	*-3,7%*	*3,2%*	*11,2%*

Characteristics	Sicav	Index
Modified duration	2,68	2,28
Delta - Equity exposure	52,0%	42,7%

RISK SCALE**

1	2	3	4	5	6	7

***Risk scale derived from the volatility of the fund over a period of 5 years (see detail on the back). Risk 1 does not mean a risk-free investment. This indicator may change over time.*

RISK RATIOS

	1 year	3 years
Volatility		
Lazard Convertible Global	7,0%	7,9%
Index (1)	5,5%	6,3%
Tracking error	3,7%	3,4%
Information ratio	0,6	1,5
Beta	1,1	1,1
Alpha	0,8	4,5
Correlation coefficient	0,9	0,9

Ratios calculated on a weekly basis

** The performance quoted represents past performance. Past performance does not guarantee future results.*

(1) Since 31/12/2014: Thomson Reuters Convertible Global Focus EUR (formerly Merrill Lynch G300)

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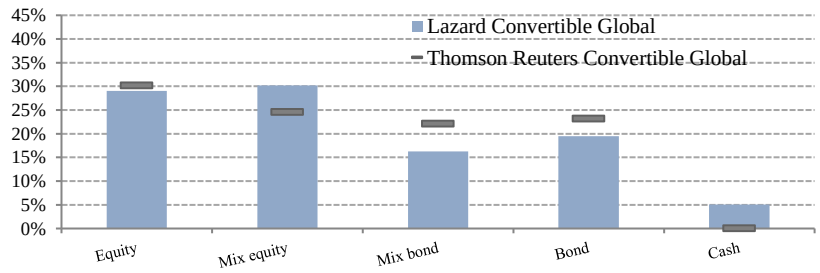
January 2020

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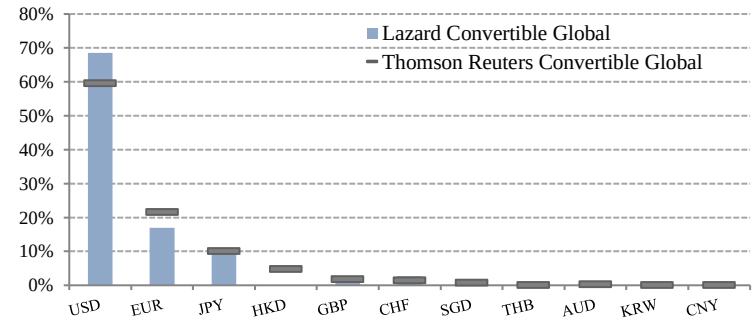
MAIN HOLDINGS

Main Holdings	Maturity	Coupon %	Weight %
TESLA INC	03/15/22	2,375	3,9
SIKA AG	06/05/25	0,15	2,4
BANK OF AMER CORP	12/31/99	7,25	2,3
CELLNEX TELECOM S,A,	07/05/28	0,5	2,3
WELLS FARGO AND CO	12/31/99	7,5	2,3

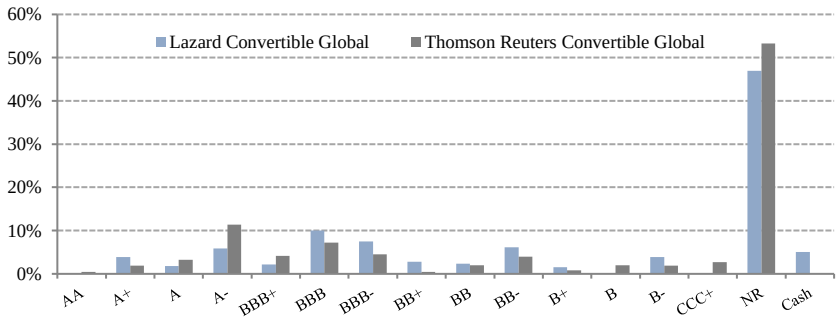
EXPOSITION BY CONVERTIBLE BONDS TYPE (Equity exposure)



