

LAZARD FRERES GESTION SAS

OBJECTIF ACTIONS EURO

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

ANNUAL REPORT
as at September 29th, 2017

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

Registered with the Paris Trade and Companies Register with no. 352 213 599

EUROZONE COUNTRY EQUITIES

A units: Accumulation of distributable income

R units: Accumulation and/or Distribution and/or Retention of distributable income

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 (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 funds 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 funds 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 fall 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 eligible 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 fall, 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) any 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 1st, 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 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 period: minimum five years.

Statutory auditor, manager**Statutory auditor**

ERNST & YOUNG ET AUTRES
1-2, place des Saisons
Paris La Défense 1
92400 Courbevoie

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 (NAV settlement date 1 business day)
- the next net asset value in the case of redemptions (NAV settlement date + 3 business days) for orders placed before 11 a.m.

CUSTODIAN

LAZARD FRERES BANQUE. 121, Boulevard Haussmann - 75008 Paris, France

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CHANGE AND PERFORMANCE

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

€190 531 319,41 on September 30th, 2016 to €259 570 716,22 on September 29th, 2017.

The number of outstanding units as at September 29th, 2017 was 313 340,878 A units, 7 817,008 R units and 246 150,054 D units.

A units

The number of units subscribed for over the financial year was 162 380,863, representing a total of €107 300 880,95.

Over the same period, 126 177,872 units totalling €81 728 115,25 were submitted for redemption.

The net asset value rose from €562,90 on September 30th, 2016 to €694,11 on September 29th, 2017, which equates to an increase of 23,31%.

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

R units

The number of units subscribed for over the financial year was 8 630,743, representing a total of €9 342 487,26.

Over the same period, 2 714,800 units totalling €3 091 559,80 were submitted for redemption.

The net asset value rose from €974,45 on September 29th, 2016 to €1 193,95 on September 29th, 2017, which equates to an increase of 22,53%.

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

D units

The number of units subscribed for over the financial year was 114 880,054, representing a total of €15 045 653,70.

Over the same period, 166 644,403 units totalling €19 881 882,99 were submitted for redemption.

The net asset value rose from €109,68 on September 30th, 2016 to €133,02 on September 29th, 2017, which equates to an increase of 23,30% (taking into account dividends of €1,92 relating to the appropriation of distributable income paid on December 15th, 2016).

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

Distributable net income available at the end of the financial year was €3 170 941,96, compared with €3 327 128,86 a year earlier.

The benchmark gained 22,35 % over the period. Portfolio

movements over the period:

Transaction code	ISIN	Name	Net amount €
Purchase	FR0011291657	FCP Obj.court Terme Euro C-3d	140 922 440,81
Purchase	DE0007164600	SAP	9 127 585,33
Purchase	BE0974293251	Anheuser-Busch Inbev	7 131 382,15
Purchase	DE0007100000	Daimler	5 704 084,88
Purchase	ES0113900J37	Banco Santander	5 499 545,66
Transaction code	ISIN	Name	Net amount €
Sale	FR0011291657	FCP Obj.court Terme Euro C-3d	140 917 658,51
Sale	FR0000045072	Crédit Agricole	7 478 287,82
Sale	FR0000120685	Natixis	6 795 433,82
Sale	DE000ENAG999	E.On	6 278 904,19
Sale	DE0007100000	Daimler	5 662 766,91

Securities financing transactions pursuant to the SFTR:

The Fund did not engage in any securities financing transactions during the financial period ended on September 29th, 2017.

Aggregate risk:

The Fund'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 Fund 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

Introduction

Worldwide growth strengthened over the last year, reflecting improvements in activity in both developed and emerging economies. This synchronised economic recovery was accompanied by an upturn in investment, industrial production and global trade. The business climate index also picked up, despite the political uncertainties associated with the elections in the United States and Europe. More generally, inflation accelerated in developed countries, primarily because of the rise in energy prices, while underlying tensions remained moderate despite improvements in the labour markets. Inflation slowed significantly in certain major emerging countries that export raw

materials, allowing these countries' central banks to relax their monetary policy. In developed countries, monetary policies remained highly accommodative. They are nevertheless moving gradually towards normalisation. The Federal Reserve (Fed) hiked its interest rates on three occasions and announced the launch of its balance sheet reduction program. The European Central Bank (ECB) reduced the amount of its monthly asset purchases and extended its purchasing programme. In this more positive economic environment, the equity markets were very dynamic. In contrast, the bond markets suffered from the interest rate hikes.

GDP volume growth (%)	2015	2016	2017 (e)	2018 (e)
World	3,4	3,2	3,6	3,7
Developed countries	2,2	1,7	2,2	2,0
Emerging countries	4,3	4,3	4,6	4,9
Eurozone	2,0	1,8	2,1	1,9
United States	2,9	1,5	2,2	2,3
Japan	1,1	1,0	1,5	0,7
United Kingdom	2,2	1,8	1,7	1,5
China	6,9	6,7	6,8	6,5
India	8,0	7,1	6,7	7,4
Brazil	-3,8	-3,6	0,7	1,5
Russia	-2,8	-0,2	1,8	1,6

IMF Economic Outlook, October 2017

* The data and forecasts for India are presented based on the fiscal year beginning on April 1st and ending on March 31st of the following year.

The MSCI World index of global equity markets, denominated in dollars, gained 16,4% between September 2016 and September 2017. All major areas posted very strong performances: the Topix in yen was up 26,6%, the MSCI Emerging Markets index in dollars was up 19,7%, the Eurostoxx in euros was up 19,6% and the S&P 500 in dollars was up 16,2%, all excluding dividends.

The equity markets were underpinned by the possibility of a fiscal stimulus package in the United States following Donald Trump's victory in the US presidential elections on November 8th, 2016, and by the improvements in the outlook for economic growth and corporate earnings forecasts. The defeats for the eurosceptic parties in the Dutch and French elections in the Spring were also a factor in the markets' growth. In the Summer, European equities suffered from the rise in the value of the euro and geopolitical tensions with North Korea, before recovering strongly in September.

Interest rates in Germany and the United States rose sharply after Donald Trump's election victory. His campaign promises heightened inflationary anticipations and, as a result, the markets anticipated that monetary tightening would come earlier in the United States. Interest rates subsequently rose with a narrow range during the first half of 2017, against a background of disappointing inflation figures across the Atlantic, geopolitical uncertainties and growing doubts over Donald Trump's capacity to implement his stimulus plan. In the third quarter of 2017, interest rates fluctuated in the anticipation of a tightening of monetary policy in Europe and the United States and geopolitical tensions. Over the year, German 10-year yields moved from -0,12% to 0,46% while US 10-year yields rose from 1,59% to 2,33%.

