AIA INVESTMENT FUNDS
AIA DIVERSIFIED FIXED INCOME FUND

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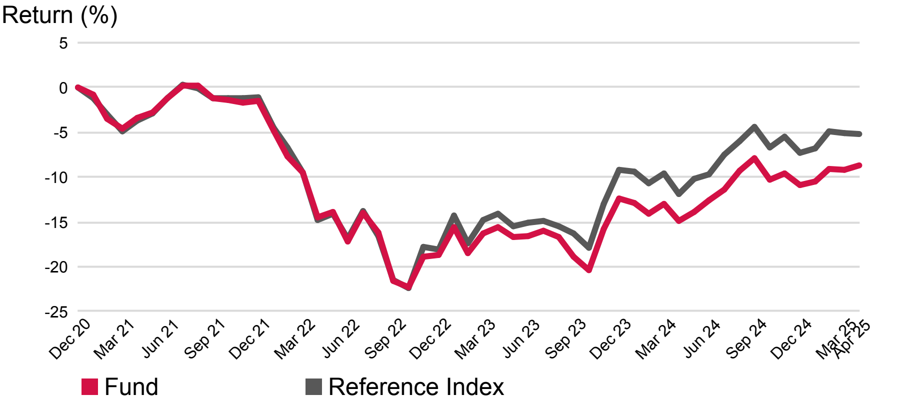
INVESTMENT OBJECTIVE and POLICY

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.

Asset class	**Fixed Income**
ISIN (Class I)	**LU1982194364**
Bloomberg ticker (Class I)	**AFDFIUC**
Total Fund Size	**718,157,465.63**
Fund base currency	**USD**
Share class currency (Class I)	**USD**
Net asset value (Class I)	**10.46**
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.

PERFORMANCE



IMPORTANT INFORMATION

Prior to investing, Investors should read the Prospectus and Key Investor Information Document (KIID).

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

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.

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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 I	0.46	1.91	2.39	7.24	2.18	0.12	-	0.78
^Benchmark	-0.03	1.71	2.27	7.60	3.05	0.58	-	1.40
Relative Return	0.49	0.20	0.12	-0.36	-0.87	-0.46	-	-0.62

^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	2.9
2.	CBT US LONG BOND(CBT) Jun25	2.5
3.	United States Treasury NoteBond 3.75% 30/04/2027	1.5
4.	Goldman Sachs Group IncThe 5.218% VRN 23-04-2031	1.4
5.	United States Treasury NoteBond 4.625% 15/05/2044	1.1
6.	Bank of America Corp 4.979% VRN 24/01/2029	0.9
7.	Principal Life Global Funding II 4.8% 09/01/2028	0.9
8.	CBT US 10YR NOTE (CBT)Jun25	0.9
9.	Deutsche Bank AGNew York NY 5.414% 10/05/2029	0.9
10.	Edison International 5.75% 15/06/2027	0.8

COUNTRY WEIGHTS (%)

USA	84.9
United Kingdom	2.6
Canada	2.4
Germany	1.3
Japan	1.1
Ireland	1.0
France	0.8
Netherlands	0.8
Sweden	0.6
Derivatives	2.0
Other Countries	2.5

DURATION WEIGHTS (%)

0 - 1 Year	1.4
1 - 3 Years	21.3
3 - 5 Years	24.0
5 - 10 Years	25.8
10+ Years	27.5

SECTOR WEIGHTS (%)

Financial	36.6
Consumer, Non-cyclical	12.5
Communications	9.2
Industrial	8.2
Utilities	8.1
Energy	6.5
Technology	5.8
Consumer, Cyclical	4.6
Government	4.3
Derivatives	2.0
Other Sectors	2.2

RATING WEIGHTS (%)

AAA	0.2
AA+	4.7
AA	0.3
AA-	2.2
A+	4.0
A	11.8
A-	18.7
BBB+	16.1
BBB	27.1
BBB-	10.2
Others	2.8
Derivatives	2.0

