

# BISO Invest Interim Portfolio Report

Period: July 1, 2023 - December 31, 2023

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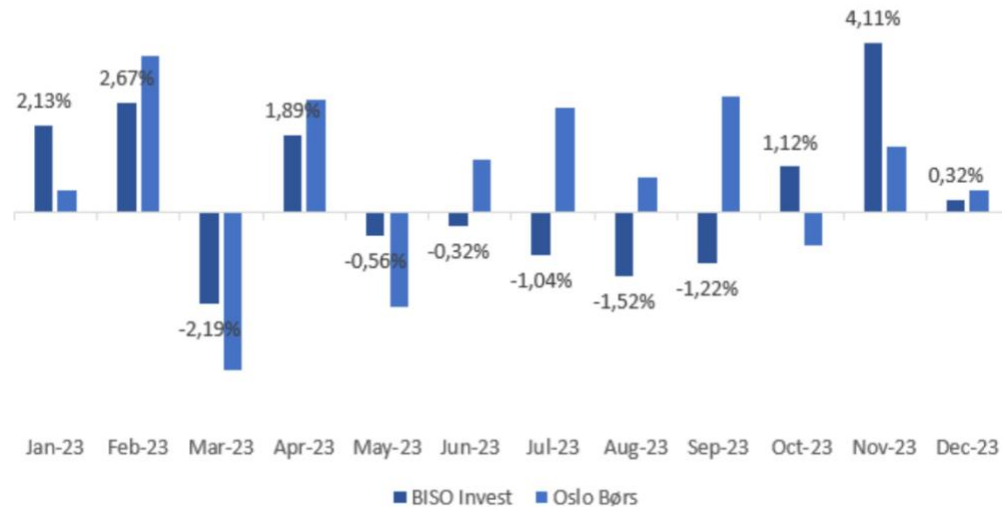
## Executive Summary

At the year's end in 2023, BISO Invest's Assets Under Management (AUM) registered at NOK 526,869, with a six-month yield of 1.77%, which did not meet the Oslo Børs benchmark. This underachievement was primarily due to considerable losses experienced during the summer months—July, August, and September. The absence of a portfolio manager during this critical period was a significant factor, stemming from BISO management's decision to oversee the portfolio manager appointment process directly. This approach led to delays and inefficiencies, leaving the fund without active management until late September. From October onwards, the portfolio witnessed a remarkable turnaround, posting a strong performance of 5.55%, surpassing the benchmark by approximately 3%.

Recognizing the impact of these operational inefficiencies, we engaged in constructive discussions with BISO management to devise a solution. As a result, the authority to appoint the portfolio manager has been reallocated to our board. This change empowers us to select candidates independently, ensuring not only a more timely appointment process but also facilitating a smoother handover during the summer break.

## Monthly Returns

Monthly Return



## Organizational Restructuring

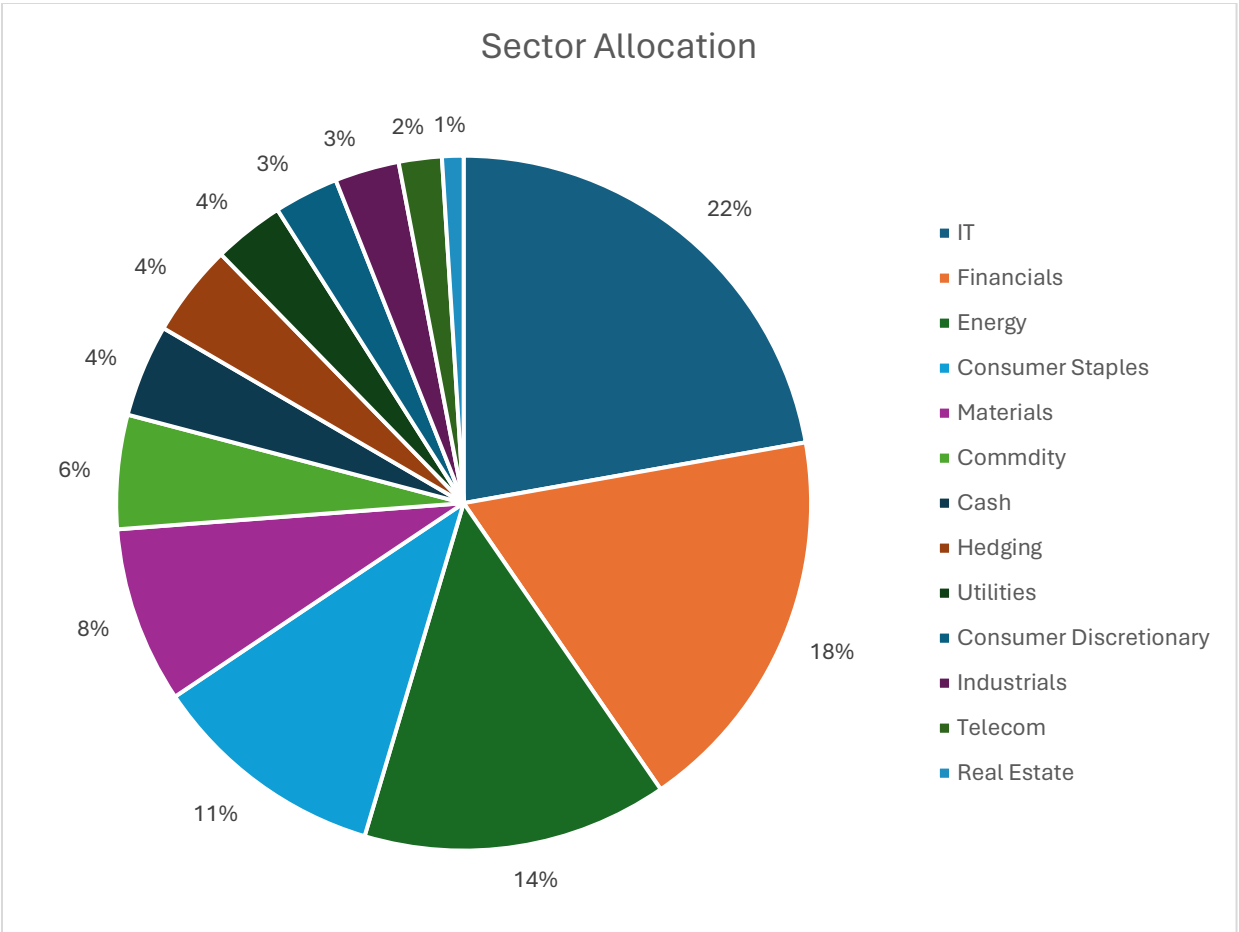
Fall 2023 was a period of strategic restructuring for BISO Invest, resulting in the formation of a new board and the resizing of the equity research team to include one Senior Analyst (SA) and four Junior Analysts (JAs), alongside the introduction of a dedicated ESG-focused research team. October also saw the inaugural release of our public monthly portfolio report, part of our commitment to enhance transparency and accountability through regular updates, including monthly, interim, and annual reports.

