

AIA Global Property Returns Fund

August 2023

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 31 August 2023)

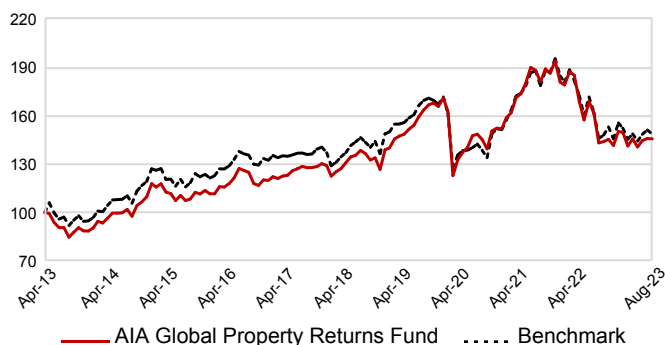
Launch Date	2 April 2013	Subscription Pricing Frequency	Cash and SRS
Launch Price	SGD 1.000	Management Fees	Daily
Manager of ILP Sub-Fund	Janus Henderson Investors (Singapore) Limited	Bid Offer	1.50% p.a. of Net Asset Value
Name of Underlying Fund(s)	Janus Henderson Horizon Fund - Global Property Equities Fund	Fund Size	SGD 1.384
Manager(s) of Underlying Fund(s)	Henderson Global Investors Limited		SGD 1.457
Risk Classification	Higher Risk		SGD 41.6M

Performance

(As of 31 August 2023)

Period	1 Month	3 Months	6 Months	1 Year	3 Year [^]	5 Year [^]	10 Year [^]	Since Inception [^]
Fund (bid-to-bid)	-0.14%	3.52%	-2.67%	-9.72%	-0.67%	1.01%	5.57%	3.68%
Benchmark	-0.14%	3.48%	-2.67%	-9.73%	-0.68%	1.00%	5.56%	3.68%

AIA Global Property Returns Fund



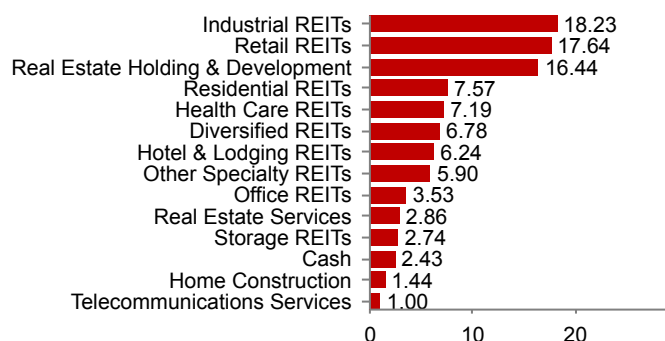
Notes (1) Performance of the fund is in SGD on a bid to bid basis with net dividends reinvested, without taking into consideration the fees and charges payable through deduction of premium or cancellation of units (2) [^] denotes annualised returns (3) Current Manager: Janus Henderson Investors (Singapore) 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 (%)

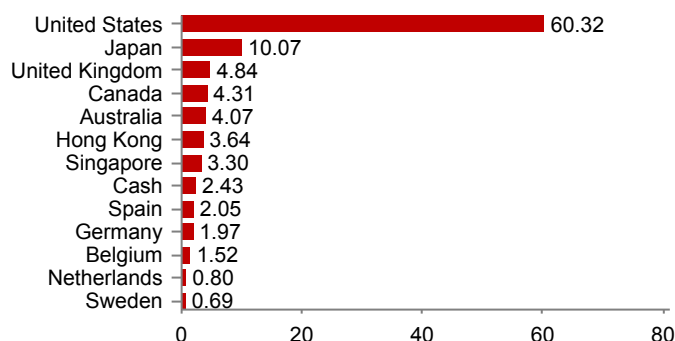
(As of 31 August 2023)



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

Country Allocation (%)

(As of 31 August 2023)



Top Holdings

(As of 31 August 2023)

	Holdings (%)
Prologis	9.33
Equinix	5.90
VICI Properties	5.07
Mitsui Fudosan	3.89
Welltower	3.73
Camden Property Trust	3.60
Agree Realty	3.19
Americold Realty Trust	3.14
UDR	3.06
NNN REIT	3.03
TOTAL	43.94

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

Manager's Commentary

(As of 31 August 2023)

Investment environment

Global equities declined in August, driven by weak macroeconomic data out of China and further increases in sovereign bond yields, particularly in the US where economic data has remained particularly resilient. Listed property stocks also fell over the month, slightly underperforming the broader equity market.

In the US, risk-off sentiment led to underperformance in more cyclical property sectors, notably office, shopping mall and hotel stocks. Apartment, industrial and data centre sectors proved to be more resilient. In Asia, Japanese property stocks were most resilient, while Hong Kong and China continued to materially underperform, with retail landlords and highly-levered companies punished most severely. In Europe, results season confirmed strong operating performance from most sectors. Fundamentals in logistics and student housing screen the most robust, albeit office and retail are also benefiting from leases indexed to inflation. Balance sheets remain in focus with higher financing costs offsetting top-line growth resulting in more muted earnings growth, particularly in Swedish property stocks.

Portfolio review

The fund outperformed its benchmark*. Stock selection added notable value over the month. Industrial landlords Stag Industrial and Goodman, cold storage owner Americold, global real estate services company CBRE, and Japanese developer Mitsui Fudosan all made positive contributions. By contrast, Canadian single-family home owner Tricon and net lease retailer NNN REIT were both notable detractors.

We reduced the fund's overweight position to industrial, selling Southern California-focused Rexford Industrial given slowing market rental growth after two years of record gains. With the proceeds, we further increased the position in global data centre landlord Equinix. In Australia, we switched out of retail landlord Vicinity Centers into peer Scentre Group as we prefer the quality of the latter's portfolio. We also took profit and exited our holdings in Stockland and added a new position in Mirvac Group, where we like the apartment and prime office portfolio alongside the attractive valuations available. Elsewhere we sold out of UK diversified landlord Land Securities, switching into peer British Land following significant relative underperformance that has resulted in a more attractive valuation.

*Fund performance is typically valued net of fees using 3pm prices, while benchmark valuation is based on close of business day pricing. This comparison of performance is based on the valuation of the fund gross of fees and the benchmark valuation at close of the business day.

Manager outlook

Real estate markets are facing headwinds from a slowing economy and more restrictive financial conditions. Against this backdrop, the importance of management, asset and balance sheet quality are all coming to the fore again. 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 be selective.

While the direct property market is taking time to adjust to the challenging macroeconomic landscape, the listed market has reacted already, resulting in shares trading at historically 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, as well as their ongoing access to capital. This is something 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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