

FBM30etf

**Manager's Report And Financial Statements (unaudited)
For The Period 1 January 2008 To 31 March 2008**

(Ringgit Malaysia)

MANAGER

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

BOARD OF DIRECTORS

Kok Tuck Cheong
Datin Maznah Mahbob
Professor Dr Annuar Md. Nassir
Dr Mahani Zainal Abidin
Lee Siang Korn @ Lee Siang Chin

INVESTMENT COMMITTEE

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

INVESTMENT MANAGER

AmInvestment Management Sdn Bhd

TRUSTEE

HSBC (Malaysia) Trustee Berhad

AUDITORS AND REPORTING ACCOUNTANTS

Ernst & Young

TAXATION ADVISER

Deloitte KassimChan Tax Services Sdn Bhd

FBM30etf

Financial Statements

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FBM30etf

PERFORMANCE DATA

Details of portfolio composition of FBM30etf (“the Fund”) for the last financial periods as at 31 March 2008, 31 December 2007 and 30 September 2007 are as follows:

	As at 31-3-2008 %	As at 31-12-2007 %	As at 30-9-2007 %
Construction	2.7	3.7	3.2
Consumer products	4.0	4.8	2.5
Finance	26.3	31.4	28.5
Industrial products	1.3	1.5	1.4
Infrastructure project companies	2.6	3.0	2.6
Plantation	8.8	10.2	9.6
Trading/Services	34.1	44.5	34.7
Options	20.1	-	17.0
Cash and others	0.1	0.9	0.5
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

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

FBM30etf

Performance details of the Fund for the last financial periods ended 31 March 2008, 31 December 2007 and 30 September 2007 are as follows:

	3 months ended 31-3-2008	3 months ended 31-12-2007	3 2/3 months ended 30-9-2007	6 2/3 months ended 31-12-2007
Net asset value (RM'000)	5,392	22,020	64,998	22,020
Units in circulation ('000)	650	2,340	7,670	2,340
Net asset value per unit (RM)*	8.2961	9.4103	8.4743	9.4103
Closing quoted price (RM/unit)*	8.400	9.370	8.500	9.370
Highest quoted price (RM/unit)*	9.930	9.370	8.760	9.370
Lowest quoted price (RM/unit)*	7.680	8.510	7.680	7.680
Total return (%) ⁽¹⁾	-10.84	11.05	-3.09	7.61
- Capital growth (%)	-20.84	11.05	-3.09	7.61
- Income distribution (%)	10.00	-	-	-
Gross distribution per unit (sen)	10.20	-	-	-
Net distribution per unit (sen)	10.00	-	-	-
Management expense ratio (%) ⁽²⁾	0.98	1.80	0.91	1.21
Portfolio turnover ratio (times) ⁽³⁾	0.83	0.48	1.38	1.48

* Above price and net asset value per unit are shown as ex-distribution.

Note: (1) Total return is the actual return of the Fund for the respective financial periods, computed based on net asset value per unit and net of all fees.

(2) Management expense ratio ("MER") 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 0.82% as compared to 1.80% per annum for the financial quarter ended 31 December 2007 mainly due to decrease in trust expense.

(3) Portfolio turnover ratio ("PTR") 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 0.35 times (72.9%) as compared to 0.48 times for the financial quarter ended 31 December 2007 due to decrease in average fund size.

Annualised Return (as at 31 March 2008)^(a)

	FBM30etf %	FBM30 Index %
Since launch of fund (7 June 2007)	-4.1	-5.9

Annual Total Return^(a)

Financial Period End	FBM30etf %	FBM30 Index %
31 December 2007 ^(b)	7.6	6.9

(a) Independently verified by Perkasa Normandy Advisers Sdn Bhd

(b) Annualised returns for the financial period 7 June 2007 (date of commencement) to 31 December 2007

The Fund's performance above is calculated based on net asset value per unit. Annualised returns for both FBM30etf and FTSE Bursa Malaysia Large 30 Index ("FBM30 Index) for a period are computed on the absolute returns for that 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.

FBM30etf

Manager's Report For The Period 1 January 2008 to 31 March 2008

Dear Unitholders

We are pleased to present you the Manager's Report and the unaudited quarterly accounts of FBM30etf ("the Fund") for the financial period 1 January 2008 to 31 March 2008.

Investment Objectives

FBM30etf is an equity exchange traded fund which aims to achieve a price and yield performance, before fees, expenses and tax, that is generally similar to that of the given benchmark, FTSE Bursa Malaysia Large 30 Index ("FBM30 Index"), balanced with the need to facilitate liquidity provision.

