

investorupdate

ISSUE 1 2007

Most of you will agree that 2007 will be a busy time in our financial calendars. We have the long overdue confirmation of superannuation changes to absorb and plan for by 30 June 2007.

“*There has never been a more appropriate time to speak to your advisors and use these changes to instigate a health check on your investment strategy.*”

We believe this is a good time to take a break and review portfolios. There has never been a more appropriate time to speak to your advisors and use these changes to instigate a health check on your investment strategy.

In this issue we want to update you on what we are doing at Century to make our investment funds relevant to you;

➤ We include a review of the Century Balanced Fund No 1. CBF1 has grown to \$140 million with the purchase of the CSR head office in Chatswood, NSW and the impending purchase of a first class investment in the Adelaide suburb of Keswick. CBF1's liquidity option, super fund approved status, and actual/forecast cash returns exceeding 8.0% p.a. payable quarterly - is proving extremely popular with our clients.

A recently updated Product Disclosure Statement "PDS" is available and the fund is open for equity contributions now.

➤ Since our last issue we have terminated one syndicate (Minchinbury Hometown syndicate) with a 100% increase of investors equity over 7.5 years. We have included a brief case study of this syndicate.

➤ We have included a section on an exciting new style of investment - "Opportunity Funds". These are higher return funds which generally focus on single assets with value-add potential. These trusts generally exhibit more modest quarterly returns in lieu of an above average total return on completion of the project/trust. We invite you to register your interest with us for further information on this style of investment.

➤ Our "Trust Update" section keeps you up to date with our plans regarding particular investment funds as well as major works which are completed or underway.

➤ At Century we have an exciting year ahead and we are working behind the scenes to deliver you relevant investment products, fast access to important information and events where you can meet our staff and other Century investors.



2007 Annual golf day

The annual Century Funds Management Golf Day will be held this year on Monday, 30 April 2007 at Pymble Golf Course. Invitations will shortly be forwarded to all NSW Investors. We would also like to welcome any interstate investors who will be visiting Sydney on this date and would like to join us for the Golf Day.

For further information please contact rsvp@centuryfm.com.au or phone Marcia Murray on (02) 8923 8905.

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Century Balanced Fund No.1 - Recent Acquisitions

44 HAMPDEN ROAD, ARTARMON
(CENTURY BALANCED FUND NO.1)



Modern, well located, commercial building (8 kilometres from the Sydney CBD)

9 HELP ST, CHATSWOOD
(CENTURY BALANCED FUND NO.1)



Prime Northern Suburbs location - 10 km to Sydney CBD

1 RICHMOND RD, KESWICK
(CENTURY BALANCED FUND NO.1)



Prominent, high quality 5-level office building in prime Adelaide city fringe location - 1 km to CBD

What are Opportunity Funds?

Opportunity funds are investment trusts set up to purchase properties which have potential for excess capital returns but in the short term often have lower distributable yields. In other words, these are projects where quarterly returns are sacrificed in the short term to achieve a superior capital gain.

At Century we use the term "total return" frequently - this is the combination of quarterly returns and capital gain. As opportunity funds by definition have lower quarterly returns at their commencement we expect that their total return should be higher than

the total return for a passive fund. Opportunity fund projects generally are single property stand-alone trusts and for example a specific property may have a vacancy issue which has depressed the price of the property but using our experience in value-adding, we can reconfigure or refurbish a building and re-lease it.

We will always set out our analysis of the risks and opportunity in some detail for such a fund and as they skew profitability towards capital gain, provided the project is in excess of 12 months both individual investors and

superannuation fund investors receive significant taxation concessions in respect of any capital gain. In many cases the completed project would be retained within a Century vehicle but investors would have the option of liquidating their investment with any gains rolling over into a larger fund.

Should you wish to register your interest in this type of fund, simply contact John Taylor (johnt@centuryfm.com.au, ph. 02 8923 8921, fax 02 9460 2960). We anticipate having an information evening shortly to discuss these types of projects in more detail.

Minchinbury Hometown

We are pleased to report that we have concluded The Hometown Syndicate after the successful sale of the trust property. The property was acquired in October 1998 for \$9.950 million and sold in June 2006 for \$16.644 million. **The sale reflected a capital gain of 101% on Investor Equity.**

The average running yield for the duration of the syndicate was 11.93% p.a. and **the average total return for the duration of the syndicate, was 24.93% per annum.**



Trust update

LEASING AND STRATA SALES UPDATE

We have taken the opportunity to run through some highlights in what has been a very active and successful past few months for Century Funds Management. We are pleased to announce that we have bedded down our most recent acquisitions - a commercial office building in Artarmon, NSW and an 'A' Grade commercial office building in Chatswood NSW, a key office precinct within metropolitan Sydney. The combined purchase price of these two assets was in excess of \$45 million.

Leasing enquiry on the few vacant areas available within these properties has been strong from the outset. We have now achieved 100% occupancy within both the Artarmon and Chatswood office properties. Strong vacancy take up rates for our Melbourne office assets have also been very pleasing.

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Although we normally report on leasing success in relation to more 'regular' office, industrial and bulky goods type tenants, in this edition we are pleased to welcome Star Bowling Alley to Griffith Hometown. They are reportedly already setting AMF bowling records for the most games played in a single day! Complimenting the Bowling Alley will be the neighbouring Griffith City Cinemas, which is scheduled to open over the course of the next couple of months.

