

French open-end investment fund (SICAV)

NORDEN SMALL

ANNUAL REPORT

as of March 31st, 2023

Management company: Lazard Frères Gestion SAS
Custodian: Lazard Frères Banque
Statutory auditor: PricewaterhouseCoopers Audit

Lazard Frères Gestion SAS - 25 rue de Courcelles - 75008 - Paris - France

CONTENTS

1. Characteristics of the UCI	3
2. Changes affecting the UCI	9
3. Management report	11
4. Regulatory information	17
5. Certification by the Statutory Auditor	24
6. Annual financial statements	30
7. Appendix(es)	50
SFDR information	51

KEY INFORMATION DOCUMENT

Norden Small



OBJECTIVE

This document contains key information about the investment product. It is not a sales document. This information is required by law to help you understand the nature and potential risks, costs, gains and losses of this product and to help you compare it to other products.

PRODUCT

Product name:	Norden Small - IC shares
ISIN code:	FR0011474980
PRIIPS Initiator:	LAZARD FRÈRES GESTION SAS
Website:	www.lazardfreresgestion.fr
Contact:	+33 (0)1 44 13 01 79
Competent authority:	The French Financial Markets Authority (Autorité des Marchés Financiers- AMF)
Country of authorisation and approval:	This product is authorised in France. This product is authorised in accordance with the UCITS Directive.
Document production date:	13/01/2023

WHAT DOES THIS PRODUCT CONSIST OF?

Type: French open-end investment company (Société d'Investissement à Capital Variable - SICAV)

Maturity: This product does not have a maturity date

Targeted retail investors: This product may be suitable for retail investors with a limited level of knowledge of financial markets and products who seek international equity exposure and who accept the risk of losing part of the invested capital. This product is not suitable for investors who do not have the recommended investment horizon (5 years).

Objectives:

The Fund aims to outperform the following simple benchmark index net of charges over a recommended investment period of five years: MSCI Nordic Countries Small Cap. The benchmark index is expressed in EUR. Net dividends or coupons are reinvested.

To achieve this investment objective, the strategy consists of building a portfolio of equities of between 35 and 60 Nordic companies having at the time of investment a capitalisation of between €100 million and €3 billion, without sector restrictions. These stocks are selected by:

- identifying companies with the best economic performance profiles;
- validating this performance through financial and strategic diagnosis,
- selecting these companies' shares based on the management team's assessment of this performance at a given moment in time.

At least 90% of the portfolio's net assets are permanently invested in and/or exposed to shares of small-cap companies listed and/or established in one of the four Nordic countries (Sweden, Norway, Denmark and Finland), either directly or via specialised UCIs.

At most 10% of the portfolio's net assets can be invested in and/or exposed to shares of small-cap companies listed and/or established in other European-area and/or American countries, either directly or via specialised UCIs.

A maximum of 10% of the SICAV's net assets may also be invested in units or shares of French or foreign UCITS or in units or shares of French or European Union-registered alternative investment funds or of foreign investment funds that meet the four criteria of Article R. 214-13 of the French Monetary and Financial Code. Investment solely in UCIs that invest no more than 10% of their assets in other UCIs. These UCIs may be managed by the management company.

The SICAV may invest up to a maximum of 10% of its net assets in negotiable debt securities and money market instruments.

The SICAV may also use equity futures and equity indices or currency futures, equity swaps or currency swaps and currency forwards traded on regulated, organised or over-the-counter markets to hedge the portfolio against equity and currency risk, up to a limit of one times the net assets.

The SICAV may invest a maximum of 10% of the net assets in securities with embedded derivatives. It may also invest up to 10% of its net assets in investment grade bonds issued by the four Nordic countries (Sweden, Norway, Denmark and Finland).

Benchmark Information: The UCI is actively managed. The management strategy is unconstrained by the securities making up the benchmark index.

Other information: Environmental, Social and Governance (ESG) criteria are integrated into management through an internal analysis and rating model that directly influences management without being a determining factor in decision-making.

The UCI falls under Article 8 of Regulation (EU) 2019/2088, the Sustainable Finance Disclosure Regulation (SFDR).

Allocation of distributable income:

- Allocation of net income: Accumulation
- Allocation of net realised capital gains: Accumulation

Right of redemption: Orders are executed in accordance with the table below

Business day	Day of establishment of the NAV (D)	The business day following the valuation day (D+1)	Two business days following the valuation day (D+2)
Daily receipt of orders and daily centralisation of subscription and redemption orders before 11:00 a.m. (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemption orders

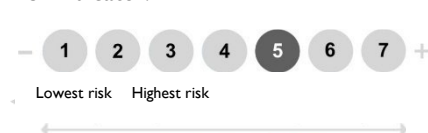
Name of custodian: LAZARD FRERES BANQUE

Where/how to obtain information on the UCI:

The Fund's prospectus, latest annual and periodic reports, the composition of assets and LAZARD FRÈRES GESTION SAS's standards regarding the exercise of voting rights, as well as the report on the exercise of voting rights, will be sent out within eight working days upon written request to LAZARD FRÈRES GESTION SAS.

WHAT ARE THE RISKS AND WHAT RETURN COULD I GET?

Risk indicator:



The risk indicator assumes that you keep the product for 5 years. The actual risk may be very different if you opt to exit before the end of the recommended holding period, and you may get less in return. This product provides no capital guarantee or protection. As such, the investor may not get back the full amount of the initial investment during redemption.

Other sizeable risks not taken into account in the indicator:

- Liquidity risk

Recommended holding period:

5 years

The synthetic risk indicator is used to assess the risk level of this product compared with others. It indicates the probability that this product will incur losses in the event of market movements or if we are unable to pay you. We have classified this product in risk class 5 of 7, which is a risk class between medium and high.

Performance scenarios:

The figures shown include all costs of the product itself, but not necessarily all fees due to your advisor or distributor. These figures do not take into account your personal tax situation, which may also affect the amounts you will receive.

What you will get from this product depends on future market performance. Future market developments are uncertain and cannot be accurately predicted.

The unfavourable, intermediate and favourable scenarios presented represent examples using best and worst case performance, as well as the average performance of the product over the past 10 years. The scenarios presented represent examples based on past performance and certain assumptions. Markets could evolve very differently in the future.

Recommended holding period: 5 years			
Investment example: 10 000 €			
Scenarios		If you exit after 1 year	If you exit after 5 years
Minimum	There is no guaranteed minimum return. You could lose all or part of your investment.		
Pressure	What you could get after deducting costs	€1 710	€2 660
	Average annual return	-82,9%	-23,2%
Unfavourable	What you could get after deducting costs	€5 840	€2 660
	Average annual return	-41,6%	-23,2%
Intermediary	What you could get after deducting costs	€10 750	€14 540
	Average annual return	7,5%	7,8%
Favourable	What you could get after deducting costs	€19 100	€21 110
	Average annual return	91,0%	16,1%

The stress scenario shows what you could get in extreme market situations.

Adverse scenario: This type of scenario occurred for an investment between 14/10/2021 and 14/10/2022

Interim scenario: This type of scenario occurred for an investment between 14/08/2016 and 14/08/2017

Favourable scenario: This type of scenario occurred for an investment between 14/03/2020 and 14/03/2021

WHAT HAPPENS IF LAZARD FRERES GESTION SAS IS UNABLE TO MAKE PAYMENTS?

LAZARD FRERES GESTION SAS manages the product but the product's assets are kept by the custodian. Consequently, a default by LAZARD FRÈRES GESTION SAS would not affect the product's assets.

WHAT WILL THIS INVESTMENT COST ME?

The person who sells you this product or who gives you advice about it may ask you to pay additional costs. If so, this person will inform you about these costs and show you the impact of these costs on your investment.

Costs over time:

The tables show the amounts deducted from your investment to cover the different types of costs. These amounts depend on the amount you invest, how long you hold the product and the performance of the product. The amounts shown here are illustrations based on an example of an investment amount and different possible investment periods.

We have assumed that:

- in the first year you will get back the amount you invested (annual return of 0%)
- for the other holding periods, the product evolves as indicated in the intermediate scenario
- €10 000 is invested

The costs presented do not include any life insurance policy costs.

	If you exit after 1 year	If you exit after 5 years
Total costs	€672	€2 579
Impact of annual costs	6,8%	4,0% each year

(*) It shows how costs reduce your return annually over the holding period. For example, it shows that if you exit at the end of the recommended holding period, your average return per year is expected to be 11,8% before deduction of costs and 7,8% after deduction of costs.

Breakdown of costs:

One-off costs at entry or exit		If you exit after 1 year
Entry costs	4,0% of the amount invested. This is the maximum amount you could be required to pay. The person selling you the product will inform you of the actual costs.	Up to €400
Exit costs	We do not charge exit costs.	€0
Recurring costs incurred each year		
Management fees and other administrative and operating costs	2,4% of the value of your investment per year. This estimate is based on actual costs over the past year.	€231
Transaction costs	0,4% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the investments underlying the product. The actual amount varies depending on how much we buy and sell.	€41
Incidental costs incurred under specific conditions		
Performance-related fees	There are no performance fees for this product.	€0

HOW LONG DO I HAVE TO KEEP IT AND CAN I WITHDRAW MONEY EARLY?

Recommended holding period: 5 years

This product does not have a minimum holding period requirement. The recommended holding period (5 years) has been calculated to be consistent with the product's investment objective.

You may withdraw your investment before the end of the recommended holding period, without any charges or penalties under the conditions set out in the "Right of redemption" section. The risk profile of the product may be very different if you opt to exit before the end of the recommended holding period.

HOW CAN I MAKE A COMPLAINT?

Any complaints regarding this product can be addressed to the Legal Department of LAZARD FRERES GESTION SAS:

By post: LAZARD FRERES GESTION SAS - 25, rue de Courcelles 75008 Paris France

By email: lfg.juridique@lazard.fr

A description of the complaint handling process is available on our website at

www.lazardfreresgestion.fr.

OTHER RELEVANT INFORMATION

You can obtain more information on this product on the website of LAZARD FRERES GESTION SAS. A hard copy may be obtained free-of-charge on request.

You can also find information on the product's performance over the past years and performance scenario calculations at

https://www.lazardfreresgestion.fr/FR/Fiche-fonds_93.html?idFond=NSI

KEY INFORMATION DOCUMENT

Norden Small



OBJECTIVE

This document contains key information about the investment product. It is not a sales document. This information is required by law to help you understand the nature and potential risks, costs, gains and losses of this product and to help you compare it to other products.

PRODUCT

Product name:	Norden Small - TC shares
ISIN code:	FR0013305844
PRIIPS Initiator:	LAZARD FRÈRES GESTION SAS
Website:	www.lazardfreresgestion.fr
Contact:	+33 (0)1 44 13 01 79
Competent authority:	The French Financial Markets Authority (Autorité des Marchés Financiers- AMF)
Country of authorisation and approval:	This product is authorised in France. This product is authorised in accordance with the UCITS Directive.
Document production date:	13/01/2023

WHAT DOES THIS PRODUCT CONSIST OF?

Type: French open-end investment company (Société d'Investissement à Capital Variable - SICAV)

Maturity: This product does not have a maturity date

Targeted retail investors: This product may be suitable for retail investors with a limited level of knowledge of financial markets and products who seek international equity exposure and who accept the risk of losing part of the invested capital. This product is not suitable for investors who do not have the recommended investment horizon (5 years).

Objectives:

The Fund aims to outperform the following simple benchmark index net of charges over a recommended investment period of five years: MSCI Nordic Countries Small Cap. The benchmark index is expressed in EUR. Net dividends or coupons are reinvested.

To achieve this investment objective, the strategy consists of building a portfolio of equities of between 35 and 60 Nordic companies having at the time of investment a capitalisation of between €100 million and €3 billion, without sector restrictions. These stocks are selected by:

- identifying companies with the best economic performance profiles;
- validating this performance through financial and strategic diagnosis,
- selecting these companies' shares based on the management team's assessment of this performance at a given moment in time.

At least 90% of the portfolio's net assets are permanently invested in and/or exposed to shares of small-cap companies listed and/or established in one of the four Nordic countries (Sweden, Norway, Denmark and Finland), either directly or via specialised UCIs.

At most 10% of the portfolio's net assets can be invested in and/or exposed to shares of small-cap companies listed and/or established in other European-area and/or American countries, either directly or via specialised UCIs.

A maximum of 10% of the SICAV's net assets may also be invested in units or shares of French or foreign UCITS or in units or shares of French or European Union-registered alternative investment funds or of foreign investment funds that meet the four criteria of Article R. 214-13 of the French Monetary and Financial Code. Investment solely in UCIs that invest no more than 10% of their assets in other UCIs. These UCIs may be managed by the management company.

The SICAV may invest up to a maximum of 10% of its net assets in negotiable debt securities and money market instruments.

The SICAV may also use equity futures and equity indices or currency futures, equity swaps or currency swaps and currency forwards traded on regulated, organised or over-the-counter markets to hedge the portfolio against equity and currency risk, up to a limit of one times the net assets.

The SICAV may invest a maximum of 10% of the net assets in securities with embedded derivatives. It may also invest up to 10% of its net assets in investment grade bonds issued by the four Nordic countries (Sweden, Norway, Denmark and Finland).

Benchmark Information: The UCI is actively managed. The management strategy is unconstrained by the securities making up the benchmark index.

Other information: Environmental, Social and Governance (ESG) criteria are integrated into management through an internal analysis and rating model that directly influences management without being a determining factor in decision-making.

