

Independent Oversight Entity (IOE) audit according to Section 124/1 of the Securities and Exchange Act

Year 2023

No.	Topic	Objective	Guideline for examination	Results	Opinion and/or solution guidelines
1	Trading transaction of capital market instruments and financial instruments with related parties and trading transaction of capital market instruments and financial instruments without market prices or without liquidity.	<p>1. Trading of investment units or warrants of mutual funds managed by the same asset management company, as a related party.</p> <p>2. The reasonableness of the transaction</p> <p>3. Reasonable price</p> <p>4. In accordance with with a normal commercial manner and fair traditions.</p>	<p>1. Consider the transaction of trading of investment units or warrants of mutual funds managed by the same asset management company, as a related party.</p> <p>2. Monitoring the reasonableness, suitability of the transaction of investment units or warrants of mutual funds managed by the same asset management company, as a related party.</p> <p>3. Examine the transaction between the management company's portfolio and mutual funds, or among mutual funds under the management company, to ensure that the transaction is appropriate and fair to the funds and unitholders.</p>	<p>1. In year 2023, Found transactions of investment units of mutual funds under the same asset management company, Krungsri Asset management Company (KSAM). All such funds have an investment policy that allows them to invest in investment units of mutual funds under the same asset management company. Therefore, the investment was in line with the investment policy of the fund. Therefore, the price used was complied with the announcement of the Association of Investment Management Companies Sor Jor Kor. Ror. 1/2564 regarding the calculation and announcement of net asset value, investment unit value, selling price of investment units and the price for redemption of investment units and as specified in the fund prospectus.</p> <p>Thus, the transaction had been traded using the price explained above was appropriate and had been done for best interest for customers, or necessary or had benefit to the fund for that situation, and had been done with a normal commercial manner without any special relationship (at arm's length transaction), comply to the announcement of the Capital Market Supervisory Board ThorThor. 35/2556.</p> <p>2. In year 2023, found transactions between company's investment portfolio and the mutual funds under its management, such sales transactions were reported to the Board of Directors (BOD) for approval and reported to the SEC via the OFAR system every month. The reason for the transaction was when the liquidity of the KFENFIX fund returns to a normal state and the management company wishes to reduce the investment proportion of the portfolio, the management company has therefore made a monthly sales transaction, in order not to affect the liquidity of the fund.</p> <p>3. In year 2023, found cross trade transaction between funds under the management.</p> <p>At the day that crossing transactions were done between mutual funds under the same asset management company (cross trade), Fund managers already input the reason for such transactions completely, and had used the appropriate price which the price's reference is generally accepted, ex-ante / forward price and fair allocation comply to the consistency principle. Thus, transactions between mutual funds and related parties had been traded correctly in accordance with the announcement of the SEC No. SorThor. 14/2558 and the appendix attached to announcement of guidelines No. NorPor. 1/2562.</p>	<p>The company has established a working system, policies and procedures including control regarding to the trading of securities of mutual funds to prevent and manage conflicts of interest appropriately by taking into account the interests of investors as important, the transactions had been traded using the price comparison was a reasonable price, as a result, the trading of securities that dealing with related parties are made correctly, in accordance with the relevant notifications.</p>
2	Fund management methods are as disclosed to unitholders	<p>1.The asset management company uses liquidity risk management tools as declared to investor.</p> <p>2. Disclosure of liquidity risk management tools to investors</p>	<p>1. Examine the mutual fund prospectus whether it designates liquidity risk management tools and how (quarterly)</p> <p>2. Does the asset management Company produce and publish liquidity risk management tools manual for investor (quarterly)</p>	<p>Considering the fund information section of fund prospectus of each fund found that, Liquidity Risk Management Tools (LMTs) for mutual funds had been specified and were in accordance with the guidelines of the Association of Investment Management Companies and when considering each of LMTs, found that criteria, conditions, disclaimer and procedure before using of tools had been set up clearly.</p> <p>Therefore, the use of LMTs has been fully disclosed to investors. In this regard, on 1 July 2022, the company has completed and announced effective date of the amendments of the fund prospectus on LMTs section, which was within the extending period that LMTs must be provided in the fund prospectus and comply to the announcement of the Capital Market Supervisory Board Thor.Nor. 69/2564</p> <p>In addition, the company's internal policies, related to LMTs, had already reviewed and amended its content to be in line with relevant guidelines and criteria.</p> <p>For internal systems development to support LMTs, are as follows:</p> <ul style="list-style-type: none"> <li>- LMTs that have been completed and started using (Go-live) : Swing pricing (November 17, 2023)</li> <li>- LMTs currently under development : Redemption gate (expected to be completed in the 2nd quarter of 2024)</li> <li>- LMTs in the development plan, which is expected to be completed in 2024 : Liquidity fee, Anti-dilution levies – ADLs, Notice period.</li> </ul>	<p>The company has completed the amendments of the fund prospectus on LMTs section and disclosed the criteria, conditions, disclaimer and procedure before using of tools clearly in fund prospectus. Therefore, the use of LMTs has been fully disclosed to investors which also complied with relevant notifications.</p>

