

Portfolio Optimization: Muang Thai Unit-Linked

Updates Recommended Portfolios, Replacing KF-CSINCOME with K-GDBOND-A(A) and K-GOLD-A(D) with SCBGOLD



Investment Outlook

The ongoing conflict between the U.S. and Iran continues to keep oil prices elevated. U.S. inflation accelerated to 3.4% in August 2026, remaining persistently above the Federal Reserve's (Fed) 2% target for an extended period. Most recently, at its September meeting, the Fed raised interest rates to the 3.75%–4.00% range, marking its first rate hike in three years. A majority of analysts still view that the Fed may raise rates at least once more this year, suggesting that investment market conditions may continue to experience volatility in the period ahead.

Fixed Income: While interest rate hikes cause bond prices to decline in the short term, they allow investors to earn higher yields than in recent years. The 10-year U.S. Treasury yield has risen to approximately 5.2%, and this elevated yield environment serves as a key supporting factor for forward-looking investments. Furthermore, should developments in the Middle East turn positive, energy prices could decline. In addition, U.S. household spending is expected to slow due to dwindling savings and moderating wage growth. Combined with current tight financial conditions, these factors are unlikely to drive inflation significantly higher, making continuous rate hikes by the Fed relatively limited. Consequently, higher coupon yields will help cushion against price volatility, and if interest rates stabilize or decline in the future, bond prices have strong upside potential.

Gold: Gold prices have experienced high volatility this year. After hitting an all-time high earlier in the beginning of the year, prices underwent a correction of over 20%, touching a year-to-date low in July. This was pressured by the Fed's interest rate hike outlook, which reduced the short-term appeal of holding non-yielding gold. Nevertheless, despite the correction, gold prices remain higher than during the same period last year, while long-term supporting drivers remain intact. These include continued gold reserve accumulation by central banks worldwide, ongoing global investor allocations into gold funds, as well as persistent concerns over U.S. public debt and geopolitical uncertainties. Gold therefore remains an essential asset class to hold for portfolio risk diversification.

K Global Dynamic Bond Fund (K-GDBOND-A(A))

- The fund invests in the master fund, PIMCO GIS Income Fund (Share Class: INST USD Acc), which focuses on global fixed-income instruments and debt-related securities. The master fund allocates at least two-thirds of its total asset value to these instruments through multi-sector fixed-income strategies across global regions, utilizing both direct investments and financial derivatives. Additionally, the master fund may invest up to 50% of its assets in below-investment-grade fixed-income securities.
- K-GDBOND-A(A) has adopted PIMCO GIS Income Fund as its master fund effective May 15, 2025.
- Suitable for investors capable of handling volatility driven by yield curve movements and credit spreads, and who seek to generate investment returns through strategies focused on regular cash flows.
- Risk Level 5 (Moderate to High Risk); non-dividend paying policy.
- Foreign exchange risk hedging is conducted at the sole discretion of the fund manager.

SCB Gold Fund (SCBGOLD)

- The fund invests in investment units of the master fund, SPDR Gold Trust, at an annual accounting average of not less than 80% of its net asset value (NAV). The master fund is an ETF that invests in physical gold bullion, aiming to deliver returns that track and reflect gold price movements.
- Passively managed to closely align performance with gold prices, with potential investments in derivatives to enhance portfolio management efficiency.
- Suitable for investors seeking portfolio risk diversification through gold, who are capable of tolerating high volatility stemming from fluctuations in gold prices and foreign exchange rates.
- Risk Level 8 (Very High Risk); non-dividend paying policy.
- Unhedged against foreign exchange risk. Returns are driven by both gold price movements and the Thai Baht exchange rate—a depreciating Thai Baht enhances investment returns, whereas an appreciating Thai Baht reduces returns.

Remarks: Past performance of the fund is not a guarantee of future performance. Investors should understand the fund characteristics, return conditions, and risks before making investment decisions. This document is compiled from publicly available information for internal use only and is not intended for distribution, nor does it constitute an offer or solicitation to buy or sell any securities. It does not represent investment advice or a financial recommendation of any kind. The information in this document has been prepared and compiled in good faith, based on sources believed to be reliable, with the aim of providing accurate information. However, the Company cannot guarantee the accuracy, completeness, or reliability of such information. Users of this information must exercise their own judgment and bear responsibility for any risks that may arise. Investors should verify fund-related information directly with the asset management company responsible for managing the fund.