AIA INVESTMENT FUNDS
AIA US HIGH YIELD BOND FUND

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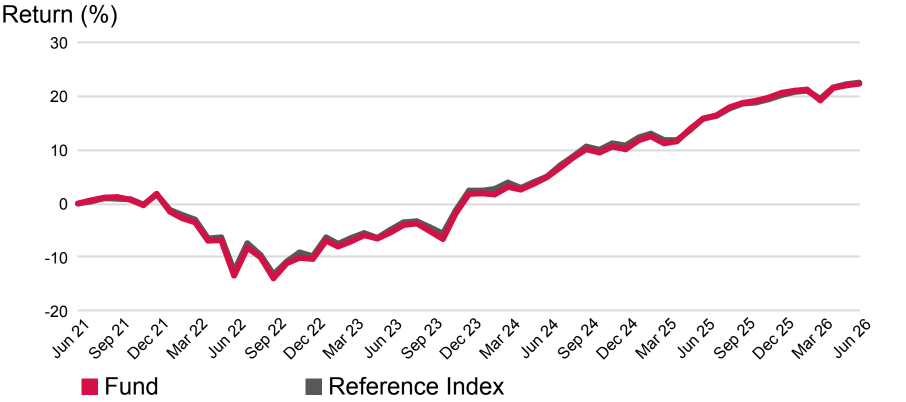
INVESTMENT OBJECTIVE and POLICY

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



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

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.

Asset class	**Fixed Income**
ISIN (Class Z)	**LU2182890298**
Bloomberg ticker (Class Z)	**AFHYZUC**
Total Fund Size	**226,674,064.12**
Fund base currency	**USD**
Share class currency (Class Z)	**USD**
Net asset value (Class Z)	**12.99**
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).

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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	0.27	2.60	1.44	5.61	8.97	4.11	-	4.60
^Benchmark	0.25	2.47	1.92	5.82	8.87	4.20	-	4.98
Relative Return	0.02	0.13	-0.49	-0.22	0.10	-0.08	-	-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 10YR NOTE (CBT)Sep26	5.5
2.	CDS BRC 5% 20/06/31	5.3
3.	CBT US 2YR NOTE (CBT) Sep26	3.6
4.	CBT US ULTRA BOND CBT Sep26	2.0
5.	United States Treasury Bill 0 % 10-Sep-2026	1.9
6.	CDS BRC 5% 20/12/30	1.8
7.	CBT US 10yr Ultra Fut Sep26	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

GEOGRAPHIC WEIGHTS (%)

USA	78.3
Canada	2.4
United Kingdom	1.2
Germany	0.8
France	0.7
Netherlands	0.6
Australia	0.5
Japan	0.5
Norway	0.5
Derivatives	12.8
Other Countries	1.8

DURATION WEIGHTS (%)

0 - 1 Year	13.4
1 - 3 Years	33.6
3 - 5 Years	40.1
5 - 10 Years	11.5
10+ Years	1.4

SECTOR WEIGHTS (%)

Consumer, Cyclical	13.5
Consumer, Non-cyclical	12.7
Communications	12.7
Financial	11.2
Industrial	10.8
Energy	9.3
Technology	7.4
Government	6.4
Basic Materials	3.2
Derivatives	12.8
Other Sectors	0.3

RATING WEIGHTS (%)

AAA	0.0
AA+	6.4
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	80.5
Derivatives	12.8

Note: Due to rounding limitations, the summation of (%)s might not be an exact 100%.

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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	2026-06-12	0.140818

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)
Z									
Fund	USD	0.27	2.60	1.44	5.61	8.97	4.11	-	4.60
^Benchmark	USD	0.25	2.47	1.92	5.82	8.87	4.20	-	4.98
Relative Return	USD	0.02	0.13	-0.49	-0.22	0.10	-0.08	-	-0.38
IDQ									
Fund	USD	0.22	2.47	1.19	5.08	8.42	3.59	-	4.13
^Benchmark	USD	0.25	2.47	1.92	5.82	8.87	4.20	-	4.99
Relative Return	USD	-0.02	0.00	-0.74	-0.74	-0.45	-0.60	-	-0.85

