

February 2009 Report

Fund Performance to 28 February 2009

	Month %	3 Months %	1 Year %	2 Years %	3 Years %	Since Inception % p.a.
Maxim Property Securities Fund (Maxim PSF)*	-16.12	-26.44	-61.49	-43.76	-25.21	-20.52
S&P/ASX 300 A-REIT Accumulation Index	-16.37	-32.27	-58.24	-44.86	-25.97	-21.54
Value Added	+0.25	+5.83	-3.25	+1.10	+0.76	+1.01
Capital Growth	-16.20	-28.27	-66.59	-52.33	-34.18	-29.52
Income Distribution	-	-1.63	+4.72	+8.01	+8.24	+8.28
Net Performance (After Fees but Before Tax)	-16.20	-26.64	-61.87	-44.32	-25.94	-21.24

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

Past Performance is not a reliable indicator of future performance.

Market Review

Equity markets around the world continued to weaken in February with the S&P 500 Index in the US falling 11% as investors remained unconvinced that the bank bail-out would have a positive impact resulting in the Financials stocks leading the way down. In addition, US employment fell for the 13th month in a row whilst job losses for the 2008 year were revised up to a staggering 3 million. US GDP fell 3.8% on a Quarter on Quarter basis in the December quarter.

In Australia, the Reserve Bank resumed monthly Board Meetings in February and saw fit to reduce Australia's Official Cash rate by another 1% taking the total of cuts in this cycle to 4.0% and resulting in a Cash rate of 3.25%. Australia's 10 Year Bond rate increased 28 basis points over the month to close at 4.34% whilst the 90 Day Bank Bill rate finished 24 points lower to 3.16%. The Aussie Dollar rose marginally to close the month at US63.88c.

The S&P/ASX 300 A-REIT Accumulation Index fell 16.4% in February, under performing the broader equity market which fell 4.6%. For the 12 month period ended 28 February 2009 the Index has fallen 58.2%. At the property sub-sector level, the Industrial REITs fell the most, giving up 62.2% over the month whilst the Retail REITs provided the best returns falling a more modest 8.0% in February. **Table 1** lists the individual property sub-sectors and their returns over the month:

Table 1 (Source UBS)

Property Sub-Sector	% Change on Month
Retail Property	-8.0%
Property Leaders	-15.9%
Commercial Property	-16.8%
Diversified Property	-25.3%
Industrial Property	-62.2%

At the individual stock level of the S&P/ASX A-REIT 300 Index constituents, the gap between best to worst performing stock over February was 76.9% with Commonwealth Office returning +12.8% whilst APN European Retail was the worst, falling 64.1%.

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

Table 2

Code	Name	Price 28 Feb	%
CPA	Commonwealth Prop	\$0.970	12.79
ABP	Abacus Property Grp.	\$0.250	6.25
BWP	Bunnings Warehouse	\$1.705	-1.45
CFX	CFS Retail Property	\$1.700	-5.56
WDC	Westfield Group	\$10.650	-7.12

Source IRESS

Table 3

Code	Name	Price 28 Feb	%
AEZ	APN European Retail	\$0.019	-64.15
GMG	Goodman Group	\$0.260	-63.64
TSO	Tishman Speyer	\$0.075	-55.88
MCW	Macquarie Countrywid	\$0.120	-51.02
MIX	Mirvac Industrial	\$0.060	-50.00

Source IRESS

The REIT sector came under pressure from the continuing raising of capital as Westfield Group raised \$2.9bn through an underwritten placement of new securities at a price of \$10.50 per security. The reporting period saw a great deal of focus on capital management issues and all the REITs reported devaluations of assets, whilst at the same time announcing slow (if any) progress on asset sales programmes, primarily designed to address pressing LVR covenants. Cap Rate softening was another feature as were expectations of likely further write downs in the months to come.

Outlook

The A-REIT sector is presently experiencing a wave of pessimism which we believe has been overdone and is tainting all of the individual securities in the sector with the same brush. However, A-REITs are currently offering an attractive FY09 Distribution per Share yield of 12.9% and at February month end, were trading at a 975bp premium to 90-day bank bill rates (3.16%) and at a premium to 10-year bonds (4.4%) of around 850bp. These premiums are well above the average spread over the past five as well as the past ten years. Accordingly it is considered that there are sound opportunities in selected securities which are offering attractive income streams pending an eventual economic recovery in global and domestic financial markets.

