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**Notification of the Securities and Exchange Commission**  
**No. SorNor. 9/2550**  
**Re: Investment and Holding of Assets for a Fund**  
**(N0. 2)**

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By virtue of section 126 (4) of the Securities and Exchanges Act B.E. 2535 (1992), together with clause 11 and clause 16 with approval from the Securities and Exchange Commission and clause 18 (6) of the Notification of the Office of the Securities and Exchange Commission, No. KorNor. 30/2547 Re: Rules, Conditions and Procedures for Establishment and Management of Funds dated 10 June 2004, the Office of the Securities and Exchange Commission hereby notifies as follows:

**Clause 1.** The following provision shall be added as (b/1) in (3) of Clause 2 of the Notification of the Office of the Securities and Exchange Commission No. SorNor. 28/2549 Re: Investment and Holding of Asset for a Fund dated 17 July 2006:

“(b/1) “Credit Foncier Company” means any credit foncier company under the law on finance business, securities business, and credit foncier business”

**Clause 2.** The following provision shall be added as Clause 6/1 of the Notification of the Office of the Securities and Exchange Commission No. Sor Nor. 28/2549 Re: Investment and Holding of Asset for a Fund dated 17 July 2006:

“**Clause 6/1.** For a capital protected fund or a provident fund or a private fund which has the same investment policy as the above-mentioned mutual fund, should the fund make an investment abroad, the management company shall enter into a derivative contract having exchange rate as underlying asset for the purpose of hedging all exchange rate exposure. In this regard, the rules prescribed in section 9 clause 36(4) and clause 37 shall be applied”

**Clause 3.** The provisions in Chapter 3, Additional Rules Concerning Investment Limit for Capital Protected Funds and Private Funds with Similar Investment Policy, clause 80 and clause 81 in Part 2, Rules concerning Investment Limit, of the Notification of the Office of Securities and Exchange Commission No. Sor Nor. 28/2549 Re: Investment and Holding of Asset for a Fund, Dated 17<sup>th</sup> July 2006 shall be repealed and replaced by the followings:

**“Chapter 3**  
**Additional Rules Concerning Investment Limit for Capital Protected Funds and**  
**Private Funds with Similar Investment Policy as a Capital Protected Fund**

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**Clause 80.** The limit prescribed under clause 57, clause 58 and clause 59 shall not be applied to the investment in or holding of promissory notes issued by finance companies or credit foncier companies or deposits in commercial banks. The asset management company may invest in or hold such asset which is issued by any person or counterparty, as the case may be, so long as the investment or holding of such asset issued by a particular issuer or counterparty does not exceed thirty percents of the total net asset value of such fund.

In calculation of the limit under paragraph one, the asset mentioned in paragraph one as well as other assets invested by or held in the fund which are issued, certified, avaled, endorsed, guaranteed by the same person or which have the same person as the counterparty shall also be taken into account.

**Clause 4.** In the case that the initial public offering of a capital protected fund already took place or the private fund management agreement of a private fund with investment policy similar to capital protected fund has already been signed prior to the effective date of this notification, the asset management company shall comply with the following rules:

(1) the provisions of clause 107 and clause 108 of the Notification of the Securities and Exchange Commission No. Sor Nor. 28/2549 Re: Investment and Holding of Asset for a Fund, dated 17<sup>th</sup> July 2006, shall not be applied;

(2) in the case where the asset management company has invested in or held assets in compliance with the rules regarding characteristic of permissible assets and investment limits as prescribed prior to the amendment of this notification but non-compliance with this Notification, the asset management company may continue to hold such assets for the fund. Nevertheless, should such assets have come to their maturity or should they be disposed of, the asset management company may keep such assets only for the remaining amount;

(3) in the case of capital protected funds that the pool of assets has been registered as a mutual fund on or after the effective date of this notification, the asset management company may make the initial investment according to the mutual fund management scheme as approved by the Office. Nevertheless, the following investments shall comply with (4);

(4) the asset management company shall not make further investment in any asset, except in the case of (6) or the case that an amendment of mutual fund management scheme or private fund management agreement, as the case may be, is made in order to be compliant with clause 26 or clause 46 paragraph one of the Notification of the Office of Securities and Exchange Commission No. Sor Nor. 23/2547 Re: Establishment of Mutual Funds and Execution of Agreements for Management of Private Funds, dated 11<sup>th</sup> June 2004 as amended by clause 1 and clause 2 of the Notification of the Office of Securities and Exchange Commission No.

Sor Nor. 8/2550 Re: Establishment of Mutual Funds and Execution of Agreements for Management of Private Funds (No.7), dated 22<sup>nd</sup> June 2007;

(5) the investment limit for assets under (2) or (3) shall be in accordance with the limit as prescribed for the capital protected fund and private fund which has similar investment policy as the capital protected fund prior to the amendment of this notification;

(6) in the case where the credit rating of assets under (2) or (3) has been downgraded and therefore causing the investment limit to be non-compliant with (5), the asset management company shall cause to amend the investment limit to conform with (5) within thirty days as from the date the credit rating has been downgraded.

**Clause 5.** This notification shall come into force as from 1 June 2007.

Notified this 22<sup>nd</sup> day of June 2007.

(Mr. Thirachai Phuvanatanarubala)

Secretary-General

The Office of Securities and Exchange Commission

**Remark:**

The rationale for issuing this notification is to improve rules relating to investment or seeking benefits from securities, derivatives or other assets including seeking interests by other means, as well as calculation of investment limit for the capital protected fund and private fund which has similar investment policy and to achieve the investment policy and objective of such fund.