



Legg Mason Asian Enterprise Trust

Legg Mason Southeast Asia Special Situations Trust

Legg Mason Funds

Legg Mason Global Bond Trust

Legg Mason Asian Bond Trust

Legg Mason Singapore Bond Fund

CitiSelect Funds

Annual Report

For the financial year ended 31 March 2008

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The CPF interest rate for the Ordinary Account is based on the 12-month fixed deposit and month-end savings rate of the major local banks. With effect from 1 January 2008, an additional 1% per annum will be paid on the first S\$60,000 of a CPF member's combined balances, including up to S\$20,000 in the Ordinary Account. In addition, the interest rate for the CPF Special Account will be pegged to the yield of 10-year Singapore government bond plus 1%. Nevertheless, the CPF Board will pay a legislated minimum annual interest rate of 2.5% on the CPF Ordinary Account and for 2008 and 2009, a minimum annual interest rate of 4.0% on the CPF Special Account.

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Investment Manager's Report

As at 31 March 2008

Global Asset Allocation

Market Review

Over the first quarter of 2008 the global equity market (as measured by the MSCI All Country World Index) fell 11.7% in local currency terms, -9.3% in US dollar terms, -9% in sterling terms and the euro's strength turned that into a -16.2% loss in euro terms. Every major region was down as well, with Japan performing the worst (down 17.8% in local currency terms, -7.8% in US dollar terms, -7.6% in sterling terms and -14.9% in euro terms), followed by Europe (down 13.9% in local currency terms, -8.6% in US dollar terms, -8.4% in sterling terms and -15.6% in euro terms) and emerging markets (down 10.9% in local currency terms, -10.9% in US dollar terms, -10.8% in sterling terms and -17.8% in euro terms). The US fell the least, down 9.3% in local currency terms (-9.2% in sterling terms and -16.4% in euro terms).

Fixed income markets were positive in local currency terms, but the euro's strength offset these positive results and the Citigroup World Broad Investment Grade Index returned -0.9% in euro terms (but had a 2.2% gain in local currency terms, a 7.4% gain in US dollar terms and a 7.5% gain in sterling terms). Two- and ten-year bond yields fell in all the major markets over the past three months, with the largest variations in the US. Yields also fell in Japan and Europe, although less precipitously.

Outlook

March brought a climax in what we believe will turn out to be the first stage of the current economic and financial market distress. Bear Stearns, the fifth largest US investment bank, became the subject of rumours about the weakness of its financial condition, and found itself facing the equivalent of a bank run. It was saved from bankruptcy only by being acquired at a rock bottom price by JPMorgan, which in turn acted only because the US Federal Reserve provided backing for Bear Stearns' riskiest assets. At the same time, the Fed announced that it was willing to lend money directly to investment banks and take their mortgage-backed assets as collateral. The Bear Stearns acquisition proved to be quite painful for Bear Stearns' shareholders, but it served to spark a kind of relief rally in stocks, as the Fed's actions eased fears of widespread systemic risk in the financial system. The Fed seemed to be implicitly saying that it would be willing to lend enough money to the investment banks to meet any short term funding needs they might have. In the three weeks following the weekend announcement of the deal, global stocks managed a 6% rally.

We think this will turn out to be a bear market rally. Keep in mind that there are two separate issues that markets have to deal with, both of which stem from the bursting of the US real estate bubble. The first issue is the problems in the financial sector, where many institutions have been left holding vast sums of mortgage-backed debt which has declined in value, leading to fears that one or more major players in the system would face some sort of liquidity crisis leading to insolvency. That is pretty much what happened to Bear Stearns, but the Fed has now taken steps to prevent it from happening to another major financial firm.

So the worst of the financial crisis may be over (not the whole thing, mind you, just the worst part), but the economic fallout (the second issue) is really just beginning, and we think it will take many quarters to play out. We think the Fed is largely powerless to stop the weakness that is spreading through the broader economy. Because the first problem centres on the financial system itself, the Fed's usual policy of lowering interest rates is likely to be less effective than usual. Banks are busy trying to shrink their balance sheets right now, and are not particularly eager (or even able) to make new loans. The problem is not confined to the US; many European banks find themselves in a similar situation (UBS, for example, suffered significant losses from sub-prime mortgage securities), and will be equally restrictive with credit in the quarters ahead.

Historically, a tightening in bank lending standards has led to a decline in earnings for the broad economy, as companies are unable to finance growth in their businesses. Besides tighter credit, we see other negative indicators for global earnings growth as well. First, leading indicators of economic activity are lower today than they were six months ago. This too has been a sign of an impending decline in profits in the past. Secondly, return on equity has been running at extremely high levels over the last couple of years. This has served as a good contrary indicator of future profit growth. When ROE has been high, subsequent growth in earnings has been poor or negative. We believe that this is because in times of high ROE, companies tend to invest their profits unwisely, frequently in acquisitions that do not turn out well. Note that merger activity was at an all time high in mid-2007. Thirdly, the surge in earnings growth over the last five years was unprecedented. At the end of September of 2007, the trailing five-year earnings growth rate for the MSCI World index hit 24.1%. Prior to this cycle, the five-year earnings growth rate for the index had never topped 15% in its history, going back to 1974. Earnings are more than 40% above their long-term trend, thanks to that 24% annualised earnings growth. Earnings have tended to revert to their long-term trend whenever they have strayed more than 15% or so away from that trend. And that decline in earnings has usually been accompanied by a period in which stocks underperform bonds.

For all these reasons, we moved to an overweight in bonds and an underweight in equities during the first quarter of 2008.

Investment Manager's Report

As at 31 March 2008

Global Fixed Income

Market Review

The general themes for March were similar to those seen over the past few months. Investor focus remained with one eye on continued developments involving global financial institutions, their profit and loss announcements and the robustness of their balance sheets. The other eye remained firmly fixed on the central banks and the actions being taken to try and maintain the stability of the global banking system – largely being driven by the United States. U.S. housing market data remained weak and other data also came in on the softer side of expectations. Investor concern over the state of the economy was heightened by JPMorgan's takeover of one of the key global brokerage firms, Bear Sterns. The Term Auction Facility (TAF) increased in size, a new Term Securities Lending Facility (TSLF) was introduced and access to the Fed discount facilities was made available to the dealer community.

The Office of Federal Housing Enterprise Oversight (OFHEO) reduced the capital surcharge on the Government Sponsored Enterprises (GSEs) and the Federal Home Loan Banks (FHLBs) authorized increased Mortgage Backed Securities (MBS) holdings. These actions should heighten direct demand for mortgage-backed securities and provide liquidity for the markets. Additionally, they seemed to stem the spread widening seen elsewhere in non-government markets. As a result of these actions, together with the ongoing downside risks to growth, the Fed reduced interest rates by a further 0.75% during the month to a level of 2.25%. The other pillar on which the market had been focused was the inflationary backdrop and concerns over the upside risks – particularly in light of the strong commodity backdrop and relatively easy monetary conditions currently in place. The latest inflation release was something of a surprise to the market, coming in lower than anticipated and moving into the top end of the Fed's "comfort zone".

The European market saw data that held up reasonably well against that of the U.S. The regional data showed that while readings were off the highs seen earlier in 2007, absolute levels were coming in far from the lows seen on the other side of the Atlantic. Consumption, consumer confidence and the business outlook were all showing signs of remaining flat or improving slightly. The inflationary backdrop also contrasted with that of the U.S., with the initial indications for March coming in slightly higher than expected and ticking higher than February. These indications were highlighted in the European Central Bank (ECB) monthly report which focused a great deal of attention on the ECB's mandate of medium-term price stability, and its immediate and medium-term concerns over upside inflationary risks. The pick-up in preliminary March inflation readings throughout Europe helped pare back the probability that the ECB would be easing policy rates immediately. They also noted that economic growth was "sound". As a result, the ECB left its key monetary policy rate unchanged at 4.0%.

Turning to the U.K. market, the trend was for a further weakening in the economic backdrop with the housing market taking the lead. While this began to feed through into consumer confidence, the Q4 GDP figures appeared little impacted. After the Northern Rock issues of last year, there were further rumours in the market regarding the solvency of other financial institutions which led the Bank of England (BOE) to announce that this was not the case. While the Monetary Policy Committee (MPC) kept policy rates on hold at 5.25% as a result of continued concerns over upside risks to inflation, BOE Governor Mervyn King spoke to the Treasury Committee and indicated ongoing discussions within the banking world to propose some solutions to the ongoing credit issues keeping hold over the markets – also indicating that any losses should be borne by bank shareholders.

Spread markets continued to underperform, but there were moves to further support the markets via the unconventional measures previously noted. Financial issuers continued to perform poorly despite earning announcements coming in on the better side of expectations.

Subordinated debt fell by around 5% in total return terms over the month against government issues, which were up around 0.7%. The mortgage-backed market had a poor couple of weeks at first, but pulled back these losses once the Fed and other agencies took action to inject further liquidity into the market and provide direct support to the mortgage sector. They finished the month in positive territory up around 0.6%. The lower-rated U.S. high yield markets outperformed the wider investment grade corporate bond market but lagged their government counterparts by around 1.3%.

The currency markets' primary theme over the month was the continued weakness in the U.S. dollar against its major trading partners. The euro cross rate continued to hit new highs and gained around 4% versus the U.S. dollar. The driving force of this move was an increase in yield differentials at the shorter-end of the relative yield curves. The Japanese yen also continued to find strength and moved through the psychological 100 level against the U.S. dollar.

Investment Manager's Report

As at 31 March 2008

Outlook and Strategy

We have seen the U.S. Fed take aggressive and unusual measures in order to combat the potential downside risks to growth facing the U.S. economy. The Fed has opened its balance sheet to investment banks in order to try and focus its liquidity injections directly to where they are most needed. By doing so the Fed is pushing the boundaries of established central bank practices. The Fed's willingness to engage in these operations has rightly been taken as a sign of the severity of the dislocations in credit markets but it also illustrates the determination of authorities to stop markets from seizing up entirely and to avoid 'systemic failure'.

Indeed, market liquidity has improved since these measures were taken and the potential for systemic risk has receded. At the risk of sounding overly optimistic, we would even say that chances are the liquidity and credit crisis has passed its nadir. This does not mean that there will only be smooth sailing from here. Money markets are still strained, many financial institutions will have to raise capital and sort out their balance sheets – the road to 'normality' could be long and bumpy. But with liquidity and systemic concerns receding, the markets' attention should probably shift to broader economic issues – in particular to the question of how much damage the credit crisis has already inflicted on the economy. On this question we also tend to be somewhat more optimistic. Despite unquestionably weaker data, we retain the non-consensus view that an outright recession will most likely be narrowly avoided, or if not it should be shallow. The main drag on the economy has come from housing and this drag is likely to subside soon. House prices have been correcting for almost two years and many of the excesses of the boom appear to have been largely corrected. Outside of housing, the U.S. economy appears to lack the type of major dislocations that tend to set up an economy for recession. The previous expansion was rather anaemic by historical standards, and as we have not had a major investment boom, corporate balance sheets appear to be broadly in good shape. Additionally, the decisive action from the Fed should help insulate other parts of the economy from the credit crisis.

Additional easing from the Fed still seems likely but we feel the U.S. Treasury market is fully priced to reflect this. As a result, we retain a moderate underweight duration position within the U.S. with a bias for a steeper curve. Remaining with the bond markets, we prefer the Eurozone region to the U.S. The Eurozone curve is flatter and offers higher yields than the U.S. as the ECB has not cut rates since the start of the crisis and has maintained a rather hawkish rhetoric. Economic data has been supportive of this stance of late, with manufacturing remaining fairly robustly (particularly in Germany) and few signs of a genuine credit crunch. At the same time, inflation has come in higher than expected and now stands at a post-EMU record of 3.5%. Still, in our view the risks to the Eurozone economy remain on the downside and moderate rate cuts later in 2008 seem likely. More importantly, in the case of a deep U.S. recession – which is not our central scenario but one that would provide additional challenges for our substantial allocations to non-government sectors – we would expect weaker global and European growth and a strong performance from Eurozone government bonds in particular. In an adverse economic environment, the potential for European bonds to outperform seems substantial. Thus, we maintain an overweight to the five-year part of the Eurozone curve.

We continue to believe that the biggest opportunity in fixed income markets is in non-government sectors, particularly in European financials, U.S. high yield and agency mortgages. Financials, especially subordinated issues, have been among the hardest hit sectors. 'Mark-to-market' valuations moved further against us in March as spreads widened and drove prices lower. We believe this to be something of a shorter-term technical price move as the market copes with forced sales and an unwillingness of investors to take on risk positions. The focus has shifted from finding underlying fundamental value within issues to a general unwillingness to trade – largely regardless of price.

The other key currency position in place is to be overweight the U.S. dollar versus the euro. The reasoning behind this is twofold: firstly, we have an outright preference for the U.S. dollar. Under our core scenario it is likely that non-government sectors within the U.S. that have been hit hard by recent woes will gain a market bid and therefore underpin the U.S. dollar. Secondly, the position should provide a hedge against our core scenario. Should the U.S. slow down more rapidly than we anticipate, we believe that European interest rates would have to be reduced much more aggressively relative to what the market has priced for, and converge somewhat with those of the U.S. This would reduce the recent momentum of interest support towards favouring the euro.

Turning to the Japanese market, we retain a moderate underweight to Japanese government bonds on valuation grounds and prefer to invest in the Eurozone region as noted previously. In regards to the currency market, we favour being long the Japanese yen as something of a diversifying position against our core scenario.

Investment Manager's Report

As at 31 March 2008

Asian Fixed Income Review

Market Review

The JPMorgan Asia Credit Index (JACI) was down 0.11% in March, underperforming U.S. Treasuries. The Asian market for the U.S. dollar weakened as a result of continued concerns in the global credit markets. This was particularly true in the financial sector, although there was some recovery in the latter half of the month following announcements of a rescue plan for Bear Stearns, and fiscal and administrative measures to prevent a further decline in U.S. subprime and mortgage markets. In line with continued preference for lower-risk assets, the sovereign sector outperformed. In particular, the non-investment grade sovereign sector outperformed with a rise of 1.34%. The noninvestment grade corporate sector lagged the market with a 2.7% decline. Asian local currency markets were generally weaker on news of higher inflation in most countries, as well as concerns about increases in government spending. However, Asian currencies strengthened against the U.S. dollar. As a result, the HSBC Asian Local Bond Index still managed to end the month 1.26% stronger.

Within the non-investment grade external debt sector, the sovereign and quasi-sovereign sectors outperformed, benefiting from a move away from more risky sectors. The spreads in these two sectors widened only slightly, by seven and 17bps, respectively. In particular, spreads on the Philippines narrowed, outperforming all other Asian countries. Investors were encouraged by evidence of more improvements in the fiscal and external sectors. The government budget recorded a deficit of PHP13.9 billion in January, a better-than-expected performance that was due to stronger tax collections and a one-off asset sale of the government's stake in Meralco for PHP9 billion. Exports rose 6.4% in January after strong 21% growth in December, while remittances from overseas Filipino workers (OFWs) picked up strongly to grow by 15% in January. The balance of payments recorded a surplus of USD1.04 billion in February, up sharply from USD216 million. Helped by the continued strength in remittances from OFWs, the Philippines' foreign reserves grew 3.7% m/m in February to a record USD36.09 billion.

The Asian non-investment grade corporate market sold off in March, and the Asian Non-financial High Yield Index lost 2.3%. Spread on the Index widened out to 840bps and the yield on the index is now 10.8%. Interestingly, the cash vs. Credit Default Swap (CDS) market bifurcated as the Itraxx Asia HY Index, which measures CDS spread, actually rebounded in the latter part of the month after hitting an intra-month wide of +645bps, to finish the month at +556bps. Once again, the weakness in Asia was predominantly attributable to heaviness in the U.S. market, with the collapse of Bear Stearns, the blow-up of Carlyle group, weak economic data and continued fears of a U.S. recession continuing to weigh down on the Asian market. Liquidity remained poor in the cash bond market, with most bonds down two to five bps, predominantly in the Chinese property sector, despite good 2007 earnings being reported. Indonesian corporates were hit by the Corruption Eradication Commission's threat to seize some of Ciliandra's assets (subsequently dropped), and Gajah Tunggal also faced corruption allegations. BLT suffered as well, as its auditor highlighted a breach of covenants on some of BLT's loans. There was no new high yield issuance in March, although several companies began testing the water with non-deal road shows. Corporate results, however, continue to be good; some examples include Sino Forest (34% rise in earnings), Ciliandra (+135%), PGN (+29%), Indosat (+24%) and Arpeni (+29%).

The Asian investment-grade corporate bond market recovered in the second half of March, thanks to better market sentiment that was underpinned by the Fed's massive liquidity injection. This followed concerns earlier in the month on the U.S. economic outlook, continued de-leveraging by funds and brokers in the market and the sale of Bear Stearns. The Asian Itraxx IG Index widened out by 56bps to 223bps in the first half of March before narrowing back by 51bps to 172bps at the end of the month. The JACI IG Corporate Index also reflected similar trends, widening out by 42bps from the end of February to mid-March, before coming back by 18bps at the close of the month. There were no new USD issues in the Asian investment grade space for the month. Nevertheless, the firmer tone in the market in the second half of March generated some interest among potential new issuers. Going forward, it appears that the concerns arising from a sharp slowdown in the external environment have eased somewhat, and there could be some new issuance activity coming onto the market.

There were several credit developments in March. Hutchison (A3/A-) reported a 2007 earnings increase of 53% at HKD30.6 billion, reflecting strong EBIT growth, reduced 3G loss and similar one-off gains. Net debt dropped to HKD129.8 billion from HKD152.6 billion one year ago, thanks to the sale of Hutch-Essar in India, which resulted in net debt/equity at 0.36x, down from 0.53x in 2006. IOI Corp. (A3/BBB+) had its BBB+ rating taken off Watch Negative and affirmed with a Negative outlook, due to concerns about its aggressive approach to growth and acquisitions, with leveraged investments in overseas higher-end property developments. This can also be seen as an acknowledgment of the strength in the crude palm oil cycle, which mitigates the higher leverage in the group. Bank Mandiri (B1/BB-) obtained USD700 million in loans from four overseas banks to refinance debt and expand its business. The bank had earlier planned to sell USD300 million in bonds. Wharf Holdings (Baa2/BBB) reported 2007 earnings up 22% to HKD13 billion, on the back of strong properties sales and a revaluation gain on its investment properties.

Investment Manager's Report

As at 31 March 2008

In the local currency bond markets, performance was mixed. Higher yields attracted both long-term domestic investors and foreign funds. However, gains were limited by concerns about rising inflationary pressures that are likely to limit the scope for interest rate easing in most Asian countries. There were concerns that supply-side inflation pressures could persist and even spread to the broader economy and therefore limit the scope for monetary policy easing in Asian countries. This concern was particularly manifested in the Indonesian domestic market, which was additionally affected by concerns that high oil prices would put an additional strain on the fiscal budget due to the country's subsidies on energy consumption. A strong recovery in Asian currencies during the second half of the month helped them end the month only slightly lower than the USD, based on the view that Asian central banks would tolerate a strengthening of their currencies to mitigate the impact of supply-side induced imported inflation.

Outlook and Strategy

The strong recovery in Asian external debt during the second half of March created hope that the weakness in the market is nearing an end. This is reflected by the broad tightening of spreads in the various credit-related swap index markets as well as the broader credit markets globally. We could see the recovery spreading to the cash bond markets next, once more normal levels of liquidity return to the markets. A large part of the recent weakness in Asia was due to contagion effects from overhanging concerns about the effects of the U.S. subprime market and a possible slowdown in the U.S. economy. Macroeconomic fundamentals in Asia remain supportive of the Asian bond markets. As such, our portfolios remain well-invested and are well-positioned to take advantage of a sustained recovery in the market. In addition, the portfolios continue to enjoy a huge yield advantage of 300 to 400bps over government bonds, and deposits that will provide a buffer for any weakness in bond prices. On portfolio allocation, we continue to maintain a slight underweight duration in the Asian USD-denominated sector. We are likely to continue maintaining a sector spread position by being overweight duration in the non-investment grade sector versus an underweight in the investment-grade sector. Asian portfolios will remain invested in high-grade and high-yield corporate bonds as we continue to be constructive on selective issues in these sectors over the near- to medium-term. We also believe that these sectors would benefit if global credit markets continue their recovery. We remain selectively constructive on Asian investment-grade corporate names that have good relative value underpinned by good credit fundamentals and still healthy earnings outlooks. The high yield market continues to look oversold in certain sectors. There are specific sectors/credits that could perform well in the short- and medium-term, including Indonesian coal, palm oil and commodity-related companies.

We maintain our structural view that most Asian currencies should continue to perform well under the influence of strong external balances, although sentiment could dampen if the slowdown in export growth worsens. Overall, we have not changed our view that fundamentals remain supportive of local currency markets. In addition, Asian central banks, having to balance slower economic growth and rising inflationary pressures, are likely to rely more on stronger currencies to curb imported inflation. Our strategy continues to be diversifying our Asian currency exposure given the potential for volatility in some currencies. Turning to local interest rates, we expect steady monetary policy in most south and southeast Asian countries due to fresh concerns about slower growth in 2008 and significantly lower current U.S. interest rates. However, rising inflationary pressures could push back the timing of any interest rate easing. There will be concerns about bond supply as well, especially at the longer end of the curve, given the prospects of infrastructure spending and several governments' ongoing programs to extend the duration of their debt profile. The interest rate curves in south and southeast Asian countries are thus likely to have a bias to stay unchanged or steepen. We therefore continue to favour the short or middle part of the curve. In northeastern markets, especially China and Taiwan, we expect monetary policy to remain tight, but with the scope for further hikes now reduced. On a prospective total return basis, we continue to favor high-yield markets including the local currency bond markets of Indonesia, the Philippines and India. We continue to have exposure in Thailand as the lifting of capital controls should bode well for Thai markets and eventually the baht.

Investment Manager's Report

As at 31 March 2008

Singapore Fixed Income

Market Review

The Singapore bond market was mixed in March with Singapore Government Securities (SGS) recording positive returns while both government agency bonds and corporate credits delivered negative performance. The UOB Singapore Government Bond All Index gained 0.48% while the HSBC Non-Government Singapore Bond Index declined 0.41% for the month.

Amidst deepening gloom and doom on the global economic outlook and a sharp rise in risk aversion, SGS – like U.S. Treasuries – benefited from continued flight-to-safety bids. The interbank was flush with liquidity as a result of ever increasing provisioning needs for reserve requirements. This helped support bank demand for SGS, and was a key positive for the securities. Consequently, SGS yields were mostly lower across the curve, with a steepening bias as the back end was held back by the still stubbornly high inflation trend. The auction of SGD2.5 billion new five-year SGS benchmark received a lukewarm reception with a low bid cover ratio of 1.65 times and a rather long sevenbp tail. Overall, this was a non-event for the market. Benchmark yields for two-, five- and ten-year SGS were lower by 26bps, 10bps and 12bps, respectively, while 10- and 20-year SGS yields rose four and 12bps. The 2/10 SGS yield slope increased an additional 14bps during the month.

Risk aversion intensified through the month and extreme market pessimism abounded, leading swap spreads sharply wider. Most non-SGS bonds (including Statutory Board credits) subsequently experienced very sharp mark-downs in prices, among the most aggressive price cuts by market makers since the onset of the global credit crisis. As a result, credit spreads of most corporate papers and agency credits widened to historically unprecedented levels. For the month, two-, five- and ten-year swap spreads widened 32, 16 and 17bps, respectively. Meanwhile, the financial credits at the epicenter of the crisis went through another dramatic increase in their risk premiums. Primary market activity significantly slowed, apparently due to balance sheet constraints of several investment banks. Only SGD505 million of new bond issuance was reported. CapitaLand was the only significant name, tapping SGD305 million in two-year bonds out of its Medium Term Note (MTN) program for two of its REIT structures.

Economic data for the month were mixed. Industrial production and non-oil domestic exports rebounded strongly to 11.7% in January and 7.3% in February, up from a contraction of 1.7% and a mere 2.8% from previous months. Purchasing Managers Index (PMI) declined for the fourth consecutive month, falling below the critical 50 point level to 49.4. CPI inflation remained elevated, declining only slightly to 6.5% in February from 6.6% in January.

Outlook and Strategy

The debate continues about the vulnerability and possible extent of a slowdown in the Singapore economy amid rising risk of a protracted U.S. recession. At the same time, questions also abound on whether the ongoing elevated domestic inflation trend would moderate as expected when the basis effects due to the 2% GST hike fall out in the second half of the year, or if it would become more entrenched. As a result, views on the 'appropriate' monetary policy response have become complicated. The rebound in industrial production since last year, helped by more positive performance in the volatile pharmaceutical sector, suggests the prospect for a strong 1Q08 GDP outcome. Nevertheless, there are an equal number of economic indications pointing to a more modest pace of growth for Singapore over the course of the year. The local economy is open not just to trade but also to financial flows. Consequentially, the services sector has already softened rather significantly since the onset of the financial market turmoil and the global credit crisis last year. The latest PMI data have also dipped below the critical 50 point level. This hints that the manufacturing sector may resume a trend toward contraction, and in turn, further compound the already weak export showing. Nevertheless, the current business cycle for Singapore is founded on strong investment demand in the construction sector, which is expected to remain robust. A severe slide in growth similar to what was seen in 2003 is therefore likely to be avoided. Several key projects should continue to help the construction sector remain a significant contributor to the country's overall growth. These include two integrated resorts, chemical plants in the Jurong Island and the Mass Rapid Transit railway extension, which is already implemented and well underway. The need to invest in relevant facilities to support the country's recently successful bid to host the first Youth Olympics in 2010 should also be a key element in maintaining a strong construction sector. All things considered, the base case is still likely for Singapore's GDP this year to be near its potential trend growth rate, officially estimated at 4% to 6%.

Investment Manager's Report

As at 31 March 2008

Inflation clearly remains more of an issue and challenge for Singapore. Recent CPI inflation readings have consistently exceeded upwardly revised official forecasts, with the latest reading at a 26-year high of 6.5%. Although surging international oil and food prices have heavily impacted the inflation trend in Singapore (just as in several other countries), such price pressures account for only half of the sharp increase in the country's CPI reading. The other significant source of upside pressure is domestically generated and is due mostly to capacity bottlenecks in the economy, particularly in the property sector. Tight labour market conditions in an economy operating at full employment and rising wages are also exacting considerable upside pressure on general price levels. The continuing and unrelenting surge in global energy and food prices are obviously not helping. The easing of growth to potential trend rate is therefore unlikely to be sufficient to meaningfully normalize the country's inflation trend back to its long-term average level of 1% to 2%. Even though inflation is expected to moderate in the second half due to GST base effects falling out, we maintain our view that since exchange rate policy is the main monetary policy tool, the Monetary Authority of Singapore (MAS) may have to implement further de facto tightening in its upcoming April meeting. The willingness of the MAS to tighten may be somewhat hampered by a deepening gloom on global growth prospects and concern for a further loss in competitiveness. A policy adjustment may be to widen the policy band the SGD NEER trade at instead of directly sanctioning a faster appreciation path of the SGD to contain externally driven price pressures.

On strategy, our preference is to remain broadly neutral on duration positioning with a tactical trading bias, overweighting when yields rise and underweighting when yields fall. We continue to be comfortable with our allocations to credits for carry and with maintaining curve exposures that generally reflect a steepening bias. With upside pressure on inflation likely to persist and current SGS yields trading below their ten year averages, SGS valuation is not attractive on fundamental grounds. However, the favourable demand/supply technicals should limit a severe market correction. There are only four new issues expected in 2008 (according to the SGS 2008 auction calendar) compared to six in 2007, the outlook is for more strength in the SGD, and bank demand is expected to increase due to the need for higher reserve requirements amid continuing excess liquidity. We continue to be of the opinion that the steepening bias of the yield curve remains intact given upside inflationary risks. In terms of relative value opportunities against other non-Singapore bond markets, while a temporary flight-to-quality may continue to disproportionately benefit U.S. Treasuries (UST), the current UST yield differential vis-à-vis SGS is only fair. We think that there is a better risk/reward opportunity in relative value allocation to Australian government bonds out of SGS. We believe Australia's monetary policy tightening cycle has peaked and that there is scope for its domestic bonds to retrace its multi-year relative underperformance.

Valuation of corporate credits, having been continually widening, is fundamentally attractive especially vis-à-vis the government bond sector. The recent sell-off in bond swap spreads is technically driven by extreme market panic related broad-based global risk-reduction activities. Corporate balance sheets are solid and should be able to withstand slower macroeconomic growth. While earnings trends should moderate compared to previous years, they remain positive. We believe current credit spreads have priced in not just a global recessionary backdrop but also an outlook for significant corporate defaults. Hence, we continue to be confident of our overweight allocation to corporate credits. Credit spreads should grind tighter over time on subsiding risk aversion. In addition, the new Minimum Liquid Assets (MLA) framework for Singaporean banks, which has finally been implemented after a long delay, should be positive for corporate credits. This would especially be the case for issues explicitly rated by international credit rating agencies, as they would be considered eligible assets for MLA computation on a risk-weighted basis. To this end, while there may be additional corporate issuance in the pipeline that would sustain the recent trend of wider spreads, we view such credit spread expansion episodes as opportunities to selectively add to our allocation of corporate papers.

Investment Manager's Report

As at 31 March 2008

Asian Equities

Market Review

The bottoming out process of a bear market is necessarily messy. Even so, there is consistency in the convulsion that serves as helpful signposts.

Every crisis is marked by the failure of one or more hitherto high flying firms. The bottom is usually marked by such a climatic event, so significant the lack of governmental involvement would pose a real systemic threat. Secondly, regulatory response is overwhelmingly massive relative to the perceived systemic threat. The intention of such a massive response is to leave no doubt that the regulators will do whatever it takes to safeguard the integrity of the financial system. Lastly, sweeping regulatory changes are introduced to insure the same mistakes do not recur in the future.

We have had a lot of drama this month in stock markets all over the world, and much of the substance of the bottoming out process has been played out in recent weeks. Like Enron, Worldcom and LTCM, the demise of Bear Sterns marks an important milestone in this subprime-turned-mainstreet crisis. It is always treacherous to predict a bottom, but it is quite possible that it has taken a "Bear" to end this bear market. It matters little how ridiculous a bargain JP Morgan got for Bear Sterns, or why the Fed opened the liquidity window to investment banks only after Bear Sterns was brought to its knees. What matters is that the Fed's massive response insures the end of the liquidity crunch, and possibly marks the peak in solvency risks. Stock markets should begin to adopt a more rationale trading pattern in the hope that the worst point in this crisis might very well be behind us. This by no means signals the end of the subprime/SIV/mortgage crisis. The economic ramifications will require time to work through. The news will continue to be bad. If stocks rally in spite of bad news, it will be a confirmation that stock market recovery is underway. The explosive rally following UBS' announcement of a USD19b capital raising is therefore encouraging.

In spite of the gut wrenching turmoil we have had to endure in the past nine months, it is significant to note that the S&P 500 index has tested but not breached 1250 on three occasions. The US stock market has seen some measure of stability restored post the Bear Sterns rescue. This has not been the case for Asia unfortunately. The undertone of the Asian stock markets remain emotionally charged. Stocks have continued to sell off, and rallies have been weak compared to those in the US and in Europe. Asia historically acts as a warrant on global risk, and with risk aversion beginning to roll over, it is unusual the rally in Asian equities has been so muted. The explanations we are given tend to be anecdotal rather than fundamental. There remains much portfolio restructuring and deleveraging. It is also possible that global investors who have had oversized allocation to Asia through the multi year rally are now cutting back to a more normalized level. The concern about inflation being at elevated levels is valid, but it is unclear if this is the reason why Asia is lagging the other parts of the world. These explanations are mostly conjecture. We see no reason why long established historical patterns should change, especially since Asia remains in good shape fundamentally. Beyond the erratic, near term price action, and once the selling exhausts itself, Asian stock markets will take its cue from the US stock market, and a more discernable recovery should begin. Much of the froth associated with the bull run of prior years have now been removed. The MSCI Asia ex Japan Index is down 20% from its peak in 2007. This extended bout of selling could very well just be a correction of the multi year bull run, and like most such corrections, a 30% fall from the peak would mark a completion of the corrective phase. We rate the probability of Asia testing the final 10% downside as under 50%. Given our view on the US market, it is hard to imagine that Asia will de-couple in the recovery process, and head in the opposite direction. After all is said and done, Asia will still be one of few places offering respectable growth at bargain valuations.

The carnage of the past nine months has done much good to valuation across Asian stock markets. Based on trailing price-earnings multiple, one fifth of the MSCI Far East ex Japan index is now trading below the dot com crisis levels. Another one third is trading at about the dot com crisis levels. A comparison with the dot com crisis is appropriate; both crises did not originate in Asia. Unlike the dot com crisis however, the direct subprime/SIV impact on Asian corporates have been far less than during the maddening days of the late 90s when just about anyone with some IT skills harbored the ambition of being the next dot com millionaire. The fact that over 50% of the index is now trading at or below those historically distressed valuations is therefore significant.

Investment Manager's Report

As at 31 March 2008

Outlook & Strategy

In summary, we are relatively comfortable with where valuations are at right now for Asian equities, and with the fact that the bear market in the US is in its advanced stages. Our portfolios have been tilted in favour of a rebound. Our steady increase in exposure to interest rate sensitive stocks reflects that stance. The other key themes in our portfolio have been Taiwan reflation, and commodities. Taiwan has been our single largest country bet, and it has worked out well this year. With the election of the new KMT president, economics and China related priorities will take precedence over irrational domestic politics. Although the initial euphoria over the elections has dissipated, we see little cause for concern, and expect Taiwan to resume its outperformance when the new President assumes office in May. Our commodity bets have worked out well for many quarters now, but have detracted from our performance this month. The recovery of the US dollar, and the reversal of the "short financials, long commodities" trade have taken the shine off the sector. This notwithstanding, we continue to believe in the supply led, structural growth story of the commodity sector. This is the crux of the prevailing inflation concern, as it relates to China and India in particular. Inflation concerns, and possible governmental response will serve as headwinds to the Asia's stock market recovery. Because the issue is about supply bottlenecking rather than excessive demand, there is realistically little that governments can do to alleviate the pressure in the short term. This will not stop them from trying. The Indian government in particular has a habit of directly intervening through price and supply mechanisms. With the Indian government stating it might have to sacrifice growth to combat inflation, the risk on interest rates is now on the upside. We are reviewing our Indian weighting as a consequence.