## Investment Highlights

November heralded a significant milestone with the successful hosting of our pitch night, leading to the addition of three new investments: Selvaag Bolig, Waste Management, and Aker BP, and a hold decision on our existing stake in ASML. These decisions were underpinned by rigorous analysis and comprehensive investment thesis reports presented by our teams.

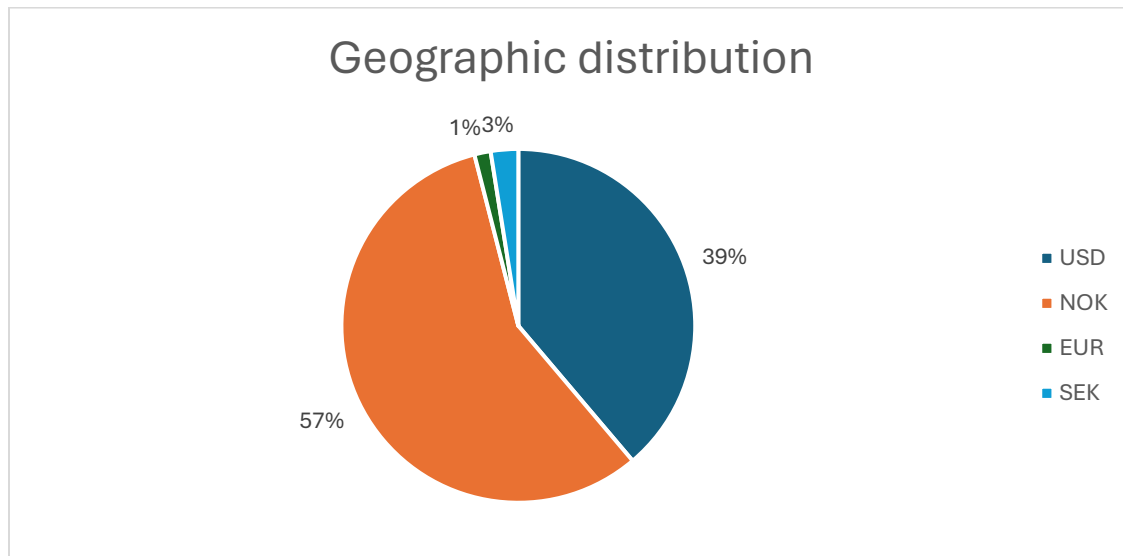
# Portfolio Allocation Overview

## Sector Allocation



BISO Invest's portfolio demonstrates a pronounced allocation towards IT (22%), Financials (18%), and Energy (14%) sectors. Our IT holdings predominantly consist of U.S. tech stocks, while our investments in Energy and Financials are significantly influenced by our largest ETF holding in DNB NOR Index.

## Geographic Distribution



The fund's exposure is primarily Norwegian (57%) and U.S. (39%), aligning with our Strategic Investment Policy Plan (SIPP). We, in collaboration with our risk management team, continuously assess currency risks and devise hedging strategies as necessary.

