FBM30etf

Manager's Report
For The Period 1 January 2009 to 31 March 2009

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

INVESTMENT COMMITTEE

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

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PERFORMANCE DATA

Details of portfolio composition of FBM30etf ("the Fund") for the last financial periods as at 31 March 2009, 31 December 2008, 30 September 2008, and last two financial year/period as at 31 December are as follows:

	As at 31-3-2009 %	As at 31-12-2008 %	As at 30-09-2008 %	As at 31-12-2008 %	As at 31-12-2007 %
Construction	1.8	1.6	1.4	1.6	3.7
Consumer products	5.1	4.8	4.2	4.8	4.8
Finance	24.3	25.2	26.4	25.2	31.4
Industrial products	1.9	1.9	2.6	1.9	1.5
Infrastructure project companies	3.4	3.4	2.9	3.4	3.0
Plantation	7.2	6.5	6.6	6.5	10.2
Trading/Services	34.8	35.1	35.7	35.1	44.5
Options	20.1	20.3	20.1	20.3	-
Cash and others	1.4	1.2	0.1	1.2	0.9
	100.0	100.0	100.0	100.0	100.0

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 2009, 31 December 2008, 30 September 2008 and last two financial year/period ended 31 December are as follows:

	3 months ended 31-3-2009	**3 months ended 31-12-2008**	**3 months ended 30-9-2008**	**1 year ended 31-12-2008**	**6 2/3 months ended 31-12-2007**
Net asset value (RM'000)	3,669	3,748	4,289	3,748	22,020
Units in circulation ('000)	650	650	650	650	2,340
Net asset value per unit (RM)*	5.6444	5.7668	6.5977	5.7668	9.4103
Closing quoted price (RM/unit)*	5.700	5.810	6.440	5.810	9.370
Highest quoted price (RM/unit)*	6.130	6.560	7.680	9.930	9.370
Lowest quoted price (RM/unit)*	5.480	5.450	6.300	5.450	7.680
Total return (%)(1)	-1.07	-12.59	-13.74	-37.2	7.61
- Capital growth (%)	-7.07	-12.59	-23.74	-57.2	7.61
- Income distribution (%)	6.00	-	10.00	20.00	-
Gross distribution per unit (sen)	6.96	-	11.52	21.72	-
Net distribution per unit (sen)	6.00	-	10.00	20.00	-
Management expense ratio (%)(2)	1.39	1.14	1.08	1.06	1.21
Portfolio turnover ratio (times)(3)	0.01	0.02	0.01	1.69	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 increased by 0.25% as compared to 1.14% per annum for the quarter ended 31 December 2008 mainly due to decrease in average fund size.

(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 decreased by 0.01 times (-50%) as compared to 0.02 times for the quarter ended 31 December 2008 due to decrease in investing activities.

Annualised Return (as at 31 March 2009)

	FBM30etf[a] %	FBM30 Index %
One year	-30.3	-21.8
Since launch of fund (7 June 2007)	-33.1	-14.5

Annual Total Return

Financial Year/Period End	FBM30etf[a] %	FBM30 Index %
31 December 2008	-37.2	-39.7
31 December 2007[b]	7.6	6.9

(a) Independently verified by Perkasa Normandy Advisers Sdn Bhd
(b) Actual 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.

Manager's Report
For The Period 1 January 2009 to 31 March 2009

Dear Unitholders

We are pleased to present you the Manager's Report and the unaudited accounts of FBM30etf ("the Fund") for the financial period 1 January 2009 to 31 March 2009.

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.

FBM30etf was established on 18 January 2007 and shall exist for as long as it appears to the Manager and the Trustee 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.

Details of the index components as at 31 March 2009 are as follows:

Stock code	Company's name	Percentage weight (%)	Shares in issue ('million units)
1295	Public Bank Berhad	10.38	3,531.93
4197	Sime Darby Berhad	9.98	5,997.99
1023	Bumiputra-Commerce Holdings Berhad	9.54	3,578.08
1155	Malayan Banking Berhad	7.98	7,077.61
5347	Tenaga Nasional Berhad	7.70	4,322.56
1961	IOI Corporation Berhad	6.79	6,122.37
3816	Malaysia International Shipping Corporation Berhad	4.84	3,719.83
3182	Genting Berhad	3.97	3,694.24
4863	Telekom Malaysia Berhad	3.68	3,577.40
6947	DiGi.Com Berhad	2.57	777.50
4162	British American Tobacco (M) Berhad	2.53	285.53
6888	Axiata Group Berhad	2.48	3,753.40
4715	Resorts World Berhad	2.45	5,872.40
5052	PLUS Expressways Berhad	2.29	5,000.00
4065	PPB Group Berhad	2.26	1,185.50
4677	YTL Corporation Berhad	2.25	1,660.21

(Forward)

Stock code	Company's name	Percentage weight (%)	Shares in issue ('million units)
6033	PETRONAS Gas Berhad	2.24	1,978.73
2445	Kuala Lumpur Kepong Berhad	2.21	1068.77
1015	AMMB Holdings Berhad	2.08	2,722.97
1562	Berjaya Sports Toto Berhad	1.81	1,351.03
6742	YTL Power International Berhad	1.75	5,854.62
4588	UMW Holdings Berhad	1.67	1,091.20
5819	Hong Leong Bank Berhad	1.32	1,580.11
2267	Tanjong plc	1.08	403.26
5681	PETRONAS Dagangan Berhad	0.92	993.45
5657	Parkson Holdings Berhad	0.76	1,036.41
2194	MMC Corporation Berhad	0.67	3,045.06
5076	Astro All Asia Networks Berhad	0.65	1,933.75
1066	RHB Capital Berhad	0.59	2,153.48
3786	Malaysian Airline System Berhad	0.56	1,670.99

Fund Performance Review

	As at 31 March 2009	As at 31 December 2008	Change (%)
FTSE Bursa Malaysia Large 30 Index	5,598.49	5,637.73	-0.70
Net asset value (RM)	3,668,887	3,748,450	-2.12
Units in circulation (units)	650,000	650,000	-
Actual returns (%)	-1.07[a]	-12.59[b]	11.52
Benchmark return (%)	-0.70[a]	-14.29[b]	13.59
Net asset value per unit (RM)	5.6444	5.7668	-2.12
Closing price quoted at Bursa Malaysia (RM)	5.70	5.81	-1.89

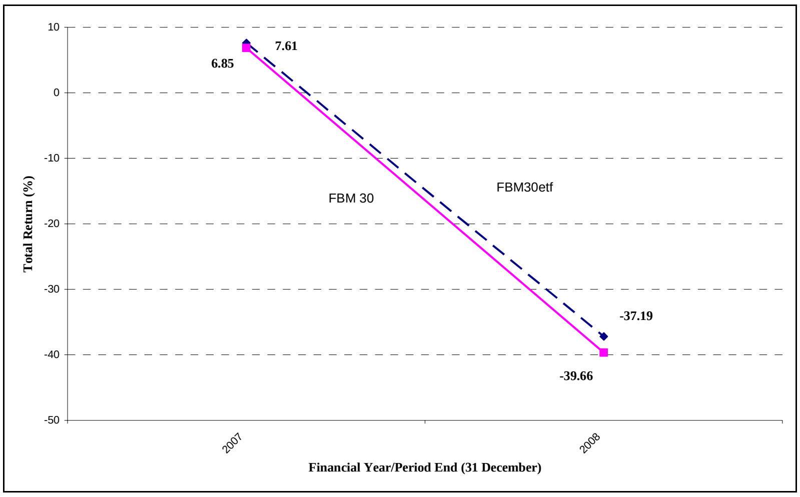
(a) Actual returns for the financial period 1 January 2009 to 31 March 2009.
(b) Actual returns for the financial period 1 October 2008 to 31 December 2008.

