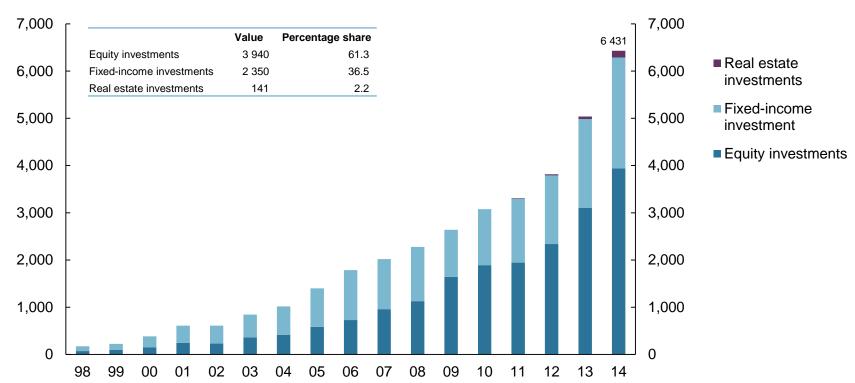
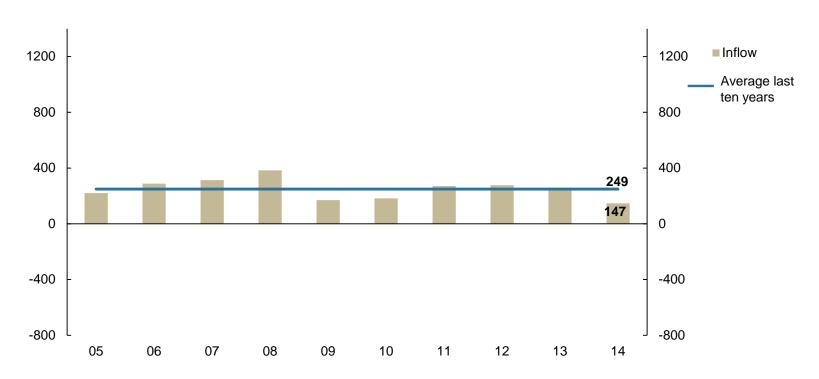


