

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.

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.

Asset Allocation

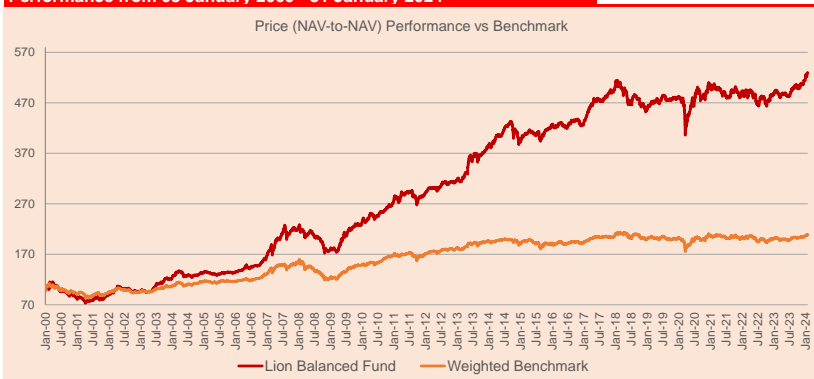
Equities: 40% - 60%

Fixed Income Securities: 40% - 60%

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

Name	% of NAV
Government Investment Issue	6.6%
Malaysia Government Bond	6.3%
Tenaga Nasional Bhd	5.9%
Public Bank Bhd	4.4%
Malayan Banking Bhd	4.3%

Performance from 03 January 2000 - 31 January 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.

Percentage Return (NAV to NAV)

	YTD	1-Mth	6-Mth	1Y	3Y	5Y	Since Inception
Lion Balanced Fund	2.9%	2.9%	6.3%	7.3%	6.5%	14.4%	429.5%
Weighted Benchmark*	2.1%	2.1%	3.2%	3.4%	2.7%	3.8%	119.0%

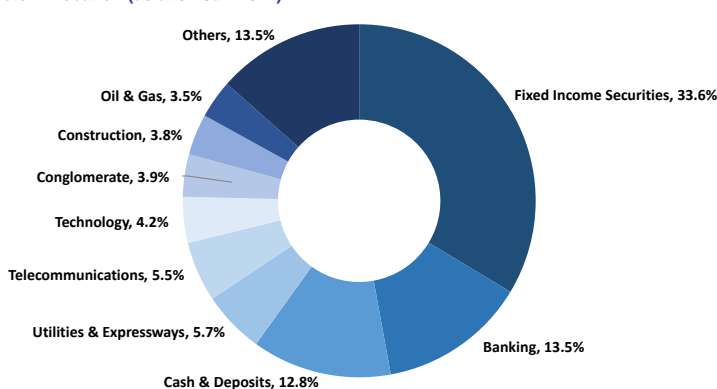
* Weighted benchmark derived from 50% weight on 12-month MBB Fixed Deposit return and 50% weight on FBM100 index return.

Source: Bloomberg - FBM100 - Bursa Malaysia and 12mth Conventional FD - Maybank

Fund Info (as at 31-Jan-2024)

Inception Date	03 January 2000	For Single Pricing Product
Fund Size (RM mil)	2,839.5	NAV per unit (RM) 5.030
Management Fee	1.0% p.a. on NAV	For Dual Pricing Product
Other Charges	Nil	Bid Unit Price (RM) 5.030
Fund Manager	GELM Investment	Offer Unit Price (RM) 5.295
Valuation	Daily based on market prices	Risk Profile Moderate

Sector Allocation (as at 31-Jan-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 Outlook**

The Flash Purchasing Managers' Index (PMIs) indicate that manufacturing momentum continued to improve in January, although overall activity remains sluggish. Global trade dynamics are also starting to look better, following a deep decline over the past year. In addition, services activity remains resilient, with strong household income still underpinning demand. While these developments are positive, growth remains uncomfortably divergent, with the U.S. remaining an outlier to the upside, and with overall global activity levels still weak. Inflation continues to moderate although the latest data have been choppy, with services inflation remaining elevated. Financial markets continue to price in significant policy loosening in 2024, and focus will remain on inflation data in coming months.

The MSCI China Index has lost almost 65% relative to global equities over the past three years. The downturn accelerated in December 2023 and into the start of 2024 as investors doubted the lack or effectiveness of government policies to restore confidence in the markets. Property sales and prices continue to fall, with only temporary interruptions. However, investor sentiment appears to be overly pessimistic, feeding hopes that further stabilisation or stimulus measures will help the market bottom out.

