



**krungsri**

Asset  
Management

A member of  MUFG  
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# Krungsri Global Growth Fund

## (KFGG)

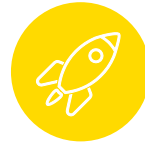
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**IPO: 24 - 31 August 2021**

# KRUNGSRI GLOBAL GROWTH FUND (KFGG)

A concentrated, best ideas, global portfolio of true growth stocks, totally bottom-up, with a long-term investment horizon

Invest in the master fund named **Baillie Gifford Worldwide Long Term Global Growth Fund**, the five-stars rated from Morningstar ★★★★★



## Collection of true growth stocks

Identifying companies that have potential to grow to many multiples of their current size driven by a combination of globalisation and technological change



## Unconstrained opportunities

Genuinely active in taking a global approach to stock selection and portfolio construction by paying no attention to geographic, sector, or stock representation in the index



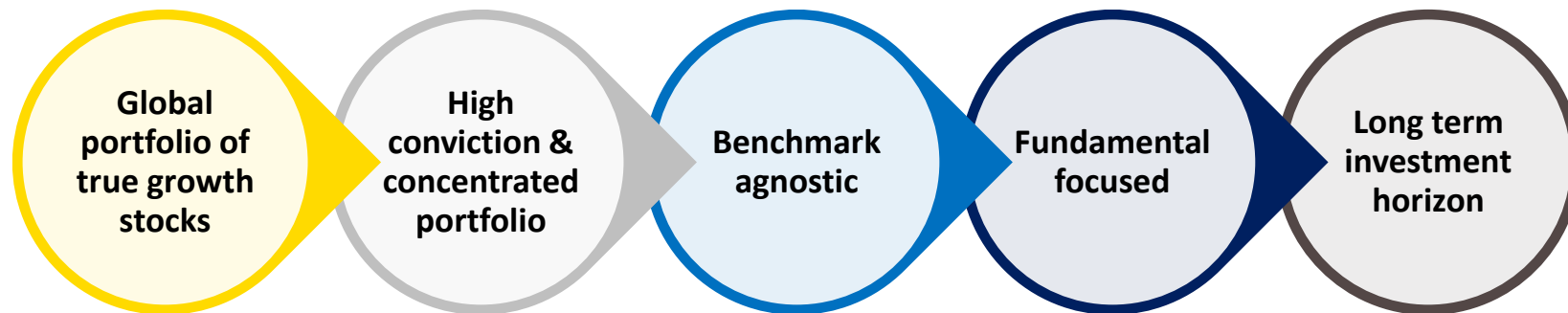
## Exceptional performance

Delivering historical superlative returns over than 2X of the index since inception, an outcome of a unique combination of “Long termism” and “Different perspectives”

Source: Baillie Gifford as of 30 Jun 21. The above awards and rankings are not relevant to the AIMC. The referenced performance is belong to the master fund, so it is not complied to AIMC’s standard. Please see page 15 for more performance details.

**Remark: Please study fund features, performance, and risk before investing. Past performance is not an indicative of future performance.**

# BAILLIE GIFFORD WORLDWIDE LONG TERM GLOBAL GROWTH FUND



Fund key facts			Investment guidelines	
Fund launch date	10 Aug 16		Portfolio holdings	30 – 60 companies
Bloomberg ticker	BGWLBUA ID		Single stock limit	Max 10%/company
Morningstar rating	★★★★★		Sector allocation	Minimum 6 sectors
			Country allocation	Minimum 6 countries

Source: Baillie Gifford as of 30 Jun 21. The above awards and rankings are not relevant to the AIMC.

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# A RADICALLY DIFFERENT MINDSET

- **The different time horizon** allows us to be long-term in our approach.
- **The different perspectives** allows us to look globally for the opportunities for our clients.
- **The different attitude to optimism** allows us to exploit those growth opportunities that others dismiss.

