Management of the Government Pension Fund Global

Hearing before the Standing Committee on Finance and Economic Affairs of the Storting 17 April 2012

Chief Executive Officer, Yngve Slyngstad
Performance
Percent

Annualised since 1998: 4.5 %

Source: NBIM
The fund’s market value
Billions of kroner, as of 31 December 2011

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Value</th>
<th>Percentage fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>1 945</td>
<td>58.7%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>1 356</td>
<td>41.0%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>11</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

Source: NBIM

Norges Bank Investment Management
Real return 1900-2011

Percent per year

- Bonds: 1.7
- Treasury bills: 0.9
- Equities: 5.4
- Real estate: 1.0
- Gold: 1.3

Source: Dimson, Marsh, Staunton
Inflows into the fund
Billions of kroner

Inflows

Source: FTSE, NBIM
Allocation by asset class
Equity and bond purchases (gross). Billions of kroner

Source: FTSE, NBIM
Rebalancing

Equity and bond purchases and developments in equity markets
(Billions of kroner and FTSE index)

Source: FTSE, NBIM

Rebalancing 1Q 2003
Rebalancing First half 2009
### Regional weights in equity markets

**31 December 2011**

<table>
<thead>
<tr>
<th>Region</th>
<th>Fund’s weight</th>
<th>Market weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>50 %</td>
<td>24 %</td>
</tr>
<tr>
<td>America / Africa</td>
<td>35 %</td>
<td>55 %</td>
</tr>
<tr>
<td>Asia / Oceania</td>
<td>15 %</td>
<td>21 %</td>
</tr>
</tbody>
</table>

**Fund’s equity holdings**

- **Developed markets**: 91.48%
- **Emerging markets**: 8.52%
Market size
31 December 2011. Billions of dollar

Source: IMF, FTSE, Barclays
The fund’s fixed-income portfolio
31 December 2011

- Euro: 39.9%
- US dollar: 35.0%
- British pound: 12.1%
- Japanese yen: 5.0%
- Chinese renminbi: 7.8%
- Brazilian real: 22.7%
- Other currencies: 22.5%

Source: NBIM
Yields of 10-year government inflation linked bonds
April 2012

Source: Bloomberg, Barclays
### New benchmark index for bonds

Percent

<table>
<thead>
<tr>
<th>Fund's bond holdings</th>
<th>Benchmark index</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Developed markets</td>
</tr>
<tr>
<td>96.19%</td>
<td>3.81%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Benchmark index</th>
<th>Current</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed markets</td>
<td>100 %</td>
<td>93 %</td>
</tr>
<tr>
<td>Emerging markets</td>
<td>0 %</td>
<td>7 %</td>
</tr>
</tbody>
</table>
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