

# Semiannual report 2019

## Mutual funds



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Signatory of:



## Environment

- Climate changes
- Emissions of greenhouse gases
- Resource extraction
- Waste management and pollution
- Deforestation



## Society

- Responsible working conditions
- Child labour and slavery
- Local and indigenous communities
- Conflicts
- Health and safety

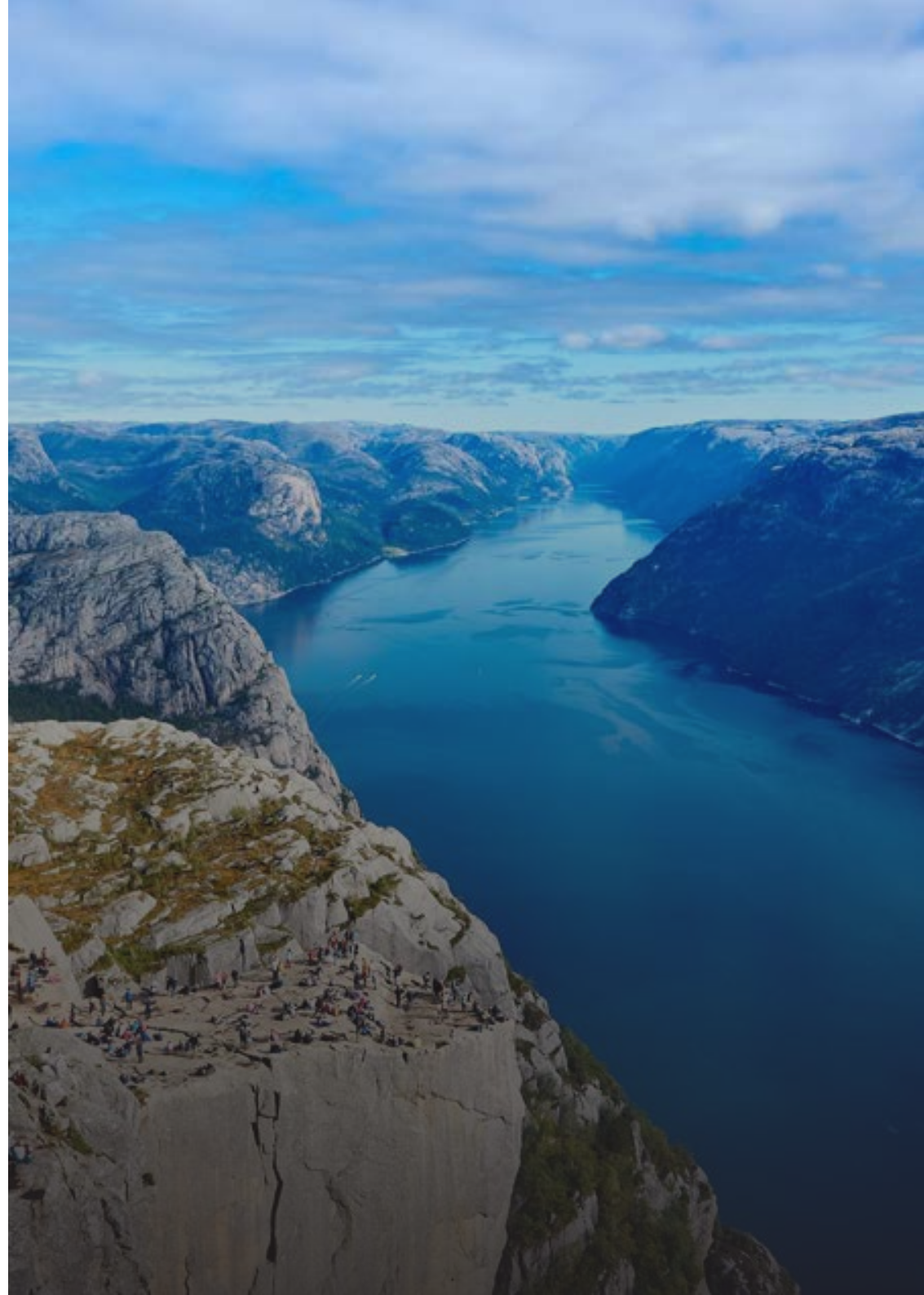


## Corporate Governance

- Corruption
- Lobby activities and donations
- Board composition and diversity
- Tax strategy
- Management salary

# Pareto Aksje Norge

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## A good first half of the year

Despite much uncertainty, the first half of the year has been good for stocks, with two thirds of the portfolio contributing to positive returns. We have received the largest contribution from our financial investments with 4.6 percentage points of the total half-year return. Oil and oil services contributed almost as much, half of which came from Bonheur. The seafood companies have had a weak half year in the stock market despite record results in the first quarter of the year. Overall, our consumer stocks pulled down the return by one percentage point.

As we round off the first half of 2019, Fred.Olsen-controlled Bonheur lights up at the top of the return list. Shareholders have almost doubled their money this year – and since the autumn of 2016 they have quadrupled their money.

We have been owners in Bonheur for over ten years, as we have seen great underlying values in this conglomerate's many businesses. This is nothing new. Already in the first edition of the book "Aksjeskolen", from the 1990s, the company's chronically low valuation was commented on. Family-controlled conglomerates rarely achieve the highest multiples in the stock market. Turnover in such shares also often remains low, as they tend to attract long-term investors focusing on underlying assets.

Lately, however, the large "discount" in Bonheur has shrunk. Why? We believe some of the answer lies in investors' focus on ESG (the Environment, Social conditions and corporate Governance) – and especially

the E. As for the G, some believe family-controlled Bonheur still has a way to go, and with regard to S, the company has no employees to consider. E is another story.

On January 25 this year, there came a stock market notification that Bonheur's subsidiary Dolphin Drilling would no longer be consolidated on a 100 per cent basis in the company's accounts, as it was not considered likely that Bonheur would inject new capital into the possibly bankrupt rig company. Bonheur rose 11% that very day. A month later, in Bonheur's investor presentation for the fourth quarter of 2018, the otherwise ever-present images of drilling rigs were removed. The only pictures left were of the three other most important business areas in the conglomerate: wind turbines, installation ships for wind turbines and cruise ships.

Despite the sharp rise in prices, we still see excess values in excess of the current share price. However, we do respect the fact that there may be other types of investors who are now driving the share price. The market for a share, like all other markets, are driven by supply and demand, and with a high proportion of long-term investors, the supply of shares is limited. Capital in search of "E", however, including speculative money trying to anticipate that same hunt, appears to be considerable and growing. If demand continues to drive up the price, we risk having to sell our shares in Bonheur.

The next two shares on the list of half-year returns are Borregaard and Yara, respectively. Borregaard extracts its products from renewable forest and thus represents

a sustainable alternative in a market dominated by petroleum-based products. Yara is the world's leading company in the manufacture of nitrogen-based fertilisers, an energy-intensive business where Yara is outstanding in terms of low carbon footprint per tonne of product.

The portfolio is priced at eleven times the year's earnings and just under ten times next year's expected earnings. This means a current earnings yield of 9 per cent for the current year and 10 per cent for next year, corresponding to a risk premium of eight and nine percentage points, respectively, over ten-year government bond yields. The combination of low debt in the balance sheets, a gradual improvement in the return on equity and attractive pricing means that we believe the portfolio can be purchased with a considerable margin of safety.

### Portfolio management team

Einar Løvoll, Torbjørn Frønningen, Besim Zekiri

# Performance history

Typically invest in sectors where Norwegian companies have global competitive advantages. Long term, actively managed, based on fundamental advantages.

Inception date: 06.09.2001

Benchmark: Oslo Børs Mutual Fund Index (OSEFX)

Legal structure: UCITS

Dealing days: all Norwegian banking days except 31.12.



Lower risk  
Typically lower rewards

Higher risk  
Typically higher rewards

The risk indicator was calculated using historical data and may not be a reliable indication of the future risk profile of the fund.

## Performance by periods

Name	YTD	2018	2017	2016	2015	2014
Pareto Aksje Norge A <sup>2</sup>	7.4%	1.0%	12.4%	25.9%	-6.1%	2.0%
Pareto Aksje Norge B <sup>3</sup>	7.9%	0.8%	13.3%	26.5%	-8.2%	1.5%
Pareto Aksje Norge C	8.3%	1.5%	14.2%	27.4%	-6.2%*	-
Pareto Aksje Norge D	8.6%	2.0%	14.7%	28.0%	-5.9%*	-
Pareto Aksje Norge I	8.7%	2.3%	15.0%	28.4%	-7.0%	3.1%
Oslo Børs Mutual Fund Index	9.2%	17.0%	17.0%	11.5%	6.7%	5.7%

## Annualised return

Name	Inception date	3 years	5 years	10 years	From start
Pareto Aksje Norge A <sup>1+2</sup>	09.09.2002	14.9%	5.7%	8.7%	10.9%
Pareto Aksje Norge B <sup>1+3</sup>	31.12.2005	15.5%	5.4%	8.8%	10.9%
Pareto Aksje Norge C <sup>1</sup>	13.07.2015	16.4%	6.1%	9.5%	11.7%
Pareto Aksje Norge D <sup>1</sup>	13.07.2015	16.9%	6.7%	10.1%	12.3%
Pareto Aksje Norge I	06.09.2001	17.2%	6.9%	10.4%	12.5%
Oslo Børs Mutual Fund Index		12.5%	7.3%	12.0%	

## Other information

Name	Minimum initial subscription amount (NOK)	ISIN	Bloomberg
Pareto Aksje Norge A	500	NO0010160575	POAKTNY NO
Pareto Aksje Norge B	500	NO0010297898	PRVERDI NO
Pareto Aksje Norge C	20 million	NO0010740590	PAAKNOC NO
Pareto Aksje Norge D	50 million	NO0010740608	PAAKNOD NO
Pareto Aksje Norge I	100 million	NO0010110968	POAKTIV NO

<sup>1</sup> Returns from 06.09.2001 until the start of the unit class is based on the historical performance of Pareto Aksje Norge I (inception date 6 September 2001) adjusted for the management fee of the unit class.

<sup>2</sup> Returns until 13.07.2015 are achieved in Pareto Aktiv. The fund continues as unit class A in Pareto Aksje Norge

<sup>3</sup> Returns until 13.07.2015 are achieved in Pareto Verdi. The fund continues as unit class B in Pareto Aksje Norge.

\*Inception date 13.07.2015

# Units issued and management fees

NAV and units issued as at 30 June 2019

## Unit class A

Number of units	156 595.03
Net asset value	6 807.26
Redemption price after maximum fee	6 773.23

## Unit class B

Number of units	227 431.61
Net asset value	2 219.62
Redemption price after maximum fee	2 208.52

## Unit class C

Number of units	268 574.20
Net asset value	1 501.16
Redemption price after maximum fee	1 493.65

## Unit class D

Number of units	253 074.89
Net asset value	1 530.98
Redemption price after maximum fee	1 523.32

## Unit class I

Number of units	318 976.55
Net asset value	8 212.91
Redemption price after maximum fee	8 171.85

## Management fee

	Subscription fee*	Redemption fee	Management fee
Unit class A	Up to 1.00%	Up to 0.50%	0.00–3.00% p.a.
Unit class B	Up to 1.00%	Up to 0.50%	2.00% p.a.
Unit class C	Up to 1.00%	Up to 0.50%	1.25% p.a.
Unit class D	Up to 1.00%	Up to 0.50%	0.75% p.a.
Unit class I	Up to 1.00%	Up to 0.50%	0.50% p.a.

\*The Board of Directors of Pareto Asset Management AS may decide that the charges shall increase by up to 5.00 per cent of the subscription amount. The difference between 1.00 per cent and the adopted increased subscription fee of up to 5.00 per cent shall accrue to the fund. The Board may set an increased subscription fee for a certain period with the possibility of extension or shortening by board resolution

# Pareto Aksje Norge

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## Securities portfolio as at 30 June 2019

Securities	Listing	Number of shares	Cost price NOK	Market value NOK	Unrealised gain/loss	Share in % of portfolio
<b>Energy</b>						
Bonheur ASA	Oslo	1 171 098	171 299 253	203 771 052	32 471 799	4.1
Eidesvik Offshore ASA	Oslo	3 120 995	67 320 124	17 914 511	- 49 405 612	0.4
Equinor ASA	Oslo	1 389 488	211 277 521	234 059 254	22 781 732	4.7
Prosafe SE ser. Ord	Oslo	2 909 160	73 063 506	32 291 676	- 40 771 830	0.6
Subsea 7 SA	Oslo	2 305 617	217 716 877	236 671 585	18 954 709	4.7
TGS-Nopec Geophysical Co ASA	Oslo	2 019 649	336 140 488	483 100 041	146 959 552	9.7
<b>Sum Energy</b>			<b>1 076 817 769</b>	<b>1 207 808 119</b>	<b>130 990 350</b>	<b>24.2</b>
<b>Financials</b>						
DNB ASA	Oslo	1 476 995	164 110 396	234 399 107	70 288 710	4.7
SpareBank 1 Nord-Norge	Oslo	3 497 063	145 691 213	237 450 578	91 759 364	4.7
SpareBank 1 SMN	Oslo	2 518 777	156 974 746	246 084 513	89 109 767	4.9
SpareBank 1 SR-Bank ASA	Oslo	2 275 325	139 764 413	236 406 268	96 641 855	4.7
SpareBank 1 Østfold Akershus	Oslo	195 956	36 803 986	43 894 144	7 090 158	0.9
Sparebanken Møre	Oslo	432 175	89 878 803	137 431 650	47 552 847	2.7
Storebrand ASA	Oslo	3 397 821	240 328 811	212 975 420	- 27 353 391	4.3
<b>Sum Financials</b>			<b>973 552 368</b>	<b>1 348 641 680</b>	<b>375 089 310</b>	<b>26.9</b>
<b>Industrials</b>						
GC Rieber Shipping ASA	Oslo	1 633 179	31 800 513	14 371 975	- 17 428 538	0.3
Od fjell SE ser. A	Oslo	1 997 967	107 260 822	51 347 752	- 55 913 071	1.0
Od fjell SE ser. B	Oslo	1 377 845	73 968 373	34 721 694	- 39 246 679	0.7
Veidekke ASA	Oslo	1 687 820	168 490 901	139 751 496	- 28 739 405	2.8
Wallenius Wilhelmsen ASA	Oslo	2 279 900	91 410 968	57 635 872	- 33 775 096	1.2



