

Recommended Funds of the Month

(Please click at fund titles for more details)

Recommended Funds: KFGPROP-A, KFGPROP-D

- Real estate investment trusts (REITs) have outperformed the overall market since sector rotation in early July.
- REITs benefit from the downward interest rate cycle (assuming no economic recession occurs). Krungsri Asset Management expects the Fed to lower interest rates for the first time in September by 0.25 %.
- Given sub-sectors, the supply in the office building sector, featuring a downward trend, will help alleviate negative pressure on the broader office market. Meanwhile, commercial real estate in other categories is not a concern. REIT valuations remain attractive.

Recommended Funds: KFGBRAND-A, KFGBRAND-D

- The Fund invests in high-quality stocks globally, offering consistent revenue and earnings growth.
- Besides, these stocks exhibit defensive qualities, making them good investments during periods of economic slowdown and stock market volatility.

Recommended Funds: KFINFRA-A

- The infrastructure sector, with its high debt burdens, benefits from falling interest rates after the Fed is likely to lower interest rates in September. Additionally, the defensive nature of the sector makes it a suitable investment during periods of market volatility.
- KFINFRA invests in both new economic infrastructures, e.g. data centers and renewable energy, and traditional infrastructure, e.g. power plants and transport, aiming to generate growth and consistent income.

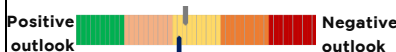
Global Economic Conditions & Investment Outlook by Fund Managers

US


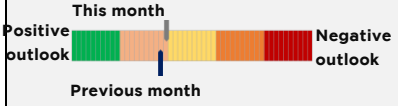


Fund managers' outlook

This month



- Krungsri Asset Management has continuously downgraded its positive outlook on US stock markets over the past month, which is attributed to increased volatility in the US stock markets, driven by investor selling for profits in high-growth sectors such as technology.
- Meanwhile, concerns about a potential US economic recession have come back, influenced by less-than-expected employment figures. In July, the Nonfarm payrolls rose by only 114,000 positions, and the unemployment rate increased from 4.1% to 4.3%, marking the highest level since October 2021.
- Despite these concerns, Krungsri Asset Management anticipates a "soft landing" for the US economy, supported by signs of ongoing economic expansion. This includes a recovery in the service sector and increased production capacity utilization.
- The Fed is also expected to gradually lower interest rates, with three rate cuts anticipated this year. Each cut is projected to be 0.25%, reducing the interest rate to a range of 4.50 - 4.75%, down from the current 5.25 - 5.50%.

<p style="text-align: center;">Europe</p>  <p style="text-align: center;">Fund managers' outlook</p> 	<ul style="list-style-type: none"> ■ Krungsri Asset Management has continuously downgraded its positive outlook on European stock markets, citing pressure from a slowing economy, despite the flat inflation. Thus, investors now expect that the European Central Bank (ECB) may implement interest rate cuts later than previously expected. ■ The European economic recovery remains fragile. GDP data for Q2/2024 showed a modest increase of 0.1%, but major countries like Germany are experiencing an economic slowdown, because of weakening of the manufacturing sector. ■ Considering these weak economic figures, Krungsri Asset Management projects that the ECB might reduce interest rates two more times this year, each by 0.25%, potentially starting in September. This would lower the benchmark deposit rate from 3.75% to 3.25% by the end of 2024. ■ However, the European stock market faces risks from the flat inflation and a slowdown in the Chinese economy due to Europe's significant volume of export to China and its political uncertainties.
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<p style="text-align: center;">China</p>  <p style="text-align: center;">Fund managers' outlook</p> 	<ul style="list-style-type: none"> ■ Krungsri Asset Management has downgraded its positive outlook on the Chinese stock markets. Their recent stimulus measures failed to restore investor confidence, with slowing consumption and a sluggish real estate market continuing to hinder the recovery of the Chinese economy. ■ In late July, the People's Bank of China (PBOC) further reduced its policy interest rates, cutting the 1-year and 5-year lending rates by 0.10% each, to 3.35% and 3.85%, respectively. ■ Krungsri Asset Management anticipates that the Chinese stock market may improve if clear signs of economic recovery emerge. However, risks persist due to US-China tensions, particularly with the upcoming US presidential election campaign.
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<p style="text-align: center;">Japan</p>  <p style="text-align: center;">Fund managers' outlook</p> 	<ul style="list-style-type: none"> ■ The Japanese stock market has recently experienced increased volatility, leading Krungsri Asset Management to downgrade its positive outlook on the market. ■ In August, the Japanese stock market faced a significant sell-off because of carry trade unwinding, compounded by the continued appreciation of the yen. Additionally, there were concerns that the Bank of Japan (BOJ) might persist with its current hawkish monetary policy, prompting the BOJ to clarify that any changes would be gradual to mitigate market volatility. ■ Economically, Krungsri Asset Management sees a potential boost to domestic consumption from Japan's rising wages.
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Thai Economic Conditions & Investment Outlook by Fund Managers

