



**krungsri**

Asset  
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## **Krungsri Equity Sustainable Global Growth Fund**

**(KFESG)**

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**IPO: 16 – 24 August 2021**

# Contents



**ESG: The future of investing**



**AB Sustainable Global Thematic Portfolio (The master fund)**



**Krungsri Equity Sustainable Global Growth Fund**

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

## Finding tremendous investment and social opportunities for ESG investing

UN Sustainable Development Goals (SDGs) provide a map for thematic investors



Source: <https://sdgs.un.org/goals>

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## Implication of UN SDGs for investors

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### Thematic Relevance

The Sustainable Development Goals (SDGs) offer a road map for identifying thematic opportunities that are underappreciated by traditional investors

### Investment Opportunity

The estimated investment required to achieve the SDGs is massive —roughly US\$90 trillion

### Global Consensus

193 nations committed to achieving the goals, signalling broad global consensus and creating a powerful tailwind for aligned companies

### Deliver a real-world benefit

Investments that align with the SDGs can help to end poverty, protect the planet and improve the lives and prospects of everyone, every where

Source: AB as of Jun 21

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## Three primary themes providing compelling investment opportunities

The themes expected to persist, irrespective of changing geopolitical or economic factors



Source: AB as of Jun 21

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# The world's biggest challenges require innovative solutions

## Enablers of innovation are at the heart of sustainable opportunities



**Challenge:** The probability of dying from cardiovascular disease, cancer, chronic respiratory disease or diabetes between the ages of 30 and 70 is approximately 20%

**Solutions:**

- + Innovative personalized treatments, better diagnostics and preventable measures



**Challenge:** Access to the traditional financial system is difficult and costly for many people and smaller businesses

**Solutions:**

- + Digital and mobile payment platforms provide access to capital, personalized services, security and lower costs



**Challenge:** Rising global temperatures threaten quality of life for many populations

**Solutions:**

- + Advances in chemistry and technology drive broader electric vehicle adoption
- + Power semiconductors and new materials drive down the cost of renewable energy



**Challenge:** Close to 40% of all countries have fewer than 10 doctors per 10,000 people

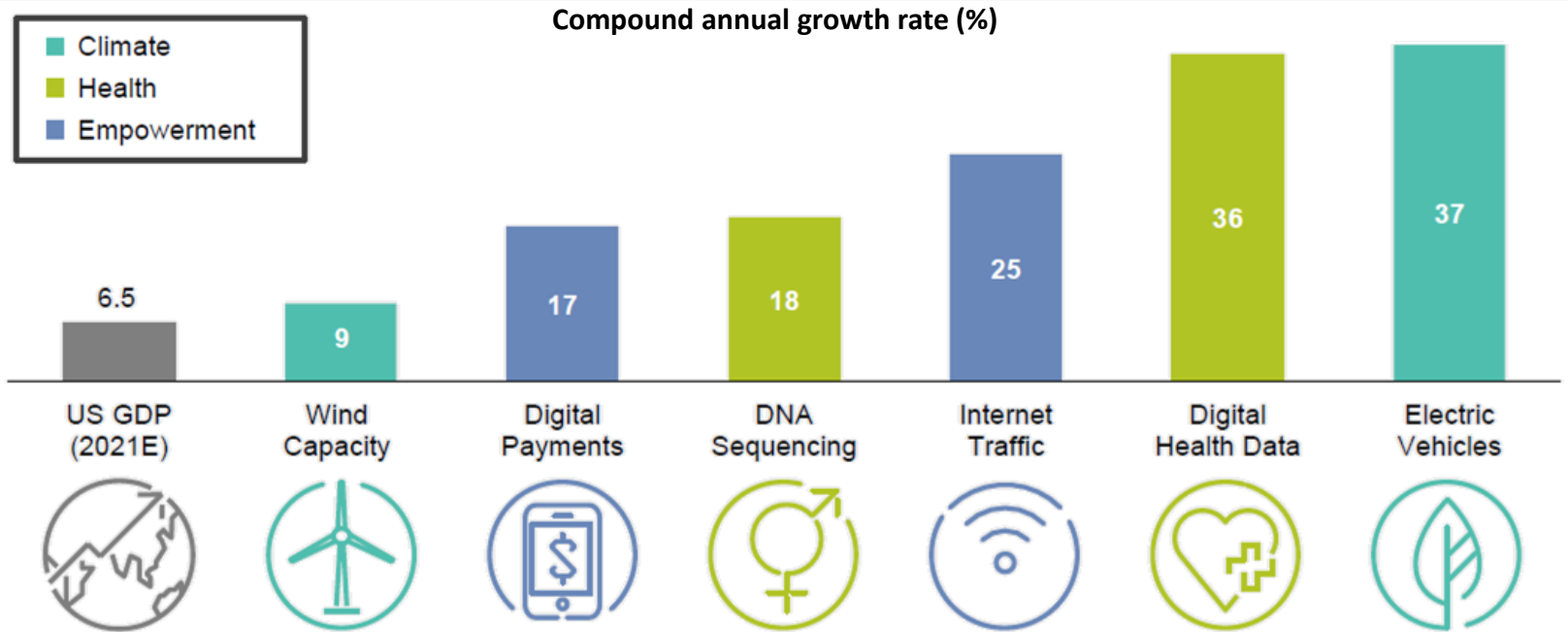
**Solutions:**

- + Telemedicine applications better utilize finite healthcare resources and improve quality of care

Source: United Nations (UN), AB as of Jun 21

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## Sustainable themes offer differentiated opportunities for secular growth



Source: BCC Research, Cisco Systems, Global Wind Energy Council, IDC, Morgan Stanley, Statista and AB as of Jun 21 ● US GDP estimate from AB economists as of 31 December 2020. Wind capacity 2019–2025; global digital payments 2020–2024; global DNA sequencing 2020–2023; global internet traffic 2015–2020; digital health data 2018–2025; and electric vehicle units 2020–2025.

