

The fund's investment objective is to achieve, over the recommended investment period of 3 years, a return net of management fees above the following composite index : 20% MSCI World All Countries NR € + 80% ICEBofAML Euro Broad Market Index NR €. The index is rebalanced monthly and its components are expressed in euros, dividends or net coupons reinvested.

Equity markets rebounded sharply in April, buoyed by signs of activity restarting in China, the prospect of an exit from lockdown in Europe and the United States as the epidemic situation improves, massive monetary and fiscal responses around the world, and the hope of a treatment for COVID-19. These factors relegated the bad economic figures to the background. Dividends reinvested, the S&P 500 rose by 12,8% in dollars, the Euro Stoxx by 6,5% in euros, the Topix by 4,3% in yen and the MSCI Emerging Markets index by 9,2% in dollars. The euro depreciated by 0,7% against the dollar and by 1,0% against the yen. 10-year government bond yields fell by 3 basis points in the United States and by 12 basis points in Germany. Euro-denominated bond indices were up: +0,4% for the BofAML Euro Government Index, +3,7% for the iBoxx investment grade bond index, +5,9% for the subordinated financial bond index and +6,2% for the iBoxx EUR liquid high yield index.

The fund benefited from the rebound in equities and credit. It was hurt by its lower sensitivity to euro-denominated interest rates than its benchmark and its negative sensitivity to US 10-year interest rates.

The rebound in risky assets made it possible to remove the hedges put in place during the March decline, i.e. three quarters of the target allocation. Re-exposure was made at CAC 40 levels of 4353, 4547 and 4451 respectively (on April 6th, 14th and 23rd), raising the weight of equities by around 23%.

At the beginning of the month, we trimmed the Lazard Small Caps Euro fund by 1% in favour of large-cap euro equities. Shortly afterwards, judging that the lockdown was likely to end in the coming weeks and that the support and stimulus measures announced or to come in the United States should drive interest rates up, we accentuated the negative sensitivity to US 10-year interest rates (0,5 points to 0,76). We then reduced US equities by 0,8% in favour of euro equities. Lastly, we reduced our positions in euro and US equities by 0,6% each as part of the month-end index rebalancing (CAC 40 at 4572).

April was marked by a fall in sovereign yields and a sharp tightening in credit risk premiums. This marked rebound in credit was driven by several factors. In terms of flows, the trend reversed with very significant inflows, particularly in IG. In addition, there was better news on the health front, together with new support measures from central banks and also further regulatory relief for banks (leverage ratio, provisioning for doubtful loans benefiting from state guarantees and COVID-19 moratoriums, amongst others). After benefiting from the confirmation of its rating by S&P, Italian debt once again came under pressure with Fitch downgrading its rating by one notch to BBB- at the end of April.

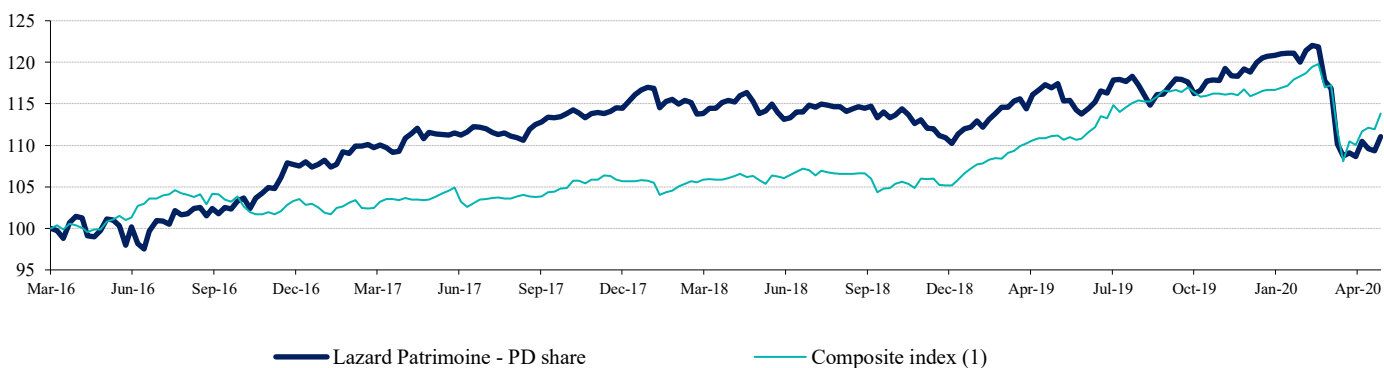
The first earnings releases by banks were not as bad as expected: unsurprisingly, the cost of risk increased, particularly for exposures related to the oil sector. Overall, European banks made significant generic provisions, representing more than 50% of the stock of new provisions in Q1, a stock that is based on estimates as uncertainty remains high. Virtually all banks generated profits, albeit sharply declining. Capital ratios are slightly down but remain at high levels. Deutsche Bank reported a slightly better-than-expected net profit thanks to the strong showing of its capital market activities and good cost control, despite the increase in the estimated cost of risk.

The primary market momentum seen in March was confirmed: the unprecedented interventions by central banks and governments had enabled the successful reopening of the Investment Grade primary market, resulting in a record issuance amount of €86bn in April at a sustained pace, the fastest ever recorded. Issuers rated A and higher, such as Bouygues, Sanofi, Total, represented the majority of the supply, which implies that a large part of the financing taken in April was precautionary. Overall, demand has been very strong, although risk premiums have tended to fall.

