ALLIANCE

UNIT TRUST

Alliance Asian Bond Fund

A global income fund
in the bond feeder fund category

ANNUAL REPORT (WIND-UP)

20 JUNE 2012

ALLIANCE
INVESTMENT MANAGEMENT

Banking Made Personal

MANAGER'S REPORT

We are pleased to present the Manager's Report for the financial period from 1 February 2012 till 20 June 2012 (termination date).

1. Launch Date

The Alliance Asian Bond Fund (AABF) (formerly known as Alliance Global Bond Fund) (AGBF) commenced operations on 19 May 2006. On 5 May 2010 (new inception date), the Fund changed its name to AABF from AGBF to reflect the change in objective, benchmark and its target fund from Fullerton Global Bond Fund (FGLOB) to Fullerton Asian Bond Fund (FABF).

Pursuant to the resolutions passed at the Unit Holders' Meeting held on 13 June 2012, all Units of the Fund which were not redeemed or switched before 20 June 2012 were automatically switched to Units of the Alliance Optimal Income Fund (AOIF) at the close of business on 21 June 2012. Consequently, there were no assets left in the Fund and the Manager has proceeded to wind-up the Fund.

2. Type of Fund

Income Fund.

3. Category of Fund

Feeder Fund (bond).

4. Fund's Objective, Benchmark and Distribution Policy

AABF aims to generate long-term capital appreciation for investors by investing in fixed-income or debt securities denominated primarily in US 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.

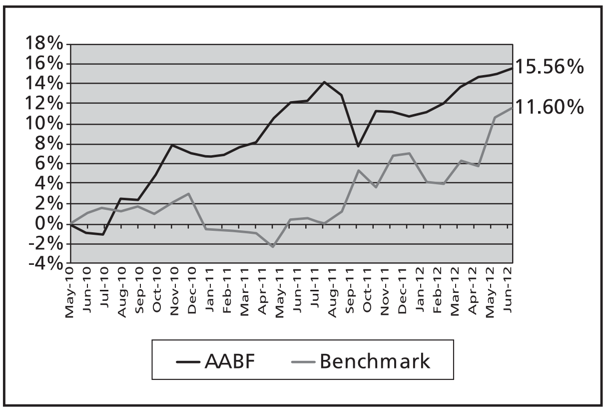
The benchmark used to compare AABF's performance is JACI Investment Grade Total Return Index.

Income distribution (if any) will be paid once a year, by way of reinvestment in the form of additional units.

5. Review of Fund Operations and Performance

Since the new inception date on 5 May 2010 till the termination of the Fund on 20 June 2012, the benchmark has gained 11.6%. The Fund, based on its Net Asset Value (NAV) per unit, recorded a return of 15.6% over the same period, outperforming its benchmark by 4.0 percentage points.

Performance Chart
since New Inception Date till the Termination Date
(5 May 2010 to 20 June 2012)



Source: Perkasa Normandy Managers Sdn Bhd, an independent source.

AABF's performance was positive over the period and the Fund managed to achieve its overall investment objective of generating capital appreciation. Under the Bond Asia Pacific Non-Islamic Fund category, the Fund was ranked in mid-table, at No. 2 in the 1-year period, at No. 3 in the 3-month and No. 4 in the 6-month period respectively, based on the Edge-Lipper Fund Performance Table by Lipper Asia Limited and published in The Edge, 25 June 2012 issue.

MANAGER'S REPORT

AABF's Performance against the Benchmark

Fund/Index	31/01/2012	20/06/2012	% Change
AABF	55.18 sen	57.27 sen*	+3.79
FABF's benchmark (in RM)	442.6414	474.5620	+7.21

Source: Perkasa Normandy Managers Sdn Bhd, an independent source.

***Note:** NAV per unit as at the close of business of AABF.

Fund Performance as ranked by Lipper Asia Limited

Period	AABF % Change	AABF Rank	Mean of the Industry's Bond Asia Pacific Non-Islamic Funds % Change
3 months 15/03/2012 - 15/06/2012	1.89	3/5	-1.33
6 months 15/12/2011 - 15/06/2012	4.46	4/5	4.89
1 year 15/06/2011 - 15/06/2012	1.91	2/4	-2.77

Source: The Edge, 25 June 2012 issue, Edge-Lipper Fund Performance Table, an independent source.

During the period under review, AABF recorded a realised income of RM90,679 from interest received, disposal of foreign collective investment scheme and foreign exchange. As at 20 June 2012, the investments in foreign collective investment scheme were liquidated in line with the winding-up of AABF.

AABF's fund size decreased from RM1.98 million as at 31 January 2012 to RM0.84 million (amount switched from AABF to AOIF) as at 20 June 2012 as a result of redemption of units. The NAV per unit of the Fund rose from RM0.5518 as at 31 January 2012 to RM0.5727 as at the close of business on 20 June 2012 as a result of positive performance of the Fund during the review period.

6. Asset Allocation and Investment Strategies Employed

During the period under review, our duration, credit and currency bets contributed to the portfolio's outperformance.

Other than the investment strategy stated in the Master Prospectus dated 30 January 2012, the designated Fund Manager has not employed any other investment strategy since the last reporting period.

There were no significant changes in the Fund's state of affairs during the period.

Also, there were no circumstances which could materially affect any interest of the unit holders.

Asset Allocation

Asset Class	Percentage of NAV as at 31/01/2012	Percentage of NAV as at 20/06/2012	Change in Exposure over Period (%)
Foreign collective investment scheme	99.17	-	-99.17
Cash & other assets	0.83	-	-0.83

As at the Fund's termination date on 20 June 2012, all investments of the Fund were liquidated and all proceeds were switched to AOIF.

