Mehr Sicherheit für unruhige Zeiten

Multi-Asset Strategie

Lazard Patrimoine
Julien-Pierre Nouen, CFA  
*Head of Economic Research & Multi-Assets*  
*Lazard Frères Gestion*  

Julien Pierre Nouen joined Lazard Frères Gestion in 2006 as Strategist-Economist. In March 2018, he has been appointed Head of Economic Research and multi-assets.

He is Chartered Financial Analyst since 2008. He graduated from HEC business school and holds an Advanced Diploma in macroeconomics from the University of Paris-Sorbonne.
New market environment
Multi-Asset Strategies has to deal with a more complex investment universe

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Eonia</strong></td>
<td>3.9%</td>
<td>-0.4%</td>
</tr>
<tr>
<td><strong>Bund</strong></td>
<td>4.3%</td>
<td>-0.2%</td>
</tr>
<tr>
<td><strong>Corporate Credit Investment Grade</strong></td>
<td>4.9%</td>
<td>0.6%</td>
</tr>
<tr>
<td><strong>European Equity Dividends’ yield</strong></td>
<td>3.1%</td>
<td>3.5%</td>
</tr>
<tr>
<td><strong>80/20 portfolio current yield</strong></td>
<td>4.1%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

Sharp drop in bond yields

Source: Lazard Frères Gestion, Bloomberg for illustrative purpose only.

1: Portfolio: 80% Bloomberg Barclays Series E Germany govt all >1 Yr bond index + 20% Euro Stoxx.
The above opinion was expressed as of the date of this presentation and is likely to change.
Average yield/return over the period.
Past performance does not guarantee future performance. Performance over less than one year is provided for illustration purposes only. These performance data are provided for information purposes only and should be assessed over the recommended investment period.
How do we deal with this environment?
Multi-pronged Investment Philosophy

MACROECONOMIC APPROACH

FUND MANAGER / ANALYST MODEL

ACTIVE MANAGEMENT

RIGOROUS STOCK AND BOND PICKING

MULTIPLE PERFORMANCE DRIVER

TACTICAL LEEWAY

For illustrative purpose only.
Multi-asset Investment Team
The combination of our Macro and Microeconomic Expertise

Multi-Asset Investment Team: Macroeconomic scenario | Asset Allocation

Matthieu GROUÉS
Chief Investment Officer

Julien-Pierre NOUEN, CFA
Head of Economic Research & Multi-Assets Investment

Colin FAIVRE
Strategist Economist

Jérémy DALTIN
Strategist Economist

+ 3 assistants Fund Managers

Lazard's specialised teams: Financial Analysis | Stock and Bond picking

Equity
Régis Bégué
12 Fund Managers/Analysts
19 years of experience in financial markets on average
12 years of experience at Lazard on average

Fixed Income
Eléonore Bunel
8 Fund Managers/Analysts
1 Money Market Fund Manager/Analyst
21 years of experience in financial markets on average
10 years of experience at Lazard on average

ESG criteria integration

1 ESG Specialist: Pascale Petit
22 years of experience in financial markets on average
19 years of experience at Lazard on average

Source: Lazard 2019.
Our teams are traditionally stable; however we cannot guarantee the presence of the managers mentioned above during the life cycle of the product.
The opinion expressed above is as of date of the publication and is liable to change.
Investment Objective: the Fund aims to outperform, net of management expenses, the following composite benchmark index over the recommended three-year investment period: 20% MSCI World All Countries + 80% ICE BofAML Euro Broad Market Index net coupons reinvested. The index is rebalanced every month and its components are expressed in euro, dividends or net coupons reinvested. 20% MSCI World AC in euro net dividends reinvested + 80% BofaML Euro Broad Market*(Since 31/12/2018, BofAML Euro Government Index net coupon before). For more information on the characteristics, risks and fees of the fund, please refer to the prospectus available on simple request to the company or on the site www.lazardfreresgestion.fr
Lazard Patrimoine
A three-step allocation process

The exposure on equity, interest rates, credit and currency risks is managed within a risk budget defined by an absolute VaR.

