LAZARD ALPHA EURO

LAZARD FRÈRES GESTION

12 / 2018 | **Unit I/Eurozone equities**

Total net assets	573,73M€	**Inception date (unit)**	11 mai 2005
NAV	387,55 €	**ISIN Code**	FR0010828913
		Bloomberg Code	OBJALPH

MORNINGSTAR
OVERALL ★ ★ ★
SUSTAINABILITY

Country of registration

MANAGER(S)



Régis Bégué

INVESTMENT POLICY

The investment objective is to match or exceed the performance, net of expenses, of the benchmark, the Euro Stoxx, over the recommended investment period.

FUND MANAGERS COMMENT

What with the trade war that seemed to be intensifying, the mixed macroeconomic figures out of China, the Brexit prevarications and the social unrest in France, the market plummeted in December and ended the year at almost its lowest level. Hurt by its overexposure to commodities and industrial goods, by the absence of utilities and by negative stock picks in technology, the fund underperformed its benchmark index by more than 195 basis points and fell by 7,71% over the month. It was particularly penalised by the performance of Ingenico, which has dropped talks with potential partners for the time being, by those of Eiffage, Société Générale and Saint-Gobain, which are suffering from their French bias, and by that of Renault, whose alliance with Nissan is undermined by Carlos Ghosn's continued imprisonment in Japan. On the other hand, it benefited from strong picks in media and chemicals, with WPP and Air Liquide, as well as the outperformances of Munich Re and BMW.

RISK SCALE*

– 1 2 3 4 5 **6** 7 +

Recommended investment period of 5 years

BENCHMARK INDEX

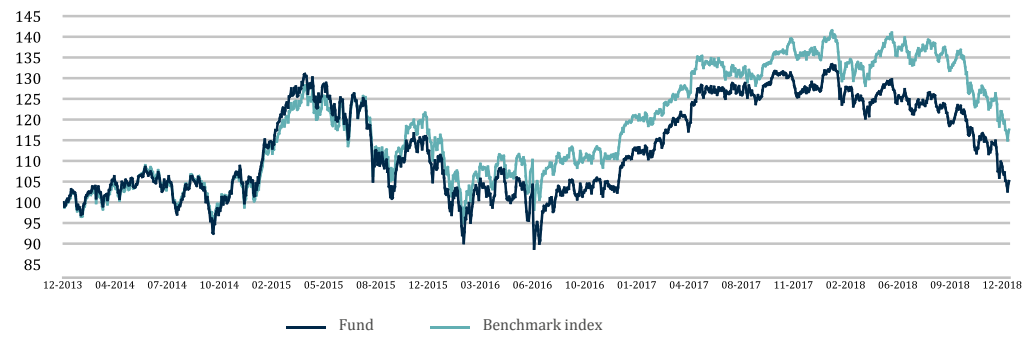
Eurostoxx Net Return EUR

FEATURES

Legal Form	**SICAV**
Legal Domicile	**France**
UCITS	**Yes**
AMF Classification	**Eurozone equities**
Eligibility to PEA (personal equity savings plan)	**Yes**
Currency	**EURO**
Subscribers concerned	**No restriction**
Inception date	**11/05/05**
Date of share's first NAV calculation	**11/05/05**
Management company	**Lazard Frères Gestion SAS**
Custodian	**Lazard Frères Banque**
Valuation agent	**CACEIS Fund Admin**
Frequency of NAV calculation	**Daily**
Order execution	**On next NAV for orders placed before 11:00 a.m**
Subscritption terms	**D (NAV date) + 2 business day**
Settlement of redemptions	**D (NAV date) + 2 business day**
Share decimalisation	**Yes**
Minimum investment	**1 share**
Subscription fees	**4% max**
Redemption fees	**1% max**
Management fees	**1,00%**
Outperformance fees	**15% of the performance over the benchmark**
Current expenses	**1,47%**

*Risk scale : Derived from the historic volatility of the fund over a period of 5 years. The management company reserves the right to adjust the level of risk calculated according to the specific risk of the fund. This risk scale is supplied as a rough guide and may be modified without advance notice.Risk 1 does not mean a risk-free investment. This indicator may change over time.

CHANGE IN NET ASSET VALUE (NAV)



Past performance is not a guarantee of current or future performance and increases at the end of the recommended investment period.

HISTORICAL PERFORMANCES

Cumulative					Annualized	
	1 Month	**2018**	**1 Year**	**3 Years**	**5 Years**	**3 Years**	**5 Years**
Fund	-7,71%	-17,12%	-17,12%	-4,79%	5,12%	-1,62%	1,00%
Benchmark index	-5,76%	-12,72%	-12,72%	2,31%	17,55%	0,76%	3,29%
Difference	-1,94%	-4,39%	-4,39%	-7,09%	-12,43%	-2,38%	-2,28%

ANNUAL PERFORMANCE

	Fund	**Benchmark index**
2018	-17,12%	-12,72%
2017	14,75%	12,55%
2016	0,11%	4,15%
2015	4,82%	10,33%
2014	5,33%	4,14%
2013	30,86%	23,74%

