

# Annual Report 2019

# Extensive wealth creation

Formuesforvaltning's vision is to give our clients a richer life. Our vision includes a promise to responsibly manage the investments which our clients have entrusted us with. Our task however extends beyond just generating economic returns. Savings are for many just a means of realizing the important goals in life. Our vision is completely fulfilled only when we also contribute to these goals.

Last year we thus developed a whole new framework – security, preserve & develop and create. This framework shall make it easier to see the broad picture of today's situation, identify possibilities, and plan for how clients can achieve their goals. This enables us to give clients even more comprehensive advice about the things they tell us are important for their lives.

Each year we invest considerable sums in both the digital and personal experience of our clients. Last year we strengthened many of our 20 local branches in Norway and Sweden with new asset managers. We also greatly appreciate all the good feedback we have received from our clients about our new digital solutions, including the new app and a digital map of our clients' goals and needs.

As an independent advisor we choose freely among the world's best asset managers when we help our clients invest. Delivering the right quality to the right price is a part of our DNA, and during the past year we have reduced clients' costs in several areas. We are completely transparent about all costs for clients' investments and about the commissions we receive from our clients.



This year Formuesforvaltning is celebrating its 20th year. We entered the anniversary year on the tailwind of one of the best annual investment returns ever for our clients. Thanks to a very good global equity market, total client returns in 2019 were NOK 8.7 bn, and the average portfolio rose by 12%.

The development in the first quarter of 2020 was impacted by significant declines in financial markets due to the Covid-19 virus. We see that our investment model performs well in both bull markets and when unexpected market corrections occur.

It is of course satisfying when we receive proof that our investment model performs. For me and my colleagues however, it is just as inspiring when we meet clients who experience that our advice contributes to reducing anxiety or to reaching goals, and that we thereby contribute to them achieving a richer life here and now.

I am proud and thankful for the journey we have taken together with our clients these first 20 years. We are greatly looking forward to our next steps together.

Thank you for your confidence so far.

**Øystein Bø, CEO**

## Highlights 2019

Client returns:

**NOK 8.7 bn**

Assets under management as of 31.12:

**NOK 81.4 bn**

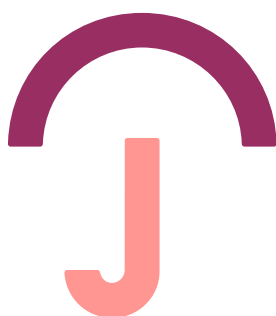
Operating profit:

**NOK 93 mill.**

Prospera Kantar's Private Banking ranking:

**#1**

# Our framework



## Safety

*You shall feel confident that you can live the life you desire no matter what.*

**Our way of helping you:** We allow you to get an overview over your personal finances so that you can see all requirements and possibilities. We make a tax and legal assessment of your entire situation and ensure that you are ready with key documents such as a will and power of attorney. We advise you regarding digital and physical security.

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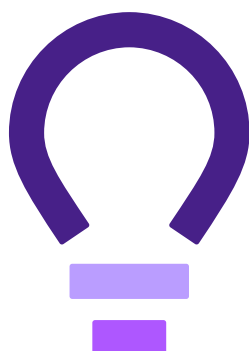


## Preserve & Develop

*You shall preserve and develop what you have created for the future, and for your heirs.*

**Our way of helping you:** We ensure that you have an investment strategy with a risk profile suited to you and your loved ones. We give you access to types of assets normally only available to professional investors, and make sure that you invest in line with your personal values.

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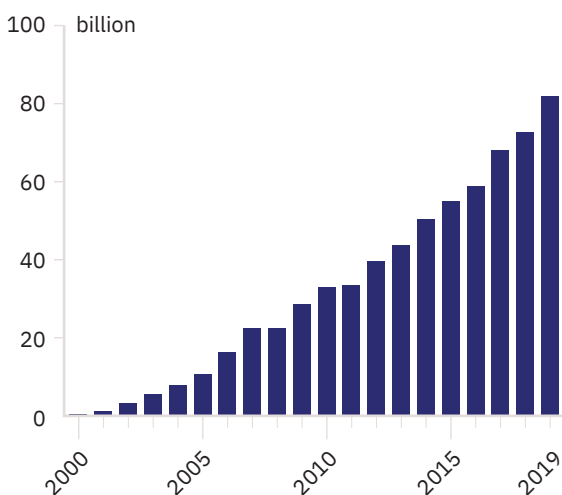
## Create

*You shall have the liberty to pursue your dreams.*

**Our way of helping you:** We give you an overview and help you to balance your holdings between lifestyle requirements, financial assets and start-up capital. Our wide selection of services saves you valuable time so you can focus on what is important for you. Together we will plan so that you achieve your dreams and spend time on what truly motivates you.

