

RREEF PALADIN PROPERTY SECURITIES FUND

July 2009 Monthly Report

RREEF Alternative Investments

Real Estate

Infrastructure

Private Equity

The Fund returned 2.71% gross (2.65% net) for the month, outperforming the benchmark by 0.35% gross (0.29% net)

Market review

The S&P/ASX 300 Property Accumulation Index returned 2.4% over the month, underperforming the broader share market by 5.1% (as measured by the All Ordinaries Accumulation Index).

REITs finished the month in positive territory, led by further signs of stabilisation in credit and financial markets, and improving economic data. The top performers for the month were Goodman Group, Mirvac (16.6%) and Bunnings Warehouse (13.2%), with Goodman Group surging 32.1% in anticipation of a widely expected equity raising. The continued improvement in capital markets saw the capital constrained (higher risk) REITs outperform their more defensive/domestic focused counterparts. Macquarie Office (11.2%), ING Industrial (9.7%), GPT Group (7.8%) and ING Office (5.3%) all benefited from the move towards the higher beta names. Australand (7.6%) also outperformed

after successfully raising \$475m in conjunction with their results announcement. Of the large caps, CFS Retail (3.9%) outperformed the S&P/ASX 300 Property Accumulation Index, while Commonwealth Properties (1.8%), Westfield (-0.4%), Stockland (-1.9%) and Dexus (-2.7%) underperformed. Dexus was weaker over the month, due in part to its defensive status and a larger than expected fall in occupancy levels within its US industrial portfolio. Westfield underperformed due to concerns over asset values and occupancy levels within its US portfolio.

In terms of sector performance, Industrial was the top performing sector, finishing 28.2% higher led by the strong performance from Goodman Group. Managers & Developers (10.2%), Commercial (5.4%) and Diversified (3.1%) also outperformed the S&P/ASX 300 Property Accumulation Index. Retail (0.3%) underperformed the Index in July.

Performance as at 31 July 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	2.71	2.65	2.36
3 months	13.50	13.29	11.92
6 months	1.46	1.09	-0.17
Financial year to date	2.71	2.65	2.36
1 year	-34.86	-35.34	-37.67
3 years p.a.	-23.37	-23.94	-23.13
5 years p.a.	-8.49	-9.17	-8.71
10 years p.a.	2.08	1.32	2.05
Since commencement of Fund* p.a.	5.58	4.80	5.40
Exit price	0.4522		
Fund size	\$217.9 million		
No. of stocks	17		

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.

*This figure represents the annualised performance of the Fund from the first full month of operation.

** 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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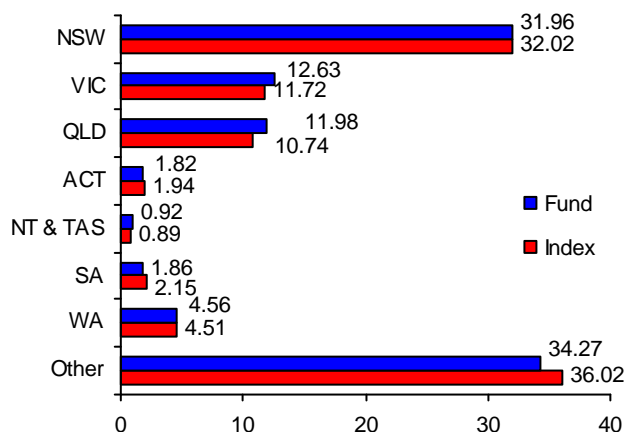
Real Estate

