

**LAZARD FRERES GESTION S.A.S.**

# **OBJECTIF ACTIONS EURO**

**French open-end investment fund  
(*Fonds Commun de Placement* – FCP)**

**ANNUAL REPORT  
for the year ended September 30<sup>th</sup>, 2016**

**LAZARD** Group fund

Registered office: 25, rue de Courcelles, 75008 Paris, a simplified joint stock company (*société par actions simplifiée* – SAS)  
with share capital of €14 487 500,00

Paris Trade and Companies Register 352 213 599 Paris

## EUROZONE COUNTRY EQUITIES

**A units: Accumulation of distributable sums**

**R units: Distributable sums accumulated and/or distributed and/or retained**

**D units: Distribution of income - Capital gains accumulated and/or distributed and/or retained**

**Tax rules applicable to French equity savings plans (*Plans d'Epargne en Actions* - PEA) UCITS-compliant fund**

### Investment objective

While the Fund is not index-based, it seeks to outperform the benchmark, net of expenses, over the recommended investment period.

### Benchmark

The benchmark is the Euro Stoxx (net dividends reinvested at the closing price). It is representative of leading Eurozone large caps. Performance history is available on the website [www.stoxx.com](http://www.stoxx.com) (code: SXXT Index).

### Risk profile

*Notice*  
*Your money will be mainly invested in financial instruments selected by the management company.*  
*These instruments will be exposed to market trends and fluctuations.*

#### - Risk of capital loss:

The Fund does not provide any guarantees or capital protection. It is therefore possible that you may not recover the full amount of your initial investment.

#### - Risk associated with managing and allocating discretionary assets

The Fund's performance depends on both the securities and UCIs that the portfolio manager chooses and on the portfolio manager's allocation of assets. There is a risk that the manager may not select the best-performing securities and UCIs or choose the optimal asset allocation between markets.

#### - Equity risk:

Investors are exposed to equity risk. Fluctuations in share prices may have a negative impact on the Fund's net asset value. The Fund's NAV may decrease during periods in which equity markets are falling.

In addition, the volume of small- and mid-cap stocks listed on the stock exchange is relatively small and downward market movements tend to be more pronounced and faster than for large caps. The Fund's NAV may therefore decline rapidly and significantly.

#### - Counterparty risk:

This is the risk associated with the Fund's use of OTC forward financial instruments. These transactions, entered into with one or more counterparties, potentially expose the Fund to a risk of failure of any such counterparty, which may lead to default in payment and cause the Fund's NAV to fall.

#### - Interest rate risk:

There is a risk of a fall in the value of bonds and other fixed-income securities and instruments, and hence in the portfolio, resulting from a change in interest rates. Because of its sensitivity range, the value of this component of the portfolio may decrease, either in the case of a rise in interest rates if the portfolio's sensitivity is positive, or in the case of a fall in interest rates if the portfolio's sensitivity is negative.

### Eligible subscribers and typical investor profile

Any subscriber seeking exposure to equity risk. Subscribers are strongly advised to diversify their investments sufficiently to avoid exposure solely to the risks of this Fund.

### Information on US investors:

The Fund is not registered as an investment vehicle in the United States and its units are not and will not be registered under the Securities Act of 1933 and, therefore, they may not be offered or sold in the United States to Restricted Persons, as defined hereafter.

A Restricted Person is (i) any person or entity located in the United States (including US residents), (ii) any corporation or any other entity subject to the laws of the United States or any state thereof, (iii) all US military personnel or any employee of a US government department or agency located outside the United States, or (iv) any other person that would be considered a US Person under Regulation S of the Securities Act of 1933, as amended.

### FATCA:

Pursuant to the provisions of the Foreign Account Tax Compliance Act ("FATCA") applicable as of July 1<sup>st</sup>, 2014, if the Fund invests directly or indirectly in US assets, the capital and income arising from such investments may be subject to withholding tax of 30%.

To avoid paying the 30% withholding tax, France and the United States have entered into an intergovernmental agreement under which non-US financial institutions ("foreign financial institutions") agree to institute procedures for identifying direct or indirect investors who qualify as US taxpayers and to provide certain information about these investors to the French tax authorities, which will disclose said information to the US tax authority, the Internal Revenue Service.

As a foreign financial institution, the Fund undertakes to comply with the FATCA and to take all appropriate measures pursuant to the aforementioned intergovernmental agreement.

*The amount that it is reasonable to invest in this Fund depends on each investor's personal circumstances. To determine this, investors should take account of their personal financial situation, current needs and the recommended investment period, and should also consider their ability to assume risk or whether they prefer instead to opt for a more cautious investment.*

**Recommended investment horizon: minimum five years.**

## Statutory auditor and Fund manager

### Statutory auditor

**ERNST & YOUNG et AUTRES**  
41, rue Ybry  
92576 Neuilly sur Seine Cedex

### Fund manager

**LAZARD FRERES GESTION S.A.S.**  
25, Rue de Courcelles  
75008 Paris, France

### ESTABLISHMENT RESPONSIBLE for RECEIVING SUBSCRIPTION and REDEMPTION ORDERS

Subscription and redemption orders are executed at Lazard Frères Gestion SAS on the basis of

- the next net asset value in the case of subscriptions (settlement NAV date + 1 business day)
- the next net asset value in the case of redemptions (settlement NAV date + 3 business days)

for orders placed before 11 a.m.

### CUSTODIAN

LAZARD FRERES BANQUE. 121, boulevard Haussmann - 75008 PARIS

# 2016 ANNUAL REPORT

## CHANGE AND PERFORMANCE

During the financial year, the Fund's net assets rose from:

€220 433 352,25 on September 30<sup>th</sup>, 2015 to €190 531 319,41 on September 30<sup>th</sup>, 2016.

The number of outstanding units as at September 30<sup>th</sup>, 2016 was 277 137,887 A units, 1 901,065 R units and 297 914,403 D units.

### A units

The number of units subscribed for over the financial year was 61 801,166, representing a total of €34 655 507,92. Over the same period, 110 591,154 units totalling €61 965 638,81 were submitted for redemption.

The net asset value rose from €550,24 on September 30<sup>th</sup>, 2015 to €562,90 on September 30<sup>th</sup>, 2016, which equates to an increase of 2,30 %.

Performances vary over time and past performance is no guarantee of the UCI's future results.

### R units

The number of units subscribed for over the financial year was 864,914, representing a total of €841 879,52. Over the same period, 7 691,031 units totalling €7 334 136,08 were submitted for redemption.

The net asset value rose from €958,69 on September 30<sup>th</sup>, 2015 to €974,45 on September 30<sup>th</sup>, 2016, which equates to an increase of 1,64 %.

Performances vary over time and past performance is no guarantee of the UCI's future results.

### D units

The number of units subscribed for over the financial year was 57 241,661, representing a total of €6 347 630,81. Over the same period, 57 370 units totalling €6 294 985,10 were submitted for redemption.

The net asset value fell from €109,80 on September 30<sup>th</sup>, 2015 to €109,68 on September 30<sup>th</sup>, 2016, which is a change of 1,30% (taking into account a dividend of €1,60 paid on December 16<sup>th</sup>, 2015).

Performances vary over time and past performance is no guarantee of the UCI's future results.

Distributable net income at the end of the year was €3 327 128,86, compared with €3 172 260,15 the previous financial year.

**The benchmark performance was 2,75% over the period.**

**Portfolio movements over the period:**

Transaction code	ISIN	Name	Net amount €
Purchase	FR0011291657	FCP Obj.court Terme Euro C-3d	27 443 422,33
Purchase	ES0130960018	Enagas	6 397 143,93
Purchase	FR0004035913	Iliad	5 116 093,53
Purchase	FR0010220475	Alstom	4 304 620,65
Purchase	NL0000009165	Heineken	4 171 516,17
Transaction code	ISIN	Name	Net amount €
Sale	FR0011291657	FCP Obj.court Terme Euro C-3d	36 112 633,18
Sale	DE0007164600	SAP	6 858 287,86
Sale	ES0130960018	Enagas	4 334 393,59
Sale	DE0008402215	Hannover Rueckversicherun	4 314 936,01
Sale	FR0000133308	Orange	3 442 985,70

#### **Aggregate risk:**

The UCI's aggregate risk is calculated using the commitment method.

