

Euro Equities	ISIN codes	NAV (€)	Net Assets (M €)	Total Net Assets (M €)
C shares	FR0000003998	1768,75	156,02	179,88
D shares	FR0010990606	1469,97	23,86	

MANAGEMENT



Overall ★★★★★

INVESTMENT POLICY

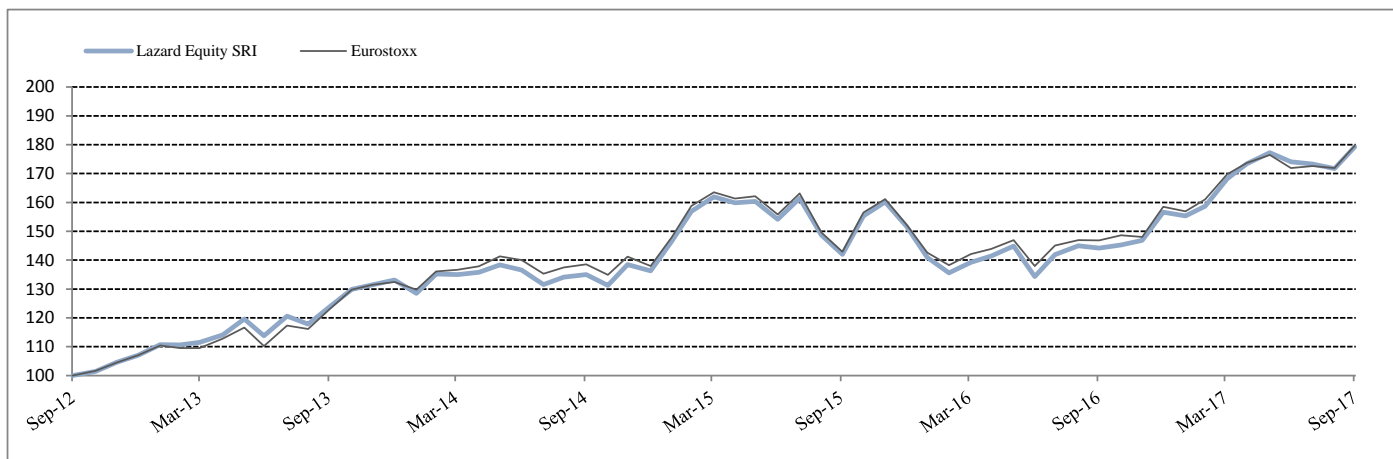
The investment objective is to regularly outperform the EURO STOXX index over the medium term, with lower volatility and a controlled relative risk. The portfolio comprises Euro zone large caps. These companies: (i) satisfy Lazard's requirement for healthy and sustainable profits; and (ii) adopt a sustainable-development approach, focusing particularly on social and environmental criteria.

FUND MANAGERS' COMMENT - Axel LAROZA

There was some positive macroeconomic news in September, notably confirmation of European GDP growth at an annualised rate of more than 2%, as well as the announcement of a massive tax cut plan in the United States (both corporate and income tax). Against this backdrop, the Euro Stoxx gained 4,51% over the month. The fund underperformed slightly with a rise of 4,41%. Some cyclical sectors such as automotive, construction, industrial goods and chemicals outperformed, while real estate, agri-business and telecoms remained stable over the month. The fund was hurt by its exposure to Heineken, Enagas and Telenet, as well as by the absence of BASF and Airbus. On the other hand, it benefited from the good performance of Alstom, driven by the merger with Siemens' rail operations, from the rebounds of Rexel and Coface, the rise staged by Peugeot, as well as the lack of exposure to utility services.

PERFORMANCE - C shares

HISTORICAL PERFORMANCE



Past performance is not a guarantee of current or future performance

PERFORMANCE

Cumulative performance*	MTD	YTD	1 year	3 years	5 years	Inception
Lazard Equity SRI	4,4%	14,4%	24,3%	32,8%	79,2%	76,9%
Eurostoxx nd	4,5%	13,3%	22,4%	29,7%	79,7%	60,0%

Annualized performance*	1 year	3 years	5 years	Inception
Lazard Equity SRI	24,3%	9,9%	12,4%	3,6%
Eurostoxx nd	22,4%	9,0%	12,4%	2,9%

Annual performance*	2016	2015	2014	2013	2012
Lazard Equity SRI	3,3%	11,2%	2,4%	24,2%	23,4%
Eurostoxx nd	4,1%	10,3%	4,1%	23,7%	19,3%

* The performance quoted represents past performance. Past performance does not guarantee future results. The performance are net of fees and total return.

