AmGlobal Bond

Semi-Annual Report

31 May 2012

AmMutual

Trust Directory

Manager
AmInvestment Services Berhad
9th Floor, Bangunan AmBank Group
55 Jalan Raja Chulan
50200 Kuala Lumpur

Board of Directors
Kok Tuck Cheong
Professor Dr Annuar Md. Nassir
Dato' Dr Mahani Zainal Abidin
Lee Siang Korn @ Lee Siang Chin
Datin Maznah Mahbob
Harinder Pal Singh

Investment Committee
Professor Dr Annuar Md. Nassir
Dato' Dr Mahani Zainal Abidin
Lee Siang Korn @ Lee Siang Chin
Harinder Pal Singh

Investment Manager
AmInvestment Management Sdn Bhd

Trustee
AmanahRaya Trustees Berhad

Auditors and Reporting Accountants
Ernst & Young

Taxation Adviser
Deloitte KassimChan Tax Services Sdn Bhd

Contents

Manager's Report

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited accounts of AmGlobal Bond ("Fund") for the financial period from 1 December 2011 to 31 May 2012.

Salient Information of the Fund

Name	AmGlobal Bond ("Fund")
Category/Type	Feeder (Global Bond) / Capital growth and income
Name of the Target Fund	Amundi Funds Global Bond
Objective	The Fund's investment objective is to maximise total investment returns consisting of a combination of interest income, capital appreciation and currency gains. The portfolio will seek to achieve this objective by investing principally in fixed or floating rate securities and debt obligations issued or guaranteed by the major OECD governments or supranational entities such as the World Bank (at least 60% of the portfolio) and in other high quality bonds denominated in freely convertible currencies. Permitted currency hedging techniques will be used when appropriate. The Fund is denominated in RM.
Duration	AmGlobal Bond was established on 25 September 2006 and shall exist for as long as it appears to the Manager and the Trustees that it is in the interests of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.
Performance Benchmark	JP Morgan Government Bond Index Global. (Obtainable: www.ammutual.com.my)
Income Distribution Policy	Income distribution (if any) is paid at least once every year.
Breakdown of Unit Holdings by Size	For the financial period under review, the size of the Fund stood at 1,317,122 units.

Size of holding	As at 31 May 2012		As at 30 November 2011	
	No of units held	Number of unitholders	No of units held ('000)	Number of unitholders
5,000 below	48,521	20	56,607	24
5,001-10,000	123,357	15	185,793	22
10,001-50,000	301,162	16	463,644	22
50,001-500,000	844,082	5	459,775	5
500,001 above	-	-	650,971	1

Fund Performance Data

Portfolio Composition

Details of portfolio composition of the Fund for the financial period as at 31 May 2012 and three financial years as at 30 November are as follow:

	As at 31-5-2012 %	**30 November**		
		FY 2011 %	**FY 2010 %**	**FY 2009 %**
Foreign collective investment scheme	-	94.1	94.9	82.5
Cash and others	100.0	5.9	5.1	17.5
Total	100.0	100.0	100.0	100.0

Note: The abovementioned percentages are based on total investment market value plus cash.

Performance Details

Performance details of the Fund for the financial period ended 31 May 2012 and three financial years ended 30 November are as follows:

	Half year ended 31-5-2012	**FY 2011**	**FY 2010**	**FY 2009**
Net asset value (RM)	1,365,431	1,747,633	3,468,466	8,285,931
Units in circulation	1,317,122	1,816,790	3,173,155	6,956,788
Net asset value per unit (RM)*	1.0367	0.9619	1.0931	1.1911
Highest net asset value per unit (RM)*	1.0367	1.1106	1.1902	1.1924
Lowest net asset value per unit (RM)*	0.9553	0.9619	1.0434	0.9759
Benchmark performance (%)	3.27	7.89	-7.02	7.64
Total return (%)(1)	16.16	-12.00	-8.23	19.24
- Capital growth (%)	16.16	-12.00	-8.23	19.24
- Income distribution (%)	-	-	-	-
Gross distribution (sen per unit)	-	-	-	-
Net distribution (sen per unit)	-	-	-	-
Management expense ratio (%)(2)	0.84	1.40	1.29	1.03
Portfolio turnover ratio (times)(3)	0.53	0.33	0.43	0.49

** Above prices and net asset value per unit are not shown as ex-distribution as there was no income distribution declared by the Fund during the respective financial years.*

Note:

(1) Total return is the annualised return of the Fund for the financial period, computed based on net asset value per unit and net of all fees.

(2) Management expense ratio is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis. The MER decreased by 0.56% as compared to 1.40% per annum for the year ended 30 November 2011 mainly due to a decrease in trust administrative expenses.

(3) Portfolio turnover ratio is computed based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis. The PTR increased by 0.20 times (60.6%) as compared to 0.33 times for the financial year ended 30 November 2011 mainly due to increase in investing activities.

