

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: PARETO SICAV - Pareto Nordic Cross Credit **Legal entity identifier:** 529900X793NO0EZPTF54

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?¹



Yes



No

- | | |
|---|--|
| <input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective |
| <input type="checkbox"/> It made sustainable investments with a social objective: ___% | <input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments |

To what extent were the environmental and/or social characteristics promoted by this financial product met?²

The Sub-Fund promotes environmental and social characteristics by making responsible investments according to Pareto Asset Management's guidelines for responsible investments. When making such investments, the Sub-Fund promotes environmental and social standards by:

- Exclusions: excluding investments contributing to violation of human rights, labor rights, corruption, environmental damage and other unethical actions according to the Norwegian Government Pension Fund Global's exclusion list and Pareto Asset Management's guidelines for responsible investments' exclusion list.
- Corporate governance safeguards: see to that companies have features as described in Pareto Asset Management's guidelines for responsible investments.
- International principles: complying with UN's Principles for Responsible Investments

All investments made by the Sub-Fund during the reference period, excluding investments as referred to in "2 Other", are made in accordance with the above-mentioned criteria.

● **How did the sustainability indicators perform?**

As described in the Sub-Fund's "Template pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852", the Sub-Fund applies the principal adverse impact indicators as its sustainability indicators starting from January 2023. According to SFDR Article 7 (1) financial markets

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

participant had to disclose whether, and if so, how a financial product considers principal adverse impact on sustainability factors by 30 December 2022. Due to this, the Sub-Fund has not collected data on the principal adverse impacts on sustainability indicators in 2022, but will gradually do so going forward.

To measure the attainment of the E and S characteristics promoted by the Sub-Fund, the Sub-Fund applied the standards presented in Pareto Asset Management's guidelines for responsible investments as sustainability indicators for the year of 2022.

The Sub-Fund's exposure to the following investments:

- Investments in companies which themselves or through entities they control produce weapons that, in normal use, violate basic humanitarian principles: 0%
- Investments in companies which themselves or through entities they control produce tobacco: 0%
- Investments in companies which themselves or through entities they control sell weapons or military equipment to states subject to sanctions from the UN Security Council or other international measures directed at a particular country that Norway has supported (mandate for the management of the SPU section 3-1 second paragraph letter c): 0%
- Investments in mining companies and power producers that themselves or consolidated with controlled entities receive 30 percent or more of their revenues from thermal coal, or base 30 percent or more of their operations on thermal coal: 0%.
- Investments in companies which themselves or through entities they control produce pornography: 0%.
- Investments in companies where there is an unacceptable risk that the companies contribute or is responsible for human rights violations, such as killing, torture, deprivation of liberty, forced labour and exploitation of children, including child labour: 0%.
- Investments in companies where there is an unacceptable risk that the companies contribute or is responsible for violations of individuals' rights in war or conflict situations: 0%.
- Investments in companies where there is an unacceptable risk that the companies contribute or is responsible for severe environmental damage: 0%,
- Investments in companies where there is an unacceptable risk that the companies contribute or is responsible for actions or omissions that at an aggregated company level lead to an unacceptable degree of greenhouse gas emissions: 0%.
- Investments in companies where there is an unacceptable risk that the companies contribute or is responsible for corruption: 0%.
- Investments in companies where there is an unacceptable risk that the companies contribute or is responsible for other repeated or significant violations of basic ethical norms: 0%.

The Sub-Fund has exercised a precautionary principle in connection with investments in biotechnology companies, gambling and alcohol.

• **...and compared to previous periods?** ³

No previous periodic report according to "Template periodic disclosures for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852 has been provided.

• **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**⁴

As described in the Sub-Fund's "Template pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852" the Sub-Fund did not commit to making sustainable investments.

• **How did the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?** ⁵

As described in the Sub-Fund's "Template pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852" the Sub-Fund did not commit to making sustainable investments.

