LAZARD EQUITY SRI

LAZARD FRÈRES GESTION

08 / 2020 | Unit C/Eurozone equities

Total net assets	176,46M€	**Inception date (unit)**	1 juin 2001
NAV	1647,74 €	**ISIN Code**	FR0000003998
		Bloomberg Code	LOBETHQ

MORNINGSTAR
OVERALL ★ ★ ★
SUSTAINABILITY

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 August, the market resumed its upward trend. The theme of growth stocks, technology in particular, remained in the foreground and buoyant. There were also some attempts to shift to cyclicals, however, especially those that reported encouraging results, but these movements remained very restrained. Under these circumstances, the fund posted a performance of +2,91% compared with +3,50% for the benchmark index. The portfolio benefited from its underexposure to utilities and good stock picks in healthcare and media, while it was hurt by its exposure to consumer goods, retail and industrial goods. Unilever, Orange, Sanofi, Air Liquide, Carrefour and Alstom were detrimental to performance in August. On the other hand, Saint-Gobain, Imerys, BNP Paribas and BMW made positive contributions.

RISK SCALE*

– 1 2 3 4 5 **6** 7 +

Recommended investment period of 5 years

BENCHMARK INDEX

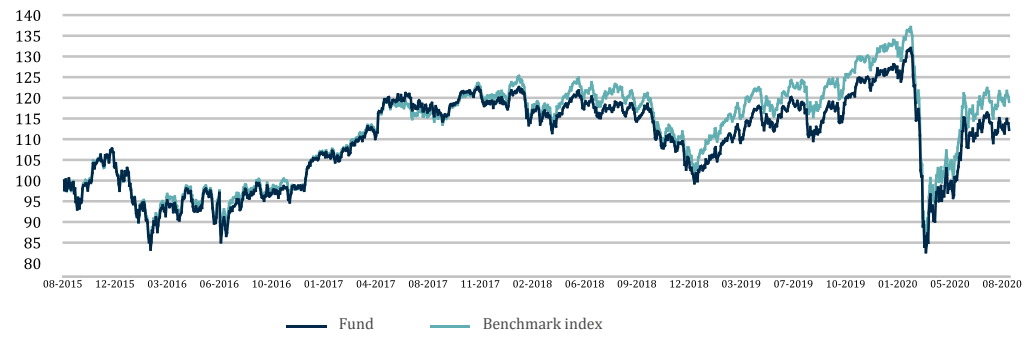
Eurostoxx Net Return EUR

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	**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**
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	**1,30%**
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	2020	1 Year	3 Years	5 Years	3 Years	5 Years
Fund	2,91%	-10,47%	-1,73%	-2,73%	12,27%	-0,92%	2,34%
Benchmark index	3,50%	-9,31%	-0,96%	3,60%	19,04%	1,19%	3,55%
Difference	-0,59%	-1,17%	-0,77%	-6,33%	-6,77%	-2,11%	-1,20%

CALENDAR PERFORMANCES

	Fund	Benchmark index
2019	23,27%	26,11%
2018	-13,55%	-12,72%
2017	11,73%	12,55%
2016	3,34%	4,15%
2015	11,19%	10,33%

TRAILING 1Y PERFORMANCES

2020 08 31	-1,73%	-0,96%
2019 08 31	-2,57%	0,28%
2018 08 31	1,59%	4,31%
2017 08 31	18,42%	17,00%
2016 08 31	-2,53%	-1,79%

RISK RATIOS**

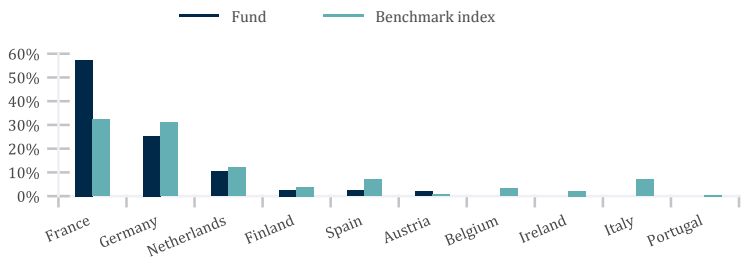
	1 Year	3 Years
Volatility		
Fund	29,90%	20,09%
Benchmark index	30,03%	20,26%
Tracking Error	3,09%	2,79%
Information ratio	-0,29	-0,78
Sharpe ratio	0,03	-0,03
Alpha	-0,86	-2,13
Beta	0,99	0,98

