

December 2009 Report

Fund Performance to 31 December 2009

	Month %	3 Months %	6 Months %	1 Year % p.a.	2 Years % p.a.	3 Years % p.a.	Since Inception % p.a.
Maxim Property Securities Fund (Maxim PSF)*	+3.41	-2.67	+32.65	+25.98	-28.85	-20.29	-7.17
S&P/ASX 300 A-REIT Accumulation Index	+3.40	-4.99	+24.26	+9.55	-30.03	-23.44	-9.96
Value Added	+0.01	+2.32	+8.39	+16.43	+1.18	+3.15	+2.79
Capital Growth	+2.47	-3.70	+29.59	+15.73	-33.90	-27.45	-15.54
Income Distribution	+0.87	+0.81	+2.46	+9.08	+4.37	+6.39	+7.42
Net Performance (After Fees but Before Tax)	+3.34	-2.89	+32.05	+24.81	-29.53	-21.06	-8.12

* Gross Returns (ie before Fees and Taxes)

Past Performance is not a reliable indicator of future performance

Market Review

Debt worries relating to Dubai World abated over the course of December as Abu Dhabi came to the rescue helping to stabilise investor confidence. Over the month, global markets were in positive territory with the Dow Jones Index rising 0.8%, the NASDAQ up 5.8% and the S&P500 Index 1.8% higher. In the UK the FTSE Index rose 4.3% whilst the Hang Seng Index in Hong Kong rose 0.2%. In Japan the Nikkei Index moved 12.8% higher. In Australia, the S&P/ASX 200 Accumulation Index rose 3.5% in December and 33.4% over the year.

Locally, the Reserve Bank (RBA) increased Australia's official Cash rate by another 25 Basis Points early in the month to 3.75%, which was the first time the RBA has lifted interest rates 3 months in a row, whilst in the US the Federal Reserve continued to leave interest rates unchanged.

Australian 10 Year bond yields moved 46 points higher to end the month at 5.71% whilst the 90-Day Bank-Bill rate finished at 4.27% up from 4.03% at the start of the month. The Australian Dollar closed out at US\$0.8977, down 1.83 cents over the period.

During December, the S&P/ASX A-REIT 300 Accumulation Index rose 3.4%. Over the course of the 2009 Year, the Index has risen 9.6%. At the property Sub-Sector level, the Industrial A-REITs provided the best returns, whilst the Diversified A-REITs fared worst. The following table lists the individual property sub-sectors and their returns over the month:

Property Sub-Sector	% Change on Month
Industrial Property	+9.3%
Commercial Property	+8.6%
Property Leaders	+2.6%
Retail Property	+2.6%
Diversified Property	+2.4%

Source UBS

At the individual stock level of the S&P/ASX A-REIT 300 Index, the gap between best to worst performing stock in December was 24.5% with Ardent Leisure Group returning +20.1%, whilst the Astro Japan Property Group fell 4.4%. The

following table lists the Five Best and Five Worst performing A-REIT 300 Index securities in December:

December 5 Best Index Movers %	December 5 Worst Index Movers %
Ardent Leisure Group 20.1	Astro Jap Prop Group -4.4
Charter Hall Group 15.5	Aspen Group -1.9
ING Industrial Fund 12.9	CFS Retail Property -0.4
ING Office Fund 12.0	Valad Property Group 0.0
Bunnings Warehouse 9.8	Centro Properties Group 0.0

Source: IRESS

During the month, Dexus property sold its 50% stake in the Westfield Whitford City regional shopping centre in Perth to an affiliate of GIC Real Estate for \$262.5m making it the largest shopping centre sale for 2009. Dexus also featured in another transaction, paying \$46m for an industrial property in Botany on an initial yield of 9.3%.

In other transactions, Stockland Group sold two properties for a total of \$83m comprising an office building in Sydney for \$46m and a hotel in Brisbane for \$37m.

Abacus Property announced a capital raising of \$91.4m by way of a placement of approximately 228 million securities to institutional security holders at a price of 40 cents per security. The proceeds of the capital raising were to be used to reduce debt as well as provide capacity for further acquisitions and working capital requirements. Post the raising, Abacus' pro-forma gearing reduced to approximately 23%.

Outlook

The domestic data flow of economic indicators up to the start of December has continued to support the prospects for an interest rate rise when the RBA next meets in February. However there have been suggestions that the Bank does have the option of waiting for more data to be considered before moving further. Whilst total employment rose by nearly 100,000 in the three month period to November and consumer sentiment coming into the Christmas period was robust, it may be considered appropriate to await the release of post Christmas data before making the next move.

Maxim expects markets to tread water pending the release of half year results due late in February and early March.

Maxim Property Securities Fund

ARSN 116 193 563
APIR Code COL0001AU

The Maxim Property Securities Fund (Maxim PSF) returned +3.34% (After Fees but before Tax) in December compared to the S&P/ASX 300 A-REIT Accumulation Index which returned +3.40% over the same period. Over the 2009 Year Maxim PSF has returned 24.81%, outperforming its benchmark by 15.26%. (Refer Page 1 for more detailed comparisons over longer time frames).

