



# **GOVERNMENT PENSION FUND GLOBAL**

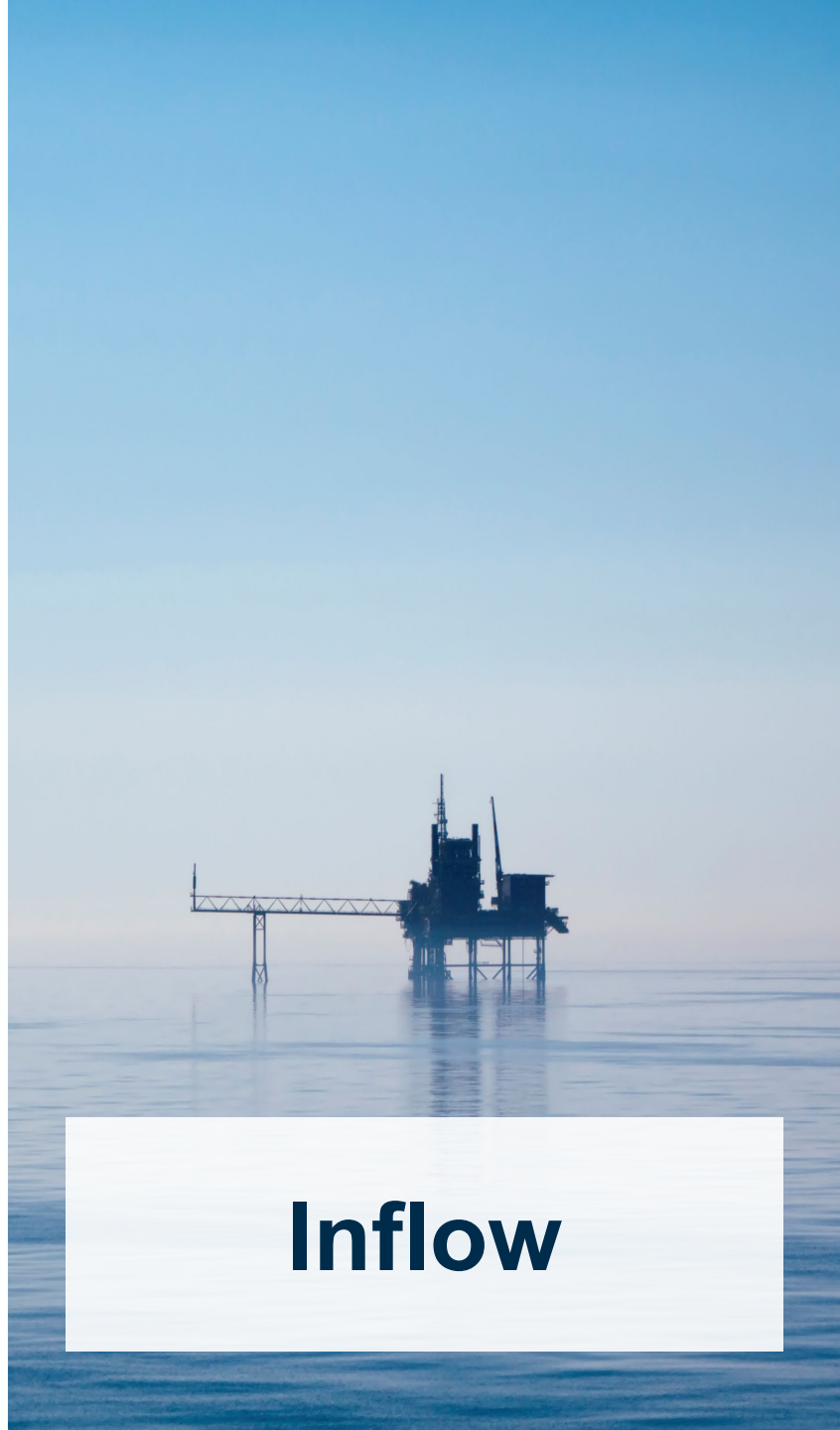
## **First Half 2023**



**15 299 410 514 496**



**Return**



**Inflow**



**Krone rate**



**Return: 1 501 billion kroner**





**Inflow: 389 billion kroner**

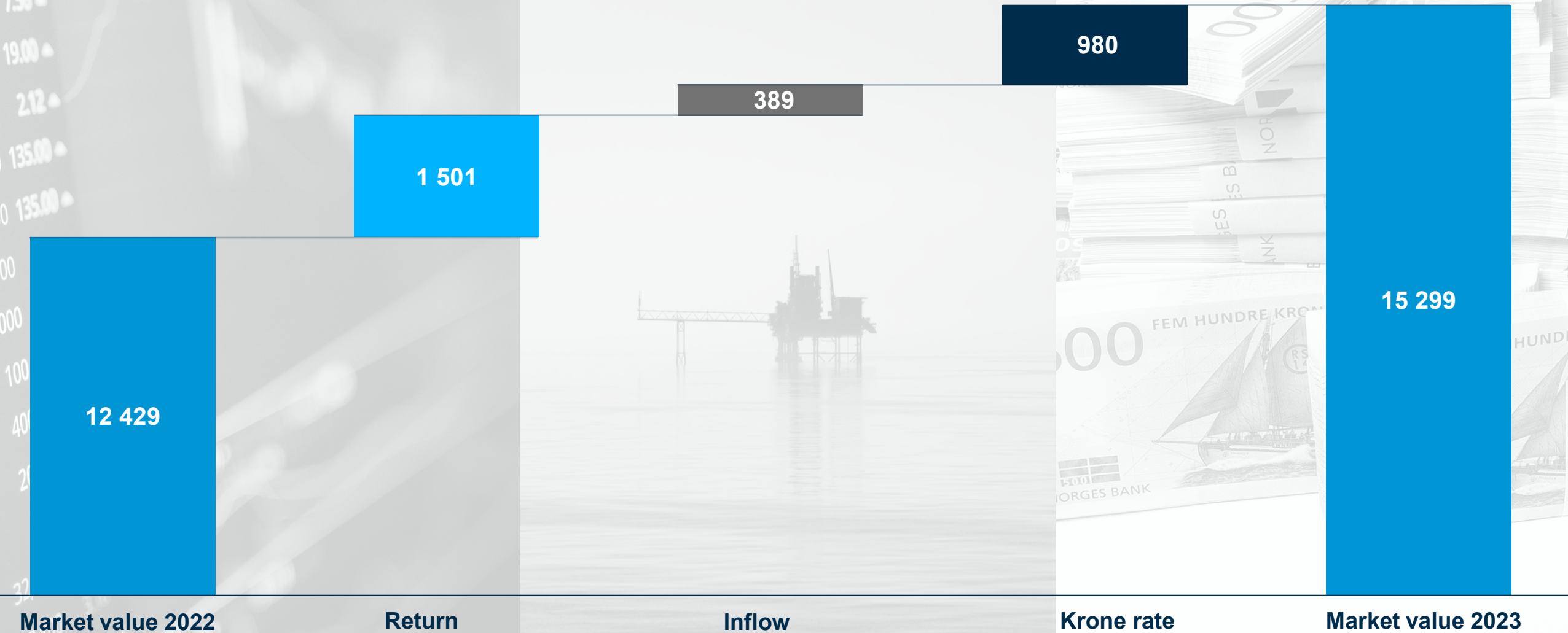




**Krone rate: 980 billion kroner**

# Fund increased by 2 870 billion kroner H1 2023

Billion kroner



# Increase in value

Billion kroner

- Equity
- Fixed-income
- Unlisted real estate
- Unlisted infrastructure



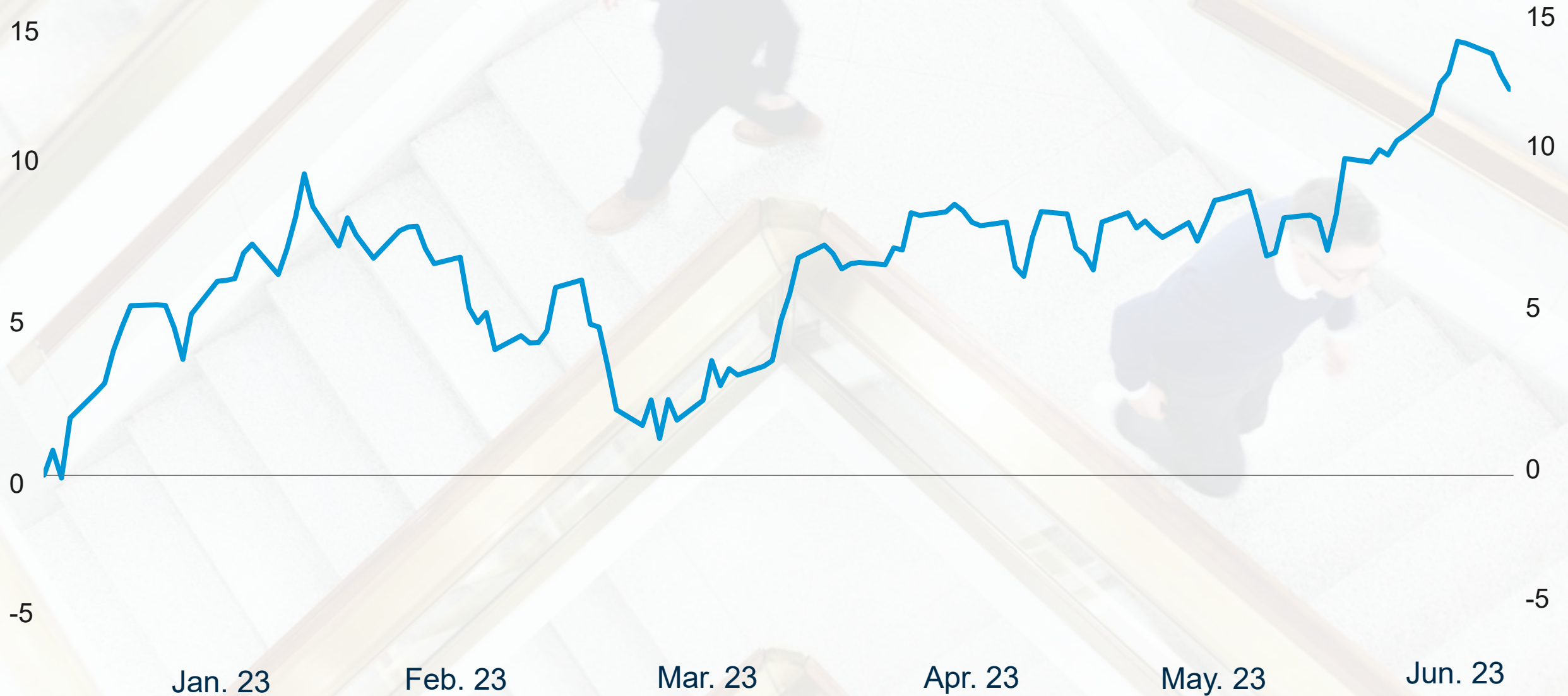




# MARKETS

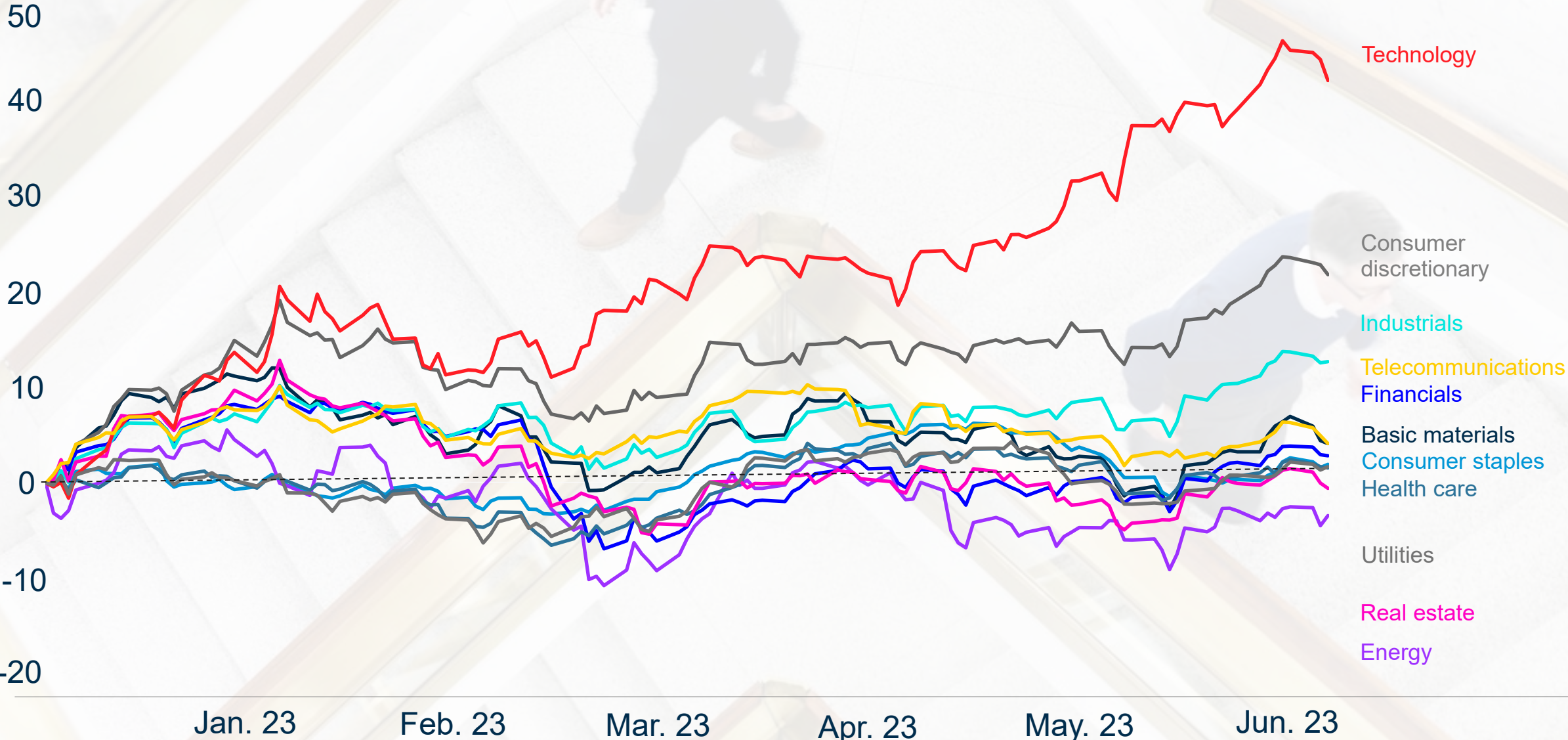