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ESG: The future of investing



**AB Sustainable Global Thematic Portfolio (The master fund)**



Krungsri Equity Sustainable Global Growth Fund

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We seek to generate  
**superior financial returns**  
through investments that  
contribute to **positive social  
and environmental  
outcomes.**

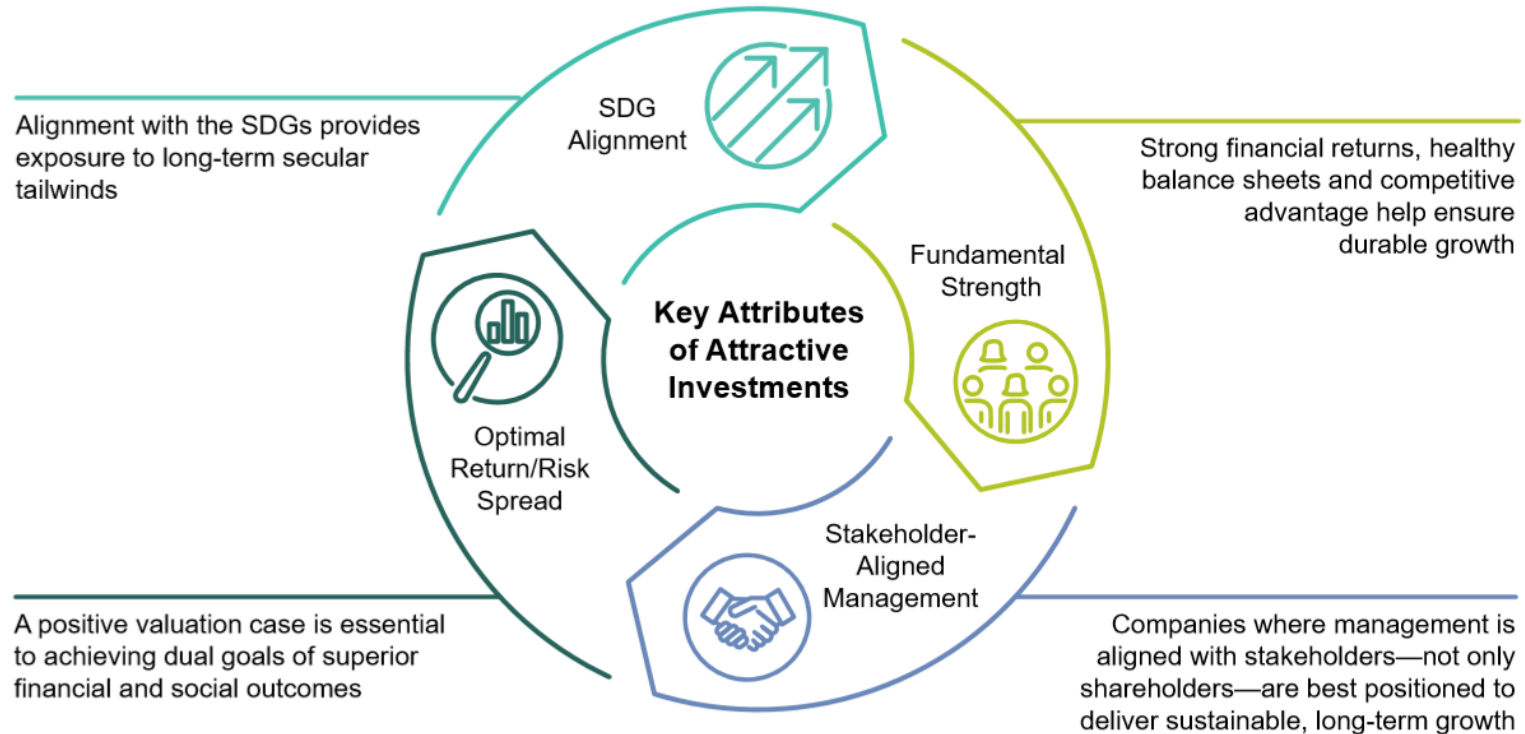
### Characteristics

Index	MSCI ACWI
Number of Holdings	30–60
Active Share	85%–90%
Up/Down Capture (%)†	105/89
Beta‡	0.95–1.10
Turnover	30%–70%
Capitalization	Mid/Large

Source: AB as of Jun 21 ● Holdings are subject to change ● †Up/down capture is vs. MSCI ACWI since June 2013 (when Daniel Roarty took over the strategy) ● ‡Beta is a measure of an investment's sensitivity to the market as a whole. A beta below 1 indicates lower sensitivity to the market; a higher beta indicates higher sensitivity.

