AIA INVESTMENT FUNDS
AIA DIVERSIFIED FIXED INCOME FUND

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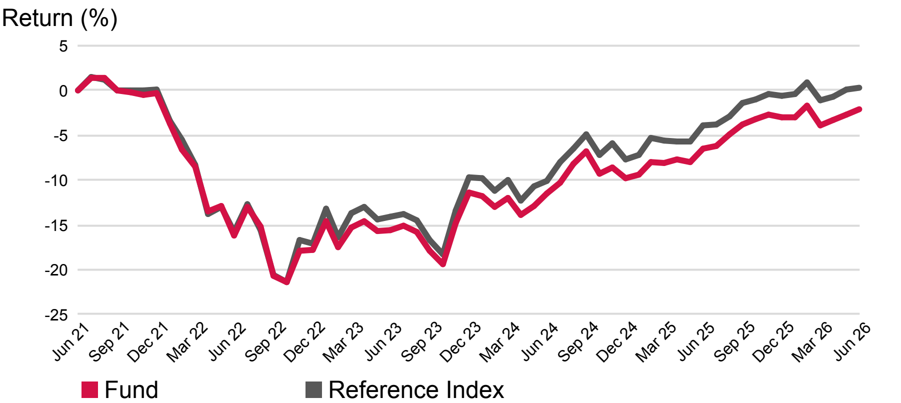
INVESTMENT OBJECTIVE and POLICY

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



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)	**AFDFIUC**
Total Fund Size	**460,747,749.93**
Fund base currency	**USD**
Share class currency (Class I)	**USD**
Net asset value (Class I)	**11.09**
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	0.60	1.84	0.83	4.69	5.06	-0.43	-	1.49
^Benchmark	0.19	1.40	0.86	4.34	5.29	0.05	-	2.04
Relative Return	0.41	0.44	-0.03	0.34	-0.22	-0.49	-	-0.55

^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	7.5
2.	CBT US 10yr Ultra Fut Sep26	2.9
3.	CBT US 10YR NOTE (CBT)Sep26	2.3
4.	CBT US LONG BOND(CBT) Sep26	2.2
5.	United States Treasury Note/Bo 4.125 % 30-Jun-2031	1.8
6.	United States Treasury Note/Bo 4.375 % 15-May-2036	1.8
7.	Ishares Shortdurationcorpbond Ucits Etf Usd Dist	1.8
8.	TMobile USA Inc 2.625% 15/02/2029	1.1
9.	Eagle Funding Luxco Sarl 5.5% 17/08/2030	0.9
10.	Bank of America Corp 4.979% VRN 24/01/2029	0.9

GEOGRAPHIC WEIGHTS (%)

USA	75.7
United Kingdom	2.5
Ireland	2.1
Japan	1.5
Mexico	1.2
Canada	1.2
Denmark	0.7
Netherlands	0.6
France	0.6
Derivatives	11.6
Other Countries	2.4

DURATION WEIGHTS (%)

0 - 1 Year	4.4
1 - 3 Years	26.6
3 - 5 Years	16.5
5 - 10 Years	28.4
10+ Years	24.1

SECTOR WEIGHTS (%)

Financial	26.6
Consumer, Non-cyclical	11.2
Communications	8.1
Government	7.8
Industrial	7.4
Technology	7.2
Utilities	7.0
Energy	6.1
Consumer, Cyclical	4.1
Derivatives	11.6
Other Sectors	3.0

RATING WEIGHTS (%)

AAA	0.2
AA+	6.9
AA	2.5
AA-	2.0
A+	4.2
A	10.1
A-	17.9
BBB+	13.8
BBB	19.8
BBB-	8.3
Others	2.7
Derivatives	11.6

