

Annual report including audited financial statements as at 31st December 2018

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 these financial statements is the latest valid sales prospectus with its terms of contract. Subscriptions are only valid if made on the basis of the current prospectus accompanied by the Key Investor Information Document ("KIID"), the latest annual report, including audited financial statements, and the most recent unaudited semi-annual report, if published thereafter.

PARETO SICAV

Information to the German Investors

Shares in circulation

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

- **PARETO SICAV - PARETO NORDIC ALPHA**

PARETO SICAV

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PARETO SICAV

Organisation

Registered Office

H2O building
33, rue de Gasperich
L-5826 Hesperange
(since 22nd December 2018)

4, rue Peternelchen
L-2370 Howald
(until 21st December 2018)

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 (since 22nd December 2018)

FundRock Management Company S.A.
H2O building
33, rue de Gasperich
L-5826 Hesperange

Board of Directors of the Management Company

Chairman
Michel Marcel VAREIKA
Independent Non-Executive Director
Luxembourg

Directors
Romain DENIS
Executive Director - IT Projects, Data Management &
Strategic Projects
FundRock Management Company S.A., Luxembourg

Eric MAY
Non-Executive Director
Founding Partner
BlackFin Capital Partners, Paris

Tracey MC DERMOTT
Independent Non-Executive Director
Luxembourg

Grégory NICOLAS
Executive Director - Legal, Compliance, Corporate
FundRock Management Company S.A., Luxembourg

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Organisation (continued)

	<p>Serge RAGOZIN Executive Director - Chief Operating Officer FundRock Management Company S.A., Luxembourg</p> <p>Ross THOMSON Executive Director - Managing Director FundRock Management Company S.A., Luxembourg</p>
Management Company (until 21st December 2018)	<p>FundRock Nordics S.A. (until 15th November 2018 named SEB Fund Services S.A.) 4, rue Peternelchen L-2370 Howald</p>
Board of Directors of the Management Company	<p>Chairman Göran FORS Deputy Head of Investor Services Skandinaviska Enskilda Banken AB (publ), Stockholm (until 15th November 2018)</p> <p>Directors Claes-Johan GEIJER Independent Director and Advisor G Advisors S.à.r.l., Luxembourg</p> <p>Marie JUHLIN Managing Director FundRock Nordics S.A., Luxembourg (until 15th November 2018 named SEB Fund Services S.A.)</p> <p>Jonas LINDGREN Client Executive, Hedge Fund Coverage Large Corporates and Financial Institutions Skandinaviska Enskilda Banken AB (publ), Stockholm (until 15th November 2018)</p> <p>Serge RAGOZIN Executive Director - Chief Operating Officer FundRock Management Company S.A., Luxembourg (since 15th November 2018)</p> <p>Revel WOOD Executive Director - Chief Executive Officer FundRock Management Company S.A., Luxembourg (from 15th November 2018 to 4th December 2018)</p>
Depository	<p>Skandinaviska Enskilda Banken S.A. 4, rue Peternelchen L-2370 Howald</p>

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Organisation (continued)

Administrative Agent

FundRock Management Company S.A.
H2O building
33, rue de Gasperich
L-5826 Hesperange
(since 22nd December 2018)

FundRock Nordics S.A.
(until 15th November 2018 named SEB Fund Services S.A.)
4, rue Peternelchen
L-2370 Howald
(until 21st December 2018)

Sub-Administrative Agent, including Registrar and Transfer Agent

European Fund Administration S.A.
2, rue d'Alsace
L-1122 Luxembourg

Investment Manager and Global Distributor

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

"Cabinet de révision agréé"

Deloitte Audit
Société à responsabilité limitée
560, rue de Neudorf
L-2220 Luxembourg

Legal Adviser with respect to Luxembourg law

Hogan Lovells (Luxembourg) LLP
52, boulevard Marcel Cahen
L-1311 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 in Transferable Securities which implements Directive 2009/65/EC into Luxembourg law.

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 ("*Registre du Commerce et des Sociétés*").

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
- PARETO SICAV - PARETO NORDIC ALPHA	in NOK
- PARETO SICAV - PARETO NORDIC EQUITY	in NOK.

The Board of Directors of the Fund decided to launch the Sub-Fund PARETO SICAV - PARETO NORDIC EQUITY on 31st October 2018.

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, H ISK, I NOK, I SEK, I EUR, I DIS 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
H ISK	ISK 600 million
I NOK Shares	NOK 400 million
I SEK Shares	SEK 400 million
I EUR Shares	EUR 50 million
I DIS 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

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General information (continued)

The Sub-Fund **PARETO SICAV - PARETO GLOBAL CORPORATE BOND** issues Class A, A DIS SEK, A EUR, A USD, A ISK, B, B DIS SEK, C, D, H EUR, H DKK, H USD, H GBP, H CHF, H ISK, 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
B DIS SEK 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
H ISK Shares	ISK 600 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

The Sub-Fund **PARETO SICAV - PARETO NORDIC ALPHA** issues Class A NOK, A SEK, M NOK, B NOK and B SEK Shares. Class A and B Shares are available to all investors and Class A Shares have no minimum investment. Class B 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 M Shares may only be issued at the discretion of the Directors, are only available to employees of the Investment Manager and have no minimum investment.

The minimum investment for Class B Shares is as follows:

Share Class	Minimum investment
B NOK Shares	NOK 10 million
B SEK Shares	SEK 10 million

The Sub-Fund **PARETO SICAV - PARETO NORDIC EQUITY** issues Class B EUR, B NOK, B SEK, C NOK, D EUR, D NOK and I NOK Shares. Class B Shares are available to all investors. Class C and D Shares are available to individual clients investing the minimum subscription amount. Class C and D 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 C 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.

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General information (continued)

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

Share Class	Minimum investment
C NOK Shares	NOK 20 million
D EUR Shares	EUR 5 million
D NOK Shares	NOK 50 million
I NOK Shares	NOK 100 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
	A EUR
	B
	C
	D
	H EUR
	H USD
	I DIS EUR
	I EUR
	I NOK
PARETO SICAV - PARETO GLOBAL CORPORATE BOND	A
	A DIS SEK
	A EUR
	B
	B DIS SEK
	C
	D
	H EUR
	H USD
	I NOK
	I SEK
PARETO SICAV - PARETO NORDIC ALPHA	A NOK
	M NOK
PARETO SICAV - PARETO NORDIC EQUITY	B NOK
	B EUR
	B NOK
	B SEK
	C NOK
	D EUR
	D NOK
	I NOK

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

The financial year of the Fund starts on 1st January and ends on 31st December in each year. The 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.

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 (Sub-Fund of Pareto SICAV)

The strategy of the Sub-Fund is to invest in predominately Nordic corporate high yield bonds. The Sub-Fund focuses on having a well-diversified portfolio using a dynamic bottom up approach. The Sub-Fund aims to generate a better risk adjusted return compared with the Nordic High Yield bond market.

Sub-Fund performance

After several years of stable upturn and low volatility, 2018 became a year characterised by turmoil and significantly increased volatility in the world's capital markets, especially in the second half. Most equity and credit markets have experienced a decline during the year. The headlines have been dominated by trade war, interest rate increases in the US and central banks being in the process of liquidating substantial bond-buying programmes, most recently in Europe and over a somewhat longer period in the US. This has contributed to weakened liquidity and increased uncertainty in the markets. Despite challenging international markets, all share classes in Pareto Nordic Corporate Bond have delivered positive returns for the year. The fund has had substantial inflows. The Sub-Fund Class A gained 2.3 percent in 2018. The Sub-Fund had net inflows of NOK 1.733 million during the year and assets under management at the end of December 2018 were NOK 4.072 million

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 forwards outstanding in the Sub-Fund

Sub-Fund management

It should also be emphasised that a current coupon returns of more than 6%, combined with a relatively short average maturity of around three years, provides a good defence against increases in credit margins. The Nordic bond market is not isolated from what is happening in the rest of the world, and we have also experienced weaker markets, especially in the fourth quarter. For example, the gross yield in the fund has increased from 6% to 7.6% over the past year. This entails a significant increase in credit margins and a corresponding fall in prices, but this is more than offset by the Fund's current yield. Despite a more uncertain macro picture, the companies continued to deliver good results through 2018. For fixed income management, we see that in-house credit analysis is becoming increasingly important.

The fixed income team at Pareto AM has added two analysts and one Norwegian Investment Grade portfolio manager during 2018.

Outlook

Despite a slowing global economy, we do not expect a significant increase in default rates going into 2019. With this as a backdrop, we see a good potential for 2019. We believe a diversified credit portfolio consisting of well-run Nordic companies with a gross yield of 7.6% offers a good risk-adjusted return potential in an otherwise more uncertain world. We see the Nordic region as an attractive place for investors in the future. The region scores high on most of the factors mentioned above and offers higher margins and shorter duration than larger markets such as the EU and US high-yield market. Whether you seek good absolute or relative returns, the Nordics and Pareto Nordic Corporate Bond should be a very good option.

PARETO SICAV - PARETO GLOBAL CORPORATE BOND (Sub-Fund of Pareto SICAV)

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.

Sub-Fund performance

After several years of stable upturn and low volatility, 2018 became a year characterised by turmoil and significantly increased volatility in the world's capital markets, especially in the second half. Most equity and credit markets have experienced a decline during the year. The headlines have been dominated by trade war, interest rate increases in the US and central banks being in the process of liquidating substantial bond-buying programmes, most recently in Europe and over a somewhat longer period in the US. This has contributed to weakened liquidity and increased uncertainty in the markets. The Sub-Fund Class A lost 5.0 percent in 2018. NAV ended the year at SEK 3 813 million. Net flows into the Sub-Fund ended with a negative SEK 417 million. The credit market widened substantially towards the second half of the year and especially during November and December. Credit spreads are now at their highest level the past three years.

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

"Is this the real life? Is this just fantasy? Caught in a landslide, No escape from reality." (Bohemian Rhapsody; Queen Freddie Mercury, 1975)

The iconic songwriter Freddie Mercury was hardly thinking about the financial markets when he wrote this epic song in 1975. The first lines of the text, however, symbolize a lot of what is happening right now. To some extent, the world has lived off stimuli of various kinds and now at least the US removes yet again support stemming from the financial crisis. We are learning another abbreviation, "QT" (Quantitative Tightening).

The Sub Fund lowered its credit duration from 5.6 years to 4.5 years. GDP growth is showing signs of gradual decline. The Sub Fund focuses on finding corporate bonds in mostly niche sectors which exhibit lesser volatility than the market.

We are pleased to announce that our global Sub-Fund Pareto Global Corporate Bond has taken the next step towards a more sustainable tomorrow by becoming the first fixed income fund in Norway, Sweden, and Finland to receive the Nordic Swan Ecolabel in 2018. Pareto Global Corporate Bond (since its launch in 2015) has always utilized a systematic investment process. We exclude sectors exposed to higher risks, such as commodities, gambling, tobacco and weapons. We believe a negative screening combined with a positive screening process of sustainable companies and more defensive industries contribute to better long-term return for our clients.

The Sub-Fund was very active throughout the year in both secondary and primary trading. There were many companies which issued bonds to the market in 2018. A clear trend is a greater attention to sustainability for companies in most sectors. Some notable investments were Interxion, Getlink, Eurofins, Dometic and Iron Mountain.

Pareto AM has hired an ESG focused analyst for the Sub-Fund.

Outlook

Looking forward to 2019 business will now need to reduce share dividends and buybacks and work more defensively. We believe that the focus will shift towards the balance sheet. A 10-year strong growth cycle is slowing somewhat. We see this as positive for credits going forward. In terms of credit risk, the fund has shorter credit rate duration than when 2019 began. The sub fund has a much higher yield despite having shortened the credit duration.

We continue our efforts to find competitive cash returns in the form of coupons and to position the fund in its "sweet spot" with continued low duration and manageable maturity.

PARETO SICAV

Report from the Investment Manager (continued)

We would like to summarize the current situation as opportune and challenging. The severe sell-off in risky assets create more opportunities. The Sub-Fund's global mandate does provide many opportunities to find good value in the crossover segment going into 2019 and beyond.

PARETO SICAV - PARETO NORDIC ALPHA (Sub-Fund of Pareto SICAV)

Sub-Fund performance

The Sub-Fund had net inflows of NOK 273 million during the year and assets under management at the end of December 2018 were NOK 530 million. Net return was -2.58 percent (B-class, NOK), well ahead of the MSCI Nordic Index and the HFRU Equity Hedge Index measured in Norwegian Krone, which strengthened against the Euro and the Swedish Krona. Our non-Norwegian holdings are not currency hedged, so performance in local currencies was stronger. We had a moderate net equity exposure through the year, which gradually declined as a result of net selling of long positions and ended at 43 percent.

Sub-Fund management

Andr  Buhagen joined as analyst on the 1st of June. He has three years of experience as equity analyst with Kepler Cheuvreux, covering a range of industries.

Outlook

Unsustainable policies have boosted demand and pushed down the discount rate, creating a boom in risky assets. This combined with our preferred valuation parameters indicate low to negative equity returns over the next years, however with discrepancies between sectors and, off course, companies.

