

An aerial view of an offshore oil rig structure extending into the sea, with a large blue diagonal graphic overlay on the right side of the image.

# 3Q | 15

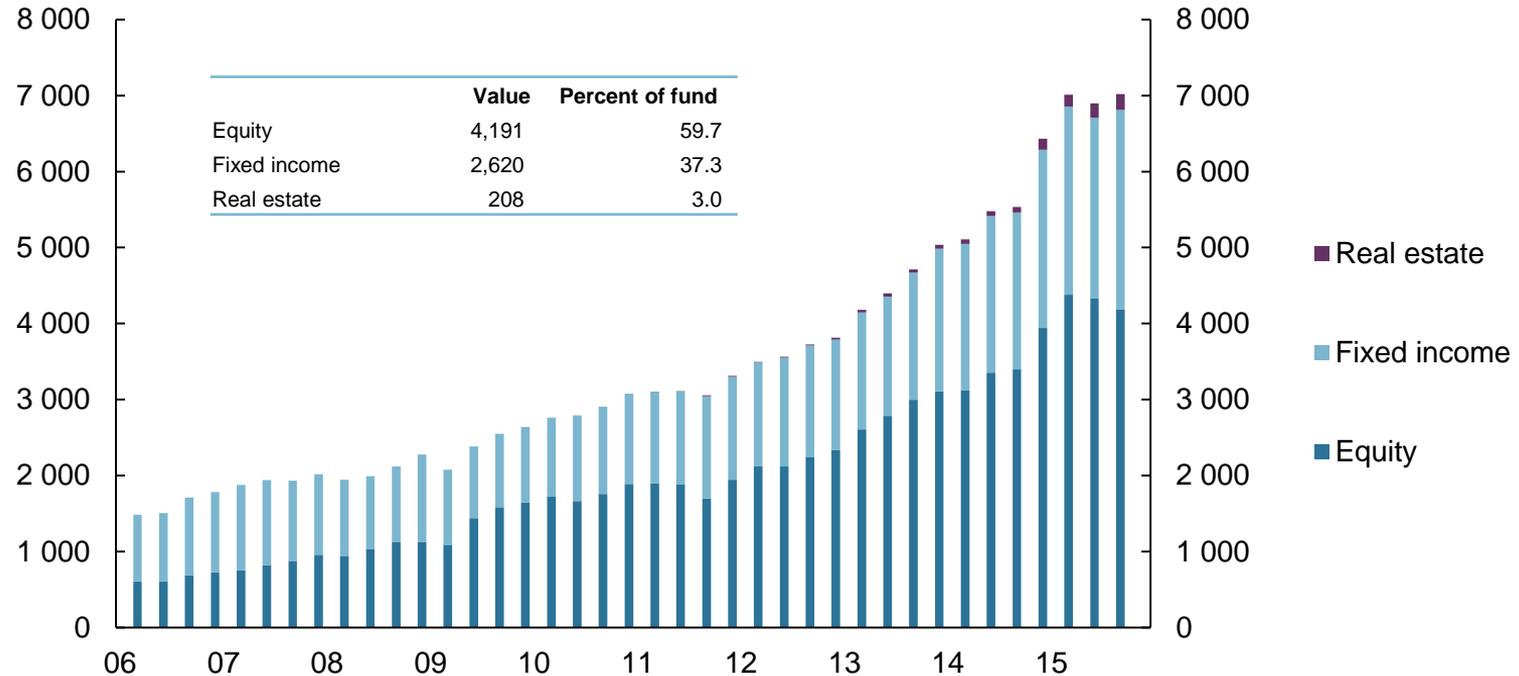
## GOVERNMENT PENSION FUND GLOBAL

### QUARTERLY REPORT

PRESS CONFERENCE  
28 OCTOBER 2015

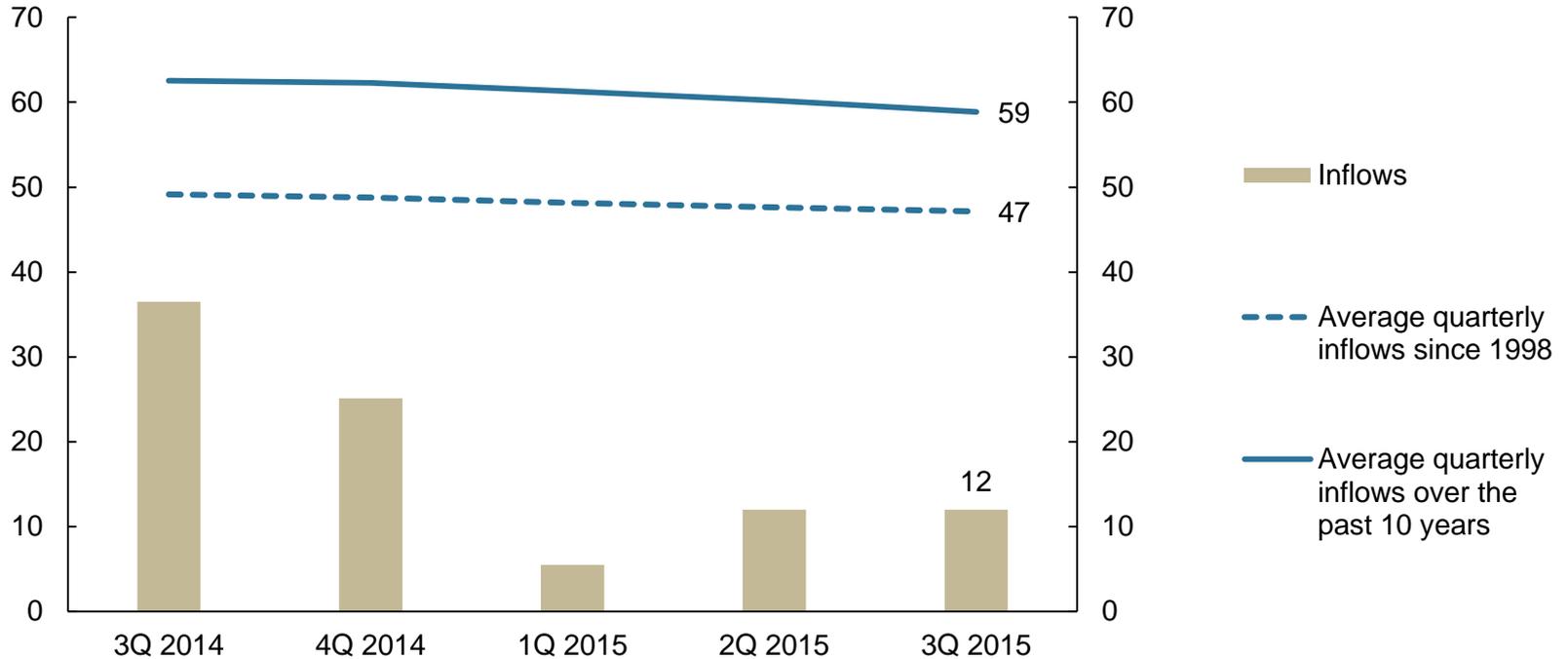
# Market value

Billions of kroner. As at 30.09.2015



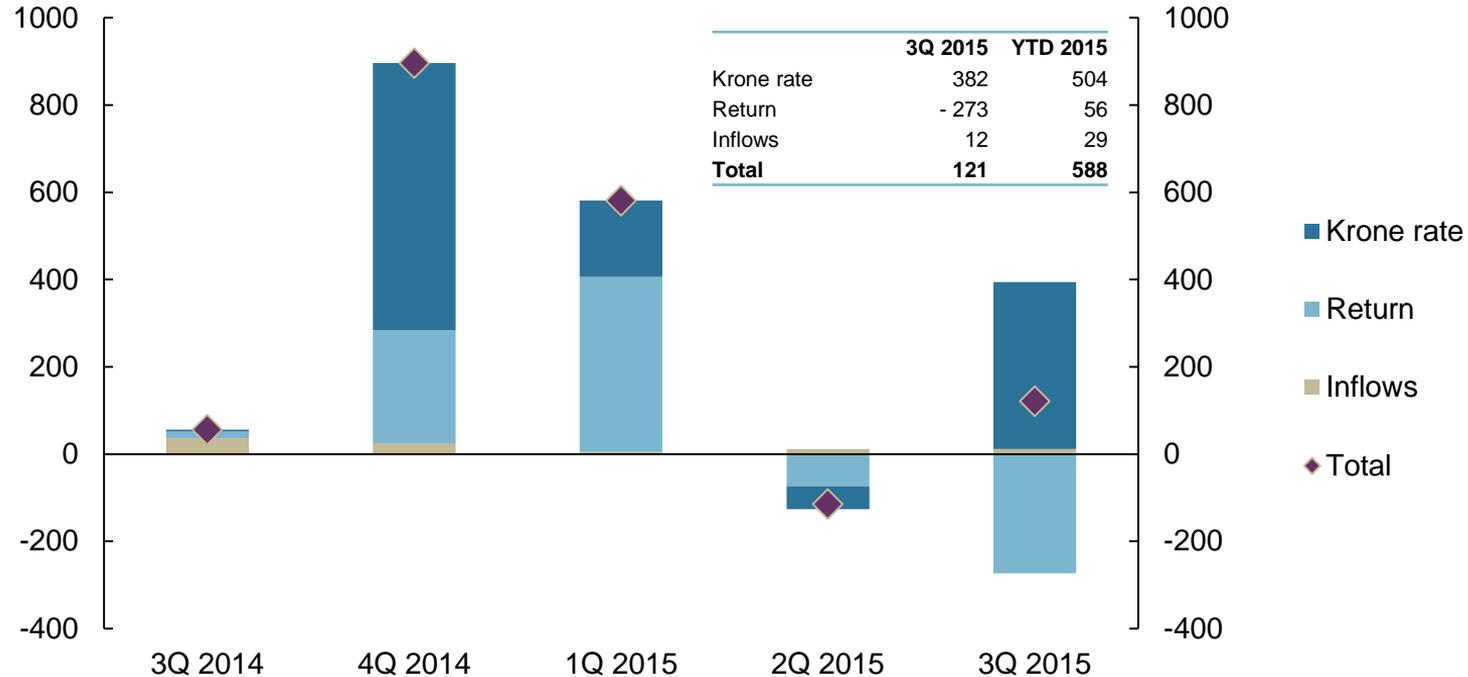
# Inflows

Billions of kroner



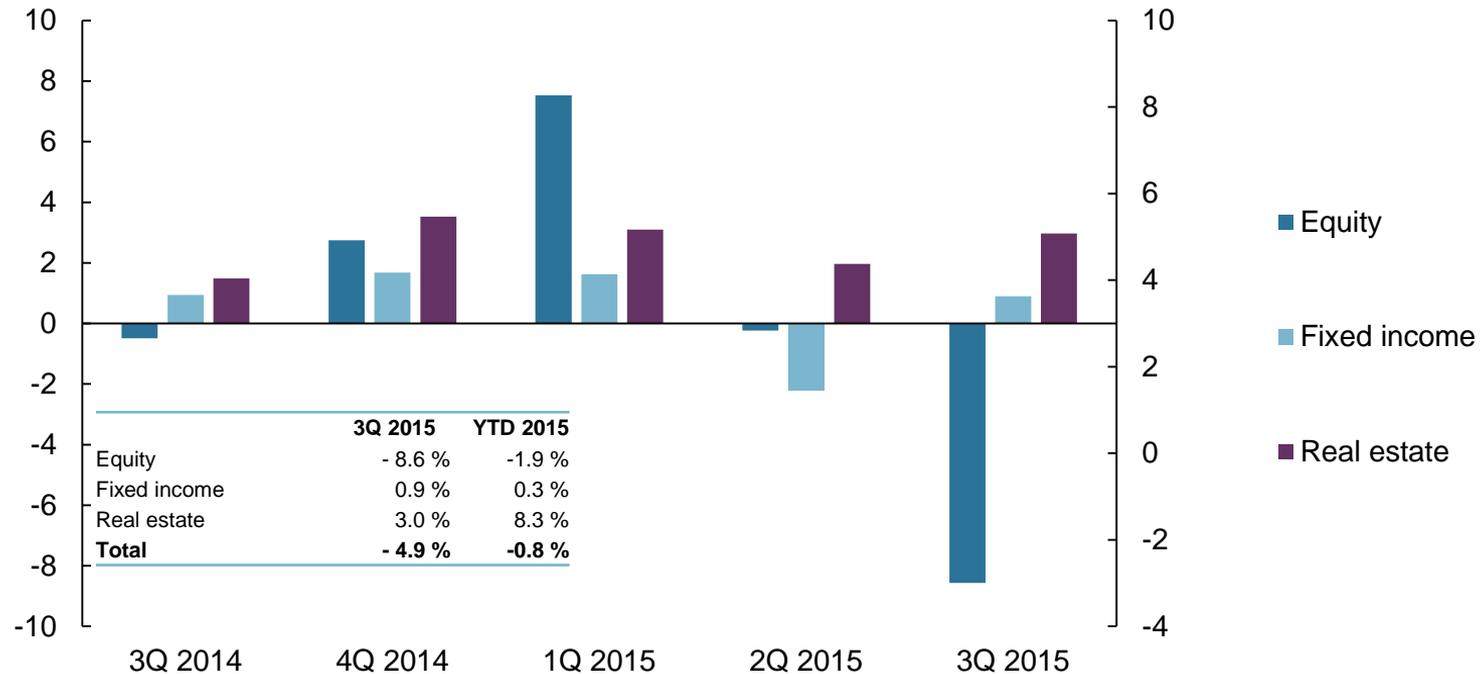
# Change in market value

Billions of kroner



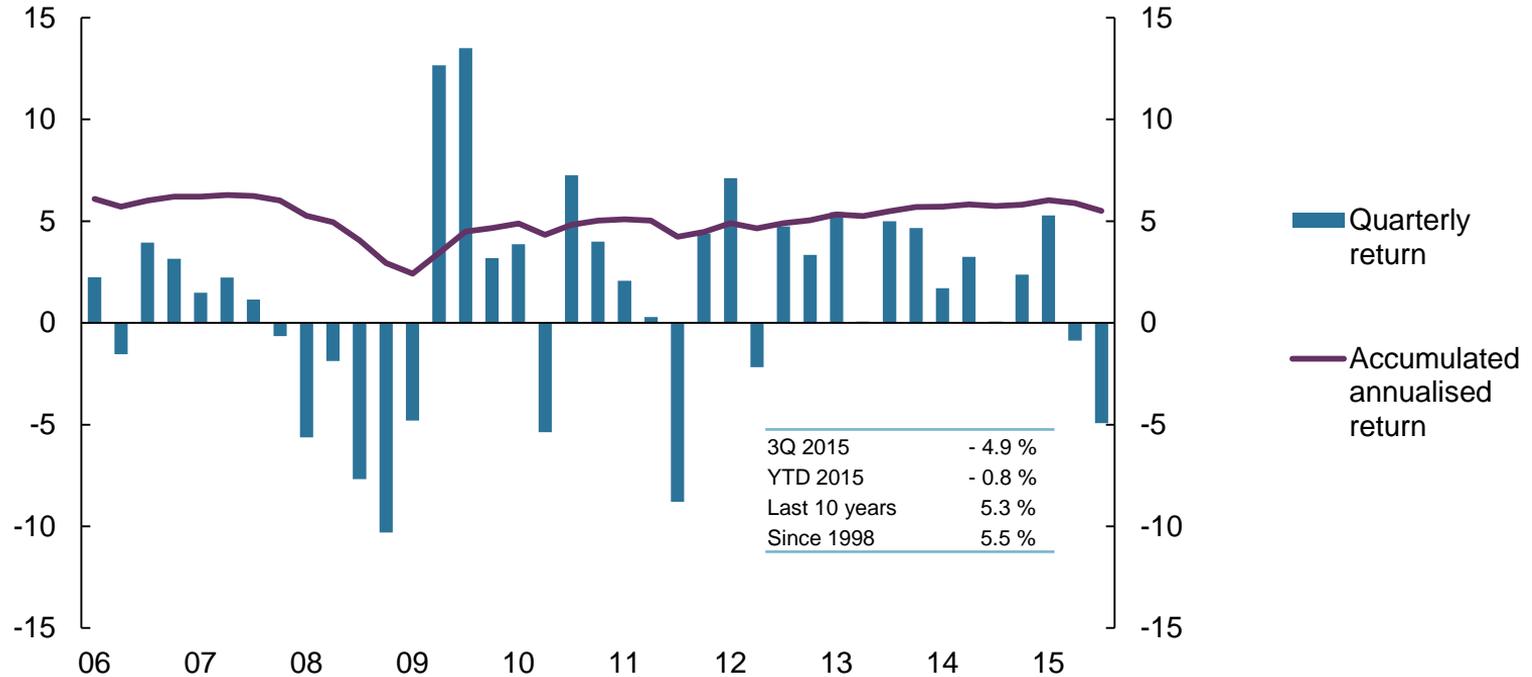
# Return on asset classes

Measured in the currency basket. Percent



