



December 2007 Report

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Maxim Property Securities Fund 31 December (Ex) Unit Price	
NAV	\$1.1793
BUY	\$1.1822
SELL	\$1.1764

Maxim Property Securities Fund Last 4 Distributions	
31 Mar 07	1.2038 cents
30 Jun 07	13.6856 cents
30 Sep 07	1.1526 cents
31 Dec 07	1.4707 cents

Maxim PSF 1 Year Returns	
Income	+12.84 %
Growth	-13.77%
<b>Total</b>	<b>-0.93 %</b>

Contact Details

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Fund Performance

The Maxim Property Securities Fund (Maxim PSF) returned **-3.50%** in December (after Fees but before Tax) outperforming the S&P/ASX 300 Property Accumulation Index by 3.15% as it returned **-6.65%** over the same period. The Maxim Diversified Property Fund (Maxim DPF), with its higher exposure to unlisted property securities, returned **-2.73%** in December October. (Refer Page 2 for more details relating to the individual funds).

Market Review

The Australian equity market, as measured by the S&P/ASX 200 Accumulation Index fell 2.72% in December and rose 16.07% over the 2007 year. The Aussie Dollar ended the month at US87.5 cents, down 0.9 cents from its US88.4 cents close at the end of November. Australian 10 Year Bond rates rose 0.3% in December, closing out the month at 6.3% whilst the 90 Bank Bill rate remained steady at 7.2%.

The S&P/ASX 300 Property Accumulation Index fell 6.65% in December, underperforming the broader equity market, by 3.93%. Over longer time frames, the Property Sector also underperformed the broader market by 10.30% over the December quarter and by 22.72% over the year ended 31 December 2007.

The best performing property sub-sector in December was the Diversifieds with the Industrial sub-sector coming in last. The table below lists the property sub-sectors and their returns for the month of December:

Diversified	-0.3%
Commercial	-1.6%
Retail	-4.3%
Leaders	-5.0%
Industrials	-13.1%

The table following in the next column lists December's top five performing property securities from the S&P/ASX 300 Property Index December:

Security	Security Name	31-Dec-07	Return %
BWP	Bunnings Warehouse	234.0	5.97
MGR	Mirvac Group	600.0	5.78
RNY	Reckson New York	68.0	3.41
WDC	Westfield Group	2100.0	2.74
DRT	DB RREEF Trust	200.0	2.44

The 5 worst performers in the Index for the month are tabled below:

Security	Security Name	31-Dec-07	Return %
CNP	Centro Properties	101.0	-81.60
CER	Centro Retail Group	95.0	-32.62
MDT	Macquarie DDR Trust	77.0	-24.64
GMG	Goodman Group	489.0	-19.37
BEC	Becton Property Grp.	384.0	-17.73

The most notable feature of the month was the sharp fall of 81.6% by Centro Properties (CNP) following its announcement that it was unable to obtain refinance of \$1.2bn beyond 15 February 2008 and was required to secure its creditors' approval for a strategy to reduce its gearing before it could renew long term financing of about \$2.6bn by 15 February. When making this release to the market, Centro also announced a reduction of its 2008 Earnings Per share forecast together with the suspension of its First Half 2008 dividend as well as a freeze on redemptions from its open ended funds.

Centro Retail (CER) also fell 32.6% in December due to similar issues regarding refinancing as well as the news that it too was suspending its dividend. As a result of the Centro announcement, most of the trusts saw fit to release statements to the market either updating or disclosing their short term debt positions/obligations.

Outlook

Excluding the Centro vehicles, the LPT sector's yield is about 12bps below bonds whilst Maxim's bottom-up Net Asset Valuations (NAV) suggests that the sector is trading at about a 4% premium. Accordingly whilst we expect a little more downside for the sector, there will likely be a wide variance in performance at the individual security level making appropriate stock selection of paramount importance in the months to come. Maxim will continue its cautious approach over this period in seeking value whilst preserving capital.

## Maxim Property Securities Fund

ARSN 116 193 563 APIR Code COL0001AU

In December, the Maxim Property Securities Fund (Maxim PSF) returned **-3.50%** outperforming the S&P/ASX 300 Property Accumulation Index by **3.15%** over the period. The table below compares the returns of Maxim PSF with the Benchmark Index over various time frames:

	Dec	Qtr	1/2 Year	1 Year	2 Years	Inception
Portfolio	-3.50%	-7.57%	-1.94%	-0.93%	+14.58%	+16.89%
Index*	-6.65%	-13.03%	-8.53%	-8.36%	+10.84%	+13.38%
Relative	+3.15%	+5.46%	+6.59%	+7.43%	+3.74%	+3.51%

The best five positive contributors to Fund performance over the month are listed below:

Security	Security Name	Basis Points Contribution to Performance	Portfolio Overweight (+) or Underweight (-)
CNP	Centro Properties	1.999	(-)
CER	Centro Retail Group	0.506	(-)
GMG	Goodman Group	0.211	(-)
MCW	Macquarie Countrywid	0.209	(-)
MOF	Macquarie Office	0.169	(-)

The Fund benefited significantly from having no exposure to either Centro Properties or Centro Retail as these stocks fell 81.6% and 31.6% respectively.

