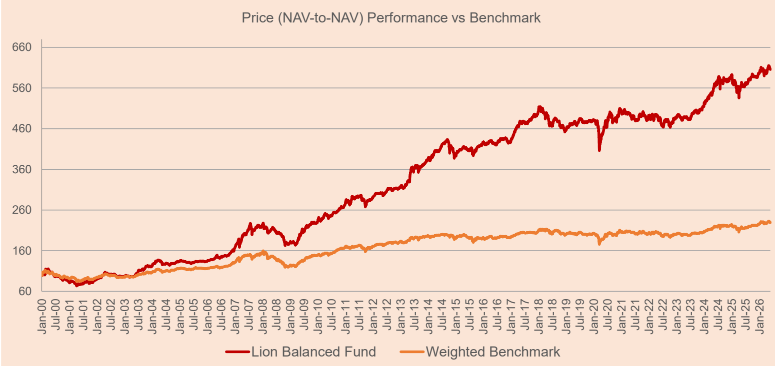
Lion Balanced Fund

31 May 2026

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 May 2026



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	1.5%	(0.6%)	3.3%	7.4%	24.8%	23.7%	505.6%
Weighted Benchmark*	1.7%	(0.5%)	3.6%	7.2%	16.3%	11.8%	141.1%

* 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 & Cash/Cash Equivalent: 40% - 60%

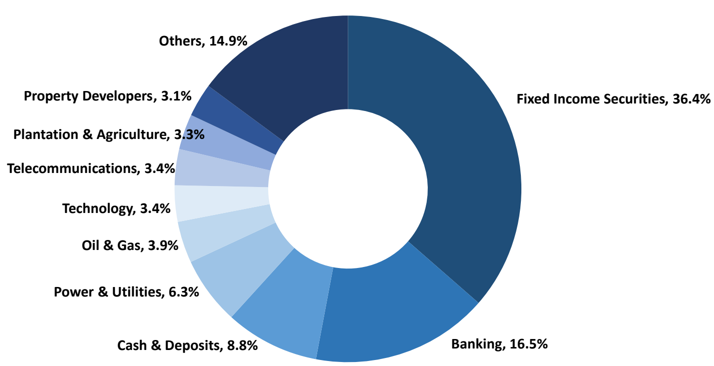
Fund Info (as at 31-May-2026)

Inception Date	03 January 2000	**For Single Pricing Product**	
Fund Size (RM mil)	4,260.5	**NAV per unit (RM)**	5.753
Management Fee	1.0% p.a. on NAV	**For Dual Pricing Product**	
Other Charges	Nil	**Bid Unit Price (RM)**	5.753
Fund Manager	GELM Investment	**Offer Unit Price (RM)**	6.056
Valuation	Daily based on market prices	**Risk Profile**	Moderate

Top 5 Holdings (as at 31-May-2026)

Name	% of NAV
Malaysia Government Bond	11.2%
Government Investment Issue	9.1%
Tenaga Nasional Bhd	6.0%
Malayan Banking Bhd	4.8%
CIMB Group Holdings Bhd	4.5%

Sector Allocation (as at 31-May-2026)



Equity

Market Review
The FBMKLCI Index fell by 2.2% last month, while the MSCI Malaysia index declined 1.9%. Malaysia underperformed regional benchmarks, lagging MSCI ASEAN (+0.9%), and also trailing the broader risk-on move in MSCI EM (+9.7%) and MSCI Asia ex. Japan (+11.3%). Technology (+19.1%), Utilities (+2.8%), and Healthcare (+2.3%) led sector performance, with Technology continuing to extend its outperformance for a second consecutive month. The weakest sectors were Telecom (-3.0%), Construction (-2.0%), and Finance (-1.8%), weighting on overall market returns. Market liquidity increased from US$773 million last month to US$966 million this month, an improvement of +24.8% MoM.

Market Outlook
News of a potential US–Iran Memorandum of Understanding, including the extension of the ceasefire and a path to reopening the Strait of Hormuz, has triggered a sharp retracement in oil prices and bond yields in recent weeks. This reinforced the rally that has been underway since early April's initial ceasefire, with several equity markets setting new record highs. The Middle East conflict is not expected to derail global growth unless oil rises materially further. Inflation has rebounded on higher energy prices, but pass-through outside of energy and transportation remains contained. Major central banks remain on hold, but there has been a shift towards tightening in some regions where further rate hikes are expected.

