

# Semiannual report Mutual funds 2020







# Contents

---

- 3 Pareto Aksje Norge
- 9 Pareto Investment Fund
- 16 Pareto Global
- 23 Pareto Nordic Return
- 32 Fixed income funds
- 42 Ethical framework, returns and risk

# Pareto Aksje Norge

---



## Robust portfolio stands firm in demanding half year

It has been an unusually demanding half year in the stock market, but the lockdown in Norway has had a positive impact on some of our companies. The largest positive contributor is KID Interiør, which has risen as much as 58 per cent since the turn of the year. In June, the company reported a record strong second quarter, with sales growth of 20 per cent. There is a clear shift in investors' preferences towards greener investments. Both Bonheur and Borregaard delivered somewhat weaker than expected in the first quarter of the year, but both shares are up 20 and 11 per cent respectively after six months of the year.

Reduced demand and inventory build-up of global oil inventories have forced sharp cuts in production from OPEC and other oil-producing nations. In the short term, this is a challenge for both oil-producing companies and the oil service industry. Growth and market shares were quickly replaced by cost cuts and efficiency measures. One of our largest holdings, TGS NOPEC, again illustrates the flexibility of the business model by cutting operating costs by 35 per cent. The company has historically used such tough periods to increase its market share in seismic. We believe that in this downturn, the company will also exploit the opportunities that will arise. The price declines in Equinor, TGS NOPEC and Subsea 7 account for almost half of the portfolio decline at the end of the first half of the year.

Our biggest investment, Yara International, has done well during this downturn. Lower gas prices have helped raise earnings for one of the world's largest fertiliser producers. Over the past four years, the company has invested approximately US \$6 billion in growth and maintenance, generating little free cash flow. This year and next year, we expect the company to reduce its investments and increase its operating profit, which in turn will contribute to increased free cash flow. This means higher dividends and more room for maneuver in a demanding time.

Yara's global presence and agronomic expertise provide the company with a robust basis for long-term value creation. Equity is priced at around book values and ten times this year's earnings. Based on our expectations, free cash flow will increase sharply over the next two years. The required price for this free cash flow seems very attractive. The last time price in relation to free cash flow was at these levels was in 2004 and 2012. Over the subsequent three years, we received an annual return of 50 per cent and 16 per cent, respectively.

The portfolio is very robust, with a 38 per cent equity ratio, despite the fact that banking and finance make up 27 per cent of the portfolio. Adjusted for banking and finance, the equity ratio is close to 50 per cent. Price to expected earnings for the current year is 16 and 11 times next year's earnings. This entails a current earnings

yield of 6 and 9 per cent respectively. Compared to ten-year government bond yields at 0.66 per cent, partial ownership in solid Norwegian businesses appears to be a good alternative. We believe that today's portfolio can be purchased with a significant 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 d: 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. After the balance sheet date, the fund's risk indicator has changed as a result of increased fluctuations in 2020. The risk indicator is now one category higher than the table shows.

## Performance by periods

Name	30.06.2020	2019	2018	2017	2016	2015
Pareto Aksje Norge A <sup>1</sup>	-14.5 %	12.6 %	1.0 %	12.4 %	25.9 %	-6.1 %
Pareto Aksje Norge B <sup>2</sup>	-15.3 %	13.6 %	0.8 %	13.3 %	26.5 %	-8.2 %
Pareto Aksje Norge C	-15.0 %	14.4 %	1.5 %	14.2 %	27.4 %	-6.2 %*
Pareto Aksje Norge D	-14.8 %	15.0 %	2.0 %	14.7 %	28.0 %	-5.9 %*
Pareto Aksje Norge I	-14.7 %	15.3 %	2.3 %	15.0 %	28.4 %	-7.0 %
Oslo Børs Mutual Fund Index	-13.6 %	19.2 %	-2.2 %	17.0 %	11.5 %	6.7 %

## Annualised return

Name	Inception date	3 years	5 years	10 years	From start
Pareto Aksje Norge A <sup>1</sup>	09.09.2002	1.5 %	5.5 %	6.2 %	10.5 %
Pareto Aksje Norge B <sup>2</sup>	31.12.2005	1.5 %	5.3 %	6.2 %	4.8 %
Pareto Aksje Norge C	13.07.2015	2.2 %	-	-	6.2 %
Pareto Aksje Norge D	13.07.2015	2.7 %	-	-	6.7 %
Pareto Aksje Norge I	06.09.2001	3.0 %	6.9 %	7.8 %	11.2 %
Oslo Børs Mutual Fund Index		5.0 %	5.4 %	9.7 %	

## 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 until 13.07.2015 are achieved in Pareto Aktiv. The fund continues as unit class A in Pareto Aksje Norge.

<sup>2</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 2020

## Unit class A

Number of units	146 617.74
Net asset value	6 104.04
Redemption price after maximum fee	6 073.52

## Unit class B

Number of units	193 684.26
Net asset value	1 977.13
Redemption price after maximum fee	1 967.24

## Unit class C

Number of units	207 593.75
Net asset value	1 347.28
Redemption price after maximum fee	1 340.54

## Unit class D

Number of units	239 952.39
Net asset value	1 380.85
Redemption price after maximum fee	1 373.94

## Unit class I

Number of units	366 960.81
Net asset value	7 426.23
Redemption price after maximum fee	7 389.10

## 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

1/2

## Securities portfolio as at 30 June 2020

Securities	Listing	Number of shares	Cost price NOK	Market value NOK	Unrealised gain/loss	Share in % of portfolio
<b>Energy</b>						
Bonheur ASA	Oslo	941 623	140 551 274	221 281 405	80 730 131	4.8
Eidesvik Offshore ASA	Oslo	3 125 995	67 267 217	10 753 423	- 56 513 794	0.2
Equinor ASA	Oslo	1 517 133	229 969 363	207 240 368	- 22 728 995	4.5
Subsea 7 SA	Oslo	2 664 375	241 762 269	161 461 125	- 80 301 144	3.5
TGS-Nopec Geophysical Co ASA	Oslo	2 128 945	354 907 674	296 668 486	- 58 239 189	6.4
<b>Total Energy</b>			<b>1 034 457 797</b>	<b>897 404 807</b>	<b>- 137 052 991</b>	<b>19.4</b>
<b>Financials</b>						
DNB ASA	Oslo	1 455 695	165 933 636	185 018 835	19 085 198	4.0
SpareBank 1 Nord-Norge	Oslo	3 341 931	146 262 469	208 202 301	61 939 832	4.5
SpareBank 1 SMN	Oslo	2 734 480	180 346 452	214 109 784	33 763 332	4.6
SpareBank 1 SR-Bank ASA	Oslo	3 220 990	204 933 124	225 147 201	20 214 077	4.9
SpareBank 1 Østfold Akershus	Oslo	201 156	38 113 816	46 265 880	8 152 064	1.0
Sparebanken Møre	Oslo	284 374	60 950 687	84 174 704	23 224 017	1.8
Sparebanken Vest	Oslo	1 792 704	104 964 049	111 864 730	6 900 680	2.4
Storebrand ASA	Oslo	3 588 021	247 364 069	178 001 722	- 69 362 348	3.9
<b>Total Financials</b>			<b>1 148 868 302</b>	<b>1 252 785 157</b>	<b>103 916 852</b>	<b>27.1</b>
<b>Industrials</b>						
GC Rieber Shipping ASA	Oslo	1 637 749	31 843 295	8 516 295	- 23 327 000	0.2
Odfjell SE ser. A	Oslo	2 188 796	110 430 214	47 496 873	- 62 933 341	1.0
Odfjell SE ser. B	Oslo	1 393 644	73 945 623	29 266 524	- 44 679 099	0.6
Veidekke ASA	Oslo	1 806 370	180 814 229	209 900 194	29 085 965	4.5
Wallenius Wilhelmsen ASA	Oslo	2 411 700	90 659 826	29 953 314	- 60 706 512	0.6
Wilh. Wilhelmsen Holding ASA ser. A	Oslo	1 146 560	182 098 916	134 720 800	- 47 378 116	2.9
Wilh. Wilhelmsen Holding ASA ser. B	Oslo	716 886	100 094 674	83 158 776	- 16 935 898	1.8
<b>Total Industrials</b>			<b>769 886 777</b>	<b>543 012 776</b>	<b>- 226 874 001</b>	<b>11.6</b>