Legg Mason Asian Enterprise Trust

Legg Mason Southeast Asia Special Situations Trust

Legg Mason Funds

Legg Mason Global Bond Trust

Legg Mason Asian Bond Trust

Legg Mason Singapore Bond Fund

CitiSelect Funds

Report to Unitholders

As at 31 March 2008

Investment Allocation as at 31 March 2008

<u>By Country</u>	Market Value in SGD	% of NAV
Australia	7,349,584	2.42
Bermuda	3,714,277	1.22
China	43,725,562	14.41
Hong Kong	58,256,443	19.20
Indonesia	7,992,441	2.64
Macau	1,832,304	0.60
Mauritius	7,067,610	2.33
Singapore	14,546,730	4.80
South Korea	71,794,942	23.66
Taiwan	81,039,660	26.71
Portfolio of investments	297,319,553	97.99
Other net assets	6,101,013	2.01
Total	303,420,566	100.00

<u>By Industry</u>	Market Value in SGD	% of NAV
Agriculture	10,206,194	3.36
Bank	21,490,518	7.08
Building and construction	15,155,534	5.00
Cement	3,653,239	1.20
Chemical	933,546	0.30
Computer and software	18,655,608	6.15
Consumer	3,257,657	1.07
Construction	3,238,155	1.07
E-commerce	6,604,400	2.18
Educational services	4,829,116	1.59
Electrical and electronic	27,123,925	8.94
Engineering and machinery	6,154,380	2.03
Finance	36,960,797	12.18
Industrial	6,918,871	2.28
Insurance	4,607,459	1.52
Iron & steel	4,641,134	1.53
Material	806,760	0.27
Manufacturing	1,181,871	0.39
Metal	4,905,480	1.62
Metal refining	7,198,604	2.37
Mining	9,244,062	3.05
Miscellaneous	1,580,825	0.52
Oil and gas	5,412,112	1.78
Property	3,130,690	1.03
Real estate	34,120,451	11.25
Retail	6,220,356	2.05

Report to Unitholders

As at 31 March 2008

By Industry (cont'd)

	Market Value in SGD	% of NAV
Semiconductor	707,890	0.23
Services	6,617,630	2.18
Telecommunication	27,088,274	8.93
Textiles	8,611,671	2.84
Tire and rubber	280,114	0.09
Transport	5,782,230	1.91
Portfolio of investments	297,319,553	97.99
Other net assets	6,101,013	2.01
Total	303,420,566	100.00

By Asset Class

	Market Value in SGD	% of NAV
Equities	297,319,553	97.99
Portfolio of investments	297,319,553	97.99
Other net assets	6,101,013	2.01
Total	303,420,566	100.00

Top 10 Holdings

Holdings as at 31 March 2008

	Market Value in SGD	% of NAV
China Mobile Limited	12,866,215	4.24
Samsung Electronics Co Limited	11,307,702	3.73
Yuanta Financial Holdings Co Limited	10,371,416	3.42
Industrial And Commercial Bank of China H Shares	10,050,683	3.31
Far Eastern Textile Limited	8,611,671	2.84
Chunghwa Telecom Co Limited	7,902,645	2.60
Singapore Exchange Limited	7,882,500	2.60
Straits Resources Limited	7,349,584	2.42
Golden Agri-Resources Limited	7,067,610	2.33
Sun Hung Kai Properties Limited	7,051,012	2.32

Holdings as at 31 March 2007

	Market Value in SGD	% of NAV
Samsung Electronics Co Limited	10,822,522	4.39
Huabao International Holdings Limited	8,432,689	3.42
Golden Hope Plantations Bhd	7,727,438	3.13
Taiwan Semiconductor Manufacturing Co Limited	6,669,874	2.70
UEM World Bhd	5,999,519	2.43
Jiutian Chemical Group Limited	5,467,440	2.22
Guangzhou Shipyard International Co Limited H Shares	5,017,710	2.03
Sino-Environment Technology Group Limited	4,899,400	1.99
Kookmin Bank	4,677,226	1.90
Gallant Venture Limited	4,665,550	1.89

Report to Unitholders

As at 31 March 2008

Exposure to Derivatives

Nil for the period under review

Investment in other unit trust, mutual funds and collective investment schemes

Nil as at 31 March 2008

Borrowings

Nil as at 31 March 2008

Amount of Redemptions and Subscriptions

For the period 1 April 2007 to 31 March 2008

	SGD
Redemptions	\$265,467,587
Subscriptions	\$348,655,663

Related Party Transactions

For the period 1 April 2007 to 31 March 2008

Refer to Note 10 of the "Notes to the Financial Statements".

Performance

	Legg Mason Asian Enterprise Trust*	Benchmark
3-month	-22.26%	-16.34%
6-month	-26.35%	-20.23%
1-year	-1.58%	+7.03%
3-year	+18.62%	+16.51%
5-year	+22.36%	+22.67%
10-year	+11.03%	+8.25%
Since inception	+7.77%	+4.56%

* Average Annual Compounded Return for periods above one year, bid to bid with dividends reinvested

Benchmark : MSCI AC Far East ex Japan (S\$)

The inception date was 27 September 1995

Source : Legg Mason International Equities (Singapore) Pte Limited and Lipper

Report to Unitholders

As at 31 March 2008

Expense Ratio

For the period 1 April 2007 to 31 March 2008	1.82%
For the period 1 April 2006 to 31 March 2007	1.81%

The expense ratio was calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios.

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received.

Turnover Ratio

For the period 1 April 2007 to 31 March 2008	152.07%
For the period 1 April 2006 to 31 March 2007	152.64%

The turnover ratio was calculated in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Trust expressed as a percentage of daily average net asset value.

Other Material Information

With effect from July 2007, the Fund has changed from Bid-Offer to NAV-NAV pricing.

Soft Dollar Commission/Arrangements

The Investment Manager shall be entitled to and currently do receive and enter into soft dollar commissions or arrangements in respect of the Trust. The Investment Manager will comply with applicable regulatory and industry standards on soft dollar commissions or arrangements. The soft dollar commissions or arrangements include specific advice as to the advisability of dealing in, or as to the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis, and custodial services in relation to the investments managed for clients.

Soft dollar commissions or arrangements shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payments.

The Investment Manager will not accept or enter into soft dollar commissions or arrangements unless (a) such soft dollar commissions or arrangements would, in the opinion of the Investment Manager, assist the Investment Manager in its management of the relevant Fund, (b) the Investment Manager shall ensure at all times that transactions are executed on the best available terms taking into account the relevant market at the time for transactions of the kind and size concerned, and (c) no unnecessary trades are entered into in order to qualify for such soft dollar commissions or arrangements.

All goods and services acquired with the soft dollar commission were for the benefit of the Trust. The broker(s), who has executed trades for other funds managed by the Investment Manager, had executed the trades on best available terms and there was no churning of trades.

Legg Mason Asian Enterprise Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Report of the Trustee

The Trustee is under a duty to take into custody and to hold the assets of Legg Mason Asian Enterprise Trust (the "Fund") in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of the Statement of Recommended Accounting Practice 7 "Reporting Framework for Units Trusts" issued by the Institute of Certified Public Accountants of Singapore and the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the year covered by these financial statements set out on pages 19 to 32, comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee

HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

Authorised Signatory

20 June 2008

Legg Mason Asian Enterprise Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Statement by the Manager

In the opinion of the directors of Legg Mason International Equities (Singapore) Pte Ltd (the "Manager"), the accompanying financial statements set out on pages 19 to 32, comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of Legg Mason Asian Enterprise Trust (the "Fund") as at 31 March 2008 and the total return for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of directors of

LEGG MASON INTERNATIONAL EQUITIES (SINGAPORE) PTE LTD

Director
Legg Mason International Equities (Singapore) Pte Ltd

20 June 2008

Independent Auditor's Report To The Unitholders of Legg Mason Asian Enterprise Trust

(Constituted under a Trust Deed in the Republic of Singapore)

We have audited the financial statements of Legg Mason Asian Enterprise Trust (the "Fund") set out on pages 19 to 32, which comprise the Balance Sheet and Portfolio Statement as at 31 March 2008, the Statement of Total Return for the year then ended and a summary of significant accounting policies and other explanatory notes.

Manager's Responsibility for the Financial Statements

The Fund's Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Fund's Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at 31 March 2008 and the total return for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

PricewaterhouseCoopers
Public Accountants and Certified Public Accountants

Singapore, 20 June 2008

Statement of Total Return

For the financial year ended 31 March 2008

	Notes	31/3/2008 \$	31/3/2007 \$
Investment income			
Dividends		4,844,389	4,100,216
Interest income		88,052	46,727
		4,932,441	4,146,943
Less: Expenses			
Audit fee		13,983	14,438
Custody fees	10	233,684	181,470
Management fees	10	5,547,147	3,462,712
Trustee fees	10	280,927	178,372
Registration fees	10	44,480	30,131
Professional fees		42,578	26,951
Valuation fees	10	98,516	64,257
Other expenses		48,003	13,548
		6,309,318	3,971,879
Net investment income		(1,376,877)	175,064
Net gains or losses on value of investments			
Net realised gains on investments		48,203,235	42,590,466
Net change in fair value on investments		(71,592,459)	4,904,730
Net foreign exchange losses		(1,009,995)	(695,087)
Net (losses)/gains on value of investments		(24,399,219)	46,800,109
Total (deficit)/return for the financial year before income tax		(25,776,096)	46,975,173
Less: Income Tax	3	(725,499)	(555,373)
Total (deficit)/return for the financial year		(26,501,595)	46,419,800

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

Balance Sheet

As at 31 March 2008

	Notes	31/3/2008 \$	31/3/2007 \$
ASSETS			
Portfolio of investments		297,319,553	240,322,459
Cash and bank balances	5	7,182,657	6,176,749
Receivables	6	2,666,007	1,464,759
Sales awaiting settlement		10,789,167	-
Total assets		317,957,384	247,963,967
LIABILITIES			
Payables	7	3,319,373	1,229,882
Purchases awaiting settlement		11,217,445	-
Net assets attributable to unitholders	8	303,420,566	246,734,085
Total liabilities		317,957,384	247,963,967

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

Portfolio Statement

As at 31 March 2008

	Holdings as at 31/3/2008	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %
By Geography - Quoted Equity Investments			
Australia			
Straits Resources Limited	956,149	7,349,584	2.42
Bermuda			
China Lotsynergy Holdings Limited	48,220,000	3,714,277	1.22
China			
Aluminum Corp of China Ltd H Shares	1,990,000	4,411,794	1.45
Anhui Conch Cement Co Limited H Shares	390,000	3,653,239	1.20
Bank of Communications Limited H Shares	2,072,000	3,327,782	1.10
China Life Insurance Co Limited H Shares	628,000	2,980,247	0.98
China Petroleum & Chemical Corporation H Shares	2,180,000	2,567,059	0.85
China Telecom Corp Limited H Shares	3,946,000	3,402,858	1.12
Industrial And Commercial Bank of China H Shares	10,511,000	10,050,683	3.31
Jiangxi Copper Company Limited H Shares	1,075,000	2,786,810	0.92
New Oriental Education & Technology Group	54,100	4,829,116	1.60
Parkson Retail Group Limited	331,000	3,821,496	1.26
Zijin Mining Group Co Limited H Shares	1,438,000	1,894,478	0.62
		43,725,562	14.41
Hong Kong			
Cheung Kong Holdings Limited	160,000	3,130,690	1.03
China Agri Product Exchange Limited	8,260,000	1,243,245	0.41
China Mobile Limited	628,000	12,866,215	4.24
China Overseas Land & Investment Limited	1,160,000	2,916,783	0.96
China Unicom Limited	1,008,000	2,916,556	0.96
Cnooc Limited	1,402,000	2,845,053	0.94
Esprit Holdings Limited	72,000	1,181,871	0.40
Hong Kong Exchanges and Clearing Limited	243,500	5,760,540	1.90
Melco Lottventures Limited	22,056,000	2,890,123	0.95
Midland Holding Limited	2,272,000	3,093,802	1.02
New World Development Limited	1,102,000	3,641,255	1.20
Shougang Concord International Enterprise Limited	8,566,000	2,760,624	0.91
Star Cruise Limited	12,122,000	3,257,657	1.07
Sun Hung Kai Properties Limited	331,000	7,051,012	2.32
Zhongyu Gas Holdings Limited	20,338,000	2,701,017	0.89
		58,256,443	19.20

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

Portfolio Statement

As at 31 March 2008

	Holdings as at 31/3/2008	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Geography - Quoted Equity Investments (continued)</u>			
Indonesia			
PT Bumi Resources Tbk	6,684,000	6,154,380	2.03
PT Holcim Indonesia Tbk	10,583,500	1,838,061	0.61
		7,992,441	2.64
Macau			
AGTech Holdings Limited	17,246,000	1,832,304	0.60
Mauritius			
Golden Agri-Resources Limited	7,139,000	7,067,610	2.33
Singapore			
Cosco Corporation (Singapore) Limited	1,567,000	5,782,230	1.91
Jiutian Chemical Group Limited	2,508,000	75,240	0.02
Singapore Exchange Limited	1,051,000	7,882,500	2.60
Straits Asia Resources Limited	249,000	806,760	0.27
		14,546,730	4.80
South Korea			
Doosan Heavy Industries & Construction Co Limited	17,562	3,238,155	1.07
GS Engineering & Construction Corporation	16,510	3,331,370	1.10
Hana Financial Group Inc	53,280	2,999,097	0.99
Hana Tour Service Inc	18,648	1,302,698	0.43
Hyundai Development Co Limited	63,260	5,942,111	1.96
Hyundai Engineering & Construction Co Limited	33,870	4,043,992	1.33
Hyundai Heavy Industries Co Limited	4,210	2,167,662	0.71
Kookmin Bank	53,328	4,111,240	1.35
Korea Zinc Co Limited	12,898	2,144,856	0.71
Kumho Industrial Co Limited	4,424	280,114	0.09
LG Electronics Inc	11,233	1,985,214	0.65
LG Micron Limited	29,716	1,716,114	0.57
Macquarie Bank Limited (Stx Pan Ocean Co) Call Wts 03/07/2008	520,163	1,580,825	0.52
Mirae Asset Securities Co Limited	15,117	2,913,555	0.96
Namhae Chemical Corporation	87,250	3,138,584	1.03
Nhn Corporation	16,534	5,314,932	1.75
Posco	7,014	4,641,134	1.53
Samsung Electronics Co Limited	13,064	11,307,702	3.73
Samsung Fire & Marine Insurance Co Limited	5,732	1,627,212	0.54
Samsung Techwin Co Limited	63,227	4,751,209	1.57
Shinsegae Co Limited	2,767	2,398,860	0.79
Techno Semichem Co Limited	25,330	858,306	0.28
		71,794,942	23.66

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

Portfolio Statement

As at 31 March 2008

	Holdings as at 31/3/2008	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Geography - Quoted Equity Investments (continued)</u>			
Taiwan			
Cathay Financial Holding Co Limited	666,000	2,338,466	0.77
Chunghwa Telecom Co Limited	2,183,000	7,902,645	2.60
Epistar Corporation	749,000	2,891,527	0.95
Far Eastern Textile Limited	3,714,930	8,611,671	2.84
Firich Enterprises Co Limited	286,477	4,054,714	1.34
First Financial Holding Inc	2,769,000	4,000,813	1.32
Fubon Financial Holdings Co Limited	3,000,000	4,695,223	1.55
High Tech Computer Corporation	157,000	4,857,356	1.60
Highwealth Construction Corporation	3,192,300	6,762,954	2.23
Hon Hai Precision Industry	729,000	5,721,231	1.89
Huaku Construction Corporation	1,198,000	6,548,770	2.16
Mediatek Inc	193,000	3,502,137	1.15
Radium Life Tech Corporation	1,393,000	2,862,630	0.94
Siliconware Precision Industries Co Limited	309,000	707,890	0.23
Synnex Technology International Corporation	1,392,150	5,210,217	1.72
Yuanta Financial Holdings Co Limited	8,036,000	10,371,416	3.42
		81,039,660	26.71
Quoted Equity Investments		297,319,553	97.99
Portfolio of investments		297,319,553	97.99
Other net assets		6,101,013	2.01
Net assets attributable to unitholders		303,420,566	100.00

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

Portfolio Statement

As at 31 March 2008

	Percentage of total net assets attributable to unitholders at 31/3/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2007 %
<u>By Geography (Summary)</u>		
Quoted Equity Investments		
Australia	2.42	-
Bermuda	1.22	1.84
Cambodia	-	1.13
Cayman Islands	-	1.58
China	14.41	16.18
Hong Kong	19.20	11.87
Indonesia	2.64	1.83
Macau	0.60	1.07
Mauritius	2.33	-
Malaysia	-	7.10
Philippines	-	2.77
Singapore	4.80	11.52
South Korea	23.66	22.65
Taiwan	26.71	17.86
	<hr/>	
Portfolio of investments	97.99	97.40
Other net assets	2.01	2.60
	<hr/>	
Net assets attributable to unitholders	100.00	100.00
	<hr/>	

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

Portfolio Statement

As at 31 March 2008

	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2007 %
By Industry			
Agriculture	10,206,194	3.36	0.54
Automotives and trucks	-	-	0.49
Bank	21,490,518	7.08	8.36
Building and construction	15,155,534	5.00	4.00
Cement	3,653,239	1.20	-
Chemical	933,546	0.30	2.22
Computer and software	18,655,608	6.15	5.87
Consumer	3,257,657	1.07	3.42
Construction	3,238,155	1.07	-
Department store	-	-	0.68
Diversified resource	-	-	2.43
E-commerce	6,604,400	2.18	1.84
Educational services	4,829,116	1.59	0.96
Electrical and electronic	27,123,925	8.94	11.22
Electrical equipment	-	-	0.83
Engineering and machinery	6,154,380	2.03	-
Finance	36,960,797	12.18	5.07
Hotel	-	-	1.13
Industrial	6,918,871	2.28	2.27
Insurance	4,607,459	1.52	1.30
Internet service	-	-	0.65
Investment	-	-	2.44
Iron & steel	4,641,134	1.53	1.74
Machine tools	-	-	1.22
Material	806,760	0.27	-
Manufacturing	1,181,871	0.39	5.23
Metal	4,905,480	1.62	-
Metal refining	7,198,604	2.37	-
Mining	9,244,062	3.05	-
Miscellaneous	1,580,825	0.52	3.03
Oil and gas	5,412,112	1.78	3.19
Plantation	-	-	3.13
Property	3,130,690	1.03	-

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

Portfolio Statement

As at 31 March 2008

	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2007 %
By Industry (continued)			
Real estate	34,120,451	11.25	4.97
Retail	6,220,356	2.05	2.62
Semiconductor	707,890	0.23	2.70
Services	6,617,630	2.18	2.37
Telecommunication	27,088,274	8.93	1.55
Textiles	8,611,671	2.84	0.95
Tire and rubber	280,114	0.09	-
Transport	5,782,230	1.91	3.50
Unit trust	-	-	1.58
Utility - water	-	-	1.99
Wholesale	-	-	1.91
Portfolio of investments	297,319,553	97.99	97.40
Other net assets	6,101,013	2.01	2.60
Net assets attributable to unitholders	303,420,566	100.00	100.00

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

Notes to the Financial Statements

For the financial year ended 31 March 2008

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Legg Mason Asian Enterprise Trust (the "Fund") is an open-ended Unit Trust constituted pursuant to the Trust Deed dated 15 August 1995, as amended by various Supplemental Deeds between HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") and Legg Mason Asset Management (Asia) Pte Ltd. A Supplemental Deed dated 28 September 2006 was entered to effect the change of investment manager from Legg Mason Asset Management (Asia) Pte Ltd to Legg Mason International Equities (Singapore) Pte Ltd (the "Manager"). The Trust Deed and subsequent Supplemental Deeds are governed by and construed in accordance with the laws of the Republic of Singapore.

The principal objective of the Fund relates to holding of certain authorised investments for long-term capital appreciation.

The Fund is approved under the Central Provident Fund Investment Scheme.

2. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

The financial statements are expressed in Singapore dollars, which is the functional currency of the Fund.

(b) Income recognition

Dividend income is recorded gross in the financial statements in the accounting period which the security is quoted ex-dividend.

Interest income on deposits is recognised on a time proportion basis using the effective interest method.

(c) Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange ruling at the date of balance sheet. Foreign currency transactions during the financial period are converted into Singapore dollars at the rates of exchange ruling on the transaction dates.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from translation of foreign currency monetary assets and liabilities at balance sheet date are taken to the Statement of Total Return.

(d) Financial assets at fair value through profit or loss

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net changes in fair value on investments are included in the Statement of Total Return in the period which they arise. The resultant unrealised gains and losses are taken to the Statement of Total Return.

Notes to the Financial Statements

For the financial year ended 31 March 2008

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and taken up in the Statement of Total Return.

(e) Basis of valuation of investments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price for these investments held by the Fund is the current market quoted bid price.

(f) Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when fair values are negative.

The best evidence of the fair value of a derivative at fair value is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of the instrument is evidenced by comparison with other observable market transactions in the same instrument (i.e. without modification or packaging) or based on a valuation technique that whose variables include only data from observable markets.

3. Income Tax

	31/3/2008	31/3/2007
	\$	\$
Singapore income tax	24,976	28,639
Overseas income tax	700,523	526,734
	725,499	555,373

(a) The Fund is a designated unit trust and therefore, the following income is exempted from tax in accordance with Section 35(12) of the Income Tax Act:

- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities and transactions in foreign exchange, futures, forwards, swaps and options relating to securities, financial indices, interest rates and currencies;
- (ii) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act); and
- (iii) distribution from foreign unit trusts and dividends derived from outside Singapore and received in Singapore.

(b) The Singapore income tax represents tax deducted at source for Singapore sourced dividends. The foreign income tax represents tax deducted at source on dividends derived from outside Singapore and received in Singapore.

4. Distribution to unitholders

The Manager did not propose any distribution to unitholders for the financial year ended 31 March 2008 (31 March 2007: \$Nil)

Notes to the Financial Statements

For the financial year ended 31 March 2008

5. Cash and bank balances

	31/3/2008	31/3/2007
	\$	\$
Cash and bank balances	7,182,657	6,176,749

6. Receivables

	31/3/2008	31/3/2007
	\$	\$
Amount due from unitholders	2,049,182	1,126,491
Dividend receivables	616,825	338,268
	2,666,007	1,464,759

The carrying amounts of receivables approximate their fair values.

7. Payables

	31/3/2008	31/3/2007
	\$	\$
Amount due to unitholders	2,621,153	885,882
Accrued management fee	385,555	292,022
Accrued trustee's fee	39,889	15,012
Amount due to the Manager	7,236	1,048
Other payable and accruals	265,540	35,918
	3,319,373	1,229,882

The carrying amounts of payables approximate their fair values.

8. Net assets attributable to unitholders

	31/3/2008	31/3/2007
	\$	\$
At the beginning of the financial year	246,734,085	224,773,985
Operations		
Change in net assets attributable to unitholders resulting from operations	(26,501,595)	46,419,800
Unitholders' contributions/(withdrawals)		
Creation of units	348,655,663	36,538,438
Cancellation of units	(265,467,587)	(60,998,138)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	83,188,076	(24,459,700)
Total increase in net assets attributable to unitholders	56,686,481	21,960,100
At the end of the financial year	303,420,566	246,734,085
Units in issue (see Note 9)	125,886,958	100,696,327
Net assets attributable to unitholders per unit	2.41	2.45

Notes to the Financial Statements

For the financial year ended 31 March 2008

9. Units in issue

	31/3/2008	31/3/2007
Units at beginning of the financial year	100,696,327	112,459,730
Units created	113,837,692	16,868,116
Units cancelled	(88,647,061)	(28,631,519)
Units at end of the financial year	125,886,958	100,696,327

10. Related party transactions

As at 31 March 2008, the Manager of the Fund is Legg Mason International Equities (Singapore) Pte Ltd and the Trustee and Custodian is HSBC Institutional Trust Services (Singapore) Limited. The management fees, trustee fees, custody fees, registration fees and valuation fees paid or payable by the Fund are shown in the Statement of Total Return.

In addition to related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial period between the Fund and related parties at terms agreed between the parties concerned and within the provisions of the Trust Deed:

	31/3/2008	31/3/2007
	\$	\$
Interest income received and receivable from a bank which is a related company of the Trustee	88,052	46,727
Interest expenses incurred with a bank which is a related company of the Trustee	3,398	11

11. Financial risk management

The Fund is exposed to market risk (includes price risk, currency risk, derivatives risk, credit risk and interest rate risk) and liquidity risk through the financial instruments it holds. The risk management policies employed by the Manager to manage and monitor these risks are discussed below.

(a) Market risk

Market risk is the risk of potential adverse change to the value of financial instruments because of changes in market conditions like interest rate movements and volatility in securities prices. The Manager manages its exposure to market risk through the use of risk management strategies and various analytical and monitoring techniques.

(b) Currency risk

The assets and income of the Fund may be denominated in a number of different currencies other than the Singapore Dollar and will thus be subjected to fluctuation in currency exchange rates and in certain cases, exchange control regulations.

The Manager makes forecasts of currency levels under different scenarios based on the Manager's analysis of fundamentals, technical and valuation factors that influence currency movements. These forecasts are compared with the costs of economically hedging non-SGD currencies. Non-SGD currency exposures are usually economically hedged when the expected impact of currency movements is adverse and more than outweighs the cost of hedging.

Notes to the Financial Statements

For the financial year ended 31 March 2008

The table below summarise the currency profile of the assets and liabilities of the Fund.

As at 31/3/2008	HKD \$	KRW \$	SGD \$	TWD \$	USD \$	Others \$	Total \$
Assets							
Portfolio of investments	99,441,813	70,214,115	21,614,340	81,039,661	9,667,599	15,342,025	297,319,553
Cash and bank balances	66,094	50	4,021,286	391,312	2,115,640	588,275	7,182,657
Receivables	59,001	557,822	2,049,182	-	-	2	2,666,007
Sales awaiting settlement	-	-	5,851,917	3,629,945	1,307,305	-	10,789,167
Total assets	99,566,908	70,771,987	33,536,725	85,060,918	13,090,544	15,930,302	317,957,384
Liabilities							
Payables	-	-	3,315,049	-	4,261	63	3,319,373
Purchases awaiting settlement	-	1,371,818	4,426,499	3,838,303	1,580,825	-	11,217,445
Net assets attributable to unitholders	-	-	303,420,566	-	-	-	303,420,566
Total liabilities	-	1,371,818	311,162,114	3,838,303	1,585,086	63	317,957,384
Net balance sheet currency exposure	99,566,908	69,400,169	(277,625,389)	81,222,615	11,505,458	15,930,239	-

As at 31/3/2007	HKD \$	KRW \$	MYR \$	SGD \$	TWD \$	Others \$	Total \$
Assets							
Portfolio of investments	71,908,892	55,902,394	17,532,724	33,315,585	44,048,436	17,614,428	240,322,459
Cash and bank balances	10,670	-	-	2,863,410	1,625,912	1,676,757	6,176,749
Receivables	9,793	261,618	66,857	1,126,491	-	-	1,464,759
Total assets	71,929,355	56,164,012	17,599,581	37,305,486	45,674,348	19,291,185	247,963,967
Liabilities							
Payables	-	-	-	1,227,809	-	2,073	1,229,882
Net assets attributable to unitholders	-	-	-	246,734,085	-	-	246,734,085
Total liabilities	-	-	-	247,961,894	-	2,073	247,963,967
Net balance sheet currency exposure	71,929,355	56,164,012	17,599,581	(210,656,408)	45,674,348	19,289,112	-

In respect of investments in equity securities, the currency analysis above is based on the currencies in which the listed securities are denominated.

(c) Interest rate risk

The Fund's financial assets and liabilities are largely non-interest bearing. Hence, the Fund is not subjected to risk to fluctuations in the prevailing levels of market interest rates.

(d) Liquidity risk

Liquidity risk arises from not being able to fund redemptions or liquidate positions in a timely manner at a reasonable price. Liquidity risk exists when a particular investment is difficult to purchase or sell. These circumstances could prevent the Fund from promptly liquidating unfavourable positions and therefore resulting in losses to the Fund and corresponding decreases in the net asset value per unit. The Manager manages liquidity risk by investing primarily in marketable securities.

Notes to the Financial Statements

For the financial year ended 31 March 2008

(e) Credit risk

Credit risk is the risk of loss when a counterparty fails to meet its payment obligation. To address credit risk, the Manager has in place a stringent credit risk management process, which entails evaluating and mitigating the counterparty's credit worthiness.

(f) Derivative risk

The Fund may, subject to applicable investment guidelines in the Code on Collective Investment Schemes and the Deeds from time to time invest in derivatives, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Such assets, rates and indices may include bonds, shares, interest rates, currency exchange rates, bond indices and stock indices.

The Manager does not intend to use derivatives transactions for speculation or leverage but may use them for efficient portfolio management and to hedge existing positions. The Manager will attempt to minimize the risks through careful selection of reputable counterparties and constant monitoring of the Fund's derivatives positions.

12. Secured credit facility

The Fund has a credit facility with HSBC at 31 March 2008.

<u>Facility</u>	<u>Limit</u>
Overdraft	\$10 million

The above credit facility is secured by way of a floating charge over all assets of the Fund and is not utilised at year end.

13. Financial ratios

	31/3/2008	31/3/2007
	%	%
Expense ratio ¹	1.82	1.81
Portfolio turnover ratio ²	152.07	152.64

¹ Expense ratio is calculated in accordance with IMAS Guidelines for the Disclosure of Expenses Ratios. The expense ratio does not include (where applicable) brokerage and other transaction costs, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fees.

² Portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes".

Legg Mason Asian Enterprise Trust

Legg Mason Southeast Asia Special Situations Trust

Legg Mason Funds

Legg Mason Global Bond Trust

Legg Mason Asian Bond Trust

Legg Mason Singapore Bond Fund

CitiSelect Funds

Report to Unitholders

As at 31 March 2008

Investment Allocation as at 31 March 2008

<u>By Country</u>	Market Value in SGD	% of NAV
Australia	25,498,070	5.62
Cayman Islands	5,761,524	1.27
China	7,237,101	1.59
Hong Kong	30,214,419	6.65
India	30,173,884	6.64
Indonesia	58,731,870	12.92
Luxembourg	10,496,836	2.31
Malaysia	14,475,304	3.19
Philippines	2,683,297	0.59
Singapore	148,898,555	32.78
Thailand	72,730,768	16.01
Portfolio of investments	406,901,628	89.57
Other net assets	47,391,499	10.43
Total	454,293,127	100.00

<u>By Industry</u>	Market Value in SGD	% of NAV
Agriculture	14,328,883	3.15
Airline	1,360,204	0.30
Bank	39,899,820	8.78
Building and construction	39,310,745	8.65
Chemical	19,846,198	4.37
Computer and software	1,020,000	0.22
Consumer	23,391,214	5.15
Diversified resource	5,988,179	1.32
Electrical and electronic	13,658,134	3.01
Electrical equipment	6,127,650	1.35
Engineering and machinery	15,786,685	3.47
Finance	26,482,072	5.83
Food	13,624,056	3.00
Material	11,803,320	2.60
Manufacturing	2,590,681	0.57
Metal	15,983,786	3.52
Mining	12,248,517	2.70
Miscellaneous	16,213,967	3.57
Oil and gas	5,114,569	1.13
Real estate	53,490,726	11.77
Rubber	7,436,430	1.64
Services	4,822,650	1.06
Telecommunication	2,390,798	0.53
Transport	32,226,820	7.09

Report to Unitholders

As at 31 March 2008

By Industry (cont'd)

	Market Value in SGD	% of NAV
Unit trust	5,761,524	1.27
Warehousing	13,317,820	2.93
Wholesale	2,676,180	0.59
Portfolio of investments	406,901,628	89.57
Other net assets	47,391,499	10.43
Total	454,293,127	100.00

By Asset Class

	Market Value in SGD	% of NAV
Equities	406,901,628	89.57
Portfolio of investments	406,901,628	89.57
Other net assets	47,391,499	10.43
Total	454,293,127	100.00

Top 10 Holdings

Holdings as at 31 March 2008

	Market Value in SGD	% of NAV
Cosco Corporation (Singapore) Limited	20,365,110	4.48
Capitaland Limited	17,255,580	3.80
Singapore Exchange Limited	16,267,500	3.58
PT Indo Tambangraya Megah Tbk	13,499,920	2.97
CWT Limited	13,317,820	2.93
Nufarm Limited	13,249,553	2.92
PT Holcim Indonesia Tbk	13,148,214	2.89
Star Cruises Limited	12,894,378	2.84
Straits Resources Limited	12,248,517	2.70
Bangkok Bank Public Company Limited	12,130,754	2.67

Holdings as at 31 March 2007

	Market Value in SGD	% of NAV
PXP Vietnam Fund Limited	6,044,819	4.03
Tiong Woon Corporation Limited	4,791,600	3.20
Mems Technology Bhd	4,301,804	2.87
UEM World Bhd	4,138,712	2.76
TA Enterprise Bhd	4,068,667	2.71
Gems TV Holdings Limited	3,848,250	2.57
Security Bank Corporation	3,740,854	2.49
Oversea-Chinese Banking Corporation	3,114,600	2.08
CapitalLand Limited	3,104,000	2.07
Ezra Holdings Pte Limited	3,039,870	2.03

Report to Unitholders

As at 31 March 2008

Exposure to Derivatives

	Market value in SGD	% of NAV
Spot foreign exchange contracts	(537)	-*
Net gains/(losses) on contracts realised for the period 1 April 2007 to 31 March 2008	-	-
Net gains/(losses) on outstanding contracts marked to market as at 31 March 2008	(537)	-

* less than 0.01%.

