

Report date: 29 December 2023

Fund: Pareto Nordic Omega
Inception date: 2 December 2005
AUM: NOK 13 million
Benchmark: n.a.
UCITS KIID risk score from 1 (low) to 7 (high): 4

Category: long/short fund
Structure: QIAIF
Domicile: Ireland
Dealing days: Quarter end

Investment manager (AIFM): Pareto Asset Management AS
Administrator: SMT Fund Services (Ireland) Ltd.
Custodian: SMT Trustees (Ireland) Ltd.

Unit class B

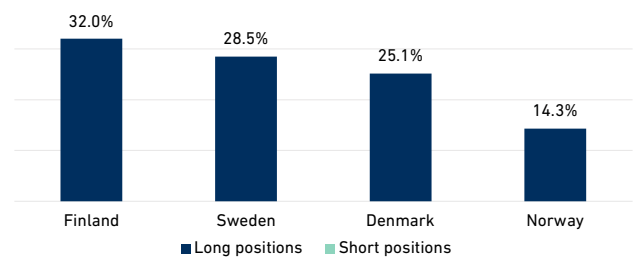
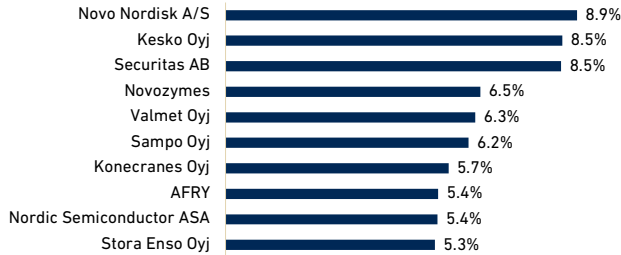
Launch date: 30 November 2005
NAV as at 29 December 2023: 349.84
NAV currency: NOK
Minimum investment: 10 000 000
ISIN: IE00BFMCJX46

Flexible long/short fund with Nordic equities and variable net exposure.

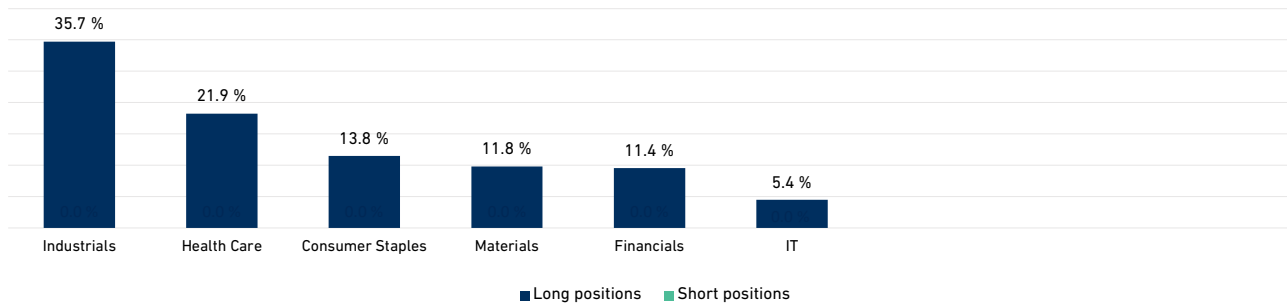
Investment criteria:

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

Top ten holdings and geographical distribution



Sector allocation



Key figures since inception*

	Fund
Accumulated returns	249.8%
Annualised returns	7.2%
Best month	14.1%
Weakest month	-13.8%
Positive months	141
Negative months	76

Risk figures since inception*

	Fund
Standard deviation (annualised)	11.0%
Sharpe ratio (SOL1X)**	51.6%

**ST1X was used until 29.01.21

Performance by periods

	Fund
Last month	3.1%
Year to date	13.4%
Last 12 months	13.4%
Three years (annualised)	-1.0%
Five years (annualised)	5.0%
Ten years (annualised)	6.1%
Since inception* (annualised)	7.2%

