

| International convertible bonds | ISIN Code    | NAV €    | Net Assets (M €) | Total Net Asset (M €) including AC H-EUR and AC H-CHF units |
|---------------------------------|--------------|----------|------------------|---|
| <b>A unit</b>                   | FR0000098683 | 1 232.27 | 334.36           |   |
| <b>R unit</b>                   | FR0010858498 | 352.76   | 85.11            |   |
| <b>K unit</b>                   | FR0011575240 | 1 450.85 | 13.26            | 545.33  |

## MANAGEMENT



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.

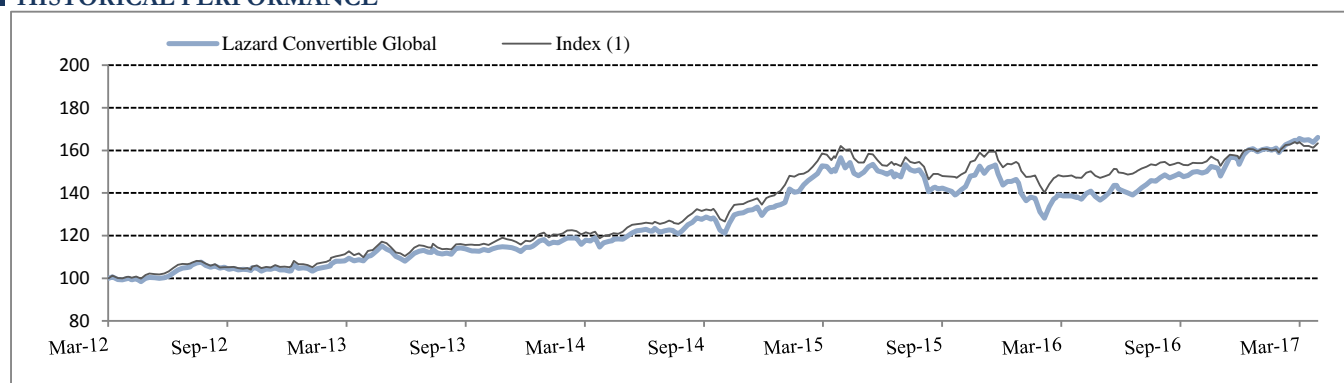
The portfolio is mainly invested in convertible bonds, exchangeable bonds, bonds with equity warrants, perpetual preferred shares, corporate and financials traded debt, sovereign debt, French law money-market and bond funds (whether or not UCITS-compliant) invested in bonds and other types of Euro-denominated 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 March 2017, Lazard Convertible Global Fund returned +0.98% versus +0.13% for its benchmark (Thomson Reuters Global Focus Convertible in Euros). Fund's and benchmark's equity sensitivities are higher on the month at 59.1% and 48.5% respectively. Modified duration is stable on the month and still lower than the benchmark's at 0.66 versus 1.92. Our equity overweight contributed positively to the relative performance (during the month, Stoxx600 in euro returns 3.32% and S&P500 in dollar falls by 0.07%). Our shorter duration compared to the benchmark has been a positive contributor. Bond selection was a positive contributor this month, in particular the convertible bond Micron that returns +22%. We initiated a position on Web.com 2018, we reinforced some of our existing investments in Service Now 2018, Air France 2023, Bim/Elior 2020, AroundTown 2021 and Palo Alto Network 2019. During the month, we have kept our overweight on USD.

## PERFORMANCE - A unit

### HISTORICAL PERFORMANCE



Past performance is not a guarantee of current or future performance

## PERFORMANCE

| Cumulative performance *         | Month       | YTD         | 1 year       | 3 years      | 5 years      |
|----------------------------------|-------------|-------------|--------------|--------------|--------------|
| <b>Lazard Convertible Global</b> | <b>1.0%</b> | <b>4.2%</b> | <b>20.4%</b> | <b>40.6%</b> | <b>66.1%</b> |
| <i>Index <sup>(1)</sup></i>      | <i>0.1%</i> | <i>2.4%</i> | <i>11.0%</i> | <i>34.6%</i> | <i>63.4%</i> |