# Investment highlights 2019

## Growth in assets under administration and management



## Here is how assets increased in 2019

**NOK 71.4 bn**

in assets under management as of 31.12.2018

**+ 8.7 bn**

in client returns

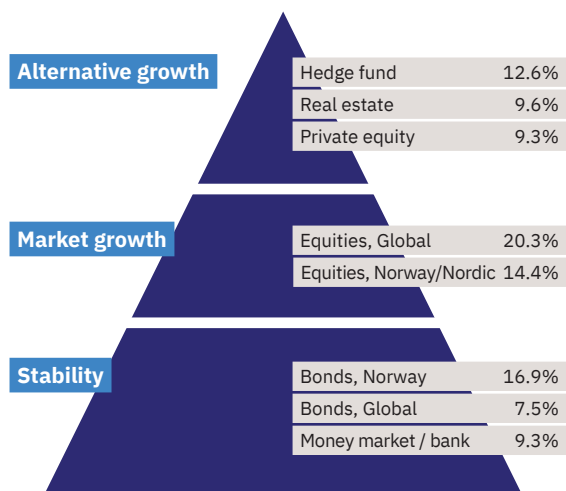
**+ 1.3 bn**

in net new capital

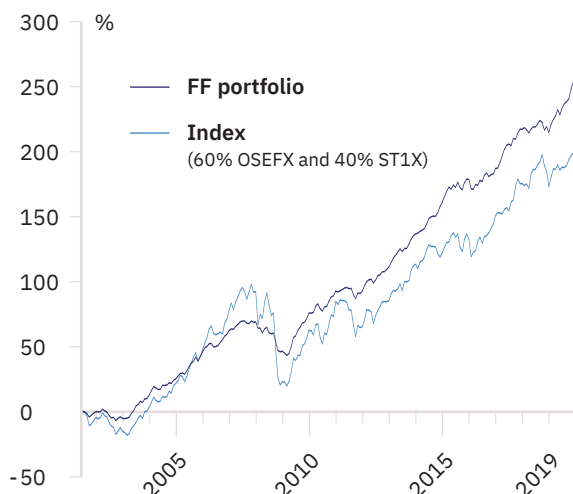
**= NOK 81.4 bn**

in assets under management as of 31.12.2019

## Assets are allocated as follows



## Investment returns for clients



# We create value for clients with our local presence

“We meet many talented business people here in Telemark who have succeeded in creating substantial wealth. As wealth managers, we help make life better for them here and now. We conserve and develop the wealth that has been created, so they don’t have to use valuable time going into depth about different investment products. We help the clients define what their key goals are, so that time and capital can be used appropriately. Through our advice and services, talented business people get time and energy to work on what truly motivates them”.

**Trine Bratsberg Larsen**



Clients get time and energy to work on what truly motivates them



Assets are invested in globally acclaimed funds which have demonstrated solid results

“Clients’ long-term goals and requirements are always the starting point when we build their investment portfolio. They get access to international funds that are carefully selected, and which are normally only available for professional investors. Here in Stavanger we have many company founders as clients. We give them the possibility to invest in some of the world’s leading private equity funds, which allocate capital to exciting growth companies. In that way they contribute to even more founders successfully innovating. They find that rewarding”.

**Normann Oftedal**

“Wealth is something more than just financial assets. A beloved childhood home, a vacation property, or a role in a family company can easily become the source of conflict for the next generation. More and more western Norwegians are focused on this, and are asking us for advice about how to achieve a successful generational transition. We create harmony and security by creating a basis for an open and good dialogue with the next generation, at the same time as our lawyers ensure that important documents are ready in case of life crises such as illness, divorce or death”.

**Monica Salthella**

We ensure that wealth is transferred to the next generation in the best possible manner



# Social Responsibility

A good quality of life is largely about finding the proper balance. More and more people want to find a sustainable balance between their lifestyle and the environment. With wealth comes responsibility and a possibility to make a difference. We are conscious of that responsibility. Formuesforvaltning shall have a positive influence on a sustainable and responsible management of clients' assets through competence, influence and goal achievement. We shall be a role model for our sector, with sustainability as a core ingredient of our work.

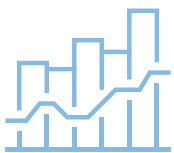
## Different ways we demonstrate our social responsibility:



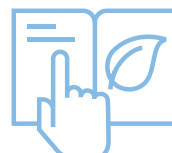
In 2020 we joined Skift, a network of the companies in Norway with the highest climate ambitions. Members of Skift shall work toward good, sustainable solutions that contribute to Norway achieving its climate goals.



For many years we have had a close and mutual cooperation with Partnership for Change, a foundation focused on ensuring economic independence for women through education and entrepreneurship.



