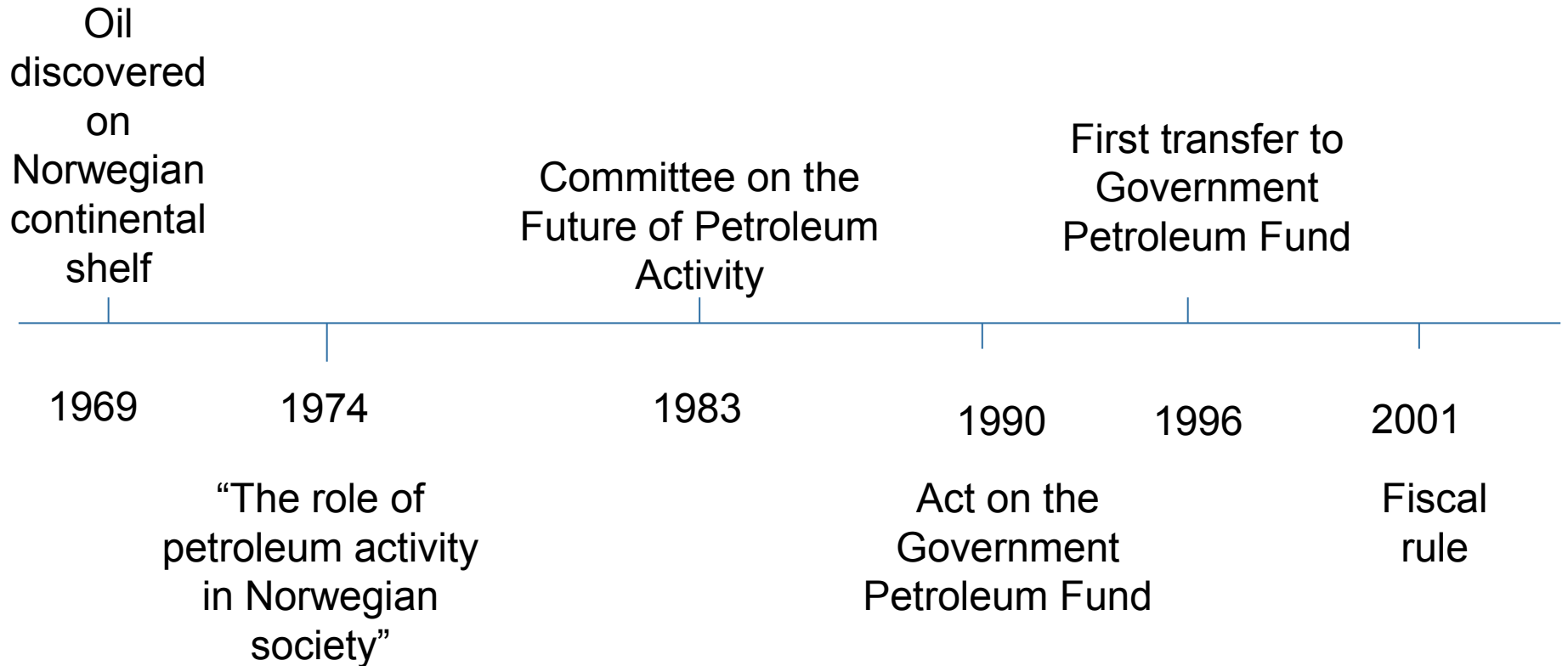


Perspectives on managing the Government Pension Fund Global

