AIA INVESTMENT FUNDS
AIA DIVERSIFIED FIXED INCOME FUND

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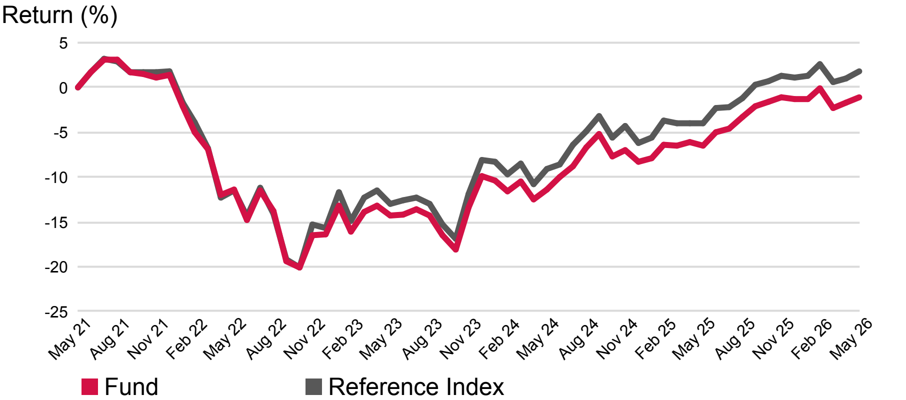
INVESTMENT OBJECTIVE and POLICY

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



Asset class	**Fixed Income**
ISIN (Class I)	**LU1982194364**
Bloomberg ticker (Class I)	**AFDFIUC**
Total Fund Size	**433,385,884.63**
Fund base currency	**USD**
Share class currency (Class I)	**USD**
Net asset value (Class I)	**11.02**
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).

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.

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	0.61	-1.03	0.23	5.75	4.88	-0.22	-	1.42
^Benchmark	0.76	-0.79	0.67	6.09	5.37	0.36	-	2.05
Relative Return	-0.15	-0.24	-0.44	-0.34	-0.49	-0.58	-	-0.63

^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) Sep26	4.4
2.	CBT US 10yr Ultra Fut Sep26	2.6
3.	CBT US LONG BOND(CBT) Sep26	2.4
4.	United States Treasury Note/Bo 4.125 % 15-Feb-2036	2.0
5.	Ishares Shortdurationcorpbond Ucits Etf Usd Dist	1.9
6.	CBT US 10YR NOTE (CBT)Sep26	1.4
7.	TMobile USA Inc 2.625% 15/02/2029	1.2
8.	Eagle Funding Luxco Sarl 5.5% 17/08/2030	1.0
9.	Bank of America Corp 4.979% VRN 24/01/2029	1.0
10.	United States Treasury NoteBond 3.5% 28/02/2031	0.9

COUNTRY WEIGHTS (%)

USA	78.9
United Kingdom	2.7
Ireland	2.2
Japan	1.6
Mexico	1.2
Canada	1.2
Denmark	0.8
Netherlands	0.7
France	0.7
Derivatives	7.4
Other Countries	2.6

DURATION WEIGHTS (%)

0 - 1 Year	4.8
1 - 3 Years	25.1
3 - 5 Years	17.4
5 - 10 Years	27.9
10+ Years	24.8

SECTOR WEIGHTS (%)

Financial	29.0
Consumer, Non-cyclical	11.9
Communications	8.7
Technology	7.8
Utilities	7.6
Industrial	7.5
Energy	6.6
Government	6.0
Consumer, Cyclical	4.4
Derivatives	7.4
Other Sectors	3.3

RATING WEIGHTS (%)

AAA	0.3
AA+	5.0
AA	2.7
AA-	2.2
A+	4.5
A	10.7
A-	19.4
BBB+	15.2
BBB	20.7
BBB-	9.1
Others	3.0
Derivatives	7.4

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

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	AFDFZUC	LU1982194794	2020-05-06	Up to 3%	0%	USD 10	Up to 1%	USD20m	USD100,000	USD100,000	USD20m	NA	NA	NA
IDQ	USD	AFDFIUQ	LU2209052336	2020-09-11	Up to 3%	Up to 0.50%	USD 10	Up to 1%	USD10m	USD100,000	USD100,000	USD10m	Quarterly	2026-03-13	0.091392
K	USD	AFDFKUC	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

