

C Acc EUR Share Class

Performance Data

(%; net of fees; through 31 December 2019)

	1 Month	YTD	Annualised Since 1 October 2015*
Lazard European Alternative Fund (C Acc EUR)	0.92	0.80	1.09

* The Fund was seeded with internal capital on 28 September 2015 and made available for external investment from 1 October 2015.

The performance quoted represents past performance. Past performance is not a reliable indicator of future results. Source: Lazard Asset Management

Monthly Performance Data

(%; net of fees; since inception, C Acc EUR share class)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	-1.30	0.68	0.15	0.54	-2.07	-0.02	1.41	0.53	-0.62	-0.72	1.36	0.92	0.80
2018	1.20	-0.06	-0.84	1.45	0.27	-0.50	0.57	-0.18	0.22	-0.35	-0.03	-0.65	1.10
2017	1.47	-0.50	0.58	1.30	-0.21	-0.39	-0.46	-0.09	0.87	0.92	-1.36	-0.27	1.83
2016	-0.20	-0.42	0.73	-0.44	0.60	-0.03	-0.06	-0.57	0.32	0.58	-1.87	1.34	-0.05
2015									-1.07	-0.30	0.52	0.75	-0.12

The performance quoted represents past performance. Past performance is not a reliable indicator of future results. Source: Lazard Asset Management

Investment Profile

The Lazard European Alternative Fund aims to deliver steady capital appreciation with reduced volatility by taking long and short positions in the shares of European companies. The strategy's core pillar is fundamental stock picking within a robust risk framework characterised by stop-losses, price targets, liquidity targets and disciplined portfolio construction. The strategy is liquid, investing across a diversified portfolio with around 50-70 underlying holdings.

Gross Performance: Long/Short (%)

	1 Month
Long	2.44
Short	-0.65
Hedge	-0.64
Total	1.15

The performance quoted represents past performance. Past performance is not a reliable indicator of future results. Returns based on estimated daily NAV figures. Source: Lazard Asset Management

Fund Information

Fund Manager	Léopold Arminjon
Launch Date	28 September 2015
Liquidity	Daily
NAV Calculation	Daily
Fund Size	€450m

Market Capitalisation (% of NAV, Delta-Adj)

	Long	Short	Net
Large-Cap (>US\$10bn)	53.3	-48.8	4.5
Mid-Cap (US\$1-10bn)	31.1	-6.8	24.3
Small-Cap (<1US\$bn)	0.0	0.0	0.0
Total	84.4	-55.6	28.8

Portfolio Construction

Number of Securities (Long)	48
Number of Securities (Short)	18
Number of Hedges	5
Average Weighted Market Cap US\$bn (Long)	29.3
Average Weighted Market Cap US\$bn (Short)*	19.6
Weight of Top Ten Names (Long)	26.9%
Weight of Top Ten Names (Short)*	-14.0%

*Does not reflect index futures positions.

Top Five Long Positions (% of NAV, Delta-Adj)

Vonovia	3.1
Iliad	3.1
Coca-Cola HBC	3.1
Enel SpA	3.0
RSA Insurance Group	2.8

Country Allocation (% of NAV, Delta-Adj)

	Long	Short	Net
France	24.7	-4.3	20.4
United Kingdom	17.0	-4.4	12.6
Germany	14.5	-7.0	7.5
Sweden	5.4	0.0	5.4
Italy	7.1	-2.1	5.0
Finland	3.2	0.0	3.2
Ireland	2.1	0.0	2.1
Norway	2.1	0.0	2.1
Denmark	1.6	-1.6	0.0
Spain	1.0	-1.0	0.0
Netherlands	3.6	-4.5	-0.9
Switzerland	2.1	-6.1	-4.0
Europe	0.0	-24.6	-24.6
Total	84.4	-55.6	28.8

