

An aerial view of an offshore oil rig with a complex network of red metal structures and platforms extending over the ocean. The rig is set against a clear blue sky and calm water.

2Q | 15

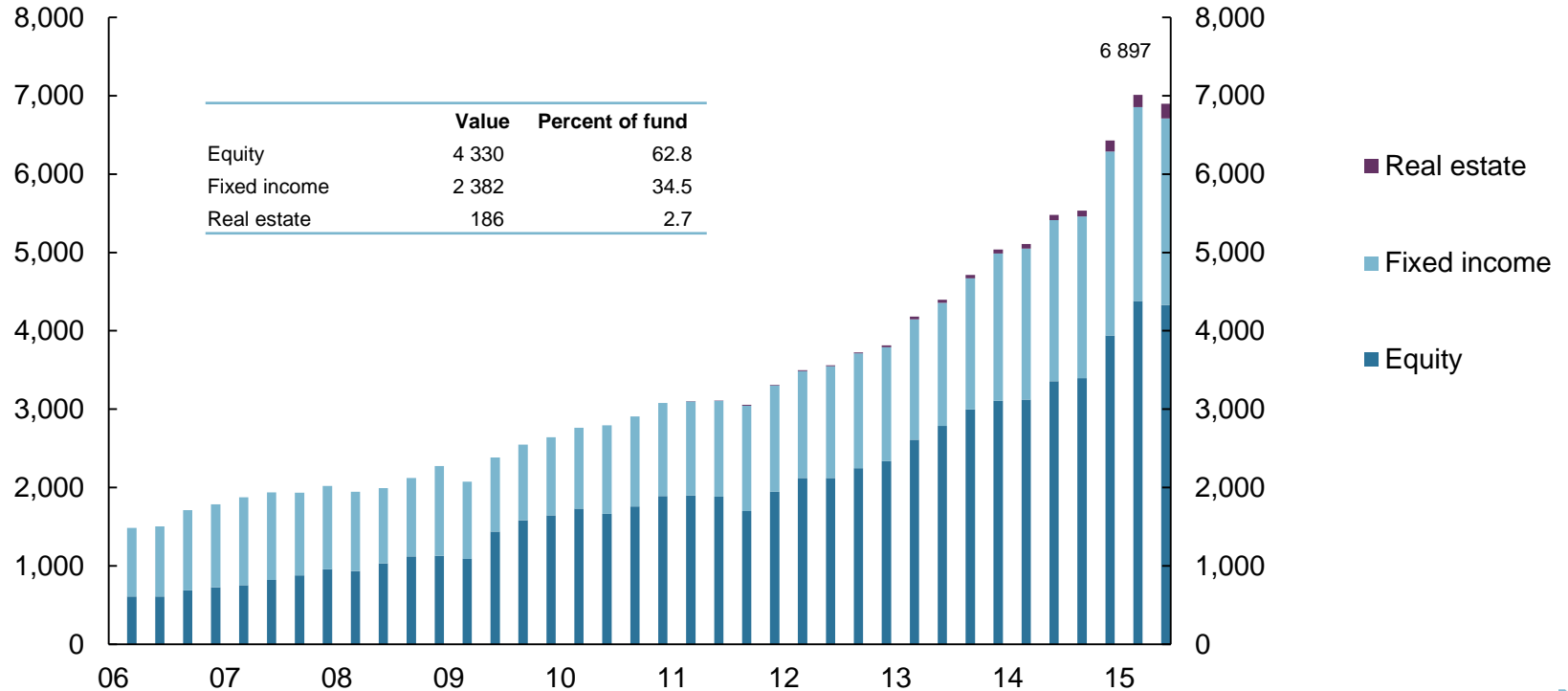
GOVERNMENT PENSION FUND GLOBAL

QUARTERLY REPORT

PRESS CONFERENCE
19 AUGUST 2015

Market value

Billions of kroner. As at 30.06.2015

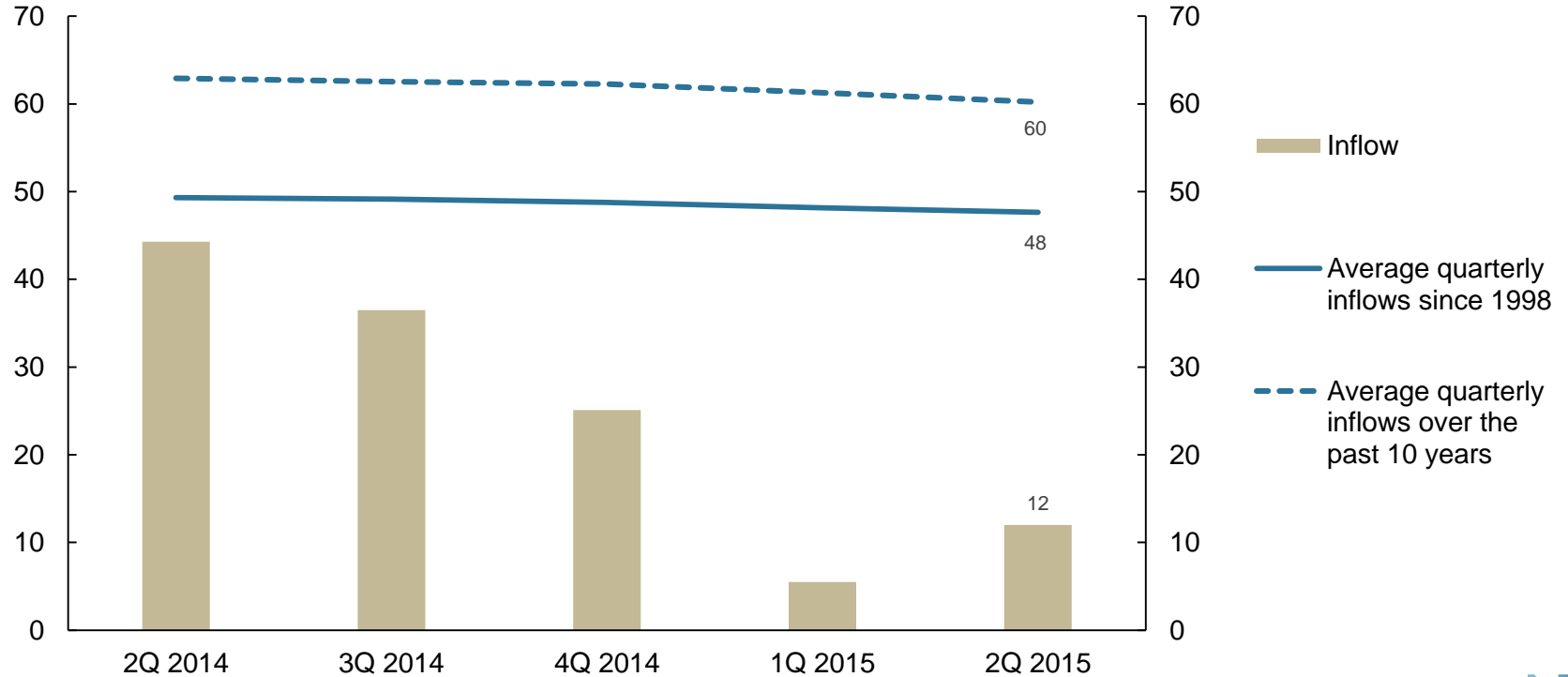


Source: Norges Bank Investment Management



