

Report date: 29 April 2022

Fund: Pareto Nordic Cross Credit
Umbrella fund: Pareto SICAV
Inception date: 26 November 2019
AUM: NOK 3 568 million
Benchmark: n.a.
Risk score from 1 (low) to 7 (high): 3

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

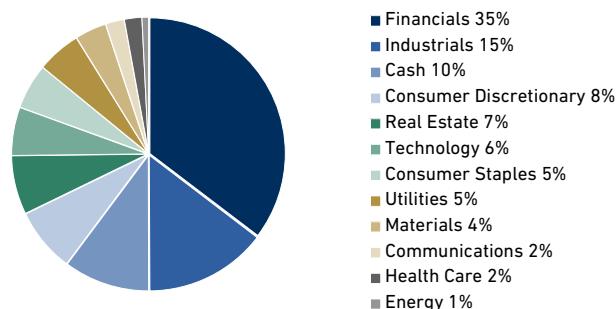
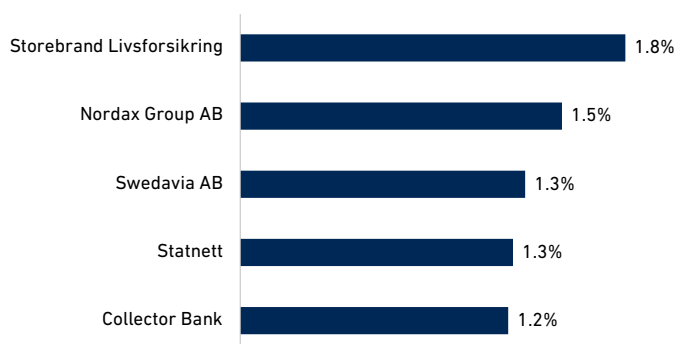
Share class I

Launch date: 26 November 2019
NAV as at 29 April 2022: 1 060.67
NAV currency: NOK
Minimum investment: 400 000 NOK
ISIN: LU2023201713
Bloomberg ticker: PANCCIN 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	6.1 %
Annualised returns	2.5 %

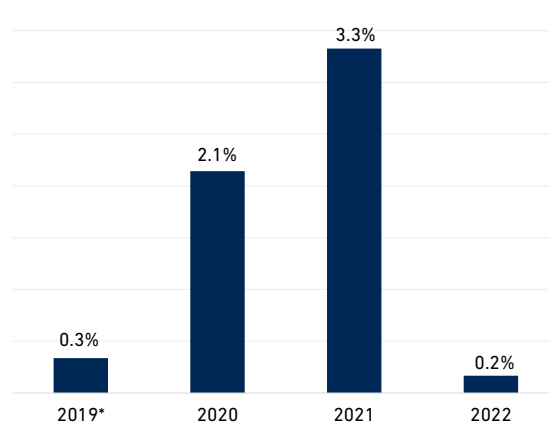
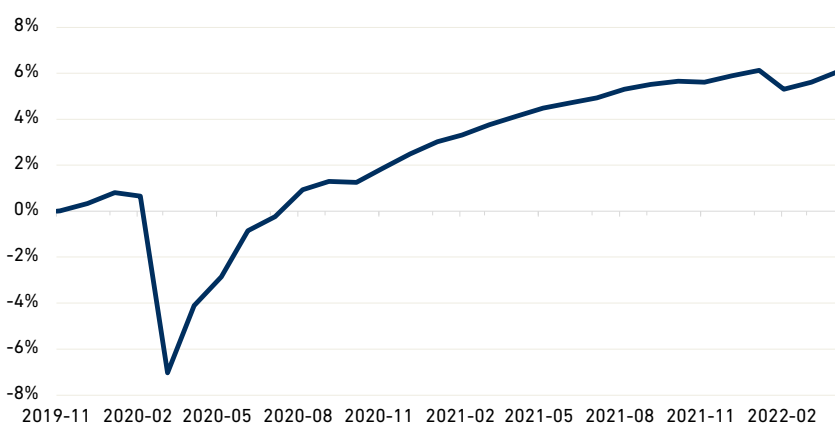
Risk figures

	Fund
Standard deviation (ann.)	5.7 %
Average time to maturity	2.2
Interest rate duration	0.3
Credit spread duration	2.0

Performance by periods

	Fund
Last month	0.4 %
Year to date	0.2 %
Three months	-0.1 %
Six months	0.4 %
Last 12 months	1.9 %
Since launch (annualised)	2.5 %

Performance history



Monthly net returns in per cent

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2022	0.23	-0.78	0.29	0.43									0.16
2021	0.52	0.28	0.43	0.34	0.35	0.21	0.21	0.36	0.20	0.12	-0.04	0.27	3.33
2020	0.47	-0.16	-7.62	3.13	1.31	2.07	0.62	1.18	0.36	-0.05	0.60	0.61	2.14
2019											0.01	0.33	0.34

*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 a marketing communication. This is not a contractually binding document. Please refer to the prospectus of the fund and do not base any final investment decision on this communication alone. 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 (KIID), the statutes of 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 – April 2022

By Christian Weldingh and Gustaf Tegell

While the tragic war in Europe continues, China is experiencing another outbreak of the coronavirus. The formerly so-called temporary inflation now seems somewhat more permanent. Central banks around the world are signalling that the threat must be combatted with the interest rate weapon. Summing up, this generates somewhat increased volatility globally. However, the Nordic credit market has not been particularly influenced and the fund's performance for the month is very solid.

Sweden's Riksbanken raised its key policy rate just before the end of April and signalled more to come. The pressure is thus on ECB, with Europe experiencing elevated inflation and a weaker euro. Ever-higher base rates result in higher current returns for the fund.

Bonds worth NOK 245 million were traded during the month, mainly buying. The purchases were spread over different risk classes, reflecting the fund's profile. We participated in two issuances, SBAB Bank and Stena Metall. The former issued a hybrid capital bond (AT1) which we found attractive. Stena Metall is a recycling company which came to the market with a green bond at what we believe were good terms. In the secondary market, we would highlight Norlandia. The company is part of the Adolfsen sphere, where we already know Otiga. That issuer exercised a call option after being offered a favourable banking facility.

The trend with alternative financing is somewhat increasing and other issuers have indicated they will use embedded call options of their bond debt. That said, activity seems to be picking up in the primary market, also for high yield corporates. Our search for the right investments for the fund thus continues with optimism.

Through April, the credit curve moved sideways, thus still appearing somewhat flat. We have good capacity in terms of risk and liquidity; the portfolio has a relatively short time to maturity and good liquidity.

Portfolio management team: Christian Weldingh and Gustaf Tegell