AIA INVESTMENT FUNDS
AIA DIVERSIFIED FIXED INCOME FUND

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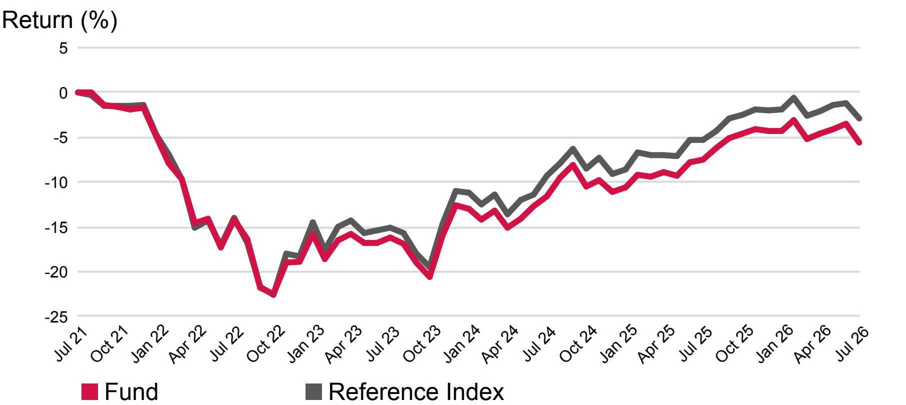
INVESTMENT OBJECTIVE and POLICY

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	**502,565,945.58**
Fund base currency	**USD**
Share class currency (Class I)	**USD**
Net asset value (Class I)	**10.85**
Inception date (Class I)	**05-Jul-19**
Domicile	**Luxembourg**
Fund type	**UCITS**
^Ongoing charges	**0.58%**
Performance Fee	**None**

^Data as of 30 June 2026. 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	-2.15	-0.96	-1.34	2.05	4.07	-1.14	-	1.16
^Benchmark	-1.67	-0.75	-0.83	2.53	4.58	-0.58	-	1.78
Relative Return	-0.47	-0.22	-0.51	-0.48	-0.50	-0.56	-	-0.62

^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 10yr Ultra Fut Sep26	6.4
2.	CBT US 2YR NOTE (CBT) Sep26	4.0
3.	United States Treasury Note/Bon 4.25 % 31-Jul-2028	3.5
4.	CBT US 10YR NOTE (CBT)Sep26	2.9
5.	CBT US LONG BOND(CBT) Sep26	1.9
6.	United States Treasury Note/Bo 4.125 % 30-Jun-2031	1.6
7.	Ishares Shortdurationcorpbond Ucits Etf Usd Dist	1.6
8.	TMobile USA Inc 2.625% 15/02/2029	1.0
9.	Credit Suisse Group AG 6.442% VRN 11/08/2028	0.9
10.	Morgan Stanley 6.296% VRN 18/10/2028	0.9

GEOGRAPHIC WEIGHTS (%)

USA	73.3
United Kingdom	2.7
Ireland	1.8
Japan	1.8
Canada	1.4
Switzerland	1.2
Germany	1.1
Mexico	1.0
France	1.0
Derivatives	12.2
Other Countries	2.6

DURATION WEIGHTS (%)

0 - 1 Year	5.0
1 - 3 Years	27.1
3 - 5 Years	17.7
5 - 10 Years	28.4
10+ Years	21.9

SECTOR WEIGHTS (%)

Financial	28.3
Consumer, Non-cyclical	10.8
Government	7.7
Technology	7.3
Communications	7.3
Utilities	7.1
Industrial	6.6
Energy	5.3
Consumer, Cyclical	4.9
Derivatives	12.2
Other Sectors	2.7

RATING WEIGHTS (%)

AAA	0.3
AA+	6.9
AA	2.7
AA-	1.8
A+	4.7
A	9.8
A-	18.0
BBB+	14.9
BBB	18.9
BBB-	7.6
Others	2.4
Derivatives	12.2

