LAZARD
FRÈRES GESTION

# Lazard Euro Short Duration Income Opportunities SRI

An Active, Opportunistic and Unconstrained Approach of the Euro Short Duration High Yield Universe

## A Solution for Interest Rate Volatility

Resurgence of volatility in the interest rate market represents a major risk for fixed income investors. Thanks to their shorter maturities, short-duration bonds are less sensitive to changes in interest rates, offering investors protection against volatility.

## Additional Yield with Visibility on Credit Profile

We believe the asset class is an attractive solution for capturing additional yield without significantly increasing the credit risk. Short maturities offer greater visibility on corporate cash flows and credit ratios, allowing a better assessment of default risk over the short term while capturing higher yields.

## A Broad Opportunity Set

Through active and unconstrained from a benchmark investment approach, numerous investment ideas can be identified beyond the high yield universe. Moving down the capital structure, thanks to subordination, enables us to broaden the scope of opportunities, while maintaining a solid credit profile through exposure to investment grade issuers.

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### Investment universe

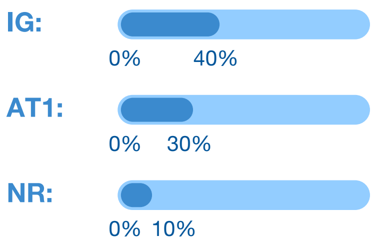
Short duration high yield bonds of both corporates and financial institutions: **0 - 5 years**

### Duration

Active management


### Tactical leeway

Diversification asset classes



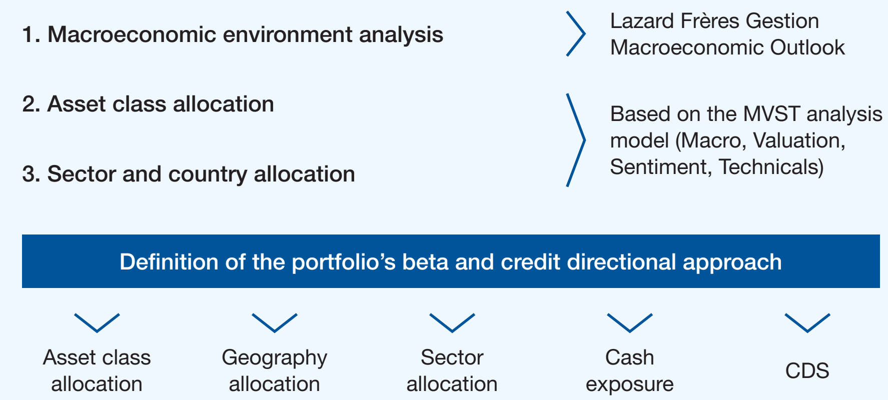


Investment Objective: aims to achieve, by applying Socially Responsible Investment (SRI) management, over the recommended investment period of 3 years, a performance net of fees that exceeds that of the following composite benchmark: €STR Capitalized + 1.50%.

# Why Us?

## In-House Fundamental Approach

Our approach is flexible, we combine macro and fundamental analysis and employ a proprietary framework, which helps us to adjust our positioning off the back of major events. This framework covers macro/micro factors (growth, inflation, policies, credit ratios), valuation, sentiment (investor positioning), and technicals (supply and demand equilibrium). This in-house investment process ensures a well balanced portfolio that draws on the core expertise of Lazard Frères Gestion's.

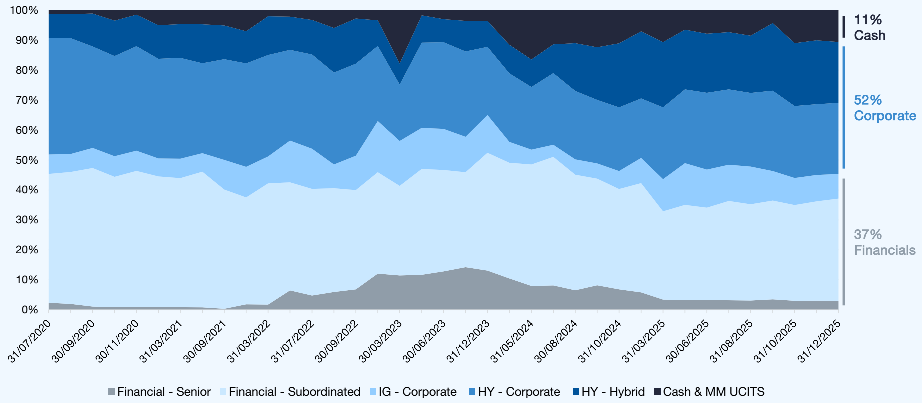



Source: Lazard Frères Gestion.
For illustrative purposes only.

