

J-REIT Monthly

August 2015

For your information only



Sumitomo Mitsui Asset Management

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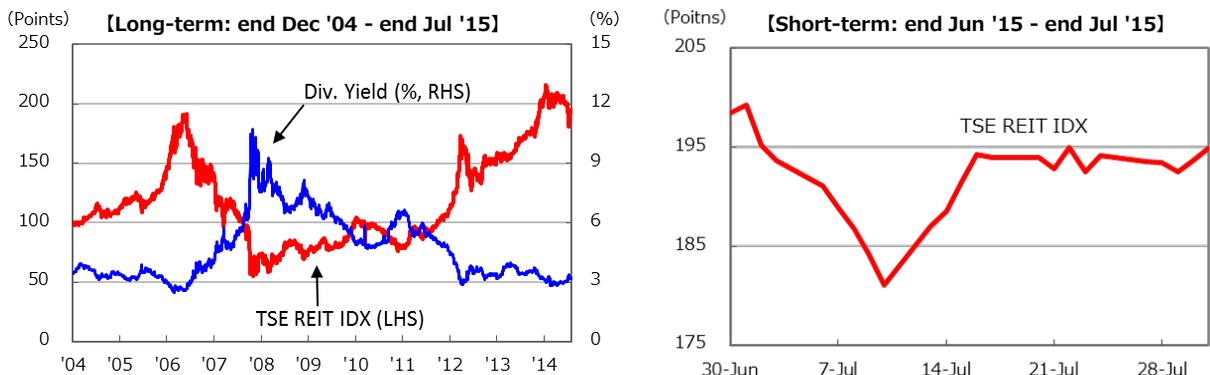
1. J-REIT Market Monthly Review (for July 2015)

In June 2015, the TSE REIT Index (with dividends) slid 1.8% MoM. Concerns for deteriorating supply-demand balance by public offering (PO) weighed on the index price.

In the first half of the month, the REIT market dropped dragged by growing uncertainty over Greek issues and a decline in Chinese equity market. In the mid-month, the market rebounded on stabilized Greek situation as EU and Greece reached an agreement on the new bailout deal after the Greek parliament approved sweeping austerity measures. However, the market came under pressure towards the month end on concerns for supply-demand balance by capital increase through POs. The Tokyo Office Building Market Research Report (5 Central Wards), released on July 9, reported the Tokyo office market moved firmly as June office vacancy rate and average rent improved.

The BOJ increased its purchase of J-REITs to JPY12.5bn in July from JPY6.5bn in the previous month.

2. TSE REIT Index (with dividends)



TSE REIT Index	As of 31-Jul-15	1week ago 24-Jul-15	1month ago 30-Jun-15	3months ago 30-Apr-15	6months ago 31-Jan-15	1year ago 31-Jul-14	3years ago 31-Jul-12
Index	3,100.40	3,089.13	3,157.69	3,267.36	3,260.64	2,749.06	1,482.16
%change	-	0.4%	-1.8%	-5.1%	-4.9%	12.8%	109.2%

Note: (1) TSE REIT Index (w/ dividends) of the last trading day of a month. 12/31/'04 = 100

(2) %chg: changes for each period.

Source: DataStream, compiled by SMAM.

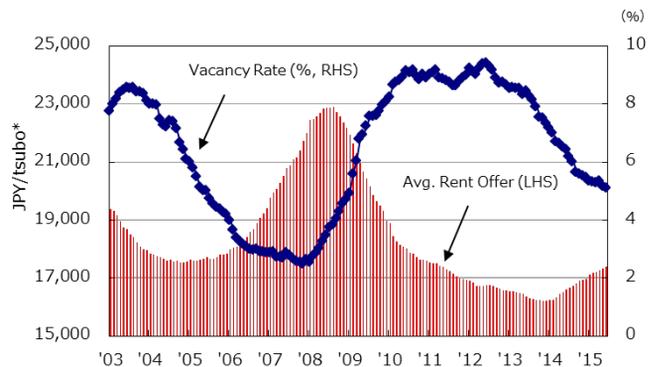
3. Top 10 REIT Constituents in J-REIT

# of J-REIT Components: 52			
REIT	CODE	Weight	
1 NIPPON BUILDING FUND	J8951	7.5%	
2 JAPAN REAL ESTATE INV.	J8952	7.0%	
3 JAPAN RET.FD.INV.	J8953	5.7%	
4 UNITED URB.INV.	J8960	4.6%	
5 NIPPON PROLOGIS REIT	J3283	4.1%	
6 ORIX JREIT	J8954	3.6%	
7 ADVANCE RESIDENCE INV.	J3269	3.4%	
8 JAPAN PRIME REALTY INV.	J8955	3.4%	
9 MORI TRUST SOGO REIT	J8961	2.9%	
10 DAIWA OFFICE INVESTMENT	J8976	2.8%	
Others		55.2%	
Total		100.0%	

(As of the end of July 2015)

Source: DataStream, compiled by SMAM

4. Tokyo Office Rents and Vacancy Rates



Notes: (1) Monthly, January 2003 - Jun 2015

(2) 5 wards: Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, and Shibuya-ku.

