



AIA INVESTMENT FUNDS

AIA DIVERSIFIED FIXED INCOME FUND

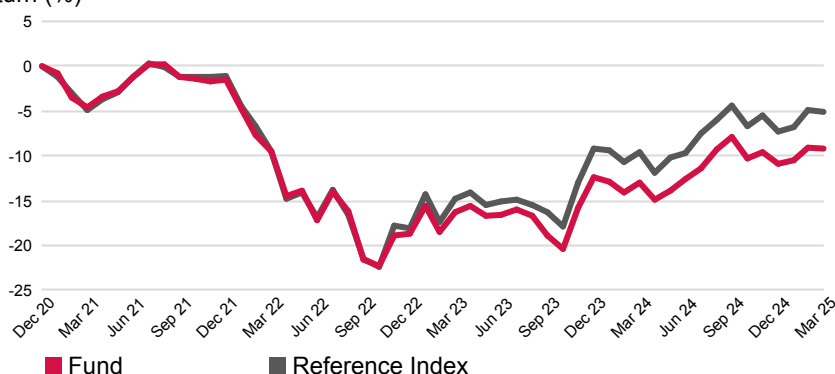
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INVESTMENT OBJECTIVE and POLICY

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

Counterparty Risk The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Sub-Fund to financial loss.

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.

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)	AFDIUC
Total Fund Size	694,582,870.46
Fund base currency	USD
Share class currency (Class I)	USD
Net asset value (Class I)	10.41
Inception date (Class I)	05-Jul-19
Domicile	Luxembourg
Fund type	UCITS
[^] Ongoing charges	0.59%
Performance Fee	None

[^]Data as of 31 December 2024. 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	-0.12	1.92	1.92	4.45	0.14	1.38	-	0.71
[^] Benchmark	-0.29	2.31	2.31	4.90	0.98	1.79	-	1.42
Relative Return	0.17	-0.38	-0.38	-0.45	-0.84	-0.41	-	-0.71

[^]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 performance & risk factors.

TOP 10 HOLDINGS (%)

1.	CBT US 5YR NOTE (CBT) Jun25	4.5
2.	CBT US LONG BOND(CBT) Jun25	2.5
3.	CBT US 2YR NOTE (CBT) Jun25	2.5
4.	United States Treasury NoteBond 4.25% 15/11/2034	1.2
5.	Bank of America Corp 4.979% VRN 24/01/2029	0.9
6.	Principal Life Global Funding II 4.8% 09/01/2028	0.9
7.	Deutsche Bank AGNew York NY 5.414% 10/05/2029	0.8
8.	United States Treasury NoteBond 3.875% 31/03/2027	0.8
9.	Edison International 5.75% 15/06/2027	0.8
10.	United States Treasury NoteBond 4.625% 15/02/2035	0.8

COUNTRY WEIGHTS (%)

USA	80.4
United Kingdom	2.6
Canada	2.0
Germany	1.6
Japan	1.1
Ireland	1.0
France	0.8
Sweden	0.6
China	0.5
Derivatives	6.7
Other Countries	2.7

DURATION WEIGHTS (%)

0 - 1 Year	2.9
1 - 3 Years	23.5
3 - 5 Years	22.7
5 - 10 Years	26.1
10+ Years	24.8

SECTOR WEIGHTS (%)

Financial	34.5
Consumer, Non-cyclical	12.2
Utilities	8.3
Industrial	7.4
Communications	7.2
Energy	6.2
Technology	5.4
Government	5.1
Consumer, Cyclical	4.8
Derivatives	6.7
Other Sectors	2.1

RATING WEIGHTS (%)

AAA	0.2
AA+	5.4
AA	0.3
AA-	1.9
A+	4.9
A	11.4
A-	17.8
BBB+	14.2
BBB	26.0
BBB-	8.5
Others	2.8
Derivatives	6.7