Investment in other unit trust, mutual funds and collective investment schemes

	Market value in SGD	% of NAV
PXP Vietnam Fund Limited	5,761,524	1.27

Borrowings

Nil as at 31 March 2008

Amount of Redemptions and Subscriptions

For the period 1 April 2007 to 31 March 2008

	SGD
Redemptions	\$575,022,101
Subscriptions	\$957,471,835

Related Party Transactions

For the period 1 April 2007 to 31 March 2008

Refer to Note 11 of the "Notes to the Financial Statements".

Performance

	Legg Mason Southeast Asia Special Situations Trust*	Benchmark
3-month	-22.55%	-10.75%
6-month	-20.06%	-9.18%
1-year	-6.30%	+7.62%
3-year	+23.13%	+19.56%
5-year	+24.86%	+24.28%
10-year	+14.15%	+5.22%
Since inception	+13.73%	+4.97%

* Average Annual Compounded Return for periods above one year, bid to bid with dividends reinvested

Benchmark : MSCI AC Far East ex Japan, ex China, ex Hong Kong, ex Taiwan, ex Korea (S\$)

The inception date was 2 March 1998

Source : Legg Mason International Equities (Singapore) Pte Limited and Lipper

Report to Unitholders

As at 31 March 2008

Expense Ratio

For the period 1 April 2007 to 31 March 2008	1.73%
For the period 1 April 2006 to 31 March 2007	1.60%

The expense ratio was calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios.

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received.

Turnover Ratio

For the period 1 April 2007 to 31 March 2008	168.11%
For the period 1 April 2006 to 31 March 2007	156.81%

The turnover ratio was calculated in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Trust expressed as a percentage of daily average net asset value.

Other Material Information

With effect from 3 December 2007, the investment objective has been revised to "The objective of the Trust is to achieve medium to long-term capital appreciation by investing at least 70% of the Trust in securities issued by companies that are incorporated, domiciled or listed, or have a significant economic interest, in South and South-East Asia countries."

With effect from 1 September 2007, the management fee has been raised from 1.25% p.a. to 1.5% pa.

With effect from July 2007, the Fund has changed from Bid-Offer to NAV-NAV pricing.

Soft Dollar Commission/Arrangements

The Investment Manager shall be entitled to and currently do receive and enter into soft dollar commissions or arrangements in respect of the Trust. The Investment Manager will comply with applicable regulatory and industry standards on soft dollar commissions or arrangements. The soft dollar commissions or arrangements include specific advice as to the advisability of dealing in, or as to the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis, and custodial services in relation to the investments managed for clients.

Soft dollar commissions or arrangements shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payments.

The Investment Manager will not accept or enter into soft dollar commissions or arrangements unless (a) such soft dollar commissions or arrangements would, in the opinion of the Investment Manager, assist the Investment Manager in its management of the relevant Fund, (b) the Investment Manager shall ensure at all times that transactions are executed on the best available terms taking into account the relevant market at the time for transactions of the kind and size concerned, and (c) no unnecessary trades are entered into in order to qualify for such soft dollar commissions or arrangements.

All goods and services acquired with the soft dollar commission were for the benefit of the Trust. The broker(s), who has executed trades for other funds managed by the Investment Manager, had executed the trades on best available terms and there was no churning of trades.

Legg Mason Southeast Asia Special Situations Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Report of the Trustee

The Trustee is under a duty to take into custody and to hold the assets of Legg Mason Southeast Asia Special Situations Trust (the "Fund") in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of the Statement of Recommended Accounting Practice 7 "Reporting Framework for Units Trusts" issued by the Institute of Certified Public Accountants of Singapore and the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the year covered by these financial statements set out on pages 41 to 54, comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee

HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

Authorised Signatory

20 June 2008

Legg Mason Southeast Asia Special Situations Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Statement by the Manager

In the opinion of the directors of Legg Mason International Equities (Singapore) Pte Ltd (the "Manager"), the accompanying financial statements set out on pages 41 to 54, comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of Legg Mason Southeast Asia Special Situations Trust (the "Fund") as at 31 March 2008 and the total return for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of directors of

LEGG MASON INTERNATIONAL EQUITIES (SINGAPORE) PTE LTD

Director

Legg Mason International Equities (Singapore) Pte Ltd

20 June 2008

Independent Auditor's Report To The Unitholders of Legg Mason Southeast Asia Special Situations Trust

(Constituted under a Trust Deed in the Republic of Singapore)

We have audited the financial statements of Legg Mason Southeast Asia Special Situations Trust (the "Fund") set out on pages 41 to 54, which comprise the Balance Sheet and Portfolio Statement as at 31 March 2008, the Statement of Total Return for the year then ended and a summary of significant accounting policies and other explanatory notes.

Manager's Responsibility for the Financial Statements

The Fund's Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Fund's Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at 31 March 2008 and the total return for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

PricewaterhouseCoopers
Public Accountants and Certified Public Accountants

Singapore, 20 June 2008

Statement of Total Return

For the financial year ended 31 March 2008

	Notes	31/3/2008 \$	31/3/2007 \$
Investment income			
Dividends		8,977,041	1,053,040
Interest income		347,380	25,897
		9,324,421	1,078,937
Less: Expenses			
Audit fee		8,517	9,293
Custody fees	11	236,612	26,649
Management fees	11	7,289,663	755,340
Trustee fees	11	387,361	50,557
Registration fees	11	99,071	35,185
Professional fees		58,507	21,841
Valuation fees	11	133,994	21,652
Other expenses		116,266	10,119
		8,329,991	930,636
Net investment income		994,430	148,301
Net gains or losses on value of investments			
Net realised gains on investments		8,026,426	9,515,603
Net change in fair value on investments		(79,221,287)	16,989,452
Net change in fair value on financial derivatives		(537)	76
Net foreign exchange losses		(6,552,278)	(343,880)
Net gains on value of investments		(77,747,676)	26,161,251
Total return for the financial year before income tax		(76,753,246)	26,309,552
Less: Income Tax	3	(1,355,397)	(124,460)
Total return for the financial year		(78,108,643)	26,185,092

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

Balance Sheet

As at 31 March 2008

	Notes	31/3/2008 \$	31/3/2007 \$
ASSETS			
Portfolio of investments		406,901,628	134,220,388
Cash and bank balances	5	49,471,547	16,683,577
Receivables	6	10,818,135	9,324,577
Sales awaiting settlement		8,956,719	-
Fair value of financial derivatives	7	-	909
Total assets		476,148,029	160,229,451
LIABILITIES			
Payables	8	11,324,188	4,243,770
Purchases awaiting settlement		10,530,177	6,032,812
Fair value of financial derivatives	7	537	833
Net assets attributable to unitholders	9	454,293,127	149,952,036
Total liabilities		476,148,029	160,229,451

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

Portfolio Statement

As at 31 March 2008

	Holdings as at 31/3/2008	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Geography - Quoted Equity Investments</u>			
Australia			
Nufarm Limited	615,179	13,249,553	2.92
Straits Resources Limited	1,593,479	12,248,517	2.7
		25,498,070	5.62
Cayman Islands			
PXP Vietnam Fund Limited	597,317	5,761,524	1.27
China			
Bosideng International Holdings Limited	10,160,000	2,590,681	0.57
Yangzijiang ShipBuilding Holdings Limited	4,943,000	4,646,420	1.02
		7,237,101	1.59
Hong Kong			
China Mengniu Dairy Co Limited	1,355,000	5,398,581	1.19
Hong Kong Exchanges And Clearing Limited	185,000	4,376,591	0.96
Pacific Andes Holdings Limited	5,802,000	2,901,000	0.64
Star Cruises Limited	47,981,000	12,894,378	2.84
Sun Hung Kai Properties Limited	218,000	4,643,869	1.02
		30,214,419	6.65
India			
Bharat Heavy Electricals Inr10 (Dmt)	101,957	7,074,634	1.55
Housing Development & Infras Inr10 (Demat)	184,374	4,100,861	0.90
Jaiprakash Associates Limited Inr2	810,568	6,292,648	1.39
Reliance Capital Limited Inr10 (Demat)	143,212	5,988,179	1.32
Unitech Limited Inr2 (Demat)	719,758	6,717,562	1.48
		30,173,884	6.64
Indonesia			
PT Bisi International Tbk	12,063,000	6,862,963	1.51
PT Bumi Resources Tbk (Demat)	13,087,500	12,050,485	2.65
PT Holcim Indonesia Tbk	75,707,000	13,148,214	2.89
PT Indo Tambangraya Megah Tbk	4,398,500	13,499,920	2.97
PT PP London Sumatra Indonesia Tbk	5,603,000	7,465,920	1.64
PT Bhakti Investama Tbk - Dematerialisation	79,376,800	5,704,368	1.26
		58,731,870	12.92

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

Portfolio Statement

As at 31 March 2008

	Holdings as at 31/3/2008	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Geography - Quoted Equity Investments (continued)</u>			
Luxembourg			
ABN Amro Bk (Ptc India Limited) Cwts 30/06/2009	31,843,203	10,496,836	2.31
Malaysia			
Kencana Petroleum	7,512,800	5,114,569	1.13
Parkson Holdings	3,476,000	9,360,735	2.06
		14,475,304	3.19
Philippines			
Southeast Asia Cement Holdings	84,716,000	2,683,297	0.59
Singapore			
AMPlEfield Limited	34,000,000	1,020,000	0.23
Armstrong Industrial Corporation	28,062,000	7,436,430	1.64
Capitaland Limited	2,726,000	17,255,580	3.80
Cosco Corporation (Singapore) Limited	5,519,000	20,365,110	4.48
CWT Limited	16,858,000	13,317,820	2.93
Del Monte Pacific Limited	8,385,000	5,324,475	1.17
Ezion Holdings Limited	9,580,000	3,736,200	0.82
Ezra Holdings Pte Limited	647,000	1,339,290	0.30
Indofood Agri Resources Limited	4,800,000	11,136,000	2.45
Jiutian Chemical Group Limited	42,559,000	6,596,645	1.45
Lottvision Limited Wts 17/04/2008	6,150,000	30,750	0.01
SC Global Developments Limited	2,784,000	3,647,040	0.80
See Hup Seng Limited	15,310,000	4,822,650	1.06
Sing Holdings Limited	7,947,000	3,536,415	0.78
Singapore Exchange Limited	2,169,000	16,267,500	3.58
Smb United Limited	24,030,000	6,127,650	1.35
Straits Asia Resources Limited	3,643,000	11,803,320	2.60
Tat Hong Holdings Limited	1,222,000	2,676,180	0.59
Tiong Woon Corporation Holdings Limited	10,400,000	5,876,000	1.29
Venture Corporation Limited	627,000	6,583,500	1.45
		148,898,555	32.78

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

Portfolio Statement

As at 31 March 2008

	Holdings as at 31/3/2008	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Geography - Quoted Equity Investments (continued)</u>			
Thailand			
Airports Thailand Public Company Limited	550,000	1,360,204	0.30
Asian Property Development Public Company Limited	8,081,500	2,016,321	0.44
Bangkok Bank Public Company Limited	2,022,900	12,130,754	2.67
Bank of Ayudhya Public Company Limited NVDR	9,914,800	9,981,702	2.20
Kasikornbank Public Company Limited NVDR	2,475,100	9,696,357	2.13
Krung Thai Bank Public Company Limited	18,671,300	8,091,007	1.78
Land & House Public Company Limited	7,859,700	3,509,126	0.77
Land & Houses Public Company Limited	22,224,000	9,484,614	2.09
Quality Houses Public Company Limited	60,976,900	7,313,221	1.61
Tata Steel Thailand Public Company Limited	68,776,900	6,623,051	1.46
Tisco Bank Public Company Limited Co Limited	110,000	133,613	0.03
True Corporation Public Company Limited	10,815,800	2,390,798	0.53
		72,730,768	16.01
Quoted Equity Investments		406,901,628	89.57
Portfolio of investments		406,901,628	89.57
Other net assets		47,391,499	10.43
Net assets attributable to unitholders		454,293,127	100.00

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

Portfolio Statement

As at 31 March 2008

	Percentage of total net assets attributable to unitholders at 31/3/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2007 %
<u>By Geography (Summary)</u>		
Quoted Equity Investments		
Australia	5.62	-
Cayman Islands	1.27	4.03
China	1.59	1.27
Great Britain	-	2.57
Hong Kong	6.65	2.28
India	6.64	-
Indonesia	12.92	7.04
Israel	-	0.29
Luxembourg	2.31	-
Malaysia	3.19	22.85
Philippines	0.59	8.59
Singapore	32.78	35.53
South Korea	-	-
Thailand	16.01	5.06
	<hr/>	<hr/>
Portfolio of investments	89.57	89.51
Other net assets	10.43	10.49
	<hr/>	<hr/>
Net assets attributable to unitholders	100.00	100.00
	<hr/>	<hr/>

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

Portfolio Statement

As at 31 March 2008

	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2007 %
By Industry			
Agriculture	14,328,883	3.15	2.47
Airline	1,360,204	0.30	-
Bank	39,899,820	8.78	8.03
Building and construction	39,310,745	8.65	4.85
Chemical	19,846,198	4.37	-
Commerce	-	-	0.57
Computer and software	1,020,000	0.22	1.40
Consumer	23,391,214	5.15	1.91
Diversified resource	5,988,179	1.32	4.47
Educational services	-	-	1.89
Electrical and electronic	13,658,134	3.01	3.45
Electrical equipment	6,127,650	1.35	-
Energy	-	-	-
Engineering and machinery	15,786,685	3.47	7.59
Entertainment	-	-	1.56
Finance	26,482,072	5.83	4.87
Food	13,624,056	3.00	2.35
Investment	-	-	3.03
Machinery	-	-	4.21
Material	11,803,320	2.60	-
Manufacturing	2,590,681	0.57	1.13
Media	-	-	0.46
Metal	15,983,786	3.52	1.04
Mining	12,248,517	2.70	1.45
Miscellaneous	16,213,967	3.57	1.09
Oil and gas	5,114,569	1.13	0.70
Plantation	-	-	1.80
Plastic	-	-	1.76
Public utility	-	-	0.72
Real estate	53,490,726	11.77	10.30
Retail	-	-	3.40
Rubber	7,436,430	1.64	-
Semiconductor	-	-	0.73
Services	4,822,650	1.06	-
Telecommunication	2,390,798	0.53	0.28
Transport	32,226,820	7.09	5.95
Unit trust	5,761,524	1.27	4.03
Utility - water	-	-	1.27
Warehousing	13,317,820	2.93	-
Wholesale	2,676,180	0.59	0.75
	406,901,628	89.57	89.51
Portfolio of investments	406,901,628	89.57	89.51
Other net assets	47,391,499	10.43	10.49
Net assets attributable to unitholders	454,293,127	100.00	100.00

Notes to the Financial Statements

For the financial year ended 31 March 2008

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Legg Mason Southeast Asia Special Situations Trust ("the Fund") is an open-ended Unit Trust constituted pursuant to the Trust Deed dated 14 January 1998, as amended by various Supplemental Deeds between HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") and Legg Mason Asset Management (Asia) Pte Ltd. A Supplemental Deed dated 28 September 2006 was entered to effect the change of investment manager from Legg Mason Asset Management (Asia) Pte Ltd to Legg Mason International Equities (Singapore) Pte Ltd (the "Manager"). The Trust Deed and subsequent Supplemental Deeds are governed by and construed in accordance with the laws of the Republic of Singapore.

The principal objective of the Fund relates to holding of certain authorised investments for long-term capital appreciation.

The Fund is approved under the Central Provident Fund Investment Scheme.

2. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

The financial statements are expressed in Singapore dollars, which is the functional currency of the Fund.

(b) Income recognition

Dividend income is recorded gross in the financial statements in the accounting period which the security is quoted ex-dividend.

Interest income on deposits is recognised on a time proportion basis using the effective interest method.

(c) Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange ruling at the date of balance sheet. Foreign currency transactions during the financial period are converted into Singapore dollars at the rates of exchange ruling on the transaction dates.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from translation of foreign currency monetary assets and liabilities at balance sheet date are taken to the Statement of Total Return.

(d) Financial assets at fair value through profit or loss

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net changes in fair value on investments are included in the Statement of Total Return in the period which they arise. The resultant unrealised gains and losses are taken to the Statement of Total Return.

Notes to the Financial Statements

For the financial year ended 31 March 2008

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and taken up in the Statement of Total Return.

(e) Basis of valuation of investments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price for these investments held by the Fund is the current market quoted bid price.

(f) Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when fair values are negative.

The best evidence of the fair value of a derivative at fair value is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of the instrument is evidenced by comparison with other observable market transactions in the same instrument (i.e. without modification or packaging) or based on a valuation technique that whose variables include only data from observable markets.

3. Income Tax

	31/3/2008	31/3/2007
	\$	\$
Singapore income tax	161,156	12,229
Overseas income tax	1,194,241	112,231
	1,355,397	124,460

(a) The Fund is a designated unit trust and therefore, the following income is exempted from tax in accordance with Section 35(12) of the Income Tax Act:

- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities and transactions in foreign exchange, futures, forwards, swaps and options relating to securities, financial indices, interest rates and currencies;
- (ii) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act); and
- (iii) distribution from foreign unit trusts and dividends derived from outside Singapore and received in Singapore.

(b) The Singapore income tax represents tax deducted at source for Singapore sourced dividends. The foreign income tax represents tax deducted at source on dividends derived from outside Singapore and received in Singapore.

4. Distribution to unitholders

The Manager did not propose any distribution to unitholders for the financial year ended 31 March 2008 (31 March 2007: \$Nil)

Notes to the Financial Statements

For the financial year ended 31 March 2008

5. Cash and bank balances

	31/3/2008	31/3/2007
	\$	\$
Cash and bank balances	32,459,529	12,176,669
Fixed deposit	17,012,018	4,506,908
	49,471,547	16,683,577

The fixed deposit placed with a bank which is a related company of the Trustee as at the balance sheet date has an average maturity of 3 days (31 March 2008: 3 days) from the end of the financial year with a weighted average effective interest rate of 0.49% (31 March 2007: 2.64%) per annum.

6. Receivables

	31/3/2008	31/3/2007
	\$	\$
Amount due from unitholders	10,489,296	9,272,844
Dividend receivables	327,697	51,407
Interest receivable	1,142	326
Others	-	-
	10,818,135	9,324,577

The carrying amounts of receivables approximate their fair values.

7. Fair value of financial derivatives

The table below sets out the analysed notional contract amounts and fair value of spot foreign exchange contracts entered into with third parties.

As at financial period/year end, commitments under spot foreign exchange contracts due for settlement within one month are as follows:

	Notional amount	Fair value assets	Fair value liabilities
	\$	\$	\$
31/3/2008			
Spot foreign exchange contracts	378,198	-	(537)
31/3/2007			
Spot foreign exchange contracts	2,665,504	909	(833)

The spot foreign exchange contracts were undertaken for purpose of efficient portfolio management.

All financial derivatives are stated at fair values on the balance sheet.

Notes to the Financial Statements

For the financial year ended 31 March 2008

8. Payables

	31/3/2008	31/3/2007
	\$	\$
Amount due to unitholders	9,538,674	2,706,664
Accrued management fee	580,253	124,261
Accrued trustee's fee	60,884	7,867
Amount due to the Manager	44,686	34,172
Other payable and accruals	1,099,691	1,370,806
	11,324,188	4,243,770

The carrying amounts of payables approximate their fair values.

9. Net assets attributable to unitholders

	31/3/2008	31/3/2007
	\$	\$
At the beginning of the financial year	149,952,036	38,250,472
Operations		
Change in net assets attributable to unitholders resulting from operations	(78,108,643)	26,185,092
Unitholders' contributions/(withdrawals)		
Creation of units	957,471,835	122,044,190
Cancellation of units	(575,022,101)	(36,527,718)
Change in net assets attributable to unitholders resulting from net creation of units	382,449,734	85,516,472
Total increase in net assets attributable to unitholders	304,341,091	111,701,564
At the end of the financial year	454,293,127	149,952,036
Units in issue (see Note 10)	263,032,953	81,558,836
Net assets attributable to unitholders per unit	1.73	1.84

10. Units in issue

	31/3/2008	31/3/2007
Units at beginning of the financial year	81,558,836	30,330,103
Units created	449,847,878	74,720,124
Units cancelled	(268,373,761)	(23,491,391)
Units at end of the financial year	263,032,953	81,558,836

Notes to the Financial Statements

For the financial year ended 31 March 2008

11. Related party transactions

As at 31 March 2008, the Manager of the Fund is Legg Mason International Equities (Singapore) Pte Ltd and the Trustee and Custodian is HSBC Institutional Trust Services (Singapore) Limited. The management fees, trustee fees, custody fees, registration fees and valuation fees paid or payable by the Fund are shown in the Statement of Total Return.

In addition to related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial period between the Fund and related parties at terms agreed between the parties concerned and within the provisions of the Trust Deed:

	31/3/2008	31/3/2007
	\$	\$
Interest income received and receivable from a bank which is a related company of the Trustee	301,745	25,897
Interest expenses incurred with a bank which is a related company of the Trustee	1,144	28

12. Financial risk management

The Fund is exposed to market risk (includes price risk, currency risk, derivatives risk, credit risk and interest rate risk) and liquidity risk through the financial instruments it holds. The risk management policies employed by the Manager to manage and monitor these risks are discussed below.

(a) Market risk

Market risk is the risk of potential adverse change to the value of financial instruments because of changes in market conditions like interest rate movements and volatility in securities prices. The Manager manages its exposure to market risk through the use of risk management strategies and various analytical and monitoring techniques.

(b) Currency risk

The assets and income of the Fund may be denominated in a number of different currencies other than the Singapore Dollar and will thus be subjected to fluctuation in currency exchange rates and in certain cases, exchange control regulations.

The Manager makes forecasts of currency levels under different scenarios based on the Manager's analysis of fundamentals, technical and valuation factors that influence currency movements. These forecasts are compared with the costs of economically hedging non-SGD currencies. Non-SGD currency exposures are usually economically hedged when the expected impact of currency movements is adverse and more than outweighs the cost of hedging.

Notes to the Financial Statements

For the financial year ended 31 March 2008

The table below summarise the currency profile of the assets and liabilities of the Fund.

	IDR \$	MYR \$	SGD \$	THB \$	Others \$	Total \$
As at 31/3/2008						
Assets						
Portfolio of investments	58,731,870	14,475,304	156,445,975	72,730,768	104,517,711	406,901,628
Cash and bank balances	-	-	29,170,938	-	20,300,609	49,471,547
Receivables	-	-	10,490,438	-	327,697	10,818,135
Sales awaiting settlement	372,073	-	4,507,062	958,732	3,118,852	8,956,719
Total assets	59,103,943	14,475,304	200,614,413	73,689,500	128,264,869	476,148,029
Liabilities						
Payables	-	-	11,318,078	-	6,110	11,324,188
Purchases awaiting settlement	373,484	9,473,196	-	-	683,497	10,530,177
Fair value of financial derivatives	532	-	-	-	5	537
Net assets attributable to unitholders	-	-	454,293,127	-	-	454,293,127
Total liabilities	374,016	9,473,196	465,611,205	-	689,612	476,148,029
Net balance sheet currency exposure	58,729,927	5,002,108	(264,996,792)	73,689,500	127,575,257	-

	IDR \$	MYR \$	PHP \$	SGD \$	Others \$	Total \$
As at 31/3/2007						
Assets						
Portfolio of investments	10,554,873	33,185,605	12,879,672	62,929,565	14,670,673	134,220,388
Cash and bank balances	-	-	353	15,261,649	1,421,575	16,683,577
Receivables	-	20,153	-	9,273,170	31,254	9,324,577
Fair value of financial derivatives	-	-	-	-	909	909
Total assets	10,554,873	33,205,758	12,880,025	87,464,384	16,124,411	160,229,451
Liabilities						
Payables	-	-	-	4,238,191	5,579	4,243,770
Purchases awaiting settlement	1,973,194	-	735,452	3,324,166	-	6,032,812
Fair value of financial derivatives	-	-	833	-	-	833
Net assets attributable to unitholders	-	-	-	149,952,036	-	149,952,036
Total liabilities	1,973,194	-	736,285	157,514,393	5,579	160,229,451
Net balance sheet currency exposure	8,581,679	33,205,758	12,143,740	(70,050,009)	16,118,832	-

In respect of investments in equity securities, the currency analysis above is based on the currencies in which the listed securities are denominated.

(c) Interest rate risk

The Fund's financial assets and liabilities are largely non-interest bearing. Hence, the Fund is not subjected to risk to fluctuations in the prevailing levels of market interest rates.

Notes to the Financial Statements

For the financial year ended 31 March 2008

(d) Liquidity risk

Liquidity risk arises from not being able to fund redemptions or liquidate positions in a timely manner at a reasonable price. Liquidity risk exists when a particular investment is difficult to purchase or sell. These circumstances could prevent the Fund from promptly liquidating unfavourable positions and therefore resulting in losses to the Fund and corresponding decreases in the net asset value per unit. The Manager manages liquidity risk by investing primarily in marketable securities.

(e) Credit risk

Credit risk is the risk of loss when a counterparty fails to meet its payment obligation. To address credit risk, the Manager has in place a stringent credit risk management process, which entails evaluating and mitigating the counterparty's credit worthiness.

(f) Derivative risk

The Fund may, subject to applicable investment guidelines in the Code on Collective Investment Schemes and the Deeds from time to time invest in derivatives, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Such assets, rates and indices may include bonds, shares, interest rates, currency exchange rates, bond indices and stock indices.

The Manager does not intend to use derivatives transactions for speculation or leverage but may use them for efficient portfolio management and to hedge existing positions. The Manager will attempt to minimize the risks through careful selection of reputable counterparties and constant monitoring of the Fund's derivatives positions.

13. Secured credit facility

The Fund has a credit facility with HSBC at 31 March 2008.

Facility	Limit
Overdraft	\$10 million

The above credit facility is secured by way of a floating charge over all assets of the Fund and is not utilised at period end.

14. Financial ratios

	31/3/2008	31/3/2007
	%	%
Expense ratio ¹	1.73	1.60
Portfolio turnover ratio ²	168.11	156.81

¹ Expense ratio is calculated in accordance with IMAS Guidelines for the Disclosure of Expenses Ratios. The expense ratio does not include (where applicable) brokerage and other transaction costs, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fees.

² Portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes".

Legg Mason Asian Enterprise Trust

Legg Mason Southeast Asia Special Situations Trust

Legg Mason Funds

Legg Mason Global Bond Trust

Legg Mason Asian Bond Trust

Legg Mason Singapore Bond Fund

CitiSelect Funds

Report to Unitholders

As at 31 March 2008

Investment Allocation as at 31 March 2008

Legg Mason Singapore Dollar Fund

<u>By Country</u>	Market Value in SGD	% of NAV
Australia	5,515,516	5.40
Singapore	65,575,389	64.27
Germany	2,251,146	2.21
Japan	2,500,561	2.45
South Korea	7,268,616	7.12
Sweden	2,249,717	2.21
United States	3,223,674	3.16
	88,584,619	86.82
Accrued interest on fixed income securities	384,934	0.38
Portfolio of investments	88,969,553	87.20
Other net assets	13,058,437	12.80
Total	102,027,990	100.00

<u>By Industry</u>	Market Value in SGD	% of NAV
Banks	18,564,456	18.20
Electrical/ Electronic	2,550,077	2.50
Finance	2,527,376	2.48
Government	55,939,958	54.83
Property	253,085	0.24
Real estate	1,750,845	1.72
Transport - Ship	250,763	0.24
Others	6,748,059	6.61
	88,584,619	86.82
Accrued interest on fixed income securities	384,934	0.38
Portfolio of investments	88,969,553	87.20
Other net assets	13,058,437	12.80
Total	102,027,990	100.00

<u>By Asset Class</u>	Market Value in SGD	% of NAV
Fixed Income securities	88,969,553	87.20
Portfolio of investments	88,969,553	87.20
Other net assets	13,058,437	12.80
Total	102,027,990	100.00

Report to Unitholders

As at 31 March 2008

By Credit Rating*	Market Value in SGD	% of NAV
AAA	6,023,603	5.90
AA	2,504,733	2.45
AA-	3,029,699	2.97
Aa1	749,993	0.74
A+	2,500,543	2.45
A1	3,013,340	2.95
A	5,515,343	5.41
A-	2,500,561	2.45
A-e	1,000,078	0.98
Unrated	61,746,726	60.52
	<hr/>	
	26,837,893	86.82
Accrued interest on fixed income securities	384,934	0.38
	<hr/>	
Portfolio of investments	27,222,827	87.20
Other net assets	13,058,437	12.80
	<hr/>	
Total	40,281,264	100.00

*By Standard & Poor's / Moody's unless otherwise stated.

Distribution of Investments

	Market Value in SGD	% of NAV
<u>By type of money market instruments/debt securities</u>		
Foreign Corporates	21,058,754	20.64
Local Corporates	8,334,483	8.17
SGS Treasury Bill	54,940,936	53.85
SGS Government Bond	2,299,970	2.25
Supranational	1,950,476	1.91
	<hr/>	
	88,584,619	86.82
Accrued interest on fixed income securities	384,934	0.38
	<hr/>	
Portfolio of investments	88,969,553	87.20

Report to Unitholders

As at 31 March 2008

By Maturity Breakdown

Legg Mason Singapore Dollar Fund

	Market Value in SGD	% of NAV
30 days or less	22,618,349	22.17
31 - 90 days	46,702,652	45.76
91 - 180 days	3,508,865	3.44
181 - 365 days	15,003,987	14.71
More than 1 year	750,766	0.74
	88,584,619	86.82
Accrued interest on fixed income securities	384,934	0.38
Portfolio of investments	88,969,553	87.20

Legg Mason Singapore Opportunities Trust

By Country

	Market Value in SGD	% of NAV
Hong Kong	180,861	0.69
Israel	741,840	2.84
Singapore	22,080,443	84.40
Portfolio of investments	23,003,144	87.93
Other net assets	3,156,559	12.07
Total	26,159,703	100.00

By Industry

	Market Value in SGD	% of NAV
Banks	6,670,156	25.50
Chemical	340,225	1.30
Consumer Discretionary	180,861	0.69
Electronic	994,200	3.80
Finance	1,080,000	4.13
Food	1,488,440	5.69
Industrial	1,060,400	4.05
Investment	467,460	1.79
Manufacturing	741,840	2.83
Materials	1,179,360	4.51
Plastic	1,114,500	4.26
Real estate	4,184,030	15.99
Transport-Shipping	2,340,972	8.95
Wholesale	1,160,700	4.44
Portfolio of investments	23,003,144	87.93
Other net assets	3,156,559	12.07
Total	26,159,703	100.00

Report to Unitholders

As at 31 March 2008

<u>By Asset Class</u>	Market Value in SGD	% of NAV
Equities	23,003,144	87.93
Portfolio of investments	23,003,144	87.93
Other net assets	3,156,559	12.07
Total	26,159,703	100.00

Top 10 Holdings

Legg Mason Singapore Dollar Fund

Holdings as at 31 March 2008	Market Value in SGD	% of NAV
Singapore Treasury Bill Series 92 08/05/2008	16,277,521	15.95
Singapore Treasury Bill Series 91 29/05/2008	9,480,639	9.29
Singapore Treasury Bill Series 91 24/04/2008	7,293,480	7.15
Singapore Treasury Bill Series 91 15/05/2008	7,153,397	7.01
Singapore Treasury Bill Series 92 02/05/2008	6,492,697	6.36
Singapore Treasury Bills Series 91 17/04/2008	6,245,956	6.12
HSBC Singapore Series EMTN 3.18% 24/11/2008	3,029,699	2.97
Tuas Power Ltd SER MTN (BR) 4.5% 28/05/2009	2,550,077	2.50
Macquarie Bank Ltd 2.85% 07/11/2008	2,509,978	2.46
Orix Corp Series EMTN 2.9% 24/04/2008	2,500,561	2.45

Holdings as at 31 December 2006

Singapore Treasury Bill Series 365 02/05/2007	1,831,370	11.30
Singapore Treasury Bill Series 364 01/10/2007	1,466,588	9.05
Korea Development Bank EMTN 2.55% 15/10/2007	1,250,000	7.72
Countrywide FINL Corp EMTN 3.75% 17/03/2007	1,000,000	6.17
BMW Coordination CTR VOF EMTN 3.3% 17/01/2007	999,975	6.17
Housing & Development Board MTN 3.52% 13/02/2008	750,383	4.63
Hana Bank EMTN 3.67% 30/05/2007	750,000	4.63
Singapore Treasury Bill Series 91 25/01/2007	748,443	4.62
Red Orchid Secured Assets Ltd 3.51% 26/01/2007	600,000	3.70
Hypo Real Estate Bank International EMTN 3.57% 19/06/2007	500,000	3.09

Report to Unitholders

As at 31 March 2008

Legg Mason Singapore Opportunities Trust

Holdings as at 31 March 2008

	Market Value in SGD	% of NAV
DBS Group Holdings Limited	2,427,300	9.28
United Overseas Bank Limited	2,313,520	8.84
Oversea-Chinese Banking Corporation	1,929,336	7.38
Cosco Corporation (Singapore) Limited	1,675,260	6.40
Del Monte Pacific Limited	1,488,440	5.69
Straits Asia Resources Limited	1,179,360	4.51
Tat Hong Holdings Limited	1,160,700	4.44
Broadway Industrial Group Limited	1,114,500	4.26
CDL Hospitality Trusts	1,100,900	4.21
Singapore Exchange Limited	1,080,000	4.13

Exposure to Derivatives

Nil for the period under review

Investment in other unit trust, mutual funds and collective investment schemes

Nil as at 31 March 2008

Borrowings

Nil as at 31 March 2008

Amount of Redemptions and Subscriptions

For the period 1 January 2007 to 31 March 2008

Legg Mason Singapore Dollar Fund

	S\$
Redemptions	\$76,523,366
Subscriptions	\$161,203,617

Legg Mason Singapore Opportunities Trust

For the period 31 October 2007 (date of launch) to 31 March 2008

	S\$
Redemptions	\$1,287,845
Subscriptions	\$36,679,898

Report to Unitholders

As at 31 March 2008

Related Party Transactions

For the period 1 January 2007 to 31 March 2008

Refer to Note 11 of the "Notes to the Financial Statements".

