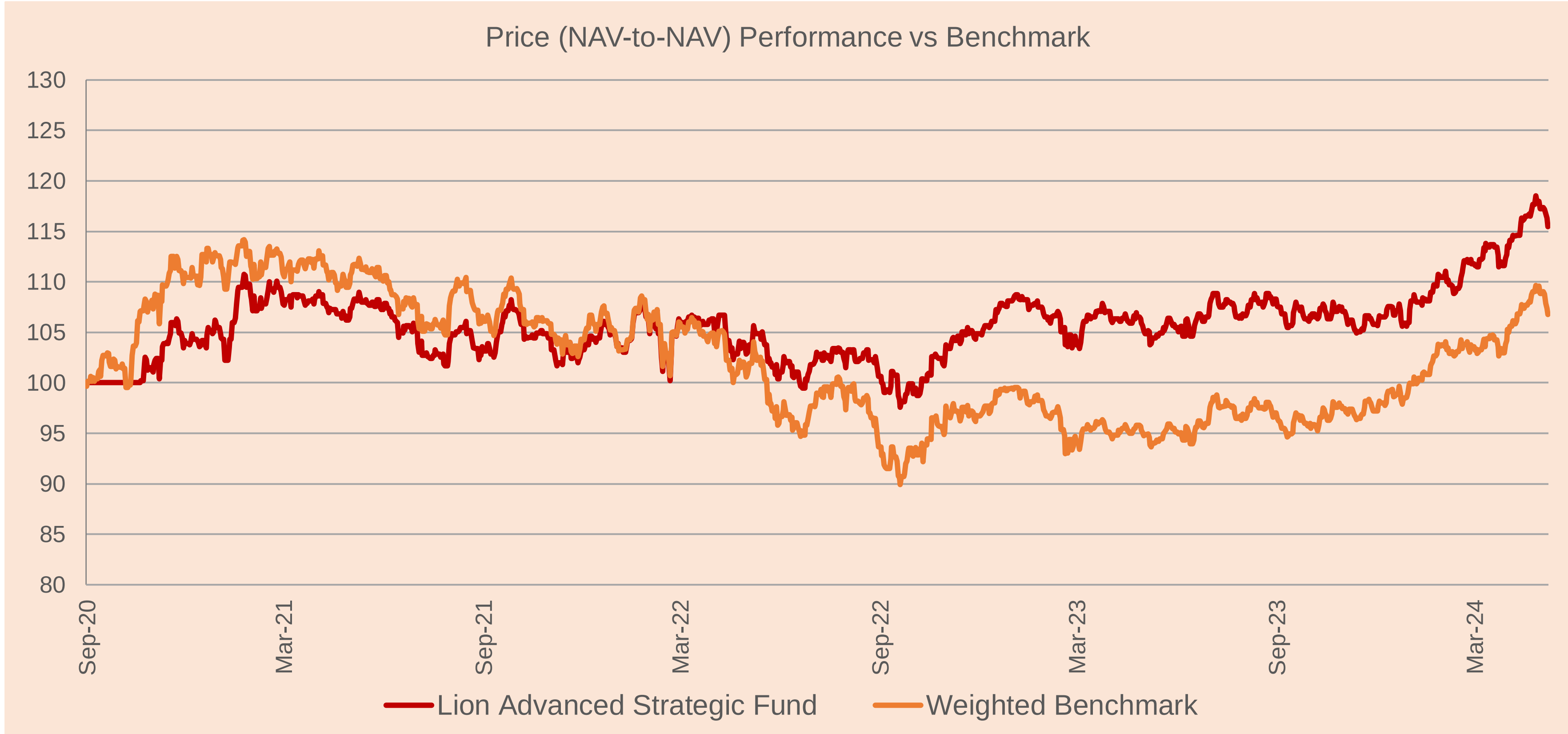
Lion Advanced Strategic Fund

31 May 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 - 31 May 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	8.4%	0.8%	8.9%	11.3%	6.8%	n/a	15.5%
Weighted Benchmark*	9.0%	0.9%	9.7%	13.8%	(3.7%)	n/a	7.3%

