Marketing Material*

May 2020 / Research Report

JAPAN REAL ESTATE

Second Quarter 2020

Table of Contents

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1 / Executive Summary

— Macro Economy: Japan's economy had already entered into a recessionary phase since the VAT hike in the fourth quarter of 2019 with real GDP estimated to continue to decline by 1.8%[1] in the first quarter of 2020 due to the impact from the COVID-19 outbreak. Even though the infection rate is more moderate in the country than other major economies, further economic decline is expected ahead following the government declaring a state of emergency on April 7th, with the global supply chain and trade expected to remain disrupted even in the second half of the year.

— Capital and Investment Market: The volume of commercial real estate transactions in Japan in the rolling 12 months to March 2020 was JPY 2.9 trillion (preliminary)[2], a 20% drop from a year earlier as only a couple of large sized office transactions were recorded in the regional cities in the period. Activities by cross border investors were relatively strong at the reported period especially in the residential, hospitality and industrial sectors[3] while this is expected to decline sharply in the coming months. In light of severe economic recession, the J-REIT index made the steepest one-month decline in history of -49.5% till March 19th, and is 28% down from the end of 2019[4], indicating a possible price correction in private real estate towards the end of 2020.

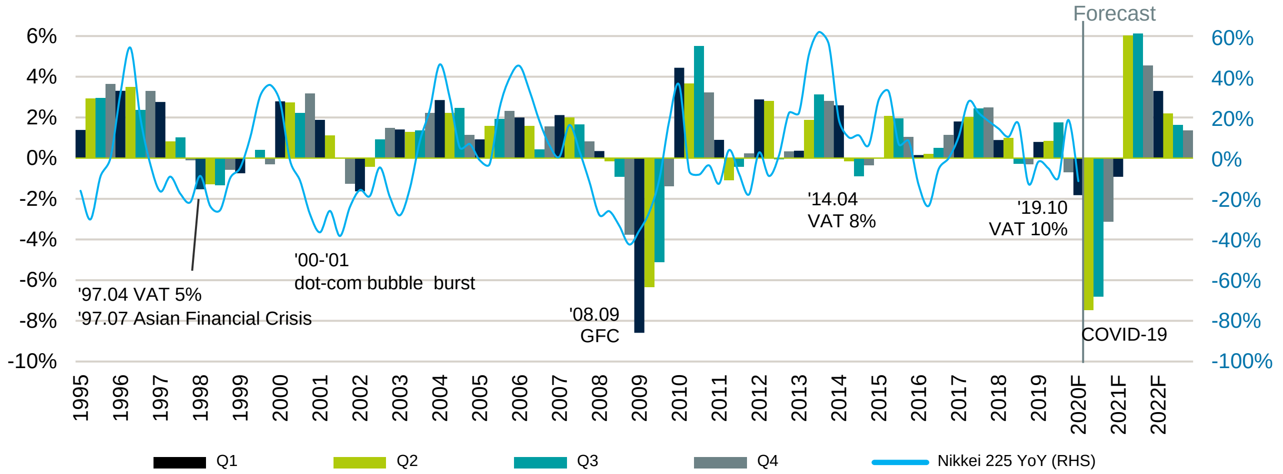
— Real Estate Market Fundamentals: Leasing markets and real estate fundamentals remained healthy across most sectors at least till the reported period. Office vacancy rates remained extremely tight at or close to historical records in all major markets which pushed average rents up further[5], while rents are expected to be under pressure once the current tight vacancy starts to increase later in the year. Tourist consumption in Japan posted a sharp decline in the first quarter of 2020 and hospitality, high street retail as well as discretionary retail are expected to see devastatingly severe impacts in the coming months due to enhanced movement restrictions for domestic consumers. Rents at residential and logistics space, on the other hand, posted healthy growth in the latest reported period[6], and are expected to continue to see relatively resilient demand even at the economic downturn.

[1] Sources: Bloomberg, Bank of Japan, Oxford Economics, DWS. As of May.2020.
[2] Sources: Urban Research Institute, Bank of Japan, Real Capital Analytics, DWS. As of May.2020
[3] Source: Real Capital Analytics, Nikkei Real Estate Market, DWS. As of May 2020
[4] Sources: Bloomberg, DWS. As of May.2020
[5] Sources: Mori Building, Miki Shoji, Sanko Estate, Company, DWS. As of May 2020.
[6] Sources: REINS, Leasing Management Consulting, CBRE, DWS. As of May 2020.

2 / Macro Economy

Japan's economy had already entered into a recessionary phase in the fourth quarter of 2019 after VAT was hiked to 10% in October 2019, with real GDP estimated to continue to decline by 1.8% in the first quarter of 2020 due to the impact from the COVID-19 outbreak. The International Olympic Committee decided to postpone the Tokyo 2020 Games by a year, and the government declared a state of emergency on April 7th as multiple restrictive measures[7] were taken in an effort to contain the virus. GDP growth is expected to decline even more sharply over the course of the year with the global supply chain and trade expected to remain disrupted even in the second half of the year.

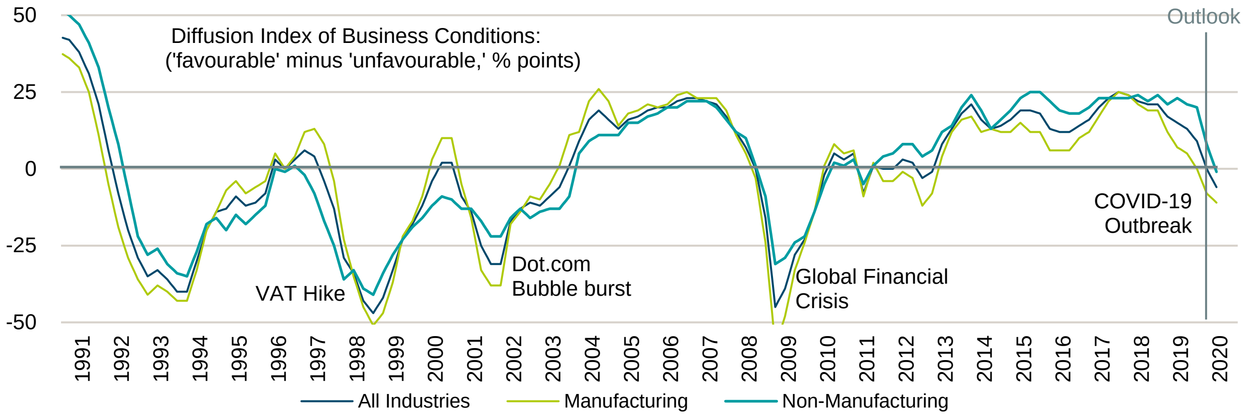
EXHIBIT 1: JAPAN'S GDP GROWTH OUTLOOK AND NIKKEI



Sources: Bloomberg, Bank of Japan, Oxford Economics, DWS. As of May 2020.
F = forecast, there is no guarantee forecast growth will materialise. Please refer to Important Notes (see end of report).
Past growth is not a reliable indicator of future growth. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect. There is no guarantee the estimates shown will materialize.

Corporate Japan also shows a clear sign of recession. The Diffusion Index (DI) of the Tankan Survey conducted by the Bank of Japan (BoJ) declined sharply from a reading of 13 points in March 2019 to zero points in March 2020 for all industries, the worst level in eight years, and to minus seven points for the manufacturing sector. The outlook indicates a further decline in both manufacturing and non-manufacturing sectors, revealing a severe impact expected following the declaration of a state of emergency.

EXHIBIT 2: DIFFUSION INDEX OF BUSINESS CONDITION

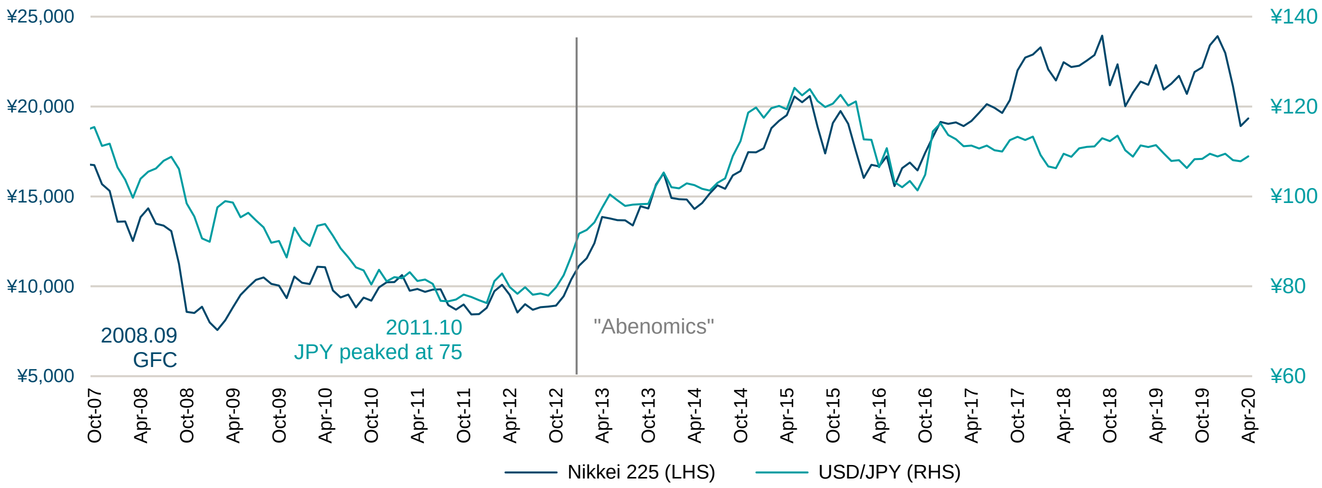


Sources: Bank of Japan, Japan's Cabinet Office, DWS. As of May 2020
Past performance is not a reliable indicator of future performance. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect. There is no guarantee the estimates shown will materialize.

[7] Since the Japanese government doesn't have the legal authority to impose a lockdown or fine those who do not adhere to the request, this is not a full-scale lockdown. Many restaurants and non-essential shops remain open with shorter business hours.

The capital market was shaken in light of the business disruption caused by the pandemic and market volatility increased significantly. The Nikkei 225 posted its largest one week drop in history of more than 3,300 points in the week of March 9, and the index lost about 21% in total in the first three months to March 2020. The currency exchange rate (JPY/USD) fluctuated sharply too in mid-March but the exchange rate was 108.9 yen as of the end of March 2020, almost flat from December 2019.

