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FRÈRES GESTION

Lazard Sustainable Credit 2025

MARCH 2020

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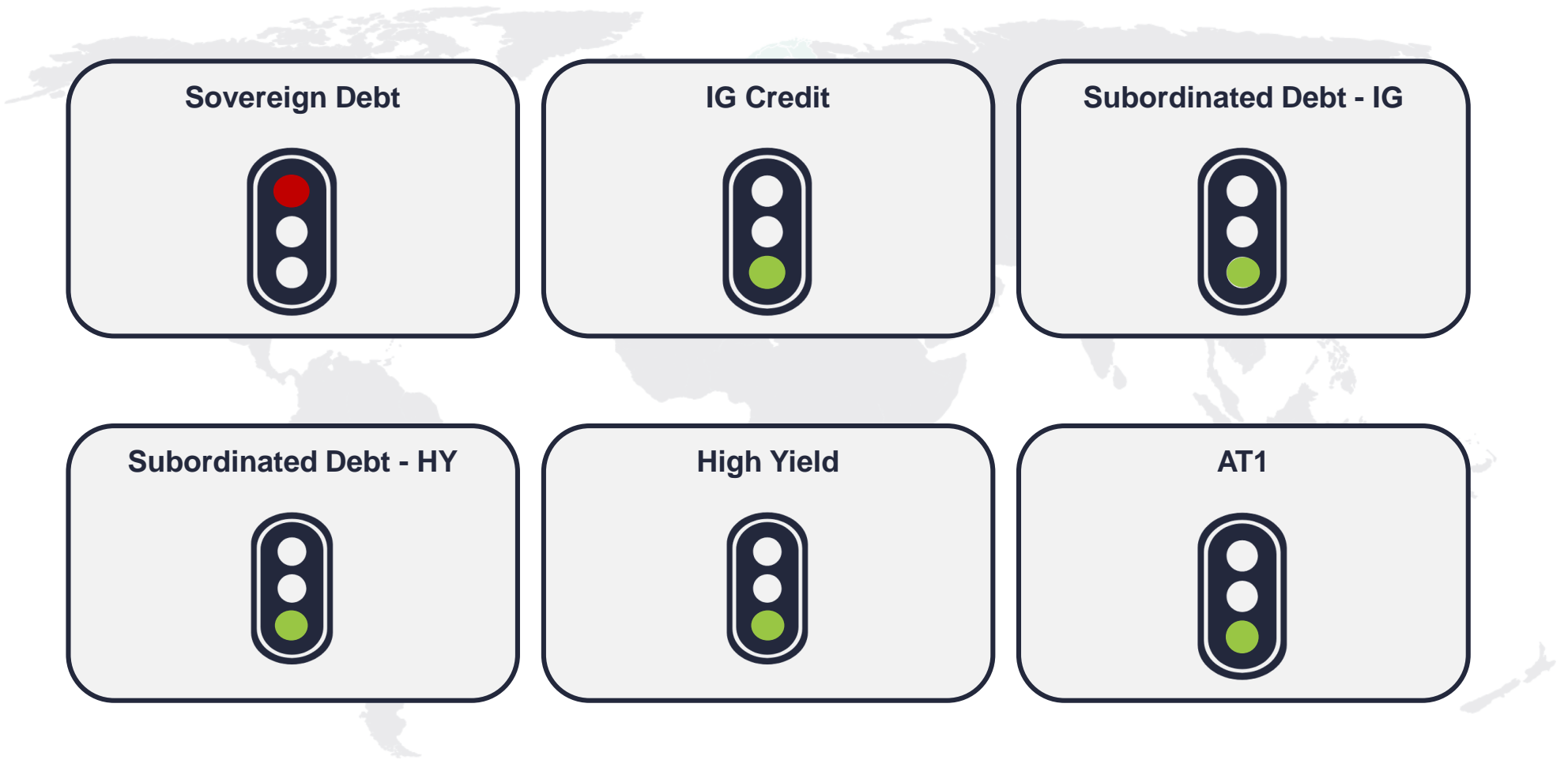
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Market Overview

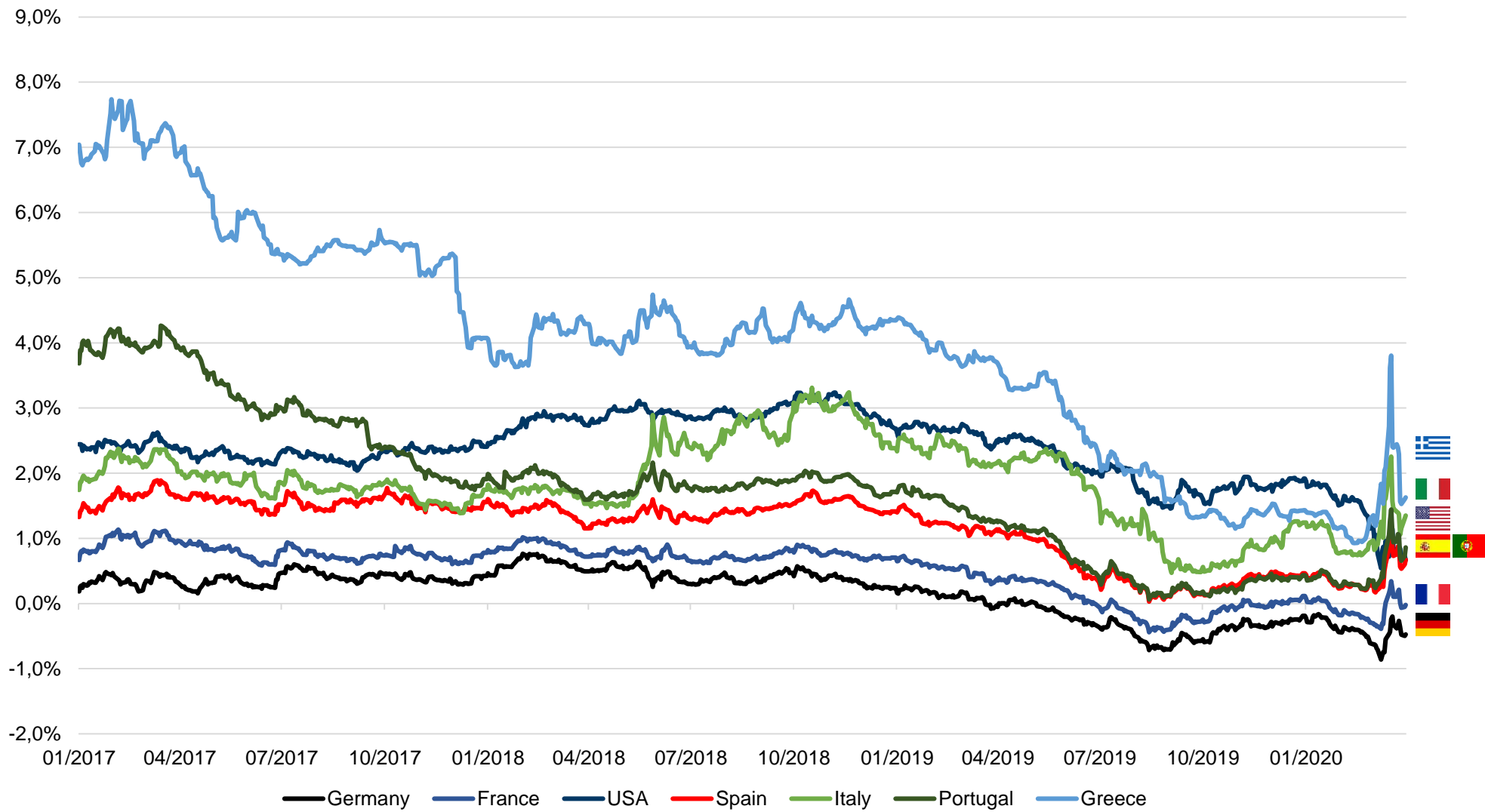
Asset class positioning



Source : Lazard Frères Gestion, March 2020.

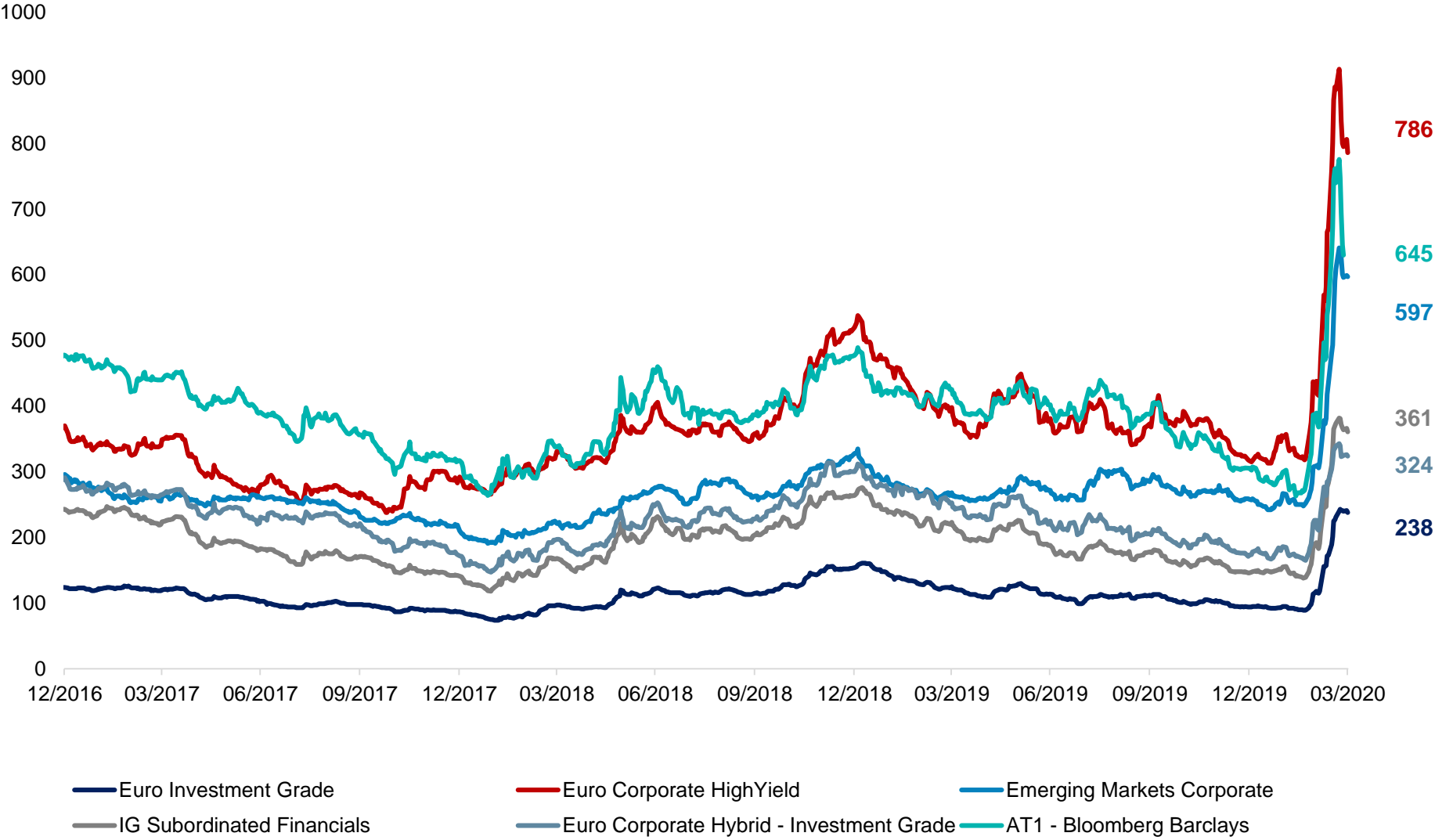
The opinion expressed above is up to date as of the time of this presentation but may change.

10-year sovereign yields





Credit spreads



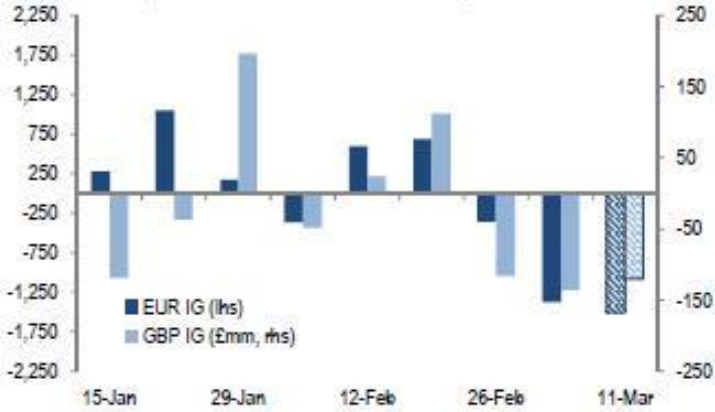
Source : Lazard Frères Gestion, Bloomberg, from 31 December 2016 to 31 March 2020.
 Index: ER00 Index, HEAE Index, EMCB Index, EBSU Index, BCCGOAS Index, ENSU Index.
 Spread OAS.



Credit flows

Credit flows (cumulative, in €)

Figure 1: Weekly Fund Flows - Investment Grade, €mm



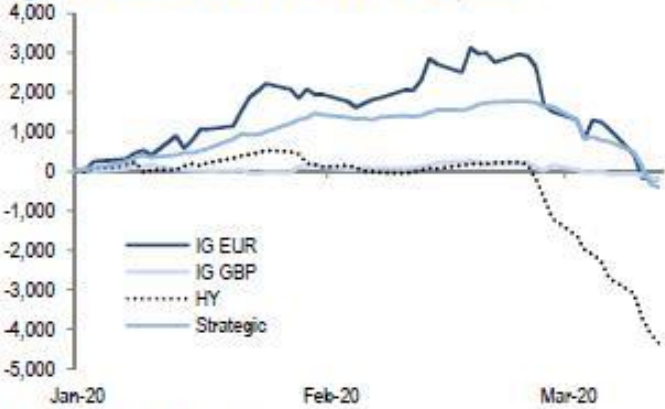
Source: J.P. Morgan, Bloomberg. Patterned bars denote latest week.

Figure 2: Weekly Fund Flows - High Yield & Strategic, €mm



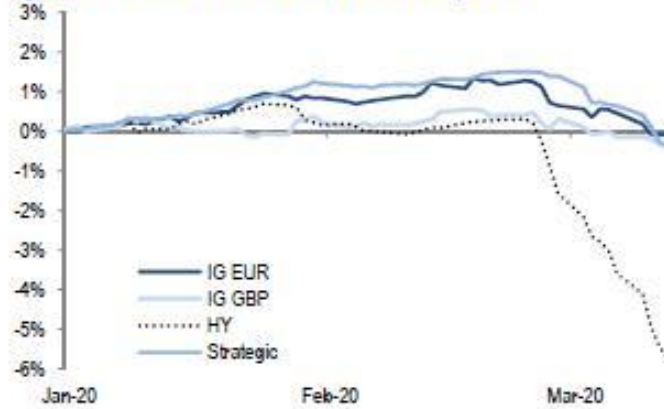
Source: J.P. Morgan, Bloomberg. Patterned bars denote latest week.

Figure 3: Cumulative from Jan 2020 Fund Flows, €mm



Source: J.P. Morgan, Bloomberg.

Figure 4: Cumulative from Jan 2020 Fund Flows, %AUM



Source: JP Morgan, March 2020.
The opinion expressed above is up to date as of the time of this presentation but may change.