#### **Temporary purchases and sales of securities:**

As part of daily cash management, the manager may undertake repurchase agreements. These repurchase agreements are undertaken solely with Lazard Frères Banque for a term of one day, with a possibility of renewal.

Securities received by the UCI as collateral for the purpose of reducing counterparty risk will be shown, where applicable, in section "3.9 Other transactions" under additional information.

Income from these transactions is shown in the income statement, under "Income from temporary purchases and sales of securities".

## **ECONOMIC ENVIRONMENT**

The economic environment remained moderate over the last 12 months. In developed countries, activity slowed, mainly due to disappointment regarding US growth. However, improvements in the labour market, the resilience of confidence and the continued low level of interest rates support the economic outlook of these countries. Regarding the emerging markets, economic activity stabilised, thanks to the gradual normalisation of the macroeconomic situation in several leading countries that export commodities and which have experienced a deep recession. Capital flows towards emerging economies picked up, predominantly due to the reduced fears regarding Chinese growth, the improvement in commodities prices and interest rate expectations which are lower in developed countries. Generally speaking, inflation remained modest and below the specific targets set in the major developed economies. One of the main unexpected events during the past 12 months was the UK Brexit vote, in favour of leaving the European Union. The global economy seems to have absorbed the shock well but a significant level of uncertainty remains regarding the nature of the UK's new commercial and financial relations with the European Union. Overall, central banks' monetary policies remained highly accommodative. The US Federal Reserve was no longer zero-bound in December 2015, but then considered that a second rate hike was too risky. Looking for additional tools to achieve their inflation targets, the European Central Bank (ECB) and the Bank of Japan (BoJ) explored new stimulus measures, including a programme of government and corporate bond asset purchases by the ECB and a shift to negative policy rates as well

as yield-curve control by the BoJ. Against this backdrop, the financial markets alternated between periods of precarious calm and turbulence.

GDP volume growth (%)	2014	2015 (e)	2016 (e)	2017 (e)
World	3,4	3,2	3,1	3,4
Developed countries	1,9	2,1	1,6	1,8
Emerging countries	4,6	4,0	4,2	4,6
Eurozone	1,1	2,0	1,7	1,5
United States	2,4	2,6	1,6	2,2
Japan	0,0	0,5	0,5	0,6
United Kingdom	3,1	2,2	1,8	1,1
China	7,3	6,9	6,6	6,2
India	7,2	7,6	7,6	7,6
Brazil	0,1	-3,8	-3,3	0,5
Russia	0,7	-3,7	-0,8	1,1

IMF Economic Outlook, October 2016 update

Over 12 months, the MSCI World, an index of global equity markets in dollars, rose 9,1%. This change conceals mixed performances by zone: +12,9% for the S&P 500 in dollars, +0,1% for the Eurostoxx in euros, -6,3% for the Topix in yen and +14,1% for the MSCI Emerging Markets index in dollars.

After a rise in the equity markets in Q4 2015, 2016 began the year with an episode of turmoil. Until mid-February, concerns centred on China, the further drop in oil prices, US growth and banks' exposure to the energy sector at a time when their profits, especially in Europe, had started to come under growing pressure amid further cuts to already negative policy rates. The arrival of better economic statistics, the rise in oil prices and highly accommodative central banks subsequently led to an equity market rebound.

After a relatively calm period up to June 2016, the equity indices were then buffeted by the polls regarding the June 23<sup>rd</sup> referendum on whether the United Kingdom should remain in the European Union. The victory of the "Leave" vote triggered a second episode of turmoil since investors were expecting the remain vote to win, which was the bookmakers' favourite in the run-up to polling. In the end, the volatility did not last long and the equity markets then erased the Brexit-induced fall.

Long-term yields on the government bonds of non-risky countries continued to decline over the year and the volume of sovereign bonds trading at negative yields reached record levels in world markets. The negative long rates recorded in Germany and Japan are unprecedented. To a large extent, interest rates have fluctuated according to concerns about global growth and Fed and ECB monetary policy expectations. Over 12 months, 10-year yields on German government bonds declined from 0,59% to -0,12% and 10-year yields on US government debt fell from 2,04% to 1,59%.

Credit spreads of peripheral countries in relation to Germany tightened in the case of France (-9 basis points) and Spain (-31 basis points), while they widened significantly in Portugal (+164 basis points) due to political uncertainty, and to a lesser extent in Greece (+70 basis points) and in Italy (+17 basis points).

According to Merrill Lynch indices, options-adjusted credit spreads on good quality corporate bonds versus government bonds tightened by 44 basis points to 101 basis points, while spreads on high yield bonds widened by 139 basis points to 416 basis points.

The euro was broadly stable against the dollar year-on-year (+0,5%) but it fell sharply against the yen (-15,0%) and strengthened significantly against the pound sterling (+17,2%).

Oil prices fell rapidly during until mid-January 2016 owing to strong supply in the United States and the OPEC countries. The prospect of increased production in Iran was also a factor. They then rose again on hopes of an agreement between the major oil producers and amid disruptions to supply on several markets. On September 28<sup>th</sup>, OPEC members came to an agreement on production cuts. The Brent oil price is more or less stable (+1,2%), and stood at \$48 at end-September 2016.

## Eurozone

The recovery in the Eurozone has continued over the past quarters. Growth has gathered pace, reaching an annualised +2,1% in Q1 2016 before then slowing down to +1,2% in Q2 2016 (+1,6% year-on-year).

The composite PMI for the Eurozone reached 53,7 in October 2016 according to the initial estimate, a level close to that of September 2015 (53,6). The UK referendum in favour of leaving the EU has not, for the time being, had any impact on the business climate.

In Germany, growth accelerated in Q4 2015 and in Q1 2016 before slowing to an annualised +1,7% in Q2 2016 (+1,8% year-on-year). The composite PMI gained one point since September 2015, reaching 55,1 in October 2016 according to the initial estimate. The unemployment rate remained low: it stood at 4,2% in September 2016 according to Eurostat, one of the lowest levels in Europe.

In France, after stable growth in Q4 2015 and a sharp acceleration in Q1 2016, GDP fell by 0,4% annualised in Q2 2016 before jumping 0,8% in Q3 2016 (+1,1% year-on-year). The composite PMI index deteriorated until the beginning of 2016 but then recovered. It increased from 51,9 to 52,2 between September 2015 and October 2016 according to the initial estimate. The unemployment rate fell back below the 10% mark in April 2016 before rising again. Between September 2015 and August 2016 it rose from 10,4% to 10,5% according to Eurostat.

In the peripheral countries, growth remained weak in Italy. It was close to zero in Q2 2016 (+0,1% quarter-on-quarter, +0,7% year-on-year). The unemployment rate remained more or less stable but it fell from 11,5% to 11,4% between September 2015 and August 2016, according to Eurostat data.

Spain's catch-up momentum barely faltered, with growth slowing from an annualised +3,4% in the third quarter of 2015 to +2,8% in the third quarter of 2016 (+3,2% year-on-year). The unemployment rate continued to decline, but at 19,5% in August 2016 according to Eurostat, it is the highest in Europe after Greece. The parliamentary elections on June 26<sup>th</sup>, like the previous ones on December 20<sup>th</sup>, 2015, failed to achieve a government majority.

In the Eurozone, inflation picked up slightly, increasing from -0,1% to +0,4% year-on-year. Excluding energy and food prices, it remained stable. It fell from +0,9% year-on-year to +0,8%.

In December 2015, the ECB decided to widen its asset purchase programme to bonds issued by regional and local governments, to extend this programme by at least six months up to the end of March 2017, and to lower the interest rate on the deposit facility by 10 basis points to -0,30%.