Despite the fact that economic growth since the Great Financial Crisis has been weaker than previous post-recession rebounds we observe signs that global demand growth may pause. Only the USA has tightened monetary policy meaningfully (but expanded fiscally), so the powder is rather moist, with Europe especially exposed.

The reason we stay net long is our belief in a new round of expansive policies. This is obviously not sustainable, but weak politicians have over decades been kicking the can down the road. The end-game may still be decades away, but we already see signs of social unrest and more inequality.

PARETO SICAV - PARETO NORDIC EQUITY (Sub-Fund of Pareto SICAV)

PARETO SICAV - Pareto Nordic Equity launched on 31st October 2018, which means the statements about the Sub-Fund below cover only a short period of time and not full-year 2018.

Sub-Fund performance

The Sub-Fund had net inflows of NOK 458 million during the year and assets under management at the end of December 2018 were NOK 435 million.

Sub-Fund management

Expectations of economic growth have weakened over the past few months. The short-term stock market is more affected by momentum than by valuations, and so lower earnings for the companies will result in lower share prices.

We place more emphasis on the long-term development. In today's situation, where growth admittedly is coming down but is still good, we find shares not particularly expensive, measured in terms of earnings or book value. We have been overweight oil and oil services. The oil price has fallen 40 per cent from its peak, delivering a significant negative contribution to the return. However, we expect a better balance between supply and

demand going forward and choose to retain a significant overweight in the sector. Several of the shares in the sector, like Subsea 7 and BW Offshore to name a few, have been hammered down by a momentum-driven market, providing opportunities for the patient, and today appears as clear buys. Grieg Seafood and Austevoll have had weak returns over the past two months. We have a positive view on the salmon market, and if we are right, these two shares will realise great potential as they are both lower priced than their sector peers.

Outlook

Expectations of economic growth have weakened over the past few months. The short-term stock market is more affected by momentum than by valuations, and so lower earnings for the companies will result in lower share prices.

We place more emphasis on the long-term development. In today's situation, where growth admittedly is coming down but is still good, we find shares not particularly expensive, measured in terms of earnings or book value.

The recent big drop in the market has a lot to do with politics. President Trump's persistent tweets and the on-going chaos in US politics creates uncertainty, especially in view of the escalating trade measures that will continue to affect trade and growth worldwide. However, when politics pulls the market down, history shows that it is, almost without exception, a buying opportunity.

Luxembourg, 4th February 2019

The Investment Manager

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

To the Shareholders of
PARETO SICAV
33, rue de Gasperich
L-5826 Hesperange

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PARETO SICAV (the « Fund ») and of each of its sub-funds, which comprise the statement of net assets and the statements of Investments and other net assets as at 31st December 2018, and the statement of operations and other changes in assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund and of each of its sub-funds as at 31st December 2018, 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 and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier* (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs are further described in the "Responsibilities of the *Réviseur d'Entreprises Agréé* for the Audit of the Financial Statements" section of our report. We are also independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 concluded 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.

Responsibilities 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 the financial statements in accordance with Luxembourg legal and regulatory requirement relating to the preparation and presentation 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.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the *Réviseur d'Entreprises Agréé* for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of *Réviseur d'Entreprises Agréé* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *Réviseur d'Entreprises Agréé* to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *Réviseur d'Entreprises Agréé*. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Deloitte Audit, *Cabinet de Révision Agréé*



Jean-Philippe Bachelet, *Réviseur d'Entreprises Agréé*
Partner

17th April 2019

PARETO SICAV

Combined statement of net assets (in EUR) as at 31st December 2018

	Notes	
<u>Assets</u>		
Securities portfolio at market value		803,593,374.17
Cash at banks		67,711,428.74
Cash collateral at banks	13	16,140,865.81
Other liquid assets	1	624,739.97
Formation expenses, net		29,931.04
Receivable on treasury transactions		2,563.99
Receivable on issues of shares		357,368.85
Income receivable on portfolio		8,941,469.81
Interest receivable on swaps contracts		294,525.18
Interest receivable on contracts for difference (CFD)		667.93
Results receivable on contracts for difference (CFD)		1,041,740.72
Other receivables		2,272.91
Total assets		898,740,949.12
<u>Liabilities</u>		
Bank overdrafts		135,459.01
Other liquid liabilities		150,545.26
Payable on treasury transactions		784.32
Payable on redemptions of shares		3,747,122.84
Interest payable on swaps contracts		872,478.35
Unrealised loss on swaps contracts		3,514,548.64
Unrealised loss on forward foreign exchange contracts		4,530,108.60
Unrealised loss on contracts for difference (CFD)		69,503.24
Expenses payable		924,374.17
Interest payable on contracts for difference (CFD)		697.91
Results payable on contracts for difference (CFD)		15,461.24
Total liabilities		13,961,083.58
Net assets at the end of the year		884,779,865.54

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 2018 to 31st December 2018

<u>Income</u>	Notes	
Dividends, net		872,564.70
Interest on bonds and other debt securities, net		38,333,780.36
Interest on bank accounts		105,305.34
Interest on swaps contracts		2,556,801.38
Other income	4	131,784.58
Total income		42,000,236.36
<u>Expenses</u>		
Management fees	3; 4	6,666,868.79
Performance fees	5	9,683.63
Depositary fees	7	297,315.58
Banking charges and other fees		5,557.56
Transaction fees		46,697.56
Central administration costs	6	326,956.89
Professional fees		36,939.00
Other administration costs		97,529.33
Subscription duty ("taxe d'abonnement")	9	317,054.41
Other taxes		4,989.90
Bank interest paid		174,010.68
Interest paid on swaps contracts		3,234,863.92
Other expenses	1; 8	92,281.19
Total expenses		11,310,748.44
Net investment income		30,689,487.92
<u>Net realised gain/(loss)</u>		
- on securities portfolio		4,750,250.46
- on futures contracts		-361,209.20
- on contracts for difference (CFD)		503,209.13
- on swaps contracts		193,250.87
- on forward foreign exchange contracts		-12,092,014.46
- on foreign exchange		1,759,980.58
Realised result		25,442,955.30
<u>Net variation of the unrealised gain/(loss)</u>		
- on securities portfolio		-26,180,082.70
- on contracts for difference (CFD)		-108,788.38
- on swaps contracts		-2,132,372.80
- on forward foreign exchange contracts		-5,101,897.95
Result of operations		-8,080,186.53
Dividends paid		-16,268.83
Subscriptions		731,414,916.90
Redemptions		-525,031,241.61
Total changes in net assets		198,287,219.93
Total net assets at the beginning of the year		702,086,449.09
Foreign exchange difference		-15,593,803.48
Total net assets at the end of the year		884,779,865.54

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 2018

	Notes	
<u>Assets</u>		
Securities portfolio at market value		3,764,202,638.99
Cash at banks		242,480,165.00
Cash collateral at banks	13	60,480,000.00
Formation expenses, net		19,462.59
Receivable on treasury transactions		25,376.14
Receivable on issues of shares		2,031,949.35
Income receivable on portfolio		48,175,727.33
Total assets		4,117,415,319.40
<u>Liabilities</u>		
Payable on redemptions of shares		3,074,433.42
Unrealised loss on forward foreign exchange contracts		38,850,163.21
Expenses payable		3,037,533.59
Total liabilities		44,962,130.22
Net assets at the end of the year		4,072,453,189.18

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in NOK)
A	955,330.4982	NOK	1,082.2594	1,033,915,369.75
A EUR	98,270.5791	EUR	102.3932	99,587,173.94
B	681,185.0834	NOK	1,151.0695	784,091,354.79
C	72,957.2742	SEK	992.9039	70,692,435.64
D	257,008.9135	SEK	101.1018	25,357,378.38
H EUR	418,040.9488	EUR	104.4801	432,276,257.40
H USD	30,285.6491	USD	109.0047	28,585,444.66
I DIS EUR	1.0435	EUR	987.8965	10,202.65
I EUR	1,111,137.0000	EUR	100.4648	1,104,816,926.27
I NOK	465,287.0297	NOK	1,059.8203	493,120,645.70
				4,072,453,189.18

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 2018 to 31st December 2018

<u>Income</u>	Notes	
Interest on bonds and other debt securities, net		191,588,405.94
Interest on bank accounts		379,880.30
Other income	4	674,307.60
Total income		192,642,593.84
<u>Expenses</u>		
Management fees	3; 4	22,383,204.47
Depository fees	7	1,171,865.01
Banking charges and other fees		11,730.85
Transaction fees		76,834.10
Central administration costs	6	1,277,683.29
Professional fees		125,391.98
Other administration costs		234,106.12
Subscription duty ("taxe d'abonnement")	9	1,118,625.48
Bank interest paid		149,637.68
Other expenses	1; 8	340,000.52
Total expenses		26,889,079.50
Net investment income		165,753,514.34
<u>Net realised gain/(loss)</u>		
- on securities portfolio		4,323,854.30
- on forward foreign exchange contracts		-17,697,976.02
- on foreign exchange		-6,026,861.92
Realised result		146,352,530.70
<u>Net variation of the unrealised gain/(loss)</u>		
- on securities portfolio		-37,524,213.10
- on forward foreign exchange contracts		-21,404,355.85
Result of operations		87,423,961.75
Dividends paid		-
Subscriptions		3,561,844,676.30
Redemptions		-1,834,622,889.61
Total changes in net assets		1,814,645,748.44
Total net assets at the beginning of the year		2,257,807,440.74
Total net assets at the end of the year		4,072,453,189.18

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 2018

Total net assets	Currency	31.12.2016	31.12.2017	31.12.2018
	NOK	794,063,390.22	2,257,807,440.74	4,072,453,189.18

Net asset value per share	Currency	31.12.2016	31.12.2017	31.12.2018
A	NOK	979.7948	1,058.3203	1,082.2594
A EUR	EUR	-	101.5733	102.3932
B	NOK	1,032.7697	1,120.5827	1,151.0695
C	SEK	924.9245	985.7294	992.9039
D	SEK	-	-	101.1018
H EUR	EUR	-	103.0607	104.4801
H USD	USD	-	104.8052	109.0047
I DIS EUR	EUR	-	-	987.8965
I EUR	EUR	-	-	100.4648
I GBP	GBP	102.7108	110.9997	114.7762 (*)
I NOK	NOK	-	1,029.7645	1,059.8203

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
A	948,970.1767	363,907.5652	-357,547.2437	955,330.4982
A EUR	4,180.1527	121,977.1067	-27,886.6803	98,270.5791
B	288,915.6145	541,952.5209	-149,683.0520	681,185.0834
C	42,564.3718	79,518.5848	-49,125.6824	72,957.2742
D	-	507,183.6900	-250,174.7765	257,008.9135
H EUR	384,688.0000	850,542.9488	-817,190.0000	418,040.9488
H USD	1,170.0501	30,275.0000	-1,159.4010	30,285.6491
I DIS EUR	-	1.0435	-	1.0435
I EUR	-	1,414,583.0000	-303,446.0000	1,111,137.0000
I GBP	51,272.5231	205.2280	-51,477.7511	-
I NOK	417,798.3557	47,488.6740	-	465,287.0297

(*) Net asset value used for final redemption.