Market value

As at 31.12.2014. Billions of kroner

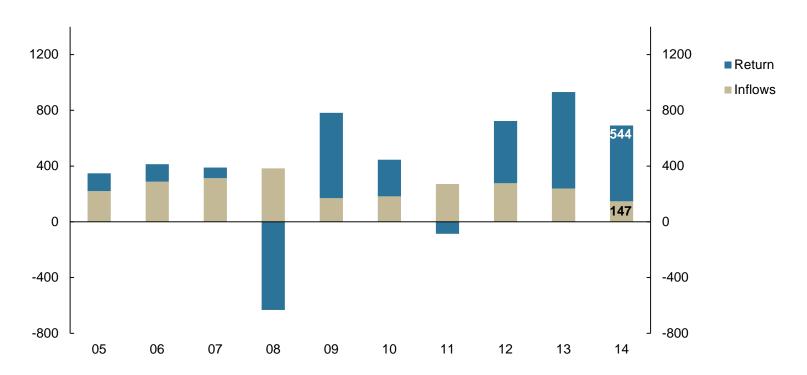


Inflows



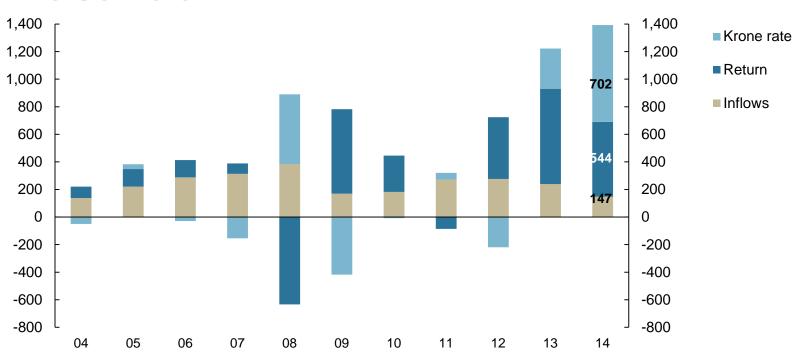


Inflows and return



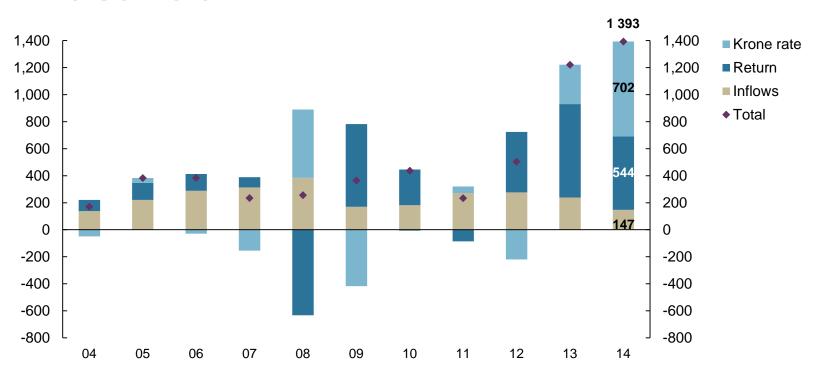


Annual change in market value





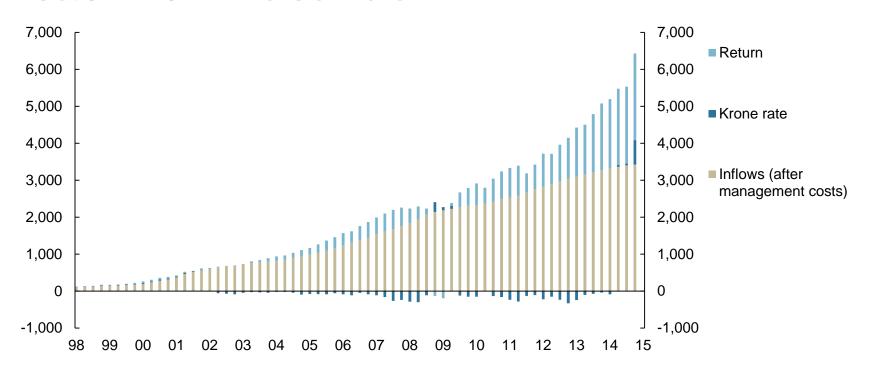
Annual change in market value





Accumulated change in market value

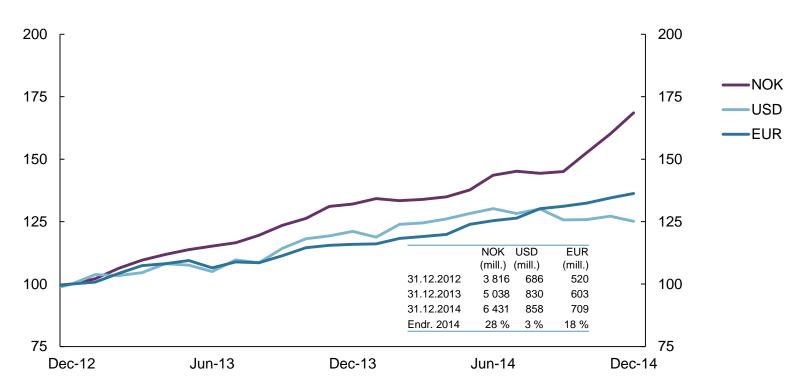
As at 31.12.2014. Billions of kroner





Change in market value

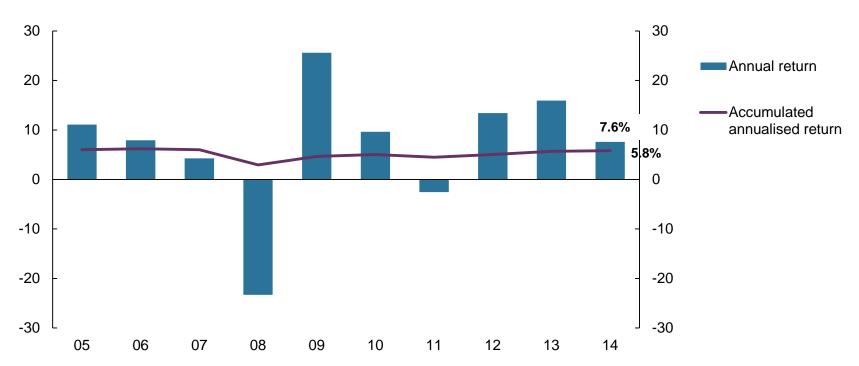
NOK, USD and EUR. Indexed (31.12.2012 = 100)





Annual return

Percent





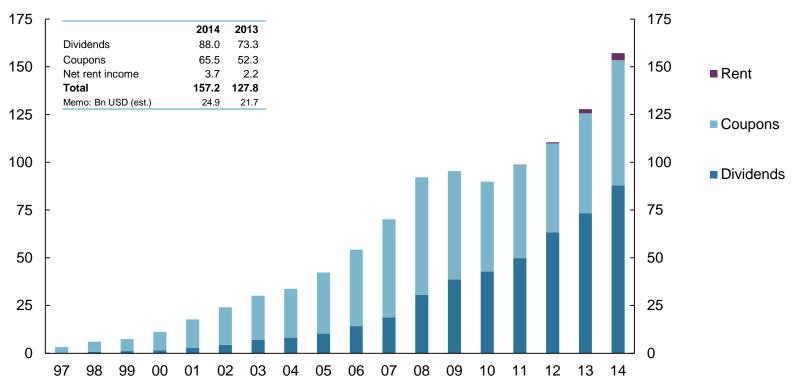
Historical key figures

Measured in the fund's currency basket. Percent

	2014	Last ten years	Since 1.1.1998
Gross annual return	7.53	6.17	5.81
Annual price inflation	1.13	2.01	1.85
Annual management costs	0.06	0.09	0.09
Annual net real return	6.31	3.98	3.80



