

# Case Study

## -Portfolios for global pension funds

Yale University (US) 2011	
Private Equity	34%
<b>Real Estate</b>	<b>20%</b>
Absolute Return	17%
Equities	16%
Natural Resource	9%
Fixed Income	4%

GIC (Singapore) 2011	
Equities	49%
Fixed Income	22%
<b>Real Estate</b>	<b>10%</b>
Private Equity	10%
Absolute Return	3%
Natural Resource	3%

CPPIB (Canada) 2012	
Equities	34%
Fixed Income	32.7%
Private Equity	16.9%
<b>Real Estate</b>	<b>10.7%</b>
Infrastructure	5.7%

CalPERS (USA) 2012	
Equities	49%
Fixed Income	18%
Private Equity	14%
<b>Real Estate</b>	<b>9%</b>
Others	6%
Absolute Return	2%
Infrastructure	1%

British Telecom Pension (UK) 2011	
Equities	24.1%
Fixed Income	22.0%
Alternatives	21.9%
Inflation Linked	20.6%
<b>Property</b>	<b>11.4%</b>

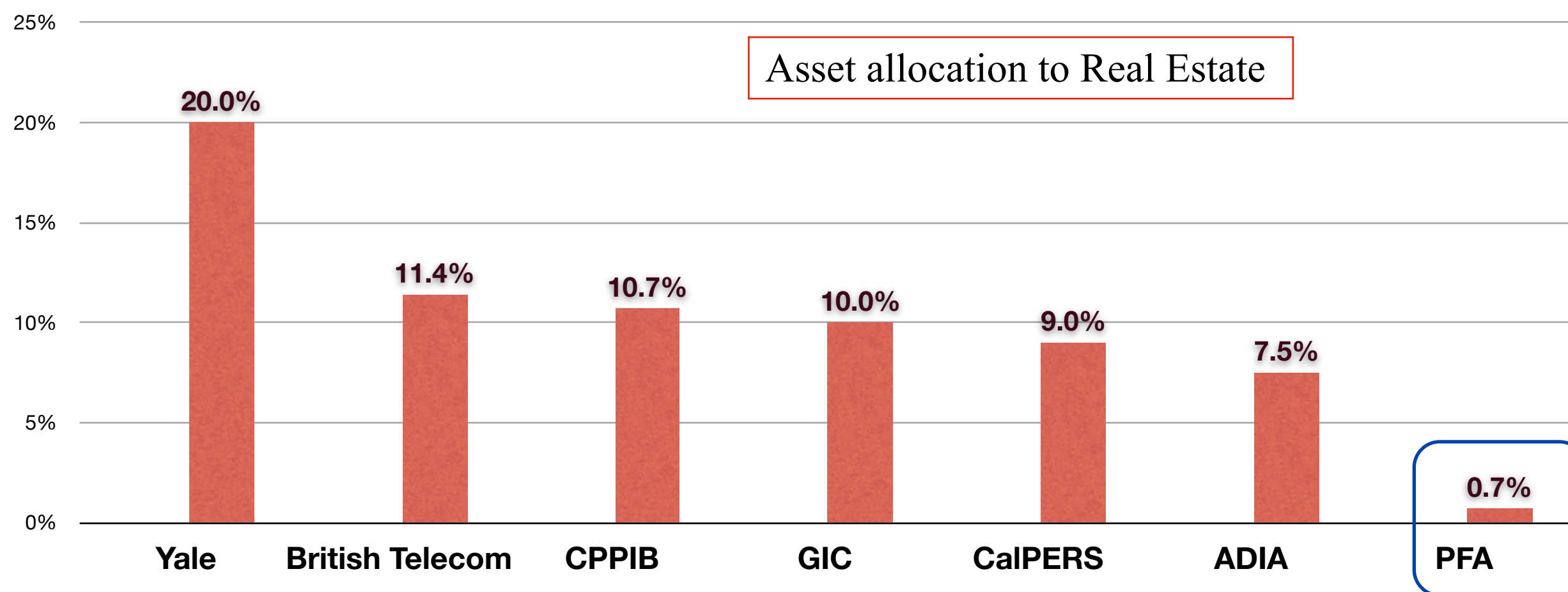
ADIA (UAE) 2012	
Equities	46 - 70%
Fixed Income	10 - 20%
Alternatives	5 - 10%
<b>Real Estate</b>	<b>5 - 10%</b>
Credit	5 - 10%
Private Equity	2 - 8%
Infrastructure	1 - 5%

PFA (Japan) 2012	
Equities	39.8%
Fixed Income	59.5%
<b>Real Estate (&amp; Others)</b>	<b>0.7%</b>