Details of the index component as at 31 March 2008 are as follows:

Stock code	Company's name	Percentage weight (%)	Shares in issue ('million units)
4197	Sime Darby Berhad	11.27	5,997.99
1155	Malayan Banking Berhad	10.90	4,832.51
1295	Public Bank Berhad	9.81	3,525.20
1023	Bumiputra-Commerce Holdings Berhad	8.93	3,367.58
1961	IOI Corporation Berhad	8.69	6,122.37
4863	Telekom Malaysia Berhad	7.23	3,422.38
5347	Tenaga Nasional Berhad	6.39	4,322.56
3182	Genting Berhad	4.84	3,694.24
3816	Malaysia International Shipping Corporation Berhad	3.61	3,719.83
4715	Resorts World Berhad	2.67	5,773.31
2445	Kuala Lumpur Kepong Berhad	2.27	1,068.77
6947	DiGi.Com Berhad	2.05	750.00
5398	Gamuda Berhad	1.76	1,989.93
4588	UMW Holdings Berhad	1.75	1,074.10
5052	PLUS Expressways Berhad	1.70	5,000.00
1015	AMMB Holdings Berhad	1.70	2,504.35
4677	YTL Corporation Berhad	1.66	1,651.23
4065	PPB Group Berhad	1.62	1,185.50
6033	PETRONAS Gas Berhad	1.59	1,978.73
4162	British American Tobacco (M) Berhad	1.59	285.53
1562	Berjaya Sports Toto Berhad	1.40	1,351.03
6742	YTL Power International Berhad	1.36	5,366.79
2194	MMC Corporation Berhad	1.05	3,045.06
5819	Hong Leong Bank Berhad	0.98	1,580.11
2267	Tanjong plc	0.94	403.26

(Forward)

Stock code	Company's name	Percentage weight (%)	Shares in issue ('million units)
5657	Parkson Holdings Berhad	0.82	968.61
5681	PETRONAS Dagangan Berhad	0.60	993.45
1066	RHB Capital Berhad	0.54	2,153.48
3786	Malaysian Airline System Berhad	0.46	1,670.99
1082	Hong Leong Financial Group Berhad	0.37	1,052.77

FBM30etf was established on 4 June 2007 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.

Fund Performance Review

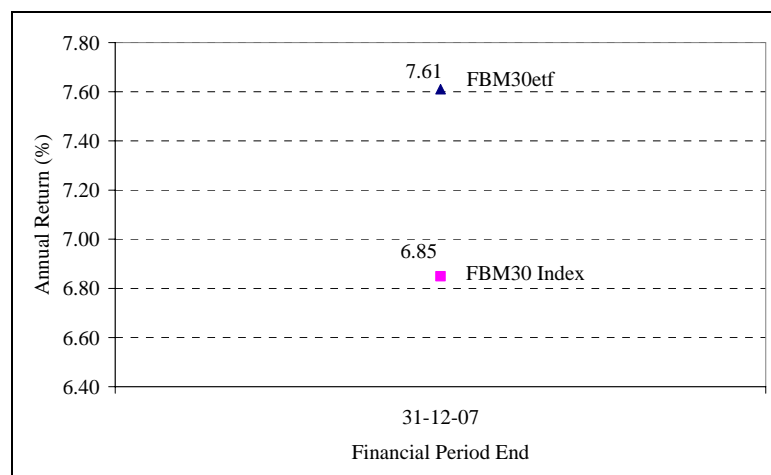
	As at 31 March 2008	As at 31 December 2007	Change (%)
FTSE Bursa Malaysia Large 30 Index	8,232.89	9,343.67	-11.89
Net asset value (RM)	5,392,433	22,020,061	-75.51
Units in circulation (units)	650,000	2,340,000	-72.22
Return on portfolio (%)	-10.84 ^(a)	11.05 ^(b)	-21.89
Benchmark return (%)	-11.89 ^(a)	11.06 ^(b)	-22.95
Net asset value per unit (RM)	8.2961	9.4103	-11.84
Closing price quoted at Bursa Malaysia (RM)	8.400	9.370	-10.35

(a) Actual returns for the financial period 1 January 2008 to 31 March 2008.

(b) Actual returns for the financial period 1 October 2007 to 31 December 2007.

Comparison between the annual performances of FBM30etf and FBM30 Index for the last financial period 7 June 2007 (date of commencement) to 31 December 2007 is as follows:

Financial Period End	FBM30etf (%)	FBM30 Index (%)	Changes (%)
31 December 2007	7.61	6.85	0.76



For the financial period 1 January 2008 to 31 March 2008, the Fund registered a return of -10.84%, declining by 21.89% as compared to 11.05% for the financial period 1 October 2007 to 31 December 2007. The negative returns consist of income distribution of 10% and capital growth of -20.84%. Meanwhile, the Fund's benchmark, FTSE Bursa Malaysia Large 30 Index registered a return of -11.89%, decreasing by 22.95% from 11.06% as of 31 December 2007. The Fund outperformed its benchmark by 1.05% for the period under review.

The net asset value ("NAV") of the Fund as at 31 March 2008 was RM5,392,433, a decline of 75.51% as compared to RM22,020,061 as at 31 December 2007. This was mainly due to redemption of the Fund. Units in circulation decreased 72.22% from 2,340,000 units to 650,000 units. The NAV per unit of the Fund was RM8.2961 as at 31 March 2008, decreasing by 11.84% as compared to RM9.4103 as at 31 March 2008. The Fund was listed on the Bursa Malaysia Stock Exchange Berhad on 19 July 2007. The closing price quoted at Bursa Malaysia was RM8.400 as at 31 March 2008, a decline of 10.35% as compared to RM9.370 as at 31 December 2007.

