

Report date: 31 August 2021

Fund: Pareto Nordic Alpha
Umbrella fund: Pareto SICAV
Inception date: 23 June 2017
AUM: NOK 590 million
Benchmark: n.a.

Category: long/short 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

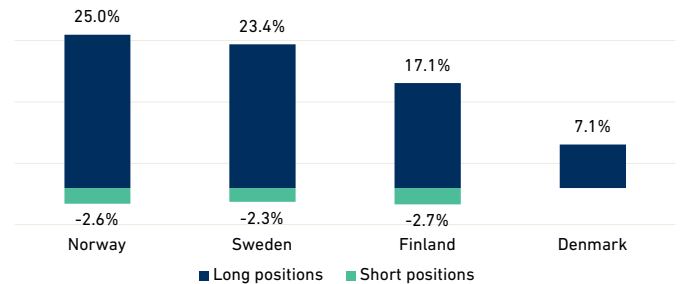
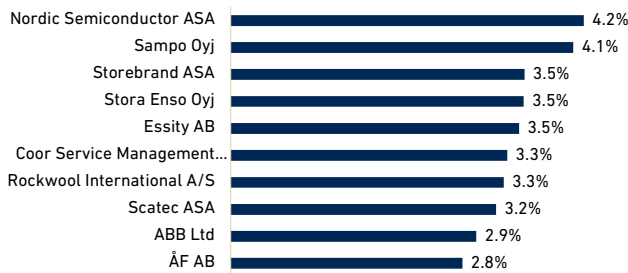
Launch date: 23 June 2017
NAV as at 31 August 2021: 227.11
NAV currency: NOK
Minimum investment: n.a.
ISIN: LU1471696044
Bloomberg ticker: PNRDAAN LX

Flexible fund investing in Nordic shares, through a variable equity exposure and with access to short sales

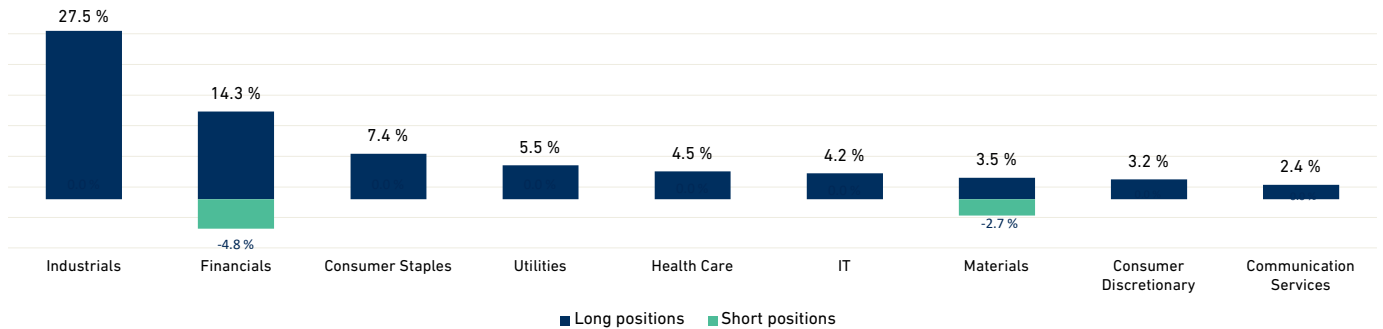
Investment criteria:

- Good growth and cash flow
- Strong capital return and balance sheet
- Attractive valuation

Top ten holdings and geographical distribution



Sector allocation



Key figures since inception*

	Fund	HFRUEH*	SOL1X
Accumulated returns	127.1%	81.4%	7.7%
Annualised returns	9.8%	7.0%	0.8%
Best month	6.2%	5.1%	0.4%
Weakest month	-5.2%	-7.0%	0.0%
Positive months	71	68	102
Negative months	35	38	4

Risk figures since inception*

	Fund	HFRUEH	SOL1X
Standard dev (ann.)	6.5%	7.1%	0.2%
Sharpe ratio (SOL1X)**	1.4	0.9	n.a

