Government Pension Fund - Norway
Investment Benchmarking Results

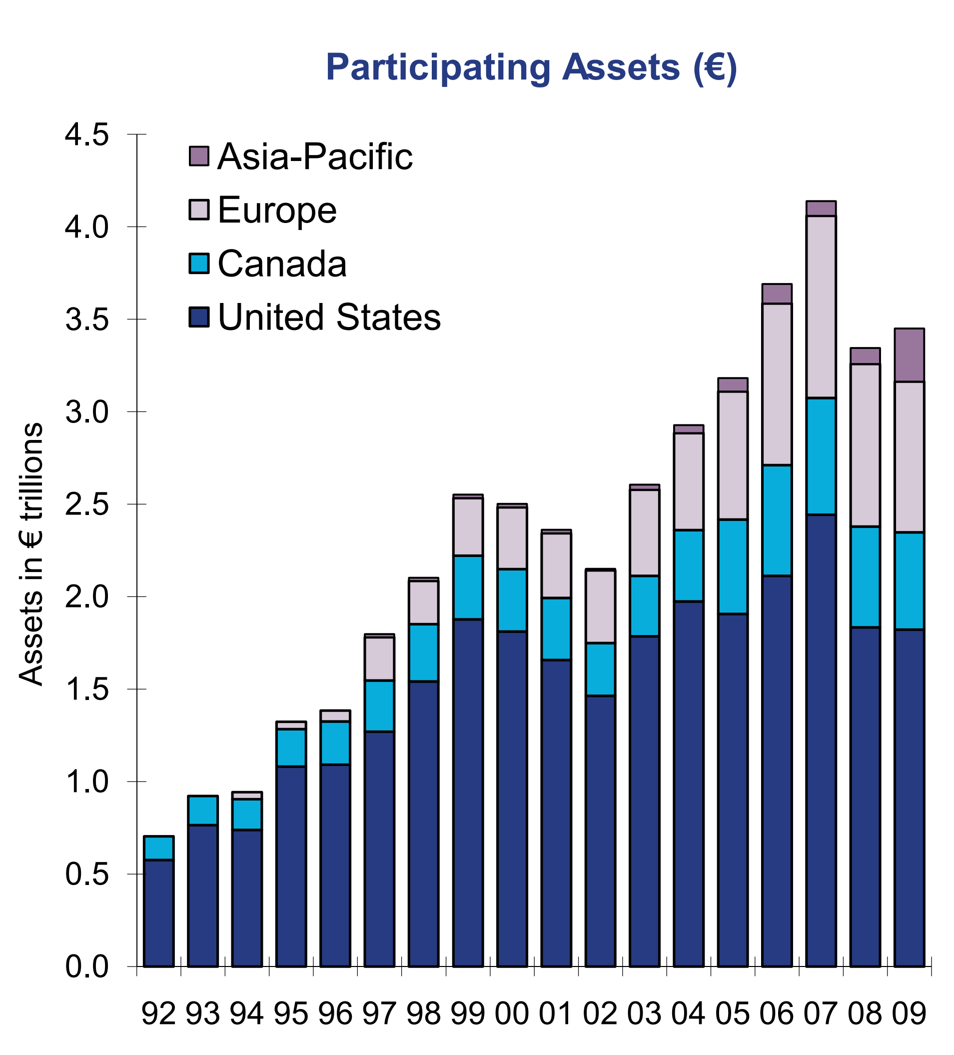
For the 4 year period ending December 2009

CEM Benchmarking Inc.
What gets measured gets managed

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

- 48 European funds participate with aggregate assets of €815 billion. Included are funds from the Netherlands, Norway, Sweden, Finland, France, Denmark, U.K. and Ireland.
- 188 U.S. funds participate with assets totaling €1,821 billion.
- 88 Canadian funds participate with assets totaling €527 billion.
- 8 Asia-Pacific funds participate with aggregate assets of €512 billion. Included are funds from Australia, New Zealand and South Korea.

