



# AIA INVESTMENT FUNDS

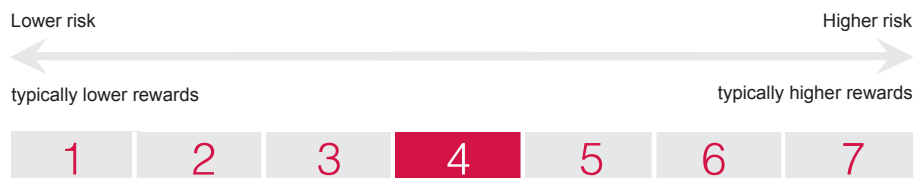
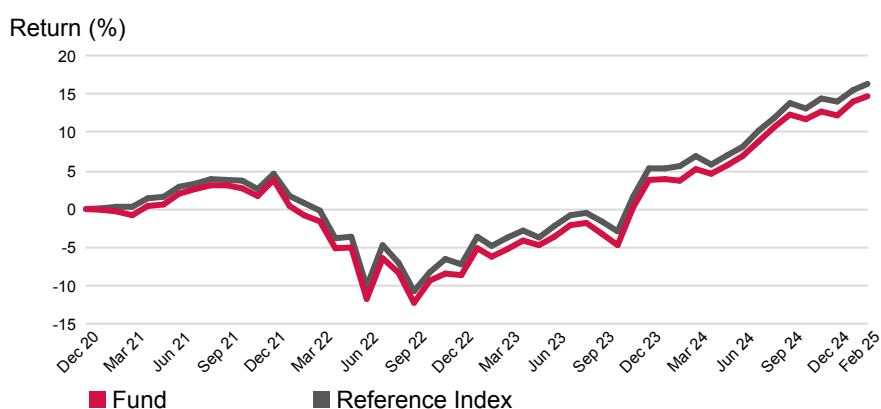
## AIA US HIGH YIELD BOND FUND

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### INVESTMENT OBJECTIVE and POLICY

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. 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 a diversified portfolio of high yield fixed income securities denominated in USD that are rated lower than Baa3 by Moody's, or lower than BBB- by S&P or equivalently rated by Fitch.

### PERFORMANCE



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

**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.

**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, particularly in a thinly traded market. In certain market environments this may lead to investments in such securities becoming less liquid, making it difficult to dispose of them. A Sub-Fund may be affected by changes in prevailing interest rates and by credit quality considerations. Changes in market rates of interest will generally affect a Sub-Fund's asset values as the prices of fixed rate securities generally increase when interest rates decline and decrease when interest rates rise. Prices of shorter-term securities generally fluctuate less in response to interest rate changes than do longer-term securities. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, a Sub-Fund may experience losses and incur costs. Issuers of non-investment grade or unrated debt may be highly leveraged and carry a greater risk of default. In addition, non-investment grade or unrated securities tend to be less liquid and more volatile than higher rated fixed-income securities, so that adverse economic events may have a greater impact on the prices of non-investment grade debt securities than on higher rated fixed-income securities. Such securities are also subject to greater risk of loss of principal and interest than higher rated fixed-income 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 Z)	LU2182890298
Bloomberg ticker (Class Z)	AFHYZUC
Total Fund Size	146,420,141.80
Fund base currency	USD
Share class currency (Class Z)	USD
Net asset value (Class Z)	11.9391
Inception date (Class Z)	08-Sep-20
Domicile	Luxembourg
Fund type	UCITS
<sup>^</sup> Ongoing charges	0.13%
Performance Fee	None

<sup>^</sup>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.

### IMPORTANT INFORMATION

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

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## 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 Z	0.61	1.70	2.15	10.56	4.96	-	-	4.04
^Benchmark	0.65	1.62	2.05	10.14	4.96	-	-	4.60
Relative Return	-0.04	0.08	0.10	0.42	0.00	-	-	-0.56

