

International bonds and debt securities	Share Classes*	ISIN code	NAV €	Net assets (€ million) :	Total net assets (€ million) :
	PVC EUR unit	FR0010590950	13 871,65	548,58	912,74
	RVC EUR unit	FR0010752543	304,99	63,28	
	PC EUR unit	FR0011844034	1 120,39	108,63	
	PVD EUR unit	FR0012074151	93,19	105,19	
	PD EUR unit	FR0013306743	887,99	38,06	
	TC EUR unit	FR0013305935	182,67	46,08	
	RVD EUR unit	FR0013306735	175,84	0,63	
		ISIN code	NAV \$	Net assets (\$ million) :	
	PC H-USD unit	FR0013076932	1 184,90	1,22	
		ISIN code	NAV CHF	Net assets (CHF million) :	
	PC H-CHF unit	FR0013076932	978,71	1,24	

* 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 fell by -12,9% over the month (PVC share).

Spreads on financial debt have all widened. Tier 2 bonds widened by +257 bps to 462 bps and Senior debts widened by +112 bps to 207 bps according to JP Morgan's SUSI indices. AT1s in OAS widened by +258 bps to 645 bps according to Bloomberg Barclays Global Index.

The German government bond yield curve steepened during the month, with the 10-year yield up +14 bps to -0,5%, the 5-year yield up +11 bps to -0,7%, while the 2-year yield up +7 bps to -0,7%.

For 2020, Lazard Credit Fi posted a net performance of -12,2% vs -10,6% for the JP Morgan SUSI Lower Tier 2 and -15,5% for the Barclays Global Contingent Capital € Hedged Index. Lazard Credit Fi has a 260-day volatility of 6,9% vs 5,0% for the SUSI Lower Tier 2 and 14,9% for the Barclays Global Contingent Capital € Hedged Index.

Central banks and governments are maneuvering to try to mitigate the impacts of near-global confinement around the world. Central banks have released their monetary bazooka several times, several rate cuts (for those who could) with a zero or negative rate environment on almost the entire planet, but above all massive liquidity injection programs, the Fed launches unlimited QE (with close to \$ 625bn of purchase during the third week of March!), an extension to corporate debt, and direct financing for large groups as well as for SMEs (to come). The ECB launched its PEPP amounting to at least EUR750bn until the end of 2020, including Greek debt in the program and the possibility of overriding the 33% holding limit, in other words the ECB can directly influence the sovereign debt spreads and prevent significant tensions on peripheral debts.

The government are also in the battle with a stimulus estimated at \$2 trillion for the US, guaranteed loans for €500bn in Germany, €300bn in France. However, we are still awaiting a common fiscal response on the European side.

On the regulatory side, banks benefit from numerous reliefs: drop in required capital, postponed stress test, Basel 4 postponed by one year, softened accounting standards, etc. In exchange, European regulators impose (almost) on banks not to distribute dividends and to stop share buybacks until at least October 2020. Important clarification from the ECB: it has no plans to order banks to suspend interest payments on their hybrid debt instruments AT1 or Tier 2.

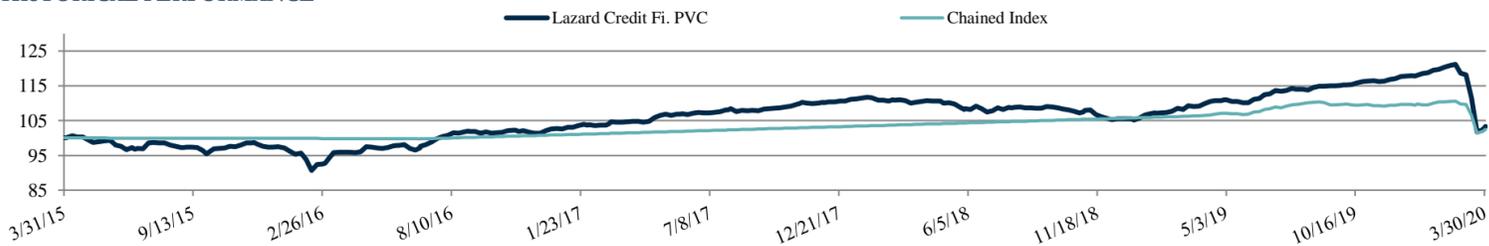
The primary market has timidly reopened on the Senior side and for leading issuers such as Credit Suisse, Barclays, HSBC or Standard Chartered.

