

**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%

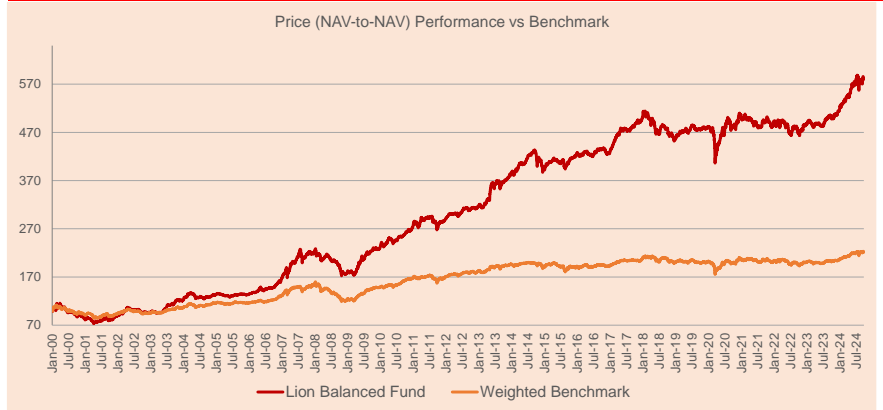
Fixed Income Securities: 40% - 60%

Remaining: Cash / Cash Equivalent

**Top 5 Holdings (as at 30-Sep-2024)**

Name	% of NAV
Government Investment Issue	7.8%
Malaysia Government Bond	7.1%
Tenaga Nasional Bhd	6.2%
CIMB Group Holdings Bhd	4.4%
Public Bank Bhd	4.3%

**Performance from 03 January 2000 - 30 September 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
<b>Lion Balanced Fund</b>	12.8%	0.5%	6.3%	15.5%	17.8%	21.6%	480.2%
<b>Weighted Benchmark*</b>	8.3%	(0.6%)	4.2%	10.0%	8.5%	10.8%	132.2%

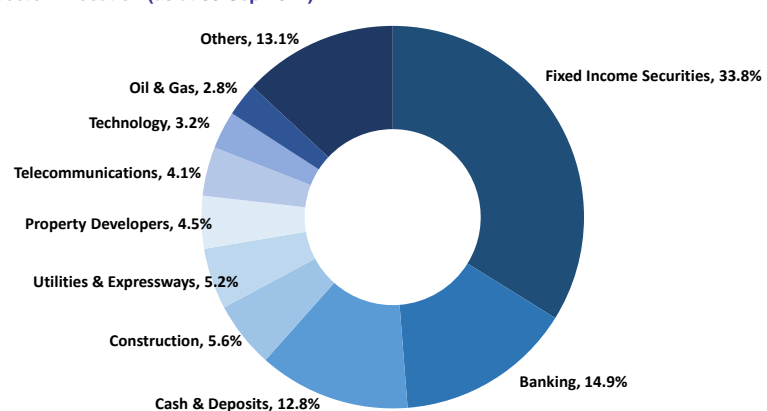
\* Weighted benchmark derived from 50% weight on 12-month MBB Fixed Deposit return and 50% weight on FBM100 index return.

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

**Fund Info (as at 30-Sep-2024)**

<b>Inception Date</b>	03 January 2000	<b>For Single Pricing Product</b>	
<b>Fund Size (RM mil)</b>	3,364.1	<b>NAV per unit (RM)</b>	5.512
<b>Management Fee</b>	1.0% p.a. on NAV	<b>For Dual Pricing Product</b>	
<b>Other Charges</b>	Nil	<b>Bid Unit Price (RM)</b>	5.512
<b>Fund Manager</b>	GELM Investment	<b>Offer Unit Price (RM)</b>	5.802
<b>Valuation</b>	Daily based on market prices	<b>Risk Profile</b>	Moderate

**Sector Allocation (as at 30-Sep-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.

Some of the data contained herein have been extracted from the following source: FTSE International Limited ("FTSE"). FTSE is a trade mark of London Stock Exchange Plc and The Financial Times Limited and is used by FTSE under license. All rights in the FTSE Indices vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices or underlying data. No further distribution of FTSE data is permitted without FTSE's express written consent.

**Equity****Market Review**

The KLCI declined 1.8% MoM to end at 1,649. MSCI MY underperformed MSCI APxJ Index by 9.4% in September (vs. August's 3.8%). MYR strengthened 4.8% MoM at 4.12, while 10Y MGS declined 6 bps to 3.71%. Meanwhile, Brent crude oil fell 8.9% MoM to US\$72/bbl. Foreign equities recorded RM0.86 billion net inflow in Sept 2024, compared to a net inflow of RM2.5 billion in Aug 2024. Malaysia's bond market recorded 3.2% MoM net foreign inflow in Aug 2024. Foreign holdings of MGS increased by RM6.2 billion MoM to RM216 billion, which is equivalent to 34.9% of total outstanding MGS. IHH Healthcare has rallied 14.2% MoM on the back of optimism following the news that Japan's Mitsui & Co LTD, together with local institutional shareholders and private equity fund are exploring an option to strengthen their grip on IHH Healthcare. Meanwhile, Petronas Dagangan declined -15.3% MoM due to market correction after the company rallied 18.8% in Aug 2024 after reported marginal improvement in earnings.

