



AIA INVESTMENT FUNDS

AIA SINGAPORE BOND FUND

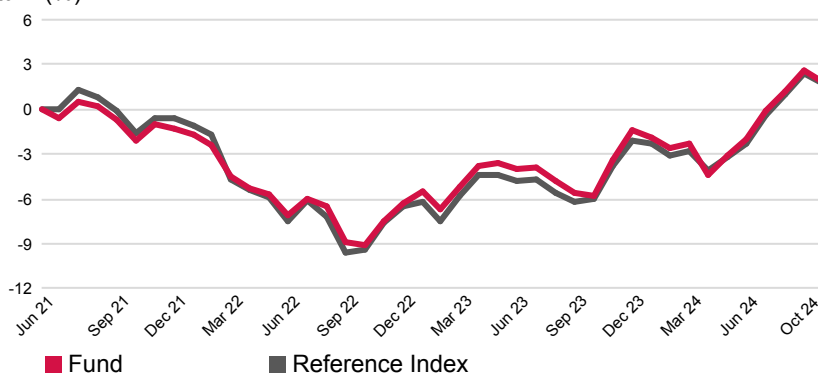
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INVESTMENT OBJECTIVE and POLICY

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

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

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.

| | |
|--------------------------------|----------------|
| Asset class | Fixed Income |
| ISIN (Class I) | LU2143772411 |
| Bloomberg ticker (Class I) | AFSBISC |
| Fund size | 436,529,456.51 |
| Fund base currency | SGD |
| Share class currency (Class I) | SGD |
| Net asset value (Class I) | 10.1850 |
| Inception date (Class I) | 03-Jun-21 |
| Domicile | Luxembourg |
| Fund type | UCITS |
| [^] Ongoing charges | 0.59% |
| Performance Fee | None |

[^]The ongoing charges figure is based on an estimate calculated during the launch phase. 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 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 | -0.74 | 1.93 | 3.27 | 8.14 | 1.32 | - | - | 0.54 |
| ^Benchmark | -0.63 | 2.10 | 3.90 | 8.18 | 1.10 | - | - | 0.50 |
| Relative Return | -0.11 | -0.16 | -0.63 | -0.04 | 0.22 | - | - | 0.04 |

^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 (Govt of) 3.375% 01/09/2033 | 5.8 |
| 2. | Singapore (Government Of) 2.875% 01/07/2029 | 5.3 |
| 3. | Singapore Government Bond 2.625% 01/08/2032 | 4.8 |
| 4. | Singapore Government 2.875% 01/09/2030 | 4.4 |
| 5. | Singapore (Govt Of) 2.75% 01/03/2046 | 4.3 |
| 6. | Singapore (Govt) 2.75% 01/04/2042 | 4.2 |
| 7. | Singapore Government Bond 2.625% 01/05/2028 | 3.9 |
| 8. | Singapore Government Bond 3% 01/08/2072 | 3.9 |
| 9. | Singapore Government Bond 2.25% 01/08/2036 | 3.8 |
| 10. | Singapore Government Bond 1.875% 01/03/2050 | 2.8 |

COUNTRY WEIGHTS (%)

| | |
|-----------------|------|
| Singapore | 74.7 |
| United Kingdom | 7.9 |
| China | 3.9 |
| Australia | 2.6 |
| Japan | 2.0 |
| Canada | 1.9 |
| Switzerland | 1.7 |
| France | 1.7 |
| Taiwan | 1.1 |
| Derivatives | -0.1 |
| Other Countries | 2.6 |

DURATION WEIGHTS (%)

| | |
|--------------|------|
| 0 - 1 Year | 5.8 |
| 1 - 3 Years | 10.4 |
| 3 - 5 Years | 30.7 |
| 5 - 10 Years | 26.4 |
| 10+ Years | 26.6 |

