



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

In October, the TSE REIT Index (with dividends) increased 3.31% MoM, for 6 consecutive months.

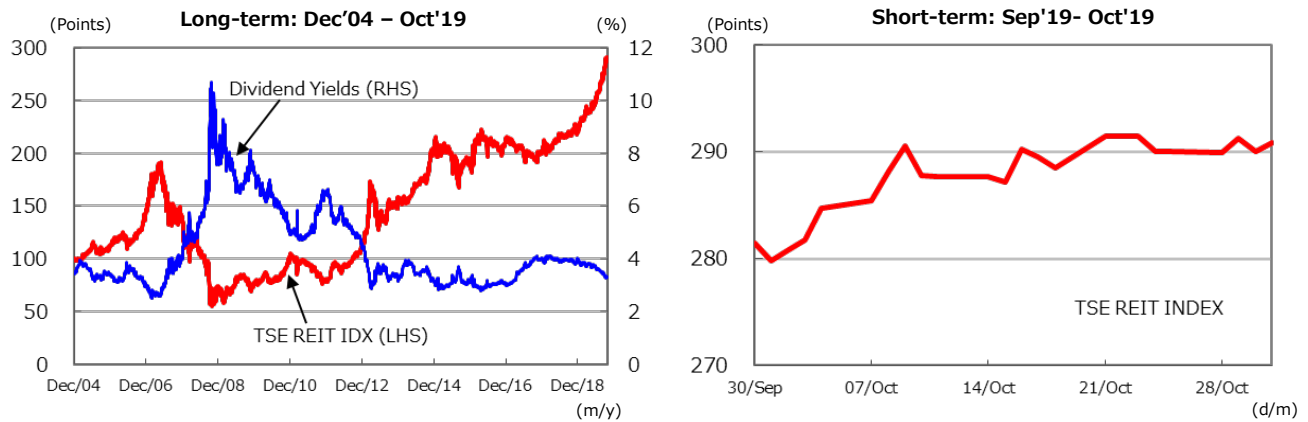
J-REIT market recorded the highest price YTD due to solid investors' demand focusing on its high dividends as low interest rates environment continued globally, despite Japanese long term interest rates rose during the month. The market sharply rose in the first half of the month in favor of partial agreement between US and China on trade negotiation. J-REIT market consolidated towards the end of the month due to cautiousness on higher stock price. Supply/demand situation of J-REIT market remained solid despite the 2 POs for the month.

By sector, only commercial logistics sector, which had lagged behind others in the previous month, outperformed and supported the market.

October office vacancy rate in Tokyo five central wards improved to record low of 1.63% while average rent has risen for 70 consecutive months..

In October, BoJ purchased J-REIT twice (total 2.4bn worth).

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
	31 Oct 19	24 Oct 19	30 Sep 19	31 Jul 19	30 Apr 19	31 Oct 18	31 Oct 16
Index	4,625.77	4,613.91	4,477.77	4,120.33	3,822.76	3,459.73	3,269.40
% Change	-	0.3%	3.3%	12.3%	21.0%	33.7%	41.5%

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.

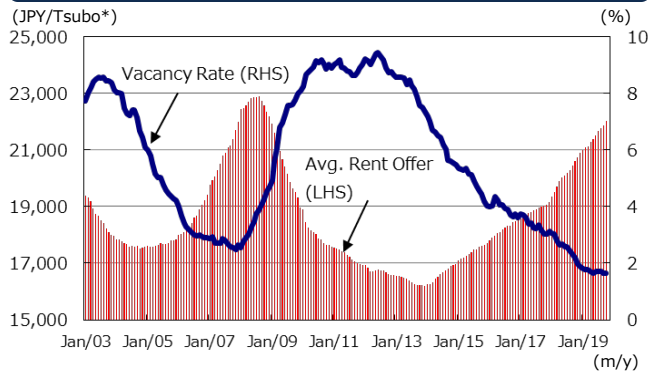
3. Top 10 REIT Constituents in J-REIT

(# of TSE REIT Index Components:63)

