

**April 2014 Report**

**Fund Performance to 30 April 2014**

	Apr 2014 %	6 Months %	1 Year % p.a.	3 Years % p.a.	5 Years % p.a.	7 Years % p.a.	Since Inception % p.a.
<b>Maxim Property Securities Fund</b>							
Growth Return	+4.18	+2.16	+0.05	+7.05	+9.36	-8.00	-4.23
Income Return	+0.00	+2.36	+4.61	+5.65	+7.37	+3.77	+4.97
<b>Total Return (After Fees but Before Tax)*</b>	<b>+4.18</b>	<b>+4.52</b>	<b>+4.66</b>	<b>+12.70</b>	<b>+16.73</b>	<b>-4.23</b>	<b>+0.74</b>
S&P/ASX 300 A-REIT Accumulation Index	+5.63	+4.53	+2.51	+13.62	+15.55	-5.49	-0.25
<b>Value Add</b>	<b>-1.45</b>	<b>-0.01</b>	<b>+2.15</b>	<b>-0.92</b>	<b>+1.18</b>	<b>+1.26</b>	<b>+0.99</b>

(Past performance is not an indication of future performance)

**Market Review**

Economic growth decelerated in the United States in the March quarter, likely impacted by the harsh winter and the cold start to spring as April's data releases saw a surge in auto sales in the March quarter, consistent with activity strengthening heading into the June quarter. Looking over the rest of 2014 and into 2015, household consumption in the US is likely to be supported by continuing employment growth as well as improved balance sheets.

In Australia, the Reserve Bank of Australia (RBA) kept rates on hold at 2.5% for a 7<sup>th</sup> consecutive month stating that monetary policy is appropriately configured to foster sustainable growth in demand and inflation outcomes consistent with target.

The Aussie Dollar rose 0.2% in April closing at US\$0.9288. The Yield on 90 Day Bank Bills rose 2 basis point to 2.67% whilst the yield on 10 Year Bonds fell 14 basis points ending at 3.86%. The S&P/ASX 300 A-REIT Accumulation Index rose 5.6% outperforming the broader equity market's rise of 1.8% over the month. For the year ended 31 April 2014, the A-REIT Index returned 2.5% compared to the broader market's return of 10.5%.

The gap between best to worst performing stock, in the S&P/ASX 300 A-REIT Index was 11.0% with National Storage Group rising 9.9% whilst last month's best performer, Ingenia Group, fell 2.0%. April's 5 best and worst index stocks are listed below:

April 5 Best Index Movers %		April 5 Worst Index Movers %	
National Storage	9.9	Ingenia Group	-2.0
Aspen Group	9.3	Apn Property Group	-1.8
Charter Hall Retail	7.8	Arena REIT	0.0
BWP Trust	7.3	Aveo Group	0.5
GPT Group	7.1	360 Cap Indust Fund	0.9

Source: IRESS

**Activity**

The Board of Australand (ALZ) rejected a scrip bid for the company made by the Stockland Group which valued the shares at \$4.20. This was based on SGP's closing share price of \$3.78 when the offer was made as the ratio was

1.111 shares in Stockland for each share in ALZ. The offer was subject to due diligence being carried out.

The Challenger Group made an off-market (final and unconditional) takeover bid for the 41% balance of Challenger Diversified Property Trust it did not own at \$2.74 per unit, a 1% premium to Net tangible Asset Backing.

During April, the Blackstone Group acquired a 50% interest in 275 Kent Street, Sydney from the Mirvac Group (MGR) on a yield of 6.7%. Also in Sydney, an office building situated at 59 Goulburn Street was sold by the Charter Hall Office Fund to Roxy Pacific Holdings Ltd for \$90m and a yield of 7.3%. APPF (Lend Lease) and the Abu Dhabi Investment Authority sold the CP3 Tower in Brisbane to Pembroke Real Estate for \$122m on a yield of 6.4%.

In Melbourne, the Cohen Family bought the Block Arcade (retail) for \$90m from the Kearney Family and in Coomera, Charter Hall Retail bought the Coomera City Centre for \$59m on a yield of 7.4%. Over in Perth, the Aspen Group sold its Septimus Roe building at 256 Adelaide Terrace for \$96m to the Far East Organisation on a 9.5% yield.

On the leasing front, in Melbourne, UBS leased 4,800sqm of office space at 8 Exhibition Street from GPT, whilst also in Melbourne, Growthpoint Properties (GOZ) leased 13,625sqm of industrial space to Peter Stevens Motorcycles for a term of 10 years.

In Brisbane, 4,000sqm of office space was leased at 480 Queen Street by Grocon for an 8 year term.

There were no capital raisings in the A-REIT sector in April whilst buy-back activity was quiet with the only GPT active participant over the April period.

**Sector Valuation**

The A-REIT sector ended the month on a 2.5% discount to Net Asset Value, a 17.5% premium to Net Tangible Assets and a FY14 Yield of 5.5%.



## Maxim Property Securities Fund (MPSF)

ARSN 116 193 563

APIR Code COL0001AU

The Fund returned +4.18% in April (on an After Fee but before Tax basis) underperforming the Benchmark which returned +5.63%. Over the 5 year period ended 30 April 2014, the Fund has returned +16.73% outperforming its Benchmark (S&P/ASX 300 A-REIT Accumulation Index by 1.18%, whilst, since inception (15 October 2005), the Fund has outperformed its Benchmark by 0.99%. (Please refer to Page 1 for more detailed comparisons over a number of time frames).

Positive contributions to returns came from the Fund's exposure to Folkestone Ltd (FLK), the Australian Social Infrastructure Fund (AZF) and Dexus Property Group (DXS) which rose 10.5%, 1.2% and 7.1% respectively.

Detracting from returns were underweight exposures to the GPT and Westfield (WDC) groups as well as being underweight Federation Centres (FDC) and Charter Hall Retail which returned 7.1%, 6.8% and 5.5% respectively.

The portfolio comprised of a portfolio exposure of 96.4% representing 17 ASX listed securities at April month end. Exposure to unlisted property was 0.1%, whilst Cash/liquidity made up the balance of 3.5% of the portfolio.

### Top 5 Holdings (By Portfolio Weight)

Westfield Group  
Australian Social Infrastructure Fund  
Stockland Group  
Westfield Retail Trust  
Goodman Group

### Ratings: 3 3/4 Stars



### Maxim PSF Unit Price

#### As at 31 April 2014

NAV: \$0.6081

BUY: \$0.6096

SELL: \$0.6066

### Distribution Frequency

#### Paid Quarterly

(As at end of March, June September and December)

### Maxim PSF Distributions paid last 12 Months

30 June 2013 0.7933 cents per Unit

30 September 2013 0.6098 cents per Unit

31 December 2013 0.8369 cents per Unit

31 March 2014 0.5670 cents per Unit

12 Month Total 2.8070 Cents per Unit

### Suggested minimum investment timeframe-

At least 3 Years-Preferably 5 Years and longer

### Platforms

#### Macquarie Wrap Solutions



#### Symetry

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