

J-REIT Monthly

January 2021

For your information only



Sumitomo Mitsui DS Asset Management

Sumitomo Mitsui DS Asset Management Company, Limited
Toranomon Hills Business Tower 26F, 1-17-1 Toranomon,
Minato-ku, Tokyo 105-6426, Japan
<https://www.smd-am.co.jp/english/>

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

In December, the TSE REIT index (with dividends) rose +6.0% MoM.

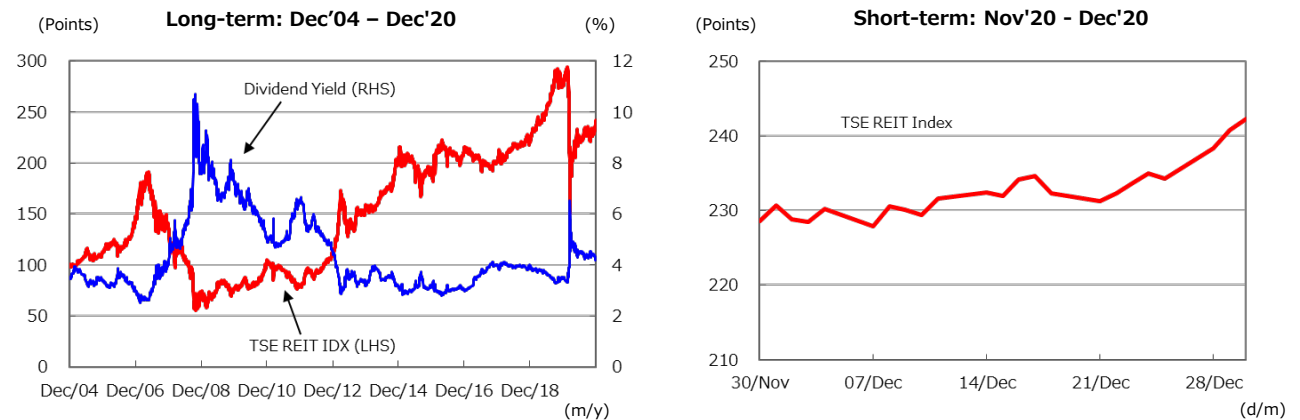
J-REIT market showed modest rise until the middle of the month likely due to investors favoring inclusion of J-REITs to FTSE index. After that, the market slightly corrected with concern over global resurgence of Covid-19 infections. However at the end of the month, it recorded historical high after Covid-19 pandemic in previous year. J-REIT has recovered from its laggard situation as risk appetite of the equity market has calmed down.

By sector, office sector continued to outperform as the previous month. Among the commercial and logistics sector, logistics and hotel REITs underperformed while commercial REITs performed well.

November office vacancy rate in Tokyo five central wards rose for 9 consecutive months at 4.33%. It is the first time the rate reached 4% level since 2016. Average rent has also declined for 4 consecutive months on month-on-month basis.

In December, BoJ purchased J-REIT by twice (total JPY2.4bn 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
	30 Dec 20	23 Dec 20	30 Nov 20	30 Sep 20	30 Jun 20	31 Dec 19	29 Dec 17
Index	3,854.76	3,718.05	3,635.82	3,698.94	3,525.99	4,450.34	3,189.59
% Change	-	3.7%	6.0%	4.2%	9.3%	-13.4%	20.9%

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.

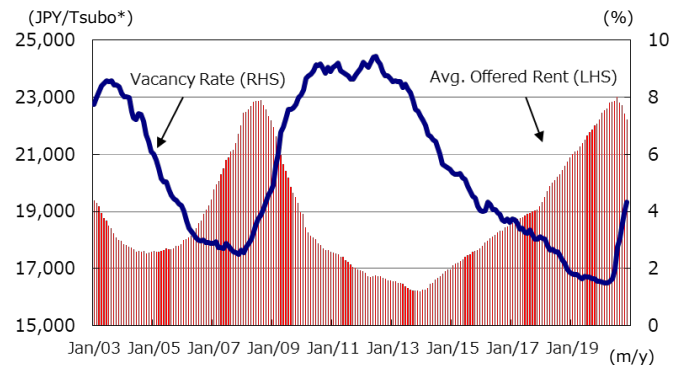
3. Top 10 REIT Constituents in J-REIT

(# of TSE REIT Index Components:62)

	REIT	Code	Weight
1	NIPPON BUILDING FUND	J8951	7.0%
2	JAPAN REAL ESTATE INV.	J8952	6.2%
3	GLP J-REIT	J3281	5.3%
4	NIPPON PROLOGIS REIT	J3283	5.1%
5	NOMURA RLST.MASTER FUND	J3462	5.0%
6	DAIWA HOUSE REIT INV.	J8984	3.8%
7	JAPAN RET.FD.INV.	J8953	3.7%
8	ORIX JREIT	J8954	3.6%
9	ADVANCE RESIDENCE INV.	J3269	3.1%
10	UNITED URB.INV.	J8960	2.9%
	Others		54.3%
	Total		100.0%

