

March 2009 Report

Fund Performance to 31 March 2009

	Month %	3 Months %	1 Year %	2 Years %	3 Years %	Since Inception % p.a.
Maxim Property Securities Fund (Maxim PSF)*	+2.62	-18.05	-60.34	-42.26	-24.38	-19.41
S&P/ASX 300 A-REIT Accumulation Index	+0.40	-24.11	-58.06	-43.60	-25.76	-20.79
Value Added	+2.22	+6.05	-2.28	+1.34	+1.38	+1.38
Capital Growth	-1.99	-21.86	-65.92	-51.29	-33.91	-28.66
Income Distribution	+4.52	+3.61	+5.17	+8.45	+8.79	+8.46
Net Performance (After Fees but Before Tax)	+2.53	-18.25	-60.75	-42.84	-25.12	-20.20

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

Past Performance is not a reliable indicator of future performance.

Market Review

March was a volatile month beginning as it did with the global equity markets falling to levels not seen in the last 10 years. This came about from a sharp fall in confidence following the news in the US that American International Group (AIG) recorded the largest loss in US corporate history, requiring the government to add to their earlier injection of capital into the struggling insurer. However, soon after that rout, markets quickly rallied helped by announcements from a number of large US banks that the first couple of months of the New Year had been profitable for them. Also helping sentiment was the release of better than expected US economic data as well as the release of more information on the US Treasury plan (TARP) to remove "toxic" assets from bank balance sheets. Momentum could not be sustained towards month end with the rally stalling following Treasury officials warning that some banks would still need more government assistance.

The US bond market rallied close to 50 basis points as the Fed announced a commitment to ongoing purchases of Treasury securities resulting in Treasury yields ending the month around 30 basis points lower.

The S&P/ASX 300 A-REIT Accumulation Index rose 0.4% in March but still under performed the broader equity market which rose 8.1% over the month. On 9 March the A-REIT sector hit a 25 year low before rebounding close to 18% over the rest of the month to finish in positive territory for the first time in 7 months. At the property sub-sector level, the Industrial REITs were the best performing group for the month, rising 27.8% whilst the Retail sub-sector fared worst falling 5.4%. **Table 1** lists the individual property sub-sectors and their returns over March:

Table 1 (Source UBS)

Property Sub-Sector	% Change on Month
Industrial Property	+27.8%
Commercial Property	+16.3%
Diversified Property	+6.8%
Leaders	-1.8%
Retail Property	-5.4%

The A-REIT sector benefitted from an improvement in sentiment which saw a small increase in risk appetite with those stocks which had been more heavily sold down in recent months (e.g. Goodman Group and GPT) benefitting from fund flows whilst investors sold down some of

their more defensive holdings in stocks which included Westfield Group, Commonwealth Office and CFS Retail.

At the individual stock level of the S&P/ASX A-REIT 300 Index constituents, the gap between best to worst performing stock over March was 165% with APN European Retail returning +136.8% whilst Centro Retail fared worst, falling 28.2%. **Table 2** lists the five best performing S&P/ASX 300 A-REIT Index securities in March whilst **Table 3** lists the five worst.

Table 2

Code	Name	Price 31 March	%
AEZ	APN European Retail	\$0.045	136.8
MCW	Macquarie Countrywide	\$0.240	100.0
IOF	ING Office Fund	\$0.425	71.6
CHC	Charter Hall Group	\$0.280	55.6
APZ	Aspen Group	\$0.410	51.0

Source IRESS

Table 3

Code	Name	Price 31 March	%
CER	Centro Retail Group	\$0.028	-28.2
CNP	Centro Properties	\$0.067	-8.2
BWP	Bunnings Warehouse	\$1.570	-7.9
CPA	Commonwealth Prop	\$0.905	-6.7
WDC	Westfield Group	\$10.000	-6.1

Source IRESS

Outlook

Maxim is of the view that the low for the A-REIT sector occurred on 9 March, although the market will likely remain volatile for some time yet.