Performance

	Legg Mason Singapore Dollar Fund*		Benchmark
	Class A	Class B	
3-month	0.37%	0.43%	0.29%
6-month	0.91%	1.04%	0.82%
1-year	1.94%	2.20%	1.98%
3-year	1.96%	2.22%	2.46%
5-year	1.49%	1.75%	1.76%
10-year	N/A	N/A	N/A
Since inception	1.43%	1.79%	1.62%

* Average Annual Compounded Return for periods above one year, bid-to-bid with dividends reinvested

Benchmark : 1-month Singapore Inter-Bank Bid Rate Average

The inception dates were 28 June 2002 and 17 April 2000 respectively for Class A and Class B.

Benchmark since inception performance is for Class B only.

Since inception figures are calculated from the first full month of investment.

Source : Legg Mason International Equities (Singapore) Pte Limited

	Legg Mason Singapore Opportunities Trust*		Benchmark
	Class A	Class I	
3-month	-21.05%	-20.86%	-11.37%
6-month	N/A	N/A	N/A
1-year	N/A	N/A	N/A
3-year	N/A	N/A	N/A
5-year	N/A	N/A	N/A
10-year	N/A	N/A	N/A
Since inception	-20.50%	-26.40%	-24.47%

* Cumulative Returns, bid to bid with dividends reinvested

Benchmark : MSCI Singapore Index

The inception date were 3 December 2007 and 31 October 2007 respectively for Class A and Class I.

Benchmark since inception performance is for Class A only.

Source : Legg Mason International Equities (Singapore) Pte Limited and Lipper

Report to Unitholders

As at 31 March 2008

Expense Ratio

Legg Mason Singapore Dollar Fund - Class A

For the period 1 January 2007 to 31 March 2008¹ 0.54%

For the period 1 January 2006 to 31 December 2006 0.56%

Legg Mason Singapore Dollar Fund - Class B

For the period 1 January 2007 to 31 March 2008¹ 0.27%

For the period 1 January 2006 to 31 December 2006 0.26%

Legg Mason Singapore Opportunities Trust - Class A

For the period 3 December 2007 (date of launch) to 31 March 2008 1.83%

Legg Mason Singapore Opportunities Trust - Class I

For the period 31 October 2007 (date of launch) to 31 March 2008 0.57%

The expense ratio was calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios.

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received.

¹ Expense ratio is calculated based on 15 months and it has been annualised in accordance to IMAS Guidelines.

Turnover Ratio

Legg Mason Singapore Dollar Fund

For the period 1 January 2007 to 31 March 2008² 268.34%

For the period 1 January 2006 to 31 December 2006 141.90%

Legg Mason Singapore Opportunities Trust

For the period 31 October 2007 (date of launch) to 31 March 2008 44.49%

The turnover ratio was calculated in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Trust expressed as a percentage of daily average net asset value.

² Turnover ratio is calculated based on 15 months.

Other Material Information

The financial year end for the Fund has been changed from 31 December to 31 March with effect from 1 July 2007 for Legg Mason Singapore Dollar Fund.

Soft Dollar Commission/Arrangements

The Investment Manager did not receive any soft dollar commission or enter into any soft dollar arrangement in the management of the Trust.

Legg Mason Funds

(Constituted under a Trust Deed in the Republic of Singapore)

Report of the Trustee

The Trustee is under a duty to take into custody and to hold the assets of the sub-funds of Legg Mason Funds, namely Legg Mason Singapore Dollar Fund and Legg Mason Singapore Opportunities Trust (the "Funds") in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting period and report thereon to unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Units Trusts" issued by the Institute of Certified Public Accountants of Singapore and the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Funds during the period covered by these financial statements, set out on pages 66 to 86 comprising the Statements of Total Return, Balance Sheets, Portfolio Statements and Notes to the Financial Statements, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed and Supplemental Deeds, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee

HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

Authorised Signatory

20 June 2008

Legg Mason Funds

(Constituted under a Trust Deed in the Republic of Singapore)

Statement by the Manager

In the opinion of the directors of Legg Mason International Equities (Singapore) Pte Ltd (the "Manager"), the accompanying financial statements set out on pages 66 to 86, comprising the Statements of Total Return, Balance Sheets, Portfolio Statements and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial positions of the sub-funds of Legg Mason Funds, namely Legg Mason Singapore Dollar Fund and Legg Mason Singapore Opportunities Trust (the "Funds") as at 31 March 2008 and the total returns for the period then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. At the date of this statement, there are reasonable grounds to believe that the Funds will be able to meet its financial obligations as and when they materialise.

For and on behalf of directors of

LEGG MASON INTERNATIONAL EQUITIES (SINGAPORE) PTE LTD

Director

Legg Mason International Equities (Singapore) Pte Ltd

20 June 2008

Independent Auditor's Report To The Unitholders of LEGG MASON FUNDS

(Constituted under a Trust Deed in the Republic of Singapore)

We have audited the financial statements of the sub-funds of Legg Mason Funds, namely Legg Mason Singapore Dollar Fund and Legg Mason Singapore Opportunities Trust (the "Funds") set out on pages 66 to 86, which comprise the Balance Sheets and Portfolio Statements as at 31 March 2008, the Statements of Total Return for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Manager's Responsibility for the Financial Statements

The Funds' Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Funds' Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial positions of the Funds as at 31 March 2008 and the total returns for the period then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

PricewaterhouseCoopers
Public Accountants and Certified Public Accountants

Singapore, 20 June 2008

Statement of Total Return

For the financial period ended 31 March 2008

		1/1/2007 to 31/3/2008	31/10/2007 (date of launch) to 31/3/2008
		Legg Mason Singapore Dollar Fund \$	Legg Mason Singapore Opportunities Trust \$
Investment income	Note		
Dividend income		-	323,053
Interest income	11	147,368	1,510
Sundry income		275	-
		147,643	324,563
Less: Expenses			
Audit fees		-	10,067
Custody fees	11	-	6,630
Management fees	11	163,717	6,574
Trustee fees	11	-	8,443
Registrar fees	11	-	1,607
Professional fees		-	7,720
Valuation fees	11	-	5,845
Preliminary expenses		-	41,088
Other expenses		4,125	9,568
		167,842	97,542
Net investment (loss)/income		(20,199)	227,021
Net gains or losses on value of investments			
Net realised gains/(losses) on investments		921,983	(3,903,296)
Net change in fair value on investments		258,986	(5,536,664)
Net foreign exchange losses		(2,198)	(998)
Net gains/(losses) on value of investments		1,178,771	(9,440,958)
Total return/(deficit) for the period before income tax		1,158,572	(9,213,937)
Less: Income tax	4	-	(18,413)
Total return/(deficit) for the period		1,158,572	(9,232,350)

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

Statement of Total Return

For the financial period ended 31 March 2008

	Note	Year ended 31/12/2006 Legg Mason Singapore Dollar Fund \$
Investment income		
Interest income	11	24,666
		<hr/> 24,666 <hr/>
Less: Expenses		
Management fees	11	74,051
Other expenses		554
		<hr/> 74,605 <hr/>
Net investment loss		<hr/> (49,939) <hr/>
Net gains or losses on value of investments		
Net realised gains on investments		592,315
Net change in fair value on investments		(52,893)
		<hr/> 539,422 <hr/>
Net gains on value of investments		<hr/> 539,422 <hr/>
Total return for the year before income tax		489,483
Less: Income tax	4	-
		<hr/> - <hr/>
Total return for the year		<hr/> 489,483 <hr/>

There are no comparatives for Legg Mason Singapore Opportunities Trust as this is the first set of financial statements since the constitution of the fund.

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

Balance Sheet

As at 31 March 2008

		As at 31/3/2008	
	Note	Legg Mason Singapore Dollar Fund \$	Legg Mason Singapore Opportunities Trust \$
ASSETS			
Portfolio of investments		88,969,553	23,003,144
Cash and bank balances	6	13,157,702	3,470,482
Receivables	7	12,537	83,575
Sales awaiting settlement		-	53,058
Total assets		102,139,792	26,610,259
LIABILITIES			
Payables	8	101,087	48,576
Purchases awaiting settlement		-	401,980
Net assets attributable to unitholders	9	102,038,705	26,159,703
Total liabilities		102,139,792	26,610,259

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

Balance Sheet

As at 31 March 2008

		<u>As at 31/12/2006</u>
	Note	Legg Mason Singapore Dollar Fund \$
ASSETS		
Portfolio of investments		16,168,654
Cash and bank balances	6	<u>35,546</u>
Total assets		<u>16,204,200</u>
LIABILITIES		
Payables	8	4,318
Net assets attributable to unitholders	9	<u>16,199,882</u>
Total liabilities		<u>16,204,200</u>

There are no comparatives for Legg Mason Singapore Opportunities Trust as this is the first set of financial statements since the constitution of the fund.

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

Portfolio Statement

As at 31 March 2008

Legg Mason Singapore Dollar Fund

	Nominal value as at 31/3/2008	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Geography - Quoted Investments</u>			
Australia			
Macquarie Bank Ltd 2.85% 07/11/2008	2,500,000	2,509,978	2.46
St. George Bank Limited EMTN 2.93% 13/11/2008	1,000,000	1,000,819	0.98
Westpac Banking Corporation EMTN 3.1% 12/09/2008	2,000,000	2,004,719	1.96
Total Australia		5,515,516	5.40
Germany			
Hypo Real Estate Bank International EMTN (BR) 3% 23/04/2008	750,000	750,215	0.74
Hypo Real Estate Bank International EMTN (BR) 3.63% 08/05/2008	1,000,000	1,000,972	0.98
Toyota Kreditbank Gmbh Series EMTN 2.8% 29/12/2008	500,000	499,959	0.49
Total Germany		2,251,146	2.21
Japan			
Orix Corp Series EMTN 2.9% 24/04/2008	2,500,000	2,500,561	2.45
Total Japan		2,500,561	2.45
South Korea			
Export-Import Bank of Korea EMTN 2.835% 20/07/2008	250,000	250,057	0.24
Export-Import Bank of Korea EMTN 3.105% 10/09/2009	250,000	254,011	0.25
Hana Bank EMTN 2.9% 15/10/2008	1,000,000	1,000,597	0.98
Hana Bank EMTN 2.96% 14/11/2008	2,000,000	2,012,743	1.97
National Agricultural Co Series GmtN FRN 29/06/2009	750,000	750,110	0.74
Shinhan Bank EMTN 2.9% 17/10/2008	2,000,000	2,001,020	1.96
Shinhan Bank MTN FRN 12/09/2008	1,000,000	1,000,078	0.98
Total South Korea		7,268,616	7.12
Singapore			
Centrepont Properties MTN 3.22% 23/02/2009	250,000	253,085	0.25
Citibank Na Singapore 2.72% 06/10/2008	500,000	500,014	0.49
City Developments Limited MTN 3.02% 28/09/2009	750,000	750,766	0.74
HSBC Singapore Series EMTN 3.18% 24/11/2008	3,000,000	3,029,699	2.97
Midpoint Properties MTN 2.95% 07/11/2008	1,000,000	1,000,079	0.98
SembCorp Industries Limited MTN 4.125% 06/06/2008	250,000	250,763	0.25

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

Portfolio Statement

As at 31 March 2008

Legg Mason Singapore Dollar Fund

	Nominal value as at 31/3/2008	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Geography - Quoted Investments (continued)</u>			
Singapore (Government of) 1.5% 01/04/2008	2,300,000	2,299,970	2.25
Singapore Treasury Bills Series 91 17/04/2008	6,250,000	6,245,956	6.12
Singapore Treasury Bill SER 91 24/04/2008	7,300,000	7,293,480	7.15
Singapore Treasury Bill Series 91 15/05/2008	7,165,000	7,153,397	7.01
Singapore Treasury Bill Series 91 29/05/2008	9,500,000	9,480,639	9.29
Singapore Treasury Bill Series 92 02/05/2008	6,500,000	6,492,697	6.36
Singapore Treasury Bill Series 92 08/05/2008	16,300,000	16,277,521	15.95
Singapore Treasury Bills Series 364 30/04/2008	2,000,000	1,997,246	1.96
Tuas Power Ltd SER MTN (BR) 4.5% 28/05/2009	2,500,000	2,550,077	2.50
Total Singapore		65,575,389	64.27
Sweden			
Swedbank SER GMTN 2.75% 20/06/2008	1,500,000	1,499,724	1.47
Swedbank Hypotek EMTN 2.6% 23/06/2008	750,000	749,993	0.74
Total Sweden		2,249,717	2.21
United States			
Fannie Mae 2.29% 19/02/2009	700,000	696,298	0.68
General Electric Capital Corp EMTN 2.725% 10/11/2008	500,000	499,696	0.49
General Electric Capital Corp Series EMTN 3.65% 06/04/2009	1,500,000	1,530,921	1.50
General Electric Capital Corp EMTN (BR) 1.725% 27/06/2008	500,000	496,759	0.49
Total United States		3,223,674	3.16
Quoted Investments		88,584,619	86.82
Accrued interest on fixed income securities		384,934	0.38
Portfolio of investments		88,969,553	87.20
Other net assets		13,069,152	12.80
Net assets attributable to unitholders		102,038,705	100.00

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

Portfolio Statement

As at 31 March 2008

	Percentage of total net assets attributable to unitholders at 31/3/2008 %	Percentage of total net assets attributable to unitholders at 31/12/2006 %
<u>By Geography (Summary)</u>		
Quoted Investments		
Singapore	64.27	33.71
Australia	5.40	-
Belgium	-	6.17
Cayman Islands	-	3.08
Great Britain	-	1.54
Germany	2.21	3.09
Iceland	-	1.53
Japan	2.45	-
South Korea	7.12	7.72
Supra-National	-	1.53
Sweden	2.21	3.09
United States	3.16	10.72
	86.82	72.18
Unquoted Investments		
Singapore	-	22.21
South Korea	-	4.63
	-	26.84
Accrued interest on fixed income securities	0.38	0.79
Portfolio of investments	87.20	99.81
Other net assets	12.80	0.19
Net assets attributable to unitholders	100.00	100.00

Portfolio Statement

As at 31 March 2008

	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %	Percentage of total net assets attributable to unitholders at 31/12/2006 %
By Industry			
Automotives and Trucks	-	-	6.17
Banks	18,564,456	18.19	21.58
Building materials	-	-	3.09
Electrical/Electronic	2,550,077	2.50	-
Finance	2,527,376	2.48	12.26
Government	55,939,958	54.82	35.23
Hotel	-	-	1.54
Investment	-	-	3.09
Property	253,085	0.25	-
Real estate	1,750,845	1.72	4.63
Transport-Ship	250,763	0.25	-
Others	6,748,059	6.61	11.43
	88,584,619	86.82	99.02
Accrued interest on fixed income securities	384,934	0.38	0.79
Portfolio of investments	88,969,553	87.20	99.81
Other net assets	13,069,152	12.80	0.19
Net assets attributable to unitholders	102,038,705	100.00	100.00

Portfolio Statement

As at 31 March 2008

Legg Mason Singapore Opportunities Trust

	Nominal value as at 31/3/2008	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Geography - Quoted Investments</u>			
Hong Kong			
Star Cruises Limited	673,000	180,861	0.69
Israel			
Sarin Technologies Limited	2,248,000	741,840	2.84
Singapore			
Broadway Industrial Group Limited	1,486,000	1,114,500	4.26
Capitaland Limited	138,000	873,540	3.34
CDL Hospitality Trusts	545,000	1,100,900	4.21
City Developments Limited	71,000	781,000	2.99
Cosco Corporation (Singapore) Limited	454,000	1,675,260	6.40
DBS Group Holdings Limited	135,000	2,427,300	9.28
Del Monte Pacific Limited	2,344,000	1,488,440	5.69
Edmi Limited	1,152,000	259,200	0.99
Ezra Holdings Pte Limited	321,600	665,712	2.54
Fraser & Neave Limited	220,000	1,060,400	4.05
Indofood Agri Resources Limited	251,000	582,320	2.22
Jiutian Chemical Group Limited	2,195,000	340,225	1.30
Macquarie International Infrastructure Fund Limited	588,000	467,460	1.79
Oversea-Chinese Banking Corporation	238,484	1,929,336	7.38
SC Global Developments Limited	432,000	565,920	2.16
Singapore Exchange Limited	144,000	1,080,000	4.13
Singapore Holdings Limited	630,000	280,350	1.07
Straits Asia Resources Limited	364,000	1,179,360	4.51
Tat Hong Holdings Limited	530,000	1,160,700	4.44
United Overseas Bank Limited	121,000	2,313,520	8.84
Venture Corporation Limited	70,000	735,000	2.81
		22,080,443	84.40
Portfolio of investments		23,003,144	87.93
Other net assets		3,156,559	12.07
Net assets attributable to unitholders		26,159,703	100.00

Portfolio Statement

As at 31 March 2008

	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Geography (Summary)</u>	
Quoted Investments	
Hong Kong	0.69
Israel	2.84
Singapore	84.40
	<hr/>
Portfolio of investments	87.93
Other net assets	12.07
	<hr/>
Net assets attributable to unitholders	100.00
	<hr/>

Portfolio Statement

As at 31 March 2008

	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Industry</u>		
Banks	6,670,156	25.50
Chemical	340,225	1.30
Consumer	180,861	0.69
Electronic	994,200	3.80
Finance	1,080,000	4.13
Food	1,488,440	5.69
Industrial	1,060,400	4.05
Investment	467,460	1.79
Manufacturing	741,840	2.83
Materials	1,179,360	4.51
Plastic	1,114,500	4.26
Real estate	4,184,030	15.99
Transport-Shipping	2,340,972	8.95
Wholesale	1,160,700	4.44
	<hr/>	
Portfolio of investments	23,003,144	87.93
Other net assets	3,156,559	12.07
	<hr/>	
Net assets attributable to unitholders	26,159,703	100.00
	<hr/>	

Notes to the Financial Statements

For the financial period ended 31 March 2008

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Legg Mason Funds is an umbrella Unit Trust constituted pursuant to the Trust Deed dated 6 March 2000, as amended by various Supplemental Deeds between HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") and Legg Mason International Equities (Singapore) Pte Ltd (the "Manager"). The Trust Deed and subsequent Supplemental Deeds are governed by and construed in accordance with the laws of the Republic of Singapore.

Legg Mason Funds comprise the following 3 sub-funds:

- Legg Mason Singapore Dollar Fund
- Legg Mason Singapore Opportunities Trust (launched on 31 October 2007)
- Legg Mason US Aggressive Growth Fund

The financial year-end for the Funds have been changed from 31 December to 31 March with effect from 1 July 2007.

Legg Mason Singapore Dollar Fund invests in money market instruments and securities such as term deposits, commercial papers, short-term bonds, and certificate of deposits. Legg Mason Singapore Dollar Fund has 2 classes of units in issue at the balance sheet date. Class A and Class B unitholders currently pay management fees of 0.5% per annum and 0.25% per annum respectively.

The principal objective of Legg Mason Singapore Opportunities Trust relates to holding of certain authorised investments for medium to long-term capital appreciation. Legg Mason Singapore Opportunities Fund has 2 classes of units, Class A and I in issue at the balance sheet date. Only Class A unitholders currently pay management fees of 1.5% per annum.

Legg Mason US Aggressive Growth Fund is a feeder fund that invests substantially all its assets in the Legg Mason FCP LM US Aggressive Growth Fund, an open-ended mutual investment fund constituted under Luxembourg Law.

Legg Mason US Aggressive Growth Fund was terminated on 31 March 2008. As permitted by the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, the financial statements for the financial period ended 31 March 2008 are not required to be presented.

2. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

The financial statements are expressed in Singapore dollars, which is the functional currency of the Funds.

(b) Income recognition

Dividend income is recorded gross in the financial statements in the accounting period which the security is quoted ex-dividend.

Interest income on deposits is recognised on a time proportion basis using the effective interest method.

(c) Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange ruling at the date of balance sheet. Foreign currency transactions during the financial period are converted into Singapore dollars at the rates of exchange ruling on the transaction dates.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from translation of foreign currency monetary assets and liabilities at balance sheet date are taken to the Statements of Total Return.

Notes to the Financial Statements

For the financial period ended 31 March 2008

(d) Financial assets at fair value through profit or loss

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net changes in fair value on investments are included in the Statements of Total Return in the period which they arise. The resultant unrealised gains and losses are taken to the Statements of Total Return.

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and taken up in the Statements of Total Return.

(e) Basis of valuation of investments

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The quoted market price for the investments held by the Funds is the current market quoted bid price or dealer's quote as applicable. Accrued interest is included in the fair value of the fixed income instruments.

(f) Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when fair values are negative.

The best evidence of the fair value of a derivative at fair value is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of the instrument is evidenced by comparison with other observable market transactions in the same instrument (i.e. without modification or packaging) or based on a valuation technique that whose variables include only data from observable markets.

(g) Preliminary expenses

Preliminary expenses are expensed as incurred.

3. **Trustee fees**

There is no trustee fee for Legg Mason Singapore Dollar Fund as the fee is borne by the Manager.

Notes to the Financial Statements

For the financial period ended 31 March 2008

4. Income Tax

	For the financial period from 1/1/2007 to 31/3/2008	For the financial period from 31/10/2007 (date of launch) to 31/3/2008
	Legg Mason Singapore Dollar Fund \$	Legg Mason Singapore Opportunities Trust \$
Singapore income tax	-	11,760
Overseas income tax	-	6,653
	-	18,413

(a) The Funds are designated unit trusts and therefore, the following income is exempted from tax in accordance with Section 35(12) of the Income Tax Act:

- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities and transactions in foreign exchange, futures, forwards, swaps and options relating to securities, financial indices, interest rates and currencies;
- (ii) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act); and
- (iii) distribution from foreign unit trusts and dividends derived from outside Singapore and received in Singapore.

(b) The Singapore income tax represents tax deducted at source for Singapore sourced dividends. The foreign income tax represents tax deducted at source on dividends derived from outside Singapore and received in Singapore.

(c) For Legg Mason Singapore Dollar Fund, there was no income tax for the financial year ended 31 December 2006.

5. Distribution to unitholders

The Manager did not propose any distribution to unitholders for the financial period ended 31 March 2008 (2006: \$Nil).

6. Cash and bank balances

	Legg Mason Singapore Dollar Fund \$	Legg Mason Singapore Opportunities Trust \$
As at 31/3/2008		
Cash and bank balances	1,857,340	2,207,706
Fixed deposits	11,300,362	1,262,776
	13,157,702	3,470,482
As at 31/12/2006		
Cash and bank balances	35,546	-
	35,546	-
As at 31/3/2008		
Average maturity days	39	2
Weighted average effective interest rate	1.00%	0.69%

The fixed deposits are placed with a bank which is a related company of the Trustee.

Notes to the Financial Statements

For the financial period ended 31 March 2008

7. Receivables

	Legg Mason Singapore Dollar Fund \$	Legg Mason Singapore Opportunities Trust \$
As at 31/3/2008		
Amount due from unitholders	-	45,517
Dividend receivables	-	37,915
Interest receivable	1,822	143
Other receivable	10,715	-
	12,537	83,575

The carrying amounts of receivables approximate their fair values.

For Legg Mason Singapore Dollar Fund, there were no receivables as at 31 December 2006.

8. Payables

	Legg Mason Singapore Dollar Fund \$	Legg Mason Singapore Opportunities Trust \$
As at 31/3/2008		
Amount due to unitholders	78,459	440
Accrued management fee	20,613	1,836
Accrued trustee fee	-	2,975
Other payable and accruals	2,015	43,325
	101,087	48,576
As at 31/12/2006		
Accrued management fee	4,318	-
	4,318	-

The carrying amounts of payables approximate their fair values.

Notes to the Financial Statements

For the financial period ended 31 March 2008

9. Net assets attributable to unitholders

	For the financial period from 1/1/2007 to 31/3/2008	For the financial period from 31/10/2007 (date of launch) to 31/3/2008
	Legg Mason Singapore Dollar Fund \$	Legg Mason Singapore Opportunities Trust \$
At the beginning of the financial period	16,199,882	-
Operations		
Change in net assets attributable to unitholders resulting from operations	1,158,572	(9,232,350)
Unitholders' contributions/(withdrawals)		
Creation of units	161,203,617	36,679,898
Cancellation of units	(76,523,366)	(1,287,845)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	84,680,251	35,392,053
Total increase in net assets attributable to unitholders	85,838,823	26,159,703
At the end of the financial period	102,038,705	26,159,703
Units in issue (see Note 10)		
Class A	3,388,459	2,028,391
Class B	85,611,670	-
Class I	-	33,510,265
Net assets attributable to unitholders per unit		
Class A	1.10	0.78
Class B	1.15	-
Class I	-	0.73
		Legg Mason Singapore Dollar Fund \$
As at 31/12/2006		34,250,708
At the beginning of the financial year		34,250,708
Operations		
Change in net assets attributable to unitholders resulting from operations		489,483
Unitholders' contributions/(withdrawals)		
Creation of units		1,185,848
Cancellation of units		(19,726,157)
Change in net assets attributable to unitholders resulting from net creation of units		(18,540,309)
Total decrease in net assets attributable to unitholders		(18,050,826)
At the end of the financial year		16,199,882
Units in issue (see Note 10)		
Class A		4,886,382
Class B		9,882,962
Net assets attributable to unitholders per unit		
Class A		1.06
Class B		1.12

Notes to the Financial Statements

For the financial period ended 31 March 2008

10. Units in issue

	As at 31/3/2008	As at 31/12/2006
Legg Mason Singapore Dollar Fund (Class A)		
Units at beginning of the financial period/year	4,886,382	9,009,877
Units created	1,088,650	178,689
Units cancelled	(2,586,573)	(4,302,184)
Units at end of the financial period/year	<u>3,388,459</u>	<u>4,886,382</u>
Legg Mason Singapore Dollar Fund (Class B)		
Units at beginning of the financial period/year	9,882,962	22,905,835
Units created	140,549,832	907,853
Units cancelled	(64,821,124)	(13,930,726)
Units at end of the financial period/year	<u>85,611,670</u>	<u>9,882,962</u>
Legg Mason Singapore Opportunities Trust (Class A)		
Units created	3,400,250	
Units cancelled	(1,371,859)	
Units at end of the financial period	<u>2,028,391</u>	
Legg Mason Singapore Opportunities Trust (Class I)		
Units created	33,581,700	
Units cancelled	(71,435)	
Units at end of the financial period	<u>33,510,265</u>	

11. Related party transactions and balances

As at 31 March 2008, the Manager of the Funds is Legg Mason International Equities (Singapore) Pte Ltd and the Trustee and Custodian is HSBC Institutional Trust Services (Singapore) Limited. From 1 January 2007 to 30 June 2007, the custodian was Citibank N.A.. The management fees, trustee fees, custody fees paid or payable by the Funds are shown in the Statements of Total Return.

Administrative fees, custody fees and audit fees of the Legg Mason Singapore Dollar Fund are absorbed by the Manager.

In addition to related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial period/year between the Funds and related parties at terms agreed between the parties concerned and within the provisions of the Trust Deed:

	1/1/2007 to 31/3/2008	31/10/2007 to 31/3/2008
	Legg Mason Singapore Dollar Fund	Legg Mason Singapore Opportunities Trust
	\$	\$
Interest income received and receivable from a bank which is a related company of the Trustee	<u>74,403</u>	<u>1,510</u>
		Year ended 31/12/2006 Legg Mason Singapore Dollar Fund
Interest income received and receivable from a bank which is a related company of the Trustee		<u>24,666</u>

Notes to the Financial Statements

For the financial period ended 31 March 2008

12. Financial risk management

The Funds are exposed to market risk (includes price risk, currency risk, derivatives risk, credit risk and interest rate risk) and liquidity risk through the financial instruments it holds. The risk management policies employed by the Manager to manage and monitor these risks are discussed below.

(a) Market risk

Market risk is the risk of potential adverse change to the value of financial instruments because of changes in market conditions like interest rate movements and volatility in securities prices. The Manager manages its exposure to market risk through the use of risk management strategies and various analytical and monitoring techniques.

(b) Currency risk

The assets and income of the Funds may be denominated in a number of different currencies other than the Singapore Dollar and will thus be subjected to fluctuation in currency exchange rates and in certain cases, exchange control regulations.

The Manager makes forecasts of currency levels under different scenarios based on the Manager's analysis of fundamentals, technical and valuation factors that influence currency movements. These forecasts are compared with the costs of economically hedging non-SGD currencies. Non-SGD currency exposures are usually economically hedged when the expected impact of currency movements is adverse and more than outweighs the cost of hedging.

The table below summarises the currency profile of the assets and liabilities of Legg Mason Singapore Opportunities Trust:

Legg Mason Singapore Opportunities Trust

As at 31 March 2008	SGD \$	USD \$	Total \$
Assets			
Portfolio of investments	22,822,283	180,861	23,003,144
Cash and bank balances	3,470,482	-	3,470,482
Receivables	70,650	12,925	83,575
Sales awaiting settlement	53,058	-	53,058
Total assets	26,416,473	193,786	26,610,259
Liabilities			
Payables	47,835	741	48,576
Purchases awaiting settlement	401,980	-	401,980
Net assets attributable to unitholders	26,159,703	-	26,159,703
Total liabilities	26,609,518	741	26,610,259
Total interest sensitive gap	(193,045)	193,045	-

The assets and liabilities of Legg Mason Singapore Dollar Fund are predominantly denominated in Singapore Dollars.

Notes to the Financial Statements

For the financial period ended 31 March 2008

(c) Interest rate risk

The table below summarises the repricing profile of Legg Mason Singapore Dollar Fund's assets and liabilities based on the earlier of the next contractual interest repricing date and the maturity date.

Legg Mason Singapore Dollar Fund

<u>As at 31 March 2008</u>	Up to 1 year \$	1 - 5 years \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	82,748,734	5,835,885	384,934	88,969,553
Cash and bank balances	13,157,702	-	-	13,157,702
Receivables	-	-	12,537	12,537
Total assets	95,906,436	5,835,885	397,471	102,139,792
Liabilities				
Payables	-	-	101,087	101,087
Net assets attributable to unitholders	-	-	102,038,705	102,038,705
Total liabilities	-	-	102,139,792	102,139,792
Total interest sensitive gap	95,906,436	5,835,885	(101,742,321)	-

As at 31 December 2006

Assets				
Portfolio of investments	13,888,458	2,152,822	127,374	16,168,654
Cash and bank balances	35,546	-	-	35,546
Total assets	13,924,004	2,152,822	127,374	16,204,200
Liabilities				
Payables	-	-	4,318	4,318
Net assets attributable to unitholders	-	-	16,199,882	16,199,882
Total liabilities	-	-	16,204,200	16,204,200
Total interest sensitive gap	13,924,004	2,152,822	(16,076,826)	-

Legg Mason Singapore Opportunities Trust's financial assets and liabilities are largely non-interest bearing. Hence, the Fund is not subjected to risk to fluctuations in the prevailing levels of market interest rates.

(d) Liquidity risk

Liquidity risk arises from not being able to fund redemptions or liquidate positions in a timely manner at a reasonable price. Liquidity risk exists when a particular investment is difficult to purchase or sell. These circumstances could prevent the Funds from promptly liquidating unfavourable positions and therefore resulting in losses to the Fund and corresponding decreases in the net asset value per unit. The Manager manages liquidity risk by investing primarily in marketable securities.

Notes to the Financial Statements

For the financial period ended 31 March 2008

(e) Credit risk

Credit risk is the risk of loss when a counterparty fails to meet its payment obligation. To address credit risk, the Manager has in place a stringent credit risk management process, which entails evaluating and mitigating the counterparty's credit worthiness.

(f) Derivative risk

The Funds may, subject to applicable investment guidelines in the Code on Collective Investment Schemes and the Deeds from time to time invest in derivatives, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Such assets, rates and indices may include bonds, shares, interest rates, currency exchange rates, bond indices and stock indices.

The Manager does not intend to use derivatives transactions for speculation or leverage but may use them for efficient portfolio management and to hedge existing positions. The Manager will attempt to minimize the risks through careful selection of reputable counterparties and constant monitoring of the Funds' derivatives positions.

13. Secured credit facility

Legg Mason Singapore Dollar Fund has a credit facility with HSBC at 31 March 2008.

Facility	Limit
Overdraft	\$3.2 million

The above credit facility is secured by way of a floating charge over all assets of Legg Mason Singapore Dollar Fund and is not utilised at period/year end.

For Legg Mason Singapore Opportunities Trust, there was no credit facility as at 31 March 2008.

14. Financial ratios

	1/1/2007 to 31/3/2008		Year ended 2006	
	% Class A	% Class B	% Class A	% Class B
Legg Mason Singapore Dollar Fund				
Expense ratio ¹	0.54	0.27	0.56	0.26
Portfolio turnover ratio ²	268.34	268.34	141.90	141.90
	<hr/>			
	31/10/2007 (date of launch) to 31/3/2008			
	% Class A	% Class I		
Legg Mason Singapore Opportunities Trust				
Expense ratio ¹	1.83	0.57		
Portfolio turnover ratio ²	44.49	44.49		

¹ Expense ratio is calculated in accordance with IMAS Guidelines for the Disclosure of Expenses Ratios. The expense ratio does not include (where applicable) brokerage and other transaction costs, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fees.

Expense ratios have been annualised in accordance to IMAS Guidelines.

² Portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes".

Turnover ratio is calculated based on 15 months for Legg Mason Singapore Dollar Fund.

Notes to the Financial Statements

For the financial period ended 31 March 2008

15. Comparatives

The financial statements of Legg Mason Singapore Dollar Fund is for the period 1 January 2007 to 31 March 2008 and are not comparable to the financial statements for the year ended 31 December 2006 due to different lengths of accounting periods.

There are no comparatives for Legg Mason Singapore Opportunities Trust as this is the first set of financial statements since the constitution of the fund.

