



Today's Theme



Asia

Asian REITs Market Outlook



Can Asian REITs maintain their high dividend yield?



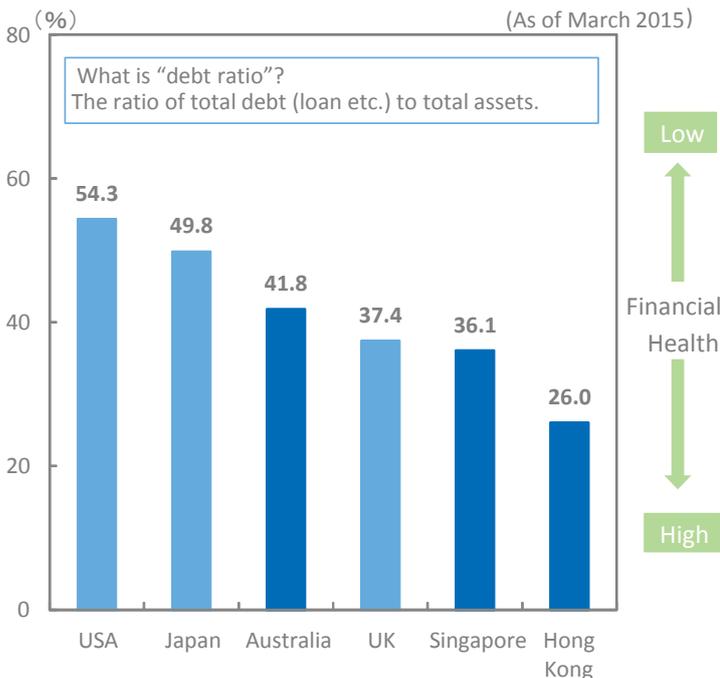
Financial health such as low debt ratio or low interest payment supports earnings and dividends growth under future high interest rate environment.

- The Real Estate Investment Trusts (REITs) in Hong Kong and Singapore that are historically lower financial leverage than the counterparts in other countries due to the high profitability with low developed properties in the total assets. The low debt ratio REITs are less vulnerable to interest rate hike and economic slowdown due to lower dependence on debts. It is easier for a low leverage REIT to acquire properties for future growth without raising capital.
- Asian REITs are very likely to increase dividends due to rapid economic growth. The stable financial health also supports their high earnings and dividend growth.
- One of the attractiveness of Asian REITs is higher dividend yield and higher spread against government bond, compared with those of the REITs in other developed countries.

Asian REITs Financial Soundness is Relatively Higher

"Debt Ratio of REIT by Country & Region"

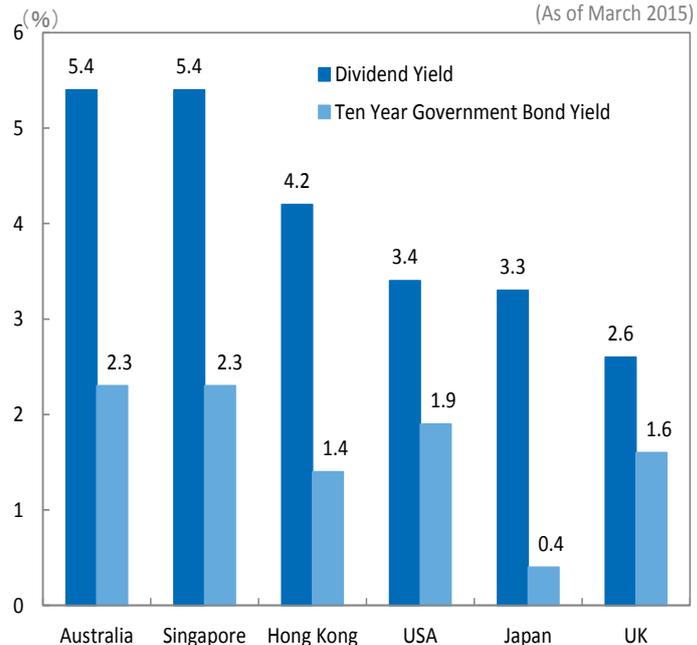
(As of March 2015)



Attractive Yield of Asia & Oceanian REITs

"Dividend Yield of REIT and 10 Year G-Bond by Country & Region"

(As of March 2015)



(Note) 1. Debt ratio is calculated by SMAM using total asset and total debt data of REITs comprising the S&P Developed REIT Index.

2. Dividend yield is calculated by countries and regions comprising the S&P Developed REIT Index.

(Source) SMAM, based on Factset and Bloomberg L.P. data



The above charts are showing the past performance and are not intended to indicate or guarantee future market environment.



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