



March 16, 2015

Ministry of Finance
Asset Management Department
P.O. Box 8008 DEP
0030 Oslo
Norway

Dear Sirs:

We have completed the analysis of the Government Pension Fund Global (GPF) performance records for the period January 1, 2014 through December 31, 2014. The objective of the review was to independently calculate performance of the pension fund at the equity, fixed income and total return level (excluding real estate) and compare these returns to the rates of return calculated by Norges Bank.

Required Data and Sources

The following items were independently calculated by the Spaulding Group and used in the analysis. The source(s) of the data is shown next to each item:

Pension fund returns in base currency (NOK) - Calculated
Equity, Fixed Income, and Total monthly market values - *JP Morgan and Citibank*
Settled Cash, CFD, and Futures - *JP Morgan, UBS, Citibank, and Goldman Sachs*
Cash Flows - *JP Morgan and Citibank*
Adjustments and additions to JPM valuation - *Norges Bank*

Benchmark returns in base currency - Ministry of Finance

Currency basket return (CCY) - Calculated
Monthly currency weights for benchmark - *Ministry of Finance and Norges Bank*
Monthly exchange rates for each currency - *Ministry of Finance and Norges Bank*

Pension fund returns in the currency basket - Calculated using base and currency basket returns

Benchmark returns in the currency basket- Calculated using base and currency basket returns

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Results

Figures 1 - 3 display the return comparisons for total (ex. real estate), equity and fixed income, respectively. Figure 4 displays the currency basket return comparison. Performance was calculated at the base level (NOK). Returns measured in the currency basket (CCY) were then calculated using, the monthly derived NOK-return of the currency basket.

We are pleased to confirm that the 2014 annual return for the total fund (excluding Real Estate) and benchmark, in both NOK and CCY, display a 0.00% difference between the returns calculated by The Spaulding Group and Norges.

Total Fund (excluding Real Estate)									
Month	Ending Value (NOK)	Currency: NOK				Currency: CCY			
		Fund Return		Benchmark Return		Fund Return		Benchmark Return	
		Consultant	Norges	Consultant	Norges	Consultant	Norges	Consultant	Norges
Dec-13	4,985,940,100,200.78								
Jan-14	5,062,140,595,369.40	1.37%	1.36%	1.53%	1.53%	(1.36%)	(1.36%)	(1.20%)	(1.20%)
Feb-14	5,031,964,309,268.18	(0.88%)	(0.87%)	(0.97%)	(0.97%)	2.87%	2.87%	2.77%	2.77%
Mar-14	5,050,302,915,459.21	0.13%	0.13%	0.05%	0.05%	0.22%	0.22%	0.14%	0.14%
1st Quarter		0.61%	0.61%	0.59%	0.59%	1.70%	1.70%	1.68%	1.68%
Apr-14	5,089,598,240,463.98	0.49%	0.49%	0.53%	0.53%	0.60%	0.60%	0.64%	0.64%
May-14	5,194,502,122,886.27	1.77%	1.77%	1.72%	1.72%	1.91%	1.91%	1.86%	1.86%
Jun-14	5,414,849,579,714.73	3.96%	3.96%	4.09%	4.09%	0.72%	0.72%	0.85%	0.85%
2nd Quarter		6.31%	6.31%	6.44%	6.44%	3.26%	3.26%	3.38%	3.38%
Jul-14	5,472,074,866,539.15	0.85%	0.85%	1.11%	1.11%	(0.59%)	(0.58%)	(0.33%)	(0.33%)
Aug-14	5,439,071,933,926.40	(0.81%)	(0.81%)	(0.63%)	(0.63%)	1.76%	1.76%	1.94%	1.94%
Sep-14	5,460,211,907,436.14	0.32%	0.31%	0.40%	0.40%	(1.09%)	(1.10%)	(1.01%)	(1.01%)
3rd Quarter		0.35%	0.35%	0.87%	0.87%	0.06%	0.06%	0.58%	0.58%
Oct-14	5,681,499,564,171.93	5.12%	5.12%	5.19%	5.19%	0.64%	0.65%	0.71%	0.71%
Nov-14	5,957,740,626,021.45	4.73%	4.72%	4.75%	4.75%	2.10%	2.09%	2.11%	2.11%
Dec-14	6,268,604,385,004.11	5.09%	5.09%	5.09%	5.09%	(0.40%)	(0.40%)	(0.40%)	(0.40%)
4th Quarter		15.70%	15.70%	15.79%	15.79%	2.35%	2.35%	2.43%	2.43%
YTD 2014		24.18%	24.18%	25.07%	25.07%	7.53%	7.53%	8.30%	8.30%