The UCI falls under Article 8 of Regulation (EU) 2019/2088, the Sustainable Finance Disclosure Regulation (SFDR).

Allocation of distributable income:

- Allocation of net income: Accumulation
- Allocation of net realised capital gains: Accumulation

Right of redemption: Orders are executed in accordance with the table below

Business day	Day of establishment of the NAV (D)	The business day following the valuation day (D+1)	Two business days following the valuation day (D+2)
Daily receipt of orders and daily centralisation of subscription and redemption orders before 11:00 a.m. (Paris time)	Execution of the order at the latest on D	Publication of the net asset value (NAV)	Settlement of redemption orders

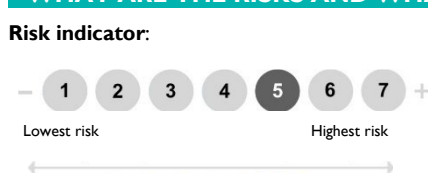
Name of custodian: LAZARD FRERES BANQUE

Where/how to obtain information on the UCI:

The Fund's prospectus, latest annual and periodic reports, the composition of assets and LAZARD FRÈRES GESTION SAS's standards regarding the exercise of voting rights, as well as the report on the exercise of voting rights, will be sent out within eight working days upon written request to LAZARD FRÈRES GESTION SAS.

WHAT ARE THE RISKS AND WHAT RETURN COULD I GET?

Risk indicator:



The risk indicator assumes that you keep the product for 5 years. The actual risk may be very different if you opt to exit before the end of the recommended holding period, and you may get less in return. This product provides no capital guarantee or protection. As such, the investor may not get back the full amount of the initial investment during redemption.

Other sizeable risks not taken into account in the indicator:

- Liquidity risk

Recommended holding period:

5 years

The synthetic risk indicator is used to assess the risk level of this product compared with others. It indicates the probability that this product will incur losses in the event of market movements or if we are unable to pay you. We have classified this product in risk class 5 of 7, which is a risk class between medium and high.

Performance scenarios:

The figures shown include all costs of the product itself, but not necessarily all fees due to your advisor or distributor. These figures do not take into account your personal tax situation, which may also affect the amounts you will receive.

What you will get from this product depends on future market performance. Future market developments are uncertain and cannot be accurately predicted.

The unfavourable, intermediate and favourable scenarios presented represent examples using best and worst case performance, as well as the average performance of the product and of a benchmark index over the past 10 years. The scenarios presented represent examples based on past performance and certain assumptions. Markets could evolve very differently in the future.

Recommended holding period: 5 years Investment example: € 10,000			
Scenarios		If you exit after 1 year	If you exit after 5 years
Minimum	There is no guaranteed minimum return. You could lose all or part of your investment.		
Pressure	What you could get after deducting costs	€1 710	€2 660
	Average annual return	-82,9%	-23,3%
Unfavourable	What you could get after deducting costs	€5 920	€2 660
	Average annual return	-40,8%	-23,3%
Intermediary	What you could get after deducting costs	€10 750	€14 770
	Average annual return	7,5%	8,1%
Favourable	What you could get after deducting costs	€17 980	€21 110
	Average annual return	79,8%	16,1%

The stress scenario shows what you could get in extreme market situations.

Adverse scenario: This type of scenario occurred for an investment between 14/10/2021 and 14/10/2022

Interim scenario: This type of scenario occurred for an investment between 14/08/2016 and 14/08/2017

Favourable scenario: This type of scenario occurred for an investment between 14/03/2020 and 14/03/2021

WHAT HAPPENS IF LAZARD FRERES GESTION SAS IS UNABLE TO MAKE PAYMENTS?

LAZARD FRERES GESTION SAS manages the product but the product's assets are kept by the custodian. Consequently, a default by LAZARD FRÈRES GESTION SAS would not affect the product's assets.

WHAT WILL THIS INVESTMENT COST ME?

The person who sells you this product or who gives you advice about it may ask you to pay additional costs. If so, this person will inform you about these costs and show you the impact of these costs on your investment.

Costs over time:

The tables show the amounts deducted from your investment to cover the different types of costs. These amounts depend on the amount you invest, how long you hold the product and the performance of the product. The amounts shown here are illustrations based on an example of an investment amount and different possible investment periods.

We have assumed that:

- in the first year you will get back the amount you invested (annual return of 0%)
- for the other holding periods, the product evolves as indicated in the intermediate scenario
- €10 000 is invested

The costs presented do not include any life insurance policy costs.

	If you exit after 1 year	If you exit after 5 years
Total costs	€597	€1 979
Impact of annual costs	6,1%	3,1% each year

(*) It shows how costs reduce your return annually over the holding period. For example, it shows that if you exit at the end of the recommended holding period, your average return per year is expected to be 11,2% before deduction of costs and 8,1% after deduction of costs.

Breakdown of costs:

One-off costs at entry or exit		If you exit after 1 year
Entry costs	4,0% of the amount invested. This is the maximum amount you could be required to pay. The person selling you the product will inform you of the actual costs.	Up to €400
Exit costs	We do not charge exit costs.	€0
Recurring costs incurred each year		
Management fees and other administrative and operating costs	1,6% of the value of your investment per year. This estimate is based on actual costs over the past year.	€156
Transaction costs	0,4% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the investments underlying the product. The actual amount varies depending on how much we buy and sell.	€41
Incidental costs incurred under specific conditions		
Performance-related fees	There are no performance fees for this product.	€0

HOW LONG DO I HAVE TO KEEP IT AND CAN I WITHDRAW MONEY EARLY?

Recommended holding period: 5 years

This product does not have a minimum holding period requirement. The recommended holding period (5 years) has been calculated to be consistent with the product's investment objective.

You may withdraw your investment before the end of the recommended holding period, without any charges or penalties under the conditions set out in the "Right of redemption" section. The risk profile of the product may be very different if you opt to exit before the end of the recommended holding period.

HOW CAN I MAKE A COMPLAINT?

Any complaints regarding this product can be addressed to the Legal Department of LAZARD FRERES GESTION SAS:

By post: LAZARD FRERES GESTION SAS - 25, rue de Courcelles 75008 Paris France

By email: lfg.juridique@lazard.fr

A description of the complaint handling process is available on our website at

www.lazardfreresgestion.fr.

OTHER RELEVANT INFORMATION

You can obtain more information on this product on the website of LAZARD FRERES GESTION SAS. A hard copy may be obtained free-of-charge on request.

You can also find information on the product's performance over the past years and performance scenario calculations at

https://www.lazardfreresgestion.fr/FR/Fiche-fonds_93.html?idFond=NST

2. CHANGES AFFECTING THE UCI

CHANGES WHICH TOOK PLACE DURING THE PERIOD OR ARE STILL TO TAKE PLACE

The following decisions were made in relation to the SICAV **NORDEN SMALL** (ISIN code: FR0011474980), to make the following changes:

- 1) Insertion of information on Russian and Belarusian investors;
- 2) By-laws / Articles of Association: deletion of the optional mention of a cap on redemptions ("Gates").

➤ **Effective date 20/06/2022**

The following decisions were made in relation to the SICAV **NORDEN SMALL** (ISIN code: FR0011474980), to make the following changes:

- 1) Insertion of "benchmark information" in the KIID
- 2) Addition of ESG investment risk and methodological limitations.

➤ **Effective date 22/08/2022**

The following decisions were made in relation to the SICAV **NORDEN SMALL** (ISIN code: FR0011474980), to make the following change:

- ❖ Calculation of the performance fee: change in the start date of the first observation period

➤ **Effective date: 01/12/2022**

The KIID of the **NORDEN SMALL** SICAV (ISIN code: FR0011474980) was converted to the KID PRIIPS (*Key Information Document and Packaged Retail Investment and Insurance-based Products*) on January 1st, 2023, in accordance with the European regulations aimed at standardising pre-contractual information on financial products intended for retail investors. As part of the transition to the KID PRIIPS, the published prospectus includes the SFDR appendix.

Corporate governance (CSR) section

I. List of appointments

Directors' names	Number of offices held	List of offices and functions
Pascal Ferrand <i>Director of Lazard Frères Gestion SAS</i>	4	<ul style="list-style-type: none">▪ Chairman of the Board of Directors of the Norden Small SICAV▪ Board member of the SICAVs:<ul style="list-style-type: none">○ Objectif Monde SICAV○ Lazard Alpha Euro SRI○ Lazard Patrimoine USD
Marie-Andrée Puig <i>Managing Director of Lazard Frères Gestion SAS</i>	4	<ul style="list-style-type: none">▪ Chief Executive Officer and board member of the Norden Small SICAV▪ Board member of the SICAVs:<ul style="list-style-type: none">○ Lazard Alpha Euro SRI○ Lazard Japon○ Norden SRI
Paul Castello <i>Managing Director of Lazard Frères Gestion SAS</i>	5	<ul style="list-style-type: none">▪ CEO and board member of the SICAV Lazard Convertible Global▪ Board member of the SICAVs:<ul style="list-style-type: none">○ Norden Small○ Lazard Euro Short Duration SRI○ Lazard Equity SRI○ Lazard Funds (<i>SICAV with sub-funds</i>)

II. Agreements covered by Article L. 225-37-4 para.2 of the French Commercial Code

The SICAV was not informed of the conclusion of any agreements covered by Article L. 225-37-4 para.2 of the French Commercial Code during the financial year ended March 31st, 2023.

III. Table of currently valid delegations of powers granted by the Shareholders' Meeting, as stipulated in Article L. 225-37-4 para.3 of the French Commercial Code

No delegation of authority pursuant to Article L. 225-37-4 para.3 of the French Commercial Code was granted or was ongoing during the financial year ended March 31st, 2023.

IV. Method of operation of the general management

The Board of Directors decided to separate the functions of Chairman of the Board of Directors from that of Chief Executive Officer.

DIRECTORS' FEES

The SICAV does not pay directors any fees for attendance at board meetings.

3. MANAGEMENT REPORT

PERFORMANCE

- ❖ The performance of the IC share over the period was: -18,49%.
- ❖ The performance of the TC share over the period was: -17,86%.

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

- ❖ The performance of the benchmark over the period was: -13,18%.

ECONOMIC ENVIRONMENT

Economy

Growth came as a welcome surprise in Western countries, despite central banks' efforts to curb activity and counter inflation. In the end, the economic repercussions of the energy crisis were less severe than expected in Europe, and the US economy proved resilient, with consumers continuing to spend from their savings. Chinese growth was held back by lockdowns before rebounding strongly after the restrictions were fully lifted. Thanks to lower energy prices and the easing of supply tensions, inflation has peaked in the US and Europe. However, the improvement in the economic outlook seems fragile. Core inflation is persistent, signs of a turnaround in the US economy are beginning to appear and the sharp rise in interest rates has exposed weaknesses in the financial system, as evidenced by the SVB failure in the US and UBS's urgent takeover of Credit Suisse in March 2023.

In the United States, GDP growth slowed to +0,9% year-on-year in Q4 2022. Job creation slowed to an average of +345 000 per month. The unemployment rate fell to 3,5%. Annual hourly wage growth slowed to +4,2%. The year-on-year increase in consumer prices slowed to 5,0% and 5,6% excluding energy and food.

The Fed raised its key interest rate by +450 basis points to the 4,75%-5,00% range, with the following sequence: +50 basis points in May 2022, four consecutive hikes of +75 basis points between June and November 2022, +50 basis points in December 2022 and two hikes of +25 basis points in February and March 2023.

In terms of unconventional measures, in May 2022 the Fed announced that it would start reducing its balance sheet from June 2022, at a maximum pace of -\$47,5 billion per month and then -\$95 billion from September 2022. In March 2023, the Fed announced the creation of a new liquidity access mechanism ("Bank Term Funding Program").

In the U.S. midterm elections on November 8th, 2022, the Democrats retained their majority in the Senate and the Republicans won the House of Representatives.

In the EUROZONE, GDP growth slowed to +1,8% year-on-year in Q4 2022. GDP grew by +0,9% in Germany, +0,5% in France, +1,4% in Italy and +2,6% in Spain. The Eurozone unemployment rate fell to 6,6%. The year-on-year increase in consumer prices slowed to 6,9%. Excluding energy and food, inflation accelerated to +5,7% year-on-year.

The ECB raised its key rates by +350 basis points, in the following sequence: +50 basis point hike in July 2022, two +75 basis point hikes in September and October 2022 and three +50 basis point hikes between December 2022 and March 2023. The deposit rate was raised from -0,50% to 3,00%, the refinancing rate from 0% to 3,50% and the marginal lending facility from 0,25% to 3,75%.

In terms of unconventional measures, the ECB in June 2022 announced the end of its asset purchase programme (APP). In July 2022, the ECB approved the creation of a "Transmission Protection Instrument" that could be activated if credit spreads soar. In December 2022, the ECB announced that it would start reducing its balance sheet from March 2023, at a rate of €15bn per month until the end of June 2023.

In France, Emmanuel Macron was re-elected president on April 24th, 2022. The general elections resulted in a relative majority for the presidential party in the National Assembly. In Italy, the right-wing coalition secured a clear victory in the general elections on September 25th, 2022. Giorgia Meloni was elected prime minister on October 22nd, 2022.

