



1. J-REIT Market Monthly Review (for Jun 2020)

In May, the TSE REIT index (with dividends) declined -1.7%MoM.

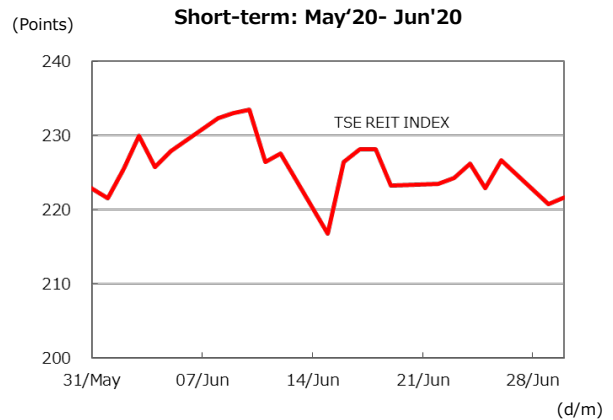
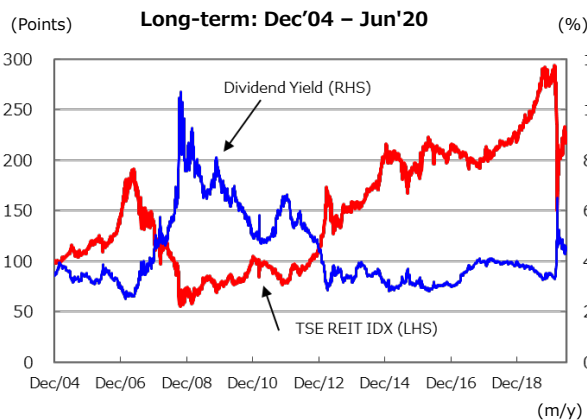
J-REIT market rose in the first half of the month as investors' sentiment improved with resumption of economic activities as state of emergency was lifted country-wide. However, it dropped in the latter half due to concern over second wave of Covid-19. Despite current weak REIT market environment, it has shown some signs of recovery anticipating life after pandemic such as public offering aiming for external growth by logistic REIT.

By sector, only office sector significantly underperformed. Among commercial & logistics facilities sector, mainly large REITs in commercial, logistics and hotel sectors outperformed.

May office vacancy rate in Tokyo five central wards slightly rose for three consecutive months while average rent has risen for 77 consecutive months.

In June BoJ purchased J-REIT by eight times (total 12bn 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
	30 Jun 20	23 Jun 20	31 May 20	31 Mar 20	31 Dec 19	30 Jun 19	30 Jun 17
Index	3,525.99	3,567.24	3,586.37	3,343.59	4,450.34	3,947.76	3,180.48
% Change	-	-1.2%	-1.7%	5.5%	-20.8%	-10.7%	10.9%

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: SMDAM, based on Datastream data.

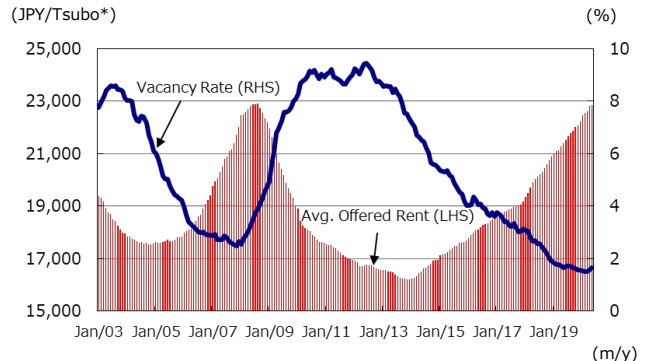
3. Top 10 REIT Constituents in J-REIT

(# of TSE REIT Index Components:63)

	REIT	Code	Weight
1	NIPPON BUILDING FUND	J8951	6.9%
2	JAPAN REAL ESTATE INV.	J8952	6.4%
3	NIPPON PROLOGIS REIT	J3283	5.7%
4	NOMURA RLST.MASTER FUND	J3462	4.8%
5	GLP J-REIT	J3281	4.7%
6	DAIWA HOUSE REIT INV.	J8984	4.2%
7	ADVANCE RESIDENCE INV.	J3269	3.5%
8	ORIX JREIT	J8954	3.3%
9	UNITED URB.INV.	J8960	3.0%
10	JAPAN RET.FD.INV.	J8953	2.9%
	Others		54.5%
	Total		100.0%

Source: SMDAM, based on Datastream data. (As of the end of Jun 2020)

4. Tokyo Office Rent and Vacancy Rate



Notes: (1) Covering a period from Jan 2003 to May 2020.
(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

July 2020

For your information only



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1. Global REIT Market Monthly Review (for Jun 2020)

In June, the S&P Developed REIT Index (ex-Japan, with dividends, USD base) rose 2.8%. On a local currency basis, the REIT return rose 2.5% and Forex increased 0.4%.

