

J-REIT Monthly

December 2015

For your information only



Sumitomo Mitsui Asset Management

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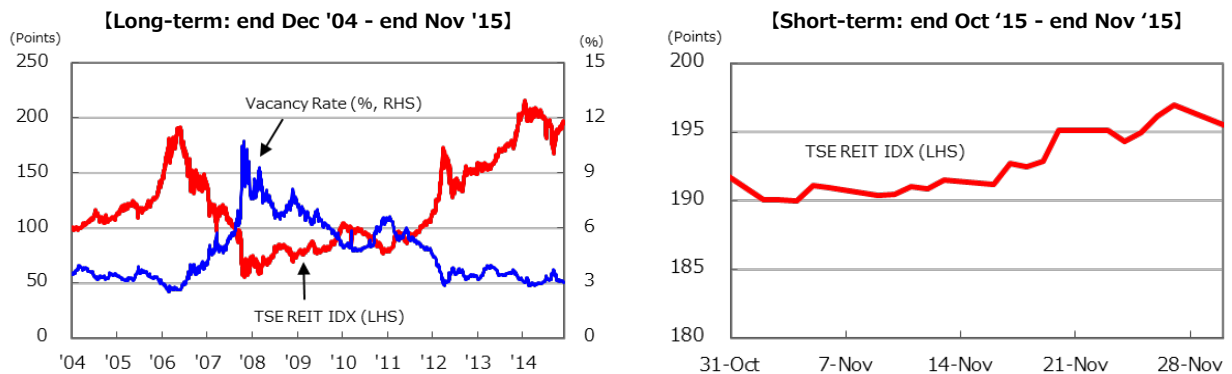
1. J-REIT Market Monthly Review (for November 2015)

In November 2015, the TSE REIT Index (with dividends) gained 1.6% MoM.

The index moved within the established range in the first 2 weeks of the month, due to no additional monetary easing by BoJ at the end of October. Afterward, the index tuned to rise on the back of firm property market. In Tokyo 5 central wards, October office vacancy rate came under 4.5%, and average rent price maintained upward trends. Later in the month, earnings announcements of Office REITs received attention. On 16th November, the largest name in Japanese Office REITs released an achievement of rent growth for the first time in 6 and a half years. The J-REIT market was buoyed by the expectations for an internal growth with rent increase in holding properties led by office buildings.

Purchases of J-REITs by BOJ decreased to JPY8.3bn in November from JPY2.4bn in the previous month.

2. TSE REIT Index (with dividends)



TSE REIT Index	As of 30-Nov-15	1week ago 23-Nov-15	1month ago 31-Oct-15	3months ago 31-Aug-15	6months ago 31-May-15	1year ago 30-Nov-14	3years ago 30-Nov-12
Index	3,110.54	3,103.80	3,061.58	2,881.06	3,257.97	3,139.72	1,699.55
%change	-	0.2%	1.6%	8.0%	-4.5%	-0.9%	83.0%

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: DataStream, compiled by SMAM.

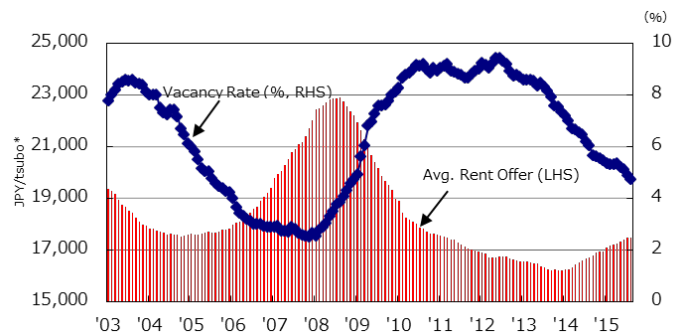
3. Top 10 REIT Constituents in J-REIT

(# of J-REIT Components: 51)

REIT	CODE	Weight
1 NIPPON BUILDING FUND	J8951	7.8%
2 JAPAN REAL ESTATE INV.	J8952	7.3%
3 JAPAN RET.FD.INV.	J8953	5.7%
4 NOMURA RLST.MASTER FUND	J3462	5.2%
5 UNITED URB.INV.	J8960	4.3%
6 NIPPON PROLOGIS REIT	J3283	3.5%
7 ORIX JREIT	J8954	3.5%
8 JAPAN PRIME REALTY INV.	J8955	3.5%
9 ADVANCE RESIDENCE INV.	J3269	3.2%
10 GLP JAPAN REIT	J3281	3.0%
Others		52.9%
Total		100.0%

Source: DataStream, compiled by SMAM (As of the end of November 2015)

