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

LAZARD CONVERTIBLE GLOBAL

ANNUAL REPORT

at October 31st, 2017

Management company: Lazard Frères Gestion SAS

Custodian: Caceis Bank

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

CONTENTS

1. Characteristics of the UCI 3

2. Changes affecting the UCI 9

3. Management report 14

4. Regulatory information 25

5. Certification by the Statutory Auditor 28

6. Annual financial statements 33

1. CHARACTERISTICS OF THE UCI

- **LEGAL FORM**

French open-end investment company (*Société d'Investissement à Capital Variable* - SICAV) with a board of directors

- **CLASSIFICATION**

Diversified.

- **ALLOCATION OF DISTRIBUTABLE INCOME**

Distributable income consists of:
1) net income plus retained earnings, plus or minus the balance of the revenue adjustment account.
Net income for the financial year is equal to the amount of interest, arrears, dividends, bonuses and prizes, directors' fees and all income generated by the securities that make up the SICAV's portfolio, plus income generated by temporary cash holdings and minus management fees and borrowing costs.

2) realised capital gains, net of charges, minus realised capital losses, net of charges, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

The amounts referred to in 1) and 2) may be accumulated and/or distributed and/or retained independently of each other, in whole or in part.

For A, R, K, R H-EUR and A USD shares, the Shareholders' Meeting decides each year on the allocation of distributable income. It may pay interim dividends.

For the AC H-EUR and AC H-CHF shares, distributable income shall be fully accumulated, with the exception of those amounts subject to compulsory distribution by law.

For AD and AD H-EUR shares, net income is distributed in full and the allocation of net realised capital gains is decided each year by the Shareholders' Meeting. It may pay interim dividends.

- **INVESTMENT OBJECTIVE**

Investment objective A, R, AD and K shares:
The investment objective is to achieve a return (net of charges) above the Thomson Reuters Global Focus Convertible Bond Index (EUR) (net interest reinvested), expressed in euros, over the recommended investment horizon of five years.

- Investment objective A USD shares:
The investment objective is to achieve a return (net of charges) above the Thomson Reuters Convertible Global Focus USD index (net interest reinvested), expressed in US dollars, over the recommended investment horizon of five years.

- Investment objective AC H-EUR, AD H-EUR and R H-EUR shares:
The investment objective to achieve a return (net of charges) above the Thomson Reuters Global Focus Hedged (EUR) Convertible Bond Index (net interest reinvested), expressed in euros, hedged against foreign exchange risk with the euro as the base currency, over the recommended investment horizon of five years. The share's performance may be impacted by possible foreign exchange hedging costs.

- Investment objective AC H-CHF shares:

The investment objective is to achieve a return (net of charges) above the Thomson Reuters Global Focus Hedged Convertible Bond Index (CHF) (net interest reinvested), expressed in Swiss francs, hedged against foreign exchange risk with the Swiss franc as the base currency, over the recommended investment horizon of five years. The share's performance may be impacted by possible foreign exchange hedging costs.

- **BENCHMARK**

- Benchmark A, R, AD and K shares:
The Thomson Reuters Global Focus Convertible Bond Index (EUR) (net interest reinvested), expressed in euros. It reflects the performance of global convertible bonds and can be accessed on the Bloomberg Terminal (UCBIFOCE) and the UBS website (with access code, ref. UCBINDEXW1414).

- Benchmark A USD shares:
The Thomson Reuters Global Focus Convertible Bond Index (USD) (net interest reinvested), expressed in US dollars. It reflects the performance of global convertible bonds and can be accessed on the Bloomberg terminal (UICBFOCU).

- Benchmark AC H-EUR, AD H-EUR and R H-EUR shares:
The Thomson Reuters Global Focus Hedged (EUR) Convertible Bond Index (net interest reinvested), expressed in euros, hedged against foreign exchange risk with the euro as the base currency. It reflects the performance of global convertible bonds, hedged against foreign exchange risk with the euro as the base currency and can be accessed on the Bloomberg terminal (UCBIFX14) and the UBS website (with access code, ref. UCBINDEXW1059).

- Benchmark AC H-CHF shares:
The Thomson Reuters Global Focus Hedged (CHF), Convertible Bond Index (net interest reinvested), expressed in Swiss francs, hedged against foreign exchange risk with the Swiss franc as the base currency. It reflects the performance of global convertible bonds, hedged against foreign exchange risk with the Swiss franc as the base currency and can be accessed on the Bloomberg terminal (UCBIFX28) and the UBS website (with access code, ref. UCBINDEXW1068).

- **INVESTMENT STRATEGY**

1. Strategies used

The SICAV aims to outperform (net of charges), over the recommended investment period of five years, the benchmark:
- the Thomson Reuters Global Focus Convertible Bond Index (EUR), expressed in euros, with net interest reinvested for A, R, D and K shares;
- the Thomson Reuters Global Focus Convertible Bond Index (USD), expressed in US dollars, with net interest reinvested for A USD shares;
- the Thomson Reuters Global Focus Hedged (EUR) Convertible Bond Index, expressed in euros, hedged against foreign exchange risk with the euro as the base currency, with net interest reinvested for AC H-EUR, AD H-EUR and R H-EUR shares;
- the Thomson Reuters Global Focus Hedged Convertible Bond Index (CHF), expressed in Swiss francs, hedged against foreign exchange risk with the Swiss franc as the base currency, with net interest reinvested for AC H-CHF shares.

The SICAV is actively managed using a fundamental approach comprising several analysis phases: study of the economic environment with market expectations produced by our Economic Strategy department, financial analysis of companies issuing bonds and of underlying equities and analysis of the technical features of issuance contracts.

To this end, the manager will manage the SICAV's overall exposure to interest rates and equity markets. In addition to the characteristics of the portfolio assets (exposure, equities and sensitivity), the manager will use interest-rate and equity futures to increase or decrease the SICAV's sensitivity or exposure to the equity market. Furthermore, the SICAV will manage currency risk dynamically for shares that are not hedged against foreign exchange risk, in order to optimise performance in the medium term.
The SICAV may also actively manage interest rates through active management of the modified duration (use of BOBL or bund futures, for instance).

The SICAV may use futures, swaps, options and forward foreign-exchange contracts on regulated, organised and/or OTC markets, up to the amount of the net assets (without overexposure), in order to hedge the portfolio and/or expose it to equity, interest rate, exchange rate, credit and volatility risk.

2. **<u>Equity</u> assets (excluding embedded derivatives):**
Shares in live securities (excluding "Preferred Convertibles") deriving from the conversion of one of the types of instrument defined below, to a maximum of 10% of net assets.

<u>Debt securities and money market instruments</u>:
- European and foreign (including emerging) convertible bonds denominated in euros and/or in local currencies issued by companies and financial institutions and equivalent ("Preferred Convertibles").
- European and foreign (including emerging) bonds exchangeable for shares denominated in euros and/or in local currencies issued by companies and financial institutions.
- European and foreign (including emerging) bonds with share warrants denominated in euros and/or in local currencies issued by companies and financial institutions.
- European and foreign (including emerging) bonds with warrants for participating securities denominated in euros and/or in local currencies issued by companies and financial institutions.
- Bonds whose value is indexed to a stock market index to a maximum of 15% of net assets.
- Up to 10% of net assets may be invested in negotiable debt securities, repurchase agreements, etc.

<u>UCI</u>:
- French or foreign money-market, short-term money-market, bond or diversified UCITS or AIFs that meet the four criteria of Article R. 214-13 of the French Monetary and Financial Code (*Code Monétaire et Financier*), to a maximum of 10% of net assets.

These UCIs may be managed by the management company.

3. **Derivatives**

- Types of markets:

☒ regulated
☒ organised
☒ OTC

- The manager intends to seek exposure to:

☒ equities
☒ interest rates
☒ foreign exchange
☒ credit
☒ other: volatility

- Types of transactions – all transactions must be limited to achieving the investment objective:

☒ hedging
☒ exposure
☐ arbitrage
☐ other

- Type of instruments used:

☒ futures:
    ☒ equity and equity index
    ☒ interest rate
    ☒ currency
☒ options:
    ☒ equity and equity index
    ☒ interest rate
    ☒ currency
☒ swaps:
    ☒ equity swaps
    ☒ interest rate swaps

☒ currency swaps
☒ currency forwards
☐ credit derivatives

- Derivatives strategy to achieve the investment objective:

☒ partial or general portfolio hedging
☒ creating synthetic exposure to assets and risks
☐ increasing exposure to the market without leverage
☐ maximum permitted and sought
☐ other strategy

4. Securities with embedded derivatives
The manager may invest in all securities with embedded derivatives that are permitted under the management company's business plan, notably convertible bonds and warrants traded on regulated, organised and OTC markets, up to 100% of the net assets.

Within this framework, the manager may take positions with a view to hedging the portfolio against and/or exposing it to particular business sectors, geographic regions, shares (all capitalisation types), stocks and similar securities in order to achieve the investment objective.

5. Deposits
Up to 10% of the SICAV's assets may be held in deposits.

6. Cash borrowings
The SICAV may borrow cash within the limit of 10% of its assets to meet specific cash requirements related to its operating needs.

7. Temporary purchases and sales of securities
None.

8. Information on financial guarantees
In order to achieve its investment objective, the SICAV may receive and provide financial guarantees.

In connection with over-the-counter derivative transactions, and temporary sales and purchases of securities, in accordance with Position paper 2013-06 issued by the French financial markets regulator (*Autorité des Marchés Financiers* – AMF), the SICAV may receive collateral in the form of securities (such as bonds or other securities issued or guaranteed by a State or issued by international financing agencies and bonds or securities issued by high quality corporate issuers), or cash.
Any cash collateral received is reinvested in accordance with the applicable rules.
All such assets must be from high-quality issuers that are not an entity of the counterparty or its group, and must be liquid and diversified with low volatility.
Discounts may be applied to the collateral received; they take into account the quality of credit and the price volatility of the securities.

- **RISK PROFILE**

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

The risks associated with the SICAV are interest rate risk, credit risk, equity risk, foreign exchange risk and changes in the volatility of options.

Risk of capital loss:
The SICAV is not guaranteed or protected and therefore there is a possibility that you may not get back the full amount of your initial investment. The risk is incurred when the net asset value falls, in which case investors are not guaranteed to get back the money originally invested.

Equity risk:
Exposure to fluctuations in equity markets may generate significant changes in net asset value. If the equity markets fall, the SICAV's net asset value is likely to fall.

Interest rate risk:
Interest rate risk is the risk of a change in interest rates, which has an impact on the bond markets, such as the tendency for bond prices to move in the opposite direction to interest rates. If interest rates rise, the SICAV's net asset value may fall.

Credit risk:
The issuer of a bond may default, and this could decrease the SICAV's net asset value. Even in cases where the issuer has not defaulted, changes in credit spreads could give rise to a negative performance. The risk may be even greater if the issuer's credit quality is low, whether the issuer is in the speculative/high yield category and/or connected to emerging markets.

The decline in net asset value could be even greater if the SICAV is invested in unrated or speculative/high yield debt, or in emerging market debt.

Foreign exchange risk (A, R, K, AD and A USD shares only):
Investing in the fixed-income markets of countries outside the Eurozone generates exposure to foreign exchange risk and could lead to greater volatility.

Volatility risk:
Given the options attached to securities, changes in volatility, which is the main component of the option price, could give rise to a decrease in the SICAV's net asset value for an indeterminate period.

Derivatives risk:
The SICAV may be synthetically exposed up to 100% of its net assets to fixed-income and/or index-related instruments. The use of derivatives on organised and OTC markets may expose the net asset value to variations due to fluctuations in the underlying markets.

Counterparty risk:
This is the risk associated with the SICAV's use of financial futures and OTC instruments, and/or temporary purchases and sales of securities.
These transactions, entered into with one or more eligible counterparties, potentially expose the SICAV to a risk of failure of any such counterparty, which may lead to default in payment.

Risk of emerging markets:
The main risks relating to investments in emerging countries may be due to the sharp movements in security and currency prices in these countries, potential political instability and accounting and financial practices that are less rigorous than in the developed countries.
The SICAV's net asset value could fall in the event of a downward movement in these markets.

- **GUARANTEE OR PROTECTION**

None.

- **ELIGIBLE SUBSCRIBERS AND TYPICAL INVESTOR PROFILE**

All subscribers seeking to optimise their investments in fixed-income instruments.
Subscribers are strongly advised to diversify their investments sufficiently to avoid exposure solely to the risks of this SICAV.

Information on US investors:
The Fund is not registered as an investment vehicle in the United States and its shares 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 1^{st}, 2014, if the SICAV 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 SICAV 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 SICAV 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.

