



# Build stable income with Singapore's first Asia Pacific REIT fund

## United Asia Pacific Real Estate Income Fund

A portfolio of selected Asia Pacific real estate assets that aims to deliver stable monthly distributions.



[uobam.com.sg/apacreit](https://uobam.com.sg/apacreit)



Best Asset Management House in Asia (20 years)



**Right By You**



## The Asia Pacific REITs story

Asia Pacific Real Estate Investment Trusts (APAC REITs) are collective investment schemes that enable investors to own a portfolio of commercial real estate, traditionally available only through direct investment to large long-term institutional investors.

Properties across various markets include:



Office



Retail



Industrial



Hospitality

## Benefits of investing in REITs

The assets provide capital growth and steady rental stream, giving investors income via regular distribution.

Strong track record of being less volatile with a higher return-to-risk profile than other major indices e.g. broad equity market.

Flexibility to shift the investment focus among different property sectors and geographies as risks are diversified.

Good investment tool to diversify portfolio risk in uncertain markets due to its relatively low correlations with major asset classes.

## What you need to know about APAC REITs



E-commerce acceleration continues to drive growth for industrial REITs.



Grade-A office properties will benefit as tenants relocate to prime offices.



Retail rents poised to recover as tourists return and retail supply remains limited.

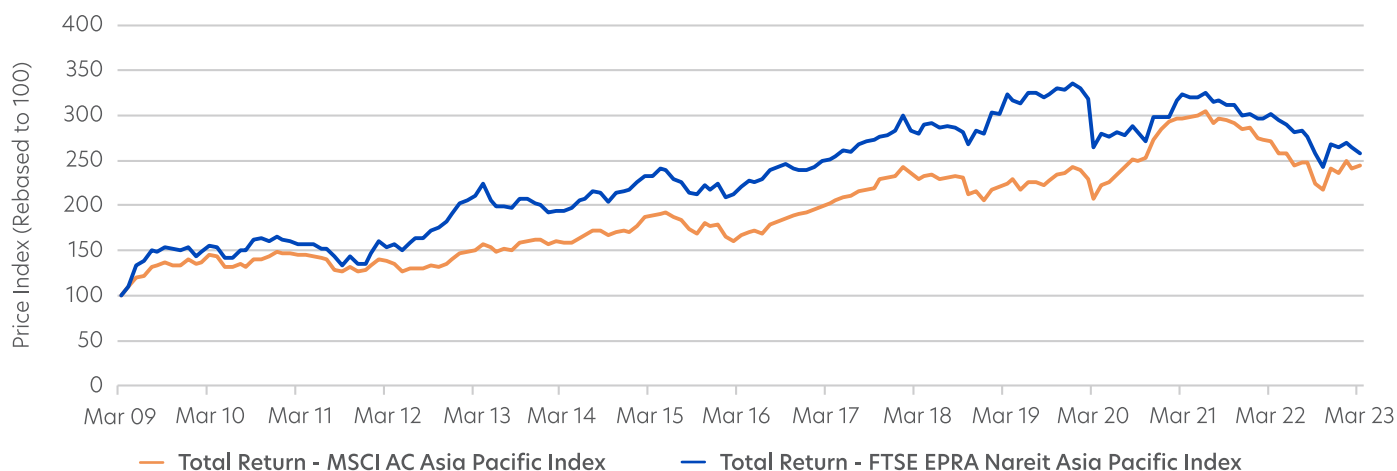


Expansion into student housing enhances income stability for hospitality REITs.

## Key benefit of APAC REITs

APAC REITs have delivered consistent total returns, outperforming the broader equity market in the region over the long term. These returns are backed by attractive dividend yields and long-term capital appreciation.

Outperformance against MSCI AC Asia Pacific<sup>1</sup>



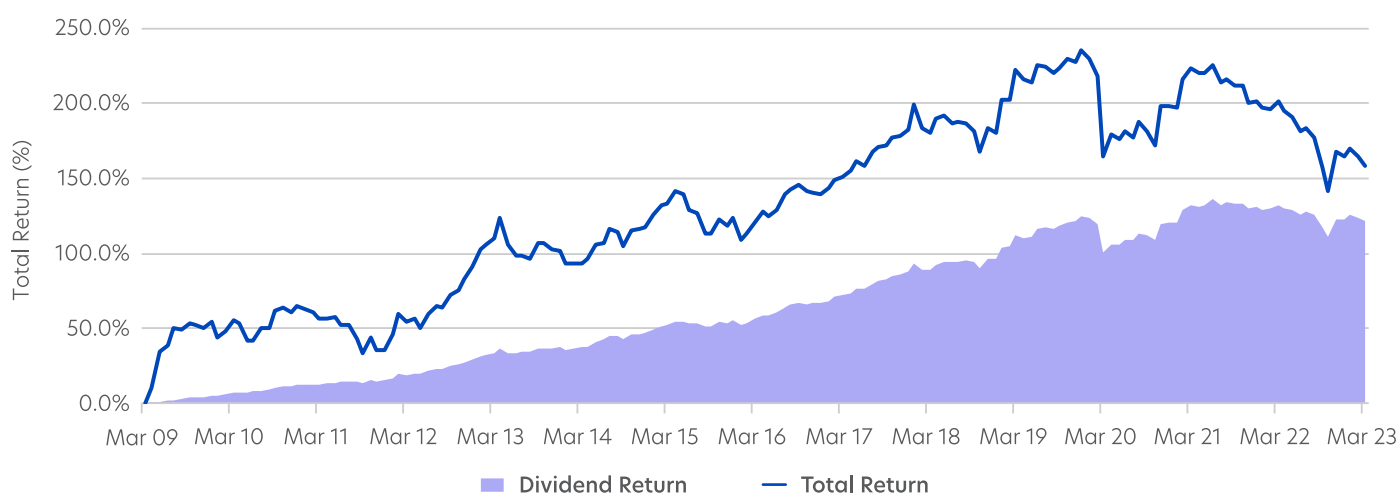
## Capture the potential of APAC REITs with United Asia Pacific Real Estate Income Fund