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

4. Tokyo Office Rent and Vacancy Rate



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

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

Global REIT Monthly

January 2021

For your information only

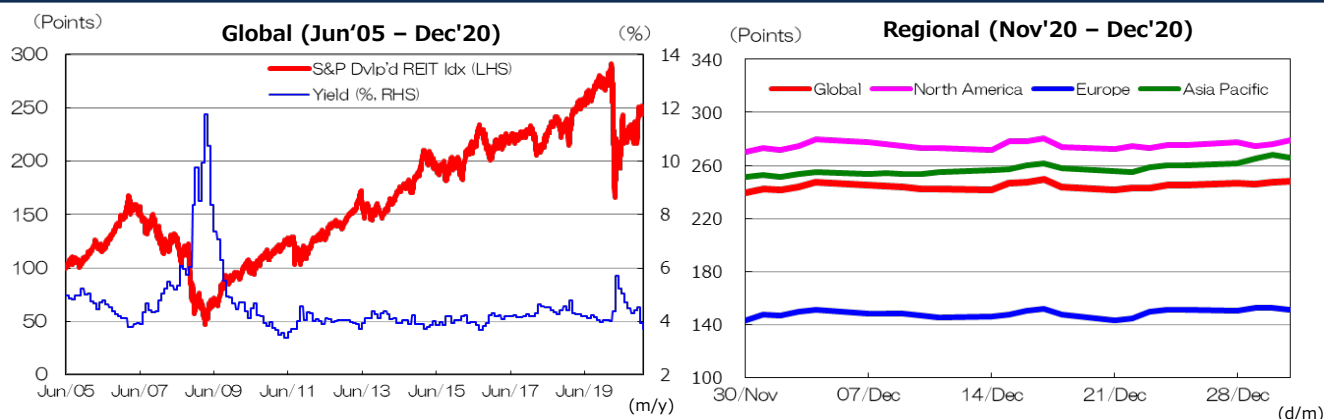


Sumitomo Mitsui DS Asset Management Company, Limited
Toranomon Hills Business Tower 26F, 1-17-1 Toranomon,
Minato-ku, Tokyo 105-6426, Japan
<https://www.smd-am.co.jp/english/>

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

In December, the S&P Developed REIT Index (ex-Japan, with dividends, USD base) gained +3.7%. On a local currency basis, both REIT return and Forex rose +3.0% and +0.8%, respectively. The US REIT market rose, including hotel and retail sectors, supported by start of Covid-19 vaccination while office sector declined due to increase in work-from-home. The European REIT market, mainly office and retail sectors, rose with positive earnings results. The British REIT market also gained in favor of start of vaccination and post-Brexit trade agreement between UK and EU. The Australian REIT market gained supported by RBA's monetary easing in spite of partial lockdown due to virus resurgence. The Singaporean REIT market rose as the government announced that the economic activities are at the final stage to restart. The Hong Kong REIT market also rose as the government announced that they will secure vaccine supply within this year. Regarding the Forex, most currencies except HKD strengthened against USD.

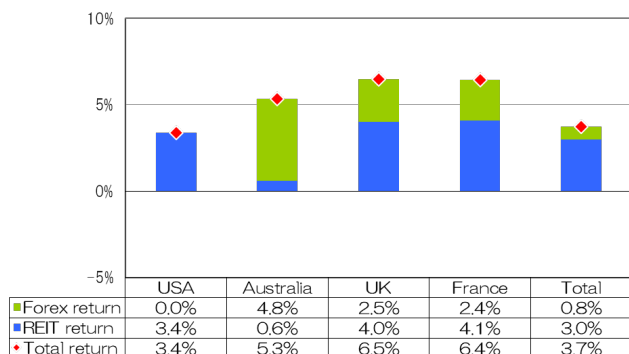
2. Global REIT Index (in USD)



As of 31 Dec 2020	1 week ago 24 Dec 20	1 month ago 30 Nov 20	3 months ago 30 Sep 20	6 months ago 30 Jun 20	1 year ago 31 Dec 19	3 years ago 29 Dec 17
Global	1.2%	3.7%	13.4%	15.9%	-7.6%	8.3%
North America	1.3%	3.2%	11.7%	13.4%	-7.6%	10.7%
Europe	0.3%	5.7%	23.4%	22.6%	-18.0%	-15.1%
Asia Pacific	1.3%	4.7%	15.6%	25.2%	1.4%	19.3%

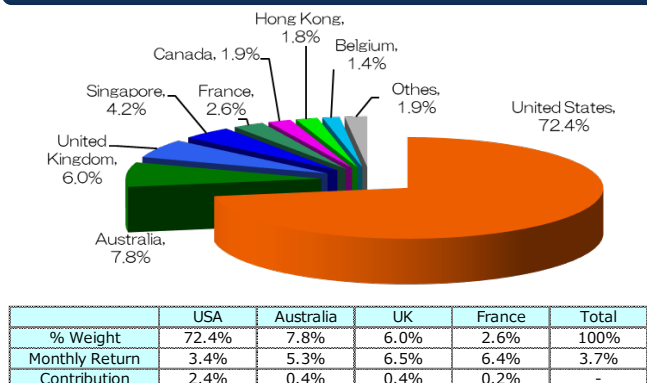
Note:
(1) Global index: S&P Developed REIT Index (ex-Japan, in USD)
Regional indexes are components of S&P Developed REIT Index.
(2) 6/1/05=100 for both charts
(3) % figures in the table indicate returns for each period
Source: SMDAM, based on FactSet data.

3. Return Analysis by Country (Dec'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 (Dec'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.