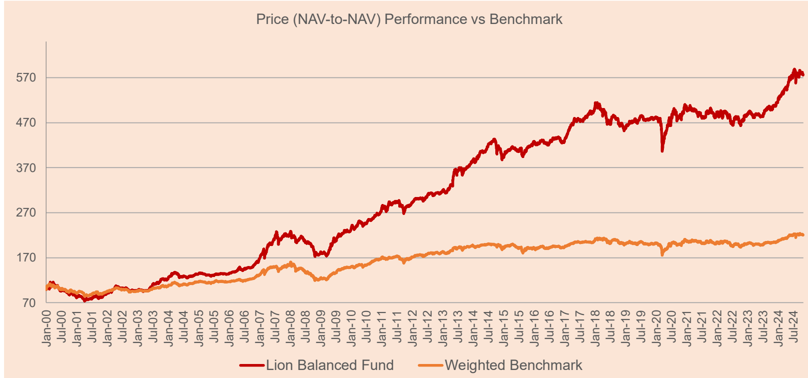
Lion Balanced Fund

31 October 2024

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.

Performance from 03 January 2000 - 31 October 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.

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.

Percentage Return (NAV to NAV)

	YTD	1-Mth	6-Mth	1Y	3Y	5Y	Since Inception
Lion Balanced Fund	11.8%	(0.9%)	4.1%	14.7%	15.8%	19.9%	474.9%
Weighted Benchmark*	7.4%	(0.8%)	2.0%	8.6%	6.7%	9.5%	130.4%

* 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

Asset Allocation

Equities: 40% - 60%

Fixed Income Securities: 40% - 60%

Remaining: Cash / Cash Equivalent

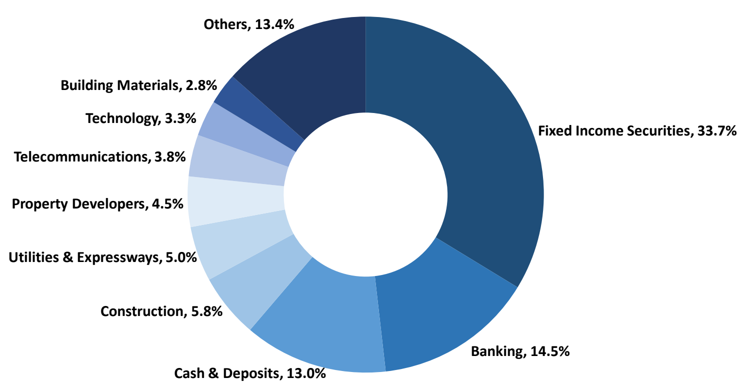
Fund Info (as at 31-Oct-2024)

Inception Date	03 January 2000	**For Single Pricing Product**	
Fund Size (RM mil)	3,371.2	**NAV per unit (RM)**	5.462
Management Fee	1.0% p.a. on NAV	**For Dual Pricing Product**	
Other Charges	Nil	**Bid Unit Price (RM)**	5.462
Fund Manager	GELM Investment	**Offer Unit Price (RM)**	5.749
Valuation	Daily based on market prices	**Risk Profile**	Moderate

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

Name	% of NAV
Government Investment Issue	8.1%
Malaysia Government Bond	7.0%
Tenaga Nasional Bhd	6.0%
CIMB Group Holdings Bhd	4.4%
Public Bank Bhd	4.2%

Sector Allocation (as at 31-Oct-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 declined 2.9% MoM to end at 1,602. MSCI MY outperformed MSCI APxJ by 1.9% in October (vs. September's -5.8%). MYR weakened 5.8% MoM at 4.38, while 10Y MGS increased 21bps to 3.92%. Meanwhile, Brent crude oil rose 1.1% MoM to US$73/bbl. Foreign equities recorded -RM1.8bn net outflow in October 2024, compared to a net inflow of RM0.86bn in September 2024. Malaysia's bond market recorded 0.4% MoM net foreign inflow in September 2024. Foreign holdings of MGS decreased by RM0.7bn MoM to RM215bn, which is equivalent to 34.3% of total outstanding MGS. Gamuda has rallied 5.7% MoM on the back of its RM4.3bn mass rapid transit (MRT) project win in Taiwan. Meanwhile, YTL Corp declined -20.7% MoM and there has not been any new news around the name. Feedback from investors is still around nervousness on the group's AI-DC segment.

Market Outlook
Global growth is holding up, but there is renewed weakness in manufacturing and trade while labor markets are becoming less buoyant. The global Manufacturing PMI dipped again, with a sharp decline in new orders, in part reflecting weak global capex dynamics. Regional divergences remain in place, with US data surprising to the upside while China and Europe lag behind. Inflation has fallen further, with progress on the services side, while goods deflation remains in place. Central banks continue to cut rates, and forward-looking lending surveys indicate that loan demand is starting to pick up.