Note: Benchmark – FTSE Bursa Malaysia Large 30 Index ("FBM30 Index")

Comparison between the annual performance of FBM30etf and its benchmark for each of the last financial year/period ended 31 December is as follows:

Financial Year/Period End (31 December)	**FBM30etf (%)**	**FBM30 Index (%)**	**Change (%)**
2008	-37.19	-39.66	2.47
2007*	7.61	6.85	0.76

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



The Fund has declared a distribution of 6.00 sen per unit on 10 March 2009 as follows:

6.00 sen per unit final income distribution*	**Changes in the unit price prior and subsequent to the final income distribution**	**Before income distribution on 10 March 2009 (RM)**	**After income distribution on 10 March 2009 (RM)**
	Net asset value per unit	5.6197	5.5597

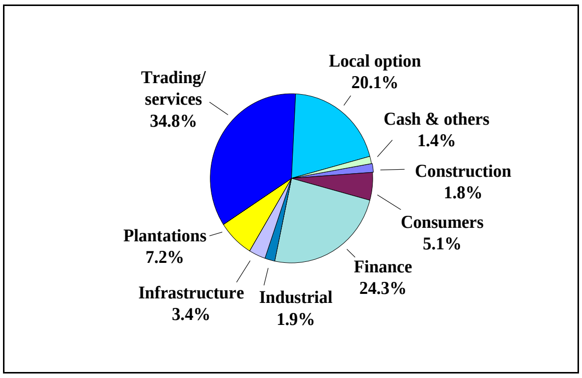
* Final income distribution for the financial year ended 31 December 2008.

For financial period ended 31 March 2009, the Fund's net value assets (NAV) of the Fund stood at RM3,668,887 declining by -2.12% as compared to RM3,748,450 as of 31 December 2008. Units in circulation of the Fund are par as at 31 December 2008, which are 650,000 units. The Fund registered a return of -1.07%, consisting of 6.00% of income distribution and capital growth of -7.07%.

The Fund underperformed its benchmark, FBM30 Index by 0.37%. FBM30 Index registered a return -0.70%, increased by 13.59% from -14.29% as of 31 December 2008. The NAV of the Fund valued at RM 5.6444, declined by -2.12% as compared to RM 5.7668 as of 31 December 2008. As at 31 March 2009, the closing price of the Fund quoted at Bursa Malaysia was valued at RM 5.70, declining by -1.89% as compared to RM 5.81 as of 31 December 2008.

We believe that the Fund has met its objective during this financial period under review. There were no significant changes in the state of affairs of the Fund and no unit split and circumstances that materially affected the interested of the unitholders for the period under review.

Sectoral Composition as at 31 March 2009



	31 March 2009 (%)	31 December 2008 (%)	Change (%)
Construction	1.8	1.6	0.2
Consumer products	5.1	4.8	0.3
Finance	24.3	25.2	-0.9
Industrial products	1.9	1.9	-
Infrastructure project companies	3.4	3.4	-
Plantations	7.2	6.5	0.7
Trading/Services	34.8	35.1	-0.3
Options	20.1	20.3	-0.2
Cash and others	1.4	1.2	0.2
Total	**100.0**	**100.0**	

During the period under review 1 January 2009 to 31 March 2009, there were some minor adjustments to the asset allocation of the Fund.

As the fund is meant to mimic the performance of the benchmark FTSE Bursa Malaysia Large 30, the fund weighting was rebalanced over the period under review to reflect this. As such, weighting in the finance, trading/services, and options were reduced by 0.9%, 0.3 %, and 0.2% respectively. Allocation to Plantations increased by 0.7%, Consumer products by 0.3%, while, construction increased by 0.2%. As a result, the fund's cash holding increased by 0.2% to 1.4%.

Break down of unitholding by size

Size of holding	As at 31 March 2009 No of units held ('000)	As at 31 December 2008 No of units held ('000)
Less than 100	-	-
100 – 1,000	86.8	85.9
1,001 – 10,000	204.8	213.8
10,001 to less than 5% of issue units	64.5	62.5
5% and above of issue units	293.9	287.8

Note: 5% of issue units = 32,500 units

Market Review

For the first quarter of 2009, the Bursa Malaysia Kuala Lumpur Composite Index (KLCI) ended 4.2 points lower or 0.48%. The KLCI started the year on a strong note and was one of the best performing markets in the region in the month of January 2009. The index ended the month 7 points or 0.8% higher at 884 points. The KLCI outperformed the regional benchmark Morgan Stanley Capital International (MSCI) Far East (ex-Japan) which fell by 5.6% in January 2009. However, the higher-than-expected 75bp cut in the Overnight Policy Rate (OPR) by Bank Negara, failed to give the market a significant boost as the move raised concerns that the Malaysian economy was likely to be more impacted by the global economic crisis than was initially thought. Also, the second by-election loss by the National Front dampened political sentiment as the National Front government failed to retain the parliamentary seat they won in the general election last year.

Despite the disappointing February results season for the financial period October to December 2008, the KLCI ended six points or 0.7% higher at 891 points. The KLCI outperformed the regional benchmark MSCI Far East (ex-Japan) which fell by 6.6% in February 2009. The earlier than expected second cut in the OPR by Bank Negara of 50bp in February (vs 75bp in January) provided support to the market, but raised further concerns about the health of the economy.

The market started on a negative note but rallied towards the end of March 2009, underpinned by the UMNO General Election. The additional stimulus package of RM60 billion announced by the government did not excite the market as investors remain concerned over execution of the projects as well as the implied higher budget deficit. For March 2009, the KLCI ended 18 points lower, 2% down to close at 873 points. A positive note was that the China stimulus package which was announced in October 2008 amounting to RMB4 trillion has started to show some progress. Coupled with the recent streak of largely positive US economic data, the north-Asia equity markets performed better than their south-Asian counterparts. The KLCI underperformed the regional benchmark MSCI Far East (ex-Japan) which jumped by 13.8% in the same period.

Market Outlook

A Sustainable Rally or a Bottom Range-Bound Bounce?

