# AIA INVESTMENT FUNDS
# AIA SINGAPORE BOND FUND

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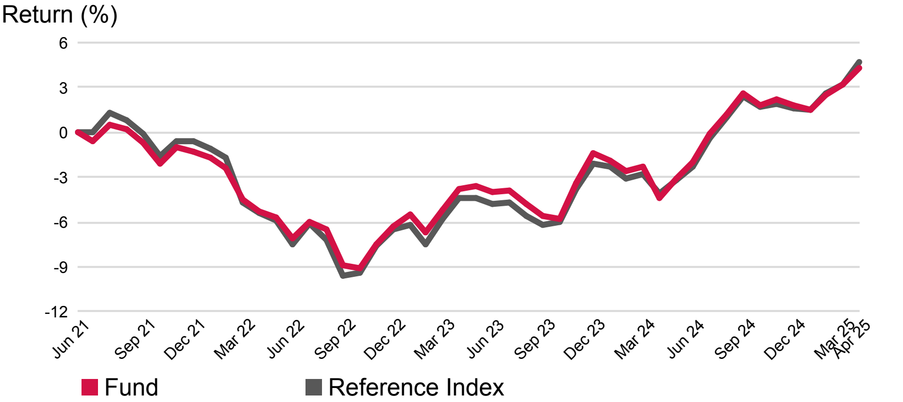
## INVESTMENT OBJECTIVE and POLICY

The Sub-Fund aims to generate stable income with capital preservation by investing primarily in high credit quality fixed income securities denominated in SGD. 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 high credit quality SGD-denominated fixed or floating rate fixed income securities issued by Singapore and non-Singapore entities.

## PERFORMANCE




| | |
|---|---|
| Asset class | **Fixed Income** |
| ISIN (Class I) | **LU2143772411** |
| Bloomberg ticker (Class I) | **AFSBISC** |
| Total Fund Size | **426,764,099.75** |
| Fund base currency | **SGD** |
| Share class currency (Class I) | **SGD** |
| Net asset value (Class I) | **10.43** |
| Inception date (Class I) | **03-Jun-21** |
| Domicile | **Luxembourg** |
| Fund type | **UCITS** |
| ^Ongoing charges | **0.59%** |
| Performance Fee | **None** |

^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.

Lower risk — Higher risk

typically lower rewards — typically higher rewards

| 1 | 2 | 3 | **4** | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

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**

**Country Specific Risk** Certain Sub-Funds may invest in securities of one country or a limited number of countries. Sub-Funds that invest in one or a few select countries will be exposed to market, currency, and other risks related specifically to the economies of those countries. Government or regulators, implementation of policies, suspension or limitations on trading in any security traded on the relevant exchange, and capital flows could negatively impact the Sub-Funds' performance. Country specific issues could magnify the negative performance of the Sub-Funds or adversely impact the positive performance. Such Sub-Funds may be subject to volatility and structural risks associated with specific countries, and performance may lag the performance of Sub-Funds that invest in a diversified portfolio across many countries. Exposure to one or a limited number of countries' markets, also increases the potential volatility of such Sub-Funds due to the increased country or regional concentration risk as they are less diversified compared to exposure to specific more developed regional or global markets.

**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.

**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.

## IMPORTANT INFORMATION

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

# AIA SINGAPORE 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 I | 1.08 | 2.69 | 2.45 | 9.02 | 3.25 | - | - | 1.07 |
| ^Benchmark | 1.48 | 3.14 | 3.03 | 9.22 | 3.44 | - | - | 1.18 |
| Relative Return | -0.40 | -0.45 | -0.58 | -0.20 | -0.20 | - | - | -0.11 |

^Markit iBoxx Singapore Dollar (SGD) Bond Index

Past performance is not a guide to future performance.
Please refer to Section 5 of the prospectus for other performance & risk factors.

## TOP 10 HOLDINGS (%)

| | | |
|---|---|---|
| 1. | Singapore (Government Of) 2.875% 01/07/2029 | 5.4 |
| 2. | Singapore Government 2.875% 01/09/2030 | 4.5 |
| 3. | Singapore (Govt of) 3.375% 01/09/2033 | 4.5 |
| 4. | Singapore (Govt Of) 2.75% 01/03/2046 | 4.4 |
| 5. | Singapore (Govt) 2.75% 01/04/2042 | 4.3 |
| 6. | Singapore Government Bond 2.625% 01/05/2028 | 4.0 |
| 7. | Singapore Government Bond 2.25% 01/08/2036 | 4.0 |
| 8. | Singapore Government Bond 2.625% 01/08/2032 | 3.9 |
| 9. | Singapore Government Bond 3% 01/08/2072 | 3.0 |
| 10. | Singapore Government Bond 2.375% 01/07/2039 | 2.8 |

## COUNTRY WEIGHTS (%)

| | |
|---|---|
| Singapore | 68.1 |
| United Kingdom | 9.7 |
| Japan | 3.6 |
| Australia | 3.6 |
| Hong Kong | 2.7 |
| France | 2.1 |
| Canada | 1.9 |
| China | 1.8 |
| Saudi Arabia | 1.5 |
| Derivatives | 0.3 |
| Other Countries | 4.8 |

## DURATION WEIGHTS (%)

| | |
|---|---|
| 0 - 1 Year | 2.8 |
| 1 - 3 Years | 12.4 |
| 3 - 5 Years | 34.8 |
| 5 - 10 Years | 26.1 |
| 10+ Years | 23.9 |

