



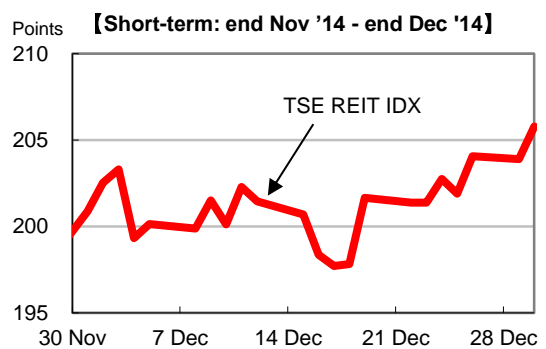
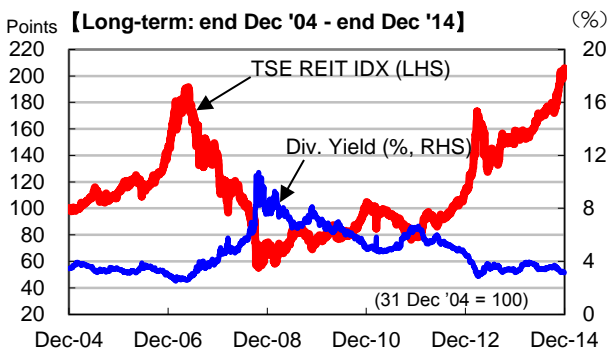
## 1. J-REIT Market Review (for December 2014)

The TSE REIT Index (with dividends) added 4.3% MoM in December. Healthy property market conditions and a decline of 10 yr. JGB yields to just above 0.3% were welcomed. The index recorded the 9th straight monthly gain.

The J-REIT market started the month with a soft undertone for profit-taking and looming uncertainties for global economy stemming from oil price fall. After mid-month, a trend for improvement in vacancy rate and average rent for central Tokyo five wards continued and 10yr. JGB yields decreased due to continuing monetary easing by BoJ. These movements contributed to upward trend in the REIT Index toward the month end.

In December, the BoJ's purchase amount of J-REITs increased to JPY6.5bn. from JPY6.0bn in the last month.

## 2. TSE REIT Index (with dividends)



TSE REIT Index	As of 30-Dec-14	1week ago 23-Dec-14	1month ago 30-Nov-14	3months ago 30-Sep-14	6months ago 30-Jun-14	1year ago 31-Dec-13	3years ago 31-Dec-11
Index	3,273.60	3,203.53	3,139.72	2,859.23	2,710.90	2,524.39	1,268.51
%change	-	2.2%	4.3%	14.5%	20.8%	29.7%	158.1%

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

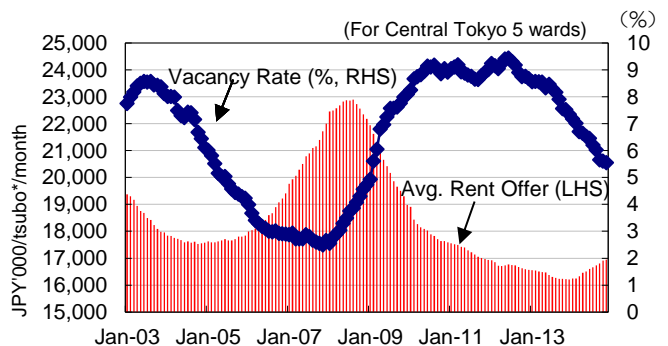
(# of J-REIT Components: 48)

	REIT	CODE	Weight
1	NIPPONBUILDING FUND	J8951	8.1%
2	JAPAN REAL ESTATE INV.	J8952	6.9%
3	JAPAN RET.FD.INV.	J8953	5.9%
4	UNITED URB. INV.	J8960	4.7%
5	NIPPON PROLOGIS REIT	J3283	4.3%
6	ADVANCE RESIDENCE INV.	J3269	4.0%
7	ORIX JREIT	J8954	3.4%
8	JAPAN PRIME REALTY INV.	J8955	3.3%
9	GLP J-REIT	J3281	3.0%
10	MORI TRUST SOGO REIT	J8961	3.0%
	Others		53.3%
	Total		100.0%

(As of end December 2014)

Source: DataStream, compiled by SMAM.

## 4. Tokyo Office Rents and Vacancy Rates



Notes: (1) Monthly, January 2003 - November 2014  
 (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.

