



# Norges Bank Investment Management Strategy 28



A photograph of a modern glass skyscraper with several balconies featuring green plants. The building is partially obscured by a light beige rectangular area that contains text.

## Management assignment

The Government Pension Fund Global belongs to the Norwegian people, represented by Government and Parliament. The Ministry of Finance holds the formal responsibility for the fund, while the day-to-day management is delegated to Norges Bank. Norges Bank makes investment decisions and exercises ownership rights independently of the Ministry.

The fund's overall investment strategy is defined in the management mandate set by the Ministry of Finance. It follows from the management mandate that we shall seek to achieve the highest possible return after costs, given an acceptable level of risk. Within the scope of this objective, we manage the fund responsibly.

A key premise underpinning the fund's investment strategy is that diversification can reduce overall risk. The strategic benchmark index is central to the management mandate and consists of 70 percent equities and 30 percent fixed income. To ensure that risk over time is in line with the expressed risk tolerance, we rebalance back to the strategic benchmark index when deviations exceed certain predefined limits.

We manage the fund close to the benchmark index, but all our investment processes have active elements. This improves our ability to achieve the highest possible return and to be a responsible investor. We do not expect material changes in our average risk utilisation, but our active risk-taking will vary as market conditions change.

The fund's investment strategy has been developed over time. Norges Bank contributes to this development as an advisor to the Ministry of Finance. Proximity to the portfolio and our experience from the management of the fund uniquely position us to give strategic advice to the asset owner. The fund's investment strategy and material changes are anchored in Parliament.

The Ministry of Finance has established temporary ethical guidelines for the management of the fund. While in place, Norges Bank will not make decisions on observation or exclusion but will consider whether companies identified by the Council on Ethics should be followed up through the fund's regular ownership activities.

Strategy 28 builds on previous strategies and describes our ambition and plan for the management of the fund over the next three years.

[Read the strategy](#) ↓



# A fund for future generations

We manage the fund on behalf of the Norwegian people. Long-term and responsible management ensures that we safeguard and build wealth for current and future generations.

Our goal is to maximise return after costs, given an acceptable level of risk. To achieve this, we use a range of investment strategies and take advantage of the fund being large and long-term. We pursue our investment strategies with discipline - scaling what works and discontinuing what does not. Our people, culture, technology, and processes are key to achieving our goal.

We aim to safeguard the fund through changing market conditions. We rely on robust risk management, strong responsible investment practices, and the discipline to think beyond short-term volatility. We must act with speed and decisiveness as financial markets rapidly evolve and geopolitical risks are becoming more prominent. Changing conditions demand agility to manage unforeseen events rather than leaning on predictions.

Our ambition is clear: to be the best and most respected large investment fund in the world.



# Performance

Performance ●

Technology ●

Operational robustness ●

People ●

Communication ●

Our goal is to maximise return after costs



Everything we do should support our goal of maximising long-term return - from the way we structure our investment mandates and develop our people, to how we approach responsible investment, system development, and communication. We work to safeguard and build wealth for current and future generations of Norwegians. This responsibility requires trust, built through performance, responsible investment, and transparency.

Our strategy builds on four pillars of strength: a long-term capital base, scale, our people and culture, and technology and data.

Having a long-term capital base is our greatest advantage as an asset manager. We have stable and patient capital and rarely have to sell. We are not dependent on financing and can invest when access to capital is limited and costly for others. This means we can buy when others must sell and exploit investment opportunities in volatile markets.



Having fun at work  
is essential for  
excellence.

The size of the fund comes with both challenges and opportunities. Our size may limit the excess return we can achieve. However, combined with our reputation and long horizon, it provides unique access to companies, partners, and investment opportunities. This gives us an edge in both listed and unlisted strategies. Scale also provides cost advantages. We can establish mandates and pilot new strategies at very low costs due to our existing technical and operational infrastructure.

We are building a performance culture characterised by teamwork, feedback, intellectual honesty, and long-term thinking. We believe speed is a mindset and the basis for an efficient organisation. As a lean organisation, clear roles and collaboration enable decisive action - a competitive advantage when navigating dynamic markets. To succeed in a challenging, fast-paced work environment, we also believe that having fun at work is essential for excellence.