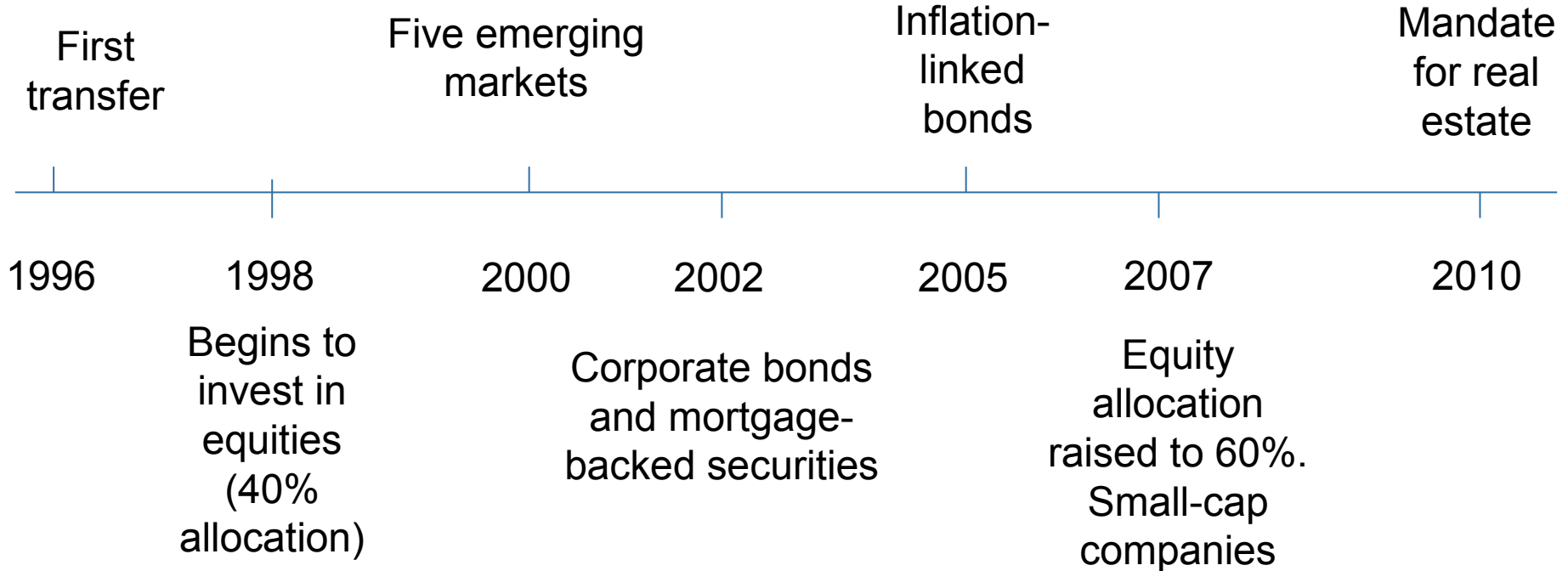
*Svein Gjedrem, Governor of Norges Bank
2 November 2010*

