Merchant Partners Asset Management

Power ETFs

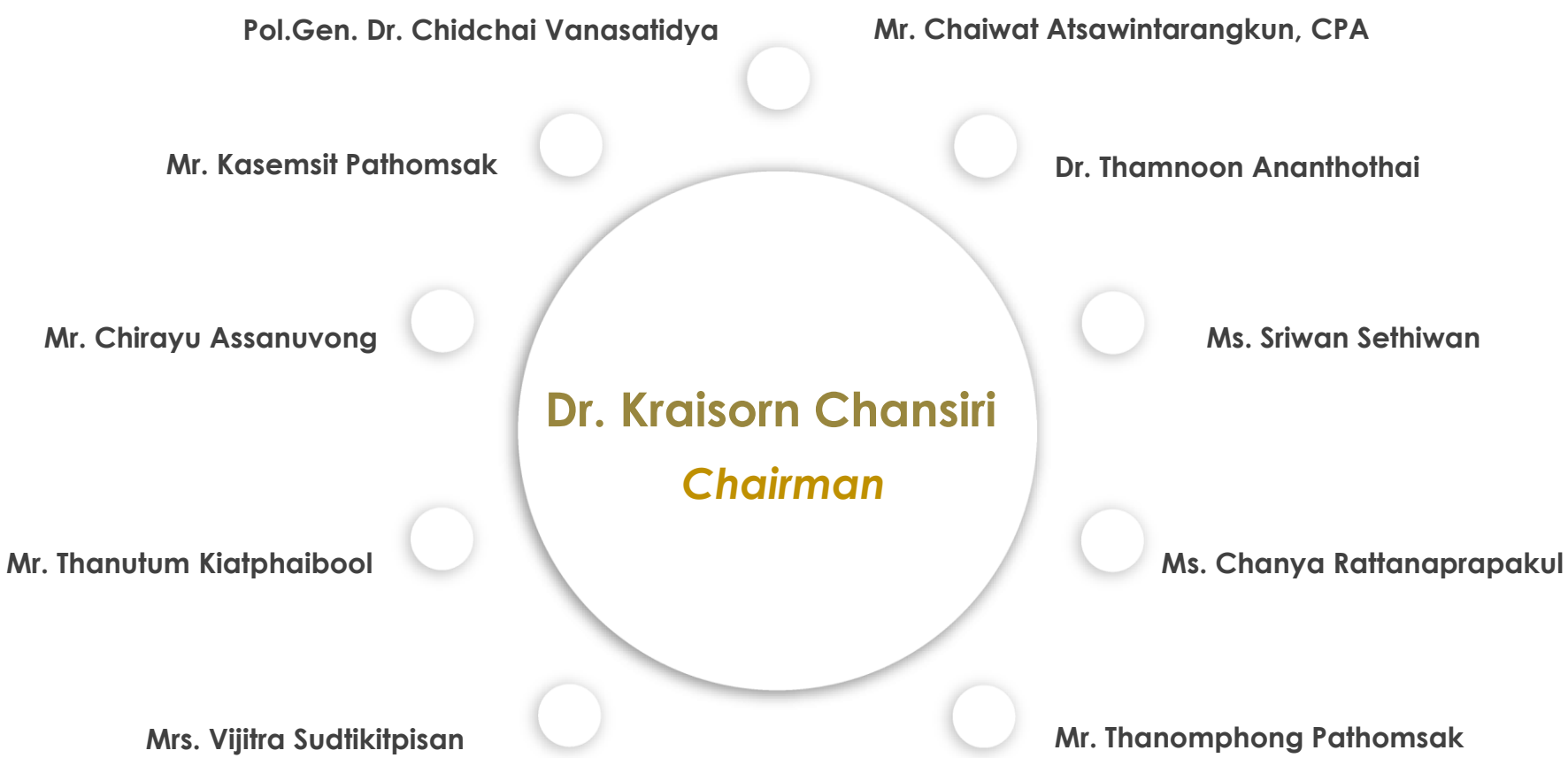
July 2021

About Us

"We are the premier personal and professional investment advisor"

We recommend and execute investment strategies tailoring to the needs and risk appetite of our clients. We work with many asset managers and financial servicers offering investment products and funds managed by reputable asset managers domestically and internationally.

About our Management



Our Executives

Dr. Thamnoon Ananthothai

Executive Director

Mr. Kasemsit Pathomsak

Executive Chairman and Group CEO

Ms. Chanya Rattanaprapakul

Executive Director and Group COO and MD of Merchant Partners Securities PLC.

Mr. Thanomphong Pathomsak

Executive Director

Mrs. Vijitra Sudtikitpisan

Executive Director and CEO of Merchant Partners Asset Management

Our Services

- Private Wealth Services
- Private Fund Management Services
- Mutual Fund Agent Services
- Securities Services
- Underwriting Services
- Investment Banking Services

Our Discretionary Portfolio

Infinite Investment Opportunities to Cater the Unique Need
"Designed to Provide Long-Term Capital Growth

Domestic Equity Fund	• Small Mid Cap • Power Beta • All Cap • High Growth • High Dividend
Mixed Fund (Fund of Fund)	• Global Asset Allocation - Growth • Global Asset Allocation - Balanced • Global Asset Allocation - Defensive
Offshore Investment	• Power ETF • Merchant Global Megatrends • Flying Dragon Fund • 10 Xponential Growth Fund

Investment Objective

Power ETFs

Power ETFs : A long-term investment strategy focusing on global asset allocation via ETFs, i.e. fund-of-funds structure. The strategy aims to outperform the benchmark in the long-term horizon through tactical asset allocation and security selection, while having similar risk profile as the benchmark.

Investment Objective

Giving our esteemed clients access to Global Diversification via ETFs.

Asset Class Returns

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REIT 35.1%	EM 39.8%	HG Bnd 5.2%	EM 79.0%	REIT 28.0%	REIT 8.3%	REIT 19.7%	Sm Cap 38.8%	REIT 28.0%	REIT 2.8%	Sm Cap 21.3%	EM 37.8%	Cash 1.8%	Lg Cap 31.5%	Sm Cap 20.0%
EM 32.6%	Int'l Stk 11.6%	Cash 1.7%	HY Bnd 57.5%	Sm Cap 26.9%	HG Bnd 7.8%	EM 18.6%	Lg Cap 32.4%	Lg Cap 13.7%	Lg Cap 1.4%	HY Bnd 17.5%	Int'l 25.6%	HG Bnd 0.0%	REIT 28.7%	EM 18.7%
Int'l Stk 26.9%	AA 7.6%	AA -22.4%	Int'l Stk 32.5%	EM 19.2%	HY Bnd 4.4%	Int'l Stk 17.9%	Int'l Stk 23.3%	AA 6.9%	HG Bnd 0.6%	Lg Cap 12.0%	Lg Cap 21.8%	HY Bnd -2.3%	Sm Cap 25.5%	Lg Cap 18.4%
Sm Cap 18.4%	HG Bnd 7.0%	HY Bnd -26.4%	REIT 28.0%	HY Bnd 15.2%	Lg Cap 2.1%	Sm Cap 16.4%	AA 11.5%	HG Bnd 6.0%	Cash 0.0%	EM 11.6%	Sm Cap 14.7%	REIT -4.0%	Int'l Stk 22.7%	AA 9.8%
AA 16.7%	Lg Cap 5.5%	Sm Cap -33.8%	Sm Cap 27.2%	Lg Cap 15.1%	AA 0.3%	Lg Cap 16.0%	HY Bnd 7.4%	Sm Cap 4.9%	Int'l Stk -0.4%	REIT 8.6%	AA 14.6%	Lg Cap -4.4%	AA 18.9%	Int'l Stk 8.3%
Lg Cap 15.8%	Cash 4.4%	Lg Cap -37.0%	Lg Cap 26.5%	AA 13.5%	Cash 0.1%	HY Bnd 15.6%	REIT 2.9%	HY Bnd 2.5%	AA -1.3%	AA 7.2%	REIT 8.7%	AA -5.6%	EM 18.9%	HY Bnd 7.5%
HY Bnd 11.8%	HY Bnd 2.2%	REIT -37.7%	AA 24.6%	Int'l Stk 8.2%	Sm Cap -4.2%	AA 12.2%	Cash 0.1%	Cash 0.0%	Sm Cap -4.4%	HG Bnd 2.7%	HY Bnd 7.5%	Sm Cap -11.0%	HY Bnd 14.4%	HG Bnd 6.1%
Cash 4.7%	Sm Cap -1.6%	Int'l Stk -43.1%	HG Bnd 5.9%	HG Bnd 6.5%	Int'l Stk -11.7%	HG Bnd 4.2%	HG Bnd -2.0%	EM -1.8%	HY Bnd -4.6%	Int'l Stk 1.5%	HG Bnd 3.5%	Int'l Stk -13.4%	HG Bnd 8.7%	Cash 0.6%
HG Bnd 4.3%	REIT -15.7%	EM -53.2%	Cash 0.1%	Cash 0.1%	EM -18.2%	Cash 0.1%	EM -2.3%	Int'l Stk -4.5%	EM -14.6%	Cash 0.3%	Cash 0.8%	EM -14.3%	Cash 2.2%	REIT -5.1%

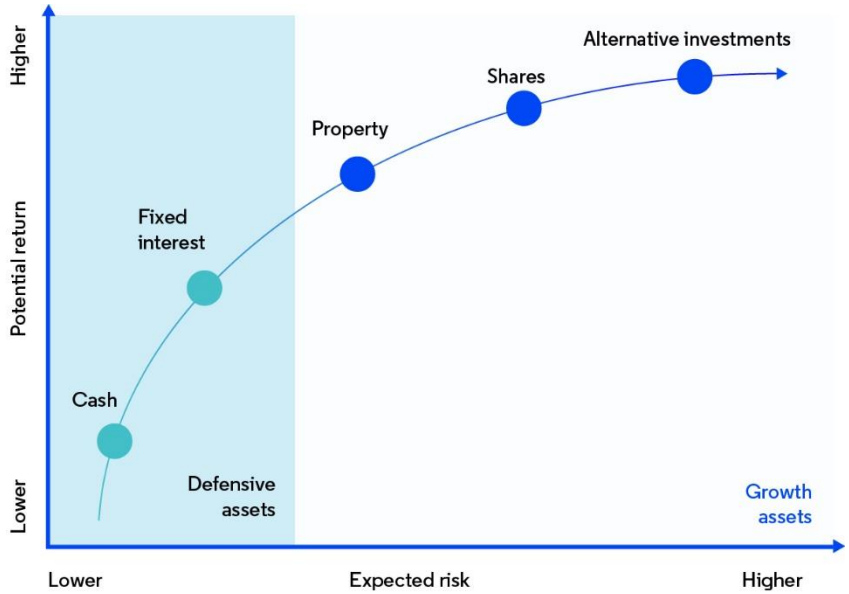
- Assets at the top of the chart one year could be at the bottom the next, and vice versa. Much of this is due to reversion to the mean. But over the long-term, those big swings even out.
- Diversification works to smooth out those big swings in the short-term. While you'll never get the biggest gains of any year, you avoid the huge losses.

