



# Investment Outlook & Recommended Portfolio

## Quarter 2/2024

### Previous Quarter Performance

In the past quarter, the returns of recommended portfolios have adjusted significantly upward. The recommendation to adjust investment within the foreign fixed-income group has been a positive factor contributing to overall returns while downgrading investment in equities has been a negative factor by comparison.

However, the exposure in foreign equities, both in emerging and developed markets, remains a driving factor for returns, especially for portfolios with high-risk tolerance. Additionally, they help offset pressure from domestic equities. Meanwhile, returns for portfolios with low-risk tolerance mainly come from domestic fixed-income funds.



### Investment Outlook in 2Q24

The expected US policy interest rate cut this year is projected to support investments in foreign fixed-income. This is due to the attractive returns from holding positions at high interest rate levels, and the potential for additional returns from rising fixed-income prices if interest rates decrease. Meanwhile, domestic bonds remained attractive due to the prospect of a reduction in Thailand's policy rate.

For investments in equities, the fund manager believes that emerging markets are likely to benefit from capital inflows that may begin to reverse if the US starts lowering interest rates. Coupled with the ongoing economic growth and recovery in China, India, and Vietnam, the Asian market remains attractive. However, the fund manager slightly downgrades the outlook on the Thai stock market as economic recovery remains unclear, particularly in the manufacturing sector. Overall, fund manager recommends slightly increasing exposure to risk assets in view of a clearer global economic recovery outlook and shifting investment allocation from short-term fixed-income to longer-term fixed-income, both domestically and internationally, thanks to increasingly attractive returns. Fund manager recommends a well-diversified portfolio across a variety of assets to help mitigate investment risks.



## Example of recommended investment portfolio according to expected returns

Asset Types	Funds	Expected Returns							
		3%	4%	5%	6%	7%	8%	9%	10%
Domestic Fixed Income	KFSMART-A	52%							
	KFAFIX-A	38%	79%	64%	49%	34%	19%	4%	
Foreign Fixed Income	KFTRB-A	2%	4%	6%	9%	11%	14%	17%	9%
Domestic Equity	KFS100-A	3%	5%	9%	12%	16%	19%	23%	26%
Foreign Equity – Developed Markets	KFJPINDEX-A	1%	1%	2%	3%	4%	4%	5%	5%
	KFUSINDEX-A	2%	3%	6%	8%	10%	13%	15%	18%
Foreign Equity – Emerging Markets	KFACHINA-A	1%	4%	5%	7%	9%	11%	12%	14%
	KF-INDIA	1%	2%	3%	5%	6%	8%	10%	11%
	KFVIET-A		2%	4%	5%	7%	8%	9%	12%
Foreign Thematic Equity	KFCLIMA-A								1%
Alternative Asset	KF-HGOLD			1%	2%	3%	4%	5%	4%

## Change in investment proportion compared to the previous quarter

● Increase in Weight ● Decrease in Weight

Asset Types	Funds	Expected Returns							
		3%	4%	5%	6%	7%	8%	9%	10%
Domestic Fixed Income	KFSMART-A	-40%	-49%	-33%	-22%	-13%	-2%		
	KFAFIX-A	38%	50%	35%	25%	16%	8%	4%	
Foreign Fixed Income	KFTRB-A	2%	4%	6%	9%	11%	14%	17%	9%
	KF-CSINCOM	-2%	-6%	-9%	-13%	-18%	-24%	-24%	-9%
Domestic Equity	KFS100-A	1%	-1%		-1%		-1%		-1%
Foreign Equity – Developed Markets	KFJPINDEX-A	1%			1%	1%		1%	
	KFUSINDEX-A	1%		1%	1%	1%	3%	2%	
Foreign Equity – Emerging Markets	KFACHINA-A		1%			1%	1%	-2%	-1%
	KF-INDIA			-1%		-1%	-1%		-2%
	KFVIET-A	-1%	2%	2%	1%	3%	3%	2%	5%
	KFHASIA-A								-1%
Foreign Thematic Equity	KFCLIMA-A								1%
Alternative Asset	KF-HGOLD		-1%	-1%	-1%	-1%	-1%		-1%

Source: Krungsri Asset Management as of 21 March 2024 based on historical performance data of funds in investment universe since the inception date until 12 March 2024. The above calculation is based on investment portfolio with various hypotheses, which does not guarantee actual returns in the future.

