GOVERNMENT PENSION FUND
GLOBAL: EXPERIENCES AND ORGANISATION

DEPUTY GOVERNOR
EGIL MATSEN

Oslo, 27 October 2017
A large fund—8,000 billion
GPFG. In billions of NOK

Source: Norges Bank
A large fund
GPFG. In billions of NOK

1) At June 30 2017
Source: Norges Bank

1,076 bn.
3,622 bn.
3,323 bn.

Krone exchange rate
Return
Net inflows

Governance structure

- **Delegation of powers and responsibilities**
- **The Storting**
- **Ministry of Finance**
- **The Executive Board – Norges Bank**
- **Norges Bank Investment Management (NBIM)**

**Reporting of results and risk**
Return on the GPFG and benchmark index

1) Equities, fixed income and real estate. 2) Benchmark index for equities and fixed income investments 3) At June 30 2017

Sources: Bloomberg Barclays Indices, FTSE and Norges Bank
# Asset allocation – GPFG, CPPIB and GIC

<table>
<thead>
<tr>
<th></th>
<th>GPFG</th>
<th>CPPIB</th>
<th>GIC</th>
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<tbody>
<tr>
<td>Public equity</td>
<td>65</td>
<td>37</td>
<td>44</td>
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<tr>
<td>Bonds</td>
<td>32</td>
<td>22</td>
<td>40</td>
</tr>
<tr>
<td>Real estate</td>
<td>3</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>Private equity</td>
<td>18</td>
<td>9</td>
<td></td>
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<tr>
<td>Infrastructure</td>
<td>10</td>
<td></td>
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Evolution of strategy and governance structure over time

GPFG. In billions of NOK

1) Timing of strategy decisions
2) FTSE Global All Cap

Source: Norges Bank
Important considerations for the future

- Objective of investment management
  - avoid multiple objectives

- Division of responsibility in the governance model
  - clear division of roles and responsibilities

- Board composition
  - expertise in finance and investment management and a clear understanding of the fund’s role in the Norwegian economy and Norway’s economic policy

- Cost-effective investment management
  - a single manager generates economies of scale
The Alberta Heritage Savings Trust Fund

Real value. In millions of Canadian dollars
