

**LAZARD CREDIT FI,
French open-end
investment fund (*fonds
commun de placement*
- FCP)**

ANNUAL REPORT

at March 29th, 2018

Management company: Lazard Frères Gestion
SAS

Custodian: Caceis Bank

Statutory Auditor: Deloitte & Associés

CONTENTS

1. Characteristics of the UCI	3
2. Changes affecting the UCI	9
3. Management report	10
4. Regulatory information	21
5. Certification by the Statutory Auditor	24
6. Annual financial statements	29

1. CHARACTERISTICS OF THE UCI

- **LEGAL FORM**

French open-end investment fund (*fonds commun de placement*).

- **CLASSIFICATION**

International bonds and other debt securities.

- **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 Fund's portfolio, plus income generated by temporary cash holdings, 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 IVC, IC, IC USD, RC, TC and IC H-CHF units:

Distributable income shall be fully accumulated, with the exception of those amounts subject to compulsory distribution by law.

For IVD, RD and ID units:

Distributable income is equal to net income as defined above plus or minus the balance of the revenue adjustment account for IVD, RD and ID units for the past financial year and retained earnings. Net income is distributed in full and the allocation of net realised capital gains is decided each year by the management company.

- **INVESTMENT OBJECTIVE**

- Investment objective of the IVC, RC, RD, IC, TC, ID and IVD units:

The investment objective is to achieve a return (net of charges) above Eonia +2,70% for the IVC and IVD units, Eonia +2,30% for the IC, TC and ID units and Eonia +2% for the RC and RD units over a minimum period of three years.

- Investment objective of the IC USD units:

The investment objective is to achieve a return (net of charges) above the ICE Libor USD Overnight index, with the US dollar as the base currency, over a recommended minimum investment horizon of three years.

- Investment objective of the H-CHF units:

The investment objective is to achieve a return (net of charges) above the Dépôt Overnight CHF index, with the Swiss franc as the base currency, over a recommended minimum investment horizon of three years.

- **BENCHMARK**

Capitalised Eonia (EURO OVERNIGHT INDEX AVERAGE) is the average rate on the overnight interbank euro market. It is calculated by the European Central Bank (ECB) and represents the Eurozone risk-free rate (Bloomberg ticker: EONIA Index).

The ICE Libor USD Overnight index is the average interbank rate used by a sample of banks based in London, which provide unsecured loans to each other in US dollars.

The Libor in US dollars (Libor USD) is available in 15 different versions depending on the duration of the loan: from the overnight rate for 24 hour loans, to 12-month loans (Bloomberg ticker: US000/N Index).

Dépôt Overnight CHF index: the LIBOR (CHF) overnight interest rate is the average interest rate at which a selection of London banks provide each other loans in Swiss francs for one day. The LIBOR rates are used by banks as the base rate for determining the amount of their savings, mortgage and lending rates (Bloomberg ticker: SFDR1T CMPN Currency).

• **INVESTMENT STRATEGY**

1. Strategies used

The Fund aims to achieve a return (net of charges) above the benchmark index over a minimum recommended investment period of three years:

- Eonia +2,70% for the IVC and IVD units,
- Eonia +2,30% for the IC, TC and ID units,
- Eonia +2% for R, RC and RD units,
- ICE Libor USD Overnight with the US dollar as base currency for the IC USD units.
- Dépôt Overnight CHF with the Swiss franc as base currency for the IC H-CHF units.

To achieve this investment objective, the Fund will be actively managed, mainly invested in subordinated debt (which is of higher risk than senior or secured debt) or any securities not deemed to be ordinary shares and issued by financial institutions. The Fund is managed by combining a top-down approach (which first looks at general economic and market trends before deciding in which geographical areas and securities to invest) and a bottom-up approach (which first looks at issuers' creditworthiness and the quality of individual securities), thus incorporating the regulatory conditions applying to this asset class. The Fund's modified duration is between 0 and 8. The Fund is invested only in bonds or securities of issuers the registered offices of which are established in OECD-member countries and/or in securities listed on a financial market of one of these countries. The Fund is invested only in bonds that are traded in euros, US dollars or pounds sterling.

To build his portfolio, the manager conducts his own assessment of bonds or securities not deemed to be ordinary shares. He also refers to agency ratings but does not rely on them solely and automatically.

The Fund will be able to invest in the bonds and securities of any issuer the registered office of which is established in an OECD-member country and/or in securities listed on a financial market of one of these countries. The Fund may not invest in bonds of issuers included on the FATF blacklist.

The Financial Action Task Force (FATF) is an intergovernmental organisation that draws up and promotes policies to combat money laundering and terrorist financing both at national and international levels.

Information on the Fund's modified duration is shown in the table below:

Interest rate sensitivity range within which the Fund is managed	Geographic zones of issuers of securities or underlying securities of securitisation products	Range of exposure to this zone
0 - 8	OECD area	100%

The Fund may invest in bonds that are traded in euros, US dollars and pounds sterling.

2. Assets (excluding embedded derivatives) Equities:

Ordinary shares (maximum 10% of net assets) arising from the conversion of debt or an offer by the issuer to exchange debt for shares. The Fund will not actively invest in equities but may hold them to enable the manager to sell the equities received in the best market conditions and to maximise the exit price for unitholders.

Debt securities and money market instruments:

To build his portfolio, the manager conducts his own assessment of bonds or securities not deemed to be ordinary shares. He also refers to agency ratings but does not rely on them solely and automatically.

Up to 100% of the net assets in bonds or securities, not deemed to be ordinary shares, issued by investment grade or equivalent issuers based on the management company's analysis and rated at least BBB- by Standard & Poor's or equivalent based on the management company's analysis, and up to 20% of the net assets in bonds or securities issued by speculative/high-yield issuers based on the management company's analysis, or rated below BBB- by Standard & Poor's or equivalent based on the management company's analysis, or not rated by a rating agency. Speculative/high-yield bonds or securities may not exceed 50% of the Fund's net assets. Up to 30% of the net assets in convertible bonds and contingent convertible bonds.

Up to 75% in bonds or securities not deemed to be ordinary shares, traded in US dollars or pounds sterling. Exchange rate risk will be hedged so that exposure thereto does not exceed 10% of the Fund's assets.

UCITS:

European money market, short-term money market or bond funds to a maximum of 10% provided that less than 10% of these funds' assets is invested in other UCIs.

These funds may be managed by the management company.

3. Derivatives

• Types of markets:

- regulated
- organised
- OTC

• The manager intends to seek exposure to:

- equities
- interest rates
- foreign exchange
- credit
- other

• Types of transactions – all transactions must be limited to achieving the investment objective:

- hedging
- exposure
- arbitrage
- other

• Type of instruments used:

- futures:**
 - equity and equity indices
 - interest rate: interest rate risk
 - currency
- options:**
 - equity and equity indices
 - interest rate: interest rate and interest rate volatility risk
 - currency: only on organised markets
- swaps:**
 - equity swaps
 - interest rate swaps: transformation of fixed-rate income to variable-rate income and vice versa
 - currency swaps
- currency forwards**
- credit derivatives** (CDS are limited to 40% of the assets)

- **Derivatives strategy to achieve the investment objective**

- partial or general hedging of the portfolio, some risks and securities
- creating synthetic exposure to assets and risks
- increasing exposure to the market without leverage
- maximum permitted and sought
- other strategy

4. Securities with embedded derivatives

The manager may invest in the following securities with embedded derivatives: structured products, subordinated debt, convertible bonds and contingent convertible bonds (a maximum of 30% of the net assets for the latter).

5. Deposits:

Up to 10% of the Fund's assets may be held in deposits.

6. Cash borrowings:

The Fund may borrow cash within the limit of 10% of its assets to meet specific cash requirements related to its operating needs.

7. Temporary purchases and sales of securities:

None

8. Information on financial guarantees:

In connection with over-the-counter derivative transactions, and in accordance with Position paper 2013-06 issued by the French financial markets regulator (*Autorité des Marchés Financiers*– AMF), the Fund may receive collateral in the form of securities (such as bonds or other securities issued or guaranteed by a State or issued by international financing agencies and bonds or securities issued by high-quality corporate issuers), or cash.

Any cash collateral received is reinvested in accordance with the applicable rules.

All such assets must be from high-quality issuers that are not an entity of the counterparty or its group, and must be liquid and diversified with low volatility.

Discounts may be applied to the collateral received; they take into account the quality of credit and the price volatility of the securities.

- **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 Fund is not guaranteed or protected and therefore there is a possibility that you may not get back the full amount of your initial investment. Investors should therefore be aware that they are not guaranteed to get back the money originally invested.

Interest rate risk: Risk of a fall in the value of the assets, 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.

Credit risk: Credit risk is the risk that the borrower does not repay its debt or cannot pay the coupons during the lifetime of the security. Risk of a fall in the value of the assets, and hence in the portfolio, due to a change in the credit quality of the issuers or to a change in credit spreads. Because of its credit sensitivity range, the value of this component of the portfolio may decrease, either in the case of a rise in spreads, if the portfolio's credit sensitivity is positive, or in the case of a fall in spreads if the portfolio's credit sensitivity is negative.

Risks linked to contingent or subordinated securities: The Fund may be exposed to contingent or subordinated securities. Subordinated debt and contingent convertible bonds are subject to specific risks of non-payment of coupons and capital loss in certain circumstances. At a certain solvency threshold, referred to as the "trigger" threshold, the issuer may or must suspend the payment of coupons and/or reduce the nominal value of the security or convert such bonds into shares. Notwithstanding the thresholds specified in the issue prospectuses, the supervisory authorities may apply these rules preventively if the circumstances require, based on a subjective threshold known as the "point of non-viability". These securities expose holders to either

a total or partial loss of their investment following their conversion into shares at a predetermined price or because of the application of a discount provided for contractually in the issue prospectus or applied arbitrarily by a supervisory authority. Holders of these securities are also exposed to potentially large price fluctuations in the event that the issuer has insufficient equity or experiences difficulties.

Foreign exchange risk: The Fund may invest in securities and UCIs that are themselves permitted to purchase stocks denominated in currencies other than the euro. The value of these assets may decline in line with changes in the exchange rates.

Liquidity risk: This is the risk that a financial market can absorb the volumes of sell (or buy) transactions only by significantly decreasing (or increasing) the price of assets when trade volumes are low or when there are market tensions, resulting in a possible decrease in the Fund's net asset value.

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

Counterparty risk: Counterparty risk is related to the use of over-the-counter products. The Fund is exposed to the risk of non-payment or non-delivery by the counterparty with which the transaction is negotiated. This risk may result in a decline in the Fund's NAV.

Risk associated with investment in the futures markets: The use of derivatives may result in exposure to an upward or downward change in the Fund's net asset value.

Guarantee or protection

None.

• ELIGIBLE SUBSCRIBERS AND TYPICAL INVESTOR PROFILE

IVC units: All subscribers; the units are intended to be distributed directly to private investors by the management company.

RC units: All subscribers; the units are intended to be distributed directly to private investors by the management company's partners or by third-party management companies.

IC units: Reserved for institutional investors.

IC USD units: All subscribers.

IVD units: All subscribers.

IC H-CHF units: All subscribers.

RD units: All subscribers – the units are intended to be distributed directly to private investors by the management company's partners or by third-party management companies.

ID units: Reserved for institutional investors.

TC units:

- No minimum subscription amount (i) for UCIs managed by the management company or (ii) for the management company investing on its own account;
- No minimum subscription amount (i) for investors subject to MiFID II (exclusively in connection with their independent advisory activity or the provision of a portfolio management service on behalf of third parties) or (ii) for investors carrying on activities that do not receive management fee retrocessions in foreign countries not subject to this directive, subject to the management company's prior agreement;
- Minimum initial subscription amount of €500,000 for other investors.

This Fund is aimed at investors who are aware of the risks associated with investing in the international credit markets.

Investors are strongly advised to diversify their investments sufficiently to avoid exposure solely to the risks of this Fund.

Information on US investors:

The Fund is not registered as an investment vehicle in the United States and its units 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 member 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 Fund invests directly or indirectly in US assets, the capital and 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 Internal Revenue Service, the US tax authority.

As a foreign financial institution, the Fund 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.

Recommended investment period: minimum three years.

2. CHANGES AFFECTING THE UCI

The Chairman of the management company Lazard Frères Gestion SAS decided, for the **OBJECTIF CREDIT FI** fund (C unit ISIN: FR0010590950; R unit ISIN: FR0010752543; I unit ISIN: FR0011844034; G unit ISIN: FR0012074151; DH unit ISIN: FR0013076932; H-CHF unit ISIN: FR0013236791):

1. to change the Fund's name from "OBJECTIF CREDIT FI" to "**LAZARD CREDIT FI**";
2. to appoint Lazard Frères Banque as joint centralising agent authorised to receive subscription and redemption requests;
3. to allow transmission of the Fund's portfolio for the purpose of complying with regulatory obligations;
4. to provide details on the breakdown of overall management expenses between financial management costs on the one hand and other administrative expenses external to the management company on the other;
5. to provide more written details on the calculation of variable management fees;
6. to allow subscription and redemptions to be made in amounts or in units;

Effective date: November 20th, 2017

3. MANAGEMENT REPORT

PERFORMANCE

The UCI's performance over the period was: **5,20%**.

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

The benchmark's performance over the period was: **2,36%**.

ECONOMIC ENVIRONMENT

Introduction

The recovery in the global economy that began in mid-2016 gained momentum over the last 12 months, with the various regions improving in step. The United Kingdom proved an exception among the major advanced economies, penalised by the uncertainty surrounding the implementation of Brexit and the impact on purchasing power of sterling's recent depreciation. Strong global demand boosted international trade and the business climate improved in the vast majority of countries, particularly in the manufacturing sector. While the solidity of growth in developed countries paved the way for continued improvements in labour markets, underlying inflationary pressures generally remained moderate, allowing loose monetary policies to be maintained. These countries' central banks are nevertheless gradually gearing up for normalisation. The Federal Reserve (Fed) raised its interest rates on three occasions and started to reduce its balance sheet. The European Central Bank (ECB) extended its asset purchase programme but reduced its monthly purchases by half. The Bank of England (BOE) raised its key interest rate for the first time in ten years. The Bank of Japan (BoJ) left its interest rates unchanged. Inflation slowed in certain major commodity-exporting emerging countries such as Brazil and Russia, enabling their central banks to significantly relax monetary policy. This favourable global economic environment drove volatility to extremely low levels in 2017 and boosted the riskiest assets, but volatility returned in 2018.

GDP volume growth (%)	2016	2017 (e)	2018 (e)	2019 (e)
World	3,2	3,7	3,9	3,9
Developed countries	1,7	2,3	2,3	2,2
Emerging countries	4,4	4,7	4,9	5,0
Eurozone	1,8	2,4	2,2	2,0
United States	1,5	2,3	2,7	2,5
Japan	0,9	1,8	1,2	0,9
United Kingdom	1,9	1,7	1,5	1,5
China	6,7	6,8	6,6	6,4
India	7,1	6,7	7,4	7,8
Brazil	-3,5	1,1	1,9	2,1
Russia	-0,2	1,8	1,7	1,5

IMF Economic Outlook, January 2018.