2. CHANGES AFFECTING THE UCI

Creation of shares:

R H-EUR shares: **effective from July 24th, 2017**

AD and AD H-EUR shares: **effective from August 29th, 2017**

The Board of Directors meeting of October 3rd, 2017 decided concerning **LAZARD CONVERTIBLE GLOBAL:**

1. in agreement with Lazard Frères Gestion, to sub-delegate the Fund's financial management to Lazard Asset Management LLC;
2. to appoint Lazard Frères Banque as joint centralising agent authorised to receive subscription and redemption requests;
3. to provide more written details on the turnover commission;
4. to allow transmission of the Fund's portfolio for the purpose of complying with regulatory obligations;
5. to remove the "Diversified" category in accordance with the AMF's regulatory text;
6. to allow subscription and redemptions to be made in amounts or in shares;
7. to provide details on the breakdown of overall management expenses between financial management costs on the one hand and other administrative expenses external to the management company on the other.

Effective date: November 20th, 2017

TERMS OF OFFICE OF INDIVIDUAL MEMBERS OF THE BOARD OF DIRECTORS OF LAZARD CONVERTIBLE GLOBAL SICAV AS AT OCTOBER 31st, 2017

Directors' names	Number of offices held	List of offices and functions
Arnaud Brillois Director of Lazard Frères Gestion SAS	1	Chairman and Chief Executive Officer of the SICAV Lazard Convertible Global
Lionel Clément Vice President of Lazard Frères Gestion SAS	2	Chairman and Chief Executive Officer of Lazard Financials Debt Member of the Board of Directors of Lazard Convertible Global Chief Executive Officer and non-board member of Objectif Alpha Obligataire
Arnaud Laforge	1	. Member of the Board of Directors of Lazard Convertible Global
Colin Faivre Vice President of Lazard Frères Gestion SAS	2	. Member of the Board of Directors of Lazard Convertible Global . Board member and Chief Executive Officer of Objectif Alpha Allocation
Geneviève Werner	2	. Member of the Board of Directors of Lazard Convertible Global . Member of the Board of Directors of Conseil Plus Gestion
Jean-Luc Chauchard Vice President of Lazard Frères Gestion SAS	1	Member of the Board of Directors of Lazard Convertible Global
Paul Castello Managing Director of Lazard Frères Gestion SAS	5	Member of the Boards of Directors of the following SICAVs: . Objectif Alpha Court Terme . Lazard Equity SRI . Norden Small . Lazard Convertible Global . Objectif Alpha Obligataire
Sylvain Mortera	5	Director of: . the Sicav Lazard Convertible Global . the Sicav CAAM Convertibles Euroland . the Sicav CAAM Oblig Internationales GAREAT ASSURATOME
Guilaine Perche Vice President of Lazard Frères Gestion SAS	1	Member of the Board of Directors of Lazard Convertible Global

DIRECTORS’ FEES

Directors’ fees paid by Lazard Convertible Global to members of the Board of Directors for the financial year ended October 31st, 2017

Members of the Board of Directors	**Directors’ fees paid by the SICAV**
Arnaud Brillois Director of Lazard Frères Gestion SAS	0
Lazard Frères Gestion SAS represented by Jean-Jacques de Gournay, Managing Director	0
Lionel Clément Vice President of Lazard Frères Gestion SAS	0
Arnaud Laforge	€ 1.600
Colin Faivre Vice President of Lazard Frères Gestion SAS	0
Geneviève Werner	€ 1.600
Jean-Luc Chauchard Vice President of Lazard Frères Gestion SAS	0
Paul Castello Managing Director of Lazard Frères Gestion SAS	0
AGPM VIE represented by Didier Rigaut	€ 1.600
Caisse de Retraite des Notaires Represented by Jean-Paul Muller	€ 1.600
Sylvain Mortera	€ 1.600
Guilaine Perche Vice President of Lazard Frères Gestion SAS	0
Caisse de Prévoyance des Cadres d'Entreprises Agricoles (CPCEA)	€ 1.600
Alexis Gardie	0

RESOLUTION CONCERNING THE ALLOCATION OF DISTRIBUTABLE INCOME PROPOSED BY THE ORDINARY SHAREHOLDERS' MEETING OF FEBRUARY 13th, 2018

Second resolution

The Shareholders' Meeting approves the distributable income for the financial year, which amounts to:

€1 093 371,72	Distributable amount pertaining to net income
€54 293 067,43	Distributable amount pertaining to net capital gains and losses

and decides that they shall be allocated as follows:

1. <u>Distributable amount pertaining to net income</u>

- AC H-EUR shares: **Accumulation:** €431 487,24
- AC H-CHF shares: **Accumulation:** €29 958,37
- A shares: **Accumulation:** €879 939,64
- R shares: **Accumulation:** -€469 197,60
- K shares: **Accumulation:** €34 003,27
- A USD shares: **Accumulation:** €4 252,37
- R H-EUR shares: **Accumulation:** - €7 841,77
- AD shares: **Distribution:** €158 534,86
- AD H-EUR shares: **Distribution:** €32 235,34

Each shareholder holding "AD" shares on the detachment date will receive a dividend of **€11,17** which will be detached on **February 15th, 2018** and paid on **February 19th, 2018**.

This amount breaks down as follows:

<u>Income eligible for a tax allowance of 40% and subject to a compulsory 21% advance payment</u>
- Income on foreign shares: €4,75

<u>Income not eligible for a tax allowance</u>
- Income on French bonds: €1,71
- Other European bonds: €3,93
- Other international bonds and debt securities €0,78

Each shareholder holding "AD H-EUR" shares on the detachment date will receive a dividend of **€10,28** which will be detached on **February 15th, 2018** and paid on **February 19th, 2018**.

This amount breaks down as follows:

<u>Income eligible for a tax allowance of 40% and subject to a compulsory 21% advance payment</u>
- Income on foreign shares: €4,66

<u>Income not eligible for a tax allowance</u>
- Income on French bonds: €1,69
- Other European bonds: €3,91
- Other international bonds and debt securities €0,02

These dividends may be reinvested at no cost in shares of the company over a period of three months starting from the payment date.

2. Distributable amount pertaining to net capital gains and losses

- AC H-EUR shares: **Accumulation:** €20 498 788,73
- AC H-CHF shares: **Accumulation:** €867 627,76
- A shares: **Accumulation:** €21 404 812,16
- R shares: **Accumulation:** €7 607 058,88
- K shares: **Accumulation:** €827 142,79
- A USD shares: **Accumulation:** €94 431,56
- R H-EUR shares: **Accumulation:** €230 623,31
- AD shares: **Distribution:** €351 813,97
- AD H-EUR shares: **Distribution:** €78 305,58

Representing a dividend of €24,80 per AD share and €24,98 per AD H-EUR share, which will be detached on February 15th, 2018 and paid on February 19th, 2018.

Undistributed net capital gains and losses: €2 332 452,72

For information: distributable net income for the past three financial years has been accumulated.

3. MANAGEMENT REPORT

BOARD OF DIRECTORS' REPORT
TO THE ORDINARY SHAREHOLDERS' MEETING OF FEBRUARY 13TH, 2018

To the shareholders,

We have called this Shareholders' Meeting in order to present the balance sheet and accounts for your company for the financial year from 02 November 2016 to 31 October 2017.

Lazard Convertible Global "**A shares",** the net assets increased from €312 972 768,51 on October 31st, 2016 to €359 465 797,05 on October 31st, 2017, with the number of shares outstanding at 278 493,955.

The net asset value rose from €1 125,14 on October 31st, 2016 to €1 290,74 on October 31st, 2017 corresponding to an increase of 14,72%.
Performances vary over time and past performance is no guarantee of the UCI's future results.

Lazard Convertible Global "**R shares",** the net assets increased from €9 124 638,45 on October 31st, 2016 to €127 201 143,60 on October 31st, 2017, with the number of shares outstanding at 345 561,135.

The net asset value rose from €322,96 on October 31st, 2016 to €368,10 on October 31st, 2017 corresponding to an increase of 13,98%.
Performances vary over time and past performance is no guarantee of the UCI's future results.

Lazard Convertible Global "**K shares",** the net assets increased from €11 675 356,40 on October 31st, 2016 to €13 890 817,11 on October 31st, 2017, with the number of shares outstanding at 9 140,442.

The net asset value rose from €1 324,72 on October 31st, 2016 to €1 519,70 on October 31st, 2017 corresponding to an increase of 14,72%.
Performances vary over time and past performance is no guarantee of the UCI's future results.

Lazard Convertible Global "**A USD shares**", the net assets increased from $987,90 on October 31st, 2016 to $1 845 351,33 on October 31st, 2017, with the number of shares outstanding at 1 532.

The net asset value rose from €987,90 on October 31st, 2016 to €1 204,53 on October 31st, 2017 corresponding to an increase of 21,93%.
Performances vary over time and past performance is no guarantee of the UCI's future results.

Lazard Convertible Global "**AC H-EUR shares"**, the net assets increased from €84 960 254,92 on October 31st, 2016 to €222 251 619,76 on October 31st, 2017, with the number of shares outstanding at 140 924,939.

The net asset value rose from €1 323,40 on October 31st, 2016 to €1 577,09 on October 31st, 2017 corresponding to an increase of 19,17%.
Performances vary over time and past performance is no guarantee of the UCI's future results.

Lazard Convertible Global "**AC H-CHF shares",** the net assets increased from CHF10 191 154,42 on October 31st, 2016 to CHF22 399 048,35 on October 31st, 2017, with the number of shares outstanding at 1 795,774.

The net asset value rose from CHF10 506,34 on October 31st, 2016 to CHF12 473,20 on October 31st, 2017 corresponding to an increase of 18,72%.
Performances vary over time and past performance is no guarantee of the UCI's future results.

Lazard Convertible Global "**AD shares",** the net assets increased from €10 000 on August 29th, 2017 to €153 052 795,98 on October 31st, 2017, with the number of shares outstanding at 14 186,047.

The net asset value rose from €10 000 on August 29th, 2017 to €10 788,96 on October 31st, 2017 corresponding to an increase of 7,89%.
Performances vary over time and past performance is no guarantee of the UCI's future results.

Lazard Convertible Global "**AD H-EUR shares",** the net assets increased from €10 000 on August 29th, 2017 to €3 158 416,11 on October 31st, 2017, with the number of shares outstanding at 3 134,731.

The net asset value rose from €10 000 on August 29th, 2017 to €10 577,75 on October 31st, 2017 corresponding to an increase of 5,78%.
Performances vary over time and past performance is no guarantee of the UCI's future results.

Lazard Convertible Global "**RH-EUR shares",** the net assets increased from €200 on August 29th, 2017 to €6 053 218,38 on October 31st, 2017, with the number of shares outstanding at 28 683,605.

The net asset value rose from €200 on August 29th, 2017 to €211,03 on October 31st, 2017 corresponding to an increase of 5,51%.
Performances vary over time and past performance is no guarantee of the UCI's future results.

The benchmark equity index for the A, R, AD and K shares gained 2,23% over the period. The benchmark equity index for the A USD shares gained 8,65% over the period.
The benchmark equity index for the AC H-EUR, AD H-EUR and R H-EUR shares gained 7,15% over the period.
The benchmark equity index for the AC H-CHF shares gained 6,75% over the period.

Aggregate risk:

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

ECONOMIC ENVIRONMENT

Introduction

Global growth strengthened over the past year, reflecting an improvement in activity in both developed and emerging economies. This synchronised recovery was accompanied by a rebound in investment, industrial production and global trade. The world business climate index also improved, despite political uncertainties linked to elections in the US and Europe. Generally speaking, inflation picked up in the developed countries, primarily because of the rise in energy prices, while underlying tensions remained moderate, despite improvements on the labour markets. Inflation slowed significantly in certain large commodity-exporting emerging countries, enabling their central banks to relax monetary policy. Monetary policies in developed countries remained highly accommodative. However, they are gradually moving towards a normalisation of these policies. The Federal Reserve (Fed) raised its interest rates on three occasions and announced the start of a reduction in its balance sheet. The European Central Bank (ECB) reduced the amount of its monthly asset purchases and lengthened the duration of its purchasing programme. In this more favourable economic environment, the equity markets were very dynamic. However, the bond markets were penalised by the rise in interest rates.

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
* For India, the data is presented based on the fiscal year starting on April 1st and ending on March 31st of the following year.

