

# Not for Retail Investors

IPO: 24 - 30 August 2021

As of 20 August 2021

## Prospectus – Executive Summary



Krungsri Asset Management Co., Ltd.  
which accepted by CAC\*

Krungsri Foreign Fixed Income 6M62 Fund -  
Not for Retail Investors (AI)  
(KFFAI6M62)

Fixed Income Fund  
Fund investing primarily offshore with foreign  
investment related risks

Investors may not redeem units in this fund within 6 months and this mutual fund concentrates its investment in particular sectors so, if an adverse event arises which impacts the investment, investors may incur substantial loss.



What are you investing in?



Who is the Fund suitable for?



What are the key risks of the Fund?



Asset allocation of the Fund



Fees and Charges



Fund performance



Fund information

Investment in mutual funds is not a money deposit.



## What are you investing in?

### (1) Investment Policy

The Fund shall invest offshore in an average amount per accounting year of no less than 80% of NAV and focus to invest in debt instruments and/or deposits issued, certified, avalized, or repayment-guaranteed by the government, a state enterprise, a financial institution, and/or private entity, where such instruments are designated as investment grade in either the issue rating category or the issuer rating category. The Fund will consider investing in derivatives whereby the agreement for fully hedging against exchange rate will be made.

### (2) Management Style

This is a buy-and-hold fund where the fund makes investment once and holds the assets until maturity.



## Who is the Fund suitable for?

- This mutual fund is suitable for investors who expect higher return than deposits and can accept lower return than stock.

### This mutual fund **is not suitable for**

- Investors who need fixed return or principal protection.
- Investors who need to redeem units within 6 months.

### What to do if you still don't understand the policy and risks of this fund?

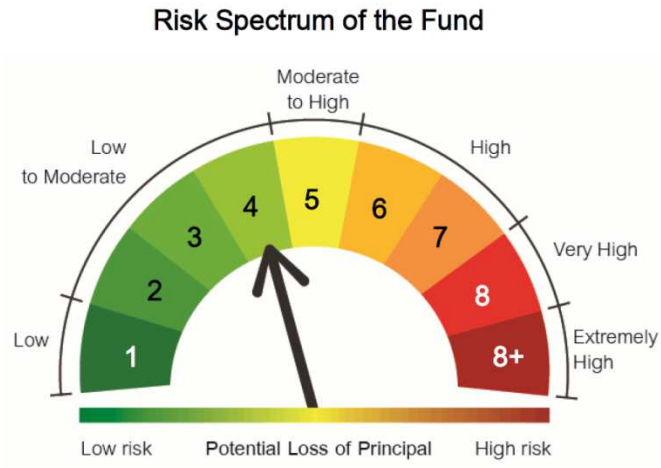
- Study the full prospectus or **enquire** the selling agents and the management company.
- **You should not invest in the Fund if you do not understand it or are not comfortable with the accompanying risks.**



# What are the key risks of the Fund?

### Important Risk Warning

- This fund has limited liquidity because it is not available for sale as in other funds and the fund offers automatic redemption only.
- This mutual fund is not regulated to invest in low-risk instruments only like money market funds and therefore it entails higher risk than the risk level found in investment in money market funds.
- This mutual fund's investment is highly concentrated in China and Qatar and therefore investors should consider diversify the risks in their portfolio.



### Key Risk Factors

#### 1. Credit risk

Major credit ratings of the fund

national credit rating	Gov.bond/ AAA	AA, A	BBB	Below BBB	unrated
	Low				High

Major credit ratings of the fund

	AAA	AA, A	BBB	Below BBB	unrated
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**Remark:** Major credit ratings of the fund as highlighted in credit rating box(es) mean that this fund invested more than or equal to 20% of NAV in securities with those credit.

#### 2. Market risk

Portfolio Duration	below 3 months	3 months - 1 year	1 - 3 years	3 - 5 years	> 5 years
	Low				High

Standard Deviation (SD)	≤ 5%	5% - 10%	10% - 15%	15% - 25%	> 25%
	Low				High

### 3. High Concentration Risk

- high issuer concentration risk

total high issuer concentration	≤ 10%	10% – 20%	20% - 50%	50% - 80%	> 80%
	Low				High

- high sector concentration risk

total high sector concentration	≤ 20%	20% - 50%	50% - 80%	> 80%
	Low			High

Remark: The Fund's investment is highly concentrated in banking sector.

- high country concentration risk

total high country concentration	≤ 20%	20% - 50%	50% - 80%	> 80%
	Low			High

Remark: The Fund's investment is highly concentrated in China and Qatar.

