

J-REIT Monthly

September 2015

For your information only



Sumitomo Mitsui Asset Management

Sumitomo Mitsui Asset Management Company, Limited
Atago Green Hills MORI Tower 28th Floor
2-5-1 Atago Minato-ku, Tokyo 105-6228 Japan
WWW.smam-jp.com/english

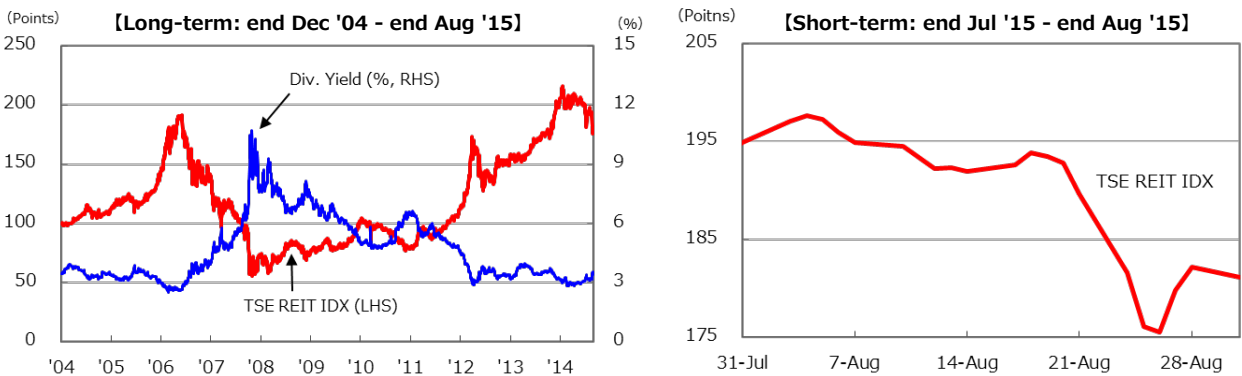
1. J-REIT Market Monthly Review (for August 2015)

In August 2015, the TSE REIT Index (with dividends) fell 7.1% MoM. The index price was dragged down by sell-off in global equity markets on concerns for a slowdown in Chinese economy.

In the first half of the month, the property market maintained an upward trend as July office vacancy rate in Tokyo 5 Central Wards marked the first drop below 5% in 6 and a half years. Yet, the index remained on the same level due to deteriorating supply-demand balance caused by a number of public offerings for property acquisitions. In the late-month, growing fears for Chinese economy after the PBOC devaluated RMB, and weaker-than-expected China's PMI sparked global sell-off. This drop also weighed on the J-REIT market. The market bounced back once on China's RRR and benchmark rate cuts as well as receding worries about an early U.S. interest rate hike, but turned to soften again towards the month end.

The BOJ decreased its purchase of J-REITs to JPY10.4bn in August from JPY12.5bn in the previous month.

2. TSE REIT Index (with dividends)



TSE REIT Index	As of 31-Aug-15	1week ago 24-Aug-15	1month ago 31-Jul-15	3months ago 31-May-15	6months ago 28-Feb-15	1year ago 31-Aug-14	3years ago 31-Aug-12
Index	2,881.06	2,888.42	3,100.40	3,257.97	3,306.03	2,815.18	1,534.76
%change	-	-0.3%	-7.1%	-11.6%	-12.9%	2.3%	87.7%

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

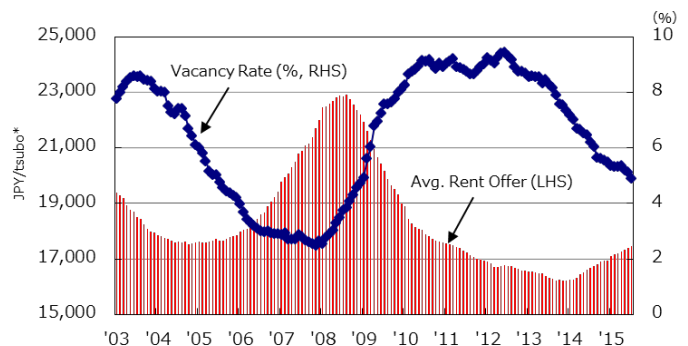
(# of J-REIT Components: 53)

REIT	CODE	Weight
1 NIPPON BUILDING FUND	J8951	7.4%
2 JAPAN REAL ESTATE INV.	J8952	6.9%
3 JAPAN RET. FD. INV.	J8953	5.6%
4 UNITED URB. INV.	J8960	4.4%
5 NIPPON PROLOGIS REIT	J3283	3.9%
6 JAPAN PRIME REALTY INV.	J8955	3.5%
7 ORIX JREIT	J8954	3.5%
8 ADVANCE RESIDENCE INV.	J3269	3.4%
9 MORI TRUST SOGO REIT	J8961	2.9%
10 DAIWA OFFICE INVESTMENT	J8976	2.9%
Others		55.6%
Total		100.0%

(As of the end of August 2015)

Source: DataStream, compiled by SMAM

4. Tokyo Office Rents and Vacancy Rates



Notes: (1) Monthly, January 2003 - July 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.

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 Asset Management Company, Ltd. (hereinafter "SMAM"), 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 may 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 SMAM'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 SMAM 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 SMAM, except as otherwise stated. It is strictly prohibited from using this material for investments, reproducing/copying this material without SMAM's authorization, or from disclosing this material to a third party.

