



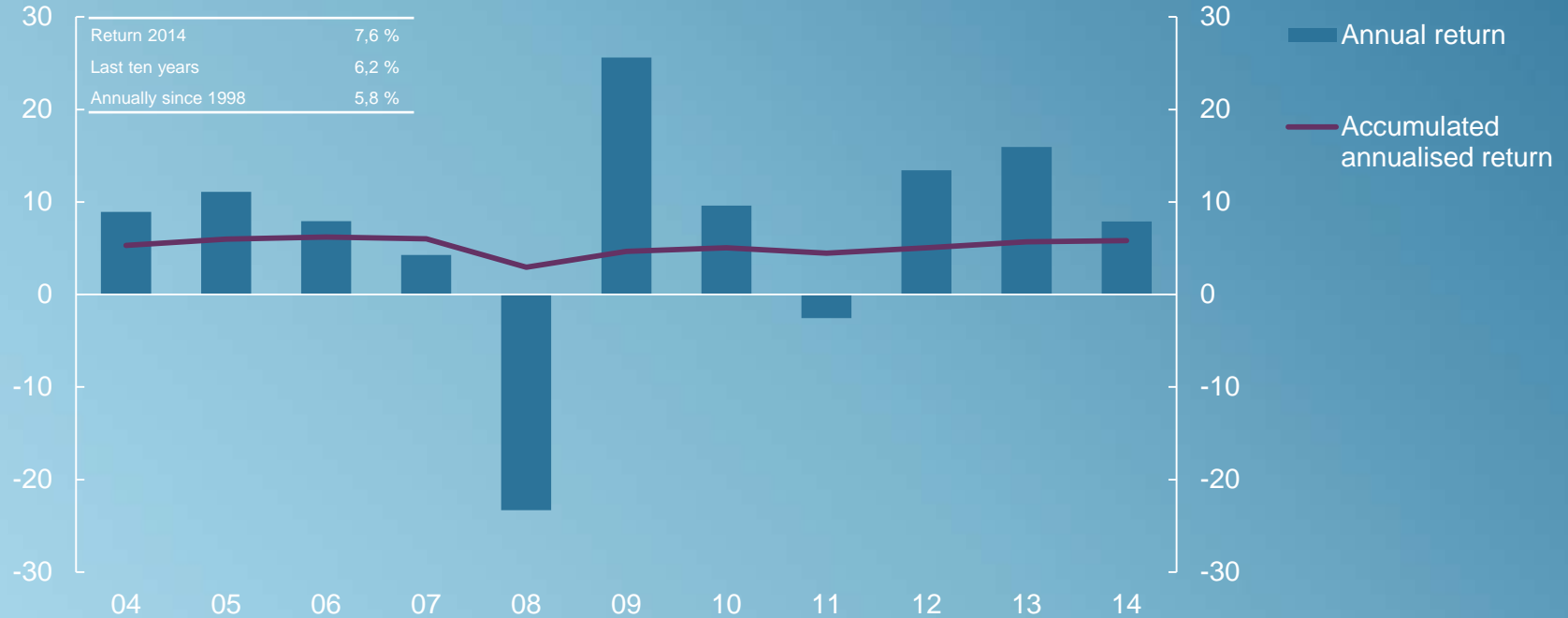
# THE MANAGEMENT OF THE GOVERNMENT PENSION FUND GLOBAL 2014

HEARING BEFORE THE STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS OF THE STORTING, 4 MAY 2015.

