

International bonds and debt securities	ISIN code	NAV €	Net assets (€ million) :	Total net assets (€ million) :
C unit	FR0010590950	13 957,02	241,75	450,77
R unit created on July 3 rd 2009	FR0010752543	313,65	74,23	
I unit created on April 14 th 2014	FR0011844034	1 121,34	75,45	
G unit created on August 8 th 2014	FR0012074151	104,45	59,32	
DH unit created on January 7 th 2016	FR0013076932	1 094,78	3,40	

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 0,37% over the month (C share).

Spreads on financial debt widened slightly. Tier 1 bonds widened by 1bp to 357bp against government bonds, Tier 2 bonds widened by 7bp to 259bp and Senior debts by 6bp to end the month at 104bp according to JP Morgan's SUSI indices. In contrast, CoCos tightened by 23bp in OAS to end the month at 442bp according to Barclays' Global index.

The German government bond yield curve fell significantly during the month, with the 10-year yield down 23bp to 0,21% and the 5-year yield down 17bp to -0,57%, while the 2-year yield fell 20bp to -0,90%.

Objectif Crédit Fi posted a net performance of +1,36% year-to-date compared with +0,87% for the JP Morgan SUSI Lower Tier 2 and +1,93% for the SUSI Tier 1.

The fund has a 260-day volatility of 3,3% compared with 3,0% for the SUSI Lower Tier 2 and 2,5% for the SUSI Tier 1.

The market was in "risk-off" mode for almost all of February due to the political risk in France, with German yields trending sharply downwards until 24 February, the OAT-Bund spread reaching a four-year high (nearly 80bp), financial equities declining and financial credit widening, until the French presidential election polls became more favourable for Macron and Fillon, widening the gap with Le Pen in the second round. **The last week of February was therefore quite the reverse of the first three weeks.**

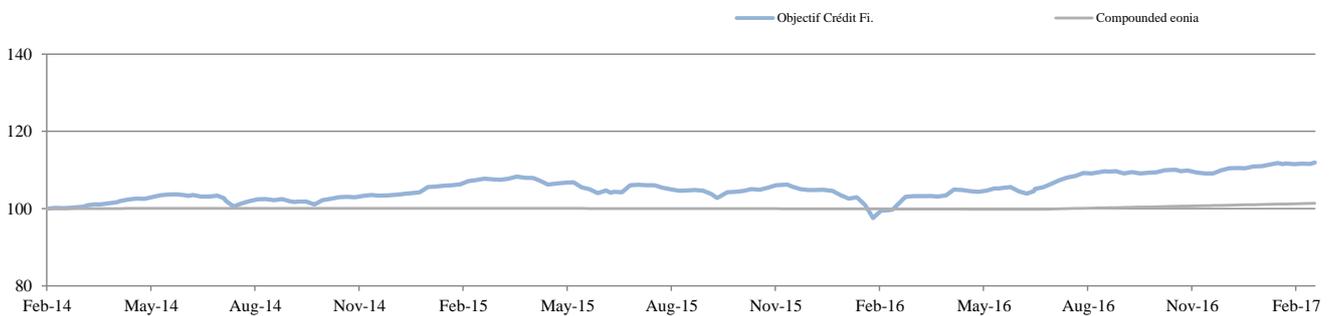
The political risk in France eclipsed the rather positive macroeconomic figures as well as the results from banks and insurers, which were also good. **Unicredit successfully finalised its €13bn capital increase.**

The primary market, excluding covered bonds, totalled €19bn in gross issuance of Senior Unsecured debt according to Barclays, **with net bank issuance totalling -€18bn over the month.** Since the beginning of the year, gross issuance has totalled €53bn and net issuance is negative to the tune of €26bn.

Crédit Fi has a yield to maturity of 4,4% and a yield to call of 4,2% with a modified duration of 0,6 and a credit duration of 5,8.

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.	1,36%	5,27%	1,14%	6,53%	8,18%
Compounded eonia	0,39%	1,03%	-0,11%	0,10%	0,09%

Cumulative performance*	Month	YTD	1 year	3 years	5 ans
Objectif Crédit Fi.	0,37%	1,36%	12,19%	11,94%	43,75%
Compounded eonia	0,18%	0,39%	1,46%	1,38%	1,67%

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

Modified duration	0,6	Spread duration	5,8
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Yield to call	4,2%
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Yield to maturity	4,4%
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SCALE RISK**



