

**Report date: 31 August 2021**

Fund: Pareto Nordic Cross Credit  
Umbrella fund: Pareto SICAV  
Inception date: 26 November 2019  
AUM: NOK 2 984 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

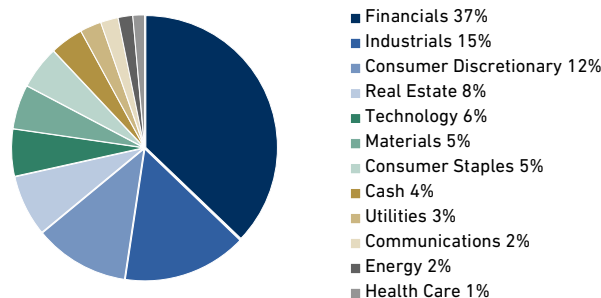
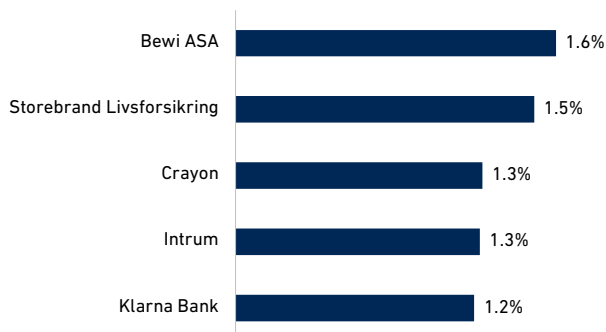
**Share class A**

Launch date: 21 April 2020  
NAV as at 31 August 2021: 109.01  
NAV currency: EUR  
Minimum investment: n.a.  
ISIN: LU2023199552  
Bloomberg ticker: PANCCAE LX

Nordic fixed income fund investing in corporate bonds in a wide range of sectors. Low geopolitical risk and an ESG profile.

- The fund invests in fixed income and fixed income related securities issued by financial institutions, corporations, agencies, governments and municipalities while incorporating ESG criteria into the Fund's analysis and selection criteria
- The debt securities may be rated or unrated and have credit risk corresponding to Investment Grade or High Yield
- The average interest rate duration of the portfolio shall be between 0 and 4 years

**Top five issuers and sector allocation**



**Key figures since launch**

	Fund
Accumulated returns	9.0 %
Annualised returns	6.5 %

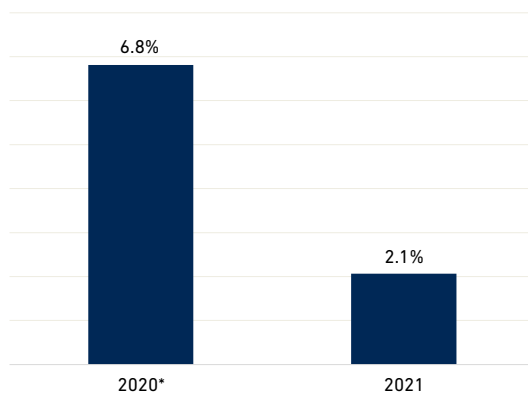
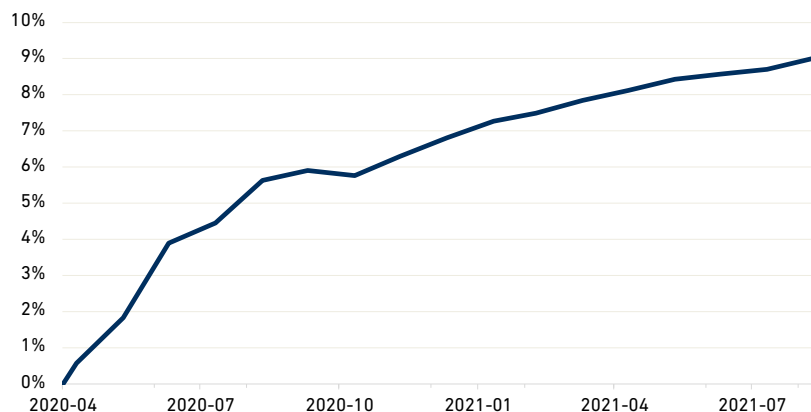
**Risk figures**

	Fund
Standard deviation (ann.)	1.8 %
Average time to maturity	2.1
Interest rate duration	0.3
Credit spread duration	1.9

**Performance by periods**

	Fund
Last month	0.3%
Year to date	2.1%
Three months	0.5%
Six months	1.4%
Last 12 months	3.2 %
Since launch (annualised)	6.5 %

**Performance history**



**Monthly net returns in per cent**

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2021	0.43	0.20	0.34	0.25	0.28	0.13	0.12	0.29					2.06
2020				0.57	1.26	2.02	0.54	1.13	0.25	-0.13	0.50	0.49	6.81

\*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](http://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 – August 2021

By Christian Weldingh and Gustaf Tegell

August was a very satisfying month for Pareto Nordic Cross Credit (PNCC). Activity was high throughout the month and the Nordic fixed income market continued its strong development. There was good supply of issuances and high activity in the secondary market.

The virus' Delta variant and recent tendencies towards increased infection rates have so far not put any damper on the market. Regarding concerns about the transitory nature of observed inflation, tapering and the start of a rate hike cycle in the US, US Federal Reserve chair Jerome Powell's speech from Jackson Hole was calming. The Federal Open Market Committee is of the opinion that this year's outbreak of consumer price inflation in the US is transitory. The committee emphasises that the timing and pace of the coming reduction in asset purchases will not be intended to carry a direct signal regarding the timing of interest rate liftoff; tapering does not automatically lead to the start of the hiking cycle. Words like this have a calming effect on the bond markets.

The fund continues its good growth trend and our investments are made according to a conservative profile in its risk segment. Good sector diversification, limited exposure to individual issuers and short interest rate duration mean we should be well positioned to handle different market scenarios.

No bonds were sold in August. We participated in six issuances and traded five bonds in the secondary market. The issuances we participated in were BEWi (industry), Elkem (industry), PEAB (industry), Sbanken (finance), Sparebanken Østlandet (finance) and Øyfjellet Wind (renewable energy). The purchases in the secondary market were all in previously known names for the fund.

From a risk management perspective, the fund is designed to be fossil-free and will avoid exposure to companies that extract, refine, or produce energy from oil, gas, or uranium. The fund also seeks to limit direct exposure to companies that are strongly affected by price fluctuations in fossil energy. In March, the fund was classified as an Article 8 fund, or "Light Green Fund", according to the new European Sustainable Finance Disclosure Regulation or "SFDR" in short.

**Portfolio management team:** Christian Weldingh and Gustaf Tegell