

Fund Factsheet



Krungthai Asset Management
Public Company Limited

KTAM China Bond Fund : (KT-CHINABOND)
(Capital Accumulation Units : KT-CHINABOND-A)

Fixed Income Fund
Feeder Fund

Anti-corruption: Certified by CAC

Fund with Substantial Foreign Country Risk



What are you investing in?



Who is this fund suitable for?



Points to consider



Portfolio breakdown



Fees



Fund performance



Other information

Investment in a fund is **not the same** as cash deposits



What are you investing in?

■ Investment Assets

The fund's policy is to solely invest in the USD-denominated "D2" share class units of the BGF China Bond Fund (master fund), averaging at least 80% of NAV during the financial year.

The KTAM China Bond Fund may invest or hold derivatives to hedge against FX risk, in compliance with SEC regulations or SEC Office notifications. The use of derivatives is subjected to the discretion of fund managers to suit the prevailing investment climate.

The fund may engage in cash borrowings, securities lending, repurchase transactions, or reverse repo transactions, in accordance with guidelines prescribed by the SEC and SEC Office notifications.

KTAM reserves the rights to amend the type and special features of the fund in the future into a Fund of Funds, or a fund that directly invests in foreign financial instruments and/or foreign securities, or revert back into a Feeder Fund, provided that such amendments do not alter the fund's rating in the risk spectrum in any significant way. This shall be up to the discretion of the portfolio managers given the prevailing investment climate and carried out with the unitholders' best interests in mind. KTAM will notify unitholders at least 30 days in advance of aforementioned amendments by placing a notice on the company website.

■ Investment policy of the master fund

The BGF China Bond Fund (master fund) is registered and subjected to the laws of Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF) in compliance with UCITS (Undertakings for Collective Investment in Transferable Securities). The master fund is managed by BlackRock (Luxembourg) S.A. (Management Company) with an objective of investing at least 70% of the fund's total assets in fixed income transferable securities denominated in Renminbi or other non-Chinese domestic currencies issued by entities exercising the predominant part of their economic activity in the People's Republic of China. The master fund may invest in non-investment grade (limited to 50% of total assets) and distressed securities (limited to 10% of total assets).

For more details about the master fund:

<https://www.blackrock.com/lu/individual/products/228438/blackrock-renminbi-bond-d2-usd-fund>

- **Portfolio Strategy:** The KTAM China Bond Fund aims to track the performance of the master fund, while the BGF China Bond Fund (master fund) aims to outperform the benchmark (Active Management).



Who is this fund suitable for?

Investors who can accept the risk of investing in a foreign fund that holds fixed income securities and contain exposure to fx risk, while fully understanding the potential price volatility, in exchange for the prospects of earning a higher financial return by investing in such foreign fund.

This fund is **not suitable for**

- Investors who require certainty of investment return or full protection of principal.
- Investors who only prefer fixed income investments which are investment-grade, have ample liquidity, and low price volatility.

If the fund's policy and risks are still unclear to you

- Read the full prospectus or consult the selling agent or KTAM.
- **Do not invest without sufficiently understanding the fund's characteristics and risks.**