	REIT	Code	Weight
1	NIPPON BUILDING FUND	J8951	7.0%
2	JAPAN REAL ESTATE INV.	J8952	6.5%
3	NOMURA RLST.MASTER FUND	J3462	5.6%
4	UNITED URB.INV.	J8960	4.3%
5	ORIX JREIT	J8954	4.3%
6	JAPAN RET.FD.INV.	J8953	4.2%
7	NIPPON PROLOGIS REIT	J3283	3.8%
8	DAIWA HOUSE REIT INV.	J8984	3.7%
9	GLP J-REIT	J3281	3.1%
10	ADVANCE RESIDENCE INV.	J3269	3.0%
	Others		54.6%
	Total		100.0%

Source: SMDAM, based on Datastream data. (As of the end of Oct 2019)

4. Tokyo Office Rent and Vacancy Rate



Notes: (1) Covering a period from January 2003 to Oct 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

November 2019

 Sumitomo Mitsui DS Asset Management

Sumitomo Mitsui DS Asset Management Company, Limited
Atago Green Hills MORI Tower 28th Floor
2-5-1 Atago, Minato-ku, Tokyo 105-6228, Japan
<https://www.smd-am.co.jp/english/>

1. Global REIT Market Monthly Review (for Oct 2019)

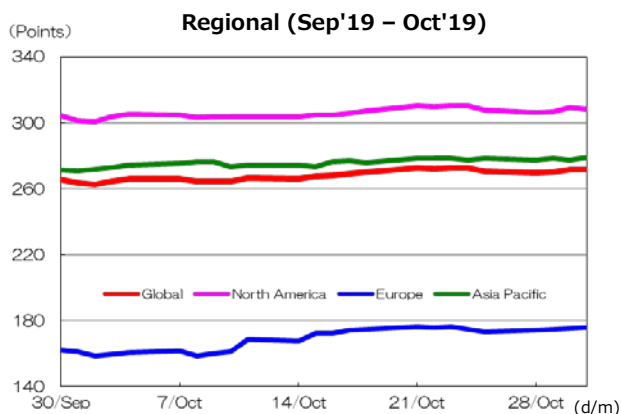
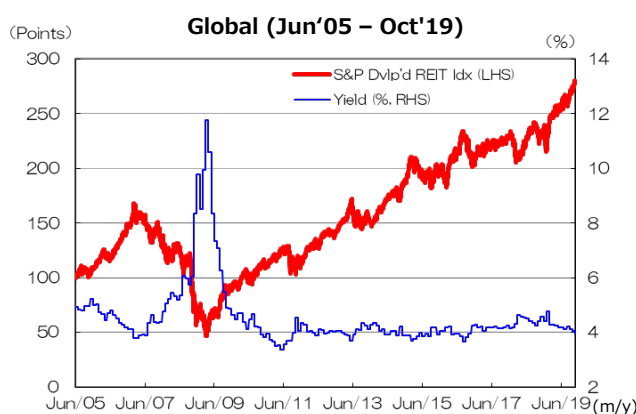
In October, the S&P Developed REIT Index (ex-Japan, with dividends, USD base) rose 2.3%. On a local currency basis, the REIT return increased 1.7% and Forex rose 0.6%.

The US REIT market rose for the month supported by favorable Jul-Sep earnings results of logistics, shopping mall and office and their strong earnings forecasts.

The European REIT market also rose supported by 1) continuing low interest rates environment and 2) investors' interests in direct investment in booming property market. French and Dutch REIT markets were strong as investors could expect higher dividend yields against yields of respective bond markets. Also UK REIT market rose due to declining concern over No Deal Brexit.

The Australian REIT market rose in favor of 1) strong earnings results and 2) the third rates cut during the year by RBA. Forex contributed to the REIT market as AUD, EUR, GBP, SGP and CAD strengthened against USD.