The worst nightmare for equity managers is period like this; when it is near impossible to make a case to buy stocks as we are near a market bottom, while being bombarded by weak macroeconomic news. We need to remind our readers of earlier write-ups where we stated that equity markets are a discounting mechanism and hence forward looking. We are not saying that a bull rally is imminent but we are making a case for cautious accumulation which we believe would create positive returns if executed properly. However, since early March 2009, MSCI Asia ex Japan has rebounded 15% from its low and we need to determine whether to chase the rally or wait for a pull back.

We are of the view that the old lows should hold and the fall-out in the global macro news appears to be at its maximum strength. Going forward, we believe a rebuilding phase has started but this phase will grind along for a long while before normalized growth returns and we are perhaps close to the upper technical resistance of the trading range for now.

The Beginning of a US Recovery?

There are two key fundamental issues facing US which must be acknowledge and taken into account before any form of normalization can take place. They are;

- Potential net hit of US$1.2 trillion toxic assets in the US banking system
- Rising US savings rate

Toxic assets - The US Banking system

The IMF estimates that the losses from real estate, corporate and consumer loans will be approximately US$2.2 trillion in the current cycle. Referring to Table 1, banks have taken about US$500 billion in losses so far and raised a similar amount in fresh equity.

Table 1: Write-down versus Capital raised in US

US$ billions	Total Writedowns	Capital Raised
All Financials	776.6	571.6
Banks	494.5	447.9
Insurers	153.5	87.3
Others	128.6	36.4

Source: BCA Research, Bloomberg

This implies that including the write-down and capital raised, banks still face a further potential net hit of US$1.2 trillion to shareholders' equity and this compares with about US$910 billion in capital which suggests that they are woefully short of capital since 40% of shareholders' equity is intangible (Table 2).

Table 2: Tangible Equity – Large US Banks

In Billion of US$	Q4 2008
Assets	9,918
Equity Capital	909
Less Goodwill	(367)
Less Preferred Stock	(5)
Balance Tangible Equity Capital	537

Source: BCA Research

The good news is that Treasury Secretary Timothy Geithner has finally settled on a strategy covering the correct amount of toxic assets to be removed but this involves a few critical steps:

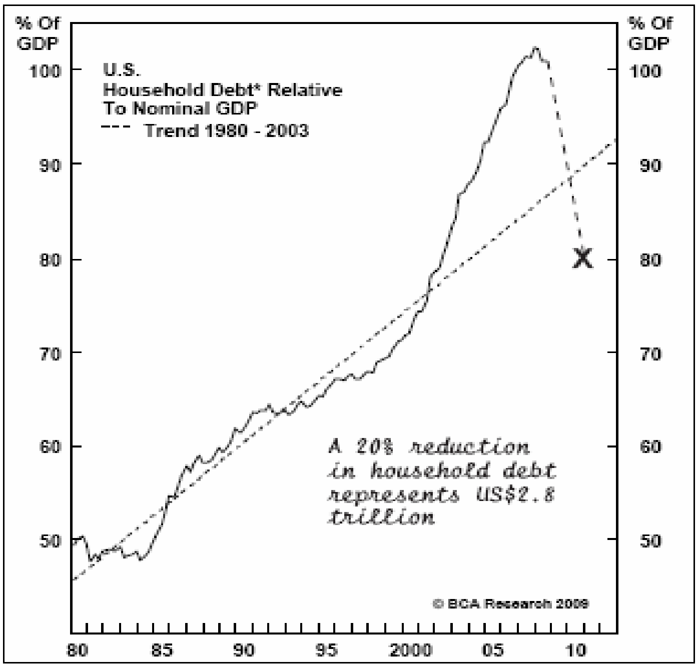
- The US Treasury will be the equal partner to private investors to buy over US$500 billion to US$1 trillion in bad assets.
- Where do you find such private sector partners to bid for the toxic assets?
- How do you coax the banks to sell them at a loss and at what price?
- The Federal Insurance Corp (FDIC) will conduct an analysis to determine the funding (non-recourse) limited to a leverage ratio of 6-to-1.

This process will take time and the economy will continue to muddle around (hopefully not falling) until all are in place. No financial engineering wizardry will make bank losses disappear and banks still need to be recapitalized to continue lending once the rotten assets are removed.

The Rising US Savings Rate

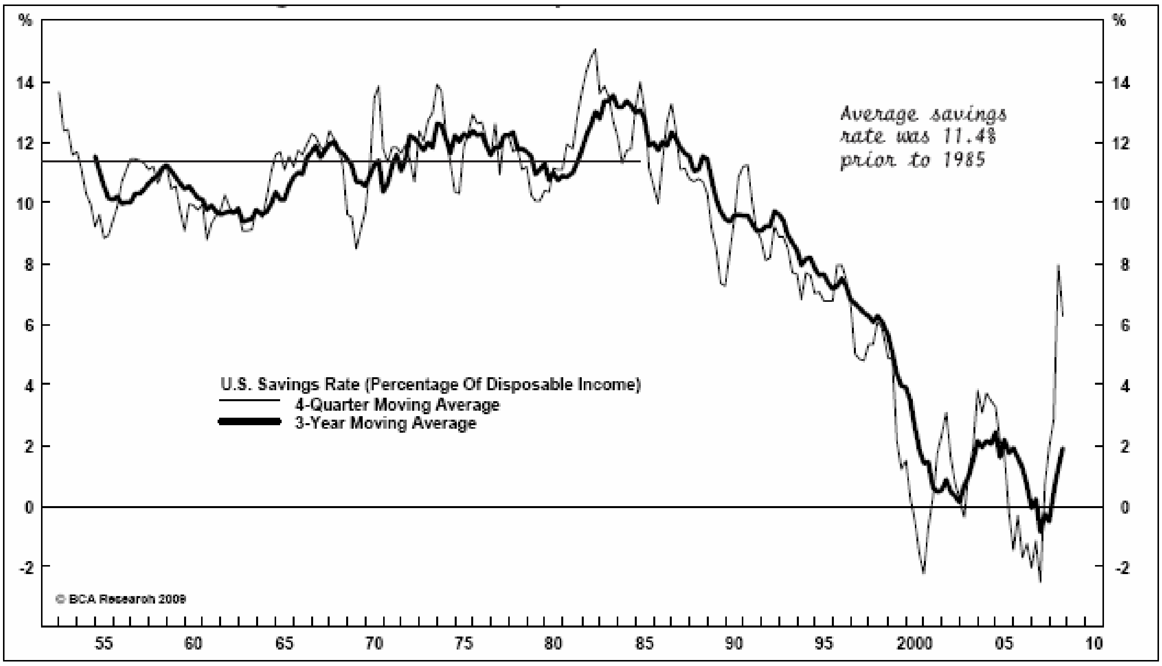
The cleaning up process via the recession will take the ratio of household debt to Gross Domestic Product (GDP) towards its long term trend and possibly overshoot (Chart 1). Such a drastic reduction in debt implies lost of confidence and rising savings which inevitably reduces capital spending by businesses (Chart 2). Whatever it is, the direct effect of household debt reduction will be to lower spending equivalent to 13% of GDP or US$2 trillion and consumer spending makes up at least 70% of GDP.

