

Fund Objective

A fund which invests in a mixture of equities (ranging from 40% to 60%) and fixed income securities. This fund seeks to provide medium to long-term capital appreciation, with a moderate level of volatility.

Investment Strategy

This fund shall be actively managed, investing in a mixture of Malaysian equities and fixed income securities with good fundamentals and growth potential. The fund aims to provide stable long term return.

The fund uses top-down approach by adopting a disciplined macroeconomic framework to identify major turning points in global financial markets to determine long term assets allocation decisions. The fund also uses bottom-up approach in stock/bond selection process which relies on qualitative and quantitative factors which are, but not limited to, financial position, valuation, company or industry risks and prospects.

Asset Allocation

Equities: 40% - 60%

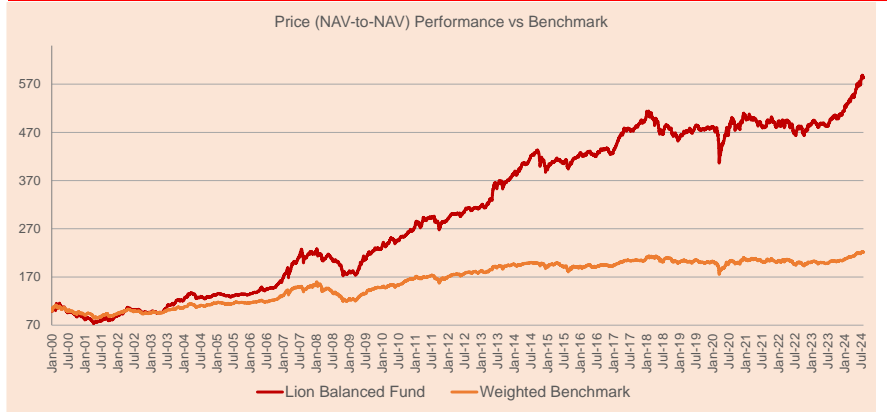
Fixed Income Securities: 40% - 60%

Remaining: Cash / Cash Equivalent

Top 5 Holdings (as at 31-Jul-2024)

Name	% of NAV
Government Investment Issue	7.6%
Malaysia Government Bond	6.9%
Tenaga Nasional Bhd	6.2%
Malayan Banking Bhd	3.8%
CIMB Group Holdings Bhd	3.8%

Performance from 03 January 2000 - 31 July 2024



Notice:

Actual return is based on net basis (net of tax and charges). Past Performance of the fund is not an indication of its future performance. This is strictly the performance of the unit fund, and not the returns earned on the actual premiums paid of the Investment-Linked insurance product.

Percentage Return (NAV to NAV)

	YTD	1-Mth	6-Mth	1Y	3Y	5Y	Since Inception
Lion Balanced Fund	13.4%	2.3%	10.2%	17.2%	21.7%	21.0%	483.5%
Weighted Benchmark*	8.5%	1.4%	6.2%	9.6%	10.5%	9.4%	132.4%

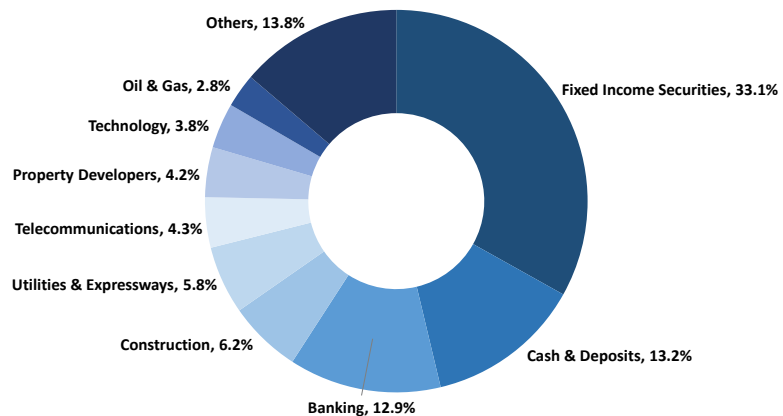
* Weighted benchmark derived from 50% weight on 12-month MBB Fixed Deposit return and 50% weight on FBM100 index return.

Source: Bloomberg - FBM100 - Bursa Malaysia and 12mth Conventional FD - Maybank

Fund Info (as at 31-Jul-2024)

Inception Date	03 January 2000	For Single Pricing Product
Fund Size (RM mil)	3,321.0	NAV per unit (RM) 5.543
Management Fee	1.0% p.a. on NAV	For Dual Pricing Product
Other Charges	Nil	Bid Unit Price (RM) 5.543
Fund Manager	GELM Investment	Offer Unit Price (RM) 5.835
Valuation	Daily based on market prices	Risk Profile Moderate

Sector Allocation (as at 31-Jul-2024)



The fund performance updates presented by Great Eastern Life Assurance (Malaysia) Berhad ("the Company") are to be used as an information source only.

Please read and understand the contents of the fund fact sheet before investing. The fund performance updates should be read in conjunction with the fund fact sheet, product brochure, Product Disclosure Sheet, sales illustration, and policy contract.

There can be no assurances that the fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the fund will be returned to you. Customers should consider the fees and charges involved.

