

September 2009 Report

Fund Performance to 30 September 2009

	Month %	3 Months %	6 Months %	1 Year % p.a.	2 Years % p.a.	3 Years % p.a.	Since Inception % p.a.
Maxim Property Securities Fund (Maxim PSF)*	+9.08	+36.28	+57.95	-20.80	-30.58	-16.07	-6.97
S&P/ASX 300 A-REIT Accumulation Index	+10.04	+30.78	+51.93	-23.02	-33.06	-18.65	-9.39
Value Added	-0.96	+5.50	+6.02	+2.22	+2.48	+2.58	+2.42
Capital Growth	+7.90	+34.61	+51.43	-27.53	-35.00	-24.35	-16.06
Income Distribution	+1.09	+1.36	+5.78	+5.95	+3.75	+7.47	+8.13
Net Performance (After Fees but Before Tax)	+8.99	+35.97	+57.22	-21.57	-31.25	-16.88	-7.93

* Gross Returns (ie before Fees and Taxes)

Past Performance is not a reliable indicator of future performance

Market Review

As the Global Financial Crisis (GFC) continued to recede, most of the major equity markets around the world moved higher over the course of September and for the 7th month in a row, the Australian market (as measured by the S&P/ASX 200 Accumulation Index) posted a positive gain, moving 5.9% higher over the month.

In the US, retail sales rose 2.7% in August whilst the Conference Board Consumer Confidence Index rose 5.8 points to 53.1 in September. The Federal Reserve left interest rates on hold as did the Reserve Bank here in Australia although its comments suggested that a rate hike was not far away. In data released for August, Australia's unemployment rate was steady at 5.8% whilst retail sales bounced up by 0.9% which added to the prospects of an early interest rate rise. The Australian Dollar continued its upward march, rising 4.6% over the month to close at US\$0.8826.

In the wake of recent re-capitalisations, investor fear of property "fire sales" continued to abate and the S&P/ASX A-REIT 300 Accumulation Index rose 10.0% in September, outperforming the broader equity market by 3.8%.

There are signs both domestically and abroad that asset valuations have started to stabilise whilst a small but encouraging number of transactions have taken place. At the property sub-sector level, the Diversified A-REITs performed the best in September, whilst the Commercial (Office) sub-sector fared worst. The following table lists the individual property sub-sectors and their return over the month.

Property Sub-Sector	% Change on Month
Diversified Property	11.5%
Leaders	9.9%
Retail Property	9.6%
Industrial Property	9.3%
Commercial Property	6.6%

Source UBS

At the individual stock level of the S&P/ASX A-REIT 300 Index, the gap between best to worst performing stock in September was 86.6% with Centro Properties returning 88.2% whilst Macquarie CountryWide rose a more modest 1.6%. The following table lists the five best and 5 worst performing A-REIT 300 Index securities over September.

Five Best Movers in Sept		Five Worst Movers in Sept	
Name	% Move	Name	% Move
Centro Properties	+88.2	CFS Retail Property	+5.8
Centro Retail Group	+48.0	ING Office Fund	+4.5
Valad Property Group	+29.7	Ardent Leisure Group	+1.8
Macquarie DDR Trust	+29.2	Bunnings Warehouse	+1.7
ING Industrial Fund	+24.8	Macquarie Countrywide	+1.6

Source IRESS

It was a quiet month with regards to capital raisings with Valad tapping the market for \$59.9m in a fully underwritten 1 for 4 rights issue of \$40.2m as well as a \$19.3m institutional placement at 10 cents per stapled security which represented a 37.5% discount to the then 16 cent closing market price.

A total of \$134m of asset sales occurred during the month with a number of groups (including GPT, Centro, Mirvac Real Estate and the unlisted PFA Diversified Property Trust) selling assets in the under \$50m price range.

On the M&A front, Lend Lease Primelife (LLP) entered into a Scheme Implementation Arrangement with Lend Lease Corporation (LLC) which will result in acquiring all the stapled securities in LLP that it does not already own at a price of 31 cents per security.

Outlook

Investors are becoming more comfortable with a view that the GFC has passed amidst encouraging signs that a global economic recovery is emerging. Additional comfort is being taken from the fact that most balance sheets have been repaired and that debt markets are freeing up, albeit slowly. Whilst remaining cautious, we expect M&A activity to slowly emerge over coming months as now the better capitalised entities take advantage of their position of strength.

