

ODIN Bærekraft (ODIN Sustainable Equities) 31/03/2025

The fund has unit classes in SEK, NOK and EUR: A, B, C, D, D2, F, G, H, I and J

FUND COMMENTARY

ODIN Sustainable Equities and the market fell significantly in March, driven by geopolitical tensions, trade conflicts, and increasing uncertainty about economic growth. Trump once again threatens new tariffs against various countries and industries, contributing to market volatility. The likelihood is high that China, the EU, and Canada will respond with countermeasures, which could further escalate the trade conflict.

In turbulent markets like this, good buying opportunities often arise for long-term investors who can look beyond short-term noise. We are closely monitoring the opportunities that may arise going forward and keep the following quote from investor John Templeton in mind: "The time of maximum pessimism is the best time to buy, and the time of maximum optimism is the best time to sell."

A handful of companies have held up well through March, among them Ariston, IVU Traffic Technologies, and Volution. All are smaller European companies that presented quarterly reports during the month. Ariston, a player in HVAC (heating, ventilation, and sanitation), has been pressured by low demand and overcapacity. However, the latest quarterly report suggests a slight improvement in the end market. IVU Traffic Technologies delivers software that is closely integrated into European public transport and continues its steady growth, with 9 percent top-line growth in 2024. Volution, which specializes in energy-efficient ventilation, also delivered strong results for the last half-year. The company is also in the process of integrating its recent acquisition of Australian Fantech, a process reported to be going according to plan.

On the downside, Novo Nordisk has continued to weigh on the fund's returns. Sentiment around the stock has pushed the price down 50 percent from peak levels, valuing the company at around 15 times expected earnings for 2026. By comparison, Novo has historically traded at a premium to the market, making today's valuation particularly attractive for long-term investors. We still believe in strong demand for GLP-1 treatments, and that Ozempic, Wegovy, and CagriSema have the potential to perform well despite increased competition and regulatory challenges. Novo has over time built an extensive network, established a strong reputation, and invested billions of dollars in production capacity. The company has a solid balance sheet and generated DKK 121 billion from operations in 2024. We see this as a good opportunity to buy a quality company at an attractive valuation.

The fund is well-positioned in companies that contribute solutions to climate, environmental, and social challenges, and we believe these long-term trends will create value for both society and our shareholders.

Portfolio Managers:



Alexander
Løes Nilsson



Harald Nissen

Why invest in this fund?

ODIN Bærekraft is a fund that is based on sustainable investments. This means that the fund invests in companies that help to achieve selected sustainability goals.

The fund's defined sustainability goals are inspired by the EU's environmental and social goals. We look for robust companies that contribute to the transition to a better climate and environmental footprint and/or better health and quality of life and the fund's goal is to create good risk-adjusted returns by being part of **this transition**.

How is the fund positioned?

ODIN Bærekraft invests in carefully selected companies that contribute to, and benefit from, the transition to a more sustainable society. The fund is invested in companies whose products, services and technology directly contribute to our defined sustainability goals, as well as transition companies that are contributing by changing their value chain to make it more sustainable. ODIN Bærekraft has a global investment mandate and invests in well-established companies with a good financial record, in several different industries.