



Krungsri Government Bond Thailand ESG Fund (KFGBTHAIESG)

Initial Public Offering: 1 – 6 August 2024.

Investment Criteria of "Thailand ESG Fund (Thai ESG)"

Warning: Investors should understand the fund features, conditions of returns and risks; and study the tax benefits in the Investment Manual, before making investment decision. Past performance is no guarantee of future results.

Differences between the Conditions of the Old and New Thai ESG Fund

	Old	New*
Effective year	Investments in 2023	Investments from 2024 to 2026
Investment policy	Invest no less than 80% of NAV in domestic stocks and/or fixed income instruments that give priority to sustainability investing.	
Assets eligible for investment	<ol style="list-style-type: none"> Stocks listed on the SET)/MAI that are outstanding in terms of environmental and ESG consideration or greenhouse gas emission disclosure ESG bonds Green tokens 	<ol style="list-style-type: none"> Stocks listed on the SET)/MAI that are outstanding in terms of environmental and ESG consideration or greenhouse gas emission disclosure or IOD's CG rating assessment, and disclose corporate governance information at the level and format specified by the SEC ESG bonds Green tokens Thai stocks in an internationally recognized ESG index
Dividend payment policy	Dividend payment policy is applicable.	
Investment regulation for tax deduction privilege	<input type="checkbox"/> Not exceeding 30% of income <input type="checkbox"/> Not exceeding 100,000 Baht (The investment amount is separated from the limit of tax deductions for other retirement investments)	<input type="checkbox"/> Not exceeding 30% of income <input type="checkbox"/> Not exceeding 300,000 Baht (The investment amount is separated from the limit of tax deductions for other retirement investments)
Holding regulation	8 years from the date of investment	5 years from the date of investment
Switching/transfer between asset management companies	Between Thai ESG funds only	
Compulsory continual purchase	No	

Retirement investments include Super Savings Funds (SSFs), Retirement Mutual Funds (RMFs), Government Pension Fund (GPF), Provident Funds (PVDs), Welfare Funds under the law governing private schools, National Savings Fund (NSF), and annuity insurance. * Investing criteria of new Thai ESG fund is based on the Cabinet resolution as of 30 Jul. 2024.

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Differences between Various Types of Tax-Saving Funds

	Still in Effect			Already Expired	
	Thai ESG	SSF	RMF	SSFX	LTF Invested before 2020
Investment policy	Invest no less than 80% of NAV in domestic stocks and/or fixed income instruments that give priority to sustainability investing	Invest in multiple classes of asset domestically and abroad such as stocks, fixed income instruments, real estates, etc.	Invest in multiple classes of asset domestically and abroad such as stocks, fixed income instruments, real estates, etc.	Invest on average no less than 65% of NAV during an accounting year in domestic equity instruments	Invest on average no less than 65% of NAV during an accounting year in domestic equity instruments
Dividend payment policy	Dividend payment policy is applicable	Dividend payment policy is applicable	Dividend payment policy is not applicable	Dividend payment policy is applicable	Dividend payment policy is applicable
Investment regulation for tax deduction privilege	<ul style="list-style-type: none"> <input type="checkbox"/> Not exceeding 30% of income <input checked="" type="checkbox"/> Not exceeding 300,000 Baht NEW (A separate amount from other retirement investments)	<ul style="list-style-type: none"> <input type="checkbox"/> Not exceeding 30% of income; and <input type="checkbox"/> Not exceeding 200,000 Baht; and <input type="checkbox"/> Not exceeding 500,000 Baht when combined with other retirement investments 	<ul style="list-style-type: none"> <input type="checkbox"/> Not exceeding 30% of income; and <input type="checkbox"/> Not exceeding 500,000 Baht when combined with other retirement investments 	<ul style="list-style-type: none"> <input type="checkbox"/> Not exceeding 200,000 Baht (A separate amount from investments in normal SSFs) 	<ul style="list-style-type: none"> <input type="checkbox"/> Not exceeding 15% of income <input type="checkbox"/> Not exceeding 500,000 Baht
Holding regulation	5 years from the date of investment NEW	10 years from the date of investment	<ul style="list-style-type: none"> <input type="checkbox"/> Hold until the age of 55 years; and <input type="checkbox"/> Must invest for no less than 5 years 	10 years from the date of investment	7 calendar years
Switching/transfer between asset management companies	Between Thai ESG funds only	Between SSFs only	Between RMFs only	Between SSFXs only	Between LTFs only
Compulsory continual purchase	No	No	Suspension of purchases for more than one year in a row is not permitted	No, but must invest within 1 April - 30 June 2020	No

Retirement investments include Super Savings Funds (SSFs), Retirement Mutual Funds (RMFs), Government Pension Fund (GPF), Provident Funds (PVDs), Welfare Funds under the law governing private schools, National Savings Fund (NSF), and annuity insurance. *The new criteria is accordance with the cabinet resolution as of 30 Jul. 2024.

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Create a sustainable investment portfolio and a sustainable world **through investing in ESG bonds**

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What are ESG Bonds ?



Green Bond: Fixed income instruments issued to raise funds for the projects or activities of environmental conservation such as construction of green buildings and production of clean energy.

Social Bond: Fixed income instruments issued to raise funds for the projects or activities of social development such as promotion of access to public utilities, public health or sources of financing and financial services for the underprivileged.



