



AIA INVESTMENT FUNDS

AIA US HIGH YIELD BOND FUND

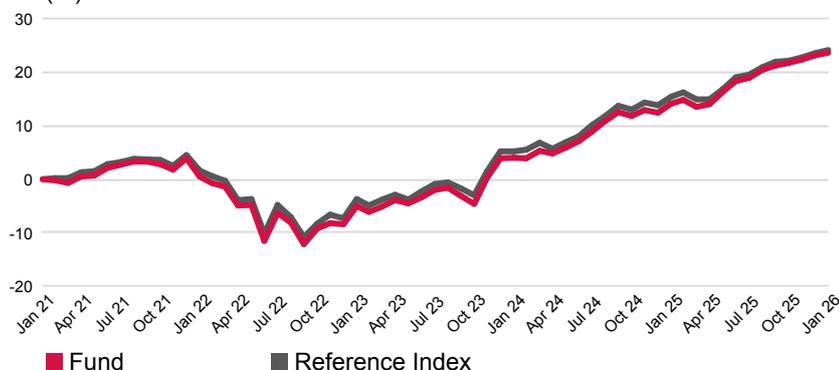
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INVESTMENT OBJECTIVE and POLICY

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

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

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	182,003,044.26
Fund base currency	USD
Share class currency (Class Z)	USD
Net asset value (Class Z)	12.85
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).

AIA US HIGH YIELD BOND 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 Z	0.33	1.57	0.33	8.25	9.14	4.32	-	4.75
^Benchmark	0.49	1.66	0.49	7.62	8.89	4.47	-	5.09
Relative Return	-0.15	-0.09	-0.15	0.63	0.25	-0.15	-	-0.34

^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.	CDS BRC 5% 20/12/30	8.3
2.	United States Treasury Bill 0% 12/03/2026	3.8
3.	CBT US 2YR NOTE (CBT) Mar26	1.9
4.	United States Treasury Bill 0% 24/03/2026	1.7
5.	CDS GOS 5% 20/12/30	1.5
6.	United States Treasury Bill 0% 24/02/2026	1.3
7.	CBT US 10YR NOTE (CBT)Mar26	1.2
8.	United States Treasury Bill 0% 14/04/2026	1.1
9.	United States Treasury Bill 0% 26/02/2026	1.1
10.	CBT US 10yr Ultra Fut Mar26	0.9

COUNTRY WEIGHTS (%)

USA	86.2
Canada	3.1
United Kingdom	1.9
Netherlands	1.1
Germany	1.1
France	0.9
Luxembourg	0.7
Japan	0.5
Norway	0.5
Derivatives	2.4
Other Countries	1.8

DURATION WEIGHTS (%)

0 - 1 Year	22.4
1 - 3 Years	33.9
3 - 5 Years	36.9
5 - 10 Years	6.8
10+ Years	0.0

SECTOR WEIGHTS (%)

Consumer, Non-cyclical	15.5
Communications	15.1
Government	15.0
Consumer, Cyclical	12.0
Energy	10.5
Financial	10.5
Industrial	9.5
Technology	5.5
Basic Materials	3.5
Derivatives	2.4
Other Sectors	0.5

RATING WEIGHTS (%)

AAA	0.0
AA+	15.0
AA	0.0
AA-	0.0
A+	0.6
A	0.0
A-	0.0
BBB+	0.1
BBB	0.0
BBB-	0.2
Others	81.8
Derivatives	2.4

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	NA	NA	NA
IDQ	USD	AFHYIUQ	LU2182890025	2020-09-11	Up to 5%	Up to 0.75%	USD 10	Up to 1%	USD 10m	USD100,000	USD100,000	USD 10m	Quarterly	2025-12-12	0.175391

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	0.33	1.57	0.33	8.25	9.14	4.32	-	4.75
^Benchmark	USD	0.49	1.66	0.49	7.62	8.89	4.47	-	5.09
Relative Return	USD	-0.15	-0.09	-0.15	0.63	0.25	-0.15	-	-0.34
IDQU									
Fund	USD	0.29	1.44	0.29	7.71	8.60	3.80	-	4.29
^Benchmark	USD	0.49	1.66	0.49	7.62	8.89	4.47	-	5.10
Relative Return	USD	-0.19	-0.22	-0.19	0.09	-0.29	-0.67	-	-0.81

^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

Commentary Sources

1. AIA Investment Management Pte Ltd
2. AIA Investment Funds
2. PIMCO Asia Pte Ltd

January marked an eventful start to the year, with headlines repeatedly challenging markets despite improving macro momentum. Maduro's capture in Venezuela and rising U.S.–Iran tensions filled the geopolitical backdrop, while uncertainty around U.S.–European trade relations in the context of Greenland triggered a brief risk-off move before easing. In the U.S., the Department of Justice's investigation into Fed Chair Jerome Powell raised renewed questions around central-bank independence. Later in the month, the nomination of Kevin Warsh for the next Fed Chair, seen as a more hawkish candidate, added a modest upward bias to rate expectations. Elsewhere, Japan saw the sharpest moves, with long-end Japanese Government Bond (JGB) yields surging to multi-decade highs ahead of the snap election, before partially retracing into month-end.