The MSCI World equity index denominated in dollars rose by 16,4% between September 2016 and September 2017. All of the main zones produced a very good performance: +26,6% for the Topix in yen, +19,7% for the MSCI Emerging Markets index in dollars, +19,6% for the Euro Stoxx and +16,2% for the S&P 500 in dollars, all excluding dividends.
The equity markets were underpinned by the prospect of a budget stimulus plan in the US following Donald Trump's victory in the US presidential elections on November 8th, 2016 and the improvement in the economic growth outlook and corporate earnings forecasts. The defeat of eurosceptic parties in elections in the Netherlands and France in the spring was also a supporting factor. During the summer, European equities were penalised by the euro's appreciation and geopolitical tension with North Korea, before rebounding sharply in September.
Interest rates in Germany and the US rose rapidly after Donald Trump's election. His campaign promises pushed inflationary anticipations higher and the markets consequently anticipated more rapid monetary tightening in the US. Interest rates thus fluctuated within a narrow band during the first half of 2017, amid disappointing inflation data across the Atlantic, geopolitical uncertainties, and growing doubts about Donald Trump's

capacity to implement his stimulus plan. In the third quarter of 2017, interest rates fluctuated in line with anticipations of monetary policy tightening in Europe and the US and geopolitical pressure. German 10-year yields rose from -0,12% to 0,46% over twelve months, while US 10-year yields rose from 1,59% to 2,33%.

Credit spreads in relation to Germany tightened significantly in Greece (-320bp) and Portugal (-153bp), while they widened slightly in Spain (+14bp) and Italy (+34bp). The yield spread between France and Germany had risen significantly before the presidential elections. It narrowed subsequently when it seemed highly likely that Emmanuel Macron would win. The credit spread between France and Germany remained almost stable over the year (+3bp). Credit spreads between good quality corporate bonds and government bonds tightened slightly (-6bp) while spreads on high yield bonds tightened significantly (-154bp) to 95 and 262 basis points respectively, according to Merrill Lynch indices.

On the foreign exchange market, Donald Trump's victory initially prompted a depreciation of the euro against the dollar. The exchange rate fell from 1,10 before the US elections to 1,04 in December 2016. The euro/dollar exchange rate subsequently fluctuated between1,04 and 1,08 until the spring. After the French elections, the euro appreciated significantly, reaching $1,18 at the end of September. Over the full year, the euro appreciated by 5,2% against the dollar, by 16,7% against the yen and by 1,8% against the pound sterling.

Oil prices picked up in the fourth quarter of 2016 after the main oil producing countries reached an agreement on cutting production. The Brent barrel price subsequently fluctuated around $55 until early March 2017 before concerns about a supply glut prompted a fresh fall in prices. After a low of $45 at end-June, oil prices rose to around $60 dollars at the end of September, underpinned by robust demand and geopolitical uncertainties in the Middle East. The Brent barrel price rose by 18% over the year, from $48 to $56.

United States

Growth in the US slowed at the end of the year and at the start of 2017 before rebounding in Q2 2017 to an annualised +3,1% (+2,2% year-on-year). Investment rebounded sharply during the final quarters.

The ISM surveys improved until spring 2017 and subsequently stabilised at a relatively high level. In September 2017, they jumped to their highest level since the mid-2000s. The manufacturing sector index rose from 51,7 to 60,8 and the non-manufacturing sector index rose from 56,6 to 59,8 year-on-year.

Job creation remained strong apart from two soft patches in March and September 2017, the latter linked to hurricanes Harvey and Irma. An average of 155 000 jobs were created over the last 12 months, underpinning a further fall in the unemployment rate. The latter reached its lowest level since 2001 in September 2017 at 4,2%, versus 4,9% in September 2016. Growth in the hourly wage increased from 2,7% to 2,9%.

Household consumption slowed sharply in Q1 2017 because of mild weather, which weighed on energy consumption, as well as delays by the government in refunding income tax. It rebounded in Q2 2017 (+3,3% at an annualised rate) before suffering again on the back of the hurricanes in Q3 2017.

The recovery in the real estate sector remained stagnant in 2017. In construction, building permits rose by 7,2% year-on-year in August 2017 but housing starts stabilised (+0,5%). In the residential sector, sales of existing houses fell by 0,7% while sales of new houses fell by 2,2%. Homebuilders’ confidence nevertheless remained at a historically high level and real estate prices accelerated slightly (+5,8% year-on-year in July 2017).

Orders of capital goods picked up sharply from the lows of summer 2016, particularly in the mining and oil sectors. Orders excluding defence and aviation rose by 4,0% in August 2017, versus a decline of 6,2% in June 2016.

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

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

The Federal Reserve raised its key interest rate by 25 basis points on three occasions: in December 2016, March 2017 and June 2017, bringing it to a band of 1,00-1,25%. At its September 2017 meeting, it announced it would begin reducing its balance sheet in October 2017 by ceasing to reinvest some of the proceeds from the matured securities in its portfolio.

Eurozone
Growth in the Eurozone remained solid. 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 economic growth.

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

Unemployment in the Eurozone continued to fall rapidly. At 9,1% in August 2017 versus with 9,9% in September 2016, it returned to its pre-sovereign debt crisis level.

Inflation increased from +0,4% year-on-year in September 2016 to +2,0% in February 2017 before falling back to +1,5% in September 2017. Core inflation fluctuated between +0,7% and +0,9% until spring 2017, before rising above this threshold. It reached +1,1% in September 2017 compared with +0,8% in September 2016.

In Germany, economic growth was strong, reaching 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. In the federal elections on September 24th, 2017 Angela Merkel's CDU/CSU alliance secured victory with 246 out of 598 seats in the Bundestag. However, a coalition government was difficult to form with the Social Democratic Party in opposition.

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

Growth in Italy stabilised, reaching 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.

In Spain, growth accelerated, reaching an annualised rate of +3,6% in Q2 2017 (+3,1% year-on-year), after +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 voted a law to hold a referendum on the region’s independence, which was considered 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, it extended the duration of its purchasing programme 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, reaching 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 manufacturing business climate index improved until February 2017 and subsequently stabilised. It rose from 50,4 in September 2016 to 52,9 in September 2017.

The labour market continued to tighten but wage growth remained modest. Between September 2016 and August 2017, the unemployment rate fell from 3,0% to 2,8%. The basic wage rose by 0,4% year-on-year in August 2017.

Inflation moved back into positive territory at +0,7% year-on-year in August 2017 versus -0,5% in September 2016. Core inflation slowed until the spring, before rising to +0,2% in August 2017, the level observed in September 2016.

On September 28th, 2017, the prime minister Shinzo Abe announced the dissolution of the lower house of parliament, prompting a general election on October 22nd, 2017.

China

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

Household consumption remained solid despite a slowdown in car sales. Retail sales rose by 10,1% over the first eight months of 2017, compared with +10,9% in 2016. Investment slowed but private investment picked up. According to the monthly data, investment rose by 4,9% over the first eight months of 2017, compared with +6,3% in 2016.

Exports and imports both rallied. Over the first eight months of 2017, exports in dollars rose by 7,6% and imports rose by 16,9%, after decreasing by 7,7% and 7,5% respectively in 2016.

The rise in real estate prices abated. Property prices rose by 8,1% year-on-year in August 2017 after peaking at +10,5% in December 2016. Several local authorities announced measures to curb demand, which weighed on sales of residential accommodation (+10,3% over the first eight months of 2017 versus +22,4% in 2016).

The rise in producer prices (+6,9% year-on-year in September 2017) underpinned a rebound in corporate earnings in the manufacturing sector (+24,0% year-on-year in September 2017). Inflation remained moderate at +1,6% year-on-year in September 2017.

After significant outflows in 2016, capital inflows moved back into positive territory (+$31,1 billion in Q2 2017). Foreign exchange reserves reached a low in January 2017 at $2 998bn before rising to $3 108bn in September 2017, versus $3 166bn one year earlier.

MANAGEMENT POLICY

During this financial year, the Fund's A shares outperformed the benchmark index (+14,72% versus +2,23% for the benchmark index). Over the period, the equity markets performed well and contributed positively to the performance: S&P500 in dollars +22,87%, Stoxx 600 in euros +19,74%, Topix in yen +26,54%. European and US yields tightened, which contributed positively to the relative performance because the Fund's interest rate exposure was lower than that of the index over the period. Currency exposure had a slightly positive impact on the relative performance: the euro appreciated against the dollar, the Swiss franc and most Asian currencies, while the pound sterling stood out by appreciating by 2.2% against the euro.

The following is the fund manager's commentary for each month:

November 2016

In November 2016, Lazard Convertible Global achieved a return of +2,84% compared with +1,32% for its benchmark index, the Thomson Reuters Global Focus Convertible index in euros. The fund's equity exposure decreased to 54,9%, while that of its benchmark rose to 43,7%. The fund's exposure to interest rates decreased, remaining lower than that of the benchmark, at 0,69 versus 2,16. The overexposure to the equity markets had a positive impact over the month (the Stoxx600 index in euros gained 1,05% and the S&P 500 index in dollars gained 3,62%). The underexposure to interest rates had a positive impact over the month. The stock picking effect had a positive impact over the period. We strengthened positions in Illumina, Macquarie Infrastructure, Ingenico, Total and Parpublica. We remained overweight in the US dollar in relation to all other currencies over the period.

December 2016

In December 2016, Lazard Convertible Global achieved a return of +2,18% compared with +1,32% for its benchmark index, the Thomson Reuters Global Focus Convertible index in euros. The equity exposure of the fund and the benchmark index increased to 58,5% and 45,5% respectively. There was no change in the fund's exposure to interest rates, which remained lower than that of the benchmark, at 0,68 versus 2,03. The overexposure to the equity markets had a positive impact over the month (the Stoxx600 index in euros gained 5,75% and the S&P 500 index in dollars gained 1,93%). The fund's underexposure to interest rates had a positive impact over the month. The stock picking effect had a positive impact over the period. We sold Linkedin and half of our positions in Nvidia, and we strengthened the positions in Ingenico, Ubisoft and Rally. We initiated positions in Zillow and Technip. We remained overweight in the US dollar in relation to all other currencies over the period.

January 2017

In January 2017, Lazard Convertible Global achieved a return of -0,29% compared with -0,34% for its benchmark index, the Thomson Reuters Global Focus Convertible index in euros. The equity exposure of the fund and the benchmark index remained stable at 57,9% and 45,5% respectively. There was no change in the fund's exposure to interest rates, which remained lower than that of the benchmark, at 0,73 versus 1,96. The overexposure to the equity markets had a positive impact over the month (the Stoxx600 index in euros lost 0,31% but the S&P 500 index in dollars gained 1,86%). The underexposure to interest rates had a positive impact over the month. The stock picking effect had a positive impact over the period. We sold our positions in Nvidia and Industrivarden and purchased Live Nation 2019, Cypress Semiconductor 2022 and MTU Aero 2023. We remained overweight in the US dollar in relation to all other currencies over the period.

February 2017

In February 2017, Lazard Convertible Global achieved a return of +3,51% compared with +2,61% for its benchmark index, the Thomson Reuters Global Focus Convertible index in euros. The equity exposure of the fund and the benchmark index increased slightly to 58,1% and 47,2% respectively. The fund's exposure to interest rates decreased, remaining lower than that of the benchmark, at 0,63 versus 1,92. The overexposure to the equity markets had a positive impact over the month (the Stoxx600 index in euros gained 3,05% and the S&P 500 index in dollars gained 3,9%). The underexposure to interest rates had a neutral impact over the month. The stock picking effect had a positive impact over the period, underpinned notably by the strong performance of the Priceline convertible bond which gained 9% over the month. We strengthened our positions in Live Nation 2019, Micron Technology 2033, Workday 2018, Fortis CASH, Zillow 2021 and Technip 2021. We remained overweight in the US dollar over the period.

March 2017

In March 2017, Lazard Convertible Global achieved a return of +0,98% compared with +0,13% for its benchmark index, the Thomson Reuters Global Focus Convertible index in euros. The equity exposure of the fund and the benchmark index increased to 59,1% and 48,5% respectively. There was no change in the fund's exposure to interest rates, which remained lower than that of the benchmark, at 0,66 versus 1,95. The overexposure to the equity markets had a positive impact over the month (the Stoxx600 index in euros gained 3,32% while the S&P 500 index in dollars lost 0,07%). The underexposure to interest rates had a positive impact over the month. The stock picking effect had a positive impact over the period, underpinned notably by the strong performance of the Micron convertible bond which gained 22% over the month. We purchased Web.com 2018 and strengthened our positions in Service Now 2018, Air France 2023, Bim/Elior 2020, AroundTown 2021 and Palo Alto Network 2019. We sold Econocom 2019 as part of a tender. We remained overweight in the US dollar over the period.

April 2017

In April 2017, Lazard Convertible Global achieved a return of +0,59% compared with -0,32% for its benchmark index, the Thomson Reuters Global Focus Convertible index in euros. The equity exposure of the fund and the benchmark index increased to 60,8% and 49,7% respectively. There was no change in the fund's exposure to interest rates, which remained lower than that of the benchmark, at 0,68 versus 1,93. The overexposure to the equity markets had a positive impact over the month (the Stoxx600 index in euros gained 1,98% and the S&P

500 index in dollars gained 0,99%). The underexposure to interest rates had a positive impact over the month. The stock picking effect had a positive impact over the period. We strengthened our positions in Solidium/Sampo 2018, OnSemiConductor 2023, Ubisoft 2021 and Illumina 2019. We sold Amplifon 2018 as part of a tender. We remained overweight in the US dollar over the period.