* The data and forecasts for India are presented based on the budget year.

The MSCI World equity index denominated in dollars rose by 12,7% over the year. All major regions performed strongly with the exception of the Eurozone. The MSCI emerging index denominated in dollars gained 22,2%, the yen-denominated Topix gained 13,5%, the S&P 500 in dollars rose by 11,8% and the Eurostoxx in euros stayed flat, all of which excluding dividends. These returns were lower expressed in euros.

The euro's appreciation was a contributing factor to the underperformance of European equities. It gained 15,7% against the dollar over the year, rising from 1,07 to 1,23 dollars, and appreciated by 10,4% against the yen and 3,6% against the pound sterling. This trend partly reflects the reduction of political risk in the Eurozone following the defeat of Eurosceptic parties in presidential elections in France and the Netherlands, as well as fluctuating anticipations concerning the future direction of the ECB's and Fed's monetary policies. Mario Draghi's optimistic speech on inflation in Sintra on June 27th was an important support factor for the euro.

After a steady rise in 2017 and an exceptional start to 2018, global equity markets underwent a sharp correction in February, initially reacting to the publication of a higher than expected hourly wage figure in the United States. This jump - the biggest since mid-2009 - fuelled fears of a rapid rise in US inflation and increased the probability that the Fed would accelerate monetary tightening. The ensuing fall was amplified by technical factors related to a surge in volatility. Mounting trade tension between China and the United States and technology stock weakness triggered another correction in March.

Ten-year sovereign yields increased in Germany (up 17 basis points to 0,50%) and the United States (up 35 basis points to 2,74%). Most of this rise came between mid-December 2017 and the period of equity market turbulence in the first quarter of 2018. It mainly reflected expectations of higher inflation following US Congress' ratification of tax reforms, energy price rises and the publication of upbeat economic data.

Credit spreads in relation to Germany tightened sharply in Greece (-284 basis points) and Portugal (-254 basis points), which was upgraded from speculative status. They also contracted, but less markedly, in Italy (-70 basis points), Spain (-67 basis points) and France (-42 basis points).

According to the ICE Bank of America Merrill Lynch indices, credit spreads on high-quality corporate bonds versus government bonds tightened by 20 basis points to 92 basis points, while those on high-yield bonds tightened by 46 basis points to 351 basis points.

The price per barrel of Brent crude oil fell in the spring of 2017, touching a low of \$45 at the end of June. It then rebounded sharply to reach a three-year high of \$70 at the end of January, underpinned by robust global demand, geopolitical uncertainties in the Middle East and the supply cutting policy of the main producer countries. Oil fell again with the onset of equity market turbulence, before recovering when tensions eased. The net result was a 31,2% rise in the crude oil price, from \$53 at end-March 2017 to \$69 at end-March 2018.

United States

US growth remained solid at nearly 3% annualised, having reached 2,9% annualised in Q4 2017 for a year-on-year rate of 2,6%. The ISM indices increased gradually to reach levels in early 2018 not seen since 2005. The manufacturing ISM index came out at 59,3 in March 2018 (+2,7 percentage points year-on-year) and the non-manufacturing ISM index at 58,8 (+3,2 percentage points year-on-year).

Job creation remained strong except for a slump in September 2017, following hurricanes Harvey and Irma, and a slightly lower figure in March 2018. An average 187 000 jobs were created in each of the last 12 months. The unemployment rate fell rapidly to its lowest level since 2001, from 4,5% in March 2017 to 4,1% in November 2017, where it remained. Despite labour market pressure, hourly wage growth remained moderate at 2,7% in the year to March 2018. It accelerated significantly in January 2018 but was later revised downwards.

Household consumption grew at a sustained annualised pace of between 2,5% and 3,0%, being up 2,8% year-on-year in February 2018. Disposable income growth accelerated (2,1% increase in March 2018) and consumer confidence improved. Capital goods orders were buoyant, increasing by 7,7% year-on-year excluding defence and aviation. Vigorous domestic demand was accompanied by an increase in imports (+10,9% year-on-year), and the trade deficit widened significantly as a result to reach \$57,6 bn in February 2018 compared with \$44,7 bn a year earlier.

Housing starts and building permits for individual housing units increased over the year by 6,6% and 2,9%, respectively, but are still well below pre-crisis levels, while house builders' confidence remained close to the highest levels reached in this cycle. New home sales (+0,5% year-on-year) and existing home sales (+1,1%) stabilised against the backdrop of a shrinking housing stock market and rising property prices (6,2% year-on-year in January 2018).

Headline inflation gradually picked up from the summer of 2017, reaching 2,4% year-on-year in March 2018. Core inflation remained relatively stable, ranging between 1,7% and 1,9% and crossing the 2% mark in March 2018 (2,1% year-on-year).

The Fed raised its key interest rate by 25 basis points three times, in June 2017, December 2017 and March 2018, bringing it to the 1,50-1,75% level. In September 2017, it announced that it would begin reducing its balance sheet in October 2017 by ceasing to reinvest some of the proceeds from the matured securities in its portfolio.

A tax reform programme was ratified in December 2017, providing notably for a reduction in corporation tax from 35% to 21% starting in 2018 and cuts in household tax. In February 2018, after a funding shortage led to the partial shutdown of federal administration between January 20th and 22nd and for a few hours on February 9th, Congress finally voted to increase the federal spending ceilings for the 2018 and 2019 financial years to a total of \$296 bn.

Eurozone

Growth in the Eurozone remained brisk at almost 3% annualised in the second and third quarters of 2017, before slowing slightly to 2,4% in the fourth quarter for a year-on-year rate of 2,7%.

The Eurozone composite PMI initially improved to peak at 58,8 in January 2018, its highest level since 2006 and up from 56,4 in March 2017. It then fell back to 55,2 in March 2018, a level consistent with growth of over 2%.

The unemployment rate continued to fall rapidly thanks to robust economic activity, decreasing from 9,4% in March 2017 to 8,5% in March 2018, its lowest level since 2009.

Headline inflation inched lower from 1,5% to 1,4% annualised between March 2017 and February 2018. Core inflation rose slightly, from 0,7% to 1,0%.

In Germany, growth remained strong at 2,9% year-on-year in Q4 2017, after 2,7% in Q3 and 2,3% in Q2. Angela Merkel's CDU/CSU alliance comfortably won the federal elections on September 24th, 2017 but secured only 246 of the Bundestag's 598 seats. The lack of an overall majority led to six months of negotiations, after which the Social Democrats agreed to form a grand coalition with the CDU/CSU, allowing Angela Merkel to be reappointed as Chancellor on March 14th, 2018.

In France, growth accelerated to its fastest pace since early 2011 at 2,5% year-on-year in Q4 2017, up from 2,3% in Q3 and 1,9% in Q2. On May 7th, 2017, Emmanuel Macron was elected French president with 66,1% of the votes. Following the general election on June 18th, 2017, his party La République en Marche won an overall majority in the National Assembly, with 308 out of 577 seats.

In Italy, growth was weaker than in the other major Eurozone countries, at 1,6% year-on-year in Q4 2017, after 1,7% in Q3 and 1,6% in Q2. The general election on March 4th, 2018 failed to generate a clear majority in parliament, leading to a period of consultation.

In Spain, growth stabilised at 3,1% year-on-year over the last three quarters of 2017.

On October 27th, 2017, the Spanish government announced the dissolution of the Catalan parliament and imposed direct rule on Catalonia, having refused to recognise the declaration of independence by the region's elected leaders. The pro-independence parties won a majority of seats in the Catalan parliament in the early regional elections called on December 21st, 2017.

After its October 26th, 2017 meeting, the ECB announced a reduction in its monthly asset purchases, which fell from €60 bn to €30 bn starting in January 2018. The bank expects to maintain this purchase rate until at least September 2018.

Japan

After two quarters of stable annualised growth at 2,4%, the Japanese economy's growth rate fell to 1,6% in Q4 2017 (2,0% year-on-year).

The manufacturing business climate gradually improved, leading the PMI to a peak of 54,8 in January 2018, its highest level since early 2014, before it fell over the next two months to 53,1 in March 2018, compared with 52,4 a year earlier.

Employment market pressure continued to build. The unemployment rate fell from 2,8% to 2,3% between March 2017 and February 2018, and the ratio of job offers to applicants rose from 2,1 to 2,3. Wage growth began to accelerate in autumn 2017, reaching 1,3% year-on-year.

Inflation saw a resurgence from 0,2% to 1,5% year-on-year for headline items and from -0,1% to 0,5% excluding energy and fresh food, the central bank's preferred indicator.

Prime minister Shinzo Abe secured an easy victory in the general election called on October 22nd, 2017, with the coalition led by the Liberal Democratic Party winning two-thirds of seats in the lower house. Shinzo Abe had announced the dissolution of the lower house on September 28th, 2017.

China

Chinese GDP grew by 6,8% year-on-year in Q4 2017, a pace similar to that of Q3 and only slightly slower than that of Q2 (6,9%). Inflation spiked, from 0,9% annualised in March 2017 to 2,1% in March 2018, while annualised producer price inflation slowed to 3,1% from 7,6% a year earlier.

Local government measures to restrict housing demand weighed on housing sales (up 4,3% year-on-year in February 2018) and property prices (up 5,8% year-on-year in February 2018). Measures aimed at curbing financial system debt and discouraging excessive risk-taking by banks led to a credit contraction (+12,2% year-on-year in February 2018).

At the National People's Congress in March 2018, while the government reiterated its growth target of nearly 6,5%, unlike last year it did not state an intention to exceed that target in practice.

At the Chinese Communist Party's annual economic conference in December 2017, policy makers said that financial risk reduction would remain a key priority in 2018 and over the coming years, along with measures to combat pollution and poverty.

The past year was also marked by a consolidation of Xi Jinping's authority, symbolised by the inclusion of his name and doctrine in the charter of the Chinese Communist Party (CCP) at its 19th Congress in October 2017, and removal of the two-term limit on presidential office.

MANAGEMENT POLICY

April 2017

Objectif Crédit Fi's net asset value climbed 1,03% over the month (C units). Spreads on financial debt tightened across the board, with Tier 1 yields versus government bonds tightening by 30 bp to 291 bp, Tier 2 by 24 bp to 210 bp and senior debt by 3 bp to 93 bp at month-end, according to the JP Morgan SUSI indexes. OAS CoCo spreads tightened by 29 bp, closing the period at 411 bp according to the Barclays global index. The German government yield curve scarcely moved during the month, with the ten-year yield down 1 bp to 0,32% and the five-year down 1 bp to -0,39%, while the two-year rose by 1 bp to -0,73%. Objectif Crédit Fi's net performance for 2017 stood at 3,17% compared to 2,87% for the JP Morgan SUSI Lower Tier 2 and 3,36% for the SUSI Tier 1. The fund's 260-day volatility was 2,8% compared to 2,8% for the SUSI Lower Tier 2 and 2,3% for the SUSI Tier 1. There was a broad wait-and-see approach in April and extreme prudence ahead of the French presidential elections. The credit markets scarcely moved until Sunday, April 23rd, while yields reached a low on April 18th. As from Monday, April 24th, the markets staged a significant short covering rally as investors reweighted France following their cross-sector underweighting of the country covering government, corporate and financial debt lines. There were few major events during the month apart from the publication by banks of very encouraging 2017 first-quarter results. The primary market, excluding covered bonds, totalled €16 bn in gross issuance of senior unsecured debt according to Barclays, with net bank issuance totalling -€5 bn over the month. Gross issuance since the start of the year totalled €96 bn and net issuance -€35 bn. Objectif Crédit Fi had a yield to maturity of 4,1% and a yield to call of 3,6% with an interest rate sensitivity of 1,3 and a credit sensitivity of 5,7.

May 2017

Objectif Crédit Fi's net asset value climbed 0,90% over the month (C units). Spreads on financial debt tightened across the board, with Tier 1 yields versus government bonds tightening by 23 bp to 268 bp, Tier 2 by 14 bp to 196 bp and senior debt by 3 bp to 89 bp at month-end, according to the JP Morgan SUSI indexes. OAS CoCo spreads tightened by 1 bp, closing the period at 410 bp according to the Barclays global index. The German government yield curve flattened during the month, with the ten-year yield down 1 bp to 0,30% and the five-year down 5 bp to -0,43%, while the two-year rose by 2 bp to -0,71%. Objectif Crédit Fi's net performance for 2017 stood at 4,10% compared with 3,86% for the JP Morgan SUSI Lower Tier 2 and 4,18% for the SUSI Tier 1. The fund's 260-day volatility was 2,9% compared to 2,8% for the SUSI Lower Tier 2 and 2,2% for the SUSI Tier 1. May saw a continuation of the trends seen at the end of April, underpinned by reassurance at the results of the French presidential elections. The catch-up effect continued therefore for French as well as peripheral securities. The "complicated" story around Banco Popular gave way to suggestions of a takeover by a major Spanish bank, potentially Santander, BBVA or Bankia. Various rumours abounded, with a clearly identified risk of losses for the bank's shareholders and subordinated creditors (AT1 and Tier 2). A deadline was set for June 30th. We have no Banco Popular securities in the portfolio. The primary market, excluding covered bonds, totalled €30 bn in gross issuance of senior unsecured debt according to Barclays, with net bank issuance totalling €12 bn over the month. Gross issuance since the start of the year totalled €126 bn and net issuance -€24 bn. Objectif Crédit Fi had a yield to maturity of 4,0% and a yield to call of 3,9% with an interest rate sensitivity of 2,6 and a credit sensitivity of 5,9.

June 2017

Crédit Fi's net asset value climbed 0,33% over the month (C units). Spreads on financial debt presented a mixed picture, with Tier 1 yields versus government bonds tightening by 41 bp to 227 bp, Tier 2 by 8 bp to 188 bp and senior debt by 10 bp to 79 bp at month-end, according to the JP Morgan SUSI indexes. OAS CoCo spreads tightened by 20 bp, closing the period at 390 bp according to the Barclays global index. The German government yield curve paralleled up during the month, with the ten-year yield up 16 bp to 0,47% and the five-year up 21 bp to -0,22%, while the two-year rose by 14 bp to -0,57%. Crédit Fi's net performance for 2017 stood at 4,44% compared with 3,53% for the JP Morgan SUSI Lower Tier 2 and 4,86% for the SUSI Tier 1. The fund's 260-day volatility was 2,4% compared to 1,9% for the SUSI Lower Tier 2 and 2,1% for the SUSI Tier 1. The banking sector continued to consolidate, in Spain with Santander's takeover of Banco Popular (to which we had no exposure) for a symbolic €1, to be financed by a capital increase of €7 bn conditional on burden sharing by subordinated creditors (AT1 and Tier 2), and the takeover of Banco Mare Nostrum by Bankia, and in Italy with the takeover of Veneto Banca and Banca Vincenza by Intesa Sanpaolo for €1 but with a €4.8 bn capital increase reserved for the Italian state. We continued to await a resolution for Monte dei Paschi. The end of the month was marked by volatility on G3 yields following somewhat hawkish comments from central bankers. The debate continues as to the relative merits of concertation and floating, but the market's reaction consisted in a steepening of yield curves. The primary market, excluding covered bonds, totalled €18 bn in gross issuance of senior unsecured debt according to Barclays, with net bank issuance totalling -€7 bn over the month. Gross issuance since the start of the year totalled €149 bn and net issuance -€26 bn. Crédit Fi had a yield to maturity of 4,3% and a yield to call of 3,6% with an interest rate sensitivity of 2,9 and a credit sensitivity of 6,1.

