# AIA INVESTMENT FUNDS
# AIA US HIGH YIELD BOND FUND

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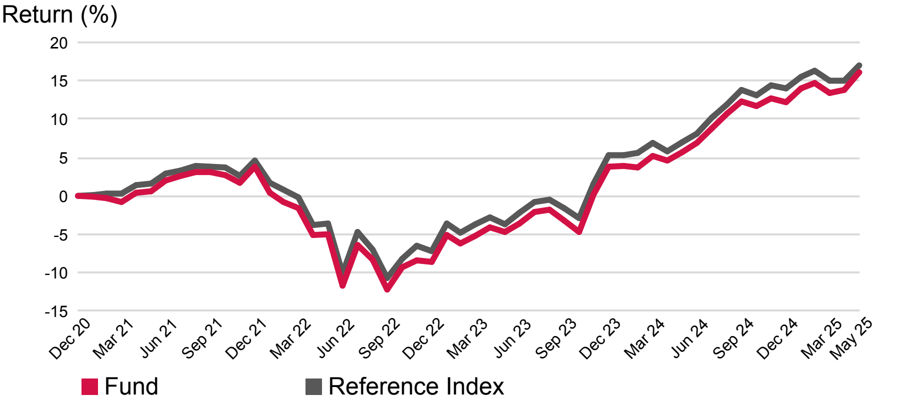
## INVESTMENT OBJECTIVE and POLICY

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




Lower risk — Higher risk

typically lower rewards — typically higher rewards

| 1 | 2 | 3 | **4** | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

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 | **137,379,492.10** |
| Fund base currency | **USD** |
| Share class currency (Class Z) | **USD** |
| Net asset value (Class Z) | **12.09** |
| Inception date (Class Z) | **08-Sep-20** |
| Domicile | **Luxembourg** |
| Fund type | **UCITS** |
| ^Ongoing charges | **0.13%** |
| Performance Fee | **None** |

^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).

# AIA US HIGH YIELD 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 Z | 2.02 | 1.27 | 3.45 | 9.84 | 6.91 | - | - | 4.10 |
| ^Benchmark | 1.69 | 0.61 | 2.67 | 9.35 | 6.72 | - | - | 4.48 |
| Relative Return | 0.33 | 0.66 | 0.77 | 0.49 | 0.19 | - | - | -0.38 |

^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 risk factors.

## TOP 10 HOLDINGS (%)

| | | |
|---|---|---|
| 1. | Nationstar Mortgage Holdings Inc 5.75% 15/11/2031 | 1.0 |
| 2. | EchoStar Corp 10.75% 30/11/2029 | 0.8 |
| 3. | Clydesdale Acquisition Holdings 8.75% 15/04/2030 | 0.8 |
| 4. | CCO Holdings LLC 4.5% 15/08/2030 | 0.7 |
| 5. | Block Inc 3.5% 01/06/2031 | 0.7 |
| 6. | Nexstar Media Inc 4.75% 01/11/2028 | 0.7 |
| 7. | American Airlines IncAAdvantage 5.75% 20/04/2029 | 0.7 |
| 8. | CHSCommunity Health Systems Inc 6% 15/01/2029 | 0.7 |
| 9. | Owens Minor Inc 10% 15/04/2030 | 0.6 |
| 10. | Quikrete Holdings Inc 6.375% 01/03/2032 | 0.6 |

## COUNTRY WEIGHTS (%)

| | |
|---|---|
| USA | 85.9 |
| Canada | 4.8 |
| United Kingdom | 1.8 |
| France | 1.7 |
| Germany | 1.1 |
| Luxembourg | 1.0 |
| Netherlands | 0.8 |
| Norway | 0.5 |
| Israel | 0.5 |
| Other Countries | 1.8 |

## DURATION WEIGHTS (%)

| | |
|---|---|
| 0 - 1 Year | 5.3 |
| 1 - 3 Years | 26.5 |
| 3 - 5 Years | 55.7 |
| 5 - 10 Years | 12.4 |
| 10+ Years | 0.2 |

