

OBJECTIF SMALL CAPS EURO

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

**ANNUAL REPORT
for the year ended September 30th, 2016**

**Ordinary Shareholders' Meeting
on January 16th, 2016**

LAZARD Group fund

Registered office: 121, boulevard Haussmann, 75008 Paris
Paris Trade and Companies Register 449 972 835 PARIS

Board of Directors and statutory auditors

September 30th, 2016

CHAIRMAN

François Werner

NON-BOARD MEMBER CHIEF EXECUTIVE OFFICER

Jean-François Cardinet

Vice President of Lazard Frères Gestion SAS

DEPUTY CHIEF EXECUTIVE OFFICERS

James Ogilvy

Director of Lazard Frères Gestion SAS

Annabelle Vinatier

Vice President of Lazard Frères Gestion SAS

MEMBERS OF THE BOARD OF DIRECTORS

François-Marc Durand

Chairman of Lazard Frères Gestion SAS

François de Saint-Pierre

Managing Director of Lazard Frères Gestion SAS

AREAS VIE

represented by Sylvain Mortera

Lazard Frères Gestion SAS

represented by François Voss

Guarantee Fund

represented by Christian Schor

Jean-Jacques de Gournay

Managing Director of Lazard Frères Gestion SAS

SMAVIE BTP

represented by Philippe Desurmont

Réuni Retraites Salariés

represented by Francis Weber

Monica Nescaut

Managing Director of Lazard Frères Gestion SAS

NON-VOTING BOARD MEMBERS

Acte Iard S.A.

represented by Marc Wendling

B2V Gestion

represented by Caroline Fleury-Verny

STATUTORY AUDITORS

Principal: Deloitte & Associés

at the close of the Ordinary Shareholders' Meeting

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EUROZONE COUNTRY EQUITIES

A and R shares:

Distributable sums accumulated and/or distributed and/or retained
Tax rules applicable to French equity savings plans (Plans d'Epargne
en Actions - PEA)

Investment objective

The SICAV seeks to achieve capital growth at the end of the recommended investment period through exposure to small- and mid-cap markets.

Benchmark

The SICAV does not have a benchmark. Performance may be compared against the Euromoney Smaller Euro index, net dividends reinvested, over the recommended investment horizon.

The Euromoney Smaller Euro is a capitalisation-weighted, free-float adjusted index comprising several hundred Eurozone companies.

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.

- Risk of capital loss:

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

- Equity market risk:

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

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

- Risk associated with investment in the futures markets:

The SICAV may invest 0% of its assets in forward financial instruments. Such exposure to markets, assets or indices through forward financial instruments may lead to falls in the NAV that are significantly more pronounced or faster than the change in the underlying assets.

- Counterparty risk:

This is the risk associated with the SICAV's use of over-the-counter financial forwards. 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 or cause the SICAV's NAV to fall.

- Interest rate risk:

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

Eligible subscribers and typical investor profile

All subscribers.

The instruments and strategies used are that of an aggressive investment profile. The Fund is intended for investors seeking exposure to small- and mid-cap markets. 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 1st, 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 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

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 and R 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 11 a.m.

CUSTODIAN

LAZARD FRERES BANQUE. 121, boulevard Haussmann - 75008 PARIS

**BOARD OF DIRECTORS' REPORT
TO THE ORDINARY SHAREHOLDERS' MEETING of
January 16th, 2017**

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 September 30th, 2015 to September 30th, 2016.

During this period, net assets rose from €643 051 561,11 on September 30th, 2015 to €699 876 448,68 on September 30th, 2016, and the number of shares outstanding was 808 124,603 A shares and 87 786,715 R shares.

A shares

The number of shares subscribed for over the financial year was 237 733,673, representing a total of €158 141 382.

At the same time, the number of shares submitted for redemption was 297 261,615, for a total of €194 606 341,40.

The net asset value rose from €619,81 on September 30th, 2015 to €716,60 on September 30th, 2016, which equates to an increase of 15,62 %.

Past performance is no guarantee of the UCI's future results.

R shares

The number of shares subscribed for over the financial year was 38 422,489, representing a total of €49 061 292,66.

At the same time, the number of shares submitted for redemption was 38 805,672, for a total of €48 843 008,20.

The net asset value rose from €1 193,94 on September 30th, 2015 to €1 375,78 on September 30th, 2016, which equates to an increase of 15,22 %.

Past performance is no guarantee of the UCI's future results. The benchmark over the period was: 5,64 %.

Distributable net income at the end of the year was €2 492 404,96 compared with €4 137 314,86 the previous financial year.

