

Tobinvest annual letter 2019

5th of January 2020

Summary 2019

Establishing my Tobinvest-portfolio in 2019 was my first step developing investing to more than a hobby. I worked (and I'm still working) with my goals, strategy and tactical allocations.

I experienced stock-picking as difficult in 2019. Stocks, that I follow closely, were valued at high P/E's. Therefore, I invested mainly in defensive value stocks as Royal Dutch Shell and Sparebanken 1 SMN. These companies are paying high dividends, but their growth ambitions are limited. My funds delivered a good performance this year, substantially higher than my minimum goal of 5%.

The downside this year was my low market exposure. I missed performance while waiting for lower valuations at the stock markets.

Purpose of the annual letter

This letter gives an overview over the status of my portfolio for the last 12 months. It shall inspire my network to follow the finance market and to discuss finance. Additionally, the letter shall force me to reflect about decisions made in the period. Hopefully these reflections will improve my way of investing.

Performance vs. S&P 500, OBX, DAX

Creating stable returns is the goal for Tobinvest. The annual return should be minimum 5%. The returns should, over time, be higher than returns from comparable indices. I compare my returns with the main indices for American, Norwegian and German stock-

markets. At the same time, I have annual goals for my saving-rate and total investing budget.

I started Tobinvest on facebook on 1st of May 2019. Some of my equities in the initial portfolio were bought before 2019. Bad returns from 2018 are therefore included in my returns for 2019. I used several months in 2019 to balance my portfolio. As a result, I had many transactions this year.

The result for realized gains was 3,9%. Unrealized gains are 8,7% at the end of the year.

Year	Performance		
	S&P 500	OBX	DAX
2018	-6,6 %	-4,5 %	-18,1 %
2019	28,8 %	9,5 %	25,5 %
Annual average	11,1 %	2,5 %	3,7 %

The achieved gains along with my saving rate in 2019 gave a satisfactory result for building my Tobinvest-portfolio, that shall deliver significant returns.

Portfolio

As mentioned above, I rebalanced my portfolio in 2019. My goal was to split my investments as shown in the table below. My main challenge in 2019 was to find enough interesting investments, my share of cash was beyond the upper limit the whole year. Cash was overweighted and Fund offensive category underweighted pr 31st of December.

Category	Actual	Lower limit	Upper limit	Neutral
Cash	42 %	5 %	35 %	20 %
Fund defensive	16 %	10 %	40 %	25 %
Fund offensive	17 %	20 %	50 %	35 %
Stocks	26 %	5 %	35 %	20 %
Sum	100 %			100 %

Fund defensive

Danske Invest Horisont 65

This fund contains about 65% stocks and 35% fixed income securities. It invests in global markets, but it is more exposed to Europe and especially Norway than comparable global funds. I increase my exposure in this fund through fixed monthly investments.

Fund offensive

These funds follow three global megatrends, that I want to be exposed to. I increase my exposure in these funds through fixed monthly investments.

DNB Health Care

DNB Teknologi

Nordea Climate and Environment

Stocks

To pick my stocks I use fundamental analysis, additional I look for growth potential.

The following stocks have different characteristics.

My biggest investments, Royal Dutch Shell and Sparebanken 1 SMN, have a reasonable market capitalization and pay annual dividends above 5,0%.

Neste Corporation, Microsoft and Lerøy Seafood Group are also paying dividends.

These stocks have, in addition, specific growth ambitions.

Outlook 2020

I will continue to increase my exposure to the market through monthly investments. At the same time, I will follow the market closely to pick some interesting stocks. My overall goal is a more stable portfolio than in 2019.