

**NORDEN, a French open-end
investment company (*Société
d'Investissement à Capital
Variable - SICAV*)**

ANNUAL REPORT

At March 29th, 2019

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

CONTENTS

1. Characteristics of the UCI	3
2. Changes affecting the UCI	7
3. Management report	10
4. Regulatory information	19
5. Certification by the Statutory Auditor	26
6. Annual financial statements	33

1. CHARACTERISTICS OF THE UCI

- **LEGAL FORM**

French open-end investment company (*Société d'Investissement à Capital Variable* - SICAV) with a board of directors

- **CLASSIFICATION**

International equities

- **ALLOCATION OF DISTRIBUTABLE INCOME**

Distributable income consists of:

1) net income plus retained earnings, plus or minus the balance of the revenue adjustment account.

Net income for the financial year is equal to the amount of interest, arrears, dividends, bonuses and prizes, directors' fees and all income generated by the securities that make up the SICAV's portfolio, plus income generated by temporary cash holdings and minus management fees and borrowing costs.

2) realised capital gains, net of charges, minus realised capital losses, net of charges, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

The amounts referred to in 1) and 2) may be distributed independently of each other, in whole or in part. Distributable income shall be fully accumulated, with the exception of those amounts subject to compulsory distribution by law.

- **INVESTMENT OBJECTIVE**

The investment objective is to match or exceed the performance of the MSCI Nordic (net dividends reinvested), calculated in euros at closing prices, over a recommended investment period of five years.

- **BENCHMARK**

The MSCI Nordic represents the performance of the equity markets of the Nordic countries (Sweden, Denmark, Norway and Finland). It is calculated in euros, with net dividends reinvested, based on closing prices.

Data are available on the website www.msci.com

- **INVESTMENT STRATEGY**

1. Strategies used

A company's rate of return on invested capital above the cost of capital reflects its economic performance, as shown in its long-term stock market performance. Accordingly, the strategy applied within the SICAV is based on the following:

- Identifying companies with the best economic performance profiles.
- Verifying that performance through financial analysis and examination of underlying strategies.
- Stock picking from among such companies according to the market's undervaluation of that performance at a given time.
- Building a portfolio focused on 35-60 stocks with good liquidity from large and mid-sized Scandinavian companies without restrictions on sectors.

The search for an optimum ratio between economic performance and company valuation may result in significant differences between the Fund's performance and its sector and/or country mix, and those of the underlying asset class, i.e. large and mid caps from the four Nordic countries.

2. Assets (excluding embedded derivatives)

Equities:

A minimum of 75% of net assets in shares issued by companies listed in or domiciled in the four Nordic countries (Sweden, Norway, Denmark and Finland) across all market capitalisations (including up to 20% of net assets in shares of small-cap companies either directly or via specialised UCIs).

Debt securities and money-market instruments:

- Bonds issued by companies across all market capitalisations from the four Nordic countries (Sweden, Norway, Denmark and Finland) to a maximum of 10%.
- Debt securities and money-market instruments to a maximum of 10%, mainly French and Scandinavian treasury bills and BTAN medium-term treasury notes.

UCIs:

- French money-market and short-term money-market UCITS, and French or foreign UCITS or AIFs that meet the four criteria of Article R.214-13 of the French Monetary and Financial Code (*Code monétaire et financier*), to a maximum of 10% of net assets.
- 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.

3. Derivatives

• Types of markets:

- ☒ regulated
- ☒ organised
- ☒ OTC

• The manager intends to seek exposure to:

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

• Transaction types - all transactions must be limited to achieving the investment objective:

- ☒ hedging
- ☐ exposure
- ☐ arbitrage

• Types of instruments used:

☒ futures:

- ☒ equity and equity index
- ☐ interest rate: interest rate risk
- ☒ currency: hedging foreign exchange risk

☒ options:

- ☒ equity and equity index
- ☐ interest rate
- ☐ currency

☒ swaps:

- ☒ equity swaps
- ☐ interest rate swaps
- ☒ currency swaps

☒ currency forwards: hedging foreign exchange risk

☐ credit derivatives

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

- ☒ partial or general portfolio hedging
- ☐ creating synthetic exposure to assets and risks
- ☐ increasing exposure to the market without leverage
- ☐ maximum permitted and sought
- ☐ other strategy

4. Securities with embedded derivatives

The acquisition of these securities is not part of the SICAV's management strategy. Nevertheless, the manager may invest in any securities with embedded derivatives permitted under the management company's business plan, notably warrants, certificates or rights acquired following transactions involving the portfolio securities.

5. Deposits

Up to 10% of the SICAV's assets may be held in deposits, for management purposes.

6. Cash borrowings

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

7. Temporary purchases and sales of securities

None.

8. Information on financial guarantees

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

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

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

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

- **RISK PROFILE**

Your money will be mainly invested in financial instruments selected by the management company. These instruments will be exposed to market trends and fluctuations.

The SICAV is classified as an "International Equities" fund. Its main risks are those associated with investments in the "Equities" markets of the Nordic countries (Sweden, Denmark, Norway and Finland).

Capital risk: The SICAV provides no guarantee or protection. It is therefore possible that you may not recover the full amount of your initial investment.

Equity market risk: Fluctuations in equity markets may result in significant changes in NAV, which may have a significant negative impact on performance for an indeterminate period of time. Accordingly, if the equity markets fall, the SICAV's net asset value is likely to decrease.

In addition, the volume of small and mid-cap stocks listed on the stock exchange is relatively small and downward movements in the markets tend to be faster than for large caps. The SICAV's net asset value may therefore decline rapidly and significantly.

Foreign exchange risk: Investing in the equity market of Nordic countries involves exposure to foreign exchange risk relative to the portfolio's accounting currency and may have a negative impact on the SICAV's net asset value. In the event of a fall in the euro's exchange rate, the SICAV's net asset value may also decrease.

Counterparty risk: This is the risk associated with the SICAV's use of over-the-counter financial forwards. These transactions, entered into with one or more eligible counterparties, potentially expose the SICAV to a risk of failure of any such counterparty, which may lead to default in payment.

Interest rate risk: Interest rate risk is the risk of a change in interest rates, which has an impact on the bond markets, such as the tendency for bond prices to move in the opposite direction to interest rates. The SICAV is mainly invested in equities; interest rate risk is therefore insignificant. However, investors should note that share prices may be indirectly impacted by interest rate movements.

Guarantee or protection:

None.

- **ELIGIBLE SUBSCRIBERS AND TYPICAL INVESTOR PROFILE**

Any subscriber, particularly institutional investors seeking equity risk exposure.

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

Information relating to US investors

The SICAV is not registered as an investment vehicle in the United States and its shares are not and will not be registered under the Securities Act of 1933 and, therefore, they may not be offered or sold in the United States to Restricted Persons, as defined hereafter.

A Restricted Person is (i) any person or entity located in the United States (including US residents), (ii) any corporation or any other entity subject to the laws of the United States or any state thereof, (iii) any member of US military personnel or any employee of a US government department or agency located outside the United States, or (iv) any other person that would be considered a US person under Regulation S of the Securities Act of 1933, as amended.

FATCA

Pursuant to the provisions of the Foreign Account Tax Compliance Act ("FATCA") applicable as of July 1st, 2014, if the SICAV invests directly or indirectly in US assets, the capital and income arising from such investments may be subject to withholding tax of 30%.

To avoid paying the 30% withholding tax, France and the United States have entered into an intergovernmental agreement under which non-US financial institutions ("foreign financial institutions") agree to institute procedures for identifying direct or indirect investors who qualify as US taxpayers and to provide certain information about those investors to the French tax authorities, which will disclose said information to the Internal Revenue Service, the US tax authority. As a foreign financial institution, the SICAV undertakes to comply with the FATCA and to take all appropriate measures pursuant to the aforementioned intergovernmental agreement.

The amount that it is reasonable to invest in this SICAV depends on each investor's personal circumstances. To determine this, investors should take account of their personal financial situation, current needs and the recommended investment period, and should also consider their ability to assume risk or whether they prefer instead to opt for a more cautious investment.

Recommended investment period: minimum five years.

2. CHANGES AFFECTING THE UCI

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

None.

Corporate governance

I. List of appointments

Terms of office of individual members of Norden's Board of Directors at March 29th, 2019

Directors' names	Number of offices held	List of offices and functions
François-Marc Durand Chairman of Lazard Frères Gestion SAS	4	Chairman and Chief Executive Officer of Norden Board Member of: . Lazard Small Caps Euro . Lazard Credit Opportunities . Lazard Alpha Allocation
François Voss	2	. Chairman of the Board of Directors of Lazard Patrimoine Croissance . Board Member of Norden
Monica Nescaut Managing Director of Lazard Frères Gestion SAS	5	Member of the Boards of Directors of the SICAVs: . Norden . Lazard Small Caps Euro . Lazard Credit Opportunities . Lazard Alpha Europe . Lazard Equity SRI

II. Agreements covered by Article L.225-37-4 para.2 of the French Commercial Code (*Code de commerce*)

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 29th, 2019.

