AIA INVESTMENT FUNDS
AIA US HIGH YIELD BOND FUND

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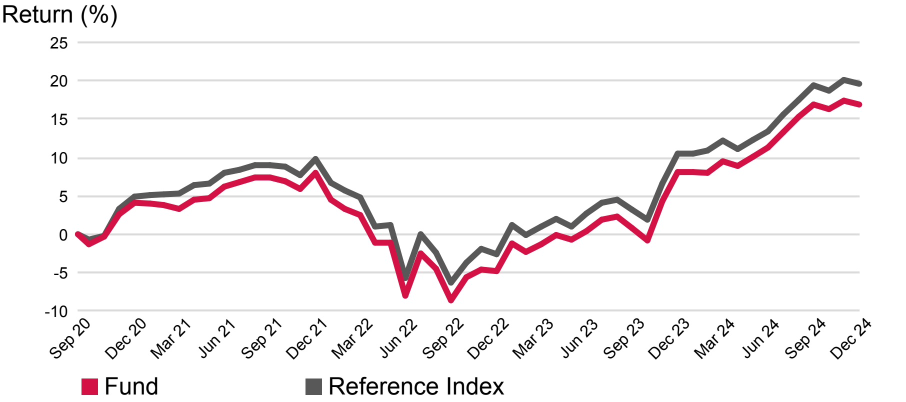
INVESTMENT OBJECTIVE and POLICY

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**
Fund size	**63,800,402.59**
Fund base currency	**USD**
Share class currency (Class Z)	**USD**
Net asset value (Class Z)	**11.6874**
Inception date (Class Z)	**08-Sep-20**
Domicile	**Luxembourg**
Fund type	**UCITS**
^Ongoing charges	**0.17%**
Performance Fee	**None**

^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).

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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	-0.44	-0.05	8.15	8.15	2.65	-	-	3.68
^Benchmark	-0.42	0.17	8.27	8.27	2.96	-	-	4.28
Relative Return	-0.02	-0.22	-0.13	-0.13	-0.31	-	-	-0.60

^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% 13/02/2025	2.5
2.	Bausch Lomb Escrow Corp 8.375% 01/10/2028	1.1
3.	United States Treasury Bill 0% 06/02/2025	1.0
4.	Nationstar Mortgage Holdings Inc 5.75% 15/11/2031	1.0
5.	goeasy Ltd 9.25% 01/12/2028	0.9
6.	TreeHouse Foods Inc 4% 01/09/2028	0.8
7.	Encore Capital Group Inc 9.25% 01/04/2029	0.8
8.	CCO Holdings LLC 4.5% 15/08/2030	0.7
9.	USA Compression Partners LP US 7.125% 15/03/2029	0.7
10.	Nexstar Media Inc 4.75% 01/11/2028	0.7

COUNTRY WEIGHTS (%)

USA	84.8
Canada	5.1
United Kingdom	2.0
France	1.5
Germany	1.4
Luxembourg	1.0
Netherlands	0.8
Australia	0.6
Austria	0.6
Other Countries	2.2

DURATION WEIGHTS (%)

0 - 1 Year	8.4
1 - 3 Years	26.4
3 - 5 Years	50.9
5 - 10 Years	14.3
10+ Years	0.0

SECTOR WEIGHTS (%)

Consumer, Cyclical	17.5
Consumer, Non-cyclical	16.4
Communications	15.2
Financial	14.6
Energy	12.1
Industrial	10.6
Technology	5.9
Government	3.8
Basic Materials	3.2
Other Sectors	0.9

RATING WEIGHTS (%)

AAA	0.0
AA+	3.8
AA	0.0
AA-	0.0
A+	0.0
A	0.0
A-	0.0
BBB+	0.0
BBB	0.0
BBB-	0.8
Others	95.5
Derivatives	0.0

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

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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	2024-12-13	0.159657

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

		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	-0.44	-0.05	8.15	8.15	2.65	-	-	3.68
^Benchmark	USD	-0.42	0.17	8.27	8.27	2.96	-	-	4.28
Relative Return	USD	-0.02	-0.22	-0.13	-0.13	-0.31	-	-	-0.60
IDQ									
Fund	USD	-0.48	-0.17	7.61	7.61	2.13	-	-	3.23
^Benchmark	USD	-0.42	0.17	8.27	8.27	2.96	-	-	4.24
Relative Return	USD	-0.06	-0.35	-0.67	-0.67	-0.82	-	-	-1.01

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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