Credit spreads with Germany significantly narrowed in Greece (-320 bps) and Portugal (-153 bps) but widened slightly in Spain (+14 bps) and in Italy (+34 bps). The yield spread between France and Germany widened significantly ahead of the presidential elections, then tightened again when it became likely that Emmanuel Macron would win. Over the year, the credit spread between France and Germany remained almost stable (+3bp). Credit spreads on good quality corporate bonds versus government bonds tightened (-6 bps), while spreads on high yield bonds fell significantly (-154 bps), to 95 and 262 basis points, respectively, according to Merrill Lynch indices.

On the foreign exchange market, Donald Trump's victory initially caused the euro to fall against the dollar. The rate fell from 1,10 before the US elections to 1,04 in December 2016. The euro:dollar rate then fluctuated between 1,04 and 1,08 until the Spring. After the French elections, the euro rose sharply, reaching 1,18 against the dollar at the end of September. Year on year, the euro rose 5,2% against the dollar, 16,7% against the yen and 1,8% against sterling.

Oil prices improved in the fourth quarter of 2016 after the major oil-producing countries reached an agreement on lowering production. The Brent price then fluctuated around \$55 until the beginning of March 2017 before worries about surplus supply sparked another price drop. After reaching a low of \$45 at the end of June, oil prices rose to around \$60 at the end of September, underpinned by strong demand and geopolitical uncertainties in the Middle East. Over the year, the Brent price rose from \$48 to \$56 year-on-year, an increase of 18%.

United States

US growth slowed at the end of the year and at the start of 2017 before recovering in Q2 2017, reaching an annualised level of +3,1% (+2,2% year on year). Investment improved significantly in the later quarters.

The ISM surveys improved up until Spring 2017 and then stabilised at a relatively high level. They jumped in September 2017, reaching their highest point since the middle of the 2000s. Year on year, the manufacturing index improved from 51,7 to 60,8 and the non-manufacturing index rose from 56,6 to 59,8.

Job creation remained strong, save for two soft patches in March and September 2017, the latter linked to the Harvey and Irma hurricanes. On average, 155 000 jobs were created over the last twelve months, continuing the fall in the unemployment rate. In September 2017, this reached its lowest level since 2001, falling to 4,2%, compared to 4,9% in September 2016. Growth in hourly wages rose from 2,7% to 2,9%.

Household consumption slowed markedly in Q1 2017, due to the mild weather and its adverse effect on energy consumption, together with government delays in processing income tax refunds. It recovered in Q2 2017 (+3,3% on an annualised basis) before being hit by the hurricanes in Q3 2017.

In the real estate sector, the recovery stalled in 2017. In terms of construction activity, building permits were up 7,2% year on year in August 2017, but housing starts stabilised (+0,5%). As for the residential sector, sales of existing homes fell by 0,7% and sales of new homes fell by 2,2%. The confidence of house builders remained, however, at historically high levels and real estate prices accelerated slightly (+5,8% year on year in July 2017).

Orders of capital goods sharply rose after the low points of Summer 2016, particularly in the mining and oil sectors. Orders excluding defence and aviation increased by 4,0% in August 2017, while they had fallen by 6,2% as at June 2016.

The trade deficit widened slightly, from \$38,5 billion in September 2016 to \$42,4 billion in August 2017. Over the period, exports increased by 3,8% and imports rose by 4,9%.

Year on year inflation reached a high of +2,7% in February 2017 before falling to +2,2% in September 2017, compared with +1,5% in September 2016. Excluding energy and food, it remained stable, in overall terms, at +2,2% until January 2017 before slowing to +1,7% in June 2017. It then stabilised at this level until September 2017.

The Federal Reserve increased its key interest rate by 25 basis points on three occasions: in December 2016, March 2017 and June 2017, bringing it within the 1,00% to 1,25% range. At its September 2017 meeting, it announced that it would begin reducing its balance sheet in October 2017 by ceasing to reinvest part of the income from securities in its portfolio that were due to mature.

Eurozone

Growth in the Eurozone remained strong. It reached an annualised rate of +2,6% in Q2 2017 (+2,3% year on year), after +2,2% in Q1 2017 and +2,6% in Q4 2016. Domestic demand was the main driver of growth.

The PMI composite business climate index in the Eurozone improved sharply despite political uncertainties. It rose from 52,6 to 56,7 between September 2016 and September 2017.

The unemployment rate in the Eurozone continued its rapid fall. At 9,1% in August 2017, compared with 9,9% in September 2016, it returned to the level it was at before the sovereign debt crisis.

Year on year inflation rose from +0,4% in September 2016 to +2,0% in February 2017 before slowing to +1,5% in September 2017. Core inflation moved between +0,7% and +0,9% up to Spring 2017 before rising. It reached +1,1% in September 2017, compared with +0,8% in September 2016.

Growth in Germany was dynamic. It reached an annualised rate of +2,5% in Q2 2017 (+2,1% year on year), after +2,9% in Q1 2017 and +1,7% in Q4 2016. The federal elections on September 24th, 2017 resulted in a big victory for Angela Merkel's CDU/CSU union, which won 246 out of the 598 seats in the Bundestag. The social democrats' status as the opposition party is making it more difficult to form a coalition government.

Growth in France was strong. It reached an annualised rate of +2,2% in Q2 2017 (+1,8% year on year), after +2,1% in Q1 2017 and +1,6% in Q4 2016. The PMI composite business climate index jumped to 57,1 in September 2017 versus 52,7 in September 2016. On 7 May 2017, Emmanuel Macron was elected president of France, having won 66,1% of votes. Following the general election on 18 June 2017, his party, La République en marche, won an overall majority in the National Assembly, with 308 out of 577 seats.

Growth stabilised in Italy. Its economy grew at an annualised rate of +1,5% in Q2 2017 (+1,5% year on year), after +1,8% in Q1 2017 and +1,6% in Q4 2016. On December 4th, Italians rejected by a large majority (59,1%) the constitutional reform sought by Matteo Renzi, who resigned afterwards. The Italian president appointed Paolo Gentilini to replace him.

