

360 Capital Industrial Fund

2 April 2014

1 APRIL 2014 VALUATIONS CONFIRMED

360 Capital Investment Management Limited as Responsible Entity for the 360 Capital Industrial Fund (ASX: TIX) advises that independent valuations as at 1 April 2014 of 100% of the portfolio (excluding properties held for sale) have been completed, resulting in a \$27.6 million or 8.27% increase on December 2013 valuations. The Fund's overall weighted average cap rate (WACR) is now 8.55%, a 38bp firming since December 2013.

These results will translate into a pro-forma NTA uplift in the order of \$0.29 cents per unit, on the previous reported NTA of \$1.94. The forecast pro-forma NTA as at 1 April 2014 will be \$2.23 including the impact of recent unit buyback transactions.

The Fund's LVR gearing will reduce to 43.7% including the impact of the recent Unit buy-back. As this will be below 45% the Fund will benefit from a 15 basis point reduction in margin.

This announcement provides an update on details disclosed on 24 March 2014, when TIX released information regarding draft valuations.

TIX Fund Manager, Ben Butler, said "Cap rate compression has been witnessed across the portfolio in line with recent transactional evidence. In addition recent leasing activity has led to increased WALE's and the removal of short term leasing risk which has driven a more favourable view of the assets."

As can be seen in Table 1, material movements include:

- 457 Waterloo Road, Chullora, NSW, an asset purchased by the Fund in June 2013 increased in value by \$3.0 million or 17.3% by virtue of 125 basis point firming of the market cap rate in line with comparable market evidence for well located properties exhibiting long term leases.
- 6 Albert Street, Preston, VIC increased in value by 35.3% or \$6.0 million by virtue of a 125bp firming of the market cap rate as a result of extending Hugo Boss' term certain out to 2020.
- 102-128 Bridge Road, Keysborough, VIC by \$4.5 million or 20.5% by virtue of a 50 basis point firming of the market cap rate in line with comparable market evidence.
- 54 Sawmill Circuit, Hume, ACT increased by 30.8% or \$3.25 million as a result of the Grace expansion works and corresponding lease extension out to 2022. This has resulted in the market cap rate firming 50 basis points.

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Table 1

No.	Address	Suburb	Valuation 31 Dec 2013	Previous Cap Rate	Current Cap Rate	Change	Valuation 1 Apr 2014	Valuation uplift	Variance (%)
1	8 Penelope Crescent	Arndell Park	\$ 14,100,000	8.50%	8.50%	0.00%	14,500,000	\$ 400,000.00	2.8%
2	37-51 Scrivener Street	Warwick Farm	\$ 20,900,000	9.75%	9.25%	0.50%	21,750,000	\$ 850,000.00	4.1%
3	60 Marple Avenue	Villawood	\$ 18,700,000	9.25%	8.75%	0.50%	20,000,000	\$ 1,300,000.00	7.0%
4	457 Waterloo Road	Chullora	\$ 17,300,000	9.25%	8.00%	1.25%	20,300,000	\$ 3,000,000.00	17.3%
5	12 Dansu Court	Hallam	\$ 11,350,000	8.75%	8.25%	0.50%	11,900,000	\$ 550,000.00	4.8%
6	14 Dansu Court	Hallam	\$ 15,400,000	8.75%	8.25%	0.50%	15,500,000	\$ 100,000.00	0.6%
7	39-45 Wedgewood Road	Hallam	\$ 8,350,000	9.00%	8.25%	0.75%	8,500,000	\$ 150,000.00	1.8%
8	6 Albert Street	Preston	\$ 17,000,000	10.00%	8.75%	1.25%	23,000,000	\$ 6,000,000.00	35.3%
9	102-128 Bridge Road	Keysborough	\$ 22,000,000	9.25%	8.75%	0.50%	26,500,000	\$ 4,500,000.00	20.5%
10	500 Princes Highway	Noble Park	\$ 19,000,000	9.25%	8.75%	0.50%	20,000,000	\$ 1,000,000.00	5.3%
11	69 Studley Court	Derrimut	\$ 20,000,000	8.00%	7.75%	0.25%	21,000,000	\$ 1,000,000.00	5.0%
12	33-59 Clarinda Road	South Oakleigh*	\$ 10,100,000	9.25%	9.25%	0.00%	10,100,000	\$ -	0.0%
13	223-235 Barry Road	Campbellfield*	\$ 4,570,000	11.25%	11.25%	0.00%	4,570,000	\$ -	0.0%
14	5-9 Woomera Avenue	Edinburgh Parks*	\$ 5,000,000	10.50%	10.50%	0.00%	5,000,000	\$ -	0.0%
15	9-13 Caribou Drive	Direk	\$ 9,200,000	8.75%	8.50%	0.25%	9,550,000	\$ 350,000.00	3.8%
16	310 Spearwood Avenue	Bibra Lake	\$ 45,000,000	8.67%	8.90%	-0.23%	48,200,000	\$ 3,200,000.00	7.1%
17	54 Sawmill Circuit	Hume*	\$ 10,550,000	8.50%	8.00%	0.50%	13,800,000	\$ 3,250,000.00	30.8%
18	22 Hawkins Crescent	Bundamba	\$ 34,200,000	8.25%	8.00%	0.25%	36,200,000	\$ 2,000,000.00	5.8%
19	1 Ashburn Road	Bundamba	\$ 30,700,000	8.50%	8.25%	0.25%	33,000,000	\$ 2,300,000.00	7.5%
TOTAL			\$ 333,420,000	8.93%	8.55%	0.38%	363,370,000	\$ 29,950,000	8.98%
							less capex	\$ 2,366,742	
							Net Uplift	\$ 27,583,258	8.27%

*Notes:

Expansion works amounting to \$2.4m are currently being undertaken at 54 Sawmill Circuit, Hume ACT. The works are expected to be completed by the end of May 2014 with payment for works made at this time. The adopted valuation herein assumes the works are complete as at 1 April 2014 with an adjustment made in the accounts made for unpaid capex of \$2.4m.

Assets held for sale (Campbellfield, Edinburgh Parks) have not been independently valued and have been held at 31 December 2013 book values.

Oakleigh South asset was not valued as it is currently being assessed for a possible sale

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About 360 Capital Group (ASX code TGP)

360 Capital is an ASX-listed, property investment and funds management group concentrating on strategic investment and active investment management of property assets. The company actively invests in direct property assets, property securities and various corporate real estate acquisitions within Australian real estate markets on a private equity basis. The Group's 19 full time staff have significant property, funds and investment management experience. 360 Capital manages nine investment vehicles holding assets valued at approximately \$1.0 billion on behalf of almost 8,800 investors, has over \$90 million worth of co-investments across the 360 Capital platform and owns two direct assets valued at more than \$40 million.