2010

OSK-UOB ASIAN REAL ESTATE FUND

ANNUAL REPORT

TO UNIT HOLDERS

FOR THE FINANCIAL YEAR ENDED

31 MARCH 2010

OSK-UOB Unit Trust Management Bhd (355720-P)

GENERAL INFORMATION ABOUT THE FUND

Commencement Date

OSK-UOB Asian Real Estate Fund ("the Fund") commenced operations on 22 August 2007.

Size of Fund

The present size of the Fund has been approved up to 800 million Units. Any further increase in fund size shall be effective upon notification to the Securities Commission of the increase subject to the requirements as per the Guidelines on Unit Trust Funds.

Fund Category and Type

Fund Category	-	Equity fund
Fund Type	-	Growth fund
Benchmark	-	MSCI AC Asia-ex-Japan Real Estate (MYR) Index

Investment Objective, Policy and Strategy

<u>Objective of the Fund</u>

This Fund aims to achieve long term* capital appreciation through investments in the real estate market.

<u>Strategy</u>

The Fund's investments in Asian real estates are those of Real Estate Investment Trusts (REITS) (including business trusts) and of companies** whose securities (including equity and equity related securities, preferred shares, senior securities and debt securities) are listed on the Asian markets (except Japan and Vietnam) such as China, Hong Kong, India, Indonesia, Korea, Malaysia, Philippines, Thailand, Singapore and Taiwan Stock Exchanges.

The Fund may also invest opportunistically in REITS (including business trusts) and the securities of companies listed on Australia, New Zealand, Japan and Vietnam Stock Exchanges to capitalise on the potential of the Asian real estate markets including those of Australia, New Zealand, Japan and Vietnam. However, the Fund's investment in these exchanges shall not in aggregate exceed 30% of the Fund's Net Asset Value.

The asset allocation of the Fund will be as follows:-

Up to 98% of Net Asset Value	- Investments in primarily Asian real estate securities and listed Real Estate Investment Trusts (REITS)
2% - 5% of Net Asset Value	- Investments in liquid assets including money market instruments and deposits with financial institutions.

The above asset allocation is only indicative and will be reviewed from time to time depending on the judgement of the investment manager as to the general market and economic conditions.

* Note: "long term" in this context refers to a period of between 5 – 7 years.

** These companies include property investment companies that derive revenue from rental income and/or capital appreciation from real estate, property development companies as well as companies investing in REITs.

Investment Philosophy

(a) Manager

The Manager believes that prices of securities are ultimately determined by fundamental factors, and superior long-term investment performance can be achieved by exploiting inefficiencies in the capital market through rigorous and intensive research.

(b) External Investment Manager

The External Investment Manager believes that the global capital markets are, to varying degrees, inefficient. Therefore, it is possible to achieve superior long-term performance through rigorous research and analysis in the form of top down macro analysis of markets and bottom-up sector, stock and credit specific research process that is applied consistently firm-wide.

The External Investment Manager's team-based approach synthesizes the ideas and convictions generated by both the fixed income and equities teams who work closely with one another. This team-based approach has delivered consistent performance over time and across business cycles.

Investment Approach

(a) Manager

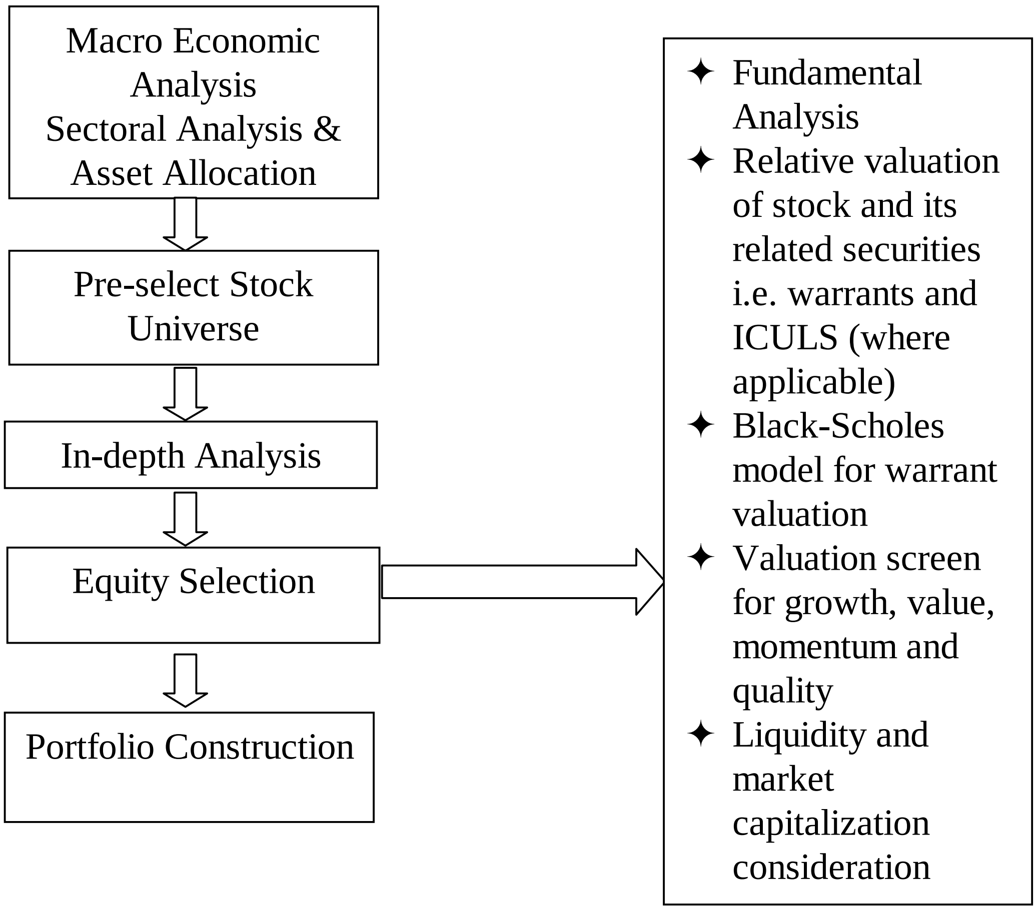
The Manager's investment approach will evolve around the following principles:-

Equities

1) Combination of "top-down" and "bottom-up" approach – an investment strategy that is not mutually exclusive but closely inter-twined between asset allocation and stock specific selection.

2) Value driven approach - Stocks are then selected for their value.

3) Emphasis on growth - Stocks are further selected for their growth potential.

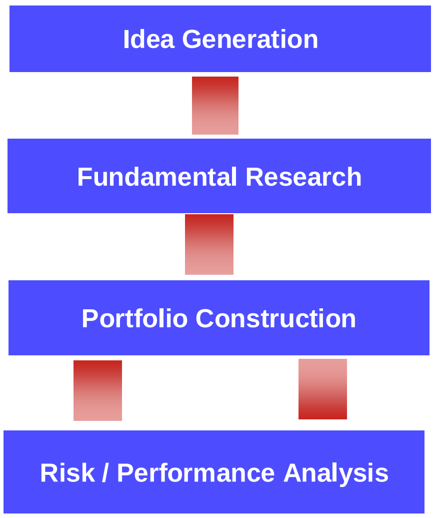


The equity selection will be based on a rigorous process which will appraise the relative value of a company in terms of:-

1) Price/Earnings (P.E.)
2) P.E. to Growth
3) Dividend Growth
4) Dividend Yield
5) Price-Book Value
6) Quality of Earnings (Volatility, Sustainability, Visibility)
7) Financial Strength (Strong balance sheet)
8) Competitive Risks
9) Profit Margin
10) Cashflow Analysis
11) Quality of Management, Corporate Governance