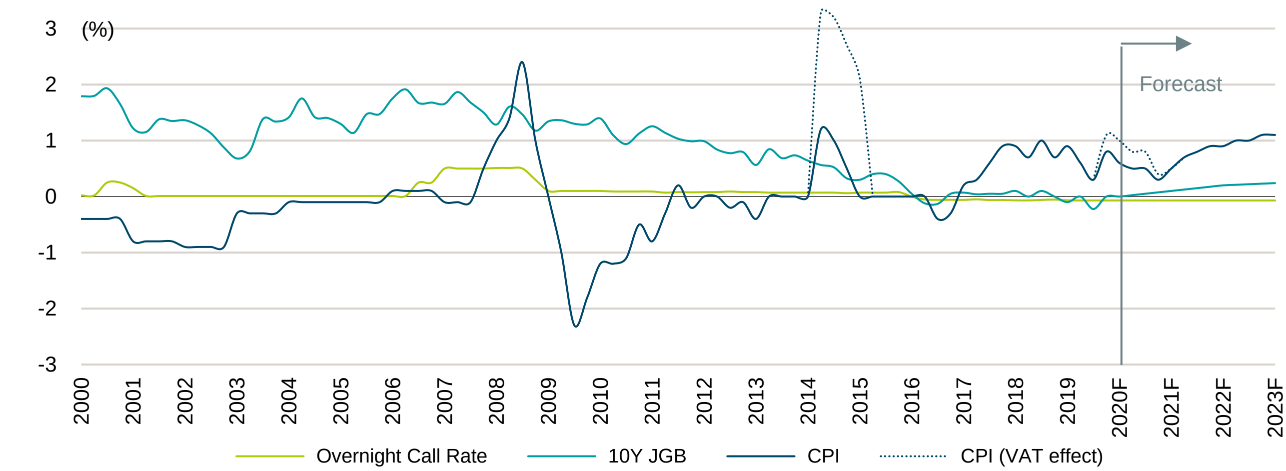
EXHIBIT 3: STOCK (NIKKEI) AND FOREX



Sources: The Bank of Japan, Japan's Cabinet Office, DWS. As of May 2020
Past performance is not a reliable indicator of future performance.

Despite the volatility observed in the capital market, ten-year Japanese government bonds are trading relatively stable at between -0.15% and 0.05% in the first four months of 2020. Core CPI was 0.6% in February 2020 and is estimated to trend down due to weak demand.

EXHIBIT 4: FORECAST OF INTEREST RATE AND CPI



Sources: The Bank of Japan, Japan's Cabinet. DWS. As of May 2020

Notes: F = forecast, there is no guarantee rates forecasted will materialise. JGB = Japanese Government Bond. CPI = Consumer Price Index. Please refer to Important Notes (see end of report).

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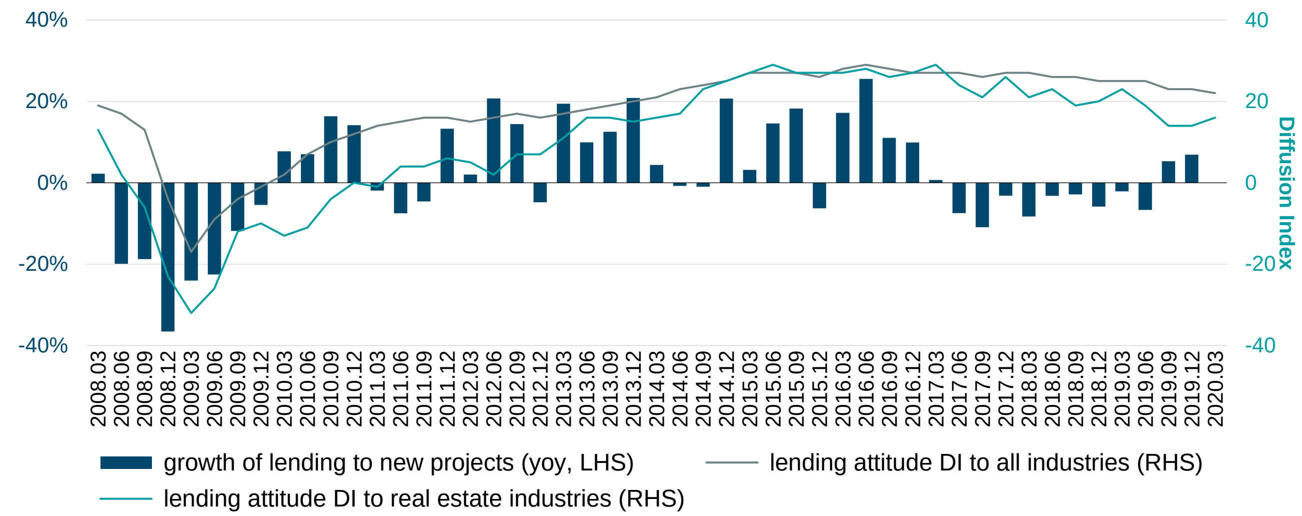
3 / Capital and Investment Market

3.1 Lending

The impacts of COVID-19 are not yet fully reflected in the lending market statistics. The BoJ's Diffusion Index for lending attitudes of banks to the real estate industry (green line in Exhibit 5) flattened in the fourth quarter of 2019 at an index value of 14 from successive moderations, and marginally strengthened to 16 in March 2020. Credit conditions remained relatively accommodative for low levered core assets, while lenders have become more cautious for highly levered assets and operational assets especially in the retail and hospitality sectors. Lending volumes for new projects increased by more than 5% in the year ended September and also December 2019, respectively.

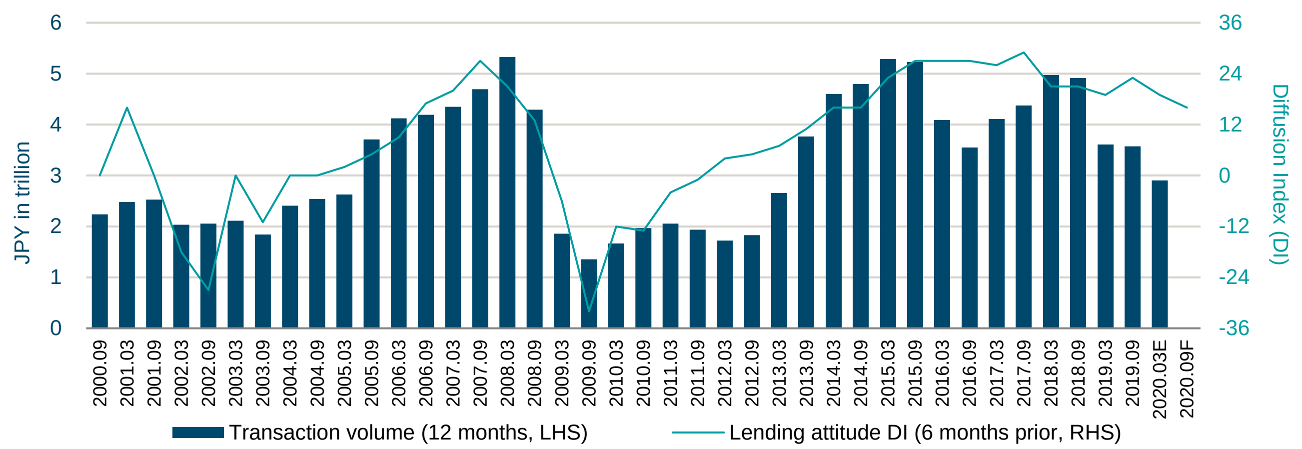
EXHIBIT 5: REAL ESTATE LENDING BY JAPANESE BANKS



Sources: The Bank of Japan, Japan's Cabinet Office, DWS. As of May 2020
Past performance is not a reliable indicator of future performance.

The volume of commercial real estate transactions in Japan in the rolling 12 months to March 2020 was JPY 2.9 trillion (preliminary), a 20% drop from the previous year. The transaction volume remained flat in Tokyo during the period, while only a couple of sizable office transactions took place in regional cities. Activities by cross border investors were strong especially in the residential, hospitality and industrial sectors.

EXHIBIT 6: REAL ESTATE TRANSACTION VOLUME AND LENDING ATTITUDE DI



Sources: Urban Research Institute, Bank of Japan, Real Capital Analytics, DWS. As of May 2020
Notes: E = preliminary estimate, F=forecast. Please refer to Important Notes (see end of report).
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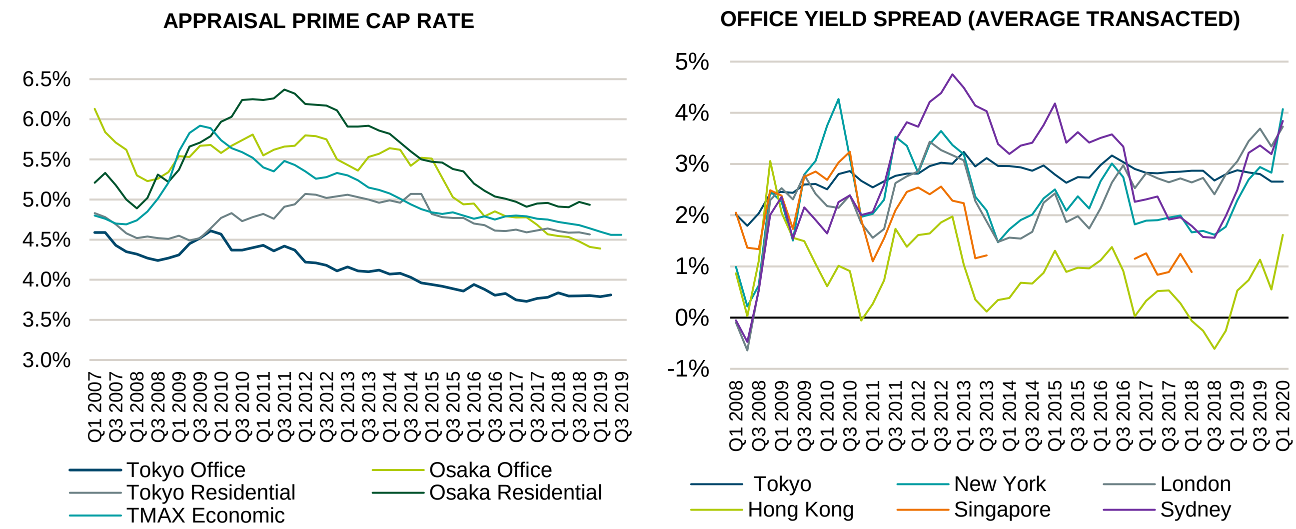
3.2 Pricing

Office appraisal cap rates in Tokyo were a preliminary 3.7% in the third quarter of 2019 (the latest period available), almost flat over the last six quarters. The office yield spread in Tokyo — the difference between the cap rates and ten year bond yields — has remained flat between 2.7% and 2.8% over the last seven quarters. The spreads jumped up significantly in the other global cities including New York (4.1%), Sydney (3.8%) and London (3.7%) respectively, caused by the recent rate cuts and bond yield declines.

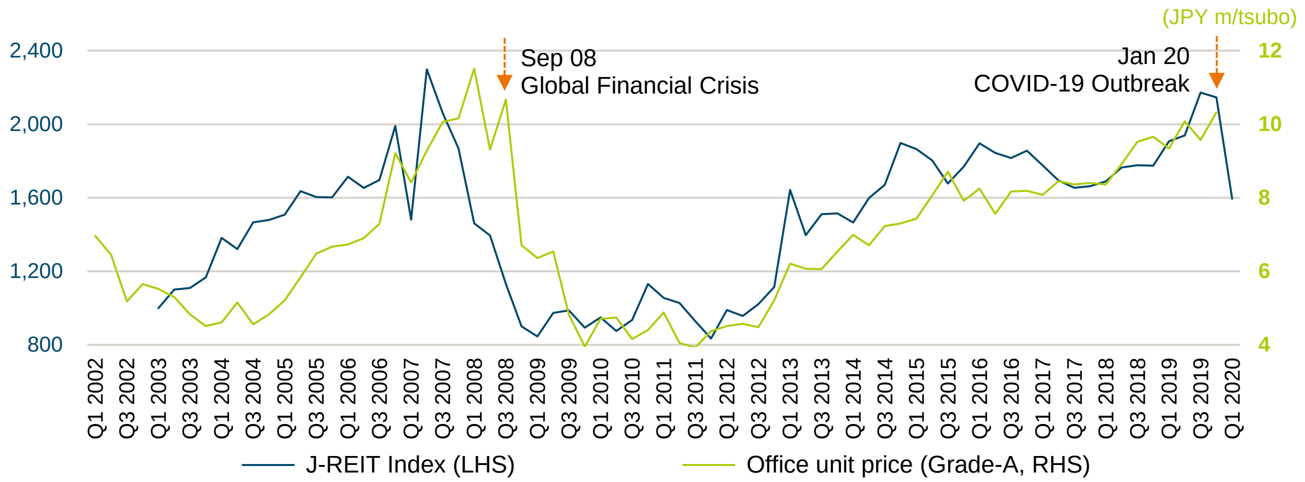
EXHIBIT 7: CAP RATE AND YIELD SPREAD



Sources: Association for Real Estate Securitization, TMAX, Real Capital Analytics, Bloomberg, DWS. As of May 2020
Past performance is not a reliable indicator of future performance.

