



**The National Council of Real Estate Investment Fiduciaries
and the Pension Real Estate Association Present**

NCREIF/PREA Conference 2005

October 18-21, 2005

The Westin Copley Place Boston, Boston, MA

Co-chairs:

Douglas Poutasse

AEW Capital Management, L.P.

Robert Schau

Kansas Public Employees
Retirement System

Andrea Stephen

The Cadillac Fairview
Corporation Limited



Conference Co-Chairs



Douglas M. Poutasse,

Mr. Poutasse is the Chief Investment Strategist for AEW Capital Management. He chairs AEW's Investment Policy Group and is a standing member of AEW's Investment Committee.

Mr. Poutasse also oversees the activities of AEW Research, the firm's highly regarded in-house research group.

Mr. Poutasse has over 20 years of experience as an economic analyst and forecaster. He currently serves as the chair of NCREIF's Index Oversight Committee, which is responsible for the policies and procedures of the NCREIF Property Index.



Robert Schau, CFA

Mr. Schau is an Investment Officer with the Kansas Public Employees Retirement System, where he oversees the System's \$850 million real estate portfolio. Mr. Schau has also participated in the oversight of private and international equity portfolios.

He was previously employed by the Illinois Teachers' Retirement System and Heitman Financial Services, has received an MBA from Indiana University and a BS from Purdue University, and is a Chartered Financial Analyst.



Andrea Stephen

As Executive Vice President, Investments, Ms. Stephen is responsible for developing and executing the investment strategy for The Cadillac Fairview Corporation that includes all acquisitions and dispositions for the company.

Formerly Director, Real Estate with the Ontario Teachers' Pension Plan Board, Ms. Stephen led the team that privatized Cadillac Fairview in addition to initiating the US investment program for real estate at Teachers'. She is a Chartered Accountant.

Sustaining Members

AEW Capital Management, L.P.
AMB Property Corporation
American Realty Advisors
Beacon Capital Partners LLC
BlackRock Realty
CB Richard Ellis Investors
Chadwick, Saylor & Co. Inc.
CIGNA Realty Investors
Deloitte
Deutsche Bank Alex. Brown
DRA Advisors LLC
Fidelity Management &
Research Company
Goodwin Procter LLP

Great Point Investors LLC
Hart Advisers
Heitman
Hines
ING Clarion
INVESCO Realty Advisors
J.E. Robert Companies
JPMorgan Asset Management
Kennedy Associates
Real Estate Counsel, Inc.
L & B Realty Advisors, Inc.
Landmark Partners, Inc.
LaSalle Investment
Management, Inc.

Lazard Freres
Real Estate Investors, LLC
Lowe Enterprises
Investment Management, LLC
Mayer, Brown, Rowe & Maw LLP
The McMahan Group
Merrill Lynch & Co.
Morgan Stanley
Newland Capital Advisors
O'Connor Capital Partners
Paul, Hastings, Janofsky &
Walker LLP
Praedium Group LLC
PricewaterhouseCoopers LLP

Principal Global Investors, LLC
Property & Portfolio Research
Prudential Real Estate Investors
RREEF
Security Capital Research &
Management Incorporated
Sentinel Real Estate Corp.
Seyfarth Shaw LLP
Starwood Capital Group Global, LLC
TA Associates Realty
The Taubman Company
TGM Associates L.P.
UBS Realty Investors LLC
URDANG

Agenda

Tuesday, October 18, 2005

- 3:00 PM** **Registration** *7th Floor*
- 4:00 PM** **Database & Indices Committee Meeting**, *Great Republic, 7th Floor*
- 7:00 PM** **Real Estate Information Standards Council (REIS) Meeting and Reception**,
Staffordshire, 3rd Floor

Wednesday, October 19, 2005

- 7:00 AM** **Registration**, *7th Floor*
- 7:00 AM – 8:15 AM** **Breakfast Buffet**, *Turner Fisheries Restaurant, Lobby Level*
- 8:30 AM – 5:00 PM** **NCREIF Committee Meetings**
Accounting, Essex South, 3rd Floor
Farmland, St. George B, 3rd Floor
Information Management, Great Republic, 7th Floor
Performance Measurement, Essex Center, 3rd Floor
Portfolio Management, North Star, 7th Floor
Research (NCREIF and PREA), Essex North, 3rd Floor
Valuation, Daniel Webster/Courier, 7th Floor
- 12:00 Noon – 1:00 PM** **Luncheon**, *American Ballroom, 4th Floor*
- 5:00 PM – 6:30 PM** **Real Estate Information Standards (REIS) Council Meeting**, *Essex South, 3rd Floor*
- 6:30 PM – 8:00 PM** **Cocktail Reception**, *The Harvard Club*

HARVARD CLUB of BOSTON

The Harvard Club of Boston was established in 1908. In 1912–1913 the Main Clubhouse at 374 Commonwealth Avenue was built. Since then such dignitaries as Eleanor Roosevelt, Robert Frost and Henry Kissinger have visited the club. Please join your colleagues at this beautiful historic site on **Wednesday, October 19th from 6:30 p.m. – 8:00 p.m.** Just a short walk from the Westin Copley Place!

