

Prospectus Pareto Likviditet Verdipapirfond

1. Information about the management company

Company: Pareto Asset Management AS "Pareto Asset Management"
Registered address: Dronning Mauds gate 3, 0250 Oslo, Norway
Postal address: P.O. Box 1810 Vika, NO-0123 Oslo.
Organisation number: 977 287 677

Date of incorporation

The company was incorporated at 12.02.1997.
The company was granted licence as management company 30.09.2003

Subscribed capital

Pareto Asset Management's subscribed capital is NOK 15 466 080 (fully paid-up).

Securities funds managed by Pareto Asset Management

The company manages several collective investment schemes (CIS). For further information about other CIS managed by the company, please visit the company's website www.paretoam.com.

Ownership

The company's owners with more than 10 per cent ownership: Pareto AS with 87 per cent.

Chairman of the board

- Rune Selmar
Sjøhagen 24, 1539 Moss

Board of Directors

Elected by the shareholders

- Erik Bartnes
Slyngveien 10, 0376 Oslo
- Svein Støle (Owner Pareto AS)
Bützenweg 20, CH-6300 Zug, Switzerland
- Henrik Lindquist (CEO Enter Fonder AB)
Yngrevägen 10, SE-18264 Djursholm, Sweden

Elected by the unit-holders

- Christopher M. Bjerke
Båstøjordet 67, 1367 Høvik
- Ragnhild J. Nakling
Hartmanns vei 34 B, 0284 Oslo

Deputy board members

Elected by the shareholders

- Eirik Vetvik (CSO, Pareto Asset Management)
Holmendammen Terrasse 14 B, 0773 Oslo
- Svend Egil Bergh (CFO, Pareto Asset Management)
Fridtjof Nansens vei 4 C, 1366 Lysaker

Elected by the unit-holders

- Lars Irgens, Trosterudveien 36 A, 0778 Oslo

Total directors' remuneration was NOK 500,000 for 2021.

Key Company staff

Eric von Koss Torkildsen (CEO, Pareto Asset Management)
Tråkka 6, 0774 Oslo
The CEO receives a fixed salary of NOK 1,200,000 + a variable performance based remuneration.

Auditor

Deloitte AS, Dronning Eufemias gate 14, 0191 Oslo.

Other information

Pareto Asset Management has entered into an outsourcing agreement with Pareto Securities AS. The outsourced services consist of ICT services.

2. Information about the securities fund

Fund: Pareto Likviditet
Organisation number: 980 938 360
Date of incorporation: 17.03.1999

Auditor

Deloitte AS, Dronning Eufemias gate 14, 0191 Oslo.

Custodian

Company: DNB Bank ASA
Registered address: Dronning Eufemias gate 30, 0191, Oslo.
Company structure: Public Company
Organisation number: 984 851 006.
Major type of business: Banking.

Fees

Unit class	Subscription fee	Redemption fee	Management fee
A	N/A	N/A	0.25 % p.a.
B	N/A	N/A	0.15 % p.a.
C	N/A	N/A	0.08 % p.a.
D	N/A	N/A	0.08 % p.a.

Cf. the articles of association §§ 5 and 7 for further information on management fee.

The fixed management fee is calculated daily and charged monthly.

Apart from the management fee, the following costs may also be covered by the fund: transaction costs for the fund's investments, payment of any taxes imposed on the fund, interest on borrowings and extraordinary costs necessary to protect the interests of unit-holders.

Subscription or redemption fees may not be charged on a securities fund's investment in units in a securities fund managed by the same management company as the investing fund.

Objective and investment strategy

The fund's objective is to achieve the highest possible return, relative to the risk taken by the fund.

Pareto Likviditet invests primarily in interest-bearing financial instruments denominated in Norwegian Kroner (NOK) regardless of where the issuer is domiciled and listed.

The fund shall invest in issuers with good credit quality (Investment Grade).

The fund may invest up to 100 per cent of its assets in transferable securities or money market instruments as mentioned in the Norwegian Securities Funds Act § 6-6 (2) no. 3, issued or guaranteed by the Norwegian government. The assets shall be invested in at least six different issuers, and investment from one and the same issue must not exceed 30 per cent of the fund's total assets.

The average duration shall be lower than 1.

Investment in other securities funds constitutes no more than 10 per cent of the fund's assets.

Derivatives may be used as part of the risk management of the fund. Derivatives will not normally be used as an active financial instrument when engaging in general management, but may be used under special circumstances. Expected risk and expected return on the fund's underlying securities portfolio shall remain unchanged as a result of derivative investments.

The fund is permitted to lend securities for a limited period of time against payment from the borrower. Lending of securities will not normally be

used, but may under specific circumstances with strong financial incentives be used by the fund.

Pareto Asset Management works systematically on ethical considerations in the management of the fund. Pareto Asset Management shall not invest in companies which constitute an unacceptable risk of the fund contributing to unethical acts or omissions. Such contributions could reduce sustainability and long-term value creation.

Pareto Asset Management's ethical guidelines are based on the guidelines of Statens pensjonsfond (the Norwegian Government Pension Fund).

