

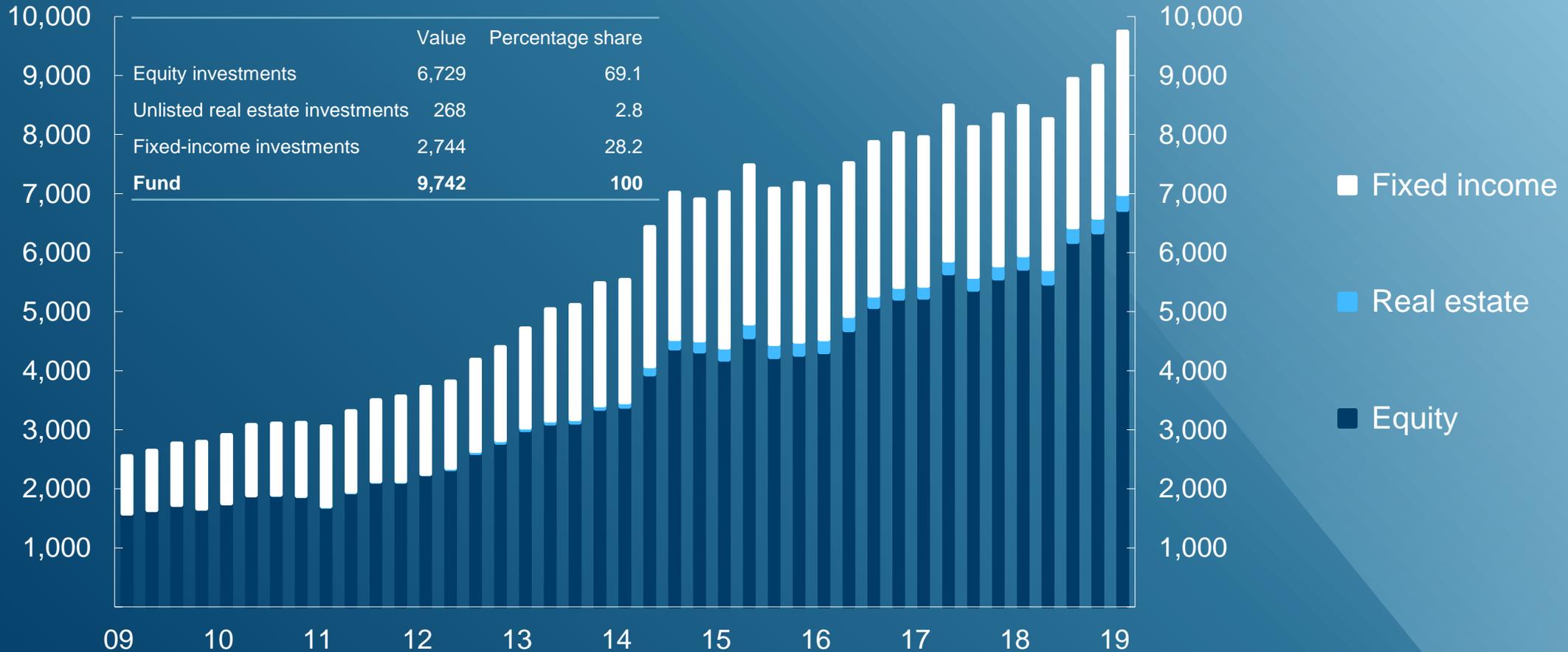
Government Pension Fund Global

Third quarter 2019



Market value increased to 9,742 billion kroner

Billions of kroner. As at 30.09.2019



236 billion kroner in return

Billions of kroner



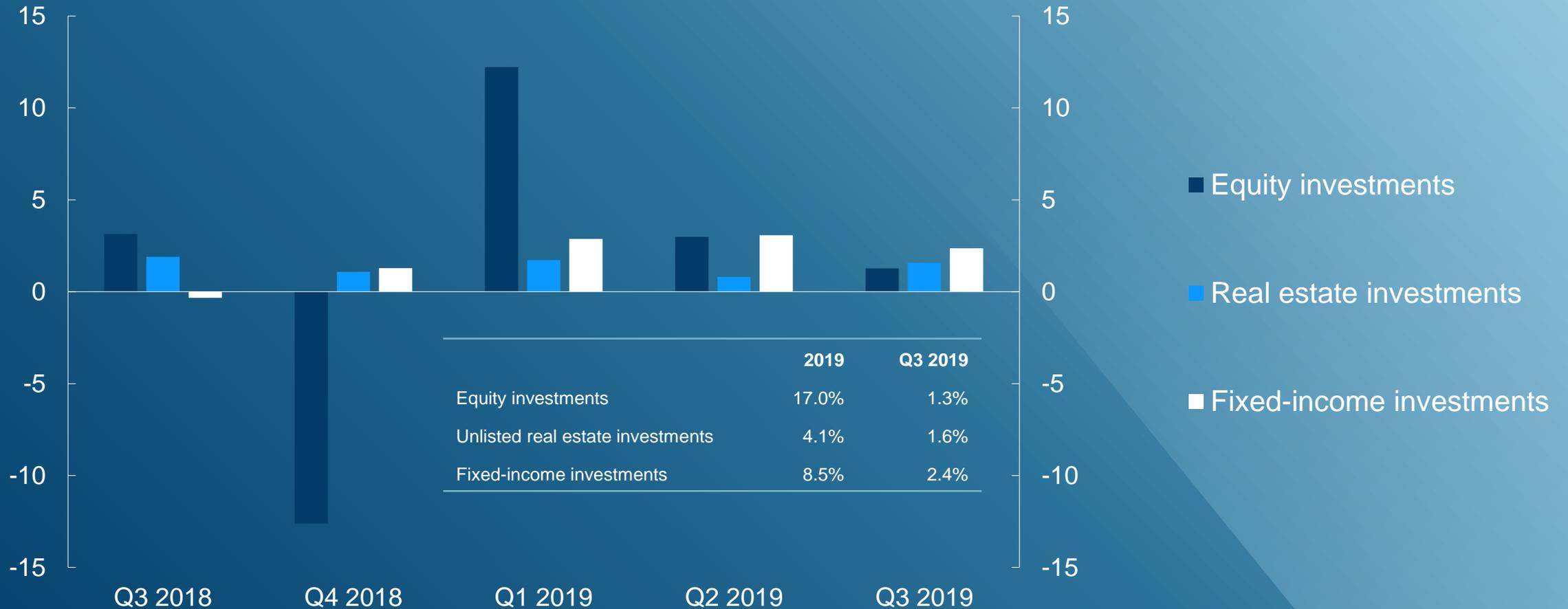
1.6 percent quarterly return

Measured in the fund's currency basket. Quarterly return. Percent



Strongest return for fixed income

Measured in the fund's currency basket. Percent



Changes in value since 1996

Billions of kroner

	30.09.2019	30.06.2019	31.12.2018
Total inflow of capital*	3,378	3,382	3,371
Total return on fund	4,897	4,660	3,666
Total management fees	-47	-46	-44
Changes due to fluctuations in krone	1,514	1,165	1,263
Market value of the fund	9,742	9,162	8,256

*Total inflow of capital is adjusted for accrued, not paid, management fees.



Key figures per third quarter

Measured in the fund's currency basket. Annualised. Percent

	Since 1.1.1998	Last 10 years
Return on fund	5.92	7.63
Annual inflation	1.78	1.73
Annual management costs	0.08	0.07
Annual net real return on fund	3.99	5.72



Developments in equity markets

Measured in the fund's currency basket (S&P 500 and MSCI Asia Pacific in USD, Stoxx Europe 600 in EUR). Indexed total return (31.12.2018 = 100)



* Excluding Norway
Source: Bloomberg

10-year government bond yields

Percent



Highlights

- The market value of the fund increased by 580 billion kroner to 9,742 billion kroner
- The fund returned 1.6 percent in the third quarter of 2019
- The return on the fund was 0.01 percentage point higher than the return on the benchmark index
- At the end of the quarter, the fund was invested as follows:
 - Equity investments 69.1 percent
 - Unlisted real estate investments 2.8 percent
 - Fixed-income investments 28.2 percent



