

Unit RC EUR

02-2026

Total net assets **1486.19 M€**
NAV **733.07 €**

Inception date **Oct 28, 2005**
ISIN Code **FR0010230490**
Bloomberg Code **LAOBAOA FP**

MORNINGSTAR
OVERALL **★★★★**



SFDR Classification **Article 8**

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**



Recommended investment period of 3 years

BENCHMARK INDEX

Ester capi +1,25% depuis le 04/11/2019 ; Eonia capi +1,25% du 29/12/2017 au 03/11/2019, auparavant Eonia capi

Fund Information

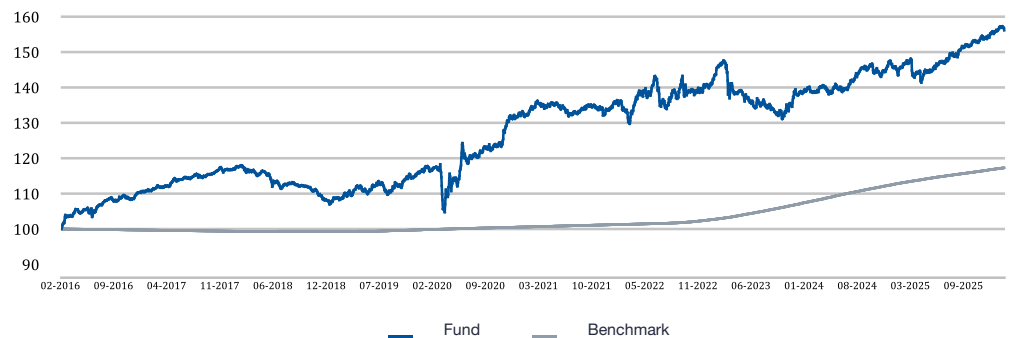
Legal Form	SICAV
Legal Domicile	France
UCITS	Yes
SFDR Classification	Article 8
AMF Classification	International bonds
Eligibility to PEA (personal equity savings plan)	No
Currency	EURO
Subscribers concerned	Retail
Inception date	28/10/2005
Date of share's first NAV calculation	28/10/2005
Management company	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	4% max.
Management fees (max)	1.72% max
Performance fees (1)	Nil
Current expenses (PRIIPS KID)	1.77%

**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 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.

HISTORICAL PERFORMANCE

	Cumulative						Annualized		
	1 Month	YTD	1 Year	3 Years	5 Years	10 Years	3 Years	5 Years	10 Years
Fund	-0.02%	1.07%	5.41%	6.26%	16.26%	56.14%	2.04%	3.06%	4.56%
Benchmark	0.25%	0.51%	3.38%	13.81%	16.56%	17.29%	4.41%	3.11%	1.61%
Difference	-0.27%	0.55%	2.03%	-7.56%	-0.30%	38.84%	-2.36%	-0.05%	2.95%

PERFORMANCE BY CALENDAR YEAR

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Fund	5.88%	5.02%	-1.27%	4.72%	2.06%	12.65%	8.26%	-7.63%	5.99%	5.97%
Benchmark	3.54%	5.13%	4.60%	1.25%	0.70%	0.73%	0.43%	0.01%	-0.36%	-0.32%

TRAILING 1Y PERFORMANCE

	02 2026	02 2025	02 2024	02 2023	02 2022	02 2021	02 2020	02 2019	02 2018	02 2017
Fund	5.41%	6.78%	-5.60%	11.79%	-2.13%	15.11%	5.96%	-5.51%	4.28%	11.74%
Benchmark	3.38%	4.90%	4.95%	1.70%	0.70%	0.71%	0.56%	0.01%	-0.30%	-0.34%

RISK RATIOS***

	1 Year	3 Years
Volatility		
Fund	4.50%	5.73%
Benchmark	0.04%	0.11%
Tracking Error	4.51%	5.73%
Information ratio	0.45	-0.42
Sharpe ratio	0.74	-0.19

PORTFOLIO CHARACTERISTICS

	Estimated yield	Spread vs Govies (bps)	Modified Duration	Credit Sensitivity
Gross (% AUM)	4.0%	162	3.0	3.0
Net (% Expo)	3.6%	177	-3.0	3.3

