

Pareto Nordic Corporate Bond A NOK

Report date: 29 February 2024

Fund: Pareto Nordic Corporate Bond

Umbrella fund: Pareto SICAV

Inception date: 22 April 2013

AUM: NOK 17 802 million

Benchmark: n.a.

PRIPs 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 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: 26 October 2015

NAV as at 29 February 2024: 1 353.32

NAV currency: NOK

Minimum investment: n.a.

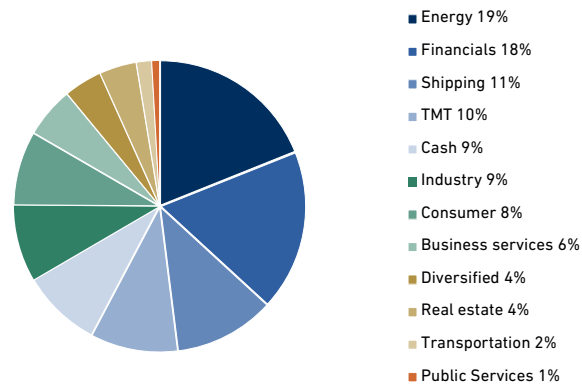
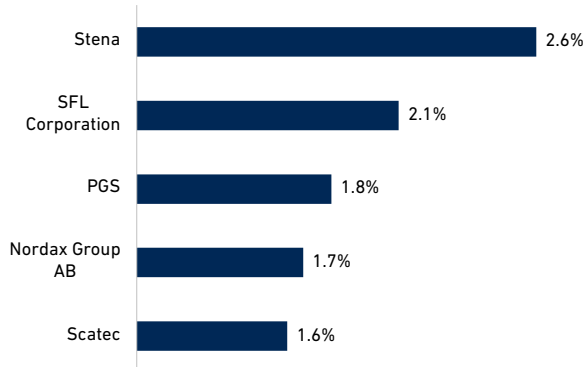
ISIN: LU0922130215

Bloomberg ticker: PARHYNA LX

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

- The sub-fund invests in debt securities issued predominantly by corporations, agencies, governments and municipalities with a presence in the Nordic region
- The debt securities primarily include corporate bonds, but also subordinated, hybrids and convertible bonds. Investments are expected to give the fund a higher risk and return than traditional interest-bearing financial instruments
- The average interest duration shall be between 0 and 4 years

Top five issuers and sector allocation



Key figures since launch

	Fund
Accumulated returns	41.2%
Annualised returns	4.2%

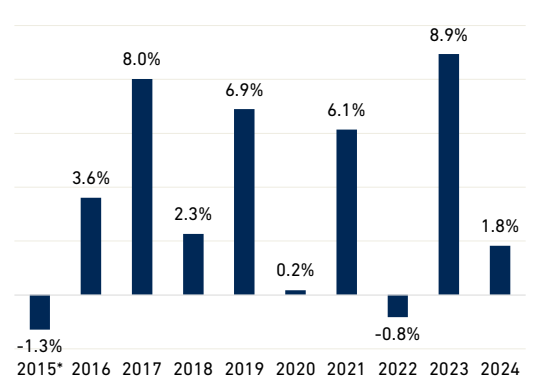
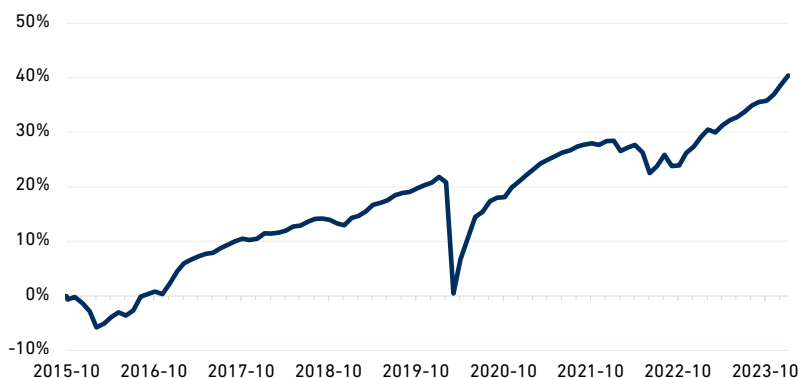
Risk figures

