

Investment
Cost Effectiveness Analysis
2014

Norwegian Government Pension Fund
Global



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Prepared December 11, 2015. Although the information in this report has been based upon and obtained from sources we believe to be reliable, Cost Effectiveness Measurement Inc. ("CEM") does not guarantee its accuracy or completeness. The information contained herein is proprietary and confidential and may not be disclosed to third parties without the express written mutual consent of both CEM and Norwegian Government Pension Fund Global.

Key takeaways

Returns

- All returns have been converted using the GPFG currency basket. However, differences in total returns reflect in large part home-market biases and the relative performance of currencies. So they are not the primary focus of this report.
- Your 10-year net total return was 6.1%. This was below the Global median of 7.2% and below the peer median of 7.0%.
- Your 10-year policy return was 6.1%. This was below the Global median of 7.1% and below the peer median of 7.1%.

One of the key drivers of your lower policy returns was your higher relative weight in fixed income over this time period, which performed poorly relative to stock, real estate and private equity.

Value added

- Your 10-year net value added was 0.0%. This was close to the Global median of 0.1% and above the peer median of -0.1%.

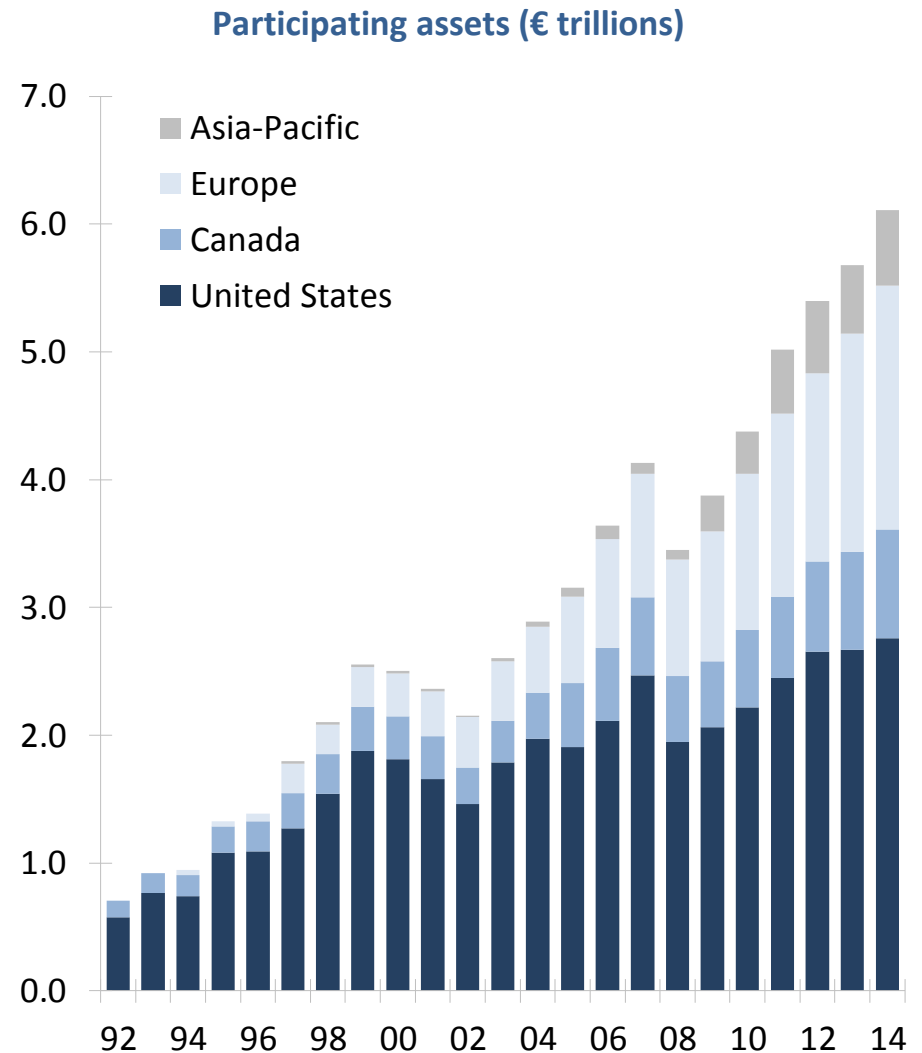
Cost

- Your investment cost of 6.0 bps was below your benchmark cost of 19.3 bps. This suggests that your fund was low cost compared to your peers.
- Your fund was low cost because you had a lower cost implementation style and you paid less than peers for similar services
- Your 10-year performance placed in the positive value added, low cost quadrant of the cost effectiveness chart.

This benchmarking report compares your cost and return performance to the 328 funds in CEM's extensive pension database.

- 168 U.S. funds participate with assets totaling €2.8 trillion.
- 83 Canadian funds participate with assets totaling €855 billion.
- 67 European funds participate with aggregate assets of €1.9 trillion. Included are funds from the Netherlands, Norway, Sweden, Finland, Ireland, Denmark and the U.K.
- 8 Asia-Pacific funds participate with aggregate assets of €593 billion. Included are funds from Australia, New Zealand, China and South Korea.
- 2 Gulf region funds participate.

In the global database the types of funds can be split as follows 49% corporate, 36% public and 15% other.



The most valuable comparisons for cost performance are to your custom peer group because size impacts costs.

Peer group for Norwegian Government Pension Fund Global

- 16 global sponsors from €41 billion to €656 billion
- Median size of €143 billion versus your €656 billion

- 3 Canadian funds, 5 European funds, 3 Asia-Pacific funds and 5 U.S. funds make up the Global peer group.
- In the report there are also comparisons to CEM's Global database of participants.

Your 10-year net total return of 6.1% compares to the peer median of 7.0%

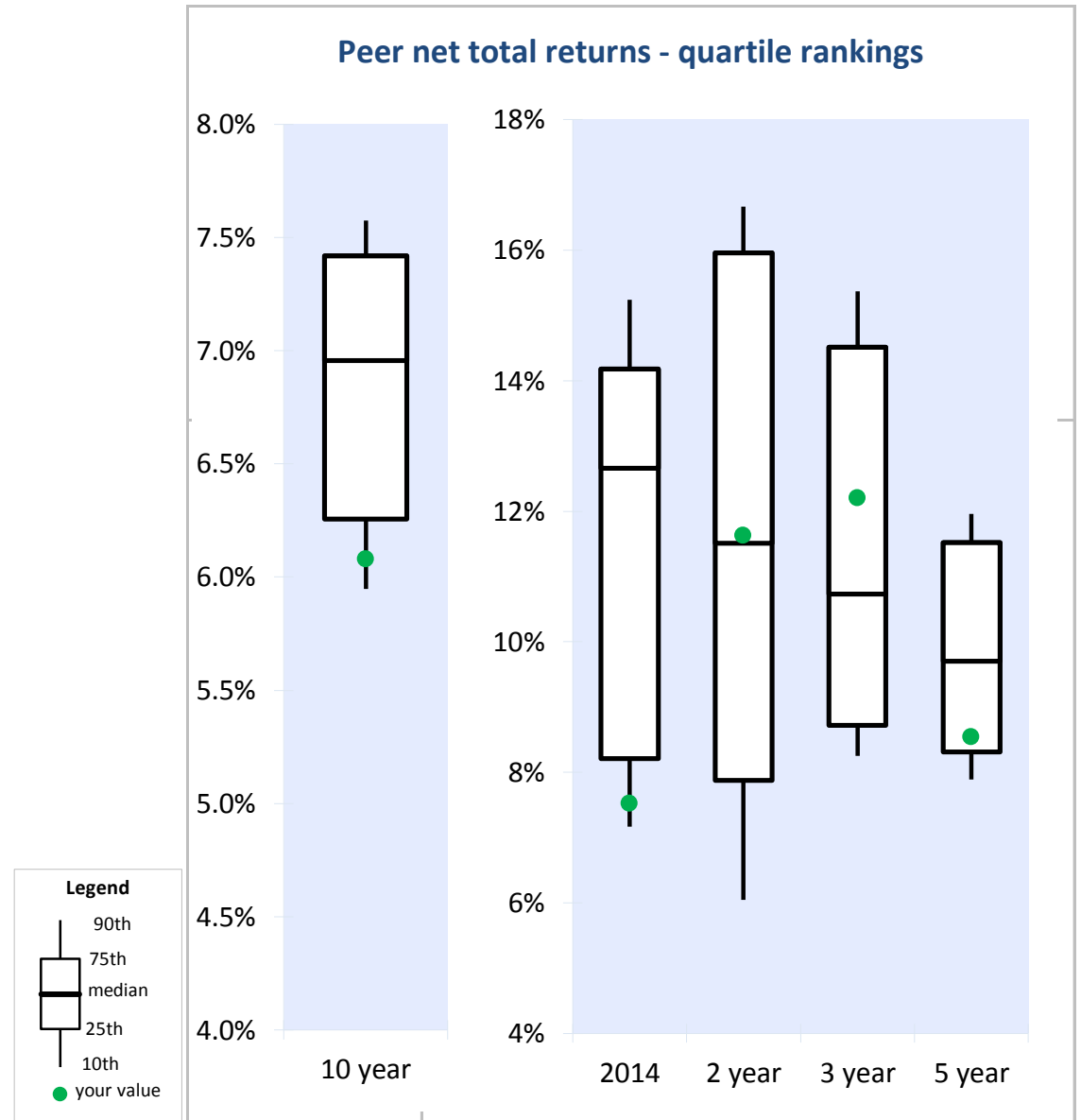
Total returns, by themselves, provide little insight into the reasons behind relative performance. Therefore, we separate total return into its more meaningful components: policy return and value added.

	Your 10-year
Net total fund return	6.1%
- Policy return	6.1%
= Net value added	0.0%

This approach enables you to understand the contribution from both policy mix decisions (which tend to be the board's responsibility) and implementation decisions (which tend to be management's responsibility).

Actual and policy returns have been converted to your currency using unhedged currency returns.

The fund return consists of Equity, Fixed Income and Real Estate. The fund benchmark is the weighted benchmark of Equity and Fixed Income, the benchmark for Real Estate used in the report is the actual portfolio return.



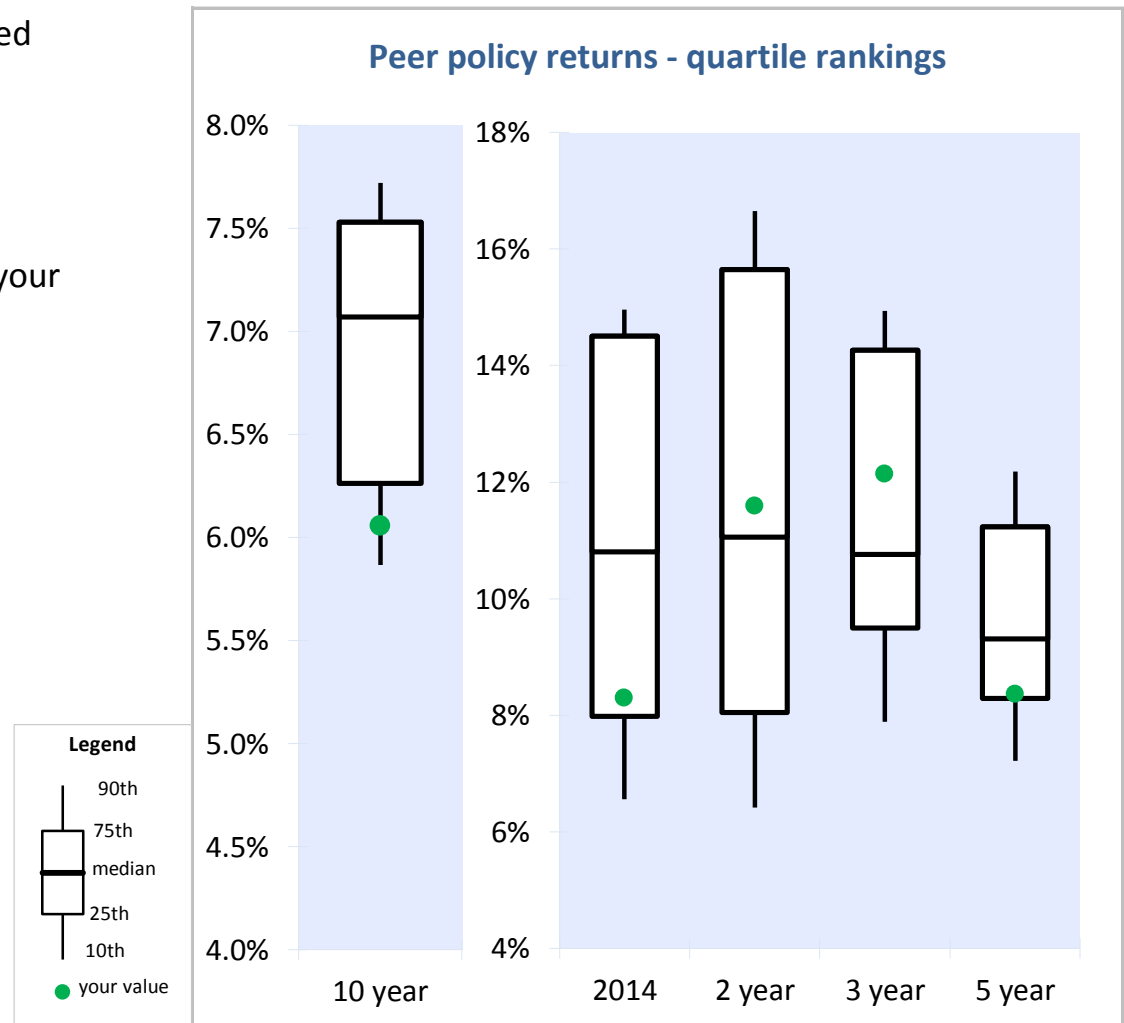
Your 10-year policy return of 6.1% compares to the peer median of 7.1%.

Your policy return is the return you could have earned passively by indexing your investments according to your policy mix.

Having a higher or lower relative policy return is not necessarily good or bad. Your policy return reflects your investment policy, which should reflect your:

- Long term capital market expectations
- Liabilities
- Appetite for risk

Each of these three factors is different across funds. Therefore, it is not surprising that policy returns often vary widely between funds.



To enable fairer comparisons, the policy returns of all participants with policy weight in private equity were adjusted to reflect private equity benchmarks based on lagged, investable, public-market indices. Refer to the Research section pages 6-7 for details.

Your policy asset mix compares to the peer and Global averages as follows:

- Your fund had more fixed income than the average Peer or Global fund (your 45% versus a peer average of 32% and global average of 37%).
- Your policy asset mix is more globally diversified than the average Peer or Global fund.
- Your fund is in the early stages of the allocation to real assets (with a 2% allocation in 2014), and has no hedge funds or private equity whereas the peer funds had allocations of 12%, 2% and 6% respectively. The Global funds' allocations were 7%, 3% and 4%.

10-Year average policy mix

	Your Fund	Peer Avg.	Global Avg.
Stock	54%	49%	51%
Fixed Income	45%	32%	37%
Hedge Funds	0%	2%	3%
Real Assets ¹	0%	12%	7%
Private Equity	0%	6%	4%
Total	100%	100%	100%

1. Real assets includes commodities, natural resources, infrastructure, REITS and real estate.

Regional allocations can significantly influence the policy return. GPF's overweight in European securities and the peer group's overweight in North American securities would cause a difference in the policy returns. Variations in the fixed income portfolios, such as duration, credit quality and country allocation within regions would have an impact as well. Not being invested in asset classes like real estate and private equity had a minor impact on GPF's policy return.

Net value added is the component of total return from active management. Your 10-year net value added was 0.0%.

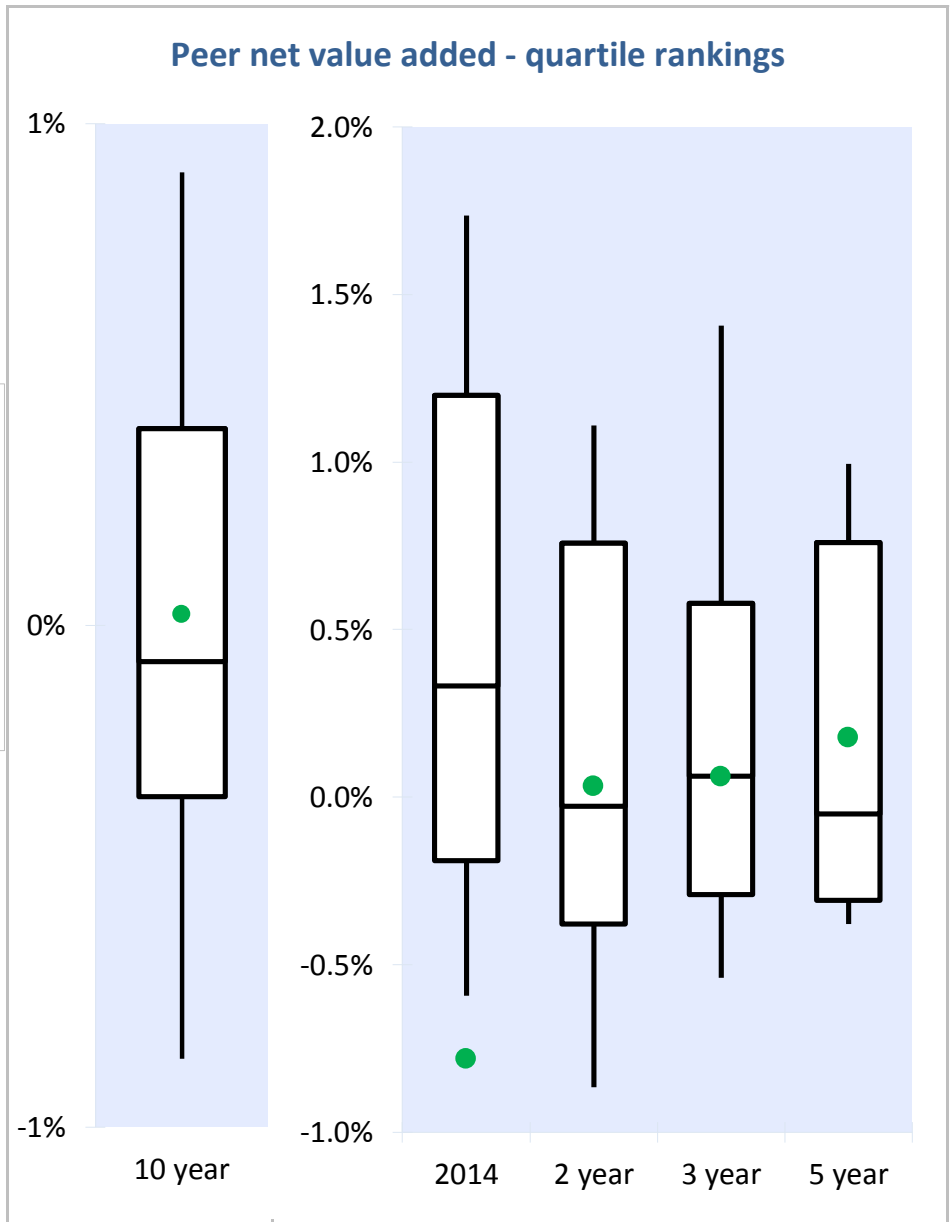
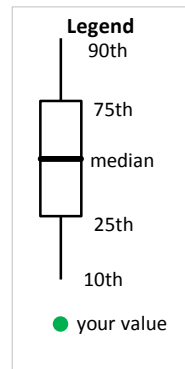
Net value added equals total net return minus policy return.

Value added for Norwegian Government Pension Fund Global

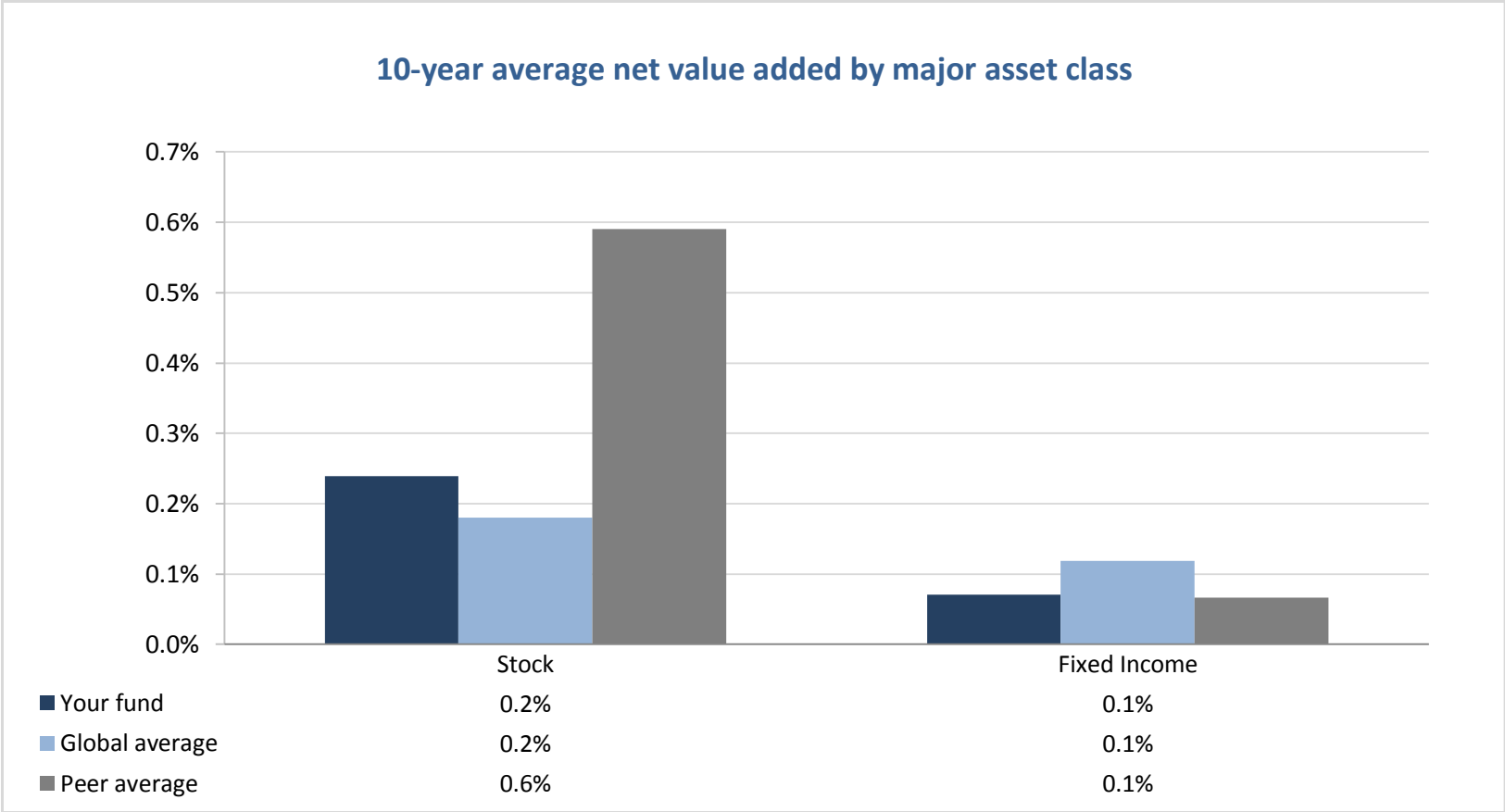
Year	Net Return	Policy Return	Net value Added
2014	7.5%	8.3%	(0.8%)
2013	15.9%	15.0%	0.9%
2012	13.4%	13.2%	0.1%
2011	(2.6%)	(2.4%)	(0.2%)
2010	9.5%	8.6%	0.9%
2009	25.5%	21.5%	4.0%
2008	(23.4%)	(19.9%)	(3.5%)
2007	4.2%	4.5%	(0.3%)
2006	7.8%	7.8%	0.1%
2005	11.0%	10.0%	1.0%
10-year	6.1%	6.1%	0.0%

Your 10-year net value added of 0.0% compares to a median of -0.1% for your peers and 0.1% for the Global universe.

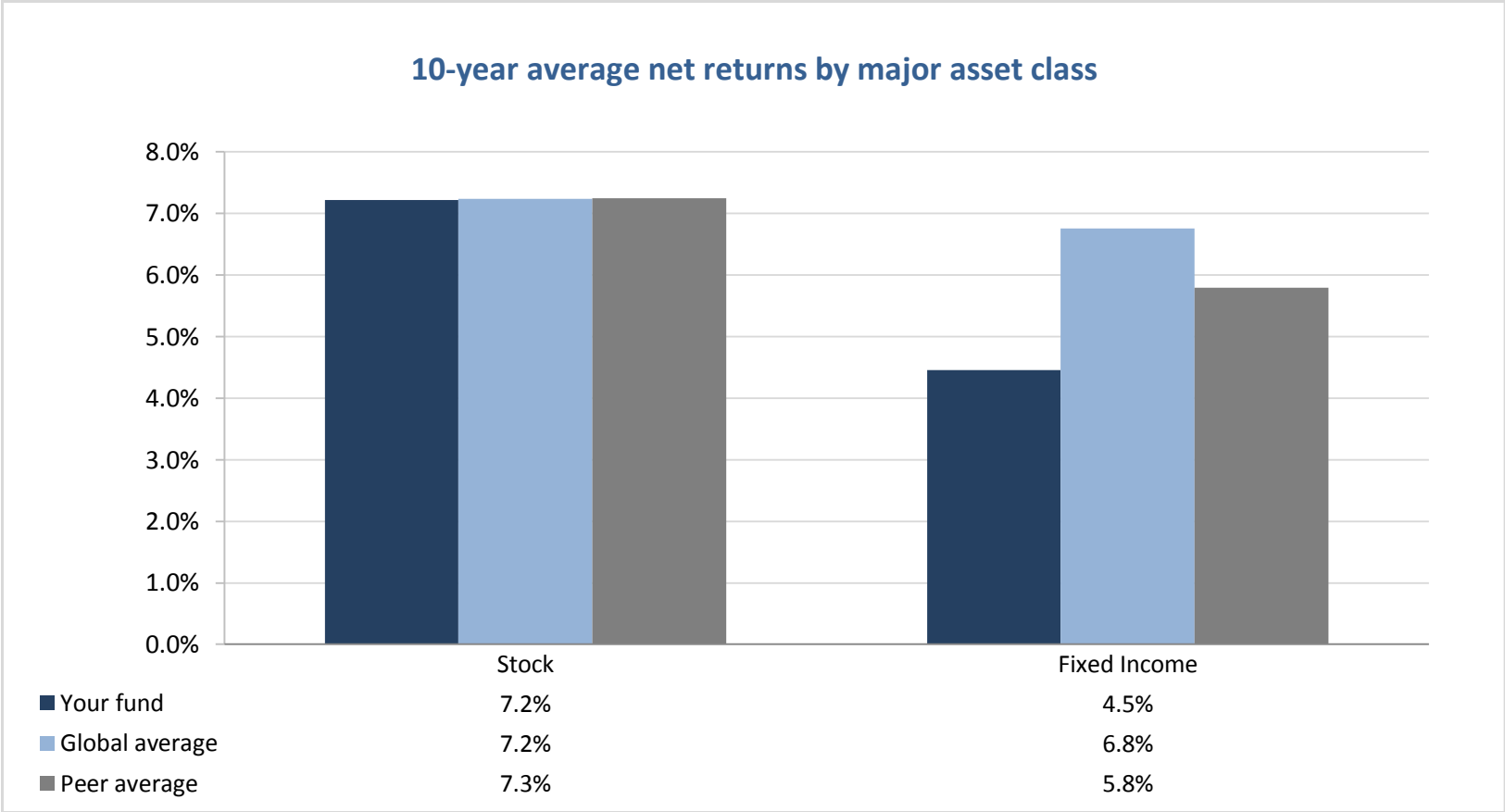
The fund return consists of Equity, Fixed Income and Real Estate. The fund benchmark is the weighted benchmark of Equity and Fixed Income, the benchmark for Real Estate used in the report is the actual portfolio return.



You had positive 10-year net value added in Stock and Fixed Income.



Your 10-year returns for Stock and Fixed Income compare to the Peer and Global averages as follows.



Your investment costs were €393.3 million or 6.0 basis points in 2014.

Asset management costs by asset class and style (€000s)	Internal Mgmt		External Management		Total	
	Active	Overseeing of external	Active base fees	Perform. fees ¹		
Stock - Global	81,998	4,326	50,165	77,696	214,185	
Fixed Income - Global	25,671	180	3,153		29,004	
Real Estate Operating Sub.	28,131				28,131	
Total excluding private asset performance fees					271,320	4.1bp
Oversight, custodial and other costs ²						
Oversight of the fund					59,310	
Trustee & custodial					51,964	
Consulting and performance measurement					6,363	
Audit					4,314	
Total oversight, custodial & other costs					121,951	1.9bp
Total investment costs (excl. transaction costs & private asset performance fees)					393,271	6.0bp

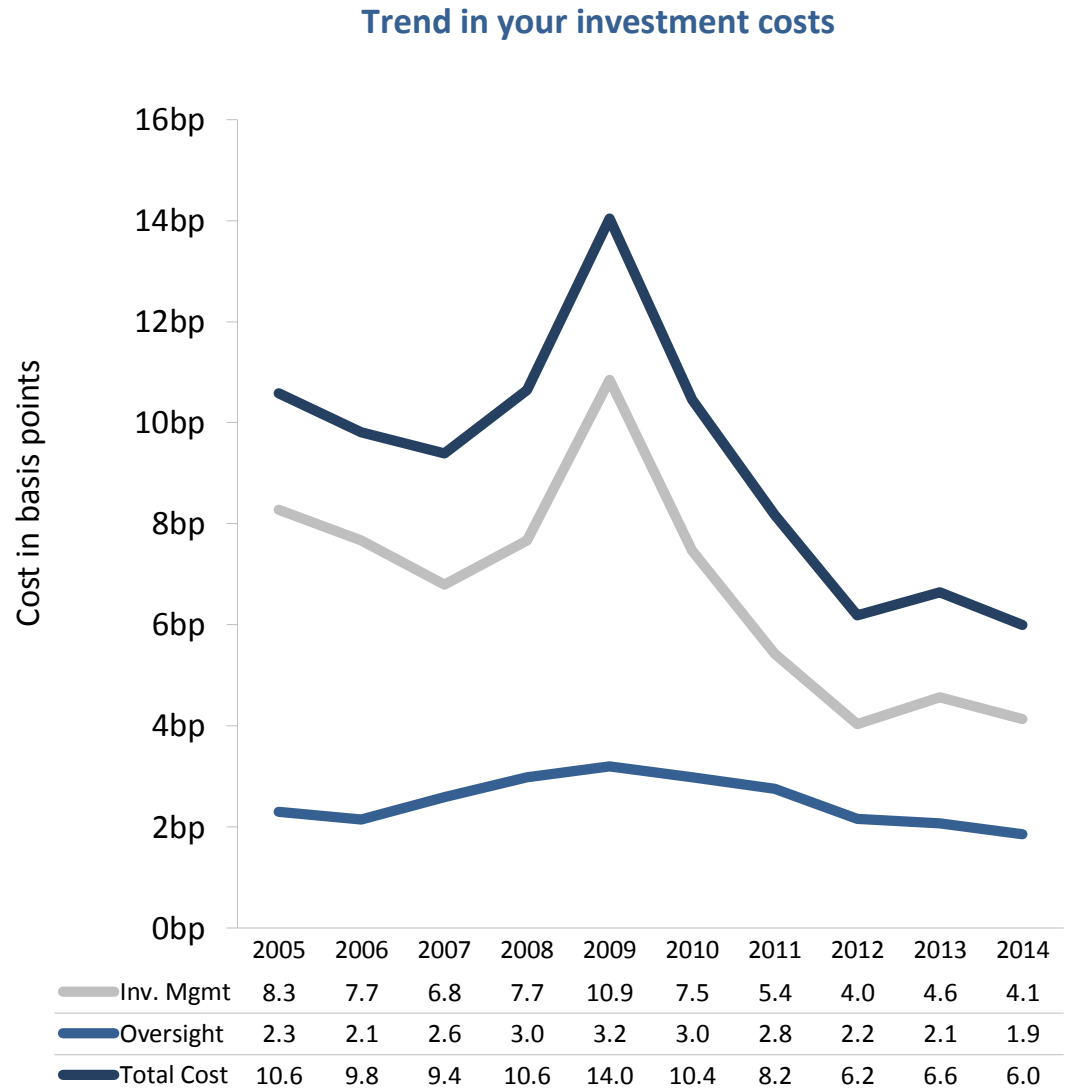
Footnotes

¹ Total cost excludes carry/performance fees for real estate, infrastructure, natural resources and private equity. Performance fees are included for the public market asset classes and hedge funds.

² Excludes non-investment costs, such as benefit insurance premiums and preparing cheques for retirees.

Your costs decreased between 2005 and 2014.

- You increased your use of lower cost internal management from 78% of assets in 2010 to 96% in 2014.

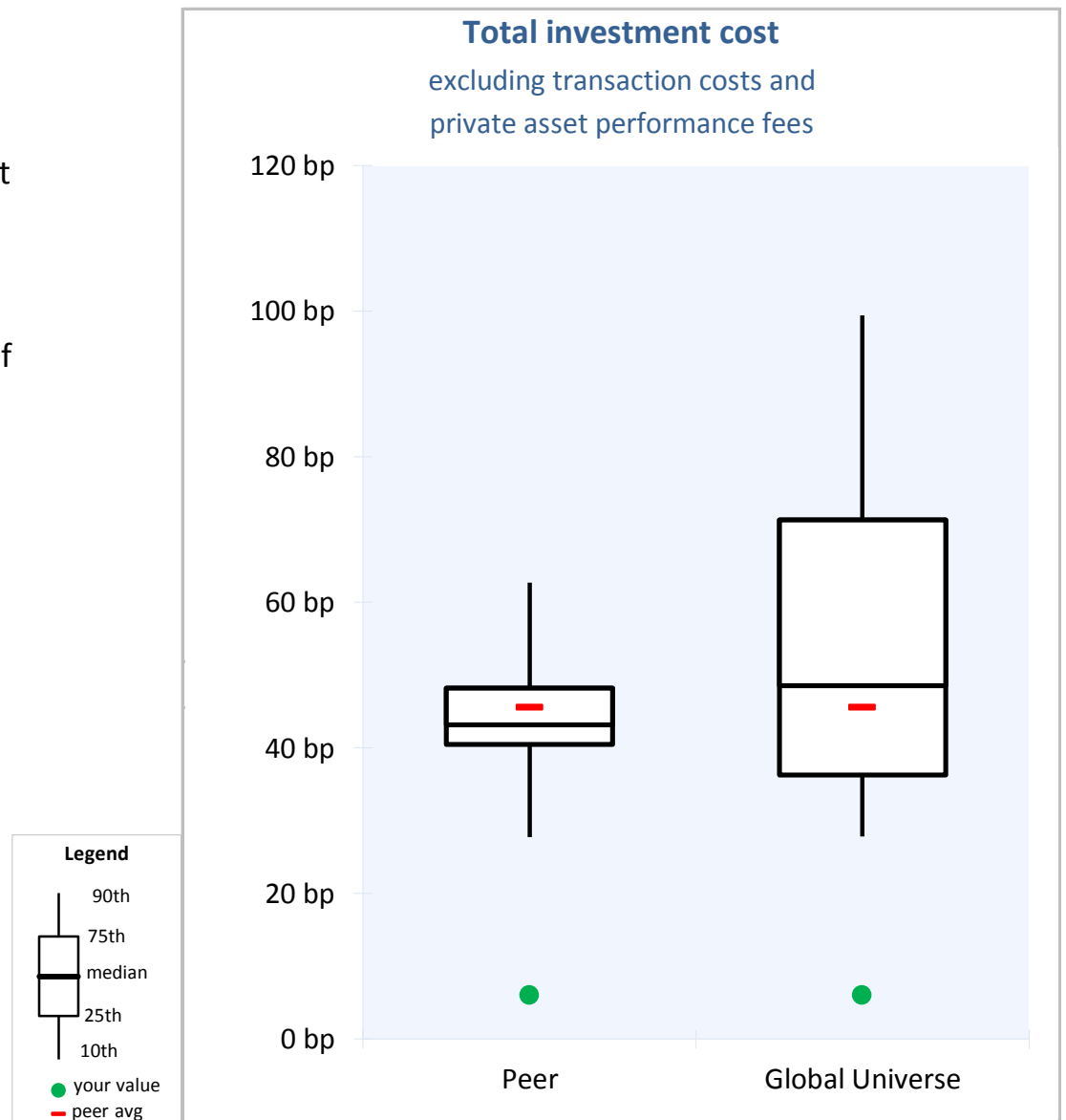


Your total investment cost of 6.0 bps was the lowest of the peers and was substantially below the peer median of 43.2 bps.

Differences in total investment cost are often caused by two factors that are often outside of management's control:

- Asset mix, particularly holdings of the highest cost asset classes: real estate (excl REITS), infrastructure, hedge funds and private equity. These high cost assets equaled 1% of your funds assets at the end of 2014 versus a peer average of 20%.
- Fund size. Bigger funds have advantages of scale.

Therefore, to assess whether your costs are high or low given your unique asset mix and size, CEM calculates a benchmark cost for your fund. This analysis is shown on the following page.



Benchmark cost analysis suggests that, after adjusting for fund size and asset mix, your fund was low cost by 13.3 basis points in 2014.

Your benchmark cost is an estimate of what your cost would be given your actual asset mix and the median costs that your peers pay for similar services. It represents the cost your peers would incur if they had your actual asset mix.

Your total cost of 6.0 bp was below your benchmark cost of 19.3 bp. Thus, your cost savings was 13.3 bp.

Your cost versus benchmark

	€000s	basis points
Your total investment cost	393,271	6.0 bp
Your benchmark cost	1,263,811	19.3 bp
Your excess cost	(870,540)	(13.3) bp

Your fund was low cost because you had a lower cost implementation style and you paid less than peers for similar services

Reasons for your low cost status

	Excess Cost/ (Savings)	
	€000s	bps
1. Lower cost implementation style		
• Less external active management (more lower cost internal)	(574,551)	(8.8)
• Less overlays	(168,799)	(2.6)
• Other style differences	90,044	1.4
	<u>(653,306)</u>	<u>(10.0)</u>
2. Paying less than peers for similar services		
• External investment management costs	20,114	0.3
• Internal investment management costs	(230,363)	(3.5)
• Oversight, custodial & other costs	(6,985)	(0.1)
	<u>(217,234)</u>	<u>(3.3)</u>
Total savings	(870,540)	(13.3)

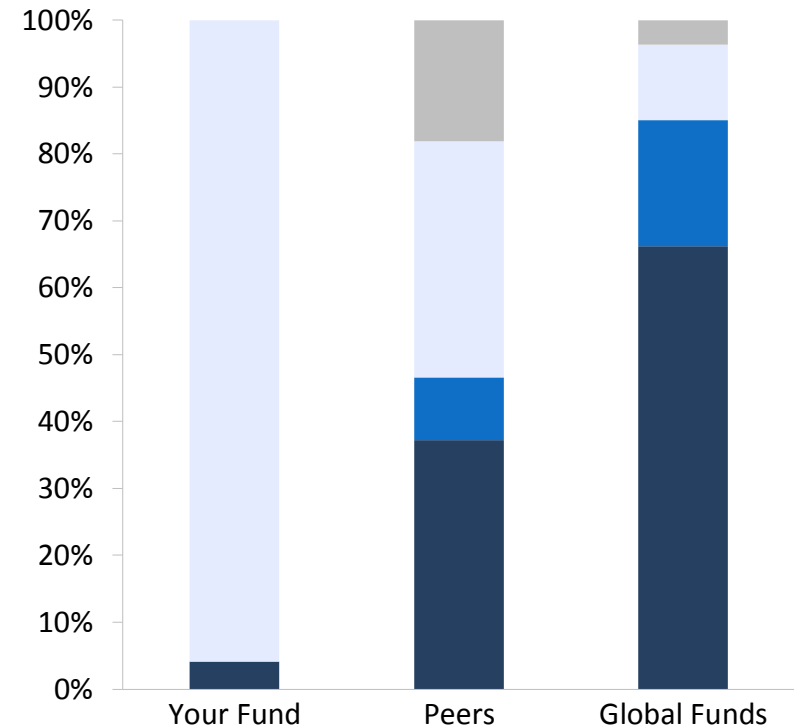
Differences in cost performance are often caused by differences in implementation style.

Implementation style is defined as the way in which your fund implements asset allocation. It includes internal, external, active, passive and fund of funds styles.

The greatest cost impact is usually caused by differences in the use of:

- External active management because it tends to be much more expensive than internal or passive management. You used less external active management than your peers (your 4% versus 37% for your peers).
- Within external active holdings, fund of funds usage because it is more expensive than direct fund investment.