# Pareto Aksje Norge

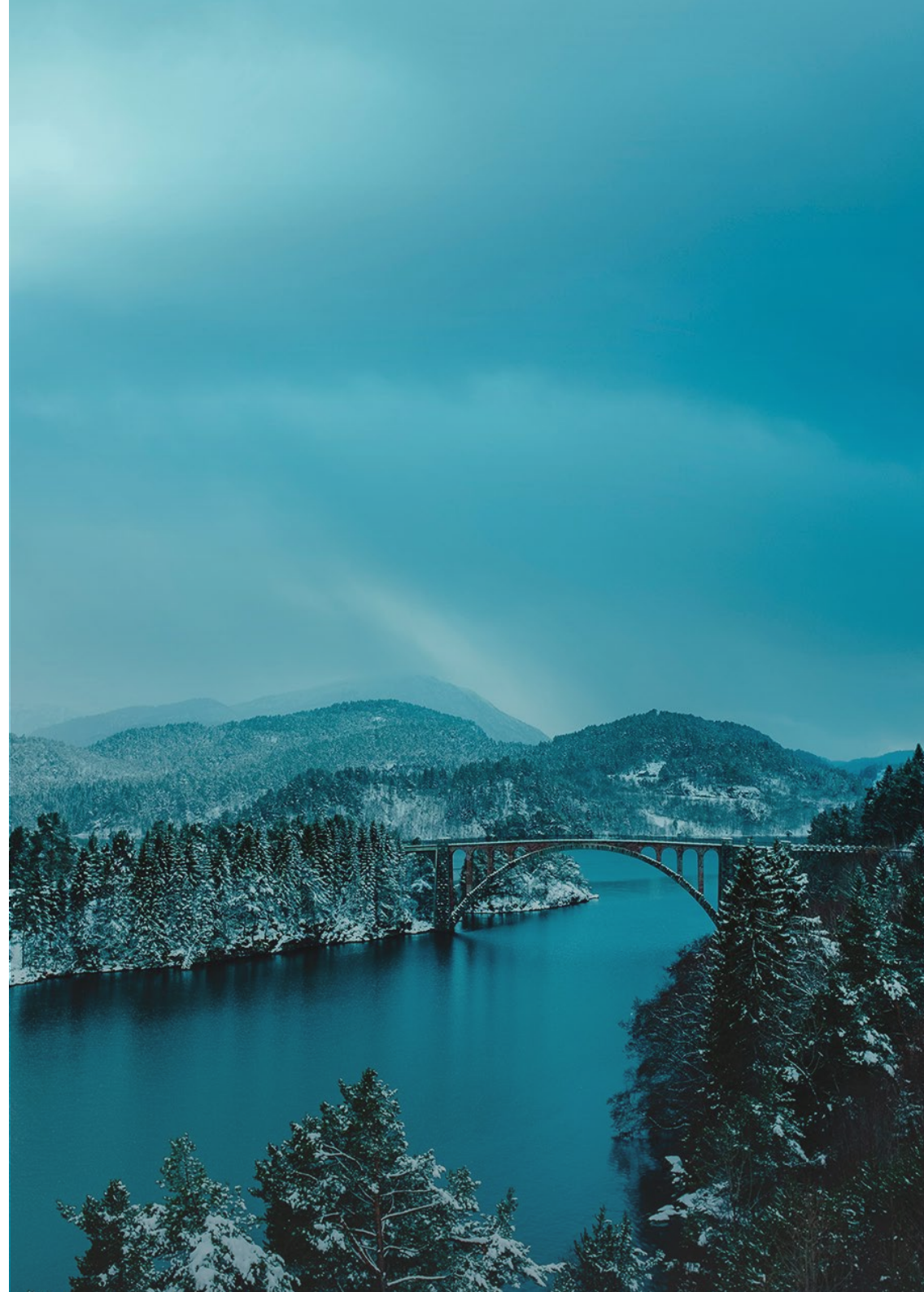
2/2

Securities	Listing	Number of shares	Cost price NOK	Market value NOK	Unrealised gain/loss	Share in % of portfolio
<b>Consumer Staples</b>						
Austevoll Seafood ASA	Oslo	2 137 755	108 222 180	169 844 635	61 622 455	3.7
Lerøy Seafood Group ASA	Oslo	6 721 009	167 705 238	388 205 480	220 500 242	8.4
Orkla ASA	Oslo	1 984 197	117 644 286	167 267 807	49 623 521	3.6
SalMar ASA	Oslo	436 002	72 702 362	200 168 518	127 466 156	4.3
<b>Total Consumer Staples</b>			<b>466 274 066</b>	<b>925 486 440</b>	<b>459 212 374</b>	<b>20.0</b>
<b>Consumer discretionary</b>						
Kid ASA	Oslo	2 320 663	77 919 454	179 619 316	101 699 862	3.9
<b>Materials</b>						
Borregaard ASA	Oslo	1 504 390	99 430 603	153 748 658	54 318 055	3.3
Elkem ASA	Oslo	4 124 600	105 165 072	80 883 406	- 24 281 666	1.8
Norsk Hydro ASA	Oslo	5 200 960	192 084 761	138 189 507	- 53 895 254	3.0
Yara International ASA	Oslo	1 137 664	331 624 558	379 866 010	48 241 451	8.2
<b>Total Materials</b>			<b>728 304 994</b>	<b>752 687 581</b>	<b>24 382 586</b>	<b>16.3</b>
<b>Total securities portfolio (excluding cash)</b>			<b>4 225 711 390</b>	<b>4 550 996 077</b>	<b>325 284 682</b>	<b>98.3</b>



# Pareto Investment Fund

---



## Strongly affected by the corona crisis

The corona crisis hit the fund severely in February and March. With large positions in Norwegian and Royal Caribbean Cruise Lines as well as oil and oil services, the fund fell significantly more than the market index. We also believe we were exposed to a liquidity effect in several of the small and medium-sized companies we own, such as Nordic Semiconductor. The stock halved in a few weeks.

Many of our shares have come back strongly since March, and the last three months have been very good. However, there is still a bit of catching up to do. The fund has a considerable overweight in oil service, which represents a significant opportunity for the long-term investor.

At the time of writing, Grieg Seafood is among the largest single holdings in the fund. In addition, we have several salmon companies in the portfolio. The salmon sector has not risen much from the bottom, compared to the benchmark index. Grieg's production is growing significantly faster than the sector, and the company is priced at a 30 per cent discount compared to the average of salmon companies on Oslo Børs.

The world's stock markets have recovered surprisingly quick from the bottom. Over the past three months, pricing has become more demanding, but we do not rule out the possibility of earnings for the coming quarters

surprising on the upside, simply because expectations have come down so much. However, estimates do not take into account the scenario that countries may be forced to close once again. In relation to book values, the market is priced at the upper end of the normal price range.

Highlights of the portfolio this year have been Europris, Kid Interiør, Nordic Semiconductor, Scatec Solar and Borregaard.

ESG stocks are very popular these days, and there are tendencies of bubble pricing. This has also supported the pricing of Scatec and Borregaard. Both stocks are back at high levels. They are highly priced, but they also offer good growth, which we believe justifies the pricing.

Europris and Kid are exposed to a weak krone, as these companies buy a lot from abroad, especially China. A weak krone has not hindered profitability so far. Both companies have been able to produce sales growth both before and after the corona shock. Customers have spent more time at home, from which both companies have benefited.

When it comes to Kid, it is worth mentioning Hemtex in Sweden, which they bought at a low price last fall. Within but a few quarters, Kid has turned the operation for the

better. No one had dreamed that things would go so fast. Sweden and Finland represent an opportunity for both organic and purchased growth. In Norway, the company has increased its market share over several years and achieved a completely different profitability than its competitors. We now see the contours of this in Sweden as well.

For Nordic Semiconductor, the outlook is brighter than it has been for a long time. It was a good first quarter, and we think that this may also be the case for the second quarter. Bluetooth Low Energy is the most important market for the company today. Never before has Nordic Semiconductor had a larger market share and order backlog here. New customers are coming. The company has launched a new technology to leverage the Internet of Things, which we expect to help drive growth going forward. The stock is expensive, but earnings can quickly change that.

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

# Performance history

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

Inception date: etablert i 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. After the balance sheet date, the fund's risk indicator has changed as a result of increased fluctuations in 2020. The risk indicator is now one category higher than the table shows.

## Return by periods

Name	30.06.2020	2019	2018	2017	2016	2015
Pareto Investment Fund A	-26.4%	20.0%	-7.7%	9.1%	14.7%	20.6%
Pareto Investment Fund B	-26.1%	21.0%	-6.9%	10.0%	15.7%	21.7%
Pareto Investment Fund C	-26.0%	21.5%	-6.5%	10.5%	16.2%	22.2%
Oslo Børs Mutual Fund Index	-13.6%	19.2%	-2.2%	17.0%	11.5%	6.7%

## Annualised return

Name	Inception date	3 years	5 years	10 years	From start
Pareto Investment Fund A	1985	-3.5%	1.7%	10.2%	5.2% *
Pareto Investment Fund B	29.11.2013	-2.7%	2.6%	-	6.9%
Pareto Investment Fund C	29.11.2013	-2.2%	3.0%	-	7.3%
Oslo Børs Mutual Fund Index		5.0%	5.4%	9.7%	

## 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 2020

<b>Unit class A</b>	
Number of units	2 443.90
Net asset value	244 344.41
Redemption price after maximum fee	243 855.72
<b>Unit class B</b>	
Number of units	12 087.21
Net asset value	15 478.03
Redemption price after maximum fee	15 447.07
<b>Unit class C</b>	
Number of units	75 806.25
Net asset value	15 938.29
Redemption price after maximum fee	15 906.41

## 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

1/3

## Securities portfolio as at 30 June 2020

Securities	Listing	Number of shares	Cost price NOK	Market value NOK	Unrealised gain/loss	Share in % of portfolio
<b>Energy</b>						
Aker BP ASA	Oslo	416 000	46 446 279	72 924 800	26 478 521	3.7
Aker Solutions ASA	Oslo	2 406 000	93 162 150	20 138 220	- 73 023 930	1.0
BW Energy Ltd	Oslo	519 118	12 666 489	8 912 218	- 3 754 271	0.4
BW Offshore Ltd	Oslo	2 289 000	91 191 223	72 332 400	- 18 858 823	3.6
DNO ASA	Oslo	9 355 000	101 681 008	54 128 030	- 47 552 978	2.7
Flex LNG Ltd	Oslo	796 000	101 040 156	35 278 720	- 65 761 436	1.8
Frontline Ltd	New York	665 000	68 850 157	44 782 657	- 24 067 499	2.2
Magseis Fairfield ASA	Oslo Axess	2 340 000	39 744 359	3 612 960	- 36 131 399	0.2
Subsea 7 SA	Oslo	1 009 000	112 264 026	61 145 400	- 51 118 626	3.1
TGS-Nopec Geophysical Co ASA	Oslo	397 000	47 681 432	55 321 950	7 640 518	2.8
<b>Total Energy</b>			<b>714 727 279</b>	<b>428 577 355</b>	<b>- 286 149 923</b>	<b>21.5</b>
<b>Financials</b>						
B2Holding ASA	Oslo	6 099 405	89 755 127	22 750 781	- 67 004 346	1.1
Norwegian Finans Holding ASA	Oslo	2 147 000	113 698 278	141 487 300	27 789 022	7.1
Protector Forsikring ASA	Oslo	1 047 000	65 509 643	38 477 250	- 27 032 393	1.9
<b>Total Financials</b>			<b>268 963 048</b>	<b>202 715 331</b>	<b>- 66 247 717</b>	<b>10.1</b>
<b>Utilities</b>						
Scatec Solar ASA	Oslo	680 000	38 142 246	106 352 000	68 209 754	5.3
<b>Industrials</b>						
Multiconsult ASA	Oslo	739 223	70 772 150	48 419 107	- 22 353 043	2.4
Tomra Systems ASA	Oslo	50 000	3 555 777	17 655 000	14 099 223	0.9
<b>Total Industrials</b>			<b>74 327 927</b>	<b>66 074 107</b>	<b>- 8 253 820</b>	<b>3.3</b>