In the global database the types of funds can be split as follows: 50% corporate, 32% public and 18% other.



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

Custom Peer Group for Government Pension Fund - Norway
• 17 international sponsors from €5.2 billion to €163.2 billion
• Median size €30.2 billion versus your €14.1 billion
• Median size of internal equity program is €7.0 billion versus your €6.8 billion

• 4 Canadian Funds, 5 European Funds, 1 South Korean fund and 7 US Funds make up the International Peer Group.

• The size of the internal equity program was chosen as one of the key characteristics of the peer group because it is a major factor in the cost profile of the GPF - Norway.

• Due to the fact that the GPF- Norway is primarily invested in Norway, return comparisons versus the other funds who invest more on a Global scale are not very meaningful.

What gets measured gets managed, so it is critical that you measure and compare the right things:

Value Added

Are your implementation decisions (i.e., the amount of active versus passive management) adding value?

• Your 4-year value added was 1.7%. This was above the European median of 0.0% and above the peer median of 0.2%.

Costs

Are your costs reasonable? Costs matter and can be managed.

• Your actual cost of 9.5 bps was below your benchmark cost of 14.3 bps. This suggests that your fund was low cost.

Cost Effectiveness

Net implementation value added versus excess cost. Does paying more get you more?

• Your 4-year performance placed in the positive value added, low cost quadrant on the cost effectiveness chart.

