



February 20, 2014

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, 2012 through December 31, 2013. The objective of the review was to independently calculate performance of the pension fund at the equity, fixed income and total fund 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 and Norges Bank*
 - *Monthly exchange rates for each currency - Ministry of Finance and Norges Bank*
- 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

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Results

Figures 1 - 3 display the return comparisons for total (ex. real estate), equity and fixed income, respectively. In addition to a 2013 annual return, monthly and quarterly returns are included. 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 for 2013. We did identify one difference (when displayed at two decimal places) which was strictly due to rounding and not considered material:

- The 2013 annual return for the total fund in base currency displays a .01% difference. The Spaulding Group calculated a return of 25.13499% vs. 25.13530% from Norges, a 0.031 basis points difference.

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-12	3,790,646,104,274.93								
Jan-13	3,871,238,946,270.00	1.58%	1.58%	1.35%	1.35%	3.04%	3.04%	2.81%	2.81%
Feb-13	4,027,664,678,412.36	3.60%	3.60%	3.53%	3.53%	1.02%	1.02%	0.95%	0.95%
Mar-13	4,144,858,869,368.94	2.63%	2.63%	2.61%	2.61%	1.35%	1.35%	1.33%	1.33%
1st Quarter		8.00%	8.00%	7.67%	7.67%	5.49%	5.49%	5.16%	5.16%
Apr-13	4,230,907,366,904.36	1.60%	1.60%	1.58%	1.58%	2.00%	2.00%	1.98%	1.98%
May-13	4,304,277,218,171.47	1.27%	1.27%	0.96%	0.96%	0.90%	0.90%	0.59%	0.59%
Jun-13	4,356,476,556,801.20	0.78%	0.78%	0.80%	0.80%	-2.81%	-2.81%	-2.80%	-2.80%
2nd Quarter		3.70%	3.70%	3.38%	3.38%	0.03%	0.03%	-0.28%	-0.28%
Jul-13	4,406,988,684,935.10	0.72%	0.72%	0.71%	0.71%	3.21%	3.21%	3.20%	3.20%
Aug-13	4,520,189,256,731.85	2.14%	2.14%	2.18%	2.18%	-1.23%	-1.23%	-1.19%	-1.19%
Sep-13	4,671,860,250,488.28	2.91%	2.91%	2.76%	2.76%	3.00%	3.00%	2.84%	2.84%
3rd Quarter		5.87%	5.87%	5.74%	5.74%	5.00%	5.00%	4.87%	4.87%
Oct-13	4,772,246,689,528.98	1.82%	1.82%	1.82%	1.82%	2.88%	2.88%	2.89%	2.89%
Nov-13	4,953,728,239,471.98	3.41%	3.41%	3.39%	3.39%	0.92%	0.92%	0.90%	0.90%
Dec-13	4,985,940,100,200.77	0.24%	0.24%	0.13%	0.13%	0.82%	0.82%	0.71%	0.71%
4th Quarter		5.54%	5.54%	5.42%	5.42%	4.67%	4.67%	4.55%	4.55%
2013		25.13%	25.14%	24.07%	24.07%	15.97%	15.97%	14.98%	14.98%

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-12	2,335,830,286,180.12									
Jan-13	2,424,222,123,301.32	3.55%	3.55%	3.38%	3.38%	5.04%	5.04%	4.86%	4.86%	
Feb-13	2,528,762,064,943.41	3.73%	3.73%	3.67%	3.67%	1.15%	1.15%	1.09%	1.09%	
Mar-13	2,609,101,864,441.82	3.18%	3.18%	3.11%	3.11%	1.89%	1.89%	1.82%	1.82%	
1st Quarter		10.83%	10.83%	10.51%	10.51%	8.25%	8.25%	7.93%	7.93%	
Apr-13	2,663,956,365,892.27	2.10%	2.10%	1.96%	1.96%	2.50%	2.50%	2.36%	2.36%	
May-13	2,768,480,558,091.40	2.43%	2.43%	2.13%	2.13%	2.05%	2.05%	1.76%	1.76%	
Jun-13	2,785,366,257,663.51	0.01%	0.01%	0.11%	0.11%	-3.55%	-3.55%	-3.46%	-3.46%	
2nd Quarter		4.59%	4.59%	4.24%	4.24%	0.89%	0.89%	0.55%	0.55%	
Jul-13	2,853,491,229,407.16	2.25%	2.25%	2.15%	2.15%	4.78%	4.78%	4.68%	4.68%	
Aug-13	2,916,515,245,783.98	1.84%	1.84%	1.83%	1.83%	-1.51%	-1.51%	-1.53%	-1.53%	
Sep-13	2,998,355,472,800.01	4.22%	4.22%	4.08%	4.08%	4.31%	4.31%	4.17%	4.17%	
3rd Quarter		8.54%	8.54%	8.26%	8.26%	7.64%	7.64%	7.37%	7.37%	
Oct-13	2,962,915,749,680.30	2.84%	2.84%	2.85%	2.85%	3.91%	3.91%	3.92%	3.92%	
Nov-13	3,074,197,135,654.91	4.20%	4.20%	4.14%	4.14%	1.69%	1.69%	1.63%	1.63%	
Dec-13	3,106,944,253,494.12	1.07%	1.07%	0.97%	0.97%	1.65%	1.65%	1.56%	1.56%	
4th Quarter		8.30%	8.30%	8.15%	8.15%	7.41%	7.41%	7.26%	7.26%	
2013		36.26%	36.26%	34.87%	34.87%	26.28%	26.28%	24.99%	24.99%	