YNGVE SLYNGSTAD, CHIEF EXECUTIVE OFFICER

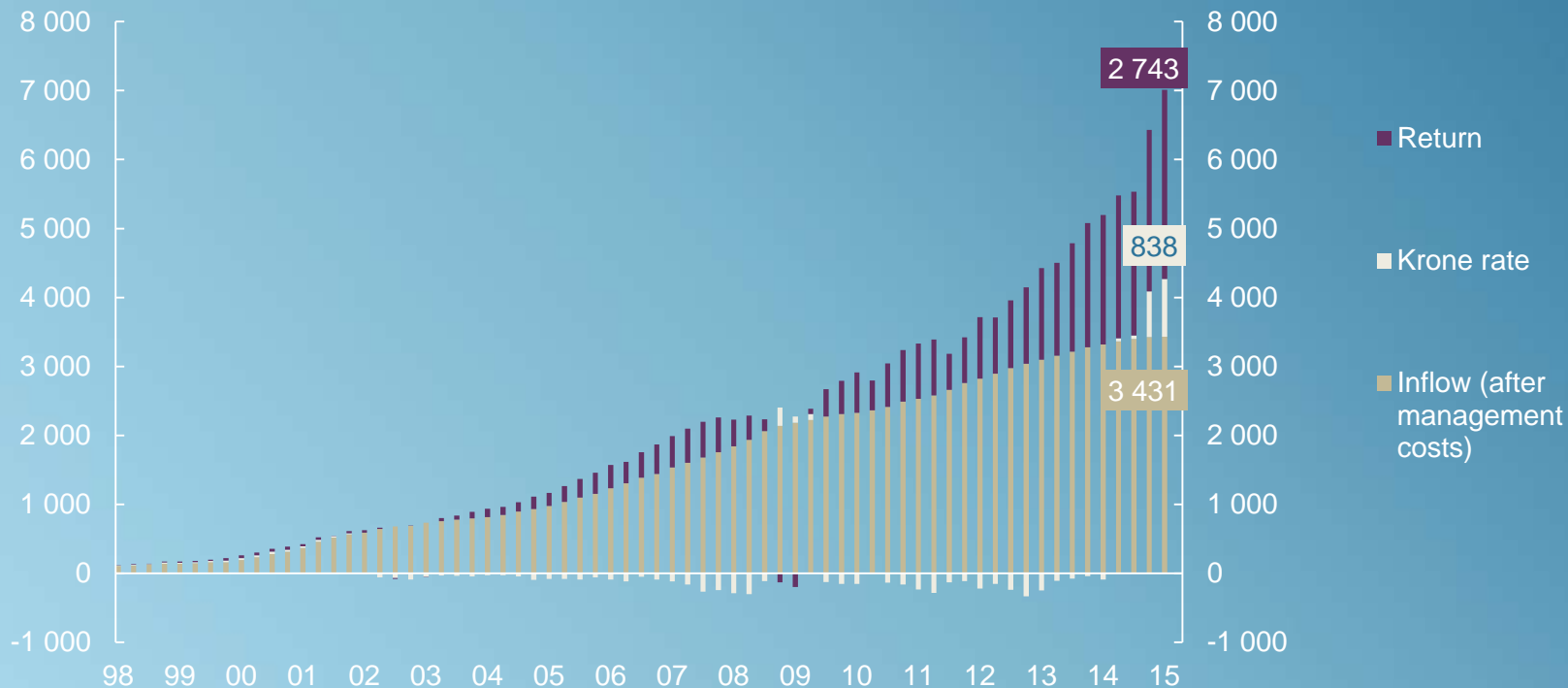
# Annual return

## Percent



# Accumulated change in market value

As at 31.3.2015. Billions of kroner



# Management objectives

OBJECTIVE

HIGH LONG-  
TERM RETURN

SUBJECT TO

- **Acceptable risk**
- **Responsible investment**
- **Efficient organisation**
- **Transparent**

# Three pillars of responsible investment

## STANDARD SETTING



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

## COMPANY DIALOGUE



- Voting
- Interaction with companies
- Engaging with boards

## RISK MONITORING

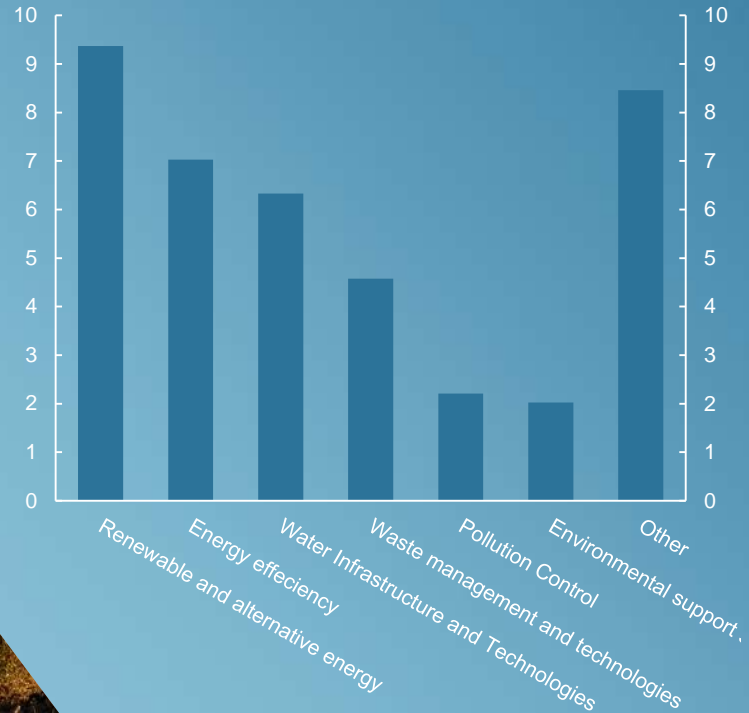


- Monitoring risk
- Industry initiatives
- Focus areas
- Environment-related mandates
- Risk-based divestments