In the past, April and May have traditionally be quiet months on the news front, however this is unlikely to be the case this year as REITs will look to keep the market well informed of any news relating to actual as well as prospective asset sales and other measures which are likely to impact on their gearing levels, LVR's and banking covenants.

In the current environment, we are favouring well managed A-REITs with sound balance sheets and assets. These include Stockland, Abacus and Aspen Groups. Exposures to GPT and Goodman groups have been maintained as we consider attractive at current levels and that they have the ability to work their way through the current difficult investment environment.

Maxim Property Securities Fund

ARSN 116 193 563 APIR Code COL0001AU

The Maxim Property Securities Fund (Maxim PSF) returned +2.53% (after Fees but before Tax) in March whilst the S&P/ASX 300 A-REIT Accumulation Index returned +0.40% 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, as well as its overweight exposures to Aspen Group, Peet Limited and Stockland Group. Negative contributors to performance included the Fund having Zero exposures to ING Office Fund, Macquarie Office Fund and Macquarie CountryWide.

Portfolio Summary

At month end, Maxim PFS held investments in 11 listed securities representing 72.7% of the portfolio and 3 unlisted securities accounting for 20.7% of the portfolio. Cash /Liquidity represented 6.6% of portfolio exposure.

Strategy

As previously highlighted, whilst it is considered that markets have now seen the lows, volatility is likely to continue to be a feature of financial markets for some time yet. Maxim expects the Reserve Bank will carry on with its bias to ease over coming months which is likely to provide support to the A-REIT sector in light of the more attractive yields on offer when compared to the cash rate. We continue to favour those securities which possess sound balance sheets, experienced management, recurring income streams and quality assets.

Fund Positioning

Active Security Positions

Over Weights	Under Weights
Aspen Group	CFS Retail
Australand ASSETS	Commonwealth Office
Cedar Woods	Dexus Property
Peet Limited	Mirvac Group
Stockland group	Westfield Group

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

NAV: \$0.3601
BUY: \$0.3610
Sell: \$0.3592

Maxim PSF Distribution 31 March 2009 1.5887 cents per Unit

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

NAV: \$0.3443 (Ex Distribution Price)

Maxim PSF last 4 Distributions

30 June 2008	1.8995 cents per Unit
30 September 2008	0.7089 cents per Unit
31 December 2008	0.7955 cents per Unit
31 March 2009	1.5887 cents per Unit

