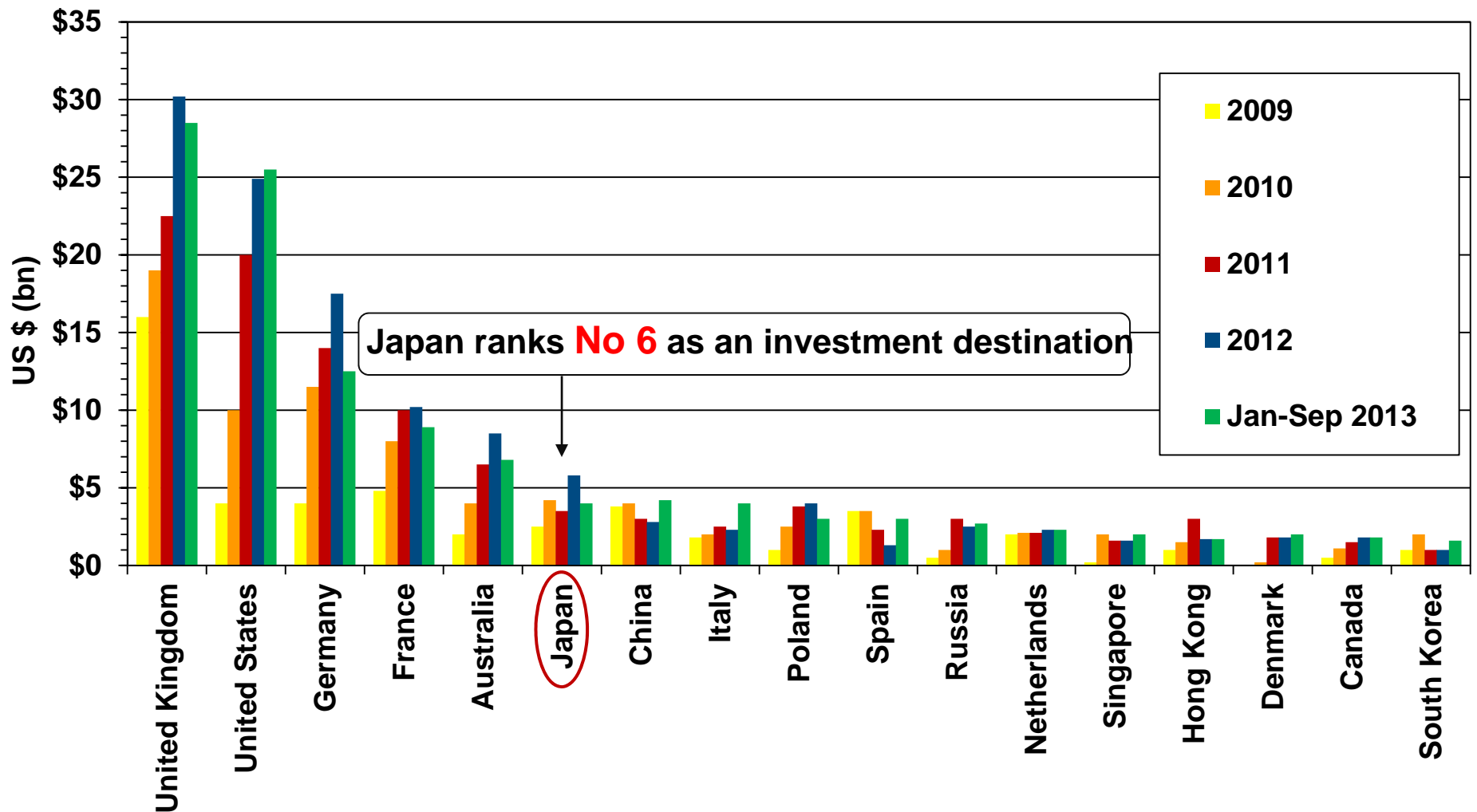


PERE Forum: Japan 2014

Outbound Investing - Japan Goes Global

