

January 2019

Lazard Convertible Global

International convertible bonds	ISIN Code	NAV €	Net Assets (M €)	Total Net Asset (M €) including I USD, ID, ID H-EUR, IC H-EUR, R H-EUR and IC H-CHF units
I unit	FR0000098683	1 348,16	553,88	
R unit	FR0010858498	381,35	162,41	
K unit	FR0011575240	1 587,30	15,05	1741,50

MANAGEMENT

Sustainability Rating



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.

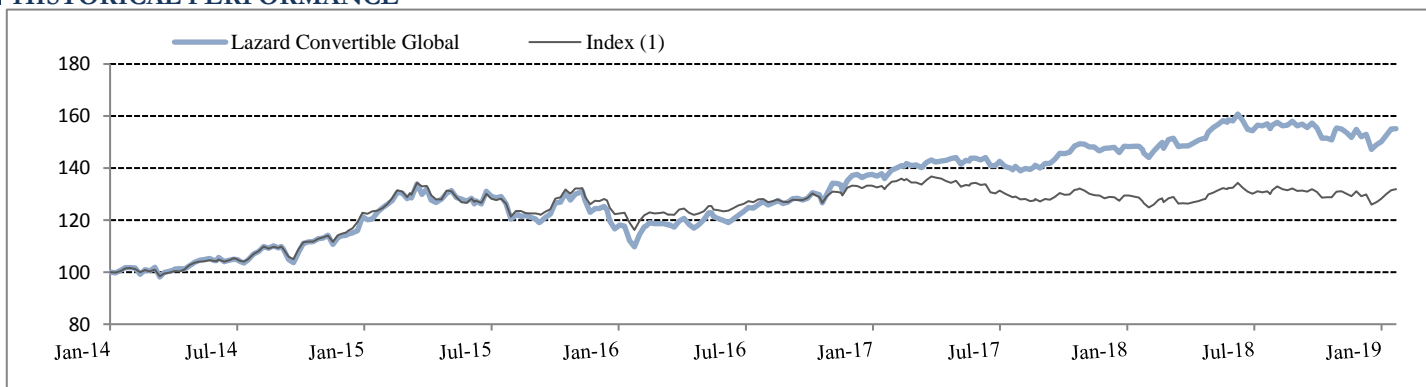
The portfolio is mainly invested in convertible bonds, exchangeable bonds, bonds with equity warrants, perpetual preferred shares, corporate and financials traded debt, sovereign debt, French law money-market and bond funds (whether or not UCITS-compliant) invested in bonds and other types of Euro-denominated 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 2019, Lazard Convertible Global I – share class returned +4.05% versus +3.69% for its benchmark (Thomson Reuters Global Focus Convertible in Euros). The fund's equity sensitivity increased during the period, currently standing at 51.8%, the benchmark's equity sensitivity also increased, now standing at 44.3%. Sensitivity to interest rates was unchanged over the month but still remains below the benchmark, standing at 1.32 versus 2.12. Our higher equity sensitivity added to relative performance as global equity markets rallied during the month, in particular the overweight to US and European equities. Our shorter duration compared to the benchmark marginally detracted to relative performance, 5-year EUR and USD swap rates slightly decreased during the period. Technology and consumer cyclicals were the best relative contributors, while energy and basic materials underperformed this month. We switched Fresenius 2019 for Fresenius 2024. We sold 51Job 2019, Ceconomy 2020, Unibail 2021, IAG 2022, Tesla 2019 and Illumina 2019 to strengthen our positions in Tesla 2021, Illumina 2023 and Palo Alto Networks 2023. We also initiated a new position on LG Chem 2021 in the petrochemical industry. During the period, the fund remained overweight USD and EUR against all other currencies.

PERFORMANCE - I unit

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	4,0%	4,0%	5,6%	32,2%	55,5%
<i>Index ⁽¹⁾</i>	3,7%	3,7%	3,8%	7,5%	32,1%

Annualized performance *	1 year	3 years	5 years
Lazard Convertible Global	5,6%	9,7%	9,2%
<i>Index ⁽¹⁾</i>	3,8%	2,4%	5,7%

Annual performance *	2018	2017	2016	2015	2014
Lazard Convertible Global	2,4%	7,0%	8,8%	9,7%	16,0%
<i>Index ⁽¹⁾</i>	0,0%	-3,7%	3,2%	11,2%	17,8%

Characteristics	Sicav	Index
Modified duration	1,32	2,12
Delta - Equity exposure	51,8%	44,3%

* 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)

RISK SCALE**



**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	9,6%	9,3%
<i>Index ⁽¹⁾</i>	7,1%	7,1%
Tracking error	3,4%	3,6%
Information ratio	0,5	1,9
Beta	1,3	1,2

Ratios calculated on a weekly basis

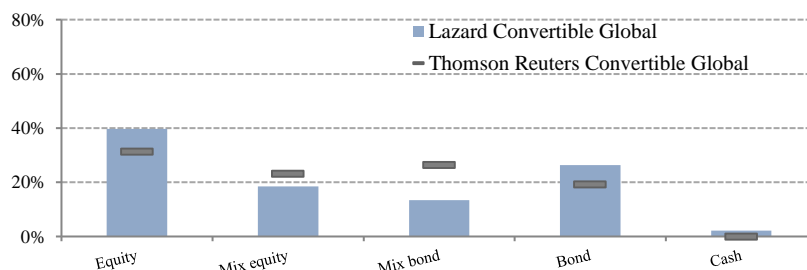
Lazard Frères Gestion SAS, 25 rue de courcelles - 75008 Paris with a capital of € 14,487,500, registered at the Paris RCS under the number SIRET 352 213 599.