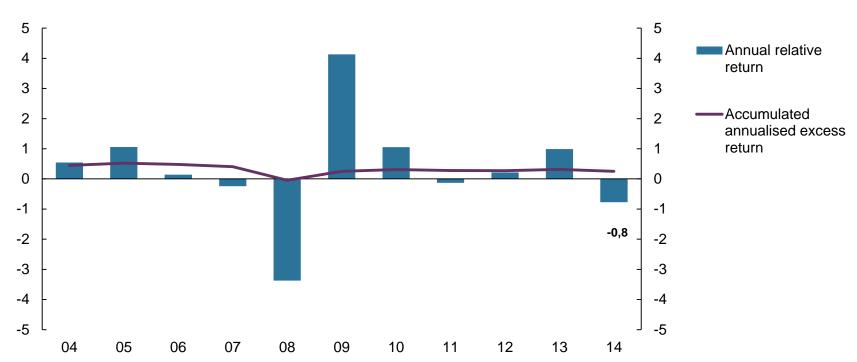
Annual cash flow





Relative return

Percentage points





Decomposition of relative return

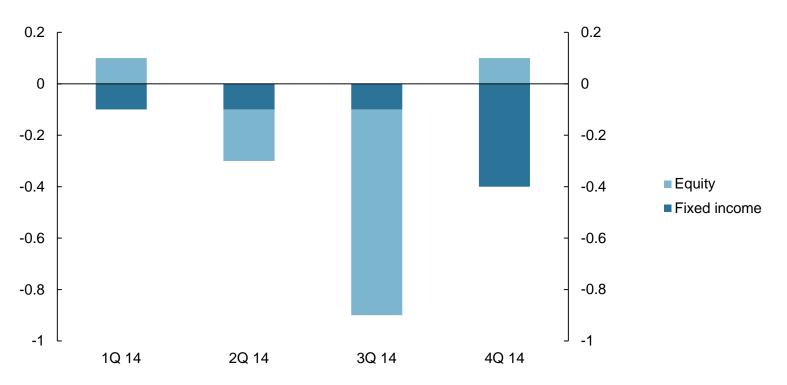
2014. Contributions. Percentage points

	Total
Total	-0,77
Equity investments	-0,46
Fixed-income investments	-0,31



Quarterly relative return

Equity and fixed income. Percentage points





Contributions to relative return

Percentage points

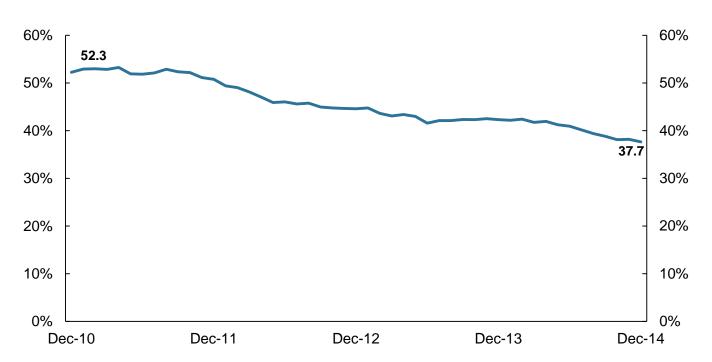
Type *)	Asset class	Share of negative contribution
Regional allocation	Equity	80%
Single investments	Equity	30%
Duration	Fixed income	140%
Russia	Fixed income	50%



^{*} Contributions from certain explanation factors are counted twice.

Investments in Europe

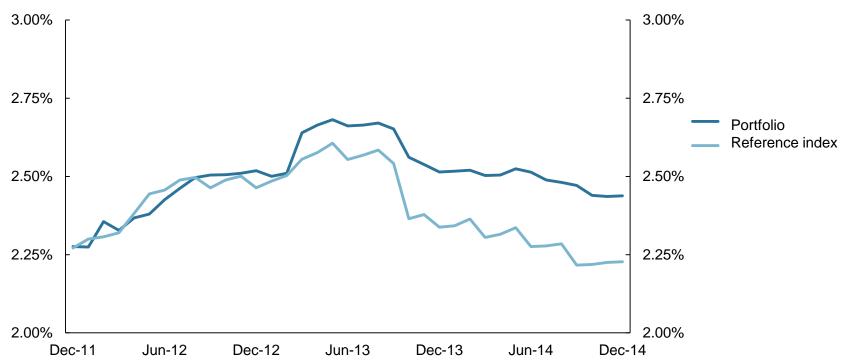
Holdings in European equity and fixed income as share of fund total. Percent





