



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



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 risk and reward category shown is not guaranteed and 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.

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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	488,786,586.63
Fund base currency	USD
Share class currency (Class I)	USD
Net asset value (Class I)	11.00
Inception date (Class I)	05-Jul-19
Domicile	Luxembourg
Fund type	UCITS
^Ongoing charges	0.56%
Performance Fee	None

⁴Data 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	-0.22	0.84	7.62	7.62	5.68	-0.83	-	1.47
^Benchmark	-0.20	0.84	7.77	7.77	6.24	-0.36	-	2.07
Relative Return	-0.02	0.00	-0.15	-0.15	-0.56	-0.47	-	-0.60

[^]BBG 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 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) Mar26	4.1
2.	CBT US 5YR NOTE (CBT) Mar26	3.7
3.	CBT US LONG BOND(CBT) Mar26	2.7
4.	United States Treasury NoteBond 4.75% 15/08/2055	1.8
5.	United States Treasury NoteBond 3.5% 15/11/2028	1.6
6.	United States Treasury NoteBond 3.75% 31/10/2032	1.2
7.	Eagle Funding Luxco Sarl 5.5% 17/08/2030	1.2
8.	American Express Co 5.043% VRN 01/05/2034	1.0
9.	Bank of America Corp 4.979% VRN 24/01/2029	0.9
10.	United States Treasury NoteBond 3.5% 31/10/2027	0.9

COUNTRY WEIGHTS (%)

USA	85.4
United Kingdom	1.9
Japan	1.6
Mexico	1.4
Canada	1.0
Belgium	0.9
France	0.7
Germany	0.6
Switzerland	0.4
Derivatives	4.6
Other Countries	1.6

DURATION WEIGHTS (%)

0 - 1 Year	1.0
1 - 3 Years	26.5
3 - 5 Years	19.5
5 - 10 Years	27.3
10+ Years	25.7

SECTOR WEIGHTS (%)

Financial	30.7
Consumer, Non-cyclical	12.9
Government	9.0
Communications	8.7
Utilities	8.4
Industrial	7.6
Energy	6.2
Technology	5.3
Consumer, Cyclical	3.5
Derivatives	4.6
Other Sectors	3.2

RATING WEIGHTS (%)

AAA	0.3
AA+	8.1
AA	0.7
AA-	2.5
A+	3.6
A	11.6
A-	19.7
BBB+	14.1
BBB	24.1
BBB-	6.3
Others	4.4
Derivatives	4.6

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	2025-12-12	0.088228
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

Share class	Currency	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)	
I										
Fund	USD	-0.22	0.84	7.62	7.62	5.68	-0.83	-	1.47	
^Benchmark	USD	-0.20	0.84	7.77	7.77	6.24	-0.36	-	2.07	
Relative Return	USD	-0.02	0.00	-0.15	-0.15	-0.56	-0.47	-	-0.60	
Z										
Fund	USD	-0.17	0.97	8.16	8.16	6.21	-0.33	-	1.61	
^Benchmark	USD	-0.20	0.84	7.77	7.77	6.24	-0.36	-	1.66	
Relative Return	USD	0.03	0.13	0.39	0.39	-0.03	0.03	-	-0.05	
IDQ										
Fund	USD	-0.21	0.84	7.62	7.62	5.68	-0.83	-	-0.27	
^Benchmark	USD	-0.20	0.84	7.77	7.77	6.24	-0.36	-	0.20	
Relative Return	USD	-0.02	0.00	-0.15	-0.15	-0.56	-0.47	-	-0.47	
K										
Fund	USD	-0.19	0.92	7.97	7.97	6.02	-	-	-0.38	
^Benchmark	USD	-0.20	0.84	7.77	7.77	6.24	-	-	-0.17	
Relative Return	USD	0.01	0.09	0.20	0.20	-0.21	-	-	-0.21	

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Benchmark Performance represents the following: Before 1 Jun 2023 - (AIA Diversified Fixed Income Blended BBG/Barclays/JPM Benchmark); 1 Jun 2023 onwards - (BBG 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

December was a modest month for markets. The Federal Reserve (Fed) continued its easing cycle with a 25 basis points (bps) rate cut in December, marking the third consecutive quarter-point reduction and bringing the target range to 3.50%–3.75%, citing slowing job gains and rising unemployment. Although the December rate cut was widely expected, the Fed's communication was more guarded and less dovish than markets had anticipated, reflecting growing internal debate on whether to pause or continue easing, evidenced by three dissents at the meeting, the highest since September 2019. Compared with September, December's Summary of Economic Projections showed a modest improvement in the macroeconomic outlook, with median 2026 Gross Domestic Product (GDP) revised higher to 2.3% from 1.8% and Personal Consumption Expenditures (PCE) inflation revised lower to 2.4% from 2.6%, while the projected policy path was unchanged and continued to imply one additional 25 bps cut in 2026. In addition, economic data releases remained distorted by residual effects from the government shutdown that ended in mid-November. The Bureau of Labor Statistics released delayed October and November employment and inflation data, with payrolls showing a weaker-than-expected decline of 105,000 in October and a modest rebound of 64,000 in November, while core Consumer Price Index (CPI) readings printed an unusually soft 0.08% month over month for both months, likely reflecting data imputation issues rather than genuine disinflation. Official data reporting is expected to normalise in early 2026. Consumer sentiment weakened further in December, reinforcing a cautious demand backdrop. The Conference Board Consumer Confidence Index fell to 89.1, with the Expectations Index remaining below recession-signal levels for an eleventh consecutive month, while the University of Michigan survey showed sentiment still nearly 30% below year-ago levels despite some improvement in personal finance expectations.

Against this backdrop, the option-adjusted spread for the U.S. Investment Grade Credit Index tightened by 3 bps in December to 73 bps, resulting in a monthly excess return of 24 bps. The index posted a total return of -0.19% and an excess return of 0.24%. Over the month, primary market supply was approximately USD 28.1 billion, consisting entirely of corporate issuance. In terms of performance, the best-performing sectors were Life Insurance, Metals and Mining, Gaming, Transportation Services, and Brokers and Asset Managers, while Media Entertainment, Technology, Supranationals, Foreign Agencies, and Foreign Local Government were the weakest performers. BBB-rated bonds outperformed across the investment-grade quality spectrum, while Aa+-rated bonds lagged.

In December, the AIA Diversified Fixed Income Fund delivered a return of -0.22%, underperforming the benchmark by 0.02%. Security selection within Utilities and Real Estate Investment Trusts added positively to performance. Conversely, the underweight position in corporate bonds detracted from relative returns as credit spreads tightened over the month. From a positioning perspective, the Fund continues to maintain an underweight stance in spread duration, supporting positioning for a potential widening-spread environment. Portfolio activity during the month was relatively limited; however, exposure to Project Beignet, the Meta Platforms, Inc. ("Meta") data-centre financing transaction, was reduced to realise accumulated alpha, as the position had appreciated by approximately five to seven points since its purchase in October.

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