



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	716,202,088.32
Fund base currency	USD
Share class currency (Class I)	USD
Net asset value (Class I)	10.42
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	-0.38	-0.04	2.00	5.57	1.83	-0.34	-	0.70
[^] Benchmark	-0.01	-0.33	2.26	5.61	2.75	0.16	-	1.37
Relative Return	-0.37	0.29	-0.26	-0.04	-0.92	-0.50	-	-0.67

[^]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 risk factors.

TOP 10 HOLDINGS (%)

1.	United States Treasury NoteBond 3.875% 30-04-2030	2.6
2.	CBT US 2YR NOTE (CBT) Sep25	2.3
3.	CBT US LONG BOND(CBT) Sep25	2.0
4.	CBT US 10yr Ultra Fut Sep25	1.7
5.	United States Treasury NoteBond 3.75% 30/04/2027	1.5
6.	United States Treasury NoteBond 4.625% 15/05/2044	1.0
7.	Bank of America Corp 4.979% VRN 24/01/2029	0.9
8.	Principal Life Global Funding II 4.8% 09/01/2028	0.9
9.	Deutsche Bank AGNew York NY 5.414% 10/05/2029	0.8
10.	Edison International 5.75% 15/06/2027	0.8

COUNTRY WEIGHTS (%)

USA	83.4
United Kingdom	2.5
Canada	2.3
Germany	1.2
Japan	1.1
Ireland	1.0
Netherlands	0.8
France	0.7
Sweden	0.6
Derivatives	4.2
Other Countries	2.3

DURATION WEIGHTS (%)

0 - 1 Year	1.7
1 - 3 Years	22.0
3 - 5 Years	23.3
5 - 10 Years	27.8
10+ Years	25.2

SECTOR WEIGHTS (%)

Financial	33.7
Consumer, Non-cyclical	12.0
Communications	9.0
Utilities	8.0
Industrial	7.9
Government	6.7
Energy	6.3
Technology	5.6
Consumer, Cyclical	4.5
Derivatives	4.2
Other Sectors	2.2

RATING WEIGHTS (%)

AAA	0.2
AA+	7.1
AA	0.3
AA-	2.2
A+	3.8
A	11.1
A-	17.3
BBB+	14.1
BBB	27.0
BBB-	10.1
Others	2.7
Derivatives	4.2

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	2025-06-16	0.089211
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 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)
I									
Fund	USD	-0.38	-0.04	2.00	5.57	1.83	-0.34	-	0.70
^Benchmark	USD	-0.01	-0.33	2.26	5.61	2.75	0.16	-	1.37
Relative Return	USD	-0.37	0.29	-0.26	-0.04	-0.92	-0.50	-	-0.67
Z									
Fund	USD	-0.34	0.09	2.21	6.10	2.34	0.16	-	0.66
^Benchmark	USD	-0.01	-0.33	2.26	5.61	2.74	0.16	-	0.80
Relative Return	USD	-0.33	0.42	-0.05	0.49	-0.41	0.00	-	-0.14
IDQ									
Fund	USD	-0.38	-0.04	2.00	5.57	1.83	-	-	-1.43
^Benchmark	USD	-0.01	-0.33	2.26	5.61	2.74	-	-	-0.89
Relative Return	USD	-0.37	0.29	-0.26	-0.04	-0.92	-	-	-0.54
K									
Fund	USD	-0.35	0.04	2.14	5.91	2.16	-	-	-1.84
^Benchmark	USD	-0.01	-0.33	2.26	5.61	2.74	-	-	-1.52
Relative Return	USD	-0.34	0.38	-0.12	0.30	-0.59	-	-	-0.31

^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 risk factors.

COMMENTARY

Commentary Sources

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

May continued to see effects from President Trump's Liberation Day tariffs with mixed economic data showing some continued signs of weakening. Early in the month, The Federal Reserve stated it would maintain interest rates within the 4.25% to 4.50% range amidst ongoing market volatility and persistent concerns over tariffs, economic growth, and labor conditions. Growth concerns were reaffirmed in the revised 1Q25 Gross Domestic Production (GDP) print showing -0.2%, up slightly from -0.3% but still showing contraction. The market was also provided some relief with the U.S. and China agreeing to mutually reduce tariffs for 90 days, although since then there has been increased uncertainty as President Trump accused China of violating their agreement.

On the positive economic front, the flash estimate for the U.S. S&P Global Composite Purchasing Manager Index (PMI) increased to 52.1 in May, up from 50.6 in April, indicating that U.S. private sector business activity continued to grow at a faster rate and revealed greater business confidence compared to April. However, consumer sentiment continues to signal weakness with preliminary University of Michigan May sentiment index data declining to 50.8 from 52.2 a month earlier. Notably, nearly three-fourths of respondents spontaneously mentioned tariffs, indicating trade policy continues to dominate consumers' views of the economy. Against this backdrop, the option-adjusted spread for the U.S. Investment Grade Credit Index tightened by 17 basis points (bps) in May to 83bp, resulting in a monthly excess return of 118bp. According to FactSet, with 98% of the S&P 500 reporting actual Q1 2025 results, the estimated YoY earnings growth rate for the S&P 500 is 13.3%, as of May 30.

In respect to performance, the AIA Diversified Fixed Income Fund returned -0.38% in May, underperforming the index by 37 bps. Performance was positively impacted by security selection in the Energy and Consumer Cyclical sector while the underweight position in corporate bonds was a drawback as the spreads narrowed during the month. The best-performing sectors were Cable Satellite, Refining, Oil Field Services, E&P and Midstream while the worst-performing were Supranationals, Foreign Agencies, Foreign Local Govt, Health Insurance and Construction Machinery. The Fund is concentrating on quality trades and maintaining underweight positions in cyclical sectors and high-beta areas such as Automotive and Energy. Additionally, it is leaning towards high-quality paper due to the ongoing uncertainty surrounding tariffs.

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