

360 CAPITAL INDUSTRIAL FUND

ARSN 099 680 252



Responsible Entity and Issuer:
360 Capital Investment Management Limited
ACN 133 363 185
AFSL 340304

17 July 2014

Joint Lead Manager, Underwriter and Financial Advisor

MOELIS & COMPANY

Joint Lead Manager and Underwriter

Morgans IN ALLIANCE WITH CIMB

IMPORTANT NOTICE

Responsible Entity and Issuer

360 Capital Investment Management Limited ACN 133 363 185, AFSL 340304 is the responsible entity (Responsible Entity) of 360 Capital Industrial Fund ARSN 099 680 252 (Fund) and is the issuer of this product disclosure statement (PDS).

This PDS is dated and was lodged with ASIC on 17 July 2014. ASIC does not take any responsibility for the contents of this PDS.

This PDS relates to the Retail Entitlement Offer and the General Offer.

No cooling-off rights

No cooling-off rights apply to a subscription for New Units under the Offer. This means that an Applicant cannot withdraw an Application once it has been accepted.

Obtaining a copy of this PDS

A paper copy of this PDS is available free of charge to any person in Australia before the closing date of the Offer by calling the 360 Capital Information Line on 1800 182 257 (within Australia) or +61 2 9290 9600 (from outside Australia) between the hours of 8.30am and 5.00pm Monday to Friday AEST (excluding public holidays).

An electronic copy of this PDS may be accessed at www.360capital.com.au. If you access the electronic version of this PDS, you should ensure that you download and read the entire PDS.

Note to prospective investors

The information contained in this PDS is not financial product advice. This PDS has been prepared without reference to your investment objectives, financial situation and particular needs. It is important you read this PDS carefully and in its entirety before making a decision whether to invest. In particular, you should consider the risk factors that could affect the performance of the Fund. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your broker, solicitor, accountant, financial or other professional adviser before deciding whether to invest. Some of the key risk factors that should be considered by prospective investors are set out in Section 6 of this PDS. There may be risk factors in addition to these that should be considered in light of your personal circumstances. You should also consider the risk factors that could affect the Fund's business, financial condition and results of operations.

No performance guarantee

Neither the Responsible Entity, nor its associates or Directors, nor any other person named in this PDS guarantees the performance of the Fund, the repayment of capital or any particular rate of capital or income return. While the Responsible Entity is a subsidiary of 360 Capital Group, neither 360 Capital Group nor its other subsidiaries guarantee performance by the Responsible Entity of its obligations as the Responsible Entity and are not responsible for any information in this PDS.

Forward looking statements

This PDS contains forward looking statements. These statements can be identified by the use of words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'predict', 'guidance', 'plan' and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements.

Preparation of these forward looking statements was undertaken with due care and attention. However, forward looking statements are subject to known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Fund to be materially different from those expressed or implied in such forward looking statements.

Some of the key risk factors that impact on forward looking statements in this PDS are set out in Section 6. No assurance can be provided that actual performance will mirror the guidance provided.

Other than as required by law, none of the Responsible Entity, its associates or their respective directors, officers, employees or advisers or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this PDS will actually occur. You are cautioned not to place undue reliance on those statements.

Foreign jurisdictions

This PDS has been prepared to comply with the requirements of Australian law and is only being made available to investors resident in Australia and certain other countries where it is not unlawful to make such an offer. This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. Distribution of this PDS outside of Australia (whether electronically or otherwise) may be restricted by law. Persons who receive this PDS outside of Australia are required to observe any such restrictions. Failure to comply with such restrictions may find you in violation of applicable securities laws. Unless otherwise agreed with the Responsible Entity, any person subscribing for New Units under the Offer shall by virtue of such subscription be deemed to represent that they are not in a jurisdiction which does not permit the making of an offer or invitation as detailed in this PDS and are not acting for the account or benefit of a person within such jurisdiction. See Section 7.17 for foreign offer restrictions.

Updated information

Information relating to the Offer may change from time to time. The Responsible Entity may issue a supplementary PDS to supplement any relevant information not contained in this PDS or may update certain information which is not materially adverse on its website at www.360capital.com.au. Any supplementary PDS or updated information should be read together with this PDS.

Pictures of properties in this PDS

All pictures of properties in this PDS are either actual pictures or artists' impressions of assets which are held by, or are contracted to be acquired by the Fund, unless stated otherwise.

Defined terms and financial information

Certain terms used in this PDS have been defined in the Glossary of this PDS. Unless otherwise stated or implied, references to times in this PDS are AEST.

Unless otherwise stated or implied, references to dates or years are financial year references.

All financial and operational information contained in this PDS is stated as at the date of this PDS, unless otherwise specified. Currency amounts are in Australian dollars unless otherwise stated.

Any discrepancies between totals and sums and components in tables contained in this PDS are due to rounding.

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Disclosure

The Joint Lead Managers (whether in that capacity, or otherwise), together with their affiliates, are full service financial institutions engaged in various activities, which may include trading, financing, financial advisory, investment management, investment research, principal investment, hedging, market making, margin lending, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses. The Joint Lead Managers, in conjunction with their affiliates, are acting as joint lead managers, bookrunners and underwriters to the Offer for which they have received or expect to receive fees and recover expenses. The Joint Lead Managers (whether in that capacity, or otherwise) and/or their affiliates have performed, and may perform, other financial or advisory services for the Responsible Entity, and/or may have other interests in or relationships with the Responsible Entity, and its related bodies corporate for which they have received or may receive customary fees and expenses. In the ordinary course of their various business activities, the Joint Lead Managers (whether in that capacity, or otherwise) and their affiliates may purchase, sell or hold a broad array of investments and actively trade or effect transactions in equity, debt and other securities, derivatives, loans, commodities, currencies, credit default swaps and/or other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Fund, its related entities and/or persons and entities with relationships with the Fund and/or its related entities. The Joint Lead Managers (whether in that capacity, or otherwise) and/or their affiliates, or their respective officers, employees, consultants or agents may, from time to time, have long or short positions in, buy or sell (on a principal basis or otherwise), and may act as market makers in, the securities or derivatives, or serve as a director of any entities mentioned herein. The Joint Lead Managers (whether in that capacity, or otherwise) and/or their affiliates currently hold, and may continue to hold, equity, debt and/or related derivative securities of the Fund and/or its related entities. None of the Joint Lead Managers (whether in that capacity, or otherwise) nor any of their related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether Unitholders, investors or their related parties should invest in the Fund, nor do they make any representations or warranties to Unitholders or investors (or other statements upon which you may rely) concerning this Offer or any such information. The engagement of the Joint Lead Managers by the Responsible Entity is not intended to and does not create any agency, custodial, fiduciary or other legal relationship between the Joint Lead Managers and any Unitholder or other investor.