- **How were the indicators for adverse impacts on sustainability factors been taken into account?**

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social

and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

N/A

- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

N/A

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors? ⁶

According to SFDR Article 7 (1) financial markets participant had to disclose whether, and if so, how a financial product considers principal adverse impact on sustainability factors by 30 December 2022. Due to this, the Sub-Fund has not collected data on the principal adverse impacts on sustainability indicators in 2022.

What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31 December 2022

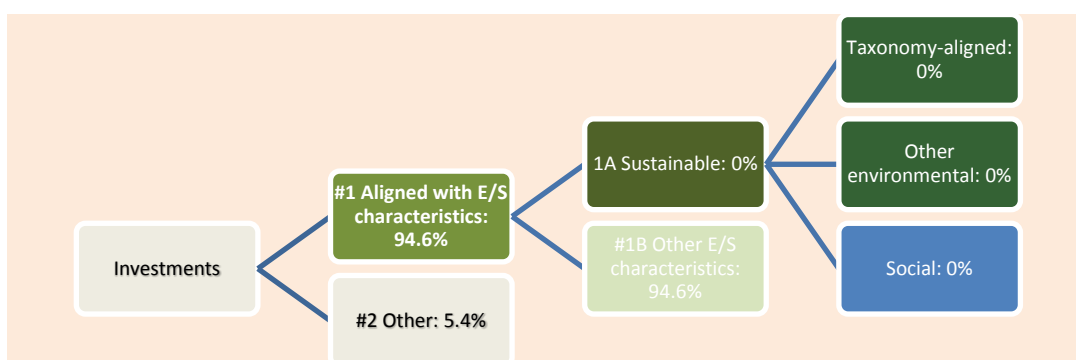
Largest investments	Sector	% Assets	Country
Sparebanken Vest AS FRN 21/23.07.Perpetual	Financials	1.8%	NO
Sandness Sparebank FRN Ser SSBB19 PRO 19/16.05.23	Financials	1.5%	NO
Obos Boligkreditt AS FRN Ser OBBK04 PRO 17/06.06.23	Financials	1.5%	NO
Nordea Eiendoms kreditt AS FRN Ser NOKR64 20/19.03.25	Financials	1.5%	NO
Municipality of Stavanger FRN Ser STAVKO16 21/29.01.26	Government	1.5%	NO
Swedavia AB FRN 21/17.02.Perpetual	Industrials	1.4%	SE
Statnett Sf 2.35% Ser STANE59 17/04.03.24	Utilities	1.4%	NO
Oslo (City of) FRN Ser OSLKO50 21/09.06.26	Government	1.4%	NO
Collector Bank FRN 21/17.11.23	Financials	1.3%	SE
Sparebanken Vest AS FRN Ser SVEG102 PRO 19/14.05.29	Financials	1.3%	NO
Velliv Pension & Livsforsi FRN Sub 18/08.06.28	Financials	1.3%	DK
Storebrand Livsforsikring AS FRN 22/17.02.53	Financials	1.3%	NO
Sparebank 1 Boligkreditt FRN Ser SPBKR68 144A 17/15.06.23	Financials	1.2%	NO
Boliden AB FRN 22/01.03.28	Materials	1.2%	SE
Schibsted ASA FRN 21/25.11.26	Communications	1.2%	NO

What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

- **What was the asset allocation?**
- As described in the Sub-Fund’s “Template pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852”, the Sub-Fund did not commit to making sustainable investments. The Sub-Fund did however promote E and S characteristics by making investments aligned with Pareto Asset Management guidelines for responsible investments. The Sub-Fund’s net asset value is used as denominator

for calculating the Sub-Fund's asset allocation.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers: ⁸

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **In which economic sectors were the investments made?**

Sectors	Proportion
Communications	1.7%
Consumer Discretionary	5.7%
Consumer Staples	5.1%
Energy	0.8%
Financials	46.6%
Government	2.9%
Health Care	2.2%
Industrials	11.8%
Materials	5.4%
Technology	5.4%
Utilities	7.0%
Sub-sectors	Proportion
Banks	23.6%
Chemicals	1.0%
Commercial Finance	1.1%
Consumer Finance	3.4%
Consumer Services	1.5%
Containers & Packaging	0.8%
Distributors - Consumer Discretionary	0.7%
Electrical Equipment Manufacturing	1.1%
Entertainment Content	0.6%

