

January 2020

Lazard Convertible Global TC EUR

International convertible bonds	ISIN Code	NAV €	Net Assets (M €)	Total Net Asset (M €)
TC EUR share	FR0013305950	240,88	34,44	3024,14

## MANAGEMENT

### 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.

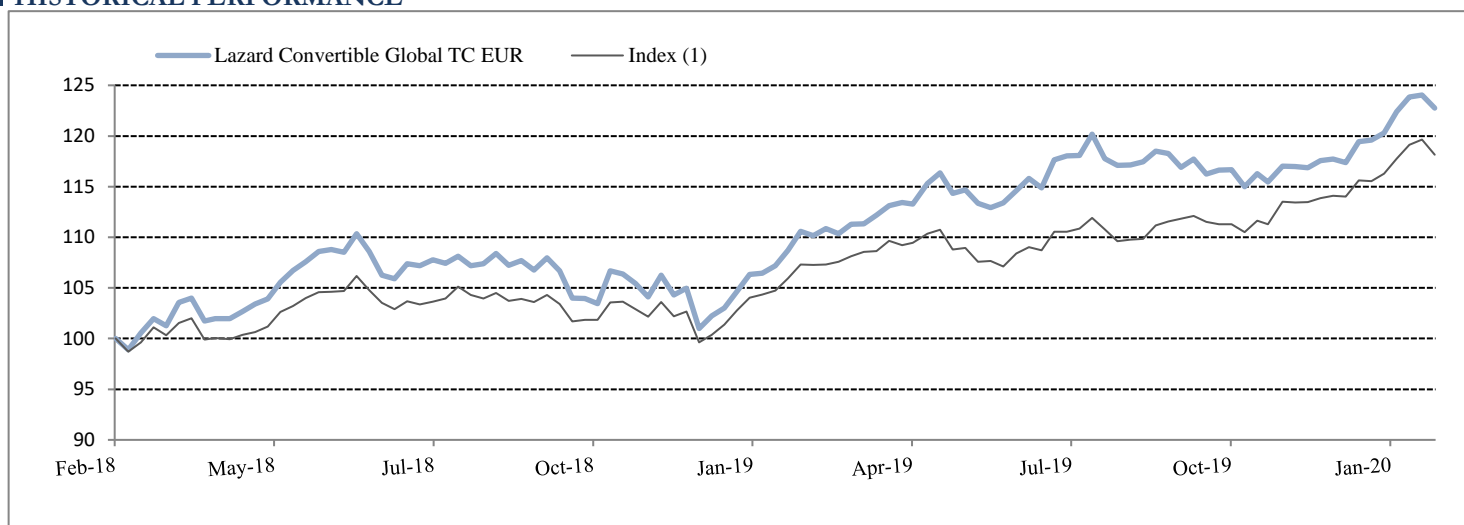
The portfolio is mainly invested in convertible bonds, exchangeable bonds, bonds with equity warrants, perpetual preferred shares, corporate and financials traded debt, sovereign debt, French law money-market and bond funds (whether or not UCITS-compliant) invested in bonds and other types of Euro-denominated 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 2020, Lazard Convertible Global TC EUR share class returned 3,48% versus 2,80% for its benchmark (Thomson Reuters Global Focus Convertible in Euros). The fund's equity sensitivity slightly increased during the period, currently standing at 52.0%, the benchmark's equity exposure decreased, now standing at 42.7%. Modified duration increased over the month and remains higher than the benchmark, standing at 2.68 versus 2.28. Security selections in US auto manufacturers, banks, software and Chinese communications added to relative performance. Selections in Asia and our underweight to Chinese semiconductors detracted to relative performance. Wirecard, present in the benchmark but absent from the fund, is recovering from a very sharp drop last year with new top management nominations in January, this had a negative relative impact. Our higher equity exposure compared to the index had a positive relative impact. Sensitivity to interest rates was also positive to relative performance with lower US and European rates. Over the month, we reduced our exposure to European consumer discretionary (Kering, LVMH) with concerns about the coronavirus propagation. We took some profits in the US automotive sector and reduced our exposure to European semiconductors. We sold a number of low delta and close-to-maturity names in Japan and Europe. We increased our exposure to US healthcare (DNA analysis and biopharma), slightly increased technology (software, LED manufacturers) and e-commerce exposures. We increased our exposure to Asia with convex names in the Chinese educational sector. We also increased our exposure to European energy. We maintained our overweight exposure to the dollar and the Swiss franc against all other currencies over the month.