The Joint Lead Managers have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this PDS. The Joint Lead Managers and their affiliates, officers and employees, to the maximum extent permitted by law, expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this PDS and make no representation or warranty as to the currency, accuracy, reliability or completeness of this PDS.

Questions

If you have any questions about this PDS, please call the 360 Capital Information Line on 1800 182 257 (within Australia) or +61 2 9290 9600 (from outside Australia) between the hours of 8.30am and 5.00pm Monday to Friday AEST (excluding public holidays).

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CHAIRMAN'S LETTER

Dear Investor

On behalf of the Directors of 360 Capital Investment Management Limited (Responsible Entity), I am pleased to invite you to subscribe for New Units in the 360 Capital Industrial Fund (Fund). The Responsible Entity is seeking to raise \$61.0 million through the issue of 28.2 million New Units at an Offer Price of \$2.16 per New Unit (Offer) via a fully underwritten capital raising. Monies raised under the Offer, together with \$26.5 million in debt, will be used to acquire two industrial properties leased to Woolworths on long term leases for a total consideration of \$79.4 million (collectively the Transaction). The proceeds of the Offer will reduce the Fund's overall gearing to 40.9%.

The Responsible Entity believes that the Fund exhibits strong defensive property fundamentals and is currently at an attractive point in the real estate cycle in terms of pricing and prospects for growth.

Post completion of the Transaction, the Fund will offer investors:

- a diversified industrial portfolio with a high level of occupancy of 96.7% (by area);
- a weighted average lease expiry (WALE) of 5.7 years (by income);
- a weighted average capitalisation rate (WACR) of 8.5% (by value);
- a forecast Distribution Yield of 8.9% per annum on the Offer Price for the year ending 30 June 2015;
- quarterly distributions that are forecast to be approximately 45% tax deferred for the year ending 30 June 2015;
- pro forma gearing of 40.9%, within the Fund's target range of 35% to 45%;
- pro forma forecast net tangible asset (NTA) of \$2.15 per Unit compared with the Offer Price of \$2.16 per New Unit;
- pro forma market capitalisation of approximately \$258.7 million based on the Offer Price; and
- the potential for distribution and capital growth through contracted fixed annual rental increases averaging 3.3% per annum from 81% of underlying leases, with 18% of remaining leases increasing annually at CPI.

The Responsible Entity is a member of 360 Capital Group. As a result, the Fund has access to a highly experienced, specialist real estate investment manager that manages nine listed and unlisted investment vehicles and that holds real estate assets valued in excess of \$1.0 billion on behalf of almost 8,500 investors. 360 Capital is listed on the ASX, has a market capitalisation of approximately \$203.9 million as at the date of this PDS and has over \$100 million of co-investments in the funds it manages.

In line with its co-investment model, 360 Capital, through its managed funds has a co-ownership stake of approximately 12.0% (post completion of the Transaction) in the Fund.

The Fund provides distributions on a quarterly basis and the Responsible Entity expects the tax deferred component of the distributions to be approximately 45% for FY15.

The Offer comprises a fully underwritten offer of approximately 28.2 million New Units at an Offer Price of \$2.16 per New Unit comprising:

- an Institutional Placement to Institutional Investors raising approximately \$33.7 million;
- a 1 for 7.25 Entitlement Offer raising approximately \$27.3 million with Eligible Unitholders able to subscribe for additional New Units (if available); and
- a General Offer of New Units not taken up under the Entitlement Offer with priority to 360 Capital managed fund unitholders and 360 Capital Group securityholders.

This PDS relates to the Retail Entitlement Offer and the General Offer. This PDS contains detailed information about the Offer, operations and financial performance of the Fund. You should read the PDS carefully in its entirety, including Section 8, which sets out fees and other costs associated with investing in the Fund and Section 6 which sets out some of the key risks of investing in the Fund. In addition, you should consider seeking relevant professional advice before making a decision to apply for New Units.

Thank you for your consideration of this opportunity to invest in the Fund. I commend the Offer to you and thank you for your support.

Yours sincerely



David van Aanholt
Independent Chairman
360 Capital Investment Management Limited

17 July 2014

KEY OFFER INFORMATION

Key Offer statistics¹

Offer Price per New Unit	\$2.16
Number of New Units available under the Offer	28.2 million
Proceeds from the Offer	\$61.0 million ²
Amount to be raised pursuant to the Institutional Placement	\$33.7 million
Amount to be raised pursuant to the Entitlement Offer	\$27.3 million
General Offer	Comprises the Entitlement Offer Shortfall
Number of Units on issue following completion of the Offer	119.8 million ³
Market capitalisation at the Offer Price	\$258.7 million
Forecast FY15 Operating Earnings per Unit	20.2 cents
Forecast FY15 Operating Earnings Yield per Unit	9.4%
Forecast FY15 Distribution per Unit	19.2 cents
Forecast FY15 Distribution Yield per Unit	8.9%
Forecast FY15 pay-out ratio	95.0%
Forecast FY15 tax deferred proportion ⁴	Approximately 45%
Pro forma NTA per Unit	\$2.15
Offer Price premium to pro forma NTA per Unit	0.5%
Discount to 5-day VWAP	3.2%
Pro forma gearing ⁵	40.9%

- 1 Refer to Section 5 for important information relating to the Fund's financial forecast and pro forma balance sheet, including the relevant assumptions and sensitivities. Section 6 sets out some of the key risks of investing in the Fund.
- 2 The proceeds of the Offer received by the Responsible Entity will equal the number of New Units made available multiplied by the Offer Price per New Unit.
- 3 There are 91.5 million Units on issue in the Fund before the Offer.
- 4 The tax deferred component of distributions may vary in the future depending on the age and composition of the Fund's Property portfolio.
- 5 Gearing calculated as interest bearing liabilities (net of cash) divided by total assets (net of cash).