www.norges-bank.no

Timeline for managing Norway's oil wealth

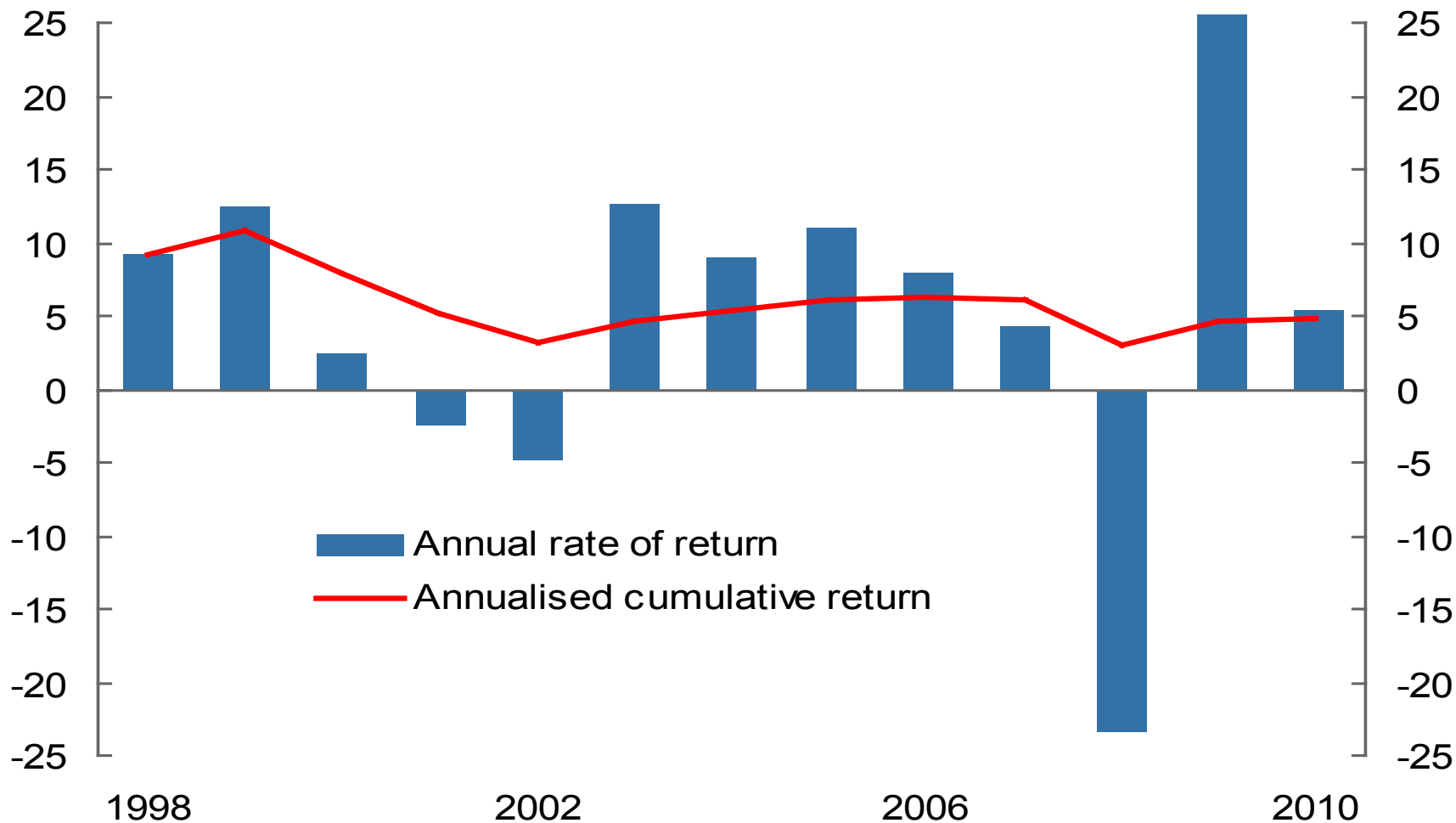


Timeline for the Government Pension Fund Global