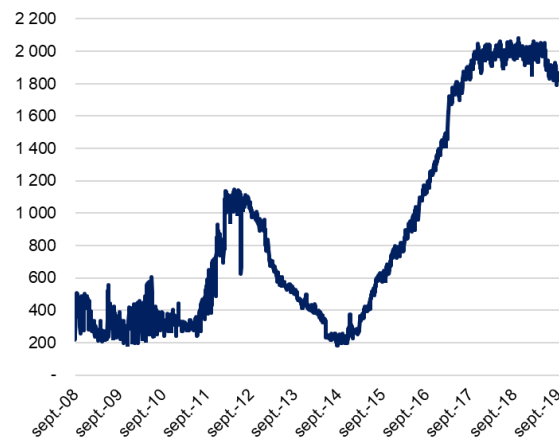
European banks

Improvement in credit quality

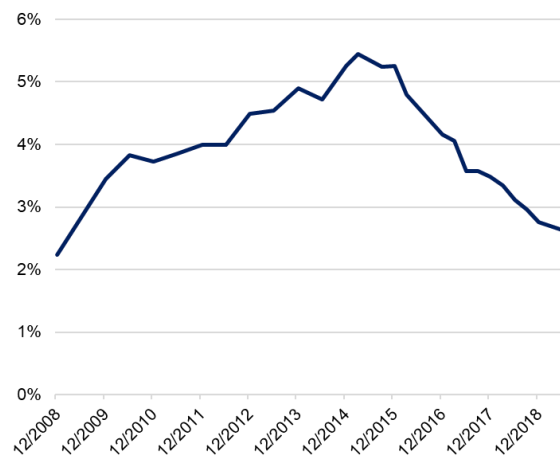
Leverage ratios at a 20-year low



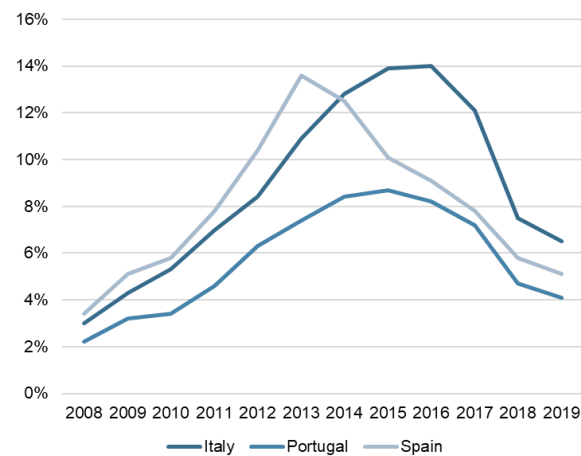
Excess liquidity (in billions of euros)



Non-performing loans: European Union



Non-performing loans: peripheral countries (Italy, Portugal, Spain)



- **Capital improvement:** balance sheets remain stable
- **Liquidity remains high**

- **Asset quality continues to improve** with a significant decrease in the number of NPLs
- The peripheral countries show notable improvements

Source: EBA, ECB, Bloomberg, November 2019.

The opinion expressed above is up to date as of the time of this presentation but may change.



European banks

What has been done ?

➤ **Central Banks injecting a lot of liquidity and relaunching QE programs**

➤ **Relaxing capital and liquidity rules in order to let banks lend**

➤ **Loan guarantees by States:**

- KfW 500 bn program in Germany
- BPI and 300 bn Corporates loans guarantee in France or 30% of loans outstanding
- 340 bn in Italy
- 100 bn in Spain

➤ **EU Rules changes: *“Banks are intended to be used as a channel to lend to businesses or compensate for damage caused by the virus outbreak”***

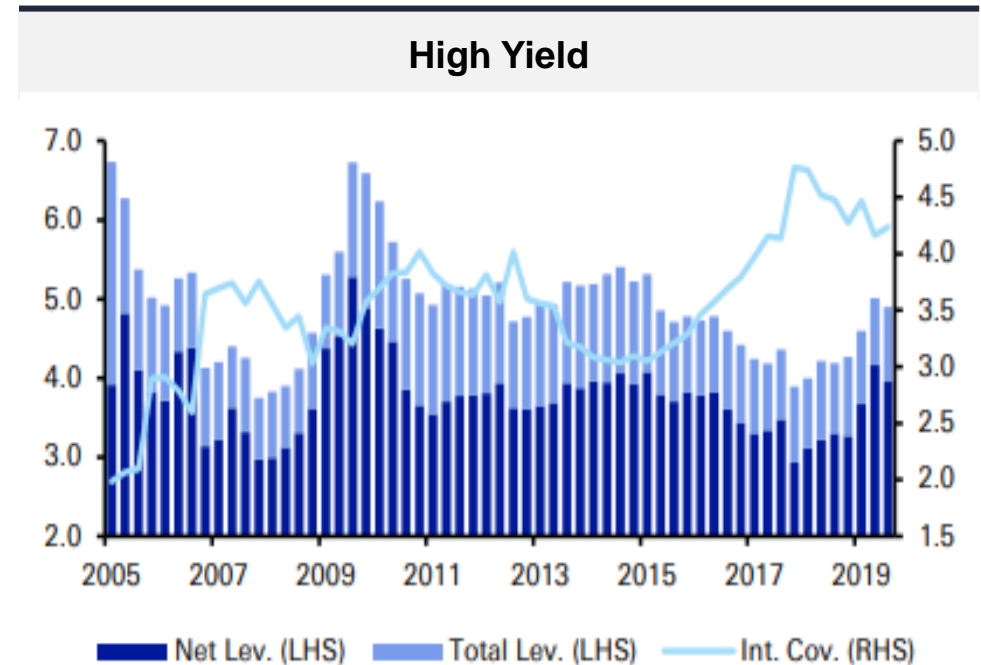
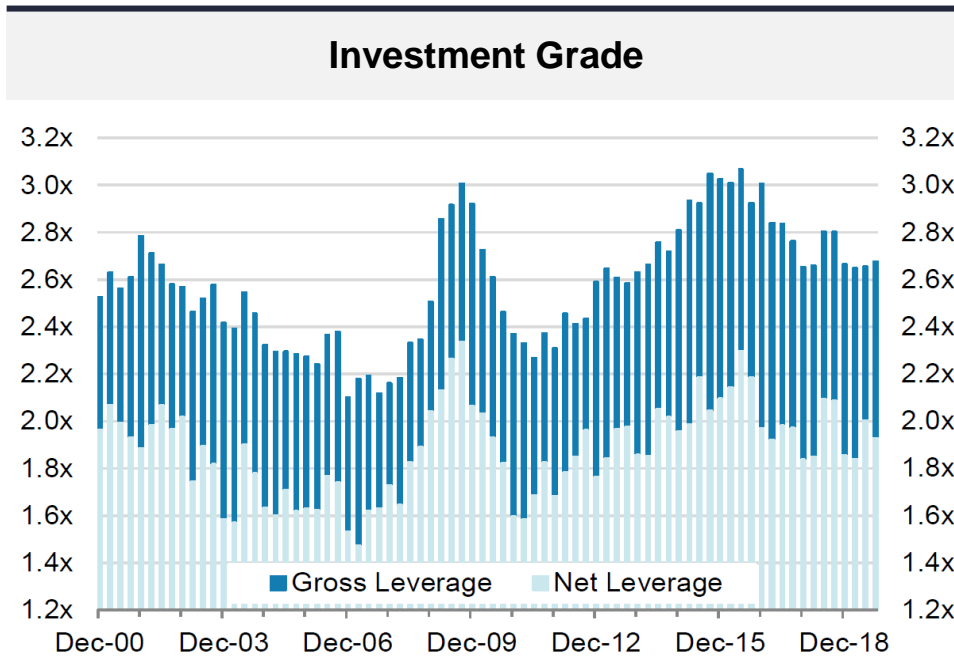
- Handouts that target the virus situation won't be subjected to the onerous restructuring or investor contributions to losses required under bank-bailout rules
- Guarantee is limited to two years and can't exceed 90% of the loan
- Interest rates for loans need to be at least 10 basis points per year

Corporates

Financial leverage

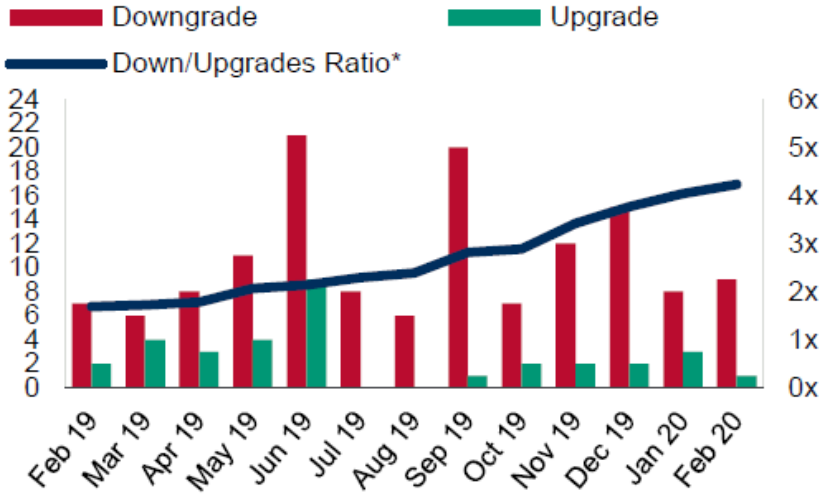


- **Good fundamentals despite** a slight deterioration in the High Yield segment



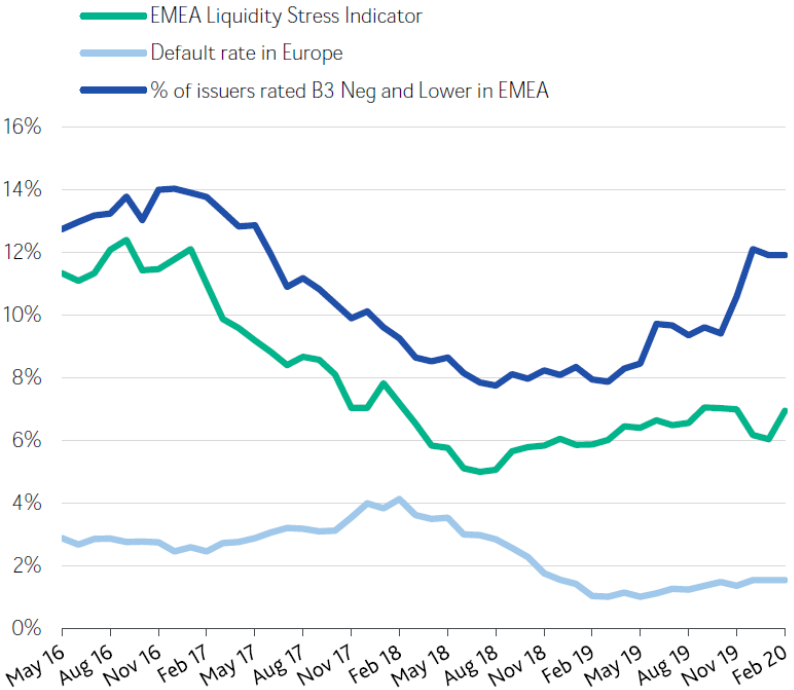
European High Yield fundamentals

Downgrade / upgrade trends



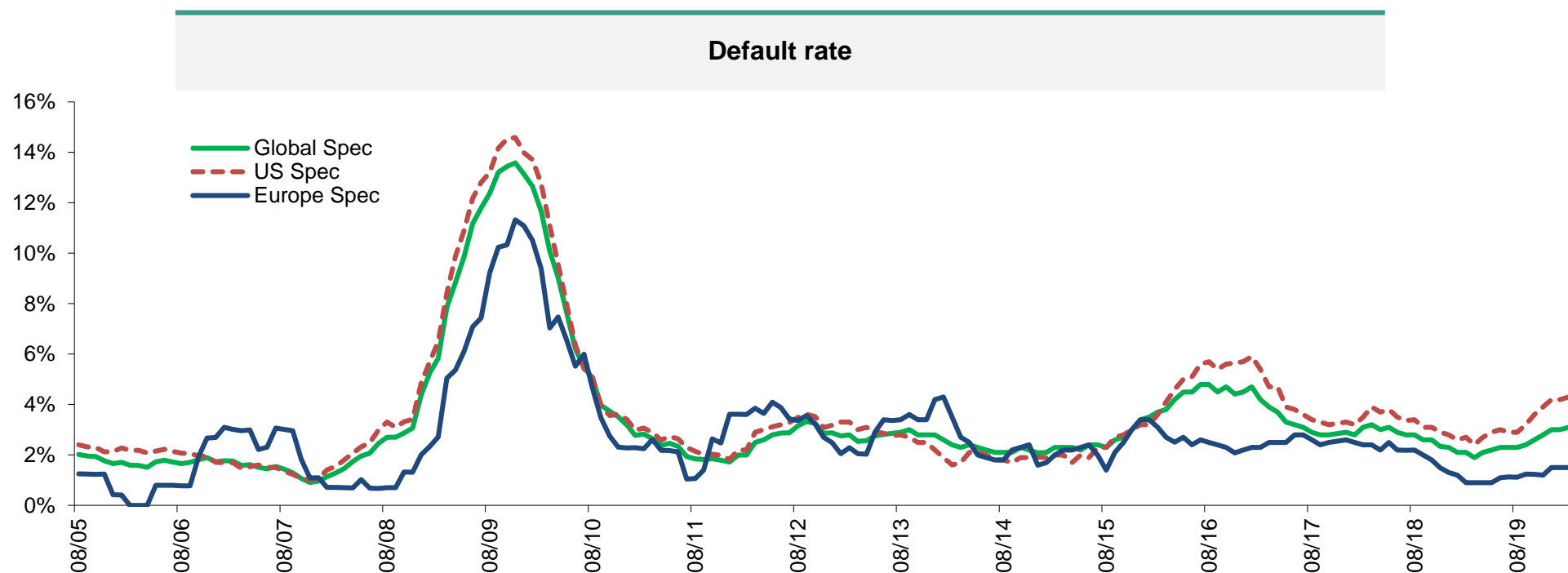
*Yearly trailing down-/upgrades ratio (rhs)

Corporate liquidity continues to improve in Europe



Source: Moody's Investors Service, as of February 2020. Left chart: Yearly trailing downgrade/upgrade ratio (RHS). The opinion expressed above is at the time of such presentation and is subject to change.

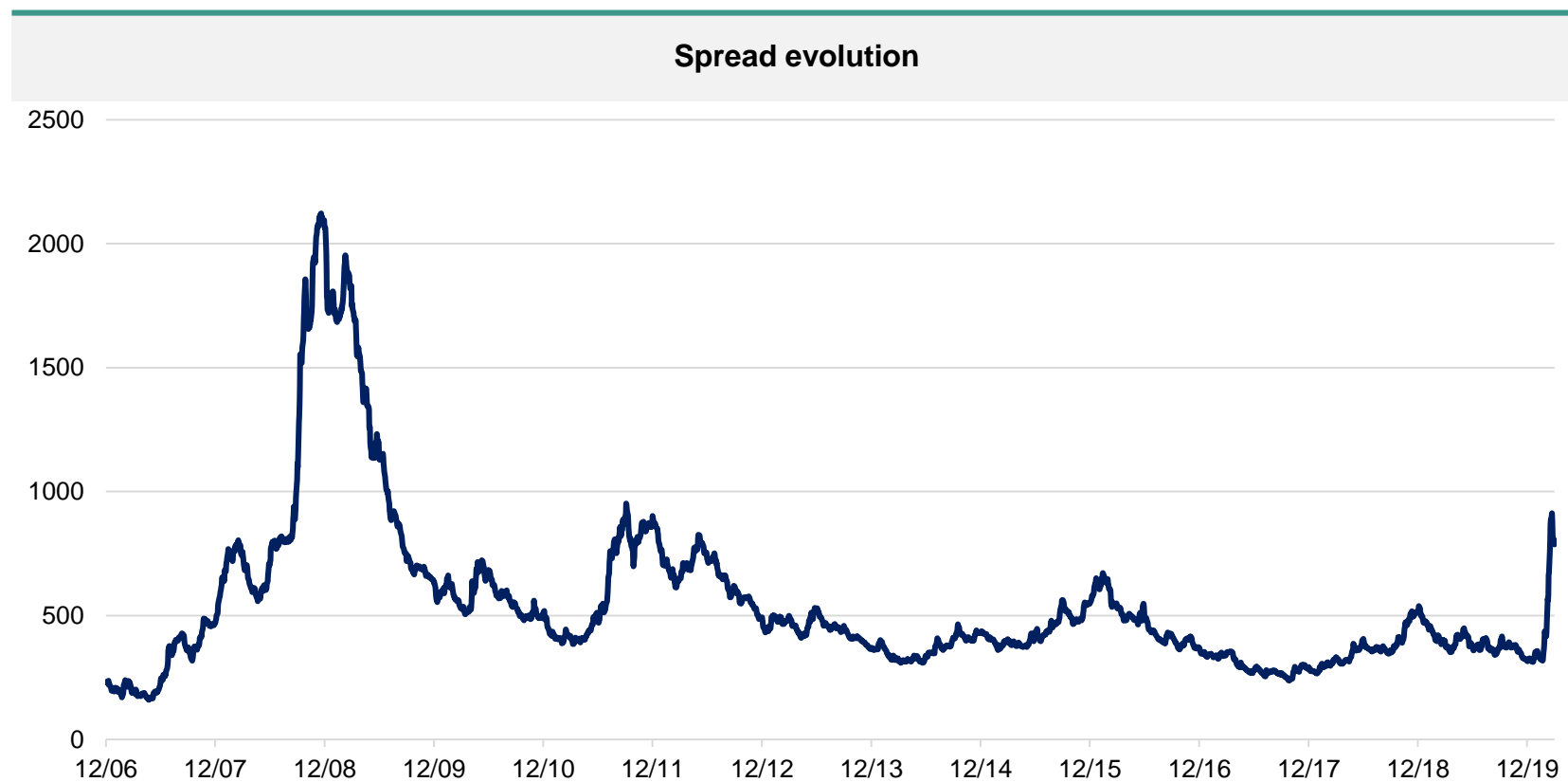
European High Yield fundamentals



- As end of February = 1.5% Moody's forecast as end of 2020 = 2.4% (excluding Coronavirus impact)
- Fundamentals will deteriorate as we should move into recession and the tightening of credit conditions will lead to a default rates increase.
- Nonetheless, defaults are not expected to reach 2009 levels (11%) thanks to:
 - Few maturities to be refunded in 2020 and 2021 (as companies took advantage of the active primary market in 2019 and at the beginning of the year to extend their average maturity)
 - Government policies in order to mitigate impacts (partial unemployment, tax relief...)
 - Possible shareholder support (Pension Funds, Private Equity Funds, capital increase subscribed by the governments)

Source: Moody's Investors Service, as of February 2020. Left chart: Yearly trailing downgrade/upgrade ratio (RHS).
 The opinion expressed above is at the time of such presentation and is subject to change.

