



GOVERNMENT PENSION FUND GLOBAL

THE FUND MANAGEMENT IN 2015

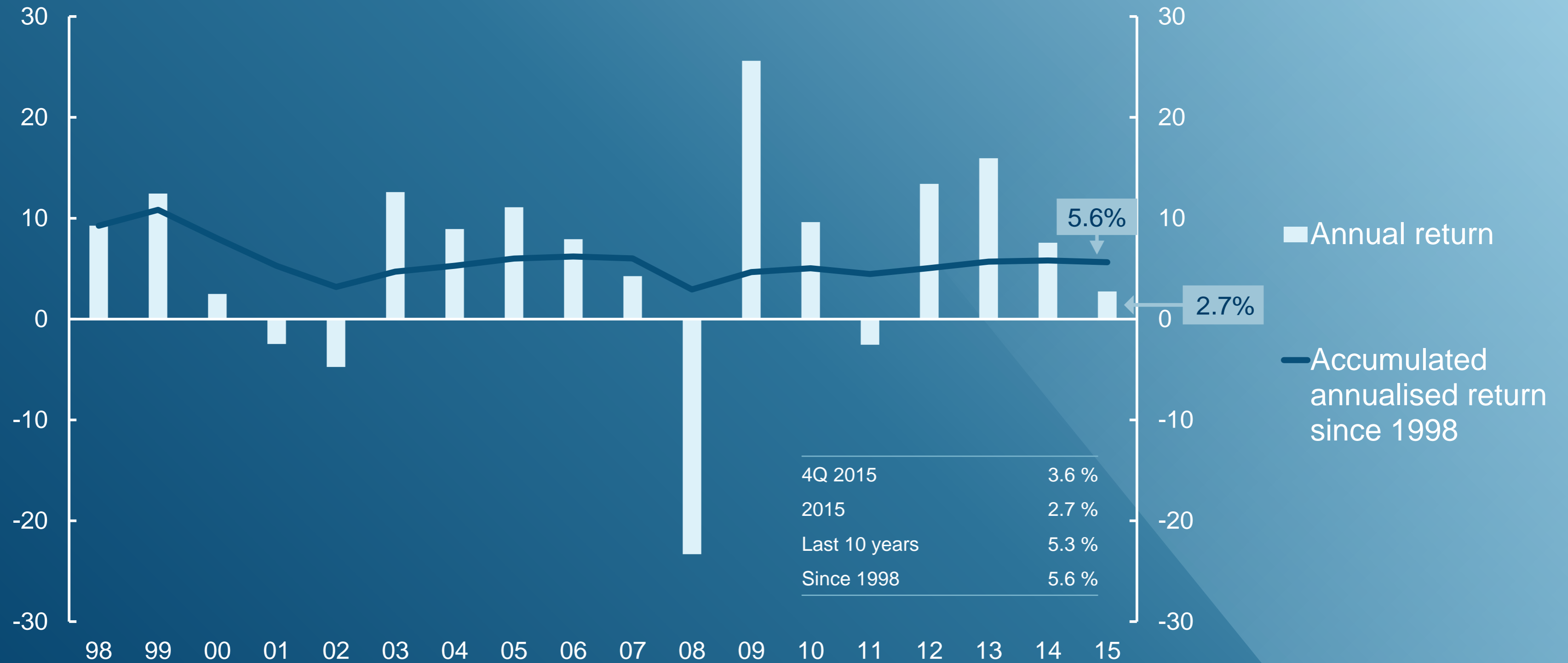
**HEARING BEFORE THE STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS
OF THE STORTING, 29 APRIL 2016**