Sustainability risks

Due to the nature of the Fund's investment strategy and types of securities it holds, the Fund is exposed to varied Sustainability Risks which include, but are not limited to:

- corporate governance malpractices (e.g. board structure, executive remuneration);
- shareholder rights (e.g. election of the likely directors, capital amendments);
- changes to regulation (e.g. greenhouse gas emissions restrictions, governance codes);
- physical threats (e.g. extreme weather, climate change, water shortages);
- brand and reputational issues (e.g. poor health & safety records, cyber security breaches);
- supply chain management (e.g. increase in fatalities, lost time injury rates, labour relations); and work practices (e.g. observation of health, safety and human rights provisions).

Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risks and/or opportunities. The Investment Manager considers Sustainability Risks as part of its broader analysis of potential investments to maximize the long-term risk-adjusted returns.

In the event that a Sustainability Risk arises, this may cause the Investment Manager to determine that a particular investment is no longer suitable and to sell it or decide not make an investment in it.

Statement that an assessment is undertaken of the likely impacts of those Sustainability Risks on the Fund's return

An assessment is undertaken of the likely impacts of the Sustainability Risks on the Fund's return. Assets held by the Fund may be subject to partial or total loss of value because of the occurrence of a Sustainability Risk due to fines, reduction of demand in the asset's products or services, physical damage to the asset or its capital, supply chain disruption, increased operating costs, inability to obtain additional capital, or reputational damage.

Assessment of Sustainability Risks is complex and requires subjective judgements, which may be based on data which is difficult to obtain and may be incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that the Investment Manager will correctly assess the impact of Sustainability Risks on the Fund's investments or proposed investments.

Results of that impact assessment

The impacts following the occurrence of a Sustainability Risk may be numerous and may vary depending on the specific risk, region and asset class. In general, where a Sustainability Risk occurs in respect of an asset, there could be a negative impact on, or entire loss of, its value. A Sustainability Risk event may arise and impact a specific investment or may have a broader impact on an economic sector, geographical or political region or country which may impact the portfolio of the Fund in its entirety.

The principal adverse impacts on sustainability indicators

The fund considers principal adverse impacts on sustainability factors ("PAIs"). However, Pareto Asset Management does not consider PAIs at

the entity level as it has a number of funds and strategies under management and the aggregation of its individual strategy is of no value to its stakeholders due to the range of those investment strategies and their approaches to sustainability risk integration.

Benchmark index

The fund does not have a benchmark.

Risk profile

The fund's risk profile is low.

The fund's credit risk is low.

The fund's risk profile is described in more detail in the Key Investor Information Document of the fund.

Classification Norwegian Fund and Asset Management Association

The fund is classified as a Liquidity Fund according to the Norwegian Fund and Asset Management Association (VFF).

Articles of Association

The fund's Articles of Association are approved by Finanstilsynet (the Financial Supervisory Authority of Norway) and are attached to the Prospectus.

3. Information to unit-holders

Pareto Asset Management shall for each securities fund publish an annual report with annual financial statements and a director's report within four months of the end of the fiscal year, and a semi-annual report within two months of the expiry of the reporting period.

The end of the fund's fiscal year: 31.12 each year.

The unit-holders shall periodically receive information about their holding of units in the fund and the value of the holding and their return in the period and the current year. The information shall be given to unit-holders for the first and second half of each year, and shall be given no later than one month after the expiry of each period.

This information will be distributed via MIN SIDE at www.paretoam.com.

Annual and semi-annual reports, Key Investor Information Documents, subscription and redemption materials as well as other information are available free of charge upon request from the management company by telephone: (+47) 22 87 87 00, e-mail post@paretoam.com or at www.paretoam.com.

4. Unit-holder register

The unit-holder register is maintained by VPS, the Norwegian Central Securities Depository. Verdipapirsentralen ASA, P. O. Box 4, 0051 Oslo.

The unit(s) will be registered in the name of the unit-holder.

A nominee with authorisation pursuant to the Norwegian Regulation on Securities Funds § 13-2 may be entered in the unit-holder register instead of the beneficial owner of the unit(s).

5. Nature and character of the unit

Each unit-holder has an undivided share in the securities fund which corresponds to the unit-holder's share of total issued fund units. Each unit in a securities fund confers an equal right in the fund. A unit-holder may not demand that the securities fund be split up or dissolved.

Beyond their unit investment, unit-holders are not liable for the fund's obligations.

Unit-holders are not obliged to make further investments in the fund.

All unit-holders or their appointed proxies have the right to vote at the unit-holder meeting for Pareto Likviditet and election meeting for the securities funds managed by Pareto Asset Management.

The management company's Board of Directors consists of six members, of whom two members are elected by the unit-holders. The elections take place at election meetings convened and conducted in accordance with rules set out in the management company's Articles of Association.

After permission from Finanstilsynet, the management company may decide that funds managed by the company shall wind up. Information shall be communicated to unit-holders pursuant to the Norwegian Act on Securities Funds § 5-7.