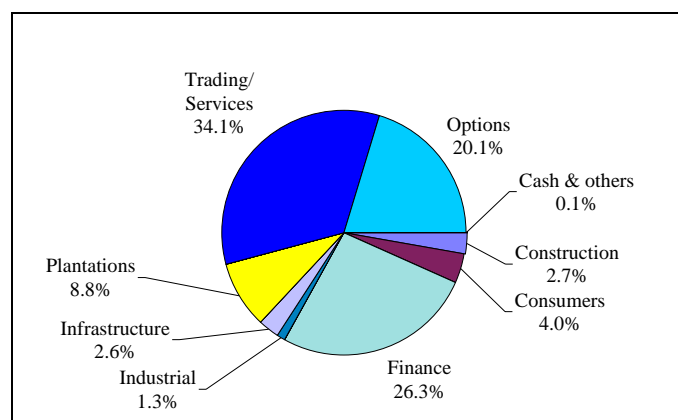
For the financial period under review, there was neither unit split nor any significant changes in the state of affairs and no circumstances that materially affected the interest of the unitholders.

During the financial period under review, the Fund has declared a net income distribution of 10.00 sen per unit on 22 January 2008 as follows:

10.00 sen per unit final income distribution*	Changes in the unit price prior and subsequent to the final income distribution	Before income distribution on 22 January 2008 (RM)	After income distribution on 22 January 2008 (RM)
	Net asset value per unit	8.9052	8.8052

* Final income distribution for the financial period 7 June 2007 (date of commencement) to 31 December 2007

Sectoral Composition as at 31 March 2008



	31 March 2008 (%)	31 December 2007 (%)	Change (%)
Construction	2.7	3.7	-1.0
Consumer products	4.0	4.8	-0.8
Finance	26.3	31.4	-5.1
Industrial products	1.3	1.5	-0.2
Infrastructure project companies	2.6	3.0	-0.4
Plantations	8.8	10.2	-1.4
Trading/Services	34.1	44.5	-10.4
Options	20.1	-	20.1
Cash and others	0.1	0.9	-0.8
Total	100.0	100.0	

The main change to sector composition was due to purchase of zero strike call options for creation of units of the Fund. As at 31 March 2008, 20.1% of the Fund was in the form of options and as such, holdings of physical stocks in other sectors were reduced proportionately.

Break down of unitholding by size

Size of holding	As at 31 March 2008 No of units held ('000)	As at 31 December 2007 No of units held ('000)
Less than 100	-	-
100 – 1,000	81.6	50.3
1,001 – 10,000	142.1	144.8
10,001 – 32,500/100,000	260.5	244.6
100,001 to less than 5% of issue units	-	-
5% and above of issue units	165.8	1,900.3

Note: 5% of issue units = 32,500 units (117,000 units as at 31 December 2007)

Market Review

For the period under review, 1 January 2008 to 31 March 2008, FBM 30 Index declined 9.1%. Led by palm oil companies, the Bursa Malaysia Kuala Lumpur Composite Index (“KLCI”) hit an all-time record high on 11 January 2008, driven by high crude palm oil prices trading above RM3,000/mt.

Immediately after hitting record high, KLCI succumbed to panic selling as global markets went into a tailspin due to renewed sub-prime related losses reported by Merrill Lynch and Citigroup. In response to the distressed financial markets, the US Federal Reserve made two drastic interest rate cuts totaling 1.25% percentage points, bringing down the Fed Funds Rate to 3.0% in January 2008.

In March 2008, the KLCI suffered an 8.09% month-on-month loss. The fear of recession in US coupled with the out-performance of KLCI versus regional markets in earlier months, drove investors to take profits. On top of that, the twelfth general election results came in beyond the worst case expectations of political pundits. On 10 March 2008, the first trading day after the election results, the KLCI plunged more than 10%, triggering for the first time the circuit breaker. Also, sentiment was dampened by the collapse of 5th largest investment bank in US, Bear Stearns.

Market Outlook

We are cautious of the market and believe the following factors will weigh down the market in the near future:

- US payroll employment is very weak, reporting two consecutive months of negative growth in the first two months of 2008 (source: Bloomberg)
- US housing market has not stabilized with excessive inventories, suggesting further weakness to housing price.
- Organisation for Economic Co-operation and Development (“OECD”) leading indicator (6-month annualised % change) has been on the downtrend since June 2007 (source: Bloomberg). Average peak to trough since 1990s’ was 13 months. We may see the indicator bottoming out in July 2008. However, during recession of 1990 and 2000/01, the downswing lasted 48 and 20 months respectively. Market performance will be negatively affected by earnings downgrade which is closely correlated to OECD leading indicators.
- Another study on market cycle, we noted that trough to trough price-to-book (“P/B”) ratio for Morgan Stanley Capital International (“MSCI”) Far East ex-Japan is approximately 8 years (source: Citigroup). The last trough in P/B ratio happened in December 2002, implying the market should trough in late 2009 or 2010.
- On top of that, Malaysian market has incurred additional risk premium due to political uncertainty as the ruling party lost control of several important states in the recent general election.

As such, we expect market conditions for 2008 to be challenging.

Investment Strategy

Investment strategy for the fund will remain the same, to conduct periodic rebalancing to ensure that the Fund tracks the performance of the benchmark index, the FTSE Bursa Malaysia Large 30 Index.