YNGVE SLYNGSTAD, CHIEF EXECUTIVE OFFICER



Annual return

Percent

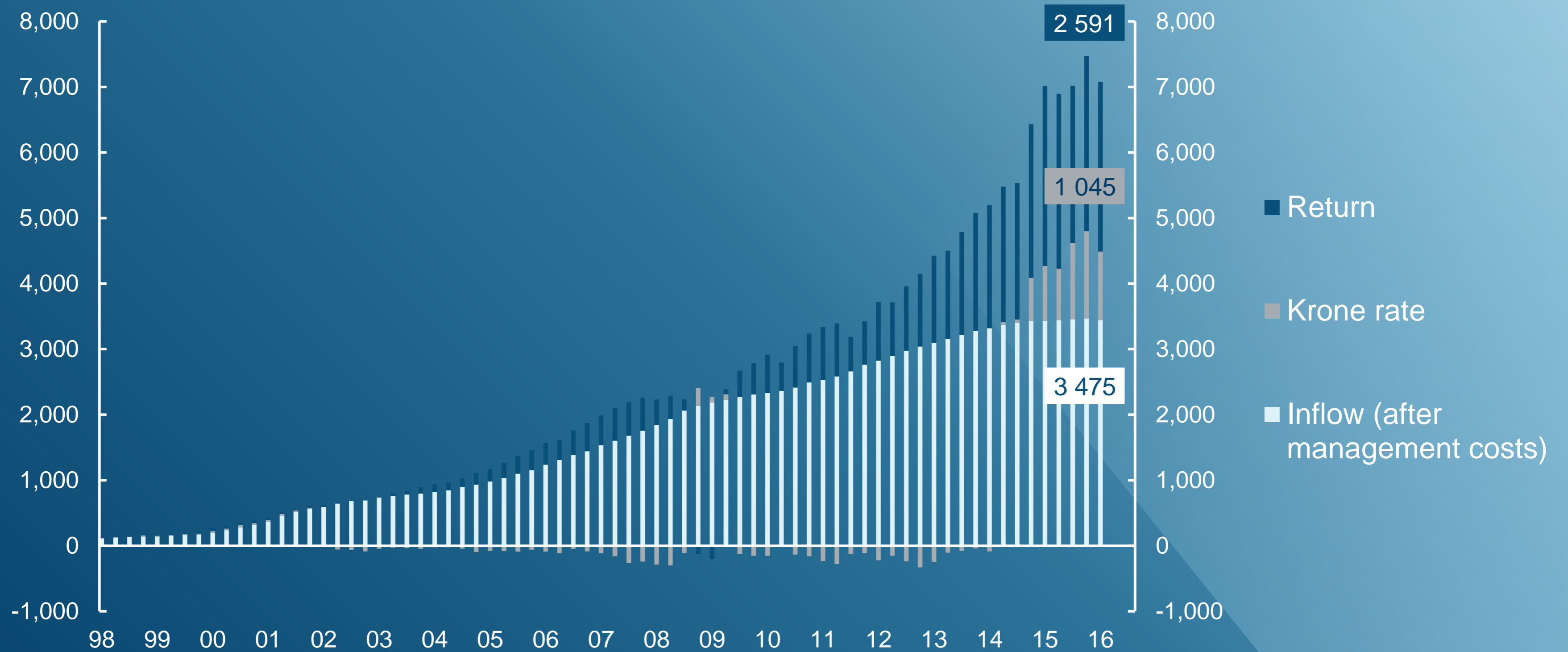


Source: Norges Bank Investment Management



Accumulated market value

As at 31.3.2016. Billions of kroner



Source: Norges Bank Investment Management



Management objective

HIGH LONG-TERM RETURN

- Safe
- Efficient
- Responsible
- Transparent

New expectation document

Human rights

- Result of dialogue with companies, experts and NGOs
- Expectations on strategy, risk management, reporting and transparency
- Starting point for interaction with companies



Climate change activities over time

- 2008** Expectation document
- 2009** Establishment of environment-related mandates
- 2010** Assessments of climate reporting
- 2013** First coal divestments
- 2014** Portfolio carbon footprint analysis
- 2015** Research and analysis projects
- 2016** New coal and climate criteria



52 coal companies excluded

First coal exclusions made public on 14 April 2016

NORGES BANK
INVESTMENT MANAGEMENT

PRESS RELEASE

14.04.2016

First coal exclusions from the Government Pension Fund Global

Norges Bank has decided to exclude 52 companies from the Government Pension Fund Global after an assessment of companies and the new product-based coal criterion in the guidelines.

