

CHARTER HALL MAXIM PROPERTY SECURITIES FUND

ARSN 116 193 563

Interim financial report

For the half-year ended 31 December 2019

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Directors' Report

The directors of One Managed Investment Funds Limited (ABN 47 117 400 987), ("OMIFL" or the "Responsible Entity") the responsible entity of Charter Hall Maxim Property Securities Fund (ARSN 116 193 563) (the "Fund"), present their report together with the interim financial report of the Fund for the half year ended 31 December 2019.

Responsible Entity

The responsible entity of the Fund is OMIFL.

The registered office and principal place of business of the Responsible Entity is Level 11, 20 Hunter Street, Sydney, NSW 2000, Australia.

Directors and Senior Management

The following persons held office as directors and company secretaries of the Responsible Entity from 1 July 2019 to 31 December 2019:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary
Michael Sutherland	Executive Director (appointed as a director on 1 October 2019)
Justin Epstein	Non-Executive Director (resigned as a director on 1 October 2019)

Principal Activities

The Fund is a registered managed investment scheme domiciled in Australia.

The principal activity of the Fund is to invest funds in predominantly Australian listed real estate investment trusts (A-REITS) and property related securities in accordance with its investment objectives and guidelines as set out in the current Product Disclosure Statement and Additional Information Booklet (together the "PDS") and in accordance with the provisions of the Constitution.

The Fund did not have any employees during the period.

There has been no significant change in its activities other than disclosed in this report.

Review and Results of Operations

Results

The results of the operations of the Fund are disclosed in the Statement of Profit or Loss and Other Comprehensive Income in this report. The Fund's net operating profit for the half-year ended 31 December 2019 was \$1,749,187 (2018: \$862,946).

Distributions paid or payable in respect of the financial period were:

	Half-year ended			
	31 December 2019 \$	31 December 2019 CPU	31 December 2018 \$	31 December 2018 CPU
Distribution paid 30 September	1,098,511	0.75	445,666	0.54
Distribution payable 31 December	1,533,189	0.99	717,857	0.76
	2,631,700	1.74	1,163,523	1.30

Net Value of the Fund's Assets

The Fund's net assets were valued at \$159,742,816 as at 31 December 2019 (30 June 2019: \$133,723,888). The net asset value of the Fund is calculated by deducting the value of the liabilities of the Fund units from the value of the Fund's gross assets (excluding net assets attributable to unitholders).

The value of the Fund's assets as at the end of the financial period is disclosed in the Statement of Financial Position as total assets and the basis of valuation is included in Note 2 of the financial statements.

Directors' Report (continued)

Management Fees Paid and Payable

As stated in the PDS, the Responsible Entity charges a management fee of 0.95% of the gross asset value of the Fund up to and including \$50 million plus 0.85% of the gross asset value of the Fund in excess of \$50 million (inclusive of GST and net of any RITC). The fee accrues daily and is payable monthly in arrears out of the assets of the Fund to the investment manager of the Fund, Charter Hall Property Securities Management Limited (the "Investment Manager").

The following management fees were paid or payable to the Investment Manager out of the Fund's assets during the half-year ended 31 December 2019:

- Management fees of \$670,886 were incurred during the half-year ended 31 December 2019 (31 December 2018: \$350,946);
- Management fees of \$119,925 were payable as at 31 December 2019 (30 June 2019: \$93,680).

The costs of providing responsible entity, investment management, custodian, administration, registry and audit services to the Fund are paid out of the management fees referred to above.

Changes in State of Affairs

In the opinion of the directors of the Responsible Entity there were no significant changes in the state of affairs of the Fund that occurred during the financial period under review.

Events Subsequent to Balance Date

There have been no matters or circumstances that have significantly affected or may significantly affect the Fund.

Auditor

Bondy Mortimer, the previous auditor of the Fund, has resigned and following the approval of ASIC, PricewaterhouseCoopers has been appointed as auditor of the Fund, effective 30 January 2020.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s.307C of the *Corporations Act 2001* is included at page 4.

