

NOMURA
Residential Fund

PROUD FLAT Tsurumi II

NOMURA REAL ESTATE RESIDENTIAL FUND

17th Analyst Meeting Presentation Material 2015.Jul.15



Digest of the 17th Fiscal Period

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A photograph of a modern building courtyard. The building has a facade of light-colored, textured panels with dark horizontal bands. A central courtyard features a paved walkway with dark rectangular accents, a young tree, and some greenery. The text "Digest of the 17th Fiscal Period" is overlaid in the center of the image.

Digest of the 17th Fiscal Period



Comparison of Various Indices with the 16th Fiscal Period

	16th FP End (as of November 30, 2014)	17th FP End (as of May 31, 2015)	Difference (Comparison with previous period)
Number of Properties	150	148	- 2
Acquisition Price Total	¥159,310 million	¥163,792 million	+ ¥4,482 million
Leasable Units	9,054 units	9,063 units	+ 9 units
Average Building Age	10.8 years	11.1 years	+ 0.3 years
NOI Yield	5.2%	5.1%	- 0.1%
Average Occupancy Rate	96.0%	96.8%	+ 0.8%
Asset Total	¥164,852 million	¥169,316 million	+ ¥4,464 million
Interest-bearing Debts	¥86,820 million	¥91,130 million	+ ¥4,310 million
LTV	52.7%	53.8%	+ 1.1%
Average Interest Rate	1.18%	1.11%	- 0.07%
Average Remaining Duration of Interest-bearing Debt	3.10 years	3.14 years	+ 0.04 years

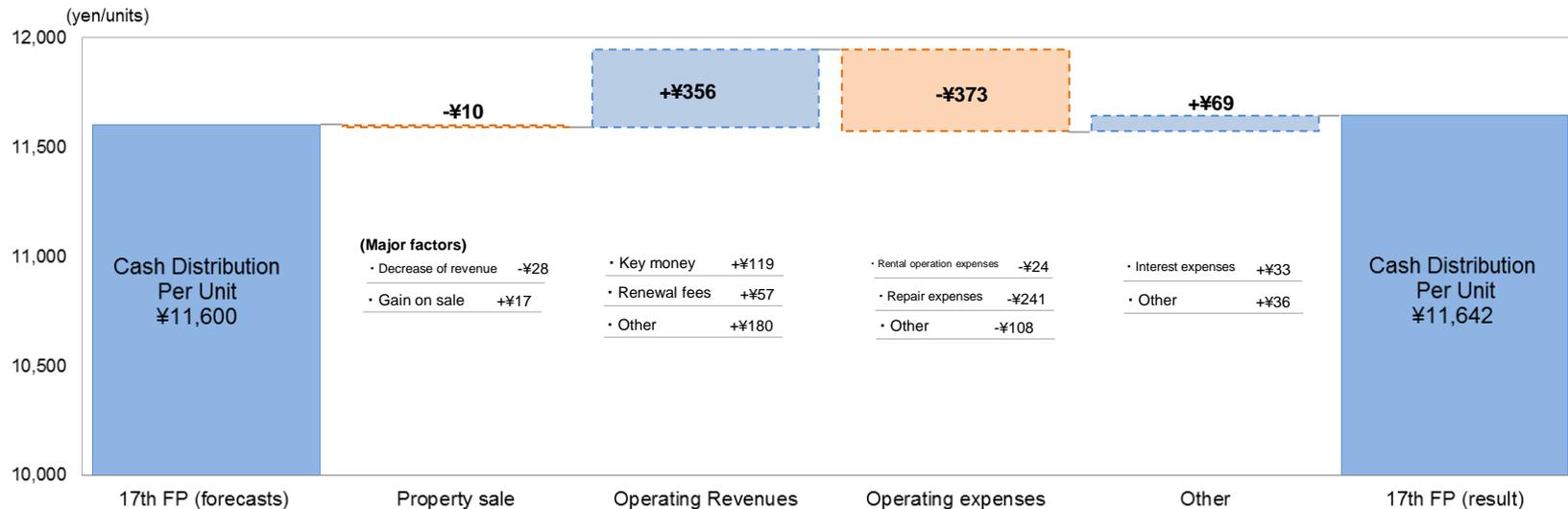
Acquisition: 3 properties
Sale: 5 properties



Difference with Previous Forecast

Forecast Announced on January 15, 2015

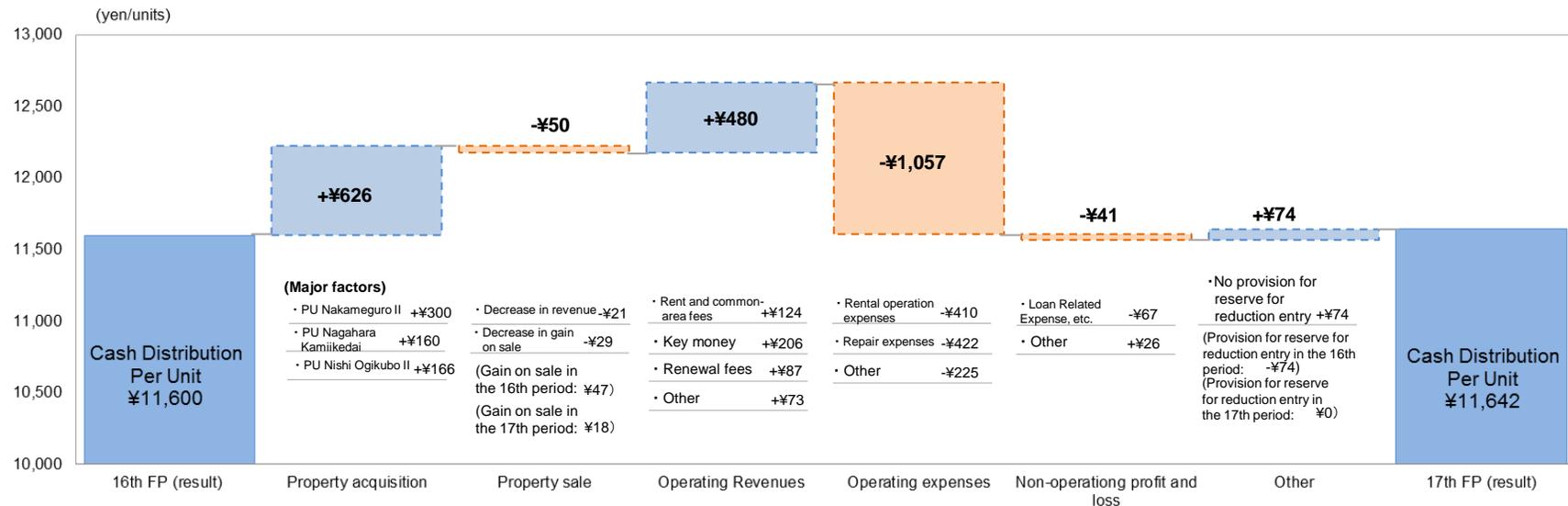
	17th FP Forecasts (ending May 31, 2015)	17th FP Result (ending May 31, 2015)	Difference (Comparison with the forecast)
Operating Revenues	¥5,606 million	¥5,678 million	+ 1.3 %
Operating Profits	¥2,429 million	¥2,424 million	- 0.2 %
Net Income	¥1,865 million	¥1,872 million	+ 0.4 %
Net Income Per Unit	¥11,600	¥11,641	+ 0.4 %
Cash Distribution Per Unit	¥11,600	¥11,642	+ 0.4 %





Difference with the 16th Fiscal Period

	16th Fiscal Period (ended Nov. 30, 2014)	17th Fiscal Period (ending May 31, 2015)	Difference (Comparison with previous period)
Operating Revenues	¥5,480 million	¥5,678 million	+ 3.6 %
Operating Profits	¥2,423 million	¥2,424 million	+ 0.1 %
Net Income	¥1,877 million	¥1,872 million	- 0.3 %
Net Income Per Unit	¥11,674	¥11,641	- 0.3 %
Cash Distribution Per Unit	¥11,600	¥11,642	+ 0.4 %



※ PU stands for PRIME URBAN

A photograph of a modern building courtyard. The building has a facade of light-colored, textured panels with dark horizontal bands. A paved walkway with dark rectangular accents leads towards a glass entrance. A young tree stands in the center of the courtyard, surrounded by low-lying greenery. The scene is brightly lit, suggesting a sunny day.

Overview of the 17th Fiscal Period



Promotion of Replacement Strategy

- ① Acquired 3 properties situated within 5-minute walking distance from nearest stations in the popular Jonan/Josai area
- ② Sold 5 properties with an average building age of 26.0 years

① Acquisition

- High profitability
- Close to stations
- Relatively new

<17th FP results>

Number of Properties:	3
Acquisition price	¥6,300 million
Average NOI yield	4.7% ※1
Average Building Age	9.5 Years ※2



PU Nakameguro II
2-minute walk to station



PU Nagahara Kamiikedai
3-minute walk to station



PU Nishi Ogikubo II
4-minute walk to station



NOMURA
Residential Fund

**As of the end of the
17th Fiscal Period**

Number of Properties:	148
Portfolio NOI Yield:	5.1 %
Average Building Age	11.1 years

- Decrease in competitiveness
- Aging

② Sale

<17th FP results>

Number of Properties:	5
Sale price:	¥1,827 million ※3
Gain/loss on sale:	¥43 million ※4
Average NOI yield	4.1 % ※5
Average Building Age	26.0 years ※6



PU Hino
15-minute walk to station



PU Minami Gyotoku III
18-minute walk to station

*1 Average NOI yield is the total NOI indicated in the appraisal report at the time of acquisition by the total acquisition price.

*2 Average building age is the building age at the point of acquisition weighted by the acquisition price.

*3 The total appraisal value as of the sale is 1,720 million yen.

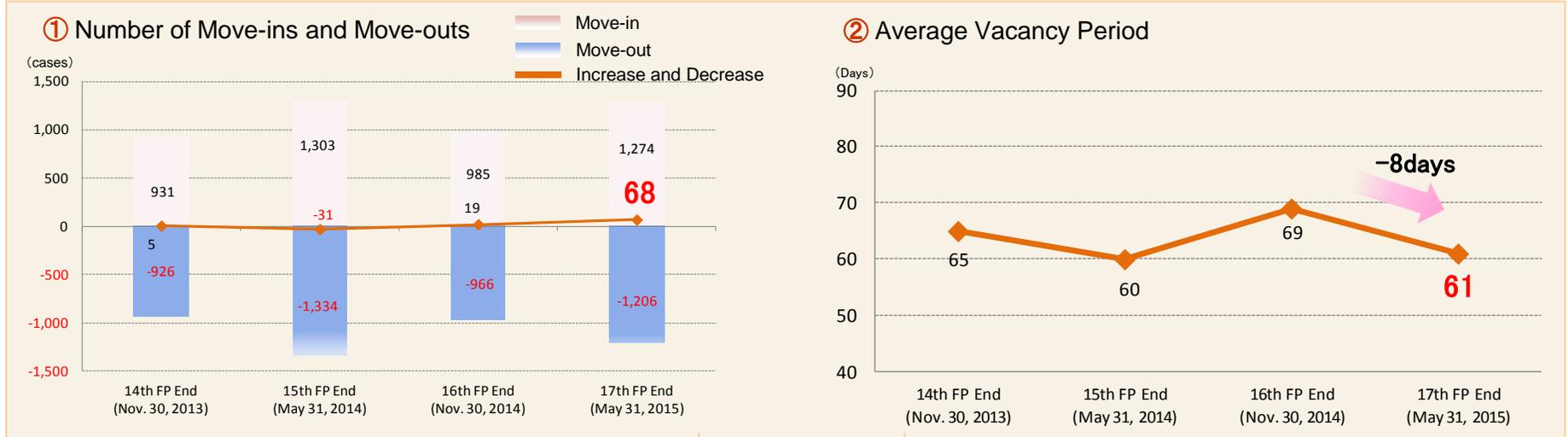
*4 Gain/loss on sale is the total amount where the book value as of the sale is deducted from the sale price.

*5 Average NOI yield is the total NOI (annualized) in the period of the sale divided by the total acquisition price.

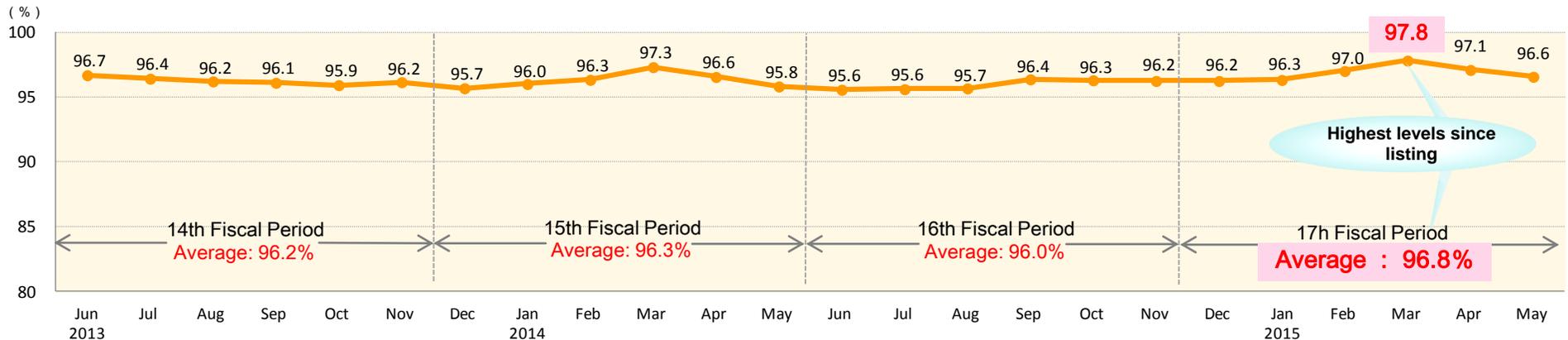
*6 Average building age is the building age at the date of sale weighted by the acquisition price.

Improvement of the portfolio's quality

- ① Move-ins exceeded move-outs by 68 units
- ② The average vacancy period was 61 days, 8 days less than the previous period → Increase of operating days of replaced units
- ③ Both the average and monthly occupancy rate recorded highest levels since listing



③ Portfolio Occupancy Rate



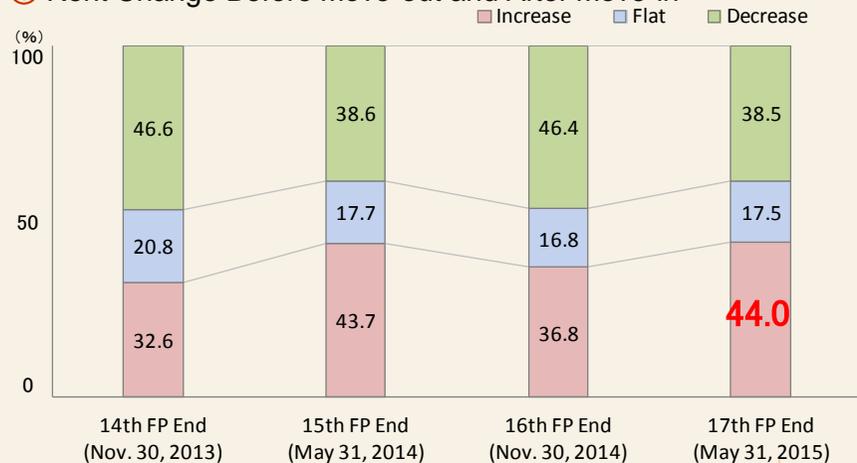
*The average period from the departure of the previous resident to the contracting of the new resident is indicated.