ESG Bond



Sustainability Bond: Fixed income instruments issued to raise funds for the projects or activities of environmental conservation and/or social development.

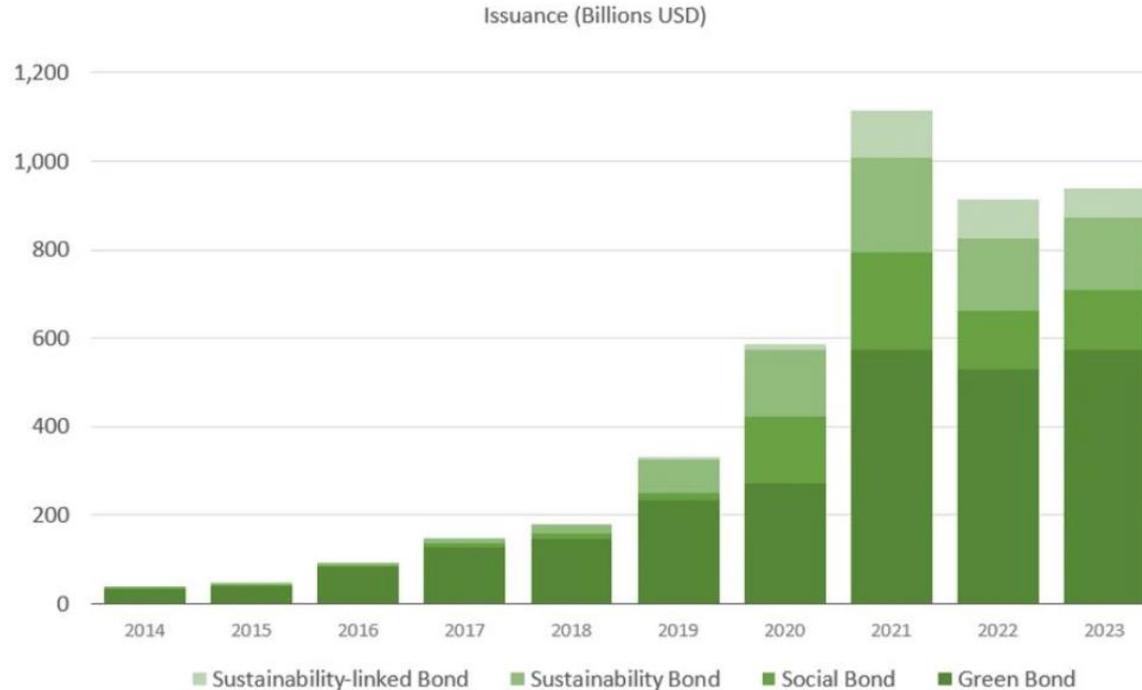
Sustainability-Linked Bond: Fixed income instruments with terms and conditions for interest rate adjustments and/or the issuer's obligations to take sustainability actions based on the achievement or performance of the sustainability indicators and targets.



Source: <https://www.sec.or.th/TH/Pages/LawandRegulations/ResourceCenter.aspx> as of 26 June 2024

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Issuance of global ESG bonds has grown substantially over the past 2-3 years

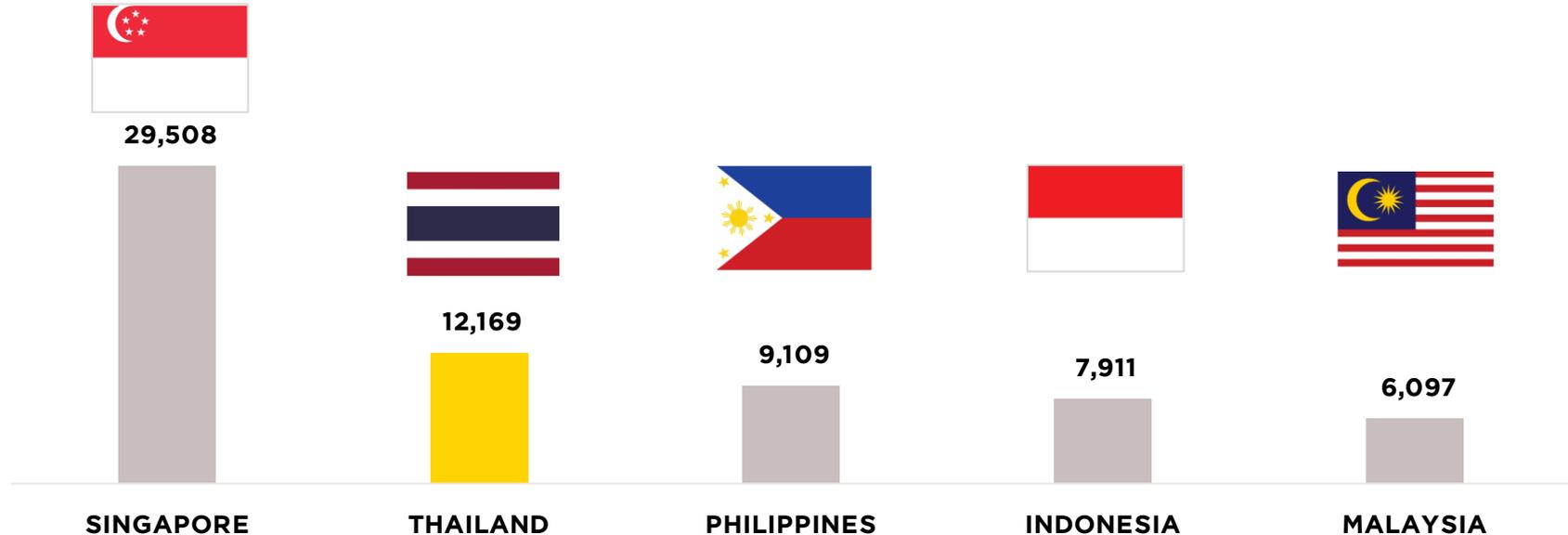


Source: Bloomberg Professional Services as of 8 February 2024

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Thailand's ESG bond issuance is the second highest in ASEAN.

