

Euro Bonds	Share Class	ISIN Code	NAV €	Net assets (€ Million)	Total net assets (€ Million)
	PC EUR unit	FR0010505313	1737,58	94,19	106,14
	PD EUR unit	FR0010597138	1003,82	11,96	

## MANAGEMENT

### INVESTMENT POLICY

The fund's investment objective aims to outperform, on a minimum investment horizon of 3 years, the Merrill Lynch HEAG index.

### FUND MANAGER'S COMMENT - Alexia LATORRE

The asset class's performance rebounded in October (+0,37% for the HEAE index) despite the widening in spreads (+6bp), which was more than offset by the fall in yields (10bp and 12bp respectively for the German 5-year and 10-year bonds) and the carry trade. Spreads initially tightened (-35bp) during the first three weeks, driven by the continued economic recovery in the manufacturing sector (upturn of manufacturing PMIs in the Eurozone and the United States). However, the past week erased these gains due to the resurgence of Covid-related cases in Europe and the imminent introduction of new lockdown measures to limit infections. The market also had to absorb a record amount of primary issues (€11,4bn). This also weighed on spreads, which reached 502bp at the end of the month.

Against this backdrop, BB ratings outperformed while B-rated credit underperformed. From a sector perspective, there was a great deal of disparity that generally favoured cyclical sectors. Transport (IAG, Atlantia), automotive (Adler Pelzer, Grupo Antolin) and retail (*Hema*, Dufry, Casino) outperformed. At the other end, leisure, the sector hardest hit by the health crisis (Carnival, Cirs), real estate (Corestate, Ado Properties), as well as telecoms (Altice, Virgin Media) and services (*Selecta*, Sarens, Kiloutou) underperformed.

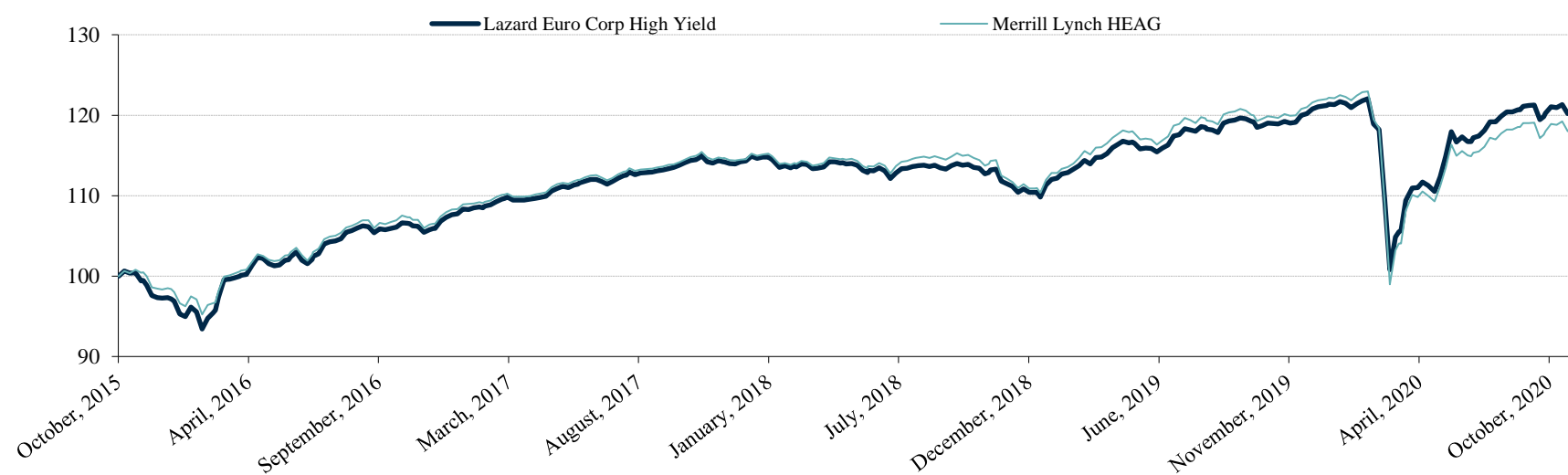
The portfolio returned +0,31% over the month, underperforming the HEAG and HEAE indices by 3bp and 6bp, respectively.

