

Report date: 27 March 2024

Fund: Pareto Nordic Corporate Bond
Umbrella fund: Pareto SICAV
Inception date: 22 April 2013
AUM: NOK 18 210 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 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

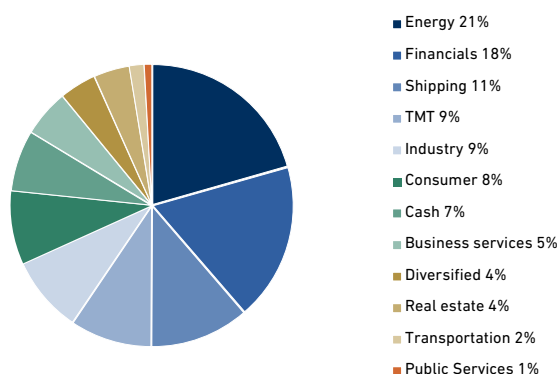
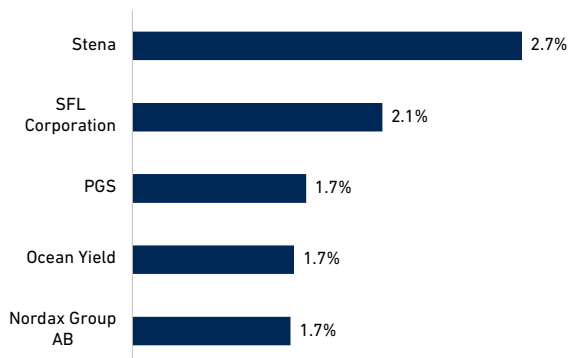
Share class A

Launch date: 26 October 2015
NAV as at 27 March 2024: 1 367.04
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	42.7%
Annualised returns	4.3%

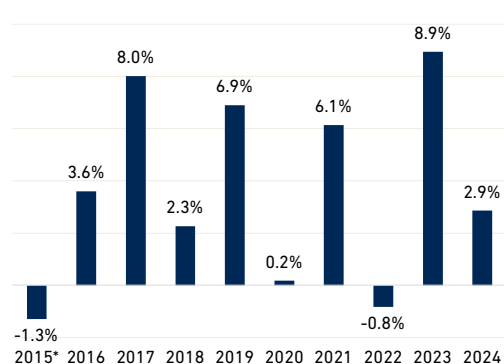
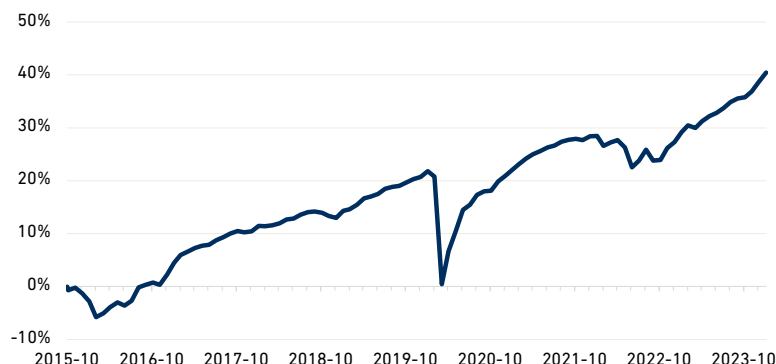
Risk figures

	Fund
Standard deviation (ann.)	7.1%
Average time to maturity	2.6
Interest rate duration	1.0
Credit spread duration	2.0

Performance by periods

	Fund
Last month	1.01 %
Year to date	2.86 %
Three months	2.86 %
Six months	5.26 %
Last 12 months	9.80 %
Since launch (annualised)	4.31 %

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	1.01										2.86
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

March was a strong month for the Nordic credit markets, marking the end of a solid first quarter for Pareto Nordic Corporate Bond. The fund's return for the month and the first quarter ended above the fund's coupon income, as credit spreads continued to tighten in the Nordic as well as the European and US credit markets. There were limited interest rate movements affecting the overall fund performance in March.

The most noteworthy portfolio adjustments in March were the additions of the two issuers Jotun and Shearwater Geoservices. Jotun is a well-known name and a recurring issuer in the Norwegian investment grade market, while Shearwater is new to the bond market. Bonds by both issuers were added in the primary market at an expected yield to maturity of 5.7% (NOK) and 9.5% (USD), respectively.

Jotun is a multinational producer of decorative paints and performance coatings to the marine and industrial sector. It is one of the world's largest manufacturers of paints and coating products and has presence in over 100 countries with its corporate headquarters located in Norway.

Norwegian-based Shearwater Geoservices is a global provider of marine geophysical services. The company owns and operates a fleet of 23 vessels, which makes them the largest seismic vessel operator in the world. The seismic sector is today the most consolidated sector within oilfield services.

The remaining part of the fund's positions in PHM Group (private equity owned Nordic facility management provider) and Foxway (private equity owned IT hardware provider) were exited during the month.

Primary activity in the Nordic high-yield market was high in March, reaching a total issue volume of NOK 28 billion, close to the all-time high of NOK 28.8 billion in October 2021. Of the 25 issues priced last month, six were by issuers new to the bond market. Pareto Nordic Corporate Bond participated in four of the Nordic high-yield primary issues priced in March: Pelagia (seafood), Ocean Yield (ship finance), Shearwater Geoservices (energy services), and Floatel International (energy services).

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

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