



THE MANAGEMENT OF THE GOVERNMENT PENSION FUND 2013

HEARING BEFORE THE STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS OF THE STORTING, 25 APRIL 2014.

YNGVE SLYNGSTAD, CHIEF EXECUTIVE OFFICER

Management objectives

Objective...

- Long-term real return



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- Acceptable risk



- Responsible investment



...subject to

- Efficient organisation

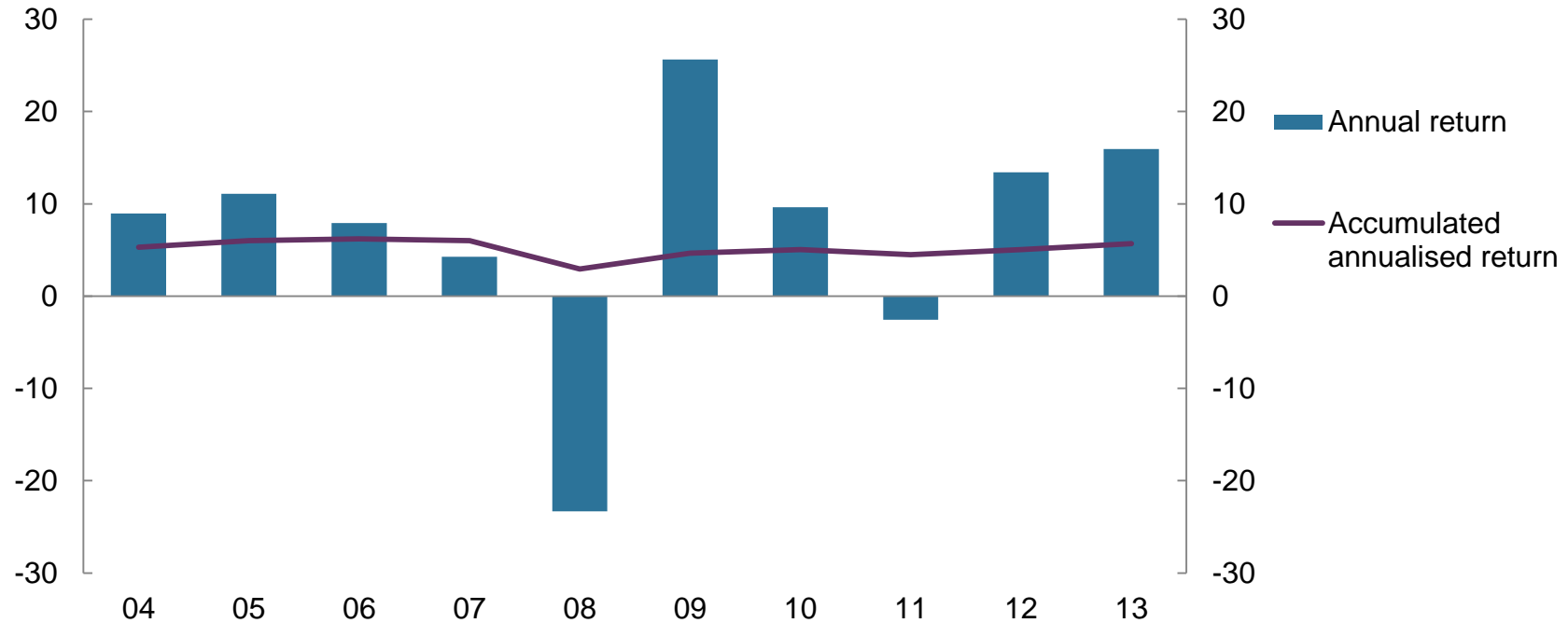


- Transparency



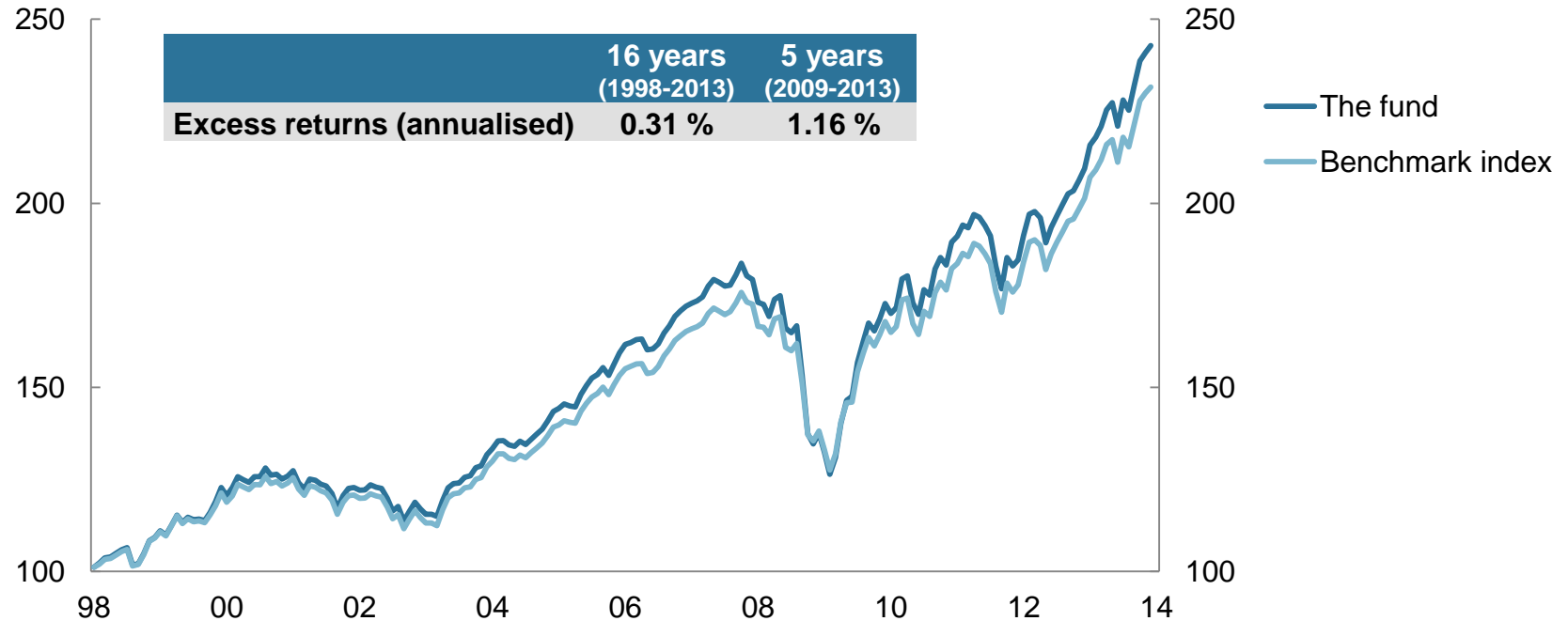
Return

Per cent



Cumulative returns

Value and benchmark index since 1998 (31. Dec. 1997=100)

