LAZARD CREDIT OPPORTUNITIES

Share Class PC EUR

06-2026

LAZARD FRÈRES GESTION

Total net assets	1517.42 M€	Inception date	Oct 28, 2005	MORNINGSTAR OVERALL	★★★★★
NAV	1635.35 €	ISIN Code	FR0010235507		
		Bloomberg Code	LAOBAOC FP	SFDR Classification	Article 8

LSEG Lipper Fund Awards Winner 2026 Europe

Country of registration

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**

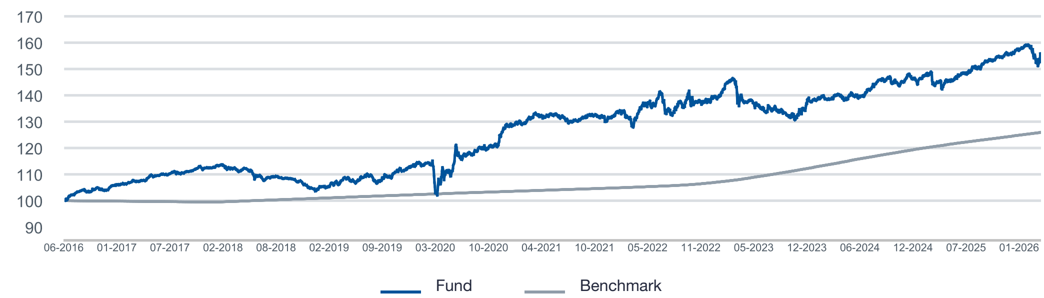
1 2 **3** 4 5 6 7

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	0.72%	1.18%	6.43%	18.01%	20.15%	58.09%	5.68%	3.74%	4.69%
Benchmark	0.36%	2.01%	4.07%	16.07%	21.96%	27.09%	5.09%	4.05%	2.43%
Difference	0.37%	-0.82%	2.36%	1.95%	-1.81%	31.00%	0.58%	-0.31%	2.26%

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

	06 2026	06 2025	06 2024	06 2023	06 2022	06 2021	06 2020	06 2019	06 2018	06 2017
Fund	6.43%	6.30%	4.31%	-0.42%	2.24%	13.46%	6.54%	0.94%	-1.88%	9.89%
Benchmark	4.07%	5.16%	6.05%	3.70%	1.33%	1.23%	1.35%	1.41%	0.51%	-0.35%

Risk ratios***

	1 Year	3 Years
Volatility		
Fund	4.93%	5.06%
Benchmark	0.02%	0.13%
Tracking Error	4.93%	5.07%
Information ratio	0.49	0.07
Sharpe ratio	0.91	0.49

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Portfolio characteristics

	Estimated yield	Spread vs Govies (bps)	Modified Duration	Credit Spread Sensitivity
Gross (% AUM)	4.4%	177	3.3	3.2
Net (% Expo)	5.3%	177	9.5	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

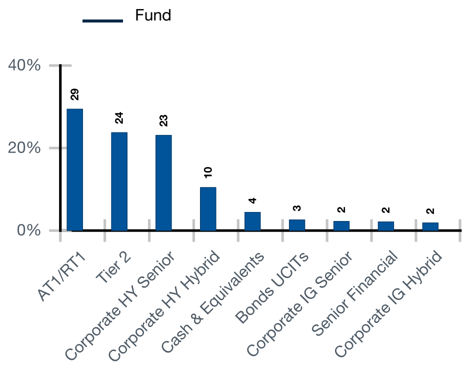
Issues Rating*	Issuers Rating*
BB+	BBB

**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%
BANCO SANT.TV (COCO)21-21SE--T	0.8%
RAIFFEIS.BK.TV(COCO)24-25NO--S	0.8%
PIRAEUS BK. TV(EMTN)24-18SE35A	0.7%

Subordination breakdown (%)