Information on movements in the portfolio over the period:

Transaction code	ISIN	Name	Net amount €
Purchase	FR0011291657	FCP Obj.court Terme Euro C-3d	89 340 725,95
Purchase	AT0000837307	Zumtobel	9 721 172,44
Purchase	FR0000038606	Manitou	6 618 206,72
Purchase	FR0000050809	Sopra Group	5 023 795,99
Purchase	DE0007274136	Sto	4 895 679,36
Transaction code	ISIN	Name	Net amount €
Sale	FR0011291657	FCP Obj.court Terme Euro C-3d	65 896 630,79
Sale	NL0000354488	USG People	32 840 997,82
Sale	GB0033040113	Darty	28 398 171,17
Sale	FR0000036675	Groupe Crit	8 659 072,25
Sale	FR0000071946	Alten	7 896 153,66

Temporary purchases and sales of securities:

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

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

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

ECONOMIC ENVIRONMENT

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

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

IMF Economic Outlook, October 2016 update

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

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

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

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

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

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

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

Oil prices fell rapidly during until mid-January 2016 owing to strong supply in the United States and

the OPEC countries. The prospect of increased production in Iran was also a factor. They then rose again on hopes of an agreement between the major oil producers and amid disruptions to supply on several markets. On September 28th, OPEC members came to an agreement on production cuts. The Brent oil price is more or less stable (+1,2%), and stood at \$48 at end-September 2016.

Eurozone

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

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

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

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

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

Spain's catch-up momentum barely faltered, with growth slowing from an annualised +3,4% in the third quarter of 2015 to +2,8% in Q3 2016 (+3,2% year-on-year). The unemployment rate continued to decline, but at 19,5% in August 2016 according to Eurostat, it is the highest in Europe after Greece. The parliamentary elections on June 26th, like the previous ones on December 20th, 2015, failed to achieve a government majority.

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

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

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

MANAGEMENT POLICY

Objectif Small Caps Euro's A share gained 15.62% over the past financial year and the R share 15.22%. For information, this compares with gains of 5,64% for the Euromoney Smaller Euroland index and 2.75% for the Euro Stoxx. The average proportion of investments in securities over the year was 97,57%.

The equity markets saw a slight rise over the year, despite two periods of decline; in January, due to the macroeconomic fears regarding China and the emerging markets, then in June following the UK's Brexit vote. As we already observed during the previous year, small caps substantially outperformed large caps, reflected stronger earnings growth over the period.

We made numerous changes in the portfolio's assets during the course of the year. In particular, three companies in the portfolio were subject to takeover bids during the year. We therefore sold our position in Darty due to the takeover bid launched by Fnac. We also sold our position in USG People, a Dutch temporary work Group, which was subject to a takeover bid from the Japanese company Recruit. Finally, we contributed the securities held in the company Bolzoni to the takeover bid launched by the US company Hyster-Yale Materials Handling Inc. The position in Sartorius Stedim Biotech was sold due to valuation considerations. We chose to reinvest the majority of the income from these sales in existing lines, but we also initiated a new position in the software publisher Axway, a subsidiary of Sopra Steria.

A large number of stocks in the portfolio recorded significant gains over the year, such as Corticeira Amorim (+102%), Washtec (+101%), Ordina (+101%), Darty (+79% until the sale of the security in June), Ipsos (+71%) and Somfy (+58%). Only a few stocks in the portfolio recorded significant losses during the year: Bénéteau (-31%), Rosenbauer (-24%), Vossloh (-19%), Amadeus Fire (-16%) and Zumtobel (-12%) were amongst the sharpest falls.

While the macroeconomic environment seems to be improving, this improvement does not yet seem to be really visible in the earnings growth of large caps, whose growth remains strongly impacted by certain sectors (banks, oil and gas, commodities, etc.) which are facing specific issues. Conversely, we have already observed a recovery in the earnings growth of the small caps which make up our investment universe, this growth is even more pronounced for the companies in the portfolio of Objectif Small Caps Euro. The companies that we select in the portfolio all have very specific models with their own growth dynamics which reduce their sensitivity to the economic environment and to the economic cycles. This growth, which is of course not entirely disconnected from GDP, is the result, in many cases, of levers which are not directly related.

For the future, we will continue to apply the same methodology to managing the portfolio: Objectif Small Caps Euro will continue to consist of stocks selected for the quality of their business models, their high recurring returns and their attractive valuations. This means that the SICAV is made up of companies with low gearing, high earnings visibility and a moderate beta. The companies of the portfolio show high, sustainable levels of profitability, healthy balance sheets and sound growth prospects. These companies seem to have a significant appreciation potential, given the strength of their earnings growth and their valuation levels.

Objectif Small Caps Euro is PEA-eligible and was 96,64% invested in PEA-eligible equities at the end of the year.

TRADING FEES

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

These 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.

PROCEDURE FOR SELECTING AND ASSESSING BROKERS AND COUNTERPARTIES

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

BROKERAGE FEES

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

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.

INFORMATION ON ESG CRITERIA

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

The quality of corporate governance is assessed for all companies whose shares are held by UCIs managed by Lazard Frères Gestion, even when the portfolios in question are not specifically pursuing SRI strategies. As such, the Objectif Small Caps Euro 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 WHICH TOOK PLACE DURING THE PERIOD AND WHICH ARE STILL TO TAKE PLACE

Information on withholding tax paid on dividends

European Union countries may apply different taxation methods for dividends paid to domestic entities and foreign entities. Foreign entities that receive dividends are frequently subject to withholding tax, causing a difference in tax treatment that is in breach of the free circulation of capital, and therefore contrary to European Union law.

Since there are several decisions made by the European Union Court of Justice and the Council of State

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

The SICAV assumed exceptional expenses of €5 545,82 linked to the collection of receivables concerning withholding tax on dividends received from foreign companies.