In China, GDP growth slowed to +2,9% year-on-year in Q4 2022. Activity was adversely affected by the lockdowns and the slowdown in the real estate market. The urban unemployment rate fell to 5,6%. Inflation slowed to +0,7% year-on-year. The Chinese central bank cut its key interest rate by 10 basis points, bringing the 1-year refinancing rate to 2,75%. Health restrictions were lifted in November and December 2022.

At the conclusion of the 20th CCP Congress in October 2022, Xi Jinping won a third term as General Secretary of the Party and head of the armed forces. Xi Jinping was formally re-elected President of the Republic during the annual session of the National People's Congress, which was held from March 4th to 13th, 2023. On this occasion, the government announced that it was aiming for growth of "around +5,0%" in 2023.

Growth came as a welcome surprise in Western countries, despite central banks' efforts to curb activity and counter inflation. In the end, the economic repercussions of the energy crisis were less severe than expected in Europe, and the US economy proved resilient, with consumers continuing to spend from their savings. Chinese growth was held back by lockdowns before rebounding strongly after the restrictions were fully lifted. Thanks to lower energy prices and the easing of supply tensions, inflation has peaked in the US and Europe. However, the improvement in the economic outlook seems fragile. Core inflation is persistent, signs of a turnaround in the US economy are beginning to appear and the sharp rise in interest rates has exposed weaknesses in the financial system, as evidenced by the SVB failure in the US and UBS's urgent takeover of Credit Suisse in March 2023.

In the United States, GDP growth slowed to +0,9% year-on-year in Q4 2022. Job creation slowed to an average of +345 000 per month. The unemployment rate fell to 3,5%. Annual hourly wage growth slowed to +4,2%. The year-on-year increase in consumer prices slowed to 5,0% and 5,6% excluding energy and food.

The Fed raised its key interest rate by +450 basis points to the 4,75%-5,00% range, with the following sequence: +50 basis points in May 2022, four consecutive hikes of +75 basis points between June and November 2022, +50 basis points in December 2022 and two hikes of +25 basis points in February and March 2023.

In terms of unconventional measures, in May 2022 the Fed announced that it would start reducing its balance sheet from June 2022, at a maximum pace of -\$47,5 billion per month and then -\$95 billion from September 2022. In March 2023, the Fed announced the creation of a new liquidity access mechanism ("Bank Term Funding Program").

In the U.S. midterm elections on November 8th, 2022, the Democrats retained their majority in the Senate and the Republicans won the House of Representatives.

In the EUROZONE, GDP growth slowed to +1,8% year-on-year in Q4 2022. GDP grew by +0,9% in Germany, +0,5% in France, +1,4% in Italy and +2,6% in Spain. The Eurozone unemployment rate fell to 6,6%. The year-on-year increase in consumer prices slowed to 6,9%. Excluding energy and food, inflation accelerated to +5,7% year-on-year.

The ECB raised its key rates by +350 basis points, in the following sequence: +50 basis point hike in July 2022, two +75 basis point hikes in September and October 2022 and three +50 basis point hikes between December 2022 and March 2023. The deposit rate was raised from -0,50% to 3,00%, the refinancing rate from 0% to 3,50% and the marginal lending facility from 0,25% to 3,75%.

In terms of unconventional measures, the ECB in June 2022 announced the end of its asset purchase programme (APP). In July 2022, the ECB approved the creation of a "Transmission Protection Instrument" that could be activated if credit spreads soar. In December 2022, the ECB announced that it would start reducing its balance sheet from March 2023, at a rate of €15bn per month until the end of June 2023.

In France, Emmanuel Macron was re-elected president on April 24th, 2022. The general elections resulted in a relative majority for the presidential party in the National Assembly. In Italy, the right-wing coalition secured a clear victory in the general elections on September 25th, 2022. Giorgia Meloni was elected prime minister on October 22nd, 2022.

In China, GDP growth slowed to +2,9% year-on-year in Q4 2022. Activity was adversely affected by the lockdowns and the slowdown in the real estate market. The urban unemployment rate fell to 5,6%. Inflation slowed to +0,7% year-on-year. The Chinese central bank cut its key interest rate by 10 basis points, bringing the 1-year refinancing rate to 2,75%. Health restrictions were lifted in November and December 2022.

At the conclusion of the 20th CCP Congress in October 2022, Xi Jinping won a third term as General Secretary of the Party and head of the armed forces. Xi Jinping was formally re-elected President of the Republic during the annual session of the National People's Congress, which was held from March 4th to 13th, 2023. On this occasion, the government announced that it was aiming for growth of "around +5,0%" in 2023.

Markets

The MSCI World global equity market index fell by -9,1%. European markets outperformed US markets, with the Euro Stoxx up +5,1% in euro terms versus a -9,3% decline for the S&P 500 in dollar terms. The yen-denominated Topix rose by +2,9%, while the dollar-denominated MSCI emerging equities index fell by -13,3%.

The decline in global markets over the last twelve months masks a phase of sharp decline in the first six months and a phase of sharp rise in the following six months. Initially, equity markets were hurt by the sharp rise in interest rates, reduced Russian gas deliveries to Europe and lockdowns in China, all of which fuelled fears of a recession. Subsequently, equity markets were buoyed by hopes of a monetary policy pivot, the remoteness of the energy crisis in Europe and the anticipated reopening of the Chinese economy.

Bond markets were hurt by the strong pressure on interest rates and widening credit spreads. The US 10-year Treasury yield rose from 2,34% to 3,47%, peaking at 4,24% on October 24th, 2022. The 10-year German government yield rose from 0,56% to 2,29%, peaking at 2,75% on March 2nd, 2023. According to ICE Bank of America indices, credit spreads for European corporate issuers rose from 128 to 155 basis points in the Investment Grade segment, from 198 to 264 basis points in the subordinated financials segment and from 400 to 474 basis points in the High Yield segment.

On the foreign exchange market, the euro depreciated by -2,1% against the dollar and by -2,8% against the Swiss franc. It appreciated by +7,0% against the yen and by +4,3% against the pound sterling. Emerging currencies depreciated on average by -5,0% against the dollar, according to the JPMorgan index.

The S&P GSCI commodity price index fell by -20,7%. The price of a barrel of Brent crude oil fell from \$107 to \$80, peaking at \$128 in early June. The MSCI World global equity market index fell by -9,1%. European markets outperformed US markets, with the Euro Stoxx up +5,1% in euro terms versus a -9,3% decline for the S&P 500 in dollar terms. The yen-denominated Topix rose by +2,9%, while the MSCI index of emerging equities more than doubled.

MANAGEMENT POLICY

Over the year as a whole, the Norden Small SICAV (IC shares) fell by 18,49%, compared with 13,18% for its benchmark index, the MSCI Nordic Small Caps net dividends reinvested, expressed in euros, i.e. an underperformance of 531 basis points.

In the second quarter of 2022, the Norden Small SICAV (IC shares) and the MSCI Nordic Small Caps net dividends reinvested expressed in euros fell by 20,54% and 19,68%, respectively. In April, energy and agricultural commodity prices stabilised at high levels but stopped rising. This did not prevent inflation from continuing to accelerate, sometimes quite dramatically in some countries. Central banks continued to tighten their rhetoric, while China's continued zero-Covid policy continues to disrupt supply chains, further stimulating the inflationary environment, and raising fears of a lasting slowdown in the country. The T-Bond and the Bund ended the month at the highest yields of the past three years, 2,93% and 0,93%. The dollar strengthened sharply, from €1,12 to €1,06, and European equity markets ended the month down. Against this backdrop, Nordic markets held up better than the Eurozone while Nordic small caps significantly underperformed large caps. The SICAV underperformed its benchmark index, suffering in particular from the underperformance of Sedana Medical (medical technology, Sweden) and Nordic Semiconductor (Bluetooth chips, Norway). However, it benefited from the good performances of Coor (business services, Sweden) and BioGaia (probiotics, Sweden). During the month, we sold our position in Scandi Standard (agri-food, Sweden). In May, as interest rates continued to rise rapidly, the ECB adopted an increasingly hawkish tone, further accelerating the trend in Europe, more so than in the US, to the extent that the dollar halted its rise, ending the month at \$1,07 against the euro.

On the energy front, the pressure on prices remained very high. While there was a relative lull in the European gas market, US gas prices ended up taking off, as did European electricity and oil prices, which continued to rise steadily and reached new annual highs. In this rather threatening environment, accompanied by several resounding profit warnings in the United States, Nordic markets ended the month down, while the Eurozone held up well and remained in positive territory. Nordic small caps outperformed large caps and the fund underperformed its benchmark. In particular, it suffered from the underperformance of Cary Group (windshield repair and replacement, Sweden), BioGaia (probiotics, Sweden) and Alimak (vertical access solutions, Sweden). However, it benefited from the rises of Stillfront (online gaming, Sweden), Knowit (IT services, Sweden) and Coor (business services, Sweden). During the month, we sold our position in Otello (technology, Norway). The first two weeks of June were marked by considerable pressure on European long yields, driven by accelerating inflation fears, with the German Bund reaching 1,76%. But in the second fortnight, with concerns about upcoming gas shortages in Europe, recession fears came to the forefront. Long-term interest rates fell sharply and the euro weakened to \$1,04. Equity markets fell as a result of this sudden rotation, and in this context, the Nordic region outperformed the Eurozone, but small caps suffered much more than large caps. The SICAV (IC shares) held up better than the benchmark, helped by gains for Kongsberg Gruppen (defence and naval equipment, Norway), Cary Group (windshield repair, Sweden) and Ambea (retirement homes, Sweden), and despite declines for MIPS (safety solutions for helmets, Sweden) and Dustin (online distributor of IT products and services, Sweden). We made no major transactions during the month.

In the 3rd quarter of 2022, the Norden Small SICAV (IC shares) underperformed its benchmark index by 320 basis points (-11,73% vs. -8,53%). Despite persistent geopolitical tensions, moderating economic indicators in Europe and a widening German-Italian 10-year spread, the European equity market rebounded strongly in July, recovering much of the ground lost in June. Pressure on gas prices increased further with the decrease in Russian exports via Nord Stream 1, and fears of rationing in the coming quarters intensified. In addition, many companies reported difficulties in coping with the current level of inflation or supply chain disruptions during their earnings announcements. Against this backdrop, Nordic markets markedly outperformed the Eurozone and Nordic small caps outperformed large caps. The SICAV underperformed its benchmark index, hurt in particular by the poor performances of Vimian (animal health, Sweden), Ossur (medical prosthetics, Iceland/Denmark) and BioGaia (probiotics, Sweden). However, it benefited from the rises of Zaptec (electric vehicle chargers, Norway), MIPS (sports helmet equipment, Sweden) and NTG (logistics operator, Denmark). During the month, we sold our positions in Cary Group (windshield repair and replacement, Sweden) and Link Mobility (technology, Norway). After a somewhat euphoric month of July, the European equity market fell sharply in August, returning to the dual anguish of inflation-driven rate hikes and the prospect of an economic slowdown in Europe due to the energy crisis, compounded by a sluggish Chinese economy. The unbridled rise of the dollar was also a cause for concern: it has an impact on imported inflation and puts the ECB under pressure. Against this backdrop, Nordic markets outperformed the Eurozone and Nordic small caps underperformed large caps. The SICAV (IC shares) underperformed its benchmark index, hurt in particular by the poor performances of Zaptec (electric vehicle chargers, Norway), Ambea (healthcare services, Sweden) and Synsam (optician chain, Sweden). However, it benefited from the good relative performances of Uponor (construction and building materials, Finland), Vaisala (climate measuring instruments, Finland) and SpareBank 1 SRBank (banking, Norway). We made no significant transactions during the month. In September, the European equity market continued its sharp decline, hit by fears of a slowdown in economic activity following rate hikes by several central banks (Fed +75bp, BoE +50bp and ECB +75bp) and the downward revision of global growth forecasts by the OECD. Inflation hit a record high in Europe and the euro depreciated against the dollar. Against this backdrop, Nordic markets outperformed the Eurozone and Nordic small caps underperformed large caps. The fund (IC share) outperformed its index, benefiting in particular from the good relative performances of Ossur (medical prostheses, Iceland/Denmark), Sydbank (banking, Denmark), Stillfront (online games, Sweden) and Bravida (technical installation and building maintenance, Sweden). However, it suffered from the underperformance of MIPS (equipment for sports helmets, Sweden), NTG (logistics operator, Denmark) and Dustin (online distributor of IT products and services, Sweden). During the month, we sold our position in Attendo (care services, Sweden).

In the 4th quarter of 2022, Norden Small (IC shares) gained 8,97%, compared with 12,23% for its benchmark index. While August and September were marked by accelerating inflation leading to a sharp rise in long rates, as well as by the continuing energy crisis in Europe and the harmful zero-covid policy in China, October saw some appeasement on all these fronts. Buoyed by what were generally good earnings releases, often accompanied by upward revisions despite the uncertainties, the European equity market rose sharply over the month. Against this backdrop, Nordic markets underperformed the Eurozone and Nordic small caps outperformed large caps. The SICAV underperformed its benchmark index due to the poor performances of Coor (business services, Sweden), Nolato (polymers, Sweden) and Knowit (IT services, Sweden).

