

Maxim Property Securities Fund

Monthly Report
August 2006



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Fund Performance

The Maxim Property Securities Fund (Maxim PSF) provided a sound return of 3.31% in August, whilst the S&P/ASX 300 Property Accumulation Index provided an even higher return of 3.82% over the period.

The table below summarises the returns for the Maxim PSF relative to the Index as at 31 August:

	August %	3 Mths %	6 Mths %	Since Inception %
Maxim	3.31	12.50	10.10	21.11
Index *	3.82	13.07	10.71	21.57
Relative	-0.51	-0.56	-0.61	-0.46

* S&P/ASX 300 Property Accumulation Index

Market Update

Notwithstanding a 25 basis points increase in official interest rates announced on 2 August, the S&P/ASX 300 Property Accumulation Index rose 3.8%, in August, outperforming the general equity market by 0.5% over the month.

For the year to date, the Listed Property Trust sector has returned 13.2% compared to the broader market's return of 10.6%.

The table below sets out the individual Property Sub-Sector returns for August.

Hotels	12.0%
Industrial*	6.0%
Retail	3.7%
Commercial	3.6%
Diversified	3.4%

Grand Hotel Group was the best performing individual stock which rose following the announcement of a bid by Mulpha for the hotel group. Subsequent to the successful placement of new stock issued to assist fund 5 retail properties in Japan, the Babcock and Brown Japan Trust was the next best performer, rising 10.8% in August followed by Centro Properties which rose 10.4% after the release of its full year result.

The underperformers in August included the Multiplex Group which fell 5.3%, Reckson New York Trust (down 4.3%) and Galileo Shopping America Trust which ended the month 0.4% lower.

Portfolio Activity

As a result of a combination of new flows into the fund coupled with the continuing rise in the market, the Maxim PSF increased its corpus by 9.7% in August

A more cautious approach was adopted during the month as market prices of a number of Maxim's preferred stocks were considered to have risen to levels not considered to represent value. In keeping with attaining Maxim's previously stated cash target of 5%, the opportunity was taken to reduce a number of the Fund's exposures.

Holdings in Centro Properties and Babcock & Brown Japan Trust were sold following strong rises in August.

In addition, as the market continued to strengthen, the opportunity was taken to sell a number of September \$7.00 Call Option Contracts in the Stockland Group.

A similar strategy is being considered for a portion of the Fund's investment in the Westfield Group.

Purchases in a number of the smaller trusts were undertaken as these securities did not record large rises over the period and as they are still considered to represent sound value.

As at August month end, liquidity comprised 6.6% of the overall portfolio.

Unit Price	31 Aug 06
NAV	\$1.1887
Buy	\$1.1917
Sell	\$1.1857

Distributions

30 June 2006 2.2404 cents

Contact Details

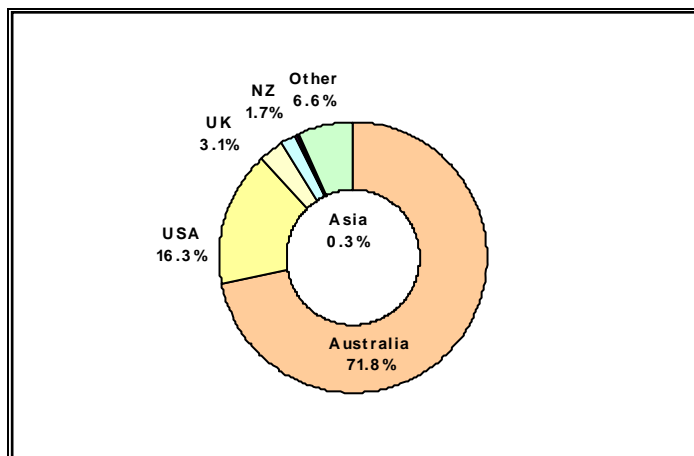
For additional information about the Maxim Property Securities fund, or for more information on Maxim Asset Management, please contact us either by phone or email:
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Outlook

During the month, about \$2.8bn of distributions for the sector were paid, of which under A\$800m was re-invested under Distribution Re-investment plans. It appears that a large portion of the balance also found its way back into the sector. Additional support for the sector was also provided by a bond market which rallied. As neither of these two catalysts is in place at present, the sector is expected to stabilise and consolidate in the short term.