Sustainability and ESG are an integrated part of the evaluation we do when we choose fund managers, as a supplement to risk-adjusted returns.



We are a member of GRESB, an industry-led organization that works on improving the reporting of the sustainability of real estate assets.



Through our real estate portfolios, clients invest in properties that are upgraded to more environmentally friendly buildings.



The last two years our headquarters have been upgraded to today's standards for energy efficiency. We are focused on reducing food waste, and we sort all waste at our headquarters for recycling.

# The Company in 2019

## Important events

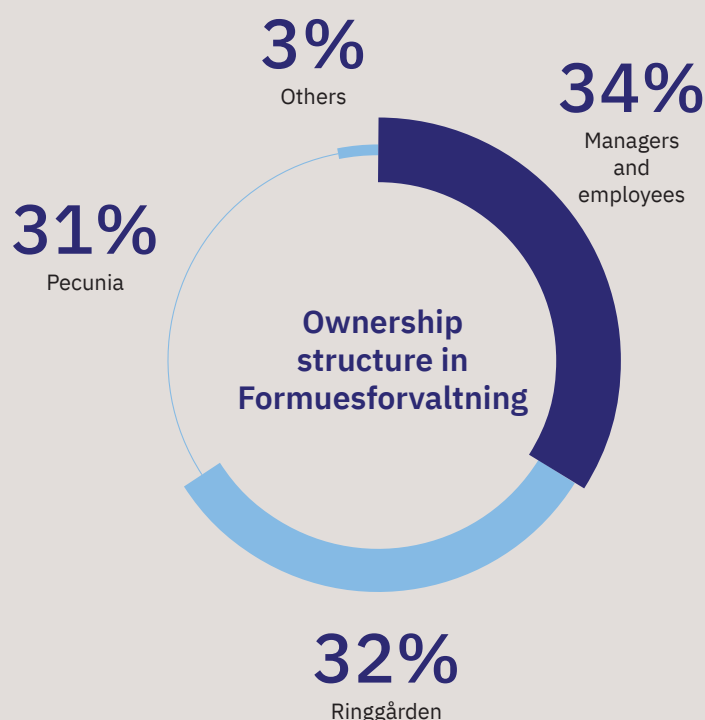
- Subsidiary Griff Kapital, focused on institutional clients, showed an excellent trend and now has NOK 28 bn in assets under administration.
- Burenstam & Partners expanded further in the Swedish market and now has a total of SEK 12 bn in assets under administration and management.
- Business management is now available in Ålesund (added in 2019), Trondheim, Gjøvik, Bergen, Drammen and Oslo.
- We held 67 client events.
- We performed 182 tax and legal reviews for clients.
- Expanded significantly by add 17 new asset managers.
- Continued developing our digital savings robot Kron, which had 20 000 registered users as of 31.12.2019. From 2020, Kron will no longer be part of the Group, but will continue with most of Formuesforvaltning's shareholders as part owners.
- Refined and improved our client app, which is available on both IOS and Android in Norway and Sweden.
- Increased the use of CRM and interactive tool Salesforce, and we are now a preferred cooperation partner of Salesforce in Europe.

## A good year

2019 was a good year for Formuesforvaltning, although somewhat weaker than 2018. A bit weaker growth in new clients in the first half of the year was followed by good growth in the second half, which has continued into 2020.

In 2019 we also invested heavily in digital customer experience, our interactive platform, data warehouse and increased digital security. The investments have given results in the form of a better client experience and higher quality for our operations. The Group has also put significant resources and time into training our employees in order to improve our advisory services to clients.

Key financial figures (NOK million, IFRS)	2019	2018
Revenues	685	685
Operating profit (EBIT)	93	128
After-tax profit	48	81
Total assets	663	581
Equity ratio	48%	55%



## Employees

We continue to invest in our employees' skills, with increased use of videos and net-based training. Each year we sponsor Executive MBA's at the Stockholm School of Economics and the Norwegian Business School in Oslo, among other schools, for selected employees. Over 15 years we have had 33 talented candidates who have finished their secondary education take a step in their careers by spending one to two years with us as trainees. They are good ambassadors, and many return for project work. We are ranked among the 100 most attractive employers in the Universum survey.

## Our employees

**287**

employees  
31.12.2019

**14**

increase in no. of  
employees in 2019

**37%**

share of women

**30%**

share of women  
managers

**12**

nationalities

**2,1%**

sickness absence rate

**12 years**

average number of  
years as advisor in  
Formuesforvaltning

# Our advisory services



**Legal services**  
**Business management**  
**Digital security services**



**Discretionary investment**  
**management**  
**Investment advisory**



**Art**  
**Philanthropy**

