

**Annual report including audited financial statements  
as at 31st December 2019**

**PARETO SICAV**

Investment Company (SICAV), Luxembourg

R.C.S. Luxembourg B152898

#### 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**

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#### **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

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### Registered Office

H2O building  
33, rue de Gasperich  
L-5826 Hesperange

### Board of Directors of the Fund

**Chairman**  
Thorleif Wegner SIMONSEN  
Independent Director  
Switzerland

**Directors**  
Véronique GILLET  
Independent Director  
Luxembourg

Anna MÅBÄCK  
Independent Director  
Norway

Espen OTTERSEN  
Chief Compliance Officer  
Pareto Asset Management AS  
Norway  
(since 3rd July 2019)

### Management Company

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

**Members**  
Romain DENIS  
Executive Director - Co-Managing Director  
FundRock Management Company S.A., Luxembourg

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

Tracey MCDERMOTT  
Independent Non-Executive Director, Luxembourg

Grégory NICOLAS  
Executive Director - Co-Managing Director  
FundRock Management Company S.A., Luxembourg

## PARETO SICAV

### Organisation (continued)

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Xavier PARAIN  
Executive Director - Chief Executive Officer  
FundRock Management Company S.A., Luxembourg  
(since 1st April 2019)

Serge RAGOZIN  
Executive Director - Deputy Chief Executive Officer  
FundRock Management Company S.A., Luxembourg

Ross THOMSON  
Executive Director - Managing Director  
FundRock Management Company S.A., Luxembourg  
(until 22nd July 2019)

#### **Conducting Officers**

Romain DENIS  
Executive Director - Co-Managing Director

Grégory NICOLAS  
Executive Director - Co-Managing Director

Matteo SBROLLA  
Director Investment Management and Distribution Oversight  
(since 17th December 2019)

#### **Depositary**

Skandinaviska Enskilda Banken S.A.  
4, rue Peternelchen  
L-2370 Howald

#### **Administrative Agent**

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

#### **Sub-Administrator, 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

**PARETO SICAV**

**Organisation (continued)**

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*"Cabinet de révision agréé"*

Deloitte Audit  
Société à responsabilité limitée  
20, boulevard de Kockelscheuer  
L-1821 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 6th February 2019 and was published on 19th February 2019. 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
- PARETO SICAV - PARETO NORDIC CROSS CREDIT	in NOK.

The Board of Directors of the Fund decided to launch the Sub-Fund PARETO SICAV - PARETO NORDIC CROSS CREDIT on 26th November 2019.

The Sub-Fund **PARETO SICAV - PARETO NORDIC CORPORATE BOND** issues Class A, B, C, D, H EUR, H DKK, H USD, H DIS EUR, H DIS 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 DIS EUR Shares	EUR 5 million
H DIS USD Shares	USD 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

## PARETO SICAV

### General information (continued)

The Sub-Fund **PARETO SICAV - PARETO GLOBAL CORPORATE BOND** issues Class A, A DIS SEK, A DIS USD, 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, C SEK, D EUR, D NOK, D SEK, I NOK and I SEK 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.

## PARETO SICAV

### 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
C SEK Shares	SEK 20 million
D EUR Shares	EUR 5 million
D NOK Shares	NOK 50 million
D SEK Shares	SEK 50 million
I NOK Shares	NOK 100 million
I SEK Shares	SEK 100 million

The Sub-Fund **PARETO SICAV - PARETO NORDIC CROSS CREDIT** issues Class A NOK, A SEK, A EUR, A USD, A CHF, A DIS SEK, A DIS EUR, H NOK, H SEK, H EUR, H USD, H CHF, H DIS SEK, H DIS EUR, H-I NOK, H-I SEK, H-I EUR, H-I USD, H-I CHF, H-I DIS SEK, H-I DIS EUR, I NOK, I SEK, I EUR, I USD, I CHF, I DIS SEK and I DIS EUR Shares. Class A Shares are available to all investors. Class H Shares are available to individual clients investing the minimum subscription amount. Class 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 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. Class H-I Shares are available to Institutional Investors investing the minimum subscription amount.

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

Share Class	Minimum investment
H NOK Shares	NOK 50 million
H SEK Shares	SEK 50 million
H EUR Shares	EUR 5 million
H USD Shares	USD 5 million
H CHF Shares	CHF 5 million
H DIS SEK Shares	SEK 50 million
H DIS EUR Shares	EUR 5 million
H-I NOK Shares	NOK 50 million
H-I SEK Shares	SEK 50 million
H-I EUR Shares	EUR 5 million
H-I USD Shares	USD 5 million
H-I CHF Shares	CHF 5 million
H-I DIS SEK Shares	SEK 50 million
H-I DIS EUR Shares	EUR 5 million
I NOK Shares	NOK 400 million
I SEK Shares	SEK 400 million
I EUR Shares	EUR 50 million
I USD Shares	USD 50 million
I CHF Shares	CHF 50 million
I DIS SEK Shares	SEK 400 million
I DIS EUR Shares	EUR 50 million

## PARETO SICAV

### General information (continued)

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 CHF
	H DIS USD
	H EUR
	H USD
	I DIS EUR
	I EUR
	I NOK
PARETO SICAV - PARETO GLOBAL CORPORATE BOND	A
	A DIS SEK
	A DIS USD
	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
	B NOK
PARETO SICAV - PARETO NORDIC EQUITY	B EUR
	B NOK
	B SEK
	C NOK
	D EUR
	D NOK
	I NOK
	I SEK
PARETO SICAV - PARETO NORDIC CROSS CREDIT	A NOK
	A SEK
	H EUR
	H NOK
	H USD
	H-I NOK
	I NOK
	I SEK

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**

### **Report from the Investment Manager**

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#### **PARETO SICAV - PARETO NORDIC CORPORATE BOND (Sub-Fund in the Pareto SICAV)**

The strategy of the Sub-Fund is to invest in predominantly 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**

Looking back on 2019, the year began with many uncertainties, Brexit, trade war, a slowing global economy etc. Despite strong headwinds on several fronts, we can summarize a year with solid results. 2019 was a year characterised by low volatility combined with good returns for the fund, in both absolute and relative terms. We are pleased to be able to look back at 2019 as a year with positive returns in each month across all share classes for the fund.

The fund has experienced strong growth in total assets, almost tripling during the year. Nonetheless, the fund's sector exposure has not changed significantly, and the fund has maintained its profile with broad sector diversification and low exposure to single holdings. Interest rate and credit duration have been maintained at a low level throughout the year and are presently around one year and less than three years, respectively.

The fund's current yield was reduced by approximately 1.5 percentage points during 2019. This is a result of a strong market, with credit margins having been reduced by 50-100 basis points, as well as a somewhat more conservative portfolio at the start of 2020 compared with 2019.

After a very quiet first quarter, 2019 became a year of continued high activity in the primary markets. Total volumes issued in the Nordic market are estimated at close to NOK 110 billion. This is in line with the record years in 2017 and 2018. In addition, issued volumes for Nordic companies in the international credit markets are not included in these figures. Combined, we estimate outstanding volumes at NOK 720 billion at the end of the year.

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 outstanding in the Sub-Fund.

#### **Sub-Fund management**

Fund management continues its focus on thorough credit research related to each holding while at the same time maintaining a well-diversified portfolio across sectors with limited interest rate sensitivity and moderate credit duration.

#### **Outlook**

The global outbreak of the Corona virus has during March 2020 had a significant impact on all financial markets, including the Nordic corporate bond market. Fundamentally, the market is concerned over the effects the widespread measures taken to control the outbreak might have on the underlying economy. While prices have come down substantially, we have yet to see the actual uptick in default rates and realized losses in the portfolio. However, if the lock-down situation per end of March continues over a longer period of time we can expect an increase in default rates. As an important mitigating factor we are observing governments and central banks' strong willingness and ability to take necessary measures in order to support businesses through this challenging period. This is especially relevant for the Nordic countries, which all of them have well capitalized governments and efficient governance structures in place to stimulate the local economy.

The current situation will most likely pause the structural growth in the Nordic corporate bond market for a period. However, we believe the underlying story for growth is intact once the markets normalize. This is based on the changing regulatory requirements on traditional banks as well as corporates' need to diversify its financing sources. This structural trend supports credit margins as well as improving market diversity further going forward.

## PARETO SICAV

### Report from the Investment Manager (continued)

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We see the Nordic region as an attractive place for investors and given current trading levels we see a strong potential for price recovery once the virus outbreak has been contained and markets are normalizing. The Nordic region scores high on factors such as growth, economic stability, governance and it 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 good option.

#### **PARETO SICAV - PARETO GLOBAL CORPORATE BOND (Sub-Fund in the Pareto SICAV)**

The strategy of the Sub-Fund is to invest in global corporate bonds, with a mix of 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 shall take into account environmental, social and corporate governance factors by excluding any company included in the Norwegian Government Pension Fund Global exclusion list, from its investment universe. In addition, the Sub-Fund may exclude further companies based on its own assessment of environmental, social and corporate governance performance.

#### **Sub-Fund performance**

“But when I woke up this mornin' Coulda sworn it was judgment day  
The sky was all purple, ... So tonight I'm gonna party like it's 1999.” (1982; “1999” Prince)

Looking back on 2019, the year began with many uncertainties, Brexit, trade war, a slowing global economy etc. Despite strong headwinds on several fronts, we can summarize a year with solid returns for the fund. The year began cautiously, and then gradually strengthened. Issuance volumes rose globally, but Europe stood out with a record year of just over € 360 billion in issued corporate bonds during 2019. The term "negative yield" also gained momentum at the end of August when almost 45% of all euro investment grade bonds offered negative returns.

ESG is probably also one of the strongest trends in asset management and bank lending. We work systematically and consistently with ESG within the framework of the Nordic Swan Ecolabel license, where we are one of the few corporate bond funds with a Nordic Swan Ecolabel license. The process will enable and assist us in finding companies with potential and create a better return over time for the unitholders.

The Sub-Fund Class A gained 4.1 per cent in 2019. NAV ended the year at SEK 3 965 million. Net flows into the Sub-Fund ended with a negative SEK 150 million. The credit market tightened during the year and performed especially well during November and December.

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 outstanding in the Sub-Fund.

#### **Sub-Fund management**

The Federal Reserve and the Riksbank in Sweden followed two different paths in 2019. The Riksbank raised the key rate twice back to 0%, while the US lowered the interest rate three times in 2019 to the range of 1.5% - 1.75%. In the near future, the major central banks will most likely pause and evaluate the development of the global economy. Credit spreads ended strongly, especially during the month of December. Both cash and index performed well during the year.

The Sub Fund kept its credit duration steady at 4.5 years, and the interest rate duration between 2.0 and 2.2 during 2019. The Sub-Fund focuses on finding corporate bonds in mostly niche sectors which exhibit lesser volatility than the market.

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 contributes to better long-term return for our clients.

## **PARETO SICAV**

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

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The Sub-Fund was very active throughout the year in both secondary and primary trading. There were many companies which issued bonds in 2019. A clear trend is greater attention to sustainability for companies in most sectors. Some notable investments were NextEra Energy, Hannon Armstrong, Ball Corp, Iron Mountain and UPM Kymmene.

#### **Outlook**

Duration played a major part in fixed income performance during 2019. As the terrible development of the Corona virus has impacted our society to the core, companies and countries are turning growth targets into support and preservation. The financial impact will vary as the year progresses depending on the length of the global quarantine measures taken. What we do know is the world will deal with a recession. Certain sectors are and will continue to be severely affected i.e. travel, retail, real estate and oil sector to mention a few. The situation is very serious and due to that fact, we are witnessing massive support measures both a fiscal and financial. The crisis has unified a somewhat fractured global alliance, which is very positive. Yields on both investment grade and high yield has increased dramatically and the fund offers now potentially a very attractive return profile.

The fund's strong ESG process is well positioned for the strong development in this area globally. If anything, we believe that recent developments will put an even greater focus on sustainable projects and companies. Pareto Global Corporate Bond fund has since launch consistently focused on these areas which will offer opportunities for investors. The fund excludes many of the hardest hit sectors where default rates will spike. There is an overweight in the fund towards less cyclical sectors i.e. healthcare, IT, alternative energy and cable satellite providers. Goldman Sachs before the crisis hit planned "to spend \$750 billion over the next decade financing and advising companies focused on sustainable finance themes such as climate transition and inclusive growth."

We would like to summarize the current situation as challenging, but there are many opportunities for a fund with a global focus to find companies who will successfully help in the transformation which will improve our society. We appreciate our clients support in this turbulent environment.

## **PARETO SICAV - PARETO NORDIC ALPHA (Sub-Fund in the Pareto SICAV)**

#### **Sub-Fund performance**

Net return was 8.54 percent (B-class, NOK), again well ahead of the HFRU Equity Hedge Index measured in Norwegian Krone. We had a moderate net equity exposure through the year, ranging between monthly averages of 44 and 52 percent.

#### **Sub-Fund management**

Andrè Buhagen, who worked as analyst, left during the year.

#### **Outlook**

The year 2019 played out much as expected and described in our outlook statements a year ago. Economic growth slowed and we got increasingly expansive monetary and fiscal policies. However, we underestimated the positive impact on equity prices of the lower interest rates.

We maintain that unsustainable policies have boosted demand and pushed down the discount rate, creating a boom in risky assets and leaving less upside for the coming years. This vulnerable position makes the impact of the Corona virus more profound. Demand is plunging, but our portfolio is relatively robust with emphasis on staples and strong balance sheets. We observe increasing value discrepancies between sectors and companies, paving the way for profitable opportunities in 2020.

## **PARETO SICAV**

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

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#### **PARETO SICAV - PARETO NORDIC EQUITY (Sub-Fund in the Pareto SICAV)**

##### **Sub-Fund performance**

For 2019 the net return was 18.96 per cent (B-class, EUR). Despite delivering a good absolute return and having a strong finish with 12 per cent appreciation in the final two months of the year, the fund ended 5 percentage points behind the Nordic reference index VINX Benchmark Cap Net Index, having been trailing that benchmark for most of the year.

Assets under management at the end of December 2019 were NOK 276 million.

##### **Sub-Fund management**

The fund holds a diversified cross-Nordic portfolio with a high active share through a small and mid-cap tilt.

During 2019 the fund was overweighted Norwegian equities, which was a disadvantage, mainly because Norwegian equity markets, along with Finland, were the poorest performer in the Nordics. Unfavourable exchange rate developments added to the underperformance. Swedish and Danish equities, in which the fund was underweight, both experienced significant multiple expansion and outperformed the Norwegian market.

In terms of stock selection the largest positive contributions to returns came from Instalco, Scatec Solar, Nordic Semiconductor and BW Offshore. At the opposite end, in particular Norwegian Air Shuttle and Betsson pulled returns down.

Analyst Hans-Marius Lee Ludvigsen departed the investment management team during the year.

##### **Outlook**

The outlook for 2020 has changed dramatically over the past month due to the corona pandemic. The spread of the disease has been much more rapid than we and the rest of the world ever feared. Nearly half of the world's economy has been locked down.

All companies are forced to set aside their guidance for 2020 as no one can tell how long the measures will continue to be in effect. Given today's valuation in terms of price to book value one could say that a mild recession has been discounted. The rate at which the disease is spreading in the US suggests there could be further downside to global markets in the very short term.

However, things will get back to normal and we shall look back at 2020 as the year we were thrown into global recession by something very unforeseen. The speed of economic recovery will depend on the development of medicine and vaccines but for the long-term investor these markets represent a buying opportunity.

Our portfolio has a substantial overweight in Norway in general and in the energy sector in particular which so far this year has been costly compared to the rest of the Nordics. The impact of corona on oil demand on the one hand and OPEC not cutting production on the other has led to the lowest oil price in more than 20 years. When the global economy at some point recovers and oil inventories come down, in our mind, the oil price is in for a strong rally.

## **PARETO SICAV**

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

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#### **PARETO SICAV - PARETO NORDIC CROSS CREDIT (Sub-Fund in the Pareto SICAV)**

The strategy of the Sub-Fund is to invest in predominantly Nordic corporate and financial high yield and investment grade 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 than the Nordic crossover market.

#### **Sub-Fund performance**

Late November we launched our new fund Pareto Nordic Cross Credit. The first full month delivered a positive return. In the primary markets, the fund participated in two new bond issues, the Finnish fiber-based products provider Ahlstrom-Munksjö and the Swedish commercial real estate company Sagax.

In the secondary market, the fund added to the position in, among others, the Danish based soil recycling company DSV Miljö, the Icelandic Bank Islandsbanki and the Norwegian ferry company Fjord1.

By year end, the portfolio consisted of 81 different Nordic issuers. The average credit margin was 253 basis points.

