

# J-REIT Monthly

For your information only

February 2015



Sumitomo Mitsui Asset Management

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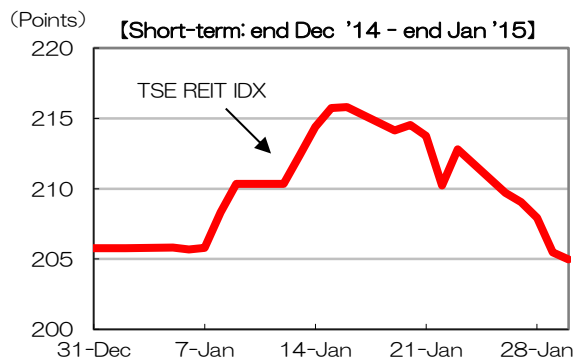
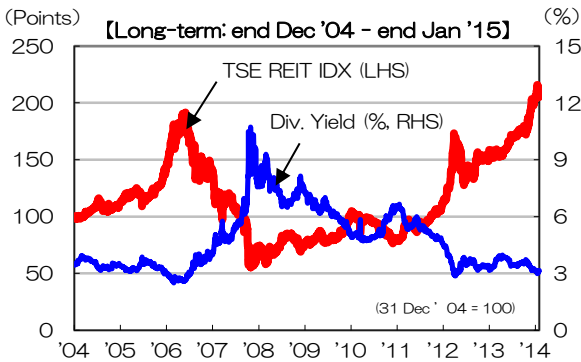
## 1. J-REIT Market Monthly Review (for January 2015)

In January 2015, the TSE REIT Index (with dividends) slid 0.4% MoM for the first time in 10 months since March 2014.

In the first half of the month, the index grew on the back of decline of 10yr. JGB yield and upward revision in dividend forecast for some REITs. Another contributing factor was continuing improvement in vacancy rate of office building in central Tokyo. From the mid-month, the REIT market saw a downturn as 10yr. JGB yield turned to rise and investors sold for realization to apply for POs or IPOs. Compared with the previous month, the index ended in a slight fall.

In January, the BoJ's purchase amount of J-REITs increased to JPY8.4bn. from JPY6.5bn in the previous month.

## 2. TSE REIT Index (with dividends)



TSE REIT Index	As of 30-Jan-15	1 week ago 23-Jan-15	1 month ago 31-Dec-14	3months ago 31-Oct-14	6months ago 31-Jul-14	1 year ago 31-Jan-14	3 years ago 31-Jan-12
Index	3,260.64	3,385.36	3,273.60	2,942.29	2,749.06	2,500.79	1,297.90
%change	-	-3.7%	-0.4%	10.8%	18.6%	30.4%	151.2%

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

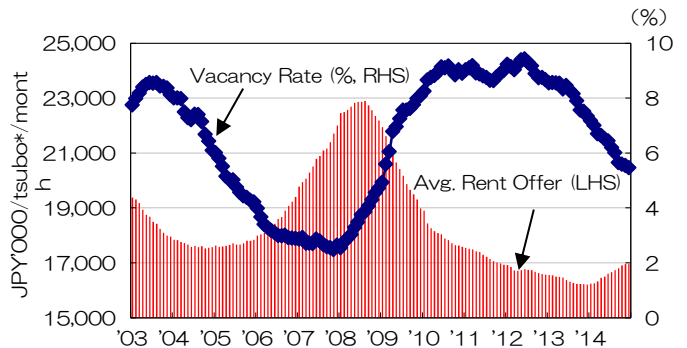
(# of J-REIT Components: 49)

	REIT	CODE	Weight
1	NIPPON BUILDING FUND	J8951	7.8%
2	JAPAN REAL ESTATE INV.	J8952	6.8%
3	JAPAN RET.FD.INV.	J8953	5.9%
4	UNITED URB.INV.	J8960	4.7%
5	NIPPON PROLOGIS REIT	J3283	4.5%
6	ADVANCE RESIDENCE INV.	J3269	3.7%
7	ORIX JREIT	J8954	3.5%
8	JAPAN PRIME REALTY INV.	J8955	3.2%
9	MORI TRUST SOGO REIT	J8961	3.1%
10	GLP J-REIT	J3281	3.0%
	Others		53.7%
	Total		100.0%

