

WHO OWNS PROPERTY?

Tony Watson

Chief Executive
Hermes Pensions Management Ltd

2003
NATIONAL CONFERENCE
British Property Federation

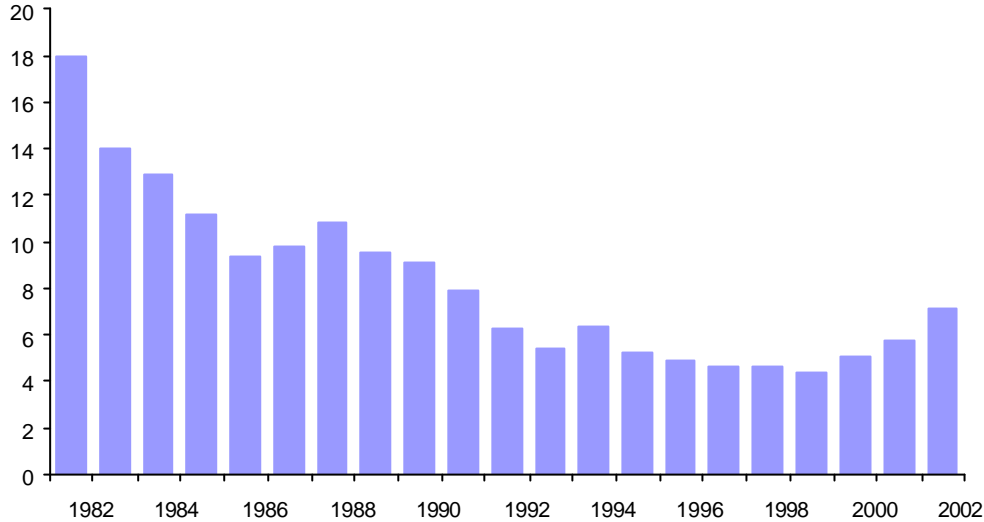
ASSET ALLOCATION - RISK & RETURN IN PENSION FUNDS

Like pets, property is for life not just for Christmas

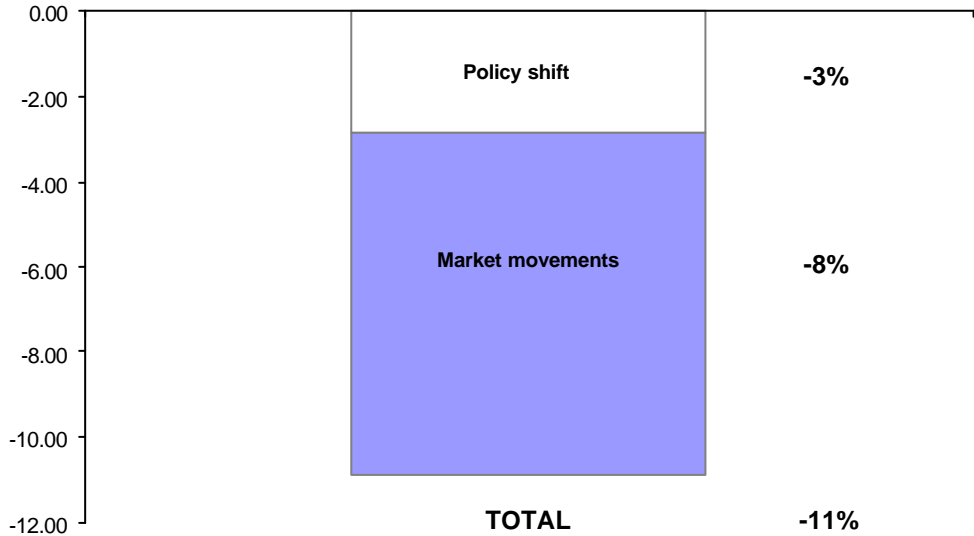
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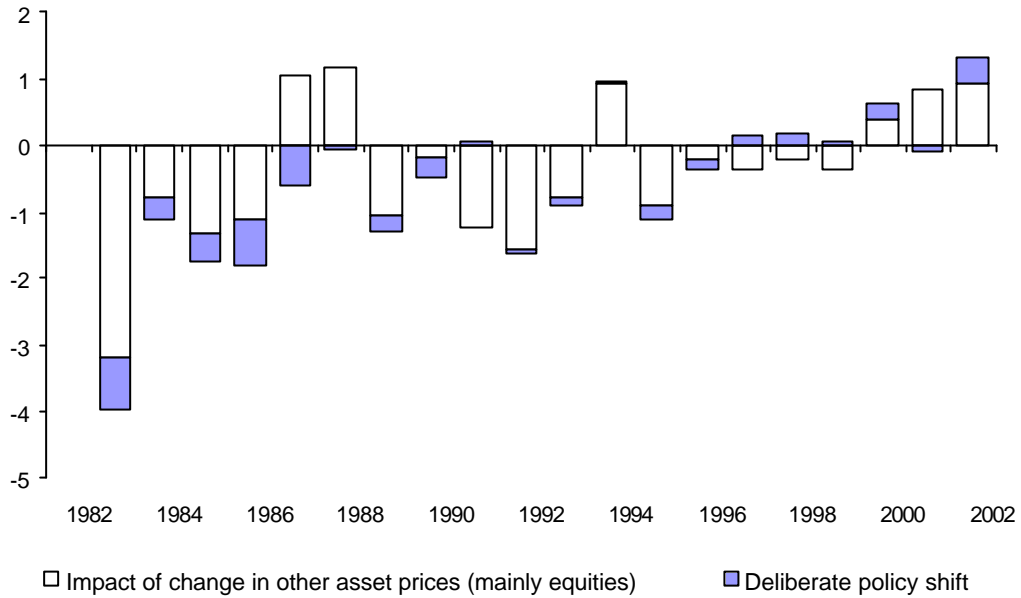
Property within pension funds, %