Sector Allocation (% of NAV, Delta-Adj)*

	Single-Name Long	Single-Name Short	Index Adjustment	Index-Adjusted Net
Banks	6.2	0.0	-2.9	3.4
Autos	1.5	0.0	-1.4	0.0
Industrial - cyclical	5.9	-3.3	-2.8	-0.2
Industrial - less cyclical	5.4	-2.5	-1.5	1.4
Oil/Energy	0.0	0.0	-0.9	-0.9
Resources	2.5	0.0	-0.4	2.1
Construction	1.1	0.0	-0.7	0.4
Consumer cyclical	7.4	-1.0	-1.2	5.2
Chemicals	5.1	0.0	-2.0	3.1
Tech/Media cyclical	5.3	-1.3	-1.1	3.0
Services cyclical	5.6	-1.5	-1.1	3.0
Services non cyclical	2.0	-1.1	0.0	1.0
Insurance & other financials	4.8	-1.4	-2.8	0.5
Telcos	5.1	0.0	-1.4	3.7
Utilities & Real Estate	6.2	-4.2	-2.8	-0.7
Consumer non cyclical	8.6	-2.5	-2.9	3.2
Tech/Media less cyclical	1.6	-1.0	-1.1	-0.5
Healthcare	5.6	0.0	-7.5	-2.0
Retailing	5.2	-1.4	-0.4	3.4
Total	84.4	-21.1	-34.5	28.8

	Single-Name Long	Single-Name Short	Index Adjustment	Index-Adjusted Net
Defensives	39.6	-12.7	-18.4	8.5
Cyclicals	34.3	-7.0	-10.6	16.6
Financials	11.0	-1.4	-5.7	3.9
Total	84.4	-21.1	-34.5	28.8

* Internal portfolio manager sector classifications. Index futures and/or options decomposed into sector allocations.

Commentary

In December 2019, the Lazard European Alternative Fund returned +0.92% net of fees in the 'C' Acc Euro share class, compared to +2.06% for the MSCI Europe Net Total Return Index.

Our gross exposure remained stable at 141% while our net exposure crept up to 29% by the end of the year. As we write, we have nonetheless scaled back our net exposure by 5 percentage points as profit taking seems likely following a strong year-end performance for European equities.

In December, our long book made +244 basis points (bps), while our short book generated a loss of -130bps, split between -65bps for index hedges and cash, and -65bps for single stock positions. We made +34bps in German software company TeamViewer, +24bps in Italian payment Nexi, +20bps in British American Tobacco and +20bps on Siltronic. On the short side, there was no loss or gain greater than 20bps.

Although the United States and China finally agreed on a trade deal, President Donald Trump has just opened a new hotspot in the Middle East. We do not know yet how this will evolve, but in the past few years, periods of escalation have quickly been followed by de-escalation, as nobody has an interest in starting a chain reaction that could lead to very adverse and unpredictable outcomes.

Rising geopolitical risk in the Middle East could just prove to be the catalyst for the short-term profit taking we referred to earlier. Nevertheless, the key driver of equities remains the same: as long as central banks maintain their current dovish stance, or as long as global economic growth remains weak, asset prices are likely to remain underpinned.

After what was a challenging year, we are pleased to have ended 2019 in positive territory, and to deliver on our objective of steady capital appreciation with low volatility and limited drawdowns, but the performance of the fund fell short of our expectations nonetheless. In our recent thematic call, we explain why 2019 was a challenging year for hedge funds and why we are much more hopeful for 2020. The replay of '2020: The Year of Relative Value?' can be found here: <https://www.lazardassetmanagement.com/docs/-m0-/95502/document.mp3>

We will elaborate further on Q4 and full-year 2019 performance, as well as on our view about 2020, in our upcoming quarterly review call scheduled at 4pm CET on Friday 17th of January. Please contact your Lazard sales representative for an invitation.

May we conclude our last commentary of 2019 by wishing you and your loved ones a very Happy New Year, and we look forward to catching up with you in the next few weeks or months.