<p style="text-align: center;">Thailand</p> 	<ul style="list-style-type: none"> ■ Monetary Policy Committee (MPC) voted 6 to 1 to maintain the policy interest rate at 2.50%, with one member advocating for a 0.25% reduction. ■ In Q2/2024, GDP expanded by 2.3% y-y, up from 1.6% in Q1/2024 and surpassing expectations. This growth was driven by robust private consumption, exports, and government spending. ■ Krungsri Asset Management maintains a neutral outlook on Thai equity investments over the next three months. Key factors to monitor include the impact of the 120-billion Baht Supplementary Appropriations Bill for vulnerable groups, the establishment of the Vayuphak Fund, and the clearer direction of Thailand's policy interest rates for Q4/2024.
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■ However, global equity markets remain at risk of increased volatility due to investor concerns over a potential US economic recession and the upcoming US presidential election. The SET index is currently projected to reach 1,500 points by the end of 2024.

Investment Outlook over the Next 3 Months

Funds	Rationale
Domestic funds	
Short-term fixed income funds	<p>Funds in this category focus on investing in short-term government and private debt instruments with good credit ratings, as well as domestic and foreign deposits with financial institutions having sound financial health and high liquidity. Looking ahead, the yield on short-term fixed-income funds may experience a slight decline due to increased interest in emerging markets' short-term fixed-income funds. This shift follows the Federal Reserve's communication about potential interest rate cuts starting as early as September. Additionally, the Bank of Thailand (BOT) governor has indicated the readiness to adjust monetary policy if the economic growth outlook deteriorates. The fund has increased its allocation to foreign commercial bank deposits, attracted by higher yields, while reducing its exposure to Thai government debt instruments. Additionally, the fund will seek to invest in foreign bank deposits in the future following reduced concerns about the Thai debt instrument market. Fund managers still recommend KFSMART for its high portfolio rebalancing flexibility and consistent return on investment, suggesting holding the fund for a period of at least three months to help mitigate the impact of daily fluctuations. Currently, the average duration of KFSPLUS is 0.1-0.3 year while that of KFSMART is 0.4-0.8 year.</p>
Medium to long-term fixed income funds	<p>The medium-to-long term fixed income funds enjoy excess return from the recent decline in global bond coupon rates due to expectations that the Fed will begin cutting interest rates from September onwards. However, the market's anticipation of Fed's 3-4 cuts of interest rates this year could lead the market to short-term volatility. In Thailand, even though the Monetary Policy Committee (MPC) has not yet signaled a rate cut, the market sentiment already expects at least one cut in interest rates this year. Fund managers have gradually recognized some profits from the recent rise in fixed income fund prices and are preparing for high volatility ahead. They are adjusting their investment portfolios regularly to capitalize on market volatility. In addition, funds focusing on investing in corporate bonds will still be able to mitigate market volatility. The expected return on investment of the funds is attractive for long-term investment, which does not require short-term liquidity, such as KFMTFI (minimum six-month holding period), KFAFIX (minimum one-year holding period), and KFENFIX (minimum two-year holding period). Currently, the average duration of KFMTFI, KFAFIX and KFENFIX is 2.2-2.8 years, 2.3-3.0 years, and 3-5 years, respectively.</p>
Thai equity funds	<p>Funds that primarily invest in high-growth stocks (such as KFSEQ-D, KFSEQ, and KFGROWTH), as well as those focusing on selecting the most suitable stocks for individual market conditions (KFDNM-D, KFDYNAMIC, and KFTSTAR), tend offer strong returns over the medium to long term, reflecting the favorable performance of the companies they invest in. On the other hand, dividend value equity funds (KFSDIV and KFVALUE), may be a good choice for investors seeking to invest in high-performing companies that provide regular and substantial dividend payouts, especially in volatile market conditions.</p>
Mixed funds (KFHAPPY, KFGOOD, and KFSUPER)	<p>These funds focus on investing across diverse asset classes and rebalance their portfolios to align with prevailing market conditions. KFHAPPY limits its investment ratio in corporate bonds to no more than 60% of the total bond allocation and maintains a fund duration of no more than three years. KFGOOD and KFSUPER</p>