Our technology platform, combined with the scale of the fund, enables us to capture vast amounts of data. Data that is high-quality, well-structured and accessible will help us make better investment decisions and work more efficiently. We are all-in on AI, while recognising that success depends on teamwork not technology alone. Technology will augment our judgment, not replace it.



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We will build a culture where people feel safe to go against the crowd and create mechanisms to challenge consensus thinking.

## Investment strategies

We have three main investment strategies: market exposure, security selection, and fund allocation. These are complementary and aim to exploit our characteristics – a large fund with a long horizon. We pursue these strategies across equities, fixed income, and real asset management.

To compete against thousands of investors, we must be honest about what works and what does not. We will implement systematic debriefs to learn from our successes and failures. We will build a culture where people feel safe to go against the crowd and create mechanisms to challenge consensus thinking.

Good investment decisions depend on good information. By further integrating risk and performance data into our investment processes, we aim to make better decisions. We will continue developing our Investment Simulator to enhance investment decisions and provide feedback to our portfolio managers. This tool will make portfolio managers increasingly aware of their behavioural strengths and weaknesses so they better incorporate these in their decision-making.



# 70%

## equities in the benchmark index

### Equities

Equities make up 70 percent of our benchmark index. Equities can offer higher expected return over time compared to other asset classes. Our equity management is based on two main strategies: market exposure and security selection. These enable broad exposure to the equity market while increasing return through enhanced indexing and fundamental investing.

#### Market exposure

We manage most of our equity portfolio internally through our market exposure strategy. We invest broadly in the companies in our benchmark but avoid mechanical replication to reduce costs. We enhance return through diversified index refinement strategies that systematically exploit market inefficiencies and liquidity imbalances. As a large investor, we can deploy strategies that would be too expensive for smaller funds.

- We will maintain the disciplined, repeatable processes that have proven successful and enhance decision quality through systematic analysis, mitigating behavioural biases and increasing use of AI.
- We will document and share our processes into replicable frameworks for consistent global execution, while maintaining our regional expertise.

For a large fund, it is critical to manage and trade the portfolio efficiently to limit transaction costs. We can be patient traders to limit our market impact. We strive to trade less, better, and smarter.

- We will reduce unnecessary and costly trading by managing more trading flow internally before going to market and extending holding periods when appropriate.
- We will improve our ability to trade efficiently through even closer collaboration between our traders and portfolio managers.
- We will take advantage of new technologies and AI to further increase trading through automated algorithms.





We strive to trade less,  
better, and smarter.

Our size makes us an attractive partner in capital markets events. We actively work with financial intermediaries and companies considering such transactions. Investors who are passive in such events may risk less allocation than desired.

- We will enhance portfolio return by taking active positions around corporate actions and capital market events.

The fund's characteristics make us an attractive partner for securities lending, enabling us to consistently enhance return.

- We will continue to lend our equities responsibly and seek to capture more of the income by optimised collateral management and further diversification of counterparty relationships. Securities lending is countercyclical in nature, and we must be ready and willing to scale up when spreads widen.

### Security selection

Our security selection strategy is based on in-depth company knowledge. Expertise and delegated authority enable our portfolio managers to identify long-term opportunities and take investment decisions based on conviction rather than consensus. As a large and long-term owner, we benefit from access to companies that few investors can match. We leverage this advantage to deepen our understanding of industry and company dynamics.

- We will focus on our sector specialist mandates and strengthen our core investment processes. This means increased long-term thinking, better assessments of management quality, more knowledge sharing, and using AI to strengthen our competitive advantages.
- We will reduce exposure to companies we expect to underperform through our negative selection strategy. We will enhance our forensic accounting and behavioural analysis with machine learning and large-language-models.
- We will be disciplined and structured in internal capital allocation, prioritising investment mandates where we have high confidence that the decision-making process will continue generating excess return.





As a large- and long-term owner, we benefit from access to companies that few investors can match.

We use external managers in segments and markets where we believe they will enhance returns through specialised and local expertise not easily built internally. We conduct rigorous due diligence to ensure these managers uphold our standards.

