

Annual review 2017

A richer life in 2017

Formuesforvaltning helps our customers achieve a richer life. A richer life means more than return on capital. Life is also richer if you feel safe, if you free up time, or expand your knowledge and insight. Here we give an overview of the way in which we, through long-term and completely independent advisory services, have contributed to preserving and growing our clients' wealth in the past year.



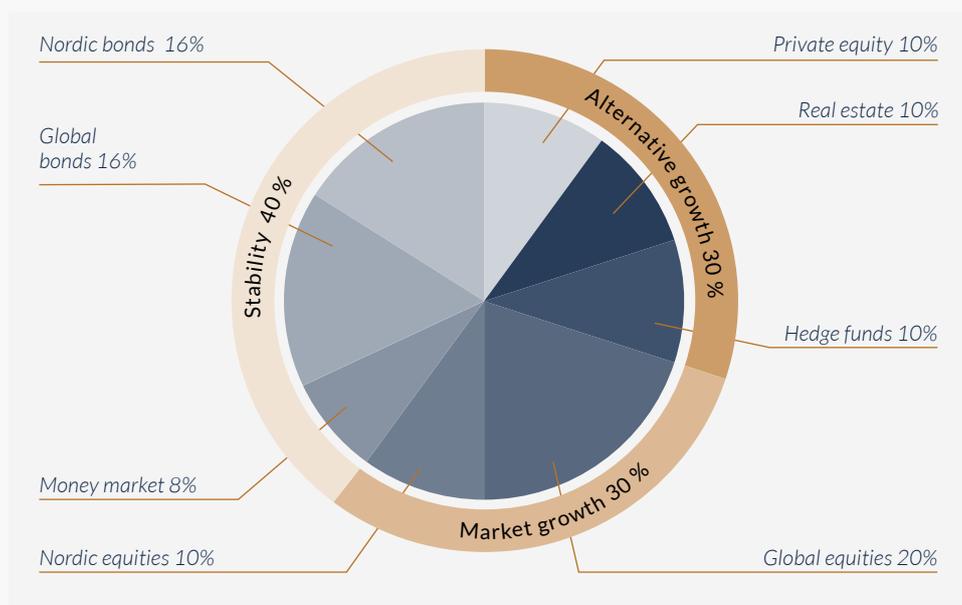
Solid returns for our clients in 2017



Composition of investments and returns in 2017

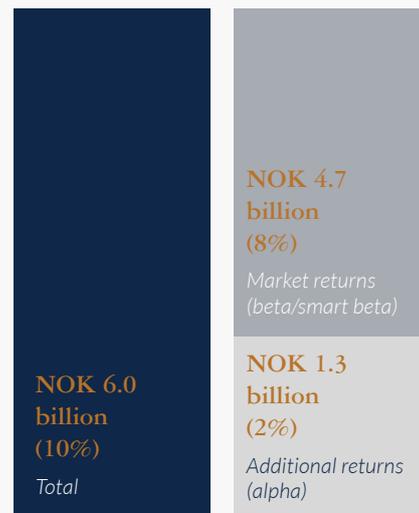
Composition of investments

“Broad-based portfolios”