Following the Federal Reserve's (Fed) signal that it will cut rates in 2024, ASEAN equities have started to gain some traction, with most markets posting positive returns YTD, although there were a few exceptions. Along with Singapore, Thai equities were underperformers on the back of weak growth coupled with deflation. As we move into February, the positive momentum for ASEAN stocks has slowed as the market has reassesses the Fed's rate cut trajectory and the USD has strengthened. While we remain optimistic about ASEAN equities for the year, the first half is expected to be volatile given the uncertainty regarding the timing and scale of rate cuts by the Fed. On the macro front, inflation is still relatively weak across the region, and exports continue to be fragile with tentative signs of a rebound.

Market Review

The KLCI increased 4.0% month on month (mom) to end at 1,513. MSCI Malaysia Index outperformed MSCI AC Asia Pacific ex Japan Index by 7.3% in January (vs. December's -1.1%). MYR weakened 2.9% mom at 4.73, while 10Y Malaysia Government Securities (MGS) increased 5 bps to 3.79%. Meanwhile, Brent crude oil rose 6.1% mom to US\$82/bbl. Foreign equities recorded RM0.3 billion net inflow in January 2024, compared to a net inflow of RM0.3 billion in December 2023. Malaysia's bond market recorded 0.8% mom net foreign outflow in December 2023. Foreign holdings of MGS decreased by RM0.15 billion mom to RM203 billion, which is equivalent to 34.1% of total outstanding MGS. YTL Corporation rallied 23.8% due to increased foreign interest in Malaysia, where YTL is an excellent blue chip proxy due to its decent market capitalisation and strong liquidity, following its inclusion into the KLCI in December 2023. Meanwhile, Capital A Bhd declined 15.2% mom after the company announced its intention to dispose its airline business to sister company AirAsia X Bhd.

Fixed Income**Market outlook**

While the Malaysian market has been supported by local investors waiting to buy on dips, meaningful moves will still be very much determined by how long the Fed takes to have enough confidence to deliver the first cut and how China responds to the challenges it is facing. The Fed Chair revealed this month that the Fed will discuss what to do with its balance sheet, ie quantitative tightening, in its March meeting. Past episodes of the Fed making adjustments to the pace have been far from smooth, so markets will be bracing for this. The US elections also bears close monitoring, especially with what Donald Trump has been saying on trade with China, in the run up to the U.S. election later in the year. Another thing to monitor, that has faded from the headlines recently, is U.S. Fiscal Policy. For now, being tactical is favoured as this is set to be another challenging year for the bond market.

Market review

Malaysian Government Securities (MGS) stumbled at the start of the year as investors reassessed their outlook after the rally in December. However, this mostly reversed over the course of the month as investors with deep pockets began building their books for the year and this strong demand led to the Malaysian bond market faring well even when U.S. Treasuries had periods of weakness. By the end of January, the 10-year MGS was 7 bps higher compared to December 2023 while the 30-year MGS was 4bps lower, indicating that demand for duration was still robust.

In its January meeting, the U.S. Federal Reserve (Fed) left the benchmark interest rate unchanged. It continued to push back against faster-than-expected interest rate cuts although Fed Chair Powell conceded that rate cuts would likely begin at some point this year. Data prints from the U.S. continued to show the economy on a strong footing - advance GDP estimates showed a larger than expected expansion of 3.3% in Q4 2023, US payrolls in December also beat most forecasts and retail sales in December was strong. Unsurprisingly, this US exceptionalism did not go unnoticed in the currency market. USD/MYR ended January at 4.733 vs 4.594 at end of December.

Elsewhere, the People's Bank of China surprised with a 50 bps cut to Reserve Requirement Ratio, another measure to shore up growth. The Bank of Japan stuck to its ultra-loose monetary policy but said that "economy is moving in line with our projections on inflation", preparing the ground for an eventual exit.

Back home, advance estimates of the full year 2023 GDP of 3.8% missed the official forecast of 4% to 5%. Growth in construction and services disappointed. Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate at 3% in the first Monetary Policy Committee (MPC) meeting in January 2024, in line with expectations. BNM will continue to focus on demand conditions in its assessment of pervasive inflationary pressure, resulting from the much anticipated planned subsidy rationalisation during the course of 2024. KLIBOR levels declined, indicating easier liquidity conditions. Demand at auctions were impressive. Notably, the 5-year Government Investment Issue (GII) auction was oversubscribed by a record 4.4 times.

The insatiable appetite for corporate bonds led to yet tighter credit spreads in January, as reflected in the new issuances including Toyota Capital Malaysia, Malayan Banking, Projek Lebuhraya Usahasama and LBS Bina Group.