

**French open-end investment
company
(Société d'Investissement à
Capital Variable)**

LAZARD ALPHA EUROPE

Interim report

at March 29th, 2018

Management company: Lazard Frères Gestion SAS

Custodian: Lazard Frères Banque

Statutory auditor: Deloitte & Associés

- STATEMENT OF ASSETS IN EUROS**

Items in the statement of assets	Total at period end *
a) Eligible financial securities stipulated in paragraph 1, section I of Article L. 214-20 of the French Monetary and Financial Code	966 641 621,93
b) Bank balances	922 110,44
c) Other assets held by the UCI	31 092 979,50
d) Total assets held by the UCI (lines a+b+c)	998 656 711,87
e) Liabilities	-1 709 343,68
f) Net asset value (lines d+e = net assets of the UCI)	996 947 368,19

* Amounts signed-off

- NUMBER OF SHARES IN CIRCULATION AND NET ASSET VALUE PER SHARE**

Equities	Type	Net assets per share	Number of shares	Net asset value per share
LAZARD SMALL CAPS EURO I	C/D/R	799 252 514,55	925 218,443	863,85
LAZARD SMALL CAPS EURO R	C/D/R	141 738 267,33	85 908,204	1 649,88
LAZARD SMALL CAPS EURO I T	C/D/R	55 956 586,31	296 864,930	188,49

• **COMPONENTS OF THE SECURITIES PORTFOLIO**

Components of the securities portfolio	Percentage of net assets *	Percentage of total assets **
<p>A) Eligible financial securities and money market instruments admitted for trading on a regulated market within the meaning of Article L. 422-1 of the French Monetary and Financial Code.</p> <p>And B) Eligible financial securities and money market instruments admitted for trading on another regulated market that operates regularly, is recognised, open to the public, and whose head office is located in a member state of the European Union or in another state that is party to the European Economic Area.</p> <p>C) Eligible financial securities and money market instruments admitted for trading on an official stock exchange of a third country or traded on another market of a third country, that is regulated, operates regularly, is recognised and open to the public, provided that the said stock exchange or market does not feature on an AMF watchlist and the choice of this stock exchange or market is provided for by law or by the regulations or the articles of association of the UCITS.</p> <p>d) Newly issued financial securities as stipulated in paragraph 4, section I of Article R. 214-11 of the French Monetary and Financial Code.</p> <p>e) Other assets: These are assets stipulated in section II of Article R. 214-11 of the French Monetary and Financial Code.</p>	97,33	97,17

* Refer to section f) in the statement of assets

** Refer to section d) in the statement of assets

• **BREAKDOWN BY CURRENCY OF THE A), B), C) AND D) ASSETS OF THE SECURITIES PORTFOLIO**

Securities	Currency	Amount (€)	Percentage of net assets *	Percentage of total assets **
Euro	EUR	966 641 621,93	96,96	96,79
TOTAL		966 641 621,93	96,96	96,79

* *Refer to section f) in the statement of assets*

** *Refer to section d) in the statement of assets*

• **BREAKDOWN OF THE A), B), C) AND D) ASSETS OF THE SECURITIES PORTFOLIO BY ISSUER'S COUNTRY OF RESIDENCE**

Country	Percentage of net assets *	Percentage of total assets **
France	37,51	37,44
Germany	24,42	24,38
Italy	10,98	10,96
Austria	5,53	5,52
Portugal	5,45	5,44
Belgium	4,33	4,33
Finland	4,12	4,11
Netherlands	3,18	3,18
Spain	1,44	1,44
Greece		
TOTAL	96,96	96,79

* Refer to section f) in the statement of assets

** Refer to section d) in the statement of assets

- BREAKDOWN BY TYPE OF THE E) ASSETS OF THE SECURITIES PORTFOLIO**

Asset type	Percentage of net assets *	Percentage of total assets **
Undertakings for collective investment		
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries		
Other funds aimed at non-professionals and their equivalent in other countries that are Member States of the EU		
General funds aimed at professional investors and their equivalent in other Member States of the EU and listed securitisation entities		
Other funds aimed at professional investors and their equivalent in other Member States of the EU and unlisted securitisation entities		
Other non-European entities		
Other		
TOTAL		

