



March 14, 2016

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

Dear Sirs:

We have completed the analysis of the Government Pension Fund Global (GPF) performance records for the period January 1, 2015 through December 31, 2015. The objective of the review was to independently calculate performance of the pension fund at the Equity, Fixed Income and Total return level (excluding Real Estate) and compare these returns to the rates of return calculated by Norges Bank.

Required Data and Sources

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

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

Benchmark returns in base currency - Ministry of Finance

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

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

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

Results

Figures 1 - 3 display the return comparisons for the Total Fund (excluding Real estate), Equity and Fixed income, respectively. Figure 4 displays the currency basket (CCY) return comparison. Performance was calculated at the base level (NOK). Returns measured in the currency basket were then calculated using, the monthly derived NOK-return of the currency basket.

We are pleased to confirm that there is no material differences between the 2015 annual returns and respective benchmarks in both NOK and CCY of the Equity, Fixed Income, and Total Fund (excluding Real Estate) as calculated by The Spaulding Group and Norges. The one basis point difference between the Total Fund (excluding Real Estate) 2015 return in NOK and the Fixed Income benchmark in CCY is due to rounding and is not considered an error.

| Total Fund (excluding Real Estate) | | | | | | | | | |
|------------------------------------|----------------------|----------------|----------------|------------------|----------------|----------------|----------------|------------------|----------------|
| Month | Ending Value (NOK) | Currency: NOK | | | | Currency: CCY | | | |
| | | Fund Return | | Benchmark Return | | Fund Return | | Benchmark Return | |
| | | Consultant | Norges | Consultant | Norges | Consultant | Norges | Consultant | Norges |
| Dec-14 | 6,289,870,455,284.78 | | | | | | | | |
| Jan-15 | 6,450,607,047,821.22 | 2.63% | 2.63% | 2.63% | 2.63% | 1.27% | 1.27% | 1.27% | 1.27% |
| Feb-15 | 6,567,772,272,277.74 | 1.78% | 1.78% | 1.66% | 1.66% | 3.44% | 3.44% | 3.31% | 3.31% |
| Mar-15 | 6,853,979,093,375.17 | 4.35% | 4.35% | 4.29% | 4.29% | 0.54% | 0.54% | 0.49% | 0.49% |
| 1st Quarter | | 9.00% | 9.00% | 8.80% | 8.80% | 5.33% | 5.33% | 5.13% | 5.13% |
| Apr-15 | 6,584,337,532,894.55 | (3.90%) | (3.90%) | (4.03%) | (4.03%) | 0.84% | 0.84% | 0.69% | 0.69% |
| May-15 | 6,763,321,965,679.50 | 2.94% | 2.94% | 2.75% | 2.75% | 0.74% | 0.74% | 0.55% | 0.55% |
| Jun-15 | 6,711,740,253,439.74 | (0.82%) | (0.83%) | (0.88%) | (0.88%) | (2.49%) | (2.49%) | (2.55%) | (2.55%) |
| 2nd Quarter | | (1.88%) | (1.89%) | (2.26%) | (2.26%) | (0.95%) | (0.95%) | (1.33%) | (1.33%) |
| Jul-15 | 6,963,740,408,141.95 | 3.70% | 3.70% | 3.87% | 3.87% | 1.41% | 1.41% | 1.58% | 1.58% |
| Aug-15 | 6,857,945,590,956.40 | (1.54%) | (1.54%) | (1.51%) | (1.51%) | (4.46%) | (4.46%) | (4.42%) | (4.42%) |
| Sep-15 | 6,810,794,348,896.59 | (0.73%) | (0.73%) | (0.69%) | (0.69%) | (2.11%) | (2.11%) | (2.08%) | (2.08%) |
| 3rd Quarter | | 1.35% | 1.35% | 1.59% | 1.59% | (5.16%) | (5.15%) | (4.93%) | (4.93%) |
| Oct-15 | 7,085,217,752,485.90 | 4.04% | 4.04% | 3.97% | 3.97% | 4.74% | 4.74% | 4.67% | 4.67% |
| Nov-15 | 7,184,430,452,675.74 | 1.37% | 1.37% | 1.34% | 1.34% | 0.55% | 0.55% | 0.52% | 0.53% |
| Dec-15 | 7,239,954,523,256.36 | 0.86% | 0.86% | 0.85% | 0.85% | (1.62%) | (1.62%) | (1.63%) | (1.63%) |
| 4th Quarter | | 6.37% | 6.37% | 6.26% | 6.26% | 3.61% | 3.61% | 3.50% | 3.51% |
| YTD 2015 | | 15.31% | 15.30% | 14.80% | 14.80% | 2.52% | 2.52% | 2.07% | 2.07% |