# Case Study

## -Asset allocation to Real Estate

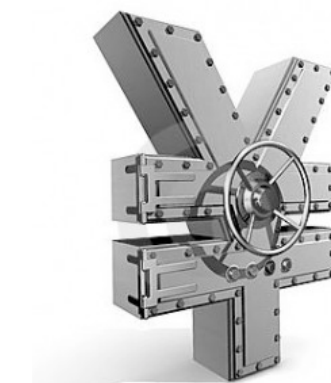
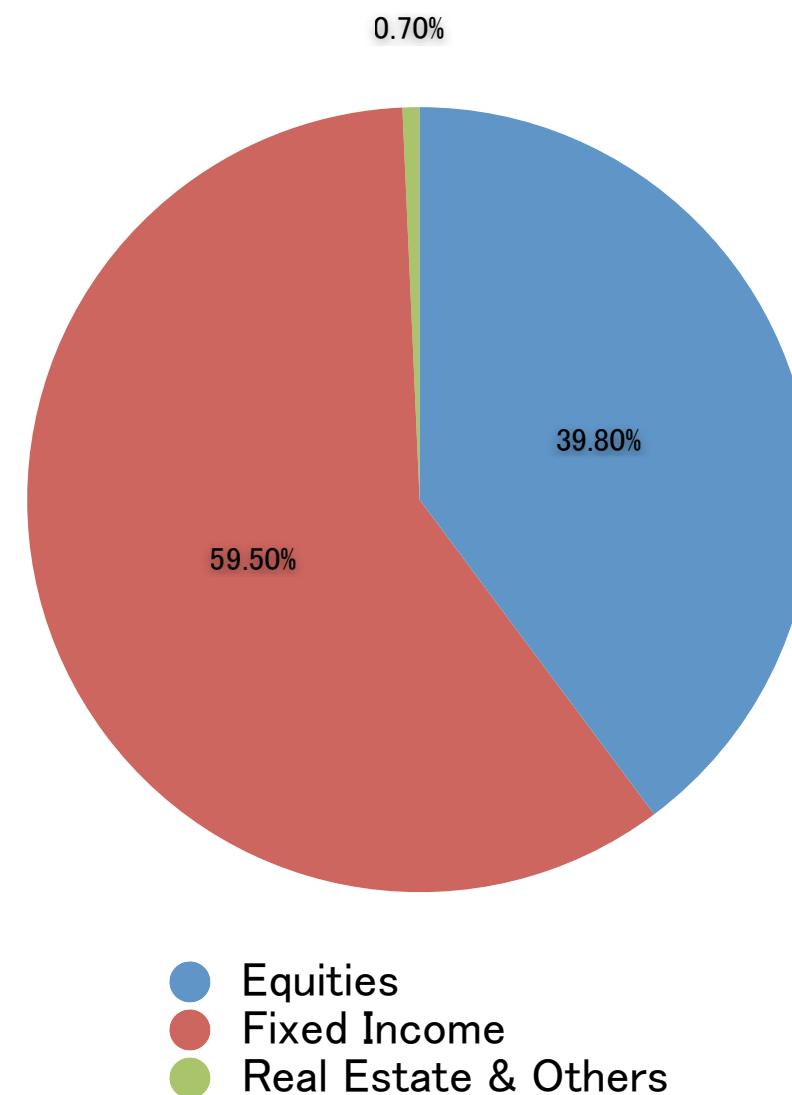
	Type	AUM (billion / USD)	Allocation to Real Estate
<b>Yale University (US) 2011</b>	Endowment	19.4	<b>20%</b>
<b>British Telecom Pension (UK) 2011</b>	Pension	56.7	<b>11.4%</b>
<b>CPPIB (Canada) 2012</b>	National Pension	160.0	<b>11%</b>
<b>GIC (Singapore) 2011</b>	SWF	247.5	<b>10%</b>
<b>CalPERS (USA) 2012</b>	Pension	238.4	<b>9%</b>
<b>ADIA (UAE) 2012</b>	SWF	627.0	<b>5 - 10%</b>
<b>PFA (Japan) 2012</b>	Pension	122.0	<b>0.7%</b>



# Case Study

## -Portfolios of “PFA” Pension Funds Association (Japan)

Investment Portfolio as of Mar 2012	
Equities	39.8 %
Fixed Income	59.5 %
Real Estate & others	<b>0.7%</b>

