

# Key Investor Information



This document provides you with key investor information about this Sub-Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this Sub-Fund. You are advised to read it so you can make an informed decision about whether to invest.

## AIA INVESTMENT FUNDS – AIA US HIGH YIELD BOND FUND CLASS IDQ USD

### A share class of AIA US HIGH YIELD BOND FUND

### A Sub-Fund of the AIA Investment Funds, the “UCITS”

ISIN code: (A) LU2182890025

This UCITS has appointed FundRock Management Company S.A. as its Management Company

## Objectives and investment policy

### Objective:

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.

### Investment policy and specific restrictions:

- 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 that are rated lower than Baa3 by Moody's, or lower than BBB- by S&P or equivalently rated by Fitch.
- In normal market conditions the Sub-Fund may be invested up to 5% of its Net Asset Value in distressed securities.
- The portion of the Sub-Fund's Net Asset Value that are not invested in fixed income securities rated lower than Baa3 by Moody's, or lower than BBB- by S&P or equivalently rated by Fitch may be invested in higher quality fixed income securities up to a maximum of 10% of the Sub-Fund's Net Asset Value.
- In case of a downgrade of a security to distressed or default (rated “CCC+” (or equivalent) or below), the Sub-Investment Manager may (i) sell a part or the entire amount of security held or (ii) terminate the transaction entered into, at its discretion.
- The Sub-Fund may invest without limit in USD denominated securities of non-U.S. issuers.
- The Sub-Fund may not invest in securities from firms involved in the production of cluster munitions.
- The total market value of securities of a single corporate issuer shall not exceed 3% of the Sub-Fund's Net Asset Value. The value of securities of a

single issuer shall not exceed 10% of the total outstanding debt of such issuer. The Sub-Fund may invest in up to 5% of its Net Asset Value in call deposits.

- The Sub-Fund may when the size of the portfolio will be sufficient have recourse to securities lending for the purposes of efficient portfolio management.
- The Sub-Fund may also hold securities offered outside the United States of America without registration under the United States Securities Act of 1933.
- The Sub-Fund may also retain amounts in cash or cash equivalents.
- The Sub-Fund is not permitted to invest in aggregate more than 10% of its Net Asset Value in shares or units of UCITS or other UCI.

•The Sub-Fund is actively managed. The Investment Manager will therefore not track any index and/or have any constraints in relation to the allocation of the portfolio, based on the change in the composition of any index. Should investors in the Sub-Fund wish to measure the performance of the Sub-Fund for comparison purposes, then the Investment Manager would suggest using the ICE BofAML BB-B US High Yield Constrained Index or such other benchmark as may be disclosed from time to time in the KIID for this Sub-Fund.

Your shares will be non-distributing. Income from investments in the Sub-Fund will be re-invested and therefore rolled up into the value of your shares.

The Sub-Fund currency is USD. This Share Class is in USD.

You can buy and sell your shares daily. The minimum initial investment for this Share Class is USD 10,000,000 or currency equivalent.

**Recommendation:** The Sub-Fund is intended as a long term investment. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser on their risk tolerance and investment horizon before investing in the Sub-Fund.

## Risk and reward profile



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.

Particular risks not adequately captured by the risk indicator include:

- **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.
- **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 sub-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
- **Distressed debt securities:** A Sub-Fund may invest in distressed debt securities. These assets involve a high risk of capital loss, uncertainty of interest payments and can suffer from poor liquidity.
- **Interest Rate Risk:** The performance of a Sub-Fund may be influenced by changes in the general level of interest rates.
- **Bond Downgrade Risk:** A Sub-Fund may invest in highly rated / investment grade bonds, however, where a bond is subsequently downgraded it may continue to be held in order to avoid a distressed sale. To the extent that a Sub-Fund does hold such downgraded bonds, there will be an increased risk of default.
- **Risks associated with Depositary Receipts:** ADRs and GDRs do not always perform in line with the underlying security and there is no guarantee that a similar outcome will be achieved to that if it were possible to hold the securities directly. In the event of the suspension or closure of a market(s) on which the underlying securities are traded, there is a risk that the value of the ADR/GDR will not closely reflect the value of the relevant underlying securities. Additionally, there may be some circumstances where the Investment Manager cannot, or it is not appropriate to, invest in an ADR or GDR, or the characteristics of the ADR or GDR do not exactly reflect the underlying security.

## Charges

### One-off charges taken before or after you invest

<b>Entry charge</b>	Up to 3.00%
<b>Exit charge</b>	Up to 1.00%

### Charges taken from the UCITS over a year

<b>Ongoing charges</b>	0.69%
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### Charges taken from the UCITS under certain specific conditions

<b>Performance fee</b>	None
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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).

The charges borne by the investor are used for the operation of the Sub-Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

The entry and exit charges shown are maximum percentage. In some cases you might pay less. Please refer to your financial advisor or the distributor for the actual entry and exit charges.

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 depositary and any entry/exit charge paid to an underlying collective investment scheme (if any).

## Past performance

The Sub-Fund does not yet have performance data for one complete calendar year to display a graph of past performance.

Past performance is not a guide to future performance.

The Sub-Fund was launched on September the 8th, 2020.

The Share Class was launched on September the 11th, 2020.

There is insufficient performance data available to provide a chart of annual past performance.

The past performance is calculated in USD, with net dividends reinvested.

## Practical information

**Depositary Bank:** The depositary of the UCITS is HSBC Continental Europe, Luxembourg.

Further information about the Sub-Fund can be obtained from the prospectus and the latest annual and semi-annual reports of the UCITS.

Copies of these documents and the latest Net Asset Value per Share are available in English, free of charge, at the registered office of AIA Investment Funds, 16, Boulevard d'Avranches, L-1160 Luxembourg, and on the following website: [www.aia.com/en/funds-information](http://www.aia.com/en/funds-information).

Investors should note that the tax legislation that applies to the Sub-Fund may have an impact on their personal tax position.

The Sub-Fund is a sub-fund of the UCITS, an umbrella structure comprising different sub-funds. This document is specific to the Sub-Fund and share class stated at the beginning of this document. However, the prospectus, annual and semi-annual reports are prepared for the UCITS.

The UCITS may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the UCITS prospectus.

Further information about other share classes can be found in the prospectus.

Under Luxembourg law, the UCITS has segregated liability between its sub-funds (i.e. the UCITS assets will not be used to discharge the liabilities of other Sub-Funds within the umbrella). In addition, the Sub-Fund's assets are held separately from the assets of other sub-funds.

Investors may switch their shares in the Sub-Fund for shares in another share class of another sub-fund within the UCITS, subject to meeting any relevant eligibility requirements and minimum holding amounts and any other conditions as set out in section 7.6 "Conversion of Shares" of the prospectus.

With effect from January, 2018, the Management Company has established and applies a remuneration policy in accordance with principles laid out under UCITS V directive and any related legal and regulatory provisions applicable in Luxembourg. The up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available at [https://www.fundrock.com/pdf/Fundrock\\_Remuneration\\_policy.pdf](https://www.fundrock.com/pdf/Fundrock_Remuneration_policy.pdf) and a paper copy will be made available free of charge upon request at the Management Company's registered office.

This Key Investor Information is accurate as at February the 19th, 2021.