## Market Outlook

### IT Industry

The US IT industry has undergone six months of stagnation, suggesting investors anticipate growth in line with historical trends. Integration of AI in the sector enhances resource efficiency, reduces human errors, and minimizes costs. Microsoft's January launch of Copilot, an AI-integrated system, aims to streamline client businesses' operations within the Outlook 365 package.

Cloud computing, digital technologies, cybersecurity solutions, and a focus on innovation and automation are pivotal in the industry. However, the outlook for US technology appears less optimistic for investors, with expectations of lower long-term growth rates than in previous years. The impact on Alphabet's revenues remains unclear.

In the Norwegian market, the technology industry experiences heightened demand for innovative, reliable, and cost-effective IT services. This has led to steady growth driven by increasing demand for cloud computing, cybersecurity services, and data analytics. Despite this, Norwegian investors share a lack of optimism about the technology and IT industry, foreseeing lower long-term growth rates.

Overall, sentiment across the entire IT industry is bearish, attributed to low predictions for long-term growth, underwhelming performances from major players, and growing concerns about a potential industry recession, contributing to a general lack of investor optimism.

## Energy Industry

Heading into 2024, the global oil supply is expected to surpass the demand. Key countries outside the OPEC+ group, such as the United States, Brazil, and Canada, are set to play a major role in increasing the oil supply. Meanwhile, the demand for oil is expected to see a decline due to improvements in energy efficiency and the ongoing transition in the vehicle fleet towards electric. Also, China's recovery from COVID is expected to continue impacting oil demand, but maybe not as much as before.

A major factor that could lead to unpredictable oil prices in 2024 is the growing geopolitical tension in the Middle East. This region is crucial because it handles a third of the global oil trade. Recent military actions, like US and UK airstrikes in Yemen, have raised concerns about the conflict getting worse. So far, oil production hasn't been directly affected, but there's a noticeable trend of shipping routes avoiding the Red Sea. Since about 10% of the world's oil trade goes through the Suez Canal, any conflict-related disruptions there could seriously impact global oil trade.

## Appendix I: Portfolio Holdings as of December 31, 2023

Securities	Value in NOK	Value in %
DnB NOR OBX	161708	31%
Microsoft	45879	9%
Vanguard Financials ETF	23545	4%
EUOPRIS	23295	4%
NorQuant Multi Asset A	21985	4%
iShares 20+ Year Treasury Bond ETF	21387	4%
BOUVET	21140	4%
Apple	19008	4%
Waste Management	18418	3%
YARA INTERNATIONAL	18320	3%
BlackRock	16179	3%
AKER BP	15165	3%
GJENSIDIGE FORSIKRING	14736	3%
NVIDIA	14722	3%
ASML Holding	14513	3%
Nordnet AB	13223	3%
Estee Lauder Companies	10013	2%
Walmart	9860	2%
Lvmh Moet Hennessy Vuitton SE	7844	1%
iShares Gold Trust Shares of the iShares Gold Trust	6777	1%
Advanced Micro Devices	4188	1%
SELVAAG BOLIG	3310	1%
Cash	21653	4%



## Appendix II: Major Transactions

Comprehensive record of buy and sell transactions conducted during the reporting period, excluding tax, administrative expenses, dividends, coupons, and currency exchanges etc.

Date	Transaction	Securities	Positions	Currency	Value
08.12.2023	BUY	AMD	3	USD	393.78
01.12.2023	SELL	ARISE	100	SEK	3899
21.11.2023	SELL	NORDNET	40	SEK	7121
21.11.2023	BUY	AKER BP	50	NOK	15267.87
21.11.2023	BUY	SELVAAG BOLIG	100	NOK	2870
20.11.2023	BUY	WASTE MANAGEMENT	10	USD	1714.68
20.11.2023	BUY	NVIDIA	3	USD	1499.66
03.11.2023	SELL	SQQQ	23	USD	424.97
31.10.2023	BUY	TLT	7	USD	595.94
31.10.2023	BUY	EUROPRI	100	NOK	6339.5
27.10.2023	SELL	KONGSBERG	20	NOK	9731.29
25.10.2023	SELL	MICROSOFT	3	USD	1024.46
24.10.2023	BUY	KONGSBERG	20	NOK	9486.21
17.10.2023	SELL	NORDIC SEMICONDUCTOR	100	NOK	9887.15
03.10.2023	SELL	NORSK HYDRO	130	NOK	8260.79
03.10.2023	SELL	BEWI	220	NOK	6370.43
03.10.2023	BUY	BOUVET	100	NOK	5568.34
03.10.2023	SELL	SCATEC	40	NOK	2348.47
03.10.2023	SELL	SAGAX	42	SEK	8543
03.10.2023	SELL	ORESTED	10	DKK	3401.89
02.10.2023	BUY	TLT	5	USD	440.27
02.10.2023	SELL	IAU	13	USD	446.77
02.10.2023	BUY	APPLE	10	USD	1737.61
25.09.2023	SELL	NEXTERA ENERGY	12	USD	801.5