

Investment Policy Factsheet

Ayudhya Master Fund Registered Provident Fund



A member of  MUFG, a global financial group

Krungsri Asset Management Co., Ltd.
which certified by CAC*

(*CAC is Thailand's Private Sector Collective Action Coalition Against Corruption of the Thai Institute of Directors Association.)

Krungsri Government Bond RMF Policy

(PDM_GOVRMF)

Fixed income fund

Fund investing onshore, no foreign investment related risks



Why Is it Necessary to Select Investment Policies?



Who is the investment policy suitable for?



Asset Allocation



Performance



Investment Risks



Fees



Fund information

Krungsri Asset Management Co.,Ltd.

1st-2nd Zone A, 12th, 18th Zone B Floor Ploenchit Tower
898 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Thailand

Tel. 0 2657 5757 Fax. 0 2657 5777

website : www.krungsriasset.com



Why Is it Necessary to Select Investment Policies?

As provident fund members have different expectations regarding financial returns and different tolerance levels when it comes to risks, one should be able to select investment policies that fit one's needs and be able to modify as necessary to suit one's stage in life. This would allow the provident fund investment to grow sufficiently to financially support retirement. As example, a young provident member would have a relatively long investment horizon, offering greater resilience to securities price fluctuations and the capacity to explore investment in equities to seek higher prospective returns than fixed income investments. On the other hand, an older provident fund member would have a short investment horizon, thus principal protection is of primary importance. This provident fund member should have the ability to direct investments into fixed income securities where market risks are low thereby preventing impairment of one's savings needed to financially support retirement.



Who is the investment policy suitable for?

- Members seeking better returns than cash deposits, but acknowledges that returns may underperform equities with the risk of not generating sufficient savings to financially support retirement.

Investment policy is not suitable for?

Members seeking high investment returns



For further clarification on this investment policy and potential risks, what should you do?

- If you have further questions, please contact your fund committee.
- For further information, please visit www.thaipvd.com
- For further information, please clontact Provident Fund Department, Krungsri Asset Management Co., Ltd.



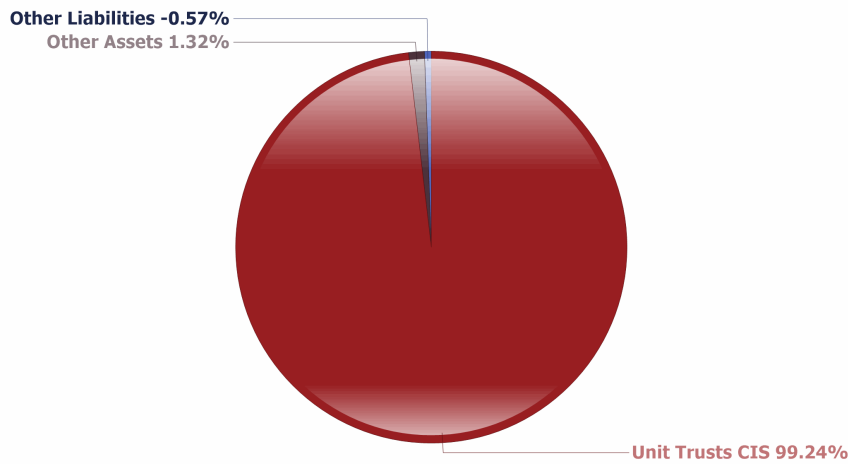
Asset Allocation

Investment policy

- The fund invests in local debt instruments issued by government sector at least 50% of fund assets in average of fund's accounting year period.
- The remaining shall invest in debt instruments of private sector, financial institutions or bank deposits.
- The fund may invest into future contracts to hedge against currency risk.

