



January 2009 Report

Fund Performance to 31 January 2009

	Month %	3 Months %	1 Year %	2 Years %	3 Years %	Since Inception % p.a.
Maxim Property Securities Fund (Maxim PSF)*	-4.78	-15.26	-56.35	-38.53	-19.76	-16.60
S&P/ASX 300 A-REIT Accumulation Index	-9.61	-19.13	-52.85	-39.86	-20.52	-17.61
Value Added	+4.83	+3.87	-3.50	+1.33	+0.76	+1.01
Capital Growth	-4.86	-17.06	-61.27	-47.16	-29.07	-25.64
Income Distribution	0.00	+1.58	+4.48	+8.02	+8.53	+8.28
Net Performance (After Fees but Before Tax)	-4.86	-15.48	-56.79	-39.14	-20.54	-17.47

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

Past Performance is not a reliable indicator of future performance.

Market Review

Australia's Official Cash rate remained unchanged over January as the Reserve Bank took a break over the period. Australia's 10 Year Bond rate rose 7 basis points over the month to close at 4.06% whilst the 90 Day Bank Bill rate finished 75 points lower to close at 3.40%. The Aussie Dollar finished the month US6.9c lower at US63.6c.

Most of the major equity markets around the world recorded falls over the month of January although some did manage to stage a small recovery towards month end. Rate cuts were a feature in the UK which also saw the "nationalisation" of the Royal Bank of Scotland.

GDP data released in the US recorded a fall of 3.8% (annualised) whilst in China, their GDP rose 6.8% signifying a marked slowdown in their growth rate. In Australia private sector credit growth fell 0.3% (month on month) recording the first monthly fall since 1992.

The S&P/ASX 300 A-REIT Accumulation Index fell 9.6% in January, continuing to under perform the broader equity market which fell 4.9%. The 300 A-REIT Accumulation Index has fallen 52.8% in the 12 months ended 31 January 2009. At the property sub-sector level, the Commercial (Office) REITs were the worst performing group for the month, falling 29.4% whilst the Industrial sub-sector jumped from the worst performing sector in the previous month to being the best, albeit it fell 2.7%. **Table 1** lists the individual property sub-sectors and their returns over January:

Table 1 (Source UBS)

Property Sub-Sector	% Change on Month
Commercial Property	-29.4%
Diversified Property	-11.3%
Property Leaders	-8.2%
Retail Property	-6.2%
Industrial Property	-2.7%

Capital management continued to be a feature of the REIT market with CPA raising \$192m to reduce gearing as well as provide a cap rate buffer of 100bps to covenant levels.

At the individual stock level of the S&P/ASX A-REIT 300 Index constituents, the gap between best to worst performing stock over January was 60.5% with Macquarie Leisure returning +21.7% whilst and ING Office fared worst, falling 38.9%.

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 31 Jan	%
MLE	Macquarie Leisure	\$1.095	21.67
ABP	Abacus Property Grp.	\$0.240	19.77
MCW	Macquarie Countrywid	\$0.245	16.67
CNP	Centro Properties	\$0.084	10.53
BJT	B&B Japan Property	\$0.370	8.82

Source IRESS

Table 3

Code	Name	Price 31 Jan	%
IOF	ING Office Fund	\$0.495	-38.89
CPA	Commonwealth Prop	\$0.860	-27.12
MOF	Macquarie Office	\$0.190	-20.83
VPG	Valad Property Group	\$0.042	-20.75
GPT	GPT Group	\$0.760	-17.39

Source IRESS

Outlook

Problems facing the property sector now seem set to last longer and are very likely to have a much deeper impact than previously thought. To survive in this environment will require entities to possess sound balance sheets, adequate cash flows and a much greater reliance on low levels of debt. The most pressing issue for individual A-REIT's will be the need to demonstrate to investors that they have the financial means at their disposal to survive the challenging times ahead. As a consequence, going forward, Maxim expects to see a greater divide between those stocks that are able to demonstrate these qualities and those that cannot.

It is considered that this reporting season will see more cuts in distributions, more write downs in asset values and more cuts in staffing levels as a means of reducing overheads.

Maxim Property Securities Fund

ARSN 116 193 563 APIR Code COL0001AU

The Maxim Property Securities Fund (Maxim PSF) returned -4.86% in January whilst the S&P/ASX 300 A-REIT Accumulation Index returned -9.61% over the same 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, and its overweight exposures to (non index stocks) Abacus and Thakral Holdings groups. Negative contributors to performance included the Fund's exposures to Valad, Stockland and Aspen groups.

