

May 2017

Lazard Convertible Global

International convertible bonds	ISIN Code	NAV €	Net Assets (M €)	Total Net Asset (M €) including AC H-EUR and AC H-CHF units
A unit	FR0000098683	1 237.69	366.33	
R unit	FR0010858498	353.93	93.07	
K unit	FR0011575240	1 457.24	13.32	597.49

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.

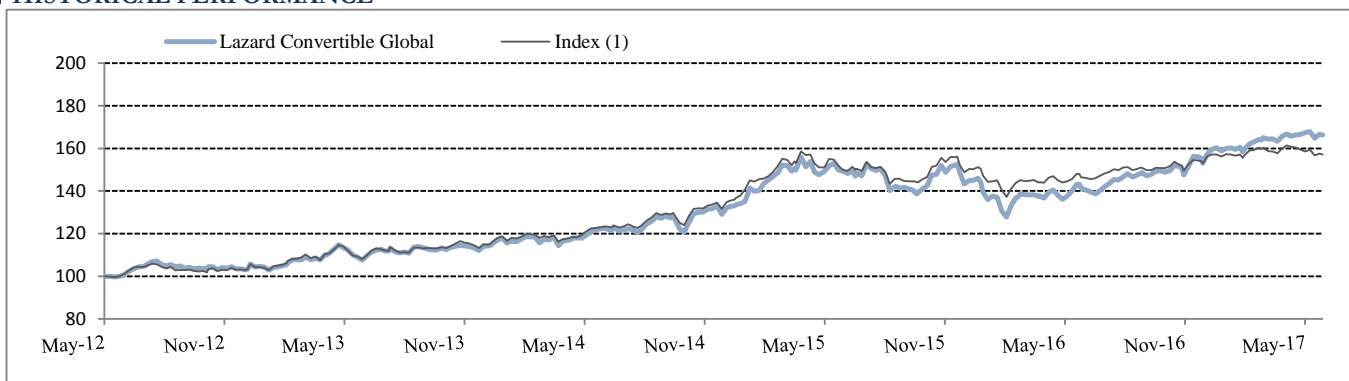
The portfolio is mainly invested in convertible bonds, exchangeable bonds, bonds with equity warrants, perpetual preferred shares, corporate and financials traded debt, sovereign debt, French law money-market and bond funds (whether or not UCITS-compliant) invested in bonds and other types of Euro-denominated 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 May 2017, Lazard Convertible Global Fund returned -0.15% versus -1.36% for its benchmark (Thomson Reuters Global Focus Convertible in Euros). Fund's equity sensitivity is lower on the month at 58.2% while benchmark's is higher at 50.9%. Modified duration is stable on the month and still lower than the benchmark's at 0.72 versus 1.82. Our equity overweight contributed positively to the relative performance (during the month, Stoxx600 in euro returns 1.45% and S&P500 in dollar rise by 1.33%). Our shorter duration compared to the benchmark has been a negative contributor. Bond selection was a positive contributor this month, in particular the convertible bond Take Two that returns +18%. We initiated a position on Nuance Communication and Sony. We sold Invensense 2018 and Xilinx 2017. 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
Lazard Convertible Global	-0.2%	4.7%	16.2%	37.6%	66.3%
<i>Index ⁽¹⁾</i>	<i>-1.4%</i>	<i>0.7%</i>	<i>6.2%</i>	<i>28.5%</i>	<i>57.2%</i>

RISK SCALE**



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

RISK RATIOS

Annualized performance *	1 year	3 years	5 years
Lazard Convertible Global	16.2%	11.2%	10.7%
<i>Index ⁽¹⁾</i>	<i>6.2%</i>	<i>8.7%</i>	<i>9.5%</i>

	1 year	3 years
Volatility		
Lazard Convertible Global	8.1%	12.0%
<i>Index ⁽¹⁾</i>	<i>6.1%</i>	<i>9.3%</i>
Tracking error	3.5%	4.6%
Information ratio	2.5	0.5
Beta	1.2	0.5

Ratios calculated on a weekly basis

Annual performance *	2016	2015	2014	2013	2012
Lazard Convertible Global	8.8%	9.7%	16.0%	11.2%	8.9%
<i>Index ⁽¹⁾</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	1.8
Delta - Equity exposure	58.2%	50.9%

