

May 2019

Lazard Convertible Global TC EUR

| International convertible bonds | ISIN Code    | NAV €  | Net Assets (M €) | Total Net Asset (M €) |
|---------------------------------|--------------|--------|------------------|-----------------------|
| TC EUR share                    | FR0013305950 | 221,55 | 14,30            | 2196,55               |

## 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.

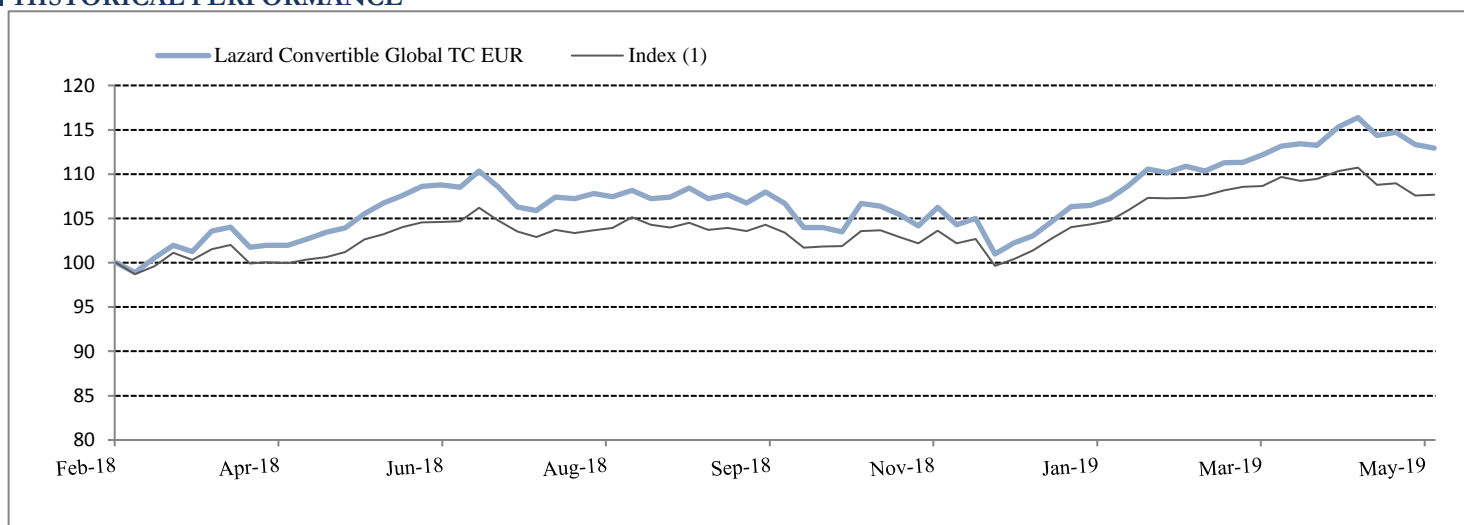
The portfolio is mainly invested in convertible bonds, exchangeable bonds, bonds with equity warrants, perpetual preferred shares, corporate and financials traded debt, sovereign debt, French law money-market and bond funds (whether or not UCITS-compliant) invested in bonds and other types of Euro-denominated 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 May 2019, Lazard Convertible Global TC EUR share class returned -2.14% versus -2.36% for its benchmark (Thomson Reuters Global Focus Convertible in Euros). The fund's equity sensitivity decreased during the period, currently standing at 49.1%, the benchmark's equity sensitivity also decreased, now standing at 38.8%. Sensitivity to interest rates slightly increased over the month and remains below the benchmark, standing at 1.24 versus 2.22. Overall, the stock selection had a strong positive impact over the month, with seven of our top ten performing holdings not found in the index. The additive stock selection was most pronounced in the US. Specifically, despite an overweight in technology, strong picks in software services and less exposure in semiconductors led to this sector being the best relative performer for the month. Picks in the US consumer, non-cyclical sector also helped on a relative basis. Our underweights to Asia also added to relative performance while our European holdings detracted, hurt by security selection in consumer, cyclicals. Our shorter duration compared to the benchmark detracted to relative performance, as 5-year EUR and USD swap rates decreased during the period. We sold Unicharm 2020, Salzgitter 2022 and switched IAC 2022 for IAC 2026. We increased our position in Ctrip 2022, ServiceNow 2022 and ETSY 2023. During the period, the fund remained overweight USD and EUR against all other currencies.