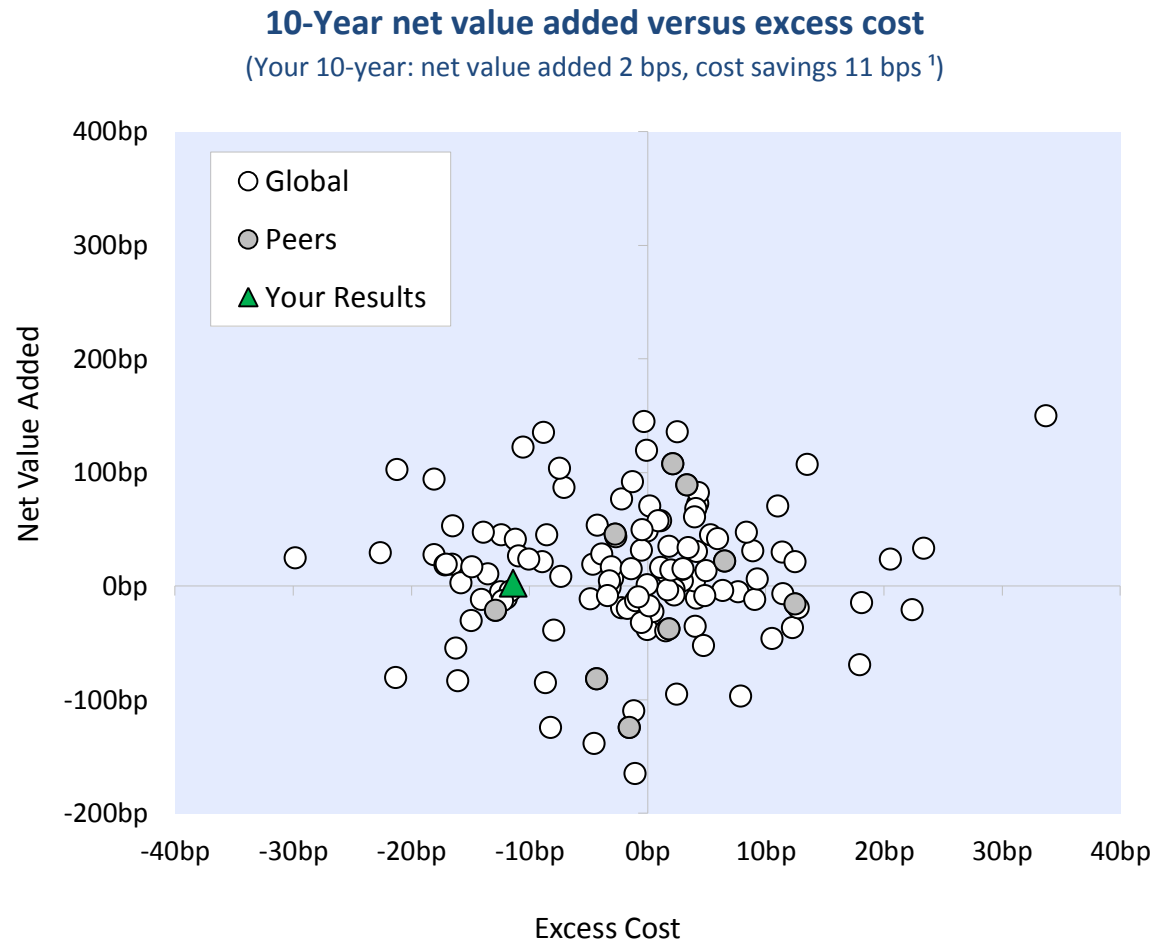
Implementation style¹



■ Internal passive	0%	18%	4%
■ Internal active	96%	35%	11%
■ External passive	0%	9%	19%
■ External active	4%	37%	66%

1. The graph above does not take into consideration the impact of derivatives.

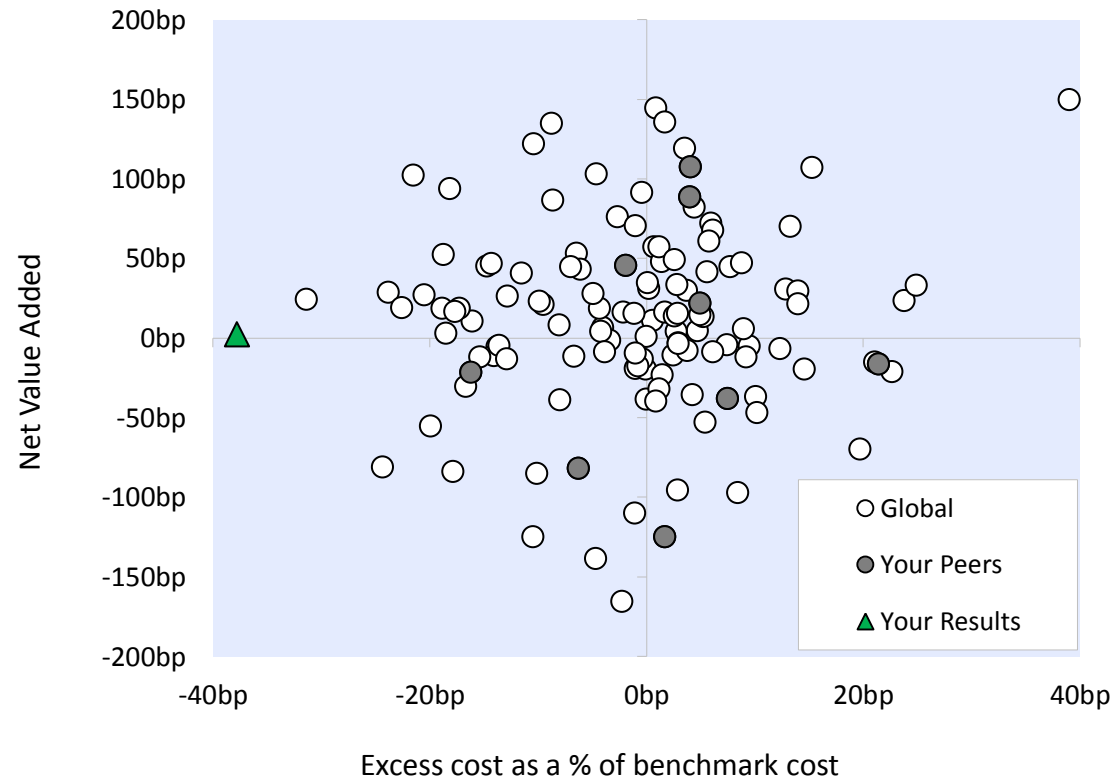
Your 10-year performance placed in the positive value added, low cost quadrant of the cost effectiveness chart.



1. Your 10-year cost savings of 11 basis points is the average of your cost savings for the past 10 years.

Net value added versus excess cost as a percentage of benchmark cost

10-year net value added versus excess cost as a % of benchmark cost



2

Research and Trends

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The region with the highest net value added was Europe.

Value added by region¹ (period ending December 31, 2014)

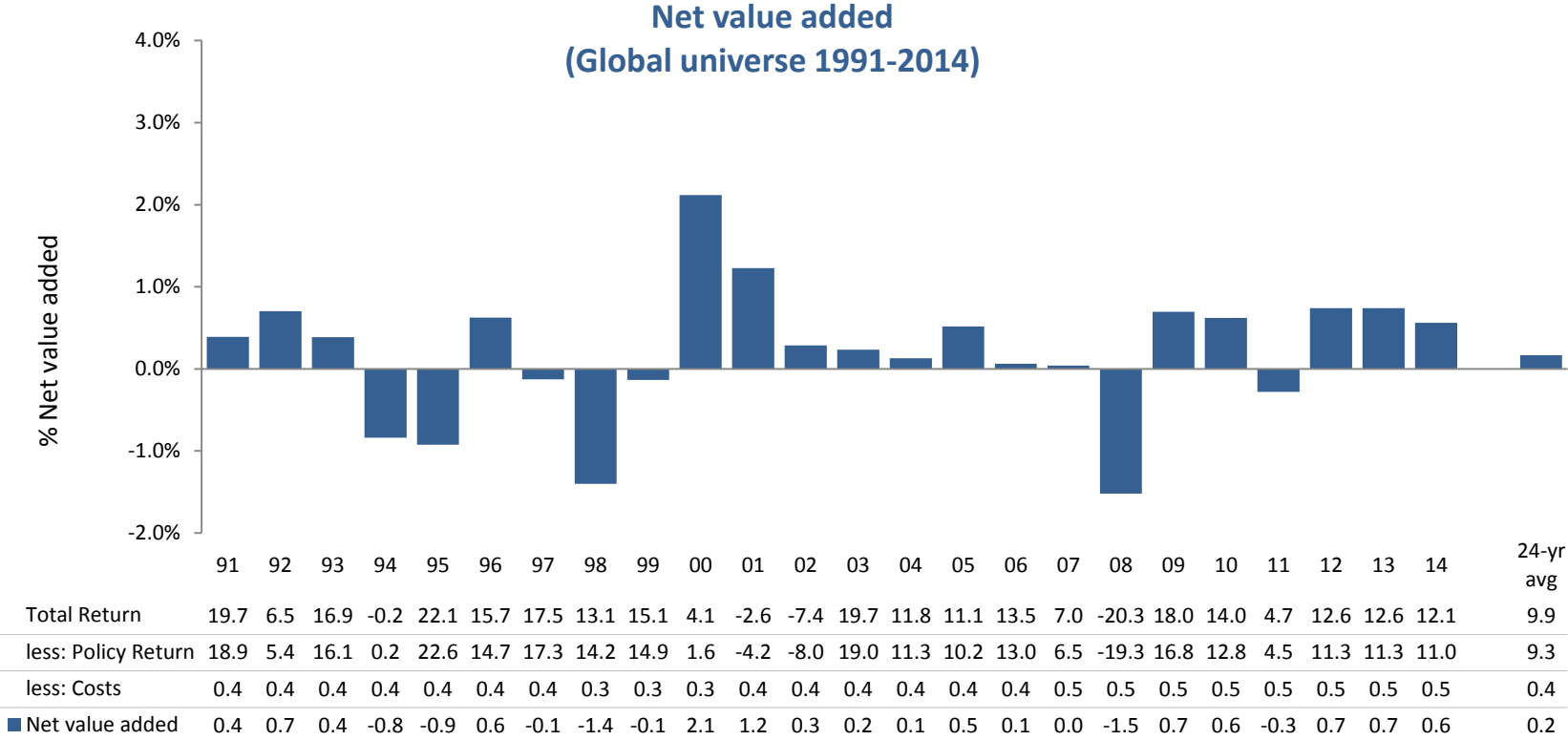
	All funds	U.S. funds	Canadian funds	European funds	Asia-Pacific funds
	24-year average ³	24-year average ³	24-year average ³	21-year ² average ³	15-year ² average ³
Total return	9.92%	10.18%	9.69%	8.04%	7.98%
- Policy return	9.33%	9.52%	9.18%	7.32%	7.80%
- <u>Costs</u>	<u>0.42%</u>	<u>0.47%</u>	<u>0.37%</u>	<u>0.30%</u>	<u>0.49%</u>
= Net value added	0.17%	0.19%	0.14%	0.42%	-0.31%
# of annual observations	7,124	4,058	2,266	674	109
Median fund size (€ billion)	6.3	9.6	1.9	8.8	18.0

1. Only regions with more than four participating funds are separately disclosed. Funds from regions with fewer than four participating funds are included in Global/ All Funds.

2. The shorter time periods for European and Asia-Pacific funds reflect the dates that CEM started collecting data in those regions.

3. Averages are the arithmetic average of annual averages.

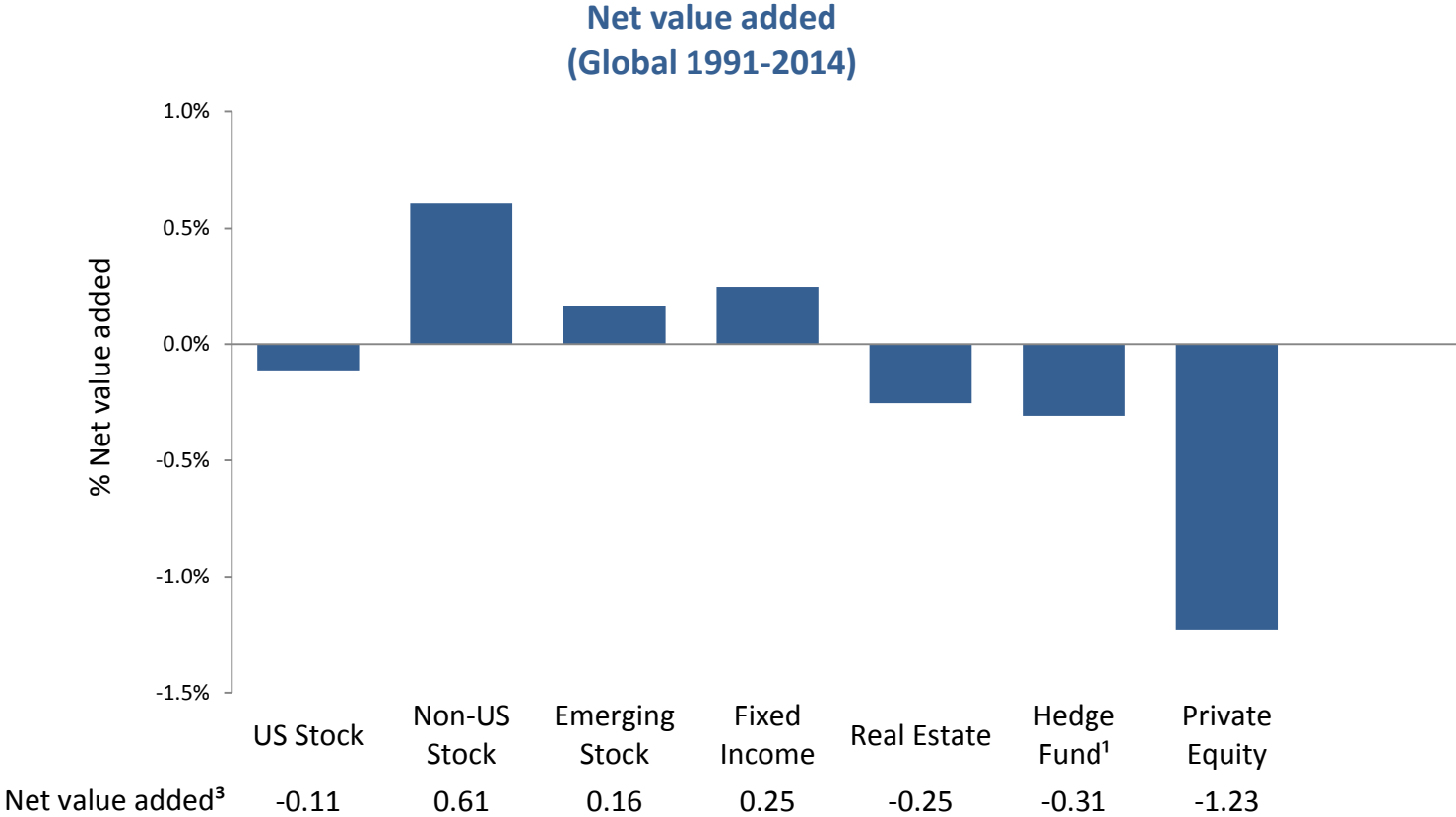
In the Global universe, net value added averaged 0.2% over the past 24 years ending 2014.



Total Return	19.7	6.5	16.9	-0.2	22.1	15.7	17.5	13.1	15.1	4.1	-2.6	-7.4	19.7	11.8	11.1	13.5	7.0	-20.3	18.0	14.0	4.7	12.6	12.6	12.1	9.9
less: Policy Return	18.9	5.4	16.1	0.2	22.6	14.7	17.3	14.2	14.9	1.6	-4.2	-8.0	19.0	11.3	10.2	13.0	6.5	-19.3	16.8	12.8	4.5	11.3	11.3	11.0	9.3
less: Costs	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4
■ Net value added	0.4	0.7	0.4	-0.8	-0.9	0.6	-0.1	-1.4	-0.1	2.1	1.2	0.3	0.2	0.1	0.5	0.1	0.0	-1.5	0.7	0.6	-0.3	0.7	0.7	0.6	0.2

Value added analysis is based on 7,124 annual fund total performance observations from the CEM Global universe for the 24-year period ending 2014. The 24-year average is an arithmetic average of the annual averages.

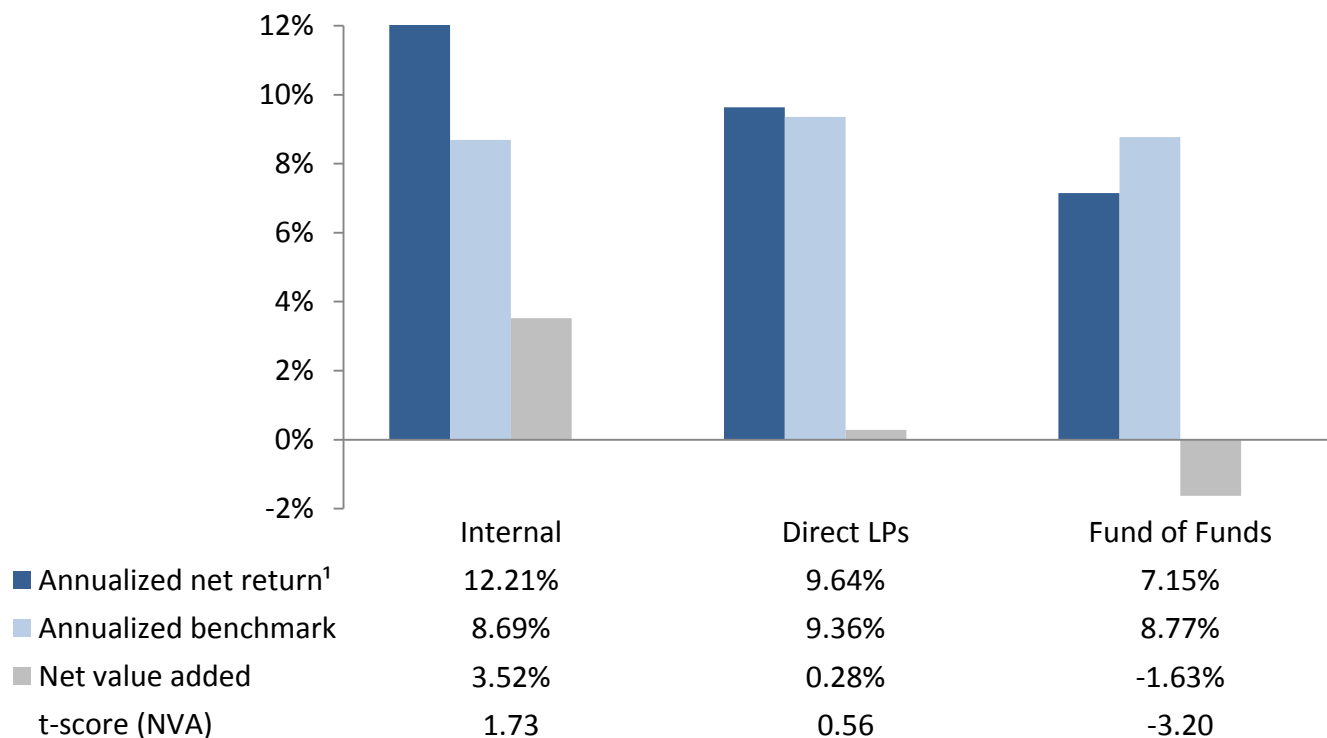
The asset class that had the highest net value added in the Global universe over the past 24 years was Non-US Stock.



1. Hedge Fund gross value added performance reflect data for the 15 year period from 2000 to 2014.
 2. The net value added calculation for private equity uses the average benchmark of all Global participants.
 3. Value added analysis is from 7,124 annual fund performance observations from the CEM Global universe for the 24-year period ending 2014. Value added reflects the asset weighted value added of all mandates in each asset category including indexed holdings. Averages shown above are the arithmetic average of the annual averages of all observations of funds with holdings in the asset category for each year.

Costs matter - Lower cost internal investment in private equity outperformed direct LPs. Direct LPs outperformed fund of funds.

Private equity net returns and value added (1996-2012)

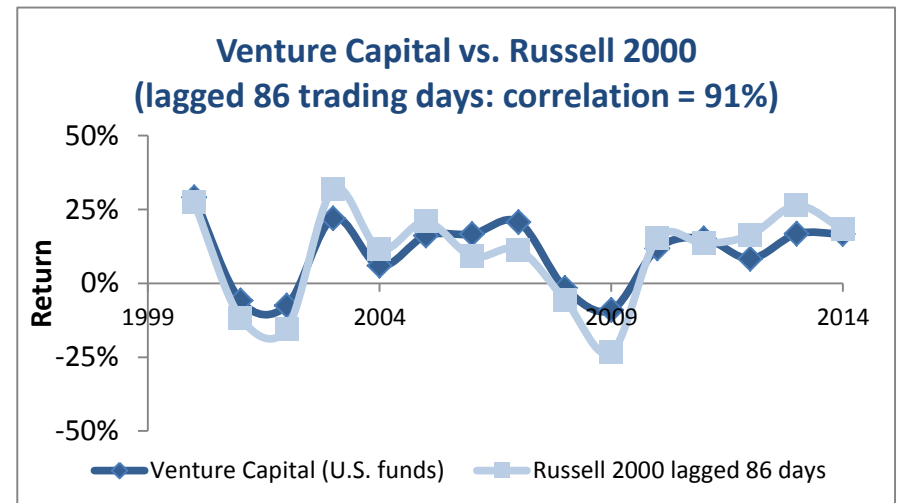
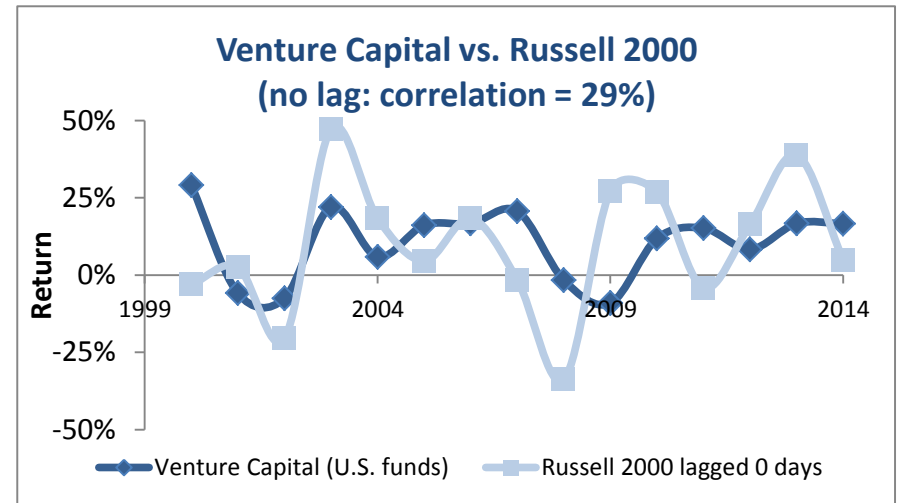


1. To compare the performance of private equity implementation styles over long periods, Monte Carlo simulations were used to capture differences in risk between styles. For details, see "How Implementation Style and Costs Affect Private Equity Performance", Alex Beath, Chris Flynn, and Jody MacIntosh, International Journal of Pension Management pp. 50, vol. 7, issue 1, Spring 2014.

Private equity benchmarks used by most funds are flawed.

A high proportion of the benchmarks used for illiquid assets by participants in the CEM universe are flawed. Flaws include:

- Timing mismatches due to lagged reporting. For example, as the graphs on the right demonstrate, reported venture capital returns clearly lag the returns of stock indices. Yet most funds that use stock indices to benchmark their private equity do not use lagged benchmarks. The result is substantial noise when interpreting performance. For example, for 2008 the Russell 2000 index return was -33.8% versus -5.6% if lagged 86 trading days. Thus if a fund earned the average reported venture capital return for 2008 of -1.6%, they would have mistakenly believed that their value added from venture capital was 32.2% using the un-lagged benchmarks versus 4.0% using the same benchmark lagged to match the average 86 day reporting lag of venture capital funds.
- Un-investable peer-based benchmarks. Peer based benchmarks reflect the reporting lags in peer portfolios so they have much better correlations than un-lagged investable benchmarks. But their relationship statistics are not as good as for lagged investable benchmarks.
- Aspirational premiums (i.e., benchmark + 2%). Premiums cannot be achieved passively, and evidence suggests that a fund has to be substantially better than average to attain them. More importantly, when comparing performance to other funds, they need to be excluded to ensure a level playing field.



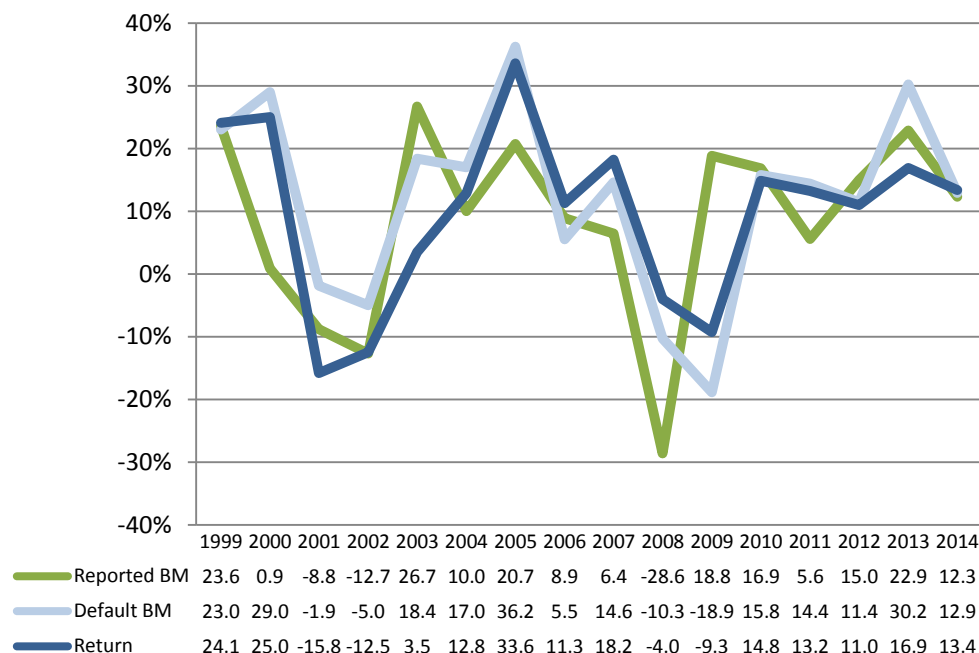
To enable fairer comparisons, CEM uses default private equity benchmarks.

Benchmarks used for private equity by most participants in the CEM universe are flawed (see previous page). So to enable fairer comparisons, CEM replaced the reported private equity benchmarks of all funds except yours with defaults. The defaults are:

- Investable. They are comprised of lagged small cap benchmarks.
- Custom lagged for each participant. Different portfolios had different lags. CEM estimated the lag on private equity portfolios by comparing annual private equity returns to public market proxies with 1 day of lag, 2 days of lag, 3 days of lag, etc. At some number of days lag, correlation between the two series is maximized. The median lag was 94 trading days (i.e., approximately 132 calendar days or 4.3 calendar months)
- Regional mix adjusted based on the average estimated mix of regions in private equity portfolios for a given country.

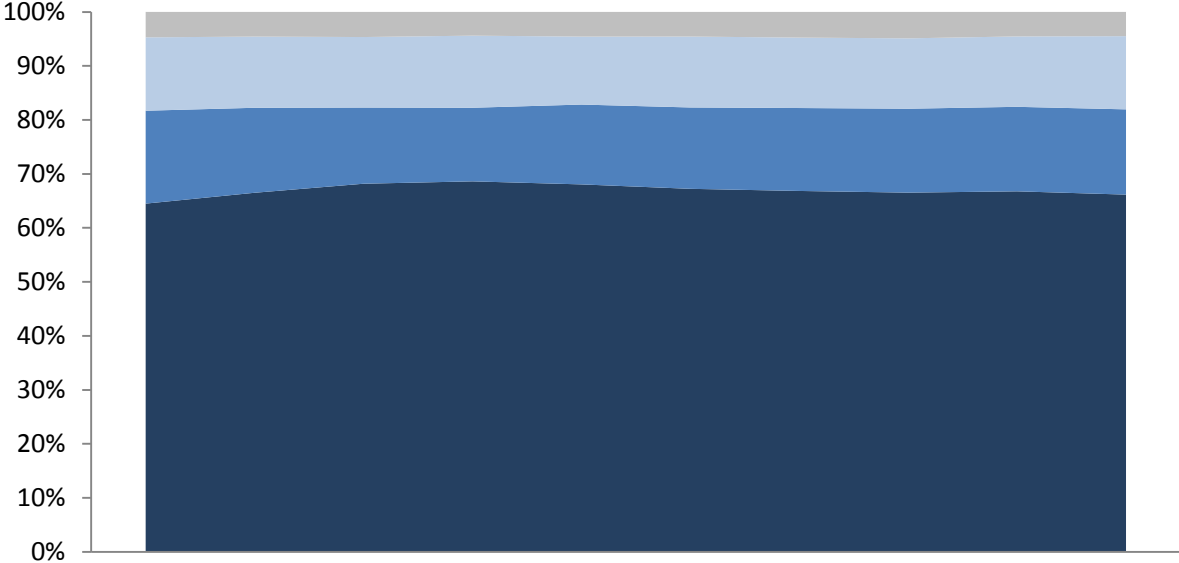
The result is the default benchmarks are superior to most self-reported benchmarks. Correlations improve to a median of 82% for the default benchmarks versus 43% for self-reported benchmarks. Other statistics such as volatility were also much better.

Private equity returns versus reported and default benchmark returns - Global median



For global plans, external active management increased from 64% to 66% over the past 10 years.

Implementation style by year - Global funds

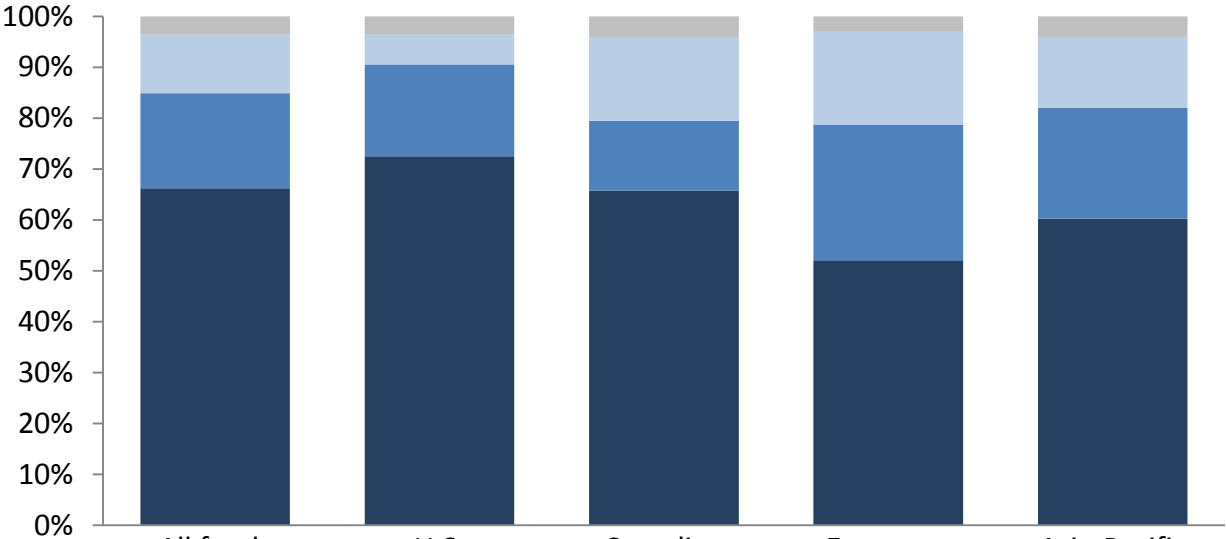


	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
■ % Internal passive	5%	5%	5%	4%	5%	5%	5%	5%	5%	4%
■ % Internal active	14%	13%	13%	13%	13%	13%	13%	13%	13%	14%
■ % External passive	17%	16%	14%	14%	15%	15%	15%	16%	16%	16%
■ % External active	64%	67%	68%	69%	68%	67%	67%	67%	67%	66%

• This analysis is based on 117 global funds with 10 consecutive years of data.

European funds have less externally managed active assets than funds in most other regions.

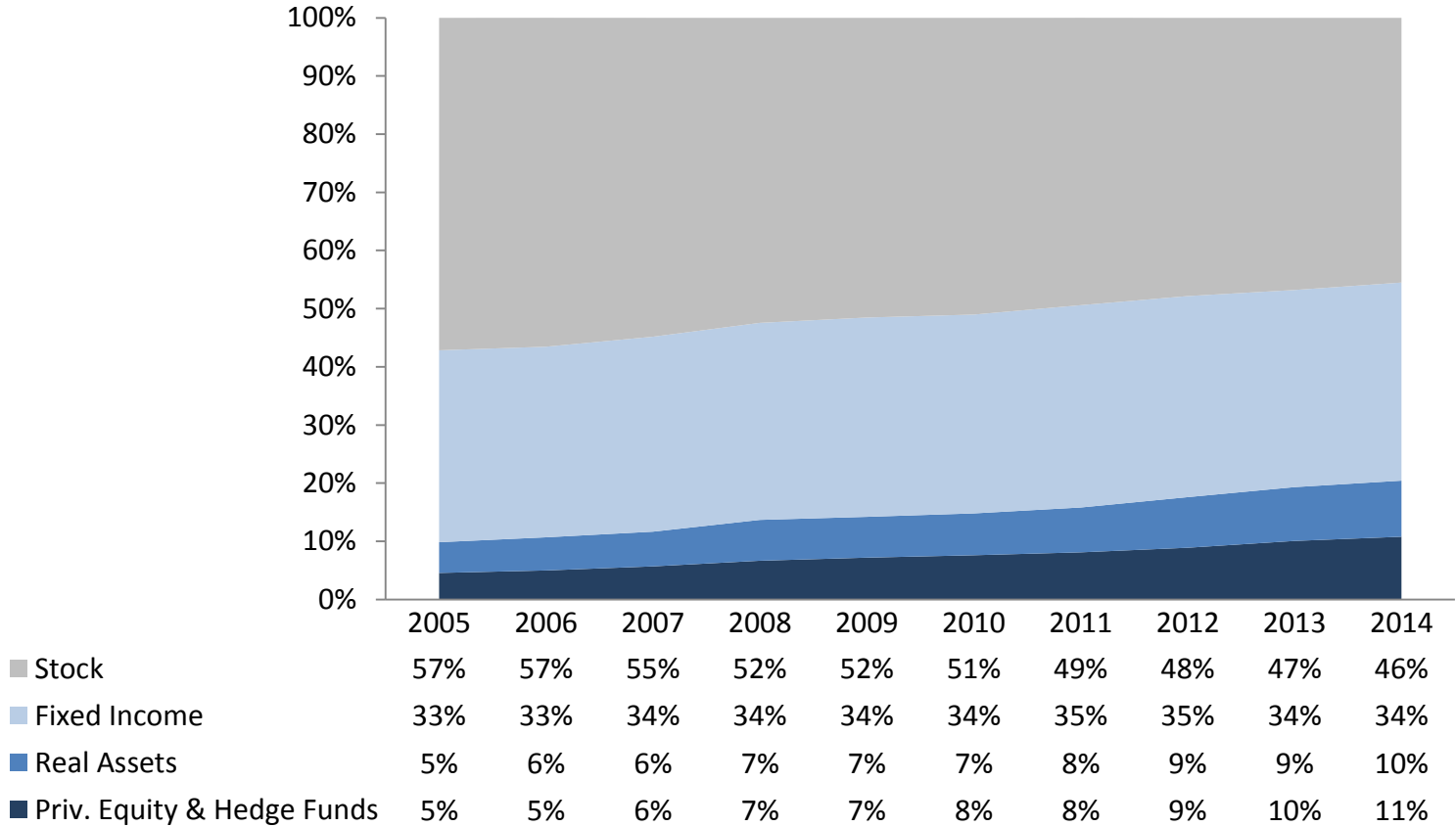
Implementation style by region - 2014 average



■ % Internal passive	4%	3%	4%	3%	4%
■ % Internal active	12%	6%	16%	18%	14%
■ % External passive	19%	18%	14%	27%	22%
■ % External active	66%	73%	66%	52%	60%
Number of funds	328	170	83	67	5
Median fund in € billions	6.3	9.6	1.9	8.8	18.0

For Global plans, combined policy weights for real assets, private equity and hedge funds increased from 9.8% in 2005 to 20.4% in 2014.

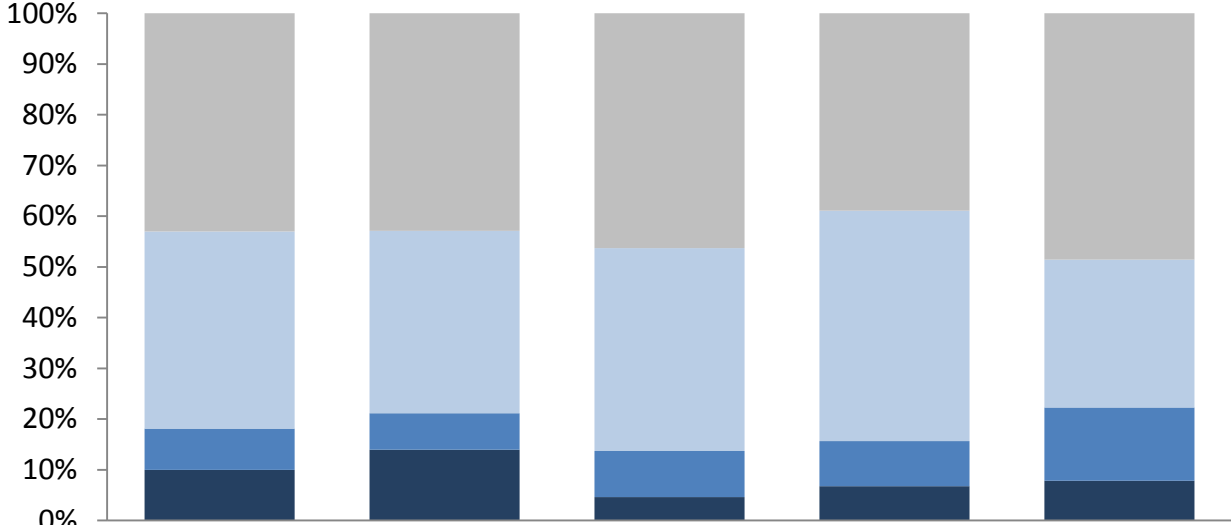
Policy mix by year - Global



• This analysis is based on 117 global funds with 10 consecutive years of data.

European funds have more fixed income.

Policy asset mix by region - 2014 average

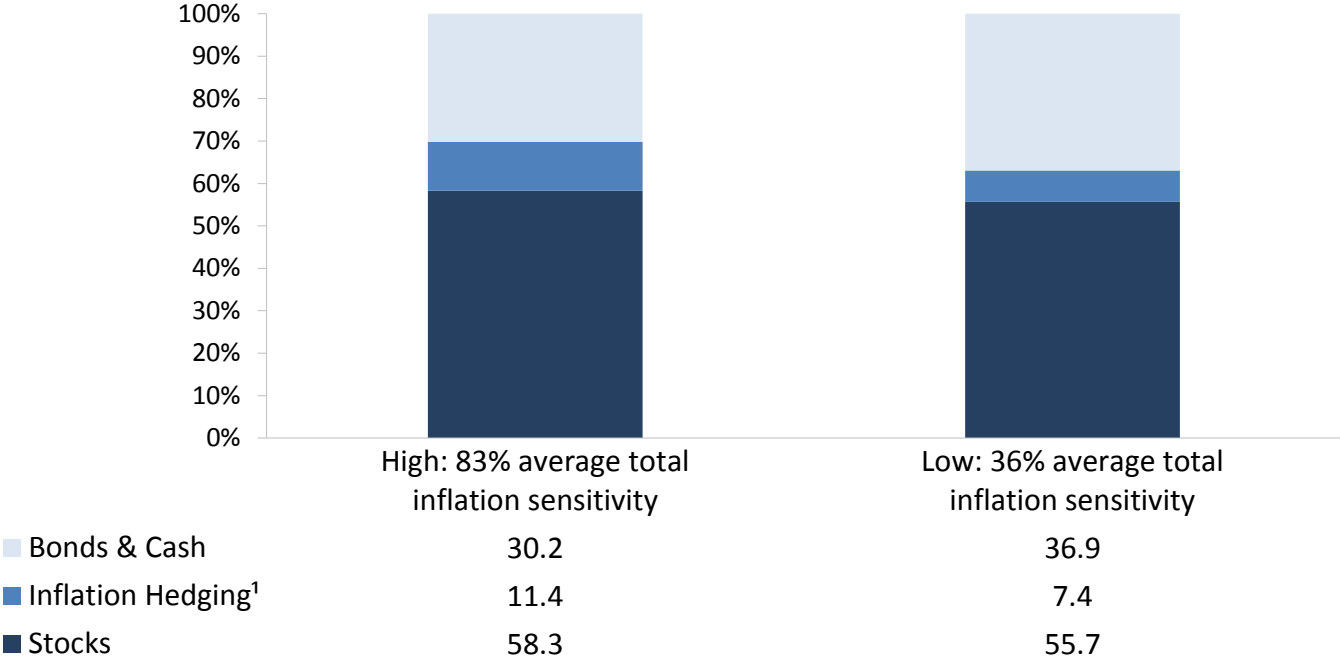


Stock	43%	43%	46%	39%	49%
Fixed Income	39%	36%	40%	45%	29%
Real Assets	8%	7%	9%	9%	14%
Priv. Equity & Hedge Funds	10%	14%	5%	7%	8%
Number of funds	328	170	83	67	5
Median fund in € billions	6.3	9.6	1.9	8.8	18.0

Impact of inflation sensitivity on policy asset mix decisions

One would expect plans with more inflation sensitivity to have more inflation hedging assets and fewer nominal bonds than plans with less inflation sensitivity. Although this is true, the difference is small: inflation hedging assets represent 11.4% of assets at plans with high inflation sensitivity versus 7.4% at plans with lower inflation sensitivity.

