

Maxim Property Securities Fund

Monthly Report
May 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

1 Year Return	
Income	6.79 %
Growth	31.08 %
Total	37.87 %

Fund Performance

The Maxim Property Securities Fund (Maxim PSF) gained 3.19% in May whilst the S&P/ASX 300 Property Accumulation Index returned 4.17% over the same period. For the quarter ended 31 May 2007, Maxim PSF rose 2.91% whilst the Index gained 3.33%.

Market Update

The listed property sector (LPT) outperformed the broader market (as measured by the S&P/ASX 200 Index) by 1.6% over May whilst on a Year to Date basis, the LPT sector has underperformed the broader equity market by 7.6%. Over longer time frames, LPT's have outperformed the equity market by 8.8% over 1 year, 1.2% over 5 year and 2.0% over the 10 year time frame.

For the second month in a row, all the property sub-sectors provided positive contributions to the sector's overall return. The commercial sub-sector provided the strongest gain of 10.8%, on the back of Morgan Stanley Real Estate Funds' cash offer to acquire all the units in Investa Property Group at a price of \$3.08 per security. The prospect of further M&A activity evolving in the sector was the major driving force at month end.

The table below lists sub-sector returns for May:

Commercial	+10.8%
Diversified	+5.0%
International	+3.0%
Leaders	+2.9%
Retail	+2.7%
Industrial	+1.0%

At the individual security level, the cash bid for Investa resulted in that stock gaining 16.1% over the month, closely followed by Commonwealth Office Property which rose 16.0%. These were followed by Centro Retail and Colonial Retail, which rose 12.5% and 11.3% respectively. On the negative side, Bunnings Warehouse fell 2.5%, Challenger

Diversified fell 1.4% and ING Industrial Trust fell 0.4% over May.

Portfolio Activity

At month end, investments were held in 21 listed securities which included commitments to participate in 2 upcoming new issues: being the Multiplex European Fund and the Orchard Industrial Trust.

A number of exchange traded option strategies were entered into relating to the Westfield Group, Stockland and GPT.

Cash/Liquidity represented 4.5% of the portfolio at the end of May, whilst exposure to Unlisted Property securities stood at 6.3%.

Outlook

The LPT sector is currently offering a FY08E Distribution per Unit Yield of around 5.5% representing an 80 basis points discount to 90 Day Bank Bills and at par with the ten year bonds which in part, reflects higher growth expectations for the sector as a result of stapled securities as well as the anticipated M&A activity.

With distributions to be paid at the end of June and the likely inflow of money from a number of general equity funds which to date have been underweight the sector, downside to the sector is considered to be limited.

Strategy

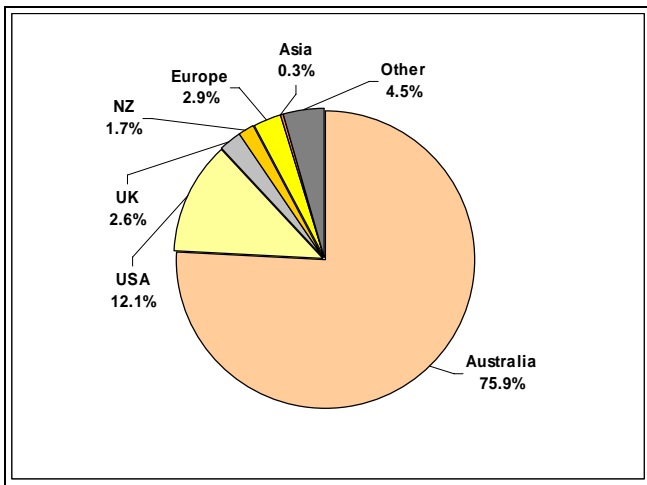
Having regard to the prospects for further M&A activity, cash levels will be reduced over the month of June.

Indications are that the commercial sub sector continues to be attractive in light of better prospects for increasing rents. Accordingly, it is proposed to increase exposure to those securities that have high and appropriate geographical exposure to commercial property as and when opportunities arise.

