

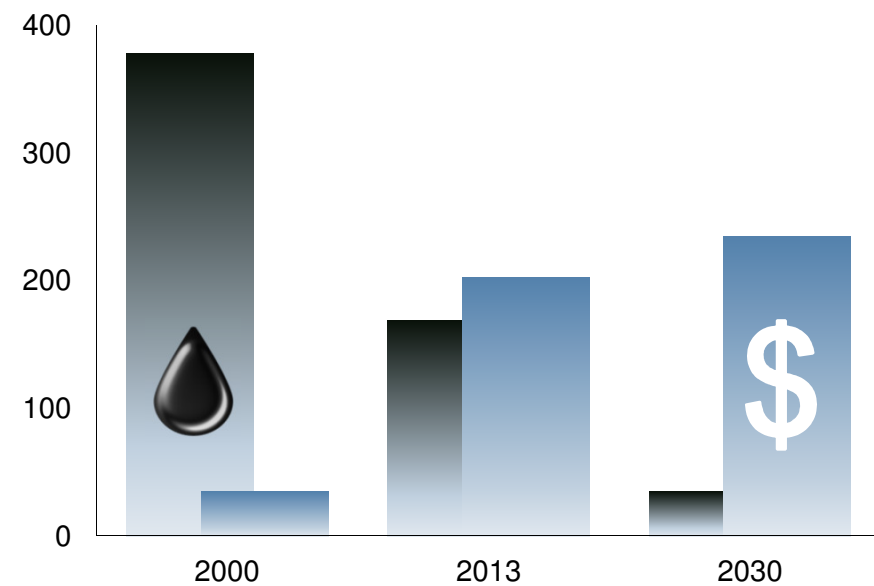
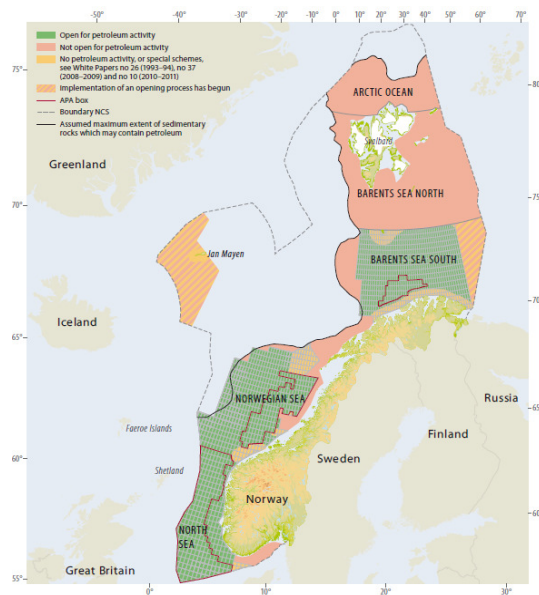
NORGES BANK INVESTMENT MANAGEMENT NIRI SAN FRANCISCO CHAPTER PRESENTATION

TUESDAY 13TH MAY 2014

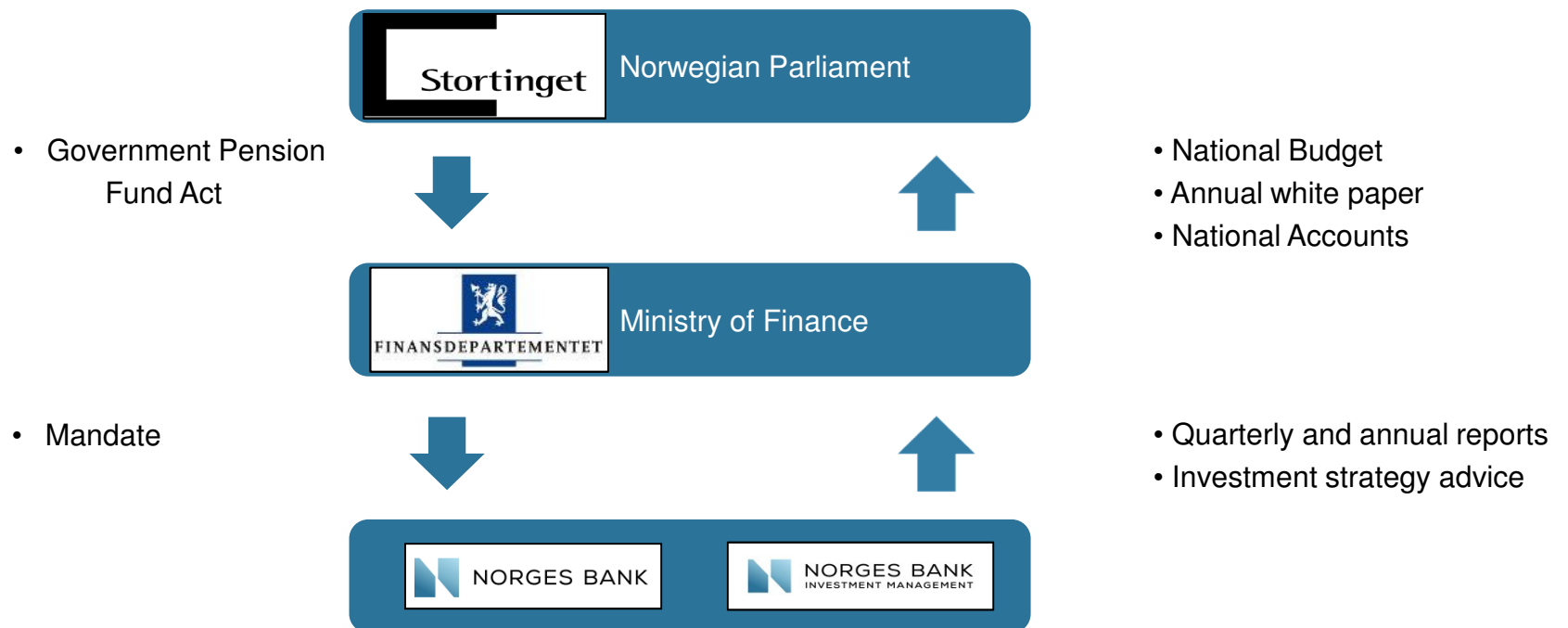
SPEAKER: HUGO SANDERS- HEAD OF CORPORATE ACCESS

