Maxim Property Securities Fund

Monthly Report
March 2007

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Distributions
30 Jun 06 2.2404 cents
30 Sep 06 1.2598 cents
31 Dec 06 1.5978 cents
31 Mar 07 1.2038 cents

Ex Distribution Unit Price	31 Mar 07
NAV	$1.3327
Buy	$1.3360
Sell	$1.3294

12 months Return	
Income	5.77 %
Growth	22.52 %
Total	28.29 %

Contact Details

For additional information about the Maxim Property Securities fund, 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

Fund Performance

Whilst the S&P/ASX 300 Property Accumulation Index fell 4.05% in March, the Maxim Property Securities Fund (Maxim PSF) cushioned the impact by delivering a return of -2.72%, outperforming its benchmark by 1.33%. For the six months ended 31 March 2007, Maxim PSF returned +11.60% compared with a return of +11.38% from the Index. The listed property sector underperformed the broader market by 9.3% over the March quarter but was ahead of the general equities market by 6.6% on a 12 month basis.

Market Update

The property sector was negatively impacted by a number of factors in March including having to digest recent large equity issuance, increased concerns over prospects of rising interest rates as well as a sharp rise in the value of Australian dollar, as given the large and growing proportion of sector assets invested in the US, rising US$ debt costs will have an unfavourable impact. Negative returns were generated by all property sub-sectors with the Retail trusts featuring the worst, giving up 6.4% over the period. At the other end of the scale, Commercial trusts made up the best performing group, falling 0.7%. The table below lists sub-sector returns for March:

Retail	-6.4%
International	-5.2%
Leaders	-5.1%
Diversified	-3.1%
Industrial	-1.3%
Commercial	-0.7%

At the individual security level, the best performers included Macquarie Leisure, Abacus, ING Real Estate Community Living and APN European Trust, whilst Westfield, Centro and Stockland were the largest negative contributors.
Centro Property fell 11.4% in March as the announcement of the acquisition of US retail REIT NewPlan resulted in market concerns regarding the price being paid as well as Centro's effective gearing post the transaction.

There were no property related equity raisings in March as a planned IPO for New City (a proposed Australian listing of Japanese assets) was cancelled.

Portfolio Activity

Opportunities were taken in March to increase portfolio exposure to a number of securities as their price fell. These included the Westfield and Charter Hall groups. The Fund's investment in Mirvac Real Estate Trust was sold whilst a new exposure to the unlisted market was initiated with a purchase on units in the LEX Property Fund providing exposure to a retail development for an IKEA store complex in WA. This resulted in an increase in Maxim PSF's overall exposure to unlisted securities rising to 7.0%. At the end of March, liquidity represented 0.8% of the total portfolio.

Outlook

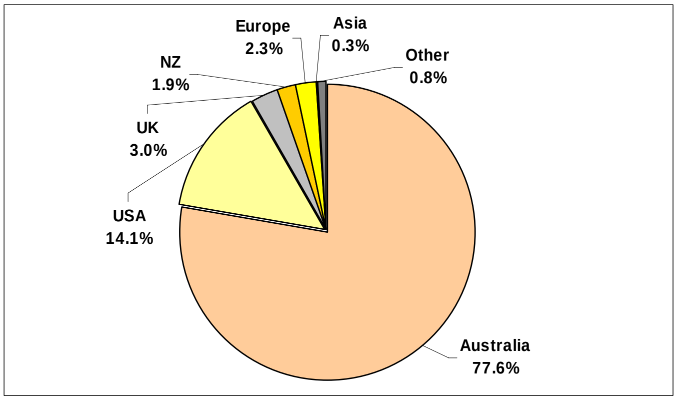
The LPT sector is offering a FY08 Distribution per Unit Yield of around 5.8% representing a 70 basis points discount to 90 Day Bank Bills.
Following an 8 month period of strong positive returns, the last two months has seen the LPT sector change direction, resulting in the sector coming back about 6% from its peak late in February. At current levels, the sector is now trading at only a 0.75% premium to NPV (the smallest premium since May 2006) and is now considered by Maxim to offer fair value.
Maxim's total return expectation for Calendar 2007 remains at 9-10%.

Strategy

Over the medium term, Maxim expects markets to remain volatile. Accordingly, opportunities will be taken to increase exposure to selected securities with a preference for commercial property sub-sector exposure whilst also targeting a Cash/Liquidity level of around 2.5%.