Source : Novelinvestor

*Asset Allocation Portfolio is made up of 15% large cap stocks, 15% international stocks, 10% small cap stocks, 10% emerging market stocks, 10% REITs, 40% high-grade bonds, and annual rebalancing.

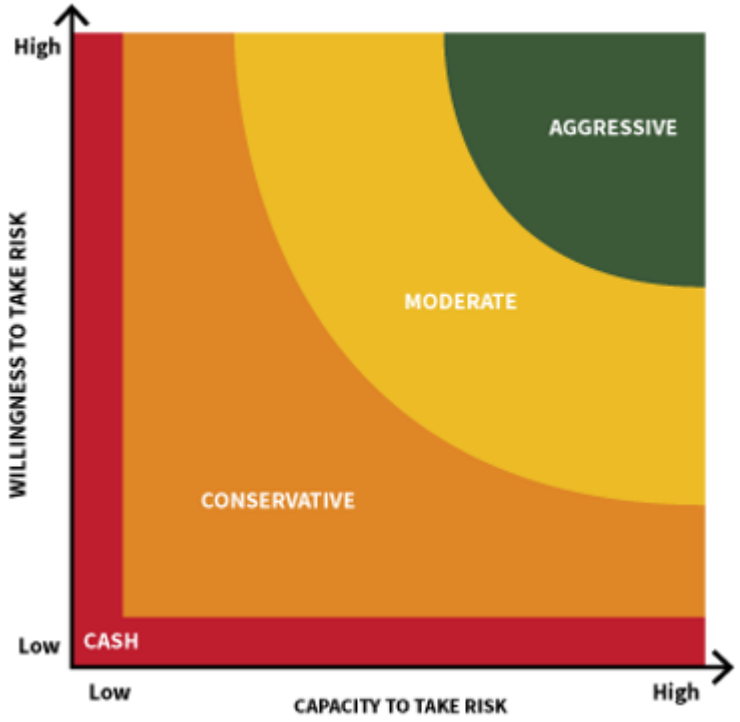
Strategic Allocation: Risk-Return Profile

Asset Classes: Main Determinants of Portfolio Return/Risk



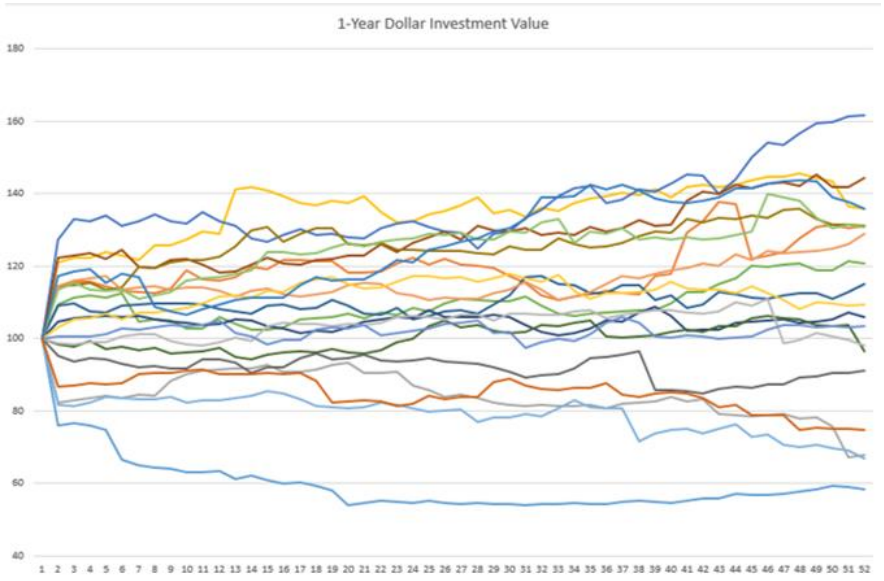
- Asset classes with higher expected return also come with higher risk.
- Choosing the right combination is the most crucial step when designing your investment portfolio.

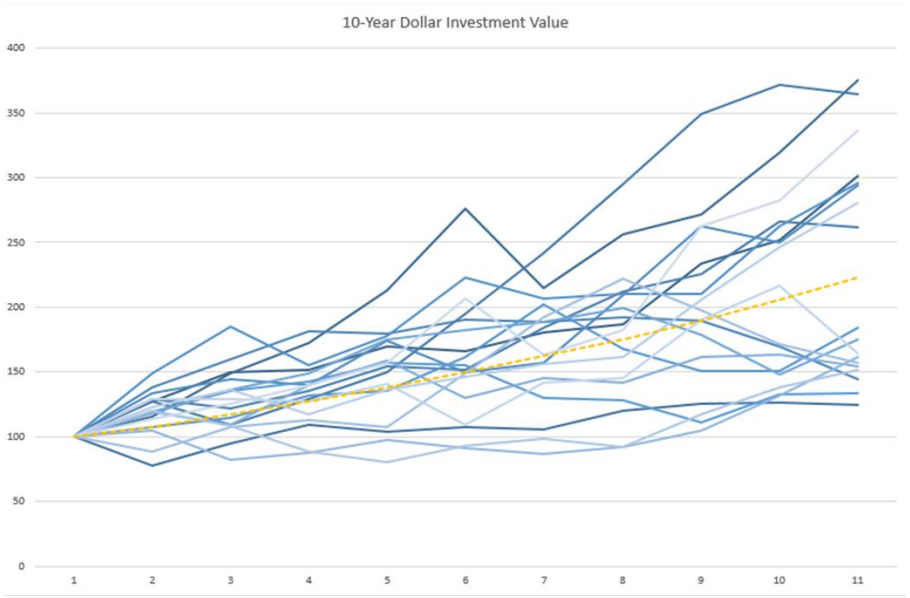
Risk Tolerance: A Key Input for Financial Planning



- **Time horizon**: The longer you can invest, the more risk you can take.
- **Willingness to take risk**: Do you sleep well during periods of high volatility?
- **Capacity to take risk**: How much assets do you have relative to your liabilities?

Volatility Smooths Out in Long-Term Horizon

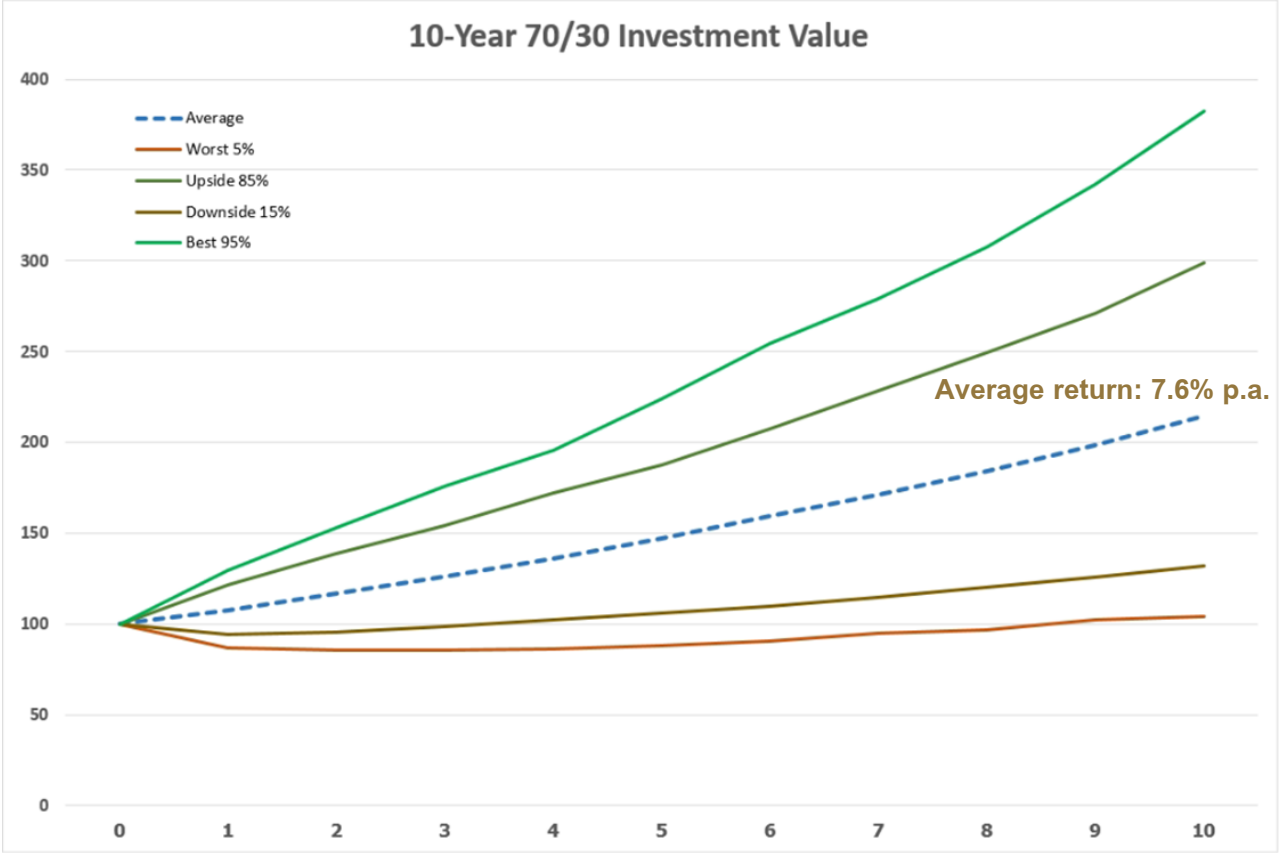




- In the short run, there is a significant risk of capital loss due to market volatility if you have equity exposure.
- However, in the long run, downside risk is largely mitigated due to high long-term expected return from equity.