May 2017

In May 2017, Lazard Convertible Global achieved a return of -0,15% compared with -1,36% for its benchmark index, the Thomson Reuters Global Focus Convertible index in euros. The fund's equity exposure decreased to 58,2%, while that of its benchmark rose to 50,9%. There was no change in the fund’s exposure to interest rates, which remained lower than that of the benchmark, at 0,72 versus 1,82. The overexposure to the equity markets had a positive impact over the month (the Stoxx600 index in euros gained 1,45% and the S&P 500 index in dollars gained 1,33%). The underexposure to interest rates had a negative impact over the month. The stock picking effect had a positive impact over the period, underpinned notably by the strong performance of the Take Two convertible bond which gained 18% over the month. We initiated new lines in Nuance Communication and Sony. We sold Invensense 2018 and Xilinx 2017. We remained overweight in the US dollar over the period.

June 2017
In June 2017, Lazard Convertible Global achieved a return of -1,30% compared with -1,84% for its benchmark index, the Thomson Reuters Global Focus Convertible index in euros. The fund's equity exposure decreased to 56,7%, while that of its benchmark decreased to 48,3%. There was no change in the fund's exposure to interest rates, which remained lower than that of the benchmark, at 0,75 versus 1,92. The overexposure to the equity markets had a broadly negative impact over the month (the S&P 500 index in dollars gained 0,48% while the Stoxx600 index in euros lost 2,72%). The underexposure to interest rates had a positive impact over the month. The stock picking effect had a positive impact over the period, underpinned notably by the strong performance of the Air France convertible bond which gained 6.3% over the month. We strengthened our positions in Intel 2035 and FireEye 2035. We remained slightly overweight in the US dollar over the period.

July 2017
In July 2017, Lazard Convertible Global achieved a return of -1,09% compared with -1,45% for its benchmark index, the Thomson Reuters Global Focus Convertible index in euros. The fund's equity exposure increased to 57,1%, while that of its benchmark remained stable at 48,5%. The fund's exposure to interest rates increased slightly, remaining lower than that of the benchmark, at 0,82 versus 1,96. The overexposure to the equity markets had a broadly positive impact over the month, with performances varying according to region (the S&P 500 index in dollars gained 2,18% while the Stoxx600 index in euros lost 0,35%). The fund's exposure to interest rates had a negative impact over the month. The stock picking effect had a positive impact over the period, underpinned notably by the strong performance of the Adidas 2019 convertible bond which gained 15% over the month. We strengthened our positions in Cypress 2022, TechnipFMC 2021 and Salesforce 2018. We remained slightly overweight in the US dollar over the period.

August 2017
In August 2017, Lazard Convertible Global achieved a return of 0,81% compared with -0,95% for its benchmark index, the Thomson Reuters Global Focus Convertible index in euros. The fund's equity exposure remained stable at 57,2%, while that of its benchmark decreased to 47%. The fund's exposure to interest rates decreased, remaining lower than that of the benchmark which was increased, at 0,72 versus 2,17. The overexposure to the equity markets had a slightly negative relative impact over the period, with performances varying according to region (the S&P 500 index in dollars gained 0,23% while the Stoxx600 index in euros lost 0,79%). The fund's exposure to interest rates had a negative impact over the month. Of particular note is the strong performance of the Take Two 2018 convertible bond, which gained 22% over the month. We strengthened our positions in Sony 2022, Lixil 2020, Nuance 2035 and Priceline 2021. We remained slightly overweight in the US dollar over the month.

September 2017
In September 2017, Lazard Convertible Global achieved a return of 2,06% compared with 1,02% for its benchmark index, the Thomson Reuters Global Focus Convertible index in euros. The fund's equity exposure decreased to 55,1%, while that of its benchmark rose to 48,6%. The fund's exposure to interest rates was stable, remaining lower than that of the benchmark which was decreased, at 0,77 versus 1,93. The overexposure to the equity markets had a positive relative impact over the period with the S&P 500 index in dollars gaining 2,02% and the Stoxx600 index in euros gaining 3,90%. The fund's exposure to interest rates had a positive impact over the month. The best contributions came from the manufacturing and technology sectors. We sold Meritor 2026 and Air France 2023. We initiated new positions in Meritor 2037 and Artemis/Kering. We also reinvested the high level of subscriptions over the month in lines already included in the portfolio. We remained slightly overweight in the US dollar over the month.

October 2017
In October 2017, Lazard Convertible Global achieved a return of 3,83% compared with 2,19% for its benchmark index, the Thomson Reuters Global Focus Convertible index in euros. The fund's equity exposure increased to 55,9%, while that of its benchmark rose to 49,3%. The fund's exposure to interest rates was stable, remaining lower than that of the benchmark which was increased, at 0,77 versus 2,19. The overexposure to the equity markets had a positive relative impact over the period with the S&P 500 index in dollars gaining 1,91% and the

Stoxx600 index in euros gaining 2,19%. The fund's underexposure to interest rates had a positive impact over the month. The best contributions came from the technology sector. We initiated new positions in Weibo and IAC. We also strengthened lines already included in the portfolio, such as MTU and TechnipFMC. We remained slightly overweight in the US dollar and the euro over the month.

Main changes in the portfolio during the year

Securities	Changes ("accounting currency")	
	Purchases	Sales
AMUNDI TRESO COURT TERME I C	154 288 550,63	140 561 534,07
TECHNIP 0.875% 25-01-21	19 206 535,69	0,00
THE PRIC G 0.9% 15-09-21 CV	19 204 453,68	0,00
FIREEYE 1.625% 01-06-35	17 469 717,47	0,00
AFFP 2.03 02/23 CV	4 515 300,00	12 530 200,00
SALZ FINA BV ZCP 05-06-22	16 572 800,00	0,00
ZILLOW 2.0% 01-12-21	16 420 250,64	0,00
MU 3 11/15/43	16 177 030,07	0,00
MTU AERO ENGI 0.125% 17-05-23	15 708 679,80	0,00
AMOENE 3.375% 06/03/18	15 380 317,42	0,00

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

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

ESMA

- **EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES AND DERIVATIVE FINANCIAL INSTRUMENTS**

a) Exposure through efficient portfolio management techniques and derivative financial instruments

- Exposure through efficient management techniques:
  - **Securities lending:**
  - **Securities borrowing:**
  - **Repurchase agreements:**
  - **Reverse repurchase agreements:**

- Underlying exposure through derivative financial instruments: **526 547 324,48**
  - **Currency forwards: 192 213 628,19**
  - **Futures: 334 333 696,29**
  - **Options:**
  - **Swaps:**

b) Identity of the counterparty or counterparties for efficient portfolio management techniques and derivative financial instruments

Efficient portfolio management techniques	Derivative financial instruments (*)

(*) Excluding listed derivatives

c) Financial guarantees received by the UCITS to reduce counterparty risk

Instrument type	Amount in the currency of the portfolio
Efficient portfolio management techniques	
. Term deposits	
. Equity	
. Bonds	
. UCITS	
. Cash (**)	
Total	
Derivative financial instruments	
. Term deposits	
. Equity	
. Bonds	
. UCITS	
. Cash	
Total	

(**) The Cash account also includes liquidities from reverse repurchase agreements.

d) Operating income and expenses related to efficient management techniques

Operating income and expenses	Amount in the currency of the portfolio
. Income (***)	
. Other income	
Total income	
. Direct operating expenses	
. Indirect operating expenses	
. Other expenses	
Total expenses	

(***) Income on securities lending and repurchase agreements

4. REGULATORY INFORMATION

- **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.

- **EXERCISING VOTING RIGHTS**

The scope and procedures for Lazard Frères Gestion SAS' 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 can be consulted on the management company's website: www.lazardfreresgestion.fr.

- **COMMUNICATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE CRITERIA**

Lazard Frères Gestion firmly believes that the integration of environmental, social and governance (ESG) criteria in the management of assets provides an additional guarantee in terms of a durable economic performance.

In fact, the long-term performance of investments is not limited solely to adherence to the financial strategy, but must also take the company's interactions with its social, economic and financial environment into account.

The incorporation of ESG criteria therefore is a natural component of our investment process.

Our overall approach can be summarised as follows:

✓ Rigorous financial analysis of the company covering the quality of assets, financial soundness, projected cash flows and their reinvestment by the company, the strength of economic profits, profit durability, and quality of management.

✓ This durability is strengthened by incorporating extra-financial criteria:
- Social criteria: through the development of human capital
- Environmental criteria: through the prevention of all environmental risks
- Governance criteria: by respecting the balance between the managerial and shareholder structures so as to prevent potential conflicts of interest and safeguard the interests of minority shareholders.

The intensity and methods by which we incorporate ESG criteria may vary depending on the asset class and investment process involved, but the common objective is to ensure better apprehension of ESG risks that are likely to have a strong impact on the value of a company or sovereign asset.

- **REPORTING OBLIGATIONS UNDER ARTICLE 173**

- In the context of Article 173 of the law of August 17th, 2015, LAZARD Frères Gestion made a decision to report Lazard Convertible Global's carbon footprint.

  - Methodology

- To obtain the data needed to calculate the carbon footprint, we decided to establish a partnership with TRUCOST in 2016.
- LAZARD Frères Gestion decided to use the carbon intensity indicator, which is expressed in CO_2 equivalent tonnes per million euros of income.
- The carbon footprint assessment takes into account scope 1 and 2 greenhouse gas (GHG) emissions.
  - Scope 1: All direct emissions linked to the use of fossil fuels to manufacture a product.
  - Scope 2: All indirect emissions from the company's use of electricity.

- Measurement is solely conducted on securities that are directly owned. Listed companies for which we do not have carbon-related data are removed from the scope of analysis and the weight of each security in the portfolio and the index is then rebased to obtain a total weighting of 100%.

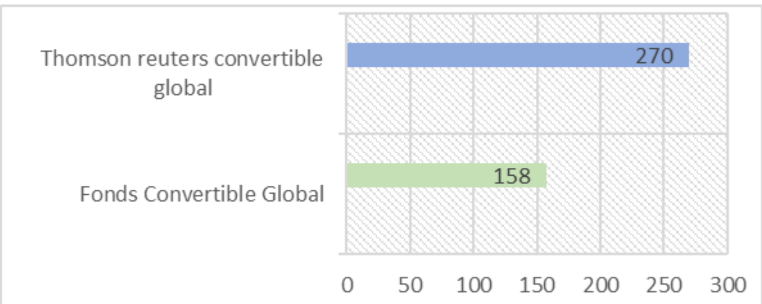
- The CO_2 emissions are divided proportionally based on the delta between the issuer and the underlying share.

- The method used to calculate the portfolio's carbon intensity is the weighted average GHG emissions divided by the income of each position. We thus get the following formula:

$$\textit{Intensité carbone d'un portefeuille} = \sum\left[\left(\frac{\textit{Émissions (scope } 1+2)}{\textit{Chiffre d'Affaires}}\right)\textit{de chaque titre} \times \textit{poids de chaque titre}\right]$$

$$\textit{Carbon intensity of the portfolio} = \sum\left[\left(\frac{\text{Emissions (scope 1 + 2)}}{\text{Income}}\right)\text{of each security x weight of each security}\right]$$

  - Emissions in millions of euros of income (tonnes of CO2 eq./€m of income)



- Date: October 31st, 2017
- Fund coverage ratio: 83,0%

- Index coverage ratio: 74,5%

- **METHOD USED TO CALCULATE GLOBAL RISK**

The Fund uses the commitment method to calculate its global risk on financial contracts.

- **SWING PRICING**

In order to protect the UCI's long-term shareholders, a swing factor will be applied to subscriptions and redemptions that have a significant impact on the UCI's outstandings, which may generate costs for shareholders entering and leaving the UCI that would otherwise have been allocated across all shareholders in the UCI. Therefore, if, on a particular NAV calculation date, the total net subscription/redemption orders of investors across all categories of UCI units or shares exceeds a threshold predetermined by the management company on the basis of objective criteria and expressed as a percentage of the net assets in the UCI, the NAV may be adjusted upwards or downwards to take account of the readjustment costs attributable to the net subscription/redemption orders. The NAV of each unit or share category shall be calculated separately, but any adjustment shall have an identical impact, expressed as a percentage, on all of the NAV calculations of each unit or share category in the UCI.
The cost parameters and trigger level shall be determined by the management company and shall be reviewed periodically, and at least every six months. These costs shall be estimated by the management company based on transaction fees, bid/offer spreads and tax charges applicable to the UCI.
Insofar as this adjustment mechanism is linked to the net balance of subscriptions/redemptions within the UCI, it is not possible to accurately predict a given time in the future at which swing pricing will be applied. Consequently, neither is it possible to predict the precise frequency at which the management company will have to make such adjustments, which shall not exceed 1% of the NAV (see prospectus). Investors should be aware that the volatility of the UCI’s NAV may not reflect solely that of the securities in the portfolio arising from the application of swing pricing.

