

Bonds and other euro-denominated debt securities	ISIN code	NAV €	Net assets (€m)
	FR0007055066	1 274,91	81,21

## MANAGEMENT

### INVESTMENT OBJECTIVE AND POLICY

The investment objective is to outperform the 3-month Euribor over a minimum recommended investment horizon of 12 months.

This objective is achieved through the management of primarily floating-rate bonds of any maturity and any subordination level. The nature of the investments will limit risk sensitivity. Credit risk is the primary vector of performance and risk. The fund has a sensitivity range of between 0 and 1. The risk, which is concentrated in financial institutions, particularly banks, is managed rigorously by using the internal financial analysis of the portfolio issuers.

### MANAGEMENT COMMENTARY - Benjamin Le Roux

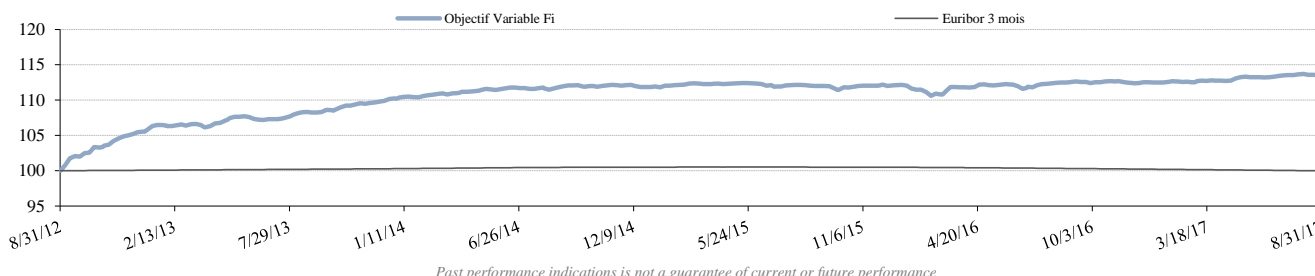
The month was mainly marked by the rise of the terrorist threat in Europe after the Barcelona attacks and of geopolitical tensions with North Korea, driving down risky asset classes (equities and credit) as well as government bond yields. To all that must be added the US political risk, with the issue of raising the country's debt ceiling, and uncertainties over the two crucial central bank meetings (ECB and Fed). The German government bond yield curve flattened significantly during the month, with the 10-year yield down 18bp to 0,36% and the 5-year yield down 16bp to -0,34%, while the 2-year yield fell 5bp to -0,73%. BBB-rated European government bonds underperformed significantly during the month, with 10-year spreads widening by 13bp in Italy and 26bp in Spain. Credit also depreciated over the month. The spread against government bonds widened by 7bp to 98bp for non-financial credit, by 6bp to 83bp for senior financial credit, and by 13bp to 176bp for financial subordinated credit (Merrill Lynch indices).

The IG primary market, excluding covered bonds, totalled €11bn in gross issuance of financial bonds and €5bn of corporate bonds according to Barclays. Net bank issuance amounted to €1bn for financials and €3bn for corporate bonds. Since the beginning of the year, the issuance volume has reached €166bn in gross terms/-€35bn in net for financial bonds and €192bn in gross terms/€98bn in net for corporate bonds.

The portfolio's estimated margin against 3-month Euribor is 38bp. The modified duration is maintained close to zero. The allocation changed very marginally. The portfolio is invested 68% in senior debt and 24% in dated Lower Tier 2-type subordinated debt. The corresponding credit duration is stable at 2,7 years.

## PERFORMANCES

### HISTORICAL PERFORMANCE



### PERFORMANCE

Cumulative performance*	1 month	3 months	YTD	1 year	3 years	5 years
<b>Objectif Variable Fi</b>	<b>-0,1%</b>	<b>0,3%</b>	<b>0,9%</b>	<b>0,9%</b>	<b>1,4%</b>	<b>13,5%</b>
<b>3-month Euribor*</b>	<b>0,0%</b>	<b>-0,1%</b>	<b>-0,2%</b>	<b>-0,3%</b>	<b>-0,5%</b>	<b>0,0%</b>

Annualised performance*	2017	1 year	3 years	5 years
<b>Objectif Variable Fi</b>	<b>1,4%</b>	<b>0,9%</b>	<b>0,5%</b>	<b>2,6%</b>
<b>3-month Euribor*</b>	<b>-0,3%</b>	<b>-0,3%</b>	<b>-0,2%</b>	<b>0,0%</b>

Annual performance*	2017	2016	2015	2014	2013
<b>Objectif Variable Fi</b>	<b>0,9%</b>	<b>0,3%</b>	<b>0,3%</b>	<b>1,5%</b>	<b>12,1%</b>
<b>3-month Euribor*</b>	<b>-0,2%</b>	<b>-0,3%</b>	<b>0,0%</b>	<b>0,2%</b>	<b>0,4%</b>

\* 3-month Euribor since 19 April 2012; previously capitalised Eonia.

Spread duration
<b>Objectif Variable Fi</b>
<b>0,0</b>

\* The performance quoted represents past performance. Past performance does not guarantee future results.