The capital value for grade-A office in Central Tokyo stood at JPY 10.3 million per tsubo[8] in December 2019, a 6.8% increase from the previous year, while admittedly this was before the outbreak of novel coronavirus in the country. Instead the listed J-REIT index — the leading indicator of office capital values in Tokyo over 12 months — plummeted by 25.6% in the first three months of 2020, indicating a possible sharp price correction ahead in the direct real asset space.

EXHIBIT 8: REAL ESTATE CAPITAL VALUE IN JAPAN



Sources: Daiwa Real Estate Appraisal, Bloomberg, DWS. As of May 2020
Past performance is not a reliable indicator of future returns.

[8] Tsubo is a Japanese unit of area. It is equivalent to 3.3 square meters (35.6 square feet).

3.3 Transactions

In the anticipation of possible economic slowdown even before the COVID-19 outbreak, Japan's residential assets were highly sought after by global investors due to its resilient performance throughout economic cycles. The largest deal reported since October 2019 was the ongoing acquisition of the Anbang residential portfolio by Blackstone at around JPY 300 billion (still in progress), followed by another Blackstone residential portfolio acquired by Allianz real estate at an estimated JPY 129 billion and then a 49.9% acquisition of the Otemachi Park Building in CBD Tokyo by a consortium led by Norges Bank Investment Management at JPY 100 billion. The highest disclosed unit price was the acquisition of Tod's Omotesando building at JPY 7.7 million per square meter, while the tightest reported cap rate in the period was the acquisition of Otemachi Park Building at 2.7%. Multiple large sized transactions of over JPY 30 billion were observed in the logistics and hospitality sectors exhibiting investors' continued strong appetite at the time, while the latter is expected to decline sharply in the coming months.

EXHIBIT 9: MAJOR REAL ESTATE TRANSACTIONS ANNOUNCED SINCE OCTOBER 2019

Type	Asset	Price (JPY bn)	Unit price (JPYm /GFA sqm)	Cap rate	Location	Month	Acquired by	Investor Origin
Office	49.9% of Otemachi Park Bldg	100	3.84	2.7%	Chiyoda	Mar-20	NBIM (40%), JRE REIT (5%) Nippon Open Ended RE(5%)	Norway/ JREIT/JP
	Minatomirai Center Bldg	98	1.53		Yokohama	Jan-20	Goldman Sachs	US
	36% of Link Square Shinjuku etc. (3 props)	36		3.8-4.0%	Shinjuku	Mar-20	JRE-REIT	J-REIT
	98% of mBay Point Makuhari Bldg	31	0.37		Chiba	Feb-20	Mapletree North Asia Trust	Singa-pore
	51% of Ebisu Prime Square (Office)	23	1.09		Shibuya	Jan-20	Activia	J-REIT
	Toranomon Marine Bldg	17	1.45	2.8%	Minato	Dec-19	NTT Urban Development	Japan
	Sencity Bldg (Office)	14	1.05	5.4%	Chiba	Mar-20	Japan Prime Realty	J-REIT
	Kiraboshi Bank Shinjuku HQ	11	1.51		Shinjuku	Mar-20	Hulic	Japan
	Pacific Marks Esaka	10	0.50	5.2%	Osaka	Mar-20	B-Lot	Japan
Retail	Tod's Omotesando Bldg	20	7.72		Shibuya	Oct-19	Kering	France
	3.8% of Ginza Six	18	3.42	-	Chuo	Apr-20	Daimaru-Matsuzakaya	Japan
	75% of A-Place Shinbashi Ekimae	16	3.24	3.6%	Minato	Mar-20	Nippon Life Insurance	Japan
Industrial	Prologis Park Chiba I etc. (3 props)	59	0.24	4.3-5.0%	Chiba etc.	Feb-20	Nippon Prologis REIT	J-REIT
	Prologis Park Kawasaki etc. (4 props)	est. 50	0.25	-	Kanagawa etc.	Apr-20	Prologis Japan Core Logistics Venture	Japan
	80% of MFLP Sakai etc, (3 props)	48	0.21	4.4-5.1%	Osaka etc.	Feb-20	MFLP REIT	J-REIT
	Logiport Osaka Bay	38	0.27		Osaka	Dec-19	LaSalle	US
	MJ Logipark Kasugai 1 etc. (4 props)	27	0.24	4.6-5.7%	Aichi etc.	Oct-19	MEL REIT	J-REIT
	70% of I Missions Park Kashiwa 2 etc. (2 props)	25	0.24	4.8-4.9%	Chiba	Feb-20	Itochu Advance Logistics REIT	J-REIT
	98% of Mapletree Kobe Logistics Center	22	0.26	4.0%	Hyogo	Feb-20	Mapletree Logistics Trust	Singa-pore
	GLP Urayasu II	17	0.35		Chiba	Mar-20	SMFL	Japan
	Tajimi Logistics Center	14	0.18	4.5%	Gifu	Mar-20	CBRE Global Investors	US
Apartment	Anbang Residential Portfolio	est. 300	-	-	Minato etc.	In pro-gress	Blackstone Group	US
	Blackstone Residential Portfolio	est. 129	-	-	Chuo etc.	Oct-19	Allianz Real Estate	Ger-many
	KHI Dormitory etc.(20 props)	24	-	-	Kanagawa etc.,	Apr-20	Fortress Inv Group	US

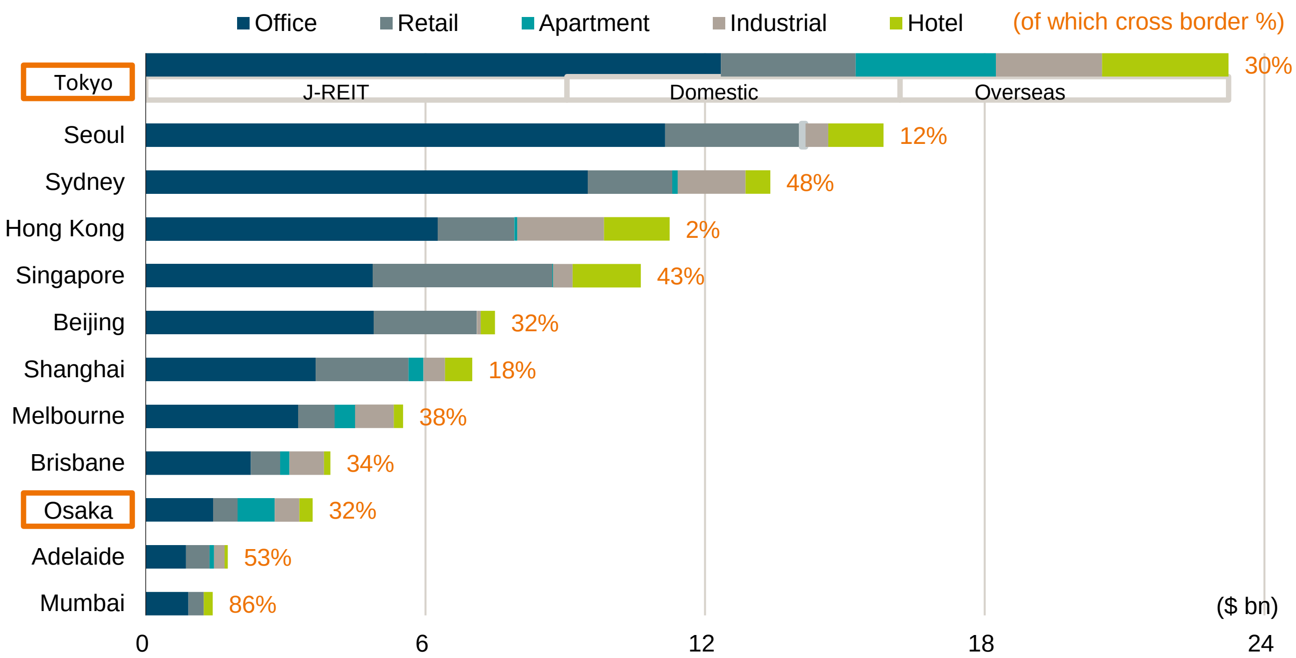
	Oakwood Residence Shinagawa	20	98/rm		Shinagawa	Dec-19	Korea Inv Securities	South Korea
Hotel	The Westin Tokyo	97	221/rm		Meguro	Dec-19	Bright Ruby Resources	Singa-pore
	Four Seasons Hotel Kyoto	49	398/rm		Kyoto	Mar-20	Tokyo Tatemono Investment Advisors	Japan
	Onyado Nono Kyoto Shichijo	24	51/rm		Kyoto	Feb-20	hausInvest	Ger-many
	Ariake Sunroute	14	15/rm		Koto	Jan-20	Ascott Residence Trust	Singa-pore
	Hotel Vista Premio Tokyo	11	80/rm	3.9%	Minato	Nov-19	MCUBS MidCity REIT	J-REIT
	Hotel MyStays Premier Narita	11	15/rm	5.7%	Chiba	Jan-20	Invincible Investment	J-REIT
Cross-Sector Portfolio	Landport Higashi-Narashino etc. (9 props)	40	-	3.7-5.7%	Chiba etc.	Mar-20	Nomura Master Fund	J-REIT
	Hulic Ryogoku Bldg etc. (4 props)	23	-	3.9-4.1%	Sumida Etc.	Mar-20	Hulic REIT	J-REIT

Source: Real Capital Analytics, Nikkei Real Estate Market, DWS. As of May 2020

Notes: Acquisitions by foreign managers are highlighted in grey and by J-REITs in green. This table is prepared solely for information purposes and not intended to recommend or endorse any specific company's shares or other products. Although information in this document has been obtained from sources believed to be reliable, we do not guarantee its accuracy, completeness or fairness, and it should not be relied upon as such.

Despite the moderation of transaction activities across Japan, Tokyo's volume of commercial real estate transactions for the rolling 12-month period ended March 2020 (preliminary) was US $23.2 billion, almost flat from the previous period ended in September 2019. It ranked top in the Asia Pacific region for the aggregate amount, and also top spot for the office, residential, industrial and hotel sectors respectively. According to our own estimates about 39% of transactions in Tokyo were purchased by listed J-REITs while 30% were acquired by foreign capital in the period. Osaka ranked tenth in transaction volume in the region in the same period.