# Strong returns in the stock market

Dollar. Percent



# Comeback for technology

Percent



# Large fluctuations in interest rate markets

## 10-year interest rate, US

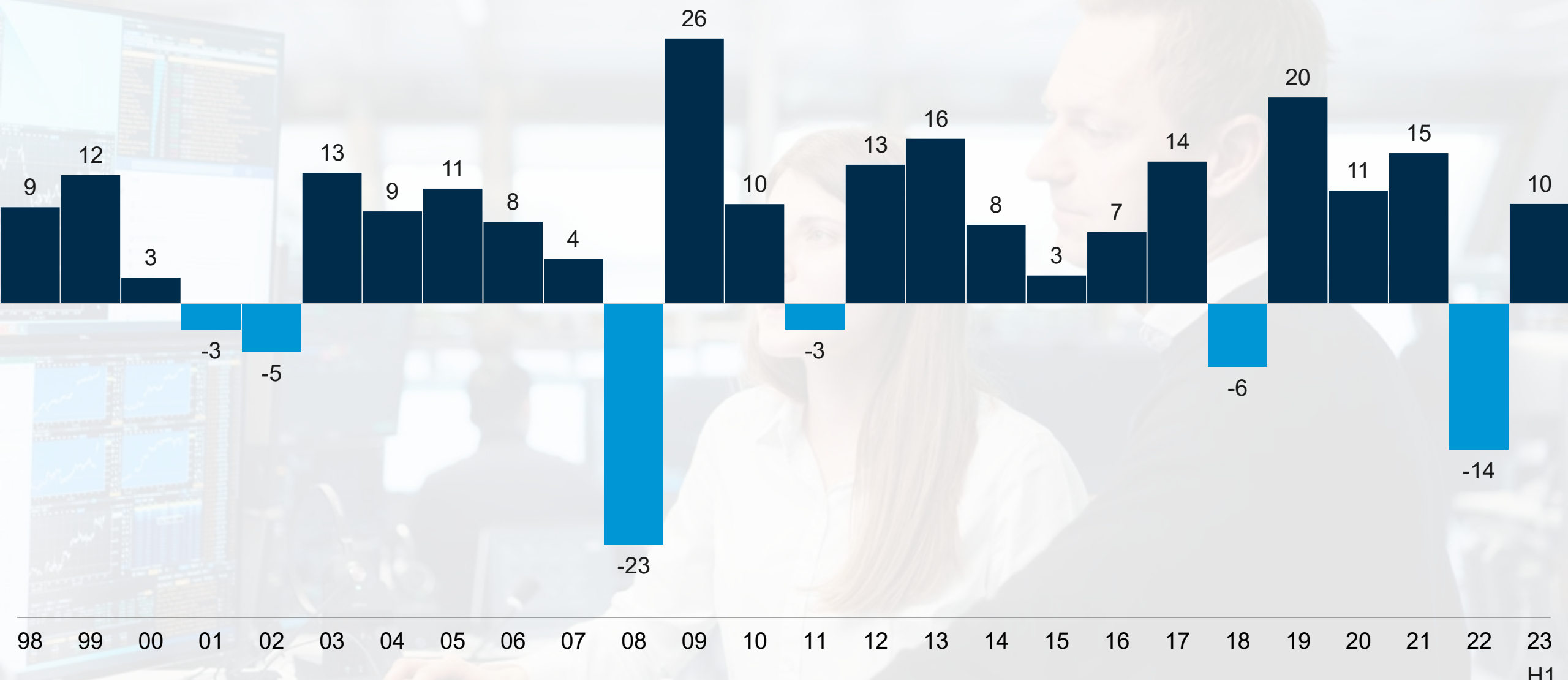




**RETURN**

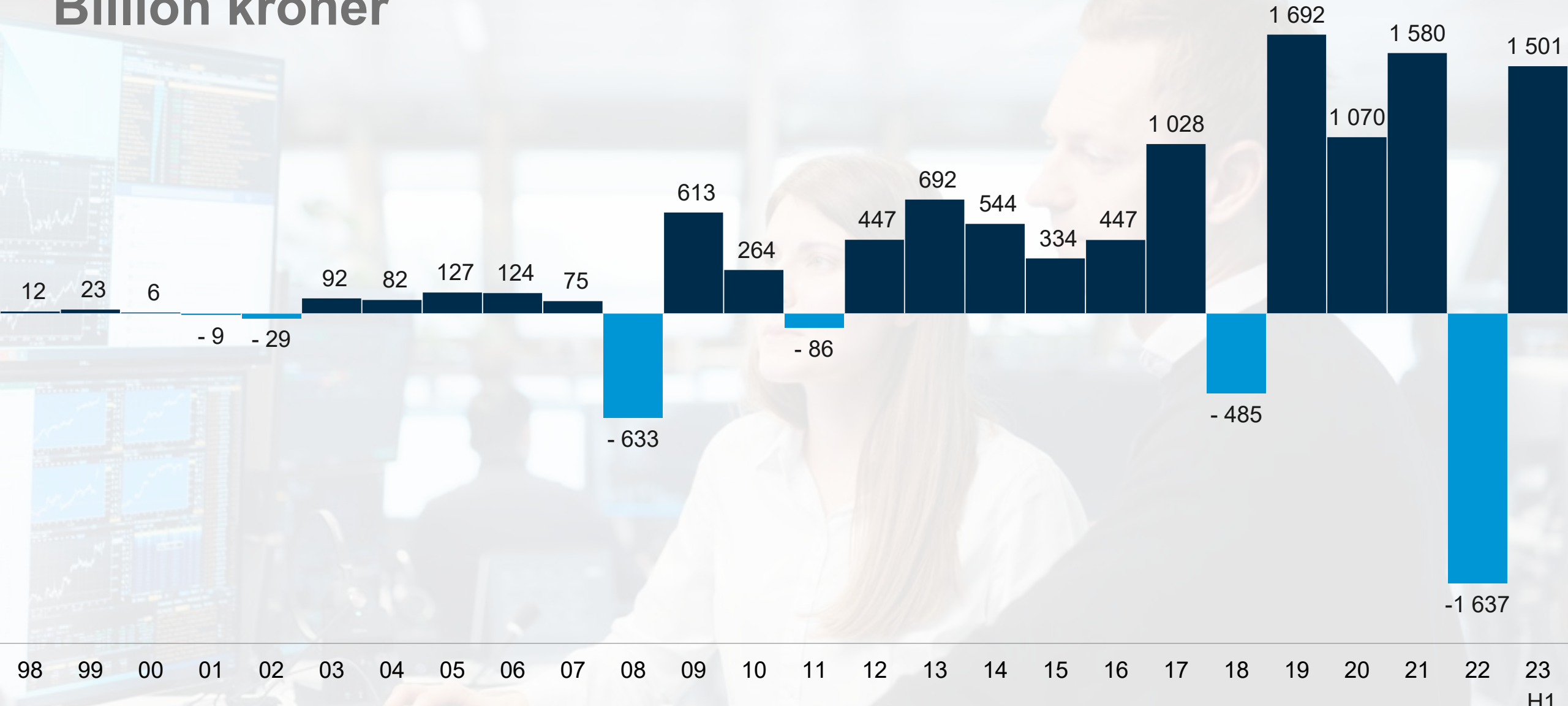
# Return H1 2023

Percent



# Return H1 2023

Billion kroner



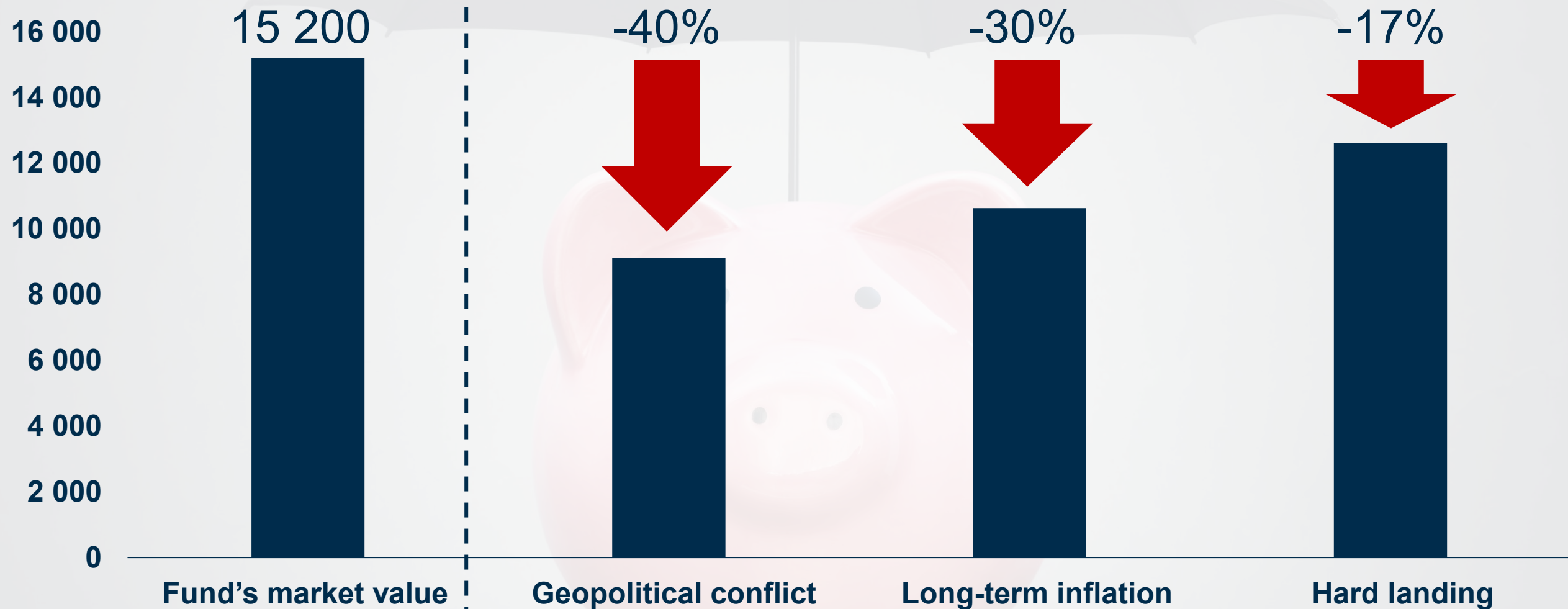
**Stress test**





# Stress test

Fund value in billion kroner

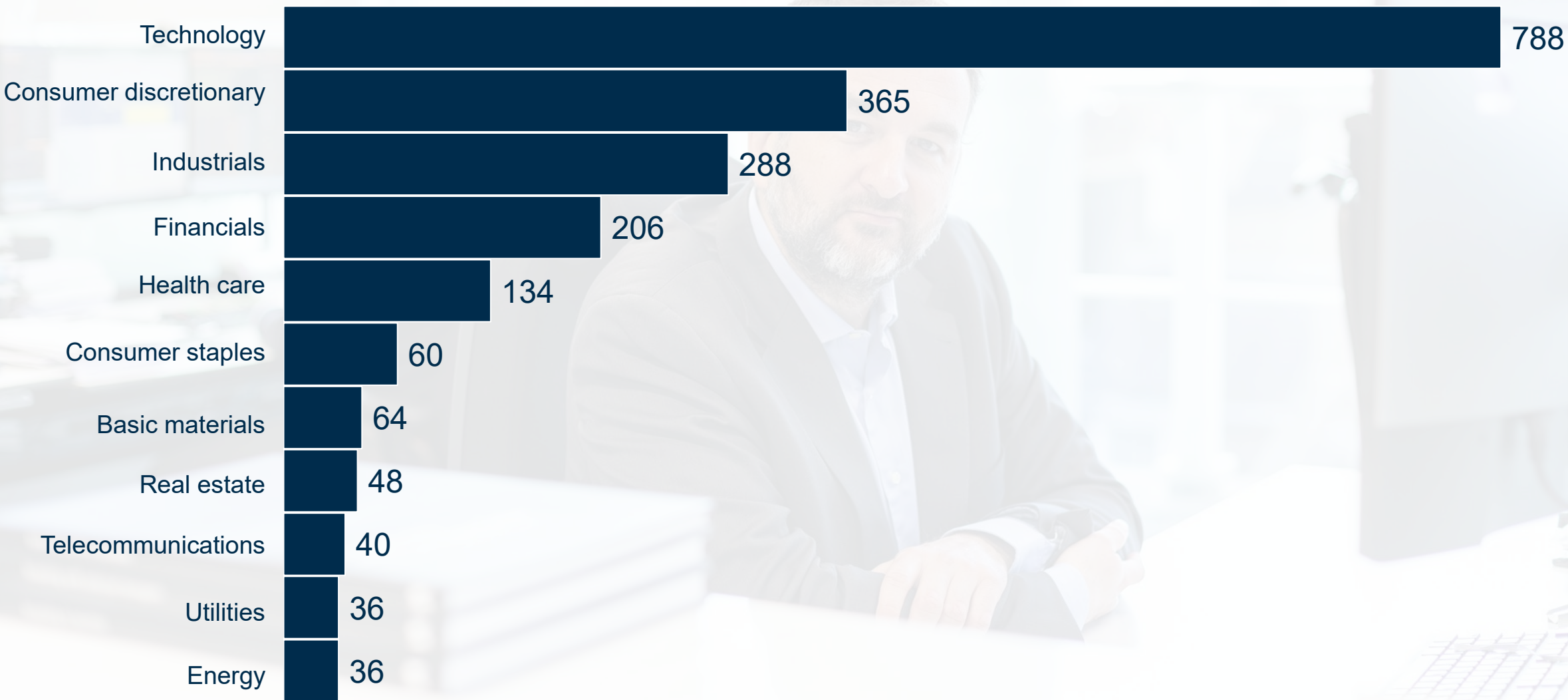




**Return equity investments: 13.7%**

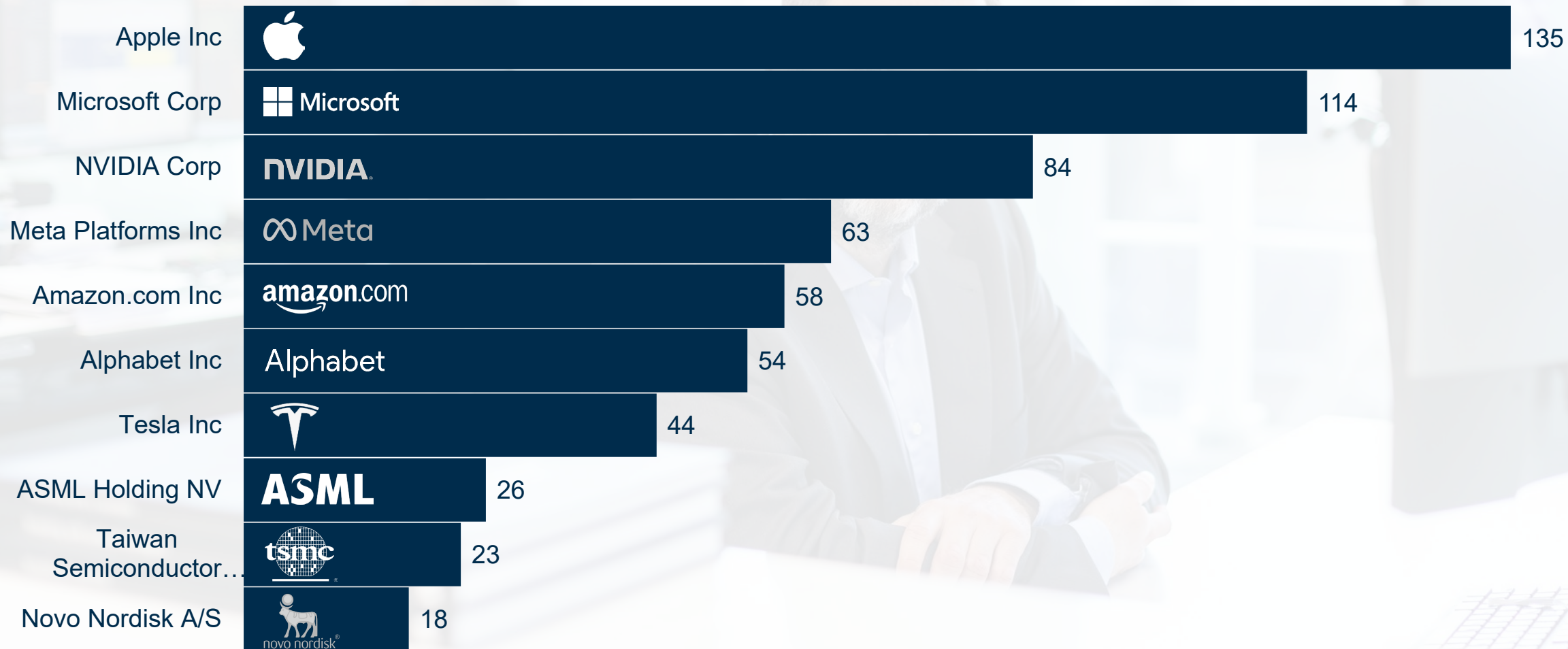
# Return by sector

Billion kroner



