

(QUARTALSWEISE)

LAZARD AUSBLICK

Jahresausblick 2024 – Das Jahr der Wandelanleihen!?

11. Januar 2024 um 15.00 Uhr

Moderator: **Moritz Jung**

Werner Krämer, Geschäftsführer, Economic Analyst, LAM Deutschland

Emmanuel Naar, Portfolio Manager/Analyst, LAM (New York)

Dies ist eine Marketing-Unterlage.

Diese Präsentation und alle darin enthaltenen Recherchen und Materialien sind Eigentum von Lazard Asset Management LLC. © 2024 Lazard Asset Management LLC. Die dargestellten Informationen und Meinungen stammen aus Quellen, die Lazard für zuverlässig hält. Lazard übernimmt keine Gewähr für deren Richtigkeit oder Vollständigkeit. Alle hierin geäußerten Meinungen entsprechen dem Stand zum Zeitpunkt dieser Präsentation und können sich ändern. Bitte beachten Sie die Risikohinweise am Ende dieser Präsentation.

Nur für professionelle Anleger. Nicht für den öffentlichen Vertrieb.

MC35394

Serie



LAZARD
ASSET MANAGEMENT

MAKROÖKONOMISCHER AUSBLICK

**Werner Krämer, Geschäftsführer,
Economic Analyst**

Dies ist eine Marketing-Unterlage.

Diese Präsentation und alle darin enthaltenen Recherchen und Materialien sind Eigentum von Lazard Asset Management LLC.

© 2024 Lazard Asset Management LLC. Die dargestellten Informationen und Meinungen stammen aus Quellen, die Lazard für zuverlässig hält. Lazard übernimmt keine Gewähr für deren Richtigkeit oder Vollständigkeit. Alle hierin geäußerten Meinungen entsprechen dem Stand zum Zeitpunkt dieser Präsentation und können sich ändern. Bitte beachten Sie die Risikohinweise am Ende dieser Präsentation.

Nur für professionelle Anleger. Nicht zur öffentlichen Verbreitung.



LAZARD
ASSET MANAGEMENT

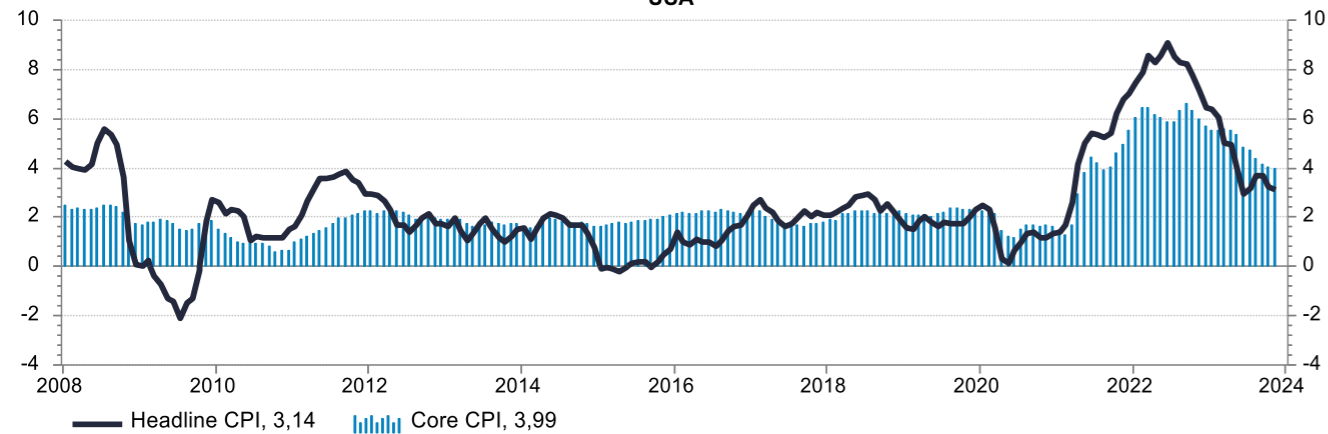
GIPFEL INFLATION LIEGT HINTER UNS

Zum Jahresstart 2024 ist das Inflationsthema für die Märkte zumindest vorübergehend in den Hintergrund getreten, auch wenn insbesondere die Kerninflation im historischen Vergleichsmaßstab immer noch deutlich zu hoch ist.

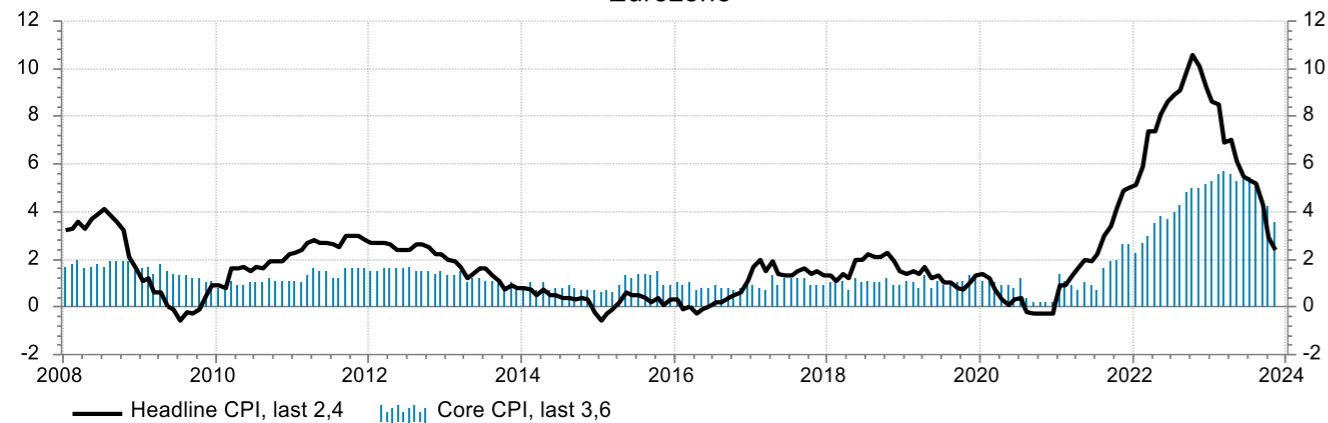
CPI Inflation USA and Eurozone

yearly, in %

USA

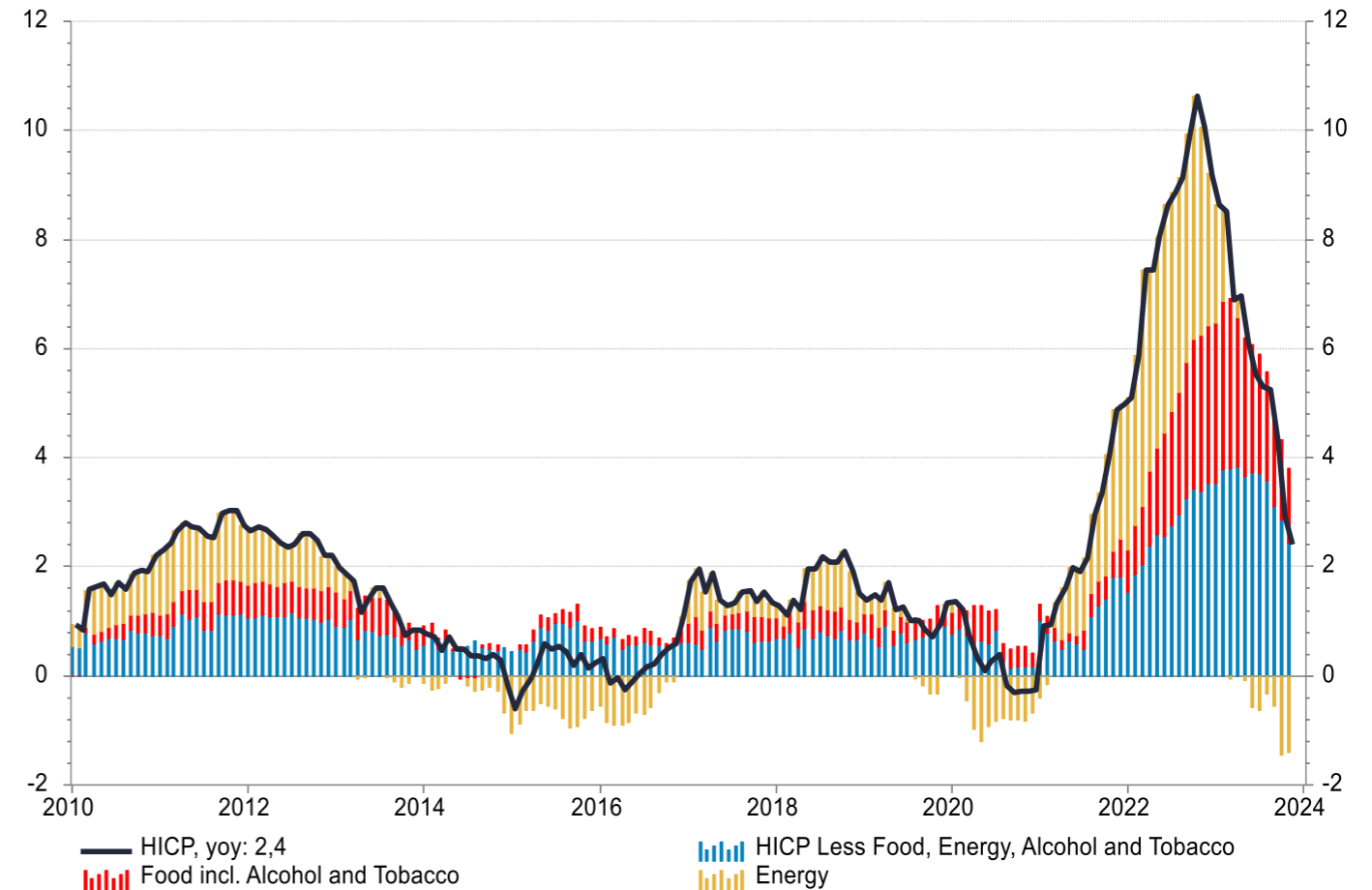


Eurozone



Quelle: LSEG Datastream as of 05.01.2024

Eurozone: inflation composition



Quelle: LSEG Datastream as of 05.01.2024

Quelle: LSEG Datastream, Stand 5. Januar 2024

WACHSTUMSSCHWÄCHE RÜCKT IN DEN FOKUS

Das globale Wachstum (insbesondere die USA) hat sich in den letzten Monaten überraschend stabil gezeigt, aber zuletzt zeigten die Vorlaufindikatoren deutlicher nach unten. Die Einkaufsmanagerindizes deuten insbesondere in Europa und China auf eine Rezession hin, auch wenn der Dienstleistungssektor resilienter ist als die Industrie.

Global Manufacturing PMIs (Seasonally Adjusted)

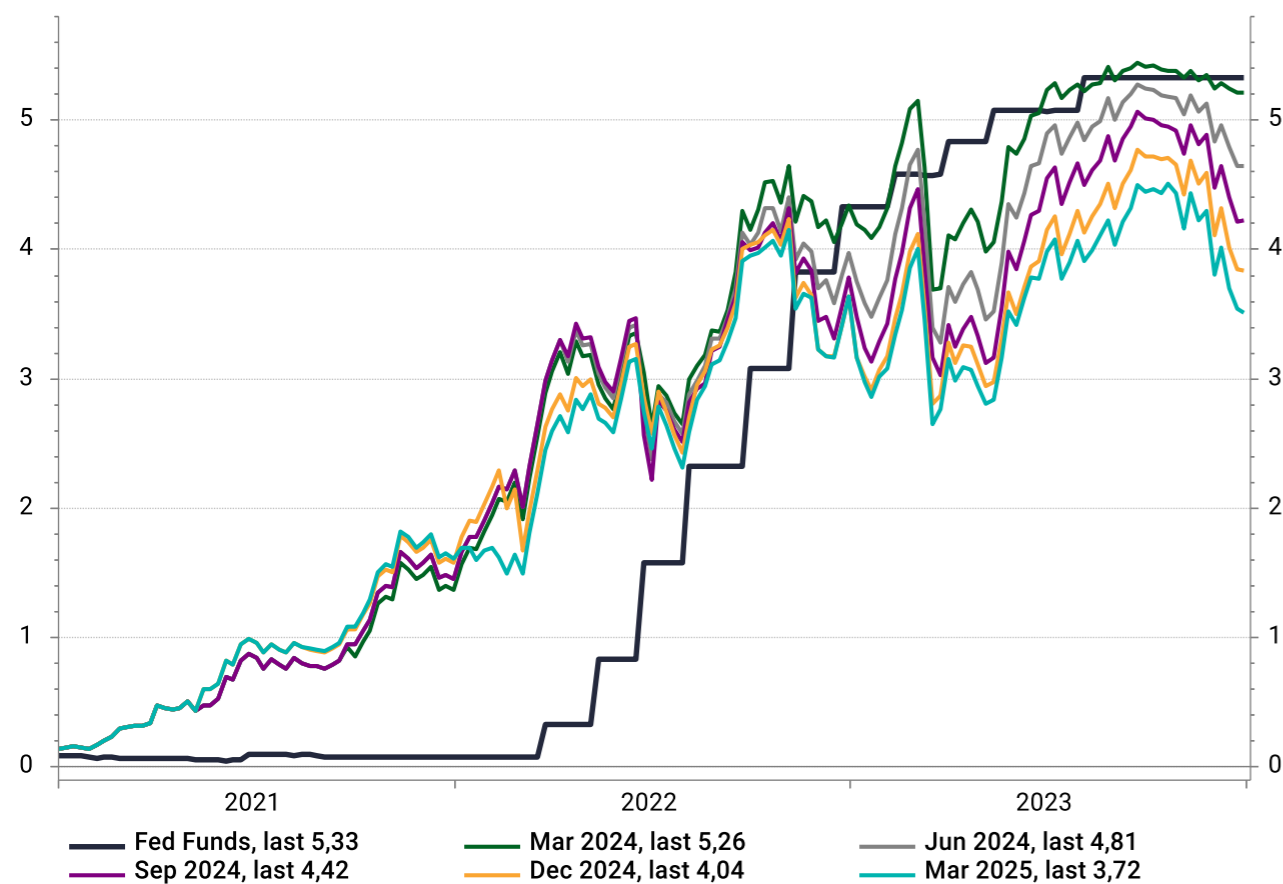
| | Aug 22 | Sep 22 | Oct 22 | Nov 22 | Dec 22 | Jan 23 | Feb 23 | March 23 | Apr 23 | May 23 | June 23 | July 23 | Aug 23 | Sep 23 | Oct 23 | Nov 23 | Dec 23 |
|----------|--------|--------|--------|--------|--------|--------|--------|----------|--------|--------|---------|---------|--------|--------|--------|--------|--------|
| AU | 53,8 | 53,5 | 52,7 | 51,3 | 50,2 | 50,0 | 50,5 | 49,1 | 48,0 | 48,4 | 48,2 | 49,6 | 49,6 | 48,7 | 48,2 | 47,7 | 47,6 |
| AT | 48,8 | 48,8 | 46,6 | 46,6 | 47,3 | 48,4 | 47,1 | 44,7 | 42,0 | 39,7 | 39,0 | 38,8 | 40,6 | 39,6 | 41,7 | 42,2 | 42,0 |
| BR | 51,9 | 51,1 | 50,8 | 44,3 | 44,2 | 47,5 | 49,2 | 47,0 | 44,3 | 47,1 | 46,6 | 47,8 | 50,1 | 49,0 | 48,6 | 49,4 | 48,4 |
| CA | 48,7 | 49,8 | 48,8 | 49,6 | 49,2 | 51,0 | 52,4 | 48,6 | 50,2 | 49,0 | 48,8 | 49,6 | 48,0 | 47,5 | 48,6 | 47,7 | 45,4 |
| CN | 49,5 | 48,1 | 49,2 | 49,4 | 49,0 | 49,2 | 51,6 | 50,0 | 49,5 | 50,9 | 50,5 | 49,2 | 51,0 | 50,6 | 49,5 | 50,7 | 50,8 |
| CO | 52,4 | 52,8 | 50,0 | 47,3 | 51,1 | 48,5 | 49,8 | 51,5 | 52,6 | 49,9 | 49,8 | 48,4 | 46,8 | 47,8 | 48,1 | 49,4 | 52,0 |
| CZ | 46,8 | 44,7 | 41,7 | 41,6 | 42,6 | 44,6 | 44,3 | 44,3 | 42,8 | 42,8 | 40,8 | 41,4 | 42,9 | 41,7 | 42,0 | 43,2 | 41,8 |
| DK | 48,5 | 49,2 | 49,5 | 45,6 | 49,3 | 52,4 | 37,3 | 45,5 | 47,7 | 45,9 | 47,1 | N/A | N/A | N/A | N/A | N/A | N/A |
| EG | 47,6 | 47,6 | 47,7 | 45,4 | 47,2 | 45,5 | 46,9 | 46,7 | 47,3 | 47,8 | 49,1 | 49,2 | 49,2 | 48,7 | 47,9 | 48,4 | 48,5 |
| EuroZone | 49,6 | 48,4 | 46,4 | 47,1 | 47,8 | 48,8 | 48,5 | 47,3 | 45,8 | 44,8 | 43,4 | 42,7 | 43,5 | 43,4 | 43,1 | 44,2 | 44,4 |
| FR | 50,6 | 47,7 | 47,2 | 48,3 | 49,2 | 50,5 | 47,4 | 47,3 | 45,6 | 45,7 | 46,0 | 45,1 | 46,0 | 44,2 | 42,8 | 42,9 | 42,1 |
| DE | 49,1 | 47,8 | 45,1 | 46,2 | 47,1 | 47,3 | 46,3 | 44,7 | 44,5 | 43,2 | 40,6 | 38,8 | 39,1 | 39,6 | 40,8 | 42,6 | 43,3 |
| GR | 48,8 | 49,7 | 48,1 | 48,4 | 47,2 | 49,2 | 51,7 | 52,8 | 52,4 | 51,5 | 51,8 | 53,5 | 52,9 | 50,3 | 50,8 | 50,9 | 51,3 |
| IN | 56,2 | 55,1 | 55,3 | 55,7 | 57,8 | 55,4 | 55,3 | 56,4 | 57,2 | 58,7 | 57,8 | 57,7 | 58,6 | 57,5 | 55,5 | 56,0 | 54,9 |
| ID | 51,7 | 53,7 | 51,8 | 50,3 | 50,9 | 51,3 | 51,2 | 51,9 | 52,7 | 50,3 | 52,5 | 53,3 | 53,9 | 52,3 | 51,5 | 51,7 | 52,2 |
| IE | 51,1 | 51,5 | 51,4 | 48,7 | 48,7 | 50,1 | 51,3 | 49,7 | 48,6 | 47,5 | 47,3 | 47,0 | 50,8 | 49,6 | 48,2 | 50,0 | 48,9 |
| IT | 48,0 | 48,3 | 46,5 | 48,4 | 48,5 | 50,4 | 52,0 | 51,1 | 46,8 | 45,9 | 43,8 | 44,5 | 45,4 | 46,8 | 44,9 | 44,4 | 45,3 |
| JP | 51,5 | 50,8 | 50,7 | 49,0 | 48,9 | 48,9 | 47,7 | 49,2 | 49,5 | 50,6 | 49,8 | 49,6 | 49,6 | 48,5 | 48,7 | 48,3 | 47,9 |
| MY | 50,3 | 49,1 | 48,7 | 47,9 | 47,8 | 46,5 | 48,4 | 48,8 | 48,8 | 47,8 | 47,7 | 47,8 | 47,8 | 46,8 | 46,8 | 47,9 | 47,9 |
| MX | 48,5 | 50,3 | 50,3 | 50,6 | 51,3 | 48,9 | 51,0 | 51,0 | 51,1 | 50,5 | 50,9 | 53,2 | 51,2 | 49,8 | 52,1 | 52,5 | 52,0 |
| MM | 46,5 | 43,1 | 45,7 | 44,6 | 42,1 | 49,6 | 51,1 | 55,5 | 57,4 | 53,0 | 50,4 | 51,1 | 53,0 | 50,1 | 49,0 | 48,1 | 42,9 |
| NL | 52,6 | 49,0 | 47,9 | 46,0 | 48,6 | 49,6 | 48,7 | 46,4 | 44,9 | 44,2 | 43,8 | 45,3 | 45,9 | 43,6 | 43,8 | 44,9 | 44,8 |
| PH | 51,2 | 52,9 | 52,6 | 52,7 | 53,1 | 53,5 | 52,7 | 52,5 | 51,4 | 52,2 | 50,9 | 51,9 | 49,7 | 50,6 | 52,4 | 52,7 | 51,5 |
| PL | 40,9 | 43,0 | 42,0 | 43,4 | 45,6 | 47,5 | 48,5 | 48,3 | 46,6 | 47,0 | 45,1 | 43,5 | 43,1 | 43,9 | 44,5 | 48,7 | 47,4 |
| RU | 51,7 | 52,0 | 50,7 | 53,2 | 53,0 | 52,6 | 53,6 | 53,2 | 52,6 | 53,5 | 52,6 | 52,1 | 52,7 | 54,5 | 53,8 | 53,8 | 54,6 |
| KR | 47,6 | 47,3 | 48,2 | 49,0 | 48,2 | 48,5 | 48,5 | 47,6 | 48,1 | 48,4 | 47,8 | 49,4 | 48,9 | 49,9 | 49,8 | 50,0 | 49,9 |
| ES | 49,9 | 49,0 | 44,7 | 45,7 | 46,4 | 48,4 | 50,7 | 51,3 | 49,0 | 48,4 | 48,0 | 47,8 | 46,5 | 47,7 | 45,1 | 46,3 | 46,2 |
| CH | 56,7 | 56,8 | 55,4 | 54,4 | 54,5 | 49,3 | 48,9 | 47,0 | 45,3 | 43,2 | 44,9 | 38,5 | 39,9 | 44,9 | 40,6 | 42,1 | 43,0 |
| TW | 42,7 | 42,2 | 41,5 | 41,6 | 44,6 | 44,3 | 49,0 | 48,6 | 47,1 | 44,3 | 44,8 | 44,1 | 44,3 | 46,4 | 47,6 | 48,3 | 47,1 |
| TH | 53,7 | 55,7 | 51,6 | 51,1 | 52,5 | 54,5 | 54,8 | 53,1 | 60,4 | 58,2 | 53,2 | 50,7 | 48,9 | 47,8 | 47,5 | 47,6 | 45,1 |
| VN | 52,7 | 52,5 | 50,6 | 47,4 | 46,4 | 47,4 | 51,2 | 47,7 | 46,7 | 45,3 | 46,2 | 48,7 | 50,5 | 49,7 | 49,6 | 47,3 | 48,9 |
| GB | 47,3 | 48,4 | 46,2 | 46,5 | 45,3 | 47,0 | 49,3 | 47,9 | 47,8 | 47,1 | 46,5 | 45,3 | 43,0 | 44,3 | 44,8 | 47,2 | 46,2 |
| US | 51,5 | 52,0 | 50,4 | 47,7 | 46,2 | 46,9 | 47,3 | 49,2 | 50,2 | 48,4 | 46,3 | 49,0 | 47,9 | 49,8 | 50,0 | 49,4 | 47,9 |
| World | 50,3 | 49,8 | 49,4 | 48,8 | 48,7 | 49,1 | 49,9 | 49,6 | 49,6 | 49,5 | 48,7 | 48,6 | 49,0 | 49,2 | 48,8 | 49,3 | 49,0 |