Following its meeting in March 2016, the ECB reduced the refinancing rate and the marginal lending facility rate by 5 basis points to 0,00% and 0,25% respectively, and the deposit rate by 10 basis points to -0,40%. In addition, it increased its monthly asset purchases by €20 billion to €80 billion, and added bonds issued by highly rated non-financial corporations to the list of eligible assets. The central bank also announced a new series of four targeted longer term refinancing operations.

## MANAGEMENT POLICY

### The market

During the accounting period of the fund Objectif Actions Euro, the market's performance was marked by numerous setbacks which can be analysed in several distinct phases.

- A particularly chaotic fourth quarter due to falling commodity prices, a lack of clear direction by the European

and US central banks, and fears surrounding growth in emerging countries.

- A first quarter 2016 in which commodities saw a rebound, after the Brent price reached its lowest point since November 2003.
- A second quarter 2016 penalised by the UK Brexit vote.
- A post-Brexit rally during the summer, which was halted on September 9th by investors' concerns on the financial health of Deutsche Bank.

Backed by these factors, the Euro Stoxx net dividends reinvested rose by 2,75% over the period.

### The Fund

During the last quarter of 2015, Objectif Actions Euro climbed 7,19%, compared with a rise of 6,5% for the Euro Stoxx net dividends reinvested.

The market fluctuated between significant bull and bear phases during the period. During this phase of increased volatility, the equity indices reflected the exact same fears registered during the spring, namely the continued slowdown in emerging countries, which among other things gave rise to the all-out collapse in commodities.

Further jolts were caused by the messages and decisions by the central banks on both sides of the Atlantic.

The consumer non-cyclicals and materials sectors were the most detrimental. However, finance and telecoms, due to a favourable stock-picking approach, contributed the most to the Fund's performance. Paradoxically, the top three performance contributors can be found in the automotive sector, with Renault (+45%), Faurecia (+33%) and Schaeffler (+24%). Conversely, Hugo Boss (-24%), Voestalpine (-8%) and Dialog Semiconductor (-13%) hurt the Fund the most.

During the first quarter of 2016, the Fund fell by 7,41% compared to -6,62% for its benchmark.

After the beginning of the year was marked by fears of a more pronounced economic slowdown in China, a recession in the US and the ongoing fall in the price of oil and all the main commodities, the European equity markets picked up mid-February. Indeed, the accommodative statements from the central banks, the fears of a global slowdown which have given way thanks to improved macroeconomic data in the US and the oil prices which have seen a marked rebound, have given the markets a second boost in this highly-volatile quarter.

The industrial sector made a positive contribution to Fund performance, with the consumer cyclicals, healthcare and real estate sectors penalising it the most.

Objectif Actions Euro benefited from the rebound of Dialog Semiconductor (-12%) and the good performances of Eiffage (+13%) and GEA (+15%). However, the Fund was penalised once again by Hugo Boss (-25%) as well as KBC (-21%) and Merck (-18%).

In the third quarter of 2016, the Fund fell by 4,48% compared to -2,97% for its benchmark.

This period was characterised in particular by the UK Brexit vote on Thursday June 23rd. And it was this vote which sent the index and the Fund downwards at the end of the quarter. Indeed, at market close on June 23rd, Objectif Actions Euro and Euro Stoxx fell by 2,73% and 2,72% respectively. It is interesting to note that the underperformance which we observe in this quarter relates only to the last five days of June.

The consumer cyclicals, energy and materials sectors were the subject of all the underperformance. The financials and healthcare sectors contributed to Fund performance, particularly thanks to a favourable stock-picking approach.

This quarter, Merck (+26%) is the top performance contributor. Henkel (+15%) and E.On (+13%) also made positive contributions to Objectif Actions Euro. However, it suffered from the performances of Renault (-28%), Peugeot (-19%) and once again Dialog Semiconductor (-23%).

The last quarter of the year saw the Fund rise by 7,91%, outperforming its benchmark by 143 basis points.

In the first part of the quarter, the market rebounded by almost 9% before it went into reverse after investors' confidence was eroded by the potential scale of the penalty facing Deutsche Bank and after the various speeches by Theresa May, who made fears of a Hard Brexit more probable.

Stock-picking in the industrial and financial sectors made a positive contribution to the Fund's performance. Conversely, technology and materials contributed negatively.

Rexel (+25%), Natixis (+22%) and LafargeHolcim (+30%) were the biggest contributors to the fund's relative performance. At the same time, E.On (-21%), Unilever (-1%) and Heineken (-5%) penalised the Fund the most.

Over the full year, the Fund gained 2,30% versus 2,75% for its benchmark index, the Euro Stoxx (dividends reinvested).

Objectif Actions Euro is PEA-eligible and was over 90% invested in equities throughout the financial year.



## **TRADING FEES**

Trading fees are levied by Lazard Frères Banque. They are not broken down into different services according to a specific formula.

These fees are levied within the context of the joint venture arrangement between Lazard Frères Banque and Lazard Frères Gestion whereby they have pooled their resources for financial, administrative and accounting management, custody of securities and trade execution.

## **EXERCISE OF VOTING RIGHTS**

The scope and procedures for Lazard Frères Gestion SAS's exercise of the voting rights attached to the securities held in the UCIs managed by it are set out in the guidelines it has drawn up on its voting policy. This document is available to unitholders upon written request to the management company.

## **PROCEDURE FOR SELECTING AND ASSESSING BROKERS AND COUNTERPARTIES**

The brokers used by the management company are selected on the basis of various evaluation criteria, covering research, quality of order execution and processing and the range of services offered. The management company's "Broker Committee" validates any updates to the list of authorised brokers. Each investment division (fixed income and equities) reports to the Broker Committee at least twice a year on the evaluation of the services provided by the various brokers and the breakdown of the volume of transactions handled.

## **BROKERAGE FEES**

Information about brokerage fees is available on the website [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

## **EFFECTIVE PORTFOLIO MANAGEMENT TECHNIQUES**

There were no repurchase operations recorded in the portfolio over the financial year.

## **FINANCIAL INSTRUMENTS ISSUED OR MANAGED BY A LAZARD GROUP ENTITY**

Information on these instruments is provided in the Fund's annual financial statements.

## **INFORMATION ON ESG CRITERIA**

The incorporation of extra-financial considerations in investment decisions is central to our socially responsible investment (SRI) equity investment philosophy. Our SRI management philosophy is based on the firm belief that a company's economic performance is sustainable only if certain extra-financial factors are taken into account. Improving the quality of human capital and preventing environmental risks ensures the sustainability of economic performance.

The quality of corporate governance is assessed for all companies whose shares are held by UCIs managed by Lazard Frères Gestion, even when the portfolios in question are not specifically pursuing SRI strategies. As such, the fund OBJECTIF ACTIONS EURO managed by Lazard Frères Gestion takes corporate governance factors into account, without necessarily considering them alongside social or environmental criteria.

Information about ESG criteria is available on the website [www.lazardfreresgestion.fr](http://www.lazardfreresgestion.fr).

## **WITHHOLDING TAX**

European Union countries may apply different taxation methods for dividends paid to domestic entities and foreign entities. Foreign entities that receive dividends are frequently subject to withholding tax, causing a difference in tax treatment that is in breach of the free circulation of capital, and therefore contrary to European Union law. Since there are several decisions by the European Union Court of Justice and the Council of State in favour of foreign residents,

the management company shall request reimbursement of withholding tax paid on dividends received by foreign companies for funds domiciled in France, when the prospects for repayment of the withholding tax is deemed favourable to the funds concerned. The time involved and results of claims of this nature to the tax authorities concerned are uncertain.

## **CHANGES WHICH TOOK PLACE DURING THE PERIOD AND WHICH ARE STILL TO TAKE PLACE**

### **Fractional units**

The Chairman of the management company Lazard Frères Gestion SAS has decided on fractional units for the Fund **Objectif Actions Euro - R units** (FR0010679886) divided into thousandths of a unit.

**Effective date: December 3rd, 2014**

### **Marketing the Fund outside France**

Under the terms of the “product passport” introduced by the UCITS IV directive, the Chairman of the management company Lazard Frères Gestion SAS would like to market in Portugal the fund **Objectif Actions Euro** – (A units: FR0010259945 – R units: FR0010679886 – D units: FR0011710557).