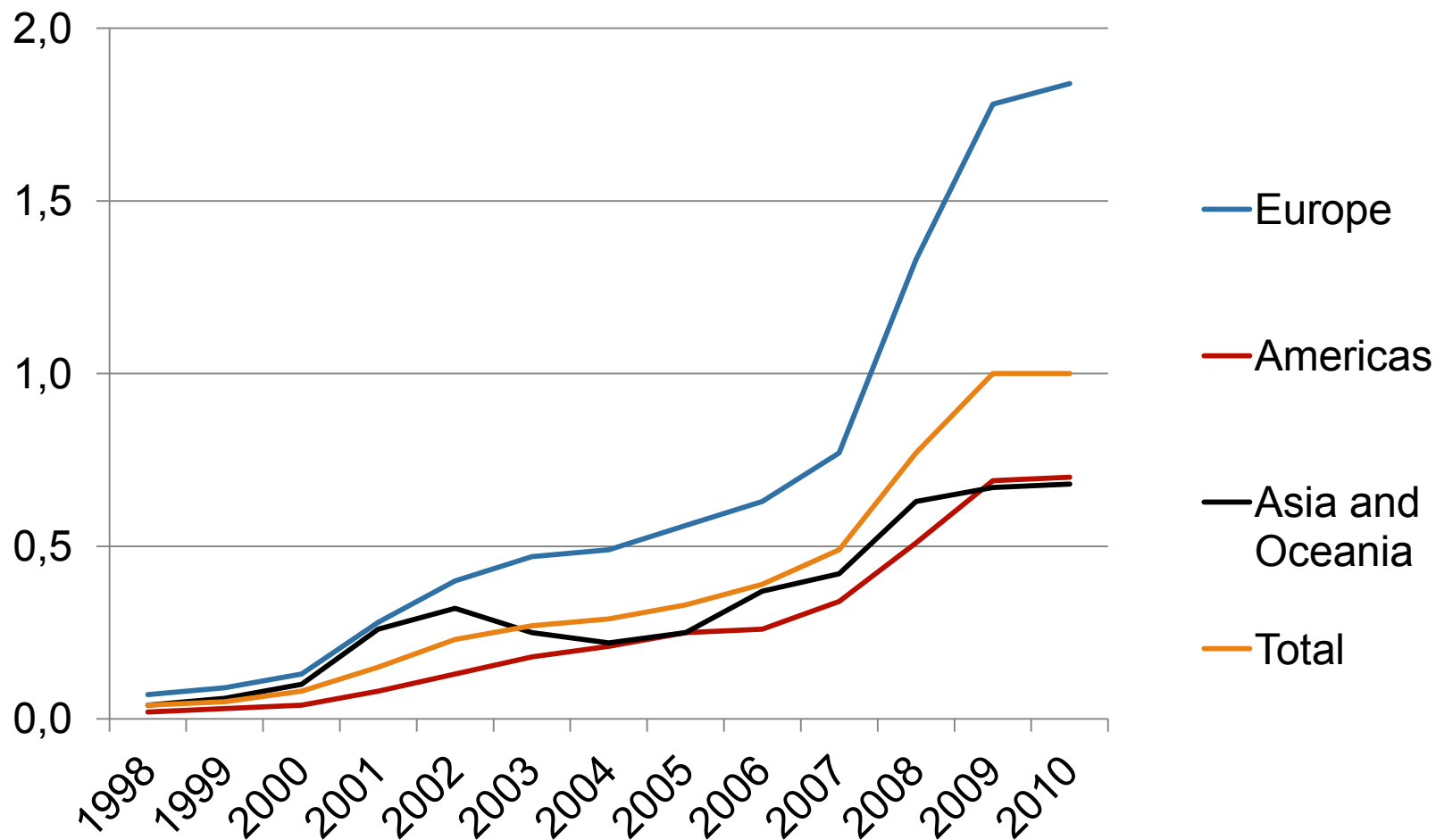
Return on the Fund

Return on the Fund. As at 2010 Q3. Per cent