Chart 1: US Household Debt to GDP



Source: BCA Research

Chart 2: US Household Savings Rate



Source: BCA Research

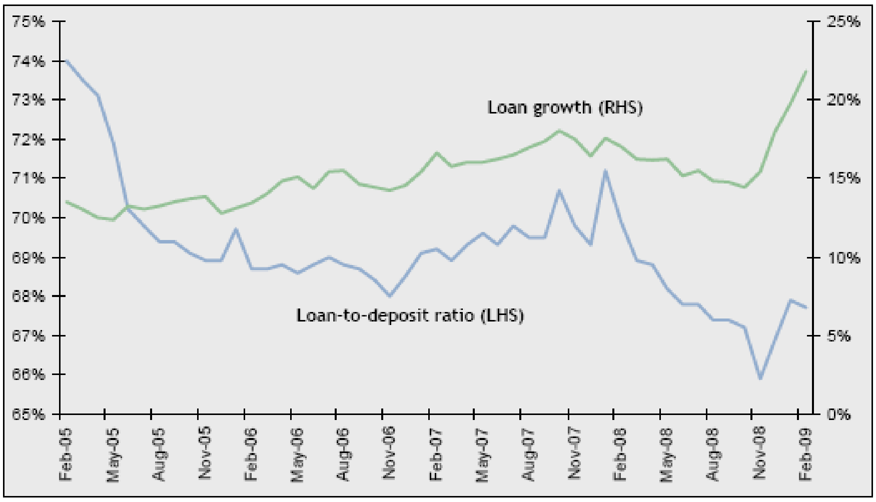
The bottom line is that with such dire figures, the US stimulus package must be aggressive and sizeable (our best guess is that it must exceed US$1 trillion) over and above the toxic asset removal to offset the massive surge in consumer savings and debt reduction.

China – A Sustainable Uptrend or a False Bounce?

The medium-term outlook is good, as China's problems are mostly cyclical and not structural. China does not have a banking crisis nor a consumer financial crisis. Hence, whatever stimulus will go straight into the economy unlike US and EU where balance sheet needs to be repaired. We have mentioned before but it is worthwhile repeating that China alone cannot save the world but is substantial enough to make a difference between global depression and recession. Policies and deliveries by the US government will determine whether we have a prolonged or shortened recession.

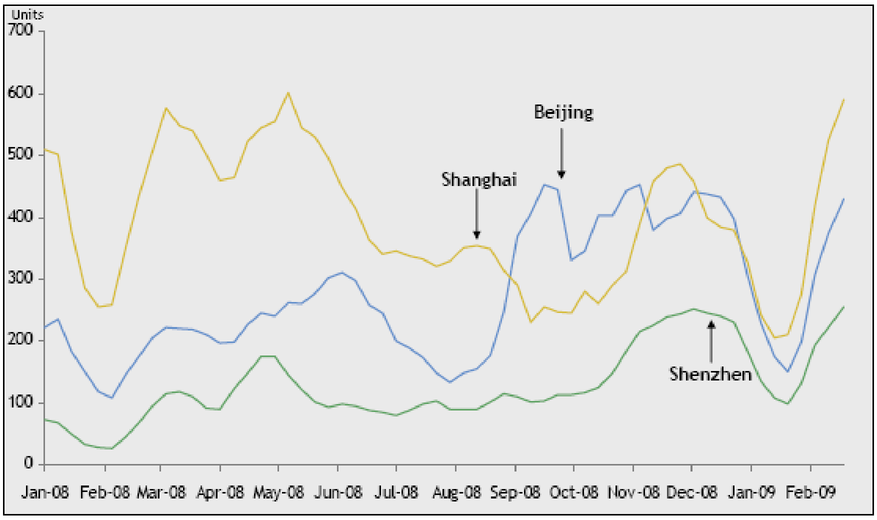
China's proactive fiscal and monetary policies appears to be yielding results as investment levels have picked up, bank lending (Chart 3) has surged and property transactions (Chart 4) are picking up. Bank loans in 3 months to February 2009 grew by Rmb3.4 trillion, nearly matching the January – November 2008 figure. Questions remain about the quality but the process is likely to continue as the government is adamant to grow the economy by 7 to 8%. However, the jury is not out yet to conclude that a broad-based turnaround is underway.

Chart 3: China's Loan-to-Deposit Ratio and Loans Growth, YoY%



Source: JP Morgan

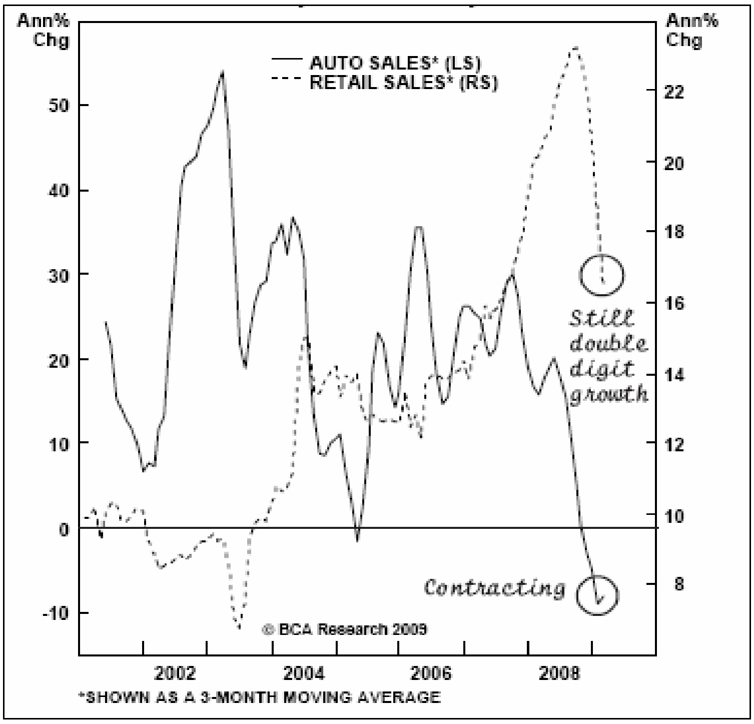
Chart 4: Average Daily Property Sales



Source: JP Morgan

For China, the economy will bottom out this year and the government will do whatever is necessary to achieve a 7% growth rate, but along the way, it will be a bumpy ride with short term ups and downs. Retail sales while slowing is still growing at 15.2% in nominal terms (Chart 5) suggesting that the bottoming-out process has begun.

Chart 5: China Retail Sales



Source: BCA Research

Momentum and Charting

According to EPFR, foreign investors' risk appetite is still in place as they ploughed US$502m of new money into Asian equities. However the inflows are still concentrated in Greater China (Table 3).