- We continuously search for the best external managers in emerging and developed markets. New mandates in developed markets will primarily be those with more flexibility to express negative views on companies in the benchmark index.
- We will increasingly leverage the Investment Simulator to monitor and debrief with our external managers on their investment process.



# 30%

## fixed income in the benchmark

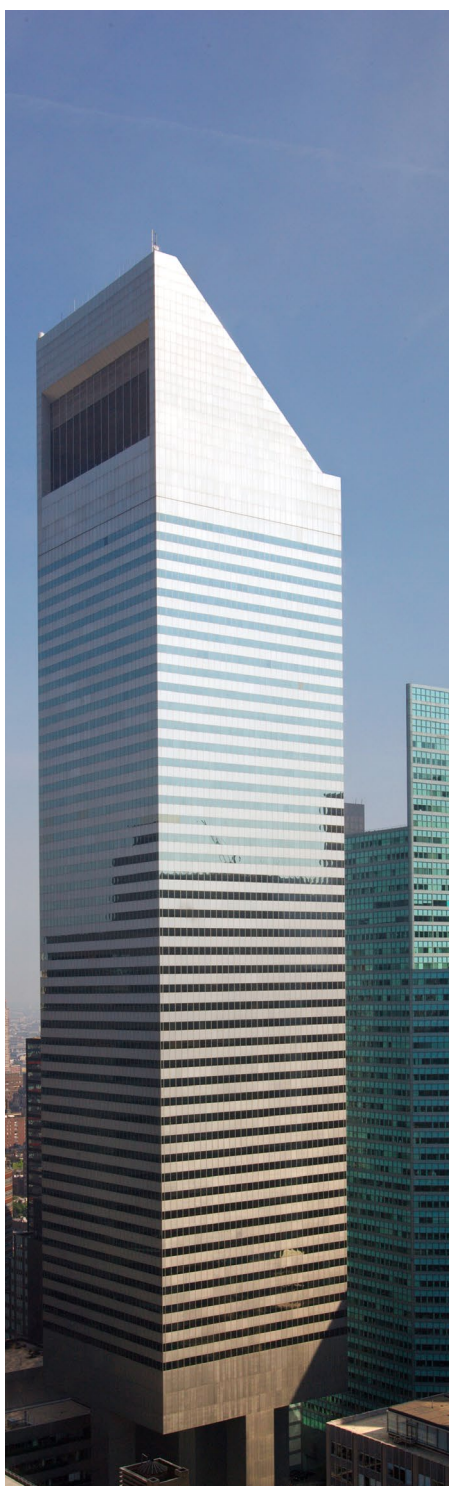
### Fixed income

Fixed income makes up 30 percent of our benchmark. The fund invests in a broad range of bonds issued by governments and related institutions, as well as companies. Our fixed income portfolio dampens fund volatility, provides liquidity, and enhances fund returns by harvesting risk premia in the bond market.

Fixed income management is mainly based on two strategies: market exposure and security selection. In our market exposure strategy, we seek to achieve the desired benchmark exposure in developed markets as cost-effectively as possible. We enhance returns by being active in capital market events and taking short- to medium-term positions based on fundamental research and temporary price differences of similar bonds. In our security selection strategy, we seek to improve returns through in-depth company analysis and by harvesting risk premia in the corporate bond market. We also invest selectively in fixed-income segments outside the benchmark index as part of our allocation strategy.

- We will use technology and further automate fixed-income trading for all low-cost markets to increase efficiency and focus on value-add activities.
- We will invest in selected segments outside the benchmark to enhance return, such as emerging market debt. When investing in markets outside the benchmark index, we will strengthen our on-the-ground due diligence.
- We will invest our corporate bond portfolio based on fundamental analysis and use our company knowledge across equities and fixed income. We will actively manage the portfolio to enhance return through issuer and sector tilts, while avoiding companies we expect to underperform.





## Allocation and real assets

We will take allocation positions to manage the fund's total risk profile. With delegated investment mandates, the fund's total risk profile may require adjustment - even when individual portfolios are well-positioned.