However, it benefited from the good performances of Vimian (animal health, Sweden), Avanza (online broker, Sweden) and Kongsberg Gruppen (marine and defence equipment and technology, Norway). During the month, we established two new positions in Royal Unibrew (beverages, Denmark) and Fortnox (accounting software, Sweden). We also sold our position in Pierce (online distributor of motorcycle parts and accessories, Sweden). The very strong rebound of equity markets in October continued and intensified in November, under the effect of the fall in oil prices and commodity prices in general, the easing of long-term interest rates, and quarterly earnings releases, which were generally rather satisfactory and sometimes accompanied by upward guidance revisions. Against this backdrop, Nordic markets underperformed the Eurozone and Nordic small caps slightly underperformed large caps. The SICAV underperformed its benchmark index, suffering in particular from the underperformance of Alk Abello (allergy treatments, Denmark), Zaptec (chargers for electric vehicles, Norway) and Stillfront (online gaming, Sweden). However, it benefited from the rises in Ambea (healthcare services, Sweden), Nordic Semiconductor (Bluetooth chips, Norway) and Nolato (polymers, Sweden). During the month, we established a new position in Hemnet (online real estate ads, Sweden). The enthusiasm in the equity markets in October and November was followed by a certain nervousness in December under the influence of the European Central Bank's fairly firm stance, which led, among other things, to a spectacular rise in interest rates in Europe, with the 10-year Bund yield rising from 1,81% to 2,56% in a single month, reaching its highest level in more than ten years. The dollar also continued to decline, dropping from \$1,03/€ to \$1,07/€. The fall in energy prices in Europe failed to curb the fall in equity markets. Against this backdrop, Nordic markets held up better than the Eurozone while Nordic small caps underperformed large caps. The SICAV outperformed its benchmark index, benefiting in particular from the rises of Sydbank (banking, Denmark), Raisio (agri-food, Finland), Bravida (technical installation and maintenance of buildings, Sweden) and MIPS (equipment for sports helmets, Sweden). However, it suffered from the underperformance of Zaptec (electric vehicle chargers, Norway), Nordic Semiconductor (Bluetooth chips, Norway) and Ambea (healthcare services, Sweden). We made no significant transactions during the month.

In the last quarter of the year, the Norden Small SICAV (IC shares) gained 6,65% compared with a 5,29% rise for the MSCI Nordic Small Caps net dividends reinvested, representing an outperformance of 136 basis points.

Turning the cautious consensus on its head, the equity markets got off to a flying start in 2023. As interest rates eased sharply from their December high, the dollar continued to fall, as did energy prices, particularly in Europe, while European equity markets ended January sharply higher. Against this backdrop, Nordic markets markedly underperformed the Eurozone and Nordic small caps outperformed large caps. The fund underperformed its benchmark index, hurt in particular by the poor performances of Nordic Semiconductor (Bluetooth chips, Norway), Ambea (healthcare services, Sweden) and SpareBank 1 SR-Bank (banking, Norway). However, it benefited from the rises in Renewcell (textile recycling, Sweden), Nolato (polymers, Sweden) and Valmet (industrial equipment, Finland). We made no significant transactions during the month. As the earnings release season was still fairly positive, equity markets in February continued the spectacular rally that started at the beginning of the year, helped, among other things, by the relative easing of pressure on gas and electricity prices in Europe. However, the strengthening of inflationary pressures is leading to very strong pressure on interest rates on both sides of the Atlantic. The T-Bond yield rose from 3,50% to 3,90% in February and the Bund yield from 2,27% to 2,65%. Against this backdrop, Nordic markets markedly outperformed the Eurozone and Nordic small caps outperformed large caps. The fund outperformed its benchmark index, benefiting in particular from the rises of MIPS (equipment for sports helmets, Sweden), Alimak (vertical access solutions, Sweden) and Sydbank (banking, Denmark). However, it suffered from the underperformance of Nordic Semiconductor (Bluetooth chips, Norway), Nolato (polymers, Sweden) and Ambea (healthcare services, Sweden). We made no significant transactions during the month. While March had started on the upbeat trend of early 2023, the market's rise was abruptly interrupted from the 8th when Credit Suisse's main shareholder indicated that it did not intend to bail out the bank, leading to a panic over the stock which spread to the entire banking sector, ending on the 13th with the absorption of Credit Suisse by UBS. The damage was done, however, and despite the strong rebound of European equities at the end of the month, cyclical sectors and financial stocks were unable to return to their pre-crisis levels, while a sharp easing in interest rates was induced by concerns about the indirect impacts of the financial crisis on the economy in general. Against this backdrop, Nordic markets underperformed the Eurozone while Nordic small caps significantly underperformed large caps. The SICAV outperformed its benchmark index, benefiting in particular from the rises in Zaptec (electric vehicle chargers, Norway), Vimian (animal health, Sweden), Royal Unibrew (beverages, Denmark) and Nordic Semiconductor (bluetooth chips, Norway). However, it suffered from the underperformance of SpareBank 1 SR-Bank (banking, Norway), BioGaia (probiotics, Sweden) and Sydbank (banking, Denmark). We made no significant transactions during the month.

Main changes in the portfolio during the year

Securities	Changes ("accounting currency")	
	Purchases	Sales
LAZARD EURO SHORT TERM MONEY MARKET	28 653 285,61	33 378 236,84
KONGSBERG GRUPPEN	4 007 159,90	6 788 287,76
BAKKAFROST	3 949 163,27	3 456 732,41
COOR SERVICE MANAGEMENT HOLDING AB	2 753 238,65	4 601 559,29
NORDIC SEMICONDUCTOR ASA	3 819 704,37	3 473 583,19
ZAPTEC AS/NORWAY	3 254 652,37	3 293 113,81
VIMIAN GROUP AB	2 687 567,75	2 826 826,95
BRAVIDA HOLDING AB	1 496 883,04	3 123 210,66
CARY GROUP AB	729 477,66	3 789 333,85
AMBEA AB-WI	570 855,03	3 189 759,57

4. REGULATORY INFORMATION

EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES AND DERIVATIVE FINANCIAL INSTRUMENTS (ESMA) IN EUROS

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

- **Exposure through efficient management techniques: None.**
 - o Securities lending:
 - o Securities borrowing:
 - o Repurchase agreements:
 - o Reverse repurchase agreements:
- **Underlying exposure through derivative financial instruments: None.**
 - o Currency forwards:
 - o Futures:
 - o Options:
 - o Swaps:

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

Efficient portfolio management techniques	Derivative financial instruments (*)
None	None

(*) 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 (*) Total	None
Derivative financial instruments . Term deposits . Equities . Bonds . UCITS . Cash Total	None

(*) The Cash account also includes liquidity 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 (*) . Other income Total income	None
. Direct operating expenses . Indirect operating expenses . Other expenses Total expenses	None

(*) Income on securities lending and repurchase agreements

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.

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.

The information can be consulted on the management company’s website: www.lazardfreresgestion.fr

BROKERAGE FEES

Information about brokerage fees is available on the website: www.lazardfreresgestion.fr.

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: www.lazardfreresgestion.fr.

DISCLOSURE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) 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.

The long-term performance of investments is not limited solely to the consideration of the financial strategy, but must also take into account the company’s interactions with its social, economic and financial environment.

The incorporation of ESG criteria therefore is 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 soundness, 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 non-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 by which we incorporate ESG criteria may vary depending on the asset class and investment process involved, but the common objective is to ensure better apprehension of ESG risks that are likely to have a strong impact on the value of a company or sovereign asset.

Information on ESG criteria is available on the website: www.lazardfreresgestion.fr.

SFDR AND TAXONOMY

Article 8 (SFDR):

The UCI promotes environmental and/or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088, the so-called “SFDR”.

Report on non-financial performance:

As of 31/03/2023, in accordance with the asset management company’s rating criteria, the portfolio’s overall rating was 7,08693 on a scale of 0 to 100. It was 6,86723 at the start date of the calculation.

Over the measured period, the portfolio’s average ESG rating varied between 6,86723 and 7,08693. It remained higher than that of its universe.

Reminder of the investment objective of promoting ESG criteria:

Information on Environmental, Social and Corporate governance (ESG) criteria, as well as the screening procedure for non-financial criteria, is available on the management company’s website (www.lazardfreresgestion.fr).

Analysis of investments in directly held equities

The ESG analysis of live securities is based on a proprietary model that relies on an internal ESG grid.

Based on the various data provided by our ESG partners (non-financial analysis agencies, external service providers, etc.), the annual reports of the companies and direct exchanges with them, the analysts responsible for monitoring each stock draw up an internal ESG score. This score is based on both a quantitative (energy intensity, staff turnover rate, board independence rate, etc.) and qualitative approach (solidity of environmental policy, employment strategy, competence of directors, etc.). It takes into account the risks likely to affect companies’ sustainability, or Sustainability Risks (regulatory and physical risks, reputational risk thanks to, among other factors, the monitoring of controversies) as well as companies’ main negative impacts in terms of sustainability, or Principal Adverse Impacts (carbon emissions, energy consumption, water consumption, waste production), i.e. any event or situation in the environmental, social or governance field which, if it occurs, could have an actual or potential negative impact on the value of the investment.

Lazard Frères Gestion will announce by December 30th, 2022 how this product considers negative impacts on sustainability factors.

Specifically, the negative effects of sustainability risks can affect issuers via a range of mechanisms, including:

- 1) lower revenues;
- 2) higher costs;
- 3) damage to or impairment of the value of assets;
- 4) higher cost of capital; and
- 5) fines or regulatory risks.

Due to the nature of sustainability risks and specific issues such as climate change, the likelihood of sustainability risks impacting returns on financial products is likely to increase in the longer term.

These internal ESG ratings are built into the valuation models via the beta used to set the weighted average cost of capital (WACC).

Conditions for providing limited information on the inclusion of non-financial criteria:

The rate of non-financial analysis of the UCI’s investments is, depending on the UCI’s investment categories, higher than:

- 90% of the UCIs net assets for equities issued by large capitalisation companies with their registered office in “developed” countries, debt securities and money market instruments with an investment grade credit rating, sovereign debt issued by developed countries;
- 75% of the UCIs net assets for equities issued by large capitalisation companies with their registered office in “emerging” countries, equities issued by small and mid caps, debt securities and money market instruments with a high yield credit rating and sovereign debt issued by “emerging” countries.

In the event of investment in several categories, the above rates shall apply transparently to each category.

The portfolio's overall MSCI ESG Manager rating will be higher than that of the benchmark ESG investment universe defined above.

[Regulation \(EU\) 2020/852, known as the “Taxonomy Regulation”](#)

The European Union Taxonomy aims to identify economic activities that are considered environmentally sustainable. The Taxonomy identifies these activities according to their contribution to six broad environmental objectives:

- Climate change mitigation,
- Climate change adaptation,
- Sustainable use and protection of water and marine resources,
- Transition to the circular economy (waste, prevention and recycling),
- Pollution prevention and control,
- Prevention and control of healthy ecosystems.

To be considered sustainable, an economic activity must demonstrate that it contributes substantially to the achievement of one of the six objectives, while not harming any of the other five (the so-called DNSH principle, standing for “Do No Significant Harm”). In order for an activity to be considered aligned with the European Taxonomy, it must also respect the human and social rights guaranteed under international law.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

The minimum percentage of alignment with the European Union Taxonomy is 0%.

Pursuant to Article 50 of the SFDR Level 2 Delegated Regulation, information on the attainment of the environmental or social characteristics promoted by the financial product is available in the appendix to this report.

USE OF FINANCIAL INSTRUMENTS MANAGED BY THE MANAGEMENT COMPANY OR AN AFFILIATED COMPANY

The table of financial instruments managed by the management company or an affiliated company can be found in the notes to the UCI's annual financial statements.

METHOD USED TO CALCULATE GLOBAL RISK

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

PEA employee savings fund

Pursuant to the provisions of Article 91, quater L Appendix 2 of the French General Tax Code, a minimum of 75% of the Fund/SICAV is permanently invested in the securities and rights mentioned in points a, b and c, section I°, I of Article L. 221-31 of the French Monetary and Financial Code.

Proportion actually invested during the financial year: 86,10%.

PROCEDURE FOR RECOVERY OF WITHHOLDING TAXES

European Union countries may apply different taxation methods for dividends paid to domestic entities and foreign entities. Foreign entities that receive dividends are frequently subject to withholding tax, causing a difference in tax treatment that is in breach of the free circulation of capital, and therefore contrary to European Union law. Since there are several decisions by the European Union Court of Justice and the Council of State in favour of foreign residents, the management company shall request reimbursement of withholding tax paid on dividends received by foreign companies for funds domiciled in France, when the prospects for repayment of the withholding tax are deemed favourable to the funds concerned. The time involved and results of claims of this nature to the tax authorities concerned are uncertain. No repayments were received during the year ended 31/03/23.

REMUNERATION

The fixed and variable remuneration paid during the financial year ended on December 31st, 2022 by the management company to its personnel, in proportion to their investment in the management of the UCITS, excluding the management of the AIFs and discretionary mandates, can be obtained on request by post from the legal department of Lazard Frères Gestion, and are included in the company's annual report.

The total variable remuneration is set by the Lazard Group based on different criteria, including the Lazard Group's financial performance over the past year, taking into account the results of Lazard Frères Gestion.

The total amount of variable compensation should not hinder the ability of the Lazard Group and Lazard Frères Gestion to strengthen their capital base as needed.

The General Management decides on the total remuneration amount that will be split between the fixed and variable components, complying with the policy to maintain a complete separation between the fixed and variable components. All risks and conflicts of interest are incorporated into the calculation of the variable remuneration.

It is then individualised and determined partly based on the performance of each identified member of staff.

The remuneration policy is reviewed annually.