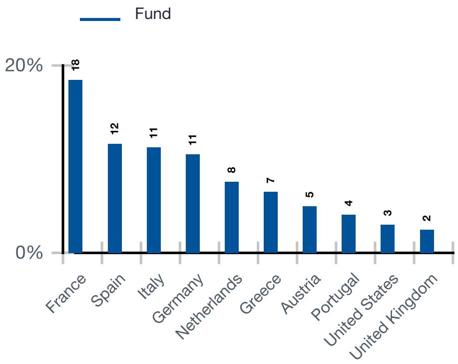


Currency breakdown (%)

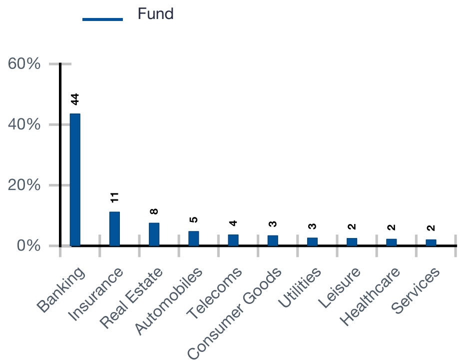
Currencies	Net Weight	Gross Weight
EUR	108.6%	96.8%
USD	-8.9%	1.9%
GBP	0.2%	1.2%
JPY	0.1%	0.1%

Net exposure excluding automatic hedging

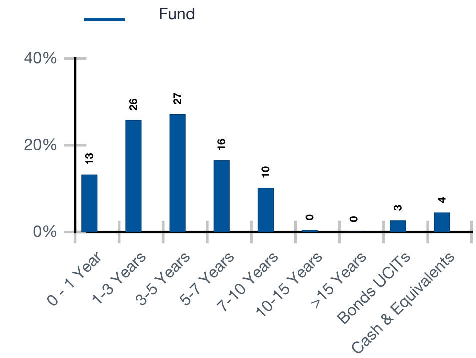
Geographical breakdown % (top ten)



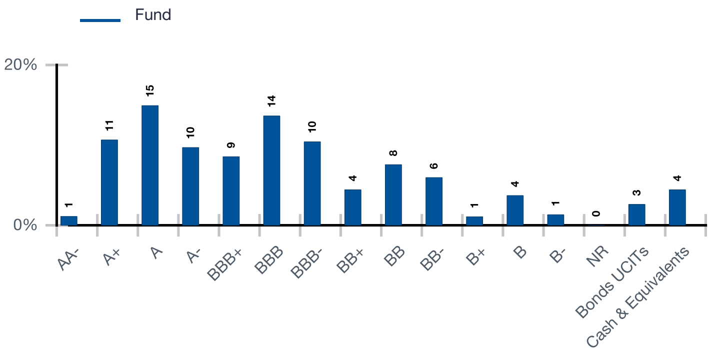
Sector breakdown % (top ten)



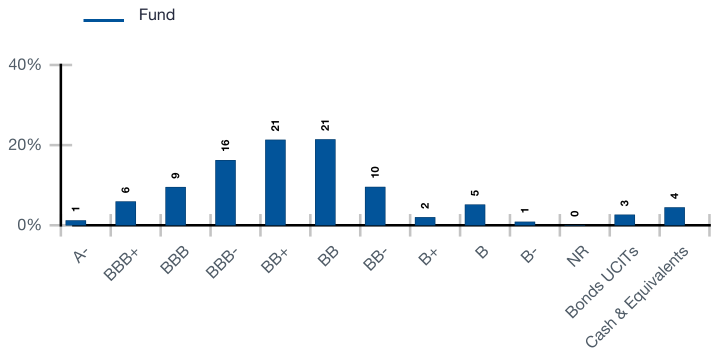
Maturity breakdown % (next call date)



Issuer rating breakdown (%)



Issue rating breakdown (%)