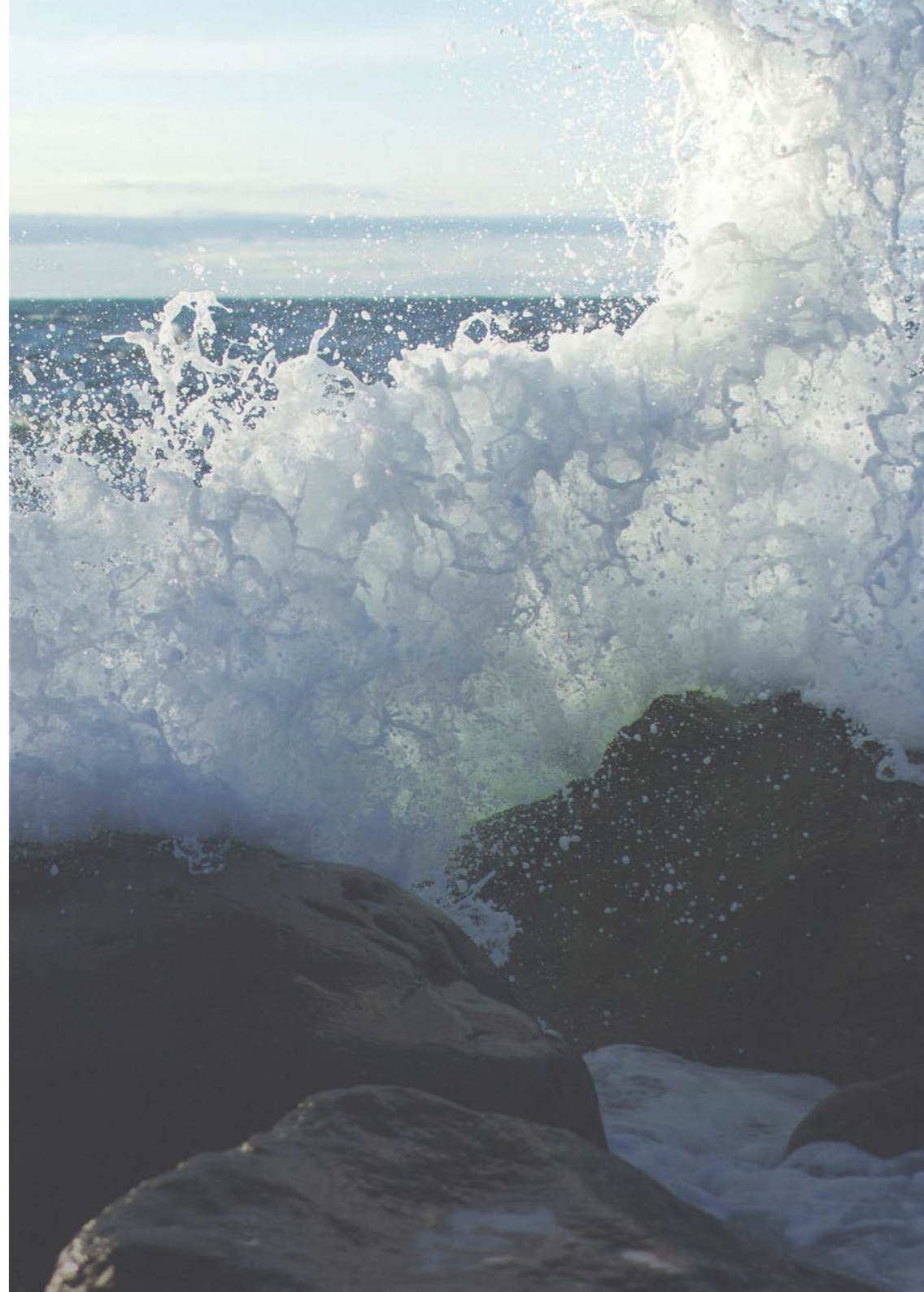
# Pareto Aksje Norge

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Securities	Listing	Number of shares	Cost price NOK	Market value NOK	Unrealised gain/loss	Share in % of portfolio
Wilh. Wilhelmsen Holding ASA ser. A	Oslo	1 049 127	171 540 032	148 976 034	- 22 563 998	3.0
Wilh. Wilhelmsen Holding ASA ser. B	Oslo	640 783	92 975 827	89 068 837	- 3 906 990	1.8
Wilson ASA	Oslo	295 849	5 561 566	6 153 659	592 093	0.1
<b>Sum Industrials</b>			<b>743 009 002</b>	<b>542 027 319</b>	<b>- 200 981 684</b>	<b>10.9</b>
<b>Consumer Staples</b>						
Austevoll Seafood ASA	Oslo	1 990 255	92 301 263	178 227 335	85 926 072	3.6
Lerøy Seafood Group ASA	Oslo	6 029 109	117 168 228	340 282 912	223 114 684	6.8
Orkla ASA	Oslo	1 862 297	104 104 093	140 938 637	36 834 544	2.8
SalMar ASA	Oslo	485 102	67 026 962	179 924 332	112 897 370	3.6
<b>Sum Consumer Staples</b>			<b>380 600 546</b>	<b>839 373 216</b>	<b>458 772 670</b>	<b>16.8</b>
<b>Consumer discretionary</b>						
Kid ASA	Oslo	2 199 768	66 236 174	94 370 047	28 133 873	1.9
<b>Materials</b>						
Borregaard ASA	Oslo	1 588 429	100 682 777	156 936 785	56 254 008	3.1
Elkem ASA	Oslo	3 825 000	103 219 329	91 876 500	- 11 342 829	1.8
Norsk Hydro ASA	Oslo	4 923 260	187 550 337	150 159 430	- 37 390 907	3.0
Yara International ASA	Oslo	1 160 757	327 850 164	480 321 247	152 471 083	9.6
<b>Sum Materials</b>			<b>719 302 607</b>	<b>879 293 962</b>	<b>159 991 355</b>	<b>17.5</b>
<b>Total securities portfolio</b>			<b>3 959 518 466</b>	<b>4 911 514 343</b>	<b>951 995 874</b>	<b>98.2</b>
Cash and cash equivalents			88 517 613	88 517 613		1.8
<b>Total</b>			<b>4 048 036 079</b>	<b>5 000 031 956</b>	<b>951 995 874</b>	<b>100.0</b>

# Pareto Investment Fund

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## A half-year characterised by escalating levels of conflict

The first half of 2019 started with a notable increase in oil prices and positive stock markets, but ended somewhat more measured as the global growth outlook was adjusted downwards and long-term interest rates fell back. Oil prices also fell, from \$75 in April to below \$60 at its low point in June, due to both lower expected growth and higher than expected oil supply.

In history, the half-year may be remembered for an escalation of conflict levels. The trade conflict between the United States and China has intensified, and while the previous notion was that a solution would be found within 6 to 12 months, many now believe that the conflict will persist, at least as long as Donald Trump is the US president. In addition, we have seen tensions in the Middle East grow, with the US and Iran in the leading roles.

In total, however, it became a respectable half year for Norwegian shares, with a nine per cent return for the Oslo Børs mutual fund index. The fund was ahead of the market for a long time, but passed the half-year mark a few percentage points behind the benchmark.

The best contributors these months were Spectrum, BW Offshore, Yara, Royal Caribbean and Grieg Seafood.

The seismic company Spectrum rose on the offer of a merger with TGS. We invested in Spectrum at the end of April 2016, and since then the share has delivered

a 37 per cent annual return, dividends included. The past year has been particularly good; they have been able to reap the benefits of investments, including in Brazil, where they were early movers. The turnover in Spectrum is therefore back at 2015 peak levels, while big brother TGS is still 30 per cent below. There is reason to maintain high hopes for their business in Brazil, where TGS is relatively weak.

The merger is now a fact after the respective votes in June. We believe it makes good sense to merge the two companies – reducing the geographical risk and facilitating cost cuts, but TGS managed to land the merger at a lower price than we had hoped.

On the list of negative contributors, we find Norwegian Air, Ensco, B2Holding, Flex LNG and Aker Solutions at the top. The former stands out as the worst, having reduced return by twice as much as the four others together.

The weakness in Norwegian Air was driven by several negative events. First, IAG announced that they were no longer interested in buying the company. The big surprise here was not so much that they left the negotiating table; rather that they actually closed the door as well. An acquisition of Norwegian from IAG seemed to us strategically rational and better than their new strategy of building a separate brand in low-cost long distance.



Among the best contributors during the first half year. Photo: RCCL



Then the company announced a share issue of NOK 3 billion. A capital issue was to be expected, due to the underlying market and the high jet fuel prices this winter, but the size was surprisingly large. Nevertheless, the company placed the issue and picked up the money in March.

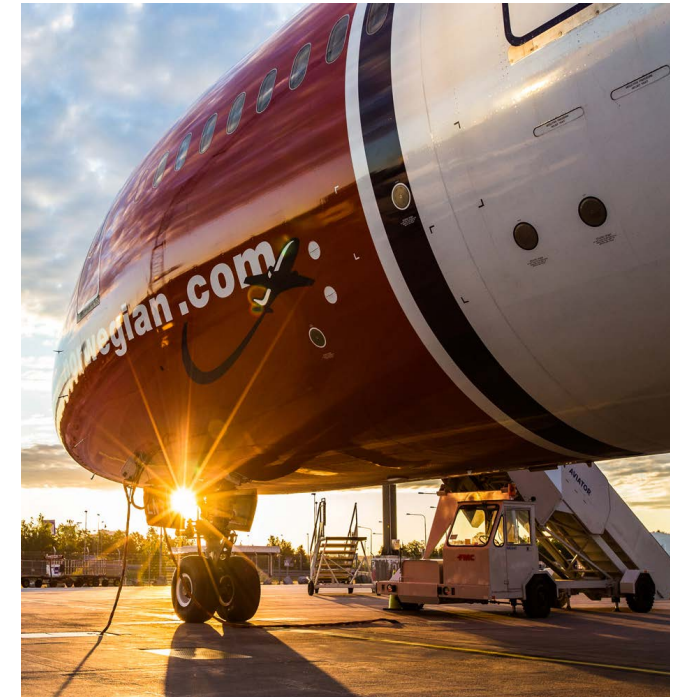
The same month, the new MAX aircraft from Boeing were grounded all over the world, after two tragic accidents with the new aircraft type in but half a year. Norwegian has estimated the related short-term costs to be in the order of NOK 500 million, which puts pressure on profitability for 2019. Since then, there is nothing to indicate that the planes will be in the air by August as first assumed; the last estimate is now October.

However, we believe that the company has good opportunities to show significantly improved operations for 2019. Growth has now slowed and is close to zero on traffic figures that came in June. Costs are cut and it should be possible to notch up ticket prices on popular routes. Our view is that Norwegian, with its modern aircraft, delivers a product that does not have to be sold at such a large discount now that the routes are established. In 2018, for example, a trip across the Atlantic with Norwegian was 27 per cent cheaper than Aer Lingus, and almost 50 per cent cheaper than Lufthansa.

A clarification on an agreement on the Airbus aircraft order may be a stock market trigger. In addition, the next traffic reports are likely to be good, helped by rising ticket prices, Easter traffic, strikes in SAS and the absence of super summer in the Nordic countries.

Fundamentally, we believe stock markets are reasonably priced. There are, of course, regional differences. In Norway, pricing is attractive. Other markets, such as the United States, may look expensive when compared to companies' earnings. But there the average is pulled up by the largest companies in the technology and internet sector. Major stock market falls generally only take place when the market is unusually expensive, and we are not there yet. Normally, it is a buying opportunity when politics dominates the market for short periods of time, it will pass. In the long run, stock prices follow the companies' earnings.

**Portfolio management team**  
Tore Været, Patrick Meum



Norwegian had a weak development in the first half of 2019.  
Photo: Norwegian Air



# Performance history

Norwegian companies with sound and solid business models. Actively managed, seeks undervalued companies with good growth prospects.

Inception date: established in 1985

Benchmark: Oslo Børs Mutual Fund Index (OSEFX)

Legal structure: UCITS

Dealing days: all Norwegian banking days except 31.12.



Lower risk  
Typically lower rewards

Higher risk  
Typically higher rewards

The risk indicator was calculated using historical data and may not be a reliable indication of the future risk profile of the fund.

## Return by periods

Name	YTD	2018	2017	2016	2015	2014
Pareto Investment Fund A	7.3%	-7.7%	9.1%	14.7%	20.6%	18.1%
Pareto Investment Fund B	7.8%	-6.9%	10.0%	15.7%	21.7%	19.1%
Pareto Investment Fund C	8.0%	-6.5%	10.5%	16.2%	22.2%	19.6%
Oslo Børs Mutual Fund Index	9.2%	-2.2%	17.0%	11.5%	6.7%	5.7%

## Annualised return

Name	Inception date	3 years	5 years	10 years	From start
Pareto Investment Fund A	1985	7.2%	9.8%	13.8%	7.4% *
Pareto Investment Fund B	29.11.2013	8.2%	10.7%	-	11.8%
Pareto Investment Fund C	29.11.2013	8.6%	11.2%	-	12.3%
Oslo Børs Mutual Fund Index		12.5%	7.3%	12.0%	

## Other information

Name	Minimum initial subscription amount (NOK)	ISIN	Bloomberg
Pareto Investment Fund A	500	N00010040496	ORFINF NO
Pareto Investment Fund B	10 million	N00010694771	ORFINBB NO
Pareto Investment Fund C	50 million	N00010694789	ORFINBC NO

\*From start with current portfolio manager 01.01.2007

# Units issued and management fees

## NAV and units issued as at 30 June 2019

<b>Unit class A</b>	
Number of units	3 453.26
Net asset value	297 248.54
Redemption price after maximum fee	296 654.04
<b>Unit class B</b>	
Number of units	192 82.04
Net asset value	18 668.40
Redemption price after maximum fee	18 631.06
<b>Unit class C</b>	
Number of units	66 127.37
Net asset value	19 136.14
Redemption price after maximum fee	19 097.86

## Management fee

	<b>Subscription fee*</b>	<b>Redemption fee</b>	<b>Management fee</b>
Unit class A	Up to 1.00%	Up to 0.50%	1.80% p.a.
Unit class B	Up to 1.00%	Up to 0.50%	0.95% p.a.
Unit class C	Up to 1.00%	Up to 0.50%	0.50% p.a.

\*The Board of Directors of Pareto Asset Management AS may decide that the charges shall increase by up to 5.00 per cent of the subscription amount. The difference between 1.00 per cent and the adopted increased subscription fee of up to 5.00 per cent shall accrue to the fund. The Board may set an increased subscription fee for a certain period with the possibility of extension or shortening by board resolution.