Each year, Lazard Frères Gestion's Remuneration Policy Compliance Monitoring Committee, which also has two members independent from the management company, is responsible for issuing an opinion on the proper application of the remuneration policy and its compliance with applicable regulations.

Population at 31/12/2022: Fixed-term and permanent contracts of LFG, LFG Luxembourg and LFG Belgique (therefore excluding interns and apprentices and excluding LFG Courtage)

Headcount at 31-12-2022 LFG - LFG Belgique - LFG Luxembourg	Fixed annual remuneration in 2022 in €	Variable remuneration for 2022 (cash paid in 2023 and deferred compensation allocated in 2023) in €
205	20 102 615	29 964 115

"Identified employees"

Category	Number of employees	2022 aggregate fixed and variable remuneration (annual salaries and cash and deferred bonuses)
Senior management	3	5 848 796
Other	61	28 469 324
Total	64	34 318 120

Note: the amounts are stated excluding charges

OTHER INFORMATION

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

LAZARD FRERES GESTION SAS
25, Rue de Courcelles – 75008 Paris, France

www.lazardfreresgestion.fr

5. CERTIFICATION BY THE STATUTORY AUDITOR



**STATUTORY AUDITOR'S REPORT
ON THE ANNUAL FINANCIAL STATEMENTS
Financial year ended March 31st, 2023**

NORDEN SMALL

UCITS ORGANISED AS A FRENCH OPEN-END INVESTMENT COMPANY (*SOCIÉTÉ D'INVESTISSEMENT À CAPITAL VARIABLE*)

Governed by the French Monetary and Financial Code (*Code monétaire et financier*)

Management company

LAZARD FRERES GESTION SAS

25 rue de Courcelles

75008 Paris, France

To the shareholders,

Opinion

In accordance with the terms of our appointment by the general meeting, we conducted our audit of the accompanying annual financial statements of the NORDEN SMALL UCITS, as a French open-end investment fund, for the financial year ended March 31st, 2023.

We certify that the annual financial statements give a true and fair view of the results of the operations for the financial year under review and of the financial position and assets and liabilities of the UCITS at the end of said financial year, in accordance with the accounting rules and principles generally accepted in France.

Basis of our opinion

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 entitled "*Statutory auditor's responsibilities concerning the audit of the financial statements*" in this report.

Independence

We conducted our audit in accordance with the rules of independence set out in the French Commercial Code and the code of ethics for statutory auditors, for the period from 01/04/2022 to the date of issue of our report.

PricewaterhouseCoopers Audit, 63 rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France

T: +33 (0) 1 56 57 58 59, F: +33 (0) 1 56 57 58 60, www.pwc.fr

Accounting firm registered with the Order of Chartered Accountants of the Paris Ile-de-France region. Member firm of the regional institute of statutory auditors of Versailles (Compagnie régionale de Versailles). French simplified joint stock company (Société par Actions Simplifiée) with capital of €2 510 460. Registered office: 63 rue de Villiers, 92200 Neuilly-sur-Seine, France. Nanterre Trade and Companies Register: 672 006 483 VAT No. FR 76 672 006 483. Siret 672 006 483 00362. APE code 6920 Z. Offices: Bordeaux, Grenoble, Lille, Lyon, Marseille, Metz, Nantes, Nice, Paris, Poitiers, Rennes, Rouen, Strasbourg and Toulouse.



NORDEN SMALL

Basis of our opinions

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the fact that the assessments that, in our professional judgement, were the most significant for the audit of the annual financial statements for the year concerned the appropriateness of the accounting principles applied, the reasonableness of the significant estimates used and the overall presentation of the financial statements.

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.

Specific verifications

We have also performed, in accordance with applicable professional standards in France, the specific verifications required by the laws and regulations.

Information provided in the management report, other financial reports and the annual financial statements addressed to the shareholders

We have no matters to report regarding the true and fair presentation of the information provided in the management report and in the other documents sent to shareholders on the company's financial position and annual financial statements.

Information on corporate governance

We certify that the information required under Article L. 225-37-4 of the French Commercial Code is provided in the section of the management report on corporate governance.

PricewaterhouseCoopers Audit, 63 rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France

T: +33 (0) 1 56 57 58 59, F: +33 (0) 1 56 57 58 60, www.pwc.fr

Accounting firm registered with the Order of Chartered Accountants of the Paris Ile-de-France region. Member firm of the regional institute of statutory auditors of Versailles (Compagnie régionale de Versailles). French simplified joint stock company (Société par Actions Simplifiée) with capital of €2 510 460. Registered office: 63 rue de Villiers, 92200 Neuilly-sur-Seine, France. Nanterre Trade and Companies Register: 672 006 483 VAT No. FR 76 672 006 483. Siret 672 006 483 00362. APE code 6920 Z. Offices: Bordeaux, Grenoble, Lille, Lyon, Marseille, Metz, Nantes, Nice, Paris, Poitiers, Rennes, Rouen, Strasbourg and Toulouse.



NORDEN SMALL

Responsibilities of the management and persons charged with governance of the annual financial statements

It is the management's role to draw up annual financial statements that give a fair and true 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 misstatement, whether due to fraud or error.

As part of the preparation of the annual financial statements, the management is responsible for assessing the SICAV's capacity to continue operating as a going concern, to present in its financial statements, where necessary, information concerning business continuity, and to apply the accounting conventions of a going concern, unless it is planned to liquidate the SICAV or terminate its activity.

The annual financial statements have been approved by the management.

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

Audit purpose and process

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 is free of material misstatement. Anomalies 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 the management of the SICAV.

In the context of an audit performed in accordance with professional standards applicable in France, the statutory auditor must exercise its 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 elements deemed necessary and appropriate in order to give its opinion. The risk of failure to detect a material misstatement resulting from fraud is higher than that resulting from an error because fraud may involve collusion, falsification, deliberate omissions, false statements or by-passing of internal controls;

PricewaterhouseCoopers Audit, 63 rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France

T: +33 (0) 1 56 57 58 59, F: +33 (0) 1 56 57 58 60, www.pwc.fr

Accounting firm registered with the Order of Chartered Accountants of the Paris Ile-de-France region. Member firm of the regional institute of statutory auditors of Versailles (Compagnie régionale de Versailles). French simplified joint stock company (Société par Actions Simplifiée) with capital of €2 510 460. Registered office: 63 rue de Villiers, 92200 Neuilly-sur-Seine, France. Nanterre Trade and Companies Register: 672 006 483 VAT No. FR 76 672 006 483. Siret 672 006 483 00362. APE code 6920 Z. Offices: Bordeaux, Grenoble, Lille, Lyon, Marseille, Metz, Nantes, Nice, Paris, Poitiers, Rennes, Rouen, Strasbourg and Toulouse.

- 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 and the reasonable nature of the accounting estimates made by the management, and the related information provided in the annual financial statements;
- It assesses the appropriateness of the management's application of the accounting policy for a going concern and, based on the information collected, whether there is any significant uncertainty linked to events or circumstances that is likely to call into question the SICAV's capacity 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 continuity of operation. If the statutory auditor observes the existence of a 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;
- it assesses the overall presentation of the annual financial statements and whether they provide a true picture of the underlying operations and events.

Neuilly sur Seine, date of electronic signature

Document authenticated by electronic signature
The statutory auditor
PricewaterhouseCoopers Audit
Raphaëlle Alezra-Cabessa

2023.06.09 14:58:40 +0200



PricewaterhouseCoopers Audit, 63 rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France
T: +33 (0) 1 56 57 58 59, F: +33 (0) 1 56 57 58 60, www.pwc.fr

Accounting firm registered with the Order of Chartered Accountants of the Paris Ile-de-France region. Member firm of the regional institute of statutory auditors of Versailles (Compagnie régionale de Versailles). French simplified joint stock company (Société par Actions Simplifiée) with capital of €2 510 460. Registered office: 63 rue de Villiers, 92200 Neuilly-sur-Seine, France. Nanterre Trade and Companies Register: 672 006 483 VAT No. FR 76 672 006 483. Siret 672 006 483 00362. APE code 6920 Z. Offices: Bordeaux, Grenoble, Lille, Lyon, Marseille, Metz, Nantes, Nice, Paris, Poitiers, Rennes, Rouen, Strasbourg and Toulouse.



**STATUTORY AUDITOR'S SPECIAL REPORT
ON REGULATED AGREEMENTS**

Shareholders' meeting to approve the financial statements for the financial year ended March 31st, 2023.

NORDEN SMALL

UCITS ORGANISED AS A FRENCH OPEN-END INVESTMENT COMPANY (SOCIÉTÉ D'INVESTISSEMENT À CAPITAL VARIABLE) Governed by the French Monetary and Financial Code

Management company

LAZARD FRERES GESTION SAS

25 rue de Courcelles

75008 Paris, France

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby present to you our report on related party agreements.

We are required to report to you, based on the information with which we have been provided, on the main characteristics and terms, as well as details of the related benefits for the SICAV, of any agreements disclosed to us or that we may have identified during our audit, without being required to comment on their relevance or substance, or to identify any other agreements. It is your responsibility, pursuant to the terms of Article R.225-31 of the French Commercial Code (*Code de commerce*), to assess the benefits of entering into these agreements, prior to approving them.

We are also required, where applicable, to report to you as provided for in Article R. 225-31 of the French Commercial Code on the performance over the past year of any agreements already approved by the shareholders' meeting.

We have performed those checks that we considered necessary in accordance with the professional guidance issued by the national auditing body (*Compagnie nationale des commissaires aux comptes*) relating to this operation.

AGREEMENTS SUBMITTED FOR THE APPROVAL OF THE SHAREHOLDERS' MEETING

We hereby inform you that we have not been advised of any agreement authorised during the past financial year to be submitted to the approval of the shareholders' meeting pursuant to Article L.225-38 of the French Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

We hereby inform you that we have not been advised of any agreement already approved by the shareholders' meeting that remained effective during the past financial year.

Neuilly sur Seine, date of electronic signature

2023.06.09 14:58:34 +0200

Document authenticated by electronic signature
The statutory auditor
PricewaterhouseCoopers Audit
Raphaëlle Alezra-Cabessa

PricewaterhouseCoopers Audit, 63 rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France

T: +33 (0) 1 56 57 58 59, F: +33 (0) 1 56 57 58 60, www.pwc.fr

Accounting firm registered with the Order of Chartered Accountants of the Paris Ile-de-France region. Member firm of the regional institute of statutory auditors of Versailles (Compagnie régionale de Versailles). French simplified joint stock company (Société par Actions Simplifiée) with capital of €2 510 460. Registered office: 63 rue de Villiers, 92200 Neuilly-sur-Seine, France. Nanterre Trade and Companies Register: 672 006 483 VAT No. FR 76 672 006 483. Siret 672 006 483 00362. APE code 6920 Z. Offices: Bordeaux, Grenoble, Lille, Lyon, Marseille, Metz, Nantes, Nice, Paris, Poitiers, Rennes, Rouen, Strasbourg and Toulouse.

6. ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31/03/2023 in EUR

ASSETS

	31/03/2023	31/03/2022
NET NON-CURRENT ASSETS		
DEPOSITS		
FINANCIAL INSTRUMENTS	115 887 972,89	176 996 595,94
Equities and similar securities	114 190 434,39	170 605 690,58
Traded on a regulated or equivalent market	114 190 434,39	170 605 690,58
Not traded on a regulated or equivalent market		
Bonds and similar securities		
Traded on a regulated or equivalent market		
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	1 697 538,50	6 390 905,36
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries	1 697 538,50	6 390 905,36
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		
Transactions on a regulated or equivalent market		
Other transactions		
Other financial instruments		
RECEIVABLES	1 399 463,17	2 936 326,95
Currency forward exchange transactions		
Other	1 399 463,17	2 936 326,95
FINANCIAL ACCOUNTS	450 198,15	719 425,24
Cash and cash equivalents	450 198,15	719 425,24
TOTAL ASSETS	117 737 634,21	180 652 348,13

LIABILITIES AND SHAREHOLDERS' EQUITY

	31/03/2023	31/03/2022
SHAREHOLDERS' EQUITY		
Share capital	134 899 011,16	144 745 488,82
Undistributed net capital gains and losses recognised in previous years (a)		
Retained earnings (a)		
Net capital gains and losses for the year (a, b)	-18 324 212,49	31 292 030,98
Net income for the year (a, b)	830 017,45	405 677,85
TOTAL SHAREHOLDERS' EQUITY*	117 404 816,12	176 443 197,65
<i>* Sum representing the net assets</i>		
FINANCIAL INSTRUMENTS		
Sales of financial instruments		
Temporary securities transactions		
Liabilities on securities sold under repurchase agreements		
Liabilities on borrowed securities		
Other temporary transactions		
Forward financial instruments		
Transactions on a regulated or equivalent market		
Other transactions		
LIABILITIES	332 818,09	4 209 150,48
Currency forward exchange transactions		
Other	332 818,09	4 209 150,48
FINANCIAL ACCOUNTS		
Bank overdrafts		
Borrowings		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	117 737 634,21	180 652 348,13

(a) Including accrued income

(b) Less interim dividends paid for the financial year

OFF-BALANCE SHEET ITEMS AS OF 31/03/2023 in euros

	31/03/2023	31/03/2022
HEDGING TRANSACTIONS		
Commitments on regulated or similar markets		
Commitments on OTC markets		
Other commitments		
OTHER TRANSACTIONS		
Commitments on regulated or similar markets		
Commitments on OTC markets		
Other commitments		

INCOME STATEMENT AS OF 31/03/2023 in euros

	31/03/2023	31/03/2022
Income from financial transactions		
Income from deposits and financial accounts		
Income from equities and similar securities	3 004 562,53	3 636 226,84
Income from bonds and similar securities		
Income from debt securities		
Income from temporary purchases and sales of securities		
Income from forward financial instruments		
Other financial income		
TOTAL (1)	3 004 562,53	3 636 226,84
Expenses related to financial transactions		
Expenses related to temporary purchases and sales of securities		
Expenses related to forward financial instruments		
Expenses related to financial liabilities	334,64	1 778,78
Other financial charges		
TOTAL (2)	334,64	1 778,78
INCOME FROM FINANCIAL TRANSACTIONS (1 - 2)	3 004 227,89	3 634 448,06
Other income (3)		
Management fees and depreciation and amortisation (4)	2 002 369,95	3 324 438,07
NET INCOME FOR THE FINANCIAL YEAR (L. 214-17-1) (1 - 2 + 3 - 4)	1 001 857,94	3 10 009,99
Income adjustment for the financial year (5)	-171 840,49	95 667,86
Interim dividends paid on net income for the financial year (6)		
Net income (1 - 2 + 3 - 4 + 5 - 6)	830 017,45	405 677,85

I. ACCOUNTING RULES AND PRINCIPLES

The annual financial statements are presented in accordance with regulation 2014-01, as amended, of the French accounting standards body (Autorité des Normes Comptables - ANC).