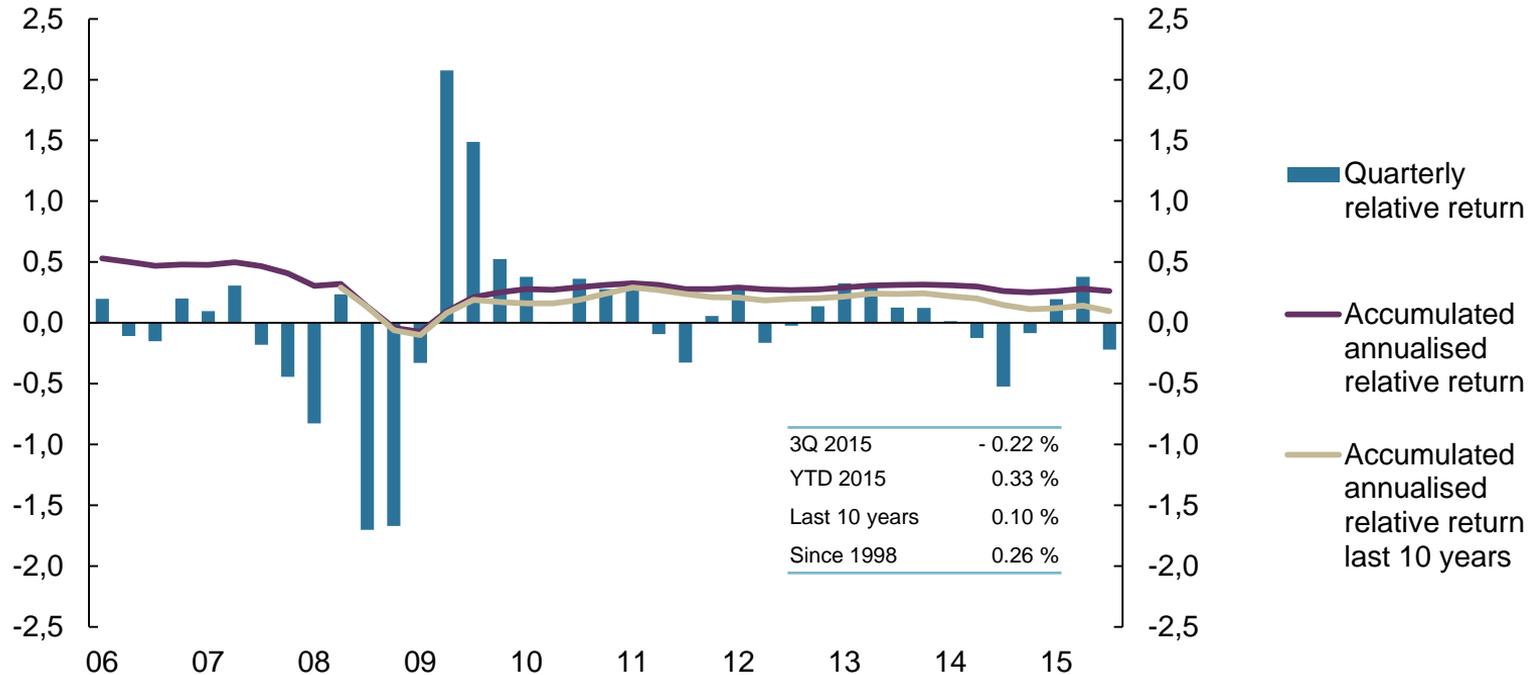
# Return

Measured in the currency basket. Percent



# Relative return

Equity and fixed-income investments. Percentage points



# Decomposition of relative return

Third quarter 2015. Contributions. Percentage points

	Total	External management
<b>Total</b>	<b>-0.22</b>	<b>0.03</b>
Equity	-0.02	0.03
Fixed income	-0.20	0.00
Management costs	-0.01	-0.00
<b>Total after costs</b>	<b>-0.23</b>	<b>0.03*</b>



# Changes in value since 1996

Billions of kroner

	30.9.2015	30.6.2015	31.3.2015
Market value of the fund	7,019	6,897	7,012
Gross inflow of new capital	3,485	3,472	3,459