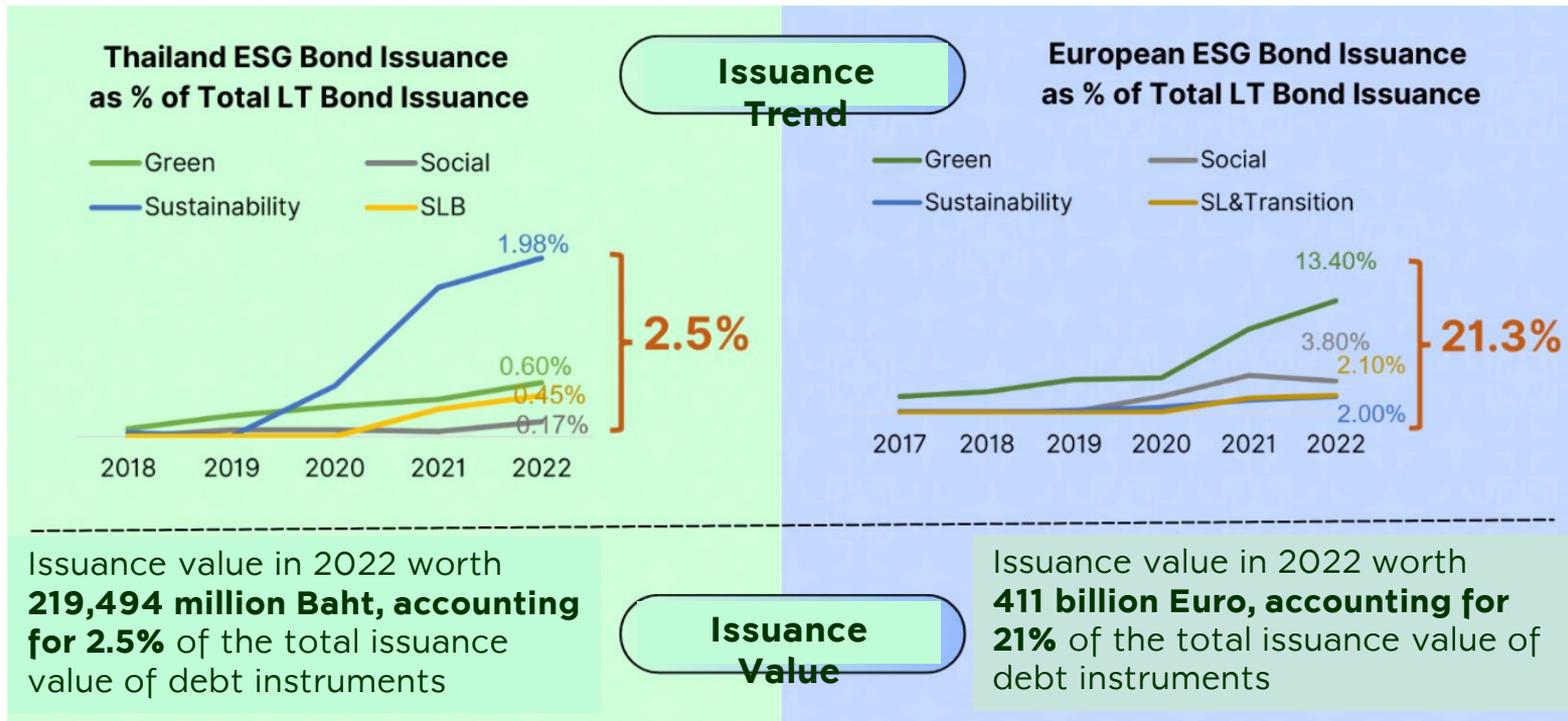
Issuance value of ESG bonds during 2018-2022 (unit: US\$ million)



Source: ThaiBMA 's document on the issuance of ESG bonds in Thailand published on 17 July 2023.

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Compared to Europe, the proportion of ESG bonds in Thailand still has a lot of opportunities to grow.



Source: ThaiBMA's document on the development of ESG bond market in Thailand against Europe published on 23 October 2024.

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Globally, ESG bond indices have a track record of generating better returns than the general debt instrument market.