### **Change in valuation day**

The Chairman of the management company Lazard Frères Gestion SAS has decided to change the prospectus of the **fund Objectif Actions Euro** (A units: FR0010259945 – R units: FR0010679886 – D units: FR0011710557) so that:

> When the valuation day falls on the day before a non-working period in France, the NAV is dated on this same day *and no longer the last day of that non-working period*.

Example: If the valuation day is a Friday, the NAV will be dated on the Friday and *no longer the Sunday*.

**Effective date: July 16<sup>th</sup>, 2016.**

# STATUTORY AUDITOR'S GENERAL REPORT

# Balance sheet at September 30<sup>th</sup>, 2016 (in euros)

<b>ASSETS</b>	<b>YEAR ENDED 30/09/2016 €uros</b>	<b>YEAR ENDED 30/09/15 €uros</b>
<b>NET NON-CURRENT ASSETS</b>	<b>0,00</b>	<b>0,00</b>
<b>DEPOSITS</b>	<b>0,00</b>	<b>0,00</b>
<b>FINANCIAL INSTRUMENTS</b>	<b>190 755 500,12</b>	<b>227 101 845,43</b>
➤ <b>EQUITIES AND SIMILAR SECURITIES</b>	<b>188 756 009,12</b>	<b>216 603 772,23</b>
Traded on a regulated or equivalent market	188 756 009,12	216 603 772,23
Not traded on a regulated or equivalent market	0,00	0,00
➤ <b>BONDS AND SIMILAR SECURITIES</b>	<b>0,00</b>	<b>0,00</b>
Traded on a regulated or equivalent market	0,00	0,00
Not traded on a regulated or equivalent market	0,00	0,00
➤ <b>DEBT SECURITIES</b>	<b>0,00</b>	<b>0,00</b>
Traded on a regulated or equivalent market	0,00	0,00
▪ Negotiable debt securities	0,00	0,00
▪ Other debt securities	0,00	0,00
Not traded on a regulated or equivalent market	0,00	0,00
➤ <b>UNDERTAKINGS IN COLLECTIVE INVESTMENT</b>	<b>1 999 491,00</b>	<b>10 498 073,20</b>
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	1 999 491,00	10 498 073,20
Other funds aimed at non-professionals and their equivalent in other countries that are Member States of the EU	0,00	0,00
General funds aimed at professional investors and their equivalent in other Member States of the EU and listed securitisation entities	0,00	0,00
Other funds aimed at professional investors and their equivalent in other Member States of the EU and unlisted securitisation entities	0,00	0,00
Other non-European entities	0,00	0,00
➤ <b>TEMPORARY SECURITIES TRANSACTIONS</b>	<b>0,00</b>	<b>0,00</b>
Receivables on securities purchased under repurchase agreements	0,00	0,00
Receivables on loaned securities	0,00	0,00
Borrowed securities	0,00	0,00
Securities sold under repurchase agreements	0,00	0,00
Other temporary transactions	0,00	0,00
➤ <b>FORWARD FINANCIAL INSTRUMENTS</b>	<b>0,00</b>	<b>0,00</b>
Transactions on a regulated or equivalent market	0,00	0,00
Other transactions	0,00	0,00
➤ <b>OTHER FINANCIAL INSTRUMENTS</b>	<b>0,00</b>	<b>0,00</b>
<b>RECEIVABLES</b>	<b>214 201,10</b>	<b>215 586,75</b>
Currency forward exchange contracts	0,00	0,00
Other	214 201,10	215 586,75
<b>FINANCIAL ACCOUNTS</b>	<b>0,00</b>	<b>0,00</b>
Cash and cash equivalents	0,00	0,00
<b>TOTAL ASSETS</b>	<b>190 969 701,22</b>	<b>227 317 432,18</b>

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>YEAR ENDED 30/09/2016 Euros</b>	<b>YEAR ENDED 30/09/15 Euros</b>
<b>SHAREHOLDERS' EQUITY</b>		
➤ Capital	179 538 032,47	202 838 823,55
➤ Undistributed net capital gains and losses recognised in previous years (a)	1 800 750,47	0,00
➤ Retained earnings (a)	1 575,48	0,00
➤ Net capital gains and losses for the year (ab)	5 863 832,14	14 422 268,55
➤ Net income for the year (ab)	3 327 128,86	3 172 260,15
<b>TOTAL SHAREHOLDERS' EQUITY (= Sum representing the net assets)</b>	<b>190 531 319,42</b>	<b>220 433 352,25</b>
<b>FINANCIAL INSTRUMENTS</b>	<b>0,00</b>	<b>0,00</b>
➤ <i>SALES OF FINANCIAL INSTRUMENTS</i>	<i>0,00</i>	<i>0,00</i>
➤ <i>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</i>	<i>0,00</i>	<i>0,00</i>
Liabilities on financial securities sold under repurchase agreements	0,00	0,00
Liabilities on borrowed financial securities	0,00	0,00
Other temporary transactions	0,00	0,00
➤ <i>FORWARD FINANCIAL INSTRUMENTS</i>	<i>0,00</i>	<i>0,00</i>
Transactions on a regulated or equivalent market	0,00	0,00
Other transactions	0,00	0,00
<b>LIABILITIES</b>	<b>5 714,59</b>	<b>6 872,80</b>
Currency forward exchange contracts	0,00	0,00
Other	5 714,59	6 872,80
<b>FINANCIAL ACCOUNTS</b>	<b>432 667,21</b>	<b>6 877 207,13</b>
Bank account overdrafts	432 667,21	6 877 207,13
Loan	0,00	0,00
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>190 969 701,22</b>	<b>227 317 432,18</b>
(a) Including accrued income		
(b) Less interim dividends paid for the financial year		

# Off-balance sheet at September 30<sup>th</sup>, 2016 (in euros)

	YEAR ENDED 30/09/2016 Euros	YEAR ENDED 30/09/15 Euros
<b>HEDGING TRANSACTIONS</b>		
➤ COMMITMENTS ON REGULATED MARKETS OR SIMILAR		
➤ OVER-THE-COUNTER COMMITMENTS		
➤ OTHER COMMITMENTS		
<b>OTHER TRANSACTIONS</b>		
➤ COMMITMENTS ON REGULATED MARKETS OR SIMILAR		
➤ OVER-THE-COUNTER COMMITMENTS		
➤ OTHER COMMITMENTS		

# Income statement for the financial year ended September 30<sup>th</sup>, 2016 (in euros)

	YEAR ENDED 30/09/2016 Euros	YEAR ENDED 30/09/15 Euros
<b>INCOME FROM FINANCIAL TRANSACTIONS<sup>1</sup></b>	<b>5 964 894,31</b>	<b>5 380 444,87</b>
▪ Income from deposits and financial accounts	0,00	0,00
▪ Income from equities and similar securities	5 964 894,31	5 380 444,87
▪ Income from bonds and similar securities	0,00	0,00
▪ Income from debt securities	0,00	0,00
▪ Income from temporary purchases and sales of financial	0,00	0,00
▪ Income from financial contracts	0,00	0,00
▪ Other financial income	0,00	0,00
<b>TOTAL I</b>	<b>5 964 894,31</b>	<b>5 380 444,87</b>
<b>CHARGES ON FINANCIAL TRANSACTIONS</b>	<b>2 734,76</b>	<b>15 208,82</b>
▪ Charges on temporary purchases and sales of financial securities	0,00	0,00
▪ Charges on financial contracts	0,00	0,00
▪ Charges on financial debt	0,00	208,82
▪ Other financial charges *	2 734,76	15 000,00
<b>TOTAL II</b>	<b>2 734,76</b>	<b>15 208,82</b>
<b>NET INCOME FROM FINANCIAL TRANSACTIONS (I - II)</b>	<b>5 962 159,55</b>	<b>5 365 236,05</b>
▪ Other income (III)	0,00	0,00
▪ Management fees and depreciation and amortisation (IV)	2 351 901,32	2 350 131,29
<b>NET INCOME FOR THE FINANCIAL YEAR (L.214-17-1) (I - II + III - IV)</b>	<b>3 610 258,23</b>	<b>3 015 104,76</b>
▪ Income adjustment for the financial year (V)	-283 129,37	157 155,39
▪ Interim dividends paid on net income for the financial year (VI)	0,00	0,00
<b>NET INCOME (I-II+III-IV+/-V-VI)</b>	<b>3 327 128,86</b>	<b>3 172 260,15</b>

<sup>1</sup> Based on the allocation for tax purposes of income received from UCIs

(\*) The Fund paid exceptional charges amounting to €2 734,76 on debt collection in relation to withholding tax on dividends received from foreign companies.