		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)
I									
Fund	USD	0.61	-1.03	0.23	5.75	4.88	-0.22	-	1.42
^Benchmark	USD	0.76	-0.79	0.67	6.09	5.37	0.36	-	2.05
Relative Return	USD	-0.15	-0.24	-0.44	-0.34	-0.49	-0.58	-	-0.63
Z									
Fund	USD	0.65	-0.91	0.43	6.28	5.40	0.28	-	1.57
^Benchmark	USD	0.76	-0.79	0.67	6.09	5.37	0.36	-	1.66
Relative Return	USD	-0.11	-0.11	-0.24	0.19	0.03	-0.08	-	-0.09
IDQ									
Fund	USD	0.61	-1.03	0.23	5.75	4.88	-0.22	-	-0.21
^Benchmark	USD	0.76	-0.79	0.67	6.09	5.37	0.36	-	0.30
Relative Return	USD	-0.15	-0.24	-0.44	-0.34	-0.49	-0.58	-	-0.51
K									
Fund	USD	0.64	-0.95	0.36	6.09	5.22	-	-	-0.27
^Benchmark	USD	0.76	-0.79	0.67	6.09	5.37	-	-	-0.02
Relative Return	USD	-0.12	-0.16	-0.31	0.00	-0.15	-	-	-0.25

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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
3. BlackRock Financial Mgmt, Inc

COMMENTARY

U.S. economic data in May showed elevated inflation and continued expansion in activity indicators. Inflation remained elevated, with consumer prices rising 3.8% year over year (yoy) and producer prices increasing 6.0%, reflecting broad-based increases across energy, food, and other input costs, while real wages declined over the period. Economic activity remained in expansion territory, with the Institute for Supply Management (ISM) services index at 53.6 and manufacturing activity strengthening to 55.3, the highest level in four years, while retail sales increased 0.5% for a third consecutive month, although the data are not adjusted for inflation. Within retail sales, nine of thirteen categories recorded increases, including gains in online sales, electronics, and sporting goods, while motor vehicle and department store sales declined. Consumer indicators weakened, with consumer confidence declining to 93.1, sentiment falling to a record low based on expected prices, and long-term inflation expectations rising to 3.9%. Additional survey data indicated that most consumers cited higher prices as a factor affecting their personal finances, exacerbated by the Iran war. First-quarter Gross Domestic Product (GDP) growth was revised down to 1.6% annualised from 2.0%, reflecting slower economic momentum than initially estimated. Public comments from Federal Reserve (Fed) officials during the month emphasised ongoing inflation pressures, including evidence of price increases beyond energy-related components, and noted that the policy outlook depends on how businesses, consumers, and inflation expectations respond to continued cost increases and supply-related pressures. Kevin Warsh was also confirmed as Fed Chair by a narrow Senate vote. Against this backdrop, the option-adjusted spread for the U.S. investment-grade (IG) Credit Index tightened 6 basis points (bps) in May to 67 bps, resulting in a monthly excess return of 49 bps. The index posted a total return of +0.67% and an excess return of +0.49%. Over the month, primary market supply was about USD 205.7 billion (bn), including USD 162.7 bn incorporates and USD 43.1 bn in non-corporates.

Looking ahead, IG spreads are currently near their tightest levels, leaving limited room for further compression. Recent payrolls data significantly exceeded expectations, reinforcing signs of labour market resilience and prompting markets to reprice a more hawkish Fed path. While upcoming inflation data will remain important, the focus is on the extent to which higher costs are feeding through into core inflation rather than headline measures alone. A scenario involving additional Fed tightening could lead to stricter lending standards and more challenging borrowing conditions for corporates. That said, corporate fundamentals and earnings remained solid through first quarter 2026, providing an important offset. While higher all-in yields should continue to support demand, the risk-reward for spreads appears increasingly asymmetric at current levels, given the challenges associated with achieving peace in Iran and lowering global energy prices. IG spreads are expected to trade within a 70–95 bps range, subject to uncertainty.

The AIA Diversified Fixed Income Fund returned 0.61%, underperforming its benchmark by 15 bps, primarily driven by duration and curve positioning (-3 bps) and sector allocation (-4 bps), partially offset by security selection (+2 bps). Within sector allocation, the Fund’s underweight position in corporates detracted from performance as spreads continued to tighten, supported by a strong earnings season and easing concerns surrounding Middle East tensions. Security selection within the Capital Goods and Aerospace & Defence sectors was a positive contributor to performance.

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