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 delegations of powers covered by Article L.225-37-4 para.3 of the French Commercial Code were granted or ongoing during the financial year ended March 29th, 2019.

IV. Method of operation of executive management

The Board of Directors did not decide to separate the functions of Chairman from that of Chief Executive Officer, and will therefore be headed up by the Chairman and Chief Executive Officer.

Directors' fees paid by Norden to members of the Board of Directors for the financial year ended March 29th, 2019

Members of the Board of Directors	Directors' fees paid by the SICAV
François-Marc Durand Chairman of Lazard Frères Gestion SAS	€0
Fonds de Garantie des assurances obligatoires de dommages Represented by Fabrice Zamboni	€1 800
Lazard Frères Gestion SAS Represented by Jean-Jacques de Gournay Managing Director of Lazard Frères Gestion SAS	€0
François Voss	€0
OCIRP Represented by Julien Le Louët	€1 800
SOFIPROTEOL Represented by Aymeric Mongeaud	€1 800
IRP AUTO Prévoyance Santé Represented by Agnès Canarelli	€1 800
Valorey Finance Represented by Henry Masdevall	€1 800
Monica Nescaut Managing Director of Lazard Frères Gestion SAS	€0
IRC Alliance Professionnelle Retraite ARRCO Represented by Frédéric Alexan	€1 800
CAMACTE represented by Marc Wendling	€1 800

3. MANAGEMENT REPORT

PERFORMANCE

The UCI's performance over the period was as follows: -1,32%.

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

The benchmark's performance over the period was as follows: +4,90%.

ECONOMIC ENVIRONMENT

After an acceleration in 2017 and early 2018, global economic growth slackened. Many factors contributed to the slowdown, including mounting trade tensions between the US and China, the tightening of credit policy in China, disruption in the German automotive sector, political uncertainty in Europe, natural disasters in Japan and economic crises in Argentina and Turkey. In the US, growth remained robust but disappointing economic data releases and the yield curve inversion at the end of 2018 rekindled fears of recession, triggering a sharp increase in volatility on the financial markets. Volatility fell back again when the central banks changed the course of their monetary policy. The Federal Reserve adopted the principle of a pause in its tightening cycle and indicated that it would not raise rates for the rest of the year, whereas in December 2018 it had still been planning two further hikes. It also said that it would stop reducing its balance sheet from September 2019. The European Central Bank announced that it would not raise interest rates this year, whereas it had previously planned a rate hike after the summer, and also said that it would launch a new series of targeted long-term loans for Eurozone banks. The Bank of Japan reaffirmed its commitment to buy government bonds to keep the ten-year yield close to 0%, and the Chinese authorities strengthened their monetary and fiscal support.

GDP volume growth (%)	2017	2018	2019	2020
World	3,8	3,6	3,3	3,6
Developed countries	2,4	2,2	1,8	1,7
Emerging countries	4,8	4,5	4,4	4,8
Eurozone	2,4	1,8	1,3	1,5
United States	2,2	2,9	2,3	1,9
Japan	1,9	0,8	1,0	0,5
United Kingdom	1,8	1,4	1,2	1,4
China	6,8	6,6	6,3	6,1
India*	7,2	7,1	7,3	7,5
Brazil	1,1	1,1	2,1	2,5
Russia	1,6	2,3	1,6	1,7

IMF Economic Outlook, April 2019

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

The MSCI World global equities index in dollars was virtually flat over the year, rising 0,5%. Developed country equities put on 2,0%, with contrasting performances between the various markets. In their respective currencies, the S&P 500 gained 7,3% while the Euro Stoxx shed 1,9% and the Topix 7,3%. The MSCI emerging equities index in dollars lost 9,6%.

In Q2 2018 and Q3 2018, the equity markets fluctuated in line with perception of the risks of a trade war breaking out between China and the United States, Italy defying EU budgetary rules and a crisis occurring in emerging countries, as sharp depreciations in the Turkish lira and the Argentine peso in August 2018 fuelled fears of contagion to other countries.

The equity markets experienced a sharp correction in Q4 2018. The publication of disappointing economic data from across the globe and the inversion of the US yield curve rekindled fears of a reversal in the global growth cycle, amid persistent trade tensions between China and the United States, political uncertainties in Europe and a rapid fall in oil prices.

After this difficult end to the year, the equity markets rebounded sharply in Q1 2019, making up some of the losses suffered in Q4 2018. The return of risk appetite was linked more to the allaying of fears of recession in the United States, the Federal Reserve's more accommodative stance and the progress of US-Chinese trade negotiations than to an improvement in earnings prospects, which were revised downwards.

Concerns about growth and the more accommodative position adopted by central banks weighed on US and German government bond yields. Over the year, the US ten-year rate fell from 2,74% to 2,41%, with a high of 3,24% in November, and the German ten-year rate fell from 0,50% to -0,07%, after peaking at 0,64% in mid-May. In early December, the US five-year rate fell below the two- and three-year borrowing rates.

In Italy, fears of a budgetary overshoot led to a widening of the ten-year credit spread against Germany by 127 basis points to 256 basis points. It peaked at 327 basis points at the end of November. Spain's spread against Germany widened by 50 basis points and France's by 16 basis points. Greece's spread remained virtually unchanged.

According to the ICE Bank of America Merrill Lynch indices, the credit spread on high quality corporate bonds in relation to government bonds widened by 28 basis points to 121 basis points, while that between high-yield bonds and government bonds widened by 77 basis points to 392 basis points. These credit spreads peaked in January at 155 and 523 basis points, respectively.

The euro fell from USD 1,23 to USD 1,12, i.e. a depreciation of 9,0% over the year. It also depreciated by 5,1% against the yen, 5,0% against the Swiss franc and 2,1% against sterling. Political uncertainties in Italy and the UK as well as the ECB's accommodative monetary policy weighed on the single currency.

Brent crude peaked at USD 86 per barrel in early October before falling rapidly to a low of USD 50 in December. It then rose to USD 68 at the end of March, representing a decline of 2,3% over the year.

United States

Growth was solid in the US in 2018, at +4,2% in Q2, +3,4% in Q3 and +2,2% in Q4, on an annualised basis. GDP grew by 3,0% year-on-year.

Household consumption remained strong until the end of 2018. In December, it fell by 0,6%, its sharpest decline in ten years. It partly rebounded in January and rose 2,3% year-on-year, necessarily impacted by the federal shutdown and the fall in equity markets.

Job creation was strong apart from blips in September 2018 and February 2019. The private sector created 202 000 jobs per month on average, leading the unemployment rate to fall from 4,1% to 3,9%. Hourly wage growth came to +3,2% year-on-year.

ISM surveys remained upbeat for most of the year. In December 2018, the new orders component of the manufacturing ISM fell 11,0 points to 51,1 before rebounding in Q1 2019, to 57,4 in March.

Residential investment continued to slow, falling by 2,0% between Q4 2017 and Q4 2018. Property price growth also abated, to 4,3% year-on-year in January 2019. Non-residential investment was strong, rising 7,1% in the year to Q4 2018. The Housing Market Index of the National Association of Home Builders (NAHB) fell gradually before plunging from 68 to 60 in November and from 60 to 56 in December. It then rose again in Q1 2019 to 62,0 in March.

Inflation slowed from +2,4% to +1,5% year-on-year between March 2018 and February 2019, peaking at +2,9% in the summer. The core personal consumption deflator moved in a tight range between +1,7% and +2,0%.

The Federal Reserve raised its benchmark interest rate by 25 basis points in June, September and December bringing it to the 2,25%-2,50% range. On January 4th, 2019, Jerome Powell stated that the Federal Reserve would be patient and adjust its monetary policy in line with economic results. On March 20th, 2019, the bank said that it would not raise rates for the rest of the year and would stop reducing its balance sheet from September 2019.

The United States increased its tariffs on USD 250bn of Chinese products. China retaliated by increasing its tariffs on USD 110bn of US goods. To give themselves time to negotiate a deal, on December 1st, 2018 Donald Trump and Xi Jinping announced a 90-day trade truce, which Donald Trump extended *sine die* on February 25th, 2019. The additional tariffs failed to prevent the US trade deficit deepening by USD 3,7bn to USD 51,1bn in January 2019.