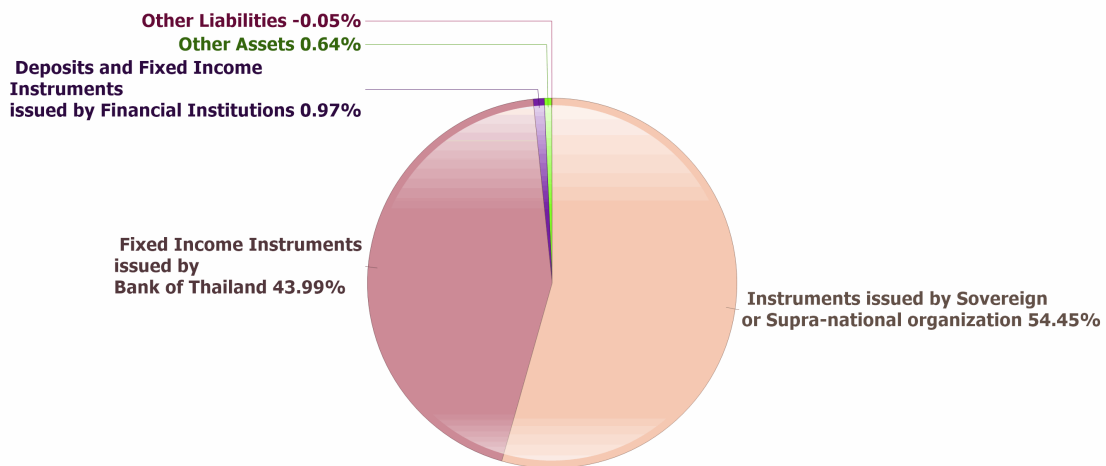
Asset allocation

Portfolio Breakdown (% of NAV)



Asset allocation of KFGOVRMF

Sector Breakdown (% of NAV)



"Portfolio Duration is 1.66"

Top Five Holdings (% of NAV)

| Name | Credit Rating | % of NAV |
|------------------|---------------|----------|
| BOT63/1/3Y | - | 11.64 |
| BOT63/3/2Y | - | 8.58 |
| TLOAN61/12/5.34Y | - | 8.49 |
| TLOAN64/1/3.67Y | - | 7.60 |
| BOT62/2/3Y | - | 7.44 |

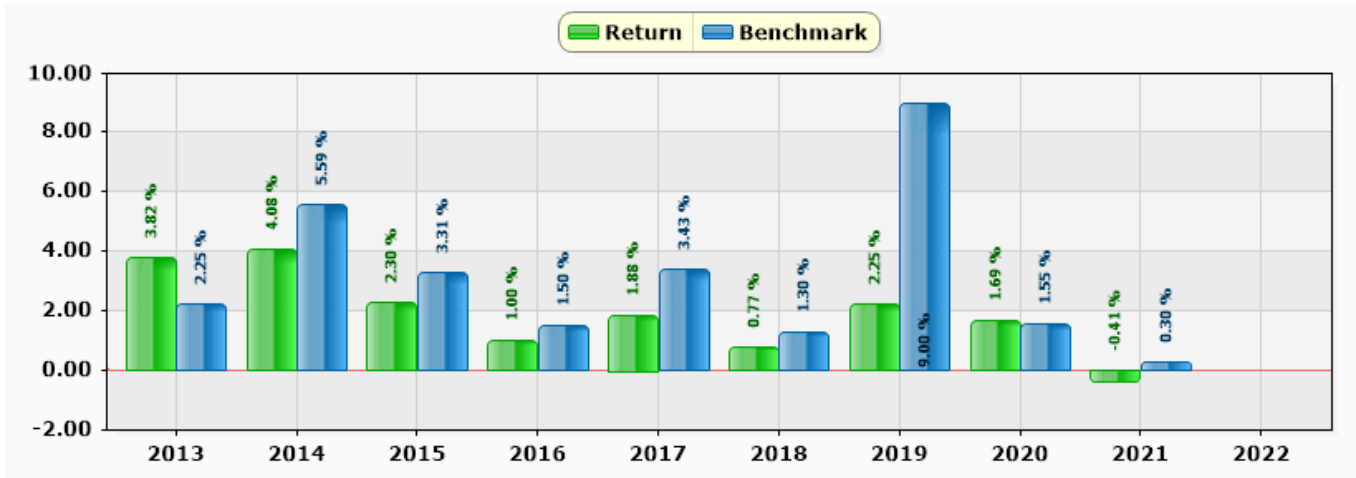
Note: For more details on the Krungsri Government Bond RMF fund, please visit www.krungsriasset.com