# Environment-related mandates

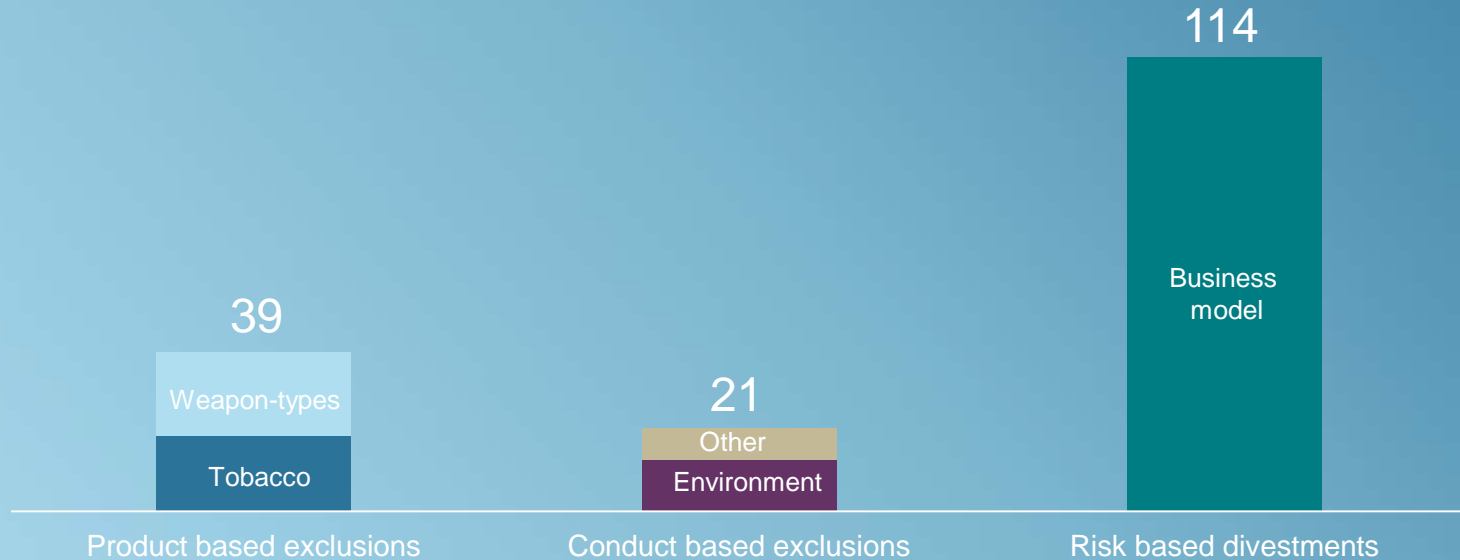


Investments in environment-related mandates  
Grouped by sector based on FTSE  
environmental classification. Billion NOK