July 2017

Crédit Fi's net asset value climbed 0,86% over the month (C units). Spreads on financial debt tightened across the board, with Tier 1 yields versus government bonds tightening by 3 bp to 223 bp, Tier 2 by 22 bp to 166 bp and senior debt by 9 bp to 70 bp at month-end, according to the JP Morgan SUSI indexes. OAS CoCo spreads tightened by 35 bp, closing the period at 355 bp according to the Barclays global index. The German government yield curve steepened during the month, with the ten-year yield up 8 bp to 0,54% and the five-year up 5 bp to -0,18%, while the two-year fell by 11 bp to -0,68%. Crédit Fi's net performance for 2017 stood at 5,34% compared with 4,92% for the JP Morgan SUSI Lower Tier 2 and 5,33% for the SUSI Tier 1. The fund's 260-day volatility was 2,1% compared to 1,8% for the SUSI Lower Tier 2 and 2,0% for the SUSI Tier 1. In the absence of specific catalysts and encouraged by central banks' continuing accommodative stance, the credit market continued to forge ahead, with spreads at their tightest levels, underpinned by sustained demand from investors and a paring down of banks' trading books. Primary market activity was particularly thin and the month's financial institutions earnings publications contained no nasty surprises. The primary market, excluding covered bonds, totalled €7 bn in gross issuance of senior unsecured debt according to Barclays, with net bank issuance totalling -€8 bn over the month. Gross issuance since the start of the year totalled €155 bn and net issuance -€35 bn. Crédit Fi had a yield to maturity of 4,1% and a yield to call of 3,4% with an interest rate sensitivity of 1,8 and a credit sensitivity of 6,1.

August 2017

Crédit Fi's net asset value decreased by 0,17% over the month (C units). Spreads on financial debt generally widened, with Tier 1 yields versus government bonds tightening by 1 bp to 222 bp, Tier 2 widening by 13 bp to 180 bp and senior debt by 5 bp to 76 bp at month-end, according to the JP Morgan SUSI indexes. OAS CoCo spreads widened by 23 bp, closing the period at 378 bp according to the Barclays global index. The German government yield curve flattened quite sharply during the month, with the ten-year yield down 18 bp to 0,36% and the five-year down 16 bp to -0,34%, while the two-year fell by 5 bp to -0,73%. Crédit Fi's net performance for 2017 stood at 5,16% compared with 5,21% for the JP Morgan SUSI Lower Tier 2 and 5,69% for the SUSI Tier 1. The fund's 260-day volatility was 2,0% compared to 1,8% for the SUSI Lower Tier 2 and 2,0% for the SUSI Tier 1. The main impacts over the month came from an increase in terrorism risk in Europe as a result of the attacks in Barcelona and in geopolitical risk with North Korea, which prompted a decline in risky asset classes (notably in the financial segment, for both equities and credit) as well as in long-term rates. It is worth noting that the emerging markets were scarcely affected by the Korean risk, which was actually good news for other risky asset classes (only a correction). This was combined with political risk in the US on the issue of raising the debt ceiling, and the prospect of a full schedule of issuance on the primary market in September (IG but little in the hybrid financial segment) and two key central bank meetings. The primary market, excluding covered bonds, totalled €12 bn in gross issuance of senior unsecured debt according to Barclays, with net bank issuance totalling -€1 bn over the month. Gross issuance since the start of the year totalled €170 bn and net issuance -€33 bn. Crédit Fi had a yield to maturity of 4,1% and a yield to call of 3,4% with an interest rate sensitivity of 1,7 and a credit sensitivity of 6,2.

September 2017

Crédit Fi's net asset value climbed 0,59% over the month (C units). Spreads on financial debt contracted in September, with Tier 1 yields versus government bonds tightening by 22 bp to 200 bp and Tier 2 by 4 bp to 176 bp, while senior debt spreads widened by 1 bp to 77 bp at month-end, according to the JP Morgan SUSI indexes. OAS CoCo spreads tightened by 22 bp, closing the period at 356 bp according to the Barclays global index. The German government yield curve steepened during the month, with the ten-year yield up 10 bp to 0,46% and the five-year up 8 bp to -0,27%, while the two-year rose by 4 bp to -0,69%. Crédit Fi's net performance for 2017 stood at 5,77% compared with 5,24% for the JP Morgan SUSI Lower Tier 2 and 6,17% for the SUSI Tier 1. The fund's 260-day volatility was 2,0% compared to 1,7% for the SUSI Lower Tier 2 and 1,0% for the SUSI Tier 1. September was a relatively calm month in the financial sector with little primary market issuance (as was expected and will probably continue until the end of the year) and few significant events (with the exception of the hurricane season which impacted reinsurance companies, but more in terms of profits than risk to the sector's solvency). The Fed announced it would begin to reduce its balance sheet from October to the tune of \$10 bn a month initially. A few new issuers arrived on the Tier 2 and AT1 market, mainly small Dutch, Danish and Italian players. The primary market, excluding covered bonds, totalled €28 bn in gross issuance of senior unsecured debt according to Barclays, with net bank issuance totalling -€2 bn over the month. Gross issuance since the start of the year totalled €199 bn and net issuance -€34 bn. Crédit Fi had a yield to maturity of 4,2% and a yield to call of 3,4% with an interest rate sensitivity of 1,9 and a credit sensitivity of 5,3.

October 2017

Objectif Crédit Fi's net asset value climbed 1,30% over the month (C units). Spreads on financial debt tightened across the board, with Tier 1 yields versus government bonds tightening by 14 bp to 186 bp, Tier 2 by 15 bp to 161 bp and senior debt by 4 bp to 73 bp at month-end, according to the JP Morgan SUSI indexes. OAS CoCo spreads tightened by 53 bp, closing the period at 303 bp according to the Barclays global index. The German government yield curve flattened during the month, with the ten-year yield down 10 bp to 0,36% and the five-year down 8 bp to -0,35%, while the two-year decreased by 6 bp to -0,75%. Objectif Crédit Fi's net performance for 2017 stood at 7,15% compared to 6,60% for the JP Morgan SUSI Lower Tier 2 and 6,67% for the SUSI Tier 1. The fund's 260-day volatility was 2,0% compared to 1,7% for the SUSI Lower Tier 2 and 1,1% for the SUSI Tier 1. The main theme during the month was Catalonia: Spanish and in particular Catalan banks saw a period of turbulence after the results of the independence referendum, but their fears were soon quelled after the head office of Caixabank was moved to Valencia and that of Sabadell to Alicante. The banking sector earnings publications marked an end to issuance on the primary market, with no hybrid banking debt issued in October (apart from non-preferred senior debt). The banks' results were satisfactory on the whole, apart from the slowdown observed by investment banks, notably in FICC, due to weak volumes amid limited volatility. The primary market, excluding covered bonds, totalled €13 bn in gross issuance of senior unsecured debt according to Barclays, with net bank issuance totalling -€9 bn over the month. Gross issuance since the start of the year totalled €212 bn and net issuance -€42 bn. Objectif Crédit Fi had a yield to maturity of 4,1% and a yield to call of 3,2% with an interest rate sensitivity of 2,1 and a credit sensitivity of 6,3.

November 2017

Lazard Crédit Fi's net asset value climbed 0,25% over the month (C units). Spreads on financial debt presented

a mixed picture, with Tier 1 yields versus government bonds tightening by 53 bp to 134 bp, Tier 2 by 8 bp to 153 bp and senior debt by 4 bp to 69 bp at month-end, according to the JP Morgan SUSI indexes. OAS CoCo spreads widened by 14 bp, closing the period at 317 bp according to the Barclays global index. The German government yield curve flattened during the month, with the ten-year yield stable at 0,37% and the five-year up by 4 bp to -0,31%, while the two-year rose by 7 bp to -0,68%. Lazard Crédit Fi's net performance for 2017 stood at 7,41% compared to 6,90% for the JP Morgan SUSI Lower Tier 2 and 7,22% for the SUSI Tier 1. The fund's 260-day volatility was 1,9% compared to 1,6% for the SUSI Lower Tier 2 and 0,7% for the SUSI Tier 1. There was a bout of profit-taking at the start of November after the strong rally seen in October, notably after the ECB meeting on October 26th. The results of the banking sector brought little excitement, with ongoing difficulty in growing revenue. Most net income improvements now stem from the fall in loan loss provisioning. We saw the first euro-denominated AT1 issue with a sub 3,5% coupon, with Nordea's issuance of €750 m in perpetual notes callable at seven years. Given the current environment of low interest rates, we will probably need to get used to these levels. The primary market, excluding covered bonds, totalled €24 bn in gross issuance of senior unsecured debt according to Barclays, with net bank issuance totalling €10 bn over the month. Gross issuance since the start of the year totalled €234 bn and net issuance -€33 bn. Lazard Crédit Fi had a yield to maturity of 4,1% and a yield to call of 3,1% with an interest rate sensitivity of 2,3 and a credit sensitivity of 5,9.

December 2017

Lazard Crédit Fi's net asset value climbed 0,31% over the month (C units). Spreads on financial debt presented a mixed picture, with Tier 1 yields versus government bonds tightening by 8 bp to 125 bp, Tier 2s remaining flat at 153 bp and senior debt tightening by 1 bp to 68 bp at month-end, according to the JP Morgan SUSI indexes. OAS CoCo spreads were unchanged, closing the period at 317 bp according to the Barclays global index. The German government yield curve rose during the month, with the ten-year yield up 6 bp to 0,43% and the five-year up 11 bp to -0,20%, while the two-year rose by 6 bp to -0,63%. Lazard Crédit Fi's net performance for 2017 stood at 7,74% compared to 6,68% for the JP Morgan SUSI Lower Tier 2 and 7,39% for the SUSI Tier 1. The fund's 260-day volatility was 1,8% compared to 1,5% for the SUSI Lower Tier 2 and 0,6% for the SUSI Tier 1. The month saw very little activity and brought no real surprises. The Fed raised its key interest rate by 25 bp, the ECB revised up its growth forecasts slightly and there was virtually no primary market movement, but yields rose slightly thanks in part to the US Senate's tax reform ratification. This had an indirect impact on the financial sector: new provisions for write-downs of deferred tax credits by banks operating in the US, for high amounts but without an impact on solvency ratios. The primary market, excluding covered bonds, totalled €4 bn in gross issuance of senior unsecured debt according to Barclays, with net bank issuance totalling -€6 bn over the month. Gross issuance since the start of the year totalled €239 bn and net issuance -€38 bn. Lazard Crédit Fi had a yield to maturity of 4,1% and a yield to call of 3,0% with an interest rate sensitivity of 2,9 and a credit sensitivity of 6,0.

January 2018

Lazard Capital Fi's net asset value climbed 0,91% over the month (IVC units). Spreads on financial debt tightened across the board, with Tier 1 yields versus government bonds tightening by 38 bp to 88 bp, Tier 2 by 21 bp to 132 bp and senior debt by 8 bp to 60 bp at month-end, according to the JP Morgan SUSI indexes. OAS CoCo spreads tightened by 40 bp, closing the period at 277 bp according to the Barclays global index. The German government yield curve steepened during the month, with the ten-year yield up 27 bp to 0,70% and the five-year up 31 bp to 0,10%, while the two-year rose by 10 bp to -0,53%. Lazard Crédit Fi's net performance for 2018 stood at 0,91% compared to 0,31% for the JP Morgan SUSI Lower Tier 2 and 0,27% for the SUSI Tier 1. The fund's 260-day volatility was 1,7% compared to 1,6% for the SUSI Lower Tier 2 and 0,6% for the SUSI Tier 1. January was a very good month for risky asset classes. Financials performed particularly well, both in the equity and credit markets, in a context of economic upturn and rising interest rates. There was scant financial hybrid issuance but continuing high demand from investors. The latest AT1 issues (UBS in \$ and Belfius in €) were made at unprecedented coupon (5% and 3,625%, respectively) and spread levels. Gross primary market senior unsecured debt issuance over the month, excluding covered bonds, totalled €29 bn according to Barclays, with net bank issuance of €1 bn. Gross issuance since the start of the year totalled €29 bn and net issuance €1 bn. Lazard Crédit Fi had a yield to maturity of 4,0% and a yield to call of 2,9% with an interest rate sensitivity of 2,7 and a credit sensitivity of 5,7.

February 2018

Lazard Crédit Fi's net asset value fell 0,52% over the month (IVC units). Spreads on financial debt widened across the board, with Tier 1 yields versus government bonds widening by 9 bp to 97 bp, Tier 2 by 20 bp to 153 bp and senior debt by 6 bp to 66 bp at month-end, according to the JP Morgan SUSI indexes. OAS CoCo spreads widened by 15 bp to end the year at 293 bp, according to the Barclays global index. The German government bond yield curve fell during the month, with the ten-year yield down 4 bp to 0,65%, the five-year down 8 bp to 0,02% and the two-year down 1bp to -0,55%. Lazard Crédit Fi's net performance for 2018 stood

at 0,38% compared to -0,24% for the JP Morgan SUSI Lower Tier 2 and 0,16% for the SUSI Tier 1. The fund's 260-day volatility was 1,7% compared to 1,7% for the SUSI Lower Tier 2 and 0,6% for the SUSI Tier 1. Markets experienced a mini-correction between January 26th and the first few weeks of February. While this correction's trigger remains a mystery, the increase in volatility, accompanied by negative performances in all asset classes (equities, credit, interest rates and commodities), led some investors to reduce their risks, leading to outflows from certain aggregate funds and ETFs, which in turn accelerated the downward trend. Markets are now stabilising, and have more or less returned to their year-end levels. Nevertheless, nothing has fundamentally changed since the end of January: growth remains strong and inflation moderate while corporate earnings are excellent. The primary market is still focused mainly on NPS debt issues. Gross primary market senior unsecured debt issuance over the month, excluding covered bonds, totalled €22,1 bn according to Barclays, with net bank issuance of €5,1 bn. Gross issuance since the start of the year totalled €51,3 bn and net issuance €6,9 bn. Lazard Crédit Fi had a yield to maturity of 4,1% and a yield to call of 3,1% with an interest rate sensitivity of 3,3 and a credit sensitivity of 5,9.