**Average policy asset mix:
Plans with above vs. below average inflation sensitivity**

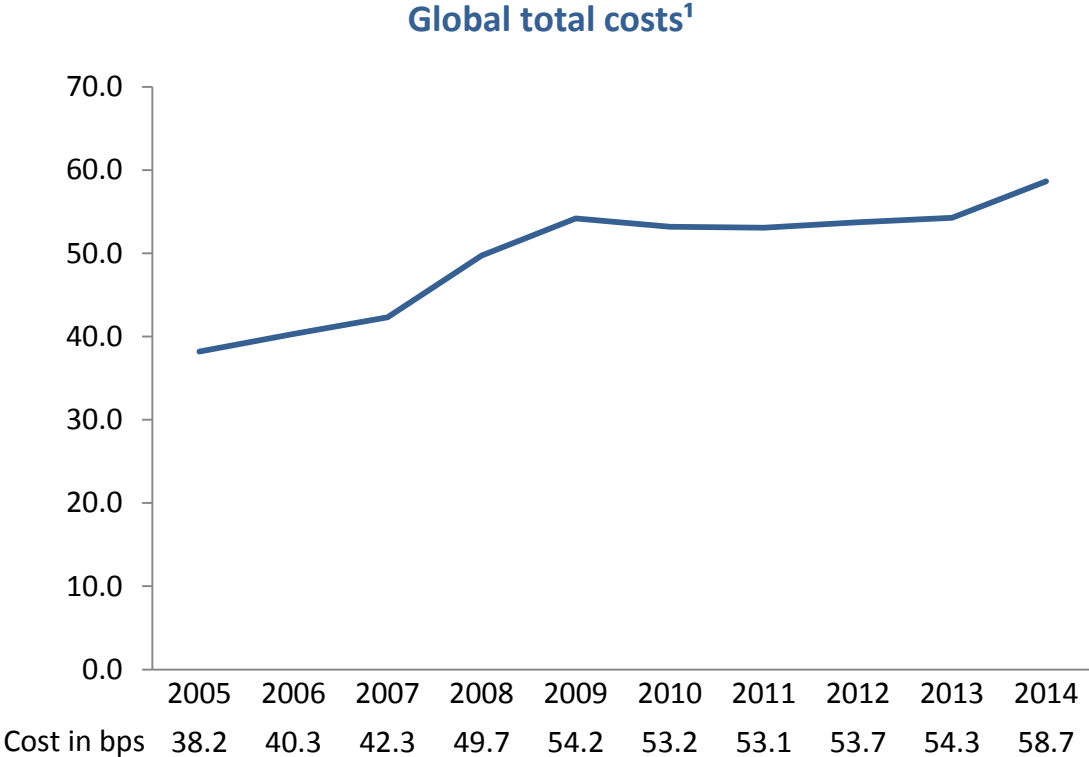


1. Inflation hedge assets include inflation-indexed bonds, commodities, real estate & REITs, infrastructure and natural resources.

Global fund costs have grown by 20 basis points on average over the last 10 years.

Reasons for the increase in costs include:

- Allocation to the more expensive asset classes - hedge funds, real assets and private equity- increased from 4% to 9% on average.
- Use of the most expensive implementation style, external active management, increased from 64% to 66% on average.



1. This analysis is based on 117 global funds with 10 consecutive years of data.

U.S. defined benefit plans have outperformed defined contribution plans.

U.S. defined benefit plans have outperformed defined contribution plans.

DB versus DC return and value added - U.S.

	18-yr average ending 2014 ²		
	DB	DC	Difference
Total return	8.31%	6.88%	1.43%
- Policy return ¹	7.74%	6.46%	1.28%
- Costs	0.49%	0.40%	0.09%
= Net value added	0.08%	0.01%	0.07%
Number of observations	3,233	2,143	

Differences in asset mix have been the primary reason for the outperformance of U.S. defined benefit plans.

DB versus DC asset mix - U.S.

Asset class (Ranked by returns)	Asset mix ³		Returns ⁴	
	DB	DC	DB	DC
Private Equity	4%	n/a	11.6%	n/a
Real Assets	5%	n/a	10.2%	n/a
Small Cap Stock	6%	8%	9.4%	9.8%
Employer Stock	0%	20%	n/a	8.6%
Fixed Income	31%	10%	8.1%	6.1%
Hedge Funds	2%	n/a	8.2%	n/a
Stock U.S. Large Cap or Broad	26%	30%	7.0%	7.9%
Stock Non U.S. or Global	23%	8%	5.1%	6.6%
Stable Value/GICs	n/a	17%	n/a	4.6%
Cash	2%	8%	3.2%	2.9%
Total	100%	100%	8.3%	6.9%
Number of observations	3,233	2,143		

1. DC policy return = weights of holdings X benchmarks

2. Returns are the geometric average of annual averages.

3. 18 years ending 2014. Equals arithmetic average of annual asset mix weights.

4. 18 years from 1997 to 2014. Returns are the geometric average of the annual averages for each asset class. Hedge funds were not treated as a separate asset class until 2000, so 60% stock, 40% bond returns were used as a proxy for 1997-1999.

n/a= insufficient data.

3

Description of peer group and universe

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Implementation style, actual mix and policy mix:	
- by universe subset	5
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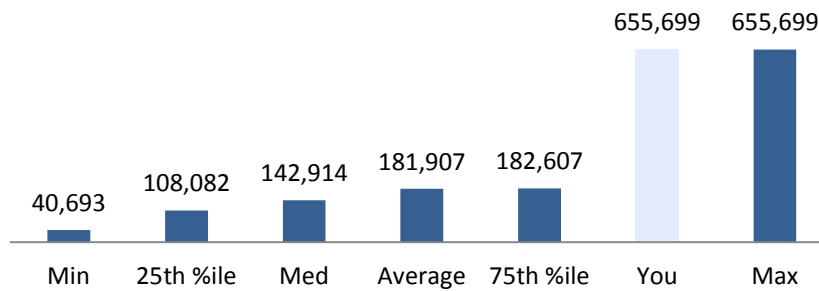
Peer group

Your peer group is comprised of 16 global funds, with assets ranging from €40.7 billion to €655.7 billion versus your €655.7 billion. The median size is €142.9 billion.

Size is the primary criteria for choosing your peer group, because size greatly impacts how much you pay for services. Generally, the larger your fund, the smaller your unit operating costs (i.e., the economies of scale impact).

Peer group for Norwegian Government Pension Fund Global

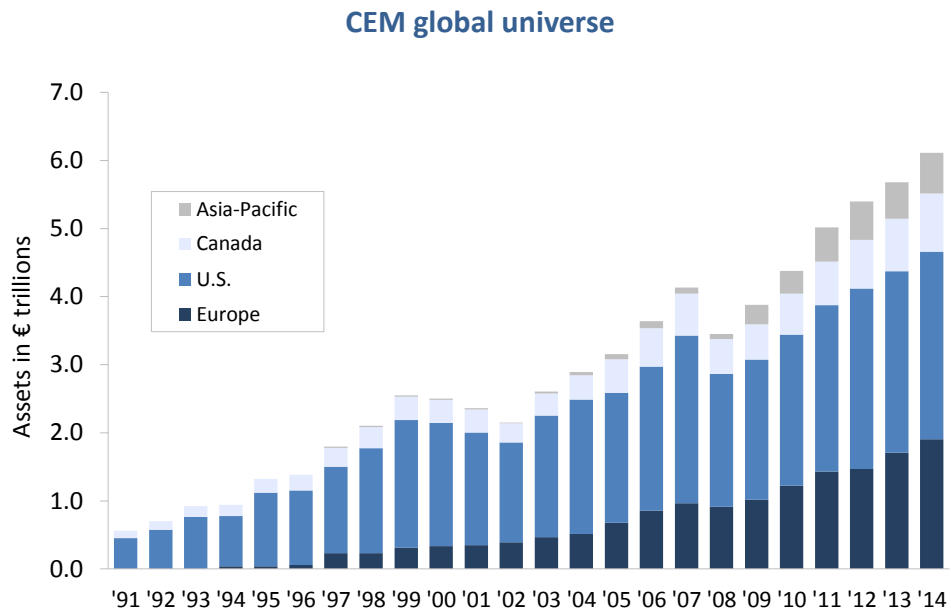
Total fund assets (€ millions) - you versus peers



CEM global universe

CEM has been providing investment benchmarking solutions since 1991. The 2014 survey universe is comprised of 328 funds representing €6.1 trillion in assets. The breakdown by region is as follows:

- 170 U.S. pension funds with aggregate assets of €2.8 trillion.
- 83 Canadian pension funds with aggregate assets of €855 billion.
- 67 European pension funds with aggregate assets of €1.9 trillion. Included are funds from The Netherlands, Norway, Sweden, Finland, Denmark, UK, and Ireland.
- 8 Asia-Pacific pension funds with aggregate assets of €593 billion.



Universe subsets

CEM's global survey universe is comprised of 328 funds with total assets of €6.1 trillion. Your fund's returns and costs are compared to the following two subsets of the global universe:

- Peers - Your peer group is comprised of 16 Global funds ranging in size from €40.7 - €655.7 billion. The peer median of €142.9 billion compares to your €655.7 billion.
- Global - The global universe is comprised of 328 funds ranging in size from €0.0 - €655.7 billion. The median fund is €4.2 billion.

Universe subsets by number of funds and assets

	Peer group ¹	Global by type				Global by Country				
		Corp.	Public	Other	Total	U.S.	Canada	Europe	Asia-Pacific	Total
<u># of funds</u>										
2014	16	159	114	49	328	170	83	67	8	328
2013	16	186	126	56	374	191	90	86	7	374
2012	16	190	135	54	381	202	89	78	12	381
2011	16	198	113	70	381	205	88	76	12	381
2010	14	180	120	66	367	207	96	55	9	367
<u># of funds with uninterrupted data for:</u>										
1 yr	16	159	114	49	322	170	83	67	8	328
2 yrs	16	147	100	43	290	153	77	56	6	292
3 yrs	16	134	93	37	264	146	72	40	6	264
4 yrs	16	118	82	33	233	141	63	23	6	233
5 yrs	14	107	76	31	214	129	61	20	4	214
6 yrs	13	100	70	26	196	121	56	15	4	196
<u>Total assets (€ billions)</u>										
2014	2,911	1,089	4,245	692	6,110	2,757	855	1,904	593	6,110
2013	2,614	1,061	3,887	625	5,680	2,667	767	1,708	539	5,680
2012	2,379	1,066	3,887	558	5,396	2,652	710	1,470	565	5,396
2011	2,071	1,052	3,447	516	5,015	2,446	641	1,428	501	5,015
2010	1,729	915	3,024	440	4,378	2,218	603	1,222	335	4,378
<u>2014 asset distribution (€ billions)</u>										
Avg	181.9	6.8	37.2	14.1	18.6	16.2	10.3	28.4	74.1	18.6
Max	655.7				655.7					655.7
75th %ile	182.6				13.6					13.6
Median	142.9				4.2					4.2
25th %ile	108.1				1.6					1.6
Min	40.7				0.0					0.0

1. Peer group statistics are for your 2014 peer group only as your peer group may have included different funds in prior years.

Implementation style, actual mix and policy mix by universe subset

Implementation style, actual mix and policy mix - 2014 (as a % of year-end assets)

	Your fund ¹	Peer group	Global by type				Global by Country				
			Corp.	Public	Other	Total	U.S.	Canada	Europe	Asia-Pacific	Total
Implementation style											
External active	4.1	34.6	67.2	57.0	62.8	63.0	68.8	64.3	47.9	52.9	63.0
Fund of funds	0.0	2.5	3.5	2.8	3.6	3.2	3.8	1.5	4.2	2.1	3.2
External passive	0.0	9.3	20.0	16.0	20.2	18.6	18.0	13.7	26.7	15.6	18.6
Internal active	95.9	35.3	6.8	18.5	11.8	11.6	5.9	16.5	18.3	26.1	11.6
Internal passive	<u>0.0</u>	<u>18.2</u>	<u>2.5</u>	<u>5.7</u>	<u>1.6</u>	<u>3.5</u>	<u>3.5</u>	<u>4.0</u>	<u>3.0</u>	<u>3.3</u>	<u>3.5</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Actual asset mix											
Stock	61.2	44.7	39.1	50.4	39.7	43.4	42.7	47.7	39.8	42.1	43.4
Fixed income	37.4	32.2	46.2	27.9	42.5	39.0	36.6	39.0	45.3	39.0	39.0
Global TAA	0.0	0.4	2.2	2.1	1.6	2.0	2.8	1.0	1.6	1.8	2.0
Real assets	1.4	12.5	4.8	10.2	9.6	7.4	6.7	8.1	8.0	10.6	7.4
Hedge funds	0.0	2.7	4.5	3.4	3.6	4.0	5.6	1.8	2.7	3.1	4.0
Private equity	<u>0.0</u>	<u>7.5</u>	<u>3.3</u>	<u>5.9</u>	<u>3.0</u>	<u>4.1</u>	<u>5.6</u>	<u>2.4</u>	<u>2.5</u>	<u>3.4</u>	<u>4.1</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Policy asset mix											
Stock	61.1	44.2	39.3	49.1	39.4	43.0	42.9	46.3	38.9	45.9	43.0
Fixed income	36.7	31.4	46.0	27.9	42.1	38.9	35.9	40.0	45.5	34.1	38.9
Global TAA	0.0	0.3	1.9	2.2	1.4	1.9	2.5	0.9	1.7	1.8	1.9
Real assets	2.2	14.1	5.0	11.6	10.7	8.1	7.2	9.1	8.8	12.4	8.1
Hedge funds	0.0	2.7	4.4	2.9	3.3	3.7	5.4	1.3	2.6	2.0	3.7
Private equity	<u>0.0</u>	<u>7.4</u>	<u>3.4</u>	<u>6.4</u>	<u>3.1</u>	<u>4.4</u>	<u>6.1</u>	<u>2.4</u>	<u>2.5</u>	<u>3.9</u>	<u>4.4</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1. Due to the fact that your fund provided average assets, the above tables show your implementation style and asset mix using average assets rather than year-end.

Implementation style, actual mix and policy mix trends

Implementation style, actual mix and policy mix - 2010 to 2014 (as a % of year-end assets)

	Your fund ¹					Peer average ²					Global average ²				
	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
Implementation style															
External active	4.1	3.7	3.8	6.7	12.3	36.8	46.5	46.5	46.0	41.7	66.1	66.9	66.9	67.0	67.4
External passive	0.0	0.0	0.0	0.0	0.0	8.4	7.9	7.3	7.8	7.7	17.5	17.0	17.0	16.8	16.3
Internal active	95.9	96.3	96.2	93.3	87.7	38.5	28.4	28.9	29.1	34.7	12.6	11.4	11.4	11.6	12.2
Internal passive	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>16.3</u>	<u>17.1</u>	<u>17.2</u>	<u>17.1</u>	<u>15.8</u>	<u>3.9</u>	<u>4.6</u>	<u>4.7</u>	<u>4.7</u>	<u>4.2</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Actual asset mix															
Stock	61.2	62.7	60.2	59.6	61.0	43.6	43.6	42.1	43.4	45.8	43.0	45.6	44.2	44.6	48.7
Fixed income	37.4	36.4	39.4	40.2	39.0	33.4	32.8	34.0	33.0	31.8	38.0	35.8	37.5	37.7	35.8
Global TAA	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.1	0.1	0.2	1.9	1.8	1.7	1.5	1.0
Real assets	1.4	0.9	0.4	0.2	0.0	13.0	13.2	13.1	13.0	12.3	7.9	7.8	7.8	7.2	6.3
Hedge funds	0.0	0.0	0.0	0.0	0.0	2.3	2.7	2.6	2.5	2.4	4.3	4.1	3.7	3.8	3.4
Private equity	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>7.5</u>	<u>7.6</u>	<u>8.0</u>	<u>8.1</u>	<u>7.6</u>	<u>4.8</u>	<u>4.8</u>	<u>5.0</u>	<u>5.1</u>	<u>4.9</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Policy asset mix															
Stock	61.1	60.9	60.9	58.7	61.4	45.0	44.5	44.9	47.5	49.6	42.6	44.5	45.6	46.6	48.7
Fixed income	36.7	38.1	38.4	41.0	38.6	33.2	33.3	33.2	32.7	31.8	38.0	37.0	37.1	37.0	36.2
Global TAA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.8	1.8	1.5	1.3	0.7
Real assets	2.2	1.0	0.7	0.3	0.0	12.8	12.8	12.5	11.2	11.0	8.4	8.0	7.6	7.0	6.7
Hedge funds	0.0	0.0	0.0	0.0	0.0	2.3	2.7	2.8	2.3	1.9	4.0	3.6	3.3	3.3	3.0
Private equity	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>6.7</u>	<u>6.7</u>	<u>6.7</u>	<u>6.2</u>	<u>5.7</u>	<u>5.1</u>	<u>5.1</u>	<u>4.9</u>	<u>4.8</u>	<u>4.7</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1. Due to the fact that your fund provided average assets, the above tables show your trend in implementation style and asset mix using average assets rather than year-end.

2. Trends are based on the 214 Global and 14 peer funds with 5 consecutive years of data ending 2014.

Implementation style by asset class

Implementation style impacts your costs, because external active management tends to be more expensive than internal or passive (or indexed) management and fund-of-funds usage is more expensive than direct fund investment.

Implementation style by asset class - 2014 (as a % of average assets)

	Your fund %				Peer average %				Global average %							
	External		Internal		External		Internal		External		Internal					
	Active	FOFs	Index	Active	Index	Active	FOFs	Index	Active	FOFs	Index	Active	Index			
Stock - U.S.					21.1		20.7	6.1	52.1	47.6		40.1	5.3	7.0		
Stock - EAFE					35.0		22.6	24.2	18.1	57.2		28.0	10.8	4.1		
Stock - ACWIxU.S.					20.5		79.5	0.0	0.0	64.6		35.0	0.4	0.0		
Stock - Emerging					56.9		8.9	15.7	18.4	80.5		11.7	3.0	4.9		
Stock - Global	6.4		0.0	93.6	0.0		32.3	12.6	46.3	8.8		68.2	17.5	12.5	1.8	
Stock - Other					33.6		11.0	37.7	17.8	71.9		8.8	13.5	5.8		
Total Stock	6.4		0.0	93.6	0.0		32.3	16.3	27.5	23.9		60.2	26.9	8.3	4.5	
Fixed Income - US					32.7		0.7	31.9	34.7	65.5		14.5	15.7	4.4		
Fixed Income - EAFE					23.8		0.0	72.5	3.7	27.8		48.0	22.2	2.0		
Fixed Income - Emerging					87.4		0.0	12.6	0.0	90.9		1.3	7.7	0.2		
Fixed Income - Global	0.5		0.0	99.5	0.0		26.4	1.5	72.1	0.0		65.9	4.9	26.8	2.3	
Fixed Income - Inflation Indexed					8.0		34.2	23.5	34.3	16.6		43.3	15.0	25.2		
Fixed Income - High Yield					93.1		0.0	6.8	0.1	88.8		2.9	8.2	0.0		
Fixed Income - Mortgages					18.2		0.0	78.1	3.7	78.0		0.9	20.2	0.9		
Fixed Income - Private Debt					51.3		0.0	48.7	0.0	79.5		0.0	20.5	0.0		
Fixed Income - Other					9.0		0.1	57.8	33.0	70.6		15.2	11.5	2.7		
Cash					78.0		0.0	22.0	0.0	54.1		0.0	45.9	0.0		
Total Fixed Income	0.5		0.0	99.5	0.0		22.5	5.9	50.1	21.4		61.7	17.9	16.6	3.8	
Commodities					7.7		0.6	51.6	40.1	74.8		7.6	10.3	7.2		
Infrastructure			n/a	n/a	31.1	5.4	n/a	63.5	n/a	71.2	6.5	n/a	22.3	n/a		
Natural Resources			n/a	n/a	40.2	0.0	n/a	59.8	n/a	79.9	2.8	n/a	17.3	n/a		
REITs					17.2	0.0	0.0	82.8	0.0	77.2	0.0	8.7	11.2	2.9		
Real Estate ex-REITs	0.0	0.0	n/a	100.0	n/a		55.1	4.9	n/a	40.0	0.0	75.7	7.4	n/a	16.9	0.0
Other Real Assets			n/a	n/a	79.9	0.0	n/a	20.1	n/a	91.1	0.0	n/a	8.9	n/a		
Total Real Assets	0.0	0.0	0.0	100.0	0.0		46.5	0.0	0.1	49.5	3.9	81.8	0.0	1.1	16.5	0.6
Hedge Funds			n/a	n/a	73.2	26.8	n/a	0.0	n/a	56.3	43.7	n/a	0.0	n/a		
Global TAA			n/a	n/a	75.2	0.0	n/a	24.8	n/a	91.7	0.0	n/a	8.3	n/a		
Diversified Private Equity			n/a	n/a	60.8	21.9	n/a	17.3	n/a	64.9	31.6	n/a	3.5	n/a		
Venture Capital			n/a	n/a	43.7	54.8	n/a	1.5	n/a	66.1	33.0	n/a	0.9	n/a		
LBO			n/a	n/a	74.9	3.9	n/a	21.2	n/a	90.5	5.3	n/a	4.2	n/a		
Other Private Equity			n/a	n/a	99.0	0.0	n/a	1.0	n/a	84.9	0.0	n/a	15.1	n/a		
Total Private Equity			n/a	n/a	71.2	14.6	n/a	14.3	n/a	76.0	20.8	n/a	3.2	n/a		
Total Fund - Avg. Holdings	4.1	0.0	0.0	95.9	0.0		34.7	2.5	9.4	35.3	18.1	63.0	3.2	18.8	11.3	3.7

Actual mix

Actual asset mix - 2010 to 2014 (as a % of year-end assets)

	Your fund % ¹					Peer average %					Global average %				
	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
Stock - U.S.						12.1	12.4	11.7	11.4	11.2	15.0	16.3	16.9	17.6	20.6
Stock - EAFE						6.8	7.4	7.3	8.5	9.6	7.3	8.3	8.5	8.0	9.1
Stock - ACWIxU.S.						0.4	0.4	0.4	0.3		2.9	3.1	2.9	2.4	3.0
Stock - Emerging						4.6	4.6	4.6	3.7	3.3	3.0	3.1	3.0	2.6	2.4
Stock - Global	61.2	62.7	60.2	59.6	61.0	15.6	13.9	12.9	13.7	15.2	10.1	9.7	8.3	6.9	7.3
Stock - Other						5.3	5.7	5.7	5.5	6.4	5.0	5.3	5.5	5.5	6.8
Total Stock	61.2	62.7	60.2	59.6	61.0	44.7	44.3	42.7	43.1	45.8	43.4	45.8	45.1	43.0	49.2
Fixed Income - US						5.0	5.1	5.7	5.6	5.2	6.6	6.9	8.1	8.3	9.6
Fixed Income - EAFE						2.8	2.7	2.6	2.3	2.9	4.0	4.5	3.0	5.5	3.5
Fixed Income - Emerging						1.1	1.1	0.9	0.5	0.2	1.2	1.2	1.0	0.9	0.6
Fixed Income - Global	37.4	36.4	39.4	40.2	39.0	5.5	5.7	5.9	6.3	6.1	2.5	2.7	3.1	3.0	2.4
Fixed Income - Inflation Indexed						4.8	4.9	4.9	4.6	4.0	2.0	1.9	2.3	2.5	2.3
Fixed Income - High Yield						0.6	0.6	0.8	0.7	0.8	1.4	1.5	1.4	1.4	1.3
Fixed Income - Mortgages						0.8	0.8	0.9	0.9	1.1	0.3	0.3	0.4	0.4	0.6
Fixed Income - Private Debt						0.3	0.3	0.3	0.2	0.1	0.3	0.2	0.1	0.0	0.0
Fixed Income - Other						8.8	9.2	9.5	9.5	10.9	18.0	15.4	15.8	16.4	14.7
Cash						2.5	1.3	1.6	1.1	0.4	2.6	2.5	2.8	2.5	2.2
Total Fixed Income	37.4	36.4	39.4	40.2	39.0	32.2	31.8	33.1	31.7	31.8	39.0	37.2	38.0	41.1	36.9
Commodities						1.2	1.4	1.4	1.5	1.4	0.4	0.6	0.6	0.6	0.6
Infrastructure						2.6	2.6	2.5	2.5	2.6	1.0	0.8	0.8	0.8	0.6
Natural Resources						0.5	0.6	0.6	1.0	0.1	0.3	0.3	0.3	0.3	0.2
REITs						0.9	0.9	1.0	1.0	1.2	0.6	0.5	0.5	0.6	0.6
Real Estate ex-REITs	1.4	0.9	0.4	0.2		7.1	7.2	7.2	7.2	7.0	4.9	4.8	4.7	4.5	3.9
Other Real Assets						0.2	0.2	0.2	0.5	0.1	0.3	0.3	0.3	0.3	0.2
Total Real Assets	1.4	0.9	0.4	0.2		12.5	12.8	12.8	13.7	12.3	7.4	7.2	7.2	7.0	6.1
Hedge Funds						2.7	3.0	2.9	3.0	2.4	4.0	3.9	3.6	3.4	3.0
Global TAA						0.4	0.5	0.5	0.4	0.2	2.0	1.9	2.0	1.3	0.9
Div. Private Equity						5.0	5.1	5.5	5.5	4.9	3.1	3.2	3.4	3.4	3.1
Venture Capital						0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2
LBO						1.9	2.0	2.1	2.1	2.2	0.5	0.4	0.4	0.4	0.4
Other Private Equity						0.3	0.3	0.3	0.2	0.2	0.3	0.2	0.2	0.2	0.1
Total Private Equity						7.5	7.6	8.1	8.2	7.6	4.1	4.0	4.2	4.2	3.9
Total Fund	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Count	1	1	1	1	1	16	16	16	16	14	328	374	381	381	367
Median Assets (€ billions)	655.7	568.2	483.6	401.8	353.7	183.9	172.4	153.3	142.1	124.8	5.7	4.2	3.9	4.0	3.7

1. Your asset mix is based on average assets rather than year-end.

Policy mix

Policy asset mix - 2010 to 2014 (as a % of average assets)

	Your fund %					Peer average %					Global average %				
	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
Stock - U.S.						8.1	8.3	8.4	9.5	8.9	13.5	14.9	16.7	17.0	19.8
Stock - EAFE						4.8	5.9	5.6	6.6	8.7	6.8	7.7	8.4	7.8	8.3
Stock - ACWIxU.S.								1.0	1.0		3.3	3.0	3.1	3.1	3.1
Stock - Emerging						3.3	3.4	3.5	3.5	3.0	2.6	2.7	2.5	2.4	2.0
Stock - Global	61.1	60.9	60.9	58.7	61.4	23.4	21.0	20.4	20.7	22.9	11.8	11.0	9.8	8.9	9.0
Stock - Other						4.7	4.9	5.0	5.3	6.2	4.9	5.3	5.6	5.6	6.4
Total Stock	61.1	60.9	60.9	58.7	61.4	44.2	43.6	43.9	46.7	49.6	43.0	44.5	46.1	44.7	48.6
Fixed Income - US						6.2	6.1	6.2	6.6	6.0	7.1	7.8	8.7	9.0	10.4
Fixed Income - EAFE						3.1	3.4	3.5	3.1	3.8	4.1	4.6	3.1	5.4	3.6
Fixed Income - Emerging						1.1	1.3	1.2	0.8	0.3	1.1	1.3	0.9	0.8	0.5
Fixed Income - Global	36.7	38.1	38.4	41.0	38.6	6.1	5.8	5.9	6.0	5.7	2.7	2.7	3.2	3.2	2.7
Fixed Income - Inflation Indexed						4.8	5.3	4.8	5.2	4.4	2.0	2.0	2.3	2.4	2.3
Fixed Income - High Yield						0.4	0.3	0.5	0.4	0.6	1.5	1.6	1.2	1.2	1.1
Fixed Income - Mortgages						0.3	0.5	0.5	0.5	0.7	0.2	0.3	0.3	0.3	0.5
Fixed Income - Private Debt						0.0	0.1	0.0			0.3	0.2	0.1	0.0	
Fixed Income - Other						9.3	9.6	9.9	9.6	10.9	19.2	17.0	16.5	16.6	15.2
Cash						-0.1	-0.1	-0.4	-0.5	-0.5	0.7	0.7	0.9	1.2	1.1
Total Fixed Income	36.7	38.1	38.4	41.0	38.6	31.4	32.3	32.0	31.7	31.8	38.9	38.1	37.2	40.1	37.4
Commodities						1.1	1.6	1.6	1.6	1.3	0.5	0.7	0.7	0.7	0.7
Infrastructure						3.0	2.7	2.6	2.3	2.5	1.2	1.0	0.9	0.8	0.7
Natural Resources						1.1	1.1	1.1	1.0	0.1	0.3	0.3	0.2	0.2	0.1
REITs						0.8	0.9	0.9	0.3	0.4	0.5	0.4	0.4	0.4	0.5
Real Estate ex-REITs	2.2	1.0	0.7	0.3		7.4	7.1	7.0	6.5	6.7	5.3	5.1	4.9	4.7	4.5
Other Real Assets						0.6	0.4	0.4	0.4	0.0	0.3	0.3	0.3	0.2	0.2
Total Real Assets	2.2	1.0	0.7	0.3		14.1	13.8	13.6	12.1	11.0	8.1	7.8	7.5	7.0	6.6
Hedge Funds						2.7	2.9	3.1	2.2	1.9	3.7	3.5	3.3	3.1	2.8
Global TAA						0.3	0.4	0.3	0.8		1.9	1.9	1.8	1.1	0.7
Div. Private Equity						6.7	6.5	6.5	5.9	5.2	3.8	3.6	3.6	3.5	3.4
Venture Capital						0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.1	0.2
LBO						0.4	0.4	0.4	0.4	0.4	0.2	0.2	0.2	0.2	0.1
Other Private Equity						0.2	0.1	0.0			0.2	0.1	0.1	0.1	0.1
Total Private Equity						7.4	7.0	7.1	6.4	5.7	4.4	4.2	4.1	4.0	3.9
Total Fund	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Count	1	1	1	1	1	16	16	16	16	14	328	374	381	381	367

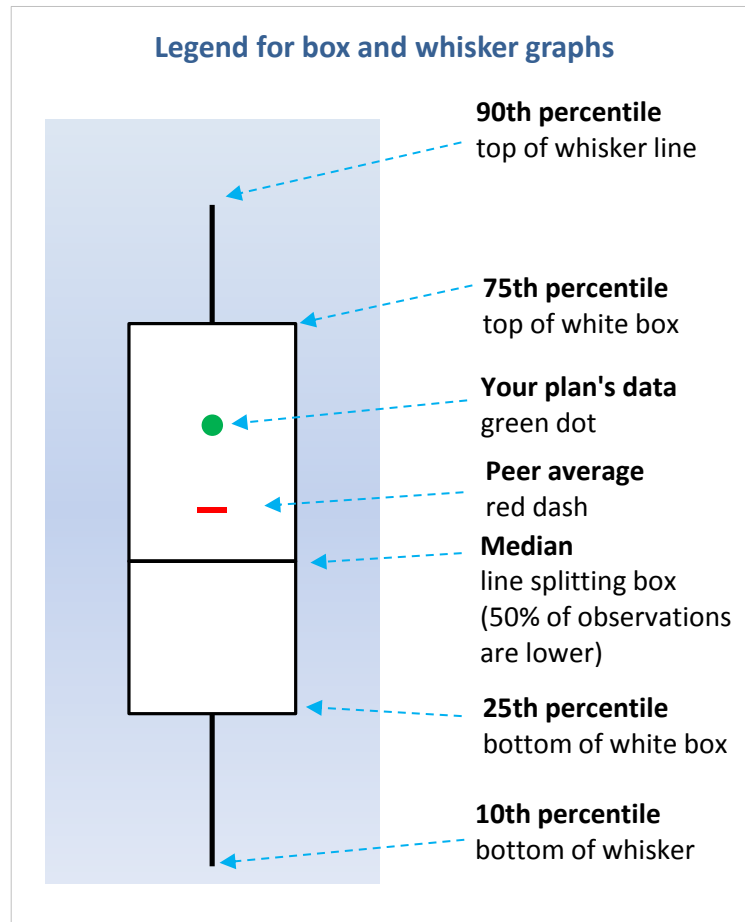
4

Returns, Benchmarks and Value Added

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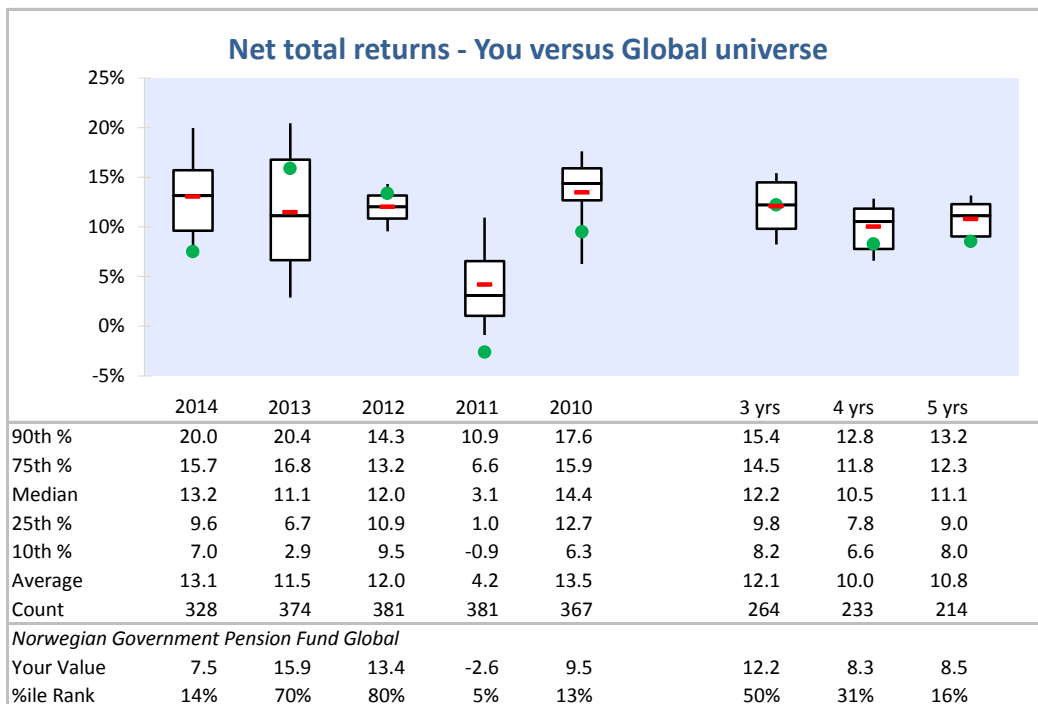
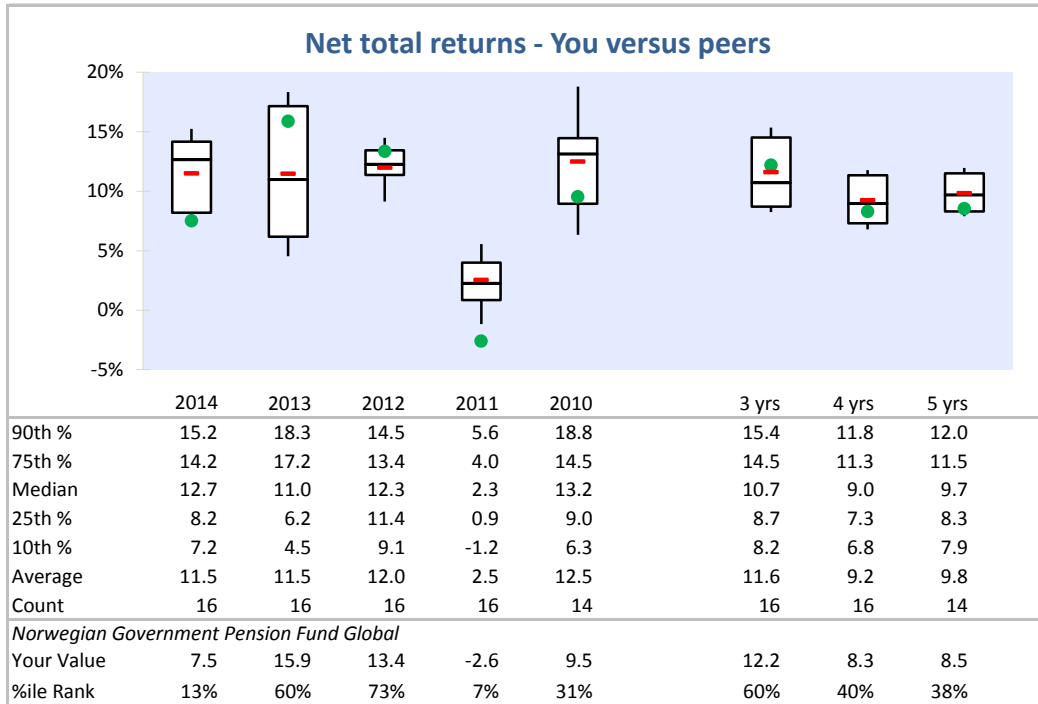
Interpreting box and whisker graphs

Box and whisker graphs are used extensively in this report because they show visually where you rank relative to all observations. At a glance you can see which quartile your data falls in.