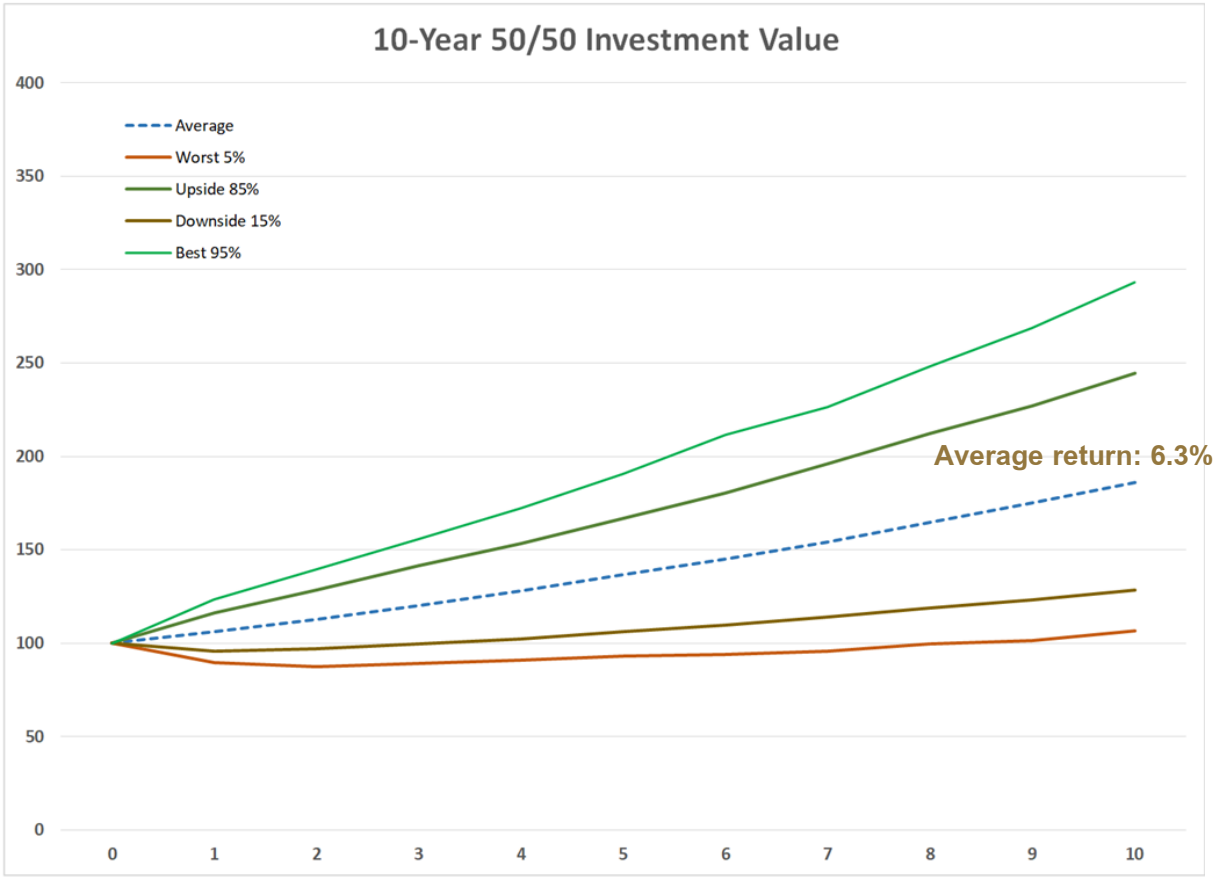
* Forecasts are inherently limited and cannot be relied upon.

Power ETF Growth: 70/30 Equity-Fixed Income



* Forecasts are inherently limited and cannot be relied upon.

Power ETF Balanced : 50/50 Equity-Fixed Income



Average return: 6.3% p.a.

* Forecasts are inherently limited and cannot be relied upon.

Market Warp-up & Investment Theme

Market Warp-Up

			CHG_PCT_1D	CHG_PCT_5D	CHG_PCT_1M	CHG_PCT_3M	CHG_PCT_6M	CHG_PCT_YTD	CHG_PCT_1YR
INDEX	**INDEX**	**Current**	**1 Day**	**1 Week**	**1 Month**	**3 Month**	**6 Month**	**YTD**	**1 Year**
MSCI World									
	MXWD Index	**730.15**	+0.45	+0.90	+0.76	+4.67	+9.51	**+12.98**	+30.56
Dow Jone	Indu Index	**35,116.40**	+0.80	+0.17	+0.95	+2.88	+13.07	**+14.74**	+30.89
S&P 500	SPX Index	**4,423.15**	+0.82	+0.49	+1.63	+6.21	+14.24	**+17.76**	+33.77
NASDAQ	CCMP INDEX	**14,761.29**	+0.55	+0.69	+0.83	+8.27	+7.14	**+14.53**	+34.92
RESSELL 2000	RTY INDEX	**2,223.58**	+0.36	+1.45	-3.56	-1.10	+0.96	**+12.59**	+46.56
Euro50	SX5E INDEX	**4,117.95**	+0.03	+1.31	+0.82	+4.92	+13.06	**+15.91**	+26.54
Euro600	SXXP INDEX	**465.38**	+0.20	+1.47	+1.88	+7.32	+13.63	**+16.63**	+28.07
Germany	DAX INDEX	**15,555.08**	-0.09	+0.23	-0.61	+4.70	+10.63	**+13.39**	+23.44
FTSE100	UKX INDEX	**7,105.72**	+0.34	+1.57	-0.25	+2.64	+9.26	**+9.99**	+17.72
Japan	NKY Index	**27,600.59**	-0.15	+0.07	-4.11	-4.21	-2.62	**+0.57**	+22.27
MSCI Asia ex japan									
MSCI Asia Ex. Japan	MXASJ Index	**831.64**	+0.11	+2.43	-4.93	-5.02	-9.27	**-1.34**	+16.81
Shanghai	SHCOMP INDEX	**3,467.30**	+0.56	+3.14	-1.46	+0.59	-0.99	**-0.17**	+2.84
Hangseng	HSI INDEX	**26,641.99**	+1.71	+4.59	-5.89	-6.71	-8.49	**-2.16**	+6.80
Korea	KOSPI INDEX	**3,274.17**	+1.14	+1.15	-0.23	+4.03	+6.04	**+13.94**	+43.61
Taiwan	TWSE INDEX	**17,589.56**	+0.20	+2.65	-0.68	+3.87	+11.99	**+19.39**	+38.39
NIFTY50	NIFTY INDEX	**16,195.25**	+0.40	+3.09	+3.01	+11.72	+8.72	**+15.83**	+45.97
ASEAN	**ASEAN**								
Thailand	THSETRI Index	**10,451.35**	+1.01	+0.20	-2.36	-2.28	+5.81	**+8.20**	+19.62
Indonesia	JCI index	**6,148.42**	+0.29	+0.98	+2.08	+3.10	+0.67	**+2.83**	+21.15
Philippines	PCOMP INDEX	**6,578.87**	+0.29	+1.64	-6.05	+3.46	-4.71	**-7.86**	+13.91
Malaysia	KLCI Index	**1,488.04**	-0.81	-1.80	-2.95	-6.31	-6.11	**-8.55**	-5.58
Singapore	STI Index	**3,177.43**	+0.89	+1.14	+1.55	-0.05	+9.36	**+11.73**	+26.30

Data as of 04 August 2021

Year of Recovery

(real GDP, annual percent change)	2020	PROJECTIONS 2021	2022
World Output	-3.3	6.0	4.4
Advanced Economies	-4.7	5.1	3.6
United States	-3.5	6.4	3.5
Euro Area	-6.6	4.4	3.8
Germany	-4.9	3.6	3.4
France	-8.2	5.8	4.2
Italy	-8.9	4.2	3.6
Spain	-11.0	6.4	4.7
Japan	-4.8	3.3	2.5
United Kingdom	-9.9	5.3	5.1
Canada	-5.4	5.0	4.7
Other Advanced Economies	-2.1	4.4	3.4
Emerging Market and Developing Economies	-2.2	6.7	5.0
Emerging and Developing Asia	-1.0	8.6	6.0
China	2.3	8.4	5.6
India	-8.0	12.5	6.9
ASEAN-5	-3.4	4.9	6.1
Emerging and Developing Europe	-2.0	4.4	3.9
Russia	-3.1	3.8	3.8
Latin America and the Caribbean	-7.0	4.6	3.1
Brazil	-4.1	3.7	2.6
Mexico	-8.2	5.0	3.0
Middle East and Central Asia	-2.9	3.7	3.8
Saudi Arabia	-4.1	2.9	4.0
Sub-Saharan Africa	-1.9	3.4	4.0
Nigeria	-1.8	2.5	2.3
South Africa	-7.0	3.1	2.0
Memorandum			
Emerging Market and Middle-Income Economies	-2.4	6.9	5.0
Low-Income Developing Countries	0.0	4.3	5.2

Latest World Economic Outlook Growth Projections

กองทุนการเงินระหว่างประเทศ (IMF) ได้ออกประมาณการณ์การเติบโตของ GDP ทั่วโลก โดยการเติบโตของสหรัฐฯ ในปี 2021-2022 นั้นถูกคาดการณ์ว่าจะเติบโตอย่างโดดเด่น โดยมีปัจจัยหลักมาจากนโยบายการกระตุ้นเศรษฐกิจขนาดใหญ่ของประธานาธิบดีโจ ไบเดน D

Source: IMF, *World Economic Outlook*, April 2021

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2020/2021 starting in April 2020. India's growth projections are -7.1 percent in 2020 and 11.3 percent in 2021 based on calendar year.

Massive packages both monetary and fiscal drive US economy

Yellen says tax rises needed to fund Biden infrastructure plan

Treasury secretary says new revenues required to keep economy 'competitive and productive'

Janet Yellen's appearance before Congress on Tuesday was her first since being confirmed as Treasury secretary © AFP via Getty Images

Here's what's in Biden's $1.9 trillion economic rescue package

By Tami Luhby and Katie Lobosco, CNN
Updated 0925 GMT (1725 HKT) January 15, 2021

NEWS & BUZZ

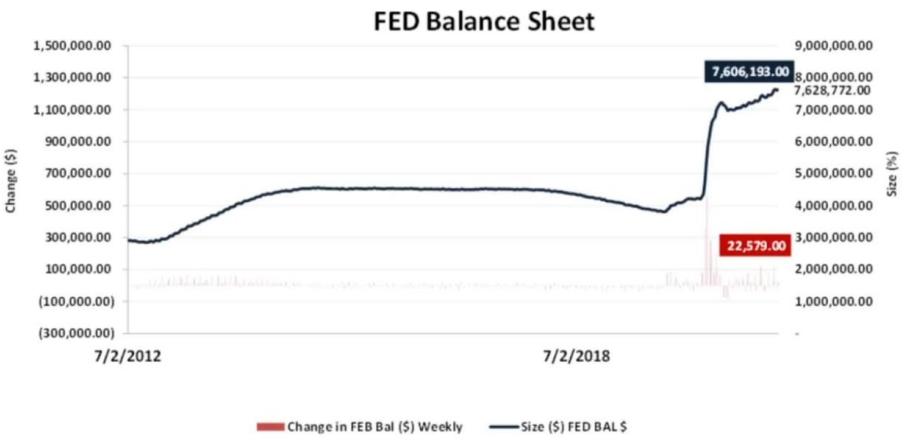
Hunter Biden says he's 'absolutely certain' he'll be cleared of...