Source: Lazard Frères Gestion.
For more information on the characteristics, risks and fees of the fund, please refer to the prospectus available on simple request to the company or on the site www.lazardfreresgestion.fr
Lazard Patrimoine
Economic cycles are key to the performance of financial assets

- Over the long term, performance is driven by economic fundamentals: market highs correspond to cycle highs and lows to recessionary periods.
- It is the ability to capture the different phases of the cycle that creates outperformance.

Even if it is not a mathematical consistency, **business cycles are a reality.**
- Their evolution presents **similarities that reveal patterns** that make it possible to identify where we are in the economic cycle.

Source: Lazard, Bloomberg.
The opinion expressed above is up to date as of the time of this presentation but may change.
For more information on the characteristics, risks and fees of the fund, please refer to the prospectus available on simple request to the company or on the site www.lazardfreresgestion.fr
Lazard Patrimoine
Short-term component to take into account other factors
Systematic Risk reduction mechanism (SRRM)

Systematic mechanism to adjust portfolio risk level when markets turn irrational

- Thresholds based on performance / volatility profiles of risky asset classes
- Levels of hedging – from 25 to 100% of all risk exposure (Equity, Credit, Interest rate and currency)
- Systematic re-risking signals

“Nothing is more suicidal than a rational investment policy in an irrational world”
Keynes

*Systematic Risk Reduction Mechanism to partially or totally hedge or unhedge the portfolio, aiming to minimise the risk of capital losses. However, when the mechanism is activated, the potential to benefit from a market rise may be limited.

For more information on the characteristics, risks and fees of the fund, please refer to the prospectus available on simple request to the company or on the site www.lazardfreresgestion.fr
## Lazard Patrimoine
Multiplying the asset allocation performance drivers

### Equity

<table>
<thead>
<tr>
<th>Flexibility</th>
<th>Geographical exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US</td>
</tr>
<tr>
<td></td>
<td>Europe</td>
</tr>
<tr>
<td></td>
<td>Asia</td>
</tr>
<tr>
<td></td>
<td>Emerging Markets</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Style</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small / Large Cap.</td>
</tr>
<tr>
<td>Value / Growth</td>
</tr>
</tbody>
</table>

### Fixed Income

<table>
<thead>
<tr>
<th>Credit allocation</th>
<th>Modified duration management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sovereign</td>
<td>Positive / negative positioning</td>
</tr>
<tr>
<td>IG Credit</td>
<td></td>
</tr>
<tr>
<td>HY Credit</td>
<td></td>
</tr>
<tr>
<td>Financial Debt</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Arbitrage strategy</th>
<th>Currency exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>GBP</td>
</tr>
<tr>
<td>GBP</td>
<td>JPY</td>
</tr>
<tr>
<td>JPY</td>
<td>SEK</td>
</tr>
<tr>
<td>Relative positioning</td>
<td></td>
</tr>
</tbody>
</table>

The diversification of performance drivers is absolutely crucial to generate an attractive performance.

Source: Lazard Frères Gestion.
The above opinion was expressed as of the date of this presentation and is likely to change.
Lazard Patrimoine
Historical equity net exposure: flexibility & full use of leeways.