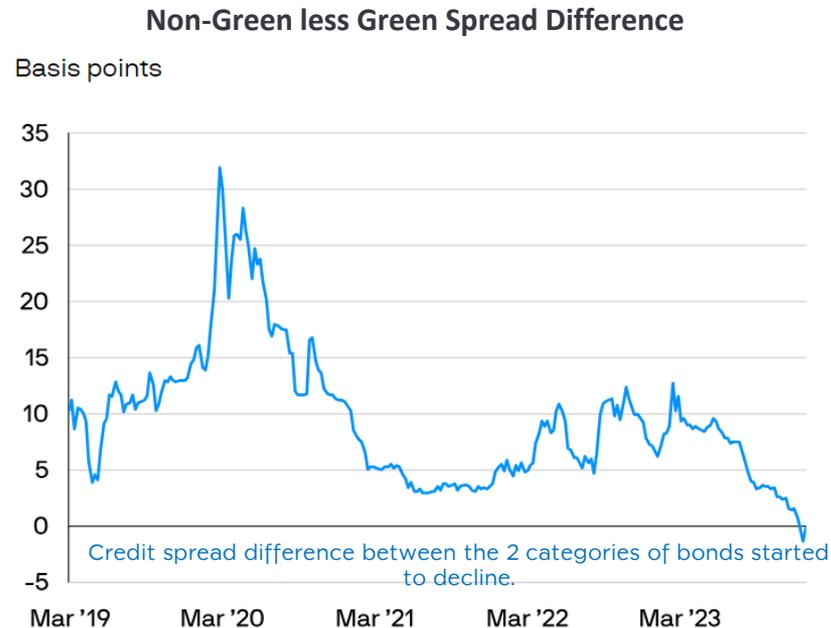
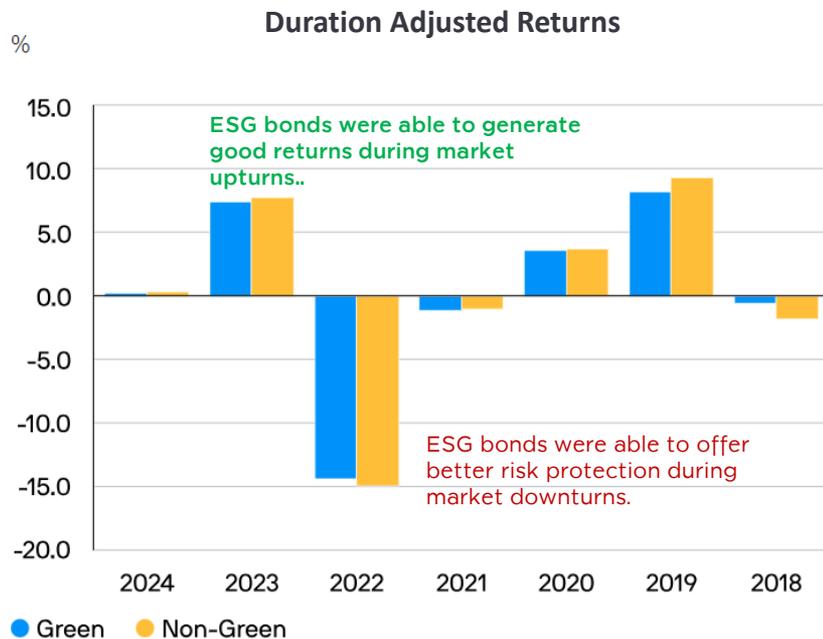
Bloomberg's Global Aggregate Green, Social and Sustainability Index (the white line) which is an index representing ESG bonds generated a return of as high as 9.94% in 2023.

Bloomberg's Global Aggregate Total Return Index (the orange line) which is an index representing overall debt instrument market generated a return of only 5.72% in 2023.

Source: Bloomberg's article on "Green bonds reached new heights in 2023" published on 8 February 2024.

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ESG bonds have a track record of generating good returns during market upturns and offering risk protection during market downturns.



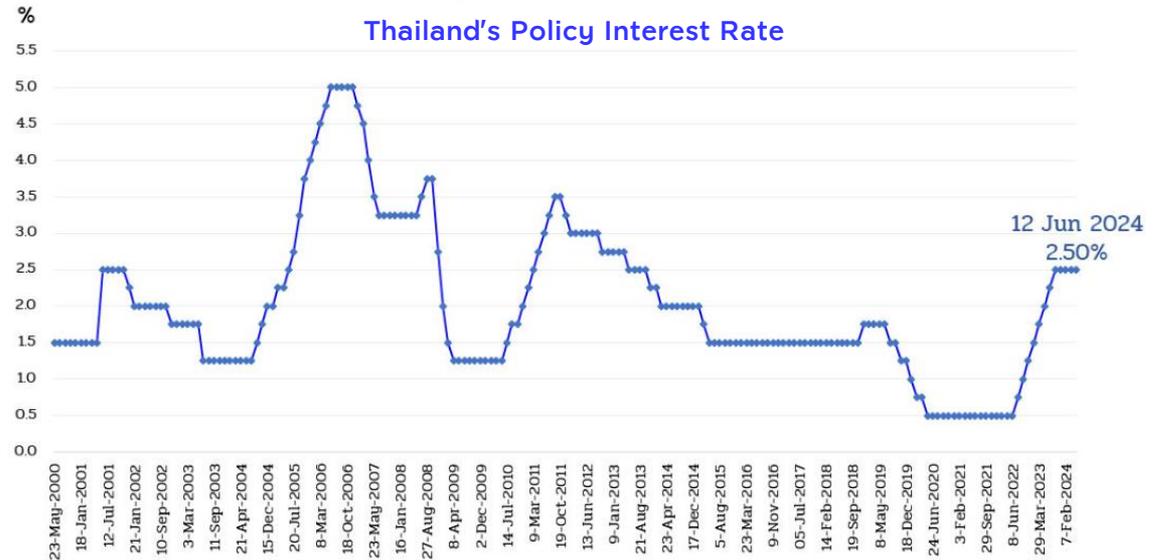
Source: J.P. Morgan Asset Management's article on "Green bonds: Is doing good compatible with doing well in fixed income?" published on 22 February 2024 based on the information as of 31 January 2024. • The information displayed is based on the constituent securities of Bloomberg Global Aggregate Index and Bloomberg MSCI Global Green Bond Index with similar characteristics in terms of issuer, capital structure, currency denomination, credit rating and issue term.