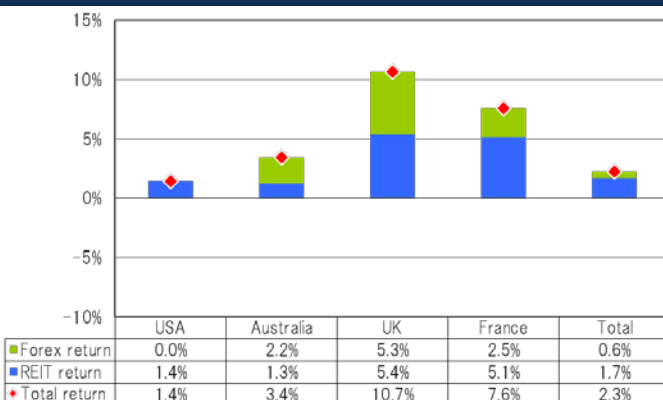
2. Global REIT Index (in USD)



As of 31 Oct 2019	1 week ago	1 month ago	3 months ago	6 months ago	1 year ago	3 years ago
	24 Oct 19	30 Sep 19	31 Jul 19	30 Apr 19	31 Oct 18	31 Oct 16
Global	-0.4%	2.3%	7.4%	9.5%	21.7%	32.6%
North America	-0.6%	1.4%	7.5%	10.3%	22.5%	32.0%
Europe	0.5%	8.5%	16.7%	8.4%	13.1%	25.3%
Asia Pacific	0.4%	2.4%	-0.3%	6.1%	25.3%	42.5%

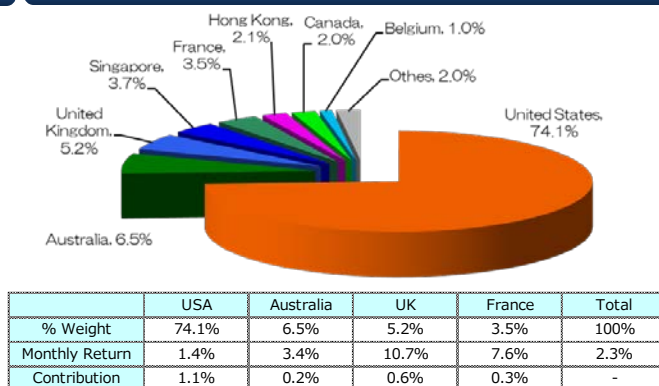
Note:
(1) Global index: S&P Developed REIT Index (ex-Japan, in USD)
Regional indexes are components of S&P Developed REIT Index.
(2) 6/1/05=100 for both charts
(3) % figures in the table indicate returns for each period
Source: SMDAM, based on FactSet data.

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

Please read this disclaimer carefully. • This material is for non-Japanese institutional investors only. • The research and analysis included in this report, and those opinions or judgments as outcomes thereof, are intended to introduce or demonstrate capabilities and expertise of Sumitomo Mitsui DS Asset Management Company, Ltd. (hereinafter "SMDAM"), or to provide information on investment strategies and opportunities. Therefore this material is not intended to offer or solicit investments, provide investment advice or service, or to be considered as disclosure documents under the Financial Instruments and Exchange Law of Japan. • The expected returns or risks in this report are calculated based upon historical data and/or estimated upon the economic outlook at present, and should be construed no warrant of future returns and risks. • Past performance is not necessarily indicative of future results. • The simulated data or returns in this report besides the fund historical returns do not include/reflect any investment management fees, transaction costs, or re-balancing costs, etc. • The investment products or strategies do not guarantee future results nor guarantee the principal of investments. The investments June suffer losses and the results of investments, including such losses, belong to the client. • The recipient of this report must make its own independent decisions regarding investments. • The opinions, outlooks and estimates in this report do not guarantee future trends or results. They constitute SMDAM's judgment as of the date of this material and are subject to change without notice. • The awards included in this report are based on past achievements and do not guarantee future results. • The intellectual property and all rights of the benchmarks/indexes belong to the publisher and the authorized entities/individuals. • This material has been prepared by obtaining data from sources which are believed to be reliable but SMDAM can not and does not guarantee its completeness or accuracy. • All rights, titles and interests in this material and any content contained herein are the exclusive properties of SMDAM, except as otherwise stated. It is strictly prohibited from using this material for investments, reproducing/copying this material without SMDAM's authorization, or from disclosing this material to a third party.
Registered Number: Kanto Local Finance Bureau (KINSHO) No.399 Member of Japan Investment Advisers Association, The Investment Trusts Association, Japan and Type II Financial Instruments Firms Association
© Sumitomo Mitsui DS Asset Management Company, Limited