Equity net exposure

Reduction in risk exposure because of 3 main risks

Risk of a recession overpriced by the market:
increase risk exposure

Historical equity net exposure: flexibility & full use of leeways.
Past performance does not guarantee future performance
Fixed Income strategies
BTP vs Bund: tactical positioning and arbitrage

BTP – Bund Spread (10 years)

Source: Lazard Frères Gestion, Bloomberg, for illustrative purpose only.
Past performance does not guarantee future performance. Performance over less than one year is provided for illustration purposes only.
Performances and risks

Lazard Patrimoine | PC-share

<table>
<thead>
<tr>
<th>Risks (3)</th>
<th>Volatility</th>
<th>Index</th>
<th>Tracking error</th>
<th>Sharpe Ratio</th>
<th>Information Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>IC-share</td>
<td>5.1%</td>
<td>2.8%</td>
<td>4.9%</td>
<td>1.6</td>
</tr>
<tr>
<td>3 years</td>
<td></td>
<td>4.8%</td>
<td>3.4%</td>
<td>4.5%</td>
<td>0.9</td>
</tr>
</tbody>
</table>

Sources: Lazard, Morningstar, as of 31 December 2019.
(1) Chained index since 31 December 2015. Previously: 15% MSCI AC WORLD; + 85% FTSE MTS Global TR in euro. From 20 November 2017 to 31 December 2018: 20% MSCI World AC in euros net dividends + 80% BofAML Euro Government Index coupons TR. From 2 January 2019: 20% MSCI World AC in euros net dividends + 80% BofA ML Euro Broad Market Index net coupon reinvested.
(2) Source Morningstar: comparison universe including open-end funds distributed in Europe, referenced in the Morningstar database at the calculation date in the category EUR Cautious Allocation - Global, priority to the institutional share class.
(3) Calculated on a weekly basis over 1 and 3 years.

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Lazard Patrimoine
Performance contribution

<table>
<thead>
<tr>
<th>Performance contribution (gross of fees)</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.1</td>
<td>-1.2</td>
<td>4.3</td>
</tr>
<tr>
<td>European Equities</td>
<td>1.7</td>
<td>-0.6</td>
<td>2.0</td>
</tr>
<tr>
<td>Global ex-Emerging Equities</td>
<td>3.3</td>
<td>-0.2</td>
<td>1.5</td>
</tr>
<tr>
<td>Emerging Equities</td>
<td>0.0</td>
<td>-0.4</td>
<td>0.8</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>3.0</td>
<td>-1.8</td>
<td>1.2</td>
</tr>
<tr>
<td>Aggregate</td>
<td>3.4</td>
<td>0.1</td>
<td>0.6</td>
</tr>
<tr>
<td>Financial Debts</td>
<td>2.3</td>
<td>-0.9</td>
<td>0.8</td>
</tr>
<tr>
<td>Hedging Sensitivity</td>
<td>-2.7</td>
<td>-1.0</td>
<td>-0.2</td>
</tr>
<tr>
<td>Sovereign Debts</td>
<td>0.6</td>
<td>0.3</td>
<td>0.7</td>
</tr>
<tr>
<td>Arbitrage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Negative sensitivity</td>
<td>-1.6</td>
<td>0.9</td>
<td>0.0</td>
</tr>
<tr>
<td>Currencies</td>
<td>-0.4</td>
<td>-0.2</td>
<td>0.0</td>
</tr>
<tr>
<td>Cash</td>
<td>0.0</td>
<td>0.0</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Source: Lazard, December 2019.
This document is presented for information purposes only and has not been audited nor certified.
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Economic outlook

Continued global economic expansion but downside risks to be monitored

**Reduction of uncertainties**

The Phase 1 trade agreement between China and the United States will reduce trade tensions for at least some time.

**Stabilization in the manufacturing sector**

The global manufacturing PMI hit a low point in July and has been recovering gradually since then, notably thanks to China, where stimulus measures are beginning to have an impact.

**Limited risk of recession in the short term**

Johnson’s sweeping victory gives him a free hand to negotiate a trade deal with the EU, making him less dependent on hard brexiters.

Recovery of the residential sector in the United States and solid consumer spending.

A new phase of growth that may last for several more quarters. The various recession scenarios seem unlikely from today’s perspective, as long as the central banks do not resume the path of rate hikes.

Source: Lazard Frères Gestion.

