Maxim Property Securities Fund

Monthly Report
December 2006

Contents

Unit Price (Cum)	31 Dec 06
NAV	$1.3796
Buy	$1.3830
Sell	$1.3762

Distributions
30 Jun 06 2.2404 cents
30 Sep 06 1.2598 cents
31 Dec 06 1.5978 cents

Unit Price (Ex)	31 Dec 06
NAV	$1.3636
Buy	$1.3670
Sell	$1.3602

2006 Return	
Income	4.75%
Growth	27.58%
Total	32.33%

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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Fund Performance

The Maxim Property Securities Fund (Maxim PSF) returned 6.89% in December, whilst the S&P/ASX 300 Property Accumulation Index generated a 7.16% return. For the 2006 year, the Maxim PSF returned 32.33%.

The table below summarises Maxim's returns relative to the 300 Property Index as at December month end:

	1 Mth %	3 Mths %	1 Year %	Since Inception %
Maxim	6.89	13.20	32.33	33.92
Index *	7.16	14.00	34.05	35.29
Relative	-0.27	-0.80	-1.72	-1.37

* S&P/ASX 300 Property Accumulation Index

A Distribution of 1.5978474 cents per unit has been declared for the December quarter, payable on 15 January 2007.

Market Update

The S&P/ASX 300 Property Accumulation Index rose 7.16% in December, once again outperforming the broader equity market which rose a more modest 2.4%.

The table below sets out the property sub-sector returns for December with all but the Commercial and International sectors outperforming the total sector return:

Retail	+7.9%
Diversified	+7.4%
Industrial	+7.1%
Commercial	+3.7%
Leaders	+8.1%
International	+6.6%

At the securities level, CFS Retail was the leading trust, delivering a return of 12.8%, followed by Centro Retail, Babcock & Brown Japan Trust and Macquarie Goodman Group which rose 11.7%, 10.8% and 8.9% respectively. Only two securities delivered negative returns for the month; Reckson New York and Mirvac Industrial Trust which were 3.7% and 0.1% lower respectively.

Portfolio Activity

In December the switch out of Investa Property Group into Commonwealth Property Office Fund was completed. A new exposure in the Charter Hall Group was introduced at the expense of the exposure to the Multiplex Group.

The opportunity was also taken during the month to increase exposure of the Unlisted/Direct Property sector to 5% through the purchase of additional units in the Colonial Diversified Property Pool fund.

Early in December, as Westfield's share price weakened, the Exchange Traded Call options contracts, which were sold in November, were bought back at a profit.

Liquidity represented 2.3% of the portfolio at the end of December.

Outlook

Due to the property sector having performed strongly in 2006, the chances of a reasonable correction in the coming 12 month period have increased. However, in view of the ongoing flow of cash into the sector as the focus continues on international expansion, we expect global allocations to the property sector to either remain at current levels or indeed increase given the uncertain investment environment that prevails at present. In addition, the prospects of takeover/private equity activity will provide some support for the sector in the event of any pullbacks. Accordingly whilst we expect the sector to be volatile in the coming year, we are forecasting a total return of around 10% for the year made up of around 6% to 7% in income and 3% to 4% in capital growth.

With regards to the risks to our forecast, we consider rising inflation and rising interest rates as being of greatest concerns.

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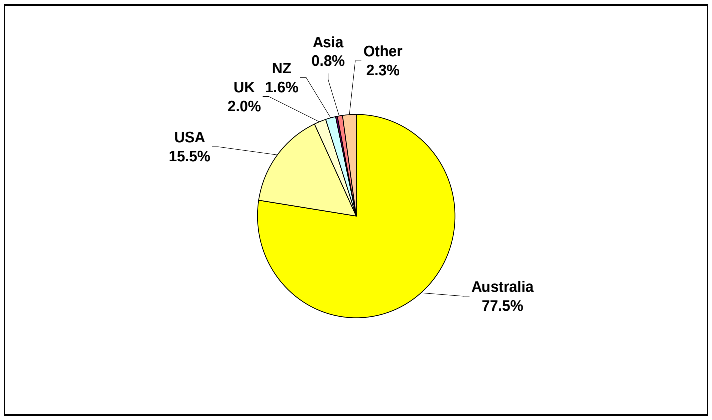
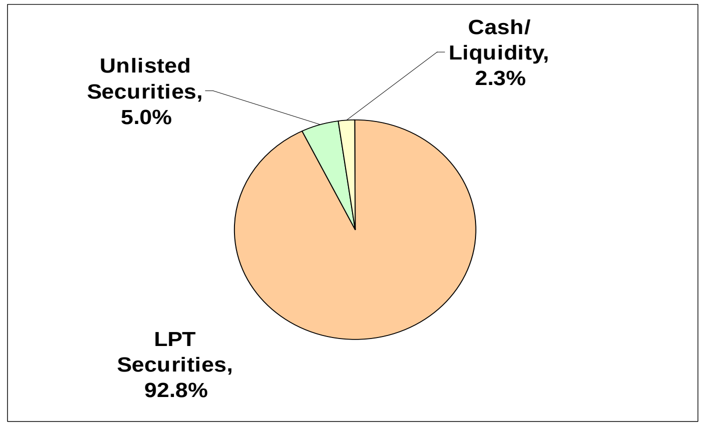
Geographic Exposure - 31 December 2006

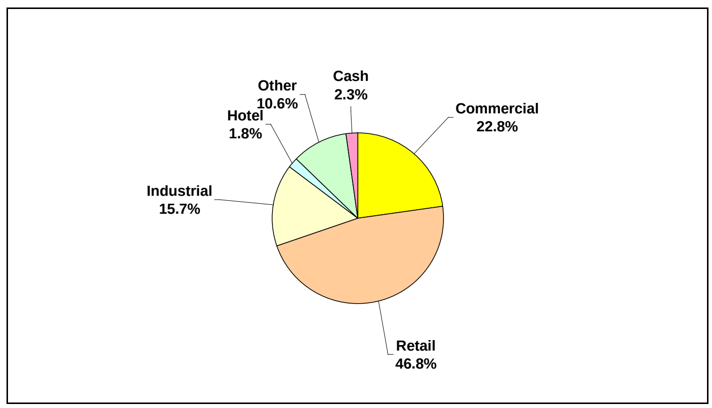


AT present, Maxim PSF does not (directly) hold any investments which are domiciled (listed) offshore. The international exposure depicted in the above chart is a consequence of the international exposures inherent in the Australian domiciled investments (e.g. Westfield Group, Centro Properties Group,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

Portfolio Exposure - 31 December 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

Having regard to the strong returns generated by the listed property trust sector over the second half of 2006, we expect that consolidation is likely to be a feature of the start to the New Year. Accordingly, we continue to be cautious in other approach and will look to increase liquidity to around 5%, thereby providing some ability to take advantage of any market weakness in the short term.
From a stock specific point of view, we will continue to favour investments in listed property securities that have strong management and prospects for sound distribution growth.