European High Yield valuation



- Spreads level on B names (1245bp / yield of 12%) are higher than during the Sovereign Debt Crisis in 2011, which is not the case for BB names (645bp / yield of 6.2%).

II

Lazard Sustainable Credit 2025

Why is “Buy and Monitor Strategy” attractive in the current market environment ?

Management principle:

- Convert a yield-to-maturity into a performance at maturity
- No hedging of credit and interest rate risk
- Low portfolio turnover

Key benefits:

**BENEFIT FROM MEDIUM-LONG
TERM VISIBILITY**

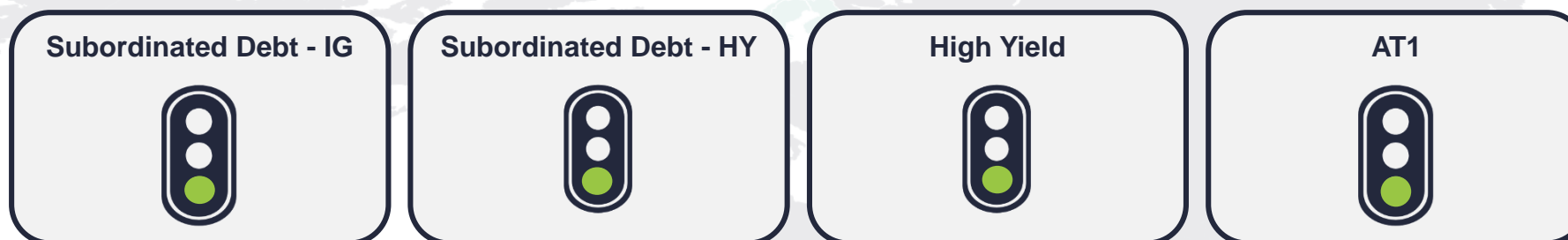


**BENEFIT FROM ATTRACTIVE YIELD
ON CREDIT MARKETS**



Lazard Sustainable Credit 2025

Focus on some fixed income sub asset classes



	Yield as of 31 March 2020
Euro Corporate Hybrid – Investment Grade	2.82%
Subordinated Financial – Investment Grade	3.06%
Euro High Yield	7.00%
AT1	8.60%

Source : Lazard Frères Gestion, Bloomberg, yield to worst, in %, hedged in euro, 31 March 2020.
 Index : ENSU Index, EBSU Index, HE00 Index, AT1 BCCGTREH Index.
 The opinion expressed above is up to date as of the time of this presentation but may change.



Lazard Sustainable Credit 2025

Team approach



Source : Lazard Frères Gestion, 2020.

Lazard Asset Management and Lazard Frères Gestion Fixed Income teams.

Our team is traditionally stable, unfortunately, we are unable to guarantee the presence of the managers listed above during the life of the product.

The information listed above is current as of the date of this presentation.

Lazard Sustainable Credit 2025 in a nutshell

ESG Filter

ESG Overall Score



Environment	54
Social	53
Governance	50

Selection

Bond picking

- Rigorous bond picking: issuers with high visibility on cash flows and strong balance sheet
- Average issuer rating: Investment Grade
- Balanced exposure between financial and non financial issuers
- High Yield issuer exposure mainly on corporates with a defensive profile rated BB
- High diversification along the capital structure:
 - Tier 2
 - Insurance Subordinated
 - Additional Tier1

Lazard Sustainable Credit 2025

Portfolio Guidelines

BUY AND MONITOR STRATEGY WITH A 2025 MATURITY¹

- Investment objective: As of the inception date, 2019 December 10th, achieve a performance net of management fees, hedging and default estimates calculated by the management company, on an annualised basis as of 30 June 2025 equal to²:

2.20%
PC H-EUR - PD H-EUR

1.60%
RC H-EUR, RD H-EUR
RC H-USD* RD H-USD*

2.40%
EC H-EUR and ED H-EUR

- A diversified portfolio around multiple fixed income sub-asset classes:

Investment Grade / High
Yield

Senior / Subordinated

Non-rated

Additional Tier One
(max 35%)

Source: Lazard Frères Gestion.

1. Asset maturity date: 30 June 2025.

2. Yield is applicable only for client who bought shares at the fund inception date. The yield changes everyday based on the market conditions and amount of subscriptions. The yield disclosed is not guaranteed. Target return presented net of fees and takes into account the probability of default in assumptions determined by Lazard Frères Gestion and considered to be the most likely on 10 December 2019. The Management Company recalls that there is a risk that the real financial situation of issuers may be worse than expected; that these adverse conditions (e.g.: More defaults, lower recovery rates) will reduce the fund's performance. The management objective may then not be achieved. Share classes management fees: PC H-EUR and PD H-EUR: 0,60% // RC H-EUR and RD H-EUR: 1,20% // EC H-EUR and ED H-EUR: 0,40% RC H-USD and RD H-USD: 1.25 % - administrative fees: 0.035% - estimated default impact: 0.28%. This objective may change up to the fund's launch date depending on market conditions.

***RC H-USD and RD H-USD investment objective will be increased or decreased due to the currency hedging impact.**

This return objective is based on the market assumptions used by the management company at the date of preparation of the document and does not constitute a guarantee of return. It takes into account an estimate of the impact of potential credit events that may occur during the life of the issuers of the securities held in the portfolio (such as default). It also includes foreign exchange risk hedging costs estimated according to current market conditions.

If these risks materialize more significantly than anticipated in the financial manager's assumptions, the management objective may not be achieved

This information is up to date at the time of this presentation. Financial instruments and securities traded on a regulated market are valued at their market price.

Potential impact of default rate

Evolution and methodology

Impact of default rate evolution

- The **default rate estimation level is based on market spread priced by CDS** at a given period of time.
- The current risk-off environment leads to a **sudden sharp widening credit spread**.
- **Single name CDS**, used to calculate the estimated default rate of the portfolio, widened.
- As a result, the rate rose from 0.3%, on 10 December 2019, to¹:
 - 0.4% on 6 March 2020
 - 1.0% on 17 March 2020

Default risk methodology calculation

As a reminder, the Lazard Frères Gestion impact of default rate estimation is the result of the sum of the probability of default for each issuer in the portfolio over 5 years, weighted by the weight of each line.

The number of defaults, always rounded up, results from the ratio between the average weight of the lines in the portfolio and the probability of default previously calculated.

The impact on the portfolio corresponds to the number of defaults, previously calculated, taking into account a recovery rate assumption of 40%.

This impact is then annualized over a 5-year period.

Source: Lazard Frères Gestion, Bloomberg, March 2020.

1. Calculation done by the Credit Risk team.

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Yield and default rate estimation evolution since inception

Date	Gross yield	Impact of default rate ¹	Net yield, in %, in €	
			PC H-EUR PD H-EUR	RC H-EUR RD H-EUR, RC H-USD RD H-USD ²
December 10	2.6% - 3.1%	0.3%	1.7% - 2.2%	1.1% - 1.6%
March 6	3.2% - 3.7%	0.4%	2.2% - 2.7%	1.6% - 2.1%
March 17	7.0% - 7.5%	1.0%	5.4% - 5.9%	4.8% - 5.3%
March 31	7.1% - 7.6%	1.3%	5.2% - 5.7%	4.6% - 5.1%

Source : Lazard Frères Gestion, as of 31 March 2020.

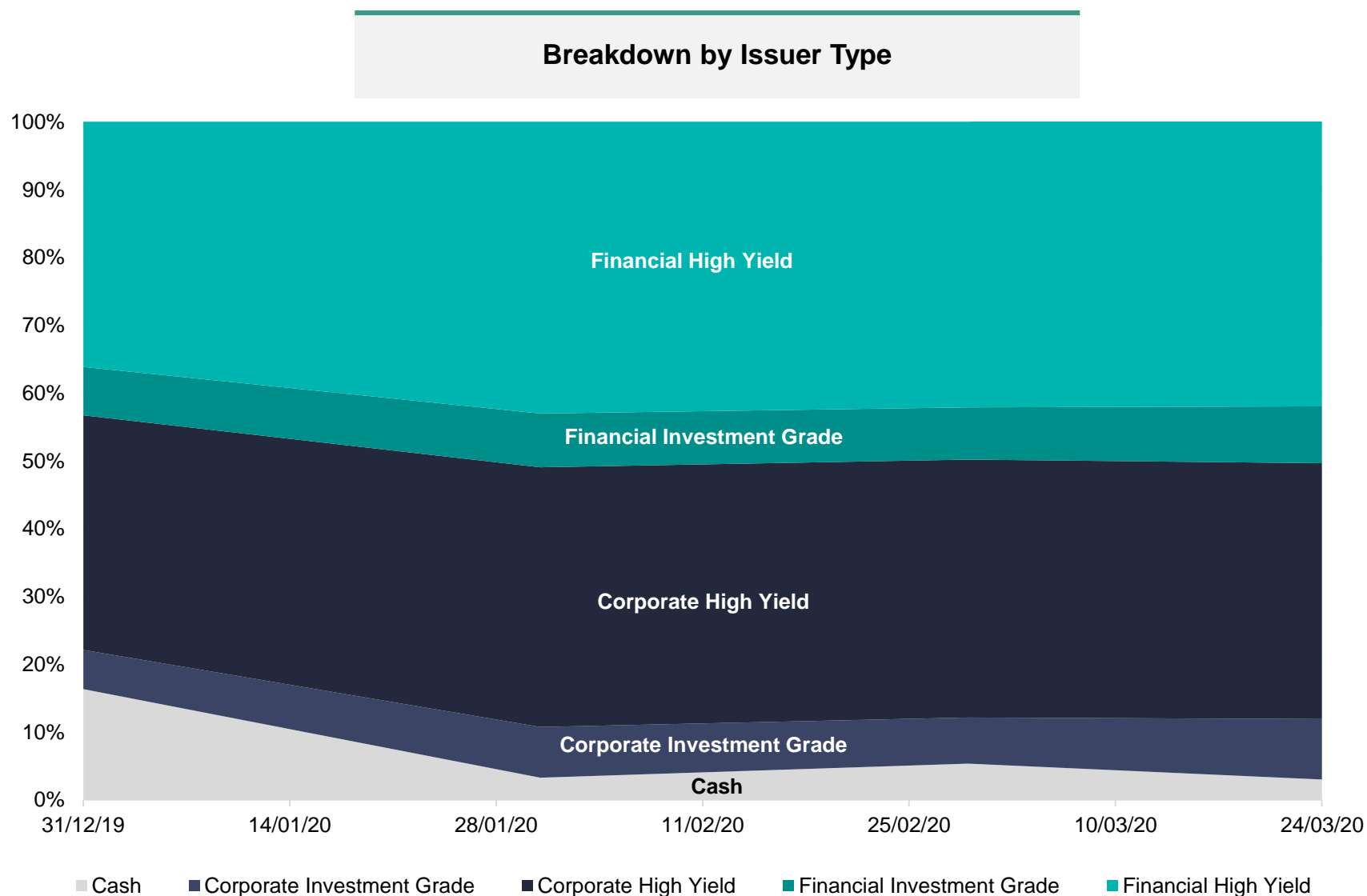
The yield disclosed is not guaranteed. Target return presented net of fees and takes into account the probability of default in assumptions determined by Lazard Frères Gestion and considered to be the most likely on 10 December 2019. The Management Company recalls that there is a risk that the real financial situation of issuers may be worse than expected; that these adverse conditions (e.g.: More defaults, lower recovery rates) will reduce the fund's performance. The management objective may then not be achieved. Share classes management fees: PC H-EUR and PD H-EUR: 0,60% // RC H-EUR and RD H-EUR: 1,20% // EC H-EUR and ED H-EUR: 0,40% RC H-USD and RD H-USD: 1.25 % | Administrative fees: 0.035%

1. As a reminder, the Lazard Frères Gestion impact of default rate estimation is the result of the sum of the probability of default for each issuer in the portfolio over 5 years, weighted by the weight of each line. The number of defaults, always rounded up, results from the ratio between the average weight of the lines in the portfolio and the probability of default previously calculated. The impact on the portfolio corresponds to the number of defaults, previously calculated, taking into account a recovery rate assumption of 40%. This impact is then annualized over a 5-year period.

2. RC H-USD and RD H-USD investment objective will be increased or decreased due to the currency hedging impact.

Lazard Sustainable Credit 2025

Portfolio evolution YTD as of 24 March 2020

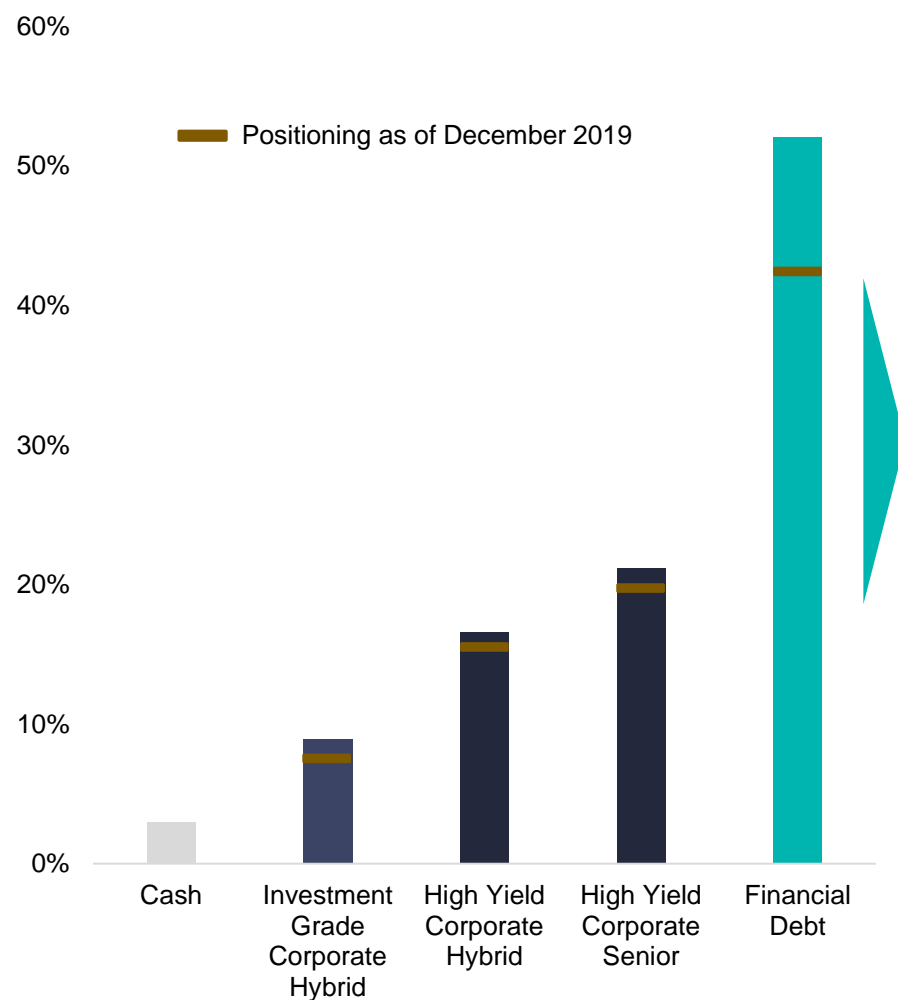


Source: Lazard Frères Gestion, as of 24 March 2020.
 Allocations are subject to change, for illustrative purposes only.