Change in Statutory auditor

The Board of Directors, meeting on November 12th, 2015, decided to appoint the firm Deloitte & Associés as statutory auditor for six financial years, namely until the Shareholders' Meeting called to approve the financial statements at end-September 2021.

Marketing the Fund outside France

Under the terms of the "product passport" introduced by the UCITS IV directive, the SICAV **Objectif Small Caps Euro** A shares: FR0000174310 - R shares: FR0010689141 will soon be marketed in Portugal.

Change in valuation day

The Chairman of the management company Lazard Frères Gestion SAS has decided to change the prospectus of the **SICAV Objectif Small Caps Euro** (A shares: FR0000174310 – R shares: FR0010689141) so that:

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

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

Effective date: July, 16th 2016.

Terms of office of individual members of Objectif Small Caps Euro at September 30th, 2016

Names of the members	Number of offices held	List of offices and functions
François Werner	1	Chairman of the SICAV Objectif Small Caps Euro's Board of Directors
François de Saint-Pierre Managing Director of Lazard Frères Gestion SAS	4	Chairman of the SICAV Objectif Monde's Board of Directors Chairman and Chief Executive Officer of Objectif Gestion Mondiale Member of the Boards of Directors of the SICAVs: - Objectif Small Caps Euro - Objectif Investissement Responsable
François-Marc Durand Chairman of Lazard Frères Gestion SAS	4	Member of the Boards of Directors of the SICAVs: . Objectif Small Caps Euro . Objectif Alpha Obligataire . Objectif Alpha Allocation Chairman and Chief Executive Officer of the SICAV Norden
Monica Nescaut Managing Director of Lazard Frères Gestion SAS	5	Member of the Boards of Directors of the SICAVs: . Objectif Small Caps Euro . Objectif Alpha Obligataire . Norden . Objectif Alpha Europe . Objectif Investissement Responsable
Jean-Jacques de Gournay Managing Director of Lazard Frères Gestion SAS	5	Chairman of the SICAV Objectif Court Terme Dollar's Board of Directors Member of the Boards of Directors of the SICAVs: . Objectif Small Caps Euro . Objectif Investissement Responsable . Objectif Alpha Obligataire . Lazard Financials Debt

Directors' fees paid by Objectif Small Caps Euro to members of the Board of Directors for the financial year ended September 30th, 2016

Members of the Board of Directors	Directors' fees paid by the SICAV
François Werner	€ 7.623
François de Saint-Pierre Managing Director of Lazard Frères Gestion SAS	0
Jean-François Cardinet Vice President of Lazard Frères Gestion SAS	0
James Ogilvy Director of Lazard Frères Gestion SAS	0
Annabelle Vinatier Vice President of Lazard Frères Gestion SAS	0
François-Marc Durand Chairman of Lazard Frères Gestion SAS	0
Monica Nescaut Managing Director of Lazard Frères Gestion SAS	0
AREAS Vie Represented by Sylvain Mortera	€ 1.525
Lazard Frères Gestion SAS represented by François Voss	0
Guarantee Fund Represented by Christian Schor	€ 1.525
Jean-Jacques de Gournay Managing Director of Lazard Frères Gestion SAS	0
SMA Vie BTP Represented by Philippe Desurmont	€ 1.525
Réuni Retraites Salariés Represented by Francis Weber	€ 1.525
Acte Iard S.A. Represented by Marc Wendling	€ 1.525
B2V Gestion represented by Caroline Fleury-Verny	€ 1.525

OBJECTIF SMALL CAPS EURO

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

121, Boulevard Haussmann
75008 Paris, France

STATUTORY AUDITOR'S REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Financial year ended September 30th, 2016

In accordance with the terms of our appointment, we hereby report to you on the following matters for the financial year ended September 30th, 2016, on:

- the audit of the accompanying financial statements of OBJECTIF SMALL CAPS EURO, established in euros,
- the basis of our opinions,
- the specific verifications and disclosures required by law.

The 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, and the overall presentation of the financial statements. We believe that our audit has provided us with sufficient relevant information on which to base our opinion.

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

OBJECTIF SMALL CAPS EURO

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 compliance with accounting principles and methods applicable to UCIs.

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 Board of Directors' 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.

Neuilly-sur-Seine, November 28th, 2016

Statutory auditor

Le Commissaire aux Comptes

Deloitte & Associés



Olivier GALIENNE

OBJECTIF SMALL CAPS EURO

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

121, Boulevard Haussmann
75008 Paris, France

STATUTORY AUDITOR'S SPECIAL REPORT ON REGULATED AGREEMENTS

Shareholders' meeting to approve the financial statements for the financial year ended
September 30th, 2016

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.