Key portfolio statistics¹

Number of Properties	20
Independent valuation of Properties	\$438.2 ² million
Net lettable area (NLA)	394,019sqm
WACR (by value)	8.5%
WALE (by income)	5.7 years
Occupancy (by area)	96.7%

- 1 As at the completion of the Property Acquisitions.
- 2 Independently valued as at 1 April 2014 (existing portfolio, except for Edinburgh Parks and Oakleigh South Properties) and 23 May 2014 for the two new Properties which will be acquired pursuant to the Property Acquisitions.

Key dates¹

Trading halt	Tuesday 15 July 2014
Institutional Placement and Institutional Entitlement Offer open	Tuesday 15 July 2014
Trading recommences	Thursday 17 July 2014
Record Date for Entitlement Offer (7.00pm AEST)	Friday 18 July 2014
Retail Entitlement Offer and General Offer open	Tuesday 22 July 2014
Last date for lodgement of accelerated acceptances under Retail Entitlement Offer (5.00pm AEST)	Friday 25 July 2014
Settlement of New Units issued under the Institutional Placement, Institutional Entitlement Offer and accelerated Retail Entitlement Offer	Monday 28 July 2014
Normal trading commences for New Units issued under the Institutional Placement, Institutional Entitlement Offer and accelerated Retail Entitlement Offer	Tuesday 29 July 2014
Settlement of Property Acquisitions	Tuesday 29 July 2014
Close of Retail Entitlement Offer and General Offer (5.00pm AEST)	Wednesday 20 August 2014
Settlement of Retail Entitlement Offer and General Offer	Tuesday 26 August 2014
Normal trading commences for New Units issued under the Retail Entitlement Offer and General Offer	Thursday 28 August 2014
Dispatch of holding statements	Friday 29 August 2014

¹ These dates are indicative only and are subject to change. The Responsible Entity reserves the right to close one or more components of the Offer early or to extend or cancel the Offer without notice. If the date the Offer closes is varied, subsequent dates may also be varied accordingly. Investors are encouraged to submit their Application Forms as soon as possible.

How to invest

Applications for New Units can only be made by completing and lodging the relevant Application Form included in or accompanying this PDS. Instructions on how to apply for New Units are set out in Section 7 of this PDS.



01

**INVESTMENT
OVERVIEW**

INVESTMENT OVERVIEW

(CONTINUED)

The key features, benefits and risks set out in this section are a summary only. You should read this entire PDS before completing an Application Form as the PDS contains important information about an investment in the Fund. You should also consider seeking independent legal, taxation and financial advice before investing under the Offer.

Key feature		For more information
Fund overview		
What is the Fund?	<p>360 Capital Industrial Fund (ASX code: TIX) is an ASX listed real estate investment trust (A-REIT) included in the S&P/ASX 300 Index.</p> <p>Following completion of the Property Acquisitions, the Fund will hold a well-diversified portfolio of 20 institutional grade industrial properties valued at over \$438.2 million across Australia.</p> <p>The portfolio has an occupancy of 96.7%, a WALE of 5.7 years, a WACR of 8.5% and 99% of all leases incorporate annual fixed or CPI rent reviews providing predictable and stable cashflows to the Fund.</p> <p>The Fund is externally managed by the Responsible Entity, a member of the 360 Capital Group.</p>	<p>Section 2</p> <p>Section 4</p>
What is the Fund's objective?	The Fund aims to provide ongoing security of income, and potentially capital growth, through active asset management and continuing to invest in a diversified portfolio of industrial properties across Australia.	Section 2
What is the Fund's investment strategy?	The Fund's investment strategy is to invest in and actively manage a diversified portfolio of Australian-based industrial properties. These properties are characterised by strong, defensive, income-focused investment fundamentals such as high occupancy, long WALE and fixed annual rental increases from blue chip tenants.	Section 2
Will the Fund take on development risk?	<p>No, the Fund will not be taking on development risk. Its policy is to acquire properties which are either completed, or where the Fund does not inherit development or delivery risk (i.e. pre-committed projects).</p> <p>The Fund will however undertake major refurbishment and committed expansion projects to its existing assets as part of its active asset management strategy.</p>	–
Will the Fund invest in properties overseas?	No, the Fund is Australian focused and will not invest in or acquire properties located overseas.	–
What is the Fund's valuation policy?	Independent valuations of direct property investments are obtained at least once every year or more frequently if an internal valuation differs materially from the current carrying value of a Property. The existing Properties were independently valued as at 1 April 2014. The properties being acquired pursuant to the Property Acquisitions were independently valued as at 23 May 2014.	Section 13.12

