

Report date: 30 September 2024

Fund: Pareto ESG Global Corporate Bond
Umbrella fund: Pareto SICAV
Inception date: 23 March 2015
AUM: SEK 3 253 million
Benchmark: n.a.
PRIIPs KID risk score from 1 (low) to 7 (high): 2

Category: fixed income fund
Legal structure: UCITS
Dealing days: all coinciding banking days in Norway, Sweden and Luxembourg

Domicile: Luxembourg
Management company: FundRock Management Comp. S.A.
Investment manager: Pareto Asset Management AS
Custodian: Skandinaviska Enskilda Banken AB (publ) Luxembourg Branch

Share class A DIS

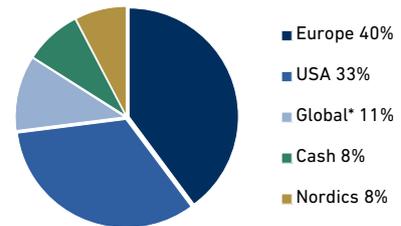
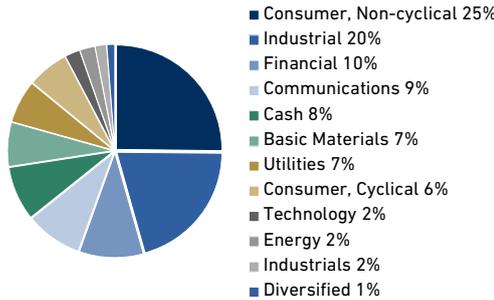
Launch date: 5 December 2017
NAV as at 30 September 2024: 87.78
NAV currency: SEK
Minimum investment: n.a.
ISIN: LU1700414375
Bloomberg ticker:

Actively managed ESG corporate bond fund with a Nordic base and a global exposure

- The sub-fund will invest in fixed income and fixed income related securities issued by corporations, agencies, governments and municipalities
- The debt securities may include subordinated and convertible bonds
- Investments are expected to give the sub-fund a higher risk and return than traditional interest-bearing securities
- The average duration shall be between 0 and 7 years

Top ten issuers, sector allocation and geographical distribution

UPM-Kymmene	2.6 %
Organon	2.5 %
Iron Mountain	2.4 %
Virgin Media	2.3 %
Wesco Dist	2.1 %
DaVita	2.1 %
IQVIA	2.1 %
Seche Environnement	2.0 %
TDC Net	1.9 %
Praemia	1.9 %



*Multinational corporations

Key figures from start

	Fund
Accumulated returns	7.3%
Annualised returns	1.0%
Best month	4.5%
Weakest month	-11.8%

Other key figures

	Fund
Yield to maturity**	4.6
Weighted coupon	5.5
Average time to maturity	4.0
Interest rate duration	2.8
Credit spread duration	3.4

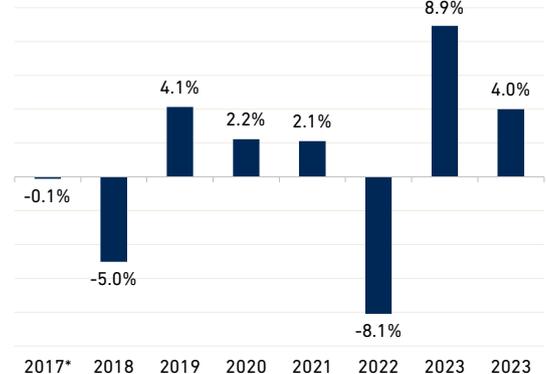
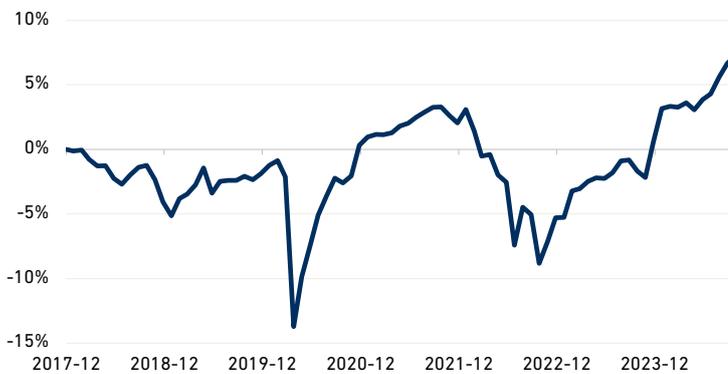
Risk figures from start