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## Invest in high-quality companies aligned with sustainable themes



Source: AB as of Jun 21

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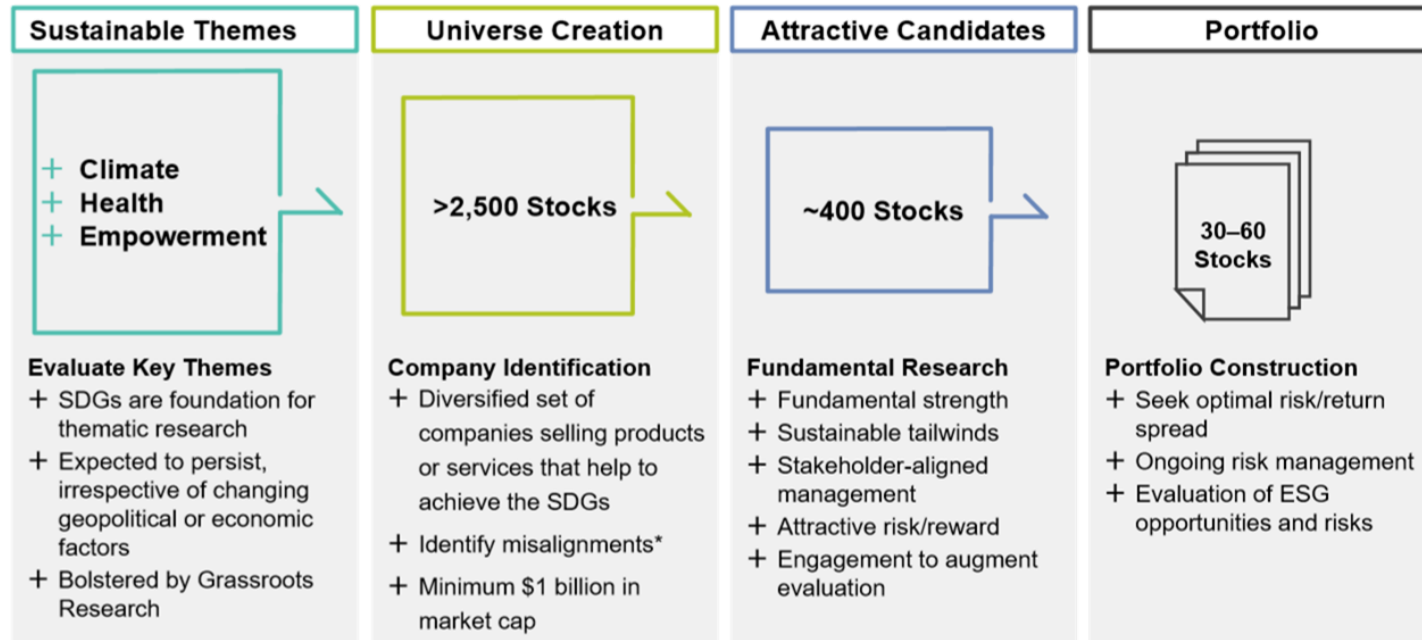
## Deep understanding of SDGs and related products drives universe creation



Source: UN and AB as of Jun 21 ● \*A minimum of 25% of revenue from aligned products is required for universe inclusion

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## Sift through thousands of stocks and narrow down to the conviction portfolio



Continuous collaboration between portfolio managers and analysts

Source: AB as of Jun 21 ● \*Companies selling products or services that don't contribute to the achievement of the SDGs are excluded. This includes alcohol, coal, gambling, pornography, prisons, tobacco, weapons

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## Holdings by theme



### Health: 23.7%

#### Access to Quality Care

- + Alcon
- + Apollo Hospitals
- + DanaHER
- + Gerresheimer
- + LabCorp
- + STERIS

#### Food Security and Clean Water

- + Chr. Hansen
- + DSM
- + Xylem

#### Medical Innovation

- + Abcam
- + Bio-Rad Laboratories
- + Bruker
- + Philips



### Empowerment: 37.4%

#### Education and Employment Services

- + Recruit Holdings

#### Financial Security and Inclusion

- + Adyen
- + AIA Group
- + Coinbase
- + Erste Group Bank
- + HDFC Bank
- + Lufax
- + MSCI
- + Network International
- + Square
- + SVB Financial
- + Visa

#### Info. and Communication Technologies

- + Adobe Systems
- + Calix
- + Ericsson
- + Lumentum Holdings
- + MercadoLibre
- + Microsoft
- + Motorola
- + Twilio
- + Zendesk

#### Sustainable Infrastructure

- + Partners Group
- + Tetra Tech
- + TopBuild



### Climate: 34.4%

#### Cleaner Energy

- + NextEra Energy
- + Ørsted
- + Vestas Wind Systems

#### Resource Efficiency

- + Apple
- + Dassault Systèmes
- + Flex
- + Infineon Technologies
- + Nike
- + Procter & Gamble
- + Rockwell Automation
- + Schneider Electric
- + SMC
- + Trex

#### Sanitation and Recycling

- + American Water Works
- + TOMRA
- + Waste Management Inc.

#### Sustainable Transportation

- + Aptiv
- + Cree
- + Hexcel
- + NXP Semiconductors



Source: AB as of Jun 21 ● Investment theme weightings are subject to change ● References to specific securities are presented to illustrate the application of our investment philosophy only and are not to be considered recommendations by AB ● The specific securities identified and described herein do not represent all of the securities purchased, sold or recommended for the fund, and it should not be assumed that investments in the securities identified were or will be profitable. Holdings are subject to change. Numbers may not sum to 100% due to cash allocation.