## 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 | Inception |
|---------------------------|-------|-------|--------|---------|-----------|
| Lazard Convertible Global | -2,1% | 10,1% | 4,4%   | -       | 11,7%     |
| Index <sup>(1)</sup>      | -2,4% | 6,9%  | 3,2%   | -       | 6,4%      |

## 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.

| Annualized performance *  | 1 year | 3 years | Inception |
|---------------------------|--------|---------|-----------|
| Lazard Convertible Global | 4,4%   | -       | 8,7%      |
| Index <sup>(1)</sup>      | 3,2%   | -       | 4,8%      |

## RISK RATIOS

|                                | 1 year | 3 years |
|--------------------------------|--------|---------|
| <b>Volatility</b>              |        |         |
| Lazard Convertible Global      | 9,2%   | -       |
| Index <sup>(1)</sup>           | 6,7%   | -       |
| <b>Tracking error</b>          | 3,6%   | -       |
| <b>Information ratio</b>       | 0,3    | -       |
| <b>Beta</b>                    | 1,3    | -       |
| <b>Alpha</b>                   | 0,3    | -       |
| <b>Correlation coefficient</b> | 0,9    | -       |

Ratios calculated on a weekly basis

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

| Characteristics         | Sicav | Index |
|-------------------------|-------|-------|
| Modified duration       | 1,24  | 2,22  |
| Delta - Equity exposure | 49,1% | 38,8% |

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

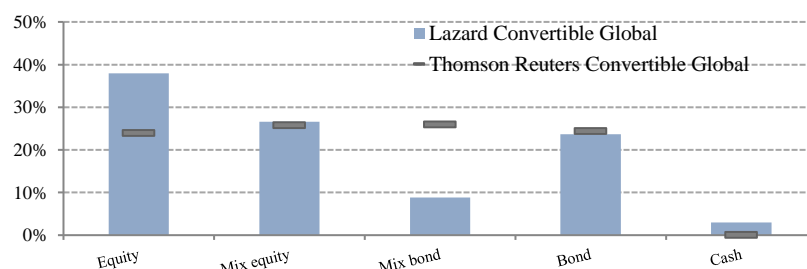
(1) Since 31/12/2014: Thomson Reuters Convertible Global Focus EUR (formerly Merrill Lynch G300)

Lazard Frères Gestion 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."  
[www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

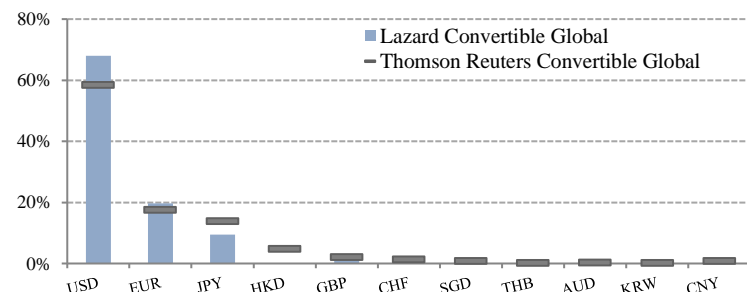
## MAIN HOLDINGS

| Main Holdings       | Maturity | Coupon % | Weight % |
|---------------------|----------|----------|----------|
| ZENDESK INC         | 03/15/23 | 0,25     | 2,8      |
| SERVICENOW INC      | 06/01/22 | 0        | 2,8      |
| ILLUMINA INC        | 08/15/23 | 0        | 2,5      |
| WORKDAY INC.        | 10/01/22 | 0,25     | 2,4      |
| EXACT SCIENCES CORP | 01/15/25 | 1        | 2,4      |

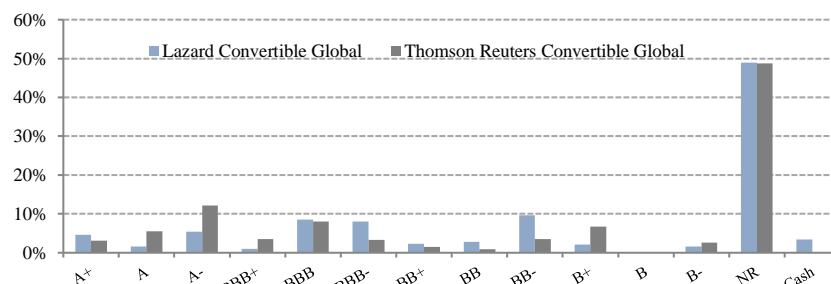
## EXPOSITION BY CONVERTIBLE BONDS (Equity exposure)