Key feature		For more information	
Portfolio Overview¹			
What are the key metrics of the Fund's Property portfolio?	Asset valuation	\$438.2 million	Section 3
	Number of Properties	20	
	NLA	394,019sqm	
	Occupancy (by area)	96.7%	
	WALE (by income)	5.7 years	
	WACR (by value)	8.5%	
What assets will comprise the Fund's Property portfolio?	The assets that comprise the Fund's Property Portfolio are set out in Section 3.		Section 3
Who are the significant tenants of the Fund's Properties?	The significant tenants occupying the Fund's Properties are set out in Section 3.		Section 3
Responsible Entity and 360 Capital Group			
Who is the responsible entity of the Fund?	<p>The Responsible Entity is 360 Capital Investment Management Limited, which is a member of the 360 Capital Group.</p> <p>The Responsible Entity holds an Australian Financial Services Licence (AFSL 340304) which authorises it to act as the responsible entity of the Fund.</p> <p>The Responsible Entity is responsible for the management and administration of the Fund.</p>		Section 4
What fees will the Responsible Entity receive?	<p>All the costs of operating the Fund are payable out of the assets of the Fund.</p> <p>The Responsible Entity is entitled to a Management Fee of 0.65% per annum of gross asset value of the Fund, but is currently electing to charge 0.60% per annum of the gross asset value of the Fund.</p> <p>The Responsible Entity is also entitled to reimbursement for reasonable expenses incurred in the operation of the Fund (estimated at approximately 0.20% per annum of the Fund's gross asset value).</p> <p>The Responsible Entity will not charge a performance fee.</p>		Section 8
Who is 360 Capital Group?	360 Capital Group is an ASX-listed (ASX: TGP) real estate investment and funds management group with a market capitalisation of approximately \$203.9 million as at the date of this PDS. The 360 Capital senior management team average more than 20 years' experience across the Australian real estate and funds management sectors.		Section 4
Does 360 Capital hold units in the Fund?	<p>360 Capital Diversified Property Fund (DPF), 58.9% owned by 360 Capital, has indicated it is unlikely to subscribe for its Entitlement under the Entitlement Offer in order to optimise its capital allocation. It will therefore hold an economic interest of 12.0% in the Fund post completion of the Transaction.</p> <p>All Directors of the Responsible Entity have indicated they will take up their Entitlements in full and, in some cases, subscribe for additional New Units.</p> <p>360 Capital and its related parties will collectively hold approximately 12.9% of Units on issue post the Transaction assuming DPF does not take up its Entitlement and all Directors take up their Entitlements. It is 360 Capital's intention to retain its investment in the Fund as a strategic stake, in line with its co-investment strategy.</p>		Section 13.3

¹ The Fund currently owns 18 Properties and has entered into unconditional Property Acquisition Agreements to acquire two Properties located at 2 Woolworths Way, Warnervale, NSW and 21 Jay Street, Mount St John, Townsville, QLD. Section 3 contains an overview of the Fund's Property portfolio and details of the two new Properties being acquired.

INVESTMENT OVERVIEW

(CONTINUED)

Key feature		For more information																				
Overview of the Offer																						
What is the Offer?	The Responsible Entity intends to raise \$61.0 million by offering 28.2 million New Units at an Offer Price of \$2.16 per New Unit.	Section 7																				
What are the terms of the Offer?	<ul style="list-style-type: none"> The Offer Price is \$2.16 per New Unit Raising \$61.0 million (28.2 million New Units) New Units issued under the Offer will rank equally with all other Units on issue. 	Section 7																				
How is the Offer structured?	<p>The fully underwritten Offer will consist of:</p> <ul style="list-style-type: none"> an Institutional Placement, which consists of an invitation to certain Institutional Investors in Australia and a number of other authorised jurisdictions to apply for 15.6 million New Units at the Offer Price to raise \$33.7 million; a 1 for 7.25 Entitlement Offer of 12.6 million New Units at the Offer Price to raise \$27.3 million will be offered to Existing Unitholders of the Fund; and a General Offer of any New Units not taken up under the Entitlement Offer at the Offer Price. <p>New Units issued under the Offer will rank equally with all other Units on issue.</p> <p>The Entitlement Offer will be administered via the Institutional Entitlement Offer and the Retail Entitlement Offer.</p> <p>All participants in the Institutional Placement, Institutional Entitlement Offer and those Eligible Unitholders who elect to accelerate their participation in the Retail Entitlement Offer will be issued their New Units on Tuesday, 29 July 2014. Otherwise, the Retail Entitlement Offer and the General Offer will close on Wednesday, 20 August 2014.</p>	Section 7																				
Is the Offer underwritten?	<p>Yes, the Offer is fully underwritten by the Joint Lead Managers.</p> <p>The Responsible Entity of the Fund and the Joint Lead Managers have entered into the Underwriting Agreement in respect of the Offer. Under certain circumstances, the Joint Lead Managers may terminate the Underwriting Agreement. A summary of the Underwriting Agreement is set out in Section 12.3.</p>	Section 12.3																				
How will the proceeds of the Offer be used?	<p>The proceeds of the Offer combined with drawdowns from the Debt Facility will be applied to:</p> <ul style="list-style-type: none"> fund the Property Acquisitions; deleverage the Fund and reduce the Fund's gearing; and pay Transaction costs. 	–																				
	<table border="1"> <thead> <tr> <th style="background-color: #92d050;">Sources</th> <th style="background-color: #92d050;">(\$m)</th> <th style="background-color: #92d050;">Applications</th> <th style="background-color: #92d050;">(\$m)</th> </tr> </thead> <tbody> <tr> <td>Institutional Placement</td> <td style="text-align: right;">33.7</td> <td>Property Acquisitions</td> <td style="text-align: right;">79.4</td> </tr> <tr> <td>1 for 7.25 Entitlement Offer and General Offer in respect of any Entitlement Offer Shortfall</td> <td style="text-align: right;">27.3</td> <td>Transaction costs</td> <td style="text-align: right;">8.1</td> </tr> <tr> <td>Drawdown of existing Debt Facility</td> <td style="text-align: right;">26.5</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">87.5</td> <td>Total</td> <td style="text-align: right;">87.5</td> </tr> </tbody> </table>	Sources	(\$m)	Applications	(\$m)	Institutional Placement	33.7	Property Acquisitions	79.4	1 for 7.25 Entitlement Offer and General Offer in respect of any Entitlement Offer Shortfall	27.3	Transaction costs	8.1	Drawdown of existing Debt Facility	26.5			Total	87.5	Total	87.5	
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Key feature		For more information
Can the Offer be withdrawn?	<p>Yes, the Responsible Entity reserves the right to withdraw one or more components of the Offer or close it early.</p> <p>If the Offer is withdrawn, the Responsible Entity will refund all Application Monies in full, without interest.</p>	–
What is the Debt Facility?	<p>The Fund is intending to extend and increase its existing Debt Facility with NAB the key terms of which are as follows:</p> <ul style="list-style-type: none"> ● Facility term of 3 years expiring on 31 July 2017 ● Facility limit increased to \$230.0 million ● LVR covenant of $\leq 55\%$ ● ICR covenant of ≥ 1.60 times <p>Under the extension of the Debt Facility, the Fund will pay an establishment fee of \$0.4 million which will be amortised over the term of the Debt Facility.</p> <p>It is expected the Debt Facility will be drawn to \$183.6 million post completion of the Transaction (on a pro forma basis), providing the Fund with approximately \$46.4 million of headroom.</p> <p>The Fund will enter into an interest rate swap contract to fix the interest rate payable on drawn debt for a period of three years as part of the extension of the Debt Facility.</p>	Section 2.6 and 12.1
Who can participate in the Offer?	<p>Institutional Placement and Institutional Entitlement Offer</p> <ul style="list-style-type: none"> ● Institutional Investors in Australia, New Zealand and certain other jurisdictions will be invited to participate in the Institutional Placement and Institutional Entitlement Offer. <p>Retail Entitlement Offer</p> <ul style="list-style-type: none"> ● Eligible Unitholders may apply for New Units under the Retail Entitlement Offer. Eligible Unitholders are those Existing Unitholders who: <ul style="list-style-type: none"> – are registered as Existing Unitholders as at the Record Date; – have not had the opportunity to participate in the Institutional Entitlement Offer; – have a registered address in Australia or New Zealand; – are not in the United States and are not acting for the account or benefit of a person in the United States; and – are eligible under all applicable securities laws to receive an offer under the Entitlement Offer. <p>General Offer</p> <ul style="list-style-type: none"> ● The General Offer is open to: <ul style="list-style-type: none"> – Existing Unitholders who take up more than their Entitlement under the Entitlement Offer; – unitholders in 360 Capital managed funds or 360 Capital Group securityholders who are on the respective registers as at 5.00pm AEST on the Record Date; and – other persons eligible to invest in the General Offer. 	Section 7
What are the minimum Application amounts?	<p>There is no Minimum Application Amount under the Entitlement Offer. The Minimum Application Amount Under the General Offer is \$2,160.00 (1,000 New Units) and in increments of \$540.00 (250 New Units) thereafter.</p> <p>The Responsible Entity reserves the right to aggregate Applications which it believes may have been made by the same Applicant.</p>	Section 7

