



# AIA INVESTMENT FUNDS

## AIA US HIGH YIELD BOND FUND

For Institutional Investors only\*.

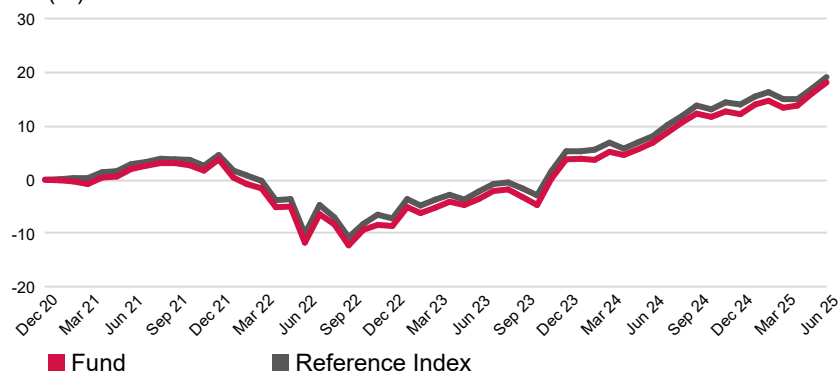
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### INVESTMENT OBJECTIVE and POLICY

The Sub-Fund aims to maximise long-term total return, consistent with preservation of capital and prudent investment management by investing in a diversified fixed income portfolio consisting primarily of high yield securities denominated in USD. In order to achieve its investment objective, the Sub-Fund will invest primarily, i.e. at least 50% of the Sub-Fund's Net Asset Value, in a diversified portfolio of high yield fixed income securities denominated in USD that are rated lower than Baa3 by Moody's, or lower than BBB- by S&P or equivalently rated by Fitch.

### PERFORMANCE

Return (%)



Lower risk

Higher risk

typically lower rewards

typically higher rewards



This indicator is based on historical data and may not be a reliable indication of the future risk profile of the Sub-Fund. The risk and reward category shown is not guaranteed and may change over time.

The lowest category does not mean a risk free investment.

The Sub-Fund is rated 4 due to the nature of its investments which include the risks listed below.

These factors may impact the value of the Sub-Fund's investments or expose the Sub-Fund to losses.

#### MAIN RISKS

**Credit Risk** The risk of loss arising from default that may occur if an issuer fails to make principal or interest payments when due. This risk is higher if the Fund holds low-rated, non-investment-grade securities.

**Fixed Income Transferable Securities** Debt securities are subject to both actual and perceived measures of creditworthiness. The "downgrading" of a rated debt security or its issuer or adverse publicity and investor perception, which may not be based on fundamental analysis, could decrease the value and liquidity of the security, particularly in a thinly traded market. In certain market environments this may lead to investments in such securities becoming less liquid, making it difficult to dispose of them. A Sub-Fund may be affected by changes in prevailing interest rates and by credit quality considerations. Changes in market rates of interest will generally affect a Sub-Fund's asset values as the prices of fixed rate securities generally increase when interest rates decline and decrease when interest rates rise. Prices of shorter-term securities generally fluctuate less in response to interest rate changes than do longer-term securities. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, a Sub-Fund may experience losses and incur costs. Issuers of non-investment grade or unrated debt may be highly leveraged and carry a greater risk of default. In addition, non-investment grade or unrated securities tend to be less liquid and more volatile than higher rated fixed-income securities, so that adverse economic events may have a greater impact on the prices of non-investment grade debt securities than on higher rated fixed-income securities. Such securities are also subject to greater risk of loss of principal and interest than higher rated fixed-income securities.

**Interest Rate Risk** The performance of a Sub-Fund may be influenced by changes in the general level of interest rates.

**Liquidity Risk** In difficult market conditions, the Sub-Fund may not be able to sell a security for full value or at all. This could affect performance and could cause the Sub-Fund to defer or suspend redemptions of its shares.

Source: Please refer to Section 5 of the prospectus for other risk factors.

Asset class	Fixed Income
ISIN (Class Z)	LU2182890298
Bloomberg ticker (Class Z)	AFHYZUC
Total Fund Size	140,165,185.25
Fund base currency	USD
Share class currency (Class Z)	USD
Net asset value (Class Z)	12.30
Inception date (Class Z)	08-Sep-20
Domicile	Luxembourg
Fund type	UCITS
<sup>^</sup> Ongoing charges	0.13%
Performance Fee	None

<sup>^</sup>Data as of 31 December 2024. This figure may vary from year to year. It excludes portfolio trade-related costs, except costs paid to the depository at any entry charge paid to an underlying collective investment scheme (if any). Please refer to Page 3 of factsheet for fees of each share class.

### IMPORTANT INFORMATION

Prior to investing, Investors should read the Prospectus and Key Investor Information Document (KIID).

