

Report date: 01 January 2024

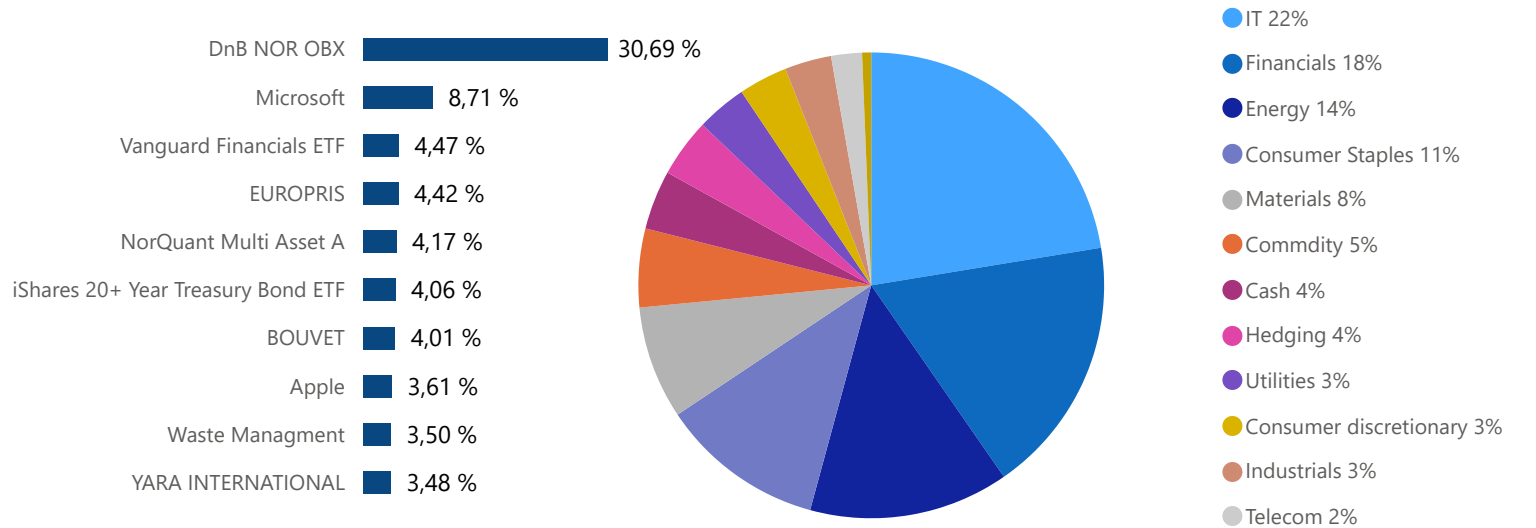
Fund: BISO Invest Fund  
Inception: 2017  
AUM: 526,869 NOK  
Benchmark: Oslo Børs Index

Category: Balanced fund  
Domicile: Norway  
Dealing days: All Norwegian business days

BISO Invest's mission is to safeguard and build financial wealth for BI Norwegian Business School's Student Organization while providing a platform for students to learn from and connect with businesses and other students with similar interest in investment

- Investment criteria:
- Equity and exchange-traded-funds (ETFs)
  - Long term financial strength and earnings capacity
  - High shareholder value creation
  - Moderate risk tolerance
  - Accomplished management and active owners
  - Sector exposure varies over time

Top ten holdings, sector allocation and geographical distribution



Key figures since Oct. 2023

	Fund	Index
Monthly return	0.32 %	0.56 %
Best month	4.11%	1.67%
Weakest month	0.32%	-0.77%
Postive month	3	2
Negative month	0	1