Growth accelerated in Spain. It reached an annualised rate of +3,6% in Q2 2017 (+3,1% year on year), compared with +3,2% in Q1 2017 and +2,8% in Q4 2016. The Spanish parliamentary elections on June 26th, 2016 failed to produce a government majority. On October 29th, 2016 the parliament finally placed its trust in Mariano Rajoy, the leader of the People's Party, who formed a minority government. On September 6th, 2017, the Catalan government passed a law approving a referendum on self-governance, which was held to be unconstitutional.

On December 8th, 2016, the ECB announced a reduction in the amount of its monthly asset purchases from €80 billion to €60 billion starting from April 2017. In parallel, the asset purchase programme was extended by nine months, until the end of December 2017. During its meeting of June 8th, 2017, the ECB adjusted its communication with a view to a gradual normalisation of its monetary policy. It notably revised its forward guidance on interest rates by removing the reference to a potential rate cut.

Japan

Growth in Japan accelerated. It reached an annualised rate of +2,5% in Q2 2017 (+1,4% year on year), after +1,2% in Q1 2017 and +1,6% in Q4 2016.

The PMI business climate index in the manufacturing sector improved up until February 2017 before stabilising. It rose from 50,4 in September 2016 to 52,9 in September 2017.

The labour market continued to tighten but salary growth remained modest. Between September 2016 and August 2017, the unemployment rate fell from 3,0% to 2,8%. Basic salaries rose by 0,4% year on year, as at August 2017.

Year on year inflation returned to positive territory, reaching +0,7% in August 2017, compared with -0,5% in September 2016. Core inflation slowed up until Spring before rising to +0,2% in August 2017, the level it was at in September 2016.

On September 28th, 2017, the prime minister, Shinzo Abe, dissolved the lower house of parliament, triggering early elections scheduled for October 22nd, 2017.

China

Growth in China accelerated slightly, reaching +6,9% year on year in Q2 2017, versus +6,9% in Q1 2017 and +6,8% in Q4 2016. At the March 2017 National People's Congress, the government announced that it was targeting growth of around 6,5% in 2017.

Household consumption remained solid, despite a slowdown in car sales. Retail sales rose 10,1% in the first eight months of 2017, compared with +10,9% in 2016. Investment slowed by private investment recovered. Monthly statistics showed that investment was up 4,9% over the first eight months of 2017, compared with +6,3% in 2016.

Exports and imports rebounded. Over the first eight months of 2017, exports in US dollars grew by 7,6% and imports in US dollars grew by 16,9%, after falls in 2016 of 7,7% and 7,5%, respectively.

The rise in property prices slowed. Property prices increased by 8,1% year on year, as at August 2017, after reaching a high of 10,5% in December 2016. A number of municipalities announced restrictions on demand which negatively impacted sales of residential properties (+10,3% over the first eight months of 2017, compared with +22,4% in 2016).

The rise in industrial producer prices (+6,9% year on year, as at September 2017) led up an upturn in the profits of companies in the sector (+24,0% year on year, as at September 2017). Inflation remained modest (+1,6% year on year, as at September 2017).

After large capital outflows in 2016, capital flows returned to positive territory (+\$31,1bn in Q2 2017). Currency reserves reached a low in January 2017, at \$2 998bn, before rising to \$3 108bn in September 2017, compared with \$3 166bn one year earlier.

MANAGEMENT POLICY

Over the year, Objectif Actions Euro's value grew by +23,31% while its benchmark index, the EuroStoxx, net dividends reinvested, grew by 22,35%, the fund outperforming its benchmark by 96 bps.

In the last three months of 2016, Objectif Actions Euro's value grew by +7,62%, versus growth of 7,95% for the EuroStoxx. This period was in particular marked by the election of Donald Trump, whose various proposals were later welcomed favourably, leading to an upturn in the markets. Widely forecast, the quarter-point interest rate hike by the Fed was considered to be consistent with the acceleration in economic growth. The ECB announced a reduction in the amount of its monthly asset purchases from €80 billion to €60 billion starting from April 2017. The sector rotation that began in Summer 2016 intensified in favour of stocks most exposed to the economic cycle. The portfolio consequently benefited from a very positive selection effect in the Consumer Discretionary sector. Due to its overweighting, it outperformed the benchmark thanks to *LVMH* (+20,5%), *Luxottica* (+20,2%) and *Telenet* (+13,5%) among others. Despite the absences of *Société Générale* (+51,9%) and *Banco Santander* (+27%), the financial sector made a positive contribution to relative performance thanks to *Crédit Agricole* (+34,2%), *Natixis* (+29,2%) and *KBC* (+15,6%). The Utilities sector was, this time, one of the positive contributors with *E.ON* (+6,1%) and its subsidiary *Uniper* (+20,3%). With a heavy weighting in the Eurostoxx, the absence of *Anheuser-Busch Inbev* (-12,3%) from our selection of stocks benefited us greatly. With very little exposure to oil, the fund was unable to benefit from the recovery in the crude price (+15,8%) following the announcement by OPEC on reducing production. As a result, the Energy sector, represented solely by *Enagas* (-7,8%), was a negative contributor and suffered from the strong performances of stocks that were outside our portfolio, such as *Total* (+17%) and *ENI* (+20,7%).

The fund also suffered from a negative selection effect in the Information Technologies sector, caused by the fall in value of *Nokia* (-11%) following publication of its quarterly earnings and Ericsson's profit warning, together with the fall in value of *Wirecard* (-11,6%). The profit warning issued by *Gea Group* (-22,6%) in the Industry sector should be noted.

In the first quarter of 2017, against a backdrop of strong economic indicators, Objectif Actions Euro outperformed its index by 50 bps (+7,57% vs. +7,07%). A new sector rotation was implemented following the end of the relation trade, given the absence of economic data that pointed towards an acceleration in US growth as a result of Donald Trump's policies. The failure of the Obamacare repeal did nothing to help. The Materials sector benefited from a positive selection effect that enabled it to clearly outperform the benchmark (+10,8% vs. +5% for the index). This outperformance is primarily due to *Akzo Nobel* (+30,9%), *Imerys* (+10,4%) and *Lafargeholcim* (+11,2%), which is not included in our benchmark index. The fund's growth was underpinned by a positive selection effect in the basic consumer sector through *Unilever* (+20%), *Heineken* (+12%) and *Kerry Group* (+8,5%) and the significant recovery of *Wirecard* (+26,9%) in information technologies. The absence of *Adidas* (+18,8%) and the presence of *BMW* (-3,6%) and *Renault* (-3,6%) in the Consumer Discretionary sector negatively impacted the fund's performance. Moreover, the absence of *Banco Santander* (+17,1%) and *BBVA* (+14,8%) in the financial sector and *Téléfonica* (+18,9%) in the Telecommunications Services sector curbed the fund's growth.