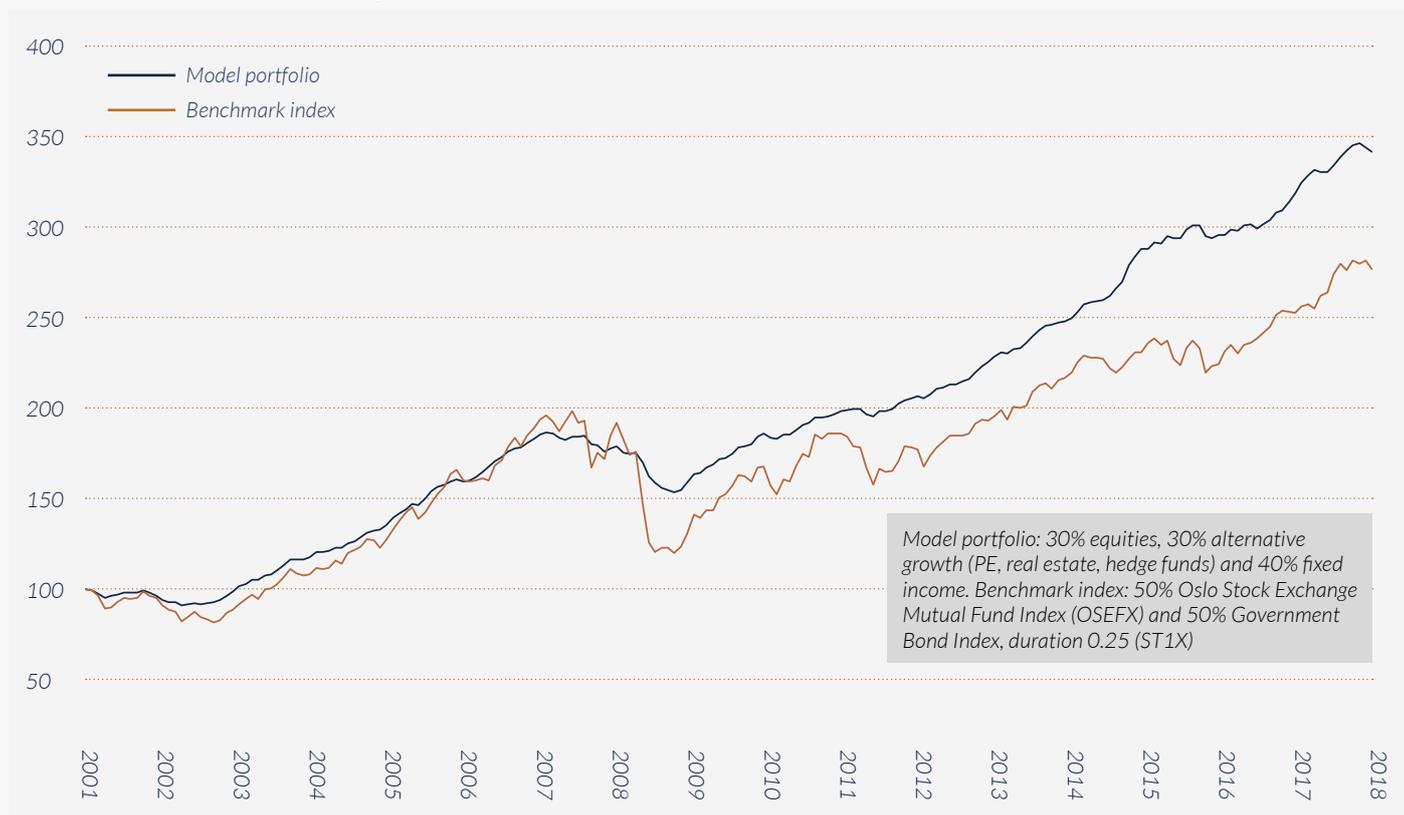
Composition of returns

«Solid market returns with added contributions from manager selection and portfolio construction»



Historic returns for model portfolio vs. benchmark index

“Responsible and productive management adapted to the individual client’s conditions”



What we do

Formuesforvaltning is Norway's largest, privately owned and independent advisory and wealth management firm. You can also find us in Sweden under the Burenstam & Partners AB brand and in London. In addition, we have the subsidiaries Kron AS and Griff Kapital in Norway.

At Formuesforvaltning there is no "one size fits all" model. We tailor our services to each individual client. We cooperate with the client in developing integrated and individual financial solutions.

Important events in 2017

- ⊗ The long-term growth for Formuesforvaltning continued in 2017
- ⊗ We confirmed our independent position and implemented the MiFID II directive
- ⊗ We launched the digital service Kron to address a broader market
- ⊗ We opened an office in Kristiansand, Norway
- ⊗ We increased our presence in Gothenburg and Malmö, Sweden
- ⊗ Storebrand's ownership stake of 21 percent was acquired by management

Comprehensive service offerings

<p>Wealth planning</p> <ul style="list-style-type: none"> • Comprehensive financial plan • Investment strategy • Strategic asset allocation • Cash management • Withdrawal needs 	<p>Portfolio management and reporting</p> <ul style="list-style-type: none"> • Manager selection • Discretionary investment management • Rebalancing • Portfolio and tax reporting • ESG screening 	<p>Generation changes</p> <ul style="list-style-type: none"> • Planning • Generation transition • Joint ownership
<p>Business management</p> <ul style="list-style-type: none"> • Authorized accountancy service • Comprehensive financial offering • Specialized in investment companies 	<p>Art and philanthropy</p> <ul style="list-style-type: none"> • Art advisory • Philanthropy and sustainability advisory 	<p>Legal services</p> <ul style="list-style-type: none"> • Tax advisory • Ownership structures • Tax reporting, wills, etc.