The fund's market value

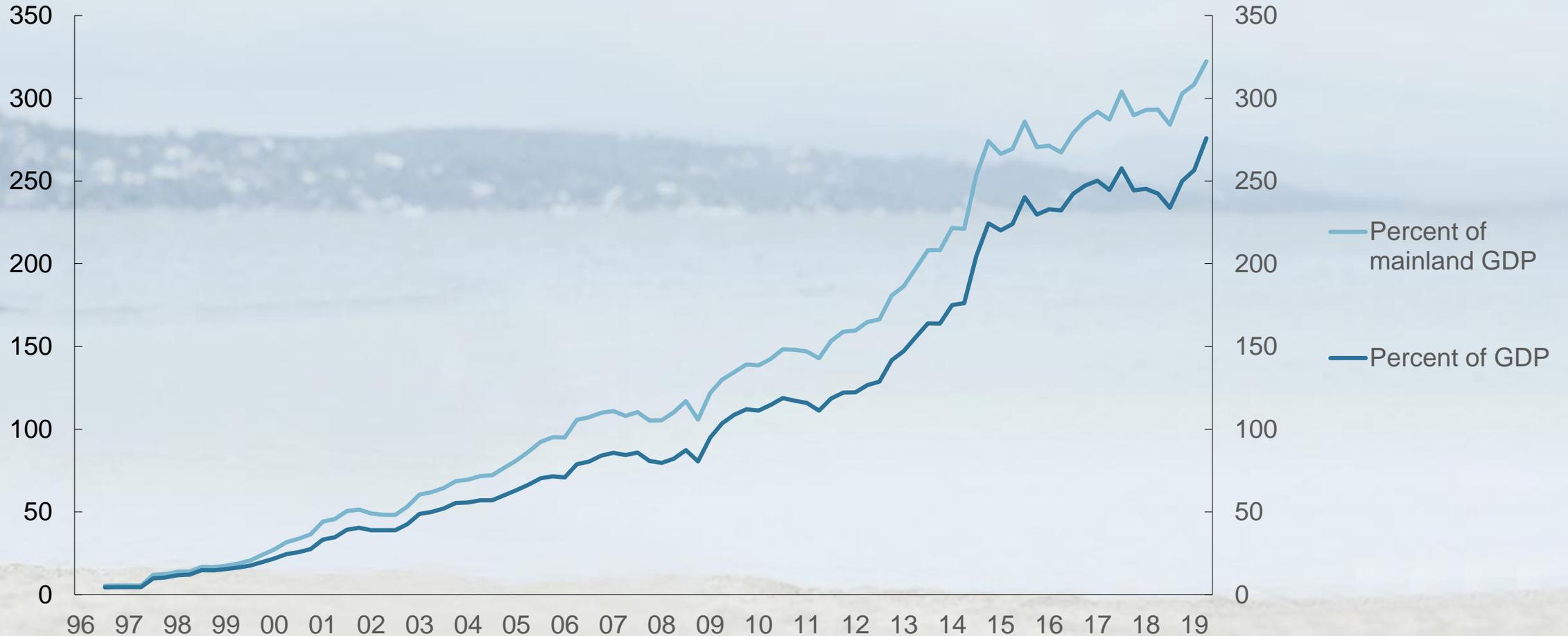
10 000 749 089 604 NOK

We work to safeguard and build
financial wealth for future generations

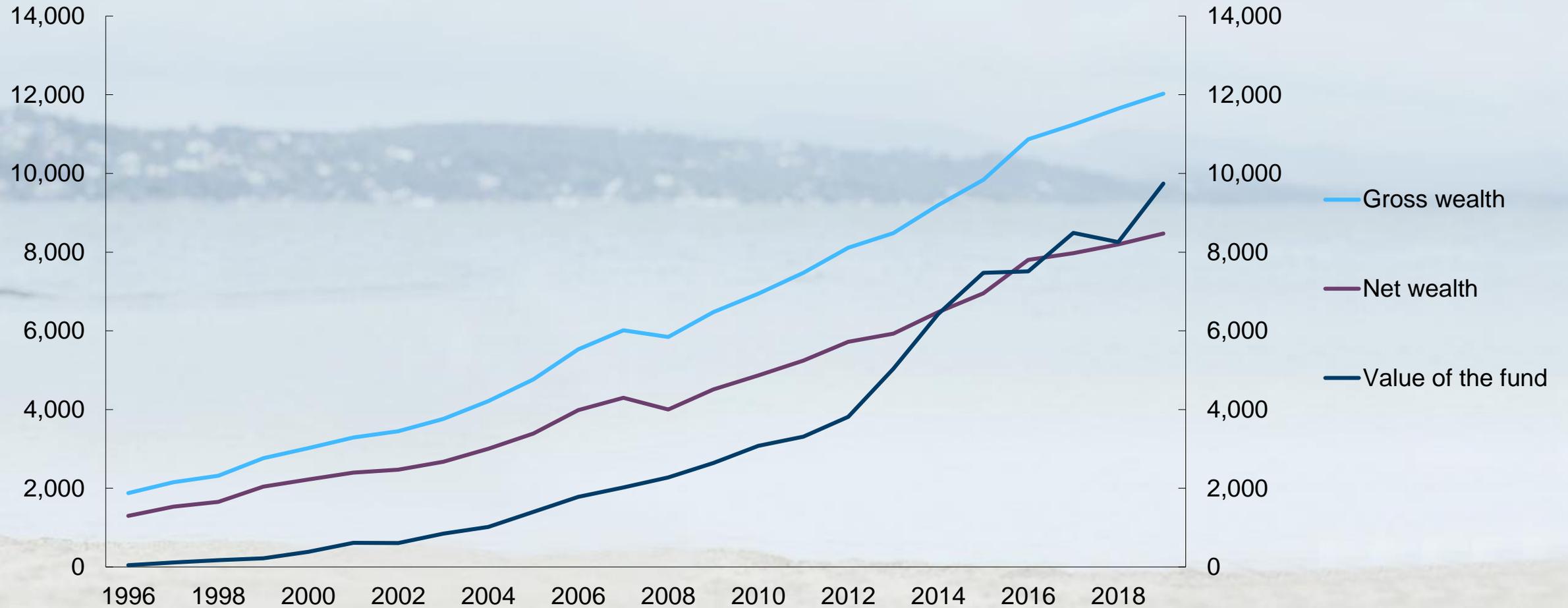


Fund value and GDP

Market value in percent of GDP and mainland GDP. As at 30.09.2019

