

AIA Global Property Returns Fund

November 2022

Investment Objective

This fund seeks to achieve long term capital growth and stable income by investing in a portfolio of listed global Real Estate Investment Trusts.

Key Fund Facts

(As of 30 November 2022)

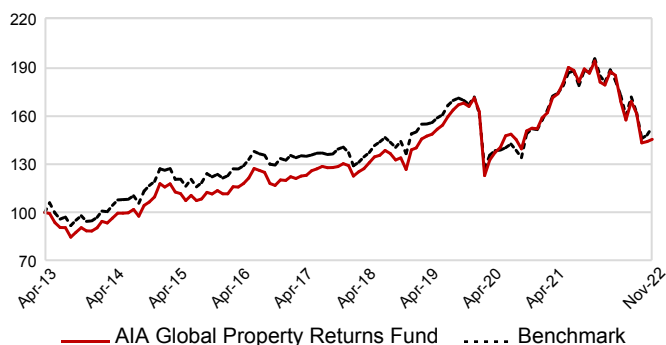
Launch Date	2 April 2013	Subscription	Cash and SRS
Launch Price	SGD 1.000	Sales Charge (For Cash and SRS)	Up to 5%*
Manager of ILP Sub-Fund	Janus Henderson Investors (Singapore) Limited	Pricing Frequency	Daily
Name of Underlying Fund(s)	Janus Henderson Horizon Fund - Global Property Equities Fund	Management Fees	1.50% p.a. of Net Asset Value
Manager(s) of Underlying Fund(s)	Henderson Global Investors Limited	Bid	SGD 1.381
Risk Classification	Higher Risk	Offer	SGD 1.454
		Fund Size	SGD 36.2M

Performance

(As of 30 November 2022)

Period	1 Month	3 Months	6 Months	1 Year	3 Year^	5 Year^	Since Inception^
Fund (bid-to-bid)	0.95%	-9.92%	-13.96%	-22.02%	-4.69%	2.49%	3.95%
Benchmark	3.35%	-5.45%	-11.30%	-18.11%	-3.36%	1.91%	4.51%

AIA Global Property Returns Fund



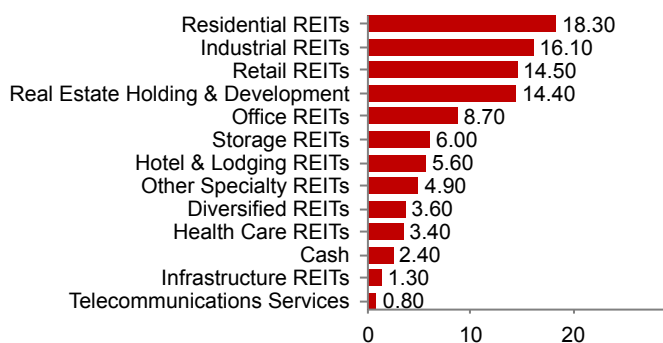
Notes (1) Performance of the fund is in SGD on a bid to bid basis with net dividends reinvested, without taking into consideration the fees and charges payable through deduction of premium or cancellation of units (2) ^ denotes annualised returns (3) Current Manager: Janus Henderson Investors (Singapore) Limited (w.e.f 15 June 2020) (4) Current benchmark: FTSE EPRA Nareit Developed Index (w.e.f. 15 June 2020) (5) Previous benchmark: Customised FTSE EPRA/NAREIT Net Total Return Index (SGD), 25% Singapore REITs & 75% Global (ex Singapore) REITs (Inception to 14 June 2020)

Past Performance is not necessarily indicative of future performance.

