LAZARD PATRIMOINE SRI

March 2021 Lazard Patrimoine - PD share

Total Net Asset (M €)	614.1	**Inception date**	21/03/2016
NAV € RC share	1 283.07	**ISIN code**	FR0013135472
		Code Bloomberg	LAZPATD FP Equity

MORNINGSTAR Sustainability Rating ★★★★★

Country of registration

MANAGERS



Matthieu Grouès, Colin Faivre et Julien-Pierre Nouen

INVESTMENT POLICY

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.

MANAGERS' COMMENT - ASSET ALLOCATION

Equities in developed countries performed very well in March, helped by the adoption of a massive stimulus plan in the United States, the improvement in the manufacturing sector and the accommodating stance of the Fed and the ECB. The sector rotation in favour of cyclical stocks continued, against a backdrop of a continued rise in US long-term interest rates. The German 10-year bond yield was virtually stable. Dividends reinvested, the Euro Stoxx rose by +6,6%, the Topix by +5,7% in yen and the S&P 500 by +4,4% in dollars, while the MSCI Emerging Markets index lost 1,5% in dollars. The ICE BofA Eurozone Government Bond Index was up +0,2%. The iBoxx euro credit indices rose by 0,2% for investment grade, 0,4% for high yield and 0,7% for financial subordinated bonds. The euro depreciated by -2,9% against the dollar but appreciated by +0,9% against the yen.

The fund benefited from its overweight position in equities and its investments in credit. It also benefited from its negative sensitivity to the US 30-year Treasury yield, which rose 26 basis points. It was hurt by the partial dollar hedge.

We extended the partial hedging of our positions in High Yield and subordinated financial bonds by purchasing protection for 3,9% of assets (iTraxx Xover at 258).

Lazard Frères Gestion informs you that the management company has updated the provisions relating to the inclusion of environmental, social and governance (ESG) criteria in the KIIDs and prospectuses of its Funds in accordance with EU Regulation 2019/2088 on the publication of sustainability information in the financial services sector and with AMF Position-Recommendation 2020-03 on collective investments incorporating extra-financial approaches.
For further details, please consult the relevant Fund fact sheet on our website http://www.lazardfreresgestion.fr/FR/Fonds_71.html or contact your sales agent.

BOND MANAGERS' COMMENT

Long-term interest rates diverged on either side of the Atlantic in March, with the yield spread between the T-Note and the 10-year Bund now standing at 2,0%, up 37bp over the month. This development reflects growth and inflation prospects as well as the clearly stronger vaccination momentum in the United States. The health situation is continuing to deteriorate in continental Europe, forcing governments to introduce or tighten restrictive measures and the ECB to strengthen its support for the economy, with the announcement of a significant increase in its asset purchases in the coming quarter. This news contributed to the continued tightening of spreads between Eurozone countries, with the German Bund and the Italian 10Y BTP falling by 3bp and 9bp respectively in March to -0,29% and +0,67%.
Credit presented a mixed picture over the month: the credit margin against government bonds widened slightly by 1bp for senior corporate credit to 83bp and by 2bp for senior financial credit to 79bp, while it tightened by 6bp for subordinated financials to 141bp and by 13bp for IG corporate hybrids to 194bp (ICE BofAML indices). Spreads tightening occurred mainly in the second week of the month following the ECB meeting announcing an acceleration of its asset purchase programme. All sectors were in the green, especially automotive, leisure and energy, while defensive sectors (consumer goods, utilities, healthcare) performed less well.
For financial issuers, the end of the month was marked by the setbacks of the Archegos fund and the losses incurred by its prime brokers, particularly Credit Suisse which came in for a battering after issuing a statement indicating "a significant impact in Q1". CS finally reported an impact of CHF4.4bn, but this should result in a pre-tax loss of CHF900m thanks to stellar Q1 revenues. The CS share fell by 19% in the last week of the month and the AT1 by between 2% and 5%. Unsurprisingly, S&P, Fitch and Moody's placed the bank's rating on negative outlook.

The bond portfolio's structure changed marginally against a backdrop of virtually unchanged benchmark rates and tightening credit spreads. Corporate issuers now represent 80% of the bond portfolio.

EQUITY MANAGERS' COMMENT

The international SRI equity compartment turned in a performance of 7,9% compared with a rise of 6,7% for the MSCI World index.
The stock-picking effect was very positive in the technology sector. In this sector, ASML Holding continued to perform well (+30% since the beginning of the year). The good performances of Motorola Solutions Inc (+11,1%) and Texas Instruments Inc (+13,3%) also contributed positively.
Similarly, consumer discretionary stocks made positive contributions, notably BMW (+23,7%), Home Depot (+22,8%) and LVMH (+8,2%).
Conversely, the lack of exposure to the utilities sector weighed on performance, as did our exposure to consumer non-durables with Asahi (+0,7%).