Lazard Sustainable Credit 2025

Portfolio as of 24 March 2020

Breakdown by Asset Type



Financial Debt: subordinated / hybrid

	December 2019	March 2020
Senior	0%	0%
Tier 2 Banks	1%	9%
Insurance Sub.	13%	12%
AT1	32%	30%

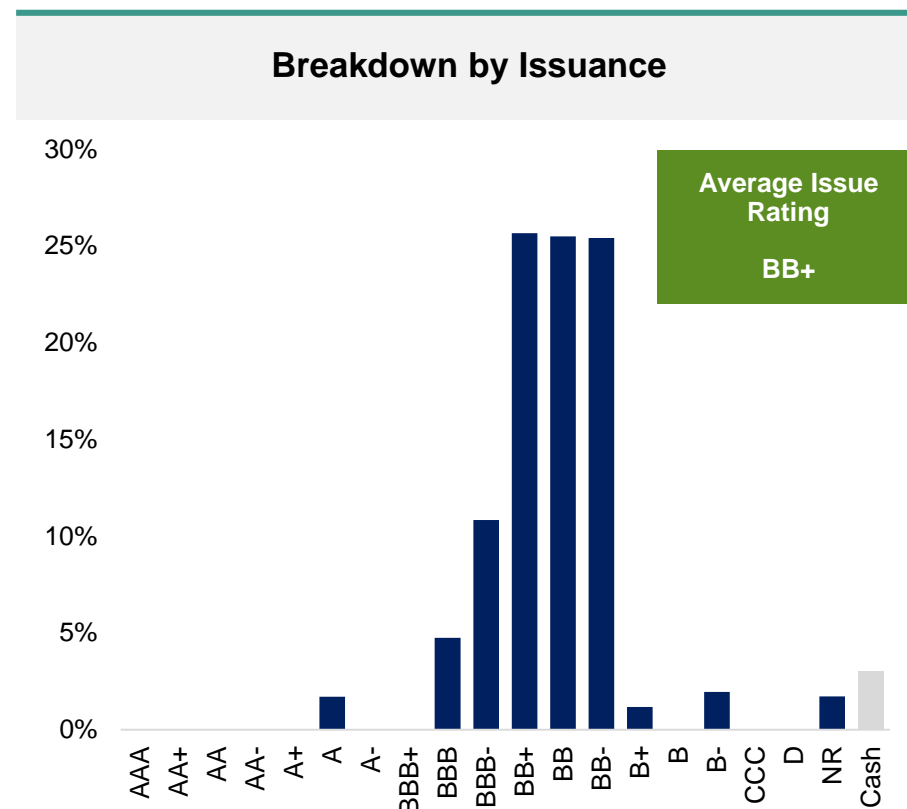
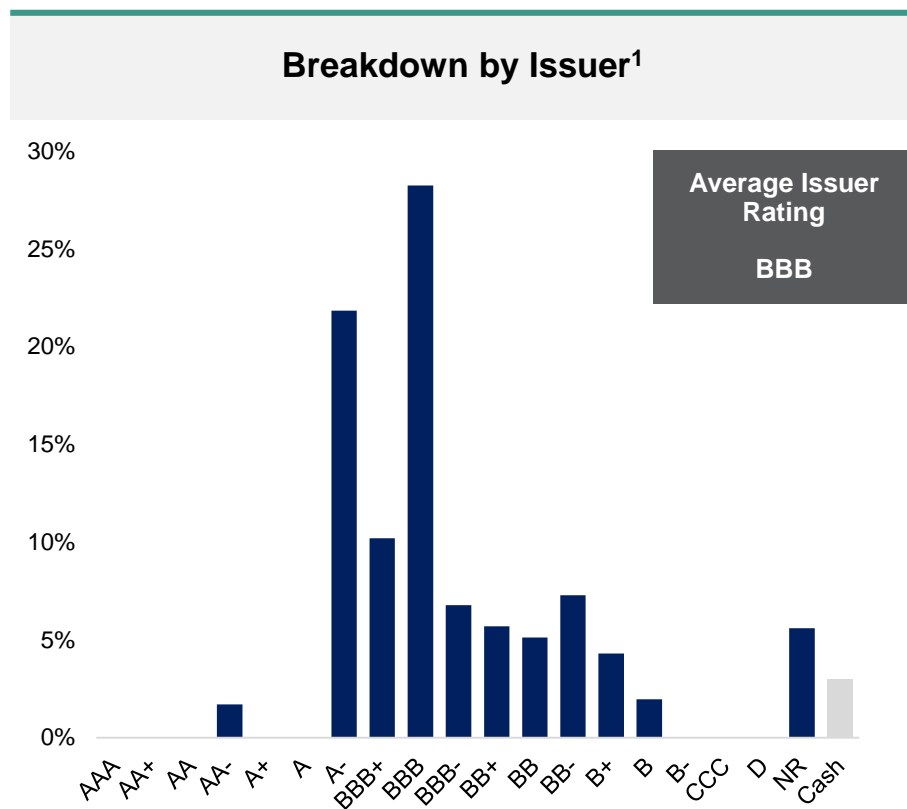
Financial Debt

- Exposure increased from 43% to 52% mainly through Tier 2 Banks securities

Source: Lazard Frères Gestion, as of 24 March 2020.
Allocations are subject to change, for illustrative purposes only.

Lazard Sustainable Credit 2025

Portfolio as of 24 March 2020



Portfolio average issuers' rating: Investment Grade

Portfolio credit risk depends more on subordination and extension risk than issuer risk

Source: Lazard Frères Gestion, as of 24 March 2020.

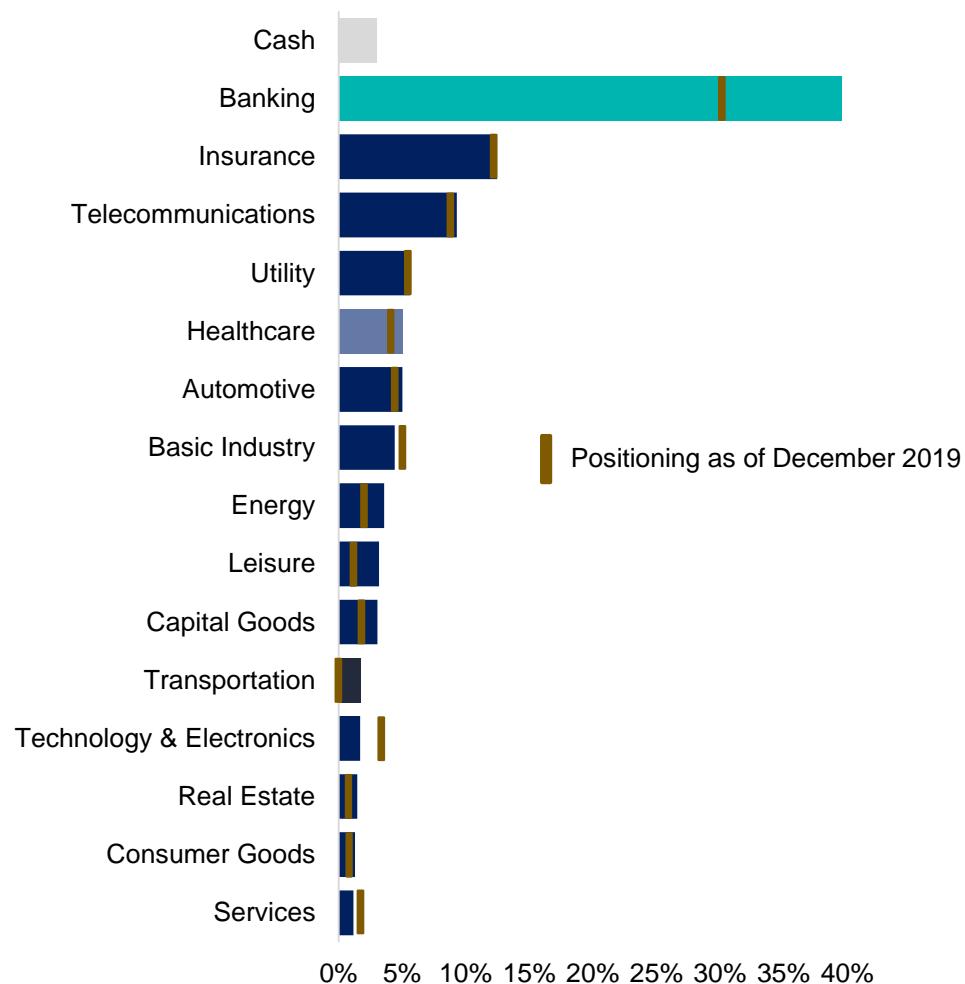
1. Second best rating of rating agencies. The management company does not exclusively and mechanically use the ratings issued by the rating agencies and implements its own internal analysis. Excluding cash.

Allocations are subject to change, for illustrative purposes only.

Lazard Sustainable Credit 2025

Portfolio as of 24 March 2020

Breakdown by Sector



Banks

- **Not directly affected by the crisis**
- **Portfolio weight: 40%**
- **Issuers:** Unicredit, Intesa, BBVA, AIB...



- **ECB support:** Funding & Regulatory
- **State support:** Economic stimulus plans

- **No solvency and liquidity issue**
- **Limited extension risk for AT1** due to call date (2024 & 2025)

Healthcare

- **Non Cyclical Sector:** one of the most resilient with strong profitability and balance sheet



- **Issuers:** Bayer, Teva, Avantor
- **Bayer (IG):** low extension risk for hybrid debt due to call date in 2025
- **Teva | Avantor (HY Senior debt):** higher leverage ratio... but no refinancing issue in the short term



Transport

- **Portfolio weight : 2%**
- **Cyclical Sector:** one of the most impacted by the crisis

Issuer: Air France

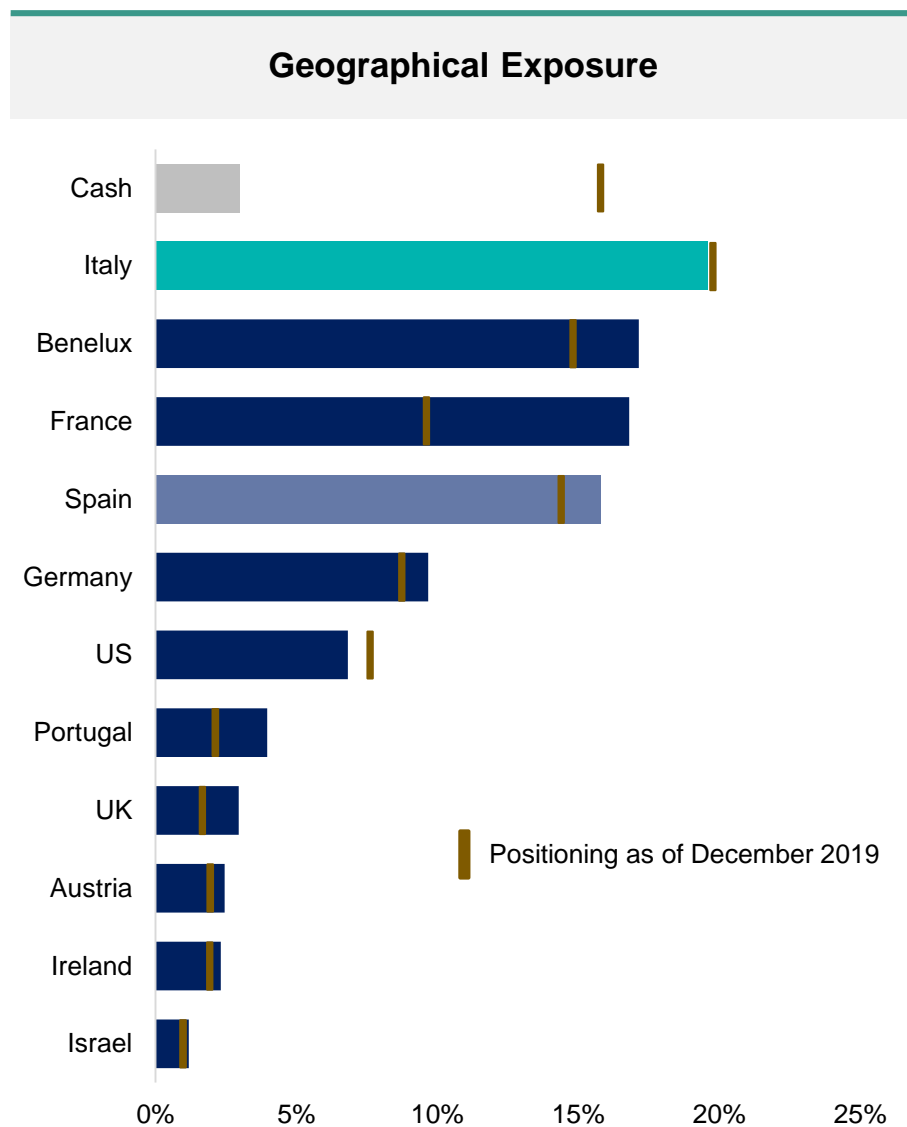
- No liquidity issue
- Expected French State support (shareholder) to stay afloat during the crisis



Source: Lazard Frères Gestion, as of 24 March 2020.
Allocations are subject to change, for illustrative purposes only.

Lazard Sustainable Credit 2025

Portfolio as of 24 March 2020



Italy

Banking & Insurance : 14%

- Unicredit, Intesa, Ubi Banca, Banco BPM

Corporate defensive sector :5%

- Telecom: Telecom Italia
- Utility: Enel
- Energy: Saipem

Spain

Banking & Insurance: 12%

- BBVA, Santander, Bankia, CaixaBank, Abanca

Corporate defensive sector: 2%

- Telecom: Telefonica
- Energy: Repsol

Corporate cyclical sector: 2%

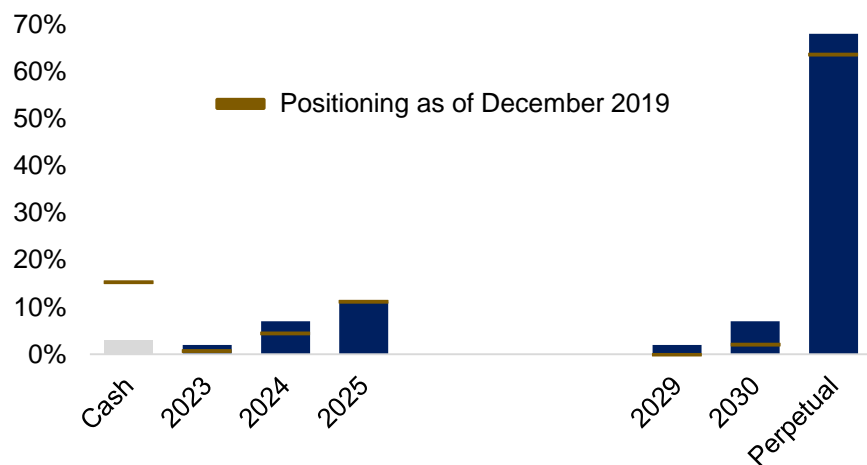
- Auto: Gestamp

Source: Lazard Frères Gestion, as of 24 March 2020.
 Allocations are subject to change, for illustrative purposes only.