Despite a very large volume of primary issues, IG spreads narrowed over the month due to positive technical factors (positive flows in the asset class and ECB purchases). The margin against government bonds tightened by 66bp for senior financial credit to 169bp and by 39bp for senior corporate credit to 176bp, by 93bp for subordinated financials to 262bp and by 45bp for IG corporate hybrids to 283bp (ICE BofAML indices).

The bond portfolio's structure was modified. In a context of easing benchmark rates and credit outperformance, we are significantly increasing the weight of credit at the expense of sovereign issuers and among credit, subordinated financial debt and non-financial issuers rated in the High Yield category.

After the collapse in March, equity markets recovered strongly on the whole in April, despite the first earnings releases often accompanied by the jettisoning of objectives for the year and the historic event on 20 April, which saw US oil, the WTI, trade at a negative price, reflecting the depth of the imbalance between supply and demand. Brent also lost 30% over the period. The Fed's announcements of generous measures, however, and a more dovish approach by the ECB, as well as the favourable evolution of the epidemic in Western countries, outweighed investor psychology. The Euro Stoxx rebounded by 6,53% in April and the pocket outperformed boosted by commodities, industrial goods and the absence of oil and gas. On an individual stock basis, Carrefour was subjected to profit-taking and fell by 6% after its good start to the year, like Orange, while the most sensitive stocks such as Santander, Société Générale and Vinci continued to fall. Some cyclical stocks, such as Aperam, Rexel, Eiffage, Imerys and AkzoNobel, also outperformed. Remarkably, some stocks reached their all-time high in April 2020. The position we set up in Safran also made a positive contribution.



	Month	YTD	1 year	3 years	5 years	Inception*
<b>Lazard Patrimoine - PD share</b>	<b>2,2%</b>	<b>-7,9%</b>	<b>-5,4%</b>	<b>0,2%</b>	<b>10,9%</b>	<b>10,9%</b>
<i>Composite index <sup>(1)</sup></i>	<i>3,1%</i>	<i>-2,1%</i>	<i>2,3%</i>	<i>10,0%</i>	<i>13,7%</i>	<i>13,7%</i>

Composite index <sup>(1)</sup>

*\*Inception le 31/12/2014*  
 (1) 20% MSCI World All Countries NR € + 80% ICEBofAML Euro Broad Market Index NR € since 04/01/2018 before 20% MSCI World All Countries NR € + 80% ICEBofAML Euro Government Index NR € since 12/01/2017 before 20% MSCI World AC ND € + 80% EuroMts Global

(2) The performance quoted represents past performance. Past performance does not guarantee future results.

Annual performance <sup>(2)</sup>	30/04/20	30/04/19	30/04/18	30/04/17	30/04/16
Lazard Patrimoine - PD share	-5,4%	1,8%	4,1%	10,1%	-
Composite index <sup>(1)</sup>	2,3%	4,8%	2,6%	4,0%	-

<b>RISK RATIOS **</b>	<b>1 year</b>	<b>3 years</b>
<b>Volatility</b>		
<b>Lazard Patrimoine - PD share</b>	8,7%	6,1%
<i>Composite index (1)</i>	7,6%	5,1%
<b>Tracking error</b>	5,4%	4,5%
<b>Information ratio</b>	-1,36	-0,69
<b>Ratio de sharpe</b>	-0,52	0,08
<b>VaR 99% - 1 mois</b>	9,75%	

## BREAKDOWN AND EXPOSURE BY CLASS OF ASSETS

Indice : 20% MSCI World All Countries NR € + 80% ICEBofAML Euro Broad Market NR €

Equities			Bonds		
Max exposure = 40% / min exposure = 0%			Max modified duration = +8 / Min modified duration = -5		
	Fund	Index		Fund	Index
Net exposure :	29,7%	20,0%	Global Modified duration:	-1,2	5,7
Equity geographical exposure			Modified duration - Geographical breakdown		
	Fund	Index		Fund	Index
Actions Europe	8,0%	3,6%	Eurozone	0,7	5,7
Actions Emergentes	3,3%	2,3%	USA	-1,9	0,0
Actions US	16,0%	11,3%			
Actions Japon	2,4%	1,4%			
Actions Autres	0,0%	1,3%			
Main equity holdings			Bonds - Investment breakdown		
MICROSOFT CORP	0,96%		Government bonds		31,0%
ALPHABET- A	0,72%		Corporate Bonds		42,1%
AMAZON,COM INC	0,64%		- Corporate Investment Grade		8,8%
VISA INC CLASS A	0,56%		- Corporate High Yield		5,7%
MERCK AND	0,46%		- Financials Senior		8,7%
As percent of total net assets			- Financials Subordinated		19,0%
Currency exposure			As percent of total net assets		
	Fund	Index	Bonds bucket information		
USD	12,2%	11,5%	Spread duration (%)		4,8
JPY	2,0%	1,4%	Credit spread (bps)		249
SEK	5,1%	0,2%	Average maturity (years)		6,0
Devises émergentes	3,2%	1,6%	Yield (%)		1,9
GBP	1,3%	0,9%	As percent of the bonds bucket		
As percent of total net assets					
Tactical Arbitrage					

## CONTACTS &amp; ADDITIONAL INFORMATION

Subscription / redemption  
CACEIS BANK / LFG  
01.57.78.14.14

## Additional information &amp; data :

Commercial service  
01.44.13.01.79

## Publication of NAVs &amp; prospectus :

[www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

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