Maxim Asset Management Property Securities Fund [Maxim PSF]

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Cum Distribution	
Unit Price	30-Jun-06
NAV	$1.1394
Buy	$1.1422
Sell	$1.1366

Distribution 30 June 2006
2.24042319 cents per Unit

Ex Distribution	
Unit Price	30-Jun-06
NAV	$1.1170
Buy	$1.1198
Sell	$1.1142

Contact Details

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Fund Performance

The Maxim Property Securities Fund (Maxim PSF) returned 5.71% in June, 0.46% below the 6.17% return of the S&P/ASX 300 Property Accumulation Index for the month, which exceeded market expectations as investors, concerned about the prospects for the overall market, sought to increase exposure to more defensive sectors, which included listed property securities. The table below sets out details of returns of the Maxim PSF relative to the Index as at 30 June over a number of time periods:

	1 Month %	3 Months %	6 Months %	Since Inception
Maxim	5.71	4.27	6.04	13.93
Index*	6.17	4.41	6.33	14.15
Rel. Perf.	-0.46	-0.14	-0.28	-0.22

* S&P/ASX 300 Property Accumulation Index

Maxim was of the view that prices for a number of the listed trusts were pushed to levels which did not represent sound value over a short to medium term horizon. Accordingly, once the majority of stocks held in the Maxim PSF portfolio traded EX their distribution entitlements and in accordance with our previously stated strategy, the opportunity was taken prior to June month end to reduce exposure to the market and increase the Fund's liquidity to 6.6% . This strategy, whilst providing some initial short term underperformance, appears to have been vindicated as prices have pulled back to more reasonable levels at the start of the new fiscal year to the benefit of the Maxim PSF portfolio.

A distribution of 2.2404 cents per unit has been declared as at 30 June and payable 12 July 2006.

Market Update

The S&P/ASX 300 Property Accumulation Index returned 6.17% in June, which was 4.01% in excess of the return from the overall market as measured by the S&P/ASX 200 Accumulation Index which returned 2.16% over the period. For the 12 month period ended 30 June 2006, the 300 Property Accumulation Index underperformed the overall equities market, delivering a total return of 18.1% compared with a total return of 24.0% from the overall market. Over the longer 5 year perspective, the Listed Property Securities Sector has outperformed the broader market by nearly 4% providing an annualised return of 16.2%.

The Table below sets out the returns of the Property Sub-Sectors for June:

Commercial	8.20%
Industrial	8.00%
Hotels	6.10%
Diversified	5.70%
Retail	5.60%
International	5.60%

At the stock level, Investa Property Group was the stand out performer, delivering a return of 12.1% for the month, followed by Multiplex Group and Macquarie Goodman which provided 9.7% and 9.5% returns respectively. On a 12 month basis, the best performing stock was Macquarie Goodman which generated a total return of 55.4%, followed by Stockland and Centro Properties which respectively provided returns of 35.2% and 30.9% over the year.

Portfolio Activity

Activity during early June consisted of purchases to ensure that the Maxim PSF was fully invested to take full advantage of distribution entitlements by the relevant EX date (Monday 26 June 2006). A number of sales were undertaken in the last week of June with a view to raising cash/liquidity to provide more the opportunity to re-invest the proceeds at more attractive levels as the market came back to more realistic and attractive levels.

June saw the Maxim PSF grown through receipt of new funds taking it to a corpus of around $10m. An allocation to an unlisted wholesale property fund (the Colonial Diversified Property Pool) was made in June. Providing an initial exposure of a little under 10%, we are targeting an exposure of around 5% as the Fund continues to grow. This investment is expected to provide sound double digit returns with low volatility over the medium to long term.

Early in June, premium income was generated through the sale of Westfield Group June $17.50 Call Options. The original exposure to Westfield was maintained and all the option premium received on sale of the options was retained by Maxim PSF on expiry of the option.