Figure 1

Equity									
Month	Ending Value (NOK)	Currency: NOK				Currency: CCY			
		Fund Return		Benchmark Return		Fund Return		Benchmark Return	
		Consultant	Norges	Consultant	Norges	Consultant	Norges	Consultant	Norges
Dec-13	3,106,944,253,494.12								
Jan-14	3,117,699,824,669.88	(0.19%)	(0.19%)	(0.19%)	(0.19%)	(2.88%)	(2.88%)	(2.87%)	(2.87%)
Feb-14	3,134,981,746,486.19	0.55%	0.55%	0.47%	0.47%	4.36%	4.36%	4.27%	4.27%
Mar-14	3,123,528,844,144.30	0.03%	0.03%	0.03%	0.03%	0.12%	0.12%	0.12%	0.12%
1st Quarter		0.39%	0.39%	0.32%	0.32%	1.47%	1.47%	1.40%	1.40%
Apr-14	3,138,602,625,352.79	0.48%	0.48%	0.48%	0.48%	0.59%	0.59%	0.59%	0.59%
May-14	3,212,598,245,565.58	2.23%	2.23%	2.19%	2.19%	2.36%	2.36%	2.33%	2.33%
Jun-14	3,356,573,977,816.85	4.26%	4.26%	4.47%	4.47%	1.01%	1.01%	1.21%	1.21%
2nd Quarter		7.09%	7.09%	7.26%	7.26%	4.01%	4.01%	4.18%	4.18%
Jul-14	3,380,446,836,510.03	0.37%	0.37%	0.74%	0.74%	(1.06%)	(1.05%)	(0.69%)	(0.69%)
Aug-14	3,375,447,281,685.30	(0.42%)	(0.43%)	(0.23%)	(0.23%)	2.16%	2.15%	2.35%	2.35%
Sep-14	3,396,088,949,241.35	(0.14%)	(0.15%)	0.05%	0.05%	(1.54%)	(1.55%)	(1.35%)	(1.35%)
3rd Quarter		(0.20%)	(0.20%)	0.56%	0.56%	(0.49%)	(0.49%)	0.27%	0.27%
Oct-14	3,551,611,408,743.65	5.02%	5.03%	5.15%	5.15%	0.56%	0.56%	0.67%	0.67%
Nov-14	3,760,047,880,838.91	5.53%	5.52%	5.42%	5.42%	2.88%	2.87%	2.76%	2.76%
Dec-14	3,939,922,781,111.01	4.79%	4.80%	4.69%	4.69%	(0.68%)	(0.68%)	(0.78%)	(0.78%)
4th Quarter		16.15%	16.14%	16.04%	16.04%	2.75%	2.74%	2.65%	2.65%
YTD 2014		24.62%	24.61%	25.56%	25.56%	7.91%	7.91%	8.73%	8.73%

Figure 2

Fixed Income									
Month	Ending Value (NOK)	Currency: NOK				Currency: CCY			
		Fund Return		Benchmark Return		Fund Return		Benchmark Return	
		Consultant	Norges	Consultant	Norges	Consultant	Norges	Consultant	Norges
Dec-13	1,878,995,846,706.66								
Jan-14	1,944,440,770,699.52	3.95%	3.95%	4.29%	4.29%	1.15%	1.15%	1.48%	1.48%
Feb-14	1,896,982,562,781.99	(3.17%)	(3.17%)	(3.20%)	(3.20%)	0.50%	0.50%	0.46%	0.46%
Mar-14	1,926,774,071,314.91	0.30%	0.30%	0.08%	0.08%	0.39%	0.39%	0.17%	0.17%
1st Quarter		0.96%	0.96%	1.03%	1.03%	2.05%	2.05%	2.12%	2.12%
Apr-14	1,950,995,615,111.19	0.49%	0.50%	0.61%	0.61%	0.60%	0.61%	0.71%	0.71%
May-14	1,981,903,877,320.69	1.04%	1.04%	0.97%	0.97%	1.18%	1.18%	1.11%	1.11%
Jun-14	2,058,275,601,897.88	3.47%	3.47%	3.49%	3.49%	0.25%	0.25%	0.27%	0.27%
2nd Quarter		5.06%	5.06%	5.13%	5.13%	2.04%	2.04%	2.11%	2.11%
Jul-14	2,091,628,030,029.12	1.63%	1.63%	1.71%	1.71%	0.19%	0.19%	0.26%	0.26%
Aug-14	2,063,624,652,241.10	(1.44%)	(1.44%)	(1.28%)	(1.28%)	1.12%	1.12%	1.28%	1.28%
Sep-14	2,064,122,958,194.79	1.06%	1.06%	0.97%	0.97%	(0.36%)	(0.36%)	(0.45%)	(0.45%)
3rd Quarter		1.24%	1.24%	1.38%	1.38%	0.95%	0.95%	1.08%	1.08%
Oct-14	2,129,888,155,428.28	5.27%	5.27%	5.25%	5.25%	0.79%	0.79%	0.78%	0.78%
Nov-14	2,197,692,745,182.54	3.40%	3.40%	3.64%	3.64%	0.80%	0.80%	1.04%	1.04%
Dec-14	2,328,681,603,893.10	5.60%	5.60%	5.77%	5.77%	0.08%	0.08%	0.24%	0.24%
4th Quarter		14.94%	14.94%	15.38%	15.38%	1.68%	1.68%	2.07%	2.07%
YTD 2014		23.43%	23.43%	24.25%	24.25%	6.88%	6.88%	7.58%	7.58%

Figure 3

Month	Currency Basket Return (CCY)	
	Consultant	Norges
Jan-14	2.76%	2.76%
Feb-14	(3.64%)	(3.64%)
Mar-14	(0.09%)	(0.09%)
Apr-14	(0.11%)	(0.11%)
May-14	(0.14%)	(0.14%)
Jun-14	3.21%	3.21%
Jul-14	1.44%	1.44%
Aug-14	(2.53%)	(2.53%)
Sep-14	1.43%	1.43%
Oct-14	4.44%	4.44%
Nov-14	2.58%	2.58%
Dec-14	5.51%	5.51%

Figure 4

We thank you for allowing us the opportunity to conduct this review for you and greatly appreciate your business. Please let us know if we can provide further assistance.

Sincerely,



Steve S. Sobhi
Vice President