### 4. Exchange rate risk

FX Hedging	Fully/Almost fully	Partially	At discretion	No hedging
	Low			High

Remark: The fund have enter into a forward contract to hedge against the exchange rate risk for the value of at least 90% of the foreign investment value.

\* For more information, please visit [www.krungsriasset.com](http://www.krungsriasset.com)

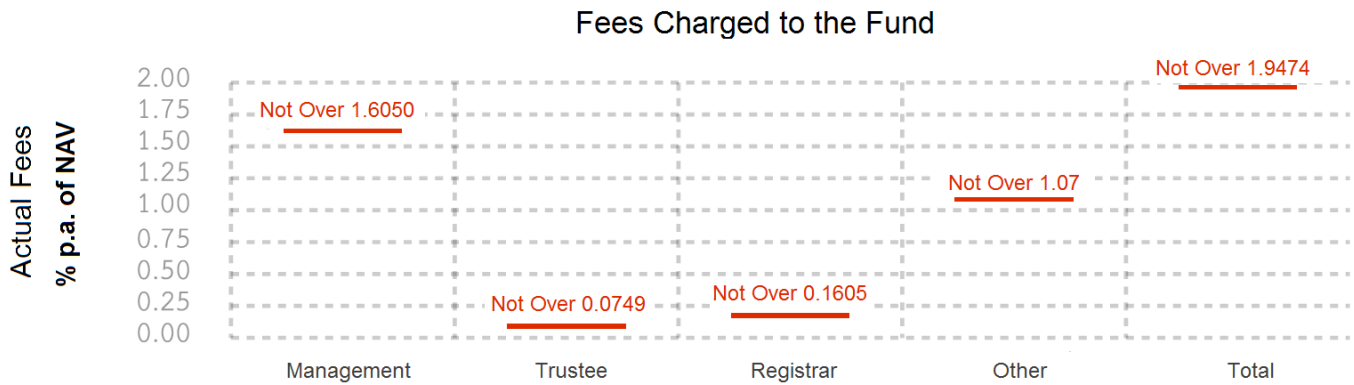


## Fees and Charge

\*The fee can affect the return to be received by the investors.

Therefore, the investors should study the details about such fee before making investment.\*

### Fees Charged to the Fund (% of NAV)



### Fees Charged to Unitholders (% of transaction amount)

Details	Not exceeding	Actual Fees
Subscription Fee (front-end)	None	None
Redemption Fee (back-end)	None	None
Switching-in fee	None	None
Switching-out fee	None	None
Transfer Fee	10 Baht per 1,000 Units	10 Baht per 1,000 Units
Other Fees	Actual	Actual

Remark: All above mentioned fees include Value Added Tax or Specific Business Tax or other taxes.



## Fund performance

**\*Past performance is not a guarantee of future performance\***

### **Benchmark :**

There is no benchmark for which this fund will be measured against. This fund is managed in a buy & hold style in order to gain expected return at the specified period and therefore it needs no comparison of the fund performance with the benchmark.

### **Fund Type based on peer group performance : Miscellaneous**

\* You should view current information at [www.krungsriasset.com](http://www.krungsriasset.com)



## For further information

Dividend payment policy	None		
Trustee	Standard Chartered Bank (Thai) PCL. Tel. +66 (0) 2724-3377		
Inception Date	31 August 2021 (may be changed subject the Management Company's discretion)		
Fund Maturity	Approximately 6 months.		
Information for transaction of investment units	<p><b><u>Subscription for Investment Units:</u></b></p> <p>Subscription Date: from 24 - 30 August 2021. The Management Company will receive cheque until 27 August 2021 only.</p> <p>Minimum Initial Subscription : 510,000 Baht</p> <p>Minimum subsequent subscription : 2,000 Baht</p> <p><b><u>Redemption of Investment Units :</u></b></p> <p>This Fund does not permit regular redemption during the project life. The Management Company will process the redemption of investment units by automatically switching in full all Investment units to the Krungsri Cash Management Fund-A (KFCASH-A) on the business day preceding the expiration of the project life.</p> <p>Investors can check net asset value at: <a href="http://www.krungsriasset.com">www.krungsriasset.com</a></p>		
Name of Fund Manager	<b>Name</b>	<b>Responsibility</b>	<b>Start date</b>
	Mr. Pongsun Anurat	Fund Manager, Global Investments	31 August 2021
	Mr. Pholsith Ahunai	Fund Manager, Global Investments	31 August 2021
Subscription or Redemption Supporting Agents	<ul style="list-style-type: none"> <li>▪ Bank of Ayudhya Public Company Limited. (All branches) Tel. 1572</li> <li>▪ Any Subscription or Redemption Supporting Agents to be appointed by the Management Company.</li> </ul> <p>Investors can check a list of the selling agents at <a href="http://www.krungsriasset.com">www.krungsriasset.com</a></p>		
Enquiry for Prospectus / Complaints	<p>Krungsri Asset Management Co., Ltd.</p> <p>1<sup>st</sup> - 2<sup>nd</sup> Zone A, 12<sup>th</sup> , 18<sup>th</sup> Zone B Floor Ploenchit Tower, 898 Ploenchit Road, Lumpini, Pathumwa, Bangkok 10330</p> <p>T +66 (0) 2657 5757 F +66 (0) 2657 5777</p> <p>Website : <a href="http://www.krungsriasset.com">www.krungsriasset.com</a> Email : <a href="mailto:krungsriasset.clientservice@krungsri.com">krungsriasset.clientservice@krungsri.com</a> or the appointed selling agents</p>		
Potential conflict of interest	Investors can check transactions that may give rise to a conflict of interest at <a href="http://www.krungsriasset.com/th/Investment/RelatedPartyTransactions.html">www.krungsriasset.com/th/Investment/RelatedPartyTransactions.html</a>		