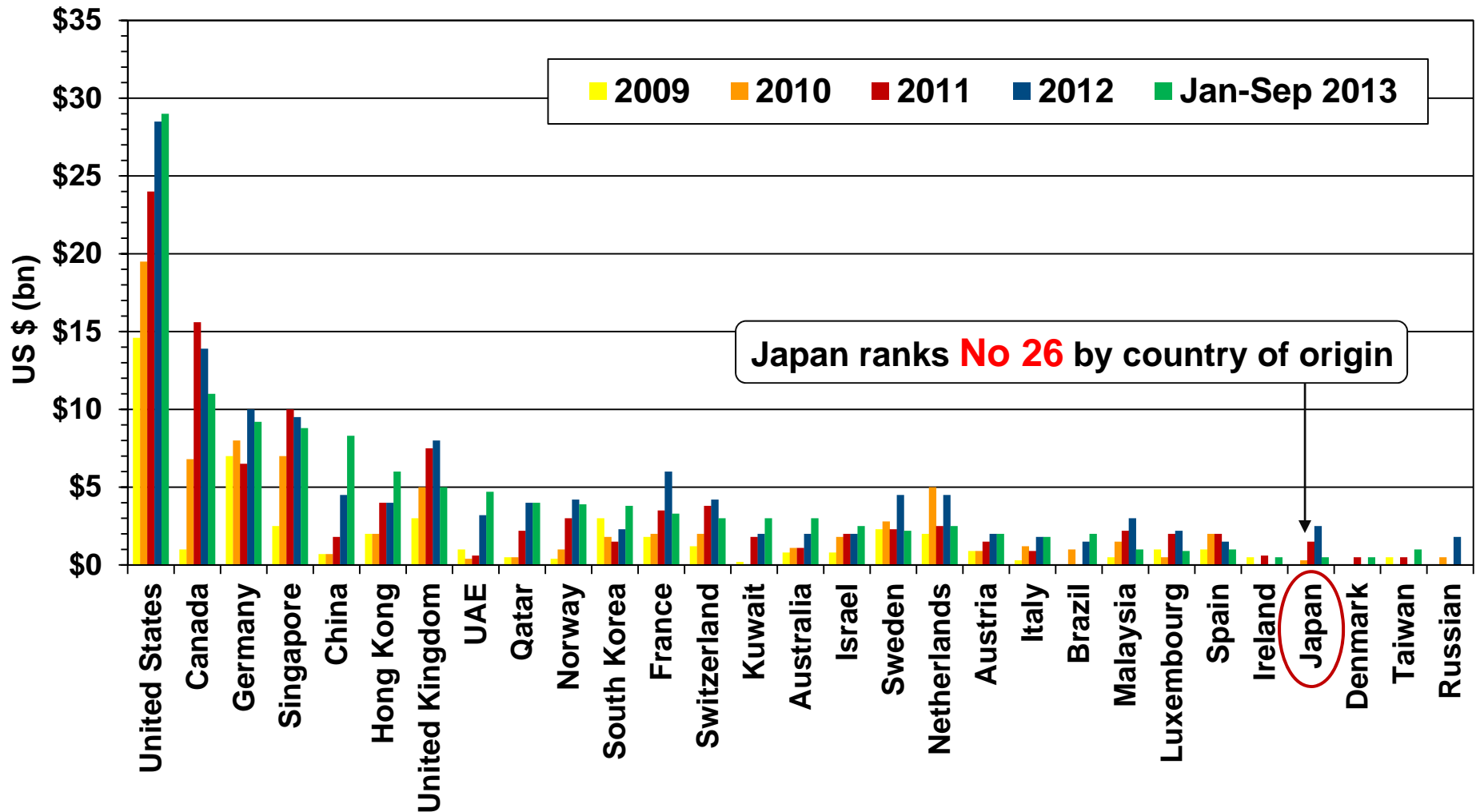
September 18, 2014

Cross-Border Real Estate Investment by Destination Country



