

Report date: 30 September 2024

Fund: Pareto Nordic Equity
 Umbrella fund: Pareto SICAV
 Inception date: 31 October 2018
 AUM: NOK 1723 million
 Benchmark: VINX Nordic Equity Index
 PRIIPs KID risk score from 1 (low) to 7 (high): 4

Category: equity fund
 Legal structure: UCITS
 Dealing days: all coinciding banking days in Norway, Sweden 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

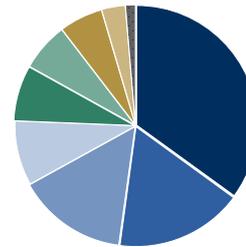
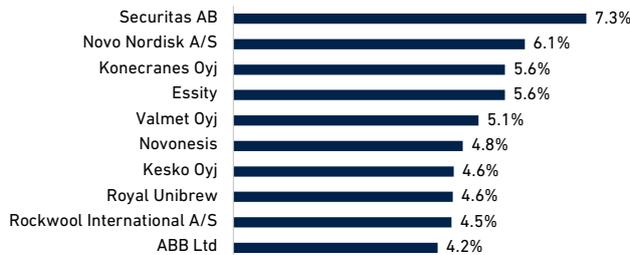
Share class B
 Launch date: 31 October 2018
 NAV as at 30 Sep 2024: 1 675.60
 NAV currency: SEK
 Minimum investment: n.a.
 ISIN: LU1653072758
 Bloomberg ticker: PANEQB LX

Nordic equity fund with quality bias and high active share

Investment criteria:

- Good growth and cash flow
- Strong capital return and balance sheet
- Attractive valuation

Top ten holdings and sector allocation



Key figures since inception

	Fund	Index
Accumulated returns	67.6%	102.0%
Annualised returns	9.1%	12.6%
Best month	17.1%	9.3%
Weakest month	-24.5%	-12.4%
Positive months	44	47
Negative months	27	24

Risk figures since inception

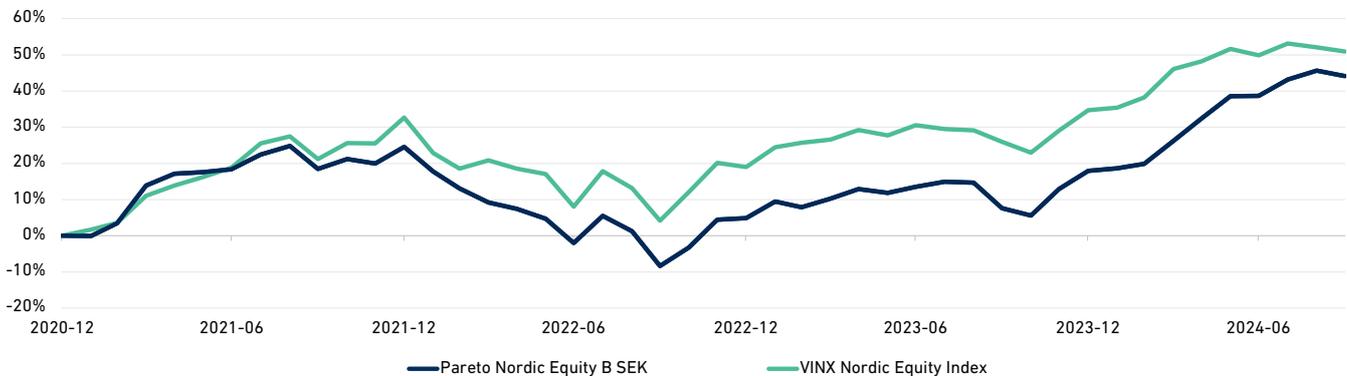
	Fund	Index
Standard deviation (annualised)	20.0%	14.8%
Tracking error (annualised)	9.5%	n.a.
Information ratio	-0.2	n.a.
Sharpe ratio (SOLIX)**	0.5	0.8

**ST1X was used until 29.01.21

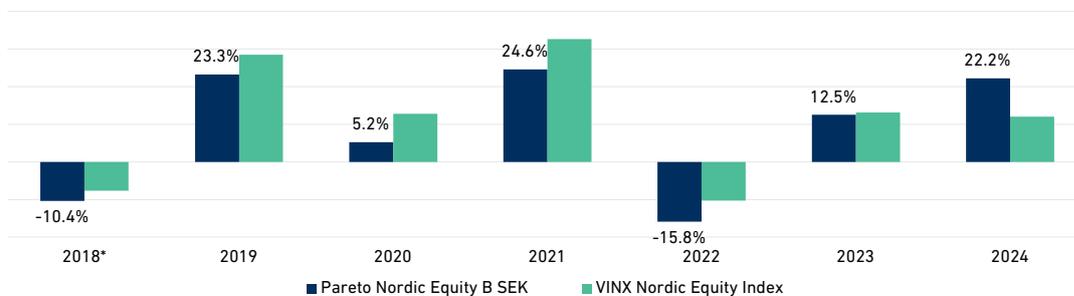
Performance by periods

	Fund	Index
Last month	-1.0%	-0.8%
Year to date	22.2%	12.0%
Last 12 months	34.0%	19.8%
Since inception (annualised)	9.1%	12.6%
Since new management team (01.01.21)	44.1%	50.9%

Performance history of current management team (since 1 Jan 2021)



Annual returns since inception



The Fund is exposed to the following materially risks: liquidity 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.

Pareto Nordic Equity

Portofolio management team



Christian Nygaard
PM



Frida Hauge
Analyst

The fund's value was relatively flat in September. Like August, the month started with weakness, but recovered, in part thanks to a rapidly spreading tendency of monetary easing.

Valmet, the Finnish wood fibre technology champion, was this month's winner. The company announced a one billion euro contract to assist building a new pulp mill in Brazil. The amount is about a fifth of Valmet's annual revenues. Not only is the contract significant in size, it also marks what may be a new investment upcycle in the pulp and paper industry. The 2020 and 2021 paper demand boom led to high inventories which hit demand for Valmet's customers through 2022 and 2023, but this decline may now be behind us. The contract has a significant part of high-margin products within automation and valves. We really like this company, as a growing installed base boosts higher service penetration and even more automation. Besides, short-selling interest is reported to be rather high, which may further boost the share price down the road.

Securitas offers a security solutions product which is quite unique and is only now ready to grow, after integrating technology with traditional guarding. That was the main message we got when we recently met with company management. It seems more investors are catching the potential, given the recent positive share price development. Securitas is the biggest position in the fund.

Konecranes continued its fantastic development in September, issuing another guidance upgrade. The initiatives to boost profitability that we identified last spring are materialising. It is about decentralisation of management and responsibility and modularisation of manufacturing. This comes on top of benefits from manufacturing leaving China.

Rockwool also delivered a great return in September, probably ignited by central banks lowering interest rates, which could boost construction. Fire-proof building insulation is by far the best way to reduce CO2 emissions, but has only a fifth of the global market, where petroleum-based foam has more than half. That has been the main reason for owning this company for years.

Novo Nordisk and Nordic Semiconductor were the main detractors in September. The latter recently painted a rosy picture of the years until 2030, but we interpreted the message to be slightly negative for 2025 – and so, apparently, did the stock market. Novo Nordisk presented some negative trial results, as we do expect from time to time from a company with so many research projects. Besides, some analysts published reports with a message of delayed ramp-up of production of obesity medication.

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Pareto Asset Management

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