Table 3: Weekly Funds Flows

US$mn	3 March 2009
China	380.8
HK	6.6
India	-1.7
Indonesia	0.4
S Korea	-50.2
Malaysia	1.8
Philippines	1.5
Singapore	-15
Taiwan	3.5
Thailand	-0.2

Source: EPFR

We have mentioned in our previous write-ups that the price/book ratio gives us comfort on the downside protection at around 1x. On the upside, if earnings were to fall by 25% as per previous recessions, forward PER is at best neutral and performances will be dependent on 2010 GDP growth/recovery. We are fairly certain that growth will return in 2010 if not from the low base effect of 2009 and as such confident of a positive return, the question is how much? This current rally is occurring against an uncertain economic backdrop and the global economy is still falling. However, markets are deeply oversold and values are appearing forming a floor. From a technical perspective, we believe the MSCI Asia ex Japan will remain within a trading range as shown in Chart 6 before breaking out eventually.

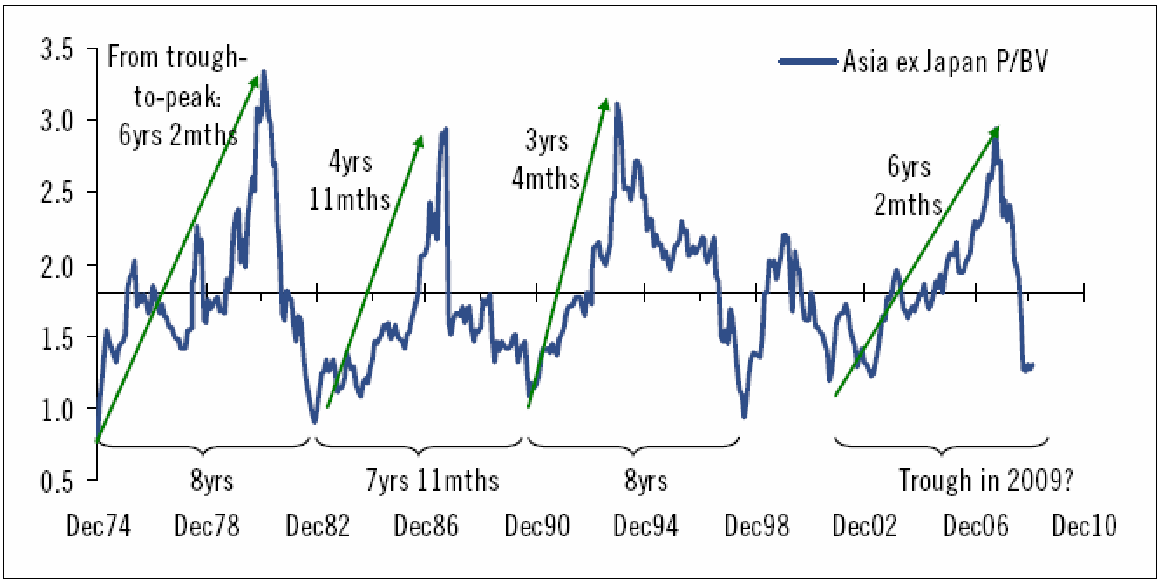
Chart 6: MSCI Asia ex Japan

Source: Bloomberg

Valuation

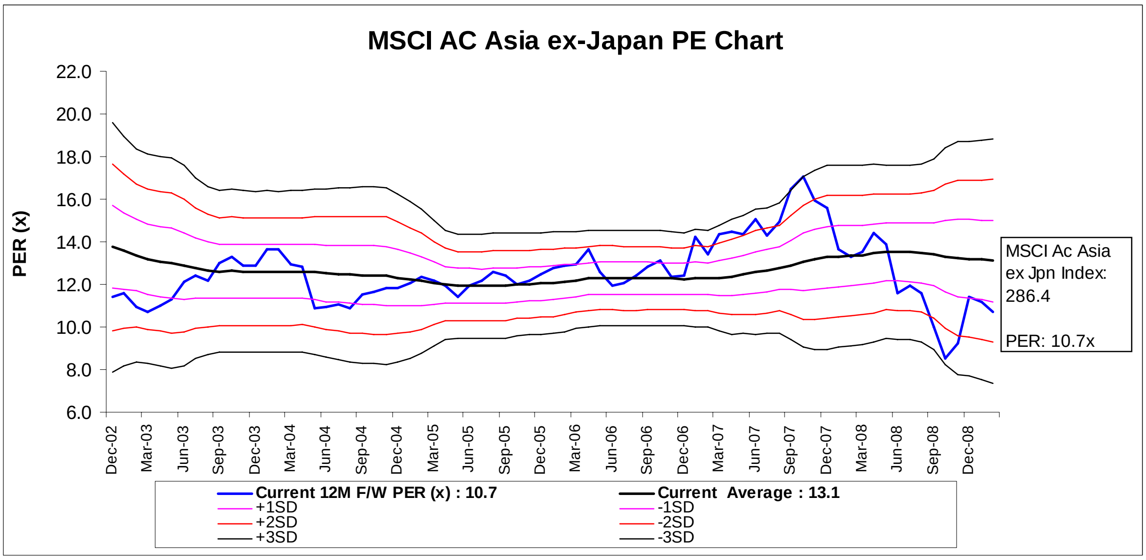
The lack of earnings visibility due to ongoing uncertainty on the timeline and quantum of bank balance sheet repairs argues against a rally over the short term. However, equities trough way before earnings and macro trough and as such the later half of 2009 will offer opportunities. Looking at Chart 7, the 8 years price/book trough cycle suggests a bottoming in 2009. Would the recovery be that of 1990 or 1982? Our instinct tells us that it will likely be that of 1982, a sideways recovery followed by a resumption in the uptrend. Take note that the low was not repeated.