- **REMUNERATION**

The fixed and variable remuneration paid during the financial year ended on December 30th, 2016 by the management company to its personnel, pro rata their investment in the management of the UCITS, excluding the management of AIF, can be obtained on request by post from the UCI legal department of Lazard Frères Gestion, and are indicated 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.

- **OTHER INFORMATION**

The Fund's complete prospectus and the most recent annual and interim reports will be sent out within one week of request made in writing by the shareholder to:

Lazard Frères Gestion SAS
25, Rue de Courcelles – 75008 Paris, France

www.lazardfreresgestion.fr.

5. CERTIFICATION BY THE STATUTORY AUDITOR

STATUTORY AUDITOR'S REPORT
ON THE ANNUAL FINANCIAL STATEMENTS
Financial year ended October 31st, 2017

LAZARD CONVERTIBLE GLOBAL
UCITS ORGANISED AS A FRENCH OPEN-END INVESTMENT COMPANY
(*SOCIÉTÉ D'INVESTISSEMENT À CAPITAL VARIABLE*)
Governed by the French Monetary and Financial Code (*Code monétaire et financier*)

Management company
Lazard Frères Gestion SAS
25, Rue de Courcelles
75008 Paris, France

Opinion

In accordance with the terms of our appointment by the management company, we conducted our audit of the accompanying annual financial statements of the UCITS LAZARD CONVERTIBLE GLOBAL, as a French open-end investment fund, for the financial year ended October 31st, 2017.

We certify that the annual financial statements give a true and fair view of the results of the operations for the financial year under review and of the financial position and assets and liabilities of the UCITS at the end of said financial year, in accordance with the accounting rules and principles generally accepted in France.

Basis of our opinion

Audit standards

We conducted our audit in accordance with the professional standards applicable in France. We believe that our audit has provided us with sufficient relevant information on which to base our opinion. Our responsibilities under these standards are set out in the section of this report entitled "*Statutory auditor's responsibilities concerning the audit of the annual financial statements*".

Independence

We conducted our audit in accordance with the rules of independence applicable to us on the period from November 1st, 2016 to the date of issue of our report, and in particular we have not provided any services prohibited by the French code of ethics for statutory auditors.

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Basis of our opinions

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you that the most important assessments we carried out, in our professional judgement, focused on the appropriateness of the accounting principles applied, the reasonableness of significant estimates used, and the presentation of all of the financial statements.

The assessments we have made are part of our audit of the annual financial statements as a whole and the opinion expressed above. We express no opinion on the elements of the annual financial statements taken in isolation.

Verification of the management report and other documents sent to shareholders

We have also performed, in accordance with applicable professional standards in France, the specific verifications required by law.

We have no matters to report regarding the true and fair presentation of the information provided in the management report and in the documents sent to shareholders on the company's financial position and annual financial statements, or its consistency with the annual financial statements.

Responsibilities of the management and persons charged with governance of the annual financial statements

It is the management company's role to draw up annual financial statements that give a fair and true picture in accordance with French accounting rules and principles and to implement the necessary internal control to be able to provide reasonable assurance that they are free from material misstatement, whether due to fraud or error.

As part of the preparation of the annual financial statements, the management company is responsible for assessing the UCI's capacity to continue operating as a going concern, to present in its financial statements, where necessary, information concerning business continuity, and to apply the accounting conventions of a going concern, unless it is planned to liquidate the UCI or terminate its activity.

It is the management company's responsibility to monitor the process for preparing the financial information and to monitor the efficiency of the internal control, risk management and internal audit systems, where the procedures concerning the preparation and treatment of accounting and financial information are concerned.

The management company is responsible for the preparation of the annual financial statements.

Statutory auditor's responsibilities concerning the audit of the annual financial statements

Audit purpose and process

Our role is to prepare a report on the annual financial statements and to obtain reasonable assurance that the annual financial statements as a whole are free of material misstatements. Reasonable assurance means a high but not absolute level of assurance that an audit performed in accordance with professional standards is free of material misstatement. Anomalies may stem from fraud or errors and are considered material when it can reasonably be expected that, taken individually or together, they could influence the economic decisions of users of the financial statements.

As stipulated in Article L. 823-10-1 of the French Commercial Code, our audit assignment does not consist in guaranteeing the viability or quality of the management of the UCI.

In the context of an audit performed in accordance with professional standards applicable in France, the statutory auditor must exercise its judgement throughout the course of the audit. Moreover:

- it identifies and assess the risks that the annual financial statements may contain material misstatements, whether from fraud or error, defines and implements audit procedures to resolve these risks, and collects all elements deemed necessary and appropriate in order to give its opinion. The risk of failure to detect a material misstatement resulting from fraud is higher than that resulting from an error because fraud may involve collusion, falsification, deliberate omissions, false statements or by-passing of internal controls;

- it takes due note of the internal control relevant to the audit in order to define audit procedures that are appropriate to the circumstances, and not with a view to expressing an opinion on the efficiency of the internal control;

- it assesses the appropriateness of the accounting methods used and the reasonable nature of the accounting estimates made by the management company, and the related information provided in the annual financial statements;

- it assesses the appropriateness of the management company's application of the accounting policy for a going concern and, based on the information collected, whether there is a significant uncertainty linked to events or circumstances that is likely to call into question the UCI's capacity to continue operating as a going concern. This assessment is based on the information collected up to the date of the report, bearing in mind nevertheless that subsequent circumstances or events could jeopardise the continuity of operation. If the statutory auditor observes the existence of a material uncertainty, it shall draw the attention of the readers of its report to the information provided in the annual financial statements on the subject of this uncertainty, or if this information has not been provided or is not relevant, it shall attach reservations to its certification or shall refuse to certify the accounts;

- it assesses the overall presentation of the annual financial statements and whether they provide a true picture of the underlying operations and events.

Neuilly sur Seine, date of electronic signature

Document authenticated by electronic signature

The statutory auditor
PricewaterhouseCoopers Audit

Frédéric Sellam

6. ANNUAL FINANCIAL STATEMENTS

- **BALANCE SHEET in euros**

ASSETS

	October 31st, 2017	October 31st, 2016
Net non-current assets		
Deposits		
Financial instruments	**933 835 568,50**	**425 766 296,25**
Equities and similar securities	**35 773 175,03**	**38 851 447,19**
Traded on a regulated or equivalent market	35 773 175,03	38 851 447,19
Not traded on a regulated or equivalent market		
Bonds and similar securities	**869 980 390,50**	**373 426 695,25**
Traded on a regulated or equivalent market	869 980 390,50	370 837 608,71
Not traded on a regulated or equivalent market		2 589 086,54
Debt securities		
Traded on a regulated or equivalent market		
Negotiable debt securities		
Other debt securities		
Not traded on a regulated or equivalent market		
Undertakings for collective investment	**24 761 291,83**	**11 096 957,55**
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	24 761 291,83	11 096 957,55
Other funds aimed at non-professionals and their equivalent in other countries that are Member States of the EU		
General funds aimed at professional investors and their equivalent in other Member States of the EU and listed securitisation entities		
Other funds aimed at professional investors and their equivalent in other Member States of the EU and unlisted securitisation entities		
Other non-European entities		
Temporary financial securities transactions		
Receivables on securities purchased under repurchase agreements		
Receivables on loaned securities		
Borrowed securities		
Securities sold under repurchase agreements		
Other temporary transactions		
Forward financial instruments	**3 320 711,14**	**2 391 196,26**
Transactions on a regulated or equivalent market	3 320 711,14	2 391 196,26
Other transactions		
Other financial instruments		
Receivables	**194 753 320,54**	**77 950 659,10**
Currency forward exchange transactions	**192 213 628,19**	**74 188 834,21**
Other	**2 539 692,35**	**3 761 824,89**
Financial accounts	**7 966 342,32**	**2 128 857,13**

Cash and cash equivalents	**7 966 342,32**	**2 128 857,13**
Total assets	**1 136 555 231,36**	**505 845 812,48**

LIABILITIES AND SHAREHOLDERS' EQUITY

	October 31st, 2017	October 31st, 2016
Shareholders' equity		
Capital	**880 560 999,09**	**411 586 589,67**
Undistributed net capital gains and losses recognised in previous years (a)		
Retained earnings (a)		
Net capital gains and losses for the year (a, b)	**54 293 067,43**	**14 910 830,38**
Net income for the year (a, b)	**1 093 371,72**	**1 637 499,77**
Total shareholders' equity (= amount representing net assets)	**935 947 438,24**	**428 134 919,82**
Financial instruments	**3 291 382,04**	**2 517 373,54**
Sales of financial instruments		
Temporary securities transactions		
Liabilities on securities sold under repurchase agreements		
Liabilities on borrowed securities		
Other temporary transactions		
Forward financial instruments	**3 291 382,04**	**2 517 373,54**
Transactions on a regulated or equivalent market	3 291 382,04	2 517 373,54
Other transactions		
Liabilities	**197 316 411,08**	**75 188 601,42**
Currency forward exchange transactions	**196 417 851,64**	**74 817 898,35**
Other	**898 559,44**	**370 703,07**
Financial accounts		**4 917,70**
Bank overdrafts		**4 917,70**
Borrowings		
Total liabilities and shareholders' equity	**1 136 555 231,36**	**505 845 812,48**

(a) Including accrued income

(b) Less interim dividends paid for the financial year

- **OFF-BALANCE SHEET ITEMS in euros**

	October 31st, 2017	October 31st, 2016
Hedging transactions		
Commitments on regulated or similar markets		
Futures contracts		
FV CBOT UST 5 1217	151 686 716,79	
XEUR FGBM BOB 1217	58 905 660,00	
Commitments on OTC markets		
Other commitments		
Other transactions		
Commitments on regulated or similar markets		
Futures contracts		
BP GBPUSD Z6		15 321 679,44
BP GBPUSD 1217	21 471 393,62	
CME RY EURJPY 1217	46 148 258,81	
EC EURUSD 1216		51 352 855,32
EC EURUSD 1217	14 912 667,93	
ES S&P 500 Z6		17 599 808,43
EUREX EUROSTX 1216		24 454 530,00
FV CBOT US Z6		68 537 536,84
RY EURJPY 1216		17 374 374,05
SP 500 MINI 1217	20 979 999,14	
XEUR FESX DJ 1217	20 229 000,00	
XEUR FGBM BOBL Z6		22 157 590,00
Commitments on OTC markets		
Other commitments		

INCOME STATEMENT in euros

	October 31st, 2017	October 31st, 2016
Income from financial transactions		
Income from deposits and financial accounts	2 451,18	76,65
Income from equities and similar securities	1 325 495,86	1 160 646,23
Income from bonds and similar securities	5 365 504,68	3 952 985,57
Income from debt securities		
Income from temporary purchases and sales of securities		
Income from forward financial instruments		
Other financial income		
Total (1)	**6 693 451,72**	**5 113 708,45**
Expenses related to financial transactions		
Expenses related to temporary purchases and sales of securities		
Expenses related to forward financial instruments		
Expenses related to financial liabilities	11 380,95	15 421,15
Other financial charges		
Total (2)	**11 380,95**	**15 421,15**
Income from financial transactions (1 - 2)	**6 682 070,77**	**5 098 287,30**
Other income (3)		
Management fees and depreciation and amortisation (4)	5 644 125,99	3 129 735,93
Net income for the financial year (L. 214-17-1) (1 - 2 + 3 - 4)	**1 037 944,78**	**1 968 551,37**
Income adjustment for the financial year (5)	55 426,94	-331 051,60
Interim dividends paid on net income for the financial year (6)		
Net income (1 - 2 + 3 - 4 + 5 - 6)	**1 093 371,72**	**1 637 499,77**

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING RULES AND PRINCIPLES

The annual financial statements are presented in accordance with regulation 2014-01 of the French accounting standards body (*Autorité des Normes Comptables* - ANC) repealing French Accounting Regulatory Committee (*Comité de la Réglementation Comptable* - CRC) regulation 2003-02.

The general accounting principles are applicable:
- true and fair view, comparability, business continuity,
- regularity, sincerity,
- prudence,
- permanence of the accounting methods used each year.

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

Purchases and sales of securities are recorded excluding expenses. The accounting currency of the portfolio is the euro. The financial year comprises 12 months.

Asset valuation rules

Financial instruments are recognised at historical cost and are stated in the balance sheet at their present value, which is calculated as the latest known market value or failing the existence of a market by any external means or through the use of financial models.
The difference between the present value used during the calculation of the net asset value and the historical cost of marketable securities when entered in the portfolio is recorded in "valuation difference" accounts.
Securities that are not in the currency of the portfolio are valued using the method set out below and then converted to the portfolio currency based on the exchange rates on the valuation date.

