

Affin Hwang Strategic Income Fund 1

PRODUCED: JULY 2022

Out **think**. Out **perform**.



AFFIN HWANG
CAPITAL
Asset Management



About Affin Hwang Strategic Income Fund 1

Structured Product Investment

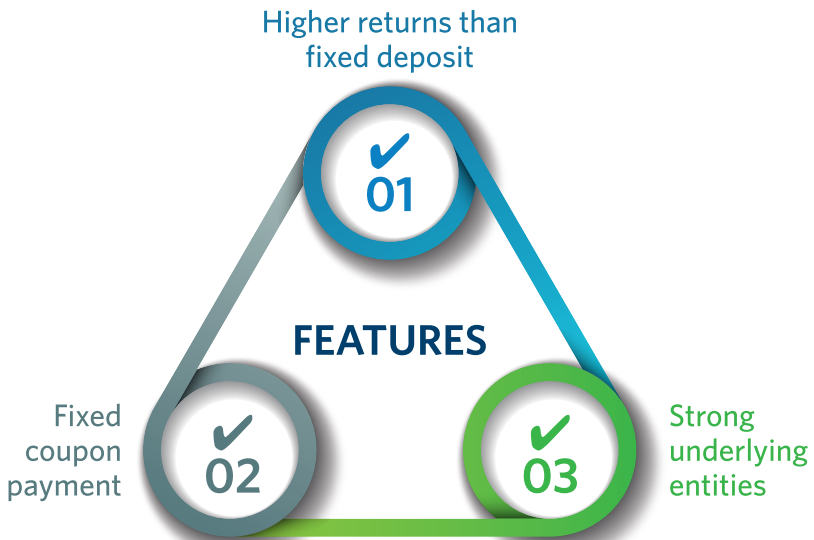


Indicative Pricing

Currency Offered	Coupon Payout	Coupon Frequency	Tenure
MYR	3.85% - 4.20%	Semi-Annual	3 years

Note:
1. Indicative pricing as at 19 July 2022.

What is Credit Linked-Notes (CLNs)?



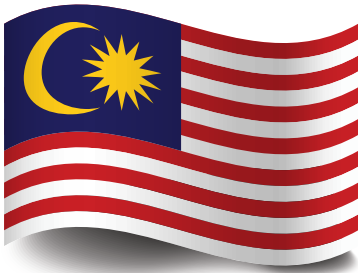
- Mechanism: Investor is exposed to credit risk held by the underlying entity.
- Credit risk: 3-year credit default swap (“CDS”) spreads of the underlying entity.
- Investor will receive principal return at maturity and coupon for the tenure of the note subject to the non-occurrence of a credit event.

Why Malaysia?

Overall Economic Strength is Improving

Fiscal Year	2019	2020	2021
Current Account Surplus (mil, MYR)	7,600	18,600	15,300
Current Account as a % of GDP	3.29%	4.35%	3.47%
Malaysia Foreign Exchange Reserves (mil, MYR)	424,200.2	432,486.7	486,964.3
Fiscal Balance as a % of GDP	-3.40	-6.18	-6.39

Source: S&P Ratings, Bloomberg as at 30 June 2022.



Malaysia's Rating		
Moody's	A3	Stable
S&P	A-	Stable
Fitch	BBB+	Stable

Source: S&P Ratings, Bloomberg as at 30 June 2022.



Malaysia's current account achieved a strong surplus equivalent to **3.8%** of GDP in 2021



S&P's report on 27 June 2022 estimates Malaysia's ratio of gross external financing needs to current account receipts and usable reserves will be about 91.9% in 2022, and gradually fall to about **89.4% by 2025**



Although fiscal position remains weak, consolidation should resume in **2023 with economic recovery** well on track and a more stable policy environment

Fund Facts

Fund Category / Type	Closed - End (Wholesale) / Income
Investment Objective	The Fund aims to provide income return whilst maintaining capital preservation.
Investment Strategy	To achieve the objective of the Fund, we intend to invest a minimum of 90% of the Fund's NAV in structured products, and remaining balance will be invested in money market instruments and/or deposits.
Asset Allocation	<ul style="list-style-type: none">Structured products: Minimum 90% of the Fund's NAVMoney market instruments and/or deposits: The remaining balance of the Fund's NAV
Distribution Policy	Depending on the level of income the Fund generates, the Fund aims to distribute income on a semi-annual basis.
Minimum Investment	Initial: MYR 10,000 Additional: MYR 5,000
Trustee	CIMB Commerce Trustee Berhad

WARNING STATEMENT

A copy of Information Memorandum ("Info Memo") and Product Highlights Sheet ("PHS") can be obtained at Affin Hwang Asset Management's sales offices or at www.affinhwangam.com. Investors are advised to read and understand the contents of Affin Hwang Strategic Income Fund 1's (or the "Fund") Info Memo dated 29 July 2022 and the corresponding PHS before investing. There are fees and charges involved when investing in the Fund. Investors are advised to consider and compare the fees and charges as well as the risks carefully before investing. Investors should make their own assessment of the risks involved in investing and should seek professional advice, where necessary. The price of units and distribution payable, if any, may go down as well as up and the past performance of the Fund should not be taken as indicative of its future performance. The Securities Commission Malaysia has not reviewed this marketing/promotional material and takes no responsibilities for the contents of this marketing/promotional material and expressly disclaims all liability, however arising from this marketing/promotional material.

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