The above opinion was expressed as of the date of this presentation and is likely to change.
A favorable context for risky assets

**Equity**

A historically high return compared to other asset classes, offsetting the risks.

The improvement in growth would be favorable to corporate earnings growth, and therefore to equities.

**Sovereign Bonds**

Still very low long-term interest rates that do not compensate the investor for the risk of rising inflation.

**Corporates Bonds**

Caution on investment-grade bonds: yields probably insufficient to compensate for a hike in interest rates.

Favour high-yield bonds: yields are more attractive and less sensitive to rising interest rates.

Source: Lazard Frères Gestion.

The above opinion was expressed as of the date of this presentation and is likely to change.
Lazard Patrimoine
Current positioning of the portfolio

Portfolio positioning

**Equity**
- Fundamental Overweight on the asset class
- We favour US and euro zone equities

**Fixed Income**
- Overweight financial subordinated debt
- Overweight HY
  - Modified duration -2 on US 10Y
  - Modified duration 0 on Ger 10Y

**Currencies**
- Overweight SEK

Net exposure

<table>
<thead>
<tr>
<th>Equity</th>
<th>28.9%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>9.7%</td>
</tr>
<tr>
<td>US</td>
<td>14.8%</td>
</tr>
<tr>
<td>Emerging</td>
<td>3.2%</td>
</tr>
<tr>
<td>Japan</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fixed Income</th>
<th>63.6%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sovereign</td>
<td>36.5%</td>
</tr>
<tr>
<td>Investment Grade</td>
<td>6.1%</td>
</tr>
<tr>
<td>High Yield</td>
<td>2.8%</td>
</tr>
<tr>
<td>Financial senior</td>
<td>5.6%</td>
</tr>
<tr>
<td>Financial subordinated</td>
<td>12.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Modified Duration</th>
<th>Euro</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lazard Patrimoine</td>
<td>0.1</td>
<td>-1.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Currencies</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro</td>
<td>77.9%</td>
</tr>
<tr>
<td>USD</td>
<td>11.4%</td>
</tr>
<tr>
<td>JPY</td>
<td>1.2%</td>
</tr>
<tr>
<td>SEK</td>
<td>4.6%</td>
</tr>
<tr>
<td>Emerging and others</td>
<td>4.9%</td>
</tr>
</tbody>
</table>

Source: Lazard, as of 31 December 2019.
The above opinion was expressed as of the date of this presentation and is likely to change.
If the mechanism is triggered, the fund is unable to immediately re-expose itself to the market. This may limit the fund's potential to benefit from a market recovery.

Sources: Lazard Frères Gestion, as of 31 December 2019.

1. Morningstar: comparison universe including open-end funds distributed in Europe, referenced in the Morningstar database at the calculation date in the category EUR Cautious Allocation Global - Global, priority to the institutional share class.

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Appendix
Your Contacts

Daniela Weißenborn
Senior Vice President, Head of Third Party Distribution Sales & Client Service
Telefon: +49 69 50606 190 / E-Mail: daniela.weissenborn@lazard.com
Daniela Weißenborn is Head of the Third Party Distribution Team for Germany and Austria and located in Frankfurt am Main. She began working in the investment field in 2000. Prior to joining Lazard in 2019, she was Head of Banks, Asset Managers & Family Offices Europe at Metzler Asset Management GmbH for 12 years. Before that, she was working as a Senior Sales Manager at Columbia Threadneedle for 3 years and before that at Allianz Global Investors in the same role for 4 years. From 1991 until 2000, Daniela Weißenborn was working at Commerzbank as a client relationship manager responsible for high net worth individuals and before at Rhön-Rennsteig-Sparkasse (savings bank). Daniela Weissenborn has a degree in banking economics from Frankfurt School of Finance & Management.

