

Report date: 30 November 2021

Fund: Pareto Nordic Corporate Bond
Umbrella fund: Pareto SICAV
Inception date: 22 April 2013
AUM: NOK 17 858 million
Benchmark: n.a.

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

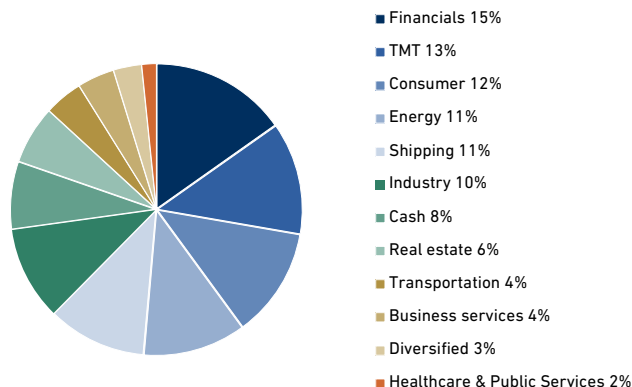
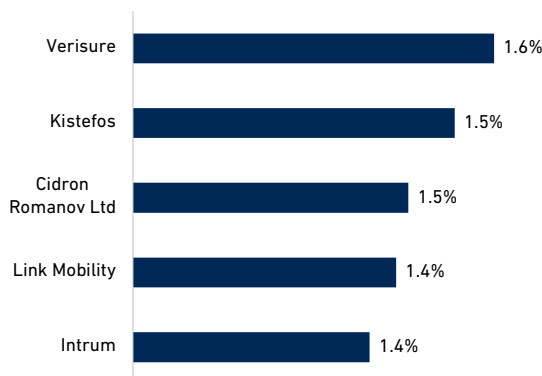
Share class H

Launch date: 13 March 2017
NAV as at 30 November 2021: 127.52
NAV currency: USD
Minimum investment: 5 000 000
ISIN: LU1541389604
Bloomberg ticker: PANCBHU 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 | 27.5% |
| Annualised returns | 5.3% |

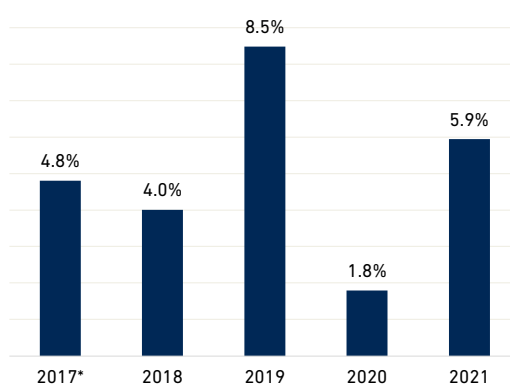
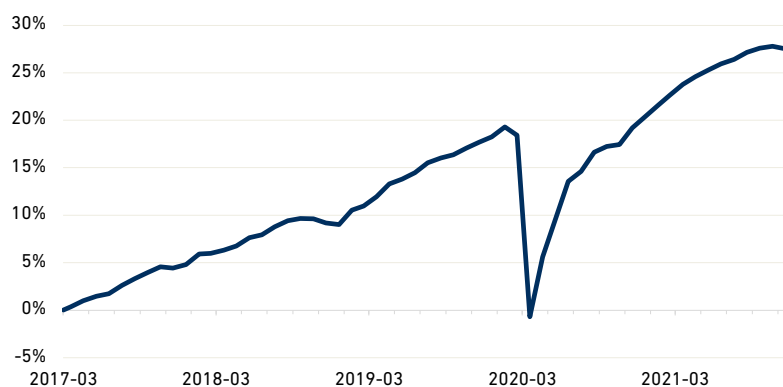
Risk figures

| | Fund |
|---------------------------|------|
| Standard deviation (ann.) | 8.6% |
| Average time to maturity | 2.8 |
| Interest rate duration | 0.9 |
| Credit spread duration | 2.3 |

Performance by periods

| | Fund |
|---------------------------|-------|
| Last month | -0.2% |
| Year to date | 5.9% |
| Three months | 0.3% |
| Six months | 1.8% |
| Last 12 months | 7.0% |
| Since launch (annualised) | 5.3% |

Performance history



Monthly net returns in per cent

| | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | YTD |
|------|------|-------|--------|------|------|------|------|------|------|-------|-------|-------|------|
| 2021 | 1.01 | 0.87 | 0.93 | 0.65 | 0.56 | 0.52 | 0.37 | 0.59 | 0.34 | 0.17 | -0.21 | | 5.95 |
| 2020 | 0.88 | -0.75 | -16.13 | 6.33 | 3.76 | 3.65 | 0.91 | 1.78 | 0.52 | 0.16 | 1.50 | 0.99 | 1.79 |
| 2019 | 1.39 | 0.40 | 0.88 | 1.20 | 0.45 | 0.59 | 0.90 | 0.44 | 0.28 | 0.63 | 0.53 | 0.48 | 8.48 |
| 2018 | 1.04 | 0.07 | 0.31 | 0.42 | 0.81 | 0.31 | 0.77 | 0.60 | 0.22 | -0.04 | -0.40 | -0.16 | 4.01 |
| 2017 | | | 0.33 | 0.64 | 0.46 | 0.29 | 0.85 | 0.69 | 0.64 | 0.56 | -0.12 | 0.37 | 4.81 |

*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. 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 – November 2021

By Øyvind Hamre and Thomas Larsen

November ended on a negative note with the news of the discovery of a new coronavirus variant in South Africa. The high number of mutations on the new variant discovered is a source of concern, but it is premature to draw any conclusions with respect to the potential future impact on financial markets and the economy.

PNCB's return for the month was marginally negative, primarily driven by increased uncertainties from the new coronavirus variant. Interest rates fell across the curve, reversing most of the increases seen last month. A large part of the fund's holdings have now published their Q3 reports, with few negative surprises.

The fund continues to have a solid liquidity position and low exposure to industries directly affected by potential new lockdowns and travel restrictions. It is also important to highlight that a high share of the fund's portfolio is exposed to the Nordic region, where the impact from Covid-19 is currently less severe than in several other European countries which have imposed comprehensive restrictions on their populations.

PNCB participated in four primary issues during the month, of which two were new holdings. We did not exit any holdings, but we increased our exposure to three issuers in the secondary market. Five bonds were called without being replaced by new bonds during the month: Jacob Holm & Sønner A/S (industry), Infront ASA (TMT), Hoist Group Holding Interessenter AB (TMT), AX V Nissens ApS (automotive), and IA Hedin Bil AB (consumer cyclical).

Primary market activity was significantly lower in November than in previous months. 20 issuers tapped the market for the equivalent of NOK 13 billion, compared to NOK 35 billion in October. There are, however, a high number of transactions which have been announced in November but not yet closed. Six companies were first time issuers in November compared to 11 last month. The new issues in November were as last month spread across most sectors, with real estate and finance standing out with respect to both volume and number of transactions. Most of the new issues in November were denominated in SEK.

The new issuers we added in November were Caybon Holding AB (TMT) and NTC Infrastructure AS (consumer services), while we added to our existing exposure in Wallenius Wilhelmsen ASA (shipping) and AFRY AB (business services).

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