The general accounting principles apply:

- true and fair view, comparability, business continuity,
- regularity, sincerity,
- prudence,
- consistency of accounting methods from one financial year to the next.

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).

- **Fixed-income securities:**

Fixed-income securities are for the most part marked to market based on either Bloomberg prices (BGN)[®] derived from averages of contributed prices, or on those of direct contributors.

There may be a discrepancy between the carrying amounts, valued as indicated above, and the actual disposal prices that would be obtained if a portion of these portfolio assets were to be sold.

- **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. However,

the following instruments are valued using the following specific methods:

- **Negotiable debt securities:**

Negotiable debt securities are marked to market based on either Bloomberg prices (BVAL and/or BGN) derived from averages of contributed prices, or on those of direct contributors.

There may be a discrepancy between the carrying amounts, valued as indicated above, and the actual disposal prices that would be obtained if a portion of these portfolio assets were to be sold.

The valuation of money market instruments complies with the provisions of Regulation (EU) 2017/1131 of June 14th, 2017. Consequently, the UCI does not use the amortised cost method.

- **UCIs:**

Units or shares of UCIs are valued at the last known net asset value.

Units or shares of UCIs for which NAVs are published monthly may be valued on the basis of interim NAVs 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 €STR, one- or two-week interbank rates, one- 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.

Positions taken on the futures or options markets and over the counter are valued at their market price or at the value of the equivalent underlying asset.

➤ **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 SICAV'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 SICAV'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 SICAV's currency).

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) using the following formula:

$$\frac{\text{Gross assets} \times \text{operating and management fees rate}}{\text{x no. of days between the calculated NAV and the previous NAV} \div 365 \text{ (or 366 in a leap year)}}$$

The SICAV pays the operating fees, which include:

- . 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 SICAV</i>	<i>Basis</i>	<i>Rate</i>
Financial management fees	Net assets	IC shares: Maximum 1,980% incl. taxes TC shares: Maximum 1,20% incl. taxes
Administrative fees external to the management company	Net assets	Maximum 0,020% incl. taxes
Performance fee (since 29/01/2018)	Net assets	IC shares: None TC shares: 20% of annual performance above the MSCI Nordic Small Cap index, calculated in euros with net dividends reinvested based on closing prices*

Details of the calculation of the performance fee:

The performance fee corresponds to a variable charge and is contingent on the Fund outperforming its benchmark over the observation period.

If a provision is recognised at the end of the observation period, it is crystallised, i.e. it is definitively acquired and becomes payable to the Manager.

Calculation method

The calculation of the amount of the performance fee is based on a comparison between the performance of each UCI share and that of a notional UCI achieving the performance of its benchmark index and recording the same subscription and redemption pattern as the actual UCI. The outperformance generated by the UCI share on a given date is defined as the positive difference between the assets of the UCI share and the assets of the notional UCI on the same date. If this difference is negative, this amount constitutes an underperformance that will have to be made up in the following years before a new provision can be made for the performance fee.

Negative performance recovery and reference period

As stated in the ESMA guidelines on performance fees, the reference period is “the time horizon over which the performance is measured and compared with that of the reference indicator, at the end of which the mechanism for the compensation for past underperformance (or negative performance) can be reset. This period is set at 5 years. This means that after 5 consecutive years without crystallisation, uncompensated underperformances prior to five years will no longer be taken into account in the calculation of the performance fee.

Observation period

The first observation period will start with a period of twelve months starting on 01/04/2018. At the end of each financial year, one of the following two cases may occur:

- The UCI share underperformed over the observation period. In this case, no fee is charged and the observation period is extended by one year, up to a maximum of 5 years (reference period).
- The UCI share outperformed over the observation period and recorded a positive absolute performance over the year. In this case, the management company receives the provisioned fees (crystallisation), the calculation is reset, and a new twelve-month observation period begins.

Provisioning

Each time the net asset value (NAV) is established, the performance fee is subject to a provision (of 20% of the outperformance) when the performance of the UCI share is higher than that of the notional UCI over the observation period, or to a reversal of the provision limited to the existing allocation in case of underperformance.

In case of redemptions during the period, the proportion of the provision corresponding to the number of shares redeemed is definitively acquired and charged by the management company.

Crystallisation

The crystallisation period, i.e. the frequency at which the provisioned performance fee, if any, must be paid to the management company, is twelve months.

The first crystallisation period will end on the last day of the financial year ending on 31/03/2023.

The performance fee is deducted even in the event of a negative performance of the UCI.

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>Share(s)</i>	<i>Allocation of net income</i>	<i>Allocation of net realised capital gains or losses</i>
NORDEN SMALL IC shares	Accumulation	Accumulation
NORDEN SMALL TC shares	Accumulation	Accumulation

2. CHANGE IN NET ASSETS AT 31/03/2023 in euros

	31/03/2023	31/03/2022
NET ASSETS AT START OF YEAR	176 443 197,65	187 578 961,88
Subscriptions (including subscription fees retained by the Fund)	15 354 174,35	54 531 204,91
Redemptions (net of redemption fees retained by the Fund)	-43 058 771,72	-58 070 233,63
Realised capital gains on deposits and financial instruments	7 492 414,04	40 120 942,68
Realised capital losses on deposits and financial instruments	-23 808 715,54	-6 252 116,91
Realised capital gains on forward financial instruments		
Realised capital losses on forward financial instruments		
Transaction charges	-535 029,13	-1 359 873,92
Exchange rate differences	-11 023 771,40	-612 298,88
Changes in valuation difference of deposits and financial instruments	-4 460 540,07	-39 803 398,47
<i>Valuation difference for financial year N</i>	<i>-9 110 247,19</i>	<i>-4 649 707,12</i>
<i>Valuation difference for financial year N-1</i>	<i>4 649 707,12</i>	<i>-35 153 691,35</i>
Changes in valuation difference of forward financial instruments		
<i>Valuation difference for financial year N</i>		
<i>Valuation difference for financial year N-1</i>		
Distribution of prior year's net capital gains and losses		
Dividends paid in the previous financial year		
Net profit/loss for the financial year prior to income adjustment	1 001 857,94	310 009,99
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	117 404 816,12	176 443 197,65

3. ADDITIONAL INFORMATION

3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR ECONOMIC STATUS

	Amount	%
ASSETS		
BONDS AND SIMILAR SECURITIES		
TOTAL BONDS AND SIMILAR SECURITIES		
DEBT SECURITIES		
TOTAL DEBT SECURITIES		
LIABILITIES AND SHAREHOLDERS' EQUITY		
SALES OF FINANCIAL INSTRUMENTS		
TOTAL SALES OF FINANCIAL INSTRUMENTS		
OFF-BALANCE SHEET		
HEDGING TRANSACTIONS		
TOTAL HEDGING TRANSACTIONS		
OTHER TRANSACTIONS		
TOTAL OTHER TRANSACTIONS		

3.2. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY INTEREST RATE TYPE

	Fixed rate	%	Variable rate	%	Revisable rate	%	Other	%
ASSETS								
Deposits								
Bonds and similar securities								
Debt securities								
Temporary securities transactions								
Financial accounts							450 198,15	0,38
LIABILITIES AND SHAREHOLDERS' EQUITY								
Temporary securities transactions								
Financial accounts								
OFF-BALANCE SHEET								
Hedging transactions								
Other transactions								

3.3. 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										
Debt securities										
Temporary securities transactions										
Financial accounts	450 198,15	0,38								
LIABILITIES AND SHAREHOLDERS' EQUITY										
Temporary securities transactions										
Financial accounts										
OFF-BALANCE SHEET										
Hedging transactions										
Other transactions										

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

3.4. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS BY LISTING OR VALUATION CURRENCY (EXCLUDING EUR)

	Currency 1 SEK		Currency 2 NOK		Currency 3 DKK		Currency N OTHER(S)	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
Deposits								
Equities and similar securities	57 562 502,11	49,03	21 878 173,76	18,63	18 473 330,39	15,73		
Bonds and similar securities								
Debt securities								
UCI								
Temporary securities transactions								
Receivables	87 595,42	0,07						
Financial accounts								
LIABILITIES AND SHAREHOLDERS' EQUITY								
Sales of financial instruments								
Temporary securities transactions								
Liabilities								
Financial accounts								
OFF-BALANCE SHEET								
Hedging transactions								
Other transactions								

3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit item	31/03/2023
RECEIVABLES		
	Deferred settlement sale	1 122 337,40
	Subscription receivables	7 310,55
	Coupons and dividends in cash	269 815,22
TOTAL RECEIVABLES		1 399 463,17
LIABILITIES		
	Deferred settlement purchase	135 950,13
	Redemptions payable	41 822,24
	Fixed management fees	155 045,72
TOTAL LIABILITIES		332 818,09
TOTAL LIABILITIES AND RECEIVABLES		1 066 645,08

3.6. SHAREHOLDERS' EQUITY

3.6.1. Number of securities issued or redeemed

	In equity	In amounts
NORDEN SMALL IC shares		
Shares subscribed during the financial year	33 611,696	6 897 096,67
Shares redeemed during the financial year	-128 013,342	-26 741 370,32
Net balance of subscriptions/redemptions	-94 401,646	-19 844 273,65
Number of shares outstanding at the end of the financial year	216 132,682	
NORDEN SMALL TC shares		
Shares subscribed during the financial year	75 076,835	8 457 077,68
Shares redeemed during the financial year	-139 655,271	-16 317 401,40
Net balance of subscriptions/redemptions	-64 578,436	-7 860 323,72
Number of shares outstanding at the end of the financial year	636 328,686	

3.6.2. Subscription and/or redemption fees

	In amounts
NORDEN SMALL IC shares	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	
NORDEN SMALL TC shares	
Total fees acquired	
Subscription fees acquired	
Redemption fees acquired	

3.7. MANAGEMENT FEES

	31/03/2023
NORDEN SMALL IC shares	
Guarantee fees	
Fixed management fees	1 084 588,55
Percentage of fixed management fees	2,00
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	
NORDEN SMALL TC shares	
Guarantee fees	
Fixed management fees	917 781,40
Percentage of fixed management fees	1,22
Provisioned variable management fees	
Percentage of variable management fees provisioned	
Variable management fees earned	
Percentage of variable management fees earned	
Retrocessions of management fees	

3.8. COMMITMENTS RECEIVED AND GIVEN

3.8.1. Guarantees received by the Fund:

None.

3.8.2. Other commitments received and/or given:

None.