### Provides regular income

To enable investors to capture the potential of APAC REITs and diversify their portfolio, we offer the United Asia Pacific Real Estate Income Fund (the "Fund"). Backed by strong and stable dividend yields of the Fund's underlying portfolio, the Fund offers an attractive monthly income distribution of 4.5% p.a.<sup>2</sup>

REITs are required to distribute at least 90% of its taxable income as dividends to its shareholders annually. The dividends are backed by the stable stream of contractual rents paid by the tenants of the properties in the portfolio.

FTSE EPRA Nareit Asia Pacific Gross Return (SGD)<sup>3</sup>



<sup>1</sup> Source: Bloomberg, as at 31 March 2023

<sup>2</sup> Distributions (in SGD) are not guaranteed. Distributions may be made out of income, capital gains and/or capital. This relates to disclosed distribution policy as set out in the Fund's prospectus.

<sup>3</sup> Source: Bloomberg, as at 31 March 2023

## Arising opportunities as economies reopen post-COVID-19

Even as we expect heightened geopolitical risks and concerns over stagflation, the APAC region remains in various phases of economy reopening and is poised to benefit from post-COVID-19 economic growth. The overall tenant demand continues to see improvement across most sectors and the leasing momentum is expected to pick up.

Growth is well underpinned by cyclical uplift in rents from the normalisation in economic activities and abatement in rental waivers.

## Benefits in an inflationary environment

Despite macro-level headwinds from central bank interest rate rises and rising bond yields, the current market environment remains conducive for REITs.

An inflationary environment, which is associated with economic growth, is generally favourable to the REITs sector from the perspective of rental income growth and appreciation in asset capital values. Past precedents suggest that REITs typically perform well following initial interest rate hikes. Sector outperformance trend following rate lift-off is consistent across different markets notably in Singapore, Australia and Japan.

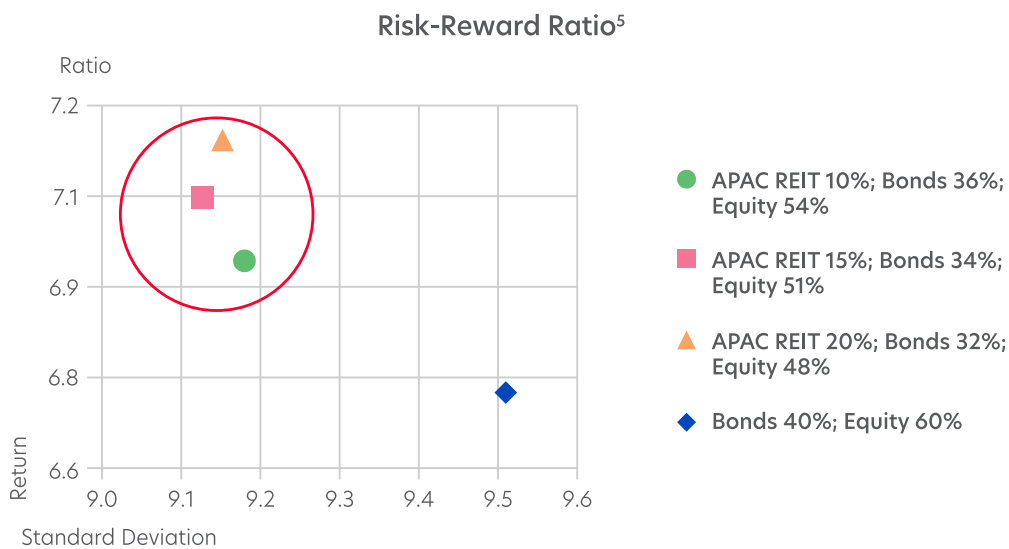
FTSE EPRA Nareit Asia Pacific Price Index (SGD)<sup>4</sup>



<sup>4</sup> Source: UOBAM, Bloomberg, as at 31 March 2023

Offers portfolio diversification

REITs offer diversification benefits to a portfolio. Real estate assets often perform differently than traditional stocks and bonds; allocating some into a portfolio could potentially improve the overall risk-adjusted return.