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

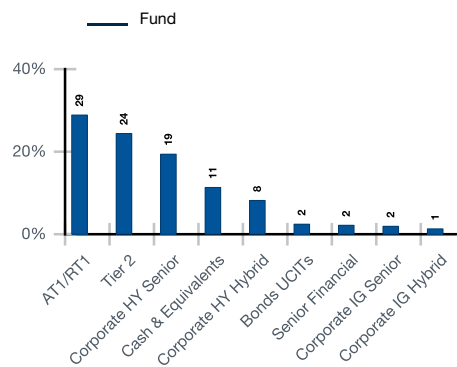
Issues Rating*	Issuers Rating*
BB+	BBB

*Average rating (excluding treasury bills and NDS)

MAIN HOLDINGS

Holdings	Weight
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%
IBERCAJA BCO TV 23-25JA--T	0.7%

SUBORDINATION BREAKDOWN (%)

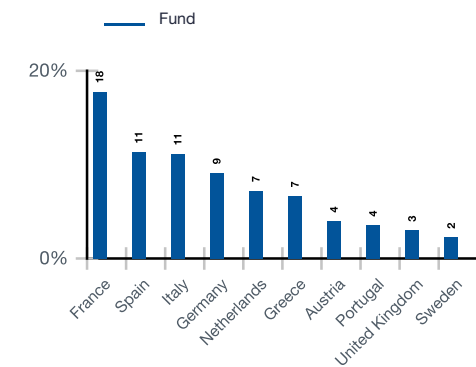


CURRENCY BREAKDOWN (%)

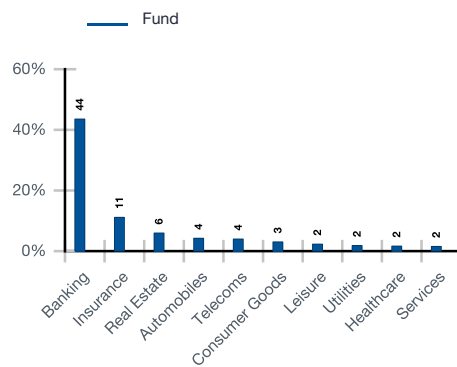
Currencies	Net Weight	Gross Weight
EUR	105.8%	97.0%
USD	-5.9%	1.7%
GBP	-0.1%	1.2%
Others	0.1%	0.1%

*Net exposure of FX hedges.

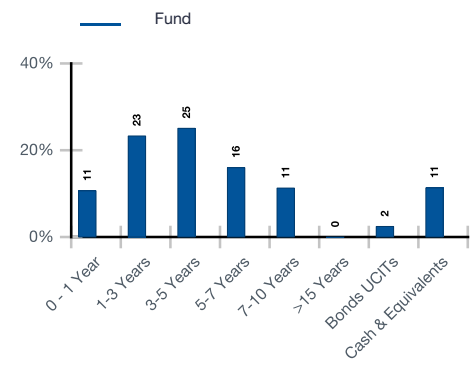
GEOGRAPHICAL BREAKDOWN % (Top Ten)



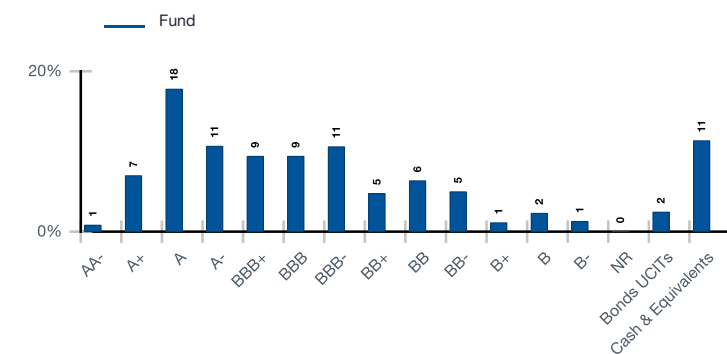
SECTOR BREAKDOWN % (Top Ten)



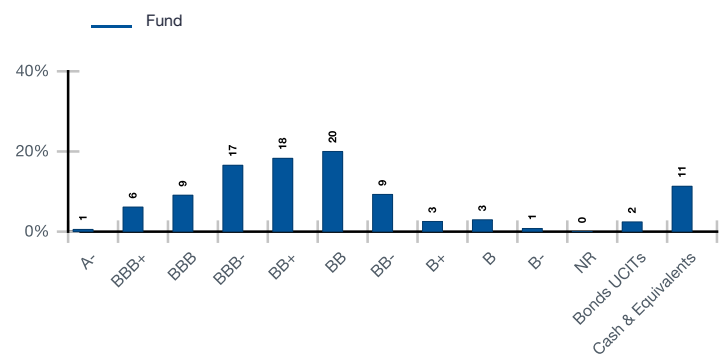
MATURITY BREAKDOWN % (Next call Date)