# Pareto Investment Fund

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## Securities portfolio as at 30 June 2019

Securities	Listing	Number of shares	Cost price NOK	Market value NOK	Unrealised gain/loss	Share in % of portfolio
<b>Real estate</b>						
Selvaag Bolig ASA	Oslo	1 588 000	37 165 740	69 872 000	32 706 260	2.6
<b>Energy</b>						
Aker BP ASA	Oslo	478 000	43 820 521	116 918 800	73 098 279	4.4
Aker Solutions ASA	Oslo	2 215 000	89 059 802	77 259 200	- 11 800 602	2.9
Archer Ltd	Oslo	3 656 855	40 594 605	16 565 553	- 24 029 052	0.6
BW Offshore Ltd	Oslo	2 024 000	58 773 633	105 146 800	46 373 167	4.0
DNO ASA	Oslo	7 955 000	84 045 409	122 904 750	38 859 341	4.6
Flex LNG Ltd	Oslo	620 000	86 562 643	62 372 000	- 24 190 643	2.4
Höegh LNG Holdings Ltd	Oslo	442 548	43 934 718	15 533 435	- 28 401 283	0.6
Magseis ASA	Oslo Axess	2 340 000	39 744 359	27 378 000	- 12 366 359	1.0
Spectrum ASA	Oslo	1 728 000	52 039 720	115 084 800	63 045 080	4.3
Subsea 7 SA	Oslo	1 234 000	138 309 656	126 670 100	- 11 639 556	4.8
Valaris plc	New York	505 000	94 453 317	36 711 516	- 57 741 801	1.4
<b>Sum Energy</b>			<b>771 338 383</b>	<b>822 544 954</b>	<b>51 206 571</b>	<b>31.0</b>
<b>Financials</b>						
B2Holding ASA	Oslo	6 381 405	93 904 867	59 889 486	- 34 015 381	2.3
Norwegian Finans Holding ASA	Oslo	1 977 000	88 553 269	122 574 000	34 020 731	4.6
Protector Forsikring ASA	Oslo	1 096 000	68 575 519	61 047 200	- 7 528 319	2.3
<b>Sum Financials</b>			<b>251 033 655</b>	<b>243 510 686</b>	<b>- 7 522 969</b>	<b>9.2</b>
<b>Utilities</b>						
Scatec Solar ASA	Oslo	1 320 000	52 331 335	112 530 000	60 198 665	4.2

# Pareto Investment Fund

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Securities	Listing	Number of shares	Cost price NOK	Market value NOK	Unrealised gain/loss	Share in % of portfolio
<b>Industrials</b>						
Multiconsult ASA	Oslo	776 223	74 314 477	48 125 826	- 26 188 651	1.8
Norwegian Air Shuttle ASA	Oslo	2 603 000	252 304 271	92 770 920	- 159 533 351	3.5
Tomra Systems ASA	Oslo	100 000	7 111 554	28 040 000	20 928 446	1.1
<b>Sum Industrials</b>			<b>333 730 302</b>	<b>168 936 746</b>	<b>- 164 793 556</b>	<b>6.4</b>
<b>Information technology</b>						
Elliptic Laboratories AS	Unlisted	147 000	23 039 650	29 400 000	6 360 350	1.1
Evry ASA	Oslo	2 798 815	84 838 474	97 678 644	12 840 169	3.7
Nordic Semiconductor ASA	Oslo	3 052 000	109 988 072	109 261 600	- 726 472	4.1
Norwegian Crystals AS	Unlisted	257 000	23 570 741	1 285 000	- 22 285 741	0.0
poLight ASA	Oslo	124 458	14 000 000	1 213 466	- 12 786 535	0.0
<b>Sum Information technology</b>			<b>255 436 937</b>	<b>238 838 710</b>	<b>- 16 598 229</b>	<b>8.9</b>
<b>Consumer staples</b>						
Arnarlax AS	Unlisted	727 757	43 665 420	46 576 448	2 911 028	1.8
Austevoll Seafood ASA	Oslo	492 000	25 173 463	44 058 600	18 885 137	1.7
Grieg Seafood ASA	Oslo	1 843 000	91 851 883	218 026 900	126 175 017	8.2
<b>Sum Consumer staples</b>			<b>160 690 766</b>	<b>308 661 948</b>	<b>147 971 182</b>	<b>11.7</b>
<b>Consumer discretionary</b>						
Europris ASA	Oslo	3 676 000	105 447 052	97 193 440	- 8 253 612	3.7
Kid ASA	Oslo	1 801 000	53 672 720	77 262 900	23 590 180	2.9
Kongsberg Automotive ASA	Oslo	6 401 118	41 137 270	39 686 932	- 1 450 338	1.5
Royal Caribbean Cruises Ltd	New York	178 500	122 143 858	184 390 519	62 246 660	6.9
<b>Sum Consumer discretionary</b>			<b>322 400 900</b>	<b>398 533 791</b>	<b>76 132 890</b>	<b>15.0</b>



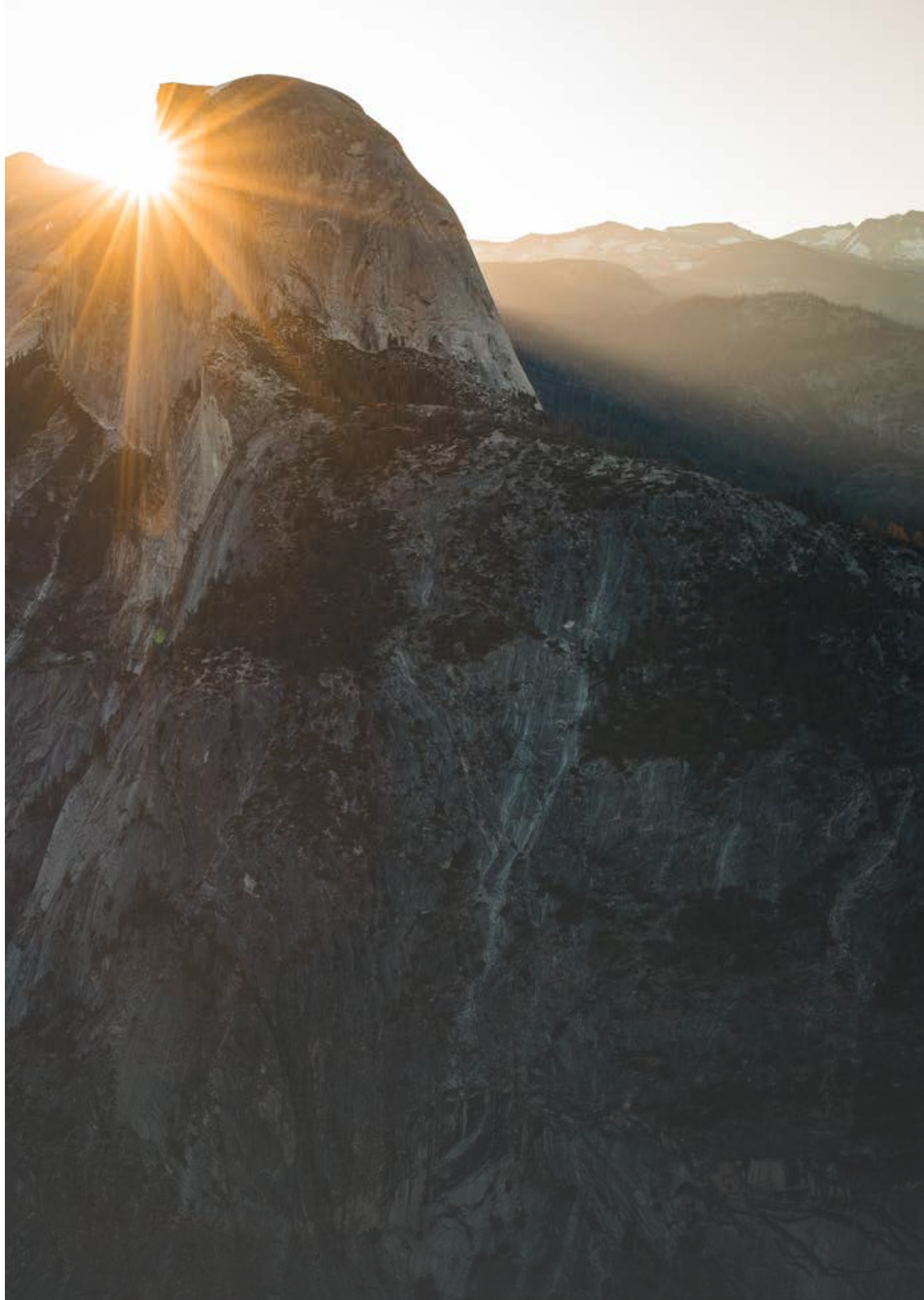
# Pareto Investment Fund

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Securities	Listing	Number of shares	Cost price NOK	Market value NOK	Unrealised gain/loss	Share in % of portfolio
<b>Materials</b>						
Borregaard ASA	Oslo	775 000	39 005 017	76 570 000	37 564 983	2.9
Yara International ASA	Oslo	429 000	148 165 562	177 520 200	29 354 638	6.7
<b>Sum Materials</b>			<b>187 170 579</b>	<b>254 090 200</b>	<b>66 919 621</b>	<b>9.6</b>
<b>Total securities portfolio</b>						
			<b>2 371 298 597</b>	<b>2 617 519 035</b>	<b>246 220 435</b>	<b>98.6</b>
<b>Warrants</b>						
Norwegian Crystals AS Warrant 3 31/12/2019	Unlisted	4 242	0	8 484	8 484	0.0
Norwegian Crystals AS Warrant 3 ADL 2017	Unlisted	1	0	28 752	28 752	0.0
Norwegian Crystals AS Warrant 3 ADL 2018	Unlisted	1	0	0	0	0.0
<b>Currency futures</b>						
NOK Forward 12. juli 2019		219 969 885	219 969 885	219 969 885	0	8.3
NOK Forward 12. juli 2019		-17 000 480	- 17 000 480	- 17 000 480	0	-0.6
USD Forward 12. juli 2019		2 000 000	17 000 480	17 037 642	37 162	0.6
USD Forward 12. juli 2019		-25 500 000	- 219 969 885	- 217 229 932	2 739 953	-8.2
Cash and cash equivalents			33 671 944	33 706 825	34 881	1.2
<b>Total</b>			<b>2 404 970 541</b>	<b>2 654 040 211</b>	<b>249 069 667</b>	<b>99.9</b>

# Pareto Global

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## All in all a good first half of the year

June delivered a good absolute return for the fund – roughly in line with the market. The main contributors were Schneider Electric, Michelin and Microsoft. The weakest posts were Attendo, Lennar and Reckitt Benckiser. All in all, we have had a good first half of the year with nice returns for our customers.

Two new companies were included in the fund in June: Alphabet and Centene. The purchases were funded through reducing our positions in Microsoft, SAP, Oracle, Abbott Laboratories and Anthem. A good performance for these stocks has given us the opportunity to rebalance the portfolio in favour of new investment ideas.

At the beginning of June, after a 20 per cent fall in prices in one month, we invested two per cent of the fund in the IT company Alphabet, which owns Google. The company's mission is to collect, analyze and make available all the world's information.

Google is the undisputed leader in search and is the world's most visited site. Its market share of online advertising revenue is at an incredible 40 per cent. In mobile phones, the Android platform has a market share of 80 per cent. YouTube offers video streaming

and is the world's third most visited site. In cloud services, the market share is only seven per cent, and here the potential is great. Alphabet has always been an innovative company that develops new business concepts. Some of the most promising technologies are artificial intelligence, self-driving vehicles, smart homes and medical research.

Network effects ensure a stable and high earning capacity. The operating margin is 25 per cent and the return on equity up to 20 per cent. Organic growth has been 20 per cent annually, and we believe that the strong growth will continue, driven by both existing and new business areas. A total of 15 per cent of the stock market value consists of net cash.

What made the price fall 20 per cent before our purchase? The main explanations are higher investments in cloud services than anticipated, weaker growth in the first quarter, potential competition investigation, a trade war that reduces Huawei's Android usage and increased competition from Facebook and Amazon. We believe that these factors are now more than reflected in the share price and that the outlook for appreciation is good.



Alphabet, parent company of Google, is among the new holdings in the fund.

Centene is a leading US health insurance company specialising in low-income and public health programmes. The company is the largest supplier to both Medicaid, the health care program for low-income groups, and to the regulated market place for individual, subsidised health insurance. The company has 15 million members in 32 states, and each state has its own local brand.

The size gives an advantage in purchasing and data collection and a higher ability to invest in systems and technology solutions. Furthermore, they can point to good treatment results, especially through work on prevention, close patient follow-up and incentive schemes in the health system. The economies of scale and specialisation in low-income groups make Centene a cost leader in a health market where lower prices and more optimal use of resources are high on the agenda.

The company has delivered strong 35 per cent annual top line growth over the past five years, driven by organic growth and acquisitions. We see a significant growth potential in increased use of private players in public health programmes, where today less than half are managed by the private sector. Demand is also driven by an aging population and increased popularity for the Medicare Advantage

pension programme. We believe the company is well positioned for increased Democratic influence in the next election and that it complements one of our other portfolio companies in the sector, Anthem.

Attendo, the Nordic region's leading private care provider, has had a poor stock performance this year. The company has provided high organic growth and stable operating margins for many years, and our case was that this would continue.

In the short term, however, the company faces challenges. In Finland, new homes have been built far faster than they have been able to fill them with residents. This has put pressure on margins. Secondly, the entire care industry in Finland, both government and private operators, faces increased costs as a result of demands for increased staffing. In the longer term, the company will be compensated for this, but only when current contracts expire. By the beginning of 2022, all contracts in Finland will have been renegotiated.

In the longer term, demography will favour the company. Finland and Sweden have a severe shortfall of elderly homes. Many municipalities prefer private operators, as these are cheaper and because many municipalities do not want to have operational

responsibility. Attendo insiders seem to agree with our proposition that the stock holds considerable long-term potential, as they have bought shares throughout the downturn. For the fund, the short-term impact is limited, as Attendo was one of our smallest positions.

#### [Portfolio management team](#)

Andreas Sørbye, Ole Jørgen Grøneng Nilsen,  
Johnar Håland



# Performance history

Global, well-run companies in developed markets. Actively managed, seeks solid companies with strong earnings power.

Inception date: 12.08.2005

Benchmark: MSCI World World in NOK, dividend adjusted

Legal structure: UCITS

Dealing days: Norwegian banking days except 31.12 and days when local markets are closed



Lower risk  
Typically lower rewards

Higher risk  
Typically higher rewards

The risk indicator was calculated using historical data and may not be a reliable indication of the future risk profile of the fund.

## Return by periods

Name	YTD	2018	2017	2016	2015	2014
Pareto Global A	13.9%	-13.0%	16.0%	0.9%	17.2%	16.6%
Pareto Global B	14.6%	-14.5%	17.3%	0.0%	18.7%	17.6%
Pareto Global C	14.8%	-14.2%	17.7%	0.3%	19.4%	18.4%
Pareto Global D <sup>1</sup>	15.1%	-13.7%	18.3%	0.8%	20.0%	18.8%
Pareto Global I	15.2%	-13.5%	18.6%	1.1%	7.0%*	
MSCI World in NOK	15.1%	-3.3%	5.0%	17.2%	28.8%	38.4%

## Annualised return

Name	Inception date	3 years	5 years	10 years	From start
Pareto Global A	12.08.2005	7.8%	7.7%	12.0%	7.9%**
Pareto Global B	01.11.2012	7.8%	7.9%	-	12.4%
Pareto Global C	01.11.2012	8.2%	8.3%	-	12.9%
Pareto Global D <sup>1</sup>	22.11.2006	8.7%	8.8%	13.5%	9.3%**
Pareto Global I	13.07.2015	9.0%	-	-	6.4%
MSCI World in NOK		12.4%	13.8%	13.9%	

## Other information

Name	Minimum initial subscription amount in NOK	ISIN	Bloomberg
Pareto Global A	500	NO0010279979	PAAKTGL NO
Pareto Global B	500	NO0010660434	PAAKTGB NO
Pareto Global C	20 million	NO0010660459	PAAKTGC NO
Pareto Global D	50 million	NO0010342892	PARAKSJ NO
Pareto Global I	100 million	NO0010740624	PAAKTGI NO

<sup>1</sup> Returns until 13.07.2015 are achieved in Pareto Global I (formerly Pareto Aksje Global). Unit class D is a continuation of Pareto Global I and was established after the merger of Pareto Global and Pareto Global I as at 13.07.2015.