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## Top 10 holdings in the portfolio

Top Ten Holdings	Sector	%
LabCorp	Health Care	2,87
SVB Financial Group	Financials	2,58
Waste Management	Industrials	2,35
MSCI	Financials	2,29
Flex	Information Technology	2,26
Danaher	Health Care	2,21
Lumentum	Information Technology	2,16
Apollo Hospitals Enterprise	Health Care	2,13
Trex	Industrials	2,12
Aptiv	Consumer Discretionary	2,11
<b>Total</b>		<b>23,08</b>

Source: Company report and AB as of Jun 21 ● References to specific securities are presented to illustrate the application of our investment philosophy only and are not to be considered recommendations by AB. The specific securities identified and described herein do not represent all of the securities purchased, sold or recommended for the portfolio, and it should not be assumed that investments in the securities identified were or will be profitable. Holdings are subject to change.

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## Example of holdings in the portfolio



- LabCorp is a low-cost provider of patient-testing services that is helping to expand access to new diagnostic technology, including genomics.
- LabCorp is expected to grow, as the integration of patient-testing and clinical-trial services should bolster the company's companion diagnostic development division, while improving its competitive position in both businesses



- The only bank in the world that provides financial services to the global innovation market. As such, it provides capital to higher-risk private equity/venture capital firms and start-ups, particularly in the technology and healthcare/life-sciences sectors.
- It has multiple programs aimed at increasing financial inclusion by providing microloans and financial literacy to small-business owners as well as programs to fund start-ups founded by women and underrepresented minorities

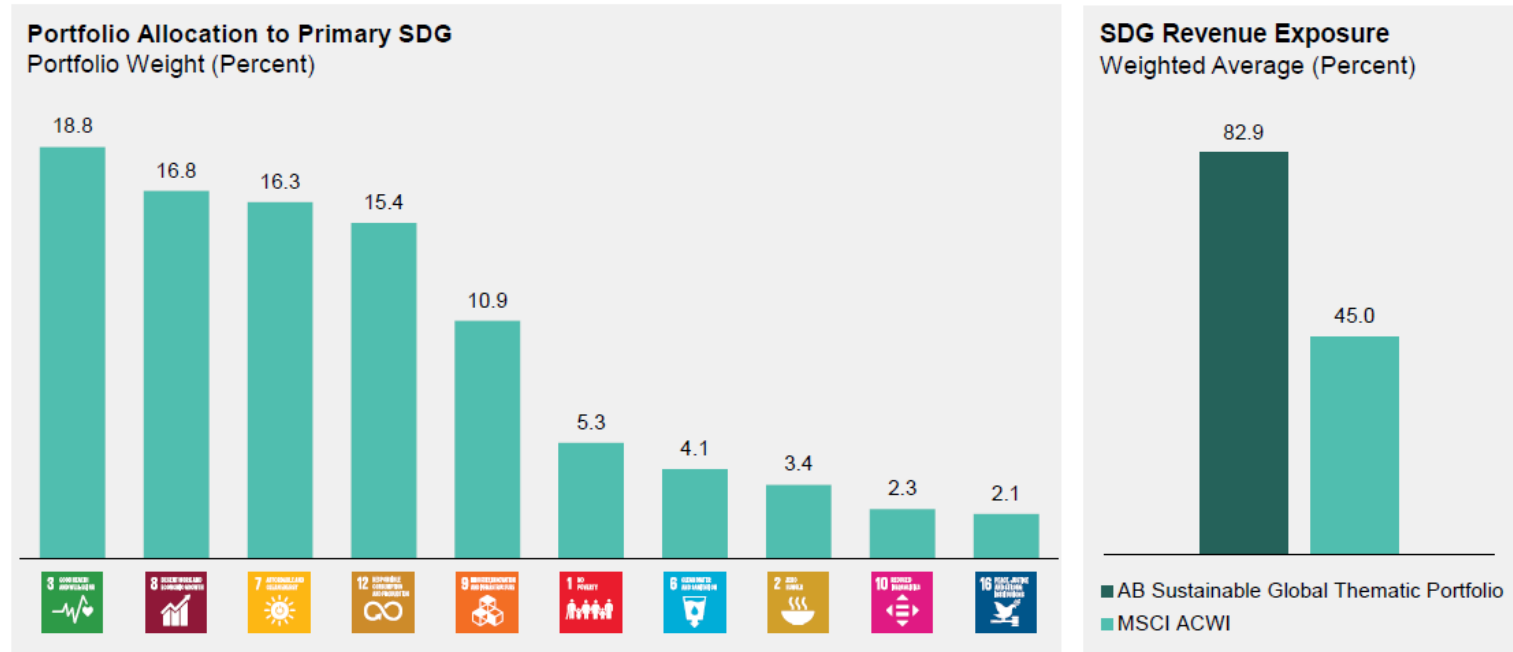


- Flex is a manufacturer of products that enable connectivity, safety and innovation for societies around the world through programs that involve waste reduction, product reuse and overall environmental sustainability.
- Its efforts around material recovery can dramatically reduce the environmental impact of its customers' products

Source: Company report and AB as of Jun 21 ● References to specific securities are presented to illustrate the application of our investment philosophy only and are not to be considered recommendations by AB. The specific securities identified and described herein do not represent all of the securities purchased, sold or recommended for the portfolio, and it should not be assumed that investments in the securities identified were or will be profitable. Holdings are subject to change.

