

MAXIM ASSET MANAGEMENT – A NEW NAME, NEW LOWER FEES AND STRONG PERFORMANCE

Name Change

Maxim Asset Management is pleased to announce it has completed a rebranding exercise following its acquisition in April 2014 by Folkestone, the ASX listed (ASX Code: FLK) real estate fund manager and developer.

Maxim Asset Management has changed its name to Folkestone Maxim Asset Management and the two funds it manages, the Maxim Property Securities Fund and the Maxim Income Fund have changed their names to the Folkestone Maxim A-REIT Securities Fund and the Folkestone Maxim Income Fund respectively.

Mr Winston Sammut, Managing Director of Folkestone Maxim Asset Management said “the name change reflects the full integration of Maxim Asset Management into Folkestone. Folkestone is a leading real estate funds manager and developer and Maxim is now able to leverage Folkestone's real estate expertise to further enhance its analysis of real estate markets and listed real estate securities and also Folkestone's strong distribution network, particularly in the private client market.”

New Fee Schedule for the Folkestone Maxim A-REIT Securities Fund

Folkestone Maxim is also pleased to announce that the management fees for the Folkestone Maxim A-REIT Securities Fund have been reduced. The total management cost is now 0.95% p.a. of the gross asset value of the Fund up to and including \$50 million plus 0.85% p.a. of the gross asset value of the Fund in excess of \$50 million. This compares to the previous fees of 1.5% p.a. of the net asset value of the Fund up to \$10 million and 1.4% p.a. of the net asset value of the Fund above \$10 million. These fees show the net effect of GST (i.e. inclusive of GST less the available reduced input tax credits (RITC)).

Performance the Folkestone Maxim A-REIT Securities Fund to 31 May 2014

	1 Month %	1Year %	3 Years %	5 Years %
Fund Performance (After Fees Before Tax) ¹	1.23	9.15	13.33	16.14
S&P/ASX 300 A-REIT Accumulation Index	0.05	6.46	13.65	14.60
Value-add (After Fees Before Tax)¹	1.18	2.69	-0.32	1.54

1. The Fund's After Fees Before Tax performance reflects the higher management fee structure that was in place between October 2005 and May 2014. The new lower fee structure came in to effect on the 16th May 2014.

Mr Winston Sammut said “the Folkestone Maxim A-REIT Securities Fund has generated strong performance and outperformed its benchmark. As a high conviction, benchmark unaware manager, we believe that actively managed A-REIT securities funds can generate attractive risk-adjusted returns for investors, especially for investors looking for sustainable yield based investments.”

Outlook on the A-REIT Market

Mr Sammut said “At current levels and on a number of metrics, the A-REIT sector may be considered overvalued. However, given cash rates remain at historically low levels, distributions are due to be paid for the June quarter and investors continue to chase yield, we expect the A-REIT sector will continue to remain buoyant for some time to come.”

“The A-REIT sector remains a buzz with corporate activity. Stockland recently announced a bid for Australand, which has seen Frasers Centrepoint, a Singapore listed REIT, come in over the top and offer a higher, all cash bid for Australand. At the same time, the vote for the Westfield Retail Trust restructure has been adjourned until 20 June. We expect corporate activity will continue to be a theme for the remainder of 2014” said Mr Sammut.

Mr Adrian Harrington, Head of Funds Management at Folkestone said “There is no question that the weight of money flowing in both Australian direct and listed real estate from overseas investors, particularly from Asia, will continue. Australia is seen as a safe haven given its high transparency, its quality legal title system and our yields offer a premium to yields in most other major markets. Competition for direct real estate assets will intensify as the major A-REITs compete against foreign capital. Also, we expect that Frasers Centrepoint will not be the last Asian based group to make a corporate play for either an A-REIT or an Australian real estate funds management platform.”

WINSTON SAMMUT

Managing Director
Folkestone Maxim Asset Management

ADRIAN HARRINGTON

Head of Funds Management
Folkestone Limited

About Folkestone

Folkestone (ASX:FLK) is an ASX listed real estate funds manager and developer providing real estate wealth solutions. Folkestone’s funds management platform, with more than \$765 million under management, offers listed unlisted real estate funds to private clients and select institutional investors, while its on balance sheet activities focus on value-add and opportunistic (development) real estate investments. Folkestone Maxim Asset Management, a wholly owned subsidiary of Folkestone, specialises in the management of A-REIT securities and real estate debt funds.

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