

## Report date: 30 April 2025

Fund: Pareto Aksje Norge  
Inception date: 6 September 2001  
AUM: NOK 10.2 billion  
Benchmark: Oslo Børs Mutual Fund Index  
PRIIPs KID risk score from 1 (low) to 7 (high): 4

Category: equity fund  
Legal structure: UCITS  
Domicile: Norway  
Dealing days: all Norwegian business days

## Unit class B

NAV as at 30 Apr 2025: 3 782.90  
NAV currency: NOK  
Launch date: 31 December 2005

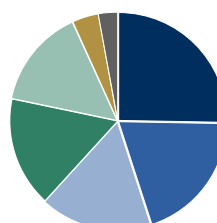
Minimum investment: NOK 500  
ISIN: NO0010297898  
Bloomberg ticker: PRVERDI NO

Norwegian equity fund focused on sectors where Norwegian companies have global competitive advantages

## Investment criteria:

- Sound balance sheets
- Strong historical returns on equity
- Reasonable pricing

## Top ten holdings and sector allocation



Financials 25%  
Consumer staples 20%  
Industrials 17%  
Materials 16%  
Energy 15%  
Consumer discretionary 4%  
Cash 3%

## Key figures\*

	Fund	Index
Accumulated returns	981 %	709 %
Annualised returns	10.6 %	9.2 %

## Risk figures\*

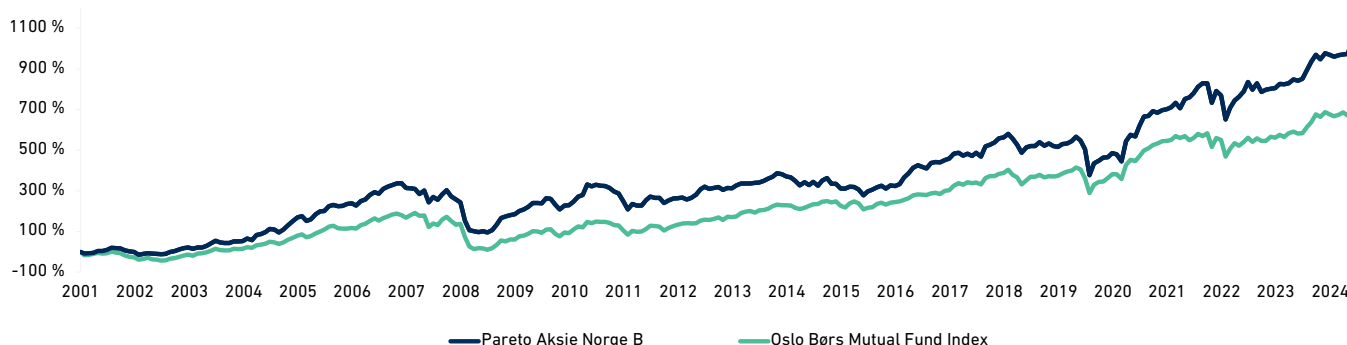
	Fund	Index
Standard deviation (annualised)	18.5%	20.0%
Tracking error (annualised)	8.4%	n.a.
Information ratio	0.1	n.a.
Sharpe ratio (SOL1X)**	0.5	0.43
Beta	0.8	n.a.

\*\*ST1X was used until 29.01.21

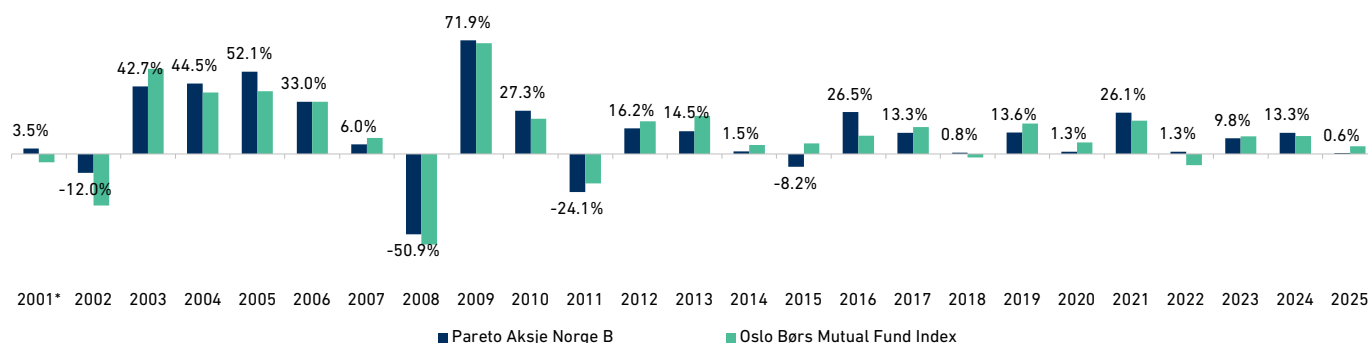
## Performance by periods

	Fund	Index
Last month	-1.4%	-1.0%
Year to date	0.6%	4.9%
Last 12 months	4.1%	9.5%
Three years (annualised)	5.1%	6.5%
Five years (annualised)	15.1%	13.5%
Ten years (annualised)	9.1%	8.8%
Since inception* (annualised)	10.6%	9.2%