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 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Bonds					
DKK	33,230,000	Danske Bank A/S FRN EMTN Sub Conv 16/23.02.Perpetual	43,462,840.19	42,428,749.35	1.04
DKK	10,000,000	Jyske Bank AS FRN Reg S Sub 16/16.12.Perpetual	12,578,525.66	13,928,952.27	0.34
DKK	56,526,950	Scan Bidco AS 6.8% Sen 16/27.06.22	69,414,278.18	72,455,976.03	1.78
			125,455,644.03	128,813,677.65	3.16
EUR	5,000,000	Ax Del1 Oy FRN 17/19.04.21	48,977,071.09	49,361,899.69	1.21
EUR	5,000,000	AX V INV1 Holding ApS FRN 17/29.06.22	48,276,242.06	48,372,187.42	1.19
EUR	2,600,000	Bewi Group AB FRN Sen 18/19.04.22	24,975,991.06	26,182,838.23	0.64
EUR	6,400,000	Cembrit Group A/S FRN Sen 17/20.03.21	58,642,624.82	57,442,900.41	1.41
EUR	5,031,234	Corral Petroleum Hgs AB VAR TOG PIK Reg S Sen 16/15.05.21	50,474,642.02	52,505,815.05	1.29
EUR	5,250,000	DKT Finance ApS 7% Sen Reg S 18/17.06.23	50,756,607.07	54,930,701.38	1.35
EUR	4,700,000	DLF Seeds A/S VAR Sub 18/27.11.Perpetual	44,994,829.93	46,772,317.52	1.15
EUR	1,400,000	Dsv Miljo AS FRN Sen 17/10.05.21	13,491,254.15	13,544,212.48	0.33
EUR	2,357,220	Forchem Oy 4.9% Sk Sen 15/02.07.20	23,028,263.66	23,621,316.87	0.58
EUR	3,000,000	HKScan Corp 2.625% Sen 17/21.09.22	27,209,979.03	24,903,635.11	0.61
EUR	4,000,000	Intrum AB 2.75% Sen Reg S 17/15.07.22	36,950,561.64	36,558,783.77	0.90
EUR	2,000,000	Intrum AB 3.125% Sen Reg S 17/15.07.24	18,957,112.10	17,556,802.95	0.43
EUR	5,010,000	Jacob Holm & Sonner Hg A/S FRN Sen 17/31.03.22	48,146,355.52	48,179,687.59	1.18
EUR	5,728,822	Kotkamills Group Oyj 8.25% Sen 15/13.03.20	55,506,415.87	58,258,072.97	1.43
EUR	1,000,000	Perstorp Holding AB VAR Sen Reg S 17/15.09.22	9,583,289.11	9,830,168.71	0.24
EUR	5,300,000	SL Bidco BV FRN 18/06.02.23	50,407,617.09	50,356,560.53	1.24
EUR	6,000,000	Transcom Holding AB 6.5% 18/22.03.23	56,696,750.97	53,147,549.14	1.31
EUR	4,500,000	Tresu Investement Holding A/S FRN Sen17/29.09.22	44,015,309.78	28,949,084.03	0.71
EUR	5,700,000	Tulip Oil Netherlands Off BV FRN 17/25.10.22	54,105,998.18	57,894,456.64	1.42
EUR	6,700,000	Vieo BV FRN 17/07.09.22	56,125,504.50	44,096,630.39	1.08
EUR	3,500,000	Zalaris ASA FRN 18/28.09.23	33,661,612.01	34,380,130.14	0.84
			854,984,031.66	836,845,751.02	20.54
NOK	28,000,000	Aker ASA FRN Sen 18/31.01.23	28,000,000.00	27,846,000.00	0.68
NOK	38,500,000	Aker BP ASA FRN Sen 13/02.07.20	41,847,765.46	43,468,457.73	1.07
NOK	21,062,675	Boa SBL AS FRN Sk Ser 144A 13/31.12.20	7,293,772.81	10,541,868.84	0.26
NOK	25,000,000	Bonheur ASA FRN Sen 14/09.07.21	25,093,750.00	24,925,000.00	0.61
NOK	20,000,000	BW Offshore Ltd FRN 13/21.09.20	19,750,000.00	19,812,500.00	0.49
NOK	16,000,000	BW Offshore Ltd FRN Sen 12/15.03.20	15,920,000.00	15,932,000.00	0.39
NOK	24,000,000	Care Bidco AS FRN 17/24.03.21	24,288,857.14	23,452,500.00	0.58
NOK	22,000,000	DigiPlex Fetsund AS FEN Sen 14/11.06.19	22,468,453.33	22,137,555.00	0.54
NOK	32,558,292	DOF Subsea ASA FRN Sen 13/22.05.20	28,960,887.98	32,293,755.88	0.79
NOK	11,775,000	FEM T AS FRN 18/16.03.22	11,775,000.00	11,775,000.00	0.29
NOK	60,000,000	GasLog Ltd FRN 16/27.05.21	63,850,000.00	63,100,002.00	1.55
NOK	50,000,000	Havilafjord AS FRN Sen 18/19.06.23	50,512,500.00	50,312,500.00	1.24
NOK	72,500,000	Ice Group AS FRN 17/12.10.21	72,246,875.00	71,648,125.00	1.76
NOK	74,000,000	Kistefos AS FRN Sen Reg S 144A 17/08.11.21	76,343,333.33	75,264,164.20	1.85
NOK	20,000,000	Molleparken 4 Sen BondCo SA FRN 17/20.11.20	19,908,750.00	20,375,000.00	0.50
NOK	34,000,000	Nortura SA Step-up Sub 18/25.05.78	34,052,500.00	33,235,000.00	0.82
NOK	34,000,000	Odfjell SE FRN Sen 17/25.01.21	34,617,000.00	34,272,000.00	0.84
NOK	32,569,791	Otiga Group AS FRN Sen 14/11.09.19	31,099,567.42	31,804,400.91	0.78
NOK	42,000,000	Pioneer Public Properties AS FRN Sen 16/28.05.21	43,420,077.50	42,157,500.00	1.04
NOK	41,000,000	Ship Finance Intl Ltd FRN Sen 17/22.06.20	41,825,000.00	41,666,250.00	1.02
NOK	5,000,000	Tveten Park AS FRN 17/27.04.20	5,000,000.00	5,025,000.00	0.12
NOK	74,856,428	W Hg AS FRN 14/10.07.19	75,824,395.12	74,753,500.42	1.84
			774,098,485.09	775,798,079.98	19.06
SEK	28,000,000	Ahlsell AB FRN Ser 101 Sen 18/01.06.22	26,068,314.72	27,199,401.71	0.67
SEK	26,000,000	Arion Bank FRN EMTN Sen Reg S 18/22.11.28	24,384,634.95	24,990,044.76	0.61
SEK	35,000,000	Consilium AB FRN Sen 15/25.03.20	34,231,158.23	34,369,330.84	0.84
SEK	3,492,000	E Out Instrument AB 0% Sen 17/30.04.19	1,588,220.11	1,465,344.81	0.04
SEK	55,000,000	Garfunkelux Holdeo 3 SA FRN Reg S 18/01.09.23	53,742,286.12	45,890,833.23	1.13
SEK	56,000,000	Gunnebo Industrier AB FRN 17/12.05.20	55,606,237.53	55,366,643.77	1.36
SEK	30,000,000	Jyske Bank AS FRN Sub Reg S 16/16.12.Perpetual	31,878,785.58	30,652,441.71	0.75
SEK	25,000,000	LEAX Group AB FRN DMTN Sen 18/29.05.22	22,861,186.28	23,787,114.51	0.58
SEK	51,500,000	Norlandia Health Care Group AS FRN Sen 16/20.12.21	50,893,661.43	46,645,616.67	1.15

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 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
SEK	46,000,000	Prime Living AB FRN Sen 17/19.10.20	44,539,369.07	16,833,957.96	0.41
SEK	30,000,000	Samhallsbyggnadsbolag i AB FRN Sub 17/29.12.Perpetual	29,461,214.50	30,593,888.82	0.75
SEK	20,000,000	Sirius International Group Ltd FRN Sub 17/22.09.47	18,901,041.45	19,615,220.58	0.48
SEK	34,000,000	Storebrand Livsforsikring AS VAR Sub 18/27.03.48	31,983,768.43	32,611,708.32	0.80
SEK	20,000,000	Telia Co AB Step-up FRN Sub Reg S 17/04.10.77	19,113,802.32	19,654,255.85	0.48
SEK	37,000,000	Velcora Holding AB FRN 15/15.07.21	37,610,273.72	36,920,041.43	0.91
SEK	50,000,000	Velliv Pension & Livsforsi FRN Sub 18/08.06.28	46,430,981.09	48,126,578.03	1.18
			529,294,935.53	494,722,423.00	12.14
USD	6,000,000	American Tanker Inc 9.25% Sen 144A 17/22.02.22	50,434,679.78	50,654,565.23	1.24
USD	5,800,000	Bluewater Holding BV 10% Sk Sen 18/28.11.23	46,508,413.26	47,187,395.67	1.16
USD	6,200,000	Borealis Finance LLC 7.5% 144A 17/16.11.22	50,081,262.26	50,262,750.01	1.23
USD	7,500,000	Chembulk Holding LLC 8% Sen 18/02.02.23	61,501,892.81	64,576,452.95	1.59
USD	1,500,000	Danske Bank A/S VAR Conv Jun Sub Reg S 17/28.09.Perpetual	12,695,249.98	11,370,780.94	0.28
USD	6,200,000	DNB Bank ASA VAR Jun Sub Reg S 15/26.03.Perpetual	52,464,661.83	52,581,681.37	1.29
USD	3,700,000	DNO ASA 8.75% Reg S Sen 15/18.06.20	31,786,897.13	32,140,908.02	0.79
USD	5,700,000	Eagle Bulk Shipco LLC 8.25% Sk 17/28.11.22	46,047,871.04	47,570,533.47	1.17
USD	1,600,000	Floatel International Ltd 12.75% Ser DOM 18/11.04.24	13,052,640.01	13,009,131.42	0.32
USD	6,500,000	Floatel International Ltd 9% Ser DOM 18/11.04.24	53,026,350.03	53,046,586.37	1.30
USD	4,581,234	Icelandair Group HF FRN Sen 16/26.10.21	37,185,513.68	39,668,447.27	0.97
USD	7,700,000	MPC Container Ships AS FRN 17/22.09.22	61,344,850.53	65,590,085.44	1.61
USD	5,000,000	Nordea Bank Abp VAR EMTN Ser 9521 Sub Reg S 15/31.12.99	40,969,072.58	40,928,672.23	1.01
USD	5,200,000	Okea AS 7.5% 17/16.11.20	42,450,719.90	46,067,512.94	1.13
USD	4,000,000	Okea AS FRN Sen 18/28.06.23	32,010,135.87	34,219,972.96	0.84
USD	6,000,000	Perstorp Holding AB 11% Sen Reg S 16/30.09.21	51,421,947.59	55,239,452.81	1.36
USD	2,000,000	Perstorp Holding AB 8.5% Sen Reg S 16/30.06.21	17,034,841.03	17,900,024.51	0.44
USD	400,000	REC Silicon ASA 11.5% 18/13.04.23	3,098,820.01	3,398,618.27	0.08
USD	5,000,000	SG Bidco AS FRN Sen 144A Reg S18/31.01.22	39,258,499.90	43,889,799.58	1.08
USD	7,000,000	Songa Container AS FRN 18/14.12.21	60,268,599.76	60,915,361.78	1.50
USD	4,450,000	Tizir Ltd 9.5% Sk 17/19.07.22	37,820,239.30	40,410,545.31	0.99
USD	5,000,000	Transocean Inc 9% Reg S Sen 16/15.07.23	43,311,319.58	42,404,798.22	1.04
USD	7,500,000	Vizrt Group AS FRN Ser VIZG01 Sen 15/13.03.21	63,394,557.20	66,565,294.06	1.64
USD	6,400,000	Welltec AS 9.5% Sen Reg S 17/01.12.22	52,745,259.23	54,808,482.03	1.35
			999,914,294.29	1,034,407,852.86	25.41
			3,283,747,390.60	3,270,587,784.51	80.31
Total bonds					
Transferable securities dealt in on another regulated market					
Bonds					
EUR	3,000,000	Unilabs SubHolding AB 5.75% Sen Reg S 17/15.05.25	28,107,249.54	26,964,512.98	0.66
NOK	47,992,782	Boa Deep C AS FRN Sk Reg S Sub Ser 144A 14/31.12.20	23,672,659.86	24,476,318.82	0.60
NOK	17,000,000	Klaveness Ship Hdg AS FRN Sen 16/27.05.21	17,312,194.80	17,093,500.00	0.42
NOK	51,500,000	Laeringsverkstedet FRN Sen 17/01.06.22	51,812,500.00	50,856,250.00	1.25
NOK	39,500,000	Pandion Energy AS FRN Sen 18/04.04.23	39,931,250.00	40,349,329.00	0.99
			132,728,604.66	132,775,397.82	3.26
SEK	65,250,000	Verisure Midholding AB FRN Sen Reg S 17/01.12.23	63,259,400.23	64,233,443.19	1.58
USD	7,000,000	McDermott Tec Americas Inc US 10.625% Sen Reg S 18/01.05.24	53,452,914.18	50,914,332.23	1.25
USD	6,600,000	Scorpio Tankers Inc 2.375% Conv Sen 144A 14/01.07.19	48,469,879.70	55,156,249.44	1.36
USD	8,000,000	Siccar Point Energy Bonds PLC 9% 18/31.01.23	63,709,961.22	68,881,549.82	1.69
USD	4,000,000	Stena AB 7% Reg S Sen 14/01.02.24	31,336,045.95	31,918,610.51	0.78
			196,968,801.05	206,870,742.00	5.08
			421,064,055.48	430,844,095.99	10.58
Total bonds					

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 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Other transferable securities</u>					
Bonds					
SEK	54,500,000	Bergvik Skog AB 8.5% MTN Sub 04/24.03.34	64,454,853.29	61,217,629.86	1.50
USD	1,379,753	Sea Production Ltd VAR TOG PIK Sk Reg S 07/12.10.18	3,864,665.67	1,553,128.63	0.04
Total bonds			68,319,518.96	62,770,758.49	1.54
Bonds in default of payment					
USD	11,250	Sanjel Corp 0% 14/19.12.Perpetual	0.00	0.00	0.00
USD	3,750	Sanjel Corp 0% 14/19.12.Perpetual	0.00	0.00	0.00
Total bonds in default of payment			0.00	0.00	0.00
Total investments in securities			3,773,130,965.04	3,764,202,638.99	92.43
Cash at banks				302,960,165.00	7.44
Other net assets/(liabilities)				5,290,385.19	0.13
Total				4,072,453,189.18	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 2018

Industrial classification

(in percentage of net assets)

Financials	30.36 %
Industrials	23.63 %
Energy	13.50 %
Raw materials	7.97 %
Telecommunications services	3.32 %
Technologies	3.10 %
Non-cyclical consumer goods	2.62 %
Investment funds	2.55 %
Healthcare	2.39 %
Real estate	2.32 %
Cyclical consumer goods	0.67 %
Total	<u>92.43 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Norway	33.00 %
Sweden	11.94 %
Denmark	11.51 %
The Netherlands	4.90 %
United States of America	4.18 %
Luxembourg	4.04 %
Finland	3.83 %
Monaco	2.91 %
United Kingdom	2.68 %
Switzerland	2.22 %
France	2.04 %
Singapore	1.66 %
Indonesia	1.59 %
Iceland	1.58 %
Australia	1.35 %
Cyprus	1.29 %
Marshall Islands	1.23 %
China	0.48 %
Total	<u>92.43 %</u>

