

## Fund Objective

A fund which invests in a mixture of equities (ranging from 50% to 90%) and fixed income securities. This fund seeks to provide medium to long-term capital appreciation, with a moderate-to-high level of volatility.

## Investment Strategy

This fund shall be actively managed, investing mainly in Malaysian equities with good fundamentals and growth potential. The fund may switch partially into fixed income securities during periods of uncertainty. The aim of this fund is to provide consistent long-term return above the benchmark.

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

Malaysian Equities: 50% - 90%

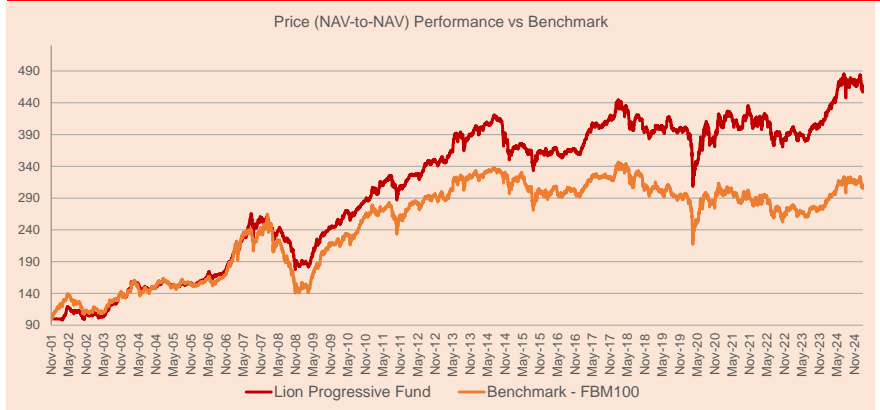
Fixed Income Securities: 10%- 50%

Remaining: Cash / Cash Equivalent

## Top 5 Holdings (as at 31-Jan-2025)

Name	% of NAV
CIMB Group Holdings Bhd	8.7%
Tenaga Nasional Bhd	7.5%
Malayan Banking Bhd	7.2%
Public Bank Bhd	4.8%
IHH Healthcare Bhd	3.0%

## Performance from 01 November 2001 - 31 January 2025



### 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 Progressive Fund</b>	(5.5%)	(5.5%)	(4.3%)	7.1%	13.2%	18.8%	357.8%
<b>Benchmark* - FBM100</b>	(5.6%)	(5.6%)	(4.4%)	6.2%	9.5%	8.1%	206.0%

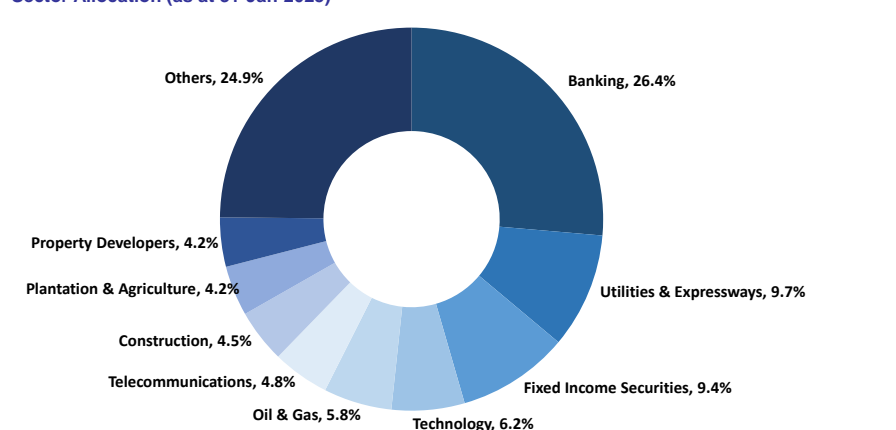
\* Prior to 1/7/09 is KLCI, thereafter is FBM100

Source: Bloomberg - FBM100 - Bursa Malaysia

## Fund Info (as at 31-Jan-2025)

Inception Date	01 November 2001	<u>For Single Pricing Product</u>	
Fund Size (RM mil)	1,097.1	NAV per unit (RM)	4.349
Management Fee	1.35% p.a. on NAV	<u>For Dual Pricing Product</u>	
Other Charges	Nil	Bid Unit Price (RM)	4.349
Fund Manager	GELM Investment	Offer Unit Price (RM)	4.578
Valuation	Daily based on market prices	Risk Profile	High

## Sector Allocation (as at 31-Jan-2025)



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 5.2% MoM to end at 1,557. MSCI MY underperformed MSCI APxJ by 6.3% in January (vs. December's 7.3%). MYR strengthened 0.3% MoM at 4.46, while 10Y MGS declined 1 bps to 3.81%. Meanwhile, Brent crude oil rose 2.8% MoM to US\$77/bbl. Foreign equities recorded RM3.1 billion net outflow in January 2025, compared to a net outflow of RM2.9 billion in December 2024. Malaysia's bond market recorded -0.5% MoM net foreign outflow in December 2024. Foreign holdings of MGS decreased by RM2 billion MoM to RM205 billion, which is equivalent to 32% of total outstanding MGS. CelcomDigi has increased 3.6% MoM while YTLP declined -29.2% MoM due to the DeepSeek-led selloff and heightened uncertainties for its AI DC forays from U.S. advanced chip export controls.