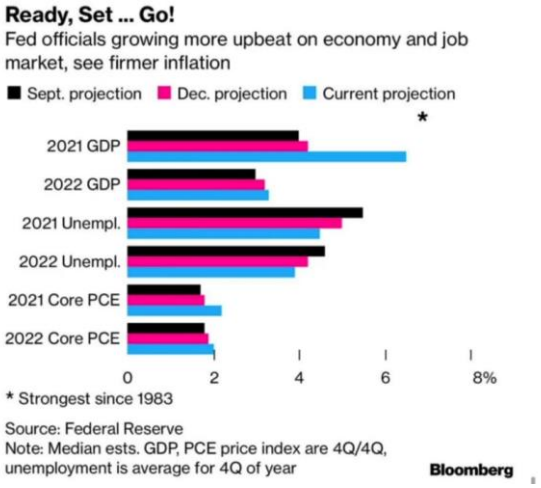
'I've been completely disenchanted.' Billionaire speaks out...

MORE FROM CNN

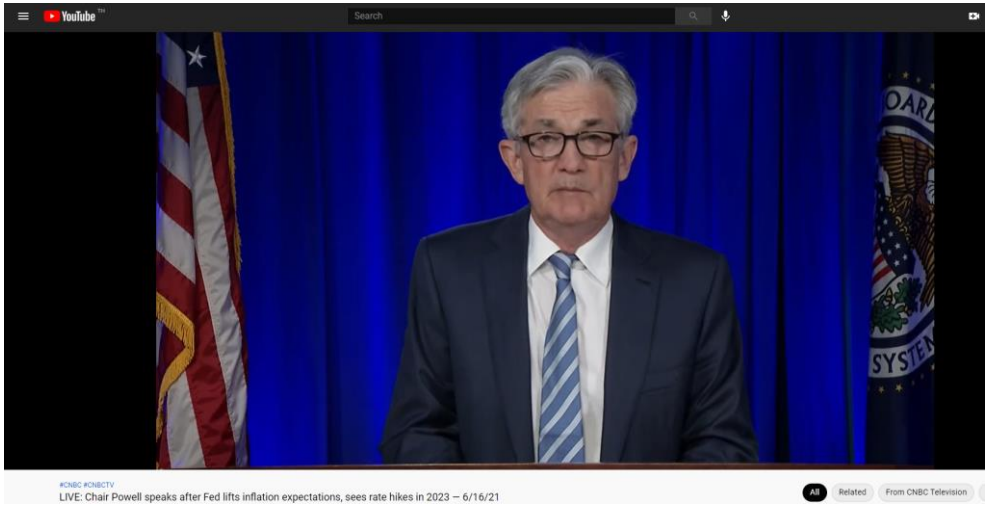
Top Fox producer dies

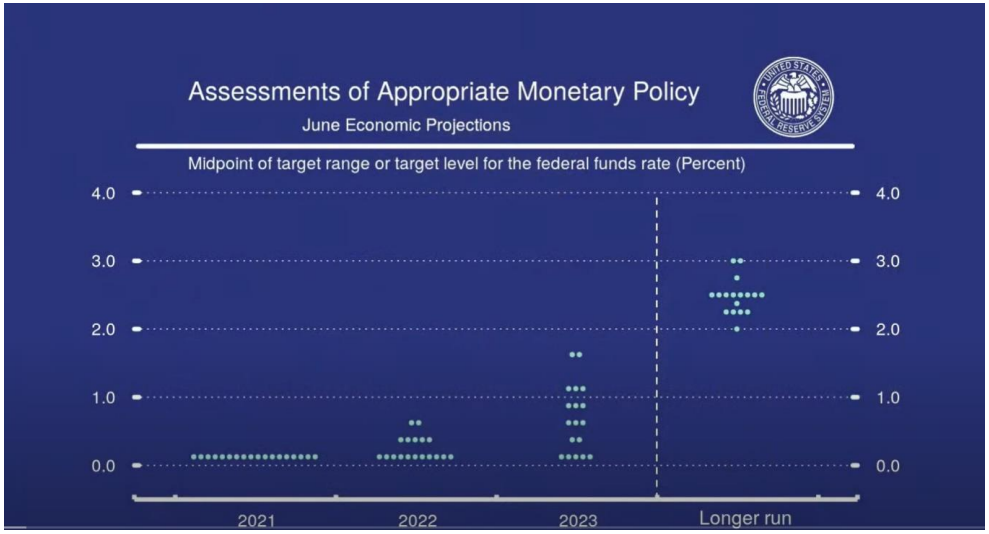
Analysis: Why Matt





FED Speech: lifts inflation expectations, sees rate hikes in 2023





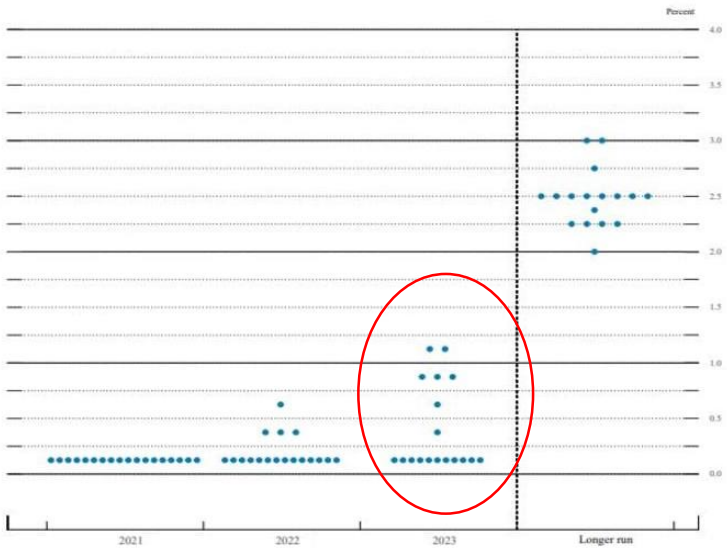
ช่วงกลางเดือน มิ.ย. ที่ผ่านมา FED เริ่มมีท่าที Hawkish มากขึ้น (การใช้นโยบายทางการเงินแบบตึงตัว เช่นการเพิ่มอัตราดอกเบี้ยนโยบาย และการลดนโยบายอัดฉีดสภาพคล่องหรือ QE ของ FED)

Tapering may come sooner

Here are the Fed's latest targets, released in Wednesday's statement:

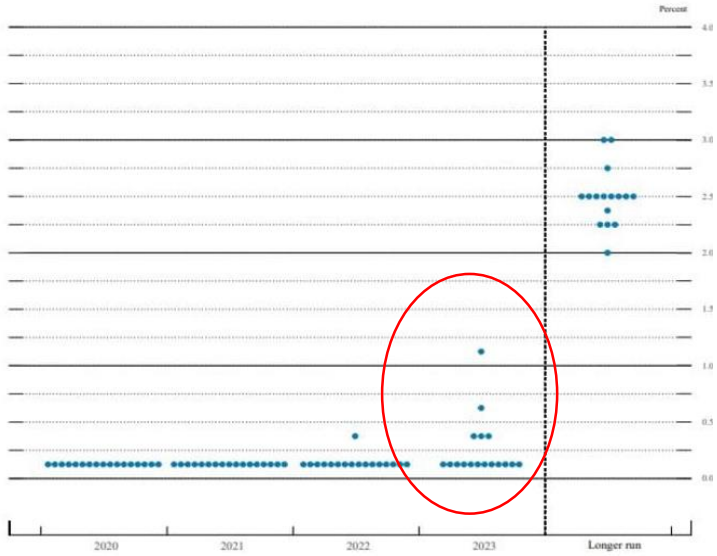
For release at 2:00 p.m., EDT, March 17, 2021

Figure 2. FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate



For release at 2:00 p.m., EST, December 16, 2020

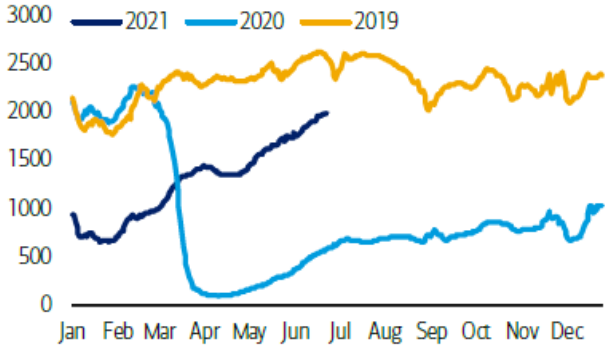
Figure 2. FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate



A Quick History of U.S. Summer Holidays

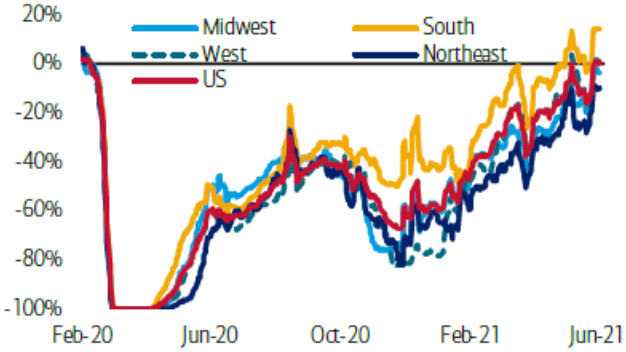
If you are new to the U.S., you will quickly realise that the summer months are filled with national holidays. From honouring those who have passed on to remembering our freedoms, these holidays are celebrated in special ways that bring families and communities together. The three holidays below are similar to "bank holidays" around the world – meaning banks, schools, government offices, and some businesses are closed.