3.9. OTHER INFORMATION

3.9.1. Present value of financial instruments held temporarily

	31/03/2023
Securities held under repurchase agreements	
Borrowed securities	

3.9.2. Present value of financial instruments representing security deposits

	31/03/2023
Financial instruments given as security and retained under their original classification	
Financial instruments received as security and not recorded on the balance sheet	

3.9.3. Financial instruments held, issued and/or managed by the Group

	ISIN code	Name	31/03/2023
Equities			
Bonds			
Negotiable debt securities			
UCI			1 697 538,50
	FR0011291657	LAZARD EURO SHORT TERM MONEY MARKET	1 697 538,50
Forward financial instruments			
Total group securities			1 697 538,50

3.10. APPROPRIATION OF DISTRIBUTABLE AMOUNTS

Table of appropriation of distributable income pertaining to net income

	31/03/2023	31/03/2022
Remaining amounts to be allocated		
Retained earnings		
Net income	830 017,45	405 677,85
Interim dividends paid on net income for the financial year		
Total	830 017,45	405 677,85

	31/03/2023	31/03/2022
NORDEN SMALL IC shares		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	103 844,46	-199 175,69
Total	103 844,46	-199 175,69

	31/03/2023	31/03/2022
NORDEN SMALL TC shares		
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	726 172,99	604 853,54
Total	726 172,99	604 853,54

Table of appropriation of distributable amounts pertaining to net capital gains and losses

	31/03/2023	31/03/2022
Remaining amounts to be allocated		
Undistributed net capital gains and losses recognised in previous years		
Net capital gains and losses for the year	-18 324 212,49	31 292 030,98
Interim dividends paid on net capital gains/losses for the financial year		
Total	-18 324 212,49	31 292 030,98

	31/03/2023	31/03/2022
NORDEN SMALL IC shares		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-7 051 585,75	14 133 186,79
Total	-7 051 585,75	14 133 186,79

	31/03/2023	31/03/2022
NORDEN SMALL TC shares		
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-11 272 626,74	17 158 844,19
Total	-11 272 626,74	17 158 844,19

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

	29/03/2019	31/03/2020	31/03/2021	31/03/2022	31/03/2023
Global net assets in euros	147 970 351,29	98 049 168,98	187 578 961,88	176 443 197,65	117 404 816,12
NORDEN SMALL IC shares in EUR					
Net assets	78 464 550,97	45 541 998,40	97 027 923,50	79 455 995,57	45 074 735,92
Number of shares	457 986,524	305 369,764	361 364,463	310 534,328	216 132,682
Net asset value per share	171,32	149,13	268,50	255,86	208,55
Accumulation per share pertaining to net capital gains/losses	-5,42	-17,39	43,70	45,51	-32,62
Accumulation per share pertaining to income	0,62	0,30	-1,04	-0,64	0,48
NORDEN SMALL TC shares in EUR					
Net assets	69 505 800,32	52 507 170,58	90 551 038,38	96 987 202,08	72 330 080,20
Number of shares	767 976,328	661 262,402	628 484,710	700 907,122	636 328,686
Net asset value per share	90,50	79,40	144,07	138,37	113,66
Accumulation per share pertaining to net capital gains/losses	-2,86	-9,22	23,37	24,48	-17,71
Accumulation per share pertaining to income	1,06	0,89	0,34	0,86	1,14

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in euros

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
Equities and similar securities				
Equities and similar securities traded on a regulated or similar market				
DENMARK				
ALK-ABELLO A/S	DKK	360 500	5 134 583,12	4,37
NTG NORDIC TRANSPORT GROUP A	DKK	26 300	1 438 692,23	1,23
ROYAL UNIBREW AS	DKK	50 400	4 045 910,35	3,45
SYDBANK	DKK	80 000	3 316 284,75	2,82
TOTAL DENMARK			13 935 470,45	11,87
FEROE, ISLANDS				
BAKKAFROST	NOK	61 000	3 637 430,24	3,10
TOTAL FEROE ISLANDS			3 637 430,24	3,10
FINLAND				
KONECRANES SHS	EUR	70 000	2 158 800,00	1,84
RAISIO YHTYMAE OYJ	EUR	930 000	2 334 300,00	1,99
SITOWISE GROUP PLC	EUR	245 027	1 026 663,13	0,87
UPONOR OYJ A	EUR	125 000	2 128 750,00	1,81
VAISALA OY	EUR	103 700	4 122 075,00	3,51
VALMET OYJ	EUR	151 000	4 505 840,00	3,84
TOTAL FINLAND			16 276 428,13	13,86
ICELAND				
OSSUR HF	DKK	654 480	2 723 595,51	2,32
TOTAL ICELAND			2 723 595,51	2,32
LUXEMBOURG				
AMBEA AB-WI	SEK	475 000	1 530 489,97	1,30
TOTAL LUXEMBOURG			1 530 489,97	1,30
NORWAY				
EUOPRIS A SA	NOK	290 000	1 851 606,10	1,57
KONGSBERG GRUPPEN	NOK	116 000	4 310 304,52	3,67
NORDIC SEMICONDUCTOR ASA	NOK	420 000	5 887 419,26	5,02
SPBK I SR-BANK	NOK	387 000	4 115 393,07	3,51
ZAPTEC AS/NORWAY	NOK	620 000	2 076 020,57	1,77
TOTAL NORWAY			18 240 743,52	15,54
SWEDEN				
AFRY AB	SEK	168 500	2 792 379,73	2,38
ALIMAK GROUP AB	SEK	510 000	3 345 375,47	2,85
ATTENDO AB	SEK	122 000	321 622,58	0,28
AVANZA BANK HLD --- REGISTERED SHS	SEK	150 000	3 235 398,54	2,76
BIOGAIA AB-B SHS	SEK	542 018	4 410 331,09	3,76
BRAVIDA HOLDING AB	SEK	474 000	4 914 184,27	4,18
COOR SERVICE MANAGEMENT HOLDING AB	SEK	634 268	3 724 199,20	3,17
DUSTIN GROUP AB	SEK	820 000	2 755 654,18	2,34
FORTNOX AB	SEK	300 000	1 888 514,11	1,61
HEMNET GROUP AB	SEK	170 000	2 634 652,94	2,25
HEXPOL AB	SEK	290 000	3 307 740,10	2,82
KJELL GROUP AB-W/I	SEK	370 000	850 612,46	0,73

3.12. DETAILED INVENTORY OF FINANCIAL INSTRUMENTS in euros

Description of security	Currency	Quantity No. or nominal	Present value	% Net assets
KNOW IT AB	SEK	246 000	4 506 870,23	3,84
MIPS AB	SEK	73 500	3 415 995,03	2,91
NOLATO AB-B SHS	SEK	500 000	2 332 238,59	1,98
RE NEWCELL AB	SEK	159 000	1 147 408,13	0,98
SEDANA MEDICAL AB	SEK	639 667	1 213 925,13	1,03
STILLFRONT GROUP	SEK	1 100 000	1 957 660,22	1,67
SYNSAM GROUP AB-WI	SEK	330 000	1 187 484,47	1,01
THULE GROUP AB	SEK	80 000	1 808 627,73	1,54
VIMIAN GROUP AB	SEK	750 000	2 182 229,72	1,86
WIHLBORGS FASTIGHETER AB	SEK	298 000	2 098 908,22	1,78
TOTAL SWEDEN			56 032 012,14	47,73
SWITZERLAND				
TRIFORK HOLDING AG	DKK	85 000	1 814 264,43	1,54
TOTAL SWITZERLAND			1 814 264,43	1,54
TOTAL Equities and similar securities traded on a regulated or similar market			114 190 434,39	97,26
TOTAL Equities and similar securities			114 190 434,39	97,26
Undertakings for collective investment				
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries				
FRANCE				
LAZARD EURO SHORT TERM MONEY MARKET	EUR	854	1 697 538,50	1,45
TOTAL FRANCE			1 697 538,50	1,45
TOTAL general UCITS and general AIFs aimed at non-professionals and their equivalent in other countries			1 697 538,50	1,45
TOTAL Undertakings for collective investment			1 697 538,50	1,45
Receivables			1 399 463,17	1,19
Liabilities			-332 818,09	-0,28
Financial accounts			450 198,15	0,38
Net assets			117 404 816,12	100,00

NORDEN SMALL IC shares	EUR	216 132,682	208,55
NORDEN SMALL TC shares	EUR	636 328,686	113,66

TEXT OF RESOLUTIONS

NORDEN SMALL

French open-end investment company (Société d'Investissement à Capital Variable)

Registered office: 10, avenue Percier - 75008 Paris

Paris Trade and Companies Register no. 793 287 665

RESOLUTION CONCERNING THE ALLOCATION OF DISTRIBUTABLE INCOME PROPOSED TO THE SHAREHOLDERS' MEETING

FINANCIAL YEAR ENDED MARCH 31ST, 2023

Second resolution

The Shareholders' Meeting approves the distributable income for the financial year, which amounts to:

830 017,45 €	Distributable amount pertaining to net income.
-18 324 212,49 €	Distributable amount pertaining to net capital gains and losses.

and allocates these amounts to the share capital pursuant to Article 28 of the Articles of Association.

No dividends will therefore be paid for this financial year.

Reminder: the distributable income for the past five financial years has been accumulated.

7. APPENDIX(ES)

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: NORDEN SMALL

Legal entity identifier: 9695009JG2Q6BUYHP767

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**.

That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☐ It made **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made a minimum of **sustainable investments with a social objective**

☒ ☐ ☒ **No**

☒ It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 74,03% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**



Sustainability indicators measure how the environmental or social characteristics promoted by the product are attained.

To what extent was the sustainable investment objective of this financial product met?

In implementing its investment strategy, security analysis, and ESG integration process described below, the portfolio promotes the following environmental characteristics:

Environmental policy:

- Integration by companies of environmental factors appropriate to the sector, geographic location and any other relevant material factor
- Development of an environmental management strategy and system
- Development of a climate strategy

Controlling environmental impacts:

- Limiting and adapting to global warming
- Responsible water and waste management
- Preservation of biodiversity

Managing the environmental impact of products and services:

- Ecodesign of products and services
- Environmental innovation

Moreover, the portfolio promotes the following social characteristics:

Respect for human rights:

- Prevention of situations of human rights violations
- Respect for the right to safety and security of persons
- Privacy and data protection

Human resources management:

- Constructive social dialogue
- Training and career management conducive to human development
- Promoting diversity
- Health, safety and well-being at work

Value chain management:

- Responsible supply chain management
- Product quality, safety and traceability

This product does not use a specific index to determine its alignment with the environmental and social characteristics it promotes.

● ***How did the sustainability indicators perform?***

The achievement of the environmental and social characteristics promoted by this product is measured by sustainability indicators at several levels:

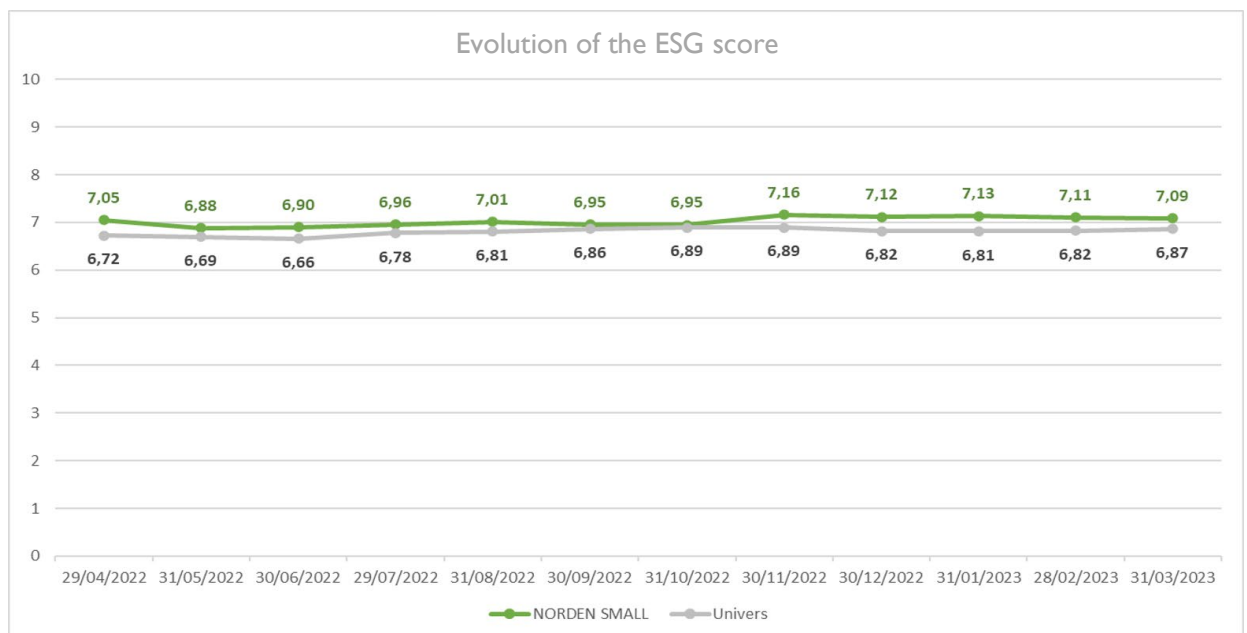
In terms of valuation in the internal analysis model:

The ESG analysis of directly held securities is based on a proprietary model that relies on an internal ESG grid. Based on the various data provided by our ESG partners (non-financial analysis agencies, external service providers, etc.), the annual reports of the companies and direct exchanges with them, the analysts responsible for monitoring each stock draw up an internal ESG rating.

This rating is based on both a quantitative (energy intensity, staff turnover rate, board independence rate, etc.) and qualitative approach (solidity of environmental policy, employment strategy, competence of directors, etc.).

Each E, S and G pillar is rated from 1 to 5 based on a minimum of ten relevant key indicators per dimension.

These internal ESG ratings are built into the valuation models through the Beta used to define the weighted average cost of capital (WACC) for equity management and to the issuer selection process and the determination of issuers' weight in the portfolio for bond management. In terms of controlling the elements of the investment strategy with an external data provider: In addition, to confirm the robustness of the internal model, the analysts-managers in charge of management compare the portfolio's average ESG rating to that of its reference ESG universe using MSCI ratings (ratings between 0 and 10).



The portfolio's reference ESG universe is:

The MSCI Nordic equity universe, whose market capitalisation is between one hundred million and three billion euros

● *...and compared to previous periods?*

Not applicable

● *What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?*

The definition of sustainable investment within the meaning of the SFDR is based on the selection of indicators that show a substantial contribution to one or more environmental and social objectives, which do not prejudice any of the adverse impact indicators and ensures good governance principles.

The environmental indicators used are as follows:

- Carbon footprint (PAI 2)
- Carbon intensity (PAI 3)
- Implied temperature rise (ITR)
- Number of “low-carbon” patents held

The social indicators used are as follows:

- % of women in executive management
- Number of hours of training for employees
- Benefits coverage
- Diversity policies by management

A sustainable investment objective is attained if the substantial contribution of the corresponding indicator is validated, the other indicators are not prejudiced, and good governance principles are complied with. Substantial contribution is measured by the application of thresholds for each of the above indicators.

