

The fund's investments may contain issuer concentration risks and/or sector concentration risks and/or country concentration risks. Since this may further raise concentration risk levels for an investor's own portfolio, the higher risks may lead to potential for significant loss.

As of 7 July 2020

# Fund Factsheet



Krungthai Asset Management  
Public Company Limited  
Anti-corruption: Certified by CAC

Krung Thai Global Fixed income 1Y2  
(KTGF1Y2)

Fixed Income Fund

Core investments contain country risk

Unitholders of this fund cannot redeem units during the 1-year investment period.  
This fund may contain sector concentration risks; factors that negatively impact the investments may cause significant loss.



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?

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- **Investment Assets**

The fund will invest in fixed income instruments amounting to at least 80% of NAV at all times. Investments will consist of fixed income instruments, cash deposits and/or financial instruments rated investment grade or issuer rated investment grade, and/or CIS units of schemes that invest in fixed income instruments. The fund may also consider investing in instruments that are non-investment grade or where issuer is rated non-investment grade, and or unrated securities, at up to 20% of NAV. The fund may also consider investing in foreign securities or assets, averaging at least 80% of NAV during the financial year.

The fund may consider investing and holding hybrid securities and/or other securities and assets or other means of generating financial returns as permitted or approved by the SEC, up to 20% of NAV.

The remainder of the portfolio may be invested in securities offered locally, such as cash deposits, financial instruments, fixed income instruments and/or securities and assets or other means of generating financial returns as permitted by the SEC.

The fund may invest and hold derivatives for hedging purposes or derivatives to enhance portfolio performance (Efficient Portfolio Management) as permitted by the SEC. The fund may also invest in Structured Notes.

The fund may invest and hold FX derivatives to hedge against currency risk as permitted by the SEC. This is subjected to the discretion of the fund manager according to the prevailing investment climate.

KTAM reserves the rights to amend the type and special features of the fund into a Fund of Funds, or a Feeder Fund, or revert back into a fund which directly invests in foreign financial instruments or securities, provided that such amendments do not alter the fund's position in the risk spectrum in any significant way. This shall be up to the discretion of the portfolio manager 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 before aforementioned amendments by placing a notice on the company website.

- **Investment strategy: Buy-and-Hold**

## Target investment in foreign fund with holdings likely to exceed 20% of NAV

### (1) Invesco Asian Bond Fixed Maturity Fund 2021 – I (Class C (USD))

**Investment objective:** The Fund aims to generate income throughout the investment period and return the initial investment capital upon maturity (for the avoidance of doubt, the Fund is not a guarantee or capital-protected product). The Fund seeks to achieve its investment objective by providing Unitholders with exposure to a buy-and-maintain portfolio of USD denominated fixed income instruments with active risk monitoring over a fixed investment period of 1 year from the close of the Initial Offer Period up to the Fund's Maturity Date.

**Investment policy:** The Fund will invest primarily (i.e. at least 70% of its Net Asset Value) in a portfolio of Asian fixed income instruments denominated in USD issued by issuers selected by the Manager at its discretion (such as governments, government agencies, supranational entities, corporations, financial institutions and banks), which may include issuers located in emerging as well as developed markets in Asia. For the purposes of the Fund, Asian countries include all countries in Asia excluding Japan but including Australia and New Zealand.

**Maturity:** Approximately 1 year

**ISIN Code:** HK0000606308

**More information on the foreign master fund is available here:**

[https://www.invesco.com.hk/retail/en\\_HK/funds/invesco-asian-bond-fixed-maturity-fund-2021--i?isinNumber=HK0000606308](https://www.invesco.com.hk/retail/en_HK/funds/invesco-asian-bond-fixed-maturity-fund-2021--i?isinNumber=HK0000606308)



## Who is this fund suitable for?

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Suitable for investors who can accept the risk of investing in foreign fixed-income instruments as well as foreign exchange risk. The investor should be prepared to hold the units until it matures (approximately 1 year). The investor fully understands the potential fluctuations in the value of the fund units but aim for prospects of achieving superior returns by mobilizing funds into such foreign fund.

### This fund is **not suitable** for

- Investors who require certainty of investment return or full protection of principal.
- Investors who need to redeem the units before the 1-year investment horizon.