The mid-term elections on November 6th, 2018 resulted in a divided Congress. The Democrats took control of the House of Representatives, securing 235 of the 435 seats. With 53 of the 100 seats in the upper house, the Republicans held on to their majority in the Senate. Due to a lack of financing, the federal administrations were partially closed from December 23rd, 2018 to January 25th, 2019, the longest shutdown in United States history.

Eurozone

Eurozone growth slowed sharply, from +1,7% in Q2 2018 to +0,6% in Q3 2018 and +0,9% in Q4 2018 on an annualised quarterly basis. Year-on-year, GDP grew by 1,2%, for the bloc. By country, it rose by 0,6% in Germany, 1,0% in France and 2,3% in Spain. Italian GDP was stable at best due to a slide into recession in H2 2018.

The Eurozone composite PMI fell from 55,2 to 51,3 over the last 12 months. During this period, the manufacturing PMI shed 9,1 points to 47,5. The services PMI was more resilient, falling 2,2 points to 52,7.

The entry into force of WLTP standards on September 1st, 2018 led to volatility in Eurozone car sales, which jumped 21,5% in July only to fall 37,2% in September. They then rebounded - without however returning to the levels prevailing before the summer. Anti-pollution standards also disrupted German automotive production, which fell by 43% in Q3 2018 before rebounding by 22% in Q4 2018 on an annualised quarterly basis.

Unemployment in the Eurozone continued to fall, hitting 7,8% in February 2019, compared with 8,5% in March 2018. Some wage measures in the Eurozone gathered pace but inflationary pressures remained moderate. Headline inflation was stable at +1,4% over one year, peaking at +2,3% in October. Core inflation moved in a tight range between +0,8% and +1,1%.

On June 14th, 2018, the ECB announced that it would halve its monthly asset purchases in Q4 2018 to €15bn and was planning to halt the programme at the end of December 2018. It also stated that it would leave interest rates unchanged at least until the summer of 2019. At its meeting on December 13th, 2018, the ECB confirmed the end of its purchase programme, adding that it would continue to reinvest redemption proceeds from maturing securities for an extended period after beginning to raise interest rates. On March 7th, 2019, the ECB announced that it would keep interest rates unchanged “at least until the end of 2019” and launch a new round of targeted longer-term refinancing operations (TLTROs) for Eurozone banks.

In Italy, the general election held on March 4th, 2018 produced no clear majority in parliament, leading to more than two months of haggling. The Five Star Movement and the League eventually managed to form a government on May 31st, 2018. On September 27th, the Italian government announced that it was targeting a budget deficit of 2,4% of GDP in 2019, which prompted the European Commission to launch an “excessive deficit procedure” on November 21st. The Italian government’s downward revision of its 2019 deficit target to 2,0% of GDP eventually paved the way for an agreement with Brussels on December 19th.

In Spain, prime minister Mariano Rajoy was forced to step down on June 1st, 2018 after a motion of no confidence was passed by parliament on foot of corruption convictions against several senior members of his party. He was replaced by the socialist party leader, Pedro Sanchez, heading up a minority government. After the failure of his proposed budget, on February 15th, 2019 the new head of government called early general elections for April 28th, 2019.

Japan

Japanese growth was very volatile in 2018, coming in at +1,9% in Q2 2018, -2,4% in Q3 2018 and +1,9% in Q4 2018, on account of unexpected weather conditions. The manufacturing PMI fell to 49,2 in March 2019 compared with 53,1 a year earlier.

The labour market remained tight. In February 2019, the unemployment rate stood at 2,3% and the ratio of job offers to seekers at 1.6. Wage growth accelerated gradually to reach a peak of 1,3% year-on-year in November. It moved into negative territory in January, following a change in methodology.

Year-on-year inflation slowed to +0,2% in February 2019, down from +1,1% in March 2018. Inflation excluding energy and fresh food products fell from +0,5% to +0,4%.

The Bank of Japan modified its policy of controlling the yield curve in July 2018 by broadening the range within which the Japanese ten-year government bond yield could move, compared with a constant target of around 0%.

China

Chinese growth fell in the second half of 2018 to +6,4% year-on-year in Q4 2018, after +6,5% and +6,7% in the two previous quarters. In March 2019, the government announced that it was targeting growth of between 6,0% and 6,5% this year. The manufacturing PMI published by Markit slipped to 48,3 in January 2019 before eventually recovering to 50,8 in March 2019, from 51,0 a year earlier.

Retail sales of goods slowed in volume terms to +7,2% year-on-year in February 2019. Sales of private cars fell by 17,4% year-on-year according to figures published by the Chinese Association of Automobile Manufacturers (CAAM) in February 2019, leading to the announcement of support measures to boost consumption.

Capital spending growth slowed to +6,1% year-on-year in February 2019. Infrastructure spending slowed sharply until the summer of 2018 before rising again as local governments stepped up their debt issuance.

Exports were upbeat before slowing down from the end of 2018. Statistics then became volatile due to the new lunar year.

Growth in total credit outstandings slowed to +9,8% year-on-year in November 2018 before rebounding to +10,7% in March 2019.

The Chinese authorities accelerated their monetary and fiscal stimulus measures. On the monetary front, the central bank reduced the level of mandatory bank reserves by 100 basis points in April 2018, 50 basis points in July 2018, 100 basis points in October 2018 and 100 basis points in January 2019, bringing it to 13,50%. On the fiscal front, the government announced tax cuts for households and companies that amounted to around 2% of GDP in 2019. Local authorities also began to issue more bonds to finance infrastructure projects.

MANAGEMENT POLICY

Norden recorded a performance of -1,32% in 2019 compared with +4,90% for its benchmark, the MSCI Nordic net dividends reinvested, representing an underperformance of 622bp.

The SICAV closed the second quarter of 2018, which was marked particularly by heightened trade tensions between the US and China, up 1,57% compared with a benchmark increase of 2,03%. The US president had imposed import duties on steel and aluminium in the previous quarter. A series of tit-for-tat measures between the two countries ensued, fuelling fears of a slowdown in global growth. Investors were also very wary of the unstable political environment in Italy, where two extremist parties came out on top in the general election. The likelihood of an alliance weighed on the markets and on the financial sector in particular. The downward revision to growth forecasts in the Eurozone caused the euro to depreciate further against the dollar. As regards central bank action, the Federal Reserve raised its benchmark interest rate by another 25bp, bringing it to a range of 1,75%-2,00%. For its part, the ECB announced the end of its asset purchasing programme from the end of December 2018 and pledged to leave its interest rates unchanged until the summer of 2019. In this context, the portfolio's performance was mainly driven by its selection of health-care stocks, benefiting from gains for *Elekta* (radiotherapy machines, Sweden, +30,2%) and *Ambu* (medical equipment, Denmark, +57,8%) and the absence of *Genmab* (biotech, Denmark, -24,1%). More generally, it was boosted by rises in *Kesko* (retailing, Finland, +18,2%) and *Hexpol* (polymers, Sweden,

+21,1%) and the absence of *Ap Moller-Maersk* (maritime transport, Denmark, -13,0%) and *Nordea Bank* (banking, Sweden, -4,8%). By contrast, the portfolio was penalised by its lack of exposure to the oil sector, which saw a 13% increase in the price of Brent crude over the quarter. The absence of *Equinor* (integrated oil, Norway, +20,2%) consequently proved one of the biggest negative contributors to relative performance. The SICAV was also hurt by the absence of *Ericsson* (communications equipment, Sweden, +28,6%) in technology, its overweighting of personal care and household products, in particular via *Electrolux* (electrical household goods, Sweden, -22,4%), and that of industrial goods, via *Huhtamaki* (packaging, Finland, -9,0%) and *Trelleborg* (industrial products, Sweden, -8,5%).

In the third quarter of 2018, the equity markets fluctuated in line with various uncertainties that arose in the preceding months. There was a particular focus on Italy and its stimulus budget, which was completely at odds with the public finances budgetary framework set for it by the European Union. Consequently, yields rose sharply and the spread in relation to the Bund swiftly reached 300bp. As regards the trade war, no agreement was reached between China and the US, while threats by the US president to increase customs duties on all Chinese imports did not help matters. Concerns around growth in China and emerging countries in general were aggravated. The diplomatic crisis between Turkey and the US led to a sharp depreciation in the Turkish lira, sparking fears of contagion to the European banking system. In the meantime, Jerome Powell announced that the US economy was strong, growth solid and inflation low and stable, prompting the Federal Reserve to hike its interest rates again to a range of 2,00% to 2,25%. Against this backdrop, Norden closed the penultimate quarter of 2018 up 1,38% compared with a rise of 5,54% for the MSCI Nordic net dividends reinvested.