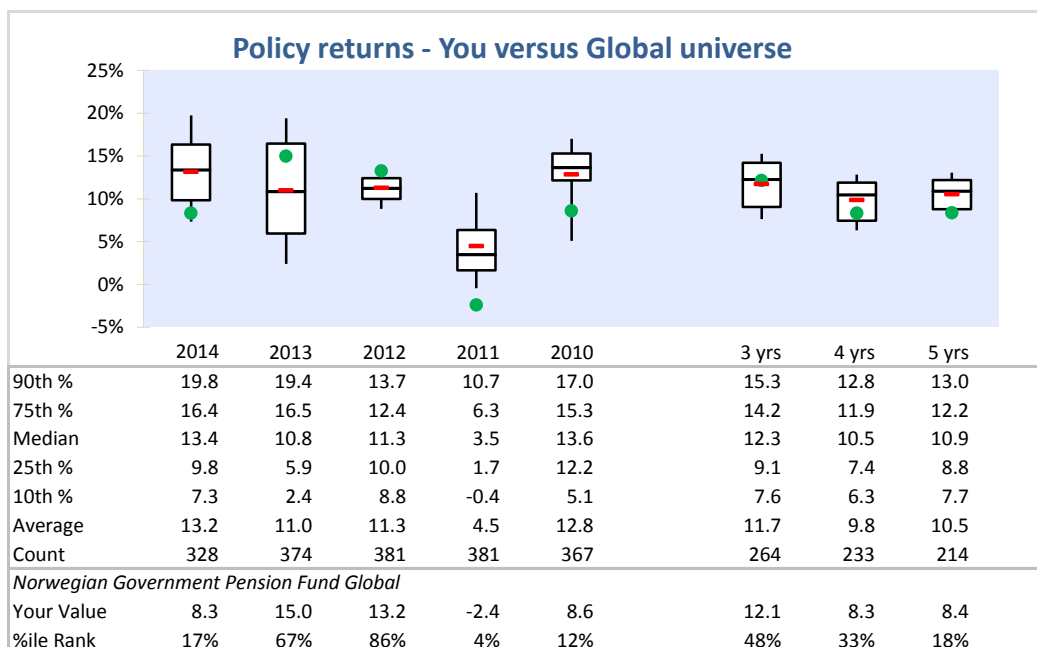
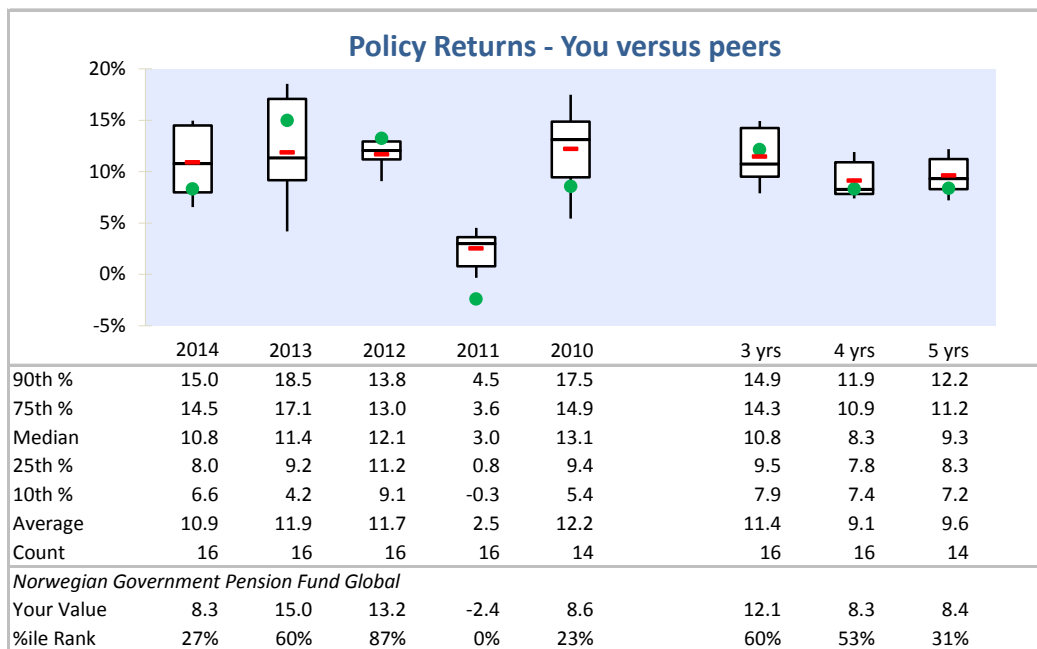
Net total returns

Your 5-year net total return of 8.5% was below the peer median and below the median of the Global universe. Comparisons of total return do not help you understand the reasons behind relative performance. To understand the relative contributions from policy asset mix decisions and implementation decisions we separate total return into its more meaningful components - policy return and implementation value added.



Policy returns

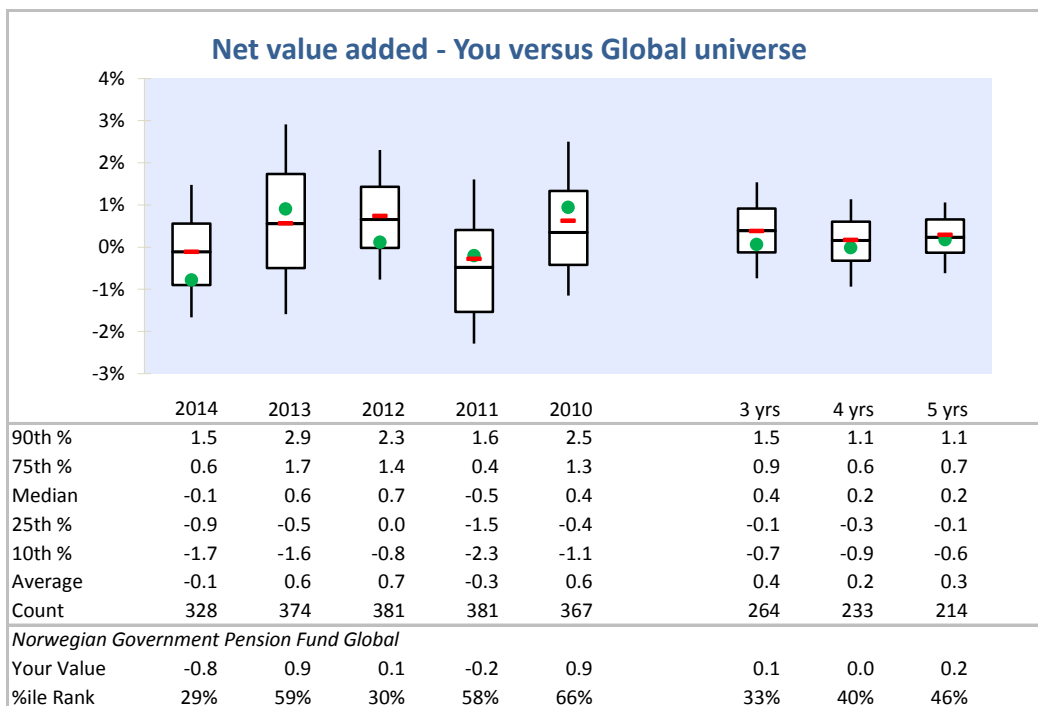
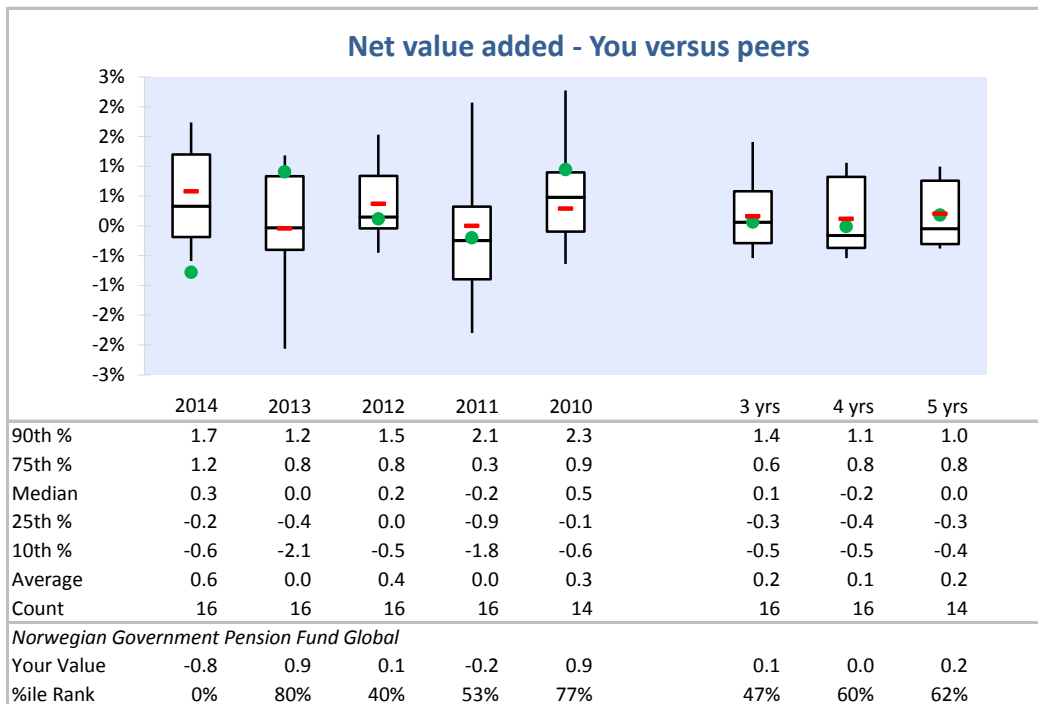
Your 5-year policy return of 8.4% was below the peer median and below the median of the Global universe. Policy return is the return you would have earned had you passively implemented your policy asset mix decision through your benchmark portfolios.



To enable fairer comparisons, the policy returns of all participants with policy weight in private equity were adjusted to reflect private equity benchmarks based on lagged, investable, public-market indices. Refer to the Research section pages 6-7 for details.

Net value added

Your 5-year net value added of 0.2% was above the peer median and close to the median of the Global universe. Net value added is the difference between your net total return and your policy return.



Net returns by asset class

Asset class	Your fund %						Peer average %						Global average %					
	2014	2013	2012	2011	2010	5-yr	2014	2013	2012	2011	2010	5-yr	2014	2013	2012	2011	2010	5-yr
Stock - U.S.							17.3	34.7	16.0	1.9	14.7	16.5	17.9	35.1	15.4	1.4	17.5	17.0
Stock - EAFE							1.7	23.3	18.4	-9.7	14.4	8.9	1.9	25.3	17.4	-11.3	10.3	8.0
Stock - Emerging							5.9	-0.6	17.6	-16.4	19.7	4.4	4.5	-0.6	17.3	-17.7	19.5	3.7
Stock - ACWixU.S.							3.3	17.4	16.6	-12.6			3.4	19.3	16.6	-11.8	12.9	7.4
Stock - Global	7.9	26.3	18.0	-8.9	13.2	10.6	10.4	24.7	15.1	-5.3	11.2	10.8	10.7	25.9	14.8	-5.8	11.4	10.9
Stock - Other							10.0	13.9	10.9	-8.7	19.4	8.6	8.5	14.5	11.4	-8.7	19.6	8.6
Stock - Total	7.9	26.3	18.0	-8.9	13.2	10.6	9.8	23.0	15.4	-5.9	14.5	10.9	10.4	25.4	15.6	-5.8	15.6	11.8
Fixed Income - US							18.7	-1.4	5.1	9.2	6.5	7.4	13.7	-0.6	6.5	9.7	8.8	7.5
Fixed Income - EAFE							10.7	3.3	9.0	8.7	4.1	7.1	12.8	3.1	9.2	7.2	1.1	6.6
Fixed Income - Emerging							1.4	-5.0	15.8	0.5	11.2	4.5	4.3	-5.5	15.6	2.8	12.9	5.8
Fixed Income - Global	6.9	0.1	6.7	7.0	4.1	4.9	11.7	-0.1	9.6	6.2	8.1	7.0	8.8	2.0	8.9	6.2	6.2	6.4
Fixed Income - Inflation Indexed							11.0	-6.3	6.8	13.6	7.6	6.3	11.7	-5.9	6.9	10.3	7.6	5.9
Fixed Income - High Yield							6.1	8.4	14.1	3.8	14.2	9.3	6.4	8.8	14.2	4.0	13.6	9.3
Fixed Income - Mortgages							8.9	2.0	5.2	9.1	9.0	6.8	6.8	2.7	8.6	5.5	9.1	6.5
Fixed Income - Private Debt							3.8	6.2	8.4	4.3	15.4	7.5	5.6	7.3	8.4	2.1	15.4	7.6
Fixed Income - Other							8.6	0.0	9.4	8.1	11.9	7.5	17.5	-4.3	8.5	13.8	12.3	9.3
Cash							2.7	0.3	1.6	4.5	2.6	2.3	1.1	0.6	0.8	1.3	1.9	1.2
Fixed Income - Total	6.9	0.1	6.7	7.0	4.1	4.9	10.7	-2.8	7.5	11.0	10.4	7.2	13.9	-2.6	7.9	11.7	9.7	8.0
Commodities							-18.9	-3.2	1.5	-0.7	11.9	-2.4	-12.0	-3.6	-0.2	-5.1	12.6	-2.0
Infrastructure							20.4	10.5	8.2	2.0	11.3	10.3	11.5	7.9	7.3	5.4	8.3	8.1
REITs							22.9	8.9	25.6	-1.2	20.4	14.9	24.8	5.1	19.7	2.4	20.8	14.2
Natural Resources							13.7	7.6	4.5	0.0	6.0	6.3	14.6	7.4	4.1	3.7	8.0	7.5
Real Estate ex-REITs	10.1	11.3	5.0	-5.2			14.9	10.5	10.0	10.1	8.0	10.7	13.2	10.4	8.5	11.3	9.6	10.6
Other Real Assets							13.0	9.5	7.5	-1.8	0.9	5.7	9.6	1.6	1.4	-0.4	5.9	3.6
Real Assets - Total	10.1	11.3	5.0	-5.2			14.5	10.1	13.3	12.9	19.6	14.1	11.7	9.3	10.7	8.7	11.8	10.4
Hedge Funds							6.5	7.9	5.0	1.0	13.1	6.6	9.6	9.6	5.5	1.1	8.7	6.9
Global TAA							13.1	1.3	8.2	-1.2	6.9	5.5	10.1	6.0	7.7	2.9	14.0	8.1
Diversified Private Equity							17.8	15.5	12.4	8.5	22.0	15.2	19.7	16.7	10.4	12.0	14.7	14.7
LBO							15.9	15.5	12.4	14.9	16.8	15.1	20.2	17.6	12.0	12.9	16.4	15.8
Venture Capital							23.4	15.8	7.5	21.2	13.7	16.2	21.8	16.5	6.2	16.6	12.2	14.5
Other Private Equity							16.6	14.9	-0.2	-8.0	21.1	8.3	15.1	16.4	5.1	6.6	12.5	11.0
Private Equity - Total							17.3	17.1	12.5	10.4	20.7	15.6	19.7	16.5	9.8	12.2	14.7	14.5
Total Fund Return	7.5	15.9	13.4	-2.6	9.5	8.5	11.5	11.5	12.0	2.5	12.5	9.9	13.1	11.5	12.0	4.2	13.5	10.8

Benchmark returns by asset class

Asset class	Your fund %						Peer average %						Global average %					
	2014	2013	2012	2011	2010	5-yr	2014	2013	2012	2011	2010	5-yr	2014	2013	2012	2011	2010	5-yr
Stock - U.S.							17.5	33.8	14.8	1.7	15.8	16.3	18.7	34.2	15.3	2.2	17.4	17.1
Stock - EAFE							2.1	25.0	16.4	-9.4	9.0	8.0	2.1	24.6	16.6	-11.2	8.9	7.5
Stock - Emerging							5.3	-1.8	17.0	-16.3	18.5	3.7	4.5	-1.0	16.9	-17.0	18.9	3.6
Stock - ACWIxU.S.							2.9	16.5	15.8	-12.4			3.1	17.3	16.1	-12.6	12.2	6.6
Stock - Global	8.7	25.0	17.5	-8.4	12.6	10.5	9.7	22.3	14.7	-5.0	11.0	10.2	10.7	25.0	14.7	-5.5	11.3	10.8
Stock - Other							7.3	12.7	11.4	-9.0	20.2	8.1	9.1	14.0	11.1	-7.9	21.2	9.1
Stock - Total	8.7	25.0	17.5	-8.4	12.6	10.5	9.4	21.9	15.3	-6.3	13.9	10.4	10.7	24.0	15.1	-5.4	15.1	11.4
Fixed Income - US							18.5	-2.8	3.9	9.1	5.3	6.6	13.1	-1.5	4.5	11.3	7.6	6.9
Fixed Income - EAFE							9.2	1.5	8.5	8.4	3.1	6.1	13.9	2.6	8.8	7.0	0.6	6.5
Fixed Income - Emerging							1.9	-4.0	15.8	1.5	10.4	4.9	5.8	-4.9	15.4	4.4	11.3	6.2
Fixed Income - Global	7.6	-0.2	7.0	6.5	2.6	4.7	10.6	-0.8	7.0	5.9	6.1	5.7	8.1	1.4	6.4	6.5	4.5	5.3
Fixed Income - Inflation Indexed							11.3	-6.6	6.5	13.2	7.4	6.1	12.9	-6.1	6.3	9.9	8.0	6.0
Fixed Income - High Yield							5.7	7.7	14.6	5.3	13.3	9.3	6.3	8.6	14.5	4.7	13.8	9.5
Fixed Income - Mortgages							7.0	-1.3	4.4	8.0	5.4	4.7	4.7	0.4	5.7	6.2	5.8	4.5
Fixed Income - Private Debt							3.9	7.0	11.3	1.7	13.9	7.5	6.1	5.4	7.1	3.4	13.9	7.1
Fixed Income - Other							8.8	1.6	8.5	11.6	12.7	8.6	18.5	-4.7	7.3	14.7	11.3	9.1
Cash							2.3	0.3	1.2	1.4	2.1	1.4	2.9	0.7	0.7	1.1	1.6	1.4
Fixed Income - Total	7.6	-0.2	7.0	6.5	2.6	4.7	11.0	-2.6	6.8	10.8	8.9	6.9	14.6	-3.3	6.8	12.6	8.8	7.7
Commodities							-18.0	-1.7	1.7	-2.4	9.6	-2.6	-13.2	-2.7	-0.5	-5.4	11.2	-2.5
Infrastructure							10.8	6.7	8.2	9.2	8.7	8.7	8.9	6.7	7.9	6.4	9.1	7.8
REITs							23.3	10.9	23.7	-1.6	21.8	15.2	24.6	5.5	20.0	4.5	21.1	14.8
Natural Resources							10.4	9.6	4.7	7.0	4.2	7.2	11.6	9.2	6.2	5.5	6.8	7.8
Real Estate ex-REITs	10.4	11.8	5.8	-4.4			13.1	9.9	9.0	11.2	10.7	10.8	12.7	9.8	9.0	11.9	10.5	10.8
Other Real Assets							11.9	16.8	6.9	-0.5	-3.7	6.0	8.2	8.5	7.6	4.3	8.5	7.4
Real Assets - Total	10.4	11.8	5.8	-4.4			11.7	8.8	9.5	9.5	11.7	10.2	11.2	7.8	8.6	8.9	11.7	9.6
Hedge Funds							7.7	5.6	6.0	0.9	6.6	5.3	7.9	8.0	4.6	1.0	6.0	5.5
Global TAA							11.2	7.5	6.8	-0.9	6.8	6.2	9.1	9.0	7.7	0.9	7.6	6.8
Diversified Private Equity ¹							17.4	27.3	11.3	9.8	26.1	18.2	20.8	29.0	10.7	14.7	19.3	18.8
LBO ¹							14.2	24.9	13.1	11.7	21.1	16.9	18.9	28.4	11.8	11.8	17.2	17.5
Venture Capital ¹							13.9	25.2	13.6	11.6	21.5	17.0	20.9	29.7	12.3	11.9	18.1	18.4
Other Private Equity ¹							13.8	29.6	14.6	8.4	13.4	15.7	18.9	29.0	11.8	12.9	16.3	17.6
Private Equity ¹ - Total							16.0	27.3	11.8	10.4	26.1	18.1	20.7	29.0	10.7	14.7	19.0	18.6
Total Policy Return	8.3	15.0	13.2	-2.4	8.6	8.4	10.9	11.9	11.7	2.5	12.2	9.8	13.2	11.0	11.3	4.5	12.8	10.5

1. To enable fairer comparisons, the policy returns of all participants with policy weight in private equity were adjusted to reflect private equity benchmarks based on lagged, investable, public-market indices. Refer to the Research section pages 6-7 for details.

Net value added by asset class

Asset class	Your fund %						Peer average %						Global average %					
	2014	2013	2012	2011	2010	5-yr	2014	2013	2012	2011	2010	5-yr	2014	2013	2012	2011	2010	5-yr
Stock - U.S.							-0.2	0.9	1.2	0.2	-1.1	0.2	-0.7	1.0	0.1	-0.8	0.2	-0.1
Stock - EAFE							-0.4	-1.7	2.0	-0.3	5.5	1.0	-0.2	0.8	0.9	-0.1	1.4	0.5
Stock - Emerging							0.6	1.2	0.6	-0.1	1.2	0.6	0.0	0.4	0.4	-0.8	0.5	0.1
Stock - ACWIxU.S.							0.4	1.0	0.8	-0.2			0.2	2.1	0.6	0.8	0.8	0.8
Stock - Global	-0.9	1.3	0.5	-0.6	0.6	0.1	0.8	2.4	0.4	-0.3	0.5	0.6	-0.1	0.9	0.1	-0.3	0.2	0.1
Stock - Other							2.7	1.2	-0.2	0.3	-0.8	0.6	-0.4	0.8	0.2	-0.9	-1.8	-0.4
Stock - Total	-0.9	1.3	0.5	-0.6	0.6	0.1	0.5	1.1	0.0	0.3	0.6	0.5	-0.2	1.4	0.5	-0.4	0.5	0.3
Fixed Income - US							0.2	0.0	1.2	0.1	1.2	0.9	0.3	0.8	2.1	-0.9	1.5	0.6
Fixed Income - EAFE							1.5	1.8	0.5	0.3	1.0	1.0	-1.1	0.6	0.4	0.3	0.6	0.1
Fixed Income - Emerging							-0.5	-1.0	0.0	-0.3	0.7	-0.4	-1.6	-0.6	0.4	-1.6	1.9	-0.4
Fixed Income - Global	-0.7	0.2	-0.3	0.5	1.5	0.2	0.4	0.3	1.7	0.4	2.0	1.3	0.5	0.6	2.7	-0.2	1.8	1.0
Fixed Income - Inflation Indexed							-0.3	0.3	0.4	0.4	0.2	0.2	-1.5	0.0	0.6	0.7	-0.2	0.0
Fixed Income - High Yield							0.4	0.8	-0.5	-1.5	0.9	0.0	0.0	0.3	-0.4	-0.7	-0.1	-0.2
Fixed Income - Mortgages							1.9	3.2	0.8	1.1	3.6	2.1	1.9	2.4	2.9	-0.8	3.2	2.0
Fixed Income - Private Debt							-0.1	-0.8	-2.9	2.6	1.5	0.1	-0.3	2.1	1.7	-0.5	1.5	0.5
Fixed Income - Other							-0.2	-1.6	1.0	-2.5	-0.7	-1.0	-0.2	0.5	1.1	-0.9	0.9	0.2
Cash							0.5	0.0	0.4	3.1	0.5	0.9	-1.9	0.0	0.2	0.2	0.4	-0.2
Fixed Income - Total	-0.7	0.2	-0.3	0.5	1.5	0.2	-0.3	-0.1	0.7	0.2	1.5	0.4	-0.8	0.6	1.1	-0.9	0.9	0.2
Commodities							-0.8	-1.5	-0.2	1.7	2.3	0.2	2.1	-1.1	0.3	0.3	1.4	0.5
Infrastructure							9.6	3.8	-0.6	-7.1	2.6	1.6	2.6	1.2	-0.7	-1.1	-0.7	0.3
REITs							-0.4	-2.0	1.9	0.4	-1.4	-0.3	0.6	-0.4	-0.1	-2.1	-0.4	-0.6
Natural Resources							3.3	-2.1	-2.1	-7.0	1.7	-0.9	3.0	-1.9	-2.4	-1.8	1.1	-0.4
Real Estate ex-REITs	-0.3	-0.4	-0.8	-0.8			1.8	0.7	1.0	-1.1	-2.7	-0.1	0.6	0.6	-0.5	-0.6	-0.8	-0.2
Other Real Assets							1.1	-7.3	0.6	-1.4	4.6	-0.3	0.1	-6.8	-6.4	-3.9	-1.0	-3.8
Real Assets - Total	-0.3	-0.4	-0.8	-0.8			2.8	1.4	3.9	3.4	7.9	3.8	0.5	1.5	2.1	-0.2	0.1	0.8
Hedge Funds							-1.2	2.3	-0.9	0.3	6.4	1.3	1.7	1.9	0.9	0.2	2.7	1.4
Global TAA							1.9	-6.3	1.4	-0.3	0.1	-0.7	1.0	-3.0	0.1	1.5	6.4	1.3
Diversified Private Equity ¹							0.4	-11.8	1.1	-1.3	-5.1	-3.0	-1.1	-12.1	-0.3	-2.7	-4.6	-4.1
LBO ¹							1.7	-9.4	-0.7	3.2	-4.3	-1.8	1.3	-10.8	0.2	1.0	-0.6	-1.7
Venture Capital ¹							9.5	-9.4	-6.1	9.6	-7.8	-0.8	1.0	-13.2	-6.0	4.7	-5.8	-3.8
Other Private Equity ¹							2.8	-14.7	-14.8	-16.3	7.7	-7.4	-4.0	-12.7	-6.6	-5.7	-4.2	-6.6
Private Equity ¹ - Total							1.3	-10.2	0.7	0.1	-5.4	-2.6	-0.9	-12.4	-0.9	-2.3	-4.3	-4.1
Total fund	-0.8	0.9	0.1	-0.2	0.9	0.2	0.6	0.0	0.4	0.0	0.3	0.1	-0.1	0.6	0.7	-0.3	0.6	0.3

Total net value add is determined by both actual and policy allocation. It is the outcome of total net return (page 6) minus total benchmark return (page 7). Aggregate net returns are an asset weighted average of all categories that the fund has an actual allocation to. Aggregate benchmark returns are a policy weighted average and includes only those categories that are part of your policy fund's mix.

1. To enable fairer comparisons, the policy returns of all participants with policy weight in private equity were adjusted to reflect private equity benchmarks based on lagged, investable, public-market indices. Refer to the Research section pages 6-7 for details.

Your policy return and value added calculation - 2014

2014 Policy Return and Value Added

Asset class	Policy weight	Benchmark Description	Return	Net return	Value added
Stock - Global	61.1%	Your Stock: Global benchmark	8.7%	7.9%	-0.9%
Fixed Income - Global	36.7%	Barclays Global Aggregate + Barclays Global Inflation	7.6%	6.9%	-0.7%
Real Estate ex-REITs	2.2%	Custom (Actual)	10.4%	10.1%	-0.3%
Total	100.0%				
Net Actual Return (reported by you)					7.5%
Calculated Policy Return = sum of (policy weights X benchmark returns)				8.4%	
Adjustment to reflect rebalancing and overlay impacts				<u>-0.1%</u>	
Policy Return					<u>8.3%</u>
Net Value Added (Net Return - Policy Return)					-0.8%

The fund return consists of Equity, Fixed Income and Real Estate. The fund benchmark is the weighted benchmark of Equity and Fixed Income, the benchmark for Real Estate used in the report is the actual portfolio return.

Your policy return and value added calculations - 2010 to 2013

2013 Policy Return and Value Added

Asset class	Policy weight	Benchmark		Net return	Value added
		Description	Return		
Stock - Global	60.9%	Your Stock: Glob	25.0%	26.3%	1.3%
Fixed Income - U.S.	38.1%	Barclays Global A	-0.2%	0.1%	0.2%
Fixed Income - Global	38.1%	Barclays Global A	-0.2%	0.1%	0.2%
Real Estate ex-REITs	1.0%	Custom (Actual)	11.8%	11.3%	-0.4%
Total	100.0%				
Net Return (reported by you)					15.9%
Calculated policy return (sum: Policy weights x benchmarks)				15.2%	
Adjustment to reflect rebalancing and overlay impacts				<u>-0.3%</u>	
Policy Return					<u>15.0%</u>
Net Value Added (Net Return - Policy Return)					0.9%

2011 Policy Return and Value Added

Asset class	Policy weight	Benchmark		Net return	Value added
		Description	Return		
Stock - Global	58.7%	Your Stock: Glob	-8.4%	-8.9%	-0.6%
Fixed Income - U.S.	41.0%	Barclays Global A	6.5%	7.0%	0.5%
Fixed Income - Global	41.0%	Barclays Global A	6.5%	7.0%	0.5%
Real Estate ex-REITs	0.3%	Custom (Actual)	-4.4%	-5.2%	-0.8%
Total	100.0%				
Net Return (reported by you)					-2.6%
Calculated policy return (sum: Policy weights x benchmarks)				0.4%	
Adjustment to reflect rebalancing and overlay impacts				<u>-2.8%</u>	
Policy Return					<u>-2.4%</u>
Net Value Added (Net Return - Policy Return)					-0.2%

2012 Policy Return and Value Added

Asset class	Policy weight	Benchmark		Net return	Value added
		Description	Return		
Stock - Global	60.9%	Your Stock: Glob	17.5%	18.0%	0.5%
Fixed Income - U.S.	38.4%	Barclays Global A	7.0%	6.7%	-0.3%
Fixed Income - Global	38.4%	Barclays Global A	7.0%	6.7%	-0.3%
Real Estate ex-REITs	0.7%	Custom (Actual)	5.8%	5.0%	-0.8%
Total	100.0%				
Net Return (reported by you)					13.4%
Calculated policy return (sum: Policy weights x benchmarks)				16.1%	
Adjustment to reflect rebalancing and overlay impacts				<u>-2.8%</u>	
Policy Return					<u>13.2%</u>
Net Value Added (Net Return - Policy Return)					0.1%

2010 Policy Return and Value Added

Asset class	Policy weight	Benchmark		Net return	Value added
		Description	Return		
Stock - Global	61.4%	Your Stock: Glob	12.6%	13.2%	0.6%
Fixed Income - U.S.	38.6%	Barclays Global A	2.6%	4.1%	1.5%
Fixed Income - Global	38.6%	Barclays Global A	2.6%	4.1%	1.5%
Real Estate ex-REITs					
Total	100.0%				
Net Return (reported by you)					9.5%
Calculated policy return (sum: Policy weights x benchmarks)				9.7%	
Adjustment to reflect rebalancing and overlay impacts				<u>-1.2%</u>	
Policy Return					<u>8.6%</u>
Net Value Added (Net Return - Policy Return)					0.9%

Profit/Loss on overlay programs

Overlay type	Your fund		Peer median				Global median			
	2014	2013	2014		2013		2014		2013	
	bps	bps	bps	#	bps	#	bps	#	bps	#
Int. Discretionary Currency			0	3	0	3	1	13	0	9
Ext. Discretionary Currency			2	2	1	1	1	7	0	12
Internal Global TAA			10	2	52	1	8	7	25	8
External Global TAA							13	3	29	3
Internal PolicyTilt TAA			0	1	0	1	0	5	4	5
External PolicyTilt TAA							-20	1	-16	3
Internal Commodities							-1	1	-2	2
External Commodities			0	1			0	2	-24	2
Internal Long/Short			0	1	23	1	3	8	6	7
External Long/Short					27	1	0	1	27	3
Internal Other			0	3	-1	2	0	11	0	11
External Other					-1	1	4	8	0	14
Total Profit/Loss			1	7	0	6	4	42	0	52

Profit/loss in basis points was calculated using total fund average holdings. This was done to measure the impact of the program at the total fund level.

5

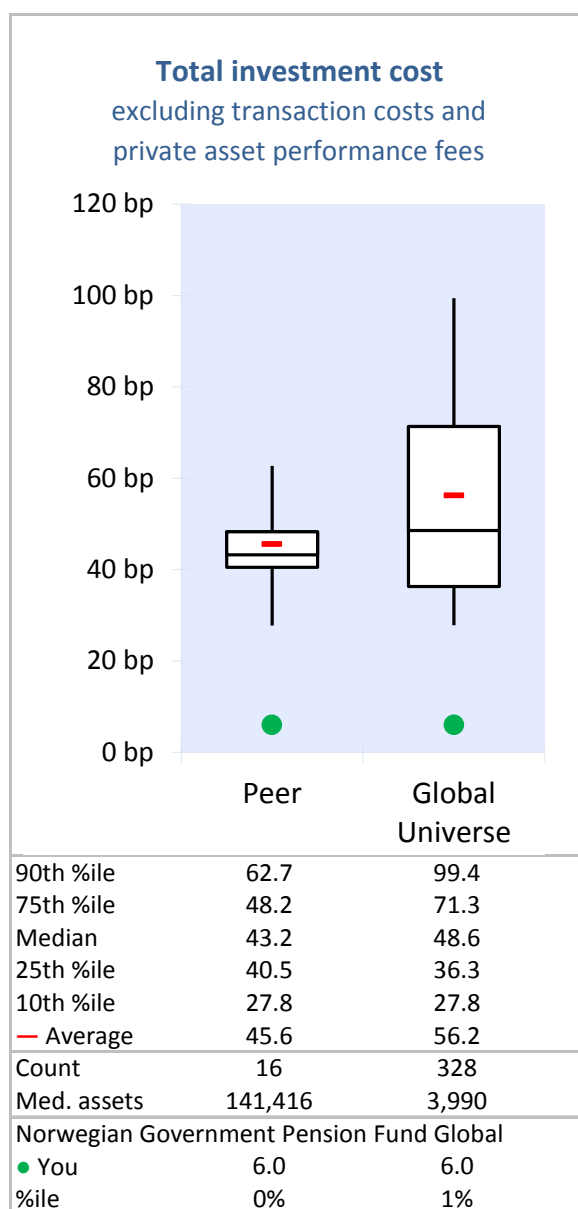
Total cost and benchmark cost

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Comparisons of total investment cost

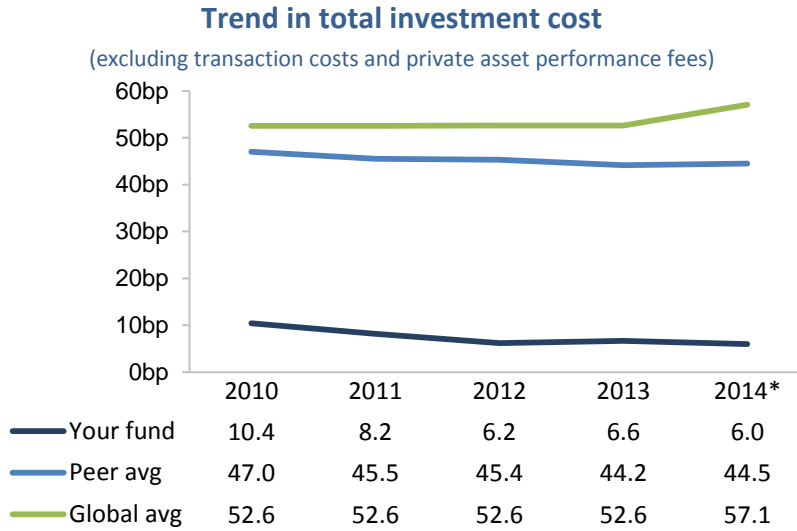
Your total investment cost, excluding transaction costs and private asset performance fees, of 6.0 bps was below the peer median of 43.2 bps.

Differences in total investment cost are often caused by two factors that are usually outside of management's control: asset mix and fund size. Therefore, to assess whether your fund's total investment cost is high or low given your unique asset mix and size, CEM calculates a benchmark cost for your fund. Benchmark cost analysis begins on page 7 of this section.



Trend in total investment cost

Your total investment cost, excluding transaction costs and private asset performance fees, decreased from 10.4 bps in 2010 to 6.0 bps in 2014.



Trend analysis is based on the 214 Global funds and the 14 peer funds with 5 or more consecutive years of data.

* Starting in 2014 hedge fund performance fees are being included for all participants. This is one reason for the uptick in costs relative to 2013.

Types of costs included in your total investment cost

The table below outlines the types of costs included in your total investment cost.

Asset class	Internal		External			
	In-house total cost	Transaction costs	Manager base fees	Monitoring & other costs	Perform. fees (active only)	Transaction costs
<u>Public</u> (Stock, Fixed income, commodities, REITs)	✓	✗	✓	✓	✓	✗
Derivatives/Overlays	✓	✗	✓	✓	✓	✗
<u>Hedge funds & Global TAA</u>						
Hedge Funds	n/a	n/a	✓	✓	✓	✗
Global TAA	✓	✗	✓	✓	✓	✗
<u>Private equity</u> (Diversified private equity, venture capital, LBO, other private equity)	✓	✗	✓*	✓	✗	✗
<u>Private real assets</u> (Infrastructure, natural resources, real estate ex-REITs, other real assets)	✓	✗	✓*	✓	✗	✗

*For limited partnerships, external manager base fees represent gross contractual management fees.

- ✓ indicates cost is included.
- ✗ indicates cost is excluded.
- Green shading indicates that the cost type has been newly added for the 2014 data year.
- CEM currently excludes external private asset performance fees and all transaction costs from your total cost because only a limited number of participants are currently able to provide complete data.

Detailed breakdown of your total investment cost

Your 2014 total investment cost, excluding transaction costs and private asset performance fees, was 6.0 bp or €393.3 million.

Your investment costs

	Internal		External Passive		External Active			Total		
	Passive	Active	Fees	Monitoring & Other	Base Fees	Perform. Fees ¹	Monitoring & Other	€000s	bps	% of Total
Asset management										
Stock		81,998			50,165	77,696	4,326	214,185		54%
Fixed Income		25,671			3,153		180	29,004		7%
	<u>In Sub</u>	<u>Oversight</u>								
Real Estate - Operating Sub.	0	28,131						28,131		7%
Total asset management costs excluding private asset performance fees								271,320	4.1bp	69%
Oversight, custodial & other asset related costs										
Oversight of the Fund								59,310		15%
Trustee & Custodial								51,964		13%
Consulting and Performance Measurement								6,363		2%
Audit								4,314		1%
Other										
Total oversight, custodial & other costs								121,951	1.9bp	31%
Total investment costs excluding transaction costs and private asset performance fees								393,271	6.0bp	100%

¹ Starting in 2014, CEM changed its methodology to include performance fees on hedge funds in total cost used for comparison and benchmarking. Performance fees for real estate, infrastructure, natural resources and private equity are excluded.

Changes in your investment costs

The table below shows how your investment costs have changed from year to year by asset class.

Change in your investment costs (2014 - 2010)

	Investment costs (€000s)					Change (€000s)				Change (%)			
	2014	2013	2012	2011	2010	2014	2013	2012	2011	2014	2013	2012	2011
Asset management													
Stock	214,185	210,993	146,290	176,572	230,072	3,192	64,703	-30,282	-53,500	2%	44%	-17%	-23%
Fixed Income	29,004	27,155	33,538	33,080	34,131	1,849	-6,383	458	-1,051	7%	-19%	1%	-3%
Real Estate - Operating Sub.	28,131	21,479	15,155	8,178	0	6,652	6,324	6,977	8,178	31%	42%	85%	
Total excl. private asset perf. fees	271,320	259,627	194,983	217,830	264,203	11,693	64,644	-22,847	-46,373	5%	33%	-10%	-18%
Oversight, custodial & other asset related costs													
Oversight of the Fund	59,310	67,148	64,168	65,464	69,126	-7,838	2,980	-1,296	-3,662	-12%	5%	-2%	-5%
Trustee & Custodial	51,964	43,763	33,318	36,160	31,701	8,201	10,445	-2,842	4,459	19%	31%	-8%	14%
Consulting and Performance Mea:	6,363	2,292	2,356	5,105	0	4,071	-64	-2,749	5,105	178%	-3%	-54%	
Audit	4,314	4,667	4,464	4,077	4,537	-353	203	387	-460	-8%	5%	9%	-10%
Other	0	0	0	0	0								
Total oversight, custodial & other	121,951	117,872	104,308	110,809	105,367	4,079	13,564	-6,501	5,442	3%	13%	-6%	5%
Total investment costs ¹	393,271	377,504	299,295	328,644	369,577	15,767	78,208	-29,349	-40,933	4%	26%	-9%	-11%
Total in basis points	6.0bp	6.6bp	6.2bp	8.2bp	10.4bp								

¹ Starting in 2014, CEM changed its methodology to include performance fees on hedge funds in total cost used for comparison and benchmarking. Performance fees for real estate, infrastructure, natural resources and private equity are excluded.

Total cost versus benchmark cost

Your fund's total investment cost, excluding transaction costs and private asset performance fees, was 13.3 bps below your benchmark cost of 19.3 bps. This implies that your fund was low cost by 13.3 bps compared to the peer median, after adjusting for your fund's asset mix.

Your cost versus benchmark

	€000s	bps
Your fund's total investment cost excluding transaction costs and illiquid asset performance fees	393,271	6.0 bp
- Your fund's benchmark	1,263,811	19.3 bp
= Your fund's cost savings	-870,540	-13.3 bp

Your benchmark cost is an estimate of your total costs assuming that you paid the peer median cost for each of your investment mandates and fund oversight. The calculation of your benchmark cost is shown on the following page.

The reasons why your fund's total cost was below your benchmark are summarized in the table below. Details of each of the impacts below are provided on pages 9 to 12.

Reasons why your fund was low cost

	Cost/-Savings impact	
	€000s	bps
<u>Differences in implementation style:</u>		
External active vs. low cost styles	-574,551	-8.8 bp
Fund of funds vs. external direct	0	0.0 bp
Mix of internal and passive styles	90,044	1.4 bp
Style impact of overlays	-168,799	-2.6 bp
Total style impact	-653,306	-10.0 bp
<u>Paying more/-less for similar services:</u>		
External investment management	20,114	0.3 bp
Private asset performance fees	0	0.0 bp
Internal investment management	-230,363	-3.5 bp
Oversight, custodial and other	-6,985	-0.1 bp
Total impact of paying more /-less	-217,234	-3.3 bp
Total savings	-870,540	-13.3 bp

Benchmark cost calculation

Your 2014 benchmark cost was 19.3 basis points or €1.3 billion. It equals your holdings for each asset class multiplied by the peer median cost for the asset class. The peer median cost is the style weighted average for all implementation styles (i.e., internal passive, internal active, external passive, external active).