(3) One tsubo is approx. 10.76 square feet or 3.3 square meter

Source: DataStream, compiled by SMAM.

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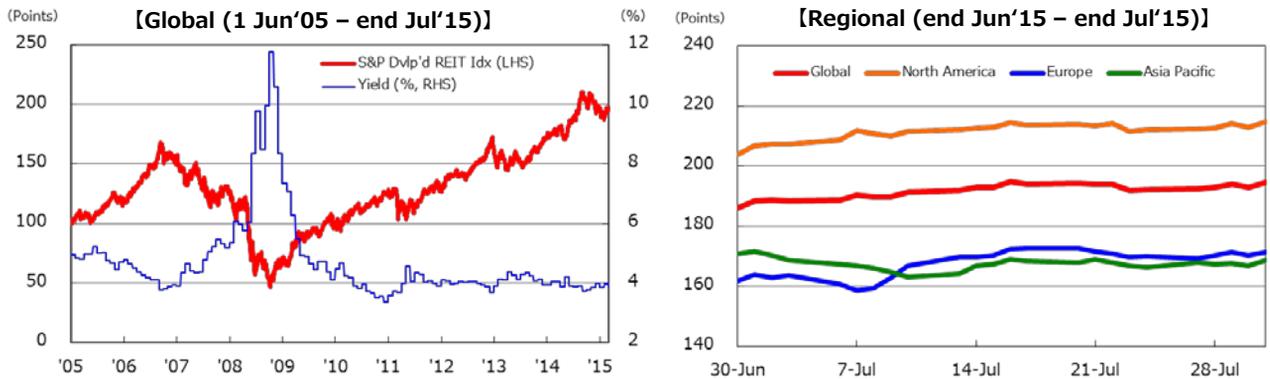
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1. Global REIT Market Monthly Review (for July 2015)

The S&P Developed REIT Index (ex-Japan, with dividends, USD base) rallied 4.6% in July. On a local currency basis, major countries' REIT markets showed upward movement on lowering government bond yields and stabilized Greek situation. The forex factor negatively contributed to the index performance as USD gained against major currencies on expectation for U.S. rate hike before the year-end.

Locally, U.S. REIT market rose on lowering treasury note yields as expectation for inflation receded by the commodity price falls. European market performed well as Greek issues stabilized once. In Australia, the market reacted positively to solid housing market and a decline of government bond yields. Nevertheless, on USD basis, the market rose only slightly due to the negative contribution of the forex factor caused by the commodity price falls.

2. Global REIT Index (in USD)



As of 31 July 2015	1week ago 24-Jul-15	1month ago 30-Jun-15	3months ago 30-Apr-15	6months ago 30-Jan-15	1year ago 31-Jul-14	3years ago 31-Jul-12
Global	1.3%	4.6%	-0.4%	-5.0%	6.8%	32.8%
North America	1.2%	5.3%	0.2%	-7.1%	9.0%	30.9%
Europe	0.9%	5.9%	0.6%	3.9%	6.4%	60.7%
Asia Pacific	2.3%	-0.2%	-4.2%	-2.7%	-3.0%	19.6%

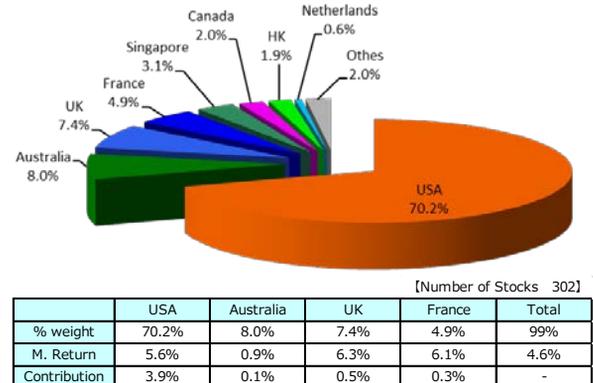
Note:
(1) Global index: S&P Developed REIT Index (ex-Japan, in USD)
Regional indexes are components of S&P Developed REIT Index.
(2) 6/1/05=100 for both charts
(3) % figures in the table indicate returns for each period
Source: FactSet, compiled by SMAM.

3. Return Contribution by Factors (Jul '15)



Note: Total-return breakdown of S&P Developed REIT Index (in USD) by forex and market factors, by countries.
Source: FactSet, compiled by SMAM.

4. Global % Weight by Markets (Jul '15)



Note: (1) S&P Developed REIT Index breakdown by country (ex-Japan, in USD).
(2) Contribution = Composition % weight x Monthly Return
Source: FactSet, compiled by SMAM.