Independence

The interests of the client always come first. This defines the core culture of our firm. As a client of Formuesforvaltning you can rest assured that our advice is given with your best interests in mind. This means that independence is fundamental to Formuesforvaltning.

The advisory process starts when we sit down with the client and work out a wealth plan, ensuring that the client gets ownership of his or her situation and strategy.

Portfolio planning is based on a broad analysis of global investment opportunities by our dedicated investment team. Our wealth managers and the

investment team cooperate to ensure that the wealth management is optimally adapted to the client's individual needs.

No close connections influence the firm's product recommendations, neither legal nor financial agreements. Nor does Formuesforvaltning have its own investment products.

Our open fee model is founded on Formuesforvaltning only having one principal – the client. We are only paid directly from the client and all commissions and discounts we achieve through our negotiations are passed on to the client without any deductions.

Four steps

A client relationship doesn't start with details of asset management, but with an honest and fundamental dialogue about where you, as the client, are now and where you want to go. This is where the important decisions are made. Wealthy families do not primarily experience value destruction through bad investments, but rather through poorly planned generational transitions.

1 Calibrate your compass
Where are we? Who is coming along? What is important? What is no longer important?

2 Ownership and business
What do we have? What are we going to keep? How should it be organized? Can we afford it? How should we prioritize? Who will take over?

3 Structure
Tax, legal, our rules, our key documents. What if something happens?

4 Investments
Liquidity, income, risk, products.

Our clients

Our clients are wealthy individuals and families, as well as trusts and organizations. In 2017, we were named number one in Norway in the “Private banking” category in the renowned industry award, TNS Sifo Prospera, as were we the previous year.

Formuesforvaltning operates in a substantial and growing market. Put together, Norway and Sweden rank fifth in Europe in terms of individuals with investable net wealth of more than a million dollars. The number of dollar millionaires in the two countries increased by 11 percent in 2017, according to a report from Capgemini.

We have built a solid platform to handle growth in the coming years, including substantial investments in technology in order to lead in the digitalization transition. In 2017, we implemented a new collaborative software platform in order to deliver an even better client experience.

Satisfied clients

Source: Scorpio Partnership



Client segments

	Formuesforvaltning Burenstam & Partners	Kron	Griff Kapital
Assets of more than NOK 10 million and multi-family office	✘		
Assets between NOK 0.5 and 10 million		✘	
Institutional			✘

Our company

Formuesforvaltning is committed to recruiting new talents. Since 2006, 27 young professionals have completed our trainee program. In 2017, Formuesforvaltning had five trainees.

Formuesforvaltning has long-term owners. In 2017, Management increased their ownership through the purchase of shares from Storebrand, and 131 of our employees are now owners.

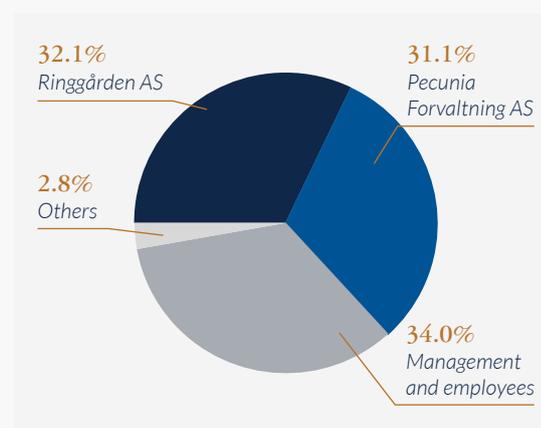
Key financial figures

(NOK mill.)	2017	2016
Revenues	611	540
EBITDA	112	83
EBIT	78	50
Net profit	76	48
Total assets	468	441
Equity ratio	60%	61%