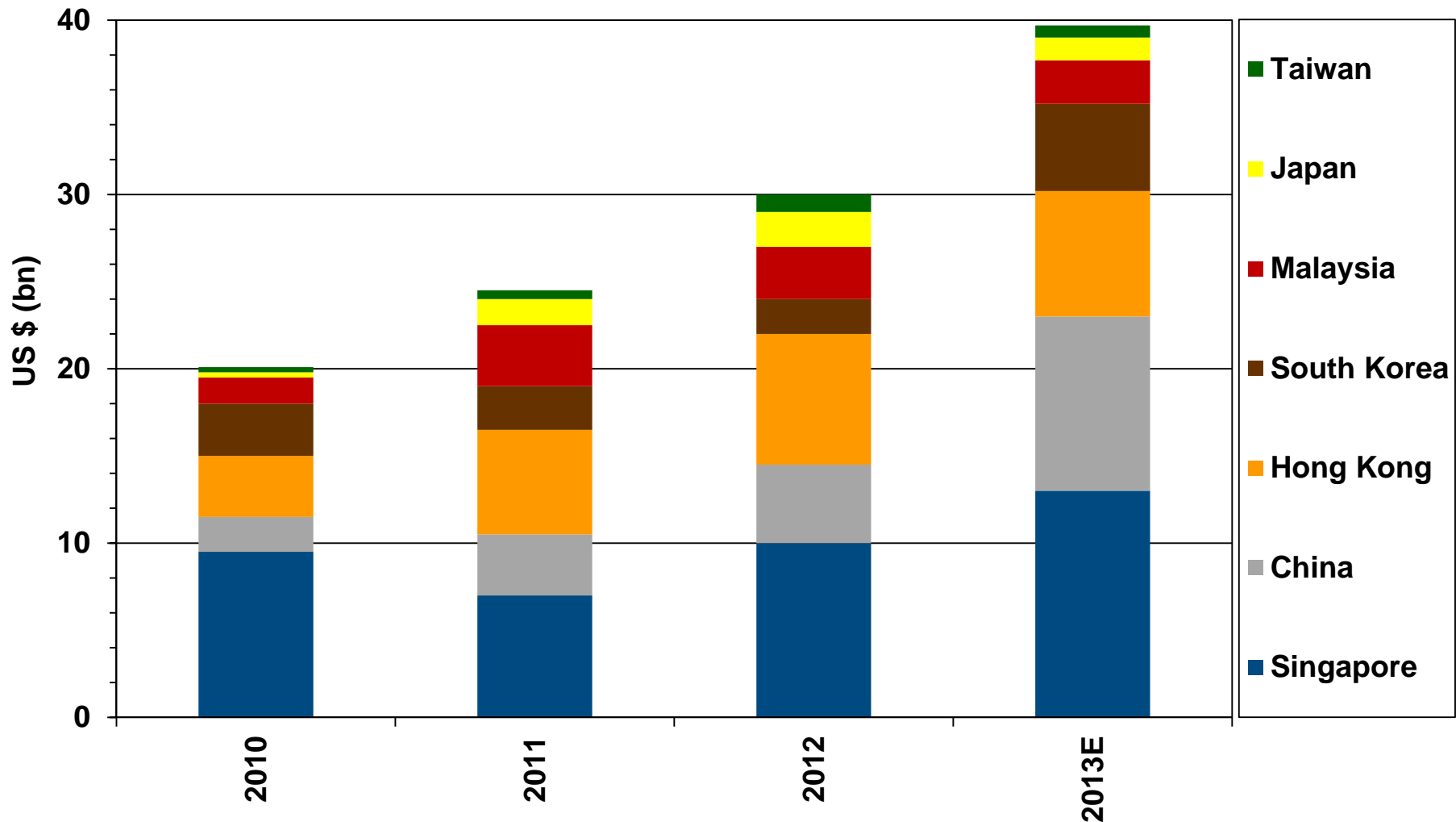
Sources: RCA, Deutsche Asset & Wealth Management

