



## AIA INVESTMENT FUNDS

### AIA SINGAPORE BOND FUND

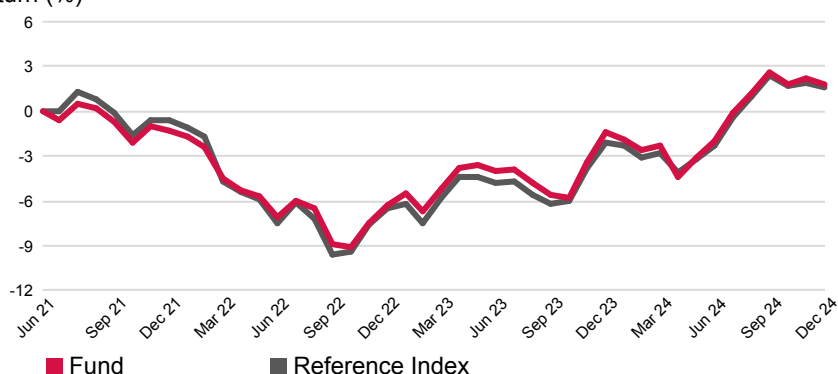
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#### INVESTMENT OBJECTIVE and POLICY

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	440,552,869.18
Fund base currency	SGD
Share class currency (Class I)	SGD
Net asset value (Class I)	10.1772
Inception date (Class I)	03-Jun-21
Domicile	Luxembourg
Fund type	UCITS
<sup>^</sup> Ongoing charges	0.59%
Performance Fee	None

<sup>^</sup>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	-0.43	-0.82	3.19	3.19	1.01	-	-	0.49
^Benchmark	-0.29	-0.73	3.80	3.80	0.75	-	-	0.45
Relative Return	-0.14	-0.09	-0.61	-0.61	0.26	-	-	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	6.3
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 2.25% 01/08/2036	3.8
9.	Singapore Government Bond 3% 01/08/2072	3.8
10.	Singapore Government Bond 1.875% 01/03/2050	2.8

## COUNTRY WEIGHTS (%)

Singapore	74.9
United Kingdom	8.0
Australia	4.0
China	2.6
France	2.1
Japan	2.0
Canada	1.9
Switzerland	1.5
Taiwan	1.1
Derivatives	-0.1
Other Countries	2.0

## DURATION WEIGHTS (%)

0 - 1 Year	5.3
1 - 3 Years	10.1
3 - 5 Years	31.7
5 - 10 Years	30.3
10+ Years	22.6

## SECTOR WEIGHTS (%)

Government	58.8
Financial	36.3
Consumer, Cyclical	1.9
Energy	1.0
Consumer, Non-cyclical	0.8
Utilities	0.7
Communications	0.6
Derivatives	-0.1

## RATING WEIGHTS (%)

AAA	58.8
AA+	0.0
AA	0.0
AA-	0.0
A+	1.0
A	2.6
A-	11.7
BBB+	7.7
BBB	9.3
BBB-	4.4
Others	4.7
Derivatives	-0.1

# 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](http://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	-0.43	-0.82	3.19	3.19	1.01	-	-	0.49
^Benchmark	SGD	-0.29	-0.73	3.80	3.80	0.75	-	-	0.45
Relative Return	SGD	-0.14	-0.09	-0.61	-0.61	0.26	-	-	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.

## Commentary Sources

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

## COMMENTARY

Global activity data released in December continued to display a marked divergence between the services and manufacturing sectors. Global manufacturing Purchasing Managers' Index (PMI) dipped back into contractionary territory with a reading of 49.6. In contrast, the global services PMI climbed higher to 53.8 with positive momentum in most major economies. Disinflation progressed gradually, with headline inflation edging close to 2% and core only a notch higher. U.S equity markets retraced some earlier gains in a thinly traded market during the holiday season, as investors await more clarity on president-elect Trump's policies post his inauguration in January 2025.

In the U.S, the Federal Open Market Committee (FOMC) continued to lower the fed funds target range by 25 basis points (bps), to 4.25-4.50%, bringing rates closer to a level viewed by policymakers as neutral but delivered an overall hawkish message with the committee signalling a transition to more gradual cuts amid a firmer projected inflation trajectory and diminished risks to employment. This is despite a close-to-consensus non-farm payrolls (NFP) data and an in-line consumer price index (CPI) print released prior to the FOMC decision. Coupled with uncertainty over the trade tariffs globally, the US Treasury (UST) bond yield curve bear steepened as 5yr/10yr/30yr yields rose 33bps/40bps/42bps on a month-on-month basis, respectively.

Elsewhere, China's real gross domestic product (GDP) growth for full-year 2024 might marginally meet the "around 5%" target. Despite increasing headwinds from external trade tariffs and structural rebalancing in domestic demand, government officials could still set a growth target of 5% for 2025 at the National People's Congress (NPC) meeting in March. Policy responses are expected to remain reactive, rather than proactive, as the policymakers navigate the high external uncertainties cautiously with the government still focused on financial risk mitigation and production. Long-term China Government Bond (CGB) bond yields dipped to new historical lows in December.

In Europe, political struggles in Germany and France coupled with poor economic data led to the continued weakening in Euro against USD. The European Central Bank (ECB) cut its deposit rate by 25bps in December to 3.00%, with a dovish tone in its statement. Against the backdrop of a hawkish Fed, Bunds outperformed United States Treasury (USTs). In France, the collapse of Michel Barnier's government and subsequent surprise ratings downgrade from Moody's exerted upside pressure on 10Y OAT-Bund spreads. Lastly in the United Kingdom, gilts largely performed in line with USTs, with volatility in cross-market spreads concentrated around the Bank of England's (BoE) pause and 6-3 vote split on 19 December.

The AIA Singapore Bond Fund returned -0.43% in December, underperforming the benchmark by 14bps. The main drag in performance was due to curve change effects across both the Corporate and Government segments. Notwithstanding, this was partially offset by tighter corporate credit spreads and also allocation as well as selection effects from the Stat Board space. As at end December, the Fund has an overweight allocation to corporates which cushions the volatility in rates and offers an attractive carry.

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