We do not expect any material changes in our average risk utilisation, but our active risk-taking will vary as market conditions change. We will occasionally take allocation positions when abnormally large market dislocations create attractive opportunities. Such dislocations can occur when other investors are forced to act due to behavioural factors, regulatory requirements, or funding problems – exactly when our patient capital becomes most valuable.

The management mandate allows us to invest up to 7 percent of the fund in unlisted real estate and up to 2 percent in renewable energy infrastructure. In this strategy period, we raise the ambition level for our real asset investment strategies. We invest in real assets as part of our active management.

The purpose of active management is to exploit the fund's defining characteristics to achieve excess returns over time. We invest in real assets to maximise fund returns after costs. We believe that achieving this goal also improves the long-term trade-off between return and risk in the fund, and that the fund's characteristics position us to achieve our goal.

As one of the world's largest investors, we can access unlisted investment opportunities unavailable to smaller investors and negotiate favourable terms when investing indirectly. Our scale and reputation provide access to premier partners. Our long investment horizon and limited short-term liquidity needs mean that we can be patient through market cycles.

### Real estate

Real estate is a large part of the overall investable market and an opportunity for us to enhance the fund's returns. During this strategy period, we will shift from geographic concentration to sector diversification. We will to a larger extent delegate the operational management of the real estate portfolio and gradually invest more through indirect structures. We continue to view listed and unlisted real estate as complementary ways of achieving exposure to the real estate market, and our long investment horizon makes us well-suited to handle higher short-term volatility from the listed real estate portfolio.



We will move from geographical concentration towards an increased sector focus.

- We will evolve from a combined strategy to a fully integrated strategy. For any desired real estate exposure, we will systematically evaluate whether listed or unlisted real estate provides the most attractive risk-adjusted return.
- In unlisted markets, we will continue to invest in large, traditional sectors such as office and logistics, but will gradually invest more in newer and higher growth sectors.
- We will invest more through indirect structures to get access to specialised strategies and operational capacity. However, most of the unlisted portfolio will continue to be directly invested with partners by the end of the strategy period.



We own 25 percent of Regent Street in London.





The energy transition creates substantial investment opportunities in both renewable generation and enabling infrastructure.

### Energy and infrastructure

The energy transition creates substantial investment opportunities in both renewable generation and enabling infrastructure. During this strategy period, we will expand our portfolio to include a broader set of technologies and geographies.

- We will build a diversified portfolio across technologies and geographies over time. To take full advantage of the investable market, we will continue to invest directly in wind and solar power and increase investments in distribution and storage as investment opportunities arise.
- We will gradually invest more through indirect structures. These are resource-efficient and suited for technologies where individual assets are small or as a first step to investing in new markets and technologies.
- We will use our capabilities in both listed and unlisted energy investments to exploit synergies and pursue opportunities across listed and unlisted markets. The listed portfolio provides flexibility and broad market exposure, while unlisted investments offer access to large infrastructure assets with stable cash flows.





The fund's long-term return depends on sustainable economic development and well-functioning markets.

## Responsible investment

### Contributing to our one goal through world-leading responsible investment

The fund's long-term return depends on sustainable economic development and well-functioning markets. Strong governance and sustainable business practices help companies create value, build resilience, and manage risks. This supports our financial goal.

We work at three levels: market, portfolio, and company. As defined in the management mandate, our approach is based on international standards and principles. We will continue to work for harmonised market standards and present clear investor expectations. We will further integrate governance and sustainability in investment processes and continue simplifying our processes through improved analytics and data. The fund should not be perceived as a political instrument. We recognise that this can be challenging to balance with effective engagement towards the companies we invest in.







We work with exchanges, regulators, and standard setters to promote well-functioning markets, strong corporate governance standards, and sustainable business models.

## Market

We work with exchanges, regulators, and standard setters to promote well-functioning markets, strong corporate governance standards, and sustainable business models. We will be targeted in our engagement with standard setters and extend our activities to selected emerging markets.

- We will express our views as a major market participant to support a level playing field and transparent, robust and predictable standards.
- We will develop and sharpen our position papers and expectation documents on material issues, supported by clear voting guidelines.
- We will advocate for consistent, global reporting standards that link sustainability to financial performance.
- We will strengthen research and academic partnerships on how market structure, governance and sustainability affect financial performance.