PARETO SICAV - PARETO GLOBAL CORPORATE BOND

Statement of net assets (in SEK)

as at 31st December 2018

	Notes	
Assets		
Securities portfolio at market value		3,464,174,846.76
Cash at banks		271,506,997.38
Cash collateral at banks	13	92,590,287.19
Other liquid assets	1	6,335,940.78
Formation expenses, net		38,307.42
Receivable on issues of shares		1,542,168.65
Income receivable on portfolio		41,281,688.50
Interest receivable on swaps contracts		2,986,993.28
Total assets		3,880,457,229.96
Liabilities		
Bank overdrafts		1,359,247.54
Other liquid liabilities		1,526,788.56
Payable on treasury transactions		7,954.31
Payable on redemptions of shares		9,368,210.18
Interest payable on swaps contracts		8,848,435.24
Unrealised loss on swaps contracts		35,643,584.76
Unrealised loss on forward foreign exchange contracts		6,132,790.46
Expenses payable		4,662,028.78
Total liabilities		67,549,039.83
Net assets at the end of the year		3,812,908,190.13

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in SEK)
A	14,140,186.0939	SEK	102.5555	1,450,153,852.01
A DIS SEK	643.3781	SEK	92.6814	59,629.20
A EUR	19,156.2493	EUR	103.6153	20,130,120.40
B	1,688,109.1699	SEK	104.3881	176,218,438.34
B DIS SEK	158,288.5040	SEK	93.1318	14,741,700.97
C	8,169,004.3684	NOK	107.5365	900,176,752.34
D	2,783,056.2176	NOK	109.4422	312,111,369.28
H EUR	10.5370	EUR	97.2203	10,389.27
H USD	11.8580	USD	96.6655	10,170.68
I NOK	1,341,637.0853	NOK	103.8182	142,728,700.55
I SEK	8,091,542.7939	SEK	98.4444	796,567,067.09
				3,812,908,190.13

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 2018 to 31st December 2018

<u>Income</u>	Notes	
Interest on bonds and other debt securities, net		191,641,257.34
Interest on bank accounts		91,764.14
Interest on swaps contracts		25,930,375.67
Other income	4	90,194.55
Total income		217,753,591.70
<u>Expenses</u>		
Management fees	3; 4	37,737,934.06
Depository fees	7	1,629,478.95
Banking charges and other fees		24,334.37
Transaction fees		98,303.19
Central administration costs	6	1,470,988.45
Professional fees		152,073.41
Other administration costs		622,376.71
Subscription duty ("taxe d'abonnement")	9	1,780,236.83
Other taxes		47,282.35
Bank interest paid		1,326,328.56
Interest paid on swaps contracts		32,807,099.30
Other expenses	1; 8	471,384.55
Total expenses		78,167,820.73
Net investment income		139,585,770.97
<u>Net realised gain/(loss)</u>		
- on securities portfolio		49,333,036.31
- on futures contracts		-3,663,284.27
- on swaps contracts		1,959,897.17
- on forward foreign exchange contracts		-104,432,674.66
- on foreign exchange		22,676,494.02
Realised result		105,459,239.54
<u>Net variation of the unrealised gain/(loss)</u>		
- on securities portfolio		-191,292,219.12
- on swaps contracts		-21,625,937.87
- on forward foreign exchange contracts		-29,808,691.61
Result of operations		-137,267,609.06
Dividends paid		-164,993.97
Subscriptions		2,887,836,584.61
Redemptions		-3,313,565,076.51
Total changes in net assets		-563,161,094.93
Total net assets at the beginning of the year		4,376,069,285.06
Total net assets at the end of the year		3,812,908,190.13

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 2018

Total net assets	Currency	31.12.2016	31.12.2017	31.12.2018
	SEK	1,501,485,571.45	4,376,069,285.06	3,812,908,190.13

Net asset value per share	Currency	31.12.2016	31.12.2017	31.12.2018
A	SEK	104.1806	107.9787	102.5555
A DIS SEK	SEK	-	99.8728	92.6814
A EUR	EUR	105.2575	109.0982	103.6153
B	SEK	105.0931	109.4170	104.3881
B DIS SEK	SEK	-	99.9036	93.1318
C	NOK	106.6667	111.7717	107.5365
D	NOK	107.6042	113.2567	109.4422
H EUR	EUR	-	-	97.2203
H USD	USD	-	-	96.6655
I NOK	NOK	101.6658	107.2437	103.8182
I SEK	SEK	-	102.9876	98.4444

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
A	20,877,211.9612	13,691,880.4699	-20,428,906.3372	14,140,186.0939
A DIS SEK	10,000.0000	2,294.6325	-11,651.2544	643.3781
A EUR	4,827.6089	21,614.4533	-7,285.8129	19,156.2493
B	1,823,753.7546	1,749,437.3430	-1,885,081.9277	1,688,109.1699
B DIS SEK	10,000.0000	158,409.9480	-10,121.4440	158,288.5040
C	10,509,793.9129	3,135,863.1406	-5,476,652.6851	8,169,004.3684
D	2,287,820.0313	1,501,224.5226	-1,005,988.3363	2,783,056.2176
H EUR	-	1,042.2440	-1,031.7070	10.5370
H USD	-	1,211.5000	-1,199.6420	11.8580
I NOK	1,996,724.7624	274,372.7804	-929,460.4575	1,341,637.0853
I SEK	2,581,238.6295	6,116,540.5178	-606,236.3534	8,091,542.7939

Dividends paid	Currency	Dividend per share	Ex-dividend date
A DIS SEK	SEK	0.75	04.04.2018
A DIS SEK	SEK	0.75	04.07.2018
A DIS SEK	SEK	0.75	03.10.2018
B DIS SEK	SEK	0.75	04.04.2018
B DIS SEK	SEK	0.75	04.07.2018
B DIS SEK	SEK	0.75	03.10.2018

