AIA INVESTMENT FUNDS
AIA DIVERSIFIED FIXED INCOME FUND

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INVESTMENT OBJECTIVE and POLICY

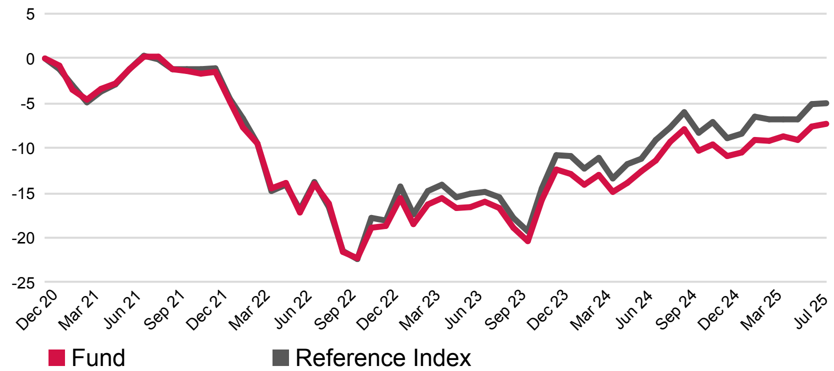
The Sub-Fund aims to maximise long-term return by investing in a diversified fixed income portfolio consisting primarily investment grade bonds and other debt securities denominated in USD. In order to achieve its investment objective, the Sub-Fund will invest primarily, i.e. at least 50% of the Sub-Fund's 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.

Asset class	**Fixed Income**
ISIN (Class I)	**LU1982194364**
Bloomberg ticker (Class I)	**AFDFIUC**
Total Fund Size	**553,318,811.81**
Fund base currency	**USD**
Share class currency (Class I)	**USD**
Net asset value (Class I)	**10.63**
Inception date (Class I)	**05-Jul-19**
Domicile	**Luxembourg**
Fund type	**UCITS**
^Ongoing charges	**0.57%**
Performance Fee	**None**

^Data as of 30 June 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.

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

Counterparty Risk The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Sub-Fund to financial loss.

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.

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

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 I	0.38	1.62	4.05	4.65	2.55	-1.14	-	1.01
^Benchmark	0.07	1.92	4.24	4.49	3.29	-0.61	-	1.66
Relative Return	0.32	-0.30	-0.19	0.16	-0.74	-0.52	-	-0.64

^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 5YR NOTE (CBT) Sep25	4.1
2.	CBT US 10YR NOTE (CBT)Sep25	2.6
3.	CBT US LONG BOND(CBT) Sep25	2.0
4.	Bank of America Corp 4.979% VRN 24/01/2029	1.2
5.	Deutsche Bank AGNew York NY 5.414% 10/05/2029	1.1
6.	Eagle Funding Luxco Sarl 5.5% 17/08/2030	1.0
7.	Edison International 5.75% 15/06/2027	1.0
8.	American Express Co 5.043% VRN 01/05/2034	0.9
9.	Crestwood Midstream Partners LP Cr 6% 01/02/2029	0.8
10.	Skandinaviska Enskilda Banken A 5.125% 05/03/2027	0.8

COUNTRY WEIGHTS (%)

USA	84.8
United Kingdom	2.6
Canada	2.2
Japan	1.8
Germany	1.3
Mexico	1.3
Sweden	0.8
Netherlands	0.7
France	0.6
Derivatives	1.1
Other Countries	2.8

DURATION WEIGHTS (%)

0 - 1 Year	1.2
1 - 3 Years	18.1
3 - 5 Years	25.7
5 - 10 Years	28.1
10+ Years	26.9

SECTOR WEIGHTS (%)

Financial	34.5
Consumer, Non-cyclical	13.9
Communications	10.2
Industrial	9.0
Utilities	9.0
Energy	6.6
Technology	5.7
Consumer, Cyclical	4.4
Government	2.9
Derivatives	1.1
Other Sectors	2.8

RATING WEIGHTS (%)

AAA	0.3
AA+	1.6
AA	0.4
AA-	1.7
A+	3.1
A	12.1
A-	20.8
BBB+	14.7
BBB	29.6
BBB-	11.0
Others	3.6
Derivatives	1.1