Cross-Border Real Estate Investment by Country of Origin



Sources: RCA, Deutsche Asset & Wealth Management

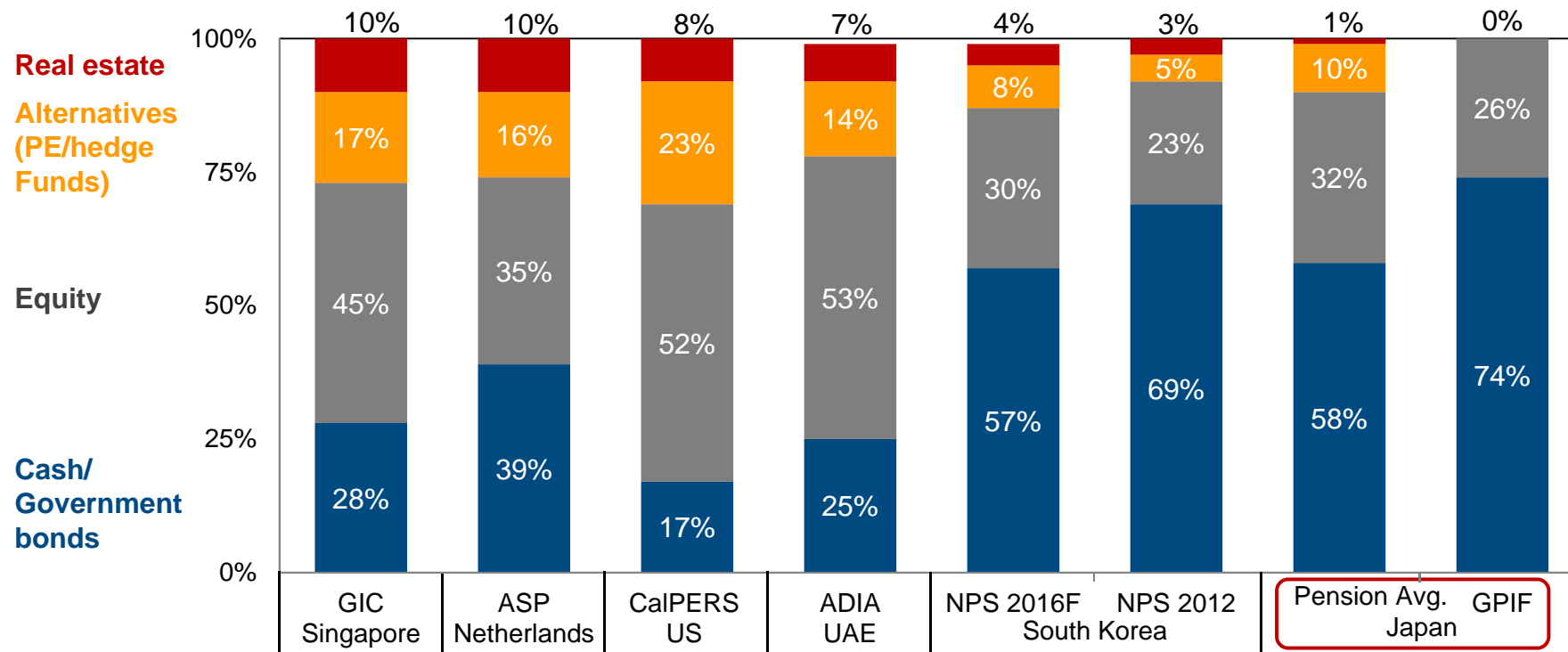
Asia-Originated Cross-Border Real Estate Investment



Note: E = preliminary estimate

Sources: RCA, Deutsche Asset & Wealth Management

Real Estate Exposure and Investment Returns of Major Investors



Total assets (US\$b)	248	380	255	627	347	790	1,239
Annualized return (2012)	n/a	13.7%	10.2%	n/a	4.3%	11.2%	10.2%
Long-term total return*	7.6%	5.2%	8.0%	6.9%	6.3%	1.1%	2.0%

Lower returns compared to other pensions

*Long-term returns as at 2012; 25 years for South Korea's NPS, 20 years for ADIA and 10 years for all other entries

