

OBJECTIF CONVERTIBLE

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

ANNUAL REPORT
for the year ended October 30th, 2015

**Ordinary Shareholders' Meeting
on February 10th, 2016**

Lazard Group UCI

Registered office: 121, Boulevard Haussmann, 75008 Paris, France
Paris Trade and Companies Register No. 333 455 459

Board of Directors and statutory auditor

as at October 30th, 2015

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Arnaud Brillois

Vice President of Lazard Frères Gestion SAS

MEMBERS OF THE BOARD OF DIRECTORS

Lazard Frères Gestion SAS

represented by Jean-Jacques de Gournay

Managing Director of Lazard Frères Gestion SAS

Lionel Clément

Vice President of Lazard Frères Gestion SAS

Paul Castello

Director of Lazard Frères Gestion SAS

Colin Faivre

Vice President of Lazard Frères Gestion SAS

Jean-Luc Chauchard

Vice President of Lazard Frères Gestion SAS

Guilaine Perche

Associate of Lazard Frères Gestion SAS

Arnaud Laforge

Geneviève Werner

Mutuelle Centrale de Réassurance

Represented by Gilles Dupin

AGPM VIE

Represented by Didier Rigaut

Caisse de Retraite des Notaires

represented by Jean-Paul Muller

Sylvain Mortera

NON-VOTING BOARD MEMBERS

Caisse de Prévoyance des Cadres d'Entreprises

Agricoles (CPCEA)

represented by Jean-Claude Guimiot,

Deputy Chief Executive Officer of Agrica Epargne

Alexis Gardie

STATUTORY AUDITOR

Principal: PwC Sellam

at the close of the Ordinary Shareholders' Meeting

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Marc Wendling

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Diversified UCITS
Accumulation and/or distribution SICAV
UCITS-compliant fund

Investment objective

The SICAV's objective is to outperform the Thomson Reuters Global Focus Convertible Bond Index (EUR), expressed in euros, with net interest reinvested, over the recommended investment horizon of five years.

Benchmark

The Thomson Reuters Global Focus Convertible Bond Index (EUR), expressed in euros, with net interest reinvested. 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. UCBIINDEXW1414).

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. The use of cash borrowing of up to 10% of the net asset value is likely to accentuate performance risk and the risk of capital loss.

- Equity risk:

Exposure to fluctuations in equity markets may generate significant changes in net asset value. The SICAV's net asset value may decrease during periods in which the equity markets are falling.

- 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 could default, which could cause the SICAV's net asset value to fall. 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:

Investing in the Japanese equities market 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 insolvency of any such counterparty, which may lead to default on 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.

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 Fund.

Information on US investors:

The SICAV 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 1 July 2014, if the SICAV invests directly or indirectly in US assets, the 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 Fund depends on each investor's personal circumstances. To determine this, investors should take account of their personal financial situation, current needs and the recommended investment period, and should also consider their ability to assume risk or whether they prefer instead to opt for a more cautious investment.

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 expenses, minus 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.

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 and K shares, the shareholders' meeting decides each year on the allocation of distributable income. It may pay interim dividends.

ESTABLISHMENT RESPONSIBLE for RECEIVING SUBSCRIPTION and REDEMPTION ORDERS

- Subscription and redemption orders are executed at Lazard Frères Gestion SAS on the basis of
- the next net asset value in the case of subscriptions (NAV settlement date +1 business day)
 - the next net asset value in the case of redemptions (NAV settlement date + 3 business days)
- for orders placed before 10 a.m.

CUSTODIAN

Lazard Frères Banque, 121, Boulevard Haussmann – 75008 Paris, France

**BOARD OF DIRECTORS' REPORT
TO THE ORDINARY SHAREHOLDERS' MEETING of
February 10th, 2016**

To the shareholders,

We have called this Ordinary Shareholders' Meeting in order to present the balance sheet and accounts for your company for the exceptional 10-month financial year from December 31st, 2014 to October 30th, 2015.

During this period, net assets rose from €285 654 530,69 on December 31st, 2014 to €356 927 127,47 on October 30th, 2015.

The number of shares outstanding was 309 347,502 "A" shares, 15 947,280 "R" shares and 8 813 442 "K" shares.

"A" category

The net asset value for "A" category shares rose from €990,08 on December 31st, 2014 to €1 100,50 on October 30th, 2015, which equates to an increase of 13,43 %.

Subscriptions/redemptions of "A" shares

The number of shares subscribed throughout the financial year was 105 636,395, representing a total of €115 543 756,78.

At the same time, the number of shares submitted for redemption was 70 315,652, for a total of €76 420 141,98.

"R" category

The net asset value for "R" category shares rose from €287,59 on December 31st, 2014 to €317,94 on October 30th, 2015, which equates to an increase of 12,71 %.

Subscriptions/redemptions of "R" shares

The number of shares subscribed throughout the financial year was 13 031,365, representing a total of €3 929 696,49.

At the same time, the number of shares submitted for redemption was 11 243,795, for a total of €3 627 932,42.

"K" category

The net asset value for "K" category shares rose from €1 165,70 on December 31st, 2014 to €1 295,70 on October 30th, 2015, which equates to an increase of 13,43 %.

Subscriptions/redemptions of "K" shares

No shares were subscribed or redeemed during the period.

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

Distributable net income available at the end of the financial year was €1 281 838,14, compared with €2 242 203,90 a year earlier.

The benchmark rose 11,71 % over the period.

Information on movements in the portfolio over the period:

c) The main securities:

Transaction code	ISIN	Name	Net amount (€)
Purchase	FR0011291657	FCP Obj.court Terme Euro C-3d	194,480,256,05
Purchase	US983919AF83	Xilinx 2,625% 15/06/2017	9 550 657,38
Purchase	US53578AAA60	Linkedin 1/2%(c)144a14-01no19s	8 170 065,75
Purchase	XS0757015606	Dialog Sem 1% 12/04/2017	7 611 606,08
Purchase	XS1040531904	Solidium Oy 0% C/ech14-04se18-	7 382 987,46
Transaction code	ISIN	Name	Net amount (€)
Sale	FR0011291657	FCP Obj.court Terme Euro C-3d	194 491 686,29
Sale	FR0011321330	Unibail 0,75% 12/01/2018	6 376 057,08
Sale	FR0007003348	FCP Natixis Cash Dollar	6 041 358,10
Sale	US229678AF41	Cubist Pharma.11/8%c14-01se18s	5 930 059,65
Sale	US628530AJ63	Mylan 3,75% 15/09/2015	5 634 661,73

Aggregate-risk information:

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

Temporary purchases and sales of securities:

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

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

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

ECONOMIC ENVIRONMENT

Introduction

Last year saw a continuation of growth moving to advanced economies, a fresh outbreak of political risk and two major changes on the markets: first, the falling oil price as part of a broader trend of falling commodity prices, and second, a stronger US dollar caused by differences in monetary policy. Although the IMF predicts that global growth will slow in 2015, the recovery has continued in advanced economies, which should in 2015 enjoy their strongest growth since 2010. However, activity has lagged in the emerging economies, which are expected to record a slowdown for the fifth year in a row. In the United States, strong growth and progress made in employment provided the conditions for the Federal Reserve (Fed) to end its bond buying programme at the end of October 2014. The recovery gathered pace in the Eurozone despite the problems in Greece, which eventually reached an agreement with its creditors concerning a new bailout. The European Central Bank (ECB) adopted a series of measures to revive inflation, which included a massive asset purchase programme involving the purchase of government bonds. Japan emerged from recession in the first quarter, but this was followed by a slump in activity. The Bank of Japan (BoJ) stepped up its bond buying programme and the government announced a new budget stimulus plan. In China, amid an ongoing slowdown in activity, the central bank cut its key interest rate five times. The authorities also changed the yuan fixing mechanism, which prompted a sharp downturn on global equity markets in the summer. As regards other emerging countries, growth was fairly resilient in emerging Asia, driven by India, but slowed sharply in emerging Europe and Latin America, penalised by recessions in Russia and Brazil.

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

Source: IMF Economic Outlook, October 2015 update

The equity markets posted fairly disappointing performances over the year: +0,9% for the Eurostoxx in euro terms, -2,6% for the S&P 500 in dollar terms, +6,4% for the Topix in yen terms and -21,2% for the MSCI Emerging Markets index in dollar terms (-9,3% in local currency terms).

The Eurostoxx suffered considerable volatility over the last 12 months, including some sharp slumps. First, in the middle of October 2014, as disappointing data from Germany prompted renewed concerns about global growth. Then, between the end of November and mid-December after the accelerated fall in the oil price caused the rouble to collapse and the Greek parliament was dissolved. The first quarter saw a surprise bond purchase programme announcement by the ECB in January, which, together with an improved economic outlook for the area and a fall in the euro, triggered a sharp rise on the equity

markets. However, these markets suffered a steep decline in the second quarter on the back of developments in Greece following the election of the radical left-wing party Syriza. In the third quarter, global equity markets were initially boosted by the end to the Greek crisis in July but then fell abruptly back to earth when China changed its exchange rate system on 11 August. The resulting devaluation of the yuan was seen by some investors as yet another prop-up measure, fuelling fears over Chinese growth. After a brief respite, the equity markets resumed their downward spiral in mid-September after the Fed struck a cautious tone on the global economy and the emissions scandal at Volkswagen.

Yields on the government bonds of risk-free countries declined sharply over the last twelve months after a steep increase that began in mid-April 2015. 10-year yields on German government bonds fell by 36 basis points to 0,59% at the end of September. 10-year yields on US government debt fell by 45 basis points over 12 months, reaching 2,04% at the end of September.

