



ALLIANCE INVESTMENT MANAGEMENT

Alliance Investment Management Berhad (334195-K)

ALLIANCE ASIAN BOND FUND (AABF)

DECEMBER 2011

The Fund's investment objective is to generate long term capital appreciation for investors by investing in fixed-income or debt securities denominated primarily in U.S. Dollars and Asian currencies, issued by companies, governments, quasi-governments, government agencies or supranationals in the Asian region. These countries include, but are not limited to China, Hong Kong, SAR, Taiwan, South Korea, India, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Pakistan and Vietnam.

THE FUND IS SUITABLE FOR INVESTORS WHO:

- Are seeking long-term capital growth on investments;
- Do not expect any distribution on investment; and
- Wish to diversify investment portfolio by investing in foreign markets.

MANAGER'S COMMENTS

Market Review

Global markets turned choppy during the month. Risk premia continued to rise in Europe, with even Germany affected by the contagion as a EUR 6 billion bund auction met with a lukewarm response. In the US, ratings agency Fitch issued a warning after the supercommittee failed to reach an agreement on crucial fiscal deficit reductions. Nevertheless, the bond market continued to be driven by news on Europe, and US Treasuries remained well supported. The 10-year bond yield fell 5bps to 2.06%. In Asia, monetary policy continued to be loosened, with central banks in Thailand and Indonesia cutting interest rates. China lowered the reserve requirement ratio for banks by 50bps, its first cut in three years, and engaged in selective measures to ease liquidity. Despite this, Chinese credits remained under pressure, with property names the worst performing. The JACI investment grade spread widened by 35bps, while the high yield spread widened by 60bps. Over the month, the portfolio reduced high yield positions, shortened duration for SGD bonds, and participated in new issues by Doosun and PLN. The portfolio's underperformance was partly attributable to weakness in high yield bonds and Asian currencies, particularly the INR.

Market Outlook

We will maintain a short duration strategy in the near term as we believe corporate supply amidst a tightening liquidity environment would present better opportunities for investment. We maintain a defensive posture with regard to the high yield sector as the difficult global environment will challenge their operations in the coming months and funding channels might shut for some of these companies. We would continue to employ tactical trading to enhance returns.

FUND DETAILS AS AT 30 NOV 2011

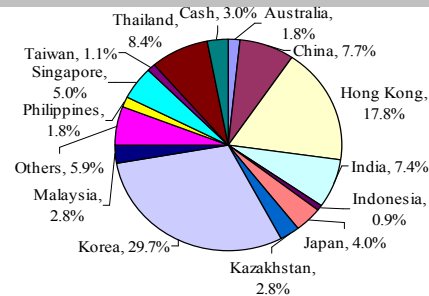
Unit net asset value (NAV)	RM0.4952
Fund size	RM0.936 mil (1.890 mil units)
Fund currency	Ringgit Malaysia (RM)
Fund inception	19 May 2006
Offer price at inception	RM0.50
Annual management fee	1.00% of NAV
Annual trustee fee	0.07% of NAV, subject to a minimum fee of RM18,000
Exit fee	Nil
Maximum sales charge	Up to 1.00 of NAV per unit
Redemption payment period	Up to 10 days
Special risk	Subject to liquidity, market and foreign exchange risk
Investment manager	Alliance Investment Management Berhad
Distribution policy	Income distribution (if any) is incidental and will be reinvested in the form of additional units

LARGEST HOLDINGS* AS AT 30 NOV 2011

1. Kookmin Bank 7.25% May 2014	3.6%
2. PCCW 4.25% Feb 2016	3.6%
3. Korea Development Bank 3.875% May 2017	2.9%
4. Chong Hing Bank Ltd. 6% Nov 2020	2.9%
5. Hutchison Whamp Intl Ltd 7.625% Apr 2019	2.9%

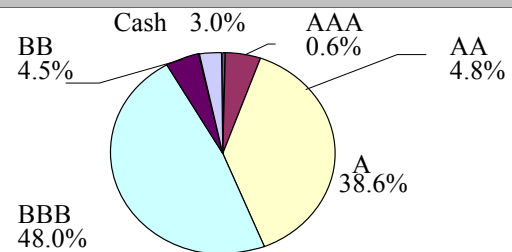
*as percentage of NAV

COUNTRY EXPOSURE* AS AT 30 NOV 2011



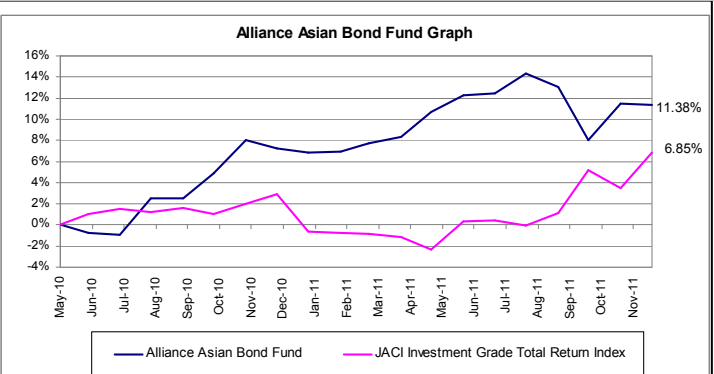
*Includes cash.
As percentage of NAV. Asset exposure is subject to change on a daily basis.
Source: Fullerton Fund Management Company Ltd

CREDIT RATING* AS AT 30 NOV 2011



*As percentage of NAV. Asset exposure is subject to change on a daily basis.
Source: Fullerton Fund Management Company Ltd

PERFORMANCE RECORD AS AT 30 NOV 2011



Source: Perkasa Normandy Sdn Bhd as at 30 November 2011

LIPPER FUND PERFORMANCE TABLE

%	3 Months	6 Months	1 Year	3 Years	5 Years
AABF	-1.50	-0.77	3.88	6.56	7.14
Index*	5.71	6.48	3.84	1.43	14.96

*JACI Investment Grade Total Return Index Source: Lipper Hindsight, as at 30 November 2011
Benchmark: Mercer Zainal Consulting Sdn Bhd

3-YEAR VOLATILITY AS AT 30 NOV 2011

N/A

Before investing, you are advised to read and understand the contents of the Master Prospectus dated 30 January 2011, which has been registered with the Securities Commission (SC). The SC takes no responsibility for the contents of the Prospectus, which is obtainable at the Head Office of Alliance Investment Management Berhad (AIMB), AIMB tied-advisers, all branch offices of Alliance Bank Malaysia Berhad and other appointed Institutional Unit Trust Advisers (IUTAs). You should consider the fees and charges involved and consult your financial or other professional advisers if you are in doubt about any feature or nature of the Fund. The prices of units and distribution, if any, may go down as well as up and past performance of the Fund is no guarantee of future performance. Any issue of units to which the Master Prospectus relates to will only be made on receipt of the application form referred to in and accompanying the Master Prospectus.