Quelle: LSEG Datastream

GIPFEL LEITZINSEN

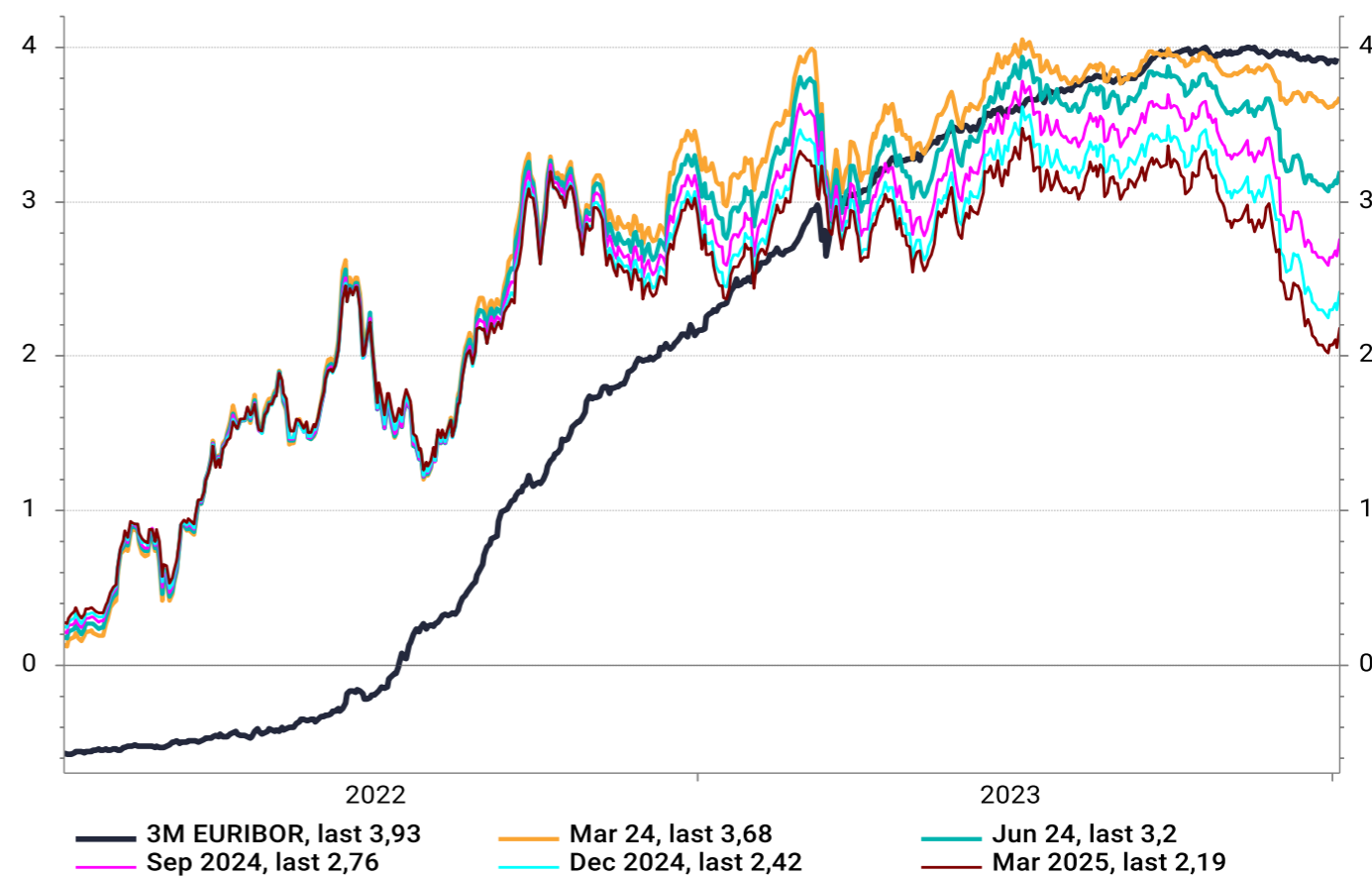
Die Zentralbanken waren seit Frühjahr 2022 auf scharfem Zinserhöhungspfad, der jetzt aber beendet scheint. Die Marktpsychologie konzentriert sich nach den Zinserhöhungsängsten mittlerweile auf das Timing der in 2024 erwarteten Zinssenkungen. Die ersten Zinsschritte werden für die EZB noch im ersten, für die FED im zweiten Quartal erwartet.

USA: Market Implied Money Market Rates



Quelle: LSEG Datastream as of 05.01.2024

Eurozone: Market Implied Money Market Rates



Quelle: LSEG Datastream as of 05.01.2024

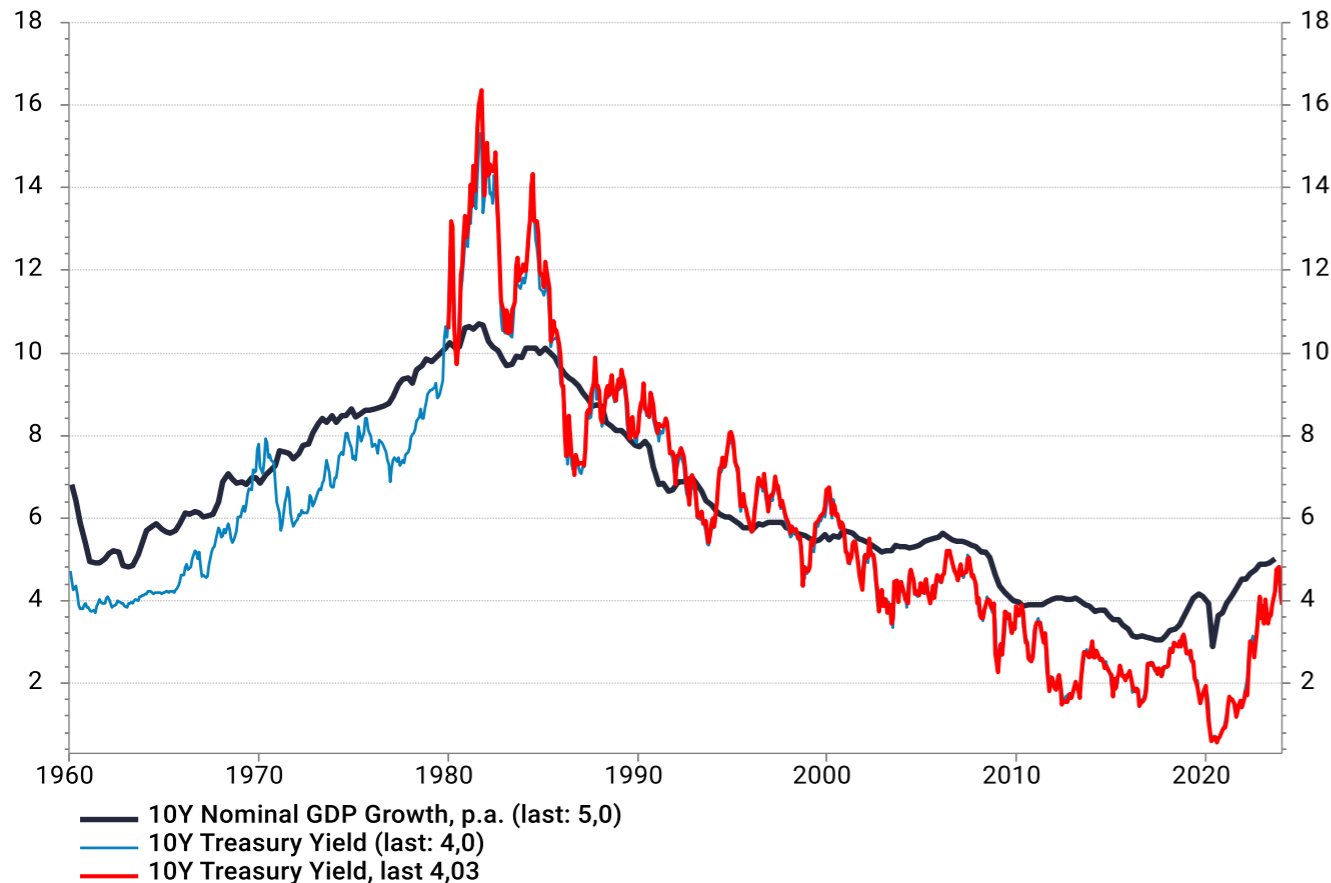
Quelle: LSEG Datastream, Stand 5. Januar 2024

- 
- **Krieg und Terror**
 - **Der Westen gegen den Rest**
 - **Der globale Immobilienmarkt**
 - **China**
 - **Schuldendynamik**
 - **Rechtsruck (inkl. Trump)**

GIPFEL (GLOBALE) STAATSANLEIHENRENDITEN

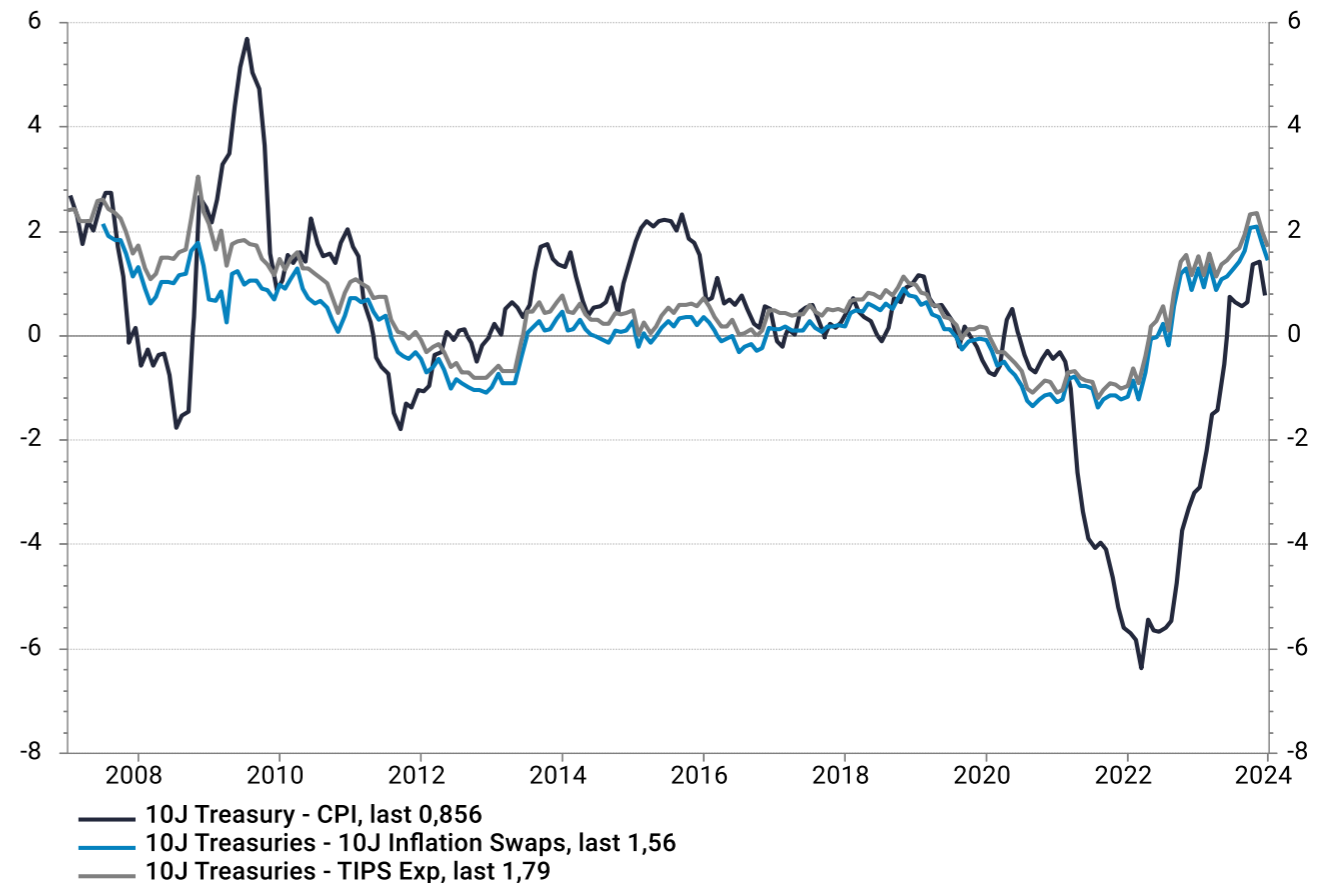
Der Zins ist zurück und die Zinsmärkte haben schon sehr viel eingepreist. 3 % Rendite in 10J Bunds und 5 % Rendite in 10J Treasuries entsprechen langfristig einem fairen Wert, auch real betrachtet sind die Renditen wieder in Ordnung. Die Zinsrallye des vierten Quartals 2023 war aus unserer Sicht allerdings übertrieben.