# AIA US HIGH YIELD BOND FUND

## PERFORMANCE

	Cumulative Returns (%)				Annualised Returns (%)			
	1 m	3 m	YTD	1 y	3 y (p.a)	5 y (p.a)	10 y (p.a)	Since Inception (p.a)
Class Z	1.71	4.18	5.22	10.45	10.16	-	-	4.40
^Benchmark	1.86	3.57	4.55	10.24	9.86	-	-	4.76
Relative Return	-0.14	0.61	0.67	0.21	0.31	-	-	-0.36

^ICE BofAML US High Yield Constrained Index, exclude transaction cost.

Benchmark Performance represents the following: Sep 08 2020 to Jan 09 2022 - (ICE BofAML BB-B US High Yield Constrained Index); Jan 10 2022 onwards - (ICE BofAML US High Yield Constrained Index)

Past performance is not a guide to future performance.

Please refer to Section 5 of the prospectus for other risk factors.

## TOP 10 HOLDINGS (%)

1.	Nationstar Mortgage Holdings Inc 5.75% 15/11/2031	0.9
2.	United States Treasury Bill 0% 07/10/2025	0.9
3.	Clydesdale Acquisition Holdings 8.75% 15/04/2030	0.8
4.	CCO Holdings LLC 4.5% 15/08/2030	0.7
5.	Block Inc 3.5% 01/06/2031	0.7
6.	American Airlines IncAAAdvantage 5.75% 20/04/2029	0.7
7.	Nexstar Media Inc 4.75% 01/11/2028	0.7
8.	CHSCommunity Health Systems Inc 6% 15/01/2029	0.7
9.	Quikrete Holdings Inc 6.375% 01/03/2032	0.6
10.	1261229 BC Ltd 10% 15/04/2032	0.6

## COUNTRY WEIGHTS (%)

USA	86.1
Canada	5.0
United Kingdom	1.7
France	1.4
Germany	1.1
Luxembourg	1.0
Netherlands	0.7
Norway	0.6
Israel	0.5
Other Countries	2.1

## DURATION WEIGHTS (%)

0 - 1 Year	8.5
1 - 3 Years	27.4
3 - 5 Years	54.0
5 - 10 Years	9.9
10+ Years	0.2

## SECTOR WEIGHTS (%)

Consumer, Non-cyclical	19.4
Consumer, Cyclical	16.1
Communications	15.8
Financial	14.3
Energy	12.0
Industrial	11.1
Technology	5.3
Basic Materials	3.4
Government	1.6
Other Sectors	1.0

## RATING WEIGHTS (%)

AAA	0.0
AA+	1.6
AA	0.0
AA-	0.0
A+	0.0
A	0.0
A-	0.0
BBB+	0.0
BBB	0.0
BBB-	0.4
Others	98.0
Derivatives	0.0

# AIA US HIGH YIELD BOND FUND

## SHARE CLASS DETAILS

Share class	Currency	Bloomberg ticker	ISIN	Inception date	Initial sales charges % (max)	Annual management fee% (max)	Initial Offer Px	Redemption Fee / Conversion Fee	Minimum initial investment	Minimum subsequent investment	Minimum Redemption Amount	Minimum Holding Amount	Distribution frequency	Ex-date	Dividend per share
Z	USD	AFHYZUC	LU2182890298	2020-09-08	Up to 5%	0%.	USD 10	Up to 1%	USD20m	USD100,000	USD100,000	USD20m	N/A	NA	NA
IDQ	USD	AFHYIUQ	LU2182890025	2020-09-11	Up to 5%	Up to 0.75%	USD 10	Up to 1%	USD10m	USD100,000	USD100,000	USD10m	Quarterly	2025-06-16	0.166344

Distributions are not guaranteed and may fluctuate. Past distributions are not necessarily indicative of future trends, which may be lower. Distribution payouts and its frequency are determined by the Board of Directors and should not be confused with the Fund's performance, rate of return or yield. Any payment of distributions may result in an immediate decrease in the net asset value per share. Please refer to Section 7.2 of the prospectus for dividend distribution policy.

For more information about charges, please see section 9 (fees and expenses) of the prospectus, which is available at : [www.aia.com/en/funds-information](http://www.aia.com/en/funds-information)

		Cumulative Returns (%)				Annualised Returns (%)			
Share class	Currency	1 m	3 m	YTD	1 y	3 y (p.a)	5 y (p.a)	10 y (p.a)	Since Inception (p.a)
Z									
Fund	USD	1.71	4.18	5.22	10.45	10.16	-	-	4.40
^Benchmark	USD	1.86	3.57	4.55	10.24	9.86	-	-	4.76
Relative Return	USD	-0.14	0.61	0.67	0.21	0.31	-	-	-0.36
IDQ									
Fund	USD	1.67	4.05	4.96	9.90	9.61	-	-	3.94
^Benchmark	USD	1.86	3.59	4.59	10.31	9.94	-	-	4.81
Relative Return	USD	-0.19	0.46	0.37	-0.42	-0.32	-	-	-0.87

^ICE BofAML US High Yield Constrained Index, exclude transaction cost.

