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AUDITORS' REPORT TO THE UNITHOLDERS

We have audited the statements of net assets of Pro FTSE RAFI Hong Kong China Index Fund (the "Fund") as at December 31, 2008 and 2007, the statement of investment portfolio as at December 31, 2008 and the statements of operations and changes in net assets for the year ended December 31, 2008 and period from January 3, 2007 (date of inception) to December 31, 2007. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Fund as at December 31, 2008 and 2007, its investments held as at December 31, 2008 and the results of its operations and changes in net assets for the year ended December 31, 2008 and period from January 3, 2007 (date of inception) to December 31, 2007 in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Toronto, Canada

March 26, 2009

Management's Responsibility for Financial Reporting

The accompanying financial statements of the Funds (as defined in Note 1) have been prepared by Pro-Financial Asset Management Inc. (the "Manager"). The Manager of the Funds is responsible for the information and representations contained in these financial statements.

The Manager maintains appropriate procedures and controls to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and include certain amounts that are based on estimates and judgements. The significant accounting policies which management believes are appropriate for the Funds are described in Note 2 to the financial statements.

An Independent Review Committee (the "IRC") for the Funds has been established by the Manager under *National Instrument 81-107, Independent Review Committee for Investment Funds*. The IRC is responsible for reviewing, and if desirable providing input on, the Funds' written policies and procedures on conflicts of interest involving the Funds. The IRC also review conflicts of interest matters referred to it by the Manager.

The Board of Directors of Pro-Financial Asset Management Inc. is responsible for approving the financial statements and ensuring that management fulfills its financial reporting responsibilities.



Stuart McKinnon
President & CEO
Pro-Financial Asset Management Inc.



John Farrell
Senior Vice President, CIO & CCO
Pro-Financial Asset Management Inc.

March 26, 2009

Pro FTSE RAFI Hong Kong China Index Fund
Statement of Net Assets
As at December 31,

	2008	2007
Assets		
Cash and cash equivalents	\$ 49,738	\$ 81,223
Subscriptions receivable	50,669	12,229
Dividends receivable	1,587	541
Investments in securities at market value	2,158,159	2,853,222
	2,260,153	2,947,215

Liabilities		
Accrued liabilities	-	(1,652)
Net assets (Note 2)	\$ 2,260,153	\$ 2,945,563

Units outstanding		
Class A	197,481	139,487
Class B	89,276	67,465
Class F	22,961	44,735
Total units outstanding (Note 6)	309,718	251,687

Net assets per unit (Note 2)		
Class A	\$ 7.31	\$ 11.70
Class B	\$ 7.29	\$ 11.69
Class F	\$ 7.43	\$ 11.76

See accompanying notes to financial statements

Approved by Pro-Financial Asset Management Inc.



Stuart McKinnon
Director



John Farrell
Director

Pro-FTSE RAFI Hong Kong China Index Fund

Statement of Operations

For the year ended December 31, 2008 and period January 1, 2007 to December 31, 2007

	2008	2007
Investment Income		
Dividend income	\$ 107,304	\$ 21,022
Interest income	53	84
Total investment income	107,357	21,106
Expenses		
Management fees (Note 4)	43,951	17,757
Audit fees	17,207	23,429
Legal fees	15,738	5,621
Operating costs	11,804	13,030
Marketing & printing costs	4,948	3,631
Securityholder reporting costs	4,927	5,940
Directors' fees	3,938	442
Custodial fees	2,109	1,418
Total expenses	104,622	71,268
Less expenses absorbed by Manager (Note 4)	(53,496)	(49,585)
Net expenses	51,126	21,683
Net investment income (loss)	56,231	(577)
Realized and unrealized gain (loss) on investments		
Net realized loss on sale of investments	(117,601)	(38,496)
Net change in unrealized appreciation (depreciation) of investments	(1,230,787)	339,349
Transaction costs	(8,868)	(12,464)
Net gain (loss) on investments	(1,357,256)	288,389
Increase (decrease) in net assets from operations	\$ (1,301,025)	\$ 287,812
Increase (decrease) in net assets from operations per unit		
Class A	\$ (4.39)	\$ 1.70
Class B	\$ (4.40)	\$ 1.69
Class F	\$ (4.33)	\$ 1.76

Pro-FTSE RAFI Hong Kong China Index Fund

Statement of Changes in Net Assets

For the year ended December 31, 2008 and period January 1, 2007 to December 31, 2007