Lars Walter
Senior Vice President, Third Party Distribution – Sales Manager Germany
Telefon: +49 69 50606 194 / E-Mail: lars.walter@lazard.com
Lazard Asset Management (Germany) GmbH (Frankfurt)
Lars Walter is a Sales Manager at the Third Party Distribution team in Frankfurt. He has been working in asset management since 2001. Prior to joining Lazard in 2019, Lars Walter has been working in sales at Columbia Threadneedle Investments in Frankfurt since 2011. Previous stations were Fidelity (2007-2011), Cominvest (2005-2006) and Threadneedle (2001-2005). He has completed apprenticeship as a banker at Munich Bank eG.

Julia Pomer
Vice President, Third Party Distribution – Sales Manager Germany & Austria
Telefon: +49 69 50606 191 / E-Mail: julia.pomer@lazard.com
Julia Pomer is a Sales Manager for Third Party Distribution Clients in Germany and Austria and is located in Frankfurt am Main. She began working in the Legal and Compliance Team of Lazard in 2013 and started her career as a Sales Manager in 2015. She is primarily responsible for Asset Manager, Private Banks and Family Offices. Prior to joining Lazard, Julia worked for Kaye Scholer LLP, an international law firm. Julia holds her law exam with honor, specialized in Internationalization and Europeanization, from J.W. Goethe University in Frankfurt.

Alexandra Raab
Client Service, Third Party Distribution – Associate Germany & Austria
Telefon: +49 69 50606 183 / E-Mail: alexandra.raab@lazard.com
Alexandra Raab is Services Associate for the Third Party Distribution Team in Frankfurt am Main. She has been working in asset management since 2004. Prior to joining Lazard in 2006, she worked for Deka Investment GmbH. Alexandra Raab holds a Bachelor of Arts from Frankfurt University Applied Sciences.

Maximilian Reiser
Client Service, Third Party Distribution – Associate Germany & Austria
Telefon: +49 69 50606 193 / E-Mail: maximilian.reiser@lazard.com
Maximilian Markus Reiser is a Client Service Associate on the Third Party Distribution Team and is located in Frankfurt am Main. He began working in the Legal & Compliance Team of Lazard in 2018 and shifted towards Third Party Distribution in 2019. Prior to joining Lazard, Maximilian gained experience in various areas of asset management during his studies. He has a Bachelor of Science in Finance and Accounting from the Fontys International Business School of Applied Sciences.
Delegation to Lazard’s specialised teams: Stock and Bond picking

**Equity Management**
- Analysis is at the heart of our investment decisions
- Security selection is based on a financial analysis emphasizing:

**Fixed Income Management**
- A dual approach based on our macroeconomic scenario and our rigorous credit analysis

**ESG**
- ESG criteria integration in the risk premium of our valuation models

**Philosophy**

**Investment process**

1. **PROFITABILITY**
   Assessment of financial productivity

2. **GROWTH**
   Capacity for cash flow reinvestment

3. **EVALUATION**
   Ensuring economic performance is not over-valued

**Determination of Fair Value**

**Fixed Income analysis model**
- Macro (M), Valuation (V), Sentiment (S) et Techniques (T)

**Top-Down**
1. Macroeconomic environment analysis
2. Allocation by asset class
3. Sector and geographic allocation
4. Selection of issuers / issues