7. Review of the Global Fixed-Income Market

Events in the Eurozone set the tone for global risk assets during the period under review. Investors were initially heartened by a successful Greek debt restructuring and the European Central Bank's provision of a second tranche of EUR 530 billion of liquidity. However, fears that a Greek exit would lead to a breakup of the Eurozone resulted in a spike in risk aversion.

MANAGER'S REPORT

US 10-year Treasury yields fell by 14bps on flight to safety flows. Credit performance was mixed. The JACI investment grade spread dipped 11bps to 283bps, but this masks significantly volatility during the period, with the spread falling to a low to 237bps before spiking higher. High yields did not fare as well, and the high yield spread widened 30bps to 461bps. Asian currencies were broadly weaker against the USD, led by the INR, which underperformed on the back of its external deficit problems. In contrast, the PHP was the only currency to see gains due to optimism over its strong domestic growth.

Disappointing growth numbers added to the negative sentiment. Eurozone data suggested that the region was on the verge of recession, with regional manufacturing PMI printing at 45.1 in June, suggesting a steep contraction. In China, economic growth slowed to 8.1% in 1Q 2012 and the government lowered its growth target for 2012 to 7.5% from the 8% level of previous years. In the US, non-farm payrolls increased by a smaller-than-expected 69,000 in May, suggesting that job creation was losing steam.

As a result, global central banks loosened policy to support growth. The People's Bank of China cut the reserve requirement ratio for banks by 50bps and implemented its first interest rate cut since 2008. The US Federal Reserve extended Operation Twist to bring down the long end of the yield curve, but fell short of introducing a third round of quantitative easing.

8. Market Outlook and Strategy

With the global economy going through a soft patch and inflation very much below threatening levels, bond yields are expected to remain low. Most central banks are in a monetary easing mode to prop up their respective economies. The fund outperformed mainly due to credit selection. Duration effects were slightly negative, as we were underweight duration on expectations of yield curve steepening. The portfolio's exposure to high yield and Asian currencies were also negative for relative performance.

9. Analysis of Unit Holders

As at the termination date, 20 June 2012, all the Units in circulation of AABF as at the close of the business on 20 June 2012 have been automatically switched to Units of the AOIF.

10. Policy on Stockbroking Rebates and Soft Commission

The Securities Commission's (SC) guidelines states that a management company, a trustee or its delegate should not retain any rebate from, or otherwise share in any commission with, any broker/dealer in consideration for directing dealings in a fund's property. Any rebate or shared commission should be directed to the account of the fund concerned. Hence, the Manager will credit all trading rebates to AABF's account.

The SC guidelines further state that goods and services (soft commissions) provided by any broker/dealer may be retained by a management company or its delegate, but only if the goods and services are of demonstrable benefit to unit holders.

During the financial period under review, the management company received soft commissions in the form of financial wire services and a stock quotation system incidental to the investment management of the Fund.

Portfolio Composition	As at 20/06/2012	31/01/2012	31/01/2011
	(Percentage of NAV)		
	%	%	%
Foreign collective investment scheme	-	99.17	97.49
Liquid and other assets	-	0.83	2.51
Total	-	100.00	100.00
Total return for the year	**RM'000**	**RM'000**	**RM'000**
Capital growth	-	(5)	94
Income distribution	59	89	107

Performance	Income Return %	Capital Return %	Annual Total Return AABF %	Annual Total Return Benchmark %
Financial year/ period ended				
20/06/2012 (date of termination)	-	3.79	3.79	7.21
31/01/2012	-	4.07	4.07	4.87
31/01/2011	-	(1.25)	(1.25)	(9.00)

	Average Total Return AABF %	Average Total Return Benchmark %
One (1) year	2.47	9.72
Period since new inception date 5 May 2010 till 20 June 2012 (date of termination)	7.31	5.45

Note: Basis of calculation is in line with the compilation method used by Perkasa Normandy Managers Sdn Bhd, an independent source.

NAV and Units in Circulation	As at 20/06/2012	31/01/2012	31/01/2011
Total NAV (RM'000)	-	1,983	2,860
Units in circulation (in '000)	-	3,593	5,393
NAV per unit (RM)	-	0.5518	0.5302

Note: All the Units in circulation of AABF as at the close of business on 20 June 2012 have been automatically switched to Units of the AOIF pursuant to the resolution passed at the Unit Holders' Meeting held on 13 June 2012.

	20/06/2012	31/01/2012	31/01/2011
Unit Prices for the year (RM per unit)			
NAV (year high)	0.5751	0.5757	0.5438
NAV (year low)	0.5503	0.5250	0.4893
NAV (year high, ex-distribution)	Nil	Nil	Nil
NAV (year low, ex-distribution)	Nil	Nil	Nil
NAV	-	0.5518	0.5302
Distributions and Unit Split	Nil	Nil	Nil
Management Expense Ratio (MER)	5.14%	2.47%	2.18%
Portfolio Turnover Ratio (PTR)	0.64 times	0.44 times	1.76 times

Note: Management Expense Ratio (MER) is calculated by taking the total fees and recovered expenses incurred by the Fund divided by the average fund size. Portfolio Turnover Ratio (PTR) is calculated by taking the average of the acquisition and disposal of the Fund divided by the average fund size.

The MER increased to 5.14% for the period under review as the reporting period is less than a year and the overall lower of the Fund's average NAV, hence, leading to higher annualised MER as compared to previous year.