Pareto Nordic Cross Credit's mandate gives investors access to an attractive mix of Nordic investment-grade and highyield bonds. The portfolio will offer low sensitivity to interest rate fluctuations, as the vast majority of the bonds are floating rate notes (FRNs). A sound ESG framework is incorporated in all investment decisions.

#### **Sub-Fund management**

The fund managers are based in the two largest Nordic markets; Sweden and Norway, and have successful track records as analysts and fund managers. With long-standing local expertise Pareto Asset Management's fixed income team conducts close monitoring of issuers and their management. At the core of Pareto Nordic Cross Credit's investment strategy is the credit assessment process. Credit assessments include the quantitative methodologies used by international rating agencies, but are combined with additional quantitative and qualitative analyses.

#### **Outlook**

The global outbreak of the Corona virus has during March 2020 had a significant impact on all financial markets, including the Nordic corporate bond market. Fundamentally, the market is concerned over the effects the widespread measures taken to control the outbreak might have on the underlying economy. While prices have come down substantially, we have yet to see the actual uptick in default rates and realized losses in the portfolio. However, if the lock-down situation per end of March continues over a longer period of time we can expect an increase in default rates. As an important mitigating factor we are observing governments and central banks' strong willingness and ability to take necessary measures in order to support businesses through this challenging period. This is especially relevant for the Nordic countries, which all of them have well capitalized governments and efficient governance structures in place to stimulate the local economy.

The current situation will most likely pause the structural growth in the Nordic corporate bond market for a period. However, we believe the underlying story for growth is intact once the markets normalize. This is based on the changing regulatory requirements on traditional banks as well as corporates' need to diversify its financing sources. This structural trend supports credit margins as well as improving market diversity further going forward.

We see the Nordic region as an attractive place for investors, and given current trading levels we see a strong potential for price recovery once the virus outbreak has been contained and markets are normalizing. The Nordic region scores high on factors such as growth, economic stability, governance and it 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 Cross Credit should be a good option.

Luxembourg, 1st April 2020

The Investment Manager

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

## Report of the réviseur d'entreprises agréé

To the Shareholders of  
PARETO SICAV

### 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 statement of investments and other net assets as at 31st December 2019 and the statement of operations and other changes in net 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 PARETO SICAV and of each of its sub-funds as at 31st December 2019, 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 23rd July 2016 on the audit profession (Law of 23rd 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 23rd 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 stated in the annual report but does not include the financial statements and our report of the *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 regards.

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

### 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 requirements 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 23rd 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 23rd 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 *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.

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

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*

A handwritten signature in blue ink, appearing to be 'JP Bachelet', written over a light blue circular stamp or watermark.

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

20th April 2020

# PARETO SICAV

## Combined statement of net assets (in EUR) as at 31st December 2019

Notes

### Assets

Securities portfolio at market value		1,611,726,327.24
Cash at banks		107,187,731.83
Cash collateral at banks	13	26,758,387.54
Other liquid assets	1	619,149.28
Formation expenses, net	1	21,256.91
Receivable on treasury transactions		653.01
Receivable on issues of shares		4,327,453.73
Income receivable on portfolio		16,384,754.99
Interest receivable on swaps contracts		269,203.11
Interest receivable on contracts for difference (CFD)		158.25
Unrealised gain on contracts for difference (CFD)		13,274.93
Unrealised gain on forward foreign exchange contracts		4,195,959.06
Other receivables		23,827.16
Total assets		<u>1,771,528,137.04</u>

### Liabilities

Bank overdrafts		4,830.06
Other liquid liabilities	1	157,500.48
Payable on treasury transactions		159.80
Payable on redemptions of shares		13,216,980.36
Interest payable on swaps contracts		601,472.77
Unrealised loss on swaps contracts		5,154,677.28
Unrealised loss on forward foreign exchange contracts		266,794.23
Expenses payable		1,384,843.61
Interest payable on contracts for difference (CFD)		115.19
Results payable on contracts for difference (CFD)		9,031.80
Total liabilities		<u>20,796,405.58</u>
Net assets at the end of the year		<u>1,750,731,731.46</u>

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 2019 to 31st December 2019

<b><u>Income</u></b>	Notes	
Dividends, net	1	2,234,455.36
Interest on bonds and other debt securities, net	1	70,434,333.14
Interest on bank accounts		558,744.38
Interest on swaps contracts		2,657,931.60
Other income	4	207,746.07
Total income		76,093,210.55
<b><u>Expenses</u></b>		
Management fees	3; 4	9,468,239.80
Performance fees	5	107,365.26
Depositary fees	7	282,377.89
Banking charges and other fees		9,414.18
Transaction fees	1	61,601.84
Central administration costs	6	76,676.04
Professional fees		50,560.13
Other administration costs		55,060.73
Subscription duty ("taxe d'abonnement")	9	436,216.88
Other taxes		1,985.61
Bank interest paid		169,485.95
Interest paid on swaps contracts		3,121,220.12
Other expenses	1; 8	138,425.76
Total expenses		13,978,630.19
Net investment income		62,114,580.36
<b><u>Net realised gain/(loss)</u></b>		
- on securities portfolio		-2,774,060.03
- on contracts for difference (CFD)		-2,745,548.79
- on swaps contracts		-699,883.49
- on forward foreign exchange contracts		-13,015,690.00
- on foreign exchange		-5,702,547.83
Realised result		37,176,850.22
<b><u>Net variation of the unrealised gain/(loss)</u></b>		
- on securities portfolio		45,335,213.69
- on contracts for difference (CFD)		82,980.31
- on swaps contracts		-1,762,968.09
- on forward foreign exchange contracts		8,449,554.73
Result of operations		89,281,630.86
Dividends paid		-1,278,261.53
Subscriptions		1,345,866,302.01
Redemptions		-556,257,155.86
Total changes in net assets		877,612,515.48
Total net assets at the beginning of the year		884,779,865.54
Foreign exchange difference		-11,660,649.56
Total net assets at the end of the year		1,750,731,731.46

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 2019

	Notes	
<b>Assets</b>		
Securities portfolio at market value		11,242,303,940.63
Cash at banks		557,465,695.57
Cash collateral at banks	13	198,450,000.00
Formation expenses, net	1	5,970.20
Receivable on issues of shares		9,290,434.20
Income receivable on portfolio		127,296,026.81
Other receivables		107,507.27
Total assets		<u>12,134,919,574.68</u>
<b>Liabilities</b>		
Bank overdrafts		47,665.11
Payable on treasury transactions		1,576.98
Payable on redemptions of shares		684,729.47
Unrealised loss on forward foreign exchange contracts		2,632,837.74
Expenses payable		7,182,816.88
Total liabilities		<u>10,549,626.18</u>
Net assets at the end of the year		<u>12,124,369,948.50</u>

### 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	1,185,549.7545	NOK	1,156.8882	1,371,548,558.82
A EUR	333,727.0979	EUR	107.4182	353,766,709.48
B	849,335.4635	NOK	1,236.0054	1,049,783,228.85
C	89,013.6060	SEK	1,043.4267	87,217,417.15
D	1,237,714.6712	SEK	106.7163	124,032,647.90
H CHF	45,497.0000	CHF	101.2091	41,825,927.12
H DIS USD	169,182.1740	USD	101.12	150,376,870.36
H EUR	747,744.0718	EUR	110.1095	812,503,506.94
H USD	68,303.3819	USD	118.2488	70,994,187.40
I DIS EUR	57,733.0107	EUR	1,004.5121	572,304,317.75
I EUR	5,892,108.8450	EUR	106.0748	6,167,807,646.56
I NOK	1,159,640.7304	NOK	1,140.1884	1,322,208,930.17
				<u>12,124,369,948.50</u>

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 2019 to 31st December 2019

	Notes	
<b><u>Income</u></b>		
Interest on bonds and other debt securities, net	1	524,021,532.44
Interest on bank accounts		4,563,095.50
Other income	4	1,543,190.51
Total income		530,127,818.45
<b><u>Expenses</u></b>		
Management fees	3; 4	50,989,591.29
Depository fees	7	1,716,080.51
Banking charges and other fees		14,644.26
Transaction fees	1	166,889.88
Central administration costs	6	387,648.02
Professional fees		317,875.18
Other administration costs		179,442.63
Subscription duty ("taxe d'abonnement")	9	2,372,319.18
Bank interest paid		372,258.68
Other expenses	1; 8	720,995.99
Total expenses		57,237,745.62
Net investment income		472,890,072.83
<b><u>Net realised gain/(loss)</u></b>		
- on securities portfolio		50,474,708.32
- on forward foreign exchange contracts		-51,461,860.17
- on foreign exchange		-18,828,220.43
Realised result		453,074,700.55
<b><u>Net variation of the unrealised gain/(loss)</u></b>		
- on securities portfolio		57,522,242.76
- on forward foreign exchange contracts		36,217,325.47
Result of operations		546,814,268.78
Dividends paid		-11,485,766.26
Subscriptions		9,979,251,473.02
Redemptions		-2,462,663,216.22
Total changes in net assets		8,051,916,759.32
Total net assets at the beginning of the year		4,072,453,189.18
Total net assets at the end of the year		12,124,369,948.50

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 2019

Total net assets	Currency	31.12.2017	31.12.2018	31.12.2019
	NOK	2,257,807,440.74	4,072,453,189.18	12,124,369,948.50

Net asset value per share	Currency	31.12.2017	31.12.2018	31.12.2019
A	NOK	1,058.3203	1,082.2594	1,156.8882
A EUR	EUR	101.5733	102.3932	107.4182
B	NOK	1,120.5827	1,151.0695	1,236.0054
C	SEK	985.7294	992.9039	1,043.4267
D	SEK	-	101.1018	106.7163
H CHF	CHF	-	-	101.2091
H DIS USD	USD	-	-	101.1200
H EUR	EUR	103.0607	104.4801	110.1095
H USD	USD	104.8052	109.0047	118.2488
I DIS EUR	EUR	-	987.8965	1,004.5121
I EUR	EUR	-	100.4648	106.0748
I NOK	NOK	1,029.7645	1,059.8203	1,140.1884

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
A	955,330.4982	414,189.8946	-183,970.6383	1,185,549.7545
A EUR	98,270.5791	311,575.6973	-76,119.1785	333,727.0979
B	681,185.0834	742,407.0117	-574,256.6316	849,335.4635
C	72,957.2742	47,863.1294	-31,806.7976	89,013.6060
D	257,008.9135	1,147,760.1058	-167,054.3481	1,237,714.6712
H CHF	-	45,497.0000	-	45,497.0000
H DIS USD	-	169,182.1740	-	169,182.1740
H EUR	418,040.9488	820,144.9040	-490,441.7810	747,744.0718
H USD	30,285.6491	38,028.3819	-10.6491	68,303.3819
I DIS EUR	1.0435	57,733.0397	-1.0725	57,733.0107
I EUR	1,111,137.0000	5,650,433.0760	-869,461.2310	5,892,108.8450
I NOK	465,287.0297	698,731.7007	-4,378.0000	1,159,640.7304

Dividends paid	Currency	Dividend per share	Ex-dividend date
I DIS EUR	EUR	7.50	09.01.2019
I DIS EUR	EUR	10.00	03.04.2019
I DIS EUR	EUR	10.00	03.07.2019
I DIS EUR	EUR	10.00	02.10.2019