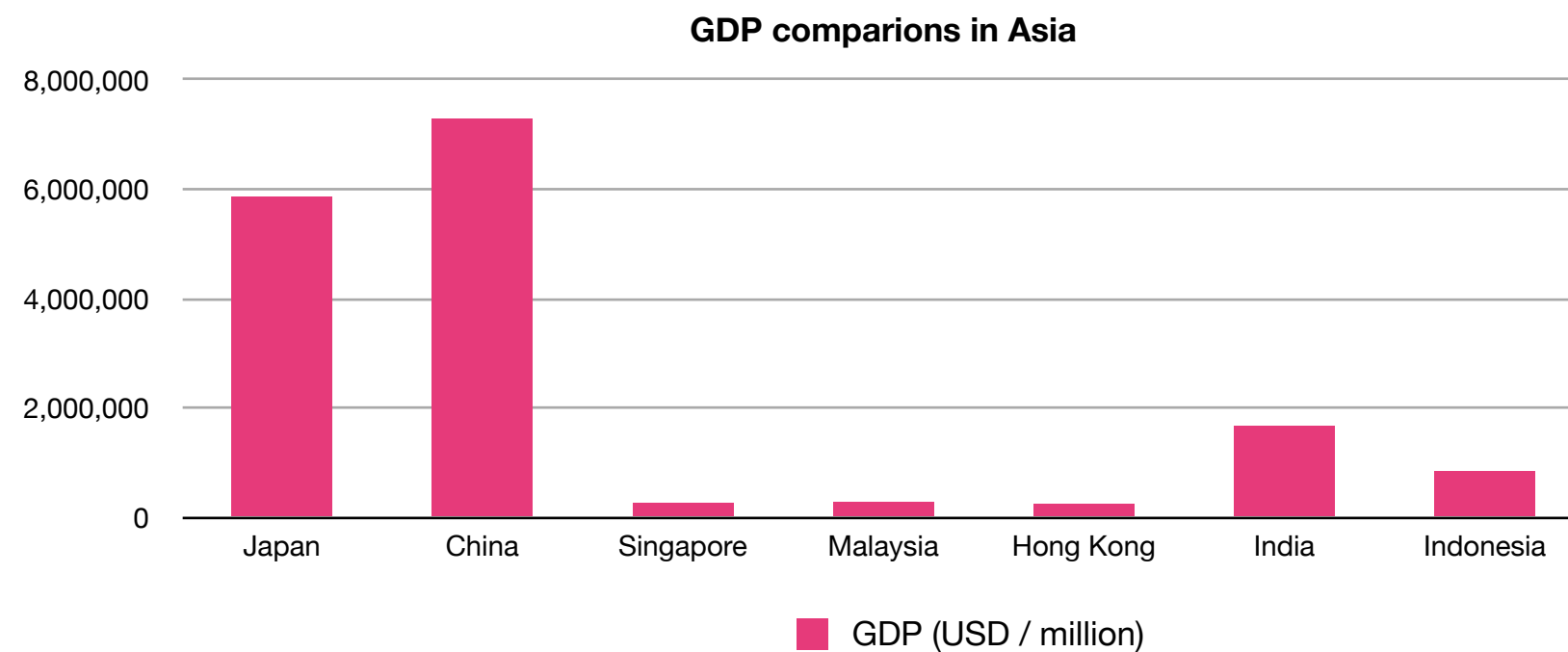


Of the **9.7545 trillion yen** capital assets, investment for Real Estate and alternatives summed up to less than 1%, far behind other developed countries in the world.