# Top 10 single contribution to absolute return

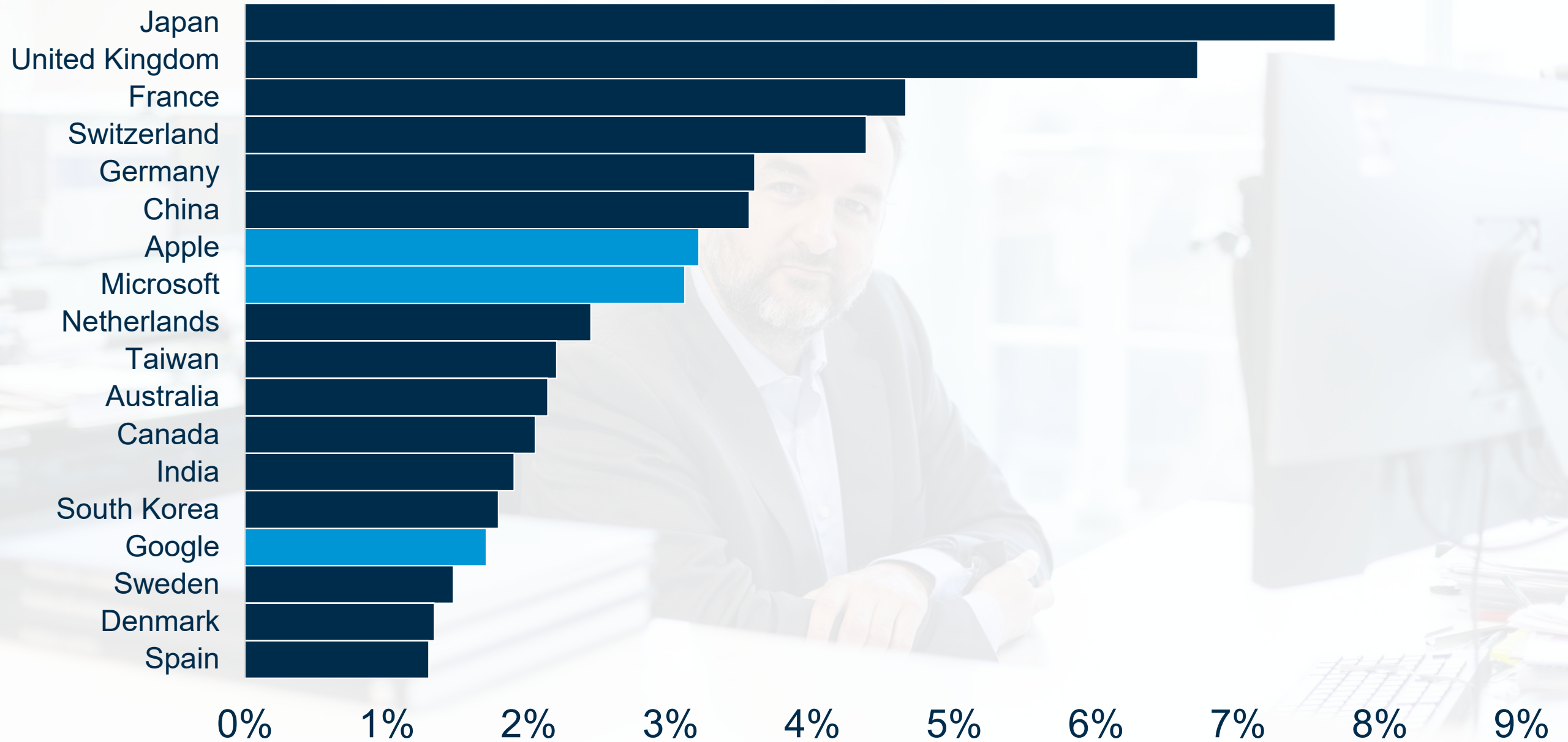
## Billion kroner



# The seven largest companies' share of the index



# Companies as share of the stock portfolio





**Return fixed-income investments: 2.2%**



**Return unlisted real estate investments: - 4.6%**





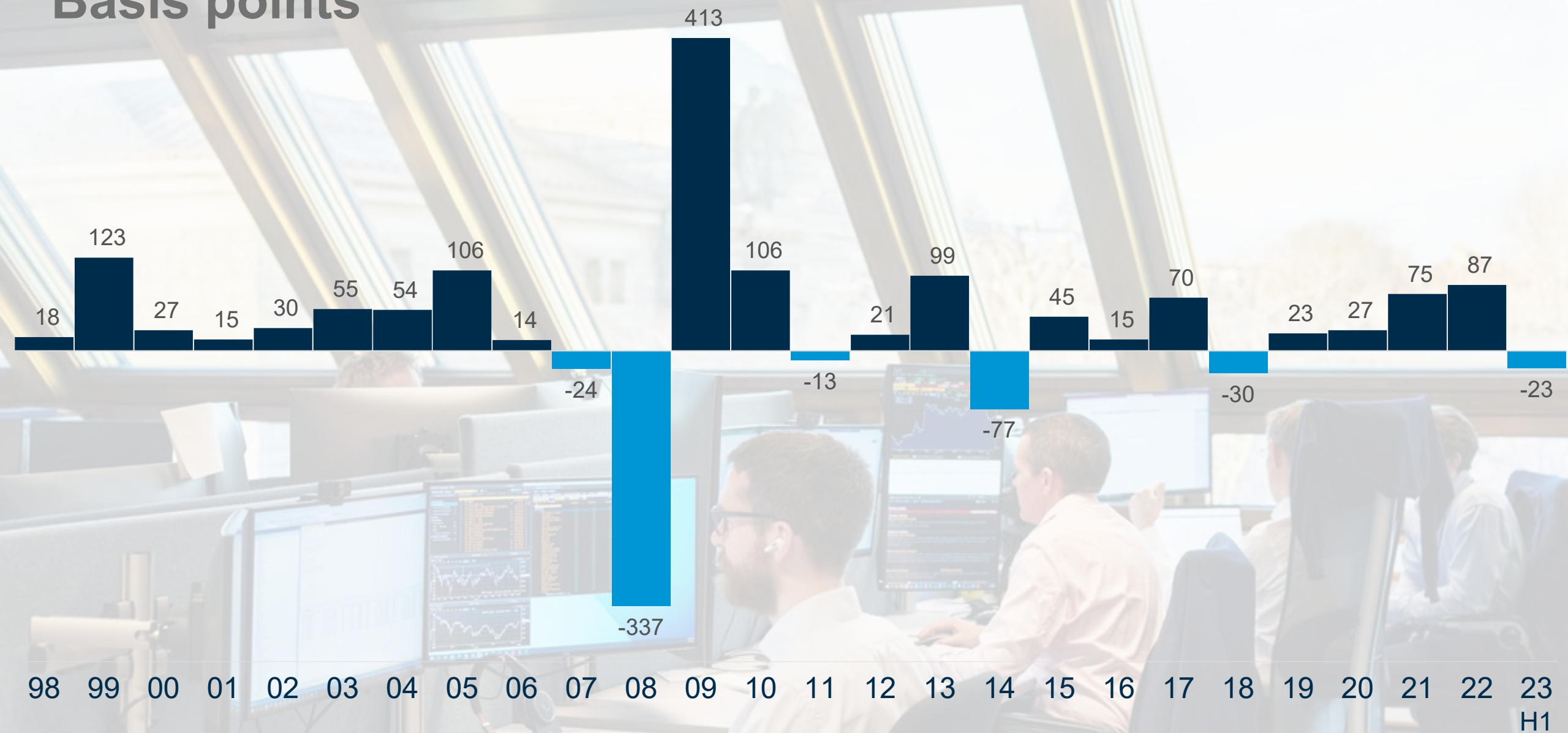
**Return unlisted infrastructure investments: - 6.5%**

# EXCESS RETURN

When the fund achieves a better return than the fund's benchmark index

# Excess returns

Basis points



# Excess returns since inception

Billion kroner