The second quarter was marked by political uncertainty in Europe and the United States, with persistent doubts over Donald Trump's ability to implement his stimulus package. In June 2017, the Fed also hiked its interest rate by a quarter of a point, for the third time. As for the ECB, Mario Draghi adjusted its communication, pointing towards a gradual normalisation of its monetary policy. Against this background, Objectif Actions Euro outperformed the EuroStoxx, net dividends reinvested, by 156 bps (+2,82% vs. +1,26%). The Finance sector was among the main positive contributors to relative performance, led by *Crédit Agricole* (+15,7%), *Amundi* (+18,7%) and *Intesa Sanpaolo* (+16,2%). The fund stood out from its benchmark index, thanks to the inclusion of *Coface* (+26,9%). Faced with worries over the over-supply of oil, prices fell by 9,3% to around €45 per barrel. Significantly under-exposed to the Energy sector, the fund benefited from positive selection and allocation effects. The absence of stocks such as *Total* (-7,5%) and *ENI* (-11,9%), that suffered as a result of these fears, was beneficial to the fund. In contrast, there was a negative selection effect in the Industry sector as a result in the fall in value of *Rexel* (-15,8%), *Gea Group* (-8,2%), while the absence of *Safran* (+15,8%) was detrimental. The Health sector also suffered from a negative selection effect as a result of its holding in *UCB* (-15,8%). Lastly, the portfolio suffered from the poor performance of *Lafargeholcim* (-6,1%) and the absence of *Kering* (+24,3%) and *Unicredit* (+13,1%).

Objectif Actions Euro finished the final quarter of the financial year up +3,60%, while its benchmark index was up +4,54%. This quarter was characterised by the considerable tension between North Korea and the United States, leading to a fall in the dollar against the euro. At the Fed, Janet Yellen announced the future reduction of its balance sheet, beginning in October 2017. One of the major events of this quarter was the recovery in the price of oil (+20,1%). Moving back above \$50 per barrel, it came close to \$60 following a possible agreement on extending reduced levels of production at an OPEC meeting scheduled for November. The allocation and selection effects in the financial sector are positive. It benefited from the fall in systemic risk that was weighing on the sector in Europe after the rescue of the Italian bank Monte dei Paschi at the beginning of the quarter and the acquisition by Intesa Sanpaolo of certain small banks experiencing difficulties. *Amundi* (+11%), *KBC* (+8%), *Natixis* (+8,2%) and *Crédit Agricole* (+6,8%), which was sold in September, were the main positive contributors. The fund also benefited from the very strong performance of *Alstom* (+18,4%) in the Industry sector, following its merger with Siemens' railway operations. We should also highlight the excellent performances of *Wirecard* (+38,9%) in the Information Technology sector and

E.On (+14,6%) in the Utilities sector. The fund was, however, mainly impacted by the under-performance of stocks in the Health sector (-2,2% vs. 0% for the benchmark index) and, more specifically, by the fall in value of *Merck* (-11%). The portfolio, which is under-exposed to the Energy sector, did not benefit from the recovery in the oil price and the absences of *Total* (+6,4%) and *ENI* (+9,5%) were detrimental. Lastly, the absence of *ASML* (+26,2%) in the Information Technology sector, the fall in value of *Publicis* (-9,5%) in the Consumer Discretionary sector and of *Carrefour* (-22,8%) in the Retail sector accentuated Objectif Actions Euro's under-performance over these last three months.

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.

EXERCISING VOTING RIGHTS

The scope and procedures for Lazard Frères Gestion SAS' exercise of the voting rights attached to the securities held in the funds managed by it are set out in the guidelines it has drawn up on its voting policy. This document is available on the management company's website: www.lazardfreresgestion.fr.

PROCEDURE FOR SELECTING AND ASSESSING INTERMEDIARIES 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.

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

Lazard Frères Gestion strongly believes that the inclusion of environmental, social and governance (ESG) criteria in the management of assets provides additional assurance that economic performance will be sustainable.

The long-term performance of investments is not simply limited to a company's financial strategy but is also based on the interaction of the company with its social, economic and financial environment.

The use of ESG criteria is a natural step that forms part of our investment process.

Our overall approach may be summarised as follows:

- Financial analysis of the company, which is very rigorous, covers the quality of assets, the financial soundness, the predictability of cash flows and their reinvestment by the company, trends in economic profitability, its sustainability and the quality of management.
- This sustainability is strengthened by the application of extra-financial criteria:
 - Social criteria: through the development of human capital
 - Environmental criteria: through the prevention of all environmental risks
 - Governance criteria: through respecting the balance between managerial and shareholder structures, to prevent potential conflicts of interest and ensure that the interests of minority shareholders are respected.

The intensity with which, and the procedures through which, ESG criteria are included in our analysis naturally depend on the asset classes and the investment processes, but the common goal is a better understanding of ESG risks that may have a material impact on a company's or sovereign asset's value.

REMUNERATION POLICY

The fixed and variable remuneration paid during the financial year ended on 30/12/2016 by the management company to its personnel, pro rata their investment in the management of UCITs, excluding the management of AIFs, can be obtained on request by post from the funds legal department of Lazard Frères Gestion and is included in the company's annual report. The total variable remuneration is set by the Lazard Group based on different criteria, including the Lazard Group's financial performance over the past year and taking its results into account. The General Management decides on the total remuneration amount that will be split between the fixed and variable components, complying with the policy to maintain a complete separation between the fixed and variable components. All risks are incorporated into the calculation of the variable remuneration. It is then individualised and determined partly based on the performance of each identified member of staff.

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 at times 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

The Chairman of the management company Lazard Frères Gestion SAS has decided, in relation to the **OBJECTIF ACTIONS EURO FCP** (ISIN code A units: FR0010259945 – R units: FR0010679886 – D units: FR0011710557):

- 1) to change the administrator by appointing Caceis Fund Administration in place of Lazard Frères Gestion SAS,
- 2) to change the centralising agent by appointing Caceis Bank in place of Lazard Frères Gestion SAS,
- 3) to appoint Lazard Frères Banque in addition to Caceis Bank as co-centralising agent with authority to receive subscription and redemption orders in respect of clients to whom it provides custody services,
- 4) to change the pricing policy. The closing exchange rates will be Thomson Reuters (WM closing) rather than the European Central Bank (ECB),
- 5) to change the settlement date for subscriptions and redemptions to D+2,
- 6) to abolish exit charges that are not retained by the Fund,
- 7) to change the basis for calculating management fees, from “Net assets excluding funds” to “net assets”,
- 8) to insert a clause into the prospectus that allowing information on the portfolio to be transmitted under Solvency 2,
- 9) to change the Fund’s name to **Lazard Actions Euro** from Objectif Actions Euro,
- 10) to insert into the prospectus the option to subscribe and redeem in units and/or amounts,
- 11) to change the way costs are presented in the prospectuses to comply with the AMF’s recommendations and to clarify the split in overall management costs between financial management costs and other administrative costs external to the management company.

