



AIA INVESTMENT FUNDS

AIA DIVERSIFIED FIXED INCOME FUND

For Institutional Investors only*.

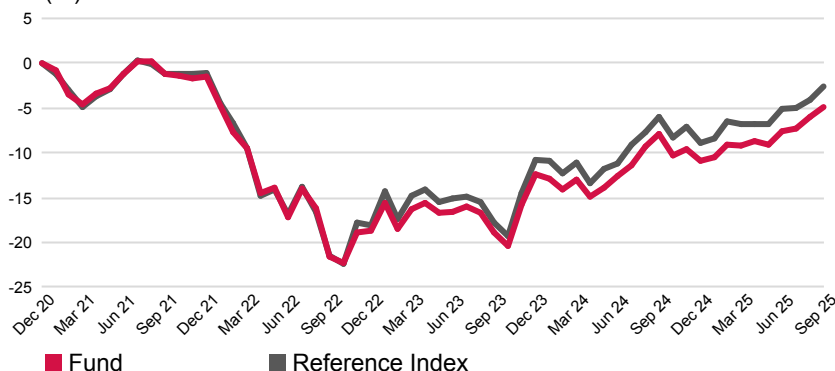
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INVESTMENT OBJECTIVE and POLICY

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



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	532,105,713.23
Fund base currency	USD
Share class currency (Class I)	USD
Net asset value (Class I)	10.90
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.

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	1.24	2.96	6.73	3.24	6.67	-0.36	-	1.40
^A Benchmark	1.50	2.60	6.88	3.63	7.46	0.16	-	2.01
Relative Return	-0.26	0.36	-0.15	-0.39	-0.79	-0.51	-	-0.62

^ABBG 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) Dec25	3.5
2.	CBT US LONG BOND(CBT) Dec25	3.4
3.	CBT US 10YR NOTE (CBT)Dec25	2.8
4.	United States Treasury NoteBond 4.75% 15/08/2055	1.6
5.	Bank of America Corp 4.979% VRN 24/01/2029	1.2
6.	Deutsche Bank AGNew York NY 5.414% 10/05/2029	1.1
7.	Eagle Funding Luxco Sarl 5.5% 17/08/2030	1.0
8.	United States Treasury NoteBond 4.75% 15/05/2055	1.0
9.	American Express Co 5.043% VRN 01/05/2034	1.0
10.	Skandinaviska Enskilda Banken A 5.125% 05/03/2027	0.8

COUNTRY WEIGHTS (%)

USA	82.1
United Kingdom	2.6
Japan	1.8
Canada	1.6
Mexico	1.4
Germany	1.1
Sweden	0.8
Belgium	0.8
France	0.6
Derivatives	4.2
Other Countries	3.0

DURATION WEIGHTS (%)

0 - 1 Year	3.3
1 - 3 Years	21.7
3 - 5 Years	22.4
5 - 10 Years	25.9
10+ Years	26.7

SECTOR WEIGHTS (%)

Financial	35.0
Consumer, Non-cyclical	13.2
Communications	9.0
Industrial	8.7
Utilities	7.9
Energy	7.0
Technology	5.2
Government	3.9
Consumer, Cyclical	3.4
Derivatives	4.2
Other Sectors	2.6

RATING WEIGHTS (%)

AAA	0.3
AA+	3.0
AA	0.1
AA-	2.2
A+	3.1
A	12.2
A-	21.0
BBB+	15.1
BBB	27.0
BBB-	7.2
Others	4.6
Derivatives	4.2