Environmental, Social and Governance (ESG) enhanced

The Fund adopts UOBAM's sustainable investment framework, which includes investing in companies with better ESG scoring.

Key ESG factors<sup>6</sup>

Environment	Social	Governance
Carbon Emissions	Labour Management	Board Structure, Pay and Ownership
Opportunities in Green Buildings	Diversity and Equal Opportunities	Accounting Practices
Environmental Policy and Management	Supply Chain Controversies	Business Ethics

Green REITs typically are REITs that have strong practices in its energy usage and greenhouse gas emissions, which are considered under the 'Environment' pillar of the key ESG factors. A Sustainable REIT typically has strong sustainability performance across all three pillars in aggregate. The ESG factors are fully integrated in our investment process.

<sup>5</sup> Source: Morningstar Direct. Time Period: January 2009 - March 2023. Equity - MSCI AC World Index, Bonds - Bloomberg Global Agg Index, APAC REIT - S&P Asia Pacific REIT Index.  
<sup>6</sup> Source: UOBAM Analysis, April 2023

## Investment themes



### Rental upcycle

Commercial REITs in selective markets



### E-commerce beneficiaries

Logistics REITs with wide geographical footprint



### Resilient assets

Quality assets for example, data centres and healthcare properties



### Defensive

REITs with long Weighted Average Lease Expiry



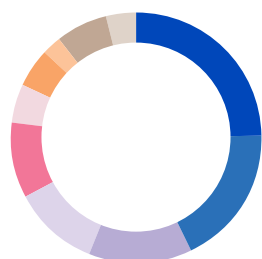
### Growth

REITs with asset recycling and acquisition capability

## Composition of United Asia Pacific Real Estate Income Fund<sup>7</sup>

The Fund invests in different types of REITs across the APAC region, and aims to provide investors stable returns and income through sustainable distribution growth.

The Fund provides investors the opportunity to capitalise on the positive outlook for the real estate sector in Australia, Japan, Singapore and Hong Kong. Retail and Office REITs are two of the key beneficiaries in the reopening of economies post-COVID-19.



### Sector Allocation

- Retail REITs 24.64%
- Diversified Real Estate Activities 18.02%
- Diversified REITs 13.44%
- Industrial REITs 11.05%
- Real Estate Development 9.70%
- Hotel & Resort REITs 5.20%
- Real Estate Operating Companies 4.99%
- Office REITs 2.53%
- Others 6.79%
- Cash 3.63%

### Country Allocation



<sup>7</sup> Source: UOBAM, as at 31 March 2023

## Fund details

Fund Name	United Asia Pacific Real Estate Income Fund
Investment Objective	To seek total return consisting of income and capital appreciation over the medium to long term by investing primarily in Real Estate Investment Trusts ("REITs") listed in the Asia Pacific region (including Japan, Australia and New Zealand)
Sub-manager	Sumitomo Mitsui DS Asset Management Company, Limited (for Japan market)
Reference Benchmark	S&P Asia Pacific REITs Index (from inception to 30 June 2022) FTSE EPRA Nareit Asia Pacific Index (1 July 2022 onwards)
Fund Classes Available <sup>8</sup>	Class SGD Acc; Class SGD Dist Class USD Dist
Subscription Mode	Cash and SRS
Minimum Subscription	Class SGD Acc/SGD Dist: S\$1,000 (initial) Class SGD Acc/SGD Dist: S\$500 (subsequent) Class USD Dist: US\$1,000 (initial) Class USD Dist: US\$500 (subsequent)
Subscription Fee	Currently up to 5%, maximum 5%
Management Fee	Currently 1.5% p.a.; maximum 2% p.a.
Dealing Frequency & Deadline <sup>9</sup>	Generally every business day, on a forward pricing basis up till 3pm (Singapore time)
Distribution policy <sup>10</sup>	4.5% p.a. monthly* *Distributions (in SGD) are not guaranteed. Distributions may be made out of income, capital gains and/or capital. This relates to the disclosed distribution policy as set out in the Fund's prospectus.

<sup>8</sup> Investors should refer to the Fund's prospectus for more details on the different classes available. Please check with our distributors on the availability of the Fund Classes.

<sup>9</sup> Please check with the distributor or refer to the Fund's prospectus for more details.

<sup>10</sup> Distributions will be made in respect of the Distribution Classes of the Fund. Distributions are based on the NAV per unit of the relevant Distribution Class as at the last business day of the month. The making of distributions is at the absolute discretion of UOBAM and distributions are not guaranteed. The making of any distribution shall not be taken to imply that further distributions will be made. The Managers reserve the right to vary the frequency and/or amount of distributions. Distributions from a fund may be made out of income and/or capital gains and (if income and/or capital gains are insufficient) out of capital. Investors should also note that the declaration and/or payment of distributions (whether out of capital or otherwise) may have the effect of lowering the net asset value (NAV) of the relevant fund. Moreover, distributions out of capital may amount to a return of part of your original investment and may result in reduced future returns. Please refer to [www.uobam.com.sg](http://www.uobam.com.sg) and Fund's prospectus for more information.

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This publication has not been reviewed by the Monetary Authority of Singapore.

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