Lazard Sustainable Credit 2025

Portfolio as of 24 March 2020

Breakdown by Maturity



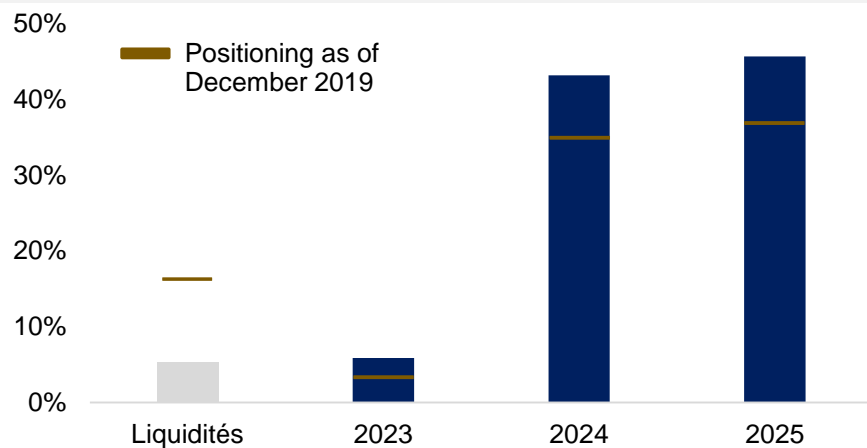
Breakdown by Currency

100% EURO

Number of securities

55

Breakdown by Next Call Date



**MODIFIED
DURATION**

4.0

CALCULATION IN CALL DATE

**SPREAD
DURATION**

4.0

CALCULATION IN CALL DATE

Source: Lazard Frères Gestion, as of 24 March 2020.
Allocations are subject to change, for illustrative purposes only.

Lazard Sustainable Credit 2025

Portfolio as of 24 March 2020

Corporate Debt - top 5

Issuer	Country	Sector	Asset Type	Yield
Warner Music Group	US	Leisure	Senior	3,9%
Enel	Italy	Utility	Hybrid	5,2%
Solvay	France	Basic industry	Hybrid	5,2%
Ardagh	Benelux	Capital goods	Senior	5,3%
EDF	France	Utility	Hybrid	6,0%

Financial Debt - top 5

Issuer	Country	Sector	Asset Type	Yield
BBVA	Spain	Bank	AT1	12,0%
UBI Banca	Italy	Bank	T2	7,7%
Unicredit	Italy	Bank	AT1	13,4%
RCI Banque	France	Bank	T2	6,5%
Volksbank	Austria	Bank	AT1	16,0%

Average yield by segment*

Corporate Debt

	December 2019	March 2020
Corporate Hybrid (IG + HY)	1.7%	5.5%
Corporate Senior (HY)	2.5%	7.1%

Financial Debt

	December 2019	March 2020
Tier 2 Banks	2.6%	8.8%
Insurance Sub.	2.3%	7.3%
AT1	4.2%	13.2%

Source : Lazard Frères Gestion, as of 24 March 2020. Allocations are subject to change, for illustrative purpose only.

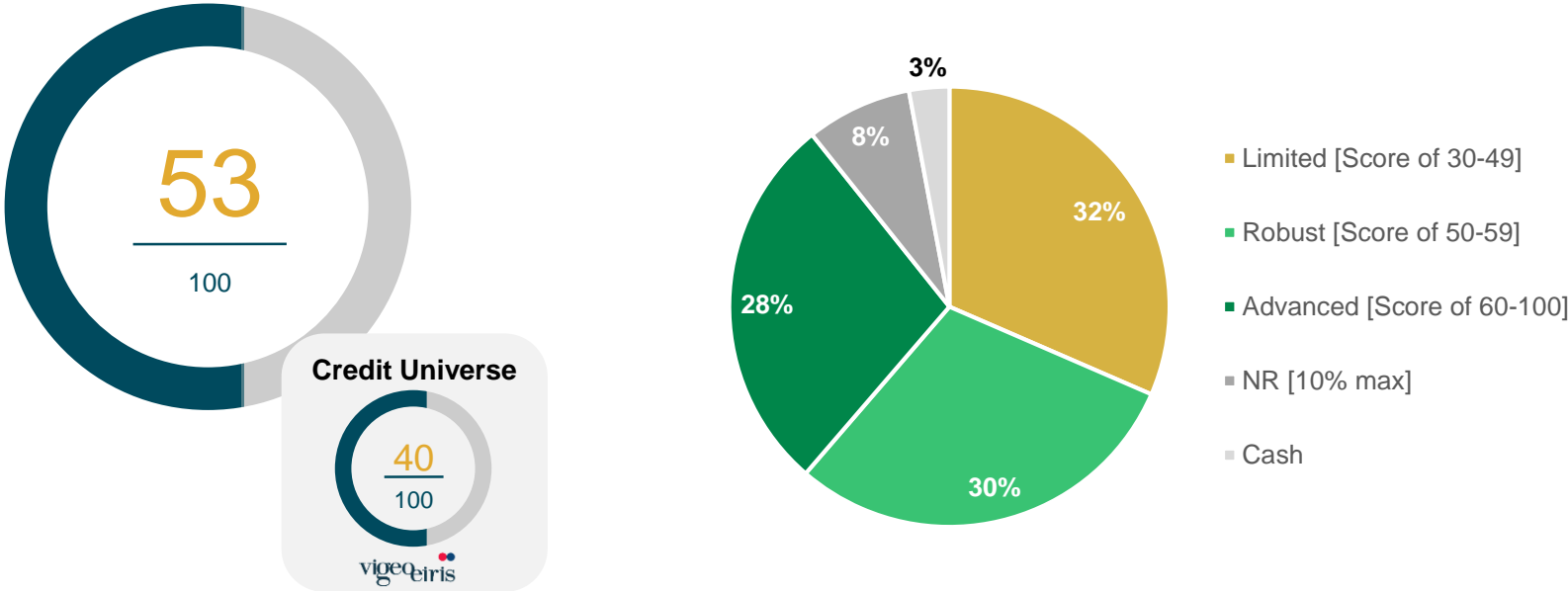
*Yield to call except for Corporate senior High Yield (Yield to Maturity), in euro.

Securities are given for illustration purposes only and may not be included in our portfolio.

Lazard Sustainable Credit 2025

Portfolio ESG profile as of 24 March 2020

E.S.G Overall Score



E.S.G Score



Source : Lazard Frères Gestion, Vigeo, as of 24 March 2020.

Portfolio Active Monitoring

Portfolio monitoring

Active monitoring since inception

- **Portfolio structure remain stable** since inception, with a balanced exposure between financial and non-financial issuers
- Sector exposure slightly changed by market fluctuations (impact of COVID-19 crisis), leaving **the opportunity** for the investment team **to enhance diversification**
- **Primary market still active**, source of opportunities

Lazard Sustainable Credit 2025

Key benefits



VISIBILITY

**BUY AND MONITOR APPROACH:
PROTECTING AGAINST INTEREST RATE FLUCTUATIONS TO THE MEDIUM LONG TERM¹**



RISK

AVERAGE RATING OF INVESTMENT GRADE ISSUERS²



ESG

ESG FILTER TO AVOID WEAKEST ISSUERS³

1. Assuming the investor stays invested in the fund during the whole life of the product.

2. As of March 2020.

3. Exclusion based on extra financial criteria.

For illustrative purpose only.

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

III

Investment Process

Lazard Sustainable Credit 2025 Investment Process

Investment universe



MAINLY EUROPEAN BONDS WITH A DEFINED MATURITY DATE

1. ESG Filter



HUMAN
RESOURCES



ENVIRONMENT



HUMAN
RIGHTS



BUSINESS
BEHAVIOR

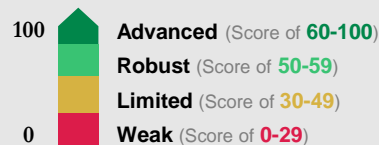


COMMUNITY
INVOLVEMENT



CORPORATE
GOVERNANCE

ABSOLUTE SCORE CALCULATION¹



The Fixed Income team defines the Investment Universe by excluding issuers with an absolute **ESG rating of less than 30** according to Vigeo-Eiris (90% minimum of the portfolio)

% of exclusion: 20%²

2. Selection



MATURITY



YIELD



RISK PROFILE

Selection of issuers / issues that offer the most attractive risk/return ratio (yield and probability of default) with a **defined maturity date**

3. Portfolio monitoring

Fundamental issuer review ongoing basis
ESG rating review: 3 month period to sell the security if its rating is downgraded into weakest category (below 30)

For illustrative purpose only.

1. Source: Vigeo Eiris. ESG Analysis and Research - Energy Transition Assessment.

2. Calculation date: 14 October 2019. % of exclusion may vary over the time.

Absolute score calculation for each company and sector. The ratings in each criterion are weighted by their importance within the assessed sector.

ESG Filter

Credit Universe

Investment Grade and High Yield Issuers

Total
1099

Rated
986

Number of weak
276

% of weak
28%

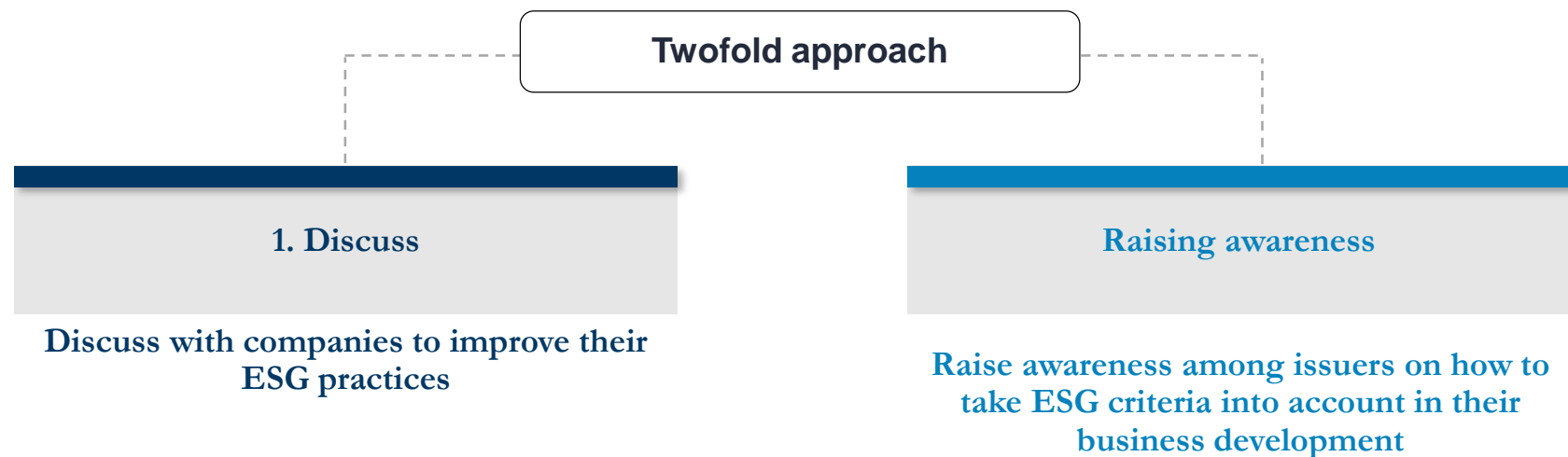
ESG Filter

Our ESG commitment to issuers

Engagement with companies

The Fixed Income team is gradually setting up exchanges with issuers, mainly through email about their ESG rating from our ESG rating providers.

Priority follow-up is given to “weak” ESG ratings for Fixed Income portfolios.



Example of a credit analysis report

Integration of extra-financial scoring and comment

LAZARD FRERES GESTION

Corporate credit opinion

LAZARD ASSET MANAGEMENT

January 17, 2020

Score : Average | Trend : Stable

RV Senior : Neutral | RV Sub. : 0

Auto

Fitch | Moody's | S&P

FRANCE

NR | Baa2 | BBB-

ESG (Vigeo) Global = 63/100 | E = 61/100, S = 69/100, G = 56/100

Title: Investment thesis

1. CREDIT PROFILE - BUSINESS DESCRIPTION

The company is one of Europe's largest car parts suppliers, making components for most global car makers. operates four business groups: Comfort and Driving Assistance Systems (interior controls, security systems); Powertrain Systems (engine and electrical systems, transmissions); Thermal Systems (climate control, compressors, engine cooling); and Visibility Systems (lighting systems, wiper systems). Service distributes products to the automotive aftermarket. has about 136 production sites in 29 countries.

2. POSITIVES

- Balanced geographic coverage of sales to OEM's (84% of revenues in 9M 19) : Germany 31% (ex Opel) 13%, others Europe 5%, Asia 32%, Americas 19%.
- Solid financial metrics.
- Strong commitment to maintain IG ratings.
- top patent filer 2018 (3rd year) by INPI & by European Patent Office.

3. NEGATIVES

- Trade war, raw materials prices,
- WLTP : 29% of revenues with german OEM's
- Aftermarket : a modest 10% of total revenues
- Risks for OEM's translated on suppliers
- Autonomous vehicle considered as a massive business at a 10/20Y's horizon
- → growing investments in capex, R&D with no return on the short term

4. LAST COMMENTS / OUTLOOK

- Key points :
 - _ Negotiated margins with OEM's
 - _ Trade war developments
- 9M 19 : revenues +2% (0% 1f), thanks to Q3 +8%, outperforming OEM's world sales by 5%, from +3% to +7% in vey business group.
- 2019 guidance reaffirmed : stronger outperformance than in H2 18, reduction in costs around 200 M€ (vs 100 M previously), reduction in capex > 100 M€, Ebitda growth, FCF > 2018, Op margin between 5,8% and 6,5% (excluding the effects of GE strike in NA).
- On the opposite, Moody's downgraded Valeo on March, highlighting an anticipated adjusted Ebitda margin at 4,5% around.

5. ESG COMMENT

- Among the best-in-class of the Auto sector.
- Nonetheless, the 09/19 Vigeo score is under the 2018 one : 63 vs 67, due to a negative trend in environment, human resources an community involvement items, when the other ones remain stable (human rights, business behaviour, corporate governance).
- Unsurprisingly, the weakest item (27) is the management of atmospheric emissions of the products.
- In particular, the Volatile Organic Compounds (VOC) emissions increased by 14% over the past 3 years, from 99,5 kg/€M in 2016 to 113,7 kg/€M in 2018.

- Inclusion of Vigeo's extra-financial scoring in our credit analysis report
- ESG Comment

Source: Lazard Frères Gestion, Vigeo eiris.
For illustrative purpose only.

Bond Picking

Credit analysis framework based on fundamental analysis and valuation

Issuer analysis

ACTIVITY PROFILE

- Sector analysis
- Profile and strategy of management and shareholders, sponsors' support

FINANCIAL PROFILE

- Credit ratios through our proprietary financial model
- Update based on quarterly earnings
- Two-year forecasts



Inputs

- Collaboration with the credit research teams of Lazard Credit Research Teams
- Quarterly earnings
- Credit conferences
- Meeting with management: investor days, factory visit...