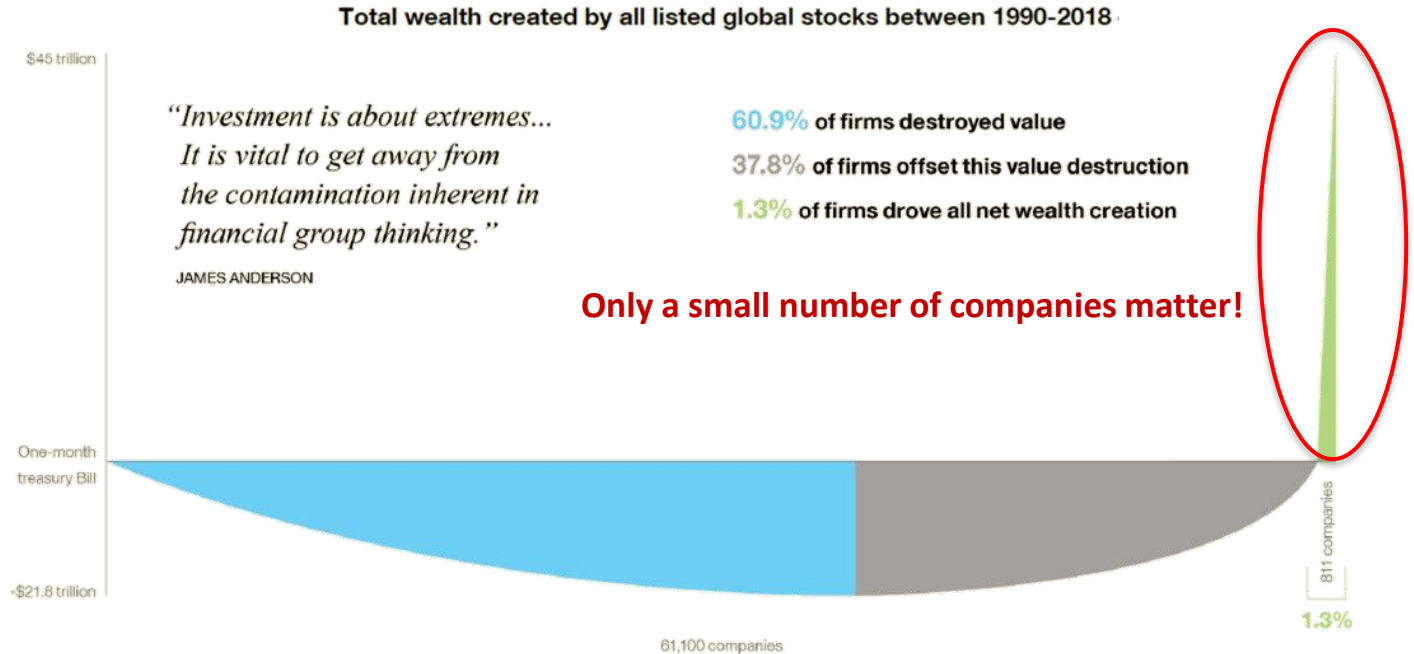


Source: Baillie Gifford as of 30 Jun 21

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# THE ANATOMY OF OUTLIERS

Find and hold those exceptional companies that will drive the next decade of returns



Source: Baillie Gifford as of 30 Jun 21

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# IDENTIFY EXCEPTIONAL COMPANIES

The 10 Question Stock  
Research Framework  
has always sat at the  
heart of the  
investment process

## Industry Background

1. Is there room to at least double sales in the next five years?
2. What happens over ten years and beyond?

## Competitive Advantage

3. What is your competitive advantage?
4. Is your business culture clearly differentiated? Is it adaptable?
5. Why do your customers like you? How do you contribute to society?