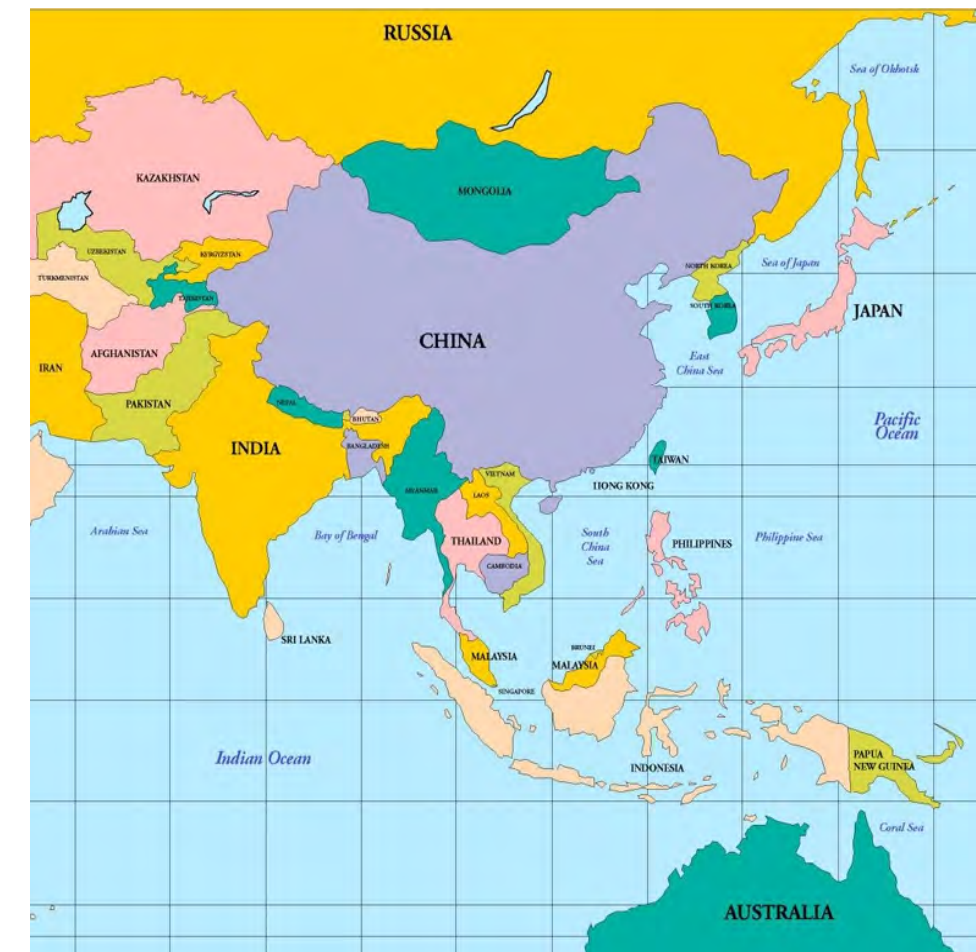
**Growing trend and demand to invest more alternative & real estate asset**

# Strong potential investment power

Country	Population (in mil)	GDP (in USD mil)
Japan	128	5,869,000
China	1348	7,298,000
Singapore	5	260,000
Malaysia	28	279,000
Hong Kong	7	243,000
India	1206	1,676,000
Indonesia	241	846,000

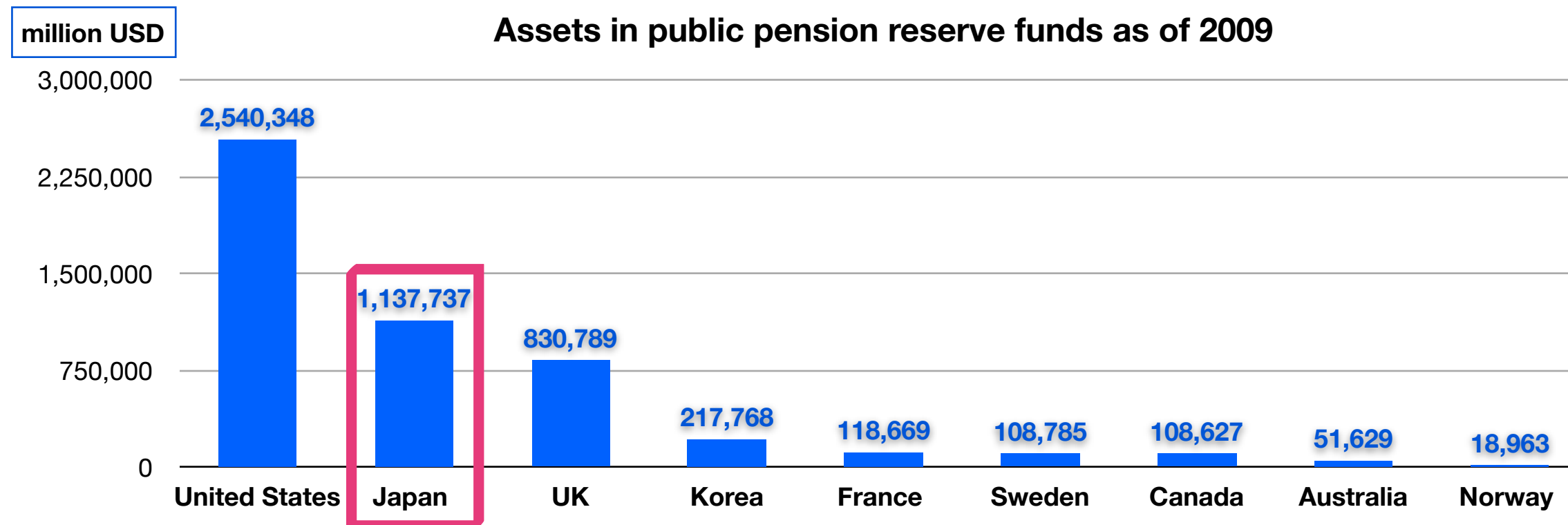


Source: IMF World Economic Outlook, April 2012



# Strong potential investment power

## -Public pension funds reserve



Source: OECD "Assets in private pension funds and public pension reserves"