# Divestments and company exclusions

As at 31.12.2014



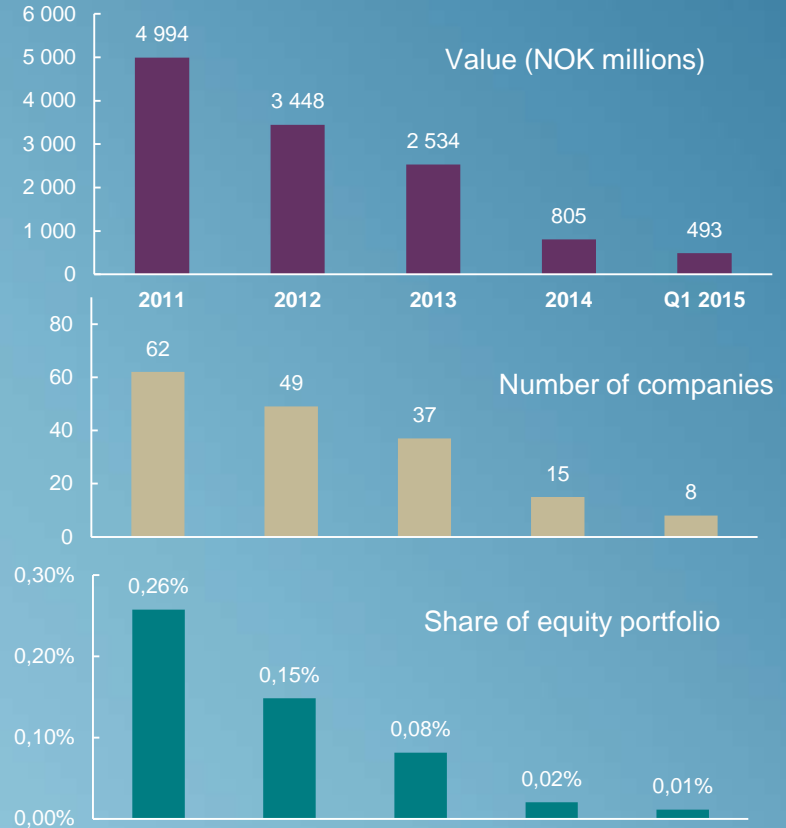
# Risk based divestments





# Fund holdings in coal mining

- Divestment from coal mining companies focused on energy coal
- Divestment may for some companies take time to implement
- Still exposed to companies focused on metallurgical coal for steel production

