

AIA Japan Equity Fund

July 2021

Investment Objective

This fund seeks to achieve long-term capital appreciation through investment primarily in equities and equity-related securities of Japanese companies.

Key Fund Facts

(As of 31 July 2021)

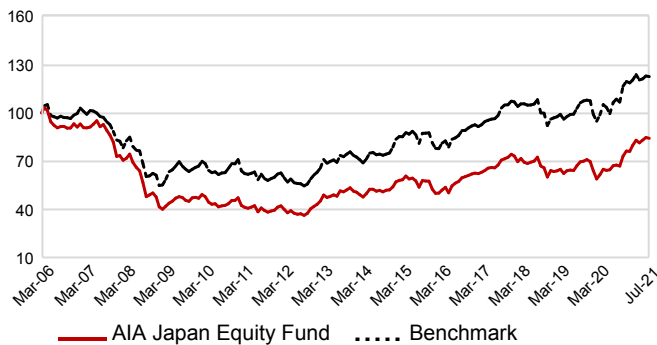
Launch Date	9 March 2006	Subscription	Cash, CPF(OA) and SRS
Launch Price	SGD 1.000	Sales Charge (For Cash and SRS)	Up to 5%*
Manager of ILP Sub-Fund	Nikko Asset Management Asia Limited	Sales Charge (for CPF OA or SA)	0% (wef 1 Oct 2020)
Name of Underlying Fund(s)	Nikko AM Shenton Japan Fund	Pricing Frequency	Daily
Manager(s) of Underlying Fund(s)	Nikko Asset Management Asia Limited	Management Fees	1.50% p.a. of Net Asset Value
Risk Classification	Higher Risk	Bid	SGD 0.801
		Offer	SGD 0.844
		Fund Size	SGD 20.8M

Performance

(As of 31 July 2021)

Period	1 Month	3 Months	6 Months	1 Year	3 Year [^]	5 Year [^]	10 Year [^]	Since Inception [^]
Fund (bid-to-bid)	-0.62%	3.49%	10.64%	30.03%	6.67%	8.98%	7.08%	-1.10%
Benchmark	-0.35%	1.69%	3.26%	23.06%	5.30%	7.93%	6.82%	1.33%

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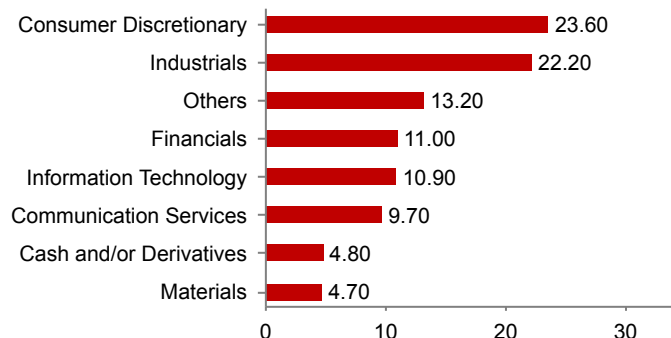
Notes (1) Performance of the fund is in SGD on a bid to bid basis with net dividends reinvested, without taking into consideration the fees and charges payable through deduction of premium or cancellation of units (2) [^] denotes annualised returns (3) Current Manager: Nikko Asset Management Asia Limited (w.e.f 27 June 2011) (4) Current benchmark: TOPIX[^] Index (w.e.f 1 July 2011) * W.e.f 1 May 2017 net total return index methodology is used, prior to 1 May 2017, price index methodology was used. (5) Previous benchmark: MSCI Japan DTR Net (Inception to 30 June 2011)

Past Performance is not necessarily indicative of future performance.

Source: AIA Singapore

Sector Allocation (%)

(As of 31 July 2021)



Source: Nikko Asset Management Asia Limited, Information from the underlying Nikko AM Shenton Japan Fund

Top Holdings

(As of 31 July 2021)

	Holdings (%)
SONY GROUP CORPORATION	4.80
TOYOTA MOTOR CORP.	3.90
NINTENDO CO., LTD.	3.50
HITACHI,LTD.	3.50
MITSUBISHI UFJ FINANCIAL GROUP, INC.	2.40
MITSUI & CO.,LTD	2.40
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	2.20
KDDI CORPORATION	2.10
FUJIFILM HOLDINGS CORP	2.00
SUMITOMO MITSUI FINANCIAL GROUP, INC.	1.90
TOTAL	28.70

Source: Nikko Asset Management Asia Limited, Information from the underlying Nikko AM Shenton Japan Fund

Manager's Commentary

(As of 31 July 2021)

The Japanese equity market fell in July, weighed down by the announcement of a fourth state of emergency for the Tokyo area, which spurred worries that a domestic recovery would be delayed. Following this, investors took an increasingly risk-off approach. Of the 33 Tokyo Stock Exchange sectors, 11 sectors rose, with Marine Transportation, Insurance, and Fishery, Agriculture & Forestry posting the strongest gains. In contrast, 22 sectors declined, including Other Products, Pharmaceuticals, and Mining.

The Fund underperformed the benchmark's return of -0.35% in July. Sector allocation added to performance while stock selection detracted. In terms of sectors, the overweight in Transportation Equipment and Marine Transportation as well as the underweight in Information & Communications added to performance, offsetting the negative contribution from our overweight in Other Products and Mining as well as underweight in Precision Instruments.

At the stock level, the biggest positive contributors included outdoor equipment maker Snow Peak and electronics giant Sony Group. Our lack of exposure to telecom and investment company SoftBank Group also contributed positively on a relative basis given its weak performance during the month. In contrast, negative contributors included video game maker Nintendo and sporting goods maker Asics. Our nil holding of factory automation equipment maker Keyence also contributed negatively on a relative basis as its share price rose.

In Japan, vaccination efforts have accelerated and the Tokyo Olympics was held without incident. Although Japanese stocks have lagged US equities, we expect to see them gradually start to catch up. The current market environment should continue to provide a tailwind to actively managed Value strategies such as ours and we are confident that there is still potential to generate significant alpha. Looking ahead, we will take advantage of any short-term corrections in the market to actively invest into promising names.

Source: Nikko Asset Management Asia 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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