

Bonds and other euro-denominated debt securities	ISIN Code	NAV €	Net assets (€ million)	Total net assets (€ million)
PC H-EUR	FR0013444908	1 014,36	3 001 502,98	<b>16,26</b>
PD H-EUR	FR0013444916	1 014,33	1 014,33	
RC H-EUR	FR0013444924	101,42	116 139,41	
RD H-EUR	FR0013444932	101,43	101,43	
EC H-EUR	FR0013464146	1 014,62	3 039 841,46	
ED H-EUR	FR0013464153	1 014,62	10 097 712,90	

MANAGEMENT

INVESTMENT POLICY

The investment strategy will be based mainly on a 'carry' type management (purchase of securities to hold them in the portfolio until their maturity) until the early redemption date at the option of the issuer or the holder). The portfolio manager can actively manage the strategy by selling a security, buying a new security.

Investment Grade Corporate Bonds, High Yield Corporate Bonds and Financial Institutions Bonds. The strategy invests only in securities issued by issuers whose headquarters are in an OECD member country and/or in securities listed on a stock exchange in one of these countries.

Achieve a gross yield between 2.2% and 2.7% (including the potential impact of default2) by investing mainly in fixed Income instruments issued by companies and financial institutions. These investments are made without any financial rating constraints, denominated in euro and/or US dollar and/or pound sterling.

FUND MANAGER'S COMMENT - Benjamin Le Roux

January was a more turbulent month than expected due to tensions between the United States and Iran, although the market impact ended up being fairly limited. Coronavirus then became the focus of investor attention, triggering a movement of risk aversion.

Against this backdrop, the German government bond yield curve flattened during the month, with the 10-year yield down 25bp to -0,44%, the 5-year yield down 11bp to -0,5%, and the 2-year yield down 6bp to -0,67%.

During the month, sentiment on Italy turned positive following the victory of the left-wing party in the Emilia-Romagna regional elections, leading to a 23bp tightening in the spread to 136bp. In other news, Fitch upgraded Greece's country rating from BB- to BB, maintaining its positive outlook.

In the corporate segment, General Electric benefited from its Q4 19 earnings release with the announcement of higher-than-expected cash flow forecasts.

Fears linked to coronavirus had a sharper impact on the curves of issuers with high exposure to Asia, Glencore being a case in point.

In the financials segment, the Monte dei Paschi story seems to be drawing close to a positive outcome, with several sources hinting at a possible agreement between the Italian government and the EU to remove nearly €10bn of bad debts from the bank's balance sheet. Moody's now has a positive opinion on the bank's rating. The first quarterly results announcements were better than expected on the whole, Deutsche Bank's restructuring plan finally seems to be bearing fruit and the latest results have reassured both creditors and shareholders. Conversely, Sabadell's results came in below expectations but its credit profile remains almost unchanged.

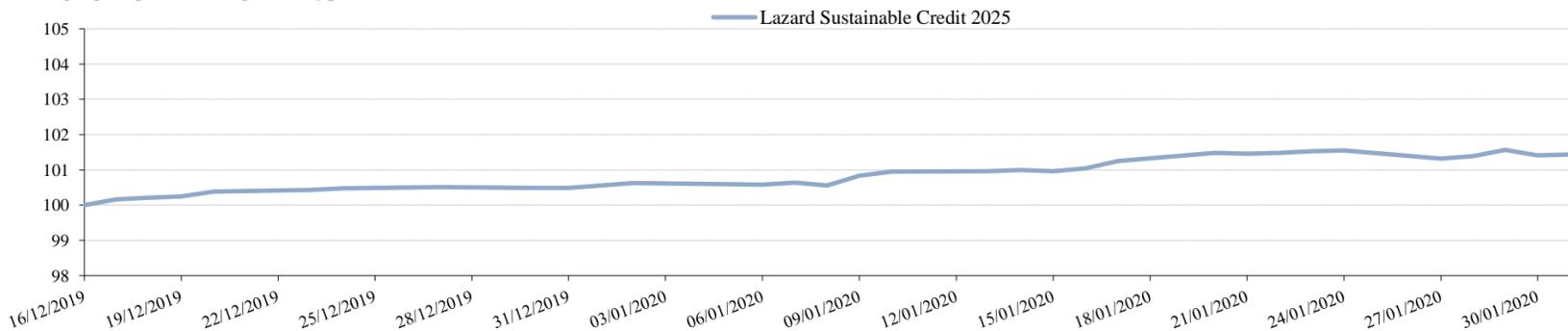
Credit presented a mixed picture during the month. Among the riskiest segments, financial credit outperformed non-financial sector bonds. The margin against government bonds tightened by 1bp for senior financial credit and senior corporate credit to 82bp and 88bp, respectively, while it widened by 8bp for subordinated financials to 154bp and by 12bp for IG corporate hybrids to 185bp (ICE BofAML indices).