# Pareto Investment Fund

2/3

Securities	Listing	Number of shares	Cost price NOK	Market value NOK	Unrealised gain/loss	Share in % of portfolio
<b>Information technology</b>						
Elliptic Laboratories AS	Unlisted	176 430	28 927 416	24 700 200	- 4 227 216	1.2
Mercell Holding AS	Merkur Market	2 900 000	19 575 000	19 575 000		1.0
Nordic Semiconductor ASA	Oslo	1 837 000	67 108 761	134 835 800	67 727 039	6.8
Norwegian Crystals AS	Unlisted	257 000	23 570 741	771 000	- 22 799 741	0.0
poLight ASA	Oslo	142 458	14 990 000	8 205 581	- 6 784 419	0.4
TietoEvry Oyj	Helsinki	248 000	51 995 520	65 248 926	13 253 406	3.3
<b>Total Information technology</b>			<b>206 167 438</b>	<b>253 336 507</b>	<b>47 169 069</b>	<b>12.7</b>
<b>Consumer staples</b>						
Arnarlax AS	Unlisted	643 257	38 595 420	61 109 415	22 513 995	3.1
Austevoll Seafood ASA	Oslo	410 000	20 977 886	32 574 500	11 596 614	1.6
Bakkafrost P/F	Oslo	48 500	24 500 730	29 366 750	4 866 020	1.5
Grieg Seafood ASA	Oslo	1 384 000	86 773 727	136 254 800	49 481 073	6.8
Ice Fish Farm AS	Merkur Market	300 000	10 050 000	10 500 000	450 000	0.5
Lerøy Seafood Group ASA	Oslo	847 000	50 536 038	48 922 720	- 1 613 318	2.5
<b>Total Consumer staples</b>			<b>231 433 801</b>	<b>318 728 185</b>	<b>87 294 384</b>	<b>16.0</b>
<b>Consumer discretionary</b>						
Europris ASA	Oslo	2 626 000	75 358 594	121 951 440	46 592 846	6.1
Kid ASA	Oslo	1 262 000	40 751 977	97 678 800	56 926 823	4.9
Kongsberg Automotive ASA Tranche 2	Oslo	395 948 404	39 594 840	61 372 003	21 777 162	3.1
<b>Total Consumer discretionary</b>			<b>155 705 411</b>	<b>281 002 243</b>	<b>125 296 831</b>	<b>14.1</b>



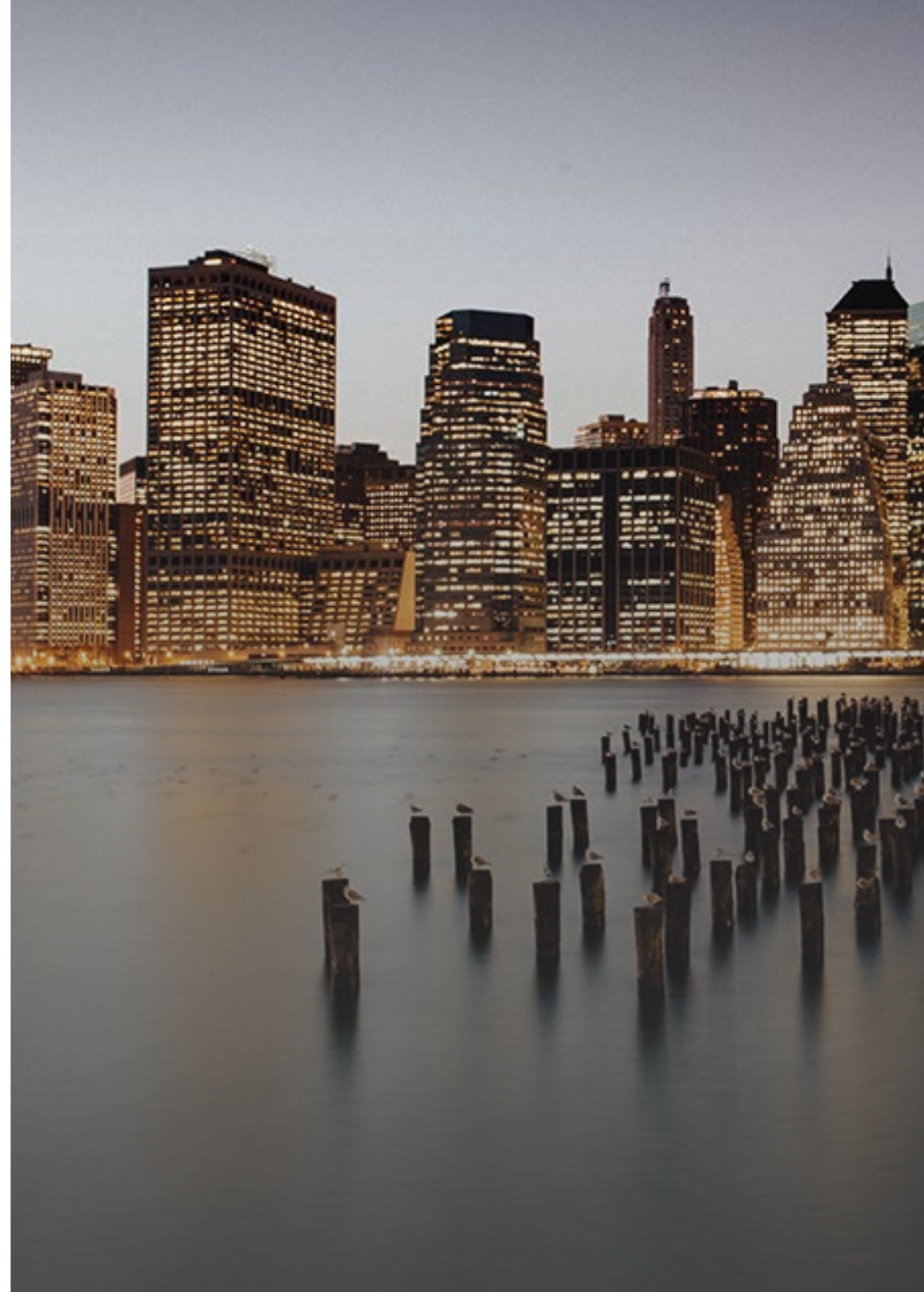
# Pareto Investment Fund

3/3

Securities	Listing	Number of shares	Cost price NOK	Market value NOK	Unrealised gain/loss	Share in % of portfolio
<b>Materials</b>						
Borregaard ASA	Oslo	639 000	32 160 266	65 305 800	33 145 534	3.3
Yara International ASA	Oslo	411 000	143 220 414	137 232 900	- 5 987 514	6.9
<b>Total Materials</b>			<b>175 380 680</b>	<b>202 538 700</b>	<b>27 158 020</b>	<b>10.2</b>
<b>Health care</b>						
PhotoCure ASA	Oslo	761 920	53 059 376	53 029 632	- 29 744	2.7
<b>Total securities portfolio (excluding cash)</b>			<b>1 917 907 206</b>	<b>1 912 354 060</b>	<b>- 5 553 146</b>	<b>95.9</b>

# Pareto Global

---



## Strong recovery after sharp fall

It has been a dramatic six months, with a sharp fall in February and March, followed by a strong recovery up until the end of the first half of the year. We used the market fall to invest in seven new quality companies, and we sold three where the stock price developed relatively strongly. This shows that we are well prepared to seize opportunities arising from rapid market declines; most new investments have developed better than the market during our ownership. These additions strengthen our conviction that the value of the companies is much more robust than indicated by the market price.

Pareto Global invests in leading companies that build value through leading market positions, competitive advantage, strong balance sheets and a focus on organic growth. Our screening process and company analysis also include sustainability assessments. These criteria mean that we have long steered away from the most controversial industries with regard to climate-related issues: fossil energy, raw materials, real estate and shipping. Thus, we have excluded the source of large parts of the world's greenhouse gas emissions. Nearly 90 per cent of human carbon emissions come from fossil fuels.

Our companies are constantly taking steps in a more sustainable direction. In June, Unilever brought two important news. They want to improve corporate governance by assembling the legal structure under one parent company, Unilever PLC. Today, Unilever N.V. in the Netherlands and Unilever PLC in the United Kingdom are separate legal entities, each with its own stock exchange listing, but operated as one company. The measures will simplify operations and provide better strategic flexibility, especially for future acquisitions and divestments.

Furthermore, the company is taking new steps to combat climate change and protect nature. The goal is net zero emissions from all products by 2039 – eleven years before the deadline in the Paris Climate Agreement. An ambitious goal, knowing that 2.5 billion people use their products every day. They are also investing one billion euros in a newly created Climate and Nature Fund, which will carry out projects to improve water supply, forests, wildlife and biodiversity.

In June, we purchased shares in Compass, the world's largest provider of meal-related services, with a global market share of 13 per cent. The company has gained



Compass is among the newcomers to the fund.



market shares over time and delivered high organic growth and increasing margins. Compass has a high level of repetitive revenues – typically 95 per cent of customer relationships are being continued each year. The global market for these services is estimated at two hundred billion pounds, with half being driven by users themselves and 20 per cent by small players. However, the trend is that more and more are outsourcing canteen operations, because it falls outside the core business, and to reduce costs. Stricter demands on food safety, health and hygiene reinforce the trend.

Compass has long delivered a high cash flow and a return on capital of over 20 per cent, well assisted by negative working capital and a not very capital-intensive business. The company focuses a lot on innovation, including digital ordering and payment solutions, partnerships with local restaurants and dedicated kitchens that only deliver food after external orders.

Compass is a quality company with a stock price that is almost halved. Half of the business has been shut down due to COVID-19 measures, particularly related to sporting events, universities and general business operations. A gradual reopening of society will mean that the company's volumes will return. We think we will benefit from being in place well before such a reopening happens, as the stock price tends to surge prior to such developments.

We initiated our investment in Prudential PLC in May 2016. At that time, the company consisted of three parts: Asia, the United States and the United Kingdom. The common denominators were pension savings and health insurance, but the business models and growth profiles were different. This entailed that the company was valued at a discount. In 2019, the British part was demerged, but this was too small to reduce the group discount. Shareholders have long signalled that they

want further action, and in June it became known that Prudential sells 11 per cent of its US operations, Jackson, to pension specialist Athens. IPO and partial divestment is still the plan for Jackson. The transaction values Jackson at \$4.5 billion, and the residual value of the company indicates that the Asian operations are valued at around \$40 billion. This represents a discount of 40 per cent on the pricing multiple against competitor AIA, which only operates in Asia. We see a significant upside in refining Prudential's Asian business.

[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. After the balance sheet date, the fund's risk indicator has changed as a result of increased fluctuations in 2020. The risk indicator is now one category higher than the table shows.