This decision shall become effective on **November 20th, 2017**, except for the changes to the centralising agent, which will take effect in December.

STATUTORY AUDITOR’S GENERAL REPORT

Balance sheet as at September 29th, 2017 (in euros)

ASSETS	Year ended on 29/09/17 in €	Year ended on 30/09/2016 in €
NET NON-CURRENT ASSETS	0,00	0,00
DEPOSITS	0,00	0,00
FINANCIAL INSTRUMENTS	259 547 760,67	190 755 500,12
➤ EQUITIES AND SIMILAR SECURITIES	257 203 201,67	188 756 009,12
Traded on a regulated or equivalent market	257 203 201,67	188 756 009,12
Not traded on a regulated or equivalent market	0,00	0,00
➤ BONDS AND SIMILAR SECURITIES	0,00	0,00
Traded on a regulated or equivalent market	0,00	0,00
Not traded on a regulated or equivalent market	0,00	0,00
➤ DEBT SECURITIES	0,00	0,00
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
➤ UNDERTAKINGS IN COLLECTIVE INVESTMENT	2 344 559,00	1 999 491,00
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	2 344 559,00	1 999 491,00
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 of the EU and listed securitisation entities	0,00	0,00
Other funds aimed at professional investors and their equivalent in other Member States and unlisted securitisation entities	0,00	0,00
Other non-European entities	0,00	0,00
➤ TEMPORARY SECURITIES TRANSACTIONS	0,00	0,00
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
➤ FORWARD FINANCIAL INSTRUMENTS	0,00	0,00
Transactions on a regulated or equivalent market	0,00	0,00
Other transactions	0,00	0,00
➤ OTHER FINANCIAL INSTRUMENTS	0,00	0,00
RECEIVABLES	15 461,29	214 201,10
Currency forward exchange transactions	0,00	0,00
Other	15 461,29	214 201,10
FINANCIAL ACCOUNTS	15 411,22	0,00
Cash and cash equivalents	15 411,22	0,00
TOTAL ASSETS	259 578 633,18	190 969 701,22

LIABILITIES	Year ended	Year ended
	on 29/09/2017	on 30/09/2016
	in €	in €
SHAREHOLDERS' EQUITY		
➤ Share capital	236 002 085,99	179 538 032,47
➤ Undistributed net capital gains and losses recognised in previous years (a)	2 319 302,02	1 800 750,47
➤ Retained earnings (a)	1 831,40	1 575,48
➤ Net capital gains and losses for the year (ab)	18 076 554,86	5 863 832,14
➤ Profit for the year (ab)	3 170 941,96	3 327 128,86
TOTAL SHAREHOLDERS' EQUITY (= Sum representing the net assets)	259 570 716,23	190 531 319,42
FINANCIAL INSTRUMENTS	0,00	0,00
➤ <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
LIABILITIES	7 916,95	5 714,59
Currency forward exchange transactions	0,00	0,00
Other	7 916,95	5 714,59
FINANCIAL ACCOUNTS	0,00	432 667,21
Bank account overdrafts	0,00	432 667,21
Loan	0,00	0,00
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	259 578 633,18	190 969 701,22

(a) Including accrued income

(b) Less interim dividends paid for the financial year

Off-balance sheet as at September 29th, 2017 (in euros)

	Year ended on 29/09/2017 in €	Year ended on 30/09/2016 in €
HEDGING TRANSACTIONS		
➤ COMMITMENTS ON REGULATED MARKETS OR SIMILAR		
➤ OVER-THE-COUNTER COMMITMENTS		
➤ OTHER COMMITMENTS		
OTHER TRANSACTIONS		
➤ COMMITMENTS ON REGULATED MARKETS OR SIMILAR		
➤ OVER-THE-COUNTER COMMITMENTS		
➤ OTHER COMMITMENTS		

Income statement as at September 29th, 2017 (in euros)

	Year ended on 29/09/2017 in €	Year ended on 30/09/2016 in €
INCOME FROM FINANCIAL TRANSACTIONS ¹	4 936 603,23	5 964 894,31
▪ Income from deposits and financial accounts	0,00	0,00
▪ Income from equities and similar securities	4 936 603,23	5 964 894,31
▪ 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 securities	0,00	0,00
▪ Income from financial contracts	0,00	0,00
▪ Other financial income	0,00	0,00
TOTAL I	4 936 603,23	5 964 894,31
CHARGES ON FINANCIAL TRANSACTIONS	0,00	2 734,76
▪ 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	0,00
▪ Other financial charges *	0,00	2 734,76
TOTAL II	0,00	2 734,76
NET INCOME FROM FINANCIAL TRANSACTIONS (I - II)	4 936 603,23	5 962 159,55
▪ Other income (III)	0,00	0,00
▪ Management fees and depreciation and amortisation (IV)	2 420 383,80	2 351 901,32
NET INCOME FOR THE FINANCIAL YEAR (L.214-17-1) (I - II + III - IV)	2 516 219,43	3 610 258,23
▪ Income adjustment for the financial year (V)	654 722,53	(283 129,37)
▪ Interim dividends paid on net income for the financial year (VI)	0,00	0,00
NET INCOME (I-II+III-IV+/-V-VI)	3 170 941,96	3 327 128,86

¹ Based on the allocation for tax purposes of income received from funds

* 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 14th, 2014 on the accounting charter 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 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.

Benchmark rate	
Negotiable debt	Negotiable debt securities
EURIBOR, SWAPS, OISs and French Treasury Bills - 3 – 6 – 9 – 12 months BTAN medium-term treasury notes - 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.

▪ **Funds:**

Units or shares of Funds are valued at the last known NAV.
Units or shares of Funds for which NAVs are published monthly may be valued on the basis of interim NAVs 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 funds managed by Lazard Frères Gestion SAS using the following formula:

$$\begin{array}{l} \text{(Gross assets – funds managed by Lazard Frères} \\ \text{Gestion SAS) x rate of operating and management} \\ \text{fees} \\ \text{x } \frac{\text{no. of days between the calculated NAV and the previous NAV}}{365 \text{ (or 366 in a leap year)}} \end{array}$$

- 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: Accumulation and/or Distribution and/or Retention of income.