^ICE BofAML US High Yield Constrained Index

Benchmark Performance represents the following: Sep 08 2020 to Jan 09 2022 - (ICE BofAML BB-B US High Yield Constrained Index); Jan 10 2022 onwards - (ICE BofAML US High Yield Constrained 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.	United States Treasury Bill 0% 01/05/2025	3.0
2.	United States Treasury Bill 0% 08/05/2025	1.2
3.	United States Treasury NoteBond 4.25% 15/11/2034	1.0
4.	Nationstar Mortgage Holdings Inc 5.75% 15/11/2031	0.9
5.	Clydesdale Acquisition Holdings 8.75% 15/04/2030	0.8
6.	Carnival Corp 5.75% 15/03/2030	0.8
7.	CCO Holdings LLC 4.5% 15/08/2030	0.7
8.	American Airlines IncAAAdvantage 5.75% 20/04/2029	0.7
9.	Nexstar Media Inc 4.75% 01/11/2028	0.7
10.	CHSCCommunity Health Systems Inc 6% 15/01/2029	0.6

## COUNTRY WEIGHTS (%)

USA	87.3
Canada	4.3
United Kingdom	1.9
France	1.3
Germany	1.3
Luxembourg	0.8
Netherlands	0.6
Finland	0.6
Italy	0.5
Other Countries	1.6

## DURATION WEIGHTS (%)

0 - 1 Year	8.9
1 - 3 Years	25.1
3 - 5 Years	51.2
5 - 10 Years	14.7
10+ Years	0.1

## SECTOR WEIGHTS (%)

Consumer, Cyclical	17.9
Consumer, Non-cyclical	15.9
Communications	15.8
Financial	13.1
Energy	11.9
Industrial	10.5
Technology	5.7
Government	5.6
Basic Materials	2.3
Other Sectors	1.4

## RATING WEIGHTS (%)

AAA	0.0
AA+	5.6
AA	0.0
AA-	0.0
A+	0.0
A	0.0
A-	0.0
BBB+	0.0
BBB	0.0
BBB-	0.4
Others	94.0
Derivatives	0.0

# AIA US HIGH YIELD 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
Z	USD	AFHYZUC	LU2182890298	2020-09-08	Up to 5%	0%	USD 10	Up to 1%	USD20m	USD100,000	USD100,000	USD20m	N/A	NA	NA
IDQ	USD	AFHYIUQ	LU2182890025	2020-09-11	Up to 5%	Up to 0.75%	USD 10	Up to 1%	USD10m	USD100,000	USD100,000	USD10m	Quarterly	2025-03-14	0.112093

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 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)
<b>Z</b>									
Fund	USD	0.61	1.70	2.15	10.56	4.96	-	-	4.04
^Benchmark	USD	0.65	1.62	2.05	10.14	4.96	-	-	4.60
Relative Return	USD	-0.04	0.08	0.10	0.42	0.00	-	-	-0.56
<b>IDQ</b>									
Fund	USD	0.57	1.58	2.07	10.01	4.43	-	-	3.59
^Benchmark	USD	0.65	1.62	2.05	10.14	4.96	-	-	4.60
Relative Return	USD	-0.09	-0.04	0.02	-0.13	-0.53	-	-	-1.01

^ICE BofAML US High Yield Constrained Index

Benchmark Performance represents the following: Sep 08 2020 to Jan 09 2022 - (ICE BofAML BB-B US High Yield Constrained Index); Jan 10 2022 onwards - (ICE BofAML US High Yield Constrained Index)

Past performance is not a guide to future performance.

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

## COMMENTARY

### Commentary Sources

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

In February, developments on U.S. trade policy fuelled global uncertainty and drove volatility across financial markets. Tariff threats on a range of U.S. trading partners, including Mexico, Canada, and China, weighed on sentiment during the month. In Germany, the conservative CDU/CSU bloc led by Friedrich Merz saw victory in the country's election, with key questions going forward on their ability to form a new government and get enough support to make constitutional changes to the debt brake. The monetary space was relatively quiet in February as most developed central banks did not have monetary policy meetings. Early in the month, the Bank of England lowered the Bank Rate by 25 basis points (bps) to 4.50%, supported by the continued progress on slowing inflation and containing wage growth. While the medium-term outlook on inflation was improving, the Monetary Policy Committee also stressed that a gradual and careful approach to further cuts would be appropriate. The Reserve Bank of Australia finally joined its developed market peers as they cut rates for the first time in over four years, lowering the cash rate by 25bps to 4.10%. In her press conference, Governor Michele Bullock continued to stress the upside risks on inflation and that the current market pricing for future rate cuts in 2025 was not consistent with their outlook. Global investment grade credit posted positive returns for the month, underperforming like-duration government bonds, as spreads widened in February. Investment grade credit spreads widened as tariff uncertainty impacted consumer and business sentiment, though total returns were supported by a decline in yields. Global high yield delivered positive returns with CCC-rated bonds outperforming B-rated bonds and BB-rated bonds from a total return perspective. High yield credit benefitted from solid corporate earnings results, supportive technicals, and declining yields.