Maxim Property Securities Fund

ARSN 116 193 563 APIR Code COL0001AU

The Maxim Property Securities Fund (Maxim PSF) returned -16.20% in February whilst the S&P/ASX 300 A-REIT Accumulation Index returned -16.37% over the same period. (Refer Page 1 for more detailed comparisons over longer term horizons).

Positive contributors to performance included the fund's underweight exposures to the Westfield and Mirvac Groups as well as ING Office Fund whilst negative contributors to performance included the Fund's exposures to Stockland, Peet Ltd and Goodman Group.

Portfolio Summary

The Fund participated in the placement of new shares in Westfield Group. During the month, an exposure to Commonwealth Office Property Fund was re-introduced whilst investments in Lend lease Primelife and GEO Property Group were sold.

At month end, Maxim PFS held investments in 13 listed securities representing 76.8% of the portfolio and 3 unlisted securities accounting for 20.2% of the portfolio. Cash /Liquidity represented 3.0% of portfolio exposure.

Strategy

As a result of a the lower interest rate environment, average yields in the A-REIT sector are at a large premium to both long bonds and to 90 Day Bank Bills. With more interest cuts likely to be announced over coming months, it is expected that the REIT sector will likely attract more positive interest as investors become increasingly comfortable with the individual REIT entities with regards to their prospect for survival. Demand is likely to be restricted to those securities which possess sound balance sheets, experienced management, recurring income streams and quality assets.

Fund Positioning

Active Security Positions

Over Weights

Abacus Property Grp.
Cedar Woods Prop.
Peet Limited
Stockland
Thakral Holdings Grp

Under Weights

CFS Retail Property
Dexus Property Group
Macquarie Office
Mirvac Group
Westfield Group

