

October 2020

Lazard Convertible Europe - PC EUR unit

European convertible bonds	ISIN Code	NAV €	Net Assets - unit PC EUR (Millions €)	Total Net Asset (Millions €)
Not hedged against currency risk	FR0010642603	20 040,63	109,95	166,41

MANAGEMENT

Sustainability Rating



Overall ★★★★★

INVESTMENT POLICY

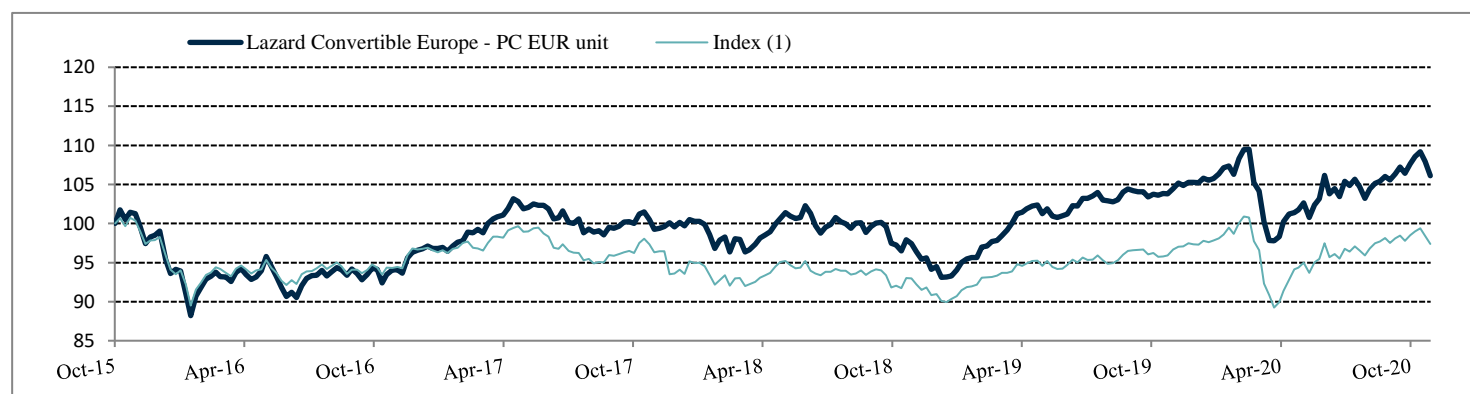
The fund seeks to outperform the Thomson Reuters Convertible Europe index. To attain this objective, the strategy will rely on an active management of interest rate risk (active management of sensitivity), currency and credit risks (based on the securities rating) and on our stock-picking approach. Sensitivity will be managed on a scale of 0 to 7. Portfolio will be composed as follows: 1/ up to 110% maximum of fungible convertible bonds, exchangeable bonds, bonds with equity warrants, corporate and financials traded debt and sovereign debt. The fund will be able to invest in both investment grade and high yield convertible bonds; 2/ up to 10% maximum in French law money-market and bond funds (whether or not UCITS-compliant); 3/ up to 10% maximum in equities resulting from a conversion.

FUND MANAGER'S COMMENT - Arnaud BRILLOIS

During the month of October 2020, Lazard Convertible Europe PC – share class returned -0.73% versus -0.76% for its benchmark (Thomson Reuters Convertible Europe Focus). The fund's equity sensitivity decreased during the period, standing at 46.8% vs 41.9% for the benchmark at the end of the month. The fund's equity overweight had a slightly positive relative impact over the period despite lower European equity markets: the negative impact from our overweight to France was offset by our underweight to Germany. Modified duration was slightly higher over the month, in line with the benchmark, standing at 2.60 versus 2.72. Interest rate sensitivity slightly added to absolute performance and was neutral to relative performance. Continued credit spreads widening detracted to the fund's absolute performance and was neutral in relative terms. Security selection in semiconductors, energy and our underweight to chemicals added to relative performance. Consumer discretionary (beverages and luxury in particular) detracted to relative performance over the month. Over the month, we reduced our exposure to telecommunications, semiconductors, luxury and beverages. We increased our exposure to online retail, energy, real estate, the aeronautic industry, financial services and hearing aid solutions. The fund remains slightly overweight on the dollar and the pound against other currencies.

PERFORMANCE - PC EUR unit

HISTORICAL PERFORMANCE



Past performance is not a guarantee of current or future performance

PERFORMANCES

Cumulative performance*	Month	YTD	1 year	3 years	5 years	ITD **
Lazard Convertible Europe - PC EUR	-0,7%	0,9%	2,3%	4,7%	6,1%	100,4%
Index ⁽¹⁾	-0,8%	-0,1%	1,5%	-0,5%	-2,6%	52,6%

RISK SCALE***



***Risk scale derived from the volatility of the fund over a period of 5 years (see detail on the back)

Annualized performance*	1 year	3 years	5 years	ITD
Lazard Convertible Europe - PC EUR	2,3%	1,5%	1,2%	5,9%
Index ⁽¹⁾	1,5%	-0,2%	-0,5%	3,5%

** Inception date: 09/10/2008

Annual performance*	2019	2018	2017	2016	2015
Lazard Convertible Europe - PC EUR	12,7%	-6,4%	3,0%	-2,3%	10,5%
Index ⁽¹⁾	8,1%	-3,6%	-3,3%	-1,5%	7,1%

Characteristics	FUND	INDEX
Modified duration	2,60	2,72
Delta - Equity exposure	46,8%	41,9%

