

**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%

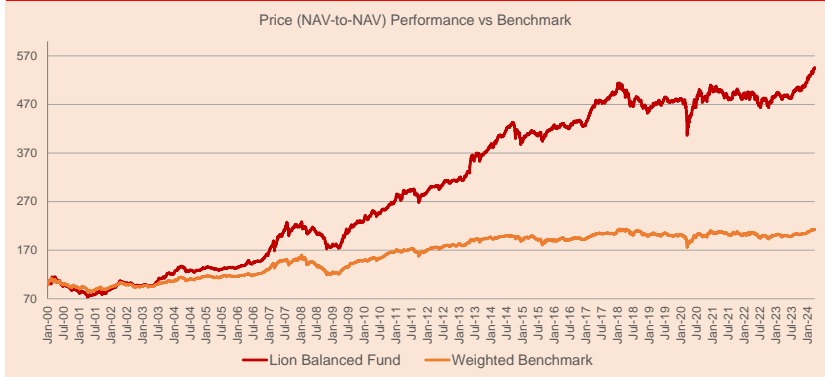
Fixed Income Securities: 40% - 60%

Remaining: Cash / Cash Equivalent

**Top 5 Holdings (as at 31-Mar-2024)**

Name	% of NAV
Government Investment Issue	7.0%
Malaysia Government Bond	6.7%
Tenaga Nasional Bhd	5.8%
Malayan Banking Bhd	4.1%
Public Bank Bhd	4.0%

**Performance from 03 January 2000 - 31 March 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
<b>Lion Balanced Fund</b>	6.1%	1.6%	8.7%	12.3%	10.2%	16.0%	445.8%
<b>Weighted Benchmark*</b>	3.8%	0.4%	5.4%	6.9%	3.4%	5.7%	122.6%

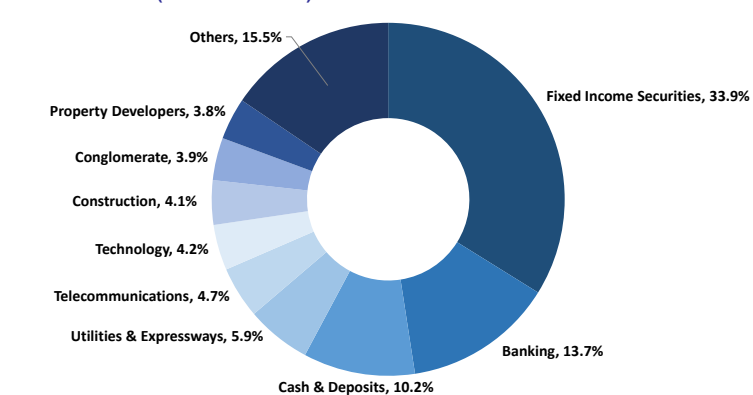
\* Weighted benchmark derived from 50% weight on 12-month MBB Fixed Deposit return and 50% weight on FBM100 index return.

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

**Fund Info (as at 31-Mar-2024)**

<b>Inception Date</b>	03 January 2000	<b>For Single Pricing Product</b>	
<b>Fund Size (RM mil)</b>	2,980.5	<b>NAV per unit (RM)</b>	5.185
<b>Management Fee</b>	1.0% p.a. on NAV	<b>For Dual Pricing Product</b>	
<b>Other Charges</b>	Nil	<b>Bid Unit Price (RM)</b>	5.185
<b>Fund Manager</b>	GELM Investment	<b>Offer Unit Price (RM)</b>	5.458
<b>Valuation</b>	Daily based on market prices	<b>Risk Profile</b>	Moderate

**Sector Allocation (as at 31-Mar-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.

Some of the data contained herein have been extracted from the following source: FTSE International Limited ("FTSE"). FTSE is a trade mark of London Stock Exchange Plc and The Financial Times Limited and is used by FTSE under license. All rights in the FTSE Indices vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices or underlying data. No further distribution of FTSE data is permitted without FTSE's express written consent.

## Equity

### Market Review

The KLCI declined 1.0% month-on-month (MoM) to end at 1,536. MSCI Malaysia Index underperformed MSCI AC Asia Pacific ex Japan Index by 3.2% in March (vs. February's 5.1%). MYR strengthened 0.4% mom at 4.73, while 10-year MGS declined 0 bps to 3.85%. Meanwhile, Brent crude oil rose 4.6% MoM to US\$87/bbl. Foreign equities recorded RM2.8 billion net outflow in March 2024, compared to a net inflow of RM1.4 billion in February 2024. Malaysia's bond market recorded 0.4% mom net foreign outflow in February 2024. Foreign holdings of Malaysia Government Securities (MGS) increased by RM0.6 billion MoM to RM201 billion, which is equivalent to 33.1% of total outstanding MGS.