Points to consider

Important

- The KTAM China Bond Fund may consider deploying currency derivatives to hedge against fx risks. This is up to the judgment of the portfolio manager given the prevailing investment climate. Yet, some fx risk exposure may remain and could cause unitholders to incur fx loss or partial loss of principal invested. Hedging incurs costs and can lower financial returns generated by the fund due to the additional cost burden.
- The master fund's policy includes investments in non-investment grade or unrated securities. As such, investors will be exposed to higher credit risk with regards to repayment of principal or interests. Therefore, the fund is more suitable for investors with the financial strength to absorb potential loss from such risk.
- This fund's investments are highly concentrated in China; investors are therefore advised to gauge the overall level of one's own investment portfolio diversification too.
- Although the fund offers different classes of units, the fund's commitment to external parties does not differ according to class of unitholder. All of the fund's assets are accountable to external parties equitably.
- The NAV of each class of units may be equal or different; KTAM separately calculates the NAV of each class of units.
- The fund has 6 classes of units: capital accumulation, dividend, auto-redemption, institutional, group/individuals, and savings. Unitholders are permitted to switch between the various classes within this fund, subject to conditions prescribed by KTAM.
- Investors may invest in the fund through a unit-linked life assurance product. To do so, please contact the life assurance company which is an approved selling agent (if any) of KTAM. Carefully review the documents supporting the sale of the unit-linked life assurance product before making your investment. KTAM may offer unit-linked life assurance products for every class of units, but not for savings units.
- The master fund imposes restrictions on redemptions of its own units. If unitholders of the master fund redeem or switch-out more than 10% of the net asset value of the master fund, the master fund may use its discretion to partially or entirely postpone the redemption or switching orders. The amount of orders exceeding the 10% of NAV threshold will be carried over and processed on the following trading day. Furthermore, the master fund may suspend orders to buy, redeem, or switch under unusual events such as circumstances where the fund is unable to liquidate securities or assets from the portfolio, or the fund is unable to obtain valuation of its assets, or the main securities bourses in which the master fund invests are not open as usual, or securities invested by the fund is suspended from trading, or there are unusual economic or political or any other events beyond the control of the master fund. As such, unitholders may not have their redemption or switching order processed based on the NAV of the day the order was placed. Payment settlement for the redemption order may also not be completed within the usual scheduled period.
- The master fund may delay settlement of redemption for amounts in excess of USD 500,000 by up to 7 business days. As such, this may affect unitholders as settlement period may take longer than usual.



Key investment risks

Credit risk

	Low				High
Credit ratings of most securities held	AAA	AA,A	BBB	Below BBB	unrated

Remarks: Shaded areas denote credit ratings where the fund's investments may exceed 20% of NAV.

Price volatility

	Low				High
Average duration of securities held	< 3m	3m-1y	1y-3y	3y-5y	>5y

	Low				High
Standard Deviation	< 5%	5-10%	10-15%	15-25%	> 25%

Concentration Risks

	Low				High
High issuer concentration risk	≤ 10%	10-20%	20-50%	50-80%	> 80%

	Low			High
High sector concentration risk	≤20%	20-50%	50-80%	> 80%

Remarks: The master fund's investments are highly concentrated in the real estate sector, according to data as of 31 March 2021.

	Low			High
High country concentration risk	≤20%	20-50%	50-80%	> 80%

Remarks: The master fund's investments are highly concentrated in China, according to data as of 31 March 2021.

Foreign exchange risk

	Low			High
FX Hedging	All / Mostly	Partial	Discretionary	None

* More information available at www.ktam.co.th



Portfolio Breakdown

Portfolio Breakdown of the Master Fund

SECTOR BREAKDOWN (%)		CREDIT RATINGS (%)	
	Fund		Fund
Real Estate	22.38%	Cash and/or Derivatives	8.36%
Central Government Related	15.93%	AA	1.36%
Financial	12.80%	A	26.47%
Local Government Related	10.82%	BBB	36.19%
Cash and/or Derivatives	8.36%	BB	9.79%
Sovereign	8.09%	B	14.96%
Non-China	5.91%	CCC	0.49%
Other	5.56%	CC	0.01%
Basic Industry	4.92%	C	0.05%
Technology	2.54%	D	0.03%
Retail	2.07%	N Rated	2.30%
Energy	0.62%		

PORTFOLIO CHARACTERISTICS		Regional Exposure (%)	
			Fund
Yield to Worst (%)	4.73	Offshore	46.22
Effective Duration (years)	3.25	Onshore	45.41
3 Years Volatility	6.50	Cash and/or Derivatives	8.36
5 Years Volatility	6.24		
3 Years Beta	-13.13		
5 Years Beta	1.26		

