



AIA INVESTMENT FUNDS

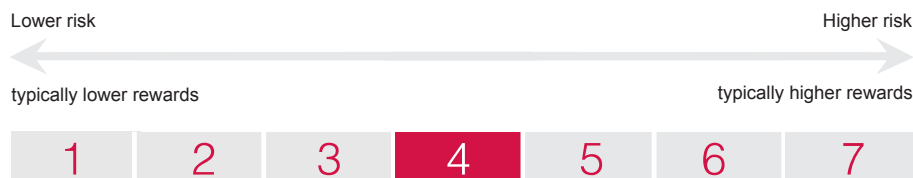
AIA US HIGH YIELD BOND FUND

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INVESTMENT OBJECTIVE and POLICY

The Sub-Fund aims to maximise long-term total return, consistent with preservation of capital and prudent investment management by investing in a diversified fixed income portfolio consisting primarily of high yield 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 a diversified portfolio of high yield fixed income securities denominated in USD that are rated lower than Baa3 by Moody's, or lower than BBB- by S&P or equivalently rated by Fitch.

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 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.

Asset class	Fixed Income
ISIN (Class Z)	LU2182890298
Bloomberg ticker (Class Z)	AFHYZUC
Total Fund Size	216,807,601.07
Fund base currency	USD
Share class currency (Class Z)	USD
Net asset value (Class Z)	12.95
Inception date (Class Z)	08-Sep-20
Domicile	Luxembourg
Fund type	UCITS
^Ongoing charges	0.11%
Performance Fee	None

^Data 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).

MAIN RISKS

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.

Fixed Income Transferable Securities Debt securities are subject to both actual and perceived measures of creditworthiness. The "downgrading" of a rated debt security or its issuer or adverse publicity and investor perception, which may not be based on fundamental analysis, could decrease the value and liquidity of the security, particularly in a thinly traded market. In certain market environments this may lead to investments in such securities becoming less liquid, making it difficult to dispose of them. A Sub-Fund may be affected by changes in prevailing interest rates and by credit quality considerations. Changes in market rates of interest will generally affect a Sub-Fund's asset values as the prices of fixed rate securities generally increase when interest rates decline and decrease when interest rates rise. Prices of shorter-term securities generally fluctuate less in response to interest rate changes than do longer-term securities. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. In the event of bankruptcy of an issuer, a Sub-Fund may experience losses and incur costs. Issuers of non-investment grade or unrated debt may be highly leveraged and carry a greater risk of default. In addition, non-investment grade or unrated securities tend to be less liquid and more volatile than higher rated fixed-income securities, so that adverse economic events may have a greater impact on the prices of non-investment grade debt securities than on higher rated fixed-income securities. Such securities are also subject to greater risk of loss of principal and interest than higher rated fixed-income securities.

Interest Rate Risk The performance of a Sub-Fund may be influenced by changes in the general level of interest rates.

Liquidity Risk In difficult market conditions, the Sub-Fund may not be able to sell a security for full value or at all. This could affect performance and could cause the Sub-Fund to defer or suspend redemptions of its shares.

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

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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 Z	0.42	0.63	1.16	7.13	9.27	4.34	-	4.62
^Benchmark	0.50	1.00	1.67	7.53	9.37	4.41	-	5.01
Relative Return	-0.08	-0.37	-0.51	-0.40	-0.09	-0.07	-	-0.38

^ICE BofAML US High Yield Constrained Index, exclude transaction cost.

Benchmark Performance represents the following: Sep 08 2020 to Jan 09 2022 - (ICE BofAML BB-B US High Yield Constrained Index); Jan 10 2022 onwards - (ICE BofAML US High Yield Constrained 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) Sep26	7.5
2.	CBT US 10YR NOTE (CBT)Sep26	5.5
3.	CDS BRC 5% 20/06/31	5.4
4.	United States Treasury Bill 0% 30/06/2026	2.7
5.	CDS BRC 5% 20/12/30	1.9
6.	CBT US ULTRA BOND CBT Sep26	1.7
7.	United States Treasury Bill 0 % 20-Aug-2026	1.3
8.	United States Treasury Bill 0 % 30-Jul-2026	1.2
9.	CDS GOS 5% 20/12/30	1.1
10.	United States Treasury Bill 0% 06/08/2026	0.9

COUNTRY WEIGHTS (%)

USA	75.9
Canada	2.3
United Kingdom	1.3
Germany	0.7
France	0.6
Netherlands	0.6
Luxembourg	0.6
Australia	0.5
Japan	0.5
Derivatives	15.5
Other Countries	1.6

DURATION WEIGHTS (%)

0 - 1 Year	14.5
1 - 3 Years	36.6
3 - 5 Years	35.6
5 - 10 Years	11.1
10+ Years	2.2

SECTOR WEIGHTS (%)

Consumer, Non-cyclical	12.5
Communications	12.0
Consumer, Cyclical	11.7
Financial	10.8
Industrial	9.4
Energy	9.0
Government	8.1
Technology	7.1
Basic Materials	3.6
Derivatives	15.5
Other Sectors	0.3

RATING WEIGHTS (%)

AAA	0.0
AA+	8.1
AA	0.0
AA-	0.0
A+	0.2
A	0.0
A-	0.0
BBB+	0.0
BBB	0.0
BBB-	0.2
Others	76.0
Derivatives	15.5

AIA US HIGH YIELD BOND 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
Z	USD	AFHYZUC	LU2182890298	2020-09-08	Up to 5%	0%	USD 10	Up to 1%	USD 20m	USD100,000	USD100,000	USD 20m	Quarterly	NA	NA
IDQ	USD	AFHYIUQ	LU2182890025	2020-09-11	Up to 5 %	Up to 0.75%	USD 10	Up to 1%	USD10m	USD100,000	USD100,000	USD10m	NA	2026-03-13	0.162115