## Financial Strength

6. Are your returns worthwhile?
7. Will they rise or fall?

## Management Attitudes

8. How do you deploy capital?

## Valuation

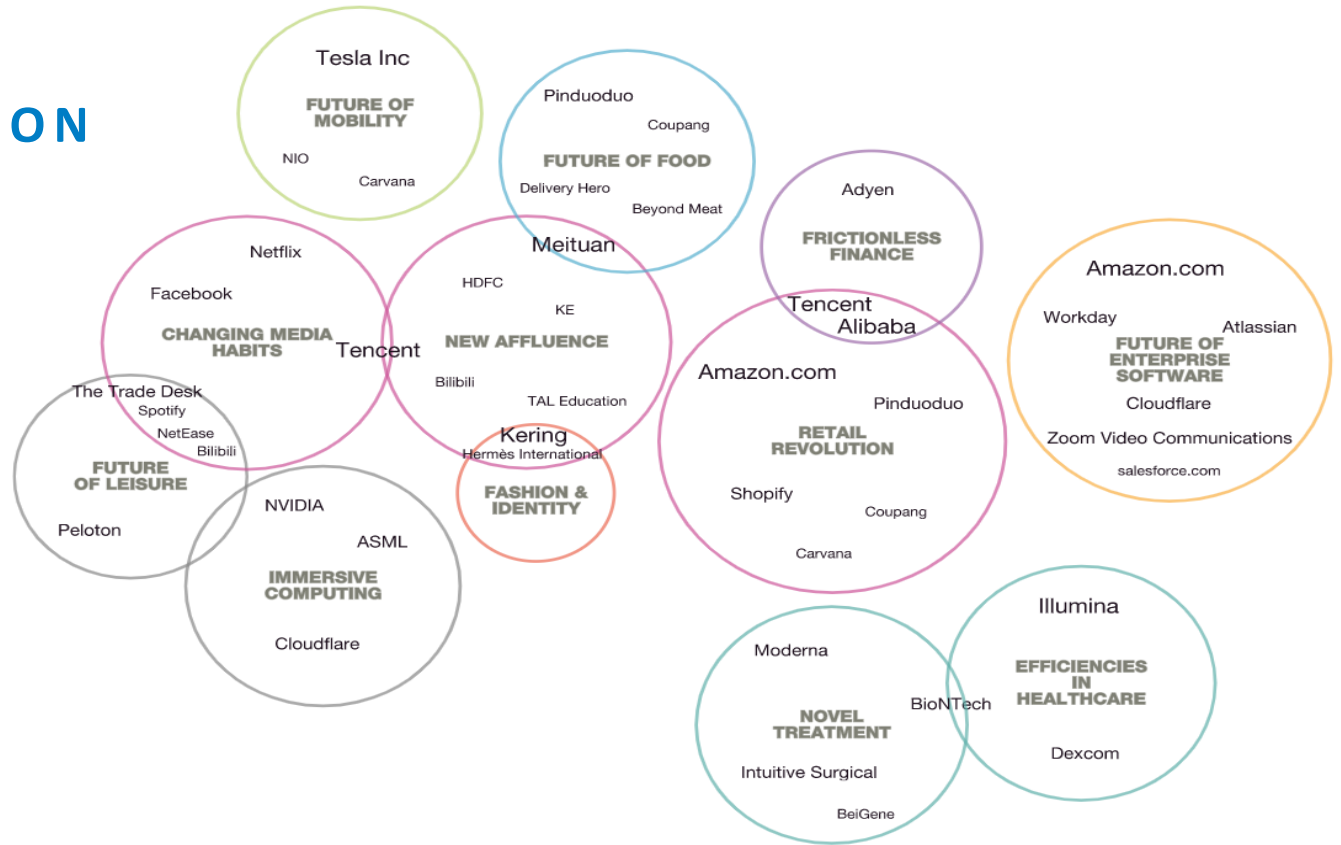
9. How could it be worth five times as much, or more?
10. Why doesn't the market realise this?