* Refer to section f) in the statement of assets

** Refer to section d) in the statement of assets

- CHANGES IN THE SECURITIES PORTFOLIO DURING THE PERIOD IN EUROS**

Components of the securities portfolio	Changes (amount)	
	Purchases	Sales
<p>A) Eligible financial securities and money market instruments admitted for trading on a regulated market within the meaning of Article L. 422-1 of the French Monetary and Financial Code.</p> <p>And B) Eligible financial securities and money market instruments admitted for trading on another regulated market that operates regularly, is recognised, open to the public, and whose head office is located in a member state of the European Union or in another state that is party to the European Economic Area.</p> <p>C) Eligible financial securities and money market instruments admitted for trading on an official stock exchange of a third country or traded on another market of a third country, that is regulated, operates regularly, is recognised and open to the public, provided that the said stock exchange or market does not feature on an AMF watchlist and the choice of this stock exchange or market is provided for by law or by the regulations or the articles of association of the UCITS.</p> <p>d) Newly issued eligible financial securities as stipulated in paragraph 4, section I of Article R. 214-11 of the French Monetary and Financial Code.</p> <p>e) Other assets: These are assets stipulated in section II of Article R. 214-11 of the French Monetary and Financial Code.</p>	72 690 880,78	26 144 526,43

- DISTRIBUTION DURING THE PERIOD**

	Equities	Net amount per unit €	Tax credit (1) €	Gross amount per unit (2) €
Dividends paid				
	LAZARD SMALL CAPS EURO I			
	LAZARD SMALL CAPS EURO R			
	LAZARD SMALL CAPS EURO T			
Dividends payable				
	LAZARD SMALL CAPS EURO I			
	LAZARD SMALL CAPS EURO R			
	LAZARD SMALL CAPS EURO T			

(1) The tax credit per unit will only be calculated on the distribution date, in accordance with applicable tax regulations.

(2) The gross amount per unit will only be calculated on the distribution date, in accordance with applicable tax regulations.

- MISCELLANEOUS INFORMATION**

Custodian: *Lazard Frères Banque, 121, Boulevard Haussmann, 75008 Paris, France*

The six-monthly statement of assets is available within eight weeks of the period-end. It will be sent out on request to the management company:

Lazard Frères Gestion SAS, 25 rue de Courcelles, 75008 Paris, France

- **TRANSPARENCY OF SECURITIES FINANCING TRANSACTIONS AND THE REUSE OF FINANCIAL INSTRUMENTS – SFTR – in the accounting currency of the UCI (€)**

The UCI carried out no transactions during the year in the context of the SFTR.

SECURITIES PORTFOLIO AT 29/03/2018 IN EUR (CONTD.)

