



December 2008 Report

Fund Performance to 31 December 2008

	Month %	3 Months %	1 Year %	3 Years %	Since Inception % p.a.
Maxim Property Securities Fund (Maxim PSF)*	-7.90	-38.80	-59.81	-18.67	-15.65
S&P/ASX 300 A-REIT Accumulation Index	-10.41	-33.24	-55.31	-18.12	-15.20
Value Added	+2.51	-5.56	-4.90	-0.55	-0.45
Capital Growth	-9.61	-40.06	-64.14	-27.91	-24.28
Income Distribution	+1.63	+1.08	+3.93	+8.45	+7.90
Net Performance (After Fees but Before Tax)	-7.98	-38.98	-60.21	-19.46	-16.48

* Gross Returns (i.e. before Fees and Taxes).

Past Performance is not a reliable indicator of future performance.

Market Review

2008 will likely go down in the annals of history as a remarkable year for financial markets for a number of reasons, not the least of which was the extraordinary declines in values recorded across most asset classes. In addition, governments took action by way of announcing unprecedented fiscal stimulus packages whilst central banks aggressively cut interest rates designed to offset the impact of the global financial crisis as well as soften the effects of a global rapid slowdown in growth.

In the last month of 2008, the Australian equity market, as measured by the S&P/ASX 200 Accumulation Index, fell 0.28%, taking the total return for the 2008 year to -38.44%.

During December, the Reserve Bank again lowered Australia's Official Cash rate, this time by 100 basis points to 4.25% and taking the total in this easing cycle thus far to 300 basis points. At the end of December, Australia's 10 Year Bond rate was 60 basis points lower over the month to close at 3.99% whilst the 90 Day Bank Bill rate finished 56 points lower to close at 4.15%. The Aussie Dollar finished the month US4.95c higher at US70.48c.

In property, the S&P/ASX 300 A-REIT Accumulation Index fell 10.4% in December, underperforming the broader equity market by 10.3%. The 300 A-REIT Accumulation Index fell 55.3% in the year ended 31 Dec 2008. At the property sub-sector level, the Diversified REITs were the best performing group, for the month, falling 3.0% whilst the Industrial sub-sector was the worst performing falling 20.2%. **Table 1** lists the individual property sub-sectors and their returns over the month:

Table 1 (Source UBS)

Property Sub-Sector	% Change on Month
Diversified	-3.0
Leaders	-9.6
Retail	-12.8
Commercial/Office	-14.5
Industrial	-20.2

At the individual stock level of the S&P/ASX A-REIT 300 Index constituents, the gap between best to worst performing stock over December was 86.1% with Centro Properties returning +20.6% and ING Industrial fairing worst, falling 65.5%.

Table 2 lists the five best performing S&P/ASX 300 A-REIT Index securities in December whilst **Table 3** lists the five worst.

Table 2

Code	Name	Price 31 Dec	%
CNP	Centro Properties	\$0.076	20.6
GJT	Galileo Japan Trust	\$0.069	15.0
CDI	Challenger Div.Pro.	\$0.595	13.9
MIX	Mirvac Industrial	\$0.125	11.1
CHC	Charter Hall Group	\$0.280	6.5

Source IRESS

Table 3

Code	Name	Price 31 Dec	%
IIF	ING Industrial Fund	\$0.140	-65.5
ILF	ING Re Com Group	\$0.050	-49.0
AEZ	APN European Retail	\$0.064	-25.6
CER	Centro Retail Group	\$0.067	-24.7
TSO	Tishman Speyer	\$0.175	-23.9

Source IRESS

Outlook

Looking out to 2009 and beyond, markets (and investors) will be walking a fine line between a likely avalanche of weak economic statistics and a growing attraction for appealingly priced assets. With regards to property, it has been particularly difficult (to date) to price assets in an environment where there have been limited or no sales transactions. Accordingly, it will likely take a far longer period of time to arrive at a "balanced market" than we have been used to in the past, given the current real estate market environment.

However, as vendors move into the New Year and look to sell assets to retire debt, it is likely that the volume of sales will see an expected resetting of the market. Once this occurs we anticipate that this will be followed by a more stable market environment.

Maxim Property Securities Fund

ARSN 116 193 563 APIR Code COL0001AU

The Maxim Property Securities Fund (Maxim PSF) returned -7.98% in December compared with the S&P/ASX 300 A-REIT Accumulation Index which returned -10.41% over the period. (Refer Page 1 for more detailed comparisons over longer term horizons).

Positive contributors to performance included the fund's underweight exposure to the Westfield Group, CFS Retail and ING Office whilst negative contributors to performance included the Fund's exposures to Abacus Property Group, Thakral Holdings and Aspen Group (Ex-Index stocks).

Portfolio Summary

During December the exposure to unlisted investments was reduced after the sale of the investment in the Stockland Direct Office Fund No3. At month end, Maxim PFS held investments in 15 listed securities representing 78.7% of the portfolio and 3 unlisted securities accounting for 16.5% of the portfolio. Cash /Liquidity represented 4.8% of portfolio exposure.

