

Lazard Enhanced Opportunities Portfolio (LEOIX)

Featured on the Raymond James Recommended Funds List

The Lazard Enhanced Opportunities Portfolio (LEOIX) is a low duration, hedged convertible bond fund designed to deliver absolute returns with a low correlation to both fixed income and equities, reduced drawdowns, and low return volatility.

LEOIX, featured on the Raymond James Recommended Funds List, can serve as an active diversifier within an alternatives sleeve or as part of a broader fixed income allocation, replacing a portion of traditional credit exposure with a return stream largely independent of broader market moves.

A Closer Look: Five Return Streams, One Cohesive Strategy¹

The Lazard Enhanced Opportunities Portfolio is built on a specialized, hedged convertible bond strategy, often referred to as convertible arbitrage: a strategy in which a long convertible bond position is paired with a short stock position in the equity of the same company, creating a hedged pair.

Typical Position²



While traditional fixed income typically relies on just two return drivers—coupon income and pull-to-par—LEOIX is built to capture five distinct return drivers:

1

Coupon

Regular interest payments from the convertible bonds held in the portfolio.

2

Pull-to-Par

Price appreciation as bonds approach maturity.

3

Short Rebate

Income earned from cash proceeds of short sales on hedged equity positions, which accrue interest at overnight rates.

4

Volatility Yield

Gains from actively trading position-level hedges to monetize market volatility, benefiting from larger and more frequent equity price movements.

5

Special Situations

Additional alpha from corporate events, restructurings, or other idiosyncratic catalysts.

By combining the steady income from coupon and pull-to-par with return streams like short rebate and most notably volatility yield, which can turn market uncertainty into meaningful opportunity, LEOIX can offer a differentiated, enhanced return profile compared to traditional fixed income investments. This includes notable correlation benefits.

¹ Past performance is not a guarantee of future results. The return drivers described above represent potential sources of return; there is no assurance that the strategy will successfully capture any particular return stream or that these drivers will perform similarly in the future. Actual results may differ materially due to market conditions, portfolio construction, and other factors.

² For illustrative purposes only.

Risk Mitigation Where It Matters

Given that enhanced return potential is afforded by the use of a hedge (providing short rebate and volatility yield, as outlined above), we believe increased return potential is possible with less risk. This approach can:



Reduce Credit Risk

Position-level short stock hedges can cut credit risk by ~50% compared to traditional fixed income, potentially offering an added layer of protection against issuer-specific challenges.



Reduce Performance Volatility and Drawdowns

Position-level hedges can potentially serve to reduce return volatility across uncertain markets and to reduce downside participation across periods of risk-off.



Reduce Interest Rate Risk

Typically low in duration, the portfolio is designed to provide insulation or mitigation from/of interest rate uncertainty.

A Resilient Strategy Designed for Market Uncertainty

In today's complex market environment, investors face the challenge of finding solutions that have the potential to provide downside capture and attractive returns across market cycles.

With the outlook for interest rates uncertain, corporate credit spreads near historic lows, stretched equity valuations, and numerous drivers of volatility ahead, the demand for diversifying, alternative credit strategies has grown—a trend reflected in recent inflows to the category.

The Lazard Enhanced Opportunities Portfolio is a market-neutral strategy that seeks to deliver consistent performance across varying market conditions—which may reduce the need to forecast market direction. It combines low duration, hedged credit, and equity exposure with a long volatility profile, to craft a portfolio that seeks to provide both a tactical and strategic, long-term solution to meet investors' needs.

By harnessing the strengths of a disciplined convertible arbitrage approach, the strategy offers a distinctive fixed income alternative designed to protect against and capitalize on market uncertainty.

Lazard Enhanced Opportunities Portfolio

Historical Percentiles vs. Positioning

Market Dynamic	Fund Positioning
83% of the time interest rates have been lower ³	Low duration of just 0.8 years
96% of the time credit has been wider ⁴	Long convertible bond exposure (i.e., credit exposure) is hedged with a short stock position in the equity of the same company
94% of the time equities have been less expensive ⁵	Underlying equity exposure is fully hedged (i.e., delta neutral or market neutral)
48% of the time volatility has been higher ⁶	Long volatility via the bond's conversion option

³ Bloomberg U.S. 10-year Treasury, based on monthly data from 10/31/2015 to 10/31/2025.

⁴ ICE BofA US High Yield Index (H0A0), based on monthly data from 10/31/2015 to 10/31/2025.

⁵ Bloomberg S&P 500 Index (SPX), based on monthly data from 10/31/2015 to 10/31/2025.

⁶ Russell 2000 Index Rolling 30-day volatility, based on daily data from 10/31/2015 to 10/31/2025.

With a Track Record of 10+ Years, LEOIX Has Historically Delivered Superior Risk-Adjusted Returns⁷

	1 Year			3 Year			5 Year			10 Year		
	Return	Volatility	Sharpe ⁸	Return	Volatility	Sharpe ⁸	Return	Volatility	Sharpe ⁸	Return	Volatility	Sharpe ⁸
Lazard Enhanced Opportunities Portfolio (LEOIX)	10.82%	1.95%	3.2	9.60%	2.54%	1.7	6.35%	2.83%	1.0	4.91%	3.35%	0.7
HFRX Global Hedge Fund Index	7.27%	2.49%	1.0	4.94%	2.16%	-0.1	3.80%	2.55%	0.1	2.80%	3.07%	0.1
Bloomberg US Aggregate Bond Index	6.16%	4.75%	0.3	5.60%	6.08%	0.1	-0.24%	5.87%	-0.6	1.90%	4.82%	-0.1
ICE BofA US High Yield Index	8.03%	3.37%	1.0	10.01%	4.31%	1.1	5.48%	4.80%	0.4	5.81%	5.47%	0.6