Management costs	30	29	28
Changes due to fluctuations in krone	1,167	785	838
Accumulated return	2,397	2,670	2,743



# Historical key figures

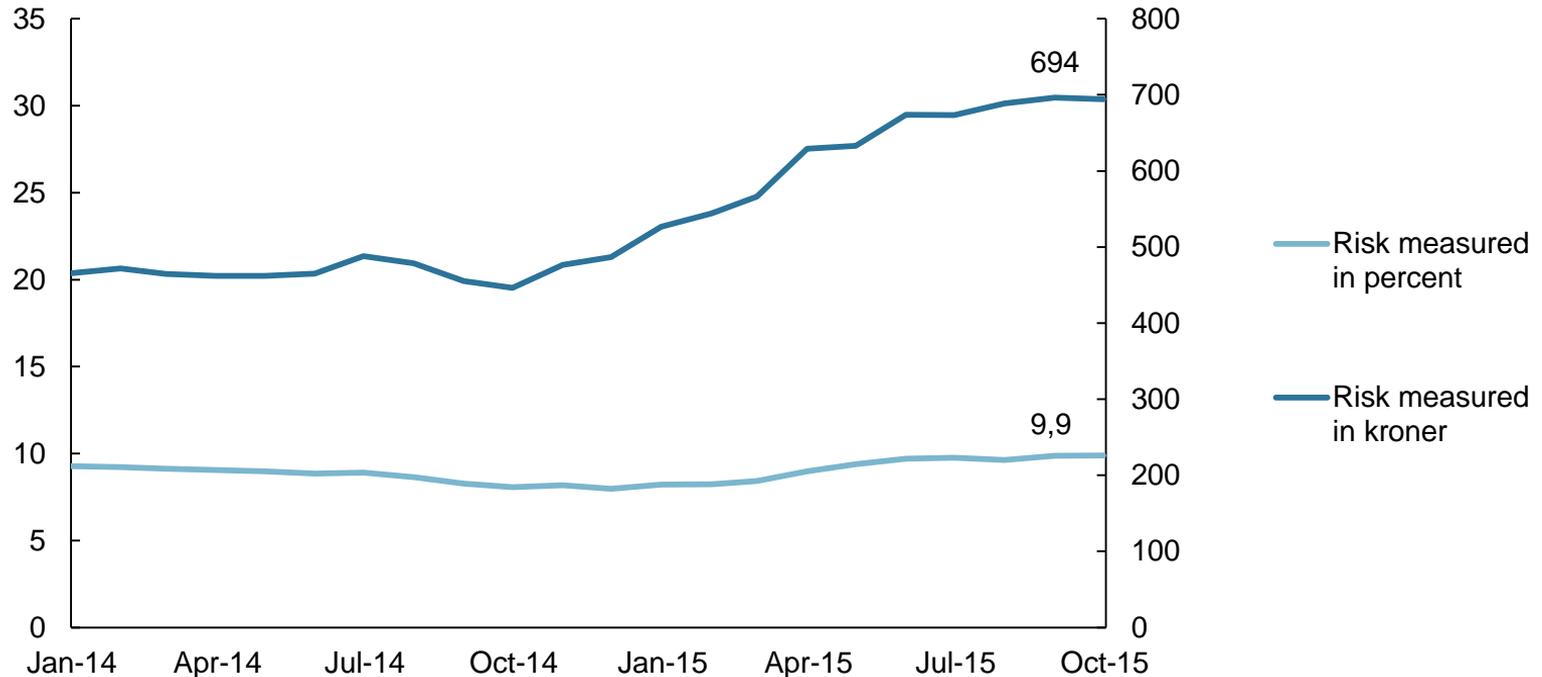
Measured in the currency basket. Annual

	Since 1.1.1998	Last ten years
Return on fund (percent)	5.51	5.25
Return on equity and fixed-income investments (percent)	5.49	5.22
Return on benchmark equity and fixed-income indices (percent)	5.23	5.12
Relative return on equity and fixed-income investments (percentage points)	0.26	0.10
Annual price inflation (percent)	1.81	1.85
Annual management costs (percent)	0.09	0.09
Annual net real return on fund (percent)	3.55	3.25