\*Inception date 13.07.2015

\*\*From start with current portfolio manager 01.01.2008

# Units issued and management fees

## NAV and units issued as at 30 June 2019

<b>Unit class A</b>	
Number of units	166 449,39
Net asset value	2 589,56
Redemption price after maximum fee	2 563,66
<b>Unit class B</b>	
Number of units	383 197,52
Net asset value	2 175,95
Redemption price after maximum fee	2 154,19
<b>Unit class C</b>	
Number of units	157 154,85
Net asset value	2 250,25
Redemption price after maximum fee	2 227,75
<b>Unit class D</b>	
Number of units	56 427,10
Net asset value	2 336,06
Redemption price after maximum fee	2 312,70
<b>Unit class I</b>	
Number of units	1 988 506,21
Net asset value	1 278,07
Redemption price after maximum fee	1 265,29

## Management fee

	<b>Subscription fee*</b>	<b>Redemption fee</b>	<b>Management fee</b>
Unit class A	Up to 1.00%	Up to 0.50%	0.00–3.00% p.a
Unit class B	Up to 1.00%	Up to 0.50%	1.60% p.a.
Unit class C	Up to 1.00%	Up to 0.50%	1.25% p.a.
Unit class D	Up to 1.00%	Up to 0.50%	0.75% p.a.
Unit class I	Up to 1.00%	Up to 0.50%	0.50% p.a.

\*The Board of Directors of Pareto Asset Management AS may decide that the charges shall increase by up to 5.00 per cent of the subscription amount. The difference between 1.00 per cent and the adopted increased subscription fee of up to 5.00 per cent shall accrue to the fund. The Board may set an increased subscription fee for a certain period with the possibility of extension or shortening by board resolution.

# Pareto Global

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## Securities portfolio as at 30 June 2019

Securities	Listing	Number of shares	Cost price NOK	Market value NOK	Unrealised gain/loss	Share in % of portfolio
<b>Financials</b>						
Affiliated Managers Group Inc	New York	170800	210 364 745	134 121 372	- 76 243 373	3.1
Discover Financial Services Inc	New York	434950	224 321 847	287 611 999	63 290 152	6.7
Goldman Sachs Group Inc	New York	92323	162 305 255	160 982 049	- 1 323 205	3.7
Prudential Plc	London	1715728	269 044 634	319 341 487	50 296 853	7.4
Wells Fargo & Co	New York	412666	142 644 808	166 419 931	23 775 123	3.9
<b>Sum Financials</b>			<b>1 008 681 289</b>	<b>1 068 476 838</b>	<b>59 795 550</b>	<b>24.8</b>
<b>Health care</b>						
Abbott Laboratories	New York	166352	55 497 345	119 230 108	63 732 762	2.8
Anthem Inc	New York	52800	86 575 973	126 989 623	40 413 650	3.0
Attendo AB	Stockholm	1632788	138 689 310	60 391 704	- 78 297 606	1.4
Centene Corp	New York	184300	85 913 984	82 366 371	- 3 547 613	1.9
CVS Health Corp	New York	313600	195 712 552	145 631 317	- 50 081 235	3.4
<b>Sum Health care</b>			<b>562 389 164</b>	<b>534 609 123</b>	<b>- 27 780 042</b>	<b>12.5</b>
<b>Industrials</b>						
Ryanair Holdings Plc	Dublin	1962066	269 152 518	192 663 888	- 76 488 630	4.5
Schneider Electric SE	Euronext	281300	169 558 542	217 808 938	48 250 397	5.1
ÅF AB ser. B	Stockholm	1180875	118 076 121	228 039 645	109 963 524	5.3
<b>Sum Industrials</b>			<b>556 787 181</b>	<b>638 512 471</b>	<b>81 725 291</b>	<b>14.9</b>
<b>Information technology</b>						
Keysight Technologies Inc	New York	44017	24 109 721	33 690 468	9 580 748	0.8
Microsoft Corp	New York Nasdaq GS	248384	83 727 633	283 570 252	199 842 619	6.6
Oracle Corp	New York	138998	46 530 054	67 486 466	20 956 411	1.6
Playtech Plc	London	2058971	174 385 174	95 270 995	- 79 114 179	2.2
SAP SE	Xetra	150877	103 092 833	176 875 209	73 782 375	4.1

# Pareto Global

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Securities	Listing	Number of shares	Cost price NOK	Market value NOK	Unrealised gain/loss	Share in % of portfolio
Alphabet Inc ser. C	New York Nasdaq GS	9150	81 940 742	84 289 319	2 348 576	2.0
<b>Sum Information technology</b>			<b>513 786 157</b>	<b>741 182 709</b>	<b>227 396 550</b>	<b>17.3</b>
<b>Consumer staples</b>						
Reckitt Benckiser Group Plc	London	166821	122 051 195	112 437 606	- 9 613 589	2.6
Unilever NV		220491	69 428 569	114 644 244	45 215 675	2.7
<b>Sum Consumer staples</b>			<b>191 479 764</b>	<b>227 081 850</b>	<b>35 602 086</b>	<b>5.3</b>
<b>Consumer discretionary</b>						
EssilorLuxottica SA	Euronext	178682	182 725 870	199 046 396	16 320 526	4.6
Lennar Corp ser. A	New York	435412	186 085 629	179 823 198	- 6 262 431	4.2
Michelin CGdE	Euronext	215200	214 253 551	233 041 175	18 787 625	5.4
Polaris Industries Inc	New York	215278	160 235 388	167 378 333	7 142 946	3.9
<b>Sum Consumer discretionary</b>			<b>743 300 438</b>	<b>779 289 102</b>	<b>35 988 666</b>	<b>18.1</b>
<b>Materials</b>						
BASF SE	Xetra	270200	222 229 427	167 665 200	- 54 564 227	3.9
<b>Total securities portfolio</b>			<b>3 798 653 420</b>	<b>4 156 817 293</b>	<b>358 163 874</b>	<b>96.8</b>
Cash and cash equivalents			145 002 802	143 945 380	- 1 057 422	3.3
<b>Total</b>			<b>3 943 656 222</b>	<b>4 300 762 673</b>	<b>357 106 452</b>	<b>100.1</b>



# Pareto Nordic Return

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## A disappointing half-year

The Nordic securities market had a bouncy start to 2019. Buoyed by an improved sentiment and growing signs of monetary stimulus from central banks, the stock market regained the territory lost in market declines of Q4 2018. From the end of April onwards, however, the market lost steam, while global growth estimates were revised downwards and the oil price as well as long duration interest rates fell back.

In history, the half-year may be remembered for an escalation of conflict levels. The trade conflict between the United States and China has intensified, and while the previous notion was that a solution would be found within 6 to 12 months, many now believe that the conflict will persist, at least as long as Donald Trump is the US president. In addition, we have seen tensions in the Middle East grow, with the US and Iran in the leading roles.

For the fund, this half-year turned out to be disappointing. With more than 85 per cent of the fund in stocks, in a market appreciating by more than 10 per cent, one should be able to expect better returns. The weak return differential, not surprisingly, is down to weak returns in the stock portfolio.

The best contributors these six months were Grieg Seafood, Scatec Solar, BW Offshore, Carlsberg and Subsea 7.

Grieg Seafood is the biggest position in the fund and we have been invested for quite a few years. The past five years have been exceptional for seafood producers; on average, the Oslo Børs seafood index has delivered an annual return of 27 per cent. During this period, Grieg Seafood has had an annual excess return, as compared to the seafood sector, of as much as 10 percentage points.

Historically, the stock has been priced below similar companies, much because of weaker operations. This has improved after new management has implemented necessary measures. With improved operations comes better utilisation of the company's licenses, especially in Finnmark. This has contributed to Grieg being on schedule to fulfilling its ambition of increasing production to 100 thousand tonnes in 2020, up from some 60 thousand tonnes in 2017.

The stock has been and remains our favourite in a sector of which we still hold a favourable view, despite many years of rising salmon prices. The regime introduced by Norway some years ago is blossoming, as supply is growing at an increasingly stable rate from one year to another. When in addition the stock is priced at a considerable discount compared to peers, it stands out as exceptionally attractive. Other fish farming companies are expected to meet appreciably lower growth, which leads us

to believe that what is presently a Grieg-specific discount will turn into a Grieg premium.

On the list of the worst contributors we find Norwegian Air, Danske Bank, Betsson, Bank Norwegian and Kongsberg Automotive. The former stands out as the undisputably worst, having pulled down return by more than the four other stocks combined.

The weakness in Norwegian Air was driven by several negative events. First, IAG announced that they were no longer interested in buying the company. The big surprise here was not so much that they left the negotiating table; rather that they actually closed the door as well. An acquisition of Norwegian from IAG seemed to us strategically rational and better than their new strategy of building a separate brand in low-cost long distance.

Then the company announced a share issue of NOK 3 billion. A capital issue was to be expected, due to the underlying market and the high jet fuel prices this winter, but the size was surprisingly large. Nevertheless, the company placed the issue and picked up the money in March.

The same month, the new MAX aircraft from Boeing were grounded all over the world, after two tragic

accidents with the new aircraft type in but half a year. Norwegian has estimated the related short-term costs to be in the order of NOK 500 million, which puts pressure on profitability for 2019. Since then, there is nothing to indicate that the planes will be in the air by August as first assumed; the last estimate is now October.

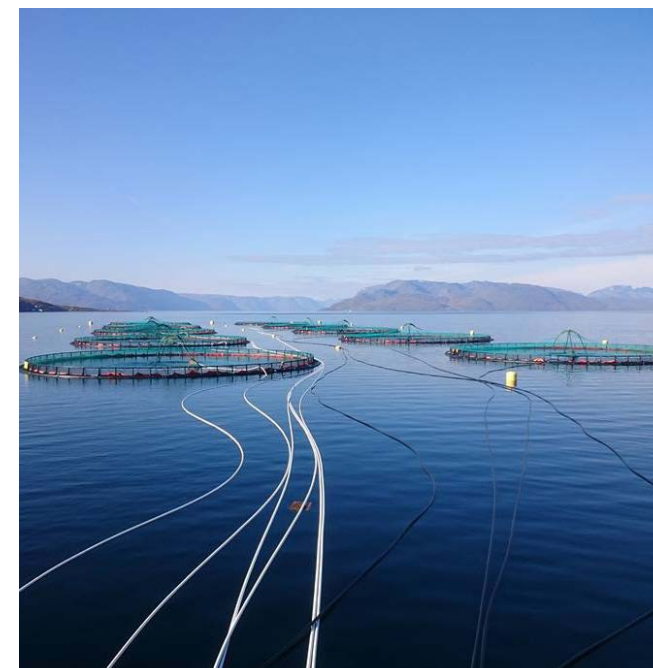
However, we believe that the company has good opportunities to show significantly improved operations for 2019. Growth has now slowed and is close to zero on traffic figures that came in June. Costs are cut and it should be possible to notch up ticket prices on popular routes. Our view is that Norwegian, with its modern aircraft, delivers a product that does not have to be sold at such a large discount now that the routes are established. In 2018, for example, a trip across the Atlantic with Norwegian was 27 per cent cheaper than Aer Lingus, and almost 50 per cent cheaper than Lufthansa.

A clarification on an agreement on the Airbus aircraft

order may be a stock market trigger. In addition, the next traffic reports are likely to be good, helped by rising ticket prices, Easter traffic, strikes in SAS and the absence of super summer in the Nordic countries.

Fundamentally, we believe that stock markets are reasonably priced. Of course, there are regional differences. In the Nordics, pricing is attractive, perhaps in Norway in particular. Other markets, like the US, may look expensive when compared to earnings. There, however, the average has been inflated by the technology and Internet giants. Major stock market declines only take place when the market is unusually expensive, and we are not there yet. Normally, when politics dominates the market for short periods of time, it is a buying opportunity. It will pass. In the long run, stock prices follow the companies' earnings.

**Portfolio management team**  
Tore Været, Patrick Meum



Among the best contributors the first six months of 2019.  
Photo: Grieg Seafood

# Performance history

Nordic balaced fund. Seeks solid company management, strong balance sheets and good earnings power.

Inception date: established in 1987

Benchmark: n.a.

Legal structure: UCITS

Dealing days: all Norwegian banking days except 31.12.



Lower risk  
Typically lower rewards

Higher risk  
Typically higher rewards

The risk indicator was calculated using historical data and may not be a reliable indication of the future risk profile of the fund.

## Return by periods

Name	YTD	2018	2017	2016	2015	2014
Pareto Nordic Return A	2.4%	-10.7%	11.3%	5.3%	21.9%	17.8%
Pareto Nordic Return B	2.6%	-10.5%	11.6%	5.5%	22.2%	-
Pareto Nordic Return C	2.8%	-10.1%	12.1%	6.0%	19.2%*	-

## Annualised return

Name	Inception date	3 years	5 years	10 years	From start
Pareto Nordic Return A	1987	3.1%	7.1%	12.1%	8.3%**
Pareto Nordic Return B	31.12.2014	3.4%	-	-	6.4%
Pareto Nordic Return C	12.02.2015	3.8%	-	-	6.3%

## Other information

Name	Minimum initial subscription amount in NOK	ISIN	Bloomberg
Pareto Nordic Return A	2 000	N00010040504	ORKOMBI NO
Pareto Nordic Return B	10 million	N00010727670	PANOREB NO
Pareto Nordic Return C	50 million	N00010694797	PANOREC NO

\*Inception date 12.02.2015

\*\*From start with current portfolio manager 01.01.2007



# Units issued and management fees

## NAV and units issued as at 30 June 2019

<b>Unit class A</b>	
Number of units	6 179.02
Net asset value	101 004.42
Redemption price after maximum fee	100 802.41
<b>Unit class B</b>	
Number of units	33 637.14
Net asset value	6 606.34
Redemption price after maximum fee	6 593.13
<b>Unit class C</b>	
Number of units	9 437.06
Net asset value	6 545.98
Redemption price after maximum fee	6 532.89

## Management fee

	<b>Subscription fee*</b>	<b>Redemption fee</b>	<b>Management fee</b>
Unit class A	Up to 1.00%	Up to 0.50%	1.20% p.a.
Unit class B	Up to 1.00%	Up to 0.50%	0.95% p.a.
Unit class C	Up to 1.00%	Up to 0.50%	0.50% p.a.

\*The Board of Directors of Pareto Asset Management AS may decide that the charges shall increase by up to 5.00 per cent of the subscription amount. The difference between 1.00 per cent and the adopted increased subscription fee of up to 5.00 per cent shall accrue to the fund. The Board may set an increased subscription fee for a certain period with the possibility of extension or shortening by board resolution.