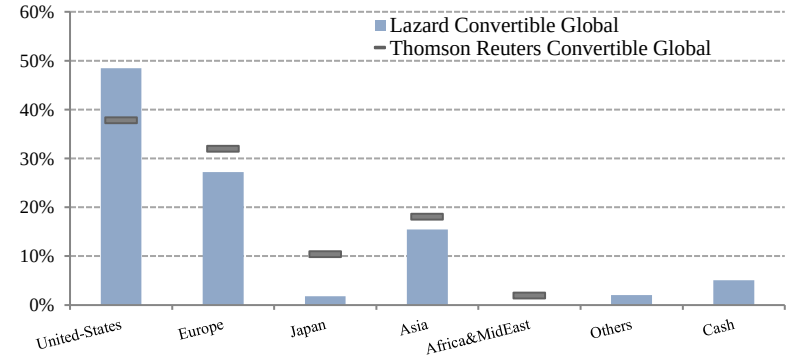
CURRENCY ALLOCATION (% NAV)



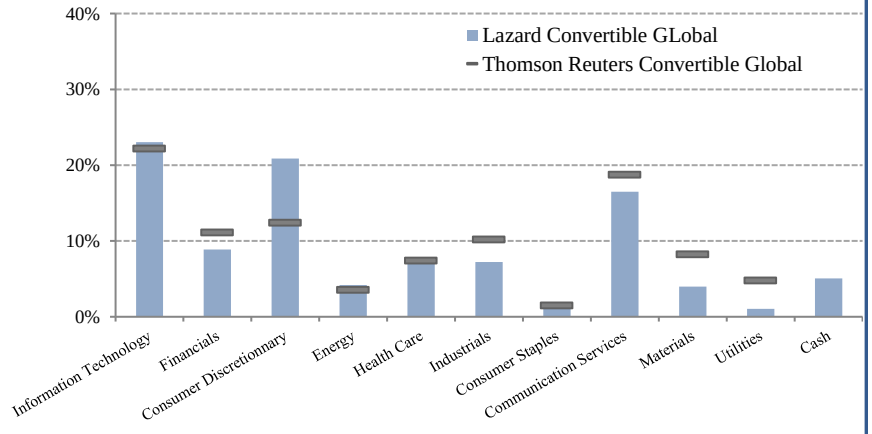
RATING ALLOCATION (% NAV)*



GEOGRAPHICAL ALLOCATION (% NAV)**



SECTOR ALLOCATION (% NAV)



** Issue rating 2nd best or Issuer rating 2nd best*

*** Nationality of underlying*

CHARACTERISTICS

ISIN Code
IC EUR share : FR0000098683

Bloomberg Code
OBJCONV

Legal Form SICAV
Type UCITS
AMF classification Mixt
Currency Euro
Investment horizon >5 years

Valuation Daily

Custodian Caceis Bank France

Management company Lazard Frères Gestion
Financial Manager Lazard A.M
Taxation Capitalization and or distribution

Inception Date
IC EUR share : 09/17/1985

Management fees
IC EUR share : 0,815% inclusive of all taxes of net assets

Subscription fee 4% max
Redemption fee 1% max

Total expense ratio and transaction fees
For more information, please check our prospectus

Conditions
On next NAV for orders placed before 11 a.m.
Settlement and value date
Subscription D (NAV date) + 2 business days
Redemption D (NAV date) + 2 business days

*** **Risk scale :** Derived from the historic volatility of the fund over a period of 5 years. The management company reserves the rigth to adjust the level of risk calculated according to the specific risk of the fund. This risk scale is supplied as a rough guide and may be modified without advance notice.*

Contacts :

Subscription/Redemption
Caceis Bank / LFB 01.57.78.14.14

Additional information & data :

Client servicing
01.44.13.01.79

NAVs Publication :

www.lazardfreresgestion.fr

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