EXHIBIT 10: TRANSACTION VOLUME BY CITY (12 MONTHS ROLLING ENDED MARCH 2020)

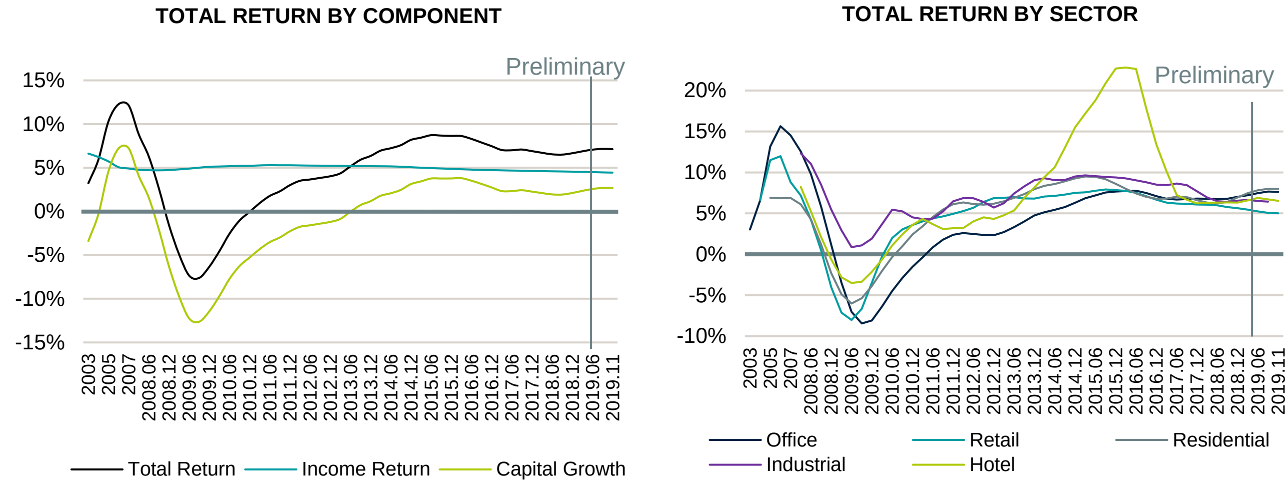


Sources: Real Capital Analytics, DWS. As of May 2020
Notes: Commercial real estate transactions exclude non-income producing assets, such as development site transactions. Tokyo transaction volume is the sum-up of transaction volumes in Tokyo metro, Saitama, Chiba, Kawasaki and Yokohama.
Past performance is not indicative of future results.

3.4 Performance

The average annual total return for unlevered direct real estate investments in Japan showed stable performances in the reported period. It was 7.1% in November 2019 on a preliminary basis (the latest period available), a marginal increase from 6.9% reported in the second quarter of 2019. The difference in performances among the five property sectors is gradually diverging as returns trend down to 5.0% for the retail sector. In light of the impact from the coronavirus outbreak the returns are expected to decline in 2020 in most real estate sectors.

EXHIBIT 11: REAL ESTATE TOTAL RETURNS IN JAPAN (UNLEVERED)



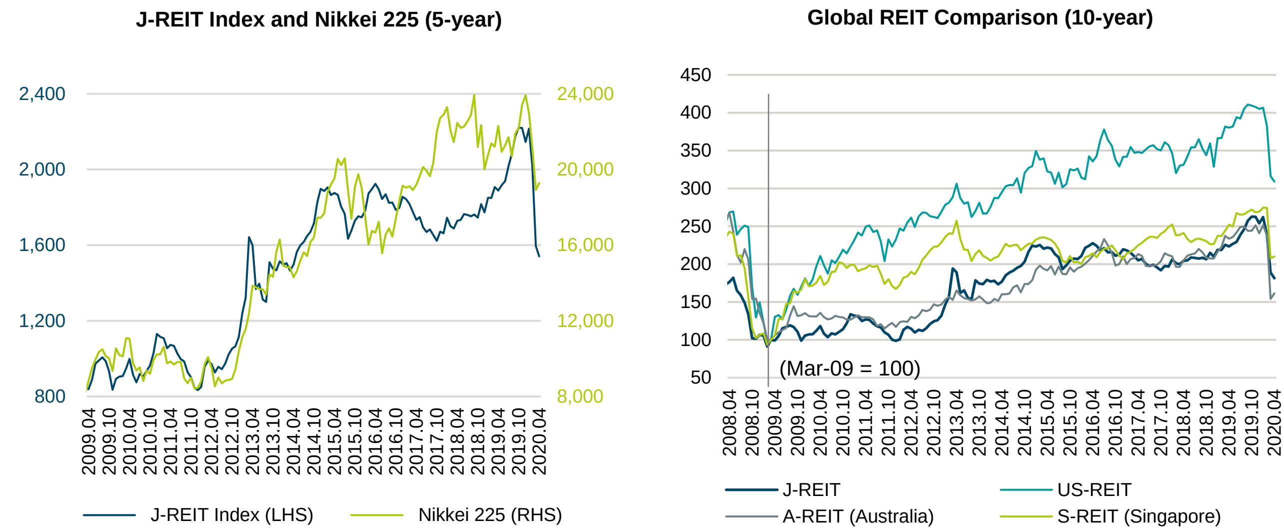
Sources: MSCI Real Estate - IPD, DWS. As of May 2020

Notes: There is a time lag because of raw data being collected through semi-annual reports. Past performance is not indicative of future results.

3.5 J-REITs

The J-REIT index experienced a historic plunge in March 2020. The index made the steepest one-month decline from a reading of 2,251 on February 20th to 1,146 on March 19th, a 49.5% decline, but recovered to 1,500 points in early April, or a 28% decline in total since the end of 2019. The decline was broadly consistent with other major global listed REIT indices, including the US (24% decline), Australia (33%) and Singapore (22%) in the same period respectively.

EXHIBIT 12: J-REIT INDEX AND LONG-TERM GLOBAL COMPARISON



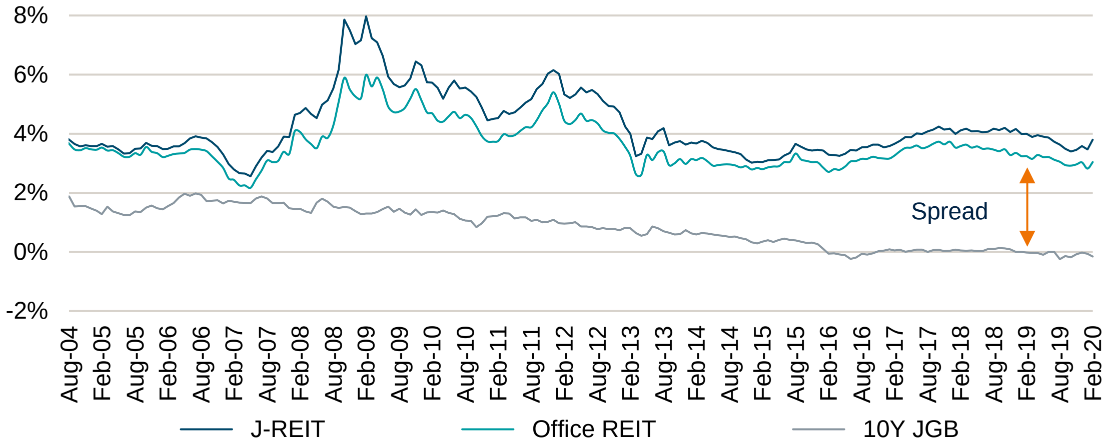
Sources: Bloomberg, DWS. As of May 2020

Notes: Past performance is not indicative of future results. Tokyo Stock Exchange REIT Index (J-REIT), FTSE NAREIT All Equity REITS Index (US-REIT), S&P/ASX 200 A-REIT Index (A-REIT), FTSE ST REIT Index (S-REIT).

Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

On average, the J-REIT dividend yield was 3.8% overall in February 2020, expanding around 20 basis points since August 2019, and was 3.0% for office REITs, almost flat in the same period. The spread over ten-year government bond yields expanded to an even more attractive level of 395 basis points in Japan in February 2020, compared to 315 basis points spread for US REITs.

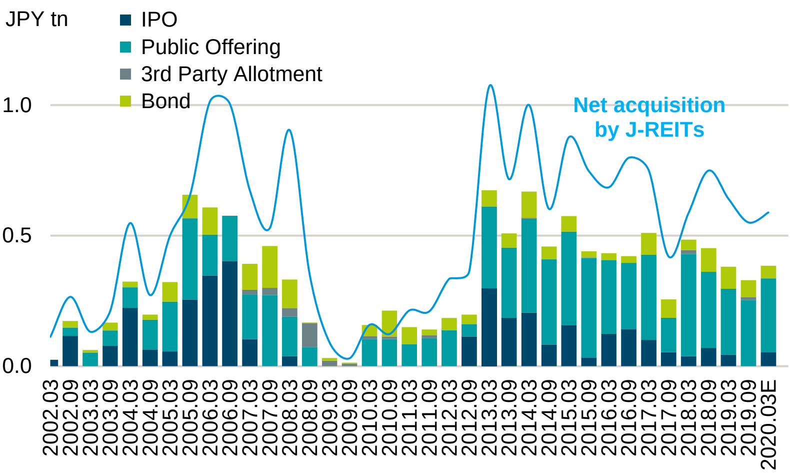
EXHIBIT 13: J-REIT EXPECTED DIVIDEND YIELD



Sources: Bloomberg, DWS. As of May 2020
Notes: Past performance is no guarantee of future results. JGB = Japanese Government Bond.

The amount of capital raised by J-REITs was JPY 336 billion in the trailing six months ended March 2020 (preliminary), a 28% increase from the previous six months, including an IPO of the SOSiLA Logistics REIT in December 2019. There were multiple public offerings of existing listed REITs too in the period, majority of which were logistics specialized REITs including Daiwa House REIT, Nippon Prologis REIT, Mitsui Fudosan Logistics Park and Itochu Advance Logistics[9], indicating strong investor appetite in the logistics space. The net acquisition volume by J-REITs was JPY 589 billion, a 7% increase from the six month period ended September 2019.