# Seminar about private equity

## 14<sup>th</sup> September 2023

In Norges Bank's premises at Bankplassen 2



**Joe Baratta, Global Head of Private Equity, Blackstone**



**Tim Jenkinson, Professor of Finance, Oxford University**



**Karin Thorburn, Professor of Finance, Norges Handelshøyskole**



**Reynir Indahl, Founder and CEO, Summa Equity**

## Regjeringen ber om vurdering av investeringer i unoterte aksjer for Oljefondet

Regjeringen vil at Norges Bank skal «utrede ulike sider ved unoterte aksjer som grunnlag for departementets vurdering av dette spørsmålet».

1 MIN | PUBLISERT: 31.03.23 — 12.41 | OPPDATERT: 3 MÅNEDER SIDEN



Trygve Slagsvold Vedum har flyttet over gaten til partikontoret siden Fosen aksjonen stenger Finansdepartementet. (Foto: Per Thrana)

# The world's most transparent fund



**15 Countries**  
**75 Funds**  
**185 Questions**



**Global Pension  
Transparency  
Benchmark**





# RESPONSIBLE INVESTMENT

H1 2023



RESPONSIBLE  
INVESTMENT MORE  
IMPORTANT THAN  
EVER



NEW  
EXPECTATION  
DOCUMENT



CLIMATE



VOTING

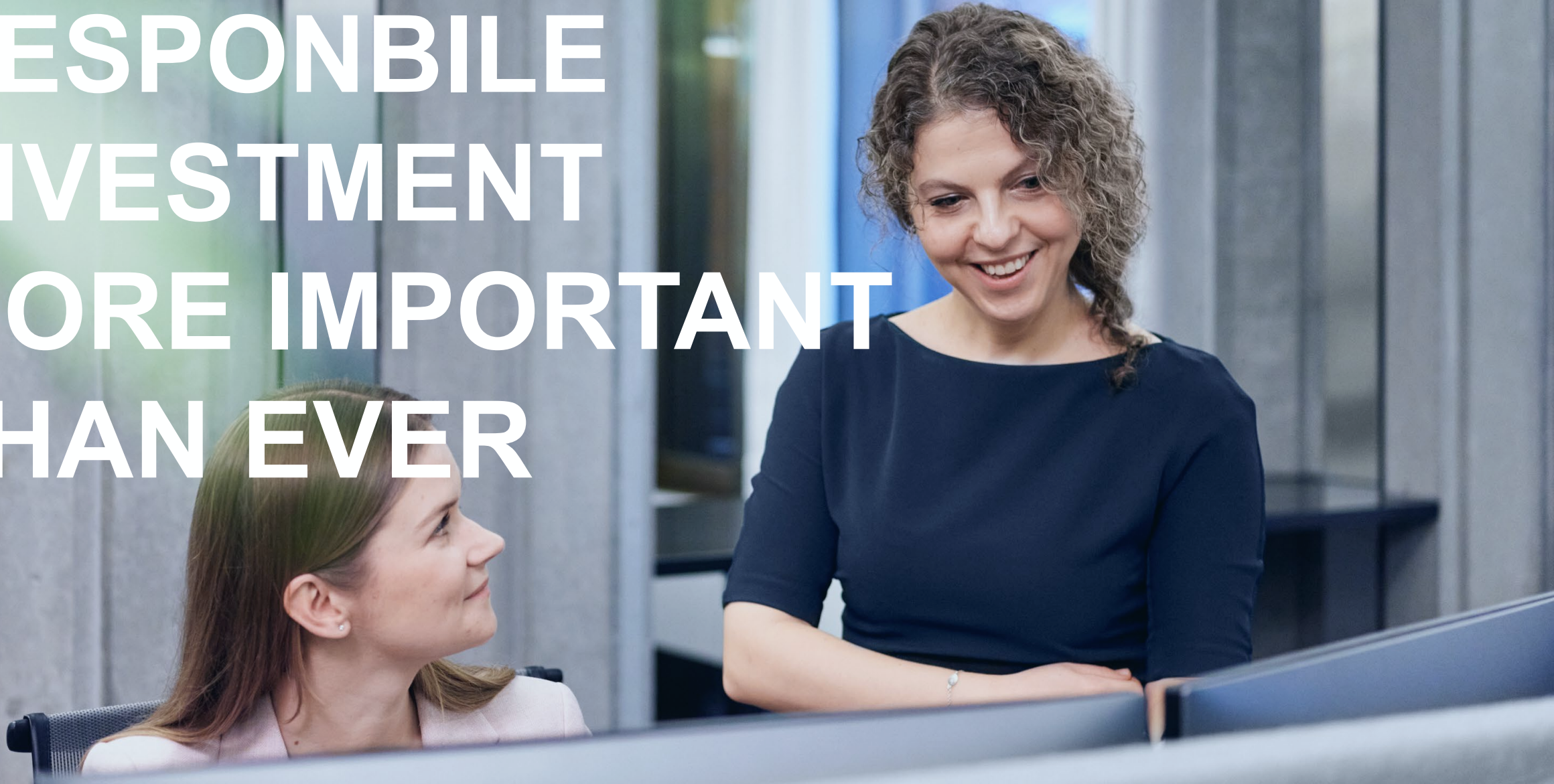






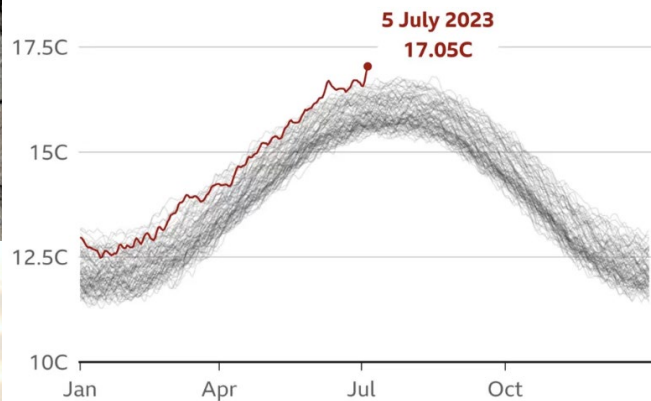
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**RESPONSIBLE  
INVESTMENT  
MORE IMPORTANT  
THAN EVER**