# PARETO SICAV - PARETO NORDIC CORPORATE BOND

## Statement of investments and other net assets (in NOK) as at 31st December 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Investments in securities</b>					
<b>Transferable securities admitted to an official stock exchange listing</b>					
<b>Shares</b>					
NOK	10,651,659	SeaBird Exploration Ltd Bearer	10,394,578.87	6,018,187.34	0.05
<b>Total shares</b>			<b>10,394,578.87</b>	<b>6,018,187.34</b>	<b>0.05</b>
<b>Bonds</b>					
DKK	33,230,000	Danske Bank A/S FRN EMTN Sub Conv 16/23.02.Perpetual	43,462,840.19	45,088,910.62	0.37
DKK	50,000,000	DSV Panalpina AS 3.5% Reg S Sen 13/24.06.20	68,482,594.42	67,050,686.11	0.55
DKK	20,000,000	Jyske Bank AS FRN Reg S Sub 16/16.12.Perpetual	26,258,005.98	27,665,695.85	0.23
			138,203,440.59	139,805,292.58	1.15
EUR	4,250,000	Ax Dell Oy FRN 17/19.04.21	41,325,443.16	41,416,528.25	0.34
EUR	13,000,000	AX V INV1 Holding ApS FRN 17/29.06.22	128,222,801.65	130,855,258.87	1.08
EUR	2,900,000	Bewi Group AB FRN Sen 18/19.04.22	28,005,697.96	29,763,156.92	0.24
EUR	6,700,000	BEWISynbra Group AB FRN 19/22.11.23	67,205,587.54	66,449,010.99	0.55
EUR	5,000,000	BidCo af 28042017 A/S FRN Sen 19/21.10.24	49,465,231.09	49,342,103.65	0.41
EUR	7,900,000	Cembrit Group A/S FRN Sen 17/20.03.21	72,666,874.67	77,083,467.88	0.64
EUR	4,000,000	Danske Bank A/S VAR Sub 06.10/Perpetual	39,095,117.13	39,957,235.53	0.33
EUR	14,300,000	DKT Finance ApS 7% Sen Reg S 18/17.06.23	146,350,260.31	149,920,677.66	1.24
EUR	8,200,000	DLF Seeds A/S VAR Sub 18/27.11.Perpetual	80,412,837.21	85,776,312.98	0.71
EUR	17,000,000	Dsv Miljo AS FRN Sen 17/10.05.21	168,416,271.94	168,497,116.20	1.39
EUR	13,500,000	European Energy AS FRN Sen 19/20.09.23	136,599,914.07	139,884,863.85	1.15
EUR	8,000,000	Heimstaden Bostad AB VAR Jun Sub Reg S 19/19.02.Perpetual	80,594,217.38	79,539,471.08	0.66
EUR	3,900,000	HKScan Corp 2.625% Sen 17/21.09.22	35,465,887.90	35,792,761.99	0.29
EUR	10,500,000	Infront ASA FRN 19/15.05.23	100,844,410.45	105,949,832.06	0.87
EUR	3,000,000	Intrum AB 2.75% Sen Reg S 17/15.07.22	28,022,446.96	30,099,818.09	0.25
EUR	2,000,000	Intrum AB 3.5% EMTN Sen Reg S 19/15.07.26	19,328,557.14	20,240,525.65	0.17
EUR	3,980,496	Kotkamills Group Oyj 8.25% Sen 15/13.03.20	38,566,928.12	39,772,224.36	0.33
EUR	12,500,000	Norske Skog ASA FRN Sen 19/14.06.22	122,459,474.13	127,380,390.57	1.05
EUR	6,100,000	Norwegian Air Shuttle ASA 7.25% Sen 15/11.12.21	57,375,670.54	58,090,458.62	0.48
EUR	4,000,000	Samhallsbyggnadsbolag i AB VAR Sub Reg S 19/26.07.Perpetual	37,927,424.54	42,311,840.72	0.35
EUR	17,000,000	SGL TransGroup Intl AS FRN Sen 19/04.11.24	172,837,716.88	168,601,968.17	1.39
EUR	11,000,000	SL Bidco BV FRN 18/06.02.23	104,004,455.98	112,162,002.92	0.92
EUR	5,000,000	Transcom Holding AB 6.5% 18/22.03.23	46,472,364.39	47,533,962.26	0.39
EUR	6,340,000	Tresu Investement Holding A/S FRN Sen17/29.09.22	49,443,730.91	31,282,893.71	0.26
EUR	8,700,000	Tulip Oil Netherlands Off BV FRN 17/25.10.22	84,837,111.08	90,695,316.31	0.75
EUR	10,017,000	Unilabs SubHolding AB 5.75% Sen Reg S 17/15.05.25	97,023,444.14	102,787,793.61	0.85
EUR	13,645,000	Walnut Bidco Plc 6.75% Sen Reg S 19/01.08.24	133,915,472.80	144,235,949.04	1.19
EUR	3,500,000	Zalaris ASA FRN 18/28.09.23	33,661,612.01	34,884,867.28	0.29
			2,200,546,962.08	2,250,307,777.22	18.57
NOK	120,000,000	Aker ASA FRN Sen 19/22.11.24	120,000,000.00	120,574,284.00	0.99
NOK	123,500,000	Aker BP ASA FRN Sen 13/02.07.20	138,800,750.00	135,794,579.38	1.12
NOK	38,000,000	Aker Solutions ASA FRN Sen 18/25.07.22	38,831,869.57	38,957,915.40	0.32
NOK	75,000,000	Arion Bank FRN EMTN Ser 1 Sen Sub Reg S 19/09.07.29	75,093,750.00	75,921,896.25	0.63
NOK	22,000,000	Beerenberg AS FRN Sen 17/24.02.21	22,311,445.78	22,368,676.00	0.18
NOK	63,000,000	Benchmark Hgs PLC FRN 19/21.06.23	63,019,455.88	60,511,500.00	0.50
NOK	13,429,301	Boa SBL AS FRN Sk Ser 144A 13/31.12.20	106,350.96	302,159.27	0.00
NOK	44,000,000	Bonheur ASA FRN Sen 17/24.05.22	45,145,167.72	45,540,000.00	0.38
NOK	67,000,000	Bonheur ASA FRN Sen 19/04.09.24	67,000,000.00	67,406,787.15	0.56
NOK	70,000,000	Bulk Industrier AS FRN 18/26.05.21	71,595,000.00	71,793,750.00	0.59
NOK	41,000,000	Bulk Infrastructure AS FRN Sen 19/15.10.24	41,143,500.00	41,128,125.00	0.34
NOK	174,500,000	BW Offshore Ltd FRN Sen 19/04.12.23	175,641,250.00	177,808,232.07	1.47
NOK	35,000,000	Care Bidco AS FRN 17/24.03.21	35,288,857.14	34,321,623.00	0.28
NOK	90,000,000	Chip Bidco AS FRN Sen 19/13.12.24	88,650,000.00	90,450,000.00	0.75
NOK	130,000,000	Color Group ASA FRN Sen 19/02.10.24	130,000,000.00	130,973,544.00	1.08
NOK	67,000,000	Digiplex Norway Holding 2 AS FRN 19/30.04.24	67,000,000.00	69,624,168.90	0.57
NOK	61,302,881	DOF Subsea ASA FRN Sen 13/22.05.20	57,752,199.92	41,348,793.23	0.34
NOK	200,000,000	Ekornes ASA FRN Sen 19/02.10.23	203,029,250.00	207,150,000.00	1.71
NOK	24,000,000	Fibo Group AS FRN Sen 19/02.04.22	24,180,000.00	25,080,000.00	0.21
NOK	83,500,000	Fjord1 ASA FRN Sen 17/22.11.22	86,213,750.00	84,335,000.00	0.70
NOK	70,000,000	GasLog Ltd FRN 16/27.05.21	74,312,500.00	73,006,846.50	0.60
NOK	135,000,000	Glx Holding AS FRN GLX01 Sen 17/08.12.23	137,993,750.00	139,447,764.00	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 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
NOK	98,500,000	Havilafjord AS FRN Sen 18/19.06.23	99,312,500.00	99,115,625.00	0.82
NOK	80,000,000	Hexagon Composites ASA FRN Sen 19/15.03.23	80,170,000.00	81,100,000.00	0.67
NOK	53,000,000	Hospitality Invest AS FRN Sen 17/31.10.22	50,692,500.00	50,482,500.00	0.42
NOK	100,000,000	Ice Gr Scandinavia Holdings AS FRN Sen 19/10.10.23	100,000,000.00	99,541,665.00	0.82
NOK	99,500,000	Ice Group ASA FRN 17/12.10.21	99,435,625.00	100,619,375.00	0.83
NOK	133,000,000	Kistefos AS FRN Sen 19/10.05.23	133,364,518.52	133,964,250.00	1.10
NOK	64,500,000	Kistefos AS FRN Sen Reg S 144A 17/08.11.21	66,505,631.28	67,026,248.93	0.55
NOK	19,000,000	ML 33 Holding AS 5.5% Ser ML33H01 Sen 16/27.12.21	19,451,250.00	19,351,500.00	0.16
NOK	139,000,000	Nortura SA Step-up Sub 18/25.05.78	139,549,750.00	141,780,000.00	1.17
NOK	58,500,000	NRC Group ASA FRN 19/13.09.24	58,813,500.00	59,724,843.75	0.49
NOK	79,000,000	Odfjell SE FRN Sen Reg S 18/19.09.23	77,295,000.00	78,170,500.00	0.64
NOK	170,000,000	SFL Corp Ltd FRN Sen 18/13.09.23	172,265,500.00	174,320,830.50	1.44
NOK	25,000,000	SFL Corp Ltd FRN Sen 19/04.06.24	25,218,750.00	25,192,707.50	0.21
NOK	89,000,000	Teekay LNG Partners LP FRN Sen 16/28.10.21	93,880,000.00	93,896,780.00	0.77
			2,979,063,371.77	2,978,132,469.83	24.56
SEK	72,000,000	AF Poyry AB FRN DMTN Sen 19/27.06.24	66,189,124.57	68,090,365.73	0.56
SEK	26,000,000	Arion Bank FRN EMTN Sen Reg S 18/22.11.28	24,384,634.95	24,058,380.28	0.20
SEK	70,000,000	Consilium AB FRN Sen 15/25.03.20	67,817,031.90	65,784,961.02	0.54
SEK	72,500,000	Dilasso Timber AB FRN Sen 19/08.07.23	66,322,040.69	68,591,128.51	0.57
SEK	60,000,000	Ellevio AB FRN EMTN A Ser 1 Sen Reg S 16/09.12.23	56,708,430.95	57,942,066.75	0.48
SEK	150,000,000	FNG Nordic AB FRN 19/25.07.24	134,787,673.19	143,761,418.04	1.19
SEK	64,000,000	Intrum AB FRN Sen 19/03.07.23	58,404,969.43	61,637,796.90	0.51
SEK	50,000,000	Islandsbanki HF FRN EMTN Ser 12 Tr 1 Sen Reg S 17/23.11.27	43,751,376.06	45,219,319.18	0.37
SEK	20,000,000	Islandsbanki HF FRN EMTN Ser 22 Tr1 Sen 18/31.08.28	17,528,603.93	18,192,900.34	0.15
SEK	46,000,000	Islandsbanki HF FRN MTN Sen Sub Reg S 19/26.06.29	42,213,505.58	43,331,122.26	0.36
SEK	85,000,000	Jyske Bank AS FRN Sub Reg S 16/16.12.Perpetual	85,319,032.93	84,408,112.44	0.70
SEK	24,000,000	Lansforsakringar Bank FRN Sub 19/10.07.Perpetual	22,158,902.67	23,780,029.54	0.20
SEK	28,000,000	LEAX Group AB FRN DMTN Sen 18/29.05.22	25,586,648.30	24,978,509.71	0.21
SEK	73,000,000	M2 Asset Management AB FRN Sen 17/06.07.20	68,237,684.41	69,192,702.11	0.57
SEK	50,000,000	M2 Asset Management AB FRN Sen Reg S 19/19.12.22	48,394,422.07	47,010,776.02	0.39
SEK	50,000,000	M2 Asset Management AB FRN Ser 2 Sen 19/25.01.22	47,535,776.72	48,489,766.72	0.40
SEK	50,000,000	Nordnet AB VAR Jun Sub 19/21.06.Perpetual	46,575,635.63	50,003,971.49	0.41
SEK	50,000,000	Samhallsbyggnadsbolag i AB FRN EMTN Sen Reg S 19/05.07.21	45,875,217.32	47,121,582.94	0.39
SEK	80,000,000	Samhallsbyggnadsbolag i AB FRN Sen 19/14.02.24	75,935,503.30	81,170,014.88	0.67
SEK	15,000,000	Sanolium AB FRN Sen 19/26.09.24	13,875,412.10	14,437,766.42	0.12
SEK	34,000,000	SBAB Bank AB FRN Jun Sub 19/05.12.Perpetual	31,648,171.20	32,760,883.67	0.27
SEK	42,500,000	Sinch AB FRN Sen 19/27.11.24	40,243,923.74	40,559,594.62	0.33
SEK	60,000,000	Sirius International Group Ltd FRN Sub 17/22.09.47	56,732,058.21	56,272,074.96	0.46
SEK	75,000,000	SSAB AB FRN EMTN Sen Reg S 19/26.06.24	69,097,676.19	70,989,793.20	0.58
SEK	34,000,000	Storebrand Livsforsikring AS VAR Sub 18/27.03.48	31,983,768.43	32,538,533.16	0.27
SEK	50,000,000	Telia Co AB Step-up FRN Sub Reg S 17/04.10.77	47,060,660.18	48,445,631.76	0.40
SEK	130,000,000	Velliv Pension & Livsforsi FRN Sub 18/08.06.28	119,973,735.66	122,252,432.73	1.01
			1,454,341,620.31	1,491,021,635.38	12.31
USD	19,000,000	American Tanker Inc 9.25% Sen 144A 17/22.02.22	163,525,296.30	172,227,103.12	1.42
USD	17,900,000	Bluewater Holding BV 10% Sk Sen 18/28.11.23	152,873,224.00	160,928,510.72	1.33
USD	13,300,000	Borealis Finance LLC 7.5% 144A 17/16.11.22	109,108,223.57	109,891,329.80	0.91
USD	11,800,000	Chembulk Holding LLC 8% Sen 18/02.02.23	97,305,619.63	93,867,336.92	0.77
USD	1,500,000	Danske Bank A/S VAR Conv Jun Sub Reg S 17/28.09.Perpetual	12,695,249.98	13,578,813.31	0.11
USD	11,200,000	DNB Bank ASA VAR Jun Sub Reg S 15/26.03.Perpetual	95,657,524.32	99,016,395.20	0.82
USD	7,400,000	DNO ASA 8.375% Sen 19/29.05.24	64,997,069.92	65,099,462.21	0.54
USD	10,200,000	DNO ASA 8.75% Sen 18/31.05.23	89,440,602.02	91,169,941.54	0.75
USD	10,610,488	Eagle Bulk Shipco LLC 8.25% Sk 17/28.11.22	88,753,632.75	95,655,047.43	0.79
USD	19,200,000	Euronav Luxembourg SA 7.5% Sen 17/31.05.22	171,248,718.59	174,504,126.72	1.44
USD	1,600,000	Floatel International Ltd 12.75% Ser DOM 18/11.04.24	13,052,640.01	2,929,966.91	0.02
USD	11,000,000	Floatel International Ltd 9% Ser DOM 18/11.04.24	88,467,714.94	38,578,871.10	0.32
USD	4,100,000	GasLog Ltd 8.875% Sen 17/22.03.22	36,586,088.48	37,181,914.27	0.31
USD	16,000,000	MPC Container Ships AS FRN 17/22.09.22	132,485,392.51	139,715,460.50	1.15
USD	15,000,000	Neptune Energy BondCo PLC 6.625% Sen Reg S 18/15.05.25	137,593,499.59	131,965,845.17	1.09
USD	10,000,000	Nordea Bank Abp VAR EMTN Ser 9521 Sub Reg S 15/31.12.99	83,228,400.62	90,333,802.30	0.74
USD	7,400,000	Norwegian Air Shuttle ASA 6.375% Conv Sen 19/15.11.24	67,975,659.86	62,606,062.75	0.52
USD	14,150,000	Norwegian Energy Co ASA 9% 19/17.06.26	129,875,685.74	125,776,327.20	1.04
USD	5,900,000	Okea ASA FRN Sen 18/28.06.23	50,844,612.38	53,545,873.32	0.44
USD	11,000,000	REC Silicon ASA 11.5% 18/13.04.23	98,733,908.39	101,970,531.16	0.84
USD	8,000,000	Skandinaviska Enskilda Bk AB VAR Conv 19/13.05.Perpetual	73,856,799.68	70,554,417.72	0.58

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 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	8,500,000	Skandinaviska Enskilda Bk AB VAR EMTN Sub 14/13.05.Perpetual	73,142,022.34	75,431,405.84	0.62
USD	10,000,000	Songa Container AS FRN 18/14.12.21	86,030,690.09	85,899,297.75	0.71
USD	13,800,000	Stolt-Nielsen Ltd 6.375% EMTN Sen 17/21.09.22	118,815,667.07	124,939,638.60	1.03
USD	11,000,000	Swedbank AB VAR Conv Reg S Sub 15/17.09.Perpetual	94,112,676.20	97,313,993.74	0.80
USD	1,600,000	Swedbank AB VAR Ser NC5 Jun Sub Reg S 19/31.12.Perpetual	14,365,120.05	14,523,094.69	0.12
USD	20,000,000	Teekay Shuttle Tankers LLC 7.125% Sen 17/15.08.22	183,570,933.05	176,896,737.50	1.46
USD	16,740,195	Tizir Ltd 9.5% 17/19.07.22	152,137,458.81	155,421,526.05	1.28
USD	15,000,000	Transocean Inc 9% Reg S Sen 16/15.07.23	134,940,688.28	139,614,376.64	1.15
USD	10,000,000	Vizrt Group AS FRN Ser VIZG01 Sen 15/13.03.21	85,501,800.19	89,052,674.37	0.73
USD	5,000,000	Walnut Bidco Plc 9.125% Sen Reg S 19/01.08.24	45,066,290.46	46,606,906.52	0.38
USD	19,805,000	Welltec AS 9.5% Sen Reg S 17/01.12.22	166,903,101.71	173,648,759.58	1.43
			3,112,892,011.53	3,110,445,550.65	25.64
<b>Total bonds</b>			9,885,047,406.28	9,969,712,725.66	82.23
<b>Bonds in default of payment</b>					
EUR	405,804.54	Vieo BV FRN 17/07.09.20	56,125,504.50	31,594,901.89	0.26
SEK	46,000,000	Prime Living AB FRN Sen 17/19.10.20	44,539,369.07	2,375,775.55	0.02
			100,664,873.57	33,970,677.44	0.28
<b>Total bonds in default of payment</b>					
<b>Transferable securities dealt in on another regulated market</b>					
<b>Bonds</b>					
EUR	6,500,000	Norican A/S 4.5% Sen Reg S 17/15.05.23	57,127,773.49	57,680,549.10	0.48
EUR	4,200,000	Verisure Midholding AB 5.75% Sen Reg S 17/01.12.23	41,960,490.77	42,815,751.89	0.35
			99,088,264.26	100,496,300.99	0.83
NOK	48,959,858	Boa Deep C AS FRN Sk Reg S Sub Ser 144A 14/31.12.20	23,672,659.86	16,646,351.72	0.14
NOK	150,000,000	Laeringsverkstedet FRN Sen 17/01.06.22	150,611,386.14	150,000,000.00	1.24
NOK	60,000,000	Navigator Holdings Ltd FRN Sen 18/02.11.23	59,811,875.00	60,600,000.00	0.50
NOK	40,000,000	Pandion Energy AS FRN Sen 18/04.04.23	40,449,000.00	42,193,688.00	0.35
			274,544,921.00	269,440,039.72	2.23
SEK	106,750,000	Verisure Midholding AB FRN Sen Reg S 17/01.12.23	103,040,490.63	102,936,726.08	0.85
SEK	97,000,000	Volvo Car AB FRN EMTN Sen Reg S 19/27.02.23	89,783,916.52	92,927,460.44	0.77
SEK	65,000,000	Volvo Car AB FRN Sen 16/07.03.22	60,696,043.74	62,389,697.00	0.51
			253,520,450.89	258,253,883.52	2.13
USD	1,650,000	Aker BP ASA 6% Sen Reg S 17/01.07.22	14,607,239.61	14,958,957.27	0.12
USD	4,550,000	Eagle Bulk Shipping Inc 5% Conv Sen 144A 19/01.08.24	39,408,915.12	43,793,479.27	0.36
USD	1,000,000	Navigator Holdings Ltd 7.75% Sen 17/10.02.21	9,159,562.85	8,916,254.81	0.07
USD	19,600,000	Siccar Point Energy Bonds PLC 9% 18/31.01.23	166,654,982.74	183,911,077.70	1.52
USD	15,142,000	Stena AB 7% Reg S Sen 14/01.02.24	124,370,418.06	136,873,283.69	1.13
			354,201,118.38	388,453,052.74	3.20
<b>Total bonds</b>			981,354,754.53	1,016,643,276.97	8.39
<b>Other transferable securities</b>					
<b>Bonds</b>					
EUR	5,000,000	Ahlstrom-Munksjo Oyj VAR Sub 19/13.12.Perpetual	50,720,456.34	49,650,491.80	0.41
EUR	386,262	Lebara Group BV 10% Sen 19/17.12.22	3,688,452.61	3,830,854.91	0.03
EUR	6,700,000	Special Inv Fd eQ Finnish RE 2.75% 19/29.01.24	66,348,659.25	67,110,195.17	0.55
EUR	6,500,000	Vapo Oy 2.125% Sen 19/07.10.24	63,990,842.47	63,644,405.82	0.52
			184,748,410.67	184,235,947.70	1.51
NOK	31,500,000	Otiga Group AS FRN 19/08.07.22	31,500,000.00	31,723,125.52	0.26
<b>Total bonds</b>			216,248,410.67	215,959,073.22	1.77