## Return by periods

Name	30.06.2020	2019	2018	2017	2016	2015
Pareto Global A	0.4%	29.9%	-13.0%	16.0%	0.9%	17.2%
Pareto Global B	0.1%	31.2%	-14.5%	17.3%	0.0%	18.7%
Pareto Global C	0.3%	31.7%	-14.2%	17.7%	0.3%	19.4%
Pareto Global D <sup>1</sup>	0.6%	32.4%	-13.7%	18.3%	0.8%	20.0%
Pareto Global I	0.7%	32.7%	-13.5%	18.6%	1.1%	7.0%*
MSCI World i NOK	3.4%	29.6%	-3.3%	5.0%	17.2%	28.8%

## Annualised return

Name	Inception date	3 years	5 years	10 years	From start
Pareto Global A	12.08.2005	5.8%	7.6%	11.6%	8.5%**
Pareto Global B	01.11.2012	5.6%	7.6%	-	12.7%
Pareto Global C	01.11.2012	6.0%	8.0%	-	13.2%
Pareto Global D <sup>1</sup>	22.11.2006	6.5%	8.5%	13.1%	9.8%**
Pareto Global I	13.07.2015	6.8%	-	-	8.2%
MSCI World i NOK		11.8%	11.4%	14.4%	

## 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 2020

<b>Unit class A</b>	
Number of units	134 059.57
Net asset value	2 966.22
Redemption price after maximum fee	2 936.55
<b>Unit class B</b>	
Number of units	375 329.27
Net asset value	2 495.75
Redemption price after maximum fee	2 470.79
<b>Unit class C</b>	
Number of units	132 049.46
Net asset value	2 590.10
Redemption price after maximum fee	2 564.20
<b>Unit class D</b>	
Number of units	25 367.05
Net asset value	2 702.46
Redemption price after maximum fee	2 675.44
<b>Unit class I</b>	
Number of units	1 659 552.03
Net asset value	1 481.98
Redemption price after maximum fee	1 467.16

## 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

1/2

## Securities portfolio as at 30 June 2020

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	149 500	183 226 442	107 542 440	- 75 684 002	2.6
Discover Financial Services Inc	New York	340 750	198 875 411	164 671 973	- 34 203 438	3.9
Goldman Sachs Group Inc	New York	80 723	142 197 125	153 907 925	11 710 800	3.7
M&G plc	London	1 674 828	38 239 552	33 448 195	- 4 791 357	0.8
Prudential Plc	London	1 675 028	223 788 195	243 279 572	19 491 377	5.8
Wells Fargo & Co	New York	430 966	141 436 497	106 442 672	- 34 993 825	2.5
<b>Total Financials</b>			<b>927 763 222</b>	<b>809 292 777</b>	<b>- 118 470 445</b>	<b>19.3</b>
<b>Health care</b>						
Abbott Laboratories	New York	41 352	15 968 049	36 476 909	20 508 861	0.9
Anthem Inc	New York	50 347	97 822 788	127 740 647	29 917 859	3.0
Attendo AB	Stockholm	1 430 803	120 898 164	54 128 806	- 66 769 359	1.3
Boston Scientific Corp	New York	252 900	75 467 143	85 666 782	10 199 638	2.0
Centene Corp	New York	330 925	158 240 018	202 898 075	44 658 057	4.8
CVS Health Corp	New York	302 070	195 200 344	189 344 745	- 5 855 599	4.5
Intuitive Surgical Inc	New York Nasdaq GS	7 735	32 666 814	42 524 422	9 857 608	1.0
Laboratory Corp of America Holdings	New York	87 500	120 893 237	140 228 609	19 335 371	3.3
<b>Total Health care</b>			<b>817 156 557</b>	<b>879 008 995</b>	<b>61 852 436</b>	<b>20.8</b>
<b>Industrials</b>						
HEICO Corporation	New York	150 800	125 115 812	144 981 116	19 865 303	3.4
ÅF AB ser. B	Stockholm	886 749	96 160 241	183 716 658	87 556 416	4.4
<b>Total Industrials</b>			<b>221 276 053</b>	<b>328 697 774</b>	<b>107 421 719</b>	<b>7.8</b>



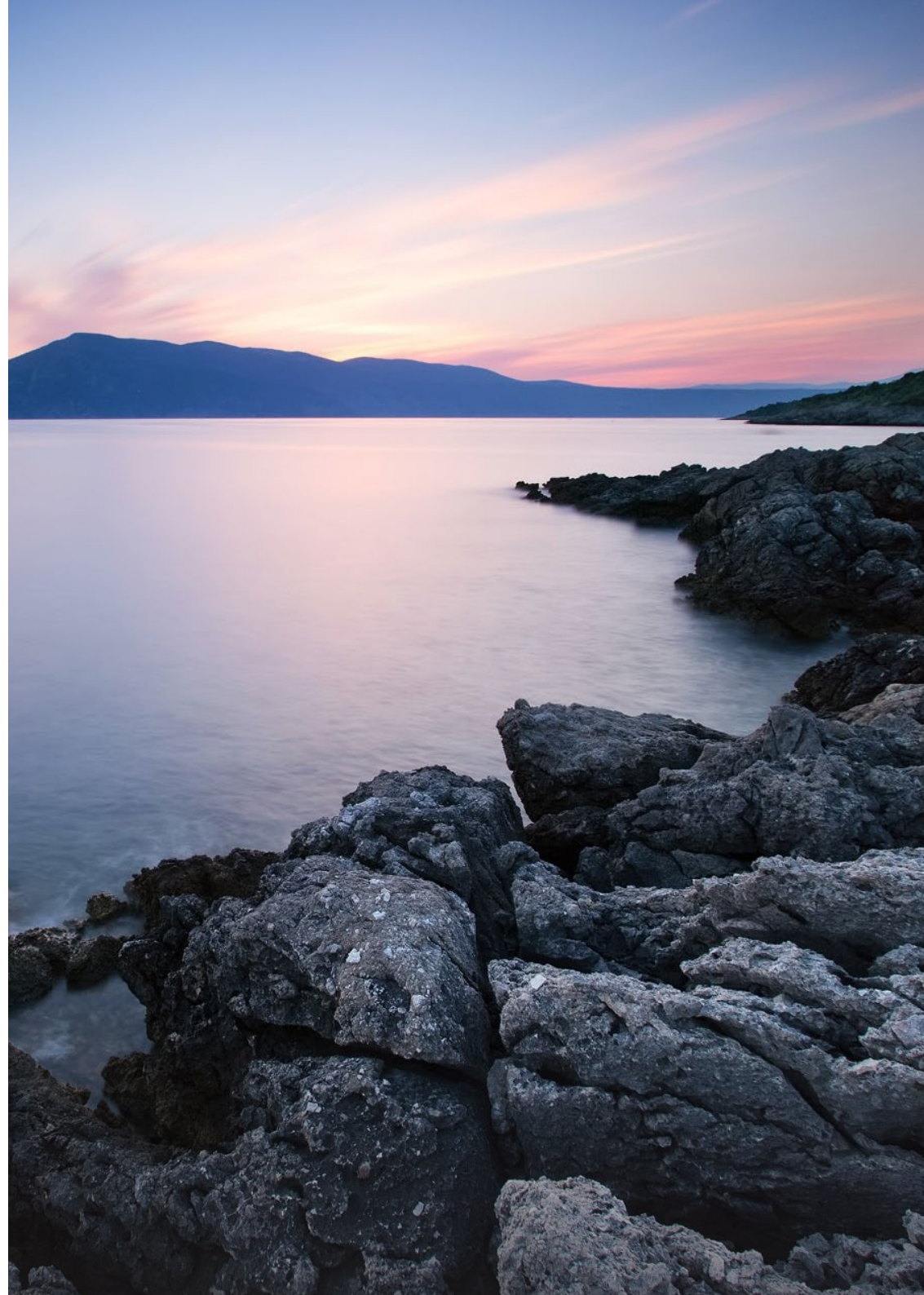
# Pareto Global

2/2

Securities	Listing	Number of shares	Cost price NOK	Market value NOK	Unrealised gain/loss	Share in % of portfolio
<b>Information technology</b>						
Keysight Technologies Inc	New York	38 617	21 302 860	37 547 902	16 245 043	0.9
Microsoft Corp	New York Nasdaq GS	182 484	63 904 664	358 297 138	294 392 475	8.5
Oracle Corp	New York	93 598	34 506 116	49 910 144	15 404 028	1.2
Playtech Plc	London	2 051 115	161 969 949	68 821 867	- 93 148 082	1.6
SAP SE	Xetra	141 279	101 333 685	190 323 150	88 989 465	4.5
Alphabet Inc ser. C	New York Nasdaq GS	12 157	121 701 342	165 801 639	44 100 297	3.9
<b>Total Information technology</b>			<b>504 718 616</b>	<b>870 701 840</b>	<b>365 983 226</b>	<b>20.6</b>
<b>Consumer staples</b>						
Reckitt Benckiser Group Plc	London	141 720	102 297 316	125 543 688	23 246 372	3.0
Unilever NV		349 604	139 842 830	178 999 249	39 156 420	4.3
<b>Total Consumer staples</b>			<b>242 140 146</b>	<b>304 542 937</b>	<b>62 402 792</b>	<b>7.3</b>
<b>Consumer discretionary</b>						
Compass Group plc	London	1 096 600	153 245 562	145 348 672	- 7 896 890	3.5
EssilorLuxottica SA	Euronext	102 882	111 770 024	127 370 429	15 600 405	3.0
Michelin CGdE	Euronext	107 500	107 089 140	107 565 088	475 948	2.6
Nokian Renkaat Oyj	Helsinki	391 640	89 245 720	82 924 833	- 6 320 887	2.0
Polaris Industries Inc	New York	168 178	123 668 505	150 168 347	26 499 842	3.6
Ralph Lauren Corp	New York	260 518	204 953 056	182 275 511	- 22 677 545	4.3
<b>Total Consumer discretionary</b>			<b>789 972 007</b>	<b>795 652 880</b>	<b>5 680 873</b>	<b>19.0</b>
<b>Materials</b>						
BASF SE	Xetra	141 158	110 805 364	76 296 558	- 34 508 806	1.8
<b>Total securities portfolio (excluding cash)</b>			<b>3 613 831 965</b>	<b>4 064 193 761</b>	<b>450 361 795</b>	<b>96.6</b>

# Pareto Nordic Return

---



## A good second quarter after a demanding start

The corona crisis hit the fund severely in February and March. With large positions in Norwegian and overweight in the oil sector, the fund fell significantly more than the market index. We also believe we were exposed to a liquidity effect in several of the small and medium-sized companies we own, such as Nordic Semiconductor, Troax, Grieg Seafood and Instalco.

Many of our shares have come back strongly since March, and the last three months have been very good. However, there is still a bit of catching up to do. The fund has a considerable overweight in oil service, which represents a significant opportunity for the long-term investor.

The world's stock markets have recovered surprisingly quick from the bottom. Over the past three months, pricing has become more demanding, but we do not rule out the possibility of earnings for the coming quarters surprising on the upside, simply because expectations have come down so much.

Highlights of the portfolio this year have been Betsson, Troax, Novo Nordisk, Nordic Semiconductor and Scatec Solar.