PTR increased to 0.64 times for the period under review due to Fund's transaction increased. This is in line with the winding-up of the Fund whereby the Manager has liquidated the entire portfolio of foreign collective investment scheme.

Past performance is not necessarily indicative of future performance. Unit prices and investment returns may go down, as well as up.

TO THE UNIT HOLDERS OF
ALLIANCE ASIAN BOND FUND

We have acted as Trustee of **Alliance Asian Bond Fund (AABF)** for the financial period from 1 February 2012 to 20 June 2012 (date of termination). To the best of our knowledge, **Alliance Investment Management Berhad** (the Management Company), has operated and managed the Fund in accordance with the following:

(a) limitations imposed on the investment powers of the Management Company and the Trustee under the Deed, the SC's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007, and other applicable laws;

(b) valuation/pricing is carried out in accordance with the Deed and any regulatory requirements; and

(c) creation and cancellation of units are carried out in accordance with the Deed and any regulatory requirements.

For **HSBC (Malaysia) Trustee Berhad**

Tan Bee Nie
Head, Trustee Operations

Kuala Lumpur, Malaysia
23 July 2012

STATEMENT BY THE MANAGER

TO THE UNIT HOLDERS OF
ALLIANCE ASIAN BOND FUND

We, **Tan Sri Abu Talib Othman** and **Yong Yit Hin**, two of the Directors of **Alliance Investment Management Berhad**, do hereby state that, in the opinion of the Manager, the financial statements set out on pages 13 to 53 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the state of affairs of the Fund as at 20 June 2012 (date of termination) and of its results, changes in net assets attributable to unit holders and cash flows of the Fund for the financial period from 1 February 2012 to 20 June 2012 (date of termination) in accordance with the Financial Reporting Standards in Malaysia.

For and on behalf of the Manager,
Alliance Investment Management Berhad

Tan Sri Abu Talib Othman
Director

Yong Yit Hin
Executive Director

Kuala Lumpur, Malaysia
23 July 2012

INDEPENDENT AUDITORS' REPORT

TO THE UNIT HOLDERS OF
ALLIANCE ASIAN BOND FUND

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **Alliance Asian Bond Fund (AABF)** in pages 13 to 53 which comprise the statement of financial position as at 20 June 2012 (date of termination) of the Fund, and the statements of comprehensive income, changes in equity and cash flows of the Fund for the financial period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 16.

Manager's Responsibility for the Financial Statements

The Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards in Malaysia, and for such internal control as the Manager determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Manager's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE UNIT HOLDERS OF
ALLIANCE ASIAN BOND FUND

REPORT ON THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibility (cont'd)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been drawn up in accordance with Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Fund as of 20 June 2012 (date of termination) and of its financial performance, change in equity and cash flows for the financial period then ended.

OTHER MATTERS

This report is made solely to the unit holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

Kuala Lumpur
23 July 2012

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2012 TO 20 JUNE 2012 (DATE OF TERMINATION)

	Note	Financial period from 01/02/2012 to 20/06/2012 (date of termination) RM	2012 RM
INCOME			
Exit fee income		-	(488)
Interest income		86	329
Management fee rebates		5,979	20,689
Net gain on financial assets at fair value through profit or loss	6	91,360	125,814
Net foreign currency exchange loss		(6,746)	(10,285)
		90,679	136,059
EXPENSES			
Manager's fee	3	(6,099)	(21,218)
Trustee's fee	4	(7,500)	(18,000)
Audit fee		(4,500)	(4,500)
Tax agent fee		(8,400)	(2,400)
Other expenses		(4,744)	(6,322)
		(31,243)	(52,440)
NET INCOME BEFORE TAXATION		59,436	83,619
TAXATION	5	-	(2)
NET INCOME AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		59,436	83,617
Net income after taxation is made up of the following:			
Realised amount		59,436	88,843
Unrealised amount		-	(5,226)
		59,436	83,617

The accompanying notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 20 JUNE 2012 (DATE OF TERMINATION)

	Note	20 June 2012 (date of termination) RM	2012 RM
ASSETS			
CURRENT ASSETS			
Financial assets at fair value through profit or loss	6	-	1,966,522
Amount due from Manager of the foreign collective investments scheme - management fee rebates		1,915	998
Amount due from Manager - management fee rebates		257	687
Amount due from Manager of the foreign collective investments scheme - sale of foreign collective investments scheme	7	1,107,707	-
Cash at bank	8	141,216	41,752
TOTAL ASSETS		1,251,095	2,009,959
LIABILITIES			
CURRENT LIABILITIES			
Amount due to Manager - Manager's fees		(685)	(1,748)
Amount due to Manager - cancellation of units		(1,223,967)	-
Amount due to Trustee		(7,121)	(16,637)
Other payables and accruals	9	(19,322)	(8,650)
TOTAL LIABILITIES		(1,251,095)	(27,035)
NAV OF THE FUND	10	-	1,982,924
EQUITY			
Unit holders' capital		(496,199)	1,546,161
Retained earnings		496,199	436,763
TOTAL NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS'		-	1,982,924
NUMBER OF UNITS IN CIRCULATION	10	-	3,593,316
NAV PER UNIT		-	0.5518

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2012
TO 20 JUNE 2012 (DATE OF TERMINATION)