November is set to bring the year's most pivotal political event: the US election, featuring a tight race between Kamala Harris and Donald Trump. The outcome will carry significant implications for fiscal and monetary policy moving forward. A Trump win with a Republican congressional majority could mean tax cuts, potentially giving stocks a short-term lift. That said, Trump's stance on heightened fiscal spending and additional tariffs would likely be more inflationary in the long run compared to the moderate approach anticipated under Harris. This presents a formidable challenge to the Fed's policy setting as the pace of the decline in inflation remains slow.

Following its 40% rally from the September lows to the early October highs, the MSCI China retreated 14% before stabilising. In order for the rally to gain steam again, a convincing fiscal package needs to be announced at the NPC Standing Committee meeting in early November.

With bond yields surging globally and the USD strengthening, investor excitement for equities in ASEAN has waned, keeping stocks flat in October. Central banks continue to ease monetary policy in Thailand and the Philippines. After a rate cut in September, Bank Indonesia (BI) paused in October, partly due to FX stability concerns. We expect the easing cycle to continue, with Indonesia and the Philippines having the most room for further cuts, while Thailand and Malaysia will likely cut rates the least due to their lower real policy rates. Malaysia's 3Q24 growth momentum remained strong and its budget suggests continued consolidation, including a reduction in the current fuel subsidy. On the trade front, Malaysia and Singapore reported a slowdown in exports, particularly in electronics.

Fixed Income

Market review
Despite commencement of the U.S easing cycle, rates market saw sell-off in Oct24 as investors dialled back U.S. Fed rate cuts expectation amidst increasing likelihood of an economic soft landing scenario on the back of the recent better than expected U.S. economic data. While U.S. inflation print continues its downtrend, the upcoming U.S. election in early Nov24 dominated the headlines and overshadowed the geopolitical tension between Israel and Iran in Oct24. The potential re-election of former U.S President Trump spurred a sharp increase in U.S Treasury (UST) yields on the back of Trump's election pitches suggesting higher U.S. tariffs threat and more fiscal spendings, which triggered worsening of U.S. fiscal concerns, and a comeback of inflationary fears.

Meanwhile, local market reaction to the Malaysian budget for 2025 was fairly muted. As widely expected, the Malaysian government maintains a gradual fiscal consolidation approach and targets to narrow the fiscal deficit from 4.3% in 2024 to 3.8% in 2025 on the back of subsidy reform. In tandem with global trend, MGS yields increased 6 to 22 bps m-o-m across the curve with short to mid-term tenures (up to 7 years) adjusted the most while the long-end remained fairly supported by domestic investors. Credit spreads tightened 2 to 14 bps m-o-m across the curve as corporate bonds are usually slower to adjust to market trend on the back of thin market liquidity.

The Ringgit weakened by 5.8% m-o-m to 4.3780 end-Oct24 (from 4.1235 end-Sep24) amidst a broad-based rebound in USD due to U.S election uncertainty. Despite giving back some of the gains from earlier months, the Ringgit remains one of the best performing currencies with a 4.9% gain over USD so far this year. Oil prices were volatile during the month driven by escalating conflicts in the Middle East, before ending the month relatively flat around USD73 per barrel. BNM's foreign reserves were reported at USD119.6 bil mid-Oct24 and has increased USD6.1 bil since end of last year on the back of the Ringgit outperformance. Following marginal RM0.7 bil net outflow in Sep24, the foreign holdings of MGS are likely to remain below 35% level end-Oct24

Market outlook
The IMF maintained its latest global growth forecast for 2024 at 3.2%, same as projected in Jul24 as the U.S. economy continues to be the anchor of global growth. Meanwhile, the growth forecast for 2025 is revised slightly lower to 3.2% from the previous 3.3% and in five years from now, the global growth is expected to fade to 3.1% (vs. average of 3.8% from 2000-2019) with potential more trade tariffs and widening geopolitical tensions as key risks to global growth. While global monetary policy easing is expected to continue given that inflation has subsided, the easing cycle may be shallower than expected as inflation path (return to normal 2% in next 2 years) remains uncertain.

On the domestic front, the GDP growth for 2024 is revised upward to 4.8%-5.3% from previous 4%-5% and the GDP for next year is forecasted to expand by 4.5%-5.5%. Meanwhile, the risk to inflation outlook in 2025 is tilted to upside due to subsidy reform, minimum wage hike and civil service salaries adjustment. Despite global easing cycle, BNM is expected to maintain the OPR at 3.00% given resilient domestic economy and potential inflation impact arising from subsidy rationalisation. Nonetheless, external factors will continue to be key driver to the domestic bond market.