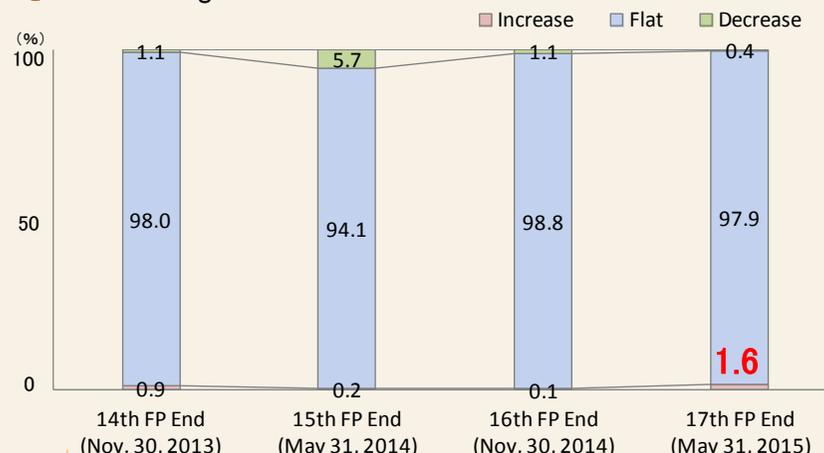
Changes in Rent

- ① The ratio of rent increase for tenant replacements was 44.0%, the highest since the 5th Fiscal Period (ended May 31, 2009)
- ② The rate of increase for contract renewals rose to 1.6%
- ③ The rate of change of the period-end rent unit for the entire portfolio made a turnaround to positive with an increase of 0.09% from the previous period

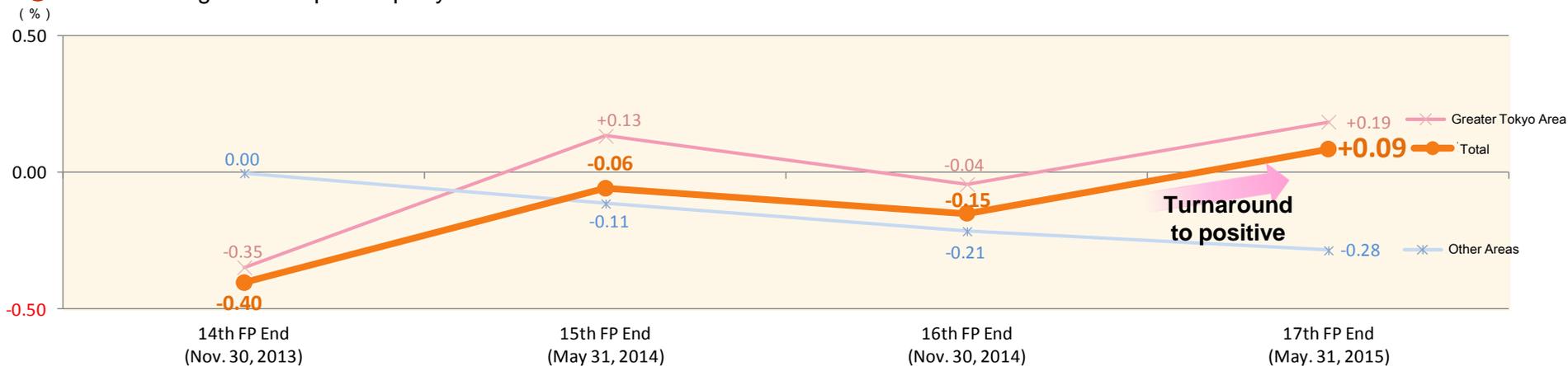
① Rent Change Before Move-out and After Move-in



② Rent Change at Lease Renewals



③ Rate of Change in Rent per Property

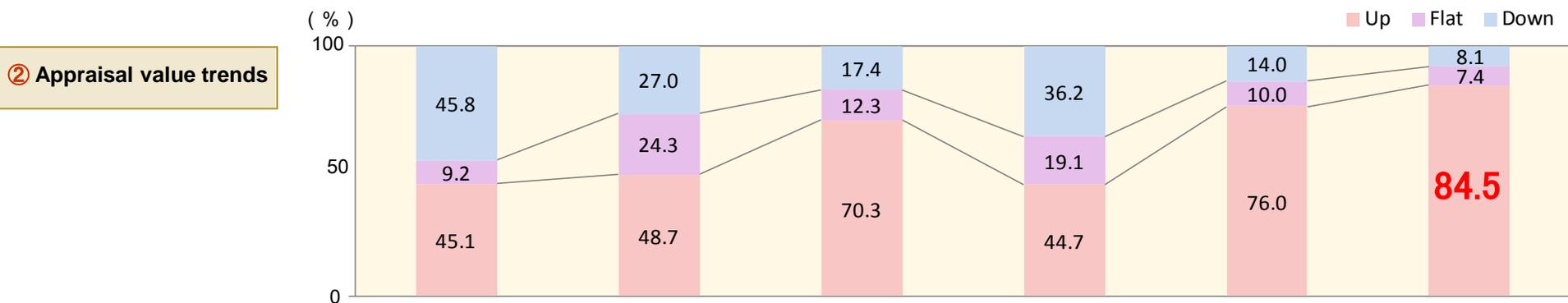
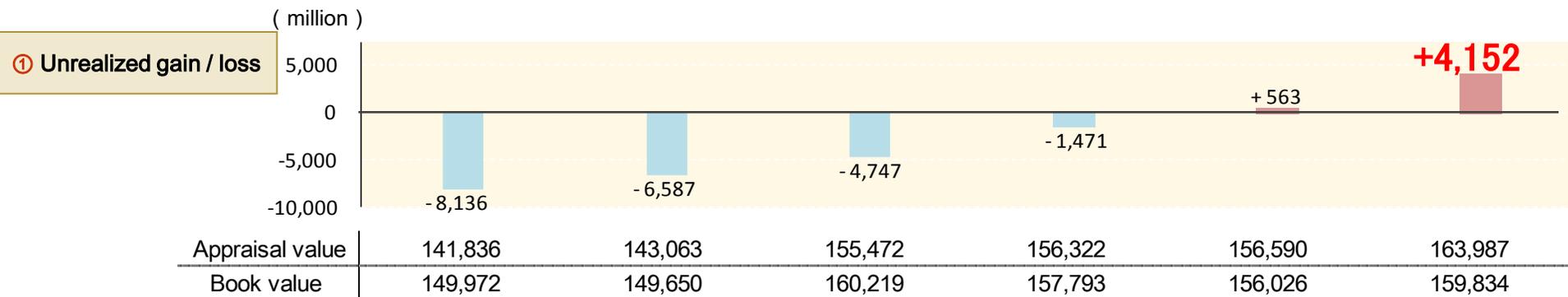


※ The rate of change of rent per property based on properties owned as of the end of the previous fiscal period is indicated.



Appraisal Value Status at End of the 17th Fiscal Period

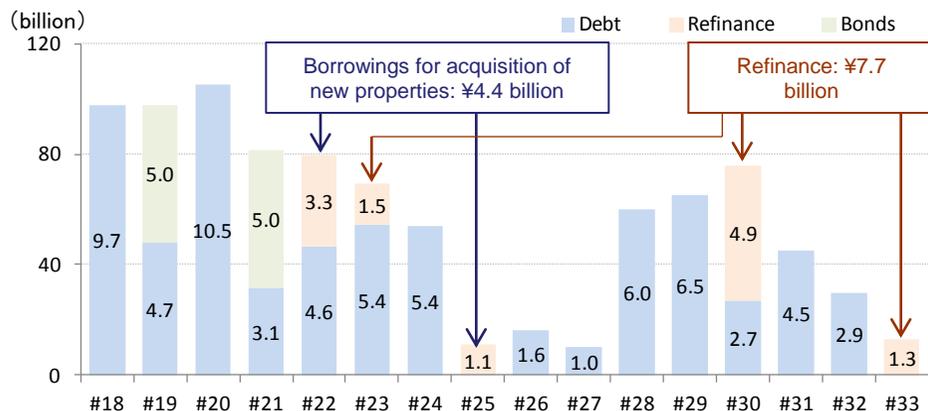
- ① Unrealized gain grew to 4,152 million yen with the increase of the appraisal value in the 17th Fiscal Period
- ② The number of properties for which the appraisal value increased grew due to the decrease of cap rates and the improvement of cash flow



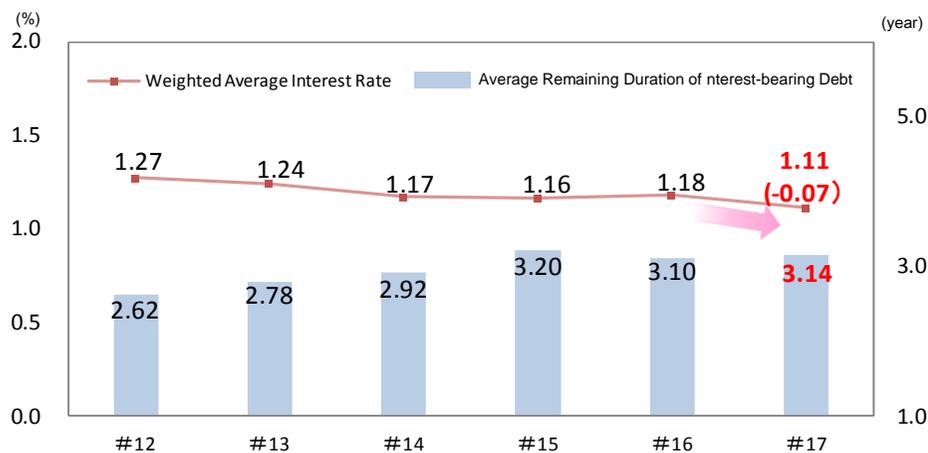
Average appraisal CAP (NCF)	(12th FP)	(13th FP)	(14th FP)	(15th FP)	(16th FP)	(17th FP)
	5.41 %	5.34 %	5.29 %	5.17 %	5.08 %	4.91 %
NAV per unit	¥ 415,411	¥ 425,639	¥ 438,056	¥ 458,678	¥ 470,826	¥ 493,207
						BPS ¥ 467,382

- ① The repayment dates of interest-bearing debts were diversified with an upper limit of about 10 billion yen for each fiscal period
- ② The weighted average interest rate decreased 0.07% from the previous fiscal period, and the average remaining duration was maintained at over 3 years

① Maturity Diversification



② Weighted Average Interest Rate and Average Remaining Duration of Interest-bearing Debt



Interest-bearing Debt

Interest-bearing Debt Total
¥ 91,130 million

Average Remaining Duration of Interest-bearing Debt
3.14 years

Weighted Average Interest Rate
1.11 %

Long-term Interest-bearing Debt Ratio
78.5 %

Fixed-rate Interest-bearing Debt Ratio
93.9 %

LTV Level
53.8 %

Credit Rating

Agency	Rating	Outlook
JCR	Long-term Senior Debt Ratins : AA	* 4
S&P	Long-term Corporate Credit Ratins : A	Stable * 5
	Short-term Corporate Credit Ratins : A-1	

- *1 Interest-bearing debts include investment corporation bonds.
- *2 The long-term ratio, when including long-term loans due within a year, is 100.0%.
- *3 Fixed-rate interest bearing debts include borrowings with variable interest rates whose interest rates were fixed through interest rate swap agreements.
- *4 Designation to credit monitor (direction: negative) was announced in a press release dated May 27, 2015.
- *5 Credit rating with continued "stable" outlook was announced in a press released dated May 27, 2015.

Confirmation of NRF's Mid- to Long-Term Strategy

Enhance the portfolio

Accelerate the replacement strategy

- ✓ **Property acquisitions centering on sponsor support**
- ✓ **Active sales of properties**

Pursuit of internal growth

- ✓ **Renewals to increase competitiveness**
- ✓ **Maintain high occupancy rate by increasing tenant satisfaction**

Creation of capacity for acquisitions

- ✓ **Control the LTV level**

Aim to improve the portfolio with a 5-year target



Overview of the Merger



- ① Pursue sustainable growth by transforming from “Specialized type REIT” into “Diversified type REIT”
- ② Strengthen stability and enhance growth strategy through benefit of a large scale REIT
- ③ Accelerate mutual growth with Nomura Real Estate Group by establishing “Leasing Business Value Chain”

Overview of the Fund Pre- and Post-Merger

	NRF (as of May 31, 2015)	New REIT	Effects
Investment target	Residences	Diversified type which does not limit its sectors	<ul style="list-style-type: none"> • Increase of investment opportunities through the expansion of sectors targeted for investment • This, in turn, enables sustained and stable growth
Number of properties	148	257	Promotion of the following strategies will become possible with the asset size growing by about five times, increasing risk tolerance <ul style="list-style-type: none"> • Large-scale replacement strategy • Large-scale renewal of owned properties • Acquisition of large properties developed by the sponsor
Asset total	¥169,316 million	¥924,504 million	<ul style="list-style-type: none"> • Further increase of financial stability
LTV	53.8%	42.7%	<ul style="list-style-type: none"> • Fractional investment units will be settled with cash
Number of investment units	1 unit	4.45 units	<ul style="list-style-type: none"> • Increase of cash distributions
Cash distributions	11,642 yen/unit	12,059 yen/unit	

*1 Estimated figures following the merger are indicated. Assets scheduled for acquisition in October 2015 and March 2016 are not included.

*2 The figure includes the ¥80,116 million of goodwill (expected). Please see page 19 for more information on goodwill.

*3 The figure is the ¥2,710 of forecast cash distribution of the new REIT for its 2nd Fiscal Period multiplied by the merger ratio (4.45).



Realization of the foundation for targeting further stability and growth



Growth through Collaboration with Nomura Real Estate Development

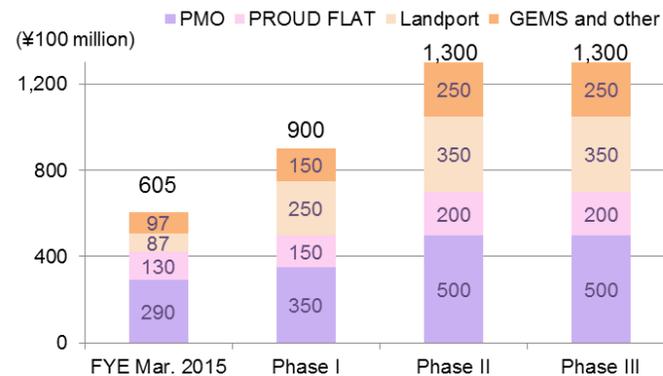
NOMURA REAL ESTATE RESIDENTIAL FUND, INC.