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Outlook for Interest Rates of Thailand

Thailand's policy interest rate is staying at a 10-year high, and the current rate-hiking cycle is expected to have come to an end.

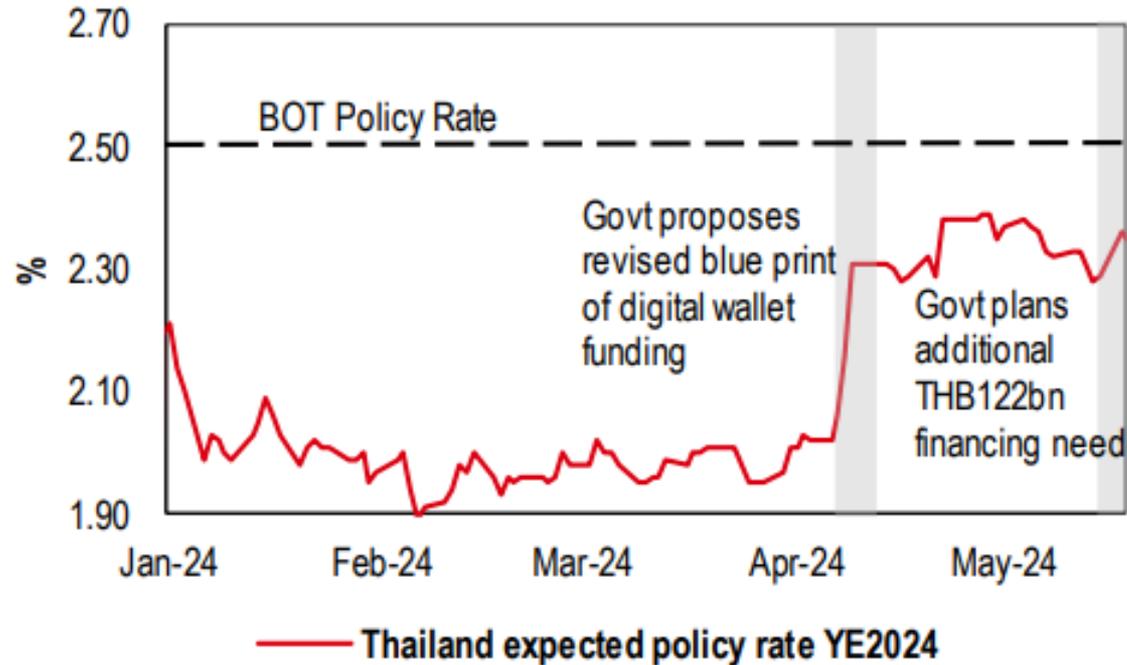
Date	MPC's Decision
29-May-13	Rate cut to 2.50%
19-Dec-18	Rate hike to 1.75% (5-2)
18-Dec-19	Rate held at 1.25% (7-0)
20-May-20	Rate cut to 0.50% (4-3)
29-Sep-21	Rate held at 0.50% (7-0)
30-Nov-22	Rate hike to 1.25% (7-0)
29-Nov-23	Rate held at 2.50% (6-0)
7-Feb-24	Rate held at 2.50% (5-2)
10-Apr-24	Rate held at 2.50% (5-2)
12-Jun-24	Rate held at 2.50% (6-1)
21-Aug-24	== Scheduled ==
16-Oct-24	== Scheduled ==
18-Dec-24	== Scheduled ==



Sources: Left – Krungsri Asset Management; Right - Bank of Thailand, as of 12 June 2024.

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Market starts to lower expectations of a policy interest rate cut by the Bank of Thailand this year.



Sources: Bloomberg, HSBC as of June 2024.

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Policy interest rate is expected to remain unchanged due to the easing pressure to cut interest rates faced by the BOT.

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1 Inflation rate of Thailand has returned to the target range and started to improve gradually.
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2 Commercial banks started to cut lending rates.
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3 The proportion of Thailand's household debts remains at high level.



These three factors enable the Bank of Thailand to have more flexibility in making decisions about interest rate policy and have less necessity to lower policy interest rate.

Source: Krungsri Asset Management as of June 2024.

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Investment outlook for Thai fixed income instruments



Policy interest rate tend to be stable or decline this year, which is favorable for investing in fixed income instruments with relatively long average duration due to the benefit of high interest rate from holding of such instruments. If the interest rate decreases, investors will benefit from a potential increase in the price of instruments.



The end of Thai policy rate hiking cycle contributes to relatively limited downside risks.



Factors to monitor: Uncertainty of the Fed's rate-cut timing, demand and supply in the Thai debt securities market.

Source: Krungsri Asset Management as of June 2024.