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Past performance is not a guide to future performance.

Please refer to Section 5 of the prospectus for other risk factors.

## COMMENTARY

### Commentary Sources

1. AIA Investment Management Pte Ltd
2. AIA Investment Funds
2. PIMCO Asia Pte Ltd

In June, uncertainty persisted amid rising geopolitical tensions and continued concerns around public debt levels. Oil prices surged, while trade tensions lingered. Meanwhile, United States (U.S.) fiscal concerns intensified as President Trump's "One Big Beautiful Bill" faced legislative hurdles, while raising questions about its impact on the federal deficit and Treasury yields. In Europe, Germany's draft budget plans were approved by the cabinet, in line with previous announcements to increase public spending. Against this backdrop, sovereign bond yields returned mixed performances across major markets. The U.S. 2 year (y) yield fell 18 basis points (bps) to 3.72%, while the United Kingdom (UK) 2y yield fell 20bps to 3.81%. The U.S. 10y yield fell 17bps to 4.23%, while the UK 10y yield fell 16bps to 4.49%. In Germany, the 2y yield rose 9bps to 1.86%, while the 10y yield rose 11bps to 2.61%. Risk assets posted positive performance, signaling positive risk sentiment. Within credit spreads, USD investment grade tightened 6bps to 86bps, while EUR investment grade tightened 7bps to 91bps. USD high yield spreads tightened 36bps to 296bps, while EUR high yield spreads tightened 15bps to 321bps. In the equities space, U.S. stocks had strong gains for second consecutive month, as the S&P 500 returned +5.09%. Chinese stocks followed the same trend, with the Hang Seng returning +4.10% while European stocks fell, as the EuroStoxx 50 returned -1.66%.

During the month, central banks largely kept policy rates on hold, with some adopting a more hawkish tone, yet all remained mindful of economic uncertainty. The Federal Reserve maintained its target range for the federal funds rate at 4.25%-4.50% for a fourth consecutive meeting, considering the continued uncertainty over the impact of tariffs and waiting for more clarity on economic activity and inflation. The Bank of England also left the Bank Rate on hold, at 4.25%. The European Central Bank cut rates by 25bps, taking the deposit rate to 2%. The rate cut was accompanied by President Lagarde signaling the end of a monetary policy cutting cycle and thus supporting a hawkish narrative, while remaining committed to maintaining inflation around the 2% medium-term target. The Bank of Japan maintained its policy rate at 0.5%. Further, it announced it intends to slow the rate of reduction of monthly Japanese Government Bonds (JGBs) purchases starting from April 2026 (with the decrease in purchases going from 400 billion yen to 200 billion per quarter) and will assess the pace of quantitative tightening at the June 2026 meeting.

Regarding macro prints, U.S. non-farm payrolls printed at +139k (vs. +130k expected). Meanwhile, the unemployment rate remained at 4.2% (in line with expectations). U.S. core consumer price index (CPI) remained at 2.8% year-over-year (yoy) (vs. 2.9%yoy expected) while headline CPI rose, printing at 2.4%yoy (below expectations). In the UK, core CPI fell to 3.5%yoy (below expectations), and headline CPI fell as well to 3.4%yoy (in line with expectations). Euro Area core inflation fell to 2.3%yoy, while headline inflation also fell to 1.9%yoy, both in line with expectations. Finally, the Eurozone and UK flash composite purchasing manager index (PMIs) printed at 50.2 and 50.7, respectively, in June.

Global investment grade credit posted positive returns for the month, outperforming like-duration government bonds, as spreads tightened in June. Investment grade credit continued to benefit from elevated yields, a supportive technical backdrop, and improving fundamentals.

Global high yield delivered positive returns across quality segments. High yield credit was supported by improving technicals, solid Q1 earnings results, and declining recession risks as risk assets continued to rally.

In June, the AIA US High Yield Fund returned 1.71%, underperforming the benchmark by 15bps. Key detractors to the Fund's performance include security selection in Health Care and Wireless, while key contributors include security selection in Cable & Satellite and Utilities.

From a regional perspective, the Fund maintains a preference for U.S. high yield, supported by the broader and more diverse buyer base, greater liquidity, and relatively higher absolute yields offered by the U.S. market.

At the sector level, the Fund continues to favor defensive, non-cyclical sectors with stable cash flows, while remaining broadly underweight in cyclical sectors and those perceived to be in secular decline due to evolving market or consumer dynamics. That said, it selectively pursues opportunities where fundamentally adjusted valuations appear attractive.

The Fund's focus remains on industries with strong asset coverage, manageable leverage, and positive secular and cyclical trends. It exercises caution toward sectors facing significant long-term structural challenges.

In addition, the Fund seeks out credits that may be potential acquisition targets or those positioned to benefit from early refinancing opportunities.

Overall, the Fund maintains a cautiously optimistic outlook, with an emphasis on preserving adequate liquidity across the portfolio.

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