## Portfolio

We analyse financially material governance and sustainability information to strengthen performance and risk management. With a global portfolio, we must be vigilant in identifying risks and disciplined in taking action.

- We will use AI to further integrate governance and sustainability into investment processes and explore how ownership activities support financial performance.
- We will use systematic monitoring to identify the fund's exposure to sustainability risks, and take appropriate action within the management mandate.
- We will identify investment opportunities in the climate transition and deepen our financial risk analysis related to physical climate risk and natural capital.



We will continue to build our standing as a respected and preferred long-term partner for companies.

- We will continue to work towards our net zero target by 2050 for our direct unlisted real estate investments, making the buildings we own more energy efficient to improve their return-risk characteristics.

## Company

We engage directly with companies with a focus on good governance, sustainable value creation, responsible business conduct, and robust risk management to enhance shareholder value. We prioritise our largest holdings and companies with the most significant risks.

- We will continue to build our standing as a respected and preferred long-term partner for companies. We will add value through constructive engagement based on sector expertise and research.
- We will support and challenge companies to transition their business models to net zero emissions by 2050 based on the appropriate industry and regional pathway in line with our 2030 Climate Action Plan.
- We will use voting to promote well-functioning boards, minority shareholder interests, efficient management incentives, and sustainable value creation while taking regional market context into account.



# Technology

Performance ●

Technology ●

Operational robustness ●

People ●

Communication ●

**We will position ourselves as a leader in applying technology to asset management**



Every year, we handle 49 million transactions. 98 percent of these are automated.

Our technology enables us to work towards our one goal in a secure and efficient way. Our cloud-based infrastructure provides significant flexibility and scalability, supporting rapid innovation while maintaining high standards of security and reliability.

We aim to democratise technology, enabling all employees to benefit from our vast amount of data to improve efficiency and decision-making. Our technology development will prioritise initiatives with the highest business and return impact.

Our investment processes rely on technology, and we strive to avoid any disruption to our trading systems.

- We will proactively identify weaknesses in trading systems and automate detection and remediation of common issues, addressing potential failures before they impact our operations.



We aim to democratise technology, enabling all employees to benefit from our vast amount of data to improve efficiency and decision-making.

- We will review our portfolio and trading flows to make sure we are well-prepared to meet future needs.

We will be at the forefront of applying responsible AI in asset management. Our target is to cut manual processes in half so our people can focus on what matters most – generating returns.

- We will establish digital colleagues for routine tasks and advance towards AI solutions that execute complex analytical tasks and provide insights to enhance decision-making.
- We will continue automation of our real asset investment processes and use AI tools to reduce manual burdens, speed up operations, and reduce the risk of potential errors. We will work with our real asset partners to modernise industry processes.

Data is one of our core assets and we will make our data platform more user- and AI-friendly.

- We will work to store all relevant knowledge as data in a structured manner and develop capabilities to find patterns that human analysis cannot detect.
- We will implement continuous monitoring of our data platform to address potential failures before they impact operations.
- We will increase collaboration between data teams and the investment areas to ensure that investment decisions are supported by high-quality data.



# Operational robustness and risk management

Performance ●

Technology ●

Operational robustness ●

People ●

Communication ●

Our people, processes, and systems are key to safeguarding the fund's assets



Operational robustness and risk management are critical to achieving our goal. We combine comprehensive risk management, compliance and legal frameworks with a strong risk and compliance culture. This creates the effective control environment we need to navigate complexity and maintain operational excellence.

As technological change accelerates and geopolitical uncertainty intensifies, we need both speed and accuracy in our operations.



Our people remain the ultimate drivers of robust and efficient processes.

- We will maintain the highest standard of conduct and integrity through a comprehensive training and awareness programme to ensure adherence to laws, regulations, and best practices.
- We will promote a culture where we can raise concerns and admit to mistakes without fear. This transparency will mitigate potential financial losses, ensure incidents are managed effectively, and enable us to learn from mistakes.
- While collaboration continues to be a defining factor in our organisation, we will empower teams to act decisively through further clarification of roles and delegation of authority.

