



AIA INVESTMENT FUNDS

AIA DIVERSIFIED FIXED INCOME FUND

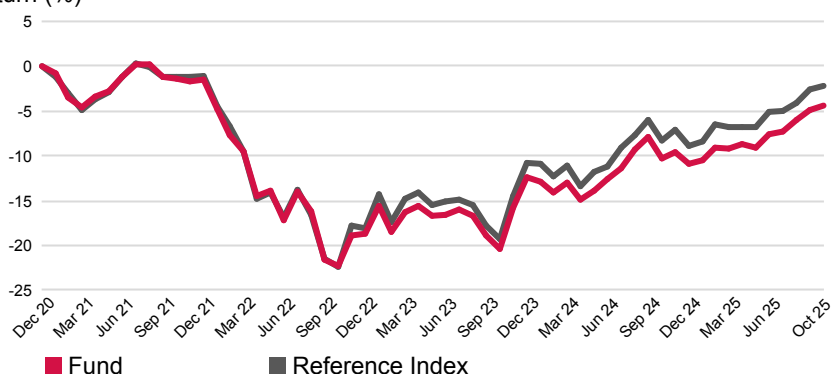
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INVESTMENT OBJECTIVE and POLICY

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

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	440,265,963.60
Fund base currency	USD
Share class currency (Class I)	USD
Net asset value (Class I)	10.96
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	0.54	3.13	7.31	6.65	7.18	-0.22	-	1.47
^A Benchmark	0.38	2.92	7.29	6.62	7.98	0.26	-	2.05
Relative Return	0.16	0.20	0.02	0.03	-0.81	-0.49	-	-0.59

^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 2YR NOTE (CBT) Dec25	5.1
2.	CBT US LONG BOND(CBT) Dec25	4.0
3.	CBT US 10YR NOTE (CBT)Dec25	3.5
4.	United States Treasury NoteBond 4.75% 15/08/2055	1.5
5.	United States Treasury NoteBond 3.625% 30/09/2030	1.3
6.	Eagle Funding Luxco Sarl 5.5% 17/08/2030	1.2
7.	American Express Co 5.043% VRN 01/05/2034	1.1
8.	CBT US 5YR NOTE (CBT) Dec25	1.1
9.	Beignet Investor LLC 6.581% 30/05/2049	1.0
10.	Bank of America Corp 4.979% VRN 24/01/2029	1.0

COUNTRY WEIGHTS (%)

USA	83.2
United Kingdom	2.6
Japan	1.8
Mexico	1.5
Canada	1.3
Belgium	1.0
France	0.7
Germany	0.7
Sweden	0.5
Derivatives	4.9
Other Countries	1.8

DURATION WEIGHTS (%)

0 - 1 Year	2.0
1 - 3 Years	26.0
3 - 5 Years	19.8
5 - 10 Years	23.8
10+ Years	28.4

SECTOR WEIGHTS (%)

Financial	32.4
Consumer, Non-cyclical	13.1
Industrial	8.7
Communications	8.6
Utilities	8.1
Energy	7.4
Government	6.2
Technology	4.7
Consumer, Cyclical	3.2
Derivatives	4.9
Other Sectors	2.7

RATING WEIGHTS (%)

AAA	0.3
AA+	4.8
AA	0.4
AA-	2.5
A+	4.5
A	11.8
A-	21.4
BBB+	13.9
BBB	25.2
BBB-	6.0
Others	4.4
Derivatives	4.9