Neuilly-sur-Seine, November 28th, 2016
Statutory auditor

Le Commissaire aux Comptes
Deloitte & Associés



Olivier GALIENNE

Balance sheet at September 30th, 2016 (in euros)

ASSETS	YEAR ENDED 30/09/16	YEAR ENDED 30/09/15
	€uros	€uros
NET NON-CURRENT ASSETS	0,00	0,00
DEPOSITS	0,00	0,00
FINANCIAL INSTRUMENTS	699 830 848,99	642 863 825,93
➤ EQUITIES AND SIMILAR SECURITIES	669 084 317,74	636 207 272,59
Traded on a regulated or equivalent market	669 084 317,74	636 207 272,59
Not traded on a regulated or equivalent market	0,00	0,00
➤ BONDS AND SIMILAR SECURITIES	0,00	0,00
Traded on a regulated or equivalent market	0,00	0,00
Not traded on a regulated or equivalent market	0,00	0,00
➤ DEBT SECURITIES	0,00	0,00
Traded on a regulated or equivalent market	0,00	0,00
▪ Negotiable debt securities	0,00	0,00
▪ Other debt securities	0,00	0,00
Not traded on a regulated or equivalent market	0,00	0,00
➤ UNDERTAKINGS IN COLLECTIVE INVESTMENT	30 746 531,25	6 656 553,34
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	30 746 531,25	6 656 553,34
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 and unlisted securitisation entities	0,00	0,00
Other non-European entities	0,00	0,00
➤ TEMPORARY SECURITIES TRANSACTIONS	0,00	0,00
Receivables on securities purchased under repurchase agreements	0,00	0,00
Receivables on loaned securities	0,00	0,00
Borrowed securities	0,00	0,00
Securities sold under repurchase agreements	0,00	0,00
Other temporary transactions	0,00	0,00
➤ FORWARD FINANCIAL INSTRUMENTS	0,00	0,00
Transactions on a regulated or equivalent market	0,00	0,00
Other transactions	0,00	0,00
➤ OTHER FINANCIAL INSTRUMENTS	0,00	0,00
RECEIVABLES	452 539,32	329 980,93
Currency forward exchange contracts	0,00	0,00
Other	452 539,32	329 980,93
FINANCIAL ACCOUNTS	0,00	0,00
Cash and cash equivalents	0,00	0,00
TOTAL ASSETS	700 283 388,31	643 193 806,86

LIABILITIES AND SHAREHOLDERS' EQUITY	YEAR ENDED	YEAR ENDED
	30/09/16 Euros	30/09/15 Euros
SHAREHOLDERS' EQUITY		
➤ Capital	654 892 237,24	567 334 304,27
➤ 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)	42 491 806,48	71 579 941,99
➤ Net income for the year (ab)	2 492 404,96	4 137 314,86
TOTAL SHAREHOLDERS' EQUITY (= Sum representing the net assets)	699 876 448,68	643 051 561,12
FINANCIAL INSTRUMENTS	0,00	0,00
➤ <i>SALES OF FINANCIAL INSTRUMENTS</i>	<i>0,00</i>	<i>0,00</i>
➤ <i>TEMPORARY FINANCIAL SECURITIES TRANSACTIONS</i>	<i>0,00</i>	<i>0,00</i>
Liabilities on financial securities sold under repurchase agreements	0,00	0,00
Liabilities on borrowed financial securities	0,00	0,00
Other temporary transactions	0,00	0,00
➤ <i>FORWARD FINANCIAL INSTRUMENTS</i>	<i>0,00</i>	<i>0,00</i>
Transactions on a regulated or equivalent market	0,00	0,00
Other transactions	0,00	0,00
LIABILITIES	46 848,96	42 144,44
Currency forward exchange contracts	0,00	0,00
Other	46 848,96	42 144,44
FINANCIAL ACCOUNTS	360 090,67	100 101,30
Bank account overdrafts	360 090,67	100 101,30
Loan	0,00	0,00
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	700 283 388,31	643 193 806,86
(a) Including accrued income		
(b) Less interim dividends paid for the financial year		

Off-balance sheet at September 30th, 2016 (in euros)

	YEAR ENDED	YEAR ENDED
	30/09/16	30/09/15
	€uros	€uros
HEDGING TRANSACTIONS		
➤ COMMITMENTS ON REGULATED MARKETS OR SIMILAR		
➤ OVER-THE-COUNTER COMMITMENTS		
➤ OTHER COMMITMENTS		
OTHER TRANSACTIONS		
➤ COMMITMENTS ON REGULATED MARKETS OR SIMILAR		
➤ OVER-THE-COUNTER COMMITMENTS		
➤ OTHER COMMITMENTS		

Income statement for the financial year ended September 30th, 2016 (in euros)

	YEAR ENDED 30/09/16 Euros	YEAR ENDED 30/09/15 Euros
INCOME FROM FINANCIAL TRANSACTIONS¹	14 660 574,10	16 140 143,09
▪ Income from deposits and financial accounts	0,00	0,00
▪ Income from equities and similar securities	14 660 574,10	16 140 020,11
▪ Income from bonds and similar securities	0,00	0,00
▪ Income from debt securities	0,00	0,00
▪ Income from temporary purchases and sales of financial securities	0,00	0,00
▪ Income from financial contracts	0,00	0,00
▪ Other financial income	0,00	122,98
TOTAL I	14 660 574,10	16 140 143,09
CHARGES ON FINANCIAL TRANSACTIONS	0,00	46 595,56
▪ Charges on temporary purchases and sales of financial securities	0,00	0,00
▪ Charges on financial contracts	0,00	0,00
▪ Charges on financial debt	0,00	1 137,16
▪ Other financial charges	0,00	45 458,40
TOTAL II	0,00	46 595,56
NET INCOME FROM FINANCIAL TRANSACTIONS (I - II)	14 660 574,10	16 093 547,53
▪ Other income (III)	0,00	0,00
▪ Management fees and depreciation and amortisation (IV)*	12 303 510,75	11 863 344,55
NET INCOME FOR THE FINANCIAL YEAR (L.214-17-1) (I - II + III - IV)	2 357 063,35	4 230 202,98
▪ Income adjustment for the financial year (V)	135 341,61	-92 888,12
▪ Interim dividends paid on net income for the financial year (VI)	0,00	0,00
NET INCOME (I-II+III-IV+/-V-VI)	2 492 404,96	4 137 314,86

