



AIA INVESTMENT FUNDS

AIA DIVERSIFIED FIXED INCOME FUND

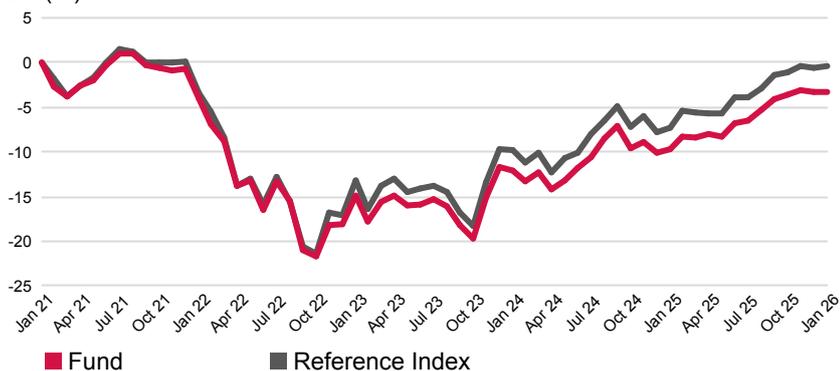
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INVESTMENT OBJECTIVE and POLICY

The Sub-Fund aims to maximise long-term return by investing in a diversified fixed income portfolio consisting primarily investment grade bonds and other debt 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 USD-denominated fixed or floating rate fixed income securities issued by government, agencies and companies globally. The Sub-Fund may invest in a full spectrum of fixed income securities including corporate bonds, emerging markets debt instruments, collateralized loan obligations (CLOs), asset backed securities (ABS), commercial mortgage backed securities (CMBS), taxable municipals, US government or agency obligations, as well as cash and commercial paper. Investments in collateralized loan obligations (CLOs), commercial mortgage backed securities (CMBS), asset backed securities (ABS) and emerging market securities shall not exceed 20% of the net assets of the Sub-Fund.

PERFORMANCE

Return (%)



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

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.

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.

Interest Rate Risk The performance of a Sub-Fund may be influenced by changes in the general level of interest rates.

Sovereign Debt Risk Sovereign debt refers to debt obligations issued or guaranteed by governments or their agencies and instrumentalities (each a "governmental entity"). Investments in sovereign debt may involve a degree of risk.

Source: Please refer to Section 5 of the prospectus for other risk factors.

Asset class	Fixed Income
ISIN (Class I)	LU1982194364
Bloomberg ticker (Class I)	AFDIUC
Total Fund Size	433,916,582.19
Fund base currency	USD
Share class currency (Class I)	USD
Net asset value (Class I)	11.00
Inception date (Class I)	05-Jul-19
Domicile	Luxembourg
Fund type	UCITS
[^] Ongoing charges	0.56%
Performance Fee	None

[^]Data as of 31 December 2025. 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 DIVERSIFIED FIXED INCOME 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 I	0.00	0.29	0.00	7.11	4.35	-0.67	-	1.45
^Benchmark	0.18	0.63	0.18	7.37	4.70	-0.09	-	2.07
Relative Return	-0.18	-0.34	-0.18	-0.26	-0.35	-0.58	-	-0.61

^BBG Barclays US Corporate Bond Index

Benchmark Performance represents the following: Before 1 Jun 2023 - (AIA Diversified Fixed Income Blended BBG/Barclays/JPM Benchmark); 1 Jun 2023 onwards - (BBG Barclays US Corporate Bond 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.	CBT US 2YR NOTE (CBT) Mar26	4.8
2.	CBT US LONG BOND(CBT) Mar26	3.0
3.	United States Treasury NoteBond 4.75% 15/08/2055	2.6
4.	TMobile USA Inc 2.625% 15/02/2029	1.3
5.	United States Treasury NoteBond 4% 15/11/2035	1.1
6.	Eagle Funding Luxco Sarl 5.5% 17/08/2030	1.1
7.	Bank of America Corp 4.979% VRN 24/01/2029	1.0
8.	United States Treasury Note/Bond 3.5 % 15-Jan-2029	1.0
9.	United States Treasury NoteBond 4.25% 15/08/2035	1.0
10.	Edison International 5.75% 15/06/2027	0.9