INVESTMENT OVERVIEW

(CONTINUED)

Key feature		For more information
What is the allocation policy?	<p>The Responsible Entity has absolute discretion regarding the allocation of New Units to Applicants in the Institutional Placement and the General Offer and may reject an Application, or allocate fewer New Units than applied for, in its absolute discretion.</p> <p>Currently, the Responsible Entity has determined that in relation to the General Offer, priority will be given to as follows:</p> <ul style="list-style-type: none">Existing Unitholders in the Fund who take up their full Entitlement under the Entitlement Offer;then unitholders in 360 Capital managed funds (both listed and unlisted) or 360 Capital Group securityholders who are on the respective registers as at 5.00pm AEST on the Record Date; andthen other persons eligible to invest in the General Offer.	Section 7.6
When can I sell my Units?	<p>New Units will be able to be traded on ASX. The Responsible Entity has applied for the New Units to be quoted on ASX. It is expected that New Units issued under the accelerated component of the Retail Entitlement Offer will commence trading on the ASX on a normal settlement basis on or about Tuesday, 29 July 2014. Otherwise, New Units issued under the Retail Entitlement Offer are expected to commence trading on the ASX on a normal settlement basis on or about Thursday, 28 August 2014.</p> <p>It is the responsibility of Applicants to confirm their allocation of New Units prior to trading in New Units. A Unitholder who sells New Units before they receive their holding statement does so at their own risk.</p>	–
How can I apply?	<p>Institutional Placement and Institutional Entitlement Offer</p> <ul style="list-style-type: none">The Joint Lead Managers will separately advise Institutional Investors of the Application procedures for the Institutional Placement and the Institutional Entitlement Offer <p>Retail Entitlement Offer</p> <ul style="list-style-type: none">To apply under the Retail Entitlement Offer you must lodge your Entitlement and Acceptance Form and Application Monies in accordance with the instructions on the back of the Entitlement and Acceptance Form <p>General Offer Applicants</p> <ul style="list-style-type: none">To apply under the General Offer, you must lodge your General Offer Application Form and Application Monies in accordance with the instructions on the General Offer Application Form <p>To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.</p>	Section 7
When will I know if my Application has been accepted?	<p>Holding statements confirming your allocation of New Units under the Offer are expected to be dispatched on 29 August 2014.</p>	–
Is there a cooling off period?	<p>No. Cooling-off rights do not apply to an investment in New Units pursuant to this Offer.</p> <p>However, you can offer your New Units for sale on the ASX once they begin trading.</p>	–

