

# Maxim Property Securities Fund

Monthly Report  
July 2007



Contents	Page
Fund Performance	1
Market Update	1
Portfolio Activity	1
Distributions	1
Outlook	1
Strategy	1

Exposures	
Geographic	2
Sub-Sectors	2
Assets	2

Distributions	
30 Sep 06	1.2598 cents
31 Dec 06	1.5978 cents
31 Mar 07	1.2038 cents
30 Jun 07	13.6856 cents

1 Year Return	
Income	15.15 %
Growth	2.41 %
<b>Total</b>	<b>17.56 %</b>

## Contact Details

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## Fund Performance

The Maxim Property Securities Fund (Maxim PSF) outperformed the S&P/ASX 300 Property Accumulation Index by 0.57% in July, returning -4.08% as the Index fell 4.65% over the month.

For the 2007 year to date Maxim PSF has returned -3.09% outperforming the Index by 1.38% as it fell 4.47% over the 7 month period.

The table below compares returns of the Maxim PSF with Index returns over a number of time periods:

	1 Month	3 Months	C-Y-T-D	1 Year	Since Incpt
Maxim PSF	-4.08%	-4.18%	-3.09%	+17.56%	+19.76%
Index	-4.65%	-5.41%	-4.47%	+17.42%	+19.53%
Relative	+0.57%	+1.23%	+1.37%	+0.14%	+0.24%

## Market Update

Financial markets were negatively impacted by a credit related rise in risk aversion towards the end of July which saw financials assets bearing the burden of a general sell off. Over the month of July, the listed property sector (LPT) underperformed the general equity market (as measured by the S&P/ASX 200 Index) by 2.6%. The LPT sector has underperformed the broader equity market by 5.8% over the quarter ended 31 July and the year by 11.3%. The Commercial property Sub-Sector was the best performing sector falling 3.6% in July.

The table below lists sub-sector returns for July:

<b>Commercial</b>	<b>-3.6%</b>
<b>Retail</b>	<b>-4.3%</b>
<b>International</b>	<b>-4.4%</b>
<b>Diversified</b>	<b>-4.9%</b>
<b>Leaders</b>	<b>-5.7%</b>
<b>Industrial</b>	<b>-6.2%</b>

The ING Industrial Fund was the best performing Index security in July, returning 6.4% over the period, on the back of the announcement by the Goodman Group that it had acquired a 9.4% stake in the Fund. Other individual stocks to perform well included the Babcock & Brown Japan Trust which rose 1.4%, Bunnings (+1.3%) and Multiplex (+0.8%). The worst performers included Mirvac (-9.8%), Goodman Group (-9.5%) and Macquarie Office fund which fell 8.4% in July.

## Portfolio Activity

Maxim PSF held investments in 19 listed securities and activity included the following:

- Participated in a placement by the Abacus Property Group
- Reduced exposure to ING Industrial Trust following the announcement by the Goodman Group that it had acquired a 9.4% stake in the ING Trust
- Increased exposure to the Valad Group
- Increased exposure to the Becton Group
- Increased exposure to the Thakral Group and
- Increased exposure to Unlisted Property Securities by introducing an exposure to the Stockland Direct Office Trust No 3.

Cash/Liquidity represented 2.76% of the portfolio at the end of June, whilst exposure to Unlisted Property securities stood at 10.32%.

## Outlook

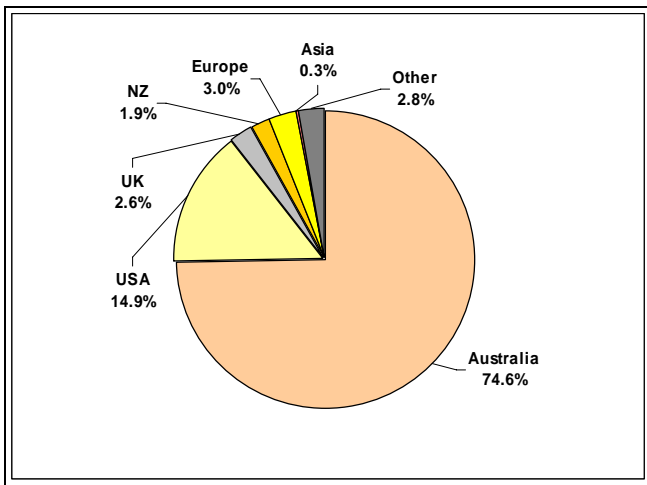
The LPT sector is currently offering a FY08E Distribution per Unit Yield of around 6.3% representing a 30 basis points discount to 90 Day Bank Bills and a 38 basis points premium to 10 year bonds which in part, reflects higher growth expectations for the sector due to the inclusion of stapled securities. Whilst domestic bond yields have firmed by around 20 basis points over July, Discounted Cash Flow (DCF) valuations of LPT's have actually risen even though market prices have fallen. Notwithstanding the expected market volatility impact, once stability returns, going forward the improved valuations should augur well for the Trust sector

## Strategy

Financial markets are expected to continue to be volatile for some time yet, as the full effects of the problems relating to the US sub-prime market are realised. Whilst continuing to take a cautious approach we are of the view that investors in general will look to take more defensive positions than has been the case over the last 12 months or so, in keeping with a lowering of risk profiles.