Novo Nordisk has been producing medicine for diabetes (insulin) for almost a hundred years. More than 30 million patients use their medicine today. Diabetes continues to increase in scope, especially in emerging markets, of which China is particularly

prominent. This means that Novo will continue to enjoy good growth. In addition, the company has a strong portfolio of new medicines. Important new areas are obesity and cardiovascular disease, both of which have great potential for Novo. The stock is priced at 23 times earnings over the next 12 months, which makes sense when earnings are expected to grow over ten per cent annually.

Betsson is one of the few companies in the portfolio that has benefitted from people staying more at home during the corona crisis. People have spent more time and money playing online casinos. While the betting segment has been weak, since few sports events are currently being held, casinos, which have better margins, have more than covered up. Developments in Turkey may seem to have turned to the better after several years of adversity. This is partly due to in-house product development, but also because the authorities' regulatory ardour is waning. The stock is priced at eleven times next year's earnings and 1.5 times book value, with a return on equity of 16 per cent. The low pricing should provide downside protection. Due to good products and structural growth in the market, the outlook is good for the next couple of years.

Troax has contributed well to returns ever since we bought it at the IPO in 2015. That was also the case in the first half of the year. The company, which manufactures products for the protection of people,

machines and furnishings, delivers a very solid return on capital, strong sales growth and high operating margins. Growth is partly organic and partly purchased. They are the market leader and twice the size of the second biggest, in a fragmented market where they buy other companies at lower multiples than on Troax' own shares. Debt is a modest 30 per cent higher than the operating profit over the last four quarters. For a company in this position, the corona crisis could be an opportunity to strengthen its position in new markets, as they did in 2017, when they made the leap to the United States.

ESG stocks are very popular these days, and there are tendencies of bubble pricing. This has also supported the pricing of Scatec. The stock is back at historically high levels, but we believe that good growth in power production justifies the pricing. As earnings from the solar power plants come to surpass earnings from the contractor business, the share will be priced more as a utility, which also means higher pricing of the business.

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

# Performance history

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

Inception date: etablert i 1987

Benchmark: ingen

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. After the balance sheet date, the fund's risk indicator has changed as a result of increased fluctuations in 2020. The risk indicator is now one category higher than the table shows.

## Return by periods

Name	30.06.2020	2019	2018	2017	2016	2015
Pareto Nordic Return A	2.4%	17.3%	-10.7%	11.3%	5.3%	21.9%
Pareto Nordic Return B	2.6%	17.6%	-10.5%	11.6%	5.5%	22.2%
Pareto Nordic Return C	2.8%	18.1%	-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	1.0%	4.6%	11.2%	8.2%**
Pareto Nordic Return B	31.12.2014	1.3%	4.8%	-	6.6%
Pareto Nordic Return C	12.02.2015	1.8%	5.3%	-	6.7%

## 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 2020

<b>Unit class A</b>	
Number of units	4 973.64
Net asset value	108 372.72
Redemption price after maximum fee	108 155.97
<b>Unit class B</b>	
Number of units	20 097.40
Net asset value	7 105.99
Redemption price after maximum fee	7 091.77
<b>Unit class C</b>	
Number of units	9 437.07
Net asset value	7 072.85
Redemption price after maximum fee	7 058.70

### 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

1/5

## Securities portfolio as at 30 June 2020

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	6 427 200	- 14 917 178	0.9
BW Energy Ltd	Oslo	108 573	2 649 183	1 863 981	- 785 202	0.2
BW Offshore Ltd	Oslo	505 075	23 187 948	15 960 370	- 7 227 578	2.1
Flex LNG Ltd	Oslo	115 000	16 387 500	5 096 800	- 11 290 700	0.7
Magseis Fairfield ASA	Oslo Axess	737 319	12 502 034	1 138 421	- 11 363 613	0.2
Seadrill Ltd	Oslo	5 840	909 531	24 703	- 884 828	0.0
Subsea 7 SA	Oslo	269 500	32 576 217	16 331 700	- 16 244 517	2.2
<b>Total Energy</b>			<b>109 556 791</b>	<b>46 843 175</b>	<b>- 62 713 616</b>	<b>6.3</b>
<b>Financials</b>						
Danske Bank A/S	København	223 000	53 366 671	28 620 146	- 24 746 525	3.8
Nordic Capital Partners II AS	Unlisted	5 000	4 345 000	9 000	- 4 336 000	0.0
Norwegian Finans Holding ASA	Oslo	468 000	18 556 260	30 841 200	12 284 940	4.1
TF Bank AB	Stockholm	224 503	18 912 496	19 163 163	250 667	2.6
<b>Total Financials</b>			<b>95 180 427</b>	<b>78 633 509</b>	<b>- 16 546 918</b>	<b>10.5</b>
<b>Utilities</b>						
Scatec Solar ASA	Oslo	183 000	10 195 914	28 621 200	18 425 286	3.8
<b>Health care</b>						
Nanoform Finland Plc	Helsinki	69 602	2 538 862	3 205 410	666 549	0.4
Novo Nordisk A/S ser. B	København	72 500	30 260 394	45 258 975	14 998 581	6.0
Pihlajalinna Oyj	Helsinki	134 000	13 287 635	20 401 125	7 113 490	2.7
<b>Total Health care</b>			<b>46 086 891</b>	<b>68 865 510</b>	<b>22 778 620</b>	<b>9.1</b>

# Pareto Nordic Return

2/5

Securities	Listing	Number of shares	Cost price NOK	Market value NOK	Unrealised gain/loss	Share in % of portfolio
<b>Industrials</b>						
ABB Ltd	Stockholm	51 945	7 623 857	11 246 254	3 622 397	1.5
Alimak Group AB	Stockholm	53 000	6 248 229	5 534 192	- 714 037	0.7
Coor Service Management Holding AB	Stockholm	339 000	13 414 167	21 491 610	8 077 443	2.9
Instalco Intressenter AB	Stockholm	199 000	10 572 870	29 602 293	19 029 423	4.0
Norwegian Air Shuttle ASA ser. B 090820	Unlisted	16 429	69 810	44 621	- 25 189	0.0
Norwegian Air Shuttle ASA ser. C 091020	Unlisted	16 429	69 810	44 621	- 25 189	0.0
Norwegian Air Shuttle ASA ser. D 091220	Unlisted	16 429	69 810	44 621	- 25 189	0.0
Troax Group AB	Stockholm	252 000	7 157 273	38 165 042	31 007 769	5.1
<b>Total Industrials</b>			<b>45 225 826</b>	<b>106 173 254</b>	<b>60 947 428</b>	<b>14.2</b>
<b>Information technology</b>						
Elliptic Laboratories AS	Unlisted	74 570	11 718 118	10 439 800	- 1 278 318	1.4
Kitron ASA	Oslo	2 828 000	15 301 812	33 426 960	18 125 148	4.5
Nordic Semiconductor ASA	Oslo	410 000	15 141 966	30 094 000	14 952 034	4.0
TietoEvry Oyj	Helsinki	82 000	17 253 726	21 574 242	4 320 515	2.9
<b>Total Information technology</b>			<b>59 415 622</b>	<b>95 535 002</b>	<b>36 119 379</b>	<b>12.8</b>
<b>Consumer staples</b>						
Carlsberg A/S ser. B	København	21 900	14 399 369	27 909 384	13 510 015	3.7
Essity AB ser. B	Stockholm	56 000	9 038 398	17 466 931	8 428 533	2.3
Grieg Seafood ASA	Oslo	250 000	8 143 721	24 612 500	16 468 779	3.3
Schouw & Co A/S	København	26 100	10 296 733	20 034 527	9 737 794	2.7
<b>Total Consumer staples</b>			<b>41 878 221</b>	<b>90 023 342</b>	<b>48 145 121</b>	<b>12.0</b>

# Pareto Nordic Return

3/5

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	32 800	19 184 303	20 386 512	1 202 209	2.7
Betsson AB Redemption Share ser. B	Stockholm	339 000		1 007 858	1 007 858	0.1
Betsson AB ser. B	Stockholm	339 000	26 509 432	22 755 822	- 3 753 610	3.0
Europris ASA	Oslo	505 000	18 413 001	23 452 200	5 039 199	3.1
Kongsberg Automotive ASA Tranche 2	Oslo	45 958 296	4 595 830	7 123 536	2 527 706	1.0
Nokian Renkaat Oyj	Helsinki	51 000	13 771 502	10 798 607	- 2 972 895	1.4
Pandora A/S	København	50 871	49 591 635	26 646 440	- 22 945 195	3.6
Veoneer Inc ser. SDR	Stockholm	41 249	8 130 129	4 181 115	- 3 949 014	0.6
<b>Total Consumer discretionary</b>			<b>140 195 832</b>	<b>116 352 090</b>	<b>- 23 843 742</b>	<b>15.5</b>
<b>Materials</b>						
Stora Enso Oyj ser. R	Helsinki	186 000	20 761 765	21 424 920	663 156	2.9
<b>Total equities</b>			<b>568 497 289</b>	<b>652 472 002</b>	<b>83 974 714</b>	<b>87.1</b>



# Pareto Nordic Return

4/5

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	6.86	16.07.2020	0		5.27	12 386		0.0
Bulk Industrier AS 20/23 FRN FLOOR C	Oslo	14.07.2023	6.57	14.07.2020	6 000 000	6 000 000	6.41	6 033 750	33 750	0.8
<b>Total Real estate</b>						<b>6 000 000</b>		<b>6 046 136</b>	<b>33 750</b>	<b>0.8</b>
<b>Energy</b>										
BW Offshore Limited 19/23 FRN FLOOR	Oslo	04.12.2023	4.79	04.09.2020	1 500 000	1 500 000	5.85	1 458 983	- 46 406	0.2
Dof Subsea AS 13/20 FRN STEP	Oslo	30.09.2020	7.76	22.07.2020	3 917 749	3 565 152	343692.36	558 627	- 3 065 639	0.1
Dof Subsea AS konv. forfalt rente	Unlisted	31.12.2099	0.00		87 445					0.0
Dof Subsea AS konv. forfalt rente 220520	Unlisted	31.12.2099	0.00		25 334					0.0
Dolphin Group ASA konv. forfalt beholdning	Unlisted	15.02.2021	0.00	14.02.2021	1 000 000	1 017 500	5178.34	150	- 1 017 350	0.0
Dolphin Group ASA konv. forfalt rente	Unlisted	15.02.2021	0.00	14.02.2021	22 522		-159.83	3	3	0.0
Seadrill Ltd 18/25 12.00% C	Dublin	15.07.2025	12.00	15.07.2025	30 270	244 683	47.19	128 109	- 132 734	0.0
<b>Total Energy</b>						<b>6 327 335</b>		<b>2 145 872</b>	<b>- 4 262 126</b>	<b>0.3</b>
<b>Financials</b>										
Aker ASA 19/24 FRN FLOOR C	Oslo	22.11.2024	2.16	24.08.2020	3 000 000	3 000 000	3.54	2 849 700	- 157 500	0.4
Sbanken ASA 15/PERP FRN C HYBRID	Nordisk ABM	31.12.2099	5.01	13.07.2020	10 000 000	10 000 000	2.09	10 176 988	68 438	1.3
<b>Total Financials</b>						<b>13 000 000</b>		<b>13 026 688</b>	<b>- 89 062</b>	<b>1.7</b>