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3	Selection and monitoring of service providers	Service provider in case of mutual fund supervisor with consideration in 1) Selection criteria 2) Service quality monitoring 3) Service quality assessment	1. Consider the appropriateness of the internal selection criteria used to select the mutual fund supervisor. That it is in accordance with the SEC regulations 2. To follow up criteria for the selection of new mutual fund supervisor to see, whether they are complied to the designated criteria. 3. To follow up if there is assessment of quality service of mutual fund supervisor January to December 2023	1. The criteria for selecting a mutual fund supervisor had been established. The qualifications of mutual fund supervisor have to approved by the SEC and had never been order to suspend the license. Moreover, mutual fund supervisor had to have a ready-working system for conducting the fund supervisor business. For example, a system for monitoring and supervise the benefits arising from the investment of the fund, a system for the valuation of various assets, in order to, comply with the principles of justice and consistency in accordance with the criteria set by the association, a system for verification and validation for calculation the net asset value of funds and a system to monitor investment to ensure its comply as specified in prospectus. In addition, mutual fund supervisor must set forth the criteria for a business continuity plan (BCP) and demonstrate rehearsed on a regular basis at least once a year. 2. In year 2023, no new fund supervisor or trustee. 3. At the end of the year, the Operations Department had assessed the quality of all mutual fund supervisors; Siam Commercial Bank, Bangkok Bank, Citibank and Standard Chartered Bank, using the same guidelines of the assessment. 4. For existing mutual fund supervisor, the Operations Department had assessed the quality of all mutual fund supervisors with the same guidelines of the assessment. The service quality of mutual fund supervisor assessment and monitoring's factors are as follows service quality, risk management, business continuity management and overall service by mutual fund supervisor.	For using the service from mutual fund supervisor, the asset management company had considered as follows: 1. The management company had set the criteria for selecting mutual fund supervisor, the qualifications, which were in accordance with the notification of the SEC Office and the selection of a new mutual fund supervisor is assessed appropriately in accordance with the specified criteria. 2. At the end of the year, the Operations Department had assessed the service quality of every mutual fund supervisors. The criterias of assessment and monitoring were service quality, risk management, business continuity management and overall service by mutual fund supervisor.
4	Sending of purchase/sale orders of capital market instruments and financial instruments	1. Criteria of Broker / Counter Party selection 2. To ensure that all transactions are traded to approved by investment Committee (IC), and to ensure that all transactions are traded by broker / counterparty including connected person with asset Management Company within target set volume. 3. Review and assessment on service quality of Broker / Counter Party	1. Examine score card and select Broker / Counter Party 2. Examine securities buy/sell transactions from all Broker/Counterparty lists that was approved by the company investment committee. 3. Examine trading of securities through one securities company excessively in particular, although the the quality of service is similar to other providers. 4. Examine securities buy/sell transactions that was done through Broker/Counterparty which is not in the approved lists by the company investment committee.	1. The Management company have clearly the selection and evaluation broker and counterparty guideline. The evaluation factors are set to allocate trade volume for each broker into difference tier which evaluate by Fund Manager, Analyst and dealer. The result of evaluation and volume report will report to Investment committee for approval in quarterly. 2. According to the trading transactions and volume on year 2023, Most transactions was sent through brokers and counterparties in approved list with target volume as propose to Investment Committee. There are some transactions such as IPO /bookbuild transactions are trade outside approved list because the broker was selected by invested company. All brokers and counterparties include connected person broker was evaluated under same standard with no special. 3. The trading volume was reported to IC in every quarter. 4. All evidences about broker and counterparty selection and evaluation was kept completely.	The selection and evaluation broker and counterparty guideline was completely provided in written. The evaluation factors was used to qualify standard of each broker for allocating trading volume, with same quality tier received same target volume. The factors combine both of qualitative and quantitative factors such as research paper, company visit, competitive fee, best dealing and execution and also smooting connectivity between broker and company. The result of evaluation and trading volume was reported to Investment committee for approval in quarterly. All trading transactions and volume through Broker and Counterparty including connected person broker on year 2023 are comply with target purpose as approved by investment Committee. However, there are some transaction are trade outside approved list such as IPO, Bookbuild which the trading broker or counterparty was selected by investing company.
5	Collection of Fees and expenses from mutual funds or unit holders.	1. The mutual funds with tax benefits and others mutual funds investment strategy, but charge management fees are considerably different. 2. The reasonableness of the management fees 3. Accurate and clear disclosure of the management fees to investors	1. Examine and compare the management fees setting of the mutual funds with tax benefits and others mutual funds. 2. Examine the approval and changing in fee and expenses deducted from mutual funds. 3. Examine the announcement of increasing of management fee are correctly and completely. 4. Examine the disclosure of the management fees and expenses are correctly and completely.	1. From the review of 85 classes of units of mutual funds, including bond funds, equity funds, mixed funds, fund of funds, and feeder funds: This concerns the collection of management fees for 85 classes of units of mutual funds that qualify for tax benefits and those with the same investment policies and strategies as general mutual funds. For these funds, the management fees are charged equally or close to each other. 2. Regarding new funds' management fees or changes to existing fees, the business development department will request approval from the PDC Committee. The following factors are considered when deciding on management fees: -Funds with the same investment policy and strategy are charged the same or similar fees. -The type and group of investors targeted by the fund. 3. The actual management fees charged and the maximum allowable fees are disclosed accurately, comprehensively, and clearly in the fund's prospectus and key information summary. Any changes to the management fees are announced on the company's website.	Review of Management Fee Structures for Tax-Benefited and General Mutual Funds The management fee structures of tax-benefited and general mutual funds with the same investment policies and strategies were reviewed. It was found that the management fees charged for these funds are the same or similar. The factors considered in determining the management fees of mutual funds were also found to be reasonable. Approval of Management Fee Structures by the PDC Committee The Business Development Department will request approval from the PDC Committee for the management fee structures of different types of investors or changes to the management fees of funds. Disclosure of Management Fees The actual management fees charged for mutual funds, as well as the maximum management fees that can be charged, are disclosed accurately, completely, and clearly in the fund's prospectus and summary of key information. Any changes to the management fees are also announced on the website of the management company. Compliance with Regulatory Requirements The disclosure of management fees is in accordance with the prescribed regulations. Investors can check the information on the website of the management company.