	allow corporate bonds to comprise up to 70% of their total bond allocation. For domestic equity investments, these funds primarily target large-cap stocks with strong financial positions and operational performance, ensuring high trading liquidity. As for property funds, REITs, and infrastructure funds, the focus is on securities with high-quality underlying assets and a proven track record of regular dividend payouts. Currently these funds maintain the weights of risk assets at the same level as the benchmark and are expected to maintain this allocation over the next three months.
Foreign investment funds	
Foreign fixed income funds	
KF-SINCOME KF-CSINCOM KFSINCFX	Even though the market still expects low inflation going forward, the master fund believes that the US monetary policy may have a real effect on the market later than expected, leading to inflation likely to remain above the Fed's target for some time. Therefore, the fund is positive about inflation-protected bonds. The fund also remains interested in agency mortgage-backed security (MBS) with high interest rates, despite the risk of early redemption.
Developed market funds	
KF-EUROPE KFHEUROP	European stock markets have faced increased volatility due to pressures from an economic slowdown. The inflation remains flat, which could influence the European Central Bank's (ECB) monetary policy decisions. Europe is also under the pressure of China's economic slowdown and political uncertainty. The market anticipates that if the Fed cuts interest rates in September, the ECB may follow suit. Such a move could be advantageous for the market and particularly beneficial for the master fund focused on investing in growth stocks.
KFJPINDX	The Japanese stock market continues to fluctuate due to investor concerns over the monetary policy stance of the Bank of Japan (BOJ), which increased the interest rate recently and led to a swift appreciation of the yen. This volatility is expected to persist as a result of divergent monetary policies of the BOJ and the Fed.
KFUSINDX	The US market underwent volatility driven by fears of a US economic recession following less-than-expected employment figures. High-growth stocks, e.g. technology stocks, were particularly hard hit by investors' sell-off and shift towards defensive sectors. The prevailing view is that the slowing US economy could prompt the Fed to cut interest rates, with the market currently anticipating 3-4 rate cuts of 0.25% each, starting potentially in September.
KFNDQ	Technology stocks have declined sharply over the past month due to a sell-off by investors seeking to lock in profits after a surge in the sector's valuations and growing concerns about a potential US recession, with a shift towards defensive stocks and pressure on technology stocks.
Emerging market funds	
KFACHINA	The Chinese markets declined slightly due to a lack of tailwinds for the stock markets. Investors did not witness clear stimulus policy packages. Also, economic data for the third quarter of 2024 indicated a renewed slowdown, which further eroded investor confidence despite another policy rate cut by the People's Bank of China (PBOC).
KFINDIA	The Indian market remained strong following reduced concerns over government formation by Prime Minister Modi, with expectations that his reform policies will continue. However, the recent increase in the capital gains tax rate by the Indian government could potentially undermine market confidence in the long term. Additionally, the Indian market has high valuation relative to other Asian stock markets.