EXHIBIT 14: CAPITAL RAISING AND TRANSACTIONS BY REITS IN JAPAN (6 MONTHS ROLLING)



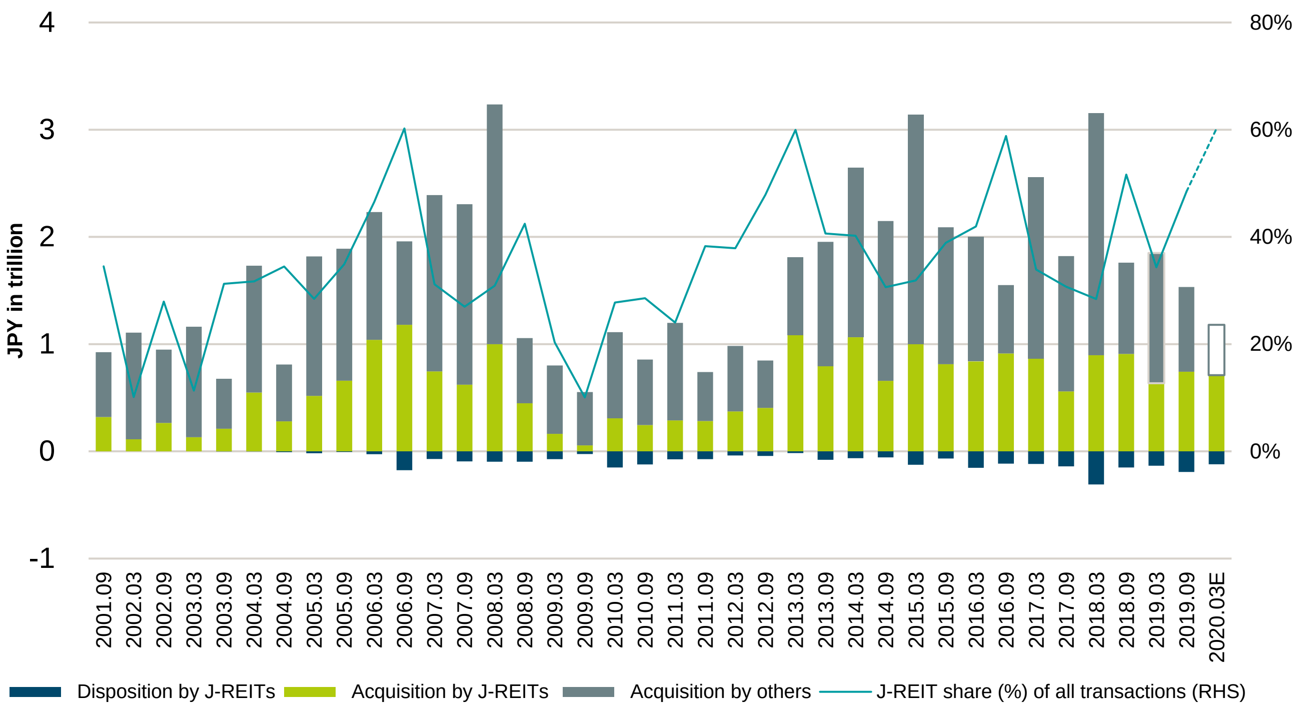
Public Offerings	Month	JPY bn
Daiwa House REIT	Feb-20	43
Nomura Fudosan Master Fund	Dec-19	32
Nippon Prologis REIT	Jan-20	31
Mitsui Fudosan Logistics Park	Jan-20	27
Japan Prime Realty	Feb-20	18
MCUBS Midcity REIT	Nov-19	16
Itochu Advance Logistics	Jan-20	14
CRE Logistics Fund	Jan-20	11
Other POs	Oct-Mar	93
	Total	**284**
Initial Public Offerings	**Month**	**JPY bn**
SOSiLA Logistics REIT	Dec-19	53
	Total	**53**

Sources: ARES, Nikkei, DWS. As of May 2020
Notes: E = Preliminary estimate.
Commercial real estate transactions exclude non-income producing assets, such as development site transactions. This table is prepared solely for information purposes and not intended to recommend or endorse any specific company's shares or other products. Although information in this document has been obtained from sources believed to be reliable, we do not guarantee its accuracy, completeness or fairness, and it should not be relied upon as such.
Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

[9] This information is intended for informational purposes only and does not constitute investment advice, a recommendation, an offer or solicitation. Past performance is not a reliable indicator of future returns.

The preliminary volume of commercial real estate transactions in Japan in the six months to March 2020 was around JPY 1.2 trillion, posting a 23% decline from the previous six month period ended in September 2019. J-REITs' gross investment activity was JPY 0.7 trillion in the period, almost flat from the previous period.

EXHIBIT 15: REAL ESTATE TRANSACTIONS IN JAPAN AND J-REIT SHARE (6 MONTHS ROLLING)



Sources: ARES, Urban Research Institute, Real Capital Analytics, DWS. As of May 2020.
Notes: E = preliminary estimate. Commercial real estate transactions exclude non-income producing assets, such as development site transactions.
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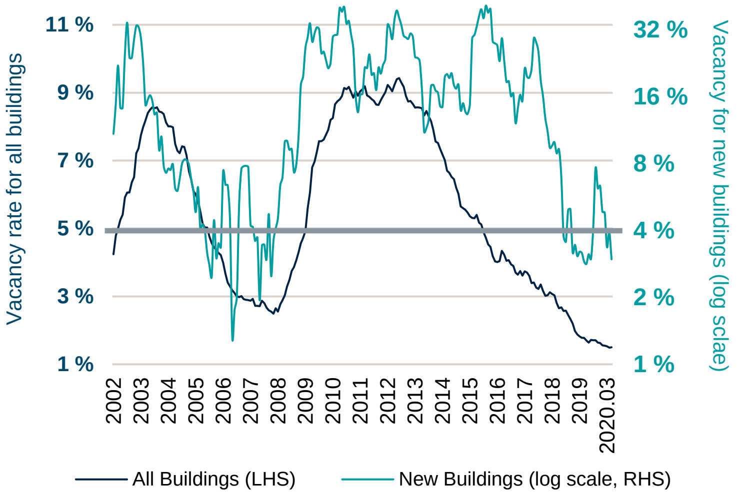
4 / Market Fundamentals

4.1 Office

The average office vacancy rates in Tokyo's central five wards further tightened to 1.5% in March 2020 from 1.8% in the same period of last year and stood close to the lowest level since 1992. The vacancy rate at newly-developed buildings (average of new completed buildings in the last 12 months) was 3.0% in March, almost flat from the previous year after a short period of bumps in the previous months. That said, these figures were reported before the declaration of the state of the emergency by the government, with the majority of companies expected to become extremely cautious around increasing their office space or to delay relocation plans on the backdrop of the sudden economic slump caused by COVID-19 outbreak. Although the majority of large-sized office supply planned this year are pre-committed, the vacancy rate in Tokyo is expected to increase gradually over the course of the year due to eroded demand and the backfill of space to be provided.

EXHIBIT 16: OFFICE VACANCY RATE AND SUPPLY IN CENTRAL TOKYO (5 WARDS*)

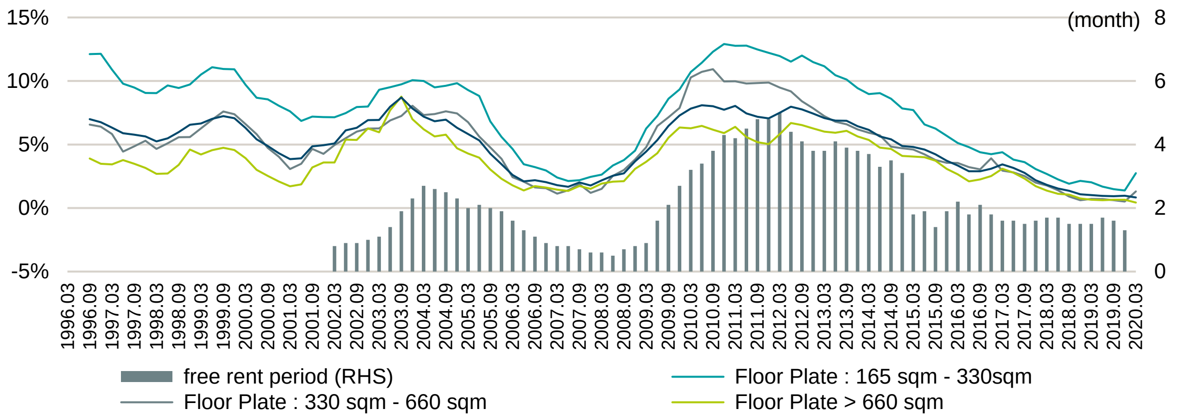


Major Planned Supply in Tokyo			
Building	Date	Floors	GFA (sqm)
Comore Yotsuya	Jan-20	30	58,900
Kanda Square	Feb-20	21	85,352
Otemachi One	Feb-20	31	357,700
Bunkyo Garden Gate Tower	Mar-20	23	94,562
Kamiyacho Trust Tower	Mar-20	38	107,613
Toyosu Bayside Cross Tower A	Apr-20	36	105,600
Waters Takeshiba	Apr-20	26	62,300
Takeshiba Redev. Office A	May-20	39	180,000
Hareza Tower	May-20	33	68,478
msb Tamachi N	Jul-20	36	118,400
Sumitomo Kojinmachi Garden Twr	Aug-20	22	47,916
Marunouchi 1-3 PJ	Sep-20	29	180,988
Marubeni New HQ	Oct-20	22	80,603
Toyosu Bayside Cross Tower B	Nov-20	36	72,590
World Trade Center Bldg. South	Mar-21	39	95,239
Toyosu 6 chome 4-2	Mar-21	12	87,395
Shinbashi Tamuramachi PJ	Jun-21	27	105,572

Sources: Mori Building, Miki Shoji, Sanko Estate, Company, DWS. As of May 2020
Notes: GFA = gross floor area. sqm = square meters. *5 Wards includes Chiyoda, Chuo, Minato, Shibuya and Shinjuku. There is no guarantee the supply pipeline will materialize. Past performance is not a reliable indicator of future growth.
This information is intended for informational purposes only and does not constitute investment advice, a recommendation, an offer or solicitation.

The average rent free period offered to tenants was 1.3 months in December 2019 in Tokyo, a further decline from September 2019 and is still at the lower end of the last ten-year horizon. Due to the supply increase in 2020 and the possible sharp recession, the current rent free level is expected to increase gradually toward the end of 2020.

EXHIBIT 17: OFFICE VACANCY RATE AND RENT FREE PERIOD IN TOKYO



Sources: Sanko Estate, Xymax Real Estate Institute, DWS. As of May 2020
Notes: sqm = square meters. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect. Past performance is not a reliable indicator of future growth.

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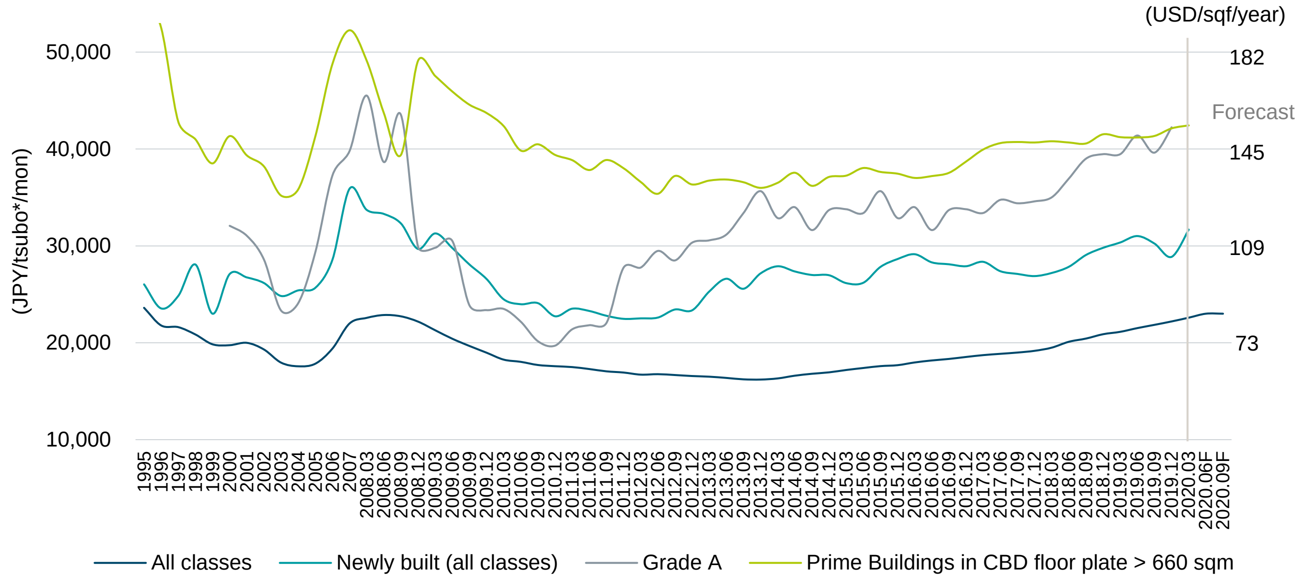
On the back of tight vacancy rates, the average asking office rent (all classes) grew strongly by 6.9% in March 2020 (year-on-year) in Central Tokyo, recording continuous growth for six years since 2014. The average rents at grade A office buildings also posted healthy growth of 5.5% in December 2019, exceeding JPY 40,000 mark per tsubo*, the highest level since the Global Financial Crisis in 2008. Office rents are expected to be under pressure only after the current extremely tight vacancy rate starts to increase later in the year.