- External research
 - Moody's
 - CreditSights
 - S&P Global
- Search sell-side

Issuance analysis

SECURITIES CHARACTERISTICS

- Maturity, seniority of the issuance
- Legal and financial clauses (covenants)

VALUATION

- Relative value (by sector and rating)
- Issuer historical risk premium



Proprietary monitoring tools

Portfolio Monitoring

Management of market and credit events

- Possible arbitrage based on the event of a deterioration in credit ratios

Coupons

- Coupon reinvestment management

Primary market

- Active monitoring of the primary market to capture market opportunities

ESG profile

- 3-month period to sell the security if its rating is downgraded **into weakest category (below 30)**
- If an issuer's rating becomes higher than 30: **the security is included in the investment universe**
- At equivalent valuations and fundamentals, **the management team will favor the company with the best ESG profile.**

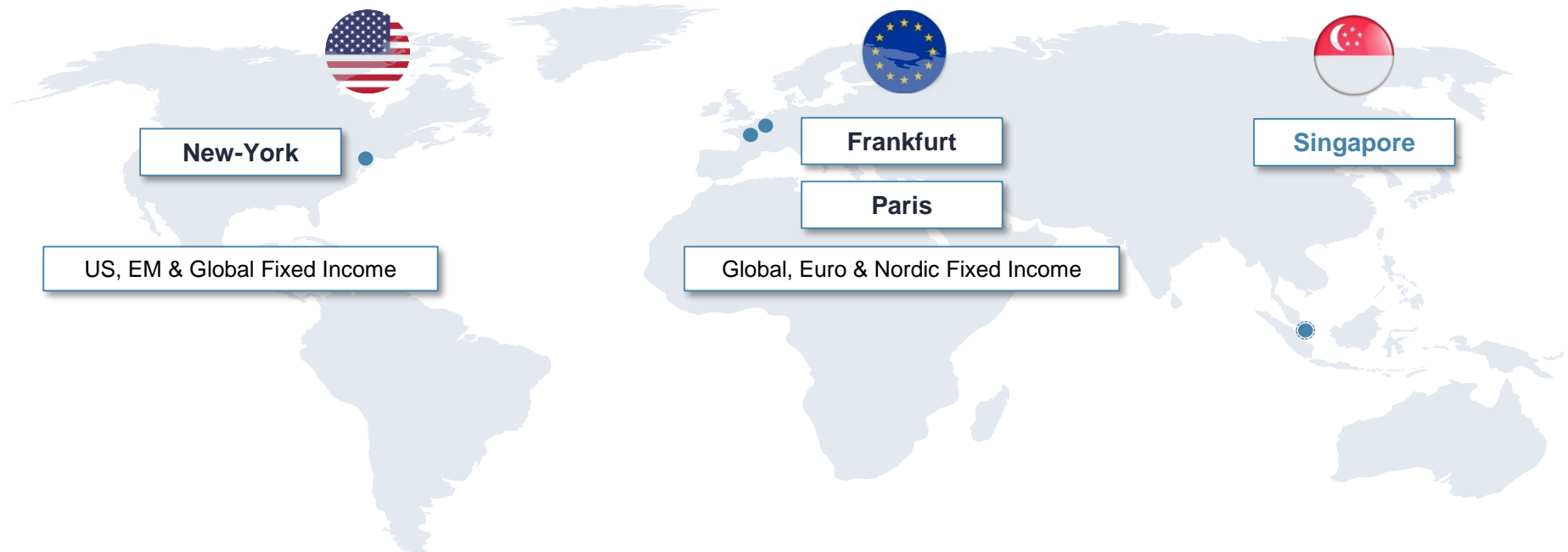
IV

Fixed Income Research



Lazard Fixed Income Investment Resources

Global platform



 More than **€ 30 Bn** in Assets Under Management* (As of 31 December 2019)

 More than **70** professionals within the Fixed Income Franchise (Lazard Group)

MONTHLY MEETING

Global Fixed Income Team
+70 professionals

BI-MONTHLY MEETING

European Credit Research Team
13 professionals

Source : Lazard Asset Management/ Lazard Frères Gestion, as of 31 December 2019.

*AUM takes into account Multi-Asset Fixed Income buckets.

Our team is traditionally stable, unfortunately, we are unable to guarantee the presence of the managers listed above during the life of the product.



European Credit Research Team

French and German team collaboration: 13 credit analysts

SECTOR ANALYSIS

Energy	Benjamin Le Roux Benjamin Böhme Alexia Latorre	Retail	Camille Suh Ulrich Teutsch Alexia Latorre	Covered bonds	Michael Weidner Daniel Herdt
Utility	Benjamin Le Roux Benjamin Böhme Alexia Latorre	Real Estate	Camille Suh Daniel Herdt Alexia Latorre	Media	Camille Suh Benjamin Böhme Alexia Latorre
Basic Industry	Lionel Clément Benjamin Böhme Alexia Latorre	Capital & Consumer Goods	Frédéric Penel Holger Keil Benjamin Böhme Alexia Latorre	Healthcare	Éléonore Bunel Holger Keil Alexia Latorre
Transportation	Éléonore Bunel Benjamin Böhme Alexia Latorre	Telecoms	Camille Suh Holger Keil Alexia Latorre	Insurance	François Lavier Alexis Lautrette Ulrich Teutsch
Leisure Services	Camille Suh Benjamin Böhme Alexia Latorre	Auto	Frédéric Penel Holger Keil Alexia Latorre	Banks	François Lavier Alexis Lautrette Ulrich Teutsch



More than 500 issuers covered

Source: Lazard, 2019. Our team is traditionally stable, unfortunately, we are unable to guarantee the presence of the managers listed above during the life of the product. The information listed above is current as of the date of this presentation.

Lazard Frères Gestion Fixed Income Management Team

A portfolio manager/analyst model for the whole fixed income investment universe

A STABLE AND EXPERIENCED TEAM



8
Portfolio Managers/Analysts
1
Money Market Fund Manager
1
Fund Manager Assistant

21
years of experience
in financial markets on average

Head of Fixed
Income



Éléonore
Bunel



Frédéric
Penel



Benjamin
Le Roux



Camille
Suh



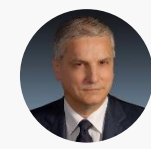
Alexia
Latorre, CFA



François
Lavier, CFA



Alexis
Lautrette



Lionel
Clément



Jean-Philippe
Quiterio

Management

▪ Multi-Asset
Credit

▪ Aggregate

▪ Aggregate

▪ Aggregate
▪ Euro Corporate
HY

▪ Euro
Corporate HY

▪ Subordinated
financial debt

▪ Subordinated
financial debt

▪ Multi-Asset
Credit

▪ Money Market

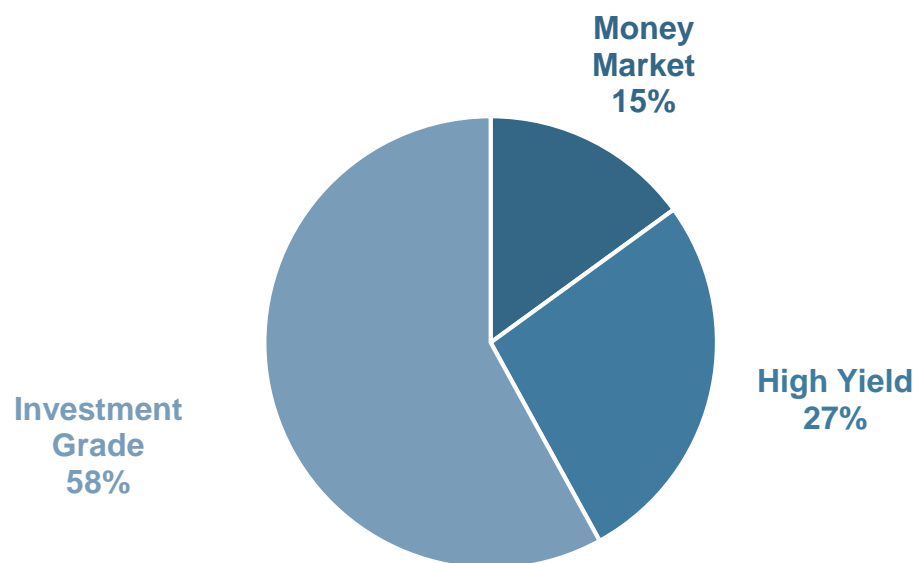
Source : Lazard Frères Gestion. Our team is traditionally stable, unfortunately, we are unable to guarantee the presence of the managers listed above during the life of the product. The information listed above is current as of the date of this presentation.

Lazard Frères Gestion: Assets Under Management

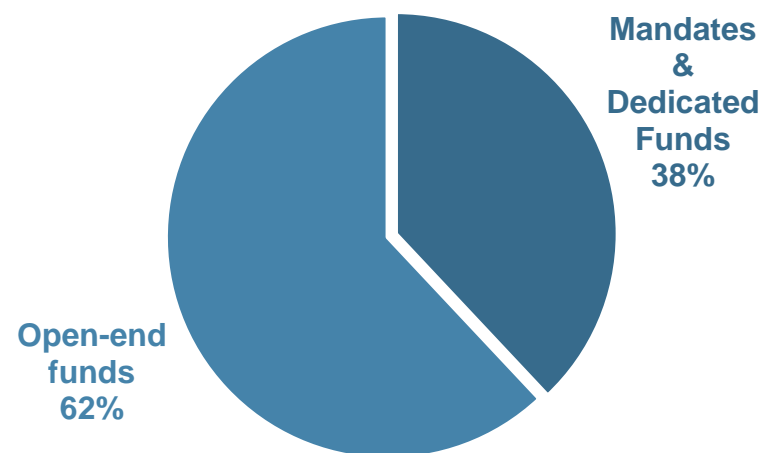
Asset breakdown

€ 5.2 BN

BREAKDOWN BY ASSET CLASS
(IN %)



BREAKDOWN BY VEHICLE TYPE
(IN %)



Fixed Income Range*

A FULL FIXED INCOME RANGE

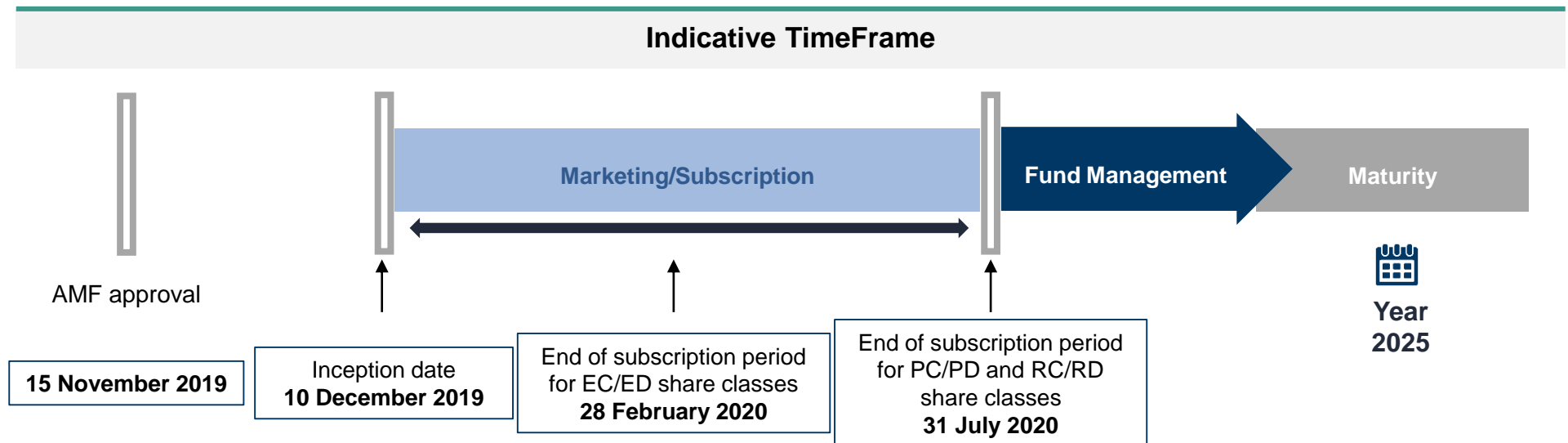


*(ex. Money Market)

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

Appendices

Operating Principle



Asset valuation methodology

Financial instruments and securities traded on a regulated market are valued at their market price.

During the subscription period the Fund will be valued at the purchase price (Ask) and from the closing of the Fund at the sale price (Bid).

Vigeo eiris

Vigeo Eiris Global Network

ESG RATING PROVIDER

17 year track record

Operating in **14** countries

160 analysts based in Paris

300+ clients

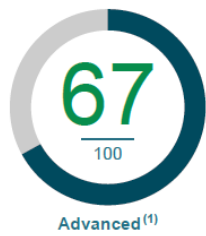
4000+ companies rated

Proprietary analysis model
6 domains
38 criteria

Example of issuer extra-financial scoring

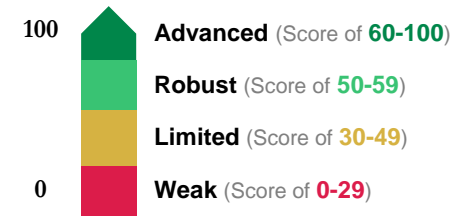
ESG Overall Score

ESG OVERALL SCORE



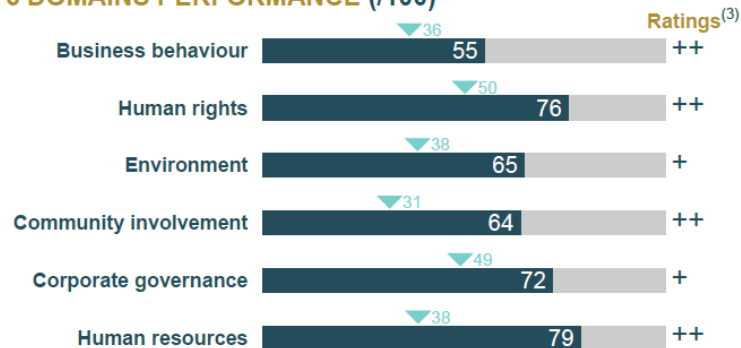
Rank in Sector	2/40
Rank in Region	30/1606
Rank in Universe	31/4921
Company Reporting Rate	98%
Sector Average Reporting Rate	75%
Cooperation level ⁽²⁾	Proactive
High severity controversies	Yes

ABSOLUTE SCORE CALCULATION



6 domains

6 DOMAINS PERFORMANCE (/100)



E.S.G Performance

ESG PERFORMANCE (/100)



Source: Lazard Frères Gestion, Vigeo eiris.
For illustrative purpose only

Legend:

Company rating



Sector average



Methodology

Issuer rating by the extra-financial analysis agency

Analysis and scoring of 38 criteria across 6 domains



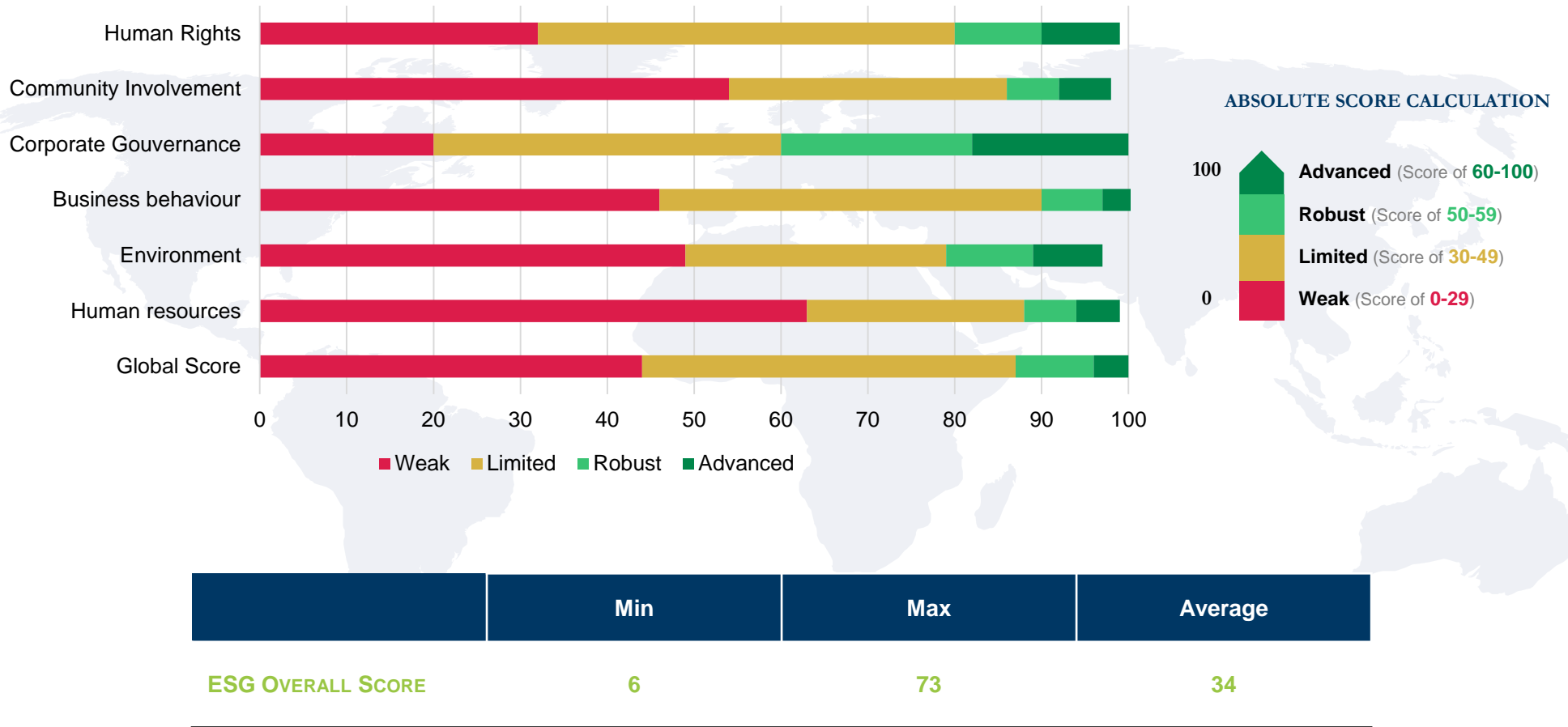
Scoring for each domain directly related to the 3 ESG pillars

