

RREEF PALADIN PROPERTY SECURITIES FUND

December 2009 Monthly Report

RREEF Alternative Investments

Real Estate

Infrastructure

Private Equity

The Fund returned 3.68% gross (3.62% net) for the month, outperforming the benchmark by 0.28% gross (0.22% net)

Market review

The S&P/ASX 300 GICS Property Accumulation Index returned 3.40% over the month, underperforming the broader share market by 0.29% (as measured by the All Ordinaries Accumulation Index).

The REIT sector overcame a slow start to the month, rallying into the close on the back of broader equity market strength and dividend buying into the 23rd December ex date. Macroeconomic data was mixed but with a positive bias, the highlight being another round of strong employment data. Earlier in the month, the sector started in negative territory as investors digested recent capital raisings by ING Industrial and Commonwealth Property Office Fund, and a book build by Mirvac (conducted under the MRZ sale facility) in early December. The top performers for the month were Ardent Leisure (20.2%) and Charter Hall (15.5%) with Ardent Leisure outperforming

following its inclusion in the S&P/ASX Property 200 Index. Charter Hall performed well after having recently announced both major asset sales and third quarter asset revaluations, and has benefited from the improved outlook and increasing appetite for domestic real estate markets. The small to mid cap players outshone their larger peers in December including ING Industrial (12.9%) and ING Office Fund (12.1%), while the two biggest names in the Index, Westfield (2.7%) and Stockland (0.5%) both underperformed.

In terms of sector performance, Industrial (9.3%) was the top performing sector, led by the strength in ING Industrial and Goodman Group. Office (8.6%) also outperformed in December, while Retail (2.4%) and Diversified (2.1%) both underperformed the S&P/ASX 300 GICS Property Accumulation Index.

Performance as at 31 December 2009

	RREEF Paladin Property Securities Fund Gross Performance (%)	RREEF Paladin Property Securities Fund Net Performance (%)	S&P/ASX 300 GICS Property Accumulation Index %**
1 month	3.68	3.62	3.40
3 months	-4.38	-4.56	-4.99
6 months	26.53	26.05	24.26
Financial year to date	26.53	26.05	24.26
1 year	12.98	12.14	9.56
3 years p.a.	-24.17	-24.73	-23.44
5 years p.a.	-7.17	-7.86	-7.48
10 years p.a.	4.54	3.76	4.06
Since commencement of Fund* p.a.	6.91	6.11	6.63
Exit price	0.5424		
Fund size	\$276.5 million		
No. of stocks	21		

Past performance is not an indicator of future results

*This figure represents the annualised performance of the Fund from the first full month of operation. Performance inception date: 28 February 1995.

Gross performance figures are calculated using exit prices, pre-fees and reflect the annual reinvestment of distribution. Net performance figures are calculated using exit prices, net of fees and reflect the annual reinvestment of distribution. Retail investors should refer to net returns. If investing through an IDPS Provider, the total after fees performance return of your investment in the Fund may be different from the information in this report.

** The Fund's benchmark is the S&P/ASX300 GICS Property Accumulation Index. In line with the revisions to the ASX Index series, the S&P/ASX 300 GICS Property Accumulation Index was adopted as the Fund's new performance benchmark on 1 July 2002. Benchmark calculations prior to this date are based on the S&P/ASX 300 Property Accumulation Index and the ASX Listed Property Trust Accumulation Index.

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Fund strategy

The Fund lowered its weight to the office sector, principally through the reduced weight to Commonwealth Property Office Fund, after a period of outperformance. The underweight to the Retail sector increased after the Fund partially reduced its overweight to the CFS Retail Property Trust. The overweight to the industrial sector was maintained.

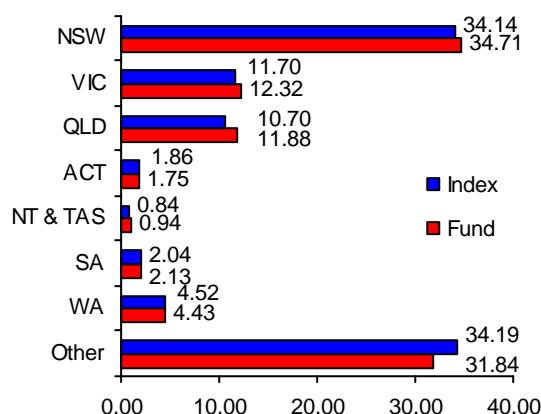
The Fund has looked to rotate out, or reduce the weight to select defensive positions which seem less attractive after a period of outperformance. Increasing support for domestic real estate markets, as evidenced by the recent rise in corporate and transaction activity and the positive trend in macro data should help support REITs with an attractive earnings profile; this includes those with leverage to the cycle including the industrial REITs and those with active business earnings.