Research House Ratings

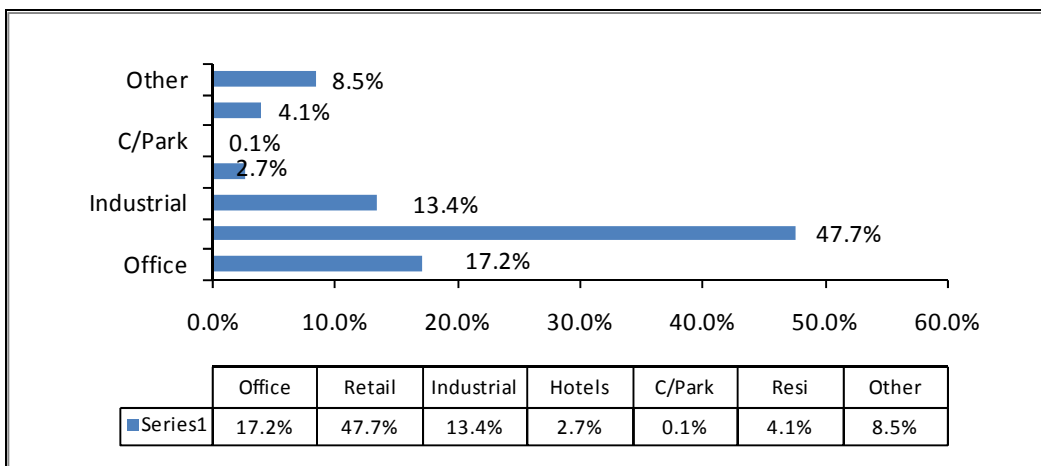
Adviser Edge Rating ★★★★★

Platforms

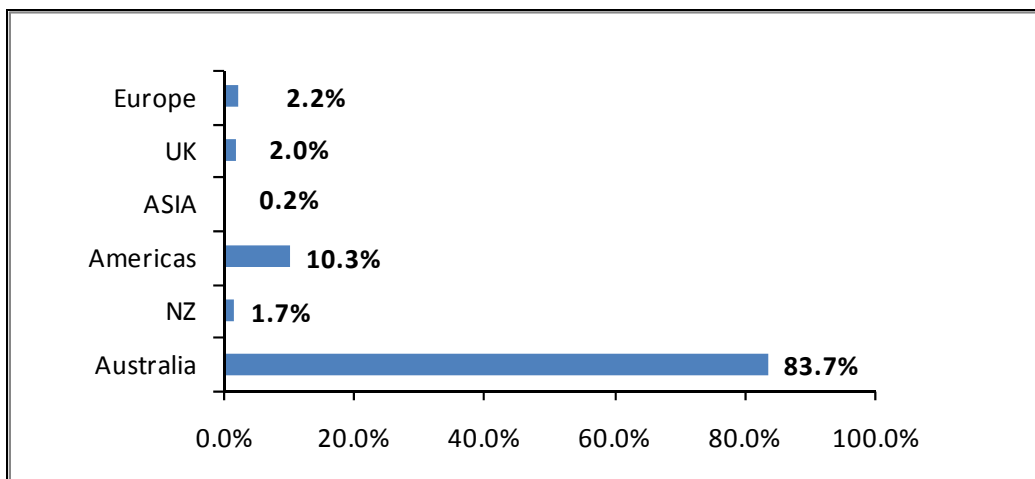

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Macquarie Wrap Solutions
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Maxim Property Securities Fund-Exposures as at 31 March 2009



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

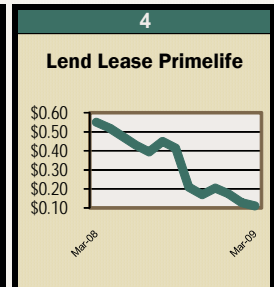
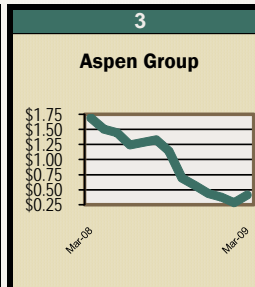
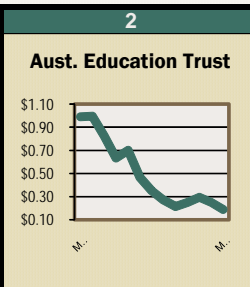


Contact Details

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 8904 0163 Email: info@maximam.com.au

Property Securities - Monthly Charts from 31 March 2008

1	
	Maxim PSF
Listed Securities Held	11
Unlisted Securities	3
Listed Securities	72.6%
Unlisted Securities	20.7%
Cash/Liquidity	6.7%
Total	100.0%

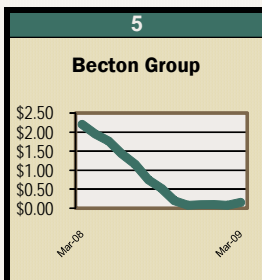


Closing Prices 31 Mar 2009

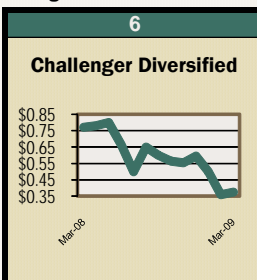
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\$0.41