Rebates and soft commissions

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 period under review, the Manager has received soft-commissions.

Kuala Lumpur
AmInvestment Services Berhad

30 April 2008

FBM30etf**STATEMENT OF ASSETS AND LIABILITIES (unaudited)
AS AT 31 MARCH 2008**

	Note	31-3-2008 RM	31-12-2007 RM
ASSETS			
Quoted investments	4	4,281,823	21,913,117
Investments in derivatives	5	1,080,440	-
Unquoted investments	6	-	198,919
Amount due from Manager	7	37,207	-
Sundry receivables		18,294	79,720
Cash at bank		7,458	796
		<hr/>	<hr/>
Total Assets		5,425,222	22,192,552
LIABILITIES			
Sundry payables and accrued expenses		19,845	20,000
Amount due to index provider	8	12,649	11,661
Amount due to Trustee	9	295	1,408
Amount due to Manager	7	-	139,422
		<hr/>	<hr/>
Total Liabilities excluding Net Asset Value Attributable to Unitholders		32,789	172,491
NET ASSET VALUE AS AT 31 MARCH/ 31 DECEMBER			
	10	<hr/> 5,392,433	<hr/> 22,020,061
UNITS IN CIRCULATION			
	10(a)	<hr/> 650,000	<hr/> 2,340,000
NET ASSET VALUE PER UNIT – EX DISTRIBUTION			
	11	<hr/> 830 sen	<hr/> 941 sen

The accompanying Notes form an integral part of the Financial Statements.

STATEMENT OF INCOME AND EXPENDITURE *(unaudited)*
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2008

	Note	1-1-2008 to 31-3-2008 RM	1-10-2007 to 31-12-2007 RM
INVESTMENT INCOME			
Net realised gain on sale of quoted investments		470,660	795,007
Dividend income		109,600	396,351
Net unrealised gain on change in value of investments in derivatives		42,611	-
Interest income		1,117	2,660
Net realised gain on sale of investments in derivatives		-	390,765
Net unrealised (loss)/gain on changes in value of quoted investments		(1,755,383)	3,375,949
Gross (Loss)/Income		<u>(1,131,395)</u>	<u>4,960,732</u>
EXPENDITURE			
Manager's fee	7	12,351	50,292
Trustee's fee	9	1,482	6,035
License fee	8	988	4,023
Audit fee		1,243	2,686
Tax agent's fee		1,243	2,686
Other expenses		6,918	114,873
Total Expenditure		<u>24,225</u>	<u>180,595</u>
NET (LOSS)/INCOME BEFORE INCOME TAX		(1,155,620)	4,780,137
LESS: INCOME TAX EXPENSE	12	<u>(27,800)</u>	<u>(98,600)</u>
NET (LOSS)/INCOME AFTER INCOME TAX	10(b)	<u>(1,183,420)</u>	<u>4,681,537</u>
Net (loss)/gain After Income Tax comprises the following:			
Realised gain		529,352	1,305,588
Unrealised (loss)/gain		<u>(1,712,772)</u>	<u>3,375,949</u>
		<u>(1,183,420)</u>	<u>4,681,537</u>

The accompanying Notes form an integral part of the Financial Statements.

FBM30etf**STATEMENT OF CHANGES IN NET ASSET VALUE *(unaudited)*
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2008**

	1-1-2008 to 31-3-2008 RM	1-10-2007 to 31-12-2007 RM
Net asset value at beginning of period	22,020,061	64,997,656
Net (loss)/gain for the period	(1,183,420)	4,681,537
Distribution/Loss equalisation	(741,091)	458,005
Amount received from units created net of equalisation	941,519	-
Amount paid from units redeemed net of equalisation	(15,475,636)	(48,117,137)
Net income distribution	<u>(169,000)</u>	<u>-</u>
Net asset value at end of period	<u><u>5,392,433</u></u>	<u><u>22,020,061</u></u>

The accompanying Notes form an integral part of the Financial Statements.

CASH FLOW STATEMENT *(unaudited)*
FOR THE PERIOD 1 JANUARY 2008 TO 31 MARCH 2008

	Note	1-1-2008 to 31-3-2008 RM	1-10-2007 to 31-12-2007 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES			
Proceeds from sale of investments		283,777	48,060,074
Dividend received		139,627	461,387
Interest received		1,117	2,660
Trustee's fee paid		(2,595)	(8,604)
Payment for other fees expenses		(5,960)	(326)
Manager's fee paid		(21,625)	(71,697)
Purchase of investments		(48,160)	(1,010,545)
		<hr/>	<hr/>
Net Cash Generated From Operating And Investing Activities		346,181	47,432,949
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution paid		(169,000)	-
Payments for release of units		(369,438)	(47,537,315)
		<hr/>	<hr/>
Net Cash Used In Financing Activities		(538,438)	(47,537,315)
		<hr/>	<hr/>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(192,257)	(104,366)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		199,715	304,081
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	15	7,458	199,715
		<hr/>	<hr/>

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

FBM30etf (“the Fund”) was established pursuant to a Deed dated 18 January 2007 as amended by the Deeds Supplemental thereto (“the Deed”), between AmInvestment Services Berhad as the Manager, HSBC (Malaysia) Trustee Berhad as the Trustee and all unitholders.

