

## Key Information Document

### Purpose

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

### Product

#### **PARETO SICAV - PARETO NORDIC ALPHA** a sub-fund of PARETO SICAV

#### **class B NOK - LU1471697281**

This product is authorised in Luxembourg.

#### Manufacturer / Management company

Name: FundRock Management Company S.A.

Contact details: 33, rue de Gasperich, L-5826 Hesperange, Luxembourg  
[fundinfo.fundrock.com/Pareto/](http://fundinfo.fundrock.com/Pareto/) - Call +352 27 11 13 10 for more information.

Competent Authority: The Commission de Surveillance du Secteur Financier is responsible for supervising the manufacturer in relation to this Key Information Document.

Date of production 01/01/2023

### What is this product?

#### Type

Investment Company (SICAV), Luxembourg

#### Term

This sub-fund has no maturity date. However, the board of directors may decide to close the sub-fund under certain circumstances.

#### Objectives

The objective of the sub-fund is to achieve capital appreciation over the medium term.

The sub-fund invests primarily in listed company shares (equities) and related securities in the Nordic region. Up to 15% may also be invested in Western Europe and the US.

The sub-fund will focus on the following sectors:

1. oil and marine,
2. pulp and paper,
3. telecom and information technology,
4. financial services,
5. consumer products.

The sub-fund has a long/short investment strategy. This involves seeking to take:

1. long positions in securities (buy securities) that are expected to increase in value and then sell them at the increased value; and
2. short positions in securities (sell securities) that are expected to decrease in value and then buy them back at the lower value.

Short positions will only be taken through investment in financial derivative instruments (FDI), in particular total return swaps (TRS) and contracts for difference (CFD).

The aim of this strategy is to minimize exposure to the market in general and generate a return regardless of market conditions.

By using derivatives, the sub-fund will receive the performance of the underlying asset without owning them. In this way the sub-fund can get short exposure to equities to try to net off its long exposure through direct investments.

The sub-fund may also invest in FDIs for investment purpose and risk management.

Ancillary liquid investments (e.g. deposits, money market instruments) could comprise up to 30% of NAV. A minor part of the NAV may also be invested in debt securities (e.g. government securities, bonds, certificates of deposit generally at least of investment grade).

The sub-fund qualifies as an Article 8 financial product under SFDR since its investment policy contains broad environmental, social, and governance consideration. More information on how the Investment Manager implements ESG issues in its investment analysis and decision-making process can be found at its website <http://www.paretoam.com>.

**Benchmark:** The portfolio is actively managed on a discretionary basis without reference to a benchmark.

#### Intended retail investor

This fund may not be appropriate for investors who plan to withdraw their money within 5 years.

#### Other information

**Depositary:** Skandinaviska Enskilda Banken. AB (publ) – Luxembourg Branch

**Dividend income:** This class is a capitalisation class meaning that income is reinvested.

**Conversion right:** The investor has the right to convert his investment in units in one sub-fund for units in the same sub-fund or in another sub-fund. The investor can obtain information about how to convert in the prospectus of the fund.

**Segregation:** The assets and liabilities of a sub-fund are segregated pursuant to the law so that the commitments and liabilities of one sub-fund do not affect the other sub-funds.

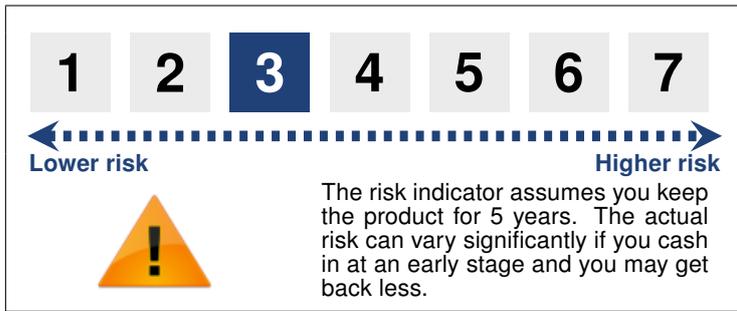
**Additional information:** Additional information about the fund, copies of its prospectus, the latest annual and semi-annual report and the latest prices of units may be obtained free of charge from the management company or on [fundinfo.fundrock.com/Pareto/](http://fundinfo.fundrock.com/Pareto/). The prospectus and the periodic reports are prepared for the entire fund and are available in English. The management company may inform you about other languages in which these documents are available.

This sub-fund was launched in 2017 and this unit class in 2017.

The reference currency of the sub-fund is expressed in NOK. The currency of the unit class is expressed in NOK.

## What are the risks and what could I get in return?

### Risk indicator



This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact our capacity to pay you.

**Be aware of currency risk.** You may receive payments in a currency that differs from your reference currency, so the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

The sub-fund is also exposed to the following materially relevant risks that are not included in the summary risk indicator: Credit risk, Liquidity risk, Currency risk, Counterparty risk, Operational risk, Derivative risk

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

This product does not include any protection from future market performance so you could lose some or all of your investment.