March 2018

Lazard Crédit Fi's net asset value fell 0,68% over the month (IVC units). Spreads on financial debt widened across the board, with Tier 1 yields versus government bonds widening by 26 bp to 122 bp, Tier 2 by 22 bp to 174 bp and senior debt by 16 bp to 82 bp at month-end, according to the JP Morgan SUSI indexes. OAS CoCo spreads widened by 45 bp to end the year at 338 bp, according to the Barclays global index. The German government bond yield curve fell during the month, with the ten-year yield down 16 bp to 0,49%, the five-year down 13 bp to -0,11% and the two-year down 7 bp to -0,61%. Lazard Crédit Fi's net performance for 2018 stood at -0,29% compared to -0,42% for the JP Morgan SUSI Lower Tier 2 and -0,05% for the SUSI Tier 1. The fund's 260-day volatility was 1,7% compared to 1,7% for the SUSI Lower Tier 2 and 0,6% for the SUSI Tier 1. In a context of correction of risky assets, rising volatility and risk aversion, there was an onset of technical pressure in March, with the market caught between particularly a strong upsurge of primary activity and outflows from aggregate credit funds. This wealth of supply and dwindling of demand in a risk-averse environment created the perfect conditions for a mini-correction of spreads. There were no particular fundamental factors that significantly impacted the sector or asset class, however. The ECB published the final version of its guidance on the provisioning of new non-performing loans. Gross primary market senior unsecured debt issuance over the month, excluding covered bonds, totalled €36 bn according to Barclays, with net bank issuance of €15,4 bn. Gross issuance since the start of the year totalled €88,3 bn and net issuance €23,3 bn. Lazard Crédit Fi had a yield to maturity of 4,1% and a yield to call of 3,2% with an interest rate sensitivity of 3,1 and a credit sensitivity of 5,6.

Past performance is no guarantee of future results.

Main changes in the portfolio during the year

Securities	Changes (“accounting currency”)	
	Purchases	Sales
LAZARD EURO MONEY MARKET	96 198 476,90	106 969 730,11
FORTIS BK TV07-191272 CV	20 192 193,21	0,00
CAIXABANK SA 2.75% 14-07-28	15 489 430,14	0,00
BARCLAYS TF/TV PERPETUAL	13 782 205,53	0,00
DIRECT LINE INSURANCE PL	4 473 671,98	8 311 204,11
AXA 8.6%00-15/12/30	11 789 442,97	0,00
ACHMEA BV 4.25% PERP EMTN	0,00	11 743 680,00
OLD MUTUAL 7.875% 03-11-25	4 058 698,53	7 496 810,99
CASA LONDON 1.875% 20-12-26	10 226 123,30	1 049 129,32
BCP 4.5% 07-12-27 EMTN	11 270 154,79	0,00

Transparency of securities financing transactions and the reuse of financial instruments – SFTR – in the UCI’s accounting currency (EUR)

The UCI carried out no transactions during the year in the context of the SFTR.

• **EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES AND DERIVATIVE FINANCIAL INSTRUMENTS**

a) Exposure through efficient portfolio management techniques and derivative financial instruments

- Exposure through efficient management techniques:
 - **Securities lending:**
 - **Securities borrowing:**
 - **Repurchase agreements:**
 - **Reverse repurchase agreements:**

- Underlying exposure through derivative financial instruments: **376 077 880,44**
 - **Currency forwards: 242 462 680,37**
 - **Futures: 133 615 200,07**
 - **Options:**
 - **Swaps:**

b) Identity of the counterparty or counterparties for efficient portfolio management techniques and derivative financial instruments

Efficient portfolio management techniques	Derivative financial instruments (*)

(*) Excluding listed derivatives.

c) Financial guarantees received by the UCITS to reduce counterparty risk

Instrument type	Amount in the currency of the portfolio
Efficient portfolio management techniques . Term deposits . Equities . Bonds . UCITS . Cash (**) <p style="text-align: right;">Total</p>	
Derivative financial instruments . Term deposits . Equities . Bonds . UCITS . Cash <p style="text-align: right;">Total</p>	

(**) The Cash account also includes cash from reverse repurchase agreements.

d) Operating income and expenses related to efficient management techniques

Operating income and expenses	Amount in the currency of the portfolio
. Income (***)	1 896,15
. Other income	
Total income	1 896,15
. Direct operating expenses	403,98
. Indirect operating expenses	
. Other expenses	
Total expenses	403,98

(***) Income on securities lending and repurchase agreements.

4. REGULATORY INFORMATION

- **PROCEDURE FOR SELECTING AND ASSESSING INTERMEDIARIES 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.

- **EXERCISING VOTING RIGHTS**

The scope and procedures for Lazard Frères Gestion SAS' 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 can be consulted on the management company's website at www.lazardfreresgestion.fr.

- **COMMUNICATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE CRITERIA**

Lazard Frères Gestion firmly believes that the integration of environmental, social and governance (ESG) criteria in the management of assets provides an additional guarantee in terms of a durable economic performance.

In fact, the long-term performance of investments is not just about adherence to the financial strategy, but must also take the company's interactions with its social, economic and financial environment into account.

The incorporation of ESG criteria is therefore a natural component of our investment process.

Our overall approach can be summarised as follows:

- ✓ Rigorous financial analysis of the company covering the quality of assets, financial solidity, projected cash flows and their reinvestment by the company, the strength of economic profits, profit durability, and quality of management.
- ✓ This durability is strengthened by incorporating extra-financial criteria:
 - Social criteria: through the development of human capital
 - Environmental criteria: through the prevention of all environmental risks
 - Governance criteria: by respecting the balance between the managerial and shareholder structures so as to prevent potential conflicts of interest and safeguard the interests of minority shareholders.

The intensity and methods with which we incorporate ESG criteria may of course vary depending on the asset class and investment process involved, but the constant aim is to ensure better assessment of ESG risks that are likely to have a strong impact on the value of a company or sovereign asset.

- **CARBON LAW**

Pursuant to Article 173 of the law of August 17th, 2015, LAZARD Frères Gestion decided to disclose the UCI's carbon footprint.

- Methodology

To obtain the data needed to calculate the carbon footprint, we decided to establish a partnership with TRUCOST in 2016.

LAZARD Frères Gestion decided to use the carbon intensity indicator, which is expressed in CO2 equivalent tonnes per million euros of income.

The carbon footprint assessment takes into account scope 1 and 2 greenhouse gas (GHG) emissions:

- Scope 1: All direct emissions linked to the use of fossil fuels to manufacture a product.
- Scope 2: All indirect emissions from the company's use of electricity.

Measurement is conducted only on securities that are directly owned.

Listed companies on which we have no carbon data are weighted proportionally based on the weight of other companies in the same sector, in order to maintain the initial sector weightings.

The weight of each stock in the portfolio is re-based to obtain a total weighting equal to 100%.

The method used to calculate the portfolio's carbon intensity is the weighted average GHG emissions divided by each position's income, which results in the following formula:

$$\text{Intensité carbone d'un portefeuille} = \sum \left[\left(\frac{\text{Émissions (scope 1 + 2)}}{\text{Chiffre d'Affaires}} \right) \text{ de chaque titre} \times \text{poids de chaque titre} \right]$$

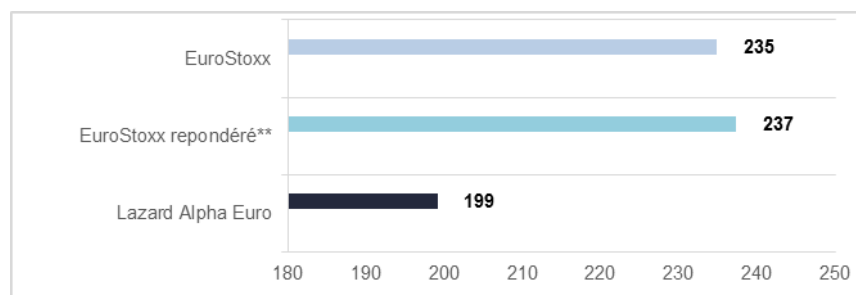
➤ Policy and objectives

A company's CO2 emission levels are highly dependent on its area of activity. Some sectors are structurally higher "emitters" than others.

Lazard Frères Gestion's fundamental stock picking approach entails sector exposure gaps between the funds and their benchmark indices.

To eradicate these sector biases, we have defined a method that involves neutralising these gaps by re-weighting the sectors of the benchmark index so that they correspond to those of the portfolio. The weight of each stock is maintained within each sector of the benchmark index.

Emissions in millions of euros of income (tonnes of CO2 eq./€m of income)



Date: 29/12/2017

Fund coverage ratio: 100,0%. Index coverage ratio: 100,0%.

• METHOD USED TO CALCULATE GLOBAL RISK

The UCI uses the commitment method to calculate its global risk on financial contracts.

• SWING PRICING

In order to protect the UCI's long-term unitholders, a swing factor will be applied to subscriptions and redemptions that have a significant impact on the UCI's outstandings, which may generate costs for unitholders entering and leaving the UCI that would otherwise have been allocated across all the UCI's unitholders. Therefore, if, on a particular NAV calculation date, the total net subscription/redemption orders of investors across all categories of UCI units or shares exceeds a threshold predetermined by the management company on the basis of objective criteria and expressed as a percentage of the UCI's net assets, the NAV may be adjusted upwards or downwards to take account of the readjustment costs attributable to the net subscription/redemption orders. The NAV of each unit or share category shall be calculated separately, but any adjustment shall have an identical impact, expressed as a percentage, on all of the NAV calculations of each unit or share category in the UCI.

The cost parameters and trigger level shall be determined by the management company and shall be reviewed periodically, and at least every six months. These costs shall be estimated by the management company based on transaction fees, bid/offer spreads and tax charges applicable to the UCI.

Insofar as this adjustment mechanism is linked to the net balance of subscriptions/redemptions within the UCI, it is not possible to accurately predict a given time in the future at which swing pricing will be applied. Consequently, nor is it possible to predict the precise frequency at which the management company will have to make such adjustments, which shall not exceed 1% of the NAV (see prospectus). Investors should be aware that, because the UCI uses swing pricing, its NAV volatility may not reflect solely the volatility of its portfolio securities.

- **REMUNERATION**

The fixed and variable remuneration paid during the financial year ended December 29th, 2017 by the management company to its personnel, pro rata their investment in the management of the UCITS, excluding the management of AIF, is shown below and in the company's annual report. The total variable remuneration is set by the Lazard Group based on various criteria, including the Lazard Group's financial performance over the past year and taking into account its results. General Management decides on the total remuneration amount that will be split between the fixed and variable components, in accordance with the policy for keeping fixed and variable components completely separate. All risks are incorporated into the calculation of variable remuneration. It is then broken down per person and determined partly based on the performance of each identified member of staff.

Staff at 31/12/2017: Fixed-term and open-ended employment contracts at LFG

Headcount at 31-12-2017 LFG	Fixed annual remuneration in 2017 in €m	Variable remuneration (cash and deferred) awarded for 2017 in €m
156	13 683	20 029

“Identified employees”

Category	Number of employees	Aggregated fixed and variable remuneration (including deferred) in 2017 in €m
Senior management	3	3 979
Other	42	18 680
Total	45	22 660

- **OTHER INFORMATION**

The UCI's complete prospectus and the most recent annual and interim reports will be sent out within one week of request in writing by unitholders to:

LAZARD FRERES GESTION SAS
25, rue de Courcelles – 75008

PARIS www.lazardfreresgestion.fr

5. CERTIFICATION BY THE STATUTORY AUDITOR

LAZARD CREDIT FI (formerly OBJECTIF CREDIT FI)

French open-end investment fund
(*fonds commun de placement* – FCP)

Management company: Lazard Frères Gestion SAS

25, Rue de Courcelles
75008 Paris, France

STATUTORY AUDITOR'S REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Financial year ended March 29th, 2018

To the unitholders of the LAZARD CREDIT FI (formerly OBJECTIF CREDIT FI) open-end investment fund

Opinion

In accordance with the terms of our appointment by the management company, we have conducted our audit of the accompanying annual financial statements of the undertaking for collective investment LAZARD CREDIT FI (formerly OBJECTIF CREDIT FI), a French open-end investment fund (*fonds commun de placement* - FCP), for the financial year ended March 29th, 2018.

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.

Basis for opinion on the annual financial statements

Audit standards

We conducted our audit in accordance with the professional standards applicable in France. We believe that our audit has provided us with sufficient relevant information on which to base our opinion.

Our responsibilities under these standards are set out in the section of this report entitled “Statutory auditor's responsibilities concerning the audit of the annual financial statements”.

LAZARD CREDIT FI (formerly OBJECTIF CREDIT
FI)

Independence

We conducted our audit on the period from April 1st, 2017 to the date of issue of our report, in accordance with the rules of independence applicable to us. In particular, we have not provided any services prohibited by the French code of ethics for statutory auditors.

Basis of our opinions

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the basis of our opinions, we inform you that, in our professional judgement, the most important assessments we carried out focused on the appropriateness of the accounting principles applied, notably with regard to the financial instruments in the portfolio, and the presentation of all of the financial statements in accordance with the chart of accounts for open-end collective investment undertakings.

The assessments we have made are part of our audit of the annual financial statements as a whole and the opinion expressed above. We express no opinion on the elements of the annual financial statements taken in isolation.

Verification of the management report prepared by the management company

We 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 prepared by the management company, or its consistency with the annual financial statements.

Responsibilities of the management company concerning the annual financial statements

It is the management company's role to draw up annual financial statements that give a true and fair picture in accordance with French accounting rules and principles, and to implement the necessary internal control to be able to provide reasonable assurance that they are free from material misstatements, whether due to fraud or error.

In drawing up the financial statements, the management company is responsible for assessing the Fund's ability to continue operating as a going concern, for presenting in its financial statements, where necessary, information concerning business continuity, and for applying the going concern accounting policy, unless it is planned to liquidate the Fund or terminate its activity.

The management company has duly drawn up the annual financial statements.

LAZARD CREDIT FI (formerly OBJECTIF CREDIT FI)

Statutory auditor's responsibilities concerning the audit of the annual financial statements

Our role is to prepare a report on the annual financial statements and to obtain reasonable assurance that the annual financial statements as a whole are free of material misstatements. Reasonable assurance means a high but not absolute level of assurance that an audit performed in accordance with professional standards will systematically detect any material misstatement. Misstatements may stem from fraud or errors and are considered material when it can reasonably be expected that, taken individually or together, they could influence the economic decisions of users of the financial statements.

As stipulated in Article L. 823-10-1 of the French Commercial Code, our audit assignment does not consist in guaranteeing the viability or quality of your Fund's management.