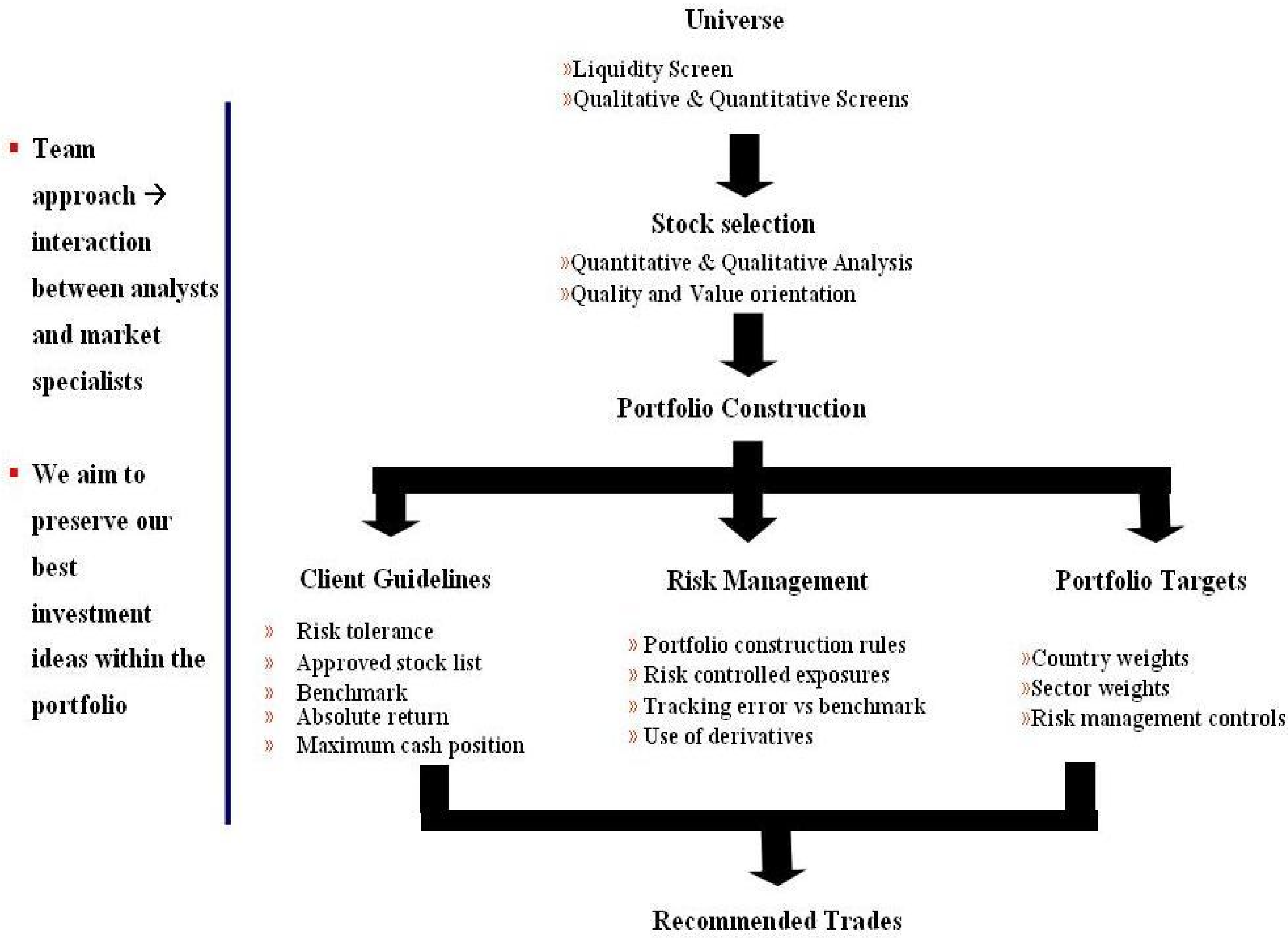
(b) External Investment Manager

The External Investment Manager's investment approach is ultimately driven by fundamental research and will evolve around the following principles:-



- Quantitative and qualitative screens
- Quality and potential at a reasonable price; performance over varying conditions; shareholder value creation; cash flow generation
- Select best ideas; country diversification; client guidelines and restrictions
- Quantifying portfolio risks
- Tracking error and allocation controls; ongoing monitoring of all investments for fundamental deterioration
- Review performance against client expectations; performance attribution analysis

The portfolio is constructed from best fundamental ideas as follows:-



The equity selection will be based on a rigorous process which will appraise the value of a company in terms of:-

1) Valuation (PER, DCF, NTA, RNAV)
2) Correct asset allocation based on economic cycle
3) Correct sector allocation based on market cycle
4) Dividend Payout
5) Earnings growth potential
6) Quality of Earnings (Volatility, Sustainability, Visibility)
7) Financial Strength (Strong Balance Sheet)
8) Risk Factors pertaining to stock/sector
9) Cash Flow
10) Discounted cash flow valuation where applicable
11) Quality of Management, Corporate Governance

Investment Policies and Restrictions

This Fund may invest in securities traded on the Bursa Malaysia or any other market considered as an Eligible Market, securities not listed in or traded under the rules of an Eligible Market ("unlisted securities"), collective investment schemes, securities/instruments in foreign markets, financial derivatives, structured products, liquid assets (including money market instruments and deposits with any financial institutions), participate in the lending of securities, and any other investments approved by the Securities Commission from time to time.

Fund Distribution Policy

Consistent with the Fund's objective which aims to achieve long term capital appreciation through investments in the real estate market, distributions will therefore be of secondary importance. Distributions, if any, after deduction of income tax expense and expenses, are generally declared annually and will be reinvested.

MANAGER’S REPORT

MARKET AND ECONOMIC REVIEW

Asian equity markets recovered strongly in the 12-month period under review from the lows made in March 2009 when the global banking system was at the brink of a near-collapse. The collective efforts of global central banks to pump liquidity into the system and get the credit market functioning again enabled the markets to pull itself out of the abyss and stage a strong rebound. The US Treasury worked decisively to rid the banking system of toxic assets, while the G20 nations implemented fiscal stimulus to boost their economies. Markets picked up as the global economic recovery took shape and the developed markets marked an end to technical recession.

As economic data continued to show that most major economies were returning to positive growth, some central banks began normalising interest rates with Norway and Australia leading the way and hiking benchmark rates by 25 basis points each in October 2009. The fallout from the credit crisis reared its head again in the form of Dubai World, the flagship conglomerate of Dubai, unexpectedly requesting its creditors to delay maturity of its debt, thus triggering some short-term risk aversion. The economic recovery and companies’ earnings surprises eventually outweighed such concerns.

Equity markets started the year 2010 on a wobbly footing after China unexpectedly tightened monetary policy earlier than anticipated, raising reserve requirement ratios in January. Concerns over Greece’s debt problems surfaced in February though the issues look to have been resolved with the support of the European Union. Markets picked up on the back of positive export and domestic growth in the economies. Besides China, other Asian central banks such as India and Malaysia also moved towards normalising their policy rates.

Asian real estate stocks recovered strongly, in tandem with the broad equity markets as liquidity returned to the markets. A return of investment financing risk appetite for Asian real estate and better than expected data for the sector fuelled the strong performance for the 12-month period under review. The physical property market showed a healthy rebound with transaction volumes and prices picking up strongly across Asia. With the stronger-than-expected growth, policy risk in the sector also increased. Policy-makers concerned that the recovery in the sector was fuelled by excessive liquidity and low interest rates, and disproportionate to the fundamental improvement in the economy, implemented measures to cool the market from Hong Kong, to China, Singapore, Taiwan and South Korea. The Asian governments’ implementation of policy measures to prevent asset bubbles from forming took some of the wind out of property stocks, dampening performance towards the later part of the period under review.

In Hong Kong, property stocks had a strong run in the 12-month period under review as the physical property market outperformed expectations. The residential property market showed a marked improvement with transaction volumes and prices grinding higher. The strong liquidity, which drove interbank rates to historical low levels and mortgages to as low as 1%, provided tailwind for the sector. Mainland property purchasers have also been partly responsible for pushing up high-end property prices to record high levels. To quell the public outcry over escalating property prices, the Hong Kong government in October tightened mortgages on luxury flats valued in excess of HK$20m to 60% loan-to-value and in November issued new policies governing developers' presale procedures aimed at improving the transparency of the primary property market. In the February Budget announcement, the government raised stamp duty for homes valued above HK$20m from 3.75% to 4.25% and announced a gradual increase in land supply in an attempt to cool rising property prices. These policies were however viewed as mild and did not derail the recovery in the market, although they created short-term overhang when announced.

The China property market similarly staged a strong recovery although this was a bumpy ride. For the calendar year 2009, Chinese property stocks were the most significant outperformers, aided by stability in the global financial markets, cheap money, government measures to support the sector, price cuts by some developers and economic recovery, which was spurred by unprecedented government spending. This enabled the physical property market to rebound with volumes and prices rising. In fact, the recovery in the physical property market was so robust that the government once again took out its policy toolbox to cool the market. In December, the government introduced a slew of measures, including restoring the property holding period from two years to five years in a bid to control speculative buying in the market. It also introduced measures to speed up the payment of land premium by developers to prevent land hoarding and speed up construction of residential units in a bid to increase supply. Property stocks were negatively impacted in January when the Chinese government unexpectedly raised reserve requirement ratios earlier than forecast, though they subsequently recovered as there was a lull in policy targeting the sector.

The Singapore property market rebounded from the low in the earlier part of 2009 when transaction volumes dried up and prices retreated. The stalemate between buyers unwilling to commit and sellers holding out for higher prices was broken after developers started launching new projects at affordable unit sizes of about S$1 million in the middle of 2009. The strong response to such projects from homebuyers looking to upgrade released a slew of pent-up demand with the low mortgage rates and ample liquidity fuelling a recovery in the property market. The strong rebound in prices and strong transaction volumes prompted the government, concerned about an asset bubble forming and public outcry about affordability, to implement measures to quell speculative demand. This included removing interest-absorption schemes that provided easier financing for homebuyers, imposing a sellers' stamp duty of up to 3% of transacted price on sellers of properties bought and sold within one year, and lowering the maximum loan-to-value ratio on housing loans from 90% to 80%.