Average Total Return (as at 31 May 2012)

	AmGlobal Bond[a] %	JPMGGLBL[b] %
One year	-5.6	9.6
Three years	0.3	2.8
Five years	2.4	6.3
Since Launch (31 October 2006)	0.8	4.4

Annual Total Return

Financial Years/Period Ended (30 November)	AmGlobal Bond[a] %	JPMGGLBL[b] %
2011	-12.0	7.9
2010	-8.2	-7.0
2009	19.2	7.6
2008	3.1	12.4
2007[c]	-2.2	2.9

(a) Independently verified by Perkasa Normandy Advisers Sdn Bhd

(b) JP Morgan Government Bond Index Global ("JPMGGLBL") (Source: Bloomberg)

(c) Total annualised returns for the financial period 31 October 2006 (date of commencement) to 30 November 2007.

The Fund's performance above is calculated based on net asset value per unit. Average total return for both AmGlobal Bond and JPMGGLBL Index for a financial period is computed based on the absolute return for that financial period annualised over one year.

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

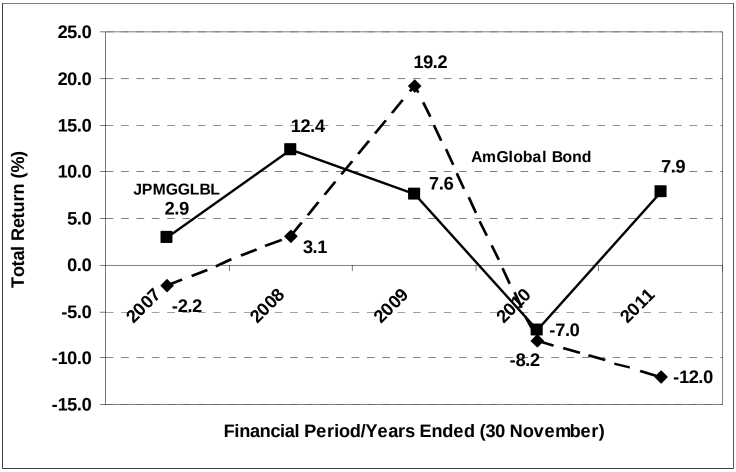
Fund Performance

For the financial period under review, the Fund registered return of 16.16% which was entirely capital in nature.

Thus, the Fund's return of 16.16% has outperformed the benchmark return of 3.27% by 12.89%.

As compared to the financial year ended 30 November 2011, the NAV per unit of the Fund decreased by 7.78% from RM0.9619 to RM1.0367, while units in circulation also decreased by 27.50% from 1,816,790 units to 1,317,122 units.

The Line Chart below shows comparison between the annual performances of AmGlobal Bond and its benchmark, JPMGGLBL, for the financial years ended 30 November.



Past performance is no indication of the future performance of the Fund.

Target Fund Performance

Target Fund Performance Review

	As at 31 May 2012		As at 30 November 2011		Changes %	
	In RM	In USD	In RM	In USD	In RM	In USD
Total return of portfolio (%)	16.16[(a)] 0.88[(b)]		-12.00[(c)] -0.53[(d)]		28.16 1.41	
Return of Target Fund (%)	16.38[(a)] 2.06[(b)]	16.68[(a)] 4.59[(b)]	-3.42[(c)] 10.84[(d)]	-10.34[(c)] 3.46[(d)]	19.80 -8.78	27.02 1.13
Return of benchmark (%)	3.27[(a)] 4.19[(b)]	3.29[(a)] 6.77[(b)]	7.89[(c)] 4.28[(d)]	7.72[(c)] 7.13[(d)]	-4.62 -0.09	-4.52 -0.36

(a) Total annualised returns for the financial period ended 31 May 2012.

(Forward)

	(b) Total annualised returns for the period 24 November 2006 (date of first investment in Target Fund) to 31 May 2012. *(c) Total annualised returns for the financial year ended 30 November 2011.* *(d) Total annualised returns for the period 24 November 2006 (date of first investment in Target Fund) to 30 November 2011.* *Target Fund – Amundi Funds – Global Bond* *Benchmark – JP Morgan Government Bond Index Global in Ringgit Malaysia ("JPMGGLBL") (source: Bloomberg)* **Fund Performance Review of the Target Fund - Amundi Funds Global Bond *("the Target Fund")*** The Target Fund recorded a net performance of 6.17% in absolute terms and 7.54% in relative terms over the period under review (From the 1st of December 2011 to the 31st of May 2012 – Class IU-C). The Target Fund took advantage of the rally in first quarter of 2012 in a context of "risk on" market which confidence has been boosted by the positive effect of the LTRO and the perspective of a resolution of the Greek crisis. The main contributors to the performance were the fund credit exposure as well as emerging currencies. *Source: Amundi (the Target Fund's investment manager)*
Strategies and Policies Employed	**Strategies and Policies of the Target Fund** The Target Fund implemented views on three asset classes: government bonds, credit and currencies. On the government bond front, the Target Fund kept a short bias on duration. The flattening stance on the main OECD curves proved also a cornerstone of our allocation. The Target Fund was mainly over exposed to financials vs industrials at the beginning of the year and took advantage of risk assets rally. After first quarter of 2012, given the lack of visibility on the markets (French and Greek elections, concerns on Spanish banks, deteriorating macro data..), the fund reduced significantly its risk exposure (The Fund reduced its credit exposure while favoring short term high quality credit bonds, increased sharply its short EUR position, reduced emerging currencies exposure). *Source: Amundi (the Target Fund's investment manager)* **Strategies and Policies of the Fund** For the financial period under review, a minimum of 95% of its NAV was invested in the Target Fund.