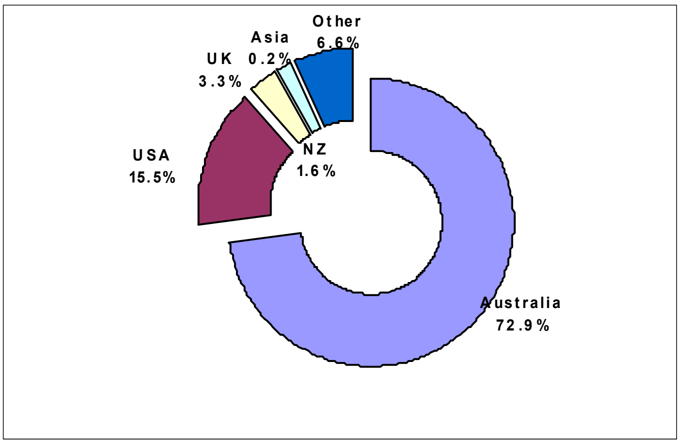
At June month end, Cash/Liquidity represented 6.6% of the portfolio.

Outlook

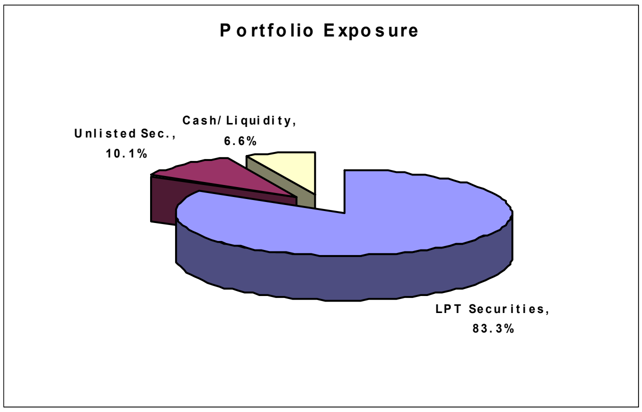
Adopting a 12 month forward forecast yield of 5.8% for the 10 Year Bond rate, the LPT sector as at June month end was considered to be overvalued by around 7.3% (up from 3.7% last month). We remain of the view that the total return for the sector for the year to December 2006 is expected to be around 9.0% with the major driver being a sector yield of around 7% coupled with a small appreciation in price of about 2%. Looking through to the next twelve months, we expect distribution growth of around 3.3% to provide a yield of 7.2% for the year to June 07 with a total return from the asset class of 11.0%.

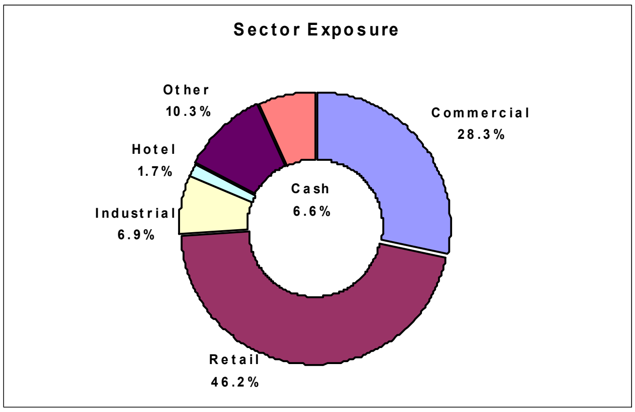
Geographic Portfolio Exposure as at 30 June 2006

Maxim PSF does not currently hold (directly) any investments which are domiciled offshore and the international exposure depicted in the accompanying chart is a consequence of the international exposures inherent in the Australian domiciled investments (e.g. Westfield Group, Centro Properties, Macquarie CountryWide etc).



Portfolio Exposures as at 30 June 2006





The Sector Exposure graph has been generated by breaking up each individual securities' exposure into the relevant property sub-sectors.

Strategy

The Listed Property Securities market performed strongly in June returning 6.17% and providing (in one month), the bulk of the sector's 2006 Year to date total return of 6.33%. Whilst offering defensive appeal, it is difficult to see similar returns being maintained in the short term.

We expect some pullback/consolidation to take place over July and August. However with about $2.5bn of distributions from the sector to be paid late in August, most of that fund flow could well find its way back into the sector providing it with some support, particularly if the global economic, interest rate and petrol price outlook continue to be a cause for concern for the overall market.

Fund flows will continue to be invested in those securities that are considered to be attractively priced as well as offering sound distribution growth prospects. Cash levels between 2.5% to 5% will be targeted over the short term.