REVIEW OF FUND PERFORMANCE AND STRATEGY DURING THE PERIOD

The Fund rose 42.7% for the year to 31 March 2010, while the benchmark MSCI AC Asia ex-Japan Real Estate Index rose 46.3%, underperforming the index by 3.6 percentage points.

The portfolio underperformed the benchmark for the 12-month period under review due to the defensive positioning of the Fund in the early part of the review period. The Fund had a substantial cash position at the end of March 2009 to buffer it from the sharp corrections earlier in the year, but it partially missed out on the liquidity-driven equity market rally that ensued in the first two months of the review period (April-May 09). The Fund subsequently outperformed the benchmark in the second half of the review period (October 2009 – March 2010) with our stock selection and tactical allocation.

MARKET OUTLOOK AND STRATEGY GOING FORWARD

We view that the equity market recovery is in its early stages though volatility continues to be high as there remain lingering concerns on global issues such as Greece's debt situation. The markets would also need to digest the uncertainty surrounding the withdrawal of the hitherto exceptionally stimulative policy measures globally, which would cause volatility. However, we continue to see reasons for the market to move higher over the course of 2010 with the continuing recovery of the global economy, improving earnings and the dismal returns that cash as an alternative is generating. This provides a good backdrop for the Asian real estate sector.

We expect that the Hong Kong property developers will be buoyed by good response to upcoming launches as interest rates remain low and liquidity abundant. Positive newsflow from landbanking activities will also be a catalyst in the sector as the government makes it easier for developers to trigger sites for auction and gradually allows more farmland conversion.

In the China property sector, after the strong sales in 2009 and capital raisings by developers in 3Q09, developers have sped up housing starts in the fourth quarter of 2009. However, most of this under-development inventory will not be available during the upcoming home-buying peak season as developers typically take at least 6-

9 months to make the property eligible for pre-selling. Hence oversupply should not be a concern for the upcoming property peak season of May-June. On the policy front, we are mindful that potential new measures to cool the market remain a short-term overhang on the sector.

Overall, we continue to see powerful structural trends that will benefit the Asian real estate sector: Positive drivers from urbanization and income growth. In addition, the insufficiently deep domestic capital markets make it difficult for investors to diversify accumulated savings, which result in liquidity making its way to the physical property market. We are however mindful of the policy risk that remains in the sector, which will cause short-term volatility.

PERFORMANCE REVIEW

For the financial year under review, the Fund recorded a gain of 42.70% in net asset value terms, whilst the MSCI AC Asia-ex-Japan Real Estate (MYR) Index** recorded a gain of 46.32%. The Fund has achieved its objective for the year under review.

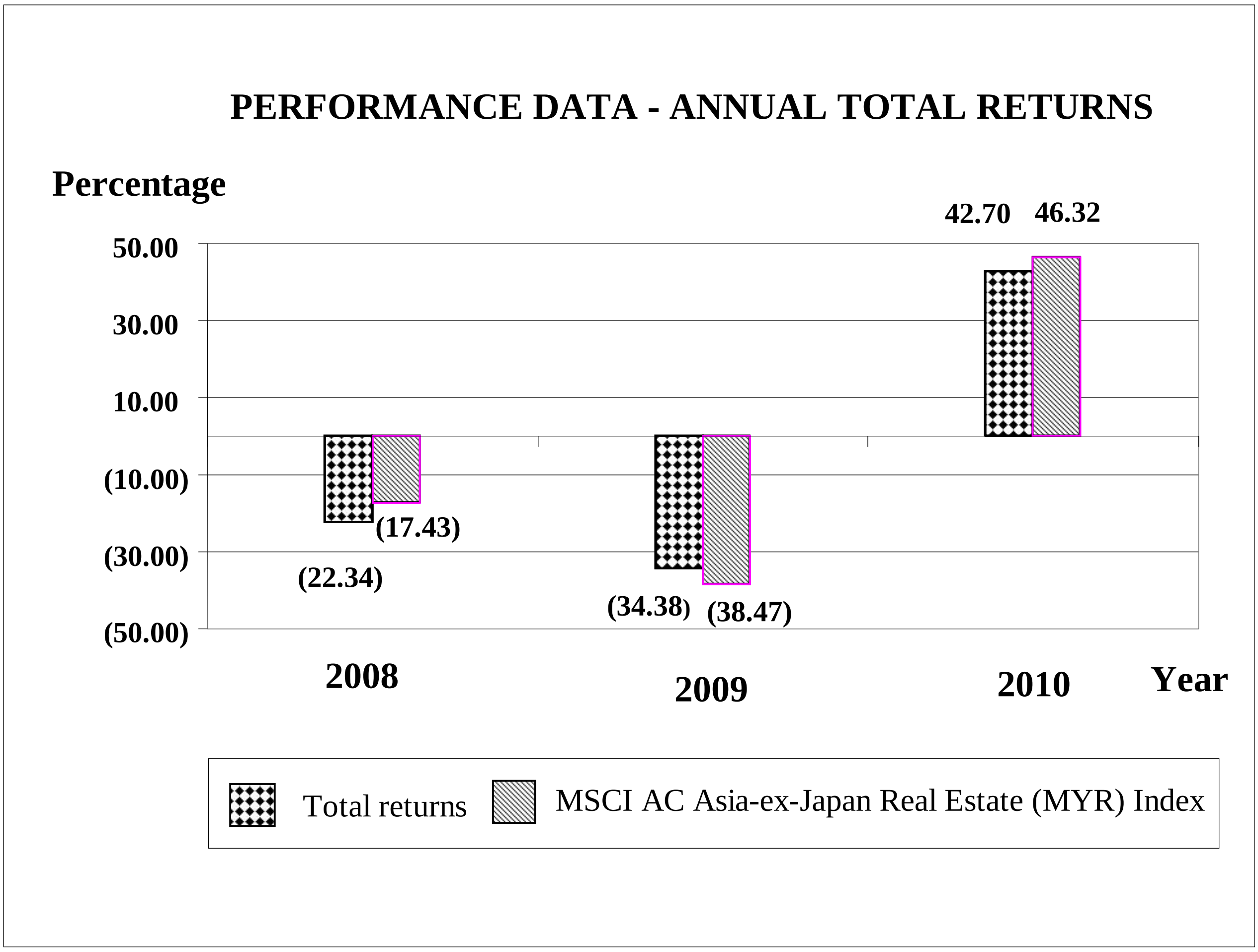
However, on a longer term period since its launch date, the Fund recorded an average annual loss of 11.73% compared with the benchmark, MCSI AC Asia-ex Japan Real Estate (MYR) Index, a loss of 10.96%. As the Fund's objective is to provide investors with long term capital appreciation through investments in the real estate market over a long term (5-7 years) period, it has yet to meet its objective.

PERFORMANCE DATA

	As at 31/3/2010	1-month %	3-month %	6-month %	9-month %	12-month %
OSK-UOB Asian Real Estate Fund						
Net Asset Value Per Unit (RM)	0.3636	2.77	(5.04)	(3.66)	5.24	42.70
MSCI AC Asia-ex-Japan Real Estate (MYR) Index**	585.13	2.60	(6.62)	(4.56)	1.92	46.32

	Average Annual Return	
	1 Year 31/3/2009 – 31/3/2010 %	Since Launch 11/9/2007*- 31/3/2010 %
OSK-UOB Asian Real Estate Fund Net Asset Value Per Unit	42.70	(11.73)
MSCI AC Asia-ex-Japan Real Estate (MYR) Index**	46.32	(10.96)

	Year Ended 31 March 2010 %	Year Ended 31 March 2009 %	Since Launch 11/9/2007*- 31/3/2008 %
OSK-UOB Asian Real Estate Fund - Capital Return	42.70	(34.38)	(22.34)
- Income Return	-	-	-
- Total Returns	42.70	(34.38)	(22.34)
MSCI AC Asia-ex-Japan Real Estate (MYR) Index**	46.32	(38.47)	(17.43)



* Being the last day of the Initial Offer Period

** The performance of the Fund is benchmarked against the MSCI AC Asia-ex-Japan Real Estate (MYR) Index.

Note: Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

The abovementioned performance computations have been adjusted to reflect distribution payments (if any).

The abovementioned performance figures have been independently verified by Mercer Zainal Consulting Sdn Bhd (35090-H).