The detractors from portfolio performance included a zero exposure to the Mirvac Group, as well as its holdings in the Aspen and Becton Groups (non index stocks).

### Portfolio Summary

As at December month end, Maxim PFS held investments in 20 listed securities (86.9% of portfolio) and 4 unlisted securities (10.1%). Cash /Liquidity represented 3.0% of the portfolio.

## Maxim Diversified Property Fund

ARSN 123 372 047 APIR Code COL0005AU

The Maxim Diversified Property Fund (Maxim DPF) returned +0.66% in December. For the Quarter ended 31 December, Maxim DPF returned 8.35%. Since Inception (12 July 2007) Maxim DPF has returned 6.20% compared with a return of 5.51% from the S&P/ASX 300 Property Accumulation Index.

	Dec-07	Qrt Ended 31 Dec 2007	Since Inception
Maxim DPF	-2.25%	-3.35%	+2.41%
S&P/ASX 300 Prop Accumulation Index	-6.65%	-13.03%	-7.83%
Relative Performance	+4.40%	+9.68%	+10.24%

Maxim DPF has an investment in the Lachlan Office Property Fund which is managed by the Lachlan Property Group. On 3 December, the Becton Property Group (BEC) announced that it had acquired the Lachlan Property Group which manages property with a total value of \$450m.

### Portfolio Summary

As at December month end, Maxim DPF held investments in 20 listed securities (32.7% of portfolio) and 3 unlisted securities (62.2%). Cash /Liquidity represented 5.1% of the portfolio. The Fund's exposure to unlisted securities has exceeded its 60% limit to unlisted securities by 2.2% in December as a result of the value of its listed investments having fallen due to the fall in the market as opposed to having made additional purchases of unlisted securities. We expect this position to be rectified in January 2008.

### Contact Details

For additional information about any of the products offered, or for more information on Maxim Asset Management, please contact Maxim either by phone or email:  
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Maxim Asset Management Ltd ("Maxim") is not licensed to provide financial product advice to retail clients. Any information about financial products provided in this communication (or any attachment thereto) does not constitute financial product advice to retail investors. Prospective investors should obtain independent financial advice before making any investment decision.

## Maxim Diversified Property Fund (Maxim DPF) Key Features

These are some of the features of the Maxim Diversified Property Fund.

### Investment Strategies

Investment objective	To provide consistent and regular levels of income combined with some capital growth
Investment strategy	The Fund will invest predominantly in a range of Australian property securities, including listed and unlisted securities. The Fund may also have exposure to direct property assets.

### Investment into the Fund

Minimum initial investment	\$10,000
Minimum additional investment	\$2,000
Suggested minimum investment period	5 years

### Applications/withdrawals

Minimum withdrawal	\$5,000
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### Fees and Charges

Management fee	1.28125% (inclusive of GST Net of Reduced Input Tax Credit)
Administration fee	Nil
Entry fee	Nil
Exit fee	3.0% < 0-1 Year; 2.0% < 1-2 years, 1.0% < 2-3 years; Zero after 3 Years
Buy Spread	0.30%
Sell Spread	0.30%

### Distributions

Quarterly as at 30 September, 31 December, 31 March and 30 June

**The Maxim Diversified Property Fund invests mostly in Australian listed (or soon to be listed) property and property related securities which may be either listed or unlisted.**

## Maxim Property Securities Fund (Maxim PSF) Key Features

### Investment Strategies

Investment objective	To outperform the S&P/ASX300 Property Accumulation Index
Investment strategy	To invest primarily in Australian listed property and property related securities

### Investment into the Fund

Minimum initial investment	\$25,000
Minimum additional investment	\$10,000
Suggested minimum investment period	3 years

### Applications/withdrawals

Minimum withdrawal	\$10,000
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### Fees and Charges

Management fee	Capped by Maxim Asset Management at 0.97375% (including GST)
Administration fee	Nil
Entry fee	Nil
Exit fee	Nil
Buy Spread	0.25%
Sell Spread	0.25%

