

# Lazard Patrimoine

## Skillfully navigating market irrationality



## Lazard Patrimoine

### Global multi-asset investment solution

Lazard Patrimoine is an investment fund that aims to preserve wealth for investors who are seeking to diversify their portfolio while monitoring risk exposure.

The fund benefits from Lazard Frères Gestion's proprietary asset allocation insight and recognised expertise in equity and fixed-income markets.

MORNINGSTAR®



LAZARD  
FRÈRES GESTION

Lazard Patrimoine is a Sub-fund of a French variable capital investment company Lazard Multi Assets. For more information on the characteristics, risks and fees of the fund, please refer to the prospectus available on simple request to the company or on the site [www.lazardfreresgestion.com](http://www.lazardfreresgestion.com)

Source: Morningstar, as of 31 December 2019. Category: EUR Cautious Allocation – Global. References to a ranking, price or rating do not guarantee future performance.

## Diversified and flexible management that aims to capture market opportunities while limiting volatility<sup>1</sup>

Lazard Patrimoine is a **global multi-asset fund** designed **to navigate through different market cycles**. It has been specially built for investors who wish to diversify their portfolio while maintaining a **cautious risk approach**. The fund can invest in the main asset classes such as Equity, Fixed Income, Convertible Bonds and Money market instruments on a global scale. The fund aims to offer an attractive risk/return profile thanks to the large investment universe and the flexible asset allocation.

The fund's investment objective is to achieve returns net of management fees that exceed, over the recommended three-year investment horizon, those of its composite benchmark index: 20% MSCI World All Countries + 80% ICE BofAML Euro Broad Market Index. The benchmark index is rebalanced monthly and the values of its components are expressed in euros with net dividends and coupons reinvested

### Flexible Multi-Asset exposure



### Negative modified duration positioning

Within a rising rate environment, the investment team may decide to adopt a **negative modified duration** positioning. Such exposure allows the fund to benefit from this market environment which is generally not favorable for Fixed Income assets. On the other side, **in the case of falling interest rates, modified duration could be increased**.

#### Our objectives:

- **Outperform** over the long term
- **Capture opportunities and/or reduce** short-term risk exposure
- **Deal with market irrationality** through a Systematic Risk Reduction Mechanism

(1) Volatility: statistical measure of the dispersion of returns.

## A three-step investment process

Generate performance over mid-term

### Generating outperformance by understanding the economic cycle

---

The combination of our strong convictions and significant tactical leeway allow us to perform in every market configuration

Capture opportunities

### Taking short-term factors into account

---

Aim to capture short-term opportunities while reducing risk exposure to short-term events.

Deal with the irrationality

### Protecting against irrational markets through a Systematic Risk-Reduction Mechanism

---

Our Systematic Risk-Reduction Mechanism partially or even totally minimises the risk of loss. **If the mechanism is triggered, the fund is unable to immediately re-expose itself to the market. This may limit the fund's potential to benefit from a market recovery.**

#### Main risks<sup>2</sup>:

- **Risk of capital loss:** risk that the capital may not be fully redeemed.
- **Equity risk:** fluctuations in share prices may have a negative impact on the Fund's net asset value.
- **Interest rate risk:** risk of a fall in the value of bonds and other fixed-income securities and instruments, and hence in the portfolio, resulting from a change in interest rates.
- **Foreign exchange risk:** The Fund may invest in securities and UCIs that are themselves permitted to purchase stocks denominated in currencies other than the euro.
- **Risk scale:** 4/7

