LAZARD CREDIT OPPORTUNITIES

Share Class PC EUR

07-2026

LAZARD FRÈRES GESTION

Total net assets	1490.09 M€	Inception date	Oct 28, 2005
NAV	1600.58 €	ISIN Code	FR0010235507
		Bloomberg Code	LAOBAOC FP

MORNINGSTAR

OVERALL ★★★★★

LSEG Lipper Fund Awards Winner 2026 Europe

SFDR Classification Article 8

Country of registration

The resource of this report item is not reachable

Manager(s)

Eléonore BUNEL *Olivier VIETTI* *Adrien LALANNE*

Investment policy

The management objective is to obtain, over the recommended investment period of 3 years, a performance net of fees higher than that of the reference indicator Capitalized Ester + margin (from 1.25% to 2.40% depending on the units) for units expressed in Euro, Fed Funds + margin (1.25% to 2% depending on the units) for units expressed in USD and SARON + 2.40% for the unit expressed in CHF.

Risk scale**

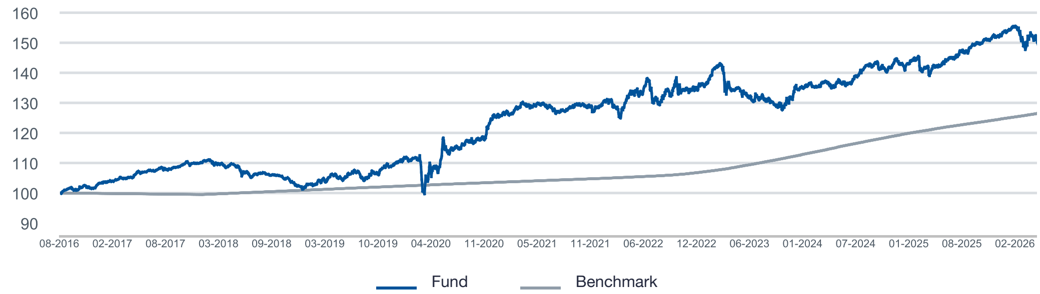
1 2 **3** 4 5 6 7

Recommended investment period of 3 years

Benchmark index

€ster capi + 2% depuis le 01/01/2022 ; €ster capi + 1,75% du 02/03/20 au 01/01/22; Auparavant Eonia capi +1,75%

Historical net asset value (10 years or since inception)



Past performance is no guarantee of future performance and is assessed at the end of the recommended investment period.

Fund information

Legal Form	SICAV
Legal Domicile	France
UCITS	Yes
SFDR Classification	Article 8
AMF Classification	International bonds
Eligibility to PEA (personal equity savings plan)	No
Currency	EURO
Subscribers concerned	Eligible investors
Inception date	28/10/2005
Date of share's first NAV calculation	28/10/2005
Management company	Lazard Frères Gestion SAS
Custodian	CACEIS Bank FR S.A
Fund administration	CACEIS Fund Admin
Frequency of NAV calculation	Daily
Order execution	For orders placed before 12:00 pm subscriptions and redemptions on next NAV
Subscription terms	D (NAV date) + 2 business day
Settlement of redemptions	D (NAV date) + 2 business day
Share decimalisation	No
Minimum investment	1 share
Subscription fees	4% max.
Redemption fees	Nil
Management fees (max)	1.00%
Performance fees (¹)	Nil
Current expenses (PRIIPS KID)	1.08%

**Risk scale : For the SRI methodology, please refer to Art. 14(c) , Art. 3 and Annexes II and III PRIIPs RTS

(¹) Please refer to the Prospectus for more details about the performance fees

(3) Ratios calculated on a weekly basis

Historical performance

	Cumulative						Annualized		
	1 Month	YTD	1 Year	3 Years	5 Years	10 Years	3 Years	5 Years	10 Years
Fund	-2.13%	-0.97%	3.48%	14.95%	18.96%	51.34%	4.75%	3.53%	4.23%
Benchmark	0.36%	2.37%	4.10%	15.95%	22.28%	27.58%	5.06%	4.11%	2.47%
Difference	-2.49%	-3.34%	-0.62%	-0.99%	-3.32%	23.76%	-0.30%	-0.57%	1.76%

