

Total Net Asset (M €)	387,38M€	Inception date	31/12/2014	MORNINGSTAR	
NAV € RC share	114,46 €	ISIN code	FR0012355139	Overall	★ ★ ★ ★ ★
		Code Bloomberg	LAZPATR FP Equity		

MANAGERS



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MANAGERS' COMMENT - ASSET ALLOCATION

Equity markets rebounded in September, with the easing of trade relations between the United States and China outweighing concerns over the attack on two oil installations in Saudi Arabia, disappointing economic indicators in China and the United States, tensions in the US money market and the opening of an impeachment procedure against Donald Trump. In local currency, dividends reinvested, the Eurostoxx gained 3,7%, the S&P 500 1,9%, the Topix 6,0%, and the MSCI emerging equities index in dollars 1,9%. The ICE BofAM government bond index fell by 0,4% as the German 10-year yield rose by 13 basis points, despite further accommodative announcements from the ECB. In the euro-denominated credit compartment, the iBoxx indices fell by 0,8% for the investment grade corporate bond index, by 0,6% for the financial subordinated debt index and by 0,2% for the euro liquid high yield index. The euro depreciated by 0,8% against the dollar but appreciated by 0,8% against the yen.

The fund benefited from the rise in equities and from a lower sensitivity to Eurozone government bond yields than its benchmark index. It also benefited from its negative sensitivity to the US 10-year Treasury yield, which rose 17 basis points.

At the beginning of September, we set up a compartment to manage the exposure to US equities via live securities, replacing futures on the S&P 500 index. We strengthened the subordinated debt fund, which focuses on the Tier 1 Lazard Capital Fi segment (for 1.9% of assets). In order to rebalance the overweighting between the two zones, we reduced European equities by 1% in favour of US equities. Lastly, the Fund's exposure to equities was adjusted by -0,5% as part of the month-end rebalancing (CAC 40 at 5 678/Euro Stoxx 50 at 3 569).

BOND MANAGERS' COMMENT

September saw renewed optimism over the China-US trade talks, which prompted a general rise in sovereign bond yields. However, the reduction in Italian yields that we witnessed in August on the back of a new coalition government being formed continued. The ECB announced a series of measures: (1) a 0,10% cut in the deposit rate, taking it to -0,50%; (2) the introduction of a tiering mechanism aimed at mitigating the effect of (1) on banks' income statements; (3) the restart of a QE programme of €20 billion, for an indefinite period. In America, the Fed cut its rates by 25 bps because of uncertainties partly surrounding the trade talks.

There were contrasting fortunes for different types of credit in September, with senior credit fairly stable while corporate hybrid debt and, to a lesser extent, financial subordinated bonds delivered outperformance. The spread against government bonds was stable for senior financial credit at 95 bps, widened by 1 bp to 111 bps for IG corporate credit and narrowed by 1 bp to 178 bps for financial subordinated credit and by 7 bps to 206 bps for corporate hybrid debt (Merrill Lynch indices).

The structure of the bond portfolio was kept virtually unchanged against a backdrop of sharply rising benchmark rates and a slight outperformance by credit. We are more positive on credit and less so on sovereign issuers, with a preference for financial subordinated bonds.

EQUITY MANAGERS' COMMENT

In the first half of September, the market experienced a very significant thematic and sectoral shift from “growth/momentum” to “value/cyclical”. This change was accompanied by a slight increase in European interest rates, with the Bund yield rising during the opening fortnight of the month from a staggering -0,72% to a slightly less staggering -0,45%. However, there was a quick reversal, with rates starting to fall again, the Fed expressing concern, the price of oil leaping 10% (before shedding all these gains) as a result of the attack in Saudi Arabia and risk aversion once again dominating the equities market, although this managed to end the month up 3,66%. Thanks primarily to healthcare, industrial goods and insurance stocks. It was hindered by poor performances from Unilever, Atos, Wartsila (which issued a profit warning) and Kerry Group, but benefited from gains at ASML, Axa, Ryanair, Saint-Gobain and KBC, among others.

