

**Report date: 31 August 2018**

Fund: Pareto Nordic Corporate Bond  
Umbrella fund: Pareto SICAV  
Inception date: 22 April 2013\*  
AUM: NOK 3 339 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

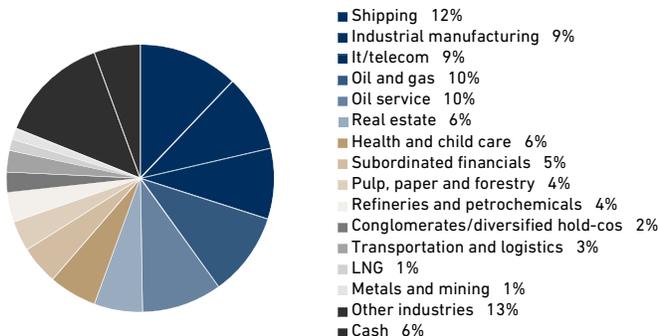
Management company: SEB Fund Services S.A.  
Investment manager: Pareto Asset Management AS  
Custodian: Skandinaviska Enskilda Banken S.A.  
Share class I  
Launch date: 11 December 2015

NAV as at 31 August 2018: 114.8714  
NAV currency: GBP  
Minimum investment: GBP 40 million  
ISIN: LU1286889198 / SEDOL: BYQ5T10  
Bloomberg ticker: PANCIGB LX

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

The sub-fund invests in interest-bearing financial instruments issued by Norwegian and foreign corporations, governments and institutions. The financial instruments primarily include corporate bonds, but also subordinated and covered bonds. Investments are expected to give the fund a higher risk and return than traditional interest-bearing financial instruments. The average duration shall be between 0 and 4 years.

**Top five issuers and sector allocation**



**Key figures since launch**

	Fund	Index
Accumulated returns	14.9%	1.4%
Annualised returns	5.2%	0.5%

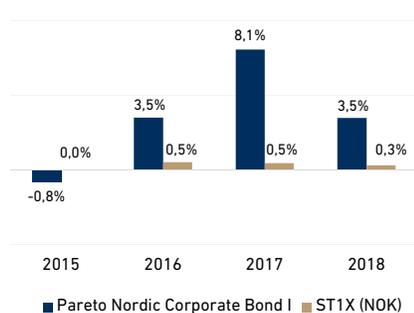
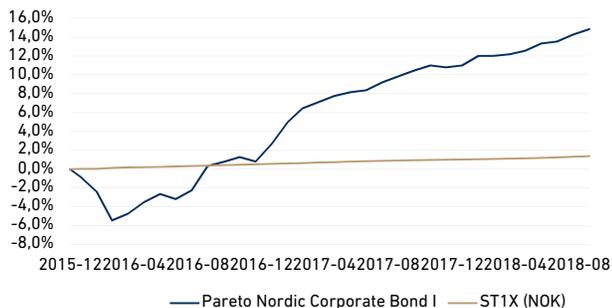
**Risk figures**

	Fund	Index
Standard deviation (ann.)	3.6%	0.1%
Time to maturity	3.2	n.a.
Interest rate duration	1.3	n.a.

**Performance by periods**

	Fund	Index
Last month	0.5%	0.1%
Year to date	3.5%	0.3%
Three months	1.3%	0.2%
Since inception (annualised)	5.2%	0.5%

**Performance history**



**Monthly net returns in per cent**

	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2018	0.94	0.00	0.16	0.31	0.71	0.18	0.65	0.50					3.49
2017	2.22	1.38	0.65	0.58	0.40	0.19	0.75	0.61	0.55	0.48	-0.17	0.16	8.07
2016	-1.60	-3.14	0.78	1.26	0.91	-0.58	0.99	2.64	0.43	0.50	-0.47	1.88	3.53
2015												-0.79	-0.79

\*The sub-fund was launched 22 April 2013 as a feeder fund and was converted into a stand-alone fund from 26 October 2015. 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.

## Monthly commentary – May 2019

By Øyvind Hamre

The fund had a good development in May. The Nordic market has continued to be strong, but we are experiencing somewhat more uncertainty than during previous months. The focus on the trade war between China and the US has increased significantly, with even harsher rhetoric between the two countries. As a consequence, market volatility has increased, and the international credit markets as well as the stock markets have adjusted somewhat in May.

The activity in the Nordic primary market has been very high during the month. So far, we estimate that new bonds amounting to NOK 16 billion have been issued, divided into 17 transactions. At the end of the month, there are still a significant number of transactions in process, so we expect the activity to remain high until July and summer holidays in the Nordic region.

The fund has participated in three issues during May. This includes a five-year bond for DNO, a three-year senior secured bond for Norske Skog and a tap-issue Bulk Industrier.

The reporting season after the first quarter of 2019 is about to be completed, and overall the development for the underlying companies in the portfolio has been positive so far in 2019. The fund is still aiming to have a portfolio with the main emphasis on well-run Nordic companies, broadly diversified across various industries, and with limited interest rate risk and a relatively short average maturity profile.

**Portfolio management team:** Stefan Ericson, Øyvind Hamre and Eric von Koss Torkildsen