## Performance history\*



## Annual returns\*



The Fund is exposed to the following materially risks: liquidity risk, operational risk and sustainability risk. Please refer to the Fund's prospectus for further information about the fund's risk exposure. The Fund promotes environmental and/or social characteristics within the meaning of Article 8 of SFDR. The decision to invest in the Fund should take into account all the characteristics or objectives of the Fund as described in its prospectus. Further information about the sustainability-related aspects of the Fund is available in the SFDR pre-contractual disclosures in the Fund's prospectus and the SFDR website disclosure available on <https://paretoam.com/en/our-funds/>.

\*Reporting start date: 06.09.2001. Simulated returns from 06.09.2001–31.12.2005 are based on historical returns for unit class I, adjusted for management fees for unit class B. Returns from 31.12.2005–10.07.2015 are achieved in Pareto Verdi. The fund continues as unit class B in Pareto Aksje Norge. Simulated returns and risk figures are provided for illustrative purposes only. All figures are based on internationally recognised standards for publishing performance data. Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on, market developments, the portfolio manager's skill, the fund's risk profile, as well as fees for subscription, management and redemption. Returns may become negative as a result of negative price developments. The performance data do not take account of the fees incurred on subscription and redemption of units/shares.

## Pareto Aksje Norge

### Portofolio management team



Einar Løvoll  
Portfolio Manager



Besim Zekiri  
Portfolio Manager



Eirik Andresen  
Portfolio Manager

April came and went. The market was apprehensive about President Donald Trump's Liberation Day on 2 April, but few were able to predict the extent of what we were in for. The portfolio's return ended up slightly down, but not as bad as one might have initially expected. Company reports for the first quarter of the year have begun to arrive, and it seems that our companies continue to perform well.

Among our savings banks, Sparebanken Vest and Sparebanken Møre have reported figures. Vest was particularly impressive, with a return on equity of over 20 per cent, despite increased restructuring costs as a result of the merger with Sparebanken Sør. There is an impressive focus on operations and profitability in that business, and the potential is great for the new bank Sparebanken Norge.

Equinor delivered a solid first quarter, with an operating profit of \$8.65 billion, well ahead of expectations. High production and good price realisation on oil and gas drove the improvement. Still, this is overshadowed by the noise surrounding the Empire Wind project and its potential implications for the company. Equinor reports approximately \$1.5-2 billion in remaining commitments, with few force majeure opportunities. This is on top of the \$2.5bn already invested and is consequently a major blemish, even for a company as large as Equinor. We believe underlying operations are undervalued in the market and have no problem owning the stock at around seven times this year's expected earnings.

Our commodity companies have all reported numbers, and although they paint a somewhat uncertain picture of the markets as a result of Trump's activities, they are holding up relatively well. Fortunately, we and our companies are confident in our cost positions and other competitive advantages, and we do believe we'll emerge unscathed out of these events too.

Yara impressed in the first quarter. Operating profit before depreciation, amortisation and impairment ended at \$638 million, well ahead of market expectations, driven by volume, margins and successful cost programmes.

For Hydro, the figures were somewhat weaker. Operating profit before depreciation, amortisation and impairment amounted to NOK 9.5 billion, with Bauxite and Alumina in particular disappointing somewhat. Management emphasises weather effects as the biggest explanatory variable here. Nevertheless, profitability in this segment was extraordinarily good, driven by very high prices throughout the quarter. Market prices are now back down to more normal levels.

One company that continues to impress is Borregaard. On the last day of the month, they released a great quarterly report with continued good operations and profitability. Operating profit before depreciation, amortisation and impairment landed at 511 million, well up on last year. In particular, BioSolutions (the core segment) performed well on the back of a favourable product mix driven by strong sales to the agricultural sector. Borregaard is a price setter in a niche market, and is consequently very resilient to a turbulent macro environment.

This year's dividends have begun to trickle into the fund, and at current pricing we are looking at a dividend yield of just under six per cent in the portfolio, which is a nice base to have. On top of this, several companies have allocated capital to buy back their own shares, amounting to around one per cent.

The portfolio can be bought at 9 times expected earnings in the current year and 8 times expected earnings for next year. Such pricing indicates an earnings yield of 11.1 and 12.6 per cent, respectively. Set against a ten-year government bond yield of just over 3.9 per cent, this implies that the portfolio can be bought with a considerable margin of safety.

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## Pareto Asset Management

A company in the Pareto group

Signatory of:



Principles for  
Responsible  
Investment

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