KFVIET	The Vietnamese market showed recovery, with strong economic expansion driven by favorable foreign direct investment inflows. Nonetheless, investors are advised to remain cautious regarding the monetary policy stance of the State Bank of Vietnam (SBV). If the Fed cuts interest rates, it is anticipated that pressure on Vietnam's monetary policy management may be alleviated.
KFHASIA	Asian markets, excluding Japan, recovered because of dollar weakening, which increased investment flows into the region. Should the Fed reduce its policy interest rates, it could help ease the pressure on central banks in Asia. However, the broader Asian stock market continues to face pressure from ongoing fluctuations in the Chinese market.
Global equity market funds	
KFGBRAND	The master fund has posted positive performance over the past month, largely due to its substantial investment in the consumer staples sector. Additionally, the fund's focus on fundamentally strong stocks, which helps cushion the fund against market volatility. However, concerns about a potential US recession and disappointing economic figures could negatively impact stock prices within the fund's portfolio.
KFWINDX	The fund invests in global equity markets through MSCI All Country World Index (MSCI ACWI). The recent robust growth in US stock markets has continued to be a key factor contributing to the fund's strong performance. In the forthcoming period, the growth of the performance of listed companies will be a significant driver of the strong performance of stocks in the investment portfolio. Nevertheless, excessive investor expectations, fears of a US recession, and disappointing economic figures may have an adverse impact on stock prices.
KFESG	The fund focuses on the sustainable investment theme by targeting stocks involved in the semiconductor supply chain and the industries addressing social and environmental issues, such as climate change, health problems, as well as social roles and equality. Additionally, anticipated policy rate cuts by central banks globally are expected to support the performance of the stocks in the investment portfolio. However, concerns about a possible US recession may adversely affect stock prices.
KFHTECH KFGTECH	The growth of artificial intelligence (AI) and increasing demand for AI adoption will be major factors driving earnings growth for the stocks in the fund's portfolio. Additionally, a global downward interest rate cycle will likely reduce financial costs for technology stocks in the near term. However, overly high investor expectations and fears of a US recession could negatively impact stock prices.
KFHEALTH KFHHCARE	The substantial growth in research and development within the healthcare sector, combined with the adoption of AI technology in disease diagnosis, has significantly enhanced the performance of the fund's portfolio. Additionally, the rapid advancement of AI technology facilitates further research and development, tending to foster robust earnings growth for the companies in which the fund is invested. However, concerns about a potential US recession and disappointing economic figures may put pressure on the fund's returns in the short term.
Commodity funds	
KF-GOLD KF-HGOLD	Gold prices have risen over the past month, driven by a sharp decline in the value of the US dollar following signals from the Fed indicating a potential policy interest rate cut. However, if monetary policy turns out to be tighter than anticipated by the market, it could exert downward pressure on gold prices in the short term.

Fund Information		
Funds	Risk Levels	Investment Policies
Domestic fixed income funds		
KFSPLUS	4	The Fund invests in high quality fixed-income securities of public sector, financial institutions, and private companies generating good returns or bank deposits. It may partially invest in foreign fixed-income instruments and enter into derivatives contracts to hedge against foreign exchange risk.
KFSMART	4	The Fund focuses investing onshore and/or offshore in debt instruments and/or deposits or deposits equivalent instruments issued, certified, avaled, or repayment guaranteed by the government, state enterprises, financial institutions, and/or private entities, with an investment grade issue or issuer rating.
KFMFTI	4	The Fund invests on average at least 50% of its NAV in an accounting period in government-sector debt securities. The remaining is invested in bank deposits or debt instruments of commercial banks, state-owned enterprises or private companies assigned an A- or above medium-term or long-term credit rating or an F2, T2 or above short-term credit rating.
KFAFIX	4	The Fund focuses investing onshore and/or offshore in debt instruments and/or deposits or deposits equivalent instruments issued, certified, avaled, or repayment-guaranteed by the government, state enterprises, financial institutions, and/or private entities, with an investment grade issue or issuer rating. It may also invest in non-investment grade or unrated debt instruments.
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Foreign fixed income funds		
KF-SINCOME KF-CSINCOM KFSINCFX	5	The Fund invests on average at least 80% of its NAV in an accounting period in PIMCO GIS Income Fund (Class I Acc) (the Master Fund).
Domestic equity funds		
KFSDIV KFVALUE	6	The Fund invests on average at least 80% of its NAV in an accounting period domestically in shares of listed companies with consistent dividend paying potential.
KFSEQ KFSEQ-D	6	The Fund invests on average at least 80% of its NAV in an accounting period in domestic equity instruments by focusing on investing in securities issued by companies with high growth potential or strong fundamentals.
KFDYNAMIC KFDNM-D	6	The Fund invests on average at least 80% of its NAV in an accounting period in domestic equity instruments by focusing on investing in fundamentally strong and high growth potential stocks.
KFGROWTH	6	The Fund invests on average at least 80% of its NAV in an accounting period in domestic equity instruments.
KFTSTAR	6	The Fund invests on average at least 80% of its NAV in an accounting period in equity instruments by focusing on investing in stocks listed on the SET and/or MAI and/or derivatives of which the underlying assets are listed stocks or group of listed companies including IPO stocks pending listing on the stock exchange.
Domestic mixed funds		
KFHAPPY KFGOOD	5	The Fund invests in any or several types of the following securities or assets: 1) Debt instruments, deposits or deposit-equivalent instruments domestically and abroad; 2)

