

Macquarie Unit Trust Series

Macquarie Asia New Stars Fund

MONTHLY REPORT

JANUARY 2010



IMPORTANT RISK INFORMATION

- Investing in THE MACQUARIE ASIA NEW STARS FUND ("Fund") involves risk. The Fund may not be suitable for all investors. Please refer to the explanatory memorandum for more information about the risks of investing in the Fund.
- THE FUND MAY INVEST IN ANY ONE OR A COMBINATION OF THE FOLLOWING INSTRUMENTS:
 - SMALL COMPANIES SECURITIES - stock prices of small and medium-sized companies may be more volatile than large-sized companies due to lower liquidity, greater sensitivity to changes in economic conditions and greater uncertainty over future growth prospect;
 - IPO SECURITIES - price performance may be difficult to assess due to the lack of trading history;
 - STRUCTURED PRODUCTS - the Fund may invest not more than 15% of its Net Asset Value in structured products that are not listed or quoted on an exchange or over-the-counter market or other organized securities market. Investment in structured products may be subject to liquidity, volatility and counterparty risks;
 - EMERGING MARKETS SECURITIES (e.g. THE PRC) - investments in securities linked to these markets are subject to higher volatility and liquidity risks;
 - FUTURES - the Fund may invest in futures contracts for hedging and other purposes. Given the leverage effect embedded in futures, investments in futures may result in significant losses.
- ANY DECISION TO INVEST IN THIS FUND IS YOURS BUT YOU SHOULD NOT INVEST IN THE FUND UNLESS THE INTERMEDIARY WHO SELLS IT TO YOU HAS ADVISED YOU THAT IT IS SUITABLE FOR YOU AND HAS EXPLAINED WHY, INCLUDING HOW BUYING IT WOULD BE CONSISTENT WITH YOUR INVESTMENT OBJECTIVES.

HIGHLIGHTS

1st of the 236 funds surveyed in Morningstar's Asia/Pacific ex-Japan Equity category over the past 12 months posting a total return of 122.70%.

FUND PERFORMANCE

	Fund Returns	Benchmark Returns*	Excess Returns
1 Month	-5.66%	-4.84%	(0.82%)
3 Months	4.20%	5.82%	(1.62%)
6 Months	15.32%	12.44%	2.88%
12 Months	122.70%	115.97%	6.73%
Since Inception (pa)	(9.57%)	(8.85%)	(0.72%)

Performance quoted post fees for the A1 series. Past performance is not a reliable indicator of future performance

* The benchmark changed from FTSE Global Small Cap Series Greater China to MSCI Asia ex-Japan Small Companies on 1-July-2009 with a change to the investment universe

The Fund was down 5.66% in January and under performed its benchmark, the MSCI Asia ex-Japan Small Companies Index by 0.82%. For the 12 months to January 2010 the Fund rose 122.7% compared to its benchmark at which rose 115.9% and leads the 236 funds in Morningstar's Asia/Pacific ex-Japan Equity category over this period. Key positive performers for the month included a Chinese instrument manufacturer that was up 22% on progressing its expansion program, a Philippine conglomerate that rose 16% with good attendance at its casino asset and a Chinese sporting goods company up 12% on strong sales. Key detractors included a Chinese on-line real estate services provider that fell 22% on tightening of property lending, a Chinese gold miner that fell 22% with the declining gold price and a Chinese cement company that fell 20% also on tighter property lending.

PORTFOLIO UPDATE

	FUND RATIOS
Price to Earnings Ratio	11.06
Price to Operating Cash Flow	12.2
Year 1 Earnings per Share Growth	25.50%
Year 2 Earnings per Share Growth	16.70%
Dividend Yield	2.90%
Net Debt (Cash) to Market Cap.	1.70%
Return on Equity	19.90%

NB: All the above ratios are quoted on a one year forward basis

The above ratios demonstrate the attractive opportunity available in the diverse universe of Asian small companies. The low valuations clearly discount the high growth potential, whilst strong cash flows, solid balance sheets and high returns on equity show the quality attributes can also be obtained. These attributes are indicative of the rigour and discipline of the investment process.