Ownership in European equity

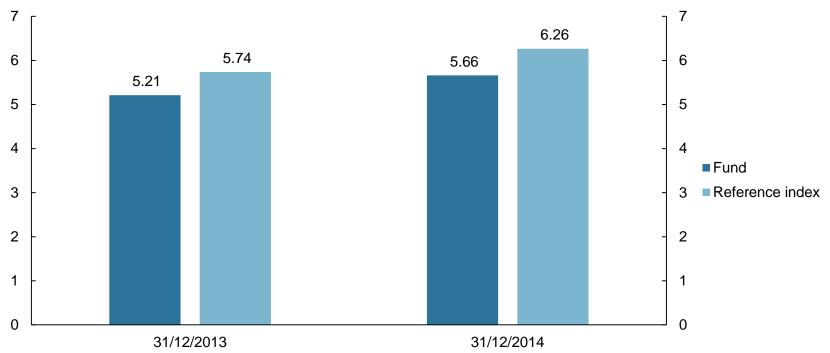
Reference index and portfolio





Duration fixed-income investments

Difference fund and reference index



Adjustments to the reference index

Factor for investability

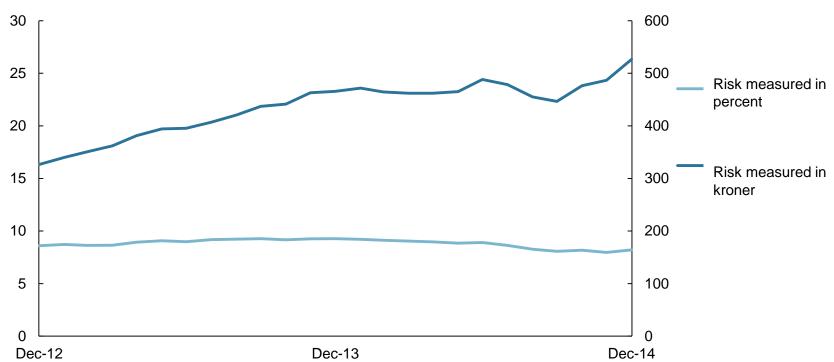
- Nominal government bonds issued in Russian roubles and Turkish lira added to Barclay's GDPweighted index 31 March 2014.
- Norges Banks recommended weighting factors of 0.25 and 0.5
- Effect:

	Billions of kroner	Percent
Difference factor 1.00 vs 0.25 and 0.5	- 27.8	- 1.26 %



Expected absolute volatility

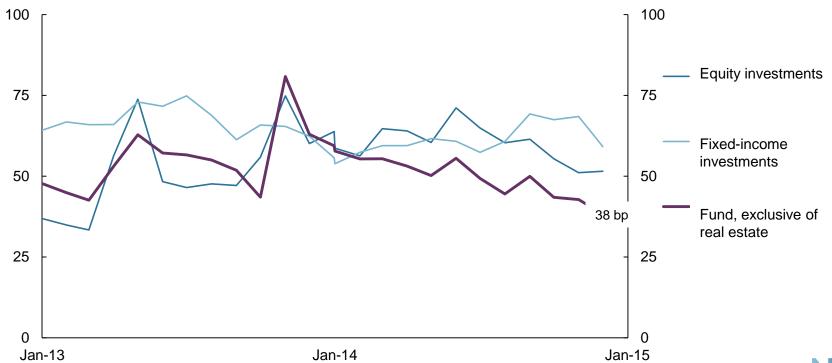
Percent (left axis) and billions of kroner (right axis)





Expected relative volatility

Equity and fixed-income investments. Basis points



Relative risk

Basis points

	TE basispoints*
Equity - Regional allocation	22
Equity – Environment-related mandates	4
Fixed income – Fixed income risk	20
Fixed income – Currency allocation	10
Fixed income – Fiscal strength	4

