



Charter Hall Maxim Property Securities Fund Report May 2019

PERFORMANCE

	Month %	3 Months %	1 Year % p.a.	3 Years % p.a.	5 Years % p.a.	10 Years % p.a.	Since Inception % p.a.*
Growth Return	+1.02	+2.67	+12.98	+5.80	+10.54	+8.98	+1.91
Income Return	+0.00	+1.10	+3.80	+4.09	+4.06	+6.38	+3.78
Total Return (After Fees but Before Tax) **	+1.02	+3.77	+16.78	+9.89	+14.59	+15.36	+5.69
S&P/ASX 300 A-REIT Accumulation Index	+2.30	+6.00	+17.22	+8.22	+13.63	+14.11	+4.64
Value Add	-1.28	-2.23	-0.44	+1.67	+0.96	+1.25	+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	\$120.8 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 2.3% for the month of May, outperforming the Australian equities market (S&P/ASX 300 Accumulation Index) by 0.6%.

The best A-REIT performers over the month were Stockland (SGP) which delivered a 17.5% return and Mirvac (MGR) which delivered a return of 7.1%. The worst A-REIT performers over the month were Unibail Rodamco Westfield (URW) which delivered a -11.4% return and National Storage (NSR) which delivered a return of -6.7%.

During the month, APRA announced its intention to reduce current restrictions on housing finance. This news, coupled with the Federal Election result and expected continuation of negative gearing policies, provided a boost to housing sentiment. Auction clearance rates were stronger in May and listed residential developers delivered strong share price performance.

Current market fundamentals continue to point to a strong environment for office and logistics. In contrast, the growth in online retail is proving challenging for discretionary retail store owners.

In addition, we believe there are real opportunities 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.



FUND MONTHLY PERFORMANCE

For the month of May 2019, the Fund returned +1.02% (on an After Fee but Before Tax basis), underperforming the Fund's Benchmark (S&P/ASX 300 A-REIT Accumulation Index) return of +2.30% by 1.28%.

Positive contributions to returns during the month came from the Fund's overweight holdings in Lifestyle Communities Ltd (LIC +17.3%), Australian Unity Office Fund (AOF +2.6%) and Centuria Metropolitan REIT (CMA, +3.5%).

Negative contributions to returns during the month came from zero exposure in Stockland (SGP +17.5%) and Charter Hall (CHC +5.4%) and an underweight exposure to Dexus (DXS +3.0%) whilst we are in the process of building our exposure in the security.

TOP 5 ACTIVE OVERWEIGHTS

Australian Unity Office Fund (AOF)

Lifestyle Communities (LIC)

Rural Funds (RFF)

Charter Hall Education Trust (CQE)

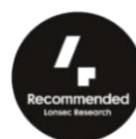
APN Industria REIT (ADI)

SECTOR ALLOCATION

Sector Allocation	Fund	Index ¹	Difference
Retail A-REITs	20.4%	31.6%	-11.2%
Office A-REITs	17.9%	13.8%	+4.1%
Industrial A-REITs	20.1%	17.9%	+2.2%
Diversified A-REITs	18.1%	32.8%	-14.7%
Specialised A-REITs	10.0%	3.9%	+6.1%
Developers & Managers	7.1%	0.0%	+7.1%
Property Related Entities	5.6%	0.0%	+5.6%
Cash	0.8%		

¹S&P/ASX 300 A-REIT INDEX

RESEARCH RATINGS



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