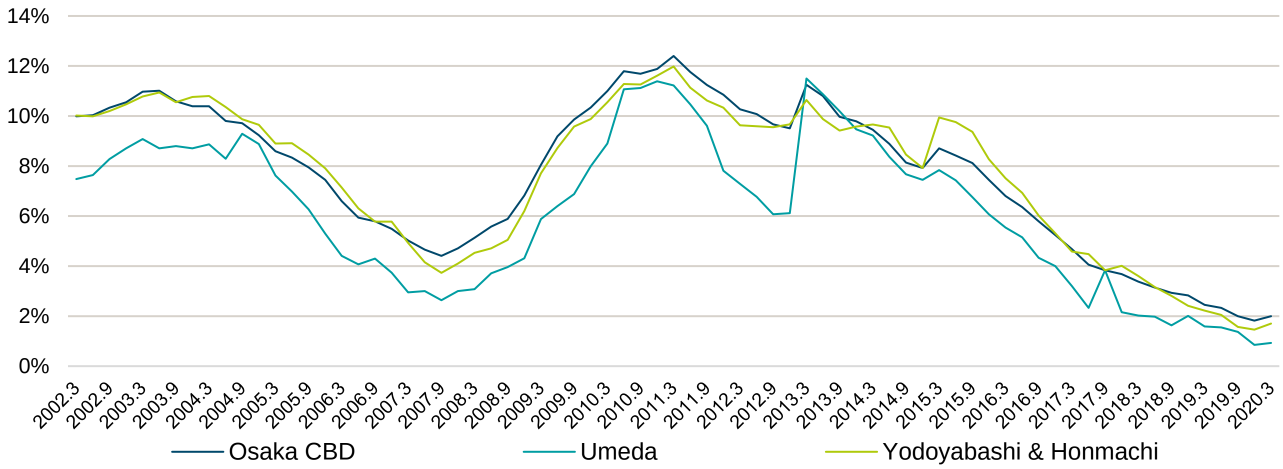
EXHIBIT 18: OFFICE ASKING RENTS IN CENTRAL TOKYO BY BUILDING FLOOR PLATE



Sources: Miki Shoji, Sanko Estate, DWS. As of May 2020
Notes: F = forecast, there is no guarantee forecast rents will materialise. Please refer to Important Notes (see end of report).
*Tsubo is a Japanese unit of area. It is equivalent to 3.3 square meters (35.6 square feet). Past performance is not a reliable indicator of future growth.

The average office vacancy rates in Osaka further tightened to 2.0% in March 2020, around the lowest level in 26 years. The Umeda area, Osaka's central business district (CBD), was extremely tight with vacancy rates standing at 0.9% in the same period.

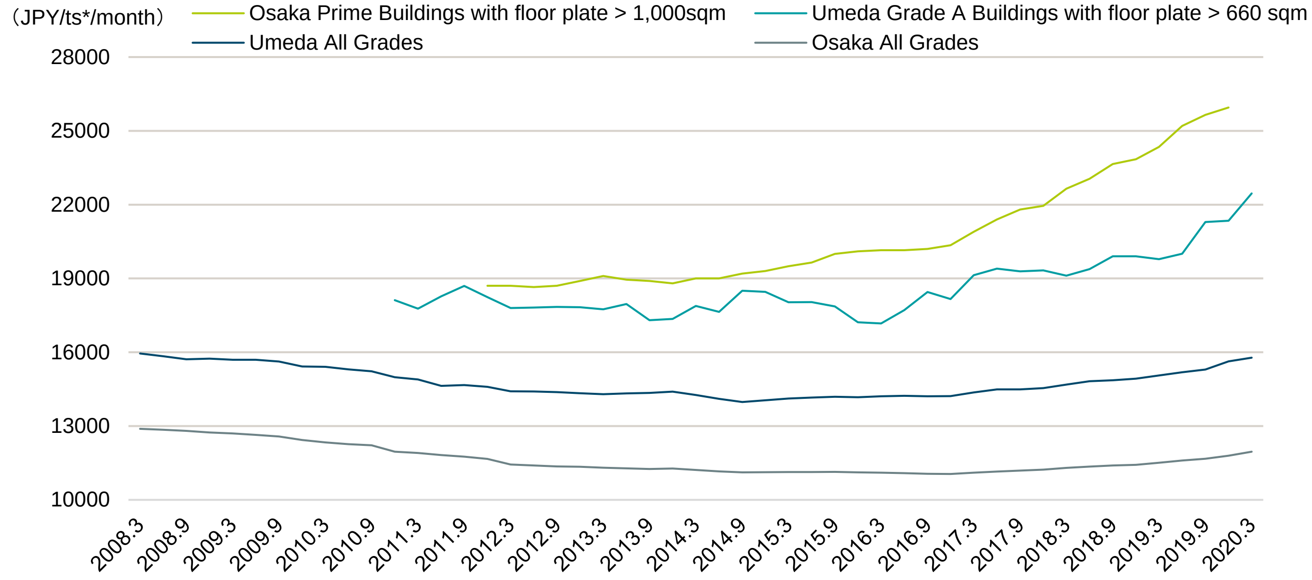
EXHIBIT 19: OFFICE VACANCY RATES IN OSAKA



Sources: Miki Shoji, DWS. As of May 2020
Past performance is not a reliable indicator of future growth.

The average asking office rent (all classes) made gradual but stable growth of 3.9% in March 2020 (year-on-year) in Central Osaka, recording continuous growth for almost five years since the second quarter of 2015. Asking rents at Grade A buildings in the Umeda area posted the fastest growth at 13.5% in the year to March 2020, while the average rents in the Umeda area also recorded a growth of 4.8% in the same period.

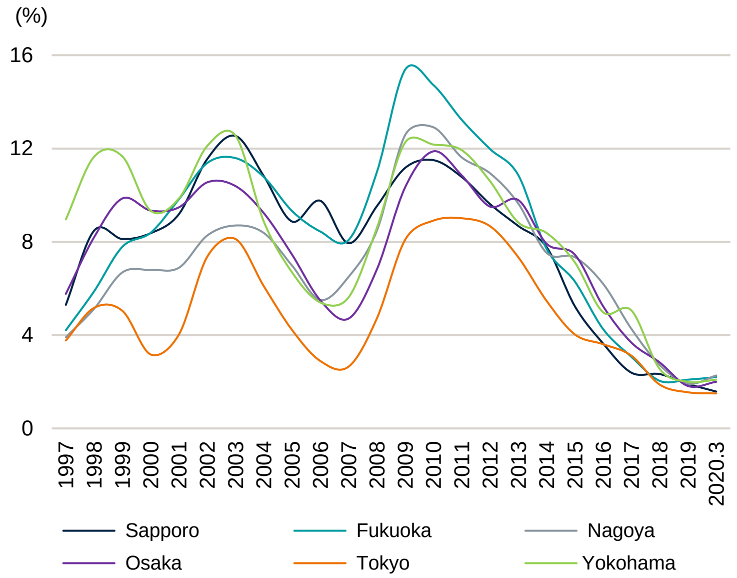
EXHIBIT 20: OFFICE ASKING RENTS IN OSAKA



Sources: Miki Shoji, Sanko Estate, DWS. As of May 2020
*Tsubo is a Japanese unit of area. It is equivalent to 3.3 square meters (35.6 square feet). Past performance is not a reliable indicator of future growth.

Due to a rapid expansion of hotel supply in all major regional cities in Japan over the past years, office supply in turn has been muted to date. Accordingly office vacancy rates remained below 2.3% across all these markets as of March 2020 for the first time in history. It stood at 1.6% in Sapporo, 2.0% in Osaka, 2.2% in Fukuoka and 2.3% in Nagoya, at or close to all-time lows in each market. The number of large supply is expected to be one or two buildings per year in 2020 and 2021 in these markets respectively, while the negative impact from a possible recession is expected to push up vacancy rates gradually over the remainder of 2020 and possibly 2021.

EXHIBIT 21: OFFICE VACANCY RATES IN MAJOR CITIES IN JAPAN (ALL GRADES)



Sources: Miki Shoji, Sanko Estate, DWS. As of May 2020

Past performance is not a reliable indicator of future growth.

Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

Large-sized Supply Pipeline in Regional Cities

Building	Date	# of floors	GFA (sqm)
OBIC Midosuji Bldg (Osaka)	2020/1	25	40,000
Daido Life Insurance (Sapporo)	2020/3	14	23,958
Yokohama Gran Gate (Yokohama)	2020/3	18	101,056
JR Yokohama Tower (Yokohama)	2020/3	26	97,601
Kyukan Shotenji Bldg. (Fukuoka)	2020/4	12	20,513
Keihanshin OBP Bldg. (Osaka)	2020/4	16	38,797
Mei-eki 1 chome PJ (Nagoya)	2020/6	14	19,000
Yokohama Gate Tower (Yokohama)	2021/9	21	85,800
Nagoya Mitsui Bldg N (Nagoya)	2021/1	20	29,451
Tenjin Business Center (Fukuoka)	2021/9	16	60,250
Honmachi Sankei Bldg. (Osaka)	2021/9	10	30,189
Higashi-sakura 1 Chome PJ (Nagoya)	2022/1	20	30,344
Nagoya Bldg. East (Nagoya)	2022/3	12	11,309
Umeda Twin Towers South (Osaka)	2022/3	12	20,513
New Yodoyabashi Bldg (Osaka)	2022/10	25	51,500
Daimyo Elementary Red. (Fukuoka)	2022/12	24	30,000

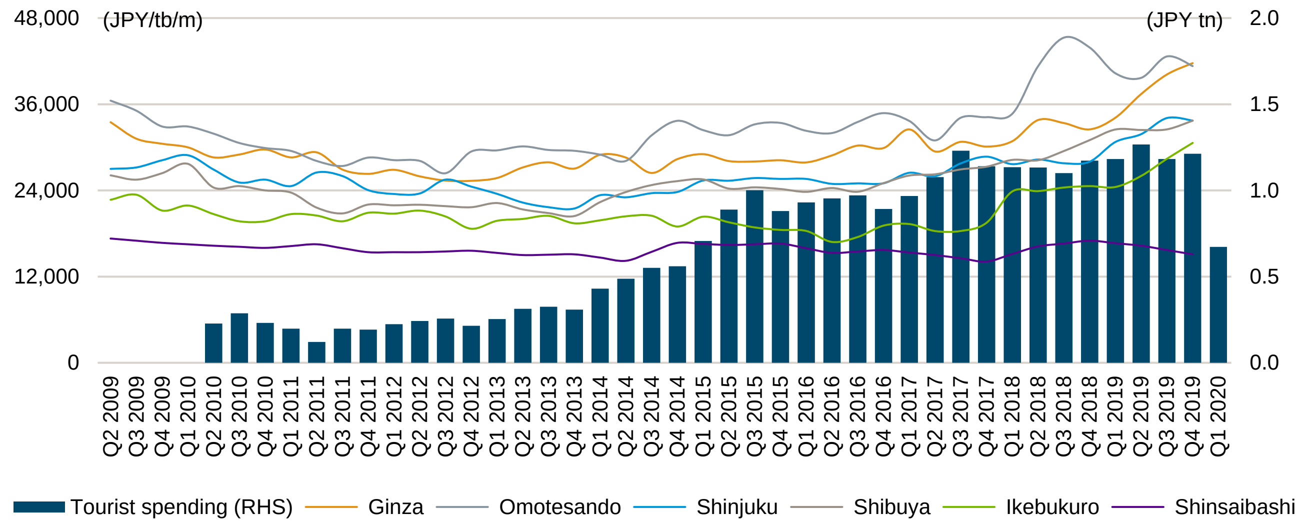
Sources: Miki Shoji, Sanko Estate, DWS. As of May 2020.
Notes: GFA = gross floor area. sqm = square meters.
There is no guarantee the supply pipeline will materialize.