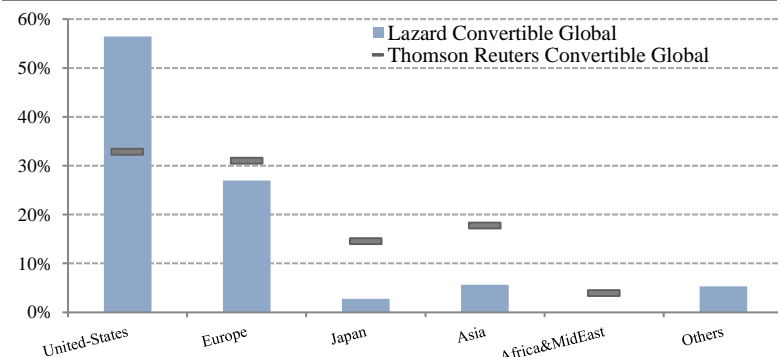
## CURRENCY ALLOCATION (% NAV)



## RATING ALLOCATION (% NAV)\*



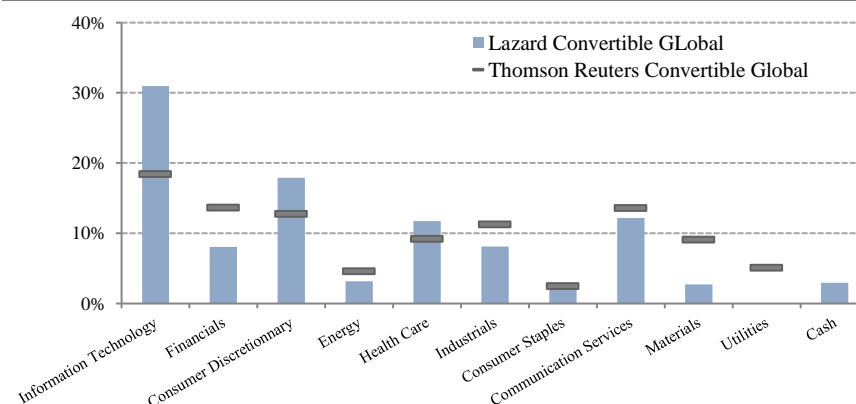
## GEOGRAPHICAL ALLOCATION (% NAV)\*\*



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

\*\* Nationality of underlying

## SECTOR ALLOCATION (% NAV)



## CHARACTERISTICS

|                             |                         |                             |   |   |  |
|-----------------------------|-------------------------|-----------------------------|---|---|--|
| ■ <b>ISIN Code</b>          | IC share : FR0000098683 | ■ <b>Valuation</b>          | Daily   | ■ <b>Management fees</b>                          | IC share : 0,815% inclusive of all taxes of net assets |
|                             | RC share : FR0010858498 |                             | RC share : 1,465% inclusive of all taxes of net assets      |   |  |
|                             | K share : FR0011575240  |                             | K & TC shares : 0,815% inclusive of all taxes of net assets |   |  |
|                             | TC share : FR0013305950 |                             |   |   |  |
| ■ <b>Bloomberg Code</b>     | IC share : OBJCONV      | ■ <b>Custodian</b>          | Caceis Bank France  | ■ <b>Subscription fee</b>                         | 4% max   |
|                             | RC share : OBJCONR      |                             | ■ <b>Redemption fee</b>                                     |   | 1% max   |
|                             | K share : OBJCONK       |                             |   |   | ■ <b>Total expense ratio and transaction fees</b>      |
| ■ <b>Legal Form</b>         | SICAV                   | ■ <b>Management company</b> | Lazard Frères Gestion                                       |   |  |
| ■ <b>Coordinated UCITS</b>  | Yes                     |                             | ■ <b>Financial Manager</b>                                  | Lazard A.M  |  |
| ■ <b>AMF classification</b> | Diversified UCITS       | ■ <b>Taxation</b>           |   | Capitalization and or distribution                |  |
| ■ <b>Currency</b>           | Euro                    |                             | ■ <b>Subscription terms</b>                                 |   |  |
| ■ <b>Investment horizon</b> | >5 years                | ■ <b>Inception Date</b>     |   | IC share : 09/17/1985                             | On next NAV for orders placed before 11 a.m.           |
|                             |                         |                             |   | RC share : 03/05/2010                             | <i>Settlement and value date</i>                       |
|                             |                         |                             |   | K share : 12/20/2013                              | <i>Subscription D (NAV date ) + 2 business days</i>    |
|                             |                         |                             | TC share : 29/01/2018                                       | <i>Redemption D (NAV date ) + 2 business days</i> |  |

\*\* 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 & 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'Île, CH-1204 Geneva. 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 shared Kingdom: this document has been issued and approved in the shared 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.