



# Investment Outlook & Recommended Portfolio

## Quarter 1/2023

For Q1 2023, Krungsri Asset Management maintains a positive outlook on risky assets, especially in Chinese equities that are likely to benefit from the easing of zero-Covid measures and possibly a full reopening of the country next year. In addition, the Fed's interest rate hike is expected to end next year, which will give a positive boost to the overall investment sentiment. Meanwhile, Thai equities are still likely to grow thanks to the recovery of the consumption and tourism sectors, as well as agricultural products prices.

However, the market may still be volatile due to pressurizing factors such as the Fed's interest rate hikes. Therefore, investors are advised to continue diversifying their investments in both bonds and equities to minimize the overall volatility of their portfolios during periods of market uncertainty. For the allocation of portfolios in fixed income securities, our fund managers have a more positive outlook on investment in domestic bonds than foreign bonds as level of return remains attractive compared to the risk level. The outlook on medium-term fixed income investments is more positive as return on investment is likely to remain attractive for investors with higher risk appetites and long-term investment perspectives.

### 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  | 13%              |     |     |     |     |     |     |     |
|                                    | KFMTFI     | 3%               |     |     |     |     |     |     |     |
|                                    | KFAFIX-A   | 74%              | 82% | 74% | 65% | 56% | 47% | 39% | 30% |
| Domestic Equity                    | KFENS50-A  |                  |     |     |     |     | 1%  | 2%  | 4%  |
|                                    | KFS100-A   | 3%               | 5%  | 7%  | 9%  | 11% | 12% | 12% | 11% |
| Foreign Equity – Developed Markets | KFJPINDX-A | 1%               | 1%  | 1%  | 2%  | 2%  | 2%  | 3%  | 3%  |
|                                    | KFUSINDX-A | 2%               | 3%  | 5%  | 6%  | 8%  | 9%  | 11% | 12% |
| Foreign Equity – Emerging Markets  | KFACHINA-A | 2%               | 5%  | 5%  | 7%  | 9%  | 11% | 12% | 16% |
|                                    | KF-INDIA   |                  | 1%  | 2%  | 3%  | 4%  | 5%  | 5%  | 6%  |
|                                    | KFVIET-A   | 2%               | 3%  | 5%  | 6%  | 7%  | 9%  | 11% | 13% |
| Foreign Sector Equity              | KFHHCARE-A |                  |     | 1%  | 1%  | 2%  | 2%  | 3%  | 3%  |
| Alternative Asset                  | KF-HGOLD   |                  |     |     | 1%  | 1%  | 2%  | 2%  | 2%  |

Source: Krungsri Asset Management as of 19 December 2022 based on historical performance data of funds in investment universe since the inception date until 12 December 2022. 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 Levels | Investment Policies   |
| Domestic Fixed Income Funds       |             |   |
| KFSMART-A                         | 4           | The Fund invests onshore and/or offshore in debt 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.  |
| KFMFTI                            | 4           | The Fund invests at least 50% of its NAV in domestic governmental debt instruments on average in an accounting year, with the remaining investment in bank deposits or debt instruments of commercial banks, state enterprises, or private entities with credit ratings ranging from A- for medium or long-term or from F2, T2 and above for short-term.  |
| KFAFIX-A                          | 4           | The Fund invests onshore and/or offshore in debt 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. |
| Domestic Equity Funds             |             |   |
| KFENS50-A                         | 6           | The Fund invests at least 80% of its NAV in equities of listed companies under the SET 50.  |
| 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).   |
| Foreign Equity Funds              |             |   |
| 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, Shares 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) (major 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.  |
| KFHHCARE-A                        | 7           | The Fund invests at least 80% of its NAV in foreign mutual fund, JPMorgan Funds - Global Healthcare Fund, Class: JPM Global Healthcare C (acc) – USD) (Master Fund)   |
| Commodity/ Alternative Asset Fund |             |   |
| KF-HGOLD                          | 8           | Fund invests at least 80% of its NAV in foreign mutual fund, SPRDR Gold Trust (Master Fund)   |

- (1) KFACHINA-A, KF-INDIA and KFVIET-A offer risk protection from foreign exchange risks at fund managers' discretion.
- (2) KFSMART-A, KFMFTI, KFAFIX-A, KFJPINDX-A, KFUSINDX-A, KFHHCARE-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. © Since KFHHCARE-A focuses on investing in industrial sectors, investors may risk losing substantial amount of investment. Thus, investors should seek additional advice prior to making any investment. © 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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