Credit spreads between peripheral countries and Germany narrowed in Italy (-25 bps) and Portugal (-41 bps) but widened in Spain (+11 bps). In a complicated political environment, 10-year yields on Greek sovereign bonds increased from 8,3% to 19,2% between September 2014 and the beginning of July 2015, falling back to 8,3% by the end of September after the Greek crisis was resolved.

The credit spread between investment grade corporate bonds and government bonds widened by 53 bps to 145 bps, while the spread between high-yield bonds and government bonds widened by 159 bps to 555 bps, according to Merrill Lynch indexes.

Differences in monetary policy between the Fed, which is preparing to harden its stance, and the ECB and BoJ, which amplified stimulus measures, led to the US dollar appreciating by 13,0% against the euro and 9,3% against the yen. Downward pressure on the euro caused a wave of monetary easing in the Nordic countries, including Denmark. The Swiss National Bank abandoned its exchange rate floor of CHF 1,20 to the euro on January 15th.

The Brent oil price fell by nearly 50% from \$93 at end-September 2014 to \$47 a year later. After their lowest point in January, oil prices increased in the spring then dropped sharply because of resilient supply in the US and OPEC countries, a predicted rise in Iranian production following the country's nuclear deal and weaker global demand.

United States

US growth slowed at the end of 2014 and was then hit by temporary factors in the first quarter, including a harsh winter, strikes at West Coast ports and a slowdown in capital expenditure in the oil sector. Annualised GDP growth then recovered to 3,9% in the third quarter, boosted by consumption.

The ISM surveys were all positive in the fourth quarter, before then showing different results. The manufacturing index fell by 5,9 points in a year to 50,2 in September, while the non-manufacturing index remained strong throughout the year, falling just 1,2 points to 54,9 in September.

Private sector job creation remained strong from October to July (averaging +239 000), but then slowed in August and September (averaging +109 000). Over the course of the year, 2 603 000 jobs were created in the private sector, which is historically quite a high figure. This meant the steady drop in unemployment continued, falling from 5,9% to 5,1% between September 2014 and September 2015.

Household consumer spending initially slowed despite falling oil prices, with the gains in purchasing power dedicated instead to savings. It then gathered pace at the end of the first quarter and was up 3,2% year on year in August. The savings rate in September was 4,6%, unchanged from the previous year.

The improvement in the construction sector was interrupted by bad weather conditions at the start of the year, before then resuming. Building permits and project go-aheads were respectively up 12,5% and 16,6% year on year in August.

In the residential sector, sales of new homes gathered pace, increasing by 21,6% year on year in August. Property prices rose by 5,0% in a year and confidence among builders was at its highest level since the financial crisis.

Orders of capital goods outside the defence and aviation industries declined as a result of falling oil prices. They fell by 4,7% year on year in August.

The trade deficit was hit by West Coast port strikes at the start of the year, expanding by \$7bn in a year to \$48,3bn in August 2015.

Inflation slowed considerably over the 12 months because of falling energy prices. Annual inflation was zero in August, although the figure was 1,9% excluding energy and food prices.

Eurozone

Growth accelerated steadily up to the first quarter, then slowed to 1,6% in the second quarter (+1,5% year on year). PMI surveys improved rapidly until the end of the first quarter before stabilising, with annualised growth close to 2,0%. The composite index was up 1,6 points year on year to 53,6 in September 2015. In Germany, healthy fourth-quarter growth was followed by a slowdown at the beginning of the year. It then picked up pace again to achieve annualised second-quarter growth of 1,6% (+1,6% over the year). The composite PMI was broadly stable over the year, and reached 54,3 in September (+0,2 points year on year).

In France, GDP growth accelerated at the end of the year before stabilising in the second quarter of 2015 (+1,1% over the year). The composite PMI progressed steadily from the lows seen at the end of 2014, reaching 51,9 in September (+3,5 points year on year). However, unemployment remained high at 10,3% in Q2 2015 (down just 0,1 points on Q3 2014).

Growth returned to Italy in the fourth quarter, and GDP was up by an annualised 1,3% in Q2 2015 (+0,7% year on year). The composite index was up 4,0 points year on year to 53,4 in September 2015.

In Spain, growth accelerated steadily to reach an annualised rate of 4,1% in the second quarter (+3,1% year on year). The composite PMI remained high throughout the 12-month period, reaching 54,6 in September (-0,6 points year on year). The regional elections in Catalonia were won by the pro-independence parties, who secured an absolute majority in parliament.

In Greece, political risk rose sharply at the end of December after parliament failed to elect a new president, which led to its dissolution, the announcement of early elections, and the subsequent arrival in power of the radical left-wing party Syriza. After several weeks of negotiations, Greek banks being closed for three weeks and capital controls being put in place, Greece finally reach agreement with its creditors on a third bailout. Against this background, growth slowed from the fourth quarter of 2014 onwards, before recovering to +3,7% in annualised terms in the second quarter of 2015.

The ECB announced a set of measures to boost inflation: an interest rate cut in September, targeted long-term refinancing operations and a massive asset purchase programme to shore up its balance sheet by €1 000 billion.

This involves monthly purchases of a minimum of €60 billion in assets between March 2015 and September 2016. In addition to covered bonds and ABS, the ECB is purchasing bonds issued by governments and public sector institutions on the secondary market. Greece, whose sovereign bonds are no longer eligible as collateral for standard ECB financing, is excluded from this programme, as are bonds that offer a lower return than the deposit rate (-0,20%) or with remaining maturities of less than 2-30 years.

Falling energy prices weighed on the consumer price index, which was down 0,1% year on year in September. Underlying inflation was 0,9%.

Japan

Japan emerged from recession in the fourth quarter of 2014 and enjoyed solid resumed growth in the first quarter of 2015. Activity then dipped by 1,2% in annualised terms in the second quarter (+0,8% year on year). The PMI surveys hovered around 50 over the 12-month period. In September, the index was down 1,6 points year on year to 51,2.

Abenomics and the VAT hike had a marked effect on inflation, which nevertheless slowed as the VAT effect faded. The consumer price index was up 0,2% year on year in August, while underlying inflation came in at +0,8%.

Against this backdrop, the Japanese central bank raised the amount of its asset purchases in late October and the government announced a new fiscal stimulus package and the deferral of a further increase in VAT.

China

Chinese growth slowed to a low point in the first quarter before recovering to +7,0% in annualised terms in the second quarter, which is close to the target of the country's authorities. The PMI surveys started to dip at the end of the first quarter, with varying fortunes for the manufacturing index (-3,0 points year on year to 47,2 in September) and the services index (around 50 throughout the year).

Industrial production slowed until March, then recovered slowly. It was up 6,1% year on year in August.

Investment was dented by the property sector and was up 9,1% year on year in August. The slowdown was less marked in the manufacturing sector, and investment in infrastructure remains fairly strong. In volume terms, retail sales slowed and were up 10,4% year on year in August.

In the property sector, supportive measures drove a rapid acceleration in residential sales, which were up 15,6% year on year in August, and recovery in prices, which rose by 1,3% year on year in September. This did not result in more project go-aheads, however; these were down 17,6% year on year, hinting at an adjustment of stocks.

From mid-November onwards, the central bank cut its key interest rate five times, the total reduction of 140 bps triggering a sharp rise on the equity markets, which then slumped back between mid-June and mid-July. Against this background, the authorities adopted a series of measures (including fresh monetary easing, a suspension of IPOs, short-selling restrictions and stabilisation funds) that eventually led to prices becoming more stable. On August 11th, the central bank announced a major change in its exchange rate policy. The yuan will continue to trade 2% either way of the reference rate against the US dollar, but this reference rate will now be calculated based on the previous day's price rather than a predetermined price.

INVESTMENT POLICY

All the monthly commentaries during the period can be found below:

November 2014:

In November 2014, Objectif Convertible achieved a return of 1,8% compared with 1,7% for its benchmark, the ML-G300 in euros. The SICAV's equity exposure was well controlled at 58,9% against 53,8% for its benchmark, with an interest-rate sensitivity of 0,30 against 1,75. The overweight exposure to European equity markets made a very positive contribution (the Euro Stoxx RN ended the month at +4,68% versus +2,96% for the S&P 500 in euros). By contrast, the underweight exposure to fixed income had a negative effect while stock-picking made a positive contribution, driven in particular by the CGG 1,25% 2019 bond which benefited from Technip's preliminary takeover offer. We increased our positions notably in Sekisui House in Japan and Xilinx in the United States as well as Caixa Bank and IAG in Europe. Over the period, we opted to slightly overweight the US dollar and Japanese yen and maintained an underweight exposure to the Asian currencies.

December 2014:

In December 2014, Objectif Convertible achieved a return of 1% compared with 1,7% for its benchmark, the ML-G300 in euros. The SICAV's equity exposure was well controlled at 57,4% against 52,9% for its benchmark, with an interest-rate sensitivity of 0,3 against 1,7. The overweight exposure to European equity markets had a very negative effect (the Euro Stoxx RN ended the month at -2,30%), while the overweight in the US market made a highly positive contribution over the period (the S&P 500 gained 2,5%). However, the underweight exposure to fixed income had a highly detrimental effect. Stock-picking also contributed negatively compared to the benchmark as the overweight in US stocks failed to offset the decline of the European market, particularly the correction of CGG Veritas after Technip withdrew its bid. We took profits on Cubist following Merck's bid, set up a position in the Solidium/Sampo exchangeable bond and added to certain positions in Europe (e.g. Caixabank and Salzgitter/Aurubis). Over the period, we opted to slightly overweight the US dollar and the yen, and slightly underweight the euro.