## Investment team<sup>3</sup>



**Matthieu Grouès**  
Managing Partner,  
Head of institutional  
management



**Julien-Pierre Nouen,**  
**CFA**  
Head of Economic  
Research & Multi-Assets  
Investment

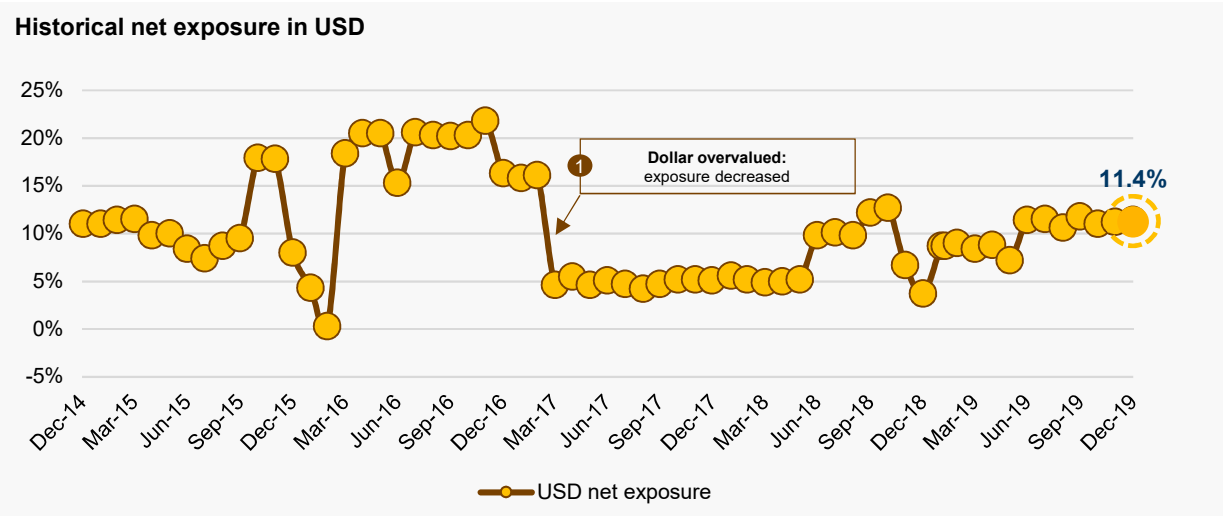
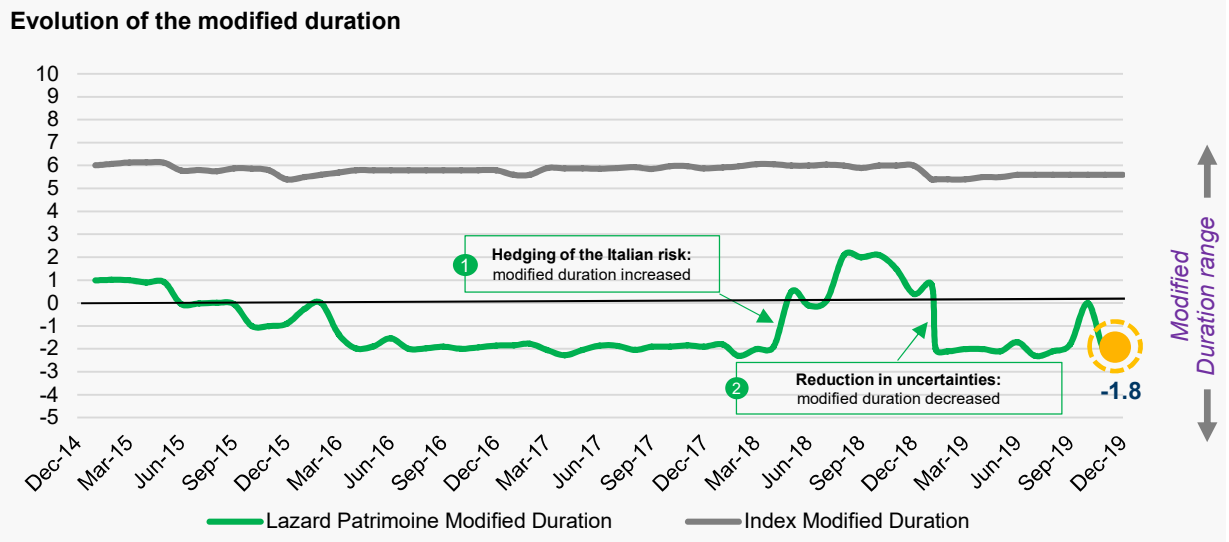
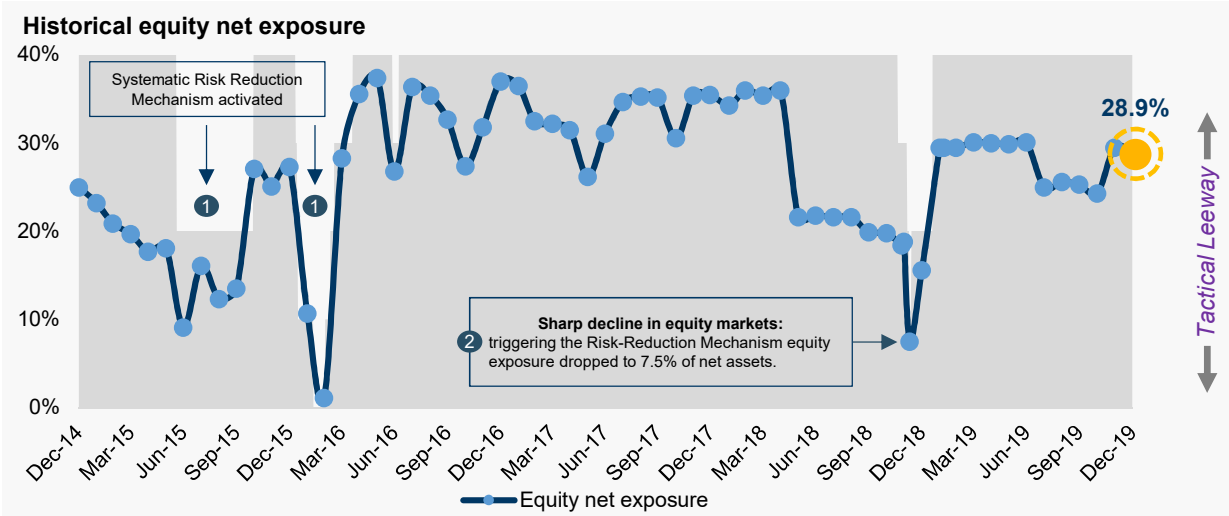


