



February 25, 2013

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

Dear Sirs:

We have completed the analysis of the Government Pension Fund Global (GPF) performance records for the period December 31, 2011 through December 31, 2012. The objective of the review was to independently calculate performance of the pension fund at the equity, fixed income and total return level (excluding real estate) and compare these returns to the rates of return calculated by Norges Bank.

Required Data and Sources

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

- Pension fund returns in base currency (NOK) - Calculated
 - *Equity, fixed income and total monthly market values - JP Morgan (the custodian)*
 - *STBF (Short Term Bond Funds) monthly values (part of fixed income value) - Norges Bank*
 - *Corrections (minor) to JPM NAV- Norges Bank*
 - *Cash Flows - JP Morgan*
- Benchmark returns in base currency - Ministry of Finance
- Currency basket return - Calculated
 - *Monthly currency weights for benchmark - Ministry of Finance*
 - *Monthly exchange rates for each currency - Ministry of Finance*
- Pension fund returns in the currency basket (CCY) - Calculated using base and currency basket returns
- Benchmark returns in the currency basket- Calculated using base and currency basket returns

The Spaulding Group, Inc.

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Results

Figures 1 - 3 display the return comparisons for total (ex. real estate), equity and fixed income, respectively for monthly, quarterly and 2012. Figure 4 displays the monthly currency basket return comparison. Performance was calculated at the base level (NOK). Returns measured in the currency basket (CCY) were then calculated using the monthly derived currency basket return.

We are pleased to report that there were no material discrepancies between the fund returns calculated by The Spaulding Group and Norges Bank. We have identified one difference (at two decimal places) which was strictly due to rounding:

- The fixed income 1st quarter results in base currency displays a .01% difference. The Spaulding Group calculated a return of -1.6243% vs. -1.6251% from Norges.

For October and November 2012, there was a difference between the Spaulding Group's calculation of the fixed income portfolio and the return reported by Norges. This was due to some market value differences that have been since reviewed and adjusted in the Spaulding Group's return. After the adjustment was made, the returns for November in the fixed income portfolio matched to what Norges reported. The tables below reflect the adjusted returns.

Total Fund (excluing Real Estate)									
		Currency: NOK				Currency: CCY			
		Fund Return		Benchmark Return		Fund Return		Benchmark Return	
Month	Ending Value (NOK)	Consultant	Norges	Consultant	Norges	Consultant	Norges	Consultant	Norges
Dec-11	3,300,443,612,583.05								
Jan-12	3,409,331,858,044.26	2.66%	2.66%	2.51%	2.51%	3.58%	3.58%	3.43%	3.43%
Feb-12	3,382,847,477,846.75	-1.39%	-1.39%	-1.42%	-1.42%	3.04%	3.04%	3.00%	3.00%
Mar-12	3,485,427,432,715.59	2.49%	2.49%	2.42%	2.42%	0.38%	0.38%	0.31%	0.31%
1st Quarter		3.76%	3.76%	3.50%	3.50%	7.13%	7.13%	6.87%	6.87%
Apr-12	3,499,682,940,077.71	-0.24%	-0.24%	-0.20%	-0.20%	-0.84%	-0.84%	-0.80%	-0.80%
May-12	3,493,662,167,029.80	-0.81%	-0.81%	-0.76%	-0.76%	-3.49%	-3.49%	-3.44%	-3.44%
Jun-12	3,549,794,545,107.60	0.84%	0.84%	0.93%	0.93%	2.21%	2.21%	2.30%	2.30%
2nd Quarter		-0.22%	-0.22%	-0.05%	-0.05%	-2.18%	-2.18%	-2.02%	-2.02%
Jul-12	3,654,781,250,641.69	2.20%	2.20%	2.25%	2.25%	1.66%	1.66%	1.71%	1.71%
Aug-12	3,631,348,881,786.63	-1.35%	-1.35%	-1.37%	-1.37%	1.48%	1.48%	1.46%	1.46%
Sep-12	3,712,170,405,607.70	1.46%	1.46%	1.46%	1.46%	1.53%	1.53%	1.53%	1.53%
3rd Quarter		2.30%	2.30%	2.32%	2.32%	4.75%	4.75%	4.78%	4.78%
Oct-12	3,740,173,826,895.96	0.05%	0.05%	-0.01%	-0.01%	0.37%	0.37%	0.31%	0.31%
Nov-12	3,764,948,497,823.34	0.48%	0.48%	0.47%	0.47%	1.39%	1.39%	1.38%	1.38%
Dec-12	3,790,646,104,274.94	0.25%	0.25%	0.19%	0.19%	1.56%	1.56%	1.50%	1.50%
4th Quarter		0.78%	0.78%	0.64%	0.64%	3.35%	3.35%	3.22%	3.22%
2012		6.73%	6.73%	6.53%	6.53%	13.45%	13.45%	13.24%	13.24%

