

International bonds and debt securities	ISIN code	NAV €	Net assets (€ million) :	Total net assets (€ million) :
C unit	FR0010590950	13 677,67	218,03	
R unit created on July 3 rd 2009	FR0010752543	307,63	82,41	414,88
I unit created on April 14 th 2014	FR0011844034	1 097,66	68,63	
G unit created on August 8 th 2014	FR0012074151	102,36	45,80	
	ISIN code	NAV \$	Net assets (\$ million) :	
DH unit created on January 7 th 2016	FR0013073932	1 064,33	1,83	

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 and Eonia + 2% for the R shares. 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 Objectif Crédit Fi rose by 1,52% over the month (C share).

Spreads on financial debt tightened across the board during the month. Tier 1 bonds tightened by 37bp to 402bp against government bonds, Lower Tier 2 bonds by 16bp to 263bp and Senior debts by 13bp to end the month at 80bp according to JP Morgan's SUSI indices. CoCos tightened by 25bp in OAS to end the month at 500bp according to Barclays' Global index.

The German government bond yield curve steepened slightly during the month, with the 10-year yield up 5bp to -0,07% and the 5-year yield up 3bp to -0,50%, while the 2-year yield inched up 1bp to -0,62%.

Objectif Crédit Fi posted a net performance of +4,57% year-to-date compared with +4,31% for the JP Morgan SUSI Lower Tier 2 and +3,12% for the SUSI Tier 1.

The fund has a 260-day volatility of 4,4% compared with 4,0% for the SUSI Lower Tier 2 and 3,2% for the SUSI Tier 1.

On the whole, financial markets trended well, supported by: 1) **the impact of the BoE's decisions to cut rates by 25bp and to launch a £60bn Gilt buying programme over six months and a £10bn IG corporate bond buying programme over 18 months.** The impact on the sterling market was very positive with a sharp drop in long-term interest rates, reviving the primary market in this currency, 2) the 12% rise in oil prices in August and 3) **the rise in banking stocks, with the EuroStoxx Banks up around 12%.** All of these factors supported financial hybrid bonds.

September looks set to be more uncertain with key central bank meetings scheduled, starting with the ECB on September 8th. The central bank will probably have to address the issue of extending its asset purchase programme by six months and altering the terms of the various plans, even though for the first point this seems premature. On September 21st, the Fed will give its decision on rates and the BoJ the results of the analysis of its various monetary policy actions.

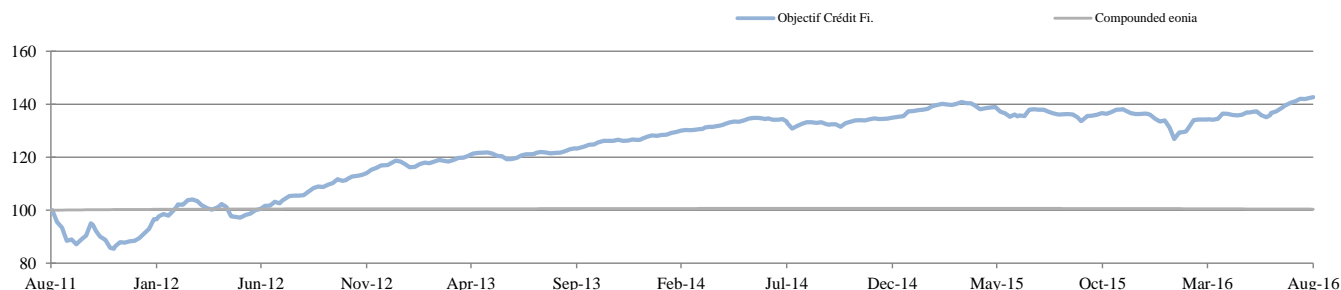
The European Commission seems intent on giving priority to the payment of coupons on AT1 on dividends or bonuses as part of a discussion paper aiming to revise certain rules of the current CRD IV. This is excellent news for this segment which picked up again in August with four issues, all dollar-denominated, including three by British banks, for a total of \$7,2bn.

The primary market, excluding covered bonds, totalled €8bn in gross issuance of Senior Unsecured debt according to Barclays, with **net bank issuance totalling +€1bn over the month.** Since the beginning of the year, gross issuance has totalled €185bn and net issuance is positive to the tune of €16bn.

Crédit Fi has a yield to maturity of 4,3% and a yield to call of 4,4% with an interest rate sensitivity of 7,0 and a credit sensitivity of 6,0.

PERFORMANCE

HISTORICAL PERFORMANCE



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

PERFORMANCE

Annualized performance	2016	2015	2014	2013	2012
Objectif Crédit Fi.	4,57%	1,14%	6,53%	8,18%	32,35%
Compounded eonia	-0,21%	-0,11%	0,10%	0,09%	0,23%
Cumulative performance*	Month	YTD	1 year	3 years	5 ans
Objectif Crédit Fi.	1,52%	4,57%	4,83%	17,33%	42,66%
Compounded eonia	-0,03%	-0,21%	-0,26%	-0,18%	0,40%

* The performance quoted represents past performance. Past performance does not guarantee future results.
The performance are net of fees and total return.