### Distributions

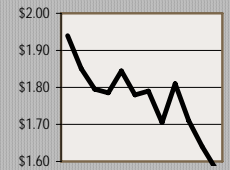
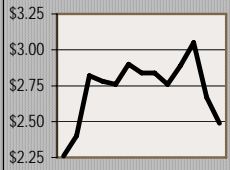
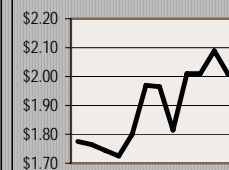
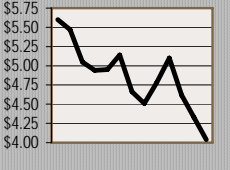
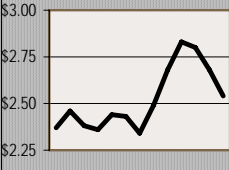
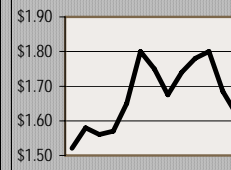
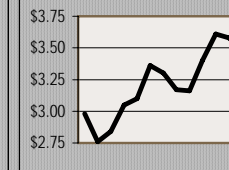
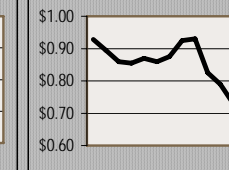
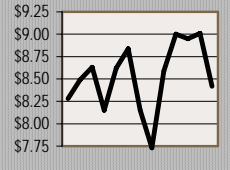
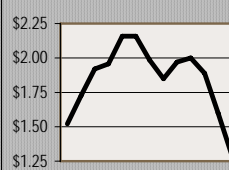
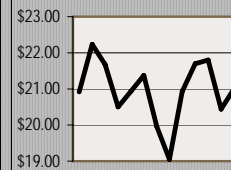
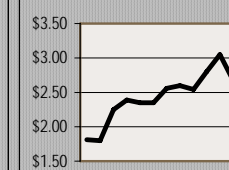
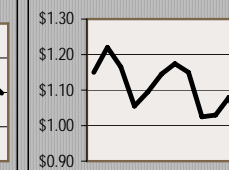
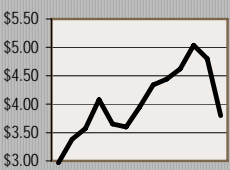
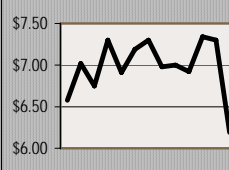
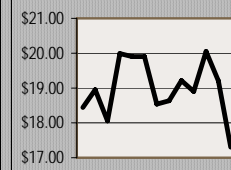
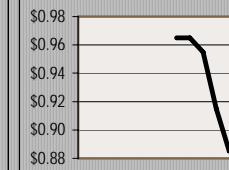
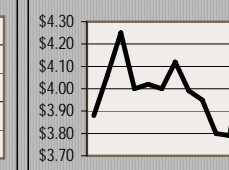
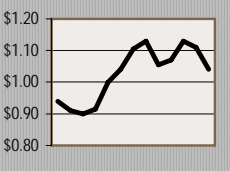
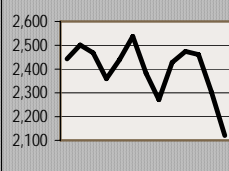
Quarterly as at 30 September, 31 December, 31 March and 30 June

**The Maxim Property Securities Fund invests mostly in Australian listed (or soon to be listed) property securities and property related securities but has the ability to invest a small portion of the Fund's assets in unlisted property securities and international property securities as well as cash.**

**The Fund aims to deliver a yield in excess of the benchmark together with moderate capital growth.**

December, 2007

## Property Securities - Monthly Charts from 31 December 2006

1			2	3	4
	<b>Maxim PSF</b>	<b>Maxim DPF</b>	<b>Aust. Education Trust</b>	<b>Charter Hall Group</b>	<b>DB REEF</b>
<b>Listed Securities Held</b>	20	20			
<b>Unlisted Securities</b>	4	3			
<b>Listed Securities</b>	86.9%	32.7%			
<b>Unlisted Securities</b>	10.1%	62.2%			
<b>Cash/Liquidity</b>	3.0%	5.1%			
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>			
5	6	7	8	9	
<b>GPT</b>	<b>ING Industrial</b>	<b>ING Office</b>	<b>Macquarie Leisure</b>	<b>Record Realty</b>	
 Ex Dividend 7.3 Cents in October					
10	11	12	13	14	
<b>Stockland Group</b>	<b>Valad Group</b>	<b>Westfield Group</b>	<b>Aspen Group</b>	<b>B &amp; B Communities</b>	
					
15	16	17	18	19	
<b>Becton Group</b>	<b>FKP Group</b>	<b>Lend Lease</b>	<b>Multiplex Europe</b>	<b>Peet Limited</b>	
			 IPO listed in July 2007		
20	21	22			
<b>Thakral Group</b>	<b>S&amp;P/ASX 300 Prop Index</b>	<p>Level 1, Suite 104 84 Pitt Street, SYDNEY NSW 2000</p> <p>(02) 9223 4255 (02) 9223 4266 <a href="mailto:info@maximam.com.au">info@maximam.com.au</a> <a href="http://www.maximam.com.au">www.maximam.com.au</a></p> <p>December, 2007</p> <p>Financials, Real Estate</p>			
					

Data: IRESS