Since the beginning of the 2006/2007 Financial Year, Century Funds Management's vacancy level has fallen from 2.45% to 1.34% of the total area of the portfolio. We have executed leases, settled suites or instructed solicitors on some 33 vacancies/units within our portfolio over the past nine months, and we expect that this momentum will be carried through to the end of the financial year.



Investor database log-in

As advised to investors in December 2006, we are currently working with our IT people to develop what we regard to be a market-leading integrated database/registry software package and our aim is to enable investors, financial advisors and custodians to 'log in' to review their holdings and financial information.

Work continues on a variety of new initiatives enhancing the capabilities of Century's proprietary database, including the Web enabled investor access as described in earlier correspondence. Century will be writing to investors shortly to confirm email addresses which will be required to access this new facility.

Recent property valuations

As a result of the new International Accounting Standards, the majority of the property portfolio was revalued as at 30 June 2006.

The revaluations showed pleasing capital growth with examples being:

PROPERTY	VALUATION AS AT 30 JUNE 2006	ACQUISITION PRICE
339 Military Road, Cremorne	\$19.0m	\$13.75m (August 2001)
4 - 8 Woodville Street, Hurstville	\$19.5m	\$13.38m (June 2001)
16 -18 Bridge Street, Epping	\$16.0m	\$11.25m (May 2002)
2 Lincoln Street, Lane Cove	\$19.6m	\$17.775m (March 2005)

Annual investor dinner 2006

Over 300 investors and advisors joined Century Funds Management staff at Dockside, Darling Harbour on 18 October 2006, for the Annual Investor Dinner. Due to the large percentage of investors who now invest in more than one Century Funds Management or Century Bankminster Trust, this year it was decided to have one combined function for all Trusts.

John McBain, Executive Director of CFM spoke to the gathering, providing Company highlights for the year, including total return on investment for each Trust, the merger of Century with the Over Fifty Group in July 2006 and recent acquisitions to the Century Balanced Fund No.1.

Also amongst the guests were Chris Martin (MD) and Iain Giles, from the Over Fifty Group, Melbourne. Those who attended enjoyed the company of fellow investors for dinner followed by dancing to the sounds of Greg Arthur and his band.

A great night was had by all!



Staff snapshot



GLENN PENKLIS - Glenn is Century's new Senior Financial Accountant. He holds a Bachelor of Business and is CPA qualified. Glenn has

worked as an Accountant in both commerce and the profession for over fourteen years.



JOHN TAYLOR - John is Century's new Manager - Property Funds NSW. John first joined Century as a Graduate Analyst, prior to working at

St. George Bank as a Manager - Institutional Property. John holds a Bachelor of Commerce and is completing a Masters of Applied Finance. John is a previous winner/burglar of the Century Funds Management Golf Day 4BBB (2005) and the Long Drive winner (2006) and is an avid (5th Grade social) cricketer.



MARK JONES - Mark is Century's new Manager - Property Funds Vic. Mark is based in the Melbourne office of the Over Fifty Group. Mark is

responsible for the management of all aspects of Over Fifty Group's property assets within Victoria. Prior to joining Over Fifty Group, he spent 9 years with Jones Lang LaSalle as a director of investment sales in both Sydney and Melbourne. Mark's interests include touch football, rugby and basketball.



PHUONG TRUONG - Phuong recently joined Century as a Property Funds Analyst, based in the Melbourne office. Prior to joining

Over Fifty Group, Phuong worked as a Research Analyst at Knight Frank Australia specialising in covering market intelligence for the Melbourne industrial, retail and residential markets. Phuong holds a Bachelor of Commerce from the University of Melbourne and is currently undertaking a Graduate Diploma in Applied Finance and Investments.



KATHRINE DAMATRE - Kathrine is Century's new Executive Assistant to John McBain. She comes to us with over 10 years

experience in the banking, finance and legal professions. Working for companies such as Equity Capital Markets and Phillips Fox, she holds a Diploma in Accounting and in the Real Estate arena, a Certificate of Registration. Kathrine is excited about joining Century.



JEREMY ROBOTHAM - Jeremy is Century's Manager of Capital Transactions. This role involves both the acquisition of new properties, as well as

co-ordinating the sales and leasing of Century's existing portfolio. Jeremy holds a Bachelor of Commerce from Curtin University (WA) and is a licensed valuer. He has been working in property for the last 10 years.



DEBBY WONG - After working in the IT industry for many years, Debby changed career path and obtained her Real Estate

Licence and since joining Century as a Property Manager she has completed a Commercial Property Asset Management Diploma. Debby enjoys the day to day challenges of her role with the company.



DAVID SEVERINO - David is Century's Senior Property Manager in charge of internally managed properties and has nearly

20 years experience in the property industry, covering commercial, industrial and bulky goods retail, where he has been involved in management, acquisition, sales and leasing. David holds an Associate Diploma in Business (Valuation) and is a Licensed Real Estate agent.



ANGELA MUNT - Angela joined the Century team as a Trust Accountant in the Property Management side of the business

approximately six months ago. With her bookkeeping background she is keen to learn all she can in this area.