

GOVERNMENT PENSION FUND GLOBAL

SECOND QUARTER 2018

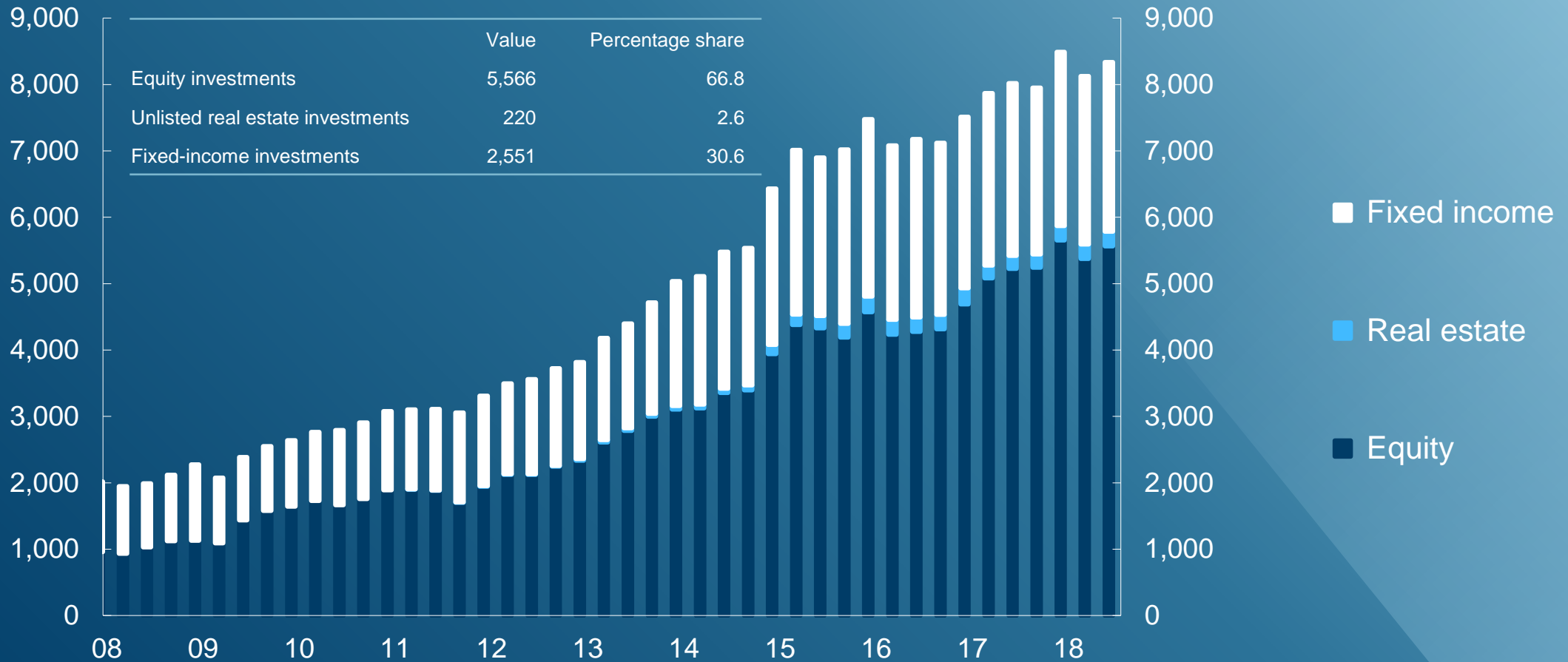
21 AUGUST 2018

Highlights

- The market value of the fund increased by 213 billion kroner to 8,337 billion kroner
- The fund returned 1.8 percent in second quarter 2018
- The return on the fund was 0.2 percentage point lower than the return on the benchmark index
- At the end of the quarter, the fund was invested as follows:
 - Equity investments 66.8 percent
 - Unlisted real estate investments 2.6 percent
 - Fixed-income investments 30.6 percent

