

Report date: 29 February 2020

Inception date: 25 July 2001\*

AUM: NOK 0.8 billion

Benchmark: ST3X - 1 year

Category: fixed income fund

Legal structure: UCITS

Domicile: Norway

Dealing days: all Norwegian business days

ISIN: NO0010106230

Bloomberg ticker: POHYLD NO

NAV as at 29 February 2020: 1 091.0566

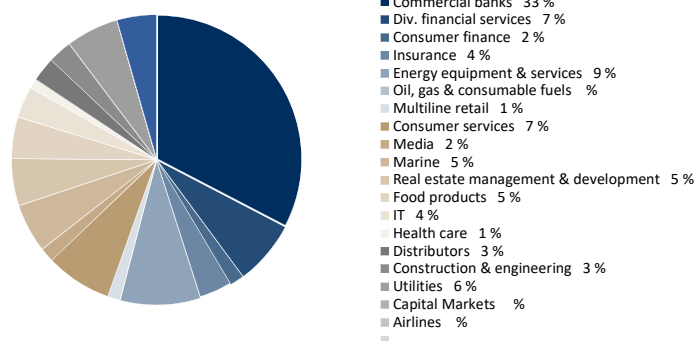
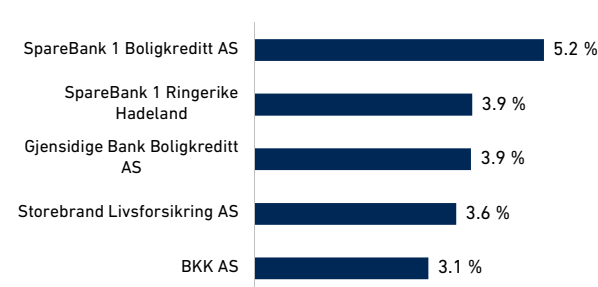
NAV currency: NOK

Minimum investment: NOK 100 000

## A short duration bond fund with higher expected returns than money market funds

The fund invests primarily in interest bearing securities issued by Norwegian companies, governments and institutions. The securities primarily include corporate bonds, bonds issued by financial institutions, subordinated loans and covered bonds. The fund only invests in financial instruments denominated in NOK. Average interest-duration should normally be between 0 and 2 years.

### Top five issuers and sector allocation



### Key figures since 30.04.2004

	Fund	Index
Accumulated returns	59.9%	40.5%
Annualised returns	3.0%	2.2%

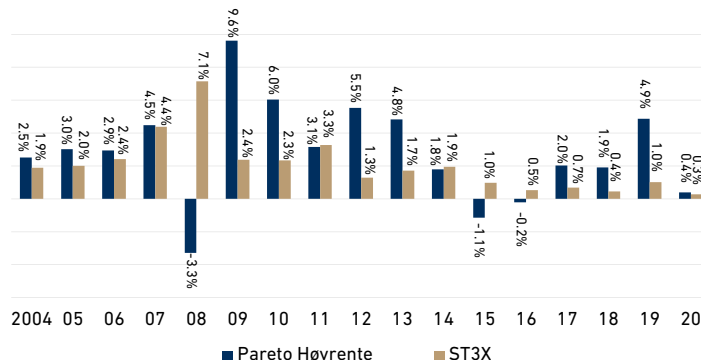
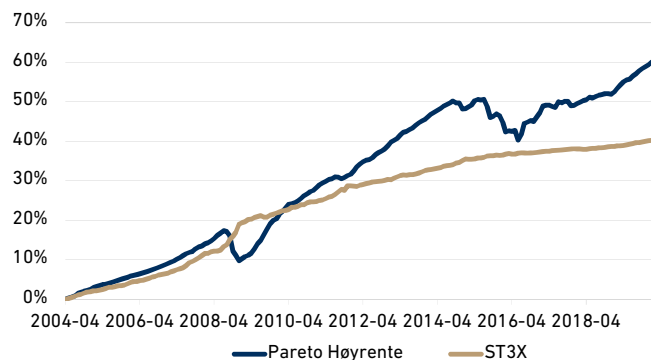
### Risk figures since 30.04.2004

	Fund	Index
Standard deviation (ann.)	1.9%	0.7%
Average time to maturity	2.0	n.a.
Interest rate duration	0.1	n.a.