Source: Baillie Gifford as of 30 Jun 21

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# PORTFOLIO DIVERSIFICATION DIAGRAM

A well diversified portfolio that embraces the future



Source: Baillie Gifford as of 30 Jun 21 ● Size of circle = weight of assets ● Stocks can span more than one circle

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# PORTFOLIO HOLDINGS

A concentrated portfolio of the world's greatest growth stocks

Company	% of Portfolio	Company	% of Portfolio	Company	% of Portfolio
Amazon.com	5.5	Adyen	2.4	NetEase	1.3
Meituan	5.4	Workday	2.3	Carvana	1.2
Illumina	4.7	Atlassian	2.1	Bilibili	0.8
Alibaba	4.5	Cloudflare	2.1	KE Holdings	0.6
Tencent	4.5	The Trade Desk	2.0	TAL Education	0.5
Tesla Inc	4.5	Zoom Video Communications	2.0		
Kering	4.2	Intuitive Surgical	1.9	Cash	2.1
NVIDIA	4.0	Coupang	1.8		
Pinduoduo	3.9	BioNTech	1.8		
ASML	3.8	Spotify	1.8	<b>Total</b>	<b>100.0</b>
Moderna	3.6	NIO	1.8		
Shopify	3.4	Delivery Hero	1.7		
Peloton	3.4	salesforce.com	1.6		
Netflix	3.1	BeiGene	1.6		
Dexcom	2.7	Beyond Meat	1.6		
Facebook	2.5	Hermès International	1.5		

**Average holding period:  
10 years**

Source: Baillie Gifford as of 30 Jun 21

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# STOCK EXAMPLE: Coupang

Color Your Days

An E-commerce company known as the Amazon of South Korea

## Why we own it?



The largest consumer logistics network in the country. 70% of the population live within 7 miles of logistics centre



Structural advantage is extremely difficult for competitors to rival



Offering a superior customer experience (>99% of orders delivered within 24hrs)



Thinks long term, rapidly iterates and has developed a culture different to most Korean

## How it could be worth many times more?

A conservative revenue growth rate of 30% per year results in c.\$75 billion revenue in 5 years, generating a >5x return on a conservative price/ sales multiple

Driven by a mixture of increasing spend per customer, more product categories, improving take rate and a modest uplift in customer count

Coupang moves the remaining chunk of the retail market online and enjoys a winner-take-all share of the \$500 billion South Korean retail market

Source: Baillie Gifford as of 30 Jun 21

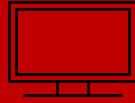
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# STOCK EXAMPLE: NETFLIX

A streaming service that allows members to watch TV series, documentaries and feature films across a wide variety of genres and languages

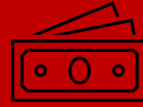
## Why we own it?

1



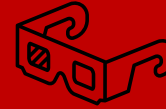
The first truly global content & distribution media brand. A huge intangible advantage against disjointed, national competition

2



Latent pricing power – monthly charge under-prices. One of the most unique cultures in the world

3



Quality product on demand. Netflix has proven that American content can travel well and that local shows can enjoy great success

4



Scale matters – the economics improve substantially as the business grows

## How it could be worth many times more?

There are 1.7bn pay TV households globally  
In the long run, it seems likely that they will all shift to streaming

70% penetration of streaming households is plausible which could point to \$115bn of revenue

Content spend remains at 40% of sales but strong leverage in other expense lines drives 40% margins for \$46bn of profits after tax

A market multiple implies 5x today's market cap and accelerated cord-cutting patterns put this somewhere between a 5–10 year outcome

Both subscribers and the catalogue of evergreen inventory keep growing and returns to scale kick in

Source: Baillie Gifford as of 30 Jun 21

Remark: Please study fund features, performance, and risk before investing. Past performance is not an indicative of future performance.

# STOCK EXAMPLE: adyen

A platform to simplify and accelerate global payments

## Why we own it?



It helps merchants manage complexity in payments as they transact across more than one country or channel



Focusing on building new features allowing them to improve the offering at speed



Founders are long-term and thoughtfully creating a culture to motivate their staff

### How it could be worth many times more?

- The replacement of cash continues.
- A vast opportunity. €35 trillion global payment market of which Adyen process a few hundred billion.
- Increasing payment complexity (multiple geographies and multiple digital channels) makes Adyen increasingly indispensable and scale matters. We believe this will be a consolidated market.
- Assume that the €35trn market is divided between 3 players (though today, Adyen and Stripe are the only Western contenders) => €11.5trn to Adyen with blended take rate steady at 20bps => €23bn net revenue. Net margins steady at 40% => c. €9bn of earnings vs. a few hundred million today.