This underperformance was partly attributable to a negative stock-picking effect in industrial goods, driven by slumps in *Huhtamaki* (packaging, Finland, -12,9%), *Kronecranes* (cleaning and handling equipment, Finland, -6,7%) and *Trelleborg* (industrial products, Sweden, -4,0%) and despite the good performance of *Saab* (aeronautics/defence, Sweden, +21,8%) and *Valmet* (industrial equipment, Finland, +16,3%), also in industrial goods. The banking and automotive sectors also detracted from relative performance. Notable offenders were *Skandinaviska Enskilda Banken* (banking, Sweden, +0,3% over the holding period compared with +18,1% over the quarter) and *Autoliv* (automotive equipment, Sweden, -14,10%). Conversely, the portfolio benefited from its allocation to the telecommunications, construction and construction materials and media sectors as well as from its stock picking in personal care and household products. As for securities that contributed positively to relative performance, the portfolio was supported by the sound performance of *Amer Sports* (sports equipment, Finland, +30,3%), *AstraZeneca* (pharma, Sweden/UK, +14,1%) and *Betsson* (games and online betting, Sweden, +20,5% over the holding period this quarter), which it sold this quarter.

The last three months of 2018 were mainly marked by a sell-off across the indices in anticipation of a slowdown in global growth, confirmed by disappointing Eurozone and Chinese indicators. Moreover, the IMF, OECD and central banks revised down their growth projections. The outlook for the US economy was also a source of concern, particularly with the inversion of the yield curve, seen as a potential harbinger of another recession. This did not prevent the Federal Reserve from once again raising its benchmark lending rate by a quarter of a point; it stated that it would adapt its policy according to macroeconomic developments, while scaling back the number of hikes earmarked for 2019. At the same time, there was still no sign of a resolution to the Brexit problem, even though an agreement was reached between the European Union and the United Kingdom. The deal did not get through parliament, Theresa May having dropped plans to submit it to MPs on the day before the planned vote on fears that it would be rejected. The vote was therefore postponed to the middle of January. Italy revised down its budget deficit from 2,40% to 2,04%, enabling it to avoid a European “excessive deficit procedure”. Against this backdrop, Norden ended the last quarter of 2018 with a sharp fall of -14,25% compared with -12,78% for its benchmark. The SICAV was hurt in particular by stock picking and negative allocations in the technology sector, including on *Nokia* (technology, Finland, +0,3%), which it sold this quarter, and *Ericsson* (technology, Sweden, +7,1%), which it purchased this quarter. The portfolio suffered from its overweighting of the auto sector through *Autoliv* (automotive equipment, Sweden, +17,8%). From a more general point of view, the main drivers behind the negative relative performance were the underweighting of *Novo-Nordisk* (health care, Denmark, -1,6%), the presence of *Stora Enso* (forestry and paper, Finland, -38,8%) and the absence of *Vestas Wind Systems* (renewable energy, Denmark, +13,1%). By contrast, the fund’s decline was softened by its stock picking in personal care and household products, thanks to *Amer Sports* (sports equipment, Finland +9,0%), and through the absence of banking and commodities holdings, respectively in *Nordea Bank* (banking, Sweden, -22,6%) and *UPM-Kymmene* (paper, Finland, -34,5%). Amid major question marks over global growth and fears of a supply glut, oil prices fell sharply (-35% over the period for Brent crude). The absence of securities such as *Equinor* (integrated oil, Norway, -23,5%) and *Lundin Petroleum* (oil and gas exploration and production, Sweden, -34,6%) consequently benefited the fund.

The first quarter of 2019 was marked by a strong rebound in most markets around the world, allowing the previous quarter's losses to be all but erased. This recovery was mainly due to the Federal Reserve's more accommodative stance and the volte-face of its Chair, Jerome Powell. Citing the slowdown in global growth and the tightening of financial conditions in the markets, he ended the cycle of benchmark interest rate hikes initiated in December 2015. As for the ECB, Mario Draghi announced that it would not raise interest rates at least until the end of 2019, while launching a wave of targeted long-term loans (TLTROs) in order to cushion the impact of negative interest rates on Eurozone banks. The easing of trade tensions between the United States and China and the hope of an agreement between these two parties were also major reassuring factors for the markets. With regard to the United Kingdom, the climate of uncertainty persisted as for the third time Parliament rejected the exit agreement negotiated by Theresa May with the European Union. Against this backdrop, Norden ended the quarter up, outperforming its benchmark by 8bp (+11,77% compared with +11,69%). The banking sector was the biggest contributor to the positive relative performance, benefiting from a good allocation effect notably due to the absence of *Nordea Bank* (banking, Sweden, +2,9%) and *Skandinaviska Enskilda Banken* (banking, Sweden, -1,1%) and to the overweighting of *DNB* (banking, Norway, +18,7%). The portfolio's outperformance of its benchmark also stemmed from its technology and industrial goods holdings, respectively in *Simcorp* (asset management software, Denmark, +45,8%), *Valmet* (industrial equipment, Finland, +29,2%) and *Konecranes* (industrial machinery, Finland, +24,6%). However, the health-care sector hindered the fund's progress, notably through the underweighting of *Novo-Nordisk* (health care, Denmark, +18,8%). It is also suffered from the poor performance of *Saab* (aeronautics/defence, Sweden, -4,7%), and *Leroy Seafood* (fishing, Norway, -6,1% over the holding period this quarter) and the absence of *DSV* (transport and logistics, Denmark, +28,8%) and *Boliden* (metals and minerals, Sweden, +35,7%) but, above all, its lack of exposure to the oil sector. The fund drew no benefit from the rebound in oil over the quarter (+27,1% for Brent crude) and was hurt by the absence of *Neste Oil* (oil refining and marketing, Finland, +41,0%) and *Lundin Petroleum* (oil and gas exploration and production, Sweden, +40,0%).

Norden retained its stakes of 3,0% in the *Norden Small* fund (-4,13%) and 0,25% in the *Norden Family* fund (-7,23%), which was created at the end of July 2018.

Past performance is no guarantee of future results.

Main changes in the portfolio during the year

Securities	Changes ("accounting currency")	
	Purchases	Sales
AMUNDI CASH CORPORATE IC	307 887 199,28	291 258 368,50
LAZARD EURO MONEY MARKET	34 229 172,04	41 431 023,66
AUTOLIV SWED. DEPOSIT. RECEIPTS	38 968 058,95	20 892 659,53
NOVO NORDISK AS	29 839 755,39	28 364 599,67
LAZARD EURO SHORT TERM MONEY MARKET	25 483 183,87	29 997 049,05
AMER SPORTS CORP.	6 793 694,50	41 643 890,24
KESKO OYJ B	16 815 914,37	30 784 832,86
ELISA COMMUNICATION OXJ - A	16 062 347,66	30 061 443,45
ESSITY	16 615 282,86	28 309 779,61
NOKIA (AB) OYJ	11 871 668,20	30 942 022,47

**Transparency of securities financing transactions and the reuse of financial instruments
- SFTR - in the UCI's accounting currency (EUR)**

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

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

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

- Exposure through efficient management techniques:
 - **Securities lending:**
 - **Securities borrowing:**
 - **Repurchase agreements:**
 - **Reverse repurchase agreements:**
- Underlying exposure through derivative financial instruments:
 - **Currency forwards:**
 - **Futures:**
 - **Options:**
 - **Swaps:**

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

Efficient portfolio management techniques	Derivative financial instruments (*)

(*) Excluding listed derivatives

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

Instrument type	Amount in the currency of the portfolio
Efficient portfolio management techniques . Term deposits . Equities . Bonds . UCITS . Cash (**) Total	
Derivative financial instruments . Term deposits . Equities . Bonds . UCITS . Cash Total	

(**) The Cash account also includes liquidities 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 . Direct operating expenses . Indirect operating expenses . Other expenses Total expenses	

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

4. REGULATORY INFORMATION

- **PROCEDURE FOR SELECTING AND ASSESSING INTERMEDIARIES AND COUNTERPARTIES**

The brokers used by the management company are selected on the basis of various evaluation criteria, covering research, quality of order execution and processing and the range of services offered. The management company's "Broker Committee" validates any updates to the list of authorised brokers. Each investment division (fixed income and equities) reports to the Broker Committee at least twice a year on the evaluation of the services provided by the various brokers and the breakdown of the volume of transactions handled.

- **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.

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

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

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

The incorporation of ESG criteria 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 extra-financial criteria:
 - Social criteria: through the development of human capital.
 - Environmental criteria: through the prevention of all environmental risks.
 - Governance criteria: by respecting the balance between the managerial and shareholder structures so as to prevent potential conflicts of interest and safeguard the interests of minority shareholders.