Inflows

Billions of kroner

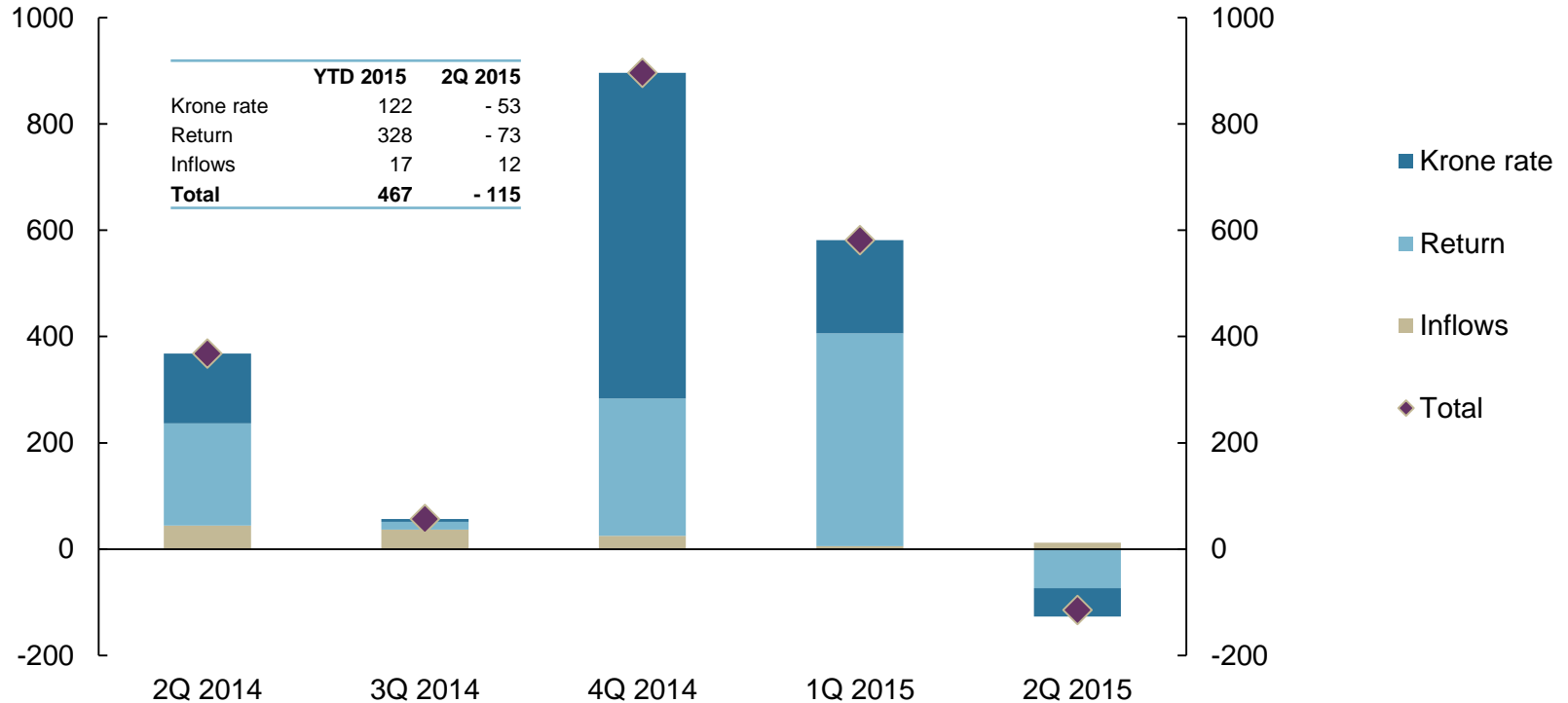


Source: Norges Bank Investment Management



Change in market value

Billions of kroner

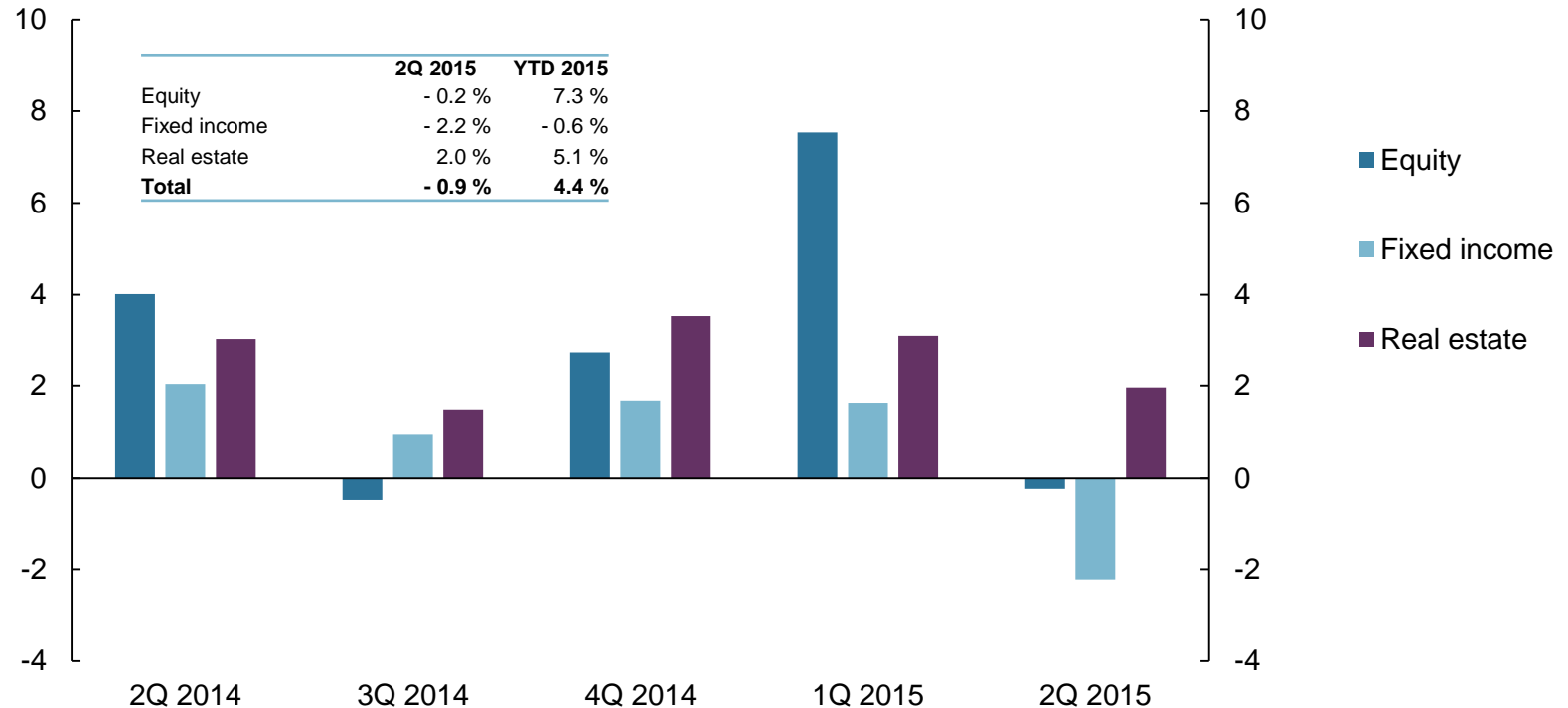


Source: Norges Bank Investment Management



Return on asset classes

Measured in the currency basket. Percent

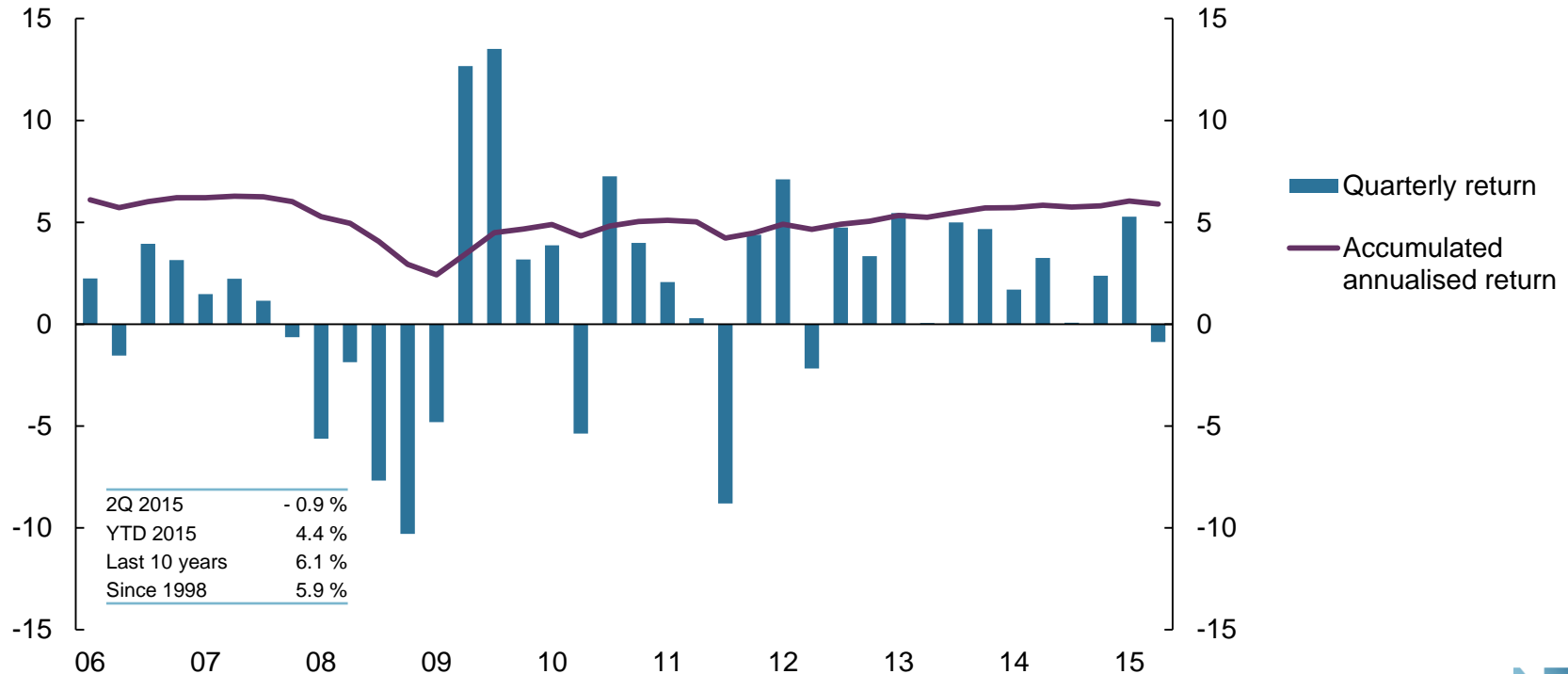


Source: Norges Bank Investment Management



Return