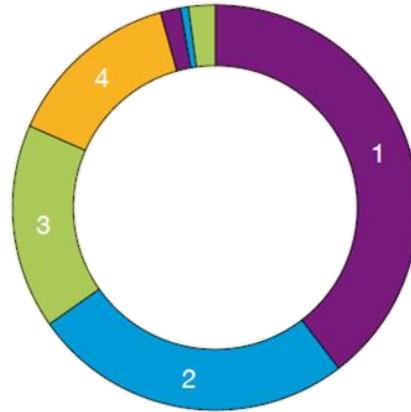
Source: Baillie Gifford as of 30 Jun 21

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# SECTOR & COUNTRY BREAKDOWN

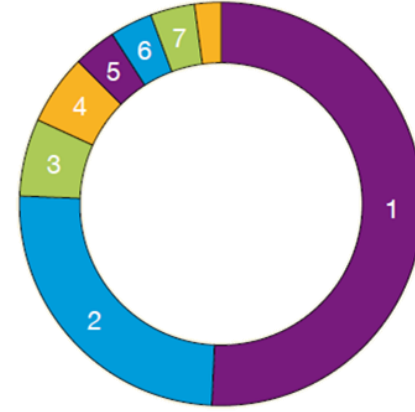
It is purely a result of stock driven portfolio construction process

Sector Exposure



		%
1	Consumer Discretionary	39.6
2	Information Technology	25.7
3	Health Care	16.4
4	Communication Services	14.0
5	Consumer Staples	1.6
6	Real Estate	0.6
7	Cash	2.1

Geographical Exposure



		%
1	United States	50.7
2	China	24.9
3	Netherlands	6.2
4	France	5.6
5	Germany	3.4
6	Canada	3.4
7	Others	3.6
8	Cash	2.1

Source: Baillie Gifford as of 30 Jun 21

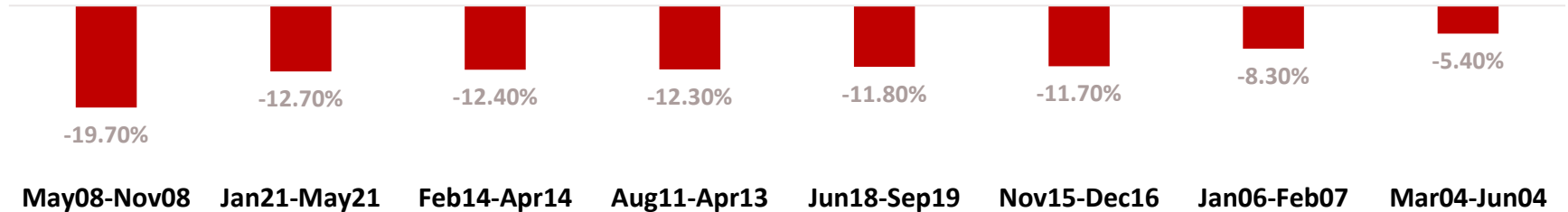
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# EMBRACING SHORT-TERM VOLATILITY

Volatility is inevitable  
at both stock and  
portfolio level

Stock	Biggest absolute drawdown %	Total return
Amazon.com	-54.3	84x
Tesla Inc	-48.8	70x
Tencent	-42.4	33x
Hermès International	-47.6	25x
NVIDIA	-52.5	13x
Kering	-59.6	11x
Atlassian	-21.0	10x
Atlas Copco	-61.4	10x
Apple	-39.6	9x
HDFC	-36.2	9x