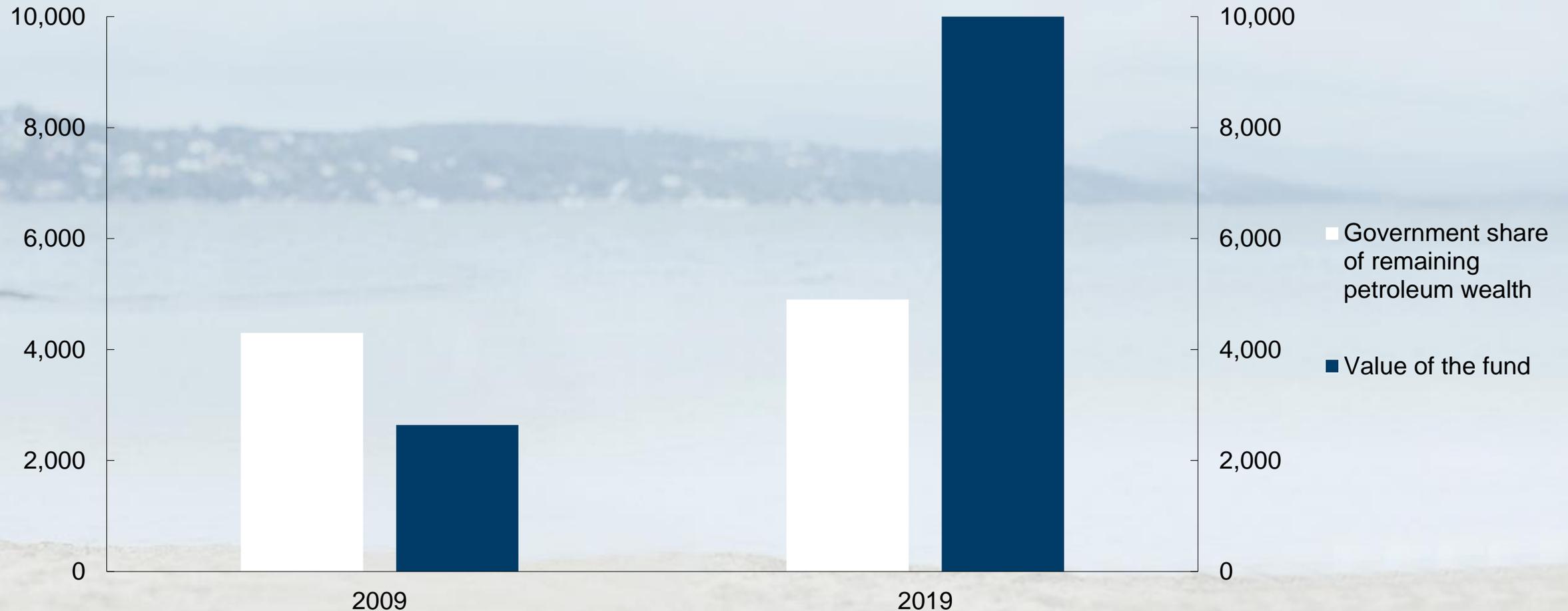


Household wealth and value of the fund



The fund larger than petroleum wealth

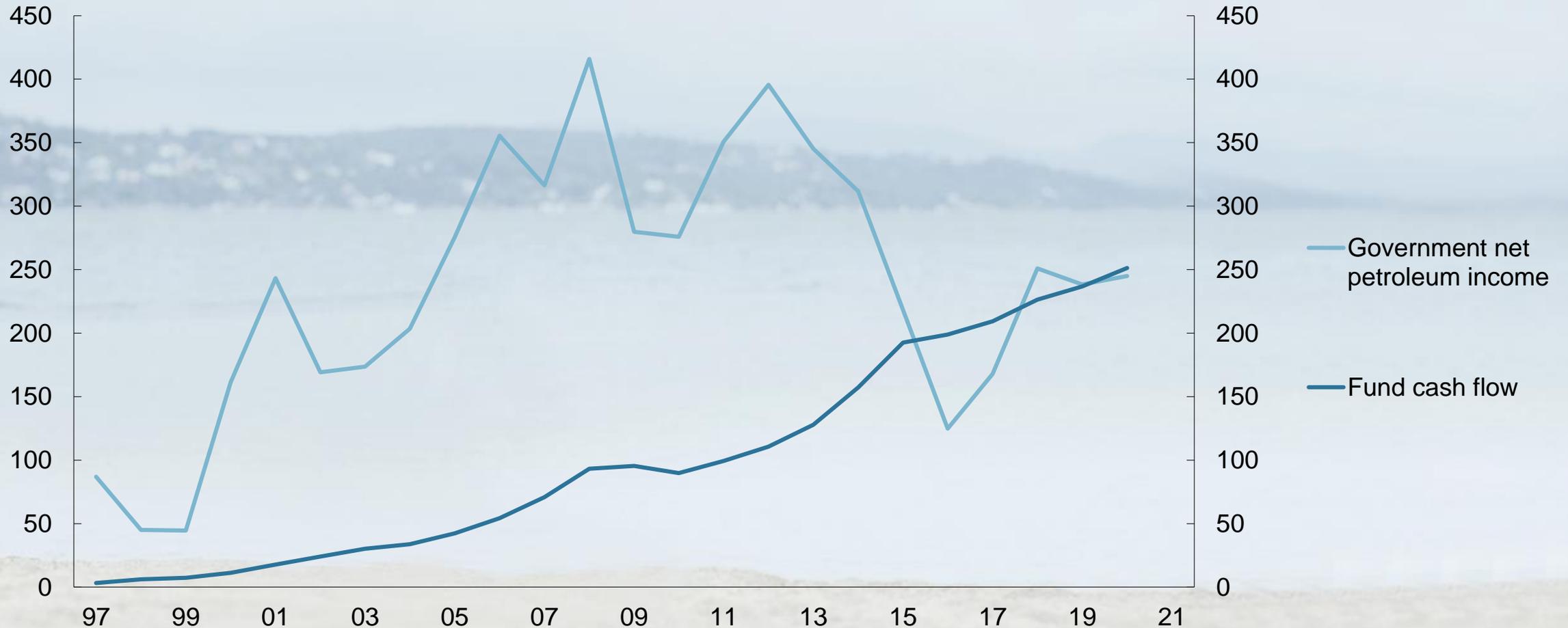
Billions of kroner*



Source: Ministry of Finance, Norges Bank Investment Management

* Petroleum wealth is measured in 2020-kroner, while the value of the fund is measured in current value as at 30.09.2019