SECTOR WEIGHTS (%)

| | |
|------------------------|------|
| Government | 59.1 |
| Financial | 35.5 |
| Consumer, Cyclical | 2.0 |
| Communications | 1.2 |
| Energy | 1.0 |
| Consumer, Non-cyclical | 0.8 |
| Utilities | 0.7 |
| Derivatives | -0.1 |

RATING WEIGHTS (%)

| | |
|-------------|------|
| AAA | 58.5 |
| AA+ | 0.6 |
| AA | 0.0 |
| AA- | 0.0 |
| A+ | 1.0 |
| A | 2.6 |
| A- | 10.3 |
| BBB+ | 7.7 |
| BBB | 9.6 |
| BBB- | 5.4 |
| Others | 4.5 |
| Derivatives | -0.1 |

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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

| Share class | Currency | 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) |
| I | | | | | | | | | |
| Fund | SGD | -0.74 | 1.93 | 3.27 | 8.14 | 1.32 | - | - | 0.54 |
| ^Benchmark | SGD | -0.63 | 2.10 | 3.90 | 8.18 | 1.10 | - | - | 0.50 |
| Relative Return | SGD | -0.11 | -0.16 | -0.63 | -0.04 | 0.22 | - | - | 0.04 |

^Markit iBoxx Singapore Dollar (SGD) Bond Index

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

Commentary Sources

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

COMMENTARY

Global activity data released in October pointed to a two-track global economy with broad-based slowdown. Global manufacturing Purchasing Manager Index (PMI) stayed in contractionary territory for the fourth consecutive month and fell to a new low for this year, consistent with the weakening momentum in global goods trade. In contrast, the global services PMI remains comfortably in expansionary territory, albeit also signalling moderation in recent months. Corporate capital expenditure and investor sentiment remained cautious over the month, as people await the outcome of the U.S. presidential election and, to a lesser extent, more policy stimulus details from China's National People's Congress (NPC) standing committee meeting.

In the U.S., Treasury bond yields rose across the curve in October, as the resilience of the U.S. economy and slow disinflation progress prompted markets to reassess the level and pace of the Federal Reserve's (Fed) rate cutting path. This was further compounded by the reflation trade under a possible Trump/Republican presidential win. On a month-on-month basis, the U.S. Treasury bond yield curve bear flattened as 5yr/10yr/30yr yields rose 60 basis points (bps)/50 bps/36 bps respectively. Although the employment data released for October sent mixed signals, labour market conditions have now softened to 2017-18 levels and should continue to normalize barring external shocks.

Real Gross Domestic Production (GDP) growth in China marginally beat market expectations at 4.6% year-on-year in Q3, but the support from personal consumption and imports turned weaker during the quarter. Domestic consumption remained weak, trend in Consumer Price Index (CPI) reflation stayed fragile while various credit growth metrics touched new record-lows. This prompted the coordinated policy stimulus announced by different regulatory bodies which led to a boost in capital market sentiment, though this has partially faded as the market await more concrete details. It is deemed imperative for the Government to roll out more demand-pull reflation support in the face of excess production capacities and fragile consumer sentiment to avoid long-lasting entrenched deflation expectations.

In the Eurozone, inflation hit a key milestone, with headline CPI inflation falling below the central bank's 2% target to 1.8% in September. The European Central Bank (ECB) cut its deposit facility rate by 25bp as widely expected, with President Lagarde noting after the meeting that "the disinflation process is well on track", which resulted in Bunds continuing its outperformance versus the U.S. Treasuries over the month. On the contrary, despite several disappointments in economic data for the UK, sticky services inflation and the Autumn Budget announcement have created upside risks to Gilts bond yields, as markets adjusted the increased fiscal borrowing outlook in the years to come.

The AIA Singapore Bond Fund returned -0.74% in October, underperforming the benchmark by 11bps. Curve change effects from the Corporate segment led to the detraction of performance. Notwithstanding, this was partially offset by tighter credit spreads and carry returns. As at end October, the Fund has an overweight allocation to Corporates which cushions the volatility in rates and offers an attractive carry.

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