In the context of an audit performed in accordance with professional standards applicable in France, the statutory auditor exercises its professional judgement throughout the course of the audit. Moreover:

- it identifies and assess the risks that the annual financial statements may contain material misstatements, whether from fraud or error, defines and implements audit procedures to resolve these risks, and collects all information deemed necessary and appropriate in order to give its opinion. The risk of failure to detect a material misstatement is higher when the misstatement results from fraud rather than error because fraud may involve collusion, falsification, deliberate omissions, false statements or by-passing of internal controls;
- it takes due note of the internal control relevant to the audit in order to define audit procedures that are appropriate to the circumstances, and not with a view to expressing an opinion on the efficiency of the internal control;
- it assesses the appropriateness of the accounting methods used, the reasonable nature of the accounting estimates made by the management company, and the related information provided in the annual financial statements;
- it assesses the appropriateness of the management company's application of the going concern accounting policy and, based on the information collected, decides whether there is material uncertainty linked to events or circumstances that is likely to call into question the Fund's ability to continue operating as a going concern. This assessment is based on the information collected up to the date of the report, bearing in mind nevertheless that subsequent circumstances or events could jeopardise the Fund's operation as a going concern. If the statutory auditor notes the existence of material uncertainty, it shall draw the attention of the readers of its report to the information provided in the annual financial statements on the subject of this uncertainty, or if this information has not been provided or is not relevant, it shall attach reservations to its certification or shall refuse to certify the accounts;

LAZARD CREDIT FI (formerly OBJECTIF CREDIT FI)

- it assesses the overall presentation of the annual financial statements and decides whether they provide a true and fair picture of the underlying operations and events.

Paris, La Défense, June 20th, 2018

Le Commissaire aux Comptes

Deloitte & Associés

A handwritten signature in black ink, appearing to be 'Olivier Galienne', written over the text 'Deloitte & Associés'.

Olivier Galienne

6. ANNUAL FINANCIAL STATEMENTS

- BALANCE SHEET in euros**

ASSETS

	29/03/2018	31/03/2017
Net non-current assets		
Deposits		
Financial instruments	761 184 562,51	479 075 952,35
Equities and similar securities		
Traded on a regulated or equivalent market		
Not traded on a regulated or equivalent market		
Bonds and similar securities	732 577 444,59	436 588 427,13
Traded on a regulated or equivalent market	732 577 444,59	436 588 427,13
Not traded on a regulated or equivalent market		
Debt securities		
Traded on a regulated or equivalent market		
Negotiable debt securities		
Other debt securities		
Not traded on a regulated or equivalent market		
Undertakings for collective investment	26 769 429,49	39 950 664,82
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	26 769 429,49	39 950 664,82
Other funds aimed at non-professionals and their equivalent in other countries that are Member States of the EU		
General funds aimed at professional investors and their equivalent in other Member States of the EU and listed securitisation entities		
Other funds aimed at professional investors and their equivalent in other Member States of the EU and unlisted securitisation entities		
Other non-European entities		
Temporary securities transactions		
Receivables on securities purchased under repurchase agreements		
Receivables on loaned securities		
Borrowed securities		
Securities sold under repurchase agreements		
Other temporary transactions		
Forward financial instruments	1 837 688,43	2 536 860,40
Transactions on a regulated or equivalent market	1 837 688,43	2 536 860,40
Other transactions		
Other financial instruments		
Receivables	247 546 210,92	185 958 703,46
Currency forward exchange transactions	242 462 680,37	174 842 089,93
Other	5 083 530,55	11 116 613,53
Financial accounts	32 422 758,88	17 999 346,87
Cash and cash equivalents	32 422 758,88	17,999,346,87
Total assets	1 041 153 532,31	683 034 002,68

LIABILITIES AND SHAREHOLDERS' EQUITY

	29/03/2018	31/03/2017
Shareholders' equity		
Capital	750 667 663,94	467 991 918,33
Undistributed net capital gains and losses recognised in previous years (a)		
Retained earnings (a)	2 913,94	1 110,65
Net capital gains and losses for the year (a, b)	16 768 692,06	1 102 503,98
Net income for the year (a, b)	22 669 257,72	17 914 752,66
Total shareholders' equity (= amount representing net assets)	790 108 527,66	487 010 285,62
Financial instruments	1 837 686,54	2 505 681,19
Sales of financial instruments		
Temporary securities transactions		
Liabilities on securities sold under repurchase agreements		
Liabilities on borrowed securities		
Other temporary transactions		
Forward financial instruments	1 837 686,54	2 505 681,19
Transactions on a regulated or equivalent market	1 837 686,54	2 505 681,19
Other transactions		
	249 207 318,11	183 394 649,91
Liabilities	243 248 046,57	173 927 877,45
Currency forward exchange transactions		
Other	5 959 271,54	9 466 772,46
Financial accounts		10 123 385,96
Bank overdrafts		10 123 385,96
Borrowings		
Total liabilities and shareholders' equity	1 041 153 532,31	683 034 002,68

(a) Including accrued income.

(b) Less interim dividends paid for the financial year.

- **OFF-BALANCE SHEET ITEMS in euros**

	29/03/2018	31/03/2017
Hedging transactions		
Commitments on regulated or similar markets		
Futures contracts		
BP GBPUSD M7		6 952 018,37
CBO TU CBOT UST 0618	25 931 135,02	
EC EURUSD 0617		12 543 826,84
EUR XEUR FGBX B 0618	8 269 000,00	
LIFFE LG GILT 0617		74 582 018,01
TU CBOT UST 2 0617		101 188 876,63
TY CBOT YST 1 0617		46 585 012,39
TY CBOT YST 1 0618	19 700 065,05	
XEUR FGBL BUN 0617		64 568 000,00
XEUR FGBL BUN 0618	79 715 000,00	
XEUR FGBX BUX 0617		16 856 000,00
Commitments on OTC markets		
Other commitments		
Other transactions		
Commitments on regulated or similar markets		
Commitments on OTC markets		
Other commitments		

- **INCOME STATEMENT in euros**

	29/03/2018	31/03/2017
Income from financial transactions		
Income from deposits and financial accounts		13,93
Income from equities and similar securities		
Income from bonds and similar securities	28 198 411,88	20 567 341,72
Income from debt securities		
Income from temporary purchases and sales of securities	1 896,15	
Income from forward financial instruments		
Other financial income		
Total (1)	28 200 308,03	20 567 355,65
Expenses related to financial transactions		
Expenses related to temporary purchases and sales of securities	403,98	
Expenses related to forward financial instruments		
Expenses related to financial liabilities	11 729,30	2 318,86
Other financial charges		
Total (2)	12 133,28	2 318,86
Income from financial transactions (1 - 2)	28 188 174,75	20 565 036,79
Other income (3)		
Management fees and depreciation and amortisation (4)	8 237 809,86	4 933 650,23
Net income for the financial year (L. 214-17-1) (1 - 2 + 3 - 4)	19 950 364,89	15 631 386,56
Income adjustment for the financial year (5)	2 718 892,83	2 283 366,10
Interim dividends paid on net income for the financial year (6)		
Net income (1 - 2 + 3 - 4 + 5 - 6)	22 669 257,72	17 914 752,66

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING RULES AND PRINCIPLES

The annual financial statements are presented in accordance with 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.

The general accounting principles are applicable:

- true and fair view, comparability, business continuity,
- regularity, sincerity,
- prudence,
- permanence of the accounting methods used each year.

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

Purchases and sales of securities are recorded excluding expenses. The accounting currency of the portfolio is the euro. The financial year comprises 12 months.

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. If applicable, prices are translated into euros using the exchange rate prevailing in Paris on the valuation day (as published by WM Closing).
- **Bonds and similar instruments** are valued on the basis of the average of the closing prices gathered from several contributors.

Financial instruments whose prices have not been determined on the valuation day or whose prices have been adjusted are valued at their probable trading price under the responsibility of the management company. These estimates and their supporting documentation will be provided to the statutory auditor during audits. Similarly, valuations based partly on Bloomberg prices derived from averages of contributed prices may not reflect the reality of the market when the transactions are carried out.

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 currencies
Euribor, OISs and BTFs - 3 - 6 - 9 - 12 months BTANs - 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 is not applied if any of these securities are 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 net asset values are published monthly may be valued on the basis of interim net asset values 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, 1- or 2-week interbank rates or 1 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.

➤ **Financial instruments and securities not traded on a regulated market**

All of the UCI's financial instruments are traded on regulated markets.

➤ **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).

Swing pricing

The management company has been applying a swing pricing adjustment to the net asset value with a trigger level since July 27th, 2015. Unitholders can consult information on this mechanism in the fund prospectus, which is available at the management company's head office and on its website.

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:

$$\frac{\text{Gross assets - UCIs managed by Lazard Frères Gestion SAS} \times \text{operating and management fees rate} \times \text{no. of days between the calculated NAV and the previous NAV}}{365 \text{ (or 366 in a leap year)}}$$

This amount is then recorded in the Fund's income statement and paid in full to the management company.

The management company pays the Fund's 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 fees break down as follows, as set out in the regulations:

<i>Expenses charged to the Fund</i>	<i>Basis</i>	<i>Rate</i>
Financial management fees	Net assets excluding UCIs managed by Lazard Frères Gestion	IVC units: Maximum 0,265% incl. taxes RC units: Maximum 0,965% incl. taxes IC units: Maximum 0,665% incl. taxes IC USD units: Maximum 0,715% incl. taxes IVD units: Maximum 0,265% incl. taxes IC H-CHF units: Maximum 0,715% incl. taxes RD units: Maximum 0,965%incl. taxes ID units: Maximum 0,665%incl. taxes TC units: Maximum 0,665%incl. taxes
Administrative fees external to the management company	Net assets	IVC, IC, ID, RC, RD, IC USD, IVD, TC and IC H-CHF units: Maximum 0,035% incl. taxes
Turnover commission (incl. taxes)	n/a	None
Performance fee (IVC, RC, TC and IVD units) *	NAV per unit x number of units	30% of the UCI's outperformance relative to Eonia +3%. This fee will be capped at 2%.*

* Performance calculation:

Performance fees are calculated using a high water mark system based on a comparison of the performance of each unit of the Fund's assets (excluding variable management fees) with that of the assets of a benchmark fund:

- with a baseline value equal to the value of the Fund's assets at the close of the last year to date in which performance fees were charged; and
- with a daily performance equal to that of the benchmark index (net dividends reinvested) in euros, US dollars or Swiss francs and based on the same variations in subscriptions and redemptions as the Fund.

If, at the close of the financial year, the Fund's assets (excluding variable management fees) exceed those of the benchmark fund, a performance fee will be charged equal to 30% (including taxes) of the difference in value between the Fund's assets and the benchmark fund.

The performance fee will first be deducted after a period of 12 months or more.

If the Fund underperforms the benchmark assets, the variable portion of management fees is adjusted by a reversal of provisions up to the level of the existing charge to provisions.

In the case of redemptions, the proportion of the provision for variable management fees corresponding to the number of units redeemed is permanently retained by the management company. These fees will be collected at the close of the financial year.

Only the contributions payable for the management of the UCI pursuant to Article L. 621-5-3 II 3° d) of the French Monetary and Financial Code (*Code monétaire et financier*) and any exceptional legal costs related to debt recovery are outside the scope of the three blocks of charges referred to above.

Repurchase agreements are executed at market prices.

With the exception of brokerage fees, accounting management costs and custodians' fees, all of the charges referred to above are levied as part of the joint venture arrangement between LAZARD FRERES BANQUE and LAZARD FRERES GESTION SAS, which since 1995 has enabled them to pool their financial control, administrative and portfolio execution resources.

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 617.
- The final amount is recognised upon settlement of invoices after reversal of any provisions.

Allocation of distributable income

Definition of distributable income:

Distributable income consists of:

Net income:

Net income for the financial year is equal to the amount of interest, arrears, bonuses and prizes, dividends, directors' fees and all other income generated by the securities that make up the portfolio, plus income generated by temporary cash holdings, minus the amount of management fees and borrowing costs. Retained earnings are added, plus or minus the balance of the revenue adjustment account.

Capital gains and losses:

Realised capital gains, net of expenses, less 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.

Allocation of distributable income:

<i>Distributable income</i>	<i>IVC, RC, IC, IC USD, IC H-CHF and TC units</i>	<i>RD, ID and IVD units</i>
Allocation of net income	Accumulation	Distribution
Allocation of net realised capital gains or losses	Accumulation	Accumulation and/or distribution and/or retention

- **CHANGE IN NET ASSETS in euros**

	29/03/2018	31/03/2017
Net assets at start of year	487 010 285,62	391 862 987,64
Subscriptions (including subscription fees retained by the UCI)	528 706 651,34	270 292 152,74
Redemptions (net of redemption fees retained by the UCI)	-253 089 994,70	-209 925 674,65
Realised capital gains on deposits and financial instruments	4 577 071,85	2 742 284,65
Realised capital losses on deposits and financial instruments	-317 969,33	-1 156 958,26
Realised capital gains on forward financial instruments	14 265 764,48	16 535 992,51
Realised capital losses on forward financial instruments	-14 783 960,64	-10 270 230,71
Transaction fees	-41 595,09	-46 242,52
Exchange rate differences	-12 401 877,23	-5 535 545,88
Changes in valuation difference of deposits and financial instruments	19 737 824,05	20 249 377,16
Valuation difference for financial year N	45 538 956,20	25 801 132,15
Valuation difference for financial year N-1	-25 801 132,15	-5 551 754,99
Changes in valuation difference of forward financial instruments	-1 091 927,70	-1 522 874,81
Valuation difference for financial year N	-1 837 686,54	-745 758,84
Valuation difference for financial year N-1	745 758,84	-777 115,97
Distribution of prior year's net capital gains and losses		
Dividends paid in the previous financial year	-2 412 109,88	-1 846 368,81
Net profit/loss for the financial year prior to income adjustment	19 950 364,89	15 631 386,56
Interim dividend(s) paid on net capital gains/losses during the financial year		
Interim dividend(s) paid on net income during the financial year		
Other items		
Net assets at end of year	790 108 527,66	487 010 285,62

• **BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC STATUS**

	Amount:	%
Assets		
Bonds and similar securities		
Fixed-rate bonds traded on a regulated or similar market	662 330 678,77	83,83
Variable/adjustable-rate bonds traded on a regulated or similar market	47 009 314,78	5,95
Convertible bonds traded on a regulated or similar market	23 237 451,04	2,94
TOTAL Bonds and similar securities	732 577 444,59	92,72
Debt securities		
TOTAL Debt securities		
Liabilities		
Sales of financial instruments		
TOTAL Sales of financial instruments		
Off-balance sheet items		
Hedging transactions		
Interest rate	133 615 200,07	16,91
TOTAL Hedging transactions	133 615 200,07	16,91
Other transactions		
TOTAL Other transactions		

• **BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY INTEREST RATE TYPE**

	Fixed rate	%	Variable rate	%	Adjustable rate	%	Other	%
Assets								
Deposits	662 661 234,51	83,87			67 843 334,78	8,59	2 072 875,30	0,26
Bonds and similar securities								
Debt securities								
Temporary securities transactions								
Financial accounts							32 422 758,88	4,10
Liabilities								
Temporary securities transactions								
Financial accounts								
Off-balance sheet items								
Hedging transactions							113 915 135,02	14,42
Other transactions								

BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY RESIDUAL MATURITY

	< 3 months	%	3 months - 1 year	%	1-3 years	%	3-5 years	%	> 5 years	%
Assets										
Deposits										
Bonds and similar securities					23 100 130,10	2,92	44 290 381,99	5,61	665 186 932,50	84,19
Debt securities	32 422 758,88	4,10								
Temporary securities transactions										
Financial accounts										
Liabilities										
Temporary securities transactions										
Financial accounts										
Off-balance sheet items										
Hedging transactions					25 931 135,02	3,28			87 984 000,00	11,14
Other transactions										

Forward interest rate positions are presented according to the maturity of the underlying.

