

**High Risk or Complex Fund**

Fund ID: G56

IPO: November 6 – 12, 2019

Data as of October 25, 2019

## Fund Fact Sheet



KASIKORN ASSET MANAGEMENT CO., LTD.

Certified by Thailand's Private Sector Collective

Action Coalition Against Corruption: CAC

**K Complex Return 1 Year B Fund**

**KCR1YB**

**Mixed Fund**

**With no investment limit in Fixed income and options**

**FIF (Foreign Investment Fund)**

**Investors cannot redeem this fund before 1 year. If there are any factors negatively affect the investment of this fund, investors may suffer substantial losses.**



**What are you going to invest in?**



**Who is this fund suitable for?**



**What are the key risks of the Fund?**



**Asset Allocation**



**Fees and Expenses**



**Fund Performance**



**Other Information**

**Investment in mutual fund is not money deposit.**

Disclaimer: The original language of this document is Thai. In case of any discrepancies, the Thai version shall prevail and supersede the English-translated version in all aspects.



## What are you going to invest?

### ■ Investment Policy

The Fund mainly invest approximately 98.5% of NAV in local and/or foreign investment grade fixed income and/or deposit with an aim to grow to 100% of initial investment at maturity. The fund will be fully hedged for foreign exchange risk. However, the Fund may invest in non-investment grade fixed income only in case when such instrument is rated in investment grade while it is invested by the Fund.

The Fund will invest approximately 1.5% of NAV in derivatives (Options) which payoff depends on SET50 Index level (underlying index level).

The Fund will invest in foreign fixed income and/or deposit not less than 80% of NAV.

The Fund may invest in derivative for efficient portfolio management purpose.

### ■ Strategy for the Fund's Management

Buy-and-hold Fund

### **Investment Details**

**Part 1:** The Fund mainly invest approximately 98.5% of NAV in local and/or foreign investment grade fixed income and/or deposit with an aim to grow to 100% of initial investment at maturity.

#### **Tentative portfolio of fixed income and/or deposits**

<b>Securities</b>	<b>Issuer Credit Ratings</b>	<b>Investment Proportion</b>
Deposit at Bank of China, People's Republic of China	A1 /Moody's	19.00%
Deposit at Agricultural Bank of China, People's Republic of China	A1 /Moody's	19.00%
Deposit at Al Khalij Commercial Bank, Qatar	A3/Moody's	19.00%
Deposit at Commercial Bank of Qatar, Qatar	A3/Moody's	19.00%
Deposit at China Construction Bank Corporation, People's Republic of China	A1 /Moody's	13.50%
Certificate of Deposit at Bank of Communications, People's Republic of China	A2/Moody's	9.00%
<b>Total</b>		<b>98.50%</b>

\* The Management Company may use discretion to change securities or investment proportion when it is under necessary and appropriate situation in order to protect investor's benefits. Such changes shall not significantly increase the risk level of invested securities. The Management Company may consider to invest in other securities instead and/or make additional investment from securities as indicated above which are under investment universe of the Management Company and estimated return may be subjected to change. In case of such changes, the investor might not receive expected return as indicated above.

\*\* Credit rating agency shown above is only one of credit rating agencies which the Management Company uses for investment consideration.

**Part 2:** The Fund will invest approximately 1.5% of NAV in Option which payoff depends on SET50 Index level (underlying index level). The notional amount of option will be approximately 100% of registered fund size.

#### **Details of Option**

<b>Underlying Index</b>	SET50 Index
<b>Currency</b>	THB
<b>Tenor</b>	1 Year
<b>Participation Rate: PR</b>	45%
<b>Rebate Rate</b>	2%

### **Details of Option**

<b>Payment Conditions</b>	<p>In case of the following extraordinary events, the calculation agent will calculate market price of option base on that event and the fund reserves the right to adjust payoff conditions.</p> <ol style="list-style-type: none"> <li>1) Underlying index is cancelled.</li> <li>2) Underlying index calculation methodology is changed.</li> <li>3) Index provider cannot calculate or declare the official underlying index level.</li> <li>4) There are any changes in law or regulation that affect the underlying index or options.</li> <li>5) Option issuer has a significantly increase in hedging cost of the transaction (new or increasing taxes, duties, expenses or fees).</li> <li>6) Option issuer is unable, after using commercially reasonable efforts, to             <ol style="list-style-type: none"> <li>(a) Acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transactions or assets it deems necessary to hedge the price risk according to conditions and obligations of options.</li> <li>(b) Realize, recover or remit the proceeds of any transactions or assets.</li> </ol> </li> </ol>
<b>Option Issuer</b>	Phatra Securities PCL and/or other local and/or foreign issuers with credit rating not less than A- as the Management company's discretion.

