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# Lazard Global Green Bond Opportunities



Article 9 SFDR<sup>1</sup>  
Fund

## Our SRI-labelled Absolute Return investment approach in the Green Bond universe

Investment objective: aims to outperform the €STR Capitalized +1.90% (PVC EUR), net of fees, over the recommended investment period of 3 years, while promoting the ecological and energy transition through investment in green bonds. The benchmark is expressed in EUR. Please refer to our ESG policy under the following link ESG ISR - Lazard Frères Gestion - France (EN) ([lazardfreresgestion.fr](http://lazardfreresgestion.fr)). Label ISR attributed by the Ministry of Finance and Public Accounts in France; for more details on the methodology, please see [www.labelisr.fr](http://www.labelisr.fr). The receipt of this award/rating/label does not mean that the fund meets your own sustainability objectives.

### A rapidly expanding market

The green bond market is experiencing swift and consistent growth. These financial instruments, aimed at funding projects that promote positive environmental outcomes, are drawing an increasing number of issuers, ranging from governments to corporates. By 2024, the green bond market hit an unprecedented milestone of \$2,000 billion, a significant jump from \$500 billion in 2020<sup>2</sup>, underscoring the rising dedication to advancing the ecological transition.

### Rising investor demand

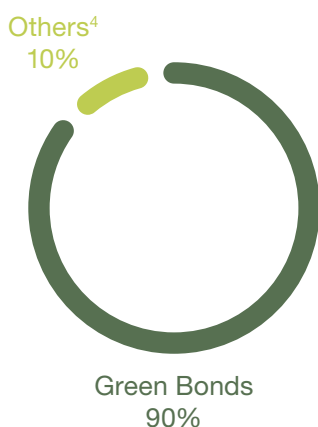
Investor demand for green bonds is on an upward trajectory, fueled by heightened awareness of environmental issues and a strong desire to support the ecological transition. Investors are willing to accept slightly lower yields (“greeniums<sup>3</sup>”) for green bonds due to their environmental appeal and the growing appetite for sustainable investments.

### A broadening landscape

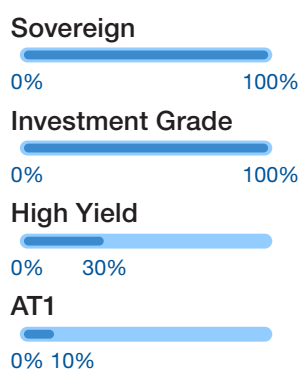
Once primarily led by sovereign issuers, the green bond market has undergone strong diversification in recent years. Today, private and public issuers share the market almost equally. The growing presence of private issuers is unlocking new investment opportunities, providing enhanced diversification across sectors such as utilities, financial institutions, and real estate, as well as varying risk profiles, including both Investment Grade and High Yield offerings.

## Lazard Global Green Bond Opportunities

### Min. 90% of Green Bonds



### Tactical leeway<sup>5</sup>



### Performance drivers

- Asset allocation
  - Interest rate strategies
  - Modified duration
- 
- Bond picking
  - Currency (max. 10% unhedged)

RISK OF CAPITAL LOSS. The objective is not a guarantee of return or performance.

<sup>1</sup> Fund that promotes environmental and/or social characteristics. <sup>2</sup> Bloomberg. <sup>3</sup> Greenium: difference in yield between a traditional bond and a green bond with the same maturity for a given issuer. <sup>4</sup> A maximum of 10% of net assets (excluding cash and UCIs) may be exposed to traditional, sustainable and social debt, subordinated debt from all sectors or segments and/or cash or cash equivalents. <sup>5</sup> Exposure to perpetual subordinated debt: max. 50%.

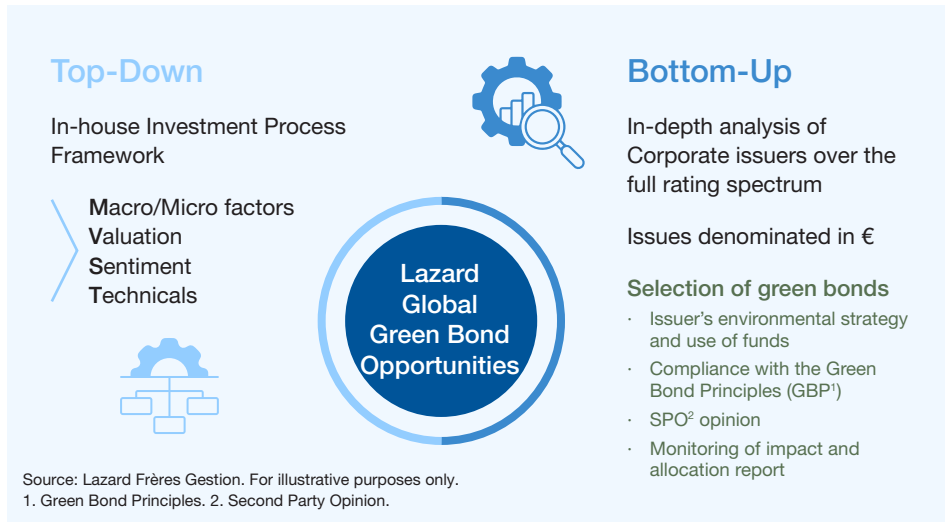
Source: Lazard Frères Gestion. For more information about the fund's other characteristics and risks, please refer to the prospectus available from the company on request or on [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