# Notes to the financial statements

## I. ASSET VALUATION AND ACCOUNTING RULES

The Fund complied with regulation 2014-01 of the French national accounting standards body (*Autorité des Normes Comptables* - ANC) dated January 14<sup>th</sup>, 2014 related to the chart of accounts for open-end collective investment undertakings.

### 1 – Asset valuation rules

---

➤ **Financial instruments and securities traded on a regulated market are valued at their market price.**

- **Shares and similar securities** are valued on the basis of the last known price on their main market.

Where applicable, prices are translated into euros using the exchange rate prevailing in Paris on the valuation day (as published by the European Central Bank).

- **Fixed-income securities**

Fixed-income securities are for the most part marked to market based on either Bloomberg prices (BGN) derived from averages of contributed prices, or on those of direct contributors.

There may be a discrepancy between the carrying amounts, valued as indicated above, and the actual disposal prices that would be obtained if a portion of these portfolio assets were to be sold.

- **“bonds and similar instruments”** are valued on the basis of the average of the closing prices gathered from several contributors.
- Under the valuation rules set out in the prospectus, *“The net asset value is dated the day on which it is valued, where the valuation date falls on the day before a non-working period in France (weekends or public holidays).”*

Financial instruments whose prices have not been determined on the valuation day or whose prices have been adjusted are valued at their probable trading price under the responsibility of the management company of the Fund.

These estimates and their supporting documentation will be provided to the statutory auditor during audits.

However, the following instruments are valued using the following specific methods:

#### **Negotiable debt securities:**

- **Negotiable debt securities with a residual maturity of more than three months:**  
Negotiable debt securities traded in large volumes are valued at market price. In the absence of significant trading volumes, these securities are valued using an actuarial method, with a benchmark rate plus, where applicable, a margin representative of the issuer’s intrinsic features.



<b>Benchmark rate</b>	
<b>Negotiable debt securities in</b>	<b>Negotiable debt securities in other</b>
EURIBOR, OISs and BTFs - 3 - 6 - 9 - 12 months BTANs - 18 months, 2 - 3 - 4 - 5 years	Official key rates in the relevant countries

- **Negotiable debt securities with a residual maturity of three months or less:**  
Negotiable debt securities with a residual maturity of three months or less are valued using the straight-line method. However, this method would not be applied if any of these securities were particularly sensitive to market movements.
- **UCIs:**  
Units or shares of UCIs are valued at the last known net asset value.  
Units or shares of UCIs for which net asset values are published monthly may be valued on the basis of interim net asset values calculated from estimated prices.
- **Temporary purchases and sales of securities**
  - Securities purchased under repurchase agreements are valued at their contract price using an actuarial method with a benchmark rate (overnight EONIA, one- or two-week interbank rates, one- to 12-month EURIBOR) corresponding to the term of the contract.
  - Securities sold under repurchase agreements continue to be valued at their market price. Liabilities on securities sold under repurchase agreements are calculated using the same method as that used for securities purchased under repurchase agreements.
- **Futures and options**
  - Futures and options are valued on the basis of intraday trading prices the timing of which is based on that of the valuation of the underlying assets.

Positions taken on the futures or options markets and over the counter are valued at their market price or at the value of the equivalent underlying asset.

### **1.1. Financial instruments and securities not traded on a regulated market**

All of the Fund's securities are traded on regulated markets.

### **1.2. Valuation methods for off-balance sheet commitments**

Off-balance sheet transactions are valued at the commitment value.

The commitment value for futures contracts is equal to the price (in the Fund's currency) multiplied by the number of contracts multiplied by the face value.

The commitment value for options is equal to the price of the underlying security (in the Fund's currency) multiplied by the number of contracts multiplied by the delta multiplied by the face value of the underlying security.

The commitment value for swaps is equal to the face value of the contract (in the Fund's currency).

## **2 – Accounting policies**

### **▪ Income from fixed-income securities**

- Income from fixed-income securities is recorded on the basis of accrued interest.

- **Management fees**

- Management fees are calculated on each valuation day.

The annual management fee rate is applied to gross assets (equal to net assets before deduction of the day's management fees) less UCIs managed by Lazard Frères Gestion SAS using the following formula:

$$\begin{array}{rcl} & & \text{(Gross assets – UCIs managed by Lazard Frères Gestion S.A.S.)} \\ x & & \text{operating and management fees rate} \\ x & & \underline{\text{no. of days until next NAV}} \\ & & 365 \end{array}$$

- Under the valuation rules set out in the prospectus, *“The net asset value is dated the day on which it is valued, where the valuation date falls on the day before a non-working period in France (weekends or public holidays). ”*

This amount is then recorded in the Fund's income statement and paid in full to the management company.

- The management company pays the Fund's operating fees including for:
  - . financial management;
  - . administration and accounting;
  - . custody services;
  - . other operating fees;
  - . statutory auditors' fees;
  - . legal notices (Balo, Petites Affiches, etc.) if applicable.

These fees do not include transaction charges.

**A units:**

The maximum rate for management fees is 1,10%. The basis for calculation is the net assets, as described in the prospectus.

**D units:**

The maximum rate for management fees is 1,10%. The basis for calculation is the net assets, as described in the prospectus.

**R units:**

The maximum rate for management fees is 1,75%. The basis for calculation is the net assets, as described in the prospectus.

**Allocation of distributable income:**

**A units:** Accumulation of income.

**D units:** Distribution of income.

**R units:** Accumulated and/or Distributed and/or Retained income.

**A units:** Accumulation of capital gains.

**D units:** Accumulated and/or Distributed and/or Retained capital gains.

**R units:** Accumulated and/or Distributed and/or Retained capital gains.

- **Accounting currency**

The accounting currency is the euro.

- **Transaction charges**

Transactions are recorded excluding charges.

- **Retrocessions received on management fees or entry charges**

The method used to calculate retrocession amounts is set out in the sales and marketing agreements.

- If the amount is significant, a provision is recognised in account 619.

- The final amount is recognised upon settlement of invoices after reversal of any provisions.

## II – Changes in net assets

		YEAR ENDED 30/09/16 €uros	YEAR ENDED 30/09/15 €uros
<b>Net assets at start of year</b>		<b>220 433 352,25</b>	<b>183 537 205,88</b>
Subscriptions (including subscription fees retained by the UCI)	+	41 845 018,25	93 715 142,420
Redemptions (net of redemption fees retained by the UCI)	-	-75 594 759,99	-64 404 587,58
Realised capital gains on deposits and financial instruments	+	16 554 917,66	15 899 328,15
Realised capital losses on deposits and financial instruments	-	-7 895 259,92	-1 245 151,85
Realised capital gains on forward financial instruments	+	0,00	0,00
Realised capital losses on forward financial instruments	-	0,00	0,00
Transaction charges	-	-1 340 123,04	-1 437 944,61
Exchange differences	+/-	0,00	0,00
Change in valuation difference of deposits and financial instruments	+/-	<b>-6 195 226,51</b>	<b>-8 220 089,52</b>
▪ Valuation difference for financial year N		8 927 861,65	15 123 088,16
▪ Valuation difference for financial year N - 1		15 123 088,16	23 343 177,68
Change in valuation difference of forward financial instruments	+/-		
		<b>0,00</b>	<b>0,00</b>
▪ Valuation difference for financial year N		0,00	0,00
▪ Valuation difference for financial year N - 1		0,00	0,00
Distribution of prior year's net capital gains and losses	-	0,00	0,00
Dividends paid in the previous financial year	-	-886 857,51	-425 655,40
Net profit/loss for the financial year prior to income adjustment	+/-	3 610 258,23	3 015 104,76
Interim dividend(s) paid on net capital gains/losses during the financial year	-	0,00	0,00
Interim dividend(s) paid on net income during the financial year	-	0,00	0,00
Other items (*)	+/-	0,00	0,00
<b>Net assets at end of year</b>		<b>190 531 319,42</b>	<b>220 433 352,25</b>

