

# J-REIT Monthly

For your information only

May 2015



Sumitomo Mitsui Asset Management

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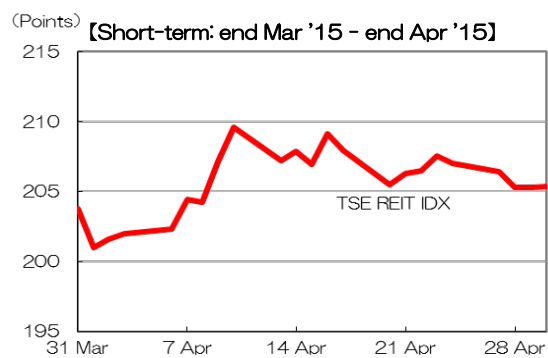
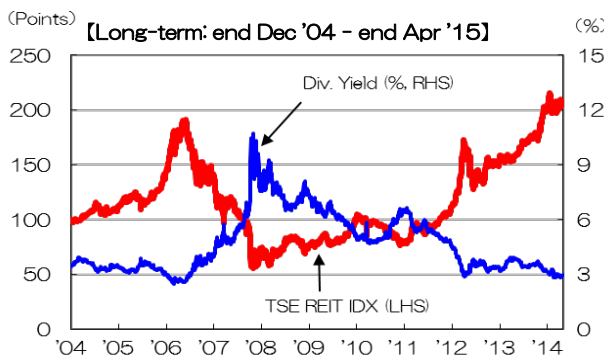
## 1. J-REIT Market Monthly Review (for April 2015)

In April 2015, the TSE REIT Index (with dividends) added 0.8% MoM. The index moved on a solid undertone on the back of a lower yield of 10yr. JGBs and a continued solid property market.

In the first half of the month, the REIT prices were capped by profit-taking. Then, the market headed higher toward the mid-month led by lower bond yield amid ample demand in 10 yr. JGB auction. For the second half of the month, the REIT market was supported by the strong property market data of improvement in office vacancy rate and average rent of office buildings in Tokyo Central 5 wards whereas the market was put under downward pressure on anxieties about supply-demand balance after PO announcement.

The BOJ increased its purchase of J-REITs to JPY9.6bn in this month from JPY8.4bn in the previous month.

## 2. TSE REIT Index (with dividends)



TSE REIT Index	As of 30-Apr-15	1 week ago 23-Apr-15	1 month ago 31-Mar-15	3 months ago 31-Jan-15	6 months ago 31-Oct-14	1 year ago 30-Apr-14	3 years ago 30-Apr-12
Index	3,267.36	3,301.51	3,241.62	3,260.64	2,942.29	2,520.81	1,501.85
%change	-	-1.0%	0.8%	0.2%	11.0%	29.6%	117.6%

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

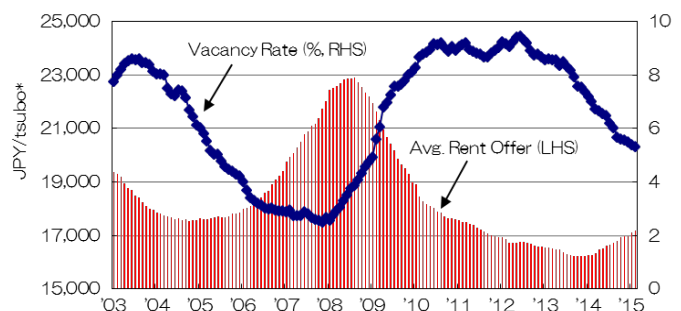
(# of J-REIT Components: 51)

REIT	CODE	Weight
1 NIPPON BUILDING FUND	J8951	7.8%
2 JAPAN REAL ESTATE INV.	J8952	6.8%
3 JAPAN RET.FD.INV.	J3283	5.7%
4 UNITED URB.INV.	J8953	4.6%
5 NIPPON PROLOGIS REIT	J8960	4.1%
6 ORIX JREIT	J8955	3.7%
7 ADVANCE RESIDENCE INV.	J3269	3.4%
8 JAPAN PRIME REALTY INV.	J8954	3.3%
9 MORI TRUST SOGO REIT	J3281	2.9%
10 ACTIVIA PROPERTIES	J3279	2.8%
11 Others		54.9%
12 Total		100.0%

(As of the end of April 2015)

Source: DataStream, compiled by SMAM.

