

Total net assets 1127.73 M€  
NAV 1125.84 \$

Inception date Feb 18, 2020  
ISIN Code FR0013476041  
Bloomberg Code LALCFPH



SFDR Classification : Article 8

Country of registration



## MANAGER(S)



François Lavier Alexis Lautrette Charles Marcoux

## INVESTMENT POLICY

The fund's investment objective is to outperform the Barclays Global Contingent Capital € Hedged index for units PVC EUR, PVD EUR, RVC EUR, RVD EUR, SC EUR and TVD EUR, Barclays Global Contingent Capital Hedged USD for unit PVC H-USD and Barclays Global Contingent Capital Hedged CHF for PVC H-CHF.

## RISK SCALE\*\*



Recommended investment period of 5 years

## BENCHMARK INDEX

Barclays Global Contingent Capital Total Return hedged USD

## FEATURES

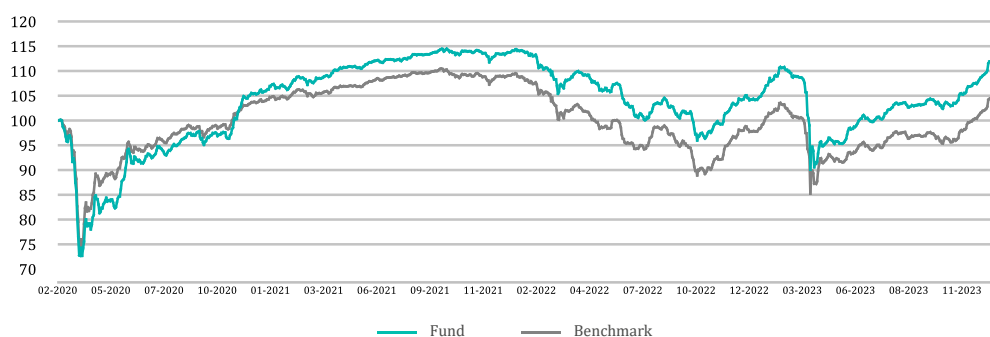
Legal Form	FCP
Legal Domicile	France
UCITS	Yes
AMF Classification	International bonds
Eligibility to PEA (personal equity savings plan)	No
Currency	US Dollar
Subscribers concerned	
Inception date	18/02/2020
Date of share's first NAV calculation	18/02/2020
Management company	Lazard Frères Gestion SAS
Custodian	CACEIS Bank
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	Yes
Minimum investment	1 share
Subscription fees	4% max.
Redemption fees	Nil
Management fees (max)	1.25% max
Performance fees <sup>(1)</sup>	Nil
Current expenses	1.28%

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

<sup>(1)</sup> 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	Inception	3 Years 5 Years
Fund	4.22%	8.03%	8.03%	5.93%		12.60%	1.94%
Benchmark	4.05%	7.48%	7.48%	0.78%		5.10%	0.26%
Difference	0.17%	0.55%	0.55%	5.15%		7.50%	1.68%

## PERFORMANCE BY CALENDAR YEAR

	2023	2022	2021
Fund	8.03%	-8.63%	7.32%
Benchmark	7.48%	-10.59%	4.87%

## TRAILING 1Y PERFORMANCE

	Fund	Benchmark
2023 12 31	8.03%	7.48%
2022 12 31	-8.63%	-10.59%
2021 12 31	7.32%	4.87%

## RISK RATIOS\*\*\*

	1 Year	3 Years
Volatility		
Fund	14.14%	9.75%
Benchmark	12.11%	9.02%
Tracking Error	3.36%	2.63%
Information ratio	0.16	0.64
Sharpe ratio	0.34	0.11
Alpha	-0.35	1.73
Beta	1.14	1.04