• **BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY LISTING OR VALUATION CURRENCY**

	USD		DEM		GBP		Other currencies	
	Amount	%	Amount	%	Amount	%	Amount:	%
Assets								
Deposits								
Equities and similar securities								
Bonds and similar securities	202 624 762,98	25,65	2 135 410,54	0,27	92 219 107,98	11,67		
Debt securities								
UCIs	490 734,64	0,06						
Temporary securities transactions								
Receivables	2 930 867,55	0,37					916 690,95	0,12
Financial accounts	1 605 026,14	0,20			3 225 615,85	0,41		
Liabilities								
Sales of financial instruments								
Temporary securities transactions								
Liabilities	142 940 959,97	18,09			97 128 773,31	12,29		
Financial accounts								
Off-balance sheet items								
Hedging transactions	45 631 200,07	5,78						
Other transactions								

- **RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE**

	Debit/credit item	29/03/2018
Receivables	Forward currency purchases	3 192 345,13
	Receivables on forward currency sales	239 270 335,24
	Subscription receivables	269 188,48
	Margin cash deposits	1 612 678,34
	Coupons and dividends in cash	1 281 883,63
	Collateral	1 919 780,10
Total receivables		247 546 210,92
Liabilities	Forward currency sales	240 069 733,28
	Payables on forward currency purchases	3 178 313,29
	Redemptions payable	444 552,17
	Management fees	325 656,48
	Variable management fees	5 189 062,89
Total liabilities		249 207 318,11

- **NUMBER OF SECURITIES ISSUED OR REDEEMED**

	In units	In amounts
IC USD units		
Units subscribed during the financial year	1 824,298	1 862 390,57
Units redeemed during the financial year	-2 509,000	-2 526 472,72
Net balance of subscriptions/redemptions	-684,702	-664 082,15
IVC units		
Units subscribed during the financial year	15 612,025	227 138 051,68
Units redeemed during the financial year	-4 485,148	-65 644 766,18
Net balance of subscriptions/redemptions	11 126,877	161 493 285,50
TC units		
Units subscribed during the financial year	126 076,696	25 186 694,74
Units redeemed during the financial year	-3 063,807	-603 452,50
Net balance of subscriptions/redemptions	123 012,889	24 583 242,24
IC H-CHF units		
Units subscribed during the financial year	894,000	838 648,79
Units redeemed during the financial year		
Net balance of subscriptions/redemptions	894,000	838 648,79
IC units		
Units subscribed during the financial year	111 812,351	132 411 684,85
Units redeemed during the financial year	-54 420,790	-64 254 893,83
Net balance of subscriptions/redemptions	57 391,561	68 156 791,02
RD units		
Units subscribed during the financial year	1,000	200,00
Units redeemed during the financial year		
Net balance of subscriptions/redemptions	1,000	200,00
RC units		
Units subscribed during the financial year	370 934,407	120 710 631,56
Units redeemed during the financial year	-342 428,173	-112 753 511,57
Net balance of subscriptions/redemptions	28 506,234	7 957 119,99
ID units		
Units subscribed during the financial year	6 014,481	5 957 999,72
Units redeemed during the financial year	-1,000	-988,67
Net balance of subscriptions/redemptions	6 013,481	5 957 011,05
IVD units		
Units subscribed during the financial year	138 365,928	14 600 349,43
Units redeemed during the financial year	-68 652,464	-7 305 909,23
Net balance of subscriptions/redemptions	69 713,464	7 294 440,20

- **SUBSCRIPTION AND/OR REDEMPTION FEES**

	In amounts
IC USD units Redemption fees acquired Subscription fees acquired Total fees acquired	
TC units Redemption fees acquired Subscription fees acquired Total fees acquired	
IVC units Redemption fees acquired Subscription fees acquired Total fees acquired	

- SUBSCRIPTION AND/OR REDEMPTION FEES**

	In amounts
IC H-CHF units Redemption fees acquired Subscription fees acquired Total fees acquired	
RD units Redemption fees acquired Subscription fees acquired Total fees acquired	
IC units Redemption fees acquired Subscription fees acquired Total fees acquired	
RC units Redemption fees acquired Subscription fees acquired Total fees acquired	
ID units Redemption fees acquired Subscription fees acquired Total fees acquired	
IVD units Redemption fees acquired Subscription fees acquired Total fees acquired	

- MANAGEMENT FEES**

	29/03/2018
IC USD units Guarantee fees Fixed management fees Percentage of fixed management fees Variable management fees Retrocessions of management fees	 23 102,37 0,75
IVC units Guarantee fees Fixed management fees Percentage of fixed management fees Variable management fees Retrocessions of management fees	 1 088 210,250 0,29 3 504 438,91
TC units Guarantee fees Fixed management fees Percentage of fixed management fees Variable management fees Retrocessions of management fees	 26 543,59 0,69
IC units Guarantee fees Fixed management fees Percentage of fixed management fees Variable management fees Retrocessions of management fees	 742 284,97 0,68

- MANAGEMENT FEES**

	29/03/2018
IC H-CHF units	
Guarantee fees	
Fixed management fees	6 157,45
Percentage of fixed management fees	0,72
Variable management fees	
Retrocessions of management fees	
RD units	
Guarantee fees	
Fixed management fees	0,11
Percentage of fixed management fees	1,84
Variable management fees	
Retrocessions of management fees	
RC units	
Guarantee fees	
Fixed management fees	968 465,76
Percentage of fixed management fees	0,96
Variable management fees	993 888,33
Retrocessions of management fees	
ID units	
Guarantee fees	
Fixed management fees	884,83
Percentage of fixed management fees	0,69
Variable management fees	
Retrocessions of management fees	
IVD units	
Guarantee fees	
Fixed management fees	193 097,64
Percentage of fixed management fees	0,29
Variable management fees	690 735,65
Retrocessions of management fees	

- COMMITMENTS RECEIVED AND GIVEN**

Guarantees received by the UCITS:

None.

Other commitments received and/or given:

None.

- **PRESENT VALUE OF SECURITIES HELD TEMPORARILY**

	29/03/2018
Securities held under repurchase agreements	
Borrowed securities	

- **PRESENT VALUE OF SECURITIES REPRESENTING SECURITY DEPOSITS**

	29/03/2018
Financial instruments given as security and retained under their original classification	
Financial instruments received as security and not recorded on the balance sheet	

- **GROUP FINANCIAL INSTRUMENTS HELD IN THE PORTFOLIO**

	ISIN	Description	29/03/2018
Equities			
Bonds			
Negotiable debt securities			
UCIs			26 769 429,49
	FR0010952788	LAZARD CAPITAL FI IC	6 675 689,00
	FR0013072733	LAZARD CAPITAL FI IC USD	490 734,64
	FR0010941815	LAZARD EURO MONEY MARKET	19 603 005,85
Forward financial instruments			

• **TABLE OF ALLOCATION OF DISTRIBUTABLE INCOME PERTAINING TO NET INCOME**

	29/03/2018	31/03/2017
Remaining amounts to be allocated		
Retained earnings	2 913,94	1 110,65
Net income	22 669 257,72	17 914 752,66
Total	22 672 171,66	17 915 863,31

	29/03/2018	31/03/2017
TC units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	111 819,00	
Total	111 819,00	

	29/03/2018	31/03/2017
IVC units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	13 319 029,26	10 072 475,62
Total	13 319 029,26	10 072 475,62

	29/03/2018	31/03/2017
IC USD units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	81 808,73	124 089,05
Total	81 808,73	124 089,05

	29/03/2018	31/03/2017
RD units		
Appropriation		
Distribution	0,34	
Balance brought forward for the financial year		
Accumulation		
Total	0,34	
Information on units with dividend rights		
Number of units	1,000	
Dividend per unit	0,34	
Tax credits		
Tax credit attached to the distribution of income		

	29/03/2018	31/03/2017
IC units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	4 872 244,37	2 717 683,54
Total	4 872 244,37	2 717 683,54

	29/03/2018	31/03/2017
IC H-CHF units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	32 576,75	163,40
Total	32 576,75	163,40

	29/03/2018	31/03/2017
ID units		
Appropriation		
Distribution	22 670,82	
Balance brought forward for the financial year	56,53	
Accumulation		
Total	22 727,35	
Information on units with dividend rights		
Number of units	6 013,481	
Dividend per unit		
Tax credits	3,77	
Tax credit attached to the distribution of income		

	29/03/2018	31/03/2017
RC units		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	2 240 270,36	2 674 199,34
Total	2 240 270,36	2 674 199,34

	29/03/2018	31/03/2017
IVD units		
Appropriation		
Distribution	1 991 297,85	2 324 149,88
Balance brought forward for the financial year	397,65	3 102,48
Accumulation		
Total	1 991 695,50	2 327 252,36
Information on units with dividend rights		
Number of units	650 750,933	581 037,469
Dividend per unit		
Tax credits	3,06	4,00
Tax credit attached to the distribution of income		

- TABLE OF ALLOCATION OF DISTRIBUTABLE INCOME PERTAINING TO NET CAPITAL GAINS AND LOSSES**

	29/03/2018	31/03/2017
Remaining amounts to be allocated		
Undistributed net capital gains and losses recognised in previous years		
Net capital gains and losses for the year	16 768 692,06	1 102 503,98
Interim dividends paid on net capital gains/losses for the financial year		
Total	16 768 692,06	1 102 503,98

	29/03/2018	31/03/2017
IC USD units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-264 104,38	250 184,87
Total	-264 104,38	250 184,87

	29/03/2018	31/03/2017
TC units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	189 530,23	
Total	189 530,23	

	29/03/2018	31/03/2017
IVC units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	10 319 654,63	490 905,36
Total	10 319 654,63	490 905,36

	29/03/2018	31/03/2017
IC H-CHF units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-49 427,22	-16,09
Total	-49 427,22	-16,09

	29/03/2018	31/03/2017
IC units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	3 078 482,53	111 718,85
Total	3 078 482,53	111 718,85

	29/03/2018	31/03/2017
RD units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation		
Total		

	29/03/2018	31/03/2017
ID units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-8,11	
Total	-8,11	

	29/03/2018	31/03/2017
RC units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	1 942 162,52	128 303,24
Total	1 942 162,52	128 303,24

	29/03/2018	31/03/2017
IVD units		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	1 552 401,86	121 407,75
Total	1 552 401,86	121 407,75

• **TABLE OF THE ENTITY'S INCOME AND OTHER SIGNIFICANT ITEMS OVER THE PAST FIVE FINANCIAL YEARS**

	31/03/2014	31/03/2015	31/03/2016	31/03/2017	29/03/2018
Global net assets in euros	202 416 878,72	370 353 227,24	391 862 987,64	487 010 285,62	790 108 527,66
LAZARD CREDIT FI - IC USD					
Net assets in US dollars			446 767,73	3 333 730,10	2 789 534,91
Number of units			450,000	3 011,000	2 326,298
Net asset value per unit in US dollars			992,81	1 107,18	1 199,13
Accumulation per unit pertaining to net capital gains/losses in euros			-32,64	83,09	-113,52
Accumulation per unit pertaining to net income in euros			5,65	41,21	35,16
LAZARD CREDIT FI - TC					
Net assets in euros					24 048 051,66
Number of units					123 012,889
Net asset value per unit in euros					195,49
Accumulation per unit pertaining to net capital gains/losses in euros					1,54
Accumulation per unit pertaining to net income in euros					0,90
LAZARD CREDIT FI - IVC					
Net assets in euros	164 439 924,17	185 007 122,11	191 590 846,66	283 890 266,77	463 251 069,55
Number of units	13 126,963	13 788,022	14 884,456	20 190,879	31 317,756
Net asset value per unit in euros	12 526,88	13 417,95	12 871,87	14 060,32	14 791,96
Accumulation per unit pertaining to net capital gains/losses in euros	899,27	-270,06	160,40	24,31	329,51
Accumulation per unit pertaining to net income in euros	166,96	276,98	549,12	498,86	425,28
LAZARD CREDIT FI - IC					
Net assets in euros		62 071 930,20	73 325 714,11	65 281 670,99	137 963 655,96
Number of units		57 645,335	71 220,341	57 678,866	115 070,427
Net asset value per unit in euros		1 076,79	1 029,56	1 131,81	1 198,94
Accumulation per unit pertaining to net capital gains/losses in euros		-21,67	12,85	1,93	26,75
Accumulation per unit pertaining to net income in euros		36,26	39,98	47,11	42,34

* * Tax credit per unit will only be calculated on the distribution date, in accordance with applicable tax regulations.

• **TABLE OF THE ENTITY'S INCOME AND OTHER SIGNIFICANT ITEMS OVER THE PAST FIVE FINANCIAL YEARS**

	31/03/2014	31/03/2015	31/03/2016	31/03/2017	29/03/2018
Global net assets in euros	202 416 878,72	370 353 227,24	391 862 987,64	487 010 285,62	790 108 527,66
LAZARD CREDIT FI - IC H- CHF					
Net assets in Swiss francs				107 228,24	1 058 668,75
Number of units				107,000	1 001,000
Net asset value per unit in Swiss francs				1 002,13	1 057,61
Accumulation per unit pertaining to net capital gains/losses in euros				-0,15	-49,37
Accumulation per unit pertaining to net income in euros				1,52	32,54
LAZARD CREDIT FI - RD					
Net assets in euros					198,67
Number of units					1,000
Net asset value per unit in euros					198,67
Distribution per unit pertaining to net income in euros					0,34
Tax credit per unit in euros					*
LAZARD CREDIT FI - RC					
Net assets in euros	37 976 954,55	91 166 077,68	83 423 166,00	73 476 362,15	86 369 120,72
Number of units	133 229,052	300 659,242	288 759,418	232 622,603	261 128,837
Net asset value per unit in euros	285,05	303,22	288,90	315,86	330,75
Accumulation per unit pertaining to net capital gains/losses in euros	20,45	-6,10	3,61	0,55	7,43
Accumulation per unit pertaining to net income in euros	3,63	4,24	10,35	11,49	8,57
LAZARD CREDIT FI - ID					
Net assets in euros					5 946 290,56
Number of units					6 013,481
Net asset value per unit in euros					988,82
Accumulation per unit pertaining to net capital gains/losses in euros					
Distribution per unit pertaining to net income in euros					3,77
Retained earnings per unit pertaining to net income in euros					
Tax credit per unit in euros					*

* * Tax credit per unit will only be calculated on the distribution date, in accordance with applicable tax regulations.