RISK RATIOS*

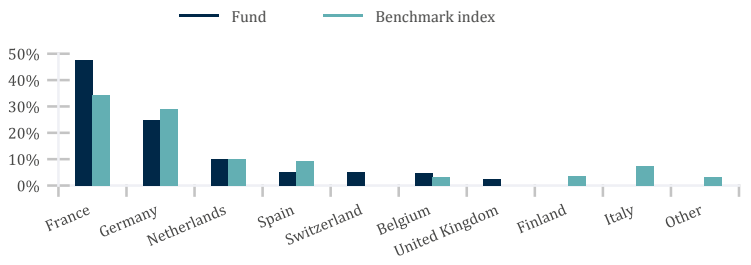
	1 Year	**3 Years**
Volatility		
Fund	14,37%	16,82%
Benchmark index	14,19%	14,95%
Tracking Error	4,11%	4,78%
Information ratio	-1,07	-0,50
Sharpe ratio	-1,17	-0,07
Alpha	-5,35	-2,25
Beta	0,97	1,08

* Ratios calculated on a weekly basis

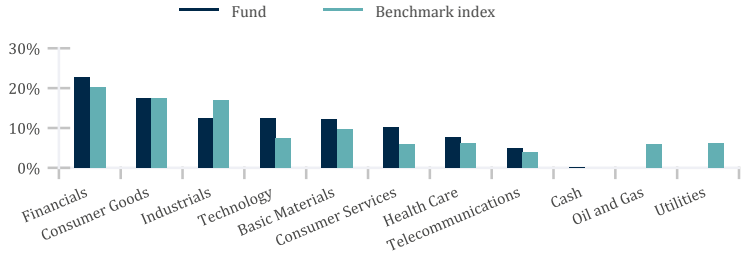
MAIN HOLDINGS

Holdings	Country	Sector	Weight	
			Fund	Index
PUBLICIS GROUPE SA	France	Media	2,6%	0,3%
CARREFOUR	France	Retail	2,6%	0,2%
MUENCHENER RUECKVERSICHER. (N)	Germany	Insurance	2,6%	0,8%
AKZO NOBEL NV	Netherlands	Chemicals	2,6%	0,5%
BANCO SANTANDER S.A.	Spain	Banks	2,6%	1,7%
AIR FRANCE - KLM	France	Travel & Leisure	2,6%	0,1%
ATOS SE	France	Technology	2,6%	0,2%
AIR LIQUIDE (L')	France	Chemicals	2,6%	1,3%
BNP PARIBAS	France	Banks	2,5%	1,2%
EIFFAGE SA (EX-FOUGEROLLE)	France	Construction & Materials	2,5%	0,2%
		Total	25,7%	6,5%

GEOGRAPHICAL DISTRIBUTION



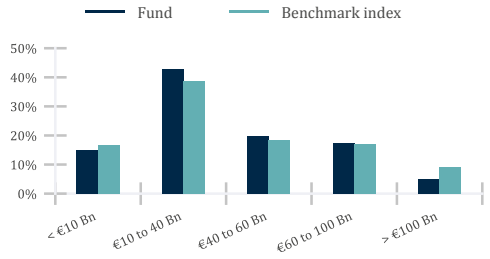
SECTOR ALLOCATION



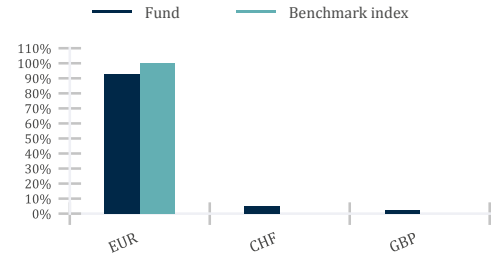
MAIN TRANSACTIONS

New positions	Positions sold

BREAKDOWN BY CAPITALISATION



BREAKDOWN BY CURRENCY



OVER- AND UNDEREXPOSURE TO THE BENCHMARK INDEX

Overexposures		Underexposures	
ROCHE HOLDING AG.	2,5%	TOTAL	-3,3%
AIR FRANCE - KLM	2,5%	LINDE PLC	-2,1%
WPP P.L.C.	2,5%	LVMH(MOET HENNESSY L. VUITTON)	-1,9%
CREDIT SUISSE GROUP AG (NOMI.)	2,4%	BASF SE (NOMINATIVE)	-1,5%

RELATIVE CONTRIBUTORS TO PERFORMANCE

First positive contributors	Absolute perf.	Relative contribution (bp)
AIR LIQUIDE (L')	1,5%	9
MUENCHENER RUECKVERSICHER. (N)	-0,7%	9
BMW(BAYERISCHE MOTORENWERKE)AG	-2,0%	7
	Total	26

First negative contributors	Absolute perf.	Relative contribution (bp)
INGENICO GROUP SA	-22,4%	-42
CAPGEMINI SE	-16,0%	-22
EIFFAGE SA (EX-FOUGEROLLE)	-13,3%	-17
	Total	-80

CONTACTS AND ADDITIONAL INFORMATION

Subscription/redemption
CACEIS Bank / LFB
01.57.78.14.14

Additional Information:
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Publications of NAVs:

www.lazardfreresgestion.fr

Please consider a fund's investment objectives, risks, charges, and expenses carefully before investing. Read the prospectus or summary prospectus carefully before you invest. The prospectus contain investment objectives, risks, charges, expenses, and other information about the Portfolio(s) and The Lazard Frères Gestion Funds that may not be detailed in this document. Distributed by Lazard Frères Gestion.

"The State of the origin of the Fund is France. In Switzerland, the Representative is ACOLIN Fund Services AG, Affolternstrasse 56, CH-8050 Zurich, whilst the Paying agent is Banque Cantonale de Genève, 17 quai de l'Ile, CH-1204 Geneva. The prospectus, the Key Investor Information Documents, the status as well as the annual and semi-annual reports may be obtained free of charge from the Representative. In respect of the units distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the 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. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units."