Norges Bank has decided to exclude 52 companies from the Government Pension Fund Global after an assessment of the new product-based coal criterion. The exclusions follow a first round of analysis by Norges Bank Investment Management. Further exclusions will follow in 2016.

Norges Bank's Executive Board made the exclusion decision based on recommendations from Norges Bank Investment Management. The Executive Board has found that the recommendations satisfies the exclusion criteria and that the companies can be excluded from the fund (see § 3, subsection f, of the Guidelines for observation and exclusion from the Government Pension Fund Global).

Read the grounds for decision on product based coal exclusion at nbim.no

Companies excluded

Name	Country
Aboitiz Power Corp	Philippines
AES Corp/VA	United States
AES Gener SA	Chile
ALLETE Inc	United States
Ameren Corp, including bonds issued by Union Electric Co (d/b/a Ameren Missouri)	United States
American Electric Power Co Inc, including bonds issued by Appalachian Power Co	United States
Indiana Michigan Power Co	United States
Capital Power Corp	Canada
CESC Ltd	India
China Coal Energy Co Ltd	China
China Power International Development Ltd	China
China Resources Power Holdings Co Ltd	China
China Shenhua Energy Co Ltd	China
CLP Holdings Ltd	Hong Kong
Coal India Ltd	India
CONSOL Energy Inc	United States
Datang International Power Generation Co Ltd	China
Drax Group PLC	United Kingdom
DTE Energy Co	United States
Dynegy Inc	United States
E.CL SA	Chile
Exxaro Resources Ltd	South Africa

Companies excluded based on coal criteria as of 14.04.2016	
Aboitiz Power Corp	Hokkaido Electric Power Co Inc
AES Corp/VA	Huadian Power International Corp Ltd
AES Gener SA	Huaneng Power International Inc
ALLETE Inc	IDACORP Inc
Ameren Corp, including bonds issued by Union Electric Co (d/b/a Ameren Missouri)	Lubelski Wegiel Bogdanka SA
American Electric Power Co Inc, including bonds issued by Appalachian Power Co	MGE Energy Inc
Indiana Michigan Power Co	New Hope Corp Ltd
Capital Power Corp	NTPC Ltd
CESC Ltd	Okinawa Electric Power Co Inc/The
China Coal Energy Co Ltd	Peabody Energy Corp
China Power International Development Ltd	PNM Resources Inc, including bonds issued by Public Service Co of New Mexico
China Resources Power Holdings Co Ltd	Public Power Corp SA
China Shenhua Energy Co Ltd	Reliance Infrastructure Ltd
CLP Holdings Ltd	Reliance Power Ltd
Coal India Ltd	Shikoku Electric Power Co Inc
CONSOL Energy Inc	Tata Power Co Ltd
Datang International Power Generation Co Ltd	TransAlta Corp
Drax Group PLC	WEC Energy Group Inc, including bonds issued by Wisconsin Electric Power Co
DTE Energy Co	Whitehaven Coal Ltd
Dynegy Inc	Xcel Energy Inc, including bonds issued by Northern States Power Co MN
E.CL SA	Public Service Co of Colorado
Exxaro Resources Ltd	Southwestern Public Service Co
FirstEnergy Corp	Yanzhou Coal Mining Co Ltd
Gujarat Mineral Development Corp Ltd	