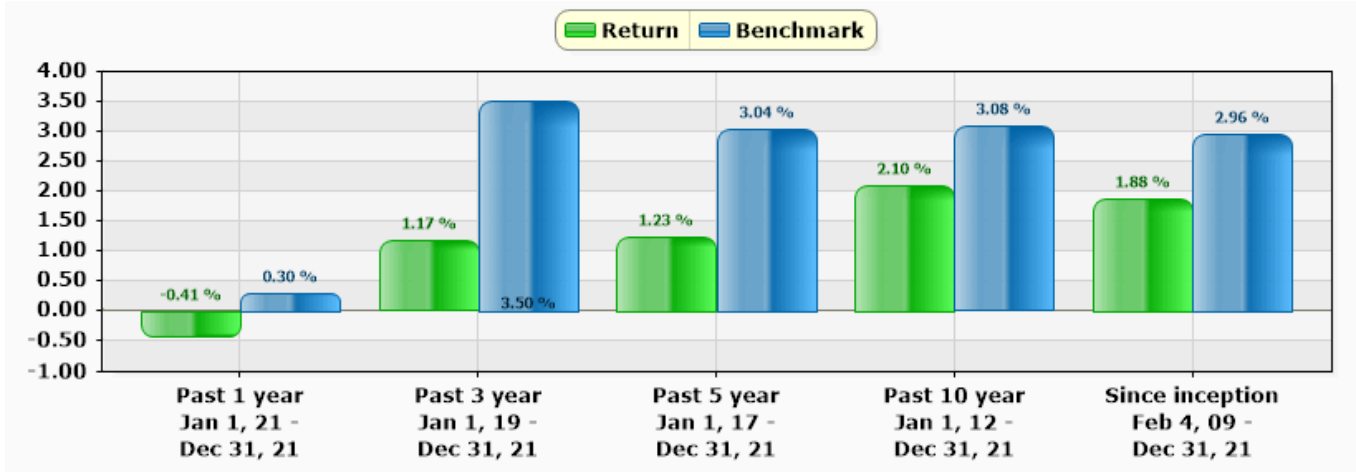
Performance

* historical performance does not guarantee future

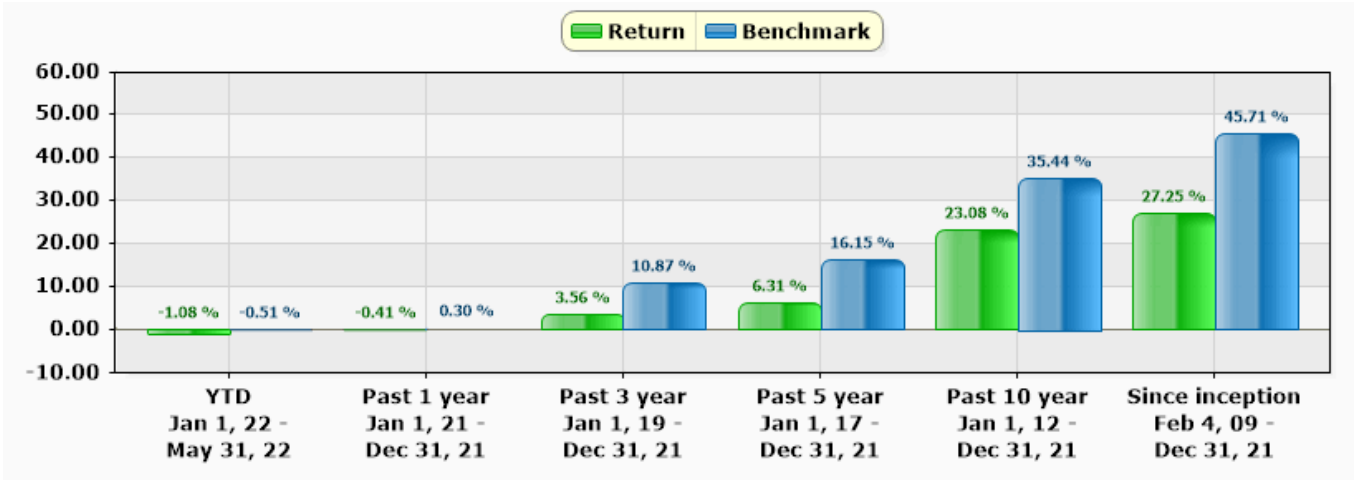
Calendar year performance Return



Annualized Return (p.a.)