Safeguarding financial wealth

From natural resource to financial wealth. Percent of mainland GDP

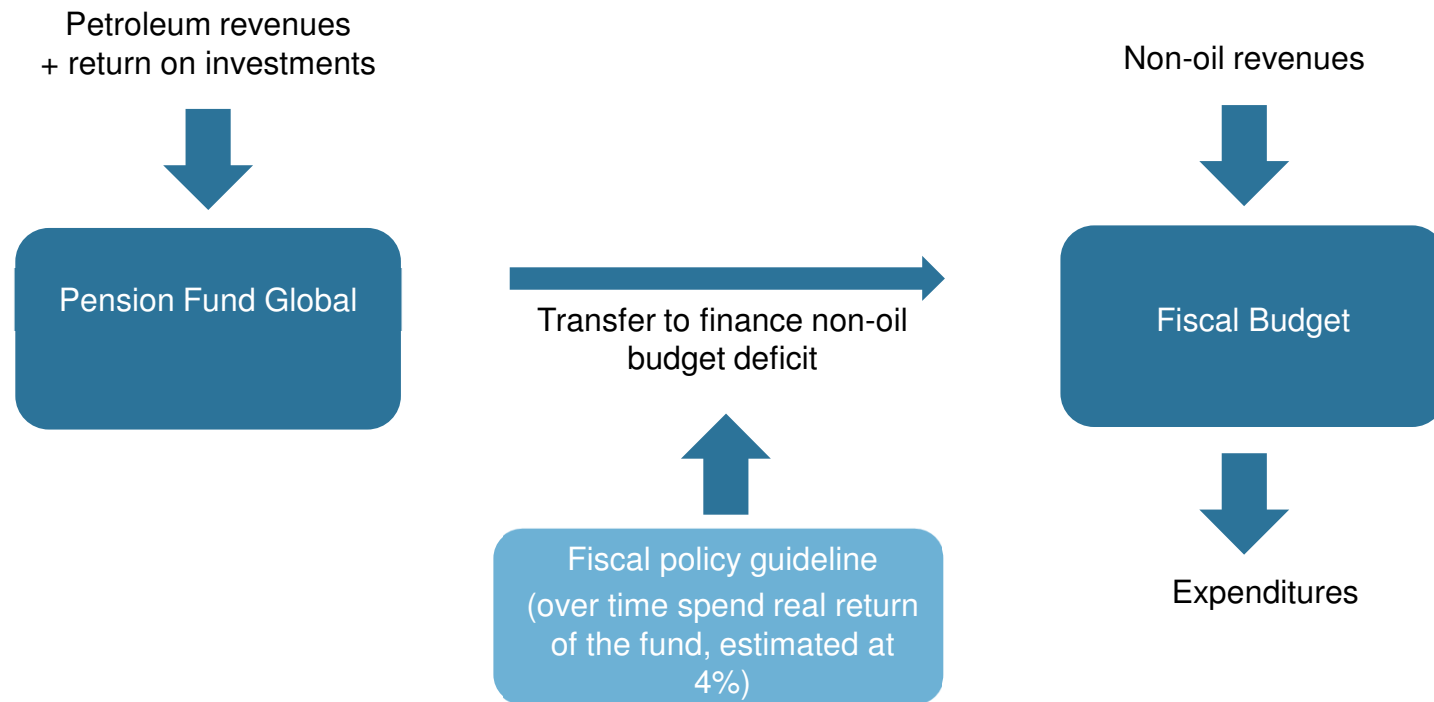


A fund owned by the Norwegian people



The fund mechanism

The fiscal rule



The Government Pension Fund Global

Background and overview

863 bn

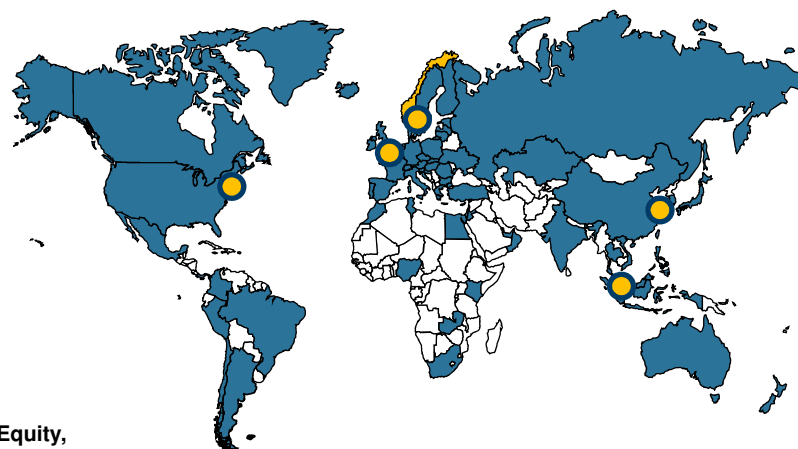
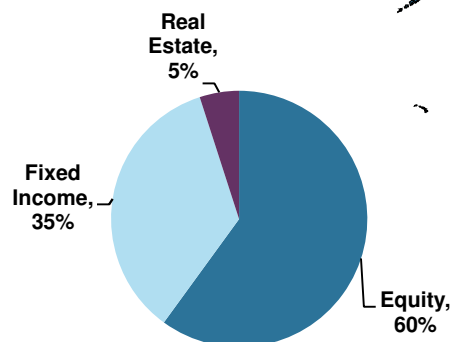
USD

