

**Report date: 30 November 2017**

Fund: Pareto Nordic Corporate Bond  
Umbrella fund: Pareto SICAV  
Inception date: 22 April 2013\*  
AUM: NOK 1 909 million  
Benchmark: ST1X - 0.25 years

Category: fixed income fund  
Legal structure: SICAV/UCITS  
Domicile: Luxembourg  
Dealing days: all coinciding banking days in Norway and Luxembourg

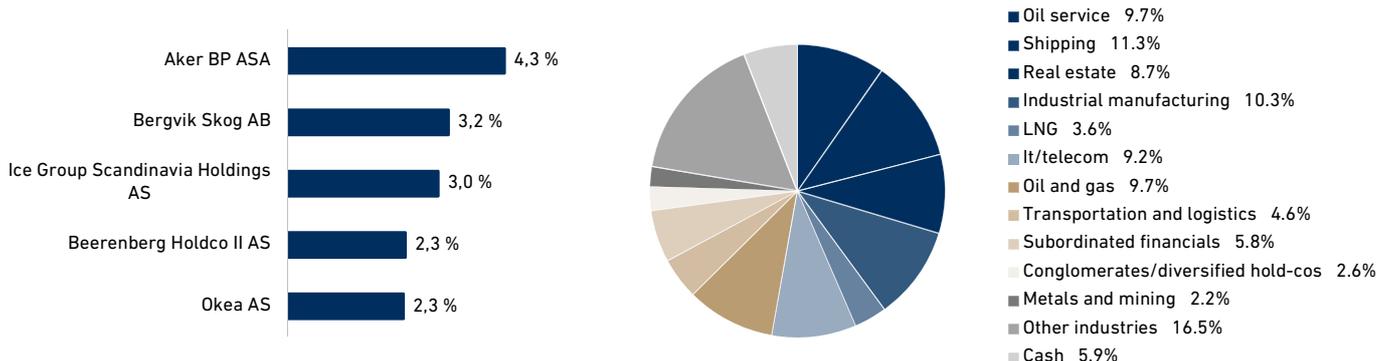
Management company: SEB Fund Services S.A.  
Investment manager: Pareto Asset Management AS  
Custodian: Skandinaviska Enskilda Banken S.A.  
Share class C  
Launch date: 26 October 2015

NAV as at 30 November 2017: 985.9809  
NAV currency: SEK  
Minimum investment: n.a.  
ISIN: LU0922130561  
Bloomberg ticker: PARHYNB LX

**Corporate bonds with underlying credit risk, exposure primarily to Nordic corporations and financial institutions.**

The sub-fund invests in interest-bearing financial instruments issued by Norwegian and foreign corporations, governments and institutions. The financial instruments primarily include corporate bonds, but also subordinated and covered bonds. Investments are expected to give the fund a higher risk and return than traditional interest-bearing financial instruments. The average duration shall be between 0 and 4 years.

**Top five issuers and sector allocation**



**Key figures since launch**

	Fund	Index
Accumulated returns	7.1%	1.1%
Annualised returns	3.3%	0.5%

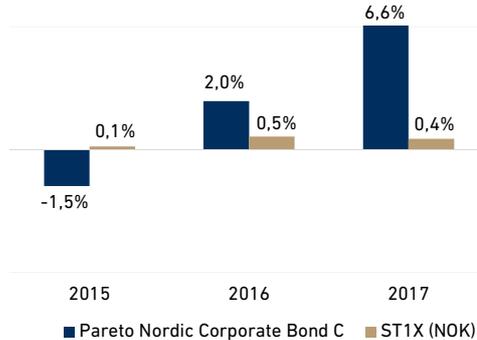
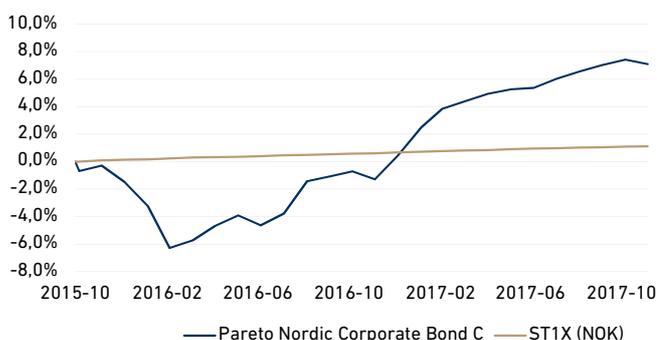
**Risk figures since launch**

	Fund	Index
Standard deviation (annualised)	4.1 %	0.1 %
Time to maturity	3.5	n.a.
Interest rate duration	1.2	n.a.