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## Allocation to SDGs in Portfolio



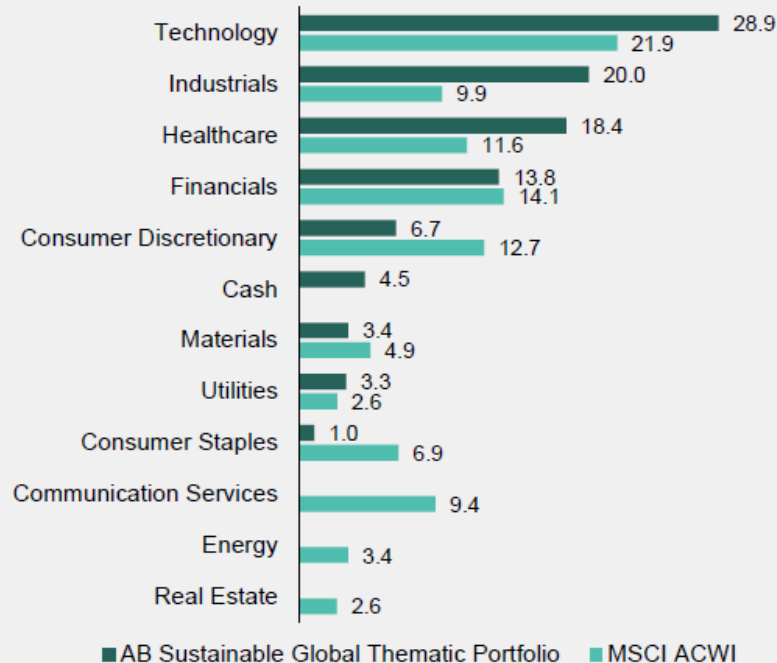
Source: MSCI, UN and AB as of Jun 21 ● Some relevant products apply equally to multiple SDGs, which makes precise portfolio mapping to the UNSDGs difficult. We map our holdings in this case to one SDG ● Each SDG includes a series of specific targets to help assess the progress toward achieving each of the 17 goals. The Portfolio is designed to maximize exposure to the most attractive opportunities (goal or target) for private capital ● Numbers may not sum to 100% due to cash allocation.

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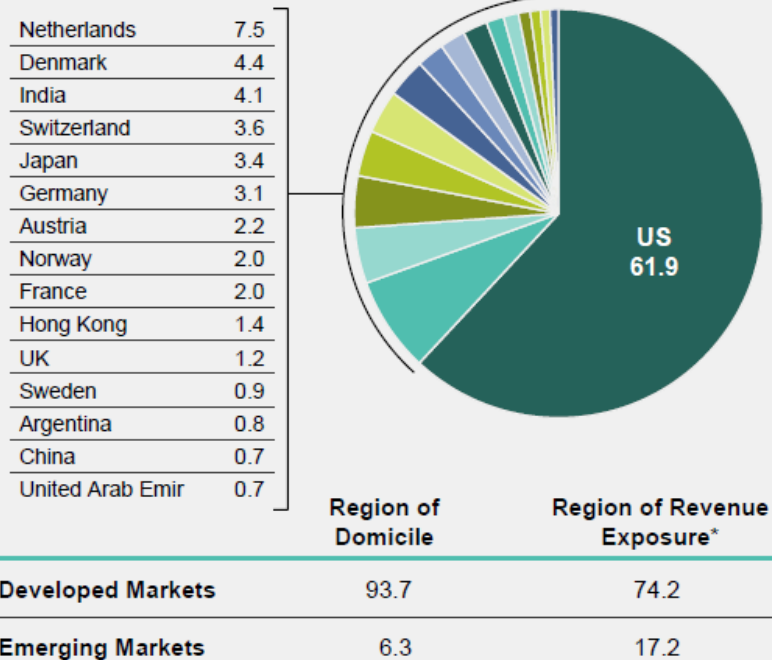


## Sector and Geographic Exposure

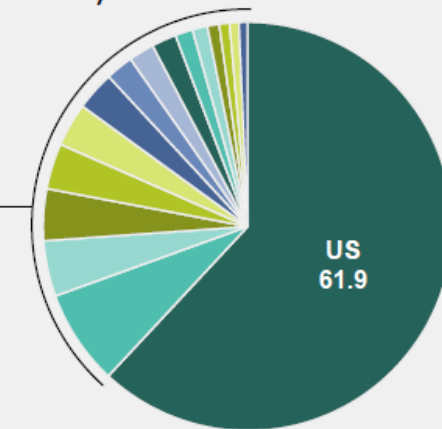
### Sector Overview (Percent)



### Geographic Exposure (Percent)



Netherlands	7.5
Denmark	4.4
India	4.1
Switzerland	3.6
Japan	3.4
Germany	3.1
Austria	2.2
Norway	2.0
France	2.0
Hong Kong	1.4
UK	1.2
Sweden	0.9
Argentina	0.8
China	0.7
United Arab Emir	0.7