	Unit Holders' Capital RM	Retained Earnings RM	Total RM
BALANCE AS AT 1 FEBRUARY 2012	1,546,161	436,763	1,982,924
Movement in unit holders' contribution:			
Creation of units arising from application	121,753	-	121,753
Cancellation of units	(2,164,113)	-	(2,164,113)
	(2,042,360)	-	(2,042,360)
Total comprehensive income for the financial period	-	59,436	59,436
BALANCE AS AT 20 JUNE 2012 (date of termination)	(496,199)	496,199	-
BALANCE AS AT 1 FEBRUARY 2011	2,506,549	353,146	2,859,695
Movement in unit holders' contribution:			
Creation of units arising from application	535,701	-	535,701
Cancellation of units	(1,496,089)	-	(1,496,089)
	(960,388)	-	(960,388)
Total comprehensive income for the financial year	-	83,617	83,617
BALANCE AS AT 31 JANUARY 2012	1,546,161	436,763	1,982,924

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2012 TO 20 JUNE 2012 (DATE OF TERMINATION)

	Note	Financial period from 01/02/2012 to 20/06/2012 (date of termination) RM	2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		1,063,225	1,477,778
Purchase of investments		(113,050)	(530,528)
Redemption exit fee		-	10
Interest received		86	329
Management fee rebates received		5,492	21,502
Taxation paid		-	(2)
Manager's fee paid		(7,162)	(22,078)
Trustee's fee paid		(17,016)	(17,647)
Realised foreign currency exchange loss		(6,746)	(10,285)
Payment of other fees and expenses		(6,972)	(13,322)
Net cash generated from operating activities		917,857	905,757
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		121,753	535,701
Payments for cancellation of units		(940,146)	(1,496,089)
Net cash used in financing activities		(818,393)	(960,388)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		99,464	(54,631)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD/YEAR		41,752	96,383
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD/YEAR	8	141,216	41,752
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Cash at bank	8	141,216	41,752

The accompanying notes form an integral part of the financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2012 TO 20 JUNE 2012 (DATE OF TERMINATION)

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies, and in accordance with the Financial Reporting Standards (FRS), the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

The preparation of financial statements in conformity with Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires the Manager to exercise their judgment in the process of applying the Fund's accounting policies. Although these estimates and judgment are based on the Manager's best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note N.

Pursuant to the resolutions passed at the Unit Holders' Meeting held on 13 June 2012, all Units of the Fund which were not redeemed or switched before 20 June 2012 were automatically switched to Units of the AOIF at the close of business on 21 June 2012. Consequently, there were no assets left in the Fund and the Manager has proceeded to wind-up the Fund.

The assets of the Fund have been stated at their recoverable amounts and all liabilities of the Fund have been provided for including the estimated expenses upon termination of the Fund.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(i) Standards, amendments and interpretations to published standards that are applicable and effective:

- Amendments to FRS 7 "Financial instruments: Disclosures" and FRS 1 "First-time adoption of financial reporting standards" (effective 1 January 2011) requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy.

B INCOME RECOGNITION

Exit fee income is a redemption fee charged to unit holders on cancellation of units within one year from date of investment and is recognised upon cancellation of units.

Interest income on deposits with licensed financial institution is recognised using the effective interest method on an accrual basis.

Management fee rebates are recognised and accrued on daily basis at a rate of 1.0% per annum based on the Fund's foreign collective investments scheme fair values for that particular day.

Realised gains or losses on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, which is determined on a weighted average cost basis.

C TAXATION

Current tax expense is determined according to the Malaysian tax laws and includes all taxes based upon the taxable profits. Tax on dividend income from foreign collective investment scheme is based on the tax regime of the respective countries that the Fund is invested.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2012
TO 20 JUNE 2012 (DATE OF TERMINATION)

D FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the functional currency). The financial statements are presented in Ringgit Malaysia, which is the Fund's functional and presentation currency.

E FOREIGN CURRENCY TRANSLATION

Foreign currency transactions in the Fund are accounted for at exchange rates prevailing at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates prevailing as at the date of the statement of financial position. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the statement of comprehensive income.

Translation differences on non monetary financial assets such as foreign collective investment schemes classified as financial assets at fair value through profit or loss are included in the statement of comprehensive income as part of the fair value gain or loss.

The principal closing rates used in the translation of foreign currency amounts are as follows:

Foreign currency	20 June 2012 (date of termination) RM	2012 RM
1 Singapore Dollar	2.4881	2.4216

F FINANCIAL ASSETS AND LIABILITIES

(i) Classification

The Fund designates its investment in foreign collective investment schemes as financial assets at fair value through profit or loss at inception.

Financial assets are designated at fair value through profit or loss when they are managed and their performance evaluated on a fair value basis.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets. The Fund's receivables comprise cash and cash equivalent, amount due from Manager and amount due from Manager of foreign collective investment schemes, which are all due within 12 months.

The Fund classifies amount due to Manager, accrued management fees, amount due to Trustee, other payables and accruals as other financial liabilities.

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Foreign collective investment schemes are initially recognised at fair value.

Financial assets are derecognised when the rights to receive cash flows from the foreign collective investment schemes have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

F FINANCIAL ASSETS AND LIABILITIES (CONT'D)

(ii) Recognition and measurement (cont'd)

Gains or losses arising from the changes in fair value of the 'financial assets at fair value through profit or loss" including the effects of currency translation are presented in the statement of comprehensive income within 'net gain/(loss) on financial assets at fair value through profit and loss' in the period which they arise.

Foreign collective investment schemes are valued based on the last published NAV per unit or other appropriate method as determined by the Manager and approved by the Trustee.

