

Report date: 29 February 2024

Fund: Pareto Nordic Cross Credit
Umbrella fund: Pareto SICAV
Inception date: 26 November 2019
AUM: NOK 5 479 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

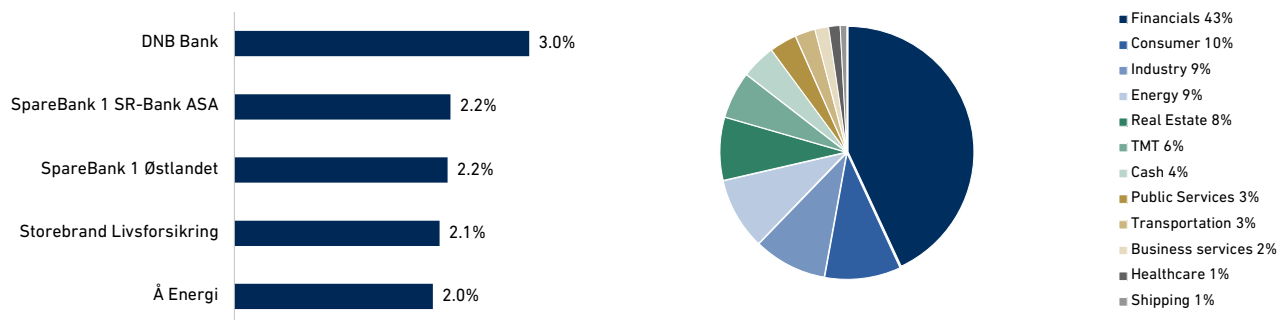
Share class A

Launch date: 21 April 2020
NAV as at 29 February 2024: 116.80
NAV currency: EUR
Minimum investment: 1 000 000
ISIN: LU2023199552
Bloomberg ticker: PANCAE 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	16.8 %
Annualised returns	4.1 %

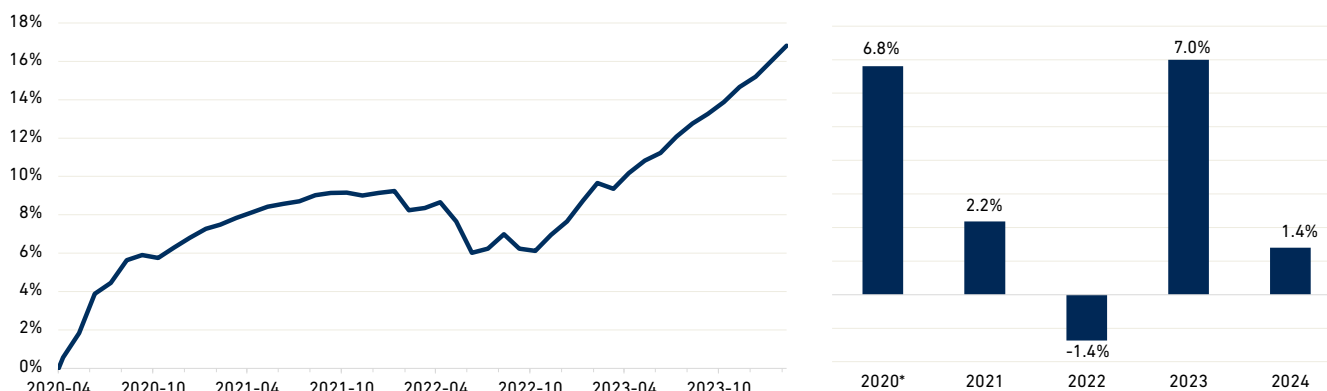
Risk figures

	Fund
Standard deviation (ann.)	2.0 %
Average time to maturity	2.5
Interest rate duration	0.3
Credit spread duration	2.1

Performance by periods

	Fund
Last month	0.7%
Year to date	1.4%
Three months	1.9%
Six months	3.6%
Last 12 months	6.5 %
Since launch (annualised)	4.1 %

Performance history



Monthly net returns in per cent

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2024	0.73	0.67											1.40
2023	1.01	0.84	-0.28	0.75	0.58	0.37	0.76	0.61	0.43	0.55	0.69	0.46	7.00
2022	0.09	-0.91	0.11	0.29	-0.93	-1.52	0.20	0.70	-0.70	-0.11	0.79	0.65	-1.36
2021	0.43	0.20	0.34	0.25	0.28	0.13	0.12	0.29	0.12	0.01	-0.14	0.12	2.18
2020				0.57	1.26	2.02	0.54	1.13	0.25	-0.13	0.50	0.49	6.81

The Fund is exposed to the following materially relevant risks: liquidity risk, currency risk, derivatives risk, counterparty risk, operational 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: Christian Weldingh og Gustaf Tegell

The start of the year has left nothing to be desired, with February becoming another solid month for Pareto Nordic Cross Credit. The positive market sentiment continued this month, and credit spreads narrowed marginally. Long-term interest rates rose further, thus pushing expected rate cuts further into the future, which is more in line with the communication from central banks. Given the fund's relatively limited share of fixed-rate bonds, this interest rate volatility has little impact on returns.

Issuance activity remains at a good pace, both for investment grade companies and in the high yield market. For the latter, the volume was admittedly somewhat lower than in February last year, but higher in terms of the number of transactions. We traded bonds for approximately NOK 417 million. The lion's share was purchases, 73 per cent.

We participated in seven issuances, all in well-known names for the fund. The most important portfolio adjustments in February were the purchases in SR Bank (financials), Haugaland Kraft (renewable energy), Entra and Balder (real estate). We reduced our exposure somewhat in Sparebanken Vest (financials) and took advantage of a buyback offer for our holding in NP3 Fastigheter (property).

Portfolio management team: Christian Weldingh and Gustaf Tegell

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