## RISK SCALE\*\*



\*\*Risk scale derived from the volatility of the UCITS over a period of 5 years (see detail on the back)

| Annualized performance *         | 1 year       | 3 years      | 5 years      |
|----------------------------------|--------------|--------------|--------------|
| <b>Lazard Convertible Global</b> | <b>20.4%</b> | <b>12.0%</b> | <b>10.7%</b> |
| <i>Index <sup>(1)</sup></i>      | <i>11.0%</i> | <i>10.4%</i> | <i>10.3%</i> |

| Annual performance *             | 2016        | 2015         | 2014         | 2013         | 2012         |
|----------------------------------|-------------|--------------|--------------|--------------|--------------|
| <b>Lazard Convertible Global</b> | <b>8.8%</b> | <b>9.7%</b>  | <b>16.0%</b> | <b>11.2%</b> | <b>8.9%</b>  |
| <i>Index <sup>(1)</sup></i>      | <i>3.2%</i> | <i>11.2%</i> | <i>17.8%</i> | <i>11.8%</i> | <i>10.4%</i> |

| Characteristics         | Sicav | Index |
|-------------------------|-------|-------|
| Modified duration       | 0.7   | 1.9   |
| Delta - Equity exposure | 59.1% | 48.5% |

## RISK RATIOS

|                             | 1 year      | 3 years     |
|-----------------------------|-------------|-------------|
| <b>Volatility</b>           |             |             |
| Lazard Convertible Global   | 8.8%        | 12.1%       |
| <i>Index <sup>(1)</sup></i> | <i>6.3%</i> | <i>9.4%</i> |
| <b>Tracking error</b>       | 3.6%        | 4.6%        |
| <b>Information ratio</b>    | 2.2         | 0.3         |
| <b>Beta</b>                 | 1.3         | 0.3         |

Ratios calculated on a weekly basis

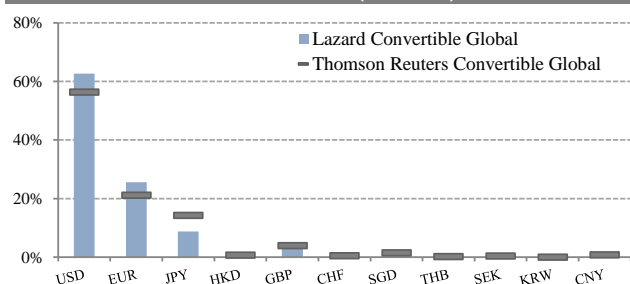
\* The performance quoted represents past performance. Past performance does not guarantee future results.

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

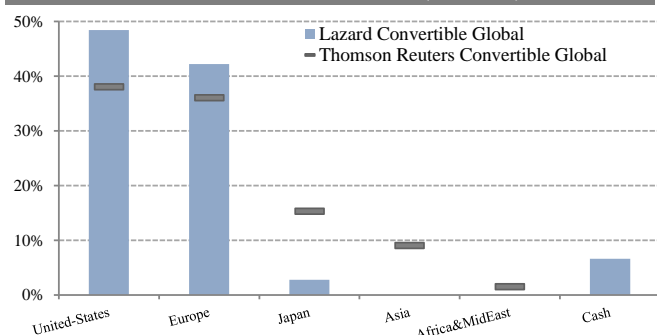
## MAIN HOLDINGS

| Main holdings        | Weight |
|----------------------|--------|
| ADIDAS 0.25 06/19 CV | 2.7%   |
| MICRON 1.625 2/33 CV | 2.4%   |
| CITR SYS 0.5 04-19   | 2.3%   |
| PRICELINE 1% 03/18   | 2.3%   |
| MICR TEC 1.63 02-25  | 2.2%   |