We have classified this product as 3 out of 7, which is a medium-low risk class.

If we are not able to pay you what is owed, you could lose your entire investment.

### Performance scenarios

Recommended holding period: 5 years Example investment: 100,000 NOK		If you exit after 1 year	If you exit after 5 years (recommended holding period)
<b>Scenarios</b>			
<b>Minimum</b>	<b>There is no minimum guaranteed return. You could lose some or all of your investment.</b>		
<b>Stress</b>	<b>What you might get back after costs</b>	47,800 NOK	44,840 NOK
	Average return each year	-52.2 %	-14.8 %
<b>Unfavourable</b>	<b>What you might get back after costs</b>	75,330 NOK	44,840 NOK
	Average return each year	-24.7 %	-14.8 %
<b>Moderate</b>	<b>What you might get back after costs</b>	106,710 NOK	139,770 NOK
	Average return each year	6.7 %	6.9 %
<b>Favourable</b>	<b>What you might get back after costs</b>	128,600 NOK	183,830 NOK
	Average return each year	28.6 %	13.0 %

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

could develop very differently in the future.

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

This type of scenario occurred for an investment between 2012 and 2022, by referring to a benchmark between 2012 and 2017.

The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product and of a suitable benchmark over the last 10 years. Markets

The stress scenario shows what you might get back in extreme market circumstances.

## What happens if FundRock Management Company S.A. is unable to pay out?

The Management Company is responsible for administration and management of the sub-fund, and does not typically hold assets of the sub-fund (assets that can be held by a depositary are, in line with applicable regulations, held with a depositary in its custody network). The Management Company, as the manufacturer of this product has no obligation to pay out since the product design does not contemplate any such payment being made. However, investors may suffer loss if the sub-fund or the depositary is unable to pay out. There is no compensation or guarantee scheme in place which may offset, all or any, of this loss.

## What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

### Costs over time

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

We have assumed:

- In the first year you would get back the amount that you invested (0% annual return). For the other holding period we have assumed the product performs as shown in the moderate scenario
- 100,000 NOK is invested

	If you exit after 1 year	If you exit after 5 years
<b>Total costs</b>	5,600 NOK	21,426 NOK
Annual cost impact (*)	5.6 %	3.1 % each year

(\*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 10.0% before costs and 6.9% after costs.

We may share part of the costs with the person selling you the product to cover the services they provide to you. They will inform you of the amount.

### Composition of costs

One-off costs upon entry or exit		If you exit after 1 year
<b>Entry costs</b>	3.0% of the amount you pay in when entering this investment.	3,000 NOK
<b>Exit costs</b>	0.2% of your investment before it is paid out to you.	200 NOK
<b>Ongoing costs taken each year</b>		
<b>Management fees and other administrative or operating costs</b>	1.1% of the value of your investment per year. This is an estimate based on actual costs over the last year.	1,100 NOK
<b>Transaction costs</b>	0.1% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.	100 NOK
<b>Incidental costs taken under specific conditions</b>		
<b>Performance fees</b>	20% above 2% cumulative hurdle with high watermark at year end. The actual amount will vary depending on how well your investment performs. The aggregated cost estimation above includes the average over the last 5 years.	1,200 NOK

The conversion of part or all of the units is free of charge.

## How long should I hold it and can I take money out early?

**Recommended holding period: 5 years**

You should be prepared to stay invested for 5 years. However, you can redeem your investment without penalty at any time during this time, or hold the investment longer. Redemptions are possible on each full bank business day in Luxembourg. In exceptional circumstances, your right to request the redemption of your investment may be limited or suspended.

## How can I complain?

Complaints about the behaviour of the person who advised you on the product or sold it to you, should be addressed directly to that person. Complaints about the product or the behaviour of the manufacturer of this product should be directed to the following address:

Postal address: FundRock Management Company S.A., 33 Rue de Gasperich, 5826 Hesperange, Luxembourg.

E-mail: [FRMC\\_qualitycare@fundrock.com](mailto:FRMC_qualitycare@fundrock.com)

Website: <https://www.fundrock.com/policies-and-compliance/complaints-policy/>

In all cases, the complainant must clearly indicate his/her contact details (name, address, phone number or email address) and provide a brief explanation of the claim.

## Other relevant information

The issuing document of the product, the latest version of the Key Information Document as well as the latest annual and semi-annual report, may be obtained free of charge on [fundinfo.fundrock.com/Pareto/](https://fundinfo.fundrock.com/Pareto/).

*Past performance and previous performance scenarios:* Historical returns for the last 9 years and previously published performance scenarios, updated on a monthly basis, are available on <https://www.yourpriips.eu/site/62145/en>.