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

The SICAV assumed exceptional expenses of €5 545,82 linked to the collection of fees for professional services related to the recovery of withholding tax in Spain.

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 rate prevailing in Paris on the valuation day (as published by the European Central Bank).

- **Fixed-income securities**

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

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

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

Financial instruments whose prices have not been determined on the valuation 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 an actuarial method, with a benchmark rate plus, where applicable, a margin representative of the issuer’s intrinsic features.

Benchmark rate	
Negotiable debt securities in euros	Negotiable debt securities in other
Euribor, OIS swaps and BTFs - 3 – 6 – 9 – 12 months BTAN medium-term treasury notes - 18 months, 2 – 3 – 4 – 5 years	Official key rates in the relevant countries

- **Negotiable debt securities with a residual maturity of three months or less:**
Negotiable debt securities with a residual maturity of three months or less are valued using the straight-line method. However, this method would not be applied if any of these securities were particularly sensitive to market movements.
- **UCI:**
Units or shares of UCIs are valued at the last known NAV.
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 SICAV'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 UCI'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 UCI'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 UCI's currency).

2 – Accounting policies

▪ Income from fixed-income securities

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

▪ Management fees

- Management fees are calculated on each valuation day.

- The annual management fee rate is applied to gross assets (equal to net assets before

deduction of the day's management fees) less UCIs managed by Lazard Frères Gestion SAS using the following formula:

$$\begin{array}{rcl} & & (\text{Gross assets} - \text{UCIs managed by Lazard Frères Gestion SAS}) \\ \times & & \text{operating and management fees rate} \\ \times & & \frac{\text{no. of days until next NAV}}{365} \end{array}$$

- Under the valuation rules set out in the prospectus, *“The net asset value is dated the day on which it is valued, where the valuation date falls on the day before a non-working period in France (weekends or public holidays).”*
- This amount is then recorded in the SICAV's income statement.
- The SICAV pays the operating fees, which include:
 - . 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 1,85%. The basis for calculation is the net assets, as described in the prospectus.

The maximum rate for management fees for R shares is 2,20%. The basis for calculation is the net assets, as described in the prospectus.

Allocation of distributable income

A shares: Distributable sums accumulated and/or distributed and/or retained

R shares: Distributable sums accumulated and/or distributed and/or retained.

▪ **Transaction charges**

Transactions are recorded excluding charges.

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

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

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

II – Changes in net assets

		YEAR ENDED 30/09/16 €uros	YEAR ENDED 30/09/15 €uros
Net assets at start of year		643 051 561,11	581 879 268,70
Subscriptions (including subscription fees retained by the UCI)	+	207 202 674,66	146 343 741,11
Redemptions (net of redemption fees retained by the UCI)	-	-243 449 349,60	-190 530 285,10
Realised capital gains on deposits and financial instruments	+	44 112 752,70	74 896 703,54
Realised capital losses on deposits and financial instruments	-	-129 471,82	-184 872,12
Realised capital gains on forward financial instruments	+	0,00	0,00
Realised capital losses on forward financial instruments	-	0,00	0,00
Transaction charges	-	-744 843,95	-1 102 713,39
Exchange differences	+/-	0,00	0,00
Change in valuation difference of financial instruments	+/-	47 476 062,22	27 519 515,40
▪ Valuation difference for financial year N		137 793 672,28	90 317 610,06
▪ Valuation difference for financial year N - 1		90 317 610,06	62 798 094,66
Change in valuation difference of forward financial instruments	+/-		
		0,00	0,00
▪ Valuation difference for financial year N		0,00	0,00
▪ Valuation difference for financial year N - 1		0,00	0,00
Distribution of prior year's net capital gains and losses	-	0,00	0,00
Dividends paid in the previous financial year	-	0,00	0,00
Net profit/loss for the financial year prior to income adjustment	+/-	2 357 063,35	4 230 202,98
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*	+/-	0,01	-0,01
Net assets at end of year		699 876 448,68	643 051 561,11

* Decimal rounding

III – Additional information

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

Bonds and similar securities by instrument type

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

Debt securities by instrument type

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

Sales of financial instruments by instrument type

➤ negotiable debt securities	None
➤ equities	None
➤ bonds	None

Breakdown of off-balance sheet items by market type

➤ interest rates	None
➤ equities	None
➤ currencies	None

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

Assets	Fixed rate	Variable rate	Adjustable rate	Other
Deposits				
Bonds and similar securities				
Debt securities				
Temporary financial securities transactions				
Financial accounts				*
Liabilities and shareholders' equity				
Temporary financial securities transactions				
Financial accounts				360 090,67
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					
Debt securities					
Temporary financial securities transactions					
Financial accounts					
Liabilities and shareholders' equity					
Temporary financial securities transactions					
Financial accounts		360 090,67			
Off-balance sheet items					
Hedging transactions					
Other transactions					