**Market Outlook**

On January 20, Donald Trump was inaugurated as the 47th President of the United States. A number of executive orders were signed during the first few days in office, but particularly the lack of any immediate new tariffs was a relief for financial markets. The positive mood was further supported by a tick down in core inflation that led to a substantial fall in Treasury yields. As expected, the Fed kept rates unchanged in January, but signalled further cuts this year even if inflation does not fall all the way back to 2%. The relief was short-lived, however, as the administration announced incremental tariffs on imports from Mexico, Canada and China on February 1. Canada and Mexico were subsequently granted a reprieve following last-minute talks. The launch of DeepSeek in late January rattled markets as investors try to evaluate how disruptive the AI model will be.

Global economic activity has held up well so far in 2025, with the Manufacturing PMIs and leading global trade data showing improvements in January, arguably helped by front-loading of exports to the US. The sector remains in a prolonged contraction, however, with tariff and policy uncertainty set to disrupt already weak capex spending and global trade flows. Elsewhere, inflation data surprised modestly to the downside in many regions, helped by easing services prices, which triggered a turnaround in bond market sentiment after the sell-off earlier in the year. Looking forward, US tariff policy will determine the trajectory for growth and inflation, with fears mounting around an escalating tariff war.

Hopes for convincing policy intervention to support the ailing Chinese economy have been disappointing so far, but investors are hopeful that effective support measures will be announced at the National People's Congress in March. Strong exports and an uptick in trade-in scheme related retail sales in 4Q24 have helped to achieve the 5% real GDP growth target for 2024.

The Singapore STI Index has outperformed regional markets, gaining nearly 1.8% YTD, while most major markets are experiencing losses amid ongoing foreign outflows. The region's close ties to global trade have led to diminished investor appetite, particularly due to uncertainty surrounding US tariff policy and the strength of the US Dollar. Although some markets may rebound from oversold conditions, we believe a significant turnaround will only occur with greater clarity on US tariffs and their potential impact on ASEAN. On the economic front, Vietnam, Malaysia, and Singapore all reported better than expected growth in 4Q24 with strong December exports to the US, indicating possible front-running of tariffs. However, PMI data suggest that purchasing managers remain cautious about the outlook.

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

In January, global bond markets witnessed significant volatility in unsettled market dynamics before and after Trump's inauguration, as well as continual divergence in interest rate paths of major world economies. Donald Trump, upon his inauguration as the 47th President of the US on January 20, 2025, brought immediate policy changes, with over 100 executive orders emphasizing his America First agenda. However, market has to brace itself for the ever uncertain ultimate timing and quantum of the tariff implementation since Trump took office. Meanwhile, as ECB continued to cut its deposit rate, PBC shifted to moderately loose monetary policy, and BoJ increased its reference rate by 25bps to 0.5%, the US Federal Reserve (FED) paused and kept the benchmark Fed funds rate unchanged at 4.25%-4.50% in the January Federal Open Market Committee (FOMC) meeting. It also signalled extended pause given the added complications brought about by policy uncertainties and the consequent potential impact to the economy and inflation. This has resulted in rapid change in market expectations within January itself, dominated by fewer rate cuts anticipated in 2025 compared to earlier projections at point of writing. The 10-year U.S. Treasury (UST) yields spiked to 4.792% mid-January before closing the month at 4.539%.

In contrast, the local bond market was relatively calm and steady despite the swings in the UST yields. The Malaysian Government Securities (MGS) yield curve shifted downward marginally by up to 2 basis points (bps). The 10-year MGS yield closed at 3.82% end of January. Meanwhile, foreign holdings data in December 2024 showed an outflow from Ringgit bonds, with foreign holdings of the MGS contracting to 32.3% (Nov: 32.7%) of total outstanding, representing the third consecutive monthly decline.

Demand for Malaysian Government bonds remained robust. In January, there were three auctions: 7-year MGS, 15.5-year Malaysian Government Investment Issue (GII), and 3-year GII. Notably, the new 15.5-year GII auction saw exceptionally strong demand, with a bid-to-cover ratio of 4.289x, one of the highest on record for a long-duration government bond auction.

On currency front, while US Dollar (USD) was anchored by expectation of Fed pausing and policy uncertainties, Ringgit appreciated by 0.27% against the USD to close at 4.4603 at the end of January. Brent oil price rebounded 2.84% month-on-month to USD 76.76 per barrel end of January.

**Market outlook**

Globally, the fixed income market is expected to remain volatile. The FOMC cited that inflation remains somewhat elevated and progress towards the 2% target has stalled. The FOMC highlighted the need to balance the risks of reducing policy restraint too quickly or too slowly, indicating a cautious approach to future rate adjustments. Bond market volatility is likely to persist, influenced by policy changes under the Trump administration, including tariffs, corporate tax and the widely expected financial deregulations.

At the January Monetary Policy Committee (MPC) meeting, Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate (OPR) unchanged at 3.00%. The central bank emphasized that the current rate is supportive of economic growth and consistent with inflation and growth prospects. BNM remains vigilant to global developments and their impact on the Malaysian economy. The economic outlook remains positive for Malaysia, with GDP growth projected at between 4.5% and 5.5% in 2025. Inflation is expected to stabilize within 2.0% to 3.5%, supported by effective price control policies. On supply-demand dynamics, while the Malaysian bond market is expected to see more long-duration bond supply in the first quarter of 2025, demand from long-term real investors will likely remain strong on portfolio rebuilding activities and healthy liquidity. Nevertheless, given the heightened volatility in the global bond market on the back policy uncertainties and interest rate path divergence in major economies, investors may want to remain vigilant and to adapt their strategies to navigate the evolving market landscape.