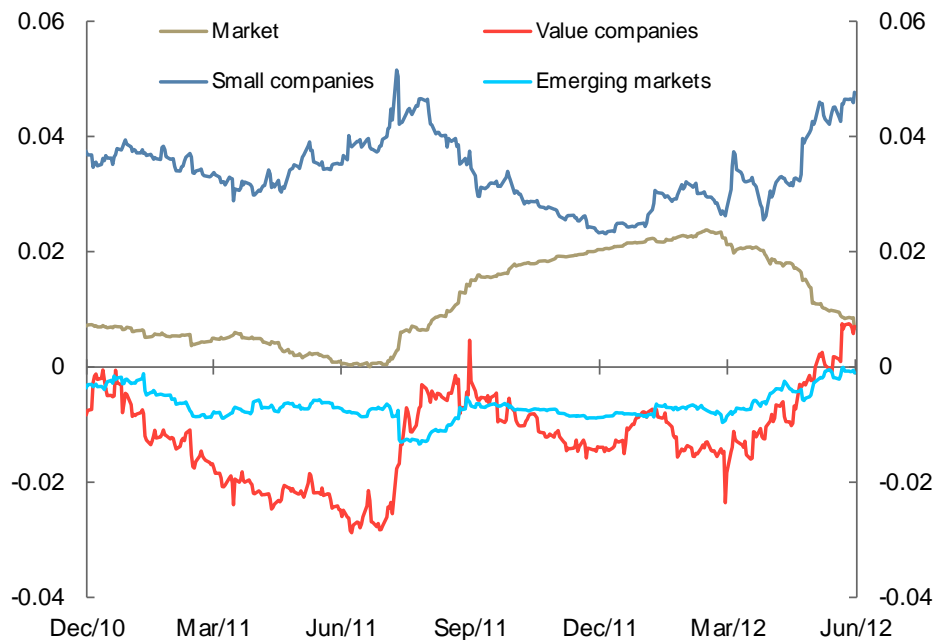


## Factor exposures

NBIM measures the fund's exposure to systematic risk factors such as small companies, value stocks and bonds with credit premiums. These are common characteristics that most securities have to varying degrees and that contribute to both the risk and the return on different investments. The fund's exposure to such factors can be analysed by comparing the excess return on the fund with the return on the systematic risk factors.

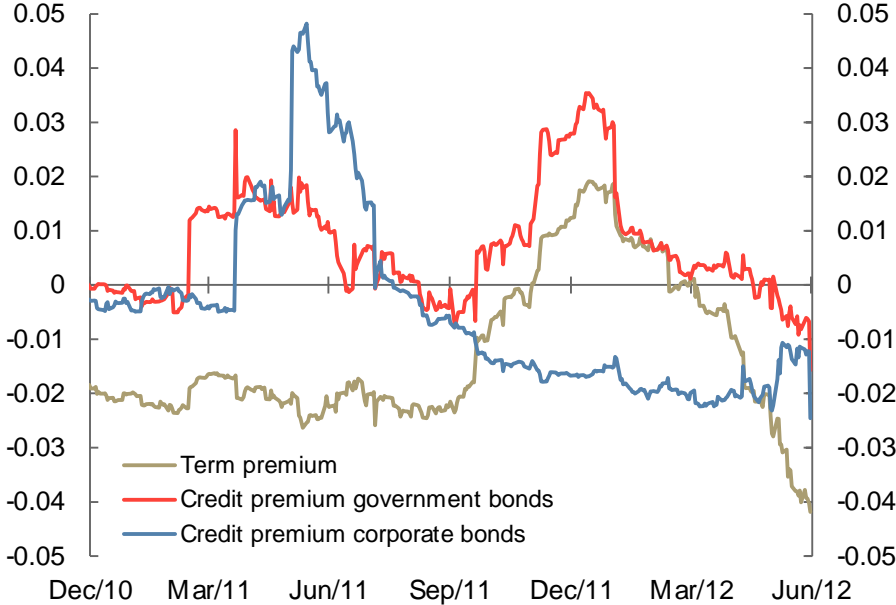
*Chart 1: Factor exposures for the fund's equity investments. Coefficients*



An analysis of factor exposures in the second quarter of 2012 indicates, among other things, that the fund's equity investments were more exposed to small companies than the benchmark.

The model explains about 50 percent of fluctuations in relative return. The model's explanatory power has decreased during the quarter, after increasing during the last 6 months of 2011 and the beginning of 2012, up to a level of about 70 percent in the first quarter.

Chart 2: Factor exposures for the fund's fixed income investments. Coefficients



An analysis of the fund's fixed income investments may indicate decreased exposure to bonds with long maturities, relative to the benchmark, during the quarter. The model currently has limited to no explanatory power.

The results of such statistical analyses are uncertain, and NBIM therefore uses various other approaches to analyse the fund's factor exposures.