

January 2021

Lazard Euro Corp High Yield PC EUR

Euro Bonds	Share Class	ISIN Code	NAV €	Net assets (€ Million)	Total net assets (€ Million)
	PC EUR unit	FR0010505313	1830,55	97,77	111,04

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 started the year with a positive performance of 0,46%. Spreads tightened by 14bp in January, with this movement taking place mainly during the first three weeks, before widening towards the end of the month. This was fuelled by increasingly strict restrictive measures adopted in Europe following the emergence of Covid variants, as well as by the slower-than-expected pace of vaccination campaigns due to logistics problems.

The primary market was very active and January was a record month with issuance of €13,8bn, which was well absorbed by the market, all the more so as the yields offered were high. Yields remained fairly stable on 5-year bonds and rose by 5bp on 10-year bonds.

In this environment, the lowest credit ratings outperformed those rated B and BB. By sector, media (Netflix, RCS & RDS, Telecolumbus), basic industries (Vallourec, Obrascón, KME AG) and automotive (Jaguar, Fiat Chrysler) posted the best performances. Conversely, energy (Pemex, Saipem), transport (Q-Park, Emparc) and leisure (Cirsa, Merlin Entertainment) were in the red.

The portfolio returned 0,21% over the month, underperforming the HEAG and HEAE indices by 9bp and 24bp, respectively.

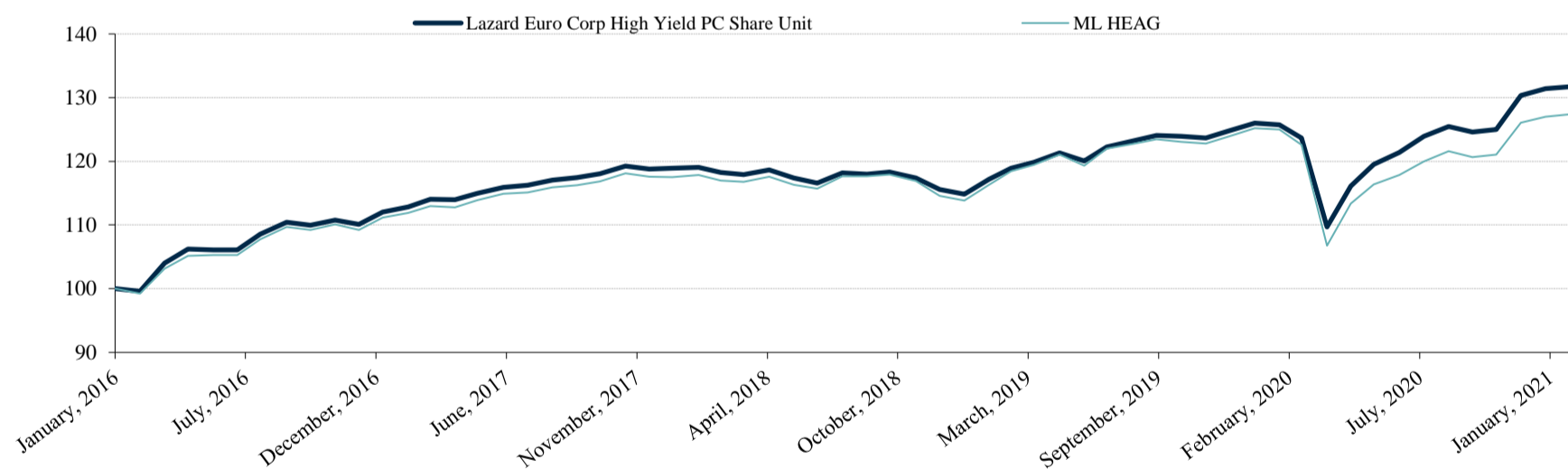
Among the best performers was Jaguar, which reported good quarterly results with margins above 15%, improved leverage and positive free cash flow for the second quarter in a row. Netflix paper soared after an earnings release that beat analysts' estimates and a one-notch upgrade of its rating by S&P to BB+.

Lastly, Sarens benefited from the rise in oil prices and the search for yield.

At the other end of the scale were the names most affected by the health crisis, a case in point being Air France, which was down given the pessimistic outlook for the recovery in air traffic. Cirsa, a casino manager, was also impacted. Lastly, EDF fell due to uncertainties over an agreement to overhaul the "Hercules" reorganisation project.