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

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	0.46	1.91	2.39	7.24	2.18	0.12	-	0.78
^Benchmark	USD	-0.03	1.71	2.27	7.60	3.65	0.94	-	1.69
Relative Return	USD	0.49	0.20	0.12	-0.36	-1.47	-0.81	-	-0.92
Z									
Fund	USD	0.50	2.04	2.56	7.78	2.69	-	-	0.74
^Benchmark	USD	-0.03	1.71	2.27	7.60	3.05	-	-	0.82
Relative Return	USD	0.54	0.33	0.29	0.17	-0.35	-	-	-0.08
IDQ									
Fund	USD	0.46	1.91	2.39	7.24	2.18	-	-	-1.37
^Benchmark	USD	-0.03	1.71	2.27	7.60	3.05	-	-	-0.90
Relative Return	USD	0.49	0.20	0.12	-0.36	-0.87	-	-	-0.47
K									
Fund	USD	0.49	1.99	2.50	7.59	2.52	-	-	-1.79
^Benchmark	USD	-0.03	1.71	2.27	7.60	3.05	-	-	-1.55
Relative Return	USD	0.52	0.28	0.23	-0.01	-0.53	-	-	-0.23

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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 Sources

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

COMMENTARY

April was largely defined by President Trump’s tariff policies unveiled on April 2nd, or “Liberation Day,” and the resulting market volatility. Although Trump announced a 90-day pause on tariffs from non-retaliating countries on April 9th, a tariff of up to 145% remained on Chinese imports. The month continued to present mixed economic data. Despite fluctuations in the market caused by the tariffs, the Consumer Price Index (CPI) fell by 0.1% in March, marking the lowest monthly figure since July 2022 and indicating progress in the Federal Reserve's efforts to curb inflation. Additionally, CPI increased by 2.4% year-over-year, a notable decrease from the 2.8% rise recorded in February. Core CPI, regarded by policymakers as a more precise measure of underlying inflation, rose by just 0.1% last month. Over the year ending in March, Core CPI increased by 2.8%, compared to the 3.1% rise in February.

Data released earlier this month showed nonfarm payrolls grew by 228,000 in March, up from the revised figure of 117,000 in February and exceeding the Dow Jones estimate of 140,000. However, consumer data points to a rush by consumers to purchase goods before the tariffs go into effect, particular on heavily impacted, Chinese-dominant categories such as electronics. Decreasing consumer confidence was also seen in The Conference Board’s gauge of confidence, which decreased nearly 8 points to 86, the weakest since May 2020. However, consumer spending increased 0.7% last month, according to the Department of Commerce, driven by consumer anticipation of tariff-induced price increases, specifically on automobiles. The anticipation of tariffs was also evidenced in U.S. factory output data, which rose at a modest pace in March — a gain that was fueled by a surge in vehicle assemblies before tariffs on car parts come into effect. Towards the end of April, more negative economic data came into focus. The April S&P Global flash composite Purchasing Managers' index (PMI) dropped 2.3 points to 51.2. Additionally, released on the final day of the month, 1Q25 Gross Domestic Product (GDP) figures showed an economic contraction of -0.3%, which reflects broad market uncertainty and amongst other reasons, an increase in imports, which grew by 41.3%, ahead of full tariff implementation. Against this backdrop, the option-adjusted spread for the U.S. Investment Grade Credit Index widened by 11 basis points (bps) in April to 100bps, resulting in a monthly excess return of -55bps. The index posted a total return of +0.06% and an excess return of -0.55%. Over the month, primary market supply was about $118.7 billion (bn), including $96.0bn in corporates and $22.7bn in noncorporates. According to FactSet, with 36% of the S&P 500 reporting actual Q1 2025 results, the estimated year over year (YoY) earnings growth rate for the S&P 500 is 10.1%, as of April 25. In respect to performance, the best-performing sectors were Supranationals, Foreign Agencies, Environmental, Wirelines and Construction Machinery. The worst-performing were Oil Field Services, Independent, Refining, Midstream and Chemicals. Aa+ fared the best across the investment grade quality spectrum, while Crossover-rated bonds fared the worst.

In April, the AIA Diversified Fixed Income Fund delivered 0.46%, outperforming the benchmark by 49 bps, driven by strategic interest rate and curve positioning. Belief in factors like rising uncertainty, tariffs, and a widening U.S. fiscal deficit prompted anticipation of upward pressure on long-end rates, resulting in a favourable curve-steepening. This position has been partially monetized but further steepening potential is foreseen. Focus on quality trades and underweight positions in cyclical sectors and high-beta areas like Automotive and Energy positively impacted performance. Minimal exposure to these high-risk sectors helped benefit from spread widening during the tariff-related volatility. Sufficient liquidity allowed for adding credit (both Investment Grade and High Yield) at the wides, adding further profit & loss (P&L) on the tariff pause rebound.

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