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	2026-06-12	0.086578
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	0.60	1.84	0.83	4.69	5.06	-0.43	-	1.49
^Benchmark	USD	0.19	1.40	0.86	4.34	5.29	0.05	-	2.04
Relative Return	USD	0.41	0.44	-0.03	0.34	-0.22	-0.49	-	-0.55
Z									
Fund	USD	0.64	1.97	1.08	5.21	5.59	0.07	-	1.65
^Benchmark	USD	0.19	1.40	0.86	4.34	5.29	0.05	-	1.67
Relative Return	USD	0.46	0.57	0.22	0.87	0.30	0.01	-	-0.01
IDQ									
Fund	USD	0.59	1.84	0.83	4.69	5.06	-0.44	-	-0.11
^Benchmark	USD	0.19	1.40	0.86	4.34	5.29	0.05	-	0.33
Relative Return	USD	0.41	0.44	-0.03	0.35	-0.23	-0.49	-	-0.44
K									
Fund	USD	0.63	1.92	0.99	5.03	5.41	-	-	-0.14
^Benchmark	USD	0.19	1.40	0.86	4.34	5.29	-	-	0.02
Relative Return	USD	0.44	0.53	0.14	0.69	0.12	-	-	-0.16

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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

June was characterised by a shift towards a higher-for-longer policy narrative following a hawkish Federal Reserve (Fed) meeting, resulting in mixed performance across asset markets. While economic growth and labour market conditions remained solid, policymakers revised inflation projections higher and signalled less urgency to ease monetary policy. The U.S. 10-year Treasury yield was little changed in June, edging up 2 basis points (bps) to 4.47% by month-end after trading in a relatively broad range of roughly 4.37% to 4.56% during the month. Rates initially moved higher amid resilient economic data and lingering inflation concerns but later retraced as geopolitical tensions eased and Treasury market volatility moderated. Curve dynamics pointed to a flatter Treasury market, with the 2s10s spread narrowing by 13 bps and the 5s30s spread tightening by 8 bps, reflecting a larger decline in intermediate and long-end yields relative to the front end.

At its June meeting, the Fed maintained the federal funds target range at 3.50%–3.75% but adopted a more hawkish tone, emphasising its commitment to restoring price stability and highlighting ongoing inflation pressures, exacerbated by energy prices. As such, markets are now pricing in one rate hike by the end of the year. Importantly, the Committee signalled a meaningful pivot in how it communicates policy, notably removing forward guidance from the statement and emphasising a more data-dependent and flexible approach. June payrolls were softer than expected, with non-farm payrolls rising just 57k and prior months revised lower, bringing the three-month average to 111k and reinforcing a modest underlying jobs trend of around 100k. Employment gains were concentrated in HealthCare, while Leisure and Hospitality reversed much of May’s strength. The unemployment rate edged down to 4.2%, but the decline was likely driven by statistical noise as labour force participation fell sharply. Wage growth accelerated modestly in June, though the broader year-on-year (yoy) trend continues to ease, while labour income growth remained steady and consistent with recent trends.

May inflation remained firm, with the Consumer Price Index (CPI) rising 0.5% month-on-month (MoM) and the Producer Price Index (PPI) up 1.1%, largely driven by higher energy prices. Core inflation is expected to remain sticky in the near term due to tariffs, data distortions, AI-related effects, and elevated energy costs, with core Personal Consumption Expenditures (PCE) projected to stay around 3% by year-end 2026, largely unchanged from 2025. The option-adjusted spread for the U.S. Investment Grade Credit Index widened 2 bps in June to 69 bps, and over the month, primary market supply was about $219.6 billion, including $191 billion in corporates and $28.6 billion in non-corporates.

In June, the AIA Diversified Fixed Income Fund returned 0.60%, outperforming its benchmark by 41 bps, primarily due to security selection and curve positioning. Within security selection, the largest detractors were holdings in the Technology, Capital Goods, and Insurance sectors. From a curve positioning perspective, the Fund maintained an underweight exposure to the long end of the curve while holding a modest overweight in the short and belly segments. This positioning detracted from performance as the yield curve flattened over the month.

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