Advancing our technological capabilities will be critical to streamline our processes and ensure efficient decision-making. Technology and automation are powerful enablers, but our people remain the ultimate drivers of robust and efficient processes.

- We will simplify operations to enable efficient use of resources and prioritise business-critical functions, stopping activities driven by habit rather than necessity
- We will strengthen organisational capabilities to manage AI-specific risks and ensure responsible and ethical use with clear guardrails.
- We will further develop our cyber security resilience through zero-trust architecture and strengthened governance and threat intelligence to safeguard our assets against more aggressive cyber campaigns and skilled threat actors.
- We will maintain strong business continuity and crisis management, including IT disaster recovery capabilities and management of third-party dependencies, to manage and recover more quickly from disruptive events.



Performance ●

Technology ●

Operational robustness ●

People ●

Communication ●

To achieve our goal of highest possible return with acceptable risk, we rely on world-class risk processes to monitor and manage the risks affecting our results.

- We will strengthen our geopolitical and climate risk analysis to manage and mitigate these risks, with enhanced stress testing and scenario development.
- We will monitor all portfolios against clearly defined performance and risk thresholds, supporting systematic reviews to scale or discontinue strategies.
- We will ensure that our risk insights reach the right people in the right way. This will support decision-making internally and build knowledge and trust externally, improving our ability to withstand periods of market volatility.



# People

Performance ●

Technology ●

Operational robustness ●

People ●

Communication ●

## We want to maximise the potential of our employees



Our people are vital to our success and are our most valuable asset. We want our employees to care for and include each other, take action and never stop learning. We emphasise intellectual honesty and curiosity in seeking to understand different perspectives. We aim to be a diverse organisation united by our common goal, believing that diversity broadens our perspectives, boosts creativity, and improves decision-making.

We will develop our organisation with a focus on performance optimisation, navigating uncertainty, and technological upskilling. We want to maximise the potential of our existing teams.

- We will support our people at all career stages to take charge of their development by offering comprehensive training programmes, individual development plans, and specialised leadership programmes.





We want our people to embrace challenges and uncertainty.

- We will recognise both individual excellence and collaborative achievements, as sustained performance requires both personal accountability and team success.

- We encourage mobility across teams and offices to transfer knowledge and build competence. International presence and exchange of experience are essential for fulfilling our goal.

We want our people to embrace challenges and uncertainty with confidence, knowing they are supported. This requires leaders who act as role models and invest time in developing people.

- We will create a culture where people take on stretch assignments, and are comfortable being uncomfortable to accelerate personal growth and organisational learning.
- We will develop leaders with emphasis on care for their employees and constructive feedback. They should prioritise speed when needed and continuously assess role fit for their people.

We will leverage technology in every aspect of how we work. AI will not replace our people - but those who use AI will outperform those who do not.

- We will establish AI and technology as core competencies for all roles, and continue to attract and develop technology talent while upskilling our existing workforce to enhance productivity and decision-making capabilities.
- We will develop AI-enhanced learning programmes that personalise development, accelerate transfer of knowledge, and provide real-time feedback to help our people continuously improve.

# Communication

- Performance ●
- Technology ●
- Operational robustness ●
- People ●
- Communication ●

We will be the most transparent fund in the world



Transparency builds knowledge and trust both in Norway and internationally.

Managing the fund on behalf of the Norwegian people requires trust. Transparency builds knowledge and trust both in Norway and internationally. We will continue to be the world's most transparent fund, within the limitations imposed by responsible implementation of the management mandate.

We place particular emphasis on increasing knowledge among the fund's owners, the Norwegian people, to support informed public debate. This means being clear on what the fund is – and what it is not.

- We will strengthen media relationships to contribute to informed coverage about the fund's mission and our management assignment.
- We will deepen engagement through conferences, expert participation, guest lectures at universities, and targeted outreach to communicate our investment strategy and encourage informed public discourse.
- We will identify key themes and stories that resonate with young audiences and Norwegians less familiar with the fund, using our social media and other channels to make content about investment management engaging and accessible.