ISSUER RATING BREAKDOWN (%)



ISSUE RATING BREAKDOWN (%)



FUND MANAGERS COMMENT

Sovereign yields fell across the board during the month amid concerns about the technology sector and private credit in the US, as well as geopolitical tensions and fears of US intervention in Iran. In the United States, yields fell as the yield curve flattened. The two-year yield fell 15bp to 3,37%, and the ten-year yield fell 30bp to below 4% at 3,94%. Economic data releases showed solid job figures and higher-than-expected PCE inflation for December (accelerating to 2.9% from 2.8% in November, with core inflation also rising to 3% year-on-year). The persistent inflationary pressures are clear, with the PPI coming in well above expectations at 2.9% in January, compared with forecasts of 2.6%, particularly for the core index (excluding energy and food), which stood at 3.6% year-on-year, compared with forecasts of 3%. The FOMC minutes highlighted an improved job market and persistently high inflation. Statements by certain Fed members also highlighted the need to wait before implementing any further easing measures.

In the UK, yields fell despite upward pressure generated by negative sentiment surrounding Prime Minister Keir Starmer's vulnerability, which was exacerbated by the Lord Mandelson affair. In addition, inflationary pressures continue to ease, falling to 3% from 3,4% for headline inflation and 3,1% from 3,2% for core inflation.

In the Eurozone, the German ten-year yield fell by 20bp, while the ten-year OAT-Bund and BTP-Bund spreads remained stable at 57 and 63bp respectively. The ECB's Bank Lending Survey for the fourth quarter showed a slight improvement in credit demand from businesses and households. The final publication of the PMI surveys for January came in slightly below expectations, without altering the resilience of activity. Inflation, meanwhile, fell by -0,5% month-on-month in January, bringing headline inflation to 1,7% and core inflation to 2,2% month-on-month.

In financials, spreads widened, with senior bank bonds up +8bp, Tier 2 bonds up +12bp and AT1s up +16bp (€AT1 +16bp). In the insurance sector, the trend was similar, with seniors up +24bp and subordinated up +15bp.

Overall, performance was positive: senior bank bonds closed up +0,5%; Tier 2 up +0,3%; AT1s up +0,5% (€AT1 +0,4%); and among insurers, seniors were down -0,1% and subordinated up +0,4%. The primary market was active with several AT1 issues. In EUR, we saw Nykredit, BNP Paribas, Intesa Sanpaolo and the National Bank of Greece. In Tier 2, there were two deals in EUR (Fidelidade, Danske Bank) and one in USD (SMFG, a Japanese bank). Lastly, the Finnish insurer Sampo issued an RT1 in EUR.

In IG corporate credit, credit margins widened across the capital structure (senior: + 8bp, hybrids: + 11bp) against a backdrop of a sharp fall in interest rates, persistent fears about AI and rising geopolitical tensions. The asset class posted a positive return of +0,64% thanks to interest rate and carry components. Activity was buoyant, with around €38 billion issued, driven in particular by the presence of Reverse Yankees. The entire supply was absorbed, with order books oversubscribed by an average of 3.2x and issue premiums tightening by an average of 37bp, reflecting investors' continued strong appetite for this asset class. All sectors widened. The leisure and technology sectors underperformed, particularly AI-exposed credit, as did the automotive sector. Conversely, real estate and energy outperformed.

High yield corporate credit posted a return of 30bp in February, driven by a significant fall in yields (-18bp on German 5-year bonds) and carry, whilst spreads widened slightly by 4bp to close at 268bp. Throughout the month, questions surrounding the impact of artificial intelligence on software publishers were the main driver of spread movements, compounded at the end of the period by geopolitical tensions in the Middle East. Against this background, the lower the ratings, the less positive was the performance. The primary market was relatively quiet, with €3,6 billion in issues spread across four deals. Issuers in the software segment suffered amid growing investor concerns about potential disruption linked to artificial intelligence. Conversely, the chemicals sector stood out for its particularly strong performance, thanks to ongoing regulatory support from the European authorities.

The portfolio's performance was positive over the month, with PVC shares up +0,10%. Performance was driven by a positive interest rate effect against a backdrop of a broad-based decline in interest rates, despite a short position in US and European interest rate derivatives. At the same time, the credit contribution was negative, following the widening of risk premiums, particularly on risky assets (subordinated financial bonds, corporate hybrid bonds). Lastly, currencies made a positive contribution thanks to tactical dollar positioning. Credit duration rose slightly to 3,4 and modified duration was tactically managed between 6 and 9 in the first half of the month, then between -3 and +2.

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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