Remarks: Participation Rate of underlying index may be changed. Due to market conditions or fund manager's discretion but it will be not less than 45% and the Management company reserves the right to change the option issuer. The Management company will notify the unitholders within 15 days after the registration date.

### **Past Performance of SET50 Index as of September 2019**

	<b>Cumulative Return</b>				<b>Annualised Return</b>			
	<b>YTD</b>	<b>1 month</b>	<b>3 months</b>	<b>6 months</b>	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
<b>SET50 Index</b>	4.34%	-0.56%	-5.26%	-0.06%	-5.91%	4.90%	0.62%	7.86%

Remarks: (1) Data from Monthly Report of SET50 Index as of September 2019. (Prepared by The Stock Exchange of Thailand)  
(2) Past performance is not an indicator of future trends.

### Payoff Conditions of Option

**Issue date** is the starting date to invest in options.

**Valuation date** is expiration date of option contracts and is the last day to consider closing index level. If such date is not a Scheduled Trading Day, it will be changed to the following scheduled trading day.

- Underlying index is SET50 Index in THB.
- Change of underlying index = (underlying index level on any trading or valuation date / underlying index level on issue date) – 1
- Participation Rate: 45%
- Rebate Rate: 2% when the underlying index changes more than 12% from issue date.
- The notional amount of options is approximately 100% of fund size raised during IPO period.

### Principal and Return Payout Conditions at maturity

	<b>Conditions</b>	<b>Principal and Return Payout at maturity</b>
<b>Case 1</b>	Change of underlying index on any business day (before valuation date) is <b>more than</b> 12% of underlying index level on issue date	Principal 100% + rebate rate 2%
<b>Case 2</b>	Change of underlying index on valuation date is <b>more than</b> 12% of underlying index level on issue date	Principal 100% + rebate rate 2%
<b>Case 3</b>	Change of underlying index on valuation date is <b>more than</b> 0% <b>but not more than</b> 12% of underlying index level on issue date	Principal 100% + Option payoff (Option payoff = PR x Change of underlying index x Principal)
<b>Case 4</b>	Change of underlying index on valuation date is <b>less than or equal to</b> 0% of underlying index level on issue date	Principal 100% (No return from option)

\* Change of underlying index is calculated from the official closing level of the Index for such day.

\* Options contract period is issue date to valuation date.

### Example of Return Calculation

#### Example of principal and return payout

**Hypothesis:** – Investment of 1,000,000 Baht is divided into 2 parts

- Part 1: Approximately 985,000 Baht will be invested in local and/or foreign investment grade fixed income and/or deposit with an aim to grow to 1,000,000 Baht at maturity.
- Part 2: Approximately 15,000 Baht will be invested in derivatives (Options) which payoff depends on SET50 Index level (underlying index level).

Securities	Investment Proportion	Return Payout at maturity (approximately 1 year)	Principal and return payout as expected (% p.a.)
<b>Part 1</b> : Local and/or foreign fixed income and/or deposit	98.5%	approximately 1.75%	100.22%
<b>Less</b> Estimated Fund Expenses*			0.22%
Principal and return payout in part 1 after deducting the estimated fund expenses			100.00%
<b>Part 2</b> : Options	1.5%	Example of payoff calculation as the table below	

\* Estimated Fund Expenses (including management fee) may be subjected to change that it will not exceed the maximum rate stated in the prospectus.

\*\* The Fund may not receive principal and return as expected if the issuers or banks have payment default.