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 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
Investments in securities					
Transferable securities admitted to an official stock exchange listing					
Bonds					
DKK	20,000,000	Jyske Bank AS FRN Reg S Sub 16/16.12.Perpetual	26,828,485.05	28,546,397.35	0.75
DKK	15,000,000	Scan Bidco AS 6.8% Sen 16/27.06.22	19,686,396.71	19,702,111.75	0.52
			46,514,881.76	48,248,509.10	1.27
EUR	2,750,000	AX V INV1 Holding ApS FRN 17/29.06.22	26,929,443.29	27,262,223.71	0.72
EUR	3,000,000	Belden Inc 2.875% Sen Sub Reg S 17/15.09.25	28,770,703.67	28,579,278.79	0.75
EUR	6,000,000	Belden Inc 3.375% Sen Sub Reg S 17/15.07.27	58,239,269.48	55,651,598.70	1.46
EUR	2,000,000	Blitz F18-674 6% Sen Reg S 18/30.07.26	20,838,916.49	19,259,845.13	0.51
EUR	3,500,000	Constantin Investis 3 SAS 5.375% Sen Reg S 17/15.04.25	33,472,257.63	34,256,692.33	0.90
EUR	7,000,000	Dometic Group AB 3% EMTN Sen Reg S 18/13.09.23	73,707,208.56	67,268,538.67	1.76
EUR	1,500,000	Eurofins Scientific SA 3.375% Reg S Sen 15/30.01.23	15,171,821.32	15,672,235.37	0.41
EUR	5,800,000	Eurofins Scientific SA Sen Reg S 2.125% /25.07.24	55,430,486.65	56,077,074.48	1.47
EUR	5,000,000	Eurofins Scientific SA VAR EMTN Sub 13/31.01. Perpetual	56,427,382.64	52,482,157.61	1.38
EUR	2,000,000	Eurofins Scientific SA VAR Sub Reg S 17/13.11.Perpetual	19,494,311.17	17,456,037.97	0.46
EUR	5,865,000	Europcar Mobility Group SA 4.125% Sen Reg S 17/15.11.24	59,427,265.18	56,671,620.11	1.49
EUR	1,000,000	Europcar Mobility Group SA 5.75% Reg S Sen 15/15.06.22	9,867,562.74	10,309,773.08	0.27
EUR	3,221,534	Forchem Oy 4.9% Sk Sen 15/02.07.20	31,597,058.09	33,080,309.77	0.87
EUR	7,000,000	Getlink SE 3.625% Sen Reg S 18/01.10.23	72,485,889.29	69,570,456.64	1.82
EUR	5,750,000	Grupo Antolin Irausa SA 3.25% Sen Reg S 17/30.04.24	57,313,918.82	50,998,727.54	1.34
EUR	4,000,000	Grupo Antolin Irausa SA 3.375% Sen Reg S 18/30.04.26	41,548,682.91	32,392,263.02	0.85
EUR	6,000,000	Interxion Holding NV 4.75% Sen Reg S 18/15.06.25	61,942,548.94	62,457,101.64	1.64
EUR	9,040,000	Jacob Holm & Sonner Hg A/S FRN Sen 17/31.03.22	90,430,176.24	89,083,556.04	2.34
EUR	4,000,000	Jyske Bank AS VAR Sub Reg S 17/21.03.Perpetual	39,487,592.06	37,311,608.00	0.98
EUR	3,941,850	Kotkamills Group Oyj 8.25% Sen 15/13.03.20	39,920,179.08	41,076,529.29	1.08
EUR	6,750,000	Kronos Intl Inc 3.75% Sen Reg S 17/15.09.25	67,110,286.02	61,597,970.79	1.62
EUR	9,000,000	Lecta SA 6.5% Reg S Sen 16/01.08.23	91,344,502.77	84,842,423.49	2.23
EUR	1,000,000	LimaCorp SpA FRN Sen Reg S 17/15.08.23	9,602,992.94	10,048,775.79	0.26
EUR	3,000,000	LKQ European Holdings BV 3.625% Sen Reg S 18/01.04.26	30,460,362.60	29,543,756.80	0.77
EUR	1,250,000	Nemak SAB de CV 3.25% Sen Reg S 17/15.03.24	11,949,779.41	12,475,082.01	0.33
EUR	7,000,000	Nexans SA 2.75% Sen 17/05.04.24	67,525,909.45	66,854,299.93	1.75
EUR	4,496,031.24	NH Hotel Group SA 3.75% Reg S Sen 16/01.10.23	44,469,760.26	46,965,664.33	1.23
EUR	2,400,000	Perstorp Holding AB 7.625% Reg S Sen 16/30.06.21	24,157,118.97	25,204,214.23	0.66
EUR	6,000,000	Perstorp Holding AB VAR Sen Reg S 17/15.09.22	60,962,912.98	60,438,695.59	1.59
EUR	2,000,000	Progroup AG 3% Sen Reg S 18/31.03.26	20,343,477.05	19,556,591.99	0.51
EUR	4,000,000	Promontoria Hg 264 B.V 6.75% Sen Reg S 18/15.08.23	41,977,835.03	39,381,736.85	1.03
EUR	8,000,000	Quintiles IMS Inc 2.875% Sen Reg S 17/15.09.25	76,721,876.46	77,292,112.29	2.03
EUR	3,000,000	Quintiles IMS Inc 3.25% Sen Reg S 17/15.03.25	29,111,059.79	30,093,539.70	0.79
EUR	3,500,000	Radisson Hotel Hgs AB 6.875% Sen Reg S 18/15.07.23	36,359,692.74	37,962,123.58	1.00
EUR	6,500,000	Senvion Holding GmbH 3.875% Sen Reg S 17/25.10.22	61,995,838.26	44,255,215.88	1.16
EUR	3,000,000	Silgan Holdings Inc 3.25% Sen 18/15.03.25	28,538,829.67	30,515,384.74	0.80
EUR	6,170,000	Synlab Bondco Plc FRN Reg S Sen 16/01.07.22	61,847,195.71	62,047,564.60	1.63
EUR	1,500,000	Tenneco Inc FRN Sen Reg S 17/15.04.24	14,261,682.05	15,296,636.59	0.40
EUR	3,000,000	Thomas Cook Fin Plc 3.875% Sen Reg S 17/15.07.23	30,077,994.43	20,847,937.80	0.55
EUR	4,000,000	Thomas Cook Group Plc 6.25% Reg S Sen 16/15.06.22	39,237,624.57	31,475,248.27	0.83
EUR	2,900,000	Tresu Investement Holding A/S FRN Sen17/29.09.22	27,656,317.98	19,117,151.06	0.50
EUR	7,000,000	Unitymedia NRW GmbH 4% Reg S Sen 14/15.01.25	70,122,586.41	73,331,971.62	1.92
EUR	1,000,000	Verisure Holding AB 3.5% Sen Reg S 18/15.05.23	10,272,651.86	9,997,509.37	0.26
EUR	6,000,000	Vieco BV FRN 17/07.09.22	57,073,273.73	40,465,481.55	1.06
			1,905,684,235.39	1,806,524,716.74	47.41
GBP	7,572,000	Iron Mountain UK Plc 3.875% EMTN Sen Reg S 17/15.11.25	84,449,774.01	76,064,969.25	1.99
GBP	3,000,000	Virgin Media Secured Fin Plc 5% Reg S Sen 17/15.04.27	32,979,988.05	32,104,596.95	0.84
			117,429,762.06	108,169,566.20	2.83
NLG	3,785,000	Aegon NV VAR Sub 96/04.03.Perpetual	16,211,505.50	12,645,846.77	0.33
SEK	8,000,000	Consilium AB VAR Sub 17/01.02.Perpetual	8,000,000.00	7,920,000.00	0.21
SEK	6,000,000	Ellevio AB 2.875% EMTN 18/12.02.25	5,980,406.25	6,081,960.00	0.16
SEK	95,000,000	Garfunkelux Holdco 3 SA FRN Reg S 18/01.09.23	95,000,000.00	81,225,000.00	2.13
SEK	28,000,000	Gunnebo Industrier AB FRN 17/12.05.20	28,137,500.00	28,367,500.00	0.74
SEK	30,000,000	Islandsbanki HF FRN EMTN Ser 22 Tr1 Sen 18/31.08.28	30,000,000.00	28,650,900.00	0.75
SEK	25,000,000	LEAX Group AB FRN DMTN Sen 18/29.05.22	24,750,000.00	24,375,000.00	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 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
SEK	44,000,000	Prime Living AB FRN Sen 16/29.09.20	44,299,000.00	35,200,000.00	0.92
SEK	22,000,000	Sirius International Group Ltd FRN Sub 17/22.09.47	22,170,817.31	22,110,000.00	0.58
			258,337,723.56	233,930,360.00	6.13
USD	3,000,000	ADT Corp 6.25% Ser B Sen 14/15.10.21	27,032,273.65	27,032,088.41	0.71
USD	9,000,000	Argentum Netherlands BV VAR Reg S Sub 15/15.08.50	80,221,722.84	77,777,445.71	2.04
USD	2,000,000	Encompass Health Corp 5.125% Sen 15/15.03.23	18,208,885.99	17,535,068.62	0.46
USD	2,000,000	Encompass Health Corp 5.75% Sen 12/01.11.24	18,475,627.05	17,678,454.69	0.46
USD	3,100,000	Goldman Sachs Group Inc 2.425% EMTN Ser F Sen 14/02.12.21	23,758,943.25	26,467,638.87	0.69
USD	9,000,000	Jain Intl Trading BV 7.125% Reg S Sen 17/01.02.22	77,536,067.43	71,461,227.48	1.87
USD	2,500,000	Nemak SAB de CV 4.75% Sen Reg S 18/23.01.25	20,340,250.08	20,778,779.04	0.54
USD	3,000,000	Perstorp Holding AB 8.5% Sen Reg S 16/30.06.21	27,032,371.46	27,513,620.69	0.72
USD	4,000,000	Prudential Plc 4.375% EMTN Reg S Sub 16/20.10.Perpetual	33,303,244.57	28,631,428.64	0.75
USD	6,000,000	Prudential Plc 4.875% EMTN Sen Sub Reg S 17/20.01.Perpetual	48,945,600.02	46,263,034.41	1.21
USD	1,000,000	PTC Inc 6% Sen 16/15.05.24	8,068,900.01	9,016,862.80	0.24
USD	4,700,000	Scan Bidco AS 7.7% EMTN Sen 16/27.06.22	39,054,271.94	38,470,676.17	1.01
USD	3,000,000	Service Corp Intl 4.625% Sen 17/15.12.27	25,299,507.98	25,048,196.70	0.66
USD	1,000,000	Sinclair Television Group Inc 5.125% Reg S Sen 16/15.02.27	8,475,040.00	7,822,792.28	0.21
USD	7,000,000	Telefon AB LM Ericsson 4.125% Sen 12/15.05.22	62,827,687.87	61,281,438.05	1.61
USD	5,000,000	Vulcan Materials Co 3.9% Sen 17/01.04.27	44,999,390.49	42,289,794.15	1.11
USD	6,000,000	Vulcan Materials Co 4.5% Sen 15/01.04.25	53,636,410.11	52,649,659.11	1.38
			617,216,194.74	597,718,205.82	15.67
Total bonds			2,961,394,303.01	2,807,237,204.63	73.64
<u>Transferable securities dealt in on another regulated market</u>					
Bonds					
EUR	5,400,000	Norican A/S 4.5% Sen Reg S 17/15.05.23	52,197,477.15	47,281,907.13	1.24
EUR	4,275,000	Progroup AG FRN Sen Reg S 17/31.03.24	41,272,576.52	43,046,962.55	1.13
			93,470,053.67	90,328,869.68	2.37
USD	1,000,000	Anixter Inc 6% Sen Reg S 18/01.12.25	9,132,599.99	8,917,264.50	0.23
USD	250,000	Boise Cascade Co 5.625% Reg S 16/01.09.24	2,105,600.00	2,090,677.06	0.05
USD	1,000,000	E.W. Scripps Company 5.125% Sen Reg S 17/15.05.25	8,951,499.98	8,292,878.52	0.22
USD	1,000,000	First Quality Finance Co Inc 5% Sen Reg S 17/01.07.25	8,793,800.01	8,029,974.50	0.21
USD	2,000,000	Hill-Rom Hgs Inc 5% Sen 144A 17/15.02.25	17,963,273.13	17,013,785.75	0.45
USD	3,000,000	IHS Markit Ltd 4.75% Gl Sen Reg S 17/15.02.25	26,711,333.98	26,504,505.78	0.70
USD	500,000	Koppers Inc 6% Ser 144A 17/15.02.25	4,502,549.99	3,926,258.25	0.10
USD	6,500,000	MDC Partners Inc 6.5% Reg S Sen Sub 16/01.05.24	56,043,015.93	52,771,572.75	1.38
USD	2,500,000	Nielsen Co Luxembourg Sàrl 5% Reg S Sen 17/01.02.25	22,438,811.06	21,201,239.99	0.56
USD	6,895,000	Nielsen Finance LLC/Co 5% Ser 144A 14/15.04.22	58,419,143.88	58,861,504.34	1.54
USD	6,000,000	UPM-Kymmene Corp 7.45% Reg S Sen 97/26.11.27	65,716,417.42	61,755,384.00	1.62
USD	1,500,000	US Concrete Inc 6.375% Sen 16/01.06.24	14,444,075.20	12,382,886.15	0.32
USD	2,000,000	Virgin Media Secured Fin Plc 5.5% Reg S Sen 16/15.08.26	17,687,465.97	16,541,747.47	0.43
USD	1,000,000	Wolverine World Wide Inc 5% Reg S 16/01.09.26	8,421,749.99	8,297,936.08	0.22
USD	2,455,000	Wolverine World Wide Inc 5% Ser 144A 16/01.09.26	20,993,168.49	20,258,161.63	0.53
			342,324,505.02	326,845,776.77	8.56
Total bonds			435,794,558.69	417,174,646.45	10.93
<u>Other transferable securities</u>					
Bonds					
EUR	5,000,000	Smakraft AS FRN 18/02.11.23	51,633,968.50	50,138,151.49	1.31
SEK	164,745,047.17	Bergvik Skog AB 8.5% MTN Sub 04/24.03.34	199,661,108.52	189,624,844.19	4.97
			251,295,077.02	239,762,995.68	6.28
Total bonds			3,648,483,938.72	3,464,174,846.76	90.85
Total investments in securities				364,097,284.57	9.55
Cash at banks				-1,359,247.54	-0.04
Bank overdrafts				-14,004,693.66	-0.36
Other net assets/(liabilities)				3,812,908,190.13	100.00
Total					

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 2018

Industrial classification

(in percentage of net assets)

Financials	25.94 %
Raw materials	18.27 %
Industrials	15.66 %
Technologies	11.23 %
Cyclical consumer goods	9.84 %
Healthcare	4.82 %
Telecommunications services	2.70 %
Utilities	1.47 %
Real estate	0.92 %
Total	<u>90.85 %</u>

Geographical classification

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

United States of America	17.64 %
Sweden	15.24 %
The Netherlands	8.74 %
Luxembourg	8.64 %
United Kingdom	8.23 %
Denmark	8.06 %
France	6.23 %
Germany	5.23 %
Finland	3.57 %
Spain	3.42 %
Canada	1.38 %
Norway	1.31 %
Bermuda	1.28 %
Mexico	0.87 %
Iceland	0.75 %
Italy	0.26 %
Total	<u>90.85 %</u>

PARETO SICAV - PARETO NORDIC ALPHA

Statement of net assets (in NOK)

as at 31st December 2018

	Notes	
<u>Assets</u>		
Securities portfolio at market value		394,499,794.09
Cash at banks		141,238,011.40
Cash collateral at banks	13	8,910,970.26
Formation expenses, net		95,541.47
Income receivable on portfolio		33,055.56
Interest receivable on contracts for difference (CFD)		6,610.54
Results receivable on contracts for difference (CFD)		10,310,235.70
Total assets		555,094,219.02
<u>Liabilities</u>		
Payable on redemptions of shares		24,869,037.03
Unrealised loss on contracts for difference (CFD)		687,882.05
Expenses payable		842,642.88
Interest payable on contracts for difference (CFD)		6,907.28
Results payable on contracts for difference (CFD)		153,021.81
Total liabilities		26,559,491.05
Net assets at the end of the year		528,534,727.97

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in NOK)
A NOK	1,132,364.7586	NOK	168.3625	190,647,769.80
M NOK	55,153.0901	NOK	145.6323	8,032,070.40
B NOK	1,926,669.1134	NOK	171.2047	329,854,887.77
				528,534,727.97

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

PARETO SICAV - PARETO NORDIC ALPHA

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

from 1st January 2018 to 31st December 2018

<u>Income</u>	Notes	
Dividends, net		8,082,686.80
Interest on bonds and other debt securities, net		786,541.72
Interest on bank accounts		562,902.02
Other income	4	519,466.13
Total income		9,951,596.67
<u>Expenses</u>		
Management fees	3;4	6,257,614.18
Performance fees	5	95,840.12
Depository fees	7	164,450.85
Banking charges and other fees		19,382.65
Transaction fees		109,434.17
Central administration costs	6	518,178.04
Professional fees		19,883.59
Other administration costs		123,787.61
Subscription duty ("taxe d'abonnement")	9	252,662.33
Bank interest paid		206,879.72
Other expenses	1; 8	98,145.19
Total expenses		7,866,258.45
Net investment income		2,085,338.22
<u>Net realised gain/(loss)</u>		
- on securities portfolio		-5,834,962.28
- on contracts for difference (CFD)		4,980,322.55
- on forward foreign exchange contracts		-64,247.37
- on foreign exchange		1,291,306.32
Realised result		2,457,757.44
<u>Net variation of the unrealised gain/(loss)</u>		
- on securities portfolio		-11,856,635.71
- on contracts for difference (CFD)		-1,076,691.98
Result of operations		-10,475,570.25
Dividends paid		-
Subscriptions		395,865,466.18
Redemptions		-122,824,102.80
Total changes in net assets		262,565,793.13
Total net assets at the beginning of the year		265,968,934.84
Total net assets at the end of the year		528,534,727.97

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

PARETO SICAV - PARETO NORDIC ALPHA

Statistical information (in NOK)

as at 31st December 2018

Total net assets	Currency	31.12.2017	31.12.2018	
	NOK	265,968,934.84	528,534,727.97	
Net asset value per share	Currency	31.12.2017	31.12.2018	
A NOK	NOK	173.7508	168.3625	
M NOK	NOK	148.0064	145.6323	
B NOK	NOK	175.7291	171.2047	
Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
A NOK	1,020,715.9104	389,709.1569	-278,060.3087	1,132,364.7586
M NOK	49,738.1293	17,000.5896	-11,585.6288	55,153.0901
B NOK	462,400.3883	1,895,528.6938	-431,259.9687	1,926,669.1134

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

PARETO SICAV - PARETO NORDIC ALPHA

Statement of investments and other net assets (in NOK) as at 31st December 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Shares					
DKK	23,000	Vestas Wind Systems A/S	12,187,923.56	15,014,481.95	2.84
EUR	51,800	Kesko Oyj B	22,571,297.04	24,146,802.13	4.57
EUR	253,172	Stora Enso Oyj R	34,249,779.29	25,269,725.92	4.78
EUR	157,008	Valmet Corp	25,313,615.28	27,892,997.69	5.28
			82,134,691.61	77,309,525.74	14.63
NOK	434,263	Nordic Semiconductor ASA	17,808,993.00	12,550,200.70	2.38
NOK	213,445	Sbanken ASA	16,367,619.00	16,008,375.00	3.03
NOK	287,240	Scatec Solar ASA	13,565,656.00	21,198,312.00	4.01
NOK	500,998	Storebrand ASA	30,026,388.04	30,881,516.72	5.84
NOK	130,440	Telenor ASA	20,810,220.00	21,848,700.00	4.13
			98,578,876.04	102,487,104.42	19.39
SEK	56,317	AstraZeneca Plc	32,227,492.17	37,025,693.20	7.01
SEK	77,858	Attendo AB	6,473,747.08	5,979,641.05	1.13
SEK	109,144	Essity AB B Reg	23,954,806.61	23,176,929.31	4.39
SEK	122,610	Granges AB Reg	10,462,207.07	9,632,054.07	1.82
SEK	306,953	Nordea Bank Abp Reg	27,924,221.65	22,340,423.43	4.23
SEK	117,000	Svenska Handelsbanken AB A	11,828,028.69	11,223,712.11	2.12
			112,870,503.27	109,378,453.17	20.70
USD	50,569	Carnival Corp	26,646,695.06	21,587,085.46	4.08
Total shares			332,418,689.54	325,776,650.74	61.64
Bonds					
NOK	17,000,000	BKK AS FRN Ser BKK26 Sen 14/21.11.19	17,081,600.00	17,023,027.35	3.22
Total bonds			17,081,600.00	17,023,027.35	3.22
<u>Open-ended investment funds</u>					
Investment funds (UCITS)					
NOK	51,650	Pareto Likviditet Units Dist	51,363,712.20	51,700,116.00	9.78
Total investment funds (UCITS)			51,363,712.20	51,700,116.00	9.78
Total investments in securities			400,864,001.74	394,499,794.09	74.64
Cash at banks				150,148,981.66	28.41
Other net assets/(liabilities)				-16,114,047.78	-3.05
Total				528,534,727.97	100.00