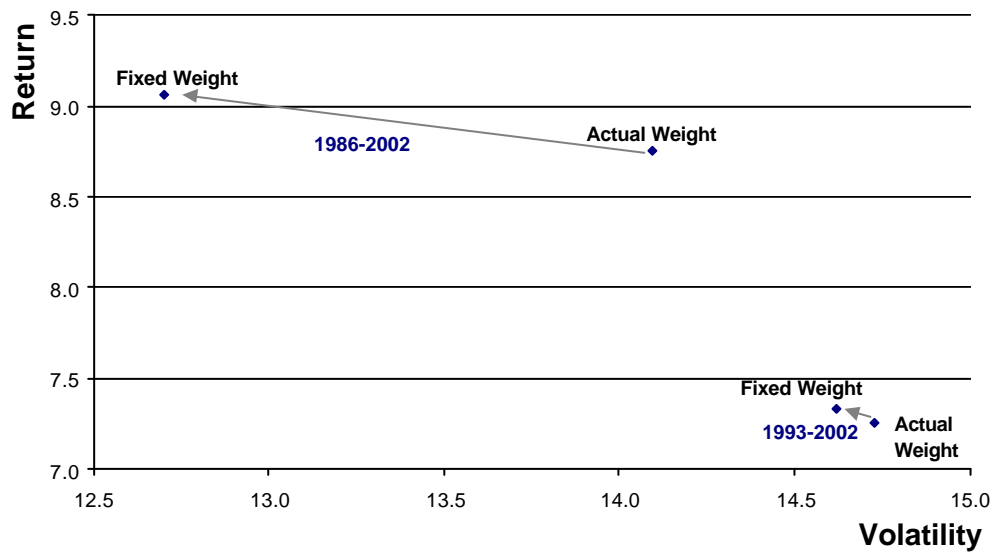
Decline in pension fund allocation to property
1982 - 2002



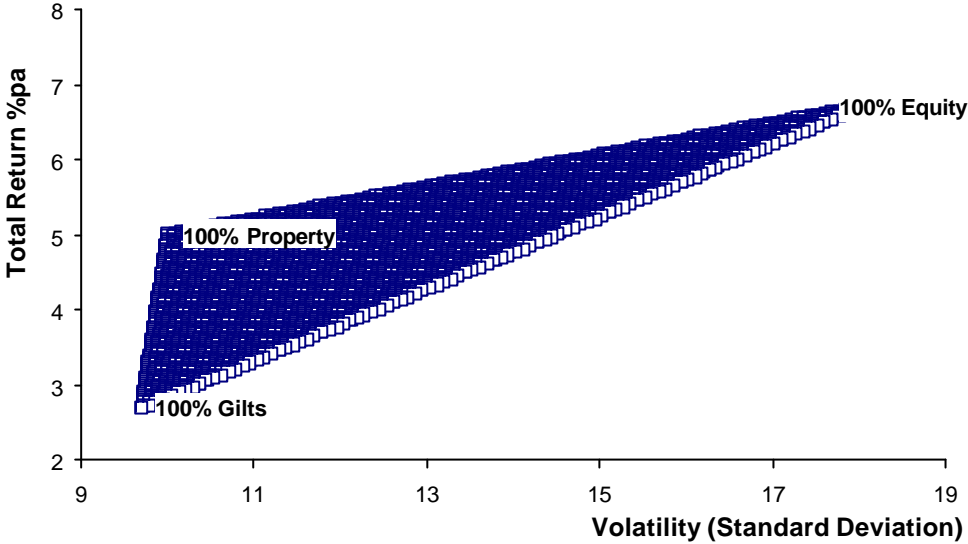
Policy versus market move impact on property allocation



Return vs risk - fixed vs actual property weight



Efficient frontier 2003 - 2028 on expected real returns & risk



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