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	2025-03-14	0.06278
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 charges and expenses of the prospectus of the UCITs, 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	-0.12	1.92	1.92	4.45	0.14	1.38	-	0.71
^Benchmark	USD	-0.29	2.31	2.31	4.90	0.98	1.79	-	1.42
Relative Return	USD	0.17	-0.38	-0.38	-0.45	-0.84	-0.41	-	-0.71
Z									
Fund	USD	-0.07	2.05	2.05	4.97	0.64	-	-	0.65
^Benchmark	USD	-0.29	2.31	2.31	4.90	0.98	-	-	0.84
Relative Return	USD	0.22	-0.26	-0.26	0.07	-0.34	-	-	-0.19
IDQ									
Fund	USD	-0.12	1.92	1.92	4.45	0.14	-	-	-1.50
^Benchmark	USD	-0.29	2.31	2.31	4.90	0.98	-	-	-0.91
Relative Return	USD	0.17	-0.38	-0.38	-0.45	-0.84	-	-	-0.59
K									
Fund	USD	-0.09	2.01	2.01	4.79	0.46	-	-	-1.95
^Benchmark	USD	-0.29	2.31	2.31	4.90	0.98	-	-	-1.58
Relative Return	USD	0.20	-0.30	-0.30	-0.11	-0.51	-	-	-0.37

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Past performance is not a guide to future performance.

Please refer to [Section 5] of the prospectus for other performance & risk factors.

COMMENTARY

Commentary Sources

1. AIA Investment Management Pte Ltd
2. AIA Investment Funds
3. BlackRock Financial Mgmt, Inc

In March, economic challenges driven by tariff policy and growth concerns led the Fed to decide to keep rates unchanged during their March Federal Open Market Committee (FOMC) meeting. Chair Powell stated at the time, "Uncertainty around the economic outlook has increased... The committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the committee's goals." Uncertainty was exacerbated by President Trump's global tariff policy, which affected both manufacturing and consumer confidence. U.S. manufacturing fell back into contraction territory this month, affected by a tariff-related increase in materials costs, while the service sector outlook worsened.

The S&P Global flash March factory index dropped nearly 3 points to 49.8 from its highest level since mid-2022, with figures below 50 indicating contraction. Additionally, U.S. consumer confidence declined in March to its lowest level in four years due to concerns about higher prices and the economic outlook amid the Trump administration's escalating tariffs and trade war. The Conference Board's gauge of confidence also decreased by 7.2 points to 92.9 and retail sales rose 0.2% in February, less than the market expectation of +0.6%. Consumers anticipate that prices will increase at an annual rate of 3.9% over the next five to 10 years, which is a 0.4 percentage point rise from the previous month and the highest rate in over three decades. Jobs data also showed a softening in the labour market, with nonfarm payrolls increasing 151,000 in February after a downward revision to the prior month and the unemployment rate rising to 4.1%. Against this backdrop, the option-adjusted spread for the U.S. Investment Grade Credit Index widened by 6 basis points (bps) in March to 89bps, resulting in a monthly excess return of -39bps. In March, the index posted a total return of -0.24% and an excess return of -0.39%. Primary market supply for March was about \$203.3 billion (bn), including \$168.9bn in corporates and \$34.5bn in non-corporates. According to FactSet, Q1 2025, the estimated year-over-year earnings growth rate for the S&P 500 is 7.3%, as of the end of March. In respect to performance, the best-performing sectors were Supranationals, Foreign Agencies, Health Insurance, Construction Machinery and Environmental. The worst-performing were Transportation Services, Media Entertainment, Supermarkets, Chemicals and Oil Field Services. AA+ fared the best across the investment grade quality spectrum, while Crossover-rated bonds fared the worst.

The AIA Diversified Fixed Income Fund delivered -0.12%, outperforming the benchmark by 17 bps. The Fund has been covering some of its underweight spread duration contribution through Financials over the last month. The intent of keeping carry in the portfolio through active security selection contributed 4.5bps of performance to the portfolio, majorly coming from Utilities (Electric). The outlook on positioning has remained consistent over the past few months. There are cracks in the macroeconomic growth outlook, primarily driven by Trump's tariff agenda, which have put pressure on risk premiums over the last week. The Fund expects that credit spreads have likely peaked for this cycle, although ongoing policy uncertainty is anticipated to continue weighing on capital expenditure and consumer activity. U.S. Exceptionalism is fading quickly, and it leaves less cushion for exogenous shocks to the fundamental picture. As a result, the Fund continues to be neutral duration.

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Any sub-fund of AIAIF may use derivative instruments for efficient portfolio management and hedging purposes.

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