**Ratios calculated on a weekly basis

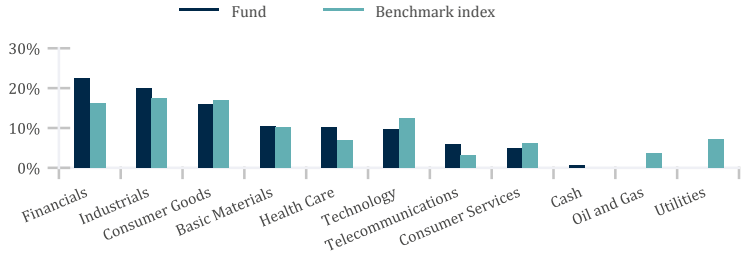
MAIN HOLDINGS

Holdings	Country	Sector	Weight	
			Fund	Index
SAP	Germany	Technology	5,8%	3,7%
SANOFI	France	Health Care	4,6%	2,3%
AIR LIQUIDE	France	Chemicals	4,1%	1,6%
ALLIANZ	Germany	Insurance	4,0%	1,8%
UNILEVER NV (CERT. OF SHS)	Netherlands	Consumer Products & Services	3,8%	1,6%
LVMH MOET HENNESSY	France	Consumer Products & Services	3,6%	2,5%
DEUTSCHE TELEKOM	Germany	Telecommunications	3,5%	1,2%
BNP PARIBAS	France	Banks	3,4%	1,0%
SAINT-GOBAIN	France	Construction & Materials	3,0%	0,4%
ESSILORLUXOTTICA	France	Health Care	2,9%	0,8%
		Total	38,7%	17,1%

GEOGRAPHICAL BREAKDOWN



SECTOR BREAKDOWN

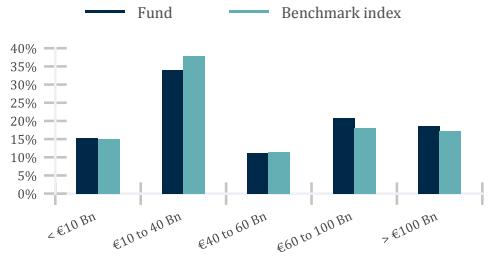


MAIN TRANSACTIONS

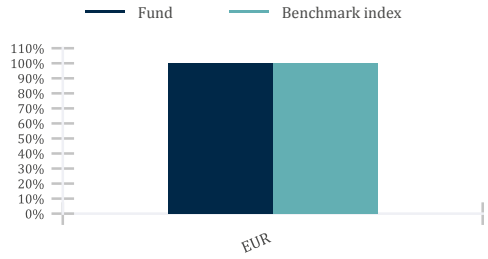
New positions	Positions sold

Positions increased	Positions reduced
ORANGE	ASML HLDG
ALSTOM	EIFFAGE
PUBLICIS GROUPE	SAP

CAPITALIZATION BREAKDOWN



CURRENCY BREAKDOWN



OVER- AND UNDEREXPOSURE TO THE BENCHMARK INDEX

Overexposures		Underexposures	
SAINT-GOBAIN	2,5%	LINDE	-2,8%
AIR LIQUIDE	2,5%	TOTAL	-2,1%
CARREFOUR	2,5%	IBERDROLA	-1,5%
DEUTSCHE TELEKOM	2,3%	ENEL	-1,4%

RELATIVE CONTRIBUTORS TO PERFORMANCE

First positive contributors	Absolute perf.	Relative contribution (bp)
SAINT-GOBAIN	8,9%	13
IMERYS ORD SHS	9,1%	13
BNP PARIBAS	7,2%	11
	Total	37

First negative contributors	Absolute perf.	Relative contribution (bp)
UNILEVER NV (CERT. OF SHS)	-2,5%	-20
ORANGE	-6,0%	-19
SANOFI	-4,2%	-16
	Total	-55

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

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SRI CRITERIA

Overall portofolio rating*

As of August 30, 2020, the portfolio comprised 39 Vigeo-rated securities, respresenting 90,66% of the total assets. The portfolio's overall rating (the average overall rating of the stocks by portfolio weighting) was 1,47.

Overall portfolio rating as of August 30, 2020	Portfolio exclusion ratio
1,47	19,2%

***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	1,4	0,8
Environment	1,6	0,9
Client-suplier relations	1,4	0,9
Social commitment	1,6	0,8
Human Rights	1,4	0,9

Ethic Comment - Axel Laroza

We decided to sell Kone as our internal assessment of its governance no longer meets our standards. The board of directors' independence rate is relatively low, and the Chairman himself is not free from any conflicts of interest. Furthermore, in our opinion, several of the "independent" members of the board do not seem to have the necessary experience or background to hold sway in this essential body of the company.

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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