**Performance by periods**

	Fund	Index
Last month	-0.3%	0.0%
Year to date	6.6%	0.4%
Six months	1.7%	0.2%
One year	8.5%	0.5%
Since launch (annualised)	3.3%	0.5%

**Performance history**



**Monthly net returns in per cent**

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2017	2.05	1.30	0.54	0.51	0.32	0.08	0.65	0.49	0.45	0.35	-0.30		6.60
2016	-1.74	-3.18	0.62	1.09	0.80	-0.74	0.89	2.46	0.35	0.37	-0.59	1.77	1.97
2015										-0.67	0.39	-1.20	-1.48

\*The sub-fund was launched 22 April 2013 as a feeder fund (named Pareto High Yield Nordic) and was converted into a stand-alone fund from 26 October 2015. The sub-fund continues as Pareto Nordic Corporate Bond. All figures are based on internationally recognised standards for publishing performance data. Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the portfolio manager's skill, the fund's risk profile, as well as fees for subscription, management and redemption. Returns may become negative as a result of negative price developments. The performance data do not take account of the fees incurred on subscription and redemption of units/shares. Pareto Asset Management seeks to the best of its ability to ensure that all information given in this report is correct, however, makes reservations regarding possible errors and omissions. Statements in the report may reflect the portfolio managers' viewpoint at a given time, and this viewpoint may be changed without notice. The distribution of this information may be restricted by law in certain jurisdictions and this information is not intended for distribution to any person or entity in such jurisdiction. The report should not be perceived as an offer or recommendation to buy or sell financial instruments. Pareto Asset Management does not assume responsibility for direct or indirect loss or expenses incurred through use or understanding of the report. Fund prospectus, KIID, annual and semi-annual report are available at <http://fundinfo.sebfundservices.lu/Pareto/>. The representative in Switzerland is ACOLIN Fund Services AG, Affolternstrasse 56, CH-8050 Zurich. The paying agent in Switzerland is NPB Neue Private Bank AG., Limmatquai 1/am Bellevue, P.O. Box, CH-8024 Zurich. The relevant documents such as the prospectus, the key investor information document (KIIDs), the statutes or the fund contract as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

## Monthly commentary – November 2017

by Eric von Koss Torkildsen

Nordic high-yield bond issues of almost NOK 110 billion year to date marks a new record for this market in terms of calendar-year volume. Growth accelerated in November. Towards the end of the month, however, it seemed the markets started to saturate a bit. In total, large amounts have been placed throughout the Nordic region and across a wide range of sectors. The structural growth in the Nordic market, as we have previously commented, continues.

November was characterised by widening credit spreads, especially in the global high-yield market. This affected the Nordic market as well. Our fund had a relatively good month and ended only marginally down. The large amount of new issues in the Nordic market also affected returns, as a large amount of new capital has been absorbed by the market. The issues in which we participated this month have performed well and have all seen spreads tightening.

Through the month we have participated in three new bond issues, from a Norwegian, a Swedish and a Danish company. The first one was a Swedish kroner issue from **Storebrand Livsforsikring**, with a 2% margin. **Verisure**, a security company, issued a bond in the middle of the month with a 5.75% margin. Lastly, **Welltec**, an oil service company, issued a bond with a fixed coupon at 9.5%. The bond was issued at a small discount, giving an expected return to investors of around 10%.

In the secondary market, we have used the opportunities in a slightly weaker market to make some smaller investments in bonds with short maturity profiles and attractive prices. Throughout the month, we have also sold out the remaining balance of the equity instruments we received in DOF as part of the restructuring of the company.

In the Nordic market, there were several other major new issues, including companies in renewable energy, real estate, food, aviation, technology, oil, shipping and health care.

By the end of the year, we expect primary market activity to come down after five active months in the second half of the year, and we will concentrate on making continued attractive investments in the secondary market when opportunities arise.

We now wish to merge Pareto Kreditt into Pareto Nordic Corporate Bond. The two funds have the same investment mandate and strategy. Having but one fund simplifies investment management activities, control functions and administration. Relevant supervisory authorities for the two funds have approved the merger and, with approval at the Shareholders' Meeting in early December, the merger will be a fact.

**Portfolio managers:** Stefan Ericson, Øyvind Hamre, Eric von Koss Torkildsen