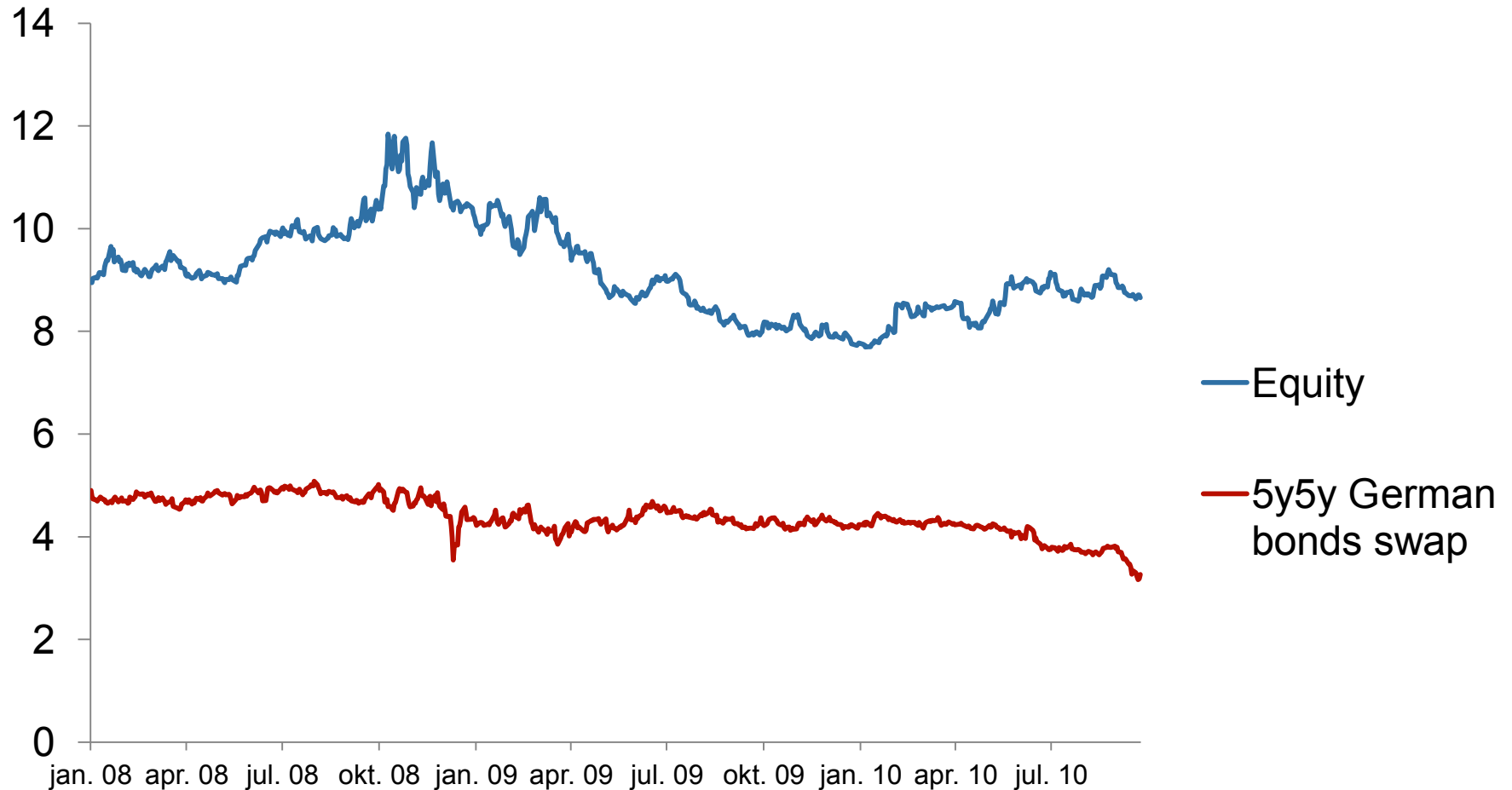
Ownership interests in equity markets

Percentage of FTSE market cap



Future returns