Unrealised gains or losses from changes in the fair value of the investments are presented in the statement of comprehensive income and are not distributable.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

For assets carried at amortised cost, the Fund assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

F FINANCIAL ASSETS AND LIABILITIES (CONT'D)

(ii) Recognition and measurement (cont'd)

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If 'loans and receivables' or a 'held-to-maturity investment' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

G CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and bank balances, deposits held in highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2012 TO 20 JUNE 2012 (DATE OF TERMINATION)

H AMOUNT DUE FROM/(TO) THE MANAGER OF THE FOREIGN COLLECTIVE INVESTMENT SCHEME

Amounts due from/(to) the Manager of the foreign collective investment scheme represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment for amounts due from the Manager of the foreign collective investment scheme. A provision for impairment of amounts due from the Manager of the foreign collective investment scheme is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant Manager of the foreign collective investment scheme. Significant financial difficulties of the Manager of the foreign collective investment scheme, probability that the Manager of the foreign collective investment scheme will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from the Manager of the foreign collective investment scheme is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

I UNIT HOLDERS' CAPITAL

The unit holders' contributions to the Fund meet the definition of puttable instruments classified as equity instruments under the revised FRS 132 "Financial Instruments: Presentation".

The units in the Fund are puttable instruments which entitle the unit holders to a pro-rata share of the net asset of the Fund. The units are subordinated and have identical features. There is no contractual obligation to deliver cash or another financial asset other than the obligation on the Fund to repurchase the units. The total expected cash flows from the units in the Fund over the life of the units are based on the change in the net asset of the Fund.

J CREATION AND CANCELLATION OF UNITS

The Fund issues cancellable units, which are cancelled at the holder's option and are classified as equity. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's NAV. The outstanding units are carried at the redemption amount that is payable as at the date of the statement of financial position if the holder exercises the right to put the units back to the Fund.

Units are created and cancelled at the holder's option at prices based on the Fund's NAV per unit at the time of creation or cancellation. The Fund's NAV is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

K PROCEEDS AND PAYMENTS ON CREATION AND CANCELLATION OF UNITS

The NAV per unit is computed for each dealing day. The price at which units are created or cancelled is calculated by reference to the NAV per unit as at the close of business on the relevant dealing day. Units in the Fund are classified as equity in the statement of financial position and are stated at fair value representing the price at which unit holders can redeem the units from the Fund.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2012
TO 20 JUNE 2012 (DATE OF TERMINATION)

L SEGMENTAL INFORMATION

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as investment team of the Manager that makes strategic decisions.

M FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. Fair value is the amount at which a financial asset could be exchanged or a financial liability settled between knowledgeable and willing parties in an arm's length transaction. The information presented herein represents the estimates of fair values as at the statement of financial position date.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the uncertainties and assumptions could materially affect these estimates and the resulting fair value estimates.

A range of methodologies and assumptions had been used in deriving the fair values of the Fund's financial instruments as at statement of financial position date. The total fair value of each financial instrument is not materially different from the total carrying value.

N CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements in conformity with the Financial Reporting Standards in Malaysia requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on the Manager's best knowledge of current events and actions, actual results could differ from those estimates.

Estimates and judgements are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Alliance Asian Bond Fund (AABF) (formerly known as Alliance Global Bond Fund) (AGBF) was constituted pursuant to a Deed dated 19 April 2006 (the Deed) between Alliance Investment Management Berhad (the Manager) and HSBC (Malaysia) Trustee Berhad (the Trustee).

Pursuant to the resolutions passed at the Unit Holders' Meeting held on 13 June 2012, all Units of the Fund which were not redeemed or switched before 20 June 2012 were automatically switched to Units of the AOIF at the close of business on 21 June 2012. Consequently, there were no assets left in the Fund and the Manager has proceeded to wind-up the Fund.

The Manager, Alliance Investment Management Berhad, is incorporated in Malaysia and is a subsidiary of Alliance Bank Malaysia Berhad. Its principal activities are the management of unit trusts funds, provision of fund management and investment advisory services.

The principal place of business of the Manager is located at 23.01, 23rd Floor, Menara Multi-Purpose, Capital Square, 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk and foreign currency risk), liquidity risk, credit risk, country risk and capital risk from the following financial instruments:

	Note	Financial assets at fair value through profit or loss RM	Loans and receivables RM	Financial liabilities at amortised cost RM	Total RM
20 June 2012 (date of termination)					
Financial assets					
Cash and cash equivalents	8	-	141,216	-	141,216
Other assets		-	1,109,879	-	1,109,879
Total		-	1,251,095	-	1,251,095
Financial liabilities					
Payables		-	-	(1,251,095)	(1,251,095)

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

	Note	Financial assets at fair value through profit or loss RM	Loans and receivables RM	Financial liabilities at amortised cost RM	Total RM
31 January 2012					
Financial assets					
Financial assets at fair value through profit or loss	6	1,966,522	-	-	1,966,522
Cash and cash equivalents	8	-	41,752	-	41,752
Other assets		-	1,685	-	1,685
Total		1,966,522	43,437	-	2,009,959
Financial liabilities					
Payables		-	-	(27,035)	(27,035)

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to the investment restrictions as stipulated by the SC's Guidelines on Unit Trust Funds.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Market risk

(a) Price risk

Price risk arises mainly for uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

The Fund's portfolio is structured as follows:

- At least 95% of the NAV of the Fund is held in foreign collective investment scheme.
- 2% to 5% of the NAV of the Fund is invested in money market instruments and deposits with financial instructions for liquidity purposes.