RISK SCALE*

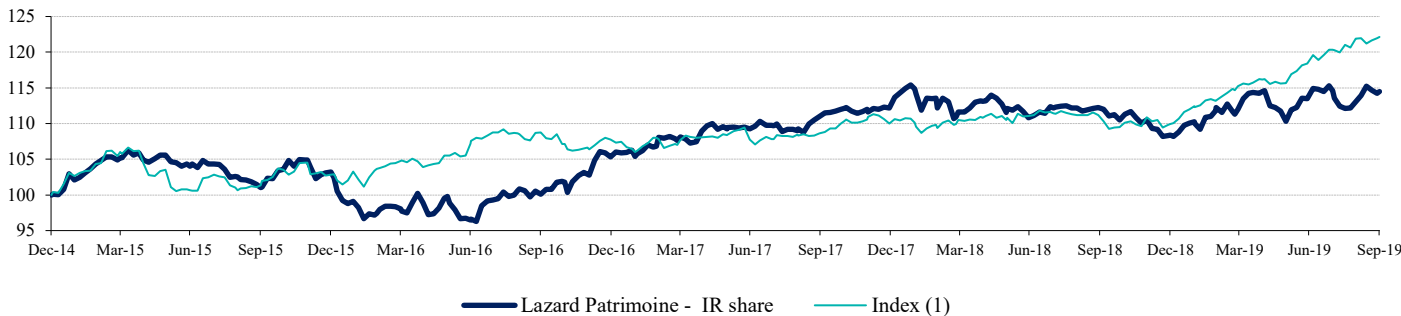


CHARACTERISTICS

Legal form	FCP
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	IC share - 0,73% max. incl. VAT
Subsription 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 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.

HISTORICAL PERFORMANCE



HISTORICAL PERFORMANCES

Cumulative ⁽²⁾

	Month	YTD	1 year	3 years	5 years	Inception*
Lazard Patrimoine - IC share	1,3%	5,6%	2,0%	14,3%	-	14,5%
Composite index ⁽¹⁾	0,2%	11,1%	9,8%	12,3%	-	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 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.

Calendar performance ⁽²⁾

	2018	2017	2016	2015	2014
Lazard Patrimoine - Part IC	-3,4%	6,5%	2,1%	3,2%	-
Indice composite (1)	0,0%	2,1%	4,8%	-	-

Annual performance ⁽²⁾

	30/09/19	30/09/18	30/09/17	30/09/16	30/09/15
Lazard Patrimoine - IC share	2,0%	1,1%	10,9%	-0,9%	-
Composite index (1)	9,8%	2,4%	-0,1%	7,4%	-

RISK RATIOS **

	1 year	3 years
Volatility		
Lazard Patrimoine	5,7%	4,9%
Composite index	3,6%	3,4%
Tracking error	5,0%	4,8%
Information ratio	-1,48	0,12
Ratio de sharpe	0,41	0,99
VaR 99% - 1 mois	4,47%	

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 :	25,6%	20,0%	Global Modified duration:	-1,8	5,6
Equity geographical exposure			Modified duration - Geographical breakdown		
	Fund	Index		Fund	Index
Europe	7,4%	3,7%	Eurozone	0,2	5,6
Emerging markets	0,9%	2,3%	USA	-2,0	0,0
USA	15,6%	11,2%			
Japan	1,3%	1,5%			
Others	0,1%	1,4%			
Main equity holdings			Bonds - Investment breakdown		
SAP SE	0,75%		Government bonds		36,7%
UNILEVER NV	0,66%		Corporate Bonds		33,2%
LVMH (LOUIS VUITTON - MOET HENNESSY)	0,54%		- Corporate Investment Grade		6,8%
SANOFI	0,51%		- Corporate High Yield		4,2%
ASML HOLDING NV	0,49%		- Financials Senior		5,5%
As percent of total net assets			- Financials Subordinated		16,7%
Currency exposure			As percent of total net assets		
	Fund	Index	Bonds bucket information		
USD	11,8%	11,5%	Spread duration (%)		5,2
JPY	1,3%	1,4%	Credit spread (bps)		146
SEK	4,9%	0,2%	Average maturity (years)		5,6
Emerging markets	0,8%	1,6%	Yield (%)		1,0
Others	0,4%	3,5%	As percent of the bonds bucket		
As percent of total net assets					
			Tactical Arbitrage		
			N/A		

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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