

International bonds and debt securities	Share Classes*	ISIN code	NAV €	Net assets (€ million) :	Total net assets (€ million) :
	PVC EUR unit	FR0010590950	15 677,54	595,23	957,02
	RVC EUR unit	FR0010752543	347,14	64,37	
	PC EUR unit	FR0011844034	1 282,59	107,07	
	PVD EUR unit	FR0012074151	105,40	109,98	
	PD EUR unit	FR0013306743	1 016,54	49,34	
	TC EUR unit	FR0013305935	209,13	28,16	
	RVD EUR unit	FR0013306735	201,07	0,54	
		ISIN code	NAV \$	Net assets (\$ million) :	
	PC H-USD unit	FR0013305935	1 341,92	1,99	
		ISIN code	NAV CHF	Net assets (CHF million) :	
	PC H-CHF unit	FR0013076932	1 122,54	0,59	

* Not all share classes of the relevant sub-fund are registered for marketing in Germany and Austria

MANAGEMENT

INVESTMENT POLICY

The management objective aims to achieve, on a minimum investment horizon of 3 years, a performance net of fees of ICE BofAML Euro Financial Index in Euros for PVC EUR, PVD EUR, RVC EUR, RVD EUR, PC EUR, PD EUR, TC EUR units, ICE BofAML Euro Financial in Franc Swiss 100% hedged for PC H-CHF unit and ICE BofAML Euro Financial 100% hedged in Dollar US for PC H-USD unit. To attain this objective, the strategy will rely on an active management of the portfolio mainly invested in subordinated securities (this type of debt is more risky than Senior Unsecured or Securitized debts), or any securities, not considered as common stocks, issued by European financial institutions. The investment process combine both a Top-down approach (strategic and geographical allocation approach which takes into consideration the macro and sectorial environments) and a Bottom-up approach (stock-picking based on fundamental analysis of the issuer and its securities) and then integrating the regulatory environment in which this asset class evolves. The modified duration will be managed in a 0 to 8 range. The UCIT will only invest into debts or securities issued by companies incorporated in an OECD country and/or in issues or securities listed on a stock exchange of those countries. The UCIT only invests in securities negotiated in Euro, dollar and sterling.

FUND MANAGER'S COMMENT - François Lavier - Alexis Lautrette

The net asset value of Lazard Credit Fi rose by +0,4% over the month (PVC share).

Spreads on financial debt presented a mixed picture. Tier 2 bonds widened by +4 bps to 176 bps and Senior debts widened by +3 bps to 85 bps according to JP Morgan's SUSI indices. AT1s in OAS tightened by -28 bps to 332 bps according to Bloomberg Barclays Global Index.

The German government bond yield curve steepened during the month, with the 10-year yield up +5 bps to -0,4%, the 5-year yield up +4 bps to -0,6%, while the 2-year yield up +3 bps to -0,6%.

For 2019, Lazard Credit Fi posted a net performance of +10,7% vs +8,8% for the JP Morgan SUSI Lower Tier 2 and +14,9% for the Barclays Global Contingent Capital € Hedged Index.

Lazard Credit Fi has a 260-day volatility of 1,9% vs 1,8% for the SUSI Lower Tier 2 and 3,4% for the Barclays Global Contingent Capital € Hedged Index.

Overall sentiment improved in November, with economic indicators stabilizing and the optimism gaining ground on the China-USA topic. The abundant primary at the beginning of the month had an impact on valuations, before calm returns in the second half of the month and secondary performed again.

Banks' results for third quarter have not revealed any particular surprises, the majority of Italian banks have published beyond expectations while money laundering cases continue to weigh on Nordic banks with SEB and DNB this month, but with a lot of noises for nothing actually. Deutsche Bank continues its transformation with the announcement of the sale of a portfolio of \$ 50 billion of emerging debt. On the insurers' side, S&P maintained the A- rating and positive outlook for La Mondiale and upgraded Uniq's to positive outlook.

"Libability Management" operations experienced a clear acceleration this month with tenders from HSBC (bonds issued by its US subsidiary), Erste Bank (in parallel with the issuance of a new Tier 2), Commerzbank and Ageas (Legacy Themes).

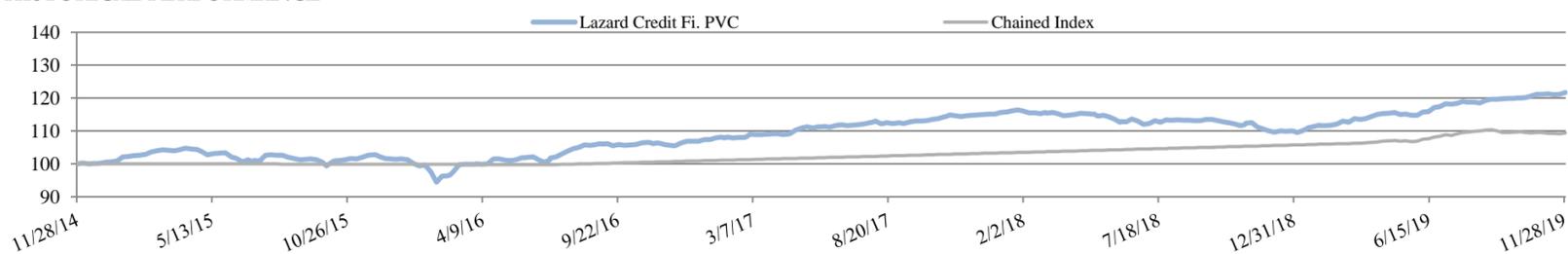
On the AT1 side, issuers continue to refinance the calls expected in 2020 (DNB, BIL, SEB, Lloyds...) but also new ones are appearing on this market as La Banque Postale. The primary has been animated in Tier 2 with Standard Chartered, Danske, AIB, Erste Bank, CNP "green", and still a sustained offer on Non Preferred Senior.