The fair value of the assets of the Fund which are exposed to price risk was as follows:

	Financial period from 01/02/2012 to 20/06/2012 (date of termination) RM	2012 RM
Investment assets		
Foreign collective investment scheme designated at fair value	-	1,966,522

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2012 TO 20 JUNE 2012 (DATE OF TERMINATION)

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Market risk (cont'd)

(a) Price risk (cont'd)

The Fund also monitors its collective investment performance returns since the commencement of the Fund to evaluate the Fund's performance.

The following table summarises the sensitivity of the Fund's investments to price risk movements. The analysis is based on the assumptions that the market price increased by 5% (2012: 5%) and decreased by 5% (2012: 5%) with all other variables held constant and that fair value of the Fund's investments moved according to the historical correlation of the index. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in price %	Impact on income before tax RM	Impact on NAV RM
20 June 2012 (date of termination)			
Foreign collective investment scheme designated at fair value	5	-	-
2012			
Foreign collective investment scheme designated at fair value	5	98,326	98,326

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Market risk (cont'd)

(b) Interest rate risk

The Fund's exposure to the interest rate risk is mainly confined to cash at bank and deposits with licensed financial institutions. Interest rates on deposits and placements with licensed financial institution are determined based on prevailing market rates. As the Fund invested relatively 2% to 5% of its NAV in deposits with financial institutions, the impact of interest rate movements on the value of the portfolio is insignificant. Interest rate risk, therefore not a major risk concern for the Fund.

The Manager overcomes the exposure of short-term deposits by way of maintaining deposits on a short-term basis.

(c) Foreign currency risk

The foreign collective investment scheme of the Fund is denominated in Singapore Dollar. Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. As such, the foreign currency risks may have a significant impact on the returns of the Fund. The Manager will evaluate the likely directions of the foreign currency versus Ringgit Malaysia based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels and technical chart considerations.

The Fund does not manage the Fund's exposure to foreign exchange movements by entering into foreign exchange hedging transactions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2012 TO 20 JUNE 2012 (DATE OF TERMINATION)

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Market risk (cont'd)

(c) Foreign currency risk (cont'd)

The following table sets out the foreign currency risk concentrations and counterparties of the Fund.

	Ringgit Malaysia RM	Singapore Dollar RM	Total RM
20 June 2012 (date of termination)			
Financial assets			
Bank balance and deposits	141,216	-	141,216
Other assets	257	1,109,622	1,109,879
Total	141,473	1,109,622	1,251,095
Financial liabilities			
Other liabilities	(1,251,095)	-	(1,251,095)
2012			
Financial assets			
Financial assets at fair value through profit or loss	-	1,966,522	1,966,522
Bank balance and deposits	41,752	-	41,752
Other assets	687	998	1,685
Total	42,439	1,967,520	2,009,959
Financial liabilities			
Other liabilities	(27,035)	-	(27,035)

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Market risk (cont'd)

(c) Foreign currency risk (cont'd)

The table below summarises the sensitivity of the Fund's financial assets and liabilities to changes in foreign exchange movements. The analysis is based on the assumption that the foreign exchange rate changes by 5% (2012: 5%) to Singapore Dollar with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate.

	20 June 2012 (date of termination) Increase/(Decrease) in income before tax and on NAV		2012 Increase/(Decrease) in income before tax and on NAV	
	+5% RM	-5% RM	+5% RM	-5% RM
Foreign currency				
Singapore Dollar	55,481	(55,481)	98,376	(98,376)

Liquidity risk

Liquidity risk is the risk that investments cannot be readily sold at or near its actual value without taking a significant discount. This will result in lower NAV of the Fund. The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payment and cancellations of unit by unit holders, liquid assets comprise cash, deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 7 days.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk (cont'd)

In accordance with the provisions of the Deed, the Fund has a policy to maintain its liquidity level at a maximum of 5% of its NAV to meet redemption requests.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table below are the contractual undiscounted cashflows.

	Less than 1 month RM	Between 1 month to 1 year RM	Total RM
As at 20 June 2012 (date of termination)			
Amount due to Manager - Manager's fees	685	-	685
Amount due to Manager - Cancellation of units	1,223,967	-	1,223,967
Amount due to Trustee	48	7,073	7,121
Other payables and accruals	-	19,322	19,322
Contractual cash out flows	1,224,700	26,395	1,251,095
As at 31 January 2012			
Amount due to Manager - Manager's fees	1,748	-	1,748
Amount due to Trustee	122	16,515	16,637
Other payables and accruals	-	8,650	8,650
Contractual cash out flows	1,870	25,165	27,035

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Credit risk

Credit risk refers to the inability of an issuer or counterparty to make timely payments of interest, principals and proceeds from realisation of investment. The Manager manages the credit risk by undertaking credit evaluation to minimise such risk.

For proceeds from disposal and purchases of foreign collective investment scheme, the settlement terms are set out in the applicable operating memorandum agreement signed between the Manager and Fullerton.

Credit risk arising from placements on deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

The settlement terms of the proceeds from the creation of units' receivable from the Manager and redemption of units payable to the Manager are governed by the SC's Guidelines on Unit Trust Funds.

The maximum exposure to credit risk before any credit enhancements is the carrying amount of the financial assets as set out below.

	Financial period from 01/02/2012 to 20/06/2012 (date of termination) RM	2012 RM
Bank balance and deposits	141,216	41,752
Other assets	1,109,879	1,685
	1,251,095	43,437

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2012
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2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Credit risk (cont'd)

The following table sets out the credit risk concentration of the Fund:

	Cash and cash equivalents RM	Other assets RM	Total RM
As at 20 June 2012 (date of termination)			
Finance	141,216	-	141,216
Others	-	1,109,879	1,109,879
	141,216	1,109,879	1,251,095
As at 31 January 2012			
Finance	41,752	-	41,752
Others	-	1,685	1,685
	41,752	1,685	43,437

The financial assets of the Fund are neither past due nor impaired.