- Participation Rate (PR): 45%
- Rebate Rate: 2%
- Index level of SET50 Index are as follows;

	Index level of SET50 Index on issue date	Highest Index level of SET50 Index during option contract period	Index level of SET50 Index on the valuation date
<b>Case 1</b>	1,000	> 1,120 (Change <b>more than</b> 12% of SET50 Index level on issue date)	Not consider
<b>Case 2</b>	1,000	≤ 1,120 (Change <b>not more than</b> 12% of SET50 Index level on issue date)	1,200 (Change 20% of SET50 Index level on issue date)
<b>Case 3</b>	1,000	≤ 1,120 (Change <b>not more than</b> 12% of SET50 Index level on issue date)	1,100 (Change 10% of SET50 Index level on issue date)
<b>Case 4</b>	1,000	≤ 1,120 (Change <b>not more than</b> 12% of SET50 Index level on issue date)	900 (Change -10% of SET50 Index level on issue date)

### Examples of Principal and Return Payout

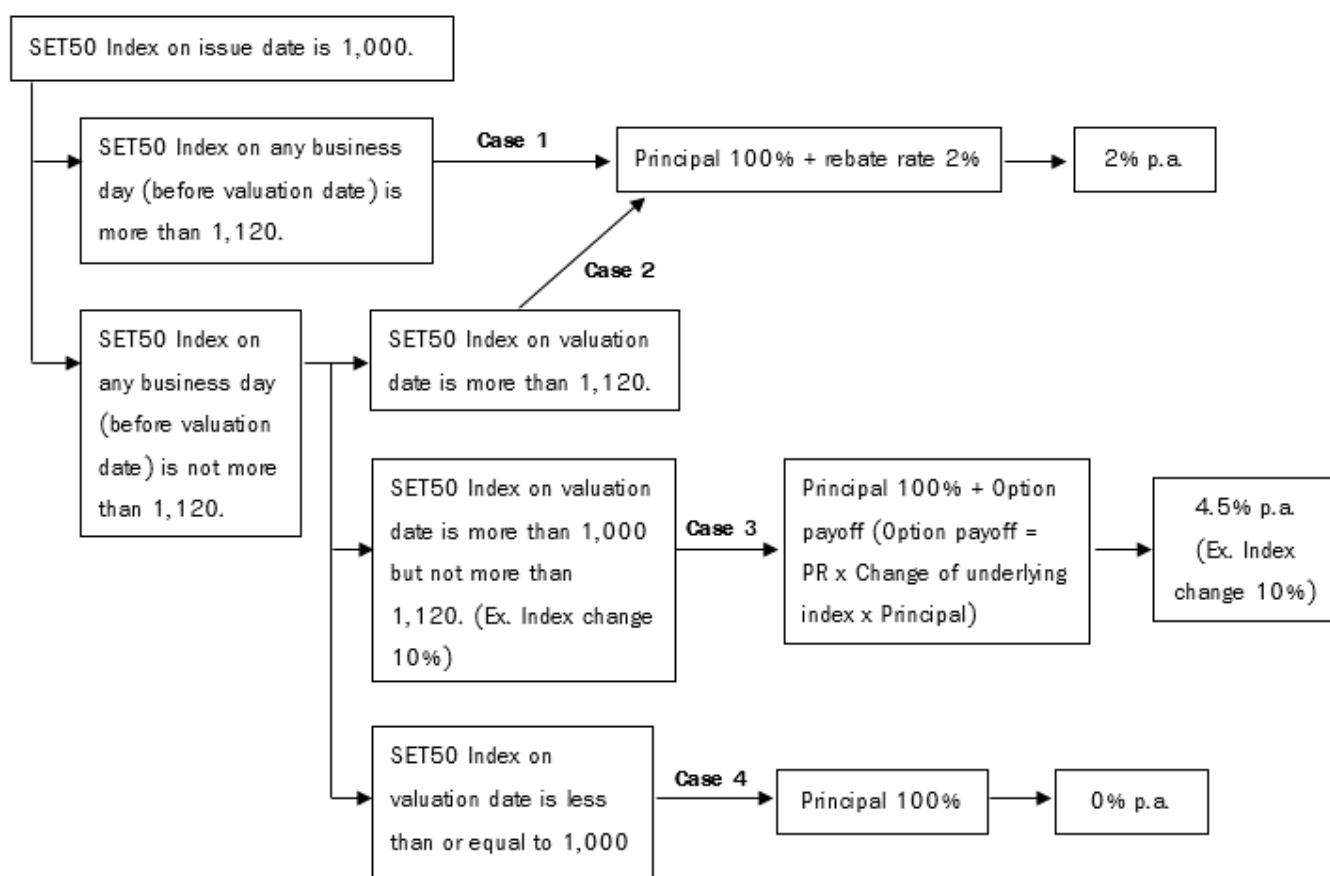
	<b>Conditions</b>	<b>Principal (1)</b>	<b>Return payout from options (2)</b>	<b>Principal and Return Payout at maturity * (1)+(2)</b>
<b>Case 1</b>	Change of underlying index on any business day is <b>more than</b> 12% of underlying index level on issue date	1,000,000 Baht	$2\% \times 1,000,000 =$ 20,000 Baht	1,020,000 Baht (or 2% p.a.)
<b>Case 2</b>	Change of underlying index on valuation date is <b>more than</b> 12% of underlying index level on issue date	1,000,000 Baht	$2\% \times 1,000,000 =$ 20,000 Baht	1,020,000 Baht (or 2% p.a.)
<b>Case 3</b>	Change of underlying index on valuation date is <b>more than 0% but not more than</b> 12% of underlying index level on issue date (Ex. Index changes 10%)	1,000,000 Baht	$45\% \times$ $([1,100/1,000] - 1)$ $\times 1,000,000 =$ 45,000 Baht	1,045,000 Baht (or 4.5% p.a.) (Ex. Index changes 10%)
<b>Case 4</b>	Change of underlying index on valuation date is <b>less than or equal to</b> 0% of underlying index level on issue date	1,000,000 Baht	No return from option	1,000,000 Baht (or 0% p.a.)