* 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

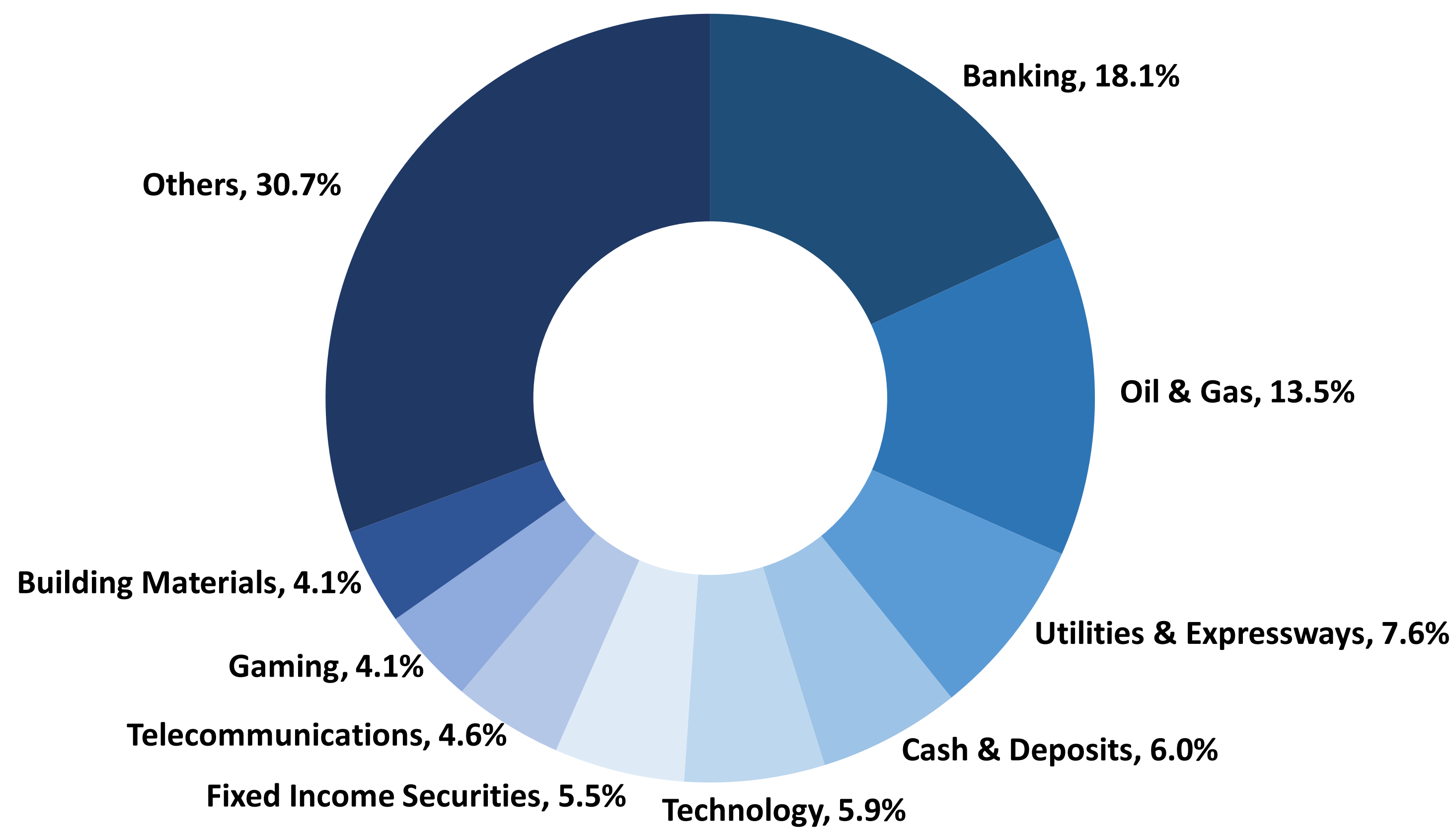
Fund Info (as at 31-May-2024)

Inception Date	23 September 2020	**For Single Pricing Product**	
Fund Size (RM mil)	61.2	**NAV per unit (RM)**	1.097
Management Fee	1.35% p.a. on NAV	**For Dual Pricing Product**	
Other Charges	Nil	**Bid Unit Price (RM)**	1.097
Fund Manager	GELM Investment	**Offer Unit Price (RM)**	1.155
Valuation	Daily based on market prices	**Risk Profile**	High

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

Name	% of NAV
Malayan Banking Bhd	6.7%
Tenaga Nasional Bhd	6.0%
Public Bank Bhd	5.3%
CIMB Group Holdings Bhd	5.3%
Malaysia Government Bond	4.7%

Sector Allocation (as at 31-May-2024)



Equity

Market Review
The KLCI rose 1.3% MoM to end May 2024 at 1,597 pts, continuing its steady climb after rising 2.6% in April 24. Aside from outperforming both the MSCI Emerging Market Index (+0.3% MoM) and the MSCI All Country Asia ex-Japan Index (+1.1% MoM), KLCI also outperformed Thailand's SET and Indonesia's JCI, which fell 1.6% MoM and 3.6% MoM, respectively. Foreign investors reversed their position from net selling in April to net buying in May, shrinking 5M24 cumulative net sell flow to RM0.8bn. The technology sector was the best-performing sector, while the plantation sector was the worst-performing.