The intensity and methods 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 understanding of ESG risks that are likely to have a strong impact on the value of a company or a sovereign asset.

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

- **REPORTING OBLIGATIONS UNDER ARTICLE 173**

General procedure for incorporating ESG criteria

Lazard Frères Gestion firmly believes that the integration of environmental, social and governance (ESG) criteria by issuers is vital to their sustained economic performance.

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

The incorporation of ESG criteria 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 extra-financial criteria:
 - Social criteria: through the development of human capital.
 - Environmental criteria: through the prevention of all environmental risks.
 - Governance criteria: by respecting the balance between the managerial and shareholder structures so as to prevent potential conflicts of interest and safeguard the interests of minority shareholders.

ESG criteria incorporated by NORDEN

- Analysis of governance

The quality of governance has always been a decisive element in our investment policy.

Satisfactory governance guarantees transparency and a balance of power, with a right to input by the shareholders.

Lazard Frères Gestion believes that best practices in terms of corporate governance are a risk control factor that favour the creation of value and contribute to a broad alignment of the interests of all stakeholders.

- Social criteria

Social criteria include the prevention of accidents, staff training, respect for employee rights, human rights, ethics in the supply chain, and social dialogue.

Human capital is one of the two drivers of a company alongside financial capital, and if neglected could give rise to risks of loss of operational profitability or an increase in costs linked to payroll volatility.

- Environmental criteria

Environmental criteria take into account the direct or indirect impact of the company's activity on the environment (waste management, energy consumption and emission of pollutants) and are assessed by looking at the relevant activity sector.

We seek to understand how the company appraises environmental risks and any negligence on its part could potentially lead to liabilities that impact its economic profitability.

If environmental risks (pollution, biodiversity, resources and local communities) are not adequately appraised, this can lead to a loss of profitability and to reputational risk and financial risk.

Information used to analyse ESG criteria

Lazard Frères Gestion draws on several sources of information when assessing ESG criteria for each company:

- Public sources: CSR reports, NGOs, press
- Direct communication with the companies
- External research: extra-financial ratings agencies, brokers

Each analyst-manager may include data deemed relevant in their extra-financial analysis. These analyses are an integral part of our management process.

Our proprietary analysis tools show financial and extra-financial data for each company under consideration.

Data is entered directly in these tools by the analyst-managers.

ESG analysis methodology and results

- ESG analysis methods

A qualitative system of ESG evaluation is applied to the issuers in the portfolio.

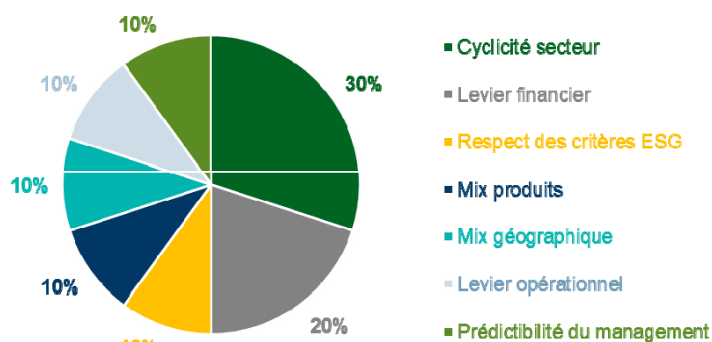
Climatic risk criteria are analysed by factoring energy costs, regulatory risks and potential technological shocks into the investment assumptions of the analyst-managers, regardless of whether this data is linked to climate change.

Lazard Frères Gestion assesses the financial impact by looking at changes in energy prices (electricity, oil, gas, etc.), as well as other external factors, when determining the company's level of activity or margins.

- Methods by which ESG criteria are factored into the investment decision-making process

The ESG analysis has an impact on investment decisions.

Since 2017, we have been formally incorporating ESG criteria into our financial analysis by integrating the relevant factors into the financial valuation of each company. The analyst-managers incorporate ESG criteria into the cost of capital of the companies they follow by calculating beta using a proprietary Lazard Frères Gestion methodology. Beta is a measurement of all of the company's risks, and our methodology weights the factors as follows:



La prise en compte des critères ESG a un impact direct sur nos valorisations

We discount cash flows based on the weighted average cost of capital (WACC). This cost comprises the cost of equity and cost of debt. The cost of equity depends on the company's profile, in particular its specific risks. These risks include, among others, the cyclical nature of the company's activity, its geographical location and compliance with ESG criteria. When these criteria are insufficiently measured by the company, this creates a risk. In our model, this risk reduces the company's financial valuation: the degree to which ESG criteria are taken into account has a direct impact on the company's financial valuation.

The valuation and hence the determination of the upside for each previously-selected security makes it possible to determine the weight of each security in the portfolio. The manager ensures compliance with the portfolio's risk constraints, such as maximum over-exposure to a security or sector.

- Monitoring of ESG indicators

➤ Carbon footprint

Pursuant to Article 173 of the law of August 17th, 2015, Lazard Frères Gestion made a decision to report Norden's carbon footprint.

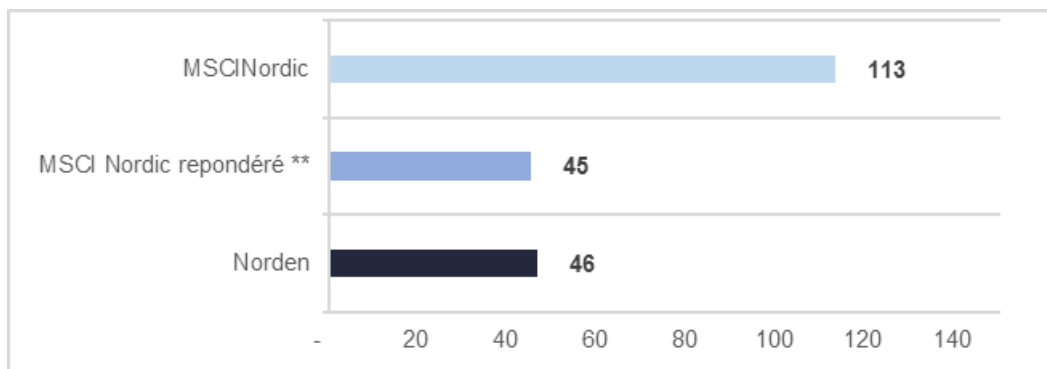
- To obtain the data needed to calculate the carbon footprint, we decided to establish a partnership with TRUCOST in 2016.
- Lazard Frères Gestion decided to use the carbon intensity indicator, which is expressed in CO2 equivalent tonnes per million euros of income.
- The carbon footprint assessment takes into account scope 1 and 2 greenhouse gas (GHG) emissions.
 - Scope 1: All direct emissions linked to the use of fossil fuels to manufacture a product.
 - Scope 2: Direct emissions linked to the production of energy (electricity, etc.) that is consumed by the company.
- Measurement is solely conducted on securities that are directly owned.
- Listed companies on which we have no carbon data are weighted proportionally based on the weight of other companies in the same sector, in order to maintain the initial sector weightings.
- The weight of each stock in the portfolio is re-based to obtain a total weighting equal to 100%.
- The method used to calculate the portfolio's carbon intensity is the weighted average GHG emissions divided by the income of each position. This gives us the following formula:

Intensité carbone d'un portefeuille

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

- A company's CO2 emission levels are highly dependent on its area of activity. Some sectors are structurally higher "emitters" than others.
- Lazard Frères Gestion's fundamental stock-picking approach entails sector exposure gaps between the funds and their benchmark indices.
- To make up for these sector biases, we have defined a method that involves neutralising these gaps by re-weighting the sectors of the benchmark index so that they correspond to those of the portfolio. The weight of each stock is maintained within each sector of the benchmark index.

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



Date: 29/03/2019

Fund coverage ratio: 99 %

Index coverage ratio: 98 %

➤ Contribution to energy transition indicator

We apply an energy transition score to measure the company's level of engagement in the energy transition of their business model.

Each issuer in the portfolio is assessed based on the efficiency of the measures taken to reduce their GHG emissions, change their energy mix and reduce their energy consumption.

Our partner Vigeo Eiris is responsible for applying this score.