A units: Accumulation of capital gains.

D units: Accumulation and/or Distribution and/or Retention of capital gains.

R units: Accumulation and/or Distribution and/or Retention of 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 on 29/09/17 in €	Year ended on 30/09/2016 in €
Net assets at start of year		190 531 319,42	220 433 352,25
Subscriptions (including subscription fees retained by the Fund)	+	131 689 021,91	41 845 018,25
Redemptions (net of redemption fees retained by the Fund)	-	(104 701 558,04)	(75 594 759,99)
Realised capital gains on deposits and financial instruments	+	20 936 797,11	16 554 917,66
Realised capital losses on deposits and financial instruments	-	(2 231 999,28)	(7 895 259,92)
Realised capital gains on forward financial instruments	+	0,00	0,00
Realised capital losses on forward financial instruments	-	0,00	0,00
Transaction charges	-	(2 137 170,66)	(1 340 123,04)
Exchange rate differences	+/-	0,00	0,00
Change in valuation difference of deposits and financial instruments	+/-	23 530 366,79	(6 195 226,51)
▪ Valuation difference for financial year N		32 458 228,44	8 927 861,65
▪ Valuation difference for financial year N - 1		8 927 861,65	15 123 088,16
Change in valuation difference of forward financial instruments	+/-	0,00	0,00
▪ 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	-	(562 280,45)	(886 857,51)
Net profit/loss for the financial year prior to income adjustment	+/-	2 516 219,43	3 610 258,23
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
Net assets at end of year		259 570 716,23	190 531 319,42

(*) 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				15 411,22 *
Liabilities				
Temporary financial securities transactions				
Financial accounts				
Off-balance sheet items				
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	1-3 years	3-5 years	>5 years
Deposits					
Bonds and similar securities					
Debt securities					
Temporary financial securities transactions					
Financial accounts	15 411,22				
Liabilities					
Temporary financial securities transactions					
Financial accounts					
Off-balance sheet items					
Hedging transactions					
Other transactions					

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

Assets
Deposits
Equities and equivalent securities
Bonds and similar securities Debt securities
Funds
Temporary financial securities transactions
Receivables
Financial accounts
Liabilities
Sales of financial instruments Temporary securities transactions Liabilities
Financial accounts
Off-balance sheet items
Hedging transactions Other transactions

3.5 Breakdown of receivables and liabilities by type

Other receivables

➤ Breakdown of forward foreign exchange transactions	
▪ Purchase	None
▪ Sale	None
➤ Interest receivable	None
➤ Deferred settlement sale	None
➤ Other	€15 461,29

Other liabilities

➤ Breakdown of forward foreign exchange transactions	
▪ Purchase	None
▪ Sale	None
➤ Deferred settlement purchase	None
➤ Management fees payable	€7 916,95
➤ Other	None

3.6 Shareholders' equity

Number and value of securities:

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

Quantity:	162 380,863 A units	Amount: €	107 300 880,95
Quantity:	8 630,743 R units	Amount: €	9 342 487,26
Quantity:	114 880,054 D units	Amount: €	15 045 653,70

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

Quantity:	126 177,872 A units	Amount: €	81 728 115,25
Quantity:	2 714,800 R units	Amount: €	3 091 559,80
Quantity:	166 644,403 D units	Amount: €	19 881 882,99

Subscription and/or redemption fees:

- Total subscription and/or redemption fees received

A units	€27 980,32
R units	€674,37
D units	€0,00
- Total subscription and/or redemption fees passed on to third parties

A units	€27 980,32
R units	€674,37
D units	€0,00
- Total subscription and/or redemption fees retained by the Fund

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: 1,07

R units

- Fixed management fees: percentage of average assets: 1,71

D units

- Fixed management fees: percentage of average assets: 1,07

- Performance fees (variable fees): None

- Retrocessions received for funds 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 funds managed by the service provider or the entities of the Lazard Group: see portfolio inventory.

3.10 Table of allocation of distributable income

Interim dividends paid on net income for the financial year				
Date	Total amount	Amount per unit	Tax credits totals	Tax credit unitary
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 income as relating to net income			at September 29 th , 2017 in €	September 30 th , in €
REMAINING AMOUNTS TO BE ALLOCATED				
▪ Retained earnings			1 626,08	2 732,84
▪ Net income			3 170 941,96	3 327 128,86
	TOTAL		3 172 568,04	3 329 861,70
A UNIT/FR0010259945				
APPROPRIATION				
▪ Accumulation			2 703 460,42	2 735 719,77
	TOTAL		2 703 460,42	2 735 719,77
R UNIT/FR0010679886				
APPROPRIATION				
▪ Distribution			0,00	0,00
▪ Balance brought forward from the previous financial year			0,00	0,00
▪ Accumulation			61 128,64	20 570,80
	TOTAL		61 128,64	20 570,80
D UNIT/FR0011710557				
APPROPRIATION				
▪ Distribution			406 147,58	571 995,65
▪ Balance brought forward from the previous financial year			1 831,40	1 575,48
	TOTAL		407 978,98	573 571,13
Information on shares with dividend rights				
Number of D shares or units			246 150,054	297 914,403
Distribution per unit			1,65	1,92
Income eligible for a tax allowance of 40% and subject to a 21% advance payment				
- French equities			0,08	0,06
- Foreign equities			1,57	1,86
Total tax credits and assets to be divided up over the financial year				
			48 468,53	78 780,74

Table of allocation of distributable income pertaining to net capital gains and losses	Year ended on 29/09/2017 in €	Year ended on 30/09/2016 in €
REMAINING AMOUNTS TO BE ALLOCATED		
▪ Undistributed net capital gains and losses recognised in	2 319 302,02	1 800 750,47
▪ Net capital gains and losses for the year	18 076 554,86	5 863 832,14
▪ Interim dividends paid on net capital gains/losses for the financial year	0,00	0,00
TOTAL	20 395 856,88	7 664 582,61
A UNIT/FR0010259945		
APPROPRIATION		
▪ Accumulation	15 146 337,97	4 801 163,82
TOTAL	15 146 337,97	4 801 163,82
R UNIT/FR0010679886		
APPROPRIATION		
▪ Distribution	0,00	0,00
▪ Undistributed net capital gains and losses	0,00	0,00
▪ Accumulation	649 971,99	57 014,25
TOTAL	649 971,99	57 014,25
APPROPRIATION		
▪ Distribution	0,00	0,00
▪ Undistributed net capital gains and losses	4 599 546,92	2 806 404,54
▪ Accumulation	0,00	0,00
TOTAL	4 599 546,92	2 806 404,54
INFORMATION REGARDING SHARES OR UNITS WITH DIVIDEND		RIGHTS
Number of D shares or units	246 150,054	297 914
Dividend per share	0,00	0,00