Country risk

The investment of the underlying investment of the Fund may be affected by risks specific to the country in which its investment lies. Such risks include changes in the country's economic fundamentals, social and political stability, currency movements and foreign investment policies. These may have an adverse impact on the value of the assets of the Fund.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Capital risk management

The capital of the Fund is represented by equity consisting of unit holders' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the foreign collective investment scheme activities of the Fund.

Fair value estimation

The fair value of financial assets and liabilities traded in active market (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end date. The quoted market price used for financial assets by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Fair value estimation (cont'd)

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each year end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For instruments for which there is no active market, the Fund may use internally developed models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which market were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Fair value estimation (cont'd)

The Fund adopted the amendments to FRS 7, effective 1 January 2011. This requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2012 TO 20 JUNE 2012 (DATE OF TERMINATION)

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Fair value estimation (cont'd)

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value.

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
20 June 2012 (date of termination)				
Financial asset at fair value through profit or loss at inception				
- Foreign collective investment scheme	-	-	-	-
31 January 2012				
Financial asset at fair value through profit or loss at inception				
- Foreign collective investment scheme	1,966,522	-	-	1,966,522

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Fair value estimation (cont'd)

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities, exchange traded funds and exchange traded derivatives. Investment in collective investment schemes, i.e. unit trust funds whose values are based on published prices in active markets is also classified within Level 1. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note F.

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently.

3. MANAGER'S FEE

In accordance with Clause 13.1.2 of the Deed, the Manager is entitled to management fee at a rate not exceeding 2.0% per annum on the NAV of the Fund before deducting the Manager's and Trustee's fee for that particular day.

The management fee provided in the financial statements is computed on this basis at 1.0% per annum on the NAV of the Fund. As the Fund investments is to feed into the feeder fund, FABF, the management fee charged by Fullerton at a rate of 1.0% per annum based on the fair values of the Fund's foreign collective investments scheme, will be fully refunded to the Fund and borne by the Manager and Fullerton in accordance to the settlement rules set out in the applicable operating memorandum agreement signed between the Manager and Fullerton. Accordingly, there is no double charging of the management fee in the Fund.

There will be no further liability to the Manager in respect of management fee other than amounts recognised above.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2012
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4. TRUSTEE'S FEE

In accordance with Clause 13.2.2 of the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.2% per annum on the NAV of the Fund before deducting the Manager's and Trustee's fee for that particular day or subject to a minimum of RM18,000 per annum.The trustee fee provided in the financial statements is computed on this basis at 0.07% or at the minimum of RM18,000 per annum.

There will be no further liability to the Trustee in respect of trustee fee other than the amounts recognised above.

5. TAXATION

	Financial period from 01/02/2012 to 20/06/2012 (date of termination) RM	2012 RM
Current taxation		
- Malaysia taxation	-	-
Under provision in prior year	-	2
	-	2

5. TAXATION (CONT'D)

The numerical reconciliation between net income before taxation multiplied by the Malaysian statutory tax rate and tax expense of the Fund is as follows:

	Financial period from 01/02/2012 to 20/06/2012 (date of termination) RM	2012 RM
Net income before taxation	59,436	83,619
Taxation at Malaysian statutory rate of 25% (2012: 25%)	14,859	20,905
Tax effects of:		
Income not subject to tax	(22,670)	(34,015)
Expenses not deductible for tax purposes	4,765	5,916
Restriction on tax deductible expenses for unit trust funds	3,046	7,194
Under provision in prior year	-	2
Tax expense	-	2

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Financial period from 01/02/2012 to 20/06/2012 (date of termination) RM	2012 RM
Net gain on financial assets at fair value through profit or loss:		
- realised	91,360	131,040
- unrealised	-	(5,226)
	91,360	125,814
Designated at fair value through profit or loss at inception:		
- Foreign collective investments scheme - FABF*	-	1,966,522

*As at the Fund's termination date on 20 June 2012, all investments of the Fund were liquidated. As such, the Fund no longer held any foreign collective investment scheme as at 20 June 2012.

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of foreign collective investment scheme as at 31 January 2012 are set out as follows:

Name of Counter	Quantity	Aggregate cost	Fair value as at 31/01/2012	Fair value as at 31/01/2012 expressed as percentage of value of Fund
	Units	RM	RM	%
Fullerton Asian Bond Fund (FABF), Singapore	653,776	1,793,899	1,966,522	99.17
TOTAL FOREIGN COLLECTIVE INVESTMENT SCHEME	653,776	1,793,899	1,966,522	99.17
NET UNREALISED GAINS ON CHANGE IN VALUE OF FOREIGN COLLECTIVE INVESTMENT SCHEME		172,623		
FAIR VALUE OF TOTAL FOREIGN COLLECTIVE INVESTMENT SCHEME		1,966,522		

NOTES TO THE FINANCIAL STATEMENTS
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7. AMOUNT DUE FROM/(TO) THE MANAGER OF THE FOREIGN COLLECTIVE INVESTMENT SCHEME

The amount due from/(to) the Manager of the foreign collective investment scheme which relates to sale/ purchase of foreign collective investment scheme are unsecured, interest-free and receivable/payable according to the settlement rules set out in the applicable operating memorandum agreement signed between the Manager and Fullerton.