TOP HOLDINGS (%)	
CHINA NATIONAL PETROLEUM CORP MTN 2.99 03/23/2025	2.20
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD 4.15 11/16/2030	1.68
CHINA DEVELOPMENT BANK 3.65 05/21/2029	1.15
CHINA DEVELOPMENT BANK 3.48 01/08/2029	1.02
CHINA DEVELOPMENT BANK 3.18 05/17/2022	0.96
CHINA PETROLEUM & CHEMICAL CORP MTN 2.2 05/28/2023	0.87
CHINA PEOPLES REPUBLIC OF (GOVERNMENT) 3.02 10/22/2025	0.75
BANK OF COMMUNICATIONS CO LTD RegS 3.24 05/21/2030	0.69
CHINA DEVELOPMENT BANK 3.45 09/20/2029	0.65
BANK OF CHINA LTD RegS 4.2 09/21/2030	0.63
Total	10.60

Note: Data as of 31 March 2021

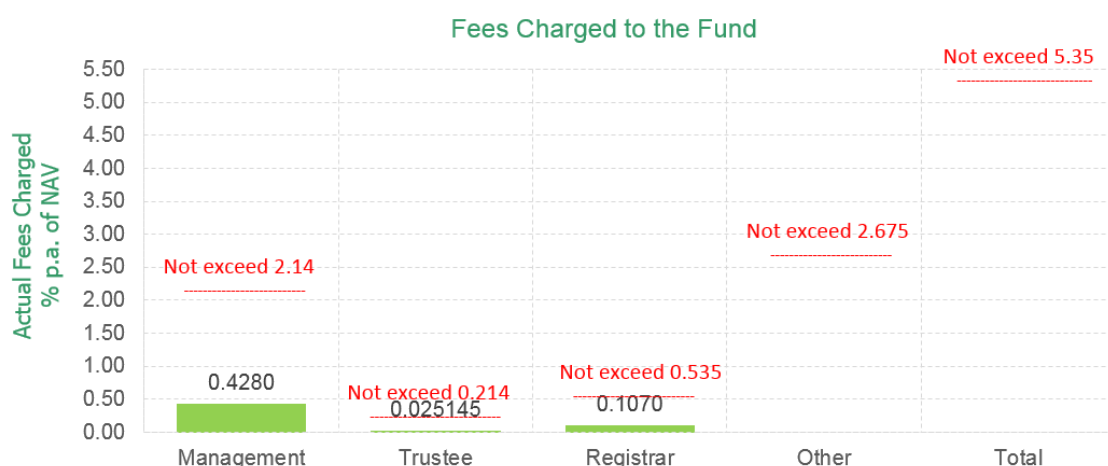
Updated information available is available on the website:

<https://www.blackrock.com/sg/en/products/228438/bgf-china-bond-d2-usd-fund>



Fees

* Fees affect your investment returns. Review the fees before making an investment. *



Remarks

* Rates shown include VAT, special business tax, and other similar taxes (if any).

Fees charged to the unitholder (% of transaction value)

