LAZARD
FRÈRES GESTION

*April 2019*

# Lazard Convertible Global TC EUR

| International convertible bonds | ISIN Code | NAV € | Net Assets (M €) | Total Net Asset (M €) |
|---|---|---|---|---|
| TC EUR share | FR0013305950 | 226,39 | 15,44 | 2232,96 |

## MANAGEMENT

MORNINGSTAR Overall ★★★★★

### INVESTMENT POLICY

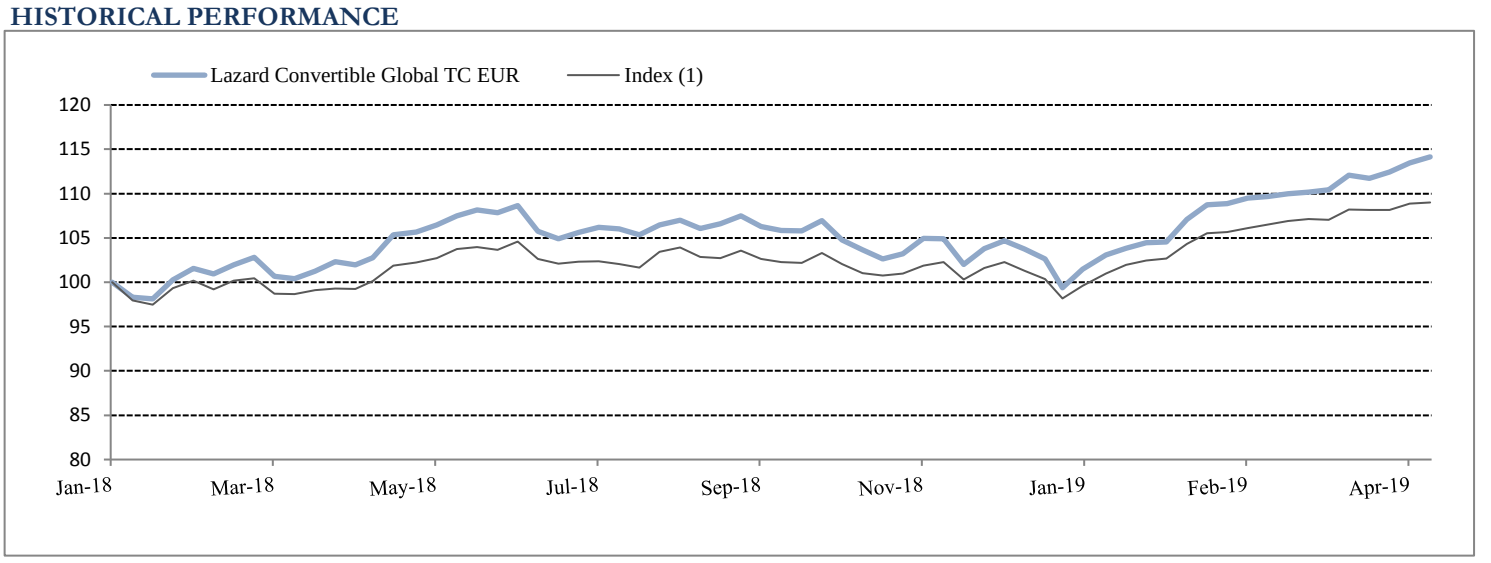
The fund seeks to outperform the Thomson Reuters Convertible Global Focus Index in euro in the mid-term. To attain this objective, the strategy will rely on an active management of interest, currency and credit risks and on our stock-picking approach.
The portfolio is mainly invested in convertible bonds, 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 April 2019, Lazard Convertible Global TC EUR share class returned +2.85% versus +1.50% for its benchmark (Thomson Reuters Global Focus Convertible in Euros). The fund's equity sensitivity increased during the period, currently standing at 53.5%, the benchmark's equity sensitivity also increased, now standing at 45.6%. Sensitivity to interest rates slightly decreased over the month and remains below the benchmark, standing at 1.03 versus 2.03. Our overweights to US and European equities had a positive relative impact. Our underweights to Asia did not detract due to additive bond selection. Our shorter duration compared to the benchmark marginally added to relative performance, 5-year EUR and USD swap rates increased during the period. Communication services and consumer cyclicals were the best relative contributors, while the industrial sector had a negative relative impact this month. Stock selection was positive over the month, four of our top five contributors are not found in the index. We sold Inmarsat 2023 and initiated four new positions during the month: Hubspot 2022 in the software sector, Okta 2023 in the cloud business, LEG Immo 2025 in real estate and Sika 2025 in the construction sector. During the period, the fund remained overweight USD and EUR against all other currencies.