Exhibit 10: Total throughput of air travelers in US airports (thous. 7-day average)
Air travel continues to ascend



Source: TSA Data through Jun 28, 2021

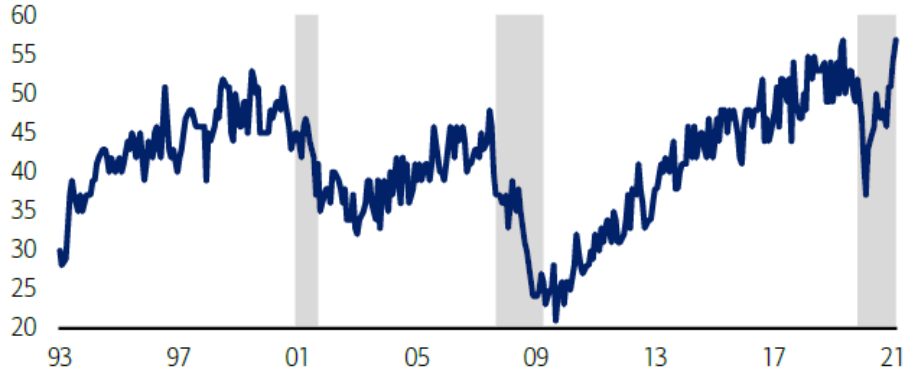
Exhibit 11: OpenTable seated diners (% ch. from 2019, 7-day average)
Dining out is now running above 2019 levelss



Source: OpenTable, Haver Analytics, Data through Jun 27, 2021

BofA GLOBAL RESEARCH

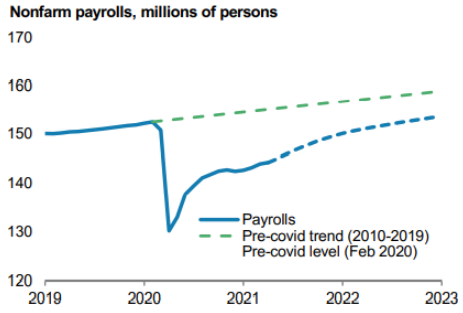
Exhibit 1: NFIB: Businesses with few or no qualified applicants for job openings (%)
In April, on net 57% of companies had "few or no qualified applicants" for job openings



Source: NFIB

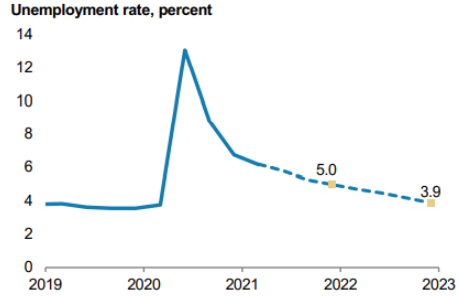
BofA GLOBAL RESEARCH

Exhibit 25: Payroll growth should be strong enough to return to a pre-Covid level in 3Q22, but remain below pre-Covid trend



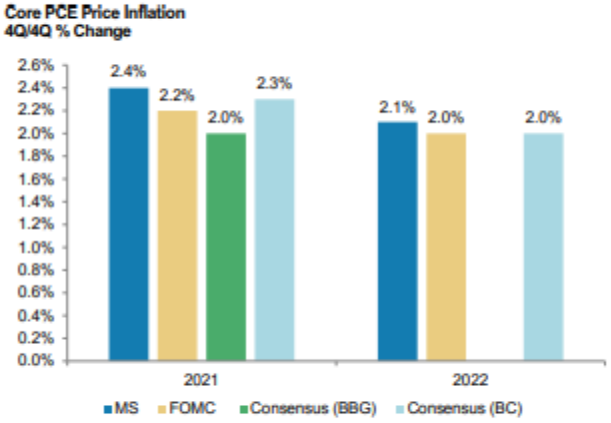
Source: Bureau of Labor Statistics, Morgan Stanley Research forecasts

Exhibit 26: We expect U-3 will continue to fall this year and next



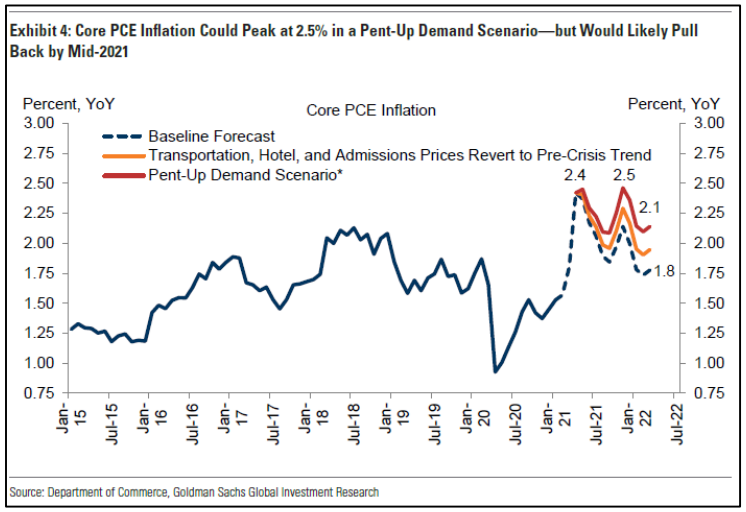
Source: Bureau of Labor Statistics, Morgan Stanley Research forecasts

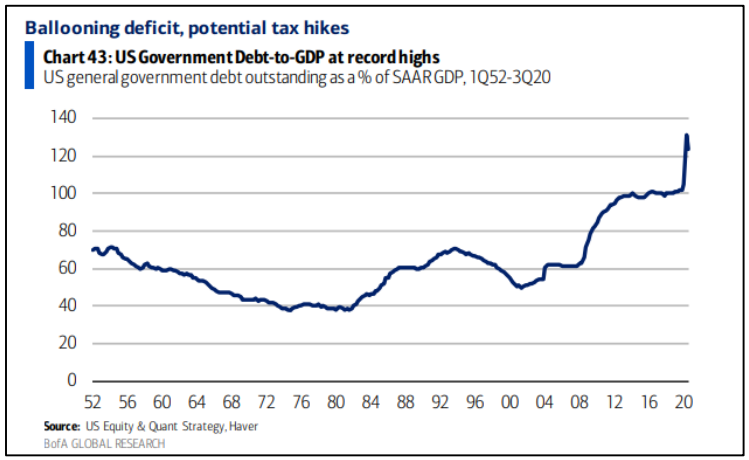
Exhibit 4: Core PCE Inflation Forecast Comparison



Note: FOMC Projection is from March 2021 Summary of Economic Projections, May Blue Chip survey.
Source: Blue Chip, Federal Reserve Board, Bloomberg, Morgan Stanley Research forecasts

Inflation risk is fading, but still on table



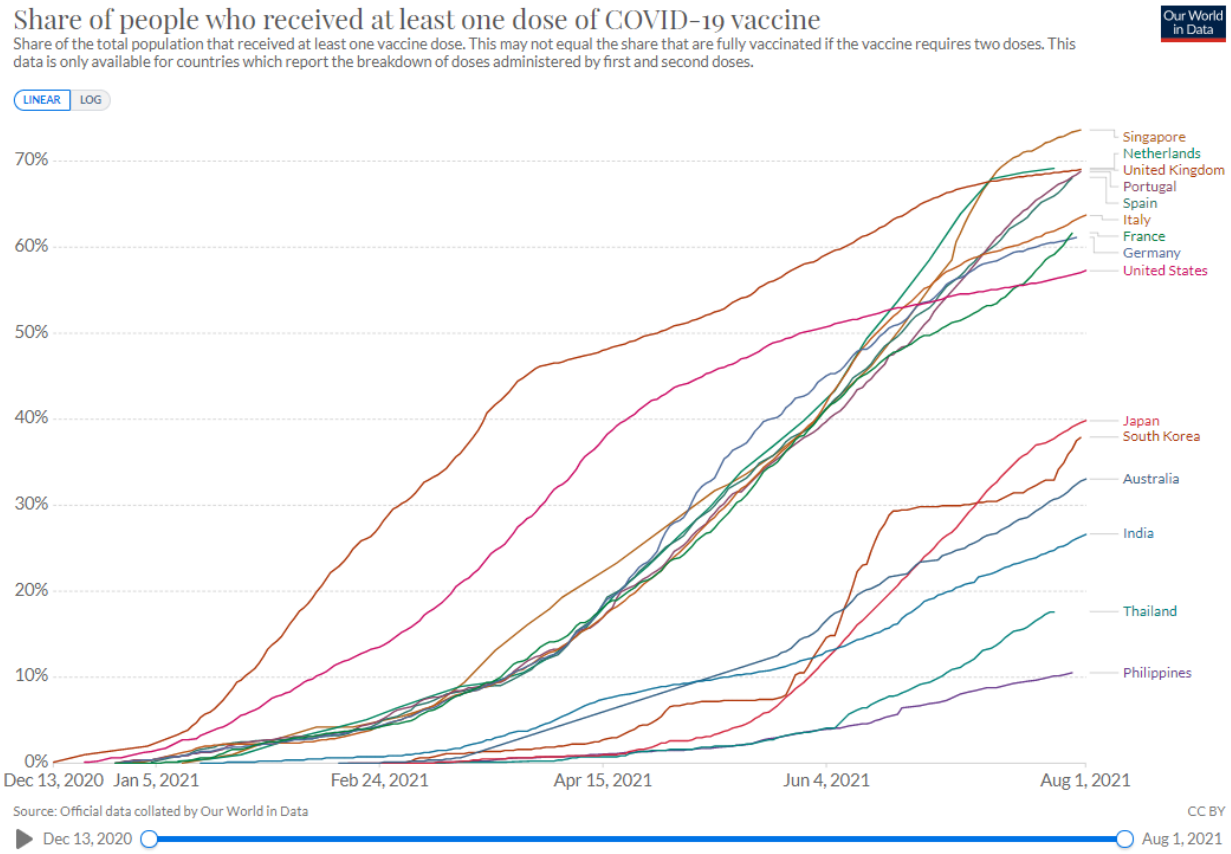


เงินเฟ้อจะลดความร้อนแรงลง ทิศทางขาขึ้นมีแนวโน้มจะค่อยเป็นค่อยไปมากขึ้น

Goldman Sachs คาดการณ์ว่าเงินเฟ้อที่จะปรับตัวสูงขึ้นจะทำจุดสูงสุดในช่วงไตรมาส 2 ของปี 2021 นี้และจะค่อยๆ ลดความร้อนแรงลง (ภาพบน) ในขณะเดียวกันจากมาตรการกระตุ้นเศรษฐกิจอย่างมหาศาลที่เกิดขึ้นนั้นทำให้อัตราส่วนหนี้สินต่อ GDP ของสหรัฐฯปรับตัวขึ้นมาเกินร้อยละ 120 แล้ว ทำให้คาดได้ว่าการปรับตัวขึ้นของอัตราดอกเบี้ยนั้นจะค่อยๆ ลดความร้อนแรงลงความความกังวลด้านเงินเฟ้อของนักลงทุนโดยรวมลดลง นอกจากนี้ทางธนาคารกลางสหรัฐฯ (FED) ได้ออกมากล่าวอย่างชัดเจนว่าจะไม่มีการปรับขึ้นของอัตราดอกเบี้ยนโยบายจนถึงปี 2023

