



Charter Hall Maxim Property Securities Fund Report July 2019

PERFORMANCE

	July %	3 Months %	1 Year % p.a.	3 Years % p.a.	5 Years % p.a.	10 Years % p.a.	Since Inception % p.a.*
Growth Return	+1.53	+7.34	+15.93	+5.35	+10.61	+9.18	+2.32
Income Return	+0.00	+0.73	+4.48	+3.76	+3.95	+6.06	+3.82
Total Return (after fees but before tax) **	+1.53	+8.07	+20.41	+9.11	+14.56	+15.24	+6.14
S&P/ASX 300 A-REIT Accumulation Index	+2.61	+9.35	+21.34	+7.49	+13.30	+14.06	+5.09
Value Add	-1.08	-1.28	-0.93	+1.62	+1.26	+1.18	+1.05

*Fund inception date October 2005. **Please note the Fund's management fee was reduced from 1.45% p.a. to 0.95% p.a. of the Fund's gross asset value up to \$50 million on the 16 May 2014. The Fund's gross asset value exceeded \$50 million on 2 May 2018 therefore the tiered rate of fees has been applied since that date. The Fund's after fees but before tax performance only reflects the new management fees from these dates. Past performance is not an indicator of future performance.

FUND OVERVIEW

Fund Objective	Outperform the S&P/ASX 300 A-REIT Accumulation Index by 1.5% p.a. over rolling 3-year periods
Fund Size	\$139.6 million
Status	Open
Fund Maturity	Open Ended
Fund Inception Date	October 2005
Investment Horizon	3-5 Years
Distribution Frequency	Quarterly
Minimum Investment	\$5,000
Pricing	Daily
Buy/Sell Spread	+0.25%/-0.25%
Total MER	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.
SIV Compliant	Yes
ARSN	116 193 563
APIR Code	COL0001AU

PLATFORMS

Asgard, Colonial First State FirstWrap, BT Panorama, BT Wrap HUB24, Macquarie Wrap Solutions, Netwealth, IOOF Pursuit Powerwrap, Symetry, uXchange

MARKET OVERVIEW

The S&P/ASX 300 A-REIT Accumulation Index returned +2.6% for the month of July, underperforming the Australian equities market (S&P/ASX 300 Accumulation Index) by 0.4%.

The best A-REIT performers over the month were Stockland (SGP) which delivered a +9.6% return and Aventus Retail Property Fund (AVN) which delivered a return of +7.9%. The worst A-REIT performers over the month were National Storage REIT (NSR) which delivered a -6.3% return and Goodman Group (GMG) which delivered a return of -1.5%.

July featured a further 25bp cut to the official rate by the RBA, which is the first time since 2012 that the Board has cut in consecutive months. US and domestic bond rates were volatile during the month, but both eventually ended July at twelve-month lows, which in turn was supportive for prices of A-REIT securities.

Recent market data shows continued strength in the office and industrial sectors, albeit with moderating net effective rental growth in the Sydney office market, after two strong years of growth. Online retail continues to prove challenging for discretionary retail store owners. Capital, from both domestic and offshore investors continues to flow into the office and industrial sectors, while transaction activity in the retail sector has slowed.

Ongoing opportunities remain for above average returns in select alternative property sectors such as childcare centres, rural property and seniors living. Typically, these sectors are supported by a strong thematic which is having a positive effect on supply and demand and hence occupancy levels and asset valuations.



WINNER 2018
PROPERTY
A-REITs



WINNER 2019
PROPERTY
A-REITs

FUND MONTHLY PERFORMANCE

In July the Fund returned +1.53% (after fees but before tax basis), underperforming the Fund's Benchmark (S&P/ASX 300 A-REIT Accumulation Index) return of +2.61% by 1.08%.

Positive contributions to returns during the month came from the Fund's overweight holdings in Centuria Capital (CNI +10.2%), Eureka Group Holdings (EGH, +11.5%), and Investec Australia Property Fund (IAP, +5.5%). Negative contributions to returns during the month came from zero exposures in Stockland (SGP +9.6%), Vicinity Centres (VCX +6.5%) and Charter Hall Group (CHC +4.5%).

TOP 5 ACTIVE OVERWEIGHTS

Lifestyle Communities (LIC)
Centuria Metropolitan REIT (CMA)
Rural Funds (RFF)
APN Industria REIT (ADI)
Charter Hall Education Trust (CQE)

SECTOR ALLOCATION

Sector Allocation	Fund	Index ¹	Difference
Developers & Managers	7.5%	0.0%	+7.5%
Property Related Entities	5.7%	0.0%	+5.7%
Specialised A-REITs	8.2%	3.9%	+4.3%
Industrial A-REITs	19.0%	18.6%	+0.4%
Office A-REITs	13.8%	13.5%	+0.3%
Diversified A-REITs	24.0%	33.7%	-9.7%
Retail A-REITs	19.3%	30.3%	-11.0%
Cash	2.5%		

¹S&P/ASX 300 A-REIT INDEX

RESEARCH RATINGS



Overall rating out of 120
Equity Australia Real
Estate funds as of 30
June 2019.

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