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Krungsri Government Bond Thailand ESG Fund

(KFGBTHAIESG)

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Krungsri Government Bond Thai ESG Fund (KFGBTHAIESG)



Create stability for the investment portfolio and the world through investing in government-sector ESG bonds which are highly credible



Diversify risk from stock market volatility and take advantage of interest rates in the current market



Suitable for investors who want to exercise the right of tax deductions but can accept low level of risk or want to reduce risk for their investment portfolio

The investment units of ThaiESG Capital Accumulation Class ((KFGBTHAIESG-A): No dividend payment policy.

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Integrating ESG principles into the investment process



Investment objective
relating to sustainability

To promote sustainable investment through investing in government-sector ESG bonds which aim to raise funds for various projects that are beneficial to the sustainability of the environment/society at large.



Investment strategy

Focusing on positive screening by taking into account environmental and ESG (environment, social, and governance) factors as well as the assessment of the ability to service debt of the issuer.



The process of
securities analysis and
selection

Use information from various reliable sources to select the instruments for investing in line with the Fund's investment objective which may encompass financial status, ability to service debt, sustainability risk, or performance of the issuer, and so on.

Source: Krungsri Asset Management as of June 2024. • The above investment strategy framework may differ from the actual investment portfolio and may change in accordance with market condition, the instruments offered for sale in the market, and the fund manager's discretion.

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Investment Strategy Framework

Type of instrument to mainly invest

Focus investing in Thai government-sector ESG bonds.

Investment duration of the instruments

Approximately 5 - 15 years.

Quality of the instruments

High, because the Fund focuses investing in government-sector debt instruments.

Credit rating

At least investment grade rating.
(Currently the Fund will invest entirely in government-sector debt instruments)

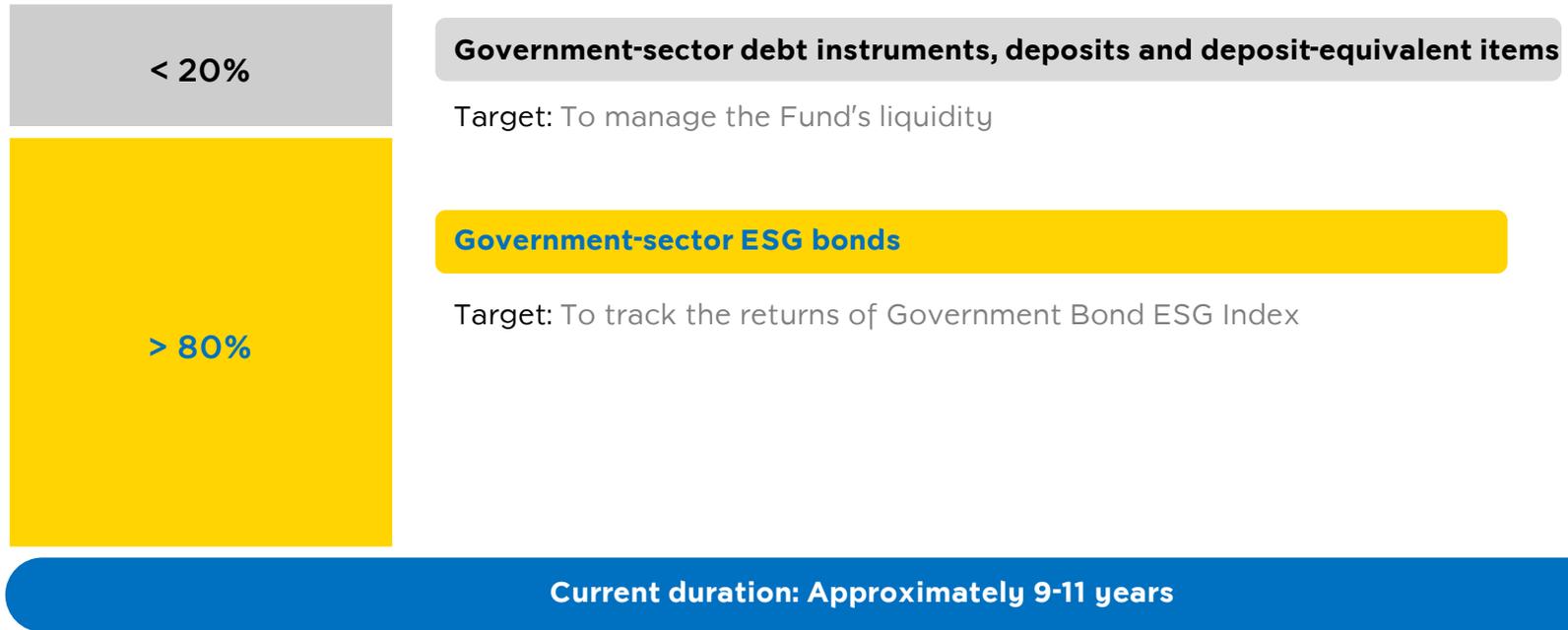
Volatility level

Relatively high as the Fund focuses investing in long-term debt instruments.