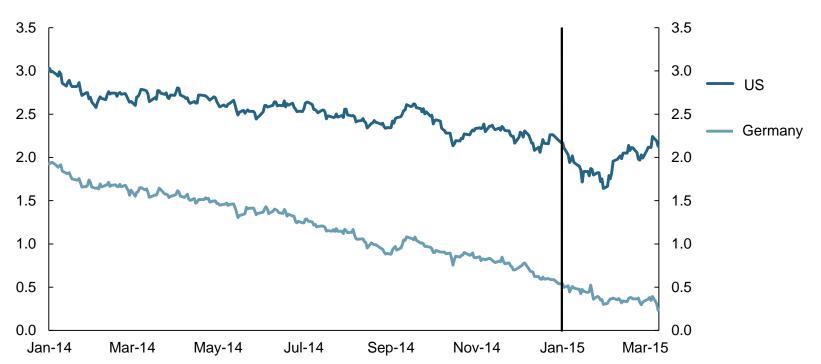


FINANCIAL MARKETS IN 2014



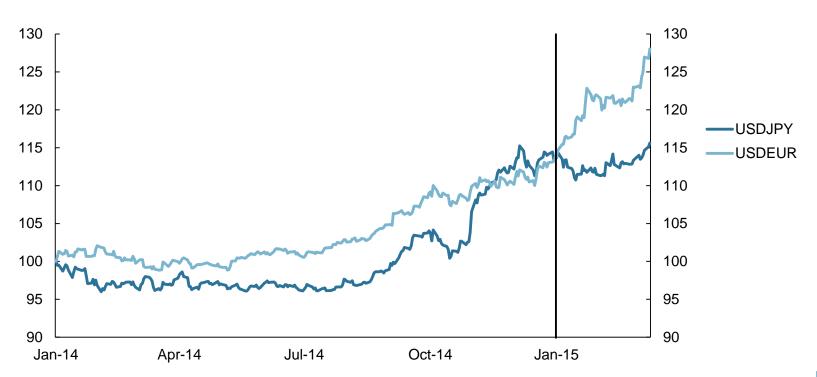
Lower interest rates

10-year government bond yields. Percent



Stronger dollar

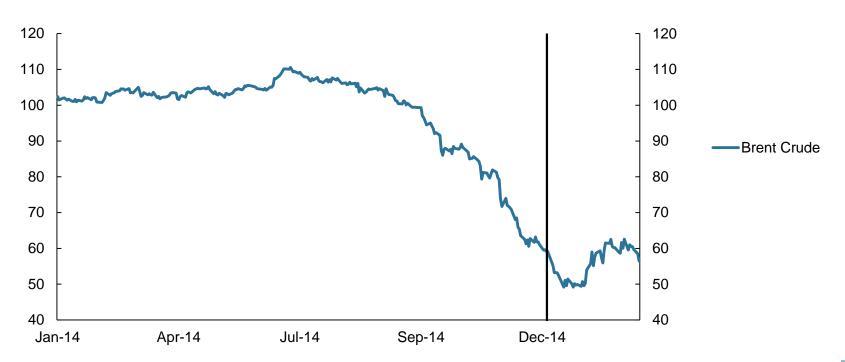
USD/JPY and **USD/EUR**, Jan-14 = 100.





Halved oil price

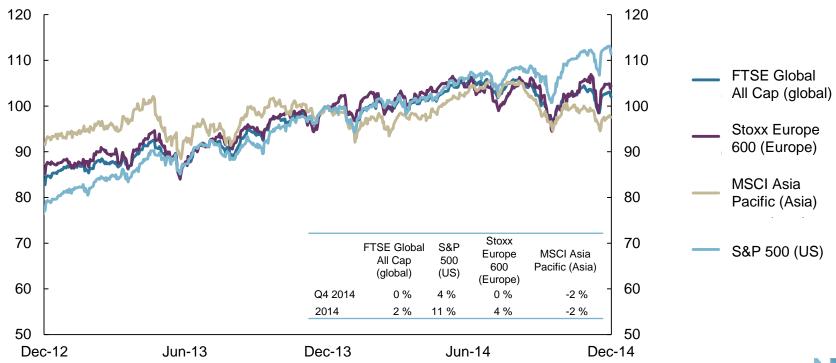
USD per barrel





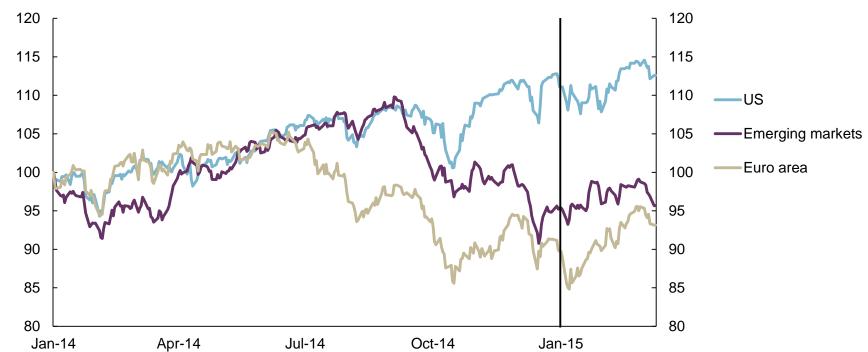
Price developments in equity markets

Measured in USD (Stoxx in EUR). Indexed (31.12.2013 = 100)



Strong growth in the US

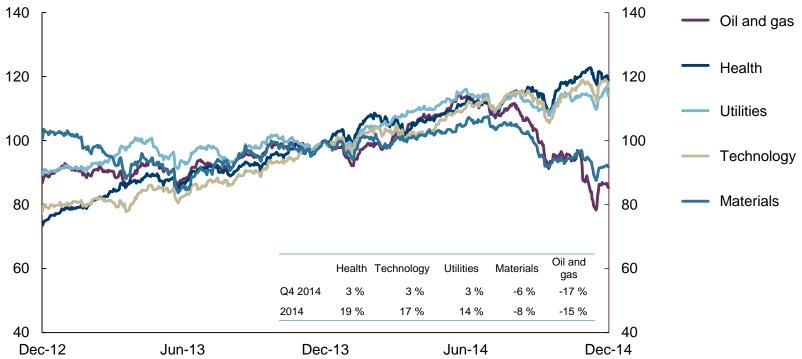
Share prices in USD, Jan-14 = 100.