## Blended and Flexible Allocation

Leveraging our in-house fundamental approach and extensive experience in euro high yield corporate debt and subordinated financial debt, we offer a balanced allocation between financial and non-financial bonds through an active investment strategy that adapts to market conditions. In addition, we are free to invest in off-benchmark asset classes in order to seize market opportunities and deliver an attractive risk/return profile over the long term (IG and AT1).

Asset allocation evolution

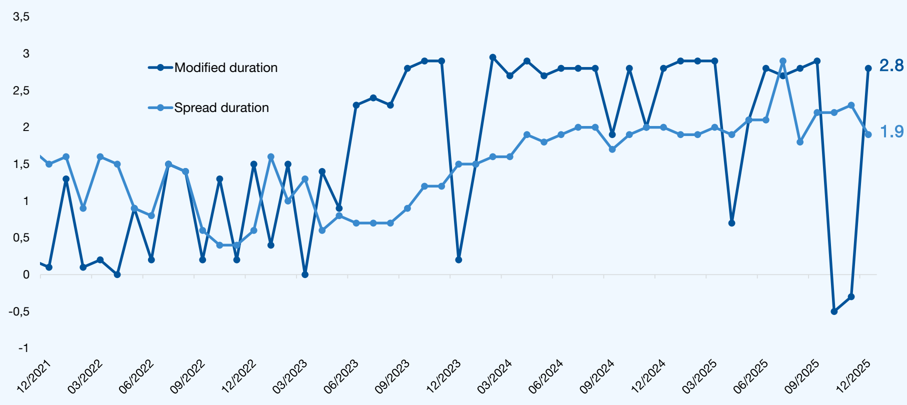



Source: Lazard Frères Gestion, as of 31 December 2025.
For illustrative purposes only.

## Active and Tactical Management

We benefit from large tactical leeway to shape the portfolio's modified and spread duration allowing us to make swift and tactical portfolio shifts in response to market changes.

Modified duration and spread duration active management




Source: Lazard Frères Gestion, as of 31 December 2025.

RISK OF CAPITAL LOSS.

# Investment Team

**Éléonore Bunel**
Managing Director,
Head of Fixed Income
(Paris)

**Olivier Vietti**
Portfolio Manager/Analyst (Paris)

**Adrien Lalanne, CFA**
Portfolio Manager/Analyst (Paris)

**17 years**
Average in the Industry[1]

**6 years**
Average at
Lazard Frères Gestion[1]

1. As of 31 December 2025.
Our team is traditionally stable, but we are unable to guarantee the presence of the managers listed above during the life of the product.

# Main Risks

Risk of capital loss: The SICAV is not guaranteed or protected, and therefore, there is a possibility that you may not get back the full amount of your initial investment.

Interest rate risk: There is a risk of a fall in the value of bonds and other fixed-income securities and instruments, and hence in the portfolio, resulting from a change in interest rates. The value of this component of the portfolio may decrease due to the sensitivity range applied.

Credit risk: Credit risk is the risk that the issuer of a bond may default. This could decrease the SICAV's net asset value. Even in cases where the issuer has not defaulted, changes in credit spreads could give rise to a negative performance. The decrease in the NAV may be even greater if the SICAV is invested in unrated or speculative/high-yield debt.

Foreign exchange risk: The Sub-fund may invest in securities and other UCI that in turn are authorised to acquire instruments denominated in currencies other than the fund's base currency. The value of these instruments may fall if the exchange rates vary, which may lead to a decrease in the Sub-fund's net asset value. Where units (or shares) denominated in a currency other than the fund's base currency have been hedged, the foreign exchange risk is residual as a result of systematic hedging, potentially leading to a performance gap between the different units (or shares).

Derivative financial instrument risk: The risk arising from the Sub-fund's use of forward financial instruments (derivatives), which may lead to a bigger decrease in the net asset value than on the markets or in the underlying assets in which the Sub-fund has invested.

Counterparty risk: This type with one or more counterparties potentially exposes the Sub-fund to a risk of insolvency of one or more of these counterparties, which could lead to default on payment and cause a decrease in the Sub-fund's net asset value.