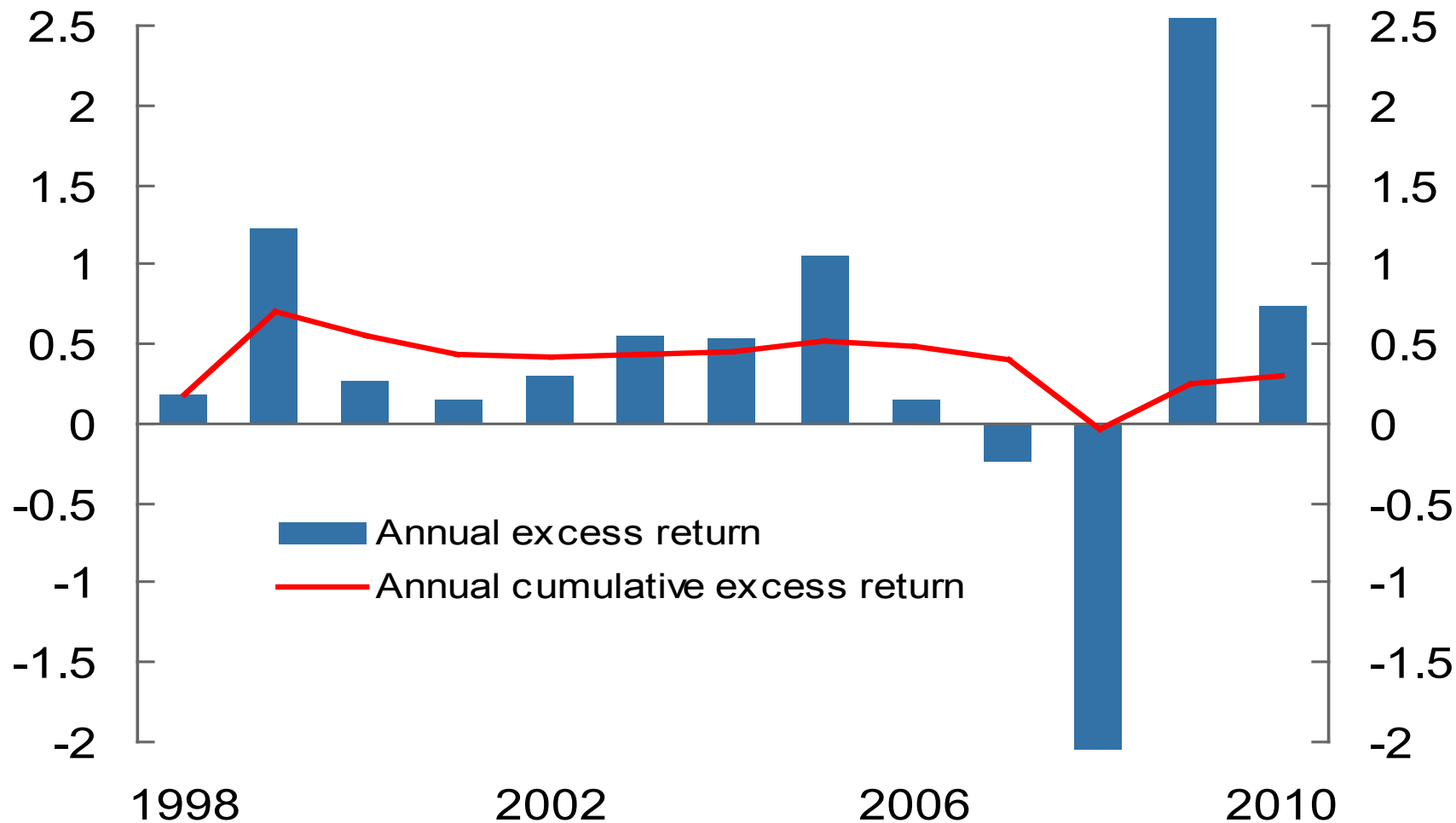
Expected nominal rate of return on German 5-year government bonds 5 years ahead and equity instruments. Per cent