Fund Size Analysis	**As at 31 March**		
	2010	**2009**	**2008**
Net Asset Value (RM million)	59.90	51.15	85.93
Units In Circulation (million)	164.75	200.73	221.31
Net Asset Value Per Unit (RM)	0.3636	0.2548	0.3883

Historical Data	**1/4/2009 – 31/3/2010 RM**	**1/4/2008 - 31/3/2009 RM**	**Since Launch 22/8/2007 - 31/3/2008 RM**
Unit Prices			
NAV - High	0.4009	0.4305	0.5146
- Low	0.2552	0.2187	0.3530
Distribution and Unit Split			
Gross Distribution Per Unit (sen)	-	-	-
Net Distribution Per Unit (sen)	-	-	-
Ex date	-	-	-
Payment date	-	-	-
Reinvestment NAV Per Unit	N/A	N/A	N/A
NAV before distribution (cum)	N/A	N/A	N/A
NAV after distribution (ex)	N/A	N/A	N/A
Unit Split	-	-	-
Others			
Management Expense Ratio (MER) (%) #	1.93	1.95	1.14
Portfolio Turnover Ratio (PTR) (times) ##	0.72	0.29	0.79

The MER for the financial year was lower compared with the previous financial year due to the lower expenses incurred during the year (refer to Note 14).

The PTR for the financial year was higher compared with the previous financial year as there were more investment activities during the financial year under review due to the improved market conditions following the global financial crisis (refer to Note 15).

FINANCIAL REVIEW

For the financial year under review, the Fund reported an income of RM1.53 million comprising of dividends and interest. Taking into account total net realised gain on sales of quoted investments of RM12.56 million and net realised loss on foreign exchange attributable to foreign currency monetary items of RM0.18 million, unrealised gain attributable to changes in value of investments held of RM14.62 million and unrealised loss on foreign exchange attributable to foreign currency monetary items of RM5.47 million, the Fund reported a total investment income of RM23.06 million. After taking into consideration the Fund's expenses and income tax expense, the Fund reported a net income after tax of RM21.76. However, with the inclusion of: the accumulated losses bought forward from previous financial year of RM27.31 million; the realisation of unrealised loss attributable to investments sold of RM18.84 million and the realisation of unrealised foreign exchange gain attributable to foreign currency monetary items of RM1.60 million transferred from unrealised reserve; the transfer of the unrealised gain attributable to investments held of RM14.62 million and unrealised foreign exchange loss attributable to foreign currency monetary items of RM5.47 million to unrealised reserve; the Fund has a loss carried forward of RM31.94 million.

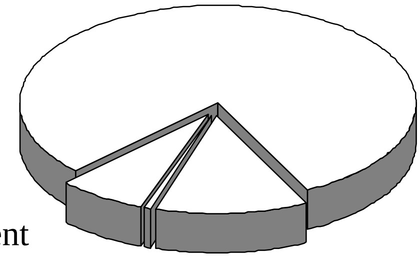
DISTRIBUTION

For the financial year under review, no distribution has been proposed for the Fund.

PORTFOLIO STRUCTURE

As at 31 March 2010, the Fund was 92.31% invested in equities, 7.11% invested in collective investment schemes and the remaining 0.58% in cash and deposits.

PORTFOLIO STRUCTURE AS AT 31 MARCH 2010

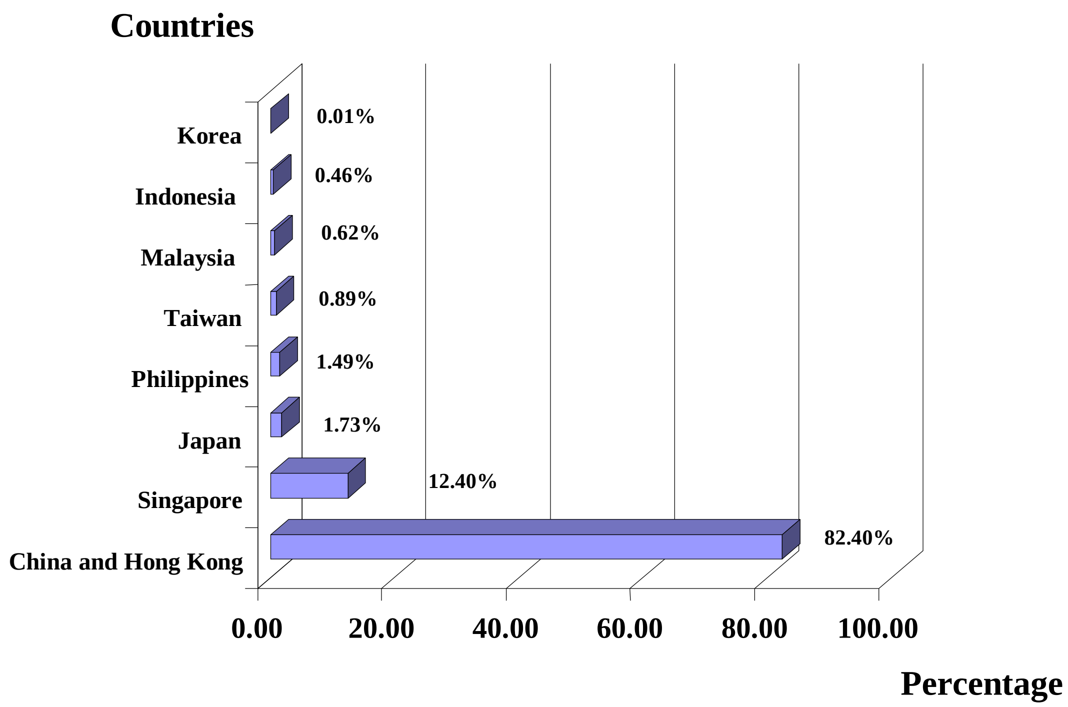


The asset allocations of the Fund as at balance sheet date were as follows:

	2010		2009		2008	
Sectors	**%**	**%**	**%**	**%**	**%**	**%**
Equities						
Construction	-		0.30		4.79	
Properties	79.70		54.21		68.17	
Trading/Services	12.61	92.31	3.76	58.27	3.71	76.67
Collective Investment Schemes		7.11		11.37		8.37
Cash/Deposits		0.58		30.36		14.96
		100.00		100.00		100.00

The asset allocation was reflective of improved market sentiments following the global financial crisis.

ASSET ALLOCATION BY COUNTRIES AS AT 31 MARCH 2010



FUND SIZE AND PROFILE OF UNIT HOLDINGS BY SIZE

As at 31 March 2010, the Fund's units in circulation stood at 164.75 million units with a total of 4 accounts.

	Account Holders		No. Of Units Held*	
Size of Holdings	**No.**	**%**	**('000)**	**%**
5,000 and below	1	25.00	4	0.01
5,001 to 10,000	1	25.00	5	0.01
10,001 to 50,000	-	-	-	-
50,001 to 500,000	1	25.00	50	0.03
500,001 and above	1	25.00	164,686	99.95
Total	4	100.00	164,745	100.00

*Excluding Manager's stock

SOFT COMMISSIONS

It is the Manager's policy to credit all stockbroking rebates to the account of the Fund.

For the financial year under review, the Manager has received soft commissions from brokers/dealers in consideration for directing dealings in the investments of the Fund. These soft commissions were in the form of goods and services such as subscriptions to Bloomberg Services and Lipper Analytical Services which are of demonstrable benefits to the Unit Holders.

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF OSK-UOB ASIAN REAL ESTATE FUND

We have acted as Trustee of OSK-UOB Asian Real Estate Fund for the financial year ended 31 March 2010. In our opinion, OSK-UOB Unit Trust Management Bhd, the Manager, has operated and managed the Fund in the financial year under review in accordance with the following:-

a) the limitations imposed on the investment powers of the Management Company and the Trustee under the Deed, the Securities Commission's Guidelines on the Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;

b) the valuation or pricing is carried out in accordance with the Deed and any regulatory requirement; and

c) the creation and cancellation of units of the Fund are carried out in accordance with the Deed and any regulatory requirement.

For and on behalf of the Trustee,
Mayban Trustees Bhd

Jennifer Wong Chee Mun
Head, Operations

Kuala Lumpur, Malaysia
12 May 2010

STATEMENT BY MANAGER

We, Ho Seng Yee and Lim Suet Ling, being two of the directors of OSK-UOB Unit Trust Management Bhd, do hereby state that, in the opinion of the Manager, the accompanying statement of assets and liabilities as at 31 March 2010 and the statement of income and expenditure, statement of changes in net asset value and cash flow statement for the financial year ended 31 March 2010 together with the notes thereto, are drawn up in accordance with Financial Reporting Standards and the Securities Commission's Guidelines on Unit Trust Funds in Malaysia so as to give a true and fair view of the financial position of OSK-UOB Asian Real Estate Fund as at 31 March 2010 and of its results, changes in net asset value and cash flows for the financial year then ended.