January 2015:

In January 2015, Objectif Convertible achieved a return of 5,2% compared with 6,3% for its benchmark, the Thomson Reuters Global Focus Convertible index in euros. The SICAV's equity exposure was well controlled at 58,5% against 47,4% for its benchmark, with an interest-rate sensitivity of 0,3

versus 2. Being overweight the equity markets really bore fruit, with the EURO STOXX closing price net return up 7,2% while the S&P 500 gained 4,1%. However, being underweight fixed income caused nearly all the month's underperformance. Stock-picking also had a slightly negative contribution because we were overweight US technology stocks. We took out a position in the Dialog Semiconductor convertible bond and kept the rest of the portfolio unchanged. Over the period, we opted to slightly overweight the US dollar and the yen, and slightly underweight the euro.

February 2015:

In February 2015, Objectif Convertible achieved a return of 5% compared with 3,1% for its benchmark, the Thomson Reuters Global Focus Convertible index in euros. The SICAV's equity exposure was up slightly at 61,7% against 52,5% for its benchmark, with an interest-rate sensitivity of 0,3 versus 1,8. Being overweight the European and US equity markets was hugely positive over the period and partly explains the outperformance (the STOXX 600 net dividends reinvested in euros gained

6,9% and the S&P500 net dividends reinvested in euros rose by 6,2%). However, unlike the positive contribution from being underweight US fixed income, we were penalised for being underweight European fixed income. Stock-picking made a

positive contribution thanks to our overweight stance in US technology stocks. We strengthened our position in Econocom and Suex convertible bonds and took out a position in the Lixil convertible bond. Over the period, we opted to slightly overweight the US dollar and the yen, and slightly underweight the euro.

March 2015:

In March 2015, Objectif Convertible achieved a return of 2.5% compared with 3,3% for its benchmark, the Thomson Reuters Global Focus Convertible index in euros. The SICAV's equity exposure was almost unchanged at 61,6% against 50,1% for its benchmark, with an interest-rate sensitivity of 0,2 versus 2,0. We benefited from being overweight European equities (with the STOXX 600 net

dividends reinvested in euros up 1.7%) but were penalised for being overweight US equities (the S&P 500 in dollars shed 1,6%). However, the underweight exposure to European and US fixed income had a highly detrimental effect. Stock-picking made a neutral contribution, with the reversal of the previous month's positive effect from being overweight US technology stocks offsetting the gains made in Europe. We strengthened many positions on both sides of the Atlantic (including NVidia, Starwood and Faurecia) and took out a position in LinkedIn. Over the period, we remained overweight the US dollar and the yen, and slightly underweight the euro.

April 2015:

In April 2015, Objectif Convertible achieved a return of -1,2% compared with -0,7% for its benchmark, the Thomson Reuters Global Focus Convertible index in euros. The SICAV's equity exposure remained almost unchanged during the period at 61,1%, compared with 50,2% for its benchmark. Interest-rate sensitivity remained low at 0,4 versus 2,1 for the benchmark. Being overweight US and European equity markets had a negative effect (in April, the STOXX 600 net dividends reinvested in euros gained 0,10% and the S&P 500 net dividends reinvested in euros fell by 3,18%). However, being underweight European fixed income began to bear fruit (there was no change in US fixed income during the period). There was a positive contribution from stock-picking thanks to our overweight stance in US technology stocks. We decided to replace the 2018 convertible bond with the 2022 one. We remained overweight the US dollar and the yen, and underweight the euro.

May 2015:

In May 2015, Objectif Convertible achieved a return of 2,9% compared with 1,2% for its benchmark, the Thomson Reuters Global Focus Convertible index in euros. The SICAV's equity exposure remained almost unchanged during the period at 60,9%, compared with 49,2% for its benchmark. Interest-rate sensitivity remained low at 0,4 versus 2,2 for the benchmark. Being more overweight US equity markets than European markets had a positive effect (in May, the STOXX 600 net dividends reinvested in euros gained +1,7% and the S&P 500 net dividends reinvested in euros rose by 3,5%). Being underweight European and US fixed income began to have a positive effect. There was a positive contribution from stock-picking thanks to our overweight stance in US technology stocks and European mid caps. We decided to convert the Dialog Semiconductor convertible bond. We remained overweight the US dollar and the yen, and underweight the euro.

June 2015:

In June 2015, Objectif Convertible achieved a return of -3,9% compared with -3,1% for its benchmark, the Thomson Reuters Global Focus Convertible index in euros. The fund's equity exposure was stable at 60%, while that of its benchmark dropped to 45,4%. Interest-rate sensitivity remained low at 0,4 versus 2,4 for the benchmark. Being overweight the equity markets had a negative effect (the EURO STOXX net return lost 3,9% and the STOXX 600 net dividends reinvested lost 4,5%). However, being underweight European and US fixed income continued to have a positive effect. Stock-picking had a neutral effect in June, with our underweight stance in Asian stocks proving beneficial but our overweight stance in technology stocks proving detrimental. We exchanged the CGG 1,25% 2019 convertible bond for the CGG 1,75% 2020 convertible bond. We took part in the Ingenico 0% 2022 primary issue and took out a new position in the Foncière des Régions 0,875% 2019 convertible bond. We remained overweight the US dollar and underweight the euro.

July 2015:

In July 2015, Objectif Convertible achieved a return of 1,8% compared with 0,5% for its benchmark, the Thomson Reuters Global Focus Convertible index in euros. The fund's equity exposure was stable at 60,5%, while that of its benchmark was unchanged at 45,8%. Interest-rate sensitivity remained low at 0,3 versus 2,3 for the benchmark. Our overweight stance in the equity markets had a positive effect (in July, the STOXX 600 net dividends reinvested in euros gained 4,0% and the S&P 500 net dividends reinvested in euros rose by 4,1%). However, the underweight exposure to fixed income had a detrimental effect. Stock-picking made a negative contribution in July, with our being underweight Asian stocks and overweight European technology failing to offset the disappointing performances from US technology stocks and the drop in the Mylan convertible bond price after Teva withdraw its takeover bid. With the exception of selling off the Peabody 4,75% 2066 security, we left the portfolio unchanged because we still believe in its upside potential. We remained overweight the US dollar and

underweight the euro.

August 2015:

In August 2015, Objectif Convertible achieved a return of -5% compared with -3,3% for its benchmark, the Thomson Reuters Global Focus Convertible index in euros. The fund's equity exposure dropped to 54,9%, while that of its benchmark dropped to 42,6%. Interest-rate sensitivity remained low at 0,4 versus 2,4 for the benchmark. Our overweight stance in the equity markets had a negative effect (in August, the STOXX 600 net dividends reinvested in euros and the S&P 500 net dividends reinvested in euros both lost 8,2%). Underweight exposure to fixed income had a neutral effect. The contribution from our stock-picking was negative in August, hit by the underperformance of US technology stocks and European stocks exposed to China. We sold off two expiring convertible bonds after their prices increased nicely: Mylan 3,75% 2015 and Nidec 0% 2015. We took out positions in Terumo 0% 2019 and Twitter 0,25% 2019, and we strengthened our positions in Europe. We remained overweight the US dollar and underweight the euro.

September 2015:

In September 2015, Objectif Convertible achieved a return of -2,5% compared with -0,9% for its benchmark, the Thomson Reuters Global Focus Convertible index in euros. The fund's equity exposure was stable at 54,9%, while that of its benchmark dropped to 40,7%. Interest-rate sensitivity remained low at 0,5 versus 2,5 for the benchmark. Our overweight stance in the equity markets had a negative effect (in September, the STOXX 600 net dividends reinvested in euros lost 4,1% and the S&P 500 net dividends reinvested in euros lost 2,4%). Underweight exposure to fixed income had a negative effect. Stock-picking was detrimental, penalised by the underperformance of the automotive sector in the wake of the Volkswagen revelations. We sold off two convertible bonds with very short maturities: Billion Express 0,75% 2015 and TPK 0% 2016. We remained overweight the US dollar and underweight the euro.

October 2015:

In October 2015, Objectif Convertible achieved a return of 6,7% compared with 5,3% for its benchmark, the Thomson Reuters Global Focus Convertible index in euros. The fund's equity exposure increased to 59,9%, while that of its benchmark rose to 48,0%. Interest-rate sensitivity remained low at 0,4 versus 2,4 for the benchmark. Our overweight stance in the equity markets had an extremely positive effect (in October, the STOXX 600 net dividends reinvested in euros gained 8,1% and the S&P 500 net dividends reinvested in euros rose by 10,2%). Being underweight fixed income was hugely detrimental for the fund in Europe but beneficial in the US. Stock-picking was detrimental, penalised by the underperformance of the US technology sector during the month. We kept the portfolio unchanged because we believe the stocks within it still have potential. We remained overweight the US dollar and underweight the euro.

TRADING FEES

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

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

EXERCISE OF VOTING RIGHTS

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

BROKER AND COUNTERPARTY SELECTION AND EVALUATION PROCEDURE

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

year on the evaluation of the services provided by the various brokers and the breakdown of the volume of transactions handled.

BROKERAGE FEES

Information about brokerage fees is available on the website www.lazardfreresgestion.fr.