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

	Year ended 2013 on 30/09/2013	Year ended 2014 on 30/09/2014	Year ended 2015 on 30/09/15	Year ended 2016 on 30/09/16	Year ended 2017 on 29/09/17
BALANCE OF SUBSCRIPTIONS AND REDEMPTIONS DURING THE FINANCIAL YEAR					
in €	4 117 007,90	24 405 789,90	29 310 554,84	(33 749 741,74)	26 987 463,87
. Amount subscribed A units	64 920 391,40	61 254 859,55	54 212 905,41	34 655 507,92	107 300 880,95
. Amount subscribed R units	769 100,19	7 902 898,65	8 094 359,19	841 879,52	9 342 487,26
. Amount subscribed D units		24 385 527,90	31 407 877,82	6 347 630,81	15 045 653,70
. Amount redeemed A units	61 395 613,04	61 041 800,07	42 320 447,28	61 965 638,81	81 728 115,25
. Amount redeemed R units	176 870,65	6 736 024,13	1 248 699,80	7 334 136,08	3 091 559,80
. Amount redeemed D units		1 359 672,00	20 835 440,50	6 294 985,10	19 881 882,99
in number of units	15 648	222 185	106 723,913	(55 744,444)	(9 645,415)
. A units issued	158 210	121 702	93 175,881	61 801,166	162 380,863
. R units issued	1 063	8 878	7 728,140	864,914	8 630,743
. D units issued		230 210	259 633	57 241,661	114 880,054
. A units redeemed	143 401	118 013	73 574,892	110 591,154	126 177,872
. R units redeemed	224	7 792	1 237,958	7 691,031	2 714,800
. D units redeemed		12 800	179 000	57 370,000	166 644,403
NET ASSETS (en €)	142 916 953,16	183 537 205,88	220 433 352,25	190 531 319,42	259 570 716,23
A units	141 964 192,14	158 603 701,14	179 338 573,94	156 002 459,69	217 494 334,86
R units	952 761,02	2 031 002,07	8 366 708,57	1 852 510,25	9 333 129,84
D units	0,00	22 902 502,67	32 728 069,73	32 676 349,47	32 743 251,52
Capital issued					
Number of units	303 789	525 974	632 697,799	576 953,355	567 307,940
A units	302 638	306 327	325 927,875	277 137,887	313 340,878
R units	1 151	2 237	8 727,182	1 901,065	7 817,008
D units	0	217 410	298 043	297 914,403	246 150,054
NAV in euros - A units	469,08	517,75	550,24	562,90	694,11
NAV in euros - R units	827,76	907,91	958,69	974,45	1 193,95
NAV in euros - D units	0,00	105,34	109,80	109,68	133,02
Net income excluding income adjustment (in €)	2 969 934,87	2 897 721,77	3 015 104,76	3 610 258,23	2 516 219,43
Distributable net income (in €)	2 526 129,45	2 850 589,58	3 172 260,15	3 327 128,86	3 170 941,96
Distribution per unit of net capital gains and losses (including interim dividend)		Accumulation	1,14	0,00	0,00
Distribution per share of distributable net income: (Including interim dividend)		1,94	1,6	1,92	1,65
Tax credit per unit transferred to unitholders (individual unitholders)*		0	0	0	0,00
Payment date		16/12/2014	16/12/2015	15/12/2016	18/12/2017
Settlement date		17/12/2014	17/12/2015	16/12/2016	19/12/2017
Accumulation per unit pertaining to income (in €)					
A units	8,29	7,86	8,06	9,87	8,62
R units	14,63	8,07	7,55	10,82	7,82
Accumulation per unit pertaining to net capital gains/losses (in €):					
A units	0,00	31,27	36,00	17,32	48,33
R units	0,00	54,84	62,72	29,99	83,14
D units	0,00	6,36	Retained	Retained	Retained