Remarks:

\* Return after expenses.

\*\* The amount of principal and return is for example only. It does not guarantee that the unitholders will receive the money as shown.

### Examples of Principal and Return payout diagram



\* Under the assumption that local and/or foreign fixed income and/or deposit do not default.

### Important information of SET50 Index

SET50 Index is a stock price index prepared by The Stock Exchange of Thailand (SET). The index is calculated from the stock prices of the top 50 listed companies on SET in terms of large market capitalization, high liquidity and compliance with requirements regarding the distribution of shares to minor shareholders.

SET50 Index is composite index and market capitalization-weighted price index. The component stocks in the SET50 Index are reviewed every six months in order to adjust for any changes that have occurred in the stock market.

SET50 Index prepared by the Stock Exchange of Thailand which is not relevant and act independently from the management company. Investors find more information at [www.set.or.th](http://www.set.or.th)





## Who is this fund suitable for?

- Investors who expect return more than those of deposit and accept return less than those of equity.
- Investors who understand and can accept the risk of loss if the issuers of invested securities default.
- Investors who understand complex payoff condition of option that depends on SET50 Index.
- Investors who can hold an investment for 1 years and expect return that higher than fixed income investment.

## Who is this fund **not suitable** for?

- Investors who aim to receive certain amount of return.
- Investors who want to redeem investment units before 1 –year period.



## What to do if you do not understand investment policy and risks of this fund?

- **Read** the full prospectus thoroughly, or **seek advice** from the management company or selling agents.
- **Do not invest** without a thorough understanding of the feature and risks of fund.



## What do you have to specially beware of?

### Warnings

- The fund is labeled as the high risk or complex fund because it invests in complex derivative with complex payoff conditions which may differ from plain fund. The investors should allocate their own portfolio's assets to balance the risk level according to the level that investors can accept. Discuss with your selling agents for more information is recommended. Please study the Fund's Prospectus and other sales materials.
- The fund invests in options which payoff depends on SET50 Index level and conditions. Hence return from investing in option will not equal to performance of SET50 Index. The investors should study and understand the feature before making an investment.
- Participation Rate of underlying index may be changed. Due to market conditions or fund manager's discretion but it will be not less than 45% and the management company reserve the right to change the option issuer. The management company will notify the unitholders within 15 days after the registration date.
- The fund invests in derivatives for the purpose of efficient portfolio management. Hence the fund bears higher risk than other funds that directly invest in underlying assets.
- The Fund may not receive principal and return payout as expected if the issuers or banks have payment default which may affect the return amount that investors will receive.
- Since the fund has high country concentration risk in Qatar and People's Republic of China, the investors should diversify their own portfolio.

