

Krungsri Asset Management launches KF-HSMUS,
highlighting potential in small- and mid-cap stocks in the US market.



June 2017 - Given the global economic recovery and positive economic developments in several regions particularly the United States, Krungsri Asset Management Company Limited (KSAM) is offering a leading foreign investment fund - Schrodgers International Selection Fund - US Small & Mid Cap Equity as an investment alternative for investors. The fund specializes in small- and mid-cap stocks with high growth potential in the US stock market.

At a recent seminar, Citigold Half Year Investment Outlook, Krungsri Asset Management invited **Mr. Frederick Schaeter**, Client Portfolio Manager from Schrodgers International Selection Fund to provide information about the master fund - Schrodgers ISF US Small & Mid Cap Equity, while **Mr. Kiattisak Preecha-anusorn**, KSAM's Assistant Vice President for Alternative Investment Department, elaborated open-ended Krungsri US Small-Mid Cap Equity Hedged FX Fund (KF-HSMUS). The initial public offering of its units is made during June 21-28 June 2017.

Mr. Schaeter said that the US economy tends to make satisfactory improvement with higher employment rate and robust corporate income and several analysts believes a possibility to see the key support factor for the US growth - US President Mr. Donald Trump's tax cut policy. As a result, small- and medium-sized firms which pay the corporate income tax at over 30% will gain directly from the government policy. Moreover, amidst the low US interest rate and recovering US economy, small- and medium-sized enterprises will receive direct benefits as more than 80% of their income is derived from domestic markets.

Mr. Schaeter conceded that the US stock market's valuation is relatively high, however, with this year's estimated GDP growth at 2-2.5% and improved domestic consumption, now is the right time for equity investment. There remain much more investing opportunities in small- and mid-cap stocks which are growing satisfactorily in this economic situation, while most analysts flock into large-cap stocks, a high number of good small- and mid-cap stocks remain undiscovered in the US market and several of them are below their valuations. Therefore, the fund is seeking these stocks which will give favourable returns to the unit holders. In addition, their prices are not too high and, interestingly, their profitability, growth rates and work efficiency are higher than those of large-cap stocks. However, most investors have not yet seen this investing opportunities.

Moderate growth is supportive for US equity markets
US Small cap rise when growth ends up in the 2-3% range

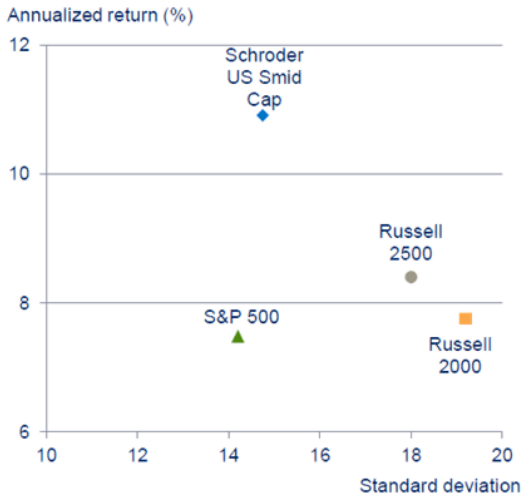
Real GDP Range	R2000		S&P 500		R2 Less SP5	
	Avg	% Up	Avg	% Up	Avg	% Beat
Above 5%	-10%	0%	1%	100%	-11%	0%
4% to 5%	16%	71%	18%	86%	-2%	71%
3% to 4%	10%	78%	10%	89%	0%	44%
2% to 3%	19%	88%	14%	88%	5%	75%
1% to 2%	-3%	20%	1%	40%	-3%	40%
0% to 1%	1%	100%	-13%	0%	14%	100%
-1% to 0%	14%	67%	5%	67%	10%	100%
Below -1%	23%	100%	19%	100%	4%	100%

Source: Starts In 1979, Based On Price Returns, CS US Equity Strategy, the BLOOMBERG PROFESSIONAL™ service, S&P Capital IQ/ClariFi

Having been established for over a decade, Schroders ISF US Small & Mid Cap Equity Fund is being managed by a fund manager with over 37 years of experience and a team of analysts for small- and mid-cap stocks. Its records stand out when compared with a small-cap stock index Russell 2500. The fund's annual return averaged 10.9% per year during 2005-2016, higher than Russell 2500's 8.4% and S&P500's 7.5%.

Schroder ISF US Small & Mid Cap Equity (The master fund) Access to risky asset class at a lower level of risk

Schroder US Smid-Cap: Attractive risk/return profile since inception



Key points

- Experienced PM with over 37 years investing in this space
- Dedicated team of seasoned analysts
- Distinctive process generates lower risk profile than the benchmark

	Return (%)	Standard Dev (%)
Schroder ISF US Smid Cap	10.9	14.8
Russell 2500	8.4	18.0
Russell 2000	7.8	19.2
S&P 500	7.5	14.2

Source: Schroders, Morningstar, January 2005 to December 31 2016.

Data based off Schroder Small and Mid Cap Strategy, Gross of fees, USD

Remark: Please study fund features, performance, and risk before investing. Past performance is not an indicative of future performance.

The fund's key success could be attributed to its unique investment strategy which mitigates market volatility. The fund diversifies its investment into three asset categories. It weighs 50-70% of its investment portfolio in high-growth stocks with low prices (mispriced), 20-50% in growth stocks with steady profitability (steady eddies) to reduce risks from market fluctuations and 0-20% in turnaround stocks (turnaround). The fund invests in several industries spanning from financial, consumer products to healthcare services. As a means to outperform the stock market regularly, its investment policy is proactive.

Mr. Kiattisak from KSAM, added that investors who are interested in small- and mid-cap stocks in the US can invest in KF-HSMUS. Its IPO units are being placed for subscription during June 21-28, 2017. Carrying the 6-level risk, the fund hedges no less than 90% of its portfolio against foreign exchange risk. Meanwhile, the fund does not have a dividend payment policy. During the IPO period, every 100,000 Baht

of unit purchase will receive 100 Baht in KFHSMUS back. Investors can purchase the units through Krungsri Asset Management every business day.

For more details or to request for the Fund Prospectus, please contact:

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2. Krungsri US Small-Mid Cap Equity Hedged FX Fund ("The Fund") invests Schroder ISF US Small & Mid-Cap Equity Fund ("The Master Fund") with policy that may invest at least two-thirds of its assets in equity and equity related securities of small and mid-sized US companies. These are companies which, at the time of purchase, are considered to be in the bottom 40% by market capitalisation of the US equities market, therefore the Fund may have risks from economic and/or political and/or social changes in the country where the master fund invested in.
3. The funds will enter into a forward contract to hedge against the exchange rate risk at a particular time for the value of at least 90% of the foreign investment value, in which case, it may incur costs for risk hedging transaction and the increased costs may reduce overall return
4. The fund and/or master fund may invest in or make available a forward contract to enhance efficiency in investment management. This means the fund may contain higher risks than other funds and therefore the fund is suitable for investors who prefer higher return with higher risk tolerance than general investors. 5. Investors should make investment only when they understand the risks of the contract by considering their investment experience, investment objectives and financial status.
5. Before remitting in money, please carefully study fund features, performance, and risk. Past performance is not a guarantee of future results. This document is not the fund's prospectus, produced for general information only. Shall you have any queries, please contact the Management Company.
6. The Management Company is a Thai registered asset management company regulated by the Securities and Exchange Commission of Thailand ("SEC"). The SEC authorizes and registers the Fund, but takes no responsibility for the soundness of the Fund and does not guarantee any of its price.