Among the best performances were automotive suppliers, led by Adler Pelzer and Grupo Antolin. They benefited from the release of their peers' third quarter results, which showed a recovery in automotive production with in particular a return to pre-Covid-19 volumes in the US market and very good margin growth. Atlantia and Autostrade per l'Italia rose following Atlantia's statement that it would be ready to consider an offer for its 88% stake in Autostrade subject to a fair market valuation (estimated at nearly €10bn).

Conversely, Douglas has been impacted by a gloomier sales and profitability outlook in view of national lockdowns, particularly in France where the company generates its highest margins. Autodistribution and Infopro were also hurt by the announcement of a second lockdown in France..

## PERFORMANCE - PC Unit

### HISTORICAL PERFORMANCE



Past performance indications is not a guarantee of current or future performance. The return may increase or decrease as a result of currency fluctuations  
The tax treatment depends on the individual circumstances of each investor and may be subject to change in the future

### PERFORMANCE

Cumulative Performance*	MTD	YTD	1 year	3 years	5 years	Inception
Lazard Euro Corp High Yield	0,3%	-0,8%	1,1%	4,8%	20,2%	73,8%
Merrill Lynch HEAG**	0,3%	-3,3%	-1,4%	2,5%	18,0%	80,5%

\*\* Eonia until september 30th 2010, then Merrill Lynch HEAG

Création: 09/21/2007

Annualized performance*	1 year	3 years	5 years	Inception
Lazard Euro Corp High Yield	1,1%	1,6%	3,7%	4,3%
Merrill Lynch HEAG	-1,4%	0,8%	3,4%	4,6%

Annual Performance*	2019	2018	2017	2016	2015
Lazard Euro Corp High Yield	9,8%	-3,4%	6,1%	10,7%	-1,5%
Merrill Lynch HEAG	-3,1%	-3,1%	5,7%	10,0%	0,2%

YTM	4,1%	YTW	4,0%	Spread vs Govt.	420
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### SCALE RISK



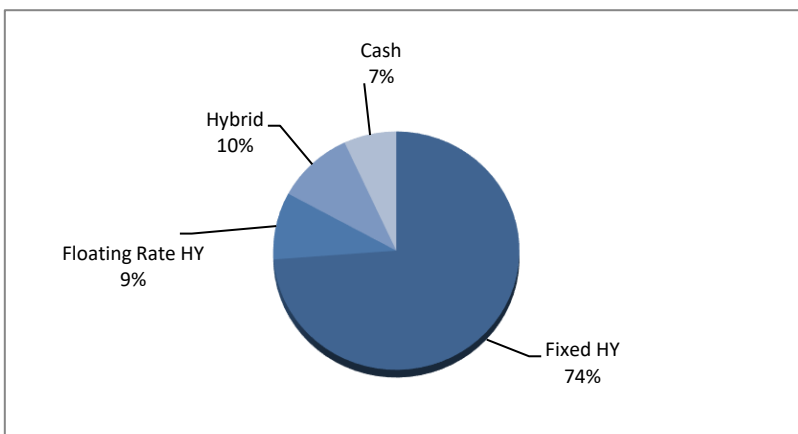
Risk scale calculated from the volatility of the UCITS over a period of 5 years (see detail on the back). Risk 1 does not mean a risk-free investment. This indicator may change over time.

### RISK RATIOS

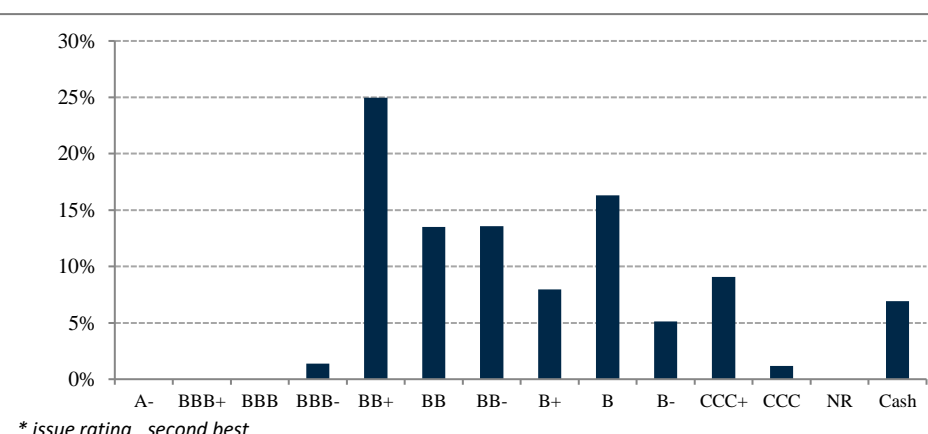
	1 year	3 years
<b>Volatility</b>		
Lazard Euro Corp High Yield	13,9%	8,4%
Merrill Lynch HEAG	15,4%	9,2%
<b>Tracking error</b>	1,8%	1,1%
<b>Information Ratio</b>	1,4	0,7
<b>Modified Duration</b>	3,1	