After a particularly active start to the year, the pace in the primary market slackened in the second half of the month with the return of risk aversion and the start of the blackout period for many issuers. The "Green" format confirmed its momentum and the hybrid segment reopened, with issues by Telefonica, Arkema and EDP. According to Barclays, the primary market excluding covered bonds saw total gross issuance of €48bn of financial bonds and €21bn of corporate bonds.

The structure of the bond portfolio was kept virtually unchanged against a backdrop of sharply easing benchmark rates and underperformance of credit, with the exception of financial subordinated bonds. The portfolio is 52% invested in financial subordinated bonds, 33% of which is AT1 bank debt and 48% in non-financial credit, 24% of which is hybrid debt.

PERFORMANCE

HISTORICAL PERFORMANCE



Past performance indications is not a guarantee of current or future performance.

PERFORMANCE

Cumulative performance*	1 mois	YTD	1 year	3 years	5 years	Since inception**
Lazard Sustainable Credit 2025 PC H-EUR	0,94%	0,94%	-	-	-	1,44%

Annual performance	2019	2018
Lazard Sustainable Credit 2025 PC H-EUR	-	-

Annualized performance	1 year	3 years	5 years
Lazard Sustainable Credit 2025 PC H-EUR	-	-	-

\* Performances, net of fees and reinvested net coupons, given for information purposes only and based on the recommended investment horizon.

\*\* Inception date 10th december 2019

Modified duration	3,45	Spread	3,53
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Average rating (issuer) <sup>1</sup>	BBB-
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Yield to maturity	3,72
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Average rating (issues) <sup>1</sup>	BB
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Yield to call	1,73
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<sup>1</sup> Average rating for each security

Yield to Worst	1,73
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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

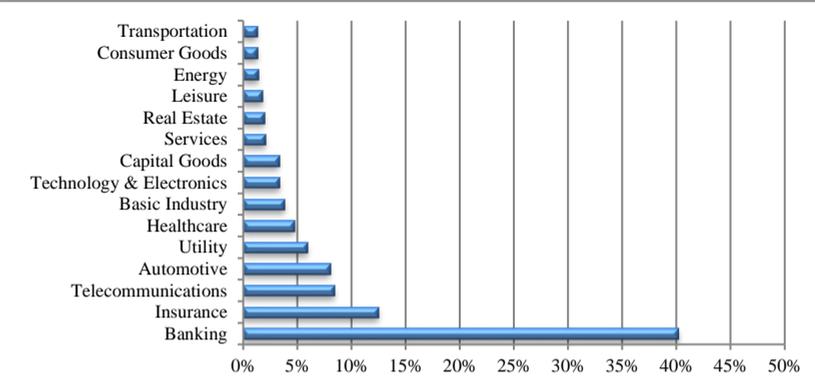
Indicateur	1 an	3 ans
<b>Volatilité</b>		
Lazard Sustainable Credit 2025 PC H-EUR	-	-
<b>Tracking error</b>	-	-
<b>Ratio d'information</b>	-	-

