

Maxim Asset Management Property Securities Fund [Maxim PSF]

Fund Performance

The Maxim Property Securities Fund (Maxim PSF) outperformed the S&P/ASX 300 Property Accumulation Index by 0.53% in the month of May, as it delivered a return of -0.95% compared to the Index return of -1.47%. Over the quarter ended 30 May 2006, the portfolio returned -2.14%, underperforming the Benchmark by 0.06%, whilst for the half year ended 31 May, Maxim PSF returned 5.79% which was 0.38% in excess of its Benchmark Index. In the seven and a half months since inception (17 October 2005) Maxim PSF has returned 7.78%, which is 0.26% above the Benchmark return of 7.52%.

| | 1 Month % | 3 Months % | 6 Months % | Since Inception |
|----------------|-----------|------------|------------|-----------------|
| Maxim | -0.95 | -2.14 | 5.79 | 7.78 |
| Index* | -1.47 | -2.09 | 5.41 | 7.52 |
| Relative Perf. | 0.53 | -0.06 | 0.38 | 0.26 |

* S&P/ASX 300 Property Accumulation Index

The best two contributor to out-performance came from Maxim PSF's exposure to the Aspen Group and to FKP Property Group which rose 7.3% and 4.3% in May.

Market Update

Early in the month, the Reserve Bank lifted rates by 25 Basis Points which set a negative tone for

the Listed Property Trust sector over the rest of the month.

Over May, the S&P/ASX 300 Property Accumulation Index fell 1.47%, outperforming the broader equity market by 3.2% as the S&P/ASX 300 Accumulation Index fell 4.7% over the same period.

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

| | |
|---------------|-------|
| Industrial | +5.4% |
| Diversifieds | -0.9% |
| Retail | -2.8% |
| Commercial | -3.3% |
| International | -3.6% |

The best performing property sub-sector in May was Industrials which managed to gain 5.4%, primarily contributed by the Macquarie Goodman Group which put in a strong performance rising 7.6%. The industrial sub-sector's other main constituent ING Industrial Fund, fell 4.1% over the same period.

A number of capital raisings to assist with the costs of acquiring offshore assets were undertaken in the sector during May, which included ING Industrial, Galileo Shopping America and Macquarie Goodman Group.

Portfolio Activity

In addition to undertaking purchases to maintain portfolio exposures to target, a new allocation to the Valad Opportunity Fund was made during the month. The Fund also participated in a placement of new shares in the Macquarie Goodman Group as they raised \$350m to assist with the purchase of European logistics developer Eurinpro (total cost \$678m).

Early in May, premium income was generated through the sale of Westfield Group May \$17.50 Call Options with an expiry date of 25 May 2006. The original expo-

sure to Westfield was maintained as the underlying stock last traded below the \$17.50 exercise price on the option expiry date and all the option premium received on sale of the options, was retained by the Fund.

As at May month end, the Fund held investments in a total of 18 listed securities, made up of 12 constituents of the S&P/ASX 300 Property Index and 6 securities which are not Index constituents.

Cash represented 3.5% of the portfolio at the end of May.

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Contact Details

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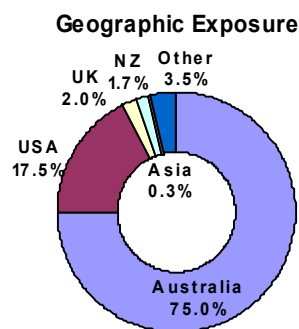
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Outlook

Adopting a 12 month forward forecast yield of 5.75% for the 10 Year Bond rate, the LPT sector is considered to be currently overvalued by around 3%. We remain of the view that 12 month total returns from the sector are expected to be around 9.0% with the major driver being the sector yield of 7% and a small appreciation in price of about 2%.

Portfolio Geographic Exposures as at 31 May 2006

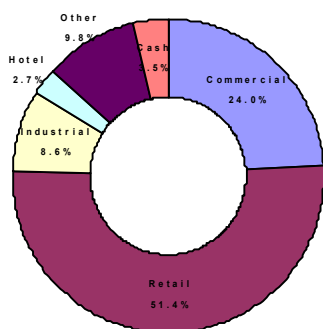
The Maxim PSF does not currently hold (directly) any investments which are domiciled offshore and the international exposure depicted in the accompanying chart is a consequence of the international exposures inherent in the Australian domiciled investments (e.g. Westfield Group, Centro Properties, Macquarie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



■ Australia ■ USA ■ UK ■ NZ ■ Europe ■ Asia ■ Other

Portfolio Sub-Sector Exposures as at 31 May 2006

Sector Exposures



■ Commercial ■ Retail ■ Industrial ■ Hotel ■ Other ■ Cash

The accompanying exposure chart has been derived by breaking up each individual securities exposure held in the Maxim PSF portfolio into the relevant property sub-sectors.

Strategy

We expect to be nearly fully invested coming into the distribution payment period at the end of June but will look to increase cash levels to around 5% thereafter.

We continue to favour exposure to the commercial property sub-sector in anticipation of a gradual pick up in rental income from this sector over the course of the rest of 2006.