Measured in the currency basket. Percent

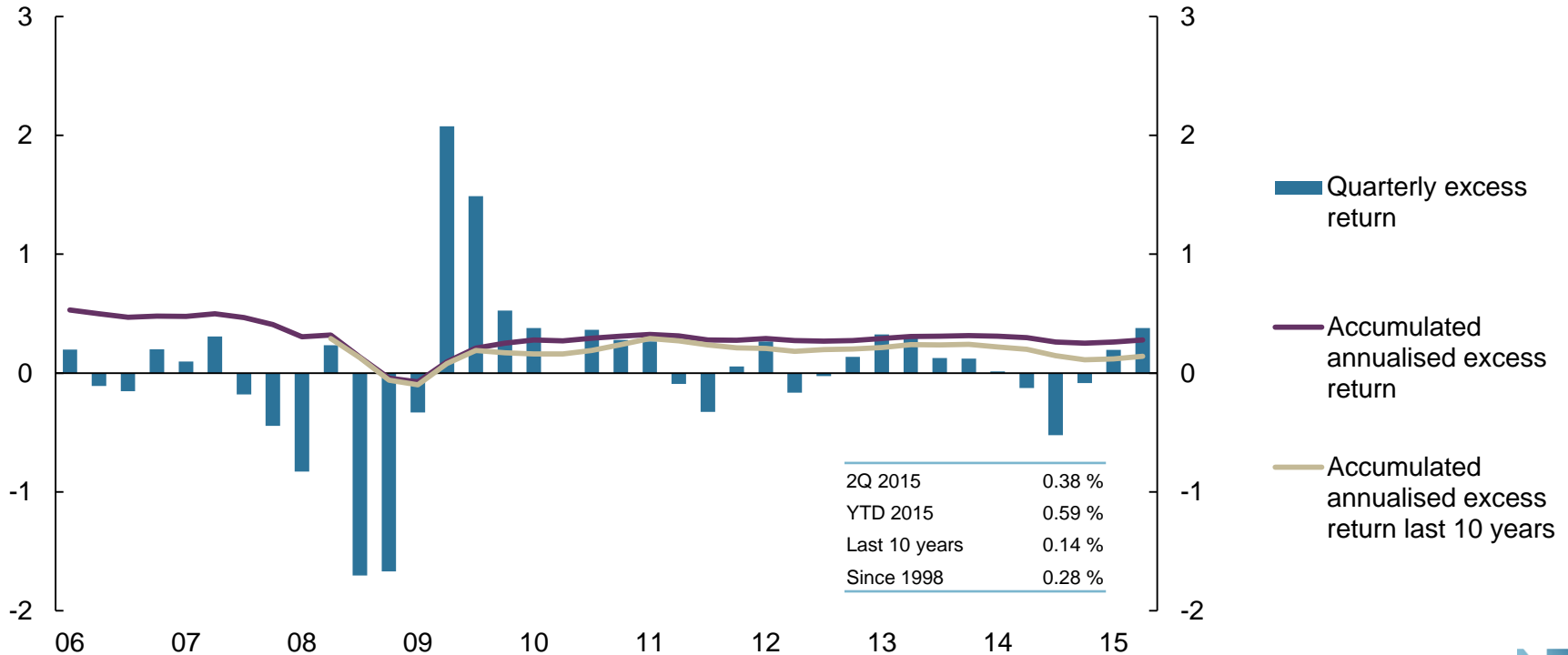


Source: Norges Bank Investment Management



Relative return

Equity and fixed-income investments. Percentage points.



Source: Norges Bank Investment Management



Decomposition of relative return

Second quarter 2015. Contributions. Percentage points.

	Total	External management
Total	0.379	0.025
Equity	0.256	0.026
Fixed income	0.123	0.000
Management costs	0.013	0.004*