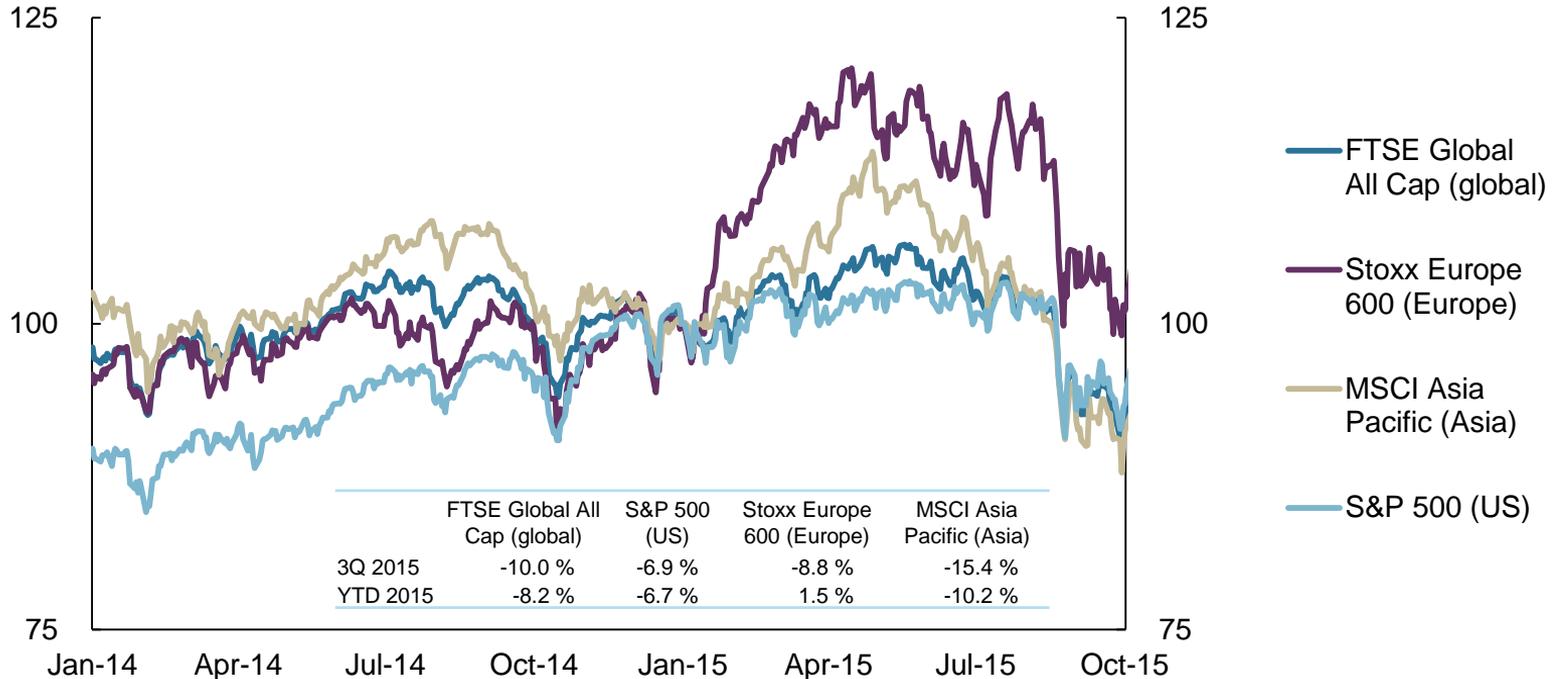
# Expected absolute volatility of the fund

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



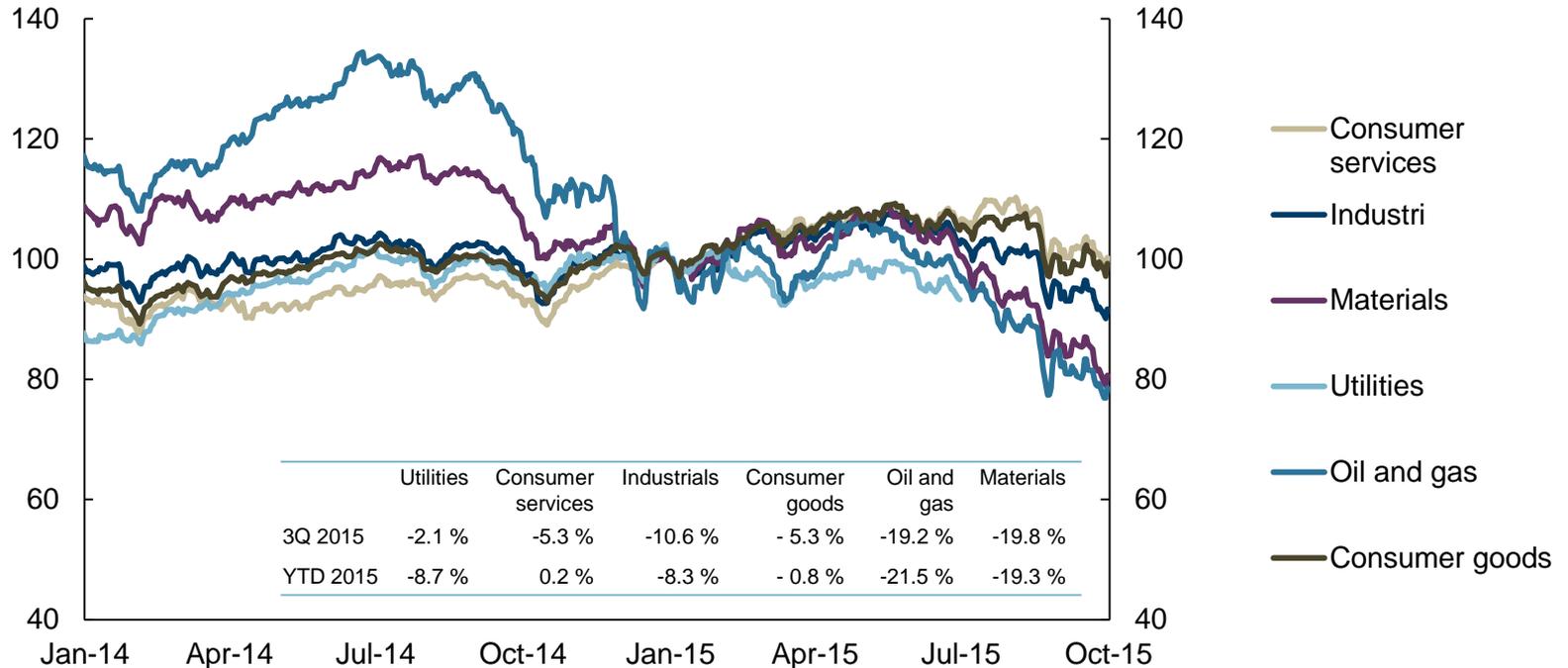
# Developments in equity markets

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



# Developments in equity sectors

Measured in USD. Indexed (31.12.2014 = 100)