For this, specific climate change criteria are analysed as are the main energy transition objectives of the companies and the relevant sectors. The score hinges on the efforts made by the companies to reduce their carbon footprint and contribute to the international target to prevent global warming from rising above 2°C. The portfolio's contribution to the energy transition is measured as follows:

Score Transition Énergétique d'un portefeuille

$$= \sum [\text{Score Transition Énergétique de chaque titre} \times \text{poids de chaque titre}]$$

based on the rating scale set out below:

Energy Transition Strategy Scale

Categories	Low	Underway	Convincing	Advanced
Score	0-29	30-49	50-59	60-100

Energy Transition Score

Norden	Underway	36
MSCI Nordic	Underway	40

Integration of the results of the ESG analysis into the investment process

- Voting at shareholders' meetings

Even if Norden stocks are not within our voting scope, we strive to exercise our voting rights on a broader scale, notably by including Nordic stocks. However, we were unable to vote on stocks in Denmark, Norway and Sweden where the conditions for exercising voting rights required implementing a power of attorney with local sub-custodians.

Ultimately, we voted at 11% of the general meetings of the companies in the portfolio.

- Implementation of an engagement strategy relating to issuers

ESG parameters are monitored by holding regular meetings with the companies' management. Lazard Frères Gestion only invests in companies with whose management it has established a strong relationship of trust, and therefore holds regular meetings with or pays regular onsite visits to all of these companies.

To date, Lazard Frères Gestion has not published any report covering the various initiatives undertaken and their outcome.

However, we have undertaken to produce and publish an engagement report in 2019.

- **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 (*Code général des impôts*), a minimum of 75% of the SICAV is permanently invested in the securities and rights mentioned in points a, b and c, section 1°, I of Article L.221-31 of the French Monetary and Financial Code.

Proportion actually invested during the financial year: 92,68%.

- **REMUNERATION**

The fixed and variable remuneration paid by the management company to its personnel in the financial year ended December 31st, 2018, pro rata their investment in the management of the AIFs, excluding the management of the UCITS and discretionary mandates, can be obtained on request by post from the UCI legal department of Lazard Frères Gestion, and are indicated in the company's annual report. The total variable remuneration is set by the Lazard Group based on various criteria, including the Lazard Group's financial performance over the past year, taking its earnings into account. The executive 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 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.

Population at 31/12/2018: fixed-term and permanent contracts of LFG and LFG-Belgique
(including interns and apprentices and excluding LFG-Courtage)

Headcount at 31/12/2018: LFG & LFG-Belgique	Fixed annual remuneration in 2018, in €k	Variable remuneration (cash and deferred) for 2018, in €k
160	14 542	19 267

Identified employees

Category	Number of employees	Aggregated fixed and variable remuneration (including deferred) in 2018, in €k
Senior management	3	3 958
Other	47	18 457
Total	50	22 416

Note: the amounts are stated excluding charges.

- **WITHHOLDING TAX**

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 will request reimbursement of withholding tax paid on dividends received by foreign companies for funds domiciled in France, when the prospects for reimbursement of said 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.

- **OTHER INFORMATION**

The UCI's complete prospectus and the most recent annual and interim reports will be sent out within one week of a shareholder's request in writing 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 29th, 2019**

NORDEN

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 FRÈRES GESTION SAS
25, rue de Courcelles
75008 Paris, France

Opinion

In accordance with the terms of our appointment by the management company, we conducted our audit of the accompanying annual financial statements of Norden, as a French open-end investment fund, for the financial year ended March 29th, 2019.

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

Independence

We conducted our audit in accordance with the rules of independence applicable to us on the period from March 31st, 2018 to the date of issue of our report, and in particular we have not provided any services prohibited by the French code of ethics for statutory auditors.

*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*



NORDEN

Justification of our assessments

In accordance with the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you that the most important assessments we carried out, in our professional judgement, focused on the appropriateness of the accounting principles applied, the reasonableness of significant estimates used, and the presentation of the financial statements as a whole.

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 law.

Information provided in the management report and in other documents sent to shareholders on the financial position and annual financial statements

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

*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, Marseilles, Metz, Nantes, Nice, Paris, Poitiers, Rennes, Rouen, Strasbourg, Toulouse.



NORDEN

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

It is the management company'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 company is responsible for assessing the UCI'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 UCI or terminate its activity.

The management company is responsible for the preparation of the annual financial statements.

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 from material misstatement. Reasonable assurance means a high but not absolute level of assurance that an audit performed in accordance with professional standards is free from material misstatement. Misstatements may stem from fraud or errors and are considered material when it can reasonably be expected that, taken individually or together, they could influence the economic decisions of users of the financial statements.

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

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 for one resulting from an error, because fraud may involve collusion, falsification, deliberate omissions, false statements or the circumvention 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, Marseilles, Metz, Nantes, Nice, Paris, Poitiers, Rennes, Rouen, Strasbourg, Toulouse.



NORDEN

- 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 company, and the related information provided in the annual financial statements;
- it assesses the appropriateness of the management company's application of the accounting policy for a going concern and, based on the information collected, whether there is a significant uncertainty linked to events or circumstances that is likely to call into question the UCI's ability to continue operating as a going concern. This assessment is based on the information collected up to the date of the report, bearing in mind nevertheless that subsequent circumstances or events could jeopardise the 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 that information has not been provided or is not relevant, it shall attach reservations to its certification or shall refuse to certify the financial statements;
- 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
Frédéric SELLAM



NORDEN

**STATUTORY AUDITOR'S SPECIAL REPORT ON
REGULATED AGREEMENTS
(Shareholders' meeting held to approve the financial
statements for the financial year ended March 29th, 2019)**



**STATUTORY AUDITOR'S SPECIAL REPORT ON
REGULATED AGREEMENTS
Shareholders' meeting held to approve the financial statements
for the financial year ended March 29th, 2019**

NORDEN

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 FRÈRES 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 for 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

Document authenticated by electronic signature

The Statutory Auditor
PricewaterhouseCoopers Audit
Frédéric SELLAM

.....
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

6. ANNUAL FINANCIAL STATEMENTS

• BALANCE SHEET in euros

ASSETS

	29/03/2019	29/03/2018
Net non-current assets		
Deposits		
Financial instruments	781 891 146,06	1 009 944 641,94
Equities and similar securities	740 027 033,81	967 457 648,99
Traded on a regulated or similar market	740 027 033,81	967 457 648,99
Not traded on a regulated or similar market		
Bonds and similar securities		
Traded on a regulated or similar market		
Not traded on a regulated or similar market		
Debt securities		
Traded on a regulated or equivalent market		
Negotiable debt securities	41 864 112,25	42 486 992,95
Other debt securities		
Not traded on a regulated or similar market	41 864 112,25	42 486 992,95
Undertakings for collective investment		
General UCITS and general AIFs aimed at non-professionals and their equivalent in other countries		
Other funds aimed at non-professionals and their equivalent in other EU Member States		
General funds aimed at professional and their equivalent in other EU Member States, and listed securitisation entities		
Other professional investment funds and their equivalent in other EU Member States, and unlisted securitisation entities		
Other non-European entities		
Temporary financial 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	7 067 670,03	20 818 456,73
Transactions on a regulated or equivalent market		
Other transactions	7 067 670,03	20 818 456,73
Other financial instruments	1 441 467,35	
Receivables	1 441 467,35	
Currency forward exchange transactions		
Other		
Financial accounts		
Cash and cash equivalents		
Total assets	790 400 283,44	1 030 763 098,67

LIABILITIES AND SHAREHOLDERS' EQUITY

	29/03/2019	29/03/2018
Shareholders' equity		
Capital	788 034 967,61	940 268 382,48
Undistributed net capital gains and losses recognised in previous years (a)		
Retained earnings (a)		
Net capital gains and losses for the year (a, b)	-8 673 923,15	79 404 557,20
Net income for the year (a, b)	8 382 501,11	1 792 372,59
Total shareholders' equity (= amount representing net assets)	787 743 545,57	1 021 465 312,27
Financial instruments		
Sales of financial instruments		
Temporary securities transactions		
Payables on securities purchased under repurchase agreements		
Payables on loaned securities		
Other temporary transactions		
Forward financial instruments		
Transactions on a regulated or equivalent market		
Other transactions		
Liabilities	2 656 737,87	7 184 918,72
Currency forward exchange transactions	2 656 737,87	7 184 918,72
Other		2 112 867,68
Financial accounts		2 112 867,68
Bank overdrafts		
Borrowings		
Total liabilities and shareholders' equity	790 400 283,44	1 030 763 098,67

(a) Including accrued income

(b) Less interim dividends paid for the financial year

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

	29/03/2019	29/03/2018
Hedging transactions		
Commitments on regulated or similar markets		
Commitments on OTC markets		
Other commitments		
Other operations		
Commitments on regulated or similar markets		
Commitments on OTC markets		
Other commitments		

• **INCOME STATEMENT in euros**

	29/03/2019	29/03/2018
Income from financial transactions		
Income from deposits and financial accounts	24 683,16	
Income from equities and similar securities	27 716 361,61	23 513 670,55
Income from bonds and similar securities		
Income from debt securities		
Income from temporary purchases and sales of financial securities		
Income from forward financial instruments		
Other financial income		
Total (1)	27 741 044,77	23 513 670,55
Charges on financial transactions		
Charges on temporary purchases and sales of financial securities		
Charges on forward financial instruments		
Charges on financial liabilities		
Other financial charges		
Total (2)		
Income from financial transactions (1 - 2)	27 741 044,77	23 513 670,55
Other income (3)		
Management fees and depreciation and amortisation (4)	17 236 474,40	21 786 255,23
Net income for the financial year (L.214-17-1) (1 - 2 + 3 - 4)	10 504 570,37	1 727 415,32
Revenue adjustment for the financial year (5)	-2 122 069,26	64 957,27
Interim dividends paid on net income for the financial year (6)		
Net income (1 - 2 + 3 - 4 + 5 - 6)	8 382 501,11	1 792 372,59

NOTES TO THE FINANCIAL STATEMENTS

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,
- permanence of the accounting methods used each year.

