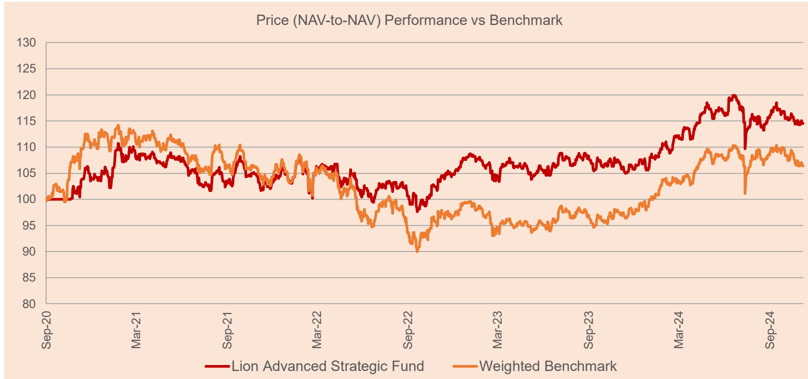
Lion Advanced Strategic Fund

30 November 2024

Fund Objective

A fund which invests in a mixture of equities, fixed income securities and money market instruments in Malaysia and companies that have significant business operations in Asia. There is flexibility in asset allocation as this fund may invest solely in fixed income securities or equities. Collective investment schemes such as unit trusts, mutual funds and exchange-traded funds which invest in such underlying asset classes maybe considered. The fund seeks to maximize capital appreciation over the medium to long-term while reducing risks and/or enhancing returns through timely and dynamic switching of asset classes in different markets at any given point in time.

Performance from 23 September 2020 - 30 November 2024



Investment Strategy

This fund shall be actively managed, investing in a mixture of equities and fixed income securities based in Asia and Malaysia to achieve a well-diversified portfolio. The fund aims to provide stable medium to long-term return. The fund will include portfolio hedges to better manage its risk exposures.

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.

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 Advanced Strategic Fund	7.5%	(0.5%)	(0.8%)	8.0%	12.0%	n/a	14.5%
Weighted Benchmark*	8.6%	(0.9%)	(0.4%)	9.2%	2.3%	n/a	7.0%

* Weighted benchmark derived from 70% weight on FBM Kuala Lumpur Composite Index (KLCI) return and 30% weight on MSCI AC Asia ex Japan Index return.

Source: Bloomberg - FBMKLCI - Bursa Malaysia and MXASJ - Morgan Stanley Capital International (MSCI)

Asset Allocation

Malaysian Equities / Fixed Income Securities: 0% - 75%

International Equities / Fixed Income Securities: Up to 35%

Remaining: Cash & Cash Equivalent

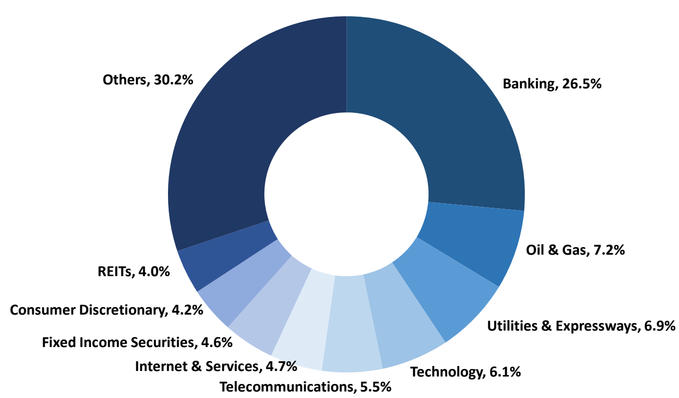
Fund Info (as at 30-Nov-2024)

Inception Date	23 September 2020	**For Single Pricing Product**	
Fund Size (RM mil)	73.0	**NAV per unit (RM)**	1.088
Management Fee	1.35% p.a. on NAV	**For Dual Pricing Product**	
Other Charges	Nil	**Bid Unit Price (RM)**	1.088
Fund Manager	GELM Investment	**Offer Unit Price (RM)**	1.145
Valuation	Daily based on market prices	**Risk Profile**	High

Top 5 Holdings (as at 30-Nov-2024)

Name	% of NAV
CIMB Group Holdings Bhd	7.6%
Public Bank Bhd	7.3%
Malayan Banking Bhd	6.5%
Tenaga Nasional Bhd	5.2%
iShares MSCI India ETF	4.1%

Sector Allocation (as at 30-Nov-2024)



Equity

Market Review
The KLCI declined 0.5% MoM to end at 1,594. MSCI Malaysia outperformed MSCI Asia Pacific ex-Japan by 2.9% in November (vs. October's -3.6%). MYR weakened 1.5% MoM at 4.45, while 10Y MGS declined 12bps to 3.8%. Meanwhile, Brent crude oil rose 0.5% MoM to USD73/bbl. Foreign equities recorded RM3.1bn net outflow in November 2024, compared to a net outflow of RM1.8bn in October 2024. Malaysia's bond market recorded -3.9% M0M net foreign outflow in October 2024. Foreign holdings of MGS decreased by RM7bn MoM to RM208bn, which is equivalent to 33.2% of total outstanding MGS.