Total after costs	0.366	0.022



Changes in value since 1996

Billions of kroner

	30.6.2015	31.3.2015	31.12.2014
Market value of the fund	6 897	7 012	6 431
Gross inflow of new capital	3 472	3 459	3 452
Management costs	29	28	27
Changes due to fluctuations in krone	785	838	663
Accumulated return	2 670	2 743	2 343



Historical key figures

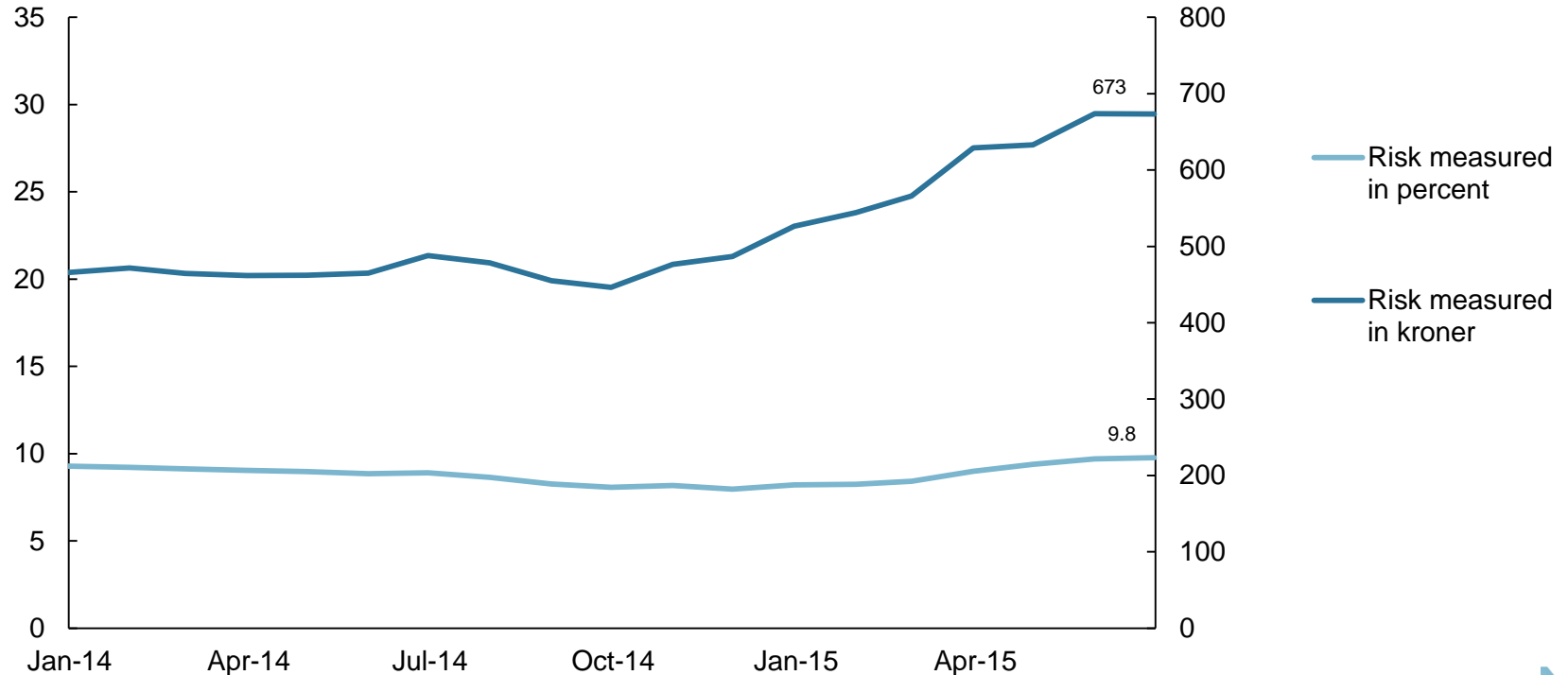
Measured in the international currency basket. Percent

