

Euro Equities	ISIN code	NAV €	Net Assets (M €)	Total Net Assets (M €)
A units	FR0000174310	826.38	730.57	872.63
R units	FR0010689141	1583.73	142.06	

MANAGEMENT



INVESTMENT POLICY

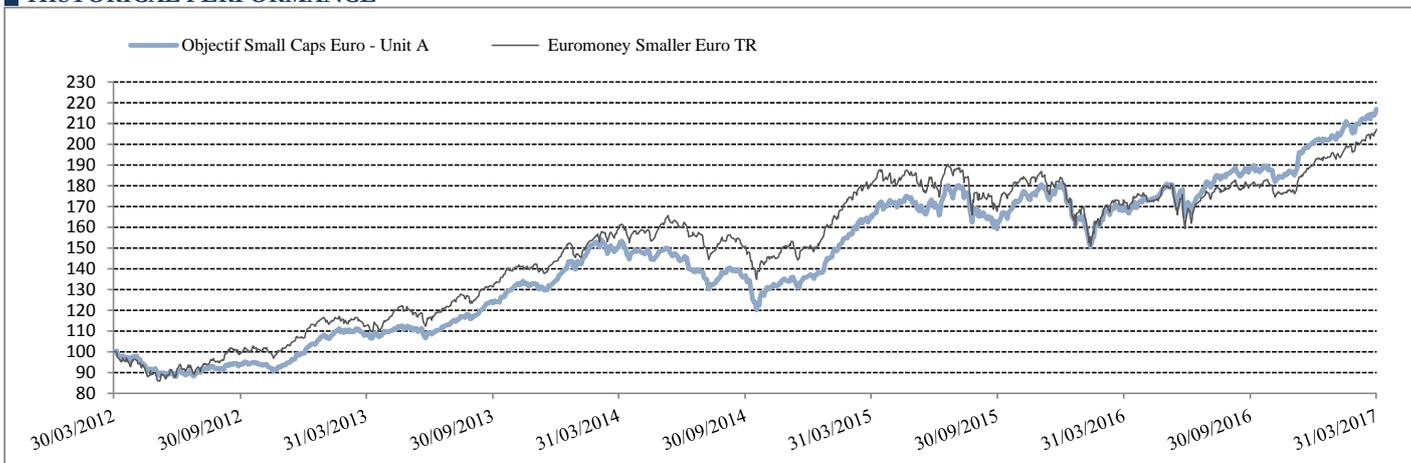
The objective of the fund is to outperform, net of fees and over the minimum recommended investment period of five years, the Eurozone small and mid cap universe as represented by the Euromoney Smaller Euro index calculated on a total return basis.

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

Equity markets remained very strong in March. The Eurostoxx added a further 5,4% while the Euromoney Smaller Euro index gained 4,6%. The SICAV was up 4,8% over the month. Within our investment universe we note that Italian small caps have performed particularly well, boosted in part by a new fiscal measure which should attract investment in this segment. Indeed Biesse (+27%) and Prima Industrie (+30%) were among the biggest gainers but this was justified by strong results publications. Other positive contributions came from Manitou (+17%), Zumtobel (+16%), Interpump (+13%) and Sopra Steria (+12%). Some stocks saw modest declines over the month such as Van de Velde (-5%), Groupe Crit (-5%), Ipsos (-4%) and Washtec (-3%). In March, we bought a new position in Nexity, the leading residential property developer in France. In addition, we took some profit on our holdings in De'Longhi, Interpump and Washtec and added to our positions in Cargotec and KSB.