**Colin Faivre**  
Strategist Economist

(2) For more information on the risks please refer to the page 5.

(3) Our teams are traditionally stable; however we cannot guarantee the presence of the managers mentioned above during the life cycle of the product.

# A flexible strategy designed to navigate through different market cycles



Source: Lazard. As of December 31, 2019. Charts above show the evolution equity, modified duration and USD net exposure, since inception on December 31, 2014. The strategies used do not prejudice the future strategies that will be implemented.

## Reminder of risks

Lazard Patrimoine is exposed to the following risks:

**Risk of capital loss:** The Sub-fund provides no guarantee or protection. As such, the investor may not get back the full amount of the initial investment during redemption.

**Risk associated with discretionary management:** Discretionary management is based on anticipation of market trends. The Sub-fund's performance is dependent both on the selection of securities and UCI picked by the manager and the manager's asset allocation. There is therefore a risk that the manager will not select the best performing securities and that the asset allocation is not optimal.

**Equity risk:** Fluctuations in share prices may have a negative impact on the Sub-fund's net asset value. The net asset value may decrease during periods in which equity markets are falling.

**Market capitalisation risk:** The volume of small- and mid-cap stocks traded on the stock market is lower than that of large caps, which means they can be more significantly impacted by market movements than large caps. The Sub-fund's NAV may therefore decline rapidly and significantly.

**Emerging country risk:** The operational and supervisory standards applicable to emerging markets may differ from those on international markets, as a result there is a risk that this may affect the UCI's net asset value.

**Foreign exchange risk:** The Sub-fund may invest in securities and other UCI that in turn are authorised to acquire instruments denominated in currencies other than the fund's base currency. The value of these instruments may fall if the exchange rates vary, which may lead to a decrease in the Sub-fund's net asset value.