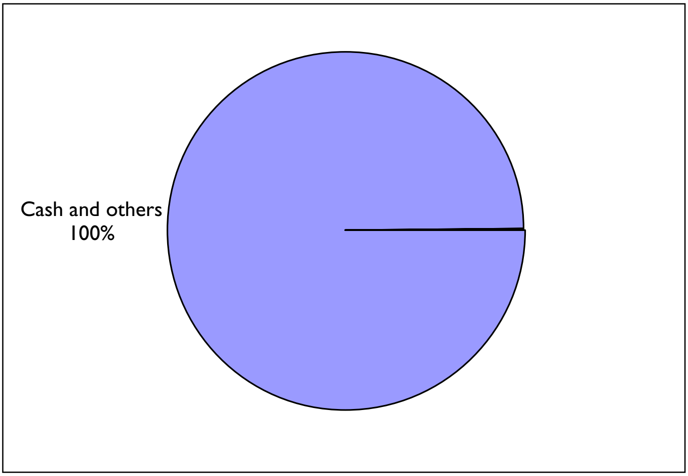
Portfolio Structure	The table below is the asset allocation of the Fund for the financial period under review.

	As at 31 May 2012 %	As at 30 November 2011 %	Changes %
Foreign collective investment scheme	-	94.1	-94.1
Cash and others	100.0	5.9	94.1
Total	100.0	100.0	

For the financial period under review, investment was moved to cash to facilitate the closure of the fund.

The pie charts below show the Industry Sector Allocation of the Fund for the financial period under review.

Industry Sector Allocation



Distribution/ unit splits	There was no income distribution and no unit split was made for the financial period under review.
State of Affairs	There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the financial period under review.
Rebates and Soft Commission	It is our policy to pay all rebates to the Fund. However, soft commissions received for goods and services such as fundamental database, financial wire services, technical analysis software and stock quotation system incidental to investment management of the Fund are retained by the Manager. For the financial period under review, the Manager has received soft commissions.

Market Review	Liquidity was probably the distinguishing theme of the first quarter 2012, lots of it, and from everywhere! The major impact was in Europe and more specifically in the Eurozone, where the first two 3 year LTRO orchestrated by the ECB, end December 2011 and end February 2012, turned out to be game changers. This resulted in an extra 1TN being injected into banks against collateral. Whereas some of this liquidity was used to pay off debt and to finance lending activities, a large portion was also used to carry trade Eurozone sovereign debt. The result was multiple: peripheral (read Spain & Italy principally) sovereign spreads contracted versus bunds on the back of buying from said financials, credit spreads on financials in general tightened on the basis that a credit crunch had been averted, that banks had liquidity to be able to pay off short term debts and would have more time to restructure/recapitalise in the medium term. The improved sentiment meant that primary credit markets re-opened with record levels of issuance, notably in January and February and especially by Financials who had been "reduced" to issuing, at best, Covered bonds. Finally, risky assets in general were also supported by improved sentiment that systemic risk had been averted, helping rallies in equities, high yield and emerging assets for example. Following the deterioration of macro data (slower growth in China, poor employment figures in the US) and growing above all on worries around Greek and French elections, the market came back into risk off mode. April and may saw credit spreads widening, emerging currencies suffering (the Mexican peso loses 10.89% vs the USD from end of march to end of May 2012, and peripheral spreads widened sharply (Italian and Spanish 10 Y rates reaching very high levels). *Source: Amundi (the Target Fund's investment manager)*
Market Outlook	The European debt crisis still dominates the scene. Combined austerity measures and global slowdown may reinforce cautiousness of investors. As a result, markets are increasingly directional with correlations between credit, equity and peripheral countries creeping up regularly. Most investors are trimming risks to avoid being grinded down by a new correction in financial markets. However, we believe that confidence may turn quickly. *Source: Amundi (the Target Fund's investment manager)*

Kuala Lumpur, Malaysia
AmInvestment Services Berhad

5 July 2012

Condensed Statement of Financial Position

As At 31 May 2012

	Note	31-5-2012 (unaudited) RM	30-11-2011 (audited) RM
ASSETS			
Investment in foreign collective investment scheme	4	-	1,672,603
Amount due from Target Fund Manager	5	1,458,169	-
Cash at banks		96,200	104,822
TOTAL ASSETS		1,554,369	1,777,425
LIABILITIES			
Net amount due to Manager	6	162,669	1,160
Amount due to Trustee	7	90	106
Sundry payables and accrued expenses		26,179	28,526
TOTAL LIABILITIES		188,938	29,792
EQUITY			
Unitholders' capital	9(a)	94,167	601,267
Retained earnings	9(b)(c)	1,271,264	1,146,366
TOTAL EQUITY	9	1,365,431	1,747,633
TOTAL EQUITY AND LIABILITIES		1,554,369	1,777,425
UNITS IN CIRCULATION	9(a)	1,317,122	1,816,790
NET ASSET VALUE PER UNIT		103.67 sen	96.19 sen