Maxim Property Securities Fund

ARSN 116 193 563

APIR Code COL0001AU

The Maxim Property Securities Fund (Maxim PSF) returned +8.99% (After Fees but before Tax) over the month of September as compared with the S&P/ASX 300 A-REIT Accumulation Index which returned 10.04% over the period (Refer Page 1 for more detailed comparisons over longer time frames).

Positive contributors to performance over the month of September included the Fund's investments in Abacus Property Group, Aspen Group and Cedar Woods Properties, whilst negative contributions came from the Fund's underweight exposures to the Westfield, Mirvac and Centro Properties groups.

Portfolio Summary

As at the end of the month, Maxim PSF held investments in 12 listed A-REITs and participated in the capital raising undertaken by the Valad Property Group.

Maxim PSF's investments in listed A-REITs represented a portfolio exposure of 86.9%, whilst its two investments in unlisted property securities represented an exposure of 10.9%. Exposure to Cash/Liquidity made up 3.0% of the portfolio at month end.

Outlook & Strategy

The A-REIT sector traded at a premium to NTA of around 8% at the end of September making it the first time this has occurred in the last 12 months. However, it should be noted that this is due to the fact that both of the sector's largest constituents (Westfield and Stockland Groups) are trading at premiums to their NTA's of 26% and 13% respectively, whilst the rest of the sector is trading at a discount to NTA of around 10%. Accordingly, at present, Maxim is of the view that, there is better value in the smaller end of the market particularly in those well capitalised entities that are well managed and that have weathered the recent difficult environment.

Whilst there may yet be some more slippage in Capitalisation Rates over coming months, we expect movements from current levels to be marginal. Maxim remains positive on the longer term outlook for the sector and will take advantage of any pullbacks to selectively increase exposure to the smaller end of the market at the expense of the leading stocks.