The U.S. 2-year (y) yield rose 5 basis points (bps) to 3.52%, while the UK 2y yield remained at 3.71%. The U.S. 10y yield rose 7bps to 4.24%, and the UK 10y yield rose 4bps to 4.52%. In Germany, the 2y yield fell 4bps to 2.09%, and the 10y yield fell 1bp to 2.84%. Within credit spreads, USD investment grade credit tightened 5bps to 74bps, and EUR investment grade credit tightened 7bps to 71bps. USD high yield credit spreads tightened 1bps to 280bps and EUR high yield credit spreads tightened 7bps to 275bps. Equities delivered positive returns in January, with most regions finishing the month higher despite intermittent volatility. U.S. stocks posted strong returns, with the S&P 500 returning +1.45% and the Russell 2000 up +5.35%, signaling a broadening of strong performance beyond megacaps. Across the Atlantic, European stocks also advanced, with the EuroStoxx 50 up +3.43%. Japanese equities posted strong, positive gains, with the Nikkei climbing +5.93%.

January saw major central banks largely maintain their policy stance amid stabilizing, but still uncertain, macroeconomic conditions. The Federal Reserve kept its target for the federal funds rate at 3.50%-3.75%, as widely expected, marking a pause after three consecutive cuts. The decision reflected data showing economic activity expanding at a "solid pace" and the unemployment rate exhibiting "some signs of stabilization". The Bank of Japan likewise held its policy rate at 0.75%, though the decision was not unanimous, with one dissenting vote favoring a further 25bp hike. The accompanying report struck a hawkish tone, highlighting "real interest rates are at significantly low" levels and presenting an upwardly revised inflation outlook. The Bank of Canada also maintained its policy rate at 2.25%, in line with expectations, citing elevated uncertainty around timing and direction of future policy moves.

Regarding macro prints, U.S. non-farm payrolls printed at +50k (vs. +60k expected). Meanwhile, the unemployment rate fell to 4.4% (vs. 4.5% expected). U.S. core consumer price index (CPI) remained at 2.6% year-over-year (yoy) (vs. 2.7%yoy expected) and headline CPI also remained unchanged, printing at 2.7%yoy (in line with expectations). In the U.K., core CPI remained at 3.2%yoy (in line with expectations), and headline CPI rose to 3.4%yoy (vs. 3.3%yoy expected). Euro Area core inflation remained at 2.3%yoy (in line with expectations), while headline inflation fell to 1.9%yoy (vs. 2%yoy expected). Finally, the Eurozone and UK flash composite purchasing managers' index (PMIs) printed at 51.5 and 53.9, respectively.

Global investment grade credit posted positive returns for the month, outperforming like-duration government bonds, as spreads tighten in January. Investment grade credit continued to benefit from strong demand amid elevated yields and resilient fundamentals.

Global high yield delivered positive total returns, with the higher quality segment of the high yield market, BB-rated and B-rated bonds, outperforming CCC-rated bonds. High yield credit was supported by a strong start to earnings season and supportive economic data.

In January, the AIA U.S. High Yield Fund returned 0.33%, underperforming the benchmark by 15 basis points (bps). Key detractors to portfolio performance include security selection in both Technology and Chemicals. Key contributors to portfolio performance include security selection in both Paper & Packaging and Retail.

The Fund favors U.S. high yield, as the market benefits from a broader and more diversified investor base, superior liquidity, and higher absolute yields. From a sector perspective, the Fund emphasizes defensive, non-cyclical sectors with relatively stable cash flows, while remaining broadly underweight more cyclical areas and

sectors perceived to be in secular decline due to shifting market or customer dynamics, though selective opportunities are pursued where fundamentals-adjusted valuations are compelling. The focus remains on industries with strong asset coverage, manageable leverage, and supportive secular and cyclical trends, while maintaining caution toward those facing meaningful structural challenges. The Fund also seeks credits that may be potential acquisition targets or could benefit from early refinancing activity. Overall, the Fund maintains a cautiously optimistic stance, with an emphasis on preserving adequate liquidity.

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