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

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

Asset valuation rules

Financial instruments and securities traded on a regulated market are valued at their market price.

○ **Shares and similar securities** are valued on the basis of the last known price on their main market. If applicable, prices are translated into euros using the exchange rate prevailing in Paris on the valuation day (as published by WM Closing).

○ **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 obtained 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 SICAV's 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 with a residual maturity of more than three months**

Negotiable debt securities traded in large volumes are valued at market price.

In the absence of significant trading volumes, these securities are valued using an actuarial method, with a benchmark rate plus, where applicable, a margin representative of the issuer's intrinsic features.

Benchmark rate	
Negotiable debt securities in euros	Negotiable debt securities in other currencies
Euribor, OISs and BTFs - 3 - 6 - 9 - 12 months BTANs - 18 months, 2 - 3 - 4 - 5 years	Official key rates in the relevant countries

- **Negotiable debt securities with a residual maturity of three months or less**

Negotiable debt securities with a residual maturity of three months or less are valued using the straight-line method. However, this method would not be applied if any of these securities were particularly sensitive to market movements.

o **UCIs**

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

Units or shares of UCIs for which net asset values are published monthly may be valued on the basis of interim net asset values calculated from estimated prices.

o **Temporary purchases and sales of securities**

Securities purchased under repurchase agreements are valued at their contract price using an actuarial method with a benchmark rate (overnight EONIA, 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.

o **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:

Gross assets x operating and management fees rate x number of days between the NAV calculation date and the previous NAV calculation date

365 (or 366 in a leap year)

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

The SICAV pays the operating fees, which cover/include:

- . financial management;
- . administration and accounting;
- . custody services;
- . other operating fees:
 - . statutory auditors' fees;
 - . legal notices (Balo, Petites Affiches, etc.) if applicable.

The SICAV paid exceptional charges amounting to €30 136.80 on the collection of receivables in relation to withholding tax paid on dividends received from foreign companies.

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	Maximum 1,980% incl. taxes
Administrative fees external to the management company	Net assets	Maximum 0,02% incl. taxes
Turnover commission (incl. taxes) (0% to 100% received by the management company and 0% to 100% received by the custodian)	Maximum charge on each transaction	<p>French equities</p> <p>Up to €100 000 1,20%</p> <p>From €100 001 to €200 000 0,78%</p> <p>From €200 001 to €300 000 0,60%</p> <p>Over €300 000 0,42%</p> <p>Eurozone equities excluding France</p> <p>Up to €100 000 0,72%</p> <p>From €100 001 to €200 000 0,47%</p> <p>From €200 001 to €300 000 0,36%</p> <p>Over €300 000 0,25%</p> <p>Foreign equities excluding Eurozone, foreign exchange</p> <p>Up to €100 000 0,90%</p> <p>From €100 001 to €200 000 0,61%</p> <p>From €200 001 to €300 000 0,47%</p> <p>Over €300 000 0,32%</p> <p>Futures and other transactions</p> <p>€0 to €450 incl. taxes per contract</p>
Performance fee	n/a	None

The method used to calculate retrocession amounts is set out in the sales and marketing agreements.

- If the amount is significant, a provision is recognised in account 617.
- The final amount is recognised upon settlement of invoices after reversal of any provisions.

Allocation of distributable income

Definition of distributable income

Distributable income consists of:

Net income

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

Capital gains and losses

Realised capital gains, net of expenses, less realised capital losses, net of expenses, recognised for the financial year, plus any net capital gains of the same kind recognised over previous years that have not been distributed or accumulated, plus or minus the balance of the capital gains adjustment account.

Allocation of distributable income:

<i>Distributable income</i>	FR0000299356
Allocation of net income	Accumulation
Allocation of net realised capital gains or losses	Accumulation

• **CHANGE IN NET ASSETS in euros**

	29/03/2019	29/03/2018
Net assets at start of year	1 021 465 312,27	1 122 686 496,89
Subscriptions (including subscription fees retained by the Fund)	150 293 138,28	195 171 747,17
Redemptions (net of redemption fees retained by the Fund)	-375 730 651,18	-293 693 064,92
Realised capital gains on deposits and financial instruments	101 981 391,77	130 397 210,24
Realised capital losses on deposits and financial instruments	-72 611 274,11	-32 027 349,99
Realised capital gains on forward financial instruments		
Realised capital losses on forward financial instruments		
Transaction charges	-7 959 831,06	-11 409 516,50
Exchange rate differences	-21 817 525,63	-22 144 129,73
Changes in valuation difference of deposits and financial instruments	-18 381 585,14	-69 243 496,21
Valuation difference for financial year N	-13 801 969,30	4 579 615,84
Valuation difference for financial year N-1	-4 579 615,84	-73 823 112,05
Changes in valuation difference of forward financial instruments		
Valuation difference for financial year N		
Valuation difference for financial year N-1		
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	10 504 570,37	1 727 415,32
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	787 743 545,57	1 021 465 312,27

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

	Amount	%
Assets		
Bonds and similar securities		
Bonds and similar securities		
TOTAL Bonds and similar securities		
Debt securities		
Debt securities		
TOTAL Debt securities		
Liabilities		
Sales of financial instruments		
Equities and similar securities		
TOTAL Sales of financial instruments		
Off-balance sheet items		
Hedging transactions		
Equities		
TOTAL Hedging transactions		
Other transactions		
Equities		
TOTAL Other transactions		

• **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							1 441 467,35	0,18
Liabilities								
Temporary securities transactions								
Financial accounts								
Off-balance sheet items								
Hedging transactions								
Other transactions								

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

	< 3 months	%	3 months-1 year	%	1-3 years	%	3-5 years	%	> 5 years	%
Assets										
Deposits										
Bonds and similar securities										
Debt securities										
Temporary securities transactions										
Financial accounts	1 441 467,35	0,18								
Liabilities										
Temporary securities transactions										
Financial accounts										
Off-balance sheet items										
Hedging transactions										
Other transactions										

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

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

	SEK		DKK		NOK		Other currencies	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
Deposits								
Equities and similar securities	391 485 858,04	49,70	135 815 341,33	17,24	57 348 243,44	7,28		
Bonds and similar securities								
Debt securities								
UCIs								
Temporary securities transactions								
Receivables	2 321 264,69	0,29	62 043,82	0,01				
Financial accounts								
Liabilities								
Sales of financial instruments								
Temporary securities transactions								
Financial accounts								
Off-balance sheet items								
Hedging transactions								
Other transactions								

• RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	Debit/credit item	29/03/2019
Receivables	Subscription receivables	3 623 559,23
	Retrocession of management fees	181 042,29
	Coupons and dividends in cash	3 263 068,51
Total receivables		7 067 670,03
Liabilities	Deferred settlement purchases	745 751,49
	Redemptions payable	653 106,31
	Management fees	1 257 880,07
Total liabilities		2 656 737,87

• **NUMBER OF SECURITIES ISSUED OR REDEEMED**

	No. of shares	Amount
Shares subscribed during the financial year	784 721,994	150 293 138,28
Shares redeemed during the financial year	-1 924 588,321	-375 730 651,18
Net balance of subscriptions/redemptions	-1 139 866,327	-225 437 512,90

• **SUBSCRIPTION AND/OR REDEMPTION FEES**

	Amount
Total fees earned	
Subscription fees earned	
Redemption fees earned	

• **MANAGEMENT FEES**

	29/03/2019
Guarantee fees	
Fixed management fees	17 812 391,92
Percentage of fixed management fees	2,00
Variable management fees	
Retrocessions of management fees	575 917,52

• **COMMITMENTS RECEIVED AND GIVEN**

Guarantees received by the Fund:

None.