## Fund's Risk Level



## Risk Factors

- **Market Risk**

Standard Deviation

Low	<b>&lt; 5%</b>	5-10%	10-15%	15-25%	> 25%	High
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- **High Issuer Concentration Risk**

Total Issuer Concentration

Low	<b>≤10%</b>	10% - 20%	20% - 50%	50% - 80%	> 80%	High
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- **Exchange Rate Risk**

FX Risk Hedging

Low	<b>Fully / Almost Fully</b>	Partly	Discretion	No hedging	High
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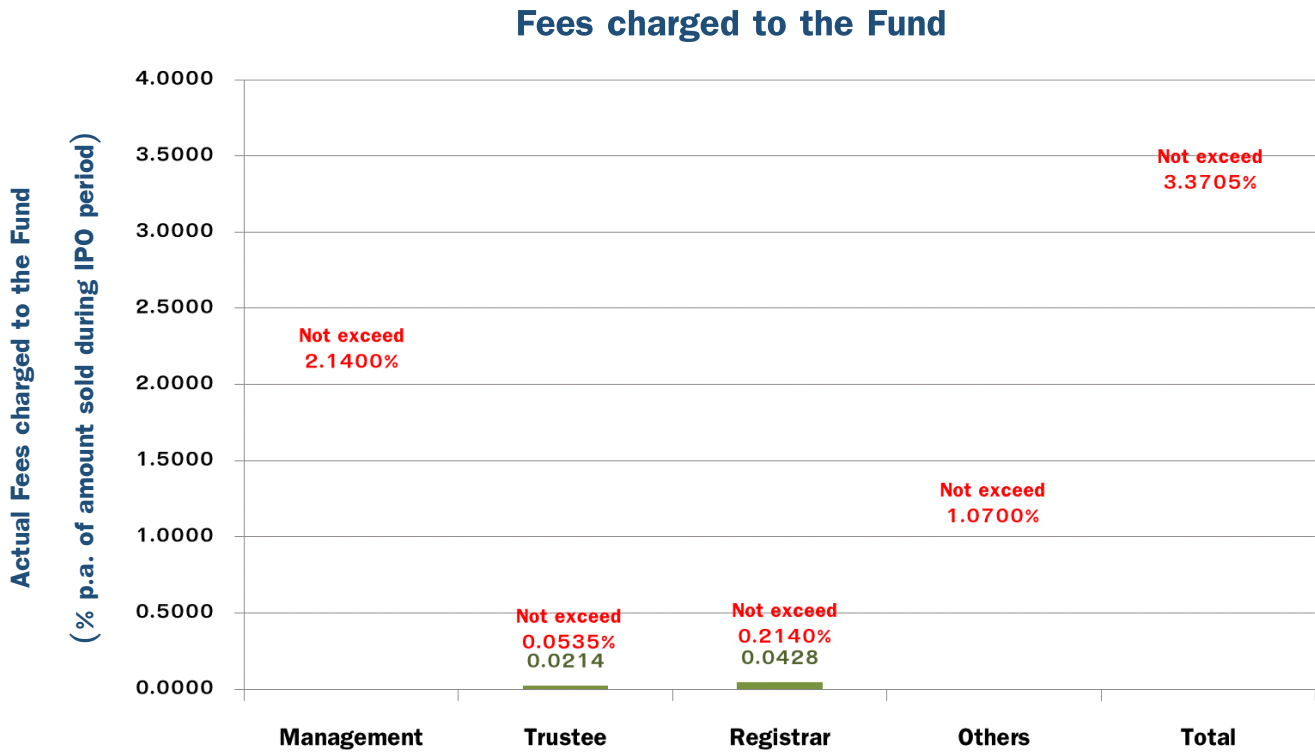


## Fees

\* Fees have an effect to the amount of return which investors will receive.

Hence, investors should consider fund fees before making an investment decision. \*

### Fees charged to the Fund (% p.a. of amount sold during IPO period)



Remark : The Management Fee will be able to notify on the trading day.

### Fees charged to unitholders (% of trading value)

Fees	Not Exceeding	Actual
Front-End Fee	None	None
Exit Fee	None	None
Switching Fee	equals to redemption fee of switch-out fund or subscription fee of switch-in fund, whichever is higher.	equals to redemption fee of switch-out fund or subscription fee of switch-in fund, whichever is higher.

Remark : Fees are included VAT, specific business tax, and other taxes.



## Fund Performance

\* Past performance is not a guarantee of future results \*

**Benchmark:** None because the rate of return of fund is in accordance with the conditions of option which are created for this particular fund. The return will depend on underlying index level on any business day or valuation date.