Agenda

Thursday, October 20, 2005

7:30 AM – 6:30 PM

Registration, *American Ballroom Foyer, 4th Floor*

7:30 AM – 8:30 AM

Continental Breakfast, *American Ballroom Foyer, 4th Floor*

7:30 AM – 8:30 AM

PREA Committee Meetings

PREA Institute, *Daniel Webster, 7th Floor*

Membership, *Defender, 7th Floor*

Government Affairs, *Parliament, 7th Floor*

Reporting & Valuation, *Nausett, 7th Floor*

Publications, *Adams, 7th Floor*

8:30 AM – 5:30 PM

NCREIF Committee Meeting

Timberland, *St. George B, 3rd Floor*

8:30 AM

Opening Remarks, *American Ballroom, 4th Floor*

Stephen J. Furnary, PREA Chairman and **Jim O'Keefe**, NCREIF President

8:35 AM

General Sessions Overview, *American Ballroom, 4th Floor*

Co-Chairs, Doug Poutasse, Bob Schau, Andrea Stephen

8:45 AM – 9:30 AM

Keynote Address, *American Ballroom, 4th Floor*

Jeffrey Diermeier, *CFA, President & CEO, CFA Institute*

Jeffrey Diermeier has served on the Board of Governors of the CFA Institute since 2002 and became its full-time president and chief executive officer January 1, 2005. He will talk about the remarkable advances in performance reporting standards which have occurred in the investment industry over the last 20 years. Mr. Diermeier will specifically address how real estate standards fit within the evolving domain of global investment performance standards.



Stephen J. Furnary



Jim O'Keefe



Jeffrey Diermeier

Agenda

9:30 AM – 10:45 AM

The NCREIF Property Index – Unplugged, *American Ballroom, 4th Floor*

The NPI is the most widely quoted performance measure of institutionally held private real estate in the United States. As of the second quarter, 2005, the market value of the properties in the NPI stood at \$165.9 billion. The spectrum of applications for the index includes asset allocation decisions, performance and compensation benchmarking, and return forecasting. How well does the NPI stand up to these uses? Is the NPI reflective of today's marketplace? Leaders in the industry will discuss the characteristics of the NPI, its strengths and weaknesses, and how users can more effectively utilize it in their investment program.

Moderator
Panelists

Doug Poutasse, *Chief Investment Strategist, AEW Capital Management, LP*

Nori Gerardo Lietz, *Managing Director, Pension Consulting Alliance*

Mike McCook, *Senior Investment Officer, California Public Employees' Retirement System*

Mike Miles, *Managing Director, Guggenheim Partners-Real Estate*

10:45 AM – 11:15 AM

Refreshment Break, *American Ballroom Foyer, 4th Floor*

11:15 AM – 12:30 PM

Real Estate Information Standards: Who Gets the Dollars? *American Ballroom, 4th Floor*

Managers who report the best performance get the most dollars. How do investors know that the results are accurate? In the absence of reporting standards, it would be impossible to make such a comparison, yet standards are not universally accepted in our industry. A force working for such acceptance is the increased regulatory and reporting scrutiny in the investment industry in general, but working against it right now is the tidal wave of money rushing around looking for deals. Who sets the standards today? Who should set them in the future? Why are they relevant to senior management, CEO's and investment officers? PREA, NCREIF and NAREIM have been collaborating since 1993 to publish annually a set of Real Estate Information Standards (REIS). Certain new standards under consideration could change the way your investments look relative to your competitors, and may change personal compensation for managers and plan sponsors. A panel made up of experts who run the REIS process and managers who use the results will bring you up to date on what's coming and how you can stay on top of the process.

Moderator
Panelists

Wylie Greig, *Senior Advisor to Investment Property Databank (IPD) in the US*

Blake Eagle, *CEO, NCREIF*

Jeff Kiley, *Assurance Partner-Real Estate, PricewaterhouseCoopers, Chairman, REIS Council*

Raymond Mikulich, *Managing Director, Lehman Brothers, Inc.*

J. Allen Smith, *Managing Director, Prudential Real Estate Investors*

12:30 PM – 2:00 PM

Luncheon, *Essex Ballroom, 3rd Floor*



Doug Poutasse



Nori Gerardo Lietz



Mike McCook



Mike Miles



Wylie Greig



Blake Eagle



Jeff Kiley



Raymond Mikulich



J. Allen Smith

Agenda

2:00 PM – 4:00 PM

Councils

The Council sessions will provide a chance for plan sponsors and investment professionals to meet in smaller groups and consider the key issues brought out during the program. The Councils are assigned a unique and challenging topic to promote an interactive exchange of information and viewpoints and will be led by industry leader representatives from both PREA and NCREIF.

All Council Sessions, *7th Floor*

Please check the lower corner of your badge to see which council you have been assigned and report to your assigned room.