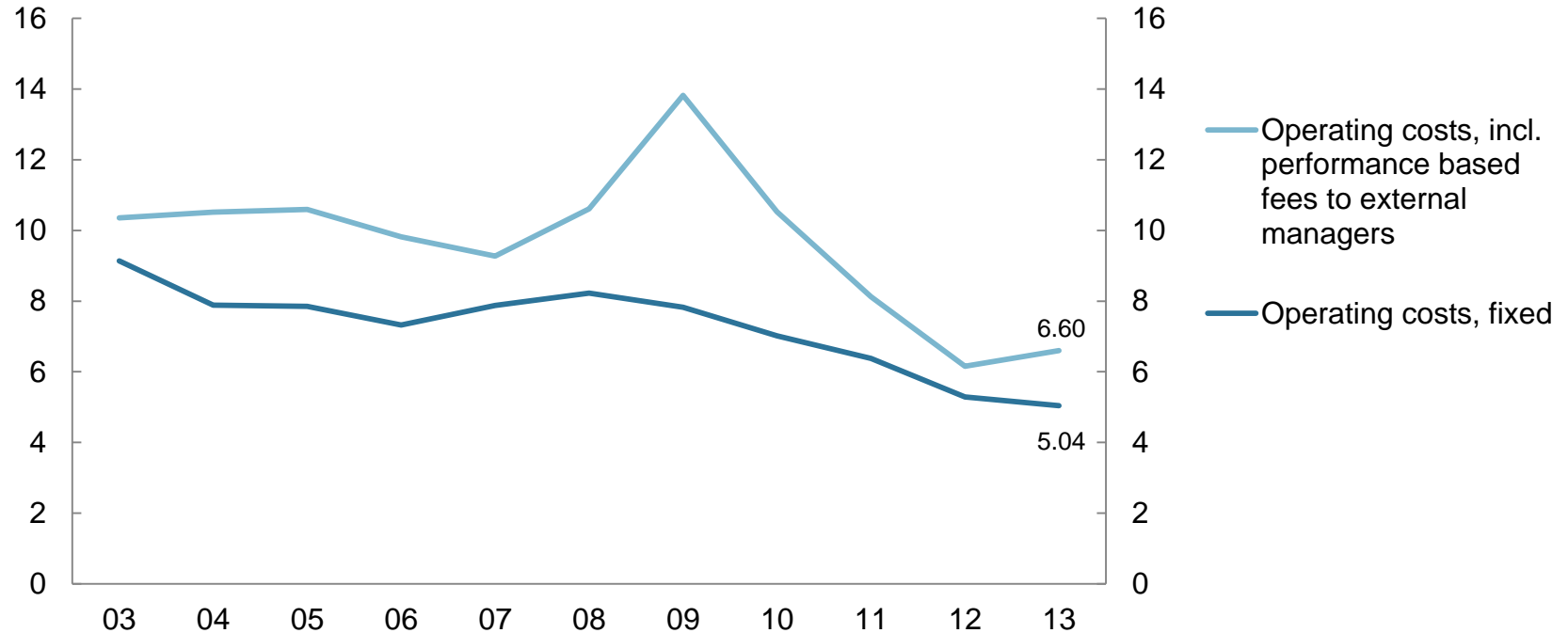


Source: Norges Bank Investment Management



Cost-effective management

Operating costs. Share of the fund's market value. Basis points.