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Equity**Market Review**

The KLCI increased 2.2% MoM to end at 1,626. MSCI MY Index outperformed MSCI APxJ Index by 2.7% in July (vs. June's -3.7%). MYR strengthened 2.7% MoM at 4.59, while 10Y MGS declined 15bps to 3.72%. Meanwhile, Brent crude oil fell 6.6% MoM to US\$81/bbl. Foreign equities recorded RM1.4 billion net inflow in July 2024, compared to a net outflow of RM0.1 billion in June 2024. Malaysia's bond market recorded 0.2% MoM net foreign outflow in June 2024. Foreign holdings of MGS decreased by RM2.6 billion MoM to RM204 billion, which is equivalent to 33.4% of total outstanding MGS. Gamuda has rallied 19.5% MoM driven by RM2.3 billion project win in Western Australia and potential inclusion into the FBM KLCI index. Meanwhile, Nestle Malaysia declined -10.6% MoM after the company reported 48.3% decline in 2Q24 earnings (1HFY24 was 45% of consensus expectation) due to weak local consumer sentiment and lower purchasing power.

Market Outlook

US GDP growth accelerated to an annualised rate of 2.8% in 2Q24 as consumer spending picked up to 2.3%. The latest PMI surveys show that growth remains robust at the beginning of the third quarter. The Composite index ticked up to 55.0 in July from 54.8 in June, driven by solid activity in services. Manufacturing has struggled, however, with a dip back to 49.5. Consumer spending was growing at a slower pace in June. There has been a rotation from tech stocks into laggards like financials and small-caps, partly driven by expectations of a Fed rate cut in September. Recent developments around the upcoming US elections add a new dimension to market dynamics, with various industries poised to benefit differently depending on the election outcome. On the macro front, price pressures eased in June at both headline and core levels in the US. These trends are mirrored across developed markets which suggests that most global central banks are on track with their cutting cycles.

The recently concluded Third Plenum and Politburo Meeting in China concluded without major stimulus announcements. However, policymakers seem intent on doing more, with the PBoC implementing some easing measures, including surprise rate cuts following the Third Plenum. However, these efforts have not been substantial or effective enough to counter domestic economic challenges, particularly from the demand side highlighted by weak consumer confidence, deflationary pressures and no meaningful signs of a property market turnaround.

Most regional currencies, except the IDR which is more sensitive to global risk sentiment than its regional peers, strengthened on the expectation of Fed rate cuts. Overall, ASEAN markets have a positive outlook based on a weaker dollar, easier financial conditions, and a gradual manufacturing recovery. However, uncertainties around China's growth, the US election and Fed rate cuts mean ASEAN equities will take time to rebound. Nonetheless, growth remains steady and inflation anchored. Recent export and PMI softening, after previous strong months signal a volatile recovery in manufacturing.

Fixed Income**Market review**

In the political arena, several major events unfolded, intensifying an already volatile bond market. Notable among these are the assassination attempt of Donald Trump, drop out of the presidential election by U.S. President Joe Biden, endorsement of the current U.S. Vice President Kamala Harris to run against Donald Trump, and the escalating geopolitical tensions between U.S and Israel as a result of the assassination of Hamas political chief Ismail Haniyeh. Bond markets worldwide witnessed rally towards the end of July. U.S. Treasury yields dropped by as much as 50 basis points (bps) in the month of July.

Tracking strength in the global bond markets, the Malaysian Government Securities (MGS) yield curve bull-steepened, with 1-year yield dropped 8 bps while the 20 to 30-year yields shed 5-7bps month-on-month (m-o-m), largely driven by foreign demand. 10-year yield dropped 14bps to 3.74%, a level not seen since June-2023. The rally was also evident in the Malaysian Ringgit movement, which has strengthened substantially by 2.69% against the US Dollar to 4.5905 end of July.

There were three government bond/sukuk auctions in the month of July, 5-year MGS, 10-year Malaysian Government Investment Issue (MGII), and 15-year MGS. All three auctions drew healthy demand, with average bid-to-cover ratio above 2x. As for Private Debt Securities, local corporate spreads widened as much as 9 bps, trailing behind the MGS yields.

Foreign holdings of MGS increased from 33.3% to 34.2% of total outstanding in the month of July. Foreign investors' net MGS purchase was about RM 5.1 billion, marking the largest monthly inflow of 2024 year-to-date. Meanwhile, Brent price dropped 4.45% m-o-m to USD 77.91 per barrel.

Market outlook

Moving into August, global bond yields rallied sharply after several surprising releases of U.S. economic data indicating slower-than-expected economic growth. U.S. labour market signaled slowdown as unemployment rate crept up. Although Federal Reserve (FED) maintained the benchmark Fed funds rate at between 5.25% and 5.50% at its Federal Open Market Committee (FOMC) meeting, it also hinted the potential September's cut as inflation continued to behave as expected. The market narrative on global rates changed rapidly, from the timing of first FED rate cut, to the size of the cut. Global rates are reflecting more than 100 bps Fed funds rate cut by 2024, a significantly shift to a more dovish positioning compared to just 25-50bps before the shift.

Year-to-date as of 5th of August, the Ringgit has strengthened about 3.5% against USD, one of the best performers in the forex market. Coupled with favourable domestic bond supply-demand profiles, better economy growth prospect, and front-loaded U.S. rate cuts, Malaysian bonds have rallied further into August. For the MGS rates to decrease further from these levels, a more severe economic downturn in the U.S. would be necessary. This could lead to spillover effects, prompting other central banks to cut its rates. Along with the potential increased inflation numbers resulting from the diesel subsidy retargeting drive, and the expected soon-to-be-announced subsidy rationalization initiative on RON95, we may see some profit taking activities emerging in the near term.