The Fund was set up with the objective to achieve a price and yield performance, before fees, expenses and tax that is generally similar to that of the benchmark index, FTSE Bursa Malaysia Large 30 Index, balanced with the need to facilitate liquidity provision. As provided in the Deeds, the “accrual period” or financial year shall end on 31 December and the units in the Fund were first offered for sale on 7 June 2007.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention modified by the revaluation of investments in accordance with applicable Financial Reporting Standards in Malaysia and the Securities Commission’s Guidelines on Exchange Traded Funds.

The adoption of new and revised Financial Reporting Standards which are relevant to the Fund and which were first effective for the Fund in the current financial period did not give rise to any significant impact on the Fund.

The Fund has not adopted the following FRSs which have effective dates as follows:

FRS	Effective for financial periods beginning on or after
FRS 139: Financial Instruments: Recognition and Measurement	Effective date deferred
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operations	1 July 2007
FRS 107: Cash Flow Statements	1 July 2007
FRS 111: Construction Contracts	1 July 2007
FRS112: Income Taxes	1 July 2007
FRS118: Revenue	1 July 2007
FRS 120: Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
Amendments to FRS 134: Interim Financial Reporting	1 July 2007
Amendments to FRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007

(Forward)

FRS	Effective for financial periods beginning on or after
IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6: Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7: Applying the Restatement Approach under FRS 129 ₂₀₀₄ Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8: Scope of FRS 2	1 July 2007

The adoption of the FRSs above upon their effective dates is not expected to have any significant effects on the financial statements of the Fund except possibly for FRS 139.

3. **SIGNIFICANT ACCOUNTING POLICIES**

Investments

Investments are stated at market value on a portfolio basis in accordance with the provisions of the Deed. For investments in listed securities, market value is determined based on the closing price quoted on Bursa Malaysia Securities Berhad. For investments in options, market value is determined based on the quoted price of the respective issuers and/or financial institutions and for investments in unquoted fixed income securities, market value is determined based on the quoted prices from Bondweb Malaysia Sdn Bhd plus accrued interest. The difference between the adjusted cost and market value is treated as unrealised gain or loss and is recognised in the statement of income and expenditure. Adjusted cost of unquoted investments relates to the purchase cost plus accrued interest, adjusted for amortisation of premium and accretion of discount, if any, calculated on the straight-line method over the period from the date of acquisition to the date of maturity of the respective securities as approved by the Manager and the Trustee. Unrealised gains or losses recognised in the statement of income and expenditure is not distributable in nature.

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

Income Recognition

Dividend income is recognized based on the date the dividend is declared.

Interest on fixed income securities and short-term deposits is recognised on an accrual basis.

Income Tax Expense

The tax effects of transactions are recognised, using the 'balance sheet' method and all taxable temporary differences are recognised. As at 31 March 2008, there were no significant temporary differences.

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 Ringgit Malaysia which reflects the currency of the economy in which the Fund competes for funds and subscribes and redeems units. The Fund has also adopted Ringgit Malaysia as its presentation currency.

Cash Flow Statement

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

Cash equivalents are short-term, highly liquid investments with maturity of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

Payables

The amounts are stated at cost which is the fair value of the consideration to be paid for services received.

Receivables

Sundry receivables are carried at anticipated realisable values.

Financial Assets and Liabilities

Financial assets and financial liabilities carried on the statement of assets and liabilities include cash at bank, investments, including deposits and placements with licensed institutions, receivables and payables. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies.

Financial instruments are classified as assets or liabilities in accordance with the substance of the contractual arrangement. The accounting policies on the recognition of interest, dividends, gains and losses relating to financial instruments classified as assets, are disclosed in the respective accounting policies.

4. QUOTED INVESTMENTS

	31-3-2008	31-12-2007
	RM	RM
At cost		
Shares quoted in Malaysia	<u>4,538,681</u>	<u>20,414,592</u>
At valuation		
Shares quoted in Malaysia	<u>4,281,823</u>	<u>21,913,117</u>

Details of quoted investments as at 31 March 2008 are as follows:

Securities quoted in Malaysia	No. of units	Market value RM	Purchase cost RM	Market value as a percentage of net asset value %
Name of Company				
Construction				
Gamuda Berhad	22,600	74,580	94,677	1.38
YTL Corporation Berhad	9,400	69,560	74,617	1.29
	<u>32,000</u>	<u>144,140</u>	<u>169,294</u>	<u>2.67</u>
Consumer Products				
British American Tobacco (M) Berhad	1,600	68,000	65,900	1.26
PPB Group Berhad	6,800	69,360	51,593	1.29
UMW Holdings Berhad	12,300	74,415	86,991	1.38
	<u>20,700</u>	<u>211,775</u>	<u>204,484</u>	<u>3.93</u>
Finance				
AMMB Holdings Berhad	16,600	57,104	73,694	1.06
Bumiputra-Commerce Holdings Berhad	38,600	384,070	457,610	7.12
Hong Leong Bank Berhad	7,200	41,760	45,331	0.77
Hong Leong Financial Group Berhad	3,600	15,984	23,172	0.30
Malayan Banking Berhad	55,300	467,285	541,298	8.66
Public Bank Berhad	40,400	424,200	399,248	7.87
RHB Capital Berhad	4,700	22,466	24,277	0.42
	<u>166,400</u>	<u>1,412,869</u>	<u>1,564,630</u>	<u>26.20</u>