# Pareto Nordic Return

5/5

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>Industrials</b>										
Cembrit Group A/S 17/21 FRN EUR FLOOR C	Stockholm	20.03.2021	5.50	21.09.2020	200 000	1 834 680	15.7	2 020 301	182 641	0.3
Chip Bidco AS 19/24 FRN C	Nordisk ABM	13.12.2024	5.83	14.09.2020	2 000 000	2 000 000	6.9	1 925 182	- 80 000	0.3
Norwegian Air Shuttle ASA 17/20 FRN	Oslo	23.11.2021	0.00	01.07.2021	3 000 000	3 000 000	9.57	2 640 000	- 360 000	0.4
Odfjell SE 17/22 FRN	Oslo	13.06.2022	5.58	14.09.2020	2 000 000	2 035 000	6.58	1 969 127	- 70 833	0.3
Odfjell SE 18/23 FRN FLOOR	Oslo	19.09.2023	5.87	21.09.2020	2 000 000	2 025 000	7.63	1 902 485	- 126 429	0.3
<b>Total Industrials</b>						<b>10 894 680</b>		<b>10 457 095</b>	<b>- 454 621</b>	<b>1.6</b>
<b>Information technology</b>										
Crayon Group Holdi ASA 19/22 FRN FLOOR C	Oslo	21.11.2022	3.76	21.08.2020	2 000 000	2 000 000	3.91	2 005 908	- 2 448	0.3
<b>Total bonds</b>						<b>38 222 015</b>		<b>33 681 699</b>	<b>- 4 774 507</b>	<b>4.7</b>
Cash and cash equivalents						63 837 447		63 084 866	- 752 582	8.5
<b>Total</b>						<b>670 556 751</b>		<b>749 238 567</b>	<b>78 447 625</b>	<b>100.3</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.

# Fixed income funds

---



# Pareto Høyrente

The fund was merged with Pareto Nordic Cross Credit (Receiving Fund), a sub-fund of Pareto SICAV on 9 March 2020.

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	30.06.2020	2019	2018	2017	2016	2015
Pareto Høyrente	2.5%	4.9%	1.9%	2.0%	-0.2%	-1.1%
Statsobligasjonsindeks 1.00**	0.4%	1.0%	0.4%	0.7%	0.5%	1.0%

## Annualised return<sup>1</sup>

Name	Inception date	3 years	5 years	10 years	From start
Pareto Høyrente	25.07.2001	2.6%	1.2%	2.6%	3.0%*
Statsobligasjonsindeks 1.00**		0.9%	0.8%	1.4%	2.2%

## Other information

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

<sup>1</sup> As per 09.03.2020

\* 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.



# Other fixed income funds

Legal structure: UCITS

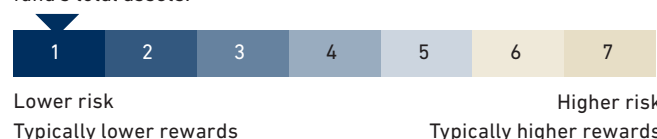
Dealing days: all Norwegian banking days except 31.12.

## Pareto Obligasjon

The fund invests in interest-bearing securities with good credit quality (investment grade) denominated in Norwegian kroner.

**Benchmark:** NBP Norwegian RM1-RM3 Floating Rate Index (NOK)

**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.

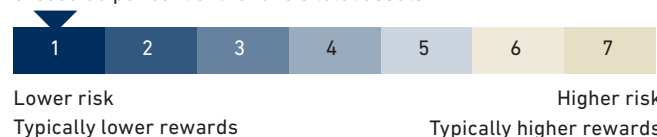


## Pareto Likviditet

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.



The risk indicator was calculated using historical data and may not be a reliable indication of the future risk profile of the fund. After the balance sheet date, the risk indicator for Pareto Obligasjon has changed as a result of increased fluctuations in 2020. The risk indicator is now one category higher than the table shows.

## Performance by periods

Name	30.06.2020	2019	2018	2017	2016	2015
Pareto Obligasjon A	2.2%	0.3%*	-	-	-	-
Pareto Obligasjon B	2.2%	0.3%*	-	-	-	-
NORM123FERN**	0.8%	2.3%	1.4%	2.0%	2.7%	0.5%

Pareto Likviditet	1.3%	1.7%	1.1%	1.3%	1.9%	1.0%
-------------------	------	------	------	------	------	------

## Annualised return

Name	Inception date	3 years	5 years	10 years	From start
Pareto Obligasjon A	11.11.2019	-	-	-	-
Pareto Obligasjon B	11.11.2019	-	-	-	-
NORM123FERN**		1.7%	1.8%	-	

Pareto Likviditet	27.09.1999	1.5%	1.5%	2.0%	3.3%
-------------------	------------	------	------	------	------

## Other information

Name	Minimum initial subscription amount (NOK)	ISIN	Bloomberg
Pareto Obligasjon A	500	NO0010025190	POOBLII NO
Pareto Obligasjon B	10 million	NO0010864069	PAOBLIB NO
Pareto Likviditet	2 million	NO0010025174	POLIKV NO

\*Inception date 11.11.2019

\*\*NBP Norwegian RM1-RM3 Floating Rate Index (NOK)

## Units issued and management fees

### NAV and units issued as at 30 June 2020

<b>Pareto Obligasjon A</b>	
Number of units	43 129.60
Net asset value	1 036.49
Redemption price after maximum fee	1 036.49
<b>Pareto Obligasjon B</b>	
Number of units	172 778.23
Net asset value	1 025.30
Redemption price after maximum fee	1 025.30
<b>Pareto Likviditet</b>	
Number of units	530 802.24
Net asset value	1 000.85
Redemption price after maximum fee	1 000.85

### Management fees

<b>Fund</b>	<b>Subscription fee</b>	<b>Redemption fee</b>	<b>Management fee</b>
Obligasjon A	-	-	0.35% p.a.
Pareto Obligasjon B	-	-	0.25% p.a.
Pareto Likviditet	-	-	0.25% p.a.*

### \*Pareto Likviditet

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

# Pareto Obligasjon

1/3

## Securities portfolio as at 30 June 2020

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>										
Bergen komm 18/20 FRN	Oslo	31.08.2020	0.3	31.08.2020	10 000 000	9 998 700	0.2	10 005 375	3 531	4.5
<b>Financials</b>										
Arion Banki hf 19/29 FRN NOK C SUB	Luxembourg	09.07.2029	4.6	09.07.2020	5 000 000	5 050 000	4.5	4 961 252	- 138 148	2.2
BN Bank ASA 18/23 FRN	Nordisk ABM	30.08.2023	0.9	31.08.2020	5 000 000	4 794 400	1.0	5 009 576	210 913	2.3
Brage Finans AS 18/22 FRN	Nordisk ABM	21.02.2022	0.9	21.08.2020	5 000 000	5 013 850	1.0	5 009 818	- 9 254	2.3
Danske Bank A/S 19/22 FRN	Dublin	16.05.2022	1.4	17.08.2020	5 000 000	5 055 050	1.1	5 049 287	- 14 319	2.3
DNB Bank ASA 19/23 FRN	Oslo	05.04.2023	1.5	06.07.2020	5 000 000	4 803 000	0.9	5 011 002	190 205	2.3
DNB Bank ASA 20/30 FRN C SUB	Oslo	28.05.2030	2.6	28.08.2020	2 000 000	2 000 000	1.7	2 094 124	89 250	0.9
Eika Boligkreditt AS 18/28 FRN C SUB	Nordisk ABM	02.02.2028	1.9	03.08.2020	5 000 000	4 688 000	1.6	5 036 204	332 737	2.3
Helgeland Spb 18/28 FRN C SUB	Nordisk ABM	11.04.2028	2.3	13.07.2020	3 000 000	3 023 670	1.6	3 025 555	- 13 130	1.4
Jæren Spb 18/28 FRN C SUB	Nordisk ABM	20.06.2028	2.0	21.09.2020	3 000 000	3 033 600	1.8	3 021 038	- 14 077	1.4
Landsbankinn hf. 19/22 FRN NOK	Dublin	21.02.2022	2.0	21.08.2020	5 000 000	5 071 000	1.7	5 089 167	7 000	2.3
Luster Spb 17/21 FRN	Nordisk ABM	03.02.2021	1.4	03.08.2020	3 000 000	3 028 800	0.6	3 017 777	- 17 693	1.4
Nidaros Spb 15/25 FRN C SUB	Nordisk ABM	16.12.2025	3.5	16.09.2020	1 927 000	1 967 852	1.6	1 947 466	- 23 229	0.9
Nordea Bank Abp 19/22 FRN	Dublin	11.11.2022	0.8	11.08.2020	4 000 000	4 000 000	0.8	3 995 798	- 8 849	1.8
OBOS-banken AS 18/23 FRN	Nordisk ABM	31.08.2023	0.9	31.08.2020	2 000 000	1 982 600	1.0	1 999 095	14 936	0.9
Sandnes Spb 18/28 FRN C SUB	Nordisk ABM	16.02.2028	1.8	17.08.2020	2 000 000	2 021 860	1.6	2 019 795	- 6 490	0.9
Sandnes Spb 18/28 FRN C SUB	Nordisk ABM	16.10.2028	2.7	16.07.2020	2 000 000	2 057 400	1.7	2 047 362	- 21 565	0.9
Skue Spb 16/26 FRN C SUB	Nordisk ABM	27.04.2026	4.0	27.07.2020	3 000 000	3 106 500	1.5	3 079 066	- 49 155	1.4
Skue Spb 19/23 FRN	Nordisk ABM	15.05.2023	0.9	17.08.2020	2 000 000	1 997 900	1.2	1 989 399	- 10 825	0.9
Spb 1 Lom og Skjåk 17/21 FRN	Nordisk ABM	31.03.2021	1.2	30.09.2020	3 000 000	3 027 690	0.7	3 010 937	- 16 850	1.4
Spb 1 Nord-Norge 18/28 FRN C SUB	Nordisk ABM	28.08.2028	1.7	28.08.2020	3 000 000	3 042 210	1.6	3 020 209	- 26 761	1.4
Spb 1 SMN 18/28 FRN C SUB	Nordisk ABM	04.09.2028	1.7	04.09.2020	5 000 000	5 079 200	1.6	5 039 897	- 45 828	2.3
Spb 1 Østlandet 17/27 FRN C SUB	Nordisk ABM	16.11.2027	1.7	17.08.2020	3 000 000	3 021 000	1.5	3 026 799	- 288	1.4
Spb 1 Østlandet 18/28 FRN C SUB	Nordisk ABM	20.06.2028	1.8	21.09.2020	5 000 000	4 700 000	1.6	5 033 426	331 188	2.3