	2008	2007
Net assets, beginning of period		
Class A	\$ 1,657,899	\$ -
Class B	513,518	-
Class F	777,578	-
Net assets, beginning of period	2,948,995	-
Increase (decrease) in net assets from operations		
Class A	(829,551)	159,507
Class B	(375,020)	51,156
Class F	(96,454)	77,149
	(1,301,025)	287,812
Capital transactions		
Proceeds from issue of units		
Class A	1,407,500	1,542,414
Class B	268,721	772,951
Class F	477,648	712,959
	2,153,869	3,028,324
Redemption of units		
Class A	(846,303)	(44,022)
Class B	(67,984)	(310,589)
Class F	(627,399)	(12,530)
	(1,541,686)	(367,141)
Increase (decrease) in net assets	(688,842)	2,948,995
Net assets, end of period		
Class A	1,389,545	1,657,899
Class B	339,235	513,518
Class F	531,373	777,578
Net assets, end of period (Note 2)	\$ 2,260,153	\$ 2,948,995

Pro-FTSE RAFI Hong Kong China Index Fund
Statement of Investment Portfolio
As at December 31, 2008

Security name	No. of Shares	Average Cost (\$)	Market Value (\$)	% of Net Assets
Bank of East Asia Limited	11,200	59,062	28,399	
BOC Hong Kong (Holdings) Limited	39,500	95,582	53,801	
Cathay Pacific Airways Limited	22,000	51,888	30,138	
Cheung Kong (Holdings) Limited	12,000	180,898	137,808	
Cheung Kong Infrastructure Holdings Limited	3,000	11,309	13,738	
China High Speed Transmission Equipment Group Co. Ltd.	12,000	17,597	17,627	
China Merchants Holdings (International) Company Limited	4,000	19,449	9,401	
China Mobile Limited	3,600	248,061	222,404	
China Resources Enterprise Limited	10,000	35,197	20,957	
China Unicom Limited Hong Kong Limited	4,611	85,491	68,450	
Chinese Estates Holdings Limited	9,000	14,917	12,442	
Citic Pacific Limited	10,000	48,145	13,071	
CLP Holdings Limited	18,000	138,916	148,177	
CNOOC Limited	500	74,803	57,937	
COSCO Pacific Limited	8,000	19,571	9,615	
Esprit Holdings Limited	4,300	50,338	29,656	
Fosun International Limited	26,000	17,848	10,334	
Foxconn International Holdings Limited	8,000	16,766	3,217	
Great Eagle Holdings Limited	7,000	20,248	9,457	
Guoco Group Limited	2,000	24,749	14,139	
Hang Lung Group Limited	7,000	34,225	25,678	
Hang Lung Properties Limited	11,000	42,333	29,032	
Hang Seng Bank Limited	5,700	99,393	91,069	
Henderson Investment Limited	701,000	73,129	53,412	
Henderson Land Development Company Limited	6,672	54,391	30,083	
Hidili Industry International Development Limited	10,000	12,282	3,818	
Hong Kong and China Gas Company Limited	19,600	44,099	36,026	
Hong Kong Exchanges and Clearing Limited	2,000	37,546	23,125	
Hongkong Electric Holdings Limited	18,500	106,638	126,281	
Hongkong Land Holdings Limited	13,000	55,992	39,104	
Hutchison Telecommunications International Limited	600	15,437	2,952	
Hutchison Whampoa Limited	36,000	356,524	219,437	
Hysan Development Company Limited	9,000	24,622	17,476	
Jardine Matheson Holdings Limited	1,600	49,312	36,047	
Kerry Properties Limited	2,500	15,329	8,091	
Lenovo Group Limited	50,000	35,134	16,496	
LI & Fung Limited	12,000	47,342	25,035	
MTR Corporation Limited	10,033	30,534	28,245	
New World Development Co. Limited	19,836	50,280	24,244	
Orient Overseas (International) Limited	5,000	35,642	13,526	
PCCW Limited	60,000	38,776	34,782	
Playmates Holdings Limited	126,000	74,589	19,201	
Semiconductor Manufacturing International Corporation	2,200	14,873	5,653	
Sino Land Co. Limited	12,000	26,348	15,082	
Sun Hung Kai Properties Limited	11,000	167,329	111,635	
Swire Pacific Limited	14,000	158,578	117,338	
The Link Real Estate Investment Trust	15,000	34,204	30,116	
Wharf (Holdings) Limited	11,000	53,935	36,636	
Wheelock and Company Limited	6,000	16,340	15,817	
Yue Yuen Industrial Holdings Limited	5,000	13,605	11,955	
Transaction costs		(6,933)		
Total Investments		3,042,664	2,158,159	95.5
Net Assets:				
Total investments			2,158,159	95.5
Cash and cash equivalents			49,738	2.2
Other net assets			52,256	2.3
			2,260,153	100.0

Pro FTSE RAFI Hong Kong China Index Fund
Notes to Statement of Investment Portfolio
As at December 31, 2008

Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Statement of Investments presents the securities held by the Fund as at December 31, 2008, and groups the securities by asset type, geographic region and/or market segment. Significant risks that are relevant to the Fund are discussed below.

