

AIA Japan Equity Fund

November 2022

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 30 November 2022)

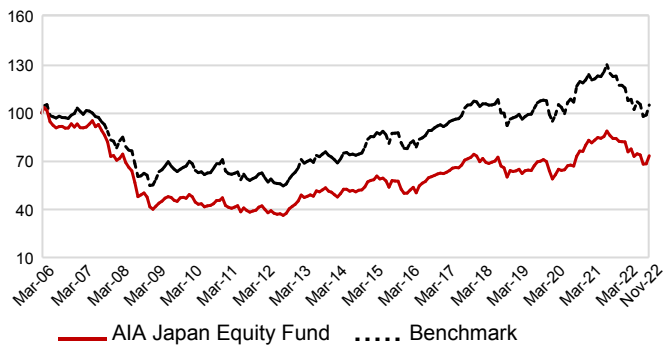
Launch Date	9 March 2006	Subscription	Cash, CPF(OA) and SRS
Launch Price	SGD 1.000	Sales Charge (For Cash and SRS)	Up to 5%*
Manager of ILP Sub-Fund	Nikko Asset Management Asia Limited	Sales Charge (for CPF OA or SA)	0% (wef 1 Oct 2020)
Name of Underlying Fund(s)	Nikko AM Shenton Japan Fund	Pricing Frequency	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 0.698
		Offer	SGD 0.735
		Fund Size	SGD 18.0M

Performance

(As of 30 November 2022)

Period	1 Month	3 Months	6 Months	1 Year	3 Year [^]	5 Year [^]	10 Year [^]	Since Inception [^]
Fund (bid-to-bid)	7.22%	-0.71%	-5.42%	-12.75%	1.58%	0.52%	6.90%	-1.83%
Benchmark	6.18%	-0.39%	-3.30%	-14.36%	-0.80%	-0.02%	6.50%	0.29%

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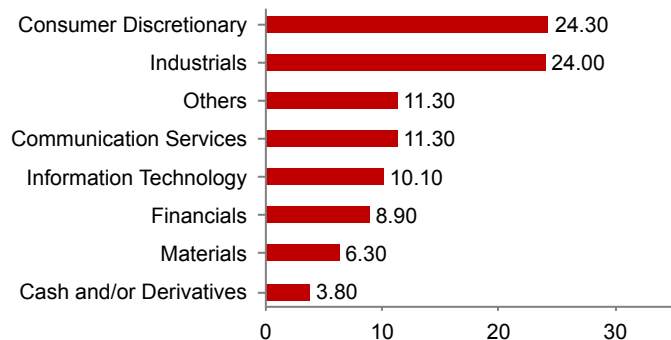
Notes (1) Performance of the fund is in SGD on a bid to bid basis with net dividends reinvested, without taking into consideration the fees and charges payable through deduction of premium or cancellation of units (2) [^] denotes annualised returns (3) Current Manager: Nikko Asset Management Asia Limited (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 30 November 2022)



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

Top Holdings

(As of 30 November 2022)

	Holdings (%)
SONY GROUP CORPORATION	4.80
NINTENDO CO., LTD.	3.60
HITACHI,LTD.	3.50
MITSUI & CO.,LTD	3.40
TOYOTA MOTOR CORP.	3.40
MITSUBISHI UFJ FINANCIAL GROUP, INC.	2.70
SUMITOMO MITSUI FINANCIAL GROUP, INC.	2.20
NIPPON TELEGRAPH AND TELEPHONE CORPORATION	2.10
ASICS CORPORATION	1.90
ISUZU MOTORS LIMITED	1.80
TOTAL	29.40

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

Manager's Commentary

(As of 30 November 2022)

The Japanese equity market rallied overall in November, tracking a rise in US equities on the back of better-than-expected inflation prints, which prompted expectations that the US Federal Reserve would slow the pace of its rate hikes. This was further supported by remarks made at the US Federal Open Market Committee meeting which suggested a deceleration of rate hikes. Of the 33 Tokyo Stock Exchange sectors, 24 sectors rose, with Marine Transportation, Wholesale Trade, and Banks posting the strongest gains. Meanwhile, 9 sectors declined, including Precision Instruments, Rubber Products, and Oil & Coal Products.

The Fund outperformed the benchmark's monthly return of 6.18% in SGD terms. Both sector allocation and stock selection contributed to performance. In terms of sectors, the overweight in Other Products and Transportation Equipment and the underweight in Chemicals detracted from performance, but this was offset by the positive contribution from the underweight in Precision Instruments and Services, as well as the overweight in Wholesale Trade.

In terms of stocks, positive contributors included sportswear manufacturer Asics, major trading house Mitsui & Co., electronics and game/entertainment conglomerate Sony Group, and industrial machinery maker Kawasaki Heavy Industries whose share prices rose. Meanwhile, detractors included marine civil engineering firm Penta-Ocean Construction, game and console maker Nintendo, apparel retailer United Arrows, and department store operator J.Front Retailing as their share prices declined.

We maintain our view that undervalued Japanese stocks have significant upside potential. For now, we prefer a cautious stance as inflation seems likely to persist. It appears that an economic downturn has been largely priced in, so we will look out for signs of the timing for a rebound going forward. We are increasingly confident that the Japanese equity market will break free of the boxed range it has been moving in, and generate significant alpha for our strategy.

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.

AIA Japan Equity Fund is an investment-linked policy (ILP) fund offered by AIA Singapore Private Limited ("AIA Singapore") and is only available under AIA Investment-Linked Policies. AIA Singapore is the product provider. This fact sheet is prepared by AIA Singapore and the information presented is for informational use only. Investments are subject to investment risks including the possible loss of the principal amount invested. Past performance, as well as the prediction, projection or forecast on the economy, securities markets or the economic trends of the markets are not necessarily indicative of the future or likely performance of the ILP funds. The performance of the ILP funds is not guaranteed and the value of the units in the ILP funds and the income accruing to the units, if any, may fall or rise. A product summary relating to the ILP funds is available and may be obtained from your AIA Financial Services Consultant. A potential investor should read the product summary before deciding whether to subscribe for units in the ILP funds. AIA Singapore does not warrant or make any representations regarding the use or the results of the use of the figures generated in terms of their correctness, accuracy, reliability, or otherwise.

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