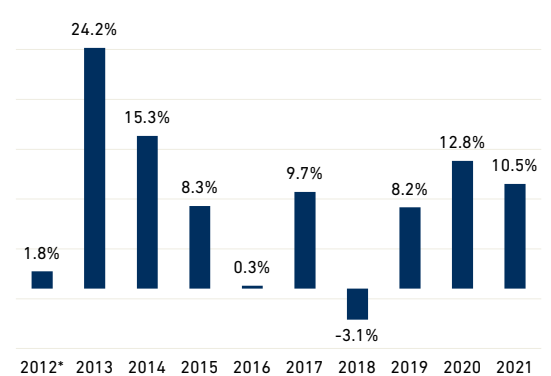
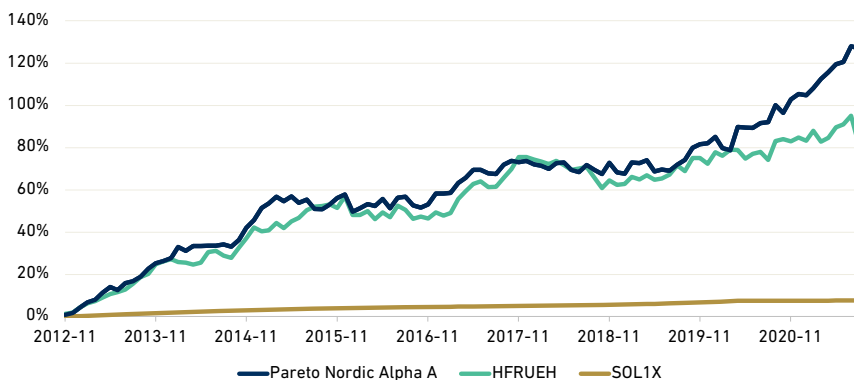
**ST1X was used until 29.01.21

Performance by periods

	Fund	HFRUEH	SOL1X
Last month	-0.4%	-7.0%	0.0%
Year to date	10.5%	-1.8%	0.1%
Last 12 months	18.2%	4.1%	0.1%
Two years (annualised)	14.9%	2.8%	0.6%
Three years (annualised)	9.8%	2.0%	0.7%
Five years (annualised)	7.7%	3.8%	0.6%
Since inception* (annualised)	9.8%	7.0%	0.8%

*HFRUEH: HFRU Equity Hedge Index (global long/short UCITS index), ST1X: Norway Government Bond 0.25 y

Performance history*



*Reporting start date: 12.11.2012. Returns from 12.11.2012–23.06.2017 are based on the historical performance of Pareto Nordic UCITS - Pareto Nordic Alpha. The funds were merged as at 23.06.2017, where Pareto SICAV-Pareto Nordic Alpha was the receiving fund. 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. This is an advertising document. 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 fundinfo.fundrock.com/Pareto. The representative in Switzerland is ACOLIN Fund Services AG, Leutschenbachstrasse 50, 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 - August 2021

By Christian Nygaard and Ole Jørgen Grøneng Nilsen

The fund moved sideways in August, in line with the Nordic equity market. A few companies delivered reports for the second quarter, with the overall message in line with the majority of companies which reported in July. Revenues and profits grow nicely, but higher input costs, especially raw materials, and some costs returning as Covid-19 effects subside, limited profit growth. The long-awaited message from the Fed about tapering of asset purchases finally came at the end of August, but without a feared negative impact on equity markets.

The performance of our individual holdings was unusually stable around five per cent up or down. **Coor Service Management** and **Fortum** deviated on the upside. The former is still being rewarded for its stellar second quarter report, which was released in July. Fortum is benefitting from all-time high summer electricity prices in Northern Europe. Increasing carbon emission price, higher export volumes from the Nordic countries to continental Europe and the UK and little wind to fuel the turbines are the main explanations for the increase.

Altia of Finland and Arcus of Norway, both good performers in August, are now merging to create **Anora**, a leading Nordic wine and spirits brand house and a global industry forerunner in sustainability. The merger will create synergies on both revenues and costs. Although the companies have enjoyed good growth as a result of changed shopping patterns under Covid-19, we have moderate expectations for structural growth in the years ahead. Ungearing capital return is decent, and the high degree of earnings stability of the merged company warrants a prudent use of debt, which in turn produces an attractive return on equity. In our view, the valuation is attractive, in particular compared with larger international peers.

Multiconsult also contributed positively in August. The company recently completed the acquisition of Erichsen & Horgen, a leading Norwegian engineering consultancy. This strategic acquisition adds 235 employees in important competency areas like Heating, Ventilation and Air Conditioning (HVAC), water treatment, energy and environment. Multiconsult is now the market leader in technical solutions for buildings in Norway and is uniquely positioned to provide solutions for the most complex projects in line with future requirements for innovative and environmentally sustainable solutions. As we believe the deal makes financial sense and value the stronger ESG profile, we added to our position. This was partly funded by the sale of our remaining position in the Finnish peer Sitowise.

Portfolio management team: Christian Nygaard and Ole Jørgen Grøneng Nilsen