In Credit Fi, the most negative contributors to the performance have been banks Tier 2 for -6.00% (of which Italy for -1.80% and Spain for -1.5%) and AT1/RT1 for -2.9%. The most resilient bonds were Senior (-1.00%) and insurance Tier 2 (-1.3%). By issuer, Monte dei Paschi, Unicredit, HSBC and Deutsche are the main negative contributions.

The primary market, excluding covered bonds, totaled 16 bn€ in gross issuance according to Barclays, with net bank issuance totaling +0 bn€ over the months. Since the beginning of the year, gross issuance has represented 85 bn€ and net issuance +24 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*	2019	2018	2017	2016	2014
Lazard Credit Fi. PVC	11,60%	-4,55%	7,74%	5,27%	1,14%
Chained Index***	3,49%	2,37%	2,36%	1,03%	-0,11%

Cumulative performance*	Month	YTD	1 year	3 years	5 ans
Lazard Credit Fi. PVC	-12,89%	-12,23%	-5,34%	-1,34%	3,38%
Chained Index***	-6,59%	-6,33%	-3,60%	1,00%	2,53%

* 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	5,5	Spread duration	3,4
Yield to maturity (Without hedging costs)	5,5%	Average rating (issuer) ¹	BBB+
Yield to call (Without hedging costs)	7,1%	Average rating (issues) ¹	BB+
Yield to call (With hedging costs)	6,7%	Spread vs Govt.	722
Yield to Worst	5,1%		

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. PVC	11,39%	8,47%
Chained Index***	6,07%	4,08%
Tracking error	5,61%	4,02%
Information ratio	-0,32	-0,19

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

Gross currency exposure:
65% EUR / 23% USD / 12% GBP

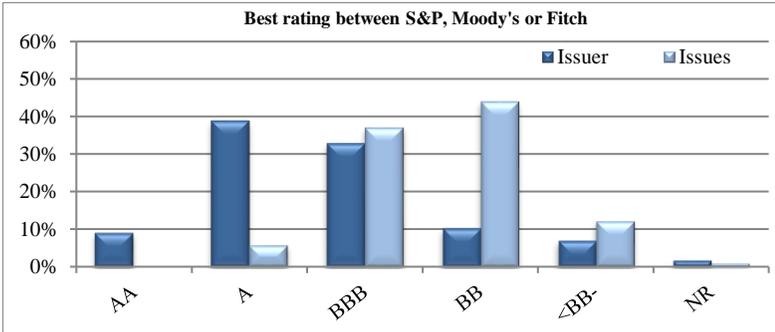
Net currency exposure:
100% EUR

MAIN HOLDINGS

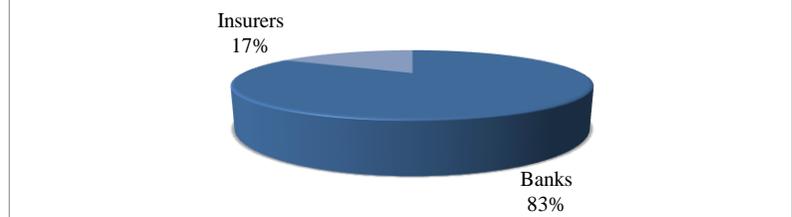
Main holdings

Dresdner Fndg Trust 8,15% 06/2031	Banks Legacy Tier 1	2,9%
Unicredit 5,861% 06/2032	Banks Tier 2	1,8%
Unicredit 7,296% 04/2034	Banks Tier 2	1,8%
BNP Paribas Fortis 1,6% 12/2049	Banks Legacy Tier 1	1,8%
Deutsche Bank 4,296% 05/2023	Banks Tier 2	1,7%

