

Why Invest?

- **Diversified property holdings:** UOB APAC Green REIT ETF (the “Fund”) seeks to invest in high-quality and sustainable real estate across a wide range of sectors and markets. As of November 2024, the Fund’s Top Three sectors were Retail, Diversified, and Industrial Real Estate Investment Trusts (REITs).
- **Rising opportunities in Asia:** The International Finance Corporation (IFC), a member of the World Bank Group, estimates that by 2030, the green buildings sector within Emerging Markets will see US\$24.7 trillion in business investment, driven by the expansion of building construction and the increasing urgency to achieve carbon neutrality¹.
- **High demand for green buildings:** According to Jones Lang LaSalle Incorporated (JLL), over 70 per cent of corporate occupiers in Asia Pacific are willing to pay a rental premium to lease certified green buildings as part of efforts to meet their decarbonisation goals².
- **Capable of delivering positive total returns:** The Fund aims to deliver both high dividend yield and capital gains by selecting real estate assets with both good rentals and growth potential.

Portfolio Positioning

REITs could be heading to a period of above-average valuation given peaking financing costs in 2024. The upside to the distribution per unit (DPU) hinges on a pick-up in external growth, and the 2-year forward DPU Compound annual growth rate (CAGR) is forecasted to be 3 per cent. We see potential sector re-rating on the back of greater certainty of the rate cut and supportive property-level fundamentals, income resilience, and rental growth. Conditions supporting a healthy earnings growth outlook are largely favourable though certain segments and markets may enjoy better growth. Cheaper financing costs should boost REITs’ bottom line and distribution growth, and we anticipate REITs to take a more acquisitive approach to their assets portfolios as interest rates decline.

¹ IFC, “Green Buildings – A Finance and Policy Blueprint for Emerging Markets”, December 2019.

² JLL Research Commentary, “Premium rental for green buildings in Asia Pacific- Occupiers in Asia Pacific are willing to pay a premium rental for green-certified buildings”, 16 November 2021.

November 2024 Portfolio Performance

UOB APAC Green REIT ETF (SGD)	-0.16 per cent ³
Benchmark: iEdge-UOB APAC Yield Focus Green REIT Index	+0.18 per cent

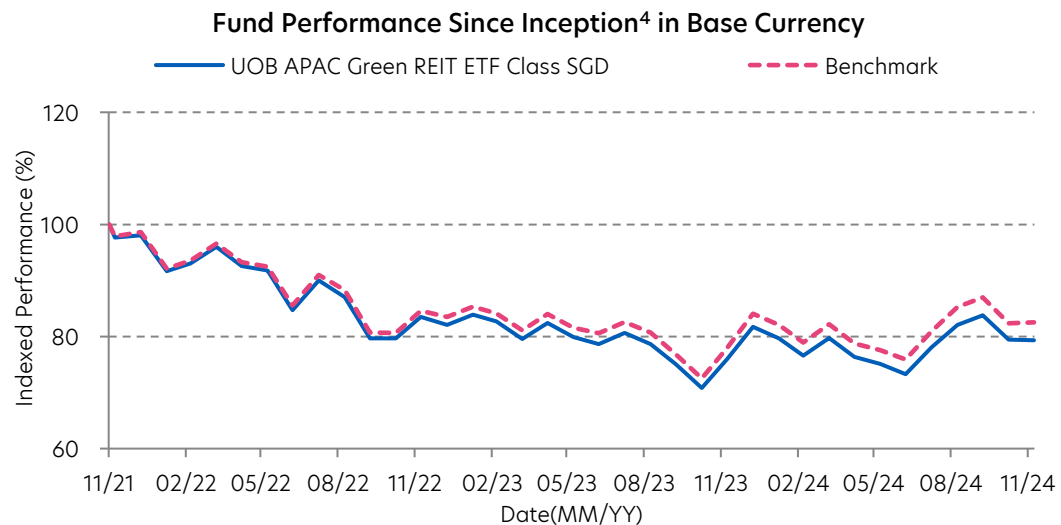
Source: Morningstar, Performance from 31 October 2024 to 30 November 2024 in SGD terms

³ Fund performance is on a Net Asset Value (“NAV”) basis, with dividends and distributions reinvested (if any).