**Fund type for performance comparison at selling point is –**



## Other Information

<b>Dividend Payment Policy</b>	None
<b>Trustee</b>	Bangkok Bank PCL
<b>Inception Date</b>	November 13, 2019 (subject to change)
<b>Duration</b>	Approximately 1 year but not lower than 11 months and not longer than 1 year and 1 month
<b>Subscription and Redemption Details</b>	<p><u>Fund size</u> : 2,000 MB</p> <p><u>Subscription date</u> : November 6 – 12, 2019</p> <p>Minimum subscription value : 500 Baht</p> <p><b>*** Cheques are not accepted for subscription payment on Nov 12, 2019***</b></p> <p>Switching policy : Unitholders can subscribe this Fund by switching from K-CASH, K-MONEY, K-TREASURY, K-SF and K-SFPLUS during the initial offering period.</p> <p><u>Remark:</u> The Fund reserves the right not to offer the unit trusts of the fund to or for the benefit of the United States of America, US citizens, residents of the United States of America, or persons normally residing in the United States of America as well as the assets of such persons and companies or partnerships established and operating in the United States of America.</p>

	<p><b>Redemption date:</b> Redemption will be at maturity of the fund. The Management Company will announce automatic redemption date to notify unitholders within 15 business days.</p> <p>Redemption Monies Proceeding: The Management Company will use proceeds from auto-redemption of this fund to subscribe reinvested fund, which is specified in passbook. Numbers of unit trust of reinvested fund, which the unitholders will receive, are calculated by using subscription price of reinvested fund on auto-redemption day of this fund.</p> <p>investors can examine NAV at <a href="http://www.kasikornasset.com">www.kasikornasset.com</a></p>
<b>Fund Manager</b>	<p>Pramook Malasitt, Foreign Fund Manager Effective date: Fund inception date</p>
<b>Selling Agents</b>	<p>Kasikorn Bank Branches Tel. 0-2888-8888 And Other selling agents</p>
<b>Contact for more information, receive fund prospectus, and make a complaint at</b>	<p>Kasikorn Asset Management Co., Ltd. 400/22 KASIKORNBANK Bldg. 6<sup>th</sup> and 12<sup>th</sup> Floor, Phahon Yothin Road Samsen Nai, Phaya Thai Bangkok 10400 Tel. 0-2673-3888 Fax No. 0-2673-3988 Website : <a href="http://www.kasikornasset.com">www.kasikornasset.com</a> Email : <a href="mailto:Ka.customer@Kasikornasset.com">Ka.customer@Kasikornasset.com</a></p>
<b>Transactions causing conflicts of interest</b>	<p>Investors can examine transactions that may cause conflicts of interest at <a href="http://www.kasikornasset.com">www.kasikornasset.com</a></p>

- Investment in unit trusts is neither bank deposit nor under the protection of Deposit Protection Agency. Investors may have risk of not receiving return of investment funds in full.
- Approved and regulated by The office of the Securities and Exchange Commission.
- The consideration of draft prospectus of this Fund does not mean that the SEC has certified the correctness of the information in the prospectus or guaranteed the price or return of the unit trusts. As the person responsible for managing the Mutual Fund, The Management Company carefully reviewed the information in the Fund Fact Sheet as of October 25, 2019 and hereby certifies that the information is correct, not fault and does not mislead.

## Definition of Risk Factors

- **Credit Risk** indicates the ability to repay debts and/or obligations of the issuer. For credit risk assessment, credit rating of bonds, which indicates debt servicing ability of the bond issuers based on their past performance and financial strength. Credit ratings of long-term bonds can be briefly defined as follows.

Grade	TRIS	Fitch	Moody's	S&P	Description
Investment grade	AAA	AAA (tha)	Aaa	AAA	The highest possible rating assigned, which means <u>the lowest default risk</u> .
	AA	AA (tha)	Aa	AA	The second-highest rating, which means <u>very low default risk</u> .
	A	A (tha)	A	A	<u>Low default risk</u> .
	BBB	BBB (tha)	Baa	BBB	<u>Medium default risk</u> .
Below Investment grade	Below BBB	Below BBB (tha)	Below Baa	Below BBB	<u>High default risk</u> .

- **Market Risk** involves in interest rates movement, which is subject to many external factors such as economic conditions, as well as domestic and international political factors. If the standard deviation (SD) of the fund is high, this means that the fund has high historical volatility in asset prices.
- **Currency Risk** involves change in foreign exchange rates, which affects value of fund units. For instance, if the fund invests in assets quoted in US Dollar currency and Baht subsequently strengthens, the fund may get lower returns in Baht currency. On the contrary, the fund will gain higher returns in Baht currency under the opposite situation. Therefore, foreign exchange hedging strategy is the important tool for currency risk management. There are several hedging strategies i.e.,
  - **Fully hedged or almost fully hedged:** Investors have no currency risk.

