

Euro Equities	ISIN code	NAV €	Net Assets (M €)	Total Net Assets (M €)
A units	FR0000174310	788,70	678,99	813,82
R units	FR0010689141	1511,95	134,83	

**MANAGEMENT**



**INVESTMENT POLICY**

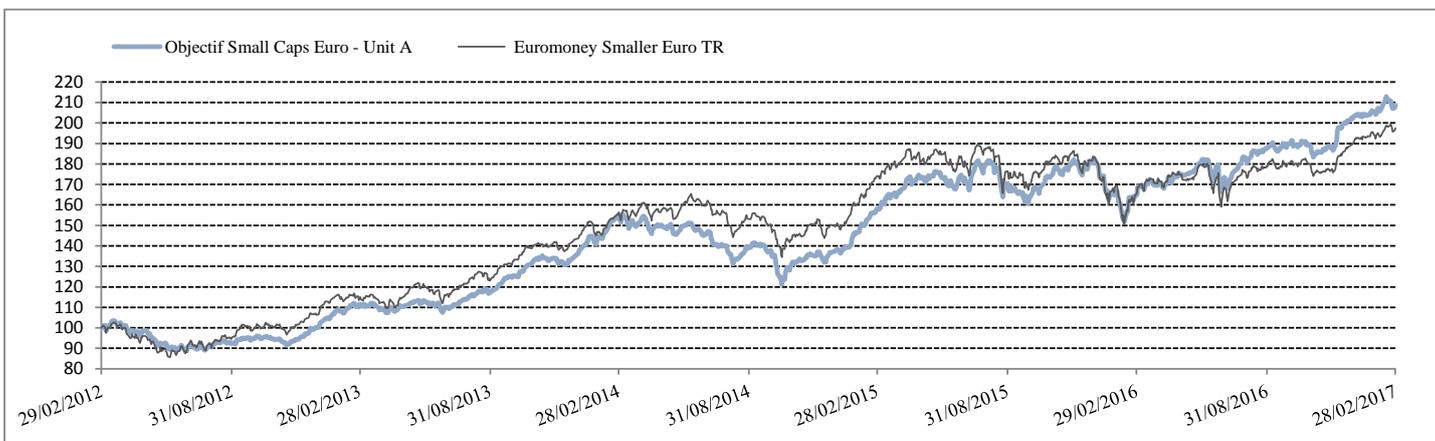
The objective of the fund is to outperform, net of fees and over the minimum recommended investment period of five years, the Eurozone small and mid cap universe as represented by the Euromoney Smaller Euro index calculated on a total return basis.

**FUND MANAGERS' COMMENT - Annabelle VINATIER, Jean-François CARDINET, James OGILVY**

Equities performed strongly in February with the Eurostoxx gaining 2,6% and the small cap Euromoney Smaller Euro index gaining 2,7%. The SICAV was up 2,3% over the month. Positive contributions to performance were driven by a number of strong results publications from, amongst others, LPKF (+21%), Washtec (+12%), Corticeira Amorim (+11%), Sopra Steria (+11%) and Interpump (+10%). Conversely, Van de Velde (-13%), Ordina (-19%) and Alten (-5%) published results that were broadly in line with our expectations but nonetheless suffered negative market reactions. Exel Industries (-6%) declined with no particular newsflow. During the month, we took further profits on our holding in Washtec. We reinvested the proceeds by increasing our weightings in Biesse, Havas, Sopra Steria, Altri and Interpump.

**PERFORMANCE - A units**

**HISTORICAL PERFORMANCE**



Past performance is not a guarantee of current or future performance

**PERFORMANCE**

Cumulative performance*	Month	YTD	1 year	3 years	5 years	Creation
<b>Objectif Small Caps Euro</b>	<b>2,3%</b>	<b>3,2%</b>	<b>26,6%</b>	<b>35,6%</b>	<b>108,8%</b>	<b>295,5%</b>
<i>Euromoney Smaller Euro TR</i>	<i>2,7%</i>	<i>4,0%</i>	<i>18,4%</i>	<i>24,4%</i>	<i>91,9%</i>	<i>237,7%</i>

Creation: 08/05/2003

Annualized performance	1 year	3 years	5 years	Creation
<b>Objectif Small Caps Euro</b>	<b>26,6%</b>	<b>10,7%</b>	<b>15,9%</b>	<b>10,6%</b>
<i>Euromoney Smaller Euro TR</i>	<i>18,4%</i>	<i>7,5%</i>	<i>13,9%</i>	<i>9,4%</i>

Annual performance	2016	2015	2014	2013	2012
<b>Objectif Small Caps Euro</b>	<b>10,9%</b>	<b>32,4%</b>	<b>1,5%</b>	<b>35,5%</b>	<b>17,1%</b>
<i>Euromoney Smaller Euro TR</i>	<i>2,9%</i>	<i>21,9%</i>	<i>3,9%</i>	<i>33,9%</i>	<i>20,2%</i>

\* The performance quoted represents past performance. Past performance does not guarantee future results.

Performance is net of fees and total return.