Liquidity risk: The risk that a financial market cannot absorb transaction volumes due to trading volumes being too low or pressure on the markets. Such a situation may impact the pricing or timing when the Sub-fund liquidates, initiates or modifies positions and thus cause a decline in the Sub-fund's net asset value.

Risks linked to hybrid or subordinated securities: The sub-fund may be exposed to hybrid or subordinated securities. Hybrid and subordinated debt are subject to specific risks of non-payment of coupons and capital loss in certain circumstances. For non-financial bonds, since hybrid debt securities are "deeply subordinated", there is a low recovery rate in the event of issuer default.

Risk related to overexposure: The Sub-fund may use forward financial instruments (derivatives) to generate overexposure and thus bring the Sub-fund's exposure above its net asset value. Depending on the transactions, the impact of a decrease (purchase of exposure) or increase (sale of exposure) in the derivative's underlying instrument may be amplified and thus amplify any decrease in the Sub-fund's net asset value.

Equity risk: Share price fluctuations may have a negative impact on the Sub-fund's net asset value. The Sub-fund's net asset value may decrease during periods in which the equity markets are falling.

Sustainability risk: Any environmental, social or governance event or situation that, if it occurs, could have an actual or potential negative impact on the value of the investment. Specifically, the negative effects of sustainability risks can affect issuers via a range of mechanisms, including: 1) lower revenues; 2) higher costs; 3) damage or impairment of asset value; 4) higher cost of capital; and 5) fines or regulatory risks. Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase in the longer term.

ESG investment risk and methodological limitations: Extra-financial criteria can be integrated into the investment process using data provided by external providers or directly reported by our analysts, notably in our proprietary ESG analysis grid. Data may be incomplete or inaccurate due to the lack of international standards or systematic verification by external third parties. It can be difficult to compare data because issuers do not necessarily publish the same indicators. The unavailability of data may also force management not to include an issuer in the portfolio. The management company may therefore exclude securities of certain issuers for extra-financial reasons, regardless of market opportunities.

Risk scale: PVC EUR

- 1 **2** 3 4 5 6 7 +

Lower risk, returns are likely to be lower. Higher risk, returns are likely to be higher.

# Disclosures

This is a marketing communication and is not intended to constitute investment advice.

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Copies of the full Prospectus, the relevant Key Information Documents (KID) for Packaged Retail and Insurance-based Investment Products (PRIIPs Regulation) and the most recent Report and Accounts are available in English, and other languages where appropriate, on request from the address below or at www.lazardfreresgestion.fr. Investors and potential investors should read and note the risk warnings in the Prospectus and relevant KID. Investment decisions should be based on review of all fund documentations, final investment decisions should not be made based on this communication alone. Additional information about the sustainability of the fund is available at the website address above. Lazard Freres Gestion reserves the right to withdraw this fund from marketing at any time and without notice. The fund is actively managed.

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The returns from your investment may be affected by changes in the exchange rate between the Fund's base currency, the currency of the Fund's investments, your share class and your home currency.

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Emerging and developing markets: Emerging and developing markets can face significant political, economic or structural challenges. The portfolio may experience delays in buying, selling and claiming ownership of investments and there is an increased risk that the portfolio may not get back the money invested.

Fixed income: Yields from bonds reflect in part the risk rating of the bond issuer. Investment in lower rated bonds increases the risk of default on repayment and the risk to capital of the portfolio. High yielding assets may carry a greater risk of capital values falling or have limited prospects of capital growth or recovery. Investment in high yield securities involves a high degree of risk to both capital and income.

Derivatives: The portfolio invests in financial derivative instruments ("FDIs"). While the use of FDIs can be beneficial, they also involve risks different from, and in certain cases, greater than, the risks presented by more traditional investments. FDIs may be subject to sudden, unexpected and substantial price movements that are not always predictable. This can increase the volatility of the portfolio's Net Asset Value. FDIs do not always totally track the value of the securities, rates or indices they are designed to track. The use of FDIs to gain greater exposure to securities, rates or indices than by a direct investment, increases the possibility for profit but also increases the risk of loss. The Fund is also subject to the risk of the insolvency or default of its counterparties to FDI investments. In such events the Fund may have limited recourse against the counterparty and may experiences losses.

Please note that not all share classes are registered for distribution in every jurisdiction. Investment into the portfolio will not be accepted before the appropriate registration is completed in the relevant jurisdiction.

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