Furthermore, Finanstilsynet may grant permission to the management company to transfer the management of a fund to another management company.

6. Trading via a regulated market

The units are not admitted to trading on a regulated market.

7. Calculation and publication of Net Asset Value per unit

When calculating the net asset value (NAV), the basis shall be the market value of the portfolio of financial instruments and deposits with credit institutions, the value of the fund's liquid assets and other receivables, the value of accrued income not yet due and the value of any tax loss carry forwards, less liabilities and accrued expenses not yet due, including deferred tax liabilities.

In the case of no observable market prices, the management company determines a value on based on objective criteria and in accordance with recognised principles of valuation, including the Norwegian Fund and Asset Management Association industry recommendation, Valuation of illiquid equity capital instruments, which is available at www.vff.no.

The net asset value per unit is calculated on each Norwegian banking day. The net asset value is normally published five times a week. Publication is made through Oslo Børs ASA.

8. Subscription of units

Requests for subscription shall be submitted to the management company in writing or electronically.

Subscription of new units shall take place at the unit price calculated at the first valuation after the time of subscription (which is when the subscription form has been received by the management company, funds in accordance with subscription is received and a customer due diligence has been performed). The time of subscription must fall within 12.00 (GMT +1) for the first valuation point after subscription to apply.

Unit class	Minimum initial subscription amount (NOK)
A	500
B	10 000 000
C	50 000 000
D	None

The fund receives capital deposits from the general public.

According to the Norwegian Act on cancellation/cooling-off periods, consumers may have the right to cancel agreements concerning financial services concluded with distance selling or outside the fixed place of business. In case of distance selling, there is no right of cancellation when the price of the services depends on fluctuations in the financial markets, in which a service provider cannot influence, and which may occur in the period allowed for cancellation. This includes financial instruments such as securities funds. The information provided for in the act on cancellation/cooling-off periods is available at www.paretoam.com/Kundeinformasjon.

9. Redemption of units

Unit-holders that request redemption shall have their units redeemed in cash.

Requests for redemption shall be submitted to the management company in writing or electronically.

Redemption shall take place at the unit price calculated on the first valuation after receipt of the request for redemption by the management company.

The redemption request must be received by the management company by 12.00 (GMT +1) in order for the first valuation following receipt of the redemption request to be used as the basis.

The management company shall implement redemption as soon as possible. Settlement shall take place as soon as possible and not later than two weeks after the request for redemption was presented.

Suspension of redemption claim

In the event of stock exchange closure, or other extraordinary circumstances, including in special instances the protection of unit-holders' interest, the management company may, with the consent of Finanstilsynet, either wholly or partially suspend the value assessment and payment of redemption claims.

If called for in the interests of the unit-holders or the public, Finanstilsynet may order the management company to wholly or partially suspend the right of redemption.

10. Historical returns and risk

For updated information about the fund's historical returns and risks, please refer to the fund's monthly reports and Key Investor Information Document.

Historical returns are no guarantee for future returns. Future returns will depend, inter alia, on market developments, the fund manager's skill, the fund's risk profile and management fees. The returns may become negative as a result of negative price developments.

11. Taxation

The information below does not constitute tax advice, but reproduces only the basic tax rules for funds and unit-holders who are taxable in Norway according to current tax rules. Investors are advised to contact their own tax advisors to identify the tax consequences of subscription, holding and redemption of units in securities funds.

General tax rules for securities funds

- Securities funds are exempt from tax on gains and are not entitled to deduct losses from realisation of shares in companies domiciled in countries both within and outside the EEA.
- Dividends from companies within the EEA, are as a general rule, taxable for the fund with an effective tax rate of 0.66 per cent (3 per cent of the dividends are taxed at 22 per cent). If the company is domiciled in a low-tax country within the EEA, and the company has no actual establishment and conducts no real business activity in that EEA country, dividends are taxed at 22 per cent.
- Dividends from companies domiciled outside the EEA are taxable at a tax rate of 22 per cent.
- Net interest income and realised gains on fixed income, are taxable at a tax rate of 22 per cent.
- Operating expenses are deductible. Securities funds can claim a deduction for distributions to unit-holders to the extent the distribution is taxed as interest income for unit-holders.
- Securities funds are exempt from wealth tax.

Pareto Likviditet

The fund will as far as practical distribute an amount equivalent to the fund's taxable income to the unit-holders, in such a way that the fund will be in a non-taxpaying position, cf. the Articles of Association Section 4. This is distributed through the issue of new units. The unit price will then be adjusted in proportion to value of the taxable income per unit.

Investors liable to taxation in Norway

General rules relating to private investors

Distributions from fixed income funds, including distributions of new units, are taxed at a rate of 22 per cent. The taxable income pr. units, is taxed by the unitholder the year it is earned.

Gains on the realisation of units are taxed at a tax rate of 22 per cent and losses deducted accordingly.

Fixed income fund units are included at 100 per cent of the NAV, when calculating the basis for wealth tax per 31.12. The maximum wealth tax rate is 1.35 per cent.