## PORTFOLIO CHARACTERISTICS

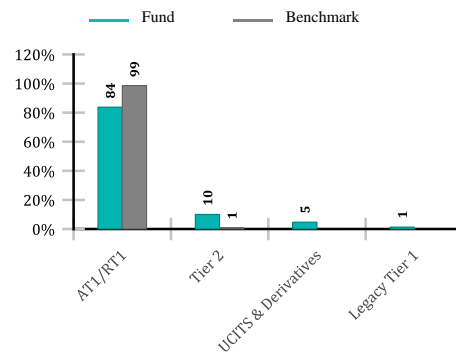
	Yield to worst	Yield to call	Yield to maturity	Spread vs Govies (bps)	Modified Duration	Credit Sensitivity	Issues Rating* BB-	Issuers Rating* BBB
Gross (Net hedge FX)	7.6%	8.8%	8.2%	620	2.6	2.7		*Average rating
Net (hedged FX/CDS/Taux)	-	8.8%	-	-	2.6	2.7		

Estimates of yields, OAS spreads or sensitivities are based on LFG's best judgment for all securities included in the portfolio as of the date mentioned (cash excluded). LFG does not provide any guarantee.

## MAIN HOLDINGS

Holdings	Weight
BARCLAYS PLC TV COCO17-10AG--T	3.4%
COMMERZBANK TV 20-16JN--A	3.2%
UNICAJA BCO TV(COCO)21-18NO--T	3.0%
ALPHA SERVICES TV(C)23-08FE--S	2.9%
BANCO CR.SOC.TV EMTN21-27N031A	2.7%

## SUBORDINATION BREAKDOWN (%)

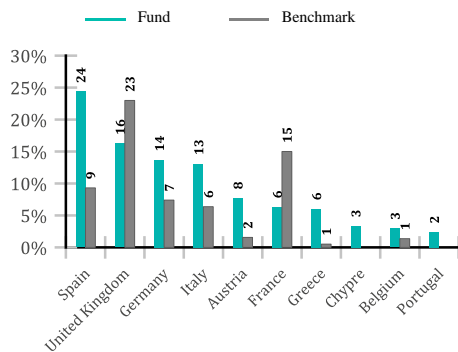


## CURRENCY BREAKDOWN (%)

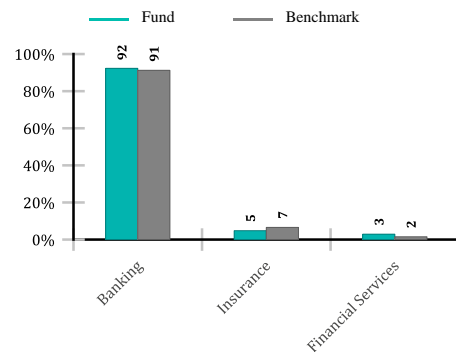
Currencies	Gross weight	Net weight
EUR	75.8%	91.7%
USD	7.3%	8.2%
GBP	17.1%	0.1%
Others Currencies	0.0%	0.0%

\*Net exposure of FX hedges.

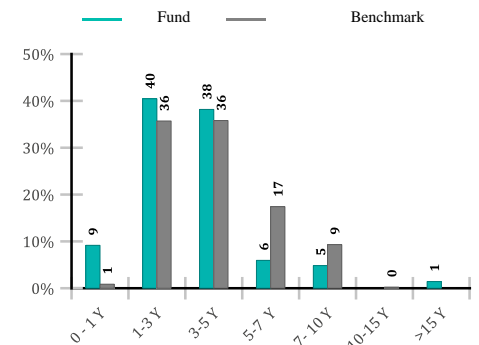
## GEOGRAPHICAL BREAKDOWN % (Top Ten)



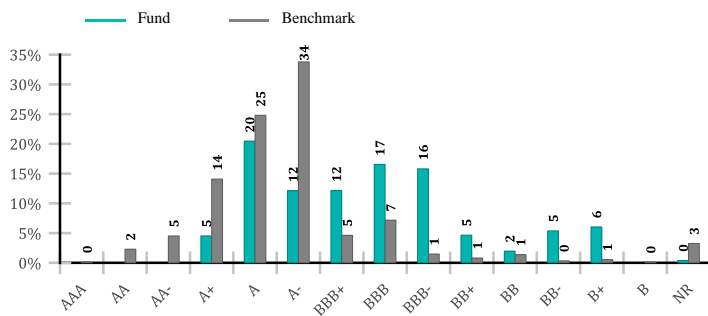
## SECTOR BREAKDOWN % (Top Ten)