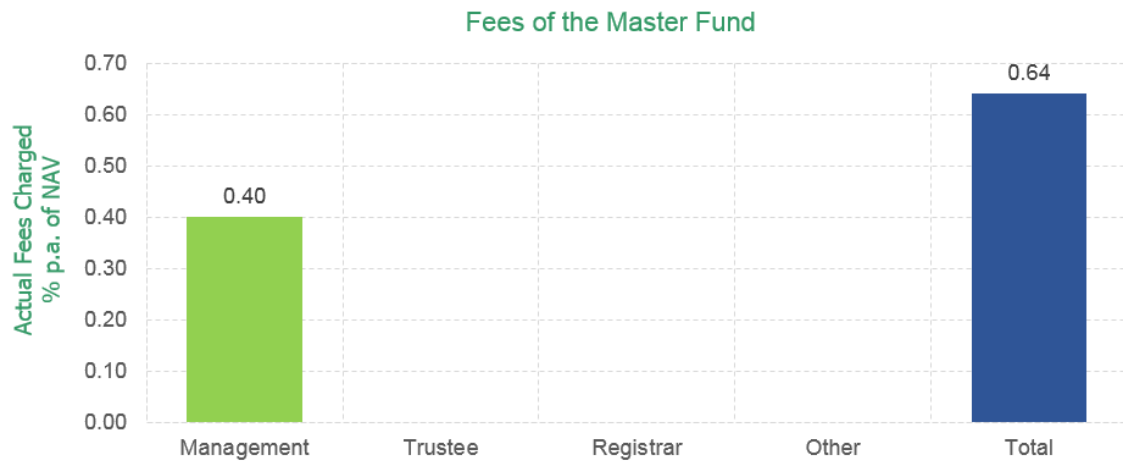
Transaction	Maximum rate	Actual rate
Front end fee ⁽¹⁾	3.21	<ul style="list-style-type: none"> ■ During initial public offer (IPO) : 0.50% ■ After IPO, according to terms below: <ul style="list-style-type: none"> - First 3 months after fund registration date : 0.50% - Period following first 3 months after fund registration date : 0.75% or for investment amount equal to or more than 50 million Baht/transaction : 0.50%
Back end fee ⁽¹⁾	3.21	Currently waived
Switch-in fee ⁽¹⁾	3.21	<ul style="list-style-type: none"> ■ During initial public offer (IPO) : 0.50% ■ After IPO, according to terms below: <ul style="list-style-type: none"> - First 3 months after fund registration date : 0.50% - Period following first 3 months after fund registration date : 0.75% or for investment amount equal to or more than 50 million Baht/transaction
Switching-out fee ⁽¹⁾	3.21	Currently waived
Transfer fee		As charged by registrar
Fee to Issue Certificate of Fund Ownership		As charged by registrar
Brokerage fees and costs associated with purchase, sale, or switching of units ⁽¹⁾⁽²⁾	0.535	Currently waived

Note: Rates shown above include VAT, special business tax and other relevant taxes.

(1) KTAM reserves the right to apply different front end, back end, switching, and brokerage fees and charges for different unitholder classes and shall notify at least 7 days in advance by displaying an announcement at the office of KTAM and/or selling agents (if any) and/or KTAM website.

(2) Brokerage fees will be calculated and included into the purchase or redemption price, as appropriate, to pay for fees and expenses charged by the fund when securities are transacted and brokerage expenses are levied on the fund

Fees of the BGF China Bond Fund



Fees of the BGF China Bond Fund

Annual management fee : 0.40%

Front end fee (Initial Charge) : No more than 5.00%

Back end fee (Redemption Charge) : None*

* No more than 2%; discretion of asset management company

Rebate Fee received from the foreign asset management company = 0.00%



Fund performance

* Past performance record does not guarantee future performance *

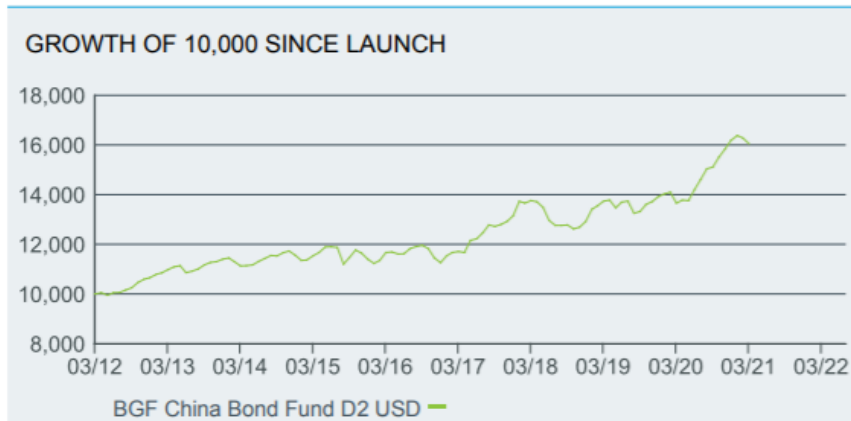
Benchmark is the performance of the master fund, weighted 100.00%, translated from USD into the THB equivalent on the date the performance is measured.