EFFECTIVE PORTFOLIO MANAGEMENT TECHNIQUES

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

FINANCIAL INSTRUMENTS ISSUED OR MANAGED BY A LAZARD GROUP ENTITY

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

ESG CRITERIA

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

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

Information about ESG criteria is available on the website www.lazardfreresgestion.fr.

CHANGES DURING THE PERIOD AND FORTHCOMING CHANGES

Change of benchmark

The Objective Convertible SICAV's Board of Directors, meeting on December 12th 2014, decided to change the benchmark from the Merrill Lynch Global Convertible G300 to the Thomas Reuters Global Focus Convertible Bond Index.

Effective date: January 1st, 2015

Amendment to the prospectus

The Objective Convertible SICAV's Board of Directors, meeting on December 12th, 2014, decided to bring the company's prospectus into compliance with recent changes in regulations (Foreign Account Tax Compliance Act, or FATCA, rules).

Marketing in Germany and Austria

The Objective Convertible SICAV's Board of Directors, meeting on April 3rd, 2015, decided to market the SICAV in Germany and Austria, as well as Spain, Switzerland, Luxembourg and Italy. This decision was taken in order to increase the SICAV's assets and diversify its performance.

Changes at the SICAV

Objective Convertible SICAV's Board of Directors, meeting on September 23rd, 2015, decided to appoint a new custodian and administrator. CACEIS BANK France replaced Lazard Frères Banque as the custodian, while CACEIS FUND ADMINISTRATION replaced Lazard Frères Gestion as the administrator.

Effective date: November 2nd, 2015

Change of name and year end

The Extraordinary Shareholders' Meeting held on October 30th, 2015 voted to change the SICAV's name to LAZARD CONVERTIBLE GLOBAL, with effect from November 2nd, 2015, and to fix its year end as the final October trading day of the Paris stock exchange.

Terms of office of individual members of Objectif Convertible's Board of Directors at October 30th, 2015

Names of Board members	Number of offices held	List of offices and functions
Arnaud Brillois Vice President of Lazard Frères Gestion	1	Chairman and Chief Executive Officer of Objectif Convertible
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 Objectif Convertible Non-board member Chief Executive Officer of Objectif Alpha Obligataire
Arnaud Laforge	1	. Member of the Board of Directors of Objectif Convertible
Colin Faivre Vice President of Lazard Frères Gestion SAS	2	. Member of the Board of Directors of Objectif Convertible . Board member and Chief Executive Officer of Objectif Alpha Allocation
Geneviève Werner	2	. Member of the Board of Directors of Objectif Convertible . 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 Objectif Convertible
Paul Castello Director of Lazard Frères Gestion SAS	5	Member of the Boards of Directors of the following SICAVs: . Objectif Alpha Court Terme . Objectif Investissement Responsable . Norden Small . Objectif Convertible . Objectif Alpha Obligataire
Sylvain Mortera	5	Director of: . the SICAV Objectif Convertible . the SICAV CAAM Convertibles Euroland . the SICAV CAAM Oblig Internationales . GAREAT . ASSURATOME
Guilaine Perche	1	. Member of the Board of Directors of Objectif Convertible

Directors' fees paid by Objectif Convertible to members of the Board of Directors for the financial year ended October 30th, 2015

Members of the Board of Directors	Directors' fees paid by the SICAV
Arnaud Brillois Vice President of Lazard Frères Gestion SAS	0
Lazard Frères Gestion SAS represented by Jean-Jacques de Gournay	0
Lionel Clément Vice President of Lazard Frères Gestion SAS	0
Arnaud Laforge	€ 1 600
Mutuelle Centrale de Réassurance Represented by Gilles Dupin	€ 1 600
Colin Faivre Associate of Lazard Frères Gestion SAS	0
Geneviève Werner	€ 1 600
Jean-Luc Chauchard Vice President of Lazard Frères Gestion SAS	0
Paul Castello 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	0
Caisse de Prévoyance des Cadres d'Entreprises Agricoles (CPCEA) represented by Jean-Claude Guimiot	€ 1 600
Alexis Gardie	€ 1 600



**STATUTORY AUDITOR'S REPORT
ON THE ANNUAL FINANCIAL STATEMENTS
Financial year ended October 30th, 2015**

OBJECTIF CONVERTIBLE

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

To the shareholders,

In accordance with the terms of our appointment by your Board of Directors, we hereby report to you on the following matters for the financial year ended October 30th, 2015:
the audit of the accompanying financial statements of the Objectif Convertible open-end investment company (*société d'investissement à capital variable*);
the basis of our opinions;
the specific verifications and disclosures required by law.

Your Board of Directors is responsible for the preparation of the annual financial statements. Our role is to express an opinion on these financial statements, based on our audit.

1. OPINION ON THE ANNUAL FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applicable in France. These standards require that we plan and perform the audit so as to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit consists of examining, by audit sampling and other selective testing procedures, evidence supporting the amounts and disclosures in the annual financial statements. It also involves assessing the accounting principles used, the significant estimates made by the management, and the overall presentation of the financial statements. We believe that the information that we have gathered provides sufficient and appropriate evidence on which to base our opinion.

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 SICAV at the end of said financial year, in accordance with the accounting rules and principles generally accepted in France.

Without qualifying our opinion, we draw your attention to the change in accounting regulations described in the section in the notes to the financial statements on accounting rules and principles.

2. BASIS OF OUR OPINIONS

Pursuant to Article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the basis of our opinions, we hereby inform you that our assessments focused on the suitability of the accounting principles applied and the reasonable nature of significant accounting estimates made.

*PwC Sellam, 2 Rue Vatimesnil CS 60003 92532 Levallois Perret Cedex, France
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OBJECTIF CONVERTIBLE

The assessments we have made are part of our audit of the annual financial statements as a whole and have therefore contributed to our opinion expressed in the first part of this report.

3. SPECIFIC VERIFICATIONS AND DISCLOSURES

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.

Levallois- Perret, date of electronic signature

Document authenticated by electronic signature

The statutory auditor
PwCSellam
Frédéric Sellam



STATUTORY AUDITOR'S SPECIAL REPORT ON REGULATED AGREEMENTS
Shareholders' meeting to approve the financial statements for the financial year ended October 30th, 2015

OBJECTIF CONVERTIBLE

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

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby present to you our report on related party agreements.

We are required to report to you, based on the information we have been provided, on the main characteristics and terms of any agreements disclosed to us or that we may have discovered during our audit, without being required to comment on their relevance or substance, or to identify any other agreements. It is your responsibility, pursuant to the terms of Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the benefits of entering into these agreements, prior to approving them.

We are also required, where applicable, to report to you as provided for in Article R. 225-31 of the French Commercial Code on the performance over the past year of any agreements already approved by the shareholders' meeting.

We have performed those checks that we considered necessary in accordance with the professional guidance issued by the national auditing body (*Compagnie nationale des commissaires aux comptes*) relating to this operation.

AGREEMENTS SUBMITTED FOR THE APPROVAL OF THE SHAREHOLDERS' MEETING

We hereby inform you that we have not been advised of any agreement authorised during the past financial year to be submitted to the approval of the shareholders' meeting pursuant to Article L. 225-38 of the French Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

We hereby inform you that we have not been advised of any agreement already approved by the shareholders' meeting that remained effective during the past financial year.

Levallois-Perret, date of electronic signature

Document authenticated by electronic signature

The statutory auditors

PwC Sellam

Frédéric Sellam

PwC Sellam, 2 Rue Vatimesnil CS 60003 92532 Levallois Perret Cedex, France
T: +33 (0) 145 62 00 82, F: +33 (0) 1 42 89 45 28, opcvm@cabinetsellam.com

Balance sheet at October 30th, 2015 (in euros)

ASSETS	FINANCIAL YEAR	
	from 01/01/15 to 30/10/15 (euros)	ended 31/12/2014 (euros)
NET NON-CURRENT ASSETS	0,00	0,00
DEPOSITS	0,00	0,00
FINANCIAL INSTRUMENTS	353 359 425,36	285 661 822,79
➤ <i>SHARES AND SIMILAR SECURITIES</i>	<i>23 774 339,85</i>	<i>13 649 347,59</i>
Traded on a regulated or similar market	23 774 339,85	13 649 347,59
Not traded on a regulated or similar market	0,00	0,00
➤ <i>BONDS AND SIMILAR SECURITIES</i>	<i>325 077 948,87</i>	<i>262 733 836,20</i>
Traded on a regulated or similar market	325 077 948,87	262 733 836,20
Not traded on a regulated or similar market	0,00	0,00
➤ <i>DEBT SECURITIES</i>	<i>4 507 136,64</i>	<i>2 801 980,85</i>
Traded on a regulated or similar market	4 507 136,64	2 801 980,85
▪ Negotiable debt securities	4 507 136,64	2 801 980,85
▪ Other debt securities	0,00	0,00
Not traded on a regulated or similar market	0,00	0,00
➤ <i>UNDERTAKINGS FOR COLLECTIVE INVESTMENT</i>	<i>0,00</i>	<i>6 200 559,83</i>
General UCITS aimed at non-professionals and their equivalent in other countries	0,00	6 200 559,83
Other funds aimed at non-professionals and their equivalent in other countries that are Member States of the EU	0,00	0,00
General funds aimed at professional investors and their equivalent in other Member States of the EU and listed securitisation entities	0,00	0,00
Other funds aimed at professional investors and their equivalent in other Member States of the EU and unlisted securitisation entities	0,00	0,00
Other non-European entities	0,00	0,00
General AIF aimed at non-professionals and their equivalent in other countries	0,00	0,00
Other funds aimed at non-professionals and their equivalent in other countries that are Member States of the EU	0,00	0,00
General funds aimed at professional investors and their equivalent in other Member States of the EU and listed securitisation entities	0,00	0,00
Other funds aimed at professional investors and their equivalent in other Member States of the EU and unlisted securitisation entities	0,00	0,00
Other non-European entities	0,00	0,00
➤ <i>TEMPORARY SECURITIES TRANSACTIONS</i>	<i>0,00</i>	<i>0,00</i>
Receivables on securities purchased under repurchase agreements	0,00	0,00
Receivables on loaned securities	0,00	0,00
Borrowed securities	0,00	0,00
Securities sold under repurchase agreements	0,00	0,00
Other temporary transactions	0,00	0,00
➤ <i>FORWARD FINANCIAL INSTRUMENTS</i>	<i>0,00</i>	<i>276 098,32</i>
Transactions on a regulated or similar market	0,00	276 098,32
Other transactions	0,00	0,00
➤ <i>OTHER FINANCIAL INSTRUMENTS</i>	<i>0,00</i>	<i>0,00</i>
RECEIVABLES	271 920,05	99 676,19
Forward foreign exchange transactions	0,00	0,00
Other	271 920,05	99 676,19
FINANCIAL ACCOUNTS	3 853 543,41	288 461,88
Cash and cash equivalents	3 853 543,41	288 461,88
TOTAL ASSETS	357 484 888,82	286 049 960,86