- ✓ Realize sustainable external growth through the full cooperation of the sponsor
- ✓ Aim to be the no. 1 REIT in Japan not only in asset size but also portfolio quality and all other aspects

Core Brands of Nomura Real Estate Development's Profitable Real Estate

<p>Office</p> <p>PMO PREMIUM MIDSIZE OFFICE</p>	<p>Residential facilities</p> <p>PROUD FLAT</p>
<p>Logistics facilities</p> <p>Landport</p>	<p>Retail facilities</p> <p>GEMS</p>

Balance of Assets of Nomura Real Estate Development's Profitable Real Estate



FYE Mar. 2016 FYE Mar. 2017 to FYE Mar. 2019 FYE Mar. 2020 to FYE Mar. 2022

Source: Prepared by Nomura Real Estate Asset Management Co., Ltd. based on Nomura Real Estate Holdings' presentation materials for the fiscal period ended March 2015.

Aim to be the no. 1 REIT in Japan



Asset size

Quality of portfolio

Strategy

Performance

Financial standing

Reliability



APPENDIX

A photograph of a modern building's courtyard. The building has a facade of light-colored, textured panels with dark horizontal bands. A central entrance is visible, flanked by glass doors. A paved walkway with dark rectangular accents leads towards the entrance. A young tree and some greenery are in the foreground. The text "Details of Financial Results for the 17th Fiscal Period" is overlaid in the center of the image.

Details of Financial Results for the 17th Fiscal Period



Acquisition-related

	Answer
How is the current rental housing transaction market?	The transaction market continues to be overheated. The search for yields is trending downwards along with the overheated market, and prime properties are being transacted with yields even lower than the period prior to the global financial crisis.
What are the prospects for the rental housing transaction market going forward?	The supply of new properties are decreasing with the surge of land costs and construction costs. On the other hand, since the demand for rental housing is expected to continue strong, the market is thought to continue to be overheated as it is now.
What will be your acquisition policy going forward?	Though competition for acquisitions is severe, we plan to carefully select properties, primarily prime properties that are open for negotiations at arm's length and limited transactions, using our network of prior sellers and brokers while centering on cases that utilize the sponsor pipeline.

Management-related

	Answer
What are the prospects for the occupancy rate going forward?	With the impact of late marriages and the declining birth rate in addition to the continued flow of populations into the Tokyo area as well as core regional cities, the demand from rental housing for singles and small families continues to be stable. On the other hand, rental housing construction starts for rental housing units are at a lower level than the peak in 2006, and the supply/demand for rental housing continues to be tight. As such, we believe that the occupancy rate will continue to be stable at a high level.
What are the prospects for rents going forward?	As the supply/demand of rental housing is tight, the upward trends of rents is gaining momentum, particularly in the Tokyo area. Given this impact, the rent unit price in the 17th Fiscal Period made a turnaround to positive period-on-period growth of 0.09%. The degree of increase going forward is believed to depend on corporate performance and the changes that will appear in wages.
How is the situation of acquiring key money?	The situation of acquiring key money is improving since the bottom in the 8th Fiscal Period (June 1, 2010 to November 30, 2010). The amount of key money acquired in the 17th Fiscal Period was higher in comparison with the budget and the same period last year.



Merger-related

	Answer
<p>What is the future schedule?</p>	<p>The schedule is as follows: May 27, 2015: Conclusion of merger agreement and determination of the merger ratio June 12, 2015: Record date for general meetings of unitholders of NMF and NRF (April 30 for NOF) July 30, 2015: General meetings of unitholders of NMF and NOF July 31, 2015: General meeting of unitholders of NRF September 28, 2015: Date of delisting of NRF, NMF and NOF October 1, 2015: Date of incorporation of the new REIT October 2, 2015: Date of listing of the new REIT Mid November, 2015: Final announcement of financial results of NRF Mid to late December, 2015: Payments of cash distributions on merger February 29, 2016: End of 1st fiscal period of the new REIT</p>
<p>What are fractional investment units?</p>	<p>The fractions of investment units are investment units of a fraction of one unit that will be generated as a result of the allotment of the investment units of the new REIT. For example those who own 5 NRF investment units will be allotted 22.25 investment units of the new REIT (4.45 × 5), and the 0.25 units which below one unit will be the fractional investment units. Pursuant to legal provisions, fractions of one investment unit generated by all unitholders will be added up, the number of investment units equivalent to the total will be sold on the market and the amount obtained will be issued to unitholders with fractions of investment units according to their fractions. For those who own investment units of multiple investment funds, the fractional investment units may not be tallied as fractional investment units will be calculated for each investment fund.</p>
<p>What are the distributions in excess of net income of the new REIT?</p>	<p>Distribution in excess of net income is the issuance of the amount in excess of the investment corporation's net income during the period under review to unitholders as cash distributions. The difference is that, while in other REITs the distribution in excess of net income is based on "depreciation and amortization," the new REIT's distribution in excess of net income for the 2nd fiscal period onwards will be based on amortization costs, etc. of "goodwill".</p>

* Please see page 19 for more information on goodwill.



[Goodwill]

Goodwill ⇒ To be recorded since the merger consideration for the acquired companies (NOF and NRF)^{Note 1} exceeds the net asset value of NOF and NRF.^{Note 2}

Due to the Merger, **the goodwill is estimated to be JPY 80billion. (As of May 26, 2015)**

Note 1: Merger consideration means an amount derived by multiplying the investment unit price per unit of the New Investment Corporation with the number of allocated units.

Note 2: The assets and liabilities of NOF and NRF will be succeeded at the market value, in accordance with the "Accounting Standards for Business Combination".

Fair value of the acquired companies

Accepted asset (Market value)	Liabilities assumed (Market value)
	Merger consideration
goodwill	

[Accounting method of the goodwill]

Goodwill is recorded as an intangible asset on the balance sheet.

* **Amortized using straight-line method over 20 years on a regular basis on the accounting.**

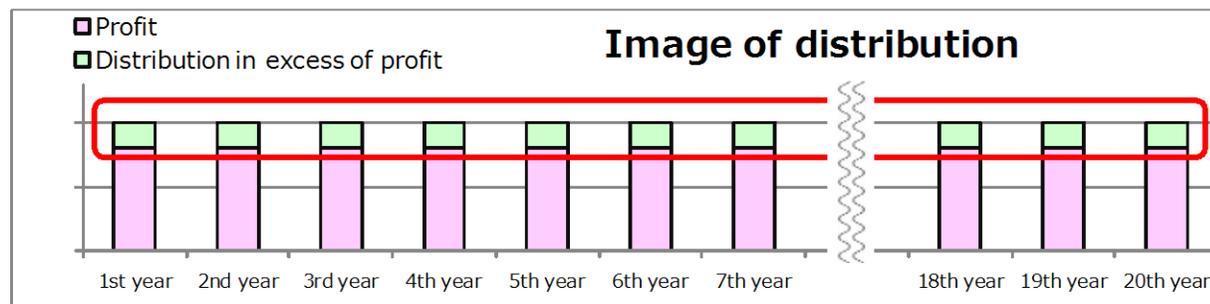
Amortization cost of goodwill is recorded as operating expenses on the income statement.

[Effects of the goodwill]

[P/L (in the example of the second period)]

Operating income	29billion JPY
Operating expenses	▲18billion JPY
(Goodwill amortization included)	(▲2billion JPY)
Operating profit	10billion JPY
Net income	8billion JPY
Distribution in excess of profit	2billion JPY
Distribution	10billion JPY

Goodwill amortization is accounted as an expense, but no cash-out is accompanied.



By distributing excess of income that corresponds to amortization of goodwill,
the level of dividends for unitholders is not affected by goodwill.



Income statement

NOMURA REAL ESTATE RESIDENTIAL FUND, INC.

	16th Fiscal Period	17th Fiscal Period	Difference from	
	From Jun. 1, 2014 To Nov. 30, 2014	From Dec. 1, 2014 To May. 31, 2015	Previous Period (17th FP - 16th FP)	
	Amount (¥ 000)	Amount (¥ 000)	Difference (¥ 000)	Difference (%)
Operating Revenue	5,480,818	5,678,204	197,385	3.6
Real Estate Rental Business Revenues *1	5,427,985	5,659,317	231,331	22.7
Rental Business Revenues	5,068,066	5,229,052	160,985	3.2
Other Rental Business Revenues	359,918	430,265	70,346	19.5
Parking Lot Revenue	124,611	129,563	4,951	4.0
Incidental Revenue *2	160,332	215,395	55,062	34.3
Other Real Estate Rental Revenue *3	74,974	85,306	10,332	13.8
Real Estate Disposition Revenue	52,833	18,886	-33,946	-64.3
Operating Expense	3,057,633	3,253,483	195,849	6.4
Real Estate Rental Business Expenses *1	2,353,783	2,543,528	189,745	8.1
Repair Expenses *4	257,382	328,354	70,971	27.6
Tax and Public Dues *5	292,327	291,945	-382	-0.1
Depreciation and Amortization	1,052,023	1,071,654	19,631	1.9
Other Rental Business Expenses	752,049	851,574	99,524	13.2
Asset Management Fees	397,390	397,803	412	0.1
Other Operating Expenses *6	261,177	296,154	34,977	13.4
Operating Profits	2,423,184	2,424,721	1,536	0.1
Non-Operating Revenues	4,603	6,180	1,576	34.3
Non-Operating Expenses	549,671	557,877	8,206	1.5
Interest Expenses	458,480	456,899	-1,581	-0.3
Investment Corporation Bond Interest	55,928	56,189	260	0.5
Other Non-Operating Expenses *7	35,261	44,788	9,527	27.0
Ordinary Income	1,878,116	1,873,023	-5,093	-0.3
Net Income Before Tax	1,878,116	1,873,023	-5,093	-0.3
Corporate Income Tax, etc.	890	1,014	124	14.0
Net Income	1,877,226	1,872,008	-5,217	-0.3
Retained Earnings Brought Forward	98	45	-53	-54.2
Retained Earnings at Fiscal Period End	1,877,325	1,872,053	-5,271	-0.3
Total Cash Distribution	1,865,280	1,872,033	6,753	0.4

(Note) The amount of total cash distributions in the 16th Fiscal Period is the amount where the provision of reserve for reduction on entry (¥12 million) is deducted from unappropriated retained earnings.

*Reference [17th Fiscal Period]

1. Real Estate Rental Business Revenue :	¥3,115,788 thousand
(from previous FP :	¥41,586 thousand)
2. Incidental Revenues	
Key Money :	¥91,176 thousand
Renewal Fee :	¥108,125 thousand
3. Other Real Estate Rental Revenues	
Revenue from reversal of provision for loss on disaster, cellphone antennae, vending machines, etc.	
4. Renovation Expenses	
Repair Expenses :	¥328,354 thousand
Capital Expenditure :	¥76,255 thousand
Total :	¥404,609 thousand
5. Tax and Public Dues (153 properties at FP End)	
Subject Property :	150 properties
Excluded Property :	3 properties
Total :	153 properties
6. Other Operating Expenses	
Duty Entrustment Fee :	¥38,394 thousand
Directors Fee, etc. :	¥7,200 thousand
7. Other Non-Operating Expenses	
Loan Related Expense, etc. :	¥34,642 thousand



Balance Sheet

NOMURA REAL ESTATE RESIDENTIAL FUND, INC.

Assets

	16th Fiscal Period as of Nov. 30, 2014		17th Fiscal Period as of May. 31, 2015	
	Amount (¥ 000)	Ratio (%)	Amount (¥ 000)	Ratio (%)
Current Assets	8,773,642	5.3	9,447,514	5.6
Cash and Cash Equivalents	8,186,505	5.0	8,915,409	5.3
Cash and Cash Equivalent in Trust	491,522	0.3	377,193	0.2
Other Current Assets	95,613	0.1	154,911	0.1
Fixed Assets	156,052,970	94.7	159,850,449	94.4
Tangible Fixed Assets *1	156,029,544	94.6	159,834,379	94.4
Real Estate	134,483,407	81.6	145,474,237	85.9
Building	60,552,944	36.7	62,820,675	37.1
Land	73,930,463	44.8	82,653,562	48.8
Real Estate in Trust	21,543,092	13.1	14,360,142	8.4
Building in Trust	6,991,812	4.2	5,005,543	2.9
Land in Trust	14,551,280	8.8	9,354,599	5.5
Construction in Progress	3,045	0.0	-	0.0
Intangible Fixed Assets	1,016	0.0	495	0.0
Other Intangible Fixed Assets	1,016	0.0	495	0.0
Investment and Other Assets	22,408	0.0	15,574	0.0
Security Deposits	10,879	0.0	10,756	0.0
Long-term Repaid Expenses	11,529	0.0	4,818	0.0
Deferred Assets	25,432	0.0	18,161	0.0
Investment Corporation Bond Issuing Expenses	25,432	0.0	18,161	0.0
Total Assets	164,852,044	100.0	169,316,126	100.0

*1 Tangible Fixed Asset

(unit : million of yen)

	Acqisition Price	Accumulated Depreciation	(Depreciation for current FP)	Book value at FP end
Real Estate, etc.	173,042	13,207	(1,072)	159,834
Building	74,581	11,760	(981)	62,821
Land	82,653	-	-	82,654
Building in Trust	6,452	1,447	(90)	5,006
Land in Trust	9,354	-	-	9,355
Construction in Progress:	-	-	-	-

Liabilities and Net Assets

	16th Fiscal Period as of Nov. 30, 2014		17th Fiscal Period as of May. 31, 2015	
	Amount (¥ 000)	Ratio (%)	Amount (¥ 000)	Ratio (%)
Current Liabilities	19,023,467	11.5	21,140,030	12.5
Trade Accounts Payable	267,593	0.2	357,631	0.2
Current portion of investment corporation bonds *2	-	-	5,000,000	3.0
Long-term Loan Due Within One Year *2	17,580,000	10.7	14,580,000	8.6
Other Accounts Payable	341,726	0.2	310,505	0.2
Taxes Payable	9,712	0.0	16,349	0.0
Accrued Expenses	115,149	0.1	108,988	0.1
Rent Received in Advance	702,508	0.4	754,692	0.4
Deposits Payable	6,777	0.0	11,862	0.0
Fixed Liabilities	70,680,198	42.9	73,020,987	43.1
Investment Corporation Bonds *2	10,000,000	6.1	5,000,000	3.0
Long-term Loans *2	59,240,000	35.9	66,550,000	39.3
Security Deposits	1,231,288	0.7	1,329,163	0.8
Security Deposits in Trust	208,909	0.1	141,824	0.1
Total Liabilities	89,703,665	54.4	94,161,018	55.6
Unitholders Equity	75,148,378	45.6	75,155,107	44.4
Unitholders Capital	73,231,053	44.4	73,231,053	43.3
Retained Earnings	1,917,325	1.2	1,924,053	1.1
Total Net Assets	75,148,378	45.6	75,155,107	44.4
Total Liabilities and Net Assets	164,852,044	100.0	169,316,126	100.0

*2 Loans (long-term loans due within a year are included in the short-term loans)

Balance of interest-bearing debts (millions of yen) 91,130

Total asset interest-bearing debt ratio $\frac{\text{Short-term loans+bonds + Long-term loans}}{\text{total assets}}$ 53.8%

Long-term interest-bearing debt ratio $\frac{\text{Bonds + Long-term loans}}{\text{Short-term loans+bonds + Long-term loans}}$ 78.5%



Forecasts for the 18th Fiscal Period

NOMURA REAL ESTATE RESIDENTIAL FUND, INC.