Chart 6: MSCI Asia ex Japan P/B Trough to Trough Cycle



Source: Bloomberg

Chart 7: MSCI Asia ex Japan PER

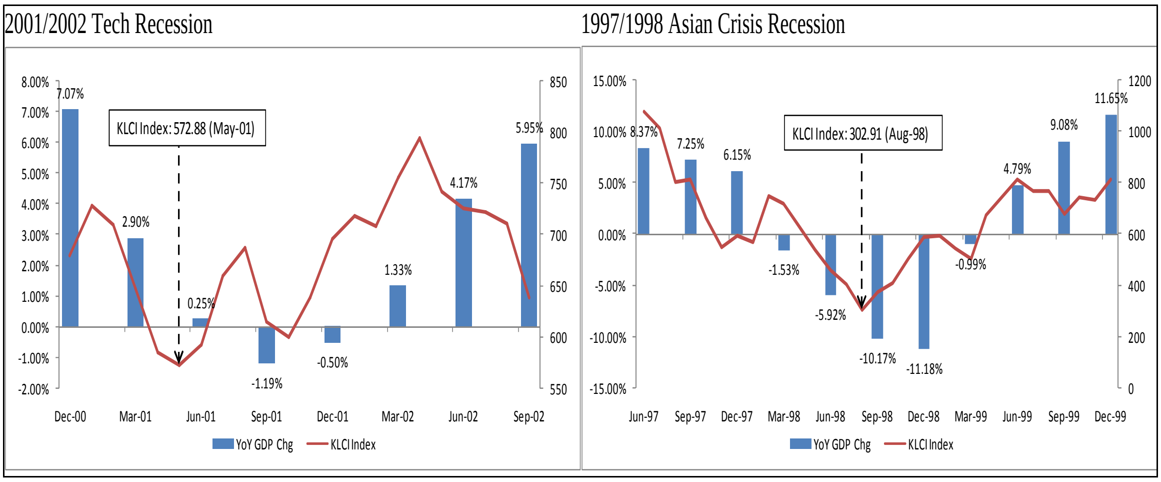


Source: I/B/E/S, Internal Data

Malaysia

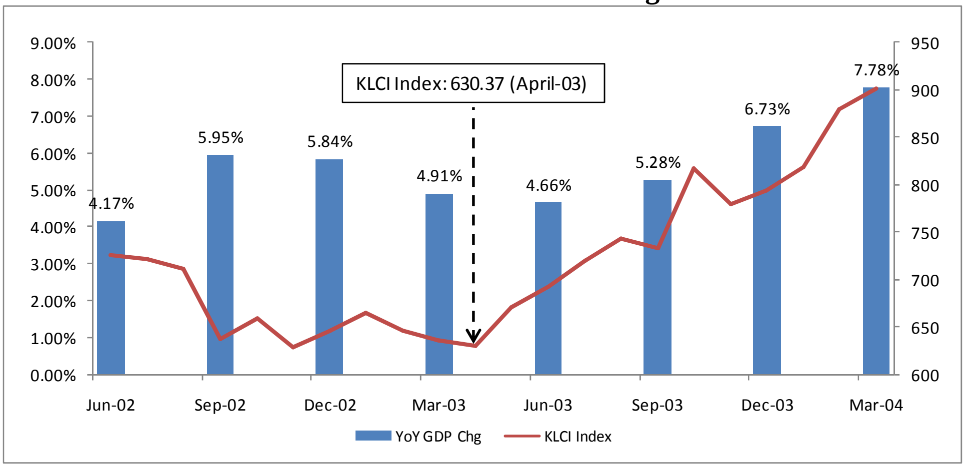
Turning to Malaysia, we notice that the market always turn before the worst economic trough as highlighted in Charts 8 and 9. The key then is to determine when would be the worst economic quarter and purely from a low base effect, markets should recover before end 2009 coinciding with the 8 years trough-to-trough cycle as highlighted in Chart 6.

Chart 8: KLCI versus GDP



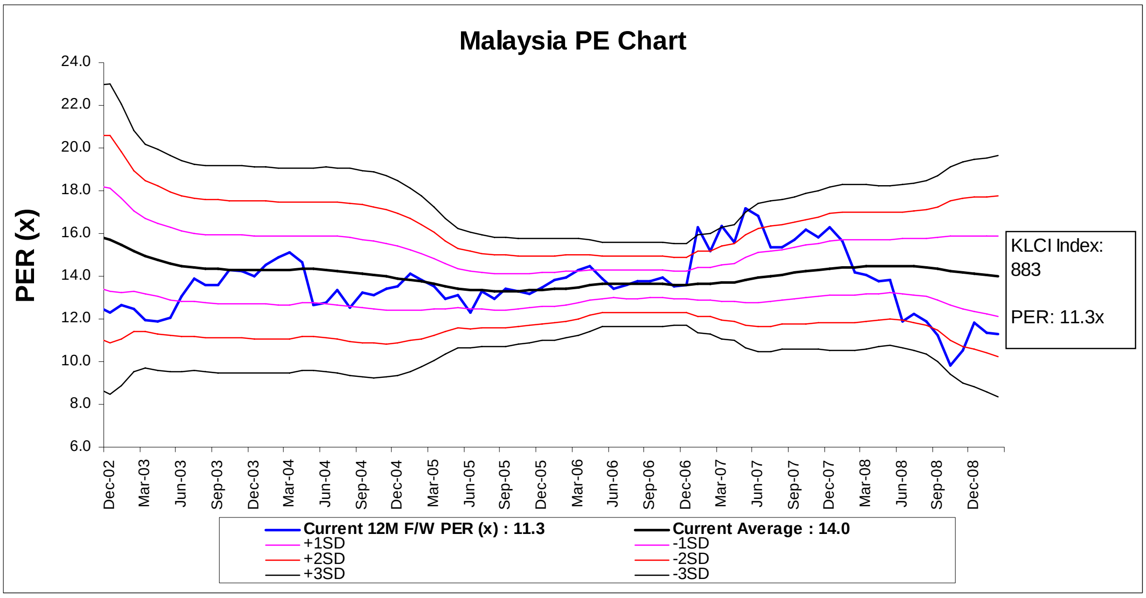
Source: Bloomberg

Chart 9: KLCI versus GDP during SARS



Source: Bloomberg

Chart 10: KLCI PER



Source: I/B/E/S, Internal Data

Conclusion

Monetary and fiscal policies necessary to end this crisis are in place and what remains is proper execution. This in turn implies that a turn in the equity markets should occur sometime this year, although range-bound trading will persist for sometime. We will accumulate but not chase share prices over the coming months.

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 2009

STATEMENT OF ASSETS AND LIABILITIES (*unaudited*)
AS AT 31 MARCH 2009

	Note	31-3-2009 RM	31-3-2008 RM
ASSETS			
Quoted investments	4	2,871,051	4,281,823
Investments in derivatives	5	733,457	1,080,440
Amount due from Manager	6	37,480	37,207
Sundry receivables		10,029	18,294
Cash at bank		51,895	7,458
Total Assets		3,703,912	5,425,222
LIABILITIES			
Amount due to index provider	7	2,026	12,649
Amount due to Trustee	8	192	295
Sundry payables and accrued expenses		32,807	19,845
Total Liabilities excluding Net Asset Value Attributable to Unitholders		35,025	32,789
NET ASSET VALUE AS AT 31 MARCH	9	3,668,887	5,392,433
UNITS IN CIRCULATION	9(a)	650,000	650,000
NET ASSET VALUE PER UNIT – EX DISTRIBUTION	10	564 sen	830 sen

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

STATEMENT OF INCOME AND EXPENDITURE (*unaudited*)
FOR THE PERIOD 1 JANUARY 2009 TO 31 MARCH 2009

	Note	1-1-2009 to 31-3-2009 RM	1-1-2008 to 31-3-2008 RM
INVESTMENT INCOME			
Net unrealised gain on change in value of investments in derivatives		314,904	42,611
Dividend income		20,355	109,600
Interest income		-	1,117
Net realised (loss)/gain on sale of quoted investments		(20,297)	470,660
Net unrealised loss on changes in value of quoted investments		(5,862)	(1,755,383)
Net realised loss on sale of investments in derivatives		(330,954)	-
Gross (Loss)/Income		(21,854)	(1,131,395)
EXPENDITURE			
Manager's fee	6	4,651	12,351
Trustee's fee	8	558	1,482
License fee	7	372	988
Audit fee		1,233	1,243
Tax agent's fee		1,233	1,243
Other expenses		4,862	6,918
Total Expenditure		12,909	24,225
NET LOSS BEFORE INCOME TAX		(34,763)	(1,155,620)
LESS: INCOME TAX EXPENSE	11	(5,800)	(27,800)
NET LOSS AFTER INCOME TAX	9(b)	(40,563)	(1,183,420)
INCOME DISTRIBUTION	13	39,000	169,000
Net Loss After Income Tax comprises the following:			
Realised (loss)/gain		(349,605)	529,352
Unrealised gain/(loss)		309,042	(1,712,772)
		(40,563)	(1,183,420)