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	-2.15	-0.96	-1.34	2.05	4.07	-1.14	-	1.16
^Benchmark	USD	-1.67	-0.75	-0.83	2.53	4.58	-0.58	-	1.78
Relative Return	USD	-0.47	-0.22	-0.51	-0.48	-0.50	-0.56	-	-0.62
Z									
Fund	USD	-2.11	-0.84	-1.05	2.56	4.60	-0.64	-	1.28
^Benchmark	USD	-1.67	-0.75	-0.83	2.53	4.58	-0.58	-	1.37
Relative Return	USD	-0.43	-0.09	-0.22	0.03	0.02	-0.06	-	-0.09
IDQ									
Fund	USD	-2.15	-0.97	-1.34	2.05	4.07	-1.14	-	-0.47
^Benchmark	USD	-1.67	-0.75	-0.83	2.53	4.58	-0.58	-	0.04
Relative Return	USD	-0.48	-0.22	-0.51	-0.48	-0.51	-0.56	-	-0.51
K									
Fund	USD	-2.12	-0.88	-1.15	2.38	4.41	-0.84	-	-0.56
^Benchmark	USD	-1.67	-0.75	-0.83	2.53	4.58	-0.58	-	-0.31
Relative Return	USD	-0.45	-0.13	-0.32	-0.15	-0.16	-0.26	-	-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

July was characterized by mixed economic indicators as well as heightened market volatility amid continued conflict in the Middle East. Across markets, the S&P500 ended July essentially flat but experienced significant swings throughout the month due to the War with Iran and concerns about the fruition of massive corporate artificial intelligence spend. The U.S. 10-year Treasury yield notably rose in July, climbing 27 basis points (bps) to 4.73% by month-end from 4.47% at the end of June. Rates fell initially after a softer than expected June consumer price index (CPI) report and later moved higher as labor market conditions supported a reassessment of the expected path of monetary policy amidst renewed concerns about inflation. Curve dynamics pointed to a steeper Treasury market, with the 2s10s spread widening by 15 bps and the 5s30s spread steepening by 10 bps, reflecting a larger increase in longer-dated yields relative to the front end. Federal Reserve communication in July reinforced a data-dependent policy approach while underscoring the Committee's commitment to returning inflation to its 2% objective. The Federal Open Market Committee (FOMC) held rates steady at 3.5%–3.75% in a split 9-3 vote, marking the fifth consecutive meeting without a policy change, with three policymakers dissenting in favor of a 25 bp rate hike. Policymakers reiterated that inflation remains above target and stressed that the Federal Reserve is not willing to tolerate persistently higher inflation. The Committee also highlighted its ongoing framework review through a series of task forces examining issues including the persistence of inflation, the impact of recent economic shocks, the interpretation of price pressures, and the role of the balance sheet in current policy settings. On labor front, July payrolls fell by 23k and prior months were revised lower, pointing to softening labor demand despite unemployment declining to 4.1%. Wage growth was notably weak, with average hourly earnings up just 0.05% month-on-month (m/m) and 3.2% year-on-year (y/y). Overall, the labor market remains balanced but subdued, with little evidence of meaningful wage-driven inflation pressure. Core CPI rose 0.215% m/m in July, broadly in line with expectations, while annual core inflation eased to 2.48%. Goods inflation was modestly positive, led by used cars and computers, while medical goods prices declined. Headline CPI increased just 0.07% m/m as energy prices fell again, bringing headline inflation down to 3.4% y/y. The option-adjusted spread for the US Investment Grade Credit Index widened 4bps in July, to 73bps, resulting in a monthly excess return of negative 24bps. The index posted a total return of -1.60% and an excess return of -0.24%. Over the month, primary market supply was about $162.2bn, including $133.2bn in corporates and $29bn in non-corporates.

In July, the AIA Diversified Fixed Income Fund underperformed the benchmark by 47bps, driven primarily by duration positioning and security selection. Within security selection, the largest detractors were holdings in the Communication and Consumer Non-Cyclicals sectors. The bear steepening of the yield curve weighed on the Fund's overweight duration exposure, although this was partially offset by positive contributions from curve positioning.

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Any sub-fund of AIAIF may use derivative instruments for efficient portfolio management and hedging purposes.

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