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Forecast Portfolio



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Example of Thai ESG bonds offered for sale in the market

ESGLB376A	
Name	Government ESG Bond for Debt Restructuring (Covid-19 Emergency Loan Decree) No. 5/FY 2022
Issuer	Ministry of Finance
Type	Fixed Rate Government Bond
ESG Bond Type	Sustainability Bond
Objective	To raise capital for the restructuring of loans secured for the projects relating to problem solving, remedying and restoring of the economic and society as affected by the 2019 Coronavirus disease pandemic.
Coupon rate	3.39% p.a.
Issue date	19 Dec 2022
Maturity date	17 Jun 2037

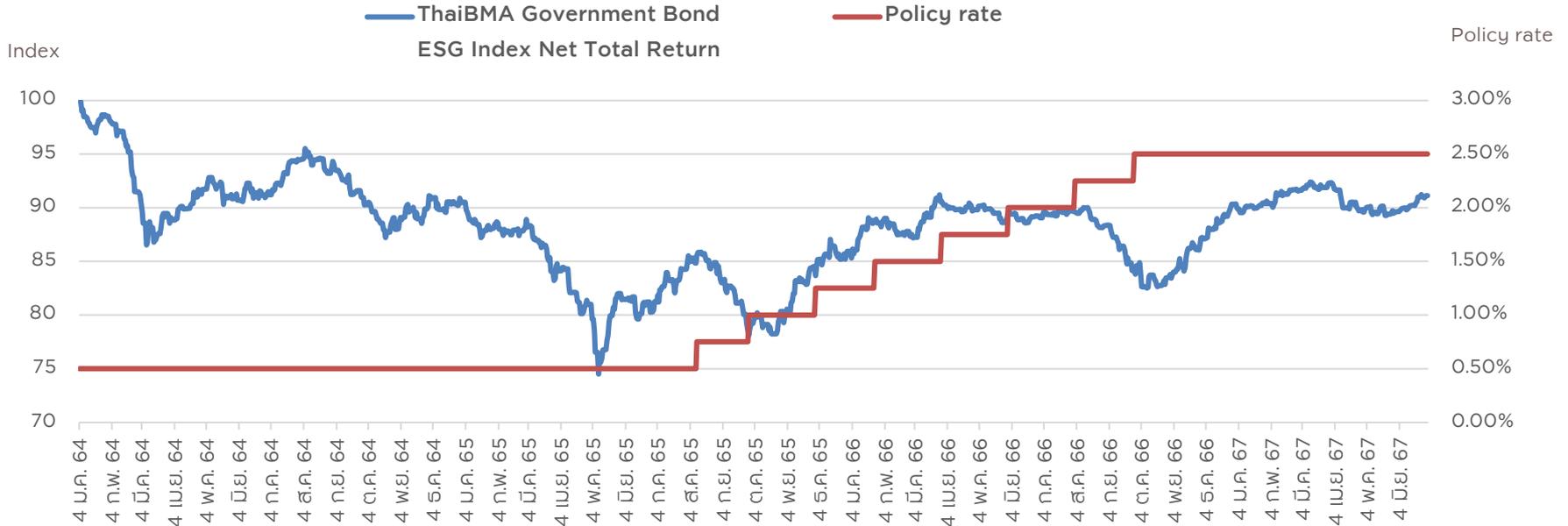
ESGLB35DA	
Name	Government ESG Bond for Management of Refinancing Debts No. 1/FY 2020
Issuer	Ministry of Finance
Type	Fixed Rate Government Bond
ESG Bond Type	Sustainability Bond
Objective	To raise capital for loan restructuring by relending to Bangkok Expressway and Metro PLC (BEM) for the orange line contract (Thailand Cultural Center-Minburi (Suwintawong) section).
Coupon rate	1.585% p.a.
Issue date	19 Aug 2020
Maturity date	17 Dec 2035

Sources: ThaiBMA and Public Debt Management Office as of 27 June 2024. • The above information is for illustrative purposes only and does not imply the actual investment portfolio of the Fund.

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Movements of ThaiBMA Government Bond ESG Index Net Total Return

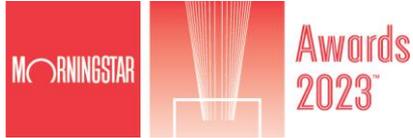
Movements of the Index Since Establishment Compared to Policy Interest Rate



Source: ThaiBMA as of 1 July 2024. • The above information is for illustrative purposes only and does not imply the actual investment portfolio of the Fund.

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Managed by a team of quality fund managers, proven by the awards from various leading institutions



Morningstar Awards 2023

Best Retirement Mutual Fund – Fixed-Income
Krungsri Medium Term Fixed Income RMF



Fund Selector Asia (HK)

Fixed Income House of the Year



Asia Asset Management (HK)

Best of the Best Awards 2023

Best Bond Manager (Awarded for the 4th consecutive year)



Money & Banking Awards 2022

Best RMF Fixed Income Fund of the Year: KFCASHRMF

Source: Krungsri Asset Management • The above award information is not related to the ranking of the Association of Investment Management Companies (AIMC) in any way.

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Fund's Details

Details	Krungsri Government Bond Thai ESG Fund (KFGBTHAIESG)
Investment policy	The Fund shall invest on average no less than 80% of its NAV in an accounting year in Thai government instruments such as treasury bills, government bonds or Bank of Thailand's bonds, bonds, bills of exchange, promissory notes debentures or debenture warrants having the government or the Bank of Thailand or the Financial Institution Development Fund (FIDF) as issuer, drawer, acceptor, giver of aval or guarantor as well as foreign sovereign securities. The Fund shall focus investing on government bonds, bonds with principal and interest guaranteed by the Ministry of Finance, debentures with principal and interest guaranteed by the Ministry of Finance but not including convertible debentures, or any other government sector instruments that are green bonds, sustainability bonds, sustainability-linked bonds.
Investment objective relating to sustainability	The Fund has an objective to promote sustainable investment through investing in government bonds, bonds with principal and interest guaranteed by the Ministry of Finance or debentures with principal and interest guaranteed by the Ministry of Finance but not including convertible debentures, that are green bonds, sustainability bonds or sustainability-linked bonds.
Fund's risk level	Level 3
Benchmark	1. ThaiBMA Government Bond ESG Index Net Total Return in the proportion of 80%; 2. ThaiBMA Government Bond Index (TTM not exceeding 1 year) Net Total Return in the proportion of 20%.
Dividend payment policy	Investment units of ThaiESG capital accumulation class (KFGBTHAIESG-A): No dividend payment policy

