

# **Annual report including audited financial statements as at 31st December 2016**

## **PARETO SICAV**

Investment Company (SICAV), Luxembourg

R.C.S. Luxembourg B 152 898

#### Notice

The sole legally binding basis for the purchase of shares of the Fund described in this report is the latest valid sales prospectus with its terms of contract.

## **PARETO SICAV**

### **Information to the German Investors**

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#### **Shares in circulation**

**The following Sub-Fund is not publicly approved for distribution in Germany :**

- **PARETO SICAV - PARETO GLOBAL CORPORATE BOND**

# PARETO SICAV

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# PARETO SICAV

## Organisation

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### Registered Office

4, rue Peternelchen  
L-2370 Howald

### Board of Directors of the Fund

#### **Chairman**

Thorleif Wegner SIMONSEN  
Independent Director  
Switzerland

#### **Directors**

Véronique GILLET  
Independent Director  
Luxembourg

Anna MÅBÄCK

Independent Director  
Norway

### Management Company

SEB Fund Services S.A.  
4, rue Peternelchen  
L-2370 Howald

### Board of Directors of the Management Company

#### **Chairman**

Gustaf UNGER  
Head of Investor Services, Transaction Banking  
Skandinaviska Enskilda Banken AB (publ), Sweden

#### **Directors**

Göran FORS  
Head of Sales and Market Development  
Asset Servicing  
Skandinaviska Enskilda Banken AB (publ), Sweden

Marie JUHLIN

Managing Director  
SEB Fund Services S.A., Luxembourg  
(since 29th March 2016)

Jonas LINDGREN

Client Executive, Hedge Fund Coverage  
Skandinaviska Enskilda Banken AB (publ), Sweden

Erika LUNDQUIST

Managing Director  
Skandinaviska Enskilda Banken S.A., Luxembourg  
(until 31st October 2016)

## **PARETO SICAV**

### **Organisation (continued)**

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	Magnus WALLBERG Deputy Managing Director, CFO/ COO Skandinaviska Enskilda Banken S.A., Luxembourg (until 29th March 2016)
<b>Depository</b>	Skandinaviska Enskilda Banken S.A. 4, rue Peternelchen L-2370 Howald
<b>Administrative Agent</b>	SEB Fund Services S.A. 4, rue Peternelchen L-2370 Howald
<b>Sub-Administrative Agent, including Registrar and Transfer Agent</b>	European Fund Administration S.A. 2, rue d'Alsace L-1122 Luxembourg
<b>Investment Manager and Global Distributor</b>	Pareto Asset Management AS Dronning Mauds gate 3 P.O. Box 1810 Vika NO-0123 Oslo  Pareto Asset Management AS, filial Sverige Berzelii Park 9 SE-10391 Stockholm
<b>Cabinet de révision agréé</b>	Deloitte Audit Société à responsabilité limitée 560, rue de Neudorf L-2220 Luxembourg
<b>Legal Adviser with respect to Luxembourg law</b>	Hogan Lovells (Luxembourg) LLP 13, rue Edward Steichen L-2540 Luxembourg

# PARETO SICAV

## General information

PARETO SICAV (the "Fund") was incorporated as an open-ended investment company ("*Société d'Investissement à Capital Variable*") with multiple Sub-Funds on 5th May 2010 for an unlimited period. The Fund is registered under Part I of the amended Law of 17th December 2010 relating to Undertakings for Collective Investment which implements Directive 2009/ 65/ EC into Luxembourg law. The Directive 2014/ 91/ EU of the European Parliament and of the Council of 23rd July 2014 amending the Directive 2009/ 65/ EC had been transposed by the law of 10th May 2016 coming into force on 1st June 2016 and amending the amended law of 17th December 2010.

The Articles of Incorporation were published in the "*Mémorial C, Recueil des Sociétés et Associations*" on 21st May 2010. The latest amendment of the Articles of Incorporation took place on 10th April 2015 and was published on 26th June 2015. On 1st June 2016, the Luxembourg Memorial C has been replaced by RESA ("*Recueil Electronique des Sociétés et Associations*"), the new official electronic platform of central publication regarding companies and associations. Publications made after 1st June 2016 are available on this new platform accessible through the website of the RCS.

At the date of the financial statements, the following Sub-Funds are open:

- PARETO SICAV - PARETO NORDIC CORPORATE BOND in NOK
- PARETO SICAV - PARETO GLOBAL CORPORATE BOND in SEK.

The Sub-Fund **PARETO SICAV - PARETO NORDIC CORPORATE BOND** issues Class A, B, C, D, H EUR, H DKK, H USD, H GBP, H CHF, I NOK, I SEK, I EUR, I DKK, I USD, I GBP and I CHF Shares. Class A and C Shares are available to all investors and have no minimum investment. Class B, D and H Shares are available to individual clients investing the minimum subscription amount. Class B, D and H Shares are also available to Investors subscribing for shares through a distributor or pension scheme, who under their agreements with the Global Distributor, do not receive any payment from the Global Distributor. For the latter the minimum investment does not apply. Class B, D and H Shares are also available to Pareto entities and to Pareto Asset Management AS employees, shareholders and board members, without limitation to minimum investment and holding. Class I Shares are available to Institutional Investors.

The minimum investment for Class B, D, H and I Shares is as follows:

Share Class	Minimum investment
B Shares	NOK 50 million
D Shares	SEK 50 million
H EUR Shares	EUR 5 million
H DKK Shares	DKK 50 million
H USD Shares	USD 5 million
H GBP Shares	GBP 5 million
H CHF Shares	CHF 5 million
I NOK Shares	NOK 400 million
I SEK Shares	SEK 400 million
I EUR Shares	EUR 50 million
I DKK Shares	DKK 400 million
I USD Shares	USD 50 million
I GBP Shares	GBP 40 million
I CHF Shares	CHF 50 million

## PARETO SICAV

### General information (continued)

The Sub-Fund PARETO SICAV - **PARETO GLOBAL CORPORATE BOND** issues Class A, A EUR, A USD, B, C, D, H EUR, H DKK, H USD, H GBP, H CHF, I NOK, I SEK, I EUR, I DKK, I USD, I GBP and I CHF Shares. Class A and C Shares are available to all investors and have no minimum investment. Class B, D and H Shares are available to individual clients investing the minimum subscription amount. Class B, D and H Shares are also available to Investors subscribing for shares through a distributor or pension scheme, who under their agreements with the Global Distributor, do not receive any payment from the Global Distributor. For the latter the minimum investment does not apply. Class B, D and H Shares are also available to Pareto entities and to Pareto Asset Management AS employees, shareholders and board members, without limitation to minimum investment and holding. Class I Shares are available to Institutional Investors.

The minimum investment for Class B, D, H and I Shares is as follows:

Share Class	Minimum investment
B Shares	SEK 50 million
D Shares	NOK 50 million
H EUR Shares	EUR 5 million
H DKK Shares	DKK 50 million
H USD Shares	USD 5 million
H GBP Shares	GBP 5 million
H CHF Shares	CHF 5 million
I NOK Shares	NOK 400 million
I SEK Shares	SEK 400 million
I EUR Shares	EUR 50 million
I DKK Shares	DKK 400 million
I USD Shares	USD 50 million
I GBP Shares	GBP 40 million
I CHF Shares	CHF 50 million

At the date of the financial statements, the following Share Classes are issued:

Sub-Fund	Share Class
PARETO SICAV - PARETO NORDIC CORPORATE BOND	A
	B
	C
	I GBP
PARETO SICAV - PARETO GLOBAL CORPORATE BOND	A
	A EUR
	B
	C
	D
	I NOK

The Net Asset Value per Share of each Sub-Fund is calculated on each Bank Business Day except for 24th December in each year (the "Valuation Day") in Luxembourg, Norway and Sweden.

The financial year of the Fund starts on 1st January and ends on 31st December in each year. The audited annual report, including audited financial statements and the unaudited semi-annual reports comprise consolidated financial statements of the Fund expressed in EUR, being the reference currency of the Fund and financial information on each Sub-Fund expressed in the reference currency of each Sub-Fund.



## **PARETO SICAV**

### **General information (continued)**

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Copies of the Articles of Incorporation, of the current Prospectus, of the Key Investor Information Document (KIID) and of the latest reports of the Fund may be obtained free of charge at the registered office of the Fund, and at the Management Company.

**PARETO SICAV - PARETO NORDIC CORPORATE BOND**

After a turbulent 2016, the strategy had a solid end to the year. In terms of performance, December was one of the best months we've had in recent years.

The increase in oil prices and improved prospects for oil service companies contributed to this. The same factors contributed negatively at the beginning of the year, when expectations for Chinese growth, and thus global growth, were revised downwards. This led partly to a sharp fall in all commodity prices, including oil.

It also appears that 2016 was the year when long-term interest rates bottomed out. Expectations are now that interest rates will be somewhat higher, although remaining at historically low levels. For a fixed income investor, this means that returns will be primarily derived from credit spreads. Nordic corporate bonds are trading at higher credit spreads than American and European peers. In sum, we believe this offers a favourable backdrop for a Nordic high-yield fund with a short interest duration.

Restructuring processes in oil service companies in which we have been invested are now in essence finalised. They have thus established new financial platforms that can weather a weak market for two or three years, enabling the companies to avoid facing liquidity challenges. For some companies, however, including Farstad Shipping and BOA, processes are still ongoing.

After an active November with several new issues in the primary market, December was a relatively quiet month, which is in line with the usual seasonal fluctuations. The main issue was Norlandia Health & Care Group, which in early December raised the equivalent of 1.75 billion Norwegian kroner through two tranches in Swedish and Norwegian kroner. We participated in the SEK tranche, which was the largest and is thus expected to have the best liquidity. In addition, it provides a better return after being swapped back into Norwegian kroner. The bond has a yield of approximately 6.25 per cent including the swap; compared to 5.66 per cent for the NOK tranche.