USA: Nominal GDP Growth and 10Y Treasury Yield



Quelle: LSEG Datastream as of 05.01.2024

10J Treasury Real Bond Yield



Quelle: LSEG Datastream as of 05.01.2024

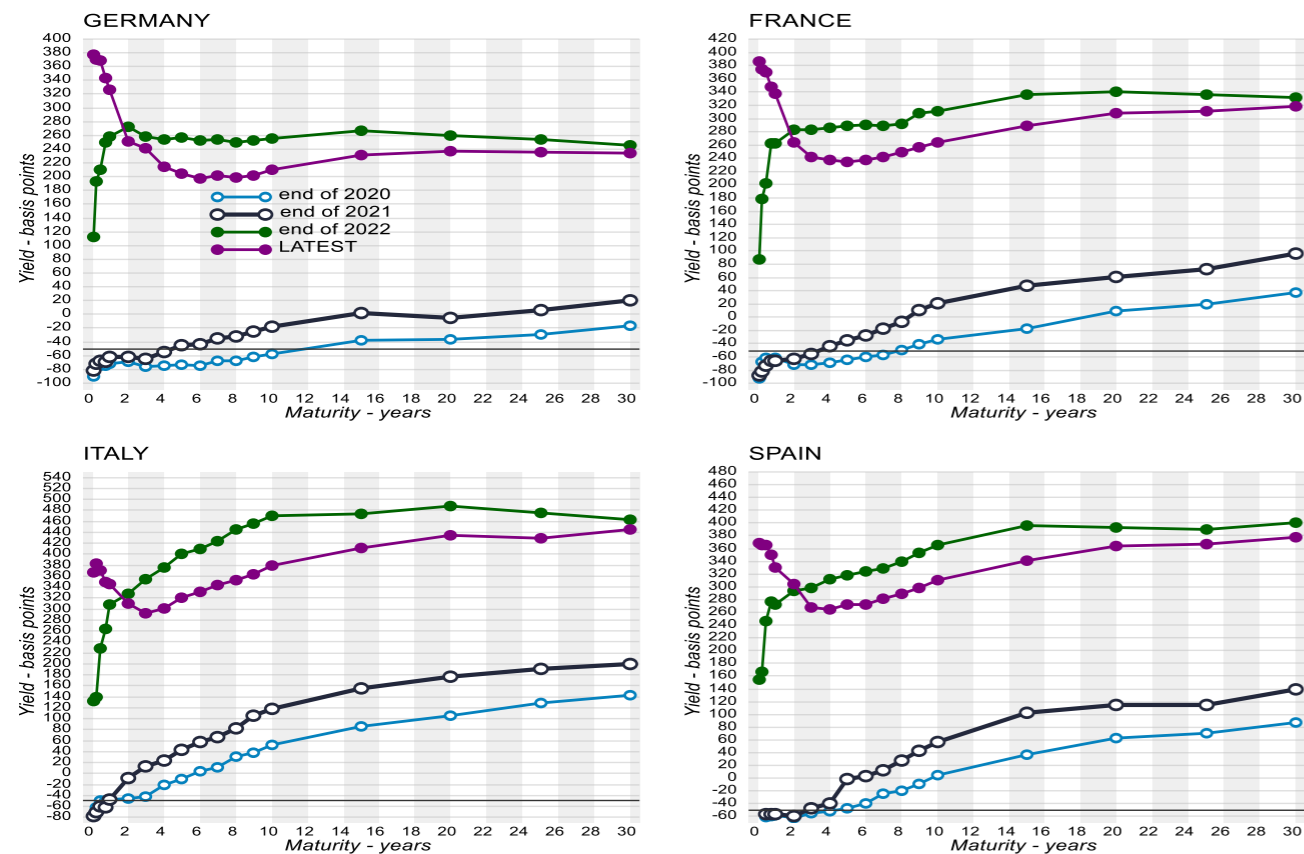
Quelle: LSEG Datastream, Stand 5. Januar 2024

NORMALISIERUNG AM RENTENMARKT

Die stark steigenden Leitzinsen in 2022 und 2023 haben zu dramatischen Verwerfungen der Zinsstrukturkurve geführt. Eine der ausgeprägtesten und am schnellsten ablaufenden Invertierungen der Kapitalmarktgeschichte machte die Vermögensanlage extrem schwierig. Allmählich sollten sich die Kurven wieder normalisieren.

Yield Curve Movements, Germany, France, Italy, Spain

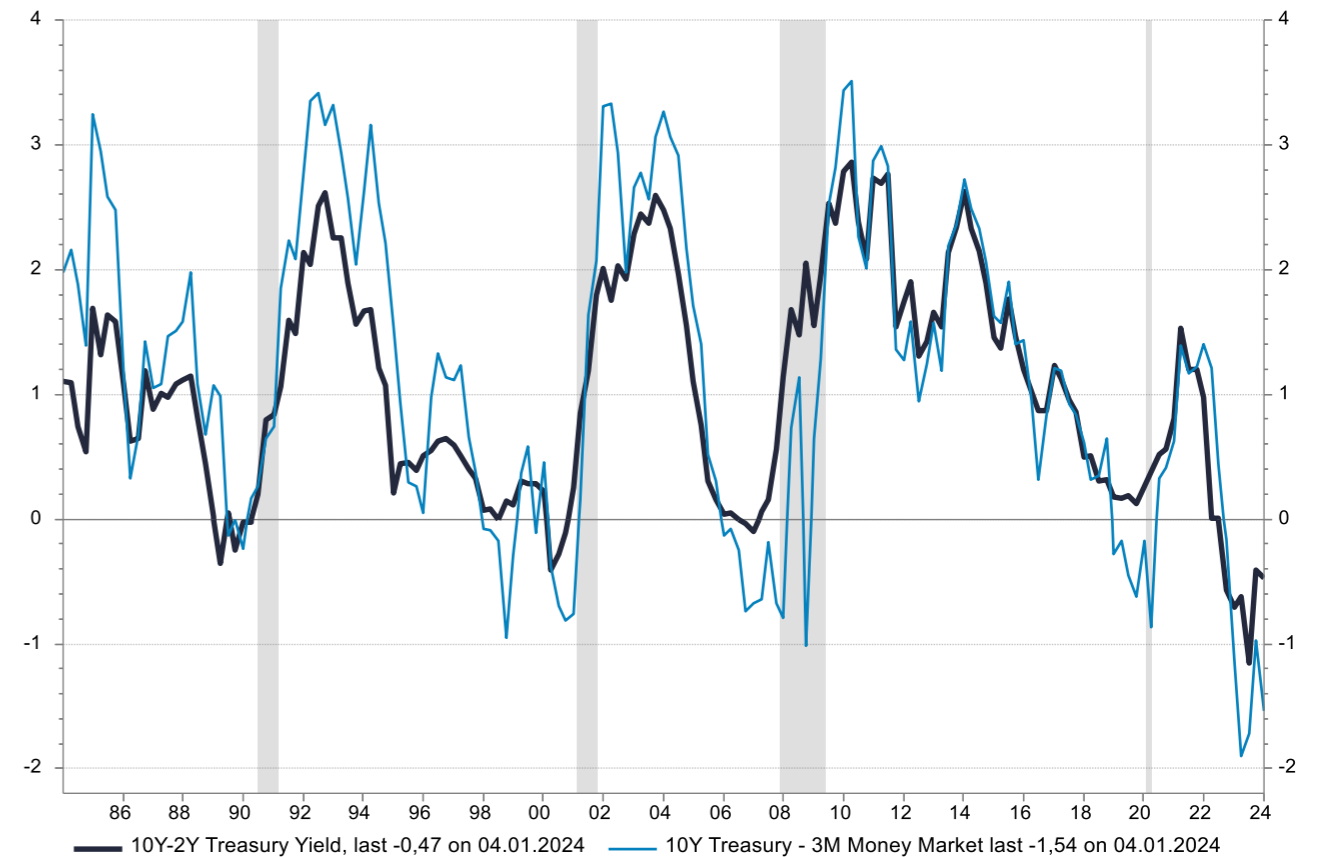
End of 2020, end of 2021, end of 2022, latest



Quelle: LSEG Datastream as of 05.01.2024

USA: Rezessionen und Kurvensteilheit

Grauzone=Rezession



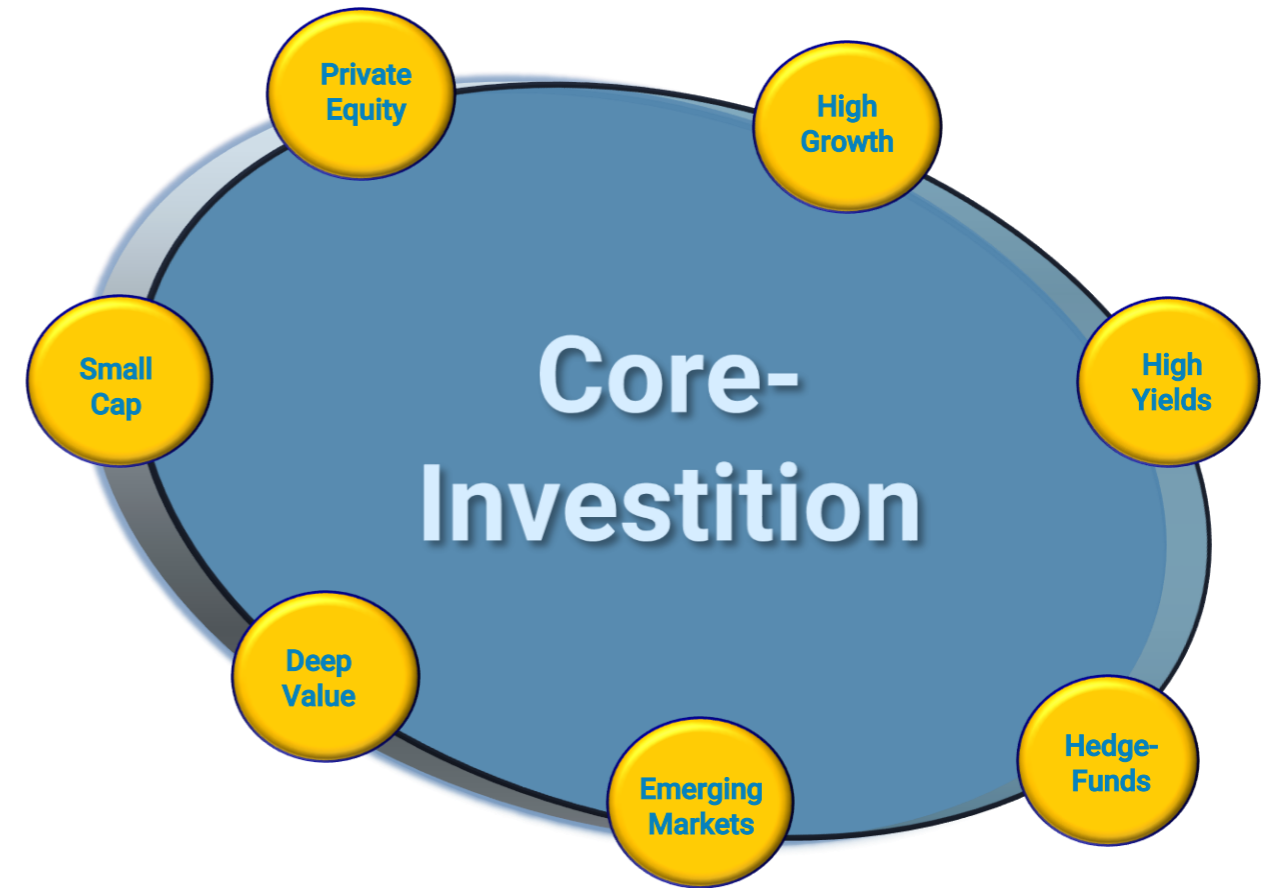
10Y-2Y Treasury Yield, last -0,47 on 04.01.2024 10Y Treasury - 3M Money Market last -1,54 on 04.01.2024

Quelle: LSEG Datastream as of 05.01.2024

Quelle: LSEG Datastream, Stand 5. Januar 2024

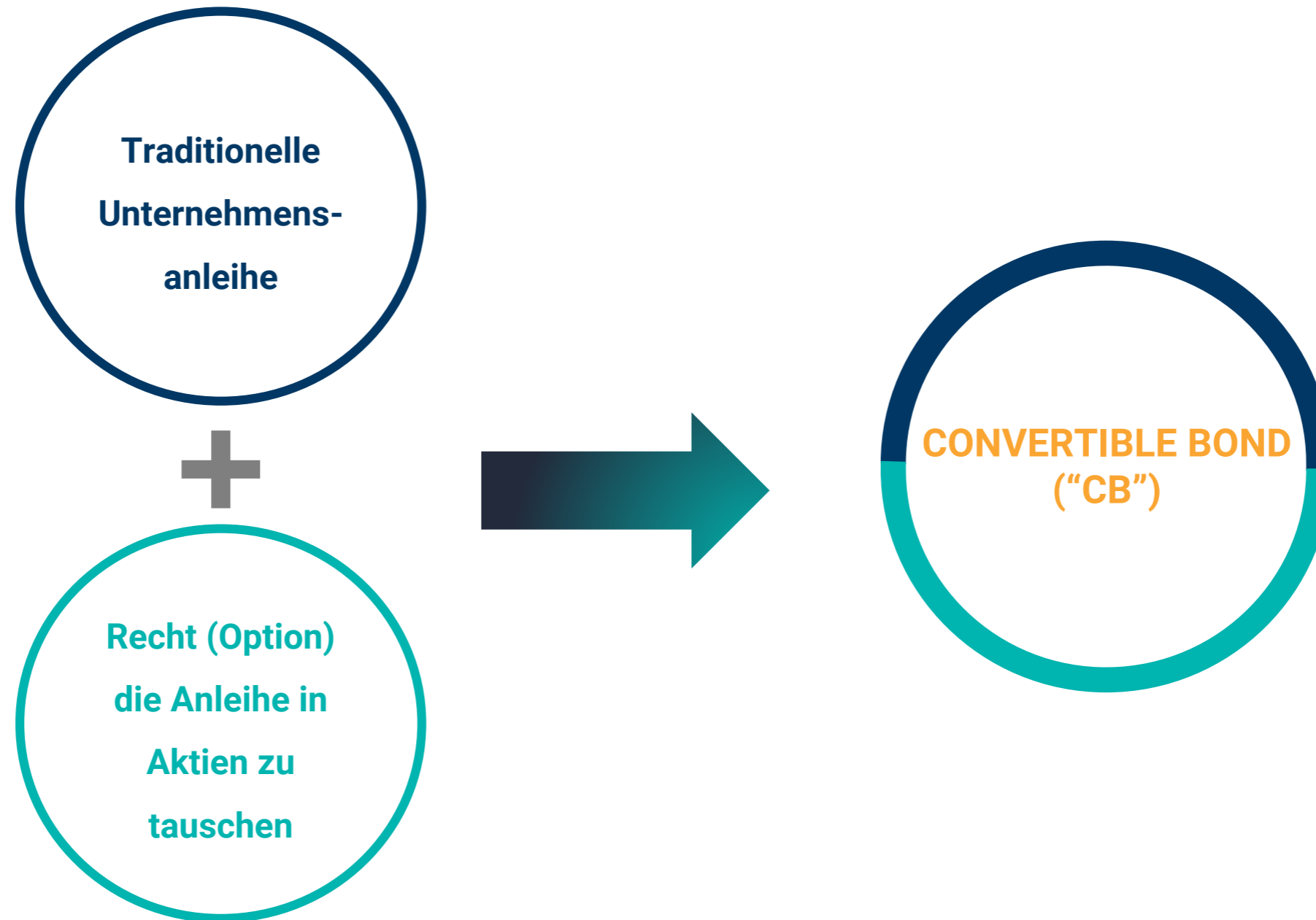
WELCHE (LIQUIDEN) ASSETKLASSEN?

- Wandelanleihen
- Kurzlaufende Anleihen
- Globale, flexible Anleihen-Strategien
- Gold und Rohstoffe
- Emerging Markets Anleihen
- (Skandinavische) Hochzinsanleihen
- Globale Qualitätsaktien (Substanz oder Wachstum)
- Gelistete Infrastruktur
- Emerging Markets/Asiatische/Japanische Aktien



➔ **Bestehende Risiken ändern nichts an der Notwendigkeit eines wohl diversifizierten Portfolios, das die verschiedenen Ziele und Risiken austariert.**

KURZE AUFFRISCHUNG WANDELANLEIHEN

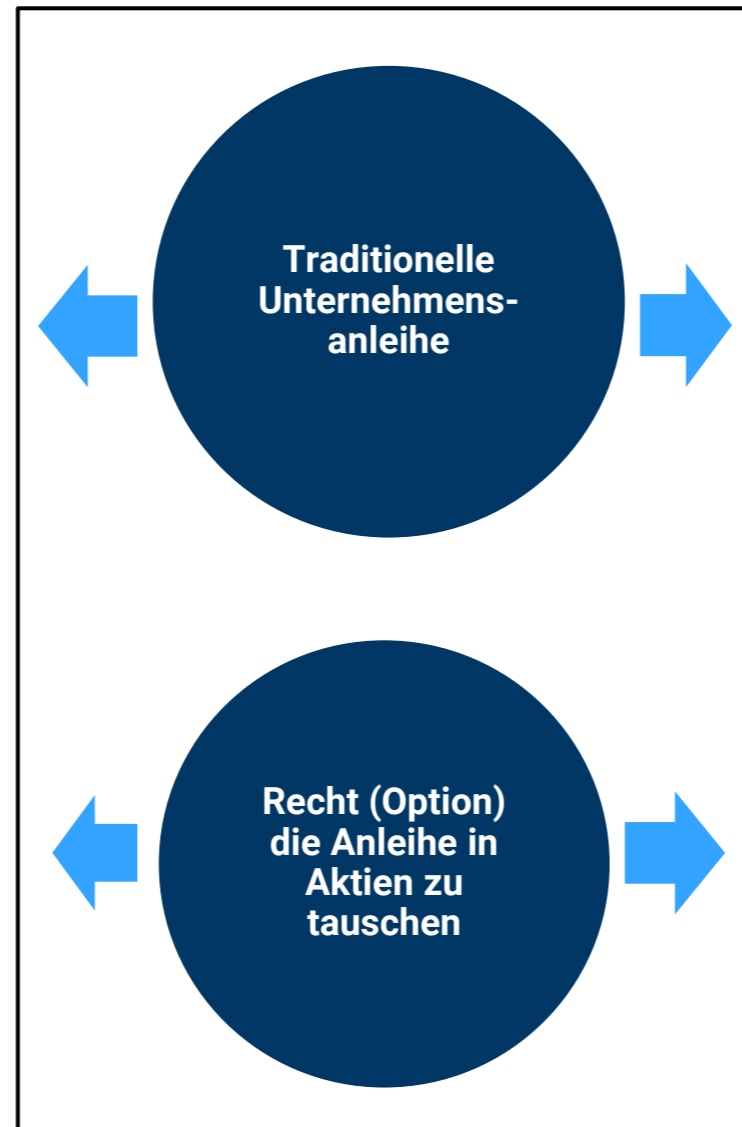


Die oben geäußerte Meinung ist zum Zeitpunkt dieser Präsentation gültig und kann sich ändern.
Nur zu illustrativen Zwecken.