# GLOBAL BOILING

Record global average temperature  
Daily surface air temperature by year, 1940-2023



Note: Temperature data for 5 July 2023 is preliminary  
Source: Copernicus, ERA5



## Aftenposten

### Stort jordras traff boligfelt i Valdres. Nå ser vi runde to av ekstremværet.



Lytt til saken • 5 minutter



1X



VALDRES/OSLO (Aftenposten): Mer regn er på vei mot områder som allerede er hardt rammet av ekstremværet Hans.

WORLD METEOROLOGICAL ORGANIZATION  
Weather · Climate · Water

Our mandate · Programmes · Projects · Resources · Media · Events · About us · Community Platform · Reform · Search

Home · Media · News · Exceptional heat and rain, wildfires and floods mark summer of extremes

Main · News · Press Release · News from Members · Multimedia · Contact us

Most of the North Atlantic warmer than average in July

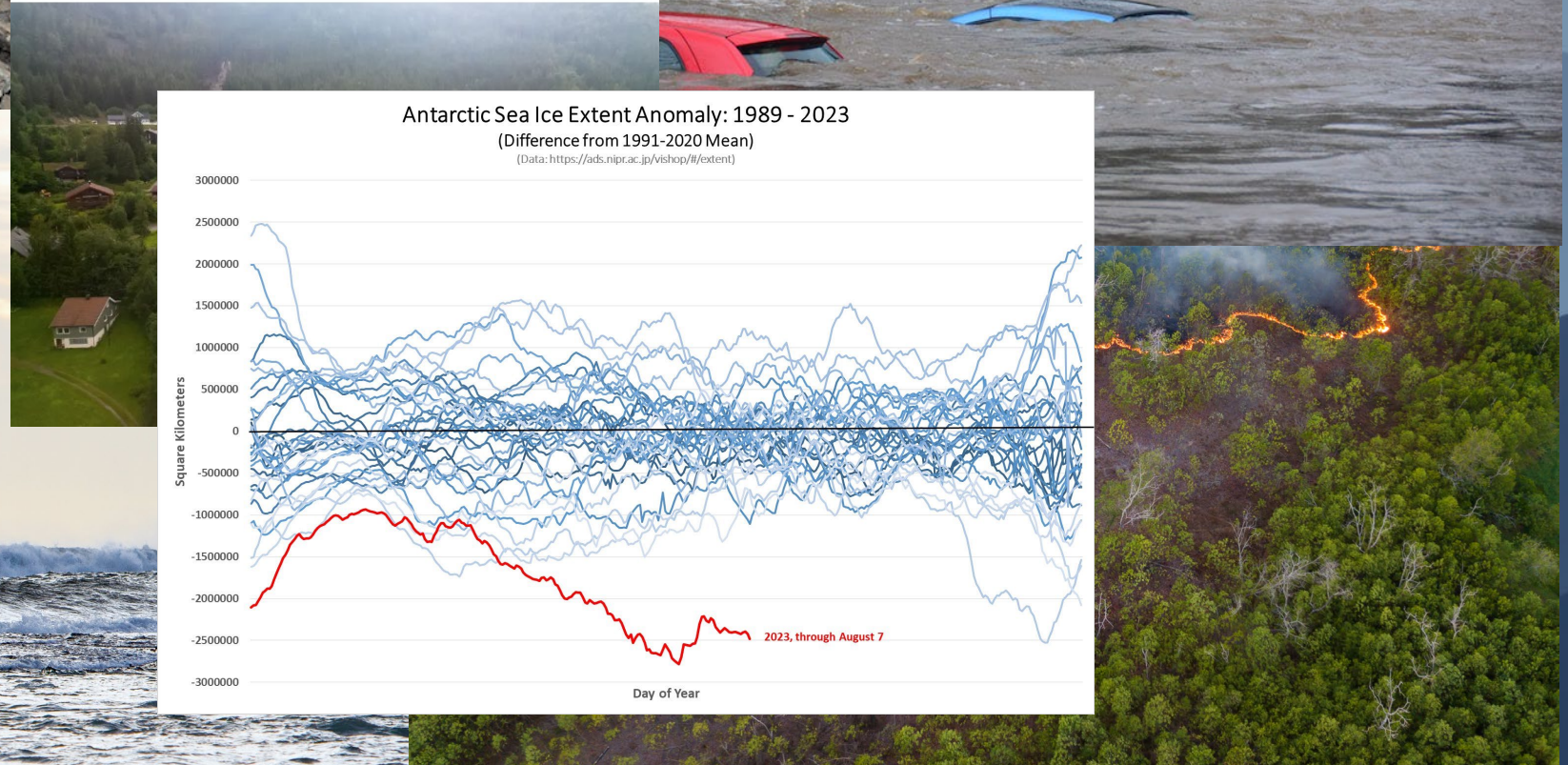
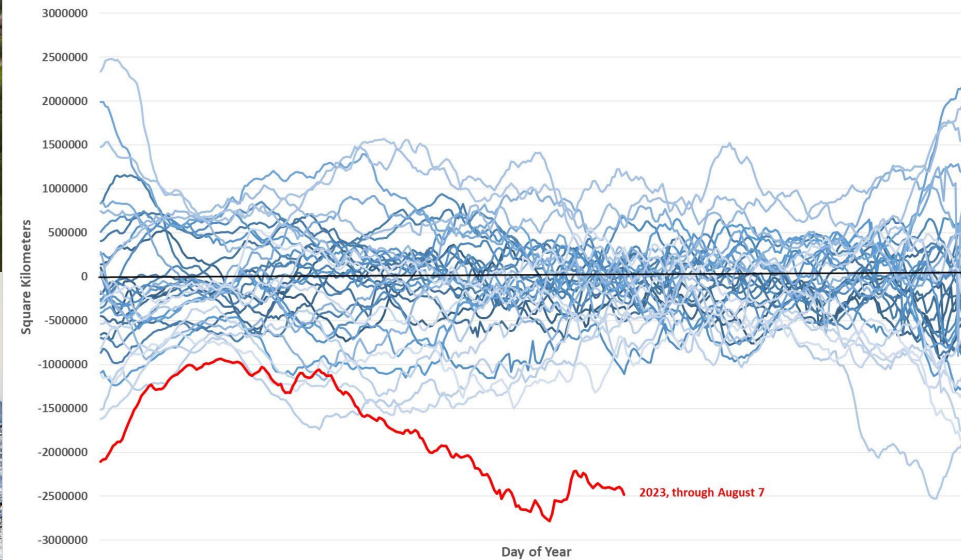
Exceptional heat and rain, wildfires and floods mark summer of extremes

Tags: Public health · Climate · Climate change

3 Published 3 August 2023

### Antarctic Sea Ice Extent Anomaly: 1989 - 2023 (Difference from 1991-2020 Mean)

(Data: <https://ads.nipr.ac.jp/vishop/#/extent>)



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## Worst month ever for ESG funds as British investors pull out

Ethical equity funds ditched in favour of higher returns

By Melissa Lawford

### Forbes

FORBES > INNOVATION > SCIENCE

## What's Behind The ESG Investment Backlash

Christine Ro Contributor

I write about science and international development (broadly defined).

5



A protest by the campaign network Vanguard S.O.S in Mal (Photo by Lisa Lake) GETTY IMAGES FOR POWER INTERFAITH

OIL AND GAS

## How does the war in Ukraine affect oil prices?

Mar 4, 2022



### FINANCIAL TIMES

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## ESG backlash in the US: what implications for corporations and investors?