## 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	3,5%	3,5%	15,1%	-	21,5%
Index <sup>(1)</sup>	2,8%	2,8%	13,1%	-	17,3%

Annualized performance *	1 year	3 years	Inception
Lazard Convertible Global	15,1%	-	10,3%
Index <sup>(1)</sup>	13,1%	-	8,3%

Annual performance *	2019	2018	2017	2016	2015
Lazard Convertible Global	15,7%	-	-	-	-
Index <sup>(1)</sup>	14,1%	-	-	-	-

Characteristics	Sicav	Index
Modified duration	2,68	2,28
Delta - Equity exposure	52,0%	42,7%

\* 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\*\*

1	2	3	4	5	6	7
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\*\*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
<b>Volatility</b>		
Lazard Convertible Global	7,0%	-
Index <sup>(1)</sup>	5,5%	-
<b>Tracking error</b>	3,7%	-
<b>Information ratio</b>	0,6	-
<b>Beta</b>	1,1	-
<b>Alpha</b>	0,8	-
<b>Correlation coefficient</b>	0,9	-

Ratios calculated on a weekly basis

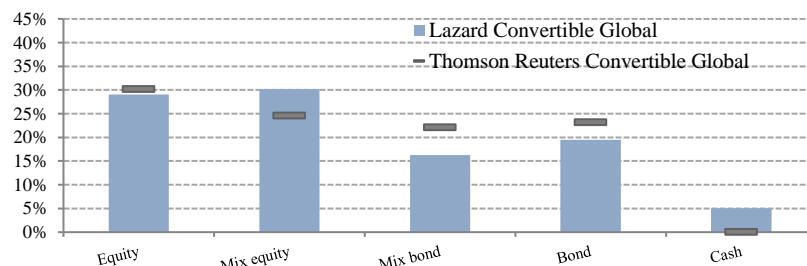
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## Lazard Convertible Global TC EUR

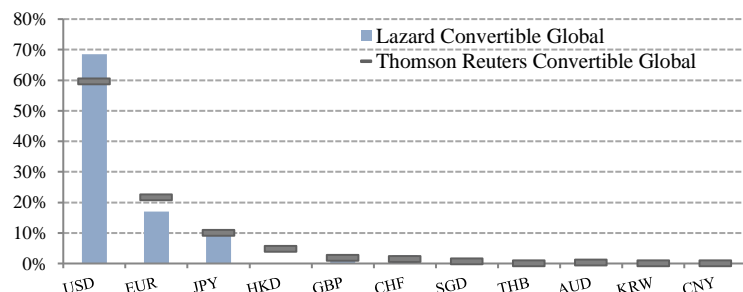
### MAIN HOLDINGS

Main Holdings	Maturity	Coupon %	Weight %
TESLA INC	03/15/22	2,375	3,9
SIKA AG	06/05/25	0,15	2,4
BANK OF AMER CORP	12/31/99	7,25	2,3
CELLNEX TELECOM S,A,	07/05/28	0,5	2,3
WELLS FARGO AND CO	12/31/99	7,5	2,3

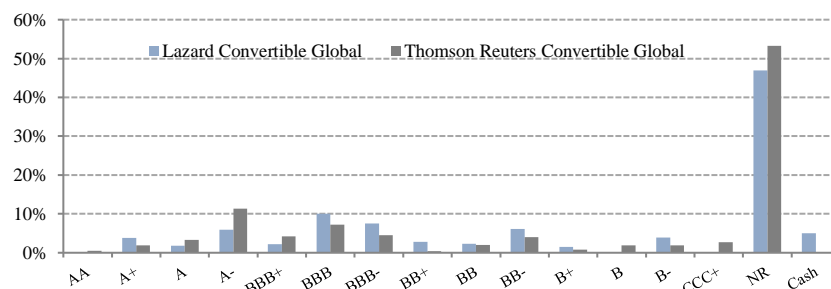
### EXPOSITION BY CONVERTIBLE BONDS TYPE (Equity exposure)