Financial Services	6.3%
Food & Beverage	4.4%
Forest & Paper Products Manufacturing	0.5%
Government Local	2.9%
Health Care Facilities & Services	1.0%
Home & Office Products Manufacturing	0.3%
Home Improvement	0.7%
Homebuilders	0.8%
Industrial Other	3.1%
Life Insurance	3.9%
Machinery Manufacturing	0.6%
Manufactured Goods	0.3%
Medical Equipment & Devices Manufacturing	0.9%
Metals & Mining	3.1%
Pharmaceuticals	0.3%
Power Generation	3.9%
Property & Casualty Insurance	1.2%
Publishing & Broadcasting	1.2%
Real Estate	7.1%
Renewable Energy	0.8%
Retail - Consumer Discretionary	1.5%
Retail - Consumer Staples	0.7%
Software & Services	5.4%
Transportation & Logistics	5.6%
Utilities	3.1%
Waste & Environment Services & Equipment	1.1%

⁹ Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.



To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy? ¹¹

As described in the Sub-Fund's "Template pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852" the Sub-Fund did not commit to making sustainable investments, including sustainable investments with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?

As described in the Sub-Fund's "Template pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852" the Sub-Fund did not commit to making sustainable investments, including sustainable investments in economic activities that qualify as environmentally sustainable under the EU Taxonomy.

Yes:

In fossil gas

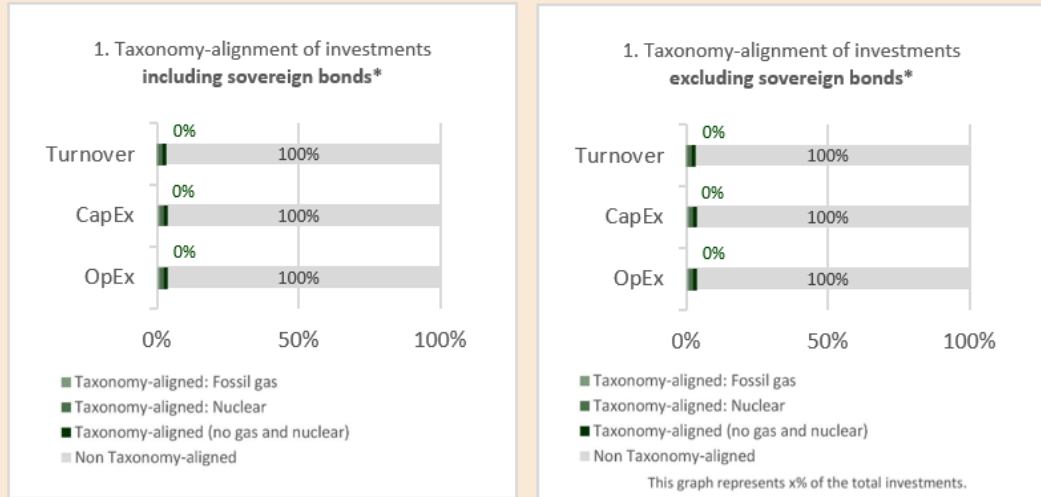
In nuclear energy

No

¹⁰ **Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

• **What was the share of investments in transitional and enabling activities?** ¹²


0%. As described in the Sub-Fund's "Template pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852" the Sub-Fund did not commit to making sustainable investments, including sustainable investments with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy. Consequently, there was no share of investments in transitional and / or enabling activities.

• **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?** ¹³

As described in the Sub-Fund's "Template pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852" the Sub-Fund did not commit to making sustainable investments, including sustainable investments with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy.

No previous periodic report according to "Template periodic disclosures for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852 has been provided.

