

### 1. J-REIT Market Monthly Review (for May 2019)

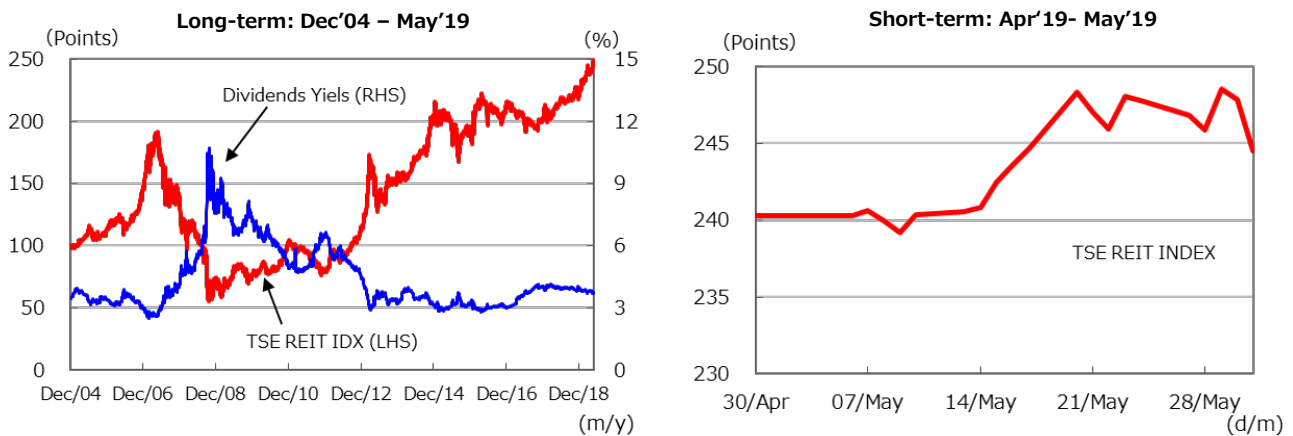
In May, the TSE REIT Index (with dividends) increased 1.75% from the previous month. J-REIT market moved up thanks to low level of long term interest rates and J-REIT's strong earnings momentum despite a correction in stock market as US-China trade issue resurged. There was a concern over weakening supply/demand situation due to 4 PO announcements for the month. However the index increased with expectations for cash inflow in J-REIT market due to possible inclusion of J-REITs in FTSE's global equity index.

By sector, office sector outperformed as large office REITs seemed to be preferred by foreign investors due to possible inclusion of J-REITs in FTSE's global equity index.

April office vacancy rate in Tokyo five central wards improved from the previous month to 1.70% with rent continuously increasing.

In May, BoJ purchased J-REIT by three times (JPY 3.6bn).

### 2. TSE REIT Index (with dividends)



TSE REIT Index	As of	1 week ago	1 month ago	3 months ago	6 months ago	1 year ago	3 years ago
Index	31 May 19	24 May 19	30 Apr 19	28 Feb 19	30 Nov 18	31 May 18	31 May 16
% Change	-	-1.3%	1.7%	4.3%	7.7%	15.1%	13.6%

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: SMDAM, based on Datastream data.

### 3. Top 10 REIT Constituents in J-REIT

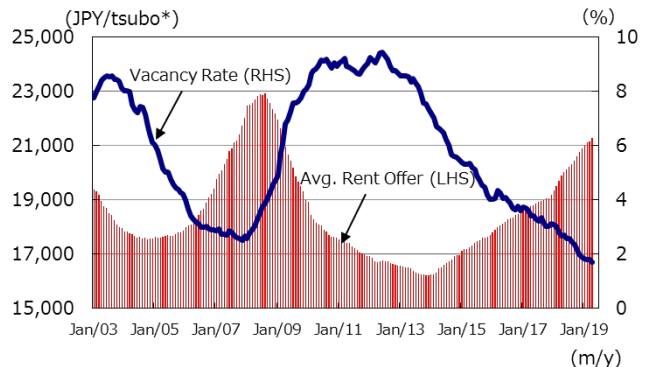
(# of TSE REIT Index Components:63)

	REIT	Code	Weight
1	NIPPON BUILDING FUND	J8951	7.5%
2	JAPAN REAL ESTATE INV.	J8952	6.8%
3	NOMURA RLST.MASTER FUND	J3462	5.5%
4	JAPAN RET.FD.INV.	J8953	4.3%
5	UNITED URB.INV.	J8960	4.1%
6	ORIX JREIT	J8954	4.1%
7	DAIWA HOUSE REIT INV.	J8984	3.6%
8	NIPPON PROLOGIS REIT	J3283	3.3%
9	ADVANCE RESIDENCE INV.	J3269	3.2%
10	GLP J-REIT	J3281	3.1%
	Others	100.0%	54.3%
	Total	100.0%	100.0%

Source: SMDAM, based on Datastream data.

(As of the end of May 2019)

### 4. Tokyo Office Rent and Vacancy Rate



Notes: (1) Covering a period from January 2003 to Apr 2019(monthly basis).  
(2) Tokyo 5 wards: Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, and Shibuya-ku.  
(3) Tsubo is a Japanese traditional unit of measuring area. One tsubo represents approx. 10.76 square feet or 3.3 square meters

Source: SMDAM, based on Datastream data.

# Global REIT Monthly

For your information only

June 2019



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## 1. Global REIT Market Monthly Review (for May 2019)

In May, the S&P Developed REIT Index (ex-Japan, with dividends, USD base) dropped 0.5%. On a local currency basis, the REIT return declined 0.2% and Forex declined 0.4%.