Breakdown of the E.S.G. criteria within the 6 domains

ESG Global Score: 0 to 100											
E / S / G scores: 0 to 100											
Domain Scores: 0 to 100											
Human Rights		Human Resources		Business Behavior		Corporate Governance		Environment		Community Involvement	
Criteria Scores: 0 to 100											
Fundamental Human Rights	S	Social dialogue	S	Product Safety	S E	Board of Directors	G	Environmental Strategy	E	Social and Economic Development	S
Fundamental Labour Rights	S	Employee Participation	S	Informations To Customers	S	Audit and Internal Controls	G	Pollution Prevention and Control	E	Social Impact of Products and Services	S
Non Discrimination and Diversity	S	Reorganisations	S	Customer Relations	S	Shareholders	G	Green Products and Services	E	Philanthropy	S
Child and Forced Labour	S	Career Development	S	Sustainable Supplier Relationships	S	Executive Remuneration	G	Biodiversity	E		
		Remuneration Systems	S	Environmental Standards in the Supply Chain	E			Water	E		
		Health and Safety	S	Social and Standards in the Supply Chain	S			Energy	E		
		Working Hours	S	Corruption	G			Atmospheric Emissions	E		
				Anti-Corruption	G			Waste Management	E		
				Lobbying	G			Local Pollution (nois/Vibration)	E		
								Transportation	E		
								Impacts of Product Use and Disposal	E		

Vigeo Universe

More than 4000 companies rated by Vigeo



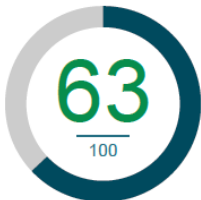
Source: Lazard Frères Gestion, Vigeo eiris, for illustrative purpose only.
 1. Vigeo Eiris: ESG Research and Analysis Provider.

Examples

Banking industry example

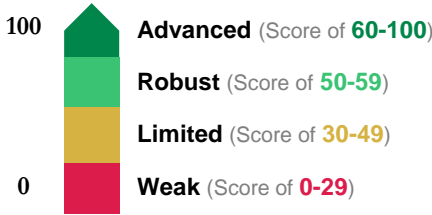
ESG Overall Score

ESG OVERALL SCORE



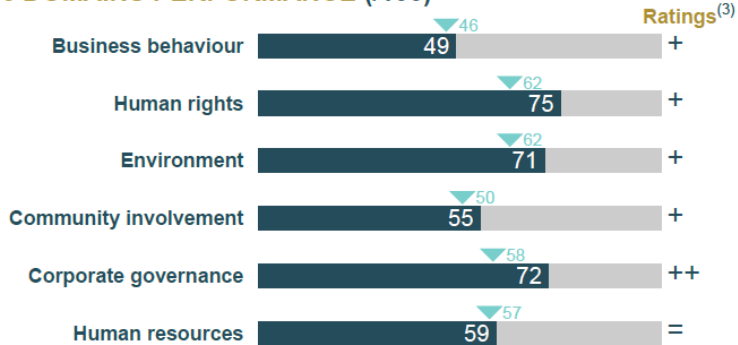
Rank in Sector	5/31
Rank in Region	72/1606
Rank in Universe	73/4921
Company Reporting Rate	98%
Sector Average Reporting Rate	94%
Cooperation level ⁽²⁾	Proactive
High severity controversies	Yes

ABSOLUTE SCORE CALCULATION



6 domains

6 DOMAINS PERFORMANCE (/100)



E.S.G Performance

ESG PERFORMANCE (/100)



Source: Lazard Frères Gestion, Vigeo eiris.
For illustrative purpose only

Legend:

Company rating

Sector average

Automotive industry example

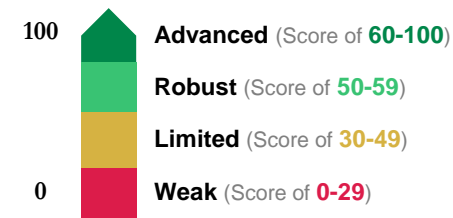
ESG Overall Score

ESG OVERALL SCORE



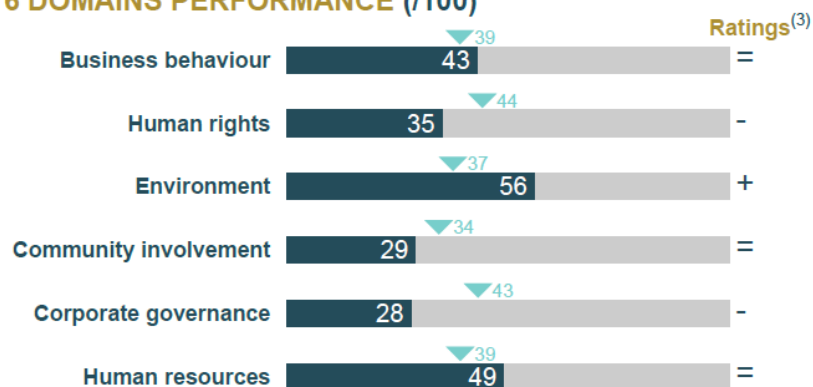
Rank in Sector	15/40
Rank in Region	482/1606
Rank in Universe	732/4921
Company Reporting Rate	92%
Sector Average Reporting Rate	75%
Cooperation level ⁽²⁾	Partially Responsive
High severity controversies	Yes

ABSOLUTE SCORE CALCULATION



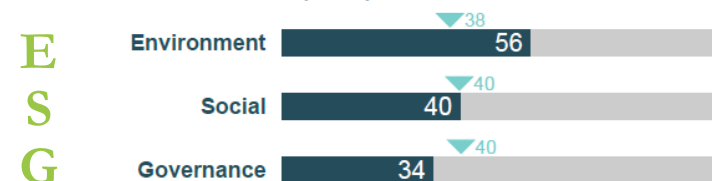
6 domains

6 DOMAINS PERFORMANCE (/100)



E.S.G Performance

ESG PERFORMANCE (/100)



Source: Lazard Frères Gestion, Vigeo eiris.
For illustrative purpose only

Legend:

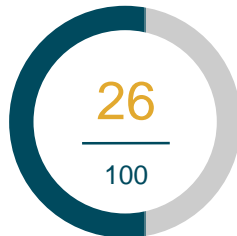
Company rating

Sector average



Examples of companies with a « weak » ESG Overall Score

Basic Industry



Healthcare



Media



- Insufficient ESG reporting. The Company fails to report consistently on how it is responding to material sustainability challenges.
- This accounts for its weak overall ESG performance

Lazard Sustainable Credit 2025

Investment Objective	<ul style="list-style-type: none"> ▪ Achieve a performance net of management fees, hedging and default estimates calculated by the management company, on an annualised basis, equal to 2.20%¹ as of 30 June 2025, by investing mainly in fixed Income instruments issued by governments, companies and financial institutions. These investments are made without any financial rating constraints, denominated in euro and/or US dollar and/or pound sterling, and systematically include 90% of its assets in the ESG criteria.
Investment universe	<ul style="list-style-type: none"> ▪ Issuers: OECD countries. ▪ Eligible category of securities: <ul style="list-style-type: none"> ▪ Investment Grade Corporate Bonds ▪ High Yield Corporate Bonds ▪ Financial Institutions Bonds
Quality of Signatures	<ul style="list-style-type: none"> ▪ The Fund may invest up to 100% of its net assets in non-rated securities, IG securities and up to 100% of its net assets in speculative grade securities (High Yield, rated from BB+ to CCC+ according to Standard & Poor's and/or Moody's rating or deemed equivalent according to the analysis of the Management Company). The portfolio manager may also invest in Additional Tier 1 Contingent Convertible Bonds ("Cocos Bonds") up to a maximum of 35% of the net assets.
Type of Management	<ul style="list-style-type: none"> ▪ The Fund's 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 manager allows himself the freedom to actively manage the portfolio by selling a security, buying a new security.
ESG approach	<ul style="list-style-type: none"> ▪ Taking into account ESG criteria impacts the overall structure of the portfolio by investing exclusively in bonds with at least one ESG profile limited, robust or advanced by Vigeo Eiris. This ESG approach excludes at least 20% of the fund's investment universe. Vigeo Eiris' coverage must therefore represent at least 90% of the fund's investments. This percentage represents the weight of the securities in the portfolio.
Currency Risk	<ul style="list-style-type: none"> ▪ Currency hedged portfolio. Securities will be hedged against currency risk in EUR with a maximum residual currency risk of 5% of the Fund's net assets.
Modified duration	<ul style="list-style-type: none"> ▪ 0 - 5.5
SRRI*	<ul style="list-style-type: none"> ▪ 3/7

Source: Lazard Frères Gestion.

1. Yield is applicable only for client who bought shares at the time of subscription. The yield changes everyday based on the market conditions and amount of subscriptions. The yield disclosed is not guaranteed. Target return presented net of fees and takes into account the probability of default in assumptions determined by Lazard Frères Gestion and considered to be the most likely at the time of calculation. The Management Company recalls that there is a risk that the real financial situation of issuers may be worse than expected; that these adverse conditions (e.g.: More defaults, lower recovery rates) will reduce the fund's performance. The management objective may then not be achieved. Share classes management fees: PC H-EUR et PD H-EUR: 0.60% // RC H-EUR et RD H-EUR: 1.20% // EC H-EUR et ED H-EUR: 0.40% administrative fees: 0.035% - estimated default impact: 0.28%. This objective may change up to the fund's launch date depending on market conditions.

This return objective is based on the market assumptions used by the management company at the date of preparation of the document and does not constitute a guarantee of return. It takes into account an estimate of the impact of potential credit events that may occur during the life of the issuers of the securities held in the portfolio (such as default). It also includes foreign exchange risk hedging costs estimated according to current market conditions.

Impact of default risk calculation: corresponds to the sum of the probability of default for each issuer in the portfolio over 5 years, weighted by the weight of each line. The number of defaults, always rounded up, results from the ratio between the average weight of the lines in the portfolio and the probability of default previously calculated. The impact on the portfolio corresponds to the number of defaults, previously calculated, taking into account a recovery rate assumption of 40%. This impact is then annualized over a 5-year period.

If these risks materialize more significantly than anticipated in the financial manager's assumptions, the management objective may not be achieved. This information is up to date at the time of this presentation. Financial instruments and securities traded on a regulated market are valued at their market price.

During the subscription period the Fund will be valued at the purchase price (Ask) and from the closing of the Fund at the sale price (Bid). *The lowest category does not mean a risk free investment. The capital is not guaranteed.

Lazard Sustainable Credit 2025

Share Classes Investment Objective

PC H-EUR / PD H-EUR: Obtain an annualised performance net of management fees, hedging and estimated default calculated by the management company, equal to 2,20% at June 30th, 2025, by investing mainly in bonds with no financial rating restriction whose issuers are companies and Financial institutions, traded in euros and/or US dollars and/or pounds sterling, while taking into account environmental, social and governance criteria.

RC H-EUR / RD H-EUR: Obtain an annualised performance net of management fees, hedging and estimated default calculated by the management company, equal to 1,60% at June 30th, 2025, by investing mainly in bonds with no financial rating restriction whose issuers are companies and Financial institutions, traded in euros and/or US dollars and/or pounds sterling, while taking into account environmental, social and governance criteria.

EC H-EUR / ED H-EUR: Obtain an annualised performance net of management fees, hedging and estimated default calculated by the management company, equal to 2,40% at June 30th, 2025, by investing mainly in bonds with no financial rating restriction whose issuers are companies and Financial institutions, traded in euros and/or US dollars and/or pounds sterling, while taking into account environmental, social and governance criteria.

RD H-USD / RC H-USD: Obtain an annualised performance net of management fees, estimated default calculated by the management company, equal to 1,60% at June 30th, 2025, by investing mainly in bonds whose issuers are companies and financial institutions. The management objective regarding the dollar-hedged units is either increased or decreased by the effect on the performance of currency hedging due to the use of forward exchange rates. These investments are made without financial rating constraints, traded in euros and/or US dollars and/or pounds sterling, while taking environmental, social and governance criteria into account.

Source: Lazard Frères Gestion.

Target return presented net of fees and takes into account the probability of default in assumptions determined by Lazard Frères Gestion and considered to be the most likely at the time of calculation. The Management Company recalls that there is a risk that the real financial situation of issuers may be worse than expected; that these adverse conditions (e.g.: More defaults, lower recovery rates) will reduce the fund's performance. The management objective may then not be achieved. Share classes management fees: PC H-EUR and PD H-EUR: 0.60% // RC H-EUR and RD H-EUR: 1.20% // EC H-EUR and ED H-EUR: 0.40% // RC H-USD and RD H-USD: 1.25 % - administrative fees: 0.035% - estimated default impact: 0.28%. This objective may change up to the fund's launch date depending on market conditions.

RC H-USD and RD H-USD investment objective will be increased or decreased due to the currency hedging impact.

This return objective is based on the market assumptions used by the management company at the date of preparation of the document and does not constitute a guarantee of return. It takes into account an estimate of the impact of potential credit events that may occur during the life of the issuers of the securities held in the portfolio (such as default). It also includes foreign exchange risk hedging costs estimated according to current market conditions.

Impact of default risk calculation: corresponds to the sum of the probability of default for each issuer in the portfolio over 5 years, weighted by the weight of each line. The number of defaults, always rounded up, results from the ratio between the average weight of the lines in the portfolio and the probability of default previously calculated. The impact on the portfolio corresponds to the number of defaults, previously calculated, taking into account a recovery rate assumption of 40%. This impact is then annualized over a 5-year period.

If these risks materialize more significantly than anticipated in the financial manager's assumptions, the management objective may not be achieved. This information is up to date at the time of this presentation. Financial instruments and securities traded on a regulated market are valued at their market price.

Capital structure comparison

Subordination Levels



Comparative Characteristics of Hybrid Debt Corporates and Financials

Characteristics	Hybrids Corporates	Financial hybrids (Insurance)	Financial hybrids (AT1 Banks)
Structure	Subordinated, senior only to core equity		
Maturity	Perpetual Non- Callable 5 years, 7 years or 10 years	Perpetual or dated, non-Callable 5 years, 7 years or 10 years	Perpetual non-Callable 5 years, 7 years or 10 years
Coupon Risk	Deferred (and cumulative)	Deferred (and cumulative)	Cancelled
Dividend clause 'pusher' *	Yes	Yes	No
Risk of capital loss excluding liquidation of the issuer	No	No	Yes
Coupon Structure	Fixed until first call date then reset according to interest rates on that date		
Frequency of the issuer call option	Several call options		

* Dividend "pusher": the bond coupon is paid if the dividend is paid to shareholders.