SENSITIVITÄTEN VON WANDELANLEIHEN

| Vokabeln | | |
|----------|----------|---------|
| Coupon | Maturity | Nominal |

| Vokabeln | | | | |
|----------|----------|------------|------------|-------|
| Strike | Maturity | Volatility | Time value | Gamma |



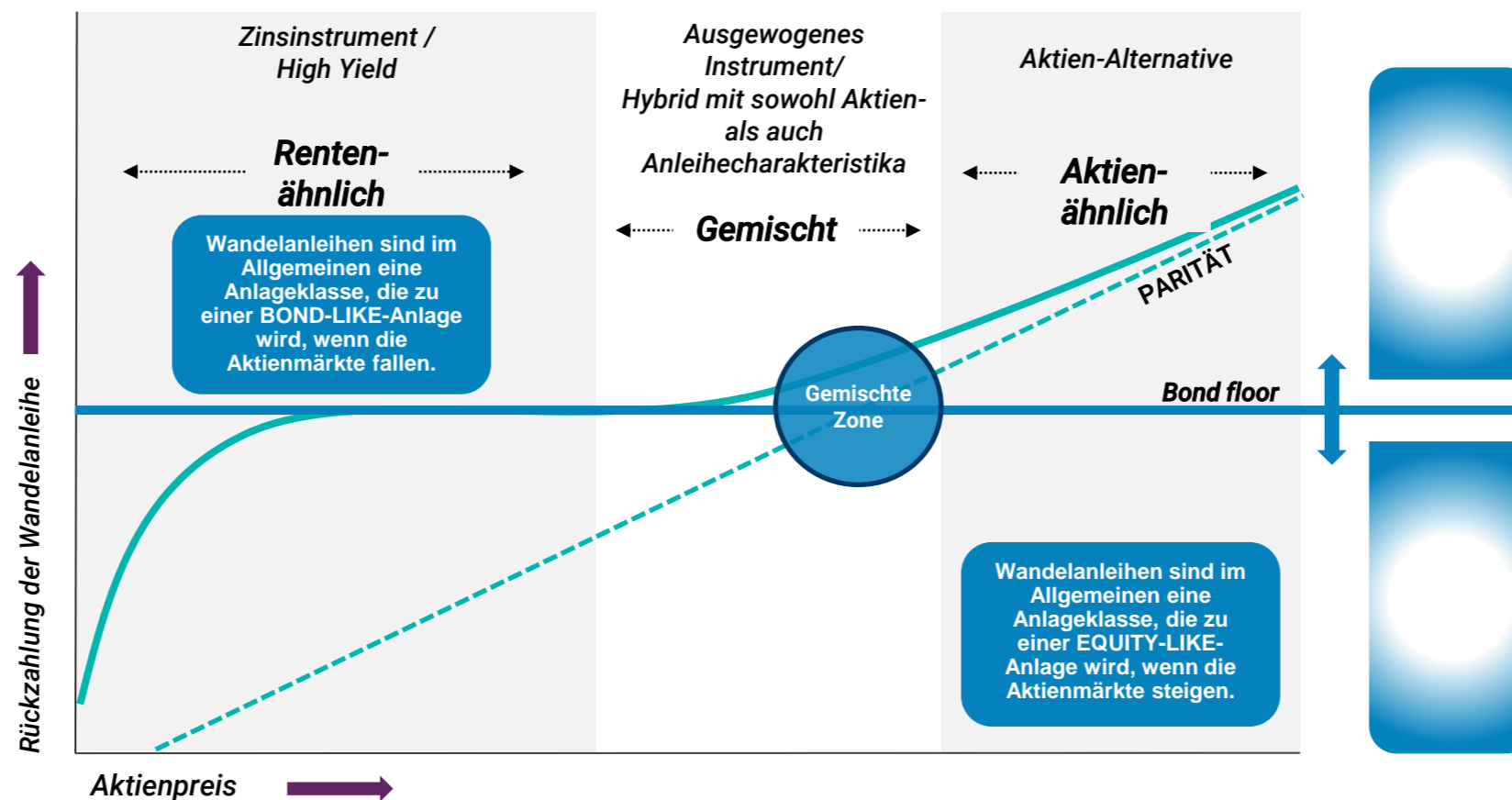
| Driver | Metrics |
|----------------|---------------------------|
| Interest Rates | Modified Duration |
| Credit Spreads | Credit Spread Sensitivity |

| Driver | Metrics |
|-------------------|----------------------------|
| Underlying Equity | Equity Exposure/ Convexity |
| Volatility | Vega |

Nur zu Illustrationszwecken.
Definitionen der oben genannten Begriffe finden Sie im Anhang am Ende dieser Präsentation.

WAS SIND WANDELANLEIHEN?

Eine asymmetrische Anlage - Konvexität



| Marktumfeld | CBs verhalten sich typischerweise wie ... | Rationale |
|------------------------|---|---|
| Steigende Aktienmärkte | Aktien | Wenn der Kurs der zugrundeliegenden Aktie steigt, tendiert der Kurs einer Wandelanleihe dazu ebenfalls zu steigen |
| Fallende Aktienmärkte | Renten | Der Kurs einer Wandelanleihe neigt dazu, weniger zu fallen als der Kurs der zugrunde liegenden Aktie |

Nur zu Illustrationszwecken.

Definitionen der oben genannten Begriffe finden Sie im Anhang am Ende dieser Präsentation.

WANDELANLEIHEN SIND ZURÜCK

BREAKINGVIEWS-Convertibles will be 2024's hot financial model - Reuters News

🔥 02 Jan 2024 16:09:51

The author is a Reuters Breakingviews columnist. The opinions expressed are his own.

By Jeffrey Goldfarb

NEW YORK, Jan 2 (Reuters Breakingviews) - Now is a good time to take a spin in a new convertible. Refinancing needs and higher interest rates will refuel the crossbred bonds that once helped springboard Citadel founder Ken Griffin from Harvard student to billionaire hedge fund manager. And new features should tempt investors to ride off with them again.

Convertible notes that provide steady income, but which can turn into shares at pre-agreed prices, sputtered after a \$370 billion pandemic-era boom in 2020 and 2021. Roaring stocks ultimately made the equity piece more alluring, even enabling dozens to be sold bearing zero interest. Emblematic of the crop was a \$1 billion issuance from Covid-hyped fitness company Peloton Interactive PTON.O that required a 60% rise in its stock price to convert.

The theoretically optimized hybrid of loss-protected debt and equity-like upside crashed into stark reality, however. In 2022, the S&P 500 Index .SPX dropped by some 20%. Now, more than \$200 billion of these securities are set to mature by 2025, reckon BNP Paribas analysts, with many of the associated stocks well below their conversion prices. Peloton's has fallen more than 90% since borrowing the funds.

Despite the many lemons clunking around the market, fresh models are being engineered. Benchmark U.S. interest rates have reached a two-decade high, making it more expensive to borrow. The lower coupons paid by convertible bonds and the delay in any equity dilution should be attractive under the circumstances. By mid-November 2023, issuance had jumped 34% from the same span a year earlier versus a 65% decline in leveraged loans and a mere 4% bump for investment-grade debt, according to LSEG.



Quelle: Reuters, The Economist

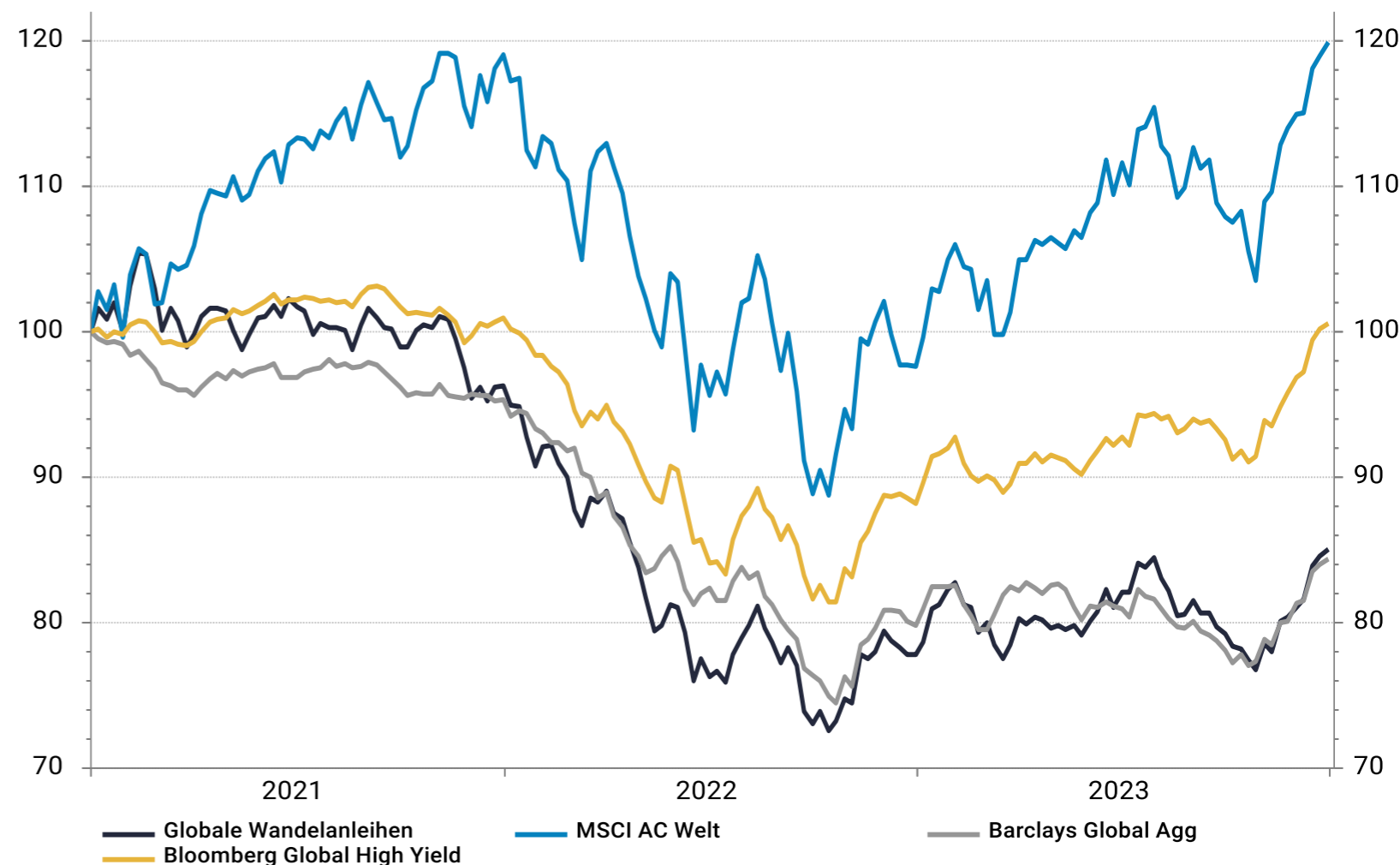
WANDELANLEIHEN VOR IHREM COMEBACK?

Gründe, warum Wandelanleihen vor einem Comeback stehen könnten:

- (1) Günstige Einstiegsniveaus:** Die Kurse von Small/Mid Cap-Aktien sind insbesondere in 2022 stark gefallen und haben sich seither nicht richtig erholen können
- (2) Zinswende als Katalysator:** Die Aktien, die dem Markt für US-Wandelanleihen zugrunde liegen, reagieren besonders sensitiv auf Veränderungen bei den US-Staatsanleihen; stärker als der S&P und der NASDAQ.

Thomson Reuters Global Convertibles

TR, in USD



Quelle: LSEG Datastream as of 05.01.2024

DISCLAIMER

Die in dieser Präsentation enthaltenen Informationen beruhen auf öffentlich zugänglichen Quellen, die wir für zuverlässig halten. Eine Garantie für die Richtigkeit oder Vollständigkeit der Angaben können wir nicht übernehmen, und keine Aussage in diesem Bericht ist als solche Garantie zu verstehen. Alle Meinungsäußerungen geben die aktuelle Einschätzung des Verfassers/der Verfasser wieder und stellen nicht notwendigerweise die Meinung von Lazard oder deren assoziierter Unternehmen dar.

Die in dieser Präsentation zum Ausdruck gebrachten Meinungen können sich ohne vorherige Ankündigung ändern. Weder Lazard noch deren assoziierte Unternehmen übernehmen irgendeine Art von Haftung für die Verwendung dieses Vortrages oder deren Inhalt.

Weder diese Präsentation noch dessen Inhalt noch eine Kopie dieses Vortrages darf ohne die vorherige ausdrückliche Erlaubnis von Lazard auf irgendeine Weise verändert oder an Dritte verteilt oder übermittelt werden. Mit der Annahme dieser Veröffentlichung wird die Zustimmung zur Einhaltung der o.g. Bestimmungen gegeben.

Januar 2024

LAZARD GLOBAL CONVERTIBLES

11 January 2024

Emmanuel Naar, Portfolio Manager/Analyst
Lazard Asset Management (New York)

This is a marketing communication.

This is a promotional communication. It is not a contractual document. Please refer to the Prospectus, the PRIIPs KID and the most recent report and accounts of the fund or the website www.lazardfreresgestion.fr and do not base any final investment decision on this communication alone.

This presentation and all research and materials enclosed are property of Lazard Asset Management LLC.

© 2024 Lazard Asset Management LLC. Information and opinions presented have been obtained or derived from sources believed by Lazard to be reliable. Lazard makes no representation as to their accuracy or completeness. All opinions expressed herein are as of the date of this presentation and are subject to change. Refer to the risk disclosures located at the back of this presentation.

For Professional Use Only. Not For Public Distribution.



LAZARD
ASSET MANAGEMENT

Agenda

- A. Convertible Bonds Global Market Overview
- B. Current Opportunities in the Convertible Bonds Market
- C. Positioning and Performances
- D. Conclusion
- E. Appendix
 - a. Biographies
 - b. GIPS[®] Standards Composite Information
 - c. Glossary

Please refer to the Appendix for the current GIPS[®] report.

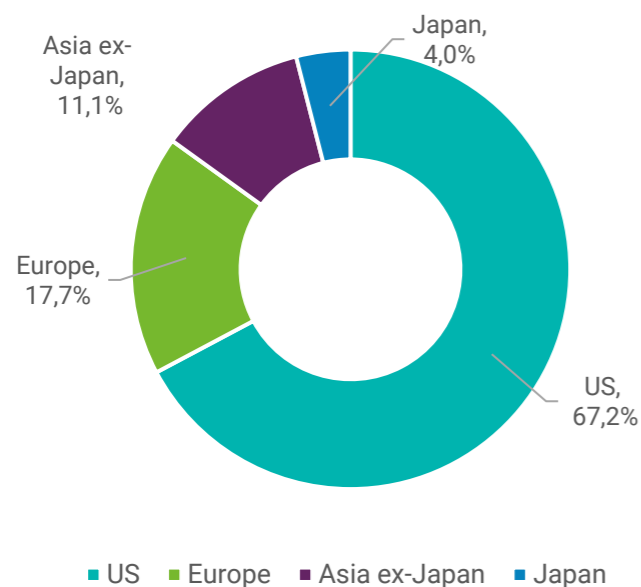
A

Convertible Bonds Global Market Overview

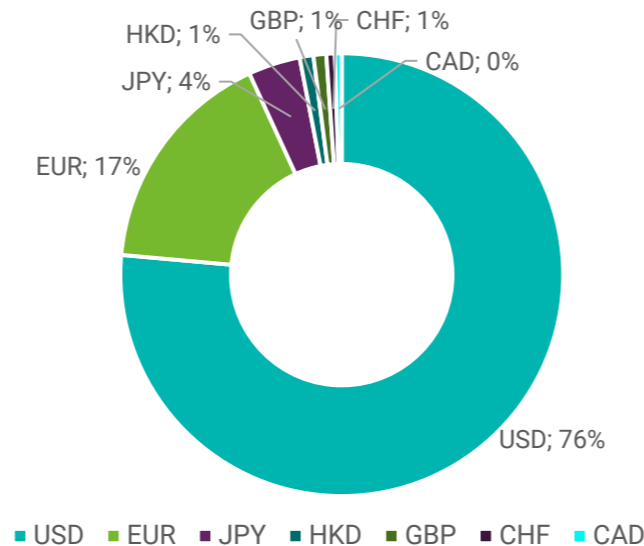
GLOBAL CONVERTIBLE BOND DYNAMICS

A Market Dominated By US Convertible Bonds

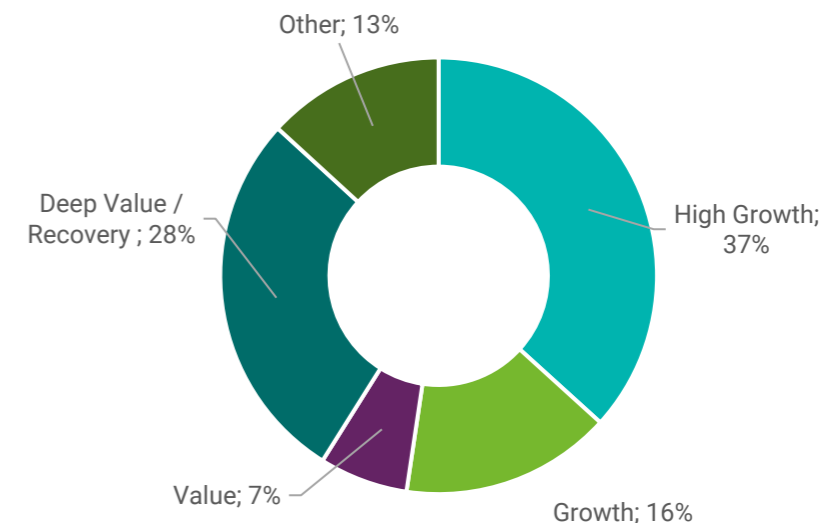
Global Market Size by Region*



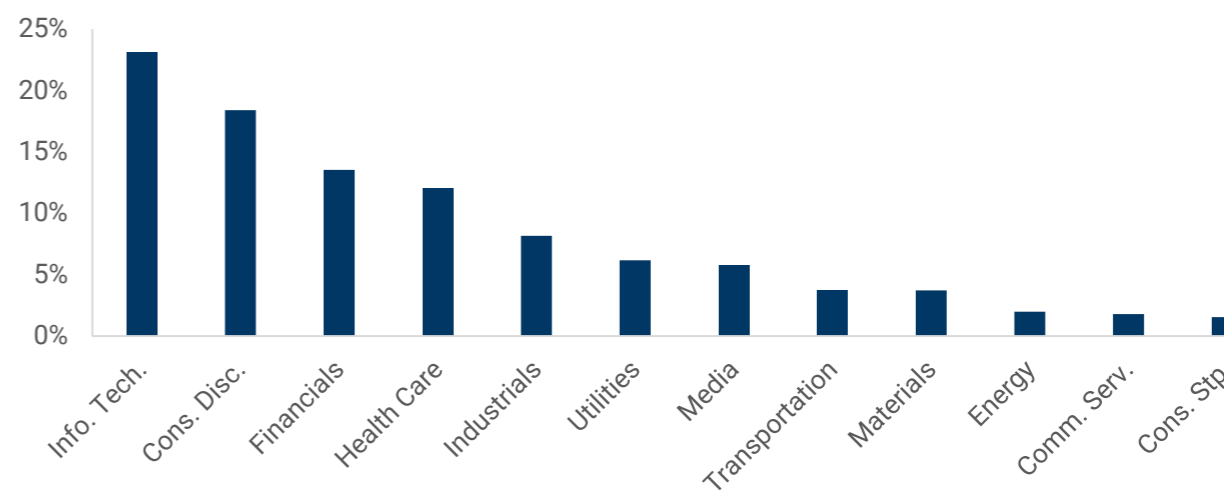
Global Market Size by Bond Currency



Market Distribution by Style²



Global Market Size by Sector



- **Technology companies** have always been active issuers of convertible bonds
- Since the Covid crisis, strong **acceleration** of **tourism, events** and **airlines** sectors (**recovery** companies)
- Strong presence of **growth and mid-cap companies** (≈61% of the market)
- **61% of convertible bond issuers only issue convertible bonds** (versus other security types)

