

Golf Day Review

On Monday, 30 April, Century Funds Management held its Annual Golf Day. Seventy two keen golfers, together with some rank amateurs enjoyed a great day at Pymble Golf Club, on Sydney's North Shore. The weather was kind to us and we all managed to get back to the Club House before dark.

Players were joined by golf-pro Chris Chilton, who provided some much appreciated instruction and assistance on the day. All players were awarded with a 3 month membership to CoachCam, where they can log into the website www.coachcam.com.au and compare their swing to a selection of golf professionals.



LEFT Winning team - Patrick Bridger, Bob Held, Brodie Kemp, Neil Copland.



ABOVE Chris Chilton.

LEFT Runners up - Paddy Morgan, Anne Rees, Murray Town, Jason Huljich.



Staff snapshot

LESLEY SMITH

Lesley is Century's new Personal Assistant. For the last ten years, Lesley has worked in the Advertising industry for major Ad Agencies such as M&C Saatchi and Australia's largest independent agency, Belgiovane Williams Mackay. Prior to that she fulfilled a marketing role for Optus Communications and also spent 10 years at KPMG, firstly in Management Consultancy and then Marketing.

ANDRÉ BALI

André joined Century in August as Development Executive, having previously owned and operated a development management and property advisory business. André's career started in construction where he worked as a licensed builder before progressing into commercial property and project development, having worked with large private sector companies and also for government on numerous landmark redevelopment projects. He holds an undergraduate honors degree in Building and a Masters of Commerce (land economics).



Events and Communications

SEPTEMBER

Manager's Reports 2007
Tax Statements 2007

OCTOBER

Financial Statements 2007
Distribution Statements -
1st Quarter 2008
Investor dinners (NSW)

NOVEMBER

Investor Update - Issue 3, 2007

If you have any queries regarding correspondence you receive from Century, please don't hesitate to contact us on 02 8923 8923.

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Investor database log-in

Century is very pleased to announce that development is well underway on the next phase of the enhancement to its investor database system.

The enhancement will enable investors to gain direct and secure web access to their individual investment, which will hold all correspondence and financial information on each investor and their investment(s).

As we get closer to the launch date, Century will be writing to investors with 'log-in' details and other procedural steps which will be a necessary pre-requisite to enable access to the system.

The roll-out timing is anticipated within the next four months.

Welcome to the winter 2007 Investor Update.

In this issue we will cover recent property sales, the stapling and extension of our North Ryde trusts, major leases within the portfolio together with a special focus on the 601 Bourke Street, Melbourne trust. The Bourke Street trust was set up in relatively "soft" Victorian leasing market conditions and its performance is a good example of how counter cyclical investment can reward our clients without exposing them to undue risk.

From an administrative perspective we will update you on recent revaluations, confirm the timing of our end of year financial reports and taxation certificates,

and give you an update on our progress towards creating our web-based portal which investors and advisers can use to track all their investment details including managers reports and financial accounts/certificates.

We hope the 2007 financial year was a rewarding one and our clients were able to take advantage of the superannuation concessions available up to June. We look forward to discussing any property investment requirements you may have within your investment portfolio. Century has investment opportunities available now, specifically our diversified

property trust (Century Balanced Fund No 1) which offers income over 8%* per annum with significant taxation benefits as well as excellent capital gain potential and a liquidity feature.

Finally, it was great to see so many friendly faces at our recent golf day and we intend to host further similar functions throughout the year.

*The forecast information above is subject to the assumptions and risks set out in the Product Disclosure Statement (PDS) for Century Balance Fund No 1 and actual results may vary from forecasts.

Century Golf Day - 30 April 2007

CFM Annual Golf Day 2007
BY JOHN TAYLOR

A record field turned out for this years CFM Golf Day, held on 30 April 2007 at Pymble Golf Club - "The Augusta of the North Shore".

Golfers were greeted by a crisp morning, which led to dewy greens and some easy scoring opportunities early in the day. A shotgun start meant there was no "leaderboard" as such, but I am advised that Marco Rossi's team got off to a flyer, as Marco was running late for the event.

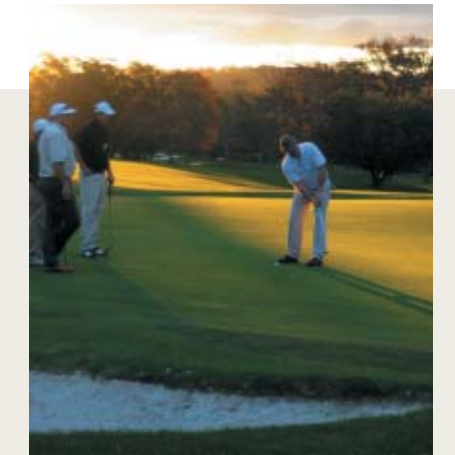
Golfers had their eye on the 13th hole throughout the day, with the prospect of having their swing filmed a daunting one. The potential for it to be subsequently shown to the entire field and compared with Ernie Els was even more daunting. May I take this opportunity to thank Chris Chilton and his team at Coachcam for their work throughout the day. No doubt a few people booked in for lessons after a terminal diagnosis. Yours truly spent the following few weeks at the range, after a drive which almost resulted in a worker's

compo claim on the adjacent building site. Anthony Rule is still negotiating with insurers, after an incident he claims was the result of an "unlucky bounce".