Portfolio Summary

At month end, Maxim PFS held investments in 15 listed securities representing 81.3% of the portfolio and 3 unlisted securities accounting for 17.0% of the portfolio. Cash /Liquidity represented 1.7% 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	Under Weights
Stockland	Westfield Group
Abacus Property Grp.	CFS Retail Property
Valad Property Group	Dexus Property
Peet Limited	Mirvac group
Thakral Holdings Grp	ING Office

Maxim PSF Unit Price As at 31 January 2009

NAV: \$0.4191
BUY: \$0.4201
Sell: \$0.4181

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

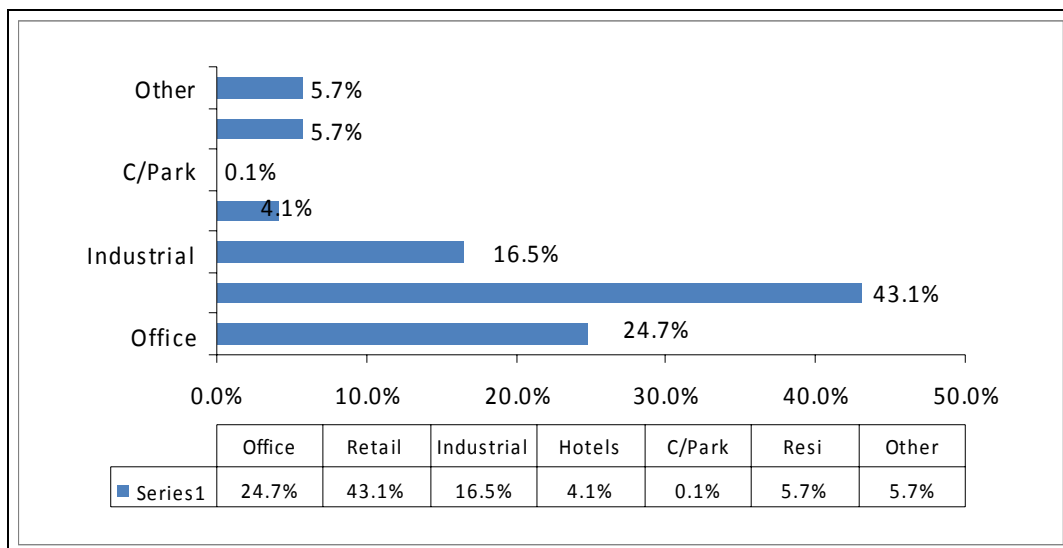
Adviser Edge Rating ★★★★★

Platforms

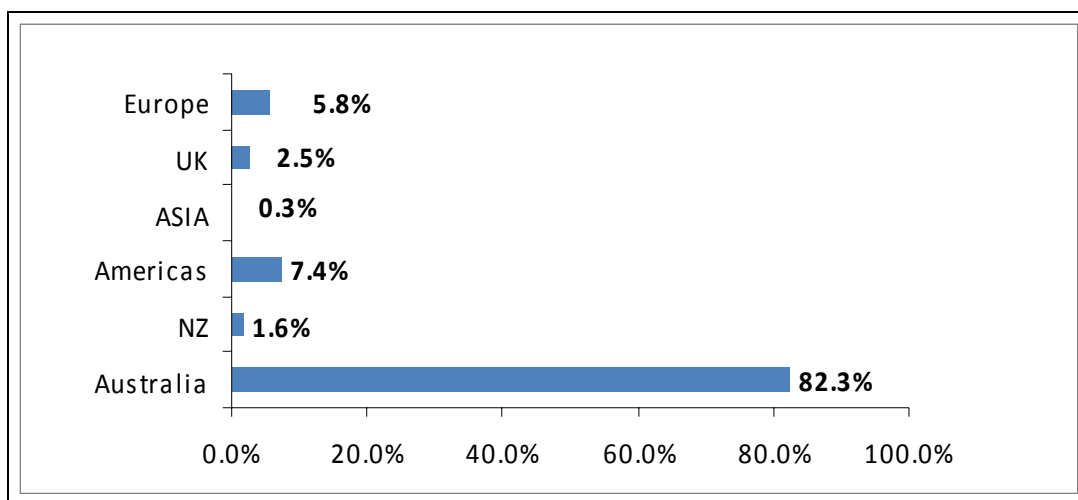
Symetry
Macquarie Wrap Solutions

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Maxim Property Securities Fund-Exposures as at 31 January 2009



Maxim Property Securities Fund-Geographic Exposures as at 31 January 2009



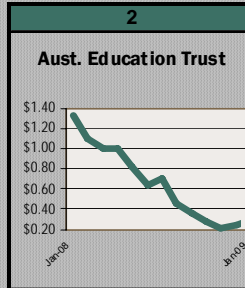
Contact Details

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 9223 4255 Email: info@maximam.com.au

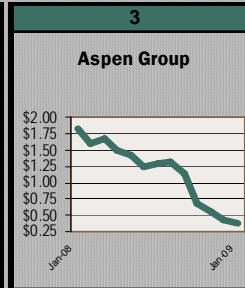
Property Securities - Monthly Charts from 31 January 2008

1	
Maxim PSF	
Listed Securities Held	15
Unlisted Securities	3
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Listed Securities	81.3%
Unlisted Securities	17.0%
Cash/Liquidity	1.7%
Total	100.0%