### Performance by periods

	Fund	Index
Last month	-0.1%	0.2%
Year to date	0.4%	0.3%
Six months	1.8%	0.6%
Last 12 months	4.3%	1.2%
Three years (annualised)	2.4%	0.7%
Five years (annualised)	1.5%	0.7%
Since 30.04.2004 (annualised)	3.0%	2.2%

### Performance history



### Monthly net returns in per cent

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	YTD
2020	0.45	-0.08											0.38
2019	0.42	0.54	0.54	0.55	0.33	0.10	0.49	0.39	0.44	0.40	0.29	0.28	4.87
2018	0.30	0.22	0.25	0.16	0.45	-0.15	0.25	0.25	0.10	0.16	0.00	-0.10	1.90
2017	0.80	1.09	0.14	0.03	-0.24	-0.17	0.97	-0.19	0.29	-0.02	-0.78	0.10	2.02
2016	-1.19	-1.66	0.26	-0.15	0.16	-1.70	1.07	1.91	0.22	0.30	-0.19	0.78	-0.22
2015	0.07	0.25	0.35	0.74	0.23	-0.12	0.09	-1.19	-1.86	0.18	0.48	-0.36	-1.15
2014	0.42	0.48	0.32	0.35	0.30	0.38	0.29	0.26	0.31	-0.33	0.03	-1.04	1.78
2013	0.66	0.31	0.32	0.64	0.46	0.17	0.35	0.31	0.44	0.46	0.33	0.27	4.82

\*New benchmark from 30 April 2004. 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 and subscription and management fees. The return may become negative as a result of negative price developments. Inflation, subscription and redemption fees are not taken into account in the historical performance given for our funds; this could affect the return adversely. Pareto Asset Management AS seeks to the best of its ability to ensure that all information given in this report is correct, however, makes reservations regarding possible errors and omissions. Statements in the report may reflect the portfolio managers' viewpoint at a given time, and this viewpoint may be changed without notice. The distribution of this information may be restricted by law in certain jurisdictions and this information is not intended for distribution to any person or entity in such jurisdiction. The report should not be perceived as an offer or recommendation to buy or sell financial instruments. Pareto Asset Management AS does not assume responsibility for direct or indirect loss or expenses incurred through use or understanding of the report. Fund prospectus, KIID, annual and semi-annual reports are available here [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).

## Monthly commentary - February 2020

By Christian Weldingh

After a strong start to the year, much of Pareto Høyrente's good returns were reversed in February. It took a virus, apparently, to break the positive trend. In the last week of February, the "corona fear" gripped global financial markets and sent them down.

The spread of the virus has brought the central banks of the G7 countries on stage, with assurances that they are ready to act to protect the economies from the coronavirus:

"We reaffirm our commitment to use all appropriate policy tools to achieve strong, sustainable growth and safeguard against downside risks," states a G7 communique.

The markets interpret this as the G7-countries' central banks being ready to cut interest rates, possibly in a coordinated action. In Norway, too, an interest rate cut from Norges Bank is priced in before summer.

Credit spreads have come out during the month, making the yield for the bonds in the fund 4.2% (4.1%).

This will be the very last monthly commentary for Pareto Høyrente, as the fund will now be merged into Pareto Nordic Cross Credit (PNCC). We thank everyone involved over the years for your trust, and welcome you all to PNCC.

The effort invested in Pareto Høyrente will be continued in PNCC. The strategy of the fund persists, with moderate credit risk and low interest rate duration, but from now on in a Nordic investment universe. The Nordic approach offers an even wider diversification, and we are optimistic about the return potential for investors.

**Portfolio management team:** Eric von Koss Torkildsen and Christian Weldingh