In addition, Scan Global Logistics was in the market with a tap issue (extension of existing loans) to finance the acquisition of Airlog Group. We used this opportunity to increase our exposure in the bond. Beyond this, we made relatively few changes to the portfolio in December, but as market liquidity is relatively limited during Christmas, we increased the cash holdings slightly ahead of the Christmas holiday.

As for company specific news affecting the portfolio in December, we would like to highlight the announcement that the prestigious private equity firm EQT will acquire Danish IT infrastructure company Global Connect. Global Connect has long been a core holding in our high yield portfolios, and the acquisition has driven bond prices in the expectation that the company will use the first opportunity to redeem the bond at 104 to par in November 2017.

**PARETO SICAV - PARETO GLOBAL CORPORATE BOND**

The strategy of the Sub-Fund is to invest in global corporate bonds, investment grade and high yield. The Sub-Fund focuses on having a well-diversified portfolio, which will endure business cycles and bouts of market volatility. The Sub-Fund aims to generate a better risk adjusted return compared with global reference index. The year was characterized by surprises in many aspects, economically and politically. Many new words were coined like "Brexit", "Trumpism", and the effects will continue to define global development in the coming years.

**Report from the Investment Manager (continued)**

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**Sub-Fund performance**

The Sub-Fund Class A gained 4.2 percent in 2016, where the second half provided most of the gains for the year. NAV ended the year at SEK 1 501 million. Net flows into the Sub-Fund were positive SEK 860 million. Markets continued to be volatile and the low rate environment globally is a concern for many asset managers. The Sub Fund looks for opportunities in less volatile sectors and industries in order to achieve a strong risk adjusted return. The Sub-Fund purchases bonds denominated in several different currencies. In order to protect against currency movements the Sub -Fund uses currency hedging instruments like forwards and swaps. There are no other derivatives apart from foreign exchange outstanding in the Sub-Fund.

**Sub-Fund management**

*"You can call me the Joker" (Jack Nicholson in Batman, 1989)*

As we often do towards the end of the year, we reflect on what has happened and look forward to the next year. Election forecasters had a lousy year and many called the ultimate winner of the US presidential election (Donald Trump) a Joker. The first half of 2016 was very volatile due in large part to the large swings in oil and commodity prices. The second half of the year focus point was long-term interest rates and a severe sell-off in US treasuries.

The Sub Fund lowered its duration throughout the last six months of the year to 2.9 years. The Sub Fund focuses on finding corporate bonds in mostly niche sectors which exhibit lesser volatility than the market. The fund also targets truly global companies with a partial exposure to emerging markets, rather than seeking direct exposure to countries like China, Brazil and Russia. Corruption and lack of transparency are still unfortunately very prevalent, and far from what we would like to see. We have relied on cash return in our bonds rather than targeting price movements. Throughout 2016, the fund had an average cash coupon in excess of 5%.

The Sub Fund was very active throughout the year in both secondary and primary trading. There were many exciting companies which came to the market in 2016. Some notable investments were Vulcan Materials, Scan Global, Cerba European Labs, Lennar, Eurofins and JP Morgan.

The fund managed to reach its target return for the year with half the volatility of the market.

**Outlook**

We look for value outside of the financial casino run by the central banks. As for now the message (of a bright future) has been taken to heart and global fixed income in long duration assets has taken a beating, especially in government bonds with low or no coupons. Bloomberg Global Corporate Bond Index fell 4 percent during the month of November after the election results. That is the biggest fall in such a short time since 1990. The Sub Fund has gradually positioned for a lower duration and more conservative sectors over the last few months. That strategy will likely persist all through 2017 where the Sub Fund looks to have solid cash return and lower price volatility for the holdings.

We would like to summarize the current situation as opportune and challenging. The violent sell-off in long duration bonds does create more opportunities. The fund's global mandate does provide many opportunities to find good value in the crossover segment going into 2017 and beyond.

Note: The information in this report represents historical data and is not an indication of future results.

## Report of the réviseur d'entreprises agréé

To the Shareholders of  
**PARETO SICAV**

Following our appointment by the ordinary general meeting of the shareholders, we have audited the accompanying financial statements of PARETO SICAV (the "Fund") and of each of its sub-funds, which comprise the statement of net assets and the statement of investments and other net assets as at 31st December 2016 and the statement of operations and other changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

### Responsibility of the Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the *réviseur d'entreprises agréé's* judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.



## **Report of the réviseur d'entreprises agréé (continued)**

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the Fund, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of PARETO SICAV and of each of its sub-funds as at 31st December 2016, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

### **Other information**

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of réviseur d'entreprises agréé thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

For Deloitte Audit,  
*Cabinet de révision agréé*

Jean-Philippe Bachelet, *Réviseur d'entreprises agréé*  
Partner

30th March 2017  
560, rue de Neudorf  
L-2220 LUXEMBOURG

## PARETO SICAV

### Combined statement of net assets (in EUR)

as at 31st December 2016

#### Assets

Securities portfolio at market value	230,992,636.05
Cash at banks	10,332,573.54
Cash collateral at banks	1,574,080.96
Other liquid assets	34,430.43
Formation expenses, net	13,451.64
Receivable on issues of shares	807,263.92
Income receivable on portfolio	2,325,581.46
Interest receivable on swaps contracts	29,703.17
Unrealised gain on swaps contracts	102,868.82
Other receivables	979,093.07
Total assets	247,191,683.06

#### Liabilities

Other liquid liabilities	33,981.69
Payable on treasury transactions	786,604.48
Payable on redemptions of shares	348,884.20
Interest payable on swap contracts	50,844.93
Unrealised loss on forward foreign exchange contracts	1,623,618.75
Expenses payable	282,554.49
Total liabilities	3,126,488.54
Net assets at the end of the year	244,065,194.52

The accompanying notes are an integral part of these financial statements.

## PARETO SICAV

### Combined statement of operations and other changes in net assets (in EUR)

from 1st January 2016 to 31st December 2016

#### **Income**

Interest on bonds and other debt securities, net	9,033,280.76
Interest on bank accounts	4,077.07
Interest on cash collateral	226.24
Interest on swaps contracts	82,242.55
Other income	72,782.25
Total income	9,192,608.87

#### **Expenses**

Management fees	1,446,302.56
Depositary fees	69,924.96
Banking charges and other fees	2,312.57
Transaction fees	10,828.03
Central administration costs	170,649.09
Professional fees	28,839.76
Other administration costs	73,239.75
Subscription duty ("taxe d'abonnement")	80,092.45
Bank interest paid	17,110.79
Interests paid on collateral cash	916.43
Interest paid on swaps contracts	108,543.29
Other expenses	45,990.30
Total expenses	2,054,749.98

Net investment income	7,137,858.89
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#### **Net realised gain/(loss)**

- on securities portfolio	-686,877.56
- on futures contracts	-30,102.56
- on forward foreign exchange contracts	-1,429,449.85
- on foreign exchange	-238,828.73
Realised result	4,752,600.19

#### **Net variation of the unrealised gain/(loss)**

- on securities portfolio	6,868,107.70
- on swaps contracts	102,868.82
- on forward foreign exchange contracts	-1,347,547.77
Result of operations	10,376,028.94

Subscriptions	183,196,231.16
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Redemptions	-64,736,342.67
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Total changes in net assets	128,835,917.43
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Total net assets at the beginning of the year	115,246,979.77
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Foreign exchange difference	-17,702.68
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Total net assets at the end of the year	244,065,194.52
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The accompanying notes are an integral part of these financial statements.

## PARETO SICAV - PARETO NORDIC CORPORATE BOND

### Statement of net assets (in NOK)

as at 31st December 2016

#### Assets

Securities portfolio at market value	755,817,107.32
Cash at banks	31,758,798.48
Cash collateral at banks	3,090,000.00
Formation expenses, net	42,572.48
Receivable on issues of shares	288,167.96
Income receivable on portfolio	6,670,180.53
Total assets	797,666,826.77

#### Liabilities

Payable on redemptions of shares	58,248.11
Unrealised loss on forward foreign exchange contracts	2,595,313.70
Expenses payable	949,874.74
Total liabilities	3,603,436.55

Net assets at the end of the year	794,063,390.22
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Number of Class A Shares outstanding	453,431.5171
Net asset value per Class A Share	979.7948

Number of Class B Shares outstanding	207,542.0369
Net asset value per Class B Share	1,032.7697

Number of Class C Shares outstanding	2,542.2993
Net asset value per Class C Share	SEK 924.9245

Number of Class I GBP Shares outstanding	121,952.0015
Net asset value per Class I GBP Share	GBP 102.7108

The accompanying notes are an integral part of these financial statements.



## PARETO SICAV - PARETO NORDIC CORPORATE BOND

### Statement of operations and other changes in net assets (in NOK)

from 1st January 2016 to 31st December 2016

#### **Income**

Interest on bonds and other debt securities, net	38,930,031.20
Interest on bank accounts	36,124.07
Other income	421,114.24
Total income	39,387,269.51

#### **Expenses**

Management fees	5,360,502.63
Depository fees	278,086.91
Banking charges and other fees	8,250.21
Transaction fees	37,481.49
Central administration costs	737,692.07
Professional fees	109,883.32
Other administration costs	309,942.56
Subscription duty ("taxe d'abonnement")	307,662.16
Bank interest paid	15,488.82
Interests paid on collateral cash	8,319.68
Other expenses	190,153.30
Total expenses	7,363,463.15

Net investment income	32,023,806.36
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#### **Net realised gain/(loss)**

- on securities portfolio	-9,346,753.19
- on forward foreign exchange contracts	-19,691,892.82
- on foreign exchange	-1,333,528.42
Realised result	1,651,631.93

#### **Net variation of the unrealised gain/(loss)**

- on securities portfolio	7,340,390.96
- on forward foreign exchange contracts	1,842,902.16
Result of operations	10,834,925.05

Subscriptions	618,957,730.16
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Redemptions	-309,518,581.32
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Total changes in net assets	320,274,073.89
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Total net assets at the beginning of the year	473,789,316.33
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Total net assets at the end of the year	794,063,390.22
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The accompanying notes are an integral part of these financial statements.

