

# Charter Hall Maxim Property Securities Fund May 2023

Charter Hall Property Securities Management Limited  
ACN 104 512 978 AFSL 238349

## PERFORMANCE

|  | May %        | 3 Months %   | 1 Year % p.a. | 3 Years % p.a. | 5 Years % p.a. | 10 Years % p.a. | Since Inception % p.a.* |
|--|--------------|--------------|---------------|----------------|----------------|-----------------|-------------------------|
| Growth Return                              | -0.4%        | -5.1%        | -11.0%        | +3.9%          | +1.5%          | +4.5%           | +1.7%                   |
| Income Return                              | +0.0%        | +0.5%        | +3.9%         | +3.5%          | +3.2%          | +4.3%           | +3.1%                   |
| Total Return (after fees but before tax) * | -0.4%        | -4.6%        | -7.2%         | +7.4%          | +4.8%          | +8.8%           | +4.8%                   |
| S&P/ASX 300 A-REIT Accumulation Index      | -1.8%        | -3.8%        | -3.6%         | +8.1%          | +4.4%          | +7.9%           | +3.9%                   |
| <b>Net Value Add</b>                       | <b>+1.4%</b> | <b>-0.8%</b> | <b>-3.6%</b>  | <b>-0.7%</b>   | <b>+0.4%</b>   | <b>+0.9%</b>    | <b>+0.9%</b>            |

\* 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 and thereafter 0.85% per annum. From 9 June 2021 the Fund's management fee has been reduced to a flat rate of 0.85% per annum. 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

|                               |  |
|-------------------------------|--|
| <b>Fund Objective</b>         | Outperform the benchmark, being the S&P/ASX 300 AREIT Accumulation Index by 1.5% p.a. (after fees) over rolling 3-year periods |
| <b>Fund Size</b>              | \$166.9 million (gross asset value)  |
| <b>Status</b>                 | Open   |
| <b>Fund Maturity</b>          | Open Ended   |
| <b>Fund Inception Date</b>    | October 2005   |
| <b>Investment Horizon</b>     | 3-5 Years  |
| <b>Distribution Frequency</b> | Quarterly  |
| <b>Minimum Investment</b>     | \$5,000  |
| <b>Pricing</b>                | Daily  |
| <b>Buy/Sell Spread</b>        | +0.25%/-0.25%  |
| <b>Total MER</b>              | 0.85% p.a. of the gross asset value of the Fund.   |
| <b>SIV Compliant</b>          | Yes  |
| <b>ARSN</b>                   | 116 193 563  |
| <b>APIR Code</b>              | COL001AU   |

## AREIT SECTOR UPDATE

The S&P/ASX 300 Property Accumulation index returned -1.8% in May, outperforming the S&P/ASX 200, which returned -2.5%. The strongest sector return during May was in the Office sector with an average return of +4.1%. Diversified A-REITs were the weakest at an average -3.4%. The best performing stock was HMC Capital (HMC) at +12.2%, while Unibail-Rodamco (URW) lagged at -13.4%.

There were a number of quarterly updates across the sector, with retail sales data showing the consumer is holding up better than expected. Abacus (ABP) provided more detail regarding the proposed stock de-stapling, while Hotel Property (HPI) upgraded FY23 guidance.

## FUND PERFORMANCE

The Fund returned -0.4% in May (after fees but before tax basis), outperforming the Fund's Benchmark (S&P/ASX 300 A-REIT Accumulation Index) return of -1.8%. Over the twelve months to May 2023 the Fund has returned -7.2% compared to the Benchmark return of -3.6%.

An underweight position in Vicinity Centres (VCX) added relative value during the month of May while an overweight in Lifestyle Communities (LIC) detracted relative value. We remain concerned about the impacts of rising rates and inflation on household finances, with an underweight to discretionary spend in mall operators.



**WINNER 2018**  
**PROPERTY**  
A-REITs



**WINNER 2019**  
**PROPERTY**  
A-REITs



## SECTOR ALLOCATION

| Sector Allocation     | Fund          | Index <sup>1</sup> | Difference  |
|-----------------------|---------------|--------------------|-------------|
| Diversified AREITs    | 30.4%         | 30.4%              | 0.0%        |
| Industrial AREITs     | 30.4%         | 28.5%              | 1.9%        |
| Retail AREITs         | 8.5%          | 26.0%              | -17.5%      |
| Office AREITs         | 8.1%          | 8.2%               | -0.1%       |
| Specialised AREITs    | 12.3%         | 6.9%               | 5.4%        |
| Developers & Managers | 9.1%          | 0.0%               | 9.1%        |
| Cash                  | 1.2%          | 0.0%               | 1.2%        |
| <b>Total</b>          | <b>100.0%</b> | <b>100.0%</b>      | <b>0.0%</b> |

<sup>1</sup>S&P/ASX 300 A-REIT Index

## PLATFORMS

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

## TOP 5 ACTIVE OVERWEIGHTS

|                                     |
|-------------------------------------|
| Eureka Group Holdings (EGH)         |
| Aspen Group (APZ)                   |
| Lifestyle Communities Limited (LIC) |
| NextDC Limited (NXT)                |
| Newmark Property REIT (NPR)         |

## RESEARCH RATINGS



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