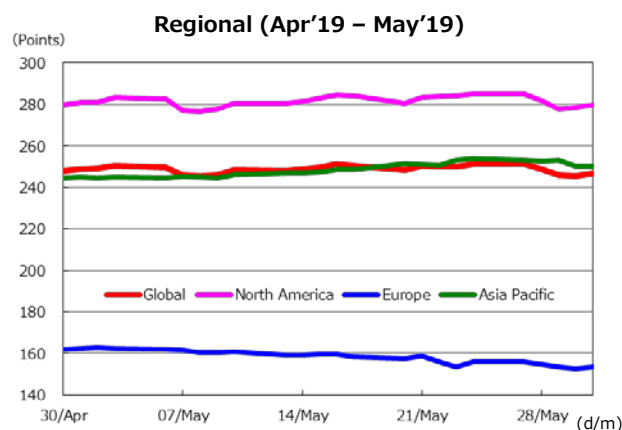
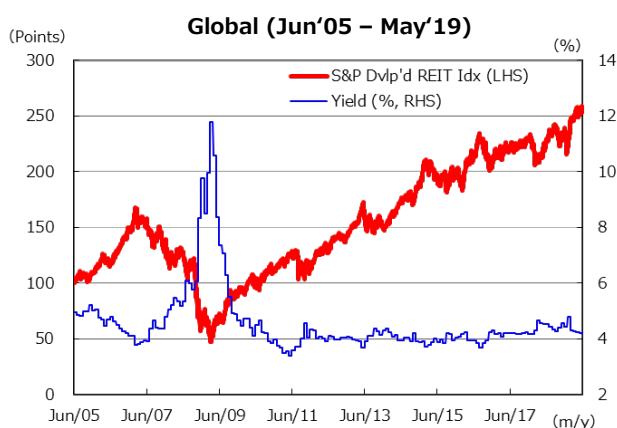
The US REIT market was flat for the month. The market reacted negatively against rising concern over intensified US-China trade friction while decline in US long term interest rates and excellent housing-related indicators were favored.

The European REIT market declined with risk off mode due to rising cautiousness about US-China trade friction, increasing concern over European Parliament election and financial deterioration of Italy. On the other hand, decline in long term interest rates in major European country supported European REITs.

The Australian REIT market rose in favor of announcement of easing in mortgage regulation as the Conservative Liberal – National coalition won the Australian general election and with decline in long term interest rates due to increasing possibility of RBA's rates cut.

Regarding the Forex factor, GBP, AUD, SGP, EUR and CAD weakened against USD.

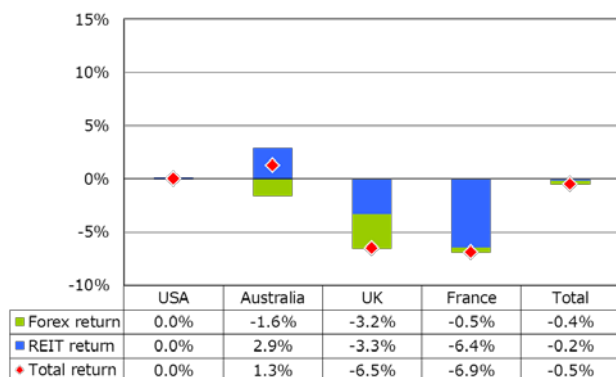
## 2. Global REIT Index (in USD)



As of 31 May 2019	1 week ago 24 May 19	1 month ago 30 Apr 19	3 months ago 28 Feb 19	6 months ago 30 Nov 18	1 year ago 31 May 18	3 years ago 31 May 16
Global	-1.8%	-0.5%	2.2%	6.7%	10.5%	17.9%
North America	-1.8%	0.0%	2.7%	6.1%	14.1%	19.0%
Europe	-1.6%	-5.4%	-2.9%	3.0%	-11.8%	-7.3%
Asia Pacific	-2.1%	0.8%	3.4%	14.0%	14.7%	39.0%

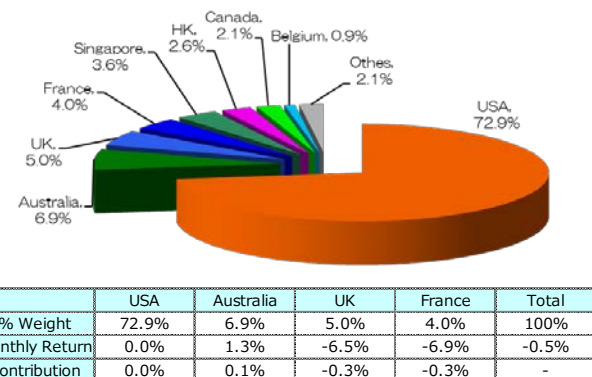
Note:  
(1) Global index: S&P Developed REIT Index (ex-Japan, in USD)  
Regional indexes are components of S&P Developed REIT Index.  
(2) 6/1/05=100 for both charts  
(3) % figures in the table indicate returns for each period  
Source: SMDAM, based on FactSet data.

## 3. Return Contribution by Factors (May'19)



Note: Total-return breakdown of S&P Developed REIT Index (in USD) by forex and market factors, by countries.  
Source: SMDAM, based on FactSet data.

## 4. Global % Weight by Markets (May'19)



Note:  
(1) S&P Developed REIT Index breakdown by country (ex-Japan, in USD).  
(2) Contribution is calculated by multiplying each country's % weight by Monthly Return  
Source: SMDAM, based on FactSet data.