General rules relating to companies (legal entities)

Distributions from fixed income funds, including distributions of new units, are taxed at a tax rate of 22 per cent. The taxable income pr. units, is taxed by the unitholder the year it is earned.

Gains on the realisation of units are taxed at a tax rate of 22 per cent and losses deducted accordingly.

Tax rules for foreign unit-holders

Foreign unit-holders in bond funds (i.e. unitholders who are tax resident / domiciled abroad) are not subject to tax deducted at source according to the Norwegian Taxation act § 10-13 from income and capital gains paid by the fund. These payments are treated as other interest income after Norwegian domestic law, and are not subject to withholding tax to Norway.

Gains / losses on foreign unit-holders' realisation of units in bond funds entails no tax liability in Norway, provided that the unitholder does not have limited tax liability to Norway for the exercise of or participation in operations in Norway and the proportion is associated with the operations in Norway.

Investors that are taxable to countries other than Norway should examine current tax rules in the respective countries.

Changes in tax rules

If the tax rules are changed in Norway or in the unit-holder's home state and/or new tax treaties are entered into, the above rules may be changed. The fund must at all times comply with the applicable regulations.

CRS and FATCA

Securities fund and management companies are required to report on the financial accounts of unit-holders and beneficial owners to The Norwegian Tax Administration. If the unit-holders are tax resident or domiciled in another state or jurisdiction than Norway, The Norwegian Tax Administration will forward the information to the respective states or jurisdictions pursuant to FATCA (Foreign Account Tax Compliance Act), CRS (Common Reporting Standards) or other bilateral tax treaties.

12. Marketing of securities funds in other EEA-member states

Pareto Likviditet is only authorised for marketing in Norway.

13. Resolution of disputes

The management company is affiliated with the Norwegian Financial Services Complaints Board.

14. Policies

Remuneration policy

Pareto Asset Management has adopted a remuneration policy that aims to promote good governance of the company's risk in accordance with the company and the funds' strategy, objectives, risk tolerance and long-term interests.

The remuneration policy shall discourage risk taking which is inconsistent with the risk profiles, articles of association or other constitutional documents of the securities fund under management, as well as measures to avoid conflicts of interest. The remuneration policy applies to all employees of Pareto Asset Management. All employees shall have a commercial total remuneration and may in addition to the fixed salary receive a discretionary variable remuneration.

The remuneration policy shall promote long-term interests and accountability among employees. Discretionary compensation is determined in consideration of the employee's business unit and the company as a whole, as well as by certain specified quantitative and qualitative criteria.

Certain employees, "identified staff" are subject to special requirements of a proper balance of variable to fixed remuneration and retention of variable remuneration. For identified staff, at least half of the variable remuneration is subject to deferral. The deferred capital is withheld by the company as contingent capital and invested in the company's securities funds. Deferred capital is paid in equal portions over a three year period, adjusted for profits and losses in the period. The chief executive officer, head of sales, chief investment officer, chief compliance officer, chief risk officer, and certain portfolio managers are subject to the special provisions of the remuneration policy.

The management company has a remuneration committee appointed by the Board of Directors. The committee shall prepare all matters concerning the remuneration policy to be determined by the Board. The committee consists of the Chairman of the Board, as well as one shareholder-elected director and one director elected by the unit-holders who is independent of the management of the company. The committee proposes the variable remuneration for the CEO and identified staff to the Board of Directors, and supervises the CEO's decisions concerning variable remuneration for other employees.

Best Execution

According to the Securities Funds Regulation § 2-28 and § 2-29, Pareto Asset Management shall upon the execution of decisions to deal and when placing order to deal with other entities for execution, take all reasonable measures to achieve the best possible outcome for the fund with regard to price, costs, speed, likelihood of execution and settlement, volume, type and other relevant considerations.

PAM has established a policy to ensure compliance with the provisions regarding Best Execution.

Exercise of voting rights

PAM has guidelines for determining when and how voting rights attached to securities of the fund are to be exercised, to the exclusive benefit of the securities fund concerned.

Exercise of voting rights shall be in accordance with relevant norms, especially NUES (Norwegian Code of Practice for Corporate Governance). In addition, ownership rights shall be in accordance with PRI, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Details of the action taken on the basis of these guidelines shall be made available to the unit-holders free of charge and on their request.

Complaints handling

Pareto Asset Management AS has guidelines for complaints handling. These guidelines are available to unit-holders upon request at the registered office of Pareto Asset Management AS and on the website www.paretoam.com.

Conflict of interest

PAM will take reasonable measures to prevent the occurrence of any conflicts of interest. PAM has prepared internal guidelines with the purpose of uncovering, and reducing the scope for, any conflicts of interest.

15. Remuneration from or to other than the securities funds

Pareto Asset Management AS can enter into management fee discount Agreements with unit-holders based on large holdings in one securities fund or based on the unit-holder's combined holdings in several securities funds or unit-classes managed by management company. Unit-holders who have entered into a management fee discount agreement with the management company will be paid a share of the management fee after the costs associated with the management of the fund have been covered. The amount paid to the unit-holders reduces the management company's profit. The agreements relate to the disposition of the management company's income and does not affect the relationship between the respective securities fund and the unit-holder, who pays the same management fee as other unit-holders.

