

# Charter Hall Maxim Property Securities Fund June 2021

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

## PERFORMANCE

	June %	3 Months %	1 Year % p.a.	3 Years % p.a.	5 Years % p.a.	10 Years % p.a.	Since Inception % p.a.**
Growth Return	+5.1%	+11.0%	+33.9%	+7.5%	+5.5%	+8.3%	+2.9%
Income Return	+0.5%	+0.5%	+2.7%	+3.0%	+3.3%	+4.9%	+3.2%
Total Return (after fees but before tax) **	+5.6%	+11.5%	+36.6%	+10.5%	+8.8%	+13.2%	+6.1%
S&P/ASX 300 A-REIT Accumulation Index	+5.6%	+10.7%	+33.9%	+8.2%	+6.2%	+12.0%	+4.7%
Net Value Add	+0.0%	+0.8%	+2.7%	+2.3%	+2.6%	+1.2%	+1.4%

\* Rounding

\*\* 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>	\$219.7 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>	COL0001AU

## AREIT SECTOR UPDATE

The S&P/ASX 300 A-REIT Accumulation Index returned +5.6% during June, outperforming the Australian equities market (S&P/ASX 300 Accumulation Index) return of +2.3%. Over the past 12 months, AREITs returned +33.9%, outperforming the equities market return of +27.8%. Australian 10-year Government Bonds firmed 18bps over the month and 26bps over the quarter from 1.79% to 1.53%, providing a tailwind for the yield-sensitive real estate sector.

The best A-REIT performers over the month were Home Consortium (HMC) at +14.8% and Ingenia (INA) at +10%. Key underperformers were National Storage (NSR) at -2.7% and Cromwell Property (CMW) at -1.5%.

During FY21, Home Consortium (HMC) and Eureka Group (EGH) delivered the strongest returns at +103.0% and +89.7% respectively. The weakest returns during FY21 were delivered by Cromwell Property (CMW) at +5.0% and Waypoint REIT (WPR) at +6.7%.

Key news in the month included valuation updates from many AREITs, with overall assets revalued +5% higher for the six months to Jun-21. The industrial sector led the way up +12% following strong transaction activity. Office transactions are accelerating with pricing up +3%. Vicinity (VCX) valuations were down -1%. Neighbourhood retail and bulky goods retail assets are actively trading and saw +5 to +10% valuation uplifts. Low-income risk assets / long WALE assets are also in strong demand with valuations up +9%.



**WINNER 2018  
PROPERTY  
A-REITS**



**WINNER 2019  
PROPERTY  
A-REITS**



## FUND PERFORMANCE

The Fund returned +5.6% in June (after fees but before tax basis), in line with the Fund's Benchmark (S&P/ASX 300 A-REIT Accumulation Index) return of +5.6%. Over the twelve months to June 2021 the Fund returned +36.6%, outperforming the Benchmark return of +33.9%. A distribution of 0.5 cents per unit has been declared for the June 2021 Quarter to be paid on 9 July 2021. This takes the total distribution amount for the 12 months ending 30 June 2021 to 2.26 cents per unit.

An underweight holding in Scentre Group (SCG) added relative value during the month of June while a zero weight in Home Consortium (HMC) detracted relative value.

During financial year 2021, the Fund benefitted from overweight positions in Eureka Group (EGH +89.7%) and Lifestyle Communities (LIC +65.6%). A negative contribution to annual returns came from a zero weight in both Home Consortium (HMC +103.0%) and Arena REIT (ARF +71.1%).

## SECTOR ALLOCATION

Sector Allocation	Fund	Index <sup>1</sup>	Difference
Diversified AREITs	34.2%	33.7%	0.5%
Industrial AREITs	24.9%	26.9%	-2.0%
Retail AREITs	13.1%	23.0%	-9.9%
Office AREITs	8.5%	10.7%	-2.2%
Specialised AREITs	7.0%	5.7%	1.3%
Developers & Managers	9.3%	0.0%	9.3%
Cash	3.0%	0.0%	3.0%
<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

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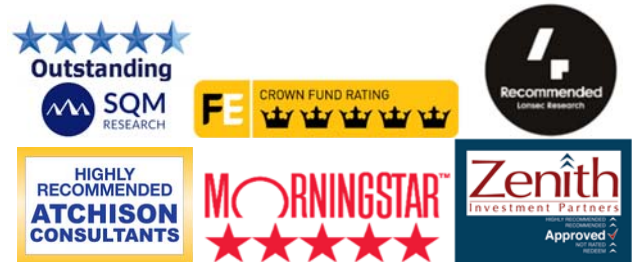
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## TOP 5 ACTIVE OVERWEIGHTS

Lifestyle Communities Limited (LIC)
Eureka Group Holdings (EGH)
Waypoint REIT (WPR)
Rural Funds Group (RFF)
APN Convenience REIT (AQR)

## RESEARCH RATINGS



## PLATFORMS

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