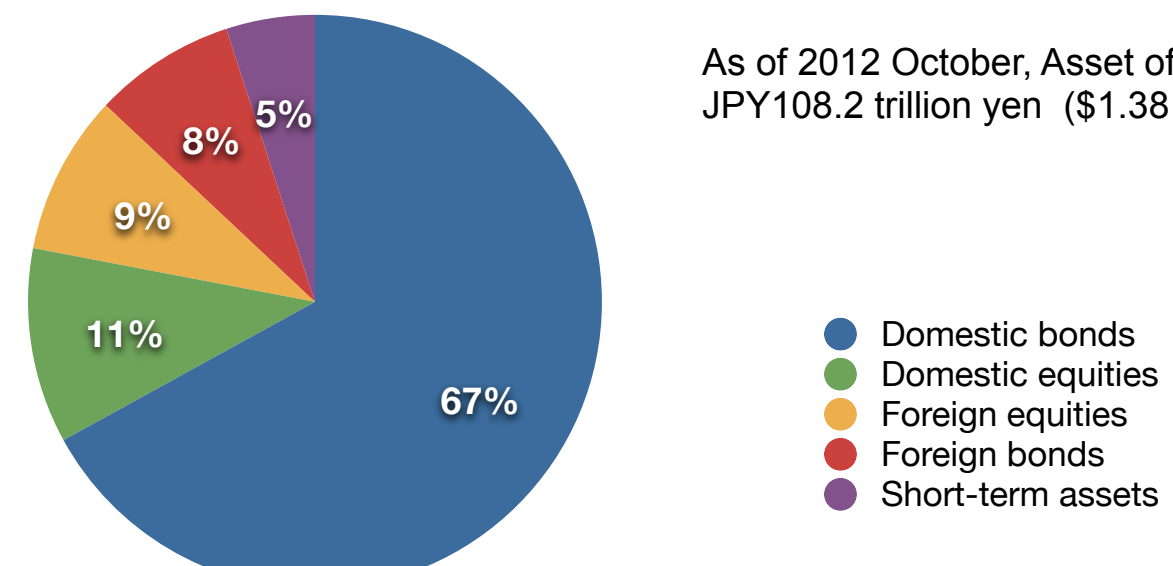


### Japan's Government Pension Investment Fund (GPIF)

Japan's Government Pension Investment Fund (GPIF) has generally been a conservative investor. Bonds and stocks make up the majority of their portfolio.

Recently GPIF announced its plan to increase alternative assets, including private equity, infrastructure and real estate into its investment strategy.