### 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 Krung Thai Global Fixed Income 1Y2 may invest or hold FX derivatives for hedging purposes subjected to the portfolio manager's discretion given the prevailing investment climate. Some residual FX risk exposure may still be present which may cause the investor to suffer a loss from changes in the exchange rate or suffer a loss on the principal sum invested. Note that the use of hedging instruments incur costs, therefore affects the overall financial returns generated by the fund due to the additional cost burden.
- The fund may invest in derivatives for purposes other than hedging against risks and/or invest in structured notes. Due to leverage, the fund is riskier than general funds since it may incur higher capital gain or loss than general funds that simply invest directly in the underlying securities.
- The fund may invest and hold derivatives for efficient portfolio management purposes, hence contains higher risks than general funds. The fund is more suitable for investors seeking a higher return and can accept the higher risks. Only invest after you are already familiar with the characteristics of derivatives; carefully gauge whether the investment is suitable with your investment expertise, objectives and financial status.
- This fund's investments may overweight China. Investors are advised to assess one's own portfolio to ensure proper diversification.

### Risk Scale



# Key Investment Risks

## Credit Risk of Issuer

Rating of major investments in the portfolio, shown on international credit rating scale

Low				High	
	AAA	AA,A	BBB	Below BBB	Unrated

Note: Rating level is highlighted for portions where the foreign master fund has exposure in that rating level amounting to over 20% of NAV.

## Price Volatility

Average Duration of Investment

Low				High	
	Less than 3m	3m to 1 Yr	1 to 3 Yrs	3 to 5 Yrs	Over 5 Yrs

Standard Deviation (SD)

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

## Concentration Risks

Issuer Concentration Risk

Low				High	
	≤ 10%	10-20%	20-50%	50-80%	> 80%

Sector Concentration Risk

Low			High	
	≤ 20%	20-50%	50-80%	> 80%

Note: Information displayed above is only an approximation of the portfolio's characteristics; the fund may have a high banking sector concentration.

Country Concentration Risk

Low			High	
	≤ 20%	20-50%	50-80%	> 80%

Note: Information displayed above is only an approximation of the portfolio's characteristics; the fund have a high China concentration.

## Foreign Exchange Risk

FX Hedging

Low			High	
	Full / Almost Full	Partial	Discretionary	None

\* More information available at [www.ktam.co.th](http://www.ktam.co.th)



# Portfolio Breakdown

Portfolio breakdown of the foreign fund which will be weighted over 20% of NAV.

The Invesco Asian Bond Fixed Maturity Fund 2021 – I

Model portfolios

	Model Portfolio			
	HY	IG	Total	
Country breakdown	China	16.5%	41.3%	57.8%
	United Arab Emirates	0.0%	6.5%	6.5%
	United States	1.5%	4.0%	5.5%
	Korea, Republic of	0.0%	5.5%	5.5%
	Supranationals	0.0%	5.0%	5.0%
	India	0.0%	4.5%	4.5%
	Switzerland	0.0%	3.0%	3.0%
	Indonesia	0.0%	2.7%	2.7%
	Kuwait	0.0%	2.0%	2.0%
	Qatar	0.0%	1.5%	1.5%
	Hong Kong	0.0%	1.5%	1.5%
	Germany	0.0%	1.5%	1.5%
	Australia	0.0%	1.0%	1.0%
	Panama	0.0%	1.0%	1.0%
	Thailand	0.0%	1.0%	1.0%

Source: Bloomberg, Invesco, data as of 12 June 2020.

	Model Portfolio			
	HY	IG	Total	
Top 5 sector exposure	Real Estate	15.6%	8.1%	23.7%
	Financial	0.2%	23.0%	23.2%
	Consumer, Cyclical	1.7%	11.0%	12.7%
	Basic Materials		12.5%	12.5%
	Government		8.7%	8.7%

Note:.