(Forward)

Securities quoted in Malaysia	No. of units	Market value RM	Purchase cost RM	Market value as a percentage of net asset value %
Name of Company				
Industrial Products				
PETRONAS Gas Berhad	6,700	67,000	71,921	1.24
Infrastructure				
DiGi.Com Berhad	3,400	82,960	77,636	1.54
YTL Power International Berhad	23,972	58,252	54,035	1.08
	27,372	141,212	131,671	2.62
Plantation				
IOI Corporation Berhad	52,485	372,643	286,203	6.91
Kuala Lumpur Kepong Berhad	6,100	98,820	79,419	1.83
	58,585	471,463	365,622	8.74
Trading/Service				
Berjaya Sports Toto Berhad	11,400	58,710	58,341	1.09
Genting Berhad	31,700	207,635	267,989	3.85
Malaysia International Shipping Corporation Berhad	16,900	155,480	166,663	2.88
Malaysian Airline System Berhad	5,433	19,233	25,581	0.36
MMC Corporation Berhad	13,900	44,480	54,815	0.82
Parkson Holdings Berhad	5,400	33,750	51,101	0.63
PETRONAS Dagangan Berhad	3,200	25,600	25,943	0.47
PLUS Expressways Berhad	22,700	72,640	73,966	1.35
Resorts World Berhad	33,100	113,864	127,854	2.11
Sime Darby Berhad	51,489	481,422	415,095	8.93
Tanjong plc	2,200	36,960	40,753	0.69
Telekom Malaysia Berhad	29,400	311,640	303,223	5.78
Tenaga Nasional Berhad	37,000	271,950	419,735	5.04
	263,822	1,833,364	2,031,059	34.00
Total quoted investments	575,579	4,281,823	4,538,681	79.40

5. INVESTMENTS IN DERIVATIVES

	31-3-2008 RM	31-12-2007 RM
At cost		
Option	1,037,829	-
At valuation		
Option	1,080,440	-

Details of investments in derivatives as at 31 March 2008 are as follows:

Derivatives	No. of units	Carrying value RM	Purchase cost RM	Carrying value as a percentage of net asset value %
The Zero Strike Call Option, AmInvestment Bank Berhad	1	1,080,440	1,037,829	20.04

6. UNQUOTED INVESTMENTS

	31-3-2008 RM	31-12-2007 RM
At carrying value		
Short-term deposits with licensed banks under short-term money market deposits	-	198,919
At nominal value		
Short-term deposits with licensed banks under short-term money market deposits	-	198,900

The weighted average interest rate and average remaining maturities of short-term deposits with licensed banks under short-term money market deposits are as follows:

	Weighted average interest rate		Remaining maturities	
	31-3-2008 %	31-12-2007 %	31-3-2008 Days	31-12-2007 Days
Short-term deposits with licensed banks under short-term money market deposit	-	3.44	-	2

7. **AMOUNT DUE FROM/(TO) MANAGER**

	31-3-2008	31-12-2007
	RM	RM
Net creation/(release) of units*	44,468	(124,087)
Manager's fee payable	(2,461)	(11,735)
Application fee payable to Manager	(4,800)	(3,600)
	<u>37,207</u>	<u>(139,422)</u>

* The amount represents net amount receivable from/(payable to) Manager for units created/(released) net of units (released)/created.

Manager's fee is computed at a rate not exceeding 1.0% per annum of the net asset value of the Fund, calculated on a daily basis, as provided under Clause 14.1(b) of the Deed.

Manager's fee was charged at a rate of 0.50% (0.50% for the financial period 1 October 2007 to 31 December 2007) per annum of the net asset value of the Fund, calculated on daily basis, for the financial period 1 January 2008 to 31 March 2008.

8. **AMOUNT DUE TO INDEX PROVIDER**

Included in amount due to index provider is the license fee payable to FTSE International Limited, the provider of Benchmark Index.

License's fee was charged at a rate of 0.04% (0.04% for the financial period 1 October 2007 to 31 December 2007) per annum of the net asset value of the Fund, calculated on daily basis, for the financial period 1 January 2008 to 31 March 2008.

9. **AMOUNT DUE TO TRUSTEE**

Amount due to Trustee represents the trustee's fee payable.

Trustee's fee was charged at a rate of 0.06% (0.06% for the financial period 1 October 2007 to 31 December 2007) per annum of the net asset value of the Fund, calculated on daily basis, for the financial period 1 January 2008 to 31 March 2008.

10. NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS

Net asset value attributable to unitholders is represented by:

		31-3-2008	31-12-2007
		RM	RM
Unitholders' contribution	(a)	5,409,828	19,943,945
(Accumulated loss)/Undistributed net income	(b)	<u>(17,395)</u>	<u>2,076,116</u>
		<u>5,392,433</u>	<u>22,020,061</u>

(a) UNITHOLDERS' CONTRIBUTION/UNITS IN CIRCULATION

	1-1-2008 to 31-3-2008		1-10-2007 to 31-12-2007	
	No. of units	RM	No. of units	RM
At beginning of the period	2,340,000	19,943,945	7,670,000	68,061,082
Created during the period	130,000	941,519	-	-
Released during the period	<u>(1,820,000)</u>	<u>(15,475,636)</u>	<u>(5,330,000)</u>	<u>(48,117,137)</u>
At end of period	<u>650,000</u>	<u>5,409,828</u>	<u>2,340,000</u>	<u>19,943,945</u>

As provided in the Prospectus dated 7 June 2007, the initial size of the Fund shall not exceed 500 million units.

The Manager, AmInvestment Services Berhad, did not hold any units in the Fund as at 31 March 2008. Holdings by parties related to the Manager as at 31 March 2008 were 168,500 (1,900,300 as at 31 December 2007) units valued at RM1,415,400 (RM17,805,811 as at 31 December 2007).

(b) (ACCUMULATED LOSS)/UNDISTRIBUTED NET INCOME

	Note	1-1-2008 to	1-10-2007 to
		31-3-2008	31-12-2007
		RM	RM
Undistributed net income/(accumulated loss) at beginning of period		2,076,116	(3,063,426)
Net (loss)/income for the period		(1,183,420)	4,681,537
Distribution/Loss equalisation	13	(741,091)	458,005
Income distribution	14	<u>(169,000)</u>	<u>-</u>
(Accumulated loss)/Undistributed net income at end of period		<u>(17,395)</u>	<u>2,076,116</u>

11. NET ASSET VALUE PER UNIT – EX DISTRIBUTION

The net asset value per unit (ex distribution) is calculated by dividing the net assets of RM5,392,433 (RM22,020,061 as at 31 December 2007) by the 650,000 (2,430,000 as at 31 December 2007) units in issue as at 31 March 2008.

12. INCOME TAX EXPENSE

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. Hence, there is no taxation for the current period.

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

	1-1-2008 to 31-3-2008 RM	1-10-2007 to 31-12-2007 RM
Net (loss)/income before income tax	<u>(1,155,620)</u>	<u>4,780,137</u>
Taxation at Malaysian statutory rate of 26% (27% in 2007)	(300,400)	1,290,700
Tax effect of:		
Loss/(Income) not subject to tax	322,300	(1,237,200)
Permitted expenses not deductible for tax purposes	4,000	12,800
Non-permitted expenses for tax purposes	<u>1,900</u>	<u>32,300</u>
Tax expense for the financial period	<u>27,800</u>	<u>98,600</u>

13. DISTRIBUTION/LOSS EQUALISATION

Distribution/Loss equalisation represents the average amount of undistributed net income/accumulated loss included in the creation or release price of units. This amount is either refunded to unitholders by way of distribution and/or adjusted accordingly when units are released back to Trustee.

14. INCOME DISTRIBUTION

Distribution to unitholders is from the following sources:

	1-1-2008 to 31-3-2008 RM	1-10-2007 to 31-12-2007 RM
Undistributed net income brought forward - realised	479,486	
Net realised gain on sale of quoted investments	390,718	-
Gross dividend income from shares quoted in Malaysia	90,985	-
Interest income	927	-
Distribution/Loss equalisation	<u>(741,091)</u>	<u>-</u>
	221,025	-
Less: Expenses	(24,225)	-
Taxation	<u>(27,800)</u>	<u>-</u>
Total amount of distribution	<u>169,000</u>	<u>-</u>

Included in the above is an amount of RM479,486 (nil for the financial period 1 October 2007 to 31 December 2007) distributed from previous financial period's realised income.

The distribution above has been proposed before taking into account the net unrealised loss for the financial period of RM1,712,772 (nil for financial period 1 October 2007 to 31 December 2007) and net unrealised gain brought forward of RM1,498,526 (nil for financial period 1 October 2007 to 31 December 2007) which are carried forward to the next financial year.

	1-1-2008 to 31-3-2008 Date of distribution	RM	1-10-2007 to 31-12-2007 Date of distribution	RM
GROSS				
Final distribution*				
- 10.1974 (nil in financial quarter ended 31 December 2007)				
sen per unit	22 January 2008	<u>172,336</u>	-	<u>-</u>
NET				
Final distribution*				
- 10.0000 (nil in financial quarter ended 31 December 2007)				
sen per unit	22 January 2008	<u>169,000</u>	-	<u>-</u>

* Final distribution for the financial period 7 June 2007 (date of commencement) to/ 31 December 2007.

15. **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the cash flow statement comprise the following amounts:

	31-3-2008 RM	31-12-2007 RM
Short-term deposits with licensed banks under short-term money market deposits (Note 6)	-	198,919
Cash at banks	<u>7,458</u>	<u>796</u>
	<u>7,458</u>	<u>199,715</u>

16. **MANAGEMENT EXPENSE RATIO AND PORTFOLIO TURNOVER RATIO**

The Fund's management expense ratio ("MER") is as follows:

	1-1-2008 to 31-3-2008 %	1-10-2007 to 31-12-2007 %
Manager's fee	0.50	0.50
Trustee's fee	0.06	0.06
License's fee	0.04	0.04
Trust expenses	<u>0.38</u>	<u>1.20</u>
Total MER	<u>0.98</u>	<u>1.80</u>

The portfolio turnover ratio, calculated by dividing the average of total acquisitions and total disposals of investment securities by the average net asset value of the Fund calculated on a daily basis, is 0.83 times for the financial period 1 January 2008 to 31 March 2008 (0.48 times for the financial period 1 October 2007 to 31 December 2007).