## PARETO SICAV - PARETO NORDIC CORPORATE BOND

### Statistical information (in NOK)

as at 31st December 2016

#### Total net assets

- as at 31.12.2016	794,063,390.22
- as at 31.12.2015	473,789,316.33
- as at 31.12.2014	245,671,000.27

#### Number of Class A Shares

- outstanding at the beginning of the year	177,950.2472
- issued	452,194.3781
- redeemed	-176,713.1082
- outstanding at the end of the year	453,431.5171

#### Net asset value per Class A Share

- as at 31.12.2016	979.7948
- as at 31.12.2015	945.7342
- as at 31.12.2014	1,023.5000

#### Number of Class B Shares

- outstanding at the beginning of the year	217,047.2426
- issued	116,396.8630
- redeemed	-125,902.0687
- outstanding at the end of the year	207,542.0369

#### Net asset value per Class B Share

- as at 31.12.2016	1,032.7697
- as at 31.12.2015	992.3162
- as at 31.12.2014	-

#### Number of Class C Shares

- outstanding at the beginning of the year	9,863.7881
- issued	22.1686
- redeemed	-7,343.6574
- outstanding at the end of the year	2,542.2993

#### Net asset value per Class C Share

- as at 31.12.2016	SEK 924.9245
- as at 31.12.2015	SEK 907.0689
- as at 31.12.2014	SEK 991.3500

#### Number of Class I GBP Shares

- outstanding at the beginning of the year	62,319.0000
- issued	66,542.7303
- redeemed	-6,909.7288
- outstanding at the end of the year	121,952.0015

#### Net asset value per Class I GBP Share

- as at 31.12.2016	GBP 102.7108
- as at 31.12.2015	GBP 99.2102
- as at 31.12.2014	-

The accompanying notes are an integral part of these financial statements.

# PARETO SICAV - PARETO NORDIC CORPORATE BOND

## Statement of investments and other net assets (in NOK) as at 31st December 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Investments in securities</b>					
<b>Transferable securities admitted to an official stock exchange listing</b>					
<b>Shares</b>					
NOK	137,806	Songa Offshore	1,500,345.78	4,340,889.00	0.55
<b>Total shares</b>			1,500,345.78	4,340,889.00	0.55
<b>Bonds</b>					
DKK	8,000,000	Danske Bank A/ S FRN EMTN Sub Conv 16/ 23.02.Perpetual	9,758,631.35	9,815,872.01	1.24
DKK	17,000,000	Global Connect AS 5.7% 13/ 15.05.20	22,024,848.28	22,000,250.46	2.77
DKK	11,000,000	Scan Bidco AS 6.8% Sen 16/ 27.06.22	13,626,436.71	13,496,824.01	1.70
			45,409,916.34	45,312,946.48	5.71
EUR	1,021,438	Forchem Oy 4.9% Sk Sen 15/ 02.07.20	9,577,732.90	9,481,575.13	1.19
NOK	3,500,000	Aker ASA FRN Sen 12/ 30.01.19	3,569,514.50	3,644,375.00	0.46
NOK	8,000,000	Aker ASA FRN Sen 13/ 06.06.18	8,015,943.00	8,144,666.40	1.03
NOK	35,500,000	Aker BP ASA FRN Sen 13/ 02.07.20	35,955,587.00	40,292,498.23	5.07
NOK	4,500,000	Austevoll Seafood ASA FRN 15/ 04.05.21	4,435,800.00	4,519,687.50	0.57
NOK	10,000,000	Austevoll Seafood ASA FRN Sen 12/ 15.10.18	10,358,530.00	10,378,125.00	1.31
NOK	10,000,000	Bakkafrost P/ F FRN Sen 13/ 14.02.18	10,406,501.00	10,255,040.00	1.29
NOK	19,000,000	Bonheur ASA FRN Sen 14/ 09.07.19	16,599,900.00	18,589,626.60	2.34
NOK	10,000,000	BW Offshore Ltd FRN Reg S Sen 15/ 16.03.22	7,105,000.00	7,983,108.00	1.01
NOK	13,923,363	Crayon Group AS FRN 14/ 10.07.17	13,259,821.87	13,288,353.23	1.67
NOK	10,000,000	DNB Bank ASA FRN EMTN Sen 15/ 17.02.20	9,892,000.00	9,966,211.00	1.25
NOK	10,000,000	DNB Bank ASA FRN Sub 16/ 27.09.Perpetual	10,000,000.00	10,484,487.00	1.32
NOK	14,250,000	DOF ASA 0% Conv Reg S Sub 16/ 06.07.21	16,537,993.50	14,535,000.00	1.83
NOK	22,000,000	DOF Subsea ASA FRN Sen 13/ 22.05.18	17,446,362.00	18,216,000.00	2.29
NOK	7,000,000	Eidesvik Offshore ASA FRN Sen 13/ 22.05.18	5,436,022.00	4,605,466.25	0.58
NOK	16,000,000	Farstad Shipping ASA FRN Sen 13/ 29.05.18	7,057,639.50	4,640,000.00	0.58
NOK	4,500,000	Farstad Shipping ASA FRN Ser FAR03 12/ 15.02.17	2,502,349.00	1,305,000.00	0.16
NOK	5,000,000	Fred Olsen Energy ASA FRN Ser 144A 14/ 28.02.19	2,012,500.00	2,945,000.00	0.37
NOK	20,000,000	Gjensidige Forsikring ASA FRN Sub 14/ 03.10.44	18,694,663.00	19,290,616.00	2.43
NOK	10,000,000	Golar LNG Partners LP FRN Sen 12/ 12.10.17	9,904,080.00	10,136,142.50	1.28
NOK	15,000,000	Hoegh LNG Holding Ltd FRN Sen 12/ 03.10.17	15,453,931.00	15,458,874.75	1.95
NOK	17,960,000	Lock AS FRN 14/ 15.08.20	18,298,714.11	18,934,401.84	2.38
NOK	25,000,000	Nordea Eiendomskreditt AS FRN Ser NOKR57 15/ 16.06.21	24,682,500.00	24,698,092.50	3.11
NOK	17,000,000	Ocean Yield ASA FRN Reg S 15/ 29.04.20	15,630,576.00	16,842,750.00	2.12
NOK	10,000,000	Odffell SE FRN Sen 12/ 03.12.18	9,525,000.00	10,285,428.50	1.29
NOK	18,000,000	Odffell SE FRN Sen 12/ 11.04.17	17,606,165.00	18,177,441.30	2.29
NOK	8,000,000	Otiga Group AS FRN Sen 14/ 11.09.19	7,357,678.00	6,950,000.00	0.87
NOK	12,000,000	Ship Finance Intl Ltd FRN Sen 14/ 19.03.19	11,023,914.00	11,742,856.80	1.48
NOK	13,000,000	Ship Finance Intl Ltd VAR Lkd NIBOR 12/ 19.10.17	12,886,778.00	13,102,142.95	1.65
NOK	10,500,000	Songa Offshore SE Step-up Sen 12/ 11.06.21	6,323,400.00	7,833,000.00	0.99
NOK	21,000,000	Songa Offshore Step-up 11/ 17.11.20	13,420,375.00	16,989,000.00	2.14
NOK	19,500,000	Stolt-Nielsen Ltd FRN 12/ 19.03.18	19,910,430.00	19,924,389.23	2.51
NOK	17,000,000	Stolt-Nielsen Ltd FRN Sen 14/ 18.03.21	15,685,914.87	15,955,690.00	2.01
NOK	4,000,000	Stormgeo Hg AS FRN Sen 14/ 31.01.17	4,058,500.00	4,012,510.00	0.50
NOK	18,000,000	Teekay LNG Partners LP FRN Reg S Sen 15/ 19.05.20	16,636,250.00	17,080,859.70	2.15
NOK	7,000,000	Teekay Offshore Partners LP FRN 12/ 30.11.18	6,335,000.00	6,461,875.00	0.81
NOK	8,000,000	Wilh. Wilhelmsen ASA FRN 14/ 09.04.19	7,552,800.00	7,867,543.20	0.99
			431,578,132.35	445,536,258.48	56.08
SEK	11,500,000	AINMT Scandinavia Hgs AB 9.75 14/ 19.03.19	12,102,129.59	11,480,490.96	1.45
SEK	4,000,000	Candyking Holding AB FRN Sen 14/ 29.01.18	1,989,283.40	1,614,025.48	0.20
SEK	17,900,000	Jacob Holm & Sonner FRN Sen 14/ 03.04.19	18,624,240.42	17,378,845.26	2.19
SEK	20,000,000	NorCell Sweden Holding 3 AB 3.5% Sen 16/ 25.02.22	18,435,018.46	18,878,742.89	2.38
SEK	11,000,000	Orexo AB FRN Sen 14/ 09.05.18	9,826,830.66	9,738,045.88	1.23
SEK	11,000,000	Solor Bioenergi Hg AB FRN 14/ 10.06.19	9,412,810.56	8,748,618.76	1.10

The accompanying notes are an integral part of these financial statements.

