

Total net assets	186,82M€	Inception date (unit)	1 juin 2001	<b>MORNINGSTAR</b> <b>OVERALL</b> ★ ★ ★ ★ <b>SUSTAINABILITY</b>
NAV	1766,81 €	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

In October, the prospect of a no-deal Brexit almost faded away while a trade agreement between the United States and China appeared to be moving forward. Investors' risk appetite therefore increased. In Europe, long-term interest rates tightened to some extent despite Mario Draghi's last stand at his last meeting as ECB president, while equity markets were on the rise. The Bund's yield rose from -0,60% to -0,40% and the Eurostoxx gained 1,25% to end the month very close to its highest level of the year, despite having been hurt on October 30th by Banco Santander's earnings release, which raised concerns over the ongoing changes in European banking regulations, still as hostile, dilutive and harmful. On that day, the fund lost a large part of the outperformance achieved during the month but still ended the month of October at 17 small basis points above the index, at +1,43% (share class C), driven by industrial goods and technology as well as by the absence of oil and utilities. It was negatively affected by the underperformances of Publicis, Heineken, Imerys and Carrefour, but benefited from the good performances of SAP, Rexel and UCB as well as from the absence of Nokia.

### 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	01/06/2001
Date of share's first NAV calculation	01/06/2001
Management company	Lazard Frères Gestion SAS
Custodian	Lazard Frères Banque
Fund administration	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%
Performance fees	Nil
Current expenses	1,65%

\*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	2019	1 Year	3 Years	5 Years	3 Years	5 Years
Fund	1,43%	18,33%	9,51%	23,28%	36,38%	7,22%	6,40%
Benchmark index	1,25%	21,21%	12,98%	27,00%	39,88%	8,29%	6,94%
Difference	0,19%	-2,87%	-3,47%	-3,73%	-3,51%	-1,07%	-0,54%

## CALENDAR PERFORMANCES

	Fund	Benchmark index
2018	-13,55%	-12,72%
2017	11,73%	12,55%
2016	3,34%	4,15%
2015	11,19%	10,33%
2014	2,44%	4,14%

## TRAILING 1Y PERFORMANCES

2019 10 31	9,51%	12,98%
2018 10 31	-9,95%	-9,13%
2017 10 31	25,01%	23,71%
2016 10 31	-6,50%	-5,06%
2015 10 31	18,32%	16,01%

## RISK RATIOS\*\*

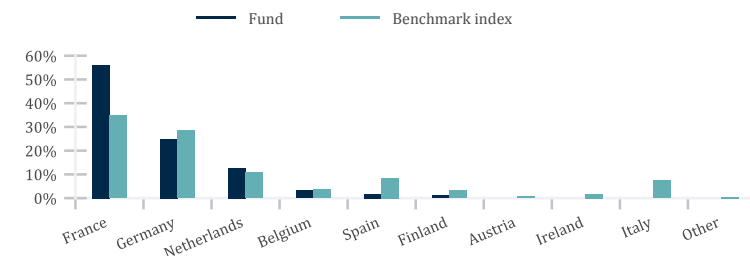
	1 Year	3 Years
<b>Volatility</b>		
Fund	14,88%	12,36%
Benchmark index	14,51%	12,41%
<b>Tracking Error</b>	2,47%	2,60%
<b>Information ratio</b>	-1,41	-0,39
<b>Sharpe ratio</b>	0,67	0,60
<b>Alpha</b>	-3,18	-0,74
<b>Beta</b>	1,01	0,97

\*\*Ratios calculated on a weekly basis

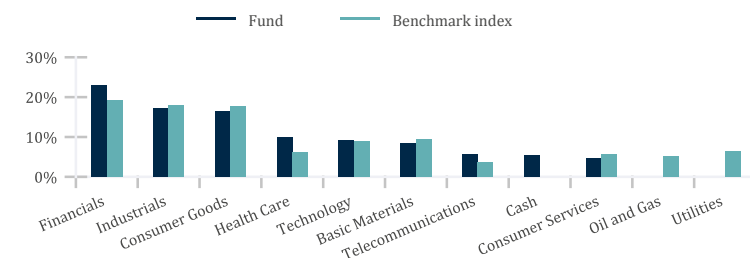
## MAIN HOLDINGS

Holdings	Country	Sector	Weight	
			Fund	Index
SAP SE	Germany	Technology	4,5%	2,9%
ALLIANZ SE (NOMINATIVE)	Germany	Insurance	4,3%	2,1%
SIEMENS AG.(N)	Germany	Industrial Goods & Services	3,9%	1,9%
LVMH(MOET HENNESSY L. VUITTON)	France	Consumer Products & Services	3,9%	2,3%
UNILEVER NV (CERT. OF SHS)	Netherlands	Consumer Products & Services	3,5%	1,7%
SANOFI	France	Health Care	3,4%	2,1%
BNP PARIBAS	France	Banks	3,3%	1,2%
DEUTSCHE TELEKOM AG. (NOMI.)	Germany	Telecommunications	3,2%	1,2%
AXA	France	Insurance	2,9%	1,1%
OREAL (L')	France	Consumer Products & Services	2,8%	1,5%
Total			35,8%	18,0%