# Why Us?

## 1

### Fundamental approach

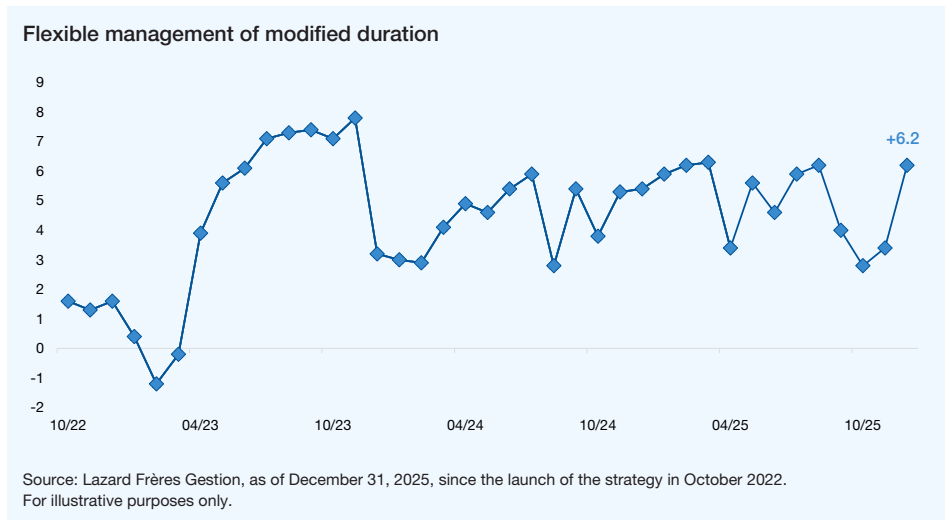
Our thorough analysis of the economic environment, combined with the strength of our credit research, allows us to strategically allocate investments across various fixed income segments. Additionally, our ESG fixed income specialists have developed a proprietary framework for analyzing green bonds. This framework employs a multi-factor approach to identify the most promising investment opportunities within this universe.



## 2

### Flexible and unconstrained allocation

The resurgence of inflationary risks and the return of high market volatility require dynamic and diversified duration management. With our flexible, unconstrained approach, we actively manage the portfolio's duration both geographically - leveraging disparities in regional monetary policies - and in absolute terms, to effectively anticipate interest rate movements.



## 3

### Sustainability approach

Backed by a team of two dedicated ESG specialists, our investment team employs a dual approach to evaluate and enhance its environmental performance. First, the team strives to outperform the benchmark universe on three key indicators recommended by the Green Bond Principles (GBP). Second, its external ESG rating is consistently maintained above the average of the top 75% of the universe, in alignment with its SRI certification requirements. This dual approach underscores our commitment to integrating environmental performance with social responsibility.

The block details ESG performance indicators. It lists: "Carbon footprint" (TCO2 eq.\* / €M of EVIC), "Emission reduction" (% of initiatives), and "Implied Temperature Rise (ITR)" (Estimated impact on global average temperature increase). It identifies "Data provider" as "MSCI" with a globe icon. The source is "Lazard Frères Gestion. For illustrative purposes only."

RISK OF CAPITAL LOSS.

For more information about the fund's other characteristics and risks, please refer to the prospectus available from the company on request or at [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

Lazard Frères Gestion

# 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<sup>1</sup>

# 6 Years

Average at  
Lazard Frères Gestion<sup>1</sup>

1. As of December 31, 2025.

Our teams are traditionally stable; however, we cannot guarantee the presence of the managers mentioned above during the life cycle of the product.

# Main Risks

**Risk of capital loss:** There is no guarantee of the Sub-fund's performance or protection of capital. As such, the investor may not get back the full amount of the initial investment during redemption.

**Interest rate risk:** The risk of a decline in debt instruments as a result of changes in interest rates. This risk is measured by the level of sensitivity. For instance, bond prices tend to move in the opposite direction to interest rates. The net asset value may decline during periods when there is an increase (positive sensitivity) or decrease (negative sensitivity) in interest rates.

**Credit risk:** The risk of a deterioration in the credit quality of or default by a public or private issuer. The Sub-fund's exposure to issuers either through direct investment or via other UCI may give rise to a decline in the net asset value. If the Sub-fund is exposed to unrated or speculative/high yield debt, the credit risk is high and may lead to a decline in the Sub-fund's net asset value.

**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.

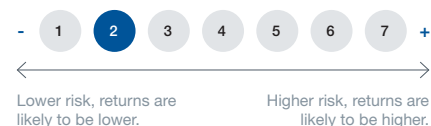
**Sustainability risk:** Any environmental, social or governance event or situation that, if it occurs, could have an actual or potential negative impact on the value of the investment. Specifically, the negative effects of sustainability risks can affect issuers via a range of mechanisms, including: 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.

**144A securities risk:** The Sub-Fund may invest in restricted securities, in particular within the meaning of Rule 144A. 144A securities benefit from an exemption from the registration requirement under the United States Securities Act of 1933. These securities are subject to restrictions on resale to Qualified Institutional Buyers (QIBs), as defined by the Securities Act of 1933 in the United States of America; consequently, administrative costs are reduced as a result of this exemption. 144A securities are traded between a limited number of QIBs, which may increase price volatility and reduce the liquidity of certain 144A securities.

**Risk scale:**



# Disclosures

This is a financial promotion and is not intended to constitute investment advice.

**Lazard Global Green Bond Opportunities** is a sub-fund of Lazard Funds, a French open-ended investment company with variable capital (Société d'investissement à capital variable) authorised and regulated as UCITS by the Autorité des marchés financiers and managed by Lazard Frères Gestion SAS.

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.lazardassetmanagement.com/www.lazardfreresgestion.fr](http://www.lazardassetmanagement.com/www.lazardfreresgestion.fr). Investors and potential investors should read and note the risk warnings in the Prospectus and relevant PRIIPs 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 Fund Managers Limited/ 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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**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 experience losses.

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