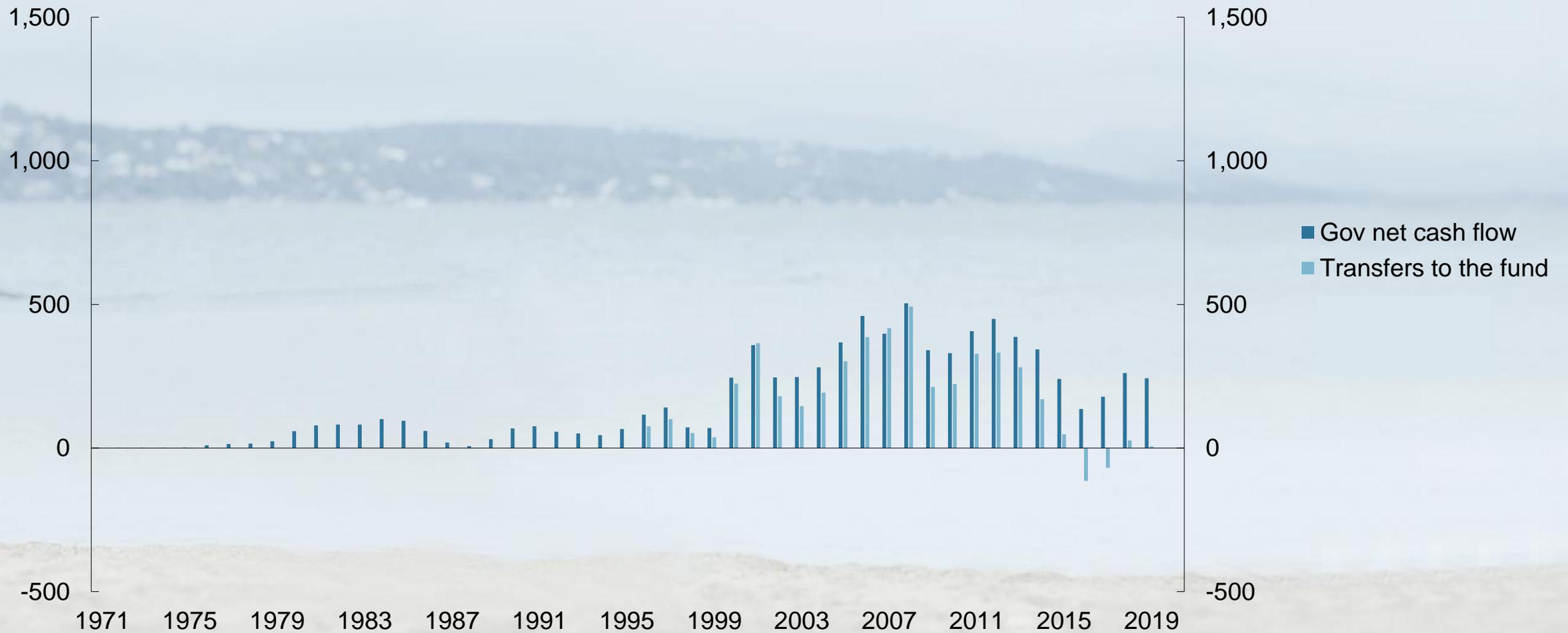
Fund cash flow larger than petroleum income



Source: Statistics Norway, Ministry of Finance (National budget 2020), Norges Bank Investment Management (Accounts)
Numbers for 2019 and 2020 are estimates from the national budget.