	17th FP Forecast From Dec. 1, 2014 To May 31, 2015	18th FP Forecast From Jun. 1, 2015 To Nov. 30, 2015	Difference
	Amount (millions of yen)	Amount (millions of yen)	Amount (millions of yen)
Operating Revenue	5,678	5,482	-196
Real Estate Rental Business Revenues	5,659	5,436	-223
Real Estate Disposition Revenue	18	45	27
Operating Expense	3,253	3,062	-191
Real Estate Rental Business Expenses	2,543	2,349	-194
Repair Expenses	328	258	-70
Tax and Public Dues	291	311	20
Depreciation and Amortization	1,071	1,054	-17
Asset Management Fees	397	394	-3
Other Operating Expenses	296	318	22
Operating Profits	2,424	2,420	-4
Non-Operating Expenses	557	554	-3
Interest Expenses	513	510	-3
Ordinary Income	1,873	1,866	-7
Net Income	1,872	1,865	-7
Number of Investment Units Issued (units)	160,800	160,800	0
Cash Distribution Per Unit (yen)	11,642	11,600	-42
Number of Properties (properties)	148	146	-2
Leasable Floor Area (sqm)	272,627.52	279,528.92	6,901
Average Occupancy Rate (%)	96.0	96.2	0.2

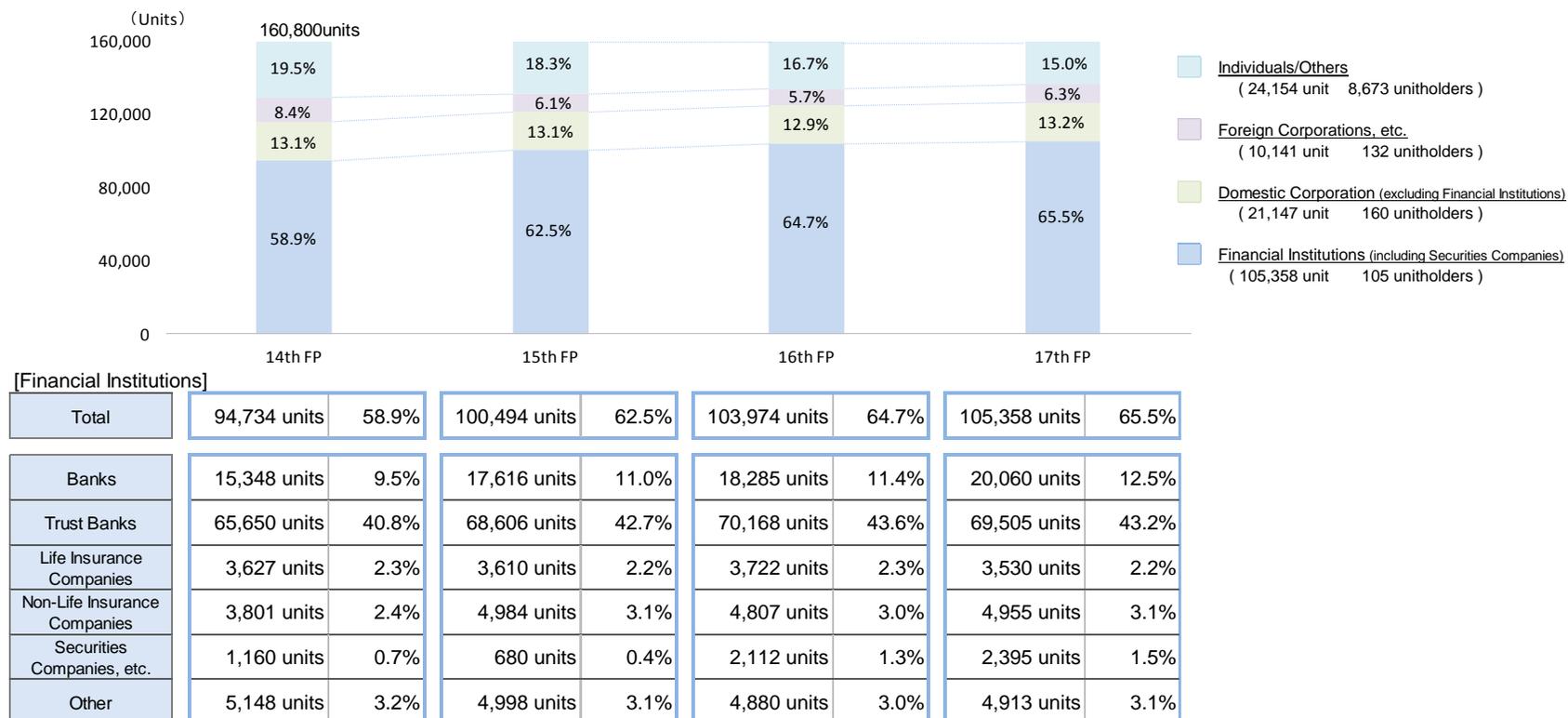
18th FP Forecast (announced July. 2015) Assumptions	
【Properties】	
Number of Properties	: 146 properties
Total Amount of Acquisition Price	: ¥162,237 million
【Repair Expenses】	
¥393 million for 16th Fiscal Period	
(¥136 million of which is capital expenditure)	
Example)	
PU Musashi Koganei (Entrance renewal)	: ¥19 million
PU Shinjuku Ochiai (large-scale renovation)	: ¥56 million
¥374 million for 16th Fiscal Period	
(¥117 million of which is capital expenditure)	
Example)	
PU Tsutsumidori Amamiya (large-scale renovation)	: ¥18 million
PU Azabu Juban (large-scale renovation)	: ¥14 million
【Lorns】	
Total Interest-bearing Debt (as of Jan. 19, 2015)	: ¥87,830 million
Interest-Bearing Debt Repayment Due During 17th FP(after Jan. 19, 2015)	
Repayment through loans (Feb. 2015)	: ¥9,700 million
Agreed Repayment(Feb. 2015)	: ¥90 million

※1 Cash distribution per unit for the 18th fiscal period (ending November 2015) shown in the chart is the forecast as of July 15, 2015. Actual figures may change due to the acquisition or sales of properties, changes in real estate markets, and other conditions surrounding NRF. NRF does not guarantee the cash distribution per unit predicted in this forecast.

※2 PU stands for PRIME URBAN.



Changes in Ratio of Units Held by Unitholders



Top 10 Unitholders

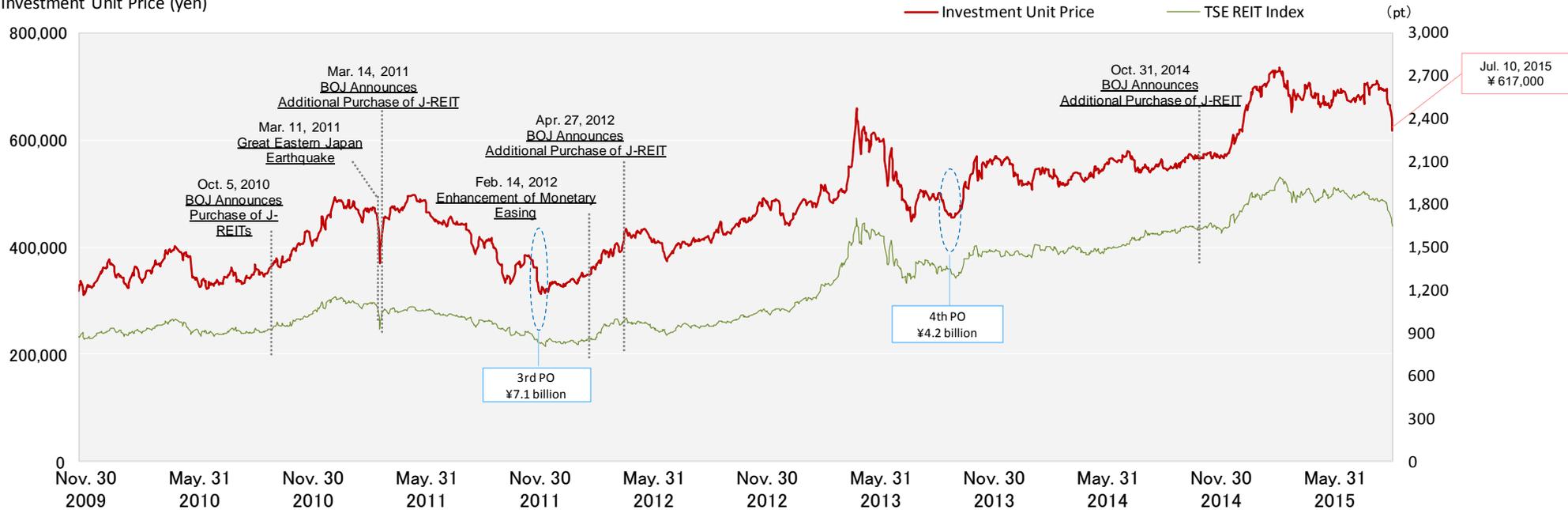
#	Unitholders	Units	Ratio (%)	#	Unitholders	Units	Ratio (%)
1	Japan Trustee Services Bank, Ltd.	46,306	28.80	6	The Fuji Fire and Marine Insurance Co., Ltd.	3,212	2.00
2	Nomura Real Estate Development Co., Ltd.	15,240	9.48	7	Trust & Custody Services Bank, Ltd.	3,010	1.87
3	The Master Trust Bank of Japan, Ltd.	7,308	4.54	8	The Joyo Bank, Ltd.	2,502	1.56
4	Trust & Custody Services Bank, Ltd.	5,792	3.60	9	The Ashikaga Bank, Ltd.	1,984	1.23
5	The Nomura Trust and Banking Co., Ltd.	4,952	3.08	10	The Fukui Bank, Ltd.	1,908	1.19
Total						92,214	57.35

(Note) The Ratio is calculated as the percentage of Total Number of Owned Investment Units divided by Total Number of Issued Investment Units.



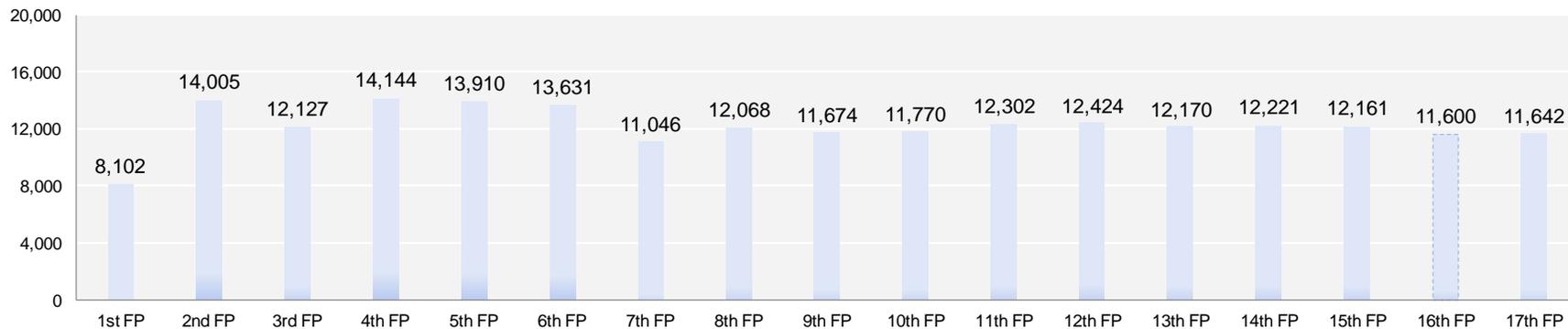
Changes in Investment Unit Price

Investment Unit Price (yen)



Changes in Cash Distribution

(yen)



A photograph of a modern building courtyard. The courtyard features a paved walkway with dark rectangular accents, a young tree, and a glass entrance. The building has a facade of grey panels with dark horizontal bands. The text "Characteristics of NRF" is overlaid on the image.

Characteristics of NRF



Specializing in rental housing



NOMURA REAL ESTATE RESIDENTIAL FUND, INC.

Acquisition Price	<u>163.792 million</u>	Number of Properties	<u>148 properties</u>	Leasable Units	<u>9,063 units</u>
Average Rent Per Unit	<u>approx. 97thousand</u>	Average Leasable Floor Area Per Unit	<u>approx. 30.4 sqm</u>	※ (17th Fiscal Period End)	

Foundation for stable profit

Priority investment in 「core units」

(rent ¥150,000 or less and floor area below 50 sqm)

Build portfolio centering on single and compact types

Highly-effective property management through management companies affiliated with real estate companies

Measures for stable performance and maintenance/improvement of competitiveness

Stable finances

Promote elongation/fixation of loans based on solid financial policies

Paying out stable cash distributions

Property acquisitions through
the sponsor's information route
(based on acquisition price)

56.7%

Ratio of commissioning to
Nomura Real Estate Partners
(based on number of cases)

77.0%

Acquisition

Management

Property development

 NOMURA REAL ESTATE DEVELOPMENT

General developer that
develops PROUD, PMO, etc.

 PROUD
FLAT Properties planned/developed
by Nomura Real Estate
Development Co., Ltd.

Provision of property information

 NOMURA REAL ESTATE URBAN NET

Real estate broker with ample
experience

 PRIME URBAN
Primarily properties
planned/developed by
companies other than Nomura
Real Estate Development Co.,
Ltd.

Property management

 NOMURA REAL ESTATE PARTNERS

General real estate management
company with know-how cultivated
on various matters

· Management company satisfaction
ranking: 1st (6 consecutive years) ※

※: From "Home Surfing" by Attractors Lab Co., Ltd. (currently Style Act Co., Ltd.).

Asset Management Company

 NOMURA REAL ESTATE ASSET MANAGEMENT

One of Japan's largest real estate asset management company with
more than ¥1 trillion balance of assets under management

(Listed REITs)

- Nomura Real Estate Residential Fund, Inc.
- Nomura Real Estate Office Fund, Inc.
- Nomura Real Estate Master Fund, Inc.

(Non-listed REIT)

- Nomura Real Estate Private REIT, Inc.

