

# J-REIT Monthly

For your information only

March 2015



Sumitomo Mitsui Asset Management

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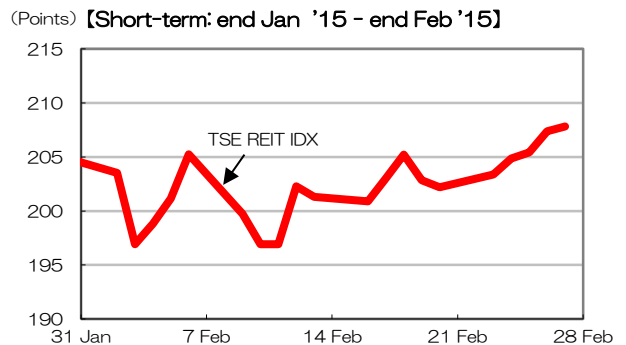
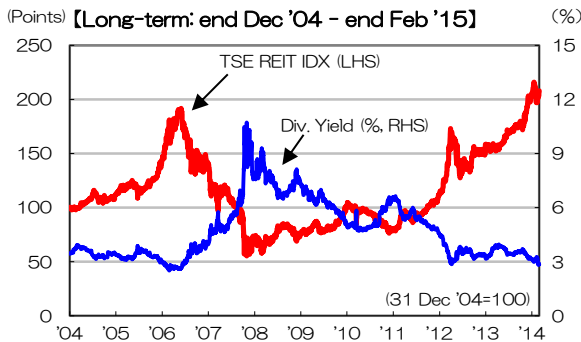
## 1. J-REIT Market Monthly Review (for February 2015)

In February 2015, the TSE REIT Index (with dividends) advanced 1.4% MoM supported by a steady property market.

In the beginning of the month, an increasing 10yr. JGB yield and selling for realization to apply for PO or IPO weighed on the upside of its REIT index. The REIT market entered the upward trend in the second half of the month with further improvements in vacancy rate of office building in Tokyo Central 5 Wards and average rent fee level as well as positive earnings announcements of REITs.

In February, the BoJ's purchase amount of J-REITs increased to JPY10.8bn from JPY8.4bn in the previous month.

## 2. TSE REIT Index (with dividends)



TSE REIT IDX	As of	1week ago	1month ago	3months ago	6months ago	1year ago	3years ago
	27-Feb-15	20-Feb-15	31-Jan-15	30-Nov-14	31-Aug-14	28-Feb-14	29-Feb-12
Index	3,306.03	3,216.61	3,260.64	3,139.72	2,815.18	2,524.48	1,469.83
% change	-	2.8%	1.4%	5.3%	17.4%	31.0%	124.9%

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

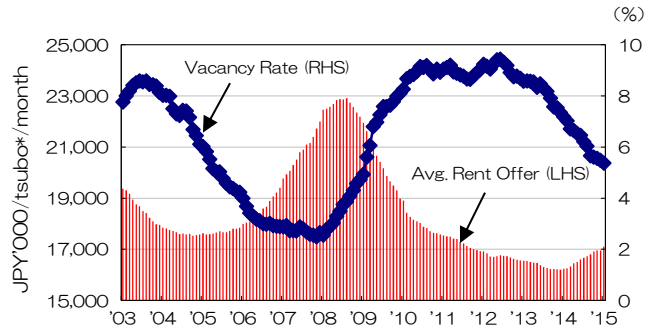
(# of J-REIT Components: 49)

	REIT	CODE	Weight
1	NIPPON BUILDING FUND	J8951	7.9%
2	JAPAN REAL ESTATE INV.	J8952	6.9%
3	JAPAN RET.FD.INV.	J8953	5.8%
4	UNITED URB.INV.	J8960	4.8%
5	NIPPON PROLOGIS REIT	J3283	4.4%
6	ADVANCE RESIDENCE INV.	J3269	3.6%
7	ORIX JREIT	J8954	3.4%
8	JAPAN PRIME REALTY INV.	J8955	3.3%
9	MORI TRUST SOGO REIT	J8961	3.2%
10	GLP J-REIT	J3281	2.9%
	Others		53.9%
	Total		100.0%

(As of end February 2015)

Source: DataStream, compiled by SMAM.