## PERFORMANCE - TC EUR 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 | Inception |
|---|---|---|---|---|---|
| **Lazard Convertible Global** | **2,9%** | **12,5%** | **11,1%** | - | **14,2%** |
| *Index* (1) | *1,5%* | *9,4%* | *8,8%* | - | *9,0%* |

| Annualized performance * | 1 year | 3 years | Inception |
|---|---|---|---|
| **Lazard Convertible Global** | **11,1%** | - | **11,2%** |
| *Index* (1) | *8,8%* | - | *7,2%* |

| Annual performance * | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|
| **Lazard Convertible Global** | - | - | - | - | - |
| *Index* (1) | - | - | - | - | - |

| Characteristics | Sicav | Index |
|---|---|---|
| Modified duration | 1,03 | 2,03 |
| Delta - Equity exposure | 53,5% | 45,6% |

### 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 | 8,8% | - |
| *Index* (1) | 6,5% | - |
| **Tracking error** | 3,2% | - |
| **Information ratio** | 0,7 | - |
| **Beta** | 1,3 | - |
| **Alpha** | -0,2 | - |
| **Correlation coefficient** | 1,0 | - |

*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)*

LAZARD
FRÈRES GESTION

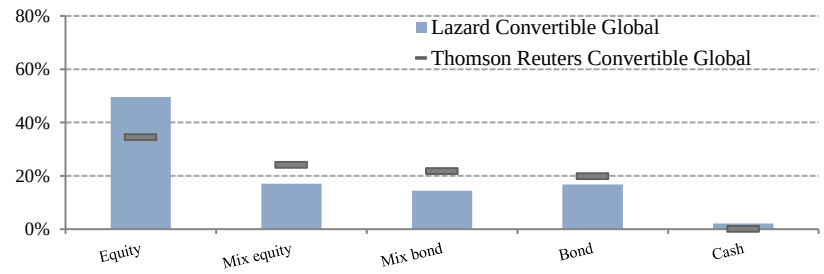
*April 2019*

# Lazard Convertible Global

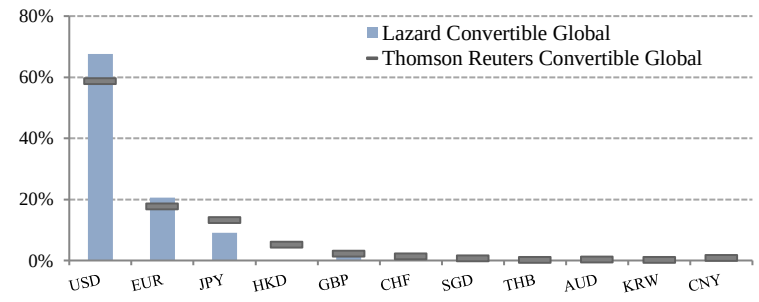
## MAIN HOLDINGS

| Main Holdings | Maturity | Coupon % | Weight % |
|---|---|---|---|
| **ZENDESK INC** | 03/15/23 | 0,25 | 2,8 |
| **SERVICENOW INC** | 06/01/22 | 0 | 2,5 |
| **PALO ALTO NETWORKS** | 07/01/23 | 0,75 | 2,5 |
| **ILLUMINA INC** | 08/15/23 | 0 | 2,5 |
| **MICROCHIP TECHNO INC** | 02/15/27 | 1,625 | 2,4 |

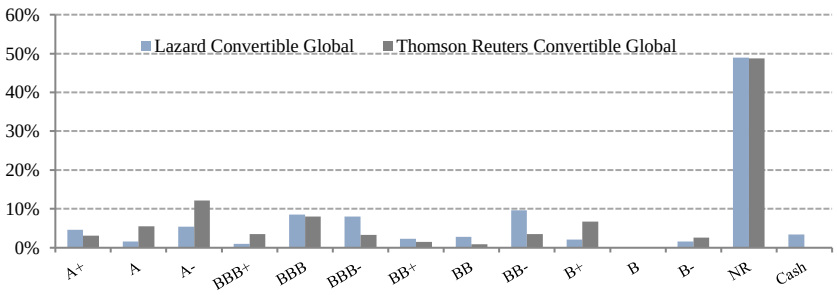
## EXPOSITION BY CONVERTIBLE BONDS (Equity exposure)