**Investors should understand fund features, return conditions, and risks before making investment decision. Past performance is no guarantee of future results.**

## Fund Details

Funds	Risk	Investment Policies
<b>Domestic Fixed Income Funds</b>		
KFSMART-A	4	The Fund invests onshore and/or offshore in fixed-income instruments and/or deposits or deposits equivalent 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.
KFAFIX-A	4	The Fund invests onshore and/or offshore in fixed-income instruments and/or deposits or deposits equivalent 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. It may invest in either debt instruments with non-investment grade or non-rated bonds.
<b>Foreign Fixed Income Funds</b>		
KFTRB-A	4	The Fund invests at least 80% of its NAV in foreign mutual fund, PIMCO Total Return Bond Fund (Class E Acc) (Master Fund)
KF-CSINCOM	5	The Fund invests at least 80% of its NAV in foreign mutual fund, PIMCO GIS Income Fund (Class I Acc) (Master Fund)
<b>Domestic Equity Funds</b>		
KFS100-A	6	The Fund invests at least 80% of its NAV in equities of domestic listed stocks under the SET100, so that the fund will have a return close to the SET100 Total Return Index (SET100 TRI).
<b>Foreign Equity Funds</b>		
KFJPINDX-A	6	The Fund invests at least 80% of its NAV in foreign mutual fund, NEXT FUNDS Nikkei 225 Exchange Traded Fund (Master Fund)
KFUSINDX-A	6	The Fund invests at least 80% of its NAV in foreign mutual fund, iShares Core S&P 500 ETF (Master Fund)
KFACHINA-A	6	The Fund invests at least 80% of its NAV in foreign mutual fund, UBS (Lux) Investment SICAV – China A Opportunity (USD) (Class P – acc) (Master Fund)
KF-INDIA	6	The Fund invests at least 80% of its NAV in foreign mutual fund (FSSA Indian Subcontinent Fund (Class III USD) (Master Fund))
KFVIET-A	6	The Fund invests at least 80% of its NAV in foreign equity mutual fund and/or foreign ETF which invest in securities listed in Vietnam and/or main businesses or benefits from business operations in Vietnam.
KFHASIA-A	6	The Fund invests at least 80% of its NAV in foreign mutual fund, Baillie Gifford Pacific Fund (Class B Acc) (Master Fund)
KFCLIMA-A	6	The Fund invests at least 80% of its NAV in foreign mutual fund, DWS Invest ESG Climate Tech, Class USD TFC (Master Fund)
<b>Commodity/Alternative Asset Fund</b>		
KF-HGOLD	8	The Fund invests at least 80% of its NAV in foreign mutual fund, SPDR Gold Trust (Master Fund)

- (1) KFACHINA-A, KF-INDIA, KFVIET-A, and KFCLIMA-A offer risk protection from foreign exchange risks at fund managers' discretion.
- (2) KFSMART-A, KFAFIX-A, KFTRB-A, KF-CSINCOM, KFJPINDX-A, KFUSINDX-A, KFHASIA-A, and KF-HGOLD offer full foreign exchange risk protection.

**Disclaimers: Investors should study fund features, conditions of return and risk before making investment decision. Past performance of the mutual funds is no guarantee of future results. © For KF-HGOLD, investors should seek additional advice prior to making any investment. ©** Funds may enter into foreign exchange risk protection agreements at the discretion of the fund manager, and there may be cost incurred in such transactions. Overall, this may result in a reduced return on investment due to aforementioned additional hedging cost. In the case that funds do not enter into risk protection agreement, investors may suffer a loss or receive a gain on foreign exchanges or may receive return that is lower than the initial investment principal. © Funds that adopt full foreign exchange risk protection policy may result in a reduced return on investment due to aforementioned additional hedging cost. © Funds may invest in non-investment grade or unrated bond. Investors may therefore face a higher default risk, credit risk and liquidity risk than mutual funds for general investors. © This document is made for disseminating the information compiled from the credible sources as of the displaying date. However, Krungsri Asset Management cannot guarantee the accuracy, credibility and completion of all information. The Company reserves the right to change the information without prior notice. © **For information inquiry or request for prospectus, please contact Krungsri Asset Management at tel. 0 2657 5757.**

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