Cumulative Return



Remark :

1. Performance measurement benchmark for period to gauge performance of fund manager is [(1) Average interest rate for one-year fixed deposits with the amount less than 5 million Baht of 3 major banks, namely, Bangkok Bank, Kasikorn Bank and Siam Commercial Bank: 50.00% (2) ThaiBMA Government Bond Index with a 1-3 year tenor: 50.00% *The new benchmark which reflect the taxation of investment in debt securities (Net TRN Index) is effective from 31 October 2019 onwards.]

2. Standard deviation of the fund performance : 0.27% p.a.

*SD is calculated from the last 3 years or since launch for the fund launched within that period

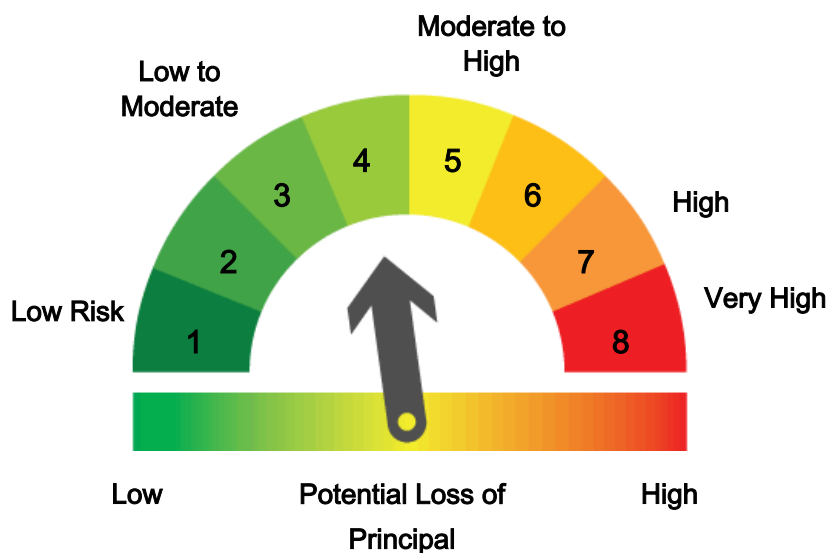
3. Tracking error : N/A% p.a.



Investment Risks

Investment returns have low volatility. Risk of loss to principal is minimal. Returns tend to be low, therefore the invested amount may not appreciate sufficiently to financially support retirement.

Risk Spectrum of the Fund



Note: For more details on the Krungsri Government Bond RMF fund, please visit www.krungsriasset.com



Fees

| Fees charged to the provident fund | |
|------------------------------------|------------------------------|
| Management Fee (% p.a. of NAV) | As specified in the contract |
| Total Fee(% p.a. of NAV) | As specified in the contract |

Note: Fees shown above do not yet include value added tax, special business tax or other relevant taxes.

| Fees charge at the mutual fund level | |
|--------------------------------------|---------|
| Management Fee (% p.a. of NAV) | 0.3210% |
| Total Fee (% p.a. of NAV) | 0.4531% |

Note: Fees shown above do not yet include value added tax, special business tax or other relevant taxes.

| Fee charged to provident fund member | |
|--------------------------------------|---------------------|
| E-Provident Fee | None |
| Maintaining Fee | 500 Baht / Year |
| Requesting Periodical Fee | |
| - First Period Fee | 500 Baht |
| - Each Period Fee | 100 Baht / Interval |
| Investment Plan Changing Fee | None |

Note: Fees shown above already include value added tax, special business tax or other relevant taxes.



Fund information

Contact for advice on selecting/modifying investment plans.

Provident Fund Department
E-mail: krungsriasset.provident@krungsri.com
Tel. 0-2657-5757 press 4
Monday - Friday Time 8.30 a.m. – 17.30 p.m.
(Except public holidays)

How to get more information about changing investment policies

Member can change their investment plan via 2 channels as follows:

- 1 www.krungsriasset.com >> EM@ccess online
- 2 @ccess Mobile Application



Download and Register

For more information, please go to www.krungsriasset.com select the heading > Fund Transaction > EM@ccess Provident Fund > Download & register

Date and time for changing investment policy

It is determined by your fund committee.