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
Lazard Euro Corp High Yield PC EUR	0,2%	0,2%	4,7%	10,6%	31,7%
Merrill Lynch HEAG**	0,3%	-3,3%	-1,4%	2,5%	18,0%

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

Création: 09/21/2007

Annualized performance*	1 year	3 years	5 years
Lazard Euro Corp High Yield PC EUR	4,7%	3,4%	5,7%
Merrill Lynch HEAG	1,9%	1,9%	1,9%

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

YTM	3,4%	YTW	2,9%	Spread vs Govt.	322
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RISK SCALE



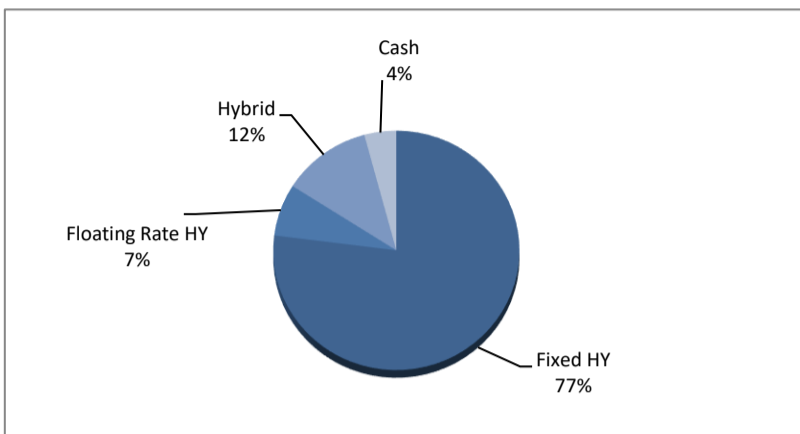
Risk scale calculated from the volatility of the UCITS over a period of 5 years (see detail on the back). Risk 1 does not mean a risk-free investment. This indicator may change over time.

RISK RATIOS

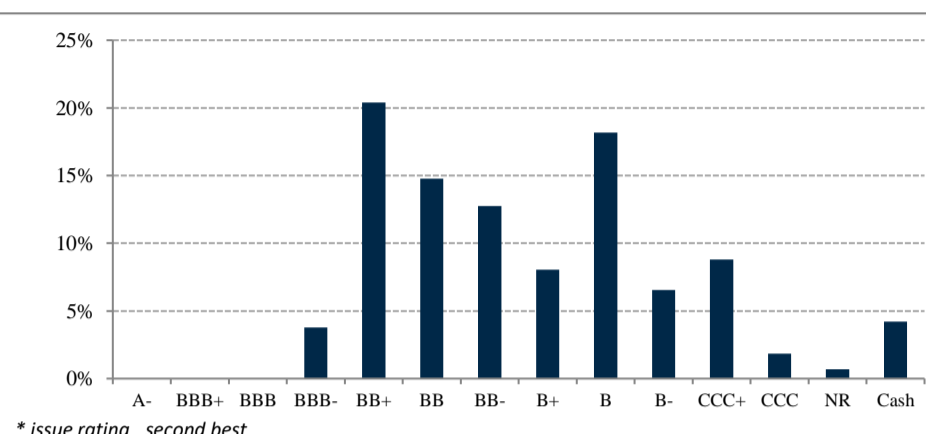
	1 year	3 years
Volatility		
Lazard Euro Corp High Yield PC EUR	13,8%	8,2%
Merrill Lynch HEAG	15,2%	9,1%
Tracking error	1,7%	1,1%
Information Ratio	1,7	0,7
Modified Duration	2,8	

Ratios calculated on a weekly basis

SECTOR ALLOCATION



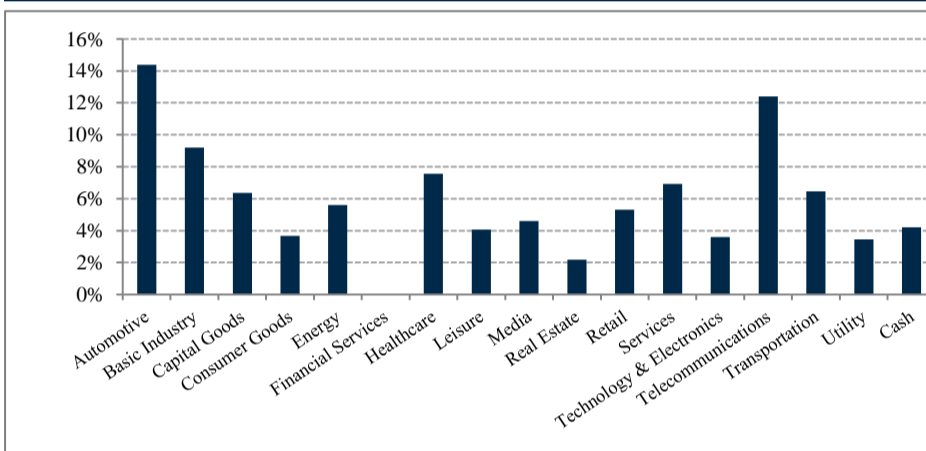
RATING ALLOCATION*



MAIN HOLDINGS

Main Holdings	Weight
PETR ME 3,75 02-24	1,4%
ALTI FR 8,0 05-27	1,1%
FAUR 3,75 06-28	1,1%
FORD MO 3,25 09-25	1,1%
TELE IT 4,0 04-24	1,0%

SECTOR ALLOCATION



FUND DETAILS

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

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