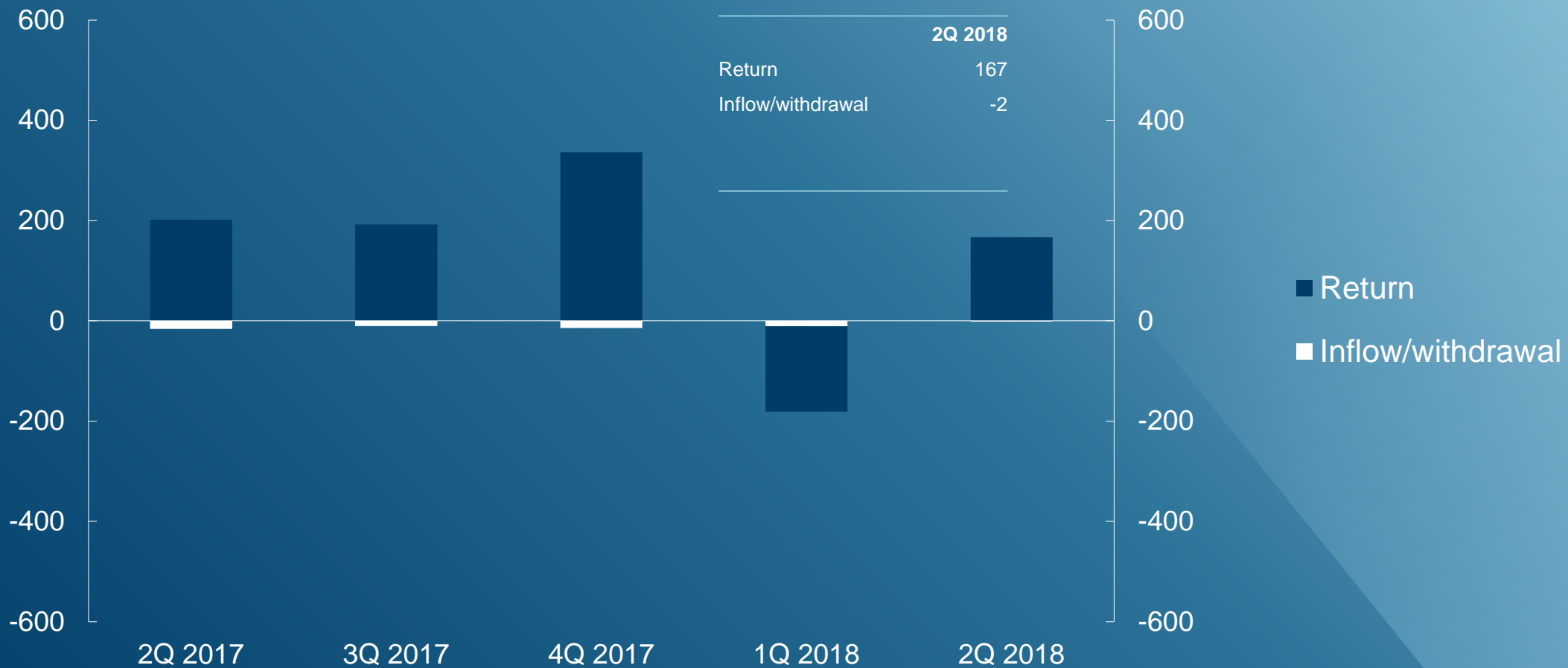
Market value

Billions of kroner. As at 30.06.2018



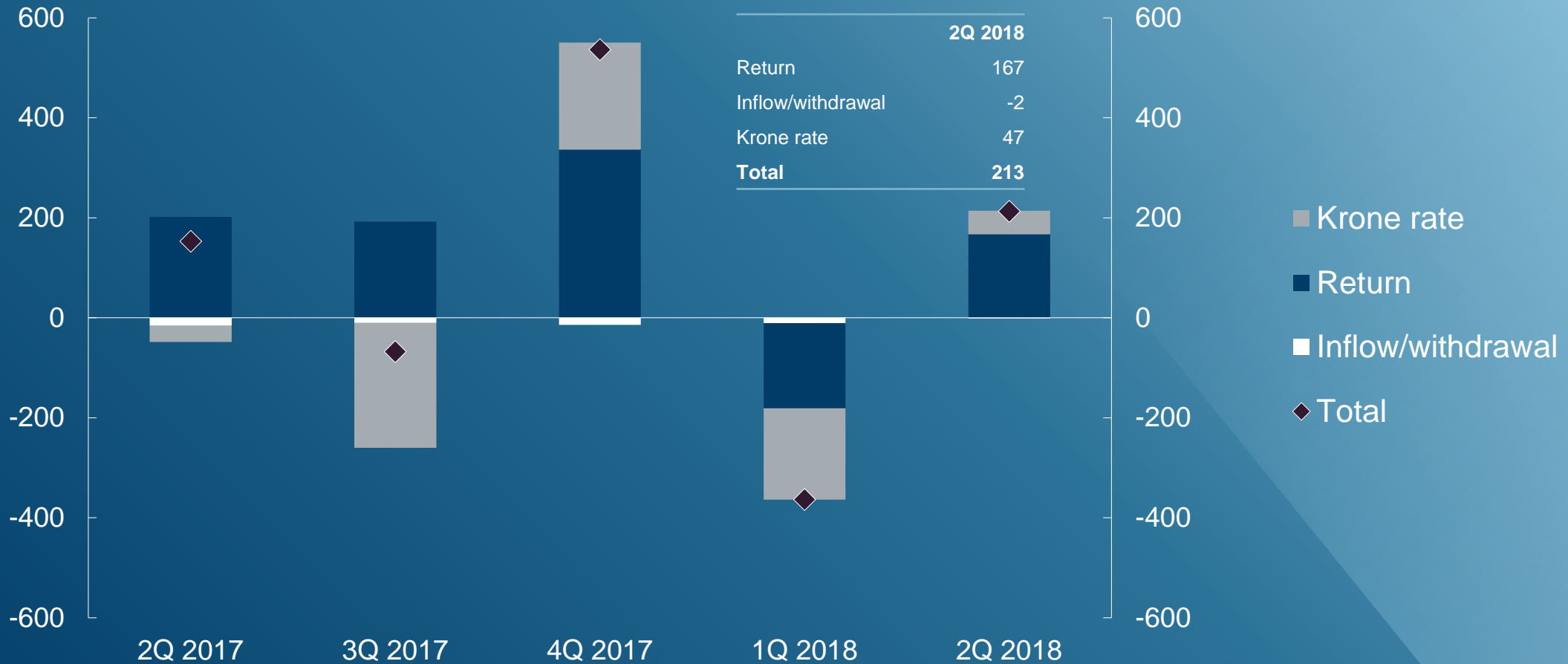
Quarterly change in market value

Billions of kroner



Quarterly change in market value

Billions of kroner



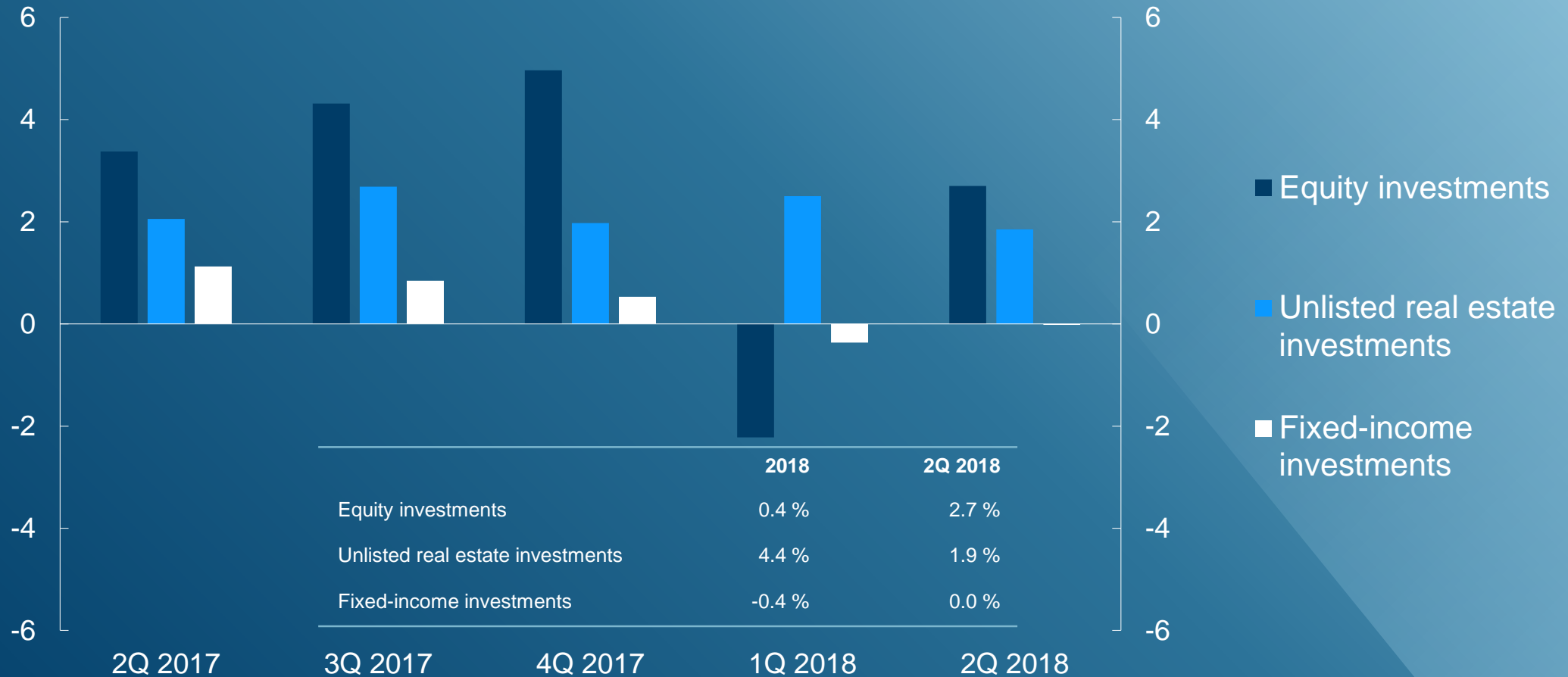
Return

Measured in the fund's currency basket. Quarterly return. Percent



Return per asset class

Measured in the fund's currency basket. Percent



	2018	2Q 2018
Equity investments	0.4 %	2.7 %
Unlisted real estate investments	4.4 %	1.9 %
Fixed-income investments	-0.4 %	0.0 %



Fund relative return

Quarterly return relative to benchmark index. Percentage points



Changes in value since 1996

Billions of kroner

	30.06.2018	31.03.2018	31.12.2017
Total inflow of capital*	3,328	3,496	3,499
Total return on fund	4,147	3,980	4,151
Total management fees	-42	-41	-39
Changes due to fluctuations in krone	904	857	1,040
Market value of the fund	8,337	8,124	8,488

*Total inflow of capital is adjusted for accrued, not paid, management fees.