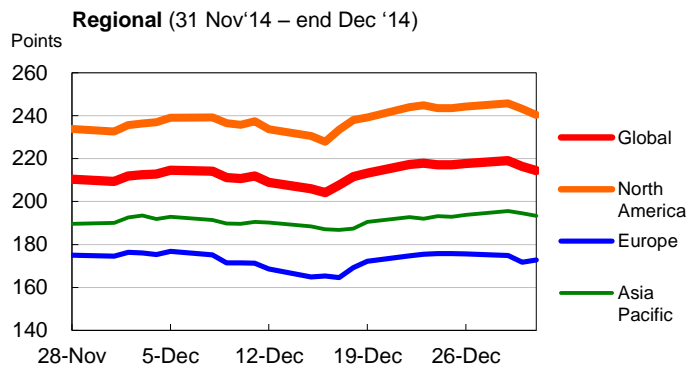
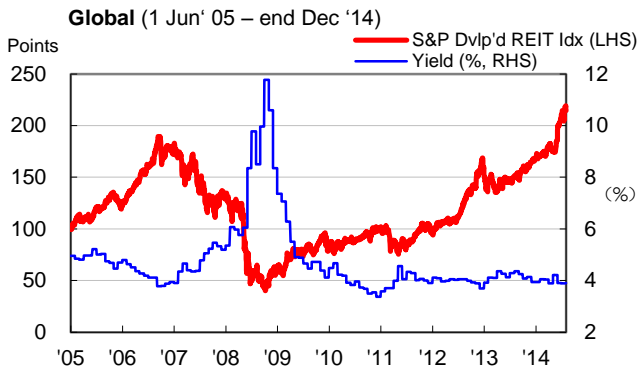


## 1. Global REIT Market Review (for December 2014)

The S&P Developed REIT Index (ex-Japan, with dividends, in JPY) in December added 1.9% MoM. The healthy U.S. market, which occupies large portfolio weight, contributed to the performance. In the currency market, the difference of the monetary policies led USD higher against JPY. EUR dropped against JPY on the back of stronger expectations for additional monetary easing by ECB. As a whole, the forex contributed as a slight positive factor.

US REIT market advanced as the view prevailed that low-interest policy would continue as the inflationary pressure weakens due to the plunge of oil prices. In Europe, despite expectations toward additional monetary easing, EU REIT sank because of other factors such as Greek political worries. Australian REIT market reacted positively to its moderate economic recovery and a lowering of 10-year government bond yield.

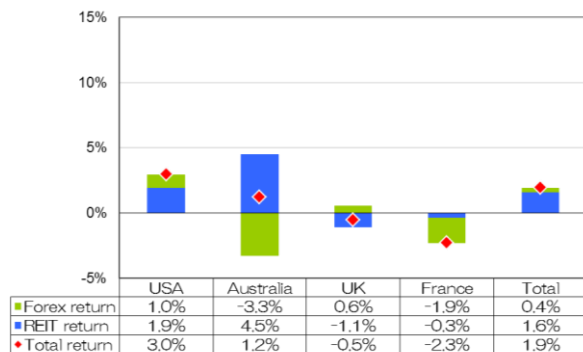
## 2. Global REIT Index (in JPY)



As of 31-Dec-14	1week ago 24-Dec-14	1month ago 28-Nov-14	3months ago 30-Sep-14	6months ago 30-Jun-14	1year ago 31-Dec-13	3years ago 30-Dec-11
Global	-1.3%	1.9%	21.1%	25.9%	41.8%	144.4%
North America	-1.3%	2.8%	24.3%	30.3%	47.2%	141.7%
Europe	-1.7%	-1.3%	12.0%	11.9%	24.6%	162.9%
Asia Pacific	-0.8%	0.7%	14.1%	18.6%	33.0%	138.0%

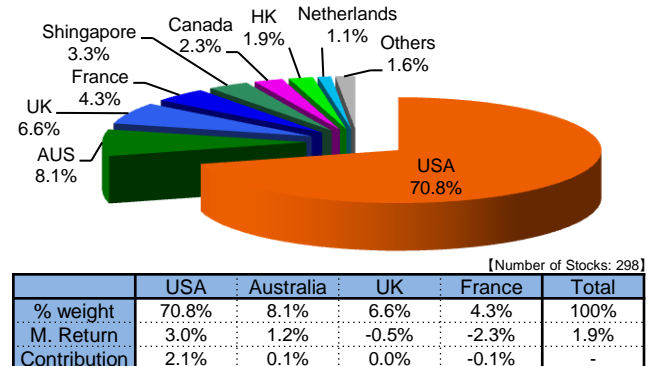
Note: (1) Global index: S&P Developed REIT Index (ex-Japan, in JPY)  
Regional indexes are components of S&P Developed REIT Index.  
(2) 6/1/05=100 for both charts  
(3) % figures in the table indicate returns for each period  
Source: FactSet, compiled by SMAM.

## 3. Return Contribution by Markets, Factors (Dec'14)



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

## 4. Global % Weight by Markets (end Dec'14)



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