Performance measurement category at point of sale:

Emerging Market Bond Discretionary F/X Hedge or Unhedge

* Updated information available at <https://www.aimc.or.th>

Historical performance of the master fund



CUMULATIVE & ANNUALISED PERFORMANCE

	Cumulative (%)				Annualised (% p.a.)			
	1 mth	3 mths	6 mths	YTD	1 Year	3 Years	5 years	Since Launch
Share Class	-1.41	-0.86	6.22	-0.86	17.50	5.27	6.58	5.39
Share Class [Max. IC applied]	-6.34	-5.82	0.91	-5.82	11.62	3.48	5.49	4.80

The share class currency is as indicated in the "Key Facts" section. For currency hedged share classes only, the benchmark reflected is in the fund base currency.

CALENDAR YEAR PERFORMANCE (%)

	2020	2019	2018	2017	2016
Share Class	16.31	7.74	-1.75	16.79	-1.23

*Performance shown from share class launch date to calendar year end.

Note: Data as of 31 March 2021

Updated information available on the website: <https://www.blackrock.com/sg/en/products/228438/bgf-china-bond-d2-usd-fund>

- Past performance record does not guarantee future performance



Other information

Dividend Policy	No dividends
Trustee	Siam Commercial Bank Public Co., Ltd.
Registration Date	As scheduled by the SEC
Maturity Date	None
Purchase and Redemption	<p>Purchases:</p> <p><u>Initial Public Offer (IPO)</u> is during 11-19 May 2021 from the start of office hours of KTAM or selling agents (if any) until 15.30 hrs.</p> <p><u>After IPO:</u> After the IPO subscription period is over, KTAM will resume accepting purchase orders again from 24 May 2021 onwards, or the next business day if that date is a holiday. Investors may place purchase orders at KTAM or selling agents (if any) on any trading day between the start of office hours until 14.00 hrs. KTAM will announce non-trading days in advance by posting a notice at our office or the selling agent (if any) and/or KTAM's website.</p> <p>Min initial purchase: 1,000 Baht Subsequent purchase: 1,000 Baht</p> <p>Redemptions:</p> <p>After the IPO subscription period is over, KTAM will accept redemption orders from 24 May 2021 onwards, or the next business day if that date is a holiday. Investors may place redemption orders at KTAM or selling agents (if any) on any trading day between the start of office hours until 15.30 hrs. KTAM will announce non-trading days in advance by posting a notice at our office or the selling agent (if any) and/or KTAM's website.</p> <ul style="list-style-type: none">- Min redemption (value): None- Min redemption (units): None- Min outstanding balance (value): None- Min outstanding balance (units): None- Settlement period: Within 5 business days after calculation of NAV, NAV per unit and unit price. This does

not yet include foreign business holidays for businesses similar to investment management companies and associated businesses operators. Settlement generally settled within T+5 business days after date of redemption (foreign business holidays not yet included).

Daily NAV information available at www.ktam.co.th

Portfolio Managers	Name-Surname	Date of Appointment
	Mr. Peerapong Kitjakarn	Fund registration date
	Mr. Khemarat Songyoo	Fund registration date
Selling Agents	In the future, KTAM may appoint additional selling agents or dismiss any selling agent. Potential investors may contact KTAM to obtain a list of selling agents.	
Inquiries, Prospectus, Complaints	Krung Thai Asset Management Public Company Limited 1 Empire Tower, 32nd Fl., South Sathorn Rd., Yannawa, Sathorn, Bangkok 10120 Telephone: 0-2686-6100 Website: www.ktam.co.th Email: callcenter@ktam.co.th	
Conflict of Interests	Business activities or transactions which may result in a conflict of interests are disclosed on the website: www.ktam.co.th	

- Investment in funds differ from bank deposits and is not protected by the Deposit Protection Agency. As such, there is investment risk exposure and the investor may not recover the full amount invested.
- The fund is registered and supervised by the Securities and Exchange Commission.
- A draft of the fund prospectus that is reviewed by the SEC and used to support the launch and purchase of the fund units is not an endorsement by the SEC that the information presented is accurate, nor does it guarantee the value or financial returns of units offered for purchase. As fund manager, KTAM has carefully audited the information in the fact sheet as of 6 May 2021 and confirm that the information is accurate, truthful, and not misleading.