## Portfolio level



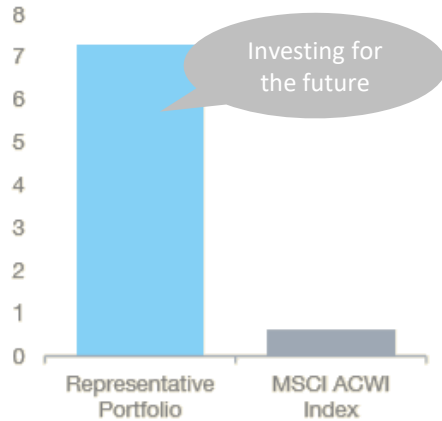
Source: Stock level - StatPro, Baillie Gifford. Data from 29 Feb 04 to 30 Jun 21. Long Term Global Growth composite. Some stocks were only held for part of the period. Portfolio level - Baillie Gifford, MSCI. LTGG composite relative to MSCI ACWI Index. US dollars, net of fees.

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# MONITORING THE ROBUSTNESS OF THE PORTFOLIO

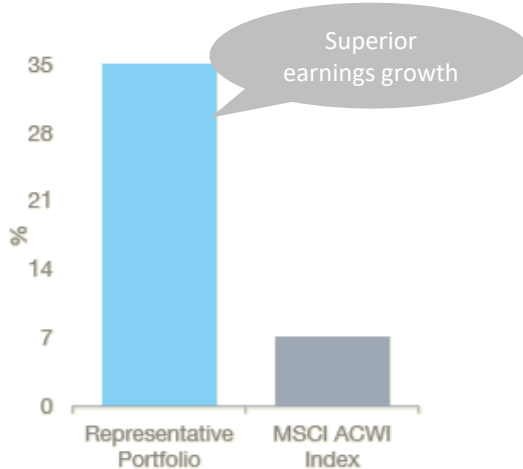
## Are the holdings investing for the future?

Capital allocation:  
 $((\text{capex} - \text{depreciation}) + \text{R\&D}) / (\text{buybacks and dividends})$



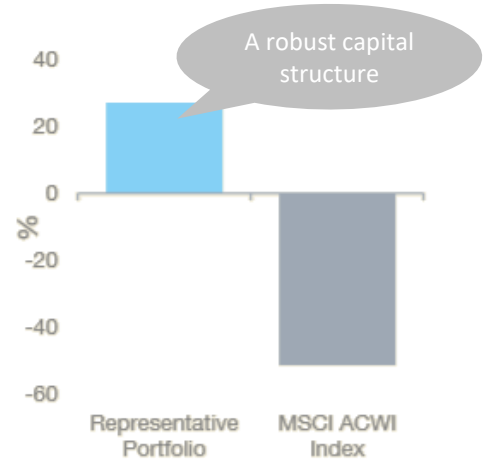
## Is earnings growth coming through?