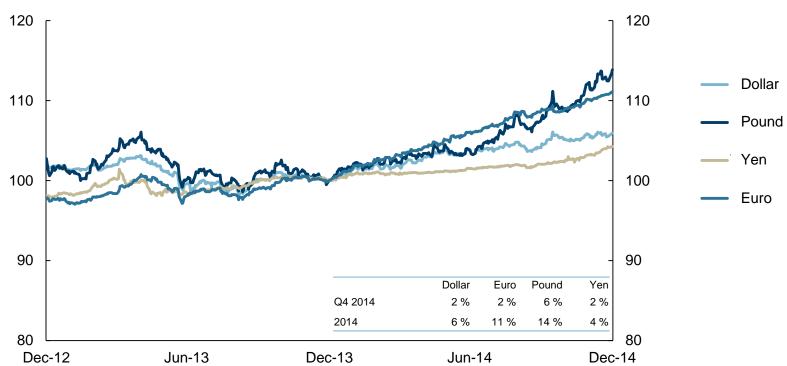
Price developments in stock sectors

Measured in USD. (31.12.2013 = 100)



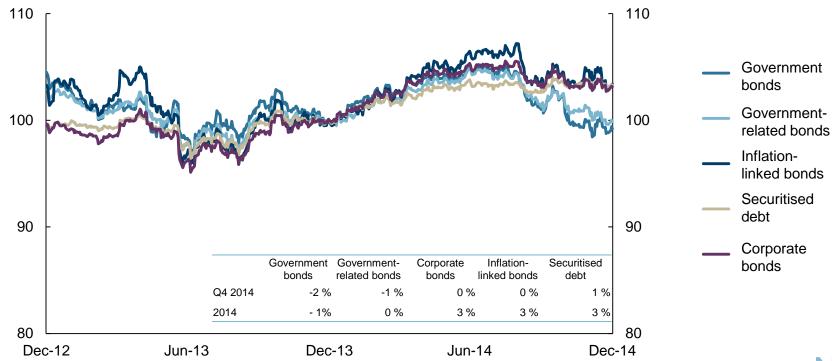
Price developments for bonds

Measured in local currency. Indexed (31.12.2013 = 100)



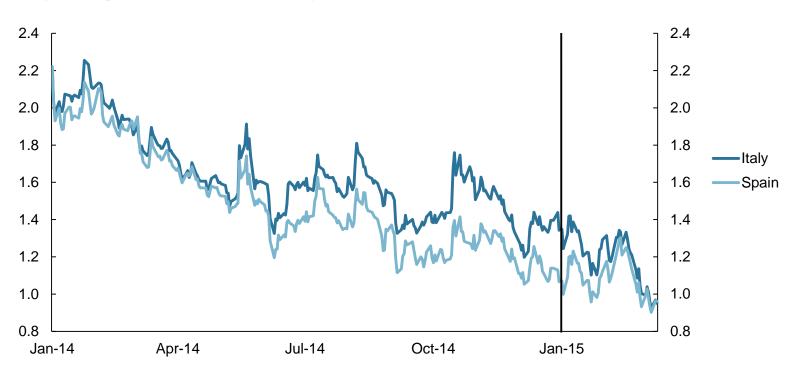
Price developments in fixed-income sectors

Measured in USD. Indexed (31.12.2013 = 100)



Smaller differences in European yields

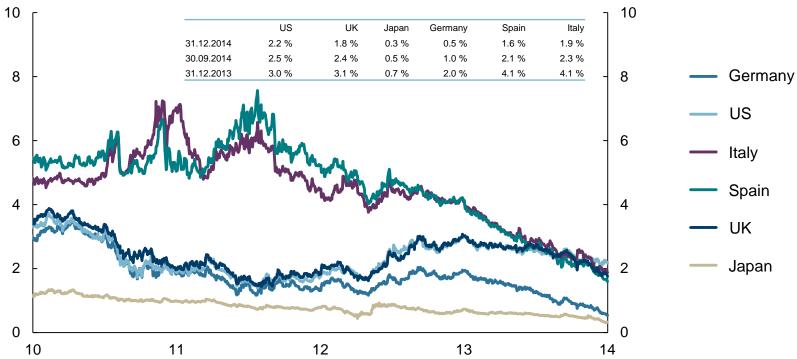
10-year government bond yields





10-year government bond yields

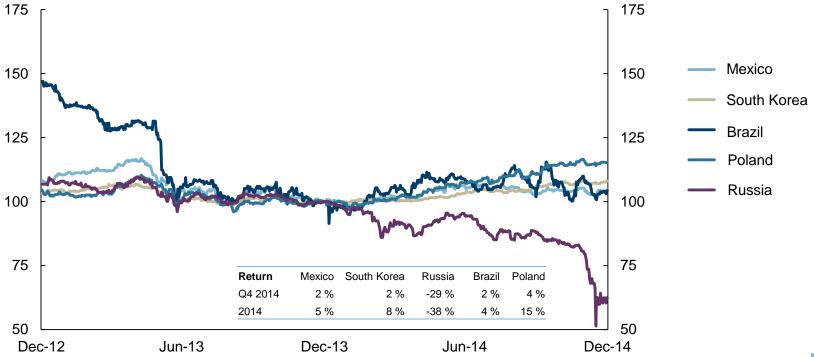
Percent





Government bonds in emerging markets

10-year gov. Measured in local currency. Indexed dev. (31.12.2013 = 100)