RISK SCALE



Risk scale calculated from the volatility of the UCITS over a period of 5 years (see detail on the back)

RISK RATIOS

	1 year	3 years
Volatility		
Lazard Equity SRI	12,0%	17,5%
Eurostoxx nd	14,2%	17,5%
Tracking error	3,1%	2,6%
Information ratio	0,5	0,3
Beta	1,0	1,0

Ratios calculated on a weekly basis

GEOGRAPHICAL BREAKDOWN

Country	UCITS	Benchmark	Global rating
France	51,3%	32,3%	1,2
Germany	25,4%	29,0%	0,9
Netherlands	11,8%	9,9%	0,9
Belgium	1,9%	3,7%	0,5
Spain	1,4%	10,1%	0,9
Finland	1,8%	3,3%	0,8
Italy	2,4%	8,0%	0,3
Switzerland	0,0%	0,0%	
Luxembourg	1,7%	0,6%	
Portugal	0,0%	0,5%	
Ireland	0,0%	1,9%	
Austria	0,0%	0,8%	
United Kingdom	0,0%	0,0%	

SECTOR BREAKDOWN

Sector	UCITS	Benchmark	Global rating
Financials	23,9%	22,9%	1,2
Consumer Goods	14,8%	17,3%	1,1
Industrials	18,8%	17,1%	0,9
Basic Materials	12,3%	9,5%	0,8
Consumer Services	6,1%	6,0%	0,6
Health Care	7,7%	6,2%	0,9
Technology	8,7%	6,7%	0,4
Telecommunications	4,1%	4,1%	1,9
Utilities	1,4%	5,5%	0,9
Oil and Gas	0,0%	4,8%	0,0
Cash	2,2%		

MAIN HOLDINGS

Main holdings	Weight	Country	Sector	Global rating
Siemens	3,8%	Germany	Industrials	0,5
Sanofi	3,8%	France	Health Care	0,9
Ing Groep Nv	3,7%	Netherlands	Financials	0,7
SAP	3,6%	Germany	Technology	1,2
BNP Paribas	3,4%	France	Financials	1,4
Allianz	3,4%	Germany	Financials	1,5
Air Liquide	3,1%	France	Basic Materials	0,9
Unilever	2,9%	Netherlands	Consumer Goods	1,5
Saint-Gobain	2,9%	France	Industrials	0,8
Henkel	2,9%	Germany	Consumer Goods	1
TOTAL	33,5%			

MOVEMENTS

New positions	Positions sold
	Crédit Agricole
Increased positions	Reduced positions
Air Liquide	Bayer
Orange	Schneider Electric
Münchener Rück.	Alstom
Carrefour	
Société Générale	

■ ETHICAL COMMENTARY - AXEL LAROZA

In March 2017, Renault's rating had been significantly affected by the simultaneous publication of three studies in the United Kingdom, France and Germany, showing that the CO2 and NOx emissions of some vehicles exceeded European standards. Since then, discussions have been held between Vigeo and Renault in order to obtain more detailed information from the French carmaker on this issue. The result of these exchanges enabled Vigeo to revise Renault's rating upwards. The carmaker is now positioned above its sector average in the Environmental field. As a result, Renault was able to re-enter our portfolio.

SRI CRITERIA

Overall portfolio rating as of September 30, 2017
1,01

Exclusion ratio : Large & Mid Cap Euro companies covered by Vigéo - investment universe Filter LFG ISR / Large & Mid Cap Euro companies covered by Vigéo
36,5%

■ **Focus on corporate governance**

Publicis Group's performance in the area of corporate governance has clearly improved in the last two years with the establishment of a risk and strategy committee. Reporting to the Board and separate from the audit committee, this committee examines the group's risk mapping and the measures implemented to limit risks. The committee also addresses other issues, notably the CSR strategy.

■ **Average rating by field, excluding corporate governance**

	UCITS	Investment universe
Human resources	1,1	0,8
Environment	1,0	0,7
Client-supplier relations	0,8	0,7
Social commitment	0,9	0,6
Human Rights	1,1	0,7

■ **Calculation method for the overall portfolio rating**

The overall rating of a stock is calculated using our weightings in each field (40% human resources, 30% environment, 10% customer-supplier relations, 10% social commitment, 10% human rights). The governance criterion is excluded from our weighting and is subject to a quarterly qualitative rating. Each security receives a rating of between -2 and +2 in each of the five fields. As of September 30, 2017, the portfolio comprised 42 Vigéo-rated securities, representing 97.82% of the total assets. The portfolio's overall rating (the average overall rating of the stocks by portfolio weighting) was 1,01.

FUND DETAILS

■ ISIN codes	C shares: FR0000003998 D shares: FR0010990606	■ Valuation	Daily	■ Management fees	1,30% inclusive of the net assets
■ Bloomberg Code	C shares: LOBETHQ FP	■ Custodian	Lazard Frères Banque	■ Total expense ratio and transaction fees	For more information, please check our prospectus
■ Legal form	SICAV	■ Management company	Lazard Frères Gestion	■ Subscription fees	4% max
■ UCITS-compliant	Yes			■ Redemption fees	1% max
■ AMF classification	Euro zone equities	■ Taxation	Capitalization and/or distribution	■ Subscription terms	On next NAV for orders placed before 11 a.m.
					Settlement and value date
■ Currency	Euro	■ Inception date	01 June 2001		Subscription D (NAV date) + 1 business day
■ Investment horizon	> 5 years				Redemption D (NAV date) + 3 business days

Risk scale: Derived from the historic volatility of the UCITS 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.



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Publication of NAVs :
www.lazardfreresgestion.fr



**1^{er} PRIX 2006
DANS LA CATEGORIE**

**Ethique
Droit français**

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 and summary 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 prospectus for Switzerland, the KIID, the articles of incorporation, the annual and semi-annual reports, as well as the list of the buying and selling transactions can be obtained free of charge from the representative of the Fund in Switzerland, ACOLIN Fund Services AG, Affolternstrasse 56, 8050 Zürich, Switzerland. The paying agent is Banque Cantonale de Genève, 17 Quai de l'Île, 1204 Geneva, Switzerland."