Total GPFG as of 7th May 2014

5.7

Percent

Return since inception, 1998



**Long-term
Global
Diversified**

8213

companies

1060

fixed income issuers

82

countries invested

27

currencies

370

employees

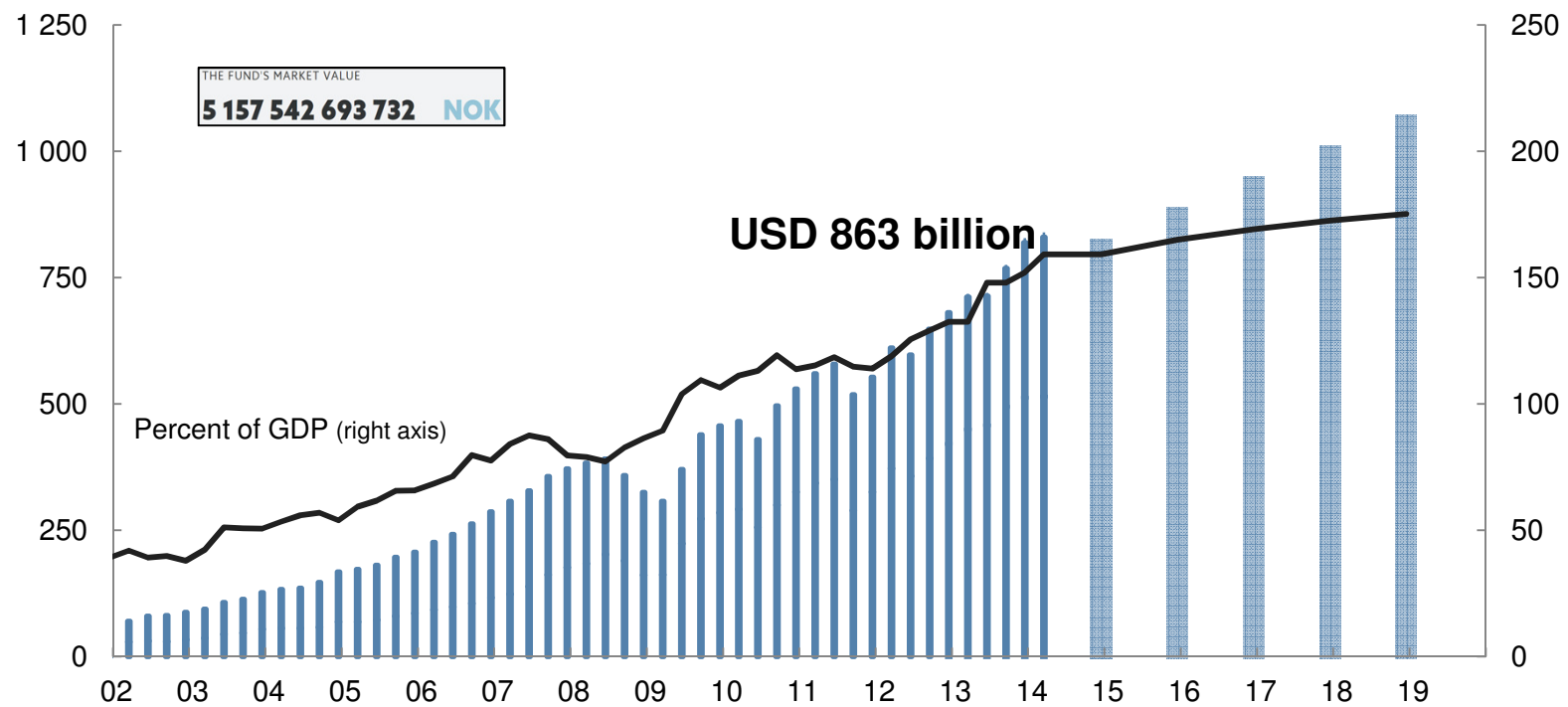
5

offices



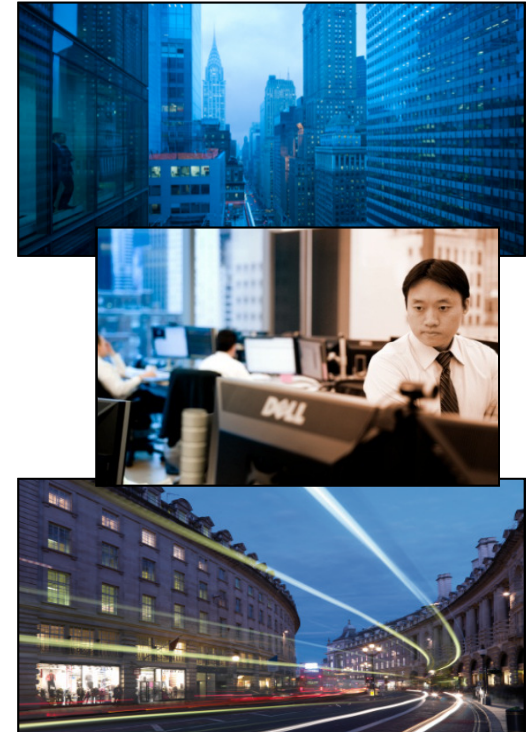