The scoring in the back half heated up. James "Tiger" Cooper claimed the longest drive, with a bomb that went 280 metres. One wonders whether a deal to "split the prize" was negotiated with a passing pro.

At the close of play, the winners were the group of Patrick Bridger, Bob Held, Neil Copland and Brodie Kemp. Runners Up were the group of Jason Huljich, Paddy Morgan, Murray Town and Anne Rees. Unfortunately glory evaded the CEO again. No doubt this will be amended with the selection of groups in 2008.

Congratulations to the prize winners, and thanks to all our investors for joining us. Thanks also to our support staff - Marcia Murray, Marie Gamble, Kathrine Damatre, Angela Munt, Debby Wong and Kristy Allen. The day again proved to be one of the most enjoyable on the CFM calendar, and we look forward to seeing as many of you as possible next year.



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Century Opportunity Fund No. 2

On the 28th June 2007, Unit Holder meetings for Century North Ryde Investment Trust and Century North Shore Investment Trust No.5 were held to consider a proposal to staple the Trusts to form Century Opportunity Fund No. 2 (COF2).

North Ryde is soon to become the 5th largest office precinct in NSW, upon occupation of the recently completed Optus development. The Chatswood to Epping Rail-Link is due for completion in 2008, which along with the M4 and the Lane Cove Tunnel, will significantly improve access to the area. Our site, located on Waterloo Rd adjacent to

the Macquarie Shopping Centre is considered significant by the Ryde Council, and the zoning over the site reflects this.

The stapling is the first step in a larger plan to attain development approval and eventually redevelop the site at 80 Waterloo Road, North Ryde.

We are pleased to report that the Unit Holders voted in favour of the stapling. We have commenced work on attaining Development Approval on behalf of COF2 Unit Holders, and are very positive about the potential for the site.



TERRIFIC SALE RESULT 12 Butler Road, Hurstville

As our investors in the Century Diversified Trust No. 9 are already aware, we have just successfully completed the sale of one of the Trusts assets, an office building located at 12 Butler Road in Hurstville NSW.

The sale price of \$17.75 million achieved a strong capital gain over the purchase price of the property.

The asset was acquired in December 2003 for \$13.65 million, and accordingly the transaction represents a **30% gain on the acquisition price**.

Further, the **Average Total Return** for equity attributed to the Hurstville component of the trust was **14.78% per annum** since Trust inception.



“
We are very positive about
the potential for the site.”

Alinta leases at Sydney Olympic Park

Alinta Limited has leased the Century-managed office/warehouse property at 100 Bennelong Road, Sydney Olympic Park, for 10 years 5 months from 30 June 2007. The annual net rent of \$1,072,000 will increase at 3.75% pa throughout the lease period.

The 100 Bennelong Road Unit Trust will also receive an amortisation rent for 7 years for building alterations and additions which it has agreed to fund. These comprise new two-level offices in the warehouse, plus decked carparking and hardstand to be constructed on the surplus land.

A new town centre is being planned for Sydney Olympic Park, including buildings of higher usages and densities. Under the proposed 2007 Sydney Olympic Park Master Plan, the 100 Bennelong Road site is designated for future residential apartment



development. Accordingly, Century negotiated a “break clause” in Alinta’s lease agreement whereby the landlord has the right to terminate the lease period from 1 December 2014 by giving 2 years’ prior notice.

The property, which was purchased in December 2002 for \$10.5 million was valued at \$15.0 million as at 30 June 2007.

Century manages three properties at Sydney Olympic Park. All are well positioned to benefit from the upgraded town planning provisions.

Recent property valuations

The majority of the property portfolio has been re-valued by independent Valuers as at 30 June 2007, to comply with the International Accounting Standards.

In addition, a number of valuations have also been obtained for mortgage security purposes which assisted in negotiating reduced lender’s margins.

Particular highlights included:-

PROPERTY	ACQUISITION PRICE	2007 RE-VALUATION
100 Bennelong Road, Sydney Olympic Park	\$10.5 million (December 2002)	\$15.0 million
601 Bourke Street (CPT10) Melbourne	\$23.95 million (April 2004)	\$29.6 million
44-52 Mandoon Road Girraween	\$9 million (November 2001)	\$15.9 million
4-8 Woodville Street Hurstville	\$13.38 million (June 2001)	\$21.0 million

601 Bourke Street, Melbourne (CPT10)

601 Bourke Street was acquired in April 2004 at a time many market observers considered the Melbourne CBD office market to be oversupplied with minimal short to medium term growth prospects. However, after careful analysis of market trends, Century proceeded to purchase the property for \$23.95 million. Since that time Century has co-ordinated a successful leasing campaign resulting in the vacant 865 sqm being fully leased to tenants including Commonwealth of Australia, Ardec International, Swire Group and existing building occupants AHRI (part of Deakin University) and Profcoll.

Unit holders have been rewarded with tax effective pre-tax income returns of:

- 9.15% pa for the year ending 30 June 2005
- 9.2% pa for the year ending 30 June 2006; and



- 9.45% pa for the year ending 30 June 2007.

In addition, the property valuations have shown solid capital appreciation with the first independent valuation as at 30 June 2006 being \$27.25 million and this increased to \$29.6 million as at 30 June 2007.

As the property is well located in the western core of the CBD, further capital growth at 601 Bourke Street is anticipated due to the growing impetus of the nearby Docklands precinct and the completion of the Spencer Street Railway complex.