Contact Details

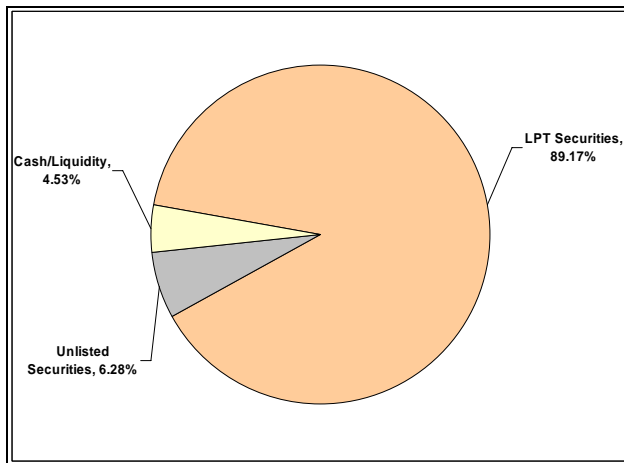
For additional information about the Maxim Property Securities fund, or for more information on Maxim Asset Management, please contact us either by phone or email:
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Geographic Exposure - 31 May 2007

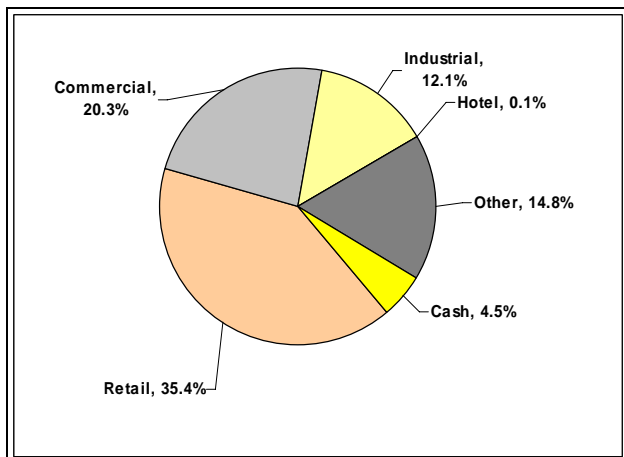


At present, Maxim PSF does not (directly) hold any investments which are domiciled (listed) offshore. The international exposure depicted in the above chart is a consequence of the international exposures inherent in the Australian domiciled investments (e.g. Westfield Group, Centro Properties Group,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

Asset Exposure - 31 May 2007



Portfolio Exposure - 31 May 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.

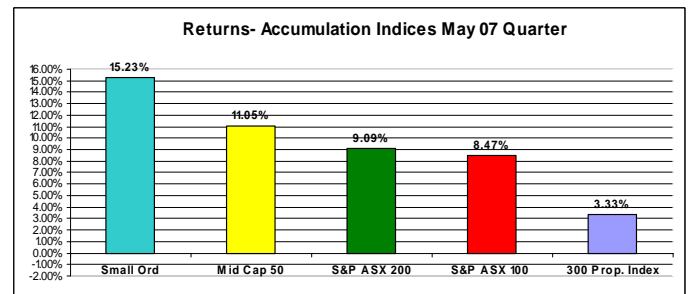
Top 5 Portfolio Positive Tilts:

	Maxim PSF	Index Wgt	Tilt
Aspen Group	+2.5%	+0.0%	+2.5%
FKP Property Group	+2.2%	+0.0%	+2.2%
Peet Limited	+2.0%	+0.0%	+2.0%
Australian Education Trust	+2.0%	+0.2%	+1.8%
Charter Hall Group	+1.8%	+0.7%	+1.1%

Top 5 Value Add Contributors in May:

Security Name	31-May-07	Return	Index Weight	Index Contribution	Portfolio Weight	Portfolio Contribution	Marginal Contribution
FKP Property Group	719.0	4.052	0.00%	0.000	+2.19%	0.089	0.089
Australian Education	184.5	3.361	0.15%	0.005	+1.97%	0.066	0.061
Charter Hall Group	290.0	5.073	0.69%	0.035	+1.81%	0.092	0.057
Investa Property	310.0	16.105	3.71%	0.598	+3.92%	0.631	0.033
GPT Group	514.0	5.253	8.24%	0.433	+8.50%	0.447	0.014

Index Returns for Quarter ended 31 May 07



Contact Details

For additional information about the Maxim Property Securities fund, or for more information on Maxim Asset Management, please contact Maxim either by phone or email:
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