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 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Bonds in default of payment</b>					
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
<b>Total bonds in default of payment</b>			0.00	0.00	0.00
Total investments in securities			11,193,710,023.92	11,242,303,940.63	92.72
Cash and cash collateral at banks				755,915,695.57	6.23
Bank overdrafts				-47,665.11	0.00
Other net assets/(liabilities)				126,197,977.41	1.05
Total				12,124,369,948.50	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 2019

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#### Industrial classification

(in percentage of net assets)

Financials	32.22 %
Energy	18.49 %
Industrials	11.91 %
Raw materials	7.56 %
Non-cyclical consumer goods	5.48 %
Cyclical consumer goods	5.03 %
Real estate	4.66 %
Technologies	2.30 %
Telecommunications services	2.08 %
Utilities	1.63 %
Healthcare	0.97 %
Investment funds	0.39 %
Total	<u>92.72 %</u>

#### Geographical classification

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

Norway	31.55 %
Sweden	18.00 %
Denmark	13.48 %
Bermuda	5.86 %
Marshall Islands	5.63 %
United Kingdom	4.39 %
The Netherlands	3.29 %
Finland	3.18 %
Iceland	1.71 %
Jersey	1.57 %
Luxembourg	1.44 %
United States of America	1.42 %
Cayman Islands	1.15 %
Cyprus	0.05 %
Total	<u>92.72 %</u>

# PARETO SICAV - PARETO GLOBAL CORPORATE BOND

## Statement of net assets (in SEK)

as at 31st December 2019

	Notes	
<b>Assets</b>		
Securities portfolio at market value		3,600,831,507.36
Cash at banks		276,154,579.21
Cash collateral at banks	13	51,687,718.71
Other liquid assets	1	6,506,660.43
Formation expenses, net	1	13,501.16
Receivable on treasury transactions		6,862.54
Receivable on issues of shares		28,749,038.66
Income receivable on portfolio		32,770,947.66
Interest receivable on swaps contracts		2,829,064.48
Unrealised gain on forward foreign exchange contracts		39,430,329.58
<b>Total assets</b>		<b>4,038,980,209.79</b>
<b>Liabilities</b>		
Other liquid liabilities	1	1,655,177.81
Payable on redemptions of shares		7,056,148.10
Interest payable on swaps contracts		6,320,897.41
Unrealised loss on swaps contracts		54,170,675.17
Expenses payable		4,777,053.00
<b>Total liabilities</b>		<b>73,979,951.49</b>
<b>Net assets at the end of the year</b>		<b>3,965,000,258.30</b>

### 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	17,140,002.9923	SEK	106.7541	1,829,765,618.26
A DIS SEK	133.1927	SEK	93.4576	12,447.87
A DIS USD	10,783.7640	USD	102.0974	10,305,860.09
A EUR	1,896.6260	EUR	107.9090	2,150,811.20
B	1,283,532.6080	SEK	109.1552	140,104,258.02
B DIS SEK	163,300.9357	SEK	94.3277	15,403,803.64
C	6,262,560.2019	NOK	113.5012	756,950,757.95
D	2,422,332.3593	NOK	116.0321	299,313,904.63
H EUR	10.5370	EUR	101.4947	11,238.89
H USD	551.8580	USD	103.6907	535,631.79
I NOK	1,069,797.9148	NOK	110.2790	125,634,771.30
I SEK	7,609,598.2772	SEK	103.1344	784,811,154.66
				<b>3,965,000,258.30</b>

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 2019 to 31st December 2019

<b><u>Income</u></b>	Notes	
Interest on bonds and other debt securities, net	1	178,142,488.23
Interest on bank accounts		182,918.87
Interest on swaps contracts		27,932,291.69
Other income	4	257,416.59
Total income		206,515,115.38
<b><u>Expenses</u></b>		
Management fees	3; 4	35,026,804.28
Depository fees	7	928,701.92
Banking charges and other fees		867.66
Transaction fees	1	48,874.47
Central administration costs	6	330,073.02
Professional fees		159,043.58
Other administration costs		348,508.57
Subscription duty ("taxe d'abonnement")	9	1,619,281.73
Bank interest paid		1,206,276.13
Interest paid on swaps contracts		32,801,006.20
Other expenses	1; 8	406,627.83
Total expenses		72,876,065.39
Net investment income		133,639,049.99
<b><u>Net realised gain/(loss)</u></b>		
- on securities portfolio		-112,389,436.49
- on swaps contracts		-7,355,098.85
- on forward foreign exchange contracts		-81,969,904.09
- on foreign exchange		-37,071,377.81
Realised result		-105,146,767.25
<b><u>Net variation of the unrealised gain/(loss)</u></b>		
- on securities portfolio		324,188,461.24
- on swaps contracts		-18,527,090.41
- on forward foreign exchange contracts		45,563,120.04
Result of operations		246,077,723.62
Dividends paid		-1,201,923.46
Subscriptions		2,560,167,421.40
Redemptions		-2,652,951,153.39
Total changes in net assets		152,092,068.17
Total net assets at the beginning of the year		3,812,908,190.13
Total net assets at the end of the year		3,965,000,258.30

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 2019

Total net assets	Currency	31.12.2017	31.12.2018	31.12.2019
	SEK	4,376,069,285.06	3,812,908,190.13	3,965,000,258.30

Net asset value per share	Currency	31.12.2017	31.12.2018	31.12.2019
A	SEK	107.9787	102.5555	106.7541
A DIS SEK	SEK	99.8728	92.6814	93.4576
A DIS USD	USD	-	-	102.0974
A EUR	EUR	109.0982	103.6153	107.9090
B	SEK	109.4170	104.3881	109.1552
B DIS SEK	SEK	99.9036	93.1318	94.3277
C	NOK	111.7717	107.5365	113.5012
D	NOK	113.2567	109.4422	116.0321
H EUR	EUR	-	97.2203	101.4947
H USD	USD	-	96.6655	103.6907
I NOK	NOK	107.2437	103.8182	110.2790
I SEK	SEK	102.9876	98.4444	103.1344

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
A	14,140,186.0939	18,773,139.0715	-15,773,322.1731	17,140,002.9923
A DIS SEK	643.3781	12.5107	-522.6961	133.1927
A DIS USD	-	97,053.8760	-86,270.1120	10,783.7640
A EUR	19,156.2493	1,971.6627	-19,231.2860	1,896.6260
B	1,688,109.1699	243,411.7644	-647,988.3263	1,283,532.6080
B DIS SEK	158,288.5040	5,126.5696	-114.1379	163,300.9357
C	8,169,004.3684	1,912,048.7237	-3,818,492.8902	6,262,560.2019
D	2,783,056.2176	280,239.5332	-640,963.3915	2,422,332.3593
H EUR	10.5370	-	-	10.5370
H USD	11.8580	540.0000	-	551.8580
I NOK	1,341,637.0853	2,737.2496	-274,576.4201	1,069,797.9148
I SEK	8,091,542.7939	1,995,507.8481	-2,477,452.3648	7,609,598.2772

Dividends paid	Currency	Dividend per share	Ex-dividend date
A DIS SEK	SEK	0.75	09.01.2019
A DIS SEK	SEK	0.75	03.04.2019
A DIS SEK	SEK	0.75	03.07.2019
A DIS SEK	SEK	0.75	02.10.2019
A DIS USD	USD	0.75	02.10.2019
B DIS SEK	SEK	0.75	09.01.2019
B DIS SEK	SEK	0.75	03.04.2019
B DIS SEK	SEK	0.75	03.07.2019
B DIS SEK	SEK	0.75	02.10.2019

# PARETO SICAV - PARETO GLOBAL CORPORATE BOND

## Statement of investments and other net assets (in SEK) as at 31st December 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Investments in securities</b>					
<b>Transferable securities admitted to an official stock exchange listing</b>					
<b>Bonds</b>					
DKK	20,000,000	Jyske Bank AS FRN Reg S Sub 16/16.12.Perpetual	26,828,485.05	29,461,625.96	0.74
EUR	1,750,000	AX V INV1 Holding ApS FRN 17/29.06.22	17,136,918.46	18,758,624.53	0.47
EUR	5,000,000	Ball Corp 0.875% Sen 19/15.03.24	53,576,399.66	53,041,718.58	1.34
EUR	2,000,000	Belden Inc 2.875% Sen Sub Reg S 17/15.09.25	19,180,469.11	21,627,065.18	0.55
EUR	3,000,000	Belden Inc 3.375% Sen Sub Reg S 17/15.07.27	29,119,634.74	33,144,913.19	0.84
EUR	2,000,000	Blitz F18-674 6% Sen Reg S 18/30.07.26	20,838,916.49	22,777,173.79	0.57
EUR	5,000,000	Capnor Weasel Bidco Oy FRN 19/12.06.25	52,670,517.48	52,545,166.75	1.33
EUR	2,500,000	Constantin Investis 3 SAS 5.375% Sen Reg S 17/15.04.25	23,908,755.45	27,253,864.37	0.69
EUR	1,500,000	Eurofins Scientific SA VAR Sub Reg S 17/13.11.Perpetual	14,620,733.38	15,477,362.78	0.39
EUR	6,000,000	Eurofins Scientific SA VAR Sub Reg S 19/11.09.Perpetual	64,268,171.31	61,923,953.56	1.56
EUR	2,000,000	Eurofins Scientific SE VAR Reg S Sub 15/29.04.Perpetual	20,443,438.31	22,144,319.80	0.56
EUR	4,500,000	European Energy AS FRN Sen 19/20.09.23	48,757,120.95	49,655,182.57	1.25
EUR	3,250,000	Frontmatec Group ApS FRN 19/10.10.24	35,131,101.02	34,794,752.60	0.88
EUR	7,000,000	Getlink SE 3.625% Sen Reg S 18/01.10.23	72,485,889.29	76,961,487.02	1.94
EUR	5,250,000	Grupo Antolin Irausa SA 3.25% Sen Reg S 17/30.04.24	49,190,956.41	53,785,942.04	1.36
EUR	4,000,000	Grupo Antolin Irausa SA 3.375% Sen Reg S 18/30.04.26	41,548,682.91	39,705,650.16	1.00
EUR	8,000,000	Interxion Holding NV 4.75% Sen Reg S 18/15.06.25	84,628,119.28	91,187,302.74	2.30
EUR	8,000,000	Intrum AB 3% Sen 19/15.09.27	85,779,815.67	82,846,072.79	2.09
EUR	8,940,000	Jacob Holm & Sonner Hg A/S FRN Sen 17/31.03.22	89,429,842.43	88,211,982.80	2.22
EUR	3,400,000	Jyske Bank AS VAR Sub Reg S 17/21.03.Perpetual	33,564,453.26	37,601,573.54	0.95
EUR	956,850	Kotkamills Group Oyj 8.25% Sen 15/13.03.20	9,690,278.26	10,181,263.11	0.26
EUR	3,250,000	Kronos Intl Inc 3.75% Sen Reg S 17/15.09.25	32,312,359.94	34,833,688.58	0.88
EUR	1,000,000	LimaCorp SpA FRN Sen Reg S 17/15.08.23	9,602,992.94	10,562,892.14	0.27
EUR	3,000,000	Loxam Module SAS 3.25% Sen Reg S 19/14.01.25	31,537,089.55	32,650,568.26	0.82
EUR	2,000,000	Molnlycke Holding AB 0.875% EMTN Sen Reg S 19/05.09.29	21,391,335.60	20,438,808.79	0.52
EUR	5,000,000	Nexans SA 2.75% Sen 17/05.04.24	48,232,792.46	56,096,957.29	1.41
EUR	449,603.1195	NH Hotel Group SA 3.75% Reg S Sen 16/01.10.23	4,446,975.98	4,830,093.92	0.12
EUR	4,500,000	Progroup AG 3% Sen Reg S 18/31.03.26	47,495,280.66	47,974,945.78	1.21
EUR	2,000,000	Promontoria Hg 264 B.V 6.75% Sen Reg S 18/15.08.23	20,988,917.51	18,884,417.66	0.48
EUR	3,000,000	Quintiles IMS Inc 2.25% Sen Reg S 19/15.01.28	31,991,331.35	32,644,105.21	0.82
EUR	8,000,000	Quintiles IMS Inc 2.875% Sen Reg S 17/15.09.25	76,721,876.46	86,554,920.84	2.18
EUR	3,000,000	Radisson Hotel Hgs AB 6.875% Sen Reg S 18/15.07.23	31,165,450.92	33,951,061.14	0.86
EUR	1,500,000	Schoeller Packaging BV 0.375% Sen Reg S 19/01.11.24	16,155,395.14	16,360,200.39	0.41
EUR	10,500,000	SGL TransGroup Istl AS FRN Sen 19/04.11.24	112,615,096.97	110,896,574.42	2.80
EUR	3,000,000	Silgan Holdings Inc 3.25% Sen 18/15.03.25	28,538,829.67	32,330,410.55	0.82
EUR	5,000,000	Smakraft AS FRN 18/02.11.23	51,633,968.50	52,439,981.83	1.32
EUR	6,170,000	Synlab Bondco Plc FRN Reg S Sen 16/01.07.22	61,847,195.71	65,199,305.03	1.64
EUR	1,500,000	Tenneco Inc FRN Sen Reg S 17/15.04.24	14,261,682.05	15,930,643.65	0.40
EUR	4,300,000	Tresu Investement Holding A/S FRN Sen 17/29.09.22	32,246,380.86	22,594,421.71	0.57
EUR	5,000,000	Verisure Holding AB 3.5% Sen Reg S 18/15.05.23	54,662,974.33	54,236,858.39	1.37
			1,593,818,140.47	1,643,036,227.48	41.45
GBP	7,572,000	Iron Mountain UK Plc 3.875% EMTN Sen Reg S 17/15.11.25	84,449,774.01	96,339,443.37	2.43
GBP	3,000,000	Virgin Media Secured Fin Plc 5% Reg S Sen 17/15.04.27	32,979,988.05	39,561,197.33	1.00
			117,429,762.06	135,900,640.70	3.43
NOK	33,000,000	Digiplex Norway Holding 2 AS FRN 19/30.04.24	35,964,241.48	36,518,613.01	0.92
NOK	23,500,000	Hexagon Composites ASA FRN Sen 19/15.03.23	25,303,866.66	25,369,613.03	0.64
			61,268,108.14	61,888,226.04	1.56
SEK	36,000,000	AF Poyry AB FRN DMTN Sen 19/27.06.24	36,000,000.00	36,255,240.00	0.91
SEK	8,000,000	Consilium AB VAR Sub 17/01.02.Perpetual	8,000,000.00	8,040,000.00	0.20
SEK	95,000,000	Garfunkelux Holdco 3 SA FRN Reg S 18/01.09.23	95,000,000.00	82,175,000.00	2.07
SEK	30,000,000	Islandsbanki HF FRN EMTN Ser 22 Tr1 Sen 18/31.08.28	30,000,000.00	29,060,850.00	0.73
SEK	20,000,000	Jyske Bank AS FRN 19/09.07.Perpetual	20,000,000.00	20,872,600.00	0.53
SEK	25,000,000	LEAX Group AB FRN DMTN Sen 18/29.05.22	24,750,000.00	23,750,000.00	0.60
SEK	24,000,000	Nobina AB FRN Sen Reg S 19/13.02.24	24,000,000.00	24,499,440.00	0.62
SEK	12,000,000	Sirius International Group Ltd FRN Sub 17/22.09.47	12,093,173.08	11,985,000.00	0.30
SEK	50,000,000	Stora Enso Oyj FRN EMTN Sen Reg S 19/20.02.24	50,000,000.00	51,168,250.00	1.29
			299,843,173.08	287,806,380.00	7.25

