



# Investment Outlook & Recommended Portfolio

## Quarter 3/2024

### Previous Quarter Performance

In the past quarter, the returns of recommended portfolios have continued to yield positive returns. The returns for low-risk portfolios were primarily driven by domestic fixed-income funds. In contrast, the returns for higher-risk portfolios benefited from the investments in foreign equities, particularly equities in emerging markets like India and China, as well as investments in developed market equities and gold.

These factors helped mitigate the negative impact from the declining Thai equities. Additionally, adjustments within foreign fixed-income funds also further boosted the overall returns of all investment portfolios.



### Investment Outlook in 3Q24

After the FED postponed interest rate cuts to the second half of 2024 and indicated that rate cuts might only occur 0-2 times this year, the forecasted returns for foreign fixed-income investments slightly decreased. Meanwhile, there remains a positive outlook for domestic fixed-income investments due to the increased attractiveness of current return levels.

For investments in equities, fund managers have downgraded their outlook on Thai equities due to unclear economic recovery, particularly in the manufacturing sector which continues to face pressures. Conversely, foreign equity markets, both developed and Asian markets, show clearer growth prospects. Chinese equities, in particular, indicates continuous recovery despite ongoing issues in the real estate sector and trade tensions with the US and Europe. Indian equities continue to benefit from investor diversification into Asian equities. Additionally, fund manager maintains a positive outlook on Vietnamese equities due to the country's economic growth.

Overall, for moderately to highly risk-tolerant investment portfolios, fund manager recommends slightly increasing exposure to risk assets due to clearer economic recovery signals and reducing the weighting in long-term/foreign fixed-income, shifting towards short-term fixed-income while maintaining a well-diversified portfolio across various assets to help mitigate portfolio 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	94%	82%	41%	32%	24%	17%	11%	3%
	KFAFIX-A			29%	25%	20%	14%	8%	2%
Foreign Fixed Income	KFTRB-A						1%		1%
Domestic Equity	KFENS50-A					2%	3%	3%	6%
	KFS100-A	1%	3%	5%	6%	7%	7%	8%	8%
Foreign Equity – Developed Markets	KFJPINDEX-A		1%	2%	3%	4%	5%	6%	7%
	KFUSINDEX-A	1%	4%	7%	9%	12%	15%	17%	20%
Foreign Equity – Emerging Markets	KFACHINA-A	2%	3%	5%	8%	9%	11%	15%	16%
	KFINDIA-A	1%	3%	5%	7%	9%	10%	12%	14%
	KFVIET-A	1%	3%	4%	6%	8%	10%	11%	13%
	KFHASIA-A			1%	1%	1%	2%	2%	2%
Foreign Thematic Equity	KFCLIMA-A				1%	1%	1%	2%	2%
Alternative Asset	KF-HGOLD		1%	1%	2%	3%	4%	5%	6%

## 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	42%	82%	41%	32%	24%	17%	11%	3%
	KFAFIX-A	-38%	-79%	-35%	-24%	-14%	-5%	4%	2%
Foreign Fixed Income	KFTRB-A	-2%	-4%	-6%	-9%	-11%	-13%	-17%	-8%
Domestic Equity	KFENS50-A					2%	3%	3%	6%
	KFS100-A	-2%	-2%	-4%	-6%	-9%	-12%	-15%	-18%
Foreign Equity – Developed Markets	KFJPINDEX-A	-1%					1%	1%	2%
	KFUSINDEX-A	-1%	1%	1%	1%	2%	2%	2%	2%
Foreign Equity – Emerging Markets	KFACHINA-A	1%	-1%		1%			3%	2%
	KFINDIA-A		1%	2%	2%	3%	2%	2%	3%
	KFVIET-A	1%	1%		1%	1%	2%	2%	1%
	KFHASIA-A			1%	1%	1%	2%	2%	2%
Foreign Thematic Equity	KFCLIMA-A				1%	1%	1%	2%	1%
Alternative Asset	KF-HGOLD		1%						2%

Source: Krungsri Asset Management as of 21 June 2024 based on historical performance data of funds in investment universe since the inception date until 11 June 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)
<b>Domestic Equity Funds</b>		
KFENS50-A	6	The Fund invests at least 80% of its NAV in equity instruments of listed companies under the SET50 index.
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>		
KFJPINDEX-A	6	The Fund invests at least 80% of its NAV in foreign mutual fund, NEXT FUNDS Nikkei 225 Exchange Traded Fund (Master Fund)
KFUSINDEX-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)
KFINDIA-A	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	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, KFINDIA-A, KFVIET-A, and KFCLIMA-A offer risk protection from foreign exchange risks at fund managers' discretion.

(2) KFSMART-A, KFAFIX-A, KFTRB-A, KFJPINDEX-A, KFUSINDEX-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 created to disseminate information compiled from credible sources as of the display 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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