Performance by calendar year

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	6.61%	5.72%	-0.60%	5.44%	2.76%	13.19%	8.78%	-7.19%	6.50%	6.48%
Benchmark	4.33%	5.94%	5.39%	2.02%	1.21%	1.28%	1.39%	1.41%	-0.36%	-0.32%

Trailing 1y performance

	07 2026	07 2025	07 2024	07 2023	07 2022	07 2021	07 2020	07 2019	07 2018	07 2017
Fund	3.48%	4.04%	6.78%	0.97%	2.50%	10.80%	7.68%	-0.09%	-1.46%	8.30%
Benchmark	4.10%	4.97%	6.11%	4.07%	1.34%	1.22%	1.33%	1.42%	0.66%	-0.36%

Risk ratios***

	1 Year	3 Years
Volatility		
Fund	5.07%	5.08%
Benchmark	0.04%	0.12%
Tracking Error	5.08%	5.08%
Information ratio	-0.03	-0.05
Sharpe ratio	0.38	0.37

Portfolio characteristics

	Estimated yield	Spread vs Govies (bps)	Modified Duration	Credit Spread Sensitivity
Gross (% AUM)	4.7%	172	3.2	3.2
Net (% Expo)	5.4%	172	9.7	3.2

Estimates of these data are based on LFG's best judgement for all securities (bonds, forward foreign exchange, CDS and futures) at the date mentioned. These figures exclude cash. LFG does not provide any guarantee.

Average rating

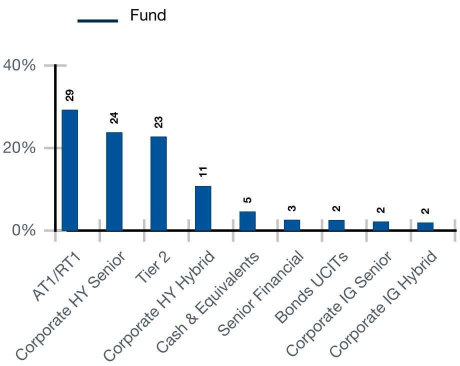
Issues Rating*	Issuers Rating*
BB+	BBB

**Average rating (excluding treasury bills and NDS)*

Main holdings

Holdings	Weight
GRAND CITY PROP. TV 26-05MY--A	1.0%
BCO CDT.SOC.TV(REGS)25-13OC37A	0.8%
RAIFFEIS.BK.TV(COCO)24-25NO--S	0.8%
BANCO SANT.TV (COCO)21-21SE--T	0.8%
PIRAEUS BK. TV(EMTN)24-18SE35A	0.8%

Subordination breakdown (%)

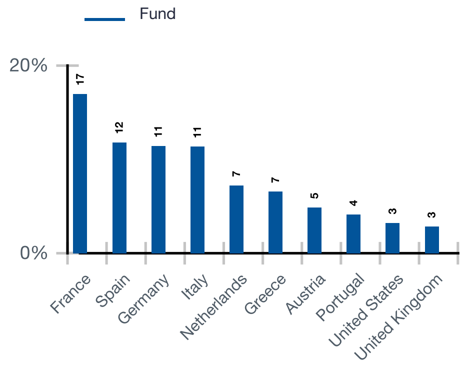


Currency breakdown (%)

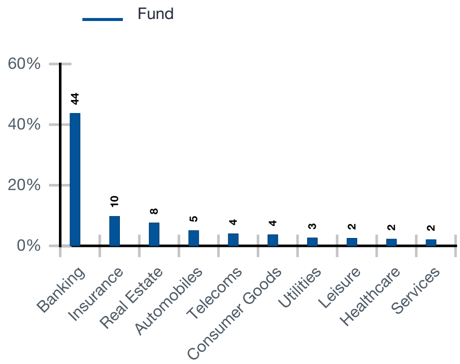
Currencies	Net Weight	Gross Weight
EUR	109.7%	97.7%
USD	-9.6%	1.4%
GBP	-0.2%	0.9%
JPY	0.1%	0.1%