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-12	1,454,815,818,094.81									
Jan-13	1,447,016,822,968.68	-1.59%	-1.59%	-1.81%	-1.81%	-0.18%	-0.18%	-0.40%	-0.40%	
Feb-13	1,498,902,613,468.95	3.37%	3.37%	3.30%	3.30%	0.80%	0.80%	0.72%	0.72%	
Mar-13	1,535,757,004,927.12	1.71%	1.71%	1.79%	1.79%	0.44%	0.44%	0.52%	0.52%	
1st Quarter		3.46%	3.46%	3.24%	3.24%	1.06%	1.06%	0.84%	0.84%	
Apr-13	1,566,951,001,012.09	0.75%	0.75%	0.95%	0.95%	1.15%	1.15%	1.35%	1.35%	
May-13	1,535,796,660,080.07	-0.69%	-0.69%	-1.02%	-1.02%	-1.05%	-1.05%	-1.39%	-1.39%	
Jun-13	1,571,110,299,137.69	2.17%	2.17%	2.00%	2.00%	-1.47%	-1.47%	-1.63%	-1.63%	
2nd Quarter		2.22%	2.22%	1.92%	1.92%	-1.40%	-1.40%	-1.69%	-1.69%	
Jul-13	1,553,497,455,527.94	-2.00%	-2.00%	-1.77%	-1.77%	0.43%	0.43%	0.66%	0.66%	
Aug-13	1,603,674,010,947.87	2.67%	2.67%	2.80%	2.80%	-0.71%	-0.71%	-0.59%	-0.59%	
Sep-13	1,673,504,777,688.27	0.53%	0.53%	0.41%	0.41%	0.62%	0.62%	0.50%	0.50%	
3rd Quarter		1.15%	1.15%	1.40%	1.40%	0.32%	0.32%	0.57%	0.57%	
Oct-13	1,809,330,939,848.68	-0.02%	-0.02%	-0.06%	-0.06%	1.02%	1.02%	0.99%	0.99%	
Nov-13	1,879,531,103,817.07	2.12%	2.12%	2.24%	2.24%	-0.35%	-0.35%	-0.22%	-0.22%	
Dec-13	1,878,995,846,706.66	-1.11%	-1.11%	-1.18%	-1.18%	-0.54%	-0.54%	-0.61%	-0.61%	
4th Quarter		0.96%	0.96%	0.98%	0.98%	0.13%	0.13%	0.15%	0.15%	
2013		8.01%	8.01%	7.74%	7.74%	0.10%	0.10%	-0.15%	-0.15%	

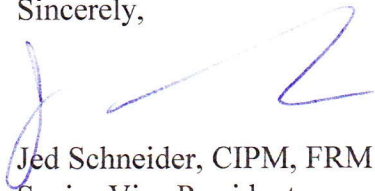
Figure 3

Month	Currency Basket Return	
	Consultant	Norges
Jan-13	-1.42%	-1.42%
Feb-13	2.55%	2.55%
Mar-13	1.27%	1.27%
Apr-13	-0.39%	-0.39%
May-13	0.37%	0.37%
Jun-13	3.70%	3.70%
Jul-13	-2.41%	-2.41%
Aug-13	3.41%	3.41%
Sep-13	-0.09%	-0.09%
Oct-13	-1.04%	-1.04%
Nov-13	2.47%	2.47%
Dec-13	-0.58%	-0.58%

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