Maxim PSF Unit Price

As at 28 February 2009

NAV: \$0.3512

BUY: \$0.3521

SELL: \$0.3503

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

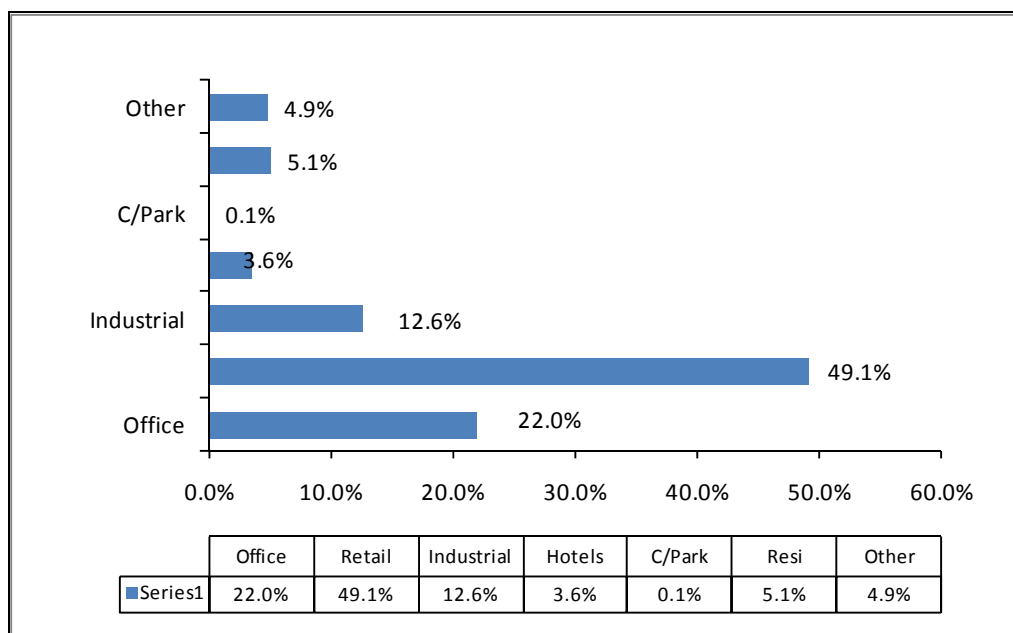
Adviser Edge Rating ★★★★★

Platforms

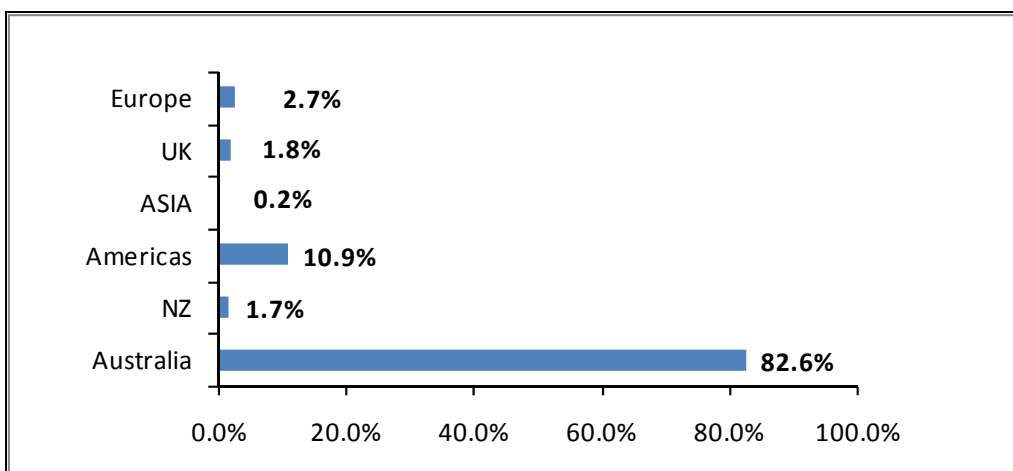

Macquarie Wrap Solutions
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Maxim Property Securities Fund-Exposures as at 28 February 2009



Maxim Property Securities Fund-Geographic Exposures as at 28 February 2009



Contact Details

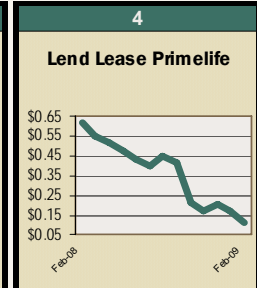
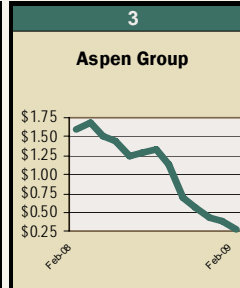
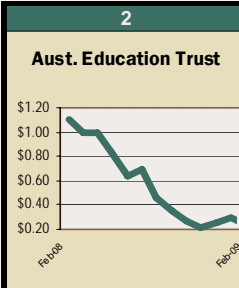
For additional information about any of the Maxim funds, or for more information on Maxim Asset Management, please contact us either by phone or email: Phone: 02 8904 0163 Email: info@maximam.com.au

February, 2009

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Property Securities - Monthly Charts from February 2008

1	
	Maxim PSF
Listed Securities Held	13
Unlisted Securities	3
Listed Securities	76.8%
Unlisted Securities	20.2%
Cash/Liquidity	3.0%
Total	100.0%

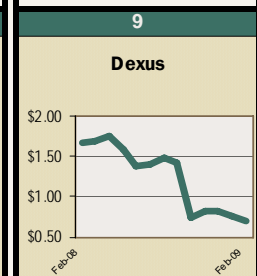
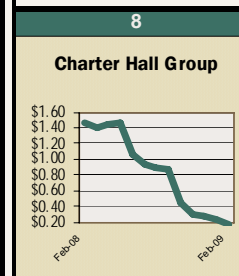
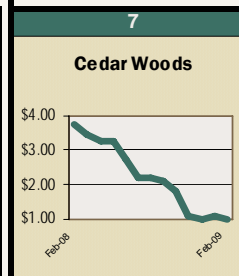
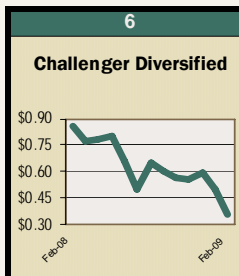
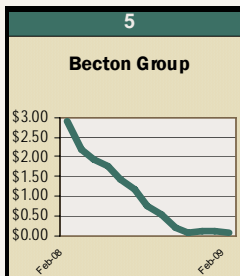