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

Condensed Statement of Comprehensive Income *(Unaudited)*

For The Period From 1 December 2011 To 31 May 2012

	Note	1-12-2011 to 31-5-2012 RM	1-12-2010 to 31-5-2011 RM
INVESTMENT INCOME			
Interest income		-	311
Net gain from investment:			
– Financial assets at fair value through profit or loss ("FVTPL")	8	131,981	-
Net realised gain on sales of foreign collective investment scheme		-	336,892
Net realised loss on foreign currency exchange		-	(185,001)
Net unrealised loss on changes in value of investment in foreign collective investment scheme		-	(125,259)
Net unrealised loss on foreign currency fluctuation of investment denominated in foreign currency		-	(5,395)
Gross Income		131,981	21,548
EXPENDITURE			
Manager's fee	6	6,535	11,244
Trustee's fee	7	594	1,024
Auditors' remuneration		3,000	2,493
Tax agent's fee – current period		4,000	2,493
Tax agent's fee – over provision in prior period		(1,000)	-
Administrative expenses – current period		1,954	2,097
Administrative expenses – over provision in prior period		(8,000)	-
Total Expenditure		7,083	19,351
NET INCOME BEFORE TAX		124,898	2,197
LESS: INCOME TAX	11	-	-
NET INCOME AFTER TAX		124,898	2,197
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		124,898	2,197
Total comprehensive income comprises the following:			
Realised income		175,439	132,851
Unrealised loss		(50,541)	(130,654)
		124,898	2,197

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

Condensed Statement of Changes in Net Asset Value *(Unaudited)*

For The Period From 1 December 2011 To 31 May 2012

	Note	Unitholders' capital RM	Retained earnings RM	Total net asset value RM
At 1 December 2010 as previously stated		2,372,012	1,096,454	3,468,466
Reclassification of distribution/loss equalisation		(302,861)	302,861	-
At 1 December 2010 as restated		2,069,151	1,399,315	3,468,466
Total comprehensive income for the period		-	2,197	2,197
Creation of units		2,881,097	-	2,881,097
Cancellation of units		(3,960,944)	-	(3,960,944)
Balance at 31 May 2011		989,304	1,401,512	2,390,816
At 1 December 2011		601,267	1,146,366	1,747,633
Total comprehensive income for the period		-	124,898	124,898
Creation of units	9(a)	9,901	-	9,901
Cancellation of units	9(a)	(517,001)	-	(517,001)
Balance at 31 May 2012		94,167	1,271,264	1,365,431

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

Condensed Statement of Cash Flows *(Unaudited)*

For The Period From 1 December 2011 To 31 May 2012

	1-12-2011 to 31-5-2012 RM	1-12-2010 to 31-5-2011 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investment in foreign collective investment scheme	346,415	1,019,468
Interest received	-	311
Manager's fee paid	(6,690)	(11,933)
Trustee's fee paid	(610)	(1,088)
Payments for other administrative expenses	(2,301)	(2,588)
Purchase of investment in foreign collective investment scheme	-	(98,000)
Net Cash Generated From Operating And Investing Activities	336,814	906,170
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	9,901	2,881,097
Payments for cancellation of units	(355,337)	(3,960,944)
Net Cash Used In Financing Activities	(345,436)	(1,079,847)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,622)	(173,677)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	104,822	178,996
CASH AND CASH EQUIVALENTS AT END OF PERIOD	96,200	5,319
Cash and cash equivalents comprise:		
Cash at banks	96,200	5,319

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

Notes to the Condensed Financial Statements

1. **GENERAL INFORMATION**

AmGlobal Bond ("the Fund") was established pursuant to a Deed dated 25 September 2006 as amended by Deeds Supplemental thereto ("the Deed"), between AmInvestment Services Berhad as the Manager, AmanahRaya Trustees Berhad as the Trustee and all unitholders.

The Fund was set up with the objective of providing investors with maximum total investment returns consisting of a combination of interest income, capital appreciation and currency gains by investing principally in fixed or floating rate securities and debt obligations issued or guaranteed by major Organisation for Economic Co-operation and Development ("OECD") governments or supranational entities such as the World Bank (at least 60% of the portfolio) and in other high quality bonds denominated in freely convertible currencies. Being a feeder fund, a minimum of 95% of the Fund's net asset value will be invested in the Luxembourg-based Amundi Funds – Global Bond ("Target Fund"), which is a separate unit trust fund managed by Amundi Luxembourg S.A. ("Target Fund Manager"). As provided in the Deed, the "accrual period" or the financial year shall end on 30 September and the units in the Fund were first offered for sale on 31 October 2006.

The Fund has changed its financial year end from 30 September to 30 November pursuant to the AmMaster Fifteenth Supplemental Deed dated 12 July 2007.

2. **BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Fund have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB").

