



Commercial Property

OFM takes over Century Funds for \$42.4m

THE desire to expand funds under management has led OFM Investment Group to buy Century Funds Management for \$42.4 million in cash and shares.

Under the deal, OFM will continue to employ Century staff, including company founder John McBain, director Jason Huljich and three senior executives.

OFM managing director Chris Martin said his group paid \$26.8 million in cash and \$15.6 million in OFM shares for Century.

That will deliver OFM about \$440 million in funds under management, taking its property under management to about \$550 million. It has \$1 billion of funds

under management.

Mr Martin said he approached Century in May.

"We have been looking for a sensible acquisition for some time and Century will allow us to grow our business but with Mr McBain and his team running the property arm under the OFM banner," Mr Martin said.

He said there were more opportunities for smaller businesses such as Century to merge and grow.

OFM's shares rose 14c to \$2.40 yesterday.

Century was founded in 1999 and, in addition to its funds under management, owns a number of

properties which are held in syndicates for its high net worth private clients. In December 2004, it merged with Bankminster Properties.

The latest deal is an example of internal demand within the property sector.

It is also a sign that the smaller end of the market is getting tighter and that similar deals are likely.

Mr Martin said Century was a good fit for OFM's corporate strategy, particularly to its over 50-years old clients looking for income and capital returns.