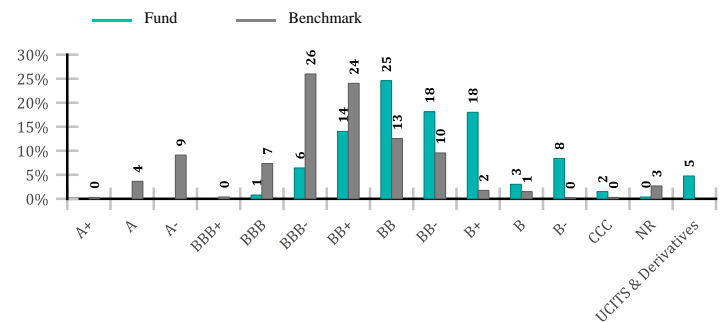
## MATURITY BREAKDOWN % (Next call Date)



## ISSUER RATING BREAKDOWN (%)



## ISSUE RATING BREAKDOWN (%)



**FUND MANAGERS COMMENT**

December was a very positive Month with TRR ranging from +1,9% for Senior debt from insurers to +4,6% for AT1s denominated in Euros. That positive performance came both from lower Rates (around -40 bps in Euros and US Dollar, in all maturities) and lower spreads with Senior debt from banks tighter by -6 bps, Tier 2 rated IG by -33 bps and AT1s by -65 bps to -90 bps.

This rally was powered by the last Central Banks meetings in 2023 with notably M Powell mentioning that they discussed future Rate Cuts for 2024. Both the ECB and the BoE were more cautious about the outlook on Rates without evocating any future cuts, despite both economies being in a worse place. December preliminary CPI figures in different jurisdictions were also very helpful to drive the rally in Rates.

In the primary market, new issuance was very limited with 6.6 bn issued during the month for FIG. Nevertheless, banks' syndicates are already actively preparing January that should be very active not only due to seasonality but also due to attractive all-in yields to issue new bonds after the rally in Rates and spreads mentioned above.

Ratings continued their upward drift with Fitch upgrading Greece to IG at BBB- and giving a positive outlook to all Greek banks. S&P upgraded them by one notch except for Alpha Bank put on a positive outlook.

Cypriot banks have also been upgraded by one notch by S&P.

In Iberia, Ibercaja has been upgraded by one notch from Baa3 to Baa2 with Moody's. Montepio has been upgraded by 2 notches by DBRS to BB.

Deutsche Bank has been upgraded by one notch by S&P to A from A-. Irish banks have been put under a positive outlook with Fitch.

Santander announced the call of an AT1 in \$ callable in February 2024.

In the Legacy space, NIBC has launched a Tender Offer to reduce the stock of its Legacy instruments.

BNPP finally decided to call the last Disco Tier 2 instrument outstanding, doing like all other banks have done.

In the UK, Apollo is mentioned to look at the potential purchase of the "bulk annuity purchaser" Pension Insurance Corp that could be valued at £5 bn.

Coventry Building Society has agreed to purchase Co-operative Bank for £700 M.

Raiffeisen Bank International has announced a transaction that will allow it to repatriate 1,45 bn of capital from its Russian subsidiary for a cost of -10 bps of CET1 but will allow to increase the CET1 ratio by +120 bps at the Group level excluding Russia, reducing any tail risk.

In Lazard Capital Fi, the most important contributors to the performance have been :

- By subordination, AT1 and RT1 (+3,91%) and banks Tier 2 (+0,39%)
- By country, Spain (+1,28%) and Germany (+0,67%)
- By issuer, Deutsche Bank (+0,48%) and Intesa Sanpaolo (+0,28%)

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