Summary Highlights of the Master Fund

Fund Name	BGF China Bond Fund
Maturity	None
Inception Date	11-Nov-2011
Share Class Launch Date	28-Mar-2012
Fund Type	Fixed Income
Fund Domicile	LUXEMBOURG
Investment Policy	<p>The Fund seeks to maximise total return. The Fund invests at least 70% of its total assets in fixed income transferable securities denominated in Renminbi or other non-Chinese domestic currencies issued by entities exercising the predominant part of their economic activity in the PRC through recognized mechanisms including but not limited to the Chinese Interbank Bond Market, the exchange bond market, quota system and/or through onshore or offshore issuances and/or any future developed channels. The Fund is a RQFII Access Fund and a CIBM Fund and may invest without limit in the PRC via the RQFII regime and in the CIBM via the Foreign Access Regime and/or Bond Connect and/or other means as may be permitted by the relevant regulations from time to time.</p> <p>The Fund may invest in the full spectrum of permitted fixed income transferable securities and fixed income related securities, including non-investment grade (limited to 50% of total assets).</p> <p>Currency exposure is flexibly managed.</p> <p>The Fund's exposure to Distressed Securities is limited to 10% of its total assets and its exposure to contingent convertible bonds is limited to 20% of total assets.</p> <p>The Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management.</p> <p>Risk management measure used: Absolute VaR.</p>
Dividend Policy	No dividends
Trading Schedule	Daily (on trading days)
Class & currency	Class D2 / USD
ISIN Code	LU0719319435
Bloomberg Ticker	BGRBD2U
Management Company	BlackRock (Luxembourg) S.A.
Custodian	The Bank of New York Mellon SA/NV, Luxembourg Branch
Website	https://www.blackrock.com/sg/en/products/228438/bgf-china-bond-d2-usd-fund

Glossary

Market Risk. Risk caused by volatility of securities / asset prices in foreign markets which could rise or fall due to economic factors, social issues, or investment climate, caused by the country’s political situation, economy, financial or capital market, currency volatility, interest rate movement, etc. These factors can impact the prices of securities invested by the master fund and subsequently cause the fund’s value to fluctuate.

Interest Rate Risk refers to the risk that securities prices will shift in the opposite direction to changes in interest rates. This risk is also greater for debt instruments with a longer maturity remaining because interest rate changes will have a more pronounced impact on the instrument’s price.

Credit Risk and Default Risk. An issuer’s ability to repay principal and/or interest obligations when due may be compromised because of factors such as the issuer’s deteriorating financial strength. Subsequently, the fund’s asset value can be affected. The BGF China Bond Fund (master fund) may invest in high risk debt instruments such as non-investment grade or unrated debt securities. These securities contain more credit risk, market risk, and liquidity risk, compared to investment grade securities. These debt securities contain more credit risk, market risk, and liquidity risk, compared to investment grade securities. As such, investors must be able to accept higher risk of capital loss compared to regular funds.

Credit Ratings can be gauged from the credit ratings of various debt instruments invested. Credit ratings assess debt servicing ability of the issuer by taking into consideration the issuer’s past operating performance and financial strength.

Grade	TRIS	Fitch	Moody’s	S&P	Remarks
Investment grade	AAA	AAA(thai)	Aaa	AAA	Highest rating denotes lowest risk of default on debt obligations
	AA	AA(thai)	Aa	AA	Next highest rating denotes very low risk of default on debt obligations
	A	A(thai)	A	A	Low risk of default on debt obligations
	BBB	BBB(thai)	Baa	BBB	Moderate risk of default on debt obligations

Grade	TRIS	Fitch	Moody's	S&P	Remarks
Non-investment grade	Below BBB	Below BBB	Below BBB(th)	Below BBB	High risk of default on debt obligations

High Yield Risk exposure is present due to the master fund's investment in high risk debt securities such as non-investment grade or unrated securities. These securities typically contain higher risks with regards to credit, marketability, and liquidity compared to investment-grade securities.