Net exposure excluding automatic hedging

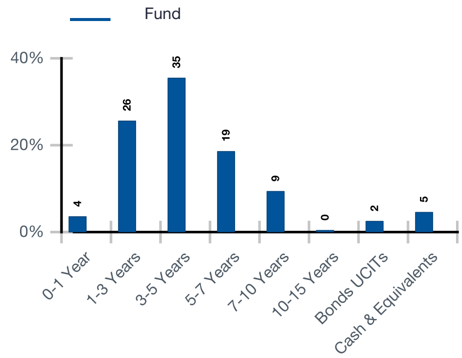
Geographical breakdown % (top ten)



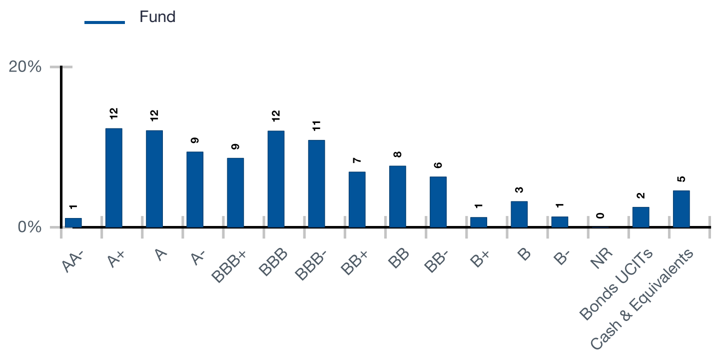
Sector breakdown % (top ten)



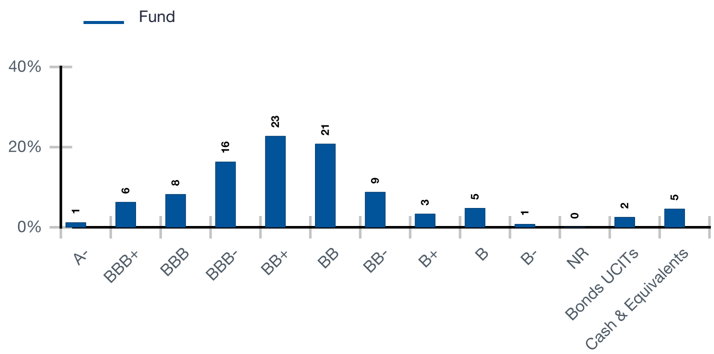
Maturity breakdown % (next call date)



Issuer rating breakdown (%)



Issue rating breakdown (%)