### Market Outlook

Global growth momentum edged higher in March. Services were resilient while the industrial sector saw a further uptick in activity, and new orders crept higher. Although conditions are improving, helped by falling inflation that is bolstering real incomes, growth dynamics are still fragile and divergent. Inflation has been sticky, and goods disinflation is waning while services are still seeing some price pressures. Central banks continue to signal that rate cuts are forthcoming despite somewhat sticky inflation. The Swiss National Bank became the first G10 central bank to cut rates, while the Bank of Japan hiked rates as the last central bank to end negative rates. Momentum in the U.S. stock market continues to be elevated. While technology stocks and the Nasdaq have been the major drivers of the robust equity performance since the beginning of this year, their dominance has been waning in recent weeks. While the U.S. economy looks resilient and market momentum is strong, there are still risks regarding growth and inflation as shown by the latest economic data.

The usual statistical Chinese New Year distortions make it difficult to interpret economic indicators, though the latest Purchasing Managers' Index (PMI)s for March were encouraging. Property related indicators, however, remain in the doldrums. The government kept its Gross domestic product (GDP) growth target at 5.0% for 2024, which is not likely to be as easily achievable as in 2023 when base effects were more favourable. Major equity indices have recovered from their lows earlier this year and are hovering just below their falling 200-day moving averages, with intra-day volatility high and foreign investor sentiment still negative. Meanwhile, following a phase of pronounced stability, the yuan has cautiously started to depreciate versus the U.S. dollar.

While global stocks performed well in March, ASEAN markets experienced mostly flat performance. Singapore stood out with around 2.6% in local currency terms. Meanwhile, Thailand remains the underperformer, while Indonesia and Malaysia's stock performances have been flat. USD strength continues to be a key obstacle for foreign investors considering returning to ASEAN markets. However, once the Federal Reserve cuts rates, we expect improved equity inflows into the region as valuations remains attractive. On the macro front, central banks continue to stay put. Manufacturing PMIs showed marginal improvements, but without a significant rebound.

## Fixed Income

### Market review

In March, the market had to recalibrate its expectations for the U.S. Federal Reserve's (Fed) policy rate path amid mixed data - inflation was hotter than expected while U.S. services sector and employment cooled. U.S. Treasuries rose before heading lower post the Fed meeting where they decided to keep interest rates unchanged and stuck to their earlier forecast of a three-quarters of a percentage point cut by the end of 2024. Domestically, the strong onshore demand kept Malaysian Government Securities (MGS) yields steady. The 10y MGS ended March at 3.88%, unchanged from the previous month.

USD/MYR ended the month at 4.7250, strengthening from the 4.7428 recorded at end February, partly due to Bank Negara Malaysia's (BNM) engagement efforts with government-linked companies and government-linked investment companies to encourage more consistent conversion of foreign currencies into ringgit. In its Monetary Policy Committee meeting this month, the central bank maintained the Overnight Policy Rate (OPR) at 3.00%. Interestingly, 3m KLIBOR has been inching up, ending the month at 3.59%, 3 bps higher month-on-month. Headline inflation rose to 1.8% in February 2024 (January: 1.6%), largely because of higher water tariffs. BNM's inflation rate forecast for 2024 is 2%-3.5% as recovering supply chains help to contain price pressures.

The Bank of Japan finally abandoned its negative interest rate policy in March, the last of the major developed market central banks to do so. However, the yen weakened to record levels against the USD as the bank is expected to still maintain an accommodative policy stance in the near term.

Credit spreads continued to confound, further tightening about 3 bps this month, with a number of new issues helping in the price discovery. Hong Leong Bank Berhad, CIMB Islamic Bank Berhad, OSK Rated Bond Sdn Berhad, IJM Treasury Management Sdn Berhad and Gamuda Berhad were among the issuers in the primary space.

### Market outlook

Strong pension demand should continue to be supportive of domestic fixed income. While auctions have been very well received year-to-date, Quarter 2 will bring more duration supply of government securities to test this.

Lower developed market rates should also be a tailwind. However, much of this has been priced-in and until the Fed actually cuts there could be periods of turbulence (as observed when market went from pricing in six cuts at the beginning of the year to just three at time of writing). It does seem from the Fed Chair's comments that he is looking for reasons not to cut rather than the other way round.

Geopolitics and China's economic woes along with its currency remain the key risks to the otherwise constructive outlook on Malaysian fixed income.

On the OPR, even though the MYR has been one of the weakest performing currency in Asia, downside risks to growth should keep BNM on hold this year. While second round effects from the soon-to-be implemented fuel subsidy reforms are possible, the drag on demand from higher prices and the weaker MYR could contain this.