**Market Outlook**

The Federal Reserve's decision to begin its easing cycle with a 50bp rate cut was not unanimous. Crucially, Fed Chairman Jerome Powell managed to convey the message that the Fed cut by 50 bps because they feel confident about reaching the inflation target rather than because the FOMC is overly worried about the economic outlook. The Fed emphasized that it is not in a rush and that the pace should not be extrapolated. Economic data continue to show moderate growth while the employment situation has softened further so that the labour market buffer is now all but gone. Stock markets welcomed the Fed's decision with the S&P 500 reaching a new record high. We expect the Fed to gradually ease policy in the coming months, possibly accelerating the pace if economic data deteriorates more than expected.

The latest set of PMIs confirms that the US economy continues to chug along at a robust pace with the Composite index almost unchanged at 54.4 in September after 54.6 in August. Once again, services activity is driving the momentum while manufacturing keeps struggling. Consumer spending is cooling down with both personal income and personal spending growth slowing to 0.2% MoM in August. The positive side of weaker spending growth is a further softening in price pressure with PCE core inflation receding to only 0.1% MoM.

As most economic and monetary indicators for August disappointed nearly across the board, with the exception of exports and parts of non-property related investments, President Xi issued an urgent request to the authorities to do more to achieve the 5% real GDP growth target for this year. This was quickly followed by a comprehensive set of policy support measures to be implemented on the monetary, property-related, fiscal, and financial market support front. Following the failed rally attempt in April/May, China's 'H'-shares finally rallied 20% from the September low, applauding the stimulus measures. Domestic 'A'-shares also appear to have marked a turnaround, supported by high trading volume. The CNY continued to appreciate versus the US Dollar following the Fed rate cut, ending the month at USDCNY7.011.

Growth remains resilient while inflation is well-anchored across the region. So far, the central banks of the Philippines and Indonesia have been quick to cut alongside the Fed's larger-than-expected 50bp cut with Bank Indonesia delivering a surprise rate cut in September. ASEAN equities have been outperforming, with the MSCI ASEAN gaining nearly 8% in September driven by strong foreign inflows. We expect ASEAN equity markets to perform well over the next 6-12 months, supported by a weaker dollar, looser financial conditions and a supportive macro environment with anchored inflation and steady growth, aided by a global trade turnaround.

**Fixed Income****Market review**

U.S. Federal Reserve (Fed) kicked-off its easing cycle by cutting 50 basis points (bps) of the Fed funds rate to 4.75%-5.00% on 18 September 2024 Federal Open Market Committee (FOMC) meeting. It was the first rate cut since March 2020. U.S. Treasury yield curve bull-steepened in the run-up to the decision, driven by weak economic data releases, which increased bets of Fed cutting more aggressively.

Despite FED cutting its policy rate, domestic markets reaction was relatively muted. Malaysian Government Securities (MGS) yield curve flattened MTD, with 1-2y yields increased by 1-2bps while 3-30y yields dropped by 1-6bps. 10y yields moved the most, declining by 6 bps. In the month of August, foreign holdings of MGS increased from 34.2% to 34.6%, while GII holdings increased from 9.3% to 9.5% of total outstanding. August YTD, Malaysia saw a net foreign inflow of RM16.0bn for MGS and GII combined.

After strong auction results during the first 8 months of the year, Malaysian government bond and sukuk drew relatively weaker demand in September. There were three auctions in the month of September, namely 20-year Malaysian Government Investment Issue (MGII), 7-year MGS, and, 30-year MGII, with average bid-to-cover ratio of less than 2x. Notable primary issuances include Alliance Bank, Johor Plantations Group, Mercedes-Benz Services Malaysia, RHB Bank, and Prasarana.

The Malaysian Ringgit (MYR) strengthened further against the US Dollar. MYR strengthened by 4.56% to 4.1235. Meanwhile, oil price dropped, Brent price decreased 8.9% m-o-m to USD 71.77 per barrel end of September.

**Market outlook**

FED cut its rate in view of the softening inflationary data and weakening labour market conditions, reiterating future adjustments will depend on incoming data, the evolving outlook, and balance of risks. In conjunction with the rate cut, the central bank revealed its latest economic forecasts. Core inflation projections were lowered to 2.6% for 2024 (from 2.8%) and 2.2% for 2025 (from 2.3%), signalling its confidence that inflation is moving towards the 2% target. Despite the eventual pivot by the FED to ease monetary policy, escalating geopolitical tensions may keep volatility in the global bond market elevated, on top of the U.S. Presidential Election in November. Intensified wars in the Middle East could drive oil prices higher, causing supply chain disruptions, renewing upward pressure on inflation, after much effort by central banks around the globe to tame it.

On domestic front, Bank Negara Malaysia (BNM) kept its benchmark interest rate at 3% at the latest Monetary Policy Meeting on 05 September 2024. It cited sustained strength in economic activity was mainly driven by resilient domestic expenditure and higher export activity. The spillovers from the diesel price adjustment to inflation have been muted, as evidenced by the Malaysia's inflation numbers. Headline inflation eased from 2.0% to 1.9% in August 2024.

Looking ahead, all eyes will be at the 2025 Budget which is expected to be presented in Parliament on 18 October 2024. Hopefully more clarity would be provided on RON95 subsidy rationalisation implementation, coupled with other fiscal disciplines in order to fulfil its pledge on fiscal consolidation effort.