Key feature	For more information
Significant Benefits and Risks	
What are the significant benefits of an investment in the Fund?	<p data-bbox="354 421 991 450">Diversified industrial portfolio with defensive fundamentals</p> <ul data-bbox="354 456 1198 707" style="list-style-type: none"> <li data-bbox="354 456 1198 517">● geographically diversified Australian portfolio of 20 industrial properties valued at \$438.2 million (post completion of the Property Acquisitions) <li data-bbox="354 524 1198 611">● diversified tenant exposure with 43 tenants across the portfolio, underpinned by strong underlying lease covenants (Woolworths will become the Fund's largest tenant as a result of the Property Acquisitions) <li data-bbox="354 618 1198 707">● minimal tenant concentration with no tenant representing more than 18% of rental income (Woolworths Limited becomes the Fund's largest tenant generating 17.7% of Portfolio rental income) <p data-bbox="354 730 512 759">Stable income</p> <ul data-bbox="354 766 1198 1055" style="list-style-type: none"> <li data-bbox="354 766 1198 853">● the Fund's property portfolio displays strong, defensive, income-focused characteristics with occupancy of 96.7% and WALE of 5.7 years providing predictable/stable cashflow and distributions <li data-bbox="354 860 1198 920">● approximately 99% of the portfolio is subject to annual fixed or CPI increases providing consistent and sustainable increases to the portfolio's rental income <li data-bbox="354 927 1198 987">● modern, high-quality industrial facilities minimise capital expenditure requirements and provide certainty of income <li data-bbox="354 994 1198 1055">● potential for income growth through contractual rental increases and active asset management <p data-bbox="354 1077 1139 1106">Well priced investment opportunity exhibiting attractive financial metrics</p> <ul data-bbox="354 1113 1198 1364" style="list-style-type: none"> <li data-bbox="354 1113 1198 1216">● the Offer represents a compelling investment opportunity relative to peers: <ul data-bbox="384 1144 1034 1216" style="list-style-type: none"> <li data-bbox="384 1144 1034 1173">– forecast Operating Earnings of 20.2 cents (9.4% yield) in FY15 <li data-bbox="384 1180 1034 1216">– forecast Distribution of 19.2 cents (8.9% yield) in FY15 <li data-bbox="354 1223 1198 1283">● payout ratio of approximately 95.0% with quarterly distributions forecast to be 45.0% tax deferred for FY15 <li data-bbox="354 1290 868 1319">● Offer Price at a 0.5% premium to pro forma NTA <li data-bbox="354 1326 847 1364">● Offer Price at a 3.2% discount to 5-day VWAP <p data-bbox="354 1386 592 1415">Positioned for growth</p> <ul data-bbox="354 1422 1198 1615" style="list-style-type: none"> <li data-bbox="354 1422 1198 1482">● the Offer will deleverage and reduce the Fund's gearing, creating greater balance sheet capacity for future asset acquisitions <li data-bbox="354 1489 1198 1550">● the Fund has an exclusive first right of refusal in respect of all industrial properties developed by Walker Corporation until June 2017 <li data-bbox="354 1556 1198 1615">● future potential upside from value-add opportunities driven by active asset management <p data-bbox="354 1637 892 1666">Simple fund structure with clear investment focus</p> <ul data-bbox="354 1673 1198 1776" style="list-style-type: none"> <li data-bbox="354 1673 995 1702">● transparent base Management Fee and no performance fees <li data-bbox="354 1709 1102 1738">● simple ownership structure with all Properties 100% owned by the Fund <li data-bbox="354 1744 1182 1776">● 100% Australian-focused with no speculative development or offshore exposure <p data-bbox="354 1798 1118 1827">Proven, experienced, well-credentialed and aligned management team</p> <ul data-bbox="354 1834 1198 1989" style="list-style-type: none"> <li data-bbox="354 1834 1198 1895">● Board of the Responsible Entity and senior management team have extensive experience across Australian property and funds management sectors <li data-bbox="354 1901 1198 1989">● aligned manager with 360 Capital Group holding an indirect economic interest in the Fund via DPF which will hold an economic interest of 12.0% of the Fund post completion of the Offer.
	Sections 3, 4 and 5

Key feature	For more information
<p>What are the key risks associated with an investment in the Fund?</p>	<p style="text-align: right;">Section 6</p> <p>Property values</p> <ul style="list-style-type: none"> The ongoing value of a Property is influenced by changes in property market conditions including supply, demand, capitalisation rates and rentals. There is no guarantee that a Property will achieve a capital gain on its sale or that the value of the Property will not fall as a result of the assumptions on which the relevant valuations are based prove to be incorrect. <p>Property revenue</p> <ul style="list-style-type: none"> Distributions in respect of the Fund are largely dependent upon the rents received in connection with the Properties and tenants paying rent in accordance with their lease terms. There is a risk that tenants may default on the terms of their lease which could result in a reduction in rental income for the Fund and additional expenses associated with re-leasing the tenancy or taking enforcement action. Vacancy periods may have an adverse impact on the Fund's net income and distributions, a Property's capital value and potentially the Fund's NTA per Unit and trading price per Unit. This risk is reduced by the Fund having 43 tenants across the portfolio and no single tenant comprising more than 18% of income. <p>Trading price of Units</p> <ul style="list-style-type: none"> The market price of Units will fluctuate due to numerous factors including general movements in interest rates, the Australian and international general investment markets, economic conditions, global geo-political events and hostilities, investor perceptions and other factors that may affect the Fund's financial performance and position. The price of the Units also fluctuates due to changes in the market rating of the Units relative to other listed and unlisted securities, other investment options such as debentures or interest-bearing deposits and investor sentiment towards the Fund. There can be no guarantee that liquidity will be maintained and the number of potential buyers or sellers of the Units on the ASX at any given time may vary. This may increase the volatility of the market price of the Units and therefore affect the market price at which Unitholders are able to buy or sell Units. Unitholders who wish to sell their Units may be unable to do so at a price acceptable to them. The market price of Units could trade on the ASX at a discount to NTA per Unit. <p>Refinancing risk and gearing</p> <ul style="list-style-type: none"> The Fund's ability to raise funds, including both debt and equity, on favourable terms (including fees and the interest rate margin payable) for future refinancing, capital expenditure, or acquisitions depends on a number of factors including general economic conditions, political, capital and credit market conditions and the reputation, performance and financial strength of the Fund. Any change in these factors could increase the cost of funding, or reduce the availability of funding, as well as increase the Fund's refinancing risk for maturing debt facilities. The Fund's ability to refinance its debt facilities as they fall due will depend upon market conditions, the performance of the Fund's assets and the financial position of the Fund's tenants. If the debt facilities are not refinanced, or need to be repaid it is possible that the Fund will need to realise assets for less than their fair value, which would impact the Fund's NTA per Unit. The Fund is a geared investment product. The level of the Fund's gearing will magnify the effect of any movements in the value of the Property portfolio.