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 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	6,000,000	ADT Corp 6.25% Ser B Sen 14/15.10.21	57,929,194.58	59,712,220.79	1.51
USD	9,000,000	Argentum Netherlands BV VAR Reg S Sub 15/15.08.50	81,605,726.59	93,031,201.35	2.35
USD	4,000,000	Ball Corp 4% Sen 13/15.11.23	38,464,309.63	39,527,706.61	1.00
USD	3,000,000	DaVita Inc 5% Sen 15/01.05.25	27,931,394.13	28,893,195.76	0.73
USD	3,200,000	Encompass Health Corp 4.5% Sen 19/01.02.28	31,008,792.97	31,053,046.89	0.78
USD	2,000,000	Encompass Health Corp 5.125% Sen 15/15.03.23	18,208,885.99	19,083,719.38	0.48
USD	1,166,286	Encompass Health Corp 5.75% Sen 12/01.11.24	10,773,932.58	11,105,174.95	0.28
USD	2,000,000	Iron Mountain Inc 5.25% Sen Reg S 17/15.03.28	19,986,678.05	19,493,241.25	0.49
USD	2,500,000	Nemak SAB de CV 4.75% Sen Reg S 18/23.01.25	20,340,250.08	24,240,535.83	0.61
USD	4,000,000	Prudential Plc 4.375% EMTN Reg S Sub 16/20.10.Perpetual	33,303,244.57	37,460,346.58	0.94
USD	4,000,000	Prudential Plc 4.875% EMTN Sen Sub Reg S 17/20.01.Perpetual	32,630,400.01	38,182,602.76	0.96
USD	1,000,000	PTC Inc 6% Sen 16/15.05.24	8,068,900.01	9,828,290.98	0.25
USD	3,000,000	Service Corp Intl 4.625% Sen 17/15.12.27	25,299,507.98	29,415,371.16	0.74
USD	1,500,000	Service Corp Intl 5.125% Sen 19/01.06.29	14,375,100.03	14,960,747.55	0.38
USD	5,000,000	Telefon AB LM Ericsson 4.125% Sen 12/15.05.22	44,876,919.91	48,690,044.83	1.23
USD	5,000,000	Vulcan Materials Co 3.9% Sen 17/01.04.27	44,999,390.49	49,447,075.26	1.25
USD	4,000,000	Vulcan Materials Co 4.5% Sen 15/01.04.25	35,757,606.74	40,513,367.26	1.02
USD	7,000,000	Walnut Bidco Plc 9.125% Sen Reg S 19/01.08.24	67,433,072.43	69,485,378.43	1.75
			612,993,306.77	664,067,267.62	16.75
<b>Total bonds</b>			2,712,180,975.57	2,822,160,367.80	71.18
<b><u>Transferable securities dealt in on another regulated market</u></b>					
<b>Bonds</b>					
EUR	5,400,000	Norican A/S 4.5% Sen Reg S 17/15.05.23	52,197,477.15	51,029,921.77	1.29
USD	1,000,000	Anixter Inc 6% Ser B Sen 19/01.12.25	9,132,599.99	9,793,423.13	0.25
USD	250,000	Boise Cascade Co 5.625% Reg S 16/01.09.24	2,105,600.00	2,445,430.63	0.06
USD	1,000,000	Colfax Corp 6% Sen Reg S 19/15.02.24	9,046,600.00	9,980,165.09	0.25
USD	500,000	Colfax Corp 6.375% Sen Reg S 19/15.02.26	4,523,300.00	5,111,769.05	0.13
USD	4,000,000	Commscope Finance LLC 5.5% Sen Reg S 19/01.03.24	37,039,875.34	39,134,378.40	0.99
USD	7,000,000	Darling Ingredients Inc 5.25% Sen 144A 19/15.04.27	65,792,547.35	69,815,289.25	1.76
USD	3,700,000	Energizer Holdings Inc 7.75% Sen Reg S 19/15.01.27	37,271,837.40	38,660,035.06	0.97
USD	2,000,000	Hat Hgs I LLC Hat Hgs II LLC 5.25% Sen 19/15.07.24	20,366,200.70	19,750,655.00	0.50
USD	2,000,000	Hill-Rom Hgs Inc 5% Sen 144A 17/15.02.25	17,963,273.13	19,493,241.25	0.49
USD	3,000,000	IHS Markit Ltd 4.75% Gl Sen Reg S 17/15.02.25	26,711,333.98	30,746,434.35	0.78
USD	500,000	Koppers Inc 6% Ser 144A 17/15.02.25	4,502,549.99	4,869,800.12	0.12
USD	4,000,000	MDC Partners Inc 6.5% Reg S Sen Sub 16/01.05.24	34,488,009.80	34,072,220.00	0.86
USD	8,000,000	NextEra Energy Ope Partners LP 3.875% Sen Reg S 19/15.10.26	77,548,399.63	75,554,960.64	1.91
USD	2,500,000	Nielsen Co Luxembourg Sàrl 5% Reg S Sen 17/01.02.25	22,438,811.06	24,191,042.19	0.61
USD	6,895,000	Nielsen Finance LLC/Co 5% Ser 144A 14/15.04.22	58,419,143.88	65,003,726.70	1.64
USD	3,000,000	Prime Sec Serv Bor LLC Fin Inc 5.75% Ser SEPT 19/15.04.26	29,660,786.95	30,538,631.25	0.77
USD	11,099,000	UPM-Kymmene Corp 7.45% Reg S Sen 97/26.11.27	123,882,852.14	128,852,288.03	3.25
USD	1,500,000	US Concrete Inc 6.375% Sen 16/01.06.24	14,444,075.20	14,699,822.81	0.37
USD	2,000,000	Virgin Media Secured Fin Plc 5.5% Reg S Sen 16/15.08.26	17,687,465.97	19,610,247.50	0.49
USD	1,000,000	Wolverine World Wide Inc 5% Reg S 16/01.09.26	8,421,749.99	9,500,907.50	0.24
USD	2,455,000	Wolverine World Wide Inc 5% Ser 144A 16/01.09.26	20,993,168.49	23,324,727.91	0.59
			642,440,180.99	675,149,195.86	17.03
<b>Total bonds</b>			694,637,658.14	726,179,117.63	18.32
<b><u>Other transferable securities</u></b>					
<b>Bonds</b>					
EUR	3,500,000	Ahlstrom-Munksjo Oyj VAR Sub 19/13.12.Perpetual	36,869,362.24	37,011,501.82	0.93
SEK	14,245,047.17	Bergvik Skog AB 8.5% MTN Sub 04/24.03.34	17,264,142.13	15,480,520.11	0.39
			54,133,504.37	52,492,021.93	1.32
Total investments in securities			3,460,952,138.08	3,600,831,507.36	90.82
Cash and cash collateral at banks				327,842,297.92	8.27
Other net assets/(liabilities)				36,326,453.02	0.91
<b>Total</b>				3,965,000,258.30	100.00

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

## PARETO SICAV - PARETO GLOBAL CORPORATE BOND

### Industrial and geographical classification of investments as at 31st December 2019

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#### Industrial classification

(in percentage of net assets)

Financials	28.03 %
Raw materials	15.24 %
Technologies	10.65 %
Cyclical consumer goods	10.11 %
Industrials	9.82 %
Healthcare	5.54 %
Non-cyclical consumer goods	4.63 %
Utilities	4.48 %
Real estate	1.33 %
Telecommunications services	0.99 %
Total	<u>90.82 %</u>

#### Geographical classification

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

United States of America	27.78 %
Denmark	11.70 %
Sweden	8.79 %
United Kingdom	7.46 %
Finland	7.06 %
The Netherlands	5.54 %
Luxembourg	5.19 %
France	4.86 %
Norway	2.88 %
Spain	2.48 %
Germany	1.78 %
Jersey	1.75 %
Bermuda	1.08 %
Canada	0.86 %
Iceland	0.73 %
Mexico	0.61 %
Italy	0.27 %
Total	<u>90.82 %</u>

## PARETO SICAV - PARETO NORDIC ALPHA

### Statement of net assets (in NOK) as at 31st December 2019

	Notes	
<b>Assets</b>		
Securities portfolio at market value		285,707,525.13
Cash at banks		181,363,530.71
Cash collateral at banks	13	17,076,101.23
Formation expenses, net	1	67,852.79
Receivable on issues of shares		333,265.00
Interest receivable on contracts for difference (CFD)		1,561.68
Unrealised gain on contracts for difference (CFD)		131,002.60
Total assets		484,680,839.14
<b>Liabilities</b>		
Payable on redemptions of shares		123,119,975.67
Expenses payable		1,273,307.72
Interest payable on contracts for difference (CFD)		1,136.78
Results payable on contracts for difference (CFD)		89,129.59
Total liabilities		124,483,549.76
Net assets at the end of the year		360,197,289.38

### **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	1,002,413.8745	NOK	182.1314	182,571,059.18
M NOK	45,494.3200	NOK	160.0693	7,282,244.02
B NOK	916,565.8414	NOK	185.8502	170,343,986.18
				360,197,289.38

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 2019 to 31st December 2019

	Notes	
<b><u>Income</u></b>		
Dividends, net	1	11,888,900.91
Interest on bonds and other debt securities, net	1	1,245,324.87
Interest on bank accounts		662,015.90
Total income		13,796,241.68
<b><u>Expenses</u></b>		
Management fees	3; 4	6,043,578.32
Performance fees	5	1,059,525.56
Depositary fees	7	100,461.90
Banking charges and other fees		77,292.46
Transaction fees	1	89,295.42
Central administration costs	6	6,639.91
Professional fees		19,506.51
Other administration costs		3,389.21
Subscription duty ("taxe d'abonnement")	9	226,033.65
Bank interest paid		157,410.36
Other expenses	1; 8	62,416.95
Total expenses		7,845,550.25
Net investment income		5,950,691.43
<b><u>Net realised gain/(loss)</u></b>		
- on securities portfolio		18,900,125.77
- on contracts for difference (CFD)		-27,094,230.48
- on foreign exchange		-1,901,354.81
Realised result		-4,144,768.09
<b><u>Net variation of the unrealised gain/(loss)</u></b>		
- on securities portfolio		41,523,111.58
- on contracts for difference (CFD)		818,884.65
Result of operations		38,197,228.14
Dividends paid		-
Subscriptions		42,364,129.99
Redemptions		-248,898,796.72
Total changes in net assets		-168,337,438.59
Total net assets at the beginning of the year		528,534,727.97
Total net assets at the end of the year		360,197,289.38

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

## PARETO SICAV - PARETO NORDIC ALPHA

Statistical information (in NOK)  
as at 31st December 2019

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<b>Total net assets</b>	<b>Currency</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2019</b>
	NOK	265,968,934.84	528,534,727.97	360,197,289.38

  

<b>Net asset value per share</b>	<b>Currency</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2019</b>
A NOK	NOK	173.7508	168.3625	182.1314
M NOK	NOK	148.0064	145.6323	160.0693
B NOK	NOK	175.7291	171.2047	185.8502

  

<b>Number of shares</b>	<b>outstanding at the beginning of the year</b>	<b>issued</b>	<b>redeemed</b>	<b>outstanding at the end of the year</b>
A NOK	1,132,364.7586	107,957.5801	-237,908.4642	1,002,413.8745
M NOK	55,153.0901	4,921.4030	-14,580.1731	45,494.3200
B NOK	1,926,669.1134	126,030.7790	-1,136,134.0510	916,565.8414

## PARETO SICAV - PARETO NORDIC ALPHA

### Statement of investments and other net assets (in NOK) as at 31st December 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing</u></b>					
<b>Shares</b>					
EUR	23,000	Kesko Oyj B	10,022,004.47	14,317,499.53	3.98
EUR	115,000	Stora Enso Oyj R	15,557,504.84	14,713,568.60	4.09
EUR	105,000	Valmet Oyj	16,928,625.32	22,132,894.01	6.14
			42,508,134.63	51,163,962.14	14.21
NOK	260,000	Nordic Semiconductor ASA	10,662,520.59	14,482,000.00	4.02
NOK	160,000	Orkla ASA A	10,876,944.00	14,233,600.00	3.95
NOK	213,445	Sbanken ASA	16,367,619.00	15,922,997.00	4.42
NOK	175,000	Scatec Solar ASA	8,264,830.11	21,717,500.00	6.03
NOK	330,000	Storebrand ASA	19,777,939.34	22,776,600.00	6.32
NOK	90,000	Telenor ASA	14,358,477.46	14,170,500.00	3.93
			80,308,330.50	103,303,197.00	28.67
SEK	24,000	AstraZeneca Plc	13,734,037.89	21,189,288.56	5.88
SEK	77,858	Attendo AB	6,473,747.08	3,944,387.55	1.10
SEK	76,000	Essity AB B Reg	16,680,397.47	21,538,612.08	5.98
SEK	122,610	Granges AB Reg	10,462,207.07	11,392,697.81	3.16
SEK	210,000	Nordea Bank Abp Reg	19,104,183.85	14,916,114.27	4.14
SEK	117,000	Svenska Handelsbanken AB A	11,828,028.69	11,085,669.20	3.08
			78,282,602.05	84,066,769.47	23.34
USD	34,000	Carnival Corp	17,915,870.04	15,190,880.98	4.22
			219,014,937.22	253,724,809.59	70.44
<b>Total shares</b>					
<b><u>Open-ended investment funds</u></b>					
<b>Investment funds (UCITS)</b>					
NOK	31,811.525	Pareto Likviditet Units Dist	31,533,683.98	31,982,715.54	8.88
			31,533,683.98	31,982,715.54	8.88
<b>Total investment funds (UCITS)</b>					
Total investments in securities			250,548,621.20	285,707,525.13	79.32
Cash and cash collateral at banks				198,439,631.94	55.09
Other net assets/(liabilities)				-123,949,867.69	-34.41
<b>Total</b>				<b>360,197,289.38</b>	<b>100.00</b>

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 2019

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#### Industrial classification

(in percentage of net assets)

Financials	17.96 %
Non-cyclical consumer goods	15.01 %
Industrials	12.17 %
Investment funds	8.88 %
Raw materials	7.25 %
Healthcare	5.88 %
Cyclical consumer goods	4.22 %
Technologies	4.02 %
Telecommunications services	3.93 %
Total	<u>79.32 %</u>

#### Geographical classification

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

Norway	37.55 %
Finland	18.35 %
Sweden	13.32 %
United Kingdom	5.88 %
Panama	4.22 %
Total	<u>79.32 %</u>

# PARETO SICAV - PARETO NORDIC EQUITY

## Statement of net assets (in NOK) as at 31st December 2019

	Notes	
<b>Assets</b>		
Securities portfolio at market value		261,600,292.47
Cash at banks		14,261,691.71
Formation expenses, net	1	113,782.20
Receivable on issues of shares		84,888.16
Other receivables		47,830.46
Total assets		<u>276,108,485.00</u>
<b>Liabilities</b>		
Expenses payable		<u>320,486.69</u>
Total liabilities		<u>320,486.69</u>
Net assets at the end of the year		<u>275,787,998.31</u>

### 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	113.5294	11,536.97
B NOK	52,333.8219	NOK	1,127.4406	59,003,277.96
B SEK	48.1815	SEK	1,104.6923	49,981.18
C NOK	28,464.7468	NOK	1,132.1022	32,225,003.86
D EUR	10.2976	EUR	114.6209	11,647.94
D NOK	132,718.5129	NOK	1,138.7746	151,136,473.12
I NOK	29,188.8602	NOK	1,142.5618	33,350,077.28
				<u>275,787,998.31</u>

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 1st January 2019 to 31st December 2019

<b><u>Income</u></b>	Notes	
Dividends, net	1	10,161,644.67
Interest on bank accounts		86,687.71
Other income	4	185,411.57
Total income		10,433,743.95
<b><u>Expenses</u></b>		
Management fees	3; 4	3,193,286.57
Depository fees	7	88,892.30
Banking charges and other fees		151.67
Transaction fees	1	294,890.72
Central administration costs	6	41,252.01
Professional fees		9,180.06
Other administration costs		33,266.56
Subscription duty ("taxe d'abonnement")	9	126,682.81
Other taxes		19,594.88
Bank interest paid		9,255.88
Other expenses	1; 8	156,405.61
Total expenses		3,972,859.07
Net investment income		6,460,884.88
<b><u>Net realised gain/(loss)</u></b>		
- on securities portfolio		8,833,804.27
- on foreign exchange		-352,113.43
Realised result		14,942,575.72
<b><u>Net variation of the unrealised gain/(loss)</u></b>		
- on securities portfolio		48,066,498.66
Result of operations		63,009,074.38
Dividends paid		-
Subscriptions		38,982,577.62
Redemptions		-261,043,617.92
Total changes in net assets		-159,051,965.92
Total net assets at the beginning of the year		434,839,964.23
Total net assets at the end of the year		275,787,998.31

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

## PARETO SICAV - PARETO NORDIC EQUITY

Statistical information (in NOK)  
as at 31st December 2019

Total net assets	Currency	31.12.2018	31.12.2019
	NOK	434,839,964.23	275,787,998.31

Net asset value per share	Currency	31.12.2018	31.12.2019
B EUR	EUR	95.4378	113.5294
B NOK	NOK	950.5673	1,127.4406
B SEK	SEK	896.1806	1,104.6923
C NOK	NOK	951.0813	1,132.1022
D EUR	EUR	95.5281	114.6209
D NOK	NOK	951.8964	1,138.7746
I NOK	NOK	952.4044	1,142.5618

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
B EUR	10.2976	-	-	10.2976
B NOK	18,430.5550	38,086.7771	-4,183.5102	52,333.8219
B SEK	52.3804	34.2462	-38.4451	48.1815
C NOK	34,959.1461	362.1160	-6,856.5153	28,464.7468
D EUR	10.2976	-	-	10.2976
D NOK	140,572.6323	-	-7,854.1194	132,718.5129
I NOK	262,698.9460	-	-233,510.0858	29,188.8602