# PARETO SICAV - PARETO NORDIC CORPORATE BOND

## Statement of investments and other net assets (in NOK) (continued) as at 31st December 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
SEK	21,000,000	Velcora Holding AB FRN 15/ 15.07.21	21,135,838.59	20,529,429.25	2.59
SEK	17,000,000	West Atlantic AB 7% EMTN Sen 15/ 21.12.19	16,442,932.15	16,136,183.47	2.03
			107,969,083.83	104,504,381.95	13.17
USD	1,000,000	Hoegh LNG Holding Ltd FRN 15/ 05.06.20	7,997,856.14	8,624,440.58	1.09
USD	2,000,000	Icelandair Group HF FRN Sen 16/ 26.10.21	16,339,500.04	17,281,162.27	2.18
USD	347,505	Songa Offshore 2% Conv Reg S Sub Ser 144A 16/ 20.04.22	2,927,645.26	5,399,526.23	0.68
			27,265,001.44	31,305,129.08	3.95
<b>Total bonds</b>			621,799,866.86	636,140,291.12	80.10
<b>Bonds in default of payment</b>					
NOK	5,265,844	Havila Shipping ASA FRN Sen 11/ 30.03.17	2,596,935.36	2,687,335.81	0.34
NOK	4,369,791	Havila Shipping ASA FRN Sk Ser HAVI04 10/ 08.05.17	2,329,312.22	1,498,838.31	0.19
<b>Total bonds in default of payment</b>			4,926,247.58	4,186,174.12	0.53
<b><u>Transferable securities dealt in on another regulated market</u></b>					
<b>Bonds</b>					
NOK	16,989,053	Boa Deep C AS FRN Sk Reg S Sub Ser 144A 14/ 07.10.19	10,262,709.04	7,914,151.57	1.00
NOK	4,602,322	Boa Offshore AS FRN Reg S Sk Sub 15/ 20.12.18	4,197,492.96	3,451,741.50	0.43
NOK	10,500,000	Boa Offshore AS FRN Sen 13/ 18.12.18	3,469,275.00	2,782,500.00	0.35
NOK	4,500,000	Gjensidige Bank ASA VAR Sub 15/ 21.08.Perpetual	4,312,835.80	4,363,815.15	0.55
NOK	5,000,000	Klaveness Ship Hdg AS FRN Sen 13/ 08.05.18	5,042,572.00	5,152,762.50	0.65
NOK	14,000,000	Klaveness Ship Hdg AS FRN Sen 16/ 27.05.21	14,000,000.00	14,023,333.80	1.77
NOK	7,000,000	Western Bulk Chartering AS FRN Reg S Sen 13/ 19.04.19	5,014,249.00	5,705,000.00	0.72
			46,299,133.80	43,393,304.52	5.47
USD	622,509	Sea Production Ltd VAR TOG PIK Sk Reg S 07/ 14.06.16	2,561,652.75	1,768,385.60	0.22
<b>Total bonds</b>			48,860,786.55	45,161,690.12	5.69
<b><u>Other transferable securities</u></b>					
<b>Bonds</b>					
NOK	7,009,626	Boa SBL AS FRN Sk Ser 144A 13/ 19.04.18	2,866,357.65	2,549,821.55	0.32
NOK	12,000,000	Norwegian Property ASA FRN Sen 16/ 05.07.20	11,994,000.00	12,104,928.00	1.52
NOK	6,806,302	Prosaf SE 0% Conv Sub 16/ 23.08.21	6,806,302.00	9,767,043.37	1.23
NOK	12,000,000	Solor Bioenergi Hg AB FRN 12/ 02.11.17	8,813,822.50	7,005,000.00	0.88
			30,480,482.15	31,426,792.92	3.95
SEK	13,500,000	Bergvik Skog AB 8.5% MTN Sub 04/ 24.03.34	16,225,634.80	15,080,928.67	1.90
SEK	8,000,000	Norlandia Health Care Group AS FRN Sen 16/ 20.12.21	7,321,762.31	7,602,966.31	0.96
			23,547,397.11	22,683,894.98	2.86
USD	2,900,978	Nor Offshore Spv Ltd VAR PIK Reg S Sen 16/ 04.02.20	10,766,523.77	9,068,134.99	1.14
USD	171,112	Nor Offshore SPV Ltd VAR TOG PIK Reg S Sen 16/ 28.01.20	1,469,739.34	1,504,284.33	0.19
			12,236,263.11	10,572,419.32	1.33
<b>Total bonds</b>			66,264,142.37	64,683,107.22	8.14
<b>Bonds in default of payment</b>					
USD	1,343,598	Cecon AS 10% Step-up Ser B 11/ 18.03.17	6,597,123.39	57,888.32	0.01
USD	66,856	Cecon AS 5% Ser A 11/ 15.06.16	511,211.88	2,880.42	0.00
<b>Total bonds in default of payment</b>			7,108,335.27	60,768.74	0.01

The accompanying notes are an integral part of these financial statements.

## PARETO SICAV - PARETO NORDIC CORPORATE BOND

### Statement of investments and other net assets (in NOK) (continued) as at 31st December 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Warrants and rights</b>					
NOK	39,498	Songa Offshore Call Wts 20.04.19	0.00	1,244,187.00	0.16
<b>Total warrants and rights</b>			0.00	1,244,187.00	0.16
Total investments in securities			750,459,724.41	755,817,107.32	95.18
Cash at banks				34,848,798.48	4.39
Other net assets/ (liabilities)				3,397,484.42	0.43
Total				794,063,390.22	100.00

The accompanying notes are an integral part of these financial statements.

## PARETO SICAV - PARETO NORDIC CORPORATE BOND

### Industrial and geographical classification of investments as at 31st December 2016

#### Industrial classification

(in percentage of net assets)

Transportation	30.71 %
Energy	16.00 %
Diversified financial services	11.72 %
Banks	7.47 %
Raw materials	5.38 %
Software and services	4.94 %
Capital goods	4.52 %
Food and beverage	3.17 %
Insurance	2.43 %
Real estate	1.52 %
Telecommunication services	1.45 %
Special Purpose Vehicle (SPV)	1.33 %
Investment companies	1.28 %
Pharmaceuticals and biotechnology	1.23 %
Health care equipment and services	0.96 %
Commercial services and supplies	0.87 %
Food retailing, drugstores and pharmacies	0.20 %
Total	<u>95.18 %</u>

#### Geographical classification

(by domicile of the issuer)  
(in percentage of net assets)

Norway	46.76 %
Sweden	13.76 %
Bermuda	11.92 %
Denmark	7.90 %
Cyprus	5.75 %
Marshall Islands	4.24 %
Iceland	2.18 %
Feroe Islands	1.29 %
Finland	1.19 %
Cayman Islands	0.19 %
Total	<u>95.18 %</u>

## PARETO SICAV - PARETO GLOBAL CORPORATE BOND

### Statement of net assets (in SEK)

as at 31st December 2016

#### Assets

Securities portfolio at market value	1,416,537,556.97
Cash at banks	65,528,322.52
Cash collateral at banks	11,829,067.28
Other liquid assets	330,126.27
Formation expenses, net	84,013.55
Receivable on issues of shares	7,435,864.42
Income receivable on portfolio	15,253,346.03
Interest receivable on swaps contracts	284,800.27
Unrealised gain on swaps contracts	986,328.05
Other receivables	9,387,752.19
Total assets	1,527,657,177.55

#### Liabilities

Other liquid liabilities	325,823.65
Payable on treasury transactions	7,542,130.73
Payable on redemptions of shares	3,283,656.09
Interest payable on swaps contracts	487,511.97
Unrealised loss on forward foreign exchange contracts	12,826,517.29
Expenses payable	1,705,966.37
Total liabilities	26,171,606.10

Net assets at the end of the year	1,501,485,571.45
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Number of Class A Shares outstanding	4,876,080.8077
Net asset value per Class A Share	104.1806

Number of Class A EUR Shares outstanding	4,497.4376
Net asset value per Class A EUR Share	EUR 105.2575

Number of Class B Shares outstanding	571,859.9281
Net asset value per Class B Share	105.0931

Number of Class C Shares outstanding	6,036,471.3102
Net asset value per Class C Share	NOK 106.6667

Number of Class D Shares outstanding	302,683.5602
Net asset value per Class D Share	NOK 107.6042

Number of Class I NOK Shares outstanding	1,996,724.7624
Net asset value per Class I NOK Share	NOK 101.6658

The accompanying notes are an integral part of these financial statements.

## PARETO SICAV - PARETO GLOBAL CORPORATE BOND

### Statement of operations and other changes in net assets (in SEK)

from 1st January 2016 to 31st December 2016

#### **Income**

Interest on bonds and other debt securities, net	45,496,410.20
Interest on bank accounts	938.82
Interest on cash collateral	2,169.24
Interest on swaps contracts	788,559.05
Other income	253,084.77
Total income	46,541,162.08

#### **Expenses**

Management fees	8,205,871.50
Depository fees	376,749.27
Banking charges and other fees	13,459.80
Transaction fees	64,234.83
Central administration costs	857,093.81
Professional fees	160,466.60
Other administration costs	374,887.25
Subscription duty ("taxe d'abonnement")	443,000.87
Bank interest paid	147,703.15
Interest paid on swaps contracts	1,040,736.13
Other expenses	240,131.21
Total expenses	11,924,334.42

Net investment income	34,616,827.66
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#### **Net realised gain/(loss)**

- on securities portfolio	3,285,801.83
- on futures contracts	-288,629.69
- on forward foreign exchange contracts	7,092,053.23
- on foreign exchange	-881,512.28

Realised result	43,824,540.75
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#### **Net variation of the unrealised gain/(loss)**

- on securities portfolio	58,100,198.10
- on swaps contracts	986,328.05
- on forward foreign exchange contracts	-14,866,986.01

Result of operations	88,044,080.89
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Subscriptions	1,102,801,799.56
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Redemptions	-293,802,571.42
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Total changes in net assets	897,043,309.03
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Total net assets at the beginning of the year	604,442,262.42
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Total net assets at the end of the year	1,501,485,571.45
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The accompanying notes are an integral part of these financial statements.