**COMPOSITION OF OBJECTIF ACTIONS EURO (FCP)'S ASSETS
AS AT FRIDAY SEPTEMBER 29th, 2017**

Description	ISIN	Price	Coupon	Curr.	Exch. rate	Qty	Value (€)	%
TOTAL							259 547 760,67	99,99
EQUITIES							257 203 201,67	99,09
EUROPE							155 018 619,02	59,72
AKZO NOBEL NV	NL0000009132	78,1200		EUR		58 700,00	4 585 644,00	1,77
ALLIANZ SE (NOMINATIVE)	DE0008404005	189,9500		EUR		36 600,00	6 952 170,00	2,68
ANHEUSER-BUSCH INBEV	BE0974293251	101,3000		EUR		60 900,00	6 169 170,00	2,38
APERAM SA	LU0569974404	44,3300		EUR		93 250,00	4 133 772,50	1,59
BANCO SANTANDER S.A.	ES0113900J37	5,9070		EUR		966 550,00	5 709 410,85	2,20
BAYER AG.	DE000BAY0017	115,3000		EUR		44 650,00	5 148 145,00	1,98
CONTINENTAL AG.	DE0005439004	214,7500		EUR		19 950,00	4 284 262,50	1,65
DAIMLER AG	DE0007100000	67,4700		EUR		82 291,00	5 552 173,77	2,14
DEUTSCHE BOERSE AG.	DE0005810055	91,7100		EUR		41 000,00	3 760 110,00	1,45
DEUTSCHE TELEKOM AG. (NOMI.)	DE0005557508	15,7850		EUR		352 850,00	5 569 737,25	2,15
ENAGAS S.A.	ES0130960018	23,8250		EUR		129 550,00	3 086 528,75	1,19
FERROVIAL S.A.	ES0118900010	18,6250		EUR		170 950,00	3 183 943,75	1,23
GEA GROUP AG	DE0006602006	38,4900		EUR		84 300,00	3 244 707,00	1,25
HEINEKEN NV	NL0000009165	83,6500		EUR		63 200,00	5 286 680,00	2,04
HENKEL AG AND CO KGAA (PFD)	DE0006048432	115,1500		EUR		39 350,00	4 531 152,50	1,75
ING GROEP NV	NL0011821202	15,6000		EUR		410 450,00	6 403 020,00	2,47
INTESA SANPAOLO SPA	IT0000072618	2,9920		EUR		1 949 950,00	5 834 250,40	2,25
KBC GROUPE SA	BE0003565737	71,7000		EUR		76 350,00	5 474 295,00	2,11
KERRY GROUP P.L.C. -A-	IE0004906560	81,2900		EUR		55 600,00	4 519 724,00	1,74
LAFARGEHOLCIM LTD	CH0012214059	49,3950		EUR		85 200,00	4 208 454,00	1,62
LUXOTTICA GROUP S.P.A.	IT0001479374	47,2900		EUR		71 500,00	3 381 235,00	1,30
MERCK KGAA	DE0006599905	94,1200		EUR		59 750,00	5 623 670,00	2,17
MUENCHENER RUECKVERSICHER. (N)	DE0008430026	180,9000		EUR		23 400,00	4 233 060,00	1,63
NOKIA OYJ	FI0009000681	5,0800		EUR		785 700,00	3 991 356,00	1,54
SAMPO PLC -A-	FI0009003305	44,7200		EUR		85 600,00	3 828 032,00	1,47
SAP SE	DE0007164600	92,6900		EUR		87 900,00	8 147 451,00	3,14
SIEMENS AG.(N)	DE0007236101	119,2000		EUR		52 650,00	6 275 880,00	2,42
TELENET GROUP HOLDING	BE0003826436	55,9800		EUR		69 150,00	3 871 017,00	1,49
U.C.B.	BE0003739530	60,2300		EUR		78 300,00	4 716 009,00	1,82
UNILEVER NV (CERT. OF SHS)	NL0000009355	50,0400		EUR		95 000,00	4 753 800,00	1,83
VOESTALPINE AG	AT0000937503	43,1450		EUR		88 950,00	3 837 747,75	1,48
WIRECARD AG	DE0007472060	77,4100		EUR		61 000,00	4 722 010,00	1,82
FRANCE							102 184 582,65	39,37
AIR LIQUIDE (L')	FR0000120073	112,8500		EUR		49 550,00	5 591 717,50	2,15
AIR LIQUIDE PRIME DE FIDELITE	FR0000053951	112,8500		EUR		2,00	225,70	0,00
ALSTOM	FR0010220475	35,9350		EUR		113 180,00	4 067 123,30	1,57
AMUNDI SA	FR0004125920	70,3200		EUR		53 350,00	3 751 572,00	1,45
AXA	FR0000120628	25,5900		EUR		213 750,00	5 469 862,50	2,11
BNP PARIBAS	FR0000131104	68,2500		EUR		92 700,00	6 326 775,00	2,44
BUREAU VERITAS	FR0006174348	21,8350		EUR		173 900,00	3 797 106,50	1,46
CARREFOUR	FR0000120172	17,0950		EUR		192 550,00	3 291 642,25	1,27
COFACE SA	FR0010667147	9,0900		EUR		344 300,00	3 129 687,00	1,21
DASSAULT SYSTEMES SA	FR0000130650	85,5900		EUR		46 600,00	3 988 494,00	1,54
EIFFAGE SA (EX-FOUGEROLLE)	FR0000130452	87,6000		EUR		46 700,00	4 090 920,00	1,58
IMERYS	FR0000120859	76,4500		EUR		45 240,00	3 458 598,00	1,33
LEGRAND SA	FR0010307819	61,0800		EUR		49 500,00	3 023 460,00	1,16
LVMH(MOET HENNESSY L. VUITTON)	FR0000121014	233,4500		EUR		23 050,00	5 381 022,50	2,07
ORANGE	FR0000133308	13,8600		EUR		285 500,00	3 957 030,00	1,52
OREAL (L')	FR0000120321	179,9000		EUR		25 250,00	4 542 475,00	1,75
OREAL (L') PRIME DE FIDELITE	FR0011149590	179,9000		EUR		1,00	179,90	0,00
PEUGEOT SA	FR0000121501	20,1500		EUR		177 400,00	3 574 610,00	1,38
PUBLICIS GROUPE SA	FR0000130577	59,0900		EUR		81 900,00	4 839 471,00	1,86
RENAULT SA	FR0000131906	83,1100		EUR		47 250,00	3 926 947,50	1,51
REXEL	FR0010451203	14,6400		EUR		191 300,00	2 800 632,00	1,08
SAINT-GOBAIN	FR0000125007	50,4200		EUR		119 100,00	6 005 022,00	2,31
SANOFI	FR0000120578	84,0100		EUR		97 050,00	8 153 170,50	3,14
SCHNEIDER ELECTRIC SE	FR0000121972	73,6300		EUR		65 950,00	4 855 898,50	1,87
SOCIETE GENERALE -A-	FR0000130809	49,5350		EUR		84 000,00	4 160 940,00	1,60
Funds							2 344 559,00	0,90
General UCITS aimed at non-professionals and their equivalent in other countries								0,90
FCP OBJECTIF MID CAP.EUR-A(2D)	(*) FR0011429521	152,7400		EUR		15 350,00	2 344 559,00	0,90
Securities sold under repurchase agreements							0,00	0,00
Receivables on securities purchased under repurchase agreements							0,00	0,00
Liabilities on securities sold under repurchase							0,00	0,00
Forward financial instruments							0,00	0,00
Swaps							0,00	0,00
Receivables							15 461,29	0,01
Other							15 461,29	0,01
Liabilities							(7)	0,00
Other							(7)	0,00
Financial accounts							15 411,22	0,01
Cash and cash equivalents							15 411,22	0,01
TOTAL NET ASSETS							259 570 716,23	100,00

(*) Financial instruments issued or managed by a Lazard Group entity
Estimate based on stock prices available on 29/09/2017

Number of D units as at 29/09/2017 246 150,054
Net asset value as at 29/09/2017 133,02
Net assets as at 29/09/2017 32 743 251,52

Number of R units as at 29/09/2017 7 817,008
Net asset value as at 29/09/2017 1 193,95
Net assets as at 29/09/2017 9 333 129,84

Number of A units as at 29/09/2017 313 340,878
Net asset value as at 29/09/2017 694,11
Net assets as at 29/09/2017 217 494 334,86

**CERTIFIED BY THE STATUTORY AUDITOR
ERNST & YOUNG ET AUTRES**

**CERTIFIED BY THE CUSTODIAN
LAZARD FRERES BANQUE**