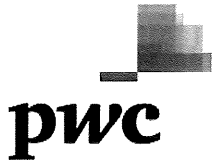
Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Frank Tearle
Director

10
__ March 2020



Auditor's Independence Declaration

As lead auditor for the review of Charter Hall Maxim Property Securities Fund for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads 'R. W. McMahon'.

R W McMahon
Partner
PricewaterhouseCoopers

Sydney
10 March 2020



Independent auditor's review report to the unitholders of Charter Hall Maxim Property Securities Fund

Report on the interim financial report

We have reviewed the accompanying interim financial report of Charter Hall Maxim Property Securities Fund (the Registered Scheme) which comprises the statement of financial position as at 31 December 2019, the statement of changes in equity, statement of cash flows and statement of profit or loss and other comprehensive income for the half-year ended on that date, selected other explanatory notes and the directors' declaration.

Directors of the Responsible Entity's responsibility for the interim financial report

The directors of the Responsible Entity of the Registered Scheme are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Registered Scheme's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Charter Hall Maxim Property Securities Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757

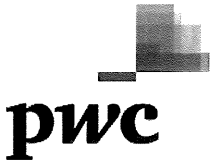
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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Charter Hall Maxim Property Securities Fund is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the Registered Scheme's financial position as at 31 December 2019 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Matters relating to the electronic presentation of the reviewed interim financial report

This review report relates to the interim financial report of the Registered Scheme for the half-year ended 31 December 2019 included on Charter Hall Maxim Property Securities Fund's web site. The Registered Scheme's directors are responsible for the integrity of the Charter Hall Maxim Property Securities Fund web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the review interim financial report to confirm the information included in the reviewed interim financial report presented on this web site.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'R.W. McMahon'.

R W McMahon
Partner

Sydney
10 March 2020

Directors' Declaration

The directors of the Responsible Entity declare that:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standards AASB 134 '*Interim Financial Reporting*', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached interim financial statements and Notes give a true and fair view of the Fund's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors of the Responsible Entity made pursuant to Section 303(5) of the *Corporations Act 2001*.

On behalf of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Frank Tearle
Director

10
__ March 2020

Charter Hall Maxim Property Securities Fund
Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2019

Statement of Profit or Loss and Other Comprehensive Income

	Note	Half-year ended	
		31 December 2019 \$	31 December 2018 \$
Income			
Dividend and trust distribution income		3,637,900	1,830,969
Interest income		30,877	19,051
Net fair value loss on financial assets	6	(1,058,014)	(522,023)
Other income		11,473	11,700
Total income		2,622,236	1,339,697
Expenses			
Management fees		670,886	350,946
Transaction costs		172,329	124,991
Other operating expenses		29,834	814
Operating expenses		873,049	476,751
Net profit for the period		1,749,187	862,946
Other comprehensive income		-	-
Total comprehensive income for the period		1,749,187	862,946

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the Financial Statements.

Charter Hall Maxim Property Securities Fund
Statement of Financial Position
As at 31 December 2019

Statement of Financial Position

	Note	31 December 2019 \$	30 June 2019 \$
Assets			
Cash and cash equivalents		5,503,583	3,715,444
Financial assets at fair value through profit or loss	5	153,388,083	127,467,223
Balance due from brokers		130,619	3,516,052
Receivables	8	<u>2,407,054</u>	<u>1,615,059</u>
Total assets		<u>161,429,339</u>	<u>136,313,778</u>
Liabilities			
Distributions payable	4	1,533,189	936,881
Balance due to brokers		33,409	1,559,329
Payables	9	<u>119,925</u>	<u>93,680</u>
Total liabilities		<u>1,686,523</u>	<u>2,589,890</u>
Net assets attributable to unitholders - equity	3	<u>159,742,816</u>	<u>133,723,888</u>

The Statement of Financial Position is to be read in conjunction with the notes to the Financial Statements.