Introduction of Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework") that will replace the existing Financial Reporting Standards ("FRS Framework").

The MFRS Framework comprises Standards as issued by the International Accounting Standards Board (IASB) that are effective on 1 January 2012. It also comprises new/revised Standards recently issued by the IASB that will be effective after 1 January 2012.

The MFRS Framework is to be applied by all entities other than private entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* (MFRS 141) and IC Interpretation 15 *Agreement for Construction of Real Estate* (IC 15), including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The key differences between the FRS Framework and MFRS Framework are that in the former, (a) FRS 201_{2004} *Property Development Activities* will continue to be the extant standard for accounting for property development activities and not IC 15, and (b) there is no equivalent standard to IAS 41 Agriculture.

The Fund is in the process of assessing the impact to the Fund as a result of the change to the new MFRS Framework.

3. SIGNIFICANT ACCOUNTING POLICIES

Income Recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

Distribution income is recognised when the Fund's right to receive payment is established. Interest on short-term deposits is recognised on an accrual basis using the effective interest method.

Income Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Functional and Presentation Currency

Functional currency is the currency of the primary economic environment in which the Fund operates that most faithfully represents the economic effects of the underlying transactions. This is the Ringgit Malaysia which reflects the currency of the economy in which the Fund competes for funds, issues and redeems units. The Fund has also adopted Ringgit Malaysia as its presentation currency.

Foreign Currency Conversion

Transactions in currencies other than the Fund's functional currency (foreign currencies) are recorded in the functional currency using exchange rates prevailing at the transaction dates. At each reporting date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at the reporting date. All exchange gains or losses, are recognised in the statement of comprehensive income.

Statement of Cash Flows

The Fund adopts the direct method in the preparation of the statement of cash flows.

Cash equivalents are short-term, highly liquid investments that are readily convertible to cash with insignificant risk of changes in value.

Distribution

Distributions are at the discretion of the Fund. A distribution to the Fund's unitholders is accounted for as a deduction from realised reserve except where distribution is sourced out of distribution/loss equalisation which is accounted for as a deduction from unitholders' capital. A proposed distribution is recognised as a liability in the period in which it is approved.

Unitholders' Capital

The unitholders' capital of the Fund meets the definition of puttable instruments and is classified as equity instruments under the revised FRS 132.

Distribution/Loss Equalisation

Distribution/loss equalisation represents the average distributable amount included in the creation and cancellation prices of units. This amount is either refunded to unitholders by way of distribution and/or adjusted accordingly when units are cancelled.

Financial Assets

Financial assets are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Fund determines the classification of its financial assets at initial recognition, and the categories applicable to the Fund include as financial assets at fair value through profit or loss ("FVTPL") and loans and receivables.

(i) Financial assets at FVTPL

Financial assets are classified as financial assets at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading by the Fund include collective investment scheme acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in 'Net gain or loss on financial assets at fair value through profit or loss'. Interest earned elements of such instruments, if any, are recorded separately in 'Interest income'. Exchange differences, if any, on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gains or net losses on changes in fair value of financial assets at FVTPL.

For investment in foreign collective investment scheme, market value is determined based on the closing net asset value per unit of the foreign investment scheme. The difference between the cost and market value is treated as unrealised gain or loss and is recognised in the statement of comprehensive income. Unrealised gains or losses recognised in the statement of comprehensive income are not distributable in nature.

On disposal of investment, the net realised gain or loss on disposal is measured as the difference between the net disposal proceed and the carrying amount of the investment. The net realised gain or loss is recognised in the statement of comprehensive income.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. The Fund includes short term receivables in this classification.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Impairment of Financial Assets

The Fund assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Loans and receivables carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Fund considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced through the use of an allowance account. When loans and receivables become uncollectible, they are written off against the allowance account.

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, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

The Fund's financial liabilities which include net amounts due to Manager, Trustee and sundry payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Classification of Realised and Unrealised Gains and Losses

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised (i.e. sold, redeemed or matured) during the reporting period.

Realised gains and losses on disposals of financial instruments classified as part of at fair value through profit or loss are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount.

Significant Accounting Estimates and Judgments

The preparation of the Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in the future.

The Fund classifies its foreign collective investment scheme as financial assets at FVTPL as the Fund is an open-ended fund that may sell its investments in the short-term for profit-taking or to meet unitholders' cancellation of units.

No others major judgments have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within next period.