On behalf of the Manager

Ho Seng Yee   Lim Suet Ling

Kuala Lumpur, Malaysia
12 May 2010

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF OSK-UOB ASIAN REAL ESTATE FUND

Report on the financial statements

We have audited the financial statements of OSK-UOB Asian Real Estate Fund comprising the statement of assets and liabilities as at 31 March 2010, and the statement of income and expenditure, statement of changes in net asset value and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 22 to 46.

Manager's and Trustee's responsibility for the financial statements

The Manager of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Securities Commission's Guidelines on Unit Trust Funds in Malaysia. 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. The Trustee is responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable fair presentation of these financial statements.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. 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 our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund'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 Fund's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF OSK-UOB ASIAN REAL ESTATE FUND (CONTD.)

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 have been properly drawn up in accordance with Financial Reporting Standards and the Securities Commission's Guidelines on Unit Trust Funds in Malaysia so as to give a true and fair view of the financial position of the Fund as at 31 March 2010 and of its financial performance, the changes in net asset value and the cash flows of the Fund for the financial year then ended.

Other matters

This report is made solely to the Unit Holders of the Fund, as a body, and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Gloria Goh Ewe Gim
No. 1685/04/11 (J)
Chartered Accountant

Kuala Lumpur, Malaysia
12 May 2010

OSK-UOB ASIAN REAL ESTATE FUND
STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

	Note	2010 RM	2009 RM
INVESTMENT INCOME/(LOSS)			
Gross dividend income		1,531,767	2,085,988
Interest income		4,140	32,091
Net realised gain/(loss) on sales of quoted investments		12,558,943	(15,038,197)
Net realised loss on foreign exchange		(184,222)	(152,469)
Net unrealised (loss)/gain on foreign exchange		(5,468,696)	8,576,216
Net unrealised gain/(loss) on changes in value of investments held		14,615,699	(22,819,897)
		23,057,631	(27,316,268)
EXPENSES			
Manager's fee	4	(1,178,471)	(1,174,436)
Trustee's fee	5	(52,376)	(52,197)
Auditors' remuneration		(3,500)	(4,000)
Tax agent's fee		(2,800)	(3,000)
Administrative expenses		(24,013)	(36,232)
		(1,261,160)	(1,269,865)
Net income/(loss) before tax		21,796,471	(28,586,133)
Income tax expense	6	(36,504)	(48,669)
Net income/(loss) after tax		21,759,967	(28,634,802)
Net income/(loss) after tax is made up of the following:			
Net realised income/(loss)		12,612,964	(14,391,121)
Net unrealised gain/(loss)		9,147,003	(14,243,681)
		21,759,967	(28,634,802)

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

OSK-UOB ASIAN REAL ESTATE FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 MARCH 2010

	Note	2010 RM	2009 RM
INVESTMENTS			
Quoted investments - In Malaysia	7	671,604	88,944
Quoted investments - Outside Malaysia	8	54,618,556	29,721,488
Collective investment schemes			
- Outside Malaysia	9	4,259,119	5,818,066
Deposits with financial institution	10	100,029	880,104
		59,649,308	36,508,602
OTHER ASSETS			
Tax recoverable		14,228	25,133
Dividends receivable		116,718	133,134
Interest receivable		6	47
Other receivable		70	10
Due from stockbrokers		329,863	-
Cash at bank - In Malaysia		45,812	35,168
Cash at bank - Outside Malaysia		207,467	15,287,509
		714,164	15,481,001
TOTAL ASSETS		60,363,472	51,989,603
LIABILITIES			
Due to stockbrokers		-	553,761
Due to Manager		453,807	264,529
Due to Trustee		4,137	3,310
Other payables and accruals		8,536	14,118
TOTAL LIABILITIES EXCLUDING NET ASSET VALUE ("NAV") ATTRIBUTABLE TO UNIT HOLDERS		466,480	835,718
NAV ATTRIBUTABLE TO UNIT HOLDERS	11	59,896,992	51,153,885
UNITS IN CIRCULATION	11(a)	164,746,000	200,728,000
NAV PER UNIT (RM)		0.3636	0.2548

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

OSK-UOB ASIAN REAL ESTATE FUND
STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

	2010		2009	
	RM	RM	RM	RM
NAV attributable to Unit Holders as at 1 April		51,153,885		85,925,353
Net realised gain/(loss) recognised in the statement of income and expenditure		12,612,964		(14,391,121)
Net unrealised gain/(loss) recognised in the statement of income and expenditure		9,147,003		(14,243,681)
Movement due to units created and cancelled during the year (Note 11(a)):				
- creation of units	1,226,055		527,418	
- cancellation of units	(19,670,361)		(7,680,902)	
- distribution equalisation	5,427,446	(13,016,860)	1,016,818	(6,136,666)
NAV attributable to Unit Holders as at 31 March		59,896,992		51,153,885

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

OSK-UOB ASIAN REAL ESTATE FUND
CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

	2010 RM	2009 RM
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Proceeds from sale of investments	44,099,571	22,740,901
Purchase of investments	(47,329,388)	(15,432,108)
Dividends received	1,510,907	2,115,978
Interests received	4,182	32,267
Manager's fee paid	(1,159,880)	(1,228,102)
Trustee's fee paid	(51,550)	(54,582)
Auditors' remuneration paid	(4,000)	(4,000)
Tax agent's fee paid	(4,400)	(1,500)
Payment for other fees and expenses	(63,400)	(53,555)
Net cash (used in)/generated from operating and investing activities	(2,997,958)	8,115,299
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	912,436	402,460
Cash paid on units cancelled	(13,763,951)	(6,318,566)
Net cash used in financing activities	(12,851,515)	(5,916,106)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(15,849,473)	2,199,193
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	16,202,781	14,003,588
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	353,308	16,202,781
Cash and cash equivalents comprise :		
Cash at banks	253,279	15,322,677
Deposits with financial institution	100,029	880,104
	353,308	16,202,781

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

OSK-UOB ASIAN REAL ESTATE FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

The Unit Trust (hereinafter referred to as "the Fund") was constituted pursuant to the execution of a Deed dated 14 June 2007 (hereinafter referred to as "the Deed") between the Manager, OSK-UOB Unit Trust Management Bhd and the Trustee, Mayban Trustees Bhd.

The principal activity of the Fund is to invest in Permitted Investments as defined under Part 7 of the Deed. The Fund was launched on 22 August 2007 and will continue its operations until terminated by the Trustee as provided under Part 12 of the Deed.

The Manager is a 70% owned subsidiary of OSK Investment Bank Bhd. It is principally engaged in the sales of trust units and management of unit trust funds. The ultimate holding company of the Manager is OSK Holdings Bhd, a company listed on the Main Market of Bursa Malaysia. All of the abovementioned companies are incorporated in Malaysia.

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the directors on 12 May 2010.

2. FINANCIAL RISK MANAGEMENT POLICIES

The Fund is exposed to a variety of risks which include market risk, single issuer risk, interest rate risk, credit risk, liquidity risk, currency risk and country risk.

Financial risk management is carried out through sound internal control systems and adherence to the investment restrictions as stipulated by the Securities Commission's Guidelines on Unit Trust Funds and the Capital Markets and Services Act 2007 in Malaysia.

(a) Market Risk

Market risk arises when the value of the securities fluctuate in response to the activities of individual companies and general market or economic conditions. Market risk is managed through portfolio diversification across a number of sectors, industries and countries, minimising the risk not only of any single company's securities becoming worthless, but also of all holdings suffering uniformly adverse business conditions.

(b) Single Issuer Risk

The Fund is restricted to invest in securities issued by any issuer of not more than a certain percentage of its NAV. Under such restriction, the risk exposure to the securities of any issuer is managed.

(c) Interest Rate Risk

Cash and other fixed income securities are particularly sensitive to movements in interest rates. When interest rates rise, the return on cash will rise while the value of fixed income securities will fall and vice versa, thus affecting the NAV of the Fund. When the interest rate trend is anticipated to rise, the exposure to fixed income securities will be reduced to an acceptable level.

(d) Credit Risk

Credit risk refers to the ability of an issuer or counterparty to make timely payments of interest, principals and proceeds from realisation of investments. The Manager manages the credit risk by undertaking credit evaluation and close monitoring of any changes to the issuer/counterparty's credit profile to minimise such risk.

(e) Liquidity Risk

The Fund maintains sufficient level of liquid assets to meet anticipated payments and redemptions of units by Unit Holders. Liquid assets comprise cash, deposits with financial institutions and other instruments which are capable of being converted into cash within 7 days. The Manager's policy is to always maintain a prudent level of liquid assets so as to reduce the liquidity risk of the Fund.

(f) Currency Risk

Investments in foreign countries are exposed to currency risk due to the fluctuation in currency exchange rates. The risk is managed by investing in assets denominated in a wide range of foreign currency, thus diversifying the risk of single currency exposure.