## 4. Tokyo Office Rents and Vacancy Rates



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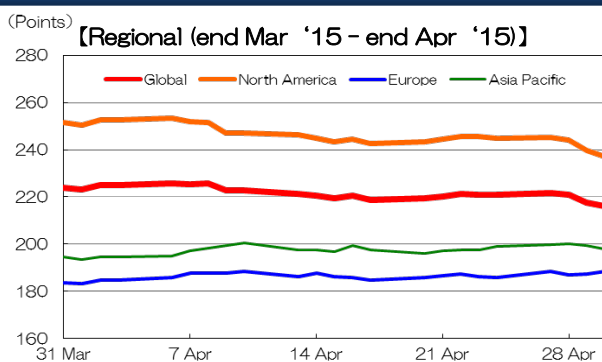
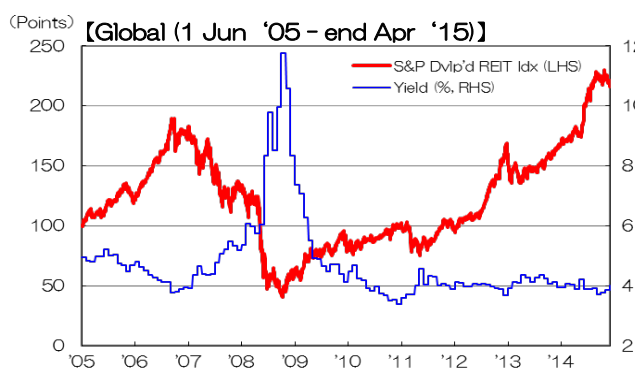
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## 1. Global REIT Market Monthly Review (for April 2015)

The S&P Developed REIT Index (ex-Japan, with dividends, JPY base) tumbled 3.5% in April. On a local currency basis, a plunge in the U.S. market had significant impact on the index after weak economic data. The forex factor positively contributed to the index performance as EUR/JPY rose on receding concerns over deflation in Europe and AUD/JPY also gained on rising commodity prices.

U.S. REIT market dropped due to increasing concern for economic downturn caused by weaker-than-expected March job report and deteriorated business sentiment among manufacturers. In Europe, the market showed sagging movement on a local currency basis as a result of increasing 10yr. government bond yields while it gained on the JPY basis due to weak JPY. Australian market fell on a rise in long-term Australian government bond yield occurred as the central bank kept the official cash rates on hold.

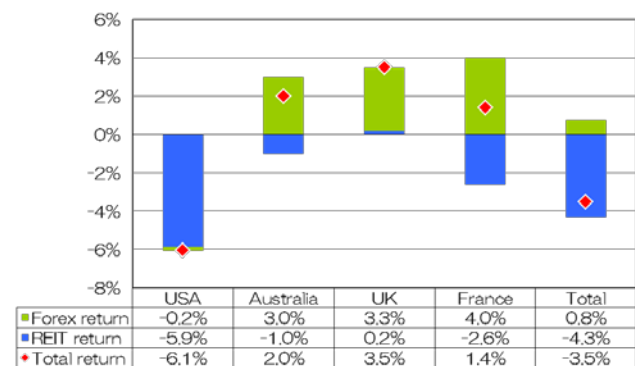
## 2. Global REIT Index (in JPY)



As of 30-Apr-15	1week ago 23-Apr-15	1month ago 31-Mar-15	3months ago 30-Jan-15	6months ago 31-Oct-14	1year ago 30-Apr-14	3years ago 30-Apr-12
Global	-2.3%	-3.5%	-2.9%	10.5%	31.0%	107.9%
North America	-3.6%	-5.7%	-5.5%	9.3%	31.9%	101.5%
Europe	1.2%	2.6%	5.2%	17.1%	28.3%	147.2%
Asia Pacific	1.1%	2.3%	10.5%	28.9%	105.2%	

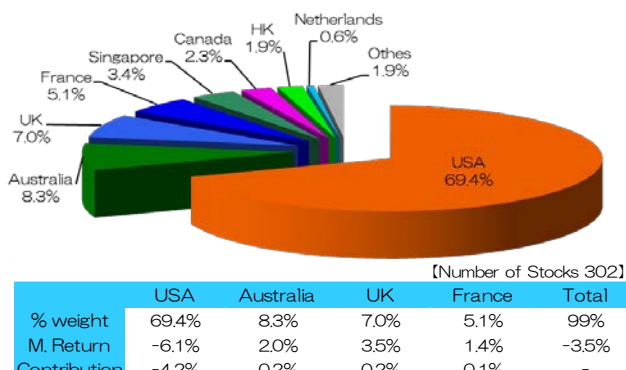
Note:  
(1) Global index: S&P Developed REIT Index (ex-Japan, in JPY)  
Regional indexes are components of S&P Developed REIT Index.  
(2) 6/1/05=100 for both charts  
(3) % figures in the table indicate returns for each period  
Source: FactSet, compiled by SMAM.

## 3. Return Contribution by Factors (Apr '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 (Apr '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.