A large fund

Billion dollars and percent of Norwegian GDP



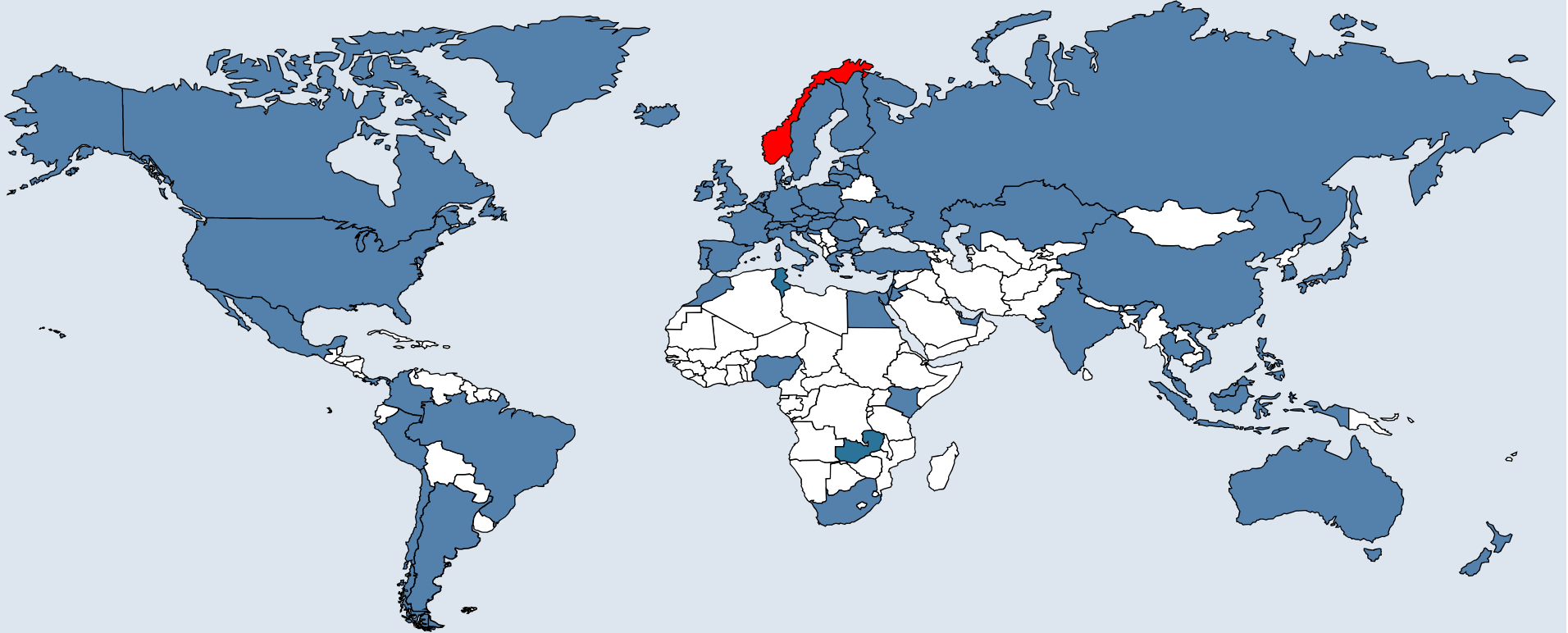
Investment strategy

- **Long term**
 - Safeguarding assets for future generations
- **Global**
 - Protect international purchasing power
- **Diversified**
 - Real return at acceptable risk