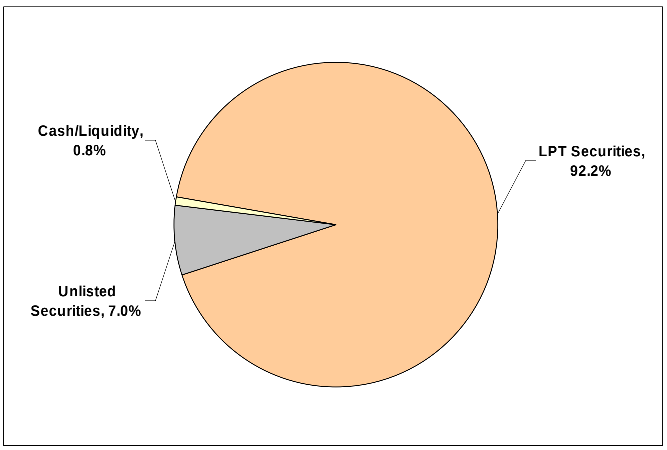
Maxim Asset Management Ltd ABN 25 104 512 978 AFSL 238349 Level 1, Suite 104, 84 Pitt Street, Sydney NSW 2000

Geographic Exposure - 31 March 2007

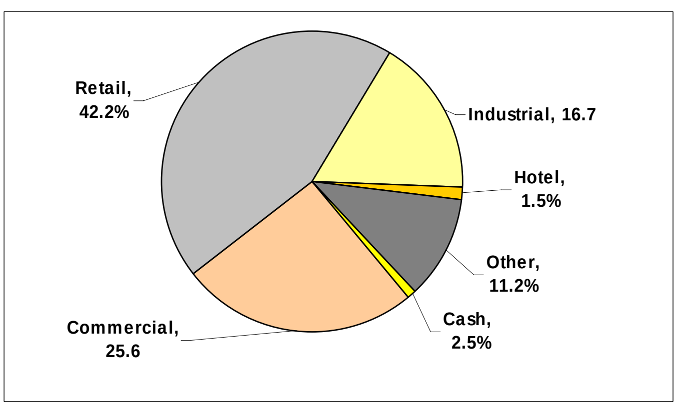


At present, Maxim PSF does not (directly) hold any investments which are domiciled (listed) offshore. The international exposure depicted in the above chart is a consequence of the international exposures inherent in the Australian domiciled investments (e.g. Westfield Group, Centro Properties Group,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

Asset Exposure – 31 March 2007



Portfolio Exposure – 31 March 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.

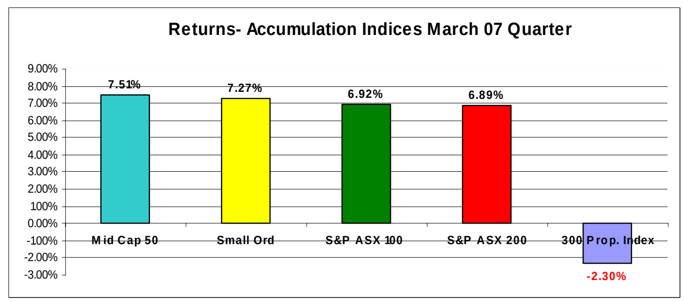
Top 5 Portfolio Positive Tilts:

Top 5 Positive Active Stock Tilts			
	Maxim PSF	Index Wgt	Tilt
VOF	+2.7%	+0.0%	+2.7%
APZ	+2.3%	+0.0%	+2.3%
AEU	+2.1%	+0.2%	+2.0%
CHC	+1.9%	+0.7%	+1.2%
CPA	+2.4%	+1.7%	+0.8%

Top 5 Contributors to March returns:

Security	Security Name	March Return %	Index Weight	Index Contribution	Porfolio Weight	Portfolio Contribution	Marginal Contribution
MGR	Mirvac Group	-6.012	4.47%	-0.269	+0.00%	0.000	0.269
CNP	Centro Properties	-11.394	6.01%	-0.685	+3.70%	-0.421	0.264
CFX	CFS Retail Property	-7.500	2.54%	-0.191	+0.00%	0.000	0.191
APZ	Aspen Group	7.778	0.00%	0.000	+2.27%	0.177	0.177
GSA	Galileo Shopping	-10.385	0.98%	-0.102	+0.00%	0.000	0.102

Index Returns for Quarter ended 31 March 07



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