**Interest rate risk:** There is a risk of a fall in the value of bonds and other fixed-income securities and instruments, and hence in the portfolio, resulting from a change in interest rates. Because of its sensitivity range, the value of this component of the portfolio may decrease, either in the case of a rise in interest rates if the portfolio's sensitivity is positive, or in the case of a fall in interest rates if the portfolio's sensitivity is negative.

**Credit risk:** This is the risk associated with the Strategy's use of forward financial instruments and OTC instruments. These transactions, entered into with one or more eligible counterparties, potentially expose the Strategy to a risk of failure of any such counterparty, which may lead to default in payment. These factors may lead to a decline in Strategy's net assets.

**Liquidity risk:** The risk that a financial market cannot absorb transaction volumes due to trading volumes being too low or pressure on the markets. Such a situation may impact the pricing or timing when the Sub-fund liquidates, initiates or modifies positions and thus cause a decline in the Sub-fund's net asset value.

**Derivative financial instrument risk:** The risk arising from the Sub-fund's use of forward financial instruments (derivatives), which may lead to a bigger decrease in the net asset value than on the markets or in the underlying assets in which the Sub-fund has invested.

**Counterparty risk:** The risk linked to the use of forward financial instruments traded over the counter. These transactions, entered into with one or more counterparties, potentially expose the Sub-fund to a risk of failure of any such counterparty, which may lead to default in payment and cause the Sub-fund's NAV to fall.

**Risk related to overexposure:** The Sub-fund may use forward financial instruments (derivatives) to generate overexposure and thus bring the Sub-fund's exposure above its net asset value. Depending on the transactions, the impact of a decrease (purchase of exposure) or increase (sale of exposure) in the derivative's underlying instrument may be amplified and thus amplify any decrease in the Sub-fund's net asset value.

### Risk scale\*:

The exposure to the equity market explains the fund's classification in this category. The historical data used could result in an unreliable indication of the fund's future risk profile. There is no guarantee that the category stated will remain unchanged, and the classification is liable to change over time. The lowest category is not synonymous with risk-free investment. Capital is not guaranteed.



Other material risk factors not incorporated into the indicator:

Credit Risk, liquidity risk, counterparty risk, risks associated with derivatives: Use of complex products such as derivatives may increase losses. The materialisation of one of these risks may result in a decline in the net asset value of the CIS.

# Characteristics

		RC share class	
CHARACTERISTICS	Management company	Lazard Frères Gestion	
	Custodian	Caceis	
	Delegated agent for the centralisation of orders	Caceis Bank and Lazard Frères Banques, on behalf of clients for whom it provides custody account-keeping services	
	Legal form	Compartment of the French open-end investment company with Sub-funds (Lazard Multi-Assets)	
	Subject to European Directive 2009/65/EC	Yes	
	Inception date	31-Dec-14	
	Currency	Euro	
	ISIN Code	FR0012355139	
	Appropriation of distributable amounts: allocation of net income	Accumulation	
	Appropriation of distributable amounts: allocation of net realised capital gains	Accumulation	
Reference index	20% MSCI World AC in euros net dividends + 80% ICE BofAML Euro Broad Market Index net coupon*		
PLACING ORDERS	Minimum initial subscription	1 unit	
	Frequency of NAV calculation	Daily	
	Execution of orders	Based on the next NAV for orders placed before 12:00am CET	
	Subscription / redemption settlement date	D (NAV date) + 2 business day / D (NAV date) +2 business days	
FEES	Ongoing charges (incl. Taxes) <sup>(4)</sup>	1.34%	
	Transaction fees (incl. taxes): (0 to 100% received by the management company and 0 to 100% received by the custodian)	Equities, foreign exchange: from 0 to 0.20% TTC Futures and other transactions: from 0 to 450€ incl. taxes per contract	
	Financial management fees	1.38% incl taxes net assets excluding UCIs managed by Lazard Frères Gestion SAS	
	Administrative fees external to the management company	0.035% incl taxes net assets	
	Maximum subscription fees	Not retained by the fund	2.5% incl taxes
		Retained by the fund	None
	Maximum redemption fee	Not retained by the fund	None
Retained by the fund		None	
Performance fees (incl. Taxes)	None		

(4) Ongoing charges do not include performance fees and brokerage fees, except in the case of upfront or exit costs paid by the Sub fund when buying or selling units or shares in other collective investment vehicles. The net asset values (NAVs) are published daily on La Libre Belgique and on the website of the management company.