Market Outlook
The MSCI Asia ex Japan index closed November -3.3% MoM as markets retreated in reaction to Trump's election win. Singapore (+7.4%) was the exception, led by Internet on strong 3Q results and Financials with expectations of interest rates staying higher for longer. China declined 4.5% on a lack of details from the National People's Congress which underwhelmed investors and fear over tariff hikes on Chinese exports. Taiwan slid 4.6% amid concerns over slower growth and a correction in the semiconductor sector whilst Korea (-6%), was dragged by the IT sector. Meanwhile, ASEAN markets faced pressure on USD strength with Malaysia, Thailand, Indonesia, and Philippines returning -1.6%, -3.6%, -8.5%, and -10.4% respectively. The KLCI fell 0.5% MoM to end November at 1,594pts. By sector, Energy/Telecommunications underperformed whilst Healthcare/Plantations/Utilities outperformed. Foreign investors remained net sellers in November with net outflows of RM3.1bn. YTD November 2024 saw a cumulative foreign net outflow of RM1.3bn.

Going forward, the key factor influencing the market going forward is uncertainty surrounding the trajectory of US interest rates as well as potential volatility from the impact of tariffs following the US elections. The prospect of Federal Reserve rate cuts is positive for ASEAN given its low inflation, resilient domestic sector, improving trade outlook, and attractive valuations. For Malaysia, with subsidy rollbacks still pending even as a salary hike for civil servants takes effect, meeting deficit targets will be important to watch. Key market drivers will be earnings and policy.

Fixed Income

Market review
Despite the 25 bps rate cut (from 5.00% to 4.75%) by the U.S. Federal Reserve (Fed) in early Nov24, U.S. Treasury (UST) yields continued to climb amidst market uncertainties following the U.S. election. However, UST yields rallied towards month-end on the nomination of Scott Bessent as the next U.S. Treasury Secretary, a choice that investors deemed measured for market stability under the Trump administration. There were heightened concerns following Trump's win given his political pledges for higher tariffs which may lead to higher inflation and potential tax cuts that may worsen U.S. fiscal position. 10-year UST yield ended the month at 4.17%, 11 bps lower m-o-m with market pricing in 64% chance of another 25 bps rate cut in Dec24.

Meanwhile, market reaction to Bank Negara Malaysia's (BNM) decision to maintain the OPR at 3.00% in early Nov24 was muted as it was widely expected. Nevertheless, local bond market recovered partially from market sell-off in Oct24 with the Malaysian Government Securities (MGS) yield curve shifting downward by 4 to 15 bps on favourable supply and demand dynamics, with US rates market stabilised. Local demands continued to be supportive, coupled with light supply of long-term government issues for the remaining year. The 10-year MGS auction size came in smaller than anticipated, while the 3-year GII auction was cancelled unexpectedly. Credit spreads movement was mixed in Nov24 as corporate bonds are slower to adjust, particularly when the bond market rallied in later part of the month.

The Ringgit weakened against USD by 1.6% m-o-m to 4.4475 at the end of November, due to a broad-based USD rebound amid concerns over a potential trade war under the Trump administration, as well as slower and smaller rate cuts by the Fed. Nevertheless, the Ringgit remains one of the best performing currencies with a 3.6% gain over USD on YTD basis. Brent crude oil ended the month relatively flat at around USD73 per barrel, facing downward pressure due to Trump's plan to increase U.S. oil output while global demand remains tepid. BNM's foreign reserves were reported at USD118.0 bil mid-Nov24 and has increased by USD4.5 bil since end-2023, on the back of stronger Ringgit. Foreign holdings of MGS end-Nov24 are likely to stabilise around 33-35% (33.2% end-Oct24) as market volatility has subsided.

Market outlook
The global trend of interest rate cuts is expected to continue; however, it may be shallower than anticipated, as global growth remains fairly robust, while inflation may take longer to return to normal levels following Trump's inflationary policies, if implemented as pledged. Policy uncertainties under Trump administration could potentially keep market volatility elevated, and complicate monetary policy decision by the Fed.

On the domestic front, the GDP growth remained robust at 5.3% y-o-y in 3Q24, in line with the recent official forecast upgrade from 4%-5% to 4.8%-5.3% for 2024. The Malaysian economy is expected to remain supported by robust domestic consumption on minimum wage hikes, civil servant salary adjustment, as well as low unemployment. Meanwhile, domestic inflations remain benign with headline and core CPI averaging 1.9% and 1.8% respectively in 10M24 period.

Whilst inflation expectation may see upside risks due to subsidy reforms, it could be temporary cost-pushed factor and not pervasive in nature. BNM is expected to maintain the OPR at 3.00%, given positive domestic growth outlook, as long as inflation continues remain manageable. External factors or global rates sentiment will however continue to influence the direction of the domestic bond market in the near term.