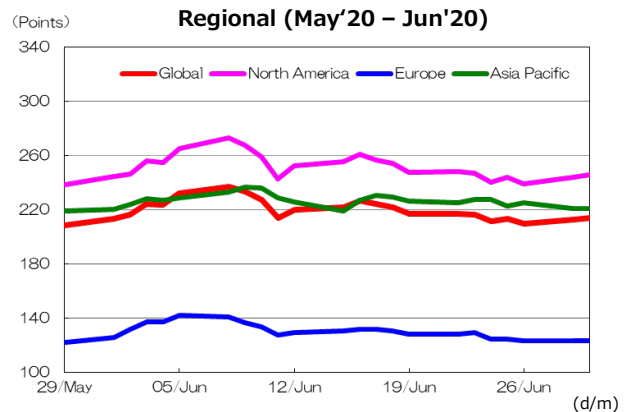
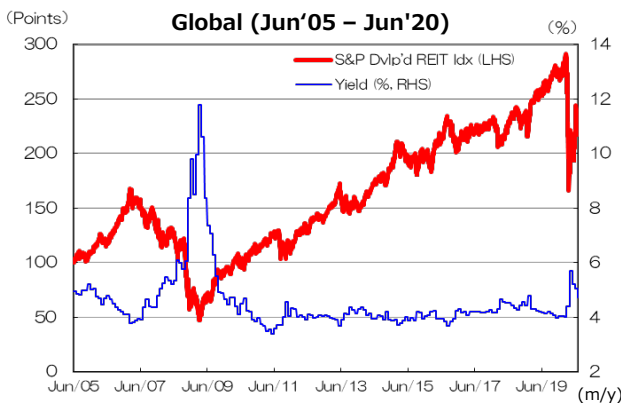
The US REIT market rose. In the first half of the month, the market sharply rose mainly in retail sector as market speculated that the number of Covid-19 infection had peaked out. However it slowed as investors became cautious because of re-climbing infection cases. Canadian REIT market also rose mainly led by healthcare.

The European REIT market was rather weak. Although, the market sentiment became positive with reopening of retail stores and hotels with ease of lockdown, it was not positive enough to improve investors' sentiment. British REIT market was flat.

Australian REIT market declined as a reaction to previous month's rise and concern over re-expanding infection cases. Singaporean REIT market rose due to recovery of investors' sentiment with resumption of businesses. Hong Kong REIT market rebounded as valuation became cheap due to sharp fall in previous month.

Regarding the Forex, GBP slightly weakened against USD. HKD was flat and others including EUR and AUD strengthened.

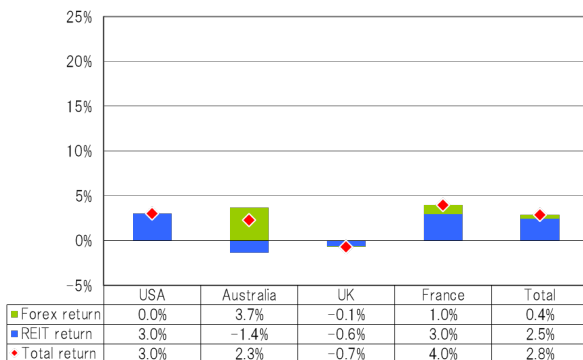
2. Global REIT Index (in USD)



As of 30 Jun 2020	1 week ago 23 Jun 20	1 month ago 29 May 20	3 months ago 31 Mar 20	6 months ago 31 Dec 19	1 year ago 28 Jun 19	3 years ago 30 Jun 17
Global	-1.1%	2.8%	12.0%	-20.3%	-14.9%	-1.9%
North America	-0.3%	3.1%	11.7%	-18.5%	-13.1%	0.0%
Europe	-4.3%	1.2%	4.0%	-33.1%	-21.2%	-22.4%
Asia Pacific	-3.4%	2.9%	21.2%	-19.0%	-19.7%	7.9%

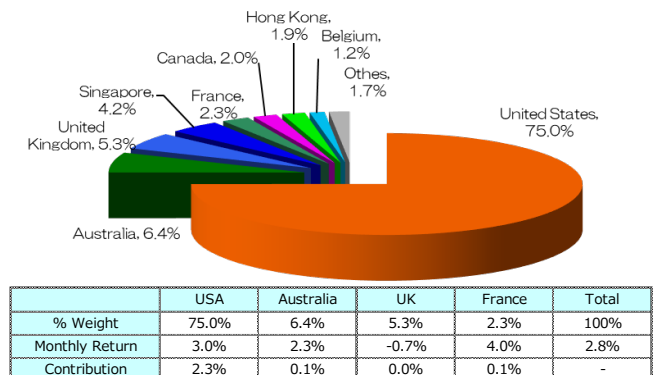
Note:
(1) Global index: S&P Developed REIT Index (ex-Japan, in USD)
Regional indexes are components of S&P Developed REIT Index.
(2) 6/1/05=100 for both charts
(3) % figures in the table indicate returns for each period
Source: SMDAM, based on FactSet data.

3. Return Analysis by Country (Jun'20)



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. Country Allocation (Jun'20)



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.

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