

# AIA International Health Care Fund

November 2022

## Investment Objective

This fund seeks to achieve long-term capital appreciation through investments on a worldwide basis in equity securities of companies that are engaged in the health care and health science industries. A substantial portion of its portfolio will typically be invested in U.S. companies. Through a bottom-up selection process, the team attempts to determine market leaders with superior research, financial controls and marketing capabilities.

## Key Fund Facts

(As of 30 November 2022)

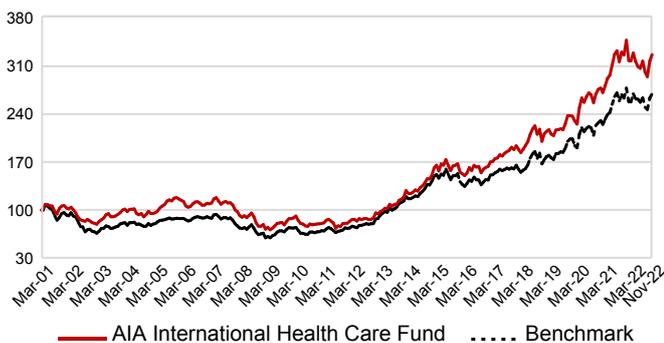
<b>Launch Date</b>	12 March 2001	<b>Subscription</b>	Cash and SRS
<b>Launch Price</b>	SGD 1.000	<b>Sales Charge (For Cash and SRS)</b>	Up to 5%*
<b>Manager of ILP Sub-Fund</b>	AllianceBernstein (Singapore) Ltd.	<b>Pricing Frequency</b>	Daily
<b>Name of Underlying Fund(s)</b>	AB SICAV I – International Health Care Portfolio (Luxembourg IHCP)	<b>Management Fees</b>	1.75% p.a. of Net Asset Value
<b>Manager(s) of Underlying Fund(s)</b>	AllianceBernstein L.P.	<b>Bid Offer</b>	SGD 3.095 SGD 3.258
<b>Risk Classification</b>	Higher Risk	<b>Fund Size</b>	SGD 143.6M

## Performance

(As of 30 November 2022)

Period	1 Month	3 Months	6 Months	1 Year	3 Year <sup>^</sup>	5 Year <sup>^</sup>	10 Year <sup>^</sup>	Since Inception <sup>^</sup>
<b>Fund (bid-to-bid)</b>	2.93%	8.48%	5.67%	0.13%	11.16%	11.25%	14.16%	5.59%
<b>Benchmark</b>	2.28%	7.84%	3.03%	2.43%	10.39%	10.77%	12.86%	4.66%

## AIA International Health Care Fund



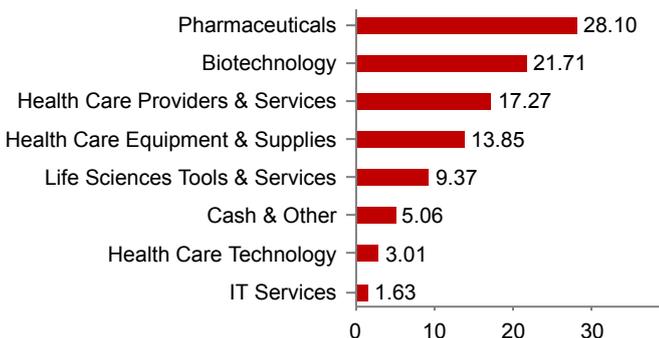
Source: AIA Singapore

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 benchmark: MSCI World Health Care Index

Past Performance is not necessarily indicative of future performance.

## Sector Allocation (%)

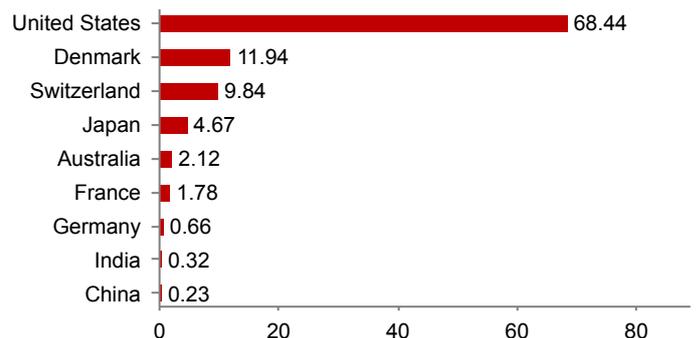
(As of 30 November 2022)



Source: AllianceBernstein L.P., Information from the underlying AB SICAV I – International Health Care Portfolio

## Country Allocation (%)

(As of 30 November 2022)



## Top Holdings

(As of 30 November 2022)

	Holdings (%)
UnitedHealth Group, Inc.	8.71
Novo Nordisk A/S	6.62
Roche Holding AG	6.37
Amgen, Inc.	5.40
Elevance Health, Inc.	5.27
Vertex Pharmaceuticals	4.63
Regeneron Pharmaceuticals	3.84
GSK PLC	3.51
Genmab A/S	3.14
Veeva Systems, Inc.	3.01
<b>TOTAL</b>	<b>50.50</b>

Source: AllianceBernstein L.P., Information from the underlying AB SICAV I – International Health Care Portfolio

## Manager's Commentary

(As of 30 November 2022)

### MARKET REVIEW

Some early evidence of easing inflationary pressures continued to raise hopes that the US Federal Reserve and other key central banks would soon slow the pace of rate hikes. As the month ended, investor sentiment was buoyed and stocks rose sharply after Fed Chair Powell confirmed that the Fed may begin to slow the pace of its aggressive rate hikes as early as December, although he also cautioned that there was still a long way to go to restore price stability.

### PORTFOLIO PERFORMANCE

For November, Class A shares of the Portfolio increased in absolute terms and outperformed the Benchmark, the MSCI World Health Care, net of fees. Year to date, shares of the Portfolio decreased in absolute terms and underperformed the Benchmark. For the month, the Portfolio's outperformance was supported by contributions from selection within the healthcare equipment & supplies subsector and an overweight to biotechnology. In contrast, selection within the biotechnology and pharmaceuticals subsectors detracted.

### OUTLOOK

Performance continues to be challenging on a year-to-date basis. Factor headwinds have been meaningful, with value, leverage and dividend yield outperforming profitability and growth. The Portfolio has maintained an overweight exposure to profitability and growth, while underweight value and leverage—consistent with the philosophy we have articulated. In addition, macro headwinds have led to earnings disappointments in more consumer/capital equipment-focused companies—Align Technology, IDEXX Laboratories, Intuitive Surgical, etc. We believe that valuations of these companies have or are rapidly approaching attractive levels as measured by our discount-rate observations. While investors have sought to “weather the storm” by over-indexing to pharmaceuticals, we remain concerned about the capital allocation strategy of many of these companies, and continue to believe that investors should think long term and seek out profitable businesses with strong reinvestment opportunities.

We remain convicted in our philosophy and process. As such, we have selectively deployed capital to take advantage of what we believe are pricing disparities in the market for businesses with strong returns on invested capital, high barriers of entry and competitive advantages, and with ample reinvestment opportunity—making them capable of being funded through their strong balance sheets. While this period has been challenging, healthcare as a sector has continued to demonstrate its defensive characteristics relative to the broader markets. Our performance versus the category remains strong and, most importantly, we remain steadfast in our investing philosophy—with an eye toward creating value for our clients over the long term.

Source: AllianceBernstein (Singapore) Ltd.

\*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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