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

PARETO SICAV - PARETO NORDIC ALPHA

Industrial and geographical classification of investments as at 31st December 2018

Industrial classification

(in percentage of net assets)

Financials	15.22 %
Raw materials	11.88 %
Investment funds	9.78 %
Cyclical consumer goods	8.65 %
Healthcare	8.14 %
Non-cyclical consumer goods	4.39 %
Telecommunications services	4.13 %
Energy	4.01 %
Utilities	3.22 %
Industrials	2.84 %
Technologies	2.38 %
Total	<u>74.64 %</u>

Geographical classification

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

Norway	32.39 %
Finland	18.86 %
Sweden	9.46 %
United Kingdom	7.01 %
Panama	4.08 %
Denmark	2.84 %
Total	<u>74.64 %</u>

PARETO SICAV - PARETO NORDIC EQUITY

Statement of net assets (in NOK)

as at 31st December 2018

Notes

Assets

Securities portfolio at market value	413,935,240.76
Cash at banks	21,471,454.38
Formation expenses, net	143,843.60
Other receivables	22,495.30
Total assets	435,573,034.04

Liabilities

Bank overdrafts	14,189.80
Expenses payable	718,880.01
Total liabilities	733,069.81
Net assets at the end of the period	434,839,964.23

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in NOK)
B EUR	10.2976	EUR	95.4378	9,726.73
B NOK	18,430.5550	NOK	950.5673	17,519,482.15
B SEK	52.3804	SEK	896.1806	45,810.13
C NOK	34,959.1461	NOK	951.0813	33,248,991.06
D EUR	10.2976	EUR	95.5281	9,735.86
D NOK	140,572.6323	NOK	951.8964	133,810,581.86
I NOK	262,698.9460	NOK	952.4044	250,195,636.44
				434,839,964.23

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

PARETO SICAV - PARETO NORDIC EQUITY

Statement of operations and other changes in net assets (in NOK) from 31st October 2018 to 31st December 2018

<u>Income</u>	Notes	
Dividends, net		553,193.13
Interest on bank accounts		9,886.62
Other income	4	22,495.30
Total income		585,575.05
<u>Expenses</u>		
Management fees	3;4	514,243.75
Depository fees	7	16,074.34
Banking charges and other fees		142.90
Transaction fees		179,970.89
Central administration costs	6	4,560.62
Professional fees		71,908.50
Subscription duty ("taxe d'abonnement")	9	29,338.12
Other taxes		3,243.66
Bank interest paid		71,347.96
Other expenses	1; 8	15,157.07
Total expenses		905,987.81
Net investment loss		-320,412.76
<u>Net realised gain/(loss)</u>		
- on securities portfolio		381,716.52
- on foreign exchange		24,725.65
Realised result		86,029.41
<u>Net variation of the unrealised gain/(loss)</u>		
- on securities portfolio		-23,048,081.87
Result of operations		-22,962,052.46
Dividends paid		-
Subscriptions		463,006,398.74
Redemptions		-5,204,382.05
Total changes in net assets		434,839,964.23
Total net assets at the beginning of the period		-
Total net assets at the end of the period		434,839,964.23

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

PARETO SICAV - PARETO NORDIC EQUITY

Statistical information (in NOK)

as at 31st December 2018

Total net assets	Currency	31.12.2018
	NOK	434,839,964.23

Net asset value per share	Currency	31.12.2018
B EUR	EUR	95.4378
B NOK	NOK	950.5673
B SEK	SEK	896.1806
C NOK	NOK	951.0813
D EUR	EUR	95.5281
D NOK	NOK	951.8964
I NOK	NOK	952.4044

Number of shares	outstanding at the beginning of the period	issued	redeemed	outstanding at the end of the period
B EUR	-	10.2976	-	10.2976
B NOK	-	22,006.9920	-3,576.4370	18,430.5550
B SEK	-	52.3804	-	52.3804
C NOK	-	34,981.5337	-22.3876	34,959.1461
D EUR	-	10.2976	-	10.2976
D NOK	-	140,572.9773	-0.3450	140,572.6323
I NOK	-	264,214.7222	-1,515.7762	262,698.9460

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

PARETO SICAV - PARETO NORDIC EQUITY

Statement of investments and other net assets (in NOK) as at 31st December 2018

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Shares					
DKK	16,095	Carlsberg AS B	14,971,251.02	14,787,767.69	3.40
DKK	132,423	Danske Bank A/S	21,633,599.41	22,643,600.86	5.21
DKK	42,746	Novo Nordisk AS B	15,734,976.13	16,892,546.99	3.88
DKK	28,879	Pandora A/S	14,884,218.39	10,163,623.10	2.34
DKK	16,711	Schouw & Co	11,540,399.06	10,764,906.66	2.48
			78,764,444.01	75,252,445.30	17.31
EUR	33,195	Nokian Tyres Plc	8,912,548.90	8,811,308.42	2.03
EUR	82,687	Pihlajalinna Plc	7,269,669.55	7,054,292.41	1.62
			16,182,218.45	15,865,600.83	3.65
NOK	673,192	Akastor ASA	10,637,716.37	8,791,887.52	2.02
NOK	561,110	Archer Ltd	3,810,842.76	2,438,022.95	0.56
NOK	171,038	BW Offshore Ltd Reg	8,767,385.60	5,413,352.70	1.24
NOK	404,479	Europris ASA	9,130,121.11	9,363,688.85	2.15
NOK	469,859	EVRY ASA	14,458,810.34	14,777,065.55	3.40
NOK	274,755	Fjord1 ASA	12,242,246.07	11,814,465.00	2.72
NOK	657,556	FLEX LNG Ltd Reg	9,665,122.23	8,120,816.60	1.87
NOK	200,528	Grieg Seafood ASA	24,239,719.32	20,514,014.40	4.72
NOK	1,602,377	Kitron ASA	13,743,958.58	13,940,679.90	3.21
NOK	1,088,483	Kongsberg Automotive Asa	8,804,342.55	8,326,894.95	1.91
NOK	353,022	Magseis Fairfield ASA Reg	6,030,051.20	5,260,027.80	1.21
NOK	374,087	Nordic Semiconductor ASA	13,482,629.50	10,811,114.30	2.49
NOK	90,062	Norwegian Air Shuttle ASA	19,318,882.20	15,621,253.90	3.59
NOK	314,058	Norwegian Fin Hg ASA	23,355,432.32	21,041,886.00	4.84
NOK	120,011	Protector Forsikring Asa	4,806,153.23	5,736,525.80	1.32
NOK	316,823	Scatec Solar ASA	19,056,653.14	23,381,537.40	5.38
NOK	171,231	Subsea 7 SA	17,807,476.69	14,431,348.68	3.32
			219,357,543.21	199,784,582.30	45.95
SEK	28,321	ABB Ltd Reg	4,827,602.77	4,716,415.04	1.08
SEK	29,342	Alimak Group AB	3,477,020.47	3,149,775.04	0.72
SEK	19,948	Autoliv Inc SDR	14,094,164.20	12,260,245.17	2.82
SEK	185,945	Betsson AB Reg	13,432,949.91	13,246,602.49	3.05
SEK	278,511	Coor Serv Mgt Holding AB	16,819,013.39	19,134,281.14	4.40
SEK	31,521	Essity AB B Reg	6,197,463.71	6,693,542.37	1.54
SEK	39,454	Hennes & Mauritz AB B	5,935,727.22	4,852,076.67	1.12
SEK	275,736	Instalco Intressenter AB Reg	16,911,197.40	18,566,912.93	4.27
SEK	120,840	TF Bank AB Reg	8,811,341.42	8,490,638.53	1.95
SEK	86,742	Troax Group AB	20,506,620.81	21,543,405.55	4.95
SEK	20,493	Veoneer Inc SDR	5,780,015.66	4,492,717.40	1.03
			116,793,116.96	117,146,612.33	26.93
Total shares			431,097,322.63	408,049,240.76	93.84
<u>Other transferable securities</u>					
Shares					
NOK	29,430	Elliptic Laboratories AS Reg	5,886,000.00	5,886,000.00	1.35
Total shares			5,886,000.00	5,886,000.00	1.35
Total investments in securities			436,983,322.63	413,935,240.76	95.19
Cash at banks				21,471,454.38	4.94
Bank overdrafts				-14,189.80	0.00
Other net assets/(liabilities)				-552,541.11	-0.13
Total				434,839,964.23	100.00

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

PARETO SICAV - PARETO NORDIC EQUITY

Industrial and geographical classification of investments as at 31st December 2018

Industrial classification

(in percentage of net assets)

Industrials	26.23 %
Cyclical consumer goods	16.45 %
Energy	13.58 %
Financials	13.32 %
Technologies	10.45 %
Non-cyclical consumer goods	9.66 %
Healthcare	5.50 %
Total	<u>95.19 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Norway	40.31 %
Sweden	22.00 %
Denmark	17.31 %
United States of America	3.85 %
Bermuda	3.67 %
Finland	3.65 %
Luxembourg	3.32 %
Switzerland	1.08 %
Total	<u>95.19 %</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 and with generally accepted accounting principles in Luxembourg.

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;
- 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. Interest Rate and Cross Currency Swaps (CCIRS Swaps) are valued on a daily mark-to-market basis by calculating the present-value difference between the paying and the receiving legs. The calculation is performed with the help of the appropriate market conventions that are pertaining to the currencies traded in the Interest Rates and Cross Currency Swaps. The unrealised gains or losses are disclosed in the statement of net assets. The 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;
- iv. Liquid assets 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. The captions "Other liquid assets" and "Other liquid liabilities" are mainly composed of cash accounts held at brokers;
- 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 securities portfolio

The net realised gain/(loss) on securities portfolio is determined on the basis of the average cost of securities sold. The net realised gain/(loss) on securities portfolio are recorded in the statement of operations and other changes in net assets.

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.

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

PARETO SICAV

Notes to the financial statements (continued)

as at 31st December 2018

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. Net realised gain/(loss) on foreign exchange 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 are as follows:

1	NOK	=	0.7538255	DKK	Danish Krona
			0.1010395	EUR	Euro
			0.0907283	GBP	Pound Sterling
			1.0247145	SEK	Swedish Krona
			0.1154881	USD	US Dollar
1	SEK	=	0.7356445	DKK	Danish Krona
			0.0986026	EUR	Euro
			0.0885401	GBP	Pound Sterling
			0.2172914	NLG	Dutch Guilders
			0.9758816	NOK	Norwegian Krona
			0.1127027	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	=	9.8971227	NOK	Norwegian Krona
			10.1417247	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 2017. Foreign exchange difference between the Net Asset Value at the beginning of the year translated using the exchange rates applicable as at 31st December 2017 and the exchange rates applicable as at 31st December 2018 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.

i) Investment income

Dividend income is recognised on an ex-dividend basis and is recorded net of withholding tax.

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

j) 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

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Notes to the financial statements (continued)

as at 31st December 2018

liquidation of transactions paid to the depositary and of transaction fees on financial and on derivatives instruments.

k) 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/(loss) is recorded in the statement of net assets. Net variation of the unrealised gain/(loss) and the net realised gain/(loss) are recorded in the statement of operations and other changes in net assets.

l) Futures contracts

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

m) Contracts For Differences (CFD)

CFD contracts are posted off-balance sheet and are valued at the last settlement or close price on the stock exchanges or regulated markets. Unrealised gain/(loss) on CFD contracts are recorded in the statements of net assets. Net variation of unrealised gain/(loss) and net realised gain/(loss) are recorded in the statement of operations and changes in net assets.

Note 2 - Subscription, redemption and conversion fees

A sales commission of up to 0.50% of the Net Asset Value for the Sub-Funds PARETO SICAV - PARETO NORDIC CORPORATE BOND and PARETO SICAV - PARETO GLOBAL CORPORATE BOND, of up to 3% of the Net Asset Value for the Sub-Fund PARETO SICAV - PARETO NORDIC ALPHA (except for the M NOK Shares: up to 0.20%) and of up to 1% of the Net Asset Value for the Sub-Fund PARETO SICAV - PARETO NORDIC EQUITY 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% for the Sub-Funds PARETO SICAV - PARETO NORDIC CORPORATE BOND, PARETO SICAV - PARETO GLOBAL CORPORATE BOND and PARETO SICAV - PARETO NORDIC EQUITY and not exceeding 0.20% for the Sub-Fund PARETO SICAV - PARETO NORDIC ALPHA 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 can be levied on conversions.

