

ALLIANCE ADVANTAGE GEM TREASURES FUND

ALLIANCE INVESTMENT MANAGEMENT BERHAD (334195-K)

FUND OBJECTIVE

- The Fund seeks long-term returns from capital growth and income by investing at least 70% of its non-cash assets in a portfolio of investments in equity and equity-equivalent securities of companies in emerging markets. The remaining assets will be invested in a diversified portfolio of fixed-income securities.

REVIEW & OUTLOOK AS AT END FEBRUARY 2011

Market Review

- In February, emerging equity markets, as measured by the MSCI EM Index in USD, fell 0.9%, lagging the 3.5% rise in world developed market equities (the MSCI WORLD net total return in USD) as emerging countries such as China and Brazil to Hungary and Indonesia raised interest rates to combat inflation.
- Over the month, emerging market equities were driven lower by the Middle East North Africa (MENA) unrest, worries over the impact of rising oil prices on inflation and a continuation of the rotation away from emerging markets towards developed markets assets.
- Within the emerging world, Emerging Asia equities delivered a negative return of -4.0%, which can be attributed to Taiwan and Korea. Europe, the Middle East and Africa (EMEA) (4.8%) was the best performing region in February as strong returns in energy and materials from South Africa and Russia guided the region up.
- Furthermore, LatAm rose 2.0% in February on the back of a rise in Brazilian equities on strong performance from energy and financials. Developed bond markets had a relatively decent month, as the increase in oil prices in the wake of political tensions in the MENA region translated into concerns over inflation and growth.
- In this context, JP Morgan broad hedged in USD went down -0.04% as developed country yields slightly rose over the month. HSBC GEM Treasures Fund returned -0.03% over the month.
- Relative to its benchmark, 70% MSCI EMF in US Dollars + 30% JP Morgan Broad hedged in US Dollars, the Fund outperformed by +0.61% over the month.
- The principal engine which contributed to this outperformance was equity country allocation (+0.79%), as a result of our underexposure to Taiwan equities (-8.7%) and our overweight position (+1.6%) in South Africa equities.

Outlook and Strategy

- Our global signal on emerging equities shows a strong positive expectation in the next three months. The signal was almost unchanged over the month, as valuation contributed moderately.
- The valuation levels explain the most part of our global signal on emerging market equities. We remain positive on emerging equities in the short term and hence, the Fund remains over-exposed.

FUND MANAGER

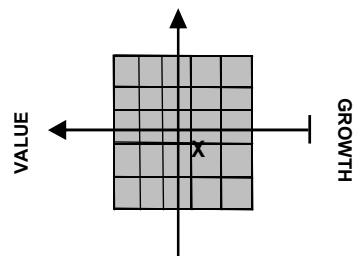
Francois Dossou
Deputy Head - Global Equities
SINOPIA Asset Management

Francois Dossou joined SINOPIA in 1998 as an analyst in charge of research and financial engineering. He contributed to the development and improvement of the valuation models. In July 2004, Francois joined the Equity Team as an equity fund manager in charge of the European equity markets funds.

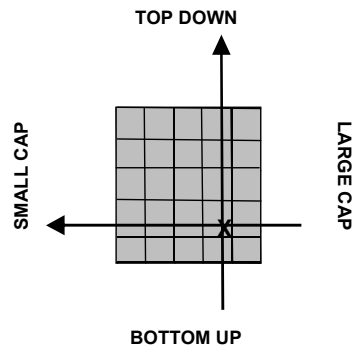
Prior to joining SINOPIA, Francois worked for GREQAM (a quantitative economic research association), where he conducted economic studies. Francois graduated from ENSAI (Ecole Nationale de la Statistique et de l'Information) in 1998 with a specialised master degree in Statistics and Information Technology. He holds a master degree from EHESS (Ecole des Hautes en Sciences Sociales) in quantitative economics and econometrics.

INVESTMENT STYLE

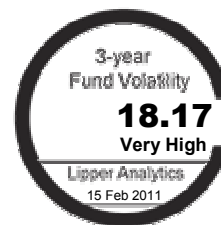
CLOSE TO BENCHMARK



DISREGARD BENCHMARK



70% MSCI Emerging Markets Free Index in USD unhedged and 30% JP Morgan Govt Bond Index in USD currency-hedged



Based on the Fund's portfolio returns as at 31 January 2011, the Volatility Factor (VF) for this Fund is 18.17 and is classified as "Very High" (source: Lipper). "Very High" includes Funds with VF that are more than 18.565 (source: Lipper). The VF means there is a possibility for the Fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified Funds. VF is subject to monthly revision and VC will be revised every six months. The Fund's portfolio may have changed since this date and there is no guarantee that the Fund will continue to have the same VF or VC in the future. Presently, only Funds launched in the market for at least 36 months will display the VF and its VC.