Performance Review

The performance of the Fund was dragged by Singapore and Hong Kong in November 2024.

Performance (Class SGD)



Past performance is not necessarily indicative of future performance.

Fund performance is calculated on a NAV to NAV basis.

Benchmark: iEdge-UOB APAC Yield Focus Green REIT Index

Source: Morningstar. Performance as at 30 November 2024, SGD basis, with dividends and distributions reinvested, if any.

⁴ The UOB APAC Green REIT ETF (ISIN Code: SGXC32426998) was incepted on 23 November 2021.

All statistics quoted in the write-up are sourced from Bloomberg as at 30 November 2024 unless otherwise stated.

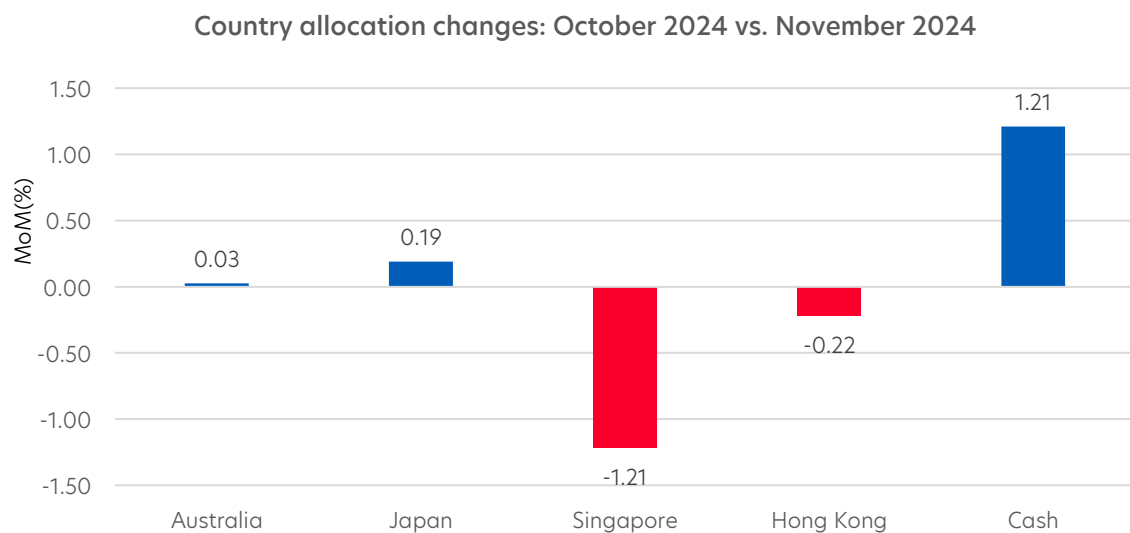
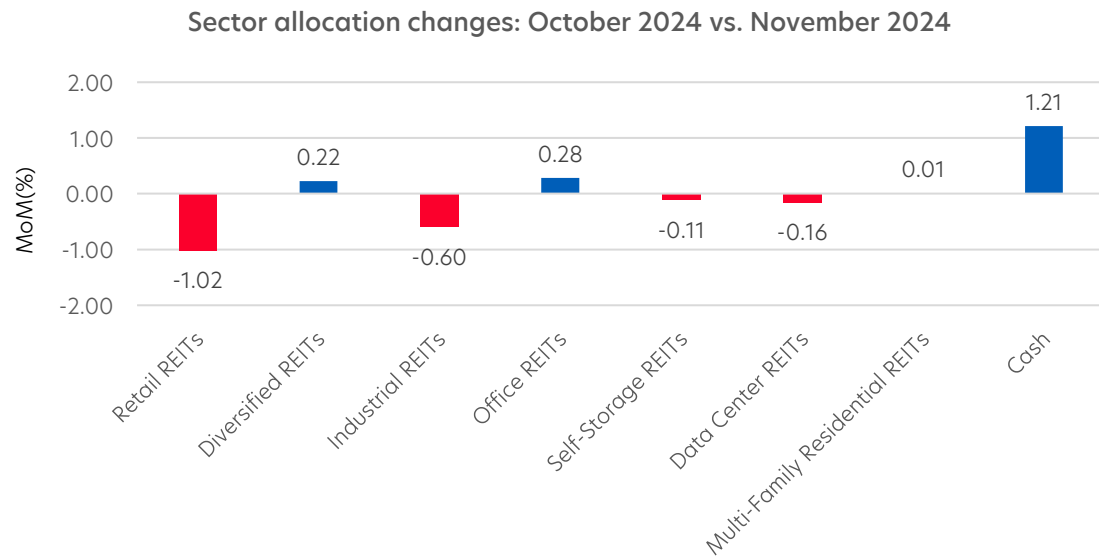
iEdge-UOB APAC Yield Focus Green REIT Index vs peer indices year to date, 31 December 2023 - 30 November 2024	
REIT Indices	Total Return (SGD)
iEdge-UOB APAC Yield Focus Green REIT Index	-1.35%
S&P Asia Pacific REIT Index	2.15%