4. Tokyo Office Rents and Vacancy Rates



Notes: (1) Monthly, January 2003 - October 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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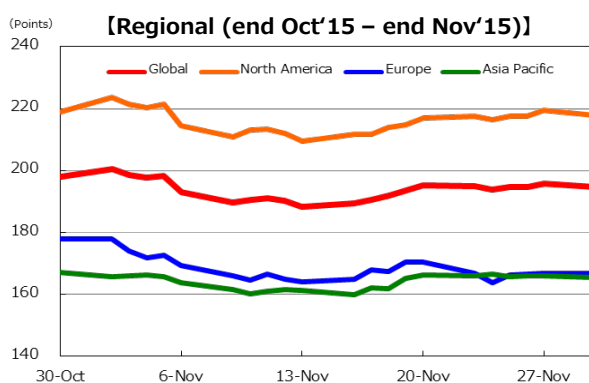
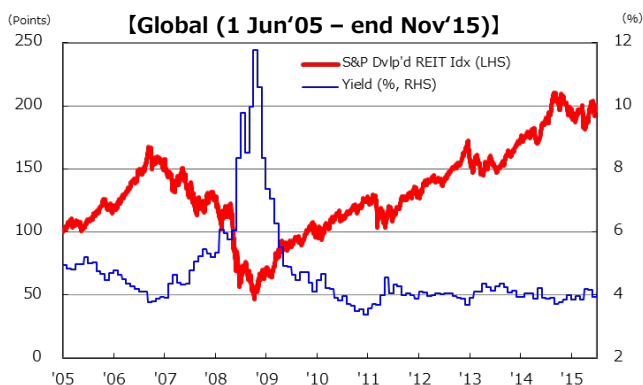
1. Global REIT Market Monthly Review (for November 2015)

The S&P Developed REIT Index (ex-Japan, with dividends, USD base) dropped 1.6% in November. All major countries' indices dropped on a local currency basis. Especially European REIT indices showed bigger drops.

In U.S., the REIT market was weighed on by rising treasury note yields. Stronger expectation for a rate hike in December on the Fed chief Yellen's comment and improved October employment data lifted up the note yields. European REIT market sagged as the investor sentiment was cooled down, although government bond yields declined on views that ECB would expand monetary easing in December, the terrorism in Paris and the geopolitical issue between Turkey and Russia.

Forex factor contributed negatively to the total performance. Only Australian REIT enjoyed positive forex return.

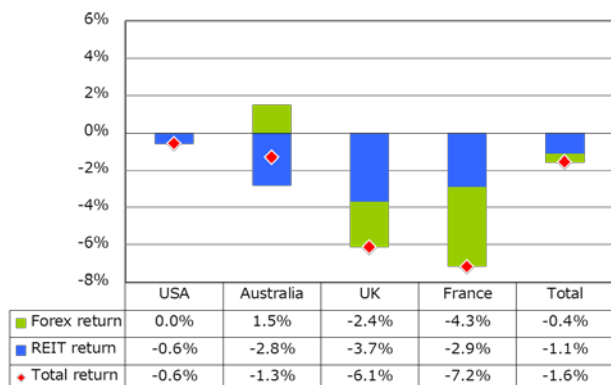
2. Global REIT Index (in USD)



As of 30 November 2015	1week ago 23-Nov-15	1month ago 30-Oct-15	3months ago 31-Aug-15	6months ago 29-May-15	1year ago 28-Nov-14	3years ago 30-Nov-12
Global	0.0%	-1.6%	6.5%	0.6%	1.5%	31.7%
North America	0.1%	-0.6%	8.1%	2.0%	2.0%	36.6%
Europe	-0.1%	-6.4%	0.6%	-0.1%	4.5%	39.9%
Asia Pacific	-0.7%	-1.4%	4.8%	-6.3%	-4.2%	6.3%

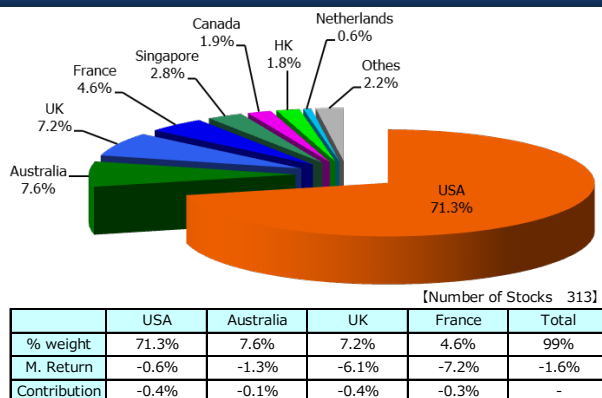
Note:
(1) Global index: S&P Developed REIT Index (ex-Japan, in USD)
Regional indexes are components of S&P Developed REIT Index.
(2) 6/1/05=100 for both charts
(3) % figures in the table indicate returns for each period
Source: FactSet, compiled by SMAM.

3. Return Contribution by Factors (Nov '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 (Nov '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.