

Report date: 30 November 2021

Fund: Pareto Nordic Cross Credit
Umbrella fund: Pareto SICAV
Inception date: 26 November 2019
AUM: NOK 3 030 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

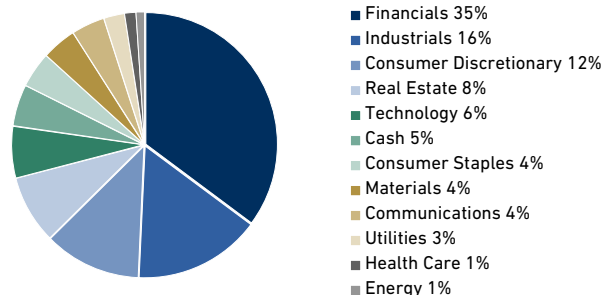
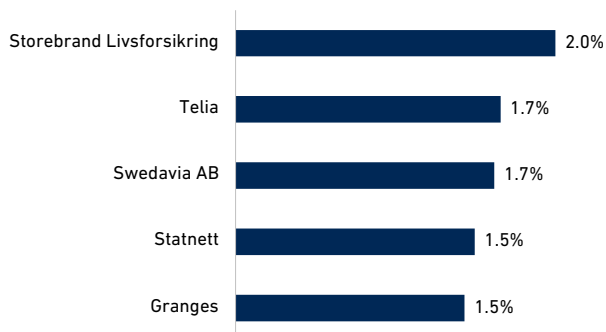
Share class H-I

Launch date: 10 January 2020
NAV as at 30 November 2021: 103.46
NAV currency: EUR
Minimum investment: 5 000 000
ISIN: LU2023201044
Bloomberg ticker: PANCHIE 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	3.5 %
Annualised returns	1.8 %

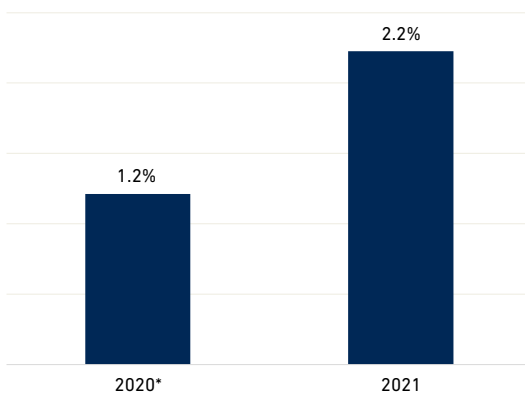
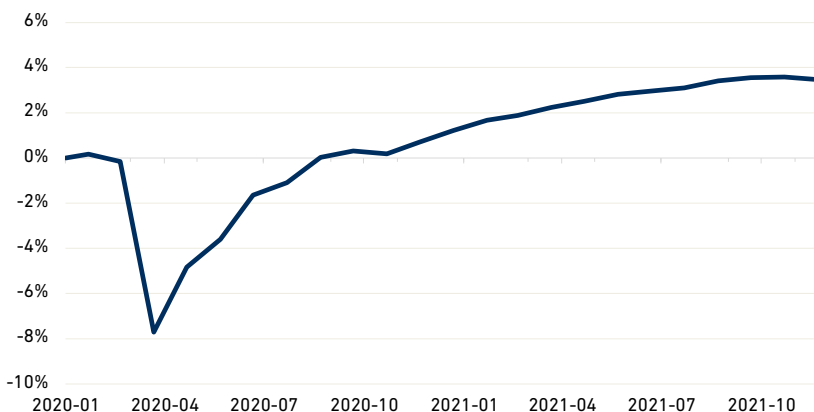
Risk figures

	Fund
Standard deviation (ann.)	6.4 %
Average time to maturity	2.4
Interest rate duration	0.4
Credit spread duration	2.3

Performance by periods

	Fund
Last month	-0.1 %
Year to date	2.2 %
Three months	0.0 %
Six months	0.6 %
Last 12 months	2.7 %
Since launch (annualised)	1.8 %

Performance history



Monthly net returns in per cent

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2021	0.45	0.21	0.35	0.27	0.29	0.15	0.13	0.31	0.13	0.03	-0.12	0.50	2.23
2020	0.17	-0.32	-7.55	3.11	1.29	2.03	0.55	1.14	0.28	-0.12	0.52	0.50	1.21

*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 Christian Weldingh and Gustaf Tegell

After a period of concern about high inflation, the time has come to worry about something else: Omicron, and yes, it is Covid-19 once more. Three weeks into November we realised that the virus will affect us longer than we hoped for. Due to the uncertainty this mutant has created, the return was approximately zero for November.

2020 was a year when we experienced a whole market cycle during just one year. Maybe December 2021 will be a micro version of this. Anyway, it has been a very good year so far. Some unease towards year end should not ruin it. Controlled turbulence also creates opportunities and can contribute to ensuring further good returns.

Whereas concerns about high inflation have had to give way for the time being, they may soon catch the spotlight again. A lesson from the previous round was that bottlenecks arise in the supply chain. Everything slows down and the world may move more slowly for a longer time, and thus inflation may be of a more sustained nature. Central banks worldwide will certainly have different approaches to this, but for Norway's central bank, the communicated interest rate path still appears to be intact. This means we can expect a series of interest rate hikes over the next twelve months, with the next already in December. For the fund, this will mainly be reflected in higher current yield.

November was another month of high activity in both the primary and secondary markets. PNCC participated in six issuances in six different sectors: ÅF Pöyry/AFRY (construction and consulting), Collector (finance), Diös (real estate), Loomis (cash handling), Schibsted (Media) and Swedavia (airports). Our participation in the Diös and Loomis issuances were financed by sale of holdings in both issuers with short remaining maturities. ÅF Pöyry is known for the fund from before, while Collector and Swedavia are new names to the fund. In addition to this, thirteen trades were made in the secondary market. One purchase, and twelve sales. The total transaction volume for the period was just over NOK 400million, evenly distributed between positions bought and sold.

The fund's conservative profile is maintained, guided by broad sector diversification, limited single name exposure and balancing liquidity against best possible relative value. We believe that the fund's low interest rate sensitivity and short credit duration together with a solid liquidity profile should weather all sorts of markets.

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. The fund is classified as an Article 8 fund, or "Light Green Fund", according to the European Sustainable Finance Disclosure Regulation or "SFDR" in short.

Portfolio management team: Christian Weldingh and Gustaf Tegell