Performance history in per cent*

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2023	3.86	1.58	4.49	5.30	-3.77	-2.29	-1.88	0.63	-6.45	-0.41	9.61	3.06	13.43
2022	-6.59	-4.98	-1.39	0.72	-2.55	-4.60	4.22	-5.55	-4.19	-2.64	5.45	1.53	-19.4
2021	-1.37	1.79	2.93	1.68	1.79	-0.64	3.80	-0.29	-3.94	0.19	-0.69	1.06	6.3
2020	2.92	-0.74	-6.53	7.04	1.80	1.42	2.75	-0.09	4.23	-0.81	5.07	1.65	19.6
2019	0.11	3.41	0.44	0.72	-2.66	0.50	-1.78	1.40	2.07	2.33	1.48	1.36	9.6
2018	-0.56	-1.22	-2.50	1.17	-0.17	-1.67	1.27	1.28	-1.22	-2.63	2.48	-2.17	-5.9
2017	0.11	0.46	1.41	2.26	2.61	1.72	-0.04	0.33	1.41	0.49	-1.31	0.65	10.5
2016	-5.51	2.10	2.32	2.62	2.72	-3.06	4.34	-0.14	-1.31	-1.48	0.22	1.77	4.2
2015	3.84	3.20	2.29	1.36	0.63	-1.79	1.73	-2.14	0.69	1.99	3.57	0.95	17.4
2014	0.43	6.89	-1.87	2.04	1.68	-0.65	0.49	0.26	-2.15	0.81	2.64	0.98	11.9
2013	3.79	2.71	1.51	2.97	4.19	-1.82	3.12	0.24	1.48	4.14	2.29	0.45	27.9
2012	2.97	2.35	1.75	-0.83	-5.21	0.24	1.40	2.30	2.84	0.91	0.90	1.70	11.6
2011	-0.16	0.89	-1.04	0.09	-1.21	-3.08	-1.15	-4.77	-6.35	4.90	0.64	0.67	-10.5
2010	0.74	-1.39	5.52	1.07	-4.86	-3.02	5.36	-1.47	2.46	2.43	0.64	3.70	11.1
2009	0.44	-1.51	2.52	6.75	14.14	-0.21	7.12	3.35	7.18	3.89	1.54	4.46	61.2
2008	-5.44	0.08	-1.88	2.95	3.17	-3.06	3.16	-1.98	-13.80	-10.96	-4.97	-2.98	-31.6
2007	1.52	0.32	3.54	4.34	-0.98	0.68	-1.63	-0.96	-0.27	2.70	-2.21	2.27	9.5
2006	0.05	0.68	0.63	1.86	-0.52	0.01	-1.68	4.14	-0.37	0.93	1.86	2.86	10.8
2005												1.62	1.6

The Fund is exposed to the following materially risks: credit risk, liquidity risk, currency risk, counterparty risk, operational risk, derivative 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/>.

*Reporting start date: 02.12.2005. Returns from 02.12.2005–20.04.2018 are from Nordic Omega plc B NOK. Pareto Nordic Omega is a sub-fund of Pareto plc. Pareto plc is an investment company according to Irish legislation and consists of sub-funds with segregated liability. The fund is an Irish Qualifying Investor Alternative Investment Fund. The fund is regulated by the Central Bank of Ireland. Any information about Pareto Nordic Omega in this presentation must be read in conjunction with the prospectus for Pareto Nordic Omega and the fund's latest annual report. Information about risk is included in the first document. The prospectus also regulates the alternative investment fund. The fund can only be marketed to Qualifying Investors, as described in the prospectus page 11. 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 the portfolio management team: Christian Nygaard and Ole Jørgen Grøneng Nilsen

December was another good month for the fund, concluding a great year during which the Nordic equity markets regained the territory lost during 2022. As we discussed in the monthly report of December 2022, the lack of additional inflationary pressure and too hawkish central banks represented a foundation for strong equity returns in 2023. These two elements were crucial in lifting the market, but not sufficient unless corporate profits had developed as well as they did. Profit growth is the most important contributor to equity appreciation over longer periods of time.

The top contributors of the year were the healthcare company Novo Nordisk, reaching important milestones in treating obesity, the software developer SimCorp, which was acquired, and the telecom operator Telenor, whose share price approached a level close to what we assessed as fair value. We then took the opportunity to sell our shares in the company.

The biotech pioneer Nykode and Nordic Semiconductor were the biggest detractors. The latter faces weak demand from customers struggling with high inventories and weak demand for consumer electronics. Nykode has actually made good progress in terms of product development, but weak appetite for biotech stocks internationally has prevented a share price development in line with the operational advances.

Looking ahead, a higher Nordic equity index level means that the bar has been raised, but still there are plenty of segments of the market and individual companies which remain highly attractive. Besides, the index level has been heavily influenced by one single company. After a fantastic run, Novo Nordisk became the most valuable European company in 2023 and has a weight of some ten per cent in the benchmark index that we run against. However, in other Nordic indices the company has a weight of up to a quarter of the market. In other words, the share price of the median company in our universe has hardly increased at all, so the bar is not that much higher.

In terms of our individual holdings, we have, obviously, even higher expectations. It makes less sense to mention some over others. They all exhibit a great combination of revenue growth, high return on capital, sensible use of cash flow, and they are managed by executives and board members whose economic interests are aligned with ours. Furthermore, they contribute to solving societal and environmental challenges, and last, but not least, the current market value is meaningfully lower than what we believe is the true value.

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