The possibility to enter into management fee discount arrangements are based on objective criteria to ensure fair treatment of all unit-holders. Management fee discount agreements will only be entered into with unit-holders with large holdings in the management company's securities funds, and who meet the set criteria for such an agreement. Volume from unit-holders who meet the criteria enable Pareto Asset Management to offer an enhanced quality of the service to the benefit of all unit-holders. Management fee discount agreements are entered into in accordance with Section 2-32 of the Securities Fund Regulations.

Further information on management fee discount arrangements can be obtained by contacting Pareto Asset Management by phone +47 22 87 87 00 or by email post@paretoam.com.

16. Other matters

This prospectus is only directed to investors in jurisdictions where the fund is authorised for sale, marketing and distribution, or where no such authorisation is required.

The fund is not registered under the United States Securities Act of 1933 or the U. S. Investment Companies Act 1940, or other applicable US regulation. In view of this, the fund may not be marketed, transmitted or otherwise distributed to "US persons" as defined under Regulation S.

17. Board of Directors' responsibility

The Board of Directors of the management company is responsible for ensuring that the prospectus meets the requirements of law and regulations.

The Board of Directors of Pareto Asset Management hereby declares that, to the best of their knowledge, the prospectus reflects the actual facts and does not contain omissions of a nature liable to alter the meaning of the prospectus.

Approved by the Board of Directors of Pareto Asset Management AS, 9 March 2023.

Articles of Association for Pareto Likviditet Verdipapirfond

§ 1 Name of the Fund and the Management Company

The securities fund Pareto Likviditet ("the fund") is managed by the Management Company Pareto Asset Management AS. The fund is authorised in Norway and regulated by Finanstilsynet (The Financial Supervisory Authority of Norway).

The fund is regulated pursuant to the Norwegian Act No 44 of 25 November 2011 on securities funds (hereinafter referred to as "the Norwegian Securities Funds Act").

§ 2 UCITS fund

The fund is a UCITS fund that complies with the investment rules in chapter 6 of the Norwegian Securities Funds Act, and the provisions on subscription and redemption of the Norwegian Securities Funds Act § 4-9 (1) and § 4-12 (1).

§ 3 Rules for the investment of the securities fund's assets

3.1 The fund's investment area and risk profile

The fund is a fixed income fund that invests mainly in securities denominated in Norwegian Kroner (NOK), regardless of where the issuer is domiciled and listed. The fund shall invest in issuers with good credit quality (Investment Grade). The fund's investment strategy is further described in the Prospectus. The fund is typically characterised by relatively low volatility. The risk profile is specified in the fund's Key Investor Information Document.

3.2 General information about the investment area

The fund's assets may be invested in the following financial instruments and/or deposits with credit institutions:

transferable securities	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
securities fund units	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
money market instruments	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
derivatives	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
deposits with credit institutions	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no

Regardless of the investment options in this section, the fund may hold liquid assets.

The fund's investments in securities fund units shall, together with its other investments, be in accordance with these Articles of Association.
☒ yes ☐ no

Investments in other securities funds may not constitute more than 10 per cent of the fund's assets:
☒ yes ☐ no

Investments in non-UCITS securities funds meets the conditions stated in § 6-2 (2) of the Norwegian Securities Funds Act and may not in aggregate constitute more than 10 per cent of the fund's assets:
☒ yes ☐ no

Securities funds in which investment is placed may themselves invest a maximum of 10 per cent of the fund's assets in securities fund units:
☒ yes ☐ no

The fund's assets may be invested in money market instruments normally traded on the money market, which are liquid and can be valued at any time:
☒ yes ☐ no

The fund may use the following derivative instruments: forward contracts and swaps. The underlying assets of the derivatives will be debt and money market instruments.

Expected risk and expected return on the fund's underlying securities portfolio shall remain unchanged as a result of derivative investments.

3.3 Liquidity requirements

The fund's assets may be invested in financial instruments which:

- are admitted to official quotation or are traded on a regulated market in an EEA state, including a Norwegian regulated market, as defined in Directive 2004/39/EC Article 4 (1) no 14 and the Stock Exchange Act § 3 (1),
☒ yes ☐ no
- are traded on another regulated market in an EEA state which functions regularly and is open to the public,
☒ yes ☐ no
- are admitted to official quotation on a stock exchange in a country outside the EEA or dealt in on another regulated market in such a country which operates regularly and is open to the public,
☒ yes ☐ no

All stock exchanges and regulated markets in the world are current. The fund's management style indicates that the fund will not be invested in all the specified markets at all times.

- are recently issued provided a condition for issue is that admission to trading will be applied for on a stock exchange or market as stated in items 1-3 above. Admission to trading must take place not later than one year after expiry of the subscription deadline.
☒ yes ☐ no

The fund's assets may be invested in money market instruments traded on a market other than stated in items 1-3 above if the issue or the issuer of the instrument is regulated for the purpose of protecting investors and savings, and the instruments fall within the scope of § 6-5 (2) of the Norwegian Securities Funds Act.