Figure 1

Equity									
		Currency: NOK				Currency: CCY			
		Fund Return		Benchmark Return		Fund Return		Benchmark Return	
Month	Ending Value (NOK)	Consultant	Norges	Consultant	Norges	Consultant	Norges	Consultant	Norges
Dec-11	1,944,721,778,569.98								
Jan-12	2,050,698,439,436.45	4.37%	4.37%	4.16%	4.16%	5.30%	5.30%	5.09%	5.09%
Feb-12	2,055,513,664,683.79	0.23%	0.23%	0.16%	0.16%	4.74%	4.74%	4.66%	4.66%
Mar-12	2,121,815,295,953.93	2.75%	2.75%	2.72%	2.72%	0.63%	0.63%	0.60%	0.60%
1st Quarter		7.49%	7.49%	7.17%	7.17%	10.99%	10.99%	10.65%	10.65%
Apr-12	2,112,095,965,599.15	-1.09%	-1.09%	-1.08%	-1.08%	-1.69%	-1.69%	-1.68%	-1.68%
May-12	2,039,339,739,667.18	-4.24%	-4.24%	-4.19%	-4.19%	-6.82%	-6.82%	-6.78%	-6.78%
Jun-12	2,121,686,836,246.40	2.78%	2.78%	2.90%	2.90%	4.17%	4.17%	4.30%	4.30%
2nd Quarter		-2.66%	-2.66%	-2.48%	-2.48%	-4.57%	-4.57%	-4.40%	-4.40%
Jul-12	2,196,808,672,537.49	2.37%	2.37%	2.36%	2.36%	1.83%	1.83%	1.82%	1.82%
Aug-12	2,198,555,852,182.79	-0.60%	-0.60%	-0.68%	-0.68%	2.25%	2.25%	2.17%	2.17%
Sep-12	2,246,788,824,381.68	2.19%	2.19%	2.17%	2.17%	2.26%	2.26%	2.24%	2.24%
3rd Quarter		3.98%	3.98%	3.86%	3.86%	6.48%	6.48%	6.35%	6.35%
Oct-12	2,259,653,202,721.97	-0.04%	-0.04%	-0.14%	-0.14%	0.29%	0.29%	0.18%	0.18%
Nov-12	2,308,855,147,431.45	0.94%	0.94%	0.91%	0.91%	1.86%	1.86%	1.83%	1.82%
Dec-12	2,335,830,286,180.12	1.17%	1.17%	1.10%	1.10%	2.49%	2.49%	2.42%	2.42%
4th Quarter		2.08%	2.08%	1.87%	1.87%	4.69%	4.69%	4.48%	4.48%
2012		11.07%	11.07%	10.58%	10.58%	18.06%	18.06%	17.54%	17.54%