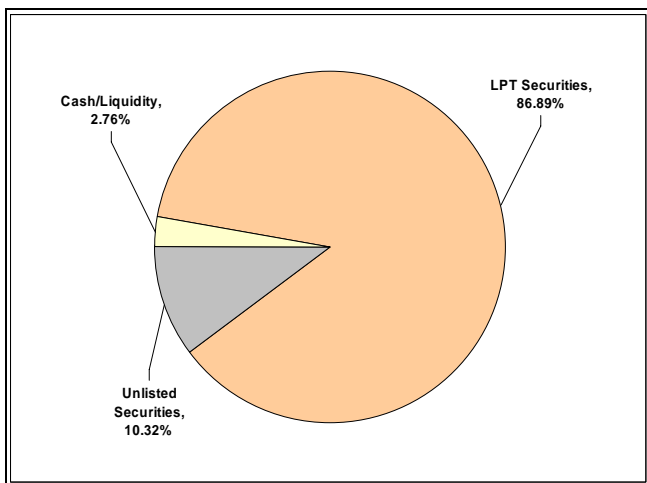
Maxim will continue to be discerning in its stock selection process and will look to target a number of the larger trusts as these are likely to bounce back to a greater extent from their current oversold levels.

## Geographic Exposure - 31 July 2007

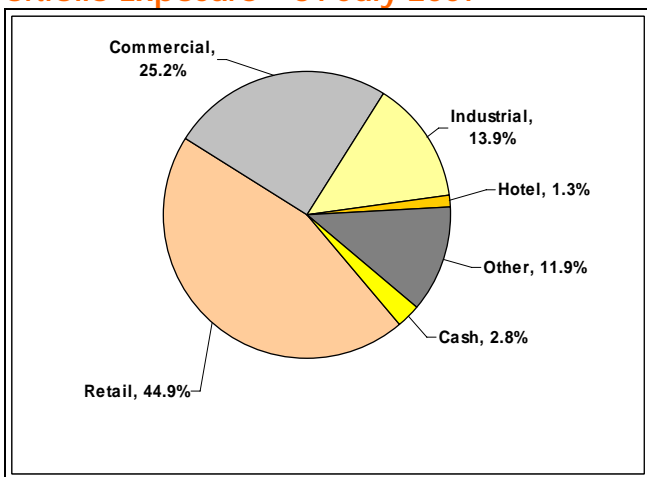


At present, Maxim PSF does not (directly) hold any investments which are domiciled (listed) offshore. The international exposure depicted in the above chart is a consequence of the international exposures inherent in the Australian domiciled investments (e.g. Westfield, Centro Properties, ING Industrial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

## Asset Exposure – 31 July 2007



## Portfolio Exposure – 31 July 2007

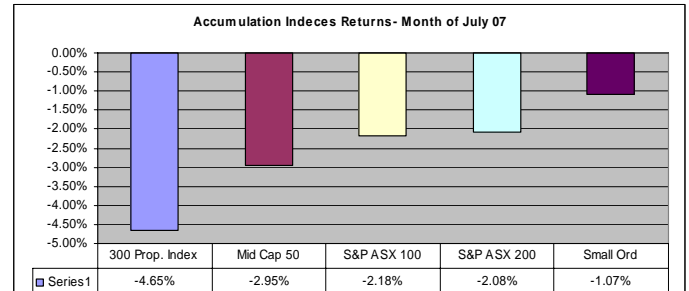


The Property Sub-Sector Exposure graph tabled above has been generated by dissecting each individual portfolio holdings security's exposure into their relevant property sub-sectors.

## Top 5 Portfolio Positive Tilts:

Code	Name	Maxim PSF	Index Wgt	Tilt
APZ	Aspen Group	+2.5%	+0.0%	+2.5%
FKP	FKP Property Group	+2.3%	+0.0%	+2.3%
PPC	Peet Limited	+2.0%	+0.0%	+2.0%
AEU	Australian Education Trust	+2.0%	+0.2%	+1.8%
CHC	Charter Hall Group	+2.2%	+0.8%	+1.4%

## Index Returns for Month of July 2007



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