# Pareto Obligasjon

2/3

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
Spb Sør 18/28 FRN C SUB	Nordisk ABM	23.11.2028	1.9	24.08.2020	3 000 000	3 070 290	1.6	3 044 579	- 31 631	1.4
Spb Sør 19/22 FRN	Nordisk ABM	28.11.2022	0.7	28.08.2020	5 000 000	5 000 000	0.8	4 995 167	- 8 091	2.2
Spb Telemark 16/26 FRN C SUB	Nordisk ABM	10.11.2026	2.6	10.08.2020	3 000 000	3 082 500	1.4	3 061 843	- 31 580	1.4
Spb Telemark 20/25 FRN	Nordisk ABM	28.02.2025	0.9	28.08.2020	5 000 000	4 651 059	1.1	4 969 671	314 551	2.2
Spb Øst Boligkreditt AS 19/24 FRN C COVD	Oslo	19.06.2024	0.8	21.09.2020	4 000 000	4 024 000	0.7	4 025 054	- 53	1.8
SSB Boligkreditt AS 18/24 FRN C COVD	Nordisk ABM	27.09.2024	0.9	28.09.2020	5 000 000	5 025 000	0.7	5 036 460	11 216	2.3
Storebrand Livsforsik AS 20/50 FRN C SUB	Oslo	19.06.2050	2.4	21.09.2020	2 000 000	2 000 000	2.4	2 002 840	1 226	0.9
Strømmen Spb 17/27 FRN C SUB	Nordisk ABM	21.04.2027	3.0	21.07.2020	3 200 000	3 248 000	2.0	3 255 908	- 11 215	1.5
Swedbank AB 20/23 FRN NOK	Dublin	26.05.2023	1.1	26.08.2020	5 000 000	5 000 000	0.9	5 049 304	43 654	2.3
Tryg Forsikri A/S 13/PERP FRN STEP C SUB	Nordisk ABM	31.12.2099	4.1	21.09.2020	3 000 000	3 180 000	2.5	3 135 227	- 47 863	1.4
Trønderenergi AS 0.67% CERT 183 021220	Oslo	02.12.2020	0.7	02.12.2020	10 000 000	10 000 000	0.6	10 006 765	1 442	4.5
<b>Total Financials</b>						<b>129 846 431</b>		<b>131 116 867</b>	<b>1 001 424</b>	<b>59.5</b>
<b>Utilities</b>										
Fredrikstad Energi AS 16/21 FRN	Oslo	26.10.2021	2.2	27.07.2020	5 000 000	5 099 000	1.0	5 083 277	- 35 223	2.3
<b>Industrials</b>										
A.P. Møller - Mærsk A/S 16/21 FRN	Luxembourg	22.06.2021	1.8	22.09.2020	6 000 000	6 085 380	1.8	6 005 224	- 82 886	2.7
Tomra Systems ASA 19/22 FRN	Oslo	14.11.2022	0.8	14.08.2020	5 000 000	5 005 000	1.2	4 963 227	- 46 839	2.2
<b>Total Industrials</b>						<b>11 090 380</b>		<b>10 968 451</b>	<b>- 129 725</b>	<b>4.9</b>
<b>Materials</b>										
Jotun A/S 19/23 FRN FLOOR	Unlisted	15.03.2023	1.3	15.09.2020	3 000 000	3 028 500	1.4	2 991 698	- 38 482	1.3
Norsk Hydro ASA 20/26 FRN	Oslo	16.02.2026	3.6	17.08.2020	12 000 000	12 000 000	2.9	12 545 704	488 744	5.6
<b>Total Materials</b>						<b>15 028 500</b>		<b>15 537 402</b>	<b>450 262</b>	<b>6.9</b>

# Pareto Obligasjon

3/3

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>Real estate</b>										
Steen & Strøm AS 17/22 FRN	Oslo	14.09.2022	1.0	14.09.2020	5 000 000	5 023 250	1.6	4 944 031	- 81 508	2.2
<b>Energy</b>										
Hafslund E-CO AS 2.23% CERT 364 050321	Oslo	05.03.2021	2.2	05.03.2021	10 000 000	10 000 000	0.7	10 176 473	104 991	4.6
<b>Consumer discretionary</b>										
Scania CV 20/23 FRN NOK	Luxembourg	24.01.2023	1.2	24.07.2020	5 000 000	5 000 000	2.1	4 870 863	- 140 754	2.2
<b>Communication</b>										
Schibsted ASA 17/23 FRN	Oslo	22.06.2023	1.8	22.09.2020	1 000 000	1 018 970	1.8	999 896	- 19 529	0.5
Schibsted ASA 20/23 FRN	Oslo	23.10.2023	3.1	23.07.2020	4 000 000	4 000 000	1.9	4 138 215	114 448	1.9
<b>Total Communication</b>						<b>5 018 970</b>		<b>5 138 111</b>	<b>94 919</b>	<b>2.4</b>
<b>Total bonds</b>						<b>196 105 231</b>		<b>197 840 850</b>	<b>1 267 917</b>	<b>89.5</b>
Cash and cash equivalents		31.12.2099	0.0			24 068 791	0.0	24 068 791		10.8
<b>Total</b>						<b>220 174 022</b>		<b>221 909 641</b>	<b>1 267 917</b>	<b>100.3</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

1/3

## Securities portfolio as at 30 June 2020

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>										
Askim & Spydeberg Spb 18/22 FRN	Nordisk ABM	09.02.2022	1.0	10.08.2020	10 000 000	9 937 100	0.8	10 043 682	92 840	1.9
Bank2 ASA 18/20 FRN	Nordisk ABM	08.10.2020	2.0	08.07.2020	15 000 000	15 045 000	1.1	15 088 213	- 27 837	2.8
Bien Spb ASA 16/20 FRN	Nordisk ABM	14.09.2020	1.4	14.09.2020	5 000 000	5 054 250	0.5	5 012 101	- 45 283	0.9
BN Bank ASA 18/21 FRN	Nordisk ABM	05.01.2021	1.5	06.07.2020	10 000 000	10 052 200	0.5	10 056 966	- 32 023	1.9
Brage Finans AS 17/20 FRN	Nordisk ABM	04.09.2020	1.0	04.09.2020	15 000 000	15 051 300	0.6	15 022 389	- 40 161	2.8
Fornebu Spb 15/20 FRN	Nordisk ABM	03.09.2020	1.3	03.09.2020	3 000 000	3 027 140	0.6	3 007 077	- 23 166	0.6
Helgeland Spb 16/22 FRN	Nordisk ABM	16.03.2022	1.3	16.09.2020	20 000 000	19 984 200	0.8	20 185 630	191 630	3.8
Hjartdal og Gransherad Spb 16/20 FRN	Nordisk ABM	19.10.2020	1.9	20.07.2020	5 000 000	5 065 300	0.6	5 034 260	- 50 240	0.9
Hjelmeland Spb 17/21 FRN	Nordisk ABM	25.01.2021	1.8	27.07.2020	3 500 000	3 545 445	0.7	3 528 615	- 27 952	0.7
Høland og Setskog Spb 17/20 FRN	Nordisk ABM	30.10.2020	1.2	30.07.2020	10 000 000	10 068 200	0.5	10 039 427	- 49 956	1.9
Jernbanepersonalets Spb 18/21 FRN	Nordisk ABM	11.05.2021	0.8	11.08.2020	2 000 000	2 006 340	0.6	2 006 324	- 2 282	0.4
Jæren Spb 17/22 FRN	Nordisk ABM	07.04.2022	1.8	07.07.2020	20 000 000	19 914 400	0.8	20 217 664	218 736	3.8
Kredittforeningen for Spb 17/21 FRN	Nordisk ABM	17.09.2021	1.0	17.09.2020	6 000 000	6 018 780	0.8	6 015 533	- 3 247	1.1
Landkreditt Bank AS 17/22 FRN	Nordisk ABM	07.04.2022	1.7	07.07.2020	2 000 000	2 001 420	0.8	2 017 761	8 549	0.4
Landkreditt Boligkre AS 15/20 FRN C COVID	Nordisk ABM	13.11.2020	0.8	13.08.2020	5 000 000	5 029 600	0.4	5 013 336	- 21 368	0.9
Larvikbanken - Din Personl Spb 16/21 FRN	Nordisk ABM	08.02.2021	1.4	10.08.2020	15 000 000	15 187 500	0.6	15 097 178	- 121 822	2.8
Lillestrøm Spb 18/22 FRN	Nordisk ABM	20.05.2022	0.8	20.08.2020	20 000 000	19 889 400	0.9	20 033 745	124 978	3.8
OBOS-banken AS 15/20 FRN	Nordisk ABM	19.10.2020	2.1	20.07.2020	11 000 000	11 197 280	0.4	11 091 612	- 152 088	2.1
Orkla Spb 16/20 FRN	Nordisk ABM	30.09.2020	1.4	30.09.2020	10 000 000	10 126 200	0.5	10 022 882	- 103 704	1.9
Pareto Bank ASA 17/20 FRN	Nordisk ABM	21.09.2020	1.2	21.09.2020	5 000 000	5 020 350	0.5	5 009 156	- 12 719	0.9
Pareto Bank ASA 18/21 FRN	Nordisk ABM	02.02.2021	1.4	03.08.2020	15 000 000	15 000 000	0.7	15 082 380	49 755	2.8
Romsdal Spb 17/21 FRN	Nordisk ABM	01.02.2021	1.5	03.08.2020	5 000 000	5 047 600	0.6	5 034 410	- 25 353	0.9
Sandnes Spb 18/21 FRN	Nordisk ABM	04.06.2021	0.8	04.09.2020	15 000 000	15 042 000	0.6	15 043 278	- 7 272	2.8
Santander Consumer Bank AS 17/20 FRN	Nordisk ABM	21.09.2020	0.9	21.09.2020	20 000 000	20 068 200	0.6	20 016 366	- 56 284	3.8
Selbu Spb 18/21 FRN	Nordisk ABM	13.09.2021	0.9	14.09.2020	10 000 000	9 988 200	0.8	10 009 952	17 885	1.9