	Since 1.1.1998	Last ten years
Return on fund (percent)	5.90	6.12
Return on equity and fixed-income investments (percent)	5.89	6.11
Return on benchmark equity and fixed-income indices (percent)	5.61	5.97
Relative return on equity and fixed-income investments (percentage points)	0.28	0.14
Annual price inflation (percent)	1.83	1.97
Annual management costs (percent)	0.09	0.09
Annual net real return on fund (percent)	3.90	3.98



Expected absolute volatility of the fund

Percent (left axis) and billions of kroner (right axis)

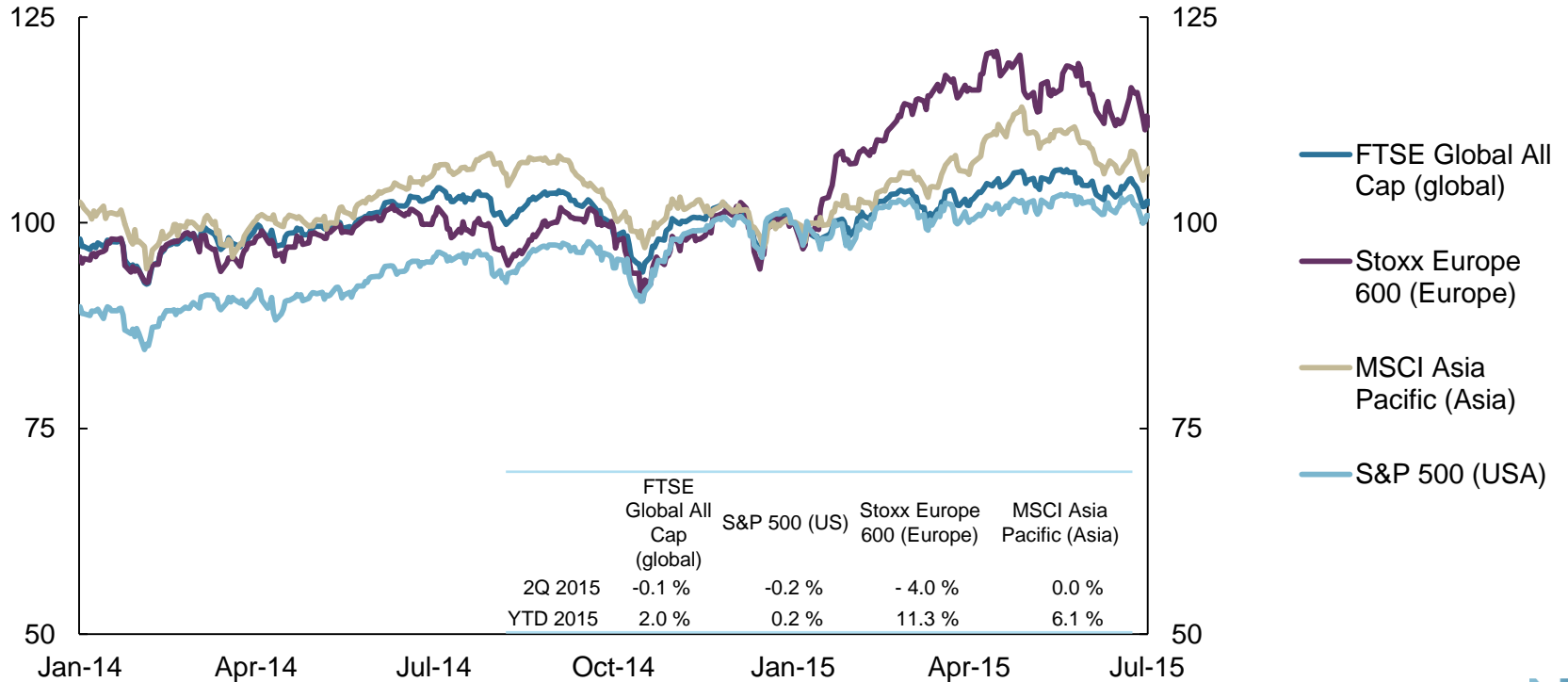


Source: FTSE, Norges Bank Investment Management



Developments in equity markets

Measured in USD (Stoxx in EUR). Indexed (31.12.2014 = 100)