Note 3 - Management fees

Until 31st October 2018, the Management Company received 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.

Since 1st November 2018, 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. This fee is payable monthly in arrears.

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as at 31st December 2018

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 monthly to the Investment Manager as follows:

	PARETO SICAV - PARETO NORDIC CORPORATE BOND	PARETO SICAV - PARETO GLOBAL CORPORATE BOND	PARETO SICAV - PARETO NORDIC ALPHA	PARETO SICAV - PARETO NORDIC EQUITY
A Shares	1.00% p.a.	1.00% p.a.	-	-
A DIS SEK Shares	-	1.00% p.a.	-	-
A EUR Shares	1.00% p.a.	1.00% p.a.	-	-
A NOK Shares	-	-	1.50% p.a.	-
M NOK Shares	-	-	0.00% p.a.	-
B Shares	0.55% p.a.	0.55% p.a.	-	-
B EUR Shares	-	-	-	1.60% p.a.
B DIS SEK Shares	-	0.55% p.a.	-	-
B NOK Shares	-	-	0.95% p.a.	1.60% p.a.
B SEK Shares	-	-	-	1.60% p.a.
C Shares	1.00% p.a.	1.00% p.a.	-	-
C NOK Shares	-	-	-	1.25% p.a.
D Shares	0.55% p.a.	0.55% p.a.	-	-
D EUR Shares	-	-	-	0.75% p.a.
D NOK Shares	-	-	-	0.75% p.a.
H EUR Shares	0.55% p.a.	0.55% p.a.	-	-
H USD Shares	0.55% p.a.	0.55% p.a.	-	-
I DIS EUR Shares	0.40% p.a.	-	-	-
I EUR Shares	0.40% p.a.	-	-	-
I GBP Shares	0.40% p.a.	-	-	-
I NOK Shares	0.40% p.a.	0.40% p.a.	-	0.50% p.a.
I SEK Shares	-	0.40% p.a.	-	-

All Share Classes in the Sub-Funds PARETO SICAV - PARETO NORDIC CORPORATE BOND, PARETO SICAV - PARETO GLOBAL CORPORATE BOND and PARETO SICAV - PARETO NORDIC EQUITY shall have a maximum rate in relation to on-going charges which includes investment management fee, tax and 30 basispoints for all other charges.

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 - Performance fees

For the Sub-Fund PARETO SICAV - PARETO NORDIC ALPHA, with the exception of Class M Shares, the Investment Manager is entitled to receive out of the assets of the Sub-Fund a performance fee in respect of each Share Class.

The Performance Fee is calculated and accrued at each Valuation Point in respect of each Valuation Day (each Valuation Day being a **Calculation Period**) and is payable monthly in arrears.

For each Calculation Period, the Performance Fee for Class A and B Shares is equal to 20% of the amount by which the NAV per Share on each Valuation Day exceeds the High Water Mark after the application of the Hurdle Rate.

PARETO SICAV

Notes to the financial statements (continued)

as at 31st December 2018

High Water Mark means the greater of the original issue price of Shares in the relevant Share Class and the highest NAV per Share achieved as at the end of any previous Calculation Period (if any).

Hurdle Rate means an annual rate of 2% of the year end High Water Mark of the relevant Share Class for the year immediately preceding the Calculation Period pro-rated for each Valuation Day in the applicable Calculation Period.

The previous year end High Water Mark of the relevant Share Class must increase by 2% on a pro-rated daily basis before the Performance Fee may become payable and accordingly, the Performance Fee is only calculated when the High Water Mark after application of the Hurdle Rate has been reached. The Hurdle Rate is separately determined for each year and pro-rated daily until the end of the current calendar year. The Hurdle Rate is cumulative from year to year. As at each Valuation Point, the Performance Fee will be calculated by reference to the NAV per Share attributable to the Share Class before making any deduction for Performance Fees.

At the date of the financial statements, a performance fee was due for the Sub-Fund PARETO SICAV - PARETO NORDIC ALPHA and amounted to NOK 95,840.12.

No performance fee is foreseen for the Sub-Funds PARETO SICAV - PARETO NORDIC CORPORATE BOND, PARETO SICAV - PARETO GLOBAL CORPORATE BOND and PARETO SICAV - PARETO NORDIC EQUITY.

Note 6 - Central Administration cost

Central Administration fees are disclosed in the item "central administration costs" in the statement of operations and other changes in net assets.

Note 7 - Depositary fees

The remuneration for depositary services are included in the item "Depositary fees" disclosed in the statement of operations and other changes in net assets.

Note 8 - 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 9 - 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.

PARETO SICAV

Notes to the financial statements (continued) as at 31st December 2018

Note 10 - Forward foreign exchange contracts

As at 31st December 2018, 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)
Forward foreign exchange contracts (Skandinaviska Enskilda Banken S.A., Luxembourg)					
NOK	126,858,746.00	DKK	98,000,000.00	15.02.2019	-3,379,142.47
NOK	21,439,600.60	EUR	2,200,000.00	15.02.2019	-369,462.12
NOK	9,984,525.00	EUR	1,000,000.00	15.02.2019	71,314.67
NOK	357,761,140.00	EUR	37,000,000.00	15.02.2019	-9,027,642.13
NOK	290,083,260.00	EUR	30,000,000.00	15.02.2019	-7,313,049.84
NOK	60,407,052.60	EUR	6,200,000.00	15.02.2019	-1,054,851.43
NOK	592,696,440.00	SEK	630,000,000.02	15.02.2019	-22,996,196.27
NOK	9,465,840.00	SEK	10,000,000.00	15.02.2019	-307,145.75
SEK	37,000,000.00	NOK	34,937,731.00	15.02.2019	1,222,187.72
					-43,153,987.62
Forward foreign exchange contracts (Nordea Bank Finland Plc, Helsinki)					
NOK	89,672,978.70	EUR	9,000,000.00	15.02.2019	454,085.75
NOK	24,167,404.25	EUR	2,500,000.00	15.02.2019	-615,621.57
NOK	19,559,468.40	EUR	2,000,000.00	15.02.2019	-266,952.26
NOK	54,562,461.80	SEK	58,000,000.00	15.02.2019	-2,120,347.47
NOK	577,363,554.00	USD	68,000,000.00	15.03.2019	-9,572,333.34
NOK	43,460,415.00	USD	5,000,000.00	15.03.2019	303,364.46
NOK	60,494,985.60	USD	7,000,000.00	15.03.2019	75,114.84
NOK	577,499,554.00	USD	68,000,000.00	15.03.2019	-9,436,333.34
					-21,179,022.93
Forward foreign exchange contracts linked to Class C Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)					
NOK	42,282.73	SEK	43,471.72	15.01.2019	-158.68
NOK	282,477.62	SEK	298,022.65	15.01.2019	-8,478.51
NOK	269,462.61	SEK	281,360.46	15.01.2019	-5,227.60
NOK	175,781.47	SEK	184,613.26	15.01.2019	-4,454.70
NOK	183,021.84	SEK	189,221.16	15.01.2019	-1,714.20
NOK	39,559.63	SEK	40,716.00	15.01.2019	-191.36
SEK	73,658,788.74	NOK	69,827,560.01	15.01.2019	2,084,682.16
					2,064,457.11
Forward foreign exchange contracts linked to Class A EUR, H EUR, I Dis EUR and I EUR Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)					
EUR	21,461,450.25	NOK	212,961,434.29	15.01.2019	-465,592.18
EUR	996,130.10	NOK	9,717,069.82	15.01.2019	145,893.87
EUR	10,088,304.72	NOK	98,285,308.73	15.01.2019	1,601,827.60
EUR	42,601,326.06	NOK	415,043,419.14	15.01.2019	6,764,266.30
EUR	90,430,408.32	NOK	881,018,253.06	15.01.2019	14,358,599.13
EUR	1,033.20	NOK	10,065.95	15.01.2019	164.05
EUR	200,000.00	NOK	2,007,424.40	15.01.2019	-27,168.27
NOK	168,027.23	EUR	16,815.58	15.01.2019	1,531.45
					22,379,521.95
Forward foreign exchange contracts linked to Class H USD Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)					
USD	3,302,703.95	NOK	28,278,421.67	15.01.2019	303,199.14
					303,199.14
Forward foreign exchange contracts linked to Class D Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)					
SEK	25,948,815.10	NOK	24,599,134.39	15.01.2019	734,400.25
SEK	94,633.05	NOK	91,120.89	15.01.2019	1,268.89
					735,669.14

PARETO SICAV

Notes to the financial statements (continued)

as at 31st December 2018

PARETO SICAV - PARETO GLOBAL CORPORATE BOND					
Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in SEK)
Forward foreign exchange contracts (Nordea Bank AB, Sweden)					
SEK	19,283,864.60	DKK	14,000,000.00	15.02.2019	246,252.80
SEK	449,536,850.00	USD	50,000,000.00	15.03.2019	8,407,050.74
					<u>8,653,303.54</u>
Forward foreign exchange contracts (Nordea Bank Finland Plc, Helsinki)					
EUR	5,000,000.00	SEK	51,470,343.50	15.02.2019	-755,335.66
USD	1,800,000.00	SEK	16,114,771.08	15.03.2019	-234,098.31
					<u>-989,433.97</u>
Forward foreign exchange contracts (Skandinaviska Enskilda Bk AB, Sweden)					
EUR	1,400,000.00	SEK	14,419,269.20	15.02.2019	-219,067.01
EUR	3,500,000.00	SEK	35,934,276.00	15.02.2019	-433,770.51
EUR	1,000,000.00	SEK	10,245,107.00	15.02.2019	-102,105.43
EUR	1,000,000.00	SEK	10,224,196.00	15.02.2019	-81,194.43
EUR	800,000.00	SEK	8,180,236.00	15.02.2019	-65,834.75
EUR	6,000,000.00	SEK	61,367,886.00	15.02.2019	-509,876.59
EUR	5,400,000.00	SEK	55,569,877.20	15.02.2019	-797,668.73
EUR	1,500,000.00	SEK	15,462,867.00	15.02.2019	-248,364.65
EUR	3,000,000.00	SEK	30,904,707.00	15.02.2019	-475,702.30
EUR	2,000,000.00	SEK	20,561,452.00	15.02.2019	-275,448.86
EUR	1,000,000.00	SEK	10,293,236.00	15.02.2019	-150,234.43
EUR	1,500,000.00	SEK	15,446,593.50	15.02.2019	-232,091.15
SEK	924,402,960.00	EUR	90,000,000.00	15.02.2019	11,532,818.91
SEK	821,771,520.00	EUR	80,000,000.00	15.02.2019	10,331,394.58
SEK	74,309,852.50	GBP	6,500,000.00	15.03.2019	1,058,340.68
SEK	437,818,600.50	USD	48,700,000.00	15.03.2019	8,158,176.02
					<u>27,489,371.35</u>
Forward foreign exchange contracts linked to Class H USD Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)					
USD	1,146.74	SEK	10,357.96	15.01.2019	-193.17
					<u>-193.17</u>
Forward foreign exchange contracts linked to Class C Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)					
NOK	905,928,032.25	SEK	955,930,729.99	15.01.2019	-28,011,803.71
NOK	276,856.04	SEK	289,848.34	15.01.2019	-6,271.78
NOK	7,938,657.06	SEK	8,244,644.66	15.01.2019	-113,281.16
NOK	501,530.21	SEK	529,129.92	15.01.2019	-15,425.35
SEK	30,326,005.35	NOK	28,966,658.02	15.01.2019	656,197.98
SEK	981,309.81	NOK	949,159.87	15.01.2019	9,109.62
SEK	1,759,118.74	NOK	1,674,963.55	15.01.2019	43,496.39
SEK	692,287.30	NOK	672,625.78	15.01.2019	3,333.91
SEK	98,870.19	NOK	96,166.00	15.01.2019	369.81
SEK	1,482,832.41	NOK	1,445,830.71	15.01.2019	1,904.97
SEK	826,056.59	NOK	791,125.25	15.01.2019	15,727.22
					<u>-27,416,642.10</u>
Forward foreign exchange contracts linked to Class D Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)					
NOK	2,000,000.00	SEK	2,067,744.00	15.01.2019	-19,195.12
NOK	310,958,818.45	SEK	328,122,190.43	15.01.2019	-9,615,021.36
SEK	4,189,708.49	NOK	4,001,907.00	15.01.2019	90,657.45
SEK	960,011.70	NOK	914,085.31	15.01.2019	23,737.48
SEK	3,081,402.20	NOK	3,004,510.76	15.01.2019	3,958.63
					<u>-9,515,862.92</u>
Forward foreign exchange contracts linked to Class A EUR Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)					
EUR	1,990,676.32	SEK	20,462,418.69	15.01.2019	-273,718.86
					<u>-273,718.86</u>
Forward foreign exchange contracts linked to Class H EUR Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)					
EUR	1,026.97	SEK	10,556.36	15.01.2019	-141.21
					<u>-141.21</u>
Forward foreign exchange contracts linked to Class I NOK Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)					
NOK	110,968,577.49	SEK	117,093,488.12	15.01.2019	-3,431,210.75
NOK	28,616,355.04	SEK	29,959,263.35	15.01.2019	-648,262.37
					<u>-4,079,473.12</u>