### Asset allocation of GPIF (1.38 trillion USD)



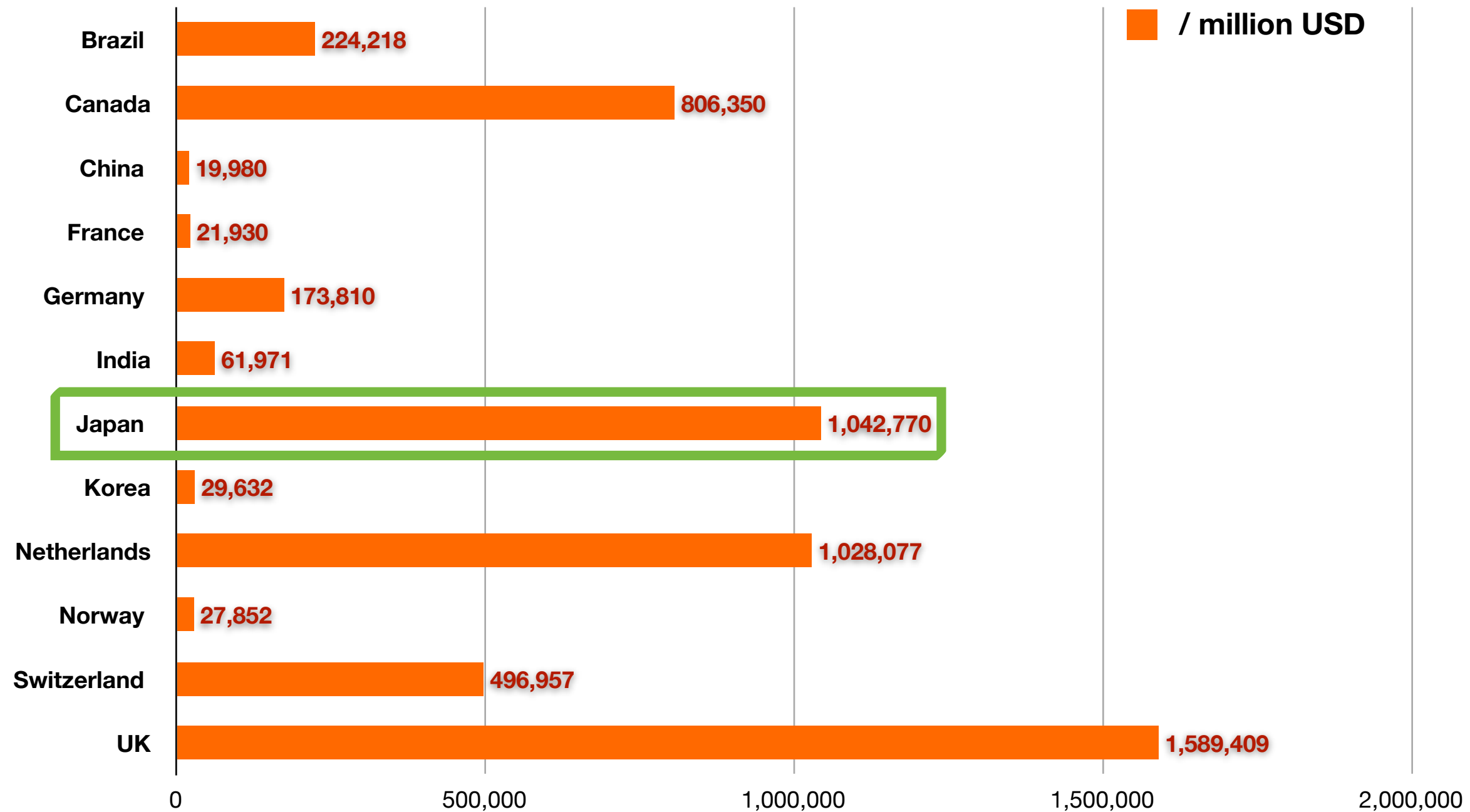
As of 2012 October, Asset of GPIF is JPY108.2 trillion yen (\$1.38 trillion)



# Strong potential investment power

## -Private pension funds sector

Assets in pension funds ex-USA as of 2009



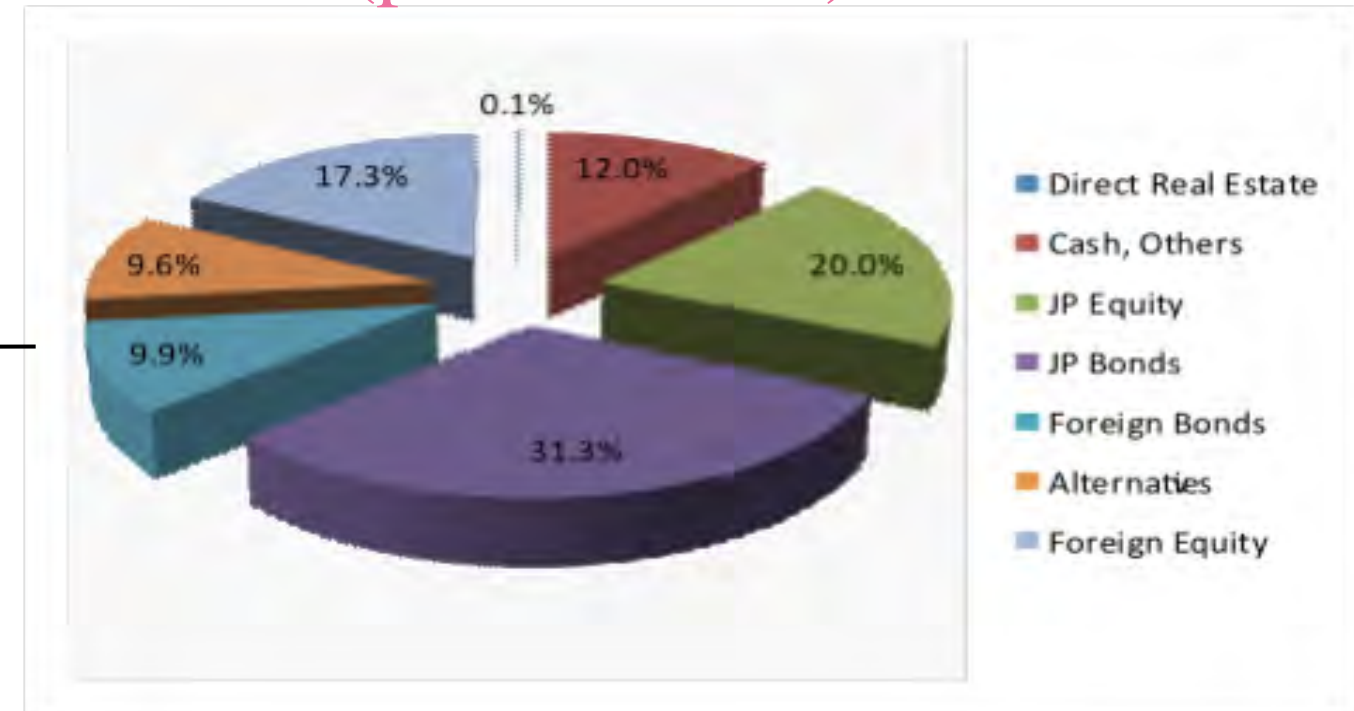
Source: OECD "Assets in private pension funds and public pension reserves"