This is a financial promotion and is not intended to constitute investment advice.

Lazard Patrimoine is a Sub-fund of a French variable capital investment company Lazard Multi Assets authorised and regulated as UCITS by the Autorité des marchés financiers and managed by Lazard Frères Gestion SAS.

Copies of the full Prospectus, the relevant Key Investor Information Document (KIID) and the most recent Report and Accounts are available in English, and other languages where appropriate, on request from the address below or at [www.lazardfreresgestion.com](http://www.lazardfreresgestion.com). Investors and potential investors should read and note the risk warnings in the Prospectus and relevant KIID.

Past performance is not a reliable indicator of future results. The value of investments and the income from them can fall as well as rise and you may not get back the amount you invested. Any yield quoted is gross and is not guaranteed. It is subject to fees, taxation (particularly where presented gross of fees and taxes, which is specifically relevant for retail clients with Belgian residence) and charges within the Fund and the investor will receive less than the gross yield. There can be no assurance that the Fund's objectives or performance target will be achieved. Any views expressed herein are subject to change.

The returns from your investment may be affected by changes in the exchange rate between the Fund's base currency, the currency of the Fund's investments, your share class and your home currency.

The information provided herein should not be considered a recommendation or solicitation to purchase, retain or sell any particular security. It should also not be assumed that any investment in these securities was or will be profitable.

The tax treatment of each client will vary and you should seek professional tax advice.

For any complaints, please contact the representative of the LFM, LAM, or LFG office for your country. In addition, you can complain or file an appeal with the Financial Ombudsman (Rue Belliard, 15-17, box 8, 1040 Brussels, Tel: +32 2 545 77 70, Fax: +32 2 545 77 79, [Ombudsman@OmbudsFin.be](mailto:Ombudsman@OmbudsFin.be), [www.ombudsfin.be](http://www.ombudsfin.be)).

The contents of this document are confidential and should not be disclosed other than to the person or persons for whom it is intended.

## FOR FINANCIAL PROFESSIONAL USE ONLY.

**Belgium and Luxembourg:** This information is provided by the Belgian Branch of Lazard Fund Managers Ireland Limited, at Blue Tower Louise, Avenue Louise 326, Brussels, 1050 Belgium. The Paying Agent and the Representative in Belgium for the registration and the receipt of requests for issuance or repurchase of units or for switching sub-funds is RBC Investor Services Bank S.A : 14, Porte de France, L-4360 Esch-sur-Alzette– Grand Duché de Luxembourg.

**Italy:** This information is provided by the Italian branch of Lazard Asset Management (Deutschland) GmbH. Lazard Asset Management (Deutschland) GmbH Milano Office, Via Dell'Orso 2 - 20121 Milan is authorized and regulated in Germany by the BaFin. Not all share classes of the relevant sub-fund are registered for marketing in Italy and target institutional investors only. Subscriptions may only be based on the current prospectus.

**Spain and Portugal:** This information is provided by the Spanish Branch of Lazard Fund Managers Ireland Limited, at Paseo de la Castellana 140, Piso 100, Letra E, 28046 Madrid and registered with the National Securities Market Commission (Comisión Nacional del Mercado de Valores or CNMV) under registration number 18. The [Fund Name] is a Foreign Collective Investment Scheme registered with the CNMV under registration number 18.

## FOLLOW US & SHARE

The news of Lazard Frères Gestion



Site Internet  
[www.lazardfreresgestion.com](http://www.lazardfreresgestion.com)



Twitter  
LazardGestion



LinkedIn  
Lazard Frères Gestion



Blog  
[www.lazardfreresgestion-tribune.com](http://www.lazardfreresgestion-tribune.com)