

| International bonds and debt securities | ISIN code | NAV € | Net assets (€ million) : | Total net assets (€ million) : |
|---|--------------|-----------|---------------------------|--------------------------------|
| C unit | FR0010590950 | 14 564,25 | 386,33 | |
| R unit created on July 3 rd 2009 | FR0010752543 | 326,42 | 105,25 | 670,76 |
| I unit created on April 14 th 2014 | FR0011844034 | 1 181,43 | 106,52 | |
| G unit created on August 8 th 2014 | FR0012074151 | 104,94 | 68,00 | |
| | ISIN code | NAV \$ | Net assets (\$ million) : | |
| DH unit created on January 7 th 2016 | FR0013076932 | 1 167,50 | 4,43 | |
| | ISIN code | NAV CHF | Net assets (\$ million) : | |
| H-CHF unit created on March 20 th 2017 | FR0013076932 | 1 045,12 | 1,05 | |

MANAGEMENT

INVESTMENT POLICY

The management objective aims to achieve, on a minimum investment horizon of 3 years, a performance net of fees of Eonia + 2,70% for the C and G shares, Eonia + 2,30% for the I shares, Eonia + 2% for the R shares, ICE Libor USD Overnight denominated in USD for the DH share and Libor CHF denominated in CHF for the H-CHF share. To attain this objective, the strategy will rely on an active management of the portfolio mainly invested in subordinated securities (this type of debt is more risky than Senior Unsecured or Securitized debts), or any securities, not considered as common stocks, issued by European financial institutions. The investment process combine both a Top-down approach (strategic and geographical allocation approach which takes into consideration the macro and sectorial environments) and a Bottom-up approach (stock-picking based on fundamental analysis of the issuer and its securities) and then integrating the regulatory environment in which this asset class evolves. The modified duration will be managed in a 0 to 8 range. The UCIT will only invest into debts or securities issued by companies incorporated in an OECD country and/or in issues or securities listed on a stock exchange of those countries. The UCIT only invests in securities negotiated in Euro, dollar and sterling.

FUND MANAGER'S COMMENT - François Lavier

The net asset value of Crédit Fi rose by 0,59% over the month (C share).

Spreads on financial debt declined in September. Tier 1 bonds tightened by 22bp to 200bp against government bonds, Tier 2 bonds by 4bp to 176bp, while Senior debts widened by 1bp to end the month at 77bp according to JP Morgan's SUSI indices. CoCos tightened by 22bp in OAS to end the month at 356bp according to Barclays' Global index.

The German government bond yield curve steepened during the month, with the 10-year yield up 10bp to 0,46% and the 5-year yield up 8bp to -0,27%, while the 2-year yield rose 4bp to -0,69%.

Crédit Fi posted a net performance of +5,77% year-to-date compared with +5,24% for the JP Morgan SUSI Lower Tier 2 and +6,17% for the SUSI Tier 1.

The fund has a 260-day volatility of 2,0% compared with 1,7% for the SUSI Lower Tier 2 and 1,0% for the SUSI Tier 1.

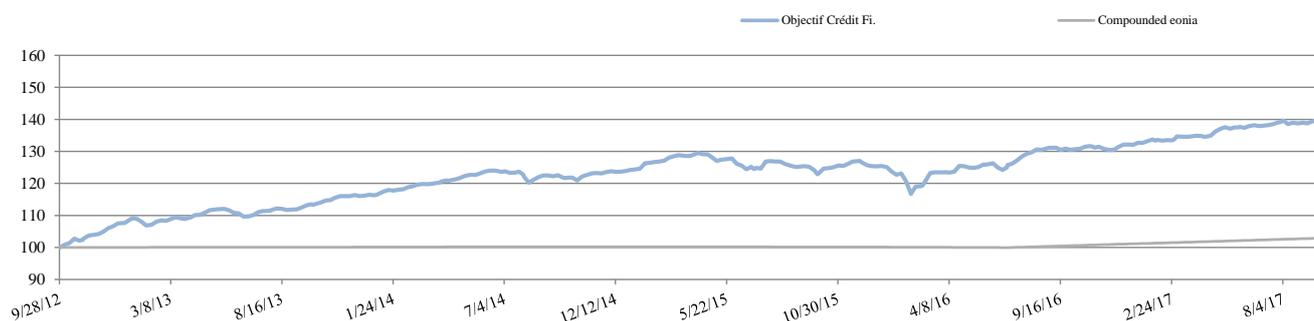
September was a relatively quiet month in the financial sector: little primary activity (as expected, and this is set to continue until the end of the year), few important events (with the exception of the hurricane season affecting reinsurers, but this will essentially impact income statements rather than undermine the sector's solvency). The Fed announced it would start reducing its balance sheet from October to the tune of \$10 billion per month to begin with. A number of new issuers entered the market in the Tier 2 or AT1 segments, essentially small Dutch, Danish or Italian institutions.

