

**AIA Investment Funds**  
*Société d'investissement à capital variable*  
16, boulevard d'Avranches  
L-1160 Luxembourg, Grand Duchy of Luxembourg  
B234950  
(the "Company")

## **NOTICE TO SHAREHOLDERS**

**This notice is important and requires your immediate attention. If you are in any doubt about the content of this notice, you should seek independent professional financial advice and/or legal advice.**

November 22, 2021

Dear Shareholders,

We are writing to inform you of the following change and clarifications which have been made to the prospectus of the Company (the "**Prospectus**") dated March 2021.

*Capitalised terms used in this notice and not otherwise defined herein shall have the meaning as set forth in the current Prospectus.*

The Board of Directors has decided to make the following changes to the Prospectus of the Company in relation to the AIA Singapore Bond Fund and the AIA US High Yield Bond Fund.

### **1. Information to the attention of investors in the AIA Singapore Bond Fund ("AIA SBF")**

In relation to the **AIA SBF**, the following changes will be made to the sub-fund features:

- a) The below paragraph has been added to Section 4. Investment policy and specific restrictions of the sub-fund to make clear that SGD-denominated bonds as part of the investment horizon of the sub-fund may include Singapore Government or Singapore statutory boards issued or guaranteed bonds, which may represent a significant portion of the assets of the sub-fund, relying on the exception provided in section 4.3.5. of the Prospectus.

*In line with the above objective, the Sub-Fund may invest in fixed income securities issued or guaranteed by the Singapore Government or Singapore statutory boards, as defined below, as per the exception provided in section 4.3.5 of this Prospectus.*

- b) It has been clarified that the total investments in perpetual corporate bonds shall represent a marginal proportion of the Net Asset Value of the Sub-Fund, which in this context would as an indication mean that these investments would as a principle not exceed 10%, without this percentage being construed as a binding limit.

The possibility described in a) above was already embedded in the existing investment policy of the AIA SBF and, similar to item in b), is to be considered as a mere clarification. These clarifications will not have an impact on the manner the sub-fund's portfolio is construed and managed.

### **2. Information to the attention of investors in AIA US High Yield Bond Fund ("AIA US HYBF")**

In relation to the AIA US HYBF, further to discussions with PIMCO Asia Pte Ltd., acting as sub-investment manager of the sub-fund, the following changes will be made to the sub-fund features, with effective date 10 January 2022:

- a) the definition of distressed securities has been amended to mean fixed income securities rated Caa3 or lower by Moody's or CCC- or lower by S&P or equivalent and the maximum

portion of the sub-fund's Net Asset Value that may be invested in distressed securities will be 10%;

- b) the maximum portion of the sub-fund's Net Asset Value that may be invested in high yield fixed income securities rated Caa1 or lower by Moody's or CCC+ or lower by S&P or equivalent will be increased from 5% to 30% and no more than 3% of the sub-fund's Net Asset Value may be invested in fixed income securities rated Ca1 or lower by Moody's or CC+ or lower by S&P or equivalent;
- c) the suggestion made to investors in the sub-fund with regards to the benchmark which may be used by them to measure the performance of the sub-fund will be changed from ICE BofAML BB-B US High Yield Constrained Index to the ICE BofAML US High Yield Constrained Index;
- d) the maximum market value of securities of a single corporate issuer is brought from 3% of the sub-fund's Net Asset Value to 5% of the sub-fund's Net Asset Value; and
- e) securities from issuers active in the tobacco and/or coal sectors will be explicitly excluded from the investment horizon of the sub-fund.

The changes (a) – (d) above are implemented to allow the sub-fund to have greater flexibility to possibly generate alpha from a wider scope of bonds. These changes could however expose investors to the risk of investment in lower rated bonds.

Investors in the AIA US HYBF who do not agree with the amendments under Section 2 above may request the redemption of your share(s) in compliance with the terms of the Prospectus free of charge as from receipt of this notice and up to 11:00 am (CET) on 7 January 2022.

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The Board of Directors accepts full responsibility for the accuracy of the information contained in this notice at the date of publication. To the best of the knowledge and belief of the Board of Directors, having taken all reasonable care to ensure that such is the case, the information contained in this notice is in accordance with the facts and does not omit anything likely to affect the import of such information. The Board of Directors accepts responsibility accordingly.

Shareholders may obtain a revised Prospectus to be dated October 2021 which will be made available free of charge at the registered office of the Company.

Yours faithfully,

The Board of Directors