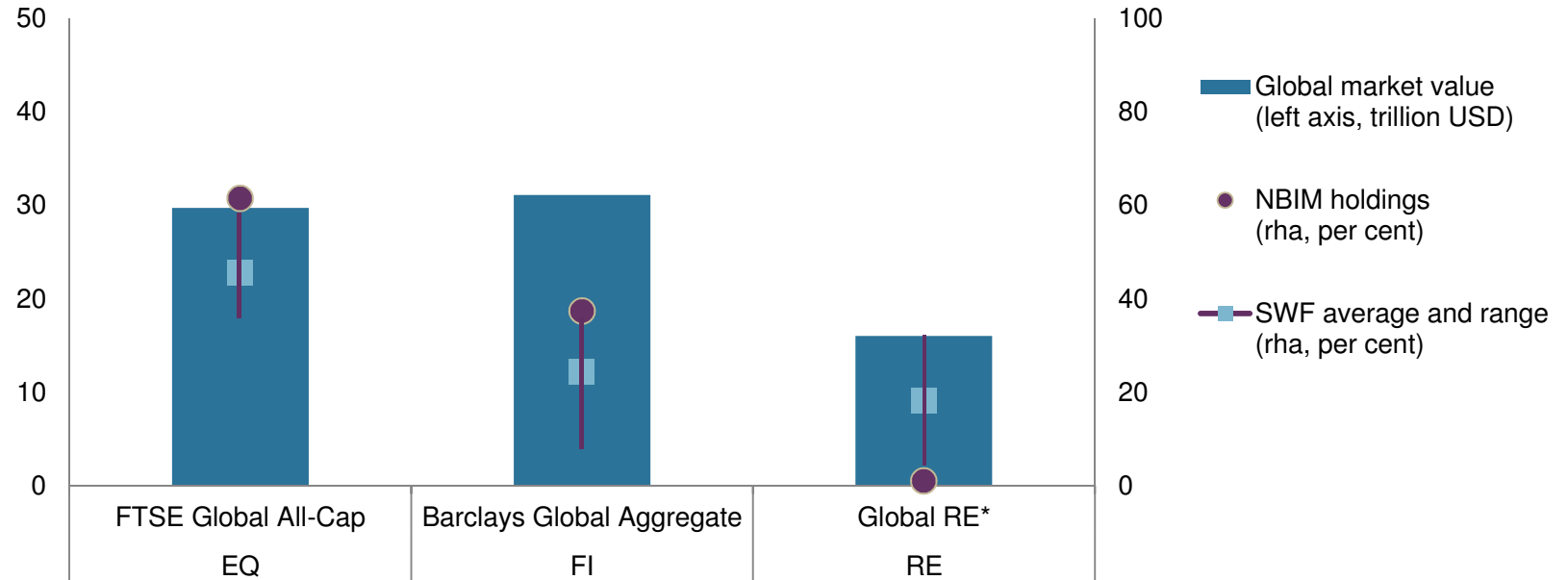
The fund's investments

Investments in 82 countries and 44 currencies. 31.12.2013



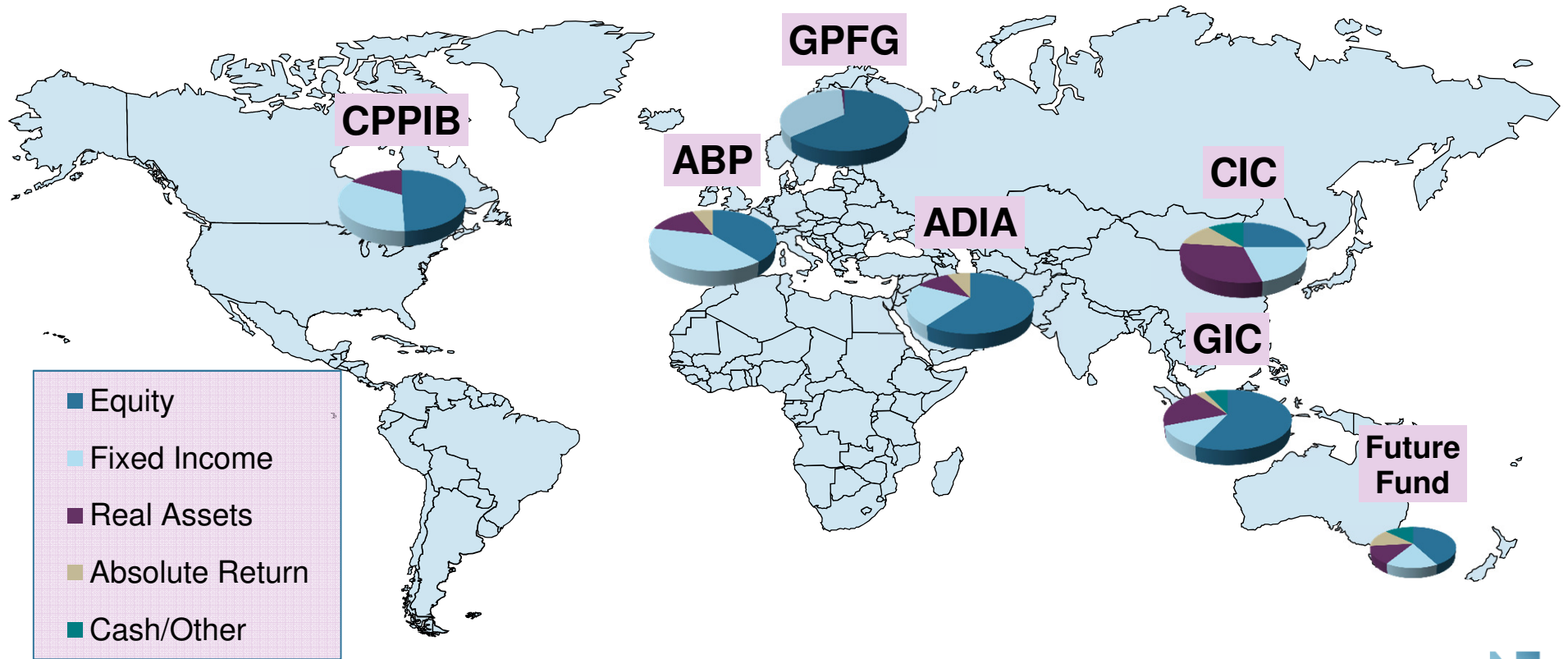
Asset class allocation