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
Objectif Small Caps Euro	4.8%	8.1%	27.9%	43.7%	116.9%	314.4%
<i>Euromoney Smaller Euro TR</i>	<i>4.6%</i>	<i>8.8%</i>	<i>19.5%</i>	<i>27.8%</i>	<i>101.3%</i>	<i>253.3%</i>

Creation: 08/05/2003

Annualized performance	1 year	3 years	5 years	Creation
Objectif Small Caps Euro	27.9%	12.8%	16.7%	10.9%
<i>Euromoney Smaller Euro TR</i>	<i>19.5%</i>	<i>8.5%</i>	<i>15.0%</i>	<i>9.7%</i>

Annual performance	2016	2015	2014	2013	2012
Objectif Small Caps Euro	10.9%	32.4%	1.5%	35.5%	17.1%
<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**



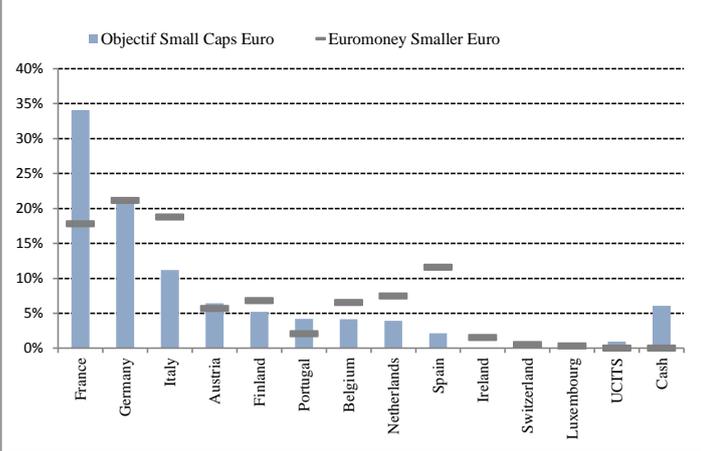
**Risk scale derived from the volatility of the UCITS over a period of 5 years (see detail on the back)

RISK RATIOS

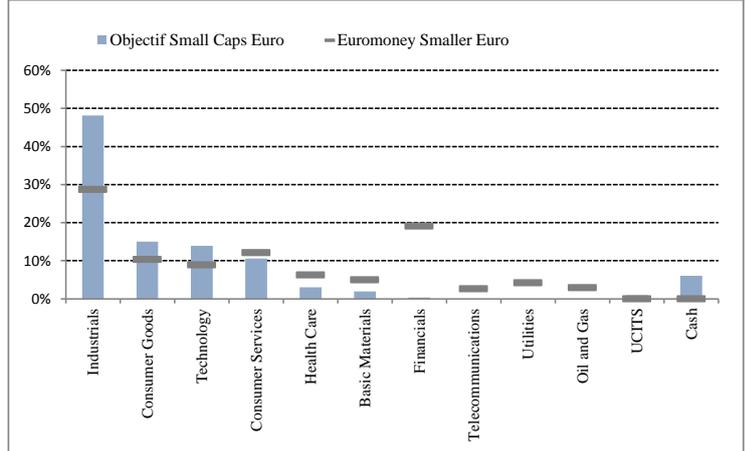
	1 year	3 years
Volatility		
Objectif Small Caps Euro	10.2%	14.3%
<i>Euromoney Smaller Euro TR</i>	<i>10.8%</i>	<i>15.1%</i>
Tracking error	4.2%	5.3%
Information ratio	2.0	0.8
Beta	0.9	0.9

Ratios calculated on a weekly basis

GEOGRAPHICAL ALLOCATION



SECTOR ALLOCATION



Having ended 2016 strongly the Eurostoxx made a more muted start to 2017

Main holdings	Position	Country	Sector
Sopra Group	4.8%	France	Technology
Cargotec	4.6%	Finland	Industrials
Manitou	4.2%	France	Industrials
Zumtobel	4.1%	Austria	Industrials
Vossloh	4.0%	Germany	Industrials
Interpump Group	3.9%	Italy	Consumer Services
Ipsos	3.6%	France	Consumer Services
De Longhi	3.6%	Italy	Consumer Goods
Alten	3.2%	France	Technology
Wash Tec	3.1%	Germany	Industrials
TOTAL	39.2%		

MOVEMENTS

New positions	Positions sold
Nexity	Gfk Se (offre)

Positions increased	Positions reduced
Takkt	De Longhi
Cargotec	Interpump Group
KSB	
Zumtobel	

FUND DETAILS

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