

# Maxim Property Securities Fund



## Monthly Update- October 2005

Period 17 Oct to 31 Oct 2005

	Return
<b>Maxim Property Securities Fund (after Fees)</b>	<b>-0.3%</b>
<b>Benchmark</b>	<b>-1.3%</b>

## Market Update

For the month of October, the property securities sector, as measured by the S&P/ASX 300 Property Accumulation Index, fell 1.9% faring better than the broader equities market (as measured by the S&P/ASX 200 Accumulation Index) which fell 3.9% over the period.

More than AU\$1bn of new capital was raised in the property sector during October, putting some pressure on the market, as investors sold some of their existing holdings to fund the new investments on offer.

Sentiment in the residential sector was also negatively affected towards month end when Investa Property Group downgraded the residential component of its earnings, on the back of a weaker outlook for the NSW housing market. This further impacted on a number of other stocks which also have some exposure to the residential market such as the Mirvac and the Stockland Groups.

## Performance

The Maxim Property Securities Fund (Maxim PSF) was launched on 17 October and the return (after fees) for the period to month end was -0.3%, which compared with a return from the product's benchmark (the S&P/ASX 300 Property Accumulation Index) of -1.3%.

## Asset Allocation

Initial portfolio activity was concentrated on establishing positions in our preferred securities and the fund is expected to be fully invested in line with target exposures early in November.

### Portfolio Outlook & Strategy

*Going forward, we are of the view that the key driver for the sector will be the outlook for economic growth. In addition the direction of interest rates will become more of a focus for the property market as rates start to trend upwards.*

*In the meantime we will look to target exposures towards those securities which offer the prospect of continuing distribution growth.*

*Maxim's twelve month outlook for total returns from the Sector is in the range of 7% to 9%.*

### Contact Details

*For additional information about the Maxim Property Securities Fund or for more information on Maxim Asset Management please visit our website*

[www.maximam.com.au](http://www.maximam.com.au) or

*contact us:*

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