Deposits:

Deposits with a residual life of less than or equal to three months are valued on a straight-line basis.

Equities, bonds and other securities traded on a regulated or similar market:

To calculate the net asset value, equities and other securities traded on a regulated or similar market are valued based on the last market price of the day.

Bonds and similar securities are valued at the closing price communicated by various financial service providers.

Equities, bonds and other securities not traded on a regulated or similar market:

Securities that are not traded on a regulated market are valued under the supervision of the board of directors, using methods based on the market value and yield, taking into account the price used during recent significant transactions.

Negotiable debt securities:

Negotiable debt securities and similar securities that are not used for significant transactions are valued using an actuarial method based on the reference rate defined below plus, where relevant, a difference that represents the intrinsic characteristics of the issuer:
Negotiable debt securities maturing in one year or less: Euribor;

Negotiable debt securities maturing after one year: BTAN treasury note rates or rates of medium-term OAT (fungible treasury bonds) for longer maturities.

Negotiable debt securities with a residual life of less than or equal to three months may be valued using the straight-line method.

Treasury notes are valued at the market rate communicated daily by the Banque de France.

UCI held in the portfolio:

Units or shares of UCIs are valued at the last known NAV.

Temporary securities transactions:

Securities purchased under repurchase agreements are recorded as an asset under the heading “Receivables on securities purchased under repurchase agreements” in the amount stated in the contract plus accrued interest receivable.

Securities sold under repurchase agreements are recorded in the purchaser’s portfolio at the present value. Liabilities on securities sold under repurchase agreements are recorded in the seller's portfolio at the value stated in the contract plus accrued interest payable.

Loaned securities are valued at their present value and are recorded as an asset under “Receivables on loaned securities” at their present value plus accrued interest receivable.

Borrowed securities are recorded as an asset under “Borrowed securities” in the amount stated in the contract, and as a liability under “Liabilities on borrowed securities” in the amount stated in the contract plus accrued interest payable.

Forward financial instruments:

Forward financial instruments traded on a regulated or equivalent market:

Forward financial instruments traded on regulated markets are valued at the day's settlement price.

Forward financial instruments not traded on a regulated or equivalent market:

Swaps:

Interest rate and/or currency swaps are valued at their market value based on the price calculated by discounting future interest flows according to interest rates and/or market exchange rates. This price is adjusted for credit risk.

Index swaps are valued using an actuarial method based on a reference rate provided by the counterparty.

Other swaps are valued at their market value or at a value estimated using methods approved by the board of directors.

Off-balance sheet commitments:

Futures contracts are recorded as an off-balance sheet commitment at their market based on the price used in the portfolio.
Options are recorded at a price equivalent to the underlying asset.
Commitments on swap contracts are presented at their face value or if there is no face value in an equivalent amount.

Swing Pricing:

The management company has been applying a swing pricing adjustment to the net asset value with a trigger level since November 2nd, 2015. Shareholders can consult information on this mechanism in the fund prospectus, which is available at the management company's head office and on its website.

Management fees

Management fees are calculated based on the net assets on each valuation day.
These fees are charged to the UCI's income statement.
The management fees are paid in full to the management company which assumes all of the operating costs related to the UCIs.
The management fees do not include transaction charges.
The rate applied on the basis of net asset value per UCITS of the management company is:
0,85% including tax of the A USD shares
0,90% including tax of the AC H-EUR shares
0,95% including tax of the AC H-CHF shares
0,85% including tax of the A shares
1,50% including tax of the R shares
0,85% including tax of the K shares
0,85% including tax of the AD shares
0,90% including tax of the AD H-EUR shares
1,55% including tax of the R H-EUR shares

Allocation of distributable income

Definition of distributable income:

Distributable income consists of:

Net income:

Net income for the financial year is equal to the amount of interest, arrears, bonuses and prizes, dividends, directors' fees and all other income generated by the securities that make up the portfolio, plus income generated by temporary cash holdings, minus the amount of management fees and borrowing costs.
Retained earnings are added, plus or minus the balance of the revenue adjustment account.

Capital gains and losses:

Realised capital gains, net of expenses, less realised capital losses, net of expenses, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

Allocation of distributable income:

Distributable income	***AD H-EUR and AD shares***	***A, R, K, A USD and R H-EUR shares***	***AC H-EUR and AC H-CHF shares***
Allocation of net income	Distribution	Accumulation and/or distribution	Accumulatio n
Allocation of net realised capital gains or losses	Accumulation and/or distribution	Accumulation and/or distribution	Accumulatio n

- **CHANGE IN NET ASSETS in euros**

	October 31st, 2017	October 31st, 2016
Net assets at start of year	**428 134 919,82**	**356 927 127,47**
Subscriptions (including subscription fees retained by the Fund)	661 811 076,71	209 772 278,75
Redemptions (net of redemption fees retained by the Fund)	-241 955 043,89	-145 380 280,27
Realised capital gains on deposits and financial instruments	38 529 490,70	29 183 178,83
Realised capital losses on deposits and financial instruments	-2 243 929,05	-4 710 198,72
Realised capital gains on forward financial instruments	26 864 633,24	6 369 600,05
Realised capital losses on forward financial instruments	-17 426 006,33	-11 188 879,48
Transaction fees	-1 765 199,43	-680 652,51
Exchange rate differences	-20 395 231,93	-4 483 551,86
Changes in valuation difference of deposits and financial instruments	60 771 390,18	-9 770 186,71
Valuation difference for financial year N	112 479 485,94	51 708 095,76
Valuation difference for financial year N-1	-51 708 095,76	-61 478 282,47
Changes in valuation difference of forward financial instruments	2 583 393,44	127 932,90
Valuation difference for financial year N	2 711 326,34	127 932,90
Valuation difference for financial year N-1	-127 932,90	
Distribution of prior year's net capital gains and losses		
Dividends paid in the previous financial year		
Net profit/loss for the financial year prior to income adjustment	1 037 944,78	1 968 551,37
Interim dividend(s) paid on net capital gains/losses during the financial year		
Interim dividend(s) paid on net income during the financial year		
Other items		
Net assets at end of year	**935 947 438,24**	**428 134 919,82**

- **BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC STATUS**

	Amount:	%
Assets		
Bonds and similar securities		
Fixed-rate bonds traded on a regulated or similar market	11 655 924,20	1,25
Convertible bonds traded on a regulated or equivalent market	858 324 466,30	91,71
Bonds and similar securities		
TOTAL Bonds and similar securities	**869 980 390,50**	**92,95**
Debt securities		
Debt securities		
TOTAL Debt securities		
Liabilities		
Sales of financial instruments		
Equities and similar securities		
TOTAL Sales of financial instruments		
Off-balance sheet items		
Hedging transactions		
Equity		
Interest rate	210 592 376,79	22,50
TOTAL Hedging transactions	**210 592 376,79**	**22,50**
Other transactions		
Equity	41 208 999,14	4,40
Currency	82 532 320,36	8,82
TOTAL Other transactions	**123 741 319,50**	**13,22**

- **BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY INTEREST RATE TYPE**

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
Assets								
Deposits								
Bonds and similar securities	854 794 202,45	91,33			15 186 188,05	1,62		
Debt securities								
Temporary securities transactions								
Financial accounts							7 966 342,32	0,85
Liabilities								
Temporary securities transactions								
Financial accounts								
Off-balance sheet items								
Hedging transactions							210 592 376,79	22,50
Other transactions								

- **BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY RESIDUAL MATURITY**

	< 3 months	%	3 months-1 year	%	1-3 years	%	3-5 years	%	> 5 years	%
Assets										
Deposits										
Bonds and similar securities			107 301 071,60	11,46	287 685 274,86	30,74	236 486 343,12	25,27	238 507 700,92	25,48
Debt securities										
Temporary securities transactions										
Financial accounts	7 966 342,32	0,85								
Liabilities										
Temporary securities transactions										
Financial accounts										
Off-balance sheet items										
Hedging transactions							210 592 376,79	22,50		
Other transactions										

Forward interest rate positions are presented according to the maturity of the underlying.

- **BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY LISTING OR VALUATION CURRENCY**

	USD		JPY		CHF		Other currencies	
	Amount:	%	Amount:	%	Amount:	%	Amount:	%
Assets								
Deposits								
Equities and similar securities	25 621 799,77	2,74	4 279 034,47	0,46			5 872 340,79	0,63
Bonds and similar securities	504 106 851,26	53,86	50 380 734,40	5,38				
Debt securities								
UCI								
Temporary securities transactions								
Receivables	773 441,42	0,08	1 353 661,99	0,14	18 626 386,99	1,99		
Financial accounts	1 816 784,70	0,19	2 786 531,74	0,30	1 098 705,84	0,12		
Liabilities								
Sales of financial instruments								
Temporary securities transactions								
Liabilities	153 169 663,93	16,37	30 976 643,68	3,31			6 399 544,03	0,68
Financial accounts								
Off-balance sheet items								
Hedging transactions	151 686 716,79	16,21						
Other transactions	57 364 060,69	6,13	46 148 258,81	4,93				

- **RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE**

	Debit/credit item	October 31st, 2017
Receivables	Forward currency purchases	18 626 386,99
	Receivables on forward currency sales	173 587 241,20
	Subscription receivables	459 912,93
	Margin cash deposits	1 929 805,14
	Coupons and dividends in cash	149 974,28
Total receivables		**194 753 320,54**
Liabilities	Forward currency sales	177 353 434,06
	Payables on forward currency purchases	19 064 417,58
	Redemptions payable	44 548,52
	Management fees	854 010,92
Total liabilities		**197 316 411,08**

- **NUMBER OF SECURITIES ISSUED OR REDEEMED**

	In shares	In amounts
A shares		
Shares subscribed during the financial year	148 257,367	180 420 456,10
Shares redeemed during the financial year	-147 926,020	-179 326 191,24
Net balance of subscriptions/redemptions	331,347	1 094 264,86
AD shares		
Shares subscribed during the financial year	14 381,017	148 065 416,01
Shares redeemed during the financial year	-194,970	-2 063 679,00
Net balance of subscriptions/redemptions	14 186,047	146 001 737,01
AC H-EUR shares		
Shares subscribed during the financial year	109 626,855	162 147 861,89
Shares redeemed during the financial year	-32 899,916	-48 543 660,36
Net balance of subscriptions/redemptions	76 726,939	113 604 201,53
AD H-EUR shares		
Shares subscribed during the financial year	3 134,731	32 707 963,38
Shares redeemed during the financial year		
Net balance of subscriptions/redemptions	3 134,731	32 707 963,38
R H-EUR shares		
Shares subscribed during the financial year	28 806,167	5 986 489,30
Shares redeemed during the financial year	-122,562	-25 560,37
Net balance of subscriptions/redemptions	28 683,605	5 960 928,93
R shares		
Shares subscribed during the financial year	351 210,361	121 612 630,71
Shares redeemed during the financial year	-33 902,007	-11 995 952,92
Net balance of subscriptions/redemptions	317 308,354	109 616 677,79
AC H-CHF shares		
Shares subscribed during the financial year	825,774	8 843 649,57
Shares redeemed during the financial year		
Net balance of subscriptions/redemptions	825,774	8 843 649,57
K shares		
Shares subscribed during the financial year	327,000	472 600,02
Shares redeemed during the financial year		
Net balance of subscriptions/redemptions	327,000	472 600,02
A USD shares		
Shares subscribed during the financial year	1 531,000	1 554 009,73
Shares redeemed during the financial year		
Net balance of subscriptions/redemptions	1 531,000	1 554 009,73

- **SUBSCRIPTION AND/OR REDEMPTION FEES**

	In amounts
AD shares	
Redemption fees acquired	
Subscription fees acquired	
Total fees acquired	
A shares	
Redemption fees acquired	
Subscription fees acquired	
Total fees acquired	
AC H-EUR shares	
Redemption fees acquired	
Subscription fees acquired	
Total fees acquired	
R shares	
Redemption fees acquired	
Subscription fees acquired	
Total fees acquired	
AC H-CHF shares	
Redemption fees acquired	
Subscription fees acquired	
Total fees acquired	
AD H-EUR shares	
Redemption fees acquired	
Subscription fees acquired	
Total fees acquired	
R H-EUR shares	
Redemption fees acquired	
Subscription fees acquired	
Total fees acquired	
A USD shares	
Redemption fees acquired	
Subscription fees acquired	
Total fees acquired	
K shares	
Redemption fees acquired	
Subscription fees acquired	
Total fees acquired	

- **MANAGEMENT FEES**

	October 31st, 2017
AD shares	
Guarantee fees	
Fixed management fees	169 539,63
Percentage of fixed management fees	0,83
Variable management fees	
Retrocessions of management fees	
AC H-EUR shares	
Guarantee fees	
Fixed management fees	1 175 043,44

Percentage of fixed management fees Variable management fees Retrocessions of management fees	0,90

- **MANAGEMENT FEES**

	October 31st, 2017
A shares	
Guarantee fees	
Fixed management fees	2 852 639,71
Percentage of fixed management fees	0,85
Variable management fees	
Retrocessions of management fees	
AC H-CHF shares	
Guarantee fees	
Fixed management fees	111 415,76
Percentage of fixed management fees	0,95
Variable management fees	
Retrocessions of management fees	
R H-EUR shares	
Guarantee fees	
Fixed management fees	4 722,32
Percentage of fixed management fees	1,55
Variable management fees	
Retrocessions of management fees	
R shares	
Guarantee fees	
Fixed management fees	1 203 740,71
Percentage of fixed management fees	1,50
Variable management fees	
Retrocessions of management fees	
AD H-EUR shares	
Guarantee fees	
Fixed management fees	16 286,16
Percentage of fixed management fees	0,90
Variable management fees	
Retrocessions of management fees	
K shares	
Guarantee fees	
Fixed management fees	110 199,00
Percentage of fixed management fees	0,85
Variable management fees	
Retrocessions of management fees	
A USD shares	
Guarantee fees	
Fixed management fees	539,26
Percentage of fixed management fees	0,85
Variable management fees	

Retrocessions of management fees	
Guarantee fees Fixed management fees Percentage of fixed management fees Variable management fees Retrocessions of management fees	

- **COMMITMENTS RECEIVED AND GIVEN**

Guarantees received by the UCI:
None.