Infrastructure

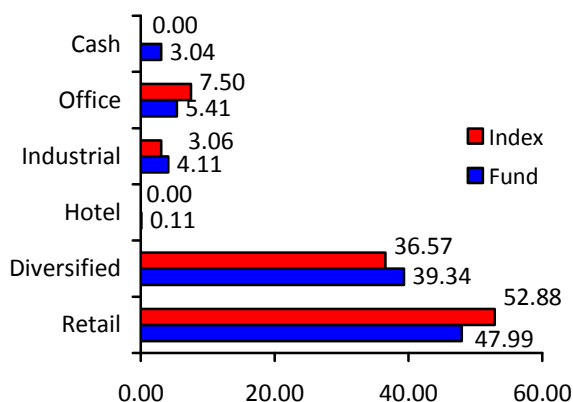
Private Equity

Diversification of the Fund

Geographical diversification - Underlying assets (excluding cash)



Sector diversification



Portfolio summary as at 31 July 2009

Key Investments	Portfolio (%)	Index (%)
Westfield Group	37.09	43.41
Stockland	13.28	13.34
Mirvac Group	8.05	5.85
CFS Retail Property	7.84	6.44
GPT Group	7.38	7.89
Cash	3.04	0.00
Other	23.32	23.07
TOTAL	100.00	100.00

Performance review

The Fund returned 2.71% gross (2.65% net) in July, outperforming the Index by 0.35% gross (0.29% net). Holdings that contributed to performance were an overweight position to Mirvac Group, an underweight to Westfield and an end of month underweight position in GPT Group. Detractors included overweight positions in Charter Hall and Macquarie Countrywide and an underweight position in Bunnings Warehouse.

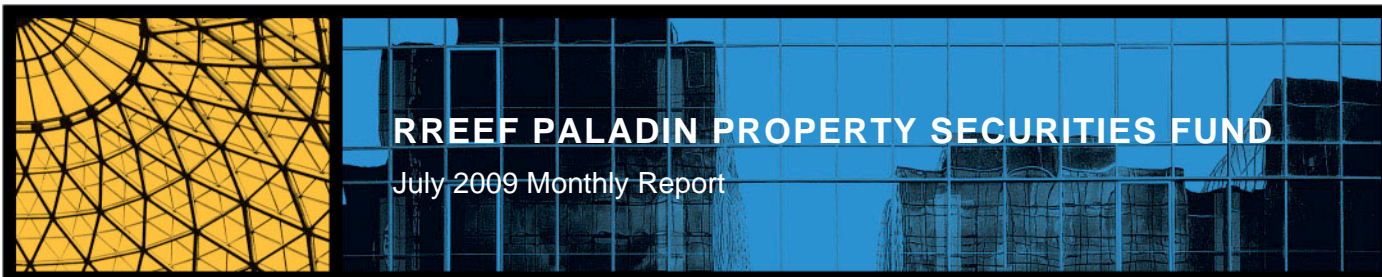
Fund strategy

The Fund removed its underweight to the industrial sector, led by the increased exposure to Goodman Group. The underweight to Office and overweight to Diversified decreased over the month. The Fund's weighting towards Retail was marginally increased. As the equity market has shown further signs of stabilisation the Fund has looked to maintain or increase its weighting towards the higher beta REITs. The Fund has continued to be an active participant in capital raisings, including the Australand raising and positioning itself for the Goodman Group raising announced in early August.

Market outlook

The focus for August will be on reporting season, with several REITs already announcing earnings guidance and asset revaluations in the lead up to results. With the sector having raised \$15.4b since September 2008 the focal point for investors is expected to shift from balance sheet and liquidity risks towards core earnings and operating fundamentals. The sizeable write-downs to asset values by several REITs have attracted headlines in the lead up to results however they had been largely anticipated by the market. Expectations are that the current cycle of declining asset values is nearing an end.

The improving Australian dollar has been a positive for REITs with offshore borrowings; this coupled with a



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steepening of the yield curve has reduced the mark-to-market liability of derivatives for many trusts. Further evidence of an easing in credit markets and improving investor confidence has seen an increase in transactional

activity. This has also been supported by the positive trend in economic data and a stabilisation in equity markets. Higher levels of transactional activity will help to provide greater certainty around current market valuations.

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 **freecall**:

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Alternatively, visit our website at www.ironbarkam.com or email us at client.services@ironbarkam.com

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