Legg Mason Asian Enterprise Trust

Legg Mason Southeast Asia Special Situations Trust

Legg Mason Funds

Legg Mason Global Bond Trust

Legg Mason Asian Bond Trust

Legg Mason Singapore Bond Fund

CitiSelect Funds

Report to Unitholders

As at 31 March 2008

Investment Allocation as at 31 March 2008

<u>By Country</u>	Market Value in SGD	% of NAV
Australia	2,179,789	0.53
Canada	3,756,286	0.91
Denmark	5,188,336	1.26
France	75,101,094	18.16
Germany	106,688,369	25.79
Great Britain	29,629,827	7.17
Netherlands	20,609,684	4.98
Norway	3,747,175	0.91
Singapore	431,134	0.10
Supra-National	437,359	0.11
Sweden	5,228,580	1.27
United States of America	96,404,583	23.32
Portfolio of investments	349,402,216	84.51
Other net assets	64,055,361	15.49
Total	413,457,577	100.00

<u>By Industry</u>	Market Value in SGD	% of NAV
Bank	6,820,699	1.65
Electronic	1,504,181	0.36
Finance	16,081,747	3.89
Government	322,977,526	78.12
Investment	437,359	0.11
Miscellaneous	431,134	0.10
Transport	792,600	0.19
Utility - electric	356,970	0.09
Portfolio of investments	349,402,216	84.51
Other net assets	64,055,361	15.49
Total	413,457,577	100.00

<u>By Asset Class</u>	Market Value in SGD	% of NAV
Fixed Income securities	349,402,216	84.51
Portfolio of investments	349,402,216	84.51
Other net assets	64,055,361	15.49
Total	413,457,577	100.00

Report to Unitholders

As at 31 March 2008

By Credit Rating*	Market Value in SGD	% of NAV
AAA	326,035,030	78.86
Aaa	21,556,712	5.21
AA	504,220	0.12
AA-	1,306,254	0.32
Portfolio of investments	349,402,216	84.51
Other net assets	64,055,361	15.49
Total	413,457,577	100.00

*By Standard & Poor's/Moody's unless otherwise stated.

Top 10 Holdings

Holdings as at 31 March 2008	Market Value in SGD	% of NAV
Bundesrepublik Deutschland Series 04 3.75% 04/01/2015	49,097,857	11.87
Government of France BTan 3.5% 12/01/2009	44,259,894	10.70
Bundesrepublik Deutschland Series 0303 4.25% 04/01/2014	34,186,193	8.27
FNMA 30Yr Apr Fwd 25/11/2037 FRN	28,317,408	6.85
UK Treasury 4.75% 07/06/2010	25,686,911	6.21
US Treasury Note 3.875% 15/09/2010	19,446,018	4.70
Government of Netherlands 4% 15/01/2037	18,451,506	4.46
Bundesobligation Series 143 3.5% 10/10/2008	15,111,185	3.65
Government of France Oat 4% 25/10/2013	12,549,105	3.04
US Treasury Note 4.75% 15/08/2017	11,418,831	2.76

Holdings as at 31 March 2007	Market Value in SGD	% of NAV
Bundesrepublik Deutschland Series 3.75% 04/01/2015	37,972,478	13.53
UK Treasury 4.75% 07/06/2010	26,980,042	9.61
US Treasury Note 3.875% 15/09/2010	19,885,126	7.08
Government of Netherlands 4% 15/01/2037	18,103,443	6.45
FNMA 30Yr Apr 06 FWD 01/04/2035	14,823,048	5.28
Bundesobligation Series 4.25% 15/02/2008	14,243,652	5.07
Bundesobligation Series 3.5% 10/10/2008	13,903,162	4.95
Government of France Oat 4% 25/10/2013	13,827,481	4.93
Government of France Oat 4% 25/04/2013	11,182,910	3.98
Government of France Oat 3.75% 25/04/2017	10,133,564	3.61

Report to Unitholders

As at 31 March 2008

Exposure to Derivatives

	Market value in SGD	% of NAV
Forward foreign exchange and futures contracts	(1,387,172)	(0.34)
Net gains/(losses) on contracts realised for the period 1 April 2007 to 31 March 2008	(954,257)	
Net gains/(losses) on outstanding contracts marked to market as at 31 March 2008	(1,387,172)	

Investment in other unit trust, mutual funds and collective investment schemes

Nil as at 31 March 2008

Borrowings

Nil as at 31 March 2008

Amount of Redemptions and Subscriptions

For the period 1 April 2007 to 31 March 2008

	SGD
Redemptions	\$192,852,563
Subscriptions	\$309,968,970

Related Party Transactions

For the period 1 April 2007 to 31 March 2008

Refer to Note 12 of the "Notes to the Financial Statements".

Performance

	Legg Mason Global Bond Trust*	Benchmark
3-month	+2.09%	+3.46%
6-month	+2.26%	+4.08%
1-year	+5.01%	+8.23%
3-year	+0.95%	+2.34%
5-year	+2.83%	+3.79%
10-year	N/A	N/A
Since inception	+2.04%	+4.85%

* Average Annual Compounded Return for periods above one year, bid to bid with dividends reinvested

Benchmark : Citigroup World Government Bond Index (S\$) ex Japan

The inception date was 2 November 1998

Source : Legg Mason International Equities (Singapore) Pte Limited and Lipper

Report to Unitholders

As at 31 March 2008

Expense Ratio

For the period 1 April 2007 to 31 March 2008	0.93%
For the period 1 April 2006 to 31 March 2007	0.90%

The expense ratio was calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios.

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received.

Turnover Ratio

For the period 1 April 2007 to 31 March 2008	227.75%
For the period 1 April 2006 to 31 March 2007	195.36%

The turnover ratio was calculated in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Trust expressed as a percentage of daily average net asset value.

Other Material Information

With effect from July 2007, the Fund has changed from Bid-Offer to NAV-NAV pricing.

Soft Dollar Commission/Arrangements

The Investment Manager did not receive any soft dollar commission or enter into any soft dollar arrangement in the management of the Trust.

Legg Mason Global Bond Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Report of the Trustee

The Trustee is under a duty to take into custody and to hold the assets of Legg Mason Global Bond Trust (the "Fund") in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of the Statement of Recommended Accounting Practice 7 "Reporting Framework for Units Trusts" issued by the Institute of Certified Public Accountants of Singapore and the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the year covered by these financial statements set out on pages 95 to 110, comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee

HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

Authorised Signatory

20 June 2008

Legg Mason Global Bond Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Statement by the Manager

In the opinion of the directors of Legg Mason International Equities (Singapore) Pte Ltd (the "Manager"), the accompanying financial statements set out on pages 95 to 110, comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of Legg Mason Global Bond Trust (the "Fund") as at 31 March 2008 and the total return for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of directors of

LEGG MASON INTERNATIONAL EQUITIES (SINGAPORE) PTE LTD

Director
Legg Mason International Equities (Singapore) Pte Ltd

20 June 2008

Independent Auditor's Report To The Unitholders of Legg Mason Global Bond Trust

(Constituted under a Trust Deed in the Republic of Singapore)

We have audited the financial statements of Legg Mason Global Bond Trust (the "Fund") set out on pages 95 to 110, which comprise the Balance Sheet and Portfolio Statement as at 31 March 2008, the Statement of Total Return for the year then ended and a summary of significant accounting policies and other explanatory notes.

Manager's Responsibility for the Financial Statements

The Fund's Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Fund's Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at 31 March 2008 and the total return for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

PricewaterhouseCoopers
Public Accountants and Certified Public Accountants

Singapore, 20 June 2008

Statement of Total Return

For the financial year ended 31 March 2008

	Notes	31/3/2008 \$	31/3/2007 \$
Investment income			
Interest income		893,653	142,807
Sundry income		42,625	43,682
		936,278	186,489
Less: Expenses			
Audit fee		13,821	14,362
Custody fees	12	5,435	5,827
Management fees	12	2,524,719	1,943,081
Trustee fees	12	172,405	134,775
Registration fees	12	32,122	30,793
Professional fees		18,481	20,894
Valuation fees	12	90,190	71,315
Other expenses		67,681	18,920
		2,924,854	2,239,967
Net investment loss		(1,988,576)	(2,053,478)
Net gains or losses on value of investments			
Net realised gains on investments		7,017,525	1,429,490
Net change in fair value on investments		11,145,507	3,376,250
Net realised losses on financial derivatives		(954,257)	(27,197)
Net change in fair value on financial derivatives		(1,387,172)	782,127
Net foreign exchange gains		1,817,072	873,921
Net gains on value of investments		17,638,675	6,434,591
Total return for the financial year before income tax		15,650,099	4,381,113
Less: Income Tax	3	-	-
Total return for the financial year		15,650,099	4,381,113

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

Balance Sheet

As at 31 March 2008

	Notes	31/3/2008 \$	31/3/2007 \$
ASSETS			
Portfolio of investments		349,402,216	295,011,172
Cash and bank balances	5	80,362,207	19,290,459
Margin accounts	6	3,111,218	-
Receivables	7	32,025,120	1,055,176
Sales awaiting settlement		23,385	4,738,417
Fair value of financial derivatives	8	6,971,553	1,548,681
Total assets		471,895,699	321,643,905
LIABILITIES			
Payables	9	11,962,906	905,597
Purchases awaiting settlement		38,116,491	39,280,683
Fair value of financial derivatives	8	8,358,725	766,554
Net assets attributable to unitholders	10	413,457,577	280,691,071
Total liabilities		471,895,699	321,643,905

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

Portfolio Statement

As at 31 March 2008

	Holdings as at 31/3/2008	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %
By Geography - Quoted Investments			
Australia			
Queensland Treasury Corporation Series 11G 6% 14/06/2011	1,740,000	2,179,789	0.53
Canada			
Government of Canada 5% 01/06/2014	630,000	949,848	0.22
Government of Canada 5.5% 01/06/2010	300,000	434,669	0.11
Government of Canada 6% 01/06/2011	1,010,000	1,514,513	0.37
Government of Canada Series WL43 5.75% 01/06/2029	500,000	857,256	0.21
		3,756,286	0.91
Denmark			
Kingdom of Denmark 6% 15/11/2011	4,400,000	1,408,971	0.34
Nordea Kredit Realkredit Series Ann 4% 01/10/2038	3,361,255	888,042	0.22
Nykredit Series Ann 4% 01/10/2038	10,946,514	2,891,323	0.70
		5,188,336	1.26
France			
Government of France BTan 3.5% 12/01/2009	20,160,000	44,259,894	10.70
Government of France Btan 3% 12/01/2011	2,570,000	5,552,502	1.34
Government of France Oat 4% 25/10/2013	5,600,000	12,549,105	3.04
Government of France Oat 3.75% 25/04/2017	1,880,000	4,152,826	1.01
Government of France Oat 5.75% 25/10/2032	390,000	1,007,212	0.24
Government of France Oat 4.75% 25/04/2035	3,270,000	7,579,555	1.83
		75,101,094	18.16
Germany			
Bundesobligation Series 143 3.5% 10/10/2008	6,820,000	15,111,185	3.65
Bundesrepublik Deutschland Series 0303 4.25% 04/01/2014	15,080,000	34,186,193	8.27
Bundesrepublik Deutschland Series 04 3.75% 04/01/2015	22,320,000	49,097,857	11.87
Bundesrepublik Deutschland Series 06 4% 04/07/2016	1,570,000	3,550,815	0.86
Bundesrepublik Deutschland Series 05 4% 04/01/2037	1,730,000	3,475,341	0.84
Deutsche Postbank 5.5% 17/02/2009	150,000	213,883	0.05
Hypothekenbank in Essen 5.25% 17/01/2011	150,000	340,685	0.08
Kredit Fuer Wiederaufbau 5% 04/07/2011	200,000	465,010	0.11
Landwirtsch Rentenbank MTN 6% 15/09/2009	200,000	247,400	0.06
		106,688,369	25.79

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

Portfolio Statement

As at 31 March 2008

	Holdings as at 31/3/2008	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %
By Geography - Quoted Investments (continued)			
Great Britain			
UK Treasury 4.75% 07/06/2010	9,080,000	25,686,911	6.21
UK Treasury 6.25% 25/11/2010	200,000	592,767	0.14
UK Treasury 8% 07/06/2021	510,000	1,899,501	0.47
UK Treasury 4.25% 07/06/2032	540,000	1,450,648	0.35
		29,629,827	7.17
Netherlands			
Bank Nederlandse GEM 4.25% 05/01/2009	850,000	1,871,209	0.45
Government of Netherlands 4% 15/01/2037	9,320,000	18,451,506	4.46
Rabobank Nederland EMTN 5.5% 17/09/2008	200,000	286,969	0.07
		20,609,684	4.98
Norway			
Norwegian Government 5% 15/05/2015	9,490,000	2,791,148	0.68
Norwegian Government 4.25% 19/05/2017	3,410,000	956,027	0.23
		3,747,175	0.91
Singapore			
SP Powerassets Limited Series 5% 22/10/2013	300,000	431,134	0.10
Supra-National			
Nordic Investment Bank 4.125% 15/03/2011	200,000	437,359	0.11
Sweden			
Government of Sweden Series 1049 4.5% 12/08/2015	21,110,000	5,228,580	1.27

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

Portfolio Statement

As at 31 March 2008

	Holdings as at 31/3/2008	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Geography - Quoted Investments (continued)</u>			
United States of America			
Bank of America 5.375% 15/08/2011	350,000	504,220	0.12
Citigroup Inc 4.125% 22/02/2010	60,000	82,520	0.02
Fannie Mae 5.25% 15/01/2009	250,000	356,970	0.09
Fannie Mae Conventional Loan Series 893105 FRN 01/10/2036	331,095	475,110	0.11
Fannie Mae Conventional Loan Series 949507 FRN 01/09/2037	513,441	736,574	0.18
Federal Home Loan Mortgage Corp Gold 30Yr FRN 01/04/2036	3,200,000	4,379,761	1.07
FNMA 15Yr Apr Fwd 01/04/2022	100,000	140,873	0.03
FNMA 30Yr Apr Fwd 25/11/2037 FRN	20,300,000	28,317,408	6.85
FNMA 30Yr Apr 06 Fwd 01/04/2035	4,400,000	6,022,171	1.46
Freddie Mac 4.125% 12/07/2010	286,000	412,866	0.11
General Elec Cap Corp MTNA 4.125% 01/09/2009	1,070,000	1,504,181	0.36
United Parcel Service 4.5% 15/01/2013	550,000	792,600	0.19
US Treasury Bond 4.75% 15/02/2037	2,530,000	3,776,236	0.91
US Treasury N/B 3.75% 15/05/2008	2,930,000	4,107,375	0.99
US Treasury N/B 4.5% 15/02/2036	2,190,000	3,139,533	0.76
US Treasury Note 3.875% 15/09/2010	13,350,000	19,446,018	4.70
US Treasury Note 4% 15/03/2010	4,700,000	6,793,910	1.64
US Treasury Note 4.25% 30/09/2012	2,680,000	3,997,426	0.97
US Treasury Note 4.75% 15/08/2017	7,440,000	11,418,831	2.76
		96,404,583	23.32
Quoted Investments		349,402,216	84.51
Portfolio of investments		349,402,216	84.51
Other net assets		64,055,361	15.49
Net assets attributable to unitholders		413,457,577	100.00

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

Portfolio Statement

As at 31 March 2008

	Percentage of total net assets attributable to unitholders at 31/3/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2007 %
<u>By Geography (Summary)</u>		
Quoted Investments		
Australia	0.53	0.82
Canada	0.91	1.28
Denmark	1.26	2.26
France	18.16	18.01
Germany	25.79	32.51
Great Britain	7.17	13.88
Netherlands	4.98	7.18
Norway	0.91	0.50
Singapore	0.10	0.16
Supra-National	0.11	0.14
Sweden	1.27	1.99
United States of America	23.32	26.37
Portfolio of investments	84.51	105.10
Other net assets/(liabilities)	15.49	(5.10)
Net assets attributable to unitholders	100.00	100.00

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

Portfolio Statement

As at 31 March 2008

	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2007 %
By Industry			
Bank	6,820,699	1.65	2.46
Electronic	1,504,181	0.36	0.57
Finance	16,081,747	3.89	6.08
Government	322,977,526	78.12	95.69
Investment	437,359	0.11	0.14
Miscellaneous	431,134	0.10	-
Transport	792,600	0.19	-
Utility - electric	356,970	0.09	0.16
Portfolio of investments	349,402,216	84.51	105.10
Other net assets/(liabilities)	64,055,361	15.49	(5.10)
Net assets attributable to unitholders	413,457,577	100.00	100.00

Notes to the Financial Statements

For the financial year ended 31 March 2008

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Legg Mason Global Bond Trust (the "Fund") is an open-ended Unit Trust constituted pursuant to the Trust Deed dated 14 August 1998, as amended by various Supplemental Deeds between HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") and Legg Mason Asset Management (Asia) Pte Ltd. A Supplemental Deed dated 28 September 2006 was entered to effect the change of investment manager from Legg Mason Asset Management (Asia) Pte Ltd to Legg Mason International Equities (Singapore) Pte Ltd (the "Manager"). The Trust Deed and subsequent Supplemental Deeds are governed by and construed in accordance with the laws of the Republic of Singapore.

The principal objective of the Fund relates to holding of certain authorised investments for long-term capital appreciation.

The Fund is approved under the Central Provident Fund Investment Scheme.

2. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

The financial statements are expressed in Singapore dollars, which is the functional currency of the Fund.

(b) Income recognition

Interest income on deposits is recognised on a time proportion basis using the effective interest method.

(c) Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange ruling at the date of balance sheet. Foreign currency transactions during the financial period are converted into Singapore dollars at the rates of exchange ruling on the transaction dates.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from translation of foreign currency monetary assets and liabilities at balance sheet date are taken to the Statement of Total Return.

(d) Financial assets at fair value through profit or loss

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net changes in fair value on investments are included in the Statement of Total Return in the period which they arise. The resultant unrealised gains and losses are taken to the Statement of Total Return.

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and taken up in the Statement of Total Return.

Notes to the Financial Statements

For the financial year ended 31 March 2008

(e) Basis of valuation of investments

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The quoted market price for the investments held by the Fund is the current market quoted bid price or dealer's quote as applicable. Accrued interest is included in the fair value of the fixed income instruments.

(f) Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when fair values are negative.

The best evidence of the fair value of a derivative at fair value is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of the instrument is evidenced by comparison with other observable market transactions in the same instrument (i.e. without modification or packaging) or based on a valuation technique that whose variables include only data from observable markets.

3. Income Tax

	31/3/2008	31/3/2007
	\$	\$
Singapore income tax	-	-
Overseas income tax	-	-
	<hr/>	<hr/>
	-	-

The Fund is a designated unit trust and therefore, the following income is exempted from tax in accordance with Section 35(12) of the Income Tax Act:

- (a) gains or profits derived from Singapore or elsewhere from the disposal of securities and transactions in foreign exchange, futures, forwards, swaps and options relating to securities, financial indices, interest rates and currencies;
- (b) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act); and
- (c) distribution from foreign unit trusts and dividends derived from outside Singapore and received in Singapore.

4. Distribution to unitholders

The Manager did not propose any distribution to unitholders for the financial year ended 31 March 2008 (31 March 2007: \$Nil)

Notes to the Financial Statements

For the financial year ended 31 March 2008

5. Cash and bank balances

	31/3/2008 \$	31/3/2007 \$
Cash and bank balances	11,258,253	19,290,459
Fixed deposit	69,103,954	-
	80,362,207	19,290,459

Included in fixed deposits is an amount of \$10,403,602 (31 March 2007: \$Nil) placed with a bank which is a related company of the Trustee.

The fixed deposits have the following average maturity from the end of the financial period/year:

	31/3/2008 days	31/3/2007 days
Singapore dollar	1	-
United States dollar	1	-

The fixed deposits have the following weighted average effective interest rates:

	31/3/2008 %	31/3/2007 %
Singapore dollar	0.61	-
United States dollar	2.65	-

6. Margin accounts

	31/3/2008 \$	31/3/2007 \$
Margin accounts	3,111,218	-

Margin accounts represent the margin deposit amounts held with brokers.

7. Receivables

	31/3/2008 \$	31/3/2007 \$
Amount due from unitholders	32,023,291	1,055,176
Interest receivable	1,829	-
	32,025,120	1,055,176

The carrying amounts of receivables approximate their fair values.

Notes to the Financial Statements

For the financial year ended 31 March 2008

8. Fair value of financial derivatives

The table below sets out the analysed notional contract amounts and fair value of spot/forward foreign exchange and futures contracts entered into with third parties.

As at financial period/year end, commitments under spot/forward foreign exchange and futures contracts due for settlement within 3 months (31 March 2007: 2 months) are as follows:

	Notional amount \$	Fair value assets \$	Fair value liabilities \$
31/3/2008			
Forward foreign exchange contracts	405,614,942	6,247,708	(7,263,168)
Futures contracts	21,695,229	723,845	(1,095,557)
		<u>6,971,553</u>	<u>(8,358,725)</u>
31/3/2007			
Foreign exchange contracts:			
Spot	8,084,873	911	-
Forward	229,237,730	1,547,770	(766,554)
		<u>1,548,681</u>	<u>(766,554)</u>

The spot/forward foreign exchange and futures contracts were undertaken for purpose of efficient portfolio management.

All financial derivatives are stated at fair values on the balance sheet.

9. Payables

	31/3/2008 \$	31/3/2007 \$
Amount due to unitholders	11,631,699	659,012
Accrued management fee	242,631	172,924
Accrued trustee fee	31,277	11,939
Other payable and accruals	57,299	61,722
	<u>11,962,906</u>	<u>905,597</u>

The carrying amounts of payables approximate their fair values.

Notes to the Financial Statements

For the financial year ended 31 March 2008

10. Net assets attributable to unitholders

	31/3/2008 \$	31/3/2007 \$
At the beginning of the financial year	280,691,071	213,383,163
Operations		
Change in net assets attributable to unitholders resulting from operations	15,650,099	4,381,113
Unitholders' contributions/(withdrawals)		
Creation of units	309,968,970	104,678,184
Cancellation of units	(192,852,563)	(41,751,389)
Change in net assets attributable to unitholders resulting from net creation of units	117,116,407	62,926,795
Total increase in net assets attributable to unitholders	132,766,506	67,307,908
At the end of the financial year	413,457,577	280,691,071
Units in issue (see Note 11)	352,399,501	251,054,748
Net assets attributable to unitholders per unit	1.17	1.12

11. Units in issue

	31/3/2008	31/3/2007
Units at beginning of the financial year	251,054,748	194,601,099
Units created	268,352,901	93,930,760
Units cancelled	(167,008,148)	(37,477,111)
Units at end of the financial year	352,399,501	251,054,748

12. Related party transactions

As at 31 March 2008, the Manager of the Fund is Legg Mason International Equities (Singapore) Pte Ltd and the Trustee and Custodian is HSBC Institutional Trust Services (Singapore) Limited. The management fees, trustee fees, custody fees, registration fees and valuation fees paid or payable by the Fund are shown in the Statement of Total Return.

In addition to related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial period between the Fund and related parties at terms agreed between the parties concerned and within the provisions of the Trust Deed:

	31/3/2008 \$	31/3/2007 \$
Interest income received and receivable from a bank which is a related company of the Trustee	642,059	139,193
Interest expenses incurred with a bank which is a related company of the Trustee	1,940	5,841

Notes to the Financial Statements

For the financial year ended 31 March 2008

13. Financial risk management

The Fund is exposed to market risk (includes price risk, currency risk, derivatives risk, credit risk and interest rate risk) and liquidity risk through the financial instruments it holds. The risk management policies employed by the Manager to manage and monitor these risks are discussed below.

(a) Market risk

Market risk is the risk of potential adverse change to the value of financial instruments because of changes in market conditions like interest rate movements and volatility in securities prices. The Manager manages its exposure to market risk through the use of risk management strategies and various analytical and monitoring techniques.

(b) Currency risk

The assets and income of the Fund may be denominated in a number of different currencies other than the Singapore Dollar and will thus be subjected to fluctuation in currency exchange rates and in certain cases, exchange control regulations.

The Manager makes forecasts of currency levels under different scenarios based on the Manager's analysis of fundamentals, technical and valuation factors that influence currency movements. These forecasts are compared with the costs of economically hedging non-SGD currencies. Non-SGD currency exposures are usually economically hedged when the expected impact of currency movements is adverse and more than outweighs the cost of hedging.

The table below summarise the currency profile of the assets and liabilities of the Fund.

As at 31/3/2008	DKK \$	EUR \$	GBP \$	SGD \$	USD \$	Others \$	Total \$
Assets							
Portfolio of investments	5,188,336	202,088,254	29,629,827		97,336,569	15,159,230	349,402,216
Cash and bank balances	2,020,800	497,462	2,062,957	60,372,637	13,068,636	2,339,715	80,362,207
Margin deposits		2,217,267	715,306	-	178,645	-	3,111,218
Receivables				32,024,255	865	-	32,025,120
Sales awaiting settlement	23,385					-	23,385
Fair value of financial derivatives		4,109,068	651,352	777,965	55,438	1,377,730	6,971,553
Total assets	7,232,521	208,912,051	33,059,442	93,174,857	110,640,153	18,876,675	471,895,699
Liabilities							
Payables	-	-	-	11,958,552	4,354	-	11,962,906
Purchases awaiting settlement	-	-	-		38,116,491	-	38,116,491
Bank overdrafts	-	-	-			-	-
Fair value of financial derivatives	-	1,060,990	133,817	4,744,475	2,223,813	195,630	8,358,725
Net assets attributable to unitholders	-	-	-	413,457,577	-	-	413,457,577
Total liabilities	-	1,060,990	133,817	430,160,604	40,344,658	195,630	471,895,699
Net balance sheet currency exposure	7,232,521	207,851,061	32,925,625	(336,985,747)	70,295,495	18,681,045	

Notes to the Financial Statements

For the financial year ended 31 March 2008

As at 31/3/2007	DKK \$	EUR \$	GBP \$	SGD \$	USD \$	Others \$	Total \$
Assets							
Portfolio of investments	6,314,604	161,578,733	38,969,162	-	75,064,381	13,084,292	295,011,172
Cash and bank balances	185,787	651,947	3,616,277	3,532,785	10,965,605	338,058	19,290,459
Receivables	-	-	-	1,055,176	-	-	1,055,176
Sales awaiting settlement	21,887	-	-	-	4,716,530	-	4,738,417
Fair value of financial derivatives	-	647,246	15,079	675,485	-	210,871	1,548,681
Total assets	6,522,278	162,877,926	42,600,518	5,263,446	90,746,516	13,633,221	321,643,905
Liabilities							
Payables	-	-	-	903,046	2,551	-	905,597
Purchases awaiting settlement	-	8,058,239	-	-	31,222,444	-	39,280,683
Fair value of financial derivatives	-	-	-	494,609	225,670	46,275	766,554
Net assets attributable to unitholders	-	-	-	280,691,071	-	-	280,691,071
Total liabilities	-	8,058,239	-	282,088,726	31,450,665	46,275	321,643,905
Net balance sheet currency exposure	6,522,278	154,819,687	42,600,518	(276,825,280)	59,295,851	13,586,946	-

In respect of investments in fixed income securities, the currency analysis above is based on the currencies in which the listed securities are denominated.

(c) Interest rate risk

The table below summarises the repricing profile of the Fund's assets and liabilities based on the earlier of the next contractual interest repricing date and the maturity date.

As at 31/3/2008	Up to 1 year \$	1 - 5 years \$	Over 5 years \$	Non-interest bearing \$	Total \$
Assets					
Portfolio of investments	66,207,485	72,394,317	210,800,414	-	349,402,216
Cash and bank balances	80,362,207	-	-	-	80,362,207
Margin accounts	3,111,218	-	-	-	3,111,218
Receivables	-	-	-	32,025,120	32,025,120
Sales awaiting settlement	-	-	-	23,385	23,385
Fair value of financial derivatives	-	-	-	6,971,553	6,971,553
Total assets	149,680,910	72,394,317	210,800,414	39,020,058	471,895,699
Liabilities					
Payables	-	-	-	11,962,906	11,962,906
Purchases awaiting settlement	-	-	-	38,116,491	38,116,491
Bank overdrafts	-	-	-	-	-
Fair value of financial derivatives	-	-	-	8,358,725	8,358,725
Net assets attributable to unitholders	-	-	-	413,457,577	413,457,577
Total liabilities	-	-	-	471,895,699	471,895,699
Total interest sensitive gap	149,680,910	72,394,317	210,800,414	(432,875,641)	-

Notes to the Financial Statements

For the financial year ended 31 March 2008

As at 31/3/2007	Up to 1 year \$	1 - 5 years \$	Over 5 years \$	Non-interest bearing \$	Total \$
Assets					
Portfolio of investments	18,487,006	91,394,783	185,129,383	-	295,011,172
Cash and bank balances	19,290,459	-	-	-	19,290,459
Receivables	-	-	-	1,055,176	1,055,176
Sales awaiting settlement	-	-	-	4,738,417	4,738,417
Fair value of financial derivatives	-	-	-	1,548,681	1,548,681
Total assets	37,777,465	91,394,783	185,129,383	7,342,274	321,643,905
Liabilities					
Payables	-	-	-	905,597	905,597
Purchases awaiting settlement	-	-	-	39,280,683	39,280,683
Fair value of financial derivatives	-	-	-	766,554	766,554
Net assets attributable to unitholders	-	-	-	280,691,071	280,691,071
Total liabilities	-	-	-	321,643,905	321,643,905
Total interest sensitive gap	37,777,465	91,394,783	185,129,383	(314,301,631)	-

(d) Liquidity risk

Liquidity risk arises from not being able to fund redemptions or liquidate positions in a timely manner at a reasonable price. Liquidity risk exists when a particular investment is difficult to purchase or sell. These circumstances could prevent the Fund from promptly liquidating unfavourable positions and therefore resulting in losses to the Fund and corresponding decreases in the net asset value per unit. The Manager manages liquidity risk by investing primarily in marketable securities.

(e) Credit risk

Credit risk is the risk of loss when a counterparty fails to meet its payment obligation. To address credit risk, the Manager has in place a stringent credit risk management process, which entails evaluating and mitigating the counterparty's credit worthiness.

(f) Derivative risk

The Fund may, subject to applicable investment guidelines in the Code on Collective Investment Schemes and the Deeds from time to time invest in derivatives, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Such assets, rates and indices may include bonds, shares, interest rates, currency exchange rates, bond indices and stock indices.

The Manager does not intend to use derivatives transactions for speculation or leverage but may use them for efficient portfolio management and to hedge existing positions. The Manager will attempt to minimize the risks through careful selection of reputable counterparties and constant monitoring of the Fund's derivatives positions.

14. Secured credit facility

The Fund has a credit facility with HSBC at 31 March 2008.

Facility	Limit
Overdraft	\$20 million

The above credit facility is secured by way of a floating charge over all assets of the Fund and is not utilised at period end.

Notes to the Financial Statements

For the financial year ended 31 March 2008

15. Financial ratios

	31/3/2008	31/3/2007
	%	%
Expense ratio ¹	0.93	0.90
Portfolio turnover ratio ²	227.75	195.36

¹ Expense ratio is calculated in accordance with IMAS Guidelines for the Disclosure of Expenses Ratios. The expense ratio does not include (where applicable) brokerage and other transaction costs, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fees.

² Portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes".

Legg Mason Asian Enterprise Trust

Legg Mason Southeast Asia Special Situations Trust

Legg Mason Funds

Legg Mason Global Bond Trust

Legg Mason Asian Bond Trust

Legg Mason Singapore Bond Fund

CitiSelect Funds

Report to Unitholders

As at 31 March 2008

Investment Allocation as at 31 March 2008

<u>By Country</u>	Market Value in SGD	% of NAV
British Virgin Islands	859,314	1.76
Canada	401,518	0.82
Cayman Islands	538,365	1.10
China	2,407,285	4.93
Hong Kong	1,566,615	3.21
India	1,736,907	3.57
Indonesia	8,165,864	16.73
Malaysia	5,304,960	10.87
Netherlands	284,578	0.58
Philippines	12,025,171	24.64
Singapore	2,338,500	4.79
South Korea	4,589,625	9.41
Thailand	2,633,477	5.40
United States of America	446,084	0.91
Vietnam	2,209,550	4.53
Portfolio of investments	45,507,813	93.25
Other net assets	3,292,603	6.75
Total	48,800,416	100.00

<u>By Industry</u>	Market Value in SGD	% of NAV
Agriculture	558,836	1.14
Bank	10,963,345	22.47
Diversified resource	436,632	0.89
Electronic	3,307,343	6.78
Energy	273,103	0.56
Finance	295,169	0.60
Foods	657,516	1.35
Forestry	401,518	0.82
Government	21,925,759	44.93
Miscellaneous	3,694,311	7.57
Oil and gas	932,146	1.91
Real estate	266,069	0.55
Retail	265,693	0.54
Telecommunication	930,904	1.91
Wholesale	599,469	1.23
Portfolio of investments	45,507,813	93.25
Other net assets	3,292,603	6.75
Total	48,800,416	100.00

Report to Unitholders

As at 31 March 2008

By Asset Class

	Market Value in SGD	% of NAV
Fixed Income securities	45,507,813	93.25
Portfolio of investments	45,507,813	93.25
Other net assets	3,292,603	6.75
Total	48,800,416	100.00

By Credit Rating*

	Market Value in SGD	% of NAV
A+	412,709	0.85
A	6,772,115	13.88
A-	4,252,361	8.71
A2	1,402,090	2.87
A3	659,412	1.35
BBB+	818,129	1.68
BBB	567,324	1.16
BBB-	215,180	0.44
BBBu	295,548	0.61
BB+	3,509,354	7.19
BB	933,280	1.19
BB-	15,047,910	30.84
Ba2	1,736,907	3.56
Ba3	2,122,176	4.35
B+	848,344	1.74
B2	273,103	0.56
B	1,362,952	2.79
CCC+	446,084	0.91
Unrated	3,832,835	7.85
Portfolio of investments	45,507,813	93.25
Other net assets	3,292,603	6.75
Total	48,800,416	100.00

*By Standard & Poor's/Moody's unless otherwise stated.

