

**fastFT Sovereign wealth funds**

## Norway oil fund posts worst performance since financial crisis

Steep fall in equities portfolio stings world's biggest wealth fund

Richard Milne, Nordic Correspondent 5 HOURS AGO

Norway's \$1tn oil fund suffered its worst performance since the depths of the global financial crisis as weak equity markets weighed on the world's largest [sovereign wealth fund](#).

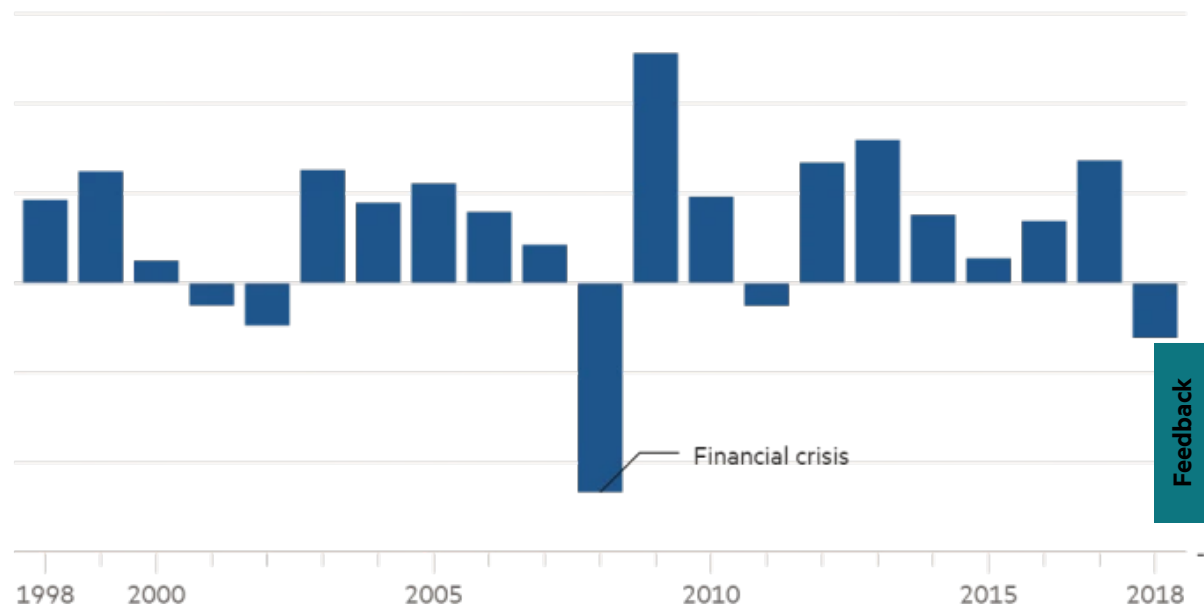
The fund had a return of minus 6.1 per cent in 2018, leading it to drop by its largest amount on record in Norwegian krone.

The fund is in the process of increasing its equity holdings from 60 per cent to 70 per cent but its shareholdings produced a negative return of 9.5 per cent in 2018.

Its worst-performing investments last year included [Bayer](#), [Facebook](#) and [AB InBev](#).

### Norway's oil fund suffers steep fall

Annual return (%)



Source: Norges Bank Investment Management

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But chief executive Yngve Slyngstad said the fund had bought equities for

NKr185bn (\$21bn), or about 2.2 per cent of its market value, in the fourth quarter.

The fund last decreased in size in krone terms in 2002 even though it returned minus 23 per cent in 2008 at the peak of the financial crisis. The size of its assets increased because of the exchange rate and inflows from the Norwegian government's petroleum revenues.

Mr Slyngstad told a press conference in Oslo on Wednesday that it was the first "significant" drop in the fund's value in history as in 2002 it only fell by NKr5bn.

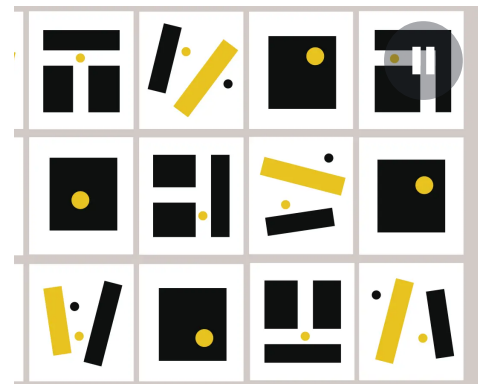
The fund has recovered all the losses from last year in the first two months of this year, Mr Slyngstad added, with its value standing at NKr8.81tn on Wednesday compared with NKr8.26tn at the end of 2018.

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