# PARETO SICAV - PARETO GLOBAL CORPORATE BOND

## Statistical information (in SEK)

as at 31st December 2016

### Total net assets

- as at 31.12.2016	1,501,485,571.45
- as at 31.12.2015	604,442,262.42

### Number of Class A Shares

- outstanding at the beginning of the year	2,301,836.9585
- issued	3,191,763.3654
- redeemed	-617,519.5162
- outstanding at the end of the year	4,876,080.8077

### Net asset value per Class A Share

- as at 31.12.2016	104.1806
- as at 31.12.2015	98.9767

### Number of Class A EUR Shares

- outstanding at the beginning of the year	9,166.5607
- issued	1,866.8769
- redeemed	-6,536.0000
- outstanding at the end of the year	4,497.4376

### Net asset value per Class A EUR Share

- as at 31.12.2016	EUR 105.2575
- as at 31.12.2015	EUR 99.9241

### Number of Class B Shares

- outstanding at the beginning of the year	347,756.7687
- issued	620,073.5358
- redeemed	-395,970.3764
- outstanding at the end of the year	571,859.9281

### Net asset value per Class B Share

- as at 31.12.2016	105.0931
- as at 31.12.2015	99.3972

### Number of Class C Shares

- outstanding at the beginning of the year	2,780,394.7710
- issued	4,297,038.0707
- redeemed	-1,040,961.5315
- outstanding at the end of the year	6,036,471.3102

### Net asset value per Class C Share

- as at 31.12.2016	NOK 106.6667
- as at 31.12.2015	NOK 99.9838

### Number of Class D Shares

- outstanding at the beginning of the year	721,831.6159
- issued	273,813.7790
- redeemed	-692,961.8347
- outstanding at the end of the year	302,683.5602

### Net asset value per Class D Share

- as at 31.12.2016	NOK 107.6042
- as at 31.12.2015	NOK 100.4415

The accompanying notes are an integral part of these financial statements.

## PARETO SICAV - PARETO GLOBAL CORPORATE BOND

### Statistical information (in SEK) (continued)

as at 31st December 2016

#### Number of Class I NOK Shares

- outstanding at the beginning of the year

0.0000

- issued

1,996,724.7624

- redeemed

0.0000

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- outstanding at the end of the year

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1,996,724.7624

#### Net asset value per Class I NOK Share

- as at 31.12.2016

NOK 101.6658

- as at 31.12.2015

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The accompanying notes are an integral part of these financial statements.

# PARETO SICAV - PARETO GLOBAL CORPORATE BOND

## Statement of investments and other net assets (in SEK)

as at 31st December 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing</u></b>					
<b>Bonds</b>					
DKK	20,000,000	Danske Bank A/ S FRN EMTN Sub Conv 16/ 23.02.Perpetual	26,432,243.74	25,917,993.41	1.73
DKK	36,000,000	Global Connect AS 5.7% 13/ 15.05.20	47,389,685.33	48,712,288.36	3.24
DKK	15,000,000	Scan Bidco AS 6.8% Sen 16/ 27.06.22	19,686,396.71	19,438,495.05	1.29
			93,508,325.78	94,068,776.82	6.26
EUR	1,000,000	Bayer AG VAR Reg S Sub 15/ 02.04.75	8,875,968.29	9,164,700.94	0.61
EUR	2,000,000	Belden Inc 4.125% Reg S Sub Sen 16/ 15.10.26	19,207,986.67	19,340,862.40	1.29
EUR	5,087,000	Cerba HealthCare 7% Reg S 13/ 01.02.20	51,422,976.95	50,168,256.60	3.34
EUR	3,000,000	Crown European Hgs SA 2.625% Reg S Sen 16/ 30.09.24	28,659,519.17	28,271,610.96	1.88
EUR	900,000	Danske Bank A/ S VAR Sub 06.10/ Perpetual	8,625,006.81	8,975,904.24	0.60
EUR	1,200,000	Darling Global Fin BV 4.75% Reg S Sen 15/ 30.05.22	11,964,648.79	12,226,523.95	0.81
EUR	1,200,000	EC Finance Plc 5.125% Reg S 14/ 15.07.21	11,736,917.55	12,027,300.08	0.80
EUR	2,100,000	Eurofins Scientific SA 3.375% Reg S Sen 15/ 30.01.23	21,444,666.86	20,809,877.19	1.39
EUR	1,000,000	Europcar Group SA 5.75% Reg S Sen 15/ 15.06.22	9,684,830.12	10,161,970.90	0.68
EUR	2,600,024	Forchem Oy 4.9% Sk Sen 15/ 02.07.20	24,852,153.38	25,490,497.64	1.70
EUR	500,000	IHO Verwaltungs GmbH VAR TOG PIK Reg S 16/ 15.09.21	4,750,412.63	4,945,312.25	0.33
EUR	2,000,000	Islandsbanki HF 1.75% Reg S Sen 16/ 07.09.20	19,040,503.40	19,634,549.34	1.31
EUR	2,414,308	Kotkamills Group Oyj 8.25% Sen 15/ 13.03.20	23,239,016.39	23,206,769.86	1.55
EUR	2,000,000	Lecta SA 6.5% Reg S Sen 16/ 01.08.23	19,176,227.86	19,715,761.50	1.31
EUR	1,000,000	LKQ Italia Bondco SpA 3.875% Reg S Sen 16/ 01.04.24	9,279,384.57	10,229,951.33	0.68
EUR	3,000,000	Nexans SA 3.25% Sen 16/ 26.05.21	28,478,755.12	30,278,663.50	2.02
EUR	1,000,000	NH Hotel Group SA 3.75% Reg S Sen 16/ 01.10.23	9,592,314.57	9,926,484.41	0.66
EUR	2,450,000	Ovako Group AB 6.5% EMTN Reg S 14/ 01.06.19	22,849,453.77	21,938,944.33	1.46
EUR	2,000,000	Perstorp Holding AB 7.625% Reg S Sen 16/ 30.06.21	19,710,493.96	19,468,865.03	1.30
EUR	4,320,000	Synlab Bondco Plc FRN Reg S Sen 16/ 01.07.22	42,880,837.08	41,805,257.54	2.78
EUR	3,000,000	Thomas Cook Group Plc 6.25% Reg S Sen 16/ 15.06.22	29,419,843.14	30,322,529.57	2.02
EUR	3,000,000	Trinity Acquisition PLC 2.125% Sen 16/ 26.05.22	28,634,431.17	29,503,888.00	1.97
EUR	2,000,000	Volvo Car AB 3.25% Reg S Sen 16/ 18.05.21	19,149,516.21	20,692,320.92	1.38
EUR	3,350,000	Volvo Treasury AB VAR Sub 14/ 10.06.75	32,876,136.82	33,462,666.69	2.23
			505,552,001.28	511,769,469.17	34.10
GBP	2,000,000	New Look Secured Issuer Plc 6.5% Reg S 15/ 01.07.22	25,454,481.27	21,522,806.60	1.43
NOK	25,000,000	Arion Bank FRN EMTN Reg S Sen 15/ 07.07.20	27,139,353.61	27,592,355.60	1.84
NOK	9,000,000	Islandsbanki HF FRN Reg S 15/ 16.10.18	9,117,548.80	9,766,901.75	0.65
			36,256,902.41	37,359,257.35	2.49
SEK	19,000,000	Diamorph AB 7% 14/ 05.09.19	20,307,421.05	20,140,000.00	1.34
SEK	18,000,000	Jyske Bank AS FRN Sub Reg S 16/ 16.12.Perpetual	18,000,000.00	18,648,360.00	1.24
SEK	12,000,000	NorCell Sweden Holding 3 AB 3.5% Sen 16/ 25.02.22	11,935,320.00	11,963,460.00	0.80
SEK	8,000,000	Prime Living AB FRN Sen 16/ 29.09.20	8,000,000.00	8,080,000.00	0.54
SEK	30,000,000	Volvo Car AB 2.5% Reg S Sen 16/ 07.03.22	29,895,600.00	30,055,950.00	2.00
			88,138,341.05	88,887,770.00	5.92
USD	1,250,000	Allegion Plc 5.875% Sen 15/ 15.09.23	11,870,183.95	12,046,635.00	0.80
USD	500,000	Ball Corp 4.375% Sen 15/ 15.12.20	4,349,100.00	4,779,400.15	0.32
USD	2,000,000	Brixmor Operating Partner LP 3.25% Sen 16/ 15.09.23	16,851,793.48	17,700,098.07	1.18
USD	3,000,000	Demeter Investments BV VAR Reg S Sub 15/ 15.08.50	27,020,863.56	27,432,506.31	1.83
USD	2,000,000	Healthsouth Corp 5.125% Sen 15/ 15.03.23	17,411,891.87	18,237,968.96	1.22
USD	2,000,000	Healthsouth Corp 5.75% Sen 12/ 01.11.24	18,475,627.05	18,492,812.12	1.23
USD	4,000,000	Icelandair Group HF FRN Sen 16/ 26.10.21	35,288,000.06	36,549,036.00	2.43
USD	5,000,000	JPMorgan Chase & Co FRN MTN Sen 16/ 24.10.23	45,145,866.10	46,413,411.70	3.09
USD	2,500,000	L Brands Inc 5.625% Sen 12/ 15.02.22	23,165,476.78	24,393,185.75	1.62
USD	5,025,000	Nasdaq Inc 5.55% Sen 10/ 15.01.20	47,573,620.41	49,415,438.79	3.29
USD	2,000,000	Prudential Plc 4.375% EMTN Reg S Sub 16/ 20.10.Perpetual	16,937,599.95	16,764,915.52	1.12
USD	1,000,000	PTC Inc 6% Sen 16/ 15.05.24	8,068,900.01	9,624,261.27	0.64

The accompanying notes are an integral part of these financial statements.