## Details on Investment Goals of Krungsri Foreign Fixed Income 6M62 Fund - Not for Retail Investors (AI)

### Details of expected portfolio

Instruments in which the fund invests <sup>(1)</sup>	Credit rating of Issue / issuer <sup>(6)</sup>		Yield (per annum) <sup>(2)</sup>	Proportion to fund size <sup>(1)</sup>	Expected return (per annum) <sup>(1)</sup>
	National rating	International rating			
Fixed Deposit of Doha Bank (DHBK) - Qatar		A/Fitch	1.16%	18%	0.21%
Fixed Deposit of Al Khalij Commercial Bank (KCBK) - Qatar		A/Fitch	0.86%	18%	0.16%
Fixed Deposit of Bank Rakyat Indonesia (BRI) - Indonesia		BBB-/Fitch	0.65%	17%	0.11%
Fixed Deposit of The Commercial Bank of Qatar (CBQ) - Qatar		A/Fitch	0.56%	18%	0.10%
Fixed Deposit of Bank of China (BOC) Macao - China		A/Fitch	0.47%	18%	0.09%
Fixed Deposit of Agricultural Bank of China (ABC) Hong Kong - China		A/Fitch	0.47%	11%	0.05%
Total					0.71%
Estimated fund expense <sup>(3), (5)</sup>					(0.21%)
Estimated return which unitholder will receive from auto-redemption (per annum) <sup>(4)</sup>					0.50%
Duration of security (approximately)					6 months

**Remark:**

- <sup>(1)</sup> The Management Company shall exercise discretion in changing assets for investment or investment proportion when the action is taken as necessary and appropriate in the best interest of the investors, provided that the total risk profile of the assets for investment shall not materially change. Furthermore, instruments in which the fund will invest may change to other types/issuers or new types of instruments may be added to the above. The Management Company may, at its discretion, readjust its selection of target instruments that are not disclosed above. The example includes, but not limited to, Industrial and Commercial Bank of China (ICBC), Industrial and Commercial Bank of China Asia (ICBC Asia), Bank of East Asia (BEA), China Construction Bank (CCB), Standard Chartered Bank (Singapore), Standard Chartered Bank (Hong Kong), United Overseas Bank LTD (UOB), Abu Dhabi Commercial Bank (ADCB), Mashreqbank PSC (MASQ), Qatar National Bank (QNB), Ahli Bank (AHLI), CIMB, Bank of Communications (BOCOM), First Abu Dhabi Bank (FAB), Emirates NBD PJSC (ENBD), Bank Negara Indonesia Persero Tbk PT (BNI), Malayan Banking BHD, Thai Government Debt Securities, Bank of Thailand (BOT), Supalai PCL., Land and House PCL., Ayudhya Capital Auto lease PLC., Bank of Ayudhya PLC., CIMBT Bank PCL., TISCO Bank PCL., Government Housing Bank(Thailand), Government Saving Bank(Thailand), Kiatnakin Bank PCL., Thanachart Bank PCL., and/or other debt securities under KSAM investment universe.
- <sup>(2)</sup> Rate of return proposed by the issuers or the sellers is as of 20 August 2021.
- <sup>(3)</sup> Fees charged to the fund are subject to change, however, shall not exceed the amount specified in the project information.
- <sup>(4)</sup> In case that the Management Company could not invest in the target portfolio due to changing in market conditions, or related tax rate/scheme of the underlying securities has been changed significantly, the unitholders thus may not receive the return at the proposed yield and/or the company may consider not to provide auto-redemption at the proposed rate.
- <sup>(5)</sup> In the case where the rate of return of the Fund after deduction of expenses is higher than the average annual rate of return for auto-redemption that is notified during the IPO period, the Management Company reserves the right to collect higher management fee and/or registrar fee than the initially estimated rates but not exceeding the maximum rates as specified in the Fund's Prospectus.
- <sup>(6)</sup> Credit rating from other credit rating agencies may be different from the above referred credit rating.