1. In the case of daily transactions: transactions can be made within 12.00 p.m. of every business day.
2. In the case of a specified period: transactions can make within 12.00 a.m. of the last day of the specified period.

Contact for advice about your savings upon resigning from job

1. Arrange to retain account balance in the provident fund
2. Arrange to receive payouts as annuities
3. Arrange to transfer fund account to a RMF for PVD fund
4. Mutual funds

Detailed Explanation

| Topic | Disclosure | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------|---|----------------------------|--|-----------|---|-----|-------------|------------------|-----|---------|-----|-----|--|-------------------|-----------|-----------|-----------|---|---|-------|---|---|---|-----|---------|------|-----|--|------------------------|-----------|---------------|-----------|-----------|--|
| Credit Risk | <p>Credit Risk is expressed in terms of credit rating which indicates the likelihood of counterparty's meeting its obligations, and assessed using the historical performance, and financial position of the issuer. Long-term bonds may be assigned one of the following credit ratings.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #D3D3D3;"> <th>Grade</th> <th>TRIS</th> <th>Fitch</th> <th>Moody's</th> <th>S&P</th> <th>Explanation</th> </tr> </thead> <tbody> <tr> <td rowspan="4" style="text-align: center; vertical-align: middle;">Investment Grade</td> <td style="text-align: center;">AAA</td> <td style="text-align: center;">AAA(th)</td> <td style="text-align: center;">Aaa</td> <td style="text-align: center;">AAA</td> <td>Highest rating with <u>lowest risk</u> of the issuer's default</td> </tr> <tr> <td style="text-align: center;">AA</td> <td style="text-align: center;">AA(th)</td> <td style="text-align: center;">Aa</td> <td style="text-align: center;">AA</td> <td>Second highest rating with <u>very low risk</u> of the issuer's default</td> </tr> <tr> <td style="text-align: center;">A</td> <td style="text-align: center;">A(th)</td> <td style="text-align: center;">A</td> <td style="text-align: center;">A</td> <td><u>Low risk</u> of the issuer's default</td> </tr> <tr> <td style="text-align: center;">BBB</td> <td style="text-align: center;">BBB(th)</td> <td style="text-align: center;">Baa</td> <td style="text-align: center;">BBB</td> <td><u>Moderate risk</u> of the issuer's default</td> </tr> <tr> <td style="text-align: center; vertical-align: middle;">Below Investment Grade</td> <td style="text-align: center;">Below BBB</td> <td style="text-align: center;">Below BBB(th)</td> <td style="text-align: center;">Below Baa</td> <td style="text-align: center;">Below BBB</td> <td><u>High risk</u> of the issuer's default</td> </tr> </tbody> </table> | Grade | TRIS | Fitch | Moody's | S&P | Explanation | Investment Grade | AAA | AAA(th) | Aaa | AAA | Highest rating with <u>lowest risk</u> of the issuer's default | AA | AA(th) | Aa | AA | Second highest rating with <u>very low risk</u> of the issuer's default | A | A(th) | A | A | <u>Low risk</u> of the issuer's default | BBB | BBB(th) | Baa | BBB | <u>Moderate risk</u> of the issuer's default | Below Investment Grade | Below BBB | Below BBB(th) | Below Baa | Below BBB | <u>High risk</u> of the issuer's default |
| Grade | TRIS | Fitch | Moody's | S&P | Explanation | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment Grade | AAA | AAA(th) | Aaa | AAA | Highest rating with <u>lowest risk</u> of the issuer's default | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | AA | AA(th) | Aa | AA | Second highest rating with <u>very low risk</u> of the issuer's default | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | A | A(th) | A | A | <u>Low risk</u> of the issuer's default | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | BBB | BBB(th) | Baa | BBB | <u>Moderate risk</u> of the issuer's default | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Below Investment Grade | Below BBB | Below BBB(th) | Below Baa | Below BBB | <u>High risk</u> of the issuer's default | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Market Risk | <p>Market risk is the risk relating to fluctuation in value of securities, the loss of which is due to the factors that affect an entire market or asset class. Market risk has different effect on different type of funds as follows:</p> <p>Fixed-income