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

Assets
Deposits
Equities and similar securities
Bonds and similar securities
Debt securities
UCI
Temporary financial securities transactions
Receivables
Financial accounts
Liabilities and shareholders' equity
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 exchange contracts	
▪ Buy	None
▪ Sell	None
➤ Interest and dividends receivable	€443 621,50
➤ Deferred settlement sale	None
➤ Other	€8 917,82

Other liabilities

➤ Breakdown of forward exchange contracts	
▪ Buy	None
▪ Sell	None
➤ Deferred settlement purchase	None
➤ Management fees payable	€46 848,96
➤ Other	None

3.6 Shareholders' equity

Number and value of securities:

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

Quantity:	237733,673 A shares	Value: €	158 141 382,00
Quantity:	38422,489 R shares	Value: €	49 061 292,66

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

Quantity:	297261,615 A shares	Value: €	194 606 341,40
Quantity:	38805,672 R shares	Value: €	48 843 008,20

Subscription and/or redemption fees:

- Total subscription and/or redemption fees received
 - € 83,639,45 A shares
 - € 2,838,31 R shares
- Total subscription and/or redemption fees passed on to third parties
 - € 83,639,45 A shares
 - € 2,838,31 R shares
- Total subscription and/or redemption fees retained by the UCI
 - € 0,00 A shares
 - € 0,00 R shares

3.7 Management fees

A shares

- Fixed management fees: percentage of average assets 1,80

R shares

- Fixed management fees: percentage of average assets 2,14
- Performance fees (variable fees): None
- Retrocession fees received in relation to UCI held None

3.8 Commitments received and given

- Commitments received None
- Commitments given None

3.9 Other information

➤ Stock-market value of securities held temporarily

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

➤ Present value of financial instruments representing security deposits: None

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

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

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

3.10 Table of allocation of distributable amounts

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

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

Table of allocation of distributable amounts pertaining to net income	YEAR ENDED 30/09/16 Euros	YEAR ENDED 30/09/15 Euros
---	---------------------------------	---------------------------------

AMOUNTS TO BE ALLOCATED

▪ Retained earnings	0,00	0,00
▪ Profit (Loss)	2 492 404,96	4 137 314,86
TOTAL	2 492 404,96	4 137 314,86

A SHARE/ FR0000174310

APPROPRIATION

▪ Distribution	0,00	0,00
▪ Balance brought forward for the financial year	0,00	0,00
▪ Accumulation	2 381 103,82	3 752 308,44
TOTAL	2 381 103,82	3 752 308,44

Information on shares with dividend rights

Number of shares or units	0,00	0,00
Dividend per unit	0,00	0,00

R SHARE / FR0010689141

APPROPRIATION

▪ Distribution	0,00	0,00
▪ Balance brought forward for the financial year	0,00	0,00
▪ Accumulation	111 301,14	385 006,42
TOTAL	111 301,14	385 006,42

Information on shares with dividend rights

Number of shares or units	0,00	0,00
Dividend per unit	0,00	0,00

Table of allocation of distributable amounts pertaining to net capital gains and losses	YEAR ENDED 30/09/16 €uros	YEAR ENDED 30/09/15 €uros
AMOUNTS TO BE ALLOCATED		
▪ Undistributed net capital gains and losses recognised in previous	0,00	0,00
▪ Net capital gains and losses for the year	42 491 806,48	71 579 941,99
▪ Interim dividends paid on net capital gains/losses for the financial	0,00	0,00
TOTAL	42 491 806,48	71 579 941,99
A SHARE/ FR0000174310		
APPROPRIATION		
▪ Distribution	0,00	0,00
▪ Undistributed net capital gains and losses	0,00	0,00
▪ Accumulation	35 159 582,84	59 861 894,91
TOTAL	35 159 582,84	59 861 894,91
R SHARE / FR0010689141		
APPROPRIATION		
▪ Distribution	0,00	0,00
▪ Undistributed net capital gains and losses	0,00	0,00
▪ Accumulation	7 332 223,64	11 718 047,08
TOTAL	7 332 223,64	11 718 047,08