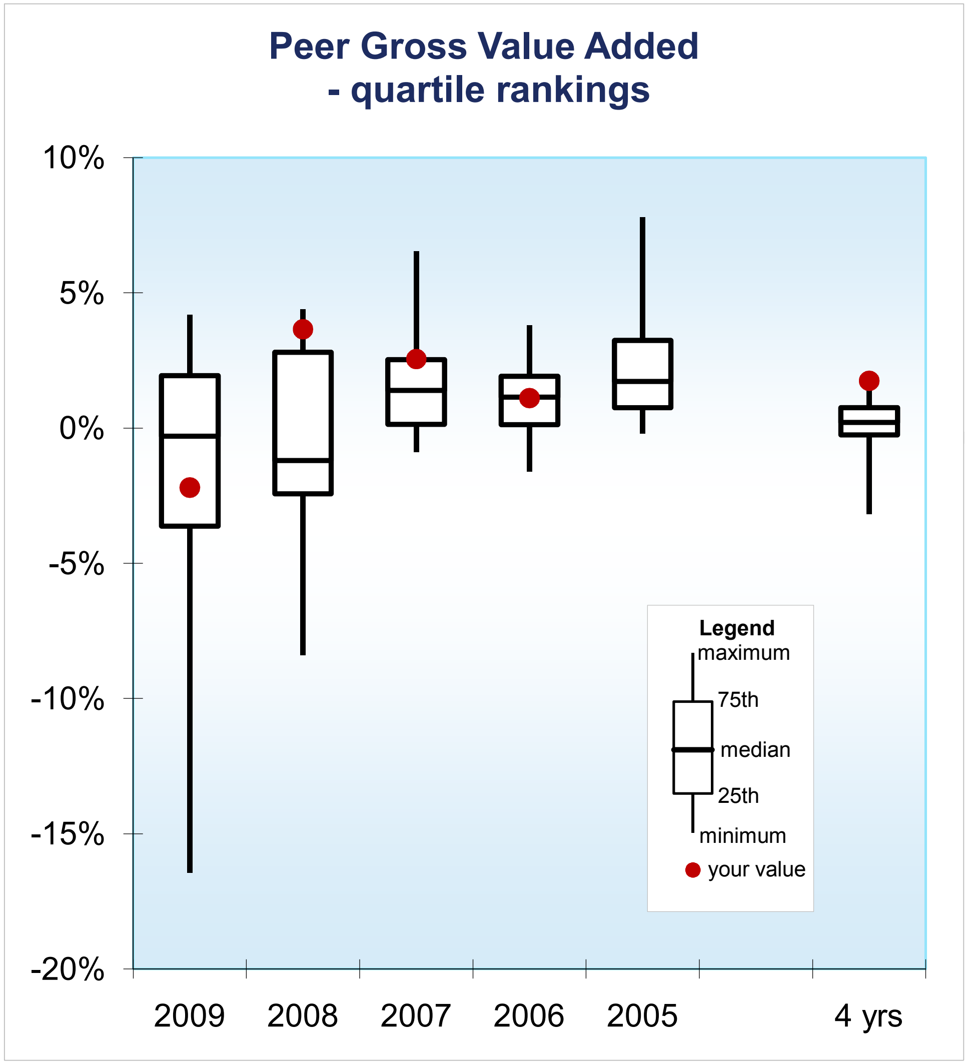
Value Added

Value added is the component of your total return from active management. Your 4-year value added was 1.7%.

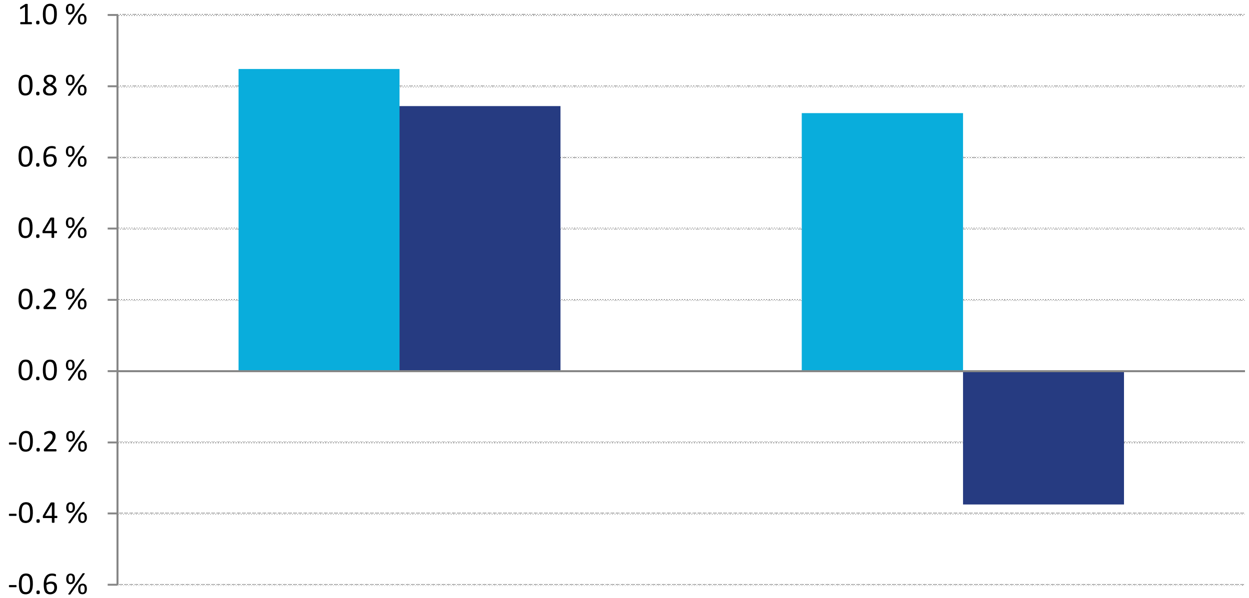
Value added equals your total return minus your policy return.

Government Pension Fund - Norway			
Year	**Total return**	**Policy return**	**Value Added**
2009	33.5%	35.7%	(2.2)%
2008	(25.1)%	(28.8)%	3.7%
2007	9.8%	7.3%	2.6%
2006	11.1%	10.0%	1.1%
4-year	5.1%	3.3%	1.7%

Your 4-year value added of 1.7% compares to a median of 0.2% for your peers.