On Credit Fi, the largest contributors to performance are Legacy bonds (+36bps, through BNP and Ageas especially), followed by AT1(+24bps, UK, Spain and Portugal mainly). Senior (-5bps) and Tier 2 bonds (+10bps) are penalized by the rates effect on the month.

The primary market, excluding covered bonds, totaled 29 bn€ in gross issuance according to Barclays, with net bank issuance totaling +15 bn€ over the months. Since the beginning of the year, gross issuance has represented 280 bn€ and net issuance +101 bn€.

PERFORMANCE

HISTORICAL PERFORMANCE



Past performance indications is not a guarantee of current or future performance. The return may increase or decrease as a result of currency fluctuations
The tax treatment depends on the individual circumstances of each investor and may be subject to change in the future

PERFORMANCE

Annualized performance*	2018	2017	2016	2015	2014
Lazard Credit Fi. PVC	-4,55%	7,74%	5,27%	1,14%	6,53%
Chained Index***	2,37%	2,36%	1,03%	-0,11%	0,10%

Cumulative performance*	Month	YTD	1 year	3 years	5 ans
Lazard Credit Fi. PVC	0,43%	10,71%	10,62%	15,27%	21,70%
Chained Index***	-0,20%	3,42%	3,63%	8,58%	9,37%

* The performance quoted represents past performance. Past performance does not guarantee future results.
The performance less than one year is given for illustrative purposes.

*** Since April 1st, ICE BofAML Euro Financial Index, from June 30, 2016 to March 29, 2019 Eonia Capi +2,70% before Eonia Capi.

Modified duration	4,4	Spread duration	4,6
Yield to maturity (Without hedging costs)	3,7%	Average rating (issuer) ¹	BBB+
Yield to call (Without hedging costs)	2,9%	Average rating (issues) ¹	BBB-
Yield to call (With hedging costs)	2,2%	¹ Average rating for each security	
Yield to Worst	2,8%	Spread vs Govt.	282

SCALE RISK**



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

Risk 1 does not mean a risk-free investment. This indicator may change over time.

RISK RATIOS

	1 year	3 years
Volatility		
Lazard Credit Fi. PVC	2,57%	3,24%
Chained Index***	1,38%	1,18%
Tracking error	2,25%	2,64%
Information ratio	2,91	0,76

Ratios calculated on a weekly basis over 1 year and monthly over three years

Gross currency exposure:
68% EUR / 21% USD / 11% GBP

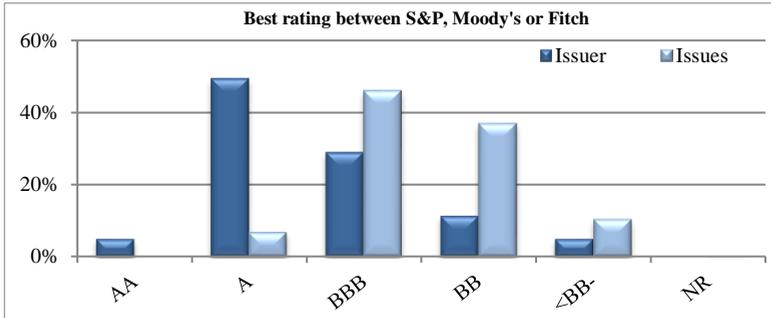
Net currency exposure:
100% EUR

MAIN HOLDINGS

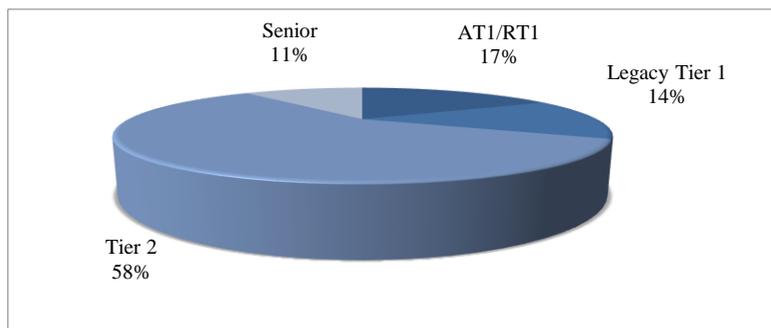
Main holdings

Dresdner Fndg Trust 8,15% 06/2031	Banks Legacy Tier 1	3,2%
BNP Paribas 1,375% 05/2029	Banks Nps	2,1%
Danske Bank 0,5% 08/2025	Banks Nps	2,1%
Unicredit 7,296% 04/2034	Banks Tier 2	2,0%
Fortis Bank 1,60% 12/2049	Banks Legacy Tier 1	1,9%

