

Report date: 28 June 2024

Fund: Pareto ESG Global Corporate Bond
Umbrella fund: Pareto SICAV
Inception date: 23 March 2015
AUM: SEK 3 305 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

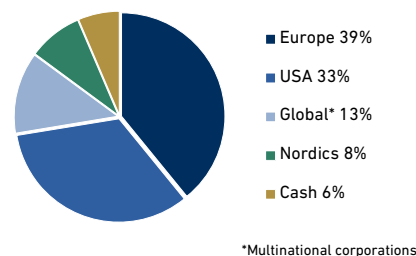
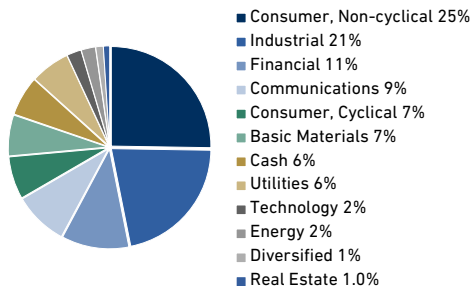
Share class A DIS
Launch date: 5 April 2019
NAV as at 28 June 2024: 96.16
NAV currency: USD
Minimum investment: n.a.
ISIN: LU1968604873
Bloomberg ticker:

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 %
DaVita	2.6 %
Organon	2.5 %
Iron Mountain	2.4 %
TDC Net	2.3 %
Virgin Media	2.2 %
Wesco Dist	2.1 %
BBVA	2.1 %
Eurofins	2.1 %
IQVIA	2.0 %



Key figures from start

	Fund
Accumulated returns	15.2 %
Annualised returns	2.7 %
Best month	4.5 %
Weakest month	-11.4 %

Other key figures

	Fund
Yield to maturity**	7.2
Weighted coupon	5.4
Average time to maturity	4.2
Interest rate duration	3.1
Credit spread duration	3.5

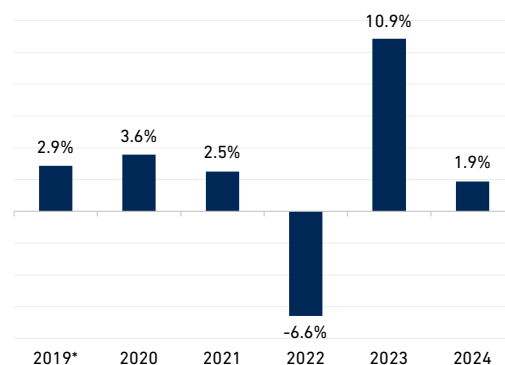
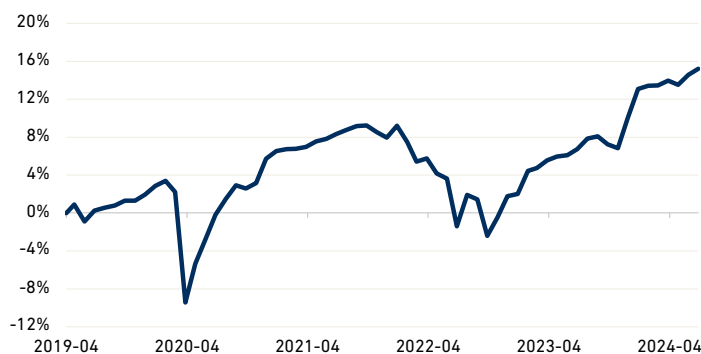
Performance by periods

	Fund
Last month	0.6 %
Year to date	1.9 %
Three months	1.1 %
Six months	1.9 %
Last 12 months	7.9 %
From start (annualised)	2.7 %

Risk figures from start

	Fund
Standard deviation (ann.)	7.4%
Sharpe ratio	0.1

Performance history



Monthly net returns in per cent

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2024	0.28	0.04	0.44	-0.38	0.93	0.56							1.88
2023	2.37	0.31	0.76	0.41	0.10	0.63	1.03	0.22	-0.77	-0.37	2.98	2.78	10.87
2022	-1.57	-1.90	0.30	-1.49	-0.50	-4.87	3.35	-0.48	-3.78	2.00	2.24	0.24	-6.58
2021	0.22	0.02	0.18	0.54	0.24	0.47	0.41	0.39	0.04	-0.64	-0.53	1.15	2.51
2020	0.51	-1.14	-11.41	4.54	2.72	2.65	1.65	1.46	-0.35	0.58	2.49	0.74	3.56
2019				0.90	-1.78	1.17	0.30	0.23	0.53	-0.02	0.64	0.90	2.86

The Fund is exposed to the following materially 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.

By Stefan Ericson

*“There is a crack in everything. That’s how the light gets in.”**(Leonard Cohen)*

During June, the European Central Bank (ECB) chose to lower its key interest rate to 3.75%. It was the first time since 2019 that the ECB lowered its deposit rate. The Federal Reserve also had a key rate announcement during the month. The decision was to keep rates unchanged, which was widely expected. The FOMC committee guided towards a single rate cut at the end of the year. Market pricing for the ECB indicates two further interest rate cuts in the second half of the year.

During the month, there have also been elections to the European Parliament. The outcome of the election has led to greater political uncertainty in Europe, especially in France, which announced a re-election. The market reaction was negative; especially financial assets in France sold off. Credit spreads widened because of increased political uncertainty, albeit to a limited extent.

The new issue market for corporate bonds continued to perform strongly during June. Summer holidays are approaching, and we will likely see a decline in new issuance activity. High yield gross volume in the US is around \$160 billion so far in 2024, corresponding to a run rate of 174% versus 2023. In Europe roughly €55 billion has been issued during the year.

Fund performance was solid during the month, with a total return in line with the coupon yield of the fund.

During June, the fund participated in Picard’s bond issuance and was also active in the secondary market where, among other things, we sold the entire holdings in ADL Security, Topbuild and Ahlström Munksjö.

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

The synthetic CDS credit index widened. The iTraxx Crossover index went from +296 bp at the end of May to +327 bp at the end of June.

Portfolio management team: Stefan Ericson, Philip Lindgren (credit analyst) and Ingrid Nygaard (ESG analyst)

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