

J-REIT Monthly

February 2021

For your information only



Sumitomo Mitsui DS Asset Management

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1. J-REIT Market Monthly Review (for January 2021)

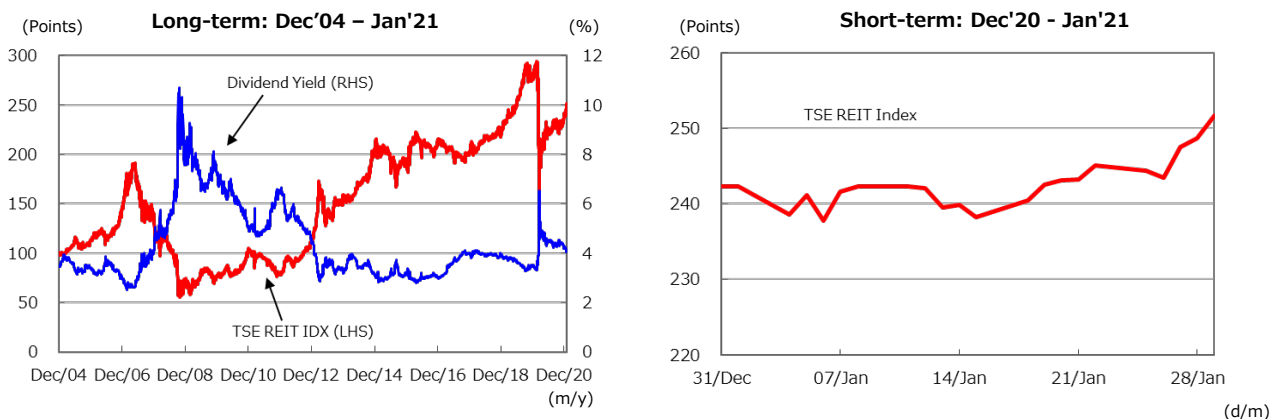
In January, the TSE REIT index (with dividends) rose +3.9%MoM.

J-REIT market was flat until the middle of the month as the government announced the state of emergency once again. However, the market rose towards the end of the month and ended the month with YTD high as 1) the investors did not panic as they have already confirmed impact of last year's declaration of state of emergency to the business results of J-REITs and 2) adjustment of lag against the equities has continued. By sector, office sector continued outperforming for three consecutive months. Among the commercial and logistics sector, commercial REITs showed diverse price movement while logistics and hotel REITs performed poorly as a whole.

December office vacancy rate in Tokyo five central wards continued to rise at 4.49%. However, it only rose slightly supported by the new small-scale contracts.

In January, BoJ purchased J-REIT by three times (total JPY2.7bn 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
	29 Jan 21	22 Jan 21	31 Dec 20	31 Oct 20	31 Jul 20	31 Jan 20	31 Jan 18
Index	4,004.00	3,898.98	3,854.76	3,512.43	3,535.10	4,608.85	3,357.09
% Change	-	2.7%	3.9%	14.0%	13.3%	-13.1%	19.3%

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.

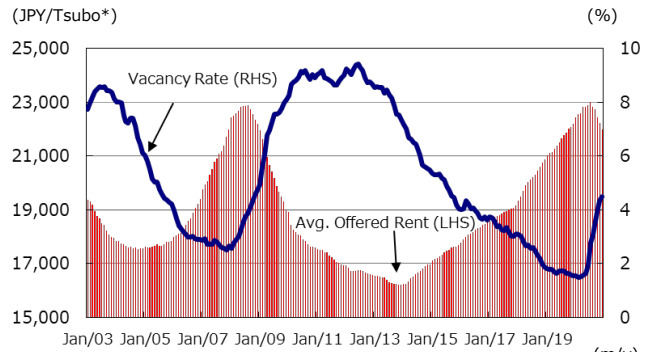
3. Top 10 REIT Constituents in J-REIT

(# of TSE REIT Index Components:62)

	REIT	Code	Weight
1	NIPPON BUILDING FUND	J8951	7.0%
2	JAPAN REAL ESTATE INV.	J8952	6.2%
3	GLP J-REIT	J3281	5.3%
4	NIPPON PROLOGIS REIT	J3283	5.1%
5	NOMURA RLST.MASTER FUND	J3462	5.0%
6	DAIWA HOUSE REIT INV.	J8984	3.8%
7	JAPAN RET.FD.INV.	J8953	3.7%
8	ORIX JREIT	J8954	3.6%
9	ADVANCE RESIDENCE INV.	J3269	3.1%
10	UNITED URB.INV.	J8960	2.9%
	Others		54.3%
	Total		100.0%

Source: SMDAM, based on Datastream data. (As of the end of Jan 2021)