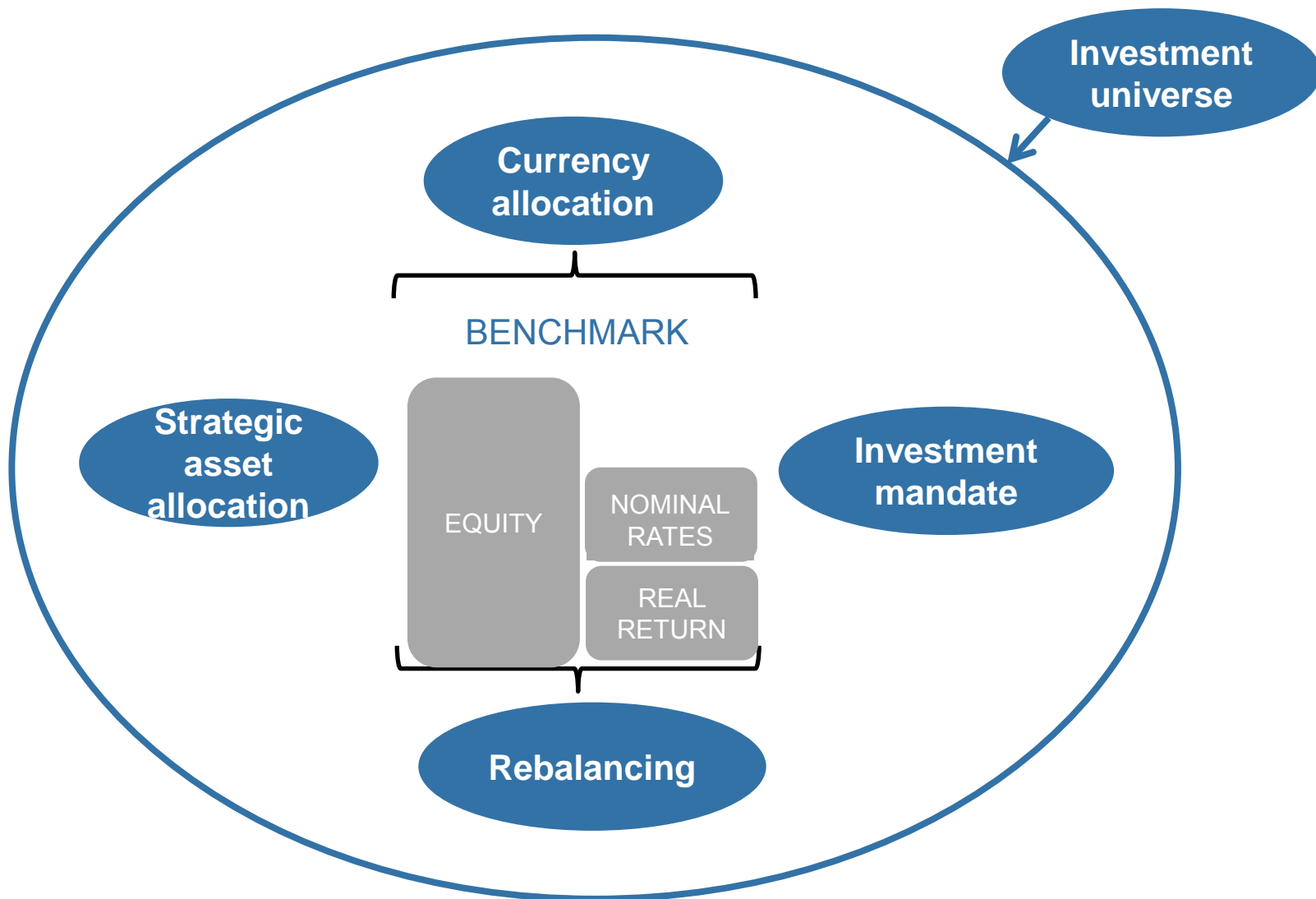
Source: Thomson Reuters and Bank of England

Excess return

2010 as of Q3. Per cent



Investment strategy



Motives for assessing transparency of SWFs

- Peterson Institute:
 - “Sovereign wealth funds (SWFs), large pools of government-owned funds that are invested in whole or in part outside their home country, burst upon the policy consciousness only three years ago.”

Motives for assessing transparency of SWFs (cont.)

- Peterson Institute:
 - “Their explosive growth up until 2007 fanned widespread anxieties about shifts of global economic wealth and the roles of governments in managing that wealth. On the other hand, SWF investments helped some major Western financial institutions weather the recent financial crisis.”