RISK SCALE*

1 **2** 3 4 5 6 7

Recommended investment period of 3 years

COMPOSITE INDEX

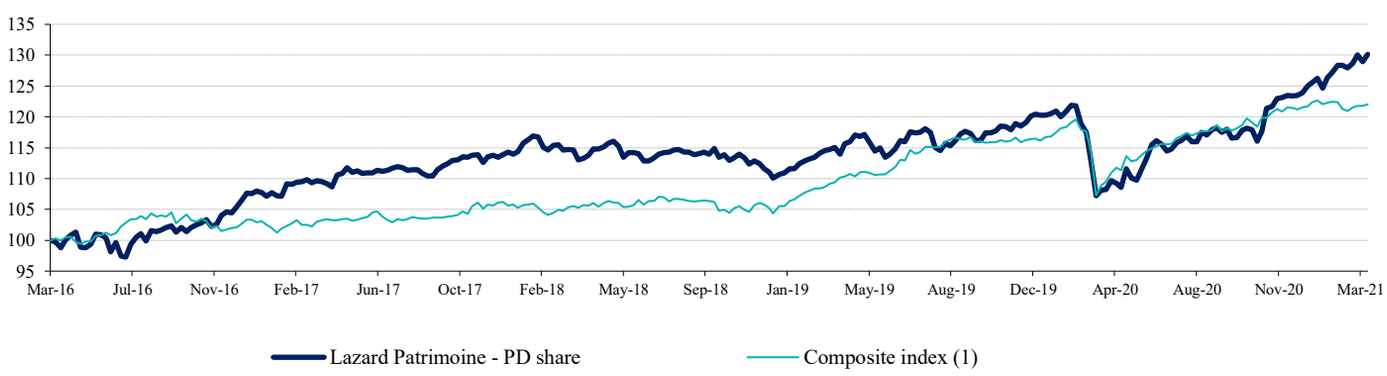
20% MSCI World All Countries NR €
+ 80% ICEBofAML Euro Broad Market Index NR €

CARACTERISTICS

Legal form	Compartment of the LAZARD MULTI ASSETS Sicav
Base currency	Euro
Investment horizon	> 3 ans
NAV Frequency	Daily
Subscription fee	2,5% Max
Redemption fee	None
Performance fee	None
Fund administration	Caceis Fund Administration
Custodian	Lazard Frères Banque
Management company	Lazard Frères Gestion SAS
Management fee	PD share - 0,73% max. incl. VAT
Subsrcription term	NAV D for orders processed before 12 p.m.
Redemption term	NAV D for orders processed before 12 p.m.
Settlement and value date	D (NAV date) + 2 business days
Minimum subscription	1 share
Total expense ratio and transaction fees	For more information, please refer to the fund's prospectus

** 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 posibility 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.

HISTORICAL PERFORMANCE



HISTORICAL PERFORMANCES

Cumulative (2)

	Month	YTD	1 year	3 years	5 years	Inception*
Lazard Patrimoine - PD share	**2.6%**	**4.9%**	**20.0%**	**14.6%**	**-**	**30.3%**
Composite index (1)	*1.3%*	*0.2%*	*10.7%*	*15.4%*	-	*22.1%*

**Inception le 31/12/2014*
(1) 20% MSCI World All Countries NR € + 80% ICEBofAML Euro Broad Market Index NR € since 04/01/2018 before20% 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.

Calendar performance (2)	2020	2019	2018	2017	2016
Lazard Patrimoine - PD share	**3.1%**	**8.6%**	**-2.8%**	**6.6%**	**-**
Composite index (1)	*4.8%*	*10.4%*	*0.0%*	*6.6%*	-

Annual performance (2)	31/03/21	31/03/19	31/03/18	31/03/17	31/03/16
Lazard Patrimoine - PD share	**6.6%**	**0.9%**	**3.5%**	**-**	**-**
Composite index (1)	*10.7%*	*4.3%*	*2.7%*	-	-

Annualized performance (2)	3 years	5 years
Lazard Patrimoine - PD share	**4.6%**	**-**
Composite index (1)	*5.0%*	-

RISK RATIOS **	1 year	3 years
Volatility		
Lazard Patrimoine - PD share	6.9%	7.0%
Composite index (1)	3.9%	5.4%
Tracking error	5.4%	4.7%
Information ratio	1.49	-0.05
Ratio de sharpe	2.95	0.75
VaR 99% - 1 mois	7.23%	

BREAKDOWN AND EXPOSURE BY CLASS OF ASSETS

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

Equities

Max exposure = 40% / min exposure = 0%

	Fund	Index
Net exposure :	**31.0%**	**20.0%**

Bonds

Max modified duration = +8 / Min modified duration = -5

	Fund	Index
Global Modified duration:	**-0.7**	**6.0**

Equity geographical exposure

	Fund	Index
Actions Europe	10.1%	3.3%
Actions Emergentes	5.9%	2.6%
Actions US	12.3%	11.6%
Actions Japon	2.7%	1.3%
Actions Autres	0.0%	1.2%

Modified duration - Geographical breakdown

	Fund	Index
Eurozone	2.2	6.0
USA	-3.0	0.0

Main equity holdings

LVMH (LOUIS VUITTON - MOET HENNESSY)	0.89%
ASML HOLDING NV	0.86%
ALPHABET- A	0.64%
BANK OF AMERICA CORP	0.63%
TEXAS INSTRUMENTS COM	0.60%

As percent of total net assets

Bonds - Investment breakdown

Government bonds	**18.4%**
Corporate Bonds	**46.6%**
- Corporate Investment Grade	13.9%
- Corporate High Yield	4.6%
- Financials Senior	9.1%
- Financials Subordinated	19.0%

As percent of total net assets

Bonds bucket information

Spread duration	5.5
Credit spread (bps)	112
Average maturity (years)	7.3
Yield (%)	1.1

As percent of the bonds bucket

Currency exposure

	Fund	Index
USD	9.3%	11.9%
JPY	2.9%	1.3%
SEK	5.3%	0.2%
Devises émergentes	5.9%	1.7%
GBP	0.6%	0.8%

As percent of total net assets

Others

Protection CDS	-7.4%

As percent of total net assets

CONTACTS & ADDITIONAL INFORMATION

Subscription / redemption
CACEIS BANK / LFG
01.57.78.14.14

Additional information & data :
Commercial service
01.44.13.01.79

Publication of NAVs & prospectus :
www.lazardfreresgestion.fr

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