¹⁴

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy? ¹⁵

0%. As described in the Sub-Fund's "Template pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852" the Sub-Fund did not commit to making sustainable investments.



What was the share of socially sustainable investments? ¹⁶

0%. As described in the Sub-Fund's "Template pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852" the Sub-Fund did not commit to making sustainable investments.



What investments are included under “Other”, what was their purpose and were there any minimum environmental or social safeguards?

The Sub-Fund’s investments under “2 Other” include the use of cash and derivatives. Cash has been held as ancillary liquidity or for risk purposes. In the event of use of derivatives such instruments have been used for the purpose as described in the “Investment Objective and Policy” section in the Sub-Fund’s prospectus.

No minimum environmental or social safeguards were taken into account for the investments included under “Other”.



What actions have been taken to meet the environmental and/or social characteristics during the reference period? ¹⁷

To meet the environmental and social characteristics during the reference period, the Sub-Fund has taken the following actions:

- Exclusions: excluding investments contributing to violation of human rights, labor rights, corruption, environmental damage and other unethical actions according to the Norwegian Government Pension Fund Global's exclusion list and Pareto Asset Management's guidelines for responsible investments' exclusion list.
- Corporate governance safeguards: see to that companies have features as described in Pareto Asset Management's guidelines for responsible investments.
- International principles: complying with UN's Principles for Responsible Investments
- Engagement: the Sub-Fund is a fixed income fund. Bonds do not have affiliated voting rights and the fund managers' power of influence in terms of active ownership is consequently limited. However, the Sub-Fund has applied a reactive engagement approach if there has been a specific reason to believe that a company violates the Sub-Fund's investment criteria. The fund managers have not had reasons to believe that the companies have violated the Sub-Fund's investment criteria during the reference period.

To ensure that investments comply with the Norwegian Government Pension Fund Global's exclusion list during the holding period, the Head of Risk maintains an exclusion and observation list that is cross-checked against the exclusions list on a monthly basis. In addition, the Head of Risk receives news from NBIM via email alerts and will get a notification if a new company were to be excluded.



How did this financial product perform compared to the reference benchmark? ¹⁹

As described in the Sub-Fund's "Template pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852" no specific index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

How does the reference benchmark differ from a broad market index?

N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

N/A

- **How did this financial product perform compared with the reference benchmark?**

N/A

- **How did this financial product perform compared with the broad market index?**

N/A

¹⁸ Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote

¹ tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments

² [list the environmental and/or social characteristics promoted by the financial product. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, in respect of sustainable investments with environmental objectives, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributed. For financial products that made sustainable investments with social objectives, list the social objectives]

³ [include for financial products where at least one previous periodic report was provided]

⁴ [include for financial products that made sustainable investments, where not included in the reply to the above question, describe the objectives. Describe how the sustainable investments contributed to the sustainable investment objective. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributed]

⁵ [include e where the financial product includes sustainable investments]

⁶ [include section if the financial product considered principal adverse impacts on sustainability factors]

⁷ [Include only relevant boxes, remove irrelevant ones for the financial product]

⁸ [include the note below where the financial product made sustainable investments]

⁹ [include note only for financial products referred to in Article 6 of Regulation (EU) 2020/852]

¹⁰ [include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

¹¹ [include section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 and include information in accordance with Article 51 of this Regulation]

¹² [include a breakdown of the proportions of investments during the reference period]

¹³ [include where at least one previous periodic report was provided]

¹⁴ [include note for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]

¹⁵ [include section only for the financial products referred to in Article 6, first subparagraph, of Regulation (EU) 2020/852 where the financial product included sustainable investments with an environmental objective that invested in economic activities that are not environmentally sustainable economic activities, and explain why the financial product invested in economic activities that were not Taxonomy-aligned]

¹⁶ [include only where the financial product included sustainable investments with a social objective]

¹⁷ [list the actions taken within in the period covered by the periodic report to meet the environmental or social characteristics promoted by the financial product, including shareholder engagement as referred to in Article 3g of Directive 2007/36/EC and any other engagement relating to the environmental or social characteristics promoted by the financial product]