A distribution of 0.4202 cents per unit has been declared for the December 2009 Quarter taking the total distribution for the 2009 year to 4.000 cents for the year representing a yield of 9.08%.

Portfolio Summary

Maxim PSF held investments in 11 listed A-REITs representing an overall portfolio exposure of 85.1% at the end of December whilst its two investments in unlisted property securities represented an exposure of 11.7%. Exposure to Cash/Liquidity made up 3.2% of the portfolio at month end.

Outlook & Strategy

On one hand, property fundamentals have improved and this is expected to continue over the course of the New Year. On the other hand, borrowing costs are expected to increase over the course of 2010 and this will impact on most A-REITs particularly on those that need to renegotiate their lines of credit in 2010. On a positive note, we expect a pickup in general transactional as well as M&A activity as asset values are considered to have bottomed.

Notwithstanding an increasing interest rate environment as well as the phasing out of the first home owners grant, expectations are that the residential sector should slow in 2010. However the lack of supply of housing stock coupled with the continuing growth in Australia's population should combine to maintain upward pressure on rents resulting in a likely return to residential property price growth later in 2010 and into 2011. As a result we have a preference for those REITs which have residential exposure as they are likely to have earnings upside in 2010.

Whilst new developments in 2009 have been very few and far between, property fundamentals continue to improve over the course of 2010, it is likely that we will see a number of new projects come under consideration for start up over the course of the year.

Maxim PSF Unit Price As at 31 December 2009 (Cum Distribution)

NAV: \$0.5012
BUY: \$0.5025
SELL: \$0.4999

December Quarter Distribution 0.420197 Cents per Unit

Maxim PSF last 4 Distributions

31 March 2009	1.5887 cents per Unit
30 June 2009	1.4706 cents per Unit
30 September 2009	0.5211 cents per Unit
31 December 2009	0.4202 cents per Unit

Maxim PSF Unit Price As at 31 December 2009 (Ex Distribution)

NAV: \$0.4970
BUY: \$0.4982
SELL: \$0.4958

Research House Ratings

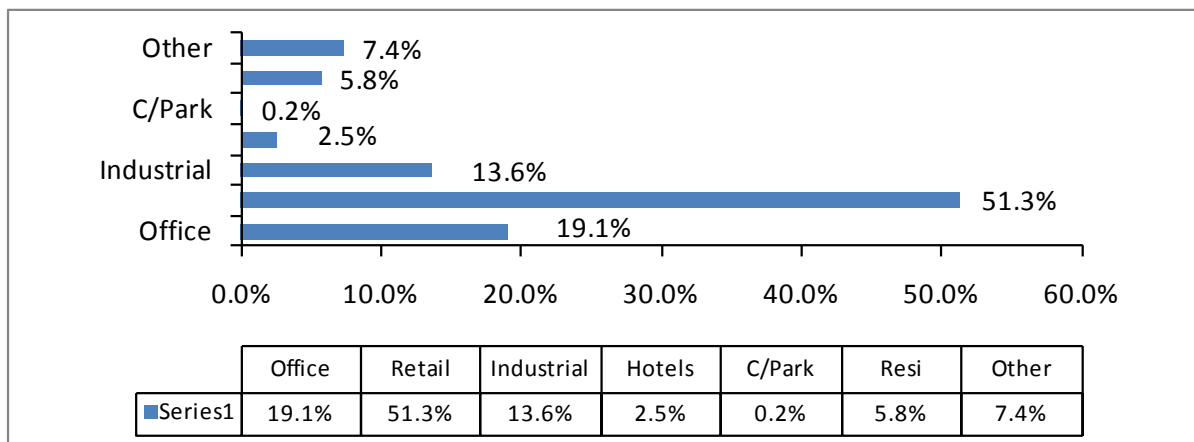


Platforms

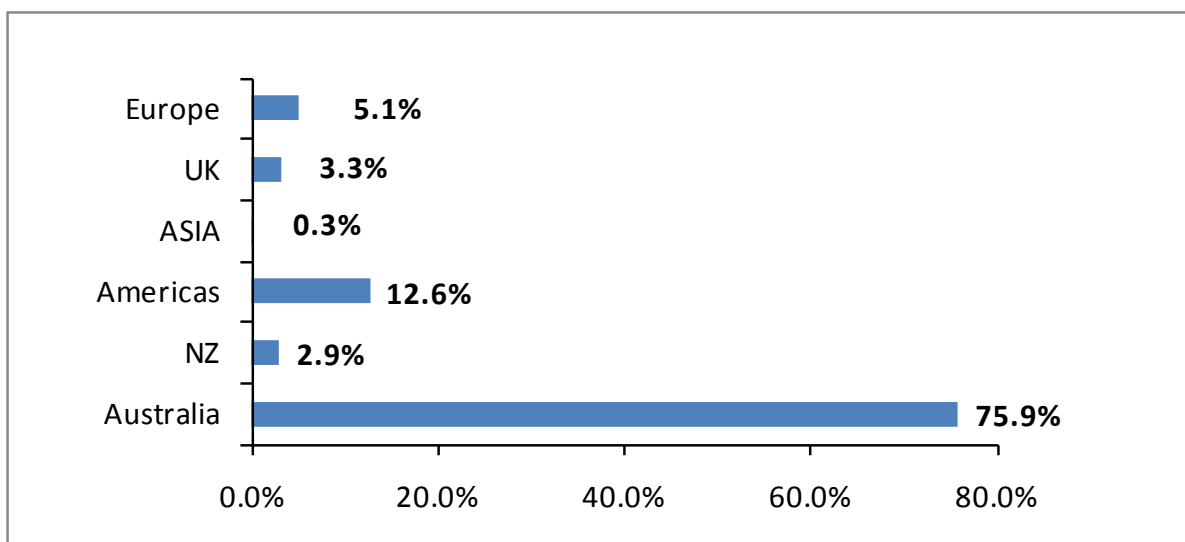
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Maxim Property Securities Fund-Exposures as at 31 December 2009