Report to Unitholders

As at 31 March 2008

Top 10 Holdings

Holdings as at 31 March 2008	Market Value in SGD	% of NAV
National Power Corporation 6.875% 02/11/2016	2,887,504	5.92
Republic of Philippines 9.5% 02/02/2030	2,405,235	4.93
Republic of Indonesia 6.625% 17/02/2037	2,333,311	4.78
Republic of Philippines 6.375% 15/01/2032	2,196,539	4.50
Republic of Indonesia 3.94% 12/09/2011	2,122,176	4.35
Socialist Republic of Vietnam 6.875% 15/01/2016	1,841,579	3.77
Republic of Philippines 10.625% 16/03/2025	1,778,388	3.64
Government of India 7.37% 16/04/2014	1,736,907	3.57
Republic of Indonesia 8.5% 12/10/2035	1,619,794	3.32
Republic of Philippines Series 1042 9.125% 04/09/2016	1,508,749	3.09

Holdings as at 31 March 2007	Market Value in SGD	% of NAV
Republic of Philippines 9.5% 02/02/2030	2,694,303	6.03
Republic of Philippines 10.625% 16/03/2025	1,990,241	4.46
Republic of Philippines 8.875% 17/03/2015	1,841,165	4.12
Republic of Philippines 7.75% 14/01/2031	1,772,683	3.97
Government of India 7.37% 16/04/2014	1,742,814	3.90
Socialist Republic of Vietnam 6.875% 15/01/2016	1,641,108	3.68
Sarawak International 5.5% 03/08/2015	1,582,779	3.54
Standard Chartered Bank EMTN Var 30/01/2012	1,482,992	3.32
Republic of Philippines 8.25% 15/01/2014	1,383,222	3.10
Republic of Indonesia 8.5% 12/10/2035	1,366,341	3.06

Exposure to Derivatives

	Market value in SGD	% of NAV
Forward foreign exchange and futures contracts	547,885	1.12
Net gains/(losses) on contracts realised for the period 1 April 2007 to 31 March 2008	472,909	
Net gains/(losses) on outstanding contracts marked to market as at 31 March 2008	547,885	

Investment in other unit trust, mutual funds and collective investment schemes

Nil as at 31 March 2008

Report to Unitholders

As at 31 March 2008

Borrowings

Nil as at 31 March 2008

Amount of Redemptions and Subscriptions

For the period 1 April 2007 to 31 March 2008

	SGD
Redemptions	\$8,473,586
Subscriptions	\$13,335,257

Related Party Transactions

For the period 1 April 2007 to 31 March 2008

Refer to Note 12 of the "Notes to the Financial Statements".

Performance

	Legg Mason Asian Bond Trust*	Benchmark
3-month	-2.60%	+1.39%
6-month	-1.32%	+3.28%
1-year	-1.06%	+3.89%
3-year	+3.38%	+6.12%
5-year	+4.49%	+6.00%
10-year	+2.43%	N/A
Since inception	+1.32%	N/A

* Average Annual Compounded Return for periods above one year, bid to bid with dividends reinvested

Benchmark : From Nov 06, benchmark is Customised JP Morgan Asian Credit Index, Sovereign & Quasi Sovereign, fully hedged into SGD. From Oct 02 to Oct 06, benchmark was JP Morgan Asian Credit Index - Sovereign and Quasi Sovereign (Hedged in S\$). Since Jan 99 to Sep 02, benchmark was JP Morgan Asian Credit Index Sovereign (Hedged in S\$).

The inception date was 23 December 1996

Source : Legg Mason International Equities (Singapore) Pte Limited and Lipper

Expense Ratio

For the period 1 April 2007 to 31 March 2008	1.30%
For the period 1 April 2006 to 31 March 2007	1.39%

The expense ratio was calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios.

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received.

Report to Unitholders

As at 31 March 2008

Turnover Ratio

For the period 1 April 2007 to 31 March 2008	75.28%
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For the period 1 April 2006 to 31 March 2007	110.65%
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The turnover ratio was calculated in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Trust expressed as a percentage of daily average net asset value.

Other Material Information

With effect from July 2007, the Fund has changed from Bid-Offer to NAV-NAV pricing.

Soft Dollar Commission/Arrangements

The Investment Manager did not receive any soft dollar commission or enter into any soft dollar arrangement in the management of the Trust.

Legg Mason Asian Bond Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Report of the Trustee

The Trustee is under a duty to take into custody and to hold the assets of Legg Mason Asian Bond Trust (the “Fund”) in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the “laws and regulations”), the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of the Statement of Recommended Accounting Practice 7 “Reporting Framework for Units Trusts” issued by the Institute of Certified Public Accountants of Singapore and the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the year covered by these financial statements set out on pages 120 to 134, comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee

HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

Authorised Signatory

20 June 2008

Legg Mason Asian Bond Trust

(Constituted under a Trust Deed in the Republic of Singapore)

Statement by the Manager

In the opinion of the directors of Legg Mason International Equities (Singapore) Pte Ltd (the "Manager"), the accompanying financial statements set out on pages 120 to 134, comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of Legg Mason Asian Bond Trust (the "Fund") as at 31 March 2008 and the total return for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of directors of

LEGG MASON INTERNATIONAL EQUITIES (SINGAPORE) PTE LTD

Director

Legg Mason International Equities (Singapore) Pte Ltd

20 June 2008

Independent Auditor's Report To The Unitholders of Legg Mason Asian Bond Trust

(Constituted under a Trust Deed in the Republic of Singapore)

We have audited the financial statements of Legg Mason Asian Bond Trust (the "Fund") set out on pages 120 to 134, which comprise the Balance Sheet and Portfolio Statement as at 31 March 2008, the Statement of Total Return for the year then ended and a summary of significant accounting policies and other explanatory notes.

Manager's Responsibility for the Financial Statements

The Fund's Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Fund's Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at 31 March 2008 and the total return for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

PricewaterhouseCoopers
Public Accountants and Certified Public Accountants

Singapore, 20 June 2008

Statement of Total Return

For the financial year ended 31 March 2008

	Notes	31/3/2008 \$	31/3/2007 \$
Investment income			
Dividends		344	235
Interest income	12	30,005	20,899
Sundry income		-	35
		30,349	21,169
Less: Expenses			
Audit fee		6,493	7,395
Custody fees	12	7,154	727
Management fees	12	524,321	245,152
Trustee fees	12	31,354	17,534
Registration fees	12	19,196	17,498
Professional fees		16,310	22,752
Valuation fees	12	19,665	11,475
Other expenses		15,445	3,215
		639,938	325,748
Net investment loss		(609,589)	(304,579)
Net gains or losses on value of investments			
Net realised gains on investments		1,664,934	926,924
Net change in fair value on investments		(3,745,788)	367,327
Net realised gains on financial derivatives		472,909	494,086
Net change in fair value on financial derivatives		547,885	425,462
Net foreign exchange gains/(losses)		1,035,264	(1,964)
Net gains on value of investments		(24,796)	2,211,835
Total (deficit)/return for the financial year before income tax		(634,385)	1,907,256
Less: Income Tax	3	(82,610)	(34,164)
Total (deficit)/return for the financial year		(716,995)	1,873,092

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

Balance Sheet

As at 31 March 2008

	Notes	31/3/2008 \$	31/3/2007 \$
ASSETS			
Portfolio of investments		45,507,813	42,699,377
Cash and bank balances	5	2,574,458	1,506,839
Margin accounts	6	85,634	-
Receivables	7	159,458	83,731
Fair value of financial derivatives	8	835,992	430,865
Total assets		49,163,355	44,720,812
LIABILITIES			
Payables	9	74,832	59,669
Fair value of financial derivatives	8	288,107	5,403
Net assets attributable to unitholders	10	48,800,416	44,655,740
Total liabilities		49,163,355	44,720,812

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

Portfolio Statement

As at 31 March 2008

	Holdings as at 31/3/2008	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Geography - Quoted Investments</u>			
British Virgin Islands			
Galaxy Entertainment Finance FRN 15/12/2010	400,000	563,766	1.16
Wharf Finance Limited EMTN 6.125% 06/11/2017	210,000	295,548	0.60
		859,314	1.76
Canada			
Sino Forest Corporation 9.125% 17/08/2011	300,000	401,518	0.82
Cayman Islands			
CMHI Finance Cayman Inc 5.375% 09/03/2015	200,000	272,672	0.56
Guangdong Alliance Limited^	5,812	-	-
Hong Kong Property Co Limited^	5,812	-	-
Parkson Retail Group Limited 7.125% 30/05/2012	200,000	265,693	0.54
		538,365	1.10
China			
China Dev Bank 8.25% 150509	750,000	1,125,057	2.31
China Development Bank 5% 15/10/2015	900,000	1,282,228	2.62
		2,407,285	4.93
Hong Kong			
Agile Property Holdings Limited 9% 22/09/2013	250,000	266,069	0.55
GH Water Supply Holdings Limited^	2,208	-	-
Hutchison Whampoa International Limited 7.45% 24/11/2033	300,000	436,632	0.89
Li & Fung Limited 5.5% 16/05/2017	450,000	599,469	1.23
Wing Hang Bank Var Perp	200,000	264,445	0.54
		1,566,615	3.21
India			
Government of India 7.37% 16/04/2014	50,000,000	1,736,907	3.57

^ There is no readily available market quotation as the shares are not traded on any Exchange. The Manager made certain estimates and assumptions to arrive at the fair value, after taking into account all relevant information. The actual proceeds that could be realised from the sale of these shares could be different from the estimated fair value.

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

Portfolio Statement

As at 31 March 2008

	Holdings as at 31/3/2008	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Geography - Quoted Investments (continued)</u>			
Indonesia			
Bank Danamon Indonesia Var 30/03/2014	200,000	277,605	0.57
Ciliandra Perkasa 10.75% 08/12/2011	400,000	558,836	1.14
Indo Integrated Energy 8.5% 01/06/2012	200,000	273,103	0.56
Republic of Indonesia FR33 12.5% 15/03/2013	2,500,000,000	402,656	0.82
Republic of Indonesia 3.94% 12/09/2011	14,500,000,000	2,122,176	4.35
Republic of Indonesia 8.5% 12/10/2035	1,010,000	1,619,794	3.32
Republic of Indonesia 6.625% 17/02/2037	1,800,000	2,333,311	4.78
Republic of Indonesia 6.875% 09/03/2017	400,000	578,383	1.19
		8,165,864	16.73
Malaysia			
IOI Ventures 5.25% 16/03/2015	200,000	270,224	0.55
Government of Malaysia Series 5/06 3.718% 15/06/2012	1,500,000	659,412	1.35
Petroleum Nasional Berhad Series 7.625% 15/10/2026	300,000	539,612	1.11
Petronas Capital Limited 7.875% 22/05/2022	100,000	177,354	0.36
Public Bank Var 22/09/2014	200,000	283,460	0.58
Sarawak International 5.5% 03/08/2015	1,050,000	1,418,783	2.91
Silterra Capital 3.9% 06/06/2014	3,000,000	1,298,599	2.66
Tesco Stores Malaysia Series MTN 4.05% 12/11/2010	1,500,000	657,516	1.35
		5,304,960	10.87
Netherlands			
Arpeni Pratama Ocean Line Investment Series Regs 8.75% 03/05/2013	250,000	284,578	0.58
Philippines			
Land Bank of Philippines VAR 19/10/2016	100,000	142,656	0.29
National Power Corporation 6.875% 02/11/2016	2,000,000	2,887,504	5.92
National Power Corporation FRN 23/08/2011	200,000	295,169	0.61
Republic of Philippines 10.625% 16/03/2025	920,000	1,778,388	3.64
Republic of Philippines 9.5% 02/02/2030	1,320,000	2,405,235	4.93
Republic of Philippines Series 1042 9.125% 04/09/2016	40,000,000	1,508,749	3.09
Republic of Philippines 6.375% 15/01/2032	1,650,000	2,196,539	4.50
Republic of Philippines 7.75% 14/01/2031	520,000	810,931	1.66
		12,025,171	24.64

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

Portfolio Statement

As at 31 March 2008

	Holdings as at 31/3/2008	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %
By Geography - Quoted Investments (continued)			
Singapore			
DBS Bank Limited Var 16/05/2017	300,000	412,709	0.85
Standard Chartered Bank EMTN Var 30/01/2012	962,247	1,265,119	2.59
United Overseas Bank Limited Var 03/09/2019	500,000	660,672	1.35
		2,338,500	4.79
South Korea			
Export-Import Bank Korea 5.125% 16/03/2015	770,000	1,027,115	2.11
Export-Import Bank Korea Series 5.375% 04/10/2016	750,000	1,034,777	2.12
Korea Midland Power Co 5.375% 11/02/2013	300,000	419,839	0.86
Korea Treasury Bond Republic 5.25% 10/09/2012	1,000,000,000	1,402,090	2.87
SK Telecom Co Limited 6.625% 20/07/2007	300,000	404,393	0.83
Small Business Corporation 5.75% 14/09/2016	200,000	301,411	0.62
		4,589,625	9.41
Thailand			
Bangkok Bank Public Company 9.025% 15/03/2029	200,000	294,652	0.60
Government of Thailand Series 4.25% 13/03/2013	18,000,000	805,391	1.65
Government of Thailand Series 06-6 6.15% 07/07/2026	16,000,000	791,743	1.62
IRPC Public Company Limited EMTN 6.375% 25/05/2017	150,000	215,180	0.45
True Move Co Limited 10.75% 16/12/2013	400,000	526,511	1.08
		2,633,477	5.40
United States of America			
Cii Carbon Llc 11.125% 15/11/2015	350,000	446,084	0.91
Vietnam			
Socialist Republic of Vietnam 6.875% 15/01/2016	20,000,000,000	1,841,579	3.77
Vietnam (Socialist Republic of) 6.875% 15/01/2016	250,000	367,971	0.76
		2,209,550	4.53
Quoted Investments		45,507,813	93.25
Portfolio of investments		45,507,813	93.25
Other net assets		3,292,603	6.75
Net assets attributable to unitholders		48,800,416	100.00

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

Portfolio Statement

As at 31 March 2008

	Percentage of total net assets attributable to unitholders at 31/3/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2007 %
<u>By Geography (Summary)</u>		
Quoted Investments		
British Virgin Islands	1.76	-
Canada	0.82	1.11
Cayman Islands	1.10	2.08
China	4.93	1.68
Hong Kong	3.21	4.18
India	3.57	7.88
Indonesia	16.73	11.93
Malaysia	10.87	9.95
Netherlands	0.58	1.40
Philippines	24.64	31.17
Singapore	4.79	5.02
South Korea	9.41	13.40
Thailand	5.40	1.44
United States of America	0.91	0.70
Vietnam	4.53	3.68
	<hr/>	
Portfolio of investments	93.25	95.62
Other net assets	6.75	4.38
	<hr/>	
Net assets attributable to unitholders	100.00	100.00
	<hr/>	

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

Portfolio Statement

As at 31 March 2008

	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2007 %
By Industry			
Agriculture	558,836	1.14	-
Bank	10,963,345	22.47	19.30
Diversified resource	436,632	0.89	2.41
Electronic	3,307,343	6.78	1.42
Energy	273,103	0.56	-
Finance	295,169	0.60	2.83
Foods	657,516	1.35	0.71
Forestry	401,518	0.82	1.11
Government	21,925,759	44.93	52.96
Miscellaneous	3,694,311	7.57	7.83
Oil and gas	932,146	1.91	1.70
Real estate	266,069	0.55	1.41
Retail	265,693	0.54	1.10
Telecommunication	930,904	1.91	2.84
Wholesale	599,469	1.23	-
Portfolio of investments	45,507,813	93.25	95.62
Other net assets	3,292,603	6.75	4.38
Net assets attributable to unitholders	48,800,416	100.00	100.00

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

Notes to the Financial Statements

For the financial year ended 31 March 2008

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Legg Mason Asian Bond Trust (the "Fund") is an open-ended Unit Trust constituted pursuant to the Trust Deed dated 26 November 1996, as amended by various Supplemental Deeds between HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") and Legg Mason Asset Management (Asia) Pte Ltd. A Supplemental Deed dated 28 September 2006 was entered to effect the change of investment manager from Legg Mason Asset Management (Asia) Pte Ltd to Legg Mason International Equities (Singapore) Pte Ltd (the "Manager"). The Trust Deed and subsequent Supplemental Deeds are governed by and construed in accordance with the laws of the Republic of Singapore.

The principal objective of the Fund relates to holding of certain authorised investments for long-term capital appreciation.

2. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

The financial statements are expressed in Singapore dollars, which is the functional currency of the Fund.

(b) Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that the management adopts are outlined below:

Fair value of investments

The Fund may, from time to time, hold investments that are not quoted in active markets. Fair values of such investments are determined by the Fund Manager after taking into accounts all relevant information to make certain estimates and assumptions. The actual proceeds that could be realised from the sale of these shares could be different from the estimated fair value.

All the Fund's financial assets and financial liabilities are held for the purpose of being traded or are expected to be realised within one year.

(c) Income recognition

Interest income on deposits is recognised on a time proportion basis using effective interest method.

(d) Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange ruling at the date of balance sheet. Foreign currency transactions during the financial period are converted into Singapore dollars at the rates of exchange ruling on the transaction dates.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from translation of foreign currency monetary assets and liabilities at balance sheet date are taken to the Statement of Total Return.

(e) Financial assets at fair value through profit or loss

Investments are classified as financial assets at fair value through profit or loss.

Notes to the Financial Statements

For the financial year ended 31 March 2008

(i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net changes in fair value on investments are included in the Statement of Total Return in the period which they arise. The resultant unrealised gains and losses are taken to the Statement of Total Return.

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and taken up in the Statement of Total Return.

(f) Basis of valuation of investments

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The quoted market price for the investments held by the Fund is the current market quoted bid price or dealer's quote as applicable. Accrued interest is included in the fair value of the fixed income instruments.

(g) Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when fair values are negative.

The best evidence of the fair value of a derivative at fair value is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of the instrument is evidenced by comparison with other observable market transactions in the same instrument (i.e. without modification or packaging) or based on a valuation technique that whose variables include only data from observable markets.

3. Income Tax

	31/3/2008	31/3/2007
	\$	\$
Overseas income tax	82,610	34,164

The Fund is a designated unit trust and therefore, the following income is exempted from tax in accordance with Section 35(12) of the Income Tax Act:

- (a) gains or profits derived from Singapore or elsewhere from the disposal of securities and transactions in foreign exchange, futures, forwards, swaps and options relating to securities, financial indices, interest rates and currencies;
- (b) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act); and
- (c) distribution from foreign unit trusts and dividends derived from outside Singapore and received in Singapore.
- (d) The foreign income tax represents tax deducted at source on dividends derived from outside Singapore and received in Singapore.

Notes to the Financial Statements

For the financial year ended 31 March 2008

4. Distribution to unitholders

The Manager did not propose any distribution to unitholders for the financial year ended 31 March 2008 (31 March 2007: \$Nil)

5. Cash and bank balances

	31/3/2008 \$	31/3/2007 \$
Cash and bank balances	774,049	240,614
Fixed deposits	1,800,409	1,266,225
	2,574,458	1,506,839

As at 31 March 2008, the fixed deposits are placed with a bank which is a related company of the Trustee.

The fixed deposits have the following average maturity from the end of the financial year:

	31/3/2008 days	31/3/2007 days
Singapore dollar	1	3
United States dollar	-	3

The fixed deposits have the following weighted average effective interest rates:

	31/3/2008 %	31/3/2007 %
Singapore dollar	0.61	2.35
United States dollar	-	5.08

6. Margin accounts

	31/3/2008 \$	31/3/2007 \$
Margin accounts	85,634	-

Margin accounts represent the margin deposit amounts held with brokers.

7. Receivables

	31/3/2008 \$	31/3/2007 \$
Amount due from unitholders	35,899	83,427
Interest receivable	30	304
Others	123,529	-
	159,458	83,731

The carrying amounts of receivables approximate their fair values.

Notes to the Financial Statements

For the financial year ended 31 March 2008

8. Fair value of financial derivatives

The table below sets out the analysed notional contract amounts and fair value of forward foreign exchange and futures contracts entered into with third parties.

As at financial period/year end, commitments under forward foreign exchange and futures contracts due for settlement within 8 months (31 March 2008: 3 months) are as follows:

	Notional amount \$	Fair value assets \$	Fair value liabilities \$
31/3/2008			
Forward foreign exchange contracts	46,166,034	822,007	(288,107)
Futures contracts	4,476,152	13,985	-
		835,992	(288,107)
31/3/2007			
Forward foreign exchange contracts	39,288,550	430,865	(5,403)

The forward foreign exchange and futures contracts were undertaken for purpose of efficient portfolio management.

All financial derivatives are stated at fair values on the balance sheet.

9. Payables

	31/3/2008 \$	31/3/2007 \$
Amount due to unitholders	9,588	6,981
Accrued management fee	41,777	36,599
Accrued trustee's fee	4,888	2,241
Amount due to the Manager	1,177	-
Other payable and accruals	17,402	13,848
	74,832	59,669

The carrying amounts of payables approximate their fair values.

10. Net assets attributable to unitholders

	31/3/2008 \$	31/3/2007 \$
At the beginning of the financial year	44,655,740	19,171,012
Operations		
Change in net assets attributable to unitholders resulting from operations	(716,995)	1,873,092
Unitholders' contributions/(withdrawals)		
Creation of units	13,335,257	25,380,633
Cancellation of units	(8,473,586)	(1,768,997)
Change in net assets attributable to unitholders resulting from net creation of units	4,861,671	23,611,636
Total increase in net assets attributable to unitholders	4,144,676	25,484,728
At the end of the financial year	48,800,416	44,655,740
Units in issue (see Note 11)	43,514,643	39,299,558
Net assets attributable to unitholders per unit	1.12	1.14

Notes to the Financial Statements

For the financial year ended 31 March 2008

11. Units in issue

	31/3/2008	31/3/2007
Units at beginning of the financial year	39,299,558	18,310,336
Units created	11,667,496	22,581,770
Units cancelled	(7,452,411)	(1,592,548)
Units at end of the financial year	43,514,643	39,299,558

12. Related party transactions

As at 31 March 2008, the Manager of the Fund is Legg Mason International Equities (Singapore) Pte Ltd and the Trustee and Custodian is HSBC Institutional Trust Services (Singapore) Limited. The management fees, trustee fees, custody fees, registration fees and valuation fees paid or payable by the Fund are shown in the Statement of Total Return.

In addition to related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial year between the Fund and related parties at terms agreed between the parties concerned and within the provisions of the Trust Deed:

	31/3/2008	31/3/2007
	\$	\$
Interest income received and receivable from a bank which is a related company of the Trustee	30,005	20,899
Interest expenses incurred with a bank which is a related company of the Trustee	232	-

13. Financial risk management

The Fund is exposed to market risk (includes price risk, currency risk, derivatives risk, credit risk and interest rate risk) and liquidity risk through the financial instruments it holds. The risk management policies employed by the Manager to manage and monitor these risks are discussed below.

(a) Market risk

Market risk is the risk of potential adverse change to the value of financial instruments because of changes in market conditions like interest rate movements and volatility in securities prices. The Manager manages its exposure to market risk through the use of risk management strategies and various analytical and monitoring techniques.

(b) Currency risk

The assets and income of the Fund may be denominated in a number of different currencies other than the Singapore Dollar and will thus be subjected to fluctuation in currency exchange rates and in certain cases, exchange control regulations.

The Manager makes forecasts of currency levels under different scenarios based on the Manager's analysis of fundamentals, technical and valuation factors that influence currency movements. These forecasts are compared with the costs of economically hedging non-SGD currencies. Non-SGD currency exposures are usually economically hedged when the expected impact of currency movements is adverse and more than outweighs the cost of hedging.

Notes to the Financial Statements

For the financial year ended 31 March 2008

The table below summarise the currency profile of the assets and liabilities of the Fund.

As at 31/3/2008	INR \$	MYR \$	PHP \$	SGD \$	USD \$	Others \$	Total \$
Assets							
Portfolio of investments	1,736,907	2,615,527	1,508,749	-	32,280,995	7,365,635	45,507,813
Cash and bank balances	63,291	-	-	2,205,150	306,017	-	2,574,458
Margin accounts	-	-	-	-	-	85,634	85,634
Receivables	-	-	-	35,929	123,529	-	159,458
Fair value of financial derivatives	-	-	-	693,989	-	142,003	835,992
Total assets	1,800,198	2,615,527	1,508,749	2,935,068	32,710,541	7,593,272	49,163,355
Liabilities							
Payables	-	-	-	74,023	809	-	74,832
Fair value of financial derivatives	-	-	-	-	199,603	88,504	288,107
Net assets attributable to unitholders	-	-	-	48,800,416	-	-	48,800,416
Total liabilities	-	-	-	48,874,439	200,412	88,504	49,163,355
Net balance sheet currency exposure	1,800,198	2,615,527	1,508,749	(45,939,371)	32,510,129	7,504,768	-
As at 31/3/2007							
	IDR \$	INR \$	PHP \$	SGD \$	USD \$	Others \$	Total \$
Assets							
Portfolio of investments	1,578,044	1,742,814	1,481,475	-	35,386,931	2,510,113	42,699,377
Cash and bank balances	23,615	70	-	448,072	1,005,395	29,687	1,506,839
Receivables	-	-	-	83,472	259	-	83,731
Fair value of financial derivatives	-	-	-	430,865	-	-	430,865
Total assets	1,601,659	1,742,884	1,481,475	962,409	36,392,585	2,539,800	44,720,812
Liabilities							
Payables	-	-	-	50,562	9,107	-	59,669
Fair value of financial derivatives	-	-	-	-	5,403	-	5,403
Net assets attributable to unitholders	-	-	-	44,655,740	-	-	44,655,740
Total liabilities	-	-	-	44,706,302	14,510	-	44,720,812
Net balance sheet currency exposure	1,601,659	1,742,884	1,481,475	(43,743,893)	36,378,075	2,539,800	-

In respect of investments in fixed income securities, the currency analysis above is based on the currencies in which the securities are denominated.

Notes to the Financial Statements

For the financial year ended 31 March 2008

(c) Interest rate risk

The table below summarises the repricing profile of the Fund's assets and liabilities based on the earlier of the next contractual interest repricing date and the maturity date.

As at 31/3/2008	Up to 1 year \$	1 - 5 years \$	Over 5 years \$	Non-interest bearing \$	Total \$
Assets					
Portfolio of investments	-	13,058,920	32,448,893	-	45,507,813
Cash and bank balances	2,574,458	-	-	-	2,574,458
Margin accounts	85,634	-	-	-	85,634
Receivables	-	-	-	159,458	159,458
Fair value of financial derivatives	-	-	-	835,992	835,992
Total assets	2,660,092	13,058,920	32,448,893	995,450	49,163,355
Liabilities					
Payables	-	-	-	74,832	74,832
Fair value of financial derivatives	-	-	-	288,107	288,107
Net assets attributable to unitholders	-	-	-	48,800,416	48,800,416
Total liabilities	-	-	-	49,163,355	49,163,355
Total interest sensitive gap	2,660,092	13,058,920	32,448,893	(48,167,905)	-

As at 31/3/2007	Up to 1 year \$	1 - 5 years \$	Over 5 years \$	Non-interest bearing \$	Total \$
Assets					
Portfolio of investments	613,352	7,338,685	34,747,340	-	42,699,377
Cash and bank balances	1,506,839	-	-	-	1,506,839
Receivables	-	-	-	83,731	83,731
Fair value of financial derivatives	-	-	-	430,865	430,865
Total assets	2,120,191	7,338,685	34,747,340	514,596	44,720,812
Liabilities					
Payables	-	-	-	59,669	59,669
Fair value of financial derivatives	-	-	-	5,403	5,403
Net assets attributable to unitholders	-	-	-	44,655,740	44,655,740
Total liabilities	-	-	-	44,720,812	44,720,812
Total interest sensitive gap	2,120,191	7,338,685	34,747,340	(44,206,216)	-

(d) Liquidity risk

Liquidity risk arises from not being able to fund redemptions or liquidate positions in a timely manner at a reasonable price. Liquidity risk exists when a particular investment is difficult to purchase or sell. These circumstances could prevent the Fund from promptly liquidating unfavourable positions and therefore resulting in losses to the Fund and corresponding decreases in the net asset value per unit. The Manager manages liquidity risk by investing primarily in marketable securities.

(e) Credit risk

Credit risk is the risk of loss when a counterparty fails to meet its payment obligation. To address credit risk, the Manager has in place a stringent credit risk management process, which entails evaluating and mitigating the counterparty's credit worthiness.

Notes to the Financial Statements

For the financial year ended 31 March 2008

(f) Derivative risk

The Fund may, subject to applicable investment guidelines in the Code on Collective Investment Schemes and the Deeds from time to time invest in derivatives, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Such assets, rates and indices may include bonds, shares, interest rates, currency exchange rates, bond indices and stock indices.

The Manager does not intend to use derivatives transactions for speculation or leverage but may use them for efficient portfolio management and to hedge existing positions. The Manager will attempt to minimize the risks through careful selection of reputable counterparties and constant monitoring of the Fund's derivatives positions.

14. Secured credit facility

The Fund has a credit facility with HSBC at 31 March 2008.

<u>Facility</u>	<u>Limit</u>
Overdraft	\$2 million

The above credit facility is secured by way of a floating charge over all assets of the Fund and is not utilised at period end.

15. Financial ratios

	31/3/2008	31/3/2007
	%	%
Expense ratio ¹	1.30	1.39
Portfolio turnover ratio ²	75.28	110.65

¹ Expense ratio is calculated in accordance with IMAS Guidelines for the Disclosure of Expenses Ratios. The expense ratio does not include (where applicable) brokerage and other transaction costs, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fees.

² Portfolio turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes".

Legg Mason Asian Enterprise Trust

Legg Mason Southeast Asia Special Situations Trust

Legg Mason Funds

Legg Mason Global Bond Trust

Legg Mason Asian Bond Trust

Legg Mason Singapore Bond Fund

CitiSelect Funds

Report to Unitholders

As at 31 March 2008

Investment Allocation as at 31 March 2008

<u>By Country</u>	Market Value in SGD	% of NAV
Singapore	51,878,453	72.74
Australia	3,898,297	5.47
Germany	1,783,980	2.50
India	779,317	1.09
Supra-national	499,498	0.70
U Arab Emirates	255,415	0.36
United States	1,486,364	2.09
	<hr/> 60,581,324	84.95
Accrued interest on Fixed Income Securities	430,570	0.60
Portfolio of investments	61,011,894	85.55
Other net assets	10,300,565	14.45
Total	71,312,459	100.00

<u>By Industry</u>	Market Value in SGD	% of NAV
Bank	6,670,866	9.35
Electrical and electronic	1,023,687	1.44
Finance	1,486,364	2.08
Food & Beverage	480,358	0.67
Government	36,415,610	51.07
Miscellaneous	227,844	0.32
Real estate	10,640,099	14.92
Real estate Investment Trust	490,900	0.69
Transport-Rail	1,574,901	2.21
Utility - Electric	1,570,695	2.20
	<hr/> 60,581,324	84.95
Accrued interest on Fixed Income Securities	430,570	0.60
Portfolio of investments	61,011,894	85.55
Other net assets	10,300,565	14.45
Total	71,312,459	100.00

Report to Unitholders

As at 31 March 2008

By Asset Class	Market Value in SGD	% of NAV
Fixed income securities	60,581,324	84.95
	60,581,324	84.95
Accrued interest on Fixed Income Securities	430,570	0.60
Portfolio of investments	61,011,894	85.55
Other net assets	10,300,565	14.45
Total	71,312,459	100.00

By Credit Rating*	Market Value in SGD	% of NAV
AAA	30,469,374	42.73
Aaa	7,186,625	10.08
AAe	1,783,980	2.50
Aa2	1,035,697	1.45
AA-	245,975	0.34
A+	227,844	0.32
A1	255,415	0.36
A	502,250	0.70
A-	2,811,607	3.94
BBB+	1,716,394	2.41
BBB-	779,317	1.09
Baa1e	490,900	0.69
Unrated	13,075,946	18.34
	60,581,324	84.95
Accrued interest on Fixed Income Securities	430,570	0.60
Portfolio of investments	61,011,894	85.55
Other net assets	10,300,565	14.45
Total	71,312,459	100

*By Standard & Poor's/Moody's unless otherwise stated.

Report to Unitholders

As at 31 March 2008

Top 10 Holdings

Holdings as at 31 March 2008

	Market Value in S\$	% of NAV
Singapore Government SIGB 2.25 07/01/2013	7,468,420	10.47
Singapore Government SIGB 3.5 01/07/2027	6,810,650	9.55
Australia Government Series 121 5.25% 15/08/2010	3,898,297	5.47
Singapore Government SIGB 3.5 01/09/2020	3,260,400	4.57
Singapore Government SIGB 3.75 09/01/2016	3,194,310	4.48
Singapore Government SIGB 3.5 01/07/2012	2,902,440	4.07
Singapore Government SIGB 3.125 01/02/2011	2,748,720	3.85
Singapore Government SIGB 3.625 01/07/2011	2,644,526	3.71
Housing & Development Board MTN 3.455% 01/03/2011	2,600,000	3.65
Singapore Government SIGB 2.25 01/10/2012	2,290,860	3.21

Holdings as at 31 December 2006

	Market Value in S\$	% of NAV
Singapore Gov't SIGB 3.625 01/07/11	5,639,032	16.35
Singapore Gov't SIGB 3.25 01/09/20	4,091,152	11.86
Singapore Gov't SIGB 2.25 01/07/13	3,242,750	9.40
US Treasury N/B T 4 7/8 30/04/08	2,449,238	7.10
Singapore Gov't SIGB 3.75 01/09/16	2,329,266	6.75
Singapore Gov't SIGB 4.00 09/01/18	2,077,155	6.02
Tuas Power Ltd TSSP 4.5 28/05/2009	2,036,200	5.90
Sun Life Canda F SLC 4.15 22/04/2009	1,517,644	4.40
Capitaland COMM CAPLSP 3.98 07/05/10	1,507,830	4.37
Midpoint Prop MIDSP 3.88 17/01/11	1,254,062	3.64

Exposure to Derivatives

	Market Value in S\$	% of NAV
Forward foreign exchange contracts	26,717	0.04
Net gains/(losses)on contracts realised for the the year	(134,079)	
Net gains/(losses)on outstanding contracts marked to market as at 31 March 2008	26,717	

Investment in other unit trust, mutual funds and collective investment schemes

Nil as at 31 March 2008

Borrowings

Nil as at 31 March 2008

Report to Unitholders

As at 31 March 2008

Amount of Redemptions and Subscriptions

For the period 1 January 2007 to 31 March 2008

	S\$
Redemptions	\$32,640,826
Subscriptions	\$67,170,902

Related Party Transactions

For the period 1 January 2007 to 31 March 2008

Refer to Note 11 of the "Notes to the Financial Statements".