PARETO SICAV

Notes to the financial statements (continued) as at 31st December 2018

Note 11 - Swaps contracts

As at 31st December 2018, the following Sub-Fund was committed in the following cross currency interest rate swaps contracts:

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)
Skandinaviska Enskilda Banken AB (publ), Sweden								
SEK-STIBOR-SIDE + 3.78%	SEK	9,350,000.00	3.250%	EUR	1,000,000.00	18.05.21	10,141,724.70	-805,047.94
SEK-STIBOR-SIDE + 3.82%	SEK	9,420,000.00	3.250%	EUR	1,000,000.00	18.05.21	10,141,724.70	-719,003.73
SEK-STIBOR-SIDE + 5.49%	SEK	9,550,000.00	4.750%	EUR	1,000,000.00	30.05.22	10,141,724.70	-510,567.18
SEK-STIBOR-SIDE + 4.5715%	SEK	19,240,000.00	4.125%	EUR	2,000,000.00	15.10.21	20,283,449.40	-1,054,152.01
SEK-STIBOR-SIDE + 2.91%	SEK	29,175,000.00	2.625%	EUR	3,000,000.00	30.09.24	30,425,174.10	-820,745.59
SEK-STIBOR-SIDE + 3.845%	SEK	33,120,000.00	5.000%	GBP	3,000,000.00	15.04.22	33,882,943.23	-524,605.19
SEK-STIBOR-SIDE + 4.285%	SEK	37,800,000.00	4.000%	EUR	4,000,000.00	15.01.20	40,566,898.80	-2,907,521.96
SEK-STIBOR-SIDE + 1.88%	SEK	14,191,334.30	1.875%	EUR	1,500,000.00	01.03.24	15,212,587.05	-1,118,473.92
SEK-STIBOR-SIDE + 3.325%	SEK	11,950,000.00	3.250%	EUR	1,250,000.00	15.03.21	12,677,155.87	-843,022.51
SEK-STIBOR-SIDE + 3.28%	SEK	9,500,000.00	3.125%	EUR	1,000,000.00	01.04.20	10,141,724.70	-690,119.12
SEK-STIBOR-SIDE + 2.665%	SEK	57,540,000.00	2.750%	EUR	6,000,000.00	05.01.24	60,850,348.20	-4,053,987.82
SEK-STIBOR-SIDE + 3.3625%	SEK	19,440,000.00	3.375%	EUR	2,000,000.00	15.07.22	20,283,449.40	-1,077,877.75
SEK-STIBOR-SIDE + 3.00%	SEK	18,960,000.00	3.375%	EUR	2,000,000.00	15.07.22	20,283,449.40	-1,868,271.23
SEK-STIBOR-SIDE + 3.08%	SEK	38,380,000.00	2.875%	EUR	4,000,000.00	15.09.20	40,566,898.80	-2,379,390.90
SEK-STIBOR-SIDE + 4.79%	SEK	81,040,000.00	4.750%	EUR	8,000,000.00	15.06.21	81,133,797.60	-516,535.06
SEK-STIBOR-SIDE + 1.85%	SEK	26,550,000.00	4.750%	USD	3,000,000.00	15.11.22	26,618,700.00	-193,079.60
SEK-STIBOR-SIDE + 3.54%	SEK	44,250,000.00	6.250%	USD	5,000,000.00	15.10.21	44,364,500.00	96,046.79
							<u>487,716,250.64</u>	<u>-19,986,354.72</u>
Nordea Bank AB, Sweden								
SEK-STIBOR-SIDE + 3.57%	SEK	47,520,000.00	3.250%	EUR	5,000,000.00	15.03.20	50,708,623.50	-3,322,164.30
SEK-STIBOR-SIDE + 5.72%	SEK	25,632,000.00	DKK-CIBOR2-CIBOR= + 5.30%	DKK	20,000,000.00	16.09.21	27,187,045.10	-1,727,863.76
SEK-STIBOR-SIDE + 5.49%	SEK	33,365,500.00	5.375%	EUR	3,500,000.00	15.04.20	35,496,036.45	-2,357,885.51
SEK-STIBOR-SIDE + 1.89%	SEK	57,402,000.00	2.125%	EUR	6,000,000.00	25.04.24	60,850,348.20	-4,435,589.35
SEK-STIBOR-SIDE + 2.85%	SEK	38,376,000.00	2.875%	EUR	4,000,000.00	15.09.22	40,566,898.80	-2,665,749.71
							<u>214,808,952.04</u>	<u>-14,509,252.63</u>
							<u>702,525,202.69</u>	<u>-34,495,607.35</u>

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as at 31st December 2018

As at 31st December 2018, the following Sub-Fund was committed in the following interest rate swaps contracts with Skandinaviska Enskilda Banken AB (publ), Sweden:

PARETO SICAV - PARETO GLOBAL CORPORATE BOND

Nominal	Currency	Interest receivable	Interest payable	Maturity	Unrealised result (in SEK)
4,000,000.00	USD	USD-LIBOR-BBA + 1.97%	4.750%	15.11.24	-186,211.30
47,000,000.00	SEK	SEK-STIBOR-SIDE + 1.835%	2.875%	12.02.25	-961,766.11
					<u>-1,147,977.41</u>

Note 12 - Contracts For Difference (CFD)

As at 31st December 2018, the following Sub-Fund was committed in the following CFD contracts with Skandinaviska Enskilda Banken AB (publ), Sweden:

PARETO SICAV - PARETO NORDIC ALPHA

	Number of contracts	Denomination	Currency	Market value (in NOK)	Unrealised result (in NOK)
Sale	-191,928	DNB ASA CFD	NOK	-26,514,853.20	67,174.80
Sale	-25,246	Royal Caribbean Cruises Ltd CFD	USD	-21,377,147.32	-725,760.60
Sale	-105,000	Siemens Gamesa Rene Energy SA CFD	EUR	-11,057,065.53	109,115.78
Sale	-131,000	Skandinaviska Enskilda Bk AB A CFD	SEK	-11,007,066.39	-5,113.62
Sale	-122,440	UPM-Kymmene Corp CFD	EUR	-26,841,452.15	-133,298.41
				<u>-96,797,584.59</u>	<u>-687,882.05</u>

Note 13 - Pledged assets

As at 31st December 2018, the following Sub-Funds have pledged assets as described below:

-PARETO SICAV - PARETO NORDIC CORPORATE BOND holds cash pledged as collateral at Skandinaviska Enskilda Banken S.A, Luxembourg for an amount of NOK 27,820,000.00 and at Nordea Bank AB, Sweden for an amount of NOK 32,660,000.00;

-PARETO SICAV - PARETO GLOBAL CORPORATE BOND holds cash pledged as collateral at Skandinaviska Enskilda Banken S.A. Luxembourg for an amount of SEK 39,502,287.19, at Skandinaviska Enskilda Banken AB (publ), Sweden for an amount of SEK 36,452,000.00 and at Nordea Bank AB, Sweden for an amount of SEK 16,636,000.00;

-PARETO SICAV - PARETO NORDIC ALPHA holds cash pledged as collateral at Skandinaviska Enskilda Banken AB (publ), Sweden for an amount of NOK 8,910,970.26.

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

Note 14 - Swing Pricing

A Sub-Fund may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and of the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or switches in and out of the Sub-Funds. In order to counter this and to protect Shareholders' interests, the Directors may apply "swing pricing" as part of its daily valuation policy. This will mean that in certain circumstances the Directors may make adjustments in the calculations of the Net Asset Values per Share, to counter the impact of dealing and other costs on occasions when these are deemed to be significant in case net subscriptions or redemptions exceed a certain threshold as determined by the Directors. The Directors have delegated some of these powers to the Management Company. The adjustment of the Net Asset Value per Share shall not exceed 1% of the unadjusted Net Asset Value as of the relevant Valuation Day. The adjustments to the Net Asset Value per Share applicable on any Valuation Day shall be identical for all subscriptions dealt with as of such day in the relevant Sub-Fund.

PARETO SICAV

Notes to the financial statements (continued)

as at 31st December 2018

For the avoidance of doubt, performance fees, if any, will be calculated on the basis of the unadjusted Net Asset Value.

As at 31st December 2018, no swing pricing was applied.

Note 15 - Changes in the investment portfolio

The statement of changes in the investment portfolio is available free of charge upon request from the registered office of the Fund.

Note 16 - Event

FundRock Management Company S.A. has completed the acquisition of SEB Fund Services S.A. from Skandinaviska Enskilda Banken AB (publ) on the 15th November 2018. The deal was first announced on 22nd May 2018 and concluded following regulatory approval of the Commission de Surveillance du Secteur Financier.

SEB Fund Services S.A. was renamed into FundRock Nordics S.A. on the 15th November 2018. On the 21st December 2018 FundRock Nordics S.A. was merged into FundRock Management Company S.A.

Note 17 - Subsequent events

At the date of the financial statements, there were no subsequent events to be disclosed.

PARETO SICAV

Additional information (unaudited)
as at 31st December 2018

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 by applying either the commitment approach or the VaR ("Value at Risk") approach.

The Board of Directors of the Fund decided to adopt, as a method of determining and monitoring the global exposure:

- The commitment approach for the Sub-Funds:
 - PARETO SICAV - PARETO NORDIC CORPORATE BOND
 - PARETO SICAV - PARETO GLOBAL CORPORATE BOND
 - PARETO SICAV - PARETO NORDIC EQUITY

FundRock Management Company S.A. and before that FundRock Nordics S.A. (formerly SEB Fund Services S.A.) has selected the absolute Value at Risk methodology as the model to be applied to the Sub-Fund PARETO SICAV - PARETO NORDIC ALPHA.

The calculation of the absolute VaR is carried out in accordance with the following parameters:

- Confidence level of 99%;
- VaR horizon of 20 business days;
- Effective observation period of risk factors of 250 business days;
- Daily data set updates; and
- Daily calculation and monitoring of VaR levels.

For the period from 1st January 2018 to 31st December 2018 the following statistics have been computed for the Sub-Funds:

Sub-Fund	PARETO SICAV - PARETO NORDIC ALPHA
VaR limit	20.00%
Min VaR	2.69%
Max VaR	9.50%
AVG VaR	4.39%
Average level of leverage*	18.04%

* based on the sum of notionals methodology

2 - Remuneration disclosure

FundRock Management Company S.A. ("FundRock") has established and applies a remuneration policy in accordance with the principles laid out under the AIFMD and UCITS V directive, and any related legal & regulatory provisions applicable in Luxembourg. The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company and the Funds that it manages and of the investors in such Funds, and which includes, *inter alia*, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Funds that the Management Company manages.

As an independent management company relying on a full-delegation model (i.e. delegation of the collective portfolio management function), FundRock ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that FundRock's employees who are identified as risk-takers under UCITS V are not remunerated based on the performance of the funds under management.

PARETO SICAV

Additional information (unaudited) (continued)

as at 31st December 2018

A paper version of the remuneration policy is made available free of charge to investors at FundRock's registered office.

The amount of remuneration, including social charges and benefits, for the financial year ending 31st December 2018 was: EUR 6,459,595.00

Fixed remuneration: EUR 6,271,345.00

Variable remuneration: EUR 188,250.00

This does not include the remuneration to SEB Fund Services/FundRock Nordics S.A. for the period from the 1st of January 2018 till the 21st of December 2018 prior to the merger of SEB Fund Services/FundRock Nordics S.A. with FundRock Management Company S.A. on the 21st December 2018.

Number of beneficiaries: 64

The aggregated amount of remuneration for the financial year ending 31st December 2018 of Identified staff/risk takers is as follows:

Identified staff/risk takers: EUR 1,069,358.00

Other risk takers: EUR Nil

The remuneration to SEB Fund Services/FundRock Nordics S.A. for the period from the 1st of January 2018 till the 21st December 2018 prior to the merger of SEB Fund Services/FundRock Nordics S.A. with FundRock Management Company S.A. on the 21st December 2018, including social charges and benefits was: EUR 2,286,192.83

Fixed remuneration: EUR 2,245,970.33

Variable remuneration: EUR 40,222.50

Number of beneficiaries: 19

The aggregated amount of remuneration for the period from the 1st of January 2018 till the 21st December 2018 prior to the merger of SEB Fund Services/FundRock Nordics S.A. with FundRock Management Company S.A. on the 21st December 2018, of Identified staff/risk takers is as follows:

Identified staff/risk takers: EUR 489,625.06

Other risk takers: EUR Nil

The total amount of remuneration is based on a combination of the assessment of the performance of the individual, the overall results of FundRock, and when assessing individual performance, financial as well as non-financial criteria are taken into account.

The Policy is subject to annual review by the Compliance Officer and the update is performed by HR department of FundRock and is presented for review to the Remuneration Committee and approval by the Board of FundRock.

The policy was last updated in February 2019, to reflect the additional requirements of the "UCITS V" Directive.

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

During the reporting period, the Fund did not engage in transactions which are subject to the publication requirements of SFTR. Accordingly, no information concerning the transparency of securities financing transactions and of reuse of cash collateral should be reported.