Data as of 12 June 2020

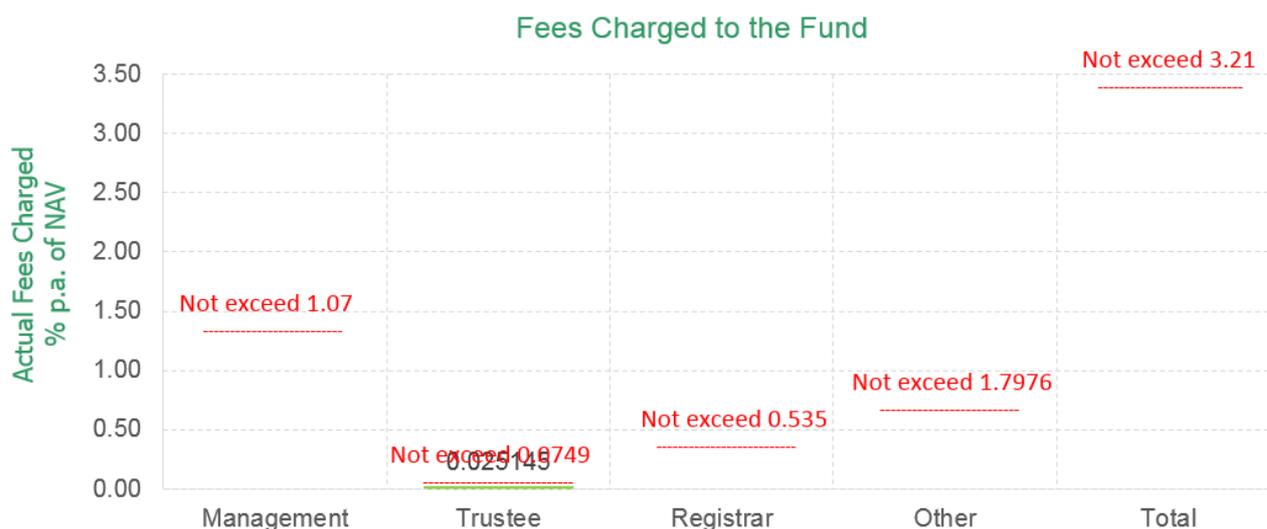
Updated information available at [www.invesco.com.hk](http://www.invesco.com.hk)



# Fees

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

## Fees charged to the fund (% p.a. of NAV)



### 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 <sup>(1)</sup>	1.00	Currently waived
Back end fee	None	None
Switch-in fee <sup>(1)</sup>	1.00	Currently waived
Switch-out fee	None	None
Transfer fee	As charged by Registrar	
Fee to Issue Certificate of Fund Ownership	As charged by Registrar	

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

<sup>(1)</sup> KTAM reserves the rights 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.



## Fund performance

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\* Past performance record does not guarantee future performance \*

**Performance benchmark:** No benchmark is applied. The fund uses a buy-and-hold investment strategy to obtain the intended yield therefore no comparison with a benchmark is necessary.

Performance measurement category at point of sale: Miscellaneous

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



## Other information

Dividend Policy	No dividends
Trustee	Siam Commercial Bank
Registration Date	According to SEC schedule
Maturity	<p>The fund scheme matures in approximately 1 year after date of registration, but not before 11 months or beyond 1 year 1 month.</p> <p>In cases where financial instruments and/or investment assets and/or master fund amends the redemption settlement period and/or maturity date, or cases where the Krung Thai Global Fixed income 1Y2 Fund is affected by a settlement problem related to the financial instruments and/or investment assets and/or master fund or by unforeseen circumstances or changes affect the fund's investments in that country (such as due to changes to local investment laws, regulatory agency's policy, exchange controls, capital controls, and/or reserve requirements), resulting in the fund having difficulty converting money back into Thai Baht. Such a case may prevent the fund from repatriating money back within the time period stated in the fund scheme and cause the fund's maturity to shift slightly later than the stated 1 year 1 month period. KTAM reserves the rights to place money into other securities or assets that the portfolio manager considers to be in the best interest of unitholders. KTAM will provide written notification to the SEC and unitholders promptly. KTAM will repatriate the invested amount back into the country immediately when possible.</p>
Purchase and Redemption	<p><u>Purchases:</u> <u>Initial Public Offer (IPO)</u> is during 13-16 July 2020. <u>On the first day of the IPO period, subscription is held from 10:00-15.30 hrs.;</u> on subsequent days of the IPO, subscription is from the beginning of office hours of KTAM or selling agents (if any) until 15.30 hrs.</p> <p>Min initial purchase: 1,000 Baht</p> <p>KTAM does not permit any more subscriptions/purchases after the IPO period.</p> <p><u>Redemptions:</u> KTAM will auto-redeem the balance of all remaining units for each unitholder in this fund by automatically switching all units into the Krung Thai SS Fund (destination fund) one business day before the fund's maturity.</p>