Strategy

Based on Maxim's data, the A-REIT sector is currently offering a FY09E Distribution per Share Yield of 9.5% which is considered most attractive as it is 530 basis points above (month end) 90 Bank Bills and 550 basis points above 10 Year Bonds. With further interest rate cuts foreshadowed (albeit at a slower pace than recent cuts), the sector will likely attract more positive interest on a relative basis. Accordingly, exposure will continue to be primarily concentrated on those securities which possess sound balance sheets, experienced management, recurring income streams and quality assets.

Fund Positioning

Active Security Positions

Over Weights	Under Weights
Abacus Property Group	Westfield Group
Peet Limited	CFS Retail
Cedar Woods	Dexus Group
Thakral Holdings	Commonwealth Office
Stockland Group	ING Office

Maxim PSF Unit Price As at 31 December 2008

CUM Distribution

NAV: \$0.4484

BUY: \$0.4495

Sell: \$0.4473

Distribution

0.79545 Cents per Unit

EX Distribution

NAV: \$0.4405

BUY: \$0.4416

Sell: \$0.4394

Maxim PSF last 4 Distributions

31 March 2008	1.2283 cents per Unit
30 June 2008	1.8995 cents per Unit
30 September 2008	0.7089 cents per Unit
31 December 2008	0.7955 cents per Unit

Research House Ratings

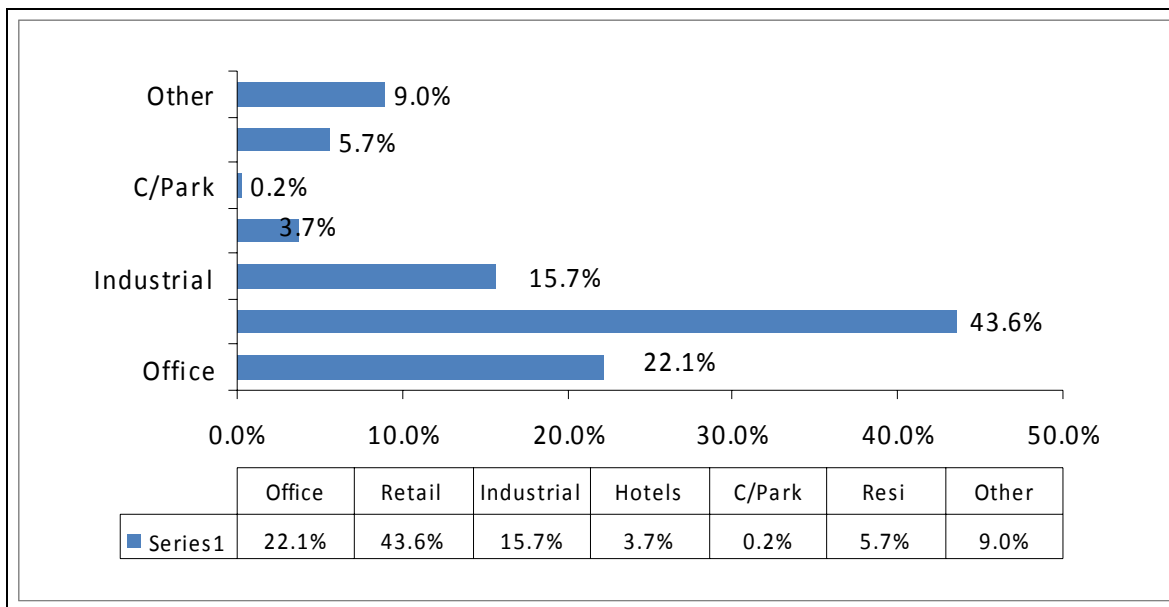
Adviser Edge Rating ★★★★★

Platforms

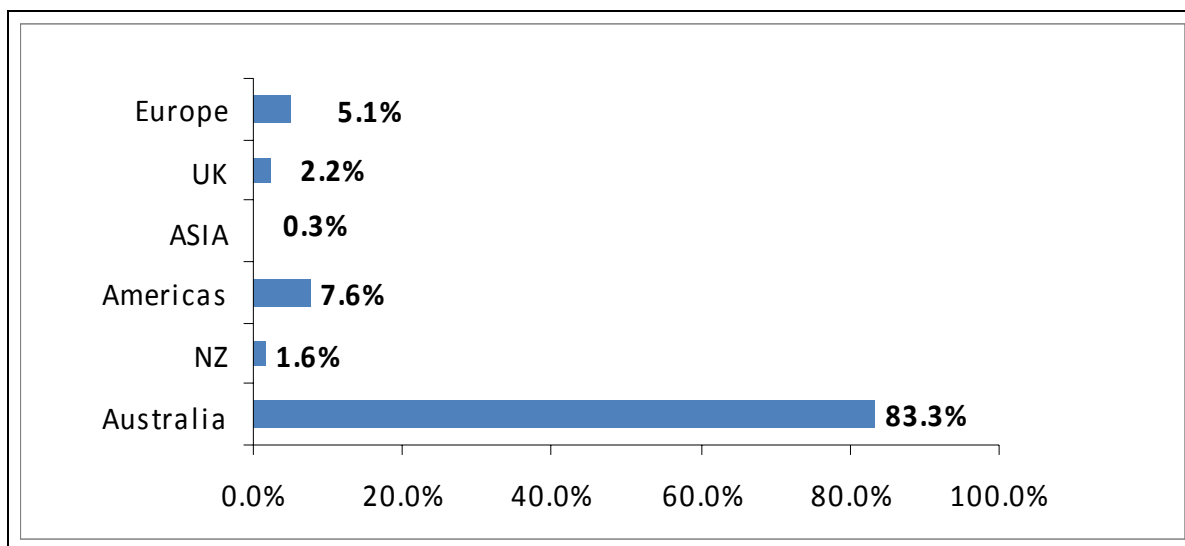
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Maxim Property Securities Fund-Exposures as at 31 December 2008