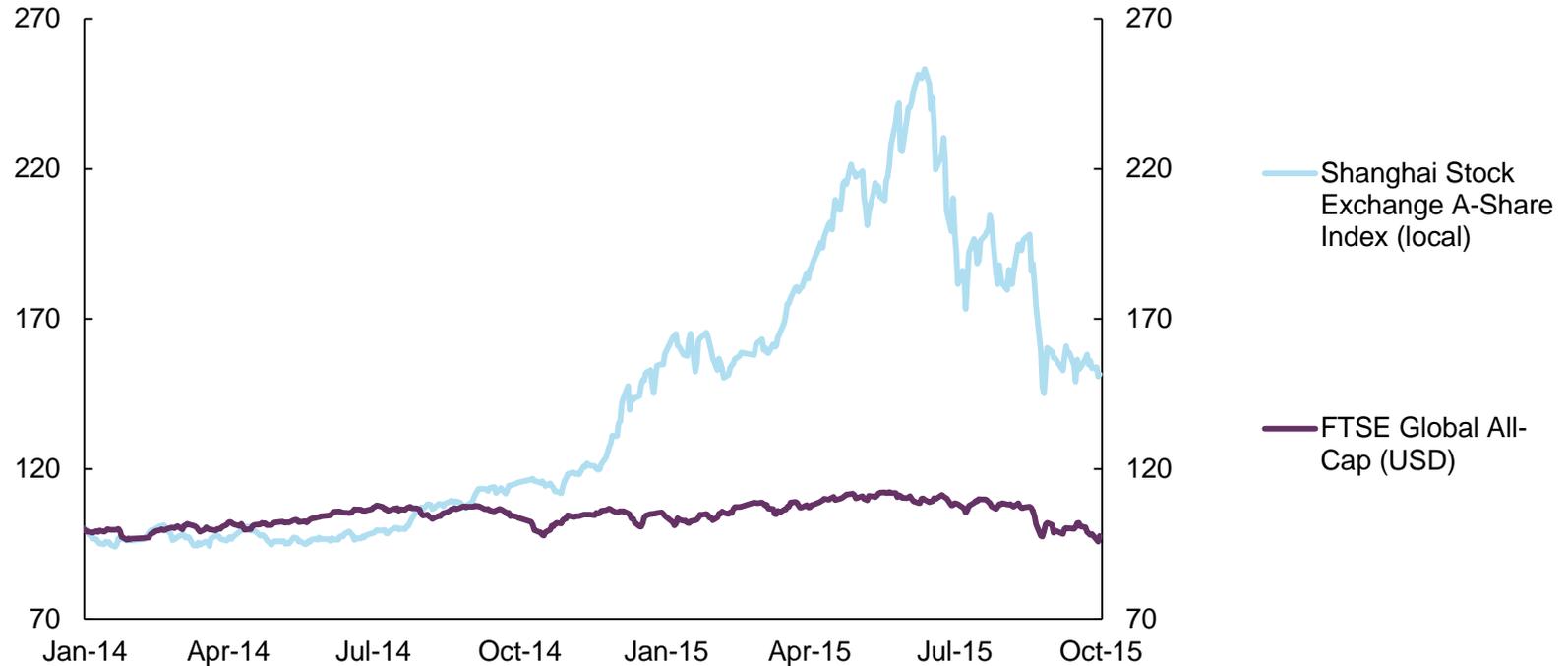
# Emerging markets and materials

Measured in USD. Indexed (31.12.2014 = 100)



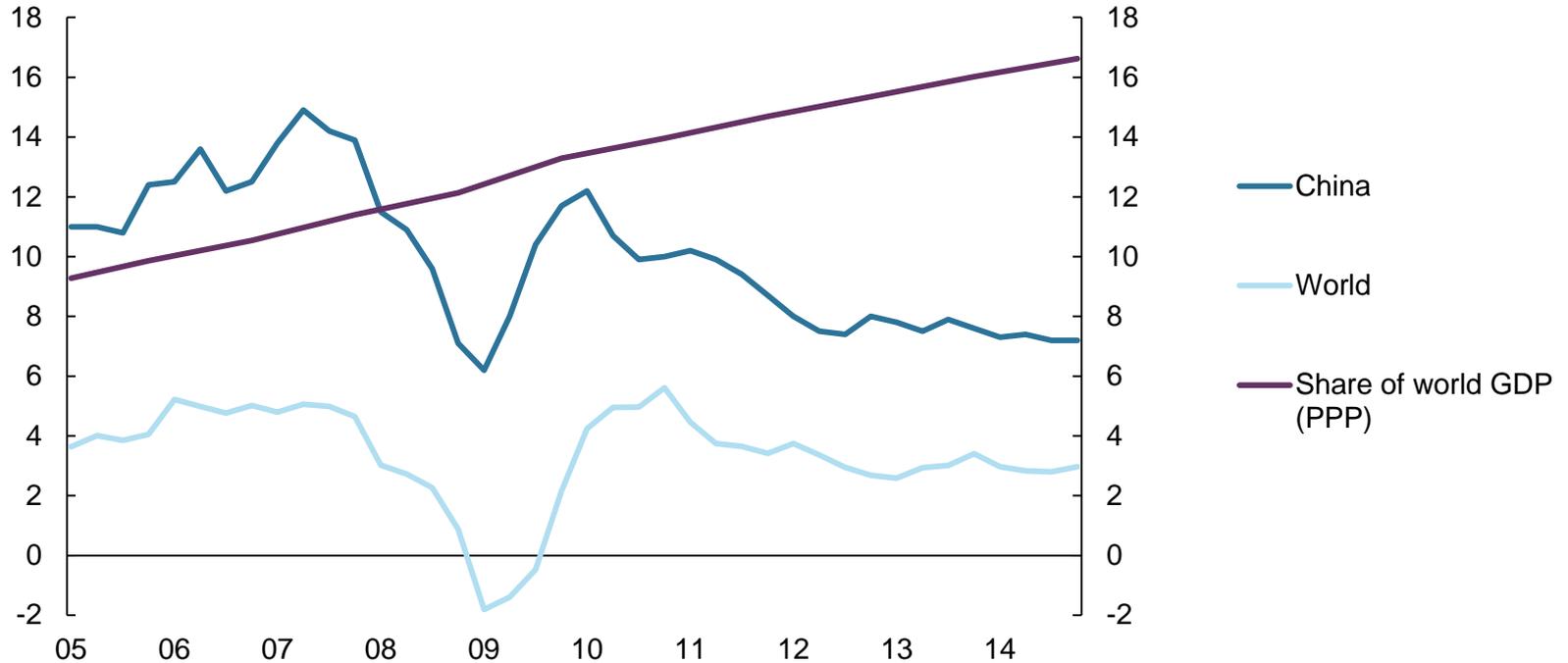
# Developments in Chinese equity markets

Chinese vs global equity markets. Indexed (31.12.2013 = 100)