Charter Hall Maxim Property Securities Fund
Statement of Cash Flows
for the half-year ended 31 December 2019

Statement of Cash Flows

	Note	Half-year ended	
		31 December 2019 \$	31 December 2018 \$
Cash flows from operating activities			
Purchase of investments		(60,993,088)	(41,282,783)
Proceeds on sale of investments		35,873,727	17,456,240
Dividends and trust distributions received		2,851,809	1,539,017
Interest received		31,178	19,142
Management and administration fees paid		(644,641)	(329,301)
RITC paid		(6,205)	(2,655)
Transaction costs paid		(172,329)	(124,991)
Other expenses paid		(29,834)	(814)
Other income received		11,473	11,700
Net cash inflow from operating activities		<u>(23,077,910)</u>	<u>(22,714,445)</u>
Cash flows from financing activities			
Proceeds from applications by unitholders		35,520,298	27,451,927
Payments for redemptions to unitholders		(8,654,988)	(4,600,116)
Distributions paid		(1,999,261)	(1,090,234)
Net cash inflow from financing activities		<u>24,866,049</u>	<u>21,761,577</u>
Net increase/(decrease) in cash and cash equivalents		1,788,139	(952,868)
Cash and cash equivalents at the beginning of the financial period		<u>3,715,444</u>	<u>2,363,816</u>
Cash and cash equivalents at the end of the financial period		<u>5,503,583</u>	<u>1,410,948</u>
Non-cash financing activities	3	<u>36,131</u>	<u>38,940</u>

The Statement of Cash Flows is to be read in conjunction with the notes to the Financial Statements.

Charter Hall Maxim Property Securities Fund
Statement of Changes in Equity
for the half-year ended 31 December 2019

Statement of Changes in Equity

	Note	Half-year ended	
		31 December 2019 \$	31 December 2018 \$
Total equity at the beginning of the financial period		133,723,888	62,862,487
Comprehensive income for the period			
Net profit for the period	3	<u>1,749,187</u>	862,946
Total comprehensive income		1,749,187	862,946
Transactions with unitholders			
Applications	3	35,520,298	27,451,927
Redemptions	3	(8,654,988)	(4,600,116)
Reinvestment of distributions	3	36,131	38,940
Distributions paid and payable	3	<u>(2,631,700)</u>	(1,163,523)
Total transactions with unitholders		24,269,741	21,727,228
Total equity at the end of the financial period		<u>159,742,816</u>	<u>85,452,661</u>

The Statement of Changes in Equity is to be read in conjunction with the notes to the Financial Statements.

1 General Information

The interim financial report covers the Charter Hall Maxim Property Securities Fund (ARSN 116 193 563) (the "Fund") as an individual entity. The Fund is a registered managed investment scheme, constituted on 5 August 2005.

The responsible entity of the Fund is One Managed Investment Funds Limited (ABN 47 117 400 987) ("OMIFL" or the "Responsible Entity"). The Responsible Entity's registered office is Level 11, 20 Hunter Street, Sydney.

The Responsible Entity is incorporated and domiciled in Australia.

The interim financial statements cover the period from 1 July 2019 to 31 December 2019 (the "reporting period").

The interim financial report is presented in the Australian currency.

The interim financial statements for the half-year ended 31 December 2019 were authorised for issue by the directors on the date the Directors' Declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the interim financial report.

2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

(a) Statement of Compliance

This interim financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *'Interim Financial Reporting'*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *'Interim Financial Reporting'*. This interim report does not include all the notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

(b) Basis of Preparation

This general purpose interim financial report has been prepared using historical cost convention, except for the revaluation of investments in financial assets and liabilities, which have been measured at fair value.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within 12 months, except for certain investments in financial assets and net assets attributable to unitholders. The amounts expected to be received or settled in relation to these balances cannot be readily determined.

The accounting policies and methods of computation adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Fund's 2019 annual financial report for the financial year ended 30 June 2019.

(c) Going concern

This financial report has been prepared on a going concern basis.