LIABILITIES AND SHAREHOLDERS' EQUITY	FINANCIAL YEAR	FINANCIAL YEAR
	from 01/01/15 to 30/10/15 (euros)	ended 31/12/2014 (euros)
SHAREHOLDERS' EQUITY		
➤ Capital	350 936 393,99	268 568 322,11
➤ Undistributed net capital gains and losses recognised in previous years (a)	0,00	0,00
➤ Retained earnings (a)	0,00	0,00
➤ Net capital gains and losses for the year (ab)	4 708 895,34	14 844 004,68
➤ Net income for the year (ab)	1 281 838,14	2 242 203,90
TOTAL SHAREHOLDERS' EQUITY (= Sum representing the net assets)	356 927 127,47	285 654 530,69
FINANCIAL INSTRUMENTS	0,00	276 098,32
➤ <i>SALES OF FINANCIAL INSTRUMENTS</i>	<i>0,00</i>	<i>0,00</i>
➤ <i>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</i>	<i>0,00</i>	<i>0,00</i>
Liabilities on financial securities sold under repurchase agreements	0,00	0,00
Liabilities on borrowed financial securities	0,00	0,00
Other temporary transactions	0,00	0,00
➤ <i>FORWARD FINANCIAL INSTRUMENTS</i>	<i>0,00</i>	<i>276 098,32</i>
Transactions on a regulated or similar market	0,00	276 098,32
Other transactions	0,00	0,00
LIABILITIES	25 812,94	26 751,43
Forward foreign exchange transactions	0,00	0,00
Other	25 812,94	26 751,43
FINANCIAL ACCOUNTS	531 948,41	92 580,42
Bank overdrafts	0,00	92 580,42
Loans	531 948,41	0,00
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	357 484 888,82	286 049 960,86

(a) Including accrued income

(b) Less interim dividends paid for the financial year

Off-balance sheet items as at October 30th, 2015 (in euros)

	FINANCIAL YEAR from 01/01/15 to 30/10/15 (euros)	FINANCIAL YEAR ended 31/12/2014 (euros)
HEDGING TRANSACTIONS		
➤ COMMITMENTS ON REGULATED OR EQUIVALENT MARKETS		
FIXED INCOME		
FUTURES		
Sale 230 Medterme 03/15		29 964 400,00
Sale 758 Tnote 5A 03/15		74 197 811,13
FOREIGN EXCHANGE		
FOREIGN EXCHANGE CONTRACTS		
Purchase 7 EUR/JPY CME 03/15		874 578,25
➤ OVER-THE-COUNTER COMMITMENTS		
➤ OTHER COMMITMENTS		
OTHER TRANSACTIONS		
➤ COMMITMENTS ON REGULATED OR EQUIVALENT MARKETS		
INDEX		
FUTURES		
Purchase 805 DJ Eurostoxx 50 03/15		25 180 400,00
FOREIGN EXCHANGE		
FOREIGN EXCHANGE CONTRACTS		
Sale 76 EUR/USD IMM 03/15		9 503 129,89
➤ OVER-THE-COUNTER COMMITMENTS		
➤ OTHER COMMITMENTS		

Income statement for the year ended October 30th, 2015 (en euros)

	FINANCIAL YEAR from 01/01/15 to 30/10/15 (euros)	FINANCIAL YEAR ended 31/12/2014 (euros)
INCOME FROM FINANCIAL TRANSACTIONS I	3 742 875,73	3 410 607,11
▪ Income from deposits and financial accounts	0,00	0,00
▪ Income from shares and similar securities	1 001 944,89	915 046,33
▪ Income from bonds and similar securities	2 740 930,84	2 492 581,11
▪ Income from debt securities	0,00	2 979,67
▪ Income from temporary purchases and sales of financial securities	0,00	0,00
▪ Income from financial contracts	0,00	0,00
▪ Other financial income	0,00	0,00
TOTAL I	3 742 875,73	3 410 607,11
CHARGES ON FINANCIAL TRANSACTIONS	3 218,10	1 324,01
▪ Charges on temporary purchases and sales of financial securities	0,00	792,83
▪ Charges on financial contracts	0,00	0,00
▪ Charges on borrowings	2 698,04	531,18
▪ Other financial charges	520,06	0,00
TOTAL II	3 218,10	1 324,01
NET INCOME FROM FINANCIAL TRANSACTIONS (I - II)	3 739 657,63	3 409 283,10
▪ Other income (III)	0,00	0,00
▪ Management fees and depreciation and amortisation (IV)	2 491 152,00	1 719 398,38
NET INCOME FOR THE FINANCIAL YEAR (L.214-17-1) (I - II + III - IV)	1 248 505,63	1 689 884,72
▪ Income adjustment for the financial year (V)	-33 332,51	-552 319,18
▪ Interim dividends paid on net income for the financial year (VI)	0,00	0,00
NET INCOME (I-II+III-IV+/-V-VI)	1 281 838,14	2 242 203,90

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

Notes to the financial statements

I. ASSET VALUATION AND ACCOUNTING RULES

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

1 – Asset valuation rules

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

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

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

- **Fixed-income securities**

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

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

- **"bonds and similar instruments"** are valued on the basis of the average of the closing prices gathered from several contributors.
- Under the valuation rules set out in the prospectus, *"The net asset value is dated the day on which it is valued, except where the valuation date falls on the day before a non-working day in France (weekends or public holidays), in which case, the net asset value is dated the last day of that period (e.g. if the valuation date is a Friday, the net asset value is dated Sunday)."*
- Consequently, the net asset value at Friday October 30th, 2015 includes accrued interest on held securities calculated up to Sunday November 1st, 2015.

Financial instruments whose prices have not been determined on the valuation date or whose prices have been adjusted are valued at their probable trading price under the responsibility of the SICAV's board of directors.

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

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

Negotiable debt securities:

- **Negotiable debt securities with a residual maturity of more than three months:**
Negotiable debt securities traded in large volumes are valued at market price. In the absence of significant trading volumes, these securities are valued using a margin representative of the issuer's intrinsic features.

Benchmark rate	
Negotiable debt securities in	Negotiable debt securities in other
EURIBOR, OISs and BTFs - 3 – 6 – 9 – 12 months BTANs - 18 months, 2 – 3 – 4 – 5 years	Official key rates of the countries concerned.

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

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

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

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

1.2. Valuation methods for off-balance sheet commitments

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

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

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

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

2 – Accounting policies

- **Income from fixed-income securities**
 - Income from fixed-income securities is recorded on the basis of accrued interest.
- **Management fees**
 - Management fees are calculated at a flat rate on each valuation date.

- The annual management fee rate for each category of shares is applied to each of the gross assets (equal to net assets before deduction of the day's management fees) less UCIs held using the following formula:

$$\begin{aligned} & (\text{Gross assets} - \text{Lazard Frères Gestion SAS UCIs held}) \\ & \quad \times \quad \text{operating and management fee rate} \\ & \quad \times \quad \frac{\text{number of days to next NAV}}{365} \end{aligned}$$

- Under the valuation rules set out in the prospectus, *“The net asset value is dated the day on which it is valued, except where the valuation date falls on the day before a non-working day in France (weekends or public holidays), in which case, the net asset value is dated the last day of that period (e.g. if the valuation date is a Friday, the net asset value is dated Sunday)”.*
- Consequently, the net asset value at Friday October 30th, 2015 includes accrued interest on held securities calculated up to Sunday November 1st, 2015.
- This amount is then recorded in the SICAV's income statement.
- The SICAV pays the operating fees including for:
 - . financial management;
 - . administration and accounting;
 - . custody services;
 - . other operating fees;
 - . statutory auditors' fees;
 - . legal notices (Balo, Petites Affiches, etc.) if applicable.

These fees do not include transaction charges.

The maximum rate for management fees for "A" shares is 0,85%. The basis for calculation is the net assets, as described in the prospectus.

The maximum rate for management fees for "R" shares is 1,50%. The basis for calculation is the net assets, as described in the prospectus.

The maximum rate for management fees for "K" shares is 0,85%. The basis for calculation is the net assets, as described in the prospectus.

