

Total net assets	187,67M€	Inception date (unit)	1 juin 2001	MORNINGSTAR OVERALL ★ ★ ★ ★ SUSTAINABILITY
NAV	1613,36 €	ISIN Code	FR0000003998	
		Bloomberg Code	LOBETHQ	

Country of registration 

MANAGER(S)



Axel Laroza

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

The market dropped sharply in October, shaken by a raft of profit warnings, particularly in the automotive sector, as well as by concerns about the situation in Italy and consumption in China. The Euro Stoxx lost 6,62% over the month, hurt in the first fortnight by a decline in high-multiple stocks, notably luxury and technology, then by a number of publications. The fund was able to make the most of this rotation at the beginning of the period and although it was also hurt by some disappointing results that led to a highly volatile relative performance, it nevertheless ended this very downbeat month with an outperformance, down 6,19%. Aperam and Atos released disappointing third quarter results and reacted very badly. Despite a satisfactory earnings release, Amundi was down over the month. More generally, technology, commodities and financial services made a negative contribution. By contrast, healthcare continued the sharp rise that started in the spring, with good contributions from Merck KGaA and Sanofi. Carrefour also confirmed its recovery, as did Publicis and Coface. Industrial goods, insurance and media also made a positive contribution.

RISK SCALE*



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	01/06/01
Date of share's first NAV calculation	01/06/01
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
Subscription 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	1,30%
Outperformance fees	Nil
Current expenses	1,46%

*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.

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	-6,19%	-6,58%	-9,95%	5,25%	25,87%	1,72%	4,71%
Benchmark index	-6,62%	-6,37%	-9,13%	6,73%	28,75%	2,19%	5,18%
Difference	0,43%	-0,22%	-0,82%	-1,48%	-2,88%	-0,47%	-0,47%

ANNUAL PERFORMANCE

	Fund	Benchmark index
2017	11,73%	12,55%
2016	3,34%	4,15%
2015	11,19%	10,33%
2014	2,44%	4,14%
2013	24,24%	23,74%

RISK RATIOS*

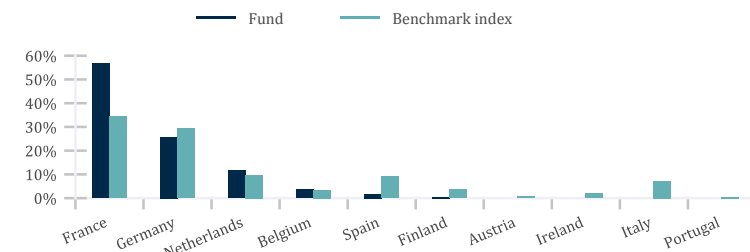
	1 Year	3 Years
Volatility		
Fund	10,98%	15,72%
Benchmark index	12,17%	15,51%
Tracking Error	2,33%	2,49%
Information ratio	-0,35	-0,16
Sharpe ratio	-0,88	0,14
Alpha	-2,01	-0,36
Beta	0,89	1,00

* Ratios calculated on a weekly basis

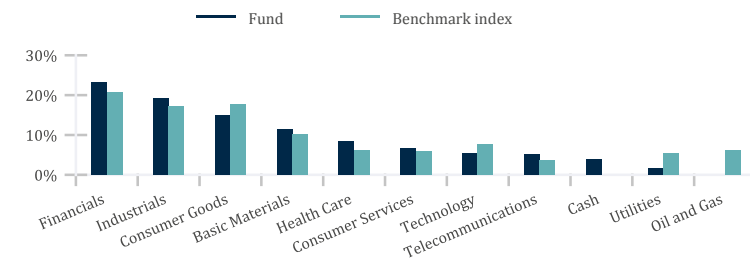
MAIN HOLDINGS

Holdings	Country	Sector	Weight	
			Fund	Index
SAP SE	Germany	Technology	4,3%	2,6%
SIEMENS AG.(N)	Germany	Industrial Goods & Services	4,1%	2,2%
SANOFI	France	Health Care	4,1%	2,2%
ALLIANZ SE (NOMINATIVE)	Germany	Insurance	3,8%	2,0%
UNILEVER NV (CERT. OF SHS)	Netherlands	Personal & Household Goods	3,4%	1,8%
AIR LIQUIDE (L')	France	Chemicals	3,2%	1,2%
LVMH(MOET HENNESSY L. VUITTON)	France	Personal & Household Goods	3,0%	1,8%
DEUTSCHE TELEKOM AG. (NOMI.)	Germany	Telecommunications	2,9%	1,2%
ING GROEP NV (NEW CERT.)	Netherlands	Banks	2,9%	1,0%
BNP PARIBAS	France	Banks	2,8%	1,3%
Total			34,5%	17,3%