	Fund
Standard deviation (ann.)	7.2%
Average time to maturity	2.6
Interest rate duration	0.9
Credit spread duration	2.0

Performance by periods

	Fund
Last month	0.60 %
Year to date	1.83 %
Three months	3.21 %
Six months	4.72 %
Last 12 months	8.27 %
Since launch (annualised)	4.22 %

Performance history



Monthly net returns in per cent

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2024	1.22	0.60											1.83
2023	1.47	0.98	-0.39	1.01	0.71	0.45	0.71	0.86	0.50	0.16	0.80	1.36	8.94
2022	0.04	-1.46	0.52	0.33	-1.08	-2.97	1.03	1.69	-1.66	0.10	1.83	0.91	-0.83
2021	0.97	0.84	0.88	0.60	0.52	0.49	0.33	0.54	0.30	0.16	-0.23	0.58	6.14
2020	0.85	-0.80	-16.84	6.22	3.62	3.55	0.82	1.67	0.52	0.13	1.47	0.92	0.18
2019	1.20	0.27	0.73	1.06	0.29	0.44	0.78	0.33	0.16	0.53	0.50	0.39	6.90
2018	0.89	-0.01	0.16	0.30	0.68	0.15	0.62	0.46	0.07	-0.20	-0.56	-0.31	2.26
2017	2.17	1.39	0.67	0.59	0.39	0.21	0.74	0.59	0.57	0.47	-0.22	0.18	8.01
2016	-1.54	-3.06	0.77	1.24	0.93	-0.62	0.97	2.60	0.44	0.47	-0.45	1.92	3.60
2015										-0.66	0.47	-1.10	-1.29

The Fund is exposed to the following materially relevant risks: credit risk, liquidity risk, currency risk, counterparty risk, operational risk, derivative risk and sustainability risk. Please refer to the Fund's prospectus for further information about the fund's risk exposure. The Fund promotes environmental and/or social characteristics within the meaning of Article 8 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/>.

*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: Øyvind Hamre and Thomas Larsen

The positive credit market sentiment continued in February, leading to yet another strong month for the Nordic high-yield market. While credit spreads continued to tighten, we experienced market rates move up again, offsetting some of the rate decreases from Q4 2023. Pareto Nordic Corporate Bond continues to have overall short interest duration around 1 year, limiting the impact from the recent increase in market rates.

The most noteworthy portfolio adjustments in February were the addition of the two new issuers Altera Shuttle Tankers and NES Fircroft, in addition to the exit of the entire position in the debt collection and servicing provider Lowell. Altera Shuttle Tankers was added through a subscription in the new USD 200 million four-year senior unsecured bond issue carrying a coupon of 9%, while NES Fircroft was acquired in the secondary market at an implied yield of 9%.

Altera Shuttle Tankers owns and operates a fleet of 19 shuttle tankers transporting crude oil from oil fields in the North Sea, Canada, and Brazil to onshore terminals and refineries. NES Fircroft is a global leading engineering staffing provider with expertise in energy, power, renewables, infrastructure, chemicals, and other end-markets.

Primary activity in the Nordic high-yield market held up in February but was somewhat lower than February last year in terms of volume, although higher in terms of number of transactions. None of the 16 transactions priced in February were issued by companies new to the Nordic bond market. Pareto Nordic Corporate Bond participated in four of the Nordic primary issues priced in February: Altera Shuttle Tankers (shipping), Cegal (TMT), Airswift Global (business services), and Coor Service Management (business services), in addition to the new USD 400m bond issued by Stena International in the European high-yield market.

Portfolio management team: Øyvind Hamre, Thomas Larsen and Stefan Ericson

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