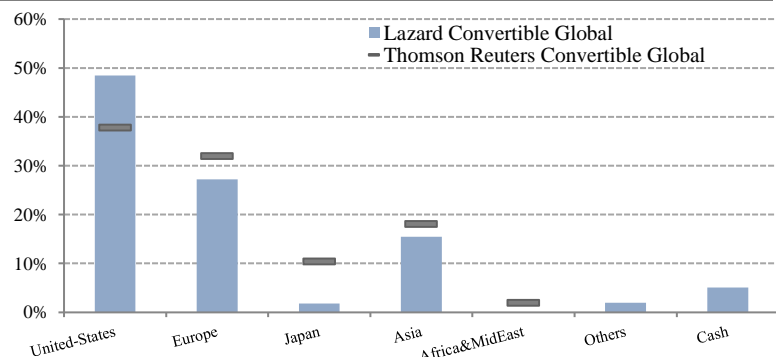
### CURRENCY ALLOCATION (% NAV)



### RATING ALLOCATION (% NAV)\*



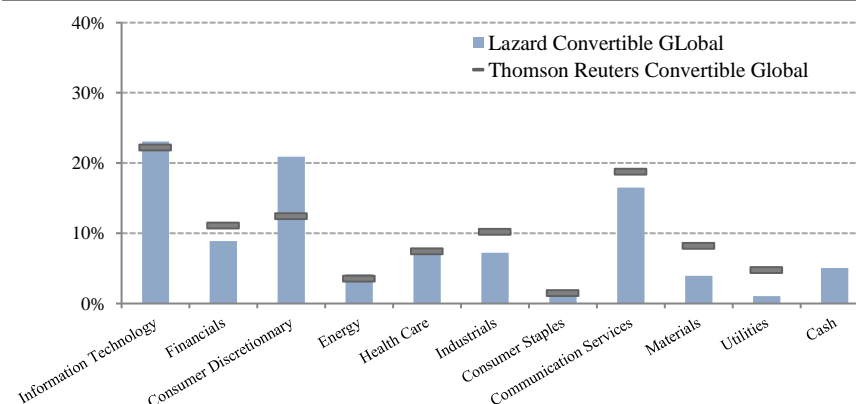
### GEOGRAPHICAL ALLOCATION (% NAV)\*\*



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

\*\* Nationality of underlying

### SECTOR ALLOCATION (% NAV)



### CHARACTERISTICS

<b>ISIN Code</b> TC EUR share : FR0013305950	<b>Valuation</b> Daily	<b>Management fees</b> TC EUR shares : 0,815% inclusive of all taxes of net assets
<b>Bloomberg Code</b> ACONGT	<b>Custodian</b> Caceis Bank France	<b>Subscription fee</b> 4% max
<b>Legal Form</b> SICAV	<b>Management company</b> Lazard Frères Gestion	<b>Redemption fee</b> 1% max
<b>Type</b> UCITS	<b>Financial Manager</b> Lazard A.M	<b>Total expense ratio and transaction fees</b> For more information, please check our prospectus
<b>AMF classification</b> Mixt	<b>Taxation</b> Capitalization and or distribution	<b>Subscription terms</b> On next NAV for orders placed before 11 a.m.
<b>Currency</b> Euro	<b>Inception Date</b> TC EUR share : 29/01/2018	Settlement and value date Subscription D (NAV date) + 2 business days Redemption D (NAV date) + 2 business days
<b>Investment horizon</b> >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 & data :

Client servicing  
01.44.13.01.79

#### NAV's Publication :

www.lazardfreresgestion.fr

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