As of 31 December 2023

Source: BofA Global Research, Jefferies

*Region of the underlying equity

GLOBAL CONVERTIBLE BOND DYNAMICS

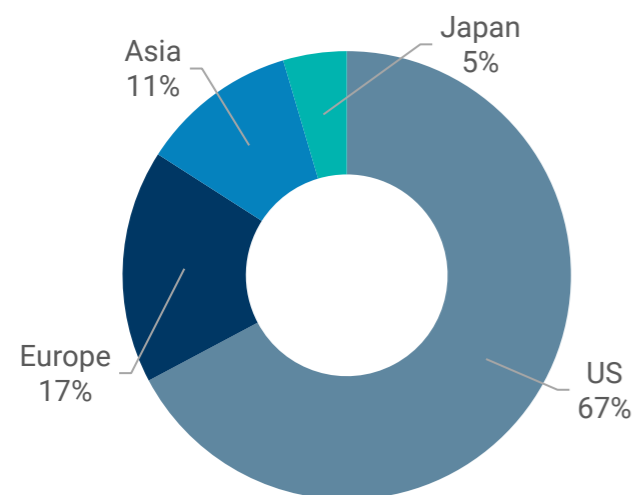
New Issue Trends

Key Facts

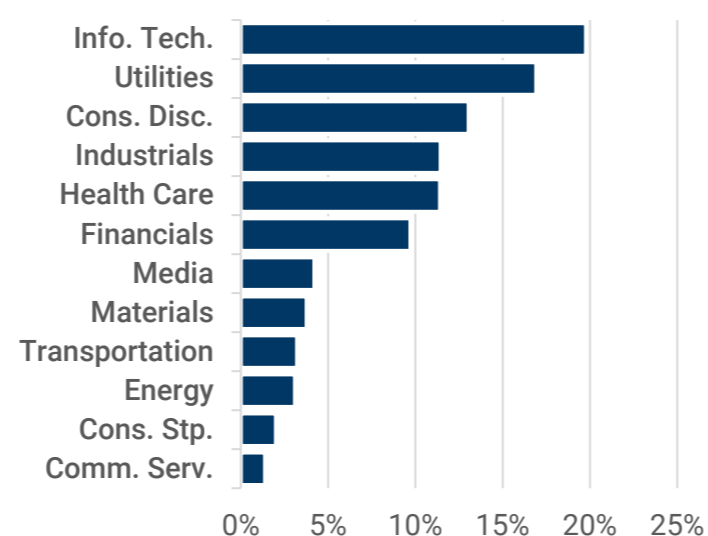
- YTD issuance levels **compares relatively well** to historical trends
- Issuance continue to be **more favorable to investors**, with an evolution to higher coupons and lower premiums (versus 2021)
- **New investment grades issuance has been high** as a share of issuance across all regions. In the US, IG issuance has been focused in utilities, Asia in technology while Europe has been more broad-based.

| | YTD 2023 | 2022 | 2021 |
|---------------------|-----------------|-----------------|------------------|
| New Issuance | \$79.4bn | \$39.5bn | \$147.8bn |
| Avg. Size | \$533mm | \$439mm | \$543mm |
| Avg. Premium | 28.8% | 30.5% | 37.9% |
| Avg. Coupon | 3.13% | 3.20% | 0.97% |

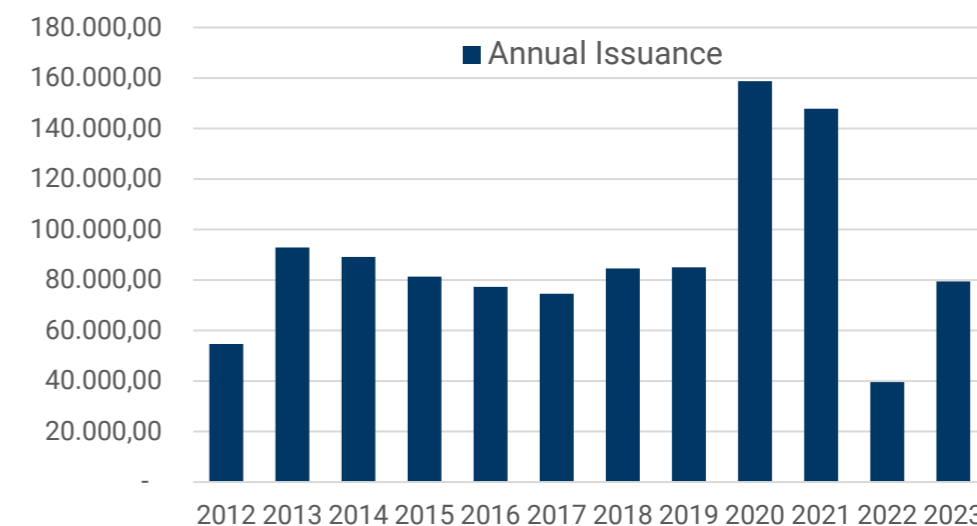
2023 Region of issuance



2023 Sector of issuance



Historical Issuances (in USD mm)



As of 31 December 2023. Source: BofA Global Research, Bloomberg Lazard. Data in USD.
1. External ratings only.

B

Current Opportunities in the Convertible Bonds Market

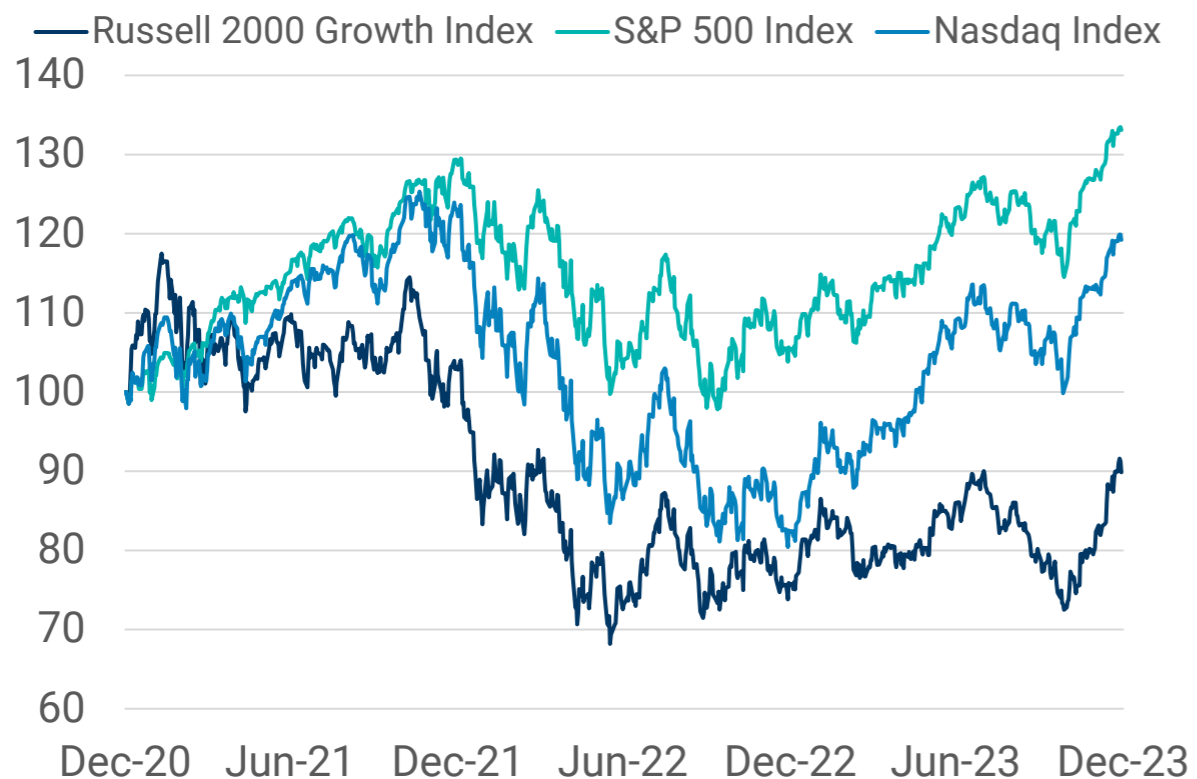
VALUATION OF UNDERLYINGS

Growth and Mid-caps in the US have cheapened

Key Facts

- Most issuers of convertible bonds are mid caps, with a strong representation of growth
- Despite significant Earnings increases during the last 3 years, the equity prices have fallen.

Underperformance of mid-cap growth companies versus large caps since early 2021



Despite rising EPS during the period



Performance period from 31 December 2020 to 31 December 2023.

Past performance does not guarantee future performance. Performances vary. Source: Lazard, Bloomberg

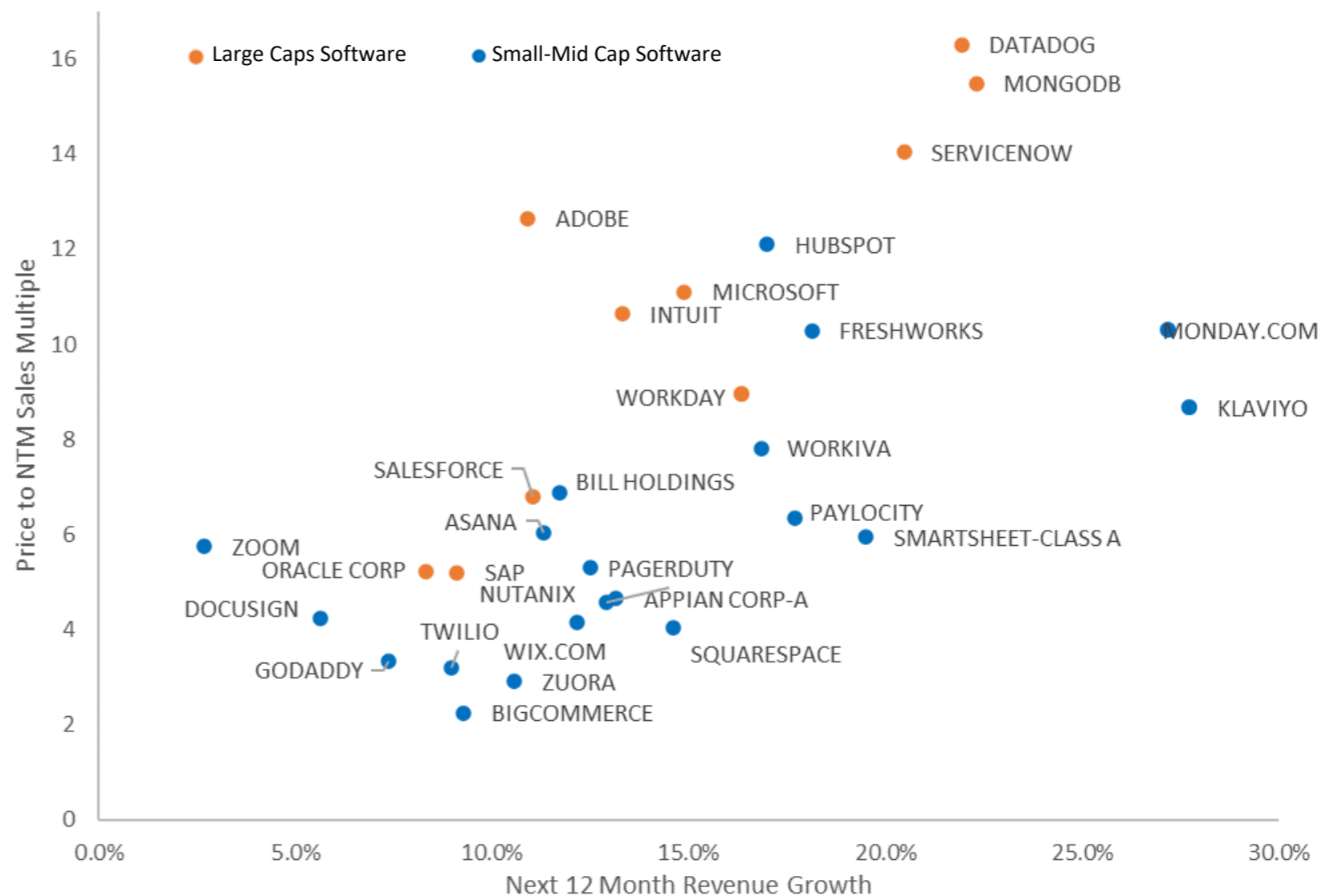
VALUATION OF UNDERLYINGS

Growth and Mid caps in the US have cheapened

Key Facts

- Mid Cap software stocks trade at a **discount** compared to large-cap software stocks, with **higher growth**.

Expected growth versus valuation in the US Software space



As of 31 December 2023. Source: Lazard, Bloomberg,

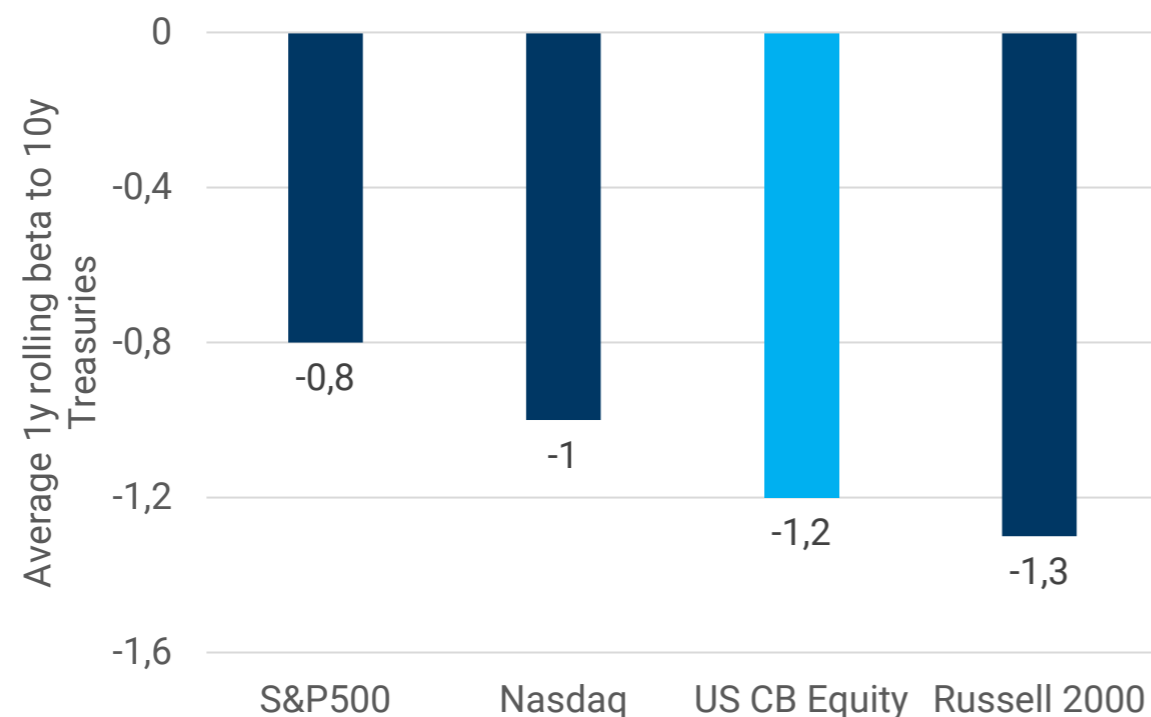
VALUATION OF UNDERLYINGS

Convertible bonds equities are very sensitive to interest rates

Key Facts

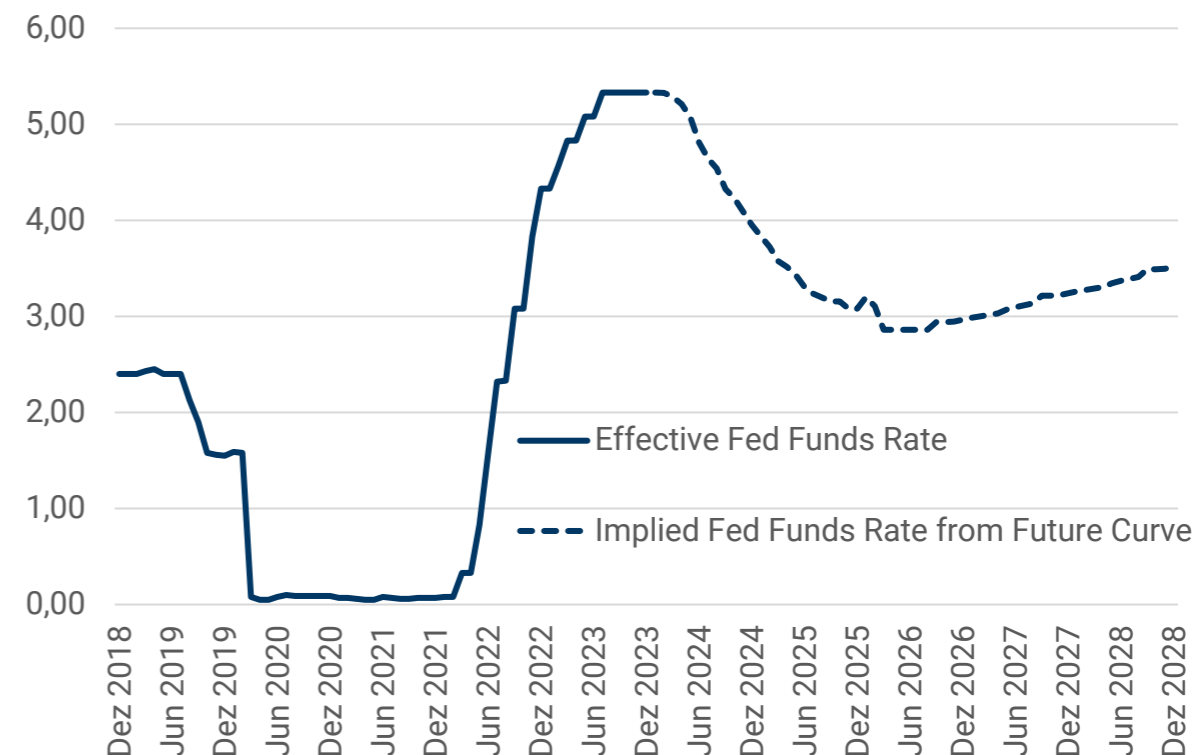
- The equities that underlies the US Convertible bond market are highly sensitive to change in us Treasuries, even more than S&P and Nasdaq.
- This would become a backwind if market expectations of interest rate cuts materializes