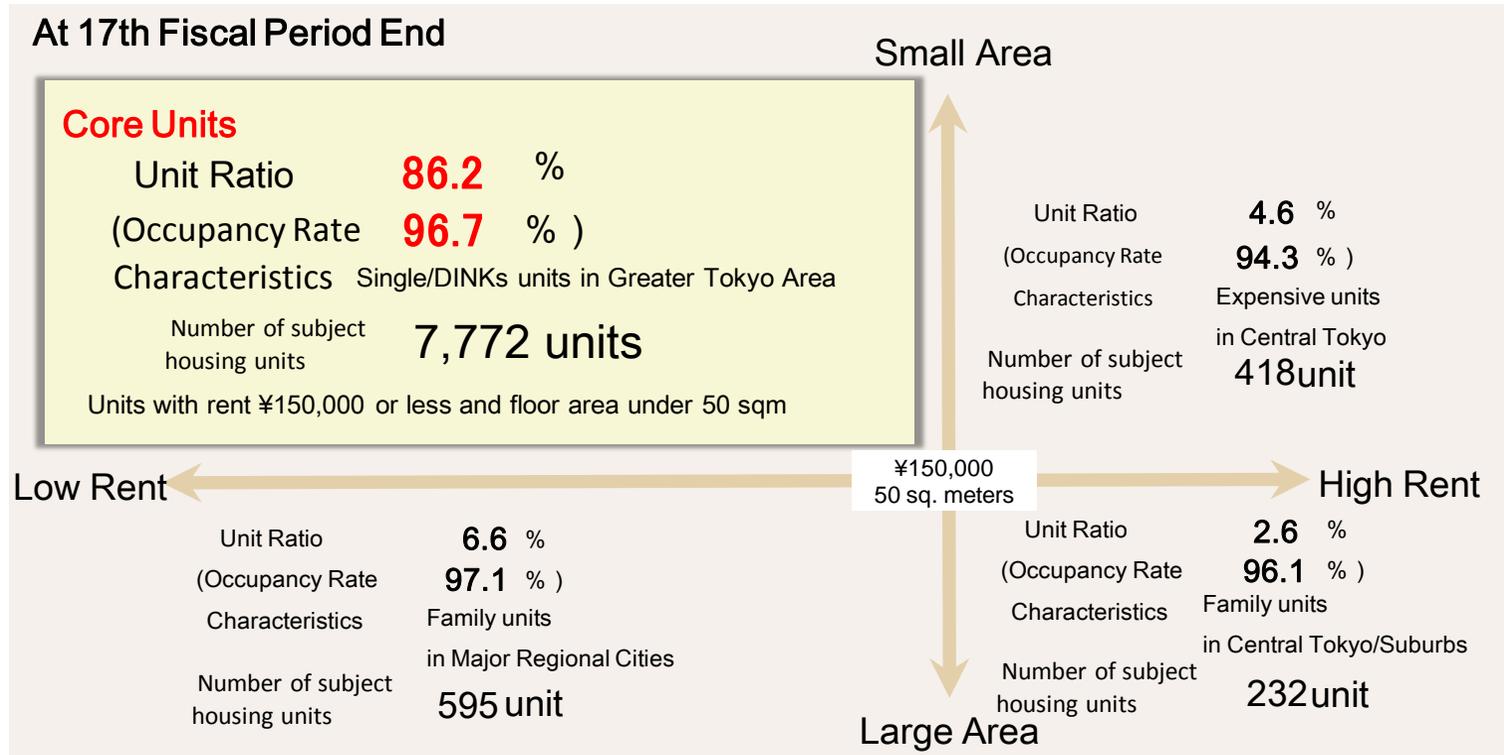
(Other)

- Private real estate funds
- Private securities funds, etc.



Priority Investment in Key Segments

Core Units (rent ¥150,000 or less, floor area under 50 sqm)



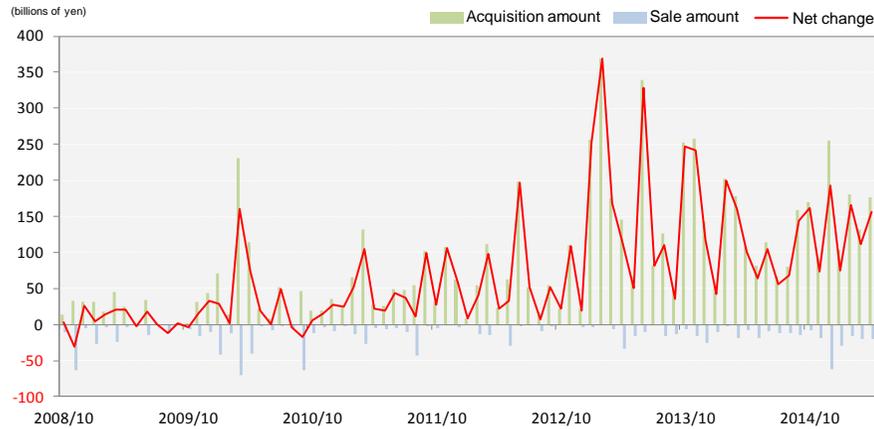
Target Tenant Level

- | | |
|----------|--|
| Target | • Students and employees of general companies in their 20s and 30s |
| Features | • Emphasizes convenience of commuting and rent |
| | • Impact of economy on annual income (disposable earnings) is low |

Rent ¥150,000 or less and floor area below 50 sqm
Stable demand is expected to continue going forward

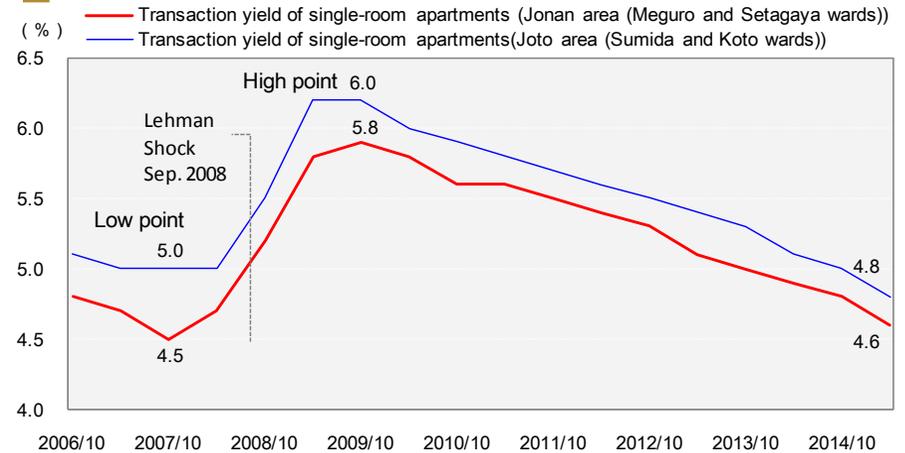
- ✓ Real estate acquisition and sale amounts increased in 2013 and expected yields have decreased
- ✓ The supply of new properties continues to be at a low level and demand from single and DINKs households is expected to be stable

Change in J-REIT Real Estate Acquisition and Sale Amount



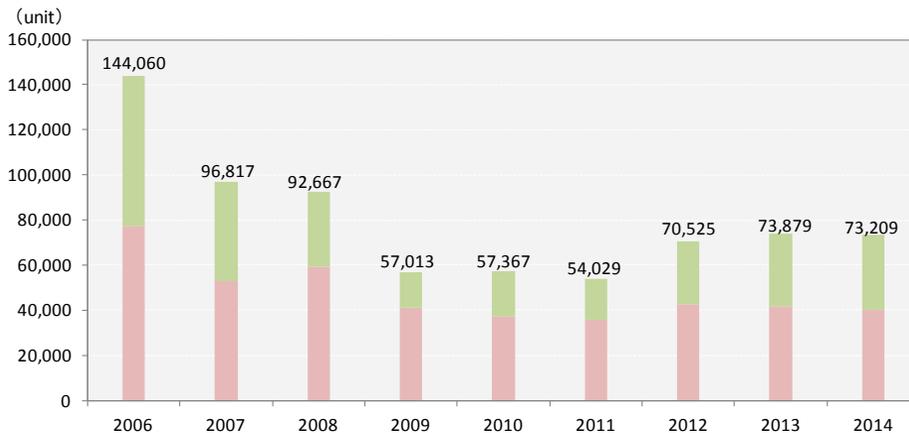
Source: Created by NREAM based on the Investment Trust Association, Japan's Statistics on Real Estate Investment Corporations and public documents of listed J-REITs.

Change in Expected Yield



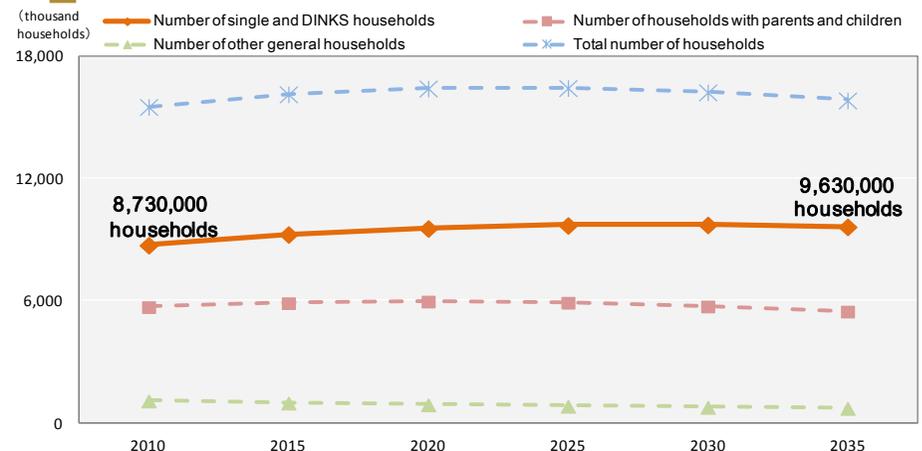
Source: Japan Real Estate Institute's Real Estate Investor's Survey

Supply of New Properties (Number of Building Starts)



Source: Created by NREAM based on the MLIT's "Housing Start Statistics. The above are the totals of building starts of residences for rent classified as apartment buildings of steel-framed reinforced concrete or reinforced concrete structure in the Housing Start Statistics from January to December of each year.

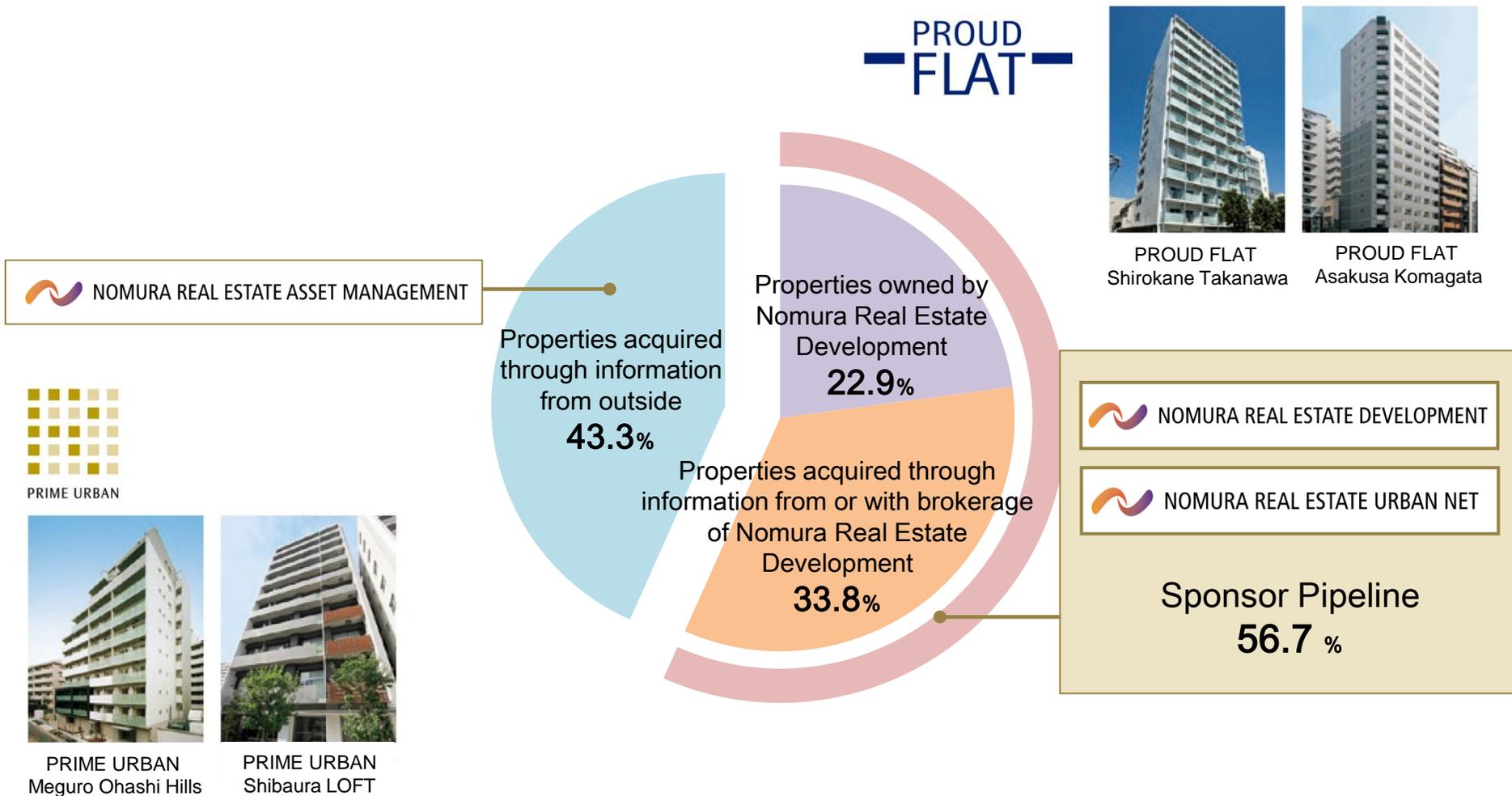
Projections on Number of Households



Source: Created by NREAM based on the National Institute of Population and Social Security Research (IPPS) "Household Projections for Japan (by Prefecture)" (projections as of April 2014).



Breakdown of Acquired Properties by Sourcing Route





Diversification Within Assets

Improve portfolio stability through promotion of diversification

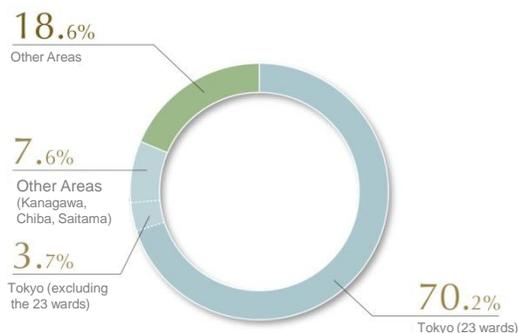
⇒ Top 10 Properties **19.2%**



Investment Area

Greater Tokyo Area 70% or more Other Areas 30% or less

⇒ Greater Tokyo Area **81.4%**



Nearest Station on Foot

Selection focusing on accessibility to the nearest railway stations

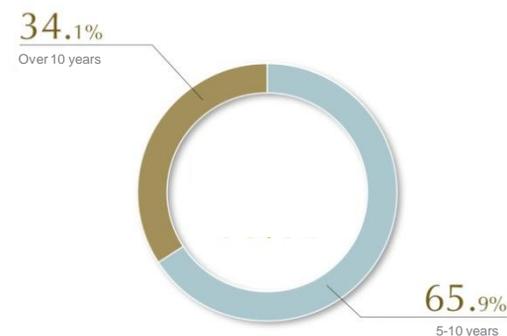
⇒ Within 10 min. **94.5%**



Building Age

Considering the combination of various building age to avoid the bias of large-scale repair expenses

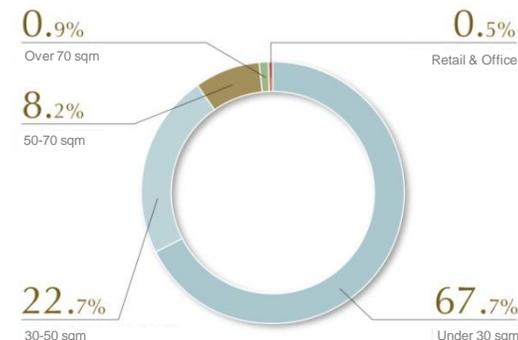
⇒ Average Building Age **11.1 Years**



Floor Area Per Unit

Investing in properties targeting single/DINKS/young family households for the foreseeable future