(\*) Decimal rounding

## III – Additional information

### 3.1 Financial instruments: breakdown by legal or economic type of instrument

#### Bonds and similar securities by instrument type

➤ index-linked bonds	None
➤ convertible and exchangeable bonds	None
➤ equity investments	None
➤ other	None

#### Debt securities by instrument type

➤ treasury bills	None
➤ negotiable medium-term notes	None
➤ commercial paper	None
➤ certificates of deposit	None
➤ other	None

#### Sales of financial instruments by instrument type

➤ negotiable debt securities	None
➤ equities	None
➤ bonds	None

#### Breakdown of off-balance sheet items by market type

➤ interest rates	None
➤ equities	None
➤ currencies	None

### 3.2 Breakdown of asset, liability and off-balance sheet items by interest rate type

Assets	Fixed rate	Variable rate	Adjustable rate	Other
Deposits				
Bonds and similar securities				
Debt securities				
Temporary financial securities transactions				
Financial accounts				
<b>Liabilities and shareholders' equity</b>				
Temporary financial securities transactions				
Financial accounts				432 667,21
<b>Off-balance sheet items</b>				
Hedging transactions				
Other transactions				

\*Non-interest bearing cash

### 3.3 Breakdown of asset, liability and off-balance sheet items by residual maturity

Assets	0-3 months	3 months-1 year	1-3 years	3-5 years
Deposits				
Bonds and similar securities				
Debt securities				
Temporary financial securities transactions				
Financial accounts				
<b>Liabilities and shareholders' equity</b>				
Temporary financial securities transactions				
Financial accounts	432 667,21			
<b>Off-balance sheet items</b>				
Hedging transactions				
Other transactions				

### 3.4 Breakdown of asset, liability and off-balance sheet items by listing or valuation currency

<b>Assets</b>
Deposits
Equities and similar securities
Bonds and similar securities
Debt securities
UCI
Temporary financial securities transactions
Receivables
Financial accounts
<b>Liabilities and shareholders' equity</b>
Sales of financial instruments:
Temporary financial securities transactions
Liabilities
Financial accounts
<b>Off-balance sheet items</b>
Hedging transactions
Other transactions

### 3.5 Breakdown of receivables and liabilities by type

#### Other receivables

- Breakdown of forward exchange contracts
  - Buy None
  - Sell None
- Interest and dividends receivable €208 478,60

➤	Deferred settlement sale	None
➤	Other	€5 722,50

#### Other liabilities

➤	Breakdown of forward exchange contracts	
▪	Buy	None
▪	Sell	None
➤	Deferred settlement purchase	None
➤	Management fees payable	€5 714,59
➤	Other	None

## 3.6 Shareholders' equity

#### Number and value of securities:

- issued during the year (including subscription fees retained by the UCI)

Quantity:	61 801,166 A units	Value: €	34 655 507,92
Quantity:	864,914 R units	Value: €	841 879,52
Quantity:	57 241,661 D units	Value: €	6 347 630,81

- redeemed during the year (net of redemption fees retained by the UCI)

Quantity:	110 591,154 A units	Value: €	61 965 638,81
Quantity:	7 691,031 R units	Value: €	7 334 136,08
Quantity:	57 370,000 D units	Value: €	6 294 985,10

#### Subscription and/or redemption fees:

- Total subscription and/or redemption fees received

A units	€38 795,39
R units:	€656,60
D units	€0,00

- Total subscription and/or redemption fees passed on to third parties

A units	€38 795,39
R units:	€656,60
D units	€0,00

▪ Total subscription and/or redemption fees retained by the UCI	
A units	€0,00
R units:	€0,00
D units	€0,00

### 3.7 Management fees

#### A units:

▪ Fixed management fees: percentage of average assets:	1,09
--	------

#### R units:

▪ Fixed management fees: percentage of average assets:	1,74
--	------

#### D units

▪ Fixed management fees: percentage of average assets:	1,09
▪ Performance fees (variable fees):	None
▪ Retrocessions received for UCIs held:	None

### 3.8 Commitments received and given

▪ Commitments received	None
▪ Commitments given	None

### 3.9 Other information

➤Present value of financial instruments held temporarily

▪ Securities held under repurchase option contracts:	None
--	------

▪ Securities held under repurchase agreements:	None
--	------

➤Present value of financial instruments representing security deposits:	None
---	------

➤Financial instruments received as security and not recorded on the balance sheet:	None
--	------

➤Financial instruments given as security and retained under their original classification:	None
--	------

➤Financial instruments held in the portfolio and issued by the service provider or the entities of its group and UCI managed by the service provider or the entities of the Lazard Group: see portfolio inventory.



### 3.10 Table of allocation of distributable amounts

Interim dividends paid on net income for the financial year				
Date	Total amount	Amount per unit	Total tax credits	Tax credit per unit
Total interim dividends				
Interim dividends paid on net capital gains/losses for the financial year				
Date	Total amount	Amount per unit		
Total interim dividends				

Table of allocation of distributable amounts pertaining to net income	YEAR ENDED 30/09/2016 Euros	YEAR ENDED 30/09/15 Euros
<b>AMOUNTS TO BE ALLOCATED</b>		
▪ Retained earnings	2 732,84	2 096,52
▪ Profit (Loss)	3 327 128,86	3 172 260,15
<b>TOTAL</b>	<b>3 329 861,70</b>	<b>3 174 356,67</b>
<b>A UNITS/ FR0010259945</b>		
<b>APPROPRIATION</b>		
▪ Accumulation	2 735 719,77	2 628 799,87
<b>TOTAL</b>	<b>2 735 719,77</b>	<b>2 628 799,87</b>
<b>R UNITS / FR0010679886</b>		
<b>APPROPRIATION</b>		
▪ Distribution	0,00	0,00
▪ Balance brought forward for the financial year	0,00	0,00
▪ Accumulation	20 570,80	65 955,57
<b>TOTAL</b>	<b>20 570,80</b>	<b>65 955,57</b>
<b>D UNITS / FR0011710557</b>		
<b>APPROPRIATION</b>		
▪ Distribution	571 995,65	476 868,39
▪ Balance brought forward for the financial year	1 575,48	2 732,84
<b>TOTAL</b>	<b>573 571,13</b>	<b>479 601,23</b>
<b>Information on shares or units with dividend rights</b>		
Number of D shares or units	297 914,403	298 042,742
Dividend per unit	1,92	1,60
<b>Income eligible for a tax allowance of 40% and subject to a 21% advance payment</b>		
- French equities	0,06	0,00
- Foreign equities	1,86	1,60
<b>Tax credits attached to the distribution of earnings</b>		
<b>Total tax credits and assets to be divided up over the financial year</b>	<b>78 780,74</b>	<b>69 562,35</b>

	YEAR ENDED 30/09/16 €uros	YEAR ENDED 30/09/15 €uros
<b>Table of allocation of distributable amounts pertaining to net capital gains and losses</b>		

#### AMOUNTS TO BE ALLOCATED

▪ Undistributed net capital gains and losses recognised in previous years	1 800 750,47	0,00
▪ Net capital gains and losses for the year	5 863 832,14	14 422 268,55
▪ Interim dividends paid on net capital gains/losses for the financial year	0,00	0,00

<b>TOTAL</b>	<b>7 664 582,61</b>	<b>14 422 268,55</b>
--------------	---------------------	----------------------

#### A UNITS / FR0010259945

#### APPROPRIATION

▪ Accumulation	4 801 163,82	11 733 557,50
----------------	--------------	---------------