8. CASH AND CASH EQUIVALENTS

	20 June 2012 (date of termination) RM	2012 RM
Cash at bank	141,216	41,752

9. OTHER PAYABLES AND ACCRUALS

	20/06/2012 (date of termination) RM	2012 RM
Sundry accruals	1,962	1,250
Audit and tax fees	17,360	7,400
	19,322	8,650

10. NUMBER OF UNITS IN CIRCULATION AND NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

	20 June 2012 (date of termination)		2012	
	Number of units	RM	Number of units	RM
At the beginning of the financial period/year	3,593,316	1,982,924	5,393,316	2,859,695
Creation of units arising from application	215,000	121,753	950,000	535,701
Cancellation of units	(3,808,316)	(2,164,113)	(2,750,000)	(1,496,089)
Net income after taxation	-	59,436	-	83,617
At the end of the financial period/year	-	-	3,593,316	1,982,924
Collectively approved size of Fund	300,000,000		300,000,000	

In accordance with Clause 6.1.1 of the Deed and SC's approval letter dated 3 April 2006, the maximum number of units that can be issued out for circulation for Alliance Global Series Fund (Alliance Global Equities Fund and Alliance Asian Bond Fund) is 300,000,000 units collectively. As at 20 June 2012, the number of units that have not been issued is 271,154,000 (2012: 263,470,684). AABF has been terminated on 20 June 2012 and issues no units subsequent to the date of termination.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 FEBRUARY 2012
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11. TRANSACTIONS WITH THE MANAGER OF THE FOREIGN COLLECTIVE INVESTMENT SCHEME

Details of transactions with the Manager of the foreign collective investment scheme for the financial period from 1 February 2012 to 20 June 2012 (date of termination) are as follows:

Fund Manager	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage
	RM	%	RM	%
20 June 2012				
Fullerton Fund Management Co Ltd	2,283,981	100%	-	-

Details of transactions with the Manager of the foreign collective investment scheme for the financial year ended 31 January 2012 are as follows:

Fund Manager	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage
	RM	%	RM	%
2012				
Fullerton Fund Management Co Ltd	2,008,512	100%	-	-

There are no transactions with other brokers and dealers for this Fund as it only invests in the FABF. Units in this Fund is subscribed directly from Fullerton based on the last published subscription NAV per unit of FABF.

12. UNITS HELD BY MANAGER AND RELATED PARTIES

The related parties and their relationship with the Fund are as follows:

Related parties	Relationship
Alliance Investment Management Berhad	The Manager
Alliance Bank Malaysia Berhad	Immediate holding company of the Manager
Alliance Financial Group Berhad	Ultimate holding company of the Manager

	20 June 2012 (date of termination)		2012	
	No. of Units	RM	No. of Units	RM
Alliance Investment Management Berhad	-	-	22,086	12,187

The above units were transacted at the prevailing market price.

There were no units held by the Manager, other Directors or parties related to the Manager as at the date of termination, 20 June 2012.

NOTES TO THE FINANCIAL STATEMENTS
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13. MANAGEMENT EXPENSE RATIO (MER)

	Financial period from 01/02/2012 to 20/06/2012 (date of termination)	2012
MER (annualised)	5.14%	2.47%

MER is derived from the following calculation:

$$\text{MER} = \frac{(A+B+C+D+E) \times 100}{F}$$

A = Management fee
B = Trustee's fees
C = Audit fee
D = Tax agent's fee
E = Other expenses
F = Average NAV of the Fund calculated on daily basis

The average NAV of the Fund for the financial period/year calculated on daily basis was RM1,578,810 (2012: RM2,121,713).

14. PORTFOLIO TURNOVER RATIO (PTR)

	Financial period from 01/02/2012 to 20/06/2012 (date of termination)	2012
PTR (times)	0.64 times	0.44 times

PTR is derived from the following calculation:

$$\frac{\text{(Total acquisition for the financial period/year + total disposal for the financial period/year)} \div 2}{\text{Average NAV of the Fund for the financial period/year calculated on daily basis}}$$

Where: Total acquisition for the financial period/year
= RM113,050 (2012: RM530,528)
Total disposal for the financial period/year
= RM1,906,949 (2012: RM1,346,738)

15. SEGMENTAL REPORTING

The internal reporting provided to the CEO for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of FRS. The CEO is responsible for the performance of the Fund and considers the business to have a single operating segment.

The reportable operating segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These returns consist of interest income earned from cash and cash equivalents and gains on the appreciation in the value of investments.

There were no changes in the reportable segments during the period/year.

15. SEGMENTAL REPORTING (CONT'D)

The internal reporting provided to the CEO for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of FRS.

16. SUBSEQUENT EVENTS

The Fund was terminated on 20 June 2012 and the proceeds of RM839,473 based on the NAV per unit as at 20 June 2012 of RM0.5727 per unit was paid to the Manager on 27 June 2012. Subsequently, this amount was switched to Units of the AOIF at the close of business on 21 June 2012.

CORPORATE INFORMATION

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Alliance Investment Management Berhad (334195-K)

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Megat Dziauddin Megat Mahmud
Kuah Hun Liang
Yong Yit Hin

Secretary
Lee Wei Yen (MAICSA 7001798)

Trustee
HSBC (Malaysia) Trustee Berhad

Auditor & Reporting Accountant
PricewaterhouseCoopers

Tax Adviser
PricewaterhouseCoopers Taxation Services Sdn Bhd

Banker
HSBC Bank Malaysia Berhad

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