The Manager seeks to minimize potential adverse effects of these risks on the Fund's performance by employing professional, experienced portfolio advisors, by daily monitoring of the Fund's positions and market events, and by diversifying the investment portfolio within the constraints of the investment objective. To assist in managing risk, the Manager also uses internal guidelines that identify the target exposures for each type of risk, maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, internal guidelines, and securities regulations.

The investment portfolio mainly holds the constituent or equivalent securities of the FTSE RAFI Hong Kong China Index in similar proportion as they are reflected in the index.

Liquidity Risk

The Fund is exposed to daily cash redemptions of redeemable units. In accordance with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments (i.e. investments that are traded in an active market and can be readily disposed). In addition, the Fund retains sufficient cash and cash equivalent positions to maintain adequate liquidity.

Currency Risk

Currency risk is the risk that financial instruments which are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The table below indicates the foreign currencies to which the Fund had a significant exposure as at period end in Canadian dollar terms.

Currency	Investments	% of Net Assets
Hong Kong Dollar	1,725,612	76.3
United States Dollar	432,547	19.2
Total	2,158,159	95.5

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund does not have a significant credit risk exposure as at December 31, 2008. The carrying amount of other assets represents their maximum credit risk exposure, as they will be settled in the short term. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value.

For this Fund, the most significant exposure to other price risk arises from its investment in equity securities. As at December 31, 2008, had the prices on the respective stock exchanges for these securities raised or lowered by 10%, with all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$215,816 (approximately 9.6% of total net assets). In practice, the actual trading results may differ and the difference could be material.

**Pro FTSE RAFI Hong Kong China Index Fund
For the year ended December 31, 2008**

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE FUND

The Pro FTSE RAFI Hong Kong China Index Fund (the "Fund") is a mutual fund trust created under the laws of the Province of Ontario by Trust Indenture dated January 3, 2007. The Fund commenced operations on January 3, 2007. Pro-Financial Asset Management Inc. is the Trustee and Manager of the Fund.

The investment objective of the Fund is to track the performance of the FTSE RAFI Hong Kong China Index, net of expenses.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The following is a summary of significant accounting policies:

Adoption of new accounting standards:

Section 3862, Financial Instruments - Disclosures ("Section 3862"), and Section 3863, Financial Instruments - Presentation ("Section 3863"), have replaced Section 3861, Financial Instruments - Disclosure and Presentation ("Section 3861"). Section 3862 requires additional disclosure by the Fund pertaining to the nature and extent of risks arising from financial instruments to which the Fund is exposed and how the Fund manages those risks. Section 3863 carries forward unchanged the presentation requirements of Section 3861 with respect to financial instruments. Both Section 3862 and Section 3863 apply to interim and annual financial statements of the Fund beginning for the fiscal year commencing January 1, 2008. Refer to the Statement of Investment Portfolio for further details regarding risk management.

Future accounting change:

The Canadian Accounting Standards Board ("AcSB") has confirmed January 1, 2011 as the date International Financial Reporting Standards ("IFRS") will replace GAAP for publicly accountable enterprises, which includes investment funds. The Fund will adopt IFRS for its fiscal year beginning January 1, 2011.

Investments:

Section 3855, Financial Instruments - Recognition and Measurement ("Section 3855"), establishes standards for the fair valuation of investments as well as the accounting treatment of transaction costs. Section 3855 applies to fiscal years beginning on or after October 1, 2006.

Investments are deemed categorized as held-for-trading in accordance with Section 3855 and, therefore, recorded at fair value as follows:

Investments in securities listed on a recognized public stock exchange are valued at their closing bid prices on the valuation date. If no closing bid price can be ascertained or if the securities are not quoted on an exchange, they will be valued at fair value based on management's best estimate. The difference between market value and average cost is shown as unrealized appreciation (depreciation) of investments in the Statement of Operations. Average cost is used to calculate the gain or loss on investments sold. The average cost excludes transaction costs.

Transaction costs:

In accordance with Section 3855, transaction costs such as brokerage commissions and other portfolio transaction costs are included in transaction costs in the Statement of Operations. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment. Prior to the adoption of Section 3855, transaction costs were capitalized and included in the cost of purchases or proceeds from sale of investments. There is no impact to the net assets or transactional net assets of the Fund from the adoption of this section.