4. INVESTMENT IN FOREIGN COLLECTIVE INVESTMENT SCHEME

	31-5-2012 RM	30-11-2011 RM
Financial assets at FVTPL		
At cost:		
Foreign collective investment scheme	-	1,622,062
At fair value:		
Foreign collective investment scheme	-	1,672,603

The Target Fund's investment objective and policy are to maximise total investment returns consisting of a combination of interest income, capital appreciation and currency gains by investing principally in fixed or floating rate securities and debt obligations issued or guaranteed by major OECD governments or supranational entities such as the World Bank (at least 60% of the portfolio) and in other high quality bonds denominated in freely convertible currencies. As at 31 May 2012, the investment portfolio of the Target Fund is made up of the following:

	31-5-2012 % of portfolio	30-11-2011 % of portfolio
By Country		
Europe	-	11.0
North America	-	59.4
Latin America	-	1.3
Asia Pacific	-	5.1
Others	-	23.2
	-	100.0

(Forward)

By sector	31-5-2012 % of portfolio	30-11-2011 % of portfolio
Financials	-	29.7
Government Agencies	-	5.3
Government	-	51.7
Industrials	-	12.2
Sovereign	-	0.5
MBS-ABS	-	0.6
	-	100.0

5. AMOUNT DUE FROM TARGET FUND MANAGER

Included in the amount due from Target Fund Manager was an amount for disposal of investment where settlement was not due as follows:

	31-5-2012 RM	30-11-2011 RM
Amount due from Target Fund Manager	1,458,169	-

The normal trade credit term for these balances is three business days.

6. NET AMOUNT DUE TO MANAGER

	31-5-2012 RM	30-11-2011 RM
Redemption of units*	161,664	-
Manager's fee payable	1,005	1,160
	162,669	1,160

* The amount represents net amount payable to the Manager for units redeemed.

As the Fund invests in a Target Fund, Amundi Funds – Global Bond, Manager's fee was charged as follows:

	1-12-2011 to 31-5-2012 % p.a.	1-12-2010 to 31-05-2011 % p.a.
Manager's fee charged by Target Fund Manager, Amundi Luxembourg S.A. on the net asset value of the Target Fund (Note a)	0.50	0.50
Manager's fee charged by the Manager, AmInvestment Services Berhad, on the net asset value of investment in Target Fund (Note b)	0.75	0.75

(Forward)

	1-12-2011 to 31-5-2012 % p.a.	1-12-2010 to 31-05-2011 % p.a.
Manager's fee charged by the Manager, AmInvestment Services Berhad on the remaining net asset value of the Fund (Note b)	1.25	1.25

Note a) The Fund's share of Manager's fee to the Target Fund Manager had been accounted for as part of net unrealised gain/(loss) on changes in value of investment in foreign collective investment scheme.

Note b) Manager's fee of the Fund as reported in the Condensed Statement of Comprehensive Income only relates to 0.75% on the net asset value of Target Fund and 1.25% on the remaining net asset value of the Fund.

The normal credit period for redemption of units is three business days.

The normal credit period for Manager's fee payable is one month.

7. AMOUNT DUE TO TRUSTEE

Trustee's fee was charged at a rate of 0.07% per annum on the net asset value of the Fund, calculated on daily basis (2011: 0.07%).

The normal credit period for Trustee's fee payable is one month.

8. NET GAIN FROM INVESTMENT AT FVTPL

	1-12-2011 to 31-5-2012 RM
Net gain on financial assets at FVTPL comprised:	
– Net realised gain on sale of foreign collective investment scheme	387,458
– Net realised loss on foreign currency exchange	(204,936)
– Net unrealised loss on foreign currency fluctuation of investment denominated in foreign currency	(233,730)
– Net unrealised gain on changes in value of investment in foreign collective investment scheme	183,189
	131,981

9. TOTAL EQUITY

Total equity is represented by:

	Note	31-5-2012 RM	30-11-2011 RM
Unitholders' capital	(a)	94,167	601,267
Retained earnings			
– Realised income	(b)	1,271,264	1,095,825
– Unrealised gain	(c)	-	50,541
		1,365,431	1,747,633

(a) **UNITHOLDERS' CAPITAL/UNITS IN CIRCULATION**

	1-12-2011 to 31-5-2012		1-12-2010 to 30-11-2011	
	Number of units	RM	Number of units	RM
At beginning of the period/ year as previously stated	1,816,790	601,267	3,173,155	2,372,012
Reclassification of distribution/loss equalisation	-	-	-	(302,861)
At beginning of the period/ year as restated	1,816,790	601,267	3,173,155	2,069,151
Creation during the period/ year	10,029	9,901	3,361,062	3,667,742
Cancellation during the period/year	(509,697)	(517,001)	(4,717,427)	(5,135,626)
At end of the period/ year	1,317,122	94,167	1,816,790	601,267

As at 31 May 2012, the approved Fund size is 150 million units.

(b) **REALISED – DISTRIBUTABLE**

	1-12-2011 to 31-5-2012 RM	1-12-2010 to 30-11-2011 RM
At beginning of the period/year as previously stated	1,095,825	638,078
Reclassification of distribution/loss equalisation	-	302,861
At beginning of the period/year as restated	1,095,825	940,939
Total comprehensive income for the period/year	124,898	(252,949)
Net unrealised loss attributable to investment held transferred to unrealised reserve [Note9(c)]	50,541	407,835
Net increase in realised reserve for the period/year	175,439	154,886
At end of the period/year	1,271,264	1,095,825

(c) **UNREALISED – NON-DISTRIBUTABLE**

	1-12-2011 to 31-5-2012 RM	1-12-2010 to 30-11-2011 RM
At beginning of the period/year	50,541	458,376
Net unrealised loss attributable to investment held transferred from realised reserve [Note9(b)]	(50,541)	(407,835)
At end of the period/year	-	50,541

10. UNITS HELD BY RELATED PARTIES

The Manager, AmInvestment Services Berhad and parties related to the Manager did not hold any unit in the Fund as at 31 May 2012 and 30 November 2011.