¹⁸ [include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]

¹⁹ [include section where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product and indicate where the methodology used for the calculation of the designated index can be found]

C_2022_1931 – Art 17 (page 27): Calculation of the degree to which investments are in environmentally sustainable economic activities

1. The degree to which investments are in environmentally sustainable economic activities shall be calculated in accordance with the following formula:

= market value of all investments of the financial product in environmentally sustainable economic activities/ market value of all investments of the financial product

(a) for debt securities and equities of investee companies, where a proportion of activities of those investee companies is associated with environmentally sustainable economic activities, the market value of that proportion of those debt securities or equities;

(b) for debt securities other than those referred to in point (a), where a proportion of the proceeds is required by the terms of those debt securities to be used exclusively on environmentally sustainable economic activities, the market value of that proportion;

(c) for bonds issued under Union legislation on environmentally sustainable bonds, the market value of those bonds;

(d) for investments in real estate assets which qualify as environmentally sustainable economic activities, the market value of those investments;

(e) for investments in infrastructure assets which qualify as environmentally sustainable economic activities, the market value of those investments;

(f) for investments in securitisation positions as defined in Article 2, point (19), of Regulation (EU) 2017/2402 of the European Parliament and of the Council¹⁵ with underlying exposures in environmentally sustainable economic activities, the market value of the proportion of those exposures;

(g) for investments in financial products as referred to in Article 5, first paragraph, and Article 6, first paragraph, of Regulation (EU) 2020/852, the market value of the proportion of those financial products representing the degree to which investments are in environmentally sustainable economic activities, as calculated in accordance with this Article.

The degree to which investments are into environmentally sustainable economic activities shall be calculated by applying the methodology used to calculate net short positions laid down in Article 3(4) and (5) of Regulation (EU) No 236/2012 of the European Parliament and of the Council.

2. For the purposes of paragraph 1, point (a), the proportion of activities of investee companies associated with environmentally sustainable economic activities shall be calculated on the basis of the most appropriate key performance indicators for the investments of the financial product using the following information:

(a) for the investee companies referred to in Article 8(1) and (2) of Regulation (EU) 2020/852, the disclosures made by those investee companies in accordance with that Article;

(b) for other investee companies, equivalent information obtained by the financial market participant directly from investee companies or from third party providers.

3. For the disclosures referred to in Article 15(1), point (a), and Article 19(1), point (a), in the case of investee companies that are non-financial undertakings that are subject to the obligation to publish non-financial information pursuant to Delegated Regulation (EU) 2021/2178 and other non-financial undertakings that are not subject to that obligation, the calculation referred to in paragraph 2 shall use turnover as the same type of key performance indicator for all non-financial undertakings.

4. By way of derogation from paragraph 3, where, due to the features of the financial product, capital expenditure or operating expenditure gives a more representative calculation of the degree to which an investment is into environmentally sustainable economic activities, the calculation may use the most appropriate of those two key performance indicators. In the case of investee companies that are financial undertakings subject to Article 8(1) of Regulation (EU) 2020/852 and for other financial undertakings that are not subject to that obligation, the calculation referred to in paragraph 2 shall use the key performance indicators referred to in Section 1.1, points (b) to (e), of Annex III to Delegated Regulation (EU) 2021/2178.

5. For the disclosures referred to in Article 15(1), point (a)(ii), Article 19(1), point (a)(ii), Article 55(1), point (b)(iii) and Article 62(1), point (b)(iii), paragraphs 1 to 4 of this Article shall apply, except that the sovereign exposures shall be excluded from the calculation of the numerator and of the denominator of the formula contained in paragraph 1.

For each Sustainable Activity (SA):

*(1) Sum of (Position%Revenues Aligned with SA * PositionWeight in ptf / 100)*

*Sum of (Position%Revenues NOT Aligned-Eligible with SA * PositionWeight in ptf / 100)*