

# J-REIT Monthly

For your information only

April 2015



Sumitomo Mitsui Asset Management

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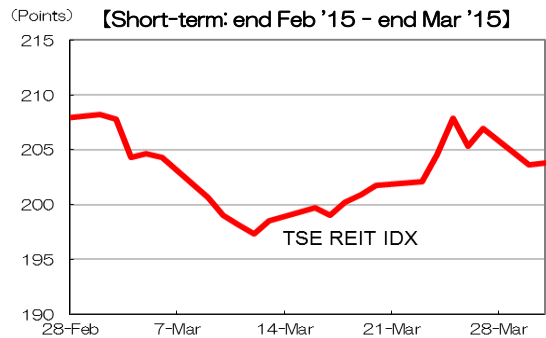
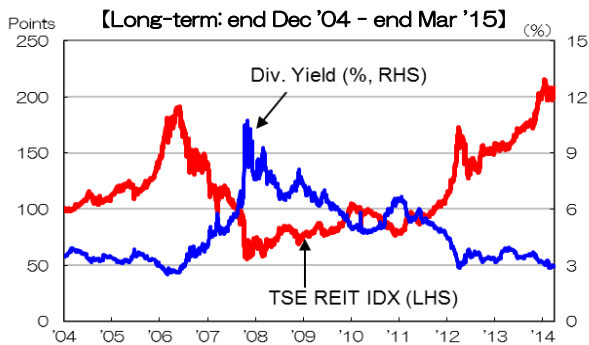
## 1. J-REIT Market Monthly Review (for March 2015)

In March 2015, the TSE REIT Index (with dividends) fell 1.9% MoM suffering from higher yield of 10yr. JGB while a recovery trend in the property market became firmer.

In the first half of the month, the REIT index sagged due to an increasing 10yr. JGB yield and softening supply-demand caused by Public Offerings. Toward the month end, the index recovered buoyed by the positive news such as further improvement in vacancy rate and average rent of office buildings in Tokyo Central 5 wards as well as the acceleration of commercial land prices in 3 large cities released on March 18. Nevertheless, advancing the long term bond yield weighed on the upside of the REIT prices.

The BOJ slashed its purchase of J-REITs to JPY8.4bn in this month from JPY10.8bn in the previous month.

## 2. TSE REIT Index (with dividends)



TSE REIT Index	As of	1week ago	1month ago	3months ago	6months ago	1year ago	3years ago
	31-Mar-15	24-Mar-15	28-Feb-15	31-Dec-14	30-Sep-14	31-Mar-14	31-Mar-12
Index	3,241.62	3,253.83	3,306.03	3,273.60	2,859.23	2,464.98	1,526.15
%change	-	-0.4%	-1.9%	-1.0%	13.4%	31.5%	112.4%

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

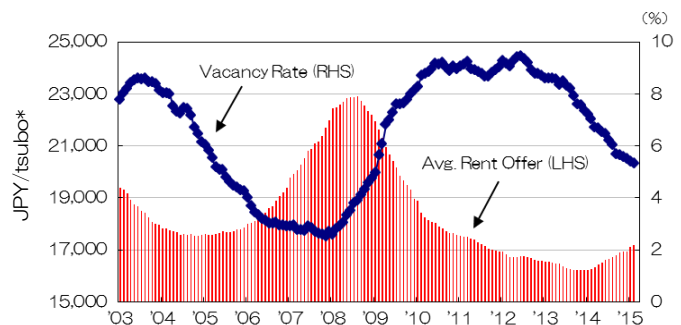
(# of J-REIT Components: 50)

	REIT	CODE	Weight
1	NIPPON BUILDING FUND	J8951	7.8%
2	JAPAN REAL ESTATE INV.	J8952	6.6%
3	JAPAN RET.FD INV.	J3283	5.4%
4	UNITED URB. INV.	J8953	4.6%
5	NIPPON PROLOGIS REIT	J8960	4.3%
6	ORIX JREIT	J8955	3.6%
7	ADVANCE RESIDENCE INV.	J3269	3.5%
8	JAPAN PRIME REALTY INV.	J8954	3.2%
9	MORI TRUST SOGO REIT	J3281	3.1%
10	GLP J-REIT	J8961	2.8%
	Others		55.2%
	Total		100.0%

(As of the end of March 2015)

Source: DataStream, compiled by SMAM.