## 4. Tokyo Office Rents and Vacancy Rates



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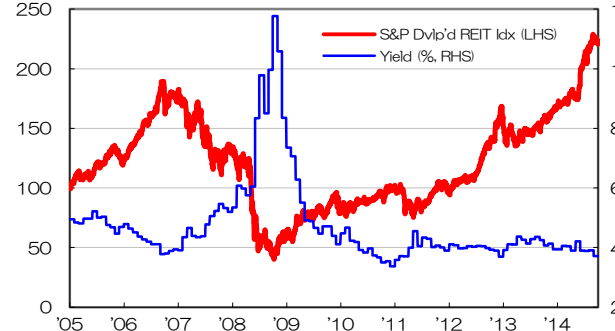
## 1. Global REIT Market Monthly Review (for February 2015)

The S&P Developed REIT Index (ex-Japan, with dividends, in JPY) in February 2015 remained flat without any change. On a local currency basis, its index declined affected by a drop of U.S. REIT (approx. 70% of its index weighting), although European and Asia-Pacific REITs added. The forex factor contributed to its index performance positively as major currencies appreciated against the yen by a declining risk-averse trend amid lowered expectation for early U.S. rate hike.

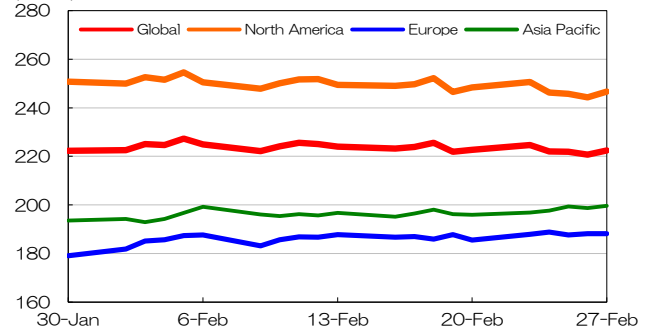
U.S. REIT market was down due to higher 10yr. note yield as a result of stronger U.S. employment data for January than the market forecast. In Europe, the Greek bailout program's extension until the end of June was welcomed by investors. The A-REIT market grew on a healthy housing market in addition to growing expectations for additional official rate cut on the back of low inflation rate.

## 2. Global REIT Index (in JPY)

【Global (1 Jun '05 - end Feb '15)】



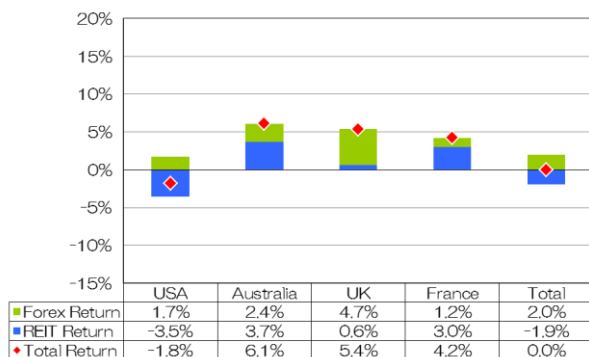
【Regional (31 Dec '14 - end Feb '15)】



As of 27-Feb-15	1week ago	1month ago	3months ago	6months ago	1year ago	3years ago
	20-Feb-15	30-Jan-15	28-Nov-14	29-Aug-14	28-Feb-14	29-Feb-12
Global	-0.1%	0.0%	5.7%	24.0%	40.4%	124.6%
North America	-0.7%	-1.6%	5.4%	26.6%	42.8%	123.3%
Europe	1.4%	5.1%	7.5%	20.6%	30.0%	149.8%
Asia Pacific	1.2%	4.1%	5.3%	14.9%	39.1%	109.3%

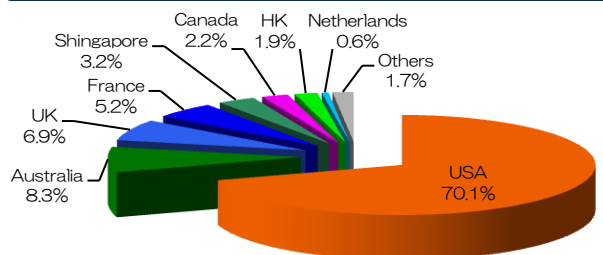
Note:  
(1) Global index: S&P Developed REIT Index (ex-Japan, in JPY)  
Regional indexes are components of S&P Developed REIT Index.  
(2) 6/1/05=100 for both charts  
(3) % figures in the table indicate returns for each period  
Source: FactSet, compiled by SMAM.

## 3. Return Contribution by Factors (Feb '15)



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 (Feb '15)



[Number of Stocks: 298]

	USA	Australia	UK	France	Total
% weight	70.1%	8.3%	6.9%	5.2%	100%
M. Return	-1.8%	6.1%	5.4%	4.2%	0.0%
Contribution	-1.3%	0.5%	0.4%	0.2%	-

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.