## Pareto Likviditet

2/3

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	Nordisk ABM	05.10.2020	1.7	06.07.2020	5 000 000	5 032 750	0.5	5 027 990	- 25 186	0.9
Spb 1 BV 17/22 FRN	Nordisk ABM	02.02.2022	1.3	03.08.2020	20 000 000	19 784 000	0.7	20 173 576	349 298	3.8
Spb 1 Gudbrandsdal 16/21 FRN	Nordisk ABM	31.08.2021	1.3	31.08.2020	10 000 000	10 080 100	0.7	10 073 920	- 6 180	1.9
Spb 1 Nord-Norge 16/21 FRN	Nordisk ABM	29.09.2021	1.2	29.09.2020	20 000 000	19 896 800	0.6	20 151 781	253 614	3.8
Spb 1 Søre Sunnmøre 19/21 FRN	Nordisk ABM	25.11.2021	0.9	25.08.2020	20 000 000	19 999 400	0.8	20 082 905	64 594	3.8
Spb 1 Østfold Akershus 16/21 FRN	Nordisk ABM	15.02.2021	1.7	17.08.2020	9 000 000	9 174 780	0.5	9 089 954	- 104 331	1.7
Spb DIN 16/20 FRN	Nordisk ABM	22.09.2020	1.4	22.09.2020	5 000 000	5 052 250	0.5	5 011 532	- 42 431	0.9
Spb Møre 19/22 FRN	Oslo	12.04.2022	1.3	13.07.2020	10 000 000	9 779 800	0.7	10 035 892	227 709	1.9
Spb Narvik 15/20 FRN	Nordisk ABM	09.11.2020	1.6	10.08.2020	5 000 000	5 092 900	0.5	5 032 008	- 72 084	0.9
Spb Sogn og Fjordane 19/22 FRN	Nordisk ABM	28.02.2022	0.8	28.08.2020	15 000 000	15 045 000	0.7	15 060 607	3 990	2.8
Spb Sør 17/22 FRN	Nordisk ABM	17.02.2022	1.0	17.08.2020	20 000 000	19 786 000	0.7	20 159 899	349 210	3.8
Spb Telemark 17/22 FRN	Nordisk ABM	20.01.2022	1.6	20.07.2020	20 000 000	19 788 000	0.7	20 196 214	346 214	3.8
Spb Vest 18/21 FRN	Nordisk ABM	01.02.2021	0.8	03.08.2020	20 000 000	19 954 000	0.5	20 046 605	67 794	3.8
Storebrand ASA 17/22 FRN	Nordisk ABM	23.05.2022	1.8	24.08.2020	15 000 000	15 074 250	1.3	15 203 413	101 105	2.9
Trøgstad Spb 16/20 FRN	Nordisk ABM	06.07.2020	2.5	06.07.2020	2 000 000	2 030 740	0.4	2 012 616	- 30 259	0.4
Trøgstad Spb 16/21 FRN	Nordisk ABM	13.01.2021	2.1	13.07.2020	5 000 000	5 051 550	0.7	5 045 911	- 27 956	0.9
Voss Veksel ASA 16/20 FRN	Nordisk ABM	14.09.2020	1.2	14.09.2020	5 000 000	5 045 550	0.5	5 010 376	- 37 907	0.9
Voss Veksel ASA 17/22 FRN	Nordisk ABM	31.03.2022	1.3	30.09.2020	20 000 000	19 912 600	0.9	20 122 138	208 832	3.8
<b>Total Financials</b>						<b>483 947 875</b>		<b>486 267 274</b>	<b>1 527 642</b>	<b>91.2</b>

# Pareto Likviditet

3/3

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	1.5	14.07.2020	15 000 000	15 150 450	0.5	15 147 185	- 53 604	2.8
Tromsø komm 17/21 FRN	Oslo	21.05.2021	0.7	21.08.2020	20 000 000	20 093 000	0.5	20 075 124	- 33 432	3.8
<b>Total Government bonds</b>						<b>35 243 450</b>		<b>35 222 309</b>	<b>- 87 036</b>	<b>6.6</b>
<b>Total bonds</b>						<b>519 191 325</b>		<b>521 489 583</b>	<b>1 440 606</b>	<b>97.8</b>
Accrued managent fee (NOK)		31.12.2099	0.0			- 108 890	0.0	- 108 890		0.0
Cash and cash equivalents		31.12.2099	0.0			9 874 058	0.0	9 874 058		1.9
<b>Total</b>						<b>528 956 493</b>		<b>531 254 751</b>	<b>1 440 606</b>	<b>99.7</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 aims at contributing to sustainable development of markets and long-term value creation by investing in a responsible and ethical manner. We believe that responsible investments are important for achieving the best possible riskadjusted return for our unitholders and customers. Sustainability and sound corporate governance give companies competitive advantages and contribute to longterm value creation.

In Pareto Asset Management we spend ever more time thinking about what we want our investment activity to achieve. We think of this as responsible investing. Inasmuch as our portfolio management has a decidedly longterm perspective, it is only natural that we take environmental, social and governance aspects into account. Such factors do influence longterm value creation and sustainability, and they entail a clear ethical guidance: We shall not make investments which constitute an unacceptable risk of contributing to unethical acts or omissions.

In 2014 we decided to formalise our commitment to responsible investments by signing the UN PRI (United Nations Principles for Responsible Investment). In March 2017, we presented our first PRI report. In 2017 we became a member of Norsif, the Norwegian forum for responsible and sustainable investments, and of its Swedish sister organisation Swesif. Later the same

year Pareto Global Corporate Bond became the first fixed income fund in Norway and Sweden to receive the Nordic Swan Ecolabel.

In our view, our management philosophy is well suited for this purpose. Active management, thorough analyses of a limited number of companies and a long-term perspective form a good starting point for sustainable investments. If you are serious about achieving something by way of your investments, you just can't invest blindly in a broadbased index.

Sustainable investment, however, is a demanding exercise. It raises a lot of dilemmas and provides no clear answers, and it requires a lot of subjective judgement. It also entails a lot of erring on our part. We make mistakes, we learn from our mistakes, and we must admit that we still have a lot to learn.

Twice a year we publish a report on responsible investments, which includes our guidelines as well as practical challenges in complying with them.

## Information about 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.

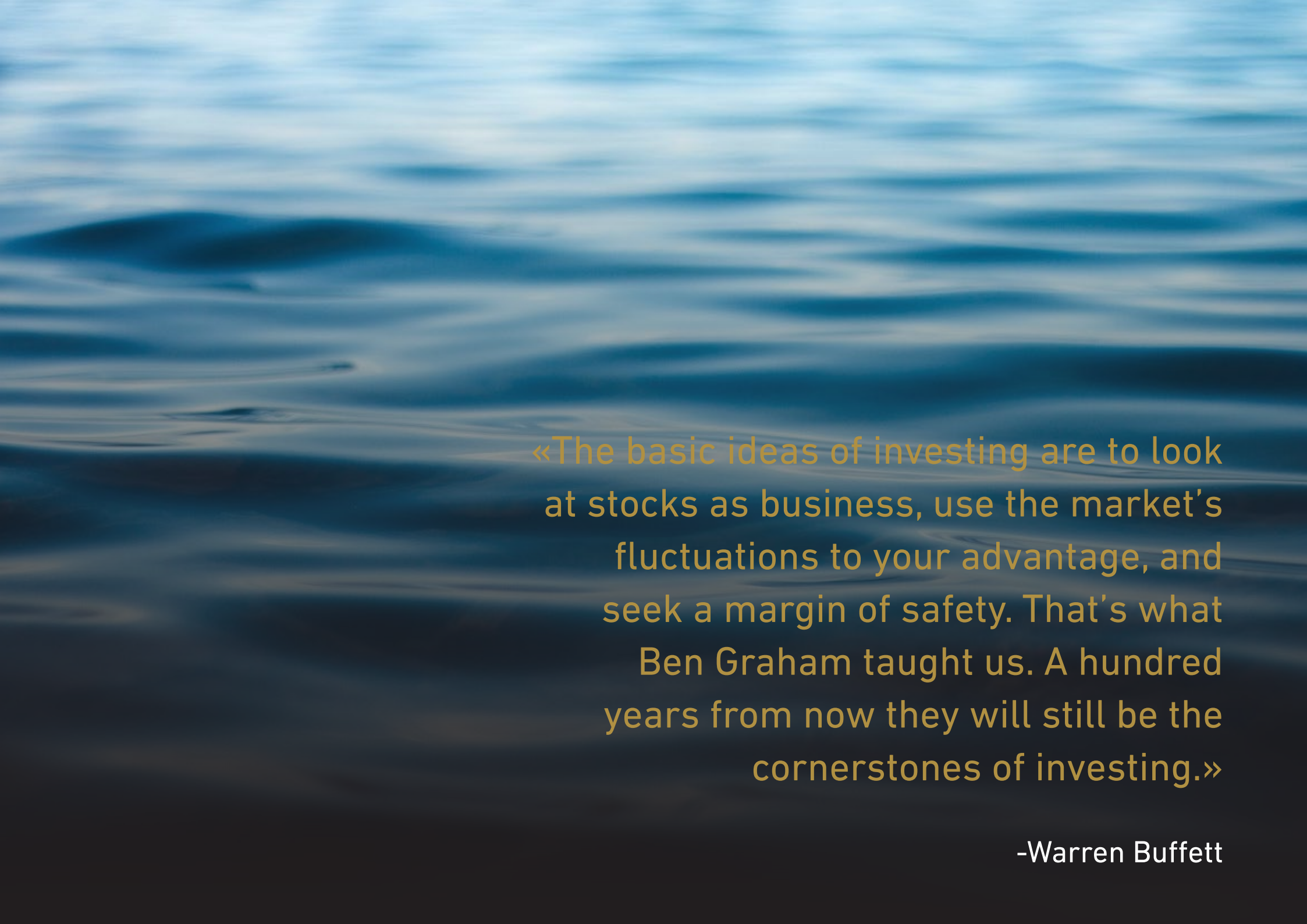
## Contact information

Pareto Asset Management AS  
Dronning Mauds gate 3  
0250 Oslo

P.O. Box 1810, Vika  
NO-0123 Oslo  
Norway

t: 22 87 87 00  
f: 22 01 58 50  
e: [post@paretoam.com](mailto:post@paretoam.com)

Org. no.: 977 287 677



«The basic ideas of investing are to look at stocks as business, use the market's fluctuations to your advantage, and seek a margin of safety. That's what Ben Graham taught us. A hundred years from now they will still be the cornerstones of investing.»

-Warren Buffett