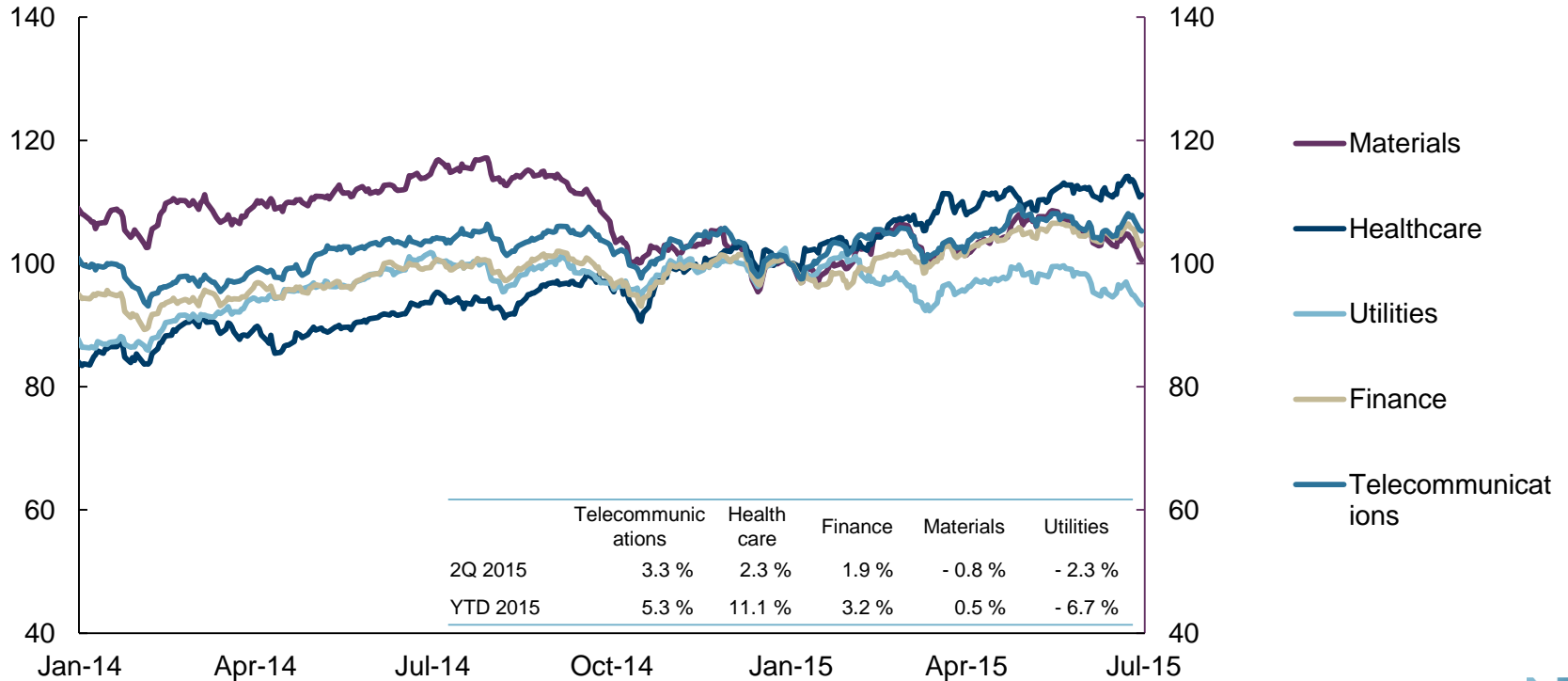


Source: Bloomberg



Developments in equity sectors

Measured in USD (31.12.2014 = 100)

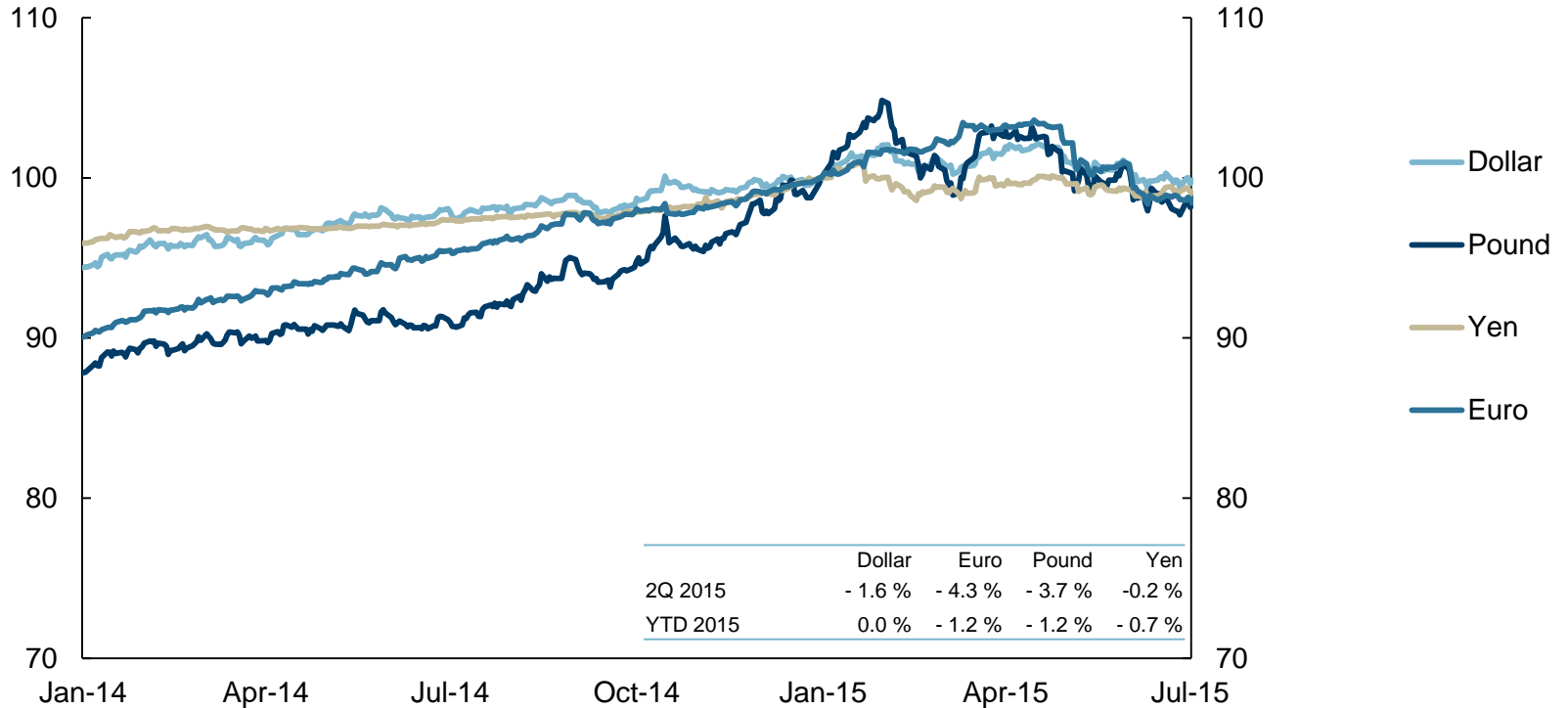


Source: FTSE



Developments for bonds

Measured in local currencies. Indexed (31.12.2014 = 100)

