

International bonds and debt securities	Share Classes*	ISIN code	NAV €	Net assets (€ million) :	Total net assets (€ million) :
	PVD EUR unit	FR0012074151	111.02	140,40	1571,93

* 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 Securitised 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 - Sergio Gallo

Spreads on financial debt have all widened. Tier 2 bonds widened by +2 bps to 159 bps and Senior debts widened by +1 bps to 74 bps according to JP Morgan's SUSI indices. AT1s in OAS widened by +11 bps to 304 bps according to Bloomberg Barclays Global Index.

It was a contrasted month with on one hand still good and positive news both on the European macro front (the economic activity is rebounding dramatically in every country, even more in the South of Europe) and the micro front (much better earnings publication of 1H21, beats mostly due to better fees income and lower loan losses provisions, with many banks revising downward their guidance on 2021 cost of risk).

On the other hand, in the rest of the world, there was that sensation of peak growth / inflation / Rates with China being volatile and the US being in some kind of peak expectations, both at the macro and micro.

Hence, in that environment, Rates went down during the month, again, touching new year lows. Spreads were flat to slightly higher, meaning that the positive month performance is only coming from Carry and Rates movements.

On the M&A front, finally, Unicredit management is studying buying part of Monte dei Paschi. Let one month and a half of due diligence and see what will be the final outcome.

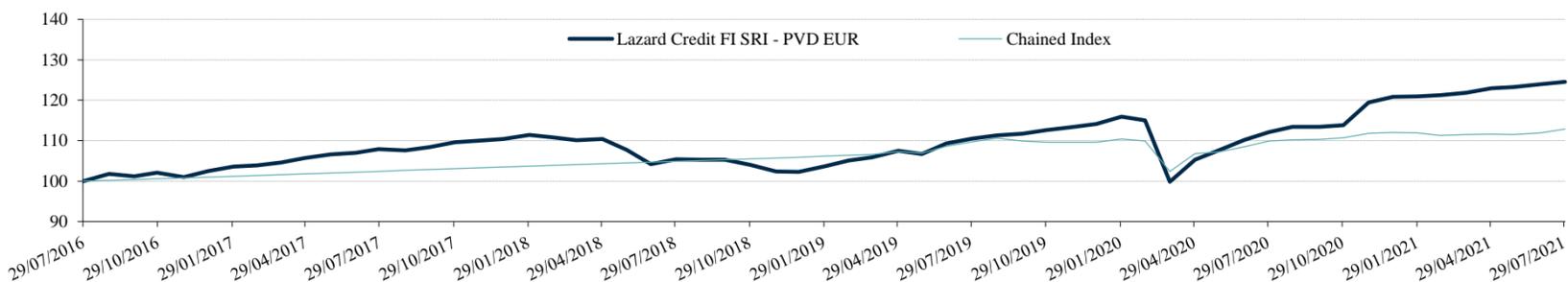
We also ended the month with the publication of the latest Stress Test made both by the EBA and ECB / SSM, showing the strength and resilience of the sector in a very tough adverse scenario, leaving the path for more capital distribution for the strongest entities.

The primary market was very quiet in July, much lower than last year, as anticipated. Summer should stay slow on primary issuance.

In Lazard Credit Fi, the most important contributors to the performance have been banks Tier 2 with +0,15%, insurers Tier 2 with +0,12%, Legacy with +0,09%, AT1 and RT1 with +0,07% and senior with +0,02%. By country, the most important contributions came from UK (+0,14%), Italy (+0,12%), Germany (+0,06%). By issuer, UniCredit with +0,06%, Commerzbank with +0,03%, Lloyds Banking Group with +0,03% are the most important contributions.

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*	2020	2019	2018	2017	2016
Lazard Credit FI SRI - PVD EUR	5,85%	11,63%	-7,33%	7,75%	5,52%
Chained Index***	2,22%	3,50%	2,41%	2,40%	1,06%

Cumulative performance*	Month	YTD	1 year	3 years	5 ans
Lazard Credit FI SRI - PVD EUR	0,49%	3,03%	11,17%	18,18%	24,52%
Chained Index***	0,85%	0,69%	2,77%	7,60%	12,85%

* 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	2,4	Spread duration	3,7
Yield to maturity (Without hedging costs)	3,5%	Average rating (issuer) ¹	BBB
Yield to call (Without hedging costs)	2,5%	Average rating (issues) ¹	BB
Yield to call (With hedging costs)	2,2%	¹ Average rating for each security	
Yield to Worst	2,5%	Spread vs Govt.	278

Estimates on yields in different currencies, spreads or sensitivities are based on the best judgment from Lazard Freres Gestion for all the securities included into the portfolio at the mentioned date. LFG does not provide any guarantee on its accuracy or on the methodology used."

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 SRI - PVD EUR	3,51%	7,69%
Chained Index***	1,45%	4,00%
Tracking error	2,72%	4,21%
Information ratio	3,10	0,76

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

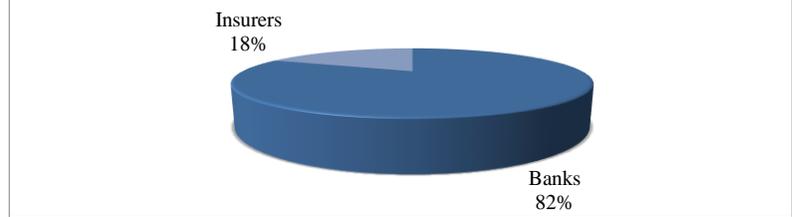
Gross currency exposure:	62% EUR / 23% USD / 14% GBP / 1% Others
Net currency exposure:	100% EUR