### SCALE RISK\*\*



\*\*Risk scale calculated from the volatility of the UCITS over a period of 5 years (see detail on the back)

### RISK RATIOS

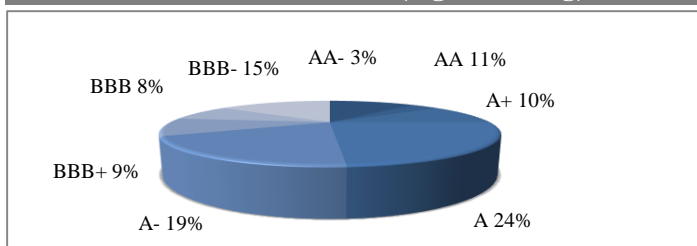
Indicateur	1 an
<b>Volatility</b>	
Objectif Variable Fi	0,51%
3-month Euribor*	0,01%
<b>Information ratio</b>	2,36

Ratios calculated weekly

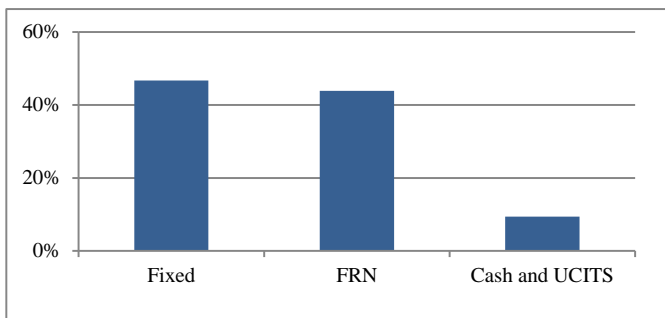
## MAIN HOLDINGS

Main holdings (excluding UCITS)	%
<b>Intesa 15/06/2020</b>	6,34%
<b>Svenska Handels. 15/01/2024</b>	2,90%
<b>HSBC Hold. 27/09/2022</b>	2,78%
<b>BFCM 0,25% 14/06/2019</b>	2,62%
<b>CFCM Nord Eu. 30/07/2019</b>	2,48%

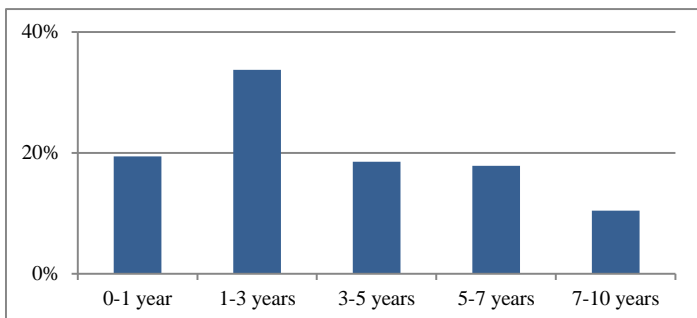
## BREAKDOWN OF RATINGS (highest rating)



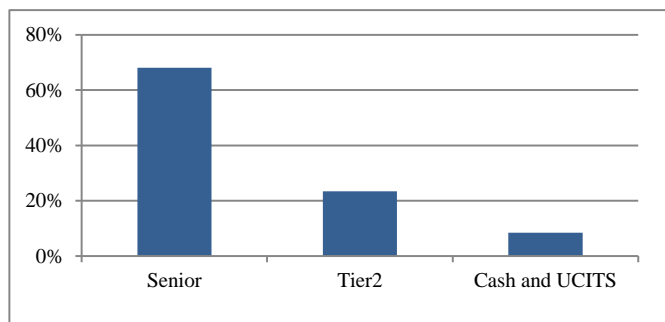
## COUPON TYPE



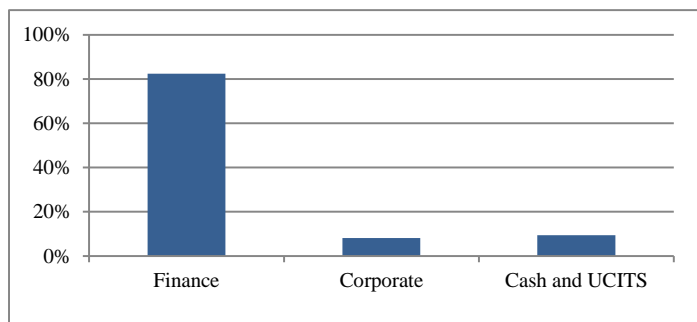
## BREAKDOWN BY MATURITY (final maturity)



## BREAKDOWN OF SUBORDINATION LEVEL



## BREAKDOWN BY SECTOR



## CARACTERISTIQUES

■ <b>ISIN Code</b>	FR0007055066	■ <b>Custodian</b>	Lazard Frères Banque	■ <b>Subscription fees</b>	maximum of 4% inclusive of taxes
■ <b>Bloomberg Code</b>	OALLMEN FP	■ <b>Management company</b>	Lazard Frères Gestion SAS	■ <b>Redemption fees</b>	None
■ <b>Legal form</b>	FCP	■ <b>Taxation</b>	Capitalization	■ <b>Outperformance fees</b>	20% of the outperformance in excess of 3-month Euribor
■ <b>UCITS-Compliant</b>		■ <b>Inception date</b>	2 February 2001	■ <b>Subscription terms</b>	Each business day by 11 am
■ <b>AMF classification</b>	Euro bonds	■ <b>Management fees</b>	0,30% inclusive of taxes		Settlement and value date: D (date of the NAV) + 1 business day
■ <b>Currency</b>	Euro				Minimum subscription: 1 unit
■ <b>Investment horizon</b>	Minus 12 months				
■ <b>Valuation</b>	Daily				
■ <b>Modified duration</b>	0 to 1				

\*\* 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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