The fund's assets may be invested in derivatives traded on another market than stated in items 1-4 above.

Up to 10 per cent of the fund's assets may be invested in financial instruments other than those stated in this section.

3.4 Investment restrictions – the fund's assets

The fund's holdings of financial instruments shall have a composition providing an appropriate spread of risk of loss.

The fund's investments shall at all times be in compliance with the investment restrictions in § 6-6 and § 6-7 (1), (2), (3) and (4) of the Norwegian Securities Funds Act.

The fund may invest up to 100 per cent of its assets in transferable securities or money market instruments as referred to in the Norwegian Securities Funds Act § 6-6 (3), issued or guaranteed by the Norwegian government. Assets shall be invested in at least six different issuers and investments in a single issuer may not exceed 30 per cent of the fund's total assets.

3.5 Investment restrictions – ownership interest with issuer

The fund's investments shall at all times be in compliance with the investment restrictions in § 6-9 of the Norwegian Securities Funds Act.

3.6 Lending of financial instruments

The fund may lend financial instruments pursuant to § 6-11 of the Norwegian Securities Funds Act. All income from lending shall accrue to the fund.

§ 4 Realised gains and dividends

Realised gains shall be distributed to the unit-holders.

Realised gains on the fund's investments in bonds, derivatives and other taxable financial income will be distributed. Realised gains will be paid once a year to the unit holders registered in the fund's Register of Unit holders as at 31 December.

Dividend will be distributed to the unit-holders.

Dividend will be paid as income from interest. Dividend will be paid once a year to the unit holders registered in the fund's Register of Unit-holders as of 31 December.

§ 5 Costs

The management fee is the management company's compensation for managing the fund. The basis for the calculation of the management fee shall be the fund's current value. When calculating the fund's value (total net assets), the basis shall be the market value of the portfolio of financial instruments and deposits with credit institutions, the value of the fund's liquid assets and other receivables, the value of accrued income not yet due and the value of any loss carry forward, less liabilities and accrued costs not due, including latent tax liabilities.

The following costs may be covered by the fund in addition to the management fee:

1. transaction costs connected with the fund's investments,
2. payment of any taxes levied on the fund,
3. interest on borrowings as mentioned in § 6-10 of the Norwegian Act on Securities Funds and
4. extraordinary costs which are necessary to safeguard the unit-holders' interests cf. § 4-6 (2) of the Norwegian Act on Securities Funds.

The management company may charge a fixed management fee to one or more unit classes. The fixed management fee is calculated and accrued on a daily basis and charged on a monthly basis.

The management fee that is allocated equally within the individual unit class in the fund. The size of the management fee appears in accordance with article § 7.

The fund's assets may be placed in sub-funds that are charged a maximum management fee of 2 per cent per annum. The management fee charged to sub-funds will be in addition to the management fee payable to the fund.

All fees received from the sub-funds shall accrue to the main fund.

§ 6 Subscription and redemption of units

The fund is normally open for subscription on every business day.

The fund is normally open for redemption on every business day.

§ 7 Unit classes

The fund's wealth is divided into the following unit classes:

Unit class	Issue currency	Minimum subscription amount	Management fee
A	NOK	500	0.25 % p.a.
B	NOK	10,000,000	0.15 % p.a.
C	NOK	50,000,000	0.08 % p.a.
D	NOK	None	0.08 % p.a.

The management company can charge one or more of the fund's unit classes with a fixed management fee.

The management fee is allocated equally within the individual class in the fund. The fixed management fee is calculated and accrued on a daily basis and charged on a monthly basis.

What characterizes the different unit classes are the following:

Unit class A

Fixed management fee makes up 0.25 percent per annum.

The unit class has a minimum subscription amount of NOK 500.

Unit class B

Fixed management fee makes up 0.15 percent per annum.

The unit class has a minimum subscription amount of NOK 10,000,000.

Unit class C

Fixed management fee makes up 0.08 percent per annum.

The unit class has a minimum subscription amount of NOK 50,000,000.

The unit class is also open to companies that have an agreement on a defined-contribution pension with Pareto Asset Management AS. In the latter case, the requirement of the minimum subscription amount will not apply.

Unit class D

Fixed management fee makes up 0.08 percent per annum

The unit class has no requirements of a minimum subscription amount.

The unit class is open to any unit-holder that subscribes through distributors whom have an agreement with Pareto Asset Management AS on the distribution of the unit class and who do not receive distribution remuneration or other remuneration from the management company for distribution of the unit class.

Minimum subscription amount

Total cost price of each unit-holder's total subscriptions and redemptions in the unit class is calculated on the last working day in the first and third quarters of the year.

If the unit-holder's total cost price or market value at the time of calculation satisfies the minimum requirement in a comparable unit class with a lower management fee, then the client's unit value will be transferred to this unit class.