Other commitments received and/or given:
None.

- **PRESENT VALUE OF SECURITIES HELD TEMPORARILY**

	October 31st, 2017
Securities held under repurchase agreements	
Borrowed securities	

- **PRESENT VALUE OF SECURITIES REPRESENTING SECURITY DEPOSITS**

	October 31st, 2017
Financial instruments given as security and retained under their original classification	3 832 552,00
Financial instruments received as security and not recorded on the balance sheet	

- **GROUP FINANCIAL INSTRUMENTS HELD IN THE PORTFOLIO**

	ISIN code	Description	October 31st, 2017
Equity			
Bonds			
Negotiable debt securities			
UCI			
Forward financial instruments			

- **TABLE OF ALLOCATION OF DISTRIBUTABLE INCOME PERTAINING TO NET INCOME**

	October 31st, 2017	October 31st, 2016
Remaining amounts to be allocated		
Retained earnings		
Net income	1 093 371,72	1 637 499,77
Total	**1 093 371,72**	**1 637 499,77**

	October 31st, 2017	October 31st, 2016
A shares		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	879 939,64	1 614 755,26
Total	**879 939,64**	**1 614 755,26**

	October 31st, 2017	October 31st, 2016
AD shares		
Appropriation		
Distribution	158 458,14	
Balance brought forward for the financial year	76,72	
Accumulation		
Total	**158 534,86**	
Information on shares with dividend rights		
Number of shares	14 186,047	
Dividend per share	11,17	
Tax credits		
Tax credit attached to the distribution of earnings	35 546,32	

	October 31st, 2017	October 31st, 2016
AC H-EUR shares		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	431 487,24	-25 492,78
Total	**431 487,24**	**-25 492,78**

	October 31st, 2017	October 31st, 2016
AC H-CHF shares		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	29 958,37	-3 211,96
Total	**29 958,37**	**-3 211,96**

	October 31st, 2017	October 31st, 2016
R shares		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	-469 197,60	-8 788,43
Total	**-469 197,60**	**-8 788,43**

	October 31st, 2017	October 31st, 2016
AD H-EUR shares		
Appropriation		
Distribution	32 225,03	
Balance brought forward for the financial year	10,31	
Accumulation		
Total	**32 235,34**	
Information on shares with dividend rights		
Number of shares	3 134,731	
Dividend per share	10,28	
Tax credits		
Tax credit attached to the distribution of earnings	7 701,00	

	October 31st, 2017	October 31st, 2016
R H-EUR shares		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	-7 841,77	
Total	**-7 841,77**	

	October 31st, 2017	October 31st, 2016
K shares		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	34 003,27	60 237,98
Total	**34 003,27**	**60 237,98**

	October 31st, 2017	October 31st, 2016
A USD shares		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	4 252,37	-0,30
Total	**4 252,37**	**-0,30**

- **TABLE OF ALLOCATION OF DISTRIBUTABLE INCOME PERTAINING TO NET CAPITAL GAINS AND LOSSES**

	October 31st, 2017	October 31st, 2016
Remaining amounts to be allocated		
Undistributed net capital gains and losses recognised in previous years		
Net capital gains and losses for the year	54 293 067,43	14 910 830,38
Interim dividends paid on net capital gains/losses for the financial year		
Total	**54 293 067,43**	**14 910 830,38**

	October 31st, 2017	October 31st, 2016
A shares		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	21 404 812,16	12 385 247,58
Total	**21 404 812,16**	**12 385 247,58**

	October 31st, 2017	October 31st, 2016
AC H-EUR shares		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	20 498 788,73	1 541 618,78
Total	**20 498 788,73**	**1 541 618,78**

	October 31st, 2017	October 31st, 2016
AD shares		
Appropriation		
Distribution	351 813,97	
Undistributed net capital gains and losses	1 090 349,55	
Accumulation	0,00	
Total	**1 442 163,52**	
Information on shares with dividend rights		
Number of shares	14 186,047	
Dividend per share	24,80	

	October 31st, 2017	October 31st, 2016
AD H-EUR shares		
Appropriation		
Distribution	78 305,58	
Undistributed net capital gains and losses	1 242 113,14	
Accumulation	0,00	
Total	**1 320 418,72**	
Information on shares with dividend rights		
Number of shares	3 134,731	
Dividend per share	24,98	

	October 31st, 2017	October 31st, 2016
AC H-CHF shares		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	867 627,76	159 675,54
Total	**867 627,76**	**159 675,54**

	October 31st, 2017	October 31st, 2016
R shares		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	7 607 058,88	362 242,00
Total	**7 607 058,88**	**362 242,00**

	October 31st, 2017	October 31st, 2016
R H-EUR shares		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	230 623,31	
Total	**230 623,31**	

	October 31st, 2017	October 31st, 2016
A USD shares		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	94 431,56	18,35
Total	**94 431,56**	**18,35**

- **TABLE OF THE ENTITY'S INCOME AND OTHER SIGNIFICANT ITEMS OVER THE PAST FIVE FINANCIAL YEARS**

	31/12/2013	31/12/2014	30/10/2015	31/10/2016	31/10/2017
Global net assets in euros	**149 742 990,68**	**285 654 530,69**	**356 927 127,47**	**428 134 919,82**	**935 947 438,24**
LAZARD CONVERTIBLE GLOBAL A					
Global net assets in euros	138 446 031,39	271 308 481,12	340 437 126,86	312 972 768,51	359 465 797,05
Number of shares	162 159,252	274 026,759	309 347,502	278 162,608	278 493,955
Net asset value per share in euros	853,76	990,08	1 100,50	1 125,14	1 290,74
Accumulation per share pertaining to net capital gains/losses in euros	28,55	51,44	14,51	44,52	76,85
Accumulation per share pertaining to net income in euros	9,20	7,85	4,03	5,80	3,15
LAZARD CONVERTIBLE GLOBAL AC H-EUR SHARES					
Global net assets in euros				84 960 254,92	222 251 619,76
Number of shares				64 198,000	140 924,939
Net asset value per share in euros				1 323,40	1 577,09
Accumulation per share pertaining to net capital gains/losses in euros				24,01	145,45
Accumulation per share pertaining to net income in euros				-0,39	3,06
LAZARD CONVERTIBLE GLOBAL AD SHARES					
Net assets in euros					153 052 795,98
Number of shares					14 186,047
Net asset value per share in euros					10 788,96
Distribution per share pertaining to net capital gains/losses in euros					24,80
Undistributed net capital gains and losses per share in euros					76,86
Accumulation per share pertaining to net capital gains/losses in euros					
Distribution per share pertaining to net income in euros					11,17
Retained earnings per share pertaining to net income in euros					
Tax credit per share in euros					*
LAZARD CONVERTIBLE GLOBAL R					

Net assets in euros	3 278 600,12	4 072 215,30	5 070 354,39	9 124 638,45	127 201 143,60
Number of shares	13 136,178	14 159,710	15 947,280	28 252,781	345 561,135
Net asset value per share in euros	249,58	287,59	317,94	322,96	368,10
Accumulation per share pertaining to net capital gains/losses in euros	8,35	14,94	4,19	12,82	22,01
Accumulation per share pertaining to net income in euros	2,69	0,58	-0,53	-0,31	-1,35

* Tax credit per share will only be calculated on the distribution date, in accordance with applicable tax regulations.

- **TABLE OF THE ENTITY'S INCOME AND OTHER SIGNIFICANT ITEMS OVER THE PAST FIVE FINANCIAL YEARS**

	31/12/2013	31/12/2014	30/10/2015	31/10/2016	31/10/2017
Global net assets in euros	**149 742 990,68**	**285 654 530,69**	**356 927 127,47**	**428 134 919,82**	**935 947 438,24**
LAZARD CONVERTIBLE GLOBAL AC H-CHF SHARES					
Net assets in Swiss francs				10 191 154,42	22 399 048,35
Number of shares				970,000	1 795,774
Net asset value per share in Swiss francs				10 506,34	12 473,20
Accumulation per share pertaining to net capital gains/losses in euros				164,61	483,14
Accumulation per share pertaining to net income in euros				-3,31	16,68
LAZARD CONVERTIBLE GLOBAL AD H-EUR SHARES					
Net assets in euros					33 158 416,11
Number of shares					3 134,731
Net asset value per share in euros					10 577,75
Distribution per share pertaining to net capital gains/losses in euros					24,98
Undistributed net capital gains and losses per share in euros					396,24
Accumulation per share pertaining to net capital gains/losses in euros					
Distribution per share pertaining to net income in euros					10,28
Retained earnings per share pertaining to net income in euros					
Tax credit per share in euros					*
LAZARD CONVERTIBLE GLOBAL R H-EUR SHARES					
Net assets in euros					6 053 218,38
Number of shares					28 683,605
Net asset value per share in euros					211,03
Accumulation per share pertaining to net capital gains/losses in euros					8,04
Accumulation per share pertaining to net income in euros					-0,27
LAZARD CONVERTIBLE GLOBAL A USD SHARES					

Net assets in US dollars				987,90	1 845 351,33
Number of shares				1,000	1 532,000
Net asset value per share in US dollars				987,90	1 204,53
Accumulation per share pertaining to net capital gains/losses in euros				18,35	61,63
Accumulation per share pertaining to net income in euros				-0,30	2,77

* Tax credit per share will only be calculated on the distribution date, in accordance with applicable tax regulations.

- **TABLE OF THE ENTITY’S INCOME AND OTHER SIGNIFICANT ITEMS OVER THE PAST FIVE FINANCIAL YEARS**

	31/12/2013	31/12/2014	30/10/2015	31/10/2016	31/10/2017
Global net assets in euros	**149 742 990,68**	**285 654 530,69**	**356 927 127,47**	**428 134 919,82**	**935 947 438,24**
LAZARD CONVERTIBLE GLOBAL K					
Net assets in euros	8 018 359,17	10 273 834,27	11 419 646,22	11 675 356,40	13 890 817,11
Number of shares	7 976,842	8 813,442	8 813,442	8 813,442	9 140,442
Net asset value per share in euros	1 005,20	1 165,70	1 295,70	1 324,72	1 519,70
Accumulation per share pertaining to net capital gains/losses in euros	33,62	60,57	17,09	52,42	90,49
Accumulation per share pertaining to net income in euros	10,83	9,24	4,75	6,83	3,72

* Tax credit per share will only be calculated on the distribution date, in accordance with applicable tax regulations.