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

	Year ended 28/09/2012	Year ended 30/09/2013	Year ended 30/09/2014	Year ended 30/09/2015	Year ended 30/09/2016
NUMBER OF SHARES ISSUED OVER THE FINANCIAL YEAR					
A shares	166 357	410 817	517 883,948	191 280,479	237 733,673
R shares	19 505	62 743	114 674,712	32 276,207	38 422,489
Value in euros					
A shares	57 061 229,09	170 942 370,47	282 300 845,53	109 177 431,01	158 141 382,00
R shares	13 355 314,42	52 378 727,81	119 336 919,90	37 166 310,10	49 061 292,66
NUMBER OF SHARES REDEEMED OVER THE FINANCIAL YEAR					
A shares	177 990	217 987	522 563,170	223 798,238	297 261,615
R shares	8 266	19 820	90 798,902	56 117,648	38 805,672
Value in euros					
A shares	60 953 848,23	86 160 668,58	285 498 812,95	130 274 405,21	194 606 341,40
R shares	5 477 849,76	16 541 493,05	95 650 042,06	60 255 879,89	48 843 008,20
NUMBER OF SHARES OUTSTANDING	757 233	992 985,055	1 012 181,643	955 822,443	895 911,318
A shares	712 020	904 849,526	900 170,304	867 652,545	808 124,603
R shares	45 213	88 135,529	112 011,339	88 169,898	87 786,715
NET ASSETS (in €)	286 071 194,18	506 057 706,15	581 879 268,69	643 051 561,11	699 876 448,68
A shares	254 607 214,08	425 644 922,48	469 059 682,90	537 781 167,02	579 109 360,51
R shares	31 463 980,10	80 412 783,67	112 819 585,79	105 270 394,09	120 767 088,17
NET ASSET VALUE (in €)					
A shares	357,58	470,40	521,07	619,81	716,60
R shares	695,91	912,37	1 007,21	1 193,94	1 375,68
NET INCOME EXCLUDING INCOME ADJUSTMENT (in €)	1 721 527,99	2 801 176,16	-156 326,19	4 230 202,98	2 357 063,35
DISTRIBUTABLE NET INCOME (in €)	1 831 948,43	2 781 716,61	-901 106,33	4 137 314,86	2 492 404,96
Distribution per unit of distributable net capital gains/losses (including interim dividends)	0,00		accumulation	accumulation	accumulation
Distribution per share of distributable net income (including interim dividends)	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation
Tax credit per unit transferred to shareholders (individuals)*					
Accumulation per share pertaining to income in euros					
A shares	2,28	2,58	-0,44	4,32	2,94
R shares	4,45	5,01	-4,43	4,36	1,26
Accumulation per unit pertaining to net capital gains/losses (in €)					
A shares	0,00	0,00	35,47	68,99	43,50
R shares	0,00	0,00	68,57	132,90	83,52

* 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 SMALL CAPS EURO'S ASSETS AS AT FRIDAY, SEPTEMBER 30th, 2016