You had positive 4-year in-category value added in Stock and Fixed income.



	Stock	Fixed Income
You	0.8%	0.7%
Peer Average	0.7%	(0.4)%

Costs

Your asset management costs in 2009 were €11.0 million or 9.5 basis points.

Your Investment Management Costs (€000s)						
	Internal		External			
	Passive	Active	Passive	Active: base	Active: perform	Total
All Stocks		4,131				4,131
All Fixed Income		3,363				3,363
Total investment management costs					6.5bp	7,494

Your Oversight, Custodial and Other Asset Related Costs[1] (€000s)		
Oversight of the fund		1,048
Trustee & custodial		341
Consulting and performance measurement		295
Audit		144
Other		1,674
Total oversight, custodial & other costs	3.0bp	3,502

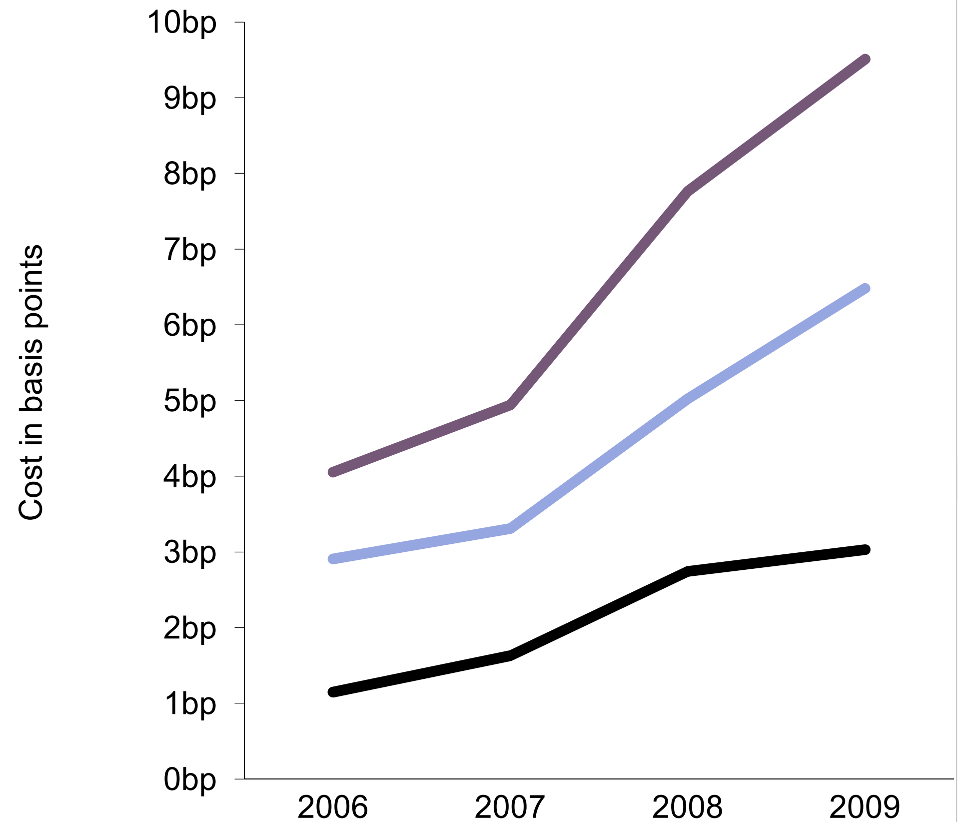
Total asset management costs	9.5bp	10,996

Notes
[1] Excludes non-investment costs, such as benefit insurance premiums and preparing cheques for retirees.

Your costs increased between 2006 and 2009.

Your costs increased primarily because you added more internal staff to facilitate more specialized equity investments.