Trillion USD and percent, 31 December 2013



Asset mix of selected, large funds

Data as of latest annual or quarterly reports

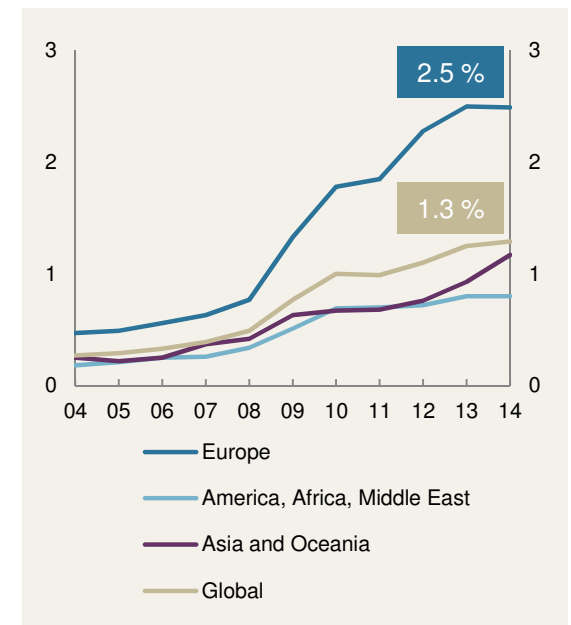
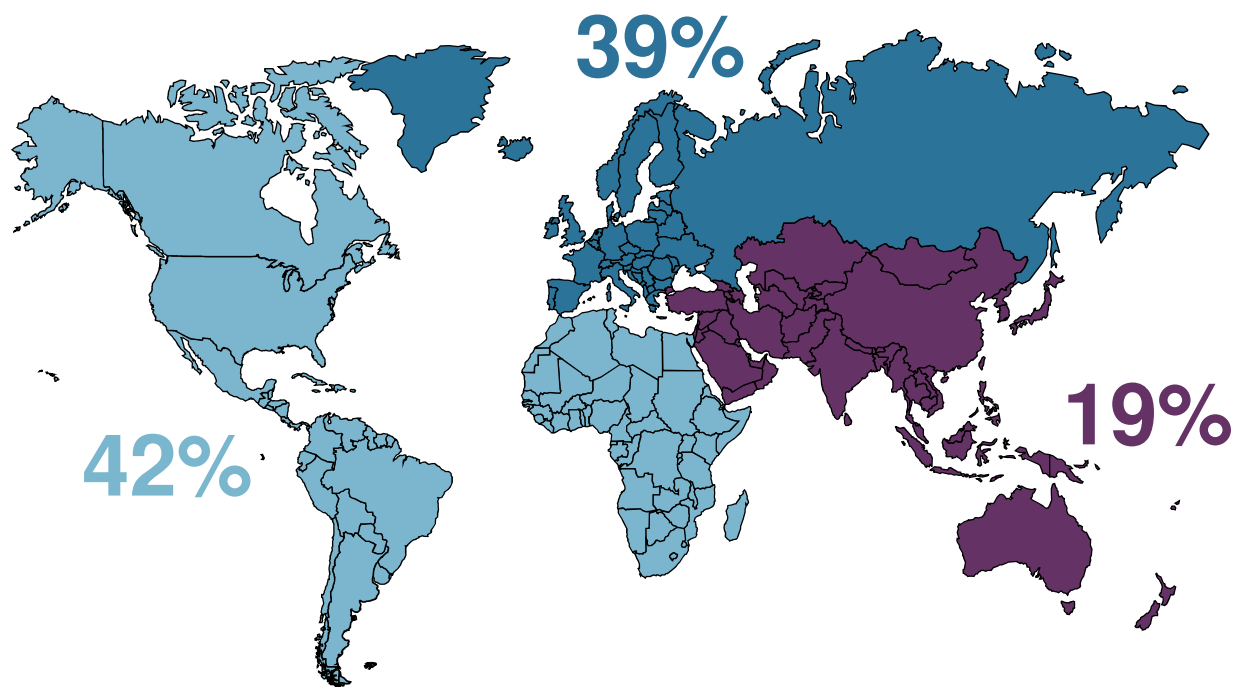