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

RISK RATIOS

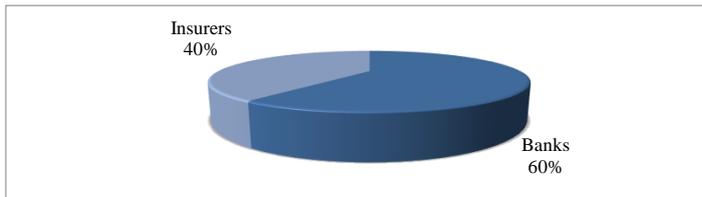
	1 year	3 years
Volatility		
Objectif Crédit Fi.	3,64%	4,55%
Compounded eonia	0,17%	0,14%
Tracking error	3,65%	4,54%
Information ratio	2,76	0,73

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

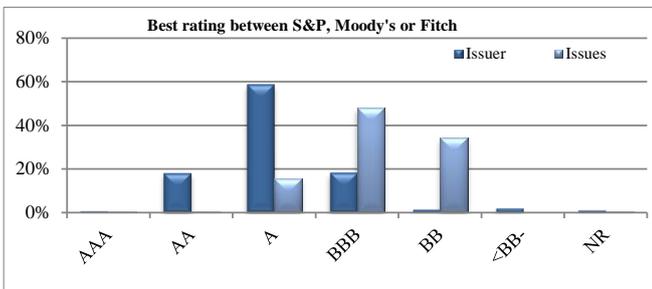
MAIN HOLDINGS

Main holdings		%
Commerzbank	8,151% 06/2029	Legacy Tier 1 3,7%
HSBC	10,176% 06/2030	Legacy Tier 1 2,5%
Achmea	4,25% 02/2025	UT2 2,4%
Lloyds	7,881% 12/2031	Legacy Tier 1 2,2%
RBS	5,25% 03/2017	Legacy Tier 1 2,2%

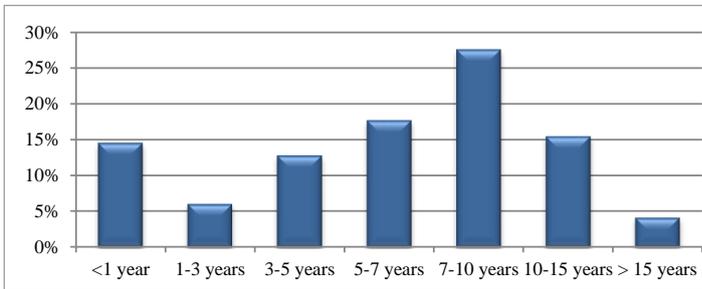
SECTOR ALLOCATION



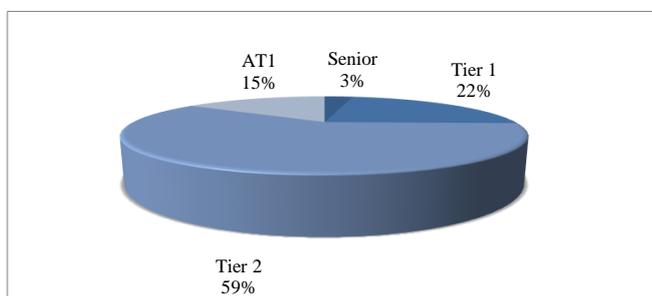
RATING ALLOCATION



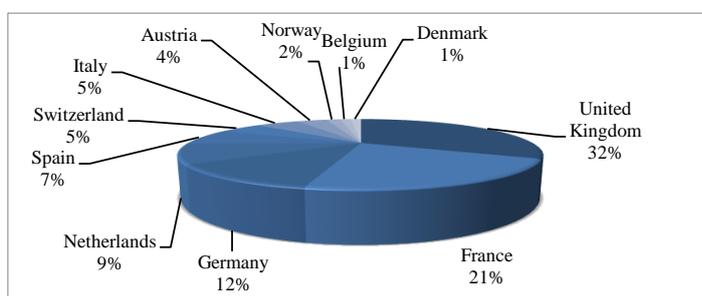
BREAKDOWN BY MATURITY (AT CALL)



BREAKDOWN BY LEVEL OF SUBORDINATION



GEOGRAPHICAL DISTRIBUTION



FUND DETAILS

ISIN Code	C unit: FR0010590950 R unit: FR0010752543 I unit: FR0011844034 G unit: FR0012074151	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
Bloomberg Code	C unit: LFOBJFI R unit: LFOBJFR I unit: LAZOCFI G unit: LAZOCFG	Management company	Lazard Frères Gestion SAS	Subscription fees	maximum of 4% inclusive of taxes
Legal form	FCP	Taxation	Capitalization	Redemption fees	R unit: maximum of 2% inclusive of taxes C, I and G units: none
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		
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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