**Bottom-up**

Taking ESG criteria into account in the credit spread valuation

For illustrative purpose only.
# Lazard Patrimoine Characteristics

<table>
<thead>
<tr>
<th>CHARACTERISTICS</th>
<th>RC share</th>
<th>IC share</th>
<th>ID share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management company</td>
<td>Lazard Frères Gestion</td>
<td>Lazard Frères Gestion</td>
<td>Lazard Frères Gestion</td>
</tr>
<tr>
<td>Custodian</td>
<td>Caceis Bank</td>
<td>Caceis Bank</td>
<td>Caceis Bank and Lazard Frères Banques, on behalf of clients for whom it provides custody account-keeping services</td>
</tr>
<tr>
<td>Legal form</td>
<td>Sub-fund of a French variable capital investment company (Société d'investissement à capital variable – SICAV)</td>
<td>Sub-fund of a French variable capital investment company (Société d'investissement à capital variable – SICAV)</td>
<td>Sub-fund of a French variable capital investment company (Société d'investissement à capital variable – SICAV)</td>
</tr>
<tr>
<td>Subject to European Directive 2009/65/EC</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Inception date</td>
<td>31-Dec-14</td>
<td>31-Dec-14</td>
<td>18-Mar-16</td>
</tr>
<tr>
<td>Currency</td>
<td>Euro</td>
<td>Euro</td>
<td>Euro</td>
</tr>
<tr>
<td>ISIN Code</td>
<td>FR0012355139</td>
<td>FR0012355113</td>
<td>FR0013135472</td>
</tr>
<tr>
<td>Appropriation of distributable amounts: allocation of net income</td>
<td>Accumulation</td>
<td>Accumulation</td>
<td>Distribution</td>
</tr>
<tr>
<td>Appropriation of distributable amounts: allocation of net realised capital gains</td>
<td>Accumulation</td>
<td>Accumulation</td>
<td>Accumulation / distribution / retained</td>
</tr>
<tr>
<td>Reference index</td>
<td>20% MSCI World AC in euros net dividends + 80% ICE BofAML Euro Broad Market Index net coupon*</td>
<td>20% MSCI World AC in euros net dividends + 80% ICE BofAML Euro Broad Market Index net coupon*</td>
<td>20% MSCI World AC in euros net dividends + 80% ICE BofAML Euro Broad Market Index net coupon*</td>
</tr>
<tr>
<td>Minimum initial subscription</td>
<td>1 share</td>
<td>1 share</td>
<td>1 share</td>
</tr>
<tr>
<td>Frequency of NAV calculation</td>
<td>Daily</td>
<td>Daily</td>
<td>Daily</td>
</tr>
<tr>
<td>Execution of orders</td>
<td>Based on the next NAV for orders placed before 12:00am CET</td>
<td>Based on the next NAV for orders placed before 12:00am CET</td>
<td>Based on the next NAV for orders placed before 12:00am CET</td>
</tr>
<tr>
<td>Subscription / redemption settlement date</td>
<td>D (NAV date) + 2 business day / D (NAV date) +2 business days</td>
<td>D (NAV date) + 2 business day / D (NAV date) +2 business days</td>
<td>D (NAV date) + 2 business day / D (NAV date) +2 business days</td>
</tr>
<tr>
<td>Running fees (incl. Taxes)</td>
<td>1,33%</td>
<td>0,74%</td>
<td>0,74%</td>
</tr>
<tr>
<td>Transaction fees (incl. taxes): (0 to 100% received by the management company and 0 to 100% received by the custodian)</td>
<td>Equities, foreign exchange: from 0 to 0,20% TTC</td>
<td>Futures and other transactions: from 0 to 450€ incl. taxes per contract</td>
<td>Equities, foreign exchange: from 0 to 0,20% TTC</td>
</tr>
<tr>
<td>Financial management fees</td>
<td>1,38% incl taxes net assets excluding UCIs managed by Lazard Frères Gestion SAS</td>
<td>0,73% incl taxes net assets excluding UCIs managed by Lazard Frères Gestion SAS</td>
<td>0,73% incl taxes net assets excluding UCIs managed by Lazard Frères Gestion SAS</td>
</tr>
<tr>
<td>Administrative fees external to the management company</td>
<td>0,035% incl taxes net assets</td>
<td>0,035% incl taxes net assets</td>
<td>0,035% incl taxes net assets</td>
</tr>
<tr>
<td>Maximum subscription fees</td>
<td>Not retained by the fund</td>
<td>2,5% incl taxes</td>
<td>2,5% incl taxes</td>
</tr>
<tr>
<td>Performance fees (incl. Taxes)</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>SRRI</td>
<td>4/7</td>
<td>4/7</td>
<td>4/7</td>
</tr>
</tbody>
</table>