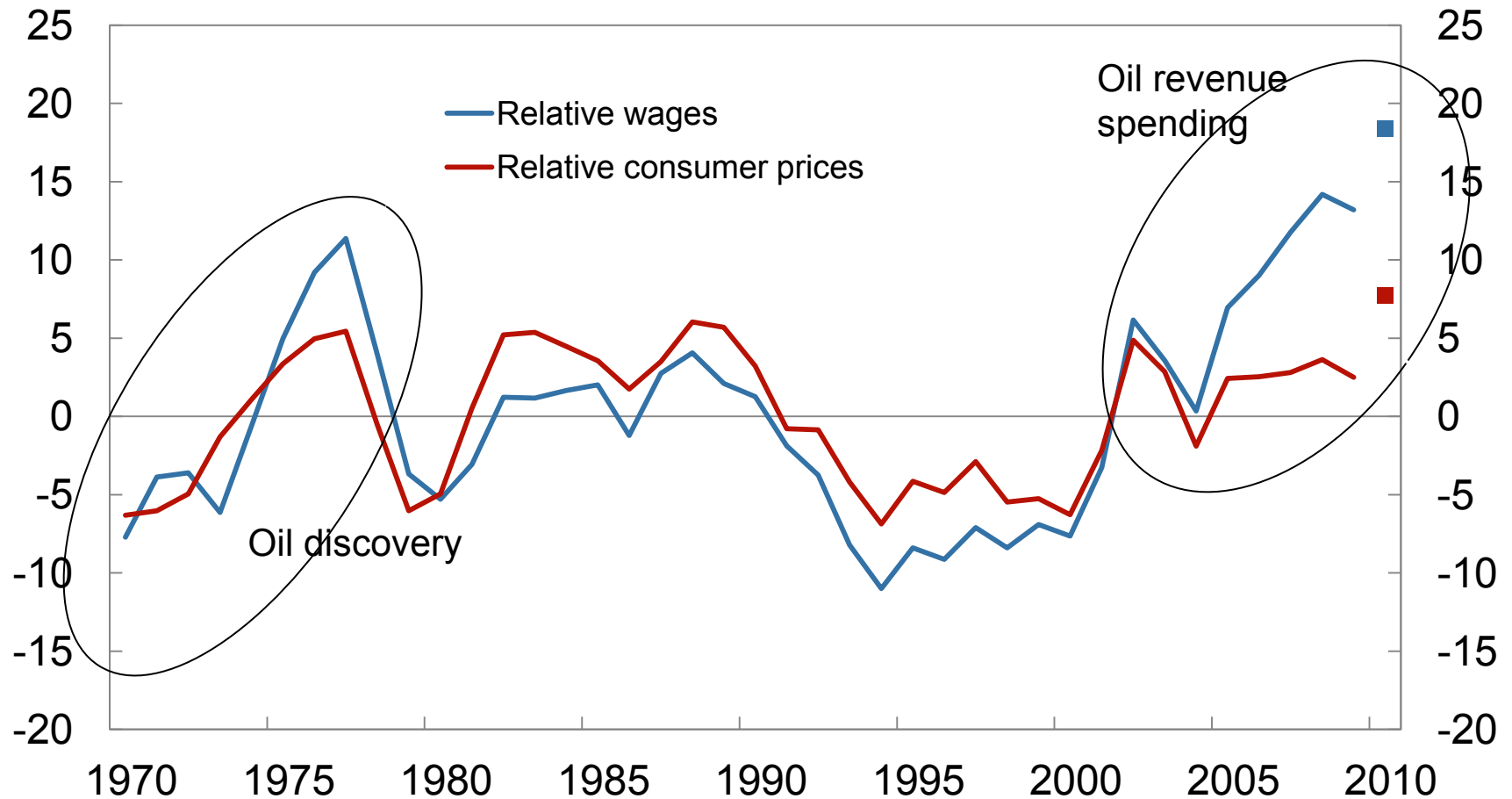
Transparency of SWFs

Fund (origin)	Points 2009 (per cent)	Change from 2008 (percentage points)
Government Pension Fund Global (Norway)	97	5
CalPERS (California)	95	8
Alaska Permanent Fund	92	0
ABP (Netherlands)	85	5
Timor-Leste	85	5
GIC (Singapore)	65	24
Abu Dhabi Investment Authority	11	3

Source: Edward Truman

Real exchange rate

Deviation from mean over the period 1970 – 2009. Per cent. 1970 – 2010¹⁾



1) The squares show the average so far in 2010 (to 21 October).
A rising curve denotes weaker competitiveness.

Sources: Statistics Norway. Technical Reporting Committee on Income Settlements, Ministry of Finance and Norges Bank

Perspectives on managing the Government Pension Fund Global

*Svein Gjedrem, Governor of Norges Bank
2 November 2010*

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