

LAZARD SMALL CAPS EURO

12 / 2018 Unit R/Eurozone equities

Total net assets

NAV

614,36M€ 1213,90 €

Inception date (unit)

30 juin 2009 FR0010689141

Bloomberg Code

ISIN Code

Country of registration









MANAGER(S)







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 EMIX Smaller Euroland index calculated on a total return basis.

FUND MANAGERS COMMENT

European stocks ended the year on a negative note with the Eurostoxx losing 5.8% in December. Small caps fared slightly worse with the Emix Smaller Euroland down 6.3% and the SICAV 7.8%. The portfolio's overweight exposure to French small caps (Emix France -8.8%) weighed on performance as did individual stocks such as Cargotec (-21%), Altran (-20%), Zumtobel (-18%) and Rosenbauer (-17%). Converseley, Van de Velde (+10%), Axway (+8%), Drägerwerk (+6%) and Vossloh (+1%) contributed positively. During the month we increased our position in F.I.L.A. in the capital increase while marginally reducing our weighting in Interpump.

RISK SCALE*























BENCHMARK INDEX

EMIX SMALLER EUROLAND Net Return EUR

FEATURES

Legal Form SICAV Legal Domicile France UCITS

AMF Classification Eurozone equities

Eligibility to PEA (personal equity savings plan)

Currency Subscribers concerned Inception date 24/07/03

Date of share's first NAV 30/06/09 calculation

Lazard Frères Gestion SAS Management company Lazard Frères Banque CACEIS Fund Admin

Daily Frequency of NAV calculation

On next NAV for orders placed Order execution before 11:00 a.m

D (NAV date) + 2 business day Subscritption terms D (NAV date) + 2 business day Settlement of redemptions

Share decimalisation Minimum investment 1 share Subscription fees 4% max Redemption fees 1% max 2,18% Management fees Nil Outperformance fees 2,27% **Current expenses**

*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	2018	1 Year	3 Years	5 Years	3 Years	5 Years
Fund	-7,87%	-27,57%	-27,57%	-8,50%	22,11%	-2,92%	4,08%
Benchmark index	-6,30%	-17,18%	-17,18%	3,89%	31,56%	1,28%	5,64%
Difference	-1,57%	-10,39%	-10,39%	-12,39%	-9,45%	-4,20%	-1,56%

ANNUAL PERFORMANCE

	Fund	Benchmark index
2018	-27,57%	-17,18%
2017	14,28%	21,93%
2016	10,53%	2,87%
2015	31,93%	21,86%
2014	1,16%	3,93%
2013	35,03%	33,94%

RISK RATIOS*

	1 Year	3 Years
Volatility		
Fund	14,85%	13,84%
Benchmark index	13,79%	14,12%
Tracking Error	5,59%	5,52%
Information ratio	-1,86	-0,76
Sharpe ratio	-1,84	-0,16
Alpha	-12,46	-3,95
Beta	1,00	0,90

^{*} Ratios calculated on a weekly basis



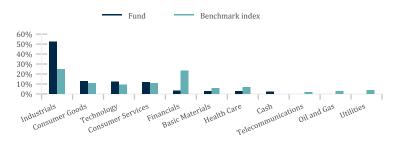
MAIN HOLDINGS

Holdings	Country	Sector	Weigh	t
			Fund	Index
TAKKT AG	Germany	Retail	4,5%	0,1%
VOSSLOH AG.	Germany	Industrial Goods & Services	4,1%	0,1%
IPSOS SA	France	Media	3,8%	0,1%
CARGOTEC OYJ -B-	Finland	Industrial Goods & Services	3,8%	0,2%
INTERPUMP GROUP SPA	Italy	Industrial Goods & Services	3,7%	0,3%
ALTRAN TECHNOLOGIES SA	France	Technology	3,6%	0,2%
MANITOU	France	Industrial Goods & Services	3,3%	0,1%
NEXITY	France	Real Estate	3,2%	0,3%
MANUTAN INTERNATIONAL	France	Industrial Goods & Services	3,2%	0,1%
DE LONGHI SPA	Italy	Personal & Household Goods	3,1%	0,4%
		Total	36,2%	1,8%

GEOGRAPHICAL DISTRIBUTION



SECTOR ALLOCATION

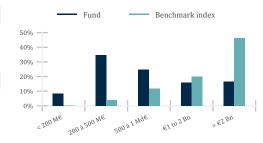


MAIN TRANSACTIONS

New positions	Positions sold

Positions increased	Positions reduced		
F.I.L.A. SPA	INTERPUMP GROUP SPA		

BREAKDOWN BY CAPITALISATION





BREAKDOWN BY CURRENCY



OVER- AND UNDEREXPOSURE TO THE BENCHMARK INDEX

Overexposure	s	Underexposures		
TAKKT AG	4,4%	ODET (FINANCIERE DE L')	-0,6%	
VOSSLOH AG.	4,1%	KONINKLIJKE VOPAK	-0,6%	
IPSOS SA	3,7%	A2A	-0,6%	
CARGOTEC OYJ -B-	3,6%	ASR NEDERLAND	-0,6%	

RELATIVE CONTRIBUTORS TO PERFORMANCE

First positive contributors			First negative contributors		
	Absolute perf.	Relative contribution (bp)		Absolute perf.	Relative contribution (bp)
MANUTAN INTERNATIONAL	5,7%	33	CARGOTEC OYJ -B-	-21,4%	-64
VOSSLOH AG.	1,1%	27	ALTRAN TECHNOLOGIES SA	-20,1%	-53
DRAEGERWERK AG & CO KGAA (N)	6,2%	27	ZUMTOBEL GROUP AG.	-18,3%	-38
	Total	87		Total	-155

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

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"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 to 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.