The primary market, excluding covered bonds, totalled €28bn in gross issuance of Senior Unsecured debt according to Barclays, with **net bank issuance totalling -€2bn over the month**. Since the beginning of the year, gross issuance has totalled €199bn and net issuance is negative to the tune of €34bn.

Crédit Fi has a yield to maturity of 4,2% and a yield to call of 3,4% with a modified duration of 1,9 and a credit duration of 5,3.

PERFORMANCE

HISTORICAL PERFORMANCE



Past performance indications is not a guarantee of current or future performance

PERFORMANCE

| Annualized performance | 2017 | 2016 | 2015 | 2014 | 2013 |
|------------------------|-------|-------|--------|-------|-------|
| Objectif Crédit Fi. | 5,77% | 5,27% | 1,14% | 6,53% | 8,18% |
| Compounded eonia | 1,76% | 1,03% | -0,11% | 0,10% | 0,09% |

SCALE RISK**



**Risk scale calculated from the volatility of the UCITS over a period of 5 years (see detail on the back)

| Cumulative performance* | Month | YTD | 1 year | 3 years | 5 ans |
|-------------------------|-------|-------|--------|---------|--------|
| Objectif Crédit Fi. | 0,59% | 5,77% | 7,05% | 14,82% | 39,70% |
| Compounded eonia | 0,18% | 1,76% | 2,35% | 2,69% | 2,91% |

RISK RATIOS

| | 1 year | 3 years |
|--------------------------|--------|---------|
| Volatility | | |
| Objectif Crédit Fi. | 2,34% | 4,44% |
| Compounded eonia | 0,01% | 0,17% |
| Tracking error | 2,34% | 4,42% |
| Information ratio | 1,92 | 0,84 |

Ratios calculated on a weekly basis over 1 year and monthly over three years

* The performance quoted represents past performance. Past performance does not guarantee future results.

Modified duration 1,9

Spread duration 5,3

Yield to call 3,4%

Average rating (issuer)* A

Yield to maturity 4,2%

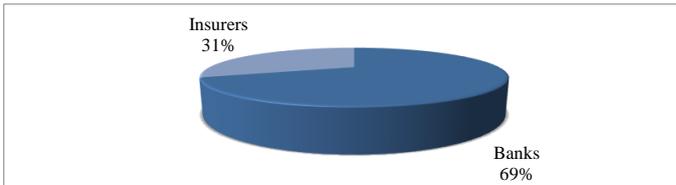
Average rating (issues)* BBB

*Average of the best rating for each security

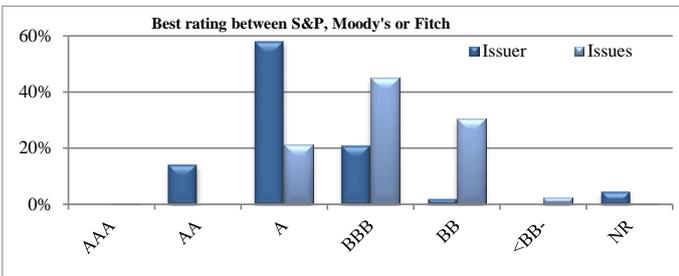
MAIN HOLDINGS

| Main holdings | | % |
|------------------------------|---------------|------|
| Dresdner 8,151% 30/06/2031 | Legacy Tier 1 | 2,6% |
| Barclays Bank 27/11/2099 | Legacy Tier 1 | 2,1% |
| HSBC Cap. 10,176% 17/04/2099 | Legacy Tier 1 | 2,0% |
| Direct Line 27/04/2042 | Tier 2 | 1,8% |
| Axa 8,60% 15/12/2030 | Legacy Tier 1 | 1,8% |