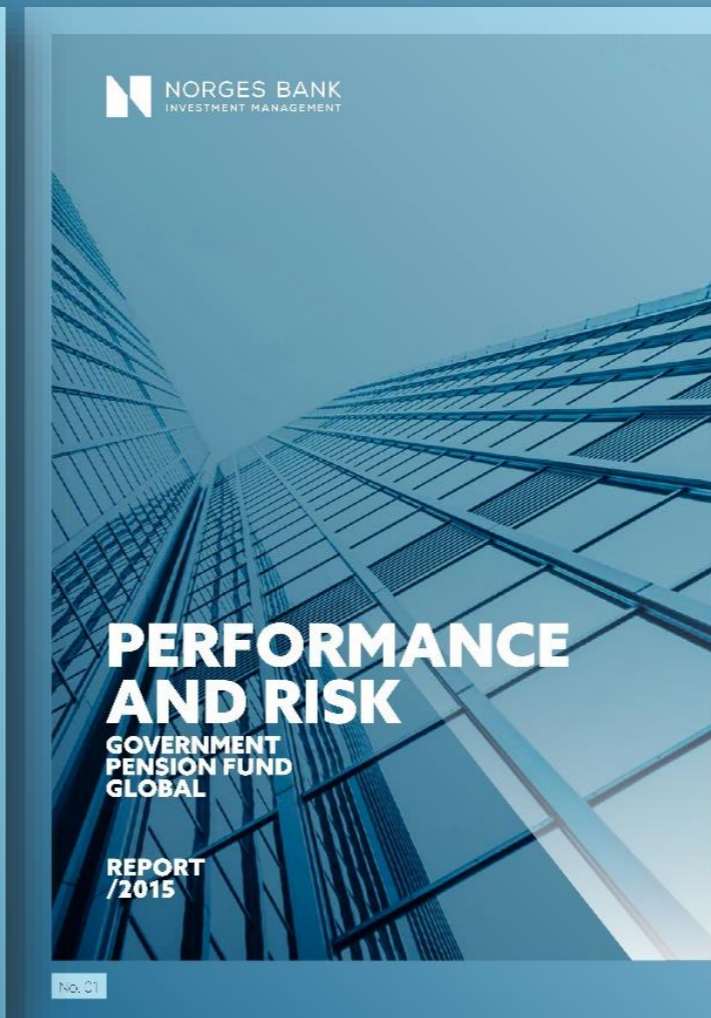
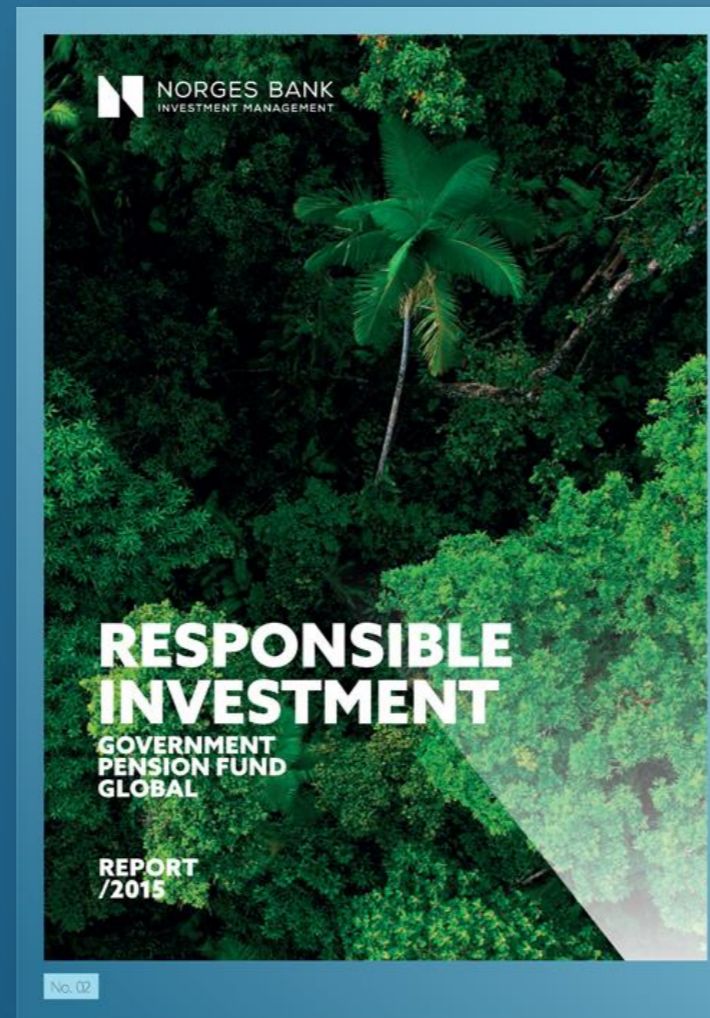