4.2 Retail

Tourist consumption in Japan posted a sharp decline in the first quarter of 2020, by as much as 45%, due to the travel restrictions imposed and voluntary travel cancellations in light of the COVID-19 outbreak at or after the Lunar New Year holiday. The average high street rents are expected to be deeply affected while the impact is not yet fully unveiled in the statistics.

Even after the implementation of VAT hikes in October 2019, high street rents recorded healthy growth in most of the major submarkets in the year to December 2019, including Ginza (28.4%), Ikebukuro (24.4%), Shinjuku (20.4%) and Shibuya (8.3%), while they posted a 5.9% decline in Omotesando and 11.2% in Shinsaibashi (Osaka) in the same period. After the declaration of a state of emergency in April 2020 most non-essential stores, such as apparel and high-end brands, were advised to close down in Tokyo and Osaka, while some restaurants and bars remain open within shorter business hours.

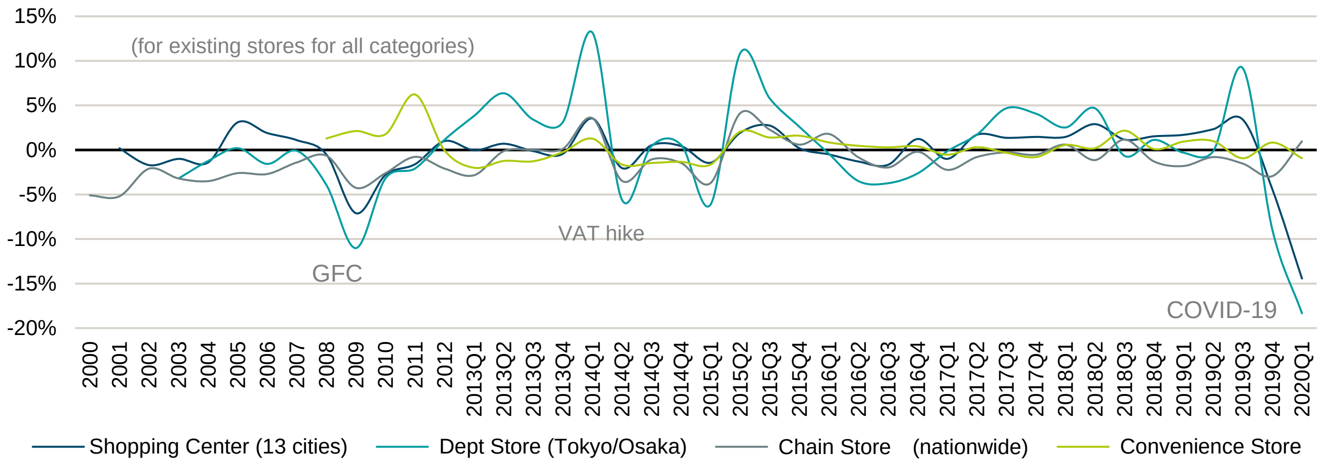
EXHIBIT 22: HIGH STREET AVERAGE RENTS IN TOKYO AND OSAKA



Sources: Style Act, Japan Tourism Agency, DWS. As of May 2020
Note: Past growth is not a reliable indicator of future growth.

The impact of COVID-19 are extremely acute among shopping malls and department stores where the impact is even greater than the time at Global Financial Crisis in 2008-09, while demand for fresh foods and daily necessities remain healthy. Sales at shopping centers and department stores declined sharply by 14.4% and 18.3% in the first quarter of 2020 respectively while chain stores and convenience stores are showing resilient performances, with either only a marginal decline or a recovery recorded from the same period last year.

EXHIBIT 23: RETAIL SALES GROWTH BY STORE CATEGORY (YEAR ON YEAR)



Source: Japan Council of Shopping Center, Japan Franchise Association, Japan Chain Store Association, Japan Department Store Association, DWS. As of May 2020 Note: Past growth is not a reliable indicator of future growth.

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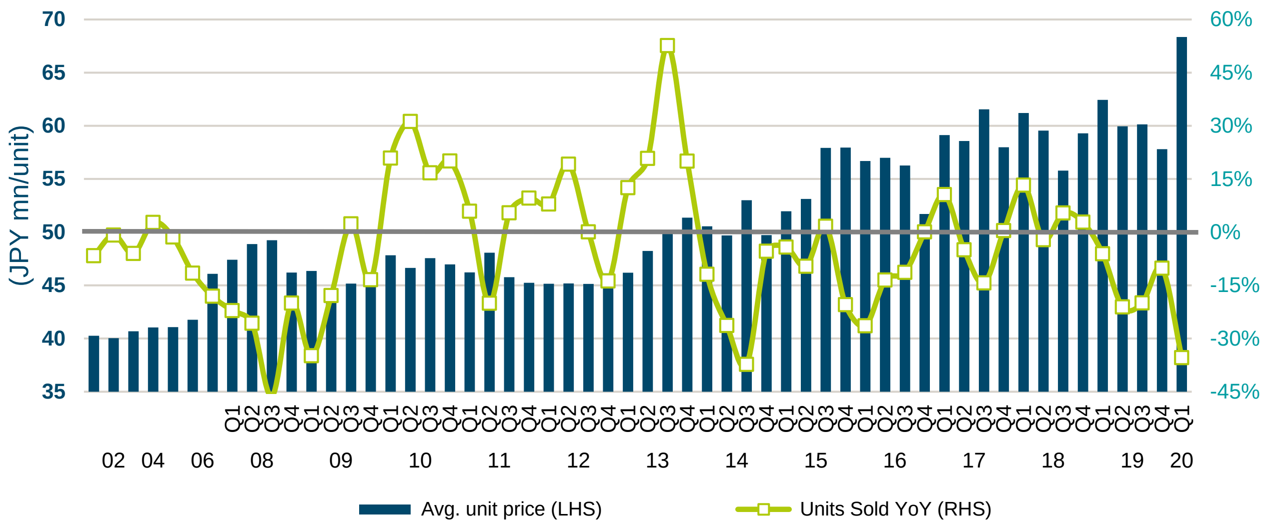
4.3 Residential

The average sale price of newly-built condominiums sold in Greater Tokyo was JPY 68.4 million (per unit) in the first three months of 2020, the highest level in history and 36.8% higher than the ten year average of JPY 50 million. This reflects an increased share of high-end high rises in central Tokyo and Tokyo Bay areas and also a lack of supply of affordable units in the suburbs in the surrounding prefectures. The number of units sold in Greater Tokyo instead declined by 35.4% in the same period.

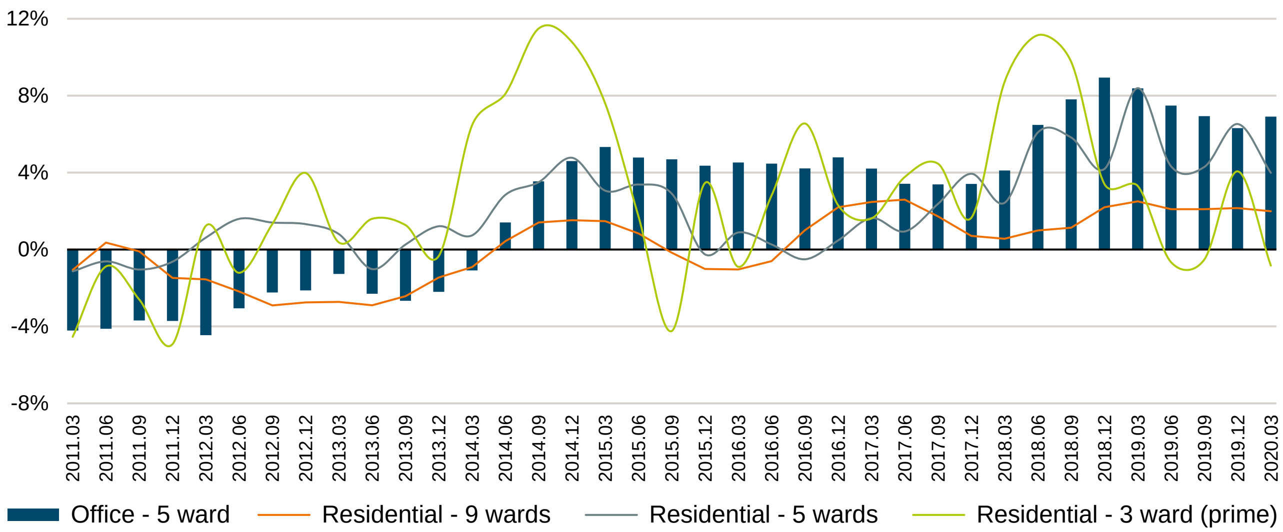
EXHIBIT 24: AVERAGE NEW CONDO PRICE AND THE CONTRACT RATE IN GREATER TOKYO



Sources: Real Estate Economic Institute, DWS. As of May 2020
Notes: Past performance is not a reliable indicator of future growth.

Due to the recent price surge in for-sale condominiums in Tokyo, an increasing number of households were forced to stick to rental apartments as opposed to buying. Rental demand in Tokyo therefore remains strong especially among singles and double-income power households. Rents increased strongly by 4.0% for apartments in the Central 5 wards in Tokyo in the year to March 2020, and more moderately by 2.0% for the broader nine wards in the period, marking 15 consecutive quarters of growth.