(g) Country Risk

In addition to currency risk, the value of the assets of the Fund may also be affected by uncertainties such as currency repatriation restrictions or other developments in the law or regulations of the countries in which the Fund may invest.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Fund have been prepared on a historical cost basis, except for the investments that have been measured at their fair values and comply with Financial Reporting Standards ("FRS") and the Securities Commission's Guidelines on Unit Trust Funds in Malaysia.

The significant accounting policies adopted are consistent with those applied in the audited financial statements for the financial year ended 31 March 2009.

The Fund has not early adopted the following FRSs, Amendments to FRSs and Interpretations which have effective dates as follows:

FRSs, Amendments to FRSs and Interpretations	**Effective for financial periods beginning on or after**
FRS 1 : First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 : Business Combinations (revised)	1 July 2010
FRS 4 : Insurance Contracts	1 January 2010
FRS 7 : Financial Instruments: Disclosures	1 January 2010
FRS 8 : Operating Segments	1 July 2009
FRS 101: Presentation of Financial Statements (revised)	1 January 2010
FRS 123: Borrowing Costs	1 January 2010
FRS 127: Consolidated and Separate Financial Statements (amended)	1 July 2010
FRS 139 : Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 1: First-time of Financial Reporting Standards - Limited Exemption from Comparative FRS 7 Disclosures for the First-time Adopters	1 January 2011
Amendments to FRS 2: Share-based Payment – Vesting Conditions and Cancellations	1 January 2010

FRSs, Amendments to FRSs and Interpretations	Effective for financial periods beginning on or after
Amendments to FRS 2: Share-based Payment	1 July 2010
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 7: Financial Instruments : Disclosures – Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 132: Financial Instruments: Presentation	1 January 2010
Amendments to FRS 132: Financial Instruments: Presentation – Classification of Rights Issues	1 March 2010
Amendments to FRS 138: Intangible Assets	1 July 2010
Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10: Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12: Service Concession Arrangements	1 July 2010
IC Interpretation 13: Customer Loyalty Programmes	1 January 2010
IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15: Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17: Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRSs ‘Improvements to FRSs (2009)’	1 January 2010
TRi-3 : Presentation of Financial Statements of Islamic Financial Institutions	1 January 2010

The adoption of the above FRSs, Amendments to FRSs and Interpretations upon their effective dates are not expected to have any significant impact on the financial statements of the Fund except as described below.

The Fund is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS 139.

The Amendments to FRS 132: Financial Instruments: Presentation and FRS 101: Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation require entities to classify puttable financial instruments as equity, if the instrument have certain particular features and meet specific conditions.

The Unit Holders' contribution have the features and meet the conditions for classification as equity instruments. Consequently, upon adoption of the Amendments to FRS 132, Unit Holders' contribution which is currently classified as financial liabilities will be reclassified as equity instruments. Distributions made by the Fund will be recognised as a deduction from retained earnings.

(b) Foreign Currency Translation

Transactions in foreign currencies are initially recorded in Ringgit Malaysia (RM) at rates of exchange ruling at the date of transaction. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date. All exchange rate differences are recognised in the statement of income and expenditure.

The principal exchange rate for each respective unit of foreign currency at balance sheet date is as follows:

	2010 RM	2009 RM
Hong Kong Dollar	0.4200	0.4700
Indonesia Rupiah (100)	0.0358	N/A
Japanese Yen (100)	3.4870	3.6800
Korean Won (100)	N/A	0.2648
Philippine Peso	0.0721	N/A
Singapore Dollar	2.3296	2.3928
Thai Baht	N/A	0.1022
Taiwan Dollar	0.1027	N/A

(c) Investments

Quoted investments are valued at the last done market price quoted on the respective stock exchanges as at the balance sheet date.

Collective investment schemes are valued based on the last done market price quoted on the foreign stock exchange as at balance sheet date.

(d) Income Recognition

Dividend income is recognised on a declared basis, when the right to receive the dividend has been established.

Interest income is recognised on an accrual basis.

The realised gain/(loss) on sale of investments is measured as the difference between the net disposal proceeds and the carrying amount of the investments. The carrying amount of the investments for determining the realised gain/(loss) on sale is based on the weighted average cost method.

(e) Unrealised Reserve

Unrealised reserve represents the net gain/(loss) arising from carrying investments at their market values or indicative market values and unrealised gains/(losses) from translating foreign currency monetary items at exchange rates prevailing at the balance sheet date. This reserve is not distributable in nature.

(f) Distribution Equalisation

Distribution equalisation represents the average distributable amount included in the creation and cancellation prices of units. This amount is either refunded to Unit Holders by way of distribution and/or adjusted accordingly when units are cancelled.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and deposits with financial institutions which have an insignificant risk of changes in value.

(h) Receivables

Receivables are carried at anticipated realisable values.

(i) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(j) Functional and Presentation Currency

The financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (“the functional currency”). The financial statements are presented in Ringgit Malaysia (RM), which is also the Fund's functional currency.

(k) Financial Instruments

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

Financial instruments are classified as assets or liabilities in accordance with the substance of the contractual arrangements. Interest, dividends, gains and losses relating to financial instruments classified as assets, are reported as investment income. Distributions to Unit Holders are recognised in NAV attributable to Unit Holders in the financial year in which they are declared.

(l) Significant Accounting Estimates and Judgments

The preparation of financial statements in accordance with FRS requires the use of certain accounting estimates and exercise of judgment. Estimates and judgments are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

No major judgments have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year.

4. MANAGER'S FEE

The Manager's fee is computed on a daily basis at 1.80% per annum of the NAV of the Fund before deducting the Manager's and Trustee's fee for that particular day.

5. TRUSTEE'S FEE

The Trustee's fee is computed on a daily basis at 0.08% per annum of the NAV of the Fund subject to a minimum of RM18,000 per annum before deducting the Manager's and Trustee's fee for that particular day.

6. INCOME TAX EXPENSE

	2010 RM	2009 RM
Foreign income tax	36,504	48,669

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable income for the financial year. Income tax for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The tax charge for the financial year is in relation to the taxable income earned by the Fund after deducting tax allowable expenses. In accordance with Schedule 6 of the Income Tax Act 1967, interest income earned by the Fund is exempted from tax.

A reconciliation of income tax expense applicable to net income/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Fund is as follows:

	2010 RM	2009 RM
Net income/(loss) before tax	21,796,471	(28,586,133)
Tax at Malaysian statutory tax rate of 25%	5,449,118	(7,146,533)
Effect of different tax rates in other countries	(54,101)	(65,590)
Effect of interest on deposits and other income not subject to tax	(7,087,033)	(2,559,315)
Effect of losses not deductible for tax purposes	1,413,230	9,502,641
Effect of expenses not deductible for tax purposes	17,743	19,072
Restriction on tax deductible expenses for unit trust funds	297,547	298,394
Tax expense for the year	36,504	48,669

7. QUOTED INVESTMENTS – IN MALAYSIA

Quoted investments in Malaysia represent:

	2010 RM	2009 RM
Cost, at 31 March	638,320	209,681
Unrealised reserve:		
At 1 April	(120,737)	(675,812)
Changes during the year	154,021	555,075
At 31 March	33,284	(120,737)
Market value, at 31 March	671,604	88,944

Quoted investments in Malaysia as at 31 March 2010 are as detailed below:

Name of Counter	Quantity	Cost RM	Market Value RM	% of NAV
MAIN MARKET:				
Properties				
Glomac Bhd	300,000	433,339	438,000	0.73
IGB Corporation Bhd	123,600	204,981	233,604	0.39
TOTAL QUOTED INVESTMENTS		**638,320**	**671,604**	**1.12**
UNREALISED GAIN FROM QUOTED INVESTMENTS - IN MALAYSIA			**33,284**	

8. QUOTED INVESTMENTS – OUTSIDE MALAYSIA

Quoted investments outside Malaysia represent:

	2010 RM	2009 RM
Cost, at 31 March	55,382,074	51,677,458
Unrealised reserve:		
At 1 April	(21,955,970)	(20,545,506)
Changes during the year	22,719,488	(1,410,464)
At 31 March	(763,518)	(21,955,970)
Market value, at 31 March	54,618,556	29,721,488

Quoted investments outside Malaysia as at 31 March 2010 are as detailed below:

Name of Counter	Quantity	Cost RM	Market Value RM	% of NAV
<u>Quoted in : China</u>				
Properties				
China Vanke Company Ltd	180,476	705,855	675,377	1.13
		705,855	**675,377**	**1.13**
<u>Quoted in : Hong Kong</u>				
Properties				
Agile Property Holdings Ltd	180,000	848,892	801,360	1.34
Beijing Capital Land Ltd	724,000	904,018	927,444	1.55
Cheung Kong Holdings Ltd	153,000	7,751,187	6,426,000	10.73
China Overseas Land & Investment Ltd	476,000	2,834,744	3,506,597	5.85
China Resources Land Ltd	252,000	1,781,530	1,786,579	2.98
Great Eagle Holdings Ltd	100,000	1,292,873	915,600	1.53
Guangzhou R & F Properties Company Ltd - H	110,000	573,399	587,664	0.98
Hang Lung Properties Ltd	390,000	5,342,463	5,126,940	8.56