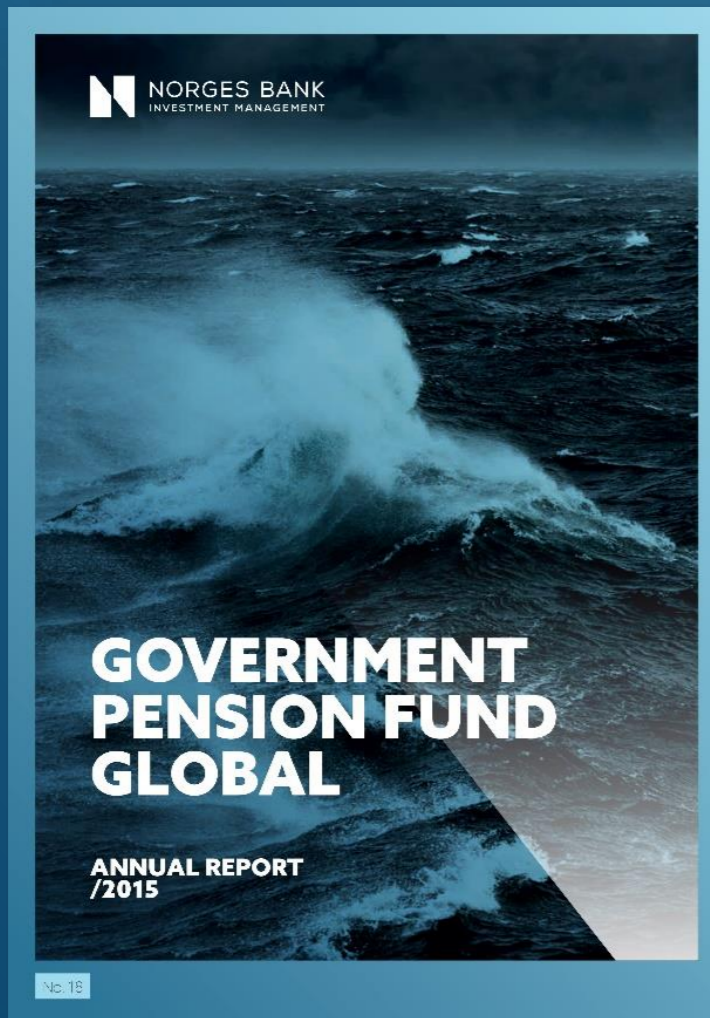
Contribution to public discussion