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 2009 TO 31 MARCH 2009

	1-1-2009 to 31-3-2009 RM	1-1-2008 to 31-3-2008 RM
Net asset value at beginning of period	3,748,450	22,020,061
Net loss for the period	(40,563)	(1,183,420)
Distribution/Loss equalisation	-	(741,091)
Amount received from units created net of equalisation	-	941,519
Amount paid from units redeemed net of equalisation	-	(15,475,636)
Net income distribution	(39,000)	(169,000)
Net asset value at end of period	3,668,887	5,392,433

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

CASH FLOW STATEMENT (*unaudited*)
FOR THE PERIOD 1 JANUARY 2009 TO 31 MARCH 2009

	Note	1-1-2009 to 31-3-2009 RM	1-1-2008 to 31-3-2008 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES			
Proceeds from sale of investments		35,300	283,777
Dividend received		58,756	139,627
Interest received		-	1,117
License's fee paid		(526)	-
Trustee's fee paid		(564)	(2,595)
Manager's fee paid		(4,695)	(21,625)
Payment for other fees expenses		(6,821)	(5,960)
Purchase of investments		(35,621)	(48,160)
Net Cash Generated From Operating And Investing Activities		45,829	346,181
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for release of units		-	(369,438)
Distribution paid		(39,000)	(169,000)
Net Cash Used In Financing Activities		(39,000)	(538,438)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		6,829	(192,257)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		45,066	199,715
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14	51,895	7,458

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 new and revised Financial Reporting Standards ("FRSs") that were first effective for and first adopted by the Fund in the current financial year were either not relevant or did not give rise to any significant change to the accounting policies of the Fund. At the date of authorisation of these financial statements, the following new and revised FRSs and Interpretations were issued but not yet effective and have not been adopted by the Fund:

FRS	**Effective for financial periods beginning on or after**
FRS 7: Financial Instruments: Disclosures	1 January 2010
FRS 8: Operating Segments	1 July 2009
FRS 139: Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10: Interim Financial Reporting and Impairment	1 January 2010

The Fund is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS 139 by virtue of exemptions provided under Paragraph 44AB and 103AB respectively of the standards.

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 Bond Pricing Agency Malaysia Sdn Bhd (formerly known as 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 recognised 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 2009, 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 banks, 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

	31-3-2009 RM	**31-3-2008 RM**
At cost		
Shares quoted in Malaysia	4,267,930	4,538,681
At valuation		
Shares quoted in Malaysia	2,871,051	4,281,823

Details of quoted investments as at 31 March 2009 are as follows:

Securities quoted in Malaysia	**No. of units**	**Market value**	**Purchase cost**	**Market value as a percentage of net asset value**
		RM	**RM**	**%**
Name of Company				
Construction				
YTL Corporation Berhad	9,600	66,720	74,550	1.82
Consumer Products				
British American Tobacco (M) Berhad	1,700	77,350	70,927	2.11
PPB Group Berhad	6,500	63,700	53,978	1.74
UMW Holdings Berhad	8,700	45,675	60,263	1.24
	16,900	186,725	185,168	5.09
Finance				
AMMB Holdings Berhad	22,100	57,681	88,215	1.57
Bumiputra-Commerce Holdings Berhad	41,700	285,645	457,079	7.79
Hong Leong Bank Berhad	6,500	34,775	40,635	0.95
Malayan Banking Berhad	61,915	186,343	396,757	4.49
Malayan Banking Berhad-OR	19,215	21,521	0	0.59
Public Bank Berhad	40,985	309,437	406,482	8.43
RHB Capital Berhad	3,800	13,452	18,925	0.37
	177,000	887,333	1,408,093	24.19
Industrial Products				
PETRONAS Gas Berhad	7,000	67,900	74,005	1.85
Infrastructure				
DiGi.Com Berhad	3,700	78,440	85,625	2.14
YTL Power International Berhad	24,371	46,792	55,198	1.27
	28,071	125,232	140,823	3.41

(Forward)

Securities quoted in Malaysia	No. of units	Market value	Purchase cost	Market value as a percentage of net asset value
		RM	RM	%
Name of Company				
Plantation				
IOI Corporation Berhad	53,485	203,243	308,522	5.54
Kuala Lumpur Kepong Berhad	5,800	61,480	79,045	1.67
	59,285	264,723	387,567	7.21
Trading/Service				
Astro All Asia Networks PLC	6,800	14,756	15,556	0.40
Berjaya Sports Toto Berhad	10,800	49,464	54,828	1.35
Genting Berhad	32,300	118,864	256,523	3.24
Malaysia International Shipping Corporation Berhad	17,300	144,455	168,532	3.94
Malaysian Airline System Berhad	4,133	11,862	18,292	0.32
MMC Corporation Berhad	10,700	15,194	34,231	0.41
Parkson Holdings Berhad	4,900	18,424	40,506	0.50
PETRONAS Dagangan Berhad	2,900	22,910	23,389	0.62
PLUS Expressways Berhad	23,300	68,502	74,853	1.87
Resorts World Berhad	31,900	68,266	118,136	1.86
Sime Darby Berhad	52,389	298,617	435,285	8.14
Tanjong plc	1,900	26,220	34,331	0.72
Telekom Malaysia Berhad	31,300	110,176	95,424	3.00
Tenaga Nasional Berhad	37,800	230,580	389,780	6.29
TM International Berhad	32,800	74,128	238,058	2.02
	301,222	1,272,418	1,997,724	34.68
Total quoted investments	599,078	2,871,051	4,267,930	78.25

5. **INVESTMENTS IN DERIVATIVES**

	31-12-2009 RM	31-3-2008 RM
At cost		
Option	706,875	1,037,829
At valuation		
Option	733,457	1,080,440

Details of investments in derivatives as at 31 March 2009 are as follows:

Derivatives	No. of units	Carrying value RM	Purchase cost RM	Carrying value as a percentage of net asset value %
AmInvestment Bank Berhad	1	733,457	706,875	20.00

6. **AMOUNT DUE FROM MANAGER**

	31-3-2009 RM	31-3-2008 RM
Net creation of units*	44,283	44,468
Manager's fee payable	(1,603)	(2,461)
Application fee payable to Manager	(5,200)	(4,800)
	37,480	37,207

* The amount represents net amount receivable from Manager for units created net of units released.