Earnings growth\*



## Are the holdings robust?

Financial strength – debt:equity\*\*

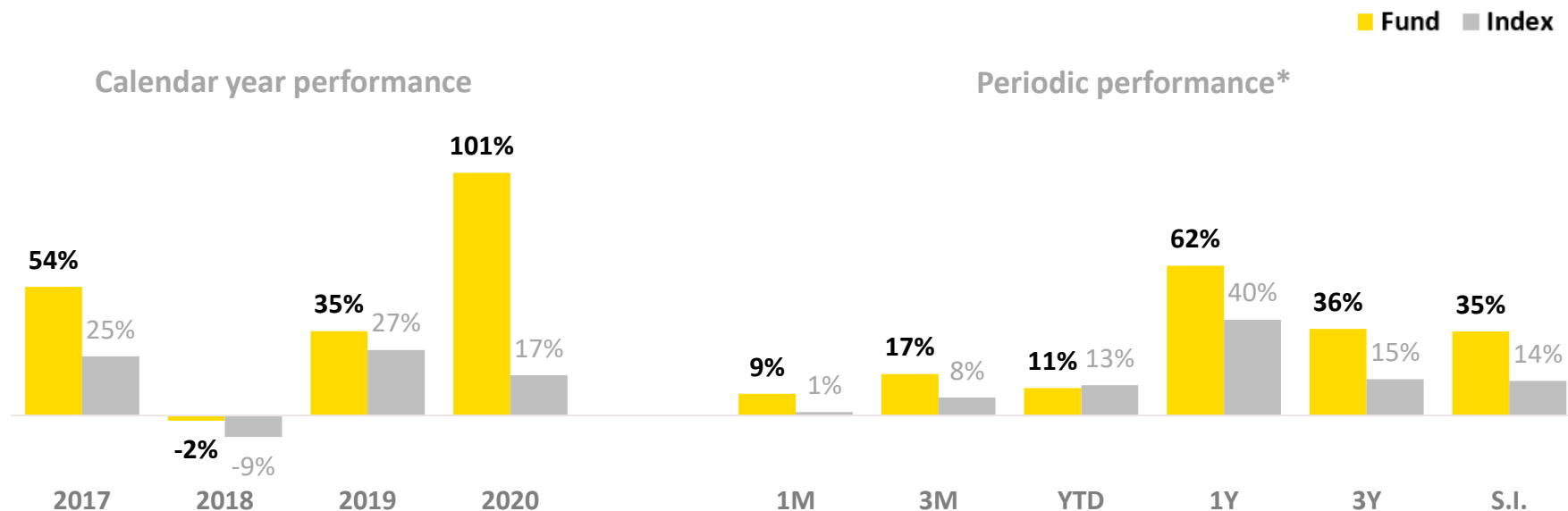


Source: UBS, Factset, Worldscope, MSCI, Baille Gifford as of 30 Jun 21. US Dollars. The analysis excludes Financials. \*5 year trailing

\*\* $(\text{Total Debt} - \text{Cash} / \text{Common Equity} + \text{Minority Interest}) \times (-1)$  Ratio. Based on a representative portfolio

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# TRANSFORMATIONAL GROWTH FOR TRANSFORMATIONAL RETURNS



\*Returns in period less than one year are not annualized

Source: Baillie Gifford as of 30 Jun 21 ● US dollars. Net of fees ● Index: MSCI ACWI Index ● Share Class Inception date: 10 August 2016 ● This shows the performance of the master fund, so it is not complied to AIMC's standard

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## Fund features

Details	Krungsri Global Growth-A (KFGG-A)	Krungsri Global Growth-I (KFGG-I)
<b>Investment Policy</b>	Invest in the master fund named Baillie Gifford Worldwide Long Term Global Growth Fund, Class B USD Acc, on average in an accounting year, of not less than 80% of fund's NAV. The master fund has the policy to invest in global equity which are stocks with strong growth potential and listed, traded or dealt in on Regulated Markets.	
<b>Risk level</b>	Level 6	
<b>FX Hedging Policy</b>	Fully hedge against foreign exchange rate risk (Hedge against the exchange rate risk at a particular time for the value of at least 90% of the foreign investment value)	
<b>Dealing Date</b>	Daily (Please refer to Fund's Non-Dealing Calendar)	
<b>Settlement Date</b>	T+ 4 (4 working days after the execution day excluding relevant Master Fund's holidays)	
<b>Minimum Investment Amount</b>	500 Baht	
<b>Dividend policy</b>	Both share classes have no dividend payment policy	
<b>Target investors</b>	<p><b>Suitable for</b> ■ Investors who can accept fluctuation in price of stock in which the fund invests, which may increase or decrease to below the value of investment and thus resulting in loss. ■ Investors who are able to make medium to long term investment, expecting better return in a long term than investment in fixed-income instruments.</p> <p><b>Not suitable for:</b> ■ Investors who need fixed return or principal protection</p>	
<b>Fee charge to the fund (% of NAV p.a.)</b>	Management fee : Not more than 2.1400% p.a. (Actual Charge: 0.9416%) Trustee fee : Not more than 0.1070% p.a. (Actual Charge: 0.0321%) Registrar fee : Not more than 0.1605% p.a. (Actual Charge: 0.1605%)	
<b>Fee charge to investor (% of NAV per unit)</b>	Front end fee or Switching-in fee : Not more than 2.00% p.a. (Actual Charge: 1.50%) Redemption fee or Switching-out fee : Not more than 2.00% p.a. (Actual Charge: None)	Front end fee or Switching-in fee : Not more than 2.00% p.a. (Actual Charge: Waived) Redemption fee or Switching-out fee : Not more than 2.00% p.a. (Actual Charge: None)