Your Annual Operating Costs

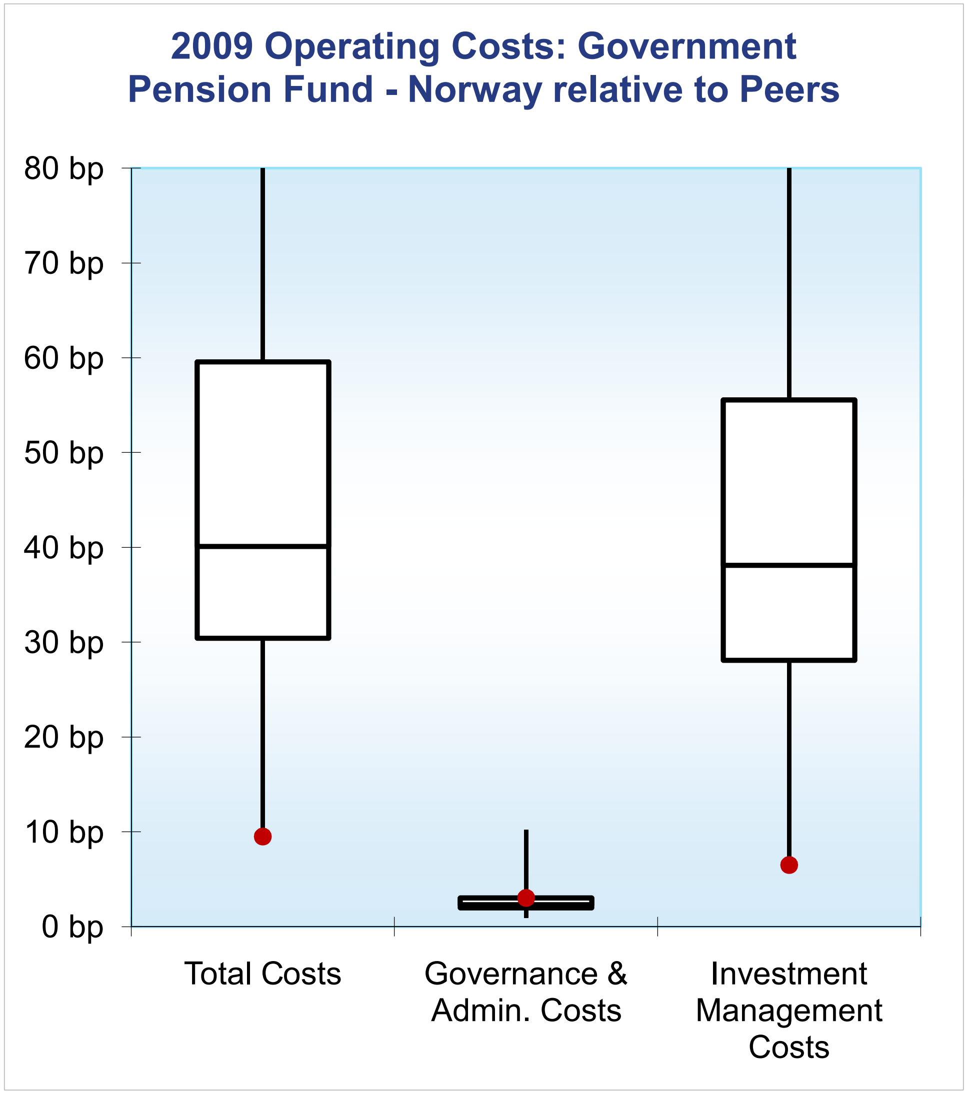


	2006	2007	2008	2009
Inv. Mgmt	2.9	3.3	5.0	6.5
Oversight	1.1	1.6	2.7	3.0
Total Cost	4.1	4.9	7.8	9.5

Your total costs compare to your peers as follows:

Total cost comparisons are interesting but do not provide any insight into why costs are different between funds.

These figures are not adjusted for size, asset mix or implementation style. On the next few pages we use a benchmark cost to adjust for differences between funds and provide more insightful comparisons and conclusions about your relative cost performance.



Benchmark cost analysis suggests that your fund was low cost by 4.8 basis points.