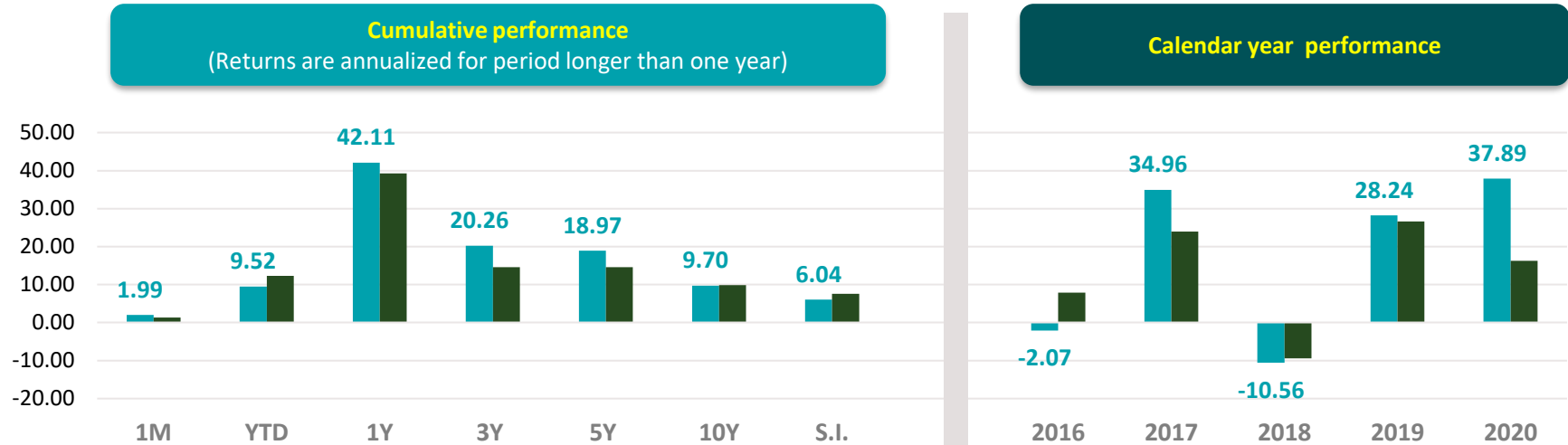
Source: AB as of Jun 21 ● Numbers may not sum due to rounding. \*AB analyst estimate; numbers may not sum due to cash and other investments

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## Track record of performance

### Fund performance (%)

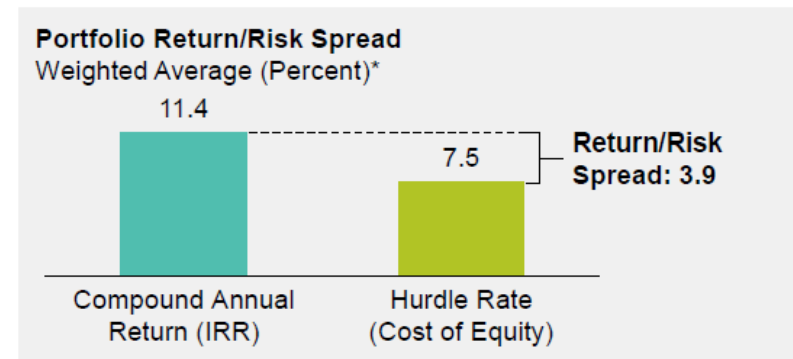
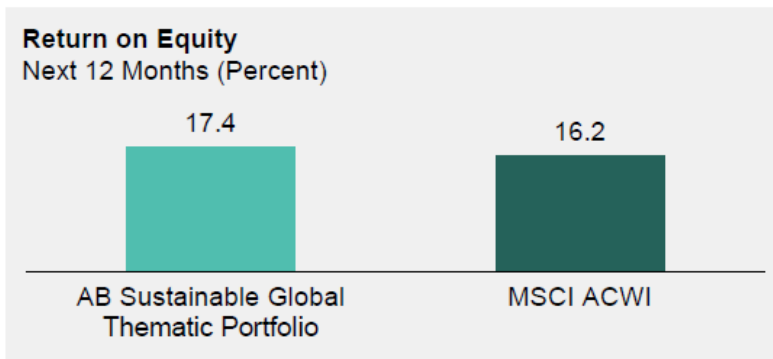
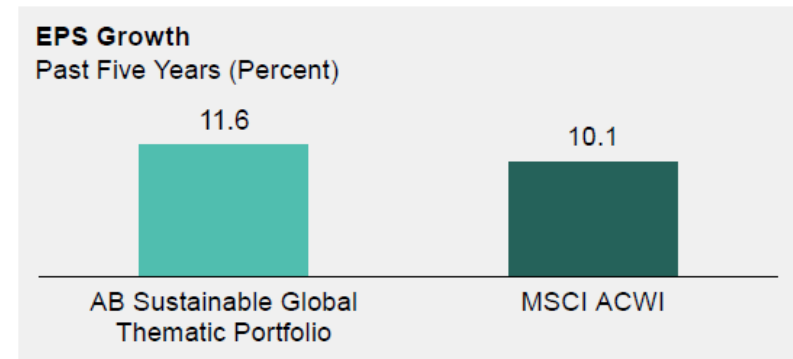
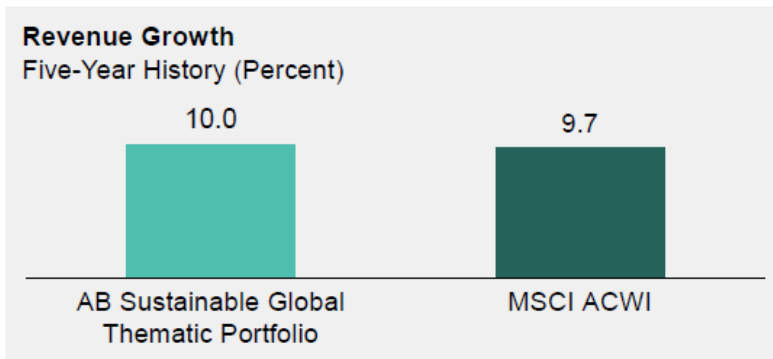
■ Fund ■ Benchmark