# Case Study

## -Portfolio Allocation of Japanese pension funds (private funds)

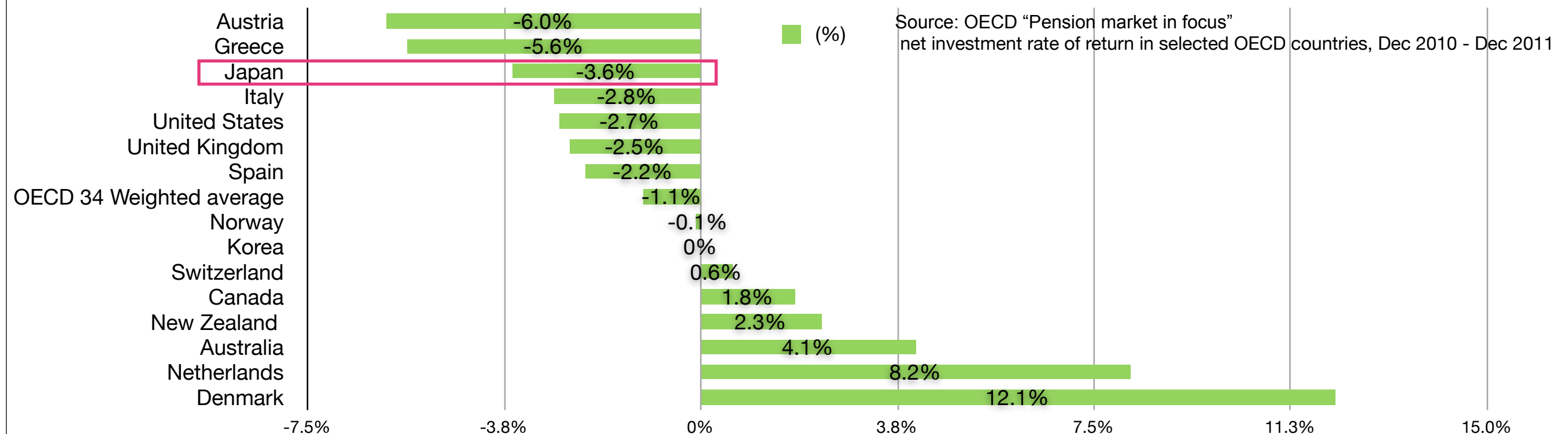
Breakdown of Alternatives	
Hedge funds	7.2%
REITs	0.7%
Private RE funds	0.3%
commodities	0.3%
Infrastructure	0.2%
Buyout / Distressed	0.1%
Venture capital	0.1%
CDO / CLO	0.1%
Other alternatives	0.7%

Alternatives  
9.6%



**Only 0.4 % is invested for real estate & real estate fund**

### Investment return of pension funds



# Case Study

## -P&L for Japanese pension funds

### P & L for Japanese corporate pension funds, Balance on Book Value, 2011

\* Rate exchange as of 3/9/2012

Year 2010	Reserve Increase/ Decrease	Company reserves from previous year	Year 2011
113.46 trillion yen	-4.95 trillion yen	124 million yen	↓108.53 trillion yen
(1.448 trillion USD)*	(-6.32 billion USD)*	(1.583 million UDS)*	↓(1.385 trillion USD)*

**Japanese Pension Funds have been suffering loss given the bearish economic market and conservative portfolios, need higher return.**