11. INCOME TAX

Income tax payable is calculated on investment income less deduction for permitted expenses as provided for under Section 63B of the Income Tax Act, 1967.

Pursuant to Schedule 6 paragraph 35 of the Income Tax Act, 1967, interest income derived by the Fund is exempted from tax.

A reconciliation of income tax expense applicable to net income before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	1-12-2011 to 31-5-2012 RM	1-12-2010 to 31-5-2011 RM
Net income before tax	124,898	2,197
Taxation at Malaysian statutory rate of 25%	31,200	500
Tax effect of:		
Income not subject to tax	(142,700)	(84,300)
Loss not deductible for tax purposes	109,700	78,900
Restriction on tax deductible expenses for unit trust funds	300	3,100
Non-permitted expenses for tax purposes	1,400	1,400
Permitted expenses not used and not available for future periods	100	400
Tax expense for the period	-	-

12. DISTRIBUTION

No distribution was declared by the Fund for the periods ended 31 May 2012 and 31 May 2011.

13. MANAGEMENT EXPENSE RATIO ("MER")

The Fund's MER is as follows:

	1-12-2011 to 31-5-2012 % p.a.	1-12-2010 to 31-5-2011 % p.a.
Manager's fee	0.77	0.77
Trustee's fee	0.07	0.07
Trust administrative expenses	-	0.48
Total MER	0.84	1.32

The MER of the Fund is the ratio of the sum of annualised fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis.

14. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of average acquisitions and disposals of investment to the average NAV of the Fund calculated on a daily basis, is 0.53 times (2011: 0.22 times).

15. SEGMENTAL REPORTING

As stated in Note 1, the Fund is a feeder fund whereby a minimum of 95% of the Fund's net assets value will be invested in the Target Fund.

As the Fund operates substantially as a feeder fund which invests primarily in the Target Fund, it is not possible or meaningful to classify its investment by separate business or geographical segments. A summary of the investment portfolio of the Target Fund is disclosed in Note 4.

16. TRANSACTIONS WITH TARGET FUND MANAGER

Details of transactions with Target Fund Manager for the period from 1 December 2011 to 31 May 2012 are as follows:

Target Fund Manager	**Transaction value**	
	RM	**%**
Amundi Luxembourg S.A.	1,804,584	100.00

The above transaction values are in respect of investment in foreign collective investment scheme. Transactions in this investment do not involve any commission or brokerage.

As the Fund is a feeder fund which invests primarily into a Target Fund, hence all transactions were made with the Target Fund Manager.

17. RISK MANAGEMENT POLICIES

The Fund is exposed to a variety of risks that included market risk, currency risk, interest rate risk, credit risk, liquidity risk, single issuer risk, regulatory risk, management risk, country risk and non-compliance risk.

Risk management is carried out by closely monitoring, measuring and mitigating the above said risks, careful selection of investment coupled with stringent compliance to investment restrictions as stipulated by the Capital Market and Services Act 2007, Securities Commission's Guidelines on Unit Trust Funds and the Deed as the backbone of risk management of the Fund.

Market Risk

Market risk is the risk that the value of a portfolio would decrease due to changes in market risk factors such as equity prices, foreign exchange rates, interest rates and commodity prices.

Currency Risk

Currency risk is associated with assets and liabilities denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against Ringgit, the Fund may face currency loss in addition to capital gains/losses. This may lead to lower net asset value of the Fund.

The net unhedged financial assets of the Fund that are not denominated in Ringgit Malaysia are as follows:

	31-5-2012		30-11-2011	
	RM equivalent	**% of net asset value**	**RM equivalent**	**% of net asset value**
Assets denominated in US Dollar				
Investment in foreign collective investment scheme	-	-	1,672,603	95.71
Amount due from Target Fund Manager	1,458,169	106.79	-	-
Cash at bank	635	0.05	635	0.04
	1,458,804	106.84	1,673,238	95.75

Interest Rate Risk

Interest rate risk will affect the value of the Fund's investments, given the interest rate movements, which are influenced by regional and local economic developments as well as political developments.

The Fund, as a feeder fund, invests significantly all its assets in the Target Fund and does not have a significant exposure to interest rate risk.

Domestic interest rates on deposits and placements with licensed financial institutions are determined based on prevailing market rates. The Fund has a policy to ensure that the rates obtained are competitive.

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge an obligation. Credit risk applies to debt instruments such as term deposits, bonds and debentures. The issuer of such instruments may not be able to fulfill the required profit payments or repay the principal invested. These risks may cause the Fund's investments to fluctuate in value.

The Fund, as a feeder fund, invests significantly all its assets in the Target Fund. The Target Fund manages the risk by setting internal counterparty limits and undertaking internal credit evaluation to minimise such risk.