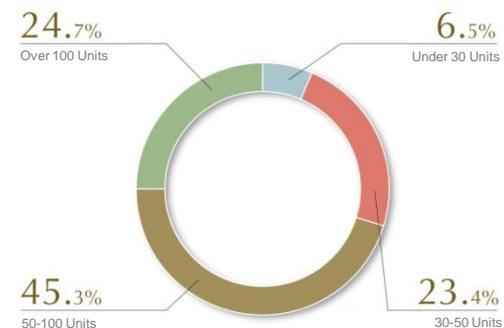
⇒ Under 50 sqm **90.4%**



Units Per Property

Investing in properties with strong lease-up potential in a short timeframe

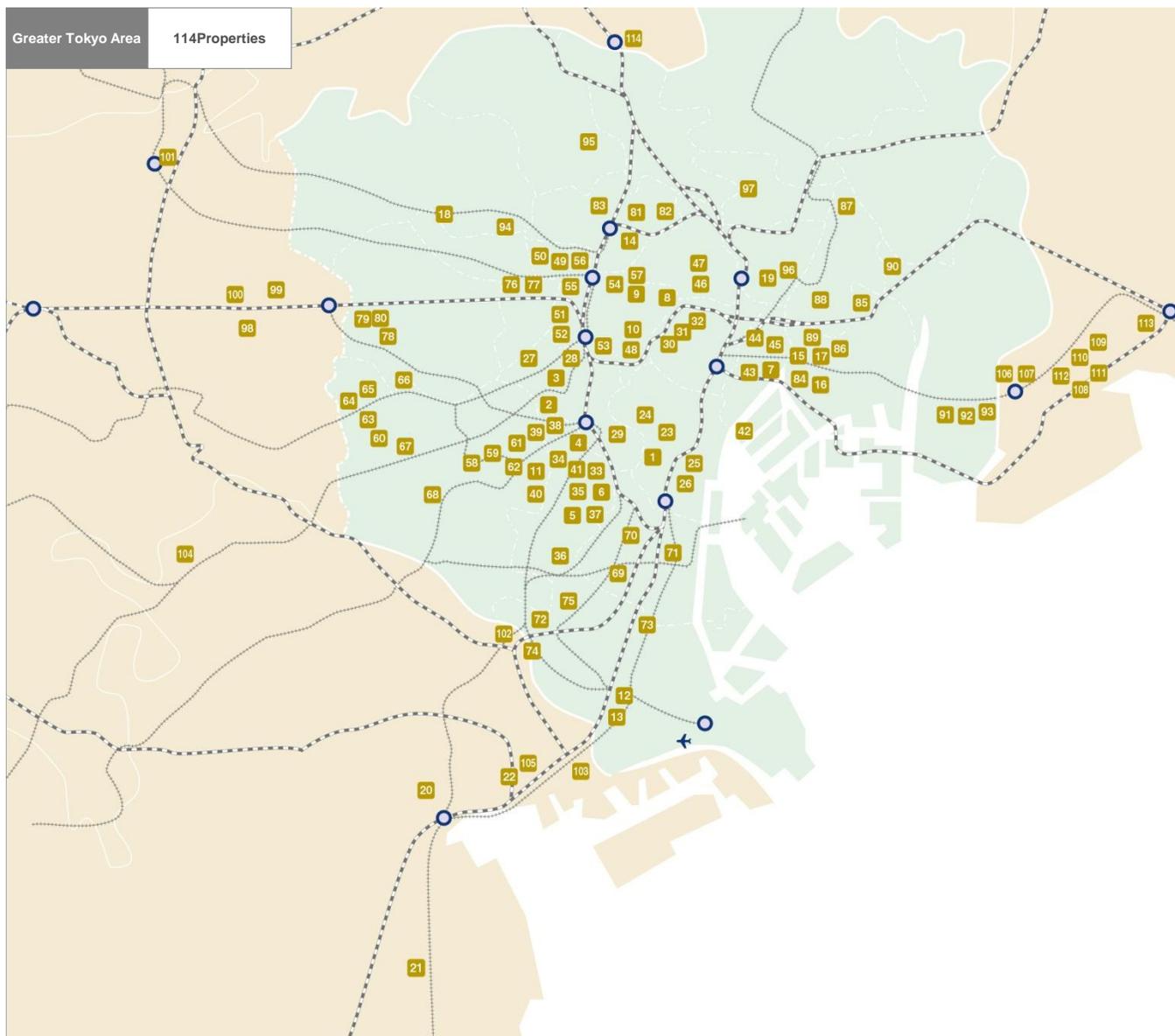
⇒ Average Unit Per Property **61 Units**



※. In the above graphs, "floor area per unit" as of the end of May 2015 is based on the number units while other figures are based on acquisition price.



Portfolio Map (Greater Tokyo Area)



- | | | | |
|----|-----------------------------------|-----|-----------------------------------|
| 1 | PROUD FLAT Shirokane Takanawa | 58 | PRIME URBAN Kamiyama |
| 2 | PROUD FLAT Yoyogi Uehara | 59 | PRIME URBAN Sangen JayaⅢ |
| 3 | PROUD FLAT Hatsudai | 60 | PRIME URBAN Chitose Karasuyama |
| 4 | PROUD FLAT Shibuya Sakuragaoka | 61 | PRIME URBAN Sangen Jaya II |
| 5 | PROUD FLAT Gakugei Daigaku | 62 | PRIME URBAN Sangen Jaya |
| 6 | PROUD FLAT Meguro Gyoninzaka | 63 | PRIME URBAN Minami Karasuyama |
| 7 | PROUD FLAT Sumida Riverside | 64 | PRIME URBAN Karasuyama Galleria |
| 8 | PROUD FLAT Kagurazaka | 65 | PRIME URBAN Karasuyama Court |
| 9 | PROUD FLAT Waseda | 66 | PRIME URBAN Kamikitazawa |
| 10 | PROUD FLAT Shinjuku Kawadacho | 67 | PRIME URBAN Chitose Funabashi |
| 11 | PROUD FLAT Sangen Jaya | 68 | PRIME URBAN Yoga |
| 12 | PROUD FLAT Kamata | 69 | PRIME URBAN Shinagawa Nishi |
| 13 | PROUD FLAT Kamata II | 70 | PRIME URBAN Osaki |
| 14 | PROUD FLAT Shinotsuka | 71 | PRIME URBAN Oimachi II |
| 15 | PROUD FLAT Kiyosumi Shirakawa | 72 | PRIME URBAN Yukigaya |
| 16 | PROUD FLAT Monzen Nakacho II | 73 | PRIME URBAN Omori |
| 17 | PROUD FLAT Monzen Nakacho I | 74 | PRIME URBAN Denenchofu Minami |
| 18 | PROUD FLAT Fujimidai | 75 | PRIME URBAN Nagahara Kamikodai |
| 19 | PROUD FLAT Asakusa Komagata | 76 | PRIME URBAN Nakano |
| 20 | PROUD FLAT Yokohama | 77 | PRIME URBAN Nakano Kamitakada |
| 21 | PROUD FLAT Kamioooka | 78 | PRIME URBAN Takaido |
| 22 | PROUD FLAT Tsurumi II | 79 | PRIME URBAN Nishi Ogikubo |
| 23 | PRIME URBAN Azabu Juban | 80 | PRIME URBAN Nishi Ogikubo II |
| 24 | PRIME URBAN Akasaka | 81 | PRIME URBAN Otsuka |
| 25 | PRIME URBAN Tamachi | 82 | PRIME URBAN Komagome |
| 26 | PRIME URBAN Shibaura LOFT | 83 | PRIME URBAN Ikebukuro |
| 27 | PRIME URBAN Hatagaya | 84 | PRIME URBAN Monzen Nakacho |
| 28 | PRIME URBAN Yoyogi | 85 | PRIME URBAN Kameido |
| 29 | PRIME URBAN Ebisu II | 86 | PRIME URBAN Sumiyoshi |
| 30 | PRIME URBAN Bancho | 87 | PRIME URBAN Mukojima |
| 31 | PRIME URBAN Chiyoda Fujimi | 88 | PRIME URBAN Kinshi Koen |
| 32 | PRIME URBAN Iidabashi | 89 | PRIME URBAN Kinshicho |
| 33 | PRIME URBAN Ebisu | 90 | PRIME URBAN Hirai |
| 34 | PRIME URBAN Naka Meguro | 91 | PRIME URBAN Kasai |
| 35 | PRIME URBAN Gakugei Daigaku | 92 | PRIME URBAN Kasai II |
| 36 | PRIME URBAN Senzoku | 93 | PRIME URBAN Kasai East |
| 37 | PRIME URBAN Meguro Riverside | 94 | PRIME URBAN Ekoda |
| 38 | PRIME URBAN Meguro Ohashi Hills | 95 | PRIME URBAN Itabashi Kuyakushomae |
| 39 | PRIME URBAN Meguro Aobadai | 96 | PRIME URBAN Asakusa |
| 40 | PRIME URBAN Gakugei Daigaku II | 97 | PRIME URBAN Machiya South Court |
| 41 | PRIME URBAN Naka Meguro II | 98 | PRIME URBAN Musashi Koganei |
| 42 | PRIME URBAN Kachidoki | 99 | PRIME URBAN Musashino Hills |
| 43 | PRIME URBAN Shinkawa | 100 | PRIME URBAN Koganei Honcho |
| 44 | PRIME URBAN Nihonbashi Yokoyamach | 101 | PRIME URBAN Kumegawa |
| 45 | PRIME URBAN Nihonbashi Hamacho | 102 | PRIME URBAN Musashi Kosugi comodo |
| 46 | PRIME URBAN Hongo Ikizaka | 103 | PRIME URBAN Kawasaki |
| 47 | PRIME URBAN Hakusan | 104 | PRIME URBAN Shinyurigotaka |
| 48 | PRIME URBAN Yotsuya Galen Higashi | 105 | PRIME URBAN Tsurumi Teraya |
| 49 | PRIME URBAN Naka Ochiai | 106 | PRIME URBAN Urayasu II |
| 50 | PRIME URBAN Ochiai | 107 | PRIME URBAN Urayasu |
| 51 | PRIME URBAN Nishi Shinjuku I | 108 | PRIME URBAN Gyotoku I |
| 52 | PRIME URBAN Nishi Shinjuku II | 109 | PRIME URBAN Gyotoku II |
| 53 | PRIME URBAN Shinjuku Naitomachi | 110 | PRIME URBAN Gyotoku Ekimae |
| 54 | PRIME URBAN Nishi Waseda | 111 | PRIME URBAN Gyotoku Ekimae II |
| 55 | PRIME URBAN Shinjuku Ochiai | 112 | PRIME URBAN Gyotoku III |
| 56 | PRIME URBAN Mejiro | 113 | PRIME URBAN Nishi Funabashi |
| 57 | PRIME URBAN Kagurazaka | 114 | PRIME URBAN Kawaguchi |



Portfolio Map (Other Areas)

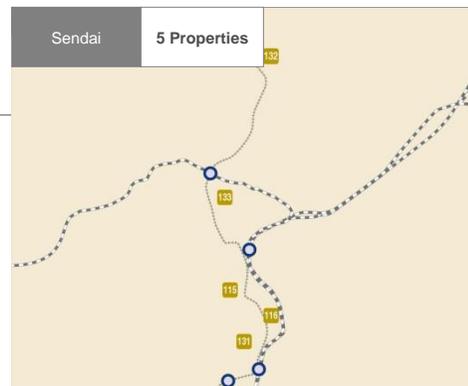
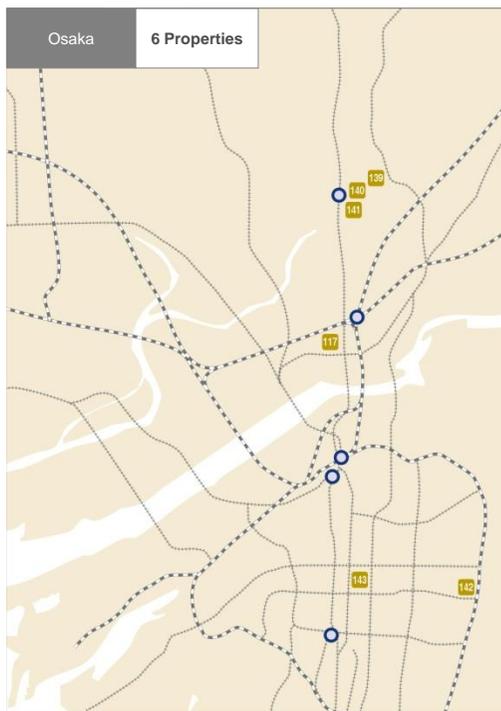
- 117 PROUD FLAT Shin Osaka
- 139 PRIME URBAN Esaka I
- 140 PRIME URBAN Esaka II
- 141 PRIME URBAN Esaka III
- 142 PRIME URBAN Tamatsukuri
- 143 PRIME URBAN Sakaisuji Honmachi

- 118 PRIME URBAN Yamahana
- 119 PRIME URBAN Kita Juyo Jo
- 120 PRIME URBAN Odori Koen I
- 121 PRIME URBAN Odori Koen II
- 122 PRIME URBAN Kita Juichi Jo
- 123 PRIME URBAN Miyanosawa
- 124 PRIME URBAN Odori Higashi
- 125 PRIME URBAN Chiji Koukan
- 126 PRIME URBAN Maruyama
- 127 PRIME URBAN Kita Nijuyo Jo
- 128 PRIME URBAN Sapporo Idaimae
- 129 PRIME URBAN Sapporo Riverfront
- 130 PRIME URBAN Kita Sanjo Dori

- 115 PROUD FLAT Itsutsubashi
- 116 PROUD FLAT Kawaramachi
- 131 PRIME URBAN Nagamachi Ichome
- 132 PRIME URBAN Yaotome Chuo
- 133 PRIME URBAN Tsutsumidori Amamiya

- 144 PRIME URBAN Hakata
- 145 PRIME URBAN Yakuin Minami
- 146 PRIME URBAN Kashii
- 147 PRIME URBAN Hakata Higashi
- 148 PRIME URBAN Chihaya

- 134 PRIME URBAN Aoi
- 135 PRIME URBAN Kanayama
- 136 PRIME URBAN Tsurumai
- 137 PRIME URBAN Kamimaezu
- 138 PRIME URBAN Izumi





Portfolio

NOMURA REAL ESTATE RESIDENTIAL FUND, INC.