## 4. Tokyo Office Rents and Vacancy Rates



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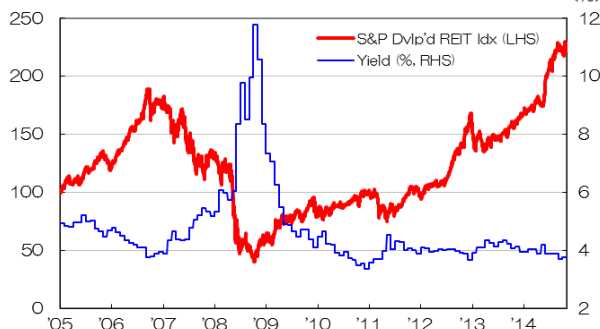
## 1. Global REIT Market Monthly Review (for March 2015)

The S&P Developed REIT Index (ex-Japan, with dividends, JPY base) grew 0.7% in March. On a local currency basis, the index added on the back of lowering government bond yields in developed countries. The forex factor negatively contributed to the index performance as Euro slipped versus Yen after the launch by the ECB bond purchase program whereas US dollar gained slightly against Yen.

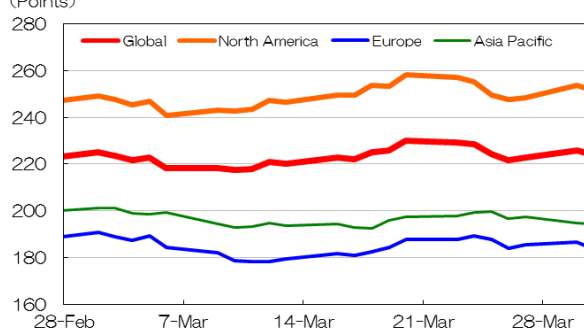
U.S. REIT market advanced with declining 10yr. note yield on the retreating expectation on early U.S. rate hikes. In Europe, the market reacted positively to lowering 10yr. government bonds in major countries and firm economic data. Australian market slid due to keeping the policy rates on hold amid growing concerns about economic slowdown.

## 2. Global REIT Index (in JPY)

(Points) 【Global (1 Jun '05 - end Mar '15)】



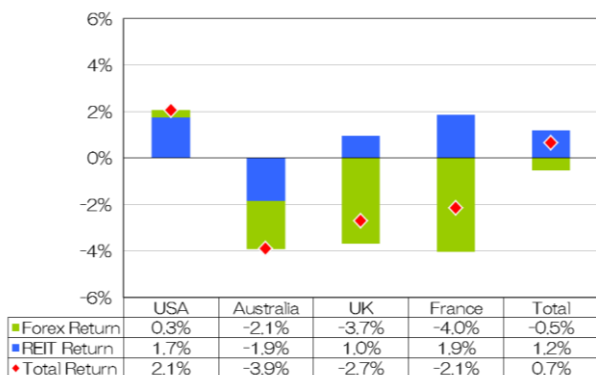
(Points) 【Regional (end Feb '15 - end Mar '15)】



As of 31-Mar-15	1week ago 24-Mar-15	1month ago 27-Feb-15	3months ago 31-Dec-14	6months ago 30-Sep-14	1year ago 31-Mar-14	3years ago 30-Mar-12
Global	-2.0%	0.7%	4.4%	26.4%	39.7%	115.1%
North America	-1.5%	1.9%	4.6%	30.0%	43.4%	113.6%
Europe	-3.1%	-2.4%	6.2%	19.0%	29.5%	128.8%
Asia Pacific	-3.6%	-2.8%	1.6%	16.0%	30.9%	106.7%

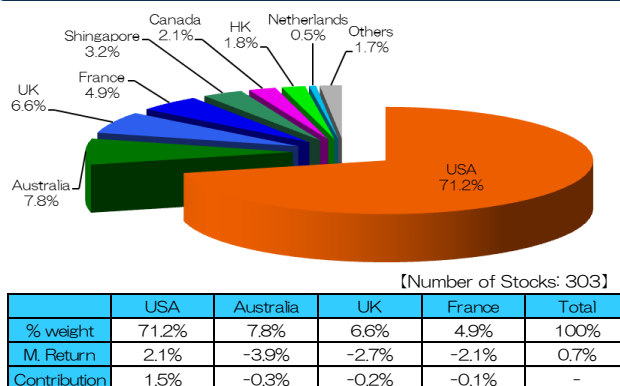
Note:  
(1) Global index: S&P Developed REIT Index (ex-Japan, in JPY)  
(2) Regional indexes are components of S&P Developed REIT Index.  
(3) % figures in the table indicate returns for each period  
Source: FactSet, compiled by SMAM.

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