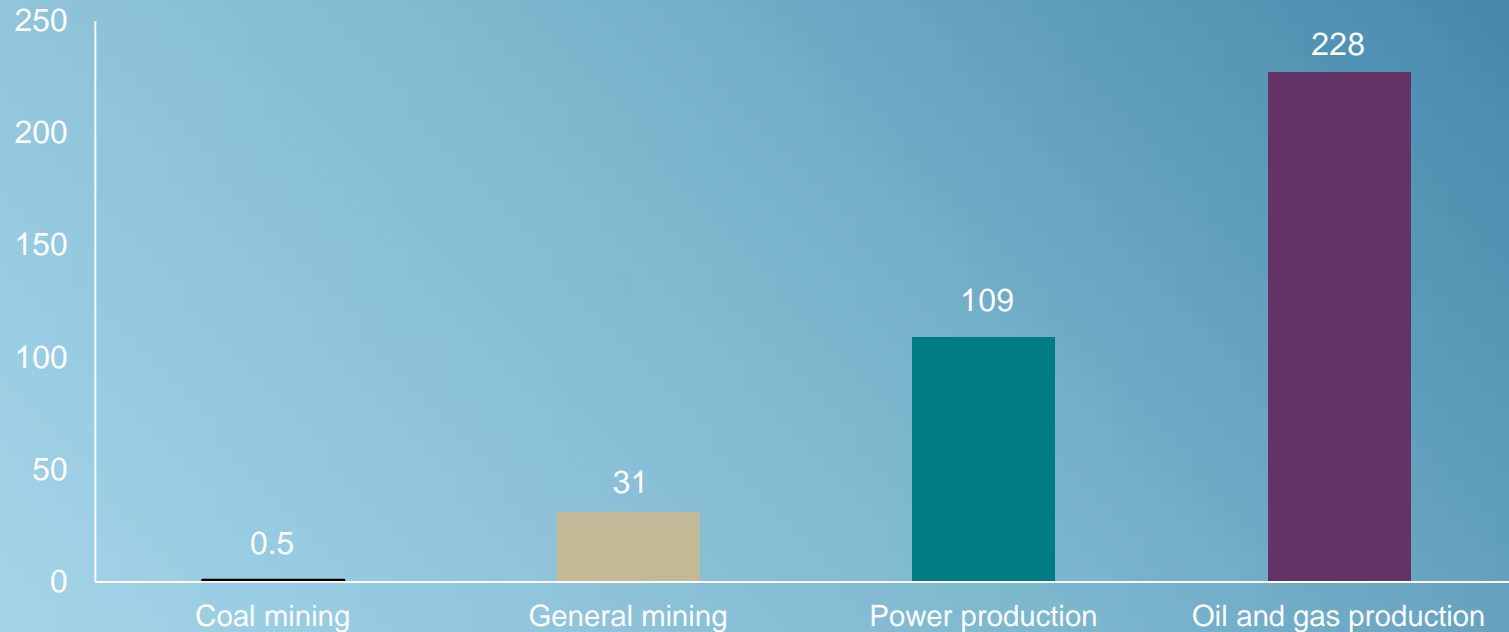


Source: NBIM, FTSE/ICB sektor classification



# Fund holdings in selected sectors

NOK billions. Equity portfolio as at 31.3.2015

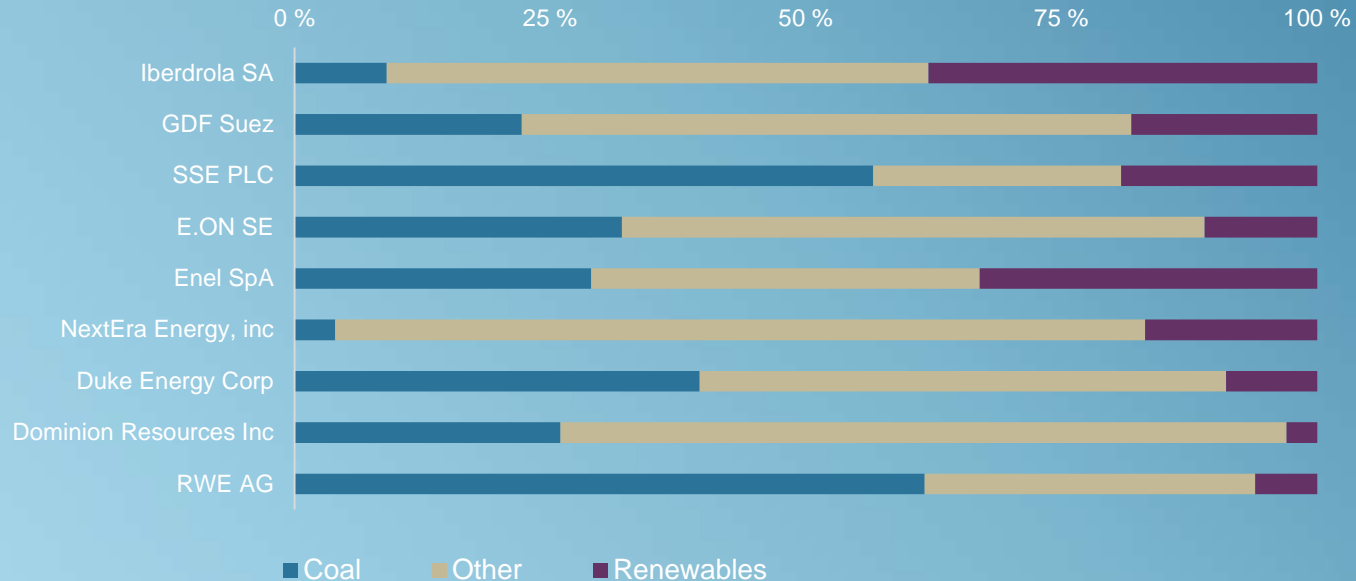


Source: Norges Bank Investment Management, FTSE/ICB sector classification.  
Power production includes conventional electricity and multiutilities.  
Oil and gas production includes Exploration and production and Integrated



# Electricity generation

## Fuel mix. Top ten electricity generation companies in the equity portfolio



Source: Company reports for reporting year 2013. «Renewables» includes among other wind, solar, geothermal and wind power. «Other» includes among other nuclear and oil and gas based power generation



# Letter to general mining companies



- Approach to managing the business towards a less emission-intensive energy system
- Identify costs of separating the mining of coal from other mining operations
- Timeline for any such separation
- Research and development in low-emission technologies or processes



# Additional real estate investments in 2014

## Examples



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



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



100 Federal Street.  
Foto: Boston  
Properties



Foundry Square II, San  
Francisco. Foto: Eastdil  
Secured



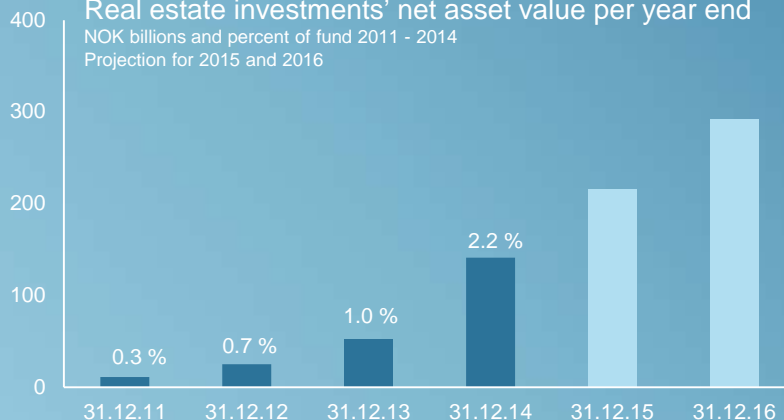
Atlantic Wharf,  
Boston. Foto: Anton  
Grassl/Esto



601 Lexington Avenue,  
NY. Foto: Boston  
Properties

### Real estate investments' net asset value per year end

NOK billions and percent of fund 2011 - 2014  
Projection for 2015 and 2016





# THE MANAGEMENT OF THE GOVERNMENT PENSION FUND GLOBAL 2014

HEARING BEFORE THE STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS OF THE STORTING, 4 MAY 2015.

YNGVE SLYNGSTAD, CHIEF EXECUTIVE OFFICER