Equity Sensitivity to changes in US Treasuries



Source: BofA, ICE. Data from 1995 to 2023

Market anticipations for Interest rates in the US



As of 31 December 2023. Source: Lazard, Bloomberg,

GLOBAL CONVERTIBLE BOND STRUCTURES

Market conditions

- The **IT sector** currently has a relatively high share of high yielding convertible bonds, with 40% of bonds yielding over 5%.

| Yield Bracket | Global Convertible Bonds in the IT sector | Global Convertible Bonds in all sectors |
|------------------|---|---|
| Negative | 40.0% | 37.4% |
| 0%-5% | 19.5% | 33.3% |
| 5%-10% | 36.2% | 23.8% |
| Greater than 10% | 4.3% | 5.4% |

GLOBAL CONVERTIBLE BOND STRUCTURES

Attractive Credit Pick up versus High Yield

« Non-Investment grade » convertible bonds have a wider credit spread than high yield traditional bonds in the US:

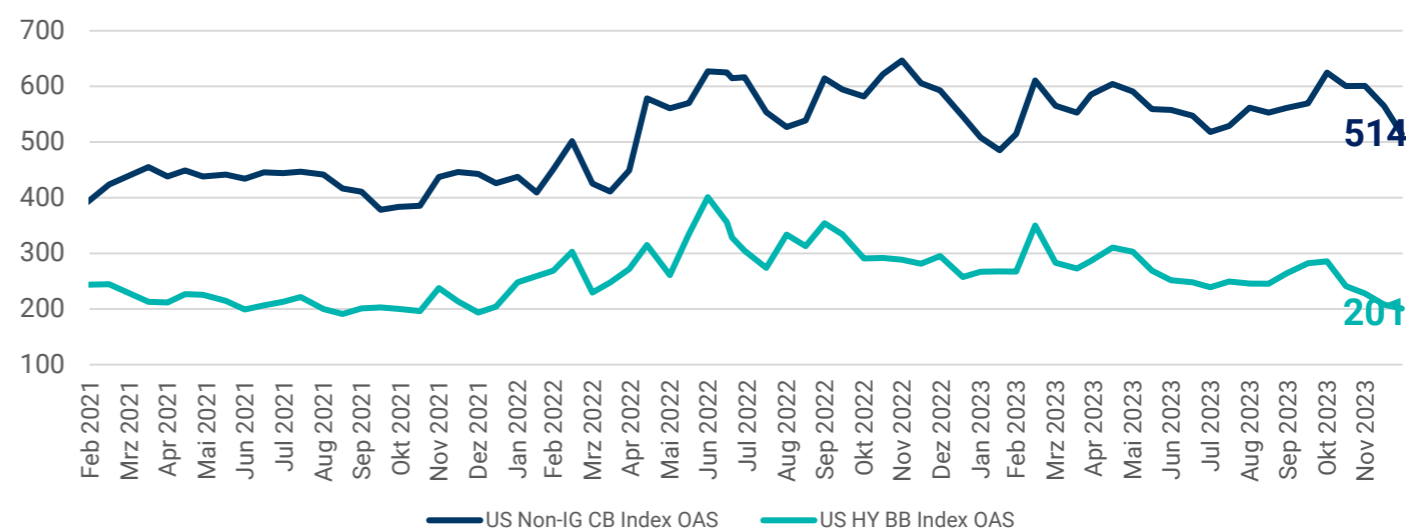
+313 bps versus Corporate bonds BB index

+204 bps versus Corporate bonds B index

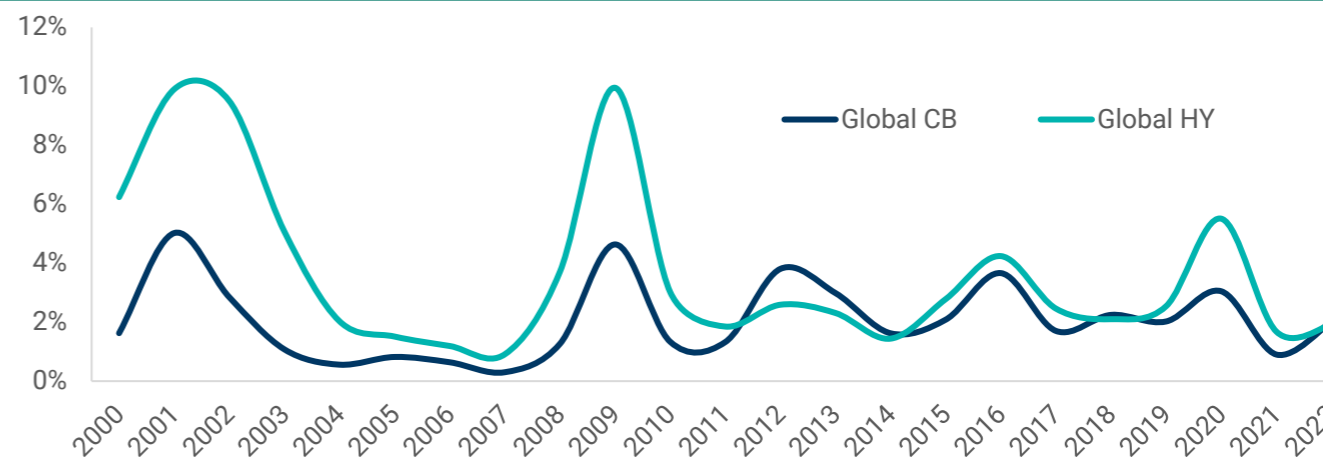
...despite much lower historical default rates for the Convertibles asset class versus High Yield asset class

Since 2000, convertible bonds have exhibited 44% less defaults than High Yield bonds (2.1% average default rate versus 3.7%)

US Non-IG CB OAS HAS SURGED RECENTLY



ANNUAL DEFAULT RATE 2000 - 2022



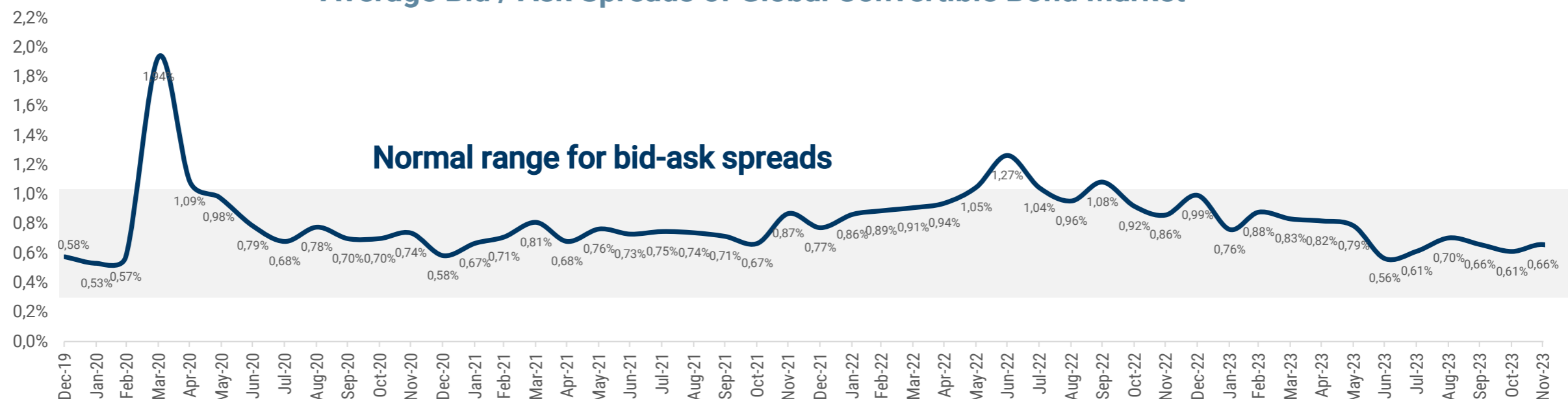
As of 31 December 2023. Sources: Barclays, Lazard, Refinitiv, BAML, S&P

GLOBAL CONVERTIBLE BONDS

Resilient liquidity

- **Liquidity**, as measured by bid-ask spreads, **deteriorated slightly in March 2020**. It remained nevertheless at **reasonable levels versus other asset classes**
- With **58 bps of average bid-ask spreads**, we are back to normal liquidity levels

Average Bid / Ask Spreads of Global Convertible Bond Market



- Larger new issues brings higher liquidity

AVG. SIZE OF NEW ISSUES (USD)

| YTD 2023 | 2022 | 2021 |
|-------------|-------------|-------------|
| 533M | 439M | 543M |

As of 31 December 2023
Source: Refinitiv, Bloomberg, Trace, BAML

C

Positioning and Performances

INVESTMENT PLATFORM FOCUSED ON CONVERTIBLE BONDS

\$6.6 bn

in Assets Under Management



Global Convertibles Strategies

Lazard Global
Convertibles

Lazard Global
Convertibles ESG

Lazard Global
Convertibles
Investment Grade

Lazard Global
Convertibles
Recovery

Regional Convertibles Strategies

Lazard European
Convertibles

Lazard European
Defensive
Convertibles

Lazard US
Convertibles

As of 30 September 2023

Represents the total assets (LAM + LFG) managed by the Global Convertible team.

Source: Lazard

LAZARD GLOBAL CONVERTIBLES STRATEGY

Investment Strategy

Long-only Global Convertibles Portfolio

- Invests in global convertible bonds
- Multi-currency
- No leverage
- Benchmark: Refinitiv Convertible Global Focus

Active Management¹

- Historically, an active share above 80% on average
- Concentrated strategy: target between ~60 to ~75 holdings
- Strategic asset size that allows for alpha generation

Performance Summary

| Period | Gross Return | Net Return | Benchmark ² | Relative (bps, Gross) | Relative (bps, Net) |
|-----------------|--------------|------------|------------------------|-----------------------|---------------------|
| 2023 YTD | 7.85% | 7.28% | 5.55% | +230 bps | +173 bps |
| 2022 | -16.68% | -17.36% | -13.80% | -288 bps | -356 bps |
| 2021 | 4.88% | 4.02% | 3.55% | +133 bps | +47 bps |
| 2020 | 27.80% | 26.33% | 15.04% | +1276 bps | +1129 bps |
| 2019 | 17.08% | 15.68% | 14.07% | +301 bps | +161 bps |
| 2018 | 3.56% | 2.44% | -0.02% | +358 bps | +246 bps |
| 2017 | 8.14% | 6.99% | -3.67% | +1181 bps | +1066 bps |
| 2016 | 9.93% | 8.81% | 3.23% | +670 bps | +558 bps |
| 1 Year | 7.85% | 7.28% | 5.55% | +230 bps | +173 bps |
| 3 years (ann.) | -1.96% | -2.49% | -1.97% | +1 bps | -52 bps |
| 5 years (ann.) | 7.12% | 6.28% | 4.33% | +278 bps | +194 bps |
| 10 years (ann.) | 8.47% | 7.48% | 4.40% | +407 bps | +308 bps |

As of 31 December 2023

Performance is presented in Euro (unhedged) and is preliminary. Performance returns are shown both on a gross and net of fees basis. Net performance is calculated based on actual fees. For fee calculations, please refer to Lazard's standard fee schedule on the attached "GIPS® Standards Composite Information". The performance quoted represents past performance. Past performance is not a reliable indicator of future results. The Lazard Global Convertibles Strategy has been managed by Arnaud Brillois since 1 January 2008.

1. The portfolio construction parameters identified on this page are subject to change in the investment team's discretion and are not fixed limitations.

2. The Lazard Global Convertibles Strategy (the "Strategy") may engage in investment strategies not utilized by this index and may utilize instruments not used by this index. The index shown is unmanaged and has no fees. One cannot invest directly in an index.

Source: Lazard, Refinitiv

LAZARD GLOBAL CONVERTIBLES

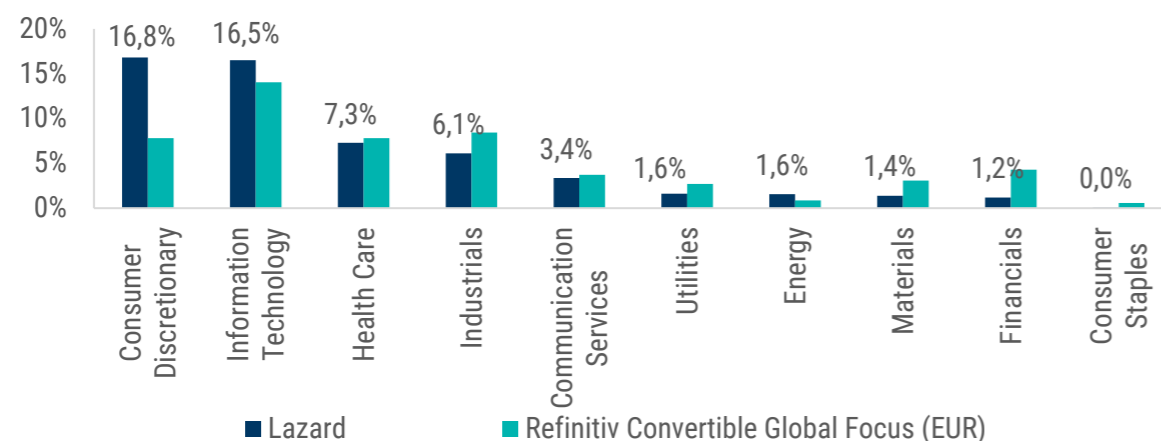
Current Positioning

| EQUITY SENSITIVITY | |
|--------------------|-------|
| Strategy | Index |
| 55.9% | 53.3% |

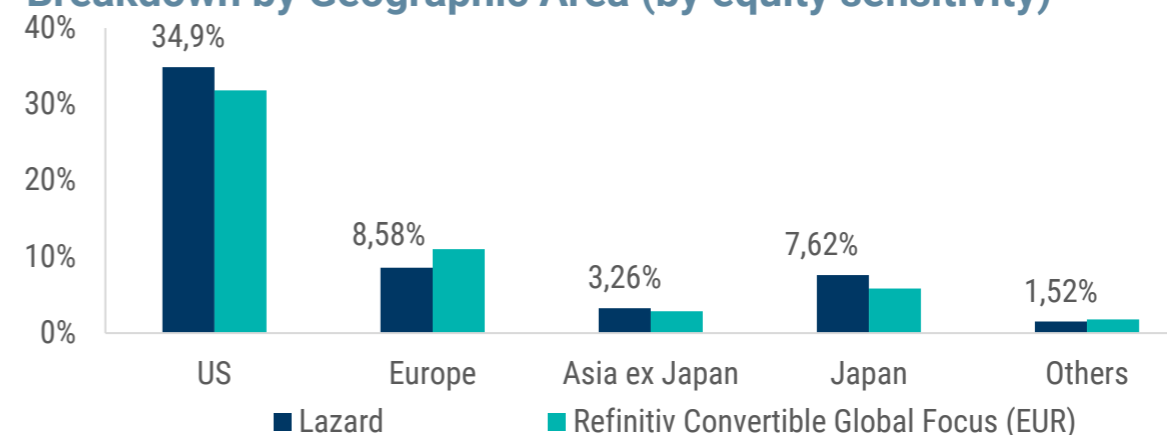
| MODIFIED DURATION | |
|-------------------|-------|
| Strategy | Index |
| 1.74 | 1.46 |

| NUMBER OF CONVERTIBLES | |
|------------------------|-------|
| Strategy | Index |
| 86 | 226 |

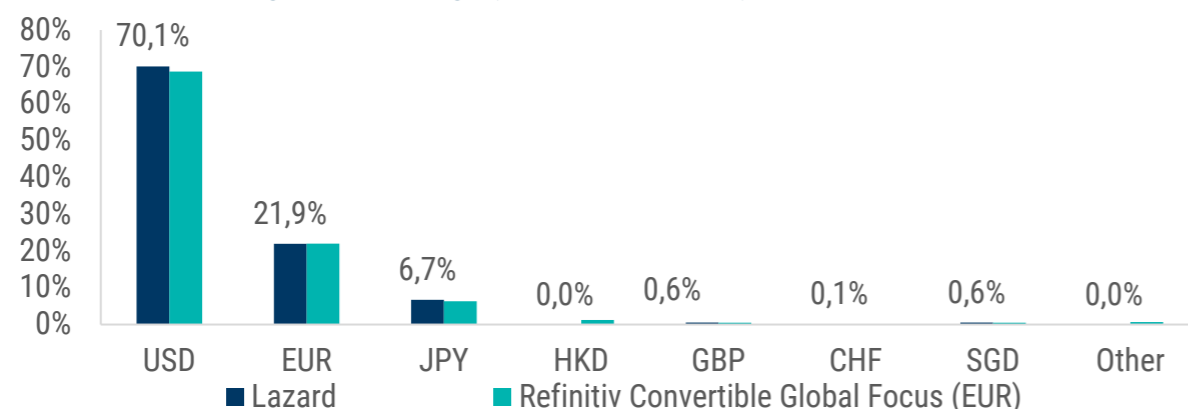
Breakdown by Sector (by equity sensitivity)



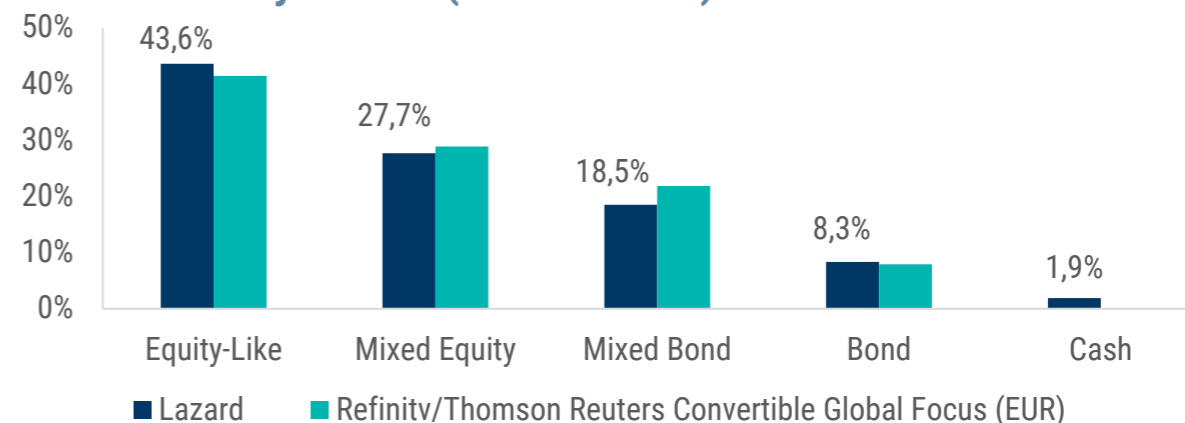
Breakdown by Geographic Area (by equity sensitivity)



Breakdown by Currency (% net assets)



Breakdown by Profile (% net assets)



As of 31 December 2023

Allocations and security selection are subject to change. Index data shown above is for the Refinitiv Convertible Global Focus (EUR) Index.