## GEOGRAPHICAL BREAKDOWN



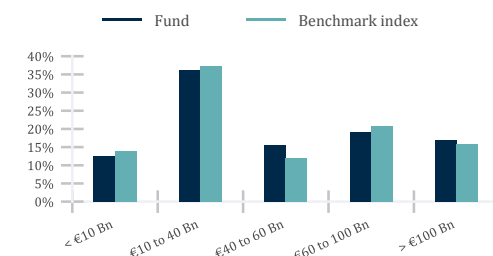
## SECTOR BREAKDOWN



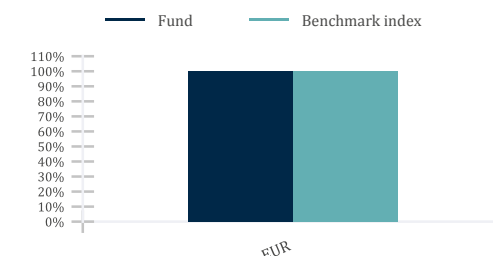
## MAIN TRANSACTIONS

New positions	Positions sold
Positions increased	Positions reduced
U.C.B.	OREAL (L')
SOCIETE GENERALE -A-	SAINT-GOBAIN (CIE DE)
IMERYS	ATOS SE

## CAPITALIZATION BREAKDOWN



## CURRENCY BREAKDOWN



## OVER- AND UNDEREXPOSURE TO THE BENCHMARK INDEX

Overexposures		Underexposures	
CARREFOUR	2,2%	TOTAL	-2,8%
ALLIANZ SE (NOMINATIVE)	2,2%	LINDE PLC	-2,2%
SAINT-GOBAIN (CIE DE)	2,1%	AIRBUS SE	-1,7%
EIFFAGE SA (EX-FOUGEROLLE)	2,1%	BAYER AG.	-1,5%

## RELATIVE CONTRIBUTORS TO PERFORMANCE

First positive contributors			First negative contributors		
	Absolute perf.	Relative contribution (bp)		Absolute perf.	Relative contribution (bp)
SAP SE	10,1%	14	PUBLICIS GROUPE SA	-14,5%	-34
REXEL	13,0%	14	HEINEKEN HOLDING N.V.	-7,8%	-18
U.C.B.	8,1%	10	IMERYS	-6,4%	-15
Total		39	Total		-67

## CONTACTS AND ADDITIONAL INFORMATION

Subscription/redemption  
CACEIS Bank / LFB  
01.57.78.14.14

Additional Information & datas:  
Client servicing  
+33 1 44 13 01 79

Publications of NAVs:  
[www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr)

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## SRI CRITERIA

### Overall portfolio rating\*

As of October 30, 2019, the portfolio comprised 41 Vigeo-rated securities, representing 95,3% of the total assets. The portfolio's overall rating (the average overall rating of the stocks by portfolio weighting) was 1,34.

#### Overall portfolio rating as of October 30, 2019

1,34

#### Portfolio exclusion ratio

24,0%

**\*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 criteria, excluding corporate governance

	UCITS	Investment universe
Human resources	1,3	0,8
Environment	1,4	0,9
Client-supplier relations	1,2	0,9
Social commitment	1,3	0,8
Human Rights	1,4	0,9

### 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.

### Ethic Comment - Axel Laroza

Imerys recently announced a change in its general management team. Patrick Kron has been appointed interim CEO, taking over from Conrad Keijzer. This change is a reflection of how the Board of Directors has taken in hand the Group's transformation plan. This reorganisation is to be carried out with the group's employees and not against them – reading between the lines, that is the message that Patrick Kron wants to send. This positive development in Imerys's governance is just one step towards greater visibility of the group's long-term strategy and capital allocation.

## CONTACTS AND ADDITIONAL INFORMATION

#### Subscription/redemption

CACEIS BANK / LFG  
01.57.78.14.14

#### Additional & data information:

01.44.13.01.79

#### Publications of NAVs:

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**LAZARD FRÈRES GESTION**

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