**Risk Disclosure of K Complex Return 1 Year B Fund (KCR1YB)**

**I acknowledge and fully understand the fund's feature, investment policy, investment strategy, conditions and risk factors of K Complex Return 1 Year B Fund (KCR1YB) that;**

1. K Complex Return 1 Year B Fund (KCR1YB) is labeled as the high risk or complex fund because it invests in complex derivative with complex payoff conditions which may differ from plain fund.
2. K Complex Return 1 Year B Fund (KCR1YB) has the following investment policy;
  - 2.1 The Fund mainly invest approximately 98.5% of NAV in local and/or foreign investment grade fixed income and/or deposit with an aim to grow to 100% of initial investment at maturity.
  - 2.2 The Fund will invest approximately 1.5% of NAV in derivatives (Options) which payoff depends on index level of SET50 Index (underlying index). The notional amount of option will be approximately 100% of registered fund size.
3. Principal and Return Payout Conditions as the following table;

**Principal and Return Payout Conditions at maturity**

	<b>Conditions</b>	<b>Principal and Return Payout at maturity</b>
<b>Case 1</b>	Change of underlying index on any business day (before valuation date) is <b>more than</b> 12% of underlying index level on issue date	Principal 100% + rebate rate 2%
<b>Case 2</b>	Change of underlying index on valuation date is <b>more than</b> 12% of underlying index level on issue date	Principal 100% + rebate rate 2%
<b>Case 3</b>	Change of underlying index on valuation date is <b>more than</b> 0% <b>but not more than</b> 12% of underlying index level on issue date	Principal 100% + Option Payoff (Option Payoff = PR x Change of underlying index x principal)
<b>Case 4</b>	Change of underlying index on valuation date is <b>less than or equal to</b> 0% of underlying index level on issue date	Principal 100%

\* Change of underlying index is calculated from the official closing level of the Index for such day.

\*\* The Fund may not receive principal and return as expected if the issuers or banks have payment default.

**I commit to all regulations and conditions appearing in the prospectus.**

.....

(Unitholder)

Date .....

For Unitholder



**Risk Disclosure of K Complex Return 1 Year B Fund (KCR1YB)**

**I acknowledge and fully understand the fund's feature, investment policy, investment strategy, conditions and risk factors of K Complex Return 1 Year B Fund (KCR1YB) that;**

1. K Complex Return 1 Year B Fund (KCR1YB) is labeled as the high risk or complex fund because it invests in complex derivative with complex payoff conditions which may differ from plain fund.
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\* Change of underlying index is calculated from the official closing level of the Index for such day.

\*\* The Fund may not receive principal and return as expected if the issuers or banks have payment default.

**I commit to all regulations and conditions appearing in the prospectus.**

.....

(Unitholder)

Date .....

For Selling Agent

**Request Form**

**(for Using Proceeds from Auto-Redemption to Subscribe Investment Units of Mutual Fund)**

I,.....

am a unitholder of.....("redeemed fund")

Fund Account No. ....,

wish the management company to use proceeds from auto-redemption of the last period to subscribe investment units of mutual fund ("reinvested fund") as I request. (Please choose only one fund)

**K Money Market Fund (K-MONEY)** Fund Account No. ....

**K Treasury Fund (K-TREASURY)** Fund Account No.....

**K Short Term Fixed Income Fund (K-SF)** Fund Account No. ....

I acknowledge that The Management Company will use proceeds from auto-redemption of redeemed fund to subscribe investment units of reinvested fund as I requested above. Numbers of investment units of reinvested fund, which I will receive, are calculated by using subscription price of reinvested fund on auto-redemption day of redeemed fund.

I have studied and understood the information in prospectus of both redeemed fund and reinvested fund, including risk levels of both redeemed fund and reinvested fund.

.....

(Unitholder signature)

Date.....

In case of wishing to make change of your request, please contact Securities Registrar, Securities Services Department, Kasikorn Bank PCL Tel. 0-2470-1976 or 0-2470-1983 Fax. 0-2273-2279

**For officer only**

Received by ..... Information Examiner .....

Date ..... Date.....

-This form is for selling agents to attach with Subscription Order Form-