Léopold Arminjon, Nitin Arora and Aron Ceccarelli

Share Classes Information

Share Classes	Management Fee (%)*	Performance Fee (%)	ISIN	Bloomberg Ticker	SEDOL
AP Acc EUR	1.15	20	IE00BYQCRW81	LZAEIA ID	BYQCRW8
AP Acc GBP Hedged	1.15	20	IE00BD2N6H66	LZGBIAL ID	BD2N6H6
AP Acc USD Hedged	1.15	20	IE00BDD0N532	LZUHIAL ID	BDD0N53
AP Dist EUR	1.15	20	IE00BYZ5DH55	LZAEID ID	BYZ5DH5
B Acc EUR	1.65	20	IE00BD5VYW86	LEARERA ID	BD5VYW8
BP Acc EUR	2.25	20	IE00BYQCRX98	LZEAERA ID	BYQCRX9
BP Dist EUR	2.25	20	IE00BYZ5DJ79	LZEAERD ID	BYZ5DJ7
C Acc CHF Hedged	0.90	20	IE00BYQCRV74	LZEACIA ID	BYQCRV7
C Acc EUR	0.90	20	IE00BYP5TS89	LEAREIA ID	BYP5TS8
C Acc GBP	0.90	20	IE00BYQCRZ13	LZEAGIA ID	BYQCRZ1
C Acc GBP Hedged	0.90	20	IE00BYQCRY06	LZEGHIA ID	BYQCRY0
C Acc USD	0.90	20	IE00BYP5XK81	LEARUIA ID	BYP5XK8
C Acc USD Hedged	0.90	20	IE00BYP5WD40	LEARUHA ID	BYP5WD4
C Dist EUR	0.90	20	IE00BYP5TH74	LEAREID ID	BYP5TH7
C Dist GBP	0.90	20	IE00BYQCS141	LZEAGID ID	BYQCS14
C Dist GBP Hedged	0.90	20	IE00BYQCS034	LZEGHID ID	BYQCS03
C Dist USD	0.90	20	IE00BYP5Y273	LEARUID ID	BYP5Y27
C Dist USD Hedged	0.90	20	IE00BYP5WS92	LEARUHD ID	BYP5WS9
EA Acc CHF Hedged (Closed)	0.75	10	IE00BYP5SX67	LEARCEA ID	BYP5SX6
EA Acc EUR (Closed)	0.75	10	IE00BYP5V048	LEAREEA ID	BYP5V04
EA Acc GBP (Closed)	0.75	10	IE00BYP5VX70	LEAGAEA ID	BYP5VX7
EA Acc GBP Hedged (Closed)	0.75	10	IE00BYP5V261	LEARGEA ID	BYP5V26
EA Acc USD (Closed)	0.75	10	IE00BYP5Y497	LEAUAEA ID	BYP5Y49
EA Acc USD Hedged (Closed)	0.75	10	IE00BYP5WX46	LEARUEA ID	BYP5WX4
EA Dist CHF Hedged (Closed)	0.75	10	IE00BYP5T554	LEARDEA ID	BYP5T55
EA Dist EUR (Closed)	0.75	10	IE00BYP5TZ56	LEAEDEA ID	BYP5TZ5
EA Dist GBP (Closed)	0.75	10	IE00BYP5W459	LEAGIEA ID	BYP5W45
EA Dist GBP Hedged (Closed)	0.75	10	IE00BYP5VM65	LEAGDEA ID	BYP5VM6
EA Dist USD (Closed)	0.75	10	IE00BYP5Y505	LEAUIEA ID	BYP5Y50
EA Dist USD Hedged (Closed)	0.75	10	IE00BYP5X085	LEAUDEA ID	BYP5X08
S Acc EUR	0.75	20	IE00BJBM1041	LEARSAE ID	BJBM104

* Management fees as at 1 January 2020.

Contacts Details

Lazard Asset Management Limited

50 Stratton Street, London W1J 8LL
Client Service Desk: 0800 374 810

UK Support Desk

UK Telephone: 0800 374 810
Outside UK Telephone:
+44 20 7448 2019
Email: contactuk@lazard.com

Website

lazardassetmanagement.com

Belgium and Luxembourg Support Desk

Telephone + 32 2 626 15 30 /
+ 32 2 626 15 31
Email: lfm_belgium@lazard.com

Italian Support Desk

Telephone: + 39-02-8699-8611
Email: fondi@lazard.com

Germany and Austria Support Desk

Telephone: +49 69 5060 60
Email: fondsmarketing@lazard.com

Spanish Support Desk

Telephone + 34 91 419 77 61
Email: contact.es@lazard.com

Switzerland Support Desk

Telephone: +41 43 / 88 86 480
Email: fondsmarketing@lazard.com

Dealing and Administration

Telephone: +353 1 242 5421
Email: LazardTA@statestreet.com

Important Information

Published on 8 January 2020.

All data contained herein are sourced by Lazard Asset Management as at 31 December 2019 unless otherwise noted.

Certain information included herein is derived by Lazard in part from an MSCI index or indices (the "Index Data"). However, MSCI has not reviewed this product or report, and does not endorse or express any opinion regarding this product or report or any analysis or other information contained herein or the author or source of any such information or analysis. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any Index Data or data derived there from. The MSCI Index Data may not be further redistributed or used as a basis for other indices or any securities or financial products.

This is a financial promotion and is not intended to constitute investment advice. For distribution to professional investors only and advisers authorised to carry out business under the Financial Services and Markets Act 2000.