Cash and cash equivalents:

Cash and cash equivalents are comprised of cash on deposit and short-term debt instruments with terms to maturity of less than 90 days at acquisition. Cash and cash equivalents are deemed to be held for trading and, therefore, carried at fair value, which approximates their carrying amounts.

NOTES TO FINANCIAL STATEMENTS

Other assets and liabilities:

The fair value of other financial assets (loans and receivables) and financial liabilities approximate their carrying amounts. For the purpose of categorization in accordance with Section 3855, subscriptions receivable and dividends receivable are designated as loans and receivables and recorded at cost. Similarly, accrued liabilities are designated as other financial liabilities and recorded at cost.

Investment transactions and income recognition:

All investment transactions are accounted for on the trade date. Gains and losses from the sale of investments are calculated on an average cost basis. Interest income is accrued daily and dividend income is recognized on the record date.

Use of estimates:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Net assets per unit:

The net assets per unit are computed by dividing the net assets attributable to a class of units on a business day by the total number of units of the class outstanding on that day.

Foreign currency translation:

Investments at market value and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rates of exchange applicable on the valuation dates. Investment transactions and income and expenses are translated at the rates of exchange on the dates of such transactions.

3. INCOME TAXES

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is not subject to tax on net income, including net realized capital gains, which is paid or payable to unitholders. It is the intention of the Fund to distribute sufficient net income and net realized capital gains so that the Fund will not be subject to income taxes after taking into account applicable capital gains tax refunds. Accordingly, no provision for income taxes has been made.

Net capital losses are available to be carried forward indefinitely and applied against future net realized capital gains. Non-capital losses may be carried forward up to 20 years to reduce future taxable income.

4. EXPENSES OF THE FUND

The Manager provides investment and administrative services to the Fund. In consideration for these services the Manager receives a fee:

Class A – 1.60% per annum
Class B – 1.80% per annum
Class F – 0.65% per annum

of the net asset value of the Fund calculated daily and payable daily in arrears. For the year ended December 31, 2008, the management fee amounted to \$43,951.

The Fund is responsible for the payment of all expenses relating to its operations and the carrying on of its business. All expenses in the Fund are payable by the Manager, other than legal fees, audit fees, custodial fees, directors' fees, securityholder reporting costs, marketing and printing costs, operating costs, transaction costs and taxes. At times, the Manager has paid a portion of the expenses otherwise payable by the Fund, and the rebate has been highlighted in the Statement of Operations.

**Pro FTSE RAFI Hong Kong China Index Fund
For the year ended December 31, 2008**

NOTES TO FINANCIAL STATEMENTS

The management expense ratio (MER) is calculated based on the total management expenses of the Fund as a percentage of the weighted average net assets of the Fund. The MER is inclusive of the GST in accordance with National Instrument 81-102. The Fund's MER was:

Class A – 1.97% per annum
Class B – 2.15% per annum
Class F – 1.03% per annum

for the period ended December 31, 2008.

5. NET ASSET VALUE

For investments that are traded in an active market where quoted prices are readily available, Section 3855 requires bid prices to be used in the fair valuation of investments, rather than the use of closing sale prices currently used for the purpose of determining transactional net assets. These changes account for the difference between transactional net assets and net assets.

	2008	2007
Class A	\$7.30	\$11.72
Class B	\$7.27	\$11.70
Class F	\$7.41	\$11.78

6. UNITHOLDERS' EQUITY

For each unit sold, the Fund receives an amount equal to the net asset value per unit at the next valuation date, which is included in unitholders' equity. Units are redeemable at the option of unitholders at their net asset value on the next valuation date following the redemption date. For each unit redeemed, unitholders' equity is reduced by the net asset value of the unit at the next valuation date after the redemption date.

7. CONTINGENT LIABILITY

Agreements between the individual members of the Funds' Independent Review Committee ("IRC") and the Trustee, on behalf of the Funds, provides for the indemnification of each IRC member by the Funds from and against liabilities and costs in respect of any action or suit against the member by reason of being or having been a member of the IRC, provided that the member acted honestly and in good faith with a view to the best interest of the Funds, or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, that they had reasonable grounds for believing that his/her conduct was lawful. No claims with respect to such occurrences have been made and, as such, no amount has been recorded in these financial statements with respect to these indemnifications.

8. COMPARATIVE FIGURES

Certain prior period comparative figures have been reclassified to conform to the current period's financial statement presentation.