Key figures per second quarter

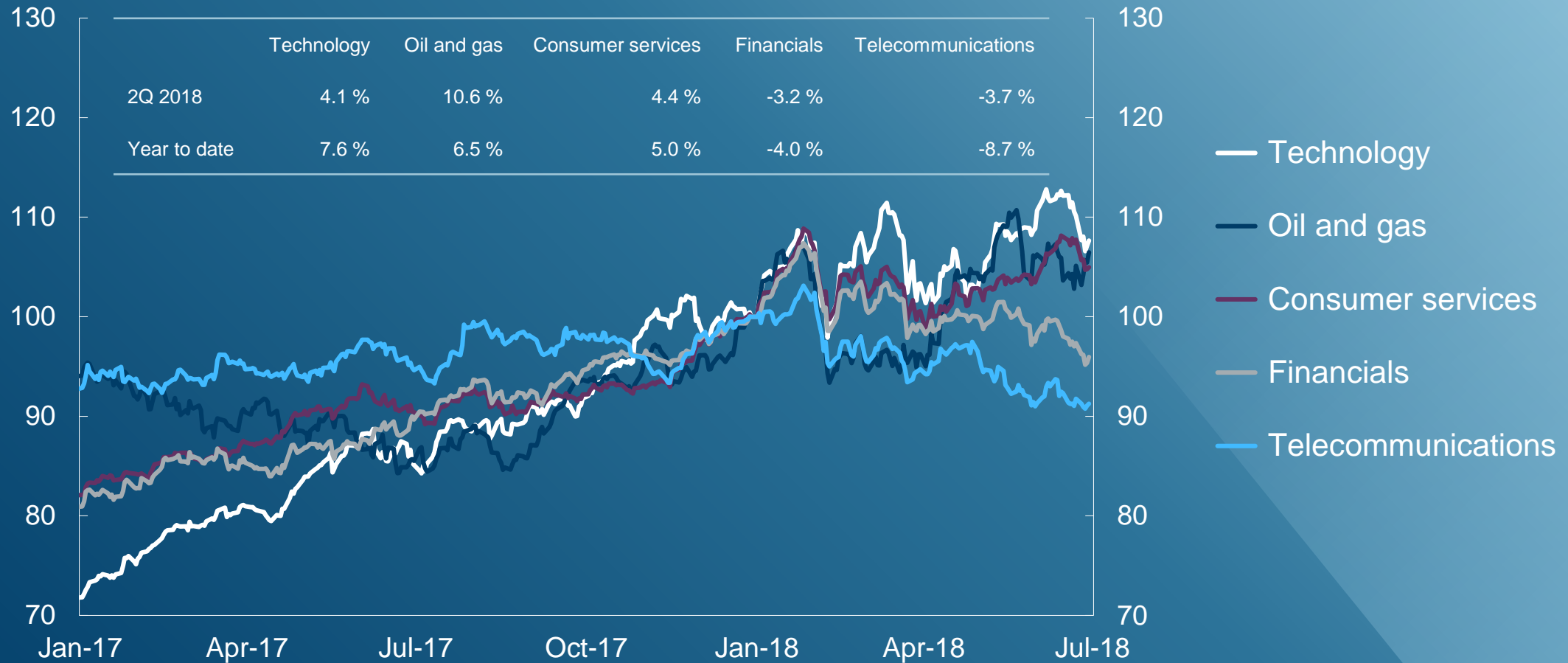
Measured in the fund's currency basket. Annualised. Percent

	Since 1.1.1998	Last 10 years
Return on fund	5.95	7.00
Annual inflation	1.80	1.55
Annual management costs	0.08	0.08
Annual net real return on fund	3.99	5.29



Developments in equity sectors

Measured in USD. Indexed total return (31.12.2017 = 100)



Developments in equity markets

Measured in the fund's currency basket (S&P 500 and MSCI Asia Pacific in USD, Stoxx Europe 600 in EUR). Indexed total return (31.12.2017 = 100)