Calculation of your 2014 benchmark cost

Asset class	Your average assets (A)	Weighted peer median cost ¹ (B)	Benchmark €000s (A X B)
Asset management costs			
Stock	401,490	17.0 bp	680,760
Fixed Income	244,982	9.1 bp	223,684
Real Estate ex-REITs (including oper. suk	9,227	66.8 bp	61,632
Overlay Programs ²	655,699	2.6 bp	168,799
Benchmark for asset management	655,699	17.3 bp	1,134,875
Oversight, custody and other costs			
Oversight of the Fund	655,699	1.0 bp	65,534
Trustee & Custodial	655,699	0.6 bp	40,381
Consulting	655,699	0.1 bp	8,215
Audit	655,699	0.0 bp	2,405
Other	655,699	0.2 bp	12,403
Benchmark for oversight, custody & other		2.0 bp	128,936
Total benchmark cost		19.3 bp	1,263,811

1. The weighted peer median cost for asset management is the style-weighted average of the peer median costs for all implementation styles (i.e., internal passive, internal active, external passive, external active, fund of fund). It excludes performance fees on private assets. The style weights by asset class for your fund and the peers are shown on page 17 of this section.
2. Total fund average holdings is used as the base when calculating the relative cost impact of the overlay programs.

Cost impact of differences in implementation style

Differences in implementation style (i.e., external active management versus lower cost indexed and internal management, fund of funds versus lower cost direct LPs, and overlay usage) relative to your peers saved you 10.0 bps.

Calculation of the cost impact of differences in implementation style

	Your avg holdings (mils) (A)	% External active			Premium vs. internal and passive ^{1 2} (C)	Cost/ -Savings ³ €000s bps (A X B X C)	
		You	Peer average	More/ -Less			
Stock	401,490	6%	32%	-26%	39 bp	-402,291	
Fixed Income	244,982	1%	23%	-22%	25 bp	-133,585	
Real Estate ex-REITs (incl. oper. suk partnerships as % of external:	9,227 0	0%	62%	-62%	68 bp 63 bp	-38,675 0	
Total impact of differences in external active management usage						-574,551	-8.8 bp
<i>Overlay usage</i>							
Impact of lower use of portfolio level overlays (see page 10)						-168,799	-2.6 bp
<i>Mix of low cost styles</i>							
Impact of mix of internal indexed, internal active, external indexed (see page 11)						90,044	1.4 bp
Total						-653,306	-10.0 bp

1. The external active cost 'premium vs internal and passive' is the additional cost of external active management and fund of funds relative to the average of the other lower cost implementation styles: internal passive, internal active and external passive. These calculations are specific to your peer group.

2. 'Insufficient' indicates there is insufficient peer data to determine the cost premium.

Cost impact of overlays

As summarized on the previous page, the style impact of overlays saved you 2.6 bps. If you use more overlays than your peers, or more expensive types of overlays, then it increases your relative cost.

Calculation of the cost impact of differences in the use of portfolio level overlays

	Your avg total holdings (mils)	Overlay notional amounts as a % of avg total holdings			Median cost as a % of notional (C)	Your cost as a % of total holdings ¹	Average cost as a % of total holdings	Cost/-Savings Impact (000s) (A X B X C)
		You	Peer Average	More/-Less				
Internal Overlays	(A)			(B)				
Currency - Hedge	655,699	0.0%	n/a			N/A	0.1 bp	-5,548
Currency - Discretionary	655,699	0.0%	n/a			N/A	0.1 bp	-6,870
Passive Beta - Hedge	655,699	0.0%	n/a			N/A	0.1 bp	-5,818
Duration - Hedge	655,699	0.0%	n/a			N/A	0.1 bp	-4,915
Global TAA - Discretionary	655,699	0.0%	n/a			N/A	0.1 bp	-3,694
Policy Tilt TAA - Discretionary	655,699	0.0%	12.4%	-12.4%	0.4 bp			-3,169
Long/Short - Discretionary	655,699	0.0%	n/a			N/A	0.8 bp	-54,483
Other - Discretionary	655,699	0.0%	0.2%	-0.2%	6.5 bp			-791
External Overlays								
Currency - Hedge	655,699	0.0%	2.8%	-2.8%	2.4 bp			-4,378
Currency - Discretionary	655,699	0.0%	0.2%	-0.2%	14.0 bp			-2,002
Passive Beta - Hedge	655,699	0.0%	0.0%	0.0%	6.2 bp			-146
Duration - Hedge	655,699	0.0%	0.4%	-0.4%	2.9 bp			-729
Dur. Mgmt Swaption - Hedge	655,699	0.0%	0.0%	0.0%	3.4 bp			0
Global TAA - Discretionary	655,699	0.0%	0.0%	0.0%	13.0 bp			0
Policy Tilt TAA - Discretionary	655,699	0.0%	0.0%	0.0%	11.1 bp			0
Commodity Futures - Discretionary	655,699	0.0%	n/a			N/A	0.0 bp	-75
Long/Short - Discretionary	655,699	0.0%	n/a			N/A	1.2 bp	-76,182
Other - Discretionary	655,699	0.0%	0.0%	0.0%	7.0 bp			0
Total impact in 000s								-168,799
Total impact in basis points								-2.6 bp

1. For overlay programs (primarily certain internal, profit seeking programs) where no clear notional value is defined or provided, these types of overlays are compared in terms of cost relative to total holdings.

Cost impact of lower cost styles

As summarized on page 9, your mix of 'lower-cost' internal and passive styles cost you 1.4 bps. Details are shown below.

Cost impact of differences in your mix of 'lower-cost' implementation styles

	Your non-external active holdings (mils)	Percent holdings (of non-external-active)						Cost/-Savings ¹ (000s)
		Internal passive		Internal active		External passive		
		You	Peers	You	Peers	You	Peers	
Stock	375,631	0%	35%	100%	41%	0%	24%	89,900
Fixed Income	243,704	0%	28%	100%	65%	0%	8%	144
Real Estate ex-REITs	9,227	0%	0%	100%	100%	0%	0%	0
Total impact in 000s								90,044
Total impact in basis points								1.4 bp

1. Cost/-savings for each asset class equals non-external active holdings within each asset class X cumulative impact from the three lower cost styles. By formula: [(peer median cost for the style - peer weighted average cost of lower cost styles) X (your weight for the style - peer weight for the style)]. Peer median costs for each style are shown on page 18.

Cost impact of paying more/-less for similar services

Differences in what you paid relative to your peers for similar asset management and related oversight and support services saved you 3.3 bps.

Calculation of the cost impact of paying more/-less

Style	Your avg holdings (mils) (A)	Cost in bps			Cost/-Savings (A X B)		
		Your	Peer median	More/-less (B)	€000s	bps	
External asset management							
Stock	active	25,859	51.1	43.2	7.9	20,401	
Fixed Income	active	1,278	26.1	28.3	-2.2	-287	
Total for external management						20,114	0.3 bp
Internal asset management							
Stock	active	375,631	2.2	6.8	-4.6	-174,585	
Fixed Income	active	243,704	1.1	3.6	-2.5	-60,952	
Real Estate ex-REITs	active	9,227	30.5	24.9	5.6	5,174	
Total for internal asset management						-230,363	-3.5 bp
Oversight, custodial, other							
Oversight of the Fund		655,699	0.9	1.0	-0.1	-6,224	
Consulting and Performance Measurement		655,699	0.1	0.1	0.0	-1,852	
Trustee & Custodial		655,699	0.8	0.6	0.2	11,583	
Audit		655,699	0.1	0.0	0.0	1,909	
Other		655,699	0.0	0.2	-0.2	-12,403	
Total for oversight, custodial, other						-6,985	-0.1 bp
Total						-217,234	-3.3 bp

*Universe median used as peer data was insufficient.

Summary of why you are high or low cost by asset class

The table below summarizes where you are high and low cost by asset class. It also quantifies how much is due to differences in implementation style (i.e., differences in the mix of external active, external passive, internal active, internal passive and fund of fund usage) and how much is due to paying more or less for similar services (i.e., same asset class and style).

Summary of why you are high or low cost by asset class

	Your cost ¹	Benchmark = peer weighted median cost ¹	More/-less	Your average assets	More/-less (€000s)	Due to Impl. style (€000s)	Due to paying more/less (€000s)
	(A)	(B)	(C = A - B)	(D)	(C X D)		
Asset management costs							
Stock	5.3 bp	17.0 bp	-11.6 bp	401,490	-466,575	-312,391	-154,184
Fixed Income	1.2 bp	9.1 bp	-7.9 bp	244,982	-194,680	-133,441	-61,239
Real Estate ex-REITs (including oper. sul	30.5 bp	66.8 bp	-36.3 bp	9,227	-33,501	-38,675	5,174
Overlay Programs ²	0.0 bp	2.6 bp	-2.6 bp	655,699	-168,799	-168,799	0
Total asset management	4.1 bp	17.3 bp	-13.2 bp	655,699	-863,555	-653,306	-210,249
Oversight, custody and other costs							
Oversight of the Fund	0.9 bp	1.0 bp	-0.1 bp	655,699	-6,224	n/a	-6,224
Trustee & Custodial	0.8 bp	0.6 bp	0.2 bp	655,699	11,583	n/a	11,583
Consulting	0.1 bp	0.1 bp	0.0 bp	655,699	-1,852	n/a	-1,852
Audit	0.1 bp	0.0 bp	0.0 bp	655,699	1,909	n/a	1,909
Other	0.0 bp	0.2 bp	-0.2 bp	655,699	-12,403	n/a	-12,403
Total oversight, custody & other	1.9 bp	2.0 bp	-0.1 bp	655,699	-6,985	n/a	-6,985
Total	6.0 bp	19.3 bp	-13.3 bp	655,699	-870,540	-653,306	-217,234

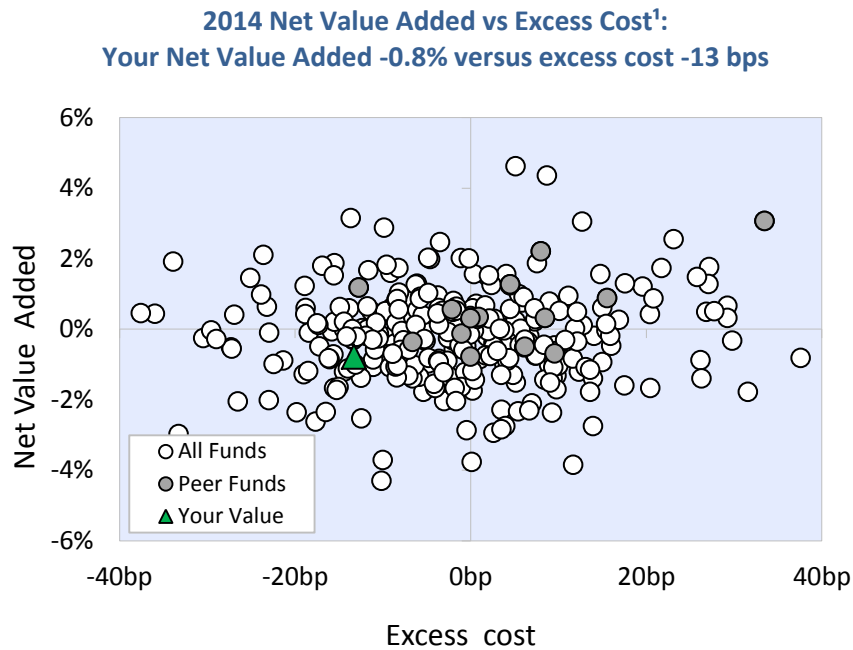
1. The weighted peer median cost for asset management is the style-weighted average of the peer median costs for all implementation styles (i.e., internal passive, internal active, external passive, external active, fund of fund). It excludes performance fees on private assets. The style weights by asset class for your fund and the peers are shown on page 17 of this section.

2. Total fund average holdings is used as the base when calculating the relative cost impact of the overlay programs.

Your cost effectiveness ranking

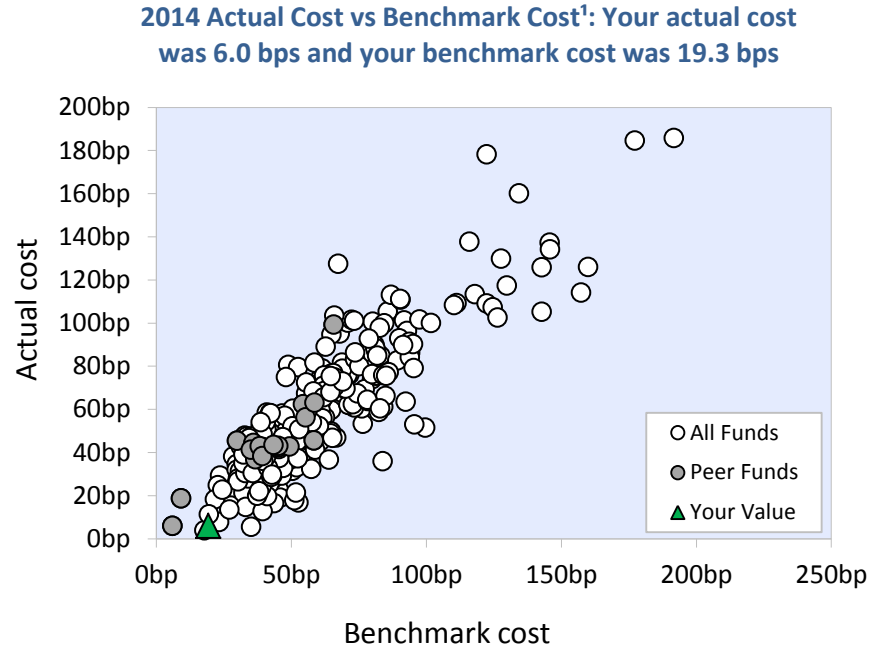
Being high or low cost is neither good nor bad. The more important question is, are you receiving sufficient value for your excess cost? At the total fund level, we provide insight into this question by combining your value added and your excess cost to create a snapshot your cost effectiveness performance relative to that of the survey universe.

For the 2014 year, your fund ranked in the negative value added, low cost quadrant.



¹ Benchmark cost and excess cost calculations are based on regression analysis (see Appendix B in this section) for all funds except your fund. Your fund's benchmark cost is based on peer-median costs (per page 7 of this section).

Actual cost versus benchmark cost



¹ Benchmark cost calculations are based on regression analysis (see Appendix B in this section) for all funds except your fund. Your fund's benchmark cost is based on peer-median costs (per page 7 of this section).

Appendix A: Benchmarking methodology formulas and data

a) Formulas

Example calculations are for Stock unless otherwise indicated.

Asset class peer cost

$$\begin{aligned} &= \text{Weighted average by peer average style of peer median costs for asset class} \\ &= [(0.24 \times 2.4\text{bp}) + (0.28 \times 6.8\text{bp}) + (0.16 \times 3.4\text{bp}) + (0.32 \times 43.2\text{bp})] / (0.24 + 0.28 + 0.16 + 0.32) = 17.0\text{bp} \end{aligned}$$

Peer average low cost (by asset class)

$$\begin{aligned} &= \text{Weighted average by peer average style of peer median costs for internal passive, internal active and external passive management for asset class} \\ &= [(0.24 \times 2.4\text{bp}) + (0.28 \times 6.8\text{bp}) + (0.16 \times 3.4\text{bp})] / (0.24 + 0.28 + 0.16) = 4.4\text{bp} \end{aligned}$$

External active cost premium (by asset class)

$$\begin{aligned} &= \text{Peer median external active cost - peer average low cost} \\ &= 43.2\text{bp} - 4.4\text{bp} = 38.8\text{bp} \end{aligned}$$

Fund of funds premium (by asset class)

$$\begin{aligned} &= \text{Peer median fund-of-funds cost - peer median external active cost} \\ &= (\text{For private equity}) 231.8\text{bp} - 150.3\text{bp} = 81.5\text{bp} \end{aligned}$$

Impact from other differences in implementation style (by Asset Class)=

$$\begin{aligned} &= [(\text{Your int. pass. \% - average peer int. pass. \%}) \times (\text{peer median int. pass. cost - peer average low cost}) \\ &\quad + (\text{your int. act. \% - peer average int. act. \%}) \times (\text{peer median int. act. cost - peer average low cost}) \\ &\quad + (\text{your ext. pass. \% - average peer ext. pass. \%}) \times (\text{median peer ext. pass. cost - peer average low cost})] \\ &\quad \times \text{your average holdings} \end{aligned}$$

b) Insufficient peer data

All peer data is adjusted to ensure comparisons are made only when sufficient data is available. When too few peers have the asset class or style in question, peer costs are replaced with your fund's cost, neutralizing the effect of your cost. Major implementation styles (external active, fund of funds and combined "low cost") that you do not hold are ignored if they have insufficient data to draw major style impact conclusions. Throughout this section, 'peer median' and 'average peer style' always refer to these adjusted values. The following page shows the adjusted data used in this section.

Appendix A: Benchmarking methodology formulas and data (page 2 of 2)

c) 2014 cost data used to calculate weighted peer median costs and impact of mix differences.

Asset Class	Your costs (basis points)						Peer median costs (basis points)							
	Internal Passive	Internal Active	External Passive	External Active	Limited Partner.	Fund of Funds	Internal Passive	Internal Active	External Passive	External Active	Limited Partner.	Fund of Funds	Weighted Median	
Stock - Other														FALSE
Stock		2.2		51.1			2.4	6.8	3.4	43.2				17.0
Fixed Income		1.1		26.1			3.1	3.6	5.2	28.3				9.1
Real Estate ex-REITs		30.5						24.9		56.2	110.4	177.6		66.8

d) 2014 Style weights used to calculate the weighted peer median costs and impact of mix differences.

Style Weights	You (%)						Peer average (%)					
	Internal Passive	Internal Active	External Passive	External Active	Limited Partner.	Fund of Funds	Internal Passive	Internal Active	External Passive	External Active	Limited Partner.	Fund of Funds
Stock	0.0%	93.6%	0.0%	6.4%			23.9%	27.5%	16.3%	32.3%		
Fixed Income	0.0%	99.5%	0.0%	0.5%			21.4%	50.1%	5.9%	22.5%		
Real Estate ex-REITs		100.0%		0.0%	0.0%	0.0%		38.0%		26.5%	30.8%	4.8%

The above data was adjusted as noted when there were insufficient peers, or for other reasons where direct comparisons were inappropriate.

Appendix B: Regression based benchmarks

Regression Benchmark Cost Equations

	2014		2013		2012		2011		2010	
	Coeff.	"t"	Coeff.	"t"	Coeff.	"t"	Coeff.	"t"	Coeff.	"t"
Constant	84.4	19.2	76.8	18.2	73.2	18.9	72.5	18.8	65.1	14.4
Size in millions (Log 10)	-15.7	-14.6	-14.2	-13.3	-13.7	-13.8	-13.3	-13.8	-13.1	-11.6
<u>Percentage of assets in:</u>										
Stocks	14.3	3.3	19.6	4.5	19.0	4.6	14.8	3.6	n/a	
Domestic stocks	n/a		n/a		n/a		n/a		27.0	4.7
Foreign stocks	n/a		n/a		n/a		n/a		25.8	3.1
Real estate	56.7	3.7	56.9	3.8	55.1	4.2	50.8	3.9	46.5	3.1
Private equity & hedge funds	205.2	27.4	203.3	26.9	208.1	30.5	210.4	31.5	225.8	29.0
Country variable (1 if Cdn)	-6.9	-4.0	-8.1	-4.7	-6.4	-4.1	-4.9	-3.3	-5.2	-2.6
	All		All		All		All		All	
Standard error	14.5		14.6		13.1		13.2		15.5	
R-squared	67%		65%		71%		70%		67%	
F statistic	185.9		175.1		219.0		231.8		154.1	
Sample size	449		466		454		487		457	

In order to compare your fund's cost effectiveness to the survey universe, a benchmark cost for all participants is required.

The benchmark operating cost for all other funds is determined using regression analysis. The regression equation coefficients and "t statistics" are shown in the table above. An absolute "t" of greater than 2 indicates that the coefficient is statistically significant in predicting the dependent variable, in this case, the benchmark cost.

The benchmark equations have been remarkably robust. Although the coefficients change every year, primarily because of changes in the composition of the survey universe, they remain similar in relative magnitude and direction.

Most importantly, the R-squareds have been high. In 2014, the R-squared was 67% which means that fund size, asset mix and nationality explain more than 67% of the differences in costs between funds. This is good explanatory power.

Below is a description of the coefficients:

- Size = Log10 (fund size in millions)
- % Stocks = proportion in stocks (coefficient changed in 2011)
- % Domestic stocks = proportion in domestic stocks
- % Foreign stocks = proportion in foreign stocks.
- % Real estate = proportion directly invested in real estate and infrastructure.
- % Private equity = proportion in direct and fund-of-funds venture capital, other private equity and hedge funds.
- Country variable = 1 if your country of origin is Canada, otherwise 0.

6

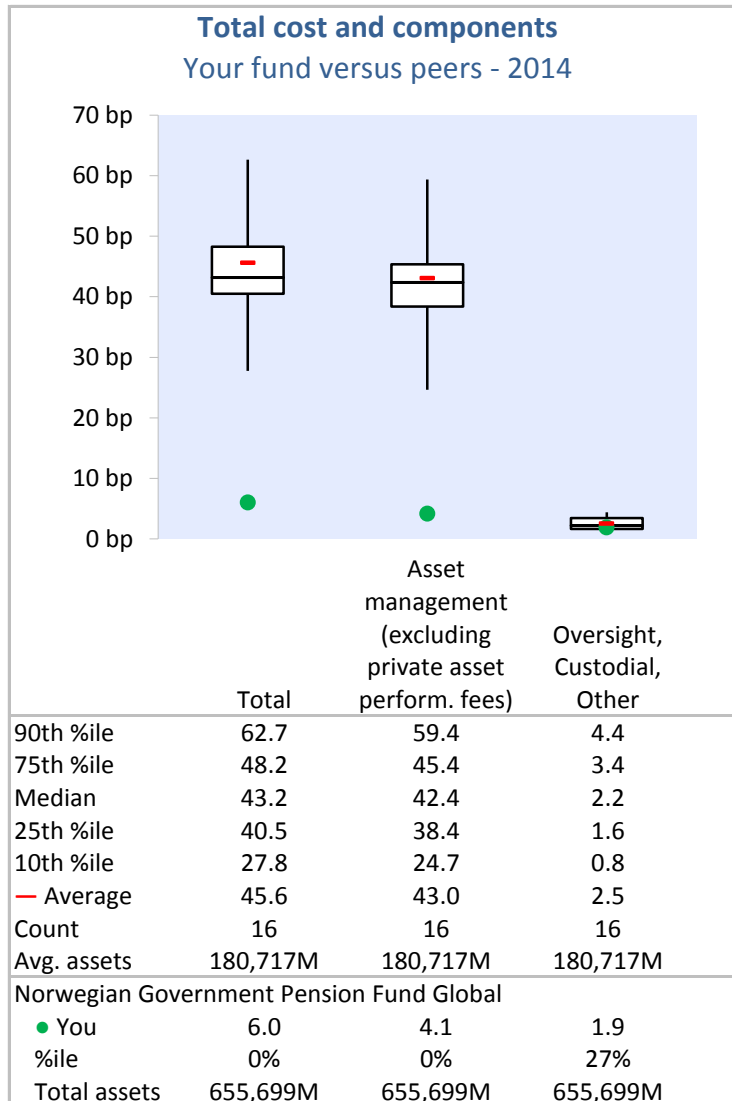
Cost comparisons

Total fund cost	2
Governance, operations & support	3
Public asset classes	
- Stock	4
- Fixed Income	10
- Commodities	19
- REITs	20
Real asset classes	
- Real estate ex-REITs	21
- Infrastructure	22
- Natural resources	23
- Other real assets	24
Private equity	
- Diversified private equity	25
- LBO	26
- Venture capital	27
- Other private equity	28
Global TAA	29
Hedge Funds	30
Overlays	31

Total fund cost

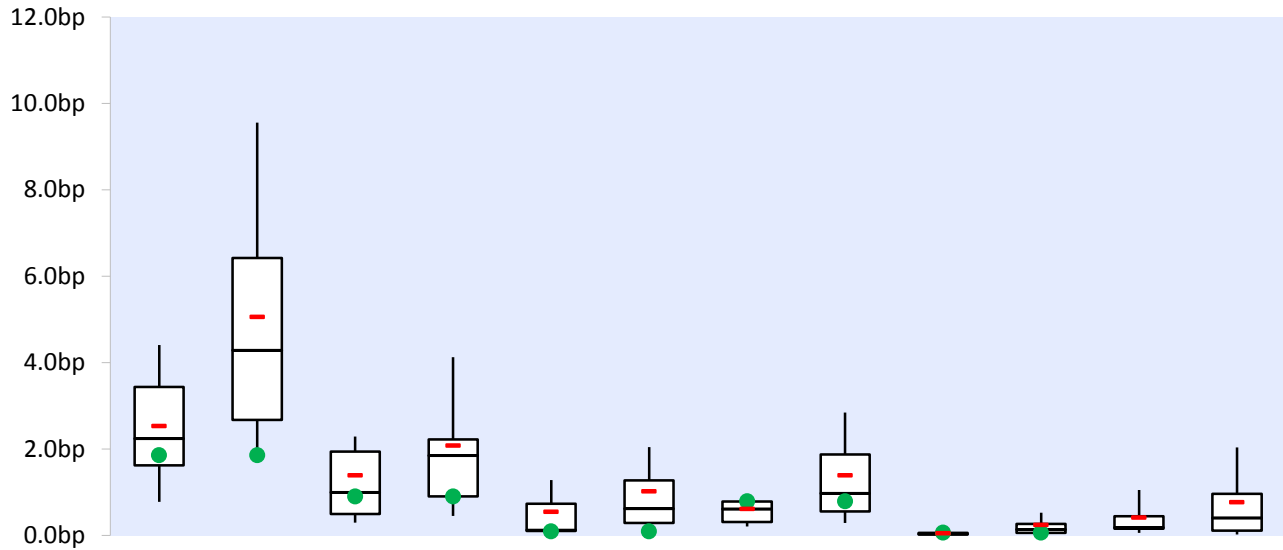
Total costs are benchmarked in the previous section. In this section, your fund's costs are compared on a line-item basis to your peers. This enables you to understand better why you may be a high or low cost fund and it also identifies and quantifies major cost differences that may warrant further investigation.

The 25th to 75th percentile range is the most relevant since higher and lower values may include outliers caused by unusual circumstances, such as performance-based fees. Count refers to the number of funds in your peer group that have costs in this category. It enables you to gauge the statistical significance.



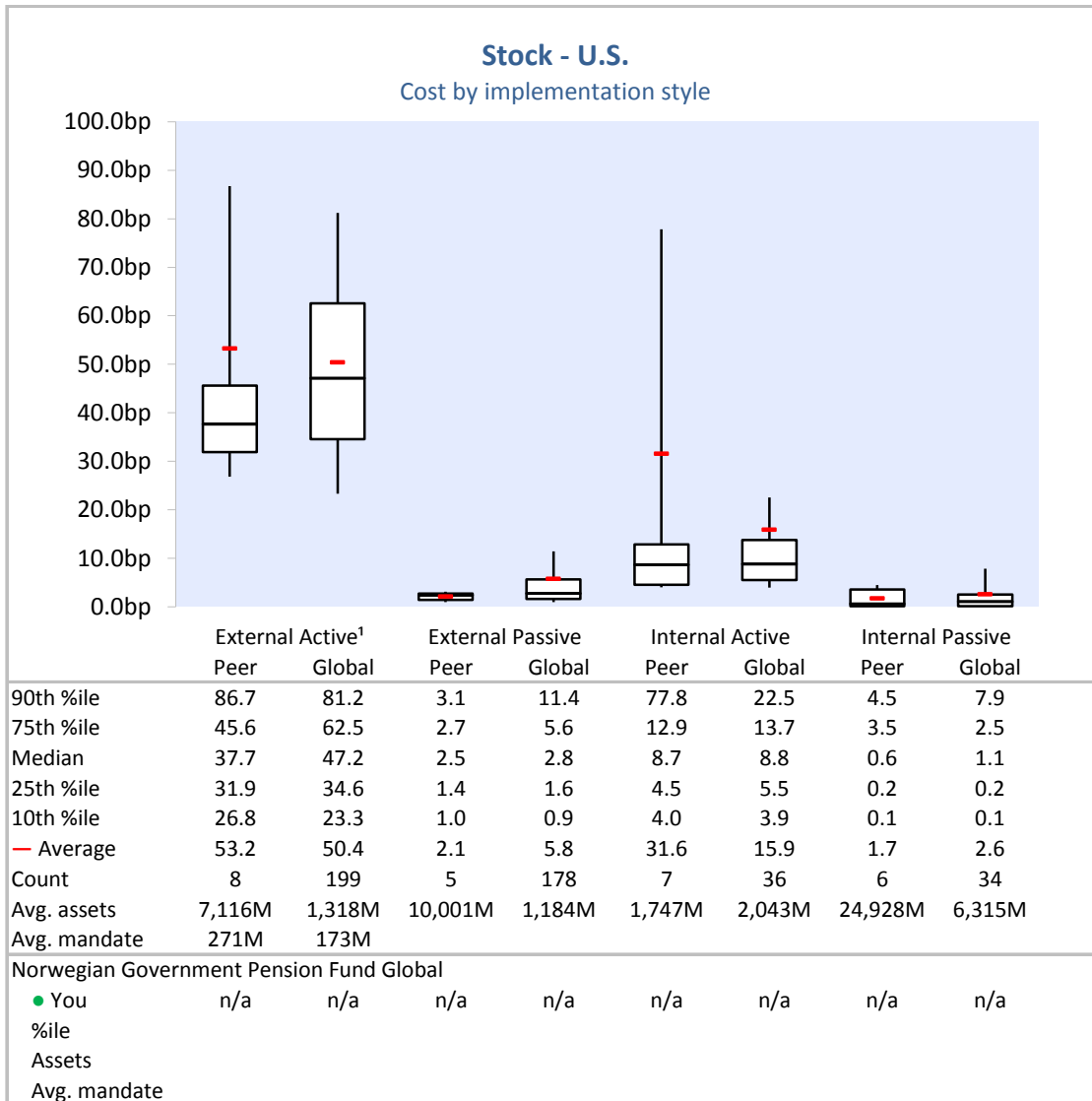
Governance, operations & support

Cost as a % of total plan assets



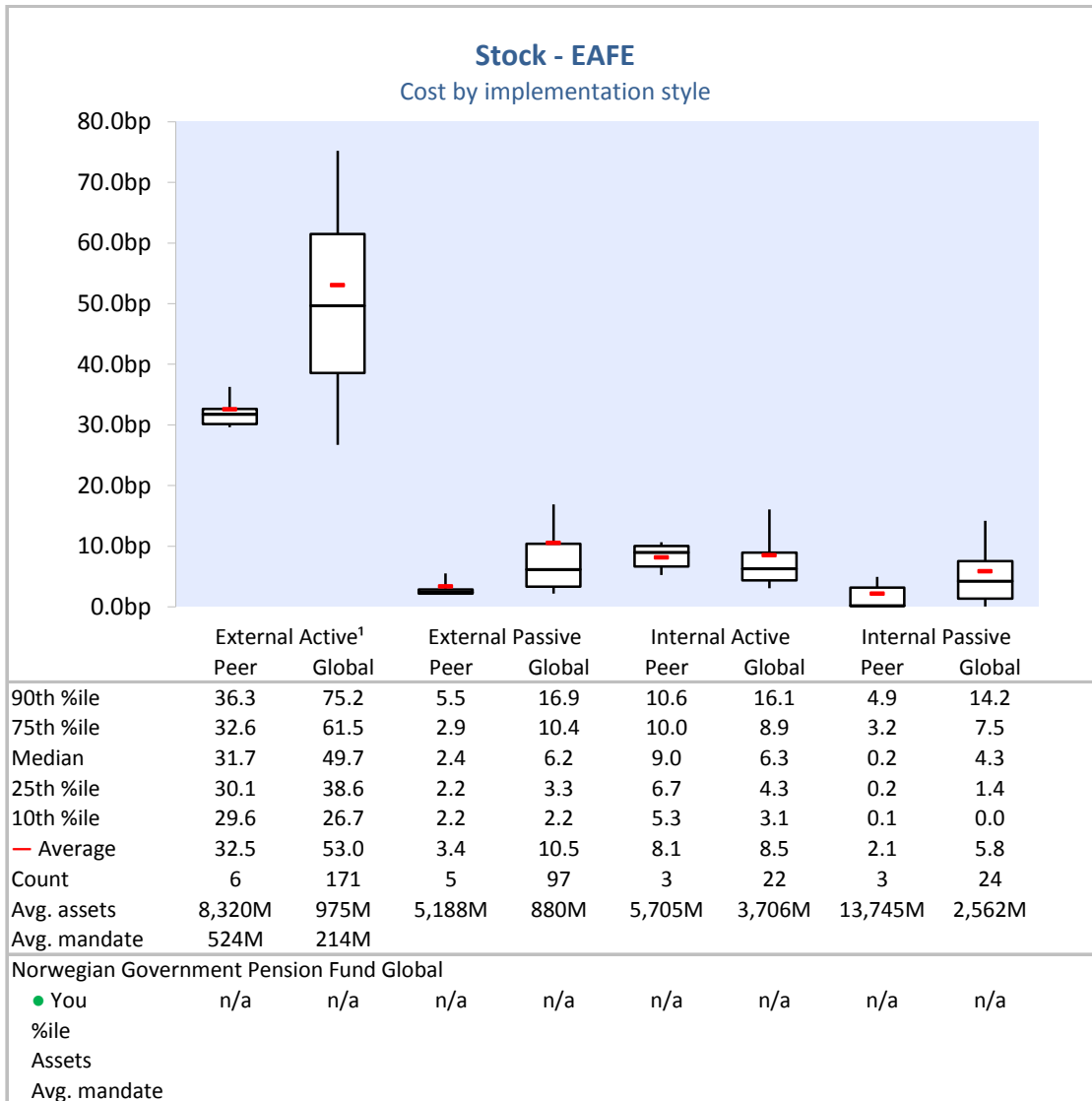
	<u>Total</u>		<u>Oversight¹</u>		<u>Consulting & Perf. Meas.</u>		<u>Custody</u>		<u>Audit</u>		<u>Other</u>	
	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global
90th %ile	4.4	9.6	2.3	4.1	1.3	2.0	0.9	2.8	0.1	0.5	1.1	2.0
75th %ile	3.4	6.4	1.9	2.2	0.7	1.3	0.8	1.9	0.1	0.3	0.4	1.0
Median	2.2	4.3	1.0	1.9	0.1	0.6	0.6	1.0	0.0	0.1	0.2	0.4
25th %ile	1.6	2.7	0.5	0.9	0.1	0.3	0.3	0.6	0.0	0.1	0.2	0.1
10th %ile	0.8	1.7	0.3	0.5	0.1	0.1	0.2	0.3	0.0	0.0	0.1	0.0
— Average	2.5	5.1	1.4	2.1	0.5	1.0	0.6	1.4	0.0	0.2	0.4	0.8
Count	16	328	16	328	5	277	15	321	14	290	14	236
Avg. assets	180,717M	18,390M	180,717M	18,390M	180,717M	18,390M	180,717M	18,390M	180,717M	18,390M	180,717M	18,390M
Norwegian Government Pension Fund Global												
● You	1.9	1.9	0.9	0.9	0.1	0.1	0.8	0.8	0.1	0.1	n/a	n/a
%ile	27%	11%	47%	25%	0%	7%	79%	41%	77%	27%		
Plan assets	655,699M	655,699M	655,699M	655,699M	655,699M	655,699M	655,699M	655,699M	655,699M	655,699M		

1. Oversight costs include the salaries and benefits of executives and their staff responsible for overseeing the entire fund or multiple asset classes and the fees/salaries of the Board or Investment Committee. All costs associated with the above including fees/salaries, travel, director's insurance and attributed overhead are included. Given fiduciary obligations, having the lowest oversight costs is not necessarily optimal. Some sponsors with lower-than-average executive and administration costs compensate by having-higher-than average consulting costs.