Name of Counter	Quantity	Cost RM	Market Value RM	% of NAV
Henderson Land Development Company Ltd	152,000	2,560,476	3,492,048	5.83
K Wah International Holdings Ltd	83,000	96,044	100,745	0.17
Kerry Properties Ltd	140,000	1,402,279	2,449,020	4.09
KWG Property Holding Ltd	132,500	308,570	313,866	0.52
New World Development Company Ltd	330,000	2,188,414	2,106,720	3.52
Poly (Hong Kong) Investment Ltd	150,000	548,908	624,330	1.04
Shimao Property Holdings Ltd	165,000	1,003,371	989,604	1.65
Sino Land Company Ltd	250,000	1,915,628	1,598,100	2.67
Sino-Ocean Land Holdings Ltd	250,000	646,923	718,200	1.20
Sun Hung Kai Properties Ltd	131,000	6,701,245	6,426,336	10.73
		38,700,964	38,897,153	64.94
Trading/Services				
Minmetals Land Ltd	2,400,000	2,779,284	1,995,840	3.33
Shui On Land Ltd	500,000	1,125,641	833,700	1.39
Swire Pacific Ltd	42,000	1,700,844	1,647,576	2.75
The Wharf Holdings Ltd	167,500	3,050,470	3,077,812	5.14
		8,656,239	7,554,928	12.61
		47,357,203	**46,452,081**	**77.55**
Quoted in : Indonesia				
Properties				
Bumi Serpong Damai PT	1,220,500	269,223	266,533	0.46
		269,223	**266,533**	**0.46**
Quoted in : Japan				
Properties				
Mitsubishi Estate Company Ltd	8,000	716,330	426,809	0.71

Name of Counter	Quantity	Cost RM	Market Value RM	% of NAV
Mitsui Fudosan Company Ltd	5,000	450,867	276,693	0.46
		1,167,197	**703,502**	**1.17**
<u>Quoted in : Philippines</u>				
Properties				
Ayala Land Incorporation	955,000	544,578	895,121	1.49
		544,578	**895,121**	**1.49**
<u>Quoted in : Singapore</u>				
Properties				
Capitaland Ltd	300,000	2,608,751	2,774,554	4.63
City Development Ltd	60,000	1,458,347	1,481,626	2.47
Hong Kong Land Holdings Ltd	30,000	474,133	495,998	0.83
SC Global Developments Ltd	80,000	317,259	339,190	0.57
		4,858,490	**5,091,368**	**8.50**
<u>Quoted in :Taiwan</u>				
Properties				
Farglory Land Development Company Ltd	77,000	479,528	534,574	0.89
		479,528	**534,574**	**0.89**
TOTAL QUOTED INVESTMENTS - OUTSIDE MALAYSIA		**55,382,074**	**54,618,556**	**91.19**
UNREALISED LOSS FROM QUOTED INVESTMENTS - OUTSIDE MALAYSIA			**(763,518)**	

9. COLLECTIVE INVESTMENT SCHEMES – OUTSIDE MALAYSIA

Collective investment schemes outside Malaysia represent:

	2010 RM	2009 RM
Cost, at 31 March	3,811,582	10,347,174
Unrealised reserve:		
At 1 April	(4,529,108)	(1,400,452)
Changes during the year	4,976,645	(3,128,656)
At 31 March	447,537	(4,529,108)
Market value, at 31 March	4,259,119	5,818,066

Collective investment schemes outside Malaysia as at 31 March 2010 are detailed below:

Name of Counter	Quantity	Cost RM	Market Value RM	% of NAV
<u>Quoted in : Hong Kong</u>				
Real Estate Investment Trust				
The Link Real Estate Investment Trust	266,000	1,839,529	2,138,321	3.57
		1,839,529	**2,138,321**	**3.57**
<u>Quoted in : Singapore</u>				
Real Estate Investment Trust				
Ascendas India Trust	255,000	434,172	576,226	0.96
Capitacommercial Trust	300,000	643,795	754,791	1.26
Suntec Real Estate Investment Trust	253,000	894,086	789,781	1.32
		1,972,053	**2,120,798**	**3.54**
TOTAL COLLECTIVE INVESTMENT SCHEMES - OUTSIDE MALAYSIA		**3,811,582**	**4,259,119**	**7.11**
UNREALISED GAIN FROM COLLECTIVE INVESTMENT SCHEMES - OUTSIDE MALAYSIA			**447,537**	

10. DEPOSITS WITH FINANCIAL INSTITUTION

	2010 RM	2009 RM
Short-term placements with a commercial bank	100,029	880,104

The weighted average effective interest rates of deposits and the weighted average remaining maturities of deposits as at the balance sheet date were as follows:

	Weighted Average Effective Interest Rates Per Annum		Weighted Average Remaining Maturities of Deposits	
	2010 %	2009 %	2010 Days	2009 Days
Short-term placements	2.10	1.96	1	1

11. NAV ATTRIBUTABLE TO UNIT HOLDERS

NAV attributable to Unit Holders is represented by:

	Note	2010 RM	2009 RM
Unit Holders' contribution	(a)	92,215,967	105,232,827
Realised reserve	(b)	(31,936,414)	(27,311,996)
Unrealised reserve	(c)	(382,561)	(26,766,946)
Unit Holders' Funds		59,896,992	51,153,885

(a) Unit Holders' Contribution

	2010		2009	
	No. of units	RM	No. of units	RM
As at 1 April	200,728,000	105,232,827	221,308,000	111,369,493
Creation of units	2,672,000	1,226,055	1,425,000	527,418
Cancellation of units	(38,654,000)	(19,670,361)	(22,005,000)	(7,680,902)
	164,746,000	86,788,521	200,728,000	104,216,009
Distribution equalisation	-	5,427,446	-	1,016,818
As at 31 March	164,746,000	92,215,967	200,728,000	105,232,827

The maximum number of units that can be issued for circulation is 800,000,000. As at 31 March 2010, the number of units yet to be issued was 635,254,000 (2009: 599,272,000).

(b) Realised Reserve

	2010		2009	
	RM	RM	RM	RM
Balance as at 1 April		(27,311,996)		(2,361,195)
Net unrealised loss attributable to investments sold transferred from unrealised reserve		(18,841,150)		(11,340,321)
Net unrealised foreign exchange gain attributable to foreign currency monetary items realised during the year transferred from unrealised reserve		1,603,768		780,641
Net income/(loss) after tax	21,759,967		(28,634,802)	
Net unrealised (gain)/ loss attributable to investments held transferred to unrealised reserve	(14,615,699)		22,819,897	
Net unrealised foreign exchange loss/(gain) attributable to foreign currency monetary items transferred to unrealised reserve	5,468,696		(8,576,216)	
Net increase/(decrease) in realised reserve for the year		12,612,964		(14,391,121)
Balance as at 31 March		(31,936,414)		(27,311,996)

(c) Unrealised Reserve

	2010 RM	2009 RM
Balance as at 1 April	(26,766,946)	(23,082,945)
Net unrealised gain/(loss) attributable to investments held transferred from realised reserve	14,615,699	(22,819,897)
Net unrealised foreign exchange (loss)/gain attributable to foreign currency monetary items transferred from realised reserve	(5,468,696)	8,576,216
Net unrealised loss attributable to investments sold transferred to realised reserve	18,841,150	11,340,321
Net unrealised foreign exchange gain attributable to foreign currency monetary items realised during the year transferred to realised reserve	(1,603,768)	(780,641)
Balance as at 31 March	(382,561)	(26,766,946)

The unrealised reserve represents the net loss arising from stating investments at their fair values and translating foreign currency monetary items at exchange rates prevailing at the balance sheet date.

12. UNITS HELD BY RELATED PARTY

	2010		2009	
	No. of units	Valued at NAV RM	No. of units	Valued at NAV RM
Manager	1,281#	466	196#	50

\# The Manager is the legal and beneficial owner of the units.