Business activity keeps expanding and consumer spending has been holding up despite the ongoing geopolitical uncertainty. The labour market remains in a good shape with the number of payrolls increasing two months in a row for the first time in a year and the unemployment rate remaining at a modest 4.3% in April. Headline inflation is showing the impact of higher energy prices, but the spillover into other areas remains limited so far. 10yr Treasury yields briefly rose to the highest since January 2025 before falling back, helped by a receding oil price. Meanwhile, the equity rally continued, supported by another strong earnings quarter with historically high profit margins. Solid gains in technology stocks helped to push both the S&P 500 and the Nasdaq to new record highs.

China's growth momentum appears to be fading after a strong Q1. April retail sales were almost flat at 0.2% YoY and investment gains reversed into negative territory, underscoring still fragile domestic demand. Property shows early signs of stabilisation, with home sales improving in top-tier cities, but nationwide prices are still down significantly. For now, exports and the tech sector are doing the heavy lifting.

The FBMKLCI fell 2.3% in May, weighed down by persistent foreign selling, a softer 1Q26 corporate earnings reporting season, and escalating geopolitical tensions in the Middle East. Domestically, Bank Negara Malaysia kept the OPR unchanged at 2.75%, while GDP growth moderated to 5.4% YoY in 1Q26 from 6.2% in 4Q25. Investor sentiment was also affected by concerns over a potential early general election following comments by Prime Minister Datuk Seri Anwar Ibrahim on the possibility of a snap election if divisions within the ruling coalition deepened. Meanwhile, MSCI index rebalancing at end-May contributed to heavy foreign outflows across Malaysia and Indonesia. Foreign funds outflow from Malaysia in May totaled RM3.73 billion, with market capitalization falling to a record low of 18.6%. Performance of other ASEAN markets were mixed with Thailand and Singapore posting strong gains of 5.0% and 2.5% respectively. Weak macro data, concerns over government policy and a weakening Rupiah saw the Jakarta Composite Index falling 11.9% in May.

Fixed Income

Market review
Geopolitical tensions in the Middle East remained intractable, with the Strait of Hormuz largely closed to commercial traffic for a third consecutive month. Despite this, global risk sentiment improved toward month-end following reports of a proposed 60-day ceasefire extension.
In the United States, the Senate confirmed Kevin Warsh as Federal Reserve Chair, and he was officially sworn in on May 22. Global bond markets came under significant pressure as resilient U.S. macroeconomic data, coupled with persistent energy-driven inflation concerns. The 30-year U.S. Treasury yield spiked to 5.18% —its highest level since 2007.

The Malaysian bond market continued to display notable resilience against this global volatility, anchored by strong domestic fundamentals and Bank Negara Malaysia's decision to maintain the Overnight Policy Rate at 2.75%. Yields across the Malaysian curve were mixed, rising by 4-7 basis points (bps) across the 3- to-7-year tenors while 15- to-20-year segment declined by about 1 bps in the month of May. 10-year MGS yield ended the month at 3.61%.

Investor demand for government securities remained robust, with all three May auctions—the 10-year MGII, 7-year MGS, and 30-year MGII—recording strong bid-to-cover ratios above 2.2x. Foreign participation in the MGS market edged marginally higher in April, with the share of foreign ownership rising to 34.15% from 34.12% in March.

On the economic front, final data confirmed 1Q 2026 GDP growth at 5.3% YoY, supported by resilient domestic demand. Inflation edged higher, with headline CPI rising to 1.9% YoY in April from 1.7% in March, driven by higher fuel prices.

Market outlook
Global financial markets remain supported by resilient macro fundamentals, yet persistent inflation risks continue to weigh on sentiment. The prolonged stalemate in the Middle East poses a material risk to global growth, as elevated energy and logistics costs sustain pressure on inflation and reinforce a "higher-for-longer" interest rate environment across major economies.

Against this backdrop, the Malaysian bond market should retain its defensive characteristics, underpinned by low domestic inflation, policy-driven price controls, ample liquidity, and relatively stronger energy security. In early May, Moody's reaffirmed Malaysia's stable policy framework, highlighting the country's resilience to global financial shocks and the durability of its market conditions. These factors provide a more stable backdrop than many regional peers.

Investors will remain focused on developments surrounding the Strait of Hormuz and the upcoming June FOMC meeting — the first chaired by Kevin Warsh. Any shift in the Fed's policy direction, or signals of a sustained restrictive stance amid inelastic global inflation, could influence capital flows and keep upward pressure on global bond yields.