Source: MSCI and AB as of Jun 21 ● Prior to 31 October 2018, the Portfolio was named AB Thematic Research Portfolio ● All data prior to 31 October 2018 relates to the AB Thematic Research Portfolio ● Returns are shown net of fees ● Inception date: AB Sustainable Global Thematic Portfolio A Shares—1 August 1996 ● This shows the performance of the master fund, so it is not complied to AIMC's standard ● This shows the performance of the A USD share class which is the oldest share class, while KFESG will invest in S1 USD share class. Both share classes apply the same investment strategy.

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## Strong fundamental characteristics



Source: MSCI and AB as of Jun 21 ● \*Weighted average of analyst-estimated IRR and cost of equity which IRR: internal rate of return; ROE: return on equity

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## Example of engagement to create sustainability growth

### 2Q:2021 ESG Engagement Summary

#### ESG Engagement

<b>Total Meetings</b>	24
<b>Total Companies</b>	19
<b>Topic Focus</b>	Diversity and Inclusion, Pay
<b>Sector Focus</b>	Healthcare, Technology

#### Factor Included in Discussion

<b>E</b> Number of Environmental Factors Discussed	6
<b>S</b> Number of Social Factors Discussed	18
<b>G</b> Number of Governance Factors Discussed	14

#### Companies Engaged

Adobe Systems	Carbon Emissions, Gender Diversity, Board Diversity
Chr. Hansen	Diversity and Inclusion, Product Safety and Quality
Coinbase	Privacy and Data Security, Financial System Instability
Flex	Carbon Emissions, Electronic Waste, Resource Management
Motorola	Organizational Culture, Diversity and Inclusion
Trex	Packaging Waste, Resource Management, Organizational Culture
Zendesk	Gender Diversity, Diversity and Inclusion, Human Capital Development

Source: Company report and AB as of Jun 21 ● References to specific securities are not to be considered recommendations by AB.

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## Behavioral Impact: Addressing ESG-Related Corporate Behavior

Metric	Definition	Desirable Direction	AB Sustainable Global Thematic Portfolio	MSCI ACWI
Carbon Efficiency	Tonnes of greenhouse gas (GHG) emissions per \$1 million revenue	↓	103.2	164.4
Carbon Emissions	Thousands of tonnes of Scope 1+2 GHG emissions produced annually	↓	1,494.8	4,795.8
Waste Efficiency	Tonnes of waste generated per \$1 million revenue	↓	4.4	324.0
Waste Generation	Thousands of tonnes of waste generated annually	↓	39.6	8534.4
Water Efficiency	Thousands of cubic meters of fresh water used per \$1 million revenue	↓	2.0	5.5
Water Usage	Thousands of tonnes of fresh water used annually	↓	21,479.4	143,465.6
Avoid Water Scarcity	Geographic water use (World Resources Institute scale of 0–5, from most to least water-scarce areas)	↓	2.6	2.6
Board Diversity	Percentage of women on boards and in top management	↑	25.2	0.2
Employment	Percent of unemployment in portfolio-weighted area of economic activity	↓	5.5	0.1
Economic Development	Median income of portfolio-weighted geography of economic activity	↑	46,752.6	46,335.4
Executive Pay	Ratio of executive-level pay to average employee pay	↓	41.1	55.1
Board Independence	Percent of independent board members	↑	78.0	0.8
Tax Gap	Estimated percent of tax avoided by corporate tax mitigation schemes	↓	2.7	0.0

Corporate behavior score leverages MSCI ratings to assess corporate behavior relative to peers as well as changes in behavior over time.

Source: Bloomberg, Impact-Cubed, MSCI and AB as of 30 June 2021

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ESG: The future of investing



AB Sustainable Global Thematic Portfolio (The master fund)



**Krungsri Equity Sustainable Global Growth Fund**

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# Krungsri Equity Sustainable Global Growth Fund (KFESG)

INVESTING FOR A MORE SUSTAINABLE TOMORROW



**Objective to generate attractive financial returns through investments that contribute to positive social and environmental outcomes**



**Invest exclusively in a global universe of well-managed companies that are aligned with the UN Sustainable Development Goals**



**Condense into 3 primary themes: Climate, Health and Empowerment, that is expecting to provide differentiated opportunities for secular growth**

**Invest through the master fund named AB Sustainable Global Thematic Portfolio**

A high-conviction strategy, informed by in-depth long-term research and investment in forward-looking themes