Income and savings

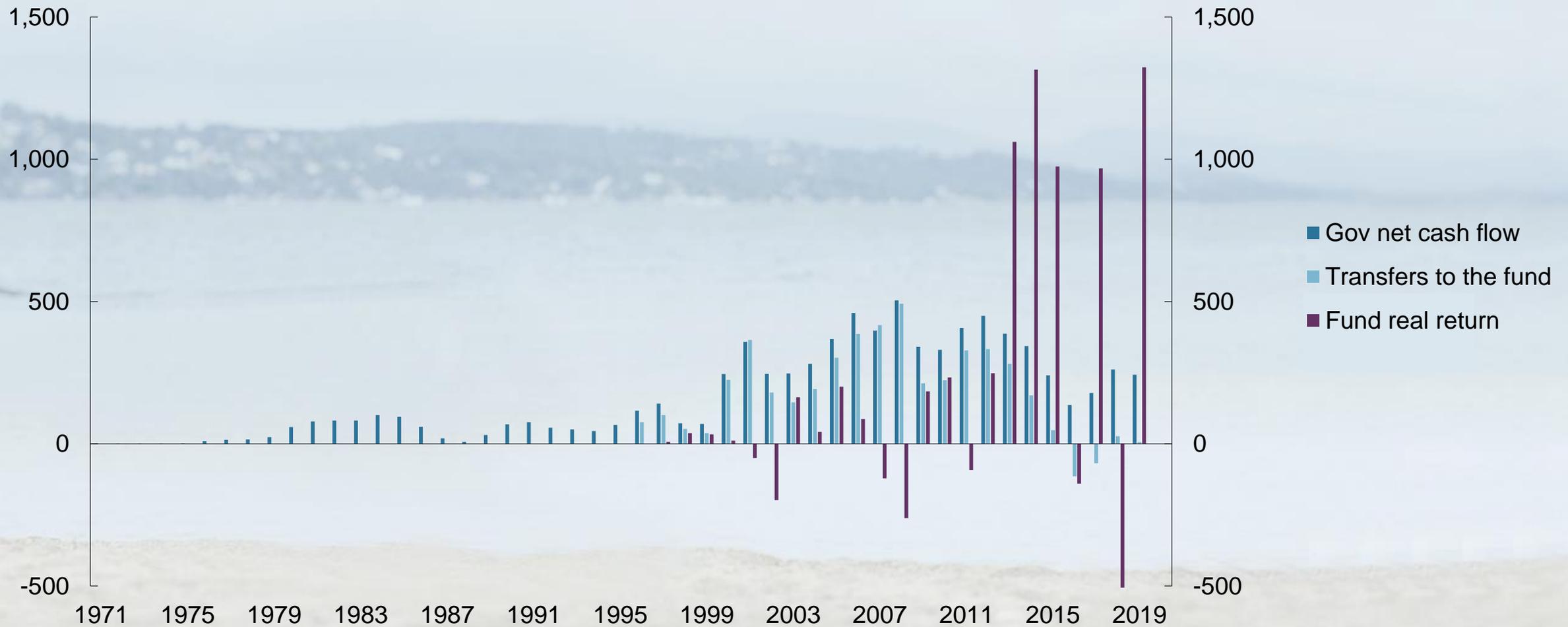
Billions of 2020-kroner



Source: Ministry of Finance, National budget 2020

Income, savings and return

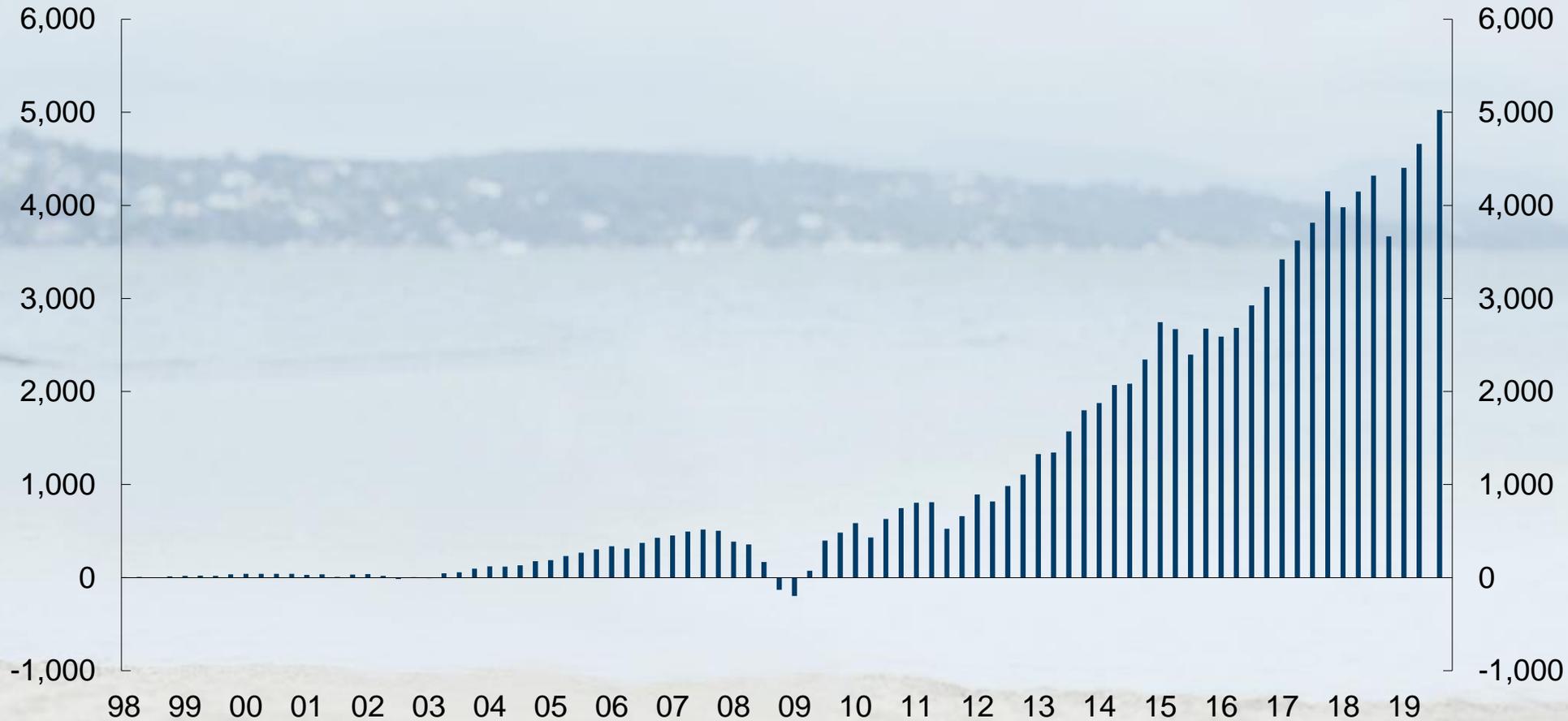
Billions of 2020-kroner



Source: Finansdepartementet, Nasjonalbudsjettet 2020

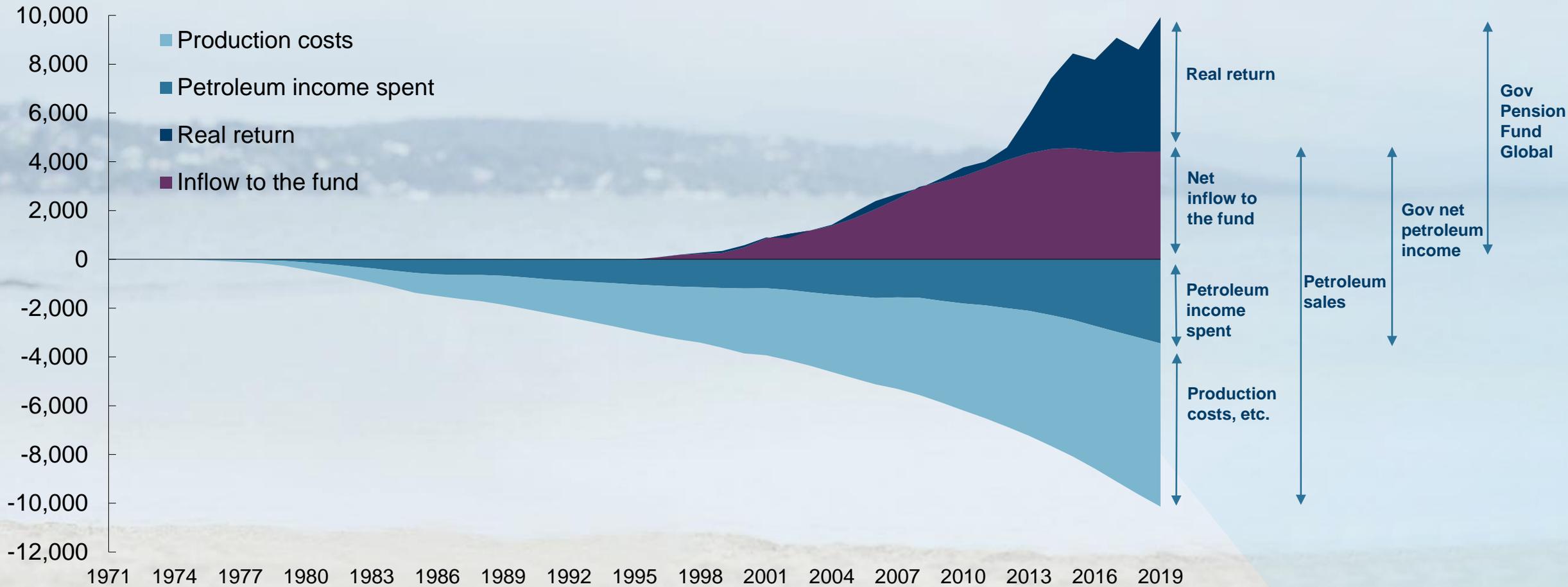
5,026 billions of kroner in return

Accumulated value of return as at 25.10.2019. Billions of kroner



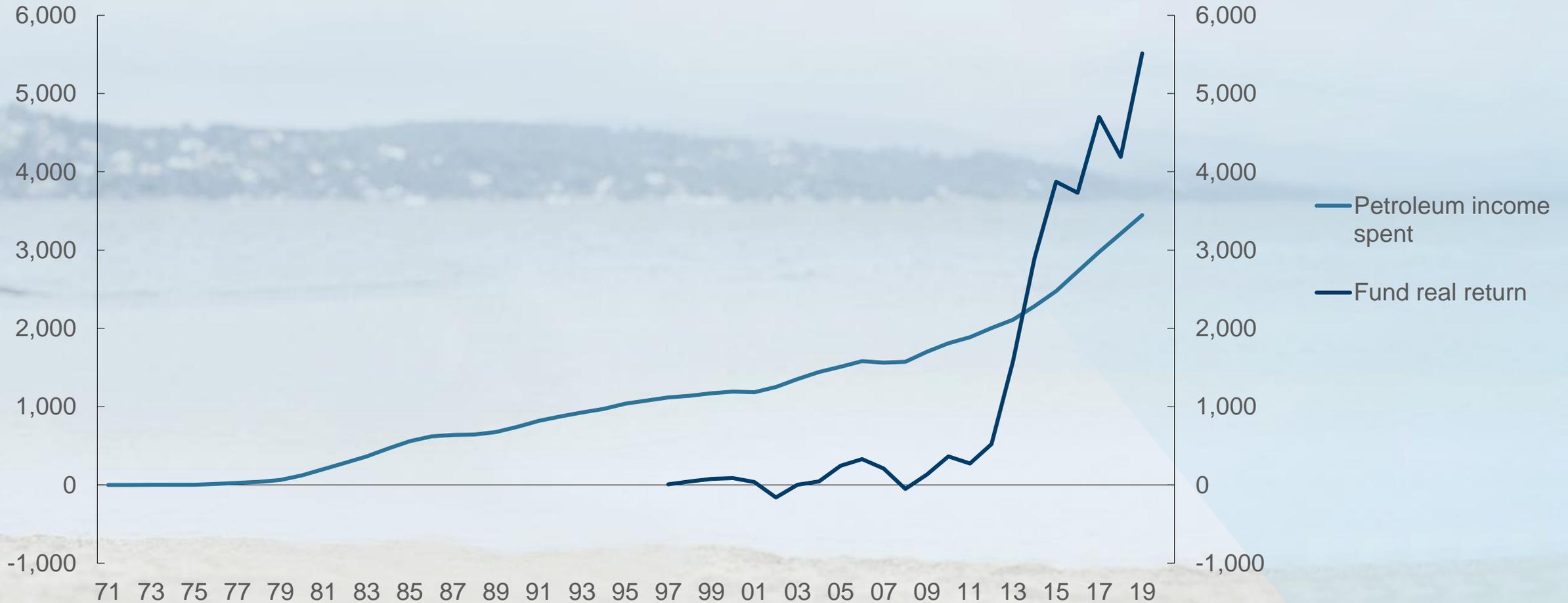
The Norwegian oil economy

Billions of 2020-kroner. Accumulated



Real return exceeds spending

Billions of 2020-kroner. Accumulated





Strategy 2020-2022

Norges Bank Investment Management

Strategy Plan 2020-22

Four chapters



Fund strategy

- Complement the fund's investments in equities and fixed income by investing in real estate and renewable energy infrastructure

Ownership strategy

- Exercise our ownership role to safeguard the fund's long-term economic interests

Investment strategies

- Utilise a set of diversified investment strategies in a risk-controlled and low-cost manner

Management strategy

- Foster a global, performance-oriented and efficient investment organisation