Portfolio summary as at 31 December 2009

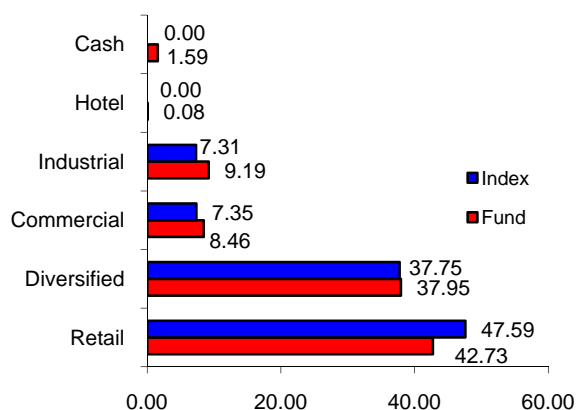
Key Investments	Portfolio (%)	Index (%)
Westfield Group	35.03	39.08
Stockland	14.53	13.85
GPT Group	7.92	7.62
Goodman Group	7.44	5.53
CFS Retail Property	7.37	5.73
Cash	1.59	0.00
Other	26.12	28.19
TOTAL	100.00	100.00

Diversification of the Fund

Geographical diversification - Underlying assets (excluding cash)

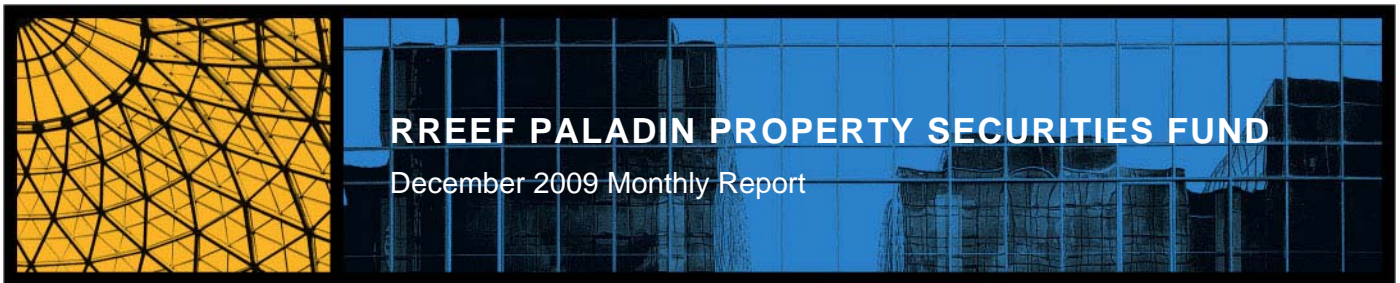


Sector diversification



Market outlook

Commentary from REITs remains cautiously optimistic, supported by the positive trend in economic data, transaction activity and stabilizing operating conditions. Transaction activity continues to increase with over \$1 billion of property changing hands at the end of 2009, helping to support current valuations. Further opportunistic acquisitions are expected, as REITs using recapitalised balance sheets look to acquire attractively priced assets, however interest and competition for domestic assets is increasing. This was highlighted in December as foreign groups, including GIC and Growthpoint, were particularly



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Market outlook (continued)

active. The leasing environment is expected to remain challenging throughout 2010, although the turn in lead indicators (business confidence, job ads) could see an improvement in underlying fundamentals take place earlier than expected. Higher costs of interest are expected to come through as debt facilities are rolled. This is likely to result in a trough in earnings in 2010, with 2011 to see a material improvement, especially for REITs with operational leverage.

Public debt markets continue to be receptive to rolling existing debt (in the case of Centro who received

agreement to extend its CMBS which was due to be repaid in December) or to new issuance (in the case of Stockland's recent 5 year unsecured MTN). This should help the more highly credit rated REITs in their negotiations with banks for debt facilities that can be replaced with public debt. Furthermore, just as the \$A helped balance sheets on the way up, some weakness in the \$A has helped longer dated earnings and in turn REIT valuations for several REITs with offshore exposure.

Monthly video commentary

Monthly video commentary for the RREEF Paladin Property Securities Fund is also available via the Ironbark Asset Management website. Visit www.ironbarkam.com and click on the link in the 'Videos' section on the home page.

Contact details

To discuss any information in this report please call Ironbark Asset Management:

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Alternatively, visit the Ironbark Asset Management website at www.ironbarkam.com or email us at client.services@ironbarkam.com

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