Liquidity Risk

Liquidity risk is defined as the risk of being unable to raise funds or borrowings to meet payment obligations as they fall due. This is also the risk of the unit trust fund experiencing large redemptions, when the Investment Manager could be forced to sell large volumes of its holdings at unfavorable prices to meet redemption requirements.

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unitholders. Liquid assets comprise cash deposits with licensed financial institutions and other instruments, which are capable of being converted into cash within 5 to 7 days. The Fund's policy is to always maintain a prudent level of liquid assets so as to reduce liquidity risk.

Single Issuer Risk

The Fund, as a feeder fund, invests significantly all its assets in the Target Fund. The Target Fund sets an internal policy to restrict the Target Fund from investing in securities issued by any issuer in excess of a certain percentage of its net asset value. Under such restriction, the risk exposure to the securities of any single issuer is diversified and managed by the Target Fund based on internal/external ratings.

Regulatory Risk

Any changes in national policies and regulations may have effects on the capital market and the net asset value of the Fund.

Management Risk

Poor management of the Fund may cause considerable losses to the Fund that in turn may affect the net asset value of the Fund.

Country Risk

The risk of price fluctuation in foreign securities may arise due to political, financial and economic events in foreign countries. If this occurs, there is a possibility that the net asset value of the Fund may be adversely affected.

Non-Compliance Risk

This is the risk of the Manager, the Trustee or the Fund not complying with internal policies, the Deed of the Fund, securities law or guidelines issued by the regulators. Non-compliance risk may adversely affect the investment of the Fund when the Fund is forced to rectify the non-compliance.

The specific risks associated to the Target Fund include market risk, securities risk, emerging market risk, settlement and credit risks, regulatory and accounting standards risks, political risk, custody risk and liquidity risk.

Statement by the Manager

We, **KOK TUCK CHEONG** and **DATIN MAZNAH MAHBOB**, being two of the directors of the Manager, AmInvestment Services Berhad, for **AmGlobal Bond** do hereby state that in the opinion of the Manager, the accompanying condensed statement of financial position, condensed statement of comprehensive income, condensed statement of changes in net asset value and condensed statement of cash flows are drawn up so as to give a true and fair view of the financial position of the Fund as at 31 May 2012 and the comprehensive income, the changes in net asset value and cash flows of the Fund for the half year then ended.

KOK TUCK CHEONG
For and on behalf of the Manager
AmInvestment Services Berhad

DATIN MAZNAH MAHBOB
For and on behalf of the Manager
AmInvestment Services Berhad

Kuala Lumpur
5 July 2012

AMANAHRAYA TRUSTEES (766894-T)

Trustee's Report
For the Six Months Financial Period Ended 31 May 2012

To the Unit Holders of
AMGLOBAL BOND

We, AMANAHRAYA TRUSTEES BERHAD, have acted as Trustee of AMGLOBAL BOND for the six months financial period ended 31 May 2012. In our opinion, AMINVESTMENT SERVICES BERHAD, the Manager, has managed AMGLOBAL BOND in accordance with the limitations imposed on the investment powers of the management company and the Trustee under the Deed, other provisions of the Deed, the applicable Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws for the six months financial period ended 31 May 2012.

We are of the opinion that:

a) the procedures and processes employed by the Manager to value and/or price the units of AMGLOBAL BOND are adequate and that such valuation/pricing is carried out in accordance with the Deed and other regulatory requirement; and

b) creation and cancellation of units are carried out in accordance with the Deed and other regulatory requirement.

Yours faithfully
AMANAHRAYA TRUSTEES BERHAD

HABSAH BINTI BAKAR
Chief Executive Officer

Kuala Lumpur, Malaysia
24 July 2012

AMANAHRAYA TRUSTEES BERHAD (766894-T)
(A subsidiary of Amanah Raya Berhad)
Tingkat 2, Wisma TAS, No. 21, Jalan Melaka, 50100 Kuala Lumpur | Tel : 603-2036 5000 Fax : 603-2072 0320

Directory

Head Office	9th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan, 50200 Kuala Lumpur Tel: (03) 2032 2888 Facsimile: (03) 2031 5210
Postal Address	AmInvestment Services Berhad P.O Box 13611, 50816 Kuala Lumpur

Related Institutional Unit Trust Agent

AmBank (M) Berhad Company No. 8515-D	Head Office 31st Floor, Menara AmBank No. 8 Jalan Yap Kwan Seng, 50450 Kuala Lumpur
AmInvestment Bank Berhad Company No. 23742-V	Head Office 22nd Floor, Bangunan AmBank Group 55 Jalan Raja Chulan, 50200 Kuala Lumpur

For more details on the list of IUTAs, please contact the Manager.

For enquiries about this or any of the other Funds offered by AmInvestment Services Berhad please call 2032 2888 between 8.45 a.m. to 5.45 p.m. (Monday - Thursday), Friday (8.45 a.m. to 5.00 p.m.)

AmInvestment Services Berhad *(154432-A)*
A member of AmBank Group

Tel : 03-2032 2888
Fax : 03-2031 5210
Email: ammutual@ambankgroup.com