Key feature		For more information
Financial Information		
What is the pro forma NTA per Unit?	The Fund will have a forecast pro-forma NTA of \$2.15 per Unit upon completion of the Transaction.	Section 5
What will be the gearing of the Fund?	The Fund will have a pro forma gearing ratio of 40.9% upon completion of the Transaction.	Section 2.6
Operating Earnings and Distributions		
What are the Fund's expected Operating Earnings and Distribution Yield?	<p>The Fund's forecast FY15 Operating Earnings and Distribution Yields are as follows:</p> <ul style="list-style-type: none"> • FY15 forecast Operating Earnings Yield based on the Offer Price is 9.4% • FY15 forecast Distribution Yield based on the Offer Price is 8.9%. 	–
What is the Fund's distribution policy?	<p>Distributions are paid to Unitholders quarterly in arrears in the month following the end of each quarter.</p> <p>Distributions will be determined with reference to the level of the Fund's Operating Earnings. Generally, distributions are expected to be approximately 90% to 100% of Operating Earnings. The Fund is forecast to have a pay-out ratio of 95.0% for the Forecast Period.</p>	–
What portion of the distributions will be tax deferred for Australian tax purposes?	<p>The distribution for FY15 is expected to be approximately 45.0% tax deferred.</p> <p>The actual amount of tax deferred income each year is dependent on a number of factors and is therefore an estimate only, assuming the Fund's portfolio and financing arrangements do not alter. The tax deferred portion of distributions may vary in the future depending on the age and composition of the portfolio.</p>	–
Taxation implications		
What are the tax implications from making an investment in the Fund?	<p>Participation in the Offer may have taxation implications for investors. These implications will differ depending on the individual circumstances of each investor who participates in the Offer.</p> <p>An analysis of income tax implications applicable to investors is outlined in Section 11. The advice is general in nature and investors should seek and only rely upon their own professional taxation advice in relation to their own position.</p>	Section 11
Corporate Governance		
What are the governance arrangements for the Fund and who will be responsible for them?	The Board of the Responsible Entity has established governance arrangements to ensure that the Fund is effectively managed in a manner that is properly focused on its investment objectives and the interests of Unitholders as well as conforming to regulatory and ethical requirements. The Fund has its own Investment Committee chaired by an independent Director with independent Directors making up the majority of this committee.	Section 2.8, 4 and 13.8-13.11
Will the Fund hold annual general meetings?	The Fund is not required to hold annual general meetings. General meetings will be held by the Fund when required.	–

INVESTMENT OVERVIEW

(CONTINUED)

Key feature		For more information
Offer Costs		
What are the fees and costs associated with the Offer?	Total expenses (which include property acquisition costs such as stamp duty, professional advisory fees, printing costs and listing fees) in relation to the Offer are expected to total approximately \$8.1 million.	Section 8.4
Who will bear the Offer costs?	The Fund will bear all the fees and costs associated with the Offer.	–
Is there any brokerage commission or stamp duty payable by Applicants?	<p>No brokerage, commission or stamp duty is payable by Applicants who apply for New Units using an Application Form.</p> <p>If you buy or sell Units on the ASX, you may have to pay brokerage and other transaction costs. Under current legislation, there is no stamp duty payable on the sale or purchase of Units on the ASX provided that no investor (together with any related or associated persons or other persons in an associated transaction for the purposes of stamp duty law) holds 90% or more of the Units.</p>	Section 7.15
Other information		
Where can I find out further information about the Offer?	If you have any questions please contact the 360 Capital Information Line on 1800 182 257 (within Australia) or +61 2 9290 9600 (from outside Australia) or email investor.relations@360capital.com.au	–
What procedures are in place to deal with complaints?	The Responsible Entity has implemented a Complaints Handling Policy that has been prepared in accordance with Australian Standards. The Responsible Entity has established a complaints resolution procedure and is a member of the Financial Ombudsman Service (FOS). The Board monitors compliance with the Responsible Entity's Complaints Handling Policy.	Section 13.17

02

OVERVIEW OF THE FUND

2 Fund overview

2.1 Background and introduction

The 360 Capital Industrial Fund (ASX code: TIX) is an ASX listed real estate investment trust (A-REIT) included in the S&P/ASX 300 Index. Since listing on the ASX on 13 December 2012, the Fund has provided Unitholders with stable and reliable income distributions each quarter as well as significant capital growth from its underlying industrial portfolio. The Fund has delivered a total return of 27.6% p.a. (not assuming reinvestment of distributions) to Unitholders since listing. Past performance is not an indicator of future performance.

After completion of the Transaction, the Fund will be the largest rent collecting pure-play industrial focused A-REIT on the ASX. The Fund will have a market capitalisation of approximately \$258.7 million and a well-diversified portfolio of industrial and logistics properties valued at over \$438.2 million underpinned by a diverse range of quality tenants.

360 Capital Investment Management Limited, a member of the 360 Capital Group is the responsible entity of the Fund.

2.2 Benefits associated with an investment in the Fund¹

Diversified industrial portfolio with defensive fundamentals	<ul style="list-style-type: none"> geographically diversified Australian portfolio of 20 industrial properties valued at \$438.2 million (post completion of the Property Acquisitions) diversified tenant exposure with 43 tenants across the portfolio, underpinned by strong underlying lease covenants (Woolworths will become the Fund's largest tenant as a result of the Property Acquisitions) minimal tenant concentration with no tenant representing more than 18% of rental income
Stable income	<ul style="list-style-type: none"> The Fund's Property portfolio displays strong, defensive, income-focused characteristics with occupancy of 96.7% and WALE of 5.7 years providing predictable/stable cashflows and distributions approximately 99% of the portfolio is subject to annual fixed or CPI increases providing consistent and sustainable increases to the portfolio's rental income modern, high-quality industrial facilities minimise capital expenditure requirements and provide certainty of income potential for income growth through contractual rental increases and active asset management
Well priced investment opportunity exhibiting attractive financial metrics	<ul style="list-style-type: none"> the Offer represents a compelling investment opportunity relative to peers: <ul style="list-style-type: none"> forecast Operating Earnings of 20.2 cents (9.4% yield) in FY15 forecast Distribution of 19.2 cents (8.9% yield) in FY15 payout ratio of approximately 95.0% with quarterly distributions forecast to be 45.0% tax deferred Offer Price at a 0.5% premium to pro forma NTA Offer Price at a 3.2% discount to 5-day VWAP
Positioned for growth	<ul style="list-style-type: none"> deleveraging and reducing the Fund's gearing creates greater balance sheet capacity for future asset acquisitions exclusive first right of refusal on all industrial properties developed by Walker Corporation until June 2017 future potential upside from value-add opportunities driven by active asset management
Simple fund structure with clear investment focus	<ul style="list-style-type: none"> transparent base Management Fee and no performance fees simple ownership structure with all Properties 100% owned by the Fund 100% Australian-focused with no development or offshore exposure
Proven, experienced, well-credentialed and aligned management team	<ul style="list-style-type: none"> Board of the Responsible Entity and senior management team have extensive experience across Australian property and funds management sectors aligned manager with 360 Capital Group holding an indirect economic interest in the Fund via DPF which will hold an economic interest of 12.0% of the Fund post completion of the Offer

¹ Post completion of the Transaction.