Maxim Property Securities Fund-Geographic Exposures as at 31 December 2008

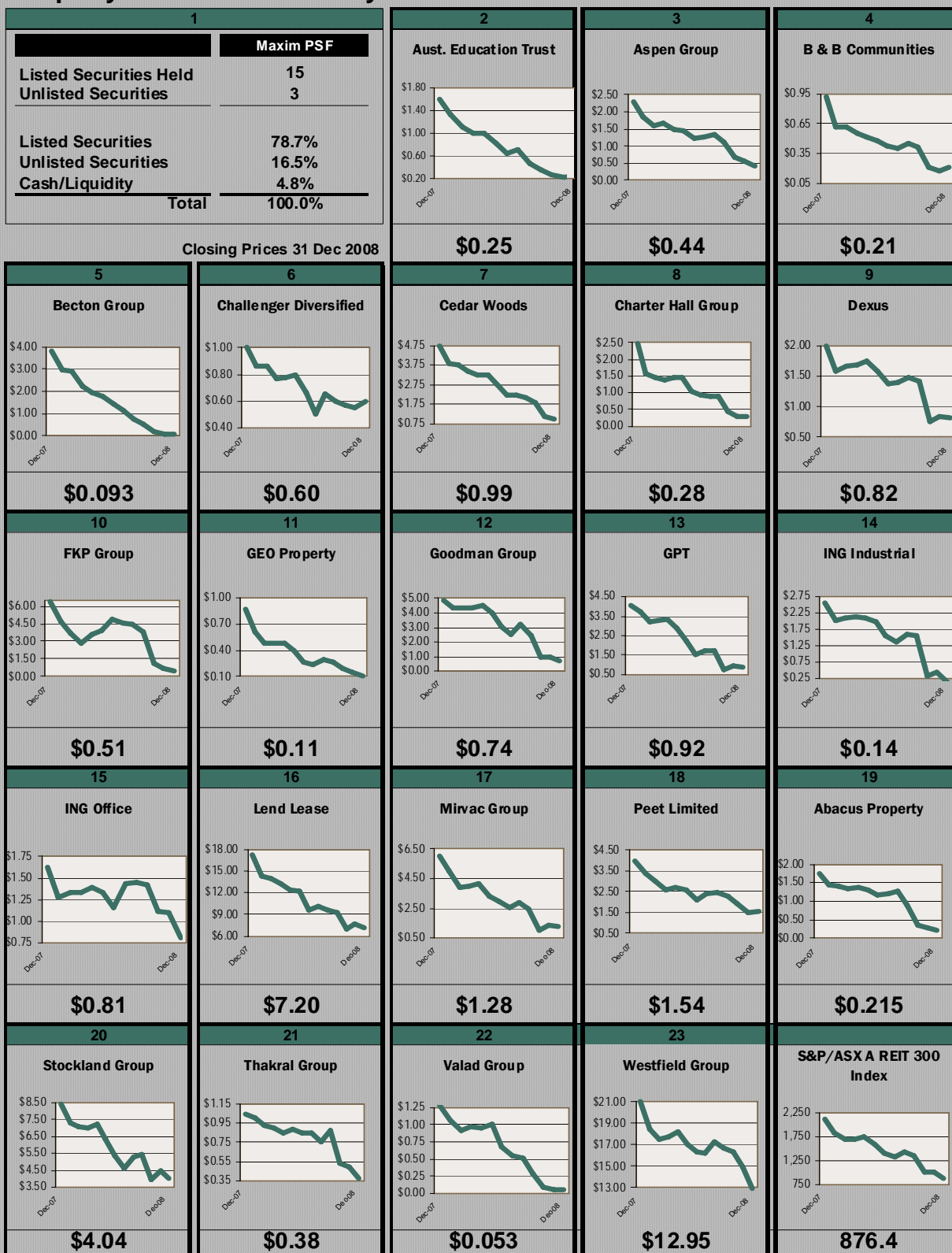


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December, 2008

Property Securities - Monthly Charts from 31 December 2007



Data: IRESS