COUNTRY WEIGHTS (%)

USA	84.9
United Kingdom	1.9
France	1.5
Japan	1.4
Mexico	1.3
Canada	1.1
Australia	0.8
Germany	0.7
Belgium	0.6
Derivatives	4.2
Other Countries	1.6

DURATION WEIGHTS (%)

0 - 1 Year	2.0
1 - 3 Years	28.7
3 - 5 Years	15.4
5 - 10 Years	29.3
10+ Years	24.8

SECTOR WEIGHTS (%)

Financial	30.5
Consumer, Non-cyclical	11.7
Communications	9.5
Government	9.1
Utilities	8.7
Industrial	8.3
Energy	6.9
Technology	6.1
Consumer, Cyclical	3.0
Derivatives	4.2
Other Sectors	2.2

RATING WEIGHTS (%)

AAA	0.3
AA+	8.1
AA	0.7
AA-	2.5
A+	4.2
A	10.4
A-	18.8
BBB+	15.3
BBB	23.5
BBB-	8.4
Others	3.6
Derivatives	4.2

AIA DIVERSIFIED FIXED INCOME 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
I	USD	AFDFIUC	LU1982194364	2019-07-05	Up to 3%	Up to 0.50%	USD 10	Up to 1%	USD10m	USD100,000	USD100,000	USD10m	NA	NA	NA
Z	USD	AFDZUC	LU1982194794	2020-05-06	Up to 3%	0%	USD 10	Up to 1%	USD20m	USD100,000	USD100,000	USD20m	NA	NA	NA
IDQ	USD	AFDIUQ	LU2209052336	2020-09-11	Up to 3%	Up to 0.50%	USD 10	Up to 1%	USD10m	USD100,000	USD100,000	USD10m	Quarterly	2025-12-12	0.088228
K	USD	AFDKUC	LU2289846128	2021-07-02	Up to 3%	Up to 0.50%	USD 10	Up to 1%	USD10m	USD100,000	USD100,000	USD10m	NA	NA	NA

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

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)
I									
Fund	USD	0.00	0.29	0.00	7.11	4.35	-0.67	-	1.45
^Benchmark	USD	0.18	0.63	0.18	7.37	4.70	-0.09	-	2.07
Relative Return	USD	-0.18	-0.34	-0.18	-0.26	-0.35	-0.58	-	-0.61
Z									
Fund	USD	0.04	0.42	0.04	7.65	4.88	-0.17	-	1.59
^Benchmark	USD	0.18	0.63	0.18	7.37	4.70	-0.09	-	1.67
Relative Return	USD	-0.14	-0.21	-0.14	0.28	0.17	-0.08	-	-0.08
IDQ									
Fund	USD	0.00	0.29	0.00	7.12	4.35	-0.67	-	-0.27
^Benchmark	USD	0.18	0.63	0.18	7.37	4.70	-0.09	-	0.23
Relative Return	USD	-0.18	-0.34	-0.18	-0.25	-0.35	-0.58	-	-0.50
K									
Fund	USD	0.03	0.37	0.03	7.46	4.69	-	-	-0.36
^Benchmark	USD	0.18	0.63	0.18	7.37	4.70	-	-	-0.09
Relative Return	USD	-0.15	-0.26	-0.15	0.09	-0.01	-	-	-0.28

^BBG Barclays US Corporate Bond Index

Benchmark Performance represents the following: Before 1 Jun 2023 - (AIA Diversified Fixed Income Blended BBG/Barclays/JPM Benchmark); 1 Jun 2023 onwards - (BBG Barclays US Corporate Bond Index)

Past performance is not a guide to future performance.