Unitholder will receive new units of the Krung Thai SS Fund (destination fund) within 5 working days on the day after NAV and prices are determined. This does not yet include foreign business holidays of business operators engaged in asset management. Unitholders may proceed to further redeem or switch to other funds, according to terms and conditions stated in the prospectus of the Krung Thai SS Fund or any other money market fund that KTAM has arranged. KTAM will not charge any fees for this purpose. KTAM reserves the right to select a different money-market fund as the destination fund in the future at the discretion of KTAM but will notify unitholders promptly of the change by posting a notice at the offices of KTAM and all contact points of selling agents (if any) and/or KTAM website.

- 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 business operators who are similar to investment management companies.

Daily NAV information available at [www.ktam.co.th](http://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 : <a href="http://www.ktam.co.th">www.ktam.co.th</a> Email : <a href="mailto:callcenter@ktam.co.th">callcenter@ktam.co.th</a>	
Conflict of Interests	Business activities or transactions which may result in a conflict of interests are disclosed on the website : <a href="http://www.ktam.co.th">www.ktam.co.th</a>	

- 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 7 July 2020 and confirm that the information is accurate, truthful, and not misleading.

*“Important Notice: This document has been translated from Thai. If there is any inconsistency or ambiguity between the English version and the Thai version, the Thai version shall prevail.”*

## Glossary

**High Yield Risk** exposure stems from 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.

**Risk of payment default or Credit Risk** can be gauged from the credit ratings of debt instruments invested which assesses the 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 <u>lowest risk</u> of default on debt obligations
	AA	AA(thai)	Aa	AA	Next highest rating denotes <u>very low</u> risk of default on debt obligations
	A	A(thai)	A	A	<u>Low risk</u> of default on debt obligations
	BBB	BBB(thai)	Baa	BBB	<u>Moderate risk</u> of default on debt obligations
Non-investment grade	Below BBB	Below BBB(thai)	Below BBB	Below BBB	<u>High risk</u> of default on debt obligations

**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.

**Regulatory and 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.

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

**Business Risk** refers to uncertainty arising from the financial status or business performance of the issuer which could cause the share price of the company to rise or fall.

**Price volatility or Market Risk** for fixed income funds stem from changes in the interest rate resulting from factors such as the economic and investment climate, political situation (either domestic or foreign), etc. Prices of debt instruments will shift in the opposite direction as the change in interest rates. For example, if money market rates have a tendency to rise, the yield of new issues in the market will rise as well and the prices of debt securities already in circulation will be traded at lower prices. A fund with a long average portfolio duration will be more sensitive to interest rate changes than a fund with a shorter portfolio duration.

**Forward contracts for hedging** can be more volatile than the underlying securities themselves. By investing in derivatives, the value of the fund's asset value will have greater price volatility compared to actual holdings in the underlying securities.

**Counterparty Risk.** A counterparty's ability to meet fx hedging contracts made can be compromised if the counterparty encounters financial difficulties and becomes unable to honor the agreed terms.

**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.

**Risk of investing in derivatives** for efficient portfolio management or achievement of target objectives create risk exposure that is different or greater than the risk of investing in ordinary securities.

- There is discrepancy between the return produced by the derivatives in comparison to the underlying securities or index.
- To use derivatives, the fund may need to pay an initial margin and submit additional collateral with only brief prior notice when market conditions change unfavorably to the derivative. Failure to submit the required collateral in time will force the fund to unwind the derivatives contract and possibly incur a loss.

#### **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.

**Structured Note Risk** can be involved as the fund may invest in structured notes as this is permitted by SEC guidelines and notifications. As structured notes generate returns based on the underlying, the underlying and its characteristics must not conflict with the objectives and policy of the fund.