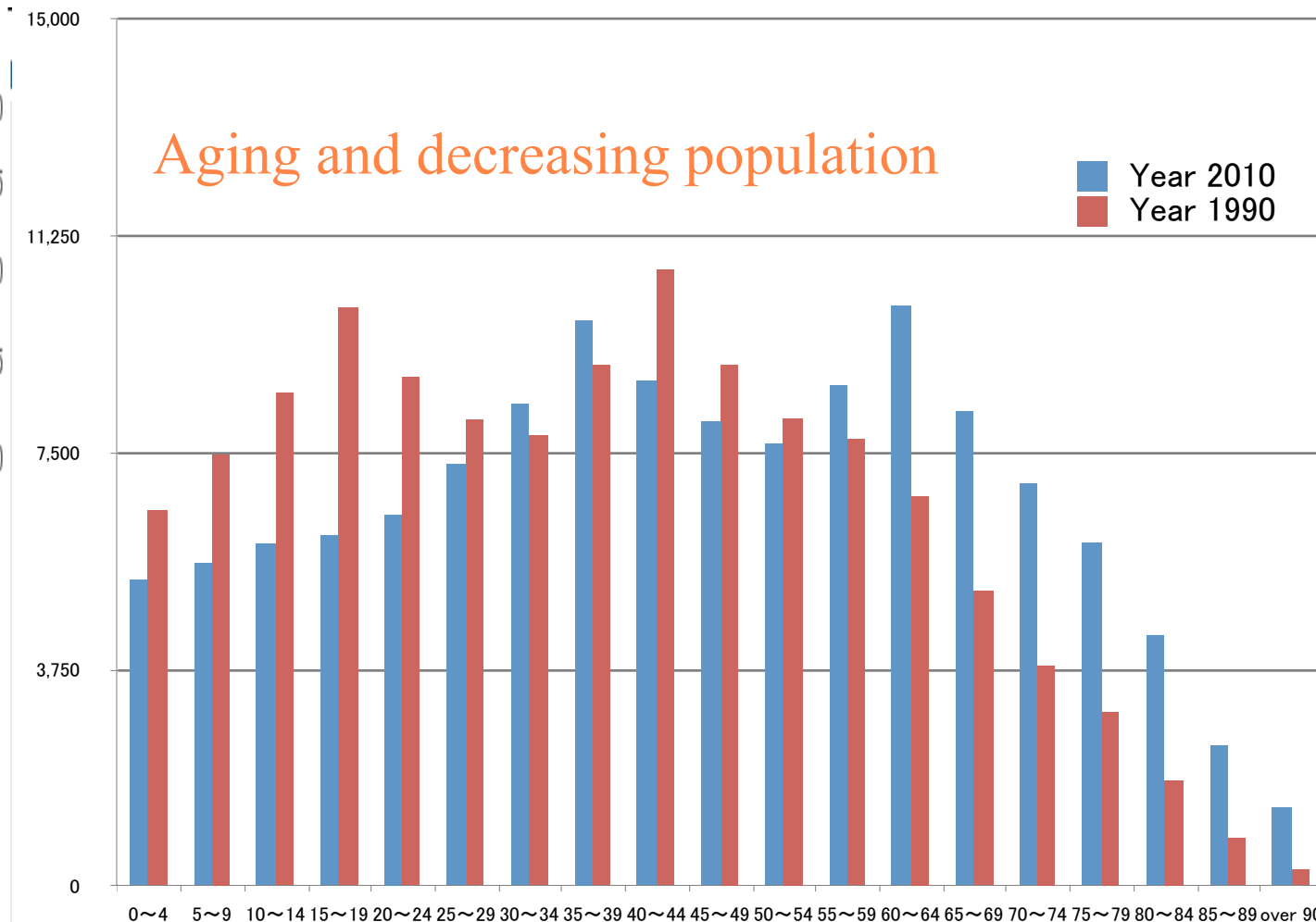


# Too many reasons for more alternative investment

Currency of JPY continues to strengthen



Comparison of aging distribution between 1990 & 2010  
Aging population is a well-know problem in Japan.



Aging and decreasing population  
Low return in domestic market  
Strong currency



Pensions and institutional investors are  
Shifting to global alternative investment



Source for chart: Yahoo! Finance (Left)  
Statistics Bureau, Japan (Right)

# Our Coverage - Japan & Asia

## - Japanese institutional investors investing to real estate & PE funds

Type of Investors	Our coverage
Insurance Companies	more than 20 investors
Corporate Pension Funds	more than 110 investors
Japanese Corporate banks and investment associations	more than 20 investors
Japanese FoFs & Gatekeepers	more than 10 investors
*Family Office (Japan and Asia)	more than 10 investors
*Private banks (Japan and Asia)	more than 10 investors

### Our deep & niche service lines to maintain strong relationship with Japanese LP

- News letter distribution about global real estate & alternatives to limited & qualified Japanese LPs
- Organizing seminars about global RE, PE, infrastructure investment for Japanese LPs
- Providing researches about global SWF / endowments / pensions strategies

**We are only one professional party specializing and providing global institutional real estate investment information to Japanese LPs**