Modified duration	7,0	Spread duration	6,0
Yield to call	4,4%		
Yield to maturity	4,3%		

SCALE RISK**



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

RISK RATIOS

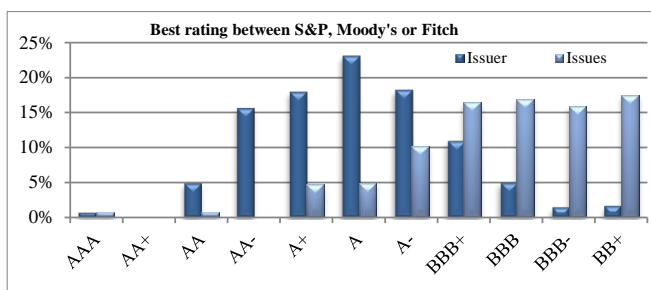
	1 year	3 years
Volatility		
Objectif Crédit Fi.	6,27%	4,55%
Compounded eonia	0,01%	0,02%
Tracking error	6,27%	4,54%
Information ratio	0,79	1,18

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

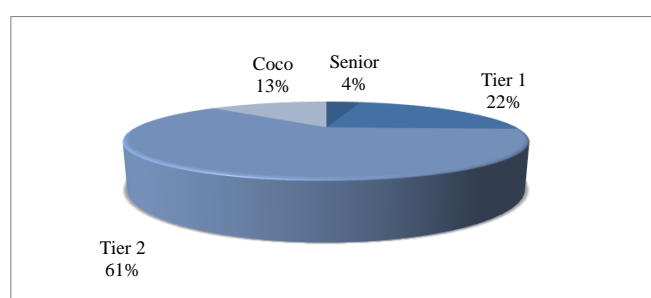
MAIN HOLDINGS

Main holdings		%
Commerzbank	8,151% 06/2029	T1 3,8%
Achmea	4,25% 02/2025	UT2 3,2%
Lloyds	4,5% 03/2025	LT2 2,7%
HSBC	10,176% 06/2030	T1 2,6%
Lloyds	7,881% 12/2031	T1 2,4%

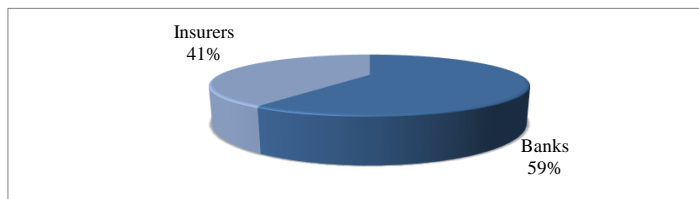
RATING ALLOCATION



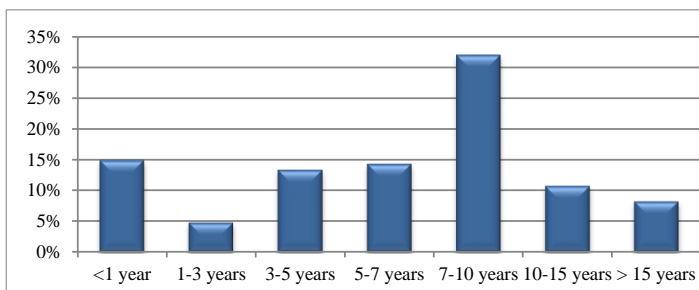
BREAKDOWN BY LEVEL OF SUBORDINATION



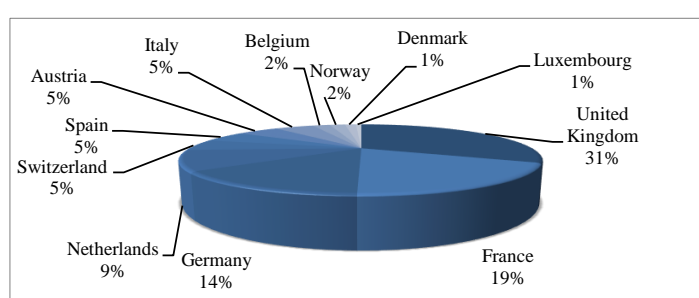
SECTOR ALLOCATION



BREAKDOWN BY MATURITY (AT CALL)



GEOGRAPHICAL DISTRIBUTION



FUND DETAILS

■ ISIN Code	C unit: FR0010590950 R unit: FR0010752543 I unit: FR0011844034 G unit: FR0012074151	■ Custodian	CACEIS	■ Management fees	C unit: maximum of 0,30% inclusive of taxes R unit: maximum of 1,00% inclusive of taxes I unit: maximum of 0,70% inclusive of taxes G unit: maximum of 0,30% inclusive of taxes maximum of 4% inclusive of taxes R unit: maximum of 2% inclusive of taxes C, I and G units: none
■ Bloomberg Code	C unit: LFOBJFI R unit: LFOBJFR I unit: LAZOCFI G unit: LAZOCFG	■ Management company	Lazard Frères Gestion SAS	■ Subscription fees	
■ Legal form	FCP	■ Taxation	Capitalisation	■ Redemption fees	
■ UCITS-Compliant	Yes	■ Inception date	03/07/2008	■ Outperformance fees:	C, R and G units: 30% of the outperformance in excess of Eonia + 3% These fees will be limited to 2% I unit: none
■ AMF classification	International bonds	■ Subscription terms	Each business day by 12 am Settlement and value date: Subscription: J (date of the NAV) + 2 Redemption: J + 3 business days	■ Total expense ratio and transaction fees	For more information, please check our prospectus
■ Currency	Euro				
■ Investment horizon	> 3 years				
■ Valuation	Daily				
■ Modified duration	0 to 8				

** 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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Publication of NAVs :
www.lazardfreresgestion.fr

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