MAIN HOLDINGS

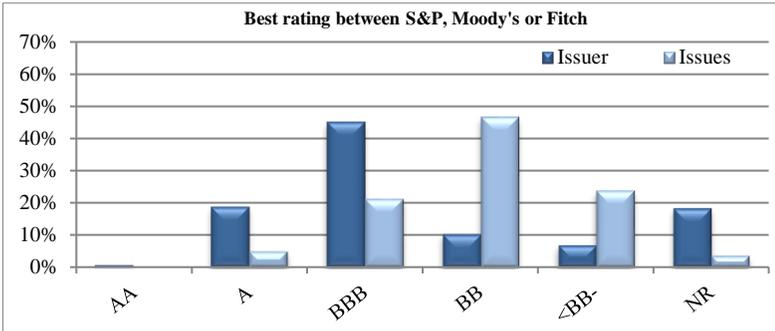
Main holdings

Virgin Money UK PLC 8% 12/08/2022	Banks AT1/RT1	2,9%
Bnp Paribas Fortis SA 1,457% 31/12/2019	Banks Legacy Tier 1	2,1%
Credit Suisse Group 5,25% 02/11/2027	Banks AT1/RT1	2,0%
Unipolsai Assicurazioni 5,75% 18/06/2024	Insurance Tier 2	2,0%
Bankia SA 6% 18/07/2022	Banks AT1/RT1	1,9%

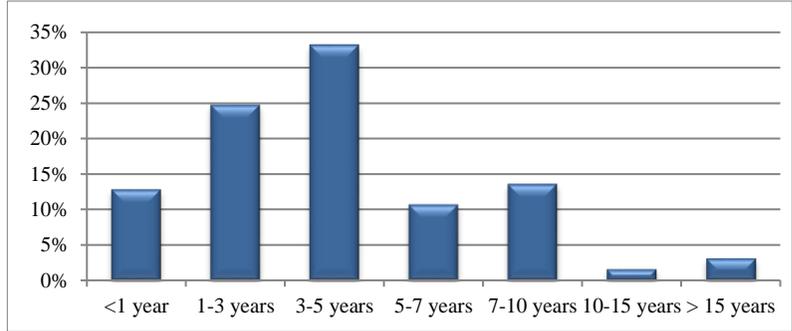
SECTOR ALLOCATION



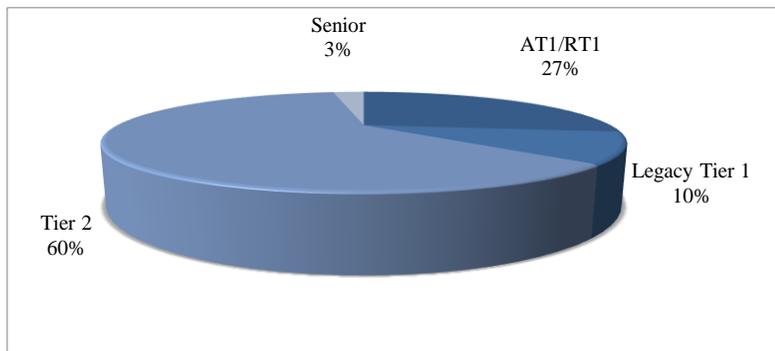
RATING ALLOCATION



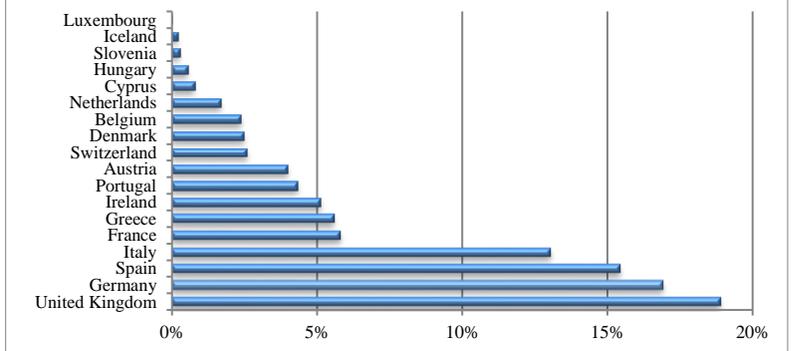
BREAKDOWN BY MATURITY (AT CALL)



BREAKDOWN BY LEVEL OF SUBORDINATION



GEOGRAPHICAL DISTRIBUTION



FUND DETAILS

■ ISIN Code PVD EUR unit	FR0011844034	■ Custodian	CACEIS Bank	■ Management fees	PVD unit: maximum of 0,3% inclusive of taxes
■ Management company	Lazard Frères Gestion SAS	■ Fund administration	Caceis FA		
■ Class. SFDR : art. 8		■ Taxation	Capitalization	■ Subscription fees	maximum of 4% inclusive of taxes
■ Bloomberg Code	LAZOCFG FP	■ Inception date	29/07/2014	■ Redemption fees	else units: none
■ Legal form	FCP	■ Subscription terms	Each business day by 12 am	■ Performance fees:	PVC EUR, RVC EUR, RVD EUR and PVD units: 30% of the outperformance in excess of ICE BofAML Euro Financial Index, expressed in Euro +75bps. These fees will be limited to 2%
■ UCITS-Compliant	Yes	■ Settlement and value date:	Settlement and value date:		PC EUR, PD EUR, TC EUR, PC H-USD and PC H-CHF units: none
■ AMF classification	International bonds	■ Subscription:	J (date of the NAV) + 2 business		
■ Currency	Euro	■ Redemption:	J + 2 business days		
■ Investment horizon	> 3 years	■ Total expense ratio and transaction fees	For more information, please check our prospectus on www.lazardfreresgestion.fr		
■ Valuation	Daily				
■ Modified duration	0 to 8				

** 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 :	Additional and data information:	Publication of NAVs :
Subscription/Redemption	Commercial service	www.lazardfreresgestion.fr
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