Republicans' pushback against ethical investing is hitting sentiment elsewhere



Sustainable Business

## How Russia's war blindsided the world of ESG investing

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SUSTAINABLE INVESTING

## In the ESG Backlash, What Makes Sense and What Doesn't?

CNN BUSINESS Markets Tech Media Calculators Videos

## ESG investing is dying. That's not a bad thing



By Nicole Goodkind, CNN

Published 7:28 AM EDT, Fri April 28, 2023



# ACTIVE OWNERSHIP

1,675

Company meetings

1,066

ESG meetings

Climate

People

Corporate governance

Most discussed topics



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VOTING







# CLIMATE



Norges Bank  
Investment  
Management

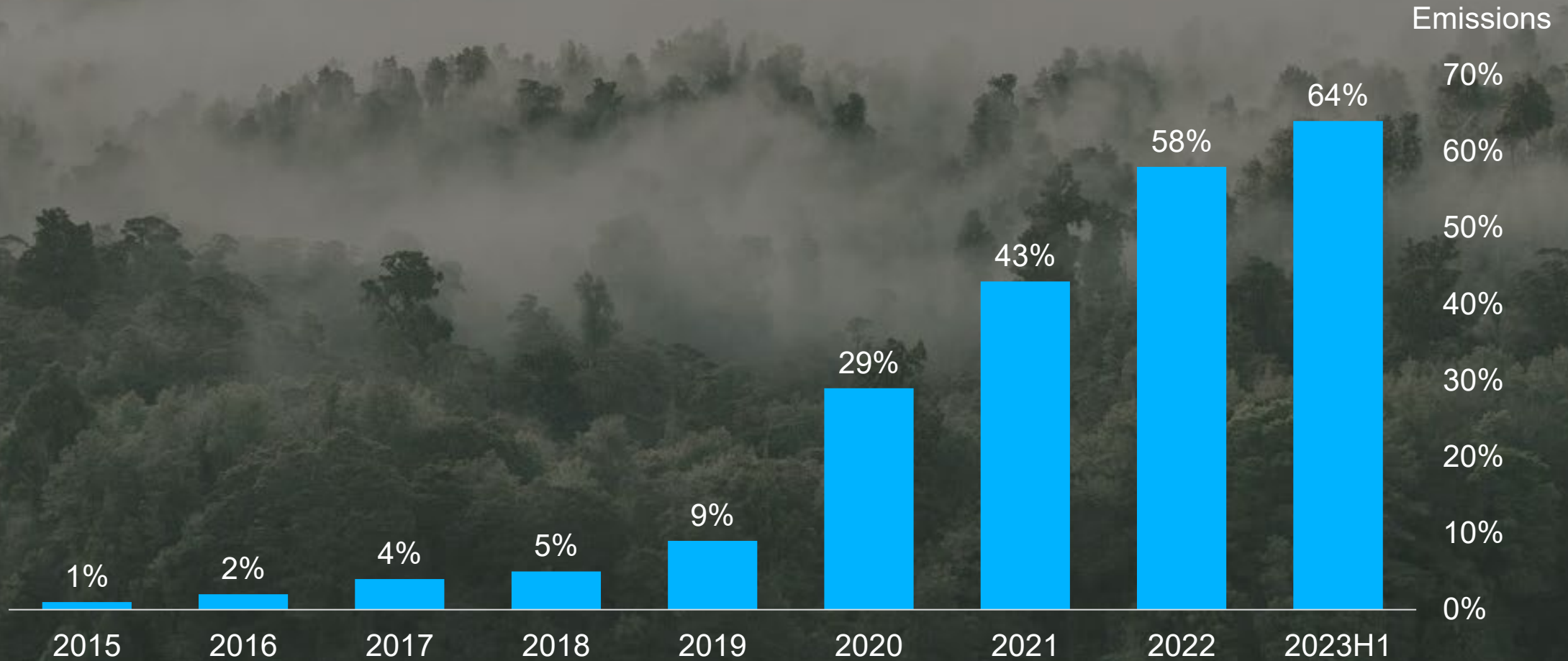
## 2025 Climate action plan

Driving our portfolio companies towards net zero 2050





# MORE COMPANIES SETTING TARGETS



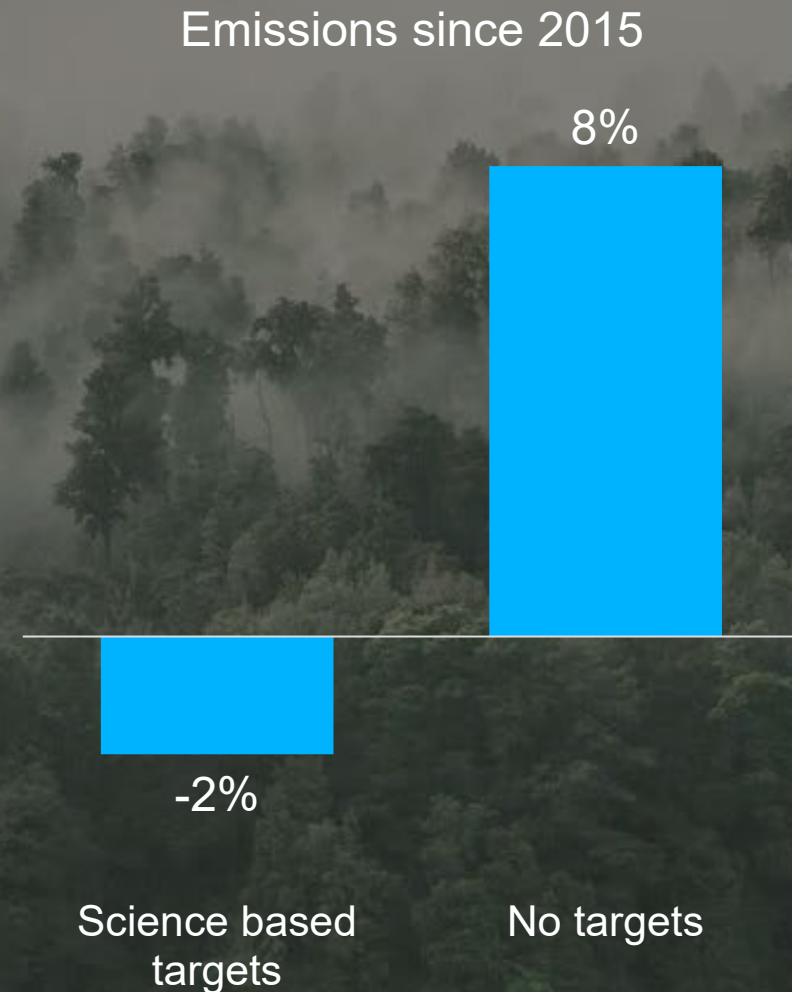
# MORE COMPANIES SETTING TARGETS

31% in the energy sector

24% in the industry sector

43% in Europe

Largest growth in the Pacific region



# WE WANT TO INFLUENCE THE COMPANIES

ExxonMobil



Nutrien

Braskem



BERKSHIRE HATHAWAY INC.



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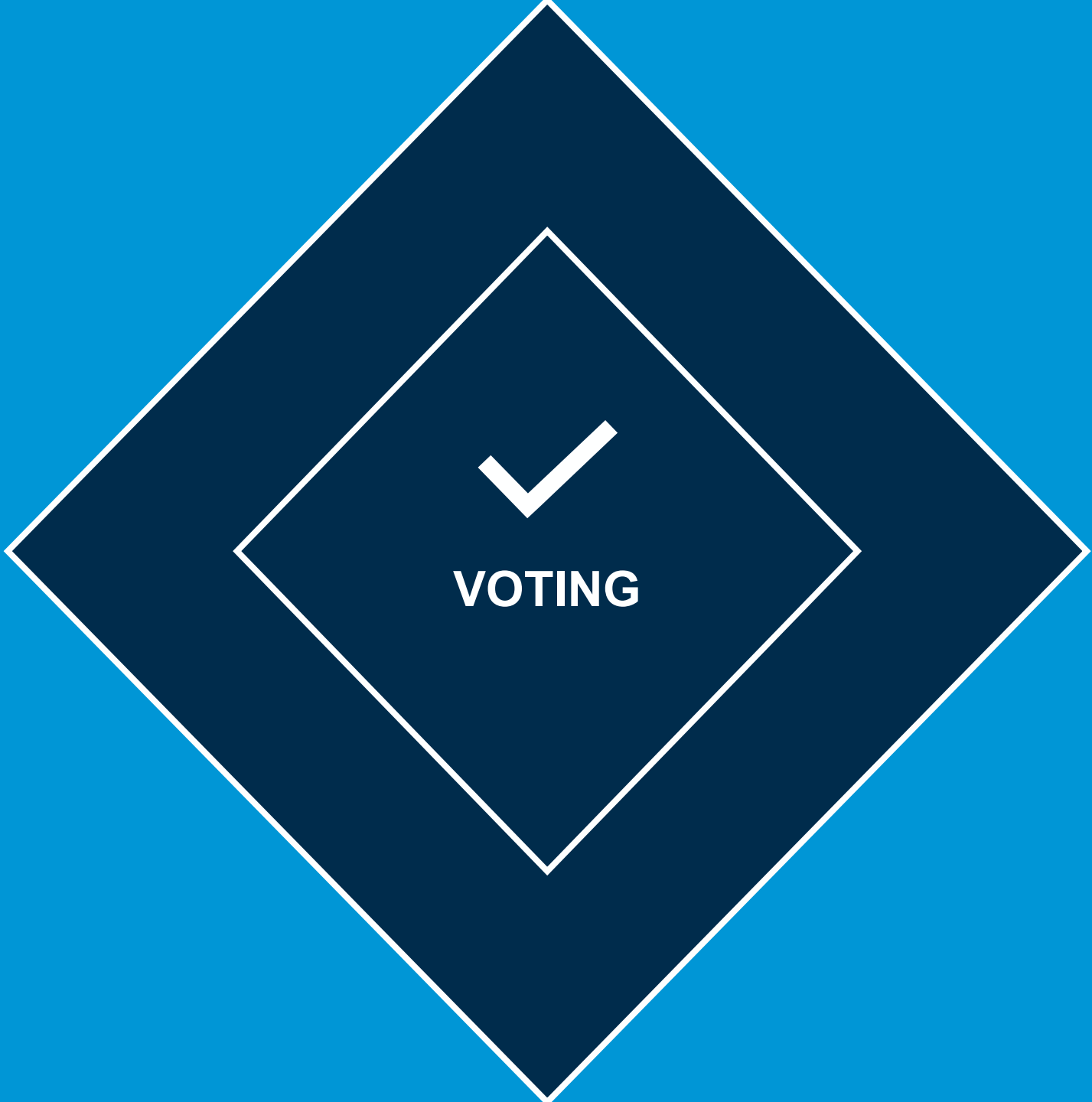