#	Name of Property	Location	Acquisition Price (thousands of yen)	Percentage of Total (%)	Leasable Floor Area (sqm)	Leasable Units (units)	Occupancy Rate (May 2015)(%)
1	PROUD FLAT Shirokane Takanaawa	Minato-ku, Tokyo	3,510,000	2.1	2,950.11	106	99.1
2	PROUD FLAT Yoyogi Uehara	Shibuya-ku, Tokyo	1,100,000	0.7	1,151.34	44	97.8
3	PROUD FLAT Hatsudai	Shibuya-ku, Tokyo	865,000	0.5	958.98	31	94.4
4	PROUD FLAT Shibuya Sakuragaoka	Shibuya-ku, Tokyo	800,000	0.5	638.70	30	96.7
5	PROUD FLAT Gakugei Daigaku	Meguro-ku, Tokyo	812,000	0.5	934.39	41	100.0
6	PROUD FLAT Meguro Gyoninzaka	Meguro-ku, Tokyo	882,000	0.5	855.23	40	100.0
7	PROUD FLAT Sumida Riverside	Chuo-ku, Tokyo	2,260,000	1.4	3,055.21	110	93.7
8	PROUD FLAT Kagurazaka	Shinjuku-ku, Tokyo	1,540,000	0.9	1,793.43	70	97.5
9	PROUD FLAT Waseda	Shinjuku-ku, Tokyo	1,110,000	0.7	1,450.91	60	100.0
10	PROUD FLAT Shinjuku Kawadacho	Shinjuku-ku, Tokyo	1,010,000	0.6	1,102.20	41	96.3
11	PROUD FLAT Sangen Jaya	Setagaya-ku, Tokyo	1,350,000	0.8	1,277.82	48	96.2
12	PROUD FLAT Kamata	Ota-ku, Tokyo	1,140,000	0.7	1,541.64	67	100.0
13	PROUD FLAT Kamata II	Ota-ku, Tokyo	2,980,000	1.8	4,051.72	169	97.4
14	PROUD FLAT Shinotsuka	Toshima-ku, Tokyo	695,000	0.4	752.09	35	86.0
15	PROUD FLAT Kiyosumi Shirakawa	Koto-ku, Tokyo	900,000	0.5	1,209.56	55	100.0
16	PROUD FLAT Monzen Nakacho II	Koto-ku, Tokyo	650,000	0.4	830.55	35	97.5
17	PROUD FLAT Monzen Nakacho I	Koto-ku, Tokyo	1,130,000	0.7	1,191.08	55	98.2
18	PROUD FLAT Fujimidai	Nerima-ku, Tokyo	1,370,000	0.8	2,222.05	94	100.0
19	PROUD FLAT Asakusa Komagata	Taito-ku, Tokyo	1,960,000	1.2	2,685.39	79	98.8
20	PROUD FLAT Yokohama	Yokohama-shi, Kanagawa	2,340,000	1.4	3,118.12	113	95.5
21	PROUD FLAT Kamioooka	Yokohama-shi, Kanagawa	2,770,000	1.7	4,872.17	200	100.0
22	PROUD FLAT Tsurumi II	Yokohama-shi, Kanagawa	1,430,000	0.9	2,219.74	81	98.0
23	PRIME URBAN Azabu Juban	Minato-ku, Tokyo	991,000	0.6	1,222.13	40	94.8
24	PRIME URBAN Akasaka	Minato-ku, Tokyo	956,000	0.6	1,062.05	25	100.0
25	PRIME URBAN Tamachi	Minato-ku, Tokyo	941,000	0.6	1,107.36	48	93.8
26	PRIME URBAN Shibaura LOFT	Minato-ku, Tokyo	1,510,000	0.9	1,905.39	68	94.6
27	PRIME URBAN Hatagaya	Shibuya-ku, Tokyo	452,000	0.3	650.60	38	100.0
28	PRIME URBAN Yoyogi	Shibuya-ku, Tokyo	408,000	0.2	439.56	19	96.0
29	PRIME URBAN Ebisull	Shibuya-ku, Tokyo	1,030,000	0.6	1,184.81	35	100.0
30	PRIME URBAN Bancho	Chiyoda-ku, Tokyo	1,170,000	0.7	1,277.04	52	98.2
31	PRIME URBAN Chiyoda Fujimi	Chiyoda-ku, Tokyo	707,000	0.4	793.87	32	100.0
32	PRIME URBAN Iidabashi	Chiyoda-ku, Tokyo	2,030,000	1.2	2,087.70	90	95.8
33	PRIME URBAN Ebisu	Meguro-ku, Tokyo	1,200,000	0.7	1,444.40	29	100.0
34	PRIME URBAN Naka Meguro	Meguro-ku, Tokyo	1,320,000	0.8	1,302.42	49	93.9
35	PRIME URBAN Gakugei Daigaku	Meguro-ku, Tokyo	886,000	0.5	1,008.39	32	100.0
36	PRIME URBAN Senzoku	Meguro-ku, Tokyo	536,000	0.3	655.27	22	92.5



Portfolio

NOMURA REAL ESTATE RESIDENTIAL FUND, INC.

#	Name of Property	Location	Acquisition Price (thousands of yen)	Percentage of Total (%)	Leasable Floor Area (sqm)	Leasable Units (units)	Occupancy Rate (May 2015)(%)
37	PRIME URBAN Meguro Riverside	Meguro-ku, Tokyo	464,000	0.3	453.77	24	100.0
38	PRIME URBAN Meguro Ohashi Hills	Meguro-ku, Tokyo	3,580,000	2.2	2,955.74	99	94.9
39	PRIME URBAN Meguro Aobadai	Meguro-ku, Tokyo	1,190,000	0.7	1,464.14	40	100.0
40	PRIME URBAN Gakugei Daigakull	Meguro-ku, Tokyo	916,000	0.6	1,109.87	41	100.0
41	PRIME URBAN Naka Meguro II	Meguro-ku, Tokyo	2,800,000	1.7	2,393.45	66	100.0
42	PRIME URBAN Kachidoki	Chuo-ku, Tokyo	2,290,000	1.4	4,524.00	145	95.1
43	PRIME URBAN Shinkawa	Chuo-ku, Tokyo	2,250,000	1.4	3,600.61	46	94.9
44	PRIME URBAN Nihonbashi Yokoyamacho	Chuo-ku, Tokyo	3,530,000	2.2	5,926.17	124	95.4
45	PRIME URBAN Nihonbashi Hamacho	Chuo-ku, Tokyo	1,470,000	0.9	2,026.44	52	94.3
46	PRIME URBAN Hongo Ikizaka	Bunkyo-ku, Tokyo	647,000	0.4	662.58	27	100.0
47	PRIME URBAN Hakusan	Bunkyo-ku, Tokyo	893,000	0.5	1,069.82	42	100.0
48	PRIME URBAN Yotsuya Gaien Higashi	Shinjuku-ku, Tokyo	1,700,000	1.0	1,759.11	51	89.8
49	PRIME URBAN Naka Ochiai	Shinjuku-ku, Tokyo	655,000	0.4	1,237.98	18	94.0
50	PRIME URBAN Ochiai	Shinjuku-ku, Tokyo	324,000	0.2	517.53	32	94.1
51	PRIME URBAN Nishi Shinjuku I	Shinjuku-ku, Tokyo	1,290,000	0.8	1,459.86	60	95.2
52	PRIME URBAN Nishi Shinjuku II	Shinjuku-ku, Tokyo	1,000,000	0.6	1,162.55	46	95.6
53	PRIME URBAN Shinjuku Naitomachi	Shinjuku-ku, Tokyo	512,000	0.3	578.18	14	100.0
54	PRIME URBAN Nishi Waseda	Shinjuku-ku, Tokyo	503,000	0.3	507.11	28	100.0
55	PRIME URBAN Shinjuku Ochiai	Shinjuku-ku, Tokyo	635,000	0.4	1,053.39	28	100.0
56	PRIME URBAN Mejiro	Shinjuku-ku, Tokyo	1,260,000	0.8	1,755.52	65	96.9
57	PRIME URBAN Kagurazaka	Shinjuku-ku, Tokyo	2,640,000	1.6	2,853.82	100	97.9
58	PRIME URBAN Kamiyama	Setagaya-ku, Tokyo	900,000	0.5	1,739.86	37	96.9
59	PRIME URBAN Sangen Jayalll	Setagaya-ku, Tokyo	755,000	0.5	1,018.72	47	93.0
60	PRIME URBAN Chitose Karasuyama	Setagaya-ku, Tokyo	730,000	0.4	1,774.01	27	96.2
61	PRIME URBAN Sangen Jaya II	Setagaya-ku, Tokyo	539,000	0.3	810.98	17	100.0
62	PRIME URBAN Sangen Jaya	Setagaya-ku, Tokyo	835,000	0.5	874.15	33	94.2
63	PRIME URBAN Minami Karasuyama	Setagaya-ku, Tokyo	840,000	0.5	1,049.73	41	100.0
64	PRIME URBAN Karasuyama Galleria	Setagaya-ku, Tokyo	645,000	0.4	835.05	33	97.0
65	PRIME URBAN Karasuyama Court	Setagaya-ku, Tokyo	413,000	0.3	576.20	23	100.0
66	PRIME URBAN Kamikitazawa	Setagaya-ku, Tokyo	738,000	0.5	1,384.45	29	100.0
67	PRIME URBAN Chitose Funabashi	Setagaya-ku, Tokyo	885,000	0.5	1,027.44	38	97.2
68	PRIME URBAN Yoga	Setagaya-ku, Tokyo	1,150,000	0.7	1,773.05	54	100.0
69	PRIME URBAN Shinagawa Nishi	Shinagawa-ku, Tokyo	624,000	0.4	961.25	46	95.9
70	PRIME URBAN Osaki	Shinagawa-ku, Tokyo	1,700,000	1.0	2,106.16	99	96.9
71	PRIME URBAN Oimachi II	Shinagawa-ku, Tokyo	1,100,000	0.7	1,794.85	93	97.7
72	PRIME URBAN Yukigaya	Ota-ku, Tokyo	970,000	0.6	1,536.59	94	95.8



Portfolio

NOMURA REAL ESTATE RESIDENTIAL FUND, INC.

#	Name of Property	Location	Acquisition Price (thousands of yen)	Percentage of Total (%)	Leasable Floor Area (sqm)	Leasable Units (units)	Occupancy Rate (May 2015)(%)
73	PRIME URBAN Omori	Ota-ku, Tokyo	824,000	0.5	1,190.70	54	96.3
74	PRIME URBAN Denenchofu Minami	Ota-ku, Tokyo	900,000	0.5	1,100.17	44	95.9
75	PRIME URBAN Nagahara Kamiikedai	Ota-ku, Tokyo	1,720,000	1.1	2,282.62	61	84.3
76	PRIME URBAN Nakano	Nakano-ku, Tokyo	472,000	0.3	801.30	51	98.3
77	PRIME URBAN Nakano Kamitakada	Nakano-ku, Tokyo	640,000	0.4	818.75	33	95.0
78	PRIME URBAN Takaido	Suginami-ku, Tokyo	1,080,000	0.7	1,746.20	107	99.1
79	PRIME URBAN Nishi Ogikubo	Suginami-ku, Tokyo	435,000	0.3	543.09	24	95.9
80	PRIME URBAN Nishi Ogikubo II	Suginami-ku, Tokyo	1,780,000	1.1	2,225.33	76	90.0
81	PRIME URBAN Otsuka	Toshima-ku, Tokyo	794,000	0.5	944.99	46	97.9
82	PRIME URBAN Komagome	Toshima-ku, Tokyo	412,000	0.3	991.94	22	95.5
83	PRIME URBAN Ikebukuro	Toshima-ku, Tokyo	3,310,000	2.0	4,376.95	131	97.6
84	PRIME URBAN Monzen Nakacho	Koto-ku, Tokyo	2,200,000	1.3	3,207.92	118	99.2
85	PRIME URBAN Kameido	Koto-ku, Tokyo	705,000	0.4	1,117.34	52	98.1
86	PRIME URBAN Sumiyoshi	Koto-ku, Tokyo	552,000	0.3	813.52	40	100.0
87	PRIME URBAN Mukojima	Sumida-ku, Tokyo	487,000	0.3	1,108.91	55	100.0
88	PRIME URBAN Kinshi Koen	Sumida-ku, Tokyo	1,180,000	0.7	1,886.50	77	97.4
89	PRIME URBAN Kinshicho	Sumida-ku, Tokyo	668,000	0.4	991.62	49	100.0
90	PRIME URBAN Hirai	Edogawa-ku, Tokyo	700,000	0.4	1,095.91	53	98.1
91	PRIME URBAN Kasai	Edogawa-ku, Tokyo	637,000	0.4	905.81	45	97.8
92	PRIME URBAN Kasai II	Edogawa-ku, Tokyo	958,000	0.6	1,437.84	68	92.6
93	PRIME URBAN Kasai East	Edogawa-ku, Tokyo	940,000	0.6	1,884.62	78	100.0
94	PRIME URBAN Ekoda	Nerima-ku, Tokyo	385,000	0.2	872.49	35	94.3
95	PRIME URBAN Itabashi Kuyakushomae	Itabashi-ku, Tokyo	940,000	0.6	1,742.64	68	98.3
96	PRIME URBAN Asakusa	Taito-ku, Tokyo	350,000	0.2	876.70	22	95.4
97	PRIME URBAN Machiya South Court	Arakawa-ku, Tokyo	1,740,000	1.1	4,141.56	77	97.7
98	PRIME URBAN Musashi Koganei	Koganei-shi, Tokyo	2,390,000	1.5	5,999.80	98	95.9
99	PRIME URBAN Musashino Hills	Koganei-shi, Tokyo	1,590,000	1.0	2,961.06	80	100.0
100	PRIME URBAN Koganei Honcho	Koganei-shi, Tokyo	725,000	0.4	1,604.72	43	93.1
101	PRIME URBAN Kumegawa	Higashimurayama-shi, Tokyo	1,370,000	0.8	2,610.05	91	96.6
102	PRIME URBAN Musashi Kosugi comodo	Kawasaki-shi, Kanagawa	2,150,000	1.3	3,692.44	56	96.8
103	PRIME URBAN Kawasaki	Kawasaki-shi, Kanagawa	1,150,000	0.7	1,706.46	80	98.0
104	PRIME URBAN Shinyurigaoka	Kawasaki-shi, Kanagawa	1,210,000	0.7	1,708.19	64	100.0
105	PRIME URBAN Tsurumi Teraya	Yokohama-shi, Kanagawa	457,000	0.3	952.06	50	98.3
106	PRIME URBAN Urayasu II	Urayasu-shi, Chiba	277,000	0.2	437.94	27	100.0
107	PRIME URBAN Urayasu	Urayasu-shi, Chiba	840,000	0.5	1,264.84	60	98.3
108	PRIME URBAN Gyotoku I	Ichikawa-shi, Chiba	635,000	0.4	1,151.36	52	100.0



Portfolio

NOMURA REAL ESTATE RESIDENTIAL FUND, INC.