- **TABLE OF THE ENTITY'S INCOME AND OTHER SIGNIFICANT ITEMS OVER THE PAST FIVE FINANCIAL YEARS**

	31/03/2014	31/03/2015	31/03/2016	31/03/2017	29/03/2018
Global net assets in euros	202 416 878,72	370 353 227,24	391 862 987,64	487 010 285,62	790 108 527,66
LAZARD CREDIT FI - IVD					
Net assets in euros		32 108 097,24	43 131 204,59	61 144 877,42	69 363 020,31
Number of units		300 000,000	430 006,000	581 037,469	650 750,933
Net asset value per unit in euros		107,02	100,30	105,23	106,58
Accumulation per unit pertaining to net capital gains/losses in euros		-2,15	1,25	0,20	2,38
Distribution per unit pertaining to net income in euros		2,42	4,29	4,00	3,06
Retained earnings per unit pertaining to net income in euros					
Tax credit per unit in euros					*

* Tax credit per unit will only be calculated on the distribution date, in accordance with applicable tax regulations.

- **INVENTORY in euros**

Description of security	Currency	Quantity No. or nominal	Present value	% net assets
Bonds and similar securities				
Bonds and similar securities traded on a regulated or similar market				
GERMANY				
ALLIANZ SE 5.625% 17-10-42	EUR	1 000 000	1 223 164,52	0,15
COMMERZBANK AG 8.125% 19/09/2023	USD	6 250 000	5 949 279,46	0,76
DELTA LLOYD LEVENSVERZEK 9% 29/08/2042	EUR	2 000 000	2 724 046,85	0,34
DEUT P CMS10R+0.025% 31-12-99	EUR	1 000 000	910 054,78	0,12
DEUTSCHE BANK AG 0% 15/10/2026	DEM	5 000 000	2 135 410,54	0,27
DEUTSCHE BANK 4.296% 05/28	USD	4 000 000	3 183 586,07	0,40
DEUTSCHE BANK 6% 31/12/2099	EUR	1 400 000	1 477 764,44	0,19
DEUTSCHE BK 1.75% 17/01/2028	EUR	2 000 000	1 919 459,45	0,24
DEUTSCHE BK 4.5% 01/04/2025	USD	3 000 000	2 366 617,88	0,30
DEUTSCHE PFANDBRIEFBANK AG 4.6% 22-02-27	EUR	3 000 000	3 264 771,37	0,41
IKB DEUTSCHE INDUSTRIEBANK AG 4.0% 31-01-28	EUR	2 500 000	2 534 760,27	0,32
KRED WIED KFW ZCP 29-09-37	USD	5 000 000	2 236 573,57	0,28
MUNICH RE 6.25% 26/05/2042	EUR	2 000 000	2 529 931,78	0,32
NORDDEUTSCHE LANDESBANK 6.25% 10/04/2024	USD	5 000 000	4 154 727,54	0,53
TOTAL GERMANY			36 610 148,52	4,63
AUSTRIA				
BAWAG 8.125% 30/10/2023	EUR	1 000 000	1 382 326,03	0,17
ERST GROU BA 8.875% PERP EMTN	EUR	2 200 000	2 765 714,59	0,35
ERSTE GROUP BANK AG 7.125% 10/10/2022	EUR	1 500 000	1 953 759,25	0,25
UNIQ VERS AG 6.0% 27-07-46	EUR	500 000	620 565,14	0,08
UNIQA INSURANCE 6.875% 31/07/2043	EUR	5 500 000	6 946 906,85	0,88
VIENNA INSURANCE GRP AGW 5.5% 09/10/43	EUR	1 500 000	1 820 146,85	0,23
TOTAL AUSTRIA			15 489 418,71	1,96
BELGIUM				
AGSBB 3 1/2 30/06/47	EUR	3 000 000	3 276 322,60	0,41
ARGE SPAA 3.875% 24-05-26	EUR	1 000 000	1 111 541,78	0,14
BELFIUS BANK 3.125% 11-05-26	EUR	1 100 000	1 224 346,41	0,15
FORTIS BK TV07-191272 CV	EUR	23 000 000	20 834 020,00	2,65
TOTAL BELGIUM			26 446 230,79	3,35
DENMARK				
DANI PENS 4.375% 29-09-45	EUR	1 500 000	1 734 366,58	0,22
DANSKE BA 5.875% PERP EMTN	EUR	1 000 000	1 149 022,20	0,15
DANSKE BANK AS 6.125% HYB FIX/VAR PERP	USD	800 000	662 572,40	0,08
DANSKE BK 5.375% 29-09-21 EMTN	GBP	1 000 000	1 191 408,32	0,15
TOTAL DENMARK			4 737 369,50	0,60
SPAIN				
B BILB VIZC ARGE 6.75% PERP	EUR	2 400 000	2 622 437,53	0,33
BANC BILB VIZC AR 8.875% PERP	EUR	3 000 000	3 615 816,67	0,46
BANC DE 5.625% 06-05-26 EMTN	EUR	8 500 000	10 491 707,19	1,33
BANCO BILBAO VIZCAYA ARGENTARIA SA 9% 29/05/2049	USD	600 000	497 660,69	0,06
BANCO NTANDER 4.75% PERP	EUR	800 000	806 068,17	0,10
BANCO SABADELL E3R 26/04/2020	EUR	6 500 000	7 636 463,61	0,97
BANKIA SA 3.375% 15-03-27	EUR	2 600 000	2 768 504,22	0,35

Description of security	Currency	Quantity No. or nominal	Present value	% net assets
BANKIA SA 6.0% PERP	EUR	9 800 000	10 451 275,33	1,32
BANKINTERSA 2.5% 06-04-27	EUR	10 700 000	11 353 160,25	1,44
BANKINTERSA 8.625% PERP	EUR	2 000 000	2 360 901,18	0,30
BCO SANTANDER CENTRAL 6.375% 29/12/2049	USD	1 000 000	832 515,14	0,11
BCO SANTANDER 6.25% PERP	EUR	1 000 000	1 047 039,44	0,13
BMARE 9 11/16/26	EUR	5 800 000	7 488 577,04	0,95
CAIXA TERRASSA SOCIETAT DE PARTICIPACION 0.00010% PERP	EUR	752 000	707 419,94	0,09
CAIXABANK SA 2.75% 14-07-28	EUR	15 000 000	16 041 156,16	2,03
CAIXABANK SA 6.75% PERP	EUR	3 400 000	3 872 210,11	0,49
CAIXABANK 5.25% PERP	EUR	2 800 000	2 802 861,48	0,35
IBERCAJA 5.0% 28-07-25	EUR	6 000 000	6 498 759,45	0,82
LIBERBANK SA 6.875% 14-03-27	EUR	3 000 000	3 306 226,44	0,42
TOTAL SPAIN			95 200 760,04	12,05
UNITED STATES OF AMERICA				
DEUT POST CMS10R+0.125% PERP	EUR	3 366 000	3 082 348,86	0,39
TOTAL UNITED STATES OF AMERICA			3 082 348,86	0,39
FRANCE				
ACAFP 7 7/8 01/29/49	USD	500 000	443 686,73	0,06
AXA SA 5.453% 31-12-99	GBP	1 000 000	1 244 577,76	0,16
AXA 5.625% 16-01-54 EMTN	GBP	1 000 000	1 301 107,05	0,16
AXA 8.6%00-15/12/30	USD	9 490 000	10 738 271,55	1,36
BFCM BANQUE FEDERATIVE CREDIT MUTUEL 1.625% 15-11-27	EUR	1 700 000	1 643 751,89	0,21
BNP PAR 3.8% 10-01-24 EMTN	USD	2 500 000	2 048 373,11	0,26
BNP PAR 4.625% 13-03-27	USD	7 000 000	5 792 369,33	0,73
BNP PARI L6RUSD+0.075% PERP	USD	4 380 000	3 174 503,09	0,40
BNP PARIBAS 2.75% 27/01/26	EUR	5 000 000	5 367 739,73	0,68
BNP PARIBAS 7.195%/LIBOR PERPETUELLE SERIE REGS	USD	3 000 000	2 759 229,78	0,35
BNP PARIBAS 7.625% PERP	USD	2 300 000	2 013 413,51	0,25
BNP 4.032 12/31/49	EUR	3 000 000	3 302 281,64	0,42
BPCE L3RUSD+1.22% 22-05-22	USD	750 000	620 745,11	0,08
BPCE 2.875% 22-04-26 EMTN	EUR	1 500 000	1 656 903,29	0,21
BPCE 5.70% 10/23	USD	3 000 000	2 682 375,90	0,34
CA ASSURANCES 4.25% PERP	EUR	2 200 000	2 406 957,32	0,30
CA 4.375% 17-03-25	USD	2 500 000	2 034 813,13	0,26
CASA ASSURANCES 2.625% 29-01-48	EUR	2 000 000	1 921 269,32	0,24
CASA 6.50% PERP	EUR	2 000 000	2 251 619,13	0,28
CNP ASSU 4.25% 05-06-45	EUR	3 000 000	3 461 912,47	0,44
CNP ASSUR TV 2040	EUR	2 400 000	2 775 733,15	0,35
CNP ASSURANCES TF/TV 30/09/2041	EUR	2 000 000	2 458 408,49	0,31
CNP ASSURANCES 1.875% 20-10-22	EUR	1 200 000	1 259 732,88	0,16
CNP ASSURANCES 4.0% PERP	EUR	3 000 000	3 299 171,10	0,42
CRED AGRI ASS 4.75% 27-09-48	EUR	9 200 000	10 794 414,19	1,37
CRED AGRI ASSU 4.5% PERP	EUR	3 000 000	3 376 380,00	0,43
CRED AGRI SA 2.625% 17-03-27	EUR	5 000 000	5 298 022,60	0,67
CRED AGRI SA 6.625% PERP	USD	2 200 000	1 843 331,68	0,23
CRED MUT 3.25% 01-06-26 EMTN	EUR	5 700 000	6 306 398,01	0,80
CREDIT MUTUEL ARKEA 3.5% 09-02-29	EUR	3 000 000	3 276 954,25	0,41
GROUPAMA SA 6.375% PERP	EUR	7 100 000	8 699 264,30	1,10

Description of security	Currency	Quantity No. or nominal	Present value	% net assets
GROUPAMA 6.0% 23-01-27	EUR	2 000 000	2 450 602,47	0,31
HUMA PREV 5.75% 22-10-25	EUR	2 500 000	2 764 014,04	0,35
LAMON 5.05 12/17/49	EUR	5 769 000	6 552 617,49	0,83
NATIXIS TV 08-PERP.USMTN	USD	750 000	640 040,11	0,08
SG 4.0% 12-01-27	USD	3 000 000	2 438 422,03	0,31
SOCGEN TV 11/49	USD	5 000 000	3 760 403,25	0,48
SOCIETE GENERALE TF/TV PERP	USD	3 995 000	3 446 955,04	0,44
SOCIETE GENERALE TV PERPETL	EUR	1 500 000	1 767 333,08	0,22
SOCIETE GENERALE 7.375% PERP	USD	2 000 000	1 737 304,69	0,22
SOCIETE GENERALE 7,875 31/12/2099	USD	1 000 000	901 929,10	0,11
SOCIETE GENERALE 8.0% PERP	USD	1 000 000	910 933,13	0,12
SOGECAP SA 4.125% 29-12-49	EUR	7 000 000	7 593 919,32	0,96
TOTAL FRANCE			141 218 185,24	17,87
GREECE				
ALPHA BANK 2.5% 05-02-23 EMTN	EUR	8 000 000	8 034 820,82	1,02
EFG EUROBANK 2.75% 02-11-20	EUR	8 000 000	8 210 779,18	1,03
NATL BANK OF GREECE 2.75% 19-10-20	EUR	7 000 000	7 252 887,31	0,92
TOTAL GREECE			23 498 487,31	2,97
GUERNSEY				
CRED SUI 2.75% 08-08-25 EMTN	GBP	2 000 000	2 347 865,52	0,30
EFG INTERNATIONAL GUERNSEY LTD 5.0% 05-04-27	USD	4 000 000	3 335 337,19	0,42
TOTAL GUERNSEY			5 683 202,71	0,72
HONG KONG				
HONGKONG SHANGHAI BANKING CORP LTD THE L3RUSD PERP	USD	14 100 000	10 431 833,15	1,32
TOTAL HONG KONG			10 431 833,15	1,32
IRELAND				
BANK IRELAND 10% 19/12/2022	EUR	5 000 000	7 124 255,48	0,90
BANK OF IRELAND GROUP PLC 3.125% 19-09-27	GBP	1 500 000	1 705 976,57	0,22
BANK OF IRELAND GROUP PLC 4.125% 19-09-27	USD	2 500 000	1 980 848,79	0,25
CLOV PLC SUB 4.5% 11-09-44	USD	3 000 000	2 494 657,89	0,32
CLOVERIE FIX 24-06-46	USD	3 000 000	2 641 907,55	0,33
WILLOW N 4.25% 01-10-45 EMTN	USD	2 000 000	1 603 291,73	0,20
TOTAL IRELAND			17 550 938,01	2,22
ITALY				
ASSICURAZIONI GENERALI 10.125% 10/07/2042	EUR	3 000 000	4 257 457,40	0,54
CATTOLICA DI ASSICURAZIONI 4.25% 14-12-47	EUR	2 100 000	2 175 735,78	0,28
FONDIARIA SAI 5.75% 31-12-99	EUR	2 150 000	2 377 179,60	0,30
INTE 5.71% 15-01-26	USD	2 500 000	2 072 875,30	0,26
INTESA SAN TF/TV 20/06/2018	EUR	1 300 000	1 403 290,38	0,18
INTESA SANPAOLO SPA 6.625% 13/09/2023	EUR	4 000 000	5 087 463,56	0,64
INTESA SANPAOLO 6.25% PERP	EUR	3 400 000	3 795 517,30	0,48
INTESA SANPAOLO 7.75% PERP	EUR	3 200 000	3 974 141,88	0,50
UNICREDIT SPA 6.625% PERP	EUR	6 000 000	6 660 983,01	0,84
UNICREDIT SPA 6.75% PERP	EUR	1 000 000	1 084 025,60	0,14
UNICREDIT SPA 6.95% 31/10/2022	EUR	2 000 000	2 507 507,40	0,32
UNICREDIT TF/TV PERP	EUR	1 000 000	1 238 150,27	0,16
UNICREDIT 3.75% 12-04-22	USD	7 000 000	5 770 562,81	0,73