Source: Macquarie Funds Management Hong Kong Limited. The Macquarie Asia New Stars Fund ("Fund") is authorised by the Securities and Futures Commission ("SFC") in Hong Kong. Such authorisation does not imply official approval or recommendation by the SFC. This document has been prepared by Macquarie Funds Management Hong Kong Limited ("Manager"). This document has not been reviewed or authorised by the SFC, and is neither an offer nor solicitation to purchase units in the Fund. Investors should refer to the Fund's Explanatory Memorandum ("EM") for detailed information prior to subscription. Applications for units may only be made on forms of application available with the EM. Past performance is not necessarily a reliable indicator of future performance. Macquarie Group, its employees and officers may act in different, potentially conflicting, roles in providing the financial services referred to in this general advice. The Macquarie Group has conflict of interest policies which aim to manage conflicts of interest. Macquarie will receive remuneration and pay commission to introducing advisers as described in the EM. Investments in the Fund are not deposits with or liabilities of Macquarie Bank Limited ABN 46 008 583 542 ("Macquarie") or any Macquarie Group company and are subject to investment risk, including possible delays in repayment and loss of income and capital invested. None of Macquarie or any other Macquarie Group company guarantees the performance of the Fund, the repayment of capital from the Fund or any particular rate of return. Investments in the Fund may not be suitable for all investors and prospective investors should consult their professional advisers as to suitability, legal, tax and economic consequences of an investment in the Fund. Distribution of this document may be restricted in certain jurisdictions; persons into whose possession this publication comes should inform themselves of and observe such restrictions. This document does not constitute the distribution of any information or the making of any offer or solicitation by anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to distribute such a booklet or make such an offer or solicitation. US persons are not eligible. Performance figures are net of Fund level expenses but do not take into account any sales or redemptions charges or taxes which would reduce an investor's overall return. Performance figures reflect the reinvestment of distributions.

OUTLOOK

Asian markets had a soft start to the year with Chinese authorities slowing lending rates to curb speculative property investment and the Greek debt crisis further weakening sentiment late in the month. Despite these concerns we are still seeing upgrades to GDP growth forecasts for China and across most of Asia ex-Japan. These upgrades are similarly being reflected in upward revisions to earnings forecasts ahead of the reporting season. We have seen fewer downgrades than upgrades as companies correct the consensus view where they see it as being incorrect. With robust corporate earnings and lower equity prices we are see short term dips as being favourable entry points into equity markets.

PORTFOLIO CHANGES

The fund added three major positions during the month. The first being a Hong Kong listed coal company that will be expanding its operations on extensive low cost reserves. The other two investments are seeing strong support from a rapid expansion in Middle East refining and petrochemical capacities. These companies being a Korean engineering company that is well positioned with excess processing capacity and an Indian pipe manufacturer that also has great valuation support via listed equity investments in sister companies.

TOP 5 HOLDINGS

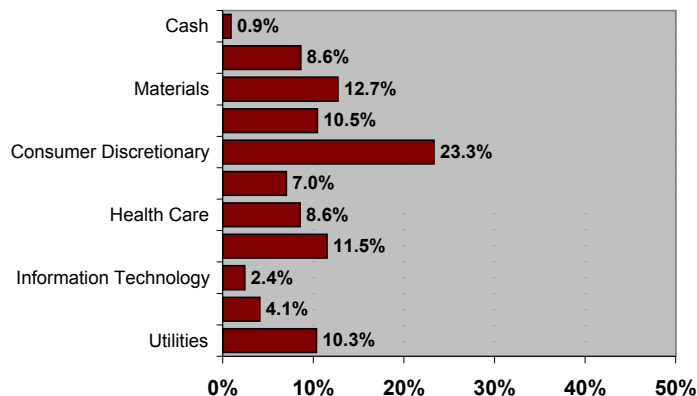
COMPANY	SECTOR	WEIGHT
BBMG Corporation	Materials	4.9%
Dah Chong Hong Holding Ltd	Consumer Discretionary	4.7%
St. Shine Optical Co. Ltd	Healthcare	4.5%
Peak Sport Products Co. Ltd	Consumer Discretionary	4.4%
China Shineway Pharmaceutical Group Ltd.	Healthcare	4.0%

Positions as at 31-Jan-10, positions may vary over time.

STRATEGY DESCRIPTION

The Fund's portfolio of Small Cap securities will be selected based on the manager's quantitative and qualitative investment criteria that may include selecting and weighting stocks based on factors such as fundamental analysis, valuation, momentum and liquidity. There is no time limit for holding a position and as a guide the Fund's investments will generally have a market capitalisations between USD100 million and USD4 billion at the time of initial investment.

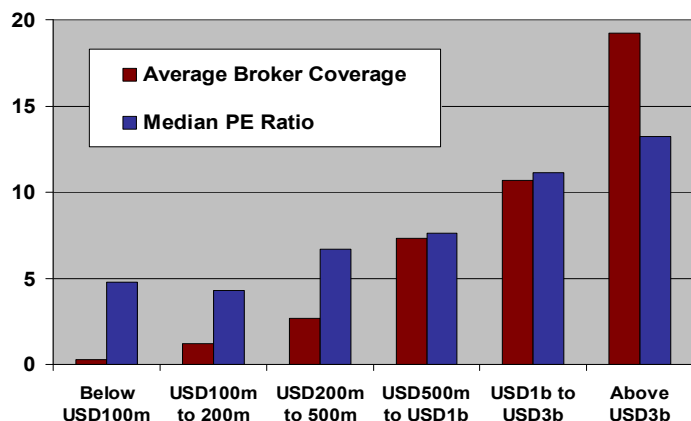
SECTOR WEIGHTING



Positions as at 31-Jan-10, positions may vary over time.

