

J-REIT Monthly

November 2015

For your information only



Sumitomo Mitsui Asset Management

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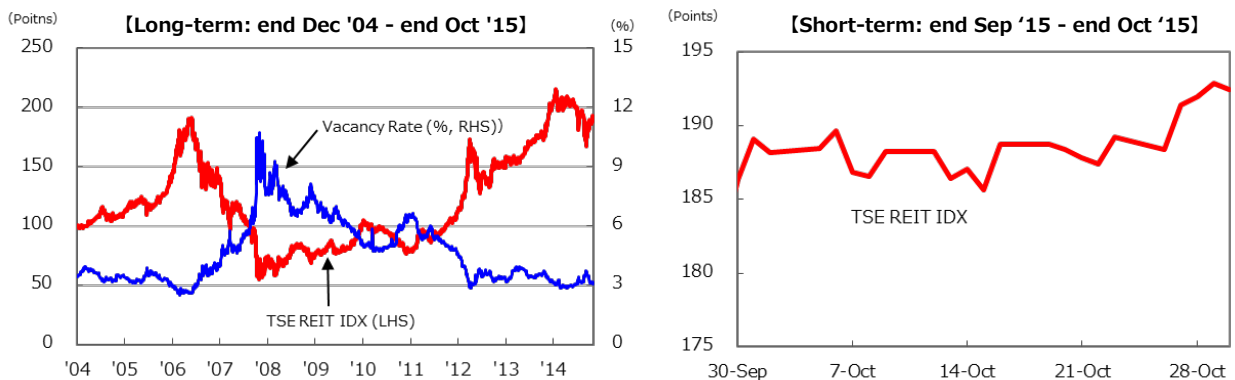
1. J-REIT Market Monthly Review (for October 2015)

In October 2015, the TSE REIT Index (with dividends) rose 3.3% MoM.

At the beginning of the month, the index gained with stock market rally on receded risk-averse movement as China's manufacturing PMI exceeded the market consensus and expectations for U.S. rate hike receded on the back of lower-than-estimated employment data. From the mid-month, the J-REIT market climbed favoring the ECB President's signal for additional monetary easing and China's rate cut. September office vacancy rate and average rent price in Tokyo 5 central wards came in at 4.53% and JPY17,594, improving from the previous month. These improvements boosted the REIT market.

Purchases of J-REITs by the BOJ decreased to JPY2.4bn in October from JPY5.2bn in the previous month.

2. TSE REIT Index (with dividends)



TSE REIT Index	As of 30-Oct-15	1week ago 23-Oct-15	1month ago 30-Sep-15	3months ago 31-Jul-15	6months ago 30-Apr-15	1year ago 31-Oct-14	3years ago 31-Oct-12
Index	3,061.58	3,010.42	2,964.58	3,100.40	3,267.36	2,942.29	1,672.76
%change	-	1.7%	3.3%	-1.3%	-6.3%	4.1%	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

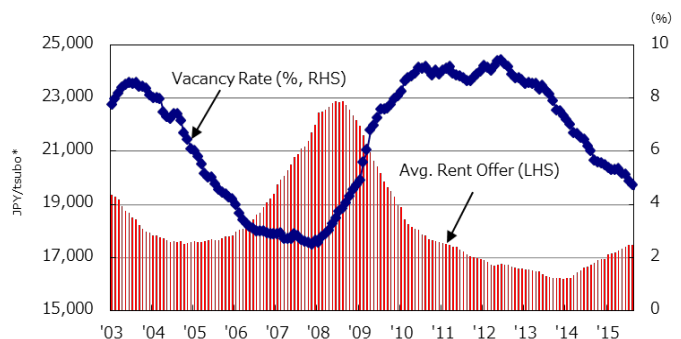
(# of J-REIT Components: 51)

REIT	CODE	Weight
1 NIPPON BUILDING FUND	J8951	7.8%
2 JAPAN REAL ESTATE INV.	J8952	7.1%
3 JAPAN RET.FD.INV.	J8953	5.8%
4 NOMURA RLST.MASTER FUND	J3462	5.5%
5 UNITED URB.INV.	J8960	4.5%
6 ORIX JREIT	J8954	3.7%
7 NIPPON PROLOGIS REIT	J3283	3.6%
8 JAPAN PRIME REALTY INV.	J8955	3.3%
9 ADVANCE RESIDENCE INV.	J3269	3.2%
10 GLP JAPAN REIT	J3281	3.0%
Others		52.5%
Total		100.0%

(As of the end of October 2015)