Maxim PSF (Cum Distribution) Unit Price As at 30 September 2009

NAV: \$0.5214

BUY: \$0.5227

SELL: \$0.5201

30 September 2009 Distribution

0.521129 cents per Unit

Maxim PSF (Ex Distribution) Unit Price As at 30 September 2009

NAV: \$0.5161

BUY: \$0.5174

SELL: \$0.5148

Maxim PSF last 4 Distributions

31 December 2008 0.7955 cents per Unit

31 March 2009 1.5887 cents per Unit

30 June 2009 1.4706 cents per Unit

30 September 2009 0.5211 cents per Unit

Research House Ratings



Platforms

BEACON

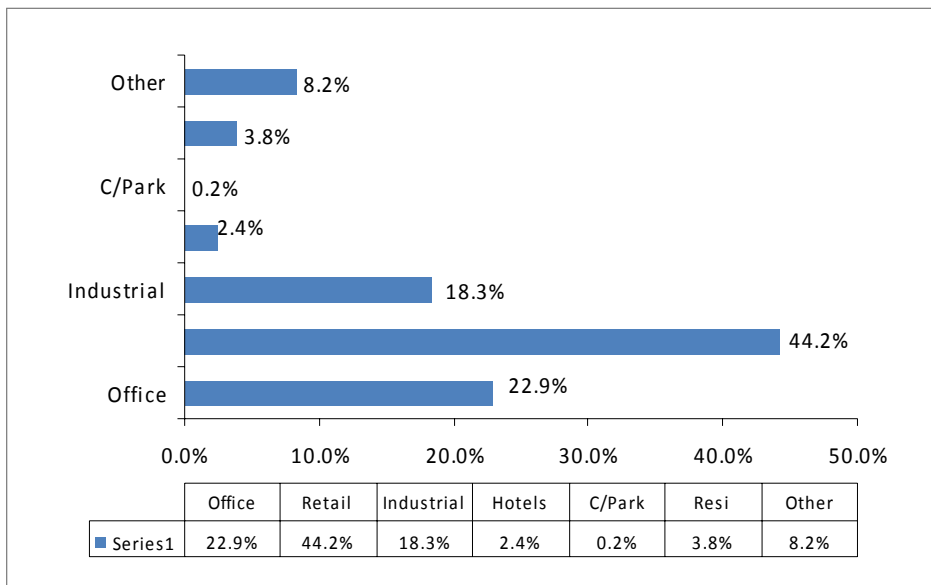
FirstWrap

Macquarie Wrap Solutions

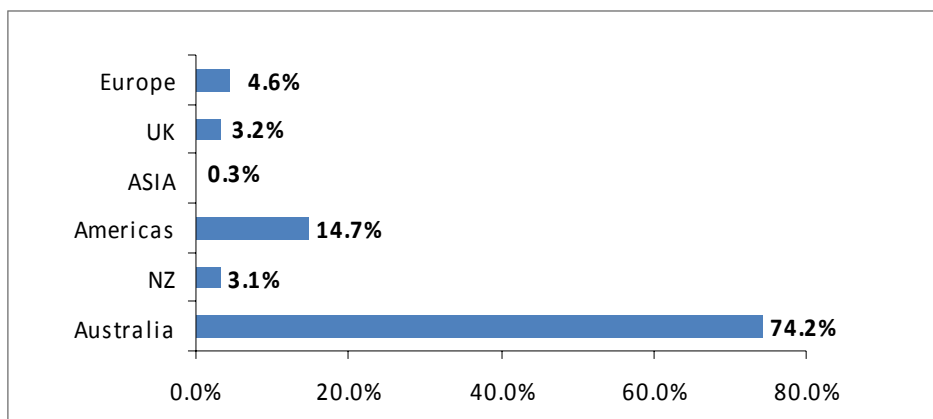
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Maxim Property Securities Fund-Exposures as at 30 September 2009



Maxim Property Securities Fund-Geographic Exposures as at 30 September 2009



Contact Details

For additional information about the Maxim Property Securities Fund, or for more information on Maxim Asset Management, please contact us:

Phone: 02 8904 0163

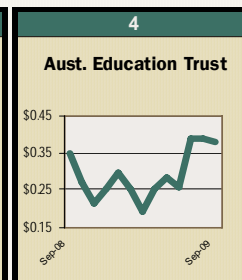
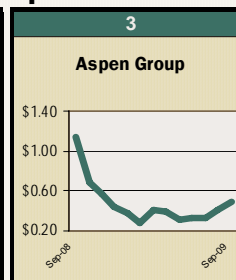
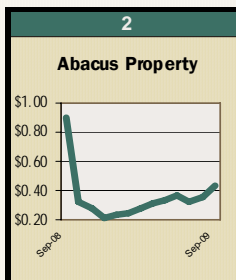
Email: info@maximam.com.au

September, 2009

ExcelUser.com

A-REIT Securities - Monthly Charts from 30 September 2008

1	
Maxim PSF	
Listed Securities Held	12
Unlisted Securities	2
Listed Securities	86.1%
Unlisted Securities	10.9%
Cash/Liquidity	3.0%
Total	100.0%

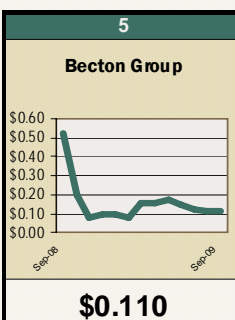


Closing Prices 31 August 2009

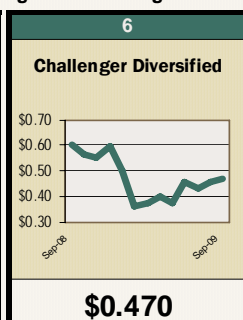
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\$0.495