- Advice on the GPF's investments
- Discussion notes on investment strategy
- Asset manager perspectives on financial markets
- Expectations towards companies
- Position papers on corporate governance issues



Reports

2015



Three pillars of responsible investment



Standard setting

- International standards
- Our principles and expectations
- Responsible investment research



Ownership

- Voting
- Company dialogue
- Board interaction

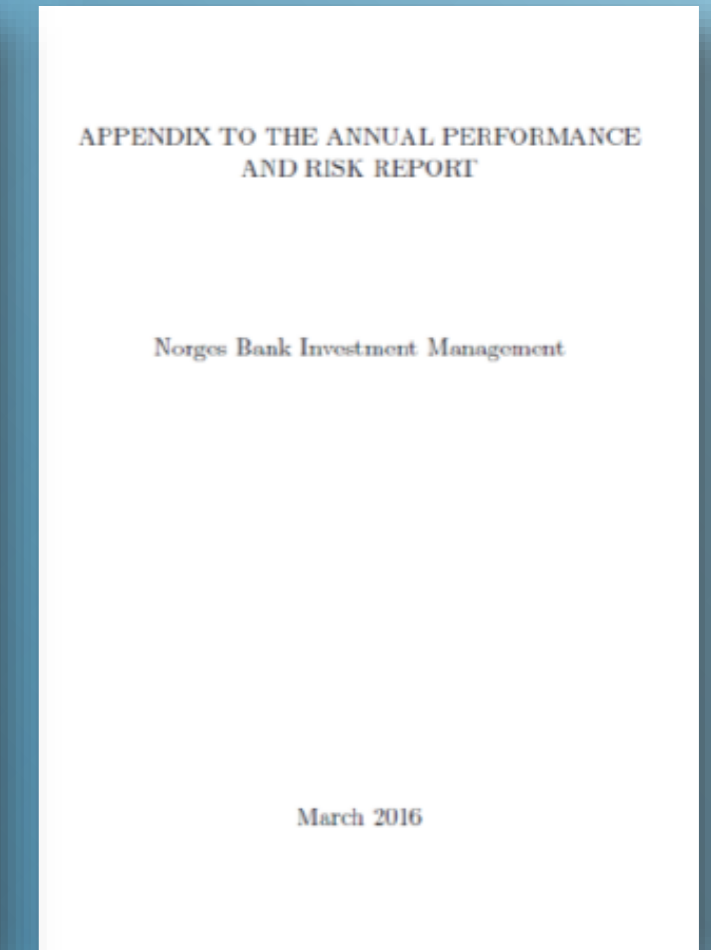


Risk management

- Risk monitoring
- Industry initiatives
- Focus areas
- Environment-related mandates
- Risk based divestments

Report on performance and risk 2015

- Various methods and measures
- Two parts aimed at different audiences
 - Main report
 - Appendix
- Underlying data made publicly available