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
Equities and similar securities				
Equities and similar securities traded on a regulated or similar market				
GERMANY				
AMADEUS AG FUER ZEITARBEIT UND	EUR	196 000	17 796 800,00	1,79
BIJOU BRIGITTE MODISCHE ACCES.	EUR	197 000	9 002 900,00	0,90
CEWE COLOR HOLDING	EUR	130 000	10 387 000,00	1,04
DRAGERWERK AG.	EUR	378 000	22 642 200,00	2,27
KSB AG PREF	EUR	67 852	30 261 992,00	3,04
LPKF LASER ELECTRO	EUR	1 189 700	10 386 081,00	1,04
STO AG VORZ.	EUR	222 714	25 389 396,00	2,55
SURTECO AG	EUR	770 000	19 404 000,00	1,95
TAKKT AG	EUR	2 020 000	37 370 000,00	3,74
TECHNOTRANS NOM.	EUR	380 000	15 257 000,00	1,53
VOSSLOH AG	EUR	598 500	24 358 950,00	2,44
WASH TECAG	EUR	273 837	21 194 983,80	2,13
TOTAL GERMANY			243 451 302,80	24,42
AUSTRIA				
MAYR-MELNHOF KARTON	EUR	144 329	17 781 332,80	1,78
ROSENBAUER INTERNATIONAL	EUR	374 000	19 074 000,00	1,92
ZUMTOBEL AG	EUR	2 390 000	18 235 700,00	1,83
TOTAL AUSTRIA			55 091 032,80	5,53
BELGIUM				
DECEUNINCK	EUR	6 420 000	18 618 000,00	1,87
DECEUNINCK STRIP VVPR	EUR	938 708	938,71	
JENSENGROUP NV	EUR	228 469	9 984 095,30	1,00
VAN DE VELDE	EUR	384 200	14 599 600,00	1,46
TOTAL BELGIUM			43 202 634,01	4,33
SPAIN				
ATRESMEDIA	EUR	1 855 000	14 366 975,00	1,44
TOTAL SPAIN			14 366 975,00	1,44
FINLAND				
CARGOTECOYJ B	EUR	864 636	37 404 153,36	3,75
RAPALA VMC OYJ	EUR	1 021 000	3 655 180,00	0,37
TOTAL FINLAND			41 059 333,36	4,12
FRANCE				
ALTEN	EUR	388 500	30 400 125,00	3,05
ALTRAN TECHNOLOGIES	EUR	2 746 000	33 006 920,00	3,31
ALTRAN TECHNOLOGIES RTS 09-04-18	EUR	2 746 000	3 735 109,20	0,37
AXWAY SOFTWARE	EUR	871 771	15 691 878,00	1,57
BENETEAU	EUR	641 245	11 324 386,70	1,14
EXEL INDUSTRIES	EUR	214 500	22 844 250,00	2,29
GROUPE CRIT	EUR	286 660	25 054 084,00	2,51
IPSOS	EUR	1 385 000	44 209 200,00	4,43
MANITOU	EUR	1 409 000	48 610 500,00	4,88
MANUTAN INTERNATIONAL	EUR	330 198	29 783 859,60	2,99
NEXITY	EUR	816 000	42 472 800,00	4,26
SOMFY	EUR	262 500	21 656 250,00	2,17
SOPRA STERIA	EUR	295 000	48 881 500,00	4,91

TOTAL FRANCE			377 670 862,50	37,88
GREECE				
ELEKTRONIKI ATHENS	EUR	261 666	2 616,66	
TOTAL GREECE			2 616,66	
ITALY				
BIESSE	EUR	661 664	31 892 204,80	3,20
DE LONGHI SPA	EUR	975 000	23 517 000,00	2,36
INTERPUMP GROUP	EUR	1 250 000	34 325 000,00	3,44
PRIMA IND SPA	EUR	540 000	19 710 000,00	1,98
TOTAL ITALY			109 444 204,80	10,98
NETHERLANDS				
BETER BED HOLDING	EUR	1 117 000	10 399 270,00	1,04
LUCAS BOLS NV	EUR	637 000	11 466 000,00	1,15
ORDINA NV	EUR	5 533 800	9 872 299,20	0,99
TOTAL NETHERLANDS			31 737 569,20	3,18
PORTUGAL				
ALTRI SGPS	EUR	6 050 000	32 791 000,00	3,29
CORTICEIRA AMORIM	EUR	2 073 000	21 559 200,00	2,16
TOTAL PORTUGAL			54 350 200,00	5,45
TOTAL equities and similar securities traded on a regulated or equivalent market			970 376 731,13	97,33
TOTAL Equities and similar securities			970 376 731,13	97,33
Undertakings for collective investment				
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries				
FRANCE				
LAZARD EURO SHORT TERM MONEY MARKET	EUR	11 616	23 276 721,60	2,34
LAZARD INVESTISSEMENT PEA-PME	EUR	1	157,89	
LAZARD MID CAPS EUROPE	EUR	24 800	3 593 272,00	0,36
LAZARD MID CAPS EUROPE R	EUR	1	149,01	
TOTAL FRANCE			26 870 300,50	2,70
TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries			26 870 300,50	2,70
TOTAL Undertakings for collective investment			26 870 300,50	2,70
Receivables			487 569,80	0,05
Liabilities			-1 709 343,68	-0,17
Financial accounts			922 110,44	0,09
Net assets			996 947 368,19	100,00