## SECTOR WEIGHTS (%)

| | |
|---|---|
| Government | 54.0 |
| Financial | 38.6 |
| Consumer, Cyclical | 2.6 |
| Energy | 2.1 |
| Industrial | 1.1 |
| Utilities | 0.7 |
| Communications | 0.6 |
| Consumer, Non-cyclical | 0.1 |
| Derivatives | 0.3 |

## RATING WEIGHTS (%)

| | |
|---|---|
| AAA | 54.0 |
| AA+ | 0.0 |
| AA | 0.0 |
| AA- | 1.1 |
| A+ | 1.5 |
| A | 3.2 |
| A- | 11.1 |
| BBB+ | 9.3 |
| BBB | 9.3 |
| BBB- | 6.9 |
| Others | 3.4 |
| Derivatives | 0.3 |

Note: Due to rounding limitations, the summation of (%)s might not be an exact 100%.

# AIA SINGAPORE 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| I | SGD | AFSBISC | LU2143772411 | 2021-06-03 | Up to 3% | Up to 0.50% | SGD 10 | Up to 1% | USD10m | USD100,000 | USD100,000 | USD10m | NA | NA | NA |

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 charges and expenses of the prospectus of the UCITs, which is available at : 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) |
| I | | | | | | | | | |
| Fund | SGD | 1.08 | 2.69 | 2.45 | 9.02 | 3.25 | - | - | 1.07 |
| ^Benchmark | SGD | 1.48 | 3.14 | 3.03 | 9.22 | 3.44 | - | - | 1.18 |
| Relative Return | SGD | -0.40 | -0.45 | -0.58 | -0.20 | -0.20 | - | - | -0.11 |

^Markit iBoxx Singapore Dollar (SGD) Bond Index

Past performance is not a guide to future performance.
Please refer to Section 5 of the prospectus for other performance & risk factors.

## COMMENTARY

On the back of heightened trade policy uncertainty, the International Monetary Fund (IMF) slashed its global economic growth forecast in April's World Economic Outlook, projecting global Gross Domestic Product (GDP) growth slowing to 2.8% in 2025 and 3.0% next year, down from 3.3% growth in 2025 and 2026 respectively. The global manufacturing Purchasing Managers' Index (PMI) dipped back into contractionary territory at 49.8 in April, mainly stemming from softer readings in Asian emerging markets where new export orders sank deeply, indicating exporters are beginning to feel the pinch from tariffs. Consumer Price Index (CPI) inflation is expected to show divergent trend across regions, which is subject to tick-up in the U.S. but more rapid disinflation in Europe and Asia, driven by a confluence of factors including weakened global demand, falling global commodity prices, strengthening home currencies against USD and the prospect of trade-rerouting from China.

The U.S. economy shrank 0.3% quarter-on-quarter in 1Q25, its first contraction since 2022, because of companies front-loading imports ahead of impending tariffs, coupled with easing consumer and government spendings. At the same time, the above-consensus nonfarm payrolls for April (+177k) points towards a resilient economy that helps offset some concerns on tariffs. The arrival (and pause) of U.S. reciprocal tariffs and volatile investor risk appetites added pressure in long-dated U.S. Treasuries, resulting in a steeper curve, with 30-year (y) yields up 11 basis points (bps), whilst 2y, 5y and 10y yields fell 28bps, 22bps and 4bps respectively. Long U.S. bonds underperformed Germany, United Kingdom (UK) and Australia over the month, as disinflation and monetary easing expectations intensified more elsewhere than in the U.S.

The U.S.-China reciprocal tariff rates have escalated to 145% after the Chinese government's retaliation, though goods exports surprised to the upside in April. The sharply depreciating U.S. Dollar Index (DXY index) and the relative stability of USD-CNY daily fixing implies that CNY is also depreciating against its other major trading partners, providing a partial offset for the incoming exports slowdown in Q2. The late-April Politburo meeting reaffirmed the priorities on stabilizing property/stock markets and sustaining domestic consumption, while preserving fiscal room for future deployment. China 10y Chinese government bond (CGB) yields stabilized in the range of 1.60%-1.65%. The Ministry of Finance commenced its issuance of special sovereign bonds on 24 April.

In Europe, the European Central Bank cut its deposit rates to 2.25% from 2.50% in April and emphasized its focus towards downside risks to growth with little concern over inflation. In Germany, improving business sentiment (IFO survey) and a fiscal stimulus announcement by the new government seemed to have lifted the investor confidence in the market, helping to cushion the impact of the U.S. tariffs. In the UK, gilts also had a volatile month, where 30y gilt yields climbed to their highest level since 1998, in line with the U.S. spillover. However, this gradually reversed with the help of the Debt Management Office's decision to skew its bond sales further away from long maturities.

The Fund returned 1.08% in April, representing a 40bps underperformance to the benchmark. The risk off environment in the month saw credits spreads widen while haven assets from the Government and Statboards segment rallied, thereby leading to the underperformance. Notwithstanding, the Fund continues to have an overweight allocation to corporates on the back of stable fundamentals, the attractive carry and expectations that the sell-off in credit is temporary. At the same time, the Fund's duration positioning will continue to be nimble given the fluid macro environment.

### Commentary Sources

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

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