Performance

	Legg Mason Singapore Bond Fund*		Benchmark
	Class A	Class B	
3-month	+1.75%	+1.88%	+2.72%
6-month	+2.35%	+2.45%	+3.68%
1-year	+4.19%	+4.64%	+6.44%
3-year	+2.86%	+3.38%	+4.46%
5-year	+1.63%	+2.14%	+2.94%
10-year	+3.23%	N/A	+2.98%
Since inception	+3.26%	+3.74%	+3.03%

* Average Annual Compounded Return for periods above one year, bid-to-bid with dividends reinvested

Benchmark : UOB Singapore Government Bond Index All (S\$) w.e.f. 1 October 2006. Prior to 1 October 2006, the benchmark was 70% 3-month SIBID and 30% UOB SGS Index.

The inception dates were 15 November 1997 and 21 April 1998 respectively for Class A and Class B.

Benchmark since inception performance is for Class A only.

Since inception figures are calculated from the first full month of investment.

Source : Legg Mason International Equities (Singapore) Pte Limited

Expense Ratio

Class A

For the period 1 January 2007 to 31 March 2008¹ 1.35%

For the period 1 January 2006 to 31 December 2006 1.28%

Class B

For the period 1 January 2007 to 31 March 2008¹ 0.87%

For the period 1 January 2006 to 31 December 2006 0.78%

The expense ratio was calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios.

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received.

¹ Expense ratio is calculated based on 15 months and it has been annualised in accordance to IMAS Guidelines.

Report to Unitholders

As at 31 March 2008

Turnover Ratio

For the period 1 January 2007 to 31 March 2008² 136.21%

For the period 1 January 2006 to 31 December 2006 78.44%

The turnover ratio was calculated in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Trust expressed as a percentage of daily average net asset value.

² Turnover ratio is calculated based on 15 months.

Other Material Information

The financial year end for the Fund has been changed from 31 December to 31 March with effect from 1 July 2007.

The Fund had 3 classes of units in issue - Class A, Class B and Class Y. With effect from 31 January 2008, units in Class Y have ceased to be offered. All remaining units in Class Y have been merged with units in Class A. Class A and Class B unitholders currently pay management fee of 0.75% per annum and 0.5% per annum respectively.

Soft Dollar Commission/Arrangements

The Investment Manager did not receive any soft dollar commission or enter into any soft dollar arrangement in the management of the Fund.

Legg Mason Singapore Bond Fund

(Constituted under a Trust Deed in the Republic of Singapore)

Report of the Trustee

The Trustee is under a duty to take into custody and to hold the assets of Legg Mason Singapore Bond Fund (the "Fund") in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting period and report thereon to unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore and the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the period/year covered by these financial statements, set out on pages 144 to 158 comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed and Supplemental Deeds, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee

HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

Authorised Signatory

20 June 2008

Legg Mason Singapore Bond Fund

(Constituted under a Trust Deed in the Republic of Singapore)

Statement by the Manager

In the opinion of the directors of Legg Mason International Equities (Singapore) Pte Ltd (the "Manager"), the accompanying financial statements set out on pages 144 to 158, comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of the Legg Mason Singapore Bond Fund (the "Fund") as at 31 March 2008 and the total return for the period/year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of directors of

LEGG MASON INTERNATIONAL EQUITIES (SINGAPORE) PTE LTD

Director
Legg Mason International Equities (Singapore) Pte Ltd

20 June 2008

Independent Auditor's Report To The Unitholders of LEGG MASON SINGAPORE BOND FUND

(Constituted under a Trust Deed in the Republic of Singapore)

We have audited the financial statements of Legg Mason Singapore Bond Fund (the "Fund") set out on pages 144 to 158 which comprise the Balance Sheet and Portfolio Statement as at 31 March 2008, the Statement of Total Return for the period/year then ended, and a summary of significant accounting policies and other explanatory notes.

Manager's Responsibility for the Financial Statements

The Fund's Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Fund's Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at 31 March 2008 and the total return for the period/year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

PricewaterhouseCoopers
Public Accountants and Certified Public Accountants

Singapore, 20 June 2008

Statement of Total Return

For the financial period ended 31 March 2008

	Notes	1/1/2007 to 31/3/2008 \$	Year ended 31/3/2006 \$
Investment income			
Interest income		38,419	27,901
Less: Expenses			
Audit fees		28,733	23,009
Custody fees	11	29,795	36,264
Management fees	11	372,569	347,788
Trustee fees	11	33,370	29,265
Other expenses		89,895	44,447
		554,362	480,773
Net investment loss		(515,943)	(452,872)
Net gains or losses on value of investments			
Net realised gains on investments		2,067,568	743,768
Net change in fair value on investments		821,038	1,073,026
Net realised (losses)/gains on financial derivatives		(134,079)	25,244
Net change in fair value on financial derivatives		26,717	26,073
Net foreign exchange gains		23,808	4,978
Net gains on value of investments		2,805,052	1,873,089
Total return for the financial period/year before income tax		2,289,109	1,420,217
Less: Income tax	3	-	-
Total return for the financial period/year after income tax		2,289,109	1,420,217
Less: Distribution	4	(2,502)	(3,940)
Total return for the financial period/year		2,286,607	1,416,277

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

Balance Sheet

As at 31 March 2008

	Notes	As at 31/3/2008 \$	As at 31/12/2006 \$
ASSETS			
Portfolio of investments		61,011,894	34,313,800
Cash and cash equivalents	5	8,053,388	288,215
Receivables	6	2,346,776	692
Fair value of financial derivatives	7	26,717	26,073
Total assets		71,438,775	34,628,780
LIABILITIES			
Payables	8	126,316	133,004
Net assets attributable to unitholders	9	71,312,459	34,495,776
Total liabilities		71,438,775	34,628,780

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

Portfolio Statement

As at 31 March 2008

	Nominal value as at 31/3/2008	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Geography - Quoted Investments</u>			
Singapore			
CapitaCommercial Trust MTN 3.15% 24/01/2011	500,000	490,900	0.69
Capitaland COMM CAPLSP 3.98% 07/05/2010	750,000	772,738	1.08
Citigroup Inc EMTN 4.05% 29/06/2016	250,000	227,844	0.32
Fraser & Neave FBBSO 3.26 13/10/2015	500,000	480,358	0.67
Hk Land Treasury Sg 3.01% 04/10/2010	1,000,000	1,000,950	1.40
HK Land Treasury 3.65 10/05/2015	750,000	715,444	1.00
Housing & Development Board MTN 2.82% 06/10/2010	1,500,000	1,532,655	2.15
Housing & Development Board MTN 3.455% 01/03/2011	2,500,000	2,600,000	3.65
Housing & Development Board MTN 3.63% 27/02/2023	500,000	495,255	0.70
Housing & Development Board MTN 3.35% 11/06/2019	1,000,000	1,009,270	1.42
Joynote Ltd Cheung Treasury 3.655 26/10/2009	750,000	757,712	1.06
Land Transport Authority 2.9% 19/06/2023	250,000	226,463	0.32
Land Transport Authority 4.17% 10/05/2016	1,250,000	1,348,438	1.89
Oversea-Chinese OCBC 5% 06/09/2011	980,000	1,035,697	1.45
Oversea-Chinese Banking Series MTN 3.78% 28/11/2017	500,000	502,250	0.70
Public Utilities Board 3.9% 31/08/2018	1,500,000	1,570,695	2.20
Singapore Government SIGB 2.25 07/01/2013	7,265,000	7,468,420	10.47
Singapore Government SIGB 2.25 01/10/2012	2,200,000	2,290,860	3.21
Singapore Government SIGB 2.625 01/04/2012	100,000	105,030	0.15
Singapore Government SIGB 3.125 01/02/2011	2,600,000	2,748,720	3.85
Singapore Government SIGB 3.125 01/09/2022	270,000	270,945	0.38
Singapore Government SIGB 3.5 01/09/2020	3,135,000	3,260,400	4.57
Singapore Government SIGB 3.5 01/07/2012	2,680,000	2,902,440	4.07
Singapore Government SIGB 3.5 01/07/2027	6,710,000	6,810,650	9.55
Singapore Government SIGB 3.625 01/07/2011	2,455,000	2,644,526	3.71
Singapore Government SIGB 3.625 01/07/2014	260,000	286,522	0.40
Singapore Government SIGB 3.75 09/01/2016	2,870,000	3,194,310	4.48
Singapore Government SIGB 4.00 01/09/2018	473,000	534,490	0.75
ST Treasury Srvc Limited 3.98% 02/04/2014	250,000	260,312	0.37
Tuas Power Ltd TSSP 4.5 28/05/2009	1,000,000	1,023,687	1.44
United Overseas Bank Limited 4.95% 30/09/2016	1,250,000	1,306,922	1.83
United Overseas Bank Var 03/09/2019	250,000	247,475	0.35
United Overseas Land Limited 3.34% 15/05/2012	1,250,000	1,242,875	1.74
Total Singapore		51,365,253	72.02

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

Portfolio Statement

As at 31 March 2008

	Nominal value as at 31/3/2008	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Geography - Quoted Investments (continued)</u>			
Australia			
Australia Government Series 121 5.25% 15/08/2010	3,160,000	3,898,297	5.47
Total Australia		3,898,297	5.47
Germany			
Deutsche Bank EMTN 3.25% 10/10/2012	1,800,000	1,783,980	2.50
Total Germany		1,783,980	2.50
India			
ICICI Bank Limited EMTN 3.92% 15/02/2012	750,000	779,317	1.09
Total India		779,317	1.09
Supra-National			
Central American BK CABEL 2.64 07/06/2010	500,000	499,498	0.70
Total Supra-National		499,498	0.70
U Arab Emirates			
Emirates Bank International EMTN 3.875% 08/05/2009	250,000	255,415	0.36
Total U Arab Emirates		255,415	0.36
United States			
General Electric Capital Corporation EMTN 3.03% 2/11/13	1,250,000	1,240,389	1.74
HSBC Finance Corporation 4.5% 22/10/2013	250,000	245,975	0.35
Total United States		1,486,364	2.09
Quoted Investments		60,068,124	84.23

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

Portfolio Statement

As at 31 March 2008

	Nominal value as at 31/3/2008	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %
<u>By Geography - Unquoted Investments</u>			
Singapore			
Midpoint Prop MIDSP 3.88 17/01/2011	500,000	513,200	0.72
Total Singapore		513,200	0.72
Unquoted Investments		513,200	0.72
Accrued interest on Fixed Income Securities		430,570	0.60
Portfolio of investments		61,011,894	85.55
Other net assets		10,300,565	14.45
Net assets attributable to unitholders		71,312,459	100.00

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

Portfolio Statement

As at 31 March 2008

	Percentage of total net assets attributable to unitholders at 31/3/2008 %	Percentage of total net assets attributable to unitholders at 31/12/2006 %
<u>By Geography (Summary)</u>		
Quoted Investments		
Singapore	72.02	78.10
Australia	5.47	-
Cayman Islands	-	4.40
Germany	2.50	-
India	1.09	-
Supra-National	0.70	3.47
U Arab Emirates	0.36	-
United States	2.09	7.10
	<hr/> 84.23	93.07
Unquoted Investments		
Singapore	0.72	3.64
France	-	1.63
	<hr/> 0.72	5.27
Accrued interest on Fixed Income Securities	0.60	1.14
Portfolio of investments	85.55	99.48
Other net assets	14.45	0.52
Net assets attributable to unitholders	<hr/> 100.00 <hr/>	100.00

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

Portfolio Statement

As at 31 March 2008

	Fair value as at 31/3/2008 \$	Percentage of total net assets attributable to unitholders at 31/3/2008 %	Percentage of total net assets attributable to unitholders at 31/12/2006 %
By Industry			
Bank	6,670,866	9.35	6.77
Electrical and electronic	1,023,687	1.44	5.90
Finance	1,486,364	2.08	-
Food & Beverage	480,358	0.67	1.41
Government	36,415,610	51.07	61.24
Insurance	-	-	4.40
Multinationals	-	-	3.47
Miscellaneous	227,844	0.32	-
Real estate	10,640,099	14.92	11.59
Real estate Investment Trust	490,900	0.69	-
Shipbuilding	-	-	3.56
Transport-Rail	1,574,901	2.21	-
Public Utility	-	-	-
Utility - Electric	1,570,695	2.20	-
	60,581,324	84.95	98.34
Accrued interest on Fixed Income Securities	430,570	0.60	1.14
Portfolio of investments	61,011,894	85.55	99.48
Other net assets	10,300,565	14.45	0.52
Net assets attributable to unitholders	71,312,459	100.00	100.00

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

Notes to the Financial Statements

For the financial period ended 31 March 2008

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Legg Mason Singapore Bond Fund (the "Fund") previously known as CitiBond Singapore Fund is a Unit Trust constituted by a Trust Deed dated 1 October 1997 as amended by Supplementary and the Amending and Restating Deed between Legg Mason International Equities (Singapore) Pte Ltd (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed, subsequent Supplementary Deed and Amending and Restating Deeds are governed by the laws of the Republic of Singapore.

During the financial period, the Trustee was changed from British and Malayan Trustees Limited to HSBC Institutional Trust Services (Singapore) Limited with effect from 1 July 2007.

The financial year end for the Fund have been changed from 31 December to 31 March with effect from 1 July 2007.

The Fund has 3 classes of units in issue - Class A, Class B and Class Y. With effect from 31 January 2008, units in Class Y will not be offered. All remaining units in Class Y were merged with units in Class A. Class A and Class B unitholders currently pay management fee of 0.75% per annum and 0.5% per annum respectively.

The Fund is an approved unit trust under the Central Provident Fund Investment Scheme ("CPFIS").

2. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of financial assets of fair value through profit or loss, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trust" issued by the Institute of Certified Public Accountants of Singapore.

The financial statements are expressed in Singapore Dollars, which is the functional currency of the Fund.

(b) Income recognition

Interest income arising is recognised in the Statement of Total Return on a time proportion basis using the effective interest method.

(c) Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Singapore Dollars at the rates of exchange ruling at the date of the balance sheet. Foreign currency transactions during the financial period are converted into Singapore dollars at the rates of exchange ruling on the transaction dates.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from translation of foreign currency monetary assets and liabilities at balance sheet date are taken to the Statement of Total Return.

(d) Financial assets at fair value through profit and loss

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net change in fair value on investments are included in the Statement of Total Return in the period in which they arise. The resultant unrealised gains and losses are taken to the Statement of Total Return.

Notes to the Financial Statements

For the financial period ended 31 March 2008

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and are taken up in the Statement of Total Return.

(e) Basis of valuation of investments

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The quoted market price for the investments held by the Fund is the current market quoted bid price or dealer's quote as applicable. Accrued interest is included in the fair value of the fixed income instruments.

(f) Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when fair values are negative.

The best evidence of the fair value of a derivative at fair value is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of the instrument is evidenced by comparison with other observable market transactions in the same instrument (i.e. without modification or packaging) or based on a valuation technique that whose variables include only data from observable markets.

3. Income Tax

The Fund is a designated unit trust and, therefore, the following income is exempted from tax in accordance with section 35(12) of the Income Tax Act:

- (a) gains or profits derived from Singapore or elsewhere from the disposal of securities and transactions in foreign exchange, futures, forwards, swaps and options relating to securities, financial indices, interest rates and currencies;
- (b) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act); and
- (c) distribution from foreign unit trusts and dividends derived from outside Singapore and received in Singapore.

4. Distribution to unitholders

	1/1/ 2007 to 31/3/2008	Year ended 31/12/2006
	\$	\$
Distribution of S\$0.0125 per unit on 139,958 Class Y units, paid in respect of current financial year	-	1,749
Distribution of S\$0.0125 per unit on 175,317 Class Y units, paid in respect of current financial year	-	2,191
Distribution of S\$0.0125 per unit on 137,959 Class Y units, paid in respect of current financial period	1,724	-
Distribution of S\$0.0125 per unit on 62,222 Class Y units, paid in respect of current financial period	778	-
	2,502	3,940

Notes to the Financial Statements

For the financial period ended 31 March 2008

5. Cash and cash equivalents

	As at 31/3/2008 \$	As at 31/12/2006 \$
Cash and bank balances	651,649	288,215
Fixed deposits	7,401,739	-
	8,053,388	288,215

The carrying amounts of cash and cash equivalents approximate their fair values.

Fixed deposits have an average maturity of 1 days (2006: 3) from the end of the financial period/year with the following weighted average effective interest rate: 0.6070% (2006: 2.9%)

The exposure of cash and cash equivalents to interest rate risks is disclosed in note 12.

6. Receivables

	As at 31/3/2008 \$	As at 31/12/2006 \$
Interest receivable	263	-
Amount due from unitholders	2,346,513	692
	2,346,776	692

The carrying amounts of receivables approximate their fair values.

7. Fair value of financial derivatives

The table below sets out the analysed notional contract amounts and fair value of forward foreign exchange contracts entered into with third parties.

As at financial period/year end, commitments under forward foreign exchange contracts due for settlement within 3 months (2006: 3 months) are as follows:

	Notional amount \$	Fair value assets \$	Fair value liabilities \$
As at 31/3/2008			
Forward foreign exchange	3,959,320	26,717	-
As at 31/12/2006			
Forward foreign exchange	2,469,760	26,073	-

The forward foreign exchange contracts were undertaken for purpose of efficient portfolio management.

All financial derivatives are stated at fair values on the balance sheet.

Notes to the Financial Statements

For the financial period ended 31 March 2008

8. Payables

	As at 31/3/2008 \$	As at 31/12/2006 \$
Amount due to unitholders	15,599	47,758
Accrued management fee	30,558	21,985
Accrued trustee's fee	6,122	5,964
Amount due to the Manager	3,659	-
Other payables and accruals	70,378	57,297
	126,316	133,004

The carrying amounts of payables approximate their fair values.

9. Net assets attributable to unitholders

	Note	As at 31/3/2008 \$	As at 31/12/2006 \$
At the beginning of the financial period/year		34,495,776	64,149,334
Operations			
Changes in net assets attributable to unitholders resulting from operations		2,286,607	1,416,277
Unitholders' contributions/ (withdrawals)			
Creation of units		67,170,902	186,897
Cancellation of units		(32,640,826)	(31,256,732)
Changes in net assets attributable to unitholders resulting from net creation and cancellation of units		34,530,076	(31,069,835)
Total increase/(decrease) in net assets attributable to unitholders		36,816,683	(29,653,558)
At the end of financial period/year		71,312,459	34,495,776
Units in issue			
Class A	10	13,901,603	12,724,169
Class B	10	35,503,700	12,796,188
Class Y	10	-	137,959
Net assets attributable to unitholders per unit			
Class A		1.38	1.32
Class B		1.47	1.38
Class Y		-	0.96

Notes to the Financial Statements

For the financial period ended 31 March 2008

10. Units in issue

	As at 31/3/2008	As at 31/12/2006
Class A		
Units at beginning of the financial period/year	12,724,169	20,989,487
Units created	7,775,330	141,654
Units cancelled	(6,597,896)	(8,406,972)
Units at end of the financial period/year	13,901,603	12,724,169
Class B		
Units at beginning of the financial period/year	12,796,188	27,932,055
Units created	39,295,708	-
Units cancelled	(16,588,196)	(15,135,867)
Units at end of the financial period/year	35,503,700	12,796,188
Class Y		
Units at beginning of the financial period/year	137,959	175,217
Units created	17,360	5,207
Units cancelled	(155,319)	(42,465)
Units at end of the financial period/year	-	137,959

11. Related party transactions and balances

As at 31 March 2008, the Manager of the Fund is Legg Mason International Equities (Singapore) Pte Ltd and the Trustee and Custodian is HSBC Institutional Trust Services (Singapore) Limited. From 1 January 2007 to 30 June 2007, the custodian was Citibank N.A.. The management fees, trustee fees and custody fees paid or payable by the Fund are shown in the Statement of Total Return.

In addition to related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial period between the Fund and related parties at terms agreed between the parties concerned and within the provisions of the Trust Deed:

	1/1/2007 to 31/3/2008 \$	Year ended 31/12/2006 \$
Interest income received and receivable from a related company of the Custodian	32,986	27,901

12. Financial risk management

The Fund is exposed to market risk (includes price risk, currency risk, derivatives risk, credit risk, and interest rate risk) and liquidity risk through the financial instruments it holds. The risk management policies employed by the Manager to manage and monitor these risks are discussed below.

(a) Market risk

Market risk is the risk of potential adverse change to the value of financial instruments because of changes in market conditions like interest rate movements and volatility in securities prices. The Manager manages its exposure to market risk through the use of risk management strategies and various analytical and monitoring techniques.

Notes to the Financial Statements

For the financial period ended 31 March 2008

(b) Currency risk

The Fund takes on exposure to effects of fluctuations of foreign currency exchange rates on its financial positions and cash flows. To minimise currency risk, the Fund mainly hold its excess cash in the currency the Fund's financial statements are expressed in.

The assets and income of the Fund may be denominated in a number of different currencies other than the Singapore Dollar and will thus be subjected to fluctuation in currency exchange rates and in certain cases, exchange control regulations.

The Manager makes forecasts of currency levels under different scenarios based on the Manager's analysis of fundamentals, technical and valuation factors that influence currency movements. These forecasts are compared with the costs of economically hedging non-SGD currencies. Non-SGD currency exposures are usually economically hedged when the expected impact of currency movements is adverse and more than outweighs the cost of hedging.

The tables below summarise the currency profile of the assets and liabilities of the Fund.

As at 31/3/2008	AUD \$	SGD \$	USD \$	Total \$
Assets				
Portfolio of investments	3,924,672	57,087,222	-	61,011,894
Cash and bank balances	94,091	7,959,297	-	8,053,388
Receivables	-	2,346,776	-	2,346,776
Fair value of financial derivatives	-	26,717	-	26,717
Total assets	4,018,763	67,420,012	-	71,438,775
Liabilities				
Payables	-	125,722	594	126,316
Net assets attributable to unitholders	-	71,312,459	-	71,312,459
Total liabilities	-	71,438,181	594	71,438,775
Net balance sheet currency exposure	4,018,763	(4,018,169)	(594)	-
As at 31/12/2006				
Assets				
Portfolio of investments	-	31,844,202	2,469,598	34,313,800
Cash and bank balances	-	228,040	60,175	288,215
Receivables	-	692	-	692
Fair value of financial derivatives	-	26,073	-	26,073
Total assets	-	32,099,007	2,529,773	34,628,780
Liabilities				
Payables	-	133,004	-	133,004
Net assets attributable to unitholders	-	34,495,776	-	34,495,776
Total liabilities	-	34,628,780	-	34,628,780
Net balance sheet currency exposure	-	(2,529,773)	2,529,773	-

In respect of investments in fixed income securities, the currency analysis above is based on the currencies in which the listed securities are denominated.

Notes to the Financial Statements

For the financial period ended 31 March 2008

(c) Interest rate risk

The table below summarises the repricing profile of the Fund's assets and liabilities based on the earlier of the next contractual interest repricing date and the maturity date.

As at 31/3/2008	Up to 1 year \$	1 - 5 years \$	Over 5 years \$	Non-interest bearing \$	Total \$
Assets					
Investments	-	30,118,886	30,462,438	430,570	61,011,894
Cash and cash equivalents	8,053,388	-	-	-	8,053,388
Receivables	-	-	-	2,346,776	2,346,776
Fair value of financial derivatives	-	-	-	26,717	26,717
Total assets	8,053,388	30,118,886	30,462,438	2,804,063	71,438,775
Liabilities					
Payables	-	-	-	126,316	126,316
Net assets attributable to unitholders	-	-	-	71,312,459	71,312,459
Total liabilities	-	-	-	71,438,775	71,438,775
Total interest sensitive gap	8,053,388	30,118,886	30,462,438	(68,634,712)	-
As at 31/12/2006					
Assets					
Investments	560,888	19,630,462	13,729,903	392,547	34,313,800
Cash and cash equivalents	-	-	-	288,215	288,215
Receivables	-	-	-	692	692
Financial derivatives at fair value	-	-	-	26,073	26,073
Total assets	560,888	19,630,462	13,729,903	707,527	34,628,780
Liabilities					
Payables	-	-	-	133,004	133,004
Net assets attributable to unitholders	-	-	-	34,495,776	34,495,776
Total liabilities	-	-	-	34,628,780	34,628,780
Total interest sensitive gap	560,888	19,630,462	13,729,903	(33,921,253)	-

(d) Liquidity risk

The Fund is exposed to daily cancellation of units. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

(e) Credit risk

The fund invests mainly in debt obligations of governments and companies in Singapore. Adverse changes in the country or company may cause the Fund to suffer a loss of interest or principal on any of its holdings of such debt. The government entity or company that controls the servicing of debt obligations may be unwilling or unable to repay the obligations in accordance with their terms. The Fund's exposure to credit risk arises primarily from its investments in fixed income securities and to a lesser extent, from its transaction with counterparties such as brokers, custodians and banks. The Manager has in place procedures for proper screening and monitoring of credit risk.

Notes to the Financial Statements

For the financial period ended 31 March 2008

(f) Derivative risk

The Fund may, subject to applicable investment guidelines in the Code on Collective Investment Schemes and the Deeds from time to time invest in derivatives, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. Such assets, rates and indices may include bonds, shares, interest rates, currency exchange rates, bond indices and stock indices.

While the judicious use of derivatives by professional investment managers can be beneficial, derivatives involve risks different from, and, in some cases, greater than the risks presented by more traditional securities investments. Some of the risks associated with derivatives are market risk, management risks, credit risk, liquidity risk and leverage risk.

The Manager does not intend to use derivatives transactions for speculation or leverage but may use them for efficient portfolio management and to hedge existing positions. The Manager will attempt to minimize the risks through careful selection of reputable counterparties and constant monitoring of the Fund's derivatives positions.

13. Secured credit facility

The Fund has a credit facility with HSBC at 31 March 2008.

Facility	Limit
Overdraft	S\$3.5 million

The above credit facility is secured by way of a floating charge over all assets of the Fund and is not utilised at period end.

14. Financial ratios

	1/1/2007 to 31/3/2008 %	Year ended 31/12/2006 %
Ratio of expenses to average net assets ¹		
Class A	1.35	1.28
Class B	0.87	0.78
Class Y	1.41	1.28
Portfolio turnover rate ²	136.21	78.44

¹ Expense ratio is calculated in accordance with the IMAS Guidelines for the Disclosure of Expense Ratios. The expense ratio does not include (where applicable) brokerage and other transaction costs, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee.

Expense ratio is calculated based on 15 months and it has been annualised in accordance to IMAS Guidelines.

² Portfolio turnover rate is calculated in accordance with the formula stated in the Code on Collective Investment Schemes.

Turnover ratio is calculated based on 15 months.

15. Comparatiries

The financial statements for the period 1 January 2007 to 31 March 2008 are not comparable to the financial statements for the year ended 31 December 2006 due to different lengths of accounting periods.

Legg Mason Asian Enterprise Trust

Legg Mason Southeast Asia Special Situations Trust

Legg Mason Funds

Legg Mason Global Bond Trust

Legg Mason Asian Bond Trust

Legg Mason Singapore Bond Fund

CitiSelect Funds

Report to Unitholders

As at 31 March 2008

Investment Allocation as at 31 March 2008

The CitiSelect Funds comprises the following sub-funds: CitiSelect Asia Tilt Balanced Fund; CitiSelect Asia Tilt Growth Fund; CitiSelect Asia Tilt Enhanced Growth Fund and the CitiSelect Global Growth Fund. These sub-funds are feeder funds that invests substantially all its assets in sub-funds of CitiSelect Portfolios, an open-ended mutual fund constituted under Luxembourg Law.

As the Funds are invested wholly as Feeder Funds into the underlying unit trust, it is not meaningful to classify the investments into industry, country or asset class.

Exposure to Derivatives

Nil for the period under review

Investment in other unit trust, mutual funds and collective investment schemes

	Market Value as at 31/3/2008 S\$	Percentage of total net assets as at 31/3/2008 %	Market Value as at 31/12/2006 S\$	Percentage of total net assets as at 31/12/2006 %
CitiSelect Asia Tilt Balanced Fund				
CitiSelect Portfolios CitiSelect Asia Tilt - Balanced	3,389,930	99.33	5,453,893	99.50
CitiSelect Asia Tilt Growth Fund				
CitiSelect Portfolios CitiSelect Asia Tilt - Growth	4,701,108	99.12	9,653,597	99.48
CitiSelect Asia Tilt Enhanced Growth Fund				
CitiSelect Portfolios CitiSelect Asia Tilt - Enhanced Growth	2,872,827	99.25	6,272,142	99.52
CitiSelect Global Growth Fund				
CitiSelect Portfolios CitiSelect Global - Growth	1,537,592	100.36	3,275,148	99.78

Borrowings

Nil as at 31 March 2008

Amount of Redemptions and Subscriptions

For the period 1 January 2007 to 31 March 2008

CitiSelect Asia Tilt Balanced Fund	S\$
Redemptions	\$2,229,444
Subscriptions	\$551,093
CitiSelect Asia Tilt Growth Fund	S\$
Redemptions	\$4,498,427
Subscriptions	\$76,564
CitiSelect Asia Tilt Enhanced Growth Fund	S\$
Redemptions	\$3,123,441
Subscriptions	\$33,020
CitiSelect Global Growth Fund	S\$
Redemptions	\$1,507,367
Subscriptions	\$52,027

Report to Unitholders

As at 31 March 2008

Related Party Transactions

For the period 1 January 2007 to 31 March 2008

Refer to Note 11 of the "Notes to the Financial Statements".

Performance

	CitiSelect Asia Tilt Balanced Fund*	Benchmark
3-month	-9.52%	-7.59%
6-month	-13.64%	-9.96%
1-year	-10.74%	-3.53%
3-year	-0.25%	+3.82%
5-year	+3.50%	+7.20%
10-year	N/A	N/A
Since inception	+2.74%	+5.75%

Benchmark : 50% Lehman Brothers Global Aggregate hedged to USD, 30% MSCI All Country World Free, 20% MSCI All Country Far East ex Japan ex China (\$\$) w.e.f. 14 January 2005. Prior to 14 January 2005, the benchmark was 50% Lehman Brothers US Government Bond Index, 30% MSCI All Country World Free, 20% MSCI All Country Far East Free ex Japan ex China (\$\$).

The inception date was 5 May 1998.

	CitiSelect Asia Tilt Growth Fund*	Benchmark
3-month	-13.82%	-9.68%
6-month	-18.63%	-12.65%
1-year	-12.67%	-4.10%
3-year	+0.26%	+5.51%
5-year	+5.55%	+10.30%
10-year	N/A	N/A
Since inception	+2.78%	+5.83%

Benchmark : 30% Lehman Brothers Global Aggregate hedged to USD, 45% MSCI All Country World Free, 25% MSCI All Country Far East ex Japan ex China (\$\$) w.e.f. 14 January 2005. Prior to 14 January 2005, benchmark was 30% Lehman Brothers US Government Bond Index, 45% MSCI All Country World Free, 25% MSCI All Country Far East Free ex Japan ex China (\$\$).

The inception date was 5 May 1998.

	CitiSelect Asia Tilt Enhanced Growth Fund*	Benchmark
3-month	-11.18%	-11.73%
6-month	-15.63%	-15.25%
1-year	-11.18%	-4.02%
3-year	+3.72%	+7.60%
5-year	+9.44%	+13.86%
10-year	N/A	N/A
Since inception	+3.31%	+6.39%

Benchmark : 10% Lehman Brothers Global Aggregate hedged to USD, 55% MSCI All Country World Free, 35% MSCI All Country Far East ex Japan ex China (\$\$) w.e.f. 14 January 2005. Prior to 14 January 2005, the benchmark was 10% Lehman Brothers US Government Bond Index, 55% MSCI All Country World Free, 35% MSCI All Country Far East Free ex Japan ex China (\$\$).

The inception date was 5 May 1998.

Report to Unitholders

As at 31 March 2008

	CitiSelect Global Growth Fund*	Benchmark
3-month	-11.21%	-9.89%
6-month	-16.26%	-13.07%
1-year	-14.17%	-7.85%
3-year	-1.87%	+3.33%
5-year	+2.96%	+8.09%
10-year	N/A	N/A
Since inception	+0.00%	+3.52%

Benchmark : 30% Lehman Brothers Global Aggregate hedged to USD, 70% MSCI All Country World Free (S\$) w.e.f. 14 January 2005. Prior to 14 January 2005, benchmark was 30% Lehman Brothers US Government Bond Index, 70% MSCI All Country World Free (S\$).

The inception date was 1 December 1998.

** Average Annual Compounded Return for periods above one year, bid-to-bid with dividends reinvested*

Since inception figures are calculated from the first full month of investment.

Source : Legg Mason International Equities (Singapore) Pte Limited

Expense Ratio

CitiSelect Asia Tilt Balanced Fund

For the period 1 January 2007 to 31 March 2008¹ 2.37%

For the period 1 January 2006 to 31 December 2006 2.37%

CitiSelect Asia Tilt Growth Fund

For the period 1 January 2007 to 31 March 2008¹ 2.22%

For the period 1 January 2006 to 31 December 2006 2.41%

CitiSelect Asia Tilt Enhanced Growth Fund

For the period 1 January 2007 to 31 March 2008¹ 2.54%

For the period 1 January 2006 to 31 December 2006 2.68%

CitiSelect Global Growth Fund

For the period 1 January 2007 to 31 March 2008¹ 3.04%

For the period 1 January 2006 to 31 December 2006 2.83%

The expense ratio was calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios.

The expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received.

¹ Expense ratio is calculated based on 15 months and it has been annualised in accordance to IMAS Guidelines.

