

3 April, 2014

FOLKESTONE ACQUIRES MAXIM ASSET MANAGEMENT

Folkestone (ASX:FLK) is pleased to announce the acquisition of Maxim Asset Management (Maxim), a boutique real estate funds management business that specialises in investing in listed real estate securities and high yield real estate debt.

Maxim was co-founded by Winston Sammut in 2003. Winston has more than 30 years' experience in investment management, including more than 10 years in investing in listed real estate securities.

Maxim manages the Maxim Property Securities Fund which invests in Australian listed real estate securities and the Maxim Income Fund which provides finance at the senior-subordinated level to non-bank commercial real estate lending platforms.

Greg Paramor, Folkestone's Managing Director said "we are delighted to be acquiring Maxim Asset Management and for Winston to join our team. Maxim, with its real estate securities fund and high yield real estate debt fund, compliments Folkestone's existing real estate funds management platform that currently offers listed REITs and unlisted income and development funds¹."

"Folkestone is committed to providing real estate wealth solutions to private clients and select institutions and Maxim allows us to broaden our platform of real estate investment opportunities for our clients. The continued growth of superannuation will generate additional demand for real estate including listed real estate securities funds and real estate debt funds" said Mr Paramor.

Winston Sammut, Managing Director of Maxim said "Folkestone's extensive distribution network and senior management's previous experience at Paladin and James Fielding in raising capital for listed real estate securities funds and real estate debt funds will assist Maxim to further grow its funds under management."

"Maxim is an active manager of listed real estate securities funds and we have a strong track record in outperforming the S&P/ASX 300 A-REIT Index². Folkestone is a leading real estate funds manager and developer and Maxim will be able to leverage from Folkestone's real estate expertise to further enhance its analysis of Australian real estate markets and listed real estate securities" said Mr Sammut.

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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 and unlisted funds to private clients, high net worth individuals and institutional investors with its on balance sheet activities focus on value-add and opportunistic real estate developments. For further information visit www.folkestone.com.au.

1. Folkestone's Real Estate Funds Management Platform Post Acquisition of Maxim

	PUBLIC MARKETS	PRIVATE MARKETS
EQUITY	<p>Listed A-REITs</p> <p>Australian Education Trust (ASX: AEU) Australian Social Infrastructure Fund (ASX: AZF)</p> <p>A-REIT Securities Funds</p> <p>Maxim Property Securities Funds</p>	<p>Income Funds</p> <p>Sydney Olympic Park Wollongong Altona North Oxley CIB</p> <p>Development Funds</p> <p>West Ryde</p>
DEBT		<p>High Yield Debt Funds</p> <p>Maxim Income Fund</p>

2. Maxim Property Securities Fund Performance vs Index

Returns to 31 March 2014	1 year %	5 Years % p.a.
Maxim Property Securities Fund (Pre Fees)	9.35	18.87
Maxim Property Securities Fund (Post Fees)	7.95	17.37
S&P/ASX 300 A-REIT Acc Index (Pre Fees)	4.96	15.68
Outperformance (Pre Fees)	+4.39	+3.19
Outperformance (Post Fees)	+2.98	+1.68

Source: Maxim Asset Management and S&P/ASX 300 A-REIT Accumulation Index