Ratios calculated on a weekly basis over 1 year and a monthly basis over 3 years

**MAIN HOLDINGS**

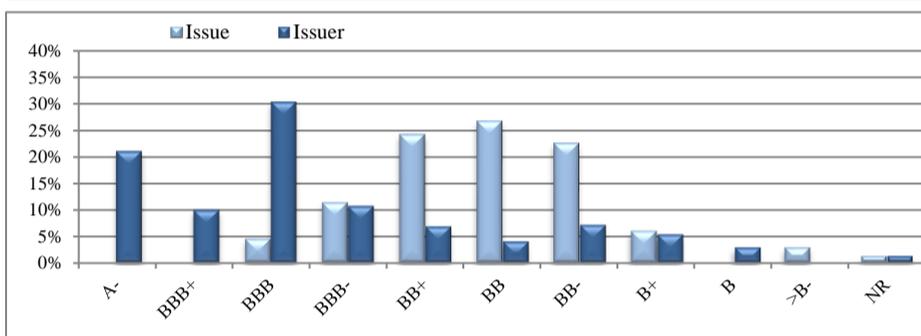
Main holdings		Poids
<b>Banco Santander 4,75% 03/2025</b>	Banques AT1	3,9%
<b>Unicredit SPA 5,375% 06/2025</b>	Banques AT1	3,9%
<b>Caixabank 6,75% 06/2024</b>	Banques AT1	3,9%
<b>Volksbank Wien Ag 7,75% 04/2024</b>	Banques AT1	3,9%
<b>Banco BPM 8,75% 06/2024</b>	Banques AT1	3,9%

**SECTOR ALLOCATION**



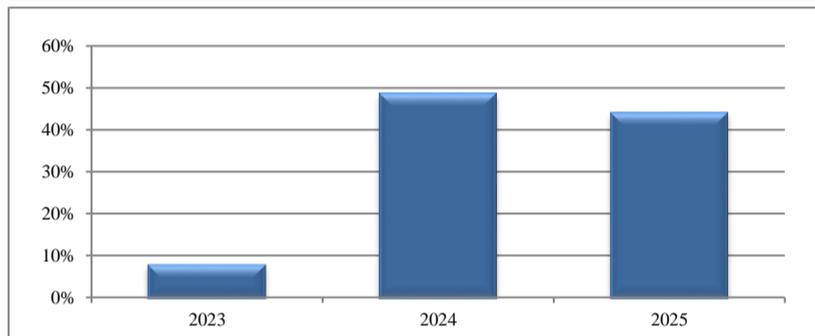
**RATING ALLOCATION**

(Average rating between SP, Moody et Fitch)