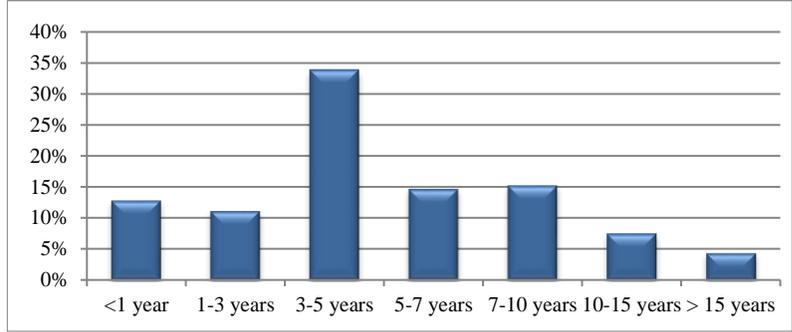
RATING ALLOCATION



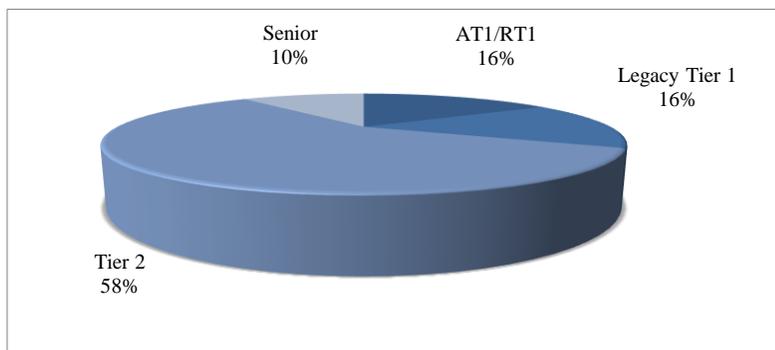
SECTOR ALLOCATION



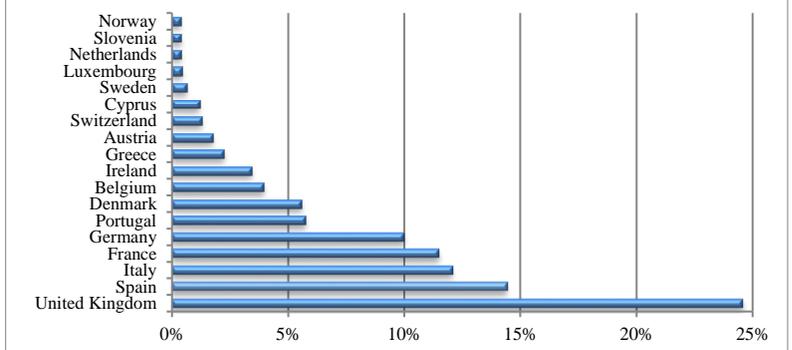
BREAKDOWN BY MATURITY (AT CALL)



BREAKDOWN BY LEVEL OF SUBORDINATION



GEOGRAPHICAL DISTRIBUTION



FUND DETAILS

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	Custodian : CACEIS Bank Management company : Lazard Frères Gestion SAS Fund administration : Caceis FA	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
Bloomberg Code : LFOBJFI/LFOBJFR/ LAZOCFI/LAZOCFG	Taxation : Capitalization Distribution: PVD EUR, RVD EUR, PD EUR units	Subscription fees : maximum of 4% inclusive of taxes Redemption fees : else units: none	
Legal form : FCP UCITS-Compliant : Yes AMF classification : International bonds Currency : Euro Investment horizon : > 3 years Valuation : Daily Modified duration : 0 to 8	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	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	

** 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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