Figure 1

| Equity | | | | | | | | | |
|--------------------|----------------------|----------------|----------------|------------------|----------------|----------------|----------------|------------------|----------------|
| Month | Ending Value (NOK) | Currency: NOK | | | | Currency: CCY | | | |
| | | Fund Return | | Benchmark Return | | Fund Return | | Benchmark Return | |
| | | Consultant | Norges | Consultant | Norges | Consultant | Norges | Consultant | Norges |
| Dec-14 | 3,939,922,781,111.01 | | | | | | | | |
| Jan-15 | 4,030,846,085,536.96 | 2.36% | 2.36% | 2.33% | 2.33% | 1.00% | 1.01% | 0.98% | 0.98% |
| Feb-15 | 4,204,924,191,251.41 | 4.22% | 4.22% | 4.02% | 4.02% | 5.92% | 5.92% | 5.71% | 5.71% |
| Mar-15 | 4,379,764,285,968.94 | 4.32% | 4.32% | 4.18% | 4.18% | 0.51% | 0.51% | 0.38% | 0.38% |
| 1st Quarter | | 11.29% | 11.29% | 10.89% | 10.89% | 7.53% | 7.53% | 7.15% | 7.15% |
| Apr-15 | 4,247,743,774,247.54 | (3.12%) | (3.12%) | (3.35%) | (3.35%) | 1.64% | 1.64% | 1.41% | 1.41% |
| May-15 | 4,404,433,564,879.87 | 3.56% | 3.56% | 3.37% | 3.37% | 1.34% | 1.34% | 1.15% | 1.15% |
| Jun-15 | 4,330,199,950,000.20 | (1.48%) | (1.49%) | (1.47%) | (1.47%) | (3.13%) | (3.14%) | (3.13%) | (3.13%) |
| 2nd Quarter | | (1.16%) | (1.17%) | (1.56%) | (1.56%) | (0.22%) | (0.23%) | (0.63%) | (0.63%) |
| Jul-15 | 4,475,612,818,221.70 | 4.00% | 4.01% | 4.11% | 4.11% | 1.70% | 1.71% | 1.82% | 1.82% |
| Aug-15 | 4,293,595,469,929.13 | (3.84%) | (3.84%) | (3.86%) | (3.86%) | (6.68%) | (6.68%) | (6.70%) | (6.70%) |
| Sep-15 | 4,190,651,282,947.99 | (2.30%) | (2.30%) | (2.31%) | (2.31%) | (3.66%) | (3.66%) | (3.67%) | (3.67%) |
| 3rd Quarter | | (2.30%) | (2.29%) | (2.22%) | (2.22%) | (8.57%) | (8.56%) | (8.49%) | (8.49%) |
| Oct-15 | 4,479,054,898,034.21 | 6.72% | 6.72% | 6.60% | 6.60% | 7.44% | 7.44% | 7.32% | 7.32% |
| Nov-15 | 4,562,558,632,034.62 | 1.66% | 1.66% | 1.64% | 1.64% | 0.84% | 0.84% | 0.82% | 0.82% |
| Dec-15 | 4,571,807,684,128.06 | 0.15% | 0.15% | 0.17% | 0.17% | (2.32%) | (2.32%) | (2.30%) | (2.30%) |
| 4th Quarter | | 8.65% | 8.65% | 8.53% | 8.53% | 5.83% | 5.84% | 5.71% | 5.71% |
| YTD 2015 | | 16.77% | 16.77% | 15.84% | 15.84% | 3.83% | 3.83% | 3.00% | 3.00% |