Description of security	Currency	Quantity No. or nominal	Present value	% net assets
TOTAL ITALY			48 003 407,79	6,08
JERSEY				
HBOS STERLING FINANCE JERSEY LP 7.881% PERP	GBP	6 243 000	10 569 985,18	1,34
HSBC CAPIT TF/TV PERP PF *EUR	USD	9 536 000	12 468 101,28	1,58
UBS GROU FUND 4.125% 15-04-26	USD	2 000 000	1 664 551,91	0,21
TOTAL JERSEY			24 702 638,37	3,13
LUXEMBOURG				
BANQUE INTERNATIONALE A LUXEMBOURG SA 6.625% PERP	EUR	2 500 000	2 801 384,03	0,36
TALANX FINANZ 8.3673% 15/06/2042	EUR	1 300 000	1 748 327,93	0,22
TOTAL LUXEMBOURG			4 549 711,96	0,58
NORWAY				
DNB BANK ASA L6RUSD+0.15% PERP	USD	20 000	14 437,31	
DNB NO L6RUSD+0.125% 31-12-99	USD	160 000	115 289,38	0,01
DNC DE L3RUSD+0.25% 15-02-00	USD	90 000	64 819,43	0,01
KOMM LAND AS 4.25% 10-06-45	EUR	3 000 000	3 416 327,26	0,43
STOREBRAND LIVSFORSIKRIN TV 04/04/2043	EUR	3 000 000	3 632 130,00	0,47
TOTAL NORWAY			7 243 003,38	0,92
NETHERLANDS				
ABN AMRO BANK NV 6.25% 27/04/22	USD	2 000 000	1 821 452,93	0,23
ABN AMRO BK FIX 27-03-28	USD	6 000 000	4 911 065,03	0,62
ACHMEA BV TF/TV 04/04/2043	EUR	4 000 000	4 676 120,00	0,59
ALLIANZ FI.TV11-080741 EMTN	EUR	2 000 000	2 397 728,49	0,30
ASR NEDERLAND NV 4.625% PERP	EUR	500 000	529 329,55	0,07
ATRA FINA BV 5.25% 23-09-44	EUR	234 000	275 134,92	0,03
DELT LLOY NV 4.375% 31-12-99	EUR	600 000	669 503,75	0,08
DEME SWIS RE 5.75% 15-08-50	USD	2 000 000	1 740 938,15	0,22
ELM BV 3.375% 29-09-47	EUR	2 000 000	2 116 422,19	0,27
GENERALI FI 4.596% PERP EMTN	EUR	8 000 000	8 692 583,89	1,11
ING BANK 5.80% 09/23	USD	1 000 000	881 400,17	0,11
ING GROEP NV 4.7% 22-03-28	USD	1 000 000	825 602,04	0,10
ING GROEP NV 6.5% PERP	USD	1 600 000	1 382 143,62	0,17
NN GROUP NV FIX 13-01-48 EMTN	EUR	6 000 000	6 730 462,19	0,86
NNGRNV 4.625% 04/08/2044	EUR	2 000 000	2 331 266,30	0,30
RABO NEDE 5.5% PERP	EUR	1 000 000	1 095 685,49	0,14
RABO NEDE 6.625% PERP	EUR	1 000 000	1 157 362,53	0,15
RABOBK 5.75% 01-12-43	USD	1 000 000	985 441,99	0,12
TOTAL NETHERLANDS			43 219 643,23	5,47
PORTUGAL				
BANCO ESPIRITO SANTO SA 7.125% 28/11/2023				
BCP 4.5% 07-12-27 EMTN	EUR	11 200 000	11 302 680,99	1,43
CAIXA GERAL DE DEPOSITOS 10.75% PERP	EUR	3 000 000	3 481 441,79	0,44
TOTAL PORTUGAL			14 813 957,78	1,87
UNITED KINGDOM				
ABBAY NATI TF/TV PERP				
AVIVA PLC 4.375% 12-09-49	GBP	2 500 000	2 886 889,40	0,37
BANK OF SCOTLAND PLC 15/05/21	GBP	1 000 000	1 473 894,06	0,19
BARCLAYS BANK PLC L6RUSD+0.25% PERP	USD	40 000	30 187,86	

Description of security	Currency	Quantity No. or nominal	Present value	% net assets
BARCLAYS BK 6.625% 30/03/2022	EUR	4 760 000	5 739 358,26	0,73
BARCLAYS PLC 2.0% 07-02-28	EUR	5 000 000	4 967 342,47	0,63
BARCLAYS PLC 5.875% PERP	GBP	5 500 000	6 280 421,44	0,79
BARCLAYS PLC 6.5% 31-12-99	EUR	1 000 000	1 067 610,56	0,14
BARCLAYS PLC 7.125% PERP	GBP	2 500 000	3 060 665,30	0,39
BARCLAYS PLC 7.875% PERP	USD	2 000 000	1 736 579,66	0,22
BARCLAYS PLC 8% 12/15/2049	EUR	1 050 000	1 202 052,83	0,15
BARCLAYS TF/TV PERPETUAL	GBP	9 928 000	14 068 991,35	1,78
BARCLAYS 10% 21/05/2021	GBP	2 121 000	3 157 653,66	0,40
CASA LONDON 1.875% 20-12-26	EUR	9 000 000	9 356 254,52	1,18
CASA LONDON 4.125% 10-01-27	USD	2 000 000	1 639 069,81	0,21
COVE BUIL SOC 6.375% 31-12-99	GBP	800 000	968 568,64	0,12
DIRECT LINE INSURANCE PL	GBP	2 459 000	3 619 008,84	0,46
DIRECT LINE INSURANCE PLC 4.75% PERP	GBP	5 000 000	5 769 980,34	0,73
DRESDR FIN 8.151% 30/06/31*USD	USD	15 500 000	16 349 241,03	2,08
HBOS PLC 4.50% 18/03/30	EUR	7 062 000	8 250 364,34	1,04
HBOS 6.0% 01-11-33	USD	623 000	599 328,18	0,08
HSBC BANK TV85-PERP.	USD	1 810 000	1 330 789,43	0,17
HSBC BANK 5.844% PERP EMTN	GBP	2 497 000	3 663 035,03	0,46
HSBC BK L6RUSD+0.1% PERP	USD	5 950 000	4 399 069,94	0,56
HSBC HOLDINGS PLC 5.25% PERP	EUR	1 200 000	1 319 244,72	0,17
HSBC HOLDINGS PLC 6.0% PERP CV	USD	2 500 000	2 058 482,74	0,26
HSBC HOLDINGS PLC 6.375% PERP	USD	600 000	502 134,61	0,06
HSBC HOLDINGS PLC 6.875% PERP	USD	2 000 000	1 758 002,33	0,22
HSBC LIB6US PERP	USD	9 220 000	6 818 359,37	0,86
HSBC 3.125% 07-06-28 EMTN	EUR	1 000 000	1 130 570,55	0,14
HSBC 5 1/4 03/14/44	USD	2 000 000	1 794 132,07	0,23
HSBC 6.25% PERP	USD	2 000 000	1 666 202,74	0,21
LBG CAP.7.5884%09-120520 S.1	GBP	500 000	639 191,06	0,08
LEGA AND GEN 10% 23-07-41 EMTN	GBP	417 000	598 770,17	0,08
LEGA AND GENE 5.5% 27-06-64	GBP	2 000 000	2 551 814,05	0,32
LGEN 5 1/4 03/21/47	USD	1 000 000	813 591,76	0,10
LLOY BANK GRO 7.0% 31-12-99	GBP	1 000 000	1 198 690,25	0,15
LLOYDS BANK L6RUSD+0.25% PERP	USD	140 000	107 877,87	0,01
LLOYDS TSB TV PERP SERIE B	GBP	935 000	1 982 852,13	0,25
NATIONAL WESTMINSTER BANK PLC OTHER R+0.0% PERP	USD	2 310 000	1 721 780,77	0,22
NAT.WESTM.TV99-PERP EMTN SUB.	EUR	8 225 000	8 233 816,51	1,04
NWIDE 6.875% 29/12/2049	GBP	2 000 000	2 426 444,01	0,31
OLD MUTUAL PLC 03/06/21	GBP	2 139 000	2 833 627,72	0,36
PRUFIN 5.7 12/19/63	GBP	2 000 000	2 671 241,93	0,34
RBS GROUP TF/TV PERP *USD	USD	4 000 000	4 071 585,24	0,52
RL FINANCE 6.125% 30/11/2043	GBP	500 000	656 710,40	0,08
ROYA AND SUN 5.125% 10-10-45	GBP	2 000 000	2 577 489,06	0,33
ROYA BK SCOT GROU TF/TV PERP	USD	750 000	666 208,28	0,08
ROYA BK SCOT 3.875% 12-09-23	USD	2 000 000	1 610 079,37	0,20
ROYAL BK SCOTLAND GROUP L3RUSD+1.47% 15-05-23	USD	1 800 000	1 485 578,73	0,19
ROYAL BK SCOTLAND 5,5% PERP	EUR	7 000 000	7 206 157,78	0,91
ROY.BANK 5.25%05-PERP	EUR	9 688 000	10 217 626,81	1,29
SANT UK GROU 2.875% 05-08-21	USD	1 000 000	801 603,29	0,10

Description of security	Currency	Quantity No. or nominal	Present value	% net assets
SANTANDER UK GROUP HOLDINGS PLC 6.75% PERP	GBP	3 250 000	4 039 600,09	0,51
SANTANDER UK PLC 7.375% PERP	GBP	800 000	997 554,00	0,13
SCOTTISH WIDOWS 7% 06/43	GBP	855 000	1 307 895,46	0,17
STAN CHAR PLC 7.5% PERP	USD	400 000	344 948,30	0,04
STANDARD CHARTERED PLC 7.75% PERP	USD	4 300 000	3 745 059,47	0,47
STANDARD LIFE PLC	GBP	2 000 000	2 611 915,06	0,33
STANDARD LIFE PLC 4.25% 30-06-48	USD	4 000 000	3 193 583,68	0,40
STANLN 5.7 03/26/44	USD	2 000 000	1 801 417,51	0,23
VIRGMN 8 3/4 12/29/49	GBP	1 450 000	1 815 284,13	0,23
TOTAL UNITED KINGDOM			198 099 830,17	25,07
SWEDEN				
NORD BANK AB 5.25% PERP EMTN	USD	1 600 000	1 338 143,68	0,17
SEB 5 3/4 11/29/49	USD	1 000 000	841 477,28	0,11
SKANDINAVISKA ENSKILDA BANKEN AB 5.625% PERP	USD	600 000	503 261,98	0,06
SWEDBANK AB 6.0% PERP	USD	2 000 000	1 665 964,69	0,21
TOTAL SWEDEN			4 348 847,63	0,55
SWITZERLAND				
CREDIT SUISSE GROUP AG 7.125% PERP	USD	2 000 000	1 728 136,90	0,22
CS 7 1/2 12/11/49	USD	1 300 000	1 172 565,09	0,15
SWISS REINSURANCE CO LTD 8.25% PERP.	USD	2 000 000	1 735 467,74	0,22
UBS GROUP AG 6.875% PERP	USD	1 100 000	984 235,85	0,12
UBS GROUP AG 6.875% PERP	USD	750 000	642 006,14	0,08
UBS Group Funding Switzerland Inc. 5.0% PERP	USD	1 800 000	1 385 069,72	0,18
TOTAL SWITZERLAND			7 647 481,44	0,97
TOTAL Bonds and similar securities traded on a regulated or similar market			732 577 444,59	92,72
TOTAL Bonds and similar securities			732 577 444,59	92,72
Undertakings for collective investment General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries				
FRANCE				
LAZARD CAPITAL FI IC	EUR	3 845	6 675	0,84
LAZARD CAPITAL FI IC USD	USD	500	490 734,64	0,06
LAZARD EURO MONEY MARKET	EUR	19	19 603	2,49
TOTAL FRANCE			26 769 429,49	3,39
TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries			26 769 429,49	3,39
TOTAL Undertakings for collective investment			26 769 429,49	3,39
Forward financial instruments				
Futures contracts				
Futures contracts on a regulated or equivalent market				
CBO TU CBOT UST 0618	USD	-150	-22 868,76	
EUR XEUR FGBX B 0618	EUR	-50	-264 000,00	-0,03
TY CBOT YST 1 0618	USD	-200	-205 817,78	-0,03
XEUR FGBL BUN 0618	EUR	-500	-1 345 000,00	-0,17
TOTAL Futures contracts on a regulated market			-1 837 686,54	-0,23
TOTAL Futures contracts			-1 837 686,54	-0,23
TOTAL Forward financial instruments			-1 837 686,54	-0,23

Description of security	Currency	Quantity No. or nominal	Present value	% net assets
Margin call				
Margin calls for C.A.Indo in US dollars		281 252,47	228 688,43	0,03
Margin calls for C.A.Indo in euros		1 609 000	1 609 000,00	0,20
TOTAL Margin call			1 837 688,43	0,23
Receivables				
Liabilities				
Financial accounts				
Net assets				
LAZARD CREDIT FI - IC	EUR	115 070,427	1 198,94	
LAZARD CREDIT FI - IVD	EUR	650 750,933	106,58	
LAZARD CREDIT FI - ID	EUR	6 013,481	988,82	
LAZARD CREDIT FI - IVC	EUR	31 317,756	14 791,96	
LAZARD CREDIT FI - RC	EUR	261 128,837	330,75	
LAZARD CREDIT FI - TC	EUR	123 012,889	195,49	
LAZARD CREDIT FI - IC USD	USD	2 326,298	1 199,13	
LAZARD CREDIT FI - IC H-CHF	CHF	1 001,000	1 057,61	
LAZARD CREDIT FI - RD	EUR	1,000	198,67	

- ADDITIONAL INFORMATION ON THE TAX REGIME APPLICABLE TO INTEREST PAYMENTS**

BREAKDOWN OF INTEREST: RD UNIT

	NET OVERALL	CURRENCY	NET PER UNIT	CURRENCY
Income subject to non-definitive withholding tax	0,34	EUR	0,34	EUR
Equities eligible for a tax allowance and subject to non-definitive withholding tax				
Other income not eligible for a tax allowance and subject to non-definitive withholding tax				
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	0,34	EUR	0,34	EUR

BREAKDOWN OF INTEREST: ID UNIT

	NET OVERALL	CURRENCY	NET PER UNIT	CURRENCY
Income subject to non-definitive withholding tax	21 708,66	EUR	3,61	EUR
Equities eligible for a tax allowance and subject to non-definitive withholding tax				
Other income not eligible for a tax allowance and subject to non-definitive withholding tax	962,16	EUR	0,16	EUR
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	22 670,82	EUR	3,77	EUR

BREAKDOWN OF INTEREST: IVD UNIT

	NET OVERALL	CURRENCY	NET PER UNIT	CURRENCY
Income subject to non-definitive withholding tax	1 991 297,85	EUR	3,06	EUR
Equities eligible for a tax allowance and subject to non-definitive withholding tax				
Other income not eligible for a tax allowance and subject to non-definitive withholding tax				
Non-declarable and non-taxable income				
Amounts paid out in relation to capital gains and losses				
TOTAL	1 991 297,85	EUR	3,06	EUR