# PARETO SICAV - PARETO GLOBAL CORPORATE BOND

## Statement of investments and other net assets (in SEK) (continued)

as at 31st December 2016

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	4,700,000	Scan Bidco AS 7.7% EMTN Sen 16/ 27.06.22	39,054,271.94	42,945,117.30	2.86
USD	1,000,000	Sinclair Television Group Inc 5.125% Reg S Sen 16/ 15.02.27	8,475,040.00	8,614,480.50	0.57
USD	1,000,000	Skandinaviska Enskilda Bk AB VAR MTN Sub 14/ 13.05.Perpetual	8,565,925.47	9,103,937.55	0.61
USD	3,000,000	Swedbank AB VAR Reg S Sub 16/ 17.03.Perpetual	27,603,299.87	27,482,147.53	1.83
USD	2,800,000	Teekay Corp 8.5% Sen 10/ 15.01.20	24,099,984.52	24,184,188.00	1.61
USD	5,000,000	Vulcan Materials Co 4.5% Sen 15/ 01.04.25	45,625,137.39	47,941,743.29	3.19
			425,582,582.41	442,121,283.81	29.44
<b>Total bonds</b>			1,174,492,634.20	1,195,729,363.75	79.64
<b><u>Transferable securities dealt in on another regulated market</u></b>					
<b>Bonds</b>					
EUR	2,000,000	Grupo Antolin Dutch BV 5.125% Sen 15/ 30.06.22	18,600,836.45	20,712,743.81	1.38
USD	250,000	Boise Cascade Co 5.625% Reg S 16/ 01.09.24	2,105,600.00	2,265,631.10	0.15
USD	2,000,000	Fidelity Natl Inform Serv Inc 2.25% Sen 16/ 15.08.21	16,836,042.59	17,733,464.98	1.18
USD	1,538,000	Hertz Corp 6.75% Sen 11/ 15.04.19	13,997,763.75	14,069,674.42	0.94
USD	1,000,000	Lennar Corp 4.5% Sen 14/ 15.11.19	8,470,609.88	9,457,381.28	0.63
USD	3,000,000	Lennar Corp 4.75% Ser B 13/ 15.11.22	27,036,317.54	28,095,844.03	1.87
USD	1,000,000	MDC Partners Inc 6.5% Reg S Sen Sub 16/ 01.05.24	8,213,200.02	8,205,349.50	0.55
USD	1,000,000	Nielsen Finance LLC/ Co 5% Ser 144A 14/ 15.04.22	8,593,888.04	9,330,459.75	0.62
USD	3,000,000	Unitymedia NRW GmbH 5% Ser 144A 14/ 15.01.25	25,554,812.26	27,293,810.90	1.82
USD	1,000,000	UPM-Kymmene Corp 7.45% Reg S Sen 97/ 26.11.27	9,592,874.58	11,319,291.00	0.75
USD	1,000,000	Virgin Media Secured Fin Plc 5.5% Reg S Sen 16/ 15.08.26	8,079,600.03	9,087,208.64	0.61
USD	1,000,000	Wolverine World Wide Inc 5% Reg S 16/ 01.09.26	8,421,749.99	8,773,132.41	0.58
USD	1,000,000	Wolverine World Wide Inc 5% Ser 144A 16/ 01.09.26	8,474,385.93	8,750,857.50	0.58
			145,376,844.61	154,382,105.51	10.28
<b>Total bonds</b>			163,977,681.06	175,094,849.32	11.66
<b><u>Other transferable securities</u></b>					
<b>Bonds</b>					
SEK	38,745,047.17	Bergvik Skog AB 8.5% MTN Sub 04/ 24.03.34	46,982,108.52	45,713,343.90	3.04
<b>Total bonds</b>			46,982,108.52	45,713,343.90	3.04
Total investments in securities			1,385,452,423.78	1,416,537,556.97	94.34
Cash at banks				77,357,389.80	5.15
Other net assets/ (liabilities)				7,590,624.68	0.51
<b>Total</b>				1,501,485,571.45	100.00

The accompanying notes are an integral part of these financial statements.

## PARETO SICAV - PARETO GLOBAL CORPORATE BOND

### Industrial and geographical classification of investments as at 31st December 2016

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#### Industrial classification

(in percentage of net assets)

Raw materials	17.99 %
Banks	12.90 %
Diversified financial services	10.78 %
Transportation	5.77 %
Automobiles and components	5.77 %
Health care equipment and services	5.23 %
Software and services	5.06 %
Capital goods	4.52 %
Pharmaceuticals and biotechnology	3.95 %
Technology hardware and equipment	3.11 %
Insurance	3.09 %
Consumer durables and apparel	2.78 %
Hotels, restaurants and leisure	2.68 %
Commercial services and supplies	2.19 %
Special Purpose Vehicle (SPV)	1.83 %
Real estate	1.72 %
Energy	1.61 %
Retailing	1.43 %
Media	1.12 %
Food and beverage	0.81 %
Total	<u>94.34 %</u>

## PARETO SICAV - PARETO GLOBAL CORPORATE BOND

### Industrial and geographical classification of investments (continued) as at 31st December 2016

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#### Geographical classification

(by domicile of the issuer)  
(in percentage of net assets)

United States of America	24.99 %
Sweden	16.53 %
Denmark	10.96 %
United Kingdom	10.73 %
France	7.92 %
Iceland	6.23 %
The Netherlands	4.02 %
Finland	4.00 %
Germany	2.76 %
Luxembourg	2.70 %
Bahamas	1.61 %
Italy	0.68 %
Spain	0.66 %
Canada	0.55 %
Total	<u>94.34 %</u>

**Note 1 - Significant accounting policies**

a) Presentation of the financial statements

The financial statements of the Fund are established in accordance with the Luxembourg legal and regulatory requirements concerning Undertakings for Collective Investment.

b) Valuation

- i. Securities and/ or financial derivative instruments listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued at the last available price; in the event that there should be several such markets, on the basis of the last available price of the main market for the relevant security. Should the last available price for a given security not truly reflect its fair market value, then that security shall be valued on the basis of the probable sales prices which the Board of Directors of the Fund deems is prudent to assume. Securities in PARETO SICAV - PARETO NORDIC CORPORATE BOND and PARETO SICAV - PARETO GLOBAL CORPORATE BOND are valued based on the Mid Price;
- ii. Securities and/ or financial derivative instruments not listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued on the basis of their last available price. Should the last available price for a given security not truly reflect its fair market value, then that security will be valued by the Board of Directors of the Fund on the basis of the probable sales price which the Board of Directors of the Fund deems is prudent to assume;
- iii. Swaps contracts are valued on a marked-to-market basis. Unrealised gains and losses are recorded in the statement of net assets. Net variation of the unrealised gain/ (loss) and realised gain/ (loss) are recorded in the statement of operations and other changes in net assets;
- iv. Liquid assets and money market instruments are valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, are valued in the same manner. Short-term investments that have a remaining maturity of one year or less are valued (i) at market value, or (ii) where market value is not available or not representative, at amortised cost;
- v. The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid, and not yet received is deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof is determined after making such discount as the Board of Directors of the Fund may consider appropriate in such case to reflect the true value thereof.

c) Net realised gain/ (loss) on sales of securities

The realised gains and losses on sales of securities are calculated on the basis of the average acquisition cost.

d) Cost of securities

The acquisition cost of a security denominated in a currency other than that of the Sub-Fund is converted to the Sub-Fund's currency at the exchange rate prevailing on the date of purchase.

**Notes to the financial statements (continued)**

as at 31st December 2016

e) Exchange translation

Bank balances, other assets and liabilities and the value of securities held that are denominated in other currencies than the Sub-Fund's currency are converted at the prevailing exchange rate of the closing day. Income and expenses incurred in currencies other than the Sub-Fund's currency are converted at the prevailing exchange rate of the day of each transaction. Exchange gains and losses are recorded in the statement of operations and other changes in net assets.

At the date of the financial statements, the prevailing exchange rates on the closing day were as follows:

1	NOK	=	0.8190816	DKK	Danish Krona
			0.1101526	EUR	Euro
			0.0940204	GBP	Pound Sterling
			1.0561667	SEK	Swedish Krona
			0.1161670	USD	US Dollar
1	SEK	=	0.7755230	DKK	Danish Krona
			0.1042947	EUR	Euro
			0.0890205	GBP	Pound Sterling
			0.9468202	NOK	Norwegian Krona
			0.1099892	USD	US Dollar

f) Combined financial statements

The combined financial statements of the Fund are expressed in EUR and are equal to the sum of the corresponding captions in the financial statements of each Sub-Fund converted into this currency at the exchange rates prevailing at the date of the financial statements.