To assess your cost performance, we start by calculating your benchmark cost. 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 9.5 bp was lower than your benchmark cost of 14.3 bp. Thus, your cost savings was 4.8 bp.

	€000s	basis points
Your actual cost	10,996	9.5 bp
Your benchmark cost	16,589	14.3 bp
Your excess cost	(5,593)	(4.8) bp

You were low cost primarily because you had a lower cost implementation style.

Reasons for Your Low Cost Status	Excess Cost/ (Savings) €000s	Excess Cost/ (Savings) bps
1. Lower cost implementation style		
• Less external active management and more lower cost internal management	(6,374)	(5.5)
• Lower use of overlays	(992)	(0.9)
• Other style differences	1,157	1.0
	(6,208)	(5.4)
2. Paying more or (less) than your peers		
• Internal investment management costs	(271)	(0.2)
• Oversight, custodial & other costs	886	0.8
	615	0.5
Total Savings	(5,593)	(4.8)

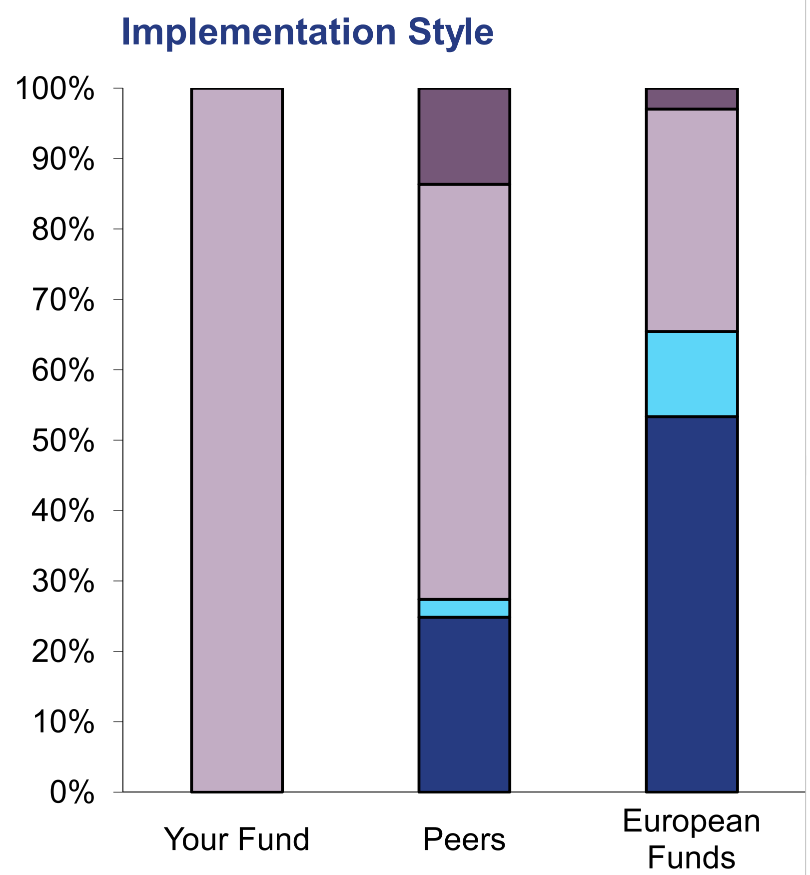
These reasons are examined in detail in the following pages.

One key cause of differences in cost performance is often differences in implementation style.

Implementation style is defined as the way in which you implement your asset allocation. It includes internal, external, active and passive styles.

