LAZARD FRÈRES GESTION

NORDEN SMALL

12 / 2018 | Classe IC/International equities

Total net assets	139,49M€	**Inception date (unit)**	30 mai 2013	**MORNINGSTAR**	
NAV	154,78 €	**ISIN Code**	FR0011474980	**OVERALL**	★ ★ ★
		Bloomberg Code	LAZNORD		

Country of registration

MANAGER(S)



Thomas Brenier

INVESTMENT POLICY

The fund aims to outperform, over a minimum recommended investment period of five years, shares of small-cap companies of Nordic countries represented by the MSCI Nordic Small Cap Index, calculated in euros with net dividends reinvested based on closing prices.

FUND MANAGERS COMMENT

With the trade war apparently intensifying, the mixed macroeconomic figures in China, the dithering over Brexit and the social unrest in France, the stock market fell sharply in December and ended the year close to its lowest level. In that context, Nordic stock markets dropped less than the euro zone, and the Nordic small caps clearly underperformed the large caps. The fund underperformed the index, suffering from the weakness in XXL (Sporting equipment retail, Norway), Nordic Semiconductor (Bluetooth low energy chips, Norway) and Sbanken (Online banking, Norway). It benefited though from the strength in Scandi Standard (Food, Sweden), IES (Educational institution, Sweden) and SimCorp (Investment management softwares, Denmark). Over the course of the month, we have built a new position in Bang & Olufsen (High-end audio-visual equipment, Denmark). Furthermore, we have sold our shares in Boozt (Fashion e-commerce, Sweden), Borregaard (Specialty chemicals, Norway) and Fagerhult (Lighting solutions, Sweden).

RISK SCALE*

– 1 2 3 4 **5** 6 7 +

Recommended investment period of 5 years

BENCHMARK INDEX

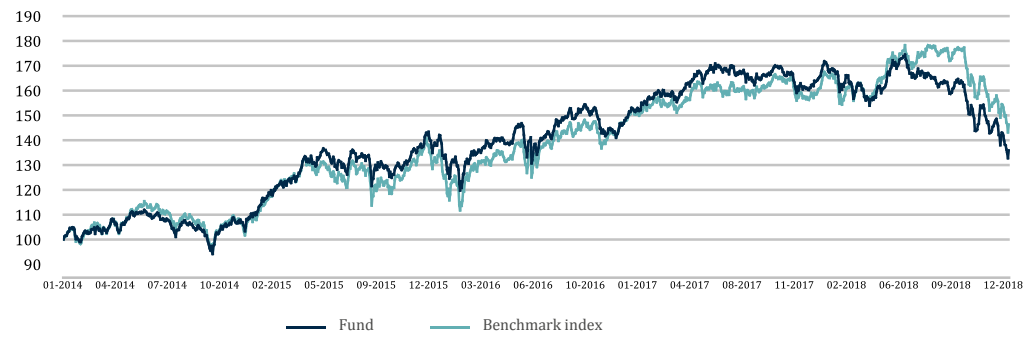
MSCI NORDIC COUNTRIES SMALL CAP Net Return EUR

FEATURES

Legal Form	**SICAV**
Legal Domicile	**France**
UCITS	**Yes**
AMF Classification	**International equities**
Eligibility to PEA (personal equity savings plan)	**Yes**
Currency	**EURO**
Subscribers concerned	**No restriction**
Inception date	**30/05/13**
Date of share's first NAV calculation	**30/05/13**
Management company	**Lazard Frères Gestion SAS**
Custodian	**Lazard Frères Banque**
Valuation agent	**CACEIS Fund Admin**
Frequency of NAV calculation	**Daily**
Order execution	**On next NAV for orders placed before 11:00 a.m**
Subscritption terms	**D (NAV date) + 2 business day**
Settlement of redemptions	**D (NAV date) + 2 business day**
Share decimalisation	**Yes**
Minimum investment	**1 share**
Subscription fees	**4% max**
Redemption fees	**0%**
Management fees	**1,98%**
Outperformance fees	**Nil**
Current expenses	**2,56%**

*Risk scale : Derived from the historic volatility of the fund over a period of 5 years. The management company reserves the right to adjust the level of risk calculated according to the specific risk of the fund. This risk scale is supplied as a rough guide and may be modified without advance notice.Risk 1 does not mean a risk-free investment. This indicator may change over time.

CHANGE IN NET ASSET VALUE (NAV)



Past performance is not a guarantee of current or future performance and increases at the end of the recommended investment period.

HISTORICAL PERFORMANCES

Cumulative					Annualized	
	1 Month	2018	1 Year	3 Years	5 Years	3 Years	5 Years
Fund	-8,25%	-17,93%	-17,93%	-4,21%	35,17%	-1,42%	6,21%
Benchmark index	-6,06%	-9,10%	-9,10%	7,80%	46,54%	2,54%	7,94%
Difference	-2,18%	-8,83%	-8,83%	-12,01%	-11,37%	-3,96%	-1,73%

ANNUAL PERFORMANCE

	Fund	Benchmark index
2018	-17,93%	-9,10%
2017	9,24%	6,86%
2016	6,84%	10,98%
2015	29,88%	25,02%
2014	8,65%	8,73%