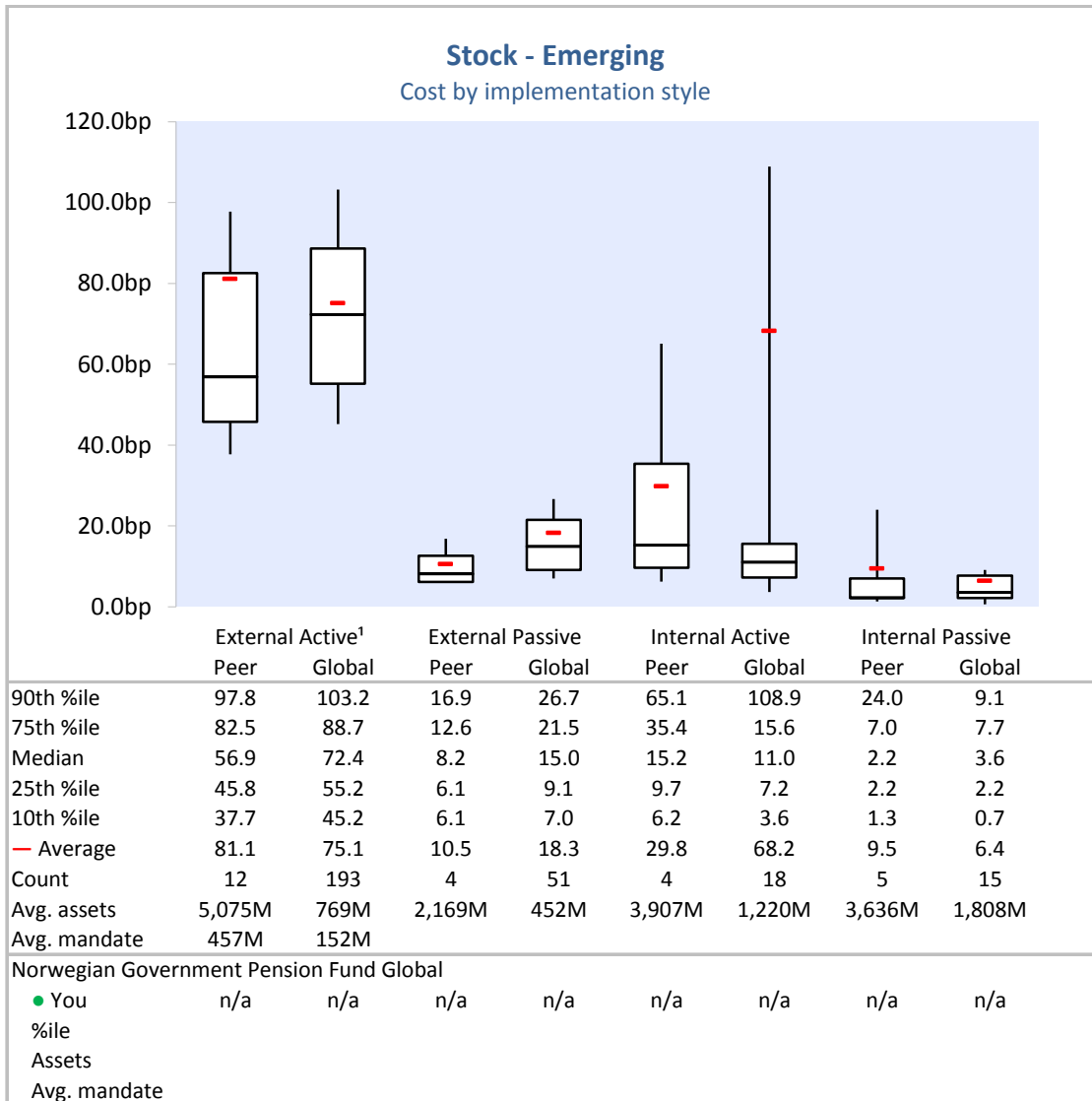
1. Breakdown of external active fees

	You	Peer Average	Global Average
Base fees	n/a	42.5	45.8
Performance fees	n/a	9.9	4.2
Internal and other	<u>n/a</u>	<u>0.9</u>	<u>0.4</u>
Total	n/a	53.2	50.4



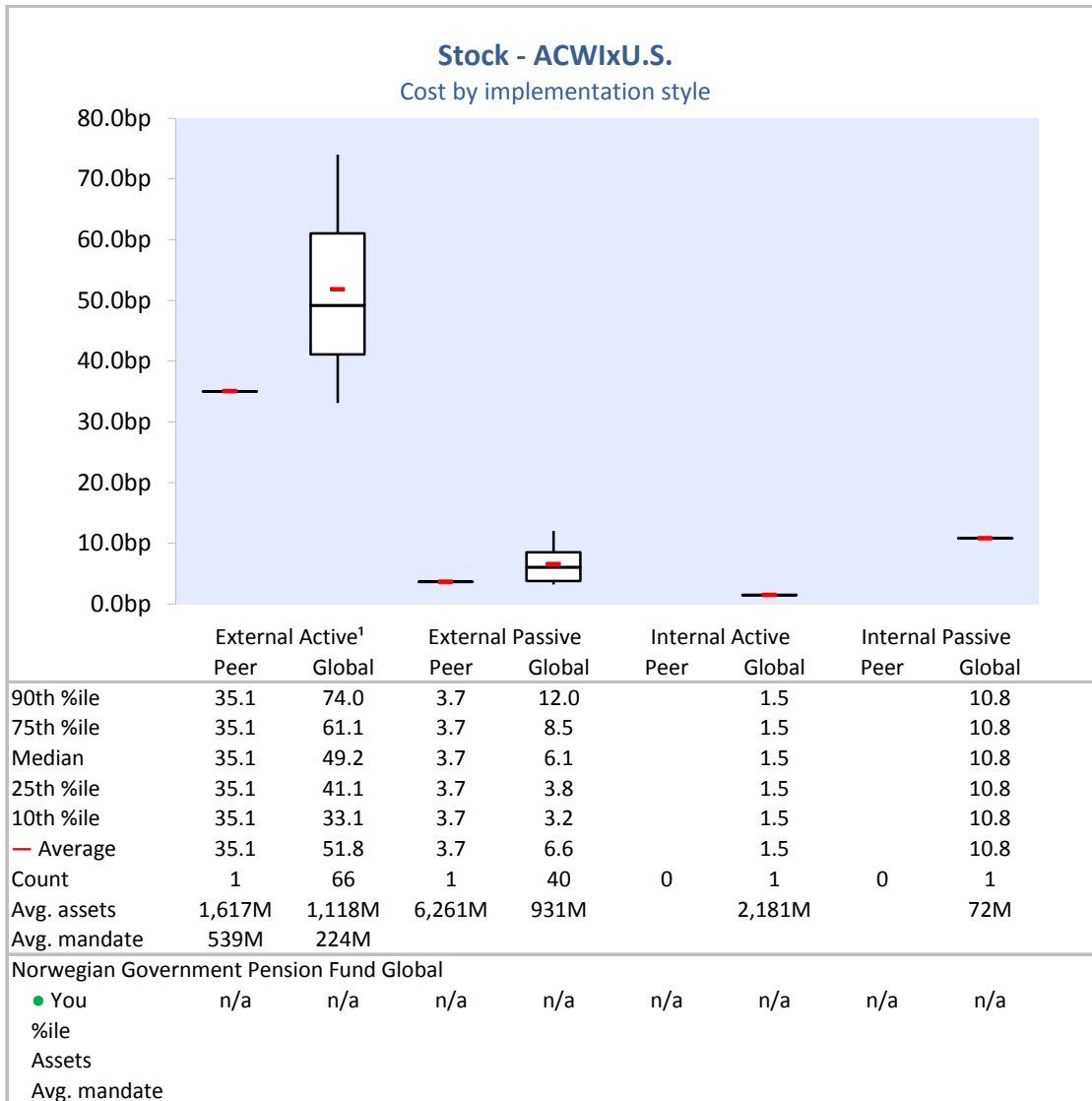
1. Breakdown of external active fees

	You	Peer Average	Global Average
Base fees	n/a	24.8	48.2
Performance fees	n/a	7.2	4.3
Internal and other	<u>n/a</u>	<u>0.5</u>	<u>0.5</u>
Total	n/a	32.5	53.0



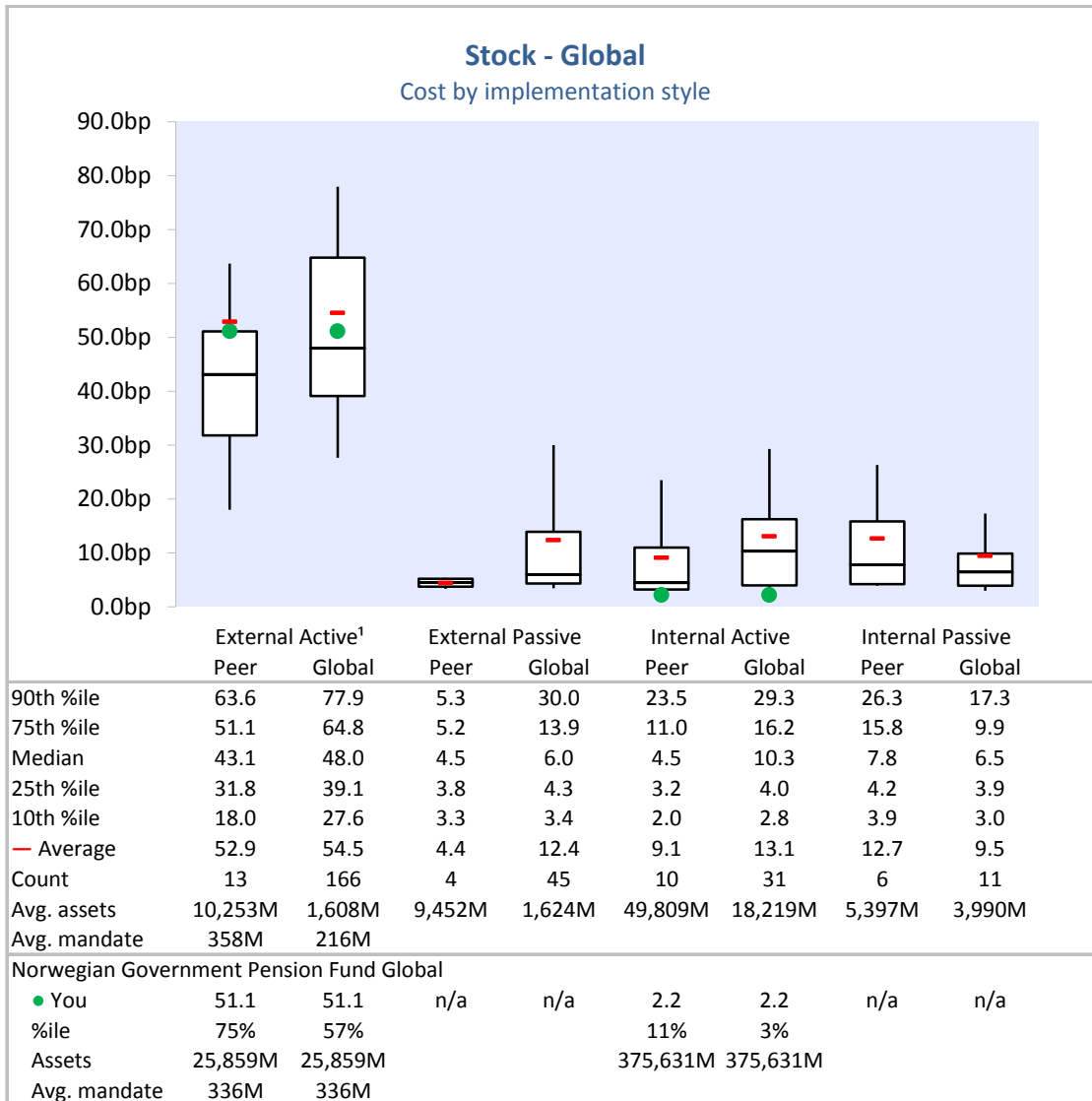
1. Breakdown of external active fees

	You	Peer Average	Global Average
Base fees	n/a	53.3	69.1
Performance fees	n/a	13.6	3.9
Internal and other	<u>n/a</u>	<u>14.2</u>	<u>2.1</u>
Total	n/a	81.1	75.1



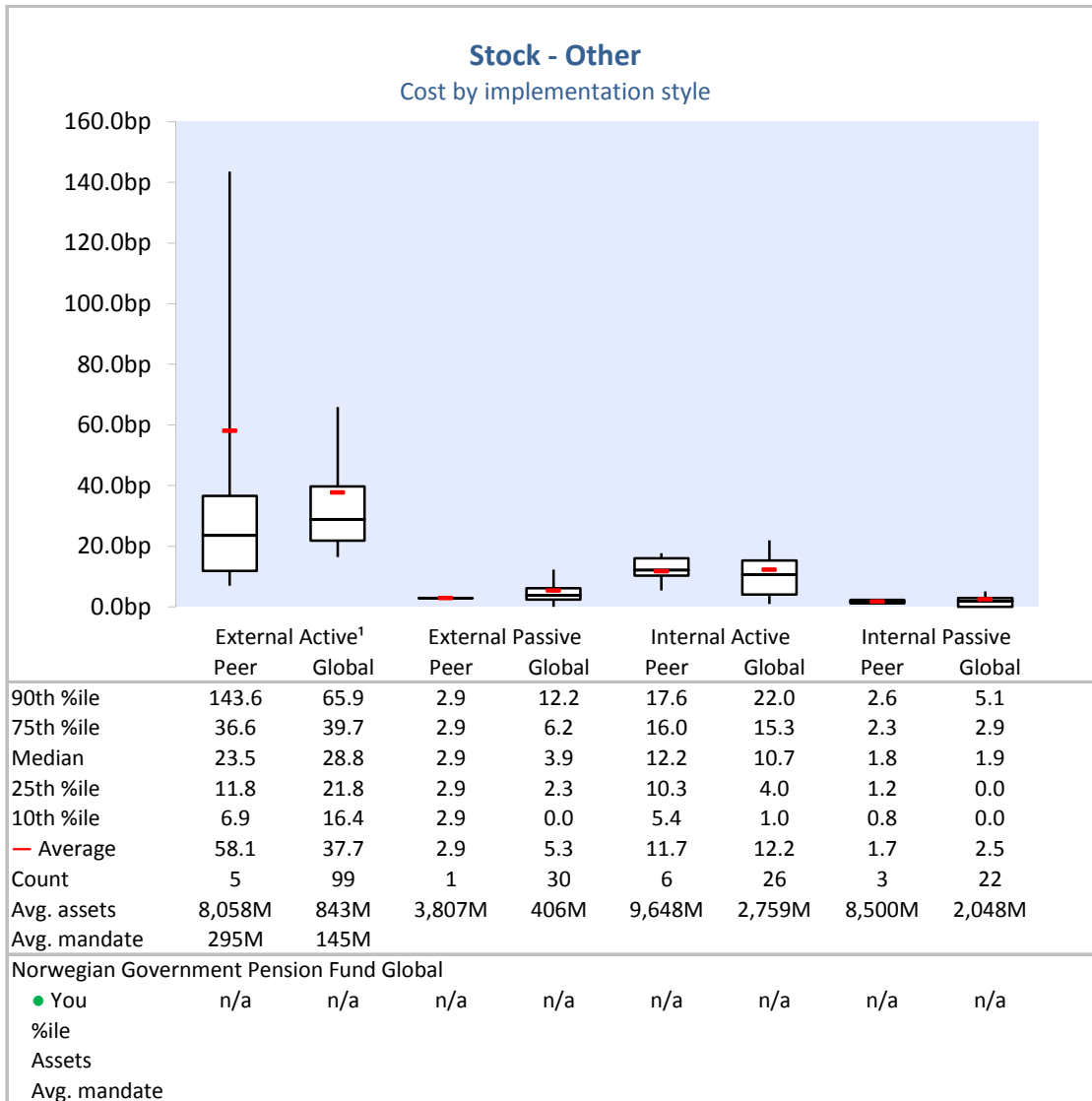
1. Breakdown of external active fees

	You	Peer Average	Global Average
Base fees	n/a	33.9	49.7
Performance fees	n/a	0.0	1.9
Internal and other	<u>n/a</u>	<u>1.1</u>	<u>0.3</u>
Total	n/a	35.1	51.8



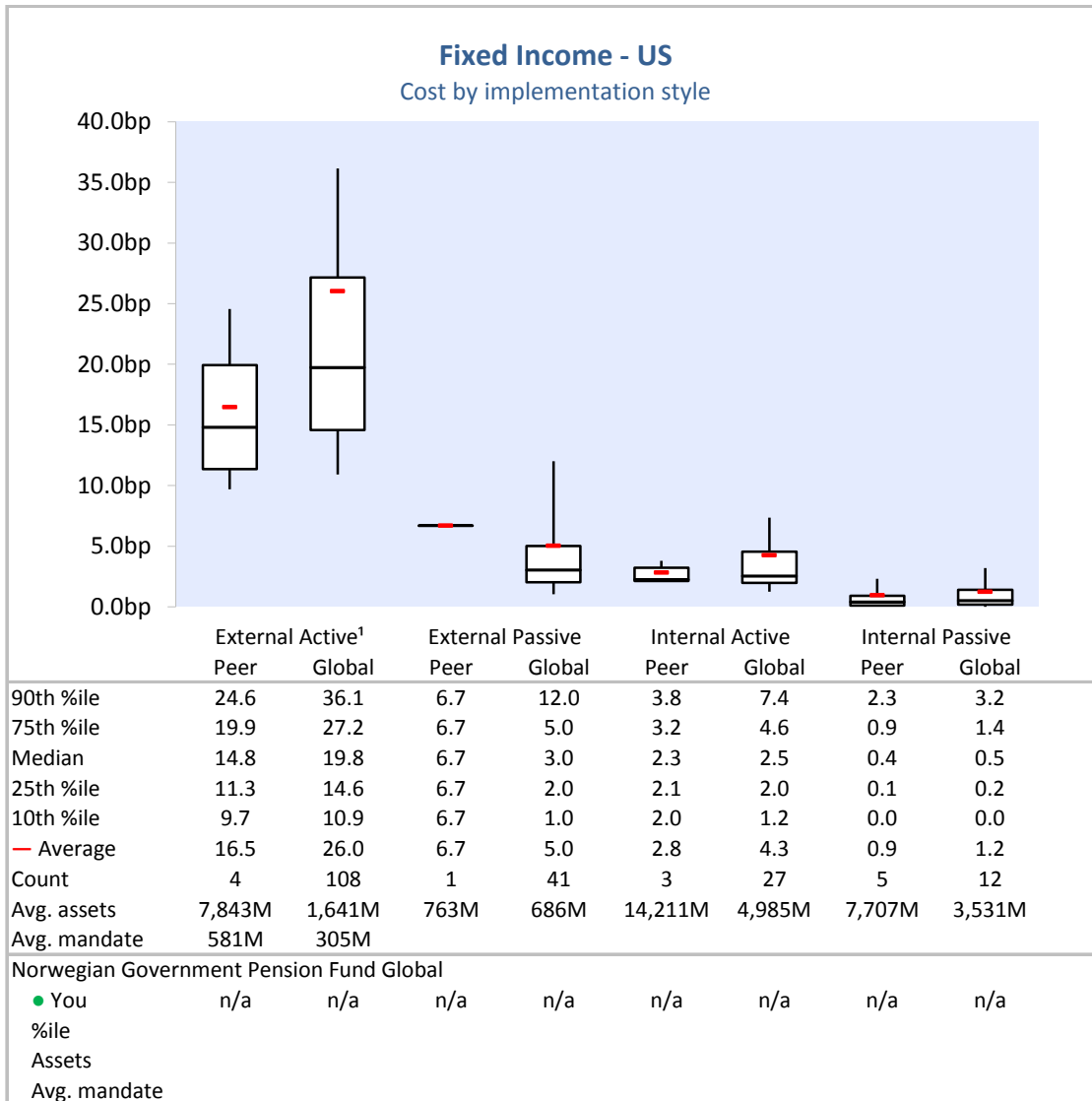
1. Breakdown of external active fees

	You	Peer Average	Global Average
Base fees	19.4	36.4	47.9
Performance fees	30.0	14.3	5.6
Internal and other	<u>1.7</u>	<u>2.2</u>	<u>1.1</u>
Total	51.1	52.9	54.5



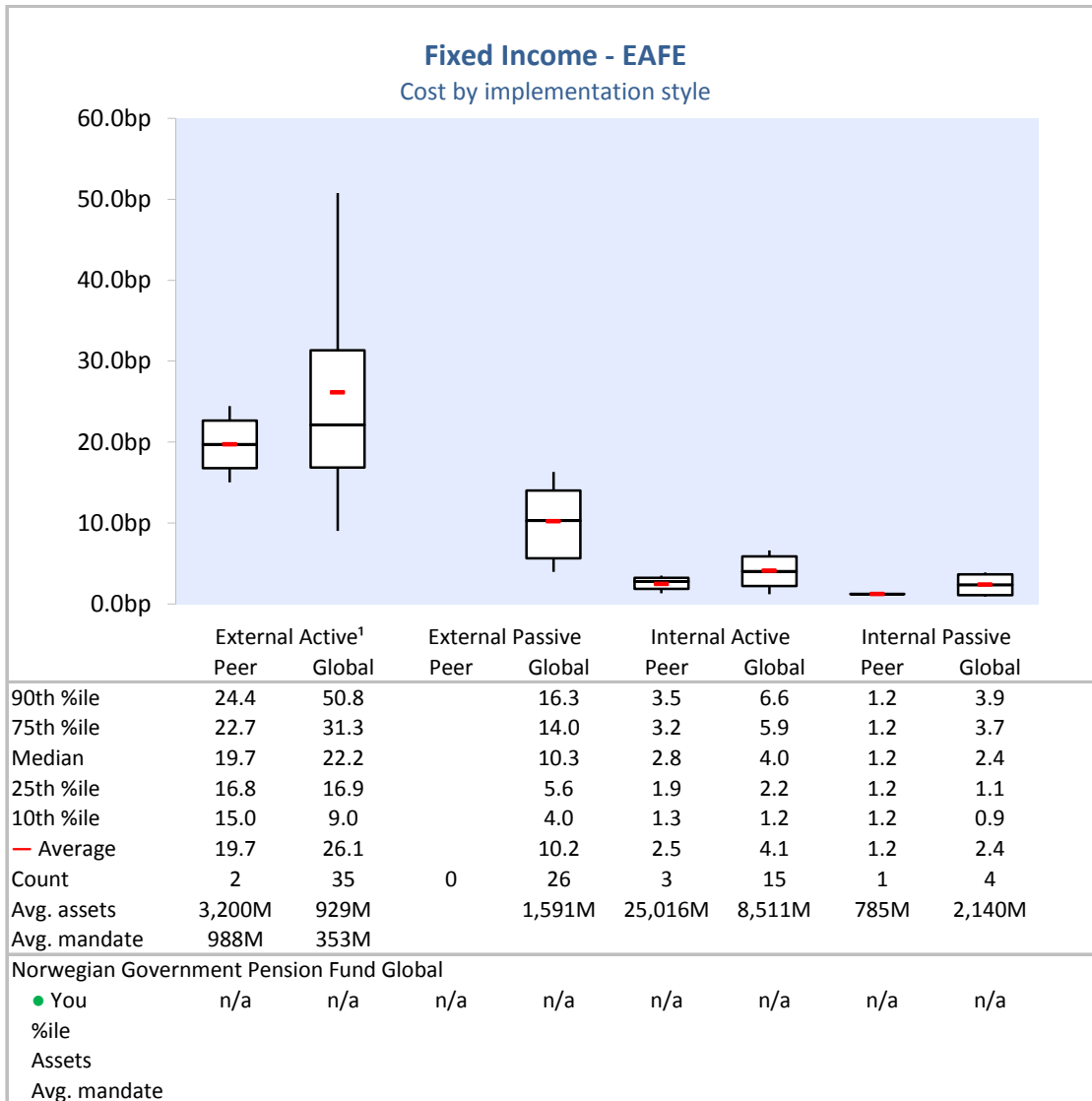
1. Breakdown of external active fees

	You	Peer Average	Global Average
Base fees	n/a	28.9	32.6
Performance fees	n/a	25.3	4.3
Internal and other	<u>n/a</u>	<u>4.0</u>	<u>0.9</u>
Total	n/a	58.1	37.7



1. Breakdown of external active fees

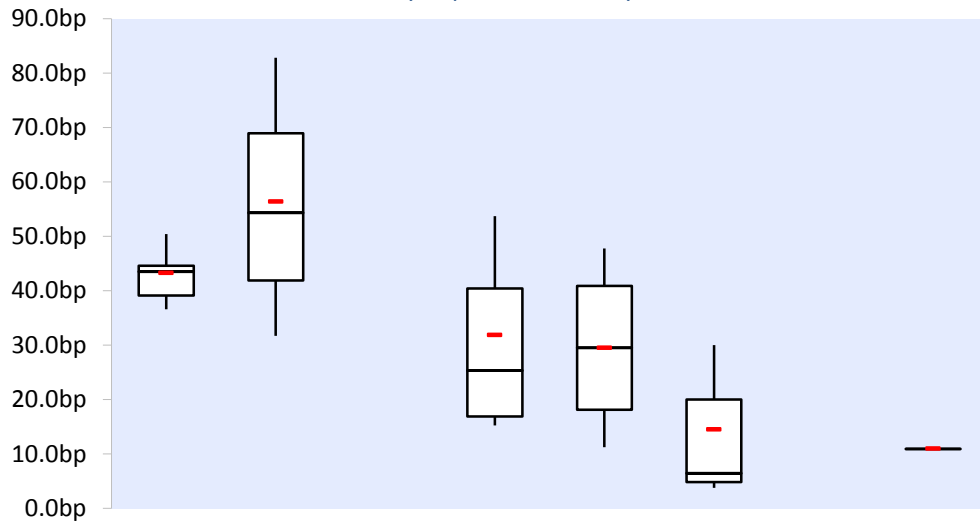
	You	Peer Average	Global Average
Base fees	n/a		
Performance fees	n/a		
Internal and other	<u>n/a</u>	<u>4.0</u>	<u>0.6</u>
Total	n/a	16.5	26.0



1. Breakdown of external active fees

	You	Peer Average	Global Average
Base fees	n/a	10.4	20.6
Performance fees	n/a	8.7	0.9
Internal and other	<u>n/a</u>	<u>0.6</u>	<u>4.6</u>
Total	n/a	19.7	26.1

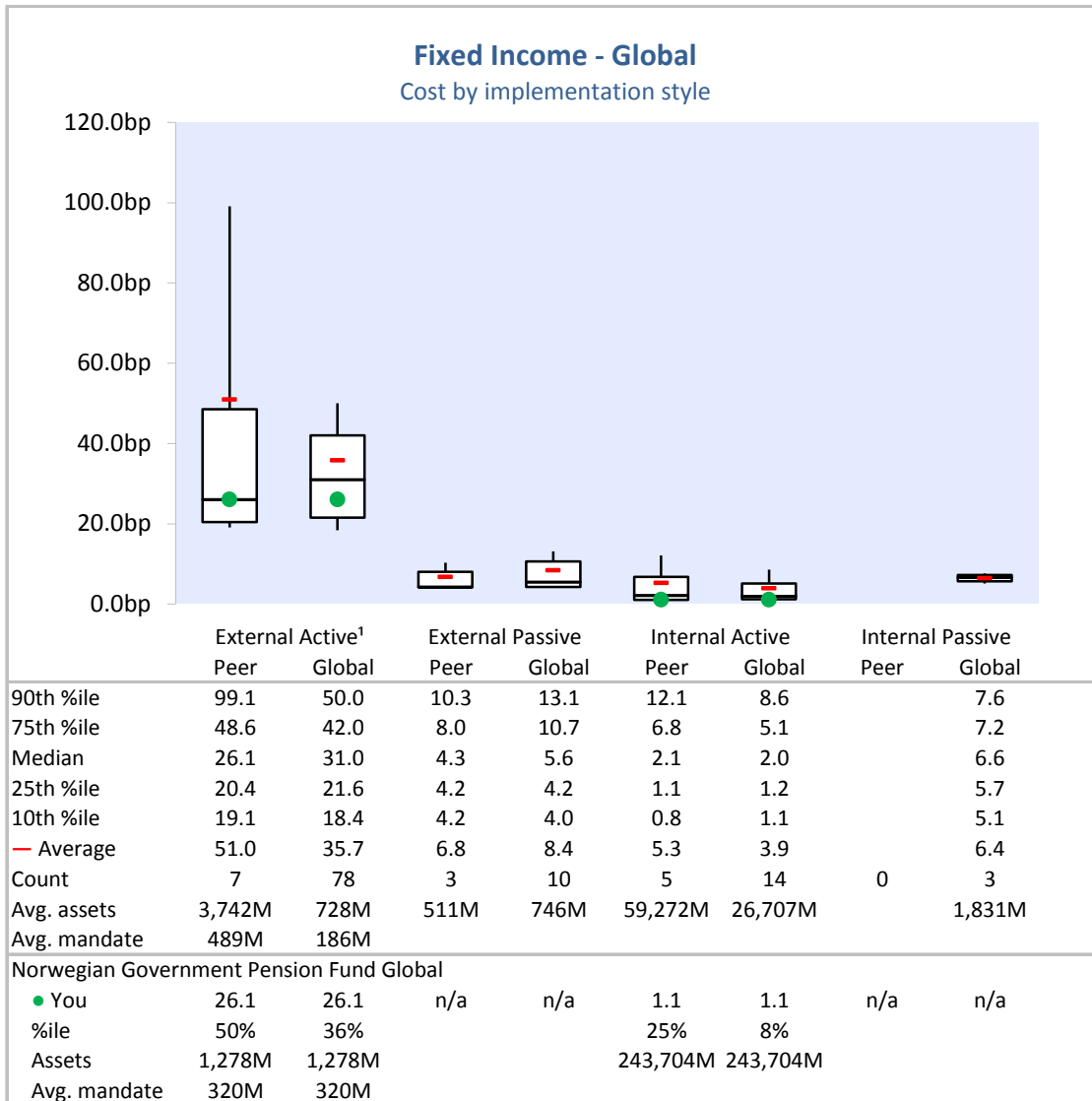
Fixed Income - Emerging Cost by implementation style



	External Active ¹		External Passive		Internal Active		Internal Passive	
	Peer	Global	Peer	Global	Peer	Global	Peer	Global
90th %ile	50.4	82.8		53.7	47.8	30.0		11.0
75th %ile	44.6	68.9		40.4	40.9	20.0		11.0
Median	43.5	54.3		25.4	29.5	6.5		11.0
25th %ile	39.1	41.9		16.9	18.1	4.8		11.0
10th %ile	36.6	31.7		15.3	11.3	3.8		11.0
— Average	43.3	56.4		31.9	29.5	14.5		11.0
Count	5	95	0	4	2	10	0	1
Avg. assets	3,528M	533M		169M	1,738M	1,001M		162M
Avg. mandate	533M	159M						
Norwegian Government Pension Fund Global								
● You	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
%ile								
Assets								
Avg. mandate								

1. Breakdown of external active fees

	You	Peer Average	Global Average
Base fees	n/a	39.3	53.3
Performance fees	n/a	1.7	1.4
Internal and other	<u>n/a</u>	<u>2.3</u>	<u>1.6</u>
Total	n/a	43.3	56.4

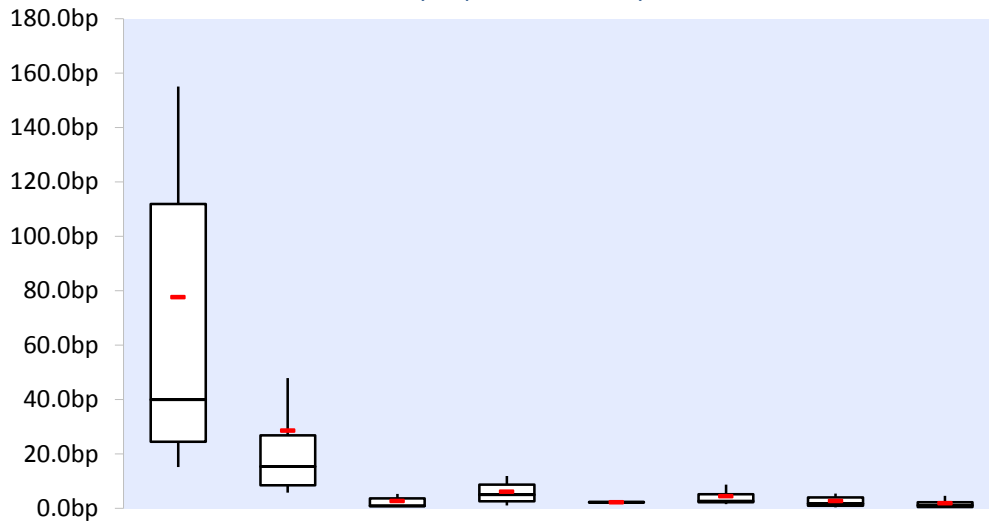


1. Breakdown of external active fees

	You	Peer Average	Global Average
Base fees	24.7	28.6	32.2
Performance fees	0.0	17.0	2.6
Internal and other	<u>1.4</u>	<u>5.4</u>	<u>0.9</u>
Total	26.1	51.0	35.7

Fixed Income - Inflation Indexed

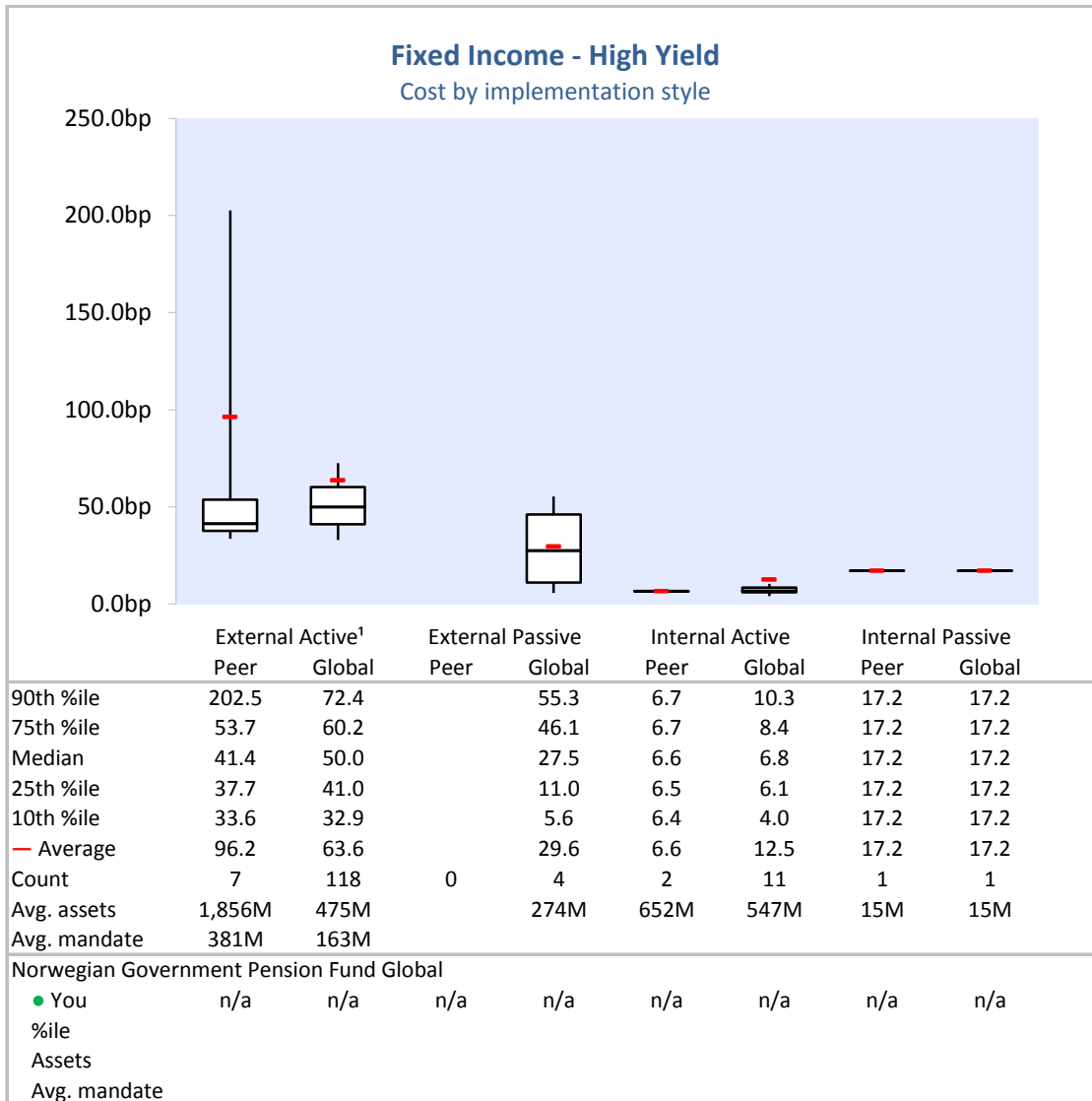
Cost by implementation style



	External Active ¹		External Passive		Internal Active		Internal Passive	
	Peer	Global	Peer	Global	Peer	Global	Peer	Global
90th %ile	155.1	47.9	5.3	11.9	2.6	8.8	5.4	4.6
75th %ile	111.9	26.9	3.7	8.7	2.3	5.2	4.0	2.2
Median	40.0	15.4	1.0	5.1	2.3	2.7	1.8	1.2
25th %ile	24.5	8.4	0.9	2.6	2.3	2.3	0.9	0.5
10th %ile	15.2	5.8	0.8	1.0	1.8	1.6	0.4	0.1
— Average	77.6	28.5	2.7	6.1	2.2	4.4	2.7	1.8
Count	3	31	3	35	5	22	3	16
Avg. assets	1,499M	512M	4,252M	584M	8,484M	2,744M	8,957M	2,945M
Avg. mandate	469M	275M						
Norwegian Government Pension Fund Global								
● You	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
%ile								
Assets								
Avg. mandate								

1. Breakdown of external active fees

	You	Peer Average	Global Average
Base fees	n/a	58.7	23.6
Performance fees	n/a	0.2	2.8
Internal and other	<u>n/a</u>	<u>18.7</u>	<u>2.1</u>
Total	n/a	77.6	28.5

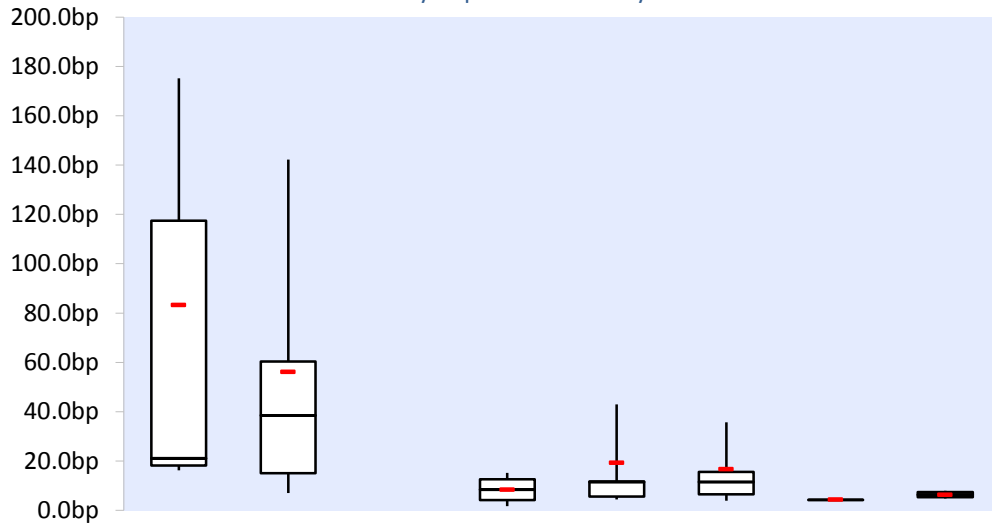


1. Breakdown of external active fees

	You	Peer Average	Global Average
Base fees	n/a	53.2	54.7
Performance fees	n/a	26.7	6.4
Internal and other	<u>n/a</u>	<u>16.3</u>	<u>2.0</u>
Total	n/a	96.2	63.6

Fixed Income - Mortgages

Cost by implementation style



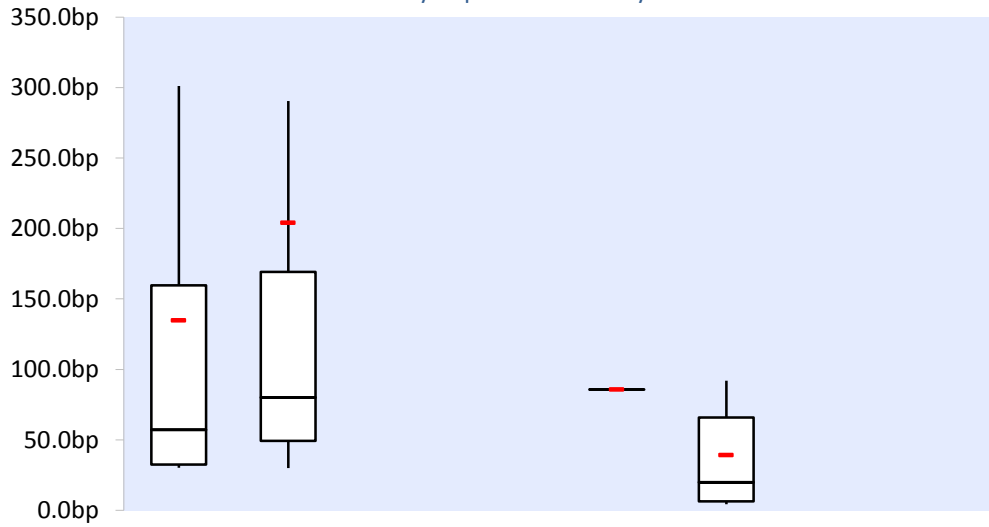
	External Active ¹		External Passive		Internal Active		Internal Passive	
	Peer	Global	Peer	Global	Peer	Global	Peer	Global
90th %ile	175.2	142.2		15.2	42.9	35.7	4.3	7.9
75th %ile	117.4	60.3		12.6	11.7	15.5	4.3	7.3
Median	21.2	38.6		8.4	11.5	11.5	4.3	6.3
25th %ile	18.1	15.0		4.2	5.5	6.5	4.3	5.3
10th %ile	16.3	7.1		1.7	4.4	3.8	4.3	4.7
— Average	83.3	56.1		8.4	19.2	16.7	4.3	6.3
Count	3	33	0	2	5	12	1	2
Avg. assets	2,038M	347M		39M	3,458M	1,785M	665M	359M
Avg. mandate	236M	171M						
Norwegian Government Pension Fund Global								
● You	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
%ile								
Assets								
Avg. mandate								

1. Breakdown of external active fees

	You	Peer Average	Global Average
Base fees	n/a	26.6	42.9
Performance fees	n/a	0.0	6.2
Internal and other	<u>n/a</u>	<u>56.7</u>	<u>7.1</u>
Total	n/a	83.3	56.1