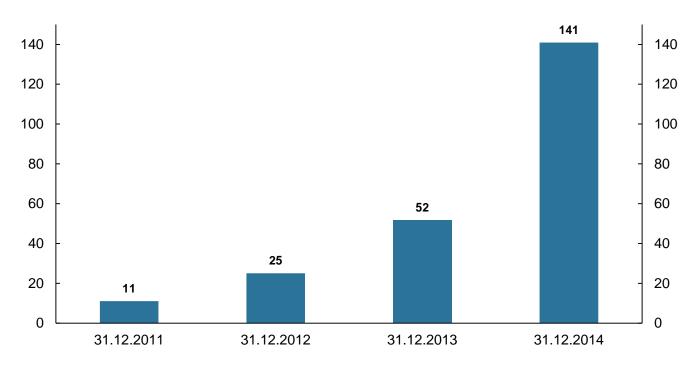


REAL ESTATE



Real estate investments

Market value in billion kroner





New real estate investments in 2014

Examples



Bank of America Merrill Lynch Financial Centre, London. Photo: GIC



601 Lexington Avenue, NY. Photo: Boston Properties



Atlantic Wharf, Boston. Photo: Anton Grassl/Esto



One Beacon Street, Boston. Photo: Bill Horsman.



"Lenbach Gärten", München. Photo: AM Alpha GmbH



100 Federal Street. Photo: Boston Properties



Foundry Square II, San Francisco. Photo: Eastdil Secured



Real estate investments

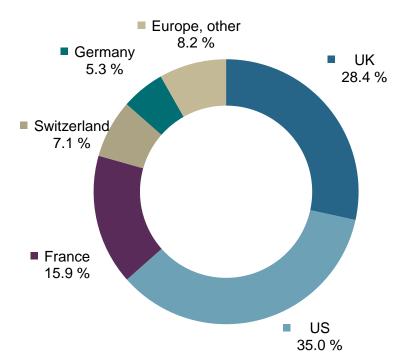
Millions of kroner

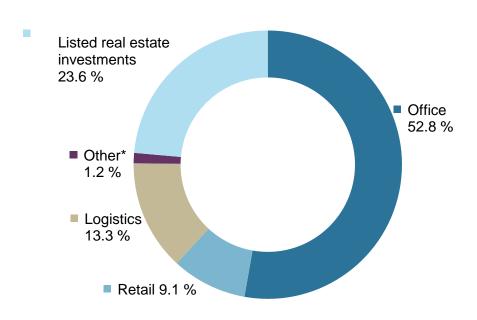
	Value
Buildings	118 515
Listed real estate companies	33 238
External debt	-11 985
Other	1 100
Total	140 868

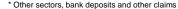


Real estate portfolio as at 31.12.2014

Country and sector distribution. Percent









New leader group







Øyvind Schanke Age Bakker Petter Johnsen Ole Christian Bech-Mohn

Jan Thomsen Dag Huse Yngve Slyngstad Trond Grande Mie Holstad Nina

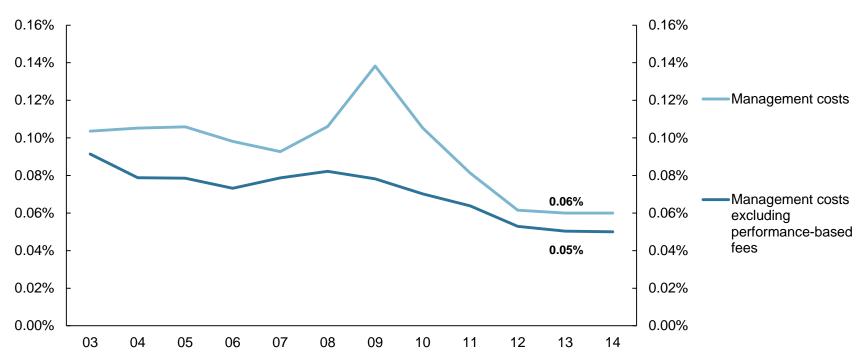
Hammerstad

Karsten Kallevig Lars Dahl



Management costs

Percent





RESPONSIBLE INVESTMENT



Report on responsible investment



MANAGEMENT	A work in progress Increased transparency
IN BRIEF	Furthering the fund's long-term interest
STANDARD SETTING	International standards Our expectations and principles Research into responsible investment
OWNERSHIP	Voting Interaction with companies Engaging with boards
RISK MANAGEMENT	Monitoring risk Industry initiatives Focus areas Environment-related mandates Risk-based divestments



TING SE STANDARD

Three pillars of responsible investment



- International standards
- Our expectations and principles
- Research into responsible investment

MPANY DIALOUGE



- Voting
- Interaction with companies
- Engaging with boards



2



- Monitoring risk
- Industry initiatives
- Focus areas
- Environmentrelated mandates
- Risk-based divestments



New expectation document on climate strategy

Companies' approach to climate change

- Directed towards companies involved in coal mining, oil and gas production, electricity production from fossil fuels and other business activities with large greenhouse gas emissions
- Companies should integrate climate change in investment planning, risk management and risk reporting, and be open about their interaction with policy makers and regulators



Position paper on proxy access

Published position on shareholders rights to propose board candidates

- We want to contribute to the development of shareholder democracy and have therefore promoted changes in regulations to provide shareholders the right to propose board candidates
- We will support shareholder proposals on proxy access in individual companies

PROXY ACCESS AT US COMPANIES POSITION PAPER

Norges bank investment Management support proxy access rights at US listed companies when applied with reasonable thresholds that enable shareholders to utilise the rights effectively. We support the introduction of holding periods of up to three years and holding requirements of up to three percent. We will accept a limit on the number of board seats to be affected by proxy access candidates if a fleat the neath or 70% of the board can be filled by such candidates.