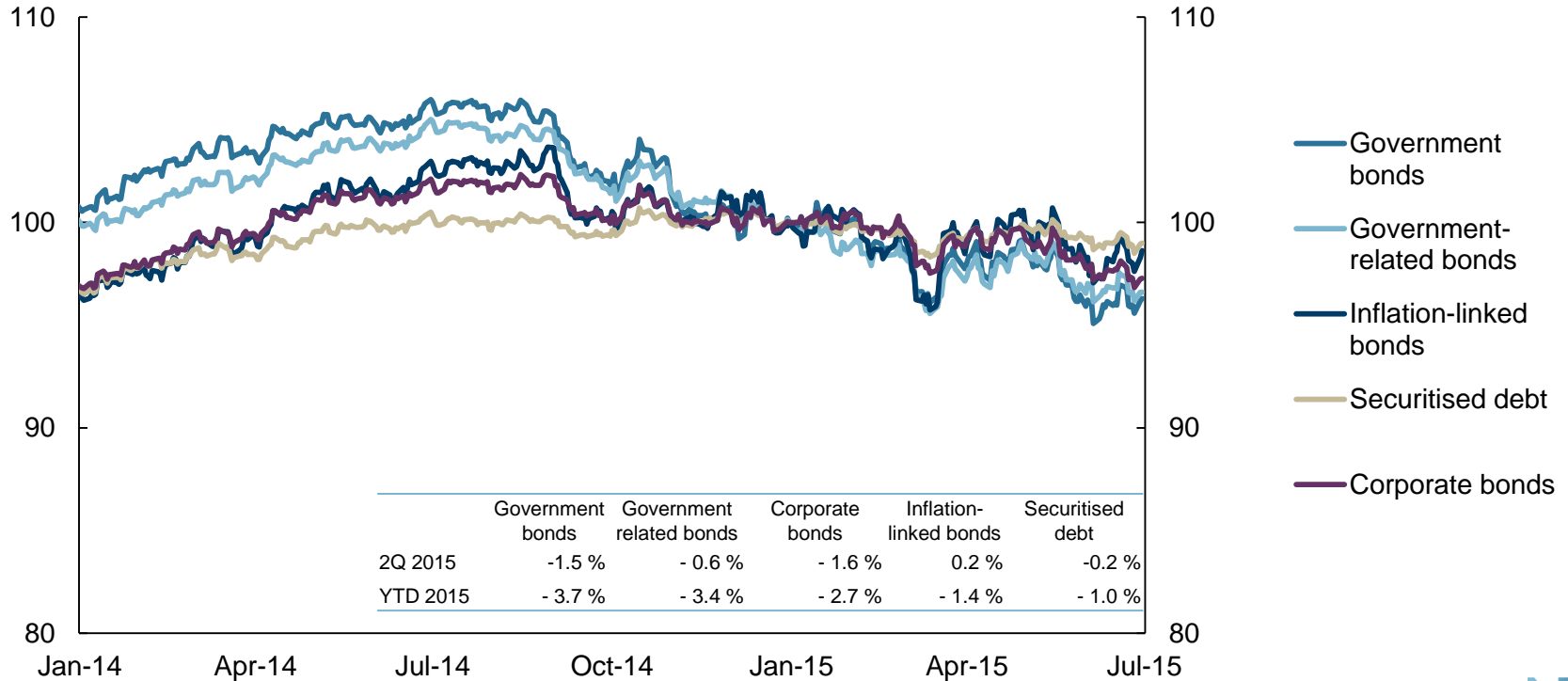


Source: Barclays



Developments in fixed-income sectors

Measured in USD. Indexed (31.12.2014 = 100)

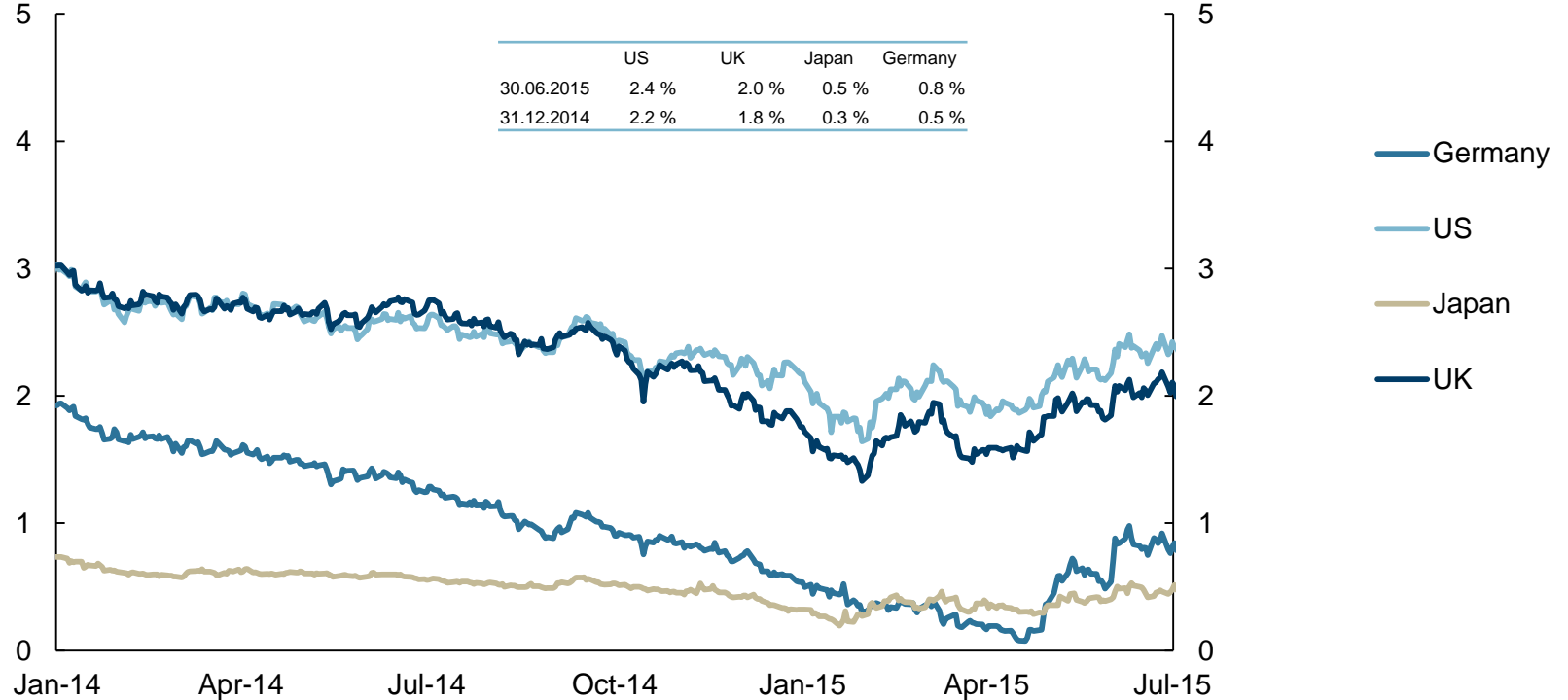


Source: Barclays



10-year government bond yields

Percent



Source: Bloomberg



New real estate investments

Announced in second quarter 2015

Location	Partner	Purchasing price	Share
US, 322 logistics properties	Prologis	17.9 BN NOK	45.0
Seattle, 2 logistics properties	Prologis	232 MNOK	45.0