fund is generally exposed to the market risk upon changes in interest rates which depend on external factors such as economic conditions, investment climate, and political factors in the issuer's country or other country. Fixed-income instrument prices and interest rates move in opposite directions. For example, if the interest rate in the money market is likely to increase, prices of newly issued instruments will be high and therefore instruments that have been issued previously will be traded at lower prices. Mutual funds of long portfolio duration have higher chance of experiencing market risk than mutual funds of shorter portfolio duration</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td rowspan="3" style="width: 30%; text-align: center; vertical-align: middle;">Average portfolio duration</td> <td colspan="5" style="text-align: center;">The market risk is assessed based on the portfolio duration.</td> </tr> <tr> <td colspan="2" style="text-align: center;">Low</td> <td colspan="3" style="text-align: center;">High</td> </tr> <tr> <td style="text-align: center;">< 3 months</td> <td style="text-align: center;">3 months – 1 year</td> <td style="text-align: center;">1-3 years</td> <td style="text-align: center;">3-5 years</td> <td style="text-align: center;">> 5 years</td> </tr> </table> <p>Equity Fund is generally exposed to the market risk when the value of the securities in which the fund deviates (increase or decrease) as a result of external factors such as economic conditions, investment climate, political factors in the issuer's country or other country. The market risk is expressed in terms of standard deviation (SD) – the higher the SD, the higher the market risk (due to changes in securities prices).</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td rowspan="3" style="width: 30%; text-align: center; vertical-align: middle;">Standard Deviation</td> <td colspan="5" style="text-align: center;">The market risk is assessed based on the annual standard deviation of the fund performance.</td> </tr> <tr> <td colspan="2" style="text-align: center;">Low</td> <td colspan="3" style="text-align: center;">High</td> </tr> <tr> <td style="text-align: center;">< 5%</td> <td style="text-align: center;">5 – 10%</td> <td style="text-align: center;">10 – 25%</td> <td style="text-align: center;">15 – 25%</td> <td style="text-align: center;">> 25%</td> </tr> </table> | Average portfolio duration | The market risk is assessed based on the portfolio duration. | | | | | Low | | High | | | < 3 months | 3 months – 1 year | 1-3 years | 3-5 years | > 5 years | Standard Deviation | The market risk is assessed based on the annual standard deviation of the fund performance. | | | | | Low | | High | | | < 5% | 5 – 10% | 10 – 25% | 15 – 25% | > 25% | |
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| Topic | Disclosure | | | | | | | | | | | | | | |
|---------------------------------------|---|----------------|---|------------|--|--|-----|--|--|------|--|-----------------------------|-----------|---------------|------------|
| | <p>- The market risk of domestic equities can be determined from the type of stocks in which the fund invests.</p> <table border="1" data-bbox="359 226 1476 416"> <tr> <td data-bbox="359 226 619 416" rowspan="2">Type of stocks</td> <td colspan="4" data-bbox="619 226 1476 322">Domestic equities – The market risk can be determined from the type of stocks in which the fund invests (approximately 80% of NAV).</td> </tr> <tr> <td data-bbox="619 322 831 365">Low</td> <td colspan="2" data-bbox="831 322 1241 365"></td> <td data-bbox="1241 322 1476 365">High</td> </tr> <tr> <td data-bbox="359 365 619 416"></td> <td data-bbox="619 365 831 416">General</td> <td data-bbox="831 365 1035 416">Large Cap</td> <td data-bbox="1035 365 1241 416">Mid/small</td> <td data-bbox="1241 365 1476 416">Sector</td> </tr> </table> | Type of stocks | Domestic equities – The market risk can be determined from the type of stocks in which the fund invests (approximately 80% of NAV). | | | | Low | | | High | | General | Large Cap | Mid/small | Sector |
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| | Low | | | High | | | | | | | | | | | |
| | General | Large Cap | Mid/small | Sector | | | | | | | | | | | |