▪ **Transaction charges**

Transactions are recorded excluding charges.

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

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

- If the amount is significant, a provision is recognised in account 619.
- The final amount is recognised upon settlement of invoices after reversal of any provisions.

3 – Accounting currency

The accounting currency is the euro.

4 – Allocation of income:

- **“A” shares:** Accumulation and/or Distribution and/or Retained
- **“R” shares:** Accumulation and/or Distribution and/or Retained
- **“K” shares:** Accumulation and/or Distribution and/or Retained

Net capital gains:

- “A” shares: Accumulation and/or Distribution and/or Retained
- “R” shares: Accumulation and/or Distribution and/or Retained
- “K” shares: Accumulation and/or Distribution and/or Retained

5 – Appendices

Article 18 of Order No. 2011-915 provides for the distribution of net capital gains and losses in financial years starting from January 1st, 2013. The accounting chart was modified to take account of this new possibility.

The annual financial statements are presented in the new format in accordance with the provisions of 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 and successive amendments:

This regulation incorporates the new AIFM classification of UCIs, but does not alter the accounting principles applicable under previous regulations or the asset and liability valuation methods.

Therefore the changes primarily relate to the presentation of financial statements and the classification of UCIs, while the overall UCI amount remains unchanged.

To ensure the comparability of the current year’s financial statements with those of the previous year, the following changes were made in a simplified manner to the presentation of the data for year Y-1, with no significant impact on the comparability of the data:

- The sub-heading “General UCITS and investment funds aimed at non-professionals and their equivalent in other countries” corresponds to the former sub-heading “European UCITS-compliant funds and French general-purpose funds”.
- The sub-heading “Other funds aimed at non-professionals and their equivalent in other countries that are Member States of the EU” corresponds to the former sub-heading “Funds reserved for specific investors – FCPR (French venture capital funds) – FCIMT (French futures funds)”.
- The sub-heading “General funds aimed at professional investors and their equivalent in other Member States of the EU and listed securitisation entities” corresponds to the former sub-heading “Listed investment funds and FCCs (French securitisation funds)”.
- The sub-heading “Other funds aimed at professional investors and their equivalent in other Member States of the EU and unlisted securitisation entities” corresponds to the former sub-heading “Unlisted investment funds and FCCs (French securitisation funds)”.
- The sub-heading "Other non-European entities" was introduced by regulation 2014-01.

II – Changes in net assets

		FINANCIAL YEAR from 01/01/15 to 30/10/15 (euros)	FINANCIAL YEAR ended 31/12/2014 (euros)
Net assets at start of year		285 654 530,69	149 742 990,68
Subscriptions (including subscription fees retained by the UCITS)	+	119 473 453,27	193 003 772,13
Redemptions (net of redemption fees retained by the UCITS)	-	-80 048 074,40	-88 438 191,37
Realised capital gains on deposits and financial instruments	+	7 691 580,62	11 265 610,29
Realised capital losses on deposits and financial instruments	-	-4 573 335,27	-2 876 968,85
Realised capital gains on forward financial instruments	+	9 619 004,63	6 708 339,56
Realised capital losses on forward financial instruments	-	-7 419 237,31	-2 769 245,56
Transaction charges	-	-343 301,10	-602 193,88
Translation differences	+/-	-95 081,38	66 839,54
Change in valuation difference of deposits and financial instruments	+/-	25 995 180,43	18 985 756,71
▪ Valuation difference for financial year N		61 478 282,47	35 483 102,04
▪ Valuation difference for financial year N - 1		35 483 102,04	16 497 345,33
Change in valuation difference of forward financial instruments	+/-	-276,098.32	-1,122,063.30
▪ Valuation difference for financial year N		0,00	276 098,32
▪ Valuation difference for financial year N - 1		276 098,32	1 398 161,62
Distribution of prior year's net capital gains and losses	-	0,00	0,00
Dividends paid in the previous financial year	-	0,00	0,00
Net profit/loss for the financial year prior to income adjustment	+/-	1 248 505,63	1 689 884,72
Interim dividend(s) paid on net capital gains/losses during the financial year	-	0,00	0,00
Interim dividend(s) paid on net income during the financial year	-	0,00	0,00
Other items (*)	+/-	-0,02	0,02
Net assets at end of year		356 927 127,47	285 654 530,69

* Decimal rounding

III – Additional information

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

Bonds and similar securities by instrument type

➤ index-linked bonds	None
➤ convertible and exchangeable bonds	€325 077 948,87
➤ equity investments	None
➤ other	None

Debt securities by instrument type

➤ treasury bills	€4 507 136,64
➤ negotiable medium-term notes	None
➤ commercial paper	None
➤ certificates of deposit	None
➤ other	None

Sales of financial instruments by instrument type

➤ negotiable debt securities	None
➤ equities	None
➤ bonds	None

Breakdown of off-balance sheet items by market type

➤ interest rates	None
➤ equities	None
➤ currencies	None

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

Assets	Fixed rate	Variable rate	Adjustable rate	Other
Deposits				
Bonds and similar securities	313 110 916,07		5 920 897,58	6 046 135,22
Debt securities	4 507 136,64			
Temporary financial securities transactions				
Financial accounts				3 853 543,41 *
Liabilities				
Temporary financial securities transactions				
Financial accounts				531 948,41
Off-balance sheet items				
Hedging transactions				
Other transactions				

*Non-interest bearing cash

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

Assets	0-3 months	3 months-1 year	1-3 years	3-5 years	> 5 years
Deposits					
Bonds and similar securities	9 895 096,17	29 347 304,63	89 060 193,70	132 779 890,03	63 995 464,34
Debt securities	1 402 682,15	3 104 454,49			
Temporary financial securities transactions					
Financial accounts	3 853 543,41				
Liabilities					
Temporary financial securities transactions					
Financial accounts	531 948,41				
Off-balance sheet items					
Hedging transactions					
Other transactions					

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

Assets	USD	JPY	CHF
Deposits			
Shares and similar securities	7 864 524,43	3 917 476,67	
Bonds and similar securities	183 193 872,51	21 306 578,87	
Debt securities			
UCI			
Temporary financial securities transactions			
Receivables	151 513,16	43 539,74	
Financial accounts	2 220 549,99	150 958,93	0,09
Liabilities			
Sales of financial instruments			
Temporary financial securities transactions			
Liabilities			
Financial accounts			
Off-balance sheet items			
Hedging transactions			
Other transactions			

3.5 Breakdown of receivables and liabilities by type

Other receivables

- Breakdown of forward foreign exchange transactions
 - Buy None
 - Sell None
- Interest and dividends receivable €260 114,75
- Deferred settlement sale None
- Other None

Other liabilities

- Breakdown of forward foreign exchange transactions
 - Buy None
 - Sell None
- Deferred settlement purchase None
- Management fees payable €11 805,30
- Other None

3.6 SHAREHOLDERS' EQUITY

Number and value of securities:

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

Quantity:	105 636,395 "A" shares	Value: €	115 543 756,78
Quantity:	13 031,365 "R" shares	Value: €	3 929 696,49
Quantity:	0,000 "K" shares	Value: €	0,00

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

Quantity:	70 315,652 "A" shares	Value: €	76 420 141,98
Quantity:	11 243,795 "R" shares	Value: €	3 627 932,42
Quantity:	0,000 "K" shares	Value: €	0,00

Subscription and/or redemption fees:

- Total subscription and/or redemption fees received
 - € 21 765,490 "A" shares
 - € 1 071,850 "R" shares
 - € 0,000 "K" shares
- Total subscription and/or redemption fees passed on to third parties
 - € 21 765,490 "A" shares
 - € 1 071,850 "R" shares
 - € 0,000 "K" shares
- Total subscription and/or redemption fees retained by the UCITS
 - € 0,000 "A" shares
 - € 0,000 "R" shares
 - € 0,000 "K" shares

3.7 Management fees:

"A" shares annualised

- Fixed management fees: percentage of average assets annualised: 0,84

"R" shares annualised

- Fixed management fees: percentage of average assets annualised: 1,49

"K" shares annualised

- Fixed management fees: percentage of average assets annualised: 0,84
- Performance fees (variable fees): None
- Retrocession fees received in relation to UCITSs held: None

3.8 Commitments received and given

- Commitments received: None
- Commitments given: None

3.9 Other information

➤ Present value of financial instruments held temporarily

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

➤ Present value of financial instruments representing security deposits: None

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

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

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

3.10 Table of allocation of distributable amounts

Interim dividends paid on net income for the financial year				
Date	Total amount	Amount per share	Total tax credits	Tax credit per share

Total interim dividends

Interim dividends paid on net capital gains/losses for the financial year

Date	Total amount	Amount per share
------	--------------	------------------

Total interim dividends

Table of allocation of distributable amounts pertaining to net income	from 01/01/15 to 30/10/15 (€)	ended 31/12/14 (€)
--	-------------------------------------	-----------------------

SUMS TO BE APPROPRIATED

▪ Retained earnings	0,00	0,00
▪ Profit (Loss)	1 281 838,14	2 242 203,90
TOTAL	1 281 838,14	2 242 203,90

“A” shares FR0000098683

APPROPRIATION

▪ Distribution	0,00	0,00
▪ Balance brought forward for the financial year	0,00	0,00
▪ Accumulation	1 248 449,20	2 152 408,30
TOTAL	1 248 449,20	2 152 408,30