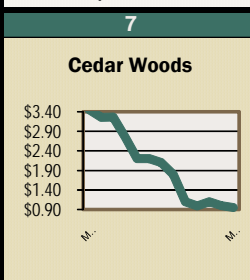
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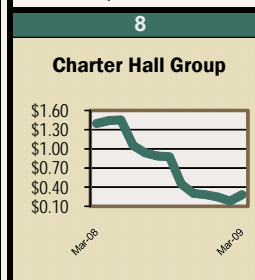
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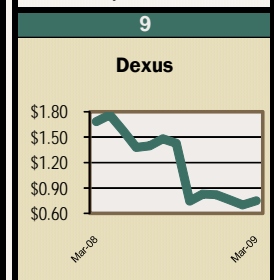
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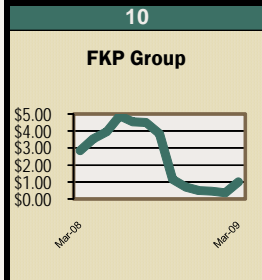
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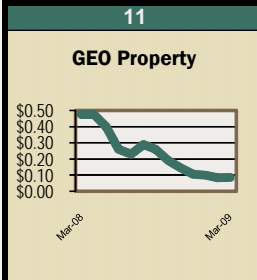
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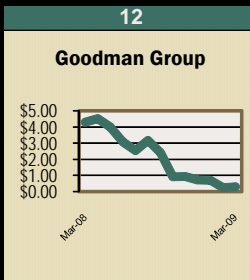
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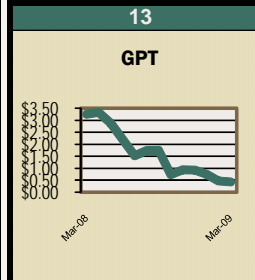
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\$0.09



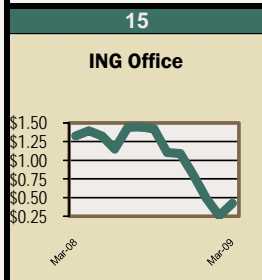
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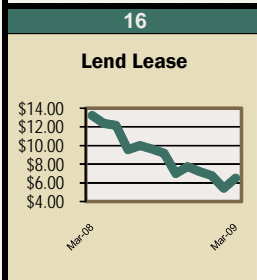
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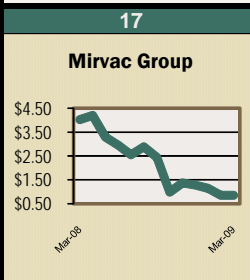
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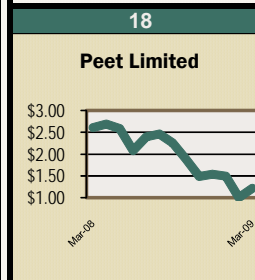
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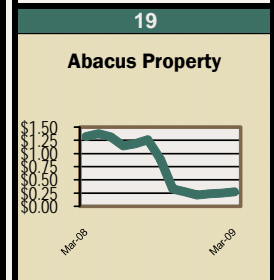
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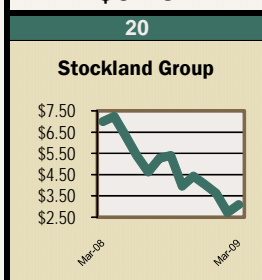
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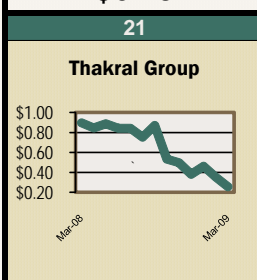
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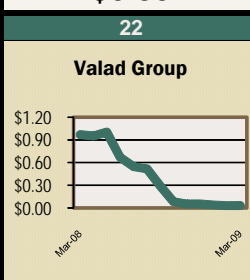
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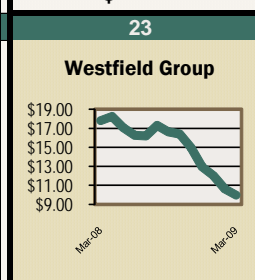
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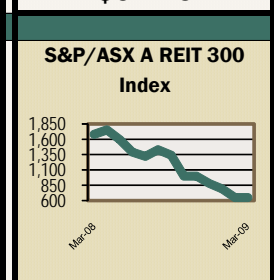
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\$0.034



\$10.00



648.9

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