- Investment in investment units is neither money deposit nor under the protection of Deposit Protection Agency. Investor may have investment risk of not receiving return of investment funds in full.
- This mutual fund is approved and regulated by The Securities and Exchange Commission, Thailand.
- The draft prospectus for offering of investment units of the Mutual Fund does not mean that the SEC has certified the correctness of the information in the prospectus or guaranteed the price or return of the offered investment units. As the person responsible for managing the Mutual Fund, The Management Company carefully reviewed the information in the summary prospectus as of 20 August 2021 and hereby certifies that the information is correct, not fault and does not mislead.

## Explanation of Risk

### Explanation on Credit Risk

Credit Risk is assessed based on the credit rating that indicates the level on which an issuer can meet its financial commitments, taking into consideration the past performance and the financial position of the issuer. Below is a summary of credit rating of long-term bonds.

Credit Rating	TRIS	Fitch	Moody's	S&P	Explanation
Investment Grade	AAA	AAA(thai)	Aaa	AAA	This is the highest possible rating assigned to an issuer's bonds by credit rating agencies. Investment of this grade has <u>lowest risk</u> of default.
	AA	AA(thai)	Aa	AA	This is the second highest rating. Investment of this grade has <u>very low risk</u> of default.
	A	A(thai)	A	A	Investment of this grade has <u>low risk</u> of default.
	BBB	BBB(thai)	Baa	BBB	Investment of this grade has <u>moderate risk</u> of default.
Below Investment Grade	Below BBB	Below BBB(thai)	Below Baa	Below BBB	Investment of this grade has <u>high risk</u> of default.

### Explanation on Market Risk

- Market Risk is the possibility for an investor to experience losses resulting from changes in interest rates that depend on external factors such as investment and economic conditions, political factors in the issuer's country or other country. Fixed-income instrument prices and interest rates move in opposite directions. For example, if the interest rate in the money market increases, prices of newly issued instruments will be high and therefore instruments that have been issued previously will be traded at lower prices. Mutual funds of long portfolio duration have higher chance of experiencing changes in prices than mutual funds of shorter portfolio duration.
- Market risk is the possibility that the value of securities in which the mutual fund invests may increase or decrease due to external factors such as investment climate, domestic and foreign politics. This is measured in terms of standard deviation (SD) of the mutual fund. If the SD is high, the fund is likely to experience fluctuate in prices of securities.

## ■ Explanation on Currency Risk

Currency Risk is the possibility that changes in exchange rate will affect the value of investment units. For example, if a mutual fund invests in securities denominated in US Dollar during Thai Baht depreciation and the units are subsequently sold when Thai Baht appreciates, the mutual fund will receive lower return in Thai Baht. On the other hand, if the same fund invests in securities denominated in US Dollar during Thai Baht appreciation and the units are subsequently sold when Thai Baht depreciates, the mutual fund will receive higher return in Thai Baht. Therefore, currency hedging techniques as follows are key tools to manage such risk.

**Fully-hedged:** Investors have no exposure to currency risk.

**Partially-hedged with fixed ratio:** Investors may be exposed to certain level of currency risk.

**Hedging at discretion of the fund manager:** Investors may be exposed to currency risk because it is the discretion of the fund manager whether to use a currency hedging technique.

**No hedging:** Investors will experience currency risk.

## ■ Explanation on High Issuer Concentration Risk

- (1) High Issuer Concentration Risk arising from the Fund investing in a single issuer of securities more than 10% of the total NAV. If there is any circumstance that adversely affects the performance, financial status, or stability of such issuer, the Fund may encounter higher volatility in performance than funds that diversify their investment among many issuers.
- (2) Sector Concentration Risk arising from the Fund investing in a single sector more than 20% of the total NAV. If there is any circumstance that adversely affects such industry, the Fund may encounter higher volatility in performance than funds that diversify their investment among many sectors.
- (3) Country Concentration Risk arising from the Fund investing in a single country more than 20% of the total NAV. If there is any circumstance that adversely affects such country, e.g., political, economic, or social developments, etc., the Fund may encounter higher volatility in performance than funds that diversify their investment among many countries.