## SECTOR WEIGHTS (%)

| | |
|---|---|
| Consumer, Non-cyclical | 20.1 |
| Communications | 16.6 |
| Consumer, Cyclical | 16.5 |
| Financial | 13.7 |
| Energy | 11.9 |
| Industrial | 11.3 |
| Technology | 5.3 |
| Basic Materials | 3.2 |
| Utilities | 0.8 |
| Other Sectors | 0.6 |

## RATING WEIGHTS (%)

| | |
|---|---|
| AAA | 0.3 |
| AA+ | 0.0 |
| AA | 0.0 |
| AA- | 0.0 |
| A+ | 0.0 |
| A | 0.0 |
| A- | 0.0 |
| BBB+ | 0.0 |
| BBB | 0.0 |
| BBB- | 0.7 |
| Others | 99.0 |
| Derivatives | 0.0 |

Note: Due to rounding limitations, the summation of (%)s might not be an exact 100%.

# 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 | 2025-06-16 | 0.166344 |

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 9 (fees and expenses) of the prospectus, which is available at : www.aia.com/en/funds-information

| | | Cumulative Returns (%) | | | | Annualised Returns (%) | | | |
|---|---|---|---|---|---|---|---|---|---|
| Share class | Currency | 1 m | 3 m | YTD | 1 y | 3 y (p.a) | 5 y (p.a) | 10 y (p.a) | Since Inception (p.a) |
| Z | | | | | | | | | |
| Fund | USD | 2.02 | 1.27 | 3.45 | 9.84 | 6.91 | - | - | 4.10 |
| ^Benchmark | USD | 1.69 | 0.61 | 2.67 | 9.35 | 6.72 | - | - | 4.48 |
| Relative Return | USD | 0.33 | 0.66 | 0.77 | 0.49 | 0.19 | - | - | -0.38 |
| IDQ | | | | | | | | | |
| Fund | USD | 1.98 | 1.14 | 3.24 | 9.29 | 6.38 | - | - | 3.64 |
| ^Benchmark | USD | 1.69 | 0.61 | 2.67 | 9.35 | 6.72 | - | - | 4.49 |
| Relative Return | USD | 0.29 | 0.53 | 0.56 | -0.05 | -0.34 | - | - | -0.84 |

^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 risk factors.

## Commentary Sources

1. AIA Investment Management Pte Ltd

2. AIA Investment Funds

2. PIMCO Asia Pte Ltd

## COMMENTARY

Market volatility remained elevated in May, partly driven by trade policy uncertainties and fiscal concerns. Initial optimism stemming from potential tariff agreements was tempered by renewed U.S./China trade tensions later in the month and worries over the U.S. fiscal outlook. The latter was exacerbated by Moody's U.S. credit downgrade and President Trump's "One Big Beautiful Bill" passing through the House of Representatives. Sovereign bond yields rose across major markets amid these developments. Risk assets posted generally positive performance, signalling improved risk sentiment.

During the month, central banks continued to adopt a prudent stance, amid unpredictable economic environment and uncertainty. The Federal Reserve maintained its target range for the federal funds rate at 4.25%-4.50% for a third consecutive meeting, with policymakers recognizing risks on both sides of the dual mandate, with increased risks of higher unemployment and higher inflation. The Bank of England reduced the Bank Rate by 25bps to 4.25%, the decision reflecting continued disinflation progress as external shocks eased and tight policy helped anchor inflation expectations. The Bank of Japan maintained its policy rate at 0.5%, amid rising trade uncertainty, while the People's Bank of China (PBoC) announced further stimulus measures, including the expansion of lending facilities and a cut to the required reserve ratio. The PBoC also reduced the one-year loan prime rate (LPR) and five-year LPR by 10bps to 3.0% and 3.5%, respectively.

For the month of May, the AIA US High Yield Bond Fund returned 2.02%, outperforming the benchmark by 33 bps. Key contributors to portfolio performance include security selection in Retail and Healthcare, while key detractors include security selection in Technology and Lodging & Leisure.

The Fund continues to favor 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. It continues to focus on industries perceived to have strong asset coverage, manageable leverage levels, and favorable secular and cyclical trends, while being cautious on industries that are facing meaningful secular challenges.

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