Figure 2

Fixed Income									
		Currency: NOK				Currency: CCY			
		Fund Return		Benchmark Return		Fund Return		Benchmark Return	
Month	Ending Value (NOK)	Consultant	Norges	Consultant	Norges	Consultant	Norges	Consultant	Norges
Dec-11	1,355,721,834,013.07								
Jan-12	1,358,633,418,607.81	0.21%	0.21%	0.17%	0.17%	1.11%	1.11%	1.07%	1.07%
Feb-12	1,327,333,813,162.96	-3.84%	-3.84%	-3.78%	-3.78%	0.48%	0.48%	0.54%	0.54%
Mar-12	1,363,612,136,761.66	2.08%	2.08%	1.96%	1.96%	-0.02%	-0.02%	-0.15%	-0.15%
1st Quarter		-1.62%	-1.63%	-1.74%	-1.74%	1.58%	1.58%	1.46%	1.46%
Apr-12	1,387,586,974,478.56	1.08%	1.08%	1.13%	1.13%	0.47%	0.47%	0.53%	0.53%
May-12	1,454,322,427,362.62	4.40%	4.40%	4.38%	4.38%	1.59%	1.59%	1.57%	1.57%
Jun-12	1,428,107,708,861.20	-1.86%	-1.86%	-1.83%	-1.83%	-0.53%	-0.53%	-0.50%	-0.50%
2nd Quarter		3.56%	3.56%	3.63%	3.63%	1.52%	1.52%	1.59%	1.59%
Jul-12	1,457,972,578,104.20	1.96%	1.96%	2.09%	2.09%	1.42%	1.42%	1.55%	1.55%
Aug-12	1,432,793,029,603.84	-2.48%	-2.48%	-2.41%	-2.41%	0.32%	0.32%	0.39%	0.39%
Sep-12	1,465,381,581,226.02	0.34%	0.34%	0.41%	0.41%	0.41%	0.41%	0.48%	0.48%
3rd Quarter		-0.23%	-0.23%	0.03%	0.03%	2.16%	2.16%	2.43%	2.43%
Oct-12	1,480,520,624,173.99	0.17%	0.17%	0.18%	0.18%	0.50%	0.50%	0.50%	0.50%
Nov-12	1,456,093,350,391.89	-0.24%	-0.24%	-0.19%	-0.19%	0.67%	0.67%	0.72%	0.72%
Dec-12	1,454,815,818,094.81	-1.20%	-1.20%	-1.20%	-1.20%	0.09%	0.09%	0.09%	0.09%
4th Quarter		-1.26%	-1.26%	-1.22%	-1.22%	1.26%	1.26%	1.31%	1.31%
2012		0.36%	0.36%	0.63%	0.63%	6.69%	6.68%	6.97%	6.97%

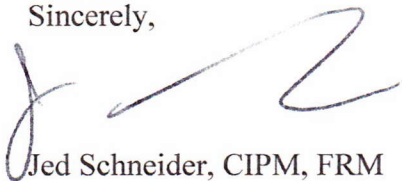
Figure 3

Month	Currency Basket Return	
	<i>Consultant</i>	<i>Norges</i>
Jan-12	-0.89%	-0.89%
Feb-12	-4.30%	-4.30%
Mar-12	2.11%	2.11%
1st Quarter	-3.15%	-3.15%
Apr-12	0.60%	0.60%
May-12	2.77%	2.77%
Jun-12	-1.34%	-1.34%
2nd Quarter	2.01%	2.01%
Jul-12	0.53%	0.53%
Aug-12	-2.79%	-2.79%
Sep-12	-0.07%	-0.07%
3rd Quarter	-2.34%	-2.34%
Oct-12	-0.32%	-0.32%
Nov-12	-0.90%	-0.90%
Dec-12	-1.29%	-1.29%
4th Quarter	-2.49%	-2.49%
2012	-5.93%	-5.93%

Figure 4

We thank you very much for allowing us the opportunity to conduct this review for you.

Sincerely,



Jed Schneider, CIPM, FRM
Senior Vice President