The table below presents the rules (targets) set for each indicator as well as the result obtained over the past period. The result is the average share of the portfolio invested in companies meeting these criteria, calculated on a quarterly basis. The average share is calculated according to the average positions observed over the past period, coupled with the non-financial data at the end of the period.

	Rule	Average share of the portfolio
Carbon footprint in €m	Included in the lowest 20% of the sector	3,07%

	Rule	Average share of the portfolio
GHG intensity	Included in the lowest 20% of the sector	0,00%
Renewable energy consumption	Included in the bottom 20% of the reference universe	1,88%
Energy intensity	Included in the bottom 20% of the reference universe	0,00%
Percentage of waste reused, reemployed, recycled or recovered	Included in the top 20% of the reference universe	0,00%
Share of activities with quality certification (ISO 14001 for example)	See sustainable investment presentation www.lazardfreresgestion.fr	6,54%
% of women in executive management	≤25%	0,00%
Number of hours of training for employees	Included in the top 20% of the reference universe	0,00%
Rate of absenteeism due to illness and workplace accidents	Included in the bottom 20% of the reference universe	0,00%
Pay gap by employee gender	Included in the bottom 20% of the reference universe	9,46%
Commitment to the promotion of social dialogue	See sustainable investment presentation www.lazardfreresgestion.fr	9,46%
Level of involvement in the UN Global Compact	See sustainable investment presentation www.lazardfreresgestion.fr	9,46%

- *How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?*

The absence of significant harm is assessed on the basis of all the PAI indicators listed in Table 1 of Annex I to Delegated Regulation (EU) 2022/1288 of 6 April 2022. In the event of insufficient coverage of the investment universe for certain indicators, alternative criteria may be used on an exceptional basis (such as for PAI 12, use of an indicator on management attention to diversity). Using alternative criteria is subject to the independent control of the Risks and Compliance department. Alternative indicators are also presented on the Lazard Frères Gestion website under the heading “sustainable investment methodology”.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Indicators of the principal adverse sustainability impacts (PAI) are considered at two levels.

On the one hand, they are integrated into the internal analysis of each monitored security, carried out by our analysts-managers in the internal ESG analysis grids.

In addition, they are used to assess the share of sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Compliance with minimum labour and human rights safeguards (OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights) and the eight fundamental conventions of the International Labour Organization is a key indicator for verifying that companies in which investments are made apply good governance practices.

We therefore check whether the company applies a labour rights due diligence policy in accordance with the eight fundamental conventions of the International Labour Organization (PAI 10) as part of our DNSH process. We also ensure that the investments made apply good governance practices, by monitoring a governance rating from a data provider and the internal rating on the Governance pillar.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

The proprietary model for ESG analysis of portfolio companies takes into account all indicators related to companies’ principal adverse sustainability impacts (PAI).

These indicators are integrated into the internal grids used to establish a security’s ESG rating, which is taken into account in the valuation models through the Beta used to define the weighted average cost of capital for equity management and in the process of selecting issuers and determining their portfolio weight for bond management.

In addition, as stated above, all of the PAI indicators listed in Table 1 of Annex I of the Regulatory Technical Standards of the SFDR are taken into account in the definition of sustainable investment.



What were the top investments of this financial product?

Largest investments	Sector	Percentage of assets	Country
1. NORDIC SEMICONDUCTOR ASA	Manufacturing	5,34%	Norway
2. KNOW IT AB	Information and communication	4,53%	Sweden
3. BRAVIDA HOLDING AB	Construction	4,24%	Sweden

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is:

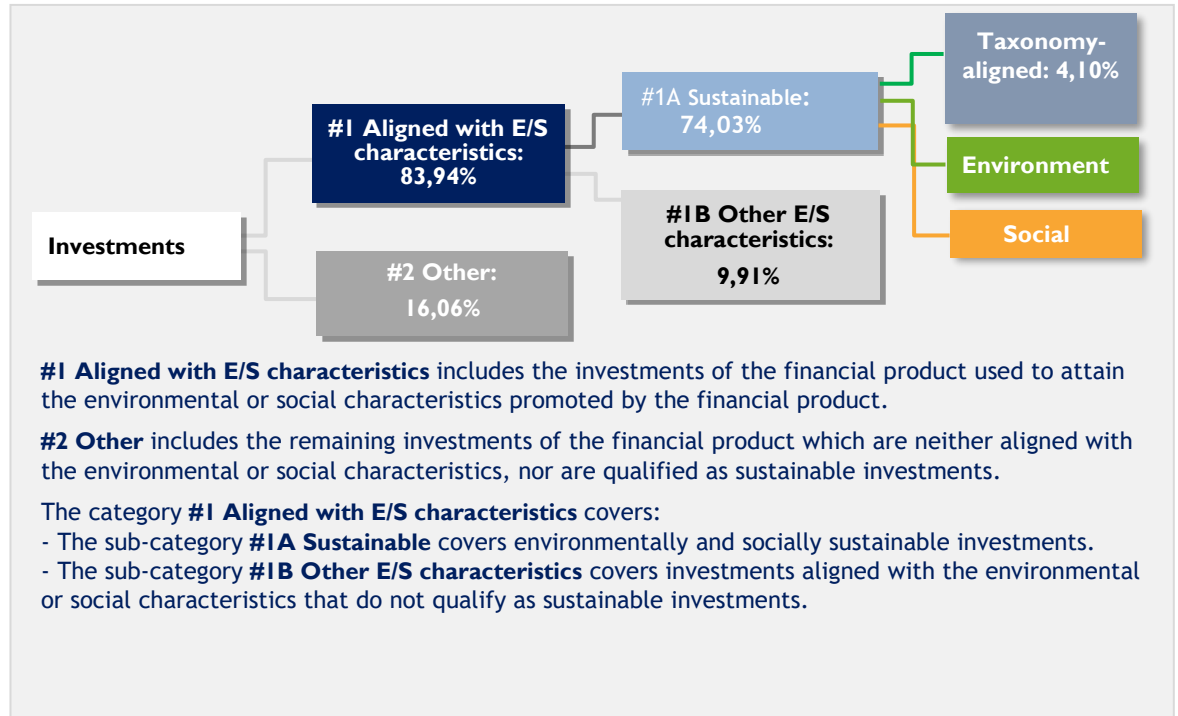
29/04/2022 to
31/03/2023

Largest investments	Sector	Percentage of assets	Country
4. ALK-ABELLO A/S	Manufacturing	4,06%	Denmark
5. LAZARD EU SHRT TRM MONEY M-C	UCI	3,95%	France
6. SYDBANK	Financial and insurance activities	3,63%	Denmark
7. KONGSBERG GRUPPEN	Manufacturing	3,54%	Norway
8. COOR SERVICE MANAGEMENT HOLDING AB	Administrative and support services activities	3,44%	Sweden
9. NOLATO AB-B SHS	Manufacturing	3,29%	Sweden
10. SPBK I SR-BANK	Financial and insurance activities	3,29%	Norway
11. VAISALA OY	Unknown sector	3,07%	Finland
12. VALMET OYJ	Manufacturing	2,92%	Finland
13. AMBEA AB-WI	Human health and social action	2,90%	Sweden
14. MIPS AB	Manufacturing	2,88%	Sweden



What was the proportion of sustainability-related investment?

● What was the asset allocation?

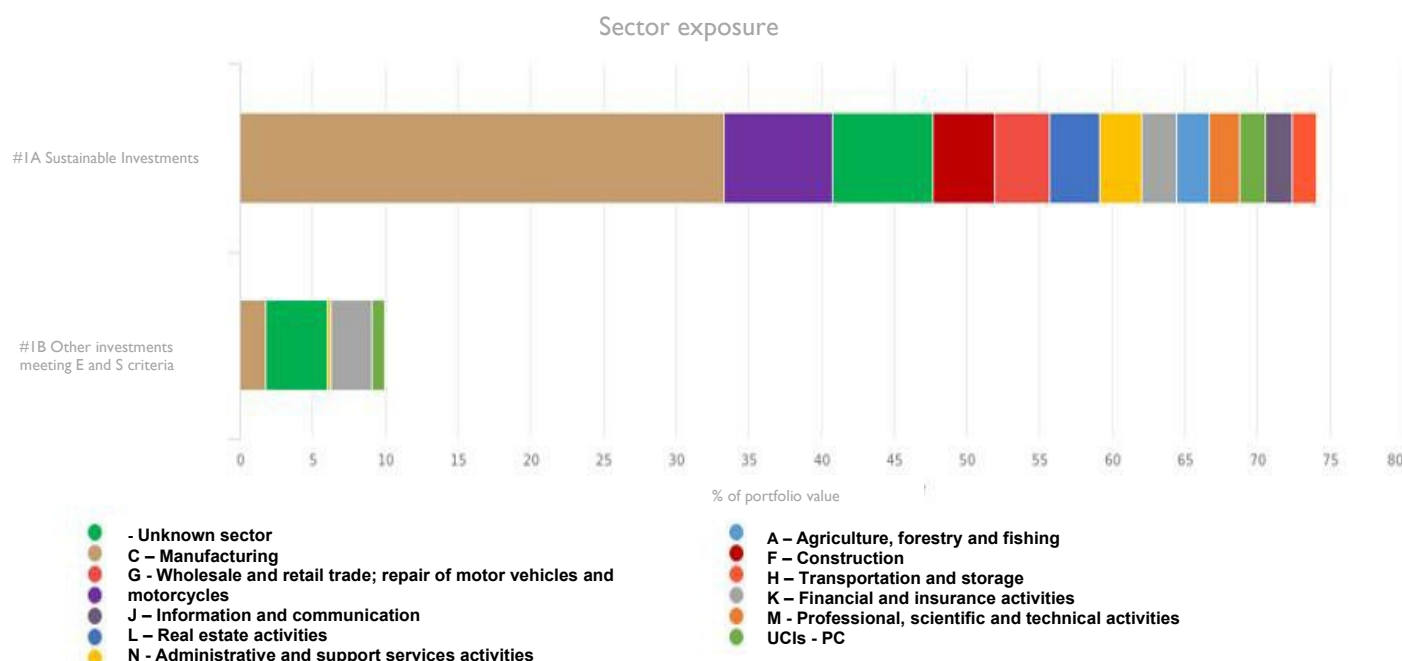


Asset allocation describes the share of investments in specific assets.

Details of sustainable investments	
Weight of sustainable investments in the portfolio	74,03%
Of which sustainable investments E	69,30%
Of which sustainable investments S	30,38%

An investment is considered sustainable if it complies with at least one of the rules presented above, while not harming any of the adverse impact indicators and ensuring good governance criteria. A company can therefore be considered as environmentally and socially sustainable.

● *In which economic sectors were the investments made?*



Exposure to the fossil fuel sector averaged 0,34% over the period.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today;
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy;
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

● *Did the financial product invest in Taxonomy aligned fossil fuel and/or nuclear energy activities?*

At the date of production of this document, Lazard Frères Gestion does not have the data needed to identify the share of activities related to Taxonomy aligned fossil fuel and/or nuclear energy sectors.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The calculation of investment percentages aligned with the EU Taxonomy is based on estimated data.

● **What was the share of investments made in transitional and enabling activities?**

At the date of production of this document, Lazard Frères Gestion does not have the data needed to identify the share of transitional or enabling activities.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective not aligned with the EU taxonomy is 69,26%

It corresponds to all activities not aligned with the Taxonomy but respecting the environmental objectives of sustainable investment mentioned above.



What was the share of socially sustainable investments?

The share of socially sustainable investments is 30,38%

It corresponds to all activities that achieve one or more of the social objectives of sustainable investment mentioned above



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The "other" category consists mainly of money market UCIs and cash. Over the past period, the "other" segment represented on average 16,06%.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

To promote environmental and social characteristics, the following elements have been respected:

- The non-financial analysis rate

The non-financial analysis rate of the product's investments is, depending on the product's investment categories, greater than:

- 90% for equities issued by large capitalisation companies with their headquarters in “developed” countries, debt securities and money market instruments with an investment grade credit rating, sovereign debt issued by developed countries;
- 75% for equities issued by large capitalisation companies with their headquarters in “emerging” countries, equities issued by small and mid caps, debt securities and money market instruments with a high yield credit rating and sovereign debt issued by “emerging” countries.

These rates are expressed as a percentage of total assets.
Over the past period, the non-financial analysis rate was 83,94% on average.

- The portfolio's average ESG rating

The analysts-managers ensure that the portfolio's weighted average ESG rating is higher than the average of the reference universe, using MSCI's non-financial rating benchmark (ratings between 0 and 10)

In addition, the management company makes exclusions prior to investments:

- Normative exclusions related to controversial weapons (cluster munitions, anti-personnel mines, biological and chemical weapons) and violations of the UN Global Compact.
- Sector exclusions (tobacco and thermal coal).
- Geographical exclusions (tax havens on the FATF list).

For more information on the engagement and voting policy, please refer to the voting and engagement reports available at <https://www.lazardfreresgestion.fr>.



How did this financial product perform compared with the reference benchmark?

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How does the reference benchmark differ from a broad market index?***

Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Not applicable.

- ***How did this financial product perform compared with the reference benchmark?***

Not applicable.

- *How did this financial product perform compared with the broad market index?*

Not applicable.