Figure 2

| Fixed Income | | | | | | | | | |
|--------------------|----------------------|----------------|----------------|------------------|----------------|----------------|----------------|------------------|----------------|
| Month | Ending Value (NOK) | Currency: NOK | | | | Currency: CCY | | | |
| | | Fund Return | | Benchmark Return | | Fund Return | | Benchmark Return | |
| | | Consultant | Norges | Consultant | Norges | Consultant | Norges | Consultant | Norges |
| Dec-14 | 2,349,947,674,173.77 | | | | | | | | |
| Jan-15 | 2,419,760,962,284.26 | 3.09% | 3.09% | 3.12% | 3.12% | 1.73% | 1.73% | 1.76% | 1.76% |
| Feb-15 | 2,362,848,081,026.34 | (2.29%) | (2.29%) | (2.27%) | (2.27%) | (0.70%) | (0.70%) | (0.67%) | (0.67%) |
| Mar-15 | 2,474,214,807,406.24 | 4.41% | 4.41% | 4.49% | 4.49% | 0.60% | 0.60% | 0.68% | 0.68% |
| 1st Quarter | | 5.17% | 5.17% | 5.31% | 5.31% | 1.63% | 1.63% | 1.76% | 1.76% |
| Apr-15 | 2,336,593,758,647.01 | (5.26%) | (5.26%) | (5.23%) | (5.23%) | (0.60%) | (0.60%) | (0.57%) | (0.57%) |
| May-15 | 2,358,888,400,799.63 | 1.82% | 1.82% | 1.63% | 1.63% | (0.36%) | (0.36%) | (0.55%) | (0.55%) |
| Jun-15 | 2,381,540,303,439.54 | 0.40% | 0.40% | 0.21% | 0.21% | (1.28%) | (1.28%) | (1.47%) | (1.47%) |
| 2nd Quarter | | (3.14%) | (3.14%) | (3.48%) | (3.48%) | (2.22%) | (2.22%) | (2.57%) | (2.57%) |
| Jul-15 | 2,488,127,589,920.25 | 3.15% | 3.15% | 3.42% | 3.42% | 0.87% | 0.87% | 1.14% | 1.14% |
| Aug-15 | 2,564,350,121,027.27 | 2.58% | 2.58% | 2.78% | 2.78% | (0.45%) | (0.45%) | (0.26%) | (0.26%) |
| Sep-15 | 2,620,143,065,948.60 | 1.90% | 1.90% | 2.07% | 2.07% | 0.48% | 0.48% | 0.65% | 0.65% |
| 3rd Quarter | | 7.82% | 7.82% | 8.50% | 8.50% | 0.90% | 0.90% | 1.53% | 1.53% |
| Oct-15 | 2,606,162,854,451.70 | (0.24%) | (0.24%) | (0.34%) | (0.34%) | 0.43% | 0.43% | 0.33% | 0.33% |
| Nov-15 | 2,621,871,820,641.12 | 0.87% | 0.87% | 0.83% | 0.83% | 0.05% | 0.05% | 0.01% | 0.01% |
| Dec-15 | 2,668,146,839,128.29 | 2.10% | 2.10% | 2.07% | 2.07% | (0.41%) | (0.41%) | (0.44%) | (0.44%) |
| 4th Quarter | | 2.73% | 2.73% | 2.56% | 2.56% | 0.07% | 0.07% | (0.10%) | (0.10%) |
| YTD 2015 | | 12.83% | 12.83% | 13.10% | 13.10% | 0.33% | 0.33% | 0.56% | 0.57% |

Figure 3

| Month | Currency Basket Return (CCY) | |
|--------|------------------------------|---------|
| | Consultant | Norges |
| Jan-15 | 1.34% | 1.34% |
| Feb-15 | (1.60%) | (1.60%) |
| Mar-15 | 3.78% | 3.78% |
| Apr-15 | (4.69%) | (4.69%) |
| May-15 | 2.19% | 2.19% |
| Jun-15 | 1.71% | 1.71% |
| Jul-15 | 2.26% | 2.26% |
| Aug-15 | 3.05% | 3.05% |
| Sep-15 | 1.41% | 1.41% |
| Oct-15 | (0.67%) | (0.67%) |
| Nov-15 | 0.82% | 0.82% |
| Dec-15 | 2.52% | 2.52% |

Figure 4

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

Sincerely,

Steve Sobhi

Steve S. Sobhi
Vice President