# PARETO SICAV - PARETO NORDIC EQUITY

## Statement of investments and other net assets (in NOK) as at 31st December 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing</u></b>					
<b>Shares</b>					
DKK	7,300	Carlsberg AS B	6,890,842.85	9,580,306.94	3.47
DKK	84,500	Danske Bank A/S	13,641,467.04	12,029,097.38	4.36
DKK	22,600	Novo Nordisk AS B	8,734,066.77	11,539,421.16	4.18
DKK	17,500	Pandora A/S	8,595,690.61	6,697,211.29	2.43
DKK	9,900	Schouw & Co	6,807,857.50	7,321,175.07	2.65
			44,669,924.77	47,167,211.84	17.09
EUR	19,300	Nokian Tyres Plc	5,237,220.59	4,881,503.13	1.77
EUR	46,600	Pihljalainna Plc	4,096,975.36	7,026,789.24	2.55
EUR	68,200	Stora Enso Oyj R	7,588,798.69	8,725,785.90	3.16
EUR	29,300	TietoEvry Corp Reg	6,249,841.58	8,015,091.84	2.91
			23,172,836.22	28,649,170.11	10.39
NOK	434,800	Akastor ASA	6,451,713.48	4,321,912.00	1.57
NOK	131,000	BW Offshore Ltd Reg	6,702,825.15	8,646,000.00	3.14
NOK	209,900	Europris ASA	4,756,646.49	7,241,550.00	2.63
NOK	44,000	FLEX LNG Ltd Reg	6,354,533.16	3,999,600.00	1.45
NOK	94,700	Grieg Seafood ASA	11,383,232.40	13,286,410.00	4.82
NOK	1,018,000	Kitron ASA	8,790,125.91	11,198,000.00	4.06
NOK	1,047,000	Kongsberg Automotive Asa	7,134,071.80	6,418,110.00	2.33
NOK	299,000	Magseis Fairfield ASA Reg	5,043,735.66	1,734,200.00	0.63
NOK	154,900	Nordic Semiconductor ASA	5,581,946.84	8,627,930.00	3.13
NOK	262,900	Norwegian Air Shuttle ASA	19,195,005.26	9,924,475.00	3.60
NOK	171,600	Norwegian Fin Hg ASA	12,769,392.08	16,353,480.00	5.93
NOK	61,100	Protector Forsikring Asa	2,446,908.72	3,204,695.00	1.16
NOK	97,300	Scatec Solar ASA	6,053,271.53	12,074,930.00	4.38
NOK	97,800	Subsea 7 SA	10,156,786.08	10,264,110.00	3.72
			112,820,194.56	117,295,402.00	42.55
SEK	18,300	ABB Ltd Reg	3,107,197.38	3,868,222.72	1.40
SEK	16,500	Alimak Group AB	1,955,246.33	2,162,988.69	0.78
SEK	12,000	Autoliv Inc SDR	8,408,902.52	8,913,383.99	3.23
SEK	124,300	Betsson AB Reg B	8,024,252.58	5,098,455.64	1.85
SEK	120,756	Coor Serv Mgt Holding AB	7,339,009.08	9,343,741.55	3.39
SEK	20,500	Essity AB B Reg	4,358,446.49	5,809,757.21	2.11
SEK	103,100	Instalco AB Reg	6,369,219.49	13,089,415.19	4.75
SEK	62,600	TF Bank AB Reg	4,596,402.94	6,848,337.35	2.48
SEK	100,600	Troax Group AB A	7,944,813.61	11,411,685.70	4.14
SEK	13,800	Veoneer Inc SDR	3,815,429.71	1,942,520.48	0.70
			55,918,920.13	68,488,508.52	24.83
Total investments in securities			236,581,875.68	261,600,292.47	94.86
Cash at banks				14,261,691.71	5.17
Other net assets/(liabilities)				-73,985.87	-0.03
Total				275,787,998.31	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 2019

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#### Industrial classification

(in percentage of net assets)

Industrials	26.50 %
Cyclical consumer goods	14.94 %
Financials	13.93 %
Non-cyclical consumer goods	13.05 %
Energy	10.51 %
Healthcare	6.73 %
Technologies	6.04 %
Raw materials	3.16 %
Total	<u>94.86 %</u>

#### Geographical classification

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

Norway	34.24 %
Sweden	19.50 %
Denmark	17.09 %
Finland	10.39 %
Bermuda	4.59 %
United States of America	3.93 %
Luxembourg	3.72 %
Switzerland	1.40 %
Total	<u>94.86 %</u>

# PARETO SICAV - PARETO NORDIC CROSS CREDIT

## Statement of net assets (in NOK) as at 31st December 2019

	Notes	
<b>Assets</b>		
Securities portfolio at market value		734,250,682.09
Cash at banks		45,362,042.69
Formation expenses, net	1	9,488.78
Receivable on issues of shares		5,999,999.97
Income receivable on portfolio		3,622,341.44
Unrealised gain on forward foreign exchange contracts		4,380,764.76
Other receivables		79,798.73
Total assets		<u>793,705,118.46</u>
<b>Liabilities</b>		
Expenses payable		<u>403,755.98</u>
Total liabilities		<u>403,755.98</u>
Net assets at the end of the period		<u><u>793,301,362.48</u></u>

### 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	209,756.9019	NOK	1,003.0881	210,404,651.20
A SEK	15.0000	SEK	1,000.6740	14,095.12
H EUR	61,986.0000	EUR	100.0842	61,221,907.22
H NOK	121,251.2179	NOK	1,003.2590	121,646,371.26
H USD	10.0000	USD	100.3640	8,821.88
H-I NOK	274,582.3497	NOK	1,003.2560	275,476,386.49
I NOK	124,112.9243	NOK	1,003.3534	124,529,129.31
				<u><u>793,301,362.48</u></u>

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

## PARETO SICAV - PARETO NORDIC CROSS CREDIT

### Statement of operations and other changes in net assets (in NOK) from 26th November 2019 to 31st December 2019

<b><u>Income</u></b>	Notes	
Interest on bonds and other debt securities, net	1	2,525,545.40
Interest on bank accounts		30,357.15
Other income	4	79,798.73
Total income		2,635,701.28
<b><u>Expenses</u></b>		
Management fees	3; 4	318,486.86
Depositary fees	7	9,099.37
Transaction fees	1	10,941.69
Central administration costs	6	11,179.29
Professional fees		3,038.25
Subscription duty ("taxe d'abonnement")	9	59,162.95
Bank interest paid		890.09
Other expenses	1; 8	44,384.64
Total expenses		457,183.14
Net investment income		2,178,518.14
<b><u>Net realised gain/(loss)</u></b>		
- on securities portfolio		-45,860.02
- on forward foreign exchange contracts		-9,284.72
- on foreign exchange		-381,881.96
Realised result		1,741,491.44
<b><u>Net variation of the unrealised gain/(loss)</u></b>		
- on securities portfolio		-4,151,381.92
- on forward foreign exchange contracts		4,380,764.76
Result of operations		1,970,874.28
Dividends paid		-
Subscriptions		816,872,676.05
Redemptions		-25,542,187.85
Total changes in net assets		793,301,362.48
Total net assets at the beginning of the period		-
Total net assets at the end of the period		793,301,362.48

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

# PARETO SICAV - PARETO NORDIC CROSS CREDIT

Statistical information (in NOK)  
as at 31st December 2019

Total net assets	Currency	31.12.2019
	NOK	793,301,362.48

Net asset value per share	Currency	31.12.2019
A NOK	NOK	1,003.0881
A SEK	SEK	1,000.6740
H EUR	EUR	100.0842
H NOK	NOK	1,003.2590
H USD	USD	100.3640
H-I NOK	NOK	1,003.2560
I NOK	NOK	1,003.3534

Number of shares	outstanding at the beginning of the period	issued	redeemed	outstanding at the end of the period
A NOK	-	218,841.9852	-9,085.0833	209,756.9019
A SEK	-	15.0000	-	15.0000
H EUR	-	61,986.0000	-	61,986.0000
H NOK	-	132,533.0000	-11,281.7821	121,251.2179
H USD	-	10.0000	-	10.0000
H-I NOK	-	276,580.9208	-1,998.5711	274,582.3497
I NOK	-	127,254.0506	-3,141.1263	124,112.9243

# PARETO SICAV - PARETO NORDIC CROSS CREDIT

## Statement of investments and other net assets (in NOK) as at 31st December 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<b>Investments in securities</b>					
<b>Transferable securities admitted to an official stock exchange listing</b>					
<b>Bonds</b>					
EUR	100,000	Bewi Group AB FRN Sen 18/19.04.22	1,055,033.20	1,026,315.75	0.13
EUR	815,000	Cargotec Oyj 3.375% Sen Reg S 14/31.03.20	8,098,739.02	8,107,587.56	1.02
EUR	1,000,000	Cramo Plc 2.375% Sen 16/28.02.22	10,205,531.59	10,133,042.43	1.28
EUR	600,000	Dsv Miljo AS FRN Sen 17/10.05.21	6,098,568.97	5,946,957.04	0.75
EUR	800,000	Konecranes Plc 1.75% Sen Reg S 17/09.06.22	8,234,665.19	8,135,486.57	1.03
EUR	482,000	Suominen Corp 2.5% Sen 17/03.10.22	4,875,065.27	4,816,036.02	0.61
EUR	100,000	YIT Oyj 3.15% Sen 18/11.06.21	1,023,891.91	1,004,358.52	0.13
			39,591,495.15	39,169,783.89	4.95
NOK	12,000,000	Agder Energi AS FRN DMTN Sen 14/30.10.20	12,054,000.00	12,043,443.00	1.52
NOK	4,000,000	Agder Energi AS FRN Ser AEN53 Sen 15/16.03.21	4,042,000.00	4,037,981.00	0.51
NOK	4,500,000	Austevoll Seafood ASA FRN Sen 144A 17/21.06.23	4,574,250.00	4,569,930.00	0.58
NOK	16,000,000	BKK AS FRN Ser BKK25 G Sen 14/06.10.21	16,102,400.00	16,094,069.60	2.03
NOK	8,000,000	Bonheur ASA FRN Sen 19/04.09.24	8,050,400.00	8,048,571.60	1.01
NOK	6,000,000	Bonheur ASA FRN Ser BON08 Sen Reg S 17/09.11.20	6,124,200.00	6,123,642.00	0.77
NOK	5,500,000	Care Bidco AS FRN 17/24.03.21	5,414,200.00	5,393,397.90	0.68
NOK	12,000,000	Color Group ASA FRN Ser COLG14 Sen 18/23.09.22	12,303,600.00	12,292,499.40	1.55
NOK	5,000,000	Digiplex Norway Holding 2 AS FRN 19/30.04.24	5,184,500.00	5,195,833.50	0.65
NOK	13,000,000	DNB Bank ASA FRN Sub 15/26.05.Perpetual	13,059,800.00	13,039,244.40	1.64
NOK	4,000,000	DNB Bank ASA VAR Sub 19/27.09.Perpetual	4,090,800.00	4,104,190.00	0.52
NOK	7,500,000	Ekornes ASA FRN Sen 19/02.10.23	7,773,750.00	7,768,125.00	0.98
NOK	10,000,000	Fjord1 ASA FRN Sen 17/22.11.22	10,100,000.00	10,100,000.00	1.27
NOK	8,000,000	GasLog Ltd FRN 16/27.05.21	8,360,000.00	8,343,639.60	1.05
NOK	7,000,000	Glx Holding AS FRN GLX01 Sen 17/08.12.23	7,234,500.00	7,230,624.80	0.91
NOK	4,500,000	Hexagon Composites ASA FRN Sen 19/15.03.23	4,545,000.00	4,561,875.00	0.57
NOK	12,500,000	Ice Group ASA FRN 17/12.10.21	12,625,000.00	12,640,625.00	1.59
NOK	4,000,000	Kistefos AS FRN Sen 19/10.05.23	4,027,600.00	4,029,000.00	0.51
NOK	4,000,000	Kistefos AS FRN Sen Reg S 144A 17/08.11.21	4,156,800.00	4,156,666.60	0.52
NOK	5,000,000	Klaveness Ship Hdg AS FRN Sen 16/27.05.21	5,085,000.00	5,081,253.50	0.64
NOK	14,000,000	Lyse Energi AS FRN Ser SBVB17 Sen 17/18.04.23	14,182,000.00	14,172,387.60	1.79
NOK	3,000,000	ML 33 Holding AS 5.5% Ser ML33H01 Sen 16/27.12.21	3,048,900.00	3,055,500.00	0.38
NOK	3,600,000	Norgesgruppen ASA FRN Ser NORG110 Sen 16/15.03.22	3,691,440.00	3,690,521.64	0.46
NOK	9,000,000	Nortura SA Step-up Sub 18/25.05.78	9,180,000.00	9,180,000.00	1.16
NOK	10,000,000	Norwegian Property ASA FRN Ser NPRO06 Sen 16/05.07.20	10,073,000.00	10,059,216.00	1.27
NOK	8,000,000	NRC Group ASA FRN 19/13.09.24	8,170,400.00	8,167,500.00	1.03
NOK	8,000,000	Odfjell SE FRN Sen Reg S 18/19.09.23	7,906,400.00	7,916,000.00	1.00
NOK	12,000,000	Olav Thon Eiendomsselskap ASA FRN Sen 16/19.05.20	12,045,600.00	12,036,129.00	1.52
NOK	7,000,000	Sbanken ASA FRN Sub 15/12.01.Perpetual	7,118,300.00	7,108,466.05	0.90
NOK	8,000,000	Schibsted ASA FRN Ser SCH07 Sen 14/06.05.21	8,068,000.00	8,064,693.60	1.02
NOK	8,000,000	SFL Corp Ltd FRN Sen 18/13.09.23	8,219,200.00	8,203,333.20	1.03
NOK	16,000,000	Sparebank 1 BV FRN Sen 17/26.04.21	16,084,800.00	16,071,917.60	2.03
NOK	4,000,000	Sparebank 1 SR-Bank ASA FRN 17/29.09.Perpetual	4,052,800.00	4,057,916.20	0.51
NOK	6,000,000	Sparebank 1 SR-Bank ASA FRN Ser SRBANK21 Sen17/04.05.20	6,013,200.00	6,009,080.40	0.76
NOK	10,000,000	Statkraft AS FRN DMTN Ser STAKR40 Sen 15/08.07.20	10,030,000.00	10,021,726.00	1.26
NOK	7,000,000	Statkraft AS FRN EMTN Ser STAKR37 Sen 15/21.01.20	7,004,900.00	7,001,435.35	0.88
NOK	12,000,000	Stolt-Nielsen Ltd FRN Sen 14/18.03.21	12,249,600.00	12,239,040.00	1.54
NOK	17,000,000	Storebrand Livsforsikring AS Step-up Sub 14/25.06.Perpetual	17,391,000.00	17,444,622.25	2.20
NOK	6,000,000	Tine SA FRN Ser TINE24 PRO Sen 16/04.11.21	6,059,400.00	6,060,223.80	0.76
NOK	10,000,000	Tomra Systems ASA FRN MTN Sen 19/14.11.22	10,001,000.00	10,006,185.00	1.26
NOK	5,000,000	Veidekke ASA FRN Ser VEI11 Sen 18/05.06.23	4,981,000.00	4,985,615.50	0.63
			340,478,740.00	340,406,121.09	42.89
SEK	4,000,000	AF Poyry AB FRN DMTN Sen 19/27.06.24	3,868,720.17	3,782,798.10	0.48
SEK	2,000,000	AF Poyry AB FRN Ser 103 Sen 19/27.06.22	1,927,886.31	1,886,609.94	0.24
SEK	8,000,000	Consilium AB VAR Sub 17/01.02.Perpetual	7,648,580.14	7,549,895.41	0.95
SEK	10,000,000	Ellevio AB FRN EMTN A Ser 1 Sen Reg S 16/09.12.23	9,722,199.62	9,657,011.13	1.22
SEK	8,000,000	FNG Nordic AB FRN 19/25.07.24	7,825,668.16	7,667,275.63	0.97
SEK	8,000,000	Granges AB FRN MTN Sen 102 Sen 18/20.09.23	7,737,532.49	7,501,177.93	0.95
SEK	11,000,000	Heimstaden AB FRN Sen 17/18.05.21	10,541,501.46	10,484,607.38	1.32
SEK	6,000,000	Intrum AB FRN Sen 19/03.07.23	5,903,776.13	5,778,543.46	0.73
SEK	8,000,000	Islandsbanki HF FRN EMTN Ser 22 Tr1 Sen 18/31.08.28	7,399,859.75	7,277,160.14	0.92
SEK	10,000,000	Lantmannen Ekonomisk Forening FRN Reg S Ser 1 15/07.12.20	9,736,074.07	9,499,299.07	1.20