At the date of the financial statements, the exchange rates used for the combined statements are the following:

1	EUR	=	9.0783132	NOK	Norwegian Krona
			9.5882123	SEK	Swedish Krona

g) Foreign exchange difference

For each Sub-Fund, the Net Asset Value at the beginning of the year is translated into EUR using the exchange rates applicable as at 31st December 2015. Foreign exchange difference between the Net Asset Value at the beginning of the year translated using the exchange rates applicable as at 31st December 2015 and the exchange rates applicable as at 31st December 2016 are presented under the caption "Foreign exchange difference" in the statement of operations and other changes in net assets.

h) Formation expenses

Expenses incurred in connection with the establishment of the Fund and the creation of the Sub-Funds may be amortised on a straight line basis over a period of five years.

Formation expenses are included in the caption "Other expenses" in the statement of operations and other changes in net assets.



**Notes to the financial statements (continued)**

as at 31st December 2016

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i) Investment income

Interest income is accrued on a pro rata temporis basis, net of any withholding tax.

j) Other liquid assets and other liquid liabilities

The captions "Other liquid assets" and "Other liquid liabilities" are mainly composed of cash accounts held at brokers.

k) Transaction fees

Transaction costs disclosed under the caption "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of broker fees incurred by the Fund, of fees relating to liquidation of transactions paid to the depositary and of transaction fees on financial and on derivatives instruments.

l) Forward foreign exchange contracts

Forward foreign exchange contracts are valued at forward rates for the remaining period from valuation day to the maturity of the contracts. Net unrealised gain or losses are recorded in the statements of net assets. Net variation of unrealised gains or losses and net realised gains or losses are recorded in the statement of operations and other changes in net assets.

m) Futures contracts

Futures contracts are posted off-balance sheet and are valued at the last available price applicable to the asset. Unrealised gain/ (loss) is recorded in the statement of net assets. Net variation of the unrealised gain/ (loss) and net realised gain/ (loss) are recorded in the statement of operations and other changes in net assets.

n) Receivable / Payable on treasury transactions

The caption "Receivable on treasury transactions" comprises foreign exchange transactions not yet recorded under the item "Cash at banks".

The caption "Payable on treasury transactions" comprises foreign exchange transactions not yet recorded under the caption "Cash at banks".

At the level of the Sub-Fund, "Receivable and payable on treasury transactions" are disclosed net in the statement of net assets.

**Note 2 - Subscription, redemption and conversion fees**

A sales commission of up to 3% of the Net Asset Value may be levied for the benefit of financial intermediaries. The Subscription Charge is to be considered as a maximum rate and reverts to the financial intermediaries including the Global Distributor.

A charge not exceeding 0.50% may be applied to redemptions of Shares. This Redemption Charge is to be considered as a maximum rate and, as the case may be, is allocated at the Management Company's discretion between the relevant Sub-Fund or financial intermediaries including the Global Distributor.

No conversion charge will be levied on conversions.

**Notes to the financial statements (continued)**

as at 31st December 2016

**Note 3 - Management fees**

The Management Company receives a maximum fee of 0.08% per annum calculated on the Net Asset Value of the Sub-Funds on each Valuation Day for the provision of its services and with a minimum of EUR 25,000 per annum per Sub-Fund.

**Note 4 - Investment management fees**

The different Sub-Funds and Classes incur an annual investment management fee payable to the Investment Manager. The investment management fee is expressed as a percentage of the Net Asset Value.

The investment management fees are accrued daily on the basis of the total net assets and are payable quarterly to the Investment Manager as follows:

<b>Sub-Funds</b>	<b>PARETO SICAV - PARETO NORDIC CORPORATE BOND</b>	<b>PARETO SICAV - PARETO GLOBAL CORPORATE BOND</b>
A Shares	1.00% p.a.	1.00% p.a.
A EUR Shares	-	1.00% p.a.
B Shares	0.55% p.a.	0.55% p.a.
C Shares	1.00% p.a.	1.00% p.a.
D Shares	-	0.55% p.a.
I GBP Shares	0.40% p.a.	-
I NOK Shares	-	0.40% p.a.

All Share Classes in the Sub-Funds PARETO SICAV - PARETO NORDIC CORPORATE BOND and PARETO SICAV - PARETO GLOBAL CORPORATE BOND shall have a maximum rate in relation to on-going charges of investment management fees + 30 bps + tax.

Any excess costs shall be taken from the investment management fees, which is Pareto Asset Management's income for the investment management functions of the Sub-Funds and are disclosed under the caption "other income" in the statement of operations and other changes in net assets.

The investment management fees and the management fees are recorded under the caption "Management fees" in the statement of operations and other changes in net assets.

**Note 5 - Central Administration cost**

For both Sub-Funds a maximum fee of 0.04% per annum calculated on the Net Asset Value of the Sub-Funds on each Valuation Day for the provision of its services and with a fixed fee of EUR 35,000 per annum plus a maximum of EUR 3,700 per Share Class is paid to the Management Company, out of the net assets of the Sub-Funds, for the services of Administrator, Registrar and Transfer and Domiciliary Agent.

This administration fee is calculated on the basis of the total net assets of the Sub-Fund and is payable monthly.

## PARETO SICAV

### Notes to the financial statements (continued)

as at 31st December 2016

#### Note 6 - Depositary fees

The Depositary receives a depositary fee determined as an annual percentage calculated per market on a monthly basis based on the Sub-Fund's assets and paid monthly in arrears. The Depositary further receives a supervisory fee of 0.03% p.a. based on the Sub-Fund's assets.

#### Note 7 - Other expenses

The caption "Other expenses" in the statement of operations and other changes in net assets contains mainly director's fees, formation expenses and insurance costs.

#### Note 8 - Subscription duty ("taxe d'abonnement")

The Fund is governed by Luxembourg law.

Pursuant to the legislation and regulations which are prevailing, the Fund is subject to an annual subscription duty ("taxe d'abonnement") of 0.05% which is payable quarterly and calculated on the basis of the net assets of each Sub-Fund on the last day of each quarter. A reduced rate of 0.01% per annum is applicable to Classes of Shares which are exclusively held by Institutional Investors.

According to Article 175 (a) of the amended Law of 17th December 2010, the net assets invested in Undertakings for Collective Investment already subject to the "taxe d'abonnement" are exempt from this tax.

#### Note 9 - Forward foreign exchange contracts

As at 31st December 2016, the following Sub-Funds were committed in the following forward foreign exchange contracts:

##### **PARETO SICAV - PARETO NORDIC CORPORATE BOND**

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in NOK)
<b>Forward foreign exchange contracts (Nordea Bank Finland Plc, Helsinki)</b>					
NOK	43,591,757.00	DKK	35,530,000.00	15.02.2017	123,892.45
NOK	1,267,552.00	DKK	1,040,000.00	15.02.2017	-4,797.54
NOK	9,948,757.00	EUR	1,090,000.00	15.02.2017	34,991.15
NOK	119,890,488.00	SEK	128,280,000.00	15.02.2017	-1,854,260.68
NOK	7,422,400.00	SEK	8,000,000.00	15.02.2017	-170,038.33
NOK	53,011,635.00	USD	6,185,000.00	15.02.2017	-212,443.32
SEK	2,000,000.00	NOK	1,901,800.00	15.02.2017	-3,690.42
					<u>-2,086,346.69</u>
<b>Forward foreign exchange contracts linked to Class C Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)</b>					
NOK	26,292.78	SEK	27,808.56	17.01.2017	-60.48
SEK	2,348,409.00	NOK	2,164,232.79	17.01.2017	61,226.69
SEK	9,721.00	NOK	9,236.10	17.01.2017	-23.79
SEK	800.00	NOK	752.27	17.01.2017	5.86
					<u>61,148.28</u>
<b>Forward foreign exchange contracts linked to Class I GBP Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)</b>					
GBP	12,425,698.00	NOK	132,764,234.14	17.01.2017	-571,610.34
NOK	157,808.70	GBP	14,693.00	17.01.2017	1,495.05
					<u>-570,115.29</u>