Ratios calculated on a weekly basis

## SECTOR ALLOCATION



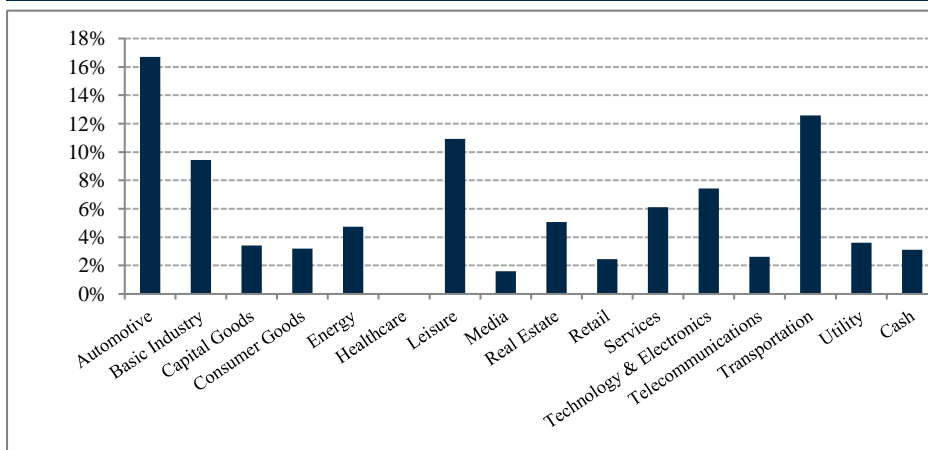
## RATING ALLOCATION\*



## MAIN HOLDINGS

Main Holdings	Weight
PETR ME 3,75 02-24	1,4%
FIAT CH 3,875 01-26	1,3%
IMS HEA 3,25 03-25	1,1%
ALTI FR 8,0 05-27	1,1%
ZIGG BV 4,25 01-27	1,1%

## SECTOR ALLOCATION



## FUND DETAILS

<b>ISIN Code</b> PC Unit: FR0010505313 PD Unit : FR0010597138	<b>Valuation</b> Daily	<b>Management fees</b> Maximum 0,75% inclusive of taxes
<b>Bloomberg Code</b> PC Unit : LFOBAHR FP	<b>Custodian</b> Lazard Frères Banque	<b>Total expense ratio &amp; transaction fees</b> For more information, please check our prospectus on <a href="http://www.lazardfreresgestion.fr">www.lazardfreresgestion.fr</a>
<b>Legal Form</b> FCP	<b>Management company</b> Lazard Frères Gestion	<b>Subscription fees</b> maximum of 4% inclusive of taxes
<b>UCITS Compliant</b> Yes	<b>Fund Administration</b> CACEIS FA	<b>Redemption fees</b> maximum of 4% inclusive of taxes
<b>Classification AMF</b> Obligations et Titres de créances Euro	<b>Taxation</b> PC Unit : Accumulation PD Unit : Distribution	<b>Subscription Terms :</b> Daily by 12 am CET Settlement and Value Date D + 2 Business days
<b>Currency</b> Euro	<b>Creation date</b> 21/09/2007	<b>Performance fees :</b> 15% of the outperformance in excess of the Merrill Lynch HEAG Index, limited to 2%.
<b>Investment horizon</b> > 3 years		
<b>Modified Duration</b> 0 to 8		

\*\* Risk scale : calculated from the historic volatility of the UCITS over a period of 5 years, If the fund is not 5 years old of history, the level of risk is calculated from the target volatility of the strategy. The management company saves itself the possibility of adjusting the level of risk calculated according to the specific risk of the fund. This risk scale supplied as a rough guide and may be modified without advance notice.

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