The AIA US High Yield Bond Fund returned 0.61% for the month, marginally underperforming the benchmark by 5bps. Key contributors to portfolio performance include security selection in Transportation and Technology, while key detractors include security selection in Food & Beverage and Healthcare. The Fund favours U.S. high yield as it believes that the U.S. market benefits from a broader and more diverse buyer base and offers greater liquidity and higher yields on an absolute level. The Fund continues to favour defensive, non-cyclical sectors with relatively stable cash flows, and remains broadly underweight to more cyclical sectors and/or those which it perceives to be in secular decline as a result of changing market or customer dynamics, although it is finding opportunities where fundamental-adjusted valuations are compelling. The Fund continues to focus on industries perceived to have strong asset coverage, manageable leverage levels, and favourable secular and cyclical trends, and is cautious on industries that it believes are facing meaningful secular challenges. It continues to look for credits that may be acquisition targets and those that may benefit from early refinancing situations.

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Investments in AIAIF are not obligations of, deposits in, guaranteed or insured by AIAIF nor any of its affiliates and are subject to investment risks, including the possible loss of the principal amount invested. **Prospective investors are invited to further consider the risk warnings section of the Prospectus and the relevant KIID.** This document is solely for information and does not have any regard to the specific investment objectives, financial or tax situation and the particular needs of any specific person who may receive this document. No investment strategy or risk management strategy techniques can guarantee returns or eliminate risks in any market environment.

Please refer to the offering documents (including, but not limited to the current Prospectus and the KIID) of AIAIF for details on fees and charges, dealing & redemption, product features, risk factors and seek professional advice before making any investment decision. The value of shares in any sub-fund of AIAIF and the income accruing to the shares, if any, may fall or rise. Where an investment is denominated in a currency other than the base currency of a sub-fund of AIAIF, exchange rates may have an adverse effect on the value price or income of that investment. Investors should not make any investment decision solely based on this document. In the event that an investor may choose not to seek advice from a financial adviser, the latter should consider carefully whether an investment into a sub-fund of AIAIF in question is suitable for him.

**Past performance and the predictions, projections, or forecasts on the economy, securities markets or the economic trends of the markets are not necessarily indicative of the future or likely performance of the AIAIF.**

**Any sub-fund of AIAIF may use derivative instruments for efficient portfolio management and hedging purposes.**

**This paragraph is only applicable to the distribution share classes of AIAIF.** AIAIF may, at its discretion, determine how the earnings of distribution share classes shall be distributed and may declare distributions from time to time. When AIAIF decides to pay dividends in respect of a distributing share class out of the capital of the sub-fund of AIAIF or where the dividends in respect of a distributing share class are paid out of gross income of the sub-fund of AIAIF, while the sub-fund of AIAIF's fees and expenses are charged to or paid out of the capital of the sub-fund of AIAIF, resulting in an increase in distributable income for the payment of dividends by the sub-fund of AIAIF, such payment of dividends may, in the light of the rules applicable in the jurisdictions where the sub-fund of AIAIF is registered for public distribution, be considered as a payment of dividends out of and effectively out of capital respectively, both of which would amount to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. The distributions, including amounts and frequency, are not guaranteed and are subject to the discretion of AIAIF. Past dividends are not a forecast or projection of future distributions.

There is no assurance that any securities discussed herein will remain in the portfolio in the future. All material is compiled from sources believed to be reliable and correct but accuracy cannot be guaranteed. No warranty of accuracy is given and no liability in respect or any error or omission is accepted nor liability for damages arising out of any person's reliance upon the information, opinion, forecast or estimate contained in this document.

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