

Charter Hall Maxim Property Securities Fund July 2021

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

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 | +1.4% | +8.8% | +36.1% | +7.9% | +4.8% | +8.8% | +3.0% |
| Income Return | +0.0% | +0.5% | +2.7% | +3.0% | +3.2% | +5.1% | +3.2% |
| Total Return (after fees but before tax) ** | +1.4% | +9.3% | +38.9% | +10.9% | +8.0% | +14.0% | +6.2% |
| S&P/ASX 300 A-REIT Accumulation Index | +0.5% | +7.9% | +33.7% | +8.1% | +5.2% | +12.8% | +4.7% |
| Net Value Add | +0.9% | +1.4% | +5.2% | +2.8% | +2.8% | +1.2% | +1.5% |

* 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

| | |
|-------------------------------|--|
| Fund Objective | Outperform the benchmark, being the S&P/ASX 300 AREIT Accumulation Index by 1.5% p.a. (after fees) over rolling 3-year periods |
| Fund Size | \$224.4 million (gross asset value) |
| 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 | 0.85% p.a. of the gross asset value of the Fund. |
| SIV Compliant | Yes |
| ARSN | 116 193 563 |
| APIR Code | COL0001AU |

AREIT SECTOR UPDATE

The S&P/ASX 300 A-REIT Accumulation Index returned +0.5% during July, underperforming the Australian equities market (S&P/ASX 300 Accumulation Index) return of +1.1%. Over the past 12 months, AREITs returned +33.7%, outperforming the equities market return of +29.1%.

July saw an extension of the Sydney lockdown which provided negative sentiment for retail and office focused A-REITs. Bonds firmed sharply over the month from 1.53% to 1.18% after reaching 1.91% in February 2021, providing a strong tailwind for the yield-sensitive real estate sector.

The best A-REIT performers over the month were Home Consortium (HMC) at +10.1% and National Storage (NSR) at +7.6%. Key underperformers were Ingenia (INA) at -5.7% and Stockland (SGP) at -5.6%.

The major news items during July were that GPT Group (GPT) withdrew guidance for CY21, given uncertainty in relation to the duration and impact of COVID-19-related lockdowns in Sydney and Melbourne. We expect other retail landlords may follow suit.

Strong revaluation news was received from Abacus (+5%) and Waypoint (+6%), while Stockland acquired the Land Lease Community Operator, Halcyon Group for \$620m.



**WINNER 2018
PROPERTY
A-REITs**



**WINNER 2019
PROPERTY
A-REITs**



FUND PERFORMANCE

The Fund returned +1.4% in July (after fees but before tax basis), outperforming the Fund's Benchmark (S&P/ASX 300 A-REIT Accumulation Index) return of +0.5%. Over the twelve months to July 2021 the Fund returned +38.9%, outperforming the Benchmark return of +33.7%.

An underweight holding in Scentre Group (SCG) added relative value during the month of July while an underweight in Goodman Group (GMG) detracted relative value.

SECTOR ALLOCATION

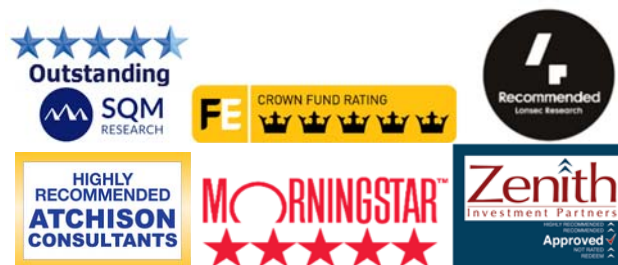
| Sector Allocation | Fund | Index ¹ | Difference |
|-----------------------|---------------|--------------------|-------------|
| Diversified AREITs | 32.0% | 33.0% | -1.0% |
| Industrial AREITs | 25.9% | 28.5% | -2.6% |
| Retail AREITs | 14.1% | 22.4% | -8.3% |
| Office AREITs | 8.8% | 10.4% | -1.6% |
| Specialised AREITs | 7.1% | 5.7% | 1.4% |
| Developers & Managers | 8.8% | 0.0% | 8.8% |
| Cash | 3.3% | 0.0% | 3.3% |
| Total | 100.0% | 100.0% | 0.0% |

¹S&P/ASX 300 A-REIT Index

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

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

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