Source: Lazard, Refinitiv

D

Conclusion

LOOKING AHEAD TO 2024

Important valuation drivers should become net contributors to the performance of the asset class:

| | | 2022 | 2023 | 2024 Expected |
|---|---------------------------|--------|------|---------------|
|  | Equity Sensitivity | ✗ | = | ✓ |
|  | Credit Sensitivity | ✗ | ✗ | = |
|  | Interest Rate Sensitivity | ✗ | = | ✓ |
|  | Option Valuation | ✗ | ✗ | ✓ |
|  | Yield | Absent | NEW | ✓ |

Source: Lazard.

The opinions expressed above are as of the date of this presentation and subject to change.

E

Appendix

PORTFOLIO MANAGEMENT TEAM

Lazard Global Convertibles

| Portfolio Management | | | | |
|---|---|---|--|--|
| New York | | | Paris | |
|  |  |  |  |  |
| Arnaud Brillois, CFA Managing Director, Lead Portfolio Manager/Analyst Lazard Asset Management <i>Joined in 2008¹</i> | Emmanuel Naar Portfolio Manager/Analyst Lazard Asset Management <i>Joined in 2015²</i> | Andrew T. Raab Portfolio Manager/Analyst Lazard Asset Management <i>Joined Lazard in 2004</i> <i>Joined team in 2018</i> | Pierre-Alexis M. Blua Portfolio Analyst Lazard Asset Management <i>Joined Lazard in 2018</i> <i>Joined team in 2021</i> | Emmanuel Cuche Portfolio Manager/Analyst Lazard Frères Gestion <i>Joined in 2018</i> |

| Investment Resources | | |
|---|--|---------------------------------------|
| New York (LAM) | Dragonfly | Paris (LFG) |
| <p>Sector and Regional Expertise:</p> <ul style="list-style-type: none"> More than 300 investment professionals, specialised by sector and region <p>Equity and Fixed Income Expertise:</p> <ul style="list-style-type: none"> 50+ fixed-income investment professionals with an average 19 years of industry experience 170+ equity investment professionals with an average of 18 years of industry experience | <p>Lazard's unique and proprietary digital message board allows investment professionals to share insights and discuss potential outcomes of macroeconomic issues and developments</p> | <p>Convertible bond research team</p> |

Source: Lazard. As of 30 November 2023

¹ Arnaud joined Lazard Freres Gestion (LFG) in 2008 before relocating to New York with Lazard Asset Management (LAM) in 2017.

² Emmanuel joined Lazard Freres Gestion (LFG) in 2015 before relocating to New York with Lazard Asset Management (LAM) in 2019.

The management of convertible bonds strategies is delegated from LFG to LAM. The Lazard Global Convertibles investment team does not share research or trading information with Lazard's Rathmore (hedged convertibles) team. Our team is traditionally stable, unfortunately, we are unable to guarantee the presence of the managers listed above during the life of the product. The information listed above is current as of the date of this presentation.

FIXED INCOME TRADING TEAM

Lazard Global Convertibles

Trading



Chris Milonopoulos
Director, Trader
Lazard Asset Management
Joined in 2010



Stephanie Levine, CFA
Director, Trader/Analyst
Lazard Asset Management
Joined in 2017



Colin T. Cavasina
Senior Vice President, Portfolio Analyst
Lazard Asset Management
Joined in 2008



Ada Chin
Senior Vice President, Trader
Lazard Asset Management
Joined in 2013

FX Trade Execution



Jared Daniels, CFA
Managing Director
Lazard Asset Management
Joined Lazard in 1998



Sandeep Sadineni, CFA
Portfolio Analyst
Lazard Asset Management
Joined Lazard in 2016



Stephanie Osterhus
Senior Vice President, Portfolio Analyst
Lazard Asset Management
Joined in 2007

Source: Lazard. As of 30 November 2023

The management of convertible bonds strategies is delegated from LFG to LAM. The Lazard Global Convertibles investment team does not share research or trading information with Lazard's Rathmore (hedged convertibles) team. Our team is traditionally stable, unfortunately, we are unable to guarantee the presence of the managers listed above during the life of the product. The information listed above is current as of the date of this presentation.

KEY FEATURES & ADVANTAGES OF LAZARD GLOBAL CONVERTIBLES

| | |
|------------------------------|--|
| Experienced Team | 12 years average experience, with over 20 years on the asset class for the lead portfolio manager |
| Geographical Coverage | 4 Portfolio Managers located in the US and in Europe, (90% of the CB universe) |
| Conviction Management | High-conviction portfolio, absolute return approach. Concentrated portfolio (80 holdings versus 200+ for the benchmark) |
| Process | Robust and proven bottom-up process. High active share, historically >80% in average |
| Track Record | Demonstrated ability to outperform benchmark and peers with regularity. |

The performance quoted represents past performance. Past performance is not a reliable indicator of future results.

PORTFOLIO MANAGEMENT TEAM BIOGRAPHIES



Arnaud Brillois, CFA
Managing Director, Fund Manager/Analyst
Lazard Asset Management LLC (New York)

Arnaud Brillois, CFA is Managing Director and Fund Manager/Analyst on the Global Convertibles team. He began working in the investment industry in 2000. Arnaud joined Lazard Freres Gestion (LFG) in 2008 and was the Head of Convertible Bonds and Co-head of Alternative and Structured Products before relocating to New York with Lazard Asset Management in 2017. Prior to joining Lazard, he was the Director of Alpha Bonds and Convertible Bonds Management at Natixis Asset Management. Arnaud is a graduate of ISCID (Institut Supérieur de Commerce International de Dunkerque). He is a CFA® charterholder and has successfully passed the SFAF (Société Française des Analystes Financiers) and FRM exams.



Emmanuel Naar
Fund Manager/Analyst
Lazard Asset Management LLC (New York)

Emmanuel Naar is a Senior Vice President and Portfolio Manager/Analyst on the Global Convertibles investment team. Emmanuel originally joined Lazard Frères Gestion in Paris in 2015 and transferred to Lazard Asset Management in 2019. Previously, he was a trader at Citigroup's Fixed Income division in London, covering developed markets. Emmanuel holds a Master of Science in Risk and Investment Management from EDHEC Business School



Andrew T. Raab
Fund Manager/Analyst
Lazard Asset Management LLC (New York)

Andrew Raab is a Director and Portfolio Manager/Analyst on the Global Convertibles investment team. Prior to joining the convertible bond team in 2018, Andrew was a Research Analyst on the Emerging Income team specializing in emerging market currency and debt. He started his career in 2004 at Lazard Asset Management where first he managed security pricing in the firm's portfolio accounting system and later joined the Alternative Investment Operations group. Andrew has an MBA from the Stern School of Business at New York University and a BS in Business Administration from Georgetown University.



Emmanuel Cuche
Fund Manager/Analyst
Lazard Frères Gestion (Paris)

Emmanuel Cuche is a Vice President and joined the Convertible Bond investment team in 2018, assuming a Portfolio Manager/Analyst position under the responsibility of Arnaud Brillois. He spent three years working as an Investment Director and Multi-Asset Manager at Acer Finance. He interned as a Quantitative Analyst in a hedge fund before completing an Equity-analyst internship at Lazard Frères Gestion in 2015. He holds both a Financial Markets Master from Université Paris Dauphine and a double undergraduate degree in Law and Economics.



Pierre-Alexis M. Blua
Portfolio Analyst
Lazard Asset Management LLC (New York)

Pierre-Alexis Blua is a Portfolio Analyst supporting the Global Convertibles team. Prior to his current role, he was a Marketing Associate on the RFP Team. He began working in the investment field in 2018 upon joining Lazard. He has a Global Bachelor of Business Administration (GBBA) in Business Administration and Management with a focus in Finance from ESSEC Business School in France. He is fluent in French.

FIXED INCOME TRADING TEAM BIOGRAPHIES

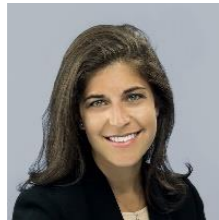


Chris Milonopoulos

Director, Trader

Lazard Asset Management LLC (New York)

Chris Milonopoulos is the lead Trader on Lazard's Emerging Markets Debt team. He began working in the investment field in 2000. Prior to joining Lazard in 2010, Chris was a consultant at Ernst & Young LLP in their asset management practice focusing on FX and money market trading. Previously, he was an investment analyst and junior trader at HSBC Asset Management (formerly Halbis) focusing on Emerging Markets Debt and Currencies. Chris started his career at Bloomberg LP, where he was a senior account manager and later a sales team leader for alternative investments. Chris has an MBA and MS in Engineering from Columbia University and a Bachelor of Engineering from McGill University.

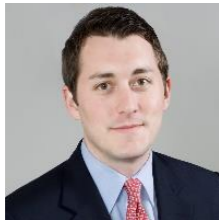


Stephanie Levine, CFA

Director, Trader/Analyst

Lazard Asset Management LLC (New York)

Stephanie Levine is a Trader/Analyst on the US Fixed Income team. She began working in the investment field in 2008. Prior to joining Lazard in 2017, Stephanie was a director of Municipal Bond Sales with Barclays Capital. She has a Bachelor of Arts in Mathematics and Film & Media Culture from Middlebury College. Stephanie is a CFA® charterholder.



Colin T. Cavasina

Senior Vice President, Portfolio Analyst

Lazard Asset Management LLC (New York)

Colin Cavasina is a Portfolio Analyst on the Global Fixed Income team and is primarily responsible for analysis/trading. He began working in the investment field in 2001. Prior to joining Lazard in 2008, Colin was a Vice President in Fixed Income Trading Operations at Bear Stearns, Inc., where he oversaw middle office operations for Emerging Market, Investment Grade and High Yield credit desks. Previously Colin was a fixed income trading assistant at Oppenheimer Funds, Inc. Prior to that, he worked at IFS, N.A. LLC in the Middle Office Trade Operations division. Colin has a BA in Economics from Denison University.



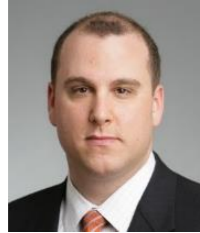
Ada Chin

Senior Vice President, Trader

Lazard Asset Management LLC (New York)

Ada Chin is a Trader on Lazard's Emerging Markets Debt team. Prior to joining Lazard in 2013, Ada was the Director of Operations at Tandem Global Management LP, responsible for all operational aspect of their Emerging Markets and Credit hedge funds. Before that, she was Head of Operations at Guggenheim Partners, a multi-strategy all-transparent managed account platform. Prior to that, Ada was an operations analyst for Alpha Investment Management, a multi strategy hedge fund and funds-of-funds firm. She started her career in Bear Stearns & Co, completing a rotational accounting program and worked as a business unit controller on the Risk Arbitrage desk. Ada has BA in Accounting and Finance from NYU's Stern School of Business.

FIXED INCOME TRADING TEAM BIOGRAPHIES



Jared Daniels, CFA

Managing Director

Lazard Asset Management LLC (New York)

Jared Daniels is a Portfolio Manager/Analyst on the Global Fixed Income team. He began working in the investment industry in 1997. Prior to joining Lazard in 1998, Jared was with CIBC Oppenheimer Corporation. He has a BS in Public Financial Management with a minor in Economics from Indiana University. Jared is a CFA® charterholder and a member of the New York Society of Security Analysts (NYSSA).



Sandeep Sadineni, CFA

Portfolio Analyst

Lazard Asset Management LLC (New York)

Sandeep Sadineni is a Portfolio Analyst on the Global Fixed Income team. Prior to joining the team, Sandeep was leading the Quantitative Trading Insights group. He began working in the investment field in 2011. Prior to joining Lazard in 2016, Sandeep was Treasury Engineering Lead with GE Capital. He has a Master's Degree in Electrical Engineering from Bradley University and an Undergraduate Degree from Andhra University. Sandeep is a CFA® Charterholder and a member of the local Stamford CFA society.



Stephanie Osterhus

Senior Vice President, Portfolio Analyst

Lazard Asset Management LLC (New York)

Stephanie Osterhus is a Portfolio Analyst on the US Fixed Income team. Stephanie primarily focuses on managing portfolio investment deviation and implementation risk. In addition to supervising investment flows and managing trading controls, Stephanie is responsible for the proper interpretation of the various regulatory and client directed constraints in fixed income strategies. Stephanie began working in the investment industry in 1987 as an economics research analyst. Prior to joining Lazard in 2007, she was a Vice President with Nomura Securities International where she primarily focused on global trading and related controls in structured and rate products. Stephanie has an MBA from the Lubin School of Business at Pace University.

GIPS® STANDARDS COMPOSITE INFORMATION

Lazard Global Convertibles

| | |
|----------------------------------|--|
| Benchmark: | Refinitiv Global Focus Convertible Index |
| Reporting Date: | 31 December 2022 |
| Composite Inception Date: | 01 January 2008 |
| Reporting Currency: | U.S. Dollar |

Composite Description

The composite returns represent the total returns of all fully discretionary portfolios with a Global Convertibles mandate and a minimum market value of €20 million. Prior to February 1, 2019, the composite minimum was €10 million. The strategy invests in global convertible bonds universe and the strategy seeks to outperform the Refinitiv Convertible Global Focus Index in the mid-term. The investment process will use quantitative and qualitative analysis to select convertible bonds with the highest potential in terms of underlying equity, credit exposure and implied valuations. The strategy seeks to optimize the convexity and asymmetry of the convertible bond asset class while actively managing the macro sources of performance. The strategy tends to be concentrated to generate some alpha but diversified enough to decrease the specific risk. The strategy's overall exposure to interest rates and equity markets is actively managed and the investment team may, and has in the past, use futures, swaps, options, credit derivatives, and forward currency contracts to hedge and/or adjust the strategy's exposure to equity, interest rate, currency, and credit risks. Performance data prior to December 31, 2017 represents the strategy managed by the Convertibles team at a prior firm and comprise substantially of all the investment decision makers of that team. The Convertibles team employs a substantially similar investment strategy to manage this Global Convertibles strategy as it did at its prior firm.

Calculation of Performance Returns

Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. The composite returns are reported net of foreign withholding taxes on dividends, interest and capital gains. The composite returns presented represent past performance and is not a reliable indicator of future results, which may vary. A complete list and description of all Lazard composites and pooled funds is available upon request.

Fee Schedule

Lazard's standard fee schedule for the Global Convertibles strategy accounts is 0.70% per annum on the first \$50 million, 0.65% on the next \$100 million, 0.60% on the next \$100 million and 0.55% on the balance. (This fee schedule may be presented in non-U.S. local currency equivalents based on prevailing exchange rates.) Unless otherwise noted, actual account fees, inclusive of performance-based fees and VAT (if applicable) are used in the construction of composite net of fee performance. For non-fee paying portfolios and sleeves of funds, net of fee performance has been calculated using the strategy's standard fee schedule. Fund performance in this composite is net of all fees.

Benchmark Information

The Refinitiv Convertible Global Focus Bond Index (net interest reinvested). It reflects the performance of global convertible bonds. The Focus sub-index is an index which is selected to contain balanced issues.