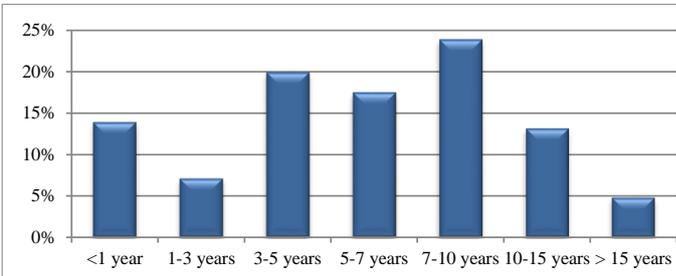
SECTOR ALLOCATION



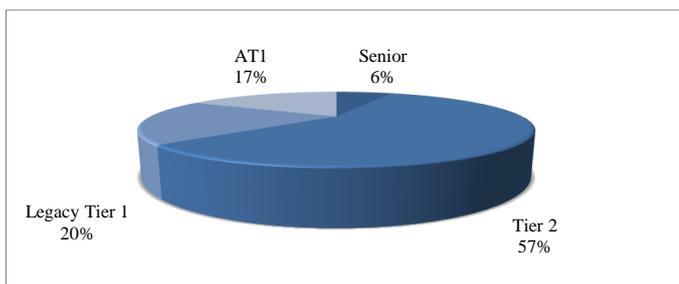
RATING ALLOCATION



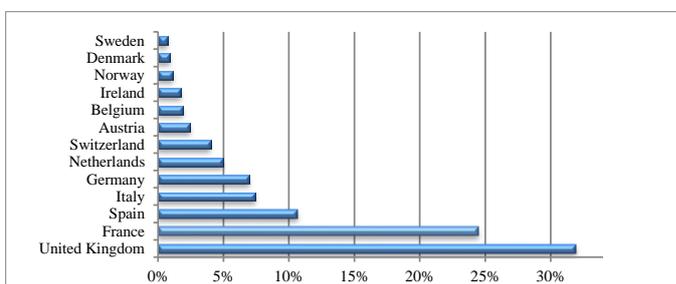
BREAKDOWN BY MATURITY (AT CALL)



BREAKDOWN BY LEVEL OF SUBORDINATION



GEOGRAPHICAL DISTRIBUTION



FUND DETAILS

| | | |
|---|--|---|
| ISIN Code C unit FR0010590950 R unit FR0010752543 I unit FR0011844034 G unit FR0012074151 DH unit FR0013076932 H-CHF Unit FR0013236791 | Custodian CACEIS | Management fees C unit: maximum of 0,26% inclusive of taxes R unit: maximum of 0,96% inclusive of taxes I unit: maximum of 0,66% inclusive of taxes G unit: maximum of 0,26% inclusive of taxes DH unit: maximum of 0,71% inclusive of taxes H-CHF unit: maximum of 0,71% inclusive of taxes |
| Bloomberg Code LFOBJF/LFOBJFR/ LAZOCF/LAZOCFG | Taxation Capitalization G Unit : Distribution 03/07/2008 | Subscription fees Redemption fees R unit: maximum of 2% inclusive of taxes C, I, G, DH and H-CHF units: none |
| Legal form FCP UCITS-Compliant Yes AMF classification International bonds Currency Euro Investment horizon > 3 years Valuation Daily Modified duration 0 to 8 | Subscription terms Each business day by 12 am Settlement and value date: Subscription: J (date of the NAV) + 2 business Redemption: J + 2 business days | Outperformance fees: C, R and G units: 30% of the outperformance in excess of Eonia + 3% These fees will be limited to 2% I, DH et H-CHF unit: none |

** Risk scale : calculated from the historic volatility of the UCITS over a period of 5 years. If the fund is not 5 years old of history, the level of risk is calculated from the target volatility of the strategy. The management company saves itself the possibility of adjusting the level of risk calculated according to the specific risk of the fund. This risk scale supplied as a rough guide and may be modified without advance notice.

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| Contacts : Subscription/Redemption CACEIS Bank +33 1.57.78.14.14 | Additional information: Laura Montesano +33 1.44.13.01.79 | Publication of NAVs : www.lazardfreresgestion.fr |
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Please consider a fund's investment objectives, risks, charges, and expenses carefully before investing. Read the prospectus or summary prospectus carefully before you invest. The prospectus and summary prospectus contain investment objectives, risks, charges, expenses, and other information about the Portfolio(s) and The Lazard Frères Gestion Funds that may not be detailed in this document. Distributed by Lazard Frères Gestion.

"The prospectus for Switzerland, the KIID, the articles of incorporation, the annual and semi-annual reports, as well as the list of the buying and selling transactions can be obtained free of charge from the representative of the Fund in Switzerland, ACOLIN Fund Services AG, Affolternstrasse 56, 8050 Zürich, Switzerland. The paying agent is Banque Cantonale de Genève, 17 Quai de l'Île, 1204 Geneva, Switzerland."