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

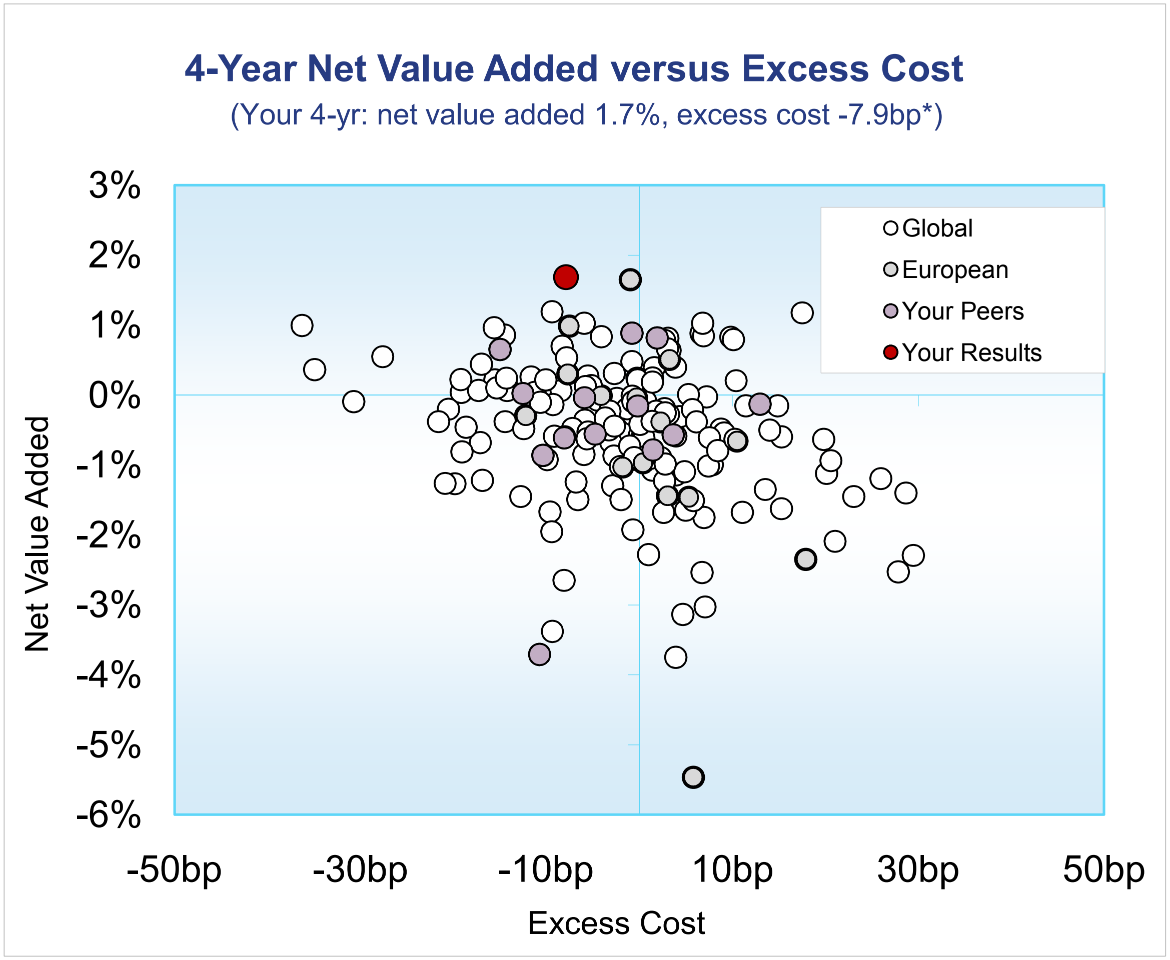
- External active management because it tends to be much more expensive than internal or passive management. You used less external active management than your peers (your 0% versus 25% for your peers).
- Within external active holdings, fund of funds usage because it is more expensive than direct fund investment.



	Your Fund	Peers	European Funds
Internal passive	0%	14%	3%
Internal active	100%	59%	32%
External passive	0%	3%	12%
External active	0%	25%	53%

Cost Effectiveness

Your 4-year performance placed in the positive value added, low cost quadrant.



* Your 4-year net value added of 1.7% equals your 4-year 1.7% gross value added minus your 0.1% 4-year average cost.