Source: Annual reports, NBIM calculations



Regional allocation

Target weights and average ownership in equity markets, percent



Global Equities

Average ownership percentages

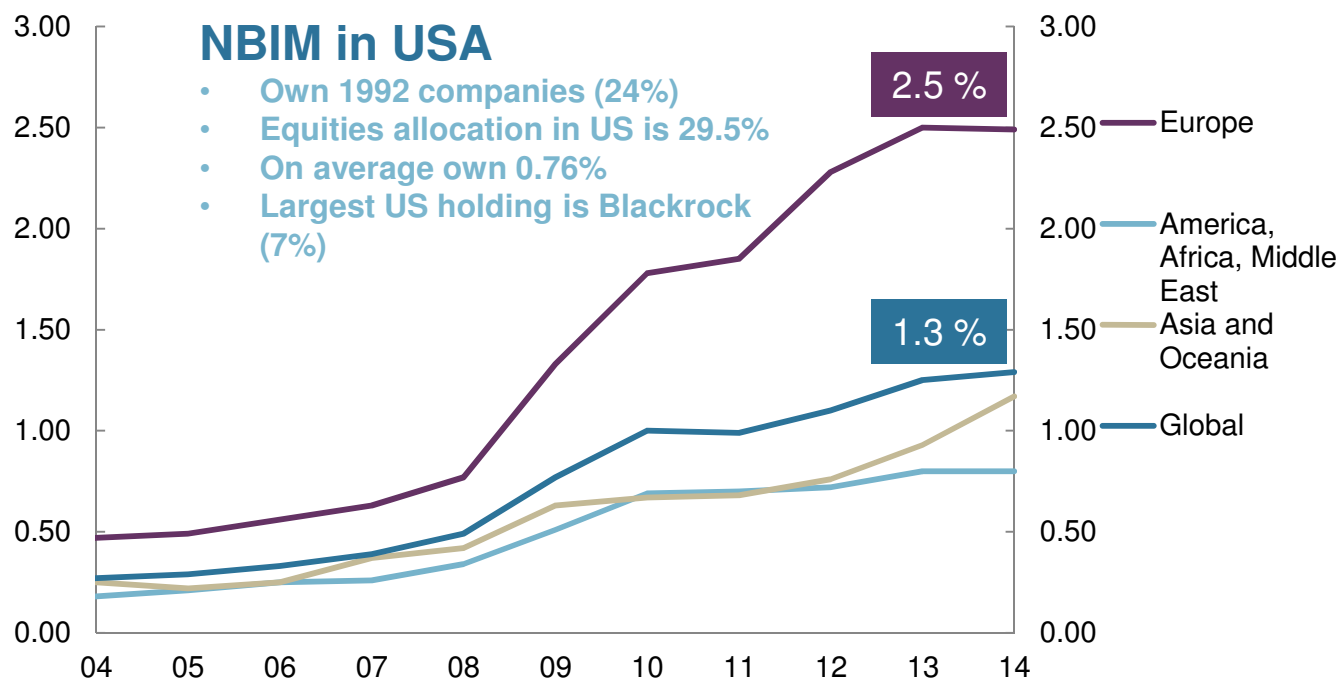
8213

companies



NBIM in USA

- Own 1992 companies (24%)
- Equities allocation in US is 29.5%
- On average own 0.76%
- Largest US holding is Blackrock (7%)