^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

June saw a de-escalation of tensions between the United States and Iran following the U.S./Iran Memorandum of Understanding (MoU) allowing free passage of oil through the Strait of Hormuz for 60 days, alongside a decline in energy prices. Brent crude oil fell, while retail gasoline prices moved lower. The fading stagflationary risk was generally supportive for bond returns. Central bank communication leaned hawkish as policymakers stayed cautious about the inflation and growth outlook. The European Central Bank (ECB) delivered a 25-basis-point (bps) rate hike, its first since 2023, a decision President Christine Lagarde defended by pointing to the persistence of the Middle East energy shock and its spillover effects on the wider economy, while leaving the door open to further tightening if inflation risks continue to build. In the U.S., the June Federal Open Market Committee (FOMC) maintained the federal funds rate within the 3.50%–3.75% range, while updated projections showed higher inflation forecasts and a hawkish shift in the dot plot. In the UK, the Monetary Policy Committee (MPC) kept the bank rate unchanged at 3.75%, citing evidence of a softening economy, while retaining a mild tightening bias against the potential pass-through of higher energy prices into headline inflation. In Japan, the Bank of Japan (BoJ) hiked its policy rate by 25 bps to 1.0%, with Asada — the first member appointed under the Takaichi administration — dissenting and emphasising downside risks to production and employment. The Bank confirmed it would maintain the current pace of Japanese Government Bonds (JGB) purchase reductions through March 2027 before slowing to around ¥2trn/month from April 2027.

Macroeconomic data releases for June showed continued labour market expansion in the United States alongside varying inflation outcomes across regions. U.S. non-farm payrolls came in above expectations and the unemployment rate stayed flat at 4.3%. U.S. core Consumer Price Index (CPI) rose to 2.9% year-on-year (yoy) and headline CPI rose to 4.2% yoy. In the UK, core CPI rose to 2.6% yoy while headline CPI remained at 2.8% yoy. Across the Euro Area, core inflation rose to 2.6% yoy while headline inflation rose to 3.2% yoy. Finally, the Eurozone and UK flash composite Purchasing Managers' Index (PMI) printed at 49.5 and 49.4, respectively. Global investment grade credit posted positive returns for the month, underperforming like-duration government bonds as spreads widened in June. Investment grade credit spreads modestly widened on elevated supply, despite continued resilient fundamentals. Global high yield spreads were broadly unchanged in June, as constructive risk sentiment – driven primarily by further progress towards de-escalation in the Middle East – was balanced against a more hawkish-than-expected Federal Reserve meeting.

Against this backdrop, the AIA U.S. High Yield Bond Fund returned 0.27% during June, outperforming its benchmark by 2 bps. Primary market activity remained elevated; June saw approximately $52 billion of global high yield new issues come to market, representing a solid pace that moderated only marginally from the elevated volumes recorded in April and May and brought year-to-date gross issuance to a robust $301 billion for the first half of the year. Credit fundamentals remained broadly resilient. The month of June saw one rising star, bringing the total volume of upgrades to investment grade to approximately $41 billion for the year. Conversely, there were no fallen angels during the month, leaving the total volume of downgrades to high yield at roughly $31 billion for the year-to-date period – unchanged since April. Key contributors to portfolio performance included security selection within the Building Materials sector and the Media & Entertainment sector, while key detractors included credit beta as high yield spreads widened by 3 bps, as well as security selection within the HealthCare sector, due to overweight exposure to underperforming issuers. Additionally, curve positioning in U.S. rates detracted marginally.

The Fund holds a slightly longer duration than its benchmark, reflecting a tactical view that duration risk offers attractive relative value versus credit-spread risk. It sees the sharp repricing of global rates linked closely to the volatility of energy prices, and hence concerns on inflation, driven by conflict in the Middle East. The supply-side-driven inflation risks and rising growth headwinds from the macro mix could be reduced when the conflict is resolved, with inflation peaking and the potential for rates to move lower from current elevated levels. The Fund maintains a small overweight to duration relative to the hawkish market pricing. Current levels of interest rates also present a relatively attractive entry point and significant buffer for near-term volatility. It continues to keep the portfolio's overall credit risk exposure modestly overweight versus the benchmark, balancing current spread valuations with resilient fundamentals, attractive all-in yield levels, and robust technical trends in the market. At the same time, the Fund continues to look for opportunities to reduce exposure to credits with weaker fundamentals and limited liquidity runways. It emphasises issuers in the more defensive areas of the market, such as the Food & Beverage and the Media & Entertainment sectors.

The Fund continues to prefer the Lodging sector, which includes cruise ship issuers and hotel issuers, due to healthy demand trends, strong and improving cash flow, and improving leverage profiles, while remaining selective within the Technology sector, favouring issuers with recurring revenues, high gross margins, low capital expenditure requirements, and diverse customer bases. It remains underweight to Automotive issuers given the sector's inherent cyclicality and currently limited dispersion, as well as the Retail and Consumer Product sectors, which it sees as more exposed to potential economic weakness. Similarly, it generally continues to take a cautious approach towards sectors and issuers with more cyclical or commodity-oriented business models.

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