“R” shares FR0010858498

APPROPRIATION

▪ Distribution	0,00	0,00
▪ Balance brought forward for the financial year	0,00	0,00
▪ Accumulation	-8 483,96	8 305,84
TOTAL	-8 483,96	8 305,84

“K” shares FR0011575240

APPROPRIATION

▪ Distribution	0,00	0,00
▪ Balance brought forward for the financial year	0,00	0,00
▪ Accumulation	41 872,90	81 489,76
TOTAL	41 872,90	81 489,76

Information on shares with dividend rights

Number of shares
Dividend per share

Tax credits attached to the distribution of earnings

Total tax credits and assets to be divided up over the financial year	0,00	0,00
---	------	------

	FINANCIAL YEAR from 01/01/15 to 30/10/15 (€)	FINANCIAL YEAR ended 31/12/2014 (€)
Table of allocation of distributable amounts pertaining to net capital gains and losses		
SUMS TO BE APPROPRIATED		

▪ Undistributed net capital gains and losses recognised in previous	0,00	0,00
▪ Net capital gains and losses for the year	4 708 895,34	14 844 004,68
▪ Interim dividends paid on net capital gains/losses for the financial year	0,00	0,00
TOTAL	4 708 895,34	14 844 004,68

APPROPRIATION

▪ Distribution	0,00	0,00
▪ Undistributed net capital gains and losses	0,00	0,00
▪ Accumulation	4 708 895,34	14 844 004,68
TOTAL	4 708 895,34	14 844 004,68

“A” shares FR0000098683

APPROPRIATION

▪ Distribution	0,00	0,00
▪ Undistributed net capital gains and losses	0,00	0,00
▪ Accumulation	4 491 341,41	14 098 513,87
TOTAL	4 491 341,41	14 098 513,87

“R” shares FR0010858498

APPROPRIATION

▪ Distribution	0,00	0,00
▪ Undistributed net capital gains and losses	0,00	0,00
▪ Accumulation	66 896,08	211 612,20
TOTAL	66 896,08	211 612,20

“K” shares FR0011575240

APPROPRIATION

▪ Distribution	0,00	0,00
▪ Undistributed net capital gains and losses	0,00	0,00
▪ Accumulation	150 657,85	533 878,61
TOTAL	150 657,85	533 878,61

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

	Year ended 30/12/2011	Year ended 31/12/2012	Year ended 31/12/2013	Year ended 31/12/2014	FINANCIAL YEAR from 01/01/15 to 30/10/15
NUMBER OF SHARES ISSUED OVER THE FINANCIAL YEAR					
A" shares	61 674	54 466,440	82 451,933	204 253,352	105 636,395
"R" shares	12 215	5 871,000	8 117,178	7 448,154	13 031,365
"K" shares	-----	-----	7 976,842	836,600	0,000
Value in euros "A" shares	45 100 362,89	41 959 296,52	67 980 794,03	190 206 509,21	115 543 756,78
"R" shares	2 615 469,29	1 322 911,07	1 929 688,25	1 943 428,96	3 929 696,49
"K" shares	-----	-----	7 976 842,00	853 833,96	0,00
NUMBER OF SHARES REDEEMED OVER THE FINANCIAL YEAR					
A" shares	55 323	43 228,621	60 530,500	92 385,845	70 315,652
"R" shares	2 548	3 256,000	10 472,000	6 424,622	11 243,795
"K" shares	-----	-----	0	0,000	0,000
Value in euros					
A" shares	40 078 801,26	33 333 147,80	50 220 055,70	86 761 782,59	76 420 141,98
"R" shares	522 159,52	727 121,28	2 552 864,43	1 676 408,78	3 627 932,42
"K" shares	-----	-----	0	0,000	0,00
NUMBER OF SHARES OUTSTANDING					
A" shares	129 000	140 238	162 159,252	274 026,759	309 347,502
"R" shares	12 876	15 491	13 136,178	14 159,710	15 947,280
"K" shares	-----	-----	7 976,842	8 813,442	8 813,442
NET ASSETS (in €)	93 629 292,51	111 156 827,32	149 742 990,68	285 654 530,69	356 927 127,47
A" shares	90 940 989,83	107 658 042,53	138 446 031,39	271 308 481,12	340 437 126,86
"R" shares	2 688 302,67	3 498 784,79	3 278 600,12	4 072 215,30	5 070 354,39
"K" shares	-----	-----	8 018 359,17	10 273 834,27	11 419 646,22
NET ASSET VALUE (in €)					
A" shares	704,96	767,68	853,76	990,08	1 100,50
"R" shares	208,78	225,85	249,58	287,59	317,94
"K" shares	-----	-----	1 005,20	1 165,70	1 295,70
NET INCOME EXCLUDING INCOME ADJUSTMENT (in €)	1 372 435,26	1 325 466,19	1 521 020,32	1 689 884,72	1 248 505,63
DISTRIBUTABLE NET INCOME (in €)	1 377 744,73	1 410 976,04	1 614 160,80	2 242 203,90	1 281 838,14
DIVIDEND PER SHARE ON NET CAPITAL GAINS AND LOSSES (including interim dividend)			Accumulation	Accumulation	Accumulation
Distribution per share of distributable net income: (including interim dividend)	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation
Tax credit per share transferred to shareholders (individuals)*					
Accumulation per share pertaining to income (in euros):					
A" shares	10,37	9,74	9,20	7,85	4,03
"R" shares	3,07	2,86	2,69	0,58	-0,53
"K" shares	-----	-----	10,83	9,24	4,75
Accumulation per share pertaining to net capital gains/losses in euros					
A" shares			28,55	51,44	14,51
"R" shares			8,35	14,94	4,19
"K" shares			33,62	60,57	17,09

* Pursuant to the Tax Instruction dated March 4th, 1993 issued by the Directorate-General for Taxation, unit tax credit is calculated on the date the dividend is paid by dividing the total tax credit amount between the shares or units in circulation on that date.