Standard deviation (ann.)	6.7%
Sharpe ratio	0.0

Performance by periods

	Fund
Last month	0.6%
Year to date	4.0%
Three months	2.9%
Six months	3.6%
Last 12 months	9.1%
From start (annualised)	1.0%

Performance history



Monthly net returns in per cent

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2024	0.16	-0.08	0.33	-0.50	0.77	0.42	1.23	1.03	0.58				3.99
2023	2.18	0.16	0.60	0.27	-0.04	0.45	0.94	0.07	-0.88	-0.51	2.83	2.56	8.92
2022	-1.61	-1.91	0.12	-1.59	-0.58	-5.01	3.18	-0.59	-3.99	1.87	1.99	0.01	-8.11
2021	0.19	-0.01	0.15	0.51	0.22	0.46	0.37	0.37	0.02	-0.66	-0.55	1.02	2.10
2020	0.37	-1.26	-11.83	4.45	2.65	2.57	1.57	1.42	-0.37	0.56	2.43	0.63	2.21
2019	1.42	0.34	0.75	1.34	-1.99	0.96	0.07	0.01	0.31	-0.28	0.49	0.66	4.13
2018	0.07	-0.72	-0.52	0.02	-1.01	-0.44	0.74	0.61	0.14	-1.12	-1.77	-1.12	-5.02
2017												-0.13	-0.13

The Fund is exposed to the following material risks: credit risk, liquidity risk, currency risk, derivative risk, counterparty risk, operational risk and sustainability risk. Please refer to the Fund's prospectus for further information about the fund's risk exposure. The Fund has sustainable investments as its objective within the meaning of Article 9 of SFDR. The decision to invest in the Fund should take into account all the characteristics or objectives of the Fund as described in its prospectus. Further information about the sustainability-related aspects of the Fund is available in the SFDR pre-contractual disclosures in the Fund's prospectus and the SFDR website disclosure available on <https://paretoam.com/en/our-funds/>.

**Reported in local currency. The gross portfolio yield is calculated as the weighted sum off all portfolio securities. For each security we calculate yields using Bloomberg. Hybrids are in general priced to first call. Contribution from cash is calculated applying the average monthly weight and bank account yield at month end. For distressed securities, priced around 50 or lower, we apply zero or running cash yield when applicable. The portfolio yield is then adjusted to reflect FX hedges, applying an annualized internal rate of return (IRR) from monthly FX contracts at month end. First, all assets are hedged back to the fund base currency. Second, the base currency exposure is converted to share class currency exposure to reflect the corresponding share class yields. Gross portfolio yield might change from day to day and is as such no guarantee for future return.

*From launch of the share class. 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 ESG Global Corporate Bond

Portofolio management team



Vilhelm Böhme
PM



Philip Lindgren
PM

The main focus during the month was on the Fed, which announced its key interest rate decision. The outcome was a 50 basis point cut, signalling the start of its rate cut cycle. We had expected the Fed to start more calmly with a 25 basis point cut, but the justification from the Fed was that the labour market is showing signs of weakness and therefore a double cut was justified. Furthermore, the central bank believes that a recession is not in the cards and showed an interest rate curve that implies two cuts in 2024, four cuts in 2025 and two more cuts in 2026.

Towards the end of September, China announced a large stimulus package of fiscal, monetary and property-related stimuli aimed at stimulating demand, recovering the economy and stabilising asset prices at the same time. The announcement induced a large positive shift among the investor collective and will raise economic growth in the short term.

The primary market has started after the holidays, with the Nordics in particular standing out with very high activity. The fund invested in one company in the primary market, Belgian Azelis, which is a globally leading supplier of chemical ingredients to customers in several sectors. Furthermore, the company was ranked number 1 in ESG among 205 competitors in the same industry by Sustainalytics 2023.

September was a good month for the fund, driven by the good cash return and lower market rates.

The fund is classified as an article 9 fund under the SFDR Disclosure Regulation.

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Pareto Asset Management

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