2. PIMCO Asia Pte Ltd

COMMENTARY

Markets produced challenged results in December, as the Fed took a more hawkish stance and investor sentiment waned. In France, Michel Barnier resigned after the National Assembly approved a no confidence vote against him, leading the OAT-Bund 10 year (y) spread to reach its highest level since 2012. The U.S. 2y yield rose 9bps to 4.24%, while the UK 2y yield rose 15bps to 4.38%. The U.S. 10y yield rose 40 basis points (bps) to 4.57%, while the UK 10y yield rose 32bps to 4.56%. In Germany, the 2y yield rose 13bps to 2.08%, while the 10y rose 28bps to 2.36%. Within spreads, USD investment grade tightened 1bp to 82bps, while EUR investment grade tightened 6bps to 101bps. USD high yield credit widened 18bps to 292bps, while EUR high yield spreads tightened 19bps to 316bps. In the equities space, U.S. equities experienced losses as the S&P 500 returned -2.38% and the Russell 2000 saw the biggest losses, registering a return of -8.26%. On the other hand, the Nikkei index gained 4.53% over the month.

In the monetary space, the year ended with central banks signalling cautious paths forward for monetary policy easing amid mixed data. The Federal Reserve lowered the federal funds target rate by 25bps to 4.25%-4.50%, marking the third interest rate cut this year. Fed Chair Jerome Powell expressed the need for caution moving forward, and noted they were committed to a maximum level of inflation of 2%, and that current inflation was still above the target. The Bank of Japan maintained their policy rate at 0.25% during the final meeting of the year. Policymakers assessed that the economy is likely to keep growing at a pace above its potential growth rate and expected consumer price index (CPI) inflation to increase gradually, while uncertainties around Japan's economic activity and pricing remain high. The Bank of England kept its policy rate at 4.75%, with three members of the Committee voting in favor of a 25bps reduction. The Committee continues to closely monitor inflation risks and will gradually adjust monetary policy, maintaining a restrictive stance until inflation sustainably returns to the 2% target. The European Central Bank cut its deposit facility rate by 25bps to 3%, and European Central Bank (ECB) President Christine Lagarde noted that the effects of restrictive monetary policy would be gradually fading over time. The Swiss National Bank lowered its policy rate by 50bps to 0.5%, taking into account underlying inflationary pressures.

Regarding macro prints, the Fund saw a stronger U.S. labour market as the month started with non-farm payrolls printing at +227k (vs +200k expected). Meanwhile, the unemployment rate printed at 4.2% (in line with expectations). U.S. core CPI printed at 3.3%yoy (in line with expectations), and headline CPI rose, printing at 2.7%yoy (in line with expectations). In the United Kingdom, core CPI rose to 3.5% year-over-year (yoy) (vs. 3.6% expected), and headline CPI printed at 2.6%yoy (vs. 2.3% expected). Euro Area core inflation remained at 2.7%yoy, in line with expectations, while headline inflation printed slightly below expectations at 2.2%yoy. Finally, the Eurozone and UK flash composite PMIs printed at 49.5 and 50.5, respectively, in December, pointing to broad stagnation in both economies.

Global investment grade credit posted negative returns of -1.21% for the month, outperforming like-duration government bonds by 0.13%, as spreads tightened 1bp in December. Rates sold off over the month as the Fed signalled for fewer cuts than expected in 2025, though this was somewhat offset by the continued supportive technical backdrop for investment grade credit.

Global high yield delivered negative returns of -0.15% with the lowest quality segment of the high yield market, CCC-rated bonds (+0.33%), outperforming BB-rated (-0.24%) and B-rated (-0.07%) bonds from a total return perspective. High yield bond yields surged to a four-month high during the month as the Fed delivered a hawkish cut, though this was somewhat offset by constructive economic growth expectations and generally resilient fundamentals.

In December, the AIA US High Yield Fund returned -0.44%, slightly underperforming the benchmark by 2bps. Key detractors to the Fund’s performance include security selection in both Healthcare and Media & Entertainment. Key contributors to the Fund’s performance include security selection in both Energy – Pipelines and Energy Services and Paper & Packaging and Technology.

The Fund favors US high yield as it has a broader and more diverse buyer base and offers greater liquidity and higher yields on an absolute level. In sectors, the Fund continues to focus on industries perceived to have strong asset coverage, manageable leverage levels, favourable secular and cyclical trends. It is cautious on industries facing meaningful secular challenges. The Fund continues to look for credits that may be acquisition targets and those that may benefit from early refinancing situations. Overall, the Fund is cautiously optimistic and are focused on maintaining sufficient liquidity in the portfolio.

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