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



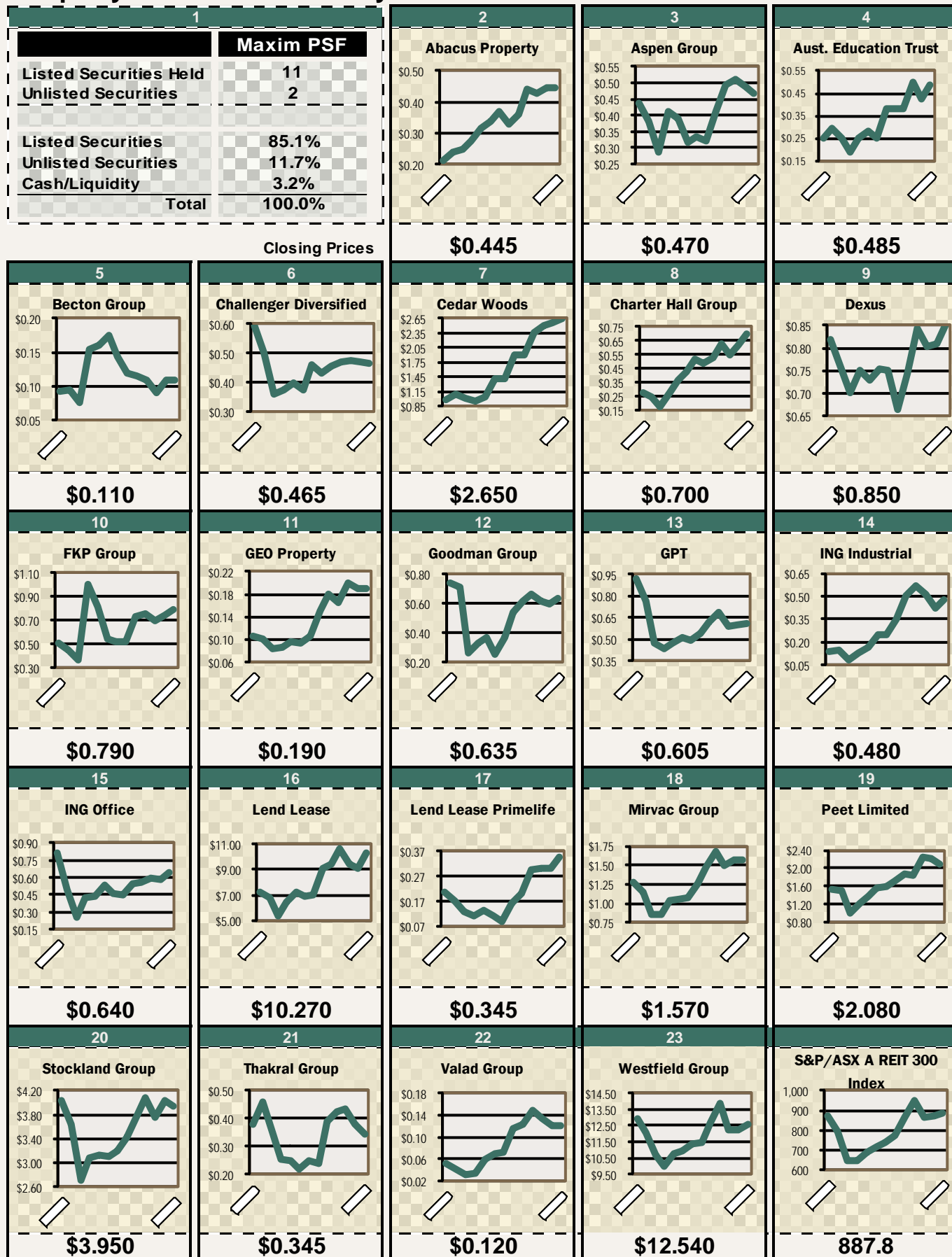
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Property Securities - Monthly Charts from 31 December 2008



Data: IRESS