

FUND PORTFOLIO RATING

24-D-1697

February 28, 2025

Japan Credit Rating Agency, Ltd. (JCR) announces the following fund portfolio rating.

Instrument Name	Real Estate Non-Recourse Loan Jointly Managed Designated Money Trust Program
Rating	<Affirmation> A (fp)

Rationale

This is a fund portfolio rating for "Real Estate Non-Recourse Loan Jointly Managed Designated Money Trust Program" (the Program), which is a program for jointly managed designated money trusts with performance-based distribution formed in accordance with certain investment guidelines and backed by real estate non-recourse loans held by Sumitomo Mitsui Trust Bank, Limited ("SMTB") in its bank account, as the underlying assets.

The management guidelines stipulate that JCR's fund portfolio rating of "A (fp)" be maintained for the Program as a whole, with certain financing conditions and conservative LTV standards set for the individual jointly managed money trusts. The forms of investments from the jointly managed money trusts are assumed to be debt guarantees for real estate non-recourse loans for which SMTB is the creditor, acquisition of beneficial interests with real estate non-recourse loans as trust assets, etc. In the event of occurrence of a mismatch in the investment period between the invested trust assets of the jointly managed money trusts and the beneficial interests to be issued by the jointly managed money trusts to investors, a certain amount shall be invested in liquid assets in order to mitigate the risk at the time of redemption of the principal of the beneficial interests.

After confirming the management policy regarding the quality of invested trust assets of the jointly managed money trusts for the Program, JCR verified the market environment surrounding the real estate property, current lease terms, property value based on medium- to long-term cash flow levels and other factors, LTV, financing conditions such as liquidity facilities, and the management abilities of the parties involved in the scheme. As a result, there were no changes to the management policy for the Program, and there were no particular changes in the quality of the invested trust assets, so JCR affirmed the Fund Portfolio Rating as "A (fp)."

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Start Date	March 31, 2023
Scheme	Jointly Managed Designated Money Trust with performance-based distribution
Trustee	Sumitomo Mitsui Trust Bank, Limited Real estate non-recourse loans held by Sumitomo Mitsui Trust Bank, Limited in its bank account that meet the following conditions:
Investment Target	- Rating (including shadow rating): "A" or higher - External appraisal LTV: less than or equal to 60%
Credit Enhancement & Liquidity Facility	N/A



Important Description on This Fund Portfolio Rating

1. Difference from an Act Pertaining to the Credit Rating Business

Determining a Fund Portfolio Rating and providing it to someone are acts pertaining to the Ancillary Business conducted by Japan Credit Rating Agency, Ltd. ("JCR"), and these acts are not acts pertaining to the Credit Rating Business.

2. Difference from Credit Rating

A Fund Portfolio Rating is an evaluation of a fund for its asset quality, which is different from evaluations of certainty to honor the financial obligations. This assessment result provided above is expressed using the similar system of symbols as that used for ratings pertaining to the Credit Rating Business ("Credit Ratings"). However, the assessment result is not a rating pertaining to the Credit Rating Business ("Credit Rating"). In addition, the assessment result does not mean that JCR promises to provide or make available to the public a certain Credit Rating in the future.

3. Methodologies

Outline of the methodology for determination of the Fund Portfolio Rating is shown as "Rating Methodology for Fund Portfolio Rating" in Intelligence & Solution on JCR's website (<https://www.jcr.co.jp/en/>).

4. Difference from Advisory

This assessment result provided does not mean any advice to the fund rated and its stakeholders on the scheme and the composition of the principal assets and liabilities of the fund.

5. Definitions of Fund Portfolio Rating

AAA (fp):	Average quality of fund portfolio is equivalent to AAA Long-term Issue Rating
AA (fp):	Average quality of fund portfolio is equivalent to AA Long-term Issue Rating
A (fp):	Average quality of fund portfolio is equivalent to A Long-term Issue Rating
BBB (fp):	Average quality of fund portfolio is equivalent to BBB Long-term Issue Rating
N (fp):	Not included in any of the upper grades

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