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

## PARETO SICAV - PARETO NORDIC CROSS CREDIT

### Statement of investments and other net assets (in NOK) (continued) as at 31st December 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
SEK	15,000,000	M2 Asset Management AB FRN Sen Reg S 19/19.12.22	14,518,326.62	14,103,232.81	1.78
SEK	10,000,000	Nordic Entertainment Gr AB FRN DMTN Sen 19/23.05.24	9,688,100.47	9,471,972.96	1.19
SEK	9,000,000	Sagax AB FRN EMTN Sen 19/16.06.23	8,635,450.43	8,458,559.13	1.07
SEK	10,000,000	Scania CV AB FRN EMTN Ser 68 Sen Reg S 17/14.02.22	9,525,220.34	9,473,334.56	1.19
SEK	2,000,000	SSAB AB FRN EMTN Sen Reg S 19/26.06.24	1,955,402.29	1,893,061.15	0.24
SEK	7,000,000	Telia Co AB Step-up FRN Sub Reg S 17/04.10.77	6,931,374.59	6,782,388.45	0.85
SEK	25,000,000	Velliv Pension & Livsforsi FRN Sub 18/08.06.28	23,990,052.97	23,510,083.22	2.96
SEK	8,000,000	Wihlborgs Fastigheter AB FRN Ser 109 Tr 1 19/29.08.22	7,703,986.70	7,541,932.34	0.95
			155,259,712.71	152,318,942.81	19.21
USD	600,000	Vizrt Group AS FRN Ser VIZG01 Sen 15/13.03.21	5,578,589.29	5,343,160.47	0.67
<b>Total bonds</b>			540,908,537.15	537,238,008.26	67.72
<b><u>Transferable securities dealt in on another regulated market</u></b>					
<b>Bonds</b>					
NOK	4,000,000	Brage Finans AS FRN BRFI32 PRO Sub 19/16.08.Perpetual	4,052,800.00	4,064,484.20	0.51
NOK	8,000,000	Eika Boligkreditt AS FRN Ser EIKB71 PRO Sub 18/02.02.28	8,055,200.00	8,062,769.20	1.02
NOK	8,000,000	Felleskjøpet Agri FRN Sen 19/25.04.22	8,021,600.00	8,021,757.20	1.01
NOK	6,000,000	Felleskjøpet Agri FRN Ser FKOV12 PRO Sen 19/25.04.24	6,037,200.00	6,042,575.70	0.76
NOK	12,000,000	Fjellinjen AS FRN Ser FJELL16 PRO Sen 15/03.12.20	12,114,000.00	12,099,807.60	1.53
NOK	8,000,000	Gjensidige Bank ASA FRN SerGJEB22 PRO Sub 15/21.08.Perpetual	8,052,800.00	8,047,043.20	1.01
NOK	8,000,000	Laeringsverkstedet FRN Sen 17/01.06.22	8,033,600.00	8,000,000.00	1.01
NOK	5,000,000	Nortura Konsernpensjonskasse FRN NORTKP01 Pro 19/26.06.29	5,058,500.00	5,065,786.00	0.64
NOK	6,000,000	Obos Banken AS VAR 17/18.08.Perpetual	6,090,600.00	6,094,144.80	0.77
NOK	9,200,000	Obos Banken AS VAR Ser OBOBA14 PRO Sub 15/17.06.Perpet	9,259,800.00	9,254,310.36	1.17
NOK	12,300,000	Sparebank 1 Boligkreditt SPBKR51 PRO FRN 99/23.12 Perpetual	12,458,670.00	12,448,712.54	1.57
NOK	8,000,000	SpareBank 1 Nordvest VAR Ser SNOR01 PRO 17/17.02.Perpetual	8,125,600.00	8,133,867.60	1.03
NOK	9,000,000	SpareBank 1 Ostlandet FRN 15/19.02.21	9,050,400.00	9,043,341.30	1.14
NOK	20,000,000	SpareBank 1 Ringerike Hadeland FRN Sen 18/22.06.22	20,088,000.00	20,075,397.00	2.53
NOK	4,000,000	Sparebank 1 SR-Bank ASA VAR SRBANK32 PRO 19/12.06.Perpetual	4,076,000.00	4,081,892.40	0.51
NOK	4,800,000	Sparebanken Sor FRN Ser SOR46 PRO Sub 17/23.08.Perpetual	4,863,840.00	4,870,202.16	0.61
NOK	8,000,000	Sparebanken Telemark VAR Sub 17/23.11.Perpetual	8,084,800.00	8,093,988.00	1.02
NOK	6,000,000	Sparebanken Vest AS FRN Ser SVEG86PRO Sub 99/08.12.Perpetual	6,214,800.00	6,211,454.10	0.78
NOK	5,200,000	Sparebanken Vest AS FRN Ser SVEG91 PRO 17/09.05.Perpetual	5,314,400.00	5,317,539.24	0.67
NOK	8,000,000	Totens Sparebank AS VAR Ser TOTG53 PRO 19/14.09.Perpetual	8,147,200.00	8,160,932.40	1.03
			161,199,810.00	161,190,005.00	20.32
SEK	5,000,000	Volvo Car AB FRN EMTN Sen Reg S 19/27.02.23	4,900,632.88	4,790,075.28	0.60
<b>Total bonds</b>			166,100,442.88	165,980,080.28	20.92
<b><u>Other transferable securities</u></b>					
<b>Bonds</b>					
EUR	800,000	Ahlstrom-Munksjo Oyj VAR Sub 19/13.12.Perpetual	8,115,273.01	7,944,078.69	1.00
NOK	4,800,000	First Mover Group Holding FRN Ser144A Sen Reg S 19/20.09.22	4,826,880.00	4,827,000.00	0.61
NOK	8,000,000	Otiga Group AS FRN 19/08.07.22	8,036,800.00	8,056,666.80	1.02
			12,863,680.00	12,883,666.80	1.63
SEK	10,000,000	Bergvik Skog AB 8.5% MTN Sub 04/24.03.34	10,414,130.97	10,204,848.06	1.29
<b>Total bonds</b>			31,393,083.98	31,032,593.55	3.92
<b>Total investments in securities</b>			738,402,064.01	734,250,682.09	92.56
<b>Cash at banks</b>				45,362,042.69	5.72
<b>Other net assets/(liabilities)</b>				13,688,637.70	1.72
<b>Total</b>				793,301,362.48	100.00

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

## PARETO SICAV - PARETO NORDIC CROSS CREDIT

### Industrial and geographical classification of investments as at 31st December 2019

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#### Industrial classification

(in percentage of net assets)

Financials	32.87 %
Industrials	14.82 %
Utilities	9.21 %
Real estate	8.59 %
Non-cyclical consumer goods	7.55 %
Raw materials	5.96 %
Cyclical consumer goods	5.95 %
Energy	3.86 %
Telecommunications services	2.44 %
Technologies	0.67 %
Investment funds	0.64 %
Total	<u>92.56 %</u>

#### Geographical classification

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

Norway	61.89 %
Sweden	17.35 %
Finland	5.07 %
Denmark	3.71 %
Bermuda	3.62 %
Iceland	0.92 %
Total	<u>92.56 %</u>

## PARETO SICAV

### Notes to the financial statements

as at 31st December 2019

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#### **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.

The financial statements have been prepared on a going concern basis.

##### 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.

## PARETO SICAV

### Notes to the financial statements (continued)

as at 31st December 2019

#### e) Exchange translation

Bank balances, other assets and liabilities and the value of securities held that are denominated in other currencies than the Sub-Fund's currency are converted at the prevailing exchange rate of the closing day. Income and expenses incurred in currencies other than the Sub-Fund's currency are converted at the prevailing exchange rate of the day of each transaction. 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	=	0.1100923	CHF	Swiss Franc
			0.7572555	DKK	Danish Krona
			0.1013333	EUR	Euro
			0.0858683	GBP	Pound Sterling
			1.0649154	SEK	Swedish Krona
			0.1137669	USD	US Dollar
1	SEK	=	0.7110945	DKK	Danish Krona
			0.0951562	EUR	Euro
			0.0806339	GBP	Pound Sterling
			0.2096967	NLG	Dutch Guilders
			0.9390417	NOK	Norwegian Krona
			0.1068319	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	=	9.8684207	NOK	Norwegian Krona
			10.5090333	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 2018. Foreign exchange difference between the Net Asset Value at the beginning of the year translated using the exchange rates applicable as at 31st December 2018 and the exchange rates applicable as at 31st December 2019 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.

## PARETO SICAV

### Notes to the financial statements (continued) as at 31st December 2019

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#### 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 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) 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, PARETO SICAV - PARETO GLOBAL CORPORATE BOND and PARETO SICAV - PARETO NORDIC CROSS CREDIT, 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, 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.

A charge not exceeding 0.50% for the Sub-Funds PARETO SICAV - PARETO NORDIC CORPORATE BOND, PARETO SICAV - PARETO GLOBAL CORPORATE BOND, PARETO SICAV - PARETO NORDIC EQUITY and PARETO SICAV - PARETO NORDIC CROSS CREDIT 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**

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.

## PARETO SICAV

### Notes to the financial statements (continued)

as at 31st December 2019

#### 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	PARETO SICAV - PARETO NORDIC CROSS CREDIT
A Shares	1.00% p.a.	1.00% p.a.	-	-	-
A DIS SEK Shares	-	1.00% p.a.	-	-	-
A DIS USD Shares	-	1.00% p.a.	-	-	-
A EUR Shares	1.00% p.a.	1.00% p.a.	-	-	-
A NOK Shares	-	-	1.50% p.a.	-	0.55% p.a.
A SEK Shares	-	-	-	-	0.55% 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 CHF Shares	0.55% p.a.	-	-	-	-
H DIS USD Shares	0.55% p.a.	-	-	-	-
H EUR Shares	0.55% p.a.	0.55% p.a.	-	-	0.40% p.a.
H NOK Shares	-	-	-	-	0.40% p.a.
H USD Shares	0.55% p.a.	0.55% p.a.	-	-	0.40% p.a.
H-I NOK Shares	-	-	-	-	0.40% p.a.
I DIS EUR Shares	0.40% p.a.	-	-	-	-
I EUR Shares	0.40% p.a.	-	-	-	-
I NOK Shares	0.40% p.a.	0.40% p.a.	-	0.50% p.a.	0.30% 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.

All Share Classes in the Sub-Fund PARETO SICAV - PARETO NORDIC CROSS CREDIT shall have a maximum rate in relation to on-going charges which includes investment management fee, tax and 10 basispoints for all other charges for the first two years from inception.

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.

## PARETO SICAV

### Notes to the financial statements (continued)

as at 31st December 2019

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#### **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.

**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 1,059,525.56.

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

#### **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, legal costs, formation expenses and insurance costs.

## PARETO SICAV

### Notes to the financial statements (continued) as at 31st December 2019

#### 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.

#### Note 10 - Forward foreign exchange contracts

As at 31st December 2019, the following Sub-Funds were committed in the following forward foreign exchange contracts:

<b>PARETO SICAV - PARETO NORDIC CORPORATE BOND</b>					
Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in NOK)
<b>Forward foreign exchange contracts (Nordea Bank Finland Plc, Finland)</b>					
DKK	9,000,000.00	NOK	12,045,162.60	14.02.2020	-127,613.11
NOK	159,821,028.90	DKK	117,000,000.00	14.02.2020	4,892,885.50
NOK	81,822,726.40	EUR	8,000,000.00	14.02.2020	2,679,865.92
NOK	80,940,703.20	EUR	8,000,000.00	14.02.2020	1,797,842.72
NOK	50,883,424.00	EUR	5,000,000.00	14.02.2020	1,419,136.20
NOK	949,123,400.00	SEK	1,000,000,000.03	14.02.2020	8,292,153.02
NOK	38,564,484.13	SEK	40,000,000.00	14.02.2020	930,103.83
NOK	755,638,820.00	SEK	795,999,999.99	14.02.2020	6,736,889.90
NOK	1,772,724,252.00	USD	195,000,000.00	13.03.2020	59,072,190.06
					<u>85,693,454.04</u>
<b>Forward foreign exchange contracts (Skandinaviska Enskilda Banken AB, Sweden)</b>					
EUR	19,000,000.00	NOK	192,944,848.00	14.02.2020	-4,980,554.36
NOK	1,252,532,861.20	EUR	122,800,000.00	14.02.2020	37,689,952.81
NOK	60,585,912.00	EUR	6,000,000.00	14.02.2020	1,228,766.64
NOK	1,275,055,375.00	EUR	125,000,000.00	14.02.2020	38,448,179.98
NOK	59,942,430.00	EUR	6,000,000.00	14.02.2020	585,284.64
NOK	38,252,160.11	SEK	40,000,000.00	14.02.2020	618,368.68
NOK	1,744,954,752.00	USD	192,000,000.00	13.03.2020	57,666,567.94
NOK	63,179,102.00	USD	7,000,000.00	13.03.2020	1,663,386.96
NOK	89,767,970.00	USD	10,000,000.00	13.03.2020	1,888,377.08
NOK	44,869,650.00	USD	5,000,000.00	13.03.2020	929,853.54
NOK	27,077,466.00	USD	3,000,000.00	13.03.2020	713,588.12
					<u>136,451,772.03</u>
<b>Forward foreign exchange contracts linked to Class C and D Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)</b>					
NOK	39,037.49	SEK	40,983.47	15.01.2020	528.92
NOK	85,970.50	SEK	91,210.40	15.01.2020	268.65
NOK	32,448.15	SEK	33,652.40	15.01.2020	827.71
NOK	73,467.63	SEK	76,132.15	15.01.2020	1,932.38
NOK	58,007.65	SEK	60,186.42	15.01.2020	1,455.36
NOK	125,832.94	SEK	132,468.87	15.01.2020	1,363.79
NOK	314,537.40	SEK	327,460.80	15.01.2020	6,849.71
NOK	20,945.97	SEK	21,971.05	15.01.2020	301.70
NOK	56,896.62	SEK	59,897.12	15.01.2020	616.66
SEK	13,000.00	NOK	12,608.55	15.01.2020	-393.46
SEK	131,496,027.70	NOK	127,558,797.85	15.01.2020	-4,002,161.15
SEK	92,595,606.62	NOK	89,823,126.01	15.01.2020	-2,818,203.30
SEK	359,906.58	NOK	347,310.33	15.01.2020	-9,135.07
SEK	53,819.54	NOK	51,893.61	15.01.2020	-1,323.75
SEK	297,831.00	NOK	287,049.42	15.01.2020	-7,201.81
SEK	231,907.33	NOK	222,755.00	15.01.2020	-4,850.96
SEK	144,270.00	NOK	137,419.76	15.01.2020	-1,861.92
SEK	15,447.00	NOK	14,726.31	15.01.2020	-212.11
SEK	8,000.00	NOK	7,553.96	15.01.2020	-37.11