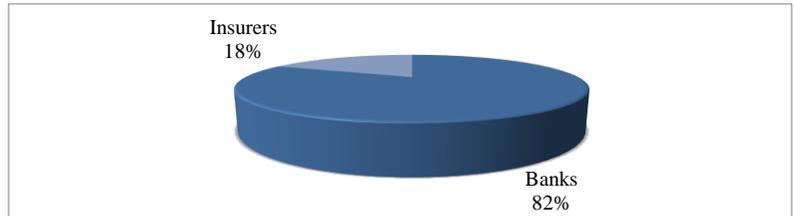
RATING ALLOCATION



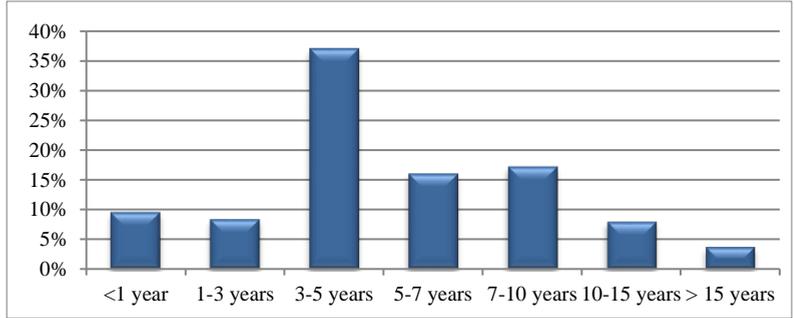
BREAKDOWN BY LEVEL OF SUBORDINATION



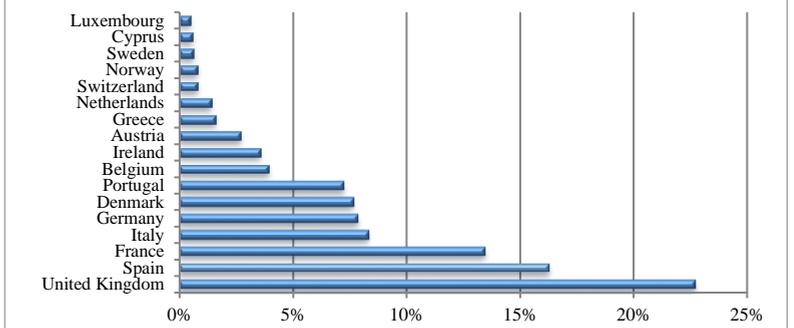
SECTOR ALLOCATION



BREAKDOWN BY MATURITY (AT CALL)



GEOGRAPHICAL DISTRIBUTION



FUND DETAILS

<p>ISIN Code PVC EUR unit FR0010590950 RVC EUR unit FR0010752543 PC EUR unit FR0011844034 PVD EUR unit FR0012074151 PC H-USD unit FR0013076932 TC EUR unit FR0013305935 PC H-CHF Unit FR0013236791 RVD EUR Unit FR0013306735 PD EUR Unit FR0013306743</p> <p>Bloomberg Code LFOBJFI/LFOBJFR/ LAZOCFI/LAZOCFG</p> <p>Legal form FCP UCITS-Compliant Yes AMF classification International bonds Currency Euro Investment horizon > 3 years Valuation Daily Modified duration 0 to 8</p>	<p>Custodian CACEIS Bank Management company Lazard Frères Gestion SAS Fund administration Caceis FA Taxation Capitalization Distribution: PVD EUR, RVD EUR, PD EUR units Inception date 03/07/2008 Subscription terms Each business day by 12 am Settlement and value date: Subscription: J (date of the NAV) + 2 business days Redemption: J + 2 business days Total expense ratio and transaction fees For more information, please check our prospectus on www.lazardfreresgestion.fr</p>	<p>Management fees PVC unit: maximum of 0,3% inclusive of taxes RVC unit: maximum of 1% inclusive of taxes RC unit: maximum of 0,7% inclusive of taxes PVD unit: maximum of 0,3% inclusive of taxes PC H-USD unit: maximum of 0,75% inclusive of taxes TC EUR unit: maximum of 0,7% inclusive of taxes PC H-CHF unit: maximum of 0,75% inclusive of taxes RVD EUR unit: maximum of 1% inclusive of taxes PD EUR unit: maximum of 0,7% inclusive of taxes</p> <p>Subscription fees maximum of 4% inclusive of taxes Redemption fees else units: none Performance fees: PVC EUR, RVC EUR, RVD EUR and PVD units: 30% of the outperformance in excess of ICE BofAML Euro Financial Index. These fees will be limited to 2% PC EUR, PD EUR, TC EUR, PC H-USD and PC H-CHF units: none</p>
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** 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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Additional and data information: Commercial service +33 1.44.13.01.79
Publication of NAVs : www.lazardfreresgestion.fr

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