## CURRENCY ALLOCATION (% NAV)



## GEOGRAPHICAL ALLOCATION (% NAV)\*\*



\* Issue rating 2<sup>nd</sup> best or Issuer rating 2<sup>nd</sup> best

\*\* Nationality of underlying

## CARACTERISTICS

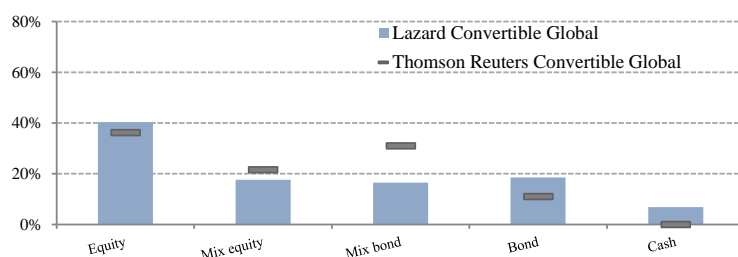
|   |   |  |
|---|---|--|
| <b>ISIN Code</b><br>A unit : FR0000098683<br>R unit : FR0010858498<br>K unit : FR0011575240 | <b>Valuation</b><br>Daily   | <b>Management fees</b><br>A unit : 0,85% inclusive of all taxes of net assets<br>R unit : 1,50% inclusive of all taxes of net assets<br>K unit : 0,85% inclusive of all taxes of net assets          |
| <b>Bloomberg Code</b><br>A unit : OBJCONV<br>R unit : OBJCONR<br>K unit : OBJCONK           | <b>Custodian</b><br>Caceis Bank France                            | <b>Subscription fee</b><br>4% max  |
| <b>Legal Form</b><br>SICAV  | <b>Management company</b><br>Lazard Frères Gestion                | <b>Redemption fee</b><br>1% max  |
| <b>Coordinated UCITS</b><br>Yes   | <b>Taxation</b><br>Capitalization and or distribution             | <b>Total expense ratio and transaction fees</b><br>For more information, please check our prospectus   |
| <b>AMF classification</b><br>Diversified UCITS  | A unit : 17/09/1985<br>R unit : 05/03/2010<br>K unit : 20/12/2013 | <b>Subscription terms</b><br>On next NAV for orders placed before 11 a.m.<br>Settlement and value date<br>Subscription D (NAV date ) + 2 business days<br>Redemption D (NAV date ) + 3 business days |
| <b>Currency</b><br>Euro   |   |  |
| <b>Investment horizon</b><br>>5 years   |   |  |

**Contacts :**  
Subscription/Redemption  
Laurence Quint 01.44.13.02.88  
(fax 01.44.13.08.30)

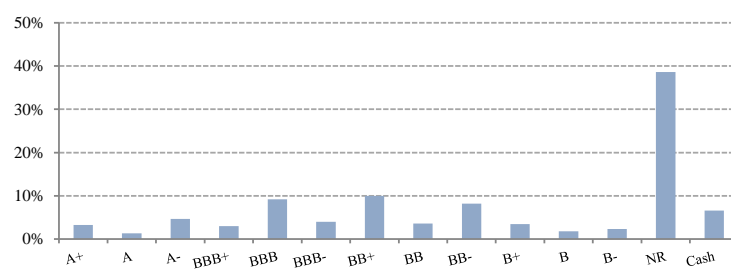
**Additional information :**  
Laura Montesano  
01.44.13.01.79

**Publication of NAVs :**  
www.lazardfreresgestion.fr

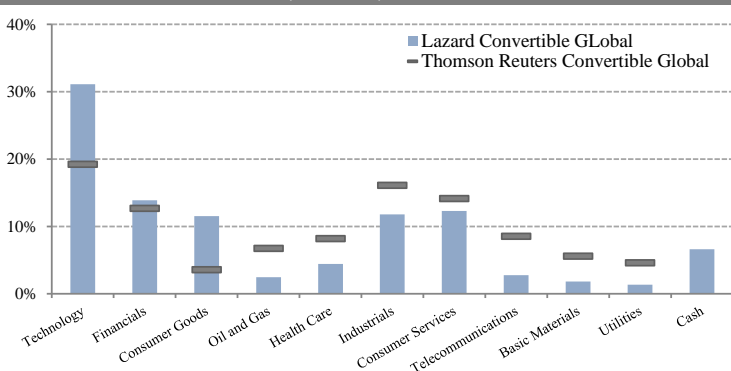
## EXPOSITION BY CONVERTIBLE BONDS (Equity exposure)



## RATING ALLOCATION (% NAV)\*



## SECTOR ALLOCATION (% NAV)



Please consider a fund's investment objectives, risks, charges, and expenses carefully before investing. Read the prospectus or summary prospectus carefully before you invest. The prospectus contain investment objectives, risks, charges, expenses, and other information about the Portfolio(s) and The Lazard Frères Gestion Funds that may not be detailed in this document. Distributed by Lazard Frères Gestion.

The DICI for Switzerland, the KIID, the articles of incorporation, the annual and semi-annual reports, as well as the list of the buying and selling transactions can be obtained free of charge from the representative of the Sicav in Switzerland, Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva, Switzerland, Tel. +41 22 705 11 77, Fax: + 41 22 705 11 79, www.carnegie-fund-services.ch. The paying agent is Banque Cantonale de Genève, 17 Quai de l'Île, 1204 Geneva, Switzerland.