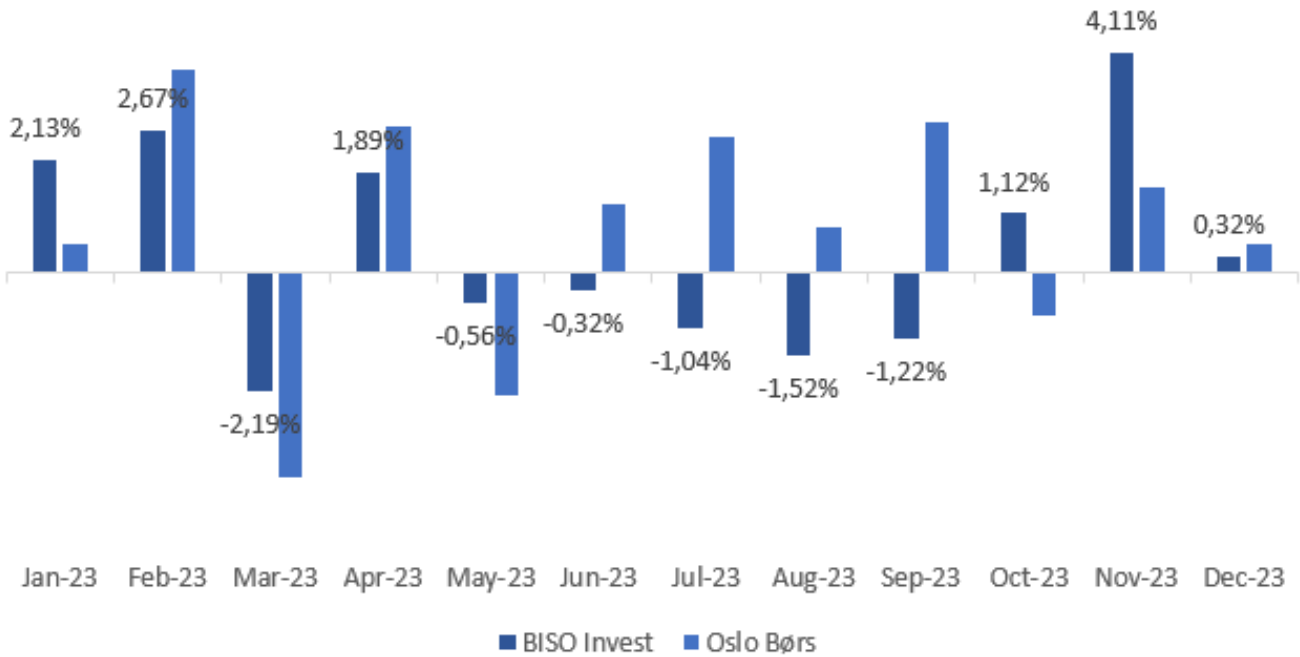
Risk figures

	Fund	Index
STD (Ann)	14.51%	10.28%
Tracking error (Ann)	15.35%	n.a
Sharpe ratio (monthly)	-0.01	
VaR 95% (Ann)	13.43%	

Performance by periods

	Fund	Index
Last month	4.11%	1.64%
Year to date	4.68%	9.14%
Last 12 months	4.68%	9.14%

Monthly Return



# Monthly Commentary - December 2023

By: Shenye Liu & Eirik Dalen Nyrén

## Performance Overview:

In December, our portfolio registered a modest positive return of 0.32%. Despite this gain, we observed an underperformance relative to our benchmark by 0.24%. A fluctuation in the Assets Under Management (AUM) was observed, primarily driven by a notable appreciation in the Norwegian Krone, which adversely impacted our positions in USD. The USD/NOK exchange rate experienced a considerable depreciation, closing the month 6.11% lower.

The Norwegian Krone exhibited remarkable strength against major currencies including the USD, EUR, and SEK, following an unexpected rate hike by Norges Bank. In a move contrary to the prevailing global trend towards reducing interest rates, the Norwegian central bank increased borrowing costs by 25 basis points, bringing the rate to 4.5%. This decision, diverging from the majority sentiment in global markets, was based on the bank's assessment that an additional hike was necessary to prevent prolonged high inflation. The central bank has also indicated that it expects the policy rate to stabilize at approximately 4.5% until Autumn 2024, contributing to the Krone's appreciation.

## Individual Equity Performances:

### Estee Lauder (EL US):

Estee Lauder's stock price appreciated by 10.42% in December. Key insights were gained from an investor meeting held early in the month, where the CFO expressed optimism regarding the company's position in Asian markets, particularly in light of China's recovery and sustained demand. The company's robust brand equity also remains a strong asset. Estee Lauder has outlined a comprehensive profit recovery plan for FY25/26, aiming for a recovery of \$800 million to \$1 billion. This plan is expected to derive two-thirds of its benefits from structural gross margin enhancements and one-third from direct expense reductions. Given these factors, and our belief in Estee Lauder's long-term potential, particularly in Asia, we maintain a 'hold' rating on the stock.

### Selvaag Bolig (SBO NO):

Selvaag Bolig exhibited a remarkable monthly performance, registering a 22.03% increase. This significant growth highlights the company's robustness and adaptability in the prevailing market conditions. In Q4 2024, Selvaag Bolig achieved real estate sales totaling 2.6 billion NOK, more than double the amount in Q3 2023. Entering 2024, Selvaag is encountering more favorable market conditions, with expectations of declining interest rates and stabilizing construction costs. The real estate market appears to have been previously undervalued. It is anticipated that housing prices will fall in the first half of 2024, a situation Selvaag Bolig could leverage to capitalize on the current market dynamics.