Other commitments received and/or given:

None.

• **PRESENT VALUE OF SECURITIES HELD TEMPORARILY**

	29/03/2019
Securities held under repurchase agreements	
Borrowed securities	

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

	29/03/2019
Financial instruments given as security and retained under their original classification	
Financial instruments received as security and not recorded on the balance sheet	

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

	ISIN	Description	29/03/2019
Shares			
Bonds			
Negotiable debt securities			25 268 800,00
UCIs	FR0013344892	NORDEN FAMILY ACTION IC NORDEN	1 838 800,00
	FR0011474980	SMALL	23 430 000,00
Forward financial instruments			

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

	29/03/2019	29/03/2018
Remaining amounts to be allocated		
Retained earnings		
Net income	8 382 501,11	1 792 372,59
Total	8 382 501,11	1 792 372,59
Appropriation		
Distribution		
Balance brought forward for the financial year		
Accumulation	8 382 501,11	1 792 372,59
Total	8 382 501,11	1 792 372,59

• **ALLOCATION OF DISTRIBUTABLE AMOUNTS PERTAINING TO NET CAPITAL GAINS AND LOSSES**

	29/03/2019	29/03/2018
Remaining amounts to be allocated		
Undistributed net capital gains and losses recognised in previous years		
Net capital gains and losses for the year	-8 673 923,15	79 404 557,20
Interim dividends paid on net capital gains and losses for the financial year		
Total	-8 673 923,15	79 404 557,20
Appropriation		
Distribution		
Undistributed net capital gains and losses		
Accumulation	-8 673 923,15	79 404 557,20
Total	-8 673 923,15	79 404 557,20

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

	31/03/2015	31/03/2016	31/03/2017	29/03/2018	29/03/2019
Global net assets in euros	1 084 418 969,27	1 072 624 328,38	1 122 686 496,89	1 021 465 312,27	787 743 545,57
Net assets in euros	1 084 418 969,27	1 072 624 328,38	1 122 686 496,89	1 021 465 312,27	787 743 545,57
Number of shares	5 649 268,721	5 921 522,610	5 710 126,431	5 215 988,002	4 076 121,675
Net asset value per share in euros	191,95	181,13	196,61	195,83	193,25
Accumulation per share pertaining to net capital gains and losses in euros	11,30	15,03	7,69	15,22	-2,12
Accumulation per share pertaining to net income in euros	2,08	1,06	3,51	0,34	2,05

• **INVENTORY in euros**

Description of security	Currency	Quantity No. or nominal	Present value	% net assets
Equities and similar securities				
Bonds and similar securities traded on a regulated or similar market				
DENMARK				
AMBU B	DKK	340 000	8 020 146,14	1,02
COLOPLAST B	DKK	81 500	7 971 562,33	1,01
DANSKE BANK AS	DKK	895 300	14 007 332,44	1,78
DEMANT A/S	DKK	500 000	13 180 719,18	1,67
ISS AS	DKK	1 010 000	27 396 205,19	3,48
NOVO NORDISK AS	DKK	843 000	39 341 392,68	4,99
PANDORA A/S	DKK	188 000	7 846 921,48	1,00
INTERNATIONAL ROCKWOOL AS B	DKK	47 700	9 961 127,59	1,26
SIMCORP A/S	DKK	94 000	8 089 934,30	1,03
TOTAL DENMARK			135 815 341,33	17,24
FINLAND				
ELISA COMMUNICATION OXJ - A	EUR	194 000	7 802 680,00	0,99
HUHTAMAKI OY	EUR	470 000	15 589 900,00	1,98
KESKO OYJ B	EUR	303 000	16 434 720,00	2,09
KONE OY B NEW	EUR	360 000	16 185 600,00	2,05
KONECRANES SHS	EUR	484 000	15 337 960,00	1,95
NOKIA (AB) OYJ	EUR	1 509 000	7 656 666,00	0,97
SAMPO OYJ A	EUR	664 000	26 832 240,00	3,40
STORA ENSO AB EX ENSO OYJ	EUR	1 580 000	17 214 100,00	2,19
VALMET CORP	EUR	945 000	21 319 200,00	2,70
WAERTSILAE CORPORATION	EUR	765 000	11 004 525,00	1,40
TOTAL FINLAND			155 377 591,00	19,72
MALTA				
KINDRED GROUP PLC	SEK	900 000	8 045 320,34	1,02
TOTAL MALTA			8 045 320,34	1,02
NORWAY				
DNB ASA	NOK	1 430 000	23 484 564,87	2,99
LERØY SEAFOOD GROUP ASA	NOK	1 989 000	12 868 487,51	1,63
OTELLO CORP ASA	NOK	2 600 000	4 027 922,85	0,51
TELENOR	NOK	950 000	16 967 268,21	2,15
TOTAL NORWAY			57 348 243,44	7,28
SWEDEN				
ALFA LAVAL	SEK	830 000	17 006 841,26	2,16
ASSA ABLOY AB	SEK	1 050 000	20 234 283,11	2,57
ATLAS COPCO AB-B SHS	SEK	690 000	15 244 629,01	1,94
AUTOLIV SWED. DEPOSIT. RECEIPTS	SEK	443 000	28 924 362,08	3,68
ELECTROLUX AB SER B	SEK	595 000	13 648 479,32	1,73
ELEKTA AB	SEK	1 929 900	21 421 199,74	2,72
EPIROC AB-B	SEK	1 920 000	16 407 498,98	2,08
ERICSSON(LM) B	SEK	2 375 000	19 479 344,20	2,47
ESSITY	SEK	480 000	12 356 321,56	1,57
HENNES AND MAURITZ B	SEK	1 130 000	16 817 494,42	2,13
HEXAGON AB -B	SEK	344 000	16 019 587,60	2,03

Description of security	Currency	Quantity No. or nominal	Present value	% net assets
HEXPOL AB	SEK	1 055 000	7 916 488,63	1,00
HUSQVARNA AB CL B	SEK	2 215 000	16 150 853,36	2,05
SAAB AB	SEK	697 000	19 936 753,16	2,53
SANDVIK AB	SEK	1 380 000	20 008 161,50	2,54
SECURITAS AB B	SEK	2 270 000	32 748 505,73	4,17
SVENSKA KULLAGERFABRIKEN AB -B-	SEK	1 200 000	17 790 153,39	2,26
SWEDBANK AB	SEK	925 000	11 666 026,55	1,48
SWEDISH MATCH	SEK	290 000	13 195 804,03	1,68
TELE2 AB	SEK	1 100 000	13 080 966,90	1,66
TRELLEBORG AB B	SEK	900 000	12 439 568,88	1,58
VOLVO AB-B-	SEK	1 515 000	20 947 214,29	2,66
TOTAL SWEDEN			383 440 537,70	48,69
TOTAL Equities and similar securities traded on a regulated or equivalent market			740 027 033,81	93,95
TOTAL Equities and similar securities			740 027 033,81	93,95
Undertakings for collective investment				
General UCITS and AIFs intended for non-professionals and equivalents in other countries				
FRANCE				
AMUNDI CASH CORPORATE IC	EUR	71	16 595 312,25	2,11
NORDEN FAMILY ACTION IC	EUR	20 000	1 838 800,00	0,23
NORDEN SMALL	EUR	137 500	23 430 000,00	2,97
TOTAL FRANCE			41 864 112,25	5,31
TOTAL General UCITS and AIFs intended for non-professionals and equivalents in other countries			41 864 112,25	5,31
TOTAL Undertakings for collective investment			41 864 112,25	5,31
Receivables			7 067 670,03	0,90
Liabilities			-2 656 737,87	-0,34
Financial accounts			1 441 467,35	0,18
Net assets			787 743 545,57	100,00
NORDEN				
	EUR	4 076 121,675	193,25	

NORDEN

French open-end investment company
(*Société d'Investissement à Capital Variable*)
Registered office: 121, boulevard
Haussmann, 75008 Paris, France
Paris Trade and Companies Register No.
399 380 997

RESOLUTION CONCERNING THE ALLOCATION OF DISTRIBUTABLE INCOME SUBMITTED TO THE COMBINED SHAREHOLDERS' MEETING OF JULY 4th, 2019

FINANCIAL YEAR ENDED MARCH 29th, 2018

Second resolution

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

€8 382 501,11	Distributable amount pertaining to net income
-€8 673 923,15	Distributable amount pertaining to net capital gains

and losses,

and allocates these amounts to the share capital in accordance with Article
28 of the Articles of Association.

No dividends will therefore be paid for this financial year.

For information: distributable income for the past four financial years has been accumulated.