If the unit-holder's total cost price at the time of calculation does not satisfy the minimum requirement in the unit class unit-holder's is invested in, then the client's unit value will be transferred to a comparable unit class where total cost price satisfies the minimum requirement.

In cases where unit-holder's unit value previously has been transferred from a comparable unit class with a lower management fee as a result of a positive development in market value, the client will not be able to transfer back to their original unit class on the basis of a negative development in market value. This presupposes that unit-holder has not redeemed units in the aftermath of the original transfer.

The transfer of unit value to another comparable unit class shall be registered on the same day as the calculation is carried out and the unit-holder should be notified as soon as possible.

If the transfer of units between unit classes in the same securities fund is an accounting and/ or tax realization, the transfer between the unit classes will only be carried out with the consent of the client.

Template pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment

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

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

Product name: Pareto Likviditet

Legal entity identifier: 254900N4GSWCR5Y41577

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**: ____%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: ____%

☐ **It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

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

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

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

The fund is actively managed, and no specific index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the fund.

• ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

As the fund promotes both environmental and social standards, it applies the principal adverse impact indicators on sustainability factors as its sustainability indicators to measure the attainment of the environmental and social characteristics promoted by the fund. The fund uses the 14 mandatory principle adverse impact indicators, namely:

- GHG emissions;
- Carbon footprint;
- GHG intensity of investee companies;
- Exposure to companies in the fossil fuel sector;
- Share of non-renewable energy consumption and production;
- Energy consumption intensity per high impact climate sector;
- Activities negatively affecting biodiversity-sensitive areas;
- Emissions to water;
- Hazardous waste and radioactive waste ratio;
- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
- Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises;
- Unadjusted gender pay gap;
- Board gender diversity; and
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

In addition, the fund has selected 2 additional principle adverse impact indicators, namely:

- Investment in companies without carbon emission reduction initiatives; and
- Insufficient whistle-blower protection.

• ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The fund does not commit to make sustainable investments.

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

N/A

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

N/A

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

N/A

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes,

The principal adverse impacts on sustainability factors are integrated in the fund's decision-making process when such information is available. Issuers with principal adverse impacts not aligned with Pareto Asset Management's guidelines for responsible investments are excluded from the fund's investment universe unless there is a clear path to bring the respective indicator(s) in line with the fund's investment strategy within a reasonable time frame.

Information pursuant to Article 11 (2) of Regulation (EU) 2019/2088 will be disclosed in the fund's annual report in accordance with Annex IV of Regulation (EU) 2022/1288.

☐ No



What investment strategy does this financial product follow?

Overall about the fund's investment strategy

The fund's investment strategy must be exercised in accordance with the following frameworks for all investments made by the fund:

- UN's Principles for Responsible Investments; and
- Pareto Asset Management's guidelines for responsible investments.

The fund applies exclusion criteria, corporate governance safeguards and reactive engagement as elements in its investment strategy to ensure that all investments meet the fund's investment criteria.

Exclusions

First, the fund managers exclude all investments not within the fund's investment universe, as such investments may contribute to / enable violation of human rights, labor rights, corruption, environmental damage and other unethical actions.

The fund applies the following binding exclusion criteria:

Prior to including a company within the investment universe, the fund managers shall consider whether there is an unacceptable risk that the company contributes or is responsible for:

- Human rights violations, such as killing, torture, deprivation of liberty, forced labour and exploitation of children, including child labour
- Violations of individuals' rights in war or conflict situations
- Breach of basic employee rights
- Severe environmental damage
- Actions or omissions that lead to greenhouse gas emissions at an aggregated company level
- Corruption
- Other repeated or significant violations of basic ethical norms

The fund shall not invest, on behalf of our customers, in companies which themselves or through entities they control which:

- Produce weapons that, in normal use, violate basic humanitarian principles
- Produce tobacco
- Sell weapons or military equipment to states subject to sanctions from the UN Security Council or other international measures directed at a particular country that Norway has supported
- Mining companies and power producers that themselves or consolidated with controlled entities receive 30 per cent or more of their revenues from thermal coal, or base 30 per cent or more of their operations on thermal coal activity

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- Produce pornography

The fund managers shall exercise a precautionary principle in connection with investments in biotechnology companies, gambling, and alcohol.

The screening is done according to the Norges Bank Investment Management (hereinafter "NBIM") exclusion list with the associated guidelines provided in guidelines Norwegian Government Pension Fund Global. The Head of Risk maintains an exclusion and observation list that is cross-checked against the exclusions list on a monthly basis. In addition, the Head of Risk receives news from NBIM via email alerts and will get a notification if a new company were to be excluded.

Corporate governance safeguards

Prior to an investment decision, the fund managers shall consider the following:

- The company should have good quality of operations and management. The companies should act responsible, as well as having a value base for the business that complies with Pareto Asset Management's guidelines for responsible investments.
- The company should exert good corporate governance:
- The company complies with national legislation as well as international conventions; and
- The company shows an open and complementary information policy.

Such consideration is based on publicly available information, including reports published by the companies.