GEOGRAPHICAL DISTRIBUTION



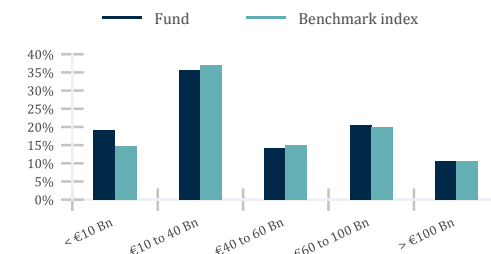
SECTOR ALLOCATION



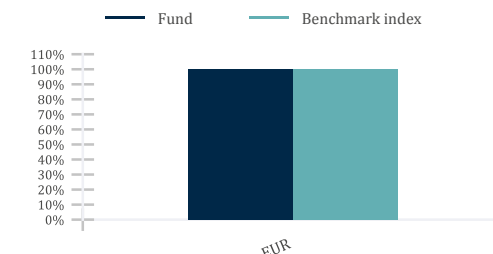
MAIN TRANSACTIONS

New positions	Positions sold
KONE OYJ -B-	DASSAULT SYSTEMES SA
	NOKIA OYJ
	INFINEON TECHNOLOGIES AG (N)
Positions increased	Positions reduced
SOCIETE GENERALE -A-	UNILEVER NV (CERT. OF SHS)
REXEL	CARREFOUR
KBC GROUPE SA	MERCK KGAA

BREAKDOWN BY CAPITALISATION



BREAKDOWN BY CURRENCY



OVER- AND UNDEREXPOSURE TO THE BENCHMARK INDEX

Overexposures		Underexposures	
AKZO NOBEL NV	2,3%	TOTAL	-3,5%
IMERYS	2,3%	LINDE PLC	-2,0%
ALSTOM	2,2%	BANCO SANTANDER S.A.	-1,7%
EIFFAGE SA (EX-FOUGEROLLE)	2,2%	ASML HOLDING N.V.	-1,6%

RELATIVE CONTRIBUTORS TO PERFORMANCE

First positive contributors			First negative contributors		
	Absolute perf.	Relative contribution (bp)		Absolute perf.	Relative contribution (bp)
MERCK KGAA	6,0%	23	APERAM SA	-24,3%	-32
CARREFOUR	3,9%	22	AMUNDI SA	-19,0%	-25
COFACE SA	8,0%	17	ATOS SE	-27,7%	-21
Total		63	Total		-77

CONTACTS AND ADDITIONAL INFORMATION

Subscription/redemption
CACEIS Bank / LFB
01.57.78.14.14

Additional Information:
+33 1 44 13 01 79

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 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."

LAZARD FRÈRES GESTION
SAS au capital de 14 487 500 € - 352 213 599 RCS Paris - 25 rue de Courcelles 75008 Paris
www.lazardfreresgestion.fr

SRI CRITERIA

Calculation method for the overall portfolio rating*

As of October 31, 2018, the portfolio comprised 44 Vigeo-rated securities, representing 98,65% of the total assets. The portfolio's overall rating (the average overall rating of the stocks by portfolio weighting) was 1,20.

Overall portfolio rating as of October 31, 2018

1,20

Portfolio exclusion ratio

33,8%

***Overall rating:** The overall rating is calculated based on the score awarded by Vigeo for the five following domains, using our own weighting (Human Resources 40%; Environment 30%; Human Rights 10%; Community Involvement 10%; Client Supplier Relations 10%).

***Scale:** Each domain is rated from -2 to +2 based on the company's score in relation to its peers. The score distribution follows a normal distribution whose median is 0.

***Exclusion rate:** The exclusion rate is calculated as follows: (Investment Universe – SRI Investable Universe) / Investment Universe.

Average rating by field, excluding corporate governance

	UCITS	Investment universe
Human resources	1,3	0,8
Environment	1,3	0,8
Client-supplier relations	1,0	0,7
Social commitment	1,1	0,7
Human Rights	1,3	0,8

Focus on corporate governance

Since the beginning of the year, changes have been announced in Imerys and Legrand's management bodies. We are monitoring closely possible implications that these changes could have on the two companies' long-term strategies and on their economic profitability. We will be particularly vigilant on executive compensation criteria.

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CACEIS BANK / LFG

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01.44.13.01.79

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"The prospectus for Switzerland, the KIID, the articles of incorporation, the annula 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".

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