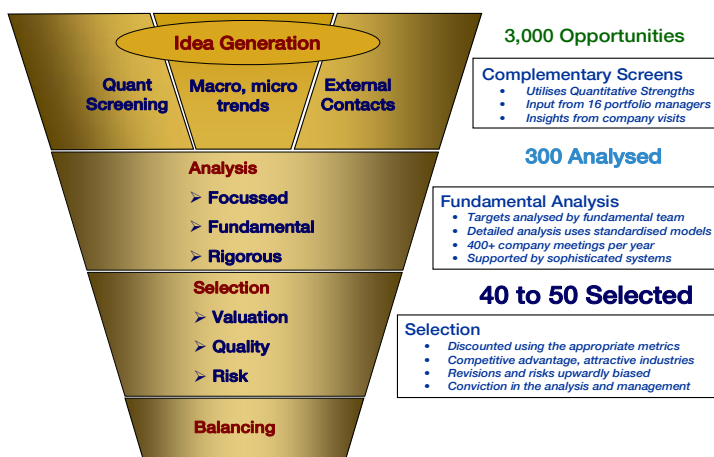
CHARACTERISTICS OF SMALL COMPANIES

Small companies have a reputation for greater volatility, yet greater growth potential. Compared to their larger capitalisation peers, they also tend to trade on lower earnings multiples (see below).



Source: Bloomberg March 2009, Stock Exchange of Hong Kong listed companies. Although not the objective of small company investing, it is a great outcome when a small company grows increasing its market capitalisation which attracts greater liquidity that encourages brokers to cover the company. This greater liquidity sees more promotion of the company attracting more investors thus increasing the PE ratio.

INVESTMENT PROCESS



The investment process uses Macquarie's strengths of strong quantitative systems, a network of experienced managers analysing this market and on the ground research in sourcing investment ideas in this vast universe. This list is refined and focussed using our well developed quantitative rankings. This targeted list of investment opportunities are thoroughly researched using our rigorous fundamental process specifically designed to reveal the fundamental characteristics around which more astute investment decisions can be made. But above all Macquarie's competitive advantage is driven by the key insights that come from more than 400 company visits we undertake each year.

FUND SNAPSHOT

Return Since Inception *				(19.52%)
Rolling 90 Day Volatility*	As at	31-Jan-10		21.38%
Net Asset Value per Unit *	As at	31-Jan-10	Class A1	8.048
Net Asset Value per Unit*	As at	31-Jan-10	Class A2	9.474
AUM	As	31-Jan-10		US\$10.29m

* For Class A1 only.

FUND INFORMATION

Inception Date	Class A1 - 05 December 2007
Inception Date	Class A2 - 01 August 2009
Fund Denomination	United States Dollars
Manager	Macquarie Funds Management Hong Kong Limited
Trustee	HSBC Trustee (Cayman) Limited
Minimum Subscription	US\$ 3,000
Subscriptions/Redemptions	Daily
Sales Charge	Up to 5.0%
Management Fee	1.50% per annum
Performance Fee	10% of returns over a 5% p.a. hurdle subject to a high water mark
Domicile	Cayman Islands (umbrella trust)
Website	www.macquariefunds.com.hk
ISIN - Class A1	KYG5760E1439
ISIN - Class A2	KYG5760E1504
Bloomberg - Class A1	MQCNSF KY Equity
Bloomberg - Class A2	MQCNA2 KY Equity

MONTHLY RETURNS

	2007	GROSS FUND RETURNS	BENCHMARK RETURNS	EXCESS RETURNS
DECEMBER		(2.13%)	(4.81%)	2.68%
2008				
JANUARY		(21.68%)	(18.09%)	(3.59%)
FEBRUARY		9.79%	15.70%	(5.91%)
MARCH		(9.67%)	(4.44%)	(5.23%)
APRIL		7.62%	5.40%	2.22%
MAY		1.32%	(3.64%)	4.96%
JUNE		(14.32%)	(16.35%)	2.03%
JULY		(5.66%)	(2.56%)	(3.10%)
AUGUST		(11.22%)	(6.10%)	(5.12%)
SEPTEMBER		(24.38%)	(26.08%)	1.70%
OCTOBER		(28.23%)	(23.52%)	(4.71%)
NOVEMBER		0.61%	(5.64%)	6.25%
DECEMBER		15.54%	12.06%	3.48%
2009				
JANUARY		(3.69%)	(5.39%)	1.70%
FEBRUARY		0.13%	3.35%	(3.22%)
MARCH		9.20%	12.77%	(3.57%)
APRIL		20.48%	18.96%	1.52%
MAY		28.01%	29.29%	(1.28%)
JUNE		(0.44%)	(4.87%)	4.43%
JULY		15.04%	12.60%	2.44%
AUGUST		(3.94%)	(2.20%)	(1.74%)
SEPTEMBER		8.92%	8.00%	0.92%
OCTOBER		5.76%	0.63%	5.13%
NOVEMBER		5.34%	4.27%	1.07%
DECEMBER		4.85%	6.64%	(1.79%)
2010				
JANUARY		(5.66%)	(4.84%)	(0.82%)

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