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. Investing in equities may lead towards higher returns in the long term. However considerable fluctuations can apply to equity prices resulting in a greater risk that you may not get your money back. Fluctuations in the rate of exchange between the Fund's base currency, the currency of the Fund's investments, your share class and the currency of the country in which you live may have the effect of causing the value of your investment to diminish or increase. The securities markets may be less developed in emerging markets and there is a greater risk that the fund may experience delays in buying, selling and claiming ownership of its investments. Emerging markets may also have less developed political, economic and legal systems and there is a higher risk that the Fund may not get back its money back.

The fund may invest in financial derivative instruments ("FDIs") for the purposes of both reducing exposure (hedging) and also to gain greater exposure to underlying investments. The use of FDIs to gain greater exposure to underlying investments than by a direct investment, increases the possibility for profit but also increases the risk of loss. The fund is subject to the risk of the insolvency or default of its counterparties to FDI investments. In such events there may be limited recourse against the counterparty and the fund may experience losses.

The Lazard European Alternative Fund is a sub-fund of Lazard Global Investment Funds plc, an open-ended investment company with variable capital structured as umbrella funds with segregated liability between sub-funds incorporated with limited liability and is authorised and regulated as UCITS by the Central Bank of Ireland. Lazard Global Investment Funds PLC is recognised by the Financial Conduct Authority under section 264 of the Financial Services & Markets Act 2000 ("FSMA") and therefore regulates the marketing of the funds within the UK. The Central Bank of Ireland regulates all other aspects of the fund's operations. Subscriptions may only be based on the current prospectus. There will be no right to cancel any agreement under the FCA cancellation rules. Compensation under the Financial Services Compensation Scheme will not be available. 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.lazardassetmanagement.com. Investors and potential investors should read and note the risk warnings in the prospectus and relevant KIID.

The Lazard European Alternative Fund is subject to a Manager's performance fee of 10% or 20% of net gain, payable monthly, dependent on the share class, in addition to the management fee. Further details are available on request and will be detailed within the Fund's documentation.

The securities markets may be less developed in emerging/developing markets and there is a greater risk that the Fund may experience delays in buying, selling and claiming ownership of its investments. In addition, emerging/developing markets may also face more political, economic or structural challenges and there is a higher risk that the Fund may not get back the money invested. There can be no assurance that the Fund's objectives or performance target will be achieved.

Not all share classes of the relevant sub-fund are registered for marketing in Italy, Spain, Austria and Germany and target institutional investors only. The performance or the fees may be different between the relevant share classes of the sub-fund. The applicable fees are indicated in the KIID related to the relevant share class which the investor intends to subscribe. Please consult your independent financial advisor or the Support Desk if you require further information.

Issued and approved by Lazard Asset Management Limited, 50 Stratton Street, London W1J 8LL. Incorporated in England and Wales, registered number 525667. Authorised and regulated by the Financial Conduct Authority.

Distribution in Belgium:

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 Societe Generale Private Banking NV, Kortrijksesteenweg 302, 9000 Gent, Belgium. Complaints service: Lazard Fund Managers (Ireland) Limited, Belgian Branch (Brussels), Blue Tower Louise, Avenue Louise 326, Brussels, 1050 Belgium. For use by Professional Investors only. Retail investors with Belgian residence should pay particular regard to yields which are presented gross of fees and charges. Investors will receive less than the gross yield.

Distribution in Germany and Austria:

Lazard Asset Management (Deutschland) GmbH, Neue Mainzer Strasse 75, 60311 Frankfurt am Main is authorized and regulated in Germany by the BaFin. The Paying Agent in Germany is Landesbank Baden-Württemberg, Am Hauptbahnhof 2, 70173 Stuttgart, the Paying Agent in Austria is UniCredit Bank Austria AG, Rothschildplatz 1, 1020 Vienna.

Distribution in 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.

Distribution in Spain

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).

Distribution in Switzerland:

The domicile of the Fund is Ireland. The Representative in Switzerland is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH - 8050 Zürich, whilst the Paying Agent is NPB Neue Privat Bank AG, Limmatquai 1, P.O. Box, CH-8024 Zurich. The Prospectus, the Constitution, the Key Investor Information Document (KIID) as well as the semi-annual and annual reports may be obtained free of charge at the registered office of the Swiss Representative. The current document is intended for information purposes only and shall not to be used as an offer to buy and/or sell shares. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming shares. Past performance may not be reliable guide to future performance.