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)
Z									
Fund	USD	0.42	0.63	1.16	7.13	9.27	4.34	-	4.62
^Benchmark	USD	0.50	1.00	1.67	7.53	9.37	4.41	-	5.01
Relative Return	USD	-0.08	-0.37	-0.51	-0.40	-0.09	-0.07	-	-0.38
IDQ									
Fund	USD	0.38	0.51	0.96	6.60	8.73	3.82	-	4.15
^Benchmark	USD	0.50	1.00	1.67	7.53	9.37	4.41	-	5.01
Relative Return	USD	-0.12	-0.50	-0.71	-0.93	-0.64	-0.59	-	-0.86

^ICE BofAML US High Yield Constrained Index, exclude transaction cost.

Benchmark Performance represents the following: Sep 08 2020 to Jan 09 2022 - (ICE BofAML BB-B US High Yield Constrained Index); Jan 10 2022 onwards - (ICE BofAML US High Yield Constrained Index)

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
2. PIMCO Asia Pte Ltd

COMMENTARY

Risk assets remained constructive in May, as markets began pricing in potential geopolitical de-escalation following April's sharp rebound. In the U.S., headline Consumer Price Index (CPI) rose to 3.8% year over year (yoy) in April, from 3.3% in March, exceeding expectations and driven primarily by higher energy costs linked to the ongoing conflict with Iran. The unemployment rate in the U.S. held at 4.3% in April, in line with expectations. The U.S. dollar strengthened modestly against major currencies. While energy markets remained volatile throughout the month, oil prices fell sharply towards the month-end after trading above USD 110 per barrel earlier in May. Investor sentiment improved, supported by progress in U.S.–Iran negotiations and continued earnings resilience.

Yields were volatile across fixed income markets, initially rising amid inflation concerns driven by Middle East tensions, before declining later in the month as oil prices moderated. In the U.S., the 10-year Treasury yield rose by 6 basis points (bps) to 4.44%, while the 30-year Treasury yield closed at 4.97% after peaking at 5.19% intra-month. Globally, yields were mixed: the U.K. 10-year Gilt fell 20 bps to 4.81%, the German 10-year Bund declined 10 bps to 2.94%, and the 10-year Japanese Government Bond yield rose to 2.67% after peaking mid-month.

Global IG credit posted positive returns of 0.83% for the month, outperforming like-duration government bonds by 0.37%, as spreads tightened 5 bps in May. IG credit continued to benefit from a favorable technical backdrop and strong corporate earnings. Global high yield spreads tightened by approximately 9 bps during May, supported by improved risk appetite, constructive earnings, and optimism surrounding a potential Middle East resolution. Performance remained broadly constructive, with the B-rated segment outperforming both BB- and CCC-rated bonds, at 0.79%, 0.72%, and 0.58%, respectively, reflecting continued dispersion across sectors.

Primary market activity remained elevated as risk appetite improved, with approximately USD 56 billion of new issuance during the month and year-to-date volumes reaching around USD 248 billion, exceeding issuance levels seen over the same period in each of the past four years. Credit fundamentals remained broadly resilient. According to data from Bank of America, the 12-month trailing default rate stayed in the low single-digit range, well below long-term averages, with only two defaults recorded in May.

In the month, the AIA U.S. High Yield Bond Fund returned 0.42%, underperforming its benchmark by 8 bps. Key contributors to portfolio performance included underweight exposure to the Consumer Products sector, as the sector underperformed. Security selection within the Industrials sector also contributed to performance, as underweight exposure to selective issuers added value. Key detractors to portfolio performance included security selection within the Technology sector, such as overweight exposure to underperforming issuers including ZoomInfo Technologies Inc. (“ZoomInfo Technologies”). Security selection within the Chemicals sector also underperformed, due to an idiosyncratic issuer’s performance.

The Fund has underperformed the benchmark year-to-date, primarily driven by credit selection in a small number of overweight names, which underperformed during the first-quarter spread widening. Underneath this, there are different stories for each of the names. The majority of the thesis continues to hold, and the Fund has actively managed the size of the exposure as these names recover after the first quarter. Year-to-date, key contributors to portfolio performance included overweight exposure to the Energy Services sector, as the sector outperformed. Security selection within Paper and Packaging also contributed. Key detractors to portfolio performance included security selection within the Technology sector, such as overweight exposure to underperforming issuers including ZoomInfo Technologies. Security selection within the Building Materials sector also detracted from performance, such as overweight exposure to US LBM Holdings, LLC (“US LBM”), which underperformed.

The Fund holds a slightly longer duration than the benchmark, reflecting a tactical view that duration risk offers attractive relative value versus credit-spread risk, with the U.S. 5-year Treasury yield roughly 40 bps higher year-to-date while high yield spreads are largely unchanged. With continued elevated energy prices, the Fund also believes that growth risk is underpriced by the market, thus maintaining a small overweight to duration at current attractive levels.

The Fund continues to keep the portfolio's overall credit risk exposure modestly overweight versus the index, balancing current spread valuations with resilient fundamentals, attractive all-in yield levels, and strong technical trends in the market. At the same time, the Fund continues to look for opportunities to reduce exposure in credits with weaker fundamentals and limited liquidity runways.

The Fund maintains a constructive but selective stance, emphasizing higher-quality carry and focusing on issuer-level fundamentals. The Fund's approach to alpha generation remains centered on identifying relative value opportunities across sectors and issuers, particularly as dispersion persists and pricing differentiation increases.

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