Fixed Income - Private Debt

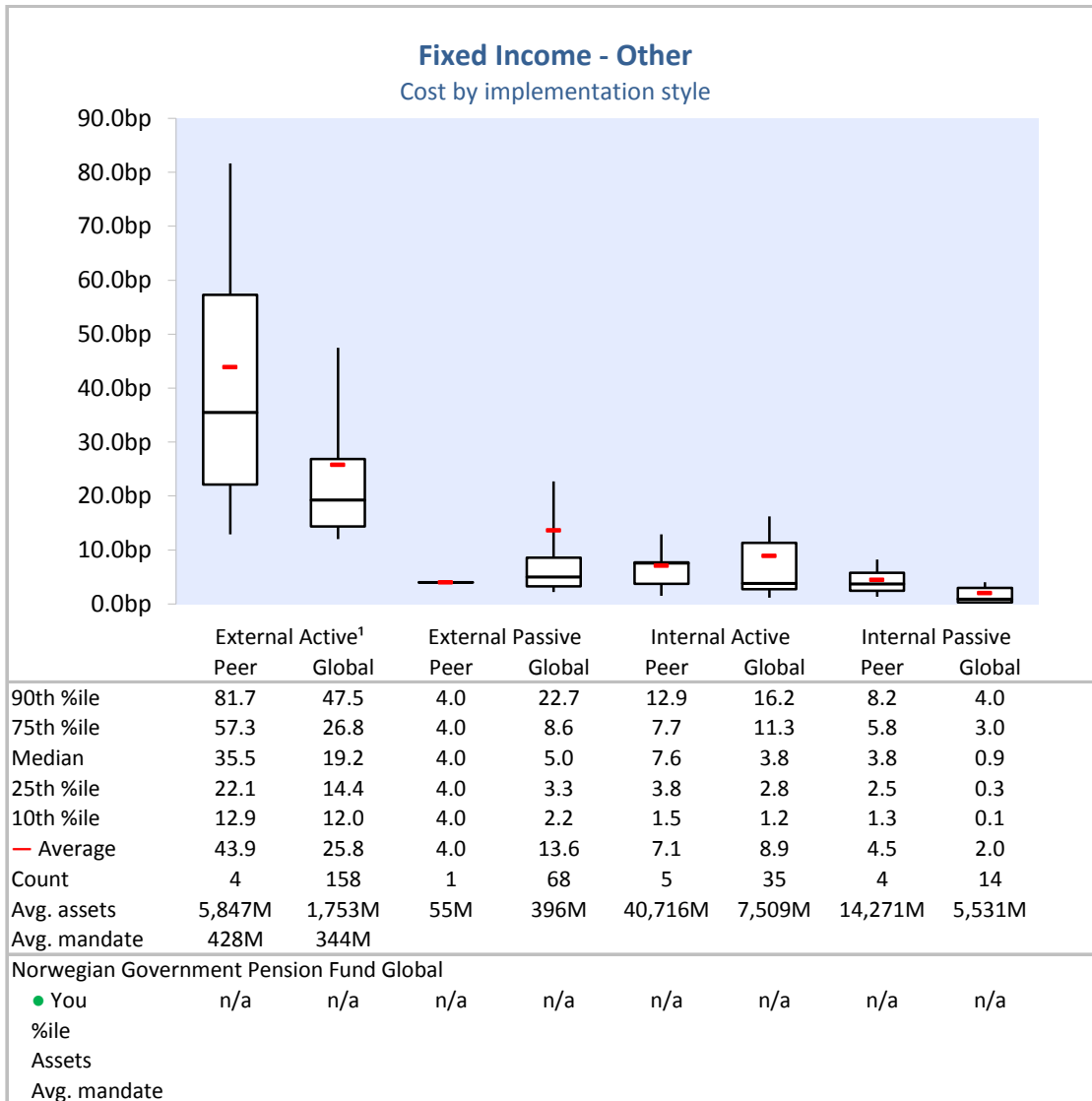
Cost by implementation style



	External Active ¹		External Passive		Internal Active		Internal Passive	
	Peer	Global	Peer	Global	Peer	Global	Peer	Global
90th %ile	301.2	290.5			85.8	91.9		
75th %ile	159.6	169.2			85.8	65.8		
Median	57.3	80.1			85.8	20.0		
25th %ile	32.5	49.4			85.8	6.2		
10th %ile	30.3	30.1			85.8	4.4		
— Average	134.8	204.1			85.8	39.1		
Count	4	47	0	0	1	11	0	0
Avg. assets	863M	281M			3,968M	694M		
Avg. mandate	336M	68M						
Norwegian Government Pension Fund Global								
● You	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
%ile								
Assets								
Avg. mandate								

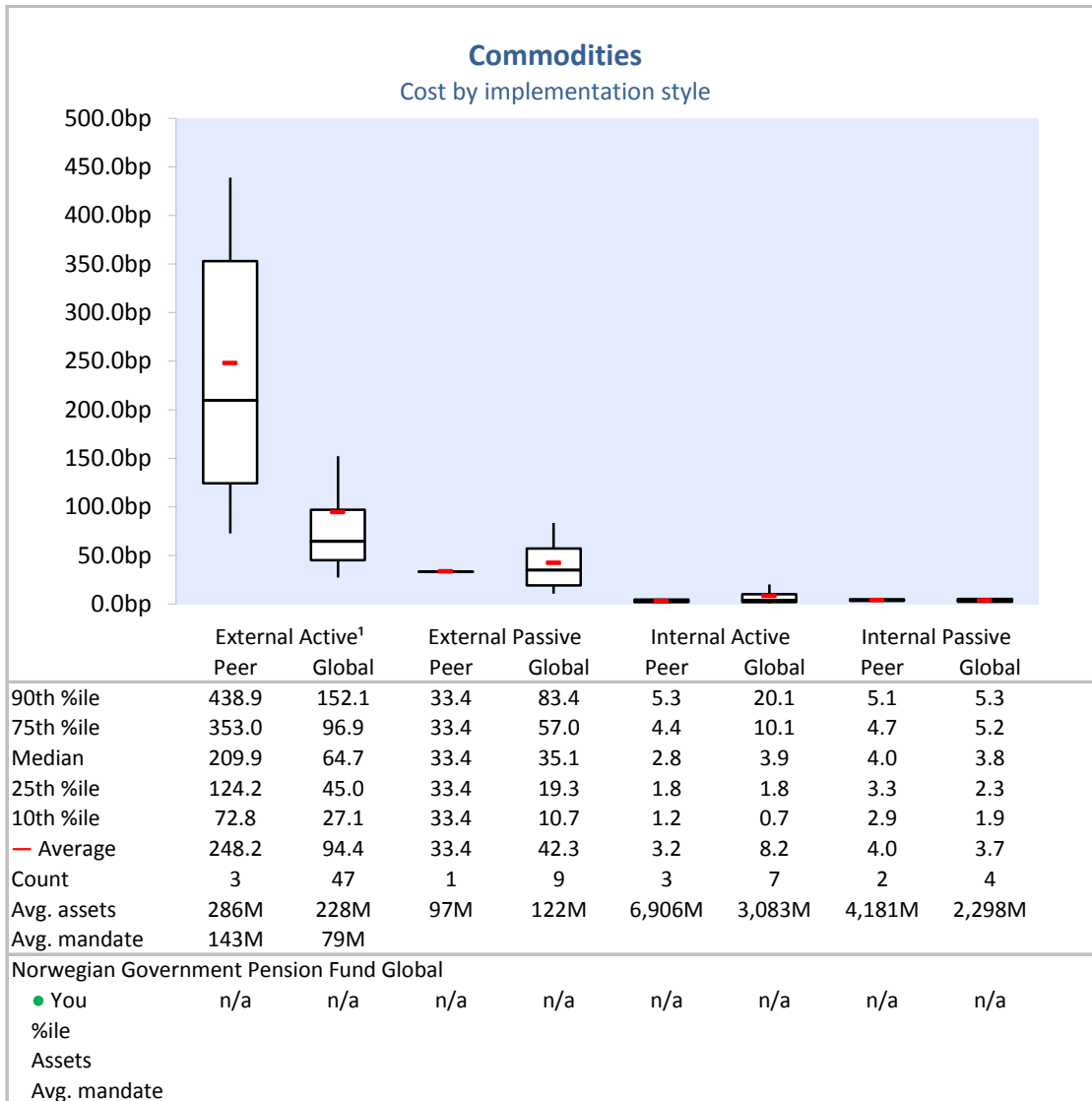
1. Breakdown of external active fees

	You	Peer Average	Global Average
Base fees	n/a	67.9	184.5
Performance fees	n/a	62.4	15.9
Internal and other	<u>n/a</u>	<u>4.5</u>	<u>3.7</u>
Total	n/a	134.8	204.1



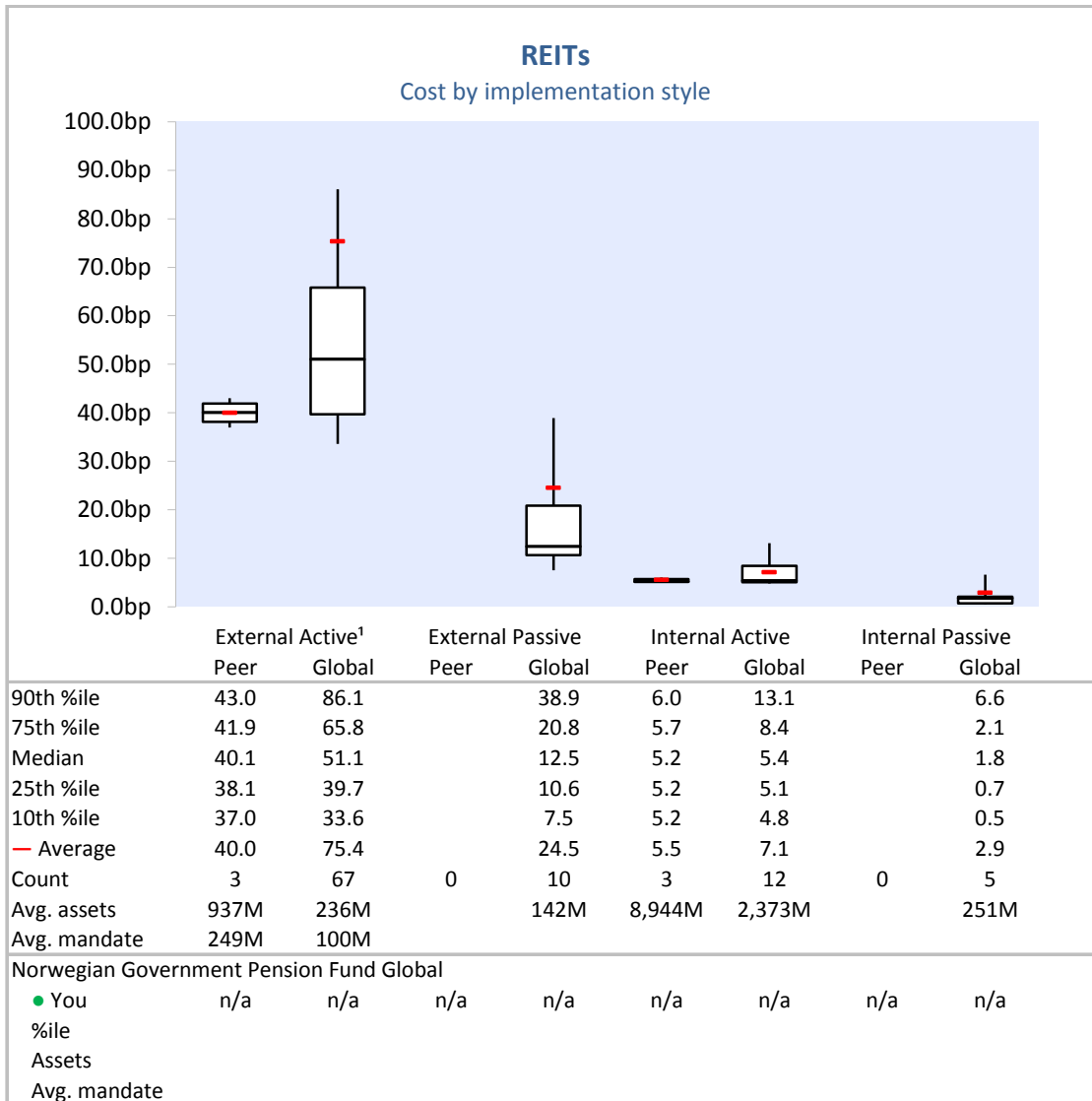
1. Breakdown of external active fees

	You	Peer Average	Global Average
Base fees	n/a	20.5	22.5
Performance fees	n/a	0.0	2.5
Internal and other	<u>n/a</u>	<u>23.4</u>	<u>0.8</u>
Total	n/a	43.9	25.8



1. Breakdown of external active fees

	You	Peer Average	Global Average
Base fees	n/a	212.7	88.0
Performance fees	n/a	8.4	3.3
Internal and other	<u>n/a</u>	<u>27.1</u>	<u>3.2</u>
Total	n/a	248.2	94.4

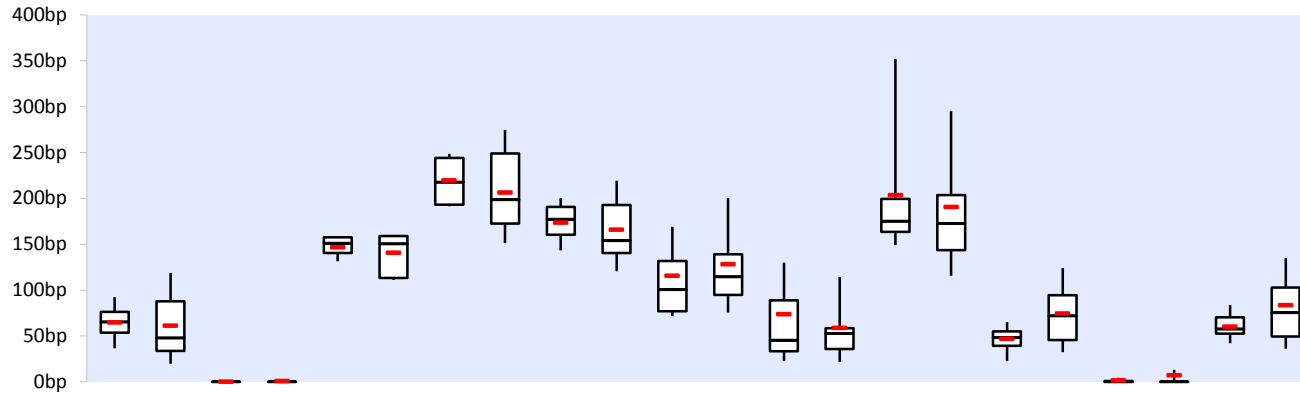


1. Breakdown of external active fees

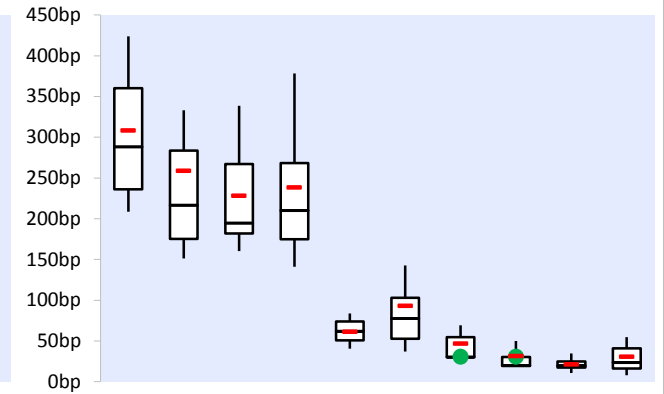
	You	Peer Average	Global Average
Base fees	n/a	26.5	73.7
Performance fees	n/a	0.0	0.5
Internal and other	<u>n/a</u>	<u>13.5</u>	<u>1.1</u>
Total	n/a	40.0	75.4

Real Estate ex-REITs

Cost as a % of the amount fees are based on¹



Cost as a % of NAV



	Fund of Funds										Direct LP						External (not LP)					
	Mgmt fees (Top layer)		Perf. fees (Top layer)		Underlying mgmt. & perf. ²		Total ³ incl. perf.		Total ³ excl. perf.		Mgmt fees		Perf. fees		Total ³ incl. perf.		Mgmt fees		Perf. fees		Total ³ incl. perf.	
	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global
	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global
90th %ile	92.3	118.7	0.0	0.0	158.4	159.0	248.6	274.9	200.0	219.4	168.9	200.3	129.8	114.1	352.0	295.0	64.9	124.1	4.3	12.9	83.7	135.0
75th %ile	76.3	87.6	0.0	0.0	157.4	159.0	244.2	248.8	190.6	192.7	131.6	139.1	88.6	58.5	199.3	203.7	55.0	94.2	0.9	0.0	70.2	102.6
Median	65.2	47.8	0.0	0.0	151.3	150.6	217.9	198.7	177.6	154.0	100.5	114.7	45.3	52.7	175.4	173.0	48.1	71.9	0.0	0.0	57.7	75.6
25th %ile	53.6	33.7	0.0	0.0	140.6	113.1	193.1	172.5	160.2	140.3	76.7	94.6	33.4	35.8	163.5	143.4	39.2	45.5	0.0	0.0	52.5	49.2
10th %ile	36.5	19.7	0.0	0.0	131.2	111.0	191.3	151.3	143.1	120.5	71.7	75.6	22.4	21.6	149.3	115.6	22.9	32.3	0.0	0.0	41.9	36.0
— Average	64.6	60.9	0.0	0.6	146.6	140.6	219.4	206.3	173.3	165.6	115.5	127.9	73.5	58.5	203.3	190.6	46.5	74.3	1.3	6.8	59.8	83.3
Count	4	42	4	42	4	42	4	42	4	42	11	118	11	118	11	118	8	164	8	164	8	164
Avg. assets	700M	155M	700M	155M	700M	155M	700M	155M	700M	155M	6,033M	1,272M	6,033M	1,272M	6,033M	1,272M	4,947M	792M	4,947M	792M	4,947M	792M
Norwegian Government Pension Fund Global																						
● You	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
%ile																						
Assets																						

Fund of Funds		Direct LP		External (not LP)		Oper. Sub.		Internal	
Total ³ incl. perf.		Total ³ incl. perf.		Total ³ incl. perf.		Total		Total	
Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global
423.7	332.9	338.4	378.4	83.7	142.7	69.4	50.0	34.5	54.9
360.3	283.6	267.2	268.4	73.9	103.0	54.8	30.4	24.9	41.0
288.2	216.9	194.9	210.3	62.4	77.8	30.5	19.8	19.8	23.8
235.9	175.1	181.7	174.7	50.8	52.7	30.4	19.8	17.5	16.2
208.4	151.3	160.3	141.1	40.5	37.2	30.4	19.8	10.6	8.2
308.1	258.5	228.0	238.1	61.2	92.9	46.7	31.3	21.2	30.7
4	42	11	118	8	164	3	7	7	44
683M	138M	5,369M	1,094M	4,453M	747M	12,002M	6,524M	3,438M	1,634M
n/a	n/a	n/a	n/a	n/a	n/a	30.5	30.5	n/a	n/a
						50%	83%		
						9,227M	9,227M		

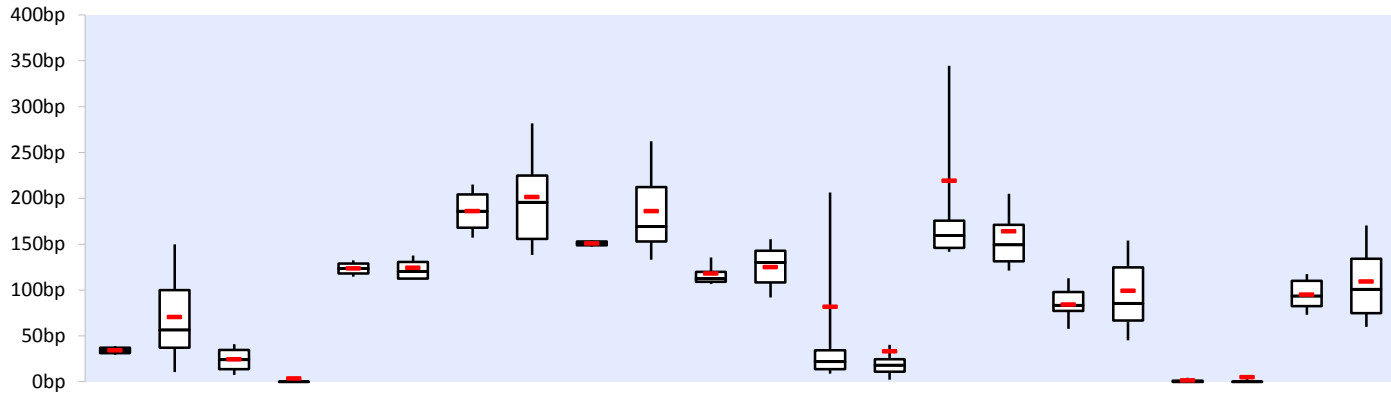
1. The base for fees is usually the committed amount during the commitment period, and unreturned invested capital afterwards.

2. The fees of fund of funds include both the top layer fees paid to the fund of funds manager and the underlying fees paid to the 'underlying partnerships' held by the fund of funds. Most funds were unable to provide the underlying fees so defaults of 101 bps (on amount fees are based on) for underlying management fees and 59 bps (on NAV) for underlying performance fees were used.

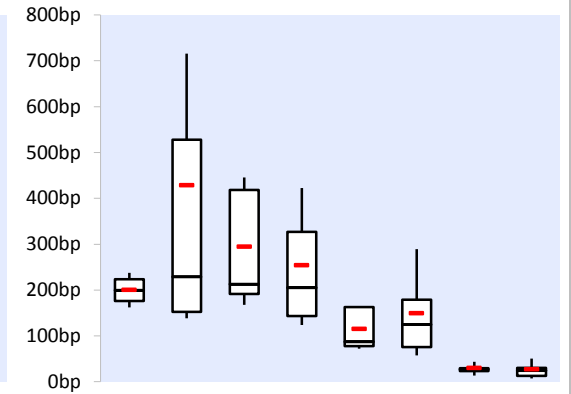
3. The total cost also includes the internal cost of monitoring and selecting real estate investments. The peer average cost of monitoring and selecting was 8.1 bps for fund of funds, 14.3 bps for LPs and 12.0 bps for external (not LPs).

Infrastructure

Cost as a % of the amount fees are based on¹



Cost as a % of NAV

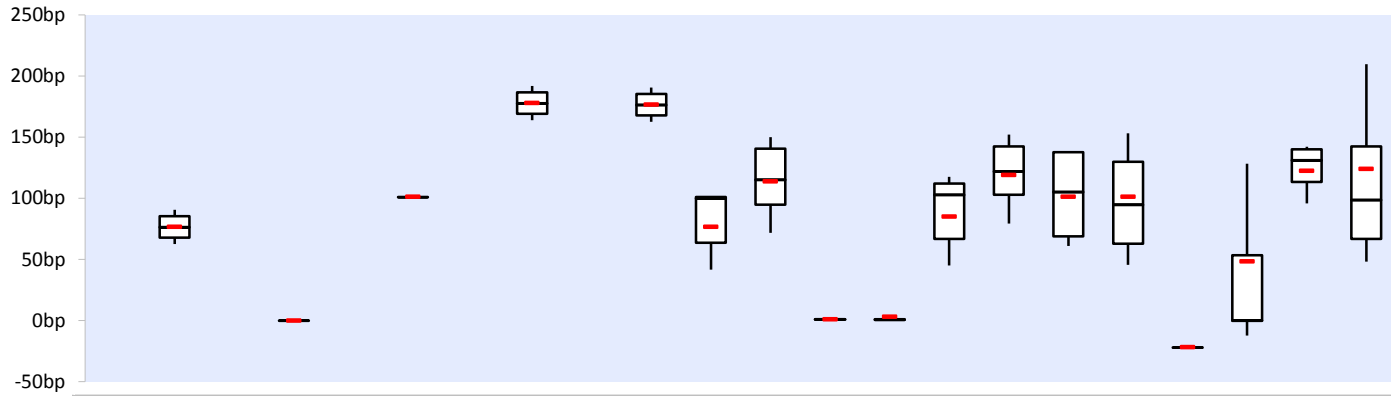


	Fund of Funds										Direct LP						External (not LP)					
	Mgmt fees (Top layer)		Perf. fees (Top layer)		Underlying mgmt. & perf. ²		Total ³ incl. perf.		Total ³ excl. perf.		Mgmt fees		Perf. fees		Total ³ incl. perf.		Mgmt fees		Perf. fees		Total ³ incl. perf.	
	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global
90th %ile	38.7	149.7	41.1	5.2	132.3	137.8	215.0	281.7	154.1	262.2	135.7	155.5	206.4	40.4	344.4	205.1	112.7	154.0	4.3	4.8	117.3	170.5
75th %ile	37.0	99.9	34.8	0.0	129.0	130.8	204.1	224.7	152.9	212.4	119.8	142.9	34.5	24.4	175.8	171.0	97.8	124.9	1.3	0.0	109.9	134.1
Median	34.0	56.8	24.3	0.0	123.5	120.5	186.0	195.8	150.8	169.4	112.5	130.1	22.0	18.4	159.6	149.4	83.6	85.8	0.0	0.0	93.6	100.8
25th %ile	31.1	37.0	13.8	0.0	118.0	112.5	168.0	155.8	148.7	152.9	109.0	108.3	13.6	11.0	146.2	131.4	77.3	66.9	0.0	0.0	82.4	74.7
10th %ile	29.3	10.4	7.5	0.0	114.7	112.5	157.1	138.5	147.5	133.0	106.4	92.0	9.0	2.3	141.7	121.1	57.6	45.3	0.0	0.0	73.1	59.6
— Average	34.0	70.4	24.3	3.6	123.5	124.3	186.0	201.2	150.8	185.9	118.0	124.8	81.8	33.1	219.1	164.1	84.1	99.1	1.4	4.7	94.8	109.1
Count	2	20	2	20	2	20	2	20	2	20	7	58	7	58	7	58	7	46	7	46	7	46
Avg. assets	1,227M	162M	1,227M	162M	1,227M	162M	1,227M	162M	1,227M	162M	1,206M	368M	1,206M	368M	1,206M	368M	1,201M	388M	1,201M	388M	1,201M	388M
Norwegian Government Pension Fund Global																						
● You	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
%ile																						
Assets																						

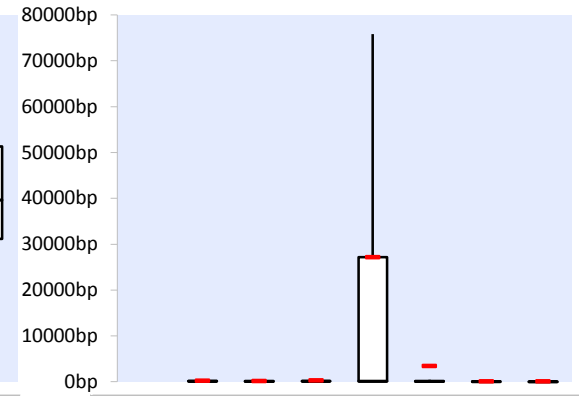
1. The base for fees is usually the committed amount during the commitment period, and unreturned invested capital afterwards.
2. The fees of fund of funds include both the top layer fees paid to the fund of funds manager and the underlying fees paid to the 'underlying partnerships' held by the fund of funds. Most funds were unable to provide the underlying fees so defaults of 113 bps (on amount fees are based on) for underlying management fees and 24 bps (on NAV) for underlying performance fees were used.
3. The total cost also includes the internal cost of monitoring and selecting infrastructure investments. The peer average cost of monitoring and selecting was 4.3 bps for fund of funds, 19.3 bps for LPs and 9.4 bps for external (not LPs).

Natural Resources

Cost as a % of the amount fees are based on¹



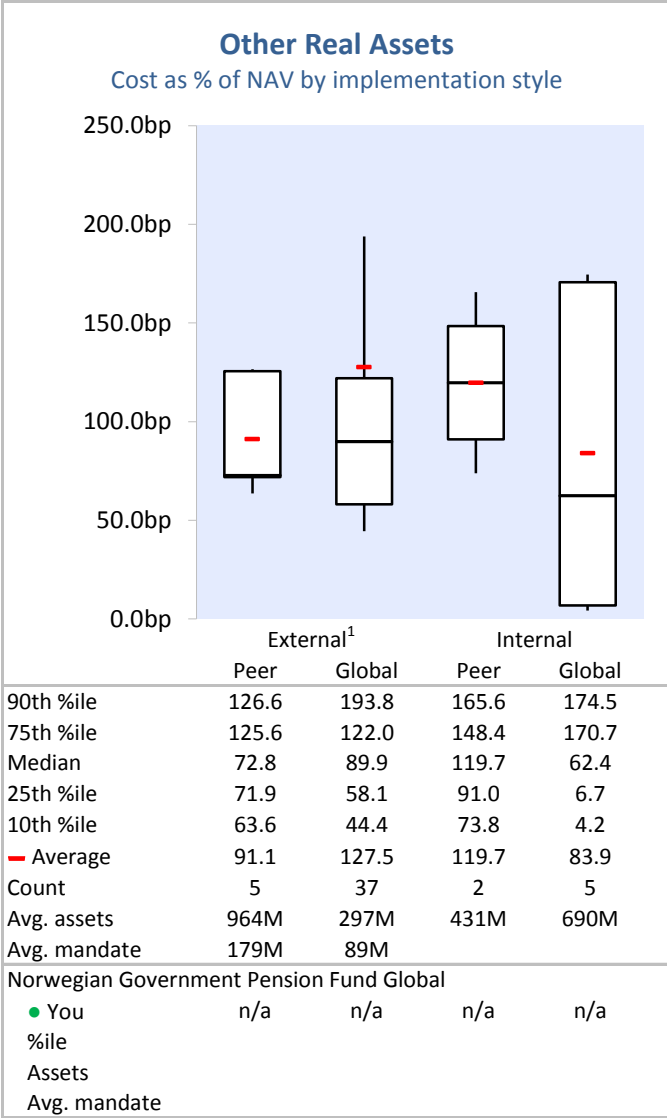
Cost as a % of NAV



	Fund of Funds						Direct LP						External (not LP)											
	Mgmt fees (Top layer)		Perf. fees (Top layer)		Underlying mgmt. & perf. ²		Total ³ incl. perf.		Total ³ excl. perf.		Mgmt fees		Perf. fees		Total ³ incl. perf.		Mgmt fees		Perf. fees		Total ³ incl. perf.			
	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global
90th %ile	90.6	0.0	101.2	191.8	190.6	102.0	150.0	1.0	1.4	117.5	152.2	138.5	153.2	-21.8	128.4	142.2	209.6							
75th %ile	85.4	0.0	101.2	186.6	185.4	101.2	140.6	1.0	1.2	112.1	142.5	137.7	129.8	-21.8	53.6	140.2	142.4							
Median	76.6	0.0	101.2	177.8	176.6	100.0	115.3	1.0	1.0	103.0	122.1	105.3	94.7	-21.8	0.0	131.1	98.6							
25th %ile	67.9	0.0	101.2	169.1	167.9	63.6	94.9	1.0	0.7	66.9	103.1	69.0	62.8	-21.8	0.0	113.4	66.9							
10th %ile	62.6	0.0	101.2	163.8	162.6	41.8	71.7	0.9	0.2	45.2	79.5	61.0	45.5	-21.8	-12.2	95.9	48.2							
— Average	76.6	0.0	101.2	177.8	176.6	76.6	113.8	1.0	3.1	85.0	119.0	101.3	101.2	-21.8	48.4	122.5	124.0							
Count	0	2	0	2	0	2	0	2	0	2	0	2	3	26	3	26	3	26	4	38	1	11	4	38
Avg. assets		168M		168M		168M		168M		168M		168M	1,596M	565M	1,596M	565M	1,596M	565M	563M	252M	563M	252M	563M	252M
Norwegian Government Pension Fund Global																								
● You	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
%ile																								
Assets																								

	Fund of Funds		Direct LP		External (not LP)		Internal		
	Total ³ incl. perf.		Total ³ incl. perf.		Total ³ incl. perf.		Total		
	Peer	Global	Peer	Global	Peer	Global	Peer	Global	
	191.8	156.2	439.2	#####	415.5	79.4	87.5		
	186.6	142.9	192.5	#####	177.4	62.3	33.1		
	177.8	120.6	151.5	153.0	98.0	33.7	22.5		
	169.1	78.5	126.9	112.1	65.8	25.0	14.4		
	163.8	53.2	100.5	83.3	50.0	19.8	5.0		
	177.8	107.4	243.7	#####	3382.7	47.0	32.7		
0	2	3	26	4	38	3	10		
	168M	1,258M	368M	385M	208M	2,482M	982M		
	n/a	n/a	n/a	n/a	n/a	n/a	n/a		

1. The base for fees is usually the committed amount during the commitment period, and unreturned invested capital afterwards.
2. The fees of fund of funds include both the top layer fees paid to the fund of funds manager and the underlying fees paid to the 'underlying partnerships' held by the fund of funds. Most funds were unable to provide the underlying fees so defaults of 100 bps (on amount fees are based on) for underlying management fees and 1 bps (on NAV) for underlying performance fees were used.
3. The total cost also includes the internal cost of monitoring and selecting natural resources investments. The peer average cost of monitoring and selecting was 7.4 bps for LPs and 26.6 bps for external (not LPs).



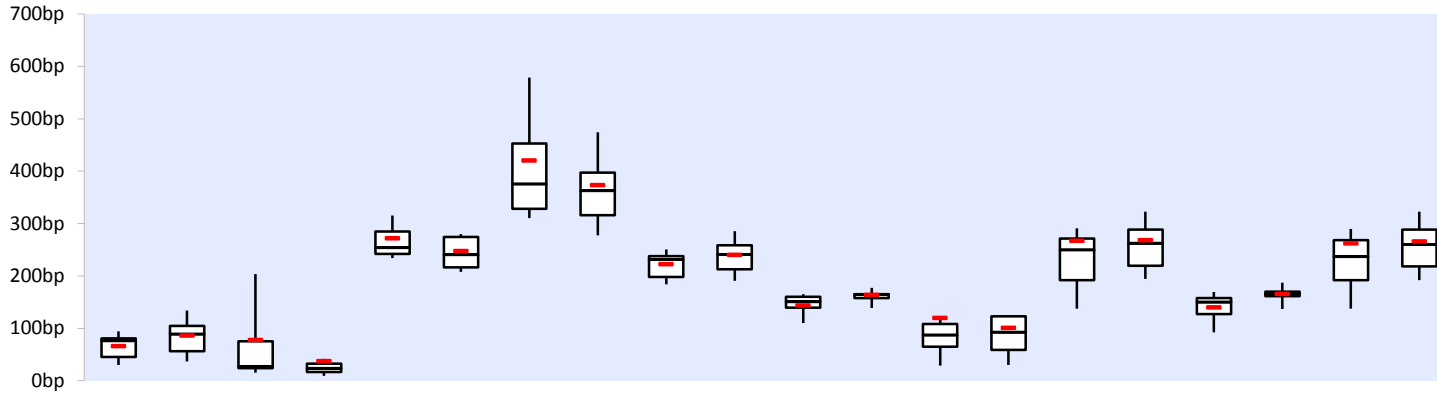
1. Breakdown of external fees

	Your Plan	Peer Average	Global Average
Base fees	n/a	77.5	124.3
Internal and other	<u>n/a</u>	<u>13.6</u>	<u>3.2</u>
Total*	n/a	91.1	127.5
Performance fees		4.7	4.9

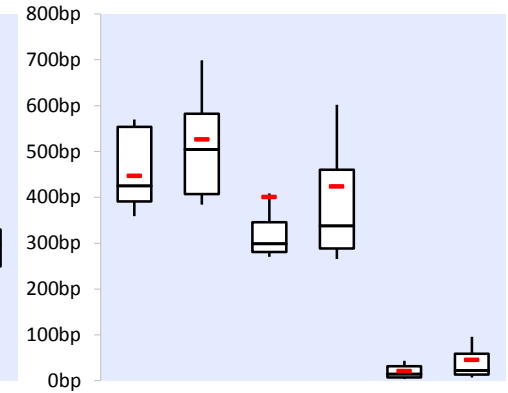
* Total cost excludes performance fees because most participants did not provide performance fees for other real assets.

Diversified Private Equity

Cost as a % of the amount fees are based on¹



Cost as a % of NAV



	Fund of Funds										Direct LP						Direct LP & Co-Inv. ⁴				Fund of Funds		Direct LP & Co-Inv. ⁴		Internal	
	Mgmt fees		Perf. fees		Underlying		Total ³		Total ³		Mgmt fees		Perf. fees		Total ³		Total		Total ³		Total		Total			
	(Top layer)		(Top layer)		mgmt. & perf. ²		incl. perf.		excl. perf.						incl. perf.		excl. perf		incl. perf.		incl. perf.					
	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global		
90th %ile	94.3	134.0	203.4	41.7	315.5	279.8	578.5	474.3	250.4	285.3	165.0	177.6	123.1	123.9	291.0	322.8	169.6	187.0	289.9	322.8	569.8	699.2	408.2	601.8	43.7	95.6
75th %ile	80.9	104.8	75.0	32.7	284.8	274.4	452.7	397.2	237.7	258.7	159.9	165.0	108.3	123.2	271.1	288.2	158.0	170.1	268.3	288.2	554.1	582.0	345.7	460.5	31.5	58.9
Median	76.8	89.1	27.4	24.0	254.4	241.1	375.6	363.0	231.8	241.2	151.2	165.0	87.6	93.1	249.7	263.0	150.3	165.0	237.1	260.3	425.5	504.9	299.0	338.1	14.8	22.7
25th %ile	45.5	56.2	24.1	16.4	241.8	216.6	328.0	315.6	198.3	212.8	139.3	157.7	64.8	58.9	192.0	219.7	127.3	161.5	192.0	218.3	391.2	407.3	280.7	288.2	6.9	13.6
10th %ile	30.0	36.9	15.7	9.6	234.3	207.7	310.7	277.6	184.1	190.7	110.2	138.8	28.8	29.9	137.8	194.2	92.1	137.0	137.8	192.1	359.3	383.8	270.1	265.4	3.9	7.1
— Average	65.9	85.9	77.7	37.2	271.6	247.1	420.1	373.0	221.9	239.9	143.7	163.3	119.5	100.5	266.8	268.2	139.9	165.3	261.8	265.7	446.8	526.3	400.7	423.6	20.8	45.5
Count	9	122	9	122	9	122	9	122	9	122	12	142	12	142	12	142	13	143	12	142	9	122	12	142	6	14
Avg. assets	3,856M	581M	3,856M	581M	3,856M	581M	3,856M	581M	3,856M	581M	7,253M	1,893M	7,253M	1,893M	7,253M	1,893M	6,837M	1,917M	6,837M	1,917M	3,627M	480M	5,956M	1,411M	2,514M	1,652M
Norwegian Government Pension Fund Global																										
● You	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
%ile																										
Assets																										

1. The base for fees is usually the committed amount during the commitment period, and unreturned invested capital afterwards.

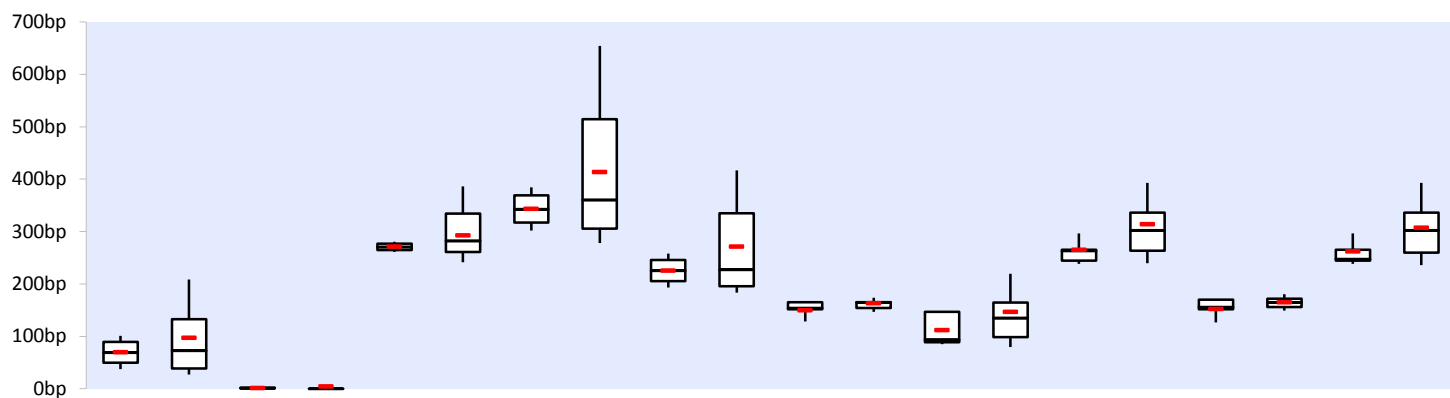
2. The fees of fund of funds include both the top layer fees paid to the fund of funds manager and the underlying fees paid to the 'underlying partnerships' held by the fund of funds. Most funds were unable to provide the underlying fees so defaults of 151 bps (on amount fees are based on) for underlying management fees and 123 bps (on NAV) for underlying performance fees were used.

3. The total cost also includes the internal cost of monitoring and selecting private equity investments. The peer average cost of monitoring and selecting was 4.8 bps for fund of funds and 3.6 bps for LPs.

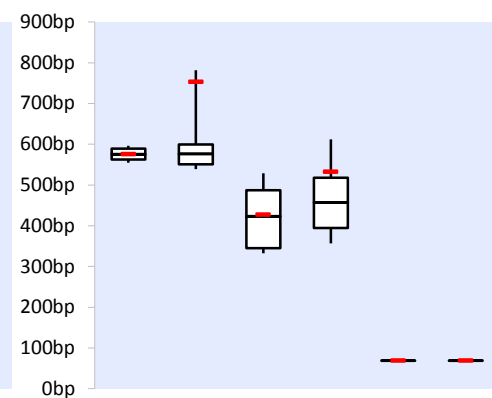
4. Co-investment is included with direct LPs because it can only be done alongside direct LPs. CEM uses this combined style in its benchmark cost analysis to ensure funds that reduce their costs by using co-investment receive benchmark credit. Co-investment is done by 2 of your peers and 11 of the Global funds.