# PARETO SICAV

## Notes to the financial statements (continued)

as at 31st December 2016

### PARETO SICAV - PARETO GLOBAL CORPORATE BOND

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in SEK)
<b>Forward foreign exchange contracts (Skandinaviska Enskilda Banken S.A., Luxembourg)</b>					
EUR	3,120,000.00	SEK	30,546,725.04	17.01.2017	-637,571.33
EUR	1,600,000.00	SEK	15,622,585.60	17.01.2017	-284,558.06
EUR	1,000,000.00	SEK	9,694,617.00	17.01.2017	-108,349.79
SEK	1,343,120.00	DKK	1,030,000.00	17.01.2017	15,089.87
SEK	26,382,360.00	DKK	20,000,000.00	17.01.2017	595,367.13
SEK	48,140,293.00	DKK	37,000,000.00	17.01.2017	434,356.19
SEK	148,012.37	EUR	15,000.00	17.01.2017	4,218.36
SEK	1,974,981.00	EUR	200,000.00	17.01.2017	57,727.56
SEK	4,195,161.50	EUR	432,000.00	17.01.2017	53,894.06
SEK	21,307,163.04	EUR	2,180,000.00	17.01.2017	409,100.51
SEK	329,154,918.00	EUR	34,000,000.00	17.01.2017	3,221,832.72
SEK	9,860,443.00	EUR	1,000,000.00	17.01.2017	274,175.79
SEK	8,763,030.00	EUR	900,000.00	17.01.2017	135,389.51
SEK	36,540,540.00	EUR	3,750,000.00	17.01.2017	592,037.95
SEK	24,509,772.50	EUR	2,500,000.00	17.01.2017	544,104.46
SEK	5,175,454.24	EUR	530,000.00	17.01.2017	94,732.62
SEK	4,101,902.33	EUR	415,000.00	17.01.2017	123,601.44
SEK	9,854,974.00	EUR	1,010,000.00	17.01.2017	172,844.11
SEK	19,678,160.00	EUR	2,000,000.00	17.01.2017	505,625.57
SEK	11,449,289.21	NOK	10,510,000.00	17.01.2017	358,918.81
SEK	25,612,824.00	NOK	24,000,000.00	17.01.2017	287,525.28
SEK	2,028,054.30	NOK	1,900,000.00	17.01.2017	23,134.82
SEK	9,929,160.50	USD	1,085,000.00	17.01.2017	75,136.29
SEK	23,195,400.00	GBP	2,000,000.00	15.02.2017	763,853.22
SEK	494,279,829.00	USD	54,090,000.00	15.02.2017	3,830,257.31
SEK	19,894,008.30	USD	2,130,000.00	15.02.2017	580,686.29
SEK	4,200,075.00	USD	450,000.00	15.02.2017	119,795.70
SEK	65,533,580.00	USD	7,175,000.00	15.02.2017	475,793.41
USD	2,100,000.00	SEK	19,404,000.00	15.02.2017	-362,696.61
					<b>12,356,023.19</b>
<b>Forward foreign exchange contracts (Nordea Bank Finland Plc, Helsinki)</b>					
SEK	19,987,109.28	DKK	15,200,000.00	17.01.2017	389,025.70
SEK	15,220,882.16	EUR	1,570,000.00	17.01.2017	170,442.63
SEK	10,027,179.87	EUR	1,020,000.00	17.01.2017	249,187.31
SEK	27,407,762.10	USD	3,000,000.00	15.02.2017	205,900.11
					<b>1,014,555.75</b>
<b>Forward foreign exchange contracts linked to Class C Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)</b>					
NOK	2,667,965.00	SEK	2,883,002.98	17.01.2017	-67,710.87
NOK	1,635,409.00	SEK	1,774,582.31	17.01.2017	-48,864.75
NOK	1,435,128.00	SEK	1,513,198.96	17.01.2017	1,177.93
NOK	1,013,054.33	SEK	1,068,671.01	17.01.2017	324.97
NOK	1,992,056.00	SEK	2,143,452.26	17.01.2017	-41,393.37
NOK	626,102,781.00	SEK	679,384,127.66	17.01.2017	-18,707,462.67
NOK	3,943,271.00	SEK	4,248,480.18	17.01.2017	-87,458.68
NOK	1,730,000.00	SEK	1,821,171.00	17.01.2017	4,360.95
NOK	7,068,998.12	SEK	7,476,525.86	17.01.2017	-17,172.15
NOK	369,354.00	SEK	399,419.42	17.01.2017	-9,669.40
SEK	474,906.07	NOK	440,789.00	17.01.2017	9,776.36
SEK	1,148,950.20	NOK	1,087,918.00	17.01.2017	956.52
SEK	3,042,470.90	NOK	2,821,544.00	17.01.2017	65,119.04
SEK	654,899.79	NOK	606,052.00	17.01.2017	15,381.13
SEK	1,084,396.56	NOK	1,002,771.00	17.01.2017	26,251.76
SEK	164,795.19	NOK	156,575.00	17.01.2017	-426.00
SEK	154,057.34	NOK	144,852.00	17.01.2017	1,206.50
SEK	1,452,433.48	NOK	1,338,525.00	17.01.2017	39,994.09
					<b>-18,815,608.64</b>

## PARETO SICAV

### Notes to the financial statements (continued)

as at 31st December 2016

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in SEK)
<b>Forward foreign exchange contracts linked to Class D Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)</b>					
NOK	740,425.00	SEK	781,962.84	17.01.2017	-650.99
NOK	449,000.00	SEK	477,533.95	17.01.2017	-3,739.82
NOK	199,000.00	SEK	214,124.00	17.01.2017	-4,135.06
NOK	69,933,501.00	SEK	75,884,841.94	17.01.2017	-2,089,558.46
NOK	381,200.00	SEK	412,229.68	17.01.2017	-9,979.52
NOK	1,761,358.00	SEK	1,897,687.11	17.01.2017	-39,065.55
SEK	3,144,783.47	NOK	2,973,368.76	17.01.2017	7,222.97
SEK	40,959,077.30	NOK	38,016,593.00	17.01.2017	843,178.38
					<u>-1,296,728.05</u>
<b>Forward foreign exchange contracts linked to Class A EUR Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)</b>					
EUR	938,263.00	SEK	9,130,706.38	17.01.2017	-136,266.54
SEK	4,558,888.20	EUR	467,171.00	17.01.2017	80,462.16
					<u>-55,804.38</u>
<b>Forward foreign exchange contracts linked to Class I NOK Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)</b>					
NOK	201,777,529.00	SEK	218,948,796.72	17.01.2017	-6,028,955.16
					<u>-6,028,955.16</u>

### Note 10 - Swaps contracts

As at 31st December 2016, the following Sub-Fund was committed in the following cross currency interest rate swaps contracts with Skandinaviska Enskilda Banken AB (publ) in Stockholm:

#### PARETO SICAV - PARETO GLOBAL CORPORATE BOND

Interest receivable	Currency	Receivable amount	Interest payable	Currency	Payable amount	Maturity	Notional value (in SEK)	Unrealised result (in SEK)
SEK-STIBOR-SIDE+3.78%	SEK	9,350,000.00	3.250%	EUR	1,000,000.00	18.05.21	9,588,212.28	-199,238.13
SEK-STIBOR-SIDE+3.82%	SEK	9,420,000.00	3.250%	EUR	1,000,000.00	18.05.21	9,588,212.28	-99,847.50
SEK-STIBOR-SIDE+5.49%	SEK	9,550,000.00	4.750%	EUR	1,000,000.00	30.05.22	9,588,212.28	188,151.13
SEK-STIBOR-SIDE+4.5715%	SEK	19,240,000.00	4.125%	EUR	2,000,000.00	15.10.21	19,176,424.56	196,761.96
SEK-STIBOR-SIDE+2.91%	SEK	29,175,000.00	2.625%	EUR	3,000,000.00	30.09.24	28,764,636.84	900,500.59
							<u>76,705,698.24</u>	<u>986,328.05</u>

### Note 11 - Pledged assets

At the date of the financial statements, the following Sub-Funds have pledged assets as described below:

-PARETO SICAV - PARETO NORDIC CORPORATE BOND holds cash pledged as collateral at Nordea Bank Finland Plc, Helsinki for an amount of NOK 3,090,000.00

-PARETO SICAV - PARETO GLOBAL CORPORATE BOND holds cash pledged as collateral at Skandinaviska Enskilda Banken AB (publ) in Stockholm for an amount of SEK 11,829,067.28.

## **PARETO SICAV**

### **Notes to the financial statements (continued)**

as at 31st December 2016

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Those amounts serve as collateral for commitment on forward foreign exchange contracts and swaps contracts.

#### **Note 12 - Changes in the investment portfolio**

The statement of changes in the investment portfolio for the period covered by the report is available free of charge upon request from the registered office of the Fund.

#### **Note 13 - Subsequent events**

At the date of the financial statements, the Sub-Fund PARETO SICAV - PARETO EQUITY NORWAY (liquidated on 21st December 2015) still holds a bank account amounting to EUR -75.14, which was closed on 9th February 2017 by SEB Fund Services S.A..

The Board of Directors of PARETO NORDIC UCITS PLC decided to merge the Sub-Fund PARETO NORDIC ALPHA into PARETO SICAV - PARETO NORDIC ALPHA, a newly created Sub-Fund within the Fund, in 2017.

**Additional Information (unaudited)**

as at 31st December 2016

**1 - Risk management**

As required by Circular CSSF 11/ 512, the Board of Directors of the Fund needs to determine the global risk exposure of the Fund either by applying the commitment approach or the Value at risk ("VaR") approach. The Board of Directors of the Fund decided to adopt the commitment approach as a method of determining the global exposure.

**2 - Remuneration disclosure**

SEB Fund Services S.A. (SEB) has implemented a Remuneration policy that is designed to encourage good performance and behaviour, and seeks to achieve a balanced risk-taking that goes in line with unitholders' expectations.

In SEB, there is clear distinction between the criteria for setting fixed remuneration (e.g. base pay, pension and other benefits) and variable remuneration (e.g. short- and long-term variable remuneration). The individual total remuneration corresponds to requirements on task complexity, management and functional accountability and also related to the individual's performance.

SEB provides a sound balance between fixed and variable remuneration and aligns the pay out horizon of variable pay with the risk horizon. This implies that certain maximum levels and deferral arrangements apply for different categories of employees.

The amount below represents the proportion of the total remuneration on calendar year 2016 and adjusted according to the number of full time employees during the year 2016 and identified staff (i.e. the aggregate amount of remuneration broken down by senior management and members of staff of the Management Company/ AIFM whose actions have a material impact on the risk profile of the funds). This amount is further proportioned to the total net asset value of each fund, taking into account UCITS and non-UCITS.

	TNA as of 31st December 2016*	% of total TNA managed by Management Company/ AIFM	Fixed Remuneration *		Variable Remuneration *		Number of beneficiaries (Average Full Time Equivalent)
			All Employees	Identified Staff	All Employees	Identified Staff	All Employees
PARETO SICAV	244,065,194.96	3.36	44,996.80	17,003.52	1,665.91	784.67	14.18

\* All amounts are in euro

Fixed Remuneration (incl. fixed salary, allowances, pension)

Variable Remuneration (incl. "short term incentives and long term incentives")

**3 - Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter "SFTR")**

At the date of the financial statements, the Fund is currently not in the scope of the publication requirements of SFTR. No corresponding transactions were carried out during the period referring to the financial statements.