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	2025-06-16	0.089211
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	0.38	1.62	4.05	4.65	2.55	-1.14	-	1.01
^Benchmark	USD	0.07	1.92	4.24	4.49	3.29	-0.61	-	1.66
Relative Return	USD	0.32	-0.30	-0.19	0.16	-0.74	-0.52	-	-0.64
Z									
Fund	USD	0.43	1.75	4.36	5.18	3.06	-0.64	-	1.04
^Benchmark	USD	0.07	1.92	4.24	4.49	3.29	-0.61	-	1.15
Relative Return	USD	0.36	-0.17	0.12	0.69	-0.22	-0.03	-	-0.11
IDQ									
Fund	USD	0.38	1.62	4.05	4.65	2.55	-	-	-0.98
^Benchmark	USD	0.07	1.92	4.24	4.49	3.29	-	-	-0.47
Relative Return	USD	0.32	-0.30	-0.19	0.17	-0.74	-	-	-0.51
K									
Fund	USD	0.41	1.71	4.25	4.99	2.88	-	-	-1.27
^Benchmark	USD	0.07	1.92	4.24	4.49	3.29	-	-	-1.00
Relative Return	USD	0.35	-0.22	0.01	0.51	-0.40	-	-	-0.27

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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

On July 30, the Federal Reserve (Fed) announced it would maintain its benchmark interest rate between 4.25% and 4.5%, citing ongoing uncertainty surrounding the U.S. economic outlook. This decision reflects the Fed's cautious stance as it continues to assess the impact of the Trump administration's tariff policies on consumer behavior. Despite concerns about a potential slowdown, the Fed emphasized that economic growth remains steady. Meanwhile, political pressure on Fed Chair Powell intensified in July, with President Trump expressing dissatisfaction over Powell's wait-and-see approach to rate policy.

Labor market data released by the U.S. Bureau of Labor Statistics showed that nonfarm payrolls rose by 147,000 in June—exceeding expectations of a 110,000 gain and slightly above May's increase of 144,000 jobs. However, this positive report was followed by a much less favorable release in August, which showed a large downward revision. Inflation data for June showed the Consumer Price Index (CPI) rising by 0.3%, pushing the annual inflation rate to 2.7%. The Core CPI, which excludes volatile food and energy prices, increased by 0.2% for the month, resulting in a year-over-year rate of 2.9%, in line with forecasts. While the June figures offered mixed signals regarding the influence of tariffs, some effects were evident—apparel and home furnishings saw price increases, while vehicle prices declined. Consumer sentiment also improved in July.

The Conference Board reported on Tuesday that its consumer confidence index rose to 97.2, up from a revised 95.2 in June, driven by Americans' expectations of rising stock prices and easing inflation. Against this backdrop, the option-adjusted spread for the U.S. Investment Grade Credit Index tightened by 7 basis points (bps) in July, to 72bps, resulting in a monthly excess return of 54bps. The index posted a total return of +0.05% and an excess return of +0.54%. Over the month, primary market supply was about $89.8 billion(bn), including $67.5bn in corporates and $22.3bn in noncorporates. In respect to performance, the best-performing sectors were Sovereigns, Independent, Electrics, Refining and Natural Gas. The worst-performing were Health Insurance, Cable Satellite, Supranationals, Foreign Agencies and Chemicals. BBB fared the best across the investment grade quality spectrum, while Aa+ rated bonds fared the worst.

The AIA Diversified Fixed Income Fund returned 0.38% for July, outperforming its benchmark by 32bps, primarily driven by effective security selection. However, this was partially offset by the Fund's overweight positioning in corporate bonds, as spreads tightened throughout the month. As of this month, new tariffs have been introduced across several countries, with rates ranging from 25% to 70% depending on the country and product category. Effective tariff rates are expected to rise into the high teens. In addition to tariffs, the U.S. fiscal budget impulse presents another potential risk catalyst that could influence market dynamics going forward.

The Fund believes current spread valuations remain overly optimistic given the emerging signs of economic slowdown—particularly in labor market data—alongside heightened geopolitical tensions and constrained liquidity conditions, exacerbated by the approaching debt ceiling. The Fund's outlook remains cautious: the Fund continues to view credit markets as being in a bear phase, likely to experience both wider wides and wider tights through the summer. Based on current conditions, the Fund anticipates spreads to range between +80 and +110 basis points through summer 2025, though this forecast is subject to considerable uncertainty. Consequently, the Fund maintains an underweight position in spread duration, which the Fund believes positions well for a potential spread widening environment.

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