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Fund's Details (continued)

Details	Krungsri Government Bond Thai ESG Fund (KFGBTHAIESG)
Subscription date	IPO: From 1-6 August 2024 by 15.30 hrs. of the IPO closing date. (Cheques are received by 5 August 2024.) After IPO: Every dealing day of the Fund by 15.30 hrs. (Please refer to the dealing calendar of the Fund.)
Redemption date	Every dealing day of the Fund by 15.30 hrs. (Please refer to the dealing calendar of the Fund.)
Settlement date	Within 3 business days after the redemption date (T + 2)
Minimum investment amount	500 Baht
Fees charged to the Fund (% of NAV p.a.)	Management fee: Not exceeding 2.14% (Actual charge: 0.2675%) Trustee fee: Not exceeding 0.1070% (Actual charge: 0.0251%) Registrar fee: Not exceeding 0.1605% (Actual charge: 0.107%)
Fees charged to investors (% of investment amount)	Front-end or switching-in fee: Not exceeding 2.00% (Actual charge: None) Redemption or switching-out fee: Not exceeding 2.00% (Actual charge: None) Penalty fee in case of redemption/switching out earlier than the holding requirement stipulated in the mutual fund project: Not exceeding 0.50% (Actual charge: 0.50% for less-than-3-year investment)

Remark: All above mentioned fees are inclusive of Value Added Tax or Specific Business Tax or other.

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Warnings

Investment restrictions

Since the investment framework of the Fund focuses investing in government bonds, bonds with principal and interest guaranteed by the Ministry of Finance or debentures with principal and interest guaranteed by the Ministry of Finance but not including convertible debentures, that are green bonds, sustainability bonds or sustainability-linked bonds, the scope of investment of the Fund is therefore limited.

Risks associated with investment of an ESG fund

- The risk arises from investing mainly in government bonds, bonds with principal and interest guaranteed by the Ministry of Finance or debentures with principal and interest guaranteed by the Ministry of Finance but not including convertible debentures, that are green bonds, sustainability bonds or sustainability-linked bonds, which causes the fund to lose the opportunity to invest in general debt instruments that may offer better returns.
- The risk arises from relying the ESG data on third party's sources for analyzing and selecting the securities which may be incomplete or inaccurate. In this regard, the Management Company will search for additional data from various sources to ensure more accuracy of the data used in the analysis.
- The risk arises from investing in the instruments that may not in accordance with the ESG investment framework as determined by the Fund. For example, investing in the instrument over which the issuer does not have controlling power or in the case where the counterparties of the issuer (such as vendors, contractors and/or service providers) may not comply with the ESG investing framework that is beyond the recognition of the Management Company.
- Liquidity risk may arise from the Fund's inability to buy or sell instruments at the appropriate prices or timing due to the ESG criteria conditions set by the Fund.

Warnings (cont'd)

1. The Thai ESG Fund aims to promote long-term savings and encourage Thailand's sustainable investment. Investors should understand the fund features, conditions of returns and risks; and study the tax benefits in the Investment Manual, before making investment decision. Past performance is no guarantee of future results.
2. This document is prepared based on information obtained from reliable sources at the time the information is displayed. However, the Management Company does not provide any warranty of the accuracy, reliability and completeness of all information. The Management Company reserves the right to make changes to all information without prior notice.
3. The Fund may invest in non-investment grade or unrated debt instruments, with the total portion of such investments combined with the investments of the Master Fund not exceeding 20% of the Fund's NAV. In addition, the Fund may invest in unlisted securities and structured notes subject to the rules and regulations stipulated by the SEC Office.
4. The Fund may invest in or hold derivatives contracts for the purpose of efficient portfolio management and may invest in structured notes. As a result, the Fund is subject to higher risks than other mutual funds that invest directly in the underlying securities because it invests with smaller amount of money and accordingly makes higher gains/losses than investing directly in the underlying securities.
5. The investors of this Fund are not permitted to dispose of, distribute, transfer, pledge the investment units or use them as collateral.
6. In case of investing in the Fund or CIS units, if any unitholder holds the investment units equal to or higher than 10%, the Management Company may report such holding and submit the personal data or other information of such unitholder to the destination fund as well as requiring the unitholder to submit a proof of address and/or any other information as requested by the destination fund. In this connection, the destination fund may forward such information to any agencies according to the law of relevant countries by deeming that consent has been granted by the unitholder.
7. Investors should study the tax benefits stated in the Investment Manual. Unitholders in breach of investment conditions shall not be entitled to the tax benefits and must return all the tax benefits received earlier within the specified timeframe, otherwise they will be liable to a surcharge and/or fine in accordance with the Revenue Code.

To inquire further information or request a prospectus, please contact:

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Thank You

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