

# Funds in \$400m tie-up

Author: Ben Wilmot  
Date: 14/12/2004  
Words: 377  
Source: AFR

Publication: Australian Financial Review  
Section: Property  
Page: 47

**Century** Funds Management and Bankminster Properties have agreed to merge into a \$400 million property funds management boutique days before **Century** makes a major acquisition in Sydney's northern suburbs.

The deal, in Lane Cove, is valued at about \$18 million.

**Century** managing director John McBain and Bankminster managing director Ross Elsom indicated that more acquisitions were under due diligence. Both managers are renowned tough buyers.

"There has been an ongoing market where people are prepared to pay slightly more for things than we believe is value. It just keeps going on and on," Mr McBain said.

The new entity will have a high concentration of wealthy investors, with a strong sprinkling from the property industry. Mr McBain said the fund could grow to \$600 million to \$700 million with fewer than 800 investors but the focus was not on getting big for the sake of it.

The merged company will continue to launch fixed-term property trusts but is also considering an open-ended diversified fund with lower entry points and some liquidity options.

Mr McBain said that there was no plan to merge any of the pair's syndicates but if unit holders approved it might be sensible to put some together in future. Under the merger terms, Bankminster Properties, with its present executive team, will operate as a subsidiary company. Mr Elsom will join Mr McBain, Jason Huljich and Michael Baker on the **Century** Funds Management board. Mr McBain will be chief executive.

Mr McBain said the pair had been talking for some time and looked at property in the same way. **Century** had been active outside NSW it bought Melbourne's Allianz Centre earlier this year. Bankminster had stuck to its home territory in NSW and the merger was a way of expanding interstate.

"We're looking pretty closely at Queensland too, particularly in the growth corridor between Brisbane and the Gold Coast in bulky goods," Mr McBain said.

Mr Elsom said Bankminster had specialised in Sydney and had been thinking of moving outside the market and also into bulky goods.

## KEY POINTS

? The merged fund could eventually control up to \$700m.

? **Century** chief John McBain says more acquisitions are planned.