# Pareto Nordic Return

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## Securities portfolio as at 30 June 2019

Securities	Listing	Number of shares	Cost price NOK	Market value NOK	Unrealised gain/loss	Share in % of portfolio
<b>Energy</b>						
Akastor ASA	Oslo	1 339 000	21 344 378	15 585 960	- 5 758 418	1.7
Archer Ltd	Oslo	1 183 895	11 838 950	5 363 044	- 6 475 906	0.6
BW Offshore Ltd	Oslo	349 000	14 403 017	18 130 550	3 727 533	2.0
Flex LNG Ltd	Oslo	133 000	18 952 500	13 379 800	- 5 572 700	1.5
Magseis ASA	Oslo Axess	737 319	12 502 034	8 626 632	- 3 875 402	0.9
Seadrill Ltd	Oslo	5 723	898 406	199 733	- 698 673	0.0
Seadrill Ltd New Common Shares	New York	117	11 125	4 148	- 6 977	0.0
Subsea 7 SA	Oslo	321 000	38 801 357	32 950 650	- 5 850 707	3.6
<b>Sum Energy</b>			<b>118 751 767</b>	<b>94 240 517</b>	<b>- 24 511 250</b>	<b>10.3</b>
<b>Financials</b>						
Danske Bank A/S	København	265 000	63 417 793	35 761 121	- 27 656 672	3.9
Nordic Capital Partners II AS	Unlisted	5 000	4 345 000	14 200	- 4 330 800	0.0
Norwegian Finans Holding ASA	Oslo	599 000	23 750 426	37 138 000	13 387 574	4.1
Protector Forsikring ASA	Oslo	217 989	11 138 251	12 141 987	1 003 736	1.3
TF Bank AB	Stockholm	214 000	17 110 749	19 856 782	2 746 033	2.2
<b>Sum Financials</b>			<b>119 762 219</b>	<b>104 912 090</b>	<b>- 14 850 129</b>	<b>11.5</b>
<b>Utilities</b>						
Scatec Solar ASA	Oslo	406 000	15 576 535	34 611 500	19 034 965	3.8
<b>Health care</b>						
Novo Nordisk A/S ser. B	København	68 000	24 774 974	29 585 722	4 810 748	3.3
Pihlajalinna Oyj	Helsinki	143 313	14 211 126	15 665 519	1 454 394	1.7
<b>Sum Health care</b>			<b>38 986 100</b>	<b>45 251 241</b>	<b>6 265 142</b>	<b>5.0</b>

# Pareto Nordic Return

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Securities	Listing	Number of shares	Cost price NOK	Market value NOK	Unrealised gain/loss	Share in % of portfolio
<b>Industrials</b>						
ABB Ltd	Stockholm	56 945	8 357 696	9 730 659	1 372 963	1.1
Alimak Group AB	Stockholm	53 000	6 248 229	6 943 351	695 122	0.8
Coor Service Management Holding AB	Stockholm	400 000	15 827 926	31 529 784	15 701 858	3.5
Fjord1 ASA	Oslo	400 000	11 600 000	15 880 000	4 280 000	1.7
Instalco Intressenter AB	Stockholm	374 000	19 870 620	29 995 739	10 125 119	3.3
Norwegian Air Shuttle ASA	Oslo	701 000	64 024 040	24 983 640	- 39 040 400	2.7
Troax Group AB	Stockholm	332 000	9 429 424	28 975 798	19 546 374	3.2
<b>Sum Industrials</b>			<b>135 357 935</b>	<b>148 038 971</b>	<b>12 681 036</b>	<b>16.3</b>
<b>Information technology</b>						
Elliptic Laboratories AS	Unlisted	74 570	11 718 118	14 914 000	3 195 882	1.6
Evry ASA	Oslo	832 000	25 400 424	29 036 800	3 636 376	3.2
Kitron ASA	Oslo	3 075 000	16 638 285	28 290 000	11 651 715	3.1
Nordic Semiconductor ASA	Oslo	646 000	23 857 829	23 126 800	- 731 029	2.5
<b>Sum Information technology</b>			<b>77 614 656</b>	<b>95 367 600</b>	<b>17 752 944</b>	<b>10.4</b>
<b>Consumer staples</b>						
Carlsberg A/S ser. B	København	24 200	15 911 631	27 391 233	11 479 602	3.0
Essity AB ser. B	Stockholm	59 000	9 522 598	15 469 622	5 947 023	1.7
Grieg Seafood ASA	Oslo	383 000	12 476 181	45 308 900	32 832 719	5.0
Schouw & Co A/S	København	33 000	13 018 858	21 461 550	8 442 692	2.4
<b>Sum Consumer staples</b>			<b>50 929 268</b>	<b>109 631 305</b>	<b>58 702 036</b>	<b>12.1</b>

# Pareto Nordic Return

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Securities	Listing	Number of shares	Cost price NOK	Market value NOK	Unrealised gain/loss	Share in % of portfolio
<b>Consumer discretionary</b>						
Autoliv Inc ser. SDR	Stockholm	39 900	23 337 003	24 075 746	738 743	2.6
Betsson AB ser. B	Stockholm	372 000	29 089 997	19 411 764	- 9 678 233	2.1
Europpris ASA	Oslo	699 000	25 486 511	18 481 560	- 7 004 951	2.0
Kongsberg Automotive ASA	Oslo	2 071 517	11 247 761	12 843 405	1 595 645	1.4
Nokian Renkaat Oyj	Helsinki	64 000	17 281 885	17 060 876	- 221 009	1.9
Pandora A/S	København	58 000	57 185 248	17 615 380	- 39 569 868	1.9
Veoneer Inc ser. SDR	Stockholm	41 249	8 130 129	6 065 168	- 2 064 961	0.7
<b>Sum Consumer discretionary</b>			<b>171 758 534</b>	<b>115 553 899</b>	<b>- 56 204 634</b>	<b>12.6</b>
<b>Materials</b>						
Stora Enso Oyj ser. R	Helsinki	204 000	22 770 968	20 467 343	- 2 303 625	2.3
<b>Total equities</b>			<b>751 507 982</b>	<b>768 074 466</b>	<b>16 566 485</b>	<b>84.3</b>

# Pareto Nordic Return

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Securites	Listing	Maturity	Coupon rate in %	Interest. adj. date <sup>1</sup>	Principal	Cost price NOK	Yield <sup>2</sup>	Market value + acc. interest NOK	Unrealised gain/loss	Share in % of portfolio
<b>Real estate</b>										
Bulk Industrier AS 18/21 FRN FLOOR C	Oslo	26.05.2021	8.1	18.09.2019	5 000 000	5 000 000	6.3	5 145 785	131 250	0.6
<b>Energy</b>										
BW Offshore Limited 12/20 FRN STEP C	Oslo	15.03.2020	6.0	16.09.2019	1 080 000	1 080 000	5.8	1 085 807	3 279	0.1
Dof Subsea AS 13/20 FRN STEP	Oslo	22.05.2020	8.5	22.07.2019	3 917 749	3 565 152	23.1	3 582 896	- 45 707	0.4
Dolphin Group ASA konv. forfalt beholdning	Unlisted	14.02.2020	0.0	14.02.2020	1 000 000	1 017 500	31654.7	5 010	- 1 012 490	0.0
Dolphin Group ASA konv. forfalt rente	Unlisted	14.02.2020	0.0	14.02.2020	22 522					0.0
Seadrill Ltd 18/25 12.00% C	Dublin	15.07.2025	12.0	15.07.2025	27 988	224 804	13.1	244 793	6 790	0.0
<b>Sum Energy</b>						<b>5 887 456</b>		<b>4 918 506</b>	<b>- 1 048 128</b>	<b>0.5</b>
<b>Financials</b>										
Avanzia Bank S.A. 15/PERP FRN C HYBRID	Nordic ABM	31.12.2099	6.0		5 000 000	5 000 000	5.7	5 037 119	25 413	0.6
Aker ASA 15/20 FRN	Oslo	29.05.2020	5.0	29.08.2019	5 000 000	5 000 000	2.9	5 120 676	97 805	0.6
Sbanken ASA 15/PERP FRN C HYBRID	Nordic ABM	31.12.2099	5.5		10 000 000	10 000 000	4.3	10 296 166	173 944	1.1
<b>Sum Financials</b>						<b>20 000 000</b>		<b>20 453 961</b>	<b>297 162</b>	<b>2.3</b>
<b>Industrials</b>										
Cembrit Group A/S 17/21 FRN EUR FLOOR C	Stockholm	20.03.2021	5.5	20.09.2019	200 000	1 834 680	10.1	1 913 879	75 936	0.2
Norwegian Air Shuttle ASA 17/20 FRN	Oslo	23.11.2020	5.4	21.08.2019	8 000 000	8 000 000	7.5	7 852 625	- 196 666	0.9
<b>Sum Industrials</b>						<b>9 834 680</b>		<b>9 766 504</b>	<b>- 120 730</b>	<b>1.1</b>



# Pareto Nordic Return

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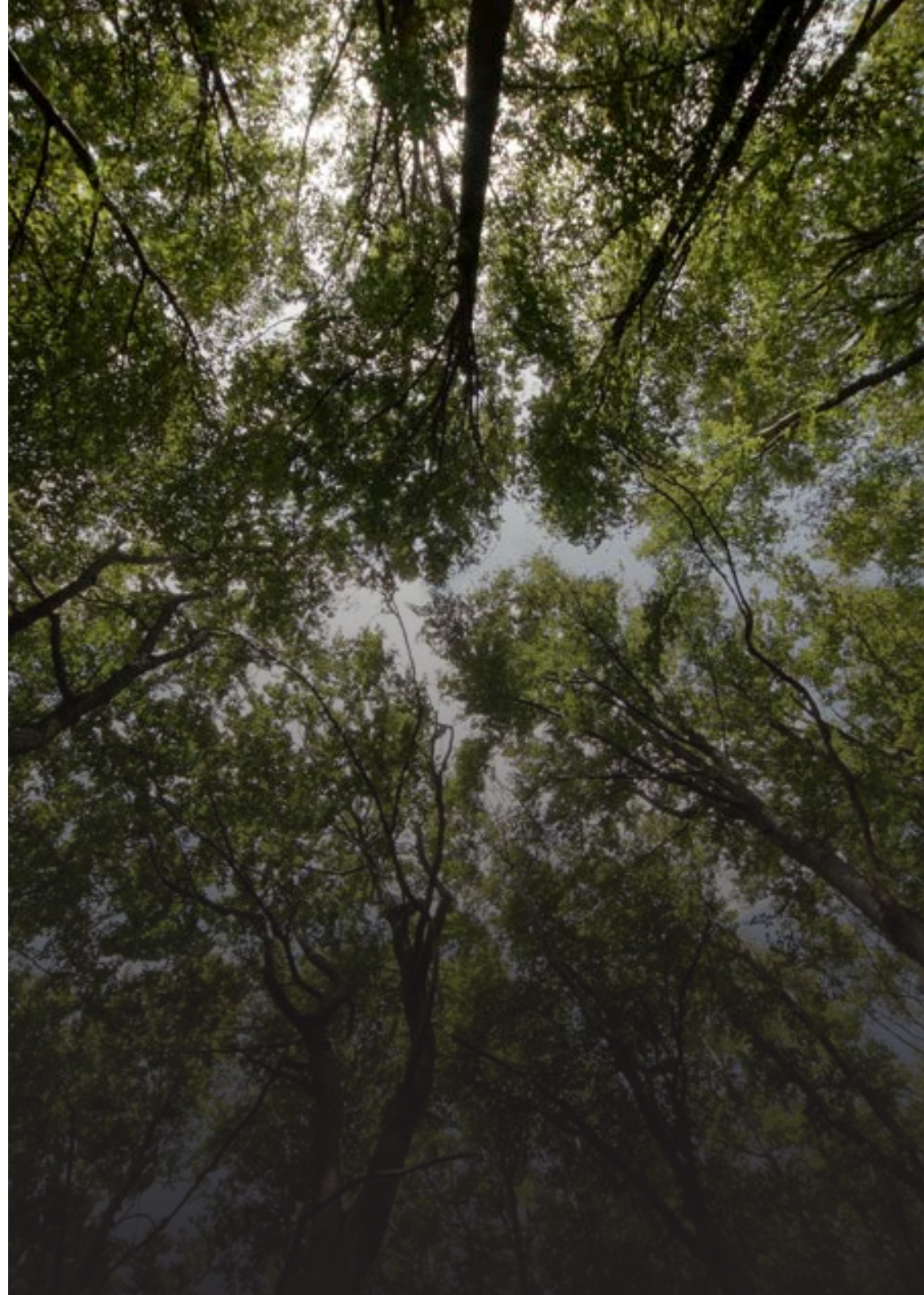
Securites	Listing	Maturity	Coupon rate in %	Interest. adj. date <sup>1</sup>	Principal	Cost price NOK	Yield <sup>2</sup>	Market value + acc. interest NOK	Unrealised gain/loss	Share in % of portfolio
<b>Information technology</b>										
Consilium AB 15/20 FRN FLOOR C	Stockholm	25.03.2020	5.8	25.03.2020	2 000 000	1 922 000	4.0	1 856 004	- 67 757	0.2
<b>Consumer discretionary</b>										
Global Scanning A/S 15/19 FRN FLOOR	Stockholm	09.12.2019	8.5	30.09.2019	3 000 000	3 002 100	36.8	2 496 223	- 507 830	0.3
<b>Materials</b>										
Bergvik Skog AB 04/34 ADJ C SUB	Unlisted	24.03.2021	8.5	24.03.2021	15 000 000	18 140 006	1.4	15 453 568	- 2 696 200	1.7
<b>Total bonds</b>						<b>63 786 242</b>		<b>60 090 551</b>	<b>- 4 012 233</b>	<b>6.7</b>
Cash and cash equivalents						80 729 281		80 749 222	22 402	8.9
<b>Total</b>						<b>896 023 505</b>		<b>908 914 239</b>	<b>12 576 654</b>	<b>99.9</b>

1. Applicable only to floating rate bonds.

2. Yield to maturity is the average annual rate of return of a bond held to maturity.  
The yield to maturity will change from day to day, and is no guarantee of performance in the period.

# Pareto Høyrente

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## Robust strategy gives results

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Pareto Høyrente has had a very good start to 2019, ending the first half with a 2.5% return. A slightly troubled international credit market in May spilled over into Norway in early June. Internationally, credit spreads have now fallen back to the levels at the beginning of May, while we are still slightly higher in Norway. Pareto Høyrente's strategy proved robust throughout the month, delivering a return of approximately 0.1% in June.

A slightly troubled market also offers good buying opportunities, of which we have made good use. Nortura Corporate Pension Fund and Otiga have entered the portfolio as new credits. At Totens Sparebank and Sparebanken Øst, we took advantage of attractive call offers that we rolled into new issues for the same. We have also increased our holdings somewhat in Sparebanken Møre and Sparebanken Vest. Hjelmeland Sparebank and Digiplex matured this month.

Pareto Høyrente has very low interest rate sensitivity, as the bonds in the fund have floating interest rates tied to the short money market rate (three-month NIBOR). The fund is thus little affected by uncertainty about future interest rates. As expected, Norges Bank raised its key rate to 1.25% on June 20, and the bank further signalled an interest rate hike already in September, to 1.50%. The money market rate (NIBOR) is thus expected to rise further from its current level of 1.51%. In isolation, this will increase the yield in the portfolio.

Current market pricing of the portfolio indicates a yield to maturity of 4.4 per cent, up approximately 0.2 percentage points from May. The fund's credit duration is marginally up and the credit margin is up approximately 0.2 percentage points.

### [Portfolio management team](#)

Eric von Koss Torkildsen og Christian Weldingh

# Performance history

Fundamental and actively managed corporate bond fund with an average rating equivalent to BBB-.

Inception date: 25.07.2001

Benchmark: Government Bond Index 1.00 (ST3X)\*\*

Legal structure: UCITS

Dealing days: all Norwegian banking days except 31.12.



Lower risk  
Typically lower rewards

Higher risk  
Typically higher rewards

The risk indicator was calculated using historical data and may not be a reliable indication of the future risk profile of the fund.