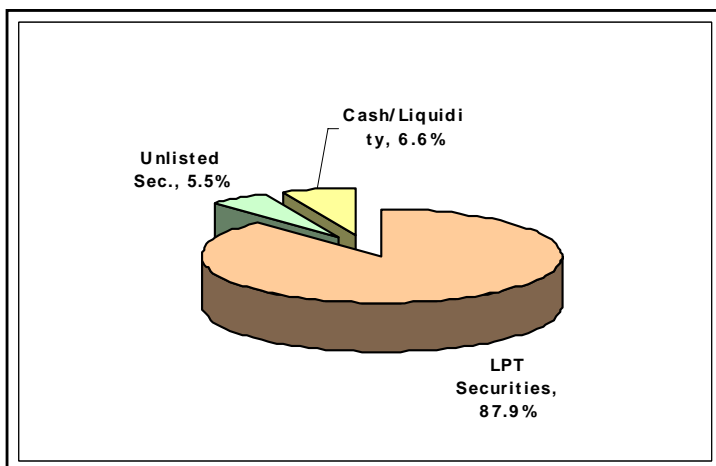
At the end of August, Real bonds, (i.e. the Long Bond Rate less inflation) were priced at around 2.4%. If this rate were currently applied to the pricing of LPT's, it would indicate that the market is overpriced by around 3%. Maxim is of the view that there is a risk that Real Bonds are re-priced upwards by 0.5% (to 2.9%), in which case caution is considered warranted in the short term, although we do not see any major negative event to be the catalyst which would result in a major pull back.

Portfolio Geographic Exposures as at 31 August 2006

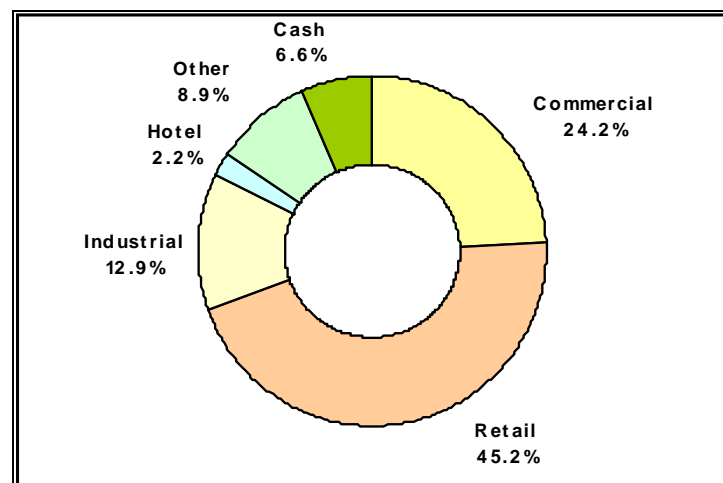


At present, Maxim PSF does not (directly) hold any investments which are domiciled (listed) offshore. The international exposure depicted in the above chart is a consequence of the international exposures inherent in the Australian domiciled investments (e.g. Westfield Group, Centro Properties, Macquarie CountryWide, etc).

Portfolio Exposures as at 31 August 2006



The Property Sub-Sector Exposure graph tabled below has been generated by breaking up each individual security's exposure into the relevant property sub-sectors.



Strategy

At one stage in August, the Listed Property Security sector was trading at an 8.1% premium to NPV, closing the month at a 6.1% premium.

Having regard to the strong returns attained from the sector over each of last four months, Maxim is of the view that the Listed Property Securities sector is due for a period of stabilisation/consolidation.

In the absence of a pull back of the level at which the sector is currently trading, cash levels in the range 7.5% to 10% are being targeted.