

Report date: 31 May 2019

Fund: Pareto Nordic Corporate Bond
Umbrella fund: Pareto SICAV
Inception date: 22 April 2013*
AUM: NOK 7 554 million
Benchmark: ST1X - 0.25 years

Category: fixed income fund
Legal structure: SICAV/UCITS
Domicile: Luxembourg
Dealing days: all coinciding banking days in Norway and Luxembourg

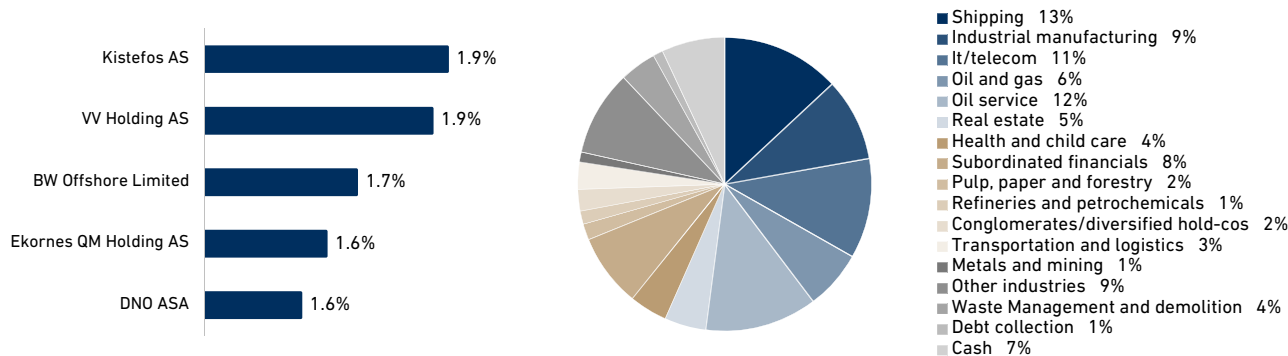
Management company: FundRock Management Compan
Investment manager: Pareto Asset Management AS
Custodian: Skandinaviska Enskilda Banken S.A.
Share class C
Launch date: 26 October 2015

NAV as at 31 May 2019: 1 022.3684
NAV currency: SEK
Minimum investment: n.a.
ISIN: LU0922130561
Bloomberg ticker: PARHYNB 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	Index
Accumulated returns	11.0%	2.1%
Annualised returns	3.0%	0.6%

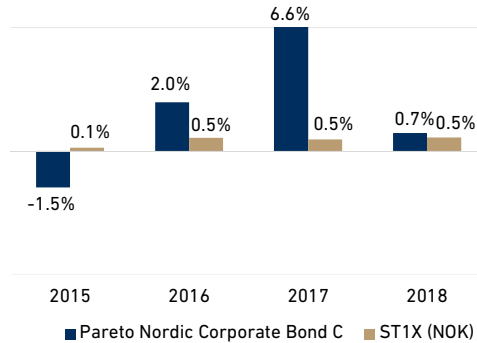
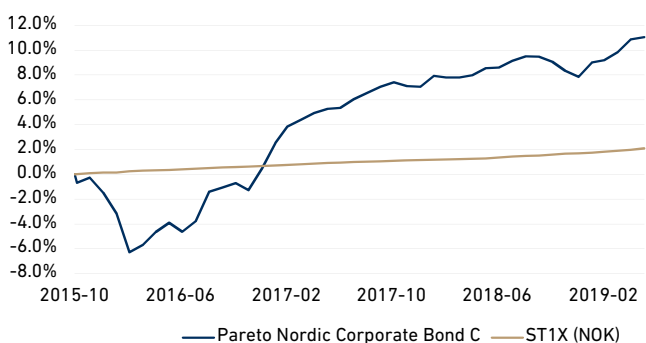
Risk figures since launch

	Fund	Index
Standard deviation (ann.)	3.3%	0.1%
Credit duration	2.7	n.a.
Interest rate duration	0.9	n.a.

Performance by periods

	Fund	Index
Last month	0.2%	0.1%
Year to date	3.0%	0.4%
Six months	2.5%	0.4%
One year	2.3%	0.8%
Since launch (annualised)	3.0%	0.6%

Performance history



Monthly net returns in per cent

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2019	1.09	0.15	0.60	0.94	0.16								2.97
2018	0.81	-0.12	0.01	0.17	0.53	0.03	0.50	0.35	-0.04	-0.36	-0.67	-0.46	0.73
2017	2.05	1.30	0.54	0.51	0.32	0.08	0.65	0.49	0.45	0.35	-0.30	-0.03	6.57
2016	-1.74	-3.18	0.62	1.09	0.80	-0.74	0.89	2.46	0.35	0.37	-0.59	1.77	1.97
2015										-0.67	0.39	-1.20	-1.48

*The sub-fund was launched 22 April 2013 as a feeder fund (named Pareto High Yield Nordic) and was converted into a stand-alone fund from 26 October 2015. The sub-fund continues as Pareto Nordic Corporate Bond. 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. 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 <http://fundinfo.sebfundservices.lu/Pareto/>. The representative in Switzerland is ACOLIN Fund Services AG, Affolternstrasse 56, 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.

Månadskommentar – maj 2019

Av Øyvind Hamre

Fonden har haft en god utveckling i maj. Den nordiska marknaden har fortsatt att vara stark, men vi upplever något större osäkerhet än tidigare månader under året. Fokus på handelskriget mellan Kina och USA har ökat betydligt, med skarpare retorik mellan de två parterna. Till följd av detta har volatiliteten på marknaden ökat, och de internationella kreditmarknaderna samt aktiemarknaderna har justerat något i maj.

Aktiviteten på den nordiska primärmarknaden har varit mycket hög under månaden. Hittills uppskattar vi att nya obligationer på 16 miljarder kronor har emitterats, fördelat på 17 transaktioner. I slutet av månaden är det fortfarande ett betydande antal transaktioner på gång, så vi förväntar oss att aktiviteten ska fortsätta förbli hög till juli och sommarlov i Norden.

Fonden har deltagit i tre emissioner under maj månad. En femårig obligation från DNO, en treårig säkerställd obligation från Norske Skog och en förlängning av obligationslånet till Bulk Industrier.

Rapportsäsongen för första kvartalet är snart över, och utvecklingen för våra underliggande bolag har hitintills varit positiv. Fonden strävar fortsatt efter att ha en portfölj med välskötta nordiska företag, med en god spridning mellan olika branscher och begränsad ränterisk och relativt kort genomsnittlig löptid.

Portföljförvaltare: Stefan Ericson, Øyvind Hamre och Eric von Koss Torkildsen