



# Folkestone

MAXIM ASSET MANAGEMENT

**MEDIA RELEASE**

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## **FOLKESTONE MAXIM A-REIT SECURITIES FUND – BEST PERFORMING A-REIT MANAGER FOR THE 2015 FINANCIAL YEAR**

Folkestone Maxim Asset Management is pleased to advise that the Folkestone Maxim A-REIT Securities Fund (“the Fund”) was the best performing A-REIT securities fund in the Morningstar Australian Institutional Sector Survey of A-REIT managers for the 2015 financial year. The Fund delivered a return of +21.4% (pre-fees, pre-tax) to its investors compared to the median manager return of +19.8% and the benchmark return of +20.3%<sup>1</sup>.

Over the period, the Fund benefited from Folkestone Maxim’s disciplined high conviction investment process, combined with its in depth fundamental research realising higher exposure to securities in the real estate related social infrastructure sector, investment manager/developers sector and an exposure to A-REITs outside the S&P/ASX A-REIT 300 Index.

Mr. Winston Sammut, Managing Director, Folkestone Maxim Asset Management said “Folkestone Maxim A-REIT Securities Fund’s number 1 ranking confirms our view, that a high conviction active investment approach can add value, given the composition of the Index and the strong inflows from equity managers and global hedge fund managers chasing the yields from the larger market cap A-REITs. This has created some mis-pricing opportunities which the Fund has been able to take advantage of during the year”.

The returns from the A-REIT sector have been attractive and looking ahead, with the current low level of interest rates and equities prices, A-REITs and commercial real estate continue to be well supported. The upcoming reporting period is likely to deliver higher asset values flowing through to higher NTA’s for the A-REITs, as a result of cap-rate compression off the back of increased demand from offshore/local investors for quality assets.

Mr. Sammut said “we continue to favour those A-REITs with exposure to the industrial and social infrastructure sectors, and those securities with quality management and relative attractive yields that have the ability, based on active management of their portfolio, to drive income growth. We believe yield will continue to remain relevant as an investment attribute in the year ahead.”

### **WINSTON SAMMUT**

Managing Director

Folkestone Maxim Asset Management

### **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 \$870 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.

### **About Folkestone Maxim**

Folkestone Maxim Asset Management is a wholly owned subsidiary of Folkestone and specialises in the management of A-REIT securities.

<sup>1</sup> S&P/ASX300 A-REIT Index