

J-REIT Monthly

December 2020

For your information only



Sumitomo Mitsui DS Asset Management

Sumitomo Mitsui DS Asset Management Company, Limited
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1. J-REIT Market Monthly Review (for November 2020)

In November, the TSE REIT index (with dividends) rose +3.5% MoM.

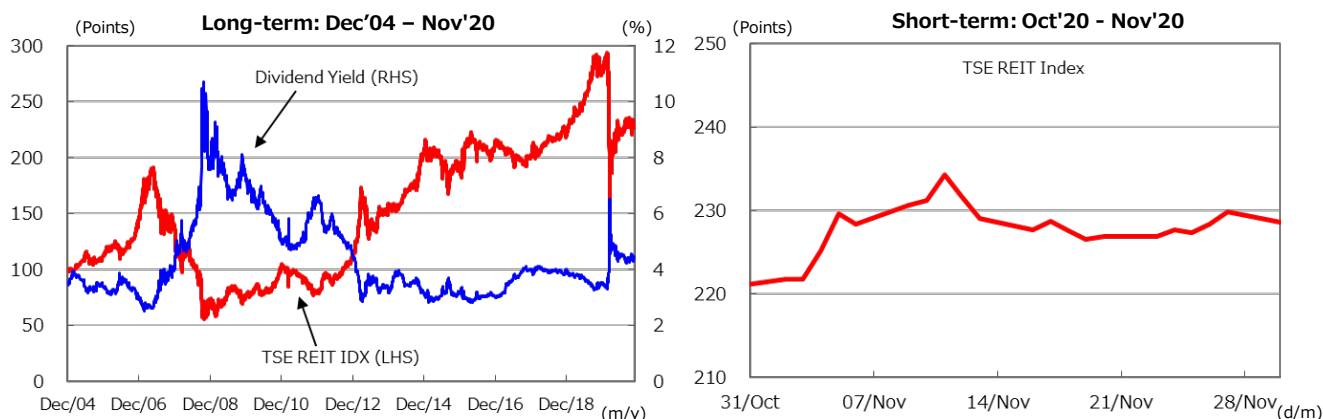
J-REIT market rose with rising risk appetite globally due to Covid-19 vaccine development in the first half of the month. However it dropped toward the month end due to 1) rising concern over deterioration in supply/demand conditions with 4 POs and 2) dramatic expansion of third wave Covid-19 infection which might impact on economic activities.

By sector, office sector rebounded from the previous month and outperformed. Among the commercial and logistics sector, logistics and hotel REITs underperformed while commercial REITs performed relatively strong.

October office vacancy rate in Tokyo five central wards rose for 8 consecutive months at 3.93% affected by the trend to reduce office spaces and cancellation of office contracts. Average rent has also declined for 3 consecutive months on month-on-month basis.

In November, BoJ purchased J-REIT by eight times (total JPY9.6bn worth.)

2. TSE REIT Index (with dividends)



TSE REIT Index	As of	1 week ago	1 month ago	3 months ago	6 months ago	1 year ago	3 years ago
	30 Nov 20	23 Nov 20	31 Oct 20	31 Aug 20	31 May 20	30 Nov 19	30 Nov 17
Index	3,635.82	3,608.53	3,512.43	3,735.15	3,586.37	4,584.30	3,189.89
% Change	-	0.8%	3.5%	-2.7%	1.4%	-20.7%	14.0%

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: SMDAM, based on Datastream data.

3. Top 10 REIT Constituents in J-REIT

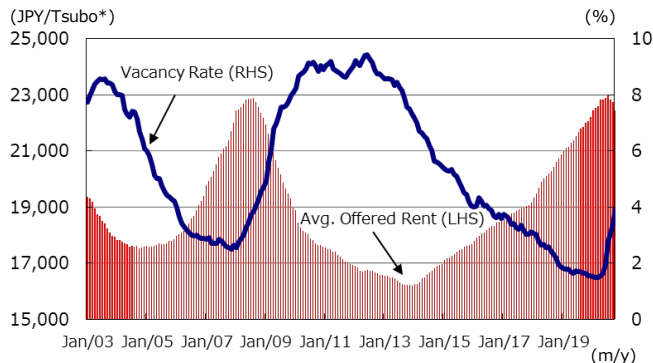
(# of TSE REIT Index Components: 62)

	REIT	Code	Weight
1	NIPPON BUILDING FUND	J8951	7.2%
2	JAPAN REAL ESTATE INV.	J8952	6.0%
3	NIPPON PROLOGIS REIT	J3283	5.5%
4	GLP J-REIT	J3281	5.1%
5	NOMURA RLST.MASTER FUND	J3462	4.9%
6	DAIWA HOUSE REIT INV.	J8984	4.0%
7	JAPAN RET.FD.INV.	J8953	3.5%
8	ORIX JREIT	J8954	3.5%
9	ADVANCE RESIDENCE INV.	J3269	3.2%
10	UNITED URB.INV.	J8960	2.8%
	Others		54.3%
	Total		100.0%

Source: SMDAM, based on Datastream data.

(As of the end of Nov 2020)

4. Tokyo Office Rent and Vacancy Rate



Notes: (1) Covering a period from Jan 2003 to Oct 2020.

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

(3) Tsubo is a Japanese traditional unit of measuring area. One tsubo represents approx. 10.76 square feet or 3.3 square meters

Source: SMDAM, based on Datastream data.