LBO

Cost as a % of the amount fees are based on¹



Cost as a % of NAV



	Fund of Funds										Direct LP						Direct LP & Co-Inv. ⁴				Fund of Funds		Direct LP & Co-Inv. ⁴		Internal					
	Mgmt fees		Perf. fees		Underlying		Total ³		Total ³		Mgmt fees		Perf. fees		Total ³		Total		Total ³		incl. perf.		incl. perf.		Total					
	(Top layer)		(Top layer)		mgmt. & perf. ²		incl. perf.		excl. perf.		Peer		Global		Peer		Global		Peer		Global		Peer		Global		Peer		Global	
	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global		
90th %ile	101.2	208.7	2.2	6.2	280.7	386.0	384.4	654.4	257.8	416.6	165.0	173.8	147.1	219.6	296.5	392.8	170.9	180.3	296.5	392.8	596.6	781.4	528.5	611.9	69.2	69.2				
75th %ile	89.2	132.7	1.8	0.0	277.0	334.3	368.9	514.4	245.6	334.8	165.0	165.0	146.8	164.5	265.1	335.9	170.1	171.7	265.1	335.9	588.8	599.7	487.4	517.9	69.2	69.2				
Median	69.3	72.9	1.2	0.0	270.8	282.2	343.1	360.7	225.4	227.2	154.3	165.0	93.7	134.9	263.6	302.6	155.7	165.0	247.6	302.6	575.8	576.8	423.3	457.0	69.2	69.2				
25th %ile	49.4	38.8	0.6	0.0	264.6	261.2	317.3	305.5	205.1	195.6	151.9	154.0	88.8	98.5	244.5	263.6	151.9	155.7	244.5	259.7	562.8	550.9	345.3	394.4	69.2	69.2				
10th %ile	37.5	26.9	0.2	0.0	260.9	241.7	301.8	278.3	193.0	183.1	128.1	146.6	85.2	79.7	238.5	239.4	126.9	149.3	238.5	236.1	554.9	538.9	332.8	356.7	69.2	69.2				
— Average	69.3	97.1	1.2	4.3	270.8	292.5	343.1	413.6	225.4	271.1	149.7	163.2	111.9	146.7	265.0	314.1	151.9	164.7	261.8	307.3	575.8	752.7	427.3	532.2	69.2	69.2				
Count	2	10	2	10	2	10	2	10	2	10	5	37	5	37	5	37	5	37	5	37	2	10	5	37	1	1				
Avg. assets	566M	184M	566M	184M	566M	184M	566M	184M	566M	184M	10,147M	2,252M	10,147M	2,252M	10,147M	2,252M	10,341M	2,297M	10,341M	2,297M	324M	107M	6,421M	1,499M	10,235M	10,235M				
Norwegian Government Pension Fund Global																														
● You	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a			
%ile																														
Assets																														

1. The base for fees is usually the committed amount during the commitment period, and unreturned invested capital afterwards.

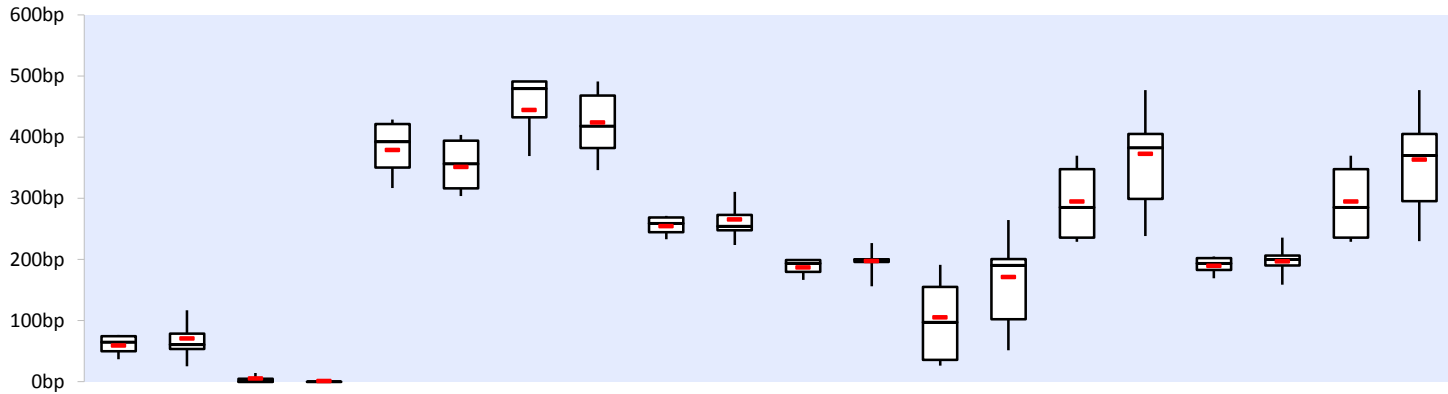
2. The fees of fund of funds include both the top layer fees paid to the fund of funds manager and the underlying fees paid to the 'underlying partnerships' held by the fund of funds. Most funds were unable to provide the underlying fees so defaults of 154 bps (on amount fees are based on) for underlying management fees and 196 bps (on NAV) for underlying performance fees were used.

3. The total cost also includes the internal cost of monitoring and selecting private equity investments. The peer average cost of monitoring and selecting was 1.8 bps for fund of funds and 3.5 bps for LPs.

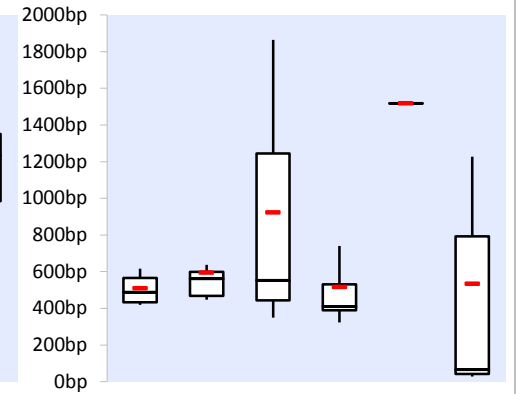
4. Co-investment is included with direct LPs because it can only be done alongside direct LPs. CEM uses this combined style in its benchmark cost analysis to ensure funds that reduce their costs by using co-investment receive benchmark credit. Co-investment is done by none of your peers and 2 of the Global funds.

Venture Capital

Cost as a % of the amount fees are based on¹



Cost as a % of NAV



	Fund of Funds										Direct LP						Direct LP & Co-Inv. ⁴				Fund of Funds		Direct LP & Co-Inv. ⁴		Internal		
	Mgmt fees (Top layer)		Perf. fees (Top layer)		Underlying mgmt. & perf. ²		Total ³ incl. perf.		Total ³ excl. perf.		Mgmt fees		Perf. fees		Total ³ incl. perf.		Total ³ excl. perf.		Total ³ incl. perf.		Total ³ excl. perf.		Total ³ incl. perf.		Total ³ excl. perf.		
	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer
90th %ile	76.9	116.8	14.4	0.0	429.1	403.6	491.2	491.1	271.1	310.6	200.0	226.9	191.5	264.6	369.6	476.8	205.0	235.6	369.6	476.8	615.8	636.7	1864.4	741.0	1518.0	1227.7	
75th %ile	74.3	78.6	5.1	0.0	421.5	394.5	491.1	468.1	268.8	272.7	199.3	200.0	155.0	200.7	348.0	405.2	202.4	206.4	348.0	405.2	565.4	598.4	1244.1	530.6	1518.0	792.3	
Median	65.0	61.0	0.0	0.0	393.0	356.8	479.5	418.6	259.2	254.8	193.8	200.0	97.8	190.7	285.3	382.9	193.8	200.0	285.3	370.3	489.1	563.1	554.1	410.3	1518.0	66.6	
25th %ile	49.8	53.5	0.0	0.0	350.1	316.6	432.7	382.1	244.6	247.8	179.8	195.8	36.0	102.3	235.5	299.2	182.6	190.1	235.5	295.6	433.2	468.5	443.2	389.0	1518.0	42.3	
10th %ile	36.6	25.1	0.0	0.0	316.9	303.9	369.0	346.1	233.2	223.6	166.5	156.1	26.5	51.2	229.0	238.6	169.4	158.8	229.0	230.1	419.4	446.7	349.2	322.9	1518.0	27.7	
— Average	59.1	70.5	5.1	1.2	378.7	351.0	444.2	423.9	254.2	265.5	186.8	197.3	105.2	171.2	294.6	372.4	189.4	196.5	294.6	363.0	509.5	593.9	922.6	516.4	1518.0	534.2	
Count	4	17	4	17	4	17	4	17	4	17	6	47	6	47	6	47	6	47	6	47	4	17	6	47	1	3	
Avg. assets	1,119M	434M	1,119M	434M	1,119M	434M	1,119M	434M	1,119M	434M	493M	205M	493M	205M	493M	205M	493M	205M	493M	205M	729M	308M	356M	159M	56M	114M	
Norwegian Government Pension Fund Global																											
● You	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
%ile																											
Assets																											

1. The base for fees is usually the committed amount during the commitment period, and unreturned invested capital afterwards.

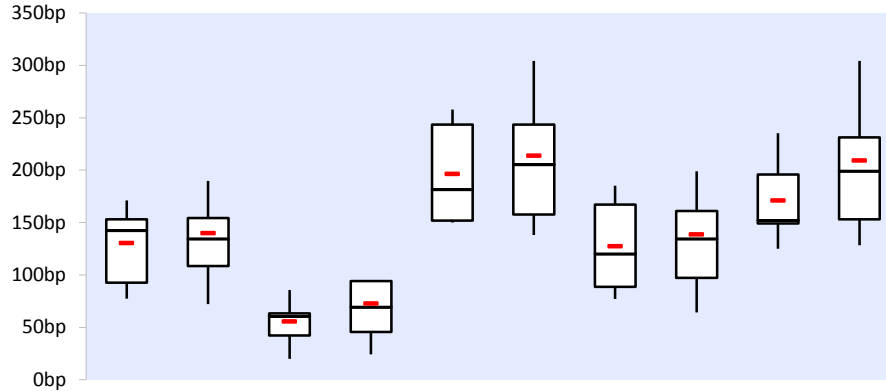
2. The fees of fund of funds include both the top layer fees paid to the fund of funds manager and the underlying fees paid to the 'underlying partnerships' held by the fund of funds. Most funds were unable to provide the underlying fees so defaults of 194 bps (on amount fees are based on) for underlying management fees and 201 bps (on NAV) for underlying performance fees were used.

3. The total cost also includes the internal cost of monitoring and selecting private equity investments. The peer average cost of monitoring and selecting was 1.3 bps for fund of funds and 2.6 bps for LPs.

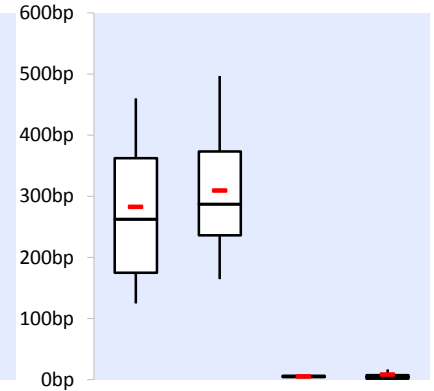
4. Co-investment is included with direct LPs because it can only be done alongside direct LPs. CEM uses this combined style in its benchmark cost analysis to ensure funds that reduce their costs by using co-investment receive benchmark credit. Co-investment is done by none of your peers and 2 of the Global funds.

Other Private Equity

Cost as a % of the amount fees are based on¹

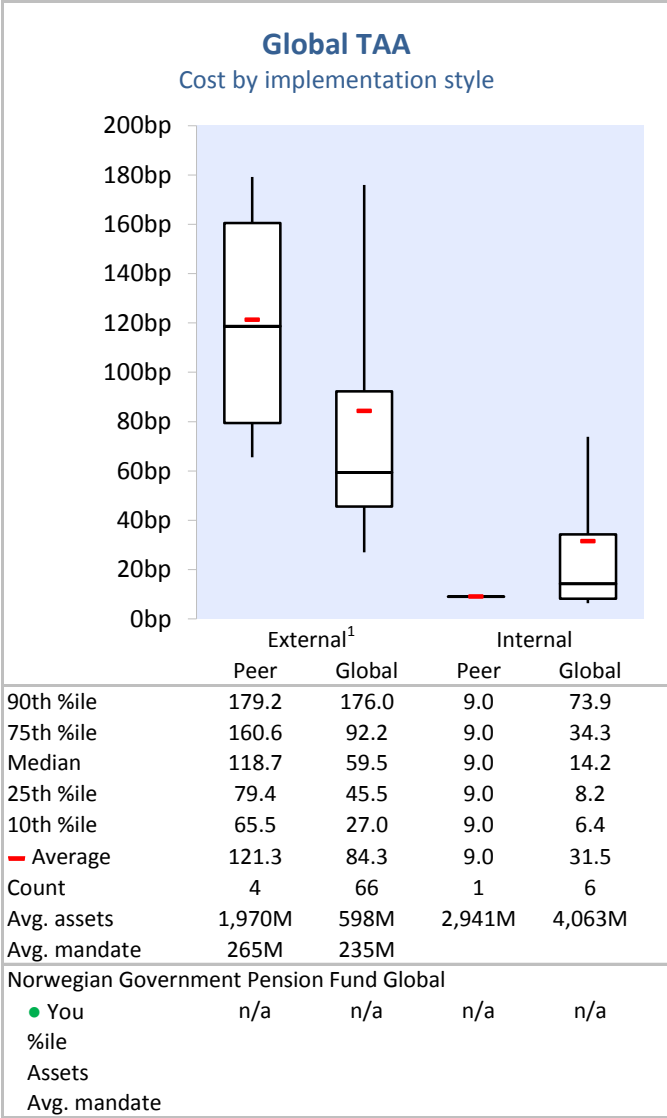


Cost as a % of NAV



	Direct LP						Direct LP & Co-Inv. ³				Direct LP & Co-Inv. ³		Internal	
	Mgmt fees		Perf. fees		Total ² incl. perf.		Total excl. perf.		Total ² incl. perf.		Total ² incl. perf.		Total	
	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global
90th %ile	171.2	189.7	85.7	94.3	257.7	304.2	185.2	198.9	235.3	304.2	460.4	496.9	7.0	17.0
75th %ile	153.2	154.3	63.3	94.0	243.5	243.5	167.2	161.1	195.7	231.2	362.5	373.5	6.4	7.5
Median	142.4	134.5	60.7	69.3	181.5	205.2	120.2	134.5	152.3	199.3	263.2	287.5	5.4	4.9
25th %ile	92.7	108.5	42.3	45.5	151.9	157.6	88.7	97.3	149.1	153.2	174.8	236.0	4.4	1.8
10th %ile	77.5	72.3	19.9	24.1	149.9	138.0	76.9	64.2	125.0	128.3	125.0	164.4	3.8	1.3
— Average	130.3	139.7	55.4	72.5	196.4	213.6	127.4	138.6	170.8	209.1	282.8	309.1	5.4	8.3
Count	6	38	6	39	6	39	6	39	6	39	6	39	2	10
Avg. assets	1,576M	528M	1,576M	528M	1,576M	528M							30M	285M
Norwegian Government Pension Fund Global														
● You	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
%ile														
Assets														

1. The base for fees is usually the committed amount during the commitment period, and unreturned invested capital afterwards.
2. The total cost also includes the internal cost of monitoring and selecting private equity investments. The peer average cost of monitoring and selecting was 10.6 bps for
3. Co-investment is included with direct LPs in CEM's benchmark cost analysis because it reduces the cost of investing in direct LPs. Co-investment is done by none of your peers and 1 of the Global funds.

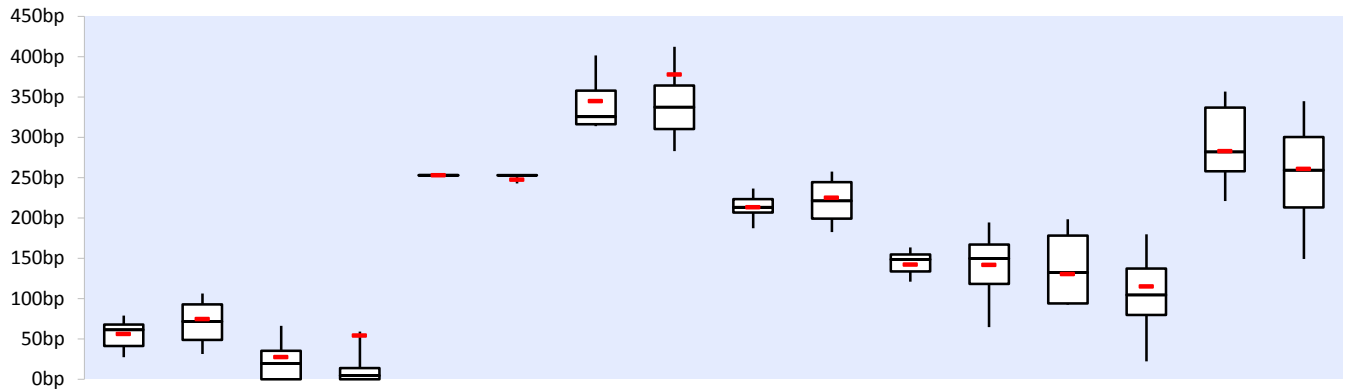


1. Breakdown of External fees

	Your Plan	Peer Average	Global Average
Base fees	n/a	73.4	65.1
Performance fees	n/a	40.5	17.2
Internal and other	<u>n/a</u>	<u>7.4</u>	<u>2.0</u>
Total	n/a	121.3	84.3

Hedge Funds

Cost by implementation style

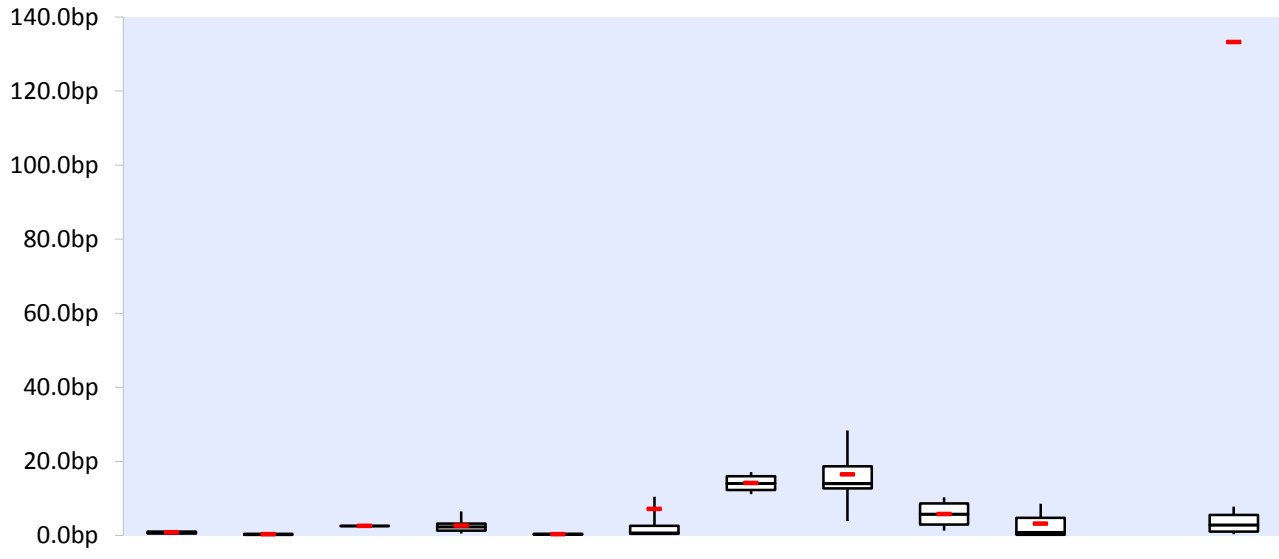


	Fund of Funds										External direct					
	Mgmt fees (Top layer)		Perf. fees (Top layer)		Underlying mgmt. & perf. ¹		Total ² incl. perf.		Total ² excl. perf.		Mgmt fees		Perf. fees		Total ² incl. perf.	
	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global
90th %ile	78.7	106.1	66.0	59.1	253.2	253.2	401.6	412.4	236.6	257.4	163.2	194.5	198.2	179.6	356.6	344.7
75th %ile	67.6	92.9	35.3	13.6	253.2	253.2	358.1	364.4	223.2	244.3	154.7	166.8	178.0	137.2	337.0	300.3
Median	61.4	71.5	19.8	4.5	253.2	253.2	325.6	337.6	213.4	221.4	148.7	149.9	132.4	104.5	282.1	259.4
25th %ile	41.1	48.6	0.0	0.0	252.8	253.2	316.4	310.1	206.7	198.9	133.6	118.2	93.8	79.6	257.8	213.1
10th %ile	27.1	31.2	0.0	0.0	251.7	242.7	313.8	282.7	187.2	182.3	120.7	64.5	92.4	21.9	220.9	149.2
— Average	55.9	74.5	27.4	53.9	252.8	247.6	344.7	377.8	213.2	225.1	142.0	141.6	130.1	114.9	282.7	260.7
Count	8	105	8	105	8	105	8	105	8	105	12	120	12	120	12	120
Avg. assets	2,892M	530M	2,892M	530M	2,892M	530M	2,892M	530M	2,892M	530M	3,052M	1,219M	3,052M	1,219M	3,052M	1,219M
Norwegian Government Pension Fund Global																
● You	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
%ile																
Assets																

1. The fees of fund of funds include both the top layer fees paid to the fund of funds manager and the underlying fees paid to the 'underlying partnerships' held by the fund of funds. Most funds were unable to provide the underlying fees so defaults of 149 bps (on NAV) for underlying management fees and 104 bps (on NAV) for underlying performance fees were used.

2. The total cost also includes the internal cost of monitoring and selecting hedge fund investments. The peer average cost of monitoring and selecting was 8.6 bps for fund of funds and 10.6 bps for external direct.

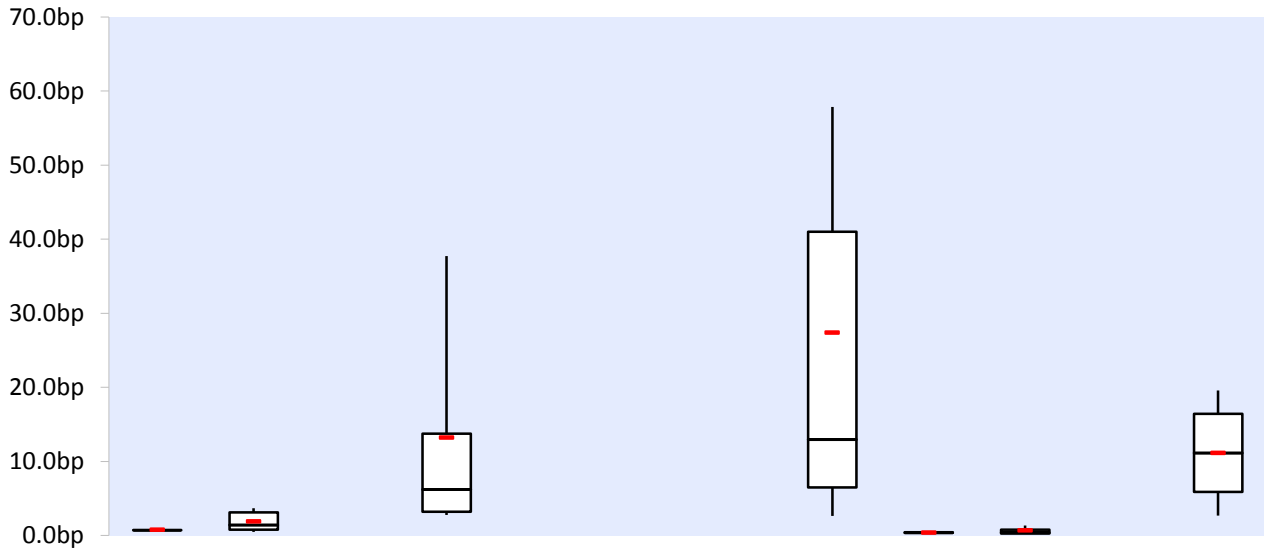
Overlays: currency, duration
Cost by implementation style



	<u>Currency Hedge</u>				<u>Discretionary Currency</u>				<u>Duration Management</u>			
	<u>Internal</u>		<u>External</u>		<u>Internal</u>		<u>External</u>		<u>Internal</u>		<u>External</u>	
	<u>% of notional</u> Peer	<u>% of notional</u> Global	<u>% of notional</u> Peer	<u>% of notional</u> Global	<u>% of notional</u> Peer	<u>% of notional</u> Global	<u>% of notional</u> Peer	<u>% of notional</u> Global	<u>% of notional</u> Peer	<u>% of notional</u> Global	<u>% of notional</u> Peer	<u>% of notional</u> Global
90th %ile	1.2	0.6	2.6	6.5	0.5	10.5	17.1	28.3	10.3	8.6		7.8
75th %ile	1.0	0.4	2.6	3.2	0.4	2.6	16.0	18.7	8.6	4.8		5.5
Median	0.8	0.2	2.6	2.4	0.3	0.7	14.1	14.0	5.8	0.9		2.9
25th %ile	0.6	0.2	2.6	1.3	0.3	0.4	12.3	12.7	3.0	0.2		1.1
10th %ile	0.4	0.1	2.6	0.5	0.3	0.2	11.2	3.9	1.3	0.1		0.3
— Average	0.8	0.4	2.6	2.7	0.4	7.2	14.1	16.5	5.8	3.1		133.2
Count	2	10	1	33	3	11	2	13	2	8	0	20
Avg. notional	20,034M	12,721M	113,167M	5,020M	11,578M	8,511M	2,329M	1,979M	8,153M	7,213M		3,514M
Norwegian Government Pension Fund Global												
● You	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
%ile												
Notional												

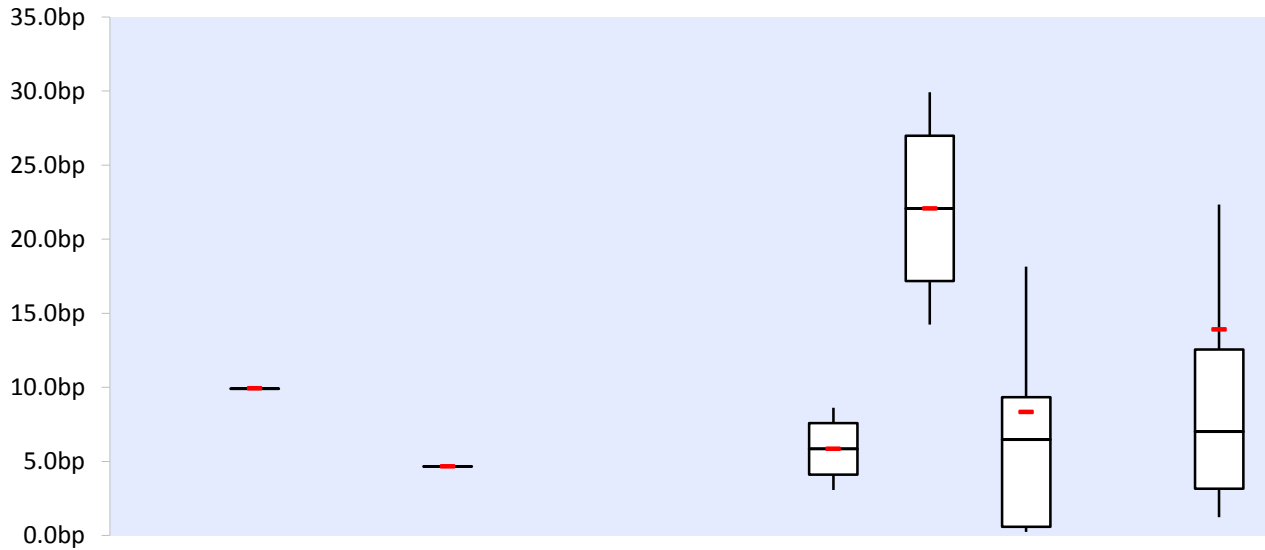
Overlays: passive beta/rebalancing, global TAA, policy tilt TAA

Cost by implementation style



	Passive Beta/Rebalancing				Global TAA				Policy Tilt TAA			
	Internal		External		Internal		External		Internal		External	
	% of notional		% of notional		% of notional		% of notional		% of notional		% of notional	
	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global	Peer	Global
90th %ile	0.8	3.7		37.7				57.9	0.5	1.3		19.6
75th %ile	0.8	3.1		13.7				41.0	0.4	0.8		16.4
Median	0.8	1.4		6.2				13.0	0.4	0.4		11.1
25th %ile	0.8	0.8		3.2				6.5	0.4	0.3		5.9
10th %ile	0.8	0.5		2.8				2.6	0.3	0.2		2.7
— Average	0.8	1.9		13.2				27.4	0.4	0.7		11.1
Count	1	7	0	18	0	0	0	3	2	4	0	2
Avg. notional	4,161M	1,770M		1,150M				1,637M	89,211M	56,651M		5,323M
Norwegian Government Pension Fund Global												
● You	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
%ile												
Notional												

Overlays: commodity, long/short, other
Cost by implementation style



	<u>Commodity</u>				<u>Long/ Short</u>				<u>Other</u>			
	<u>Internal</u>		<u>External</u>		<u>Internal</u>		<u>External</u>		<u>Internal</u>		<u>External</u>	
	<u>% of notional</u> Peer	<u>% of notional</u> Global	<u>% of notional</u> Peer	<u>% of notional</u> Global	<u>% of notional</u> Peer	<u>% of notional</u> Global	<u>% of notional</u> Peer	<u>% of notional</u> Global	<u>% of notional</u> Peer	<u>% of notional</u> Global	<u>% of notional</u> Peer	<u>% of notional</u> Global
90th %ile		9.9		4.7				8.6	29.9	18.2		22.3
75th %ile		9.9		4.7				7.6	27.0	9.3		12.5
Median		9.9		4.7				5.9	22.1	6.5		7.0
25th %ile		9.9		4.7				4.1	17.2	0.6		3.2
10th %ile		9.9		4.7				3.1	14.2	0.3		1.2
— Average		9.9		4.7				5.9	22.1	8.3		13.9
Count	0	1	0	1	0	0	0	2	2	8	0	15
Avg. notional		481M		836M				942M	701M	8,449M		564M
Norwegian Government Pension Fund Global												
● You	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
%ile												
Notional												

8

Appendices

Appendix A - Data Summary

Appendix B - Currency conversion

Appendix C - Data quality

Appendix D - Glossary of terms

Appendix A - Data Summary

Norwegian Government Pension Fund Global

Plan Info	2014	2013	2012
Contact	Kyrre Nilsen	Kyrre Nilsen	Kyrre Nilsen
Type of fund (corporate, public, other)	Public	Public	Public
Total fund size (mils) as at December 31	708,824.0	602,613.0	520,056.0
Asset-class level holdings provided on survey are: year end or average?	Average	Average	Average
Total return for year ended	7.58%	15.95%	13.42%
Is the return net or gross?	Gross	Gross	Gross
Total fund policy or benchmark return	8.30%	14.98%	13.24%

Ancillary Data	2014	2013	2012
Do you lend securities?	Yes	Yes	Yes
If yes:			
% of income your custodian keeps for domestic lending?			
% of income your custodian keeps for foreign lending?			
Domestic net income in 000s			
Foreign net income in 000s			
Total net income (if breakdown not available) in 000s	311,131	334,673	327,649
Do you use any enhanced passive or tilt strategies?	n/a		
What is your hedging policy for:			
Foreign non-U.S. Holdings?			
Do you participate in directed brokerage programs (i.e., commission recapture and/or soft dollar?)	n/a		
If yes:			
Gross amount of directed commissions in 000s?	n/a		
Amount recaptured by the fund in 000s?	n/a		
Hard ¹ cash value of invoices/services paid using soft dollars 000s?	n/a		
What were your actuarial fees in 000s?			
How many plan members/beneficiaries do you have:			
Active?			
Active (no-accrual)?			
Retired?			
Other?			
What type of plan(s) do you have?			
To what extent are your retired members' benefits indexed to inflation?			
Contractual %			
Ad hoc %			
If the indexation is subject to a cap, describe the cap			
What % of the plan's liabilities pertain to retired members?			
Actuarial valuation assumptions for funding purposes:			
Liability discount rate			
Salary progression rate			
What was your actuarial assumption for expected rate of return?			

Appendix A - Data Summary: Policy Weights and Benchmarks

Norwegian Government Pension Fund Global

Asset Class		Policy Weight	Benchmark	
			Description	Return
Stock - Global	2014	61.1	Your Stock: Global benchmark	8.7
	2013	60.9	Your Stock: Global benchmark	25.0
	2012	60.9	Your Stock: Global benchmark	17.5
Fixed Income - Global	2014	36.7	Barclays Global Aggregate + Barclays Global Inflation Linked	7.6
	2013	38.1	Barclays Global Aggregate + Barclays Global Inflation Linked	-0.2
	2012	38.4	Barclays Global Aggregate + Barclays Global Inflation Linked	7.0
Real Estate ex-REITs	2014	2.2	Custom (Actual)	10.4
	2013	1.0	Custom (Actual)	11.8
	2012	0.7	Custom (Actual)	5.8

Appendix A - Data Summary: Assets, Returns and Costs

Norwegian Government Pension Fund Global

Asset Class		Assets (millions)					Fees/Costs in 000s						
		Internally		Externally Managed			Internally		Externally Managed				
		Active		Active			Active		Active				
		Assets	Return	Assets	Return	# of mgrs	000s	bps ¹	Base Fees ³	Perform Fees	Internal & Other ³	Total 000s	bps ¹
Stock - Global	2014	375,631.0	7.7	25,859.0	10.6	77	81,998.0	2.2	50,165.0	77,696.0	4,326.0	132,187.0	51.1
	2013	335,784.0	27.1	20,662.0	13.5	60	80,221.0	2.4	39,697.0	87,535.0	3,540.0	130,772.0	63.3
	2012	273,094.0	18.1	17,978.0	17.9	54	66,616.0	2.4	35,380.0	41,110.0	3,184.0	79,674.0	44.3
Fixed Income - Global	2014	243,704.0	6.9	1,278.0	6.3	4	25,671.0	1.1	3,153.0		180.0	3,333.0	26.1
	2013	206,663.0	0.1	168.0	17.2	2	26,670.0	1.3	407.0		78.0	485.0	28.9
	2012	190,049.0	6.6	624.0	31.7	1	32,428.0	1.7	975.0		135.0	1,110.0	17.8

1. Cost in basis points = total cost / average holdings.

Appendix A: Assets, Returns and Costs (cont.)

Norwegian Government Pension Fund Global

Asset Class		Assets (millions) and Annual Returns				# Ext Mgrs	Investment Fees / Costs in 000s ¹						
		Internal & Co-Inv		External			Internal & Co-Inv			External			
		Assets	Return	Amt fees based on	Assets		Return	Total 000s	bps	Base Fees	Perform Fees	Internal & Other	Total ¹ 000s
Real Estate ex-REITs		<u>Direct</u>					<u>Direct</u>						
	2014												
	2013												
	2012												
			<u>Operating Sub.</u>					<u>Operating Sub.</u>					
	2014	9,227.0	10.4				0.0	28,131.0	30.5				
	2013	4,881.0	11.8				7,807.0	13,672.0	44.0				
	2012	1,814.0	5.8				6,018.0	9,137.0	83.5				

1. Cost in basis points = total cost / average holdings. Total cost excludes private asset performance fees because of comparability issues.

Appendix A - Data Summary: Oversight, Custodial and Other Costs

Norwegian Government Pension Fund Global

Oversight, Custodial and Other Costs			
		000s	bps
Oversight of the fund assets ¹	2014	59,310.0	0.9bp
	2013	67,148.0	1.2bp
	2012	64,168.0	1.3bp
Custodial total	2014	51,964.0	0.8bp
	2013	43,763.0	0.8bp
	2012	33,318.0	0.7bp
Custodial foreign (if available)	2014		
	2013		
	2012		
Custodial domestic (if available)	2014		
	2013		
	2012		
Consulting / performance measurement	2014	6,363.0	0.1bp
	2013	2,292.0	0.0bp
	2012	2,356.0	0.0bp
Audit	2014	4,314.0	0.1bp
	2013	4,667.0	0.1bp
	2012	4,464.0	0.1bp
Other (legal etc)	2014		
	2013		
	2012		
Total	2014	121,951.0	1.9bp
	2013	117,870.0	2.1bp
	2012	104,306.0	2.2bp

Summary of All Asset Management Costs			
		000s	bps
Investment Management Costs	2014	271,320.0	4.1bp
	2013	259,627.0	4.6bp
	2012	194,983.0	4.0bp
Overlay Costs	2014		
	2013		
	2012		
Oversight, Custodial & Other Costs	2014	121,951.0	1.9bp
	2013	117,870.0	2.1bp
	2012	104,306.0	2.2bp
Total	2014	393,271.0	6.0bp
	2013	377,497.0	6.6bp
	2012	299,289.0	6.2bp

1. Oversight includes the salaries and benefits of executives and their staff responsible for overseeing the entire fund or multiple asset classes and the fees / salaries of the board or investment committee. All costs associated with the above including fees / salaries, travel, director's insurance and attributed overhead should be included.

Appendix B - Currency conversion

Norwegian Government Pension Fund Global

All currency amounts have been converted to Euros using Purchasing Power Parity figures per the OECD. The table below shows the foreign exchange rates for the past 5 years.

Currency conversion table					
	2014	2013	2012	2011	2010
United States Dollars - USD*	0.777	0.773	0.806	0.801	0.799
Canada Dollars - CAD	0.619	0.626	0.660	0.650	0.656
Euro - EUR*	1.000	1.000	1.000	1.000	1.000
Sweden Kronor - SEK	0.088	0.090	0.091	0.090	0.089
Swiss Franc - CHF		0.556			
United Kingdom Pounds - GBP	1.109	1.114	1.185	1.181	1.216
Australia Dollars - AUD	0.518	0.525	0.552	0.513	0.525
New Zealand Dollars - NZD	0.528	0.528	0.545	0.523	0.522

1. Source OECD website.

* USD - Some participating Asia-Pacific funds report holdings and performance in USD.

EUR - Participating funds from Denmark and Norway report holdings and performance in Euros.

Appendix C - Data quality

The value of the information contained in these reports is only as good as the quality of the data received. CEM's procedures for checking and improving the data include the following.

Improved survey clarity

Twenty years of feedback from survey participants has led to improved definitions and survey clarity. In addition to immediate feedback from participants, CEM has hosted user workshops to solicit additional feedback and to resolve issues, such as trade-offs between more information and effort on the part of participants.

Computer and desktop verification

Survey responses are compared to norms for the survey universe and to each sponsor's prior year data when available. This typically results in questions generated by our online survey engine as well as additional follow-up to clarify responses or with additional questions.

In addition to these procedures, data quality continues to improve for the following reasons:

Learning curve -

This is CEM's 23rd year of gathering this data and experience is teaching the firm and the participants how to do a better job.

Growing universe -

As our universe of respondents continues to increase in size, so does our confidence in the results as unbiased errors tend to average themselves out.

Any suggestions on how to further improve data quality are welcome.

Currency Conversions

For reports where either the peer group or report universe includes funds from multiple countries, we have converted the returns back to the base currency of the fund we prepared the report for. For example, for a Euro zone fund with peers from the U.S. we converted U.S. returns to Euro based on the currency return for the year using December 31 spot rates.

Appendix D - Glossary of terms

Average cost

- Calculated by dividing actual annual costs by the average of beginning and end-of-year holdings. If beginning-of-year holdings are not available, they are estimated using end-of-year holdings before the effect of this year's return on investment.

Benchmark return

- Rate of return on a portfolio of investable assets (such as the S&P500) designated as the benchmark portfolio against which the fund measures its own performance for that asset class.

F statistics

- Measure of the statistical significance of the regression coefficients taken as a group. Generally, regression equations with 5 coefficients and sample sizes greater than 20 are statistically significant if its F statistic is greater than 3.

Global TAA

- Fully funded segregated asset pool dedicated to active asset allocation.

Impact coefficient

- Estimate of the impact on the dependent variable in a regression of a change in the value of a given explanatory variable

Level of significance

- Degree to which sample data explains the universe from which they are extracted.

N-year peers

- Subset of peer group that have participated in our study for at least the consecutive n years.

Oversight of the fund

- Resources devoted to the oversight of the fund.

Overlay

- Derivative based program (unfunded other than margin requirements), designed to enhance total portfolio return (such as a tactical asset allocation program) or to achieve some specific mandate such as currency hedging.

Passive proportion

- Proportion of assets managed passively, i.e., indexed to broad capital market benchmarks or dedicated to replicate market benchmarks.

Policy mix

- Reflects long-term policy or target asset weights. Policy asset mix is often established by a fund's investment committee or board and is determined by such long term considerations as liability structure, risk tolerance and long term capital markets prospects.

Policy return

- The return you would have earned if you had passively implemented your policy mix decision through your benchmark portfolios. Your policy return equals the sum of your policy weights multiplied by your asset class benchmarks for each asset class.

R squared (coefficient of determination)

- The percentage of the differences in the dependent variable explained by the regression equation. For example, an R squared of 1 means 100% of the differences are explained and an R squared of 0 means that none of the differences are explained.

Value added

- the difference between your total actual return and your policy return. It is a measure of actual value produced over what could have been earned passively.