## Performance by periods

Name	YTD	2018	2017	2016	2015	2014
Pareto Høyrente	2.5%	1.9%	2.0%	-0.2%	-1.1%	1.8%
Government Bond Index 1.00**	0.4%	0.4%	0.7%	0.5%	1.0%	1.9%

## Annualised return

Name	Inception date	3 years	5 years	10 years	From start
Pareto Høyrente	25.07.2001	3.5%	0.9%	3.2%	3.0%*
Government Bond Index 1.00**		0.5%	0.8%	1.4%	2.2%

## Other information

Name	Minimum initial subscription amount (NOK)	ISIN	Bloomberg
Pareto Høyrente	100 000	N00010106230	POHIYLD NO

\* Inception date 30.04.2004 as a result of change in benchmark.

\*\* The fund will not replicate the benchmark index and can freely choose which securities it will invest in. Thus the benchmark index does not reflect the risk in the fund.

## Units issued and management fees

### NAV and units issued as at 30 June 2019

<b>Pareto Høyrente</b>	
Number of units	1 477 732.14
Net asset value	1 062.48
Redemption price after maximum fee	1 057.17

### Management fee

<b>Fund</b>	<b>Subscription fee</b>	<b>Redemption fee</b>	<b>Management fee</b>
Pareto Høyrente	Up to 0.50%	Up to 0.50%	0.65% p.a.*

\*Subscriptions of more than 20 000 units are given a discounted management fee.



# Pareto Høyrente

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## Securities portfolio as at 30 June 2019

Security	Listing	Maturity	Coupon rate in %	Interest adj. date <sup>1</sup>	Principal	Cost price NOK	Yield <sup>2</sup>	Market value + acc. interest NOK	Unrealised gain/loss	Share in % of portfolio
<b>Real estate</b>										
Norwegian Property ASA 14/19 FRN P	Oslo	07.10.2019	2.4	05.07.2019	25 000 000	24 973 975	1.7	25 187 459	71 505	1.6
Pioneer Public Properties AS 16/21 FRN C	Oslo	28.05.2021	6.6	01.07.2019	25 000 000	25 848 214	5.0	26 100 826	- 163 839	1.6
<b>Sum Real estate</b>						<b>50 822 189</b>		<b>51 288 285</b>	<b>- 92 334</b>	<b>3.2</b>
<b>Energy</b>										
Aker Solutions ASA 18/22 FRN FLOOR	Oslo	25.07.2022	4.6	25.07.2019	20 000 000	20 330 000	3.8	20 585 850	85 000	1.3
Bonheur ASA 17/20 FRN FLOOR	Oslo	09.11.2020	4.6	09.08.2019	35 000 000	35 000 000	3.1	35 953 692	718 725	2.3
BW Offshore Limit 15/22 FRN FLOOR STEP C	Oslo	16.03.2022	5.8	16.09.2019	32 000 000	27 168 914	5.4	32 231 804	4 991 086	2.0
GasLog Ltd 16/21 FRN C	Oslo	27.05.2021	8.4	27.08.2019	20 000 000	20 925 000	6.4	20 921 622	- 161 856	1.3
Ocean Yield ASA 16/21 FRN C	Oslo	23.09.2021	6.1	23.09.2019	29 000 000	29 000 000	4.7	29 824 365	790 250	1.9
Ship Finance Internati 18/23 FRN FLOOR C	Oslo	13.09.2023	6.3	13.09.2019	15 000 000	15 169 091	5.8	15 224 700	8 659	1.0
Teekay LNG Partners L.P. 15/20 FRN	Oslo	19.05.2020	5.2	19.08.2019	20 000 000	20 070 000	3.9	20 372 433	181 800	1.3
<b>Sum Energy</b>						<b>167 663 005</b>		<b>175 114 466</b>	<b>6 613 664</b>	<b>11.1</b>
<b>Financials</b>										
Askim & Spydebe Spb 18/PERP FRN C HYBRID	Nordic ABM	31.12.2099	5.3		5 500 000	5 453 250	5.0	5 505 084	42 995	0.3
Aurskog Spb 14/PERP FRN C HYBRID	Nordic ABM	31.12.2099	4.4		5 000 000	5 035 000	3.7	5 058 714	- 23 342	0.3
Brage Finans AS 19/PERP FRN C HYBRID	Nordic ABM	31.12.2099	5.7		10 000 000	10 000 000	5.4	9 997 246	- 75 076	0.6
DNB Bank ASA 15/PERP FRN C HYBRID	Oslo	31.12.2099	4.7		64 000 000	64 172 250	3.7	64 776 937	309 753	4.1
DNB Bank ASA 16/PERP FRN C HYBRID	Oslo	31.12.2099	6.8		20 000 000	21 040 000	4.3	20 990 771	- 64 296	1.3
DNB Bank ASA 19/PERP FRN C HYBRID	Oslo	31.12.2099	5.0		10 000 000	10 000 000	4.7	10 003 758	- 1 831	0.6
Eika Boligkreditt AS 18/28 FRN C SUB	Nordic ABM	02.02.2028	2.8	02.08.2019	20 000 000	20 000 000	2.7	20 060 075	- 33 258	1.3
Gjensidige Bank ASA 15/PERP FRN C HYBRID	Nordic ABM	31.12.2099	4.6		20 000 000	19 930 000	4.0	20 233 628	198 622	1.3
Gjensidige Fors ASA 14/44 FRN STEP C SUB	Oslo	03.10.2044	2.8	02.07.2019	35 000 000	34 668 421	2.9	34 964 871	47 949	2.2
Helgeland Spb 16/PERP FRN C HYBRID	Nordic ABM	31.12.2099	5.9		29 600 000	30 676 250	4.6	30 609 558	- 202 523	1.9

# Pareto Høyrente

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Security	Listing	Maturity	Coupon rate in %	Interest. adj. date <sup>1</sup>	Principal	Cost price NOK	Yield <sup>2</sup>	Market value + acc. interest NOK	Unrealised gain/loss	Share in % of portfolio
Kistefos AS 17/21 FRN FLOOR C	Nordic ABM	08.11.2021	7.4	08.08.2019	20 000 000	20 850 000	5.4	21 028 850	- 43 750	1.3
Melhus Spb 17/PERP FRN C HYBRID	Nordic ABM	31.12.2099	5.1		1 000 000	998 700	4.9	1 003 628	4 502	0.1
Nortura Konsernpensjonsk 19/29 FRN C SUB	Nordic ABM	26.06.2029	5.3	26.09.2019	12 000 000	12 000 000	4.9	12 008 356	- 478	0.8
OBOS-banken AS 15/PERP FRN C HYBRID	Nordic ABM	31.12.2099	4.7		23 000 000	23 230 000	4.2	23 166 173	- 105 598	1.5
OBOS-banken AS 17/PERP FRN C HYBRID	Nordic ABM	31.12.2099	4.9		25 000 000	24 950 000	4.7	25 229 237	137 195	1.6
Sbanken ASA 15/PERP FRN C HYBRID	Nordic ABM	31.12.2099	5.5		37 500 000	38 398 600	4.3	38 610 623	- 246 310	2.4
Skudenes & Aakr Spb 16/PERP FRN C HYBRID	Nordic ABM	31.12.2099	6.3		8 500 000	8 797 500	4.8	8 821 887	- 17 263	0.6
Skue Spb 16/PERP FRN C HYBRID	Nordic ABM	31.12.2099	6.5		8 000 000	8 332 000	4.8	8 293 958	- 42 389	0.5
Spb 1 Boligkredi AS 15/PERP FRN C HYBRID	Nordic ABM	31.12.2099	5.2		31 000 000	31 512 500	4.2	31 415 331	- 128 212	2.0
Spb 1 Boligkredi AS 16/PERP FRN C HYBRID	Nordic ABM	31.12.2099	6.1		2 000 000	2 072 000	4.4	2 065 055	- 9 298	0.1
Spb 1 BV 15/PERP FRN C HYBRID	Nordic ABM	31.12.2099	4.7		1 500 000	1 506 150	4.1	1 515 694	4 884	0.1
Spb 1 BV 17/21 FRN	Nordic ABM	26.04.2021	2.0	26.07.2019	40 000 000	40 090 400	1.7	40 383 133	149 000	2.6
Spb 1 Nord-Norge 17/PERP FRN C HYBRID	Nordic ABM	31.12.2099	4.7		6 000 000	6 036 100	4.4	6 094 766	- 9 681	0.4
Spb 1 Nordvest 16/PERP FRN C HYBRID	Nordic ABM	31.12.2099	6.9		5 000 000	5 271 000	4.5	5 286 057	- 58 735	0.3
Spb 1 Ringerike Hadeland 18/22 FRN	Nordic ABM	22.06.2022	2.1	23.09.2019	50 000 000	50 000 000	2.0	50 172 965	152 840	3.2
Spb 1 SMN 18/PERP FRN C HYBRID	Nordic ABM	31.12.2099	4.5		35 000 000	34 994 900	4.6	35 022 456	- 263 119	2.2
Spb 1 SR-Bank ASA 17/20 FRN	Oslo	04.05.2020	1.9	05.08.2019	25 000 000	25 135 000	1.5	25 178 007	- 32 437	1.6
Spb 1 SR-Bank ASA 17/PERP FRN C HYBRID	Oslo	31.12.2099	4.7		10 000 000	9 955 000	4.6	10 000 736	41 803	0.6
Spb 1 SR-Bank ASA 19/PERP FRN C HYBRID	Nordic ABM	31.12.2099	5.0		25 000 000	25 000 000	4.7	24 993 091	- 72 618	1.6
Spb 1 Østlandet 13/19 FRN	Nordic ABM	22.11.2019	2.4	22.08.2019	15 000 000	15 202 500	1.5	15 094 575	- 147 258	1.0
Spb 1 Østlandet 14/PERP FRN C HYBRID	Nordic ABM	31.12.2099	4.5		3 000 000	3 035 400	3.7	3 020 193	- 22 741	0.2
Spb DIN 16/PERP FRN C HYBRID	Nordic ABM	31.12.2099	6.3		11 000 000	11 278 200	5.0	11 340 826	49 151	0.7
Spb Møre 17/PERP FRN C HYBRID	Oslo	31.12.2099	4.8		28 000 000	28 043 700	4.6	28 093 797	- 1 843	1.8
Spb Sør 15/PERP FRN C HYBRID	Nordic ABM	31.12.2099	5.6		17 000 000	17 345 400	4.2	17 434 034	- 8 841	1.1
Spb Sør 17/PERP FRN C HYBRID	Nordic ABM	31.12.2099	4.7		12 000 000	12 021 000	4.6	12 068 683	- 13 027	0.8

# Pareto Høyrente

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Security	Listing	Maturity	Coupon rate in %	Interest. adj. date <sup>1</sup>	Principal	Cost price NOK	Yield <sup>2</sup>	Market value + acc. interest NOK	Unrealised gain/loss	Share in % of portfolio
Spb Sør 17/PERP FRN C HYBRID	Nordic ABM	31.12.2099	4.7		5 000 000	4 992 500	4.7	4 992 326	- 2 140	0.3
Spb Telemark 17/PERP FRN C HYBRID	Nordic ABM	31.12.2099	4.7		40 000 000	39 670 000	4.7	40 095 357	220 824	2.5
Spb Vest 16/PERP FRN C HYBRID	Nordic ABM	31.12.2099	6.0		25 000 000	25 000 000	4.4	25 904 859	821 943	1.6
Spb Vest 17/PERP FRN C HYBRID	Nordic ABM	31.12.2099	5.0		13 000 000	13 201 000	4.5	13 167 341	- 33 659	0.8
Spb Øst 14/PERP FRN C HYBRID	Oslo	31.12.2099	4.4		0		0.0	3 323		0.0
Spb Øst 19/PERP FRN C HYBRID	Nordic ABM	31.12.2099	5.2		6 000 000	6 000 000	4.8	6 004 891	4 891	0.4
Storebrand Liv AS 14/PERP FRN STEP C SUB	Oslo	31.12.2099	4.3		44 000 000	44 000 000	4.0	44 151 287	120 120	2.8
Tolga-Os Spb 17/PERP FRN C HYBRID	Nordic ABM	31.12.2099	5.6		4 500 000	4 529 650	5.2	4 539 432	7 674	0.3
Totens Spb 19/PERP FRN C HYBRID	Nordic ABM	31.12.2099	5.2		20 000 000	20 000 000	4.9	20 000 522	- 48 684	1.3
Østre Agder Spb 15/PERP FRN C HYBRID	Nordic ABM	31.12.2099	5.4		400 000	402 520	4.5	406 947	- 193	0.0
<b>Sum Financials</b>						<b>834 826 891</b>		<b>838 809 038</b>	<b>605 546</b>	<b>53.0</b>

## Utilities

Hafslund AS 14/19 FRN	Oslo	17.09.2019	2.1	17.09.2019	7 000 000	7 023 730	1.6	7 012 911	- 16 400	0.4
Hafslund AS 15/20 FRN	Oslo	13.02.2020	2.0	13.08.2019	10 000 000	10 041 500	1.6	10 050 922	- 17 392	0.6
Statkraft AS 15/20 FRN	Oslo	21.01.2020	2.0	22.07.2019	6 000 000	6 026 940	1.6	6 036 518	- 13 077	0.4
Statkraft AS 15/20 FRN	Oslo	08.07.2020	2.0	08.07.2019	20 000 000	20 126 600	1.6	20 179 144	- 39 856	1.3
<b>Sum Utilities</b>						<b>43 218 770</b>		<b>43 279 495</b>	<b>- 86 725</b>	<b>2.7</b>

## Health care

Care Bidco AS 17/21 FRN C	Oslo	24.03.2021	7.1	24.09.2019	14 000 000	14 000 000	9.3	13 826 692	- 192 500	0.9
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## Industrials

Fjord1 ASA 17/22 FRN	Oslo	22.11.2022	5.0	22.08.2019	18 000 000	18 513 000	4.0	18 616 700	4 500	1.2
Hexagon Composites ASA 19/23 FRN C	Oslo	15.03.2023	5.3	16.09.2019	11 000 000	11 000 000	5.4	11 096 794	74 250	0.7
Klaveness Combination Ca ASA 16/21 FRN C	Oslo	27.05.2021	6.7	27.08.2019	12 500 000	12 500 000	6.1	12 773 774	194 205	0.8
Norwegian Air Shuttle ASA 17/20 FRN	Oslo	23.11.2020	5.4	21.08.2019	16 500 000	16 363 875	7.5	16 196 038	- 269 499	1.0

# Pareto Høyrente

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Security	Listing	Maturity	Coupon rate in %	Interest. adj. date <sup>1</sup>	Principal	Cost price NOK	Yield <sup>2</sup>	Market value + acc. interest NOK	Unrealised gain/loss	Share in % of portfolio
Odfjell SE 16/19 FRN	Oslo	20.09.2019	7.5	20.09.2019	5 000 000	5 172 917	3.6	5 056 355	- 128 036	0.3
Odfjell SE 17/21 FRN	Oslo	25.01.2021	6.7	25.07.2019	25 000 000	25 425 000	5.8	25 679 036	- 57 235	1.6
Oslo Børs VPS Holding ASA 18/23 FRN P/C	Dublin	23.05.2023	2.3	15.07.2019	12 000 000	12 000 000	0.0	12 160 498	131 118	0.8
Stolt-Nielsen Limited 14/21 FRN	Oslo	18.03.2021	4.9	18.09.2019	29 000 000	28 900 397	4.3	29 362 029	410 318	1.9
Veidekke ASA 18/23 FRN	Oslo	05.06.2023	2.4	05.09.2019	13 000 000	13 000 000	2.6	12 881 644	- 140 608	0.8
VV Holding AS 14/19 FRN P/C	Oslo	10.07.2019	6.6	10.07.2019	22 041 887	22 391 270	2.9	22 398 374	- 326 268	1.4
Wallenius Wilhelmsen ASA 18/21 FRN FLOOR	Oslo	13.09.2021	4.5	13.09.2019	20 000 000	20 000 000	4.4	20 101 350	56 250	1.3
<b>Sum Industrials</b>						<b>185 266 459</b>		<b>186 322 592</b>	<b>- 51 005</b>	<b>11.8</b>