Engagement

The fund is a fixed income fund. Bonds do not have affiliated voting rights and the fund managers' power of influence in terms of active ownership is consequently limited. However, the fund applies a reactive engagement approach when there is a specific reason to believe that a company violates the fund's investment criteria. In such cases, the fund managers will consider addressing the issue with the company's management and encouraging the company to correct the circumstances. If the necessary change is not implemented, the fund managers will normally sell all positions in the company.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

Overall, as Pareto Asset Management AS is a signatory of the UN's Principles for Responsible Investments, the fund managers are committed to comply with the principles provided for the fund's investment strategy. The fund applies the following binding elements in its investment strategy to select investments to attain the environmental and social characteristics promoted by the fund, as described in the previous section.

- The investment has to comply with the fund's applied exclusion criteria;
 - The investment has to demonstrate satisfying elements on the fund's corporate governance safeguards; and
 - The investment's principal adverse impacts on sustainability factors have to be aligned with Pareto Asset Management's guidelines for responsible investments, where such information is available.
- What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?
N/A
 - **What is the policy to assess good governance practices of the investee companies?**

The following elements are included in the standard checklist/policy to assess good governance practice of the fund's investee companies:

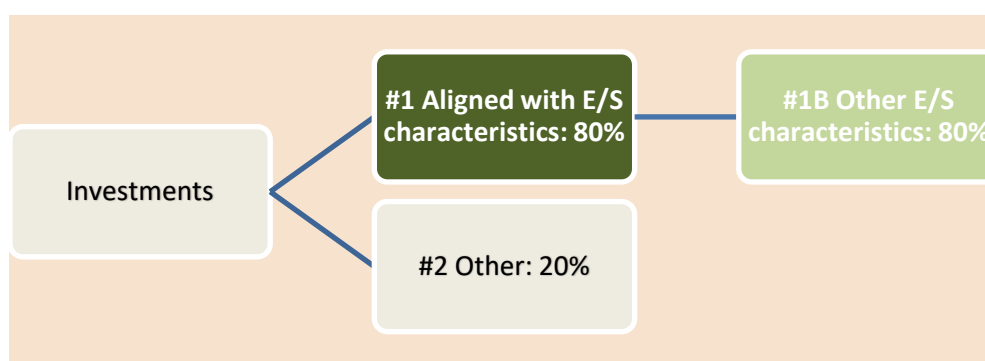
- 1) board composition;
- 2) transparency; and
- 3) accountability and incentives.

What is the asset allocation planned for this financial product?

All of the fund's investments in bonds will be aligned with the environmental and social characteristics promoted by the fund, which is equivalent to 80% of the total net assets of the fund.

The remaining share of the fund is not considered to be aligned with the environmental and social characteristics promoted by the fund and includes cash and derivatives. Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives for the purposes described in the "Objective and investment strategy" section in the fund's prospectus.

Where it is in the best interests of the investors and in response to market conditions, the fund may temporarily deviate from the 80% threshold.



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

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

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

- The sub-category #1A Sustainable covers sustainable investments with environmental or social objectives.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.
- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by this fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0%. As the fund does not commit to making sustainable investments with an environmental objective aligned with the EU Taxonomy, this section is not relevant.

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

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

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

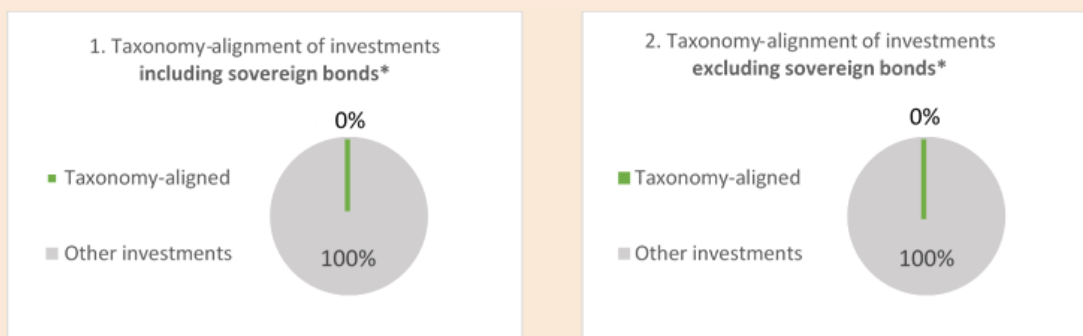
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

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

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

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

shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



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

- What is the minimum share of investments in transitional and enabling activities? 0%



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?
0%



What is the minimum share of socially sustainable investments?
0%



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The fund's investments included under “#2 Other” include the use of cash and derivatives. Cash may be held as ancillary liquidity or for risk purposes. The fund may use derivatives for the purposes described in the “Objective and investment strategy” section in the fund's prospectus.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No specific index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the fund.

- **How the reference benchmark is continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
N/A
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
N/A
- **How does the designated index differ from a relevant broad market index?**
N/A
- **Where can the methodology used for the calculation of the designated index be found?**
N/A



Where can I find more product specific information online?
More product-specific information can be found on the website:
<https://paretoam.com/en/our-funds/>