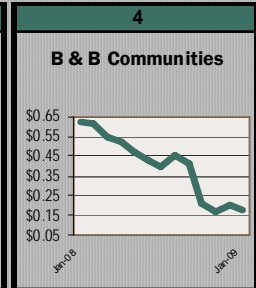
Closing Prices 31 Jan 2009



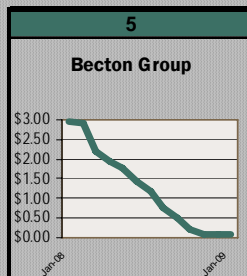
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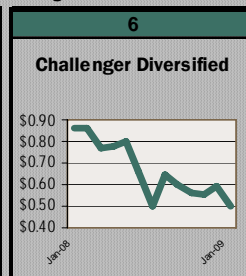
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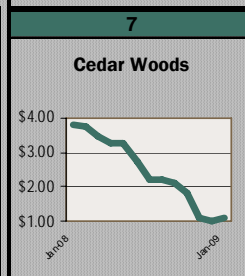
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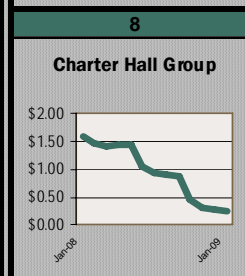
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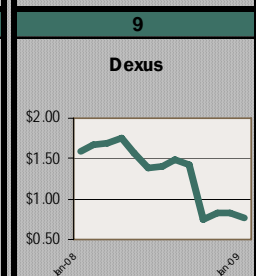
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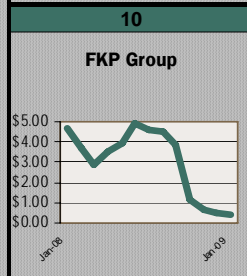
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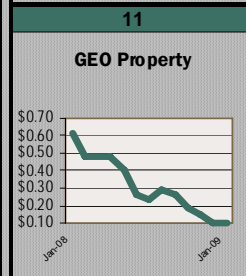
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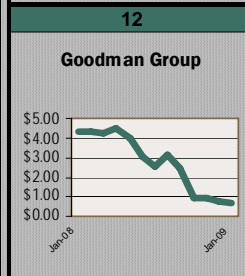
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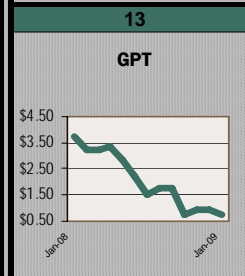
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\$0.10



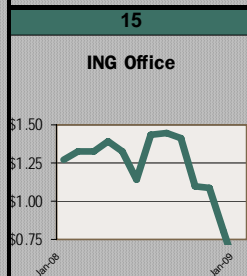
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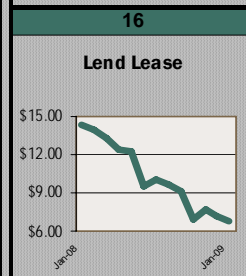
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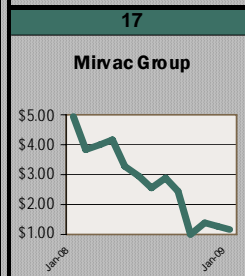
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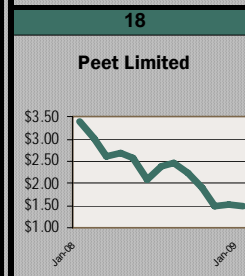
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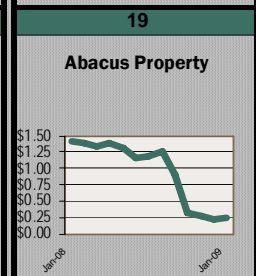
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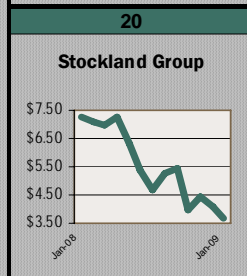
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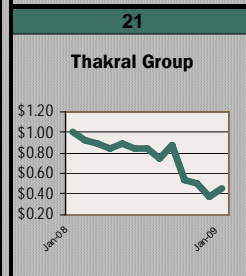
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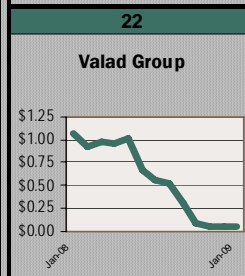
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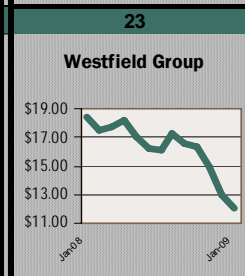
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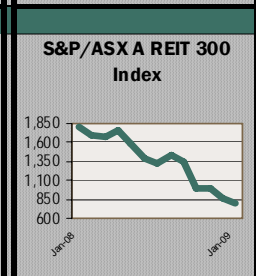
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\$0.042



\$12.04



792.1

Data: IRESS