## Information technology

DigiPlex Norway Hol AS 19/24 FRN FLOOR C	Oslo	30.04.2024	5.0	30.07.2019	13 000 000	13 000 000	4.8	13 267 215	154 375	0.8
Ice Group Scandinav AS 17/21 FRN FLOOR C	Oslo	12.10.2021	6.0	12.07.2019	15 000 000	15 131 250	6.6	15 087 905	- 243 345	0.9
<b>Sum Information technology</b>						<b>28 131 250</b>		<b>28 355 120</b>	<b>- 88 970</b>	<b>1.7</b>

## Consumer staples

Austevoll Seafood ASA 17/23 FRN	Oslo	21.06.2023	3.9	23.09.2019	11 000 000	11 000 000	3.5	11 130 961	119 166	0.7
Felleskjøpet Agri SA 19/22 FRN	Nordic ABM	25.04.2022	2.9	25.07.2019	20 000 000	20 000 000	2.9	20 101 620	- 5 208	1.3
Felleskjøpet Agri SA 19/24 FRN	Nordic ABM	25.04.2024	3.3	25.07.2019	15 000 000	15 000 000	3.2	15 101 087	9 242	1.0
Nortura SA 18/78 FRN STEP C SUB	Nordic ABM	25.05.2078	5.7	26.08.2019	20 000 000	20 000 000	5.2	20 337 557	225 946	1.3
<b>Sum Consumer staples</b>						<b>66 000 000</b>		<b>66 671 225</b>	<b>349 146</b>	<b>4.3</b>

## Consumer discretionary

Color Group AS 18/22 FRN FLOOR	Oslo	23.09.2022	4.8	23.09.2019	25 000 000	25 406 250	4.0	25 538 715	109 375	1.6
Ekorneres QM Holding AS 19/23 FRN FLOOR C	Oslo	02.10.2023	8.3	02.07.2019	15 000 000	15 000 000	7.1	15 800 250	487 500	1.0
Læringsverkstedet AS 17/22 FRN FLOOR C	Nordic ABM	01.06.2022	5.5	02.09.2019	20 000 000	20 000 000	5.9	20 137 014	51 458	1.3
Otiga Group AS 19/22 FRN FLOOR C	Oslo	08.07.2022	10.6	08.07.2019	10 000 000	10 000 000	10.4	10 041 667	41 667	0.6

# Pareto Høyrente

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Security	Listing	Maturity	Coupon rate in %	Interest. adj. date <sup>1</sup>	Principal	Cost price NOK	Yield <sup>2</sup>	Market value + acc. interest NOK	Unrealised gain/ loss	Share in % of portfolio
Raufoss Industripark AS 17/20 FRN C	Nordic ABM	28.09.2020	8.5	30.09.2019	18 000 000	18 360 000	4.9	18 519 030	146 250	1.2
Schibsted ASA 14/21 FRN	Oslo	06.05.2021	2.5	06.08.2019	20 000 000	20 000 000	2.1	20 241 205	163 116	1.3
<b>Sum Consumer discretionary</b>						<b>108 766 250</b>		<b>110 277 881</b>	<b>999 366</b>	<b>7.0</b>
<b>Total bonds</b>						<b>1 498 694 814</b>		<b>1 513 944 794</b>	<b>8 056 188</b>	<b>95.7</b>
Accrued management fee (NOK)										
			0.0			- 824 855	0.0	- 824 855		-0.1
Cash and cash equivalents			0.0			57 302 906	0.0	57 302 906		3.6
<b>Total</b>						<b>1 555 172 865</b>		<b>1 570 422 845</b>	<b>8 056 188</b>	<b>99.2</b>

1. Applicable only to floating rate bonds.

2. Yield to maturity is the average annual rate of return of a bond held to maturity.  
The yield to maturity will change from day to day, and is no guarantee of performance in the period.



# Other fixed income funds

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# Other fixed income funds

**Legal structure:** UCITS

**Dealing days:** all Norwegian banking days except 31.12.

## Pareto Obligasjon

This fund invests in securities issued or guaranteed by the Norwegian government, municipalities or financial institutions, including senior loans and covered bonds. The average duration of the fund shall be between 1 and 5 years.

**Benchmark:** n.a.

**Other relevant information:** The fund has authorisation from Finanstilsynet to invest up to 100 per cent of the Fund's assets in transferable securities or money market instruments as mentioned in the Norwegian Act on Securities Funds § 6–6, second paragraph no. 3. The investments must include at least six different issues, and investments from one and the same issue must not exceed 30 per cent of the fund's total assets.



Lower risk  
Typically lower rewards

Higher risk  
Typically higher rewards

## Pareto Likviditet

The fund invests in senior loans to financial institutions and covered bonds.

**Benchmark:** n.a.

**Other relevant information:** The fund has authorisation from Finanstilsynet to invest up to 100 per cent of the fund's assets in transferable securities or money market instruments issued by Den norske stat. The investments must include at least six different issues, and investments from one and the same issue must not exceed 30 per cent of the fund's total assets.



Lower risk  
Typically lower rewards

Higher risk  
Typically higher rewards

The risk indicator was calculated using historical data and may not be a reliable indication of the future risk profile of the fund.

## Performance by periods

Name	YTD	2018	2017	2016	2015	2014
Pareto Obligasjon	0.9%	0.8%	1.3%	1.3%	0.7%	2.8%
Pareto Likviditet	0.9%	1.1%	1.3%	1.9%	1.0%	2.1%

## Annualised return

Name	Inception date	3 years	5 years	10 years	From start
Pareto Obligasjon	02.11.1999	1.1%	1.3%	2.5%	3.9%
Pareto Likviditet	27.09.1999	1.3%	1.4%	2.1%	3.3%

## Other information

Name	Minimum initial subscription amount (NOK)	ISIN	Bloomberg
Pareto Obligasjon	100 000	NO0010025190	POOBLII NO
Pareto Likviditet	2 million	NO0010025174	POLIKV NO

## Units issued and management fees

### NAV and units issued as at 30 June 2019

<b>Pareto Obligasjon</b>	
Number of units	88 136.32
Net asset value	1 007.50
Redemption price after maximum fee	1 007.50
<b>Pareto Likviditet</b>	
Number of units	637 416.59
Net asset value	997.59
Redemption price after maximum fee	997.59

### Management fees

<b>Fund</b>	<b>Subscription fee</b>	<b>Redemption fee</b>	<b>Management fee</b>
Pareto Obligasjon	-	-	0.45% p.a.*
Pareto Likviditet	-	-	0.25% p.a.**

#### \*Pareto Obligasjon

Subscriptions of more than 20 000 units are given a discounted management fee.

#### \*\*Pareto Likviditet

Subscriptions of more than 25 000 units are given a discounted management fee.

# Pareto Obligasjon

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## Securities portfolio as at 30 June 2019

Security	Listed	Maturity	Coupon rate	Interest adj. date <sup>1</sup>	Principal	Cost price NOK	Yield <sup>2</sup>	Market value + acc. interest NOK	Unrealised gain/loss	Share in % of portfolio
<b>Government bonds</b>										
Eidsvoll komm 15/22 1.98%	Unlisted	25.04.2022	2.0	25.04.2022	5 000 000	4 996 500	1.9	5 035 445	20 519	5.6
Oslo komm 14/23 2.45%	Oslo	24.05.2023	2.5	24.05.2023	8 000 000	8 156 160	1.9	8 189 352	13 047	9.2
Ørsta komm 18/22 1.86%	Oslo	07.06.2022	1.9	07.06.2022	3 000 000	2 994 630	1.9	3 003 587	5 237	3.4
<b>Sum Government bonds</b>						<b>16 147 290</b>		<b>16 228 384</b>	<b>38 803</b>	<b>18.2</b>
<b>Financials</b>										
Arendal og Omegns Spb 19/23 FRN	Nordic ABM	15.03.2023	2.3	16.09.2019	3 000 000	3 001 110	2.2	3 016 720	12 903	3.4
BN Bank ASA 18/23 2.47%	Nordic ABM	14.12.2023	2.5	14.12.2023	3 000 000	3 007 500	2.3	3 067 404	19 355	3.4
Bustadkreditt Sogn o AS 18/24 FRN C COVD	Nordic ABM	15.04.2024	1.8	15.07.2019	3 000 000	3 013 200	1.7	3 025 518	640	3.4
DNB Bank ASA 19/23 2.20%	Oslo	05.04.2023	2.2	05.04.2023	3 000 000	3 000 000	2.1	3 027 243	11 476	3.4
Gjensidige Bank ASA 18/22 2.315%	Nordic ABM	08.11.2022	2.3	08.11.2022	3 000 000	3 012 000	2.1	3 066 165	9 215	3.4
OBOS-banken AS 15/21 2.15%	Nordic ABM	23.04.2021	2.2	23.04.2021	3 000 000	3 010 800	1.9	3 024 404	1 421	3.4
Sandnes Spb 16/21 2.42%	Nordic ABM	18.11.2021	2.4	18.11.2021	3 000 000	3 024 800	2.0	3 071 816	2 044	3.4
Spb 1 SMN 15/21 1.80%	Nordic ABM	18.02.2021	1.8	18.02.2021	3 000 000	2 994 000	1.9	3 016 868	2 918	3.4
Spb 1 SR-Bank ASA 16/22 2.04%	Oslo	11.02.2022	2.0	11.02.2022	3 000 000	2 985 690	2.0	3 026 754	17 264	3.4
Spb 1 Østlandet 15/21 2.36%	Nordic ABM	17.08.2021	2.4	17.08.2021	5 000 000	5 047 500	1.9	5 146 449	- 3 973	5.7
Spb Sør 17/23 2.02%	Nordic ABM	13.09.2023	2.0	13.09.2023	3 000 000	2 951 610	2.2	3 027 691	27 601	3.4
Spb Vest 17/22 1.98%	Nordic ABM	04.10.2022	2.0	04.10.2022	3 000 000	2 976 300	2.1	3 034 430	14 075	3.4
Spb Øst 16/21 2.35%	Nordic ABM	26.07.2021	2.4	26.07.2021	3 000 000	3 025 800	1.9	3 090 883	- 521	3.4
Spb Øst Boligkreditt AS 19/24 FRN C COVD	Oslo	19.06.2024	2.0	19.09.2019	4 000 000	4 024 000	1.8	4 026 887	247	4.5
SSB Boligkreditt AS 18/24 FRN C COVD	Nordic ABM	27.09.2024	2.0	27.09.2019	5 000 000	5 025 000	1.8	5 039 280	13 153	5.7
Storebrand ASA 17/20 FRN	Nordic ABM	11.05.2020	3.0	12.08.2019	5 000 000	5 035 500	2.0	5 064 794	9 217	5.7
Totens Spb 13/21 4.03%	Nordic ABM	28.06.2021	4.0	28.06.2021	3 500 000	3 665 200	2.0	3 642 163	- 24 212	4.1
Voss Veksel ASA 17/23 FRN	Nordic ABM	10.03.2023	2.4	10.09.2019	3 000 000	3 020 550	2.1	3 033 849	9 349	3.4
Ørskog Spb 19/24 FRN	Nordic ABM	23.04.2024	2.3	23.07.2019	3 000 000	3 003 300	2.3	3 006 845	- 9 795	3.4
<b>Sum Financials</b>						<b>64 823 860</b>		<b>65 456 163</b>	<b>112 377</b>	<b>73.3</b>

# Pareto Obligasjon

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Security	Listed	Maturity	Coupon rate	Interest adj. date <sup>1</sup>	Principal	Cost price NOK	Yield <sup>2</sup>	Market value + acc. interest NOK	Unrealised gain/loss	Share in % of portfolio
<b>Total bonds</b>						<b>96 388 110</b>		<b>95 030 130</b>	<b>- 2 501 716</b>	<b>97.2</b>
Accrued managent fee (NOK)			0.0			- 32 232	0.0	- 32 232		0.0
Cash and cash equivalents			0.0			7 154 859	0.0	7 154 859		8.1
<b>Total</b>						<b>88 093 777</b>		<b>88 807 174</b>	<b>151 180</b>	<b>99.6</b>

1. Applicable only to floating rate bonds.

2. Yield to maturity is the average annual rate of return of a bond held to maturity.  
The yield to maturity will change from day to day, and is no guarantee of performance in the period.

# Pareto Likviditet

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## Securities portfolio as at 30 June 2019

