

March 2014 Report

Fund Performance to 31 March 2014

	Mar 2014 %	6 Months %	1 Year % p.a.	3 Years % p.a.	5 Years % p.a.	7 Years % p.a.	Since Inception % p.a.
Maxim Property Securities Fund							
Growth Return	-1.92	-0.05	+3.00	+5.41	+9.48	-8.31	-4.76
Income Return	+0.95	+2.40	+4.94	+5.62	+7.89	+3.87	+5.01
Total Return (After Fees but Before Tax)*	-0.97	+2.35	+7.94	+11.03	17.36	-4.44	+0.25
S&P/ASX 300 A-REIT Accumulation Index	-1.58	+1.57	+4.96	+11.68	+15.68	-5.78	-0.90
Value Add	+0.61	+0.78	+2.98	-0.65	+1.68	+1.34	+1.15

(Past performance is not an indication of future performance)

Market Review

In the USA, the Federal Reserve announced that from April, its securities purchases would be further reduced by \$10bn a month to a new (reduced) monthly total of \$55bn. At the same time, Chairperson Janet Yellen indicated that rate rises would commence 6 months after the end of quantitative easing, taken by most to mean at least 2015 before seeing upward pressure on interest rates.

In Australia, the Reserve Bank of Australia (RBA) once again kept rates on hold at 2.5% with the Governor Glen Stephens saying that non-mining growth was responding to lower interest rates.

The Aussie Dollar rose 3.4% in March closing at US\$0.9266. The Yield on 90 Day Bank Bills rose 3 basis point to 2.65% whilst the yield on 10 Year Bonds rose 15 basis points closing at 4.08%. The S&P/ASX 300 A-REIT Accumulation Index fell 1.6% underperforming the broader equity market which rose 0.3% over the month. For the year ended 31 March 2014, the A-REIT Index returned 5.0% compared to the broader market's return of 13.5%.

The gap between best to worst performing stock for the month, in the S&P/ASX 300 A-REIT Index was 14.4% with Ingenia Group appreciating 8.6% whilst the Astro Japan Property Group fell 5.8%. The month's 5 best and worst index stocks are listed below:

March Five Best Index Movers	%	March Five Worst Index Movers	%
Ingenia Group	8.6	Astro Jap Prop Group	-5.8
Australand Property	7.9	Industria REIT	-5.2
360 Cap Indust Fund	7.1	Westfield Retail Tst	-4.2
Australian Education	7.0	CFS Retail Trust Grp	-4.1
Villa World Ltd.	6.5	Mirvac Group	-3.7

Source: IRESS

Activity

CapitalLand sold out of its remaining investment in Australand (39.1%) in March with Stockland Group (SGP) picking up a 19.9% strategic stake in Australand (ALZ). Subsequent to this transaction, ALZ upgraded its EPS growth guidance to 17-20% and DPS guidance to +19% to

25.5cents driven by positive conditions in the residential sector as well as breaking out of the money interest rate swaps. Other major news during the month included Dexus Property Group (DXS) compulsorily acquiring the remaining outstanding units in Commonwealth Property Office Fund (CPA). Charter Hall Group's Office Fund acquired a 50% stake in the Adelaide ATO building for around \$100m.

The previously announced acquisition by Goodman Group (GMG) of BR Properties Brazilian industrial portfolio fell through in March. In the UK, Westfield Group (WDC) announced having sold 3 UK shopping centres (Derby, Merry Hill and Sprucefield) for STG597m to Intu Properties whilst also announcing having acquired funding commitments for \$22bn required for the proposal to establish Westfield Corporation and SCentre Group.

GPT's Wholesale Shopping Centre Fund Shopping Centre Fund acquired a 50% stake in the Northland Shopping Centre for \$496m on a cap rate of 5.8% from the Canada's CPPIB. The Aveo Group (AOG) sold 3 of the 4 remaining residential developments sites at Gasworks, in Newstead Brisbane for \$40m which was above book value. CorVal acquired a Cold Storage development site in Truganina, Sydney for \$80m on a yield of 8.0% whilst Meriton acquired 84 -92 Epton Road, Zetland for \$48m from Goodrich Control Systems.

On the leasing front, Australia Post leased 10,000sqm of office space from CPA at 180 Lonsdale Street, Melbourne for a term of 10 years at \$440/sqm. In Brisbane, Corrs Chambers Westgarth leased 6,000sqm of office space from GPT's 111 Eagle Street for a 15 year term. Comfresh Marketing leased 3,238sqm of industrial space also from GPT at 14-22 Kaura Avenue, Adelaide.

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

Sector Valuation

Based on Maxim's metrics the A-REIT sector ended the month on a 7% discount to NAV, a 10.8% premium to NTA and a FY14 Yield of 5.9%.



Maxim Property Securities Fund (MPSF)

ARSN 116 193 563
APIR Code COL001AU

Over March, the Fund returned -0.97% on an After Fee but before Tax basis, outperforming the Benchmark return of -1.58%. Over the 5 year period ended 31 March 2014, the Fund has returned +17.37% outperforming its Benchmark (S&P/ASX 300 A-REIT Accumulation Index by 2.04%, whilst, since inception (15 October 2005), the Fund has outperformed its Benchmark by 1.15%. (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 the Australian Social Infrastructure Fund (AZF), 360 Capital Industrial Fund (TIX) and Australian Education Trust (AEU) which rose 2.1%, 7.1% and 7.0% respectively.

The Fund's exposure to Carindale Property Trust detracted from returns as well as its exposure to the Mirvac Group (MGR). A zero exposure to Australand Property Group (ALZ) also detracted from returns as the stock reacted positively to the announcement by Stockland Group (SGP) that it had acquired a 19.9% stake in the company.

At March month end, the portfolio comprised of 18 ASX listed securities with a portfolio exposure of 98.8%. Exposure to unlisted property stood at 0.1%, whilst cash/liquidity made up 1.1% of portfolio exposure.

Top 5 Holdings (By Portfolio Weight)

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

Ratings: 3³/₄ Stars



Maxim PSF Cum Distribution Unit Price As at 31 March 2014

NAV: \$0.5894
BUY: \$0.5909
SELL: \$0.5879

31 March 2014 Distribution 0.567008 Cents per Unit

Maxim PSF Ex Distribution Unit Price As at 31 March 2014

NAV: \$0.5837
BUY: \$0.5852
SELL: \$0.5879

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

BEACON

Macquarie Wrap Solutions

MLC Masterkey Custom

netwealth[®]
Investment & Superannuation

Symetry

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