EXHIBIT 25: RESIDENTIAL RENT IN TOKYO (YEAR-ON-YEAR)

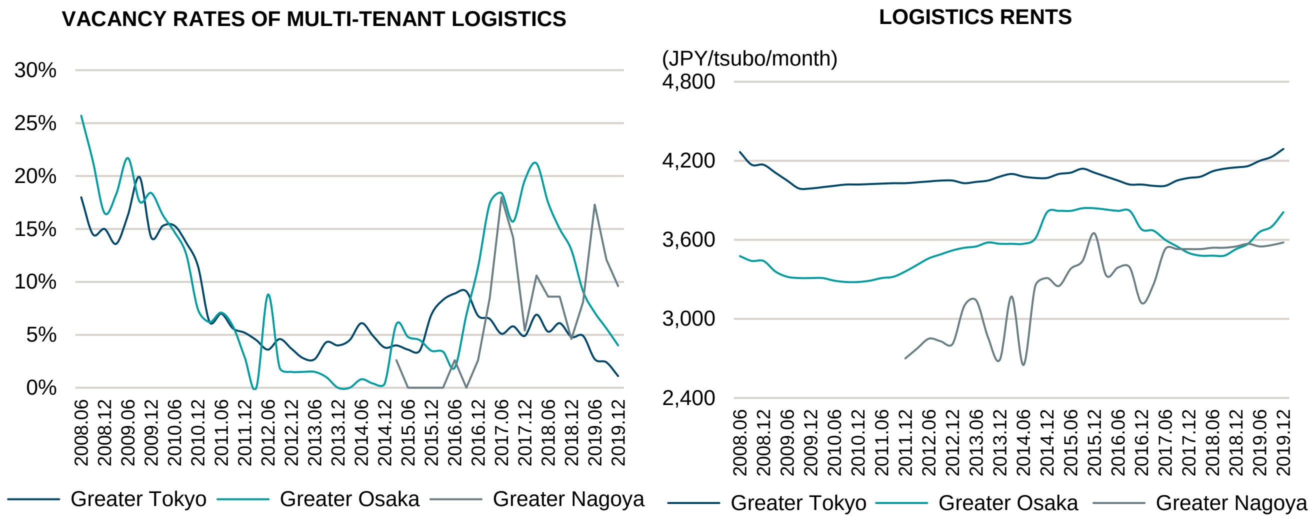


Sources: REINS (9-ward rent), Leasing Management Consulting (5-ward asking rent), Ken Corporation (3-ward rent), Miki Shoji, DWS. As of May 2020.
Past performance is not a reliable indicator of future growth.

4.4 Industrial

Vacancy rates at multi-tenant logistics assets further tightened from 2.7% in June 2019 to 1.1% in December 2019 in Greater Tokyo, and from 7.1% to 4.0% in Greater Osaka in the same period. They recovered from an elevated level of 17.3% to 9.8%in Greater Nagoya too in the period. Rents also strengthened across all three markets, by 3.4% in Greater Tokyo from a year earlier, by 7.9% in Greater Osaka and then marginally by 0.8% in Greater Nagoya respectively.

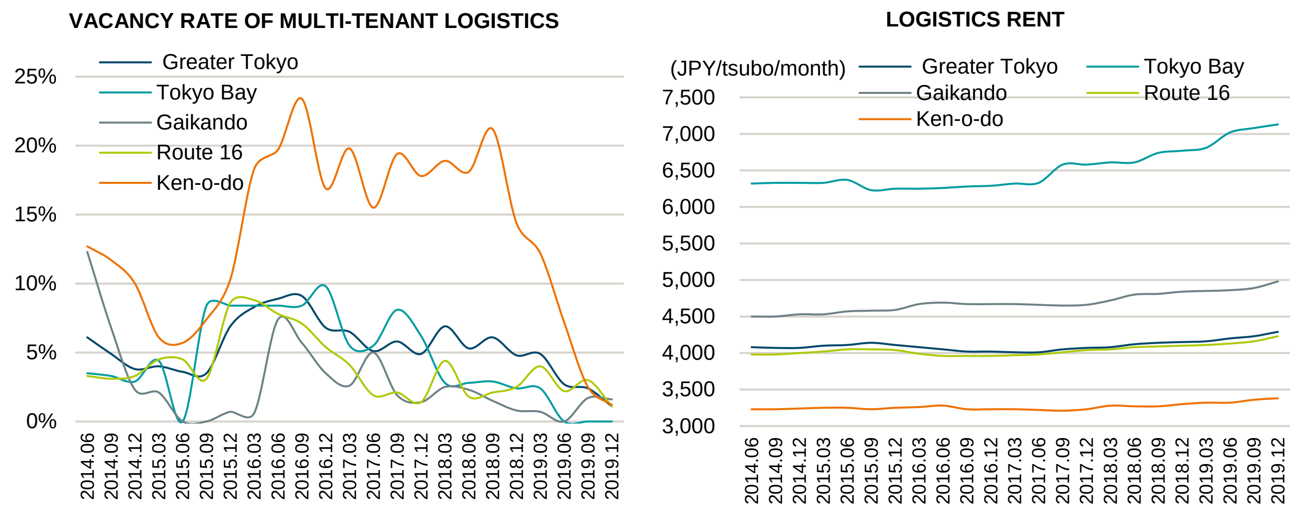
EXHIBIT 26: LOGISTICS LEASING IN JAPAN BY METRO



Sources: CBRE, DWS. As of May 2020.
Notes: Past performance is not indicative of future results.

Vacancy rates in all the established logistics precincts in Greater Tokyo, i.e. Tokyo Bay, Gaikando and Route 16, remained extremely tight at between 0% to 1.6% as of December 2019, while the vacancy rate in Ken-o-do, the outer ring road in Greater Tokyo also recovered strongly from an elevated level of 21.2% in September 2018 to only 1.2% in December 2019. Rents strengthened in all these precincts in Greater Tokyo in the year to December 2019, most strongly (5.3%) in the Tokyo Bay area, the most expensive area and more modestly (2.4%) in Ken-o-Do area, the most affordable area, respectively.

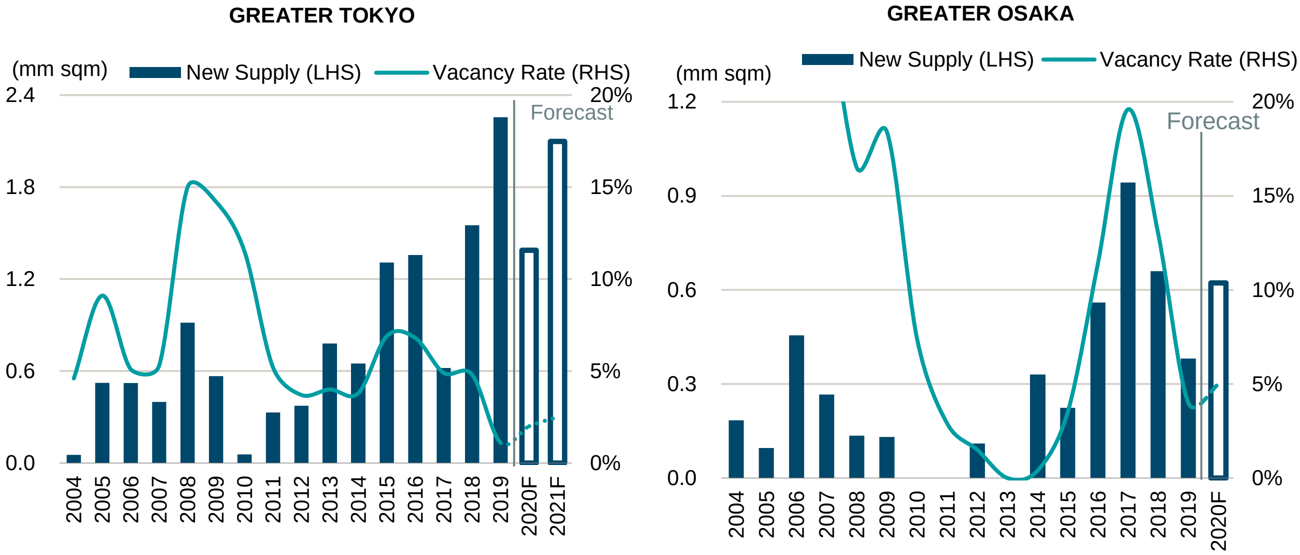
EXHIBIT 27: LOGISTICS LEASING BY SUB-MARKET IN GREATER TOKYO



Sources: CBRE, DWS. As of May 2020.
Notes: Past performance is not indicative of future results.

The annual supply of logistics assets is expected to be 2.3 million square meters in 2019 in Greater Tokyo following 1.6 million square meters in 2018, setting historical records of supply in two consecutive years. Greater Osaka saw a moderation of supply in 2019, 0.4 million square meters as compared to the peak of 0.9 million square meters in 2017, and vacancy rates recovered accordingly. Vacancy rates are forecast to remain resilient in greater Tokyo with a moderation of supply in 2020, while vacancies are expected to move up moderately toward 5% in Greater Osaka in 2019.

EXHIBIT 28: LOGISTICS SUPPLY IN GREATER TOKYO AND GREATER OSAKA

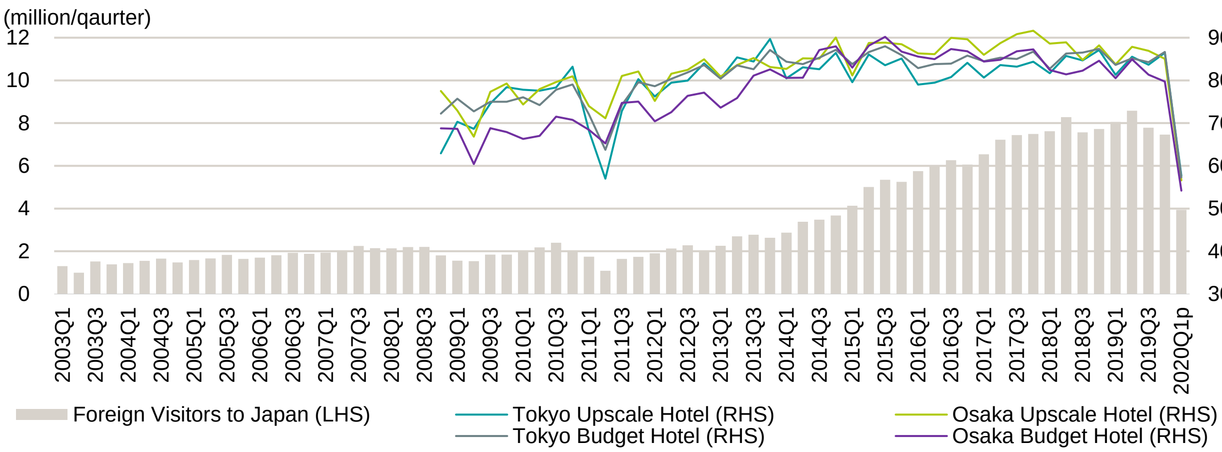


Sources: CBRE, DWS. As of May 2020
Notes: F = forecast, there is no guarantee forecast returns will materialise.
Past performance is not indicative of future results. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

4.5 Hotel

Due to the imposed travel restrictions and voluntary cancelations caused by the global pandemic the number of foreign tourist arrivals to Japan recorded a sharp decline of 51.1% in the first quarter of 2020 from the same period a year earlier, a larger decline than the aftermath of the Great East Japan Earthquake in 2011. Hotel occupancy rates in Tokyo and Osaka declined to a preliminary 55-57% in the first quarter of 2020 from 82-83% a year earlier, and further down to 24-26% respectively in March when travel restrictions were tightened. After the announcement of the state of emergency on April 7th, public pressure on the voluntary restraint of movement was further strengthened to domestic tourists and many hotels stopped operations or in some cases turned to temporary quarantine facilities for COVID-19 patients.

EXHIBIT 29: QUARTERLY HOTEL OCCUPANCY RATES IN TOKYO AND OSAKA



Sources: Japan Tourism Agency, DWS. As of May 2020
Past growth is not a reliable indicator of future growth.

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_ Adverse changes in law and regulation including environmental laws and regulations, zoning laws and other governmental rules and fiscal policies;
_ Environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental problems or as to which inadequate reserves have been established;
_ Changes in the relative popularity of property types and locations;
_ Risks and operating problems arising out of the presence of certain construction materials; and
_ Currency / exchange rate risks where the investments are denominated in a currency other than the investor's home currency.

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