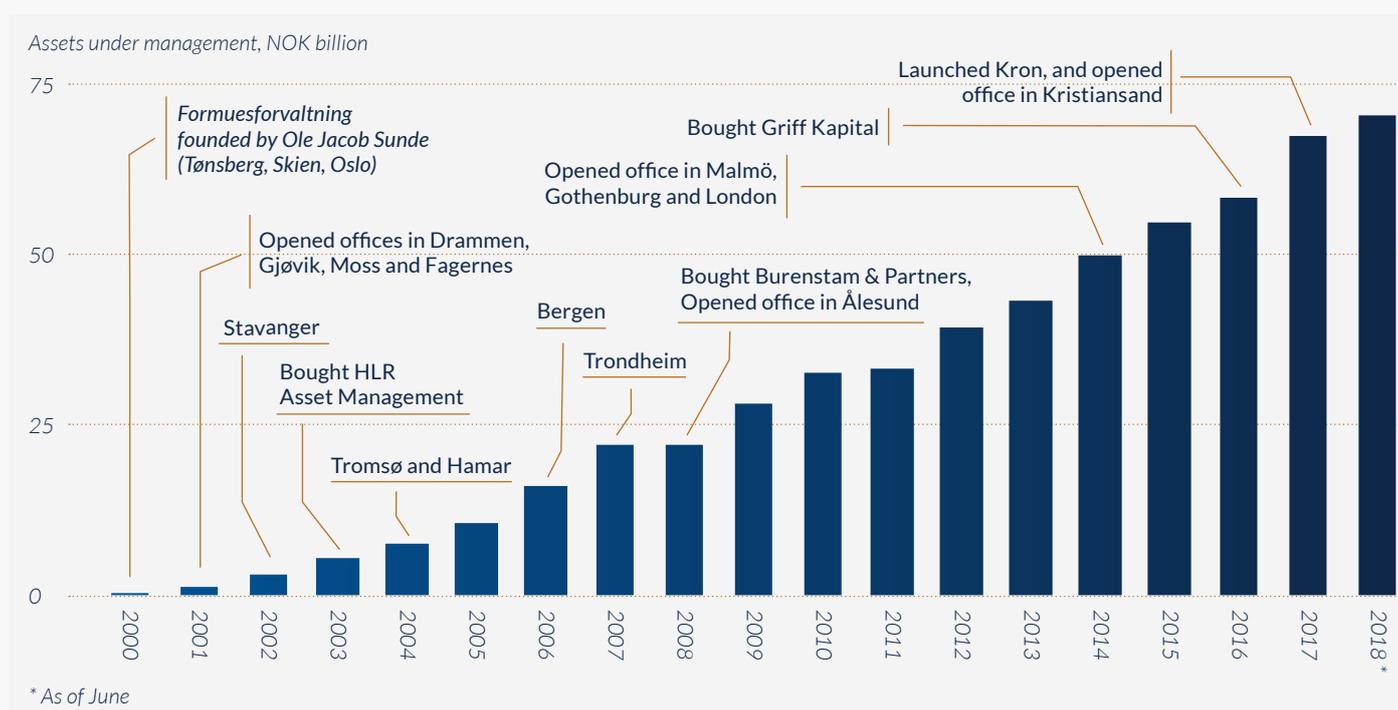
Our employees

Number of employees 2017	257
Increased number of employees in 2017	19
Percentage female	35%
Percentage co-owners	51%
Average number of years as advisor with Formuesforvaltning	12 years

Ownership structure of Formuesforvaltning



The history of Formuesforvaltning



Social responsibility

Formuesforvaltning is dedicated to social responsibility, and in 2017 we helped our clients utilize their knowledge and other resources to benefit the society at large.

Sustainability is a key aspect of our wealth management. Sustainability and long-term returns are not in conflict, but are correlated. In 2017, the carbon footprint of Formuesforvaltning's global equity portfolio was 30 percent below the one of the MSCI All Country World Index.

Formuesforvaltning also emphasizes our role in society as a firm. Through Partnership for Change we cooperated with a number of partners in 2017 to promote social investments. By running a value creating business, we also play our part in financing the public sector.

In 2017, Formuesforvaltning paid a total of NOK 83 million corporate tax, social security tax and VAT.

In assisting our client on social responsibility, we primarily focus on three areas:

- **ESG investments:** We help clients who want portfolios with a socially responsible profile.
- **Impact investments:** We help clients who want to make individual investments with direct societal value.
- **Philanthropy:** We help clients who want to donate their time or resources doing so effectively.

Contact us

Please visit our web site formue.no if you would like more information about Formuesforvaltning or our services.

Oslo (headquarters)
 Bergen
 Drammen
 Fagernes
 Gardermoen
 Gjøvik
 Gothenburg
 Hamar
 Haugesund
 Kristiansand
 Lillehammer
 London
 Malmö
 Moss
 Skien
 Stavanger
 Stockholm
 Tromsø
 Trondheim
 Tønsberg
 Ålesund
 Kristiansand

Our offices