2006

2010

2011

2012

2013

2014

2015

Norges Bank recommends MoF to include real estate in the fund



London



Berlin



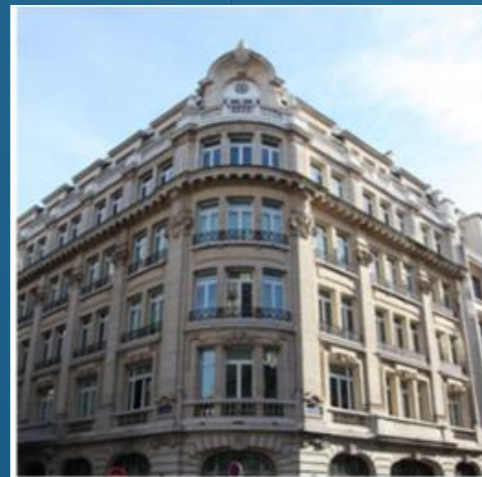
New York



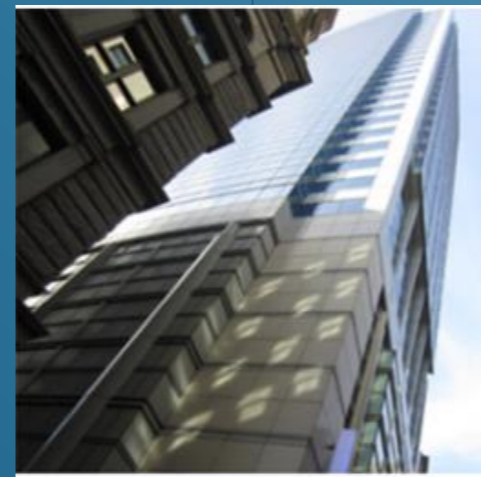
Munich

Tokyo and Singapore announced as strategic markets

MoF gives mandate to invest up to 5% in real estate



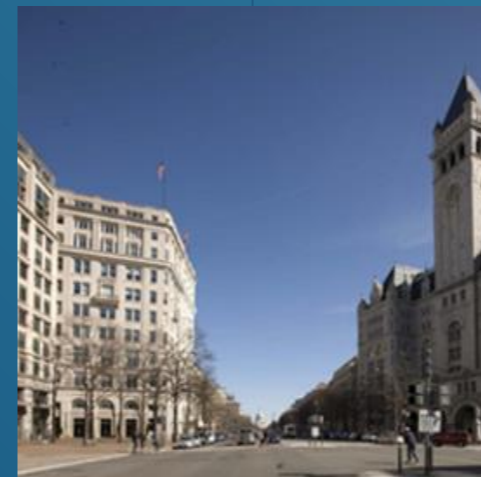
Paris



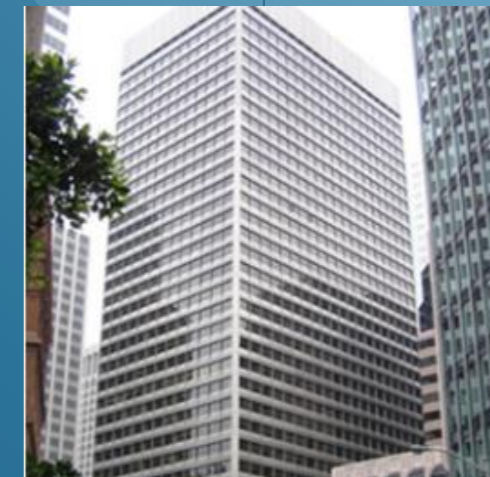
Boston



Logistics



Washington DC