4. Tokyo Office Rent and Vacancy Rate



Notes: (1) Covering a period from Jan 2003 to Dec 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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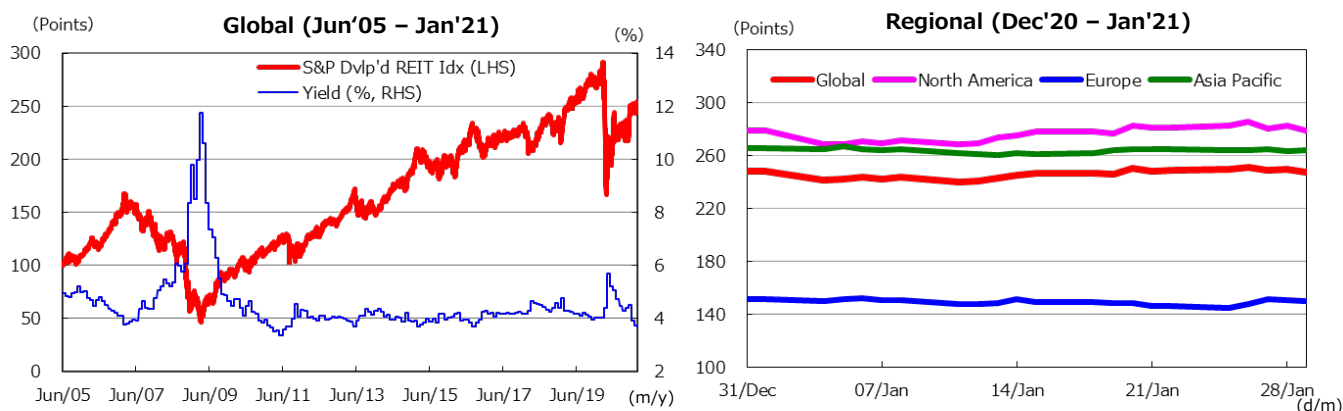
1. Global REIT Market Monthly Review (for January 2021)

In January, the S&P Developed REIT Index (ex-Japan, with dividends, USD base) declined -0.4%. On a local currency basis, both REIT return and Forex dropped -0.3% and -0.1%, respectively.

The US REIT market rose as sectors including retail were bought back by the expectation of earlier normalization of economic conditions. The European REIT market slightly declined. The British REIT market dropped mainly in retail sector as infection of new variant of Covid-19 expanded. The Australian REIT market declined over the concern on possible early termination of fiscal stimulus as the economic indicators are pointing at economic recovery. The Singaporean REIT market rose led by recovery of the laggards as 1) Covid-19 infections are under control and 2) the economy is recovering led by domestic demands. The Hong Kong REIT market declined as the expectation on economic recovery has retreated due to continuation of restrictions in order to control infection of new variant of Covid-19.

Regarding the Forex, most currencies except HKD and GBP weakened against USD as USD has strengthened by expectation of large-scale fiscal stimulus.

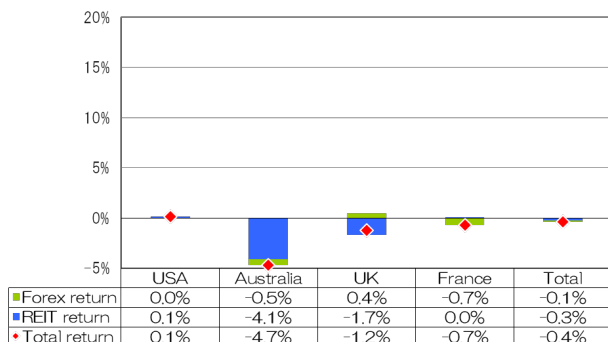
2. Global REIT Index (in USD)



As of 29 Jan 2021	1 week ago	1 month ago	3 months ago	6 months ago	1 year ago	3 years ago
	22 Jan 21	31 Dec 20	30 Oct 20	31 Jul 20	31 Jan 20	31 Jan 18
Global	-0.6%	-0.4%	16.4%	10.8%	-8.5%	10.7%
North America	-0.8%	0.2%	14.7%	9.1%	-8.6%	15.8%
Europe	2.6%	-0.7%	27.6%	15.3%	-16.1%	-18.3%
Asia Pacific	-1.8%	-2.6%	17.1%	17.2%	-1.8%	15.3%

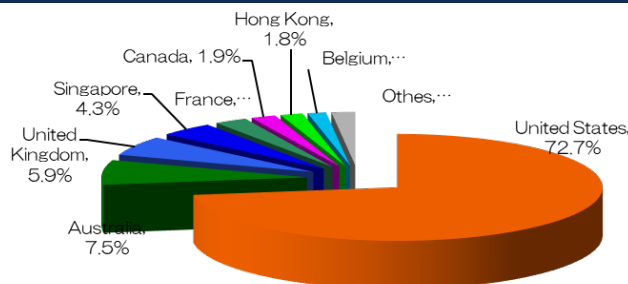
Note:
(1) Global index: S&P Developed REIT Index (ex-Japan, in USD)
Regional indexes are components of S&P Developed REIT Index.
(2) 6/1/05=100 for both charts
(3) % figures in the table indicate returns for each period
Source: SMDAM, based on FactSet data.

3. Return Analysis by Country (Jan'21)



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 (Jan'21)



	USA	Australia	UK	France	Total
% Weight	72.7%	7.5%	5.9%	2.6%	100%
Monthly Return	0.1%	-4.7%	-1.2%	-0.7%	-0.4%
Contribution	0.1%	-0.4%	-0.1%	0.0%	-

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.