RISK RATIOS

	1 year	3 years
Volatility		
Lazard Convertible Europe - PC EUR	9,6%	7,2%
Index (1)	8,6%	6,3%
Tracking error	3,5%	3,5%
Information ratio	0,2	0,5
Beta	1,0	1,0

Ratios calculated on a weekly basis

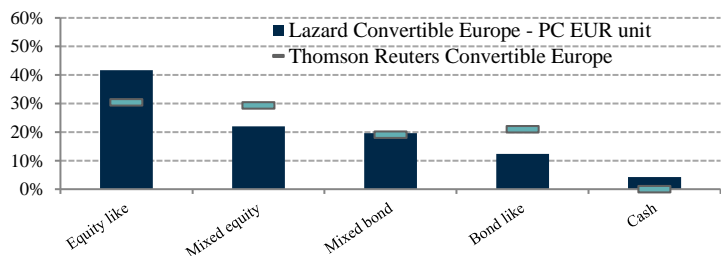
* The performance quoted represents past performance. Past performance does not guarantee future results. The performance are net of fees and total return.

⁽¹⁾ Since 31/12/2014: Thomson Reuters Convertible Europe Focus EUR (formerly ECI Europe Index)

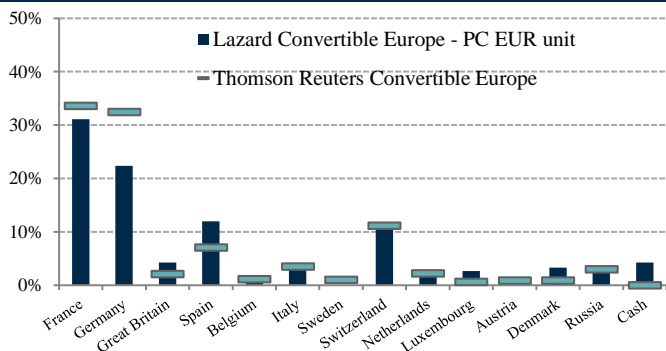
MAIN HOLDINGS

Main holdings	Weight
CELL TE 0,5 07-28	5,2%
DELI HE 0,25 01-24	4,9%
GE MONE BA ZCP 07-26	4,1%
WORLDLINE ZCP 07-26	4,1%
EDF ZCP 09-24	4,0%

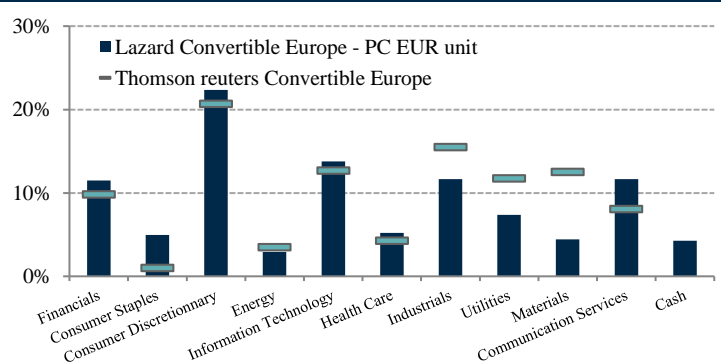
EXPOSITION BY CONVERTIBLE BONDS (% of NAV)



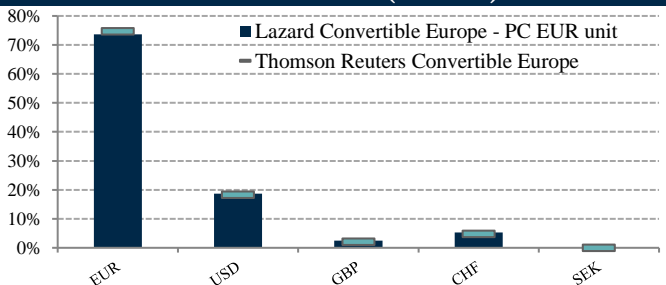
GEOGRAPHICAL ALLOCATION (% NAV)



SECTOR ALLOCATION (% NAV)



CURRENCY ALLOCATION (% NAV)



CARACTERISTICS

■ ISIN Code	FR0010642603	■ Valuation	Daily	■ Management fees	
■ Bloomberg Code	OBJCONI	■ Modified Duration	0 - 7		0,815% of net assets excluding UCITS managed by Lazard Frères Gestion
■ Legal Form	FCP	■ Custodian	Caceis Bank	■ Subscription fee	4% max
■ Coordinated UCITS	Yes	■ Mngt. company	Lazard Frères Gestion	■ Redemption fee	1% max
■ AMF classification	Diversified UCITS	■ Financial Manager	Lazard A.M	■ Total expense ratio and transaction fees	For more information, please check our prospectus
■ Currency	Euro	■ Taxation	Capitalization	■ Subscription terms	On next NAV for orders placed before 12 a.m. Minimum for the 1st subscription : 10 shares Settlement and value date Subscription D (NAV date) + 2 business day Redemption D (NAV date) + 2 business days
■ Investment horizon	> to 5 years	■ Inception date	09/10/2008		

*** Risk scale : Derived from the historic volatility of the fund over a period of 5 years. The management company reserves the right to adjust the level of risk calculated according to the specific risk of the fund. This risk scale is supplied as a rough guide and may be modified without advance notice.

Contacts :

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Additional information & data

Commercial service
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Publication of NAVs :

www.lazardfreresgestion.fr

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