| <p>High Concentration Risk</p> | <p>High Issuer Concentration Risk This risk comes from investing more than 10% of the fund's NAV in one issuer, party, or other person who has obligations under the instruments or the contracts. Concentration risk does not include investment in the following assets:</p> <ul style="list-style-type: none"> • Thai government bonds; • Investment-grade foreign government bonds; and • Investment-grade deposits or cash-equivalent instruments of a depository or an issuer. <p>High Sector Concentration risk This risk comes from the Fund investing in a single or further sector more than 20% of the total NAV. In the criteria which's not include investment in Thai or foreign government bonds or cash-equivalents of a depository.</p> <p>High Country Concentration risk This risk comes from the Fund investing in a single or further country more than 20% of the total NAV.</p> | | | | | | | | | | | | | | |
| <p>Currency Risk</p> | <p>Currency Risk is the possibility that changes in exchange rate will affect the value of investment units. For example, if a mutual fund invests in securities denominated in US Dollar during Thai Baht depreciation and the units are subsequently sold when Thai Baht appreciates, the mutual fund will receive lower return in Thai Baht. On the other hand, if the same fund invests in securities denominated in US Dollar during Thai Baht appreciation and the units are subsequently sold when Thai Baht depreciates, the mutual fund will receive higher return in Thai Baht. Therefore, currency hedging techniques as follows are key tools to manage such risk.</p> <table border="1" data-bbox="359 1435 1476 1568"> <tr> <td data-bbox="359 1435 558 1568" rowspan="2">FX hedging</td> <td colspan="4" data-bbox="558 1435 1476 1478">Currency risk is assessed based on the exchange rate hedging policy of the fund.</td> </tr> <tr> <td data-bbox="558 1478 933 1520">Low</td> <td colspan="2" data-bbox="933 1478 1284 1520"></td> <td data-bbox="1284 1478 1476 1520">High</td> </tr> <tr> <td data-bbox="359 1520 558 1568"></td> <td data-bbox="558 1520 933 1568">Fully / Almost fully hedged</td> <td data-bbox="933 1520 1082 1568">Partially</td> <td data-bbox="1082 1520 1284 1568">At discretion</td> <td data-bbox="1284 1520 1476 1568">No hedging</td> </tr> </table> <ul style="list-style-type: none"> • Fully / Almost fully hedged: Investors have no exposure to currency risk. • Partially-hedged with fixed ratio: Investors may be exposed to certain level of currency risk. • Hedging at discretion of the fund manager: Investors may be exposed to currency risk because it is the discretion of the fund manager whether to use a currency hedging technique. • No hedging: Investors are exposed to currency risk. | FX hedging | Currency risk is assessed based on the exchange rate hedging policy of the fund. | | | | Low | | | High | | Fully / Almost fully hedged | Partially | At discretion | No hedging |
| FX hedging | Currency risk is assessed based on the exchange rate hedging policy of the fund. | | | | | | | | | | | | | | |
| | Low | | | High | | | | | | | | | | | |
| | Fully / Almost fully hedged | Partially | At discretion | No hedging | | | | | | | | | | | |
| <p>Standard Deviation</p> | <p>Standard Deviation (SD) of Fund measures the volatility the fund's returns, using the calculation as prescribed by Association of Investment Management Companies re: Standard for Measurement and Presentation of Performance of the Mutual Funds. SD expresses the historical performance in annual percentage for the five years preceding the reporting date.</p> | | | | | | | | | | | | | | |

| Topic | Disclosure |
|----------------|---|
| Tracking Error | <p>Tracking Error (TE) is the difference between a mutual fund portfolio's returns and the benchmark index it was designed to copy. This indicates how well the mutual fund is performing against the benchmark index and shows how much the mutual fund deviates from the benchmark index. For example, if the mutual has a low TE, this means the fund has slightly deviated from the benchmark index and therefore the fund is efficient in copying the benchmark index. On the other hand, if the mutual has a high TE, this means the fund has substantially deviated from the benchmark index and therefore it is unlikely that the fund will achieve return at similar rate to the benchmark index.</p> <p>TE is used for tracking error of passive funds/ index tracking such as index fund or ETF.</p> |