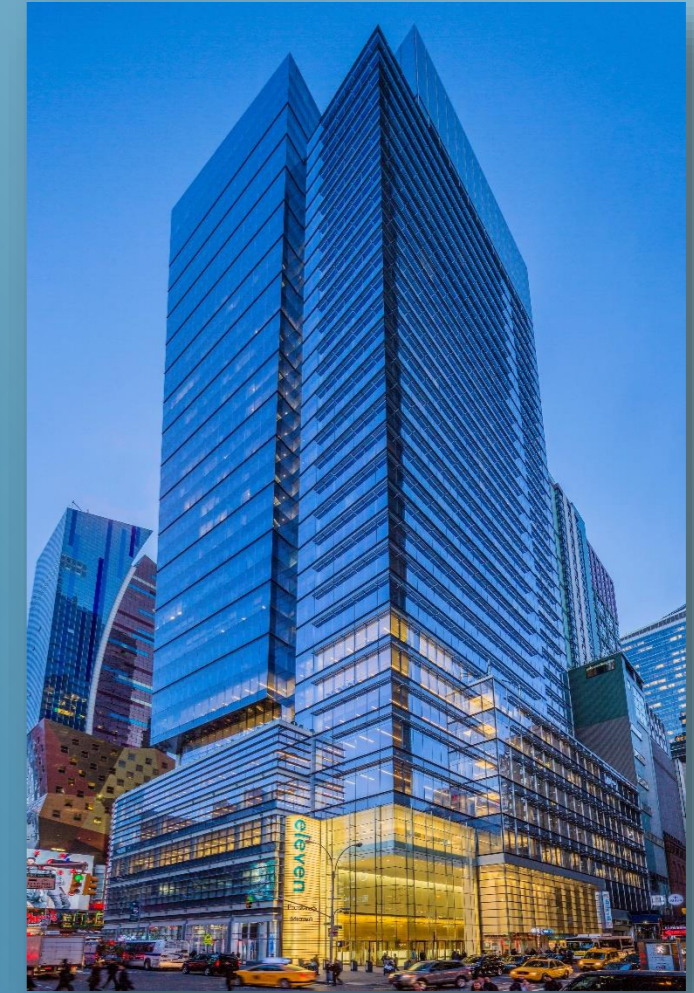


San Francisco

New real estate investments in 2015

10 transactions in total

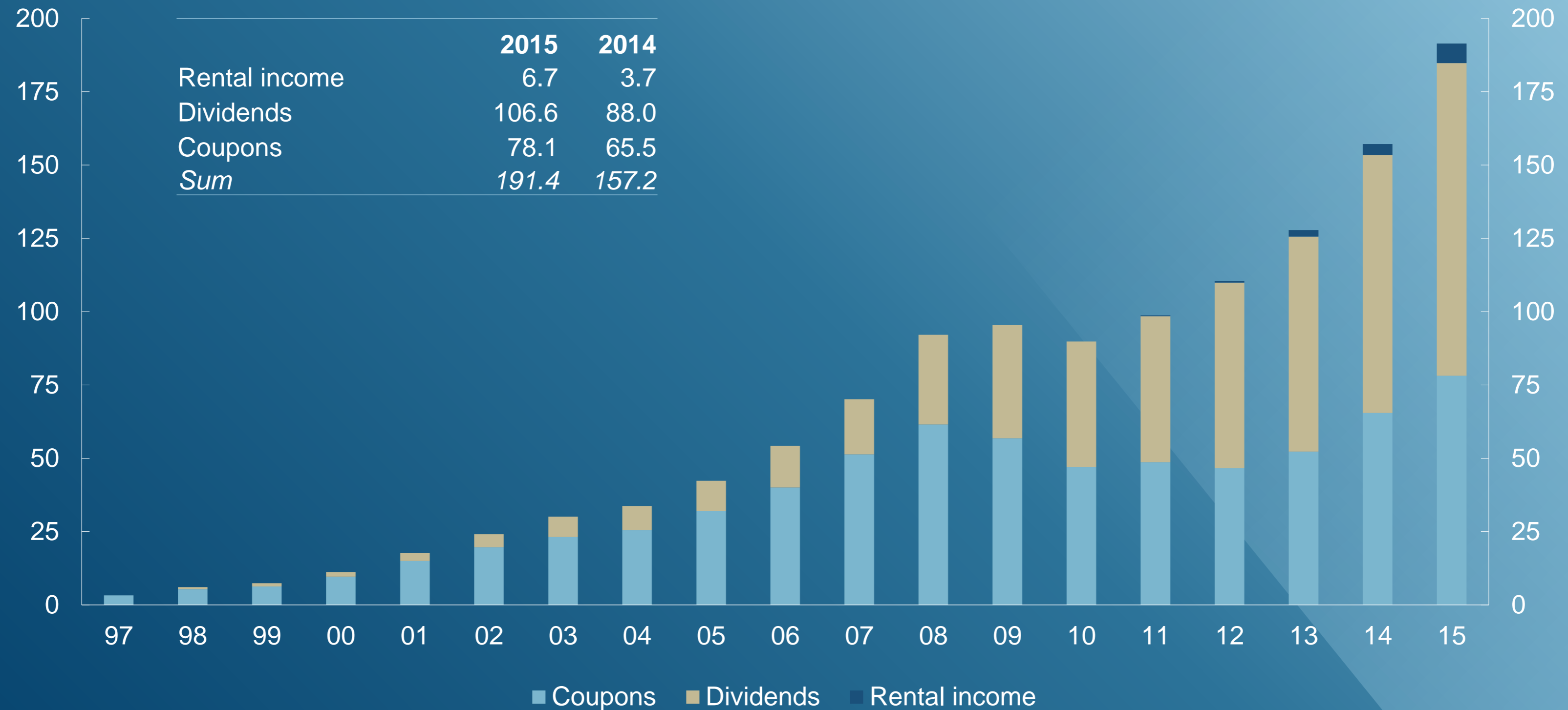
- US
 - 7 transactions
 - Total value 36,5 bn NOK.
- UK
 - 2 transactions
 - Total value 5,9 bn NOK .
- Europe
 - 1 transaction
 - Total value 1,3 bn NOK.



Source: Norges Bank Investment Management

Accrued income

Billion kroner





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