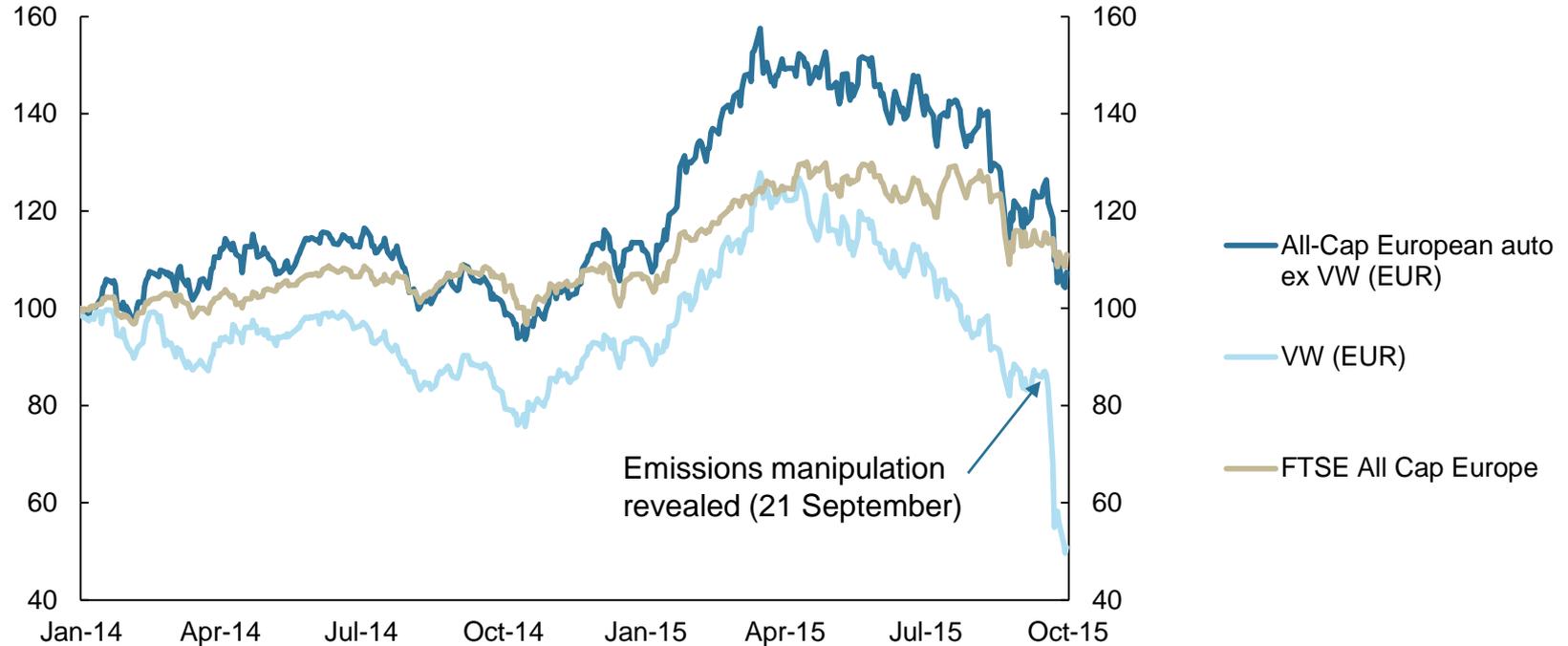
# Chinese growth

Annual GDP growth in China and globally. China share of world GDP. Percent



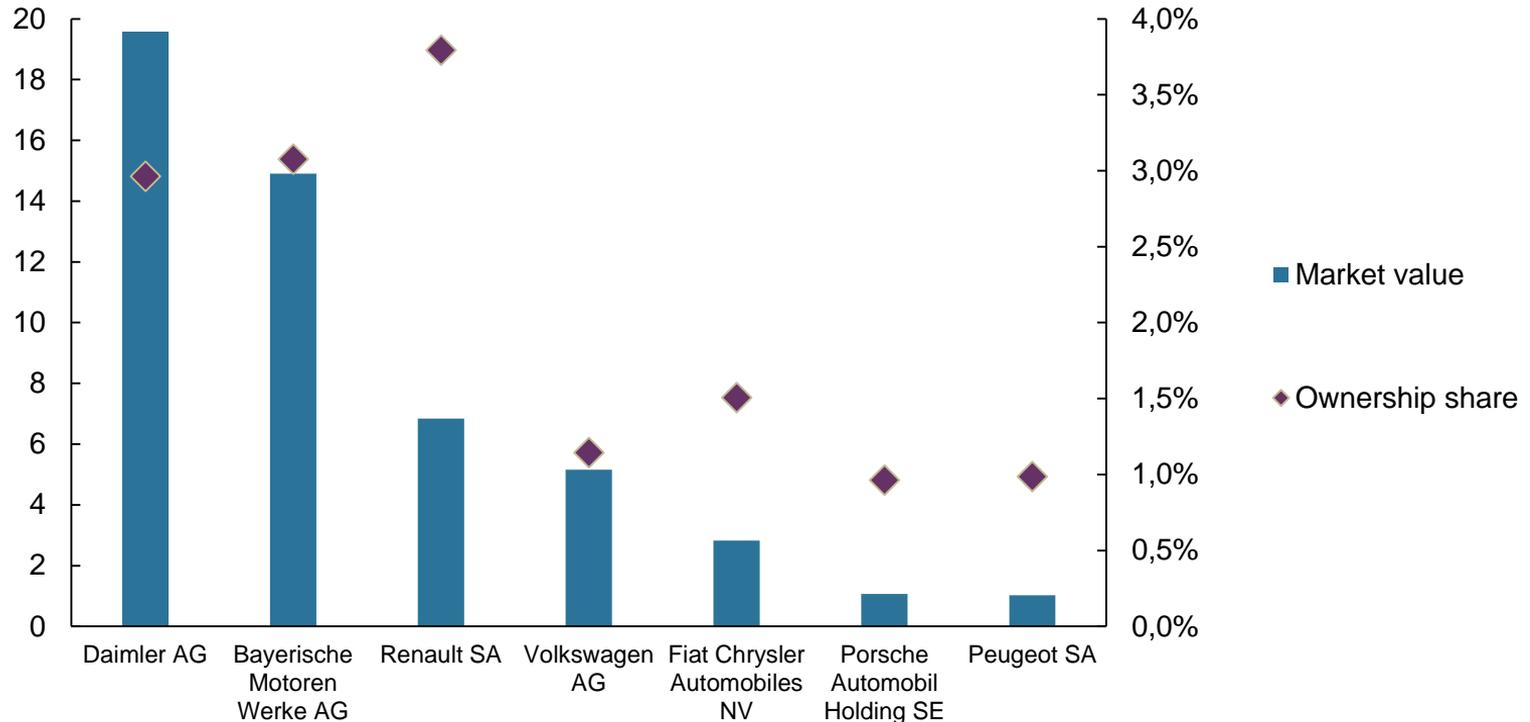
# Developments in European automobile sector

European automobile sector ex VW vs VW. Indexed (31.12.2013 = 100)