## PARETO SICAV

### Notes to the financial statements (continued) as at 31st December 2019

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in NOK)
SEK	1,172.00	NOK	1,106.66	15.01.2020	-5.44
SEK	38,261.00	NOK	36,062.96	15.01.2020	-112.69
					<u>-6,831,353.89</u>
<b>Forward foreign exchange contracts linked to Class H CHF Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)</b>					
CHF	4,290,836.31	NOK	39,658,603.82	15.01.2020	-648,174.30
CHF	303,204.00	NOK	2,770,770.33	15.01.2020	-14,170.59
					<u>-662,344.89</u>
<b>Forward foreign exchange contracts linked to Class A EUR, H EUR, I Dis EUR and I EUR Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)</b>					
EUR	50,578.06	NOK	502,948.73	15.01.2020	-3,458.49
EUR	11,334.53	NOK	111,714.53	15.01.2020	221.10
EUR	2,618,511.90	NOK	26,159,614.69	15.01.2020	-300,158.25
EUR	36,441,318.43	NOK	369,481,697.96	15.01.2020	-9,600,695.80
EUR	29,930.47	NOK	299,013.18	15.01.2020	-3,430.91
EUR	191,988.84	NOK	1,892,265.81	15.01.2020	3,745.07
EUR	402,763.75	NOK	4,065,581.47	15.01.2020	-88,035.43
EUR	10,983.06	NOK	111,346.04	15.01.2020	-2,881.40
EUR	108,290.90	NOK	1,089,043.25	15.01.2020	-19,602.32
EUR	3,030,407.15	NOK	30,475,731.94	15.01.2020	-548,550.13
EUR	61,563.25	NOK	620,172.91	15.01.2020	-12,196.99
EUR	92,237.44	NOK	929,177.10	15.01.2020	-18,274.21
EUR	90,261.01	NOK	888,471.62	15.01.2020	2,912.78
EUR	28,801.06	NOK	289,567.96	15.01.2020	-5,139.33
EUR	1,838,960.92	NOK	18,267,614.37	15.01.2020	-106,715.50
EUR	81,893,068.53	NOK	830,320,946.52	15.01.2020	-21,575,246.80
EUR	56,004,406.43	NOK	567,833,549.18	15.01.2020	-14,754,715.05
EUR	617,771,182.08	NOK	6,263,635,761.20	15.01.2020	-162,755,724.76
NOK	171,519.06	EUR	17,266.45	15.01.2020	1,001.98
NOK	1,366,308.32	EUR	137,543.28	15.01.2020	7,981.68
NOK	6,571,844.07	EUR	660,884.70	15.01.2020	45,190.85
NOK	4,754,652.95	EUR	475,928.85	15.01.2020	54,555.40
NOK	574,910.39	EUR	57,181.84	15.01.2020	10,203.66
NOK	386,648.37	EUR	38,447.05	15.01.2020	6,959.50
NOK	261,559.23	EUR	25,911.81	15.01.2020	5,663.76
NOK	491,420.84	EUR	48,473.25	15.01.2020	12,716.93
NOK	731,168.48	EUR	72,723.61	15.01.2020	12,976.97
NOK	446,628.38	EUR	45,373.57	15.01.2020	-1,464.24
					<u>-209,632,159.93</u>
<b>Forward foreign exchange contracts linked to Class H USD and H DIS USD Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)</b>					
USD	8,040,748.70	NOK	73,151,828.96	15.01.2020	-2,479,306.37
USD	16,033,558.07	NOK	145,867,523.21	15.01.2020	-4,943,831.00
USD	1,000,000.00	NOK	9,018,364.00	15.01.2020	-229,067.73
					<u>-7,652,205.10</u>

### PARETO SICAV - PARETO GLOBAL CORPORATE BOND

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in SEK)
<b>Forward foreign exchange contracts (Nordea Bank Finland Plc, Finland)</b>					
SEK	3,136,565.52	EUR	300,000.00	14.02.2020	-17,990.71
SEK	18,461,392.20	GBP	1,500,000.00	13.03.2020	-113,764.47
SEK	78,036,244.65	GBP	6,300,000.00	13.03.2020	20,586.63
					<u>-111,168.55</u>
<b>Forward foreign exchange contracts (Skandinaviska Enskilda Banken AB, Sweden)</b>					
SEK	629,343,060.00	EUR	60,000,000.00	14.02.2020	-1,568,186.74
SEK	576,776,805.00	EUR	55,000,000.00	14.02.2020	-1,558,504.51
SEK	62,812,506.00	EUR	6,000,000.00	14.02.2020	-278,618.67
SEK	60,672,768.00	NOK	59,000,000.00	14.02.2020	-2,038,778.31
SEK	37,437,812.00	USD	4,000,000.00	13.03.2020	123,878.58
SEK	610,703,665.00	USD	65,000,000.00	13.03.2020	4,352,246.95
SEK	619,620,276.00	USD	66,000,000.00	13.03.2020	3,940,374.60
					<u>2,972,411.90</u>
<b>Forward foreign exchange contracts linked to Class H USD and A DIS USD Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)</b>					
USD	1,222.34	SEK	11,465.26	15.01.2020	-31.18
USD	55,858.46	SEK	526,106.37	15.01.2020	-3,592.23
USD	1,094,681.72	SEK	10,267,858.38	15.01.2020	-27,929.16
					<u>-31,552.57</u>

## PARETO SICAV

### Notes to the financial statements (continued) as at 31st December 2019

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in SEK)
<b>Forward foreign exchange contracts linked to Class A EUR and H EUR Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)</b>					
EUR	203,870.36	SEK	2,131,149.63	15.01.2020	11,612.23
EUR	1,065.05	SEK	11,133.45	15.01.2020	60.67
					<u>11,672.90</u>
<b>Forward foreign exchange contracts linked to Class C, D and I NOK Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)</b>					
NOK	104,613.00	SEK	110,989.16	15.01.2020	348.13
NOK	717,114,696.49	SEK	739,515,208.26	15.01.2020	23,694,009.85
NOK	2,273,533.88	SEK	2,393,430.96	15.01.2020	26,240.57
NOK	279,581,167.14	SEK	288,314,444.06	15.01.2020	9,237,572.40
NOK	117,339,591.48	SEK	121,004,928.30	15.01.2020	3,876,988.51
SEK	802,124.78	NOK	773,420.81	15.01.2020	-21,009.78
SEK	109,079.99	NOK	105,795.46	15.01.2020	-3,515.76
SEK	4,406,472.53	NOK	4,197,244.11	15.01.2020	-60,561.00
SEK	1,407,339.36	NOK	1,328,873.37	15.01.2020	-6,951.00
SEK	588,532.27	NOK	567,934.42	15.01.2020	-15,907.70
SEK	355,244.64	NOK	341,224.74	15.01.2020	-7,913.26
SEK	246,312.75	NOK	234,820.85	15.01.2020	-3,601.86
SEK	4,921,570.22	NOK	4,743,407.82	15.01.2020	-126,733.20
					<u>36,588,965.90</u>

### PARETO SICAV - PARETO NORDIC CROSS CREDIT

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in NOK)
<b>Forward foreign exchange contracts (Skandinaviska Enskilda Banken AB, Sweden)</b>					
NOK	4,078,043.01	EUR	405,000.00	15.01.2020	78,412.59
NOK	23,882,102.40	EUR	2,400,000.00	15.01.2020	180,588.78
NOK	10,228,082.48	EUR	1,006,000.00	15.01.2020	293,198.02
NOK	8,312,288.88	EUR	840,000.00	15.01.2020	16,759.11
NOK	1,119,718.38	EUR	110,000.00	15.01.2020	33,399.01
NOK	1,016,283.60	EUR	100,000.00	15.01.2020	28,720.53
NOK	12,644,229.00	SEK	13,000,000.00	15.01.2020	429,115.42
NOK	65,615,716.00	SEK	68,000,000.00	15.01.2020	1,721,589.14
NOK	21,201,686.00	SEK	22,000,000.00	15.01.2020	530,072.85
NOK	29,787,345.00	SEK	31,500,000.00	15.01.2020	189,694.52
NOK	7,631,904.00	SEK	8,000,000.00	15.01.2020	115,000.34
NOK	1,918,262.00	SEK	2,000,000.00	15.01.2020	39,029.92
NOK	24,088,275.00	SEK	25,000,000.00	15.01.2020	597,808.23
NOK	1,929,292.00	SEK	2,000,000.00	15.01.2020	50,053.32
NOK	7,721,312.00	SEK	8,000,000.00	15.01.2020	204,354.81
NOK	5,727,060.63	USD	625,000.00	15.01.2020	233,750.46
					<u>4,741,547.05</u>
<b>Forward foreign exchange contracts linked to Class A SEK Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)</b>					
SEK	15,005.72	NOK	14,556.42	15.01.2020	-456.98
					<u>-456.98</u>
<b>Forward foreign exchange contracts linked to Class H EUR Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)</b>					
EUR	1,000.27	NOK	10,141.82	15.01.2020	-263.52
EUR	6,199,397.30	NOK	61,582,711.18	15.01.2020	-359,753.03
					<u>-360,016.55</u>
<b>Forward foreign exchange contracts linked to Class H USD Shares (Skandinaviska Enskilda Banken S.A., Luxembourg)</b>					
USD	1,001.34	NOK	9,109.83	15.01.2020	-308.76
					<u>-308.76</u>

## PARETO SICAV

### Notes to the financial statements (continued) as at 31st December 2019

#### Note 11 - Swaps contracts

As at 31st December 2019, 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)
<b>Skandinaviska Enskilda Banken AB (publ), Sweden</b>								
SEK-STIBOR-SIDE + 3.78%	SEK	9,350,000.00	3.250%	EUR	1,000,000.00	18.05.21	10,509,033.35	-1,203,385.38
SEK-STIBOR-SIDE + 3.82%	SEK	9,420,000.00	3.250%	EUR	1,000,000.00	18.05.21	10,509,033.35	-1,124,103.01
SEK-STIBOR-SIDE + 5.49%	SEK	9,550,000.00	4.750%	EUR	1,000,000.00	30.05.22	10,509,033.35	-1,002,961.30
SEK-STIBOR-SIDE + 4.5715%	SEK	19,240,000.00	4.125%	EUR	2,000,000.00	15.10.21	21,018,066.70	-1,906,241.47
SEK-STIBOR-SIDE + 2.91%	SEK	29,175,000.00	2.625%	EUR	3,000,000.00	30.09.24	31,527,100.05	-2,766,110.46
SEK-STIBOR-SIDE + 3.845%	SEK	33,120,000.00	5.000%	GBP	3,000,000.00	15.04.22	37,205,179.35	-4,607,396.03
SEK-STIBOR-SIDE + 4.285%	SEK	37,800,000.00	4.000%	EUR	4,000,000.00	15.01.20	42,036,133.40	-4,250,813.88
SEK-STIBOR-SIDE + 3.325%	SEK	11,950,000.00	3.250%	EUR	1,250,000.00	15.03.21	13,136,291.69	-1,290,986.44
SEK-STIBOR-SIDE + 3.28%	SEK	9,500,000.00	3.125%	EUR	1,000,000.00	01.04.20	10,509,033.35	-1,024,862.21
SEK-STIBOR-SIDE + 2.665%	SEK	57,540,000.00	2.750%	EUR	6,000,000.00	05.01.24	63,054,200.10	-7,283,420.03
SEK-STIBOR-SIDE + 3.3625%	SEK	19,440,000.00	3.375%	EUR	2,000,000.00	15.07.22	21,018,066.70	-1,939,481.36
SEK-STIBOR-SIDE + 3.08%	SEK	38,380,000.00	2.875%	EUR	4,000,000.00	15.09.20	42,036,133.40	-3,809,460.36
SEK-STIBOR-SIDE + 4.79%	SEK	81,040,000.00	4.750%	EUR	8,000,000.00	15.06.21	84,072,266.80	-3,691,325.35
SEK-STIBOR-SIDE + 1.85%	SEK	26,550,000.00	4.750%	USD	3,000,000.00	15.11.22	28,081,500.00	-2,473,776.67
SEK-STIBOR-SIDE + 3.54%	SEK	44,250,000.00	6.250%	USD	5,000,000.00	15.10.21	46,802,500.00	-3,391,394.60
							<u>472,023,571.58</u>	<u>-41,765,718.55</u>
<b>Nordea Bank AB, Sweden</b>								
SEK-STIBOR-SIDE+5.72%	SEK	25,632,000.00	DKK-CIBOR2-CIBOR+=5.30%	DKK	20,000,000.00	16.09.21	28,125,657.24	-2,700,237.16
SEK-STIBOR-SIDE+5.49%	SEK	33,365,500.00	5.375%	EUR	3,500,000.00	15.04.20	36,781,616.72	-3,493,073.69
SEK-STIBOR-SIDE+2.85%	SEK	38,376,000.00	2.875%	EUR	4,000,000.00	15.09.22	42,036,133.40	-4,412,807.22
							<u>106,943,407.36</u>	<u>-10,606,118.07</u>
							<u>578,966,978.94</u>	<u>-52,371,836.62</u>

As at 31st December 2019, the following Sub-Fund was committed in the following interest rate swaps contract 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	-1,798,838.55
					<u>-1,798,838.55</u>

## PARETO SICAV

### Notes to the financial statements (continued)

as at 31st December 2019

#### **Note 12 - Contracts For Difference (CFD)**

As at 31st December 2019, 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	-92,000	DNB ASA CFD	NOK	-15,088,000.00	-36,800.00
Sale	-13,000	Royal Caribbean Cruises Ltd CFD	USD	-15,256,014.14	-20,568.37
Sale	-131,000	Skandinaviska Enskilda Bk AB A CFD	SEK	-10,835,114.08	41,824.92
Sale	-45,000	UPM-Kymmene Corp CFD	EUR	-13,726,479.81	146,546.05
				<u>-54,905,608.03</u>	<u>131,002.60</u>

#### **Note 13 - Pledged assets**

As at 31st December 2019, the following Sub-Funds have pledged assets as described below:

-PARETO SICAV - PARETO NORDIC CORPORATE BOND holds/gives cash pledged as collateral at Skandinaviska Enskilda Banken S.A, Luxembourg for an amount of NOK 240,200,000.00 and at Nordea Bank AB, Sweden for an amount of NOK -41,750,000.00;

-PARETO SICAV - PARETO GLOBAL CORPORATE BOND holds cash pledged as collateral at Skandinaviska Enskilda Banken S.A. Luxembourg for an amount of SEK 11,551,938.71, at Skandinaviska Enskilda Banken AB (publ), Sweden for an amount of SEK 29,273,000.00 and at Nordea Bank AB, Sweden for an amount of SEK 10,862,780.00;

-PARETO SICAV - PARETO NORDIC ALPHA holds cash pledged as collateral at Skandinaviska Enskilda Banken AB (publ), Sweden for an amount of NOK 17,076,101.23.

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.

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 2019, 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.

## PARETO SICAV

### Notes to the financial statements (continued)

as at 31st December 2019

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#### **Note 16 - Valuation event on the fund's investment in NO0010804198 Vieo and its pricing as of 31st December 2019**

Vieo and its subsidiaries was subject to a company wide recapitalization in 2019 where bondholders took control over the Company including all subsidiaries. As a technical step in order to complete the recapitalization, the nominal of the bond in Vieo was written down from EUR 145.9 million to EUR 20m temporarily, until the new capital structure was implemented on January 9th.

As a consequence on 31st December 2019 the valuation of the temporary EUR 20m bond was priced at 145,9/20 times the price of the original EUR 145.9m bond, so that the nominal write down did not impact the fund NAV per year end 2019. This pricing decision was taken based on reliable sources, confirming that the write down was of a temporary and technical character only, not impacting the underlying value of the position. On 9th of January 2020 the fund's investment in Vieo was then converted pro-rata into notes in the new capital structure consisting of a first bond issue of EUR 100m (NO0010872609) and a second bond issue of EUR 146.6m (NO0010872591) including Vieo equities attached to the second issue.

#### **Note 17 - Subsequent events**

As from 1st January 2020, all Share Classes in the Sub-Funds PARETO SICAV - PARETO NORDIC CORPORATE BOND and PARETO SICAV - PARETO GLOBAL CORPORATE BOND shall have a maximum rate in relation to on-going charges which includes investment management fee, tax and 20 basispoints for all other charges.

The Board of Directors of the Fund decided to merge the assets of the Norwegian fund Pareto Høyrente into the Sub-Fund PARETO SICAV - PARETO NORDIC CROSS CREDIT by way of absorption with effective date 9th March 2020.

Since the end of the reporting period the Investment Manager has seen the development of the coronavirus covid-19 outbreak across the world. At present it is not possible to assess the detailed impact of the emerging risk, on the investments of the Fund but there is growing concern about the impact on the world economy. There has been a significant correction in the financial markets in the wake of the outbreak. However, the Board and the Management Company are of the opinion that these events do not impact the financial statements as at 31st December 2019, nor do they present any issues with regards to the going concerns of the Fund.

## PARETO SICAV

### Additional information (unaudited)

as at 31st December 2019

#### 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
  - PARETO SICAV - PARETO NORDIC CROSS CREDIT

FundRock Management Company 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 2019 to 31st December 2019 the following statistics have been computed for the Sub-Fund:

Sub-Fund	PARETO SICAV - PARETO NORDIC ALPHA
VaR limit	20.00%
Min VaR	3.29%
Max VaR	5.59%
AVG VaR	4.48%
Average level of leverage*	19.90%

\* based on the sum of notionals methodology

#### 2 - Remuneration disclosure

##### 2.1. Remuneration of the Management Company

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

## PARETO SICAV

### Additional information (unaudited) (continued)

as at 31st December 2019

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employees who are identified as risk-takers under UCITS V are not remunerated based on the performance of the funds under management.

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

The amount of remuneration for the financial year ending 31st December 2019 paid by FundRock to its staff:  
EUR 10,152,416  
Fixed remuneration: EUR 9,700,097  
Variable remuneration: EUR 452,319

Number of beneficiaries: 119

The aggregated amount of remuneration for the financial year ending 31st December 2019 paid by FundRock to Identified staff/risk takers is as follows:  
Identified staff/risk takers: EUR 1,196,213  
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.

#### 2.2. Remuneration of the Investment Manager

The remuneration to the employees of the Investment Manager for the period from 1st January 2019 till 31st December 2019:

Number of employees: 65  
Total compensation to staff: SEK 105,726,795  
Of which compensation to management: SEK 22,425,818

### **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.