**RISK SCALE\*\***



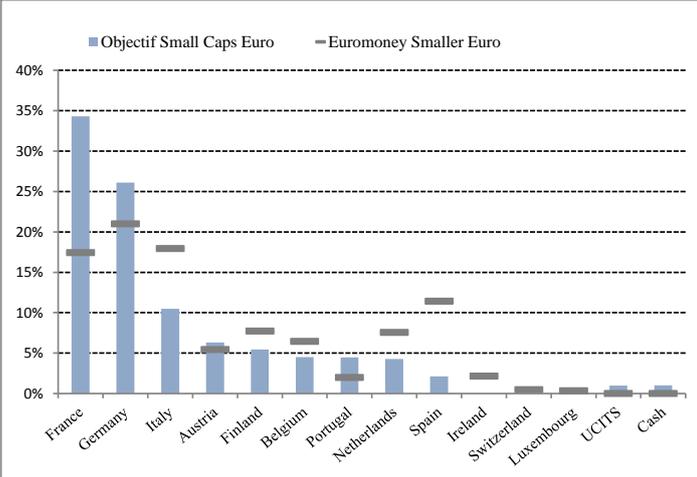
\*\*Risk scale derived from the volatility of the UCITS over a period of 5 years (see detail on the back)

**RISK RATIOS**

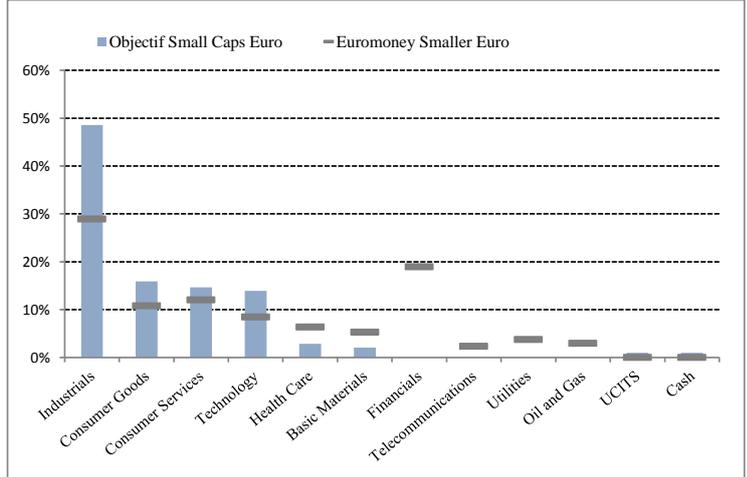
	1 year	3 years
<b>Volatility</b>		
Objectif Small Caps Euro	12,2%	14,4%
<i>Euromoney Smaller Euro TR</i>	<i>14,2%</i>	<i>16,2%</i>
<b>Tracking error</b>	5,1%	5,9%
<b>Information ratio</b>	1,4	0,5
<b>Beta</b>	0,8	0,8

Ratios calculated on a weekly basis

**GEOGRAPHICAL ALLOCATION**



**SECTOR ALLOCATION**



Having ended 2016 strongly the Eurostoxx made a more muted start

Main holdings	Position	Country	Sector
Cargotec	4,8%	Finland	Industrials
Sopra Group	4,6%	France	Technology
Vossloh	4,4%	Germany	Industrials
Ipsos	4,1%	France	Consumer Services
Gfk Se (offre)	3,8%	Germany	Consumer Services
Manitou	3,8%	France	Consumer Services
Zumtobel	3,8%	Austria	Industrials
Interpump Group	3,8%	Italy	Industrials
De Longhi	3,6%	Italy	Consumer Goods
Wash Tec	3,5%	Germany	Industrials
<b>TOTAL</b>	<b>40,1%</b>		

**MOVEMENTS**

New positions	Positions sold
Positions increased	Positions reduced
Biesse Spa Havas Sopra Group Altri Interpump Group	Wash Tec

**FUND DETAILS**

<b>ISIN Code</b>	A units : FR0000174310 R units : FR0010689141	<b>Valuation</b>	Daily	<b>Management fees</b>	A units : 1,85% inclusive of all taxes of net assets R units : 2,20% inclusive of all taxes of net assets
<b>Bloomberg Code</b>	A units : LAZOSCE FP R units : LAZOSCR FP	<b>Custodian</b>	Lazard Frères Banque	<b>Subscription fee</b>	4% max
<b>Legal form</b>	SICAV	<b>Management company</b>	Lazard Frères Gestion	<b>Redemption fee</b>	1% max
<b>UCITS-compliant</b>	Yes	<b>Taxation</b>	Accumulation and/or distribution	<b>Subscription terms</b>	On next NAV for orders placed before 11 a.m. Settlement and value date
<b>AMF classification</b>	Equities of euro zone countries	<b>Inception date</b>	A units : 05/08/2003 R units : 30/06/2009		Subscription D (NAV date) + 1 business day Redemption D (NAV date) + 3 business days
<b>Currency</b>	Euro			<b>Total expense ratio and transaction fees</b>	For more information, please check our prospectus
<b>Investment horizon</b>	> 5 years				

\*\* 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



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 DICI 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 Sicav in Switzerland, Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva, Switzerland, Tel. +41 22 705 11 77, Fax: +41 22 705 11 79, www.carnegie-fund-services.ch. The paying agent is Banque Cantonale de Genève, 17 Quai de l'Île, 1204 Geneva, Switzerland.