Note: Analysis as at January 2014

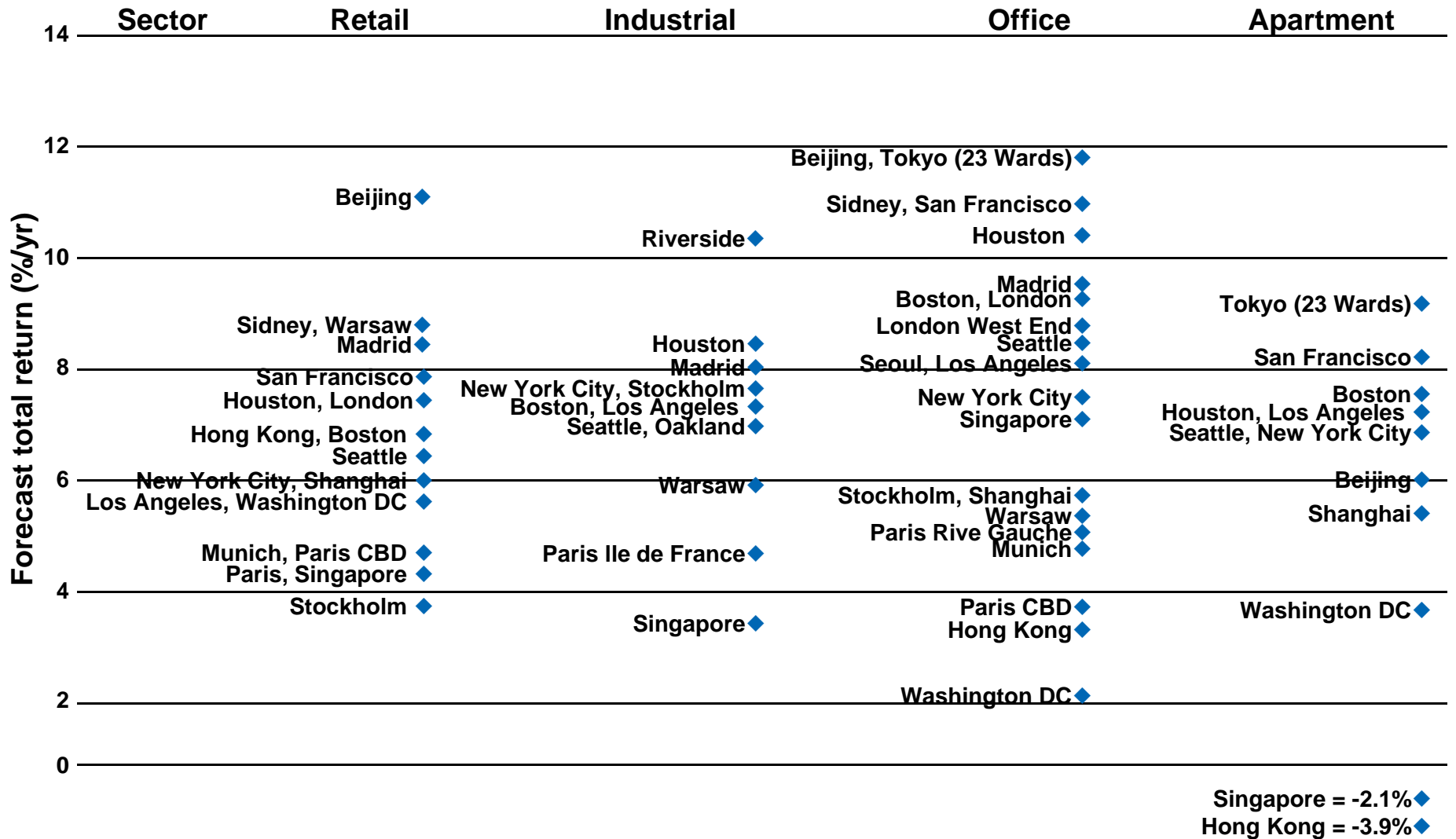
Sources: SWF Institute, PFA, GPIF, P&I, company data, Deutsche Asset & Wealth Management

40 Largest Global Pension Funds (in US\$ million)

Rank Fund	Market	Total Assets	Rank Fund	Market	Total Assets
1. Government Pension Investment	Japan	\$1,221,501	21. ATP	Denmark	\$111,278
2. Government Pension Fund	Norway	\$858,469	22. Boeing	U.S.	\$98,922
3. ABP	Netherlands	\$415,657	23. IBM	U.S.	\$96,598
4. National Pension	South Korea	\$405,521	24. New York State Teachers	U.S.	\$96,440
5. Federal Retirement Thrift	U.S.	\$375,088	25. Wisconsin Investment Board	U.S.	\$93,787
6. California Public Employees	U.S.	\$273,066	26. Alecta	Sweden	\$93,369
7. Canada Pension	Canada	\$206,173 ¹	27. General Motors	U.S.	\$91,155
8. National Social Security	China	\$205,168	28. North Carolina	U.S.	\$91,080
9. Central Provident Fund	Singapore	\$200,376	29. AT&T	U.S.	\$89,025
10. PFZW	Netherlands	\$196,933 ¹	30. National Wealth Fund	Russia	\$88,179 ³
11. Employees Provident Fund	Malaysia	\$182,216	31. Future Fund	Australia	\$86,196
12. Local Government Officials	Japan	\$179,820 ¹	32. Ohio Public Employees	U.S.	\$85,527
13. California State Teachers	U.S.	\$172,424	33. Bayerische Versorgungskammer	Germany	\$80,941
14. New York State Common	U.S.	\$164,008	34. New Jersey	U.S.	\$78,375
15. Florida State Board	U.S.	\$146,266	35. Washington State Board	U.S.	\$77,537
16. New York City Retirement	U.S.	\$143,925	36. National Public Service	Japan	\$76,338
17. Ontario Teachers	Canada	\$132,445	37. Royal Dutch Shell	Netherlands	\$74,556 ⁴
18. Texas Teachers	U.S.	\$119,706	38. Fondo de Reserva Seguridad	Spain	\$74,106
19. GEPF	South Africa	\$117,681 ²	39. Previ	Brazil	\$71,735
20. Pension Fund Association	Japan	\$117,636	40. General Electric	U.S.	\$70,803

Source: Towers Watson

Global Outlook for Total Returns, 2014-2016 (%/yr)



Source: Invesco Real Estate, March 2014