Source: AIA Singapore

Sector Allocation (%)

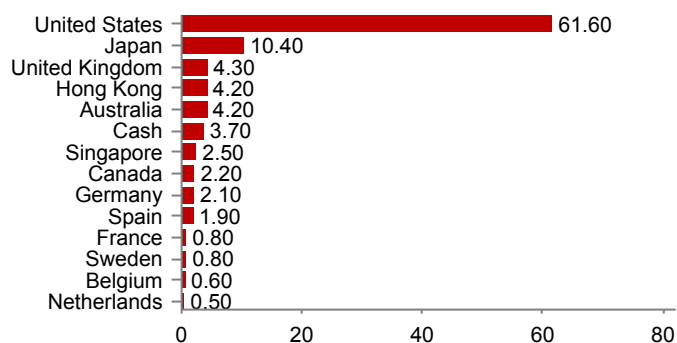
(As of 30 November 2022)



Source : Janus Henderson Investors (Singapore) Limited, Information from the underlying Janus Henderson Horizon Fund - Global Property Equities Fund

Country Allocation (%)

(As of 30 November 2022)



Top Holdings

(As of 30 November 2022)

	Holdings (%)
Prologis	9.10
VICI Properties	4.80
Digital Realty Trust	4.50
Alexandria Real Estate Equities	3.70
Healthpeak Properties	3.60
Welltower	3.50
UDR	3.40
Invitation Homes	3.20
CubeSmart	3.20
Mitsui Fudosan	3.10
TOTAL	42.10

Source : Janus Henderson Investors (Singapore) Limited, Information from the underlying Janus Henderson Horizon Fund - Global Property Equities Fund

Manager's Commentary

(As of 30 November 2022)

Investment Environment

Global equity markets continued to recover in November, despite central banks delivering substantial interest rate hikes during the month. The 7.7% increase in year-on-year US inflation was below market expectations, with investors extrapolating that a peak in interest rates may not be too far off. Global listed real estate stocks also made gains, led by property stocks in Asia, as markets reacted favourably to news that China might pursue less restrictive COVID policies.

Names in Australia, Singapore and Hong Kong delivered stellar returns. Nordic property markets also rebounded strongly. In the US, REIT earnings concluded with companies posting an average of 19% reported earnings growth year-on-year for the third quarter, driven predominantly by organic cash flow growth. This is a sign that property fundamentals remain healthy across most sub-sectors. However, transaction evidence globally remained elusive, with a lack of price discovery driven by increasing debt costs causing many REITs to temporarily pull-back on external growth activity as property yields continued to move higher.

Portfolio Review

The fund returned 4.6% while its benchmark returned 6.7%.

Positions in health care owners Welltower and Healthpeak, and retail net lease owner National Retail Properties added value. However, this was offset by holdings in the residential sector which lagged over the month. Here, US West coast-focused apartment owner Essex Property Trust, and single-family rental housing landlord Tricon Residential, detracted from performance.

In terms of activity, we added US grocery-anchored shopping centre owner Brixmor, with the stock trading at discounted multiples despite the more defensive convenience focused nature of the portfolio. We sold West Coast apartment landlord Essex, where we expected recent technology lay-off announcements to hamper new leasing demand in the coming quarters. We also exited our holding in cell tower owner SBA Communications due to its elevated valuation despite what we saw as a likely slowdown in the forward growth profile of the company.

Manager Outlook

While real estate will not be immune to the changing macroeconomic landscape, we believe its ability to provide more dependable income streams, diversification benefits and inflation protection over time, should provide some comfort.

Within the sector, real estate fundamentals are likely to reflect ongoing divergence across different property types in the years ahead, driven by the themes of changing demographics, digitisation, sustainability and the convenience lifestyle. It therefore remains important, in our view, to remain selective. The importance of management, asset and balance sheet quality are also likely to come to the fore again.

While the direct property market is only now adjusting to higher funding costs, the listed market has reacted already, resulting in shares trading at wide discounts to previous asset values and reflecting a highly uncertain environment. This may overlook the attractive, reliable and growing income streams that many real estate companies can generate for investors - something which we expect to be rewarded over time.

Source: Janus Henderson Investors (Singapore) Limited

*Please refer to the Product Summary applicable to the investment-linked policy which you have purchased or intend to purchase for these applicable fees and charges.

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