โดยเราคาดว่าอัตราดอกเบี้ยโดยรวมจะยังคงเป็นขาขึ้นแบบค่อยเป็นค่อยไปมากขึ้น โดยอัตราดอกเบี้ยระยะยาวจะมีโอกาสปรับตัวขึ้นได้มากกว่าอัตราดอกเบี้ยระยะสั้น

Vaccination Rate Improving globally



Rising of Vaccination Rate

อัตราการฉีดวัคซีนของโลกกำลังปรับตัวดีขึ้นอย่างรวดเร็วนำโดยกลุ่มประเทศพัฒนาแล้ว โดยคาดว่าตัวเลขการฉีดวัคซีนในกลุ่มประเทศอื่นๆจะทยอยเพิ่มขึ้นในช่วงครึ่งหลังของปี 2021 ซึ่งคาดว่าภาพของการเปิดเมืองเพื่อกลับมาทำกิจกรรมทางเศรษฐกิจอีกครั้ง (Reopening) จะค่อยๆชัดเจนขึ้นตามภาพของการฉีดวัคซีนทั่วโลก

Asia vaccination rate plan

Exhibit 10: Asia's vaccination progress expected to pick up in 2H21

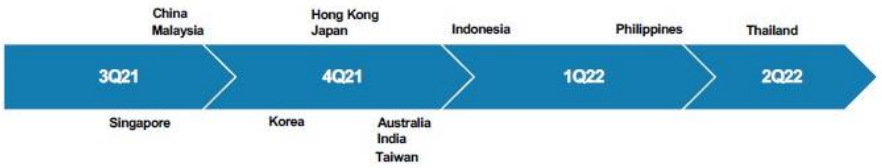
% of adult population that are fully vaccinated			
	Current*	by end-3Q21 (based on total doses administered)	by end-2021 (based on total doses administered)
China	67%	90-100%	90-100%
Singapore	56%	90-100%	90-100%
Hong Kong	33%	73%	90-100%
Japan	27%	75%	90-100%
Malaysia	21%	90-100%	90-100%
Korea	15%	78%	90-100%
Australia	15%	61%	90-100%
India	9%	54%	90-100%
Indonesia	9%	38%	84%
Philippines	7%	25%	57%
Thailand	6%	33%	60%
Taiwan	1%	55%	90-100%

Source: Our World in Data, CEIC, Morgan Stanley Research estimates. Note: We base our projections for vaccination rate on the following factors depending on information availability: (1) announced vaccine supplies and delivery schedules, (2) policymakers' guidance on vaccination targets, and (3) current vaccination pace. We acknowledge that there are difficulties associated with accomplishing very high (>90%) rates of vaccinations, for instance vaccine hesitancy as well as difficulties with delivering vaccines to certain segments of the population, like in rural remote areas. *Current data for China based on total doses administered. Data as of Jul 20-21 for all economies.

Rising of Vaccination Rate in Asia

นักวิเคราะห์จาก Morgan Stanley ได้ประมาณการแผนการฉีดวัคซีนในกลุ่มประเทศฝั่งเอเชียอ้างอิงจากแผนการจัดหาวัคซีน และกำลังการฉีดวัคซีนในแต่ละประเทศ โดยคาดว่ากลุ่มประเทศดังกล่าวส่วนมากจะสามารถเพิ่มอัตราการฉีดวัคซีนต่อประชากรได้อย่างรวดเร็วใน 2H2021 ซึ่งจะส่งผลดีต่อภาพรวมการฟื้นตัวของเศรษฐกิจโลก

Exhibit 11: When will Asia economies achieve a close to full vaccination of their adult population?



Bond Yield Situation

ทิศทางอัตราดอกเบี้ยยังคงเป็นขาขึ้นนำโดยสหรัฐฯ

หลังจากที่อัตราผลตอบแทนจากพันธบัตรรัฐบาล (Government Yield) ได้ปรับตัวลงอย่างมากในช่วงต้นของวิกฤติ COVID-19 อัตราผลตอบแทนดังกล่าวได้ค่อยๆ ปรับตัวขึ้นตามการคาดการณ์ของการฟื้นตัวทางเศรษฐกิจ โดยได้มีการเร่งตัวขึ้นอย่างมีนัยสำคัญหลังจากที่มีการค้นพบวัคซีนในช่วงปลายปี 2020 และเร่งตัวขึ้นอีกครั้งหลังจากการประกาศนโยบายกระตุ้นเศรษฐกิจครั้งใหญ่ของคุณโจ ไบเดน,ประธานาธิบดีสหรัฐฯ คนใหม่ซึ่งมีมูลค่ามหาศาลกว่า 1.9 ล้านล้านเหรียญสหรัฐฯ ทำให้ตลาดเกิดความกังวลต่อการปรับตัวขึ้นของอัตราเงินเฟ้อที่จะตามมาหลังจากนี้ จึงเกิดแรงเทขายในพันธบัตรรัฐบาลสหรัฐฯ ทำให้อัตราผลตอบแทนของสหรัฐฯดีดตัวขึ้นอย่างรวดเร็วในช่วงที่ผ่านมา นอกจากนี้การปรับขึ้นของ Bond Yield สหรัฐฯนั้นได้ทำให้อัตราผลตอบแทนของพันธบัตรรัฐบาลเกือบทั่วทั้งโลกเกิดการปรับตัวในทิศทางขึ้นด้วย

Source: Bloomberg, June-2021

A New Cool War?

Congress passes bill forcing Chinese companies to comply with U.S. audit rules

By Aaron Nicodemus | Thu, Dec 3, 2020 7:17 AM

US-CHINA or World vs China

The U.S. Innovation and Competition Act: Senate Passes Sweeping $250 Billion Bill to Bolster Scientific Innovation and Compete With China

June 16, 2021

Senator Chuck Schumer, who has championed the Innovation and Competition Act, speaking at a press conference. Credit: Michael Brochstein/ZUMA/Alamy

China

China passes law to counter foreign sanctions

Yew Lun Tian

NATO-CHINA

Nato warns of military challenge posed by China

1 day ago

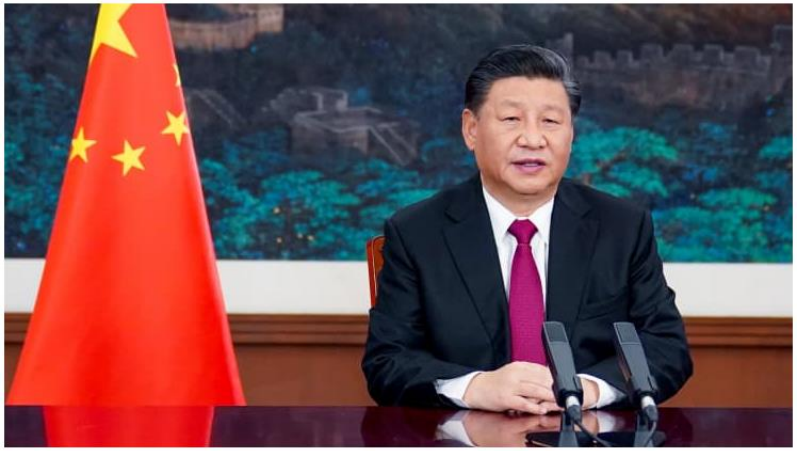
Beijing tells Nato to stop hyping up China threat

21 hours ago

GETTY IMAGES

Nato has warned of China's military strength, but said it did not want a new Cold War with China

เหตุการณ์ที่กระทบหุ้นจีน



Chinese President Xi Jinping attends the World Economic Forum WEF Virtual Event of the Davos Agenda and delivers a special address via video link in Beijing, capital of China, Jan. 25, 2021.

Meituan, Tencent and Alibaba just lost hundreds of billions of dollars in market value

By Michelle Toh, CNN Business
Updated 1006 GMT (1806 HKT) July 27, 2021

TOP STORIES

'Women who have bodies like me can be celebrated:' Megan Thee Stallion...

Analysis: Donald Trump's latest dangerous vaccine pronouncement

Recommended by ©utbrain

MORE FROM CNN BUSINESS

Anna Kiesenhofer is a math genius who just pulled off one of the...

Bermuda becomes smallest country to win Olympic gold...

รัฐบาลจีนเข้มงวดกับบริษัทเทคโนโลยีมากขึ้น

ประธานาธิบดีสี จิ้นผิงของจีน กล่าวว่าทางการจีนจำเป็นต้องเข้ามาดูแลการดำเนินธุรกิจของบริษัทเทคโนโลยียักษ์ใหญ่ของจีนมากขึ้น (CNBC, Mar 16 2021) กดดันบรรยากาศการลงทุนในจีนในภาพรวม ส่งผลให้ราคาหุ้นกลุ่มเทคโนโลยีในจีน รวมถึงตลาดหุ้นจีนโดยรวมปรับตัวลงในรอบหลายเดือนที่ผ่านมา

• สรุป timeline การใช้นโยบายจากทางการจีน

ต.ค. 2020 ตรวจสอบ Alibaba ระงับ IPO Ant group

ก.พ. 2021 ร่างกฎหมายควบคุมกิจการ Fintech

มี.ค. 2021 ตรวจสอบบริษัท group buying และการตั้งราคา

เม.ย. 2021 ปรับ Alibaba และบริษัทเทคโนโลยีตามกฎหมายผูกขาด

พ.ค. 2021 ร่างแนวทางการกำหนดเกณฑ์การศึกษานอกเวลาของนักเรียนจีน

ก.ค. 2021 สั่งปรับ Didi ยกเลิกสิทธิ์ผูกขาด Tencent music

เตือน Meituan ให้จ่ายค่าแรง Rider อย่างเป็นธรรม

เหตุการณ์ที่กระทบหุ้นจีน

New rules have China private education firms bracing for a hit

Changes sent shockwaves across China's $120bn private tutoring sector, leading to a huge sell-off in listed firms.

บริษัทด้านการศึกของจีนถูกกดดันอย่างหนัก

ช่วงสิ้นเดือน July ที่ผ่านมารัฐบาลจีนประกาศห้ามกวดวิชาที่สอนเนื้อหาเหมือนโรงเรียนทั่วไป เป็นบริษัทแสวงหากำไร ส่งผลให้หุ้นกลุ่มการศึกษาของจีน (Ex. Tal Education เส้นสีชมพู) ปรับตัวลดลงกว่า 70% หลังจากมีการประกาศเกิดขึ้น (และปรับตัวลงไปแล้วกว่า 90% นับจากต้นปี)

เหตุผลของจีน

Accessible version
BofA GLOBAL RESEARCH

BofA SECURITIES

The Inquirer

China's Regulatory Tightening: Implications for New-Tech investors

Equity Strategy

What is driving the regulatory scrutiny?