- **INVENTORY *in euros***

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
Equities and similar securities				
Equities and similar securities traded on a regulated or similar market				
CURACAO				
SCHLUMBERGER NV	USD	32 500	1 785 484,36	0,19
TOTAL CURACAO			**1 785 484,36**	**0,19**
SPAIN				
INTL CONSOLIDATED AIRLINES GRP	GBP	809 986	5 872 340,79	0,63
TOTAL SPAIN			**5 872 340,79**	**0,63**
UNITED STATES OF AMERICA				
AMERICAN TOWER CORP	USD	56 022	6 909 035,36	0,74
BANK OF AMER 7.25% 31-12-99	USD	10 590	11 790 039,40	1,25
SBA COMMUNICATIONS	USD	38 075	5 137 240,65	0,55
TOTAL UNITED STATES OF AMERICA			**23 836 315,41**	**2,54**
JAPAN				
ORIX CORP	JPY	292 200	4 279 034,47	0,46
TOTAL JAPAN			**4 279 034,47**	**0,46**
TOTAL equities and similar securities traded on a regulated or equivalent market			**35 773 175,03**	**3,82**
TOTAL Equities and similar securities			**35 773 175,03**	**3,82**
Bonds and similar securities				
Bonds and similar securities traded on a regulated or similar market				
GERMANY				
ADIDAS AG 0.25% 14/06/2019 CV	EUR	6 800 000	16 011 047,12	1,71
AROU PROP 1.5% 18-01-21	EUR	10 700 000	12 843 439,12	1,37
DEUTSCHE POST AG 0.6% 06/12/2019	EUR	6 200 000	11 930 976,79	1,27
FRESEN 0% 24/09/2019	EUR	8 100 000	11 869 578,00	1,27
HANI FINA DEUT ZCP 12-05-20 CV	EUR	9 500 000	10 028 770,00	1,07
MTU AERO ENGI 0.125% 17-05-23	EUR	12 900 000	16 972 514,10	1,82
TOTAL GERMANY			**79 656 325,13**	**8,51**
AUSTRIA				
AUSTRIAMICROSYSTEMS AG 0.875% 28-09-22	USD	9 800 000	9 482 234,10	1,01
TOTAL AUSTRIA			**9 482 234,10**	**1,01**
BELGIUM				
FORTIS BK TV07-191272 CV	EUR	17 750 000	15 186 188,05	1,62
TOTAL BELGIUM			**15 186 188,05**	**1,62**
CHINA				
STRATEGIC INTERNATIONAL GROUP LTD ZCP 21-07-22	EUR	10 000 000	11 669 700,00	1,25
TOTAL CHINA			**11 669 700,00**	**1,25**
SPAIN				
INTL CONS AIR 0.625% 17-11-22	EUR	7 100 000	7 019 203,74	0,75
TOTAL SPAIN			**7 019 203,74**	**0,75**
UNITED STATES OF AMERICA				
CITR SYST 0.5% 15-04-19 CV	USD	16 100 000	16 908 988,70	1,81
CYPRESS SEMICONDUCTOR 4.5% 15-01-22	USD	16 100 000	18 746 456,07	2,00
FIREEYE 1.625% 01-06-35	USD	21 670 000	17 481 018,00	1,87

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
IAC FINANCECO INC 0.875% 01-10-22	USD	11 000 000	10 230 714,48	1,09
ILLUMINA ZCP 15-06-19 CV	USD	18 400 000	16 902 033,56	1,81
INTEL CORP 2.95 35	USD	8 570 000	12 422 813,55	1,33
LIVE NATI 2.5% 15-05-19 CV	USD	14 440 000	16 524 744,83	1,77
MACQUARIE INFRASTRUCTURE COMPANY LLC 2.0% 01-10-23	USD	16 000 000	13 247 294,36	1,42
MANDATORY EXCHANGEABLE TRUST 5.75% 01-06-19	USD	71 440	12 860 214,92	1,37
MERITOR 3.25% 15-10-37	USD	13 300 000	12 275 868,73	1,31
MICR TECH 1.625% 15-02-25	USD	9 000 000	14 218 954,68	1,52
MU 3 11/15/43	USD	16 350 000	21 888 700,80	2,35
NUAN COMM 1.5% 01-11-35	USD	13 950 000	11 734 329,58	1,25
ON SEMICONDUCTOR 1.625% 15-10-23	USD	14 800 000	15 859 387,05	1,69
PALO ALTO NETW ZCP 01-07-19	USD	14 300 000	17 157 667,71	1,83
RED HAT 0.25% 01-10-19 CV	USD	12 700 000	18 097 734,69	1,93
SALESFORCE.COM 0.25% 01/04/18 CV	USD	13 900 000	18 337 157,27	1,96
SERVICENOW ZCP 01-11-18 CV	USD	11 900 000	17 519 799,13	1,87
STARWOOD PROPERTY TRUST	USD	14 050 000	12 672 133,01	1,35
TESLA MOTORS 0.25% 03/19 CV	USD	12 400 000	11 583 838,60	1,24
TESLA 1.25% 01/03/2021	USD	4 500 000	4 323 306,79	0,46
THE PRIC G 0.9% 15-09-21 CV	USD	19 150 000	19 504 824,46	2,08
TTWO 1 07/01/18	USD	4 300 000	18 949 976,20	2,02
TWITTER 0.25% 15-09-19	USD	19 500 000	15 887 932,60	1,70
WELLS FARGO AND CO 7.5% 31-12-99	USD	10 320	11 655 924,20	1,25
WORKDAY 0.75% 15-07-18 CV	USD	11 500 000	13 408 481,41	1,43
WWWW 1 08/15/18	USD	15 000 000	12 826 759,37	1,37
YAHOO ZCP 01-12-18 CV	USD	6 500 000	7 688 184,04	0,82
ZILLOW 2.0% 01-12-21	USD	17 350 000	16 392 788,29	1,75
TOTAL UNITED STATES OF AMERICA			**427 308 027,08**	**45,65**
FINLAND				
SOLIDIUM 0% 04/09/2018	EUR	14 700 000	15 216 999,00	1,63
TOTAL FINLAND			**15 216 999,00**	**1,63**
FRANCE				
ARCHER OBLIGATIONS ZCP 31-03-23	EUR	13 300 000	14 651 945,00	1,57
BIM 2.5% 13-11-20 CV	EUR	360 000	10 276 920,00	1,10
CARREFOUR ZCP 14-06-23	USD	10 400 000	8 367 047,51	0,89
FONC DES REG 0.875% 01/04/19 ORA	EUR	62 000	6 220 212,00	0,66
INGENICO ZCP 26/06/22 CV	EUR	70 427	11 894 063,90	1,27
LVMH MOET HENN ZCP 16-02-21 CV	USD	56 690	15 329 487,94	1,64
ORPAR ZCP 20-06-24 CV	EUR	107	10 787 954,00	1,15
RALLYE 1% 02/10/20	EUR	117 822	12 472 636,92	1,33
SUEZ ZCP 27-02-20 CV	EUR	717 184	13 769 932,80	1,47
T 0.5% 02-12-22 EMTN	USD	14 000 000	12 499 512,14	1,34
TECHNIP 0.875% 25-01-21	EUR	15 400 000	17 971 609,64	1,92
UBISOFT ZCP 27-09-21	EUR	221 465	17 470 709,46	1,87
UNIBAIL RODAMCO ZCP 01/01/22	EUR	35 933	12 260 842,66	1,31
TOTAL FRANCE			**163 972 873,97**	**17,52**
CAYMAN ISLANDS				
TPK HOLDING ZCP 08-04-20	USD	10 000 000	8 881 497,06	0,95
WEIBO CORP 1.25% 15-11-22 CV	USD	13 500 000	12 052 940,04	1,29
TOTAL CAYMAN ISLANDS			**20 934 437,10**	**2,24**

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
ITALY				
TELECOM ITALIA SPA EX OLIVETTI 1.125% 26-03-22	EUR	13 000 000	13 023 788,20	1,39
TOTAL ITALY			**13 023 788,20**	**1,39**
JAPAN				
OSG 0% CV 04/04/2022	JPY	500 000 000	5 677 128,88	0,61
SONY ZCP 30-09-22	JPY	1 325 000 000	11 804 392,13	1,26
TERUMO ZCP 04-12-19	JPY	1 240 000 000	11 680 931,00	1,25
TOYOSA 0 03/04/20	JPY	1 300 000 000	10 236 818,99	1,09
UNI CHARM ZCP 25-09-20	JPY	1 240 000 000	10 981 463,40	1,17
TOTAL JAPAN			**50 380 734,40**	**5,38**
NETHERLANDS				
AMOENE 3.375% 06/03/18	EUR	14 600 000	15 889 565,34	1,70
SALZ FINA BV ZCP 05-06-22	EUR	16 100 000	17 583 937,00	1,88
TOTAL NETHERLANDS			**33 473 502,34**	**3,58**
PORTUGAL				
SONA INVE 1.625% 11-06-19 CV	EUR	12 200 000	12 470 272,00	1,33
TOTAL PORTUGAL			**12 470 272,00**	**1,33**
UNITED KINGDOM				
INMARSAT 3.875% 09-09-23	USD	11 000 000	10 186 105,39	1,09
TOTAL UNITED KINGDOM			**10 186 105,39**	**1,09**
TOTAL bonds and similar securities traded on a regulated or equivalent market.			**869 980 390,50**	**92,95**
TOTAL Bonds and similar securities			**869 980 390,50**	**92,95**
Undertakings for collective investment				
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries				
FRANCE				
AMUNDI TRESO COURT TERME I C	EUR	1 114	20 928 739,83	2,24
TOTAL FRANCE			**20 928 739,83**	**2,24**
TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries			**20 928 739,83**	**2,24**
TOTAL Undertakings for collective investment			**20 928 739,83**	**2,24**
Securities placed as a deposit				
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries				
AMUNDI TRESO COURT TERME I C	EUR	204	3 832 552,00	0,41
TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries			**3 832 552,00**	**0,41**
TOTAL Securities placed as a deposit			**3 832 552,00**	**0,41**
Forward financial instruments				
Futures contracts				
Futures contracts on a regulated or equivalent market				
BP GBPUSD 1217	USD	301	-7 698,83	
CME RY EURJPY 1217	JPY	-369	-227 415,66	-0,02
EC EURUSD 1217	USD	-119	266 669,17	0,03
FV CBOT UST 5 1217	USD	-1 508	1 104 124,64	0,11
SP 500 MINI 1217	USD	190	708 657,02	0,08
XEUR FESX DJ 1217	EUR	550	979 000,00	0,10

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
XEUR FGBM BOB 1217	EUR	-447	-112 010,00	-0,01
TOTAL Futures contracts on a regulated or equivalent market			**2 711 326,34**	**0,29**
TOTAL Futures contracts			**2 711 326,34**	**0,29**
TOTAL Forward financial instruments			**2 711 326,34**	**0,29**
Margin call				
C.A.I. margin calls	JPY	34 716 250	262 260,31	0,03
C.A.I. margin calls	EUR	-866 990	-866 990,00	-0,09
C.A.I. margin calls	USD	-2 419 912,83	-2 077 267,55	-0,23
TOTAL Margin call			**-2 681 997,24**	**-0,29**
Receivables			**194 753 320,54**	**20,81**
Liabilities			**-197 316 411,08**	**-21,08**
Financial accounts			**7 966 342,32**	**0,85**
Net assets			**935 947 438,24**	**100,00**

LAZARD CONVERTIBLE GLOBAL AC H-EUR SHARES	**EUR**	**140 924,939**	**1 577,09**
LAZARD CONVERTIBLE GLOBAL AD SHARES	**EUR**	**14 186,047**	**10 788,96**
LAZARD CONVERTIBLE GLOBAL AD H-EUR SHARES	**EUR**	**3 134,731**	**10 577,75**
LAZARD CONVERTIBLE GLOBAL A USD SHARES	**USD**	**1 532,000**	**1 204,53**
LAZARD CONVERTIBLE GLOBAL R	**EUR**	**345 561,135**	**368,10**
LAZARD CONVERTIBLE GLOBAL R H-EUR SHARES	**EUR**	**28 683,605**	**211,03**
LAZARD CONVERTIBLE GLOBAL AC H-CHF SHARES	**CHF**	**1 795,774**	**12 473,20**
LAZARD CONVERTIBLE GLOBAL A	**EUR**	**278 493,955**	**1 290,74**
LAZARD CONVERTIBLE GLOBAL K	**EUR**	**9 140,442**	**1 519,70**

- **ADDITIONAL INFORMATION ON THE TAX REGIME APPLICABLE TO INTEREST PAYMENTS**

BREAKDOWN OF INTEREST: AD

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	80 009,30	EUR	5,64	EUR
Equities eligible for a tax allowance and subject to non-definitive withholding tax	67 383,72	EUR	4,75	EUR
Other income not eligible for a tax allowance and subject to non-definitive withholding tax	11 065,12	EUR	0,78	EUR
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses	351 813,97	EUR	24,80	EUR
TOTAL	510 272,11	EUR	35,97	EUR

BREAKDOWN OF INTEREST: AD H-EUR

	NET OVERALL	CURRENCY	NET PER SHARE	CURRENCY
Revenue subject to non-definitive withholding tax	17 554,50	EUR	5,60	EUR
Equities eligible for a tax allowance and subject to non-definitive withholding tax	14 607,84	EUR	4,66	EUR
Other income not eligible for a tax allowance and subject to non-definitive withholding tax	62,69	EUR	0,02	EUR
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses	78 305,58	EUR	24,98	EUR
TOTAL	110 530,61	EUR	35,26	EUR