Portfolio Management Company approved by "the Autorité des Marchés Financiers" under number GP 04 000068."

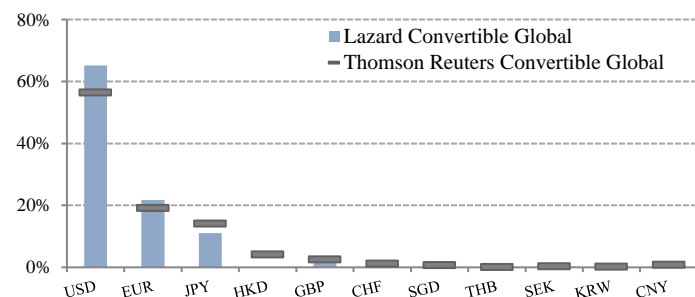
MAIN HOLDINGS

Main holdings	Weight
ILLUMINA ZCP 08-23	2,9%
PALO AL 0.75 07-23	2,9%
ZEND IN 0.25 03-23	2,4%
TOTAL 0.5 12-22	2,3%
WORK IN 0.25 10-22	2,2%

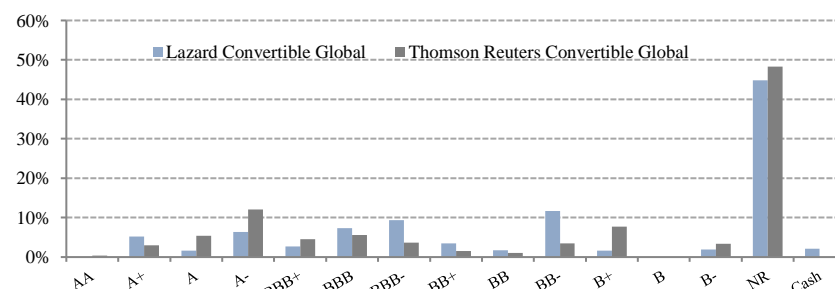
EXPOSITION BY CONVERTIBLE BONDS (Equity exposure)



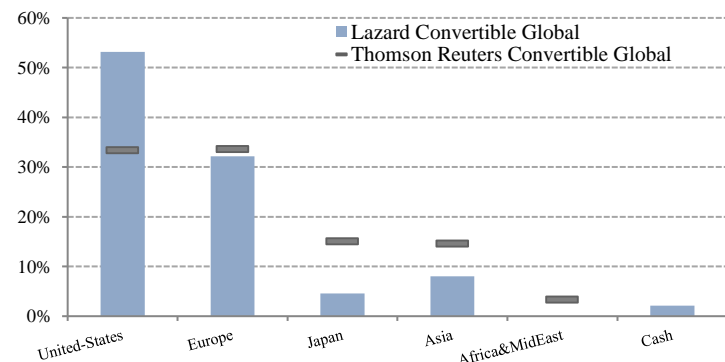
CURRENCY ALLOCATION (% NAV)



RATING ALLOCATION (% NAV)*



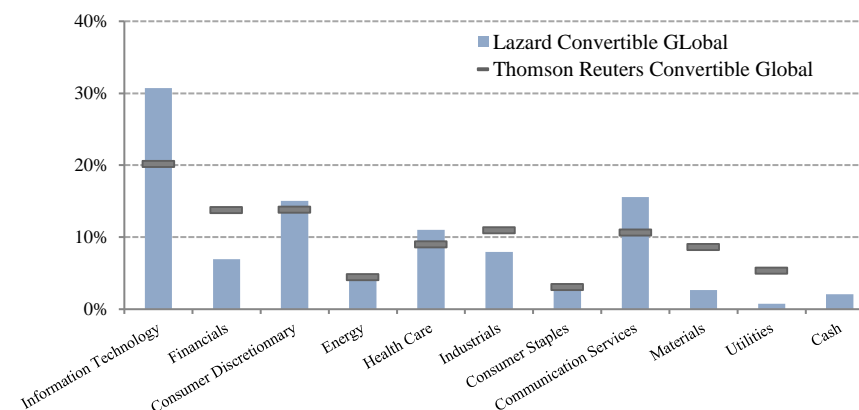
GEOGRAPHICAL ALLOCATION (% NAV)**



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

** Nationality of underlying

SECTOR ALLOCATION (% NAV)



CARACTERISTICS

■ ISIN Code	I unit : FR0000098683 R unit : FR0010858498 K unit : FR0011575240	■ Valuation	Daily	■ Management fees	I unit : 0,815% inclusive of all taxes of net assets R unit : 1,465% inclusive of all taxes of net assets K unit : 0,815% inclusive of all taxes of net assets
■ Bloomberg Code	I 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	■ Financial Manager	Lazard A.M	■ Total expense ratio and transaction fees	For more information, please check our prospectus
■ AMF classification	Diversified UCITS	■ Taxation	Capitalization and or distribution	■ 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) + 2 business days
■ Currency	Euro	■ Inception Date	A unit : 09/17/1985 R unit : 03/05/2010 K unit : 12/20/2013		
■ Investment horizon	>5 years				

** Risk scale : Derived from the historic volatility of the fund over a period of 5 years. The management company reserves the right 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 :

Commercial service
01.44.13.01.79

Publication of NAVs :

www.lazardfreresgestion.fr

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