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	2025-09-15	0.090824
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	1.24	2.96	6.73	3.24	6.67	-0.36	-	1.40
^Benchmark	USD	1.50	2.60	6.88	3.63	7.46	0.16	-	2.01
Relative Return	USD	-0.26	0.36	-0.15	-0.39	-0.79	-0.51	-	-0.62
Z									
Fund	USD	1.28	3.09	7.12	3.76	7.20	0.14	-	1.50
^Benchmark	USD	1.50	2.60	6.88	3.63	7.46	0.16	-	1.58
Relative Return	USD	-0.22	0.49	0.25	0.13	-0.26	-0.01	-	-0.08
IDQ									
Fund	USD	1.24	2.96	6.73	3.25	6.67	-0.36	-	-0.45
^Benchmark	USD	1.50	2.60	6.88	3.63	7.46	0.16	-	0.04
Relative Return	USD	-0.26	0.36	-0.15	-0.38	-0.80	-0.52	-	-0.49
K									
Fund	USD	1.27	3.04	6.99	3.58	7.02	-	-	-0.61
^Benchmark	USD	1.50	2.60	6.88	3.63	7.46	-	-	-0.37
Relative Return	USD	-0.23	0.45	0.11	-0.06	-0.45	-	-	-0.24

^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

In September, the U.S. economy sent varied signals as the Federal Reserve implemented its first interest rate cut of the year. On September 17, the Fed lowered the federal funds rate to a target range of 4.00% to 4.25%, citing signs of a weakening labor market and Chair Jerome Powell describing the move as precautionary. He also pointed to declining immigration levels as a factor limiting labor supply and putting downward pressure on employment, while acknowledging that the broader economic impact of President Trump's tariffs remains uncertain. The rate cut decision was not unanimous, with Stephen Miran casting the sole dissenting vote. Consumer sentiment declined in September to its lowest level since May, and long-term inflation expectations rose for the second consecutive month, reflecting growing public concern over employment and rising prices. Earlier in the month, the Consumer Price Index (CPI) rose by 0.4% on a seasonally adjusted basis, the largest monthly increase since January, bringing the annual inflation rate to 2.9%. Core CPI rose 3.1%. Also adding to broader macroeconomic concerns, nonfarm payrolls increased by 22,000 in August. Revisions showed employment shrank in June, the first payrolls decline since 2020, coupled with an increase in the unemployment rate to 4.3%. Additionally, Automatic Data Processing (ADP) data showed private companies shed a seasonally adjusted 32,000 jobs during September, the biggest decrease since March 2023. And although ADP data showed August private-sector employment rose by 54,000, that was revised to -3,000, showing two straight months of decline.

Toward the end of the month, however, there was some positive economic news. The Bureau of Economic Analysis released a revised estimate showing inflation-adjusted GDP growth at an annualized rate of 3.8%, up from the previously reported 3.3%. This marks the fastest pace in nearly two years and follows a contraction in the first quarter, driven largely by stronger consumer spending. Against this backdrop, the option-adjusted spread for the U.S. Investment Grade Credit Index tightened 5 basis points (bps) in September, to 70bps. The index posted a total return of +1.44% and an excess return of +0.45%. Over the month, primary market supply was about \$226.3 billion (bn), including \$188.3bn in corporates and \$38bn in noncorporates. In respect to performance, the best-performing sectors were Sovereigns, Health Insurance, Independent, Oil Field Services and Supermarkets. The worst-performing were Supranational, Foreign Agencies, Cable Satellite, Foreign Local Government and Chemicals. Crossover fared the best across the investment grade quality spectrum, while Aa+ rated bonds fared the worst.

The AIA Diversified Fixed Income Fund delivered a return of 1.24%, underperforming the benchmark by 26 bps. The underperformance is primarily due to sector allocation and security selection. The Fund's underweight position in Corporates detracted from performance as spreads continued to tighten. Additionally, the curve positioning impacted returns, with rates rallying, particularly in the intermediate to long end of the curve.

There were no notable contributors during the month. Spreads have reached new cycle highs, which was unexpected given the weakening growth backdrop. As the Fund moves into the fall, the market setup appears asymmetric, with spreads now at levels not seen since 1998. The Fund continues to expect spreads to remain rangebound between 70–95 bps through the remainder of Quarter 3, although this outlook is subject to ongoing uncertainty.

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Please refer to the offering documents (including, but not limited to the current Prospectus and the KIID) of AIAIF for details on fees and charges, dealing & redemption, product features, risk factors and seek professional advice before making any investment decision.

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

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