GIPS Compliance and Verification Status

Lazard Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Lazard Asset Management has been independently verified for the periods January 1, 1993 through December 31, 2022. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. Lazard Asset Management is the "Firm" to which the GIPS Standards apply (Frankfurt office included in Firm definition as of January 1, 2003). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. The composite creation date is December 2017.

| | Calendar | | | | | | | | | |
|---|----------|--------|--------|--------|--------|--------|-------|-------|-------|-------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Lazard Rate of Return (%; Gross of Fees) | -21.81 | -2.52 | 39.31 | 14.97 | -1.41 | 23.12 | 6.74 | -0.57 | 2.96 | 17.40 |
| Lazard Rate of Return (%; Net of Fees) | -22.24 | -3.06 | 37.80 | 13.59 | -2.48 | 21.81 | 5.65 | -1.48 | 1.83 | 16.24 |
| Benchmark (%; Rate of Return) | -19.11 | -3.76 | 25.40 | 12.01 | -4.82 | 9.67 | 0.23 | -0.16 | -1.16 | 12.91 |
| Composite Standard Deviation Gross (3-yr. Ann.) | 15.64 | 12.50 | 12.27 | 6.88 | 7.83 | 8.76 | 9.01 | 8.33 | 7.90 | 11.65 |
| Benchmark Standard Deviation (3-yr. Ann.) | 13.03 | 10.69 | 10.52 | 5.72 | 6.02 | 6.42 | 7.13 | 6.71 | 6.81 | 8.42 |
| # of Portfolios | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Composite Dispersion Gross (Asset Wtd. Std. Dev.) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Composite Assets (USD Millions) | 4053.7 | 6508.1 | 5735.9 | 3256.6 | 1892.5 | 1128.2 | 501.8 | 442.5 | 369.6 | 237.8 |
| Total Firm Assets (USD Billions) | 169.0 | 222.1 | 213.0 | 205.5 | 177.2 | 206.6 | 168.0 | 160.1 | 171.4 | 161.6 |

GIPS® STANDARDS COMPOSITE INFORMATION

Lazard Global Convertibles (Euro)

| | |
|----------------------------------|--|
| Benchmark: | Refinitiv Global Focus Convertible Index |
| Reporting Date: | 31 December 2022 |
| Composite Inception Date: | 01 January 2008 |
| Reporting Currency: | Euro |

Composite Description

The composite returns represent the total returns of all fully discretionary portfolios with a Global Convertibles mandate and a minimum market value of €20 million. Prior to February 1, 2019, the composite minimum was €10 million. The strategy invests in global convertible bonds universe and the strategy seeks to outperform the Refinitiv Convertible Global Focus Index in the mid-term. The investment process will use quantitative and qualitative analysis to select convertible bonds with the highest potential in terms of underlying equity, credit exposure and implied valuations. The strategy seeks to optimize the convexity and asymmetry of the convertible bond asset class while actively managing the macro sources of performance. The strategy tends to be concentrated to generate some alpha but diversified enough to decrease the specific risk. The strategy's overall exposure to interest rates and equity markets is actively managed and the investment team may, and has in the past, use futures, swaps, options, credit derivatives, and forward currency contracts to hedge and/or adjust the strategy's exposure to equity, interest rate, currency, and credit risks. Performance data prior to December 31, 2017 represents the strategy managed by the Convertibles team at a prior firm and comprise substantially of all the investment decision makers of that team. The Convertibles team employs a substantially similar investment strategy to manage this Global Convertibles strategy as it did at its prior firm.

Calculation of Performance Returns

Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. The composite returns are reported net of foreign withholding taxes on dividends, interest and capital gains. The composite returns presented represent past performance and is not a reliable indicator of future results, which may vary. A complete list and description of all Lazard composites and pooled funds is available upon request.

Fee Schedule

Lazard's standard fee schedule for the Global Convertibles strategy accounts is 0.70% per annum on the first \$50 million, 0.65% on the next \$100 million, 0.60% on the next \$100 million and 0.55% on the balance. (This fee schedule may be presented in non-U.S. local currency equivalents based on prevailing exchange rates.) Unless otherwise noted, actual account fees, inclusive of performance-based fees and VAT (if applicable) are used in the construction of composite net of fee performance. For non-fee paying portfolios and sleeves of funds, net of fee performance has been calculated using the strategy's standard fee schedule. Fund performance in this composite is net of all fees.

Benchmark Information

The Refinitiv Convertible Global Focus Bond Index (net interest reinvested). It reflects the performance of global convertible bonds. The Focus sub-index is an index which is selected to contain balanced issues.

GIPS Compliance and Verification Status

Lazard Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Lazard Asset Management has been independently verified for the periods January 1, 1993 through December 31, 2022. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. Lazard Asset Management is the "Firm" to which the GIPS Standards apply (Frankfurt office included in Firm definition as of January 1, 2003). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. The composite creation date is December 2017.

| | Calendar | | | | | | | | | |
|---|----------|--------|--------|--------|--------|-------|-------|-------|-------|-------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Lazard Rate of Return (%; Gross of Fees) | -16.68 | 4.88 | 27.80 | 17.08 | 3.56 | 8.14 | 9.93 | 10.76 | 17.24 | 12.33 |
| Lazard Rate of Return (%; Net of Fees) | -17.14 | 4.30 | 26.42 | 15.68 | 2.44 | 6.99 | 8.81 | 9.74 | 15.95 | 11.21 |
| Benchmark (%; Rate of Return) | -13.80 | 3.55 | 15.04 | 14.07 | -0.02 | -3.67 | 3.23 | 11.22 | 12.55 | 8.03 |
| Composite Standard Deviation Gross (3-yr. Ann.) | 12.97 | 10.30 | 10.22 | 6.72 | 7.45 | 10.01 | 9.71 | 8.64 | 4.93 | 7.43 |
| Benchmark Standard Deviation (3-yr. Ann.) | 10.60 | 8.76 | 8.70 | 5.63 | 5.26 | 7.80 | 7.31 | 7.12 | 4.55 | 5.82 |
| # of Portfolios | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Composite Dispersion Gross (Asset Wtd. Std. Dev.) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Composite Assets (EUR Millions) | 3798.3 | 5722.9 | 4687.9 | 2901.2 | 1655.5 | 939.5 | 475.8 | 407.3 | 305.4 | 172.6 |
| Total Firm Assets (EUR Billions) | 158.3 | 195.3 | 174.1 | 183.0 | 155.0 | 172.1 | 159.2 | 147.4 | 141.6 | 117.2 |

GIPS® STANDARDS COMPOSITE INFORMATION

Lazard Global Convertibles EUR Hedged

| | |
|----------------------------------|---|
| Benchmark: | Refinitiv Global Focus Convertible Index Hedged (EUR) |
| Reporting Date: | 31 December 2022 |
| Composite Inception Date: | 01 April 2010 |
| Reporting Currency: | Euro |

Composite Description

The composite returns represent the total returns of all fully discretionary portfolios with a Global Convertibles (EUR Hedge) mandate and a minimum market value of €20 million. Prior to February 1, 2019, the composite minimum was €10 million. The strategy invests in global convertible bonds universe and seeks to outperform the Refinitiv Convertible Global Focus EUR Hedged Index in the mid-term. The investment process will use quantitative and qualitative analysis to select convertible bonds with the highest potential in terms of underlying equity, credit exposure and implied valuations. The strategy seeks to optimize the convexity and asymmetry of the convertible bond asset class while actively managing the macro sources of performance. The strategy tends to be concentrated to generate some alpha but diversified enough to decrease the specific risk. The strategy's overall exposure to interest rates and equity markets is actively managed and the investment team may, and has in the past, use futures, swaps, options, credit derivatives, and forward currency contracts to hedge and/or adjust the strategy's exposure to equity, interest rate, currency, and credit risks. Performance data prior to December 31, 2017 represents the strategy managed by the Convertibles team at a prior firm and comprise substantially of all the investment decision makers of that team. The Convertibles team employs a substantially similar investment strategy to manage this Global Convertibles strategy as it did at its prior firm.

Calculation of Performance Returns

Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. The composite returns are reported net of foreign withholding taxes on dividends, interest and capital gains. The composite returns presented represent past performance and is not a reliable indicator of future results, which may vary. A complete list and description of all Lazard composites and pooled funds is available upon request.

Fee Schedule

Lazard's standard fee schedule for the Global Convertibles (EUR Hedged) strategy accounts is 0.70% per annum on the first \$50 million, 0.65% on the next \$100 million, 0.60% on the next \$100 million and 0.55% on the balance. (This fee schedule may be presented in non-U.S. local currency equivalents based on prevailing exchange rates.) Unless otherwise noted, actual account fees, inclusive of performance-based fees and VAT (if applicable) are used in the construction of composite net of fee performance. For non-fee paying portfolios and sleeves of funds, net of fee performance has been calculated using the strategy's standard fee schedule. Fund performance in this composite is net of all fees.

Benchmark Information

The Refinitiv Global Focus Convertible Bond Euro Hedged Index (net interest reinvested), expressed in euros. It reflects the performance of global convertible bonds. The Focus sub-index is an index which is selected to contain balanced issues.

GIPS Compliance and Verification Status

Lazard Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Lazard Asset Management has been independently verified for the periods January 1, 1993 through December 31, 2022. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. Lazard Asset Management is the "Firm" to which the GIPS Standards apply (Frankfurt office included in Firm definition as of January 1, 2003). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. The composite creation date is June 2018.

| | Calendar | | | | | | | | | |
|---|----------|--------|--------|--------|-------|-------|-------|-------|-------|-------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Lazard Rate of Return (%; Gross of Fees) | -21.15 | -0.50 | 34.44 | 12.76 | -1.88 | 16.67 | 6.89 | 2.26 | 6.97 | 17.75 |
| Lazard Rate of Return (%; Net of Fees) | -21.92 | -1.58 | 32.82 | 11.42 | -2.99 | 15.38 | 5.77 | 1.22 | 5.77 | 16.51 |
| Benchmark (%; Rate of Return) | -17.84 | -1.81 | 21.49 | 10.11 | -5.45 | 4.39 | 0.58 | 3.60 | 4.74 | 12.82 |
| Composite Standard Deviation Gross (3-yr. Ann.) | 14.59 | 11.75 | 11.62 | 6.32 | 7.11 | 8.06 | 8.25 | 7.15 | 6.32 | 10.00 |
| Benchmark Standard Deviation (3-yr. Ann.) | 11.72 | 9.83 | 9.75 | 5.04 | 4.78 | 5.47 | 5.86 | 5.43 | 5.12 | 6.70 |
| # of Portfolios | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 |
| Composite Dispersion Gross (Asset Wtd. Std. Dev.) | 0.04 | 0.12 | 0.21 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Composite Assets (EUR Millions) | 1826.7 | 2584.7 | 2337.4 | 1233.0 | 627.4 | 282.0 | 97.8 | 16.3 | 15.5 | 22.8 |
| Total Firm Assets (EUR Billions) | 158.3 | 195.3 | 174.1 | 183.0 | 155.0 | 172.1 | 159.2 | 147.4 | 141.6 | 117.2 |

GLOSSARY

Underlying asset: share in which the convertible bond can be converted

Convexity of a convertible bond: second derivative of the price of a convertible bond against the price of the underlying. It is a measure of the relative variation of the delta in response to an incremental change in the price of the underlying. Convexity shows the different cases in which equity exposure increases when share prices go up and decreases when share prices go down.

Repo or repurchase agreement: contract enabling, on one hand, the sale when fully-owned of one (or several) assets by one investor to another and on the other hand a firm and reciprocal engagement of repurchasing the asset(s) at a stated date and price. This type of contract allows the agent to sell the security in exchange for short-term liquidity.

Implied volatility: different from historical volatility because of the past behaviour of the underlying security, implied volatility reflects forecasts on future evolution. In other words, it measures the anticipations of the market regarding future variations of the spot. It is computed using option prices.

Conversion premium: represents the extra profit on a share earned when an investor purchases a convertible bond and immediately converts it into equity compared to a direct purchase of the share

Convexity: measures the sensitivity of convertible bond price to a change in interest rates. Depending a bond's convexity its price will vary upwards or downwards more or less rapidly responding to changes regarding the maturity of a bond.

Delta (Δ): measures the sensitivity of the price of a convertible bond to the price of the underlying equity:

- Example: if the delta equals 0,5 and the underlying equity changes by 2%, then the convertible bond sees its value changed by 1%.

Gamma (γ): measures the sensitivity of the convertible price relative to the underlying equity price (convexity).

Rh \hat{o} (ρ): measures the sensitivity of the value of an option to interest rates.

Theta (θ): change in the price of a convertible bond for one day change to the number of days to expiry of convertible option.

Vega (V): measures the sensitivity of the value of the option to the volatility of the underlying equity.

DISCLOSURES

This document does not constitute an offer to buy securities or the solicitation of an offer to buy or sell any securities, which may only be made pursuant to relevant offering documents and only in such jurisdictions where permitted by law. This document is not intended to constitute investment advice.

MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any other securities or financial products. This report is not approved, reviewed or produced by MSCI.

The performance of the strategy will be largely dependent on the talents and efforts of certain individuals. There can be no assurance that such investment professionals will continue to be associated with Lazard, and the failure to retain such investment professionals could have an adverse impact on the strategy.

The Refinitiv Convertible Global Focus Bond Index (net interest reinvested) reflects the performance of global convertible bonds. The Focus sub-index is an index which is selected to contain balanced issues. The index is unmanaged and has no fees. One cannot invest directly in an index.

The Chicago Board Options Exchange Volatility Index (VIX) shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 Index options. This volatility is meant to be forward looking, is calculated from both calls and puts, and is a widely used measure of market risk. The index is unmanaged and has no fees. One cannot invest directly in an index. The MSCI All Country World Index (ACWI) is a free-float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The index is unmanaged and has no fees. One cannot invest directly in an index.

Any projections, market outlooks or estimates in this document are forward-looking statements and are based upon certain assumptions and should not be construed to be indicative of actual events which will occur.

IMPORTANT INFORMATION

For Financial Professional Use Only. Not for Retail Use. The performance quoted represents past performance. Past performance is not a reliable indicator of future results.

Information and opinions presented have been obtained or derived from sources believed by Lazard to be reliable. Lazard makes no representation as to their accuracy or completeness. All opinions expressed herein are as of the date of this presentation and are subject to change.

Allocations and security selection are subject to change.

No risk management technique or process can guarantee return or eliminate risk in any market environment.

Certain information contained herein constitutes "forward-looking statements" which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "target," "intent," "continue," or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events may differ materially from those reflected or contemplated in such forward-looking statements.

The indices referenced in this document are included merely to show general trends in the market during the periods indicated and are not intended to imply that investments made pursuant to the strategy are or will be comparable to any index in either composition or element of risk. The strategy is not restricted to securities comprising any index. The strategy may use various investment techniques not reflected in an index. The indices referenced herein are unmanaged and have no fees. One cannot invest directly in an index. There is no guarantee that the strategy's performance will meet or exceed any index.

This material is for informational purposes only. It is not intended to, and does not constitute financial advice, fund management services, an offer of financial products or to enter into any contract or investment agreement in respect of any product offered by Lazard Asset Management and shall not be considered as an offer or solicitation with respect to any product, security, or service in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or unauthorized or otherwise restricted or prohibited.

Lazard Asset Management ("Lazard" or the "firm") actively manages client portfolios with the objective of delivering positive investment performance and maximizing long-term shareholder value. Portfolio managers at Lazard have discretion to incorporate ESG considerations into their investment processes, and to what degree. Information concerning a particular investment strategy's utilization of ESG considerations (including its status as ESG Integrated or Sustainability Focused under our procedures) are set forth in Lazard's description of that strategy, or are available upon request.

Other disclosures herein may describe sustainable investment views and resources that Lazard's ESG professionals have developed to assist our clients and portfolio management teams. However, unless expressly disclosed, readers should not assume that these views and resources are incorporated in a portfolio management team's investment process.

This document is provided by Lazard Asset Management LLC or its affiliates ("Lazard") for informational purposes only. Nothing herein constitutes investment advice or a recommendation relating to any security, commodity, derivative, investment management service or investment product. Investments in securities, derivatives and commodities involve risk, will fluctuate in price, and may result in losses. Certain assets held in Lazard's investment portfolios, in particular alternative investment portfolios, can involve high degrees of risk and volatility when compared to other assets. Similarly, certain assets held in Lazard's investment portfolios may trade in less liquid or efficient markets, which can affect investment performance. Past performance does not guarantee future results.

This document is intended only for persons residing in jurisdictions where its distribution or availability is consistent with local laws and Lazard's local regulatory authorizations. The Lazard entities that have issued this document are listed below, along with important limitations on their authorized activities.

Australia: Issued by Lazard Asset Management Pacific Co., ABN 13 064 523 619, AFS License 238432, Level 12 Gateway, 1 Macquarie Place, Sydney NSW 2000, which is licensed by the Australian Securities and Investments Commission to carry on a financial services business. This document is intended for wholesale investors only. Canada: Issued by Lazard Asset Management (Canada) Inc., 30 Rockefeller Plaza, New York, NY 10112 and 130 King Street West, Suite 1800, Toronto, Ontario M5X 1E3, a registered portfolio manager providing services to non-individual permitted clients. Dubai: Issued and approved by Lazard Gulf Limited, Index Tower, Floor 10 Office 1008 DIFC, PO Box 506644, Dubai, United Arab Emirates. Registered in Dubai International Financial Centre 0467. Authorised and regulated by the Dubai Financial Services Authority to deal with Professional Clients only. EU Member States: Issued by Lazard Asset Management (Deutschland) GmbH, Neue Mainzer Strasse 75, D-60311 Frankfurt am Main. Hong Kong: Issued by Lazard Asset Management (Hong Kong) Limited (AQZ743), Suite 1101, Level 11, Chater House, 8 Connaught Road Central, Central, Hong Kong. Lazard Asset Management (Hong Kong) Limited is a corporation licensed by the Hong Kong Securities and Futures Commission to conduct Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities only on behalf of "professional investors" as defined under the Hong Kong Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and its subsidiary legislation. Japan: Issued by Lazard Japan Asset Management K.K., ATT Annex 7th Floor, 2-11-7 Akasaka, Minato-ku, Tokyo 107-0052. Korea: Issued by Lazard Korea Investment Management Co. Ltd., 10F Seoul Finance Center, 136 Sejong-daero, Jung-gu, Seoul, 100-768. People's Republic of China: Issued by Lazard Asset Management. Lazard Asset Management does not carry out business in the P.R.C and is not a licensed investment adviser with the China Securities Regulatory Commission or the China Banking Regulatory Commission. This document is for reference only and for intended recipients only. The information in this document does not constitute any specific investment advice on China capital markets or an offer of securities or investment, tax, legal or other advice or recommendation or, an offer to sell or an invitation to apply for any product or service of Lazard Asset Management. Saudi Arabia: Issued and approved by Lazard Saudi Arabia, 15th Floor, Nakheel Tower, King Fahad Road, Nakheel District, Riyadh 12381, Saudi Arabia. Commercial Registration No: 1010297437 with a unified number: 7001642417, License of the Ministry of Investment No: 102031098747. Regulated and authorised by the Capital Market Authority (CMA). Singapore: Issued by Lazard Asset Management (Singapore) Pte. Ltd., Unit 15-03 Republic Plaza, 9 Raffles Place, Singapore 048619, Company Registration Number 201135005W, which provides services only to "institutional investors" or "accredited investors" as defined under the Securities and Futures Act, Chapter 289 of Singapore. Switzerland: Issued by Lazard Asset Management Schweiz AG, Uraniastrasse 12, CH-8001 Zurich. United Kingdom: Issued or approved by Lazard Asset Management Ltd., 50 Stratton Street, London W1J 8LL. Registered in England Number 525667. Authorised and regulated by the Financial Conduct Authority (FCA), providing services only to persons classified as eligible counterparties or professional clients under the rules of the FCA. United States: Issued by Lazard Asset Management LLC, 30 Rockefeller Plaza, New York, NY 10112.