Report to Unitholders

As at 31 March 2008

Turnover Ratio

CitiSelect Asia Tilt Balanced Fund

For the period 1 January 2007 to 31 March 2008² 12.72%

For the period 1 January 2006 to 31 December 2006 0.41%

CitiSelect Asia Tilt Growth Fund

For the period 1 January 2007 to 31 March 2008² 0.49%

For the period 1 January 2006 to 31 December 2006 0.48%

CitiSelect Asia Tilt Enhanced Growth Fund

For the period 1 January 2007 to 31 March 2008² 0.00%

For the period 1 January 2006 to 31 December 2006 1.00%

CitiSelect Global Growth Fund

For the period 1 January 2007 to 31 March 2008² 3.30%

For the period 1 January 2006 to 31 December 2006 0.00%

The turnover ratio was calculated in accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.

The turnover ratio is calculated based on the lesser of purchases or sales of underlying investments of the Trust expressed as a percentage of daily average net asset value.

² Turnover ratio is calculated based on 15 months.

Other Material Information

The financial year end for the Fund has been changed from 31 December to 31 March with effect from 1 July 2007.

Soft Dollar Commission/Arrangements

The Investment Manager did not receive any soft dollar commission or enter into any soft dollar arrangement in the management of the Trust.

Report to Unitholders

As at 31 March 2008

The CitiSelect Asia Tilt Balanced Fund invests more than 30% of its assets in the CitiSelect Portfolios CitiSelect Asia Tilt - Balanced. The following are key information on the underlying fund:

Top 10 Holdings

Holdings as at 31 March 2008

	Market Value in US\$	% of NAV
Permanent Fin. 3.962% 10/Mar/2011	332,794	1.68
Taiwan Semiconductor Manufacturing Co Lt	268,992	1.36
DePfa ACS Bank 1.650% 20/Dec/2016	262,941	1.33
Hon Hai Precision Industry	219,095	1.11
Metropolitan Life Global Fdg I 5.250% 19/Dec/2008	217,970	1.10
Citigroup 4.125% 22/Feb/2010	196,298	0.99
Fannie Mae Pool No.823248 FRN 1/Jun/2035	194,384	0.98
Fannie Mae Pool 5.500% 20/Apr/2019	180,859	0.91
Germany (Govt of) 3.750% 4/Jan/2017	172,307	0.87
Fannie Mae Pool No.912580 - 5.500% 1/Feb/2022	161,815	0.82

Holdings as at 31 December 2006

	Market Value in US\$	% of NAV
Germany (Govt of) Bundesschatzanweisungen 3.250% 13/Jun/2008	673,396	2.45
Germany (Govt of) 6.250% 4/Jan/2024	504,648	1.83
Samsung Electronics Company Limited	415,713	1.51
Taiwan Semiconductor Manufacturing Company Limited	398,151	1.45
Germany (Govt of) 3.250% 4/Jul/2015	337,156	1.23
United States Tsy N/B 4.500% 30/Nov/2011	312,157	1.13
Kookmin Bank	306,051	1.11
Hon Hai Precision Industry	304,822	1.11
Permanent Fin. 3.962% 10/Mar/2011	293,158	1.07
United States Tsy N/B 4.500% 15/Feb/2036	273,216	0.99

Expense Ratio

For the period 1 January 2007 to 31 March 2008 ¹	2.04%
For the period 1 January 2006 to 31 December 2006	2.03%

Turnover Ratio

For the period 1 January 2007 to 31 March 2008 ²	124.13%
For the period 1 January 2006 to 31 December 2006	93.52%

Report to Unitholders

As at 31 March 2008

The CitiSelect Asia Tilt Growth Fund invests more than 30% of its assets in the CitiSelect Portfolios CitiSelect Asia Tilt - Growth. The following are key information on the underlying fund:

Top 10 Holdings

Holdings as at 31 March 2008	Market Value in US\$	% of NAV
Taiwan Semiconductor Manufacturing Co Lt	396,865	1.71
Hon Hai Precision Industry	323,248	1.39
Permanent Fin. 3.962% 10/Mar/2011	239,707	1.03
Shinsegae Co Ltd	207,233	0.89
Jardine Matheson Holdings Ltd	204,883	0.88
Swire Pacific Ltd - A	200,565	0.87
Hyundai Development Co	190,148	0.82
DePfa ACS Bank 1.650% 20/Dec/2016	189,393	0.82
Samsung Fire & Marine Insurance Co Ltd	181,510	0.78
City Developments Ltd	177,966	0.77

Holdings as at 31 December 2006	Market Value in US\$	% of NAV
Samsung Electronics Company Limited	609,615	1.87
Taiwan Semiconductor Manufacturing Company Limited	583,862	1.79
Germany (Govt of) Bundesschatzanweisungen 3.250% 13/Jun/2008	472,762	1.45
Kookmin Bank	448,804	1.38
Hon Hai Precision Industry	447,001	1.37
Germany (Govt of) 6.250% 4/Jan/2024	354,292	1.09
City Developments Limited	294,503	0.90
DBS Group Holdings Limited	288,713	0.88
Hyundai Development Company	287,177	0.88
Hyundai Motor Company	262,234	0.80

Expense Ratio

For the period 1 January 2007 to 31 March 2008 ¹	2.14%
For the period 1 January 2006 to 31 December 2006	2.13%

Turnover Ratio

For the period 1 January 2007 to 31 March 2008 ²	93.92%
For the period 1 January 2006 to 31 December 2006	70.78%

Report to Unitholders

As at 31 March 2008

The CitiSelect Asia Tilt Enhanced Growth Fund invests more than 30% of its assets in the CitiSelect Portfolios CitiSelect Asia Tilt - Enhanced Growth. The following are key information on the underlying fund:

Top 10 Holdings

Holdings as at 31 March 2008	Market Value in US\$	% of NAV
Taiwan Semiconductor Manufacturing Co Lt	603,017	2.42
Hon Hai Precision Industry	491,159	1.97
Shinsegae Co Ltd	314,880	1.27
Jardine Matheson Holdings Ltd	311,310	1.25
Swire Pacific Ltd - A	304,749	1.23
Hyundai Development Co	288,920	1.16
Samsung Fire & Marine Insurance Co Ltd	275,796	1.11
City Developments Ltd	270,410	1.09
Cathay Financial Holding Company Limited - GDR	267,274	1.07
Korea Exchange Bank	254,743	1.02

Holdings as at 31 December 2006	Market Value in US\$	% of NAV
Samsung Electronics Company Limited	880,986	2.60
Taiwan Semiconductor Manufacturing Company Limited	843,769	2.49
Kookmin Bank	648,590	1.91
Hon Hai Precision Industry	645,983	1.91
City Developments Limited	425,602	1.26
DBS Group Holdings Limited	417,234	1.23
Hyundai Development Company	415,014	1.23
Hyundai Motor Company	378,968	1.12
Shinsegae Company Limited	324,407	0.96
Merrill Lynch & Company Inc.	313,071	0.92

Expense Ratio

For the period 1 January 2007 to 31 March 2008 ¹	2.29%
For the period 1 January 2006 to 31 December 2006	2.31%

Turnover Ratio

For the period 1 January 2007 to 31 March 2008 ²	69.19%
For the period 1 January 2006 to 31 December 2006	47.00%

Report to Unitholders

As at 31 March 2008

The CitiSelect Global Growth Fund invests more than 30% of its assets in the CitiSelect Portfolios CitiSelect Global - Growth. The following are key information on the underlying fund:

Top 10 Holdings

Holdings as at 31 March 2008	Market Value in US\$	% of NAV
Genentech Inc	51,934	1.09
Amazon.Com Inc	50,210	1.05
Permanent Fin. 3.962% 10/Mar/2011	49,160	1.03
Berkshire Hathaway Inc - A	40,620	0.85
Texas Instruments Inc	40,261	0.85
DePfa ACS Bank 1.650% 20/Dec/2016	38,842	0.82
Nestle SA - Reg	34,716	0.73
General Electric Co	33,290	0.70
Metropolitan Life Global Fdg I 5.250% 19/Dec/2008	32,198	0.68
Vodafone Group Plc	31,128	0.65

Holdings as at 31 December 2006	Market Value in US\$	% of NAV
Germany (Govt of) Bundesschatzanweisungen 3.250% 13/Jun/2008	117,359	1.45
Merrill Lynch & Company Inc.	92,163	1.14
Germany (Govt of) 6.250% 4/Jan/2024	87,950	1.09
Amazon.com Inc.	72,098	0.89
Genentech Inc.	68,102	0.84
Time Warner Inc.	67,885	0.84
Amgen Inc.	63,588	0.79
American International Group Inc.	59,950	0.74
Germany (Govt of) 3.250% 4/Jul/2015	58,759	0.73
United States Tsy N/B 4.500% 30/Nov/2011	54,402	0.67

Expense Ratio

For the period 1 January 2007 to 31 March 2008 ¹	2.25%
For the period 1 January 2006 to 31 December 2006	2.24%

Turnover Ratio

For the period 1 January 2007 to 31 March 2008 ²	86.15%
For the period 1 January 2006 to 31 December 2006	65.23%

¹ Expense ratio is calculated based on 15 months and it has been annualised in accordance to IMAS Guidelines.

² Turnover ratio is calculated based on 15 months.

CitiSelect Funds

(Constituted under a Trust Deed in the Republic of Singapore)

Report of the Trustee

The Trustee is under a duty to take into custody and to hold the assets of the sub-funds of CitiSelect Funds, namely CitiSelect Asia Tilt Balanced Fund, CitiSelect Asia Tilt Growth Fund, CitiSelect Asia Tilt Enhanced Growth Fund and CitiSelect Global Growth Fund, (the "Funds") in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting period and report thereon to unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of the Statement of Recommended Accounting Practice 7 "Reporting Framework for Units Trusts" issued by the Institute of Certified Public Accountants of Singapore and the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Funds during the period/year covered by these financial statements set out on pages 171 to 184, comprising the Statements of Total Return, Balance Sheets, Portfolio Statements and Notes to the Financial Statements, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee

HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

Authorised Signatory

20 June 2008

CitiSelect Funds

(Constituted under a Trust Deed in the Republic of Singapore)

Statement by the Manager

In the opinion of the directors of Legg Mason International Equities (Singapore) Pte Ltd (the "Manager"), the accompanying financial statements set out on pages 171 to 184, comprising the Statements of Total Return, Balance Sheets, Portfolio Statements and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial positions of the sub-funds of CitiSelect Funds, namely CitiSelect Asia Tilt Balanced Fund, CitiSelect Asia Tilt Growth Fund, CitiSelect Asia Tilt Enhanced Growth Fund and CitiSelect Global Growth Fund, (the "Funds") as at 31 March 2008 and the total returns for the period/year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. At the date of this statement, there are reasonable grounds to believe that the Funds will be able to meet its financial obligations as and when they materialise.

For and on behalf of directors of

LEGG MASON INTERNATIONAL EQUITIES (SINGAPORE) PTE LTD

Director
Legg Mason International Equities (Singapore) Pte Ltd

20 June 2008

Independent Auditor's Report To The Unitholders of CitiSelect Funds

(Constituted under a Trust Deed in the Republic of Singapore)

We have audited the financial statements of CitiSelect Funds, the sub-funds of namely CitiSelect Asia Tilt Balanced Fund, CitiSelect Asia Tilt Growth Fund, CitiSelect Asia Tilt Enhanced Growth Fund and CitiSelect Global Growth Fund (the "Funds") set out on pages 171 to 184, which comprise the Balance Sheets and Portfolio Statements as at 31 March 2008, the Statements of Total Return for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Manager's Responsibility for the Financial Statements

The Funds' Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Funds' Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Funds as at 31 March 2008 and the total return for the period then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

PricewaterhouseCoopers
Public Accountants and Certified Public Accountants

Singapore, 20 June 2008

Statement of Total Return

For the financial period ended 31 March 2008

1/1/2007 to 31/3/2008

		CitiSelect Asia Tilt Balanced Fund \$	CitiSelect Asia Tilt Growth Fund \$	CitiSelect Asia Tilt Enhanced Growth Fund \$	CitiSelect Global Growth Fund \$
Investment income					
Interest income		58	130	46	27
Other income		-	-	-	-
		58	130	46	27
Less: Expenses					
Audit fees		9,918	9,918	9,918	9,918
Custody fees	11	3,158	5,147	3,970	1,964
Trustee fees	11	4,361	7,065	4,646	2,418
Other expenses		23,471	24,462	23,482	23,164
		40,908	46,592	42,016	37,464
Net loss		(40,850)	(46,462)	(41,970)	(37,437)
Net gains or losses on value of investments					
Net realised gains on investments sold		549,857	872,161	573,231	30,235
Net change in fair value on investments		(881,164)	(1,339,010)	(831,434)	(280,689)
Net foreign exchange losses		(17,942)	(25,743)	(17,528)	(7,213)
Net losses on value of investments		(349,249)	(492,592)	(275,731)	(257,667)
Total deficit for the financial period before income tax		(390,099)	(539,054)	(317,701)	(295,104)
Less: Income tax	4	-	-	-	-
Total deficit for the financial period after income tax		(390,099)	(539,054)	(317,701)	(295,104)
Total deficit for the financial period		(390,099)	(539,054)	(317,701)	(295,104)

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

Statement of Total Return

For the financial year ended 31 December 2006

		Year ended 31/12/2006			
	Notes	CitiSelect Asia Tilt Balanced Fund \$	CitiSelect Asia Tilt Growth Fund \$	CitiSelect Asia Tilt Enhanced Growth Fund \$	CitiSelect Global Growth Fund \$
Investment income					
Interest income		363	870	343	92
Other income		123	-	-	-
		486	870	343	92
Less: Expenses					
Audit fees		7,938	7,938	7,938	7,938
Custody fees	11	4,732	8,374	5,894	3,581
Trustee fees	11	5,901	9,544	5,957	3,068
Other expenses		10,206	12,004	10,201	9,856
		28,777	37,860	29,990	24,443
Net loss		(28,291)	(36,990)	(29,647)	(24,351)
Net gains or losses on value of investments					
Net realised gains on investments sold		1,036,274	1,148,323	463,806	13,449
Net change in fair value on investments		(994,826)	(683,882)	38,361	59,215
Net foreign exchange (losses)		(33,071)	(53,807)	(29,150)	(15,172)
Net gains on value of investments		8,377	410,634	473,017	57,492
Total (deficit)/return for the financial year before income tax		(19,914)	373,644	443,370	33,141
Less: Income tax	4	-	-	-	-
Total (deficit)/return for the financial year after income tax		(19,914)	373,644	443,370	33,141
Total (deficit)/return for the financial year		(19,914)	373,644	443,370	33,141

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

Balance Sheet

As at 31 March 2008

		As at 31/3/2008			
	Notes	CitiSelect Asia Tilt Balanced Fund \$	CitiSelect Asia Tilt Growth Fund \$	CitiSelect Asia Tilt Enhanced Growth Fund \$	CitiSelect Global Growth Fund \$
ASSETS					
Portfolio of investments		3,389,930	4,701,108	2,872,827	1,537,592
Cash and cash equivalents	6	41,041	89,307	58,261	20,559
Receivables	7	-	-	385	-
Sales awaiting settlement		17,916	23,429	-	30,319
Total assets		3,448,887	4,813,844	2,931,473	1,588,470
LIABILITIES					
Payables	8	36,079	71,125	37,002	56,440
Net assets attributable to unitholders	9	3,412,808	4,742,719	2,894,471	1,532,030
Total liabilities		3,448,887	4,813,844	2,931,473	1,588,470

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

Balance Sheet

As at 31 December 2006

As at 31/12/2006

		CitiSelect Asia Tilt Balanced Fund \$	CitiSelect Asia Tilt Growth Fund \$	CitiSelect Asia Tilt Enhanced Growth Fund \$	CitiSelect Global Growth Fund \$
ASSETS					
Portfolio of investments		5,453,893	9,653,597	6,272,142	3,275,148
Cash and cash equivalents	6	47,443	66,950	51,866	25,797
Receivables	7	-	-	385	-
Sales awaiting settlement		-	119,531	-	-
Total assets		5,501,336	9,840,078	6,324,393	3,300,945
LIABILITIES					
Payables	8	20,078	136,442	21,800	18,471
Net assets attributable to unitholders	9	5,481,258	9,703,636	6,302,593	3,282,474
Total liabilities		5,501,336	9,840,078	6,324,393	3,300,945

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

Portfolio Statement

As at 31 March 2008

	Holdings as at 31/3/2008 \$	Market value as at 31/3/2008 %	Percentage of total net assets attributable to unitholders at 31/3/2008 %	Percentage of total net assets attributable to unitholders at 31/12/2006
CitiSelect Asia Tilt Balanced Fund¹				
CitiSelect Portfolios CitiSelect Asia Tilt-Balanced	133,756	3,389,930	99.33	99.50
		3,389,930	99.33	99.50
Portfolio of investments		3,389,930	99.33	99.50
Other net assets		22,878	0.67	0.50
Net assets attributable to unitholders		3,412,808	100.00	100.00
CitiSelect Asia Tilt Growth Fund¹				
CitiSelect Portfolios CitiSelect Asia Tilt-Growth	194,813	4,701,108	99.12	99.48
		4,701,108	99.12	99.48
Portfolio of investments		4,701,108	99.12	99.48
Other net assets		41,611	0.88	0.52
Net assets attributable to unitholders		4,742,719	100.00	100.00
CitiSelect Asia Tilt Enhanced Growth Fund¹				
CitiSelect Portfolios CitiSelect Asia Tilt-Enhanced Growth	132,353	2,872,827	99.25	99.52
		2,872,827	99.25	99.52
Portfolio of investments		2,872,827	99.25	99.52
Other net assets		21,644	0.75	0.48
Net assets attributable to unitholders		2,894,471	100.00	100.00
CitiSelect Global Growth Fund¹				
CitiSelect Portfolios CitiSelect Global-Growth	81,378	1,537,592	100.36	99.78
		1,537,592	100.36	99.78
Portfolio of investments		1,537,592	100.36	99.78
Other net (liabilities)/assets		(5,562)	(0.36)	0.22
Net assets attributable to unitholders		1,532,030	100.00	100.00

¹ As the sub-fund is invested wholly as a Feeder Fund into an underlying unit trust, it is not meaningful to classify the investments into industry, country or asset class.

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

Notes to the Financial Statements

For the financial period ended 31 March 2008

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

CitiSelect Funds is a Unit Trust constituted by a Trust Deed dated 27 March 1998 (the "Original Deed"). The Original Deed, as modified by subsequent supplemental deeds (the "Supplemental Deeds") was amended and restated by a Third Amended and Restated Deed dated 23 December 2005 (collectively referred to as the "Deed"). The Deed was between Legg Mason International Equities (Singapore) Pte Ltd and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Deed is governed by the laws of the Republic of Singapore.

CitiSelect Funds comprises the following 6 sub-funds:

- CitiSelect Asia Tilt Balanced Fund;
- CitiSelect Asia Tilt Growth Fund;
- CitiSelect Asia Tilt Enhanced Growth Fund;
- CitiSelect Global Growth Fund;
- CitiSelect Global Enhanced Growth Fund (not yet launched); and
- CitiSelect Global Balanced Fund (not yet launched).

These sub-funds are feeder funds that invest substantially all its assets in sub-funds of CitiSelect Portfolios, an open-ended mutual investment fund constituted under Luxembourg Law. CitiSelect Portfolios is managed by a related company of the Manager.

With effect from 1 July 2007, the Funds have adopted 31 March as their new financial year end. The first financial period with the new financial year end is for the period from 1 January 2007 to 31 March 2008.

2. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trust" issued by the Institute of Certified Public Accountants of Singapore.

The financial statements are expressed in Singapore Dollars, which is the functional currency of the Funds.

(b) Income recognition

Dividend income is recorded gross in the financial statements in the accounting period/year which the security is quoted ex-dividend.

Interest income on deposits is recognised on a time proportion basis using the effective interest method.

(c) Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange ruling at the date of balance sheet. Foreign currency transactions during the financial period/year are converted into Singapore dollars at the rates of exchange ruling on the transaction dates.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from translation of foreign currency monetary assets and liabilities at balance sheet date are taken to the Statements of Total Return.

Notes to the Financial Statements

For the financial period ended 31 March 2008

(d) Financial assets at fair value through profit and loss

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net changes in fair value on investments are included in the Statement of Total Return in the period/year in which they arise. The resultant unrealised gains and losses taken to the Statements of Total Return.

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and are taken up in the Statements of Total Return.

(e) Basis of valuation of investments

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The quoted market price for the investments held by the Fund is the current market quoted net asset value of the underlying fund.

3. Management fees

There is no management fee for CitiSelect Funds as the Manager has waived the charge.

4. Income Tax

The Funds are designated unit trusts and, therefore, the following income is exempted from tax in accordance with section 35(12) of the Income Tax Act:

- (a) gains or profits derived from Singapore or elsewhere from the disposal of securities and transactions in foreign exchange, futures, forwards, swaps and options relating to securities, financial indices, interest rates and currencies;
- (b) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act); and
- (c) distribution from foreign unit trusts and dividends derived from outside Singapore and received in Singapore.

5. Distribution to unitholders

The Manager does not propose any distribution to unitholders for the financial period/year ended 31 March 2008 (31 December 2006: \$Nil).

Notes to the Financial Statements

For the financial period ended 31 March 2008

6. Cash and bank balances

	CitiSelect Asia Tilt Balanced Fund \$	CitiSelect Asia Tilt Growth Fund \$	CitiSelect Asia Tilt Enhanced Growth Fund \$	CitiSelect Global Growth Fund \$
As at 31/3/2008				
Bank balances	41,041	89,307	58,261	20,559
As at 31/12/2006				
Bank balances	47,443	66,950	51,866	25,797

The carrying amounts of cash and bank balances approximate their fair values.

7. Receivables

	CitiSelect Asia Tilt Balanced Fund \$	CitiSelect Asia Tilt Growth Fund \$	CitiSelect Asia Tilt Enhanced Growth Fund \$	CitiSelect Global Growth Fund \$
As at 31/3/2008				
Amount due from unitholders	-	-	385	-
As at 31/12/2006				
Amount due from unitholders	-	-	385	-

The carrying amounts of receivables approximate their fair values.

8. Payables

	CitiSelect Asia Tilt Balanced Fund \$	CitiSelect Asia Tilt Growth Fund \$	CitiSelect Asia Tilt Enhanced Growth Fund \$	CitiSelect Global Growth Fund \$
As at 31/3/2008				
Amount due to unitholders	7,882	43,052	8,676	24,524
Other payables and accruals	28,197	28,073	28,326	31,916
	36,079	71,125	37,002	56,440
As at 31/12/2006				
Payable to the Manager	-	8	-	-
Amount due to unitholders	2,803	117,577	4,093	-
Other payables and accruals	17,275	18,857	17,707	18,471
	20,078	136,442	21,800	18,471

The carrying amounts of payables approximate their fair values.

Notes to the Financial Statements

For the financial period ended 31 March 2008

9. Net assets attributable to unitholders

	As at 31/3/2008			
	CitiSelect Asia Tilt Balanced Fund \$	CitiSelect Asia Tilt Growth Fund \$	CitiSelect Asia Tilt Enhanced Growth Fund \$	CitiSelect Global Growth Fund \$
At the beginning of the financial period	5,481,258	9,703,636	6,302,593	3,282,474
Operations				
Change in net assets attributable to unitholders resulting from operations	(390,099)	(539,054)	(317,701)	(295,104)
Unitholders' contributions/ (withdrawals)				
Creation of units	551,093	76,564	33,020	52,027
Cancellation of units	(2,229,444)	(4,498,427)	(3,123,441)	(1,507,367)
Changes in net assets attributable to unitholders resulting from net creation and cancellation of units	(1,678,351)	(4,421,863)	(3,090,421)	(1,455,340)
Total decrease in net assets attributable to unitholders	(2,068,450)	(4,960,917)	(3,408,122)	(1,750,444)
At the end of financial period	3,412,808	4,742,719	2,894,471	1,532,030
Units in issue (see Note 10)	2,562,706	3,526,186	2,206,852	1,484,829
Net assets attributable to unitholders per unit	1.33	1.34	1.31	1.03

	As at 31/12/2006			
	CitiSelect Asia Tilt Balanced Fund \$	CitiSelect Asia Tilt Growth Fund \$	CitiSelect Asia Tilt Enhanced Growth Fund \$	CitiSelect Global Growth Fund \$
At the beginning of the financial year	10,010,544	17,074,483	9,999,476	5,286,314
Operations				
Change in net assets attributable to unitholders resulting from operations	(19,914)	373,644	443,370	33,141
Unitholders' contributions/ (withdrawals)				
Creation of units	60,970	131,784	80,716	24,647
Cancellation of units	(4,570,342)	(7,876,275)	(4,220,969)	(2,061,628)
Changes in net assets attributable to unitholders resulting from net cancellation of units	(4,509,372)	(7,744,491)	(4,140,253)	(2,036,981)
Total decrease in net assets attributable to unitholders	(4,529,286)	(7,370,847)	(3,696,883)	(2,003,840)
At the end of financial year	5,481,258	9,703,636	6,302,593	3,282,474
Units in issue (see Note 10)	3,678,273	6,383,191	4,199,464	2,708,239
Net assets attributable to unitholders per unit	1.49	1.52	1.50	1.21

Notes to the Financial Statements

For the financial period ended 31 March 2008

10. Units in issue

	CitiSelect Asia Tilt Balanced Fund \$	CitiSelect Asia Tilt Growth Fund \$	CitiSelect Asia Tilt Enhanced Growth Fund \$	CitiSelect Global Growth Fund \$
As at 31/3/2008				
Units at beginning of the financial period	3,678,273	6,383,191	4,199,464	2,708,239
Units created	385,518	43,043	21,854	43,975
Units cancelled	(1,501,085)	(2,900,048)	(2,014,466)	(1,267,385)
Units at end of the financial period	2,562,706	3,526,186	2,206,852	1,484,829
As at 31/12/2006				
Units at beginning of the financial year	6,766,532	11,635,122	7,091,961	4,418,950
Units created	41,255	90,340	56,760	20,898
Units cancelled	(3,129,514)	(5,342,271)	(2,949,257)	(1,731,609)
Units at end of the financial year	3,678,273	6,383,191	4,199,464	2,708,239

11. Related party transactions and balances

As at 31 March 2008, the Manager of the Fund is Legg Mason International Equities (Singapore) Pte Ltd and the Trustee and Custodian is HSBC Institutional Trust Services (Singapore) Limited. From 1 January 2007 to 30 June 2007, the custodian was Citibank N.A.. The trustee fees and custodian fees paid or payable by the Funds are shown in the Statements of Total Return.

In addition to related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial period/year between the Funds and related parties at terms agreed between the parties concerned and within the provisions of the Trust Deed:

	CitiSelect Asia Tilt Balanced Fund \$	CitiSelect Asia Tilt Growth Fund \$	CitiSelect Asia Tilt Enhanced Growth Fund \$	CitiSelect Global Growth Fund \$
1/1/2007 to 31/3/2008				
Interest income received and receivable from a related company of the Custodian	58	130	46	27
Year ended 31/12/2006				
Interest income received and receivable from a related company of the Custodian	363	870	343	92

Notes to the Financial Statements

For the financial period ended 31 March 2008

12. Financial risk management

The Fund is exposed to market risk (includes currency risk and interest rate risk) and liquidity risk through the financial instruments it holds. The risk management policies employed by the Manager to manage and monitor these risks are discussed below.

(a) Market risk

The usual risks of investing and participating in listed and unlisted securities apply to an investment in the units of the Funds. Prices of securities may go up or down in response to changes in economic conditions, interest rates and the market's perception of securities. These may cause the prices of units in the Funds to go up or down as the prices of units in the Funds are based on the net asset value of the units of the underlying Funds.

As the Funds invest wholly into underlying funds, they are exposed to the fair value movements of the underlying Funds' investments, which is in accordance with the investment strategy and objective of the Funds.

(b) Currency risk

The Funds take on exposure to effects of fluctuations of foreign currency exchange rates on its financial positions and cash flows. To minimise currency risk, the Funds mainly hold its excess cash in the currency the Funds financial statements are expressed in.

The tables below summarise the currency profile of the assets and liabilities of the Fund.

CitiSelect Asia Tilt Balanced Fund

	SGD \$	USD \$	Total \$
As at 31/3/2008			
Assets			
Portfolio of investments	-	3,389,930	3,389,930
Cash and bank balances	41,041	-	41,041
Sales awaiting settlement	-	17,916	17,916
Total assets	41,041	3,407,846	3,448,887
Liabilities			
Payables	36,079	-	36,079
Net assets attributable to unitholders	3,412,808	-	3,412,808
Total liabilities	3,448,887	-	3,448,887
Net balance sheet currency exposure	(3,407,846)	3,407,846	-

As at 31/12/2006

Assets			
Portfolio of investments	-	5,453,893	5,453,893
Cash and bank balances	46,892	551	47,443
Total assets	46,892	5,454,444	5,501,336
Liabilities			
Payables	20,078	-	20,078
Net assets attributable to unitholders	5,481,258	-	5,481,258
Total liabilities	5,501,336	-	5,501,336
Net balance sheet currency exposure	(5,454,444)	5,454,444	-

Notes to the Financial Statements

For the financial period ended 31 March 2008

CitiSelect Asia Tilt Growth Fund

	SGD \$	USD \$	Total \$
As at 31/3/2008			
Assets			
Portfolio of investments	-	4,701,108	4,701,108
Cash and bank balances	69,991	19,316	89,307
Sales awaiting settlement	-	23,429	23,429
Total assets	69,991	4,743,853	4,813,844
Liabilities			
Payables	71,125	-	71,125
Net assets attributable to unitholders	4,742,719	-	4,742,719
Total liabilities	4,813,844	-	4,813,844
Net balance sheet currency exposure	(4,743,853)	4,743,853	-

As at 31/12/2006

Assets			
Portfolio of investments	-	9,653,597	9,653,597
Cash and bank balances	66,160	790	66,950
Sales awaiting settlement	-	119,531	119,531
Total assets	66,160	9,773,918	9,840,078
Liabilities			
Payables	136,442	-	136,442
Net assets attributable to unitholders	9,703,636	-	9,703,636
Total liabilities	9,840,078	-	9,840,078
Net balance sheet currency exposure	(9,773,918)	9,773,918	-

CitiSelect Asia Tilt Enhanced Fund

	SGD \$	USD \$	Total \$
As at 31/3/2008			
Assets			
Portfolio of investments	-	2,872,827	2,872,827
Cash and bank balances	58,255	6	58,261
Receivables	385	-	385
Total assets	58,640	2,872,833	2,931,473
Liabilities			
Payables	37,002	-	37,002
Net assets attributable to unitholders	2,894,471	-	2,894,471
Total liabilities	2,931,473	-	2,931,473
Net balance sheet currency exposure	(2,872,833)	2,872,833	-

Notes to the Financial Statements

For the financial period ended 31 March 2008

CitiSelect Asia Tilt Enhanced Fund

	SGD \$	USD \$	Total \$
As at 31/12/2006			
Assets			
Portfolio of investments	-	6,272,142	6,272,142
Cash and bank balances	51,190	676	51,866
Receivables	385	-	385
Total assets	51,575	6,272,818	6,324,393
Liabilities			
Payables	21,800	-	21,800
Net assets attributable to unitholders	6,302,593	-	6,302,593
Total liabilities	6,324,393	-	6,324,393
Net balance sheet currency exposure	(6,272,818)	6,272,818	-

CitiSelect Global Growth Fund

	SGD \$	USD \$	Total \$
As at 31/3/2008			
Assets			
Portfolio of investments	-	1,537,592	1,537,592
Cash and bank balances	20,559	-	20,559
Sales awaiting settlement	-	30,319	30,319
Total assets	20,559	1,567,911	1,588,470
Liabilities			
Payables	56,440	-	56,440
Net assets attributable to unitholders	1,532,030	-	1,532,030
Total liabilities	1,588,470	-	1,588,470
Net balance sheet currency exposure	(1,567,911)	1,567,911	-

As at 31/12/2006

Assets			
Portfolio of investments	-	3,275,148	3,275,148
Cash and bank balances	25,745	52	25,797
Total assets	25,745	3,275,200	3,300,945
Liabilities			
Payables	18,471	-	18,471
Net assets attributable to unitholders	3,282,474	-	3,282,474
Total liabilities	3,300,945	-	3,300,945
Net balance sheet currency exposure	(3,275,200)	3,275,200	-

Notes to the Financial Statements

For the financial period ended 31 March 2008

(c) Interest rate risk

The Funds have no significant interest-bearing assets and liabilities. Hence, the Funds are not subjected to risk of fluctuations in the prevailing levels of market interest rates.

(d) Liquidity risk

The Funds are exposed to daily cancellation of units. They therefore invest the majority of assets through the underlying funds in investments that are traded in an active market and can be readily disposed of.

13. Secured credit facility

The Funds have credit facilities with HSBC at 31 March 2008.

Facility	CitiSelect Asia Tilt Balanced Fund \$	CitiSelect Asia Tilt Growth Fund \$	CitiSelect Asia Tilt Enhanced Growth Fund \$	CitiSelect Global Growth Fund \$
Overdraft limit	375,000	640,000	445,000	215,000

14. Financial ratios

	CitiSelect Asia Tilt Balanced Fund %	CitiSelect Asia Tilt Growth Fund %	CitiSelect Asia Tilt Enhanced Growth Fund %	CitiSelect Global Growth Fund %
1/1/2007 to 31/3/2008				
Expense ratio ¹	2.37	2.22	2.54	3.04
Portfolio turnover rate ²	12.72	0.49	-	3.30
Year ended 31/12/2006				
Expense ratio ¹	2.37	2.41	2.68	2.83
Portfolio turnover rate ²	0.41	0.48	1.00	-

¹ Expense ratio is calculated in accordance with IMAS Guidelines for the Disclosure of Expense Ratios. The expense ratio does not include (where applicable) brokerage and other transaction costs, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fees.

Expense ratio is calculated based on 15 months and it has been annualised in accordance to IMAS Guidelines.

² Portfolio turnover rate is calculated in accordance with the formula stated in the Code on Collective Investment Schemes.

Turnover ratio is calculated based on 15 months.

15. Comparatives

The financial statements for the period 1 January 2007 to 31 March 2008 are not comparable to the financial statements for the year ended 31 December 2006 due to different lengths of accounting periods.