*Since 2 January 2019. Before: 20% MSCI World AC in euros net dividends + 80% BofAML Euro Government Index coupons

(1) Running fees do not include: outperformance fees and transShare charges except in the case of subscription and/or redemption fees paid by the Fund when it buys or sells units in another collective management vehicle. The data communicated, which include management and operating costs as well as transShare fees charged to the Fund, are based on the previous exercise. These figures may vary from year to year. 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
Reminder of risks for investors

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

- **Risk associated with discretionary management**: Discretionary management is based on anticipation of market trends. The Sub-fund’s performance is dependent both on the selection of securities and UCI picked by the manager and the manager’s asset allocation. There is therefore a risk that the manager will not select the best performing securities and that the asset allocation is not optimal.

- **Equity risk**: Fluctuations in share prices may have a negative impact on the Sub-fund’s net asset value. The net asset value may decrease during periods in which equity markets are falling.

- **Market capitalisation risk**: The volume of small- and mid-cap stocks traded on the stock market is lower than that of large caps, which means they can be more significantly impacted by market movements than large caps. The Sub-fund’s NAV may therefore decline rapidly and significantly.

- **Emerging country risk**: The operational and supervisory standards applicable to emerging markets may differ from those on international markets, as a result there is a risk that this may affect the UCI’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.

- **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.

- **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**: The risk linked to the use of forward financial instruments traded over the counter. These transactions, entered into with one or more counterparties, potentially expose the Sub-fund to a risk of failure of any such counterparty, which may lead to default in payment and cause the Sub-fund’s NAV to fall.

- **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.

- **Because of the hedging strategy applied, shareholders may not benefit from potential upside on certain markets.**

**Risk scale:**

- **Lower risk offering potentially lower returns**
- **Higher risk offering potentially higher returns**

For more information on the characteristics, risks and fees of the fund, please refer to the prospectus available on simple request to the company or on the site www.lazardfreresgestion.fr
Biographies

Matthieu Grouès
*Managing Director of Lazard Frères Paris and Managing Director of Lazard LLC CIO of Lazard Frères Gestion*
Matthieu Grouès, Managing Director of Lazard Frères Paris and Managing Director of Lazard LLC., is also Chief Investment Officer (institutional investment management departments) since September 2008. He is also in charge of strategy and asset allocation and of multi-assets fund management since he joined in 2002. Prior to joining, Matthieu Grouès was initially a fixed income manager for life insurance portfolios at Groupama AM, and then in charge of asset allocation at the group’s finance department. He graduated from ENSAE (Ecole nationale de la statistique et de l’administration économique).

Julien-Pierre Nouen, CFA
*Head of Economic Research & multi-assets Lazard Frères Gestion*
Julien Pierre Nouen joined Lazard Frères Gestion in 2006 as Strategist-Economist. In March 2018, he has been appointed Head of Economic Research and multi-assets. He is Chartered Financial Analyst since 2008. He graduated from HEC business school and holds an Advanced Diploma in macroeconomics from the University of Paris-Sorbonne.

Colin Faivre
*Analyst/Fund manager Lazard Frères Gestion*
Colin Faivre is a multi-asset investments fund manager. Colin Faivre joined Lazard Frères Gestion in 2001. Prior to joining, he was a consultant specialised in capital markets at Deloitte Consulting for two years. Colin Faivre graduated from ESSEC, and also holds a post-graduate diploma (DEA) in probability and finance from the University of Paris VI.

Jérémy Daltin
*Strategist-Economist Lazard Frères Gestion*
Jérémy Daltin joined Lazard Frères Gestion in 2003 as Strategist-Economist. He holds a Master’s degree in Finance and a Master’s degree in Applied Economics both from the University of Paris-Nanterre.
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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.

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