RISK RATIOS*

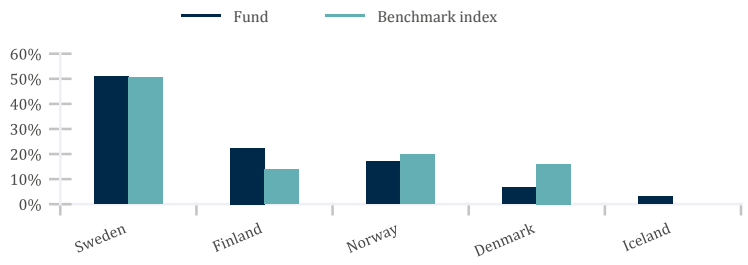
	1 Year	3 Years
Volatility		
Fund	15,56%	14,79%
Benchmark index	15,78%	16,02%
Tracking Error	5,20%	5,02%
Information ratio	-1,70	-0,81
Sharpe ratio	-1,13	-0,04
Alpha	-10,27	-3,60
Beta	0,93	0,88

* Ratios calculated on a weekly basis

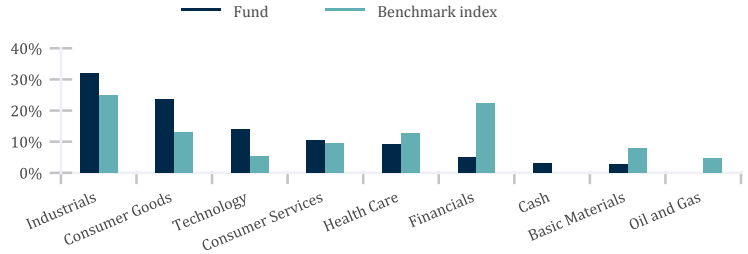
MAIN HOLDINGS

Holdings	Country	Sector	Weight	
			Fund	Index
VALMET CORPORATION	Finland	Industrial Goods & Services	4,2%	1,1%
AF AB -B-	Sweden	Industrial Goods & Services	3,5%	0,5%
SBANKEN ASA	Norway	Banks	3,3%	0,3%
UPONOR OYJ -A-	Finland	Construction & Materials	2,9%	0,2%
OSSUR HF	Iceland	Health Care	2,9%	
BRAVIDA HOLDING AB	Sweden	Industrial Goods & Services	2,7%	0,6%
METSA BOARD ORD SHS CLASS A	Finland	Basic Resources	2,7%	0,5%
DUSTIN GROUP AB	Sweden	Retail	2,6%	0,2%
AMBEA AB	Sweden	Health Care	2,6%	
BIOGAIA AB -B-	Sweden	Health Care	2,5%	0,3%
		Total	30,0%	3,8%

GEOGRAPHICAL DISTRIBUTION



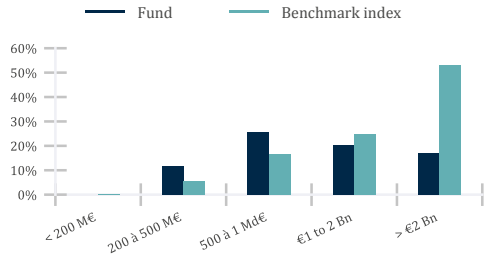
SECTOR ALLOCATION



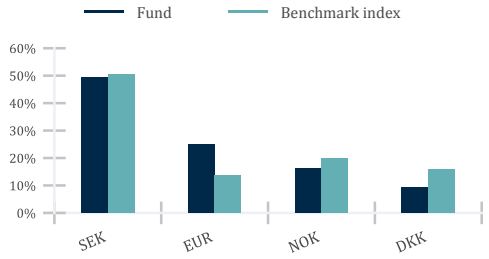
MAIN TRANSACTIONS

New positions	Positions sold
BANG & OLUFSEN AS	BOOZT AB
	FAGERHULT AB
	BORREGAARD ASA
Positions increased	**Positions reduced**
METSA BOARD CORPORATION -B-	AF AB -B-
VALMET CORPORATION	AMER SPORTS CORPORATION -A-
SIMCORP A/S	EUROPRIS ASA

BREAKDOWN BY CAPITALISATION



BREAKDOWN BY CURRENCY



OVER- AND UNDEREXPOSURE TO THE BENCHMARK INDEX

Overexposures		Underexposures	
VALMET CORPORATION	3,1%	GN STORE NORD A/S	-2,3%
AF AB -B-	3,1%	CASTELLUM AB	-2,2%
SBANKEN ASA	3,0%	SVENSKA CELLULOSA SCA AB -B-	-2,0%
OSSUR HF	2,9%	ELEKTA AB -B-	-1,9%

RELATIVE CONTRIBUTORS TO PERFORMANCE

First positive contributors	Absolute perf.	Relative contribution (bp)
SCANDI STANDARD AB	6,1%	28
INTL ENGEL.SKO.SVERIGE HDGS II	4,0%	14
SYSTEMAIR AB	1,2%	10
	Total	51

First negative contributors	Absolute perf.	Relative contribution (bp)
NORDIC SEMICONDUCTOR ASA	-26,2%	-56
XXL ASA	-41,5%	-50
SBANKEN ASA	-15,2%	-30
	Total	-136

CONTACTS AND ADDITIONAL INFORMATION

Subscription/redemption
CACEIS Bank / LFB
01.57.78.14.14

Additional Information:
+33 1 44 13 01 79

Publications of NAVs:
www.lazardfreresgestion.fr

Please consider a fund's investment objectives, risks, charges, and expenses carefully before investing. Read the prospectus or summary prospectus carefully before you invest. The prospectus contain investment objectives, risks, charges, expenses, and other information about the Portfolio(s) and The Lazard Frères Gestion Funds that may not be detailed in this document. Distributed by Lazard Frères Gestion.