All above mentioned fees include Value Added Tax or Specific Business Tax or other taxes ● According to the fund's FX hedging policy, it may incur costs for risk hedging transaction and the increased costs may reduce overall return ●

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**Every 100,000 Baht investment amount in Krungsri Global Growth-A (KFGG-A)  
during 24 - 31 August 2021  
receive investment units of KFGG-A value 100 Baht**

### Terms & Conditions :

1. This promotion is applicable to the NET investment amount in Krungsri Global Growth-A (KFGG-A) during IPO period only. Net investment amount means purchase or switching in value less redemption or switching out value. Investment amount in Krungsri Global Growth-I (KFGG-I) is not eligible for this promotion.
2. Investors must hold units until 31 December 2021. The outstanding investment amount is based on the unit balance of the fund as of 31 August 2021. However, customers will not be eligible to join this promotion if they redeem and/or switch out investment units of the fund during 1 September – 31 December 2021 regardless of the amount of redemption.
3. The Management Company will calculate the total investment amount in KFGG-A based on each investor's unitholder account number. In case an investor has more than 1 account, the Management Company will not consolidate the total investment amount from all accounts for this promotion.
4. The total amount of investment amount, which is less than 100,000 Baht, will not be counted for the promotion.
5. The Management Company will allocate the promotion units of KGG-A to the eligible investors within 28 February 2022. The units of KFGG-A will be calculated at its NAV price on the allocation date. Front-end fee is waived for the units of KFGG-A received from this promotion.
6. Subscription and switch-in order through unit-linked life insurance and provident fund are not eligible for this promotion.
7. Other terms and conditions may apply for the transaction executed through an omnibus account. Investor should contact your representative selling agents for further information.
8. Transferring units, either to the same or different investor, is not eligible for this promotion.
9. The Management Company reserves the right to offer other equivalent reward as appropriate or change terms & conditions of this promotion without prior notice.
10. This promotion expense is charged to the Management Company, not the fund.

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## Disclaimer

1. Krungsri Asset Management Co., Ltd. (“The Management Company”) believes the information contained in this document is accurate at the time of publication but does not provide any warranty of its accuracy. Similarly, any opinions or estimates included herein constitute a judgment as of the time of publication. All information, opinions and estimates are subject to change without notice.
2. Krungsri Global Growth Fund (“The fund”) invests in the master fund named Baillie Gifford Worldwide Long Term Global Growth Fund, Class B USD Acc, on average in an accounting year, of not less than 80% of fund’s NAV. The master fund has the policy to invest in global equity which are stocks with strong growth potential and listed, traded or dealt in on Regulated Markets.
3. The Fund will enter into a forward contract to fully hedge against the exchange rate risk, in which case, it may incur costs for risk hedging transaction and the increased costs may reduce overall return.
4. The local Fund may invest in non-investment grade or unrated securities, with the total portion of such investments combined with the investments of the Master Fund not exceeding 20% of the Fund’s NAV. Besides, the Fund may invest in unlisted securities and structured notes in accordance with the rules as specified by the SEC Office.
5. The Fund and/or the Master Fund may invest in forward contract to enhance efficiency portfolio management and structured note. This means the Fund may contain higher risks than other funds which invest directly in underlying assets. Therefore, it may have gain/loss higher than investing directly in underlying assets.
6. Before remitting in money, please carefully study fund features, performance, and risk. Past performance is not a guarantee of future results. This document is not the fund’s prospectus, produced for general information only. Shall you have any queries, please contact the Management Company.

**For more details or to request for the Fund Prospectus, please contact:**

**Krungsri Asset Management Co., Ltd.**

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Thank you

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