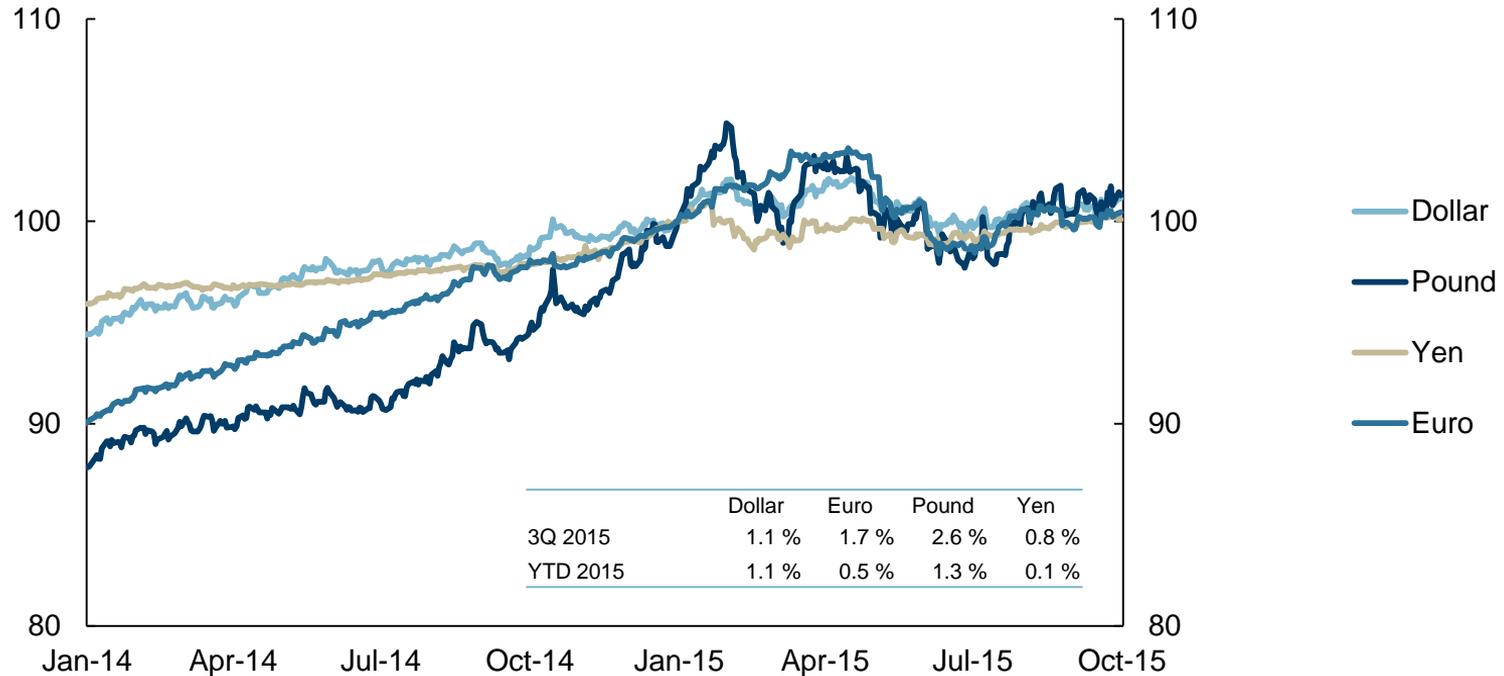
# Holdings in European carmakers

As at 30.09.2015. Billions of kroner



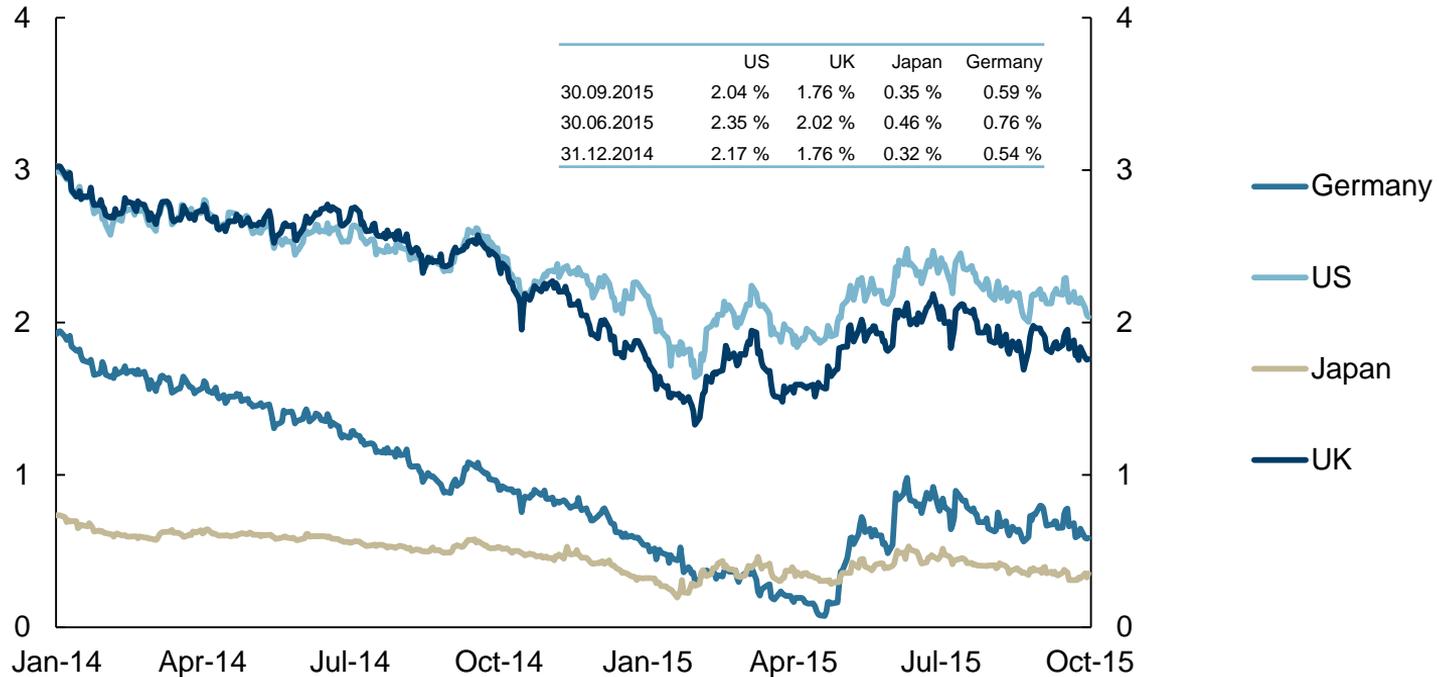
# Developments for bonds

Measured in local currencies. Indexed (31.12.2014 = 100)



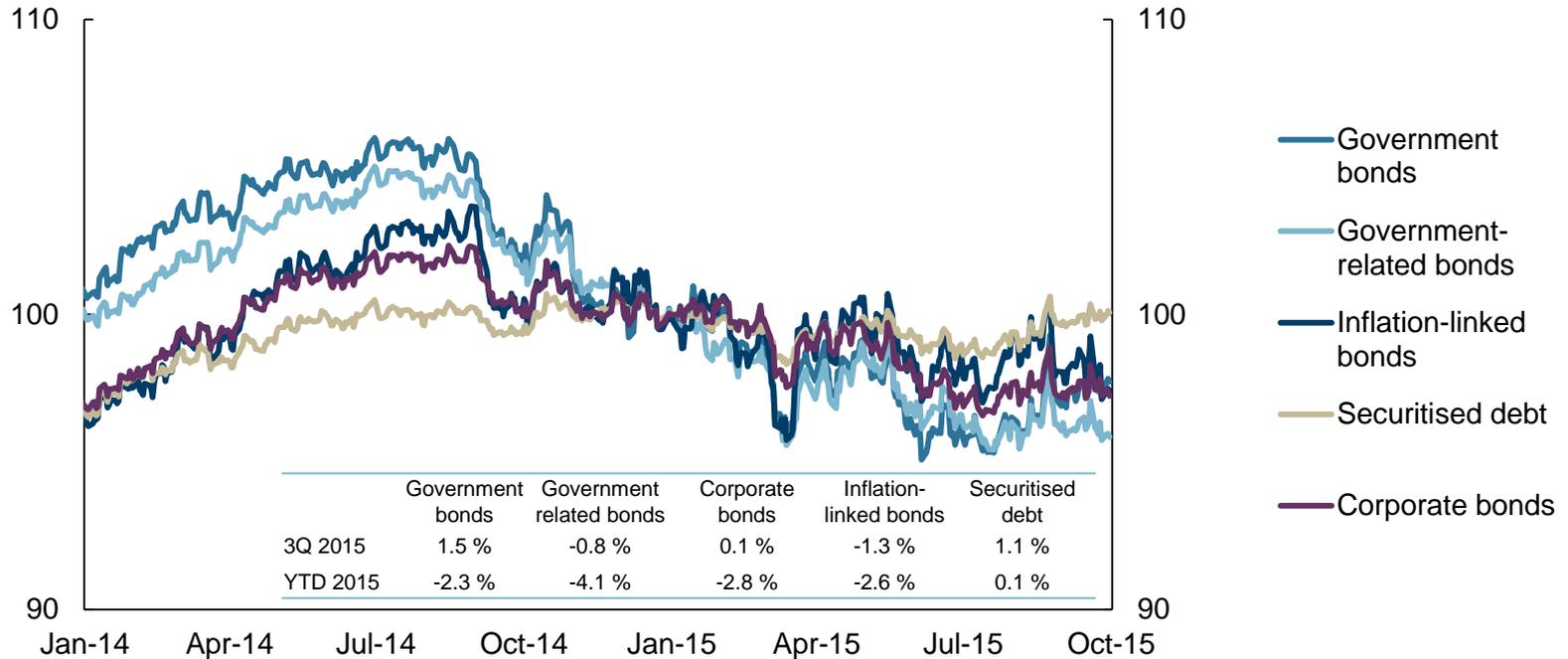
# 10-year government bond yields

Percent



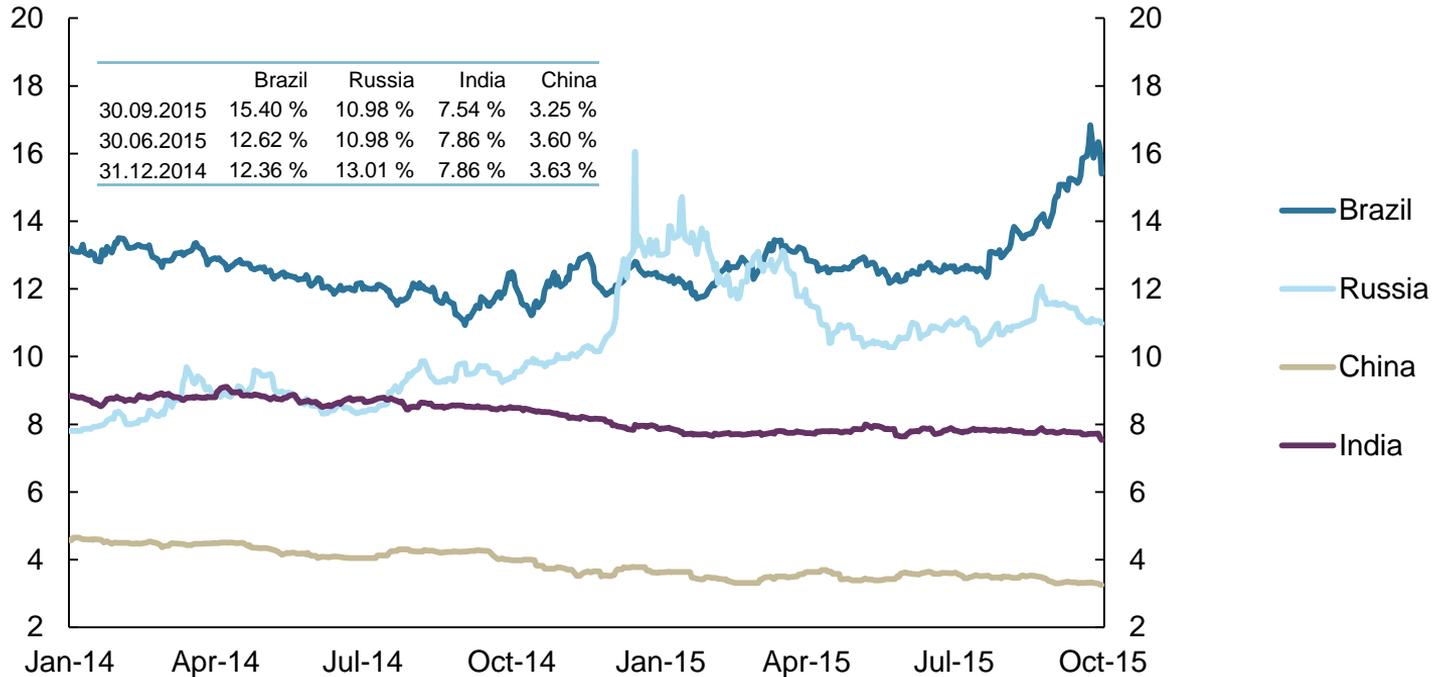
# Developments in fixed-income sectors

Measured in USD. Indexed (31.12.2014 = 100)