Source: UOBAM/Bloomberg, 30 November 2024

Past performance is not necessarily indicative of future performance. Performance numbers are not annualised.

The Index underperformed its non-green peer S&P APAC REIT Index by -3.50 per cent year-to-date

Portfolio Changes



Source: UOBAM

Portfolio Review

Analyst Insights

As shown on the left charts, the biggest decrease in the sector allocation changes for November 2024 was in Retail REITs (-1.02 per cent), and the biggest increase was in Office REITs (+0.28 per cent). In terms of country allocation changes, the Fund had the highest decline in Singapore (-1.21 per cent) and the highest increase in Japan (+0.19 per cent) for November 2024.

Market Review

Global equities gained 5.1 per cent (MSCI All Country World Index, in SGD terms) in November 2024, while Asia ex-Japan fell 2 per cent for the month. Among the Asia ex-Japan markets, mixed performance was seen in markets, with Singapore rallying while the Philippines and Indonesia were the laggards.

The **Australian equity market** ended higher in November 2024, gaining 4.2 per cent, bouncing back from a soft October 2024. Sector outperformances came from Technology, Utilities, Consumer Discretionary, Industrials and Financials. The biggest causalities were Resources and Energy, with mooted tariffs on China weighing on miners and easing Middle East tensions pressuring oil prices despite talk of potential Organization of the Petroleum Exporting Countries Plus (OPEC+) production cuts. The Reserve Bank of Australia (RBA) left the cash rate unchanged at 4.35 per cent in November 2024 as expected. The statement repeated that the board is not ruling anything in or out for rates. With the latest Australian jobs data showing continued labour market tightness, markets are not fully pricing in a rate cut until mid-2025.

Japan's equity market gained 2.2 per cent in November 2024, with Bank of Japan (BoJ) Governor Ueda saying the next rate hikes are "nearing in the sense that economic data are on track." However, with expectations divided on the move between December 2024 and January 2025, Ueda has expressed caution about timing and insisted that he would like to observe domestic wage growth trends and the economic outlook in the US. Reiterated the core message that BOJ will "adjust the degree of monetary easing at the appropriate time". At the same time, the government is considering applying a higher income tax exemption threshold from January 2026 in a move to incentivise part-timers to work longer hours amid Japan's labour shortage. This timeline is expected to transpire if the government makes a preliminary decision in their FY25 tax reforms.

Singapore's equity market gained 9.4 per cent in November 2024. The core inflation slowed to 2.1 per cent year-on-year (y/y) in October 2024, down from 2.8 per cent in September 2024. The Monetary Authority of Singapore has forecast core inflation would be around 2 per cent in the fourth quarter of 2024.

In **Hong Kong**, the equity market fell -2.3 per cent in November 2024, where weakness in private consumption demand was particularly pronounced. Retail sales in Hong Kong have been declining since March 2024, largely attributed to the change in consumption patterns, while inbound tourism recovery has been slow. Government spending held up but was not sufficient to mitigate the significant drag from the lack of private consumption. Furthermore, we anticipate a risk of a technical recession (two consecutive quarter-on-quarter (q/q) contractions) in the fourth quarter of 2024.

Investment Objective

The investment objective of the UOB APAC Green REIT ETF is to provide investment results that, before fees, costs and expenses (including any taxes and withholding taxes), closely correspond to the performance of the iEdge-UOB APAC Yield Focus Green REIT Index.

Fund Information

Base Currency	Fund Size	Fund Manager
SGD	SGD 59.60 mil	Victor Wong



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