Source: DataStream, compiled by SMAM

4. Tokyo Office Rents and Vacancy Rates



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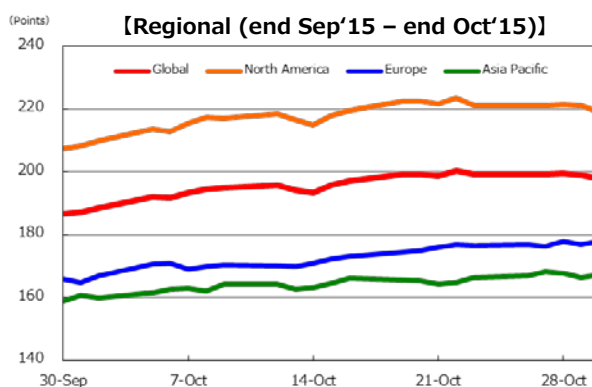
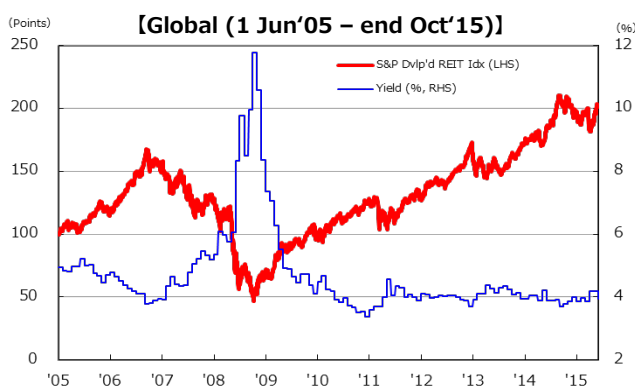
1. Global REIT Market Monthly Review (for October 2015)

The S&P Developed REIT Index (ex-Japan, with dividends, USD base) surged 6.1% in October.

In the beginning, the index moved firmly on receded concerns over China's economic slowdown and over U.S. rate hike reflecting September U.S. job data below the market projection. From the mid-month, the index accelerated on growing expectations for additional monetary easing spurred by the ECB President's comment. Therefore, the index recovered to almost the same level as the end of August. However, the upside limited towards the month end on heightened estimation that U.S. rate hike will be implemented within this year.

Forex factor contributed positively to the total performance as USD lost against other currencies. However, the forex return for France was negative amid weak EUR after ECB Draghi's comment implying a further monetary easing.

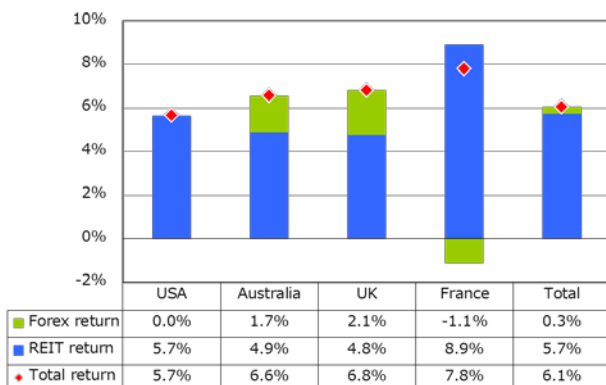
2. Global REIT Index (in USD)



As of 30 October 2015	1week ago 23-Oct-15	1month ago 30-Sep-15	3months ago 31-Jul-15	6months ago 30-Apr-15	1year ago 31-Oct-14	3years ago 31-Oct-12
Global	-0.7%	6.1%	1.7%	1.3%	4.9%	34.1%
North America	-1.0%	5.6%	2.0%	2.2%	4.6%	37.0%
Europe	0.8%	7.4%	3.9%	4.5%	14.6%	52.2%
Asia Pacific	-0.6%	7.1%	-2.3%	-6.5%	-3.2%	8.9%

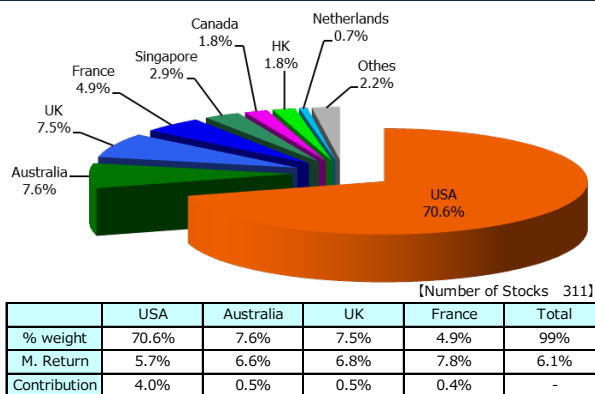
Note:
(1) Global index: S&P Developed REIT Index (ex-Japan, in USD)
Regional indexes are components of S&P Developed REIT Index.
(2) 6/1/05=100 for both charts
(3) % figures in the table indicate returns for each period
Source: FactSet, compiled by SMAM.

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