In our view, China's regulatory restrictions on technology firms and capital markets stem from five concerns, and are weighty, given the explicit convergence of views of both the Chinese Communist Party and the Government. **First**, regulators in China (and globally) are concerned about monopoly power and anti-competitive practices. **Second**, China, like many other countries, is concerned about personal and national security data being accessed by foreign powers, on demand by their investors, regulators, or simply hacked into, raising security and stability concerns. **Third**, China remains eager to open its capital markets to global investors – but, to have many of its technology leaders exclusively listed overseas, mostly excludes local investors from participating in the growth of their national champions, while foreign investors can. **Fourth**, the business models of certain sectors might simply be misaligned with national development goals (recall internet/gaming, education, P2P lending etc. in 2017). Implication: greater uncertainty about prospective ROICs, re-investment rates, TAMs, and monetizing assets to benefit shareholders. And, in our view, greater social responsibility towards stakeholders. **Fifth**, maintaining financial stability by regulating the fintech sector is important to the authorities to avoid recurrence of prior shadow banking bubbles.

เหตุผลที่จีนพยายามจัดระเบียบบริษัทในตลาดหุ้น

Bank of America ได้ตั้งข้อสังเกตุไว้ 5 ข้อ

1. ป้องกันการผูกขาดของบริษัทขนาดใหญ่
2. เหตุผลด้านความปลอดภัยทาง Cyber และการเข้าถึง Data
3. นักลงทุนจีนไม่สามารถลงทุนในกิจการหลายๆ แห่งของจีนได้ เนื่องจากบริษัทจีนบางส่วนนิยมไปจดทะเบียนในต่างประเทศ
4. ต้องการจัดระเบียบสังคมเช่น จีนมองว่าต้นทุนทางการศึกษาของจีนสูงเกินไปให้เกิดความเหลื่อมล้ำขึ้นทำให้เกิดการออกมาตรการเข้ามาควบคุมธุรกิจด้านการศึกษา
5. จีนต้องการเข้ามาควบคุมธุรกิจ Fin Tech ในประเทศ ด้วยเหตุผลด้านความมั่นคงทางเศรฐษกิจจีน

Still Bullish on Equity

Goldman Sachs

Cross-asset: Forecasts

Exhibit 7: GOAL asset allocation recommendations and GS cross-asset forecasts

	Allocation Weighting		Current	Forecasts		
	3m	12m	Level	3m	6m	12 m
Equities	**OW**	**OW**			**Index level**	
S&P 500 ($)	N	N	4327	4300	4300	4450
Stoxx Europe 600 (€)	OW	OW	455	460	470	480
MSCI Asia-Pacific Ex-Japan ($)	OW	OW	685	730	760	790
Topix (¥)	OW	OW	1932	2050	2100	2175
10 Year Government Bonds	**UW**	**UW**			**Yield (%)**	
US	N	N	1.30	1.90	1.91	2.01
Germany	N	N	-0.35	0.00	0.00	0.01
Japan	N	N	0.02	0.30	0.30	0.30
UK	-	-	0.63	1.10	1.11	1.20
Corporate Bonds	**N**	**N**			**Spread**	
Bloomberg Barclays US IG	N	N	85	90	92	97
Bloomberg Barclays US HY	N	N	282	277	282	296
iBoxx EUR IG	UW	N	95	94	92	90
BAML EUR HY	OW	N	302	291	284	275
JP Morgan EMBI Div.	N	N	350	343	336	325
Commodities	**OW**	**OW**			**Spot price**	
WTI ($/bbl)	-	-	72	77	72	72
Brent ($/bbl)	-	-	74	80	75	75
Copper ($/mt)	-	-	9391	10500	11000	11500
Gold ($/troy oz)	-	-	1813	2000	2000	2000
FX	**-**	**-**			**Spot rate**	
EUR/USD	-	-	1.18	1.20	1.23	1.25
USD/JPY	-	-	110.11	110.00	108.00	106.00
GBP/USD	-	-	1.38	1.36	1.40	1.42
USD/BRL	-	-	5.08	4.70	4.65	4.60
USD/RUB	-	-	74.12	71.00	70.00	68.00
USD/INR	-	-	74.57	74.00	73.00	72.00
USD/CNY	-	-	6.47	6.40	6.30	6.15
Cash	**N**	**N**			**Spot rate**	
US 3-month Tbill	-	-	0.05	-	-	-
Germany 3-month Bubills	-	-	-0.65	-	-	-

Source: Bloomberg, Datastream, iBoxx, Yieldbook Citi, Goldman Sachs Global Investment Research.

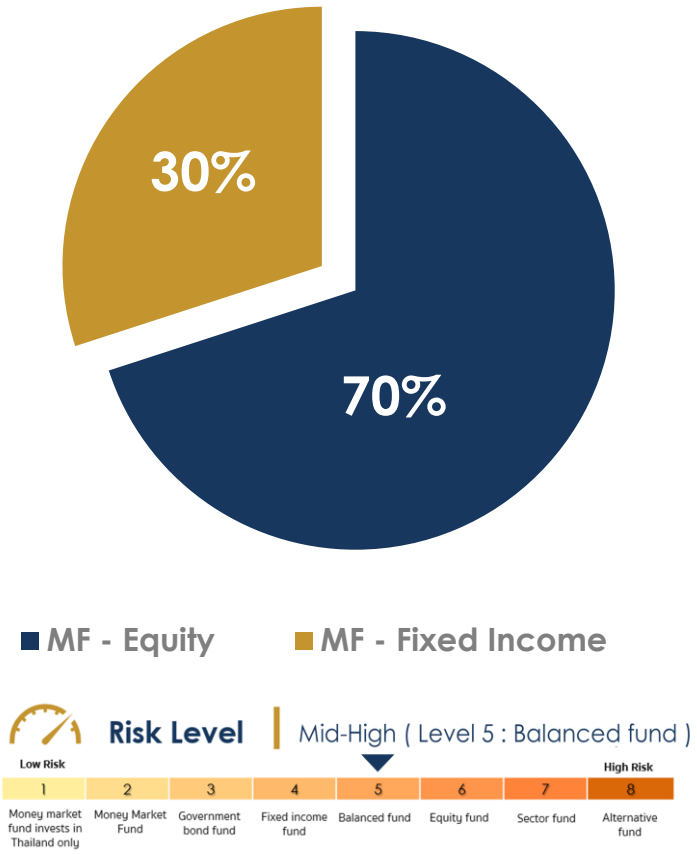
BLOOMBERG SURVEY OF ECONOMISTS GDP GROWTH EXPECTATIONS

	2021*				2022*				2021**	2022**
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
US	4.2%	9.2%	7.1%	5.1%	3.5%	3.0%	2.6%	2.3%	6.6%	4.1%
EURO AREA	-3.2%	5.7%	10.0%	5.3%	3.2%	2.8%	2.4%	2.0%	4.5%	4.3%
UK	-7.8%	21.6%	10.0%	5.3%	3.6%	2.8%	2.4%	2.4%	6.8%	5.4%
JAPAN	-5.1%	0.6%	4.0%	3.9%	2.7%	1.6%	1.6%	1.1%	2.6%	2.5%
CANADA	6.5%	2.5%	9.2%	6.0%	3.8%	3.0%	2.5%	2.3%	6.2%	4.0%
AUSTRALIA	4.1%	3.2%	3.6%	3.4%	3.2%	3.2%	3.2%	2.8%	5.1%	3.2%
G7***	0.4%	7.8%	7.8%	5.0%	3.3%	2.7%	2.4%	2.1%	5.6%	4.0%
G7*** EX. US	-3.6%	6.4%	8.6%	4.8%	3.1%	2.4%	2.1%	1.8%	4.5%	3.9%

* QUARTERLY RATE OF CHANGE, ANNUALIZED.
** ANNUAL RATE OF CHANGE.
*** INCLUDES US, CANADA, JAPAN, GERMANY, FRANCE, ITALY, AND THE UK.
SOURCE: BLOOMBERG FINANCE L.P.

Power ETFs : Growth Type

Power ETF Growth



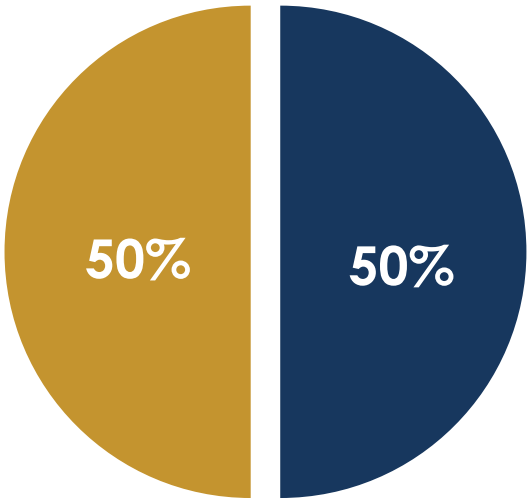
What We Offer	Power ETF Growth
Investment Period	Long term (approximately 3-5 years)
Investment Strategy	A long-term investment strategy focusing on global asset allocation via ETFs, i.e. fund-of-funds structure. The strategy aims to outperform the benchmark in the long-term horizon through tactical asset allocation and security selection, while having similar risk profile as the benchmark.
Asset Class	Global ETF
Expected Return	Outperform Benchmark (M1WD: 70% LEGATRUU:30%)
Dividend Policy	No Policy
Minimum Investment	10 Million Baht
Legal Form	Segregated personal portfolio

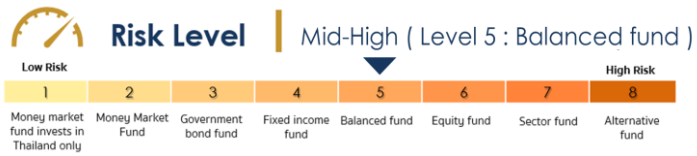
Note: Benchmark details

1) M1WD: The MSCI ACWI Net Return USD Index. Index includes both emerging and developed world markets.
2) LEGATRUU: Bloomberg Barclays Global-Aggregate Total Return Index Value Unhedged USD

Power ETFs : Balanced Type

POWER ETF Balanced





What We Offer	Power ETF Balanced
Investment Period	Long term (approximately 3-5 years)
Investment Strategy	A long-term investment strategy focusing on global asset allocation via ETFs, i.e. fund-of-funds structure. The strategy aims to outperform the benchmark in the long-term horizon through tactical asset allocation and security selection, while having similar risk profile as the benchmark.
Asset Class	Global ETF
Expected Return	Outperform Benchmark (M1WD: 50% LEGATRUU:50%)
Dividend Policy	No Policy
Minimum Investment	10 Million Baht
Legal Form	Segregated personal portfolio

Note: Benchmark details

1) M1WD: The MSCI ACWI Net Return USD Index. Index includes both emerging and developed world markets.
2) LEGATRUU: Bloomberg Barclays Global-Aggregate Total Return Index Value Unhedged USD

Performance

Power ETF Growth Fund as of 31 July 2021

	3M	6M	YTD	1Year	2020
ETF Growth	+2.92%	+11.35%	+8.91%	+18.70%	+9.25%
Benchmark*	+2.96%	+9.06%	+8.44%	+22.69%	+15.05%
Excess return	**-0.04%**	**+2.30%**	**+0.47%**	**-4.00%**	**-7.01%**

Note: Fund performance is shown based on the NAV with income reinvested including actual ongoing charges excluding any entry fees, exit fees and performance fee. Past performance is not an indication of current and future performance. Please refer to the document(s) for details, including the risk factors before investing. Indices do not include fees or operating expenses and are not available for actual investment.