COMPOSITION OF OBJECTIF CONVERTIBLE'S ASSETS AS AT FRIDAY, OCTOBER 30th, 2015

Description	ISIN	Price	Coupon	Curr.	Exch. rate	QTY	Value (€)	%
TOTAL							353 359 425,36	99,00
EQUITIES							23 774 339,85	6,66
EUROPE							7 282 633,95	2,04
DIALOG SEMICONDUCTOR PLC	GB0059822006	33,6500		EUR		216 423,00	7 282 633,95	2,04
FRANCE							4 709 704,80	1,32
INGENICO GROUP SA	FR0000125346	107,4000		EUR		43 852,00	4 709 704,80	1,32
JAPAN							3 917 476,67	1,10
ORIX CORP.	JP3200450009	1 781,5000		JPY	132,8800	292 200,00	3 917 476,67	1,10
US / CANADA							7 864 524,43	2,20
FORD MOTOR CO	US3453708600	14,8100		USD	1,1017	107 526,00	1 445 457,08	0,40
SBA COMMUNICATIONS CORP.	US78388J1060	119,0200		USD	1,1017	38 075,00	4 113 357,99	1,15
SCHLUMBERGER LTD	AN8068571086	78,1600		USD	1,1017	32 500,00	2 305 709,36	0,65
BONDS							325 077 948,87	91,08
CONV. BONDS							325 077 948,87	91,08
EUROPE							72 716 968,72	20,37
ADIDAS AG1/4%(CONV.)12-14JN19A	DE000A1ML0D9	122,0840	0,0969945	EUR		4 200 000,00	5 131 601,76	1,44
BNPP FORTIS TV CV 07-19DE--T	BE0933899800	76,1560	0,2426785	EUR		7 750 000,00	5 920 897,58	1,66
CAIXA ESTA1%(C/EXCH)13-25NO17S	XS0995390621	105,1040	0,4402173	EUR		6 400 000,00	6 754 829,90	1,89
DEUTSCHE POST0,6%(C)12-06DE19A	DE000A1R0VM5	134,7480	0,5457534	EUR		3 000 000,00	4 058 812,60	1,14
ECONOCOM GR.11/2%(C)14-15JA19A	BE6261856213	11,7370		EUR		385 000,00	4 518 745,00	1,27
FRESENIUS SE 0% 14-24SE19-	DE000A1YC3T6	142,6400		EUR		5 000 000,00	7 132 000,00	2,00
INDUSTRIALVAERD.17/8%(C)11-27FE17S	XS0579438663	110,2730	0,7940573	EUR		6 100 000,00	6 775 090,49	1,90
INTL CONS.AIRL.13/4%(13-31MY18S	XS093356952	191,8730	0,7459016	EUR		3 400 000,00	6 549 042,65	1,83
PARPUBLICA 5,25%EXCH10-28SE17A	PTPETROM0005	107,9410	0,5163934	EUR		4 700 000,00	5 097 497,48	1,43
SALZGITTER FIN.2% 10-08NO17A	DE000A1AYDS2	131,7750	1,9726027	EUR		5 500 000,00	7 356 118,14	2,06
SOLIDIUM OY 0% C/ECH14-04SE18-	XS1040531904	113,0750		EUR		7 000 000,00	7 915 250,00	2,22
SONAE INV15/8%(CONV.)14-11JN19S	XS1076005153	99,4850	0,6437841	EUR		5 500 000,00	5 507 083,12	1,54
FRANCE							47 860 528,77	13,41
AIR F.KLM2.03%(C/ECH.13-15FE23A	FR0011453463	10,8620		EUR		535 000,00	5 811 170,00	1,63
CGG 13/4% (OCEANE)15-01JA20S	FR0012739548	8,1870		EUR		315 750,00	2 585 045,25	0,72
FAUREC31/4%(C/OCEANE)12-01JA18A	FR0011321363	36,7480		EUR		193 610,00	7 114 780,28	1,99
FONCIERE REG.7/8%(C)13-01AP19S	FR0011629344	105,1280		EUR		43 000,00	4 520 504,00	1,27
INGENICO GROUP 0% 15-26JN22-	FR0012817542	184,6020		EUR		3 747,00	691 703,69	0,19
MISARTE 3,25% (ECH)10-01JA16S	FR0010941427	172,1890		EUR		24 202,00	4 167 318,17	1,17
PEUGEOT 4,45%OCEANE 09-01JA16S	FR0010773226	26,8280		EUR		213 500,00	5 727 778,00	1,60
RALLYE 1% C(OCEANE) 13-02OC20A	FR0011567908	95,3260		EUR		53 700,00	5 119 006,20	1,43
SUEZ ENVI.0%(OCEANE)14-27FE20-	FR0011766120	22,2210		EUR		273 484,00	6 077 087,96	1,70
UNIBAIL RO0%(ORNANE)15-01JA22-	FR0012658094	363,9400		EUR		16 613,00	6 046 135,22	1,69
JAPAN							21 306 578,87	5,97
ABC-MART INC. 0%CV 13-05FE18-	XS0876187815	149,0970		JPY	132,8800	300 000,00	3 366 127,33	0,94
LXIL GROUP 0%(CONV)15-04MR20-	XS1189653709	100,8130		JPY	132,8800	800 000,00	6 069 416,01	1,70
OSG CORP. 0% (CONV) 12-04AP22-	XS0758719024	140,8500		JPY	132,8800	350 000,00	3 709 926,25	1,04
SEKISUI HOUSE 0% 11-05JY16-	XS0630591377	204,0770		JPY	132,8800	260 000,00	3 993 077,97	1,12
TERUMO CORP 0%(CONV)14-04DE19-	XS1139279415	115,3850		JPY	132,8800	480 000,00	4 168 031,31	1,17
EMERGING MARKETS							3 588 892,92	1,01
PB ISSUER 1,75% ECH.10-12AP16S	XS0493723968	98,7450	0,1020833	USD	1,1017	4 000 000,00	3 588 892,92	1,01
US / CANADA							179 604 979,59	50,32
AMERICAN TOWER 5,25%CV PREF-A-	US03027X3089	106,4000		USD	1,1017	60 000,00	5 794 680,95	1,62
BANK OF AMERICA 7,25% C N/CUM.L	US0605056821	1 105,0000		USD	1,1017	5 600,00	5 616 774,08	1,57
CITRIX SY.1/2%(CONV)15-15AP19S	US177376AD23	114,0000	0,0263890	USD	1,1017	6 000 000,00	6 210 023,91	1,74
ELECTRONIC ARTS3/4% C13-15JY16S	US285512AA71	226,5880	0,2270833	USD	1,1017	5 700 000,00	11 735 009,29	3,29
GILEAD SCIENCE15/8% C11-01MY16S	US375558AP86	480,4390	0,0135416	USD	1,1017	2 300 000,00	10 030 324,45	2,81
INTEL CORP 2,95% C 05-15DE35S	US458140AD22	127,4030	1,1390277	USD	1,1017	5 400 000,00	6 300 507,84	1,77
INVENSENSE 13/4% C 14-01NO18S	US46123DAB29	94,7800	0,0145830	USD	1,1017	3 000 000,00	2 581 317,50	0,72
LINKEDIN 1/2%(C)14A414-01NO19S	US53578AAAB0	108,7760	0,0041666	USD	1,1017	8 000 000,00	7 899 077,17	2,21
MERITOR 77/8% (CONV)13-01MR26S	US59001KAC45	136,9500	3,3468750	USD	1,1017	6 000 000,00	7 640 748,39	2,14
MICROCHIP TXV (CONV)07-15DE37S	US595017AB07	196,5625	0,8204860	USD	1,1017	4 400 000,00	7 883 136,41	2,21
MICRON T.15/8%(CONV)13-15FE33S	US595112AU73	161,7500	0,3565970	USD	1,1017	2 200 000,00	3 237 129,10	0,91
NVIDIA 1% (CONV.) 14-01DE18S	US67066GAC87	146,6300	0,4250000	USD	1,1017	7 000 000,00	9 343 605,34	2,62
PALO ALTO NETW.0%(C)14-01JY19-	US697435AB13	154,2500		USD	1,1017	7 000 000,00	9 800 762,46	2,75
PRICELINE GROUP 1% C 13-15MR18S	US741503AQ92	159,1590	0,1361111	USD	1,1017	7 000 000,00	10 121 319,57	2,84
RADIANT GROUP3%(CONV)10-15NO17S	US750236AK77	133,6600	1,4083330	USD	1,1017	4 950 000,00	6 068 696,09	1,70
SALES.COM1/4%(CONV.)13-01AP18S	US79466LAD64	130,4440	0,0229166	USD	1,1017	7 200 000,00	8 526 475,44	2,39
SANDISK CORP.1/2% C 14-15OC20S	US80004CAF86	105,4030	0,0263888	USD	1,1017	7 700 000,00	7 368 669,27	2,06
SERVICENOW 0%(CONV.)14-01NO18-	US81762PAB85	124,4910		USD	1,1017	5 500 000,00	6 214 945,08	1,74
STARWOOD 4,55%(CONV)13-01MR18S	US85571BAA35	101,1640	0,7962500	USD	1,1017	7 000 000,00	6 478 367,52	1,82
TESLA MOTORS 1/4%(C)14-01MR19S	US88160RAB78	90,2920	0,0437500	USD	1,1017	7 500 000,00	6 149 751,52	1,72
TOLL BRO.1/2%(CONV) 12-15SE32S	US88947EAM21	103,4320	0,0680555	USD	1,1017	5 100 000,00	4 791 234,30	1,34
TWITTER INC.1/4% CV 15-15SE19S	US90184LAB80	88,8220	0,0340277	USD	1,1017	7 000 000,00	5 645 749,23	1,58
US STEEL CORP23/4% C 13-01AP19S	US912909AH17	99,5820	0,2520833	USD	1,1017	5 500 000,00	4 984 001,62	1,40
WELLS FARGO71/2%NCUM CVPFD-A-L	US9497468044	1 185,0000		USD	1,1017	5 900,00	6 346 101,48	1,78
XILINX INC 25/8% CV 11-15JN17S	US983919AF83	165,1180	1,0135416	USD	1,1017	4 600 000,00	6 936 598,81	1,94
YAHOO INC 0% (CONV.)13-01DE18-	US984332AF31	100,0000		USD	1,1017	6 500 000,00	5 899 972,77	1,65
Negotiable debt securities							4 507 136,64	1,26
TRESOR PUBLIC 305 23/12/2015	FR0123120141	0,0000		EUR		700 000,00	700 989,78	0,20
TRESOR PUBLIC 305 20/07/2016	FR0123120174	0,0000		EUR		600 000,00	601 019,47	0,17
TRESOR PUBLIC 305 18/08/2016	FR0123120182	0,0000		EUR		2 300 000,00	2 303 076,36	0,65
TRESOR PUBLIC 305 06/01/2016	FR0122775457	0,0000		EUR		700 000,00	701 692,37	0,20
TRESOR PUBLIC 305 03/02/2016	FR0122775465	0,0000		EUR		200 000,00	200 358,66	0,06
Securities sold under repurchase agreements							0,00	0,00
Receivables on securities purchased under repurchase agreements							0,00	0,00
Liabilities on securities sold under repurchase							0,00	0,00
Forward financial instruments							0,00	0,00
Futures							0,00	0,00
Receivables							271 920,05	0,08
Other							271 920,05	0,08
Liabilities							-25 812,94	-0,01
Other							-25 812,94	-0,01
Financial accounts							3 321 595,00	0,93
Cash and cash equivalents							3 321 595,00	0,93
TOTAL NET ASSETS							356 927 127,47	100,00

(*) Financial instruments issued or managed by a Lazard Group entity

Estimate based on stock prices available on 30/10/2015

Number of K shares as at 30/10/2015	8 813,442
Net asset value as at 30/10/2015	1 295,70
Net assets as at 30/10/15	11 419 646,22
Number of R shares as at 30/10/2015	15 947,280
Net asset value as at 30/10/2015	317,94
Net assets as at 30/10/15	5 070 354,39
Number of A shares as at 30/10/2015	309 347,502
Net asset value as at 30/10/2015	1 100,50
Net assets as at 30/10/15	340 437 126,86

**CERTIFIED BY THE STATUTORY AUDITORS
PWC SELLAM**

**CERTIFIED BY THE CUSTODIAN
LAZARD FRERES BANQUE**

OBJECTIF CONVERTIBLE

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

Registered office: 121, Boulevard Haussmann, 75008 Paris France

Paris Trade and Companies Register no. 333 455 459 459

ALLOCATION RESOLUTION PASSED BY THE ORDINARY SHAREHOLDERS' MEETING OF FEBURARY 10TH, 2016

FOR THE FINANCIAL YEAR ENDED 30 October 2015

Second resolution

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

€1 281 838,14 distributable amount pertaining to net income;

€4 708 895,34 distributable amount pertaining to net capital gains and losses

And decides that it shall be allocated as follows:

1- Distributable amount pertaining to net income

€1 281 838,14 Accumulation

2- Distributable amount pertaining to net capital gains and losses

€4 708 895,34 Accumulation

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