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## Fund features

Details	Krungsri Equity Sustainable Global Growth Fund – A (KFESG-A)	Krungsri Equity Sustainable Global Growth Fund – I (KFESG-I)
Investment Policy	Invest in AB Sustainable Global Thematic Portfolio, Class S1 USD (The master fund), on average in an accounting year, of not less than 80% of fund's NAV. The master fund has the policy to invest in global equity securities of companies that have a focus on the ESG (environmental, social, and corporate governance) principles which are the most attractive securities fitting into sustainable investment themes.	
Risk level	Level 6	
FX Hedging Policy	Fully hedge against foreign exchange rate risk (Hedge against the exchange rate risk at a particular time for the value of at least 90% of the foreign investment value)	
Dealing Date	Daily (Please refer to Fund's Non-Dealing Calendar)	
Settlement Date	T+ 4 (4 working days after the execution day excluding relevant Master Fund's holidays)	
Minimum Investment Amount	500 Baht	
Dividend policy	Both share classes have no dividend payment policy	
Target investors	<b>Suitable for</b> ■ Investors who can accept fluctuation in price of stock in which the fund invests, which may increase or decrease to below the value of investment and thus resulting in loss. ■ Investors who are able to make medium to long term investment, expecting better return in a long term than investment in fixed-income instruments. <b>Not suitable for:</b> ■ Investors who need fixed return or principal protection	
Fee charge to the fund (% of NAV p.a.)	Management fee : Not more than 2.1400% p.a. (Actual Charge: 1.0700%) Trustee fee : Not more than 0.1070% p.a. (Actual Charge: 0.0321%) Registrar fee : Not more than 0.1605% p.a. (Actual Charge: 0.1605%)	
Fee charge to investor (% of NAV per unit)	<b>Front end fee or Switching-in fee :</b> Not more than 2.00% p.a. (Actual Charge: 1.50%) <b>Redemption fee or Switching-out fee :</b> Not more than 2.00% p.a. (Actual Charge: None)	<b>Front end fee or Switching-in fee :</b> Not more than 2.00% p.a. (Actual Charge: None) <b>Redemption fee or Switching-out fee :</b> Not more than 2.00% p.a. (Actual Charge: None)

All above mentioned fees include Value Added Tax or Specific Business Tax or other taxes ● According to the fund's FX hedging policy, it may incur costs for risk hedging transaction and the increased costs may reduce overall return

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**Every 100,000 Baht investment amount in Krungsri Equity Sustainable Global Growth Fund-A (KFESG-A)  
during 16 – 24 August 2021  
receive investment units of KFESG-A value 100 Baht**

### Terms & Conditions :

1. This promotion is applicable to the NET investment amount in Krungsri Equity Sustainable Global Growth Fund-A (KFESG-A) during IPO period only. Net investment amount means purchase or switching in value less redemption or switching out value. Investment amount in Krungsri Equity Sustainable Global Growth Fund – I (KFESG-I) is not eligible for this promotion.
2. Investors must hold units until 24 December 2021. The outstanding investment amount is based on the unit balance of the fund as of 24 August 2021. However, customers will not be eligible to join this promotion if they redeem and/or switch out investment units of the fund during 25 August – 24 December 2021 regardless of the amount of redemption.
3. The Management Company will calculate the total investment amount in KFESG-A based on each investor's unitholder account number. In case an investor has more than 1 account, the Management Company will not consolidate the total investment amount from all accounts for this promotion.
4. The total amount of investment amount, which is less than 100,000 Baht, will not be counted for the promotion.
5. The Management Company will allocate the promotion units of KFESG-A to the eligible investors within 31 January 2022. The units of KFESG-A will be calculated at its NAV price on the allocation date. Front-end fee is waived for the units of KFESG-A received from this promotion.
6. Subscription and switch-in order through unit-linked life insurance and provident fund are not eligible for this promotion.
7. Other terms and conditions may apply for the transaction executed through an omnibus account. Investor should contact your representative selling agents for further information.
8. Transferring units, either to the same or different investor, is not eligible for this promotion.
9. The Management Company reserves the right to offer other equivalent reward as appropriate or change terms & conditions of this promotion without prior notice.
10. This promotion expense is charged to the Management Company, not the fund.

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## Disclaimer

1. Krungsri Asset Management Co., Ltd. (“The Management Company”) believes the information contained in this document is accurate at the time of publication but does not provide any warranty of its accuracy. Similarly, any opinions or estimates included herein constitute a judgment as of the time of publication. All information, opinions and estimates are subject to change without notice.
2. Krungsri Equity Sustainable Global Growth Fund (“The fund”) invests in the master fund named AB Sustainable Global Thematic Portfolio, Class S1 USD, on average in an accounting year, of not less than 80% of fund’s NAV. The master fund has the policy to invest in global equity securities of companies that have a focus on the ESG (environmental, social, and corporate governance) principles which are the most attractive securities fitting into sustainable investment themes.
3. The Fund will enter into a forward contract to fully hedge against the exchange rate risk, in which case, it may incur costs for risk hedging transaction and the increased costs may reduce overall return.
4. The local Fund may invest in non-investment grade or unrated securities, with the total portion of such investments combined with the investments of the Master Fund not exceeding 20% of the Fund’s NAV. Besides, the Fund may invest in unlisted securities and structured notes in accordance with the rules as specified by the SEC Office.
5. The Fund and/or the Master Fund may invest in forward contract to enhance efficiency portfolio management and structured note. This means the Fund may contain higher risks than other funds which invest directly in underlying assets. Therefore, it may have gain/loss higher than investing directly in underlying assets.
6. 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.

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

**Krungsri Asset Management Co., Ltd.**

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Thank you

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