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

COMMENTARY

Commentary Sources

1. AIA Investment Management Pte Ltd
2. AIA Investment Funds
3. BlackRock Financial Mgmt, Inc

January 2026 was a constructive start to the year, with both fixed income and equities posting modest gains. The U.S. 10-year Treasury rose from 4.17% to 4.24% in January, peaking at 4.29%, as a sell-off in Japanese government bonds and heightened geopolitical tensions weighed on global rates. At its January meeting, the Fed kept rates unchanged at 3.50%–3.75% in a 10–2 vote, with Miran and Waller favoring a 25 basis points (bps) cut. Chair Powell highlighted stabilizing inflation and labor data and reiterated that upside risks to inflation as well as downside risks to labor had diminished, but that tension between the two still exists. Additionally, President Trump announced Kevin Warsh as his pick to be the next Fed Chair at the end of the month. As a result, the yield curve steepened over the month, with the 2s10s spread widening by roughly 2 bps, while long-end pressure pushed the 5s30s narrower by about 3 bps, reflecting both global rate volatility and a late-month reassessment of the longer-term policy outlook following the Fed Chair nomination.

Labor market indicators softened at the margin but remained resilient overall, as nonfarm payroll growth slowed to 50,000 in December, job openings declined to 7.2 million, and consumer confidence deteriorated sharply, with the Conference Board index plunging 9.7 points to 84.5. Simultaneously, unemployment remained relatively stable at around 4.4%, and initial jobless claims consistently hovered near historically low levels, with several weekly readings below 200,000, underscoring limited layoff activity. Inflation data was broadly supportive, with core consumer price index (CPI) rising 0.2% month-over-month in December and increasing 2.6% year-over-year, matching its lowest level in four years, while the Fed-preferred core personal consumption expenditure (PCE) measure also increased a modest 0.2% in the month and 2.8% from a year earlier. Lastly, the option-adjusted spread for the U.S. Investment Grade Credit Index tightened 4bps in January, to 69bps, resulting in a monthly excess return of 31bps. Over the month, primary market supply was about \$289.9 billion (bn), including \$184.4bn in corporates and \$105.5bn in noncorporates. In respect to performance, the best-performing sectors were Independent Exploration and Production (E&P), Oil Field Services, Transportation Services, Refining and Midstream. The worst-performing were Media Entertainment, Health Insurance, Sovereigns, Foreign Agencies and Supranationals. Crossover fared the best across the investment grade quality spectrum, while Aa+ rated bonds fared the worst.

While pockets of weakness remain, particularly in labour and among lower-end consumers - the broader economy appears positioned to grow near its long-term trend of approximately 2%. Growth is being supported by the front-loaded effects of One Big Beautiful Bill Act (OBBBA), ongoing deregulation efforts, and continued artificial intelligence (AI)-related investment. The Fund believes tariff-related inflation pressures have largely eased, while services inflation still has scope to moderate, keeping near-term inflation risks skewed lower. Geopolitical risks remain elevated globally, while domestically policy priorities continue to focus on housing affordability, lower long-term interest rates, and consumer support ahead of the mid-term elections. This environment is expected to allow the Federal Reserve to slow the pace of policy normalisation as rates approach neutral.

While mindful of the negative convexity of investment-grade spreads at current levels, the Fund see limited near-term catalysts for a material widening. The technology sector has largely repriced for the ongoing capital expenditure cycle, and selective opportunities remain in new issuance from better-positioned, lower-leverage issuers. Overall, the Fund expects spreads to remain range-bound in 2026, requiring an active and nimble approach to generate alpha.

In January, the AIA Diversified Fixed Income Fund returned flat, underperforming the benchmark by 18 basis points, primarily driven by cash flows. Heavy inflows to start the year were then reversed into heavy outflows, leading to elevated direct transaction costs as well as tracking error slippage.

AIA DIVERSIFIED FIXED INCOME FUND

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