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 January 2008 to 31 March 2008) per annum of the net asset value of the Fund, calculated on daily basis, for the financial period 1 January 2009 to 31 March 2009.

7. **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 January 2008 to 31 March 2008) per annum of the net asset value of the Fund, calculated on daily basis, for the financial period 1 January 2009 to 31 March 2009.

8. **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 January 2008 to 31 March 2008) per annum of the net asset value of the Fund, calculated on daily basis, for the financial period 1 January 2009 to 31 March 2009.

9. **NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS**

Net asset value attributable to unitholders is represented by:

		31-3-2009 **RM**	**31-3-2008** **RM**
Unitholders' contribution	(a)	5,431,641	5,409,828
Accumulated loss	(b)	(1,762,754)	(17,395)
		3,668,887	5,392,433

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

	1-1-2009 to 31-3-2009		**1-1-2008 to 31-3-2008**	
	No. of units	**RM**	**No. of units**	**RM**
At beginning of the period	650,000	5,431,641	2,340,000	19,943,945
Created during the period	-	-	130,000	941,519
Released during the period	-	-	(1,820,000)	(15,475,636)
At end of period	650,000	5,431,641	650,000	5,409,828

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 2009 and 31 March 2008. Holdings by parties related to the Manager as at 31 March 2009 were 269,700 units valued at RM1,522,295 (168,500 units valued at RM1,415,400 as at 31 March 2008).

(b) **ACCUMULATED LOSS**

	Note	1-1-2009 to 31-3-2009 RM	1-1-2008 to 31-3-2008 RM
(Accumulated loss)/gain at beginning of period		(1,683,191)	2,076,116
Net loss for the period		(40,563)	(1,183,420)
Distribution/Loss equalisation	12	-	(741,091)
Income distribution	13	(39,000)	(169,000)
Accumulated loss at end of period		(1,762,754)	(17,395)

10. NET ASSET VALUE PER UNIT

The net asset value per unit is calculated by dividing the net assets of RM3,668,887 (RM5,392,433 as at 31 March 2008) by the 650,000 (650,000 as at 31 March 2008) units in issue as at 31 March 2009.

11. 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:

	1-1-2009 to 31-3-2009 RM	1-1-2008 to 31-3-2008 RM
Net loss before income tax	(40,563)	(1,155,620)
Taxation at Malaysian statutory rate of 25% (26% in 31 March 2008)	(10,100)	(300,400)
Tax effect of:		
Loss not subject to tax	9,000	322,300
Permitted expenses not deductible for tax purposes	2,900	4,000
Non-permitted expenses for tax purposes	200	1,900
Under tax provision in previous year	3,800	-
Tax expense for the financial period	5,800	27,800

12. **DISTRIBUTION/LOSS EQUALISATION**

Distribution equalisation represents the average amount of undistributed net income 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.

13. **INCOME DISTRIBUTION**

Distribution to unitholders is from the following sources:

	1-1-2009 to 31-3-2009 RM	**1-1-2008 to 31-3-2008 RM**
(Accumulated loss)/Undistributed net income brought forward - realised	(3,852)	479,486
Net unrealised gain on sale of quoted investments	57,824	390,718
Gross dividend income from shares quoted in Malaysia	3,737	90,985
Interest income	-	927
Distribution/Loss equalisation	-	(741,091)
	57,709	221,025
Less: Expenses	(12,909)	(24,225)
Taxation	(5,800)	(27,800)
Total amount of distribution	39,000	169,000

There is no amount distributed from previous financial period's realised income (RM479,486 for the financial period 1 January 2008 to 31 March 2008).

The distribution above has been proposed before taking into account the net unrealised gain for the financial period of RM309,042 (unrealised loss of RM1,712,772 for financial period 1 January 2008 to 31 March 2008) and net unrealised loss brought forward of RM1,679,339 (RM1,498,526 for financial period 1 January 2008 to 31 March 2008) which are carried forward to the next financial year.

	1-1-2009 to 31-3-2009		1-1-2008 to 31-3-2008	
	Date of distribution	**RM**	**Date of distribution**	**RM**
GROSS				
Final distribution* - 6.9646 (10.1974 in financial quarter ended 31 March 2008) sen per unit	10 March 2009	45,270	22 January 2008	172,336
NET				
Final distribution* - 6.0000 (10.0000 in financial quarter ended 31 March 2008) sen per unit	10 March 2009	39,000	22 January 2008	169,000

∗ Final distribution for the financial year ended 31 December 2008.

14. CASH AND CASH EQUIVALENTS

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

	31-3-2009 RM	31-3-2008 RM
Cash at banks	51,895	7,458
	51,895	7,458

15. MANAGEMENT EXPENSE RATIO AND PORTFOLIO TURNOVER RATIO

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

	1-1-2009 to 31-3-2009 %	1-1-2008 to 31-3-2008 %
Manager's fee	0.50	0.50
Trustee's fee	0.06	0.06
License's fee	0.04	0.04
Trust expenses	0.79	0.38
Total MER	1.39	0.98

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 0.01 times for the financial period 1 January 2009 to 31 March 2009 (0.83 times for the financial period 1 January 2008 to 31 March 2008).

16. 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 2009				
Revenue				
Segment loss representing segment results	(5,804)	-	(16,050)	(21,854)
Unallocated expenditure				(12,909)
Loss before income tax				(34,763)
Income tax expense				(5,800)
Net loss after income tax				(40,563)
Assets				
Segment assets – investments	2,871,051	-	733,457	3,604,508
Sundry receivables	10,029	-	-	10,029
Other unallocated assets				89,375
				3,703,912
Liabilities				
Other unallocated liabilities				35,025

(Forward)

	Quoted securities RM	Unquoted securities RM	Derivatives RM	Total RM
31 March 2008				
Revenue				
Segment income representing segment results	(1,175,123)	1,117	42,611	(1,131,395)
Unallocated expenditure				(24,225)
Loss before income tax				(1,115,620)
Income tax expense				(27,800)
Net income after income tax				(1,183,420)
Assets				
Segment assets – investments	4,281,823	-	1,080,440	5,362,263
Sundry receivables	11,574	-	-	11,574
Other unallocated assets				51,385
				5,425,222
Liabilities				
Other unallocated liabilities				32,789

(b) **Geographical Segment**

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

17. **TRANSACTIONS WITH BROKERS AND FINANCIAL INSTITUTIONS**

Details of transactions with brokers and financial institutions for the financial period 1 January 2009 to 31 March 2009 are as follows:

Financial institutions/ Brokers	**Transaction value**		**Brokerage fee, stamp duty and clearing fee paid**	
	RM	**%**	**RM**	**%**
AmInvestment Bank Berhad*	70,842	100.00	1,146	100.00
	70,842	100.00	1,146	100.00

* 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.

18. **RISK MANAGEMENT**

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 the interest rates rise, bond prices 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.

19. **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 from the Manager and Trustee, cash at banks, sundry receivables, and sundry payables and accruals approximate their respective carrying amounts as at the balance sheet date due to the relatively short-term maturity of these financial instruments.