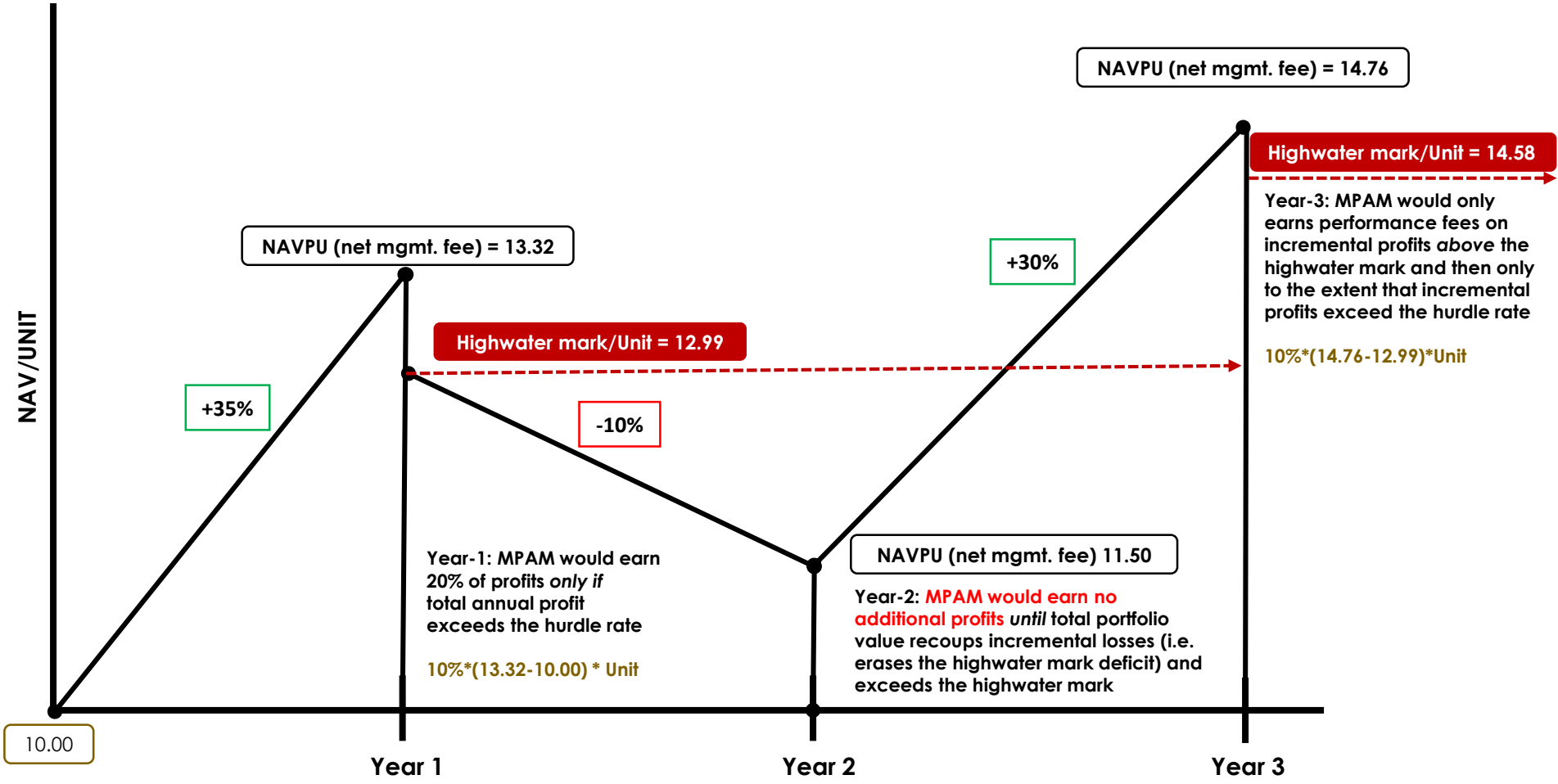
*** 70% M1WD and 30% LEGETRUU Weighted average Benchmark**
- M1WD : MSCI World Index USD (Net Total Return)
- LEGETRUU : Bloomberg Barclays Global – Aggregate Total Return Index Value (USD)

Portfolio Positions

Power ETFs Fund as of 31 July 2021

Top 5 holding	Key catalyst
EWT (iShares MSCI Taiwan)	1) The iShares MSCI Taiwan ETF seeks to track the investment results of an index composed of Taiwanese equities. Manufacturing sector in Taiwan is now benefit from strong semiconductor demand which extremely supply shortage currently.
IEO (iShares U.S. OIL & GAS)	Invests in energy companies which can be benefited from the expectation on inflation. Moreover, the inventory of most energy like oil and coal around the world are decreasing. The demand of energy may be improved due to re-opening theme.
EWY (iShares MSCI SOUTH KOREA)	1) 72% of Korean index is cyclical and should benefit from global manufacturing recovery. 2) South Korean exports expanded at a much faster pace in the first month of 2021, Driven by strong demand from major trading parts and underpinned by crucial sales of chips, cars and mobile devices.
EWJ (iShares MSCI Japan)	The iShares MSCI Japan ETF seeks to track the investment results of an index composed of Japanese equities. Vaccination rate in Japan is improving strongly. Therefore, private consumption is expected to improve significantly in second half of 2021.
MCHI (iShares MSCI China)	Chinese GDP growth is expected at 8% and 6% for 2021E-202E respectively. Moreover, it also be forecasted at 6% level in the long-run for a decade.

High watermark concept is applied as protective mechanism for the investors (Hurdle Rate 0%, Performance Fee 10%)



Note: (*) Highwater mark is reset every time performance fee is paid out

Biographies

Piyaporn Montien

Piyaporn Montien is a lead fund manager of Merchant Partners Asset Management. She holds experience in finance industry over 16 years and have been a part of several leading securities and listed companies. Prior joining the firm, she worked as a private fund manager and worked in bottom-up stock selection, doing thorough and deep analysis for each industry and studying the individual attributes of a company. Piyaporn obtained a Master degree in Economics from National Institute of Development Administration..

Julaluck Choochuay

Julaluck Choochuay is a fund manager for Thai equity. She is responsible for overseeing all aspect of Thai equity investment team including portfolio management, research and trading. She has over 7 years of experience specializing in portfolio management and investment analysis. Julaluck obtained a Master of Science in Finance from Chulalongkorn University.

Jittipong Meepien

Jittipong Meepien is a fund manager for global asset allocation. He is a professional fund manager with years of experience and specialist for multi-asset foreign investment (fixed income and equity) as well as alternative investment such as REITs. He is responsible for strategic and tactical asset allocation on active investment basis. Jittipong obtained an MSc Investment & Finance from University of Strathclyde.

Vuthiphong Boonyanantkij

Vuthiphong Boonyanantkij is a fund manager for Thai equity. He is responsible for Thai equity investment and using the bottom-up investing approach that focus on a specific company and its fundamentals. He is skilled in mid – small cap companies that offer attractive growth potential. Vuthiphong obtained a Master of Economic from Chulalongkorn University.

Watcharin Duangsang

Watcharin Dungsang is a fund manager for global asset allocation and high growth equity funds. He is a professional fund manager with a pass of all 3 levels of Certified Investment and Securities analyst (CISA) license and a specialist for multi-asset foreign investment (fixed income and ETFs). He is responsible for strategic and tactical asset allocation on an active investment basis. Watcharin obtained Bachelor's degree in Economics Thammasat University, first-class honors.

Biographies

Prakit Siriwattakage

Prakit Siriwattakage is a strategist of Merchant Partners Asset Management. He holds experience as equity and derivative strategist as well as technical analyst. Prior joining the firm, he spent 4 years at Kasikorn Securities Public Company Limited and 6 years at Asia Plus Securities Company Limited where he was a strategist. Additionally, he was a special lecturer for strategic investment for National Institute of Development Administration, Thailand and other colleagues such as Business school, University of the Thai Chamber of Commerce and Rangsit University. He obtained a Master of Science Program in Applied Management from National Institute of Development Administration and a Master of Engineering in Civil Engineering from King Mongkut's University of Technology. He earned IAA Awards for Analysts in 2013 and 2014 for Best Technical Analyst and Popular Analyst from Money Channel in 2015.

Siwapon Santanapipat, CFA

Siwapon joined Merchant Merchant Partners Asset Management in 2020 where she is responsible for formulation of global asset allocation, mutual fund selections and wealth management research. She has over 10 years' experience in financial market specialist in investment research and portfolio management of multi-asset strategies. Siwapon holds a M.Sc. in Investment Management from Cass Business School.

Contact Us

2nd and 25th floor, Charn Issara Tower 1,
Rama 4 Road Suriyawong Subdistrict,
Bangrak District, Bangkok 10500

02-660-6689

@merchantasset

Disclaimer

Investment in private fund differs from general funds. It may involve greater investment risks and complexity. Even though the investor may have investment experience in capital markets, the investor must understand that the resulting investment value could be more or less than the original principal invested.

Past performance is not an indication of future performance. Information appearing on this factsheet has been carefully prepared and collected from the SET, Bloomberg and internal resources in order to provide maximum accuracy. It is current only as of the date on which it is issued and may no longer be true or complete when read by the investor. Any opinions expressed in this document are also subject to change without notice.

Please refer to other relevant product documentation and seek advice from a financial advisor regarding the suitability of this product by understanding the investment features, relevant risks and specific conditions of this fund before making any investment decision.

This document is for the purpose of dissemination of general information. It is not considered as an investment advice, offer, or solicitation to enter into any transaction.