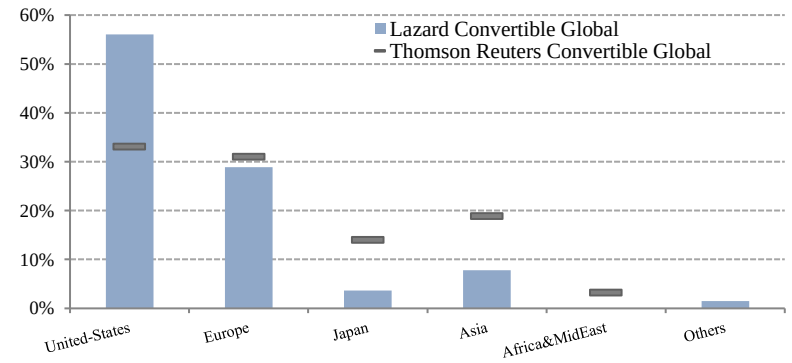

## CURRENCY ALLOCATION (% NAV)



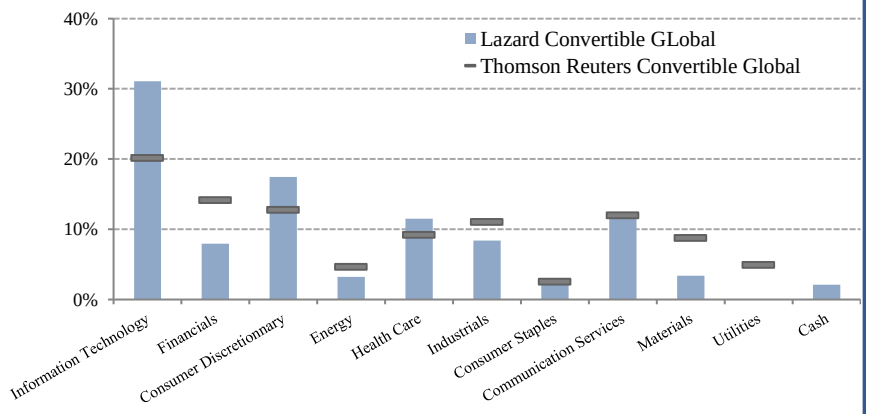

## RATING ALLOCATION (% NAV)*




## GEOGRAPHICAL ALLOCATION (% NAV)**




## SECTOR ALLOCATION (% NAV)




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

*** Nationality of underlying*

## CHARACTERISTICS

**ISIN Code**
IC share : FR0000098683
RC share : FR0010858498
K share : FR0011575240
TC share : FR0013305950

**Bloomberg Code**
IC share : OBJCONV
RC share : OBJCONR
K share : OBJCONK

**Legal Form** : SICAV

**Coordinated UCITS** : Yes

**AMF classification** : Diversified UCITS

**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 share : 09/17/1985
RC share : 03/05/2010
K share : 12/20/2013
TC share : 29/01/2018

**Management fees**
IC share : 0,815% inclusive of all taxes of net assets
RC share : 1,465% inclusive of all taxes of net assets
K & TC shares : 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

**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*

***** 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 :**

Commercial service
01.44.13.01.79

**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 Fund Management.*
*The state of the origin of the fund is France. In Switzerland, the representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich, whilst the paying agent is Banque Cantonale de Genève, 17, quai de l'Ile, CH-1204 Genva. The prospectus, the Key Investor Information Documents, the articles of association as well as the annual and semi-annual reports may be obtained free of charge from the representative. In respect of the shares distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the representative. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of shares.*
*For investors in the shareed Kingdom: this document has been issued and approved in the shareed Kingdom by Lazard Asset Management Limited, 50 Stratton Street, London W1J 8LL. Incorporated in England and Wales, registered number 525667. Lazard Asset Management Limited is authorised and regulated by the Financial Conduct Authority.*
*For Italian investors, fund Paying Agents are Société Générale Securities Services, Via Benigno Crespi, 19, 20159 Milano, and BNP Paribas Securities Services, Piazza Lina Bo Bardi, 3, 20124 Milano.*