Georgia Council (GA), *Room: Great Republic*

Council Leaders

Mary Beth Shanahan

Tony Pierson, Cornerstone Real Estate Advisers LLC

Maryland Council (MD), *Room: Defender*

Council Leaders

John McClelland, Chadwick, Saylor & Co., Inc.

Tom Mulvin, Virginia Retirement System

Massachusetts Council (MA), *Room: Daniel/Webster*

Council Leaders

Jim O'Keefe, UBS Realty Investors LLC

Owen Thomas, Morgan Stanley

New Hampshire Council (NH), *Room: Courier*

Council Leaders

Asieh Mansour, RREEF/DB Real Estate

Joseph Stecher, General Motors Asset Management

New York Council (NY), *Room: Adams*

Council Leaders

Gary Draghi, State of Connecticut Retirement Plans & Trust Funds

Laurie Romanak, CB Richard Ellis Investors, LLC

North Carolina Council (NC), *Room: Parliament*

Council Leaders

Glenn Lowenstein, The Lionstone Group

Anne Pfeiffer, JPMorgan Asset Management

Pennsylvania Council (PA), *Room: North Star*

Council Leaders

Mary Ludgin, Heitman

Rick Wincott, PricewaterhouseCoopers LLP

Rhode Island Council (RI), *Room: Naussett*

Council Leaders

Ted Leary, Crosswater Realty Advisors, Inc.

Allen Smith, Prudential Real Estate Investors

Agenda

4:00 PM – 6:00 PM

Plan Sponsor Only Session, *Staffordshire, 3rd Floor*



Peter Katseff
Tennessee
Consolidated
Retirement
System



Joseph Stecher
General Motors
Asset Management

5:00 PM – 6:00 PM

NCREIF Standing Committee Reports, *Essex Center, 3rd Floor*

6:30 PM – 7:30 PM

Cocktail Reception, *American Ballroom Foyer, 4th Floor*

7:30 PM – 9:00 PM

NCREIF and PREA Awards Ceremony, Dinner and Entertainment, *American Ballroom, 4th Floor*

David Spade began his career by performing stand-up comedy in clubs, theaters and colleges across the country. He made his television debut on Saturday Night Live and was named the Hot Stand-Up Comedian of the Year by Rolling Stone magazine and was nominated for a 1999 Emmy Award, a Golden Globe in 1999 and 2000 and an American Comedy Award in 1999 for his memorable role as Dennis Finch, the wise-cracking assistant on Just Shoot Me.

9:00 PM – 10:00 PM

Dessert Reception, *American Ballroom Foyer, 4th Floor*



David Spade

Agenda

Friday, October 21, 2005

7:30 AM – 8:30 AM

Continental Breakfast, *American Ballroom Foyer, 4th Floor*

7:30 AM – 8:30 AM

Plan Sponsor Only Breakfast, *Turner Fisheries Restaurant, Lobby level*

8:30 AM – 9:15 AM

Keynote Address, *American Ballroom, 4th Floor*

Nobel Prize winner, Robert C. Merton, Ph.D., Harvard Business School

This is your opportunity to hear from one of the greatest thinkers in finance today.

Professor Merton will provide his observations on innovation in pension fund management in the impending future.

9:15 AM – 10:30 AM

Property Derivatives: A Brave New World, *American Ballroom, 4th Floor*

Up until now a derivative that tracks the performance of private commercial real estate investments in the US has not been available. This is changing with the introduction of several derivatives based on the NPI by Credit Suisse First Boston. The UK has had property derivatives for several years. What's the status of the UK market for property derivatives today? What factors likely will determine success or failure for US property derivatives and how would plan sponsors and investment managers potentially use property derivatives?

**Moderator
Panelists**

Michael Gilberto, *Managing Director, JP Morgan*

Ian Cullen, *Economist, Head of System and Information Standards, Investment Property Databank*

Stephen Krooth, *Vice President, Real Estate Finance and Securitization, CSFB*

Robert C. Merton, Ph.D., *John and Natty McArthur University Professor, Harvard Business School*

10:30 AM – 10:45 AM

Refreshment Break, *American Ballroom Foyer, 4th Floor*

10:45 AM – 12:00 Noon

Looking Towards the Future-Is It Time To Short Real Estate? *American Ballroom, 4th Floor*

This panel of PREA Graaskamp Award recipients, our industry's leading thinkers, will discuss the future for investing in real estate. Is now the time to get your money off the table? Can we hedge against movements in cap rates by using derivatives? What innovations will we need to deal with the potential increase in volatility? Don't miss what will be a spirited debate between these research legends.

**Moderator
Panelists**

Ken Rosen, *Chairman, Rosen Real Estate Securities*

Jeff Fisher, *Director, Indiana University, Center for Real Estate Studies*

Jacques Gordon, *Global Investment Strategist, LaSalle Investment Management*

David Shulman, *Former Managing Director, Lehman Brothers, Inc.*



Robert C. Merton



Michael Gilberto



Ian Cullen



Stephen Krooth



Ken Rosen



Jeff Fisher



Jacques Gordon



David Shulman

12:00 Noon

Conference Concludes