Source: Norges Bank Investment Management



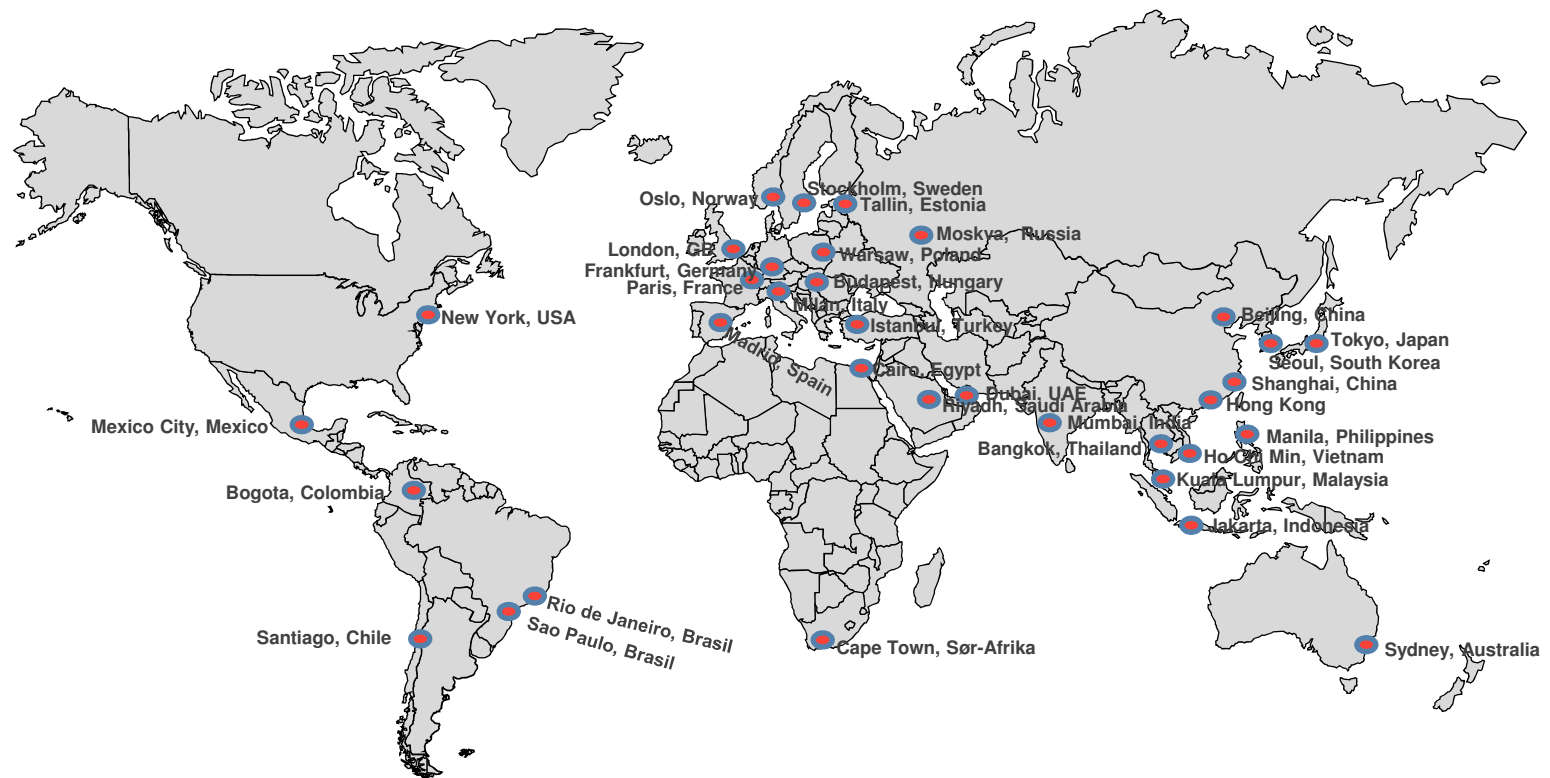
NBIM Equity Management

- The fund is in the process of moving toward regional market capitalisation weights for equity investments. Its largest geographic exposure is to Europe and North America, followed by developed markets in Asia and Oceania and emerging markets.
- Investments are limited to companies listed on regulated stock exchanges or in companies where the board of directors has said it intends to seek a listing on a bourse.
- The fund has an upper limit of 10 percent on ownership in any given listed company.
- There are four main equity strategies
 - Market Exposure Strategies
 - Sector Strategies
 - Capital Strategies
 - External Strategies



External managers

3.7% managed by 51 specialist managers



Responsible investor

Investor characteristics

Long-term horizon

Financial investor

Minority shareholder



Active ownership focus areas

Long-term risks:

- Children's rights
- Climate change
- Water management

Corporate governance:

- Equal treatment of shareholders
- Shareholder influence and board accountability

Markets:

- Well-functioning financial markets



Transparency

- The funds market value updated continuously at nbim.no
- Complete annual holding lists
- Voting records published one day after general meetings
- Annual and quarterly reports including full IFRS financial reporting
- Governing documents, correspondence and research on website



How to Interact with NBIM

- NBIM wants to have direct relationships with our corporates holdings where possible and would encourage you as IRs to reach out direct to your relevant Portfolio Manager contact or the Corporate Access team on any questions you have.
- We are happy to work with your partners and advisors on corporate access but feedback will only be given to the company direct
- There is likely to be more than one PM interested in meeting with you globally and therefore its important to consider this and reach out to Corporate Access should you have questions
- Our voting records are published one day after general meetings and any questions related to AGMs should be directed to our Corporate Access team
- Any queries or questions you have can be directed to Hugo Sanders or the NBIM corporate access team (corporateaccess@nbim.no)