Closing Prices 28 February 2009

\$0.245

\$0.285

\$0.115



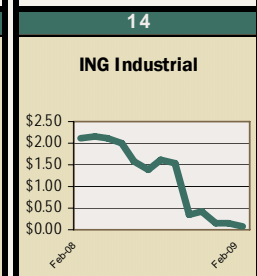
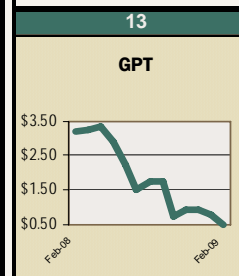
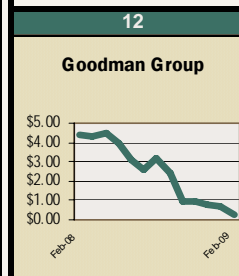
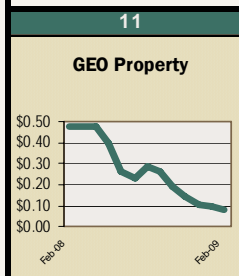
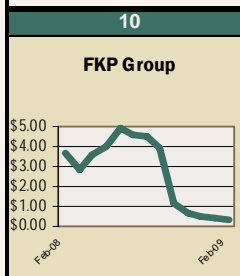
\$0.077

\$0.360

\$1.000

\$0.180

\$0.700



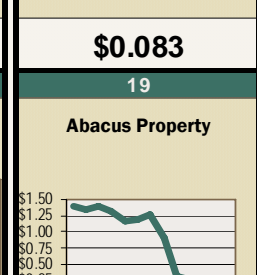
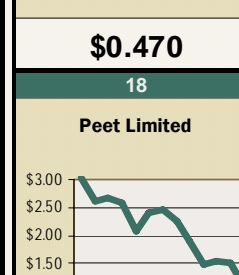
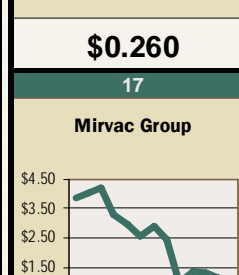
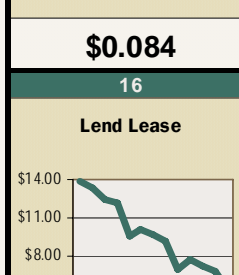
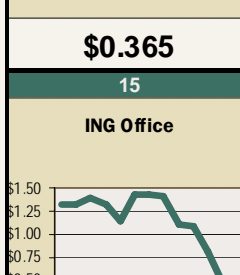
\$0.365

\$0.084

\$0.260

\$0.470

\$0.083



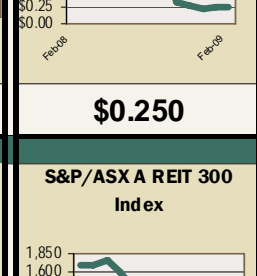
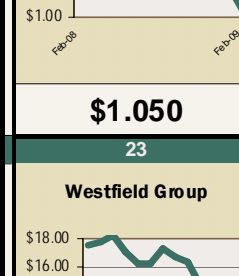
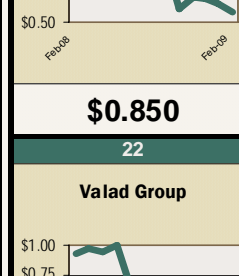
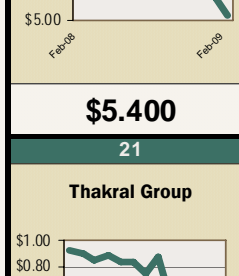
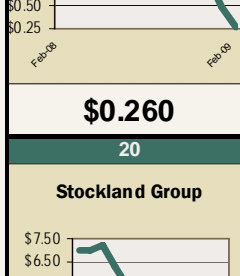
\$0.260

\$5.400

\$0.850

\$1.050

\$0.250



\$2.720

\$0.350

\$0.032

\$10.650

607.35

Data: IRESS