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	0.54	3.13	7.31	6.65	7.18	-0.22	-	1.47
^Benchmark	USD	0.38	2.92	7.29	6.62	7.98	0.26	-	2.05
Relative Return	USD	0.16	0.20	0.02	0.03	-0.81	-0.49	-	-0.59
Z									
Fund	USD	0.59	3.26	7.75	7.19	7.72	0.28	-	1.58
^Benchmark	USD	0.38	2.92	7.29	6.62	7.98	0.26	-	1.63
Relative Return	USD	0.20	0.33	0.47	0.57	-0.27	0.02	-	-0.04
IDQ									
Fund	USD	0.54	3.13	7.31	6.65	7.18	-0.22	-	-0.34
^Benchmark	USD	0.38	2.92	7.29	6.62	7.98	0.26	-	0.12
Relative Return	USD	0.16	0.20	0.02	0.03	-0.81	-0.49	-	-0.45
K									
Fund	USD	0.57	3.21	7.60	7.00	7.53	-	-	-0.47
^Benchmark	USD	0.38	2.92	7.29	6.62	7.98	-	-	-0.28
Relative Return	USD	0.19	0.29	0.31	0.38	-0.46	-	-	-0.19

^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

October was marked by heightened uncertainty in both monetary policy and the broader labor market. The Federal Reserve (Fed) cut interest rates by 25 basis points (bps) at its October meeting, the second consecutive reduction in the current easing cycle. While markets had anticipated further cuts before year-end, Fed officials expressed caution due to limited official data resulting from the ongoing federal government shutdown. Chair Jerome Powell emphasized the need for careful evaluation of available data, likening the situation to “driving in the fog” and suggesting a slower, more deliberate approach to future policy decisions. Other Fed officials, including Susan Collins and Stephen Miran, echoed concerns about persistent uncertainty, citing trade tensions and a weakening labor market as key risks.

Labor market data throughout the month pointed to a gradual softening. Private-sector payrolls unexpectedly declined, and job openings remained subdued, suggesting ebbing demand for workers. The service sector stalled for the first time since the pandemic, and business activity contracted, reflecting broader economic headwinds. Despite these challenges, consumer spending continued to grow, supporting overall economic resilience. Inflation remained near 3% in September, slightly below expectations but still above the Fed’s 2% target, keeping investors attentive to future policy moves. The combination of cautious Fed messaging, ongoing government shutdown, and labor market softness shaped a month of heightened uncertainty and careful navigation for policymakers.

Against this backdrop, the option-adjusted spread for the U.S. Investment Grade Credit Index widened 4 basis points in October, to 74bps, resulting in a monthly excess return of -21bps. The index posted a total return of +0.44% and an excess return of -0.21%. Over the month, primary market supply was about \$149.4 billion, including \$123.4 billion in corporates and \$26 billion in noncorporates. In respect to performance, the best-performing sectors were Sovereigns, Foreign Local Government, Airlines, Automotive and Foreign Agencies. The worst-performing were Cable Satellite, Media Entertainment, Wirelines, Technology and Railroads. Crossover fared the best across the investment grade quality spectrum, while BBB rated bonds fared the worst.

The AIA Diversified Fixed Income Fund delivered a return of 0.54%, outperforming the benchmark by 16 bps. Most of the month’s gains came from participation in the Meta artificial intelligence (AI) data center financing deal, which delivered positive alpha following its pricing. There were no significant detractors during the period.

From a macro perspective, conditions remain largely unchanged. The government shutdown has provided little clarity on labor, inflation, or growth trends, though expectations suggest hiring remains slow while aggregate demand has been strong enough to prevent a rise in layoffs. Looking ahead, supply-side developments related to deregulation and AI trends continue to support optimism for an economic rebound next year. Tariffs are contributing to higher inflation across various goods categories, while services inflation has moderated amid softer labor markets. Near-term inflation is likely to trend higher, but the Fund expects it to ease in 2026. Corporate earnings—particularly in Technology, Communications, and Power Generation—point to a stronger growth outlook.

Fundamentals remain supportive for investment-grade credit. Spread valuations have shown asymmetry in Q4, as minor sentiment shifts (supply dynamics, government shutdown, private credit headlines) have widened spreads by roughly 10bps from their tight levels. The Fund anticipates spreads will remain in a relatively narrow 70–95bps range, supported by accommodative monetary policy and solid fundamentals, though the Fund remains cautious about the negative convexity at current valuations.

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