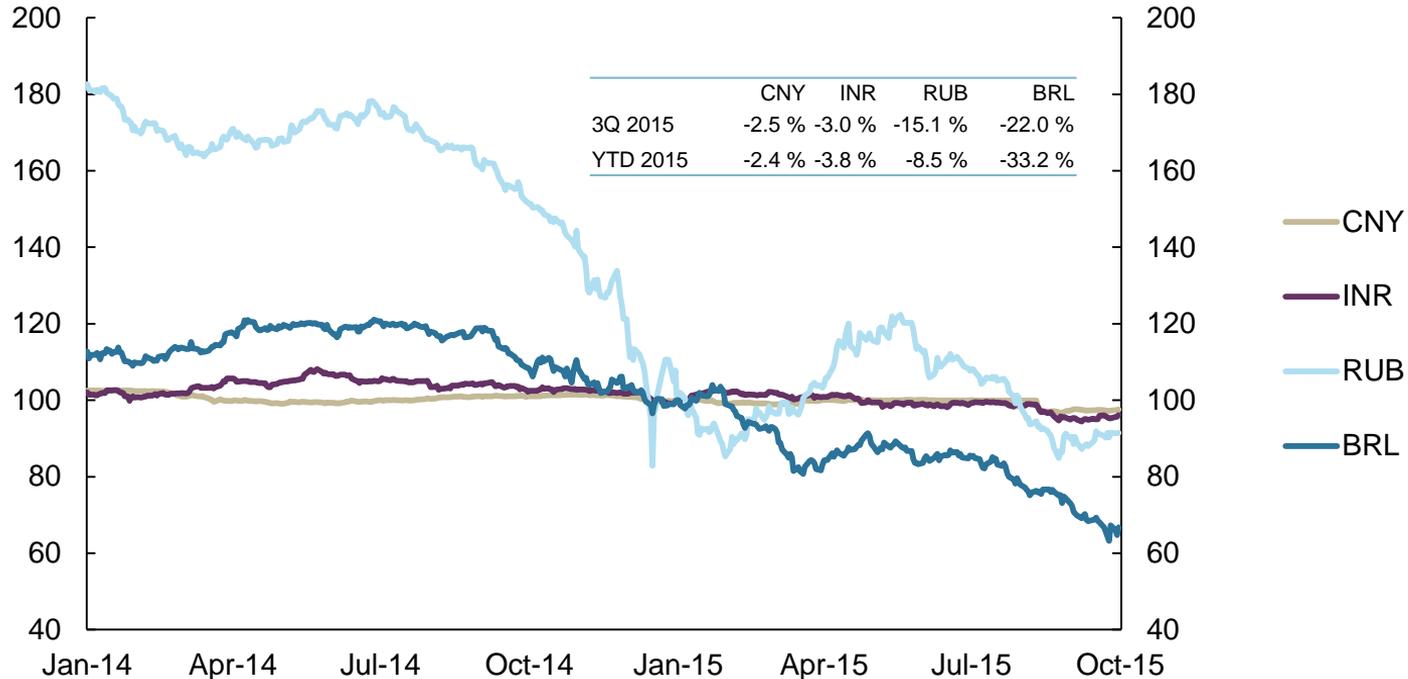
# 10-year government bond yields BRIC

Percent



# Currency markets BRIC

Returns in USD. Indexed (31.12.2014 = 100)



# New real estate investments

Announced in third quarter 2015

Location	Partner	Purchasing price	Share
Europe, 8 logistics properties	Prologis	1.3 Bn NOK	50.0
San Francisco, office property	TIAA-CREF	1.3 Bn NOK	49.9
London, office property/shopping mall	-	3.0 Bn NOK	100.0



# New real estate office in Tokyo

- Expansion of the real estate investments to Asia
- Focus on Tokyo and Singapore
- Dedicated real estate office in Tokyo to ensure important local presence and optimal construction of a real estate portfolio in the market



# Emphasis on governance

Third quarter 2015

- Arranged seminar for 180 Japanese companies about governance and company management in Japanese companies
- Dialogue with a range of Swedish market participants about individual vote count in board elections
- Our comments to the updated guidelines for good governance and company management



# Water management expectations

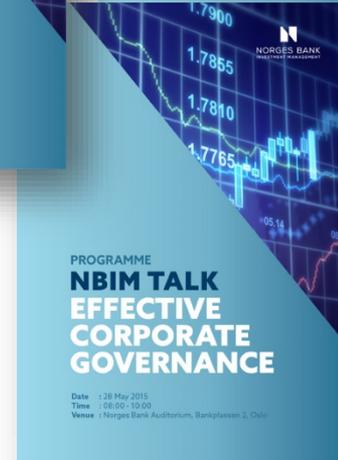
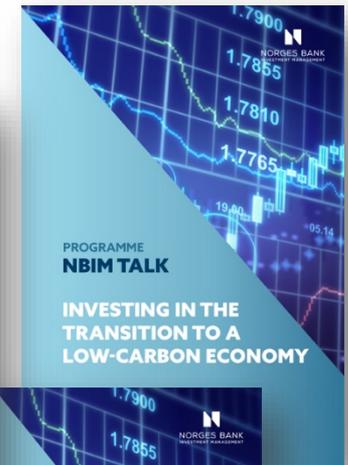
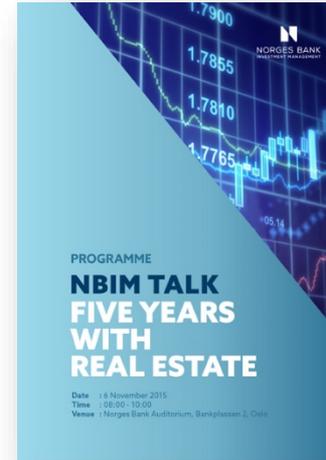
Updated document published on 22 October 2015

- The result of dialogue with companies, standard setters, academics and NGOs
- Serve as a starting point for our interaction with companies. More specific than earlier
- Directed at the companies' strategies, risk management, reporting and transparency



# NBIM Talk 2015

- NBIM Talk is a series of seminars where we raise topics central to the management of the fund
  - Investing in the transition to a low-carbon economy (27 February 2015)
  - Effective Corporate Governance (28 May 2015)
  - Five years with real estate (6 November 2015)
  - Risk factors(2 December 2015)



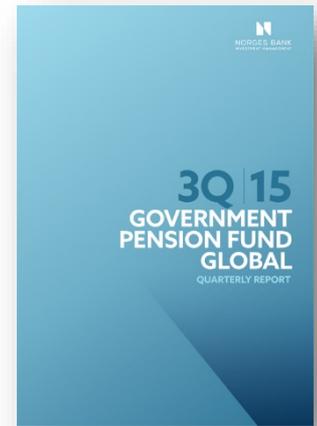
# Publishing of reports

- Report on responsible investment – February 2016
- Annual report – March 2016
- Extended reporting on risk and returns – March 2016
- Report on real estate investments – April 2016



# Highlights

- The fund returned -4.9 percent in third quarter 2015
- The return on equity and fixed-income investments was 0.2 percentage point lower than the return on the benchmark indices
- The market value of the fund was increased by 121 billion kroner to 7,019 billion kroner
- At the end of the quarter the fund was invested:
  - 59.7 percent in equities
  - 37.3 percent in fixed income
  - 3.0 percent in real estate



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