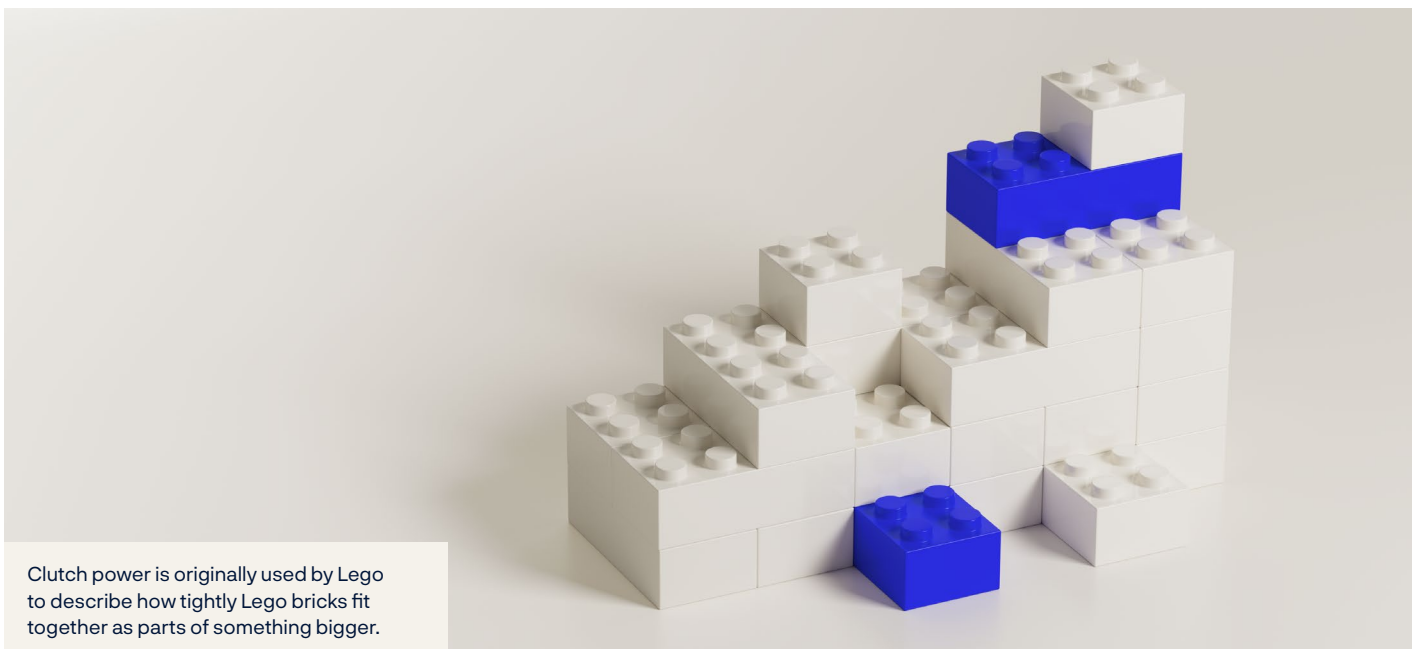
Internal communication is a shared responsibility by all employees.

In an increasingly complex world, some measures may be perceived differently between our stakeholders in Norway and internationally. This requires communication that bridges different expectations and builds credibility across audiences.

- We will build stronger relationships with international media and position our experts to represent the fund as a respected financial investor abroad.
- We will be a leading voice on core topics related to the fund's long-term performance through targeted communication.

Efficient internal communication is central to a high-performing organisation. It drives strategy execution, employee engagement, and culture building. We use technology and AI to work efficiently and build tools that increase our 'clutch power' – how effectively we work together. Internal communication is a shared responsibility by all employees.

- We will create a common understanding of our priorities across our offices through efficient communication channels, global townhalls, and internal ambassador networks.
- We will emphasise investment content that highlights long-term thinking and contrarian perspectives to share best practice across the organisation..



Clutch power is originally used by Lego to describe how tightly Lego bricks fit together as parts of something bigger.





## **Strategy 2028**

**Government Pension Fund Global**

**Norges Bank Investment Management**

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