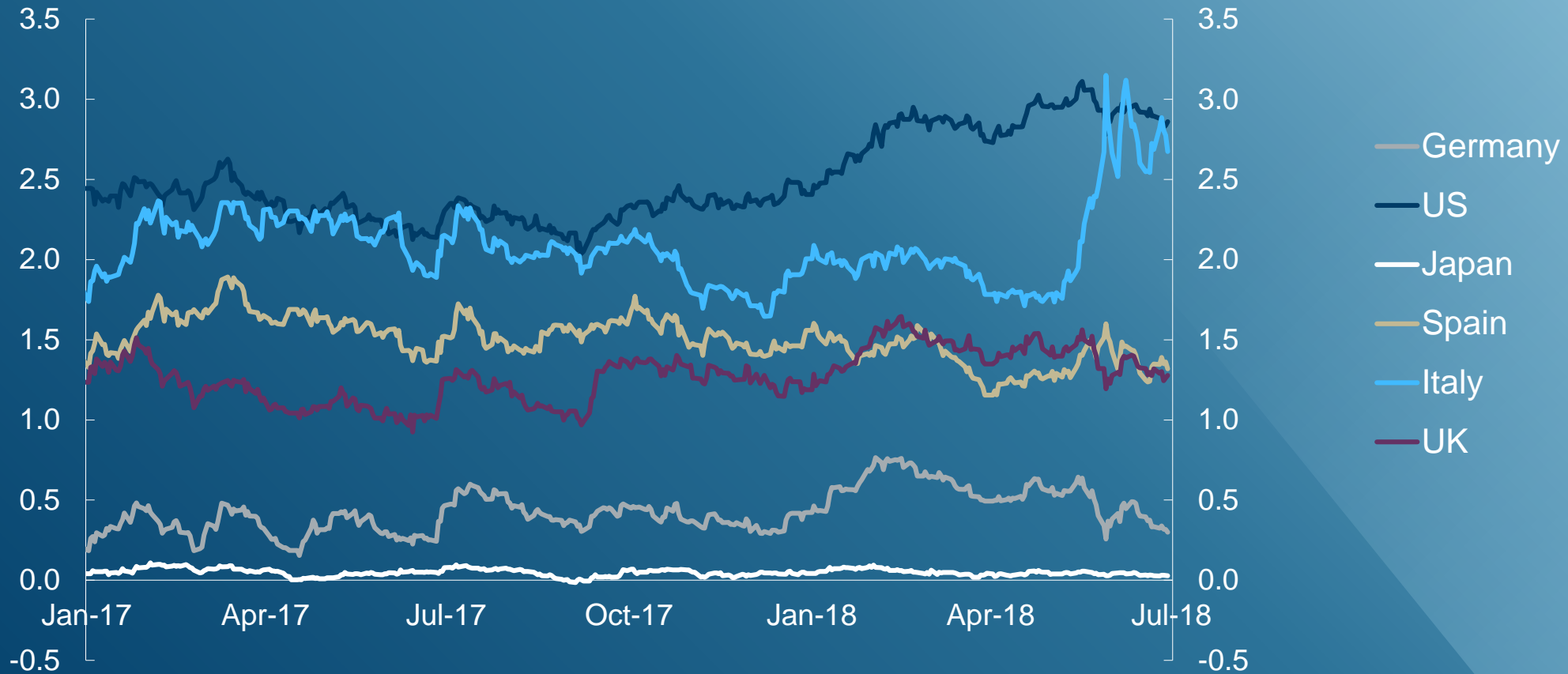


* Excluding Norway

Source: Bloomberg

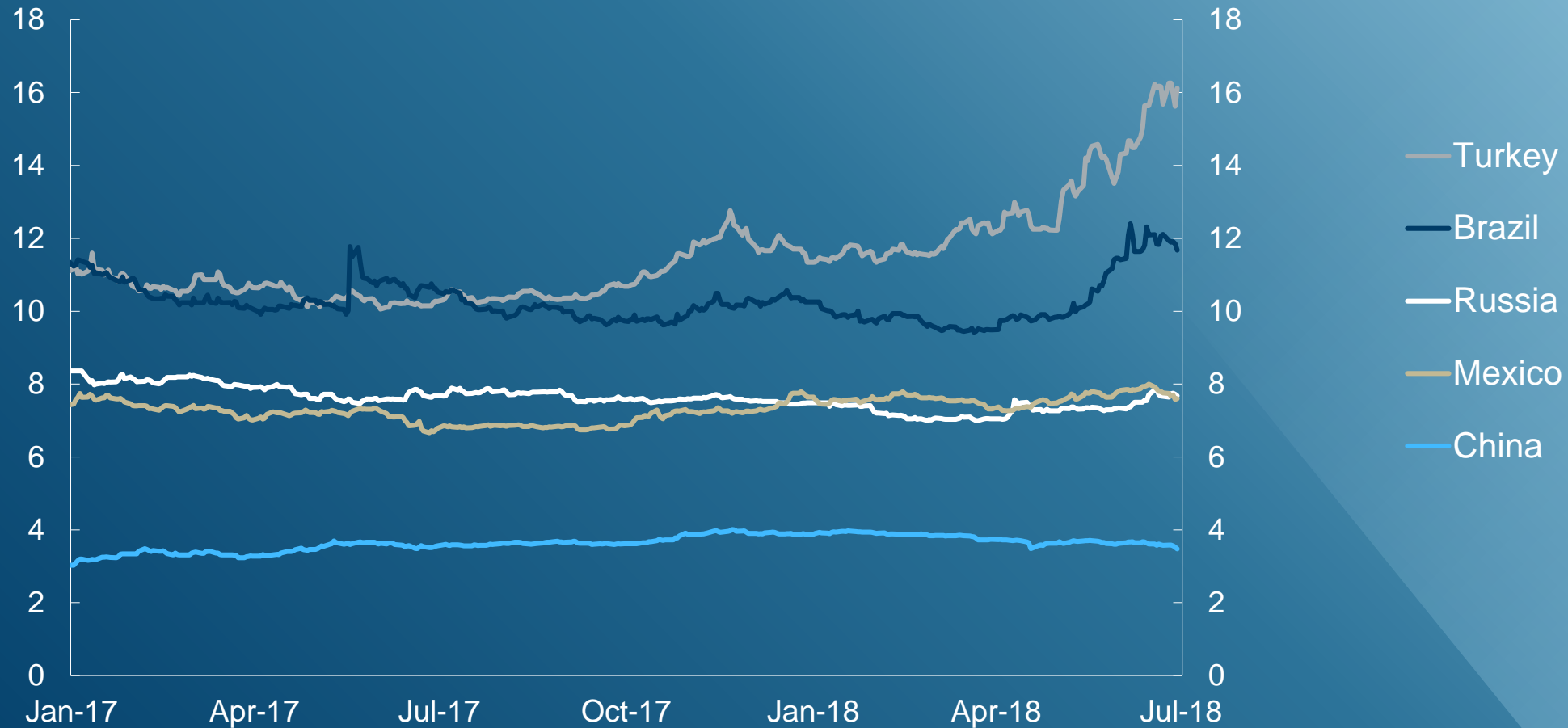
10-year government bond yields

Percent



10-year government bond yields

Percent



Return figures

Table 10. Measured in the fund's currency basket. Percent

	2Q 2018	Year to date 30.06.2018	2017
FTSE Global All Cap Index*	3.76	1.45	17.80
Equity part of the fund's benchmark index	2.95	0.63	18.68
The fund's equity investments	2.70	0.42	19.44
Bloomberg Barclays Global Aggregate index*	0.13	0.10	1.78
Fixed-income part of the fund's benchmark index	0.11	-0.33	2.88
The fund's fixed-income investments	-0.02	-0.39	3.31
The fund's unlisted real estate investments	1.85	4.40	7.52

*Excluding securities classified as Norwegian and securities denominated in Norwegian kroner, in accordance with equity and bond indices from the Ministry of Finance.



Real estate acquisitions and disposals

Announced in the second quarter of 2018. Unlisted real estate

ACQUISITIONS

Location	Sector	Purchase price	Share
30 Warwick Street, London	Office	311 million kroner	25 percent

DISPOSALS

Location	Sector	Sales price	Share
Eight properties in France, Netherlands and Spain	Logistics	390 million kroner	50 percent



High season for voting

- The second quarter accounts for around two-thirds of our voting in a year
 - Voted at 6,975 meetings
 - Evaluated and voted on approximately 80,000 proposals

- We published five voting intentions during the quarter
 - Adjusted executive remuneration framework
 - Individual board elections
 - Shareholder proposals related to climate change disclosure, water management, and methane emissions

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