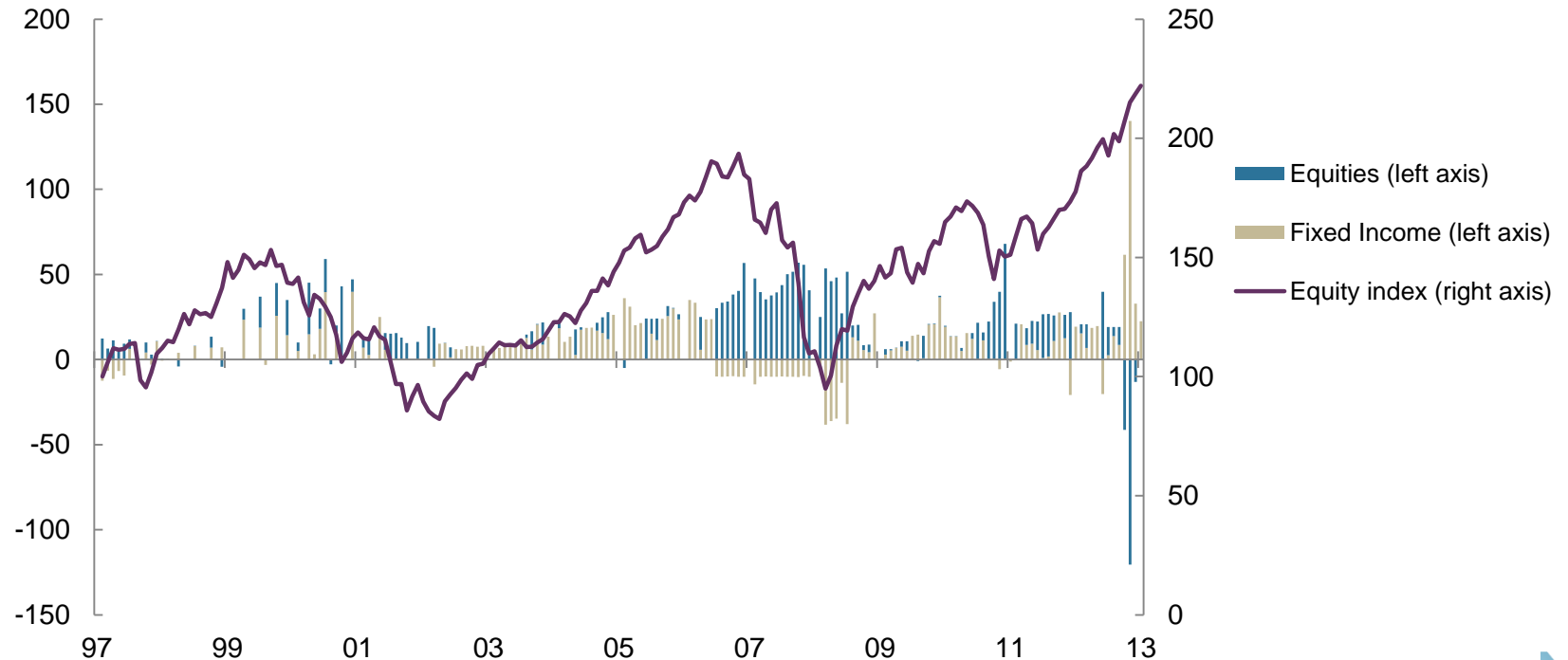


Source: Norges Bank Investment Management



Asset allocation of transactions

Net monthly purchases (NOK bn) and global equity index (31 Dec. 1997=100)



Source: Norges Bank Investment Management



Active and responsible owner

Our policies for all companies	International standards
	Principles and expectations
	Research and co-operation with other investors
Contact with companies	Voting
	Company meetings
	Board contact
Fund surveillance	Risk assessment and monitoring
	Focus areas and sector compliance
	Divestments
	Environment-related investments



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

Markets:

- Well-functioning financial markets

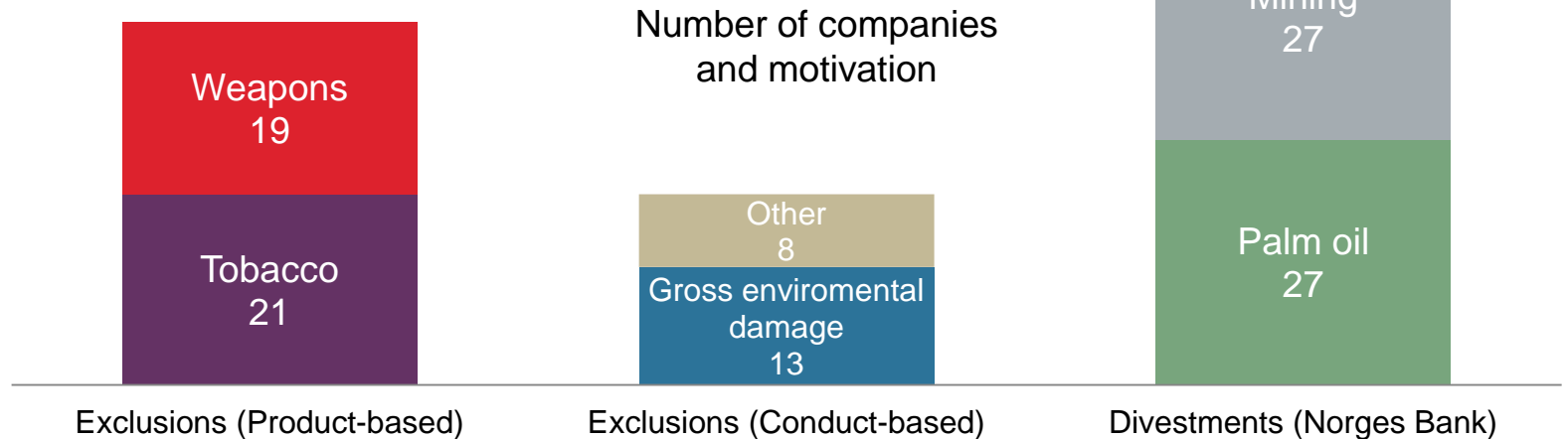
Corporate governance:

- Equal treatment of shareholders
- Shareholder influence and board accountability



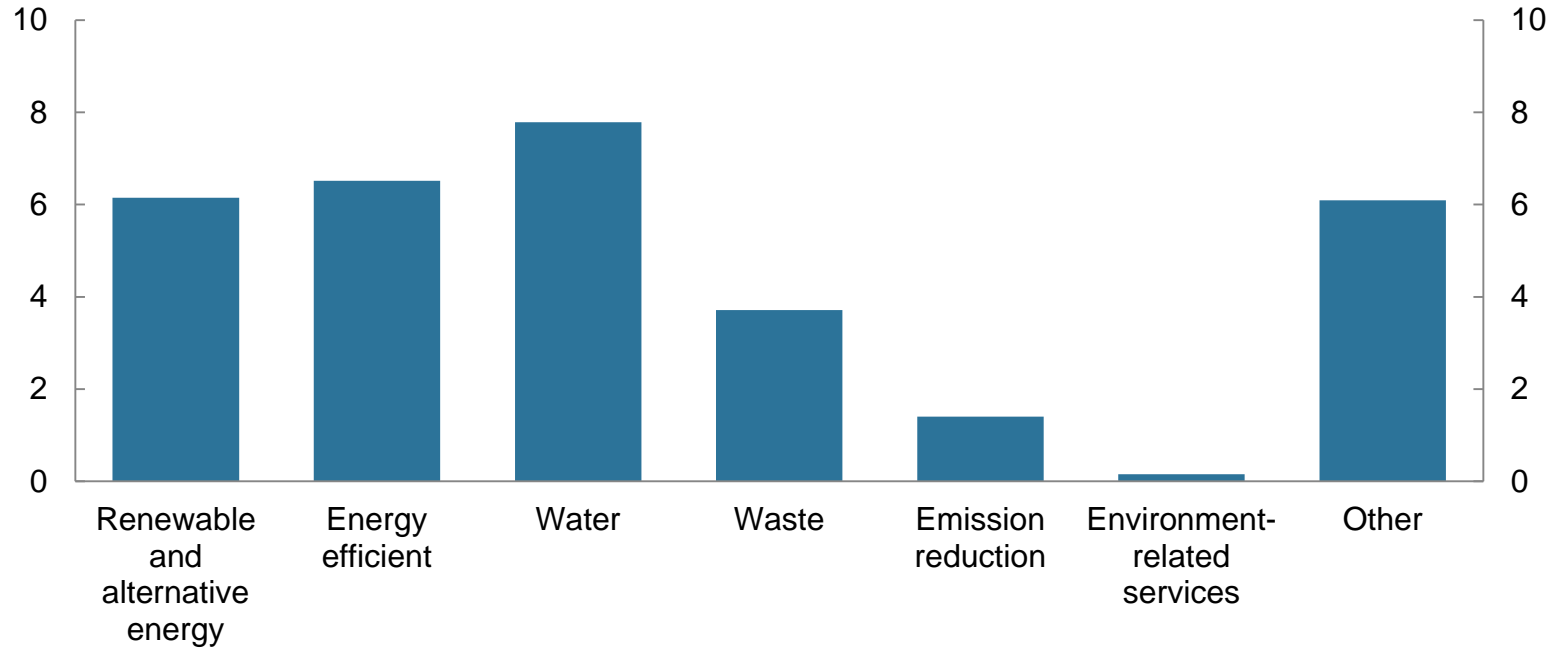
Sector divestments

- Companies whose long-term business model is assessed to be unsustainable
- Specific sectors and regions that are particularly challenging
 - Gold mining
 - Coal mining
 - Palm oil



Environment-related investments

31 Dec. 2013. NOK 31.4 bn. Invested in 166 companies





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