

Report date: 28 June 2024

Fund: Pareto Nordic Cross Credit
Umbrella fund: Pareto SICAV
Inception date: 26 November 2019
AUM: NOK 6 510 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

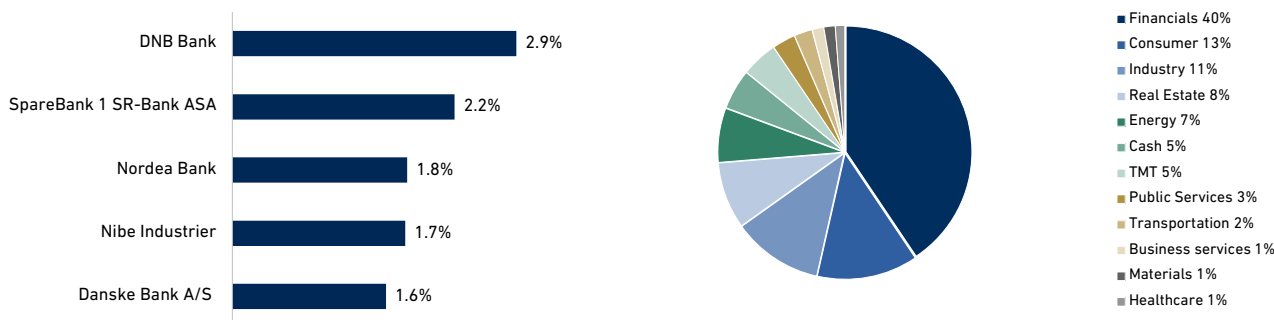
Domicile: Luxembourg
Management company: FundRock Management Comp. S.A.
Investment manager: Pareto Asset Management AS
Custodian:
Skandinaviska Enskilda Banken AB (publ) Luxembourg Branch

Share class A

Launch date: 21 April 2020
NAV as at 28 June 2024: 119.34
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

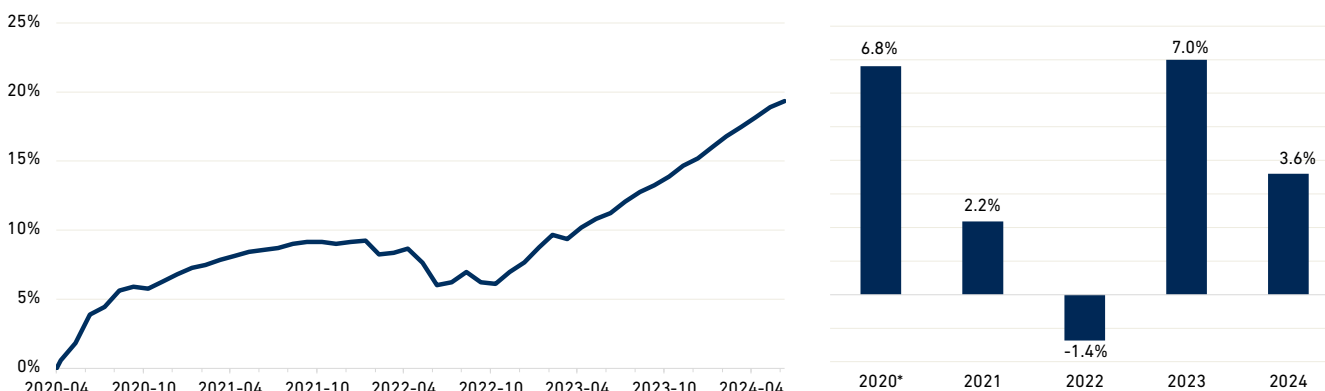
	Fund
Accumulated returns	19.3 %
Annualised returns	4.3 %

Risk figures

	Fund
Standard deviation (ann.)	2.0 %
Average time to maturity	2.5
Interest rate duration	0.3
Credit spread duration	2.2

Performance by periods

	Fund
Last month	0.4%
Year to date	3.6%
Three months	1.6%
Six months	3.6%
Last 12 months	7.3 %
Since launch (annualised)	4.3 %

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	0.56	0.59	0.63	0.37							3.60
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 and Gustaf Tegell

June was another positive month for the fund, with a return just below the coupon income. We are somewhat ahead of last year's return after the first two quarters. With no significant headwinds over the next half year, it looks set to be another very good year for the fund. Interest coupons remain at good levels, even though some central banks have begun to cut interest rates.

The ECB cut its key interest rates by 25 basis points, but at the same time raised its inflation forecasts. For its part, the Federal Reserve kept interest rates unchanged, while its "dot plot" (interest rate forecast) indicated more subdued rate cut expectations.

We will see how this plays out in the second half of 2024, but we envisage a scenario with higher returns over a longer period.

The market is still very optimistic, and issuance activity has been very high. Credit spread tightening has come to a halt, however, and we prefer shorter tenors to longer ones when investing.

Pareto Nordic Cross Credit participated in three new issuances in June: Emilshus (real estate), PEAB (engineering & construction) and Norske Skog (paper & packaging). Our existing position in Norske Skog was sold back to the issuer as part of the primary transaction. We decided to exit our position in Duet Software Group after poor numbers and uncertain prospects.

Portfolio management team: Christian Weldingh and Gustaf Tegell

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