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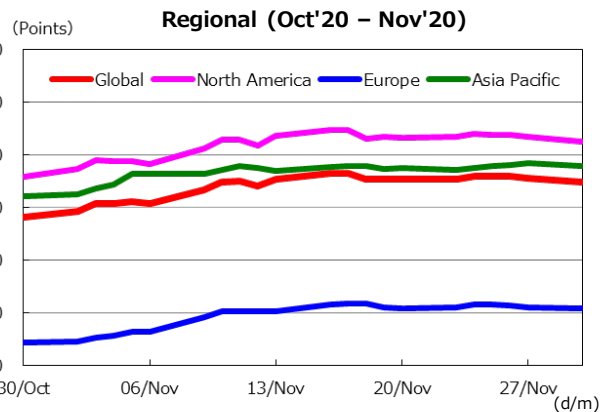
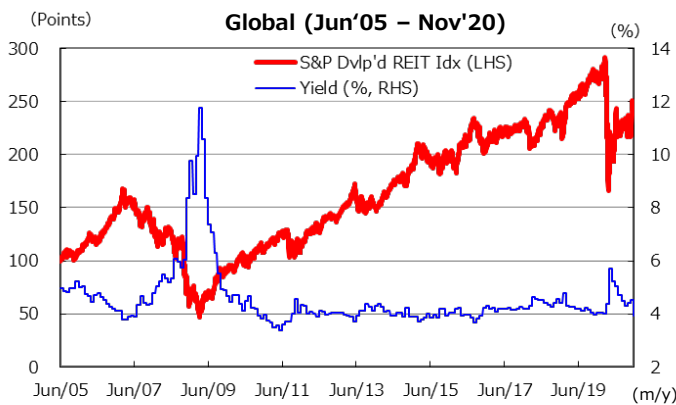


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1. Global REIT Market Monthly Review (for November 2020)

In November, the S&P Developed REIT Index (ex-Japan, with dividends, USD base) gained +12.6%. On a local currency basis, both REIT return and Forex rose +11.7% and +0.9%, respectively. The US REIT market rose. Variety of sectors such as hotel and retail sectors reacted positively to the news of effective Covid-19 vaccine development. The European REIT market, especially that of Holland and France, also rose as the outlook of retail sector recovered with the news of vaccine development. The British REIT market gained as well, mainly in retail and office sectors which had declined in the previous month. The Australian REIT market gained supported by RBA's additional easing and government's fiscal support to home buyers. The Singaporean REIT market rose in a limited manner as it had declined less than other markets in the past, because number of newly infected patients were already under control. The Hong Kong REIT market also rose as the large cap REIT maintained the level of dividend. Regarding the Forex, most currencies strengthened against USD.

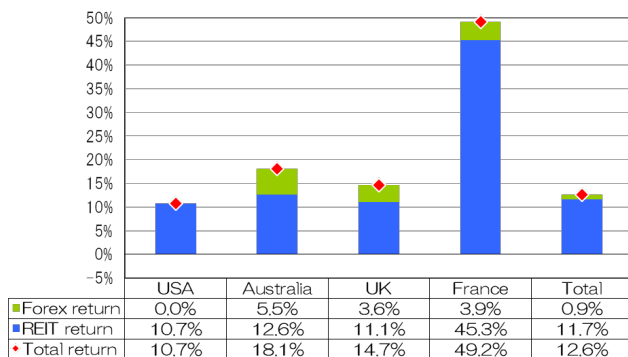
2. Global REIT Index (in USD)



As of 30 Nov 2020	1 week ago	1 month ago	3 months ago	6 months ago	1 year ago	3 years ago
	23 Nov 20	30 Oct 20	31 Aug 20	29 May 20	29 Nov 19	30 Nov 17
Global	-0.9%	12.6%	5.5%	15.0%	-10.8%	5.6%
North America	-1.4%	11.0%	4.7%	13.2%	-11.1%	7.2%
Europe	-0.4%	21.7%	7.6%	17.4%	-19.1%	-15.4%
Asia Pacific	1.3%	14.9%	7.9%	23.1%	-2.1%	17.8%

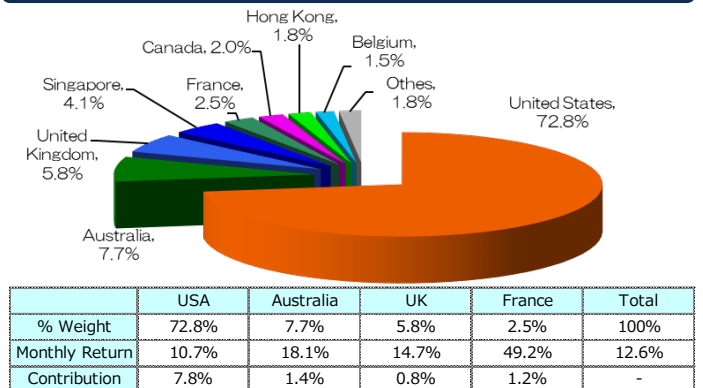
Note:
(1) Global index: S&P Developed REIT Index (ex-Japan, in USD)
Regional indexes are components of S&P Developed REIT Index.
(2) 6/1/05=100 for both charts
(3) % figures in the table indicate returns for each period
Source: SMDAM, based on FactSet data.

3. Return Analysis by Country (Nov'20)



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

4. Country Allocation (Nov'20)



Note: (1) S&P Developed REIT Index breakdown by country (ex-Japan, in USD).
(2) Contribution is calculated by multiplying each country's % weight by Monthly Return
Source: SMDAM, based on FactSet data.

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