* 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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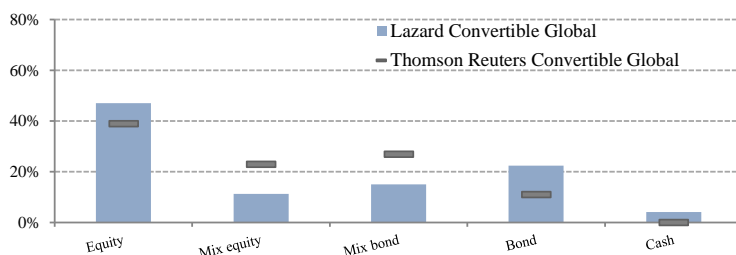
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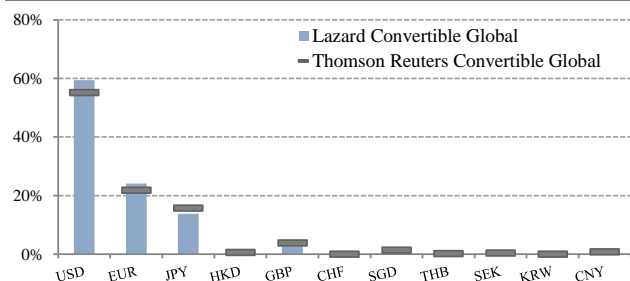
MAIN HOLDINGS

Main holdings	Weight
ADIDAS 0.25 06/19 CV	2.4%
TTWO 1 07/01/18	2.3%
MICR TEC 1.63 02-25	2.2%
TELE ITA 1.13 03-22	2.2%
UBISOFT ZCP 09-21	2.2%

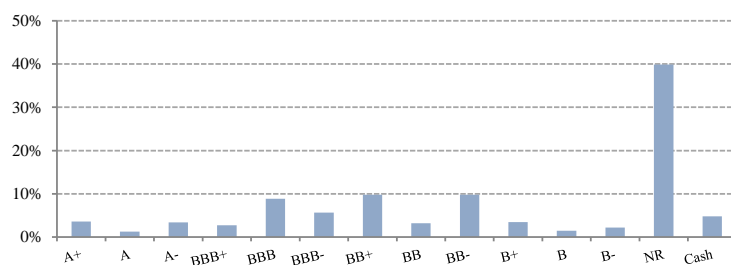
EXPOSITION BY CONVERTIBLE BONDS (Equity exposure)



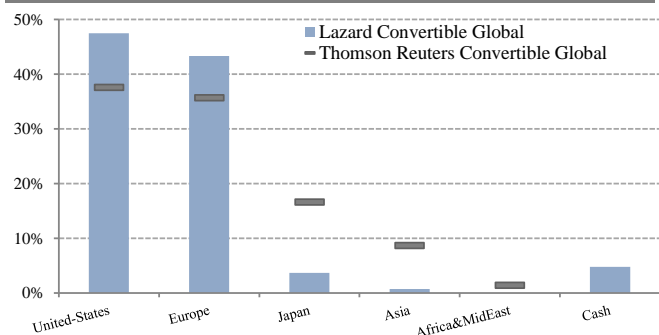
CURRENCY ALLOCATION (% NAV)



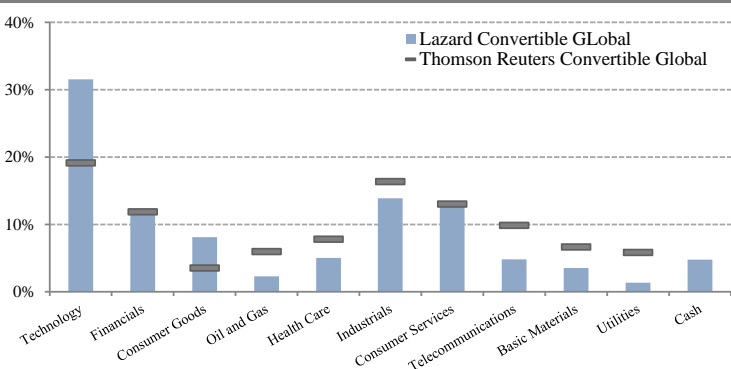
RATING ALLOCATION (% NAV)*



GEOGRAPHICAL ALLOCATION (% NAV)**



SECTOR ALLOCATION (% NAV)



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

** Nationality of underlying

CARACTERISTICS

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

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Laurence Quint 01.44.13.02.88
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Additional information :
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Publication of NAVs :
www.lazardfreresgestion.fr

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.