Contingent Convertible Securities Risk. Investment in special instruments such as Contingent Convertible Securities (CoCos) makes the fund exposed to potential equity risk and/or capital loss from a principal write-down if these fixed income instruments are converted. Additional risk faced by these convertible securities is the impact from absorbing net losses as CoCos may be transformed into that corresponding bank's equity. Furthermore, there is risk exposure from principal write-down when the bank's capital ratio falls below legal requirements. Furthermore, hybrid debt instruments do not have a predetermined maturity, interest payments may be suspended at the issuing bank's discretion or stated terms and conditions, in order to cushion the issuer's impact from losses. As a subordinated instrument, priority of claims for CoCos holders in the event of a company liquidation or bankruptcy will rank lower than other subordinated debt instruments. If there was conversion into equity, priority of claims ranks below holders of all other debt instruments.

Currency Risk. Potential fluctuations in exchange rates can impact the value of the fund. For example, the fund may have invested abroad in USD at a time when the Thai Baht is weak but later divests when the Thai Baht has strengthened. Such scenario would mean obtaining less Thai Baht from the divestment. An opposite scenario of investing when the Thai Baht is strong and divesting when the Thai Baht is weak would produce a favorable gain. As such, hedging foreign exchange risk is an important measure to mitigate this uncertainty.

- **Hedging of foreign exchange risks is subjected to the discretion of the portfolio manager:** unitholders are susceptible to foreign exchange risks due to the fact that hedging depends on the judgement of the portfolio manager.

Derivatives Risk. The fund may invest in derivatives for hedging purposes or for efficient portfolio management purposes. The value of derivatives may be more volatile than the underlying securities. By investing in derivatives, the fund's asset value may contain more volatility risk than the underlying securities.

Counterparty Risk. The uncertainty regarding a derivative counterparty's ability to meet the obligations of a contract.

Country Risk. Changes in the domestic affairs of countries the fund invests in, such as change of leadership, economic policies, etc. may hinder settlement of scheduled debt repayments.

Liquidity Risk. Uncertainty regarding the ability to trade some securities within an intended time frame or price level due to limited trading volume.

Re-investment risk to switch master fund. If the foreign master fund becomes unsuitable, KTAM may consider switching the fund's investments into a different foreign master fund which has a compatible investment objective.

Repatriation Risk. Uncertainty regarding ability to manage and remit proceeds back to home country. To invest abroad, the fund must comply with laws, regulations, and practices in the host country which may differ from the regulatory environment in Thailand. KTAM has operating guidelines to require scrutiny of laws, regulations, and processes related to investment transactions, as well as the risks of making an investment in a foreign country. In reality, the fund may still face unforeseen events beyond our control due to changes to the investment climate such as changes in rules and regulations issued by the foreign country or changes in policies of local authorities. These risks affect costs, expenses, and taxes, which may affect expected returns. There may also be limitations on the ability to remit proceeds back or conversion of currencies, making it difficult to receive payment settlement. These issues may affect the fund's value or impact its liquidity.

Concentration Risks

(1) The risk of allocating substantial exposure of over 10% in a single issuer (Issuer Concentration Risk) makes fund performance susceptible to any factors that may affect that issuer's business operations, financial strength or stability. Hence, the fund's performance may be more volatile compared to a more well-diversified fund.

(2) The risk of allocating substantial exposure of over 20% in a single business sector (Sector Concentration Risk) makes fund performance susceptible to any factors that may affect that sector or industry's business performance. Hence, the fund's performance may be more volatile compared to a fund that is more well-diversified across many sectors or industries.

(3) The risk of allocating substantial exposure of over 20% in a single country (Country Concentration Risk) makes fund performance susceptible to any factors that may affect that country's politics, economics, social conditions, etc. Hence, the fund's performance may be more volatile compared to a fund that is more well-diversified across many countries.