BACKGROUND

Proxy access refers to the formal right of shareholders to propose their own director candidates alongside the candidates nominated by the incumbent board. Both sets of candidates appear on the proxy ballot that is distributed to shareholders by the company at its expense.

If is the case loday that neither US state nor federal law provide shareholders with proxy access rights. The Securities and Exchange commission (SEC) proposed a universal rule on proxy access in 2016 but we stouck down by the US Court of Appeals for the District of Columbia Circuit, in the absence of a universal rule, the only recourse for shareholders to secure proxy access is to seek bylaw amendments company by company.

The relevance of priory access to firm value and long-term investment returns is being analysed by a growing body of empirical literature. Among recent studies, the CFA institute, Priory Access in the United States: Revisiting the Proposed SEC (Pulk CGTM) provides a literature review of event studies on the enacted SEC rule and the subsequent overfurning. It concludes that priory access would both benefit the financial markets and enhance beard environment.

ARGUMENTS FOR PROXY ACCESS

Provides shareholders with a reasonable right to propose board candidates. Us state laws provide shareholders of US companies with a night to propose director candidates in competition with the candidates nominated by the incumbent board. However, there are considerable legal and cost impediments statistical For instance, the proponent must finance the distribution of alternative documentation to shareholders. Consequently, the right is rarely used. Prazy access provides shareholders with a reasonable ability to propose board candidates that though entailed mediance demostrate declored process.

Provides greater director and board accountability

Shareholdern right to propose board candidates as a fundamental principle of good corporate governance and board accountability. A balance of gover between shareholders, board of derection and company management is essential to a well-functioning corporate governance system. The existence of a proxy access right set or reasonable terms may be an effective way to enhance the exproposevers of boards to the interests of shareholders. Proxy access should increase the accountability of boards and encourage constructive engagement between shareholders and the board.

Provides a safeguard when boards fail

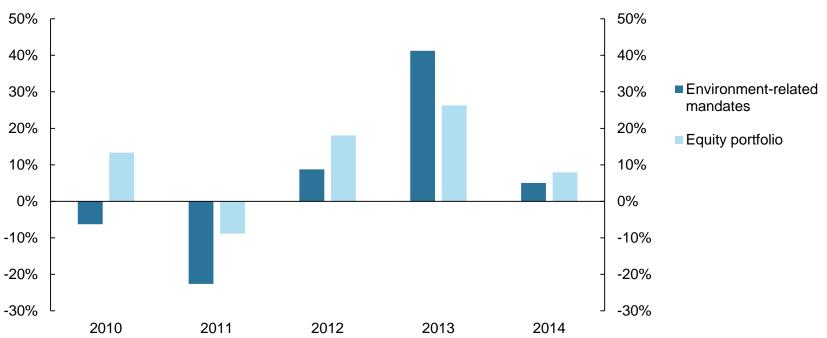
Proxy access provides shareholders with a secured route to change an incumbent board if it falls to improve poor governance or financial performance. Proxy access, if provided by bylaw right, is a legitimate route for an investor to initiate board change.

Page 1 (2)



Annual return environment-related mandates

Percent





Risk-based divestments in 2014

Category	Theme	Number of companies
Deforestation	Coal mining in India	5
Water	General mining and precious metals	17
	Mountaintop removal	2
GHG emissions	Oil sands production	5
	Coal extraction towards electricity power production	14
	Cement production	2
	Coal fired power generation	1
Other	Other 2014	3
Sum		49



Published on web 13 March 2015

- Holding lists
- Voting records
- GIPS report
- Significant external suppliers
- External managers
- Monthly returns

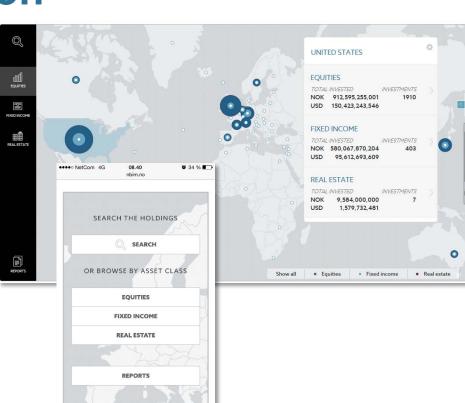




New search function

Published on www.nbim.no

- Geographical search in holdings, sorted by asset class
- Export of reports (XLS og PDF) for each of the asset classes
- Figures in NOK and USD
- Historical data
- Voting records integrated





Main points

The return was 7.6 percent in 2014

Equity
Fixed-income
Real estate
7.9 percent
6.9 percent
10.4 percent

- The return on equity and fixed-income investments was 0.8 percentage point lower than the return on the reference indices
- The market value of the fund grew by 1,393 billion kroner to 6,431 billion kroner
- Asset allocation at the end of the year

Equity	61.3 percent
 Fixed income 	36.5 percent
 Real estate 	2.2 percent