Fund managers comment

July was marked by the resurgence of the US-Iran conflict, driving the price of Brent crude to nearly $100 per barrel and reigniting fears of inflation. Disagreements persist over the terms of transit through the Strait of Hormuz, with Iran reaffirming its intention to retain control over maritime traffic. In the US, the Federal Reserve kept its key rates unchanged within the [3,50%-3,75%] range. Nine members voted to keep rates unchanged, while three dissented, arguing in favour of a rate hike. To justify the decision to wait before taking any action on key rates, Kevin Warsh highlighted the rise in real and nominal interest rates and the resulting tightening of financing conditions for the economy. Against this backdrop, the yield curve steepened, with 2-year yields rising by 12bp and 10-year yields by 27bp. The ten-year yield ended the month at 4,73%. In the Eurozone, the German two-year yield rose by 29bp to 2,82%; the ten-year yield fell back to 3,21% after a rise of 35bp. The ECB kept its key rates unchanged, but the likelihood of a further 25bp tightening in September has increased significantly following the resurgence of the conflict. The ECB still seems concerned about second-round effects. Preliminary core inflation figures for July came in at 2,5% while second-quarter growth came in higher than expected at 0,4%, compared with the forecast of 0,2%. The OAT-Bund spread remained steady over the month at 79bp, while the 10-year BTP-Bund spread widened by 4bp to 81bp.
In the UK, the Bank of England kept its key rate unchanged, and Governor Andrew Bailey stated that the central bank was not moving towards monetary tightening. Despite this status quo, yields rose by 25bp at the short end, and by 29bp for longer maturities, with the 10-year yield ending the month at 5,05%.
In financials, spreads were unchanged for Senior bank bonds; Tier 2s tightened by -1bp, while AT1s tightened by -4bp (€AT1 -10bp). In the insurance sector, Senior spreads ended the month at -1bp, while Subordinated spreads remained unchanged. Performance was negative for the month: Senior bank bonds posted -0,7%; Tier 2 bank bonds -0,6%; and AT1s -0,2% (€AT1 -0,3%). In the insurance sector, Senior bonds ended at -0,8% and Subordinated bonds at -0,9%. The primary market was quiet, with around €1.2 billion issued in the Subordinated segment. The 2026 first-half earnings season got off to a very positive start, driven by Nordic and US banks before extending to the sector as a whole.
In IG corporate credit, credit margins ended the month slightly tighter (senior -2bp, hybrids -1bp), following a tightening in the first half of the month and then a slight widening as the earnings season progressed. The interest rate environment remained challenging (Middle East tensions, central bank meetings). The performance came in at -1,10%, mainly due to the interest rate component, which was not offset by carry and spreads. Most sectors tightened, with very limited dispersion. Energy outperformed (-4bp), ahead of the automotive, capital goods and consumption sectors (-3bp each). Telecoms (+4bp) and media (+3bp) underperformed, dragged down by concerns about capex funding, and real estate (+1bp) also underperformed amid rising interest rates. Primary market activity fell to around €17 billion, affected by the earnings season, geopolitical volatility and the upcoming summer break.
High Yield corporate credit fell by 27bp in July. The asset class was hit by rising yields (+35bp on the 5-year German Bund), driven by the deteriorating situation in the Strait of Hormuz, which put pressure on oil prices. The 8bp spread tightening (driven by fairly encouraging second-quarter earnings, with the outlook for 2026 confirmed in most cases) and carry were not sufficient to offset the negative impact of interest rates. There were few differences between BB- and B-rated credit, but CCC-rated credit underperformed. Energy (Consolidated Energy, Ithaca), services (House of HR, PCC, Rekeep) and retail (Maxeda, Cesar, Bertrand) posted slightly positive performance, while telecoms (Virgin Media, Coreweave, Ziggo), media (Discovery) and transport (Air France, Abertis) ended the month down. The primary market was more subdued than usual, with issuance totalling €6 billion, mainly for refinancing purposes, with the exception of Loxam, which returned to the markets to finance an acquisition in Brazil.
The portfolio's performance was negative over the month, with the PVC share down -2,09%. Performance was largely impacted by the rise in interest rates during the month. As risk premiums tightened, the credit effect was positive but did not offset the interest rate effect. The credit contribution came mainly from risky assets (HY corporate and subordinated financial bonds). Credit sensitivity remained unchanged month-on-month at 3,2. Modified duration continues to be tactically managed between 7 and 10.

Contacts and additional information

Glossary :
Alpha represents the return of a portfolio that is attributable to the manager's investment decisions.
Beta measures a fund's sensitivity to movements in the overall market.
Information ratio represents the value added by the manager (excess return) divided by the tracking error.
Sharpe ratio measures return in excess of the risk free rate for every unit of risk taken.
Tracking error measures the volatility of the difference between a portfolio's performance and the benchmark.
Volatility is a measure of the fund's returns in relation to its historic average.
Yield to Maturity indicates the rate of return generated if a security is held to its maturity date.
Coupon Yield is the annual coupon value divided by the price of the bond.
Average Credit Spread is the credit spread of a bond over LIBOR, taking into account the value of the embedded option.

Average Rating is the weighted average credit rating of bonds held by the Fund.

Modified Duration is the percentage change in the value of a bond resulting from a 1% interest rate change.

Average Maturity is the average time to maturity of all bonds held by the Fund.

Spread Duration is the sensitivity of a bond price to a change in spreads.

Yield is the internal rate of return of a bond if held to maturity, but not accounting for conversion features of a convertible bond.

Delta represents the sensitivity of convertible bonds held by the Fund to a change in the underlying security price.

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