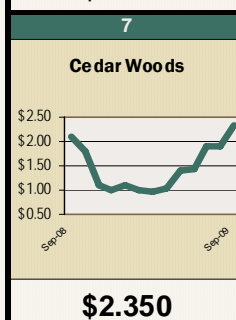
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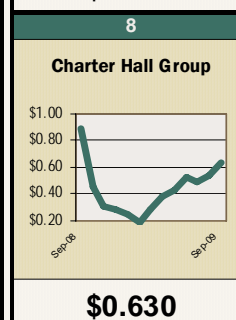
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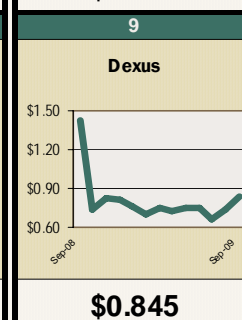
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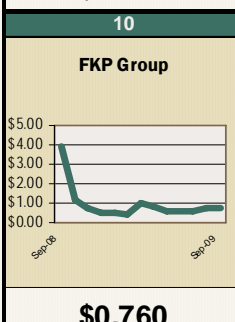
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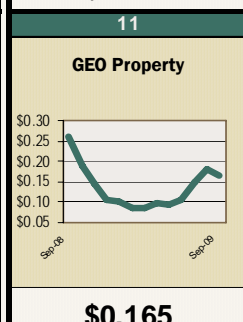
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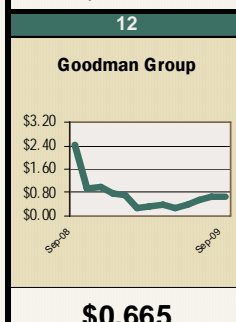
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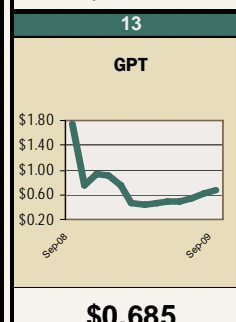
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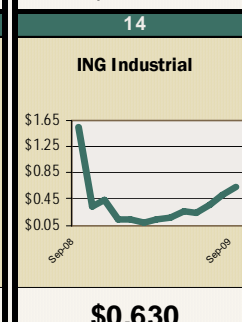
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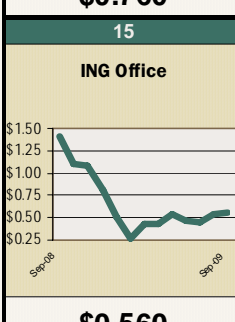
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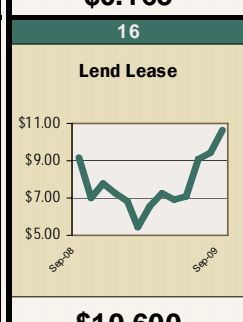
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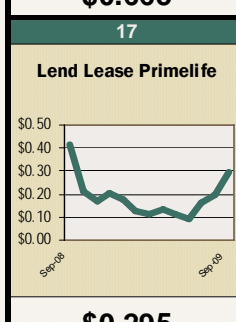
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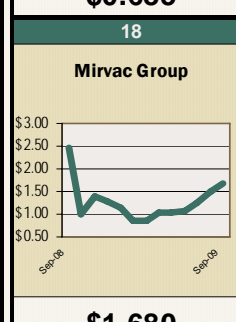
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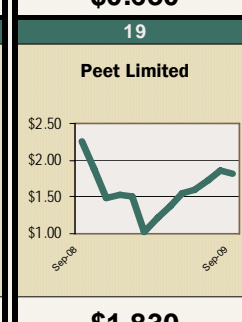
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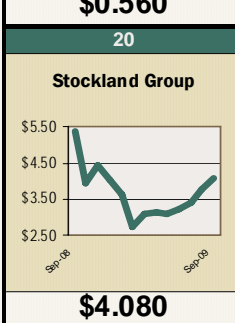
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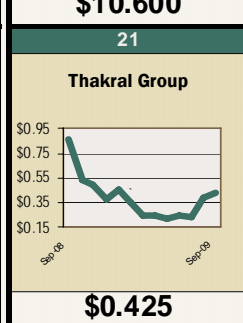
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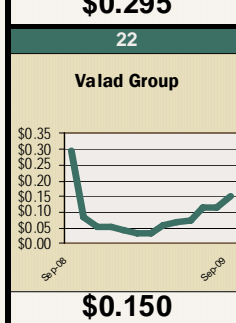
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\$4.080



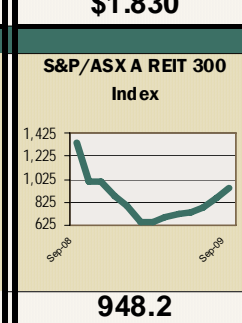
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\$0.150



\$13.900



948.2

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