Strategy Plan 2020-22

Fund strategy

We manage a global portfolio dominated by public market equity risk.

We will develop alternative risk measures for the fund.

There are investment opportunities that cannot be defined through an index.

The reference portfolio serves as a starting point for our investment strategies.



Strategy Plan 2020-22

Fund strategy

We target a real estate portfolio, made up of both listed and unlisted assets, of 5 percent of the fund.



We target a portfolio of renewable energy investments of around 1 percent of the fund towards the end of this strategy period.



Strategy Plan 2020-22

Ownership strategy

We focus on corporate governance issues and areas of long-term financial relevance.

We take a principle-based approach and are transparent about our activities.



Strategy Plan 2020-22

Ownership strategy

We will contribute to the strengthening and further alignment of corporate sustainability reporting standards across markets.

By the end of the strategy period, we aim to publish all our voting instructions ahead of shareholder meetings where this is practicable.



Strategy Plan 2020-22

Investment strategies

Our investment strategies are complementary and tailored to the fund's unique characteristics.

Meeting companies is an essential part of our investment process.

We aim to cover around 1000 companies in detail.

The fund's market value

10 059 026 182 012 NOK

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We work to safeguard and build financial wealth for future generations



Strategy Plan 2020-22

Management strategy

Our presence in global markets is essential to execute our overall mandate.

We believe that performance follows from in-depth market understanding and an investment and result-oriented culture.



Strategy Plan 2020-22

Management strategy

We promote transparency, as this motivates our organisation to be result-oriented and performance-driven, and we welcome public scrutiny of our results.

We continue to manage the fund in a prudent and efficient manner.

We aim for an adaptable organisation where teams have a high degree of autonomy.



A global organisation



601 employees

38 nationalities





Our mission

Safeguarding financial wealth for future generations

Government Pension Fund Global

Third quarter 2019