13. TRANSACTIONS WITH RELATED PARTIES AND OTHER STOCKBROKING COMPANIES

Details of transactions with related parties and other stockbroking companies for the financial year ended 31 March 2010 are as follows:

	Value of Trade RM	% of Total Trade %	Brokerage Fees RM	% of Total Brokerage Fees %
Credit Suisse First Boston (Spore)	19,085,826	20.40	26,327	10.64
Macquarie Capital Securities Ltd	14,614,268	15.62	45,406	18.35
Deutsche Securities Asia Ltd	7,974,255	8.52	23,894	9.66
J.P. Morgan Securities (S) Pte Ltd	6,816,799	7.29	20,709	8.37
China International Capital Corporation HK Securities Ltd	5,572,407	5.96	13,931	5.63
Exane BNP Paribas (S) Pte Ltd	5,216,892	5.58	13,238	5.35
Citigroup Global Markets Asia Ltd	4,853,982	5.19	14,142	5.72
The Hong Kong & Shanghai Banking Corporation Ltd	4,282,681	4.58	10,239	4.14
CLSA Singapore Pte Ltd	3,999,609	4.27	11,004	4.45
UOB Kay Hian Pte Ltd*	3,991,305	4.27	10,033	4.05
Merrill Lynch (HK) Pte Ltd	3,744,807	4.00	17,579	7.10
DBS Vickers Securities (S) Pte Ltd	3,198,724	3.42	7,997	3.23
CIMB-GK Securities Pte Ltd	2,751,232	2.94	6,878	2.78
Nomura Singapore Ltd	1,739,695	1.86	3,906	1.58
BOCI Securities Ltd	1,736,168	1.86	8,681	3.51
UBS Securities Ltd	1,475,802	1.58	6,257	2.53
OSK Investment Bank Bhd*	1,397,496	1.49	4,192	1.69
Goldman Sachs (Singapore) Pte Ltd	1,097,416	1.17	3,021	1.22
	93,549,364	100.00	247,434	100.00

* OSK Investment Bank Bhd is the holding company of OSK-UOB Unit Trust Management Bhd, the Manager, while UOB Kay Hian Pte Ltd is a related company of the Manager.

The directors of the Manager are of the opinion that the transactions with the related parties have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. These dealings with the related parties have been transacted at arm's length basis.

14. MANAGEMENT EXPENSE RATIO ("MER")

The MER of the Fund is the ratio of the sum of fees and expenses incurred by the Fund to the average NAV of the Fund calculated on a daily basis. The fees and expenses include Manager's fee, Trustee's fee, auditors' remuneration, tax agent's fee and other administrative expenses. For the financial year ended 31 March 2010, the MER of the Fund stood at 1.93% (2009: 1.95%) and is calculated as follows:

			RM
A	=	Manager's fee	1,178,471
B	=	Trustee's fee	52,376
C	=	Auditors' remuneration	3,500
D	=	Tax agent's fee	2,800
E	=	Administrative expenses	24,013
F	=	Average NAV of the Fund	65,451,974

$$\text{MER} = \frac{(A + B + C + D + E)}{F} \times 100$$

$$= \frac{\text{RM1,261,160}}{\text{RM65,451,974}} \times 100$$

$$= \underline{1.93\%}$$

The average NAV of the Fund for the financial year ended 31 March 2010 was RM65,451,974 (2009: RM65,242,448).

15. PORTFOLIO TURNOVER RATIO ("PTR")

The PTR of the Fund is the ratio of the average acquisitions and disposals of the Fund for the financial year to the average NAV of the Fund calculated on a daily basis. For the financial year ended 31 March 2010, the PTR of the Fund stood at 0.72 times (2009: 0.29 times).

The PTR of the Fund is calculated as follows:

	RM
Total acquisitions of the Fund	48,266,638
Total disposals of the Fund	45,980,436

PTR = $\dfrac{\text{(Total Acquisitions + Total Disposals)/2}}{\text{Average NAV of the Fund}}$

= $\dfrac{\text{(RM94,247,074)/2}}{\text{RM65,451,974}}$

= 0.72 times

The average NAV of the Fund for the financial year ended 31 March 2010 was RM65,451,974 (2009: RM65,242,448).

16. SEGMENTAL REPORTING

The primary segment reporting format is determined to be geographical segments as the Fund’s risks and rates of return are affected predominantly by the countries/regions in which the Fund invests in. Secondary information is reported by business segments representing the different instruments the Fund invests in.

a) Geographical Segments

In accordance with the objective of the Fund, the Fund aims to achieve long term capital appreciation through investments in the real estate market. The following table provides an analysis of the Fund’s revenue, results, assets and liabilities by geographical segments:

	China and Hong Kong RM	Singapore RM	Malaysia RM	Other Countries RM	Total RM
2010					
Revenue					
Segment income representing segment results	14,128,473	5,732,212	127,174	3,069,772	23,057,631
Unallocated expenditure					(1,261,160)
Net income before tax					21,796,471
Income tax expense					(36,504)
Net income after tax					21,759,967
Assets					
Investments	49,265,779	7,212,166	771,633	2,399,730	59,649,308
Other assets	91,483	207,467	62,433	352,781	714,164
Total Assets					60,363,472
Liabilities					
Other liabilities	-	-	466,480	-	466,480
2009					
Revenue					
Segment loss representing segment results	(12,032,249)	(9,489,823)	(706,777)	(5,087,419)	(27,316,268)
Unallocated expenditure					(1,269,865)
Net loss before tax					(28,586,133)
Income tax expense					(48,669)
Net loss after tax					(28,634,802)

	China and Hong Kong RM	Singapore RM	Malaysia RM	Other Countries RM	Total RM
Assets					
Investments	25,118,746	8,324,319	969,048	2,096,489	36,508,602
Other assets	85,493	15,287,509	60,358	47,641	15,481,001
Total Assets					51,989,603
Liabilities					
Other liabilities	553,761	-	281,957	-	835,718

b) Business Segments

The following table provides an analysis of the Fund's revenue and assets by business segments:

	Segment revenue RM	Segment assets RM
2010		
Quoted securities and collective investment schemes	23,053,491	60,010,158
Cash/deposits	4,140	353,314
	23,057,631	60,363,472

	Segment loss RM	Segment assets RM
2009		
Quoted securities and collective investment schemes	(27,348,359)	35,786,775
Cash/deposits	32,091	16,202,828
	(27,316,268)	51,989,603

CORPORATE INFORMATION

MANAGER	OSK-UOB UNIT TRUST MANAGEMENT BHD
REGISTERED & PRINCIPAL OFFICE	5th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur E-mail: oskuob.enquiry@osk.com.my Website: www.oskuob.com.my Tel: 03-2164 3036 Fax: 03-2164 4226

BRANCHES

1. PENANG	20-E, Penang Street 10200 Penang Tel: 04-264 5639 Fax: 04-264 5640
2. BUTTERWORTH	2677, Jalan Chain Ferry Taman Inderawasih 13600 Prai Penang Tel: 04-390 0022 Fax: 04-390 0023
3. IPOH	3rd Floor, 21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Tel: 05-242 4311 Fax: 05-242 4312
4. KUANTAN	B32-34, 2nd Floor Lorong Tun Ismail 8 Sri Dagangan II 25000 Kuantan Pahang Tel: 09-517 3611 Fax: 09-517 3612
5. MELAKA	581B,Taman Melaka Raya 75000 Melaka Tel: 06-284 4211 Fax: 06-292 2212
6. BATU PAHAT	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Tel: 07-438 0271 Fax: 07-438 0277

7. JOHOR BAHRU	Tingkat 6, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Tel: 07-278 8931 Fax: 07-278 8930
8. KOTA KINABALU	Tingkat 5, Wisma BSN Sabah Jalan Kemajuan, Karamunsing 88000 Kota Kinabalu Sabah Tel: 088-248 211 Fax: 088-232 312
9. KUCHING	Lot 282, 1st Floor, Jalan Ban Hock 93100 Kuching Sarawak Tel: 082-245 611 Fax: 082-242 712
10. MIRI	Lot 1268, First Floor, Centre Point Commercial Centre Jalan Melayu 98000 Miri, Sarawak Tel: 085-422 788 Fax: 085-415 243
11. KOTA BHARU	1st Floor, No.3953-J Jalan Kebun Sultan 15350 Kota Bharu Kelantan Tel: 09-741 8539 Fax: 09-741 8540
12. PETALING JAYA	32A, Jalan SS2/63, 47300 Petaling Jaya Selangor Tel: 03-7877 3733 Fax: 03-7877 8733
BOARD OF DIRECTORS	Dato' Nik Mohamed Bin Nik Yahya (Independent) Dr Choong Tuck Yew (Independent) Encik Izlan Bin Izhab (Independent) Ms Eliza Ong Yin Suen Mr Ho Seng Yee Mr Thio Boon Kiat Ms Lim Suet Ling (Alternate Director to Mr Thio Boon Kiat)

EXTERNAL INVESTMENT MANAGER	UOB Asset Management Ltd, Singapore
TRUSTEE	Mayban Trustees Bhd
SECRETARIES	Ms Wong Wei Fong (MAICSA 7006751) Ms Lim Lee Kuan (MAICSA 7017753)
PRINCIPAL BANKER	United Overseas Bank (Malaysia) Bhd
AUDITORS	Ernst & Young
TAX ADVISERS	KPMG Tax Services Sdn Bhd
DISTRIBUTOR	Malayan Banking Bhd Tel: 1300-88-6688