<b>TOTAL</b>	<b>4 801 163,82</b>	<b>11 733 557,50</b>
--------------	---------------------	----------------------

#### R UNITS / FR0010679886

#### APPROPRIATION

▪ Distribution	0,00	0,00
▪ Undistributed net capital gains and losses	0,00	0,00
▪ Accumulation	57 014,25	547 416,63

<b>TOTAL</b>	<b>57 014,25</b>	<b>547 416,63</b>
--------------	------------------	-------------------

#### D UNITS / FR0011710557

#### APPROPRIATION

▪ Distribution	0,00	339 768,73
▪ Undistributed net capital gains and losses	2 806 404,54	1 801 525,69
▪ Accumulation	0,00	0,00

<b>TOTAL</b>	<b>2 806 404,54</b>	<b>2 141 294,42</b>
--------------	---------------------	---------------------

#### INFORMATION REGARDING SHARES OR UNITS WITH DIVIDEND RIGHTS

Number of D shares or units	297 914,403	298 043
Dividend per unit	0,00	1,14

## Table of Fund income and other significant items over the past five financial years

	YEAR 2012 28/09/12	YEAR 2013 30/09/13	YEAR 2014 30/09/14	YEAR 2015 30/09/15	YEAR 2016 30/09/16
<b>BALANCE OF SUBSCRIPTIONS AND REDEMPTIONS DURING THE FINANCIAL YEAR</b>					
<b>in Euro</b>	<b>18 200 023,65</b>	<b>4 117 007,90</b>	<b>24 405 789,90</b>	<b>29 310 554,84</b>	<b>-33 749 741,74</b>
. Amount subscribed A units	45 464 910,00	64 920 391,40	61 254 859,55	54 212 905,41	34 655 507,92
. Amount subscribed R units	214 550,91	769 100,19	7 902 898,65	8 094 359,19	841 879,52
. Amount subscribed D units			24 385 527,90	31 407 877,82	6 347 630,81
. Amount redeemed A units	27 454 702,56	61 395 613,04	61 041 800,07	42 320 447,28	61 965 638,81
. Amount redeemed R units	24 734,70	176 870,65	6 736 024,13	1 248 699,80	7 334 136,08
. Amount redeemed D units			1 359 672,00	20 835 440,50	6 294 985,10
<b>IN NUMBER OF UNITS</b>					
. Units issued A units	131 494	158 210	121 702,077	93 175,881	61 801,166
. Units redeemed R units	341	1 063	8 878,000	7 728,140	864,914
. Units issued D units issued			230 210	259 632,742	57 241,661
. Units redeemed A units	78 670	143 401	118 012,809	73 574,892	110 591,154
. Units redeemed R units	41	224	7 792,000	1 237,958	7 691,031
. Units redeemed D units			12 800	179 000,000	57 370,000
<b>NET ASSETS (€m)</b>	<b>107 370 182,98</b>	<b>142 916 953,16</b>	<b>183 537 205,88</b>	<b>220 433 352,25</b>	<b>190 531 319,42</b>
<b>A units</b>	<b>107 163 884,42</b>	<b>141 964 192,14</b>	<b>158 603 701,14</b>	<b>179 338 573,94</b>	<b>156 002 459,69</b>
<b>R units:</b>	<b>206 298,57</b>	<b>952 761,02</b>	<b>2 031 002,07</b>	<b>8 366 708,57</b>	<b>1 852 510,25</b>
<b>D units</b>	<b>0,00</b>	<b>0,00</b>	<b>22 902 502,67</b>	<b>32 728 069,73</b>	<b>32 676 349,47</b>
Capital issued					
<b>Number of units</b>	<b>288 141</b>	<b>303 788,618</b>	<b>525 973,886</b>	<b>632 697,799</b>	<b>576 953,355</b>
<b>A units</b>	<b>287 829</b>	<b>302 637,618</b>	<b>306 326,886</b>	<b>325 927,875</b>	<b>277 137,887</b>
<b>R units:</b>	<b>312</b>	<b>1 151,000</b>	<b>2 237,000</b>	<b>8 727,182</b>	<b>1 901,065</b>
<b>D units</b>	<b>0</b>	<b>0</b>	<b>217 410,000</b>	<b>298 042,742</b>	<b>297 914,403</b>
<b>Net asset value in € A units</b>	<b>372,31</b>	<b>469,08</b>	<b>517,75</b>	<b>550,24</b>	<b>562,90</b>
<b>Net asset value in € R units</b>	<b>661,21</b>	<b>827,76</b>	<b>907,91</b>	<b>958,69</b>	<b>974,45</b>
<b>Net asset value in € D units</b>	<b>0,00</b>	<b>0,00</b>	<b>105,34</b>	<b>109,80</b>	<b>109,68</b>
Net income excluding income adjustment (in €)	<b>1 981 966,68</b>	<b>2 969 934,87</b>	<b>2 897 721,77</b>	<b>3 015 104,76</b>	<b>3 610 258,23</b>
<b>Distributable net income (in €)</b>	<b>2 263 462,29</b>	<b>2 526 129,45</b>	<b>2 850 589,58</b>	<b>3 172 260,15</b>	<b>3 327 128,86</b>
<b>Distribution per unit of distributable net capital gains/losses (including interim dividends)</b>			<b>Accumulation</b>	<b>1,14</b>	<b>0,00</b>
<b>Distribution per unit of distributable net income: (Including interim dividends) D units</b>			<b>1,94</b>	<b>1,6</b>	<b>1,92</b>
Tax credit per unit transferred to shareholders (individuals)*			0 0	0 0	0,00 0,00
Payment date			16/12/2014	16/12/2015	15/12/2016
Settlement date			17/12/2014	17/12/2015	16/12/2016
<b>Accumulation per unit pertaining to income in euros</b>					
<b>A units</b>	<b>7,84</b>	<b>8,29</b>	<b>7,86</b>	<b>8,06</b>	<b>9,87</b>
<b>R units:</b>	<b>13,93</b>	<b>14,63</b>	<b>8,07</b>	<b>7,55</b>	<b>10,82</b>
<b>Accumulation per unit pertaining to net capital gains/losses (in €):</b>					
<b>A units</b>	<b>0,00</b>	<b>0,00</b>	<b>31,27</b>	<b>36,00</b>	<b>17,32</b>
<b>R units:</b>	<b>0,00</b>	<b>0,00</b>	<b>54,84</b>	<b>62,72</b>	<b>29,99</b>
<b>D units</b>	<b>0,00</b>	<b>0,00</b>	<b>6,36</b>	<b>Retained</b>	<b>Retained</b>