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

ALLIANCE ADVANTAGE GEM TREASURES FUND

ALLIANCE INVESTMENT MANAGEMENT BERHAD (334195-K)

Date: 28/02/2011

FUND INFORMATION

Launch Date	23 October 2007
Fund Category (as per S&P, Micropal or Lipper)	Feeder
Fund Type	Income and Growth
Fund Size in (RM)	60.577 million
Launch Price	RM0.50
Initial Investment	RM1,000
Subsequent Investment	RM100
Sales Charge	Maximum up to 6.50% of net asset value (NAV) per unit
Annual Management Fee	1.80% of NAV per unit
Special Risk	Subject to liquidity, market and foreign exchange risk
Exit Fee	Up to 1% of the NAV if Investors exit within the first six months from the date of investment, except during cooling-off period
Annual Expense Ratio as at 28/02/2011	1.91%
EPF Investment Scheme	No

RISK AS AT END 28/02/2011

3-year Annualised Volatility	18.15
3-year Annualised Sharpe Ratio	-0.20
HSBC Risk Classification	5

**3-YEAR VOLATILITY AND SHARPE RATIO FIGURES ARE BASED ON BID PRICES, ADJUSTED FOR DIVIDENDS RE-INVESTED AND IN MYR.

FUNDS NAV AS AT END 28/02/2011

52-Week High	RM0.4915
52-Week Low	RM0.4265

TRAILING RETURNS

	3-MTH	6-MTH	1-YR	2-YR	3-YR	5-YR
Absolute Returns To-Date (%)	-1.21	5.67	4.23	49.76	-2.43	N/A
Annualised Returns To-Date (%)	N/A	N/A	4.23	22.38	-0.82	N/A

PERFORMANCE FIGURES ARE BASED ON BID-TO-BID PRICES, DIVIDENDS RE-INVESTED IN MYR.

CALENDAR YEAR RETURNS

	2010	2009	2008	2007
Alliance ADVANTAGE GEM Treasures Fund (%)	2.29	42.03	-34.58	1.40
Benchmark (%)	4.65	46.51	-34.56	-2.10

PERFORMANCE FIGURES ARE BASED ON BID-TO-BID PRICES, DIVIDENDS RE-INVESTED IN MYR.

TOP 10 HOLDINGS of HGTF* AS AT END 28/02/2011

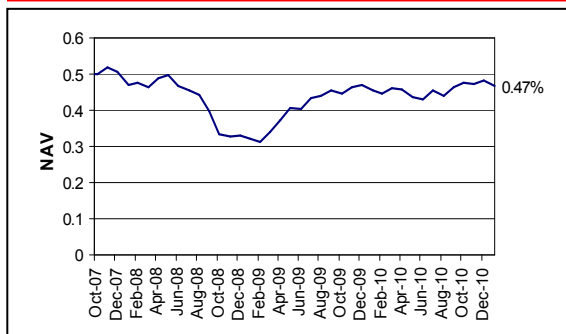
	% OF FUND
Samsung Group	4.30%
JGB 0.20% 12 0294	3.60%
Hyundai Motor Co	3.40%
Cia Vale do Rio Doce	3.30%
Investimentos Itau SA	2.90%
InBev NV	2.80%
JAPAN 1.30% 0613	2.80%
Standard Bank Group Ltd	2.60%
Gazprom	2.40%
Petrobras	2.30%

No. of stock holdings: 84

*HSBC GEM Treasures Fund (HGTF), which is the predetermined Target Fund

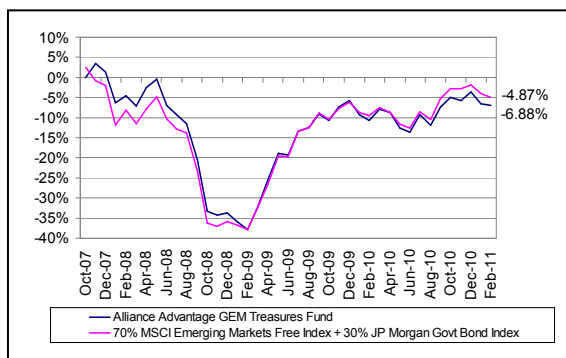
SOURCE: HSBC Global Asset Management (Singapore) Limited

CHART 1: HISTORICAL PRICE OF FUND SINCE INCEPTION



NAV line chart (based on NAV-to-NAV, Dividend re-invested)

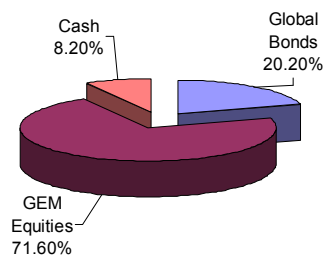
CHART 2: PERFORMANCE OF FUND SINCE INCEPTION



The Fund vs Benchmark (Line Chart) since inception

SECTOR ALLOCATION AS AT 28/02/2011

Asset Allocation



Equities Country Allocation