Security	Listed	Maturity	Coupon rate	Interest adj. date <sup>1</sup>	Principal	Cost price NOK	Yield <sup>2</sup>	Market value + acc. interest NOK	Unrealised gain/loss	Share in % of portfolio
<b>Financials</b>										
Bien Spb ASA 16/20 FRN	Nordic ABM	14.09.2020	2.6	16.09.2019	5 000 000	5 054 250	1.8	5 055 652	- 4 714	0.8
Eika Boligkreditt AS 15/20 FRN	Nordic ABM	04.06.2020	2.2	04.09.2019	25 000 000	25 182 450	1.7	25 167 300	- 56 400	4.0
Fornebu Spb 15/20 FRN	Nordic ABM	03.09.2020	2.6	03.09.2019	2 000 000	2 018 440	1.8	2 021 538	- 869	0.3
Gjensidige Bank ASA 15/19 FRN	Nordic ABM	29.11.2019	2.1	29.08.2019	25 000 000	25 162 563	1.5	25 116 274	- 94 643	3.9
Hjartdal og Gransherad Spb 16/20 FRN	Nordic ABM	19.10.2020	2.6	19.07.2019	5 000 000	5 065 300	1.8	5 080 954	- 9 167	0.8
Hjelmeland Spb 17/21 FRN	Nordic ABM	25.01.2021	2.6	25.07.2019	1 500 000	1 519 365	1.8	1 526 644	49	0.2
Høland og Setskog Spb 17/20 FRN	Nordic ABM	30.10.2020	2.1	30.07.2019	10 000 000	10 068 200	1.7	10 092 653	- 11 025	1.6
Jernbanepersonalets Spb 18/20 FRN	Nordic ABM	21.08.2020	1.7	21.08.2019	10 000 000	10 006 600	1.6	10 036 130	9 713	1.6
Jernbanepersonalets Spb 18/21 FRN	Nordic ABM	11.05.2021	1.9	12.08.2019	2 000 000	2 006 340	1.7	2 013 342	1 749	0.3
Jæren Spb 16/20 FRN	Nordic ABM	15.07.2020	2.9	15.07.2019	10 000 000	10 173 200	1.6	10 205 379	- 29 849	1.6
Jæren Spb 16/20 FRN	Nordic ABM	21.04.2020	2.7	22.07.2019	10 000 000	10 140 700	1.6	10 145 998	- 46 452	1.6
Kredittforeningen for Spb 16/20 FRN	Nordic ABM	17.09.2020	2.4	17.09.2019	17 000 000	17 144 840	1.7	17 168 645	7 674	2.7
Landkreditt Bank AS 15/20 FRN	Nordic ABM	30.07.2020	2.0	30.07.2019	20 000 000	20 149 000	1.5	20 187 347	- 31 920	3.2
Landkreditt Boligkre AS 15/20 FRN C COVID	Nordic ABM	13.11.2020	1.9	13.08.2019	5 000 000	5 029 600	1.6	5 041 211	- 1 524	0.8
Larvikbanken - Din Personl Spb 16/21 FRN	Nordic ABM	08.02.2021	2.4	08.08.2019	15 000 000	15 187 500	1.7	15 217 638	- 23 637	2.4
Lillestrøm Spb 17/20 FRN	Nordic ABM	15.09.2020	2.0	16.09.2019	13 000 000	13 032 630	1.7	13 060 729	17 887	2.1
Melhus Spb 16/20 FRN	Nordic ABM	02.06.2020	2.6	02.09.2019	15 000 000	15 190 550	1.7	15 165 075	- 55 808	2.4
Møre Boligkreditt AS 14/20 FRN C COVID	Oslo	23.09.2020	1.8	23.09.2019	21 000 000	21 058 800	1.6	21 064 845	- 1 264	3.3
OBOS-banken AS 15/20 FRN	Nordic ABM	19.10.2020	2.8	19.07.2019	11 000 000	11 197 280	1.6	11 228 691	- 27 200	1.8
Orkla Spb 16/20 FRN	Nordic ABM	30.09.2020	2.5	30.09.2019	10 000 000	10 126 200	1.8	10 105 487	- 22 830	1.6
Pareto Bank ASA 14/19 FRN	Nordic ABM	04.11.2019	2.4	05.08.2019	10 000 000	10 076 500	1.6	10 066 997	- 46 992	1.6
Pareto Bank ASA 17/20 FRN	Nordic ABM	21.09.2020	2.4	23.09.2019	5 000 000	5 020 350	1.8	5 037 174	13 547	0.8
Pareto Bank ASA 18/21 FRN	Nordic ABM	02.02.2021	2.2	02.08.2019	15 000 000	15 000 000	1.8	15 164 211	108 461	2.4
Sandnes Spb 18/21 FRN	Nordic ABM	04.06.2021	2.0	04.09.2019	15 000 000	15 042 000	1.8	15 079 439	15 276	2.4
Santander Consumer Bank AS 17/20 FRN	Nordic ABM	21.09.2020	2.0	23.09.2019	20 000 000	20 068 200	1.9	20 064 458	- 15 020	3.2
Sbanken ASA 17/20 FRN	Nordic ABM	17.01.2020	2.0	17.07.2019	10 000 000	10 060 500	1.5	10 071 725	- 30 233	1.6
Selbu Spb 16/20 FRN	Nordic ABM	22.05.2020	2.5	22.08.2019	10 000 000	10 087 600	1.7	10 099 282	- 15 762	1.6



# Pareto Likviditet

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Security	Listed	Maturity	Coupon rate	Interest adj. date <sup>1</sup>	Principal	Cost price NOK	Yield <sup>2</sup>	Market value + acc. interest NOK	Unrealised gain/loss	Share in % of portfolio
Skagerrak Spb 17/20 FRN	Nordic ABM	05.10.2020	2.0	05.07.2019	5 000 000	5 032 750	1.6	5 054 642	- 2 759	0.8
Skudenes & Aakra Spb 16/20 FRN	Nordic ABM	07.10.2020	2.9	08.07.2019	15 000 000	15 288 150	1.6	15 355 823	- 34 177	2.4
Spb 1 Hallingdal Valdres 16/20 FRN	Nordic ABM	26.08.2020	2.4	26.08.2019	20 000 000	20 192 200	1.7	20 222 952	- 15 720	3.2
Spb 1 Nordvest 15/20 FRN	Nordic ABM	26.03.2020	2.2	26.09.2019	10 000 000	10 040 000	1.7	10 043 798	784	1.6
Spb 1 Ringerike Hadeland 16/20 FRN	Nordic ABM	29.04.2020	2.4	29.07.2019	10 000 000	10 092 200	1.5	10 117 541	- 16 484	1.6
Spb 1 SMN 17/20 FRN	Nordic ABM	13.01.2020	2.0	15.07.2019	20 000 000	20 115 911	1.4	20 145 318	- 54 865	3.2
Spb 1 SR-Bank ASA 17/20 FRN	Oslo	04.05.2020	1.9	05.08.2019	19 000 000	19 086 640	1.5	19 135 285	- 8 692	3.0
Spb 1 Søre Sunnmøre 15/20 FRN	Nordic ABM	30.09.2020	2.9	30.09.2019	10 000 000	10 163 400	1.8	10 147 021	- 18 771	1.6
Spb 1 Østfold Akershus 14/19 FRN	Nordic ABM	18.11.2019	2.0	19.08.2019	5 000 000	5 022 650	1.5	5 022 628	- 11 805	0.8
Spb 1 Østlandet 15/20 FRN	Nordic ABM	16.04.2020	1.9	16.07.2019	21 000 000	21 093 660	1.5	21 165 529	- 13 251	3.3
Spb DIN 16/20 FRN	Nordic ABM	15.06.2020	2.7	16.09.2019	5 000 000	5 056 500	1.7	5 053 833	- 7 917	0.8
Spb DIN 16/20 FRN	Nordic ABM	22.09.2020	2.6	23.09.2019	5 000 000	5 052 250	1.8	5 050 804	- 3 925	0.8
Spb Møre 17/21 FRN	Oslo	25.02.2021	2.0	26.08.2019	25 000 000	25 131 000	1.7	25 171 579	- 7 060	4.0
Spb Narvik 15/20 FRN	Nordic ABM	09.11.2020	2.7	09.08.2019	5 000 000	5 092 900	1.6	5 093 164	- 19 390	0.8
Spb Telemark 16/21 FRN	Nordic ABM	22.01.2021	2.8	22.07.2019	15 000 000	15 000 000	1.7	15 353 001	272 501	2.4
Spb Vest 15/20 FRN	Nordic ABM	12.02.2020	2.0	12.08.2019	10 000 000	10 061 700	1.5	10 063 927	- 25 540	1.6
Spb Vest 18/21 FRN	Nordic ABM	01.02.2021	1.7	01.08.2019	20 000 000	19 954 000	1.6	20 082 424	73 424	3.1
Storebrand Boligkred AS 16/21 FRN C COVD	Oslo	16.06.2021	2.3	18.09.2019	5 000 000	5 077 600	1.6	5 076 250	- 5 201	0.8
Trøgstad Spb 16/20 FRN	Nordic ABM	06.07.2020	2.9	08.07.2019	2 000 000	2 030 740	1.7	2 039 235	- 4 945	0.3
Voss Veksel ASA 16/20 FRN	Nordic ABM	14.09.2020	2.4	16.09.2019	5 000 000	5 045 550	1.8	5 047 090	- 4 151	0.8
Aasen Spb 17/20 FRN	Nordic ABM	20.03.2020	2.3	20.09.2019	5 000 000	5 023 000	1.7	5 023 985	- 2 468	0.8
Storebrand Boligkred AS 16/21 FRN C COVD	Oslo	16.06.2021	2.1	20.03.2019	5 000 000	5 077 600	1.5	5 074 701	- 6 637	0.8
<b>Sum Financials</b>						<b>558 521 759</b>		<b>559 750 647</b>	<b>- 261 365</b>	<b>88.3</b>

# Pareto Likviditet

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Security	Listed	Maturity	Coupon rate	Interest adj. date <sup>1</sup>	Principal	Cost price NOK	Yield <sup>2</sup>	Market value + acc. interest NOK	Unrealised gain/loss	Share in % of portfolio
<b>Government bonds</b>										
Askøy komm 16/21 FRN	Oslo	14.10.2021	2.0	15.07.2019	15 000 000	15 150 450	1.6	15 233 038	17 174	2.4
Sarpsborg komm 15/20 FRN	Nordic ABM	21.01.2020	1.8	22.07.2019	15 000 000	15 036 300	1.5	15 081 307	- 6 168	2.4
Tromsø komm 17/21 FRN	Oslo	21.05.2021	1.9	21.08.2019	20 000 000	20 093 000	1.6	20 166 784	30 506	3.2
Trondheim komm 15/20 FRN	Oslo	19.06.2020	1.9	19.09.2019	20 000 000	20 082 400	1.6	20 088 255	- 7 078	3.2
<b>Sum Government bonds</b>						<b>70 362 150</b>		<b>70 569 384</b>	<b>34 434</b>	<b>11.2</b>
<b>Total bonds</b>						<b>628 883 909</b>		<b>630 320 031</b>	<b>- 226 931</b>	<b>99.5</b>
Accrued managent fee (NOK)			0.0			- 130 368	0.0	- 130 368		0.0
Cash and cash equivalents			0.0			5 774 815	0.0	5 774 815		0.9
<b>Total</b>						<b>634 528 356</b>		<b>635 964 478</b>	<b>- 226 931</b>	<b>100.4</b>

1. Applicable only to floating rate bonds.

2. Yield to maturity is the average annual rate of return of a bond held to maturity.  
The yield to maturity will change from day to day, and is no guarantee of performance in the period.

## Ethical framework, returns and risk

### Ethical framework

Pareto Asset Management AS [PAM] works systematically with ethical considerations in the management of their funds. PAM shall not make investments which constitute an unacceptable risk of investments contributing to unethical acts or omissions. Such contributions could reduce the sustainability and long-term value creation of our funds.

In September 2014, the company decided to formalise our ethical commitment further through signing UNPRI (United Nations Principles for Responsible Investment). The principles were signed in November 2015 and PAM will present its first report in 2017.

In 2017, PAM joined Norsif, the Norwegian forum for responsible and sustainable investments, and the Swedish sister organization, Swesif.

Due to our fundamental investment philosophy and a limited number of investments with low turnover, managed by 17 different investment professionals, we can provide solid evidence of actual exercise of investment management according to the established ethical framework.

In addition, as a member of the Norwegian Fund and Asset Management Association we abide by the principles of the Norwegian Code of Practice for Corporate Governance. This recommendation has been prepared by a broad-based working group with representatives from nine organisations with close ties to the Norwegian stock market, including the

Norwegian Fund and Asset Management Association.

The OECD Guidelines for Multinational Enterprises are recommendations from OECD countries to businesses in all sectors. Norwegian authorities are committed to promote the guidelines. In 2011, the guidelines were changed to include a new chapter on human rights, which correspond to the UN Guiding Principles on Human Rights, also known as the "Ruggie Framework".

The majority of the companies we are invested in are either domiciled or traded on a regulated market in OECD countries.

### Considerations regarding returns and risk

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 fund's KIIDs, prospectuses, annual and semiannual reports are available from [www.paretoam.com/en/fund-reports](http://www.paretoam.com/en/fund-reports). Other information is available at [www.paretoam.com/en/client-information](http://www.paretoam.com/en/client-information).

Subscription and redemption fees are not taken into account in the historical performance given for our funds, this could affect the return adversely. Unless otherwise stated, the performance information given does not take into account any tax that may be

incumbent on the product and/or customer. The tax impact depends on the individual client's situation and may change.

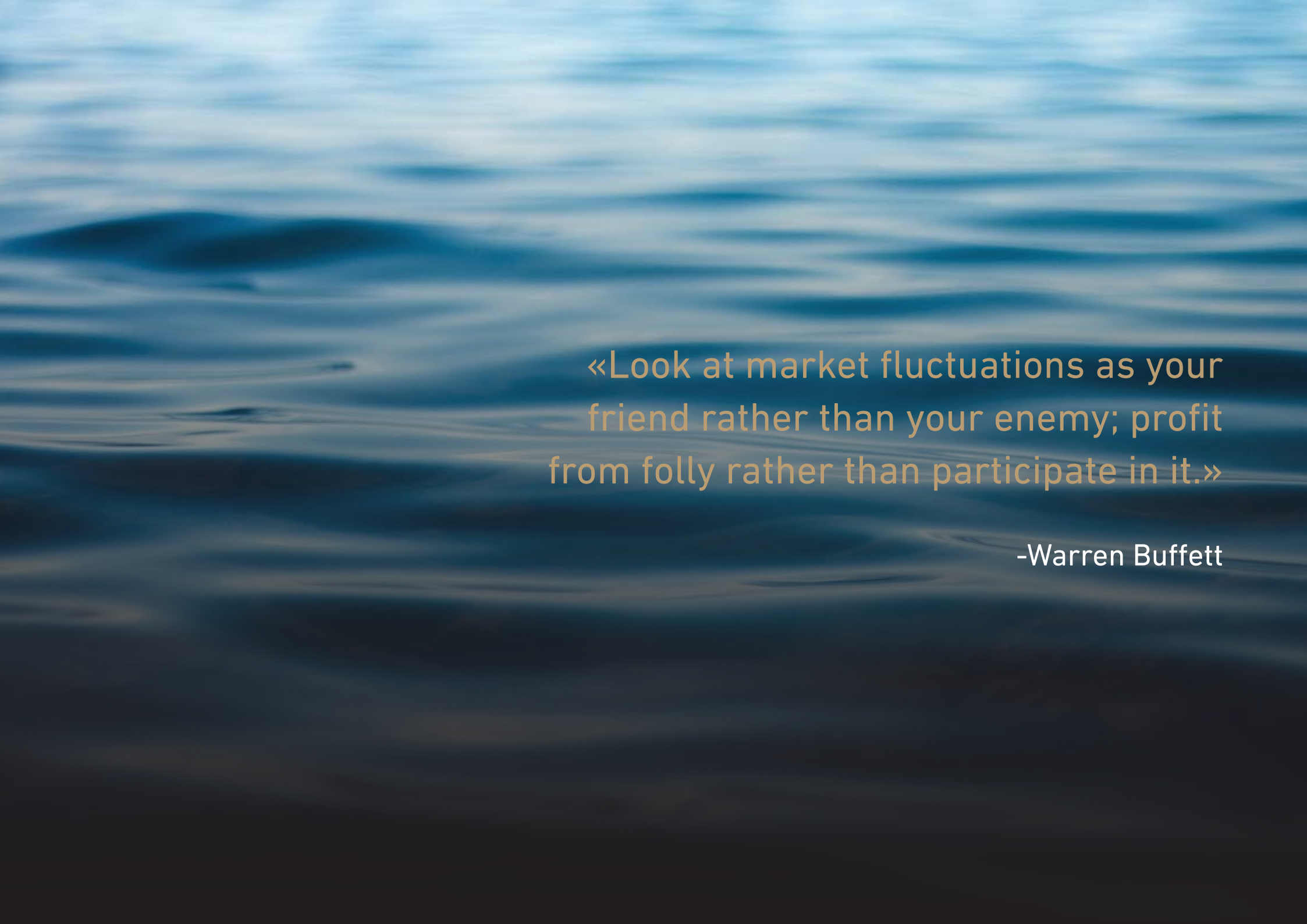
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«Look at market fluctuations as your friend rather than your enemy; profit from folly rather than participate in it.»

-Warren Buffett