COMPOSITION OF THE ASSETS OF OBJECTIF ACTIONS EURO (FCP) AS AT FRIDAY, SEPTEMBER 30<sup>th</sup>, 2016

Description	ISIN	Price	Coupon	Curr.	Curr. price	QTY	Valuation €	%
<b>TOTAL</b>							<b>190 755 500,12</b>	<b>100,12</b>
<b>EQUITIES</b>							<b>188 756 009,12</b>	<b>99,07</b>
EUROPE							110 070 424,92	57,77
AKZO NOBEL NV	NL0000009132	60,2900		EUR		59 800,00	3 605 342,00	1,89
ALLIANZ SE (NOMINATIVE)	DE0008404005	132,1000		EUR		33 800,00	4 464 980,00	2,34
BAYER AG	DE000BAY0017	89,4300		EUR		64 250,00	5 745 877,50	3,02
BMW(BAYERISCHE MOTORENWERKE)AG	DE0005190003	74,8100		EUR		37 300,00	2 790 413,00	1,46
DAIMLER AG	DE0007100000	62,7100		EUR		73 700,00	4 621 727,00	2,43
DEUTSCHE BOERSE AG.(OPE)	DE000A2AA253	72,1500		EUR		33 850,00	2 442 277,50	1,28
DEUTSCHE TELEKOM AG. (NOMI.)	DE0005557508	14,9200		EUR		288 350,00	4 302 182,00	2,26
E.ON SE	DE000ENAG999	6,3140		EUR		295 150,00	1 863 577,10	0,98
ENAGAS S.A.	ES0130960018	26,7750		EUR		85 297,00	2 283 827,17	1,20
FERROVIAL S.A.	ES0118900010	18,9500		EUR		182 900,00	3 465 955,00	1,82
GEA GROUP AG	DE0006602006	49,4100		EUR		65 050,00	3 214 120,50	1,69
HEINEKEN NV	NL0000009165	78,3100		EUR		44 450,00	3 480 879,50	1,83
HENKEL AG AND CO KGAA (PFD)	DE0006048432	121,0000		EUR		29 750,00	3 599 750,00	1,89
INDITEX(INDUSTR.DISEN.TEXTIL.)	ES0148396007	33,0000		EUR		80 000,00	2 640 000,00	1,39
INFINEON TECHNOLOGIES AG (N)	DE0006231004	15,8800		EUR		163 950,00	2 603 526,00	1,37
ING GROEP NV	NL0011821202	10,9900		EUR		397 300,00	4 366 327,00	2,29
INTESA SANPAOLO SPA	IT0000072618	1,9740		EUR		1 818 000,00	3 588 732,00	1,88
KBC GROUPE SA	BE0003565737	51,8200		EUR		80 550,00	4 174 101,00	2,19
LA FARGE HOLCIM LTD	CH0012214059	48,0550		EUR		68 650,00	3 298 975,75	1,73
LUXOTTICA GROUP S.P.A.	IT0001479374	42,5200		EUR		58 700,00	2 495 924,00	1,31
MERCK KGAA	DE0006599905	95,9100		EUR		46 350,00	4 445 428,50	2,33
MUENCHENER RUECKVERSICHER. (N)	DE0008430026	166,0000		EUR		24 450,00	4 058 700,00	2,13
NOKIA OYJ	FI0009000681	5,1600		EUR		731 750,00	3 775 830,00	1,98
PHILIPS NV (KONINKLIJKE)	NL0000009538	26,3800		EUR		113 280,00	2 988 326,40	1,57
SAMPO PLC -A-	FI0009003305	39,6000		EUR		79 450,00	3 146 220,00	1,65
SIEMENS AG.(N)	DE0007236101	104,2000		EUR		49 000,00	5 105 800,00	2,68
TELENET GROUP HOLDING	BE0003826436	46,4300		EUR		63 600,00	2 952 948,00	1,55
U.C.B.	BE0003739530	68,8300		EUR		36 450,00	2 508 853,50	1,32
UNILEVER NV (CERT. OF SHS)	NL0000009355	41,0750		EUR		153 150,00	6 290 636,25	3,30
UNIPER SE	DE000UNSE018	10,9050		EUR		186 650,00	2 035 418,25	1,07
VOESTALPINE AG	AT0000937503	30,8000		EUR		95 650,00	2 946 020,00	1,55
WIRECARD AG	DE0007472060	46,2500		EUR		16 600,00	767 750,00	0,40
FRANCE							78 685 584,20	41,30
AIR LIQUIDE (L')	FR0000120073	95,4500		EUR		39 350,00	3 755 957,50	1,97
AIR LIQUIDE PRIME DE FIDELITE	FR0000053951	95,4500		EUR		2,00	190,90	0,00
ALSTOM	FR0010220475	23,5450		EUR		106 130,00	2 498 830,85	1,31
AMUNDI SA	FR0004125920	46,5000		EUR		58 300,00	2 710 950,00	1,42
AXA	FR0000120628	18,9400		EUR		217 900,00	4 127 026,00	2,17
BNP PARIBAS	FR0000131104	45,7700		EUR		95 750,00	4 382 477,50	2,30
BUREAU VERITAS	FR0006174348	19,0950		EUR		139 050,00	2 655 159,75	1,39
CARREFOUR	FR0000120172	23,0650		EUR		128 650,00	2 967 312,25	1,56
COFACE SA	FR0010667147	6,4500		EUR		325 450,00	2 099 152,50	1,10
DASSAULT SYSTEMES SA	FR0000130650	77,2300		EUR		26 550,00	2 050 456,50	1,08
EIFFAGE SA (EX-FOUGEROLLE)	FR0000130452	69,1600		EUR		34 400,00	2 379 104,00	1,25
FAURECIA	FR0000121147	34,9000		EUR		76 100,00	2 655 890,00	1,39
ILIAD	FR0004035913	186,8000		EUR		12 100,00	2 260 280,00	1,19
IMERYS	FR0000120859	64,2900		EUR		37 350,00	2 401 231,50	1,26
LEGRAND SA	FR0010307819	52,4800		EUR		46 150,00	2 421 952,00	1,27
LVMH(MOET HENNESSY L. VUITTON)	FR0000121014	151,8000		EUR		30 200,00	4 584 360,00	2,41
NATIXIS	FR0000120685	4,1490		EUR		846 500,00	3 512 128,50	1,84
OREAL (L')	FR0000120321	168,1000		EUR		19 200,00	3 227 520,00	1,69
OREAL (L') PRIME DE FIDELITE	FR0011149590	168,1000		EUR		1,00	168,10	0,00
PEUGEOT SA	FR0000121501	13,5950		EUR		163 400,00	2 221 423,00	1,17
PUBLICIS GROUPE SA	FR0000130577	67,3200		EUR		54 250,00	3 652 110,00	1,92
RENAULT SA	FR0000131906	73,1400		EUR		31 350,00	2 292 939,00	1,20
REXEL	FR0010451203	13,6450		EUR		208 150,00	2 840 206,75	1,49
SAINT-GOBAIN	FR0000125007	38,4700		EUR		111 000,00	4 270 170,00	2,24
SANOFI	FR0000120578	67,6400		EUR		76 400,00	5 167 696,00	2,71
SCHNEIDER ELECTRIC SE	FR0000121972	62,0600		EUR		67 600,00	4 195 256,00	2,20
SOCIETE GENERALE -A-	FR0000130809	30,7800		EUR		109 020,00	3 355 635,60	1,76
<b>UCI</b>							<b>1 999 491,00</b>	<b>1,05</b>
General UCITS aimed at non-professionals and their equivalent in other countries							1 999 491,00	1,05
FCP OBJECTIF MID CAP.EUR-A(2D)	(*) FR0011429521	130,2600		EUR		15 350,00	1 999 491,00	1,05
<b>Securities sold under repurchase agreements</b>							<b>0,00</b>	<b>0,00</b>
<b>Receivables on securities purchased under repurchase agreements</b>							<b>0,00</b>	<b>0,00</b>
<b>Liabilities on securities sold under repurchase</b>							<b>0,00</b>	<b>0,00</b>
<b>Forward financial instruments</b>							<b>0,00</b>	<b>0,00</b>
Swaps							0,00	0,00
<b>Receivables</b>							<b>214 201,10</b>	<b>0,11</b>
Other							214 201,10	0,11
<b>Liabilities</b>							<b>-5,714,59</b>	<b>0,00</b>
Other							-5,714,59	0,00
<b>Financial accounts</b>							<b>-432,667,21</b>	<b>-0,23</b>
Cash and cash equivalents							-432,667,21	-0,23
<b>TOTAL NET ASSETS</b>							<b>190 531 319,42</b>	<b>100,00</b>

(\*) Financial instruments issued or managed by a Lazard Group entity  
Estimate based on stock prices available on September 30<sup>th</sup>, 2016

Number of D units as at 30/09/2016	297 914,403
Net asset value as at 30/09/2016	109,68
Net assets as at 30/09/2016	32 676 349,47
Number of R units as at 30/09/2016	1 901,065
Net asset value as at 30/09/2016	974,45
Net assets as at 30/09/2016	1 852 510,25
Number of A units as at 30/09/2016	277 137,887
Net asset value as at 30/09/2016	562,90
Net assets as at 30/09/2016	156 002 459,69

CERTIFIED BY THE STATUTORY AUDITOR  
ERNST & YOUNG ET AUTRES

CERTIFIED BY THE CUSTODIAN  
LAZARD FRERES BANQUE