(As of end January 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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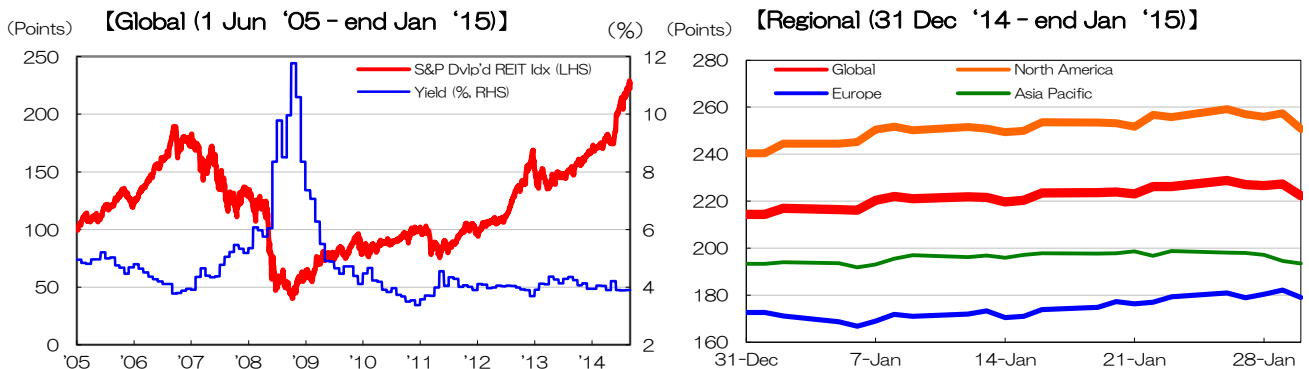
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## 1. Global REIT Market Monthly Review (for January 2015)

The S&P Developed REIT Index (ex-Japan, with dividends, in JPY) in January 2015 gained 3.7% MoM. Supported by the continued trend of lowering interest rates in major countries, the index advanced on local currency basis. Nevertheless, the Index was negatively affected by weakening major currencies against yen, caused by a risk-averse movement on falling oil price and Greek political worries, and by the quantitative monetary easing of ECB.

U.S. REIT market soared on the back of a decline of 10yr. note yield under a weak inflationary pressure. European REITs also advanced due to lowering 10yr. government bond yields triggered by ECB's quantitative easing. In Australia, the REIT market reacted positively to the growing expectations for official rate cut.

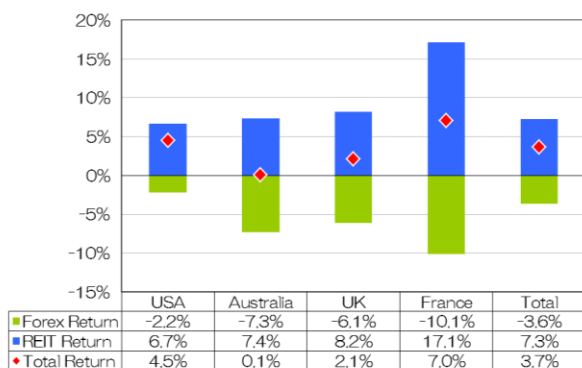
## 2. Global REIT Index (in JPY)



As of 30-Jan-15	1week ago 23-Jan-15	1month ago 31-Dec-14	3months ago 31-Oct-14	6months ago 31-Jul-14	1year ago 31-Jan-14	3years ago 31-Jan-12
Global	-1.7%	3.7%	13.8%	28.5%	48.4%	139.7%
North America	-2.0%	4.3%	15.7%	33.9%	52.5%	139.2%
Europe	-0.2%	3.6%	11.3%	17.0%	34.9%	158.0%
Asia Pacific	-2.0%	0.5%	6.8%	13.9%	41.1%	123.3%

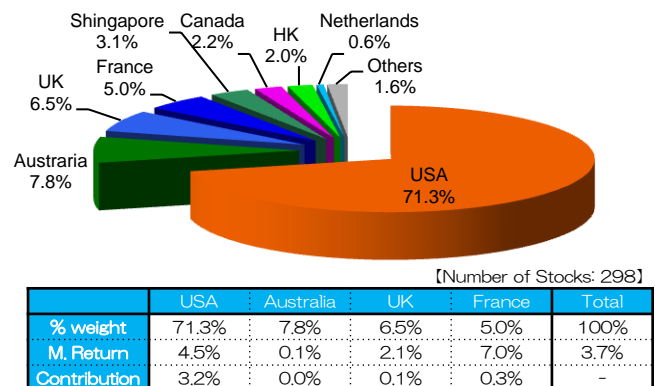
Note:  
(1) Global index: S&P Developed REIT Index (ex-Japan, in JPY)  
Regional indexes are components of S&P Developed REIT Index.  
(2) 6/1/05=100 for both charts  
(3) % figures in the table indicate returns for each period  
Source: FactSet, compiled by SMAM.

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



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.