Appeal of Hybrid Debts for Issuers

Corporate Hybrids

Attractive form of financing for companies:

- Strengthens balance sheet at relatively attractive conditions (tax deductibility)
- Provides support for credit ratings
- WACC* optimisation
- Avoid dilution
- For unrated debt, IFRS 100% equity (incentive to call via high coupon step-up)

Financial Hybrids

Regulatory constraint for banks:

- Fill the corresponding regulatory equity cushion (1.5% of balance sheet weighted by risks) at a lower cost than equities
- Improves Tier 1 leverage ratio
- Provides support for credit ratings

Source: JPM.

* WACC: weighted average cost of capital.

The above opinion was expressed as of the date of this presentation and is likely to change.

Exit charge and swing pricing mechanism

Exit charges

None

Objective of the Swing pricing mechanism

Not penalise holders remaining in the Fund on significant redemptions

Mechanism

A swing pricing mechanism may be applied to a holder during subscription movements or significant redemptions if these are likely to have an impact on the management of the fund (performance, protection of holders).

An adjustment factor will be applied to those who redeem significant amounts of the Fund's assets, which is likely to generate costs for shareholders exiting the fund. The NAV may be adjusted upwards or downwards to take into account the readjustment costs attributable respectively to net redemption orders.

As this adjustment is linked to the net balance of subscriptions/redemptions in the Fund, it is not possible to accurately predict whether swing pricing will be applied at any given time in the future. Consequently, it is also not possible to accurately predict the frequency at which the Management Company will need to make such adjustments, which will not exceed 2% of the NAV. Investors should note that the volatility of the NAV of the Fund may not reflect only that of the securities held in the portfolio due to the application of swing pricing.

Source: Lazard Frères Gestion, 2019. For illustrative purposes only. For more information on the characteristics, risks and costs of the product, please refer to the prospectus which will be available on the website www.lazardfreresgestion.fr or upon request from our services when approval from the AMF is issued.

Lazard Sustainable Credit 2025

Characteristics – Euro share classes

	RC H-EUR Share	RD H-EUR Share	PC H-EUR Share	PD H-EUR Share	EC H-EUR Share	ED H-EUR Share		
FUND INFO	Management company	Lazard Frères Gestion						
	Depository / custodian	CACEIS Bank						
	Centralising agent	CACEIS Bank and Lazard Frères Banque, in respect of the clients for which it is responsible for maintaining the custody account						
	Legal nature	FCP (french open fund)						
	AMF classification	International bonds and other debt securities						
	Compliant with the UCITS Directive	Yes	Yes	Yes	Yes	Yes	Yes	
	PEA Eligible	No	No	No	No	No	No	
	Inception Date	10-12-2019	10-12-2019	10-12-2019	10-12-2019	10-12-2019	10-12-2019	
	End of subscription period	31-07-2020	31-07-2020	31-07-2020	31-07-2020	28-02-2020	28-02-2020	
	Base Currency	Euro	Euro	Euro	Euro	Euro	Euro	
	ISIN code	FR0013444924	FR0013444932	FR0013444908	FR0013444916	FR0013464146	FR0013464153	
	Allocation of income	Accumulation	Distribution and/or retained	Accumulation	Distribution and/or retained	Accumulation	Distribution and/or retained	
	Allocation of net realised capital gains	Accumulation	Accumulation and/or distribution and/or retained	Accumulation	Accumulation and/or distribution and/or retained	Accumulation	Accumulation and/or distribution and/or retained	
Benchmark	N/A							
PLACING ORDERS	Minimum Subscription	€1000	€1000	€1000	€1000	€2 000 000	€2 000 000	
	NAV calculation frequency	Daily dealing	Daily dealing	Daily dealing	Daily dealing	Daily dealing	Daily dealing	
	Trade execution	Each business day before 12.00 CET on an unknown NAV						
	Settlement of Subscriptions/Redemptions	D (NAV date) +2 business days/D (NAV date) +2 business days						
CHARGES	Ongoing charges ⁽¹⁾	1.23%	1.23%	0.63%	0.63%	0.43%	0.43%	
	Maximum financial management fees including tax	1.20 % of net assets	1.20% of net assets	0.60% of net assets	0.60% of net assets	0.40% of net assets	0.40% of net assets	
	Administrative expenses external to the Management Company maximum inclusive of tax	0.035% of net assets						
	Initial Charge	Not due to the UCITS						1% max
		Due to the UCITS						None
	Redemption Charge	Not due to the UCITS						None
		Due to the UCITS						None
Net Asset Value Adjustment Method (NAV) linked to Swing Pricing	Max 2% NAV							
Performance fees	None							

1. The ongoing charges figure is estimated and does not include: Performance fees and intermediary fees except in the case of an entry/exit charge paid by the UCITS when buying or selling units in another collective investment undertaking. The figure disclosed, which includes management and operating costs as well as transaction fees, charged to the Fund, is based on an estimate of fees for the first financial year. This figure may vary from year to year. For more information on the characteristics, risks and costs of the product, please refer to the prospectus which will be available on the website www.lazardfreresgestion.fr or upon request from our services when approval from the AMF is issued.

Lazard Sustainable Credit 2025

Characteristics – USD share classes

		RC H-USD Share	RD H-USD Share	
FUND INFO	Management company	Lazard Frères Gestion		
	Depository / custodian	CACEIS Bank		
	Centralising agent	CACEIS Bank and Lazard Frères Banque, in respect of the clients for which it is responsible for maintaining the custody account		
	Legal nature	FCP (french open fund)		
	AMF classification	International bonds and other debt securities		
	Compliant with the UCITS Directive	Yes	Yes	
	PEA Eligible	No	No	
	Inception Date	10-12-2019	10-12-2019	
	End of subscription period	31-07-2020	31-07-2020	
	Base Currency	USD	USD	
ISIN code	FR0013468113	FR0013468121		
Allocation of income	Accumulation	Distribution and/or retained		
Allocation of net realised capital gains	Accumulation	Accumulation and/or distribution and/or retained		
Benchmark	N/A			
PLACING ORDERS	Minimum Subscription	\$1000	\$1000	
	NAV calculation frequency	Daily dealing	Daily dealing	
	Trade execution	Each business day before 12.00 CET on an unknown NAV		
	Settlement of Subscriptions/Redemptions	D (NAV date) +2 business days/D (NAV date) +2 business days		
CHARGES	Ongoing charges ⁽¹⁾	1.28%	1.28%	
	Maximum financial management fees including tax	1.25 % of net assets	1.25% of net assets	
	Administrative expenses external to the Management Company maximum inclusive of tax	0.035% of net assets		
	Initial Charge	Not due to the UCITS	1% max	
		Due to the UCITS	None	
	Redemption Charge	Not due to the UCITS	None	
		Due to the UCITS	None	
Net Asset Value Adjustment Method (NAV) linked to Swing Pricing	Max 2% NAV			
Performance fees	None			

1. The ongoing charges figure is estimated and does not include: Performance fees and intermediary fees except in the case of an entry/exit charge paid by the UCITS when buying or selling units in another collective investment undertaking. The figure disclosed, which includes management and operating costs as well as transaction fees, charged to the Fund, is based on an estimate of fees for the first financial year. This figure may vary from year to year. For more information on the characteristics, risks and costs of the product, please refer to the prospectus which will be available on the website www.lazardfreresgestion.fr or upon request from our services when approval from the AMF is issued.

Lazard Sustainable Credit 2025

Risk

- **Risk of capital loss:** The Fund does not benefit from any capital guarantee or protection and it is therefore possible that the capital initially invested will not be returned in full.
- **Management and discretionary asset allocation risk:** The Fund's performance depends on both the securities and UCIs selected by the manager and on both the asset allocation made by the manager. There is therefore a risk that the manager will not select the best performing securities and UCIs and that the allocation made between the various markets will not be optimal.
- **Credit risk:** Credit risk is the risk that the issuer of a bond will default. This default may cause the Fund's net asset value to fall. Even if no issuer defaults, changes in credit margins can cause performance to be negative. The decrease in the net asset value may be even more significant as the Fund will be invested in non rated or 'speculative/high yield' debts.
- **Interest rate risk:** There is the risk that the value of bonds and other fixed income securities and instruments, and therefore the portfolio, may fall due to a change in interest rates. As a result of the limits of the sensitivity range, the value of this component of the portfolio is likely to decrease, either in the event of a rise in rates if the modified duration of the portfolio is positive or in the event of a decrease in rates if the modified duration of the portfolio is negative.
- **Risk associated with futures market interventions:** The Fund may invest in forward financial instruments, subject to a limit of 100% of its assets. This exposure to markets, assets and indices through forward financial instruments may lead to significantly larger or faster drops in net asset value than the variation observed for the underlyings of these instruments.
- **Foreign exchange risk:** The Fund may invest in marketable securities denominated in currencies other than the reference currency. The manager will systematically hedge foreign exchange risk. Nevertheless, a residual foreign exchange risk may exist due to imperfect hedging. The Fund's NAV could decline as a result.
- **Counterparty risk:** This is the risk linked to the use by this Fund of over the counter forward financial instruments. These transactions entered into with one or more eligible counterparties, potentially expose the Fund to a risk of default by one of these counterparties, which could lead to a payment default and lead to a fall in the Fund's net asset value.
- **Currency risk:** The Fund may invest in securities denominated in currencies other than the reference currency. The portfolio manager will systematically hedge currency risk. However, there may be a residual currency risk due to a hedge that is not perfect. As a result, the net asset value of the Fund may fall.
- **Risks linked to contingent or subordinated securities:** The Fund may be exposed to contingent convertibles or subordinated convertible notes. Subordinated debt and contingent convertible bonds are subject to specific risks of non-payment of coupons and capital loss in certain circumstances. At a certain solvency threshold, referred to as the "trigger" threshold, the issuer may or must suspend the payment of coupons and/or reduce the nominal value of the security or convert such bonds into shares. Notwithstanding the thresholds specified in the issuing prospectuses, the supervisory authorities may apply these rules preventively if the circumstances require, based on a subjective threshold known as the "point of non-viability". These securities expose holders to either a total or partial loss of their investment following their conversion into shares at a predetermined price or because of the application of a discount provided for contractually in the issuing prospectus or applied arbitrarily by a supervisory authority. Holders of these securities are also exposed to potentially large price fluctuations in the event that the issuer has insufficient equity or experiences difficulties.

*Lower risk
offering potentially
lower returns*



*Higher risk
offering potentially
higher returns*

* Exposure to interest rate and credit risk explains the Fund's classification in this category. Historical data used may not be a reliable indication of the future risk profile of the Fund. The category shown is not guaranteed to remain unchanged and the categorisation may shift over time. The lowest category does not mean a risk free investment. The capital is not guaranteed.

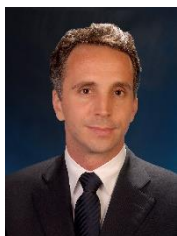
Biographies

Fixed Income Investment Management Team (1/2)



Eleonore Bunel
Head of Fixed Income
Lazard Frères Gestion

Ms. Eleonore Bunel joined Lazard Frères Gestion in April 2018. Ms. Bunel started her career at AXA IM as global credit portfolio manager-analyst. Amongst others, she managed a number of flagships credit funds, both investment grade or total return, as well as institutional mandates. Ms. Bunel holds a Master of Science and Techniques – mathematics and model applications to the economy and international finance from the University of Paris XIII.



Benjamin Le Roux
Fund Manager/Analyst
Lazard Frères Gestion

Benjamin Le Roux is a Fund Manager/Analyst on the Fixed Income Investment Management team. Benjamin joined Lazard Frères Gestion in 1999, initially as a portfolio manager assistant, and then as a portfolio manager as of 2001 for government and corporate bonds, and was more specifically dedicated to mutual mandates and insurance companies. He holds a Master's degree in Finance from the University of Panthéon-Sorbonne and is a member of the SFAF.



Camille Suh
Fund Manager/Analyst
Lazard Frères Gestion

Camille Suh is a Fund Manager/Analyst specialised in corporate credit and co-manages Core fixed income portfolios and mandates. She joined Lazard Frères Gestion in 2007 as an assistant fund manager. Prior to that, she was part of the sales team at Aurel ETC for one year, in charge of money market, FX and fixed income products. Camille holds a Master's degree in International and Corporate Finance from Institut Supérieur de Commerce, a French business school.



Alexia Latorre, CFA
Fund Manager/Analyst
Lazard Frères Gestion

Alexia Latorre is a Fund Manager/Analyst specialised in high yield credit and emerging market debts. Alexia joined Lazard Frères Gestion in 2005. She previously managed convertible bond funds at CCR from 2002 to 2005. She was previously assistant manager for 3 years on convertible bonds from 1999 to 2002. Alexia holds a Master's degree in Financial markets from the University of Dauphine, Paris and is a Chartered Financial Analyst since 2006.

This organisational chart is valid as of date of this presentation

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

Biographies

Fixed Income Investment Management Team (2/2)



François Lavier, CFA
Fund Manager/Analyst
Lazard Frères Gestion

François Lavier is a Fund Manager/Analyst. As an analyst, François covers the European financial sector (banks and insurance) and specialises in financial debt. Prior to joining Lazard Frères Gestion in 2008, he was at Groupe OFI as Head of Credit analysis (2004-2008), Head of Internal control (2002-2003), and Head of Risk control for proprietary activities (1998-2001). François holds a Master's degree in Accounting, Inspection and Auditing from the Institut National des Techniques Economiques et Comptables and is a Chartered Financial Analyst since 2008.



Alexis Lautrette
Fund Manager/Analyst
Lazard Frères Gestion

Alexis Lautrette is a Fund Manager/Analyst specialised in Subordinated Financial Debts. He joined Lazard Frères Gestion in March 2018. He started his career in 2009 as a Consultant at Square Advisors, and then joined Pro BTP in 2010 to work as an actuary. He joined Financière de la Cité in 2012, initially as a financial engineer for three years before being appointed portfolio manager. In this function, he launched and managed a fund specialised in subordinated financial and corporate debts, and also developed a tool to monitor Subordinated debts. He graduated from École Nationale des Ponts et Chaussées as an engineer in mathematics and IT. He is also a qualified Actuary member of the French Institute of Actuaries and holds a Master in Mathematics and Applications from Paris-Est University.



Frédéric Penel
Fund Manager/Analyst
Lazard Frères Gestion

Frédéric Penel is a Fund Manager/Analyst. He joined Lazard Frères Gestion in 2014, first as Head of Money Market until the end of 2018, then as a Fund Manager/Analyst on Investment Grade credit. Prior to joining Lazard Frères Gestion, Frédéric worked as Head of Fixed income at CCR AM (2002-2014) and as Treasurer of CCR Bank (1990-2002). He started his career as Head of Credit activities, then as Treasurer at Financière de Banque et de l'Union Meunière (1984-1990). He holds a Master's degree in Economics and Finance from IEP Paris.



Lionel Clément
Fund Manager/Analyst
Lazard Frères Gestion

Lionel Clément is a Fund Manager/Analyst. Lionel works closely with the Equity team, which helps analyze the financial strength of bond issuers. Prior to joining Lazard Frères Gestion in 2010, he was in charge of Natixis CIB's proprietary bond portfolio activities (2004-2009). Lionel Clément worked at Crédit Agricole (1987-2004), notably as Head of High-Yield Portfolios at CPR AM, before joining the Asset management business. Lionel was a credit trader at Chase Manhattan Bank (1983-1987), and before this a credit analyst at Banque La Hélin (1980-1983). He holds a Master's degree in Banking and Finance from the University of Panthéon-Sorbonne.



Jean-Philippe Quitério,
Money Market Fund Manager
Lazard Frères Gestion

Jean-Philippe Quitério is a Money Market Fund Manager since the end of 2018. He joined Lazard Frères Gestion in 1999 in the middle office before becoming assistant manager on Fixed Income in 2010. Prior to that, he worked for two years in a Paribas business centre from 1997 to 1999 as an assistant for the Wealth Management.

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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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