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6	Exercise of voting rights at the securities holders' meeting	<p>1. Considering means to vote in substitute to fund. Procedure factors used to make decision for the right to vote. In order to make vote benefit to all mutual funds.</p> <p>2. The voting rights policy in case of potential conflict of interest and review the voting rights policies</p> <p>3. Full disclosure of information on the exercise of voting rights</p>	<p>1. Examine Voting document of securities (Corporate Action Form) that received recommendation from Investment Committee (IC) on the factors of decision procedure to the consideration of right to vote.</p> <p>2. Examine stock holding on the date XM in management company's systems in comparison to benefit table (XM) from SET SMART to reexamine management company's systems whether on the date XM has recorded right and has used out right</p> <p>3. Examine the report of the summary of voting right exposed on management company website whether it is correct and complete.</p> <p>4. Examine the voting right guideline on management company website</p>	<p>1. In year 2023, The management company exercised voting right on behalf of fund under management comply with guideline. All voted result was approved by investment committee (IC) which concern best interest to unitholders.</p> <p>2. All agendas of shareholder meeting was considered to exercise in align with the company procedure which concern about best interest to fund, comply with fund investment policy and objective, no conflict of interest and have sufficient informations. In addition, in case company appoints other to exercise right on behalf of company, it must be qualified person as defined in guideline such as independent committee.</p> <p>3. According to the examination, The company completely exercise the right on behalf of fund and voted direction that comply with the guideline and no agenda with conflict of interest with company. In addition for agenda that may be related parties transaction they provide sufficient information as define in guideline.</p> <p>4. The voted result of year 2023 was disclosed on management company website.</p>	<p>For the examination of year 2023, The proxy voting guideline was clearly provided the factors for related party to exercise right institute of clients base on the objective of best interest to the fund, good governance and ESG principal of investing company. The guideline was reviewed in every two years. In year 2023, all securities under fund management was exercised voting right and comply with the guideline.</p> <p>All of voted agenda was approved by investment committee and all appointed person was qualified as define in the guideline. The voted results have already disclosed on management company website.</p>
7	<p>Provide opinions or comments on</p> <ul style="list-style-type: none"> <li>- the revision of the conflict of interest prevention policy</li> <li>- the amendments of the fund prospectus / management method requiring special resolutions from unitholders by considering whether the amendment of the project / is beneficial to the unitholders</li> </ul>	<p>1. Prepare and review conflict of interest prevention policy</p> <p>2. Provide opinions on the process and evidence of amendment of project / Prospectus that required a special resolution from unitholders comply to related regulations</p>	<p>1. Examine and comment on the review or improvement of the conflict of interest prevention policy to be submitted for approval to the Board of Directors.</p> <p>2. Examine the process and provide comment of fund amendments that required special resolutions from unitholders by considering whether the amendment of the project / prospectus is beneficial to the unitholders.</p> <p>and examine the result and evidence of special resolutions from unitholders in compliance with SEC.</p>	<p>1. In year 2023, the Conflict of Interest Prevention Policy was reviewed on May, 2023. The Policy was provided as standard procedure for employees to follow and prevent activities might occur conflict of interest during doing business such as Roles, duties and responsibilities, Do and Don't activities and Penalty etc.</p> <p>2. In year 2023, there was no amendment of project / Prospectus that require a special resolution from unitholders.</p>	<p>1. In year 2023, the Conflict of Interest Prevention Policy was reviewed on May, 2023.</p> <p>The Policy was provided as standard procedure for employees to follow and prevent activities might occur conflict of interest during doing business such as Roles, duties and responsibilities, Do and Don't activities and Penalty etc. and there was no amendment of project / Prospectus that require a special resolution from unitholders.</p>