KFSUPER		listed stocks including IPO stocks and may invest in property units or infra units; 3) investment units of funds under management of the Management Company in the proportion of not exceeding 100% of the fund's NAV in compliance with the rules and conditions of the SEC Office; 4) The fund may invest in non-investment grade securities or unrated bonds in an aggregate proportion of not exceeding 20% of its NAV and may invest in unlisted securities and structured notes in compliance with the criteria of the SEC Office.
Foreign investment funds		
Developed market equity funds		
KFUSINDX	6	The Fund invests on average at least 80% of its NAV in an accounting period in iShares Core S&P 500 ETF (the Master Fund).
KFNDQ	6	The Fund invests on average at least 80% of its NAV in an accounting period in Invesco NASDAQ 100 ETF (the Master Fund).
KF-EUROPE KFHEUROP	6	The Fund invests on average at least 80% of its NAV in an accounting period in Allianz Europe Equity Growth Fund (Class AT) (the Master Fund).
KFJPINDEX	6	The Fund invests on average at least 80% of its NAV in an accounting period in NEXT FUNDS Nikkei225 Exchange Traded Fund (the Master Fund).
Emerging market equity		
KFACHINA	6	The Fund invests on average at least 80% of its NAV in an accounting period in UBS (Lux) Investment SICAV - China A Opportunity Fund (Class P-Acc) the Master Fund).
KFINDIA	6	The Fund invests on average at least 80% of its NAV in an accounting period in FSSA Indian Subcontinent Fund (Class III USD) (the Master Fund).
KFVIET	6	The fund invests on average at least 80% of its NAV in an accounting period in the investment units of foreign equity funds and/or exchange traded funds (ETFs) whose investment policy focuses on investing in listed securities in Vietnam and/or companies having established a major presence or benefited from business operations in Vietnam.
KFHASIA	6	The Fund invests on average at least 80% of its NAV in an accounting period in Baillie Gifford Pacific Fund (Class B Acc) (the Master Fund).
Global equity funds		
KFGBRAND	6	The Fund invests on average at least 80% of its NAV in an accounting period in Morgan Stanley Investment Funds - Global Brands Fund (Class Z) (the Master Fund).
KFWINDEX	6	The Fund invests on average at least 80% of its NAV in an accounting period in iShares MSCI ACWI ETF (the Master Fund).
KFESG	6	The Fund invests on average at least 80% of its NAV in an accounting period in AB Sustainable Global Thematic Portfolio, Class S1 USD (the Master Fund).
KFINFRA	6	The Fund invests on average at least 80% of its NAV in an account period in UBS (Lux) Infrastructure Equity Fund, Class IB USD (the Master Fund).
KFGPROP	7	The Fund invests on average at least 80% of its NAV in an accounting period in Janus Henderson - Global Real Estate Equity Income Fund (Class I1q USD) (the Master Fund).
KFGTECH	7	The Fund invests on average at least 80% of its NAV in an accounting period in T. Rowe Price Funds SICAV – Global Technology Equity Fund (Class Q) (the Master Fund).
KFHTECH	7	The Fund invests on average at least 80% of its NAV in an accounting period in BGF World Technology Fund (Class D2 USD) (the Master Fund).
KFHEALTH KFHHCARE	7	The Fund invests on average at least 80% of its NAV in an accounting period in JPMorgan Funds - Global Healthcare Fund (Class: JPM Global Healthcare C (acc) - USD) (the Master Fund).

Commodity funds		
KF-GOLD KF-HGOLD	8	The Fund invests on average at least 80% of its NAV in an accounting period in SPDR Gold Trust (the Master Fund).

Remarks:

- (1) KFSINCFX, KF-EUROPE, KFNDQ, KFINDIA, KFVIET, KFGBRAND, KFWINDX, KFGTECH, KFHEALTH, KFACHINA and KFGPROP are hedged against foreign exchange risk at fund managers' discretion.
- (2) KFSPLUS, KFSMART, KFMTFI, KFAFIX, KFENFIX, KFHAPPY, KFGOOD, KFSUPER, KF-SINCOME, KF-CSINCOM, KFHEUROP, KFHTECH, KFHASIA, KFESG, KFHHHCARE, KF-HGOLD, KFUSINDEX, KFJPINDEX and KFINFRA are fully hedged against foreign exchange risk (no less than 90% of the foreign investment amount).
- (3) KF-GOLD does not use foreign exchange hedging instruments.

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