Registered Number: Kanjo 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 Asset Management Company, Limited

Global REIT Monthly

For your information only

September 2015



Sumitomo Mitsui Asset Management

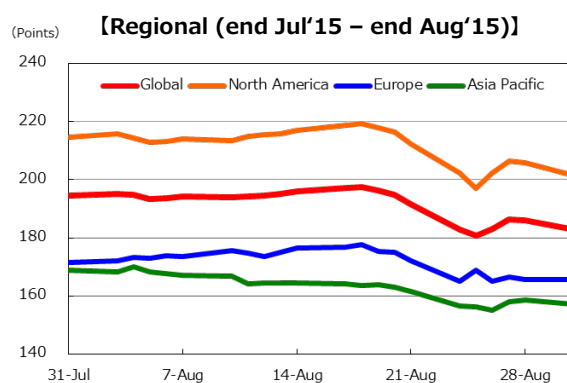
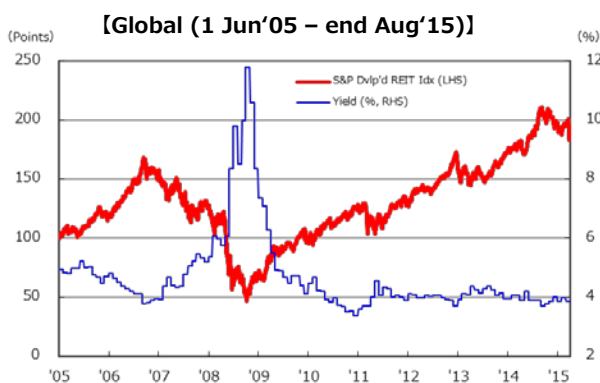
Sumitomo Mitsui Asset Management Company, Limited
Atago Green Hills MORI Tower 28th Floor
2-5-1 Atago Minato-ku, Tokyo 105-6228 Japan
www.smam-jp.com/english

1. Global REIT Market Monthly Review (for August 2015)

The S&P Developed REIT Index (ex-Japan, with dividends, USD base) lost 6.0% in August. Major countries' REIT markets showed downward movements amid a chain of global stock market declines ignited by fears about Chinese economic slowdown. Forex factors' contribution to the index performance was slightly negative in total. AUD and GBP fell against USD on risk-averse movement, while EUR/USD gained on receded U.S. rate hike hopes towards the month end.

Locally, U.S. REIT market moved firmly until the mid-month on stable employment situation. In the second half of the month, the U.S. and European markets sagged as global equity markets declined led by the slowdown in China. In Australia, the REIT market also dropped although July new housing sales and retail sales were relatively strong. Additionally, AUD depreciated against USD on anxieties about a drop in exports to China. This relatively big dip in the currency caused a widened loss of Australia's total return.

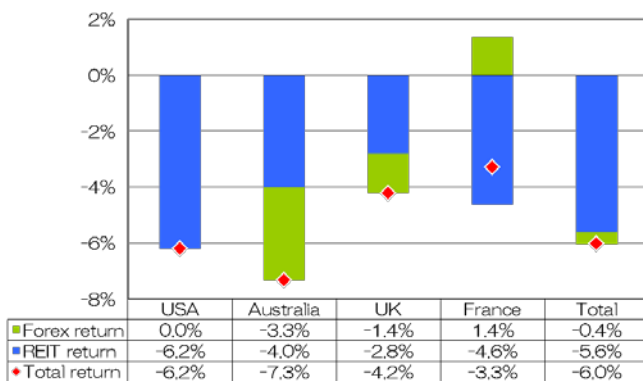
2. Global REIT Index (in USD)



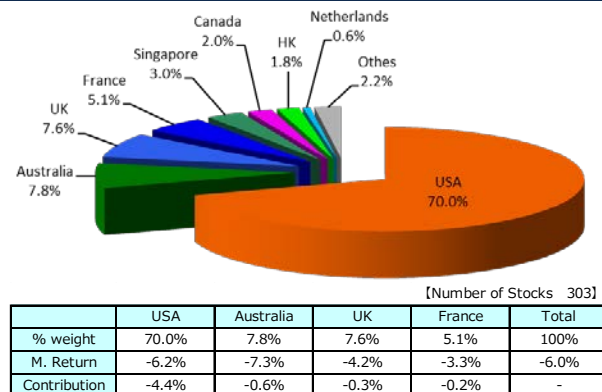
As of 31 August 2015	1week ago 24-Aug-15	1month ago 31-Jul-15	3months ago 29-May-15	6months ago 27-Feb-15	1year ago 29-Aug-14	3years ago 31-Aug-12
Global	0.0%	-6.0%	-5.6%	-9.2%	-2.2%	24.5%
North America	-0.5%	-6.2%	-5.6%	-9.8%	-0.8%	22.6%
Europe	0.3%	-3.3%	-0.7%	-2.7%	2.0%	52.2%
Asia Pacific	2.0%	-8.1%	-10.5%	-12.6%	-12.7%	10.4%

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: FactSet, compiled by SMAM.

3. Return Contribution by Factors (Aug '15)



4. Global % Weight by Markets (Aug '15)



Note: (1) S&P Developed REIT Index breakdown by country (ex-Japan, in USD).
(2) Contribution = Composition % weight x Monthly Return
Source: FactSet, compiled by SMAM.

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 Asset Management Company, Ltd. (hereinafter "SMAM"), 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 may suffer 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 SMAM'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 SMAM 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 SMAM, except as otherwise stated. It is strictly prohibited from using this material for investments, reproducing/copying this material without SMAM'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 Asset Management Company, Limited