CLIMATE



VOTING





VOTING

# VOTING

## Our voting First half 2023



# VOTING SO FAR IN 2023

8,522

Number of shareholder meetings

94,731

Number of proposals

34

Percent shareholder meetings we voted against

Important topics this voting season



CEO pay



Sustainability proposals



Better boards in Japan

# BETTER BOARDS IN JAPAN

132

Votes against board members in Japan H1 2022

486

Votes against board members in Japan H1 2023







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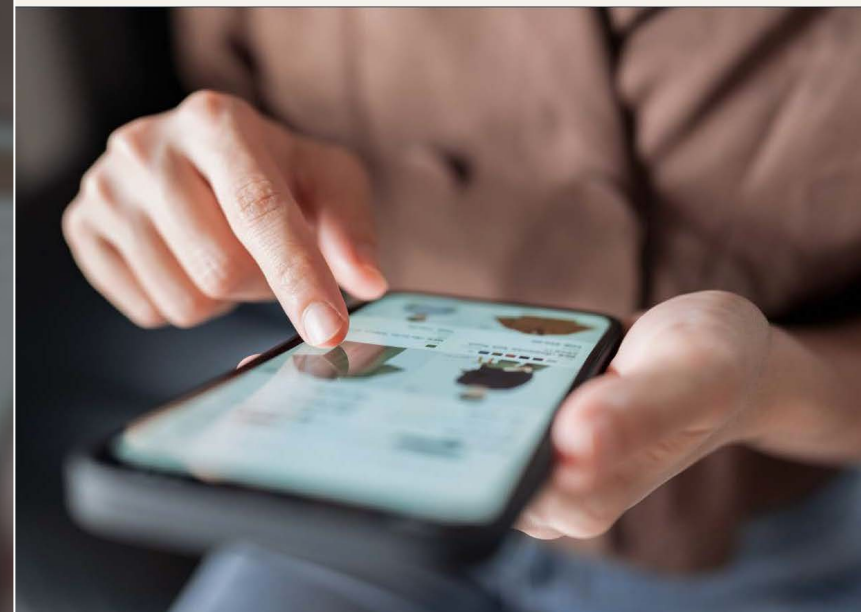


**NEW  
EXPECTATION  
DOCUMENT**

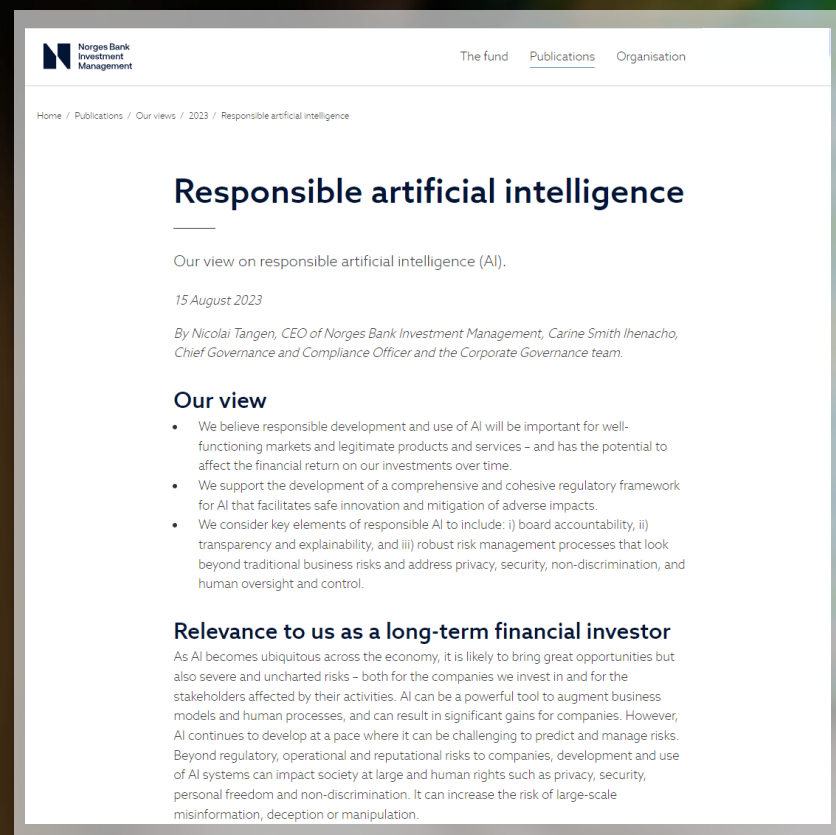
# NEW EXPECTATION DOCUMENT



**Consumer  
interests**  
Expectations of  
companies



# NEW VIEW ON AI



The screenshot shows a webpage from Norges Bank Investment Management. The header includes the logo and navigation links for 'The fund', 'Publications', and 'Organisation'. The breadcrumb trail reads 'Home / Publications / Our views / 2023 / Responsible artificial intelligence'. The main heading is 'Responsible artificial intelligence'. Below it, the text reads 'Our view on responsible artificial intelligence (AI)' dated '15 August 2023', attributed to 'Nicolai Tangen, CEO of Norges Bank Investment Management, Carine Smith Ihenacho, Chief Governance and Compliance Officer and the Corporate Governance team'. A section titled 'Our view' contains three bullet points: 1) AI will be important for well-functioning markets and legitimate products and services, affecting financial return over time. 2) Support for a comprehensive regulatory framework for AI that facilitates safe innovation and mitigation of adverse impacts. 3) Key elements of responsible AI include board accountability, transparency and explainability, and robust risk management processes beyond traditional business risks. A final section, 'Relevance to us as a long-term financial investor', discusses the opportunities and risks of AI becoming ubiquitous, highlighting the need for robust regulatory, operational, and reputational risk management.

**Norges Bank Investment Management**

The fund Publications Organisation

Home / Publications / Our views / 2023 / Responsible artificial intelligence

## Responsible artificial intelligence

Our view on responsible artificial intelligence (AI).

15 August 2023

By Nicolai Tangen, CEO of Norges Bank Investment Management, Carine Smith Ihenacho, Chief Governance and Compliance Officer and the Corporate Governance team.

### Our view

- We believe responsible development and use of AI will be important for well-functioning markets and legitimate products and services – and has the potential to affect the financial return on our investments over time.
- We support the development of a comprehensive and cohesive regulatory framework for AI that facilitates safe innovation and mitigation of adverse impacts.
- We consider key elements of responsible AI to include: i) board accountability, ii) transparency and explainability, and iii) robust risk management processes that look beyond traditional business risks and address privacy, security, non-discrimination, and human oversight and control.

### Relevance to us as a long-term financial investor

As AI becomes ubiquitous across the economy, it is likely to bring great opportunities but also severe and uncharted risks – both for the companies we invest in and for the stakeholders affected by their activities. AI can be a powerful tool to augment business models and human processes, and can result in significant gains for companies. However, AI continues to develop at a pace where it can be challenging to predict and manage risks. Beyond regulatory, operational and reputational risks to companies, development and use of AI systems can impact society at large and human rights such as privacy, security, personal freedom and non-discrimination. It can increase the risk of large-scale misinformation, deception or manipulation.

“

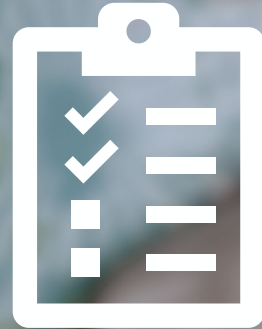
The board of directors is accountable for companies’ responsible development and use of AI

”

# RESPONSIBLE USE OF AI



Board  
accountability



Transparency  
and explainability



Robust risk  
management