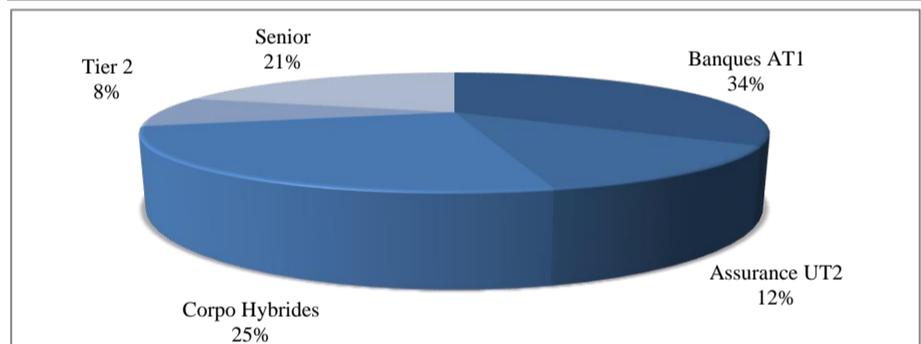


**MATURITY BREAKDOWN**

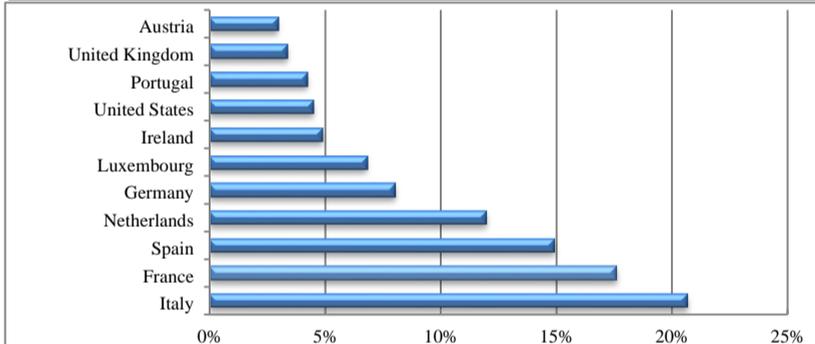
(CALL DATE)



**BREAKDOWN BY SUBRODINATION**



**GEOGRAPHICAL DISTRIBUTION**



**FUND DETAILS**

<p>■ <b>ISIN Code</b></p> <p>Part PC H-EUR FR0013444908</p> <p>Part PD H-EUR FR0013444916</p> <p>Part RC H-EUR FR0013444924</p> <p>Part RD H-EUR FR0013444932</p> <p>Part EC H-EUR FR0013461146</p> <p>Part ED H-EUR FR0013464153</p>	<p>■ <b>Custodian</b></p> <p>CACEIS Bank</p>	<p>■ <b>Management fees</b></p> <p>Part PC H-EUR FR0013444908 0,60% TTC</p> <p>Part PD H-EUR FR0013444916 0,60% TTC</p> <p>Part RC H-EUR FR0013444924 1,20% TTC</p> <p>Part RD H-EUR FR0013444932 1,20% TTC</p> <p>Part EC H-EUR FR0013461146 0,40% TTC</p> <p>Part ED H-EUR FR0013464153 0,40% TTC</p>
<p>■ <b>Legal Form</b></p> <p>FCP</p>	<p>■ <b>Management company</b></p> <p>Lazard Frères Gestion SAS</p>	<p>■ <b>Subscription fees</b></p> <p>1% TTC</p>
<p>■ <b>UCITS-Compliant</b></p> <p>Yes</p>	<p>■ <b>Valorisateur</b></p> <p>CACEIS FA</p>	<p>■ <b>Redemption fees</b></p> <p>None</p>
<p>■ <b>AMF Classification</b></p> <p>Internationa Bonds</p>	<p>■ <b>Taxation</b></p> <p>Parts PD H-EUR, RD H-EUR and ED H-EUR Capitalization, Distribution or Report</p> <p>Parts PC H-EUR, RC H-EUR and EC H-EUR Capitalization</p>	<p>■ <b>Outperformance fees</b></p> <p>None</p>
<p>■ <b>Currency</b></p> <p>Euro</p>	<p>■ <b>Inception date</b></p> <p>10/12/2019</p>	<p>■ <b>Total expense ratio and transaction fees</b></p> <p>For more information, please check our prospectus</p>
<p>■ <b>Investment horizon</b></p> <p>Minimum 3 years</p>	<p>■ <b>Subscription terms</b></p> <p>Each business day by 12 am Settlement and value date : Subscription: J (date of the NAV) + 2 business days Redemption: J + 2 business days</p>	
<p>■ <b>Valuation</b></p> <p>Daily</p>		

\*\* 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.

**Contacts :**  
Subscription/Redemption  
CACEIS Bank  
+33 1.57.78.14.14

**Additional and data information :**  
Commercial service  
01.44.13.01.79

**Publication of NAVs :**  
www.lazardfreresgestion.fr

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