Photo: KTR Capital Partners

Source: Norges Bank Investment Management



Photo: Prologis



Ownership

Second quarter 2015

- We voted at 7,084 general meetings in the second quarter, when the bulk of the year's general meetings take place
- We considered and voted on 1,180 shareholder proposals during the quarter, of which 49 concerned environmental and social issues relevant to our principles for long-term active ownership.
- We engaged with a number of companies before voting, and we informed 51 companies of our voting intentions
- We began announcing our voting intentions at selected companies ahead of the meeting



Standard setting

Second quarter 2015

- We published new Principles for Responsible Investment Management for the fund
- We provided advice and support in the OECD's consultation on guidelines for how stakeholders can contribute to sustainable development in the extractive industries
- We published a position paper on individual vs collective voting in board elections.
- We held an NBIM Talk seminar on effective corporate governance



Asset Manager Perspective

- Our view on sourcing liquidity in fragmented markets (17 April 2015)
- Our view on the role of exchanges in well-functioning markets (7 August 2015)



Norwegian Financial Research Conference

5th annual conference in August 2015

- A forum for investment managers and academics
- Discussion of current topics, trends and challenges in the financial world
- Topic in 2015: Well-functioning financial markets»

PROGRAMME
**NORWEGIAN
FINANCIAL
RESEARCH
CONFERENCE**

DATE: 18 August 2015
TIME: 08:30 - 19:00
VENUE: Norges Bank Auditorium, Bankjensens 2, Oslo

**WELL-FUNCTIONING
FINANCIAL MARKETS**
- MACRO AND MICRO PERSPECTIVES

PROGRAMME

08:30 Registration and coffee

09:00 Opening remarks
Oyvind Schanche, Chief Investment Officer, Asset Strategies at Norges Bank Investment Management.

MACRO PERSPECTIVES
WELL-FUNCTIONING FINANCIAL MARKETS

09:10 Big Picture - China and Challenges Ahead
Henry M. Paulson, Jr., Chairman of Paulson & Co.
Interviewed by Viggo Stangrud, Chief Executive Officer, Norges Bank Investment Management, Falløvdal 8

10:10 Systemic Risk, Regulation and Market Imbalances
Franklin Allen, Professor of Finance and Economics, Executive Director of the Brevan Howard Centre for Analytics at Imperial College London.

11:00 Coffee break

11:30 Break-out sessions
Franklin Allen, Chief Long-Term Performance Director, State Street
Albert Marshall, Co-Head, Global Structured Products, An Over-the-Counter Risk for Central Clearing Counterparties
Cande Cornerton-Fordie, Market Manipulation - I and II
Charles Jones, Tull Sex and Trade Throughs - With from the US plot.

12:15 Lunch

Henry M. Paulson, Jr.
Founder and chairman of the Paulson Institute at the University of Chicago
Henry M. Paulson, Jr. is a businessman, China expert, conservationist and author. Paulson served as the 74th Secretary of the Treasury under President George W. Bush, from July 2006 to January 2009. Prior to that, he had a thirty-two year career at Goldman Sachs, serving as chairman and chief executive officer beginning in 1999. Earlier in his career, he was a member of the White House Domestic Council as well as a staff assistant at the Pentagon. He is the founder and chairman of the Paulson Institute at the University of Chicago, and co-chairman of the Latin American Conservation Council of The Nature Conservancy and the Risky Business Project.

Franklin Allen
Professor of Finance and Economics and Executive Director of the Brevan Howard Centre at Imperial College London and Nippon Life Professor of Finance at the University of Pennsylvania
Professor Allen's main areas of interest are corporate finance, asset pricing, financial innovation, comparative financial systems, and financial crises. He was formerly Vice Dean and Director of Wharton Doctoral Programs, Executive Editor of the Review of Financial Studies and is currently Managing Editor of the Review of Finance. He is a past President of the American Finance Association, the Western Finance Association, the Society for Financial Studies, the Financial Intermediation Research Society and the Financial Management Association, and a Fellow of the Econometric Society. He received his doctorate from Oxford University.

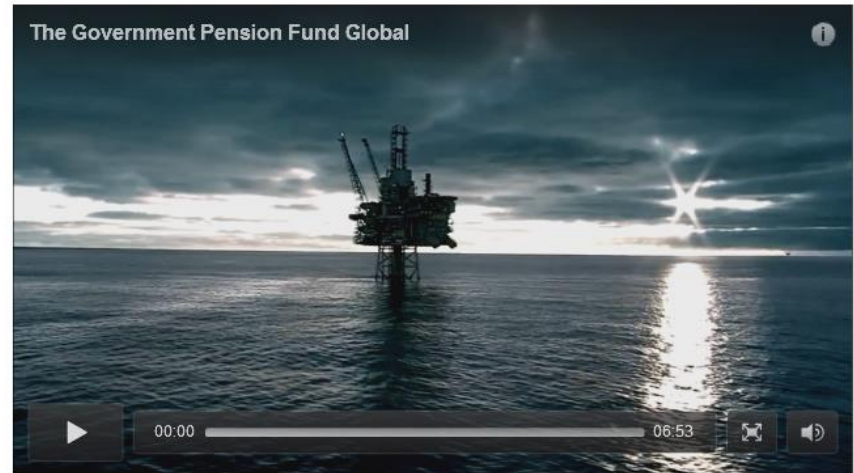


New film about the fund

A FILM ABOUT THE FUND

THE NORWEGIAN PEOPLE OWN THE FUND

See our film about the history, objective and management.



Coming events

- 28 October – Press conference and presentation of third quarter results
- NBIM Talk
 - October – Risk factor investing
 - November – Five years with real estate
- Reports 2015
 - February 2016 – Report on responsible investment
 - March 2016 – Annual report and report on real estate management
 - April 2016 – Expanded report on return and risk



Highlights

- The fund returned -0.9 percent in second quarter 2015
- The return on equity and fixed-income investments was 0.4 percentage point higher than the return on the benchmark indices
- The market value of the fund was reduced by 115 billion kroner to 6,897 billion kroner
- At the end of the quarter the fund was invested:
 - 62.8 percent in equities
 - 34.5 percent in fixed income
 - 2.7 percent in real estate



An aerial view of an offshore oil rig with a complex network of red metal structures and walkways extending over the ocean. The rig is set against a clear blue sky and calm water.

2Q | 15

GOVERNMENT PENSION FUND GLOBAL

QUARTERLY REPORT

PRESS CONFERENCE
19 AUGUST 2015