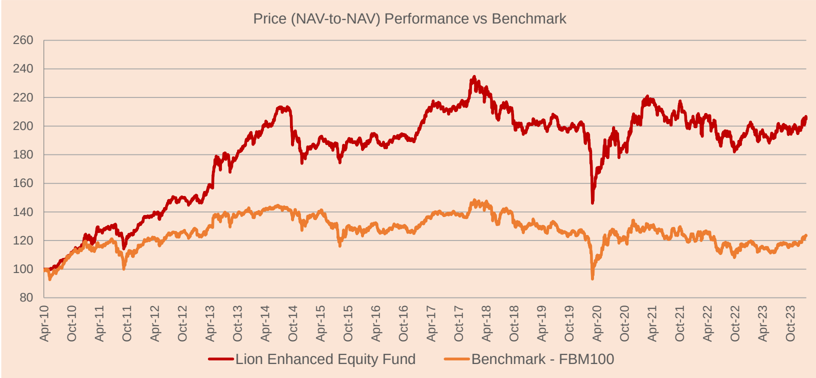
Lion Enhanced Equity Fund

31 January 2024

Fund Objective

A fund where 80% to 100% of the investments are in equities This fund seeks to achieve medium to long term capital appreciation. Although the fund invests mainly in Malaysia (50% to 100%), it may also partially invest in companies that have significant business operations in Singapore (up to 25%) and Greater China (Mainland China, Hong Kong, Macau and Taiwan) (up to 25%), if and when necessary, to enhance the fund's returns.

Performance from 15 April 2010 - 31 January 2024



Investment Strategy

This fund shall be actively managed, investing mainly in Malaysian equities with good fundamentals and growth potential. The fund may also invest in equities in companies that have significant business operations in Singapore and Greater China (Mainland China, Hong Kong, Macau and Taiwan), if and when necessary, to enhance the fund's returns. The fund aims to provide consistent 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 selection process which relies on qualitative and quantitative factors which are, but not limited to, financial position, valuation, company or industry risks and prospects.

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 Enhanced Equity Fund	3.0%	3.0%	1.5%	2.4%	2.1%	1.9%	104.9%
Benchmark - FBM100	4.0%	4.0%	4.9%	4.0%	(1.8%)	(5.6%)	23.4%

Source: Bloomberg - FBM100 - Bursa Malaysia

Asset Allocation

Equities: 80% - 100%
- Malaysia : 50% - 100%
- Singapore : up to 25%
- Greater China: up to 25%

Cash / Cash Equivalent: 0% - 20%

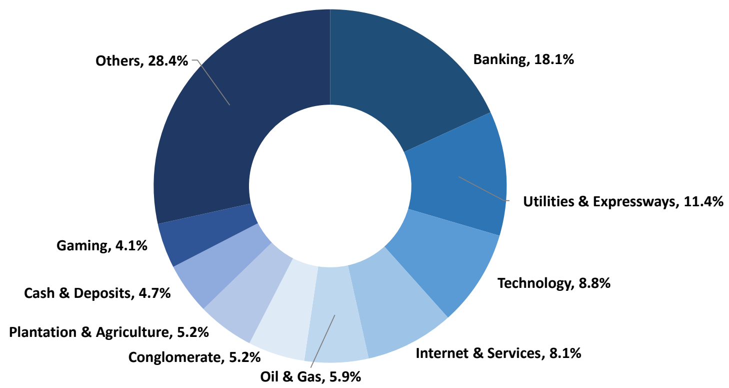
Fund Info (as at 31-Jan-2024)

Inception Date	15 April 2010	**For Single Pricing Product**	
Fund Size (RM mil)	2,689.7	**NAV per unit (RM)**	1.947
Management Fee	1.5% p.a. on NAV	**For Dual Pricing Product**	
Other Charges	Nil	**Bid Unit Price (RM)**	1.947
Fund Manager	GELM Investment	**Offer Unit Price (RM)**	2.049
Valuation	Daily based on market prices	**Risk Profile**	High

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

Name	% of NAV
Tenaga Nasional Bhd	5.8%
Malayan Banking Bhd	5.6%
YTL Power International Bhd	5.2%
CIMB Group Holdings Bhd	5.0%
Public Bank Bhd	4.7%

Sector Allocation (as at 31-Jan-2024)



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 choppier, 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 Covernment 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.