#	Name of Property	Location	Acquisition Price (thousands of yen)	Percentage of Total (%)	Leasable Floor Area (sqm)	Leasable Units (units)	Occupancy Rate (May 2015)(%)
109	PRIME URBAN Gyotoku II	Ichikawa-shi, Chiba	741,000	0.5	1,244.00	58	100.0
110	PRIME URBAN Gyotoku Ekimae	Ichikawa-shi, Chiba	476,000	0.3	778.19	37	97.3
111	PRIME URBAN Gyotoku Ekimaell	Ichikawa-shi, Chiba	561,000	0.3	927.33	46	100.0
112	PRIME URBAN Gyotokulll	Ichikawa-shi, Chiba	948,000	0.6	1,766.47	77	98.7
113	PRIME URBAN Nishi Funabashi	Funabashi-shi, Chiba	772,000	0.5	1,237.80	60	98.3
114	PRIME URBAN Kawaguchi	Kawaguchi-shi, Saitama	2,170,000	1.3	2,477.11	98	98.4
	Greater Tokyo Area		133,385,000	82.1	186,962.79	6,605	97.0
115	PROUD FLAT Itsutsubashi	Sendai-shi, Miyagi	682,000	0.4	1,861.56	60	100.0
116	PROUD FLAT Kawaramachi	Sendai-shi, Miyagi	724,000	0.4	1,967.54	64	100.0
117	PROUD FLAT Shin Osaka	Osaka-shi, Osaka	1,430,000	0.9	2,990.68	112	93.9
118	PRIME URBAN Yamahana	Sapporo-shi, Hokkaido	377,000	0.2	1,518.58	33	97.5
119	PRIME URBAN Kita Juyo Jo	Sapporo-shi, Hokkaido	336,000	0.2	1,155.60	36	93.6
120	PRIME URBAN Odori Koen I	Sapporo-shi, Hokkaido	530,000	0.3	1,850.20	53	100.0
121	PRIME URBAN Odori Koen II	Sapporo-shi, Hokkaido	322,000	0.2	1,148.72	36	100.0
122	PRIME URBAN Kita Juichi Jo	Sapporo-shi, Hokkaido	600,000	0.4	1,851.39	60	95.0
123	PRIME URBAN Miyanosawa	Sapporo-shi, Hokkaido	576,200	0.4	2,114.53	54	98.4
124	PRIME URBAN Odori Higashi	Sapporo-shi, Hokkaido	424,000	0.3	1,494.36	36	89.7
125	PRIME URBAN Chiji Koukan	Sapporo-shi, Hokkaido	337,900	0.2	1,007.30	42	97.6
126	PRIME URBAN Maruyama	Sapporo-shi, Hokkaido	283,200	0.2	911.07	27	96.3
127	PRIME URBAN Kita Nijuyo Jo	Sapporo-shi, Hokkaido	503,700	0.3	1,773.90	36	91.6
128	PRIME URBAN Sapporo Idaimae	Sapporo-shi, Hokkaido	731,600	0.4	2,439.90	58	95.7
129	PRIME URBAN Sapporo Riverfront	Sapporo-shi, Hokkaido	3,500,000	2.1	15,552.59	311	97.6
130	PRIME URBAN Kita Sanjo Dori	Sapporo-shi, Hokkaido	1,450,000	0.9	5,094.29	114	97.0
131	PRIME URBAN Nagamachi Icchome	Sendai-shi, Miyagi	1,110,000	0.7	3,411.24	60	97.3
132	PRIME URBAN Yaotome Chuo	Sendai-shi, Miyagi	428,000	0.3	1,380.21	43	100.0
133	PRIME URBAN Tsutsumidori Amamiya	Sendai-shi, Miyagi	969,000	0.6	4,251.91	65	98.2
134	PRIME URBAN Aoi	Nagoya-shi, Aichi	724,000	0.4	1,571.04	46	96.2
135	PRIME URBAN Kanayama	Nagoya-shi, Aichi	632,000	0.4	1,391.02	58	100.0
136	PRIME URBAN Tsurumai	Nagoya-shi, Aichi	1,189,096	0.7	2,502.11	104	97.1
137	PRIME URBAN Kamimaezu	Nagoya-shi, Aichi	1,250,000	0.8	3,541.43	101	90.6
138	PRIME URBAN Izumi	Nagoya-shi, Aichi	2,800,000	1.7	7,543.10	250	96.7
139	PRIME URBAN Esaka I	Suita-shi, Osaka	672,000	0.4	1,189.12	48	89.5
140	PRIME URBAN Esaka II	Suita-shi, Osaka	790,000	0.5	1,392.00	57	93.1
141	PRIME URBAN Esaka III	Suita-shi, Osaka	1,535,000	0.9	2,151.67	79	85.9
142	PRIME URBAN Tamatsukuri	Osaka-shi, Osaka	906,000	0.6	2,373.10	80	94.7
143	PRIME URBAN Sakaisuji Honmachi	Osaka-shi, Osaka	1,780,000	1.1	3,909.90	82	84.7



#	Name of Property	Location	Acquisition Price (thousands of yen)	Percentage of Total (%)	Leasable Floor Area (sqm)	Leasable Units (units)	Occupancy Rate (May 2015)(%)
144	PRIME URBAN Hakata	Fukuoka-shi, Fukuoka	830,000	0.5	2,176.23	67	97.3
145	PRIME URBAN Yakuin Minami	Fukuoka-shi, Fukuoka	351,000	0.2	897.84	34	91.7
146	PRIME URBAN Kashii	Fukuoka-shi, Fukuoka	396,000	0.2	1,222.34	39	91.7
147	PRIME URBAN Hakata Higashi	Fukuoka-shi, Fukuoka	693,000	0.4	1,854.13	65	94.3
148	PRIME URBAN Chihaya	Fukuoka-shi, Fukuoka	545,000	0.3	1,740.70	48	96.1
	Other Areas		29,001,696	17.9	85,402.20	2,334	95.6
	Total		162,386,696	100.0	272,364.99	8,939	96.6



Interest-bearing Debts

Maturity Diversification

FP of Repayment	Amount of Repayment	Lender	Amount	Interest Rate	Date of Loan	Date of Repayment	Category
18th Fiscal Period (ending Nov. 30, 2015)	¥9,790 million	5 Lenders	¥9,700 million	1.00900%	Feb. 27, 2012	Aug. 27, 2015	Long-term Loan ¥81,130 million
		1 Lender	¥40 million	2.10000%	Aug. 27, 2009	(Note2)	
		1 Lender	¥50 million	2.03000%	Feb. 26, 2010	(Note3)	
19th Fiscal Period (ending May 31, 2016)	¥4,790 million	1 Lender	¥4,700 million	1.00000%	Dec. 26, 2011	Dec. 26, 2015	
		1 Lender	¥40 million	2.10000%	Aug. 27, 2009	(Note2)	
		1 Lender	¥50 million	2.03000%	Feb. 26, 2010	(Note3)	
20th Fiscal Period (ending Nov. 30, 2016)	¥10,530 million	2 Lenders	¥9,400 million	1.11700%	Dec. 26, 2011	Jun. 26, 2016	
		1 Lender	¥1,080 million	2.10000%	Aug. 27, 2009	Aug. 27, 2016	
		1 Lender	¥50 million	2.03000%	Feb. 26, 2010	(Note3)	
21st Fiscal Period (ending May 31, 2017)	¥3,150 million	3 Lender	¥1,800 million	0.69000%	Oct. 25, 2013	Feb. 26, 2017	
		1 Lender	¥1,350 million	2.03000%	Feb. 26, 2010	Feb. 26, 2017	
22th Fiscal Period (ending Nov. 30, 2017)	¥7,970 million	1 Lender	¥750 million	0.55091%	Aug. 27, 2014	Aug. 26, 2017	
		3 Lender	¥3,920 million	1.08500%	Aug. 27, 2012	Aug. 27, 2017	
		5 Lender	¥3,300 million	0.51000%	Dec. 18, 2014	Nov. 26, 2017	
23th Fiscal Period (ending May 31, 2018)	¥6,920 million	6 Lender	¥5,420 million	1.12013%	Aug. 27, 2012	Feb. 27, 2018	
		2 Lender	¥1,500 million	0.55091%	Feb. 27, 2015	Feb. 26, 2018	
24th Fiscal Period (ending Nov. 30, 2018)	¥5,400 million	3 Lender	¥5,400 million	0.99000%	Sep. 30, 2013	Aug. 26, 2018	
24th Fiscal Period (ending Nov. 30, 2018)	¥1,100 million	1 Lender	¥1,100 million	0.69894%	Dec. 18, 2014	May. 26, 2019	
26th Fiscal Period (ending Nov. 30, 2019)	¥1,600 million	4 Lender	¥1,600 million	1.16500%	Dec. 03, 2012	Nov. 26, 2019	
27th Fiscal Period (ending Nov. 31, 2019)	¥1,000 million	1 Lender	¥1,000 million	1.48625%	May 23, 2013	May 27, 2020	
28th Fiscal Period (ending Nov. 30, 2020)	¥6,000 million	1 Lender	¥800 million	1.28277%	Sep. 30, 2013	Aug. 26, 2020	
		6 Lender	¥4,700 million	1.18000%	Oct. 25, 2013	Aug. 26, 2020	
		1 Lender	¥500 million	1.15566%	Oct. 25, 2013	Aug. 26, 2020	
29th Fiscal Period (ending May 31, 2021)	¥6,500 million	1 Lender	¥2,000 million	1.17750%	Feb. 27, 2014	Feb. 26, 2021	
		1 Lender	¥1,000 million	1.68200%	May 23, 2013	May 27, 2021	
		1 Lender	¥3,500 million	1.62500%	May 23, 2013	May 27, 2021	
30th Fiscal Period (ending Nov. 30, 2021)	¥7,600 million	1 Lender	¥2,700 million	1.24100%	Feb. 27, 2014	Aug. 26, 2021	
		4 Lender	¥4,900 million	0.97410%	Feb. 27, 2015	Nov. 26, 2021	
31th Fiscal Period (ending May 31, 2022)	¥4,500 million	5 Lender	¥4,500 million	1.31850%	Feb. 27, 2014	Feb. 26, 2022	
32th Fiscal Period (ending Nov. 30, 2022)	¥2,980 million	4 Lender	¥2,980 million	1.19700%	Sep. 05, 2014	Aug. 26, 2022	
32th Fiscal Period (ending Nov. 30, 2022)	¥1,300 million	1 Lender	¥1,300 million	1.13250%	Feb. 27, 2015	Feb. 26, 2023	
	¥81,130 million	20 Lenders	-	-	-	-	
19th Fiscal Period (ending May 31, 2016)	¥5,000 million	Investment Corporation Bond	¥5,000 million	1.21000%	Feb. 25, 2011	Feb. 25, 2016	
21st Fiscal Period (ending May 31, 2017)	¥5,000 million	Investment Corporation Bond	¥5,000 million	1.03000%	Feb. 24, 2012	Feb. 24, 2017	
	¥91,130 million	-	-	-	-	-	

(Note 1) The interest rate stated regarding this loan takes into consideration the Interest Rate Swap transaction.

(Note 2) The amount of ¥40 million to be repayed on February 27, 2010, the first repayment date, and every August 27 and February 27 thereafter, until the last repayment of ¥1,080 million on August 27, 2016.

(Note 3) The amount of ¥50 million to be repayed on August 26, 2010, the first repayment date, and every February 26 and August 26 thereafter, until the last repayment of ¥1,350 million on February 26, 2017.

(Note 4) Regarding the Floating Rate, the interest rate as of the end of the 16th Fiscal Period is stated.

Lender Diversification (20 Lenders)

	Lender	Amount (millions of yen)
Major Banks (4)	The Bank of Tokyo-Mitsubishi UFJ	12,850
	Sumitomo Mitsui Banking	12,850
	Mizuho Corporate Bank	7,450
	Resona Bank	2,400
Trust Banks (4)	Mitsubishi UFJ Trust and Banking	12,850
	Sumitomo Mitsui Trust Bank	5,700
	The Nomura Trust and Banking	3,700
	Mizuho Trust & Banking	1,500
Regional Banks (4)	The Iyo Bank	1,000
	The Bank of Fukuoka	1,000
	The Chiba Bank	750
	The Tokyo Tomin Bank	500
Insurance Companies (5)	Taiyo Life Insurance	3,000
	Mitsui Sumitomo Insurance	2,200
	Daido Life Insurance	1,100
	Dai-ichi Life Insurance Co., Ltd.	800
	Nippon Life Insurance Company	500
Others (3)	Development Bank of Japan	7,460
	Shinkin Central Bank	2,520
	Aozora Bank	1,000
Total (20)		81,130
Bond	First Series Unsecured Investment Corporation Bonds	5,000
	Second Series Unsecured Investment Corporation Bonds	5,000
	Total	10,000



Changes in Financial Performance

NOMURA REAL ESTATE RESIDENTIAL FUND, INC.

		11th FP	12th FP	13th FP	14th FP	15th FP	16th FP	17th FP
Operating Revenues	million yen	5,250	5,174	5,257	5,406	5,594	5,480	5,678
Operating Profits	million yen	2,507	2,452	2,433	2,558	2,513	2,423	2,424
Net Income	million yen	1,856	1,875	1,876	1,965	1,955	1,877	1,872
Asset Total	million yen	156,780	156,703	156,576	168,019	167,940	164,852	169,316
Interest-bearing Debt Total	million yen	83,182	83,092	83,002	89,840	89,750	86,820	91,130
Net Asset	million yen	70,818	70,836	70,838	75,236	75,226	75,148	75,155
Return on Assets (ROA)	%	2.4	2.4	2.4	2.4	2.3	2.3	2.2
Return on Equity (ROE)	%	5.2	5.3	5.3	5.4	5.2	5.0	5.0
FP End Capital Adequacy Ratio	%	45.2	45.2	45.2	44.8	44.8	45.6	44.4
LTV	%	53.1	53.0	53.0	53.5	53.4	52.7	53.8
Interest Coverage Ratio	times	4.3	4.5	4.6	4.8	4.8	4.6	4.6
Weighted Average Interest Rate	%	1.28	1.27	1.24	1.17	1.16	1.18	1.11
Long-term Debt Average Remaining Duration	years	3.0	3.0	3.3	3.5	3.7	3.7	3.8
Rent NOI	million yen	4,016	4,010	3,953	4,118	4,156	4,126	4,187
NOI Yield (acquisition price base)	%	5.34	5.31	5.25	5.03	5.20	5.17	5.13
FFO	million yen	2,817	2,850	2,833	2,934	2,979	2,929	2,948
Portfolio	properties	152	153	152	155	153	150	148
Acquisition Price Total	million yen	149,862	150,587	150,966	161,917	160,247	159,310	163,792
Book Value Total	million yen	150,099	149,972	149,650	160,219	157,793	156,026	159,834
Appraisal Value Total	million yen	141,011	141,836	143,063	155,472	156,322	156,590	163,987
NAV per Unit	thousand yen	408	415	425	438	458	470	493

ROA=Current Profits/((Total Asset Value at Start of FP+Total Asset Value at FP End):2)x100 *annual basis

ROE=Net Income/((Net Asset at FP Start+Net Asset at FP End):2)x100 *annual basis

Capital Adequacy Ratio at FP End=Net Asset at FP End/Total Asset at FP End x 100

LTV=Total Interest-bearing Debt at FP End/Total Asset at FP End x 100

Interest Coverage Ratio=Net Income Before Interest Depreciation/(Interest Expenses+Investment Corporation Bond Interest)

Rent NOI=Real Estate Rental Business Revenues-Real Estate Rental Business Income+Current FP Depreciation and Amortization

NOI Yield (Acquisition Price Base)=Rent NOI/Total Acquisition Price x 100 *annual basis

FFO=Net Income+Current FP Depreciation and Amortization+Investment Corporation Bond Issuance Amortization-Real Estate Disposition Profit & Loss

NAV per Unit=(Net Asset Total-(Income Statement Total-Appraisal Value Total))/Total Number of Investment Units Issued



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For management fees that the Fund pays to Nomura Real Estate Asset Management Co., Ltd., please refer to the terms and conditions of the Fund, asset management reports, etc.

The forward-looking statements with respect to the future financial results contained in this document are based on the current facts about the investment policy of the Fund, applicable laws and regulations, the market environment, business practice, etc., as of the preparation date of this document and do not reflect or consider any changes in the circumstances after the preparation date. These forward-looking statements inherently reflect uncertainty about known risks as well as unknown risks and other factors and may deviate from the actual operating and management results, financial conditions, etc., of the Fund.

Investment in real estate investment securities may result in a loss due to a decline in the transaction price caused by, for example, changes in the price or the revenue-generating capability of the underlying properties or deterioration of the financial conditions of the issuer.

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