3 Net Assets Attributable to Unitholders

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

Movements in the number of units and net assets attributable to unitholders during the reporting period were as follows:

	Half-year ended			
	31 December 2019 No.	31 December 2019 \$	31 December 2018 No.	31 December 2018 \$
Opening balance	129,005,181	133,723,888	70,065,319	62,862,487
Applications	33,834,769	35,520,298	29,966,921	27,451,927
Units issued on reinvestment of distribution	34,899	36,131	42,719	38,940
Redemptions	(8,292,732)	(8,654,988)	(5,051,781)	(4,600,116)
Distributions paid and payable	-	(2,631,700)	-	(1,163,523)
Profit for the period	-	1,749,187	-	862,946
Closing balance	154,582,117	159,742,816	95,023,178	85,452,661

Net assets attributable to unitholders are classified as equity at 31 December 2019 and at 31 December 2018.

3 Net Assets Attributable to Unitholders (continued)

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right in the underlying assets of the Fund.

There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

Units are redeemed on request at the unitholder's option. However, it is recommended that unit holders retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

Capital risk management

The Fund manages its net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

4 Distributions Paid and Payable

	Half-year ended			
	31 December 2019 \$	31 December 2019 CPU	31 December 2018 \$	31 December 2018 CPU
Distribution paid 30 September	1,098,511	0.75	445,666	0.54
Distribution payable 31 December	1,533,189	0.99	717,857	0.76
	<u>2,631,700</u>	<u>1.74</u>	<u>1,163,523</u>	<u>1.30</u>

5 Financial Assets at Fair Value through Profit or Loss

	31 December 2019 \$	30 June 2019 \$
Financial Assets at Fair Value through Profit or Loss:		
<i>Designated at fair value through profit or loss upon initial recognition:</i>		
Australian equity securities listed on a prescribed stock exchange	153,388,083	127,467,223
Total financial assets designated at fair value through profit or loss upon initial recognition	<u>153,388,083</u>	<u>127,467,223</u>
Total financial assets at fair value through profit or loss	<u>153,388,083</u>	<u>127,467,223</u>

The Fund aims to generate income returns and capital growth over the long term, as per the objectives stated in the Product Disclosure Statement and Additional Information Booklet by investing primarily in listed Australian property related securities and listed real estate investment trusts (A-REITs).

6 Changes of Financial Assets at Fair Value through Profit or Loss

	Half-year ended	
	31 December 2019 \$	31 December 2018 \$
Net unrealised loss on financial instruments at fair value through profit or loss	(2,881,721)	(1,086,502)
Net realised gain on financial instruments at fair value through profit or loss	1,823,707	564,479
	<u>(1,058,014)</u>	<u>(522,023)</u>

7 Fair Value of Financial Assets and Liabilities

The table below presents the Fund's assets measured and recognised at fair value as at 31 December 2019 by level of the following fair value measurement hierarchy:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices or indirectly (derived from prices)

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

At 31 December 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
<i>Designated at fair value through profit or loss</i>				
Australian equity securities listed on a prescribed stock exchange	153,388,083	-	-	153,388,083
Total financial assets	153,388,083	-	-	153,388,083
At 30 June 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
<i>Designated at fair value through profit or loss</i>				
Australian equity securities listed on a prescribed stock exchange	127,467,223	-	-	127,467,223
Total financial assets	127,467,223	-	-	127,467,223

8 Receivables

	31 December 2019 \$	30 June 2019 \$
Interest receivable	1	302
Dividends and trust distributions receivable	2,376,430	1,590,339
GST receivable	30,623	24,418
	2,407,054	1,615,059

9 Payables

	31 December 2019 \$	30 June 2019 \$
Management fees payable	119,925	93,680
	119,925	93,680

10 Commitments and Contingent Assets and Liabilities

There were no commitments and contingent assets and liabilities as at 31 December 2019 and 30 June 2019.

11 Events Subsequent to Reporting Date

No significant events have occurred since the end of the period which would impact on the financial position of the Fund as disclosed in the Statement of Financial Position as at 31 December 2019 or on the results and cash flows of the Fund for the reporting period 1 July 2019 to 31 December 2019.