Market Outlook
MXASJ gained 1.6% in May, with a softer dollar, strong AI momentum, China's policy boosts, Indian elections, and stabilizing Japanese yen as the main market drivers. Despite hawkish May FOMC minutes, softer-than-expected April data eased investors concerns regarding the Fed's policy path. By market, Taiwan led (+5.1%) on AI momentum, upbeat 1Q results for Financials, and renewed upside in container shipping rates. China (+2.4%) and Hong Kong (+2.4%) ended the month higher but substantially off mid-month highs on profit taking after the strong rally since mid-April with investors now waiting for macro data to confirm the recovery. Japan (+1.3%) slightly underperformed, weighed down by Autos and Industrials exporters while Financials gained. India traded sideways (+0.8%) ahead of the election results out on June 4th. Korea also underperformed, as foreign investor crowding in Samsung unwound. Indonesia (-6.2%) was the biggest underperformer following the weakening Rupiah, an unexpected rate hike, soft 1Q24 earnings, and weak macro data.

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As we move into June, the key factor influencing the market going forward is uncertainty surrounding the potential easing of monetary policy by the US Federal Reserve. Overall, the outlook for Asian stocks remains positive, especially if global financial conditions continue to improve. For Malaysia, with subsidy rollbacks still pending even as a 13% salary hike for civil servants is announced, meeting deficit targets will be important to watch. Key market drivers will be earnings and policy.

Fixed Income

Market review
Global bond markets rebounded in the month of May. Despite the Federal Open Market Committee (FOMC) keeping the benchmark Federal Reserve (Fed) funds target rates steady for the sixth consecutive time, the US Treasury (UST) yield curve bull flattened. 1-year UST yield dropped by 6 basis points (bps) while 20-year curve point yield rallied by 20bps, mainly attributed to the softer-than-expected inflation and labour market data.

On the back of bullish global bond markets, the Malaysian Government Securities (MGS) yield curve shifted lower by 3-12bps month-on-month (m-o-m). In the month of April, foreign holdings of the MGS eased to 32.83% (Mar: 33.19%) while GII contracted to 8.78% (Mar: 8.92%) of total outstanding.

There were three government bond/sukuk auctions in the month of May, namely 20-year MGS, 15-year Malaysian Government Investment Issue ("MGII"), and 7-year MGS. The 15-year and 20-year auctions printed strong bid-to-cover ratio above 3 times. As for Private Debt Securities, local corporate bonds outperformed in general, with corporate spreads tightened by 1-10bps. Notable primary issuance includes Petroleum Sarawak Bhd (Petros), garnered strong demand, especially the longer tenors.

Ringgit appreciated 1.38% against US Dollar in the month of May, attributed to weaker US Dollar, coupled with the efforts by Bank Negara Malaysia (BNM) in its continual engagement with government linked companies, government linked investment companies, as well as corporates. On the other hand, Brent price dropped 7.10% m-o-m to USD 81.62 per barrel end-May as market players started to reduce geopolitical risk premium in the Middle East.

Market outlook
In the recent press conference, Fed Chair Jerome Powell mentioned that Fed fund rates would remain in the current range of 5.25% to 5.50% for longer than previously expected. He has also cited that the Fed's next move will unlikely be a rate hike. Although market is currently pricing in two 25bps rate cuts for the rest of 2024, more economic data points may be needed to convince the Fed to cut its rates anytime soon.

Locally, at the May Monetary Policy Committee ("MPC") meeting, BNM hold the Overnight Policy Rate ("OPR") at 3.00%. BNM saw global economy expanding amid resilient labour markets and continued recovery in global trade. The growth outlook remains subject to downside risks on the back of the on-going geopolitical tensions, volatility in global financial markets, and higher-than-anticipated inflation outturns. On the Malaysian economy, BNM reported that Malaysian gross domestic product (GDP) grew by 4.2% year-on-year in the first quarter of 2024, better than the advance estimate of 3.9%. This was mainly driven by private spending and improved external demand. Given BNM's current assessment of growth outlook, there is no rush for BNM to alter its monetary policy stance in the immediate terms.B12

In the run-up to the eventual implementation of subsidy rationalization, uncertainty remains on the impact of removal of subsidies to domestic inflation, which continues to cloud sentiment in the bond market. Withdrawal from the new EPF Account 3, which may potentially reduce EPF's net investible amount especially in the local market, and the likely multiplier effect to consumer spending added some cautiousness to the market. Coupled with external factors, local rates market may continue to be volatile.