The Team Behind the Portfolio



Sean Reynolds
Lead Portfolio Manager/Trader



Frank Bianco
Senior Portfolio Manager/Trader



Sarah George
Client Portfolio Manager



Douglas Workman
Senior Credit Analyst



Juncheng Zhang
Trader/Portfolio Manager



Sritharan Nadesan
Senior Credit Analyst



Michael Porcaro
Portfolio Analyst



Sean Maguire
Portfolio Analyst



Jack Ortnier
Portfolio Analyst

\$3.4B

Enhanced Opportunities Platform AUM⁹

19 Years

Average Years of Investment Experience⁹

⁷ As of 31 October 2025. Source: Lazard, Bloomberg. Inception for the Lazard Enhanced Opportunities Portfolio is 1 January, 2015. Performance is presented net of fees. The performance quoted represents past performance. Past performance is not a reliable indicator of future results.

⁸ Based on daily returns. There is no guarantee that the portfolio's performance will meet or exceed any index. The indices referenced on this page are included merely to show general trends in the market during the period indicated and are not intended to imply that investments made by the portfolio were comparable to any index either in composition or element of risk. The portfolio's investment program is not restricted to securities comprising these indices. The portfolio may use various investment techniques, such as short selling, not reflected in an index. The indices mentioned above are unmanaged and have no fees. One cannot invest directly in an index.

⁹ As of 30 September 2025.

Important Information

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The performance quoted represents past performance. Past performance is not a reliable indicator of future results. The current performance may be lower or higher than the performance data quoted. An investor may obtain performance data current to the most recent month-end online at www.lazardassetmanagement.com. The investment return and principal value of the Portfolio will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. Different share classes may have different returns and different investment minimums.

Please click here for standardized returns: https://www.lazardassetmanagement.com/us/en_us/investment-solutions/how-to-invest/2/961

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The HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It comprises all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event-driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry.

The Bloomberg US Aggregate Bond Index covers the investment-grade, US dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS, ABS, and CMBS, with maturities of no less than one year.

The ICE BofA US High Yield Index is a broad-based index consisting of all US dollar-denominated high-yield corporate bonds with a minimum outstanding amount of \$250 million and maturity of no less than one year.

The indices are unmanaged and have no fees. One cannot invest directly in an index.

Understanding Investment Risk

Short positions may involve substantial risks. If a short position appreciates in value during the period of the Portfolio's investment, there will be a loss to the Portfolio that could be substantial. Short positions involve more risk than long positions because the maximum sustainable loss on a security purchased is limited to the amount paid for the security plus the transaction costs. However, the Portfolio's potential loss on a short position is unlimited because, theoretically, there is no limit to the potential price increase of a security.

The market value of convertible securities may perform like that of non-convertible fixed income securities; that is, their prices move inversely with changes in interest rates (i.e., as interest rates go up, prices go down). In addition, convertible securities are subject to the risk that the issuer will not make interest or principal payments, or will not make payments on a timely basis. If there is a decline, or perceived decline, in the credit quality of a convertible security, the security's value could fall, potentially lowering the Portfolio's share price. Since it

derives a portion of its value from the common stock into which it may be converted, a convertible security also is subject to the same types of market and issuer risks that apply to the underlying common stock. Takeover risk is the possibility that another company will acquire the issuer, which may change the conversion terms and options. This can also result in a change in the issuer's financial makeup. Default risk stems from the likelihood of the issuer becoming insolvent and unable to repay bondholders their principal at maturity and/or unable to make periodic coupon payments. Currency risk is the risk that changes in exchange rates will affect the convertible security.

While fixed income securities are designed to produce a stable stream of income, their prices move inversely with changes in interest rates (i.e., as interest rates go up, prices go down). Interest rate risk is usually greater for fixed income securities with longer maturities or effective durations.

There are various risks associated with investing in preferred securities, including credit risk, interest rate risk, deferral and omission of distributions, subordination, call and reinvestment risk, limited liquidity, and limited voting rights. In addition, unlike common stock, participation in the growth of an issuer may be limited.

The use of leverage, which the Portfolio's strategy entails, may magnify the Portfolio's gains or losses.

The Portfolio's investment strategy may involve high portfolio turnover (such as 100% or more). A portfolio turnover rate of 100%, for example, is equivalent to the Portfolio buying and selling all of its securities once during the course of the year. A high portfolio turnover rate could result in high transaction costs and an increase in taxable capital gains distributions to the Portfolio's shareholders, which will reduce returns to shareholders.

Equity securities will fluctuate in price; the value of your investment will thus fluctuate, and this may result in a loss. Securities in certain non-domestic countries may be less liquid, more volatile, and less subject to governmental supervision than in one's home market. The values of these securities may be affected by changes in currency rates, application of a country's specific tax laws, changes in government administration, and economic and monetary policy. Small- and mid-capitalization stocks may be subject to higher degrees of risk, their earnings may be less predictable, their prices more volatile, and their liquidity less than that of large-capitalization or more established companies' securities. Emerging markets securities carry special risks, such as less developed or less efficient trading markets, a lack of company information, and differing auditing and legal standards. The securities markets of emerging markets countries can be extremely volatile; performance can also be influenced by political, social, and economic factors affecting companies in emerging markets countries.

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.