Fund managers comment

June 2026 was marked by the announcement of a memorandum of understanding between the US and Iran. Markets welcomed the prospect of the Strait of Hormuz reopening, with an immediate impact on energy prices. Brent crude continued to fall, hitting a three-month low of $71 per barrel. This sharp decline led to a downward revision of central banks' interest rate projections and fuelled the rally in sovereign yields, particularly in the Eurozone and the UK. In the US, the Federal Reserve kept its key rates unchanged within the range [3,50%-3,75%], in line with expectations. Half of the FOMC's voting members expect at least one rate hike in 2026, with six of them expecting two or more hikes, marking a hawkish shift. In terms of macroeconomic data, economic activity remains broadly resilient, and the release of the PCE inflation figures for May was generally reassuring and in line with expectations. S&P confirmed the US rating at AA+, with a stable outlook. In the Eurozone, the German two-year yield remained stable at 2,53% while the ten-year yield fell back below 3% to 2,88%. The ECB unanimously raised its key rates by 25bp, bringing the deposit rate to 2,25%. This move confirms the ECB's priority of combating inflation, and it has now raised its inflation forecasts to 3,0% in 2026, 2,3% in 2027 and 2,0% in 2028. Christine Lagarde left the door open for a further rate hike, and the central bank will remain heavily dependent on developments in the conflict and on economic data. Sovereign spreads widened over the month, to 79bp for the OAT-Bund spread and 77bp for the 10-year BTPS-Bund spread. Sovereign yields in the UK also fell (by an average of -6bp across the yield curve). The Bank of England kept its key rate unchanged, a decision that was broadly supported (7 members in favour, with 2 in favour of a hike) and in line with market expectations. The resignation of the current Prime Minister, Keir Starmer, paving the way for Andy Burnham, was generally well received. Interest rates welcomed this transition, but investors will need to focus on the future government's fiscal credibility in the coming weeks.
In financials, spreads tightened slightly on Senior and Tier 2 bank bonds (-1bp) while AT1 bonds tightened by -13bp (€AT1 -14bp). In the insurance sector, Senior bonds finished at -2bp and Subordinated at -6bp. In terms of performance, Senior bank bonds posted +0,4%, Tier 2s +0,5% and AT1s +0,7% (€AT1 +1,1%). Lastly, Senior insurance ended the month at +0,5% and Subordinated at +0,9%. The primary market was active this month, with subordinated bond issuance totalling around €8 billion.
In IG corporate credit, credit spreads remained stable across the entire capital structure amid continued interest rate volatility, a de-escalation of the conflict in the Middle East and a fall in energy prices. The asset class posted a positive performance of +0,50%%, driven by falling interest rates and carry. Most sectors were stable. Real estate outperformed against a backdrop of falling interest rates, along with utilities. Conversely, the automotive sector underperformed significantly (+8bp), weighed down by negative news for the sector and a large volume of primary supply, along with the energy sector. Primary market activity remained strong, with around €47 billion issued during the month, bringing the total issuance volume for the first half of the year to €263 billion.
High Yield corporate bonds continued their strong run in June, with a performance of +0,68% bringing the second-quarter performance to +3,63% and the first-half performance to +1,93%. This performance was underpinned by a further spread tightening (-10bp in June and -91bp over the quarter). 5-year yields also continued to fall, down 4bp over the month. Against this backdrop, the riskiest segments continued to outperform. CCCs posted a performance of +1,20% over the month, while Bs (+0,82%) outperformed BBs (+0,56%). All sectors recorded positive performances. The best performances came from the capital goods (Innomotics, Toucan, Fedrigoni), transport (Air Baltic, Mobico) and leisure (Evoke, eDreams, Intralot) sectors. Conversely, the telecoms (Virgin Media O2, Altice) and energy (Consolidated Energy, Ithaca) sectors underperformed. The primary market remained particularly active, with €17,7 billion of new issues.
The portfolio performed well over the month, with the PVC share up +0,76%. Performance continued to be driven by falling interest rates. With risk premiums tightening, the credit effect was also positive. The credit contribution came mainly from risky assets, which performed better (HY corporate and subordinated financial bonds). Credit sensitivity rose slightly month-on-month, from 3,1 to 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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