Description	ISIN	Price	Coupon	Curr.	Curr. price	QTY	Valuation €	%
TOTAL							699 830 848,99	99,99
EQUITIES							669 084 317,74	95,60
EUROPE							445 940 812,74	63,72
ALTRI SGPS SA	PTALT0AE0002	3,1120		EUR		3 247 000,00	10 104 664,00	1,44
AMADEUS FIRE AG.	DE0005093108	63,7600		EUR		180 000,00	11 476 800,00	1,64
ATRESMEDIA CORP. DE MEDIOS SA	ES0109427734	9,7600		EUR		855 000,00	8 344 800,00	1,19
BETER BED HOLDING NV	NL0000339703	19,9100		EUR		965 000,00	19 213 150,00	2,75
BIJOU BRIGITTE MODISCHE ACC.AG	DE0005229504	52,6810		EUR		188 220,00	9 915 617,82	1,42
CARGOTEC OYJ -B-	FI0009013429	40,8500		EUR		865 000,00	35 335 250,00	5,05
CORTICEIRA AMORIM SGPS SA	PTCOR0AE0006	8,6630		EUR		1 950 000,00	16 892 850,00	2,41
DE LONGHI SPA	IT0003115950	21,5400		EUR		1 069 000,00	23 026 260,00	3,29
DECEUNINCK NV	BE0003789063	2,3630		EUR		6 420 000,00	15 170 460,00	2,17
DECEUNINCK NV (STRIP VVPR)	BE0005632063	0,0000		EUR		938 708,00	0,00	0,00
DRAEGERWERK AG & CO KGAA (N)	DE0005550602	56,8600		EUR		359 151,00	20 421 325,86	2,92
ELECTRONIKI ATHINON SA	GRS352003008	0,4800		EUR		261 666,00	125 599,68	0,02
GFK SE	DE0005875306	31,0150		EUR		716 200,00	22 212 943,00	3,17
INTERPUMP GROUP SPA	IT0001078911	15,1700		EUR		1 540 000,00	23 361 800,00	3,34
KSB AG (PFD.)	DE0006292030	370,0000		EUR		28 600,00	10 582 000,00	1,51
LPKF LASER & ELECTRONICS AG	DE0006450000	10,0800		EUR		1 169 700,00	11 790 576,00	1,68
LUCAS BOLS NV	NL0010998878	16,0000		EUR		596 430,00	9 542 880,00	1,36
ORDINA N.V.	NL0000440584	2,0060		EUR		5 033 800,00	10 097 802,80	1,44
PRIMA INDUSTRIE S.P.A.	IT0003124663	13,6000		EUR		540 000,00	7 344 000,00	1,05
RAPALA VMC OYJ	FI0009007355	4,3600		EUR		1 170 000,00	5 101 200,00	0,73
ROSENBAUER INTERNATIONAL AG	AT0000922554	53,7700		EUR		361 205,00	19 421 992,85	2,78
STO SE AND CO.KGAA (PREF.)	DE0007274136	110,9500		EUR		157 790,00	17 506 800,50	2,50
SURTECO SE	DE0005176903	22,8000		EUR		660 000,00	15 048 000,00	2,15
TECHNOTRANS AG (N)	DE000A0XYGA7	22,6200		EUR		434 500,00	9 828 390,00	1,40
VAN DE VELDE NV	BE0003839561	64,3400		EUR		383 200,00	24 655 088,00	3,52
VOSSLOH AG.	DE0007667107	52,9300		EUR		586 011,00	31 017 562,23	4,43
WASHTEC A.G.	DE0007507501	42,2000		EUR		610 000,00	25 742 000,00	3,68
ZUMTOBEL GROUP AG.	AT0000837307	17,1900		EUR		1 900 000,00	32 661 000,00	4,67
FRANCE							223 143 505,00	31,88
ALTEN	FR0000071946	62,2400		EUR		390 000,00	24 273 600,00	3,47
AXWAY SOFTWARE	FR0011040500	28,1900		EUR		73 300,00	2 066 327,00	0,30
BENETEAU	FR0000035164	9,0700		EUR		1 500 800,00	13 612 256,00	1,94
EXEL INDUSTRIES -A-	FR0004527638	68,8000		EUR		209 000,00	14 379 200,00	2,05
FAIVELEY TRANSPORT	FR0000053142	98,7500		EUR		243 000,00	23 996 250,00	3,43
GROUPE CRIT	FR0000036675	54,1000		EUR		185 000,00	10 008 500,00	1,43
HAVAS	FR0000121881	7,5240		EUR		1 950 000,00	14 671 800,00	2,10
IPSOS SA	FR0000073298	29,0700		EUR		1 090 000,00	31 686 300,00	4,53
MANITOU	FR0000038606	15,5000		EUR		1 481 454,00	22 962 537,00	3,28
MANUTAN INTERNATIONAL	FR0000032302	53,9000		EUR		319 000,00	17 194 100,00	2,46
SOMFY SA	FR0000120495	402,0000		EUR		49 900,00	20 059 800,00	2,87
SOPRA STERIA GROUP	FR0000050809	104,4500		EUR		270 300,00	28 232 835,00	4,03
UCI							30 746 531,25	4,39
General UCITS aimed at non-professionals and their equivalent in other countries							30 746 531,25	4,39
FCP INVESTISSEMENT PEA-PME-A2D	(*) FR0011637156	118,5400		EUR		15 000,00	1 778 100,00	0,25
FCP INVESTISSEMENT PEA-PME-R2D	(*) FR0011637164	116,9500		EUR		1,00	116,95	0,00
FCP OBJ.COURT TERME EURO -C-3D	(*) FR0011291657	2 012,3300		EUR		11 645,00	23 433 582,85	3,35
FCP OBJ.INVESTIS.MICROCAPS(2D)	(*) FR0011042811	153,6100		EUR		15 000,00	2 304 150,00	0,33
FCP OBJECTIF MID CAP.EUR-A(2D)	(*) FR0011429521	130,2600		EUR		24 800,00	3 230 448,00	0,46
FCP OBJECTIF MID CAP.EUR-R(2D)	(*) FR0011429539	133,4500		EUR		1,00	133,45	0,00
Securities sold under repurchase agreements							0,00	0,00
Receivables on securities purchased under repurchase agreements							0,00	0,00
Liabilities on securities sold under repurchase							0,00	0,00
Forward financial instruments							0,00	0,00
Swaps							0,00	0,00
Receivables							452 539,32	0,06
Other							452 539,32	0,06
Liabilities							-46 848,96	-0,01
Other							-46 848,96	-0,01
Financial accounts							-360 090,67	-0,05
Cash and cash equivalents							-360 090,67	-0,05
TOTAL NET ASSETS							699 876 448,68	100,00

(*) Financial instruments issued or managed by a Lazard Group entity
Estimate based on stock prices available on 30/09/2016

Number of R shares as at 30/10/2016
Net asset value as at 30/09/2016
Net assets as at 30/06/2016

87 786,715
1 375,68
120 767 088,17

Number of A shares as at 30/09/2015
Net asset value as at 30/09/2016
Net assets as at 30/06/2016

808 124,603
716,60
579 109 360,51

CERTIFIED BY THE STATUTORY AUDITOR
DELOITTE & ASSOCIES

CERTIFIED BY THE CUSTODIAN
LAZARD FRERES BANQUE

OBJECTIF SMALL CAPS EURO

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

Registered office: 121, boulevard Haussmann, 75008 Paris

Paris Trade and Companies Register 449 972 835 Paris

**RESOLUTION CONCERNING THE ALLOCATION OF DISTRIBUTABLE INCOME VOTED
BY THE ORDINARY SHAREHOLDERS' MEETING OF JANUARY 16th, 2017**

FOR THE FINANCIAL YEAR ENDED September 30th, 2016

Second resolution

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

€2 492 404,96 distributable amount pertaining to net income;

€42 491 806,48 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:

€2 492 404,96 to share capital

2) Distributable amount pertaining to net capital gains and losses

€42 491 806,48 accumulation

No dividends will therefore be paid for this financial year.

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