17. SEGMENTAL REPORTING

(a) Business Segment

In accordance with the objective of the Fund, the Fund has exposures to both quoted securities, unquoted investments and investments in derivatives. The following table provides an analysis, results, assets and liabilities by business segments:

	Quoted securities RM	Unquoted securities RM	Derivatives RM	Total RM
31 March 2008				
Revenue				
Segment				
(loss)/income representing segment results	<u>(1,175,123)</u>	<u>1,117</u>	<u>42,611</u>	(1,131,395)
Unallocated expenditure				<u>(24,225)</u>
Loss before income tax				(1,155,620)
Income tax expense				<u>(27,800)</u>
Net loss after income tax				<u>(1,183,420)</u>
Assets				
Segment assets – investments	4,281,823	-	1,080,440	5,362,263
Sundry receivables	<u>11,574</u>	<u>-</u>	<u>-</u>	11,574
Other unallocated assets				<u>51,385</u>
				<u>5,425,222</u>
Liabilities				
Other unallocated liabilities				<u>32,789</u>

	Quoted securities RM	Unquoted securities RM	Derivatives RM	Total RM
31 December 2007				
Revenue				
Segment income representing segment results	<u>4,567,307</u>	<u>2,660</u>	<u>390,765</u>	4,960,732
Unallocated expenditure				<u>(180,595)</u>
Income before income tax				4,780,137
Income tax expense				<u>(98,600)</u>
Net income after income tax				<u>4,681,537</u>
Assets				
Segment assets – investments	21,913,117	198,919	-	22,112,036
Sundry receivables	<u>68,918</u>	<u>-</u>	<u>-</u>	68,918
Other unallocated assets				<u>11,598</u>
				<u>22,192,552</u>
Liabilities				
Other unallocated liabilities				<u>172,491</u>

(b) Geographical Segment

As all of the Fund's investments are located in Malaysia, the Fund does not have separate identifiable geographical segments.

18. TRANSACTIONS WITH BROKERS AND FINANCIAL INSTITUTIONS

Details of transactions with brokers and financial institutions for the financial period 1 January 2008 to 31 March 2008 are as follows:

Brokers	Transaction value		Brokerage fee, stamp duty and clearing fee paid	
	RM	%	RM	%
AmInvestment Bank Berhad*	<u>333,004</u>	<u>100.00</u>	<u>1,840</u>	<u>100.00</u>

* A financial institution related to the Manager. The Manager and the Trustee are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that no less favourable than those arranged with independent third parties.

The above transaction values are in respect of listed securities.

19. RISK MANAGEMENT POLICIES

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

Risk management is carried out by closely monitoring, measuring and mitigating the above said risk, careful selection of stocks for investment coupled with stringent compliance to investment restrictions as stipulated by the Securities Commission Act, Securities Commission's Guidelines on Exchange Traded Funds and the Deed as the backbone of risk management of the Fund.

Market Risk

Market risk relates to investments in quoted/unquoted securities where movements of share prices can rise or fall for a number of reasons including industry trends, economic factors, changes in company's operations, management and financial performance as well as market perceptions on a particular company.

Market risk is managed through portfolio diversification and asset allocation whereby the securities exposure is monitored/reduced in the event of anticipated market weaknesses.

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.

Interest rate moves in the opposite direction of bond prices. When interest rates rise, bond prices will fall and vice versa. When interest rate trend is anticipated to rise, the Fund Manager will reduce the exposure to fixed income securities.

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 applies to debt instruments such as term deposits, bonds and debentures. The issuer of such instruments may not be able to fulfill the required interest payments or repay the principal invested. These risks may cause the Fund's investments to fluctuate.

The Fund Manager manages the risk by setting internal counterparty limits and undertaking internal credit evaluation to minimise such risk.

Liquidity Risk

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellation of units by unitholders. Liquid assets comprise cash deposits with licensed institutions and other instruments, which are capable of being converted into cash between 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

Internal policy restricts the Fund from investing in securities issued by any issuer of not more than a certain percentage of its net asset value. Under such restriction, the risk exposure to the securities of any issuer is managed based on internal/external ratings.

Regulatory Risk

Any changes in national policies and regulations may have an effect on the capital market.

Management Risk

Poor management of a fund may cause considerable losses to the fund that in turn may affect the contribution by a unitholder.

Stock Risk

Risk that is specific to a stock and is not correlated with the specific risks of other stocks.

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

All assets and liabilities of the Fund are carried at fair values. The accounting policies on recognition and measurement of the fair value for the Fund's investments are disclosed in their respective accounting policies.

The fair value for the amount due to the Manager, Trustee and index provider, sundry receivables, sundry payables and accruals approximate their carrying amounts as at the balance sheet date due to the relatively short-term maturity of these financial instruments.