2.3 The Fund's objective and strategy

The Responsible Entity's objective is to provide Unitholders with security of income, and potentially capital growth, through a diversified portfolio of industrial properties located across Australia. Specifically, this involves investing in and actively managing Australian-based industrial properties characterised by strong, defensive, income-focused investment fundamentals such as high occupancy, long WALE and fixed annual rental increases from blue chip tenants. By continuing to maintain a disciplined investment strategy and active management the Responsible Entity believes it will be able to continue to drive regular and sustainable income, improve Operating Earnings and distributions per Unit and realise potential capital growth.

This will be achieved through:

- investing in securely leased generic industrial/logistics properties with valuations of at least \$10.0 million;
- investing in properties with compelling acquisition metrics with a focus on yield and security of income;
- investing in a portfolio diversified by geography and tenant (by number and by industry) including exposure to well-located, quality industrial facilities and tenants with strong underlying lease covenants;
- investing in modern, high-quality assets that require low ongoing capital expenditure;
- taking advantage of the Responsible Entity's current view that it is an attractive point in the real estate cycle to capitalise on future capital growth potential through a contraction in investment yields; and
- accessing 360 Capital's proven expertise in asset management and sourcing new investment opportunities.

The extent to which the Fund acquires properties in the future will depend on the particular circumstances at the time including proposed terms of purchase and the availability of debt and equity funding. Property acquisitions may be funded through either equity, debt or a combination of both.

2.4 Current portfolio and future acquisitions

The Fund currently holds 18 Properties, located in major industrial markets in Australia. The Fund has entered into unconditional Property Acquisition Agreements to acquire two new properties located at 2 Woolworths Way, Warnervale, NSW and 21 Jay Street, Mount St John, Townsville, QLD, with funds raised under the Offer and an increase in the Debt Facility. Please refer to Section 3 for more detail regarding the Properties.

The Responsible Entity may consider property acquisitions in the future which, in the opinion of the Responsible Entity, would enhance Unitholder returns over the longer term. Acquisitions will be assessed upon their merits but will be consistent with the Fund's existing mandate, including features such as:

- preserving or enhancing the Fund's geographic diversity;
- being leased or agreed to be leased by appropriately qualified tenants; and
- being capable of being acquired on terms that ensure the Fund's risk and return objectives can be achieved.

The Fund will not undertake speculative development activity.

The Responsible Entity will review this investment policy from time to time and may vary the criteria, or acquire a property that does not meet some or all of the criteria, where it considers it in the best interests of Unitholders to do so.

2.5 Fees and costs

All costs and expenses of operating the Fund are payable out of the assets of the Fund.

Fee type	Proposed fee regime
Management Fee	The Responsible Entity is entitled to charge a Management Fee of 0.65% per annum of the gross asset value of the Fund but is currently electing to charge 0.60% per annum of the gross asset value of the Fund.
Other expenses and cost recoveries	Expenses relating to the proper performance of the Responsible Entity's duties in connection with the Fund (estimated at approximately 0.20% per annum of the Fund's gross asset value over the Forecast Period).

2.6 Financing arrangements

Capital management

The Fund is intending to increase and extend the term of its existing Debt Facility with NAB, the key terms of which are as follows:

- Debt Facility term of 3 years expiring on 31 July 2017
- Debt Facility limit to increase to \$230.0 million
- LVR covenant of $\leq 55\%$
- ICR covenant of ≥ 1.60 times

Under the extension of the Debt Facility, the Fund will pay an establishment fee of \$0.4 million which will be amortised over the term of the Debt Facility.

It is expected the Debt Facility will be drawn to \$183.6 million post completion of the Transaction (on a pro forma basis), providing the Fund with approximately \$46.4 million of headroom.

For a more detailed description of the Debt Facility, see Section 12.1 of this PDS.

All borrowings of the Fund are currently denominated in Australian dollars.

The pro forma gearing of the Fund post completion of the Transaction is approximately 40.9% and forecast ICR for FY15 of 4.2 times.

The Fund's liquidity policy is to ensure that as far as possible, it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund manages its exposure to liquidity by ensuring that on a regular basis there is sufficient cash on hand to meet the contractual obligations in relation to financial liabilities as they fall due.

Hedging

The Fund uses derivative financial instruments to hedge its risks associated with interest rate fluctuations. The Fund's policy is to hedge the interest rate on the majority of its debt facilities in line with the term of the debt. Accordingly, the Fund has entered into an interest rate swap contract in relation to the Debt Facility under which it will be obligated to receive interest at variable rates and to pay interest at fixed rates. The Fund currently has an interest rate swap for \$155.0 million effectively fixing \$155.0 million of the Fund's debt until March 2016. The Fund will terminate this swap and enter into a new interest rate swap contract to fix the interest rate on the drawn debt for three years as part of the extension of the Debt Facility.

2.7 Distribution policy

The Fund's distribution policy is to distribute approximately 90% - 100% of Operating Earnings. However, the Responsible Entity can provide no guarantee as to the extent of future distributions, as these will be dependent on a number of considerations at the time including forecast capital expenditure requirements, asset performance and general market conditions.

The Fund's FY14 distribution was 18.6 cents per Unit.

The Fund is forecasting FY15 distribution guidance at 19.2 cents per Unit comprising quarterly distributions of 4.8 cents per Unit.

2.8 Fund Investment Committee

The Responsible Entity has established the Fund Investment Committee, which comprises two independent Directors of the Responsible Entity and one senior executive of 360 Capital. The Fund Investment Committee currently comprises David van Aanholt (Committee Chairman and independent Chairman of the Responsible Entity), John Ballhausen (independent Director of the Responsible Entity) and Ben James (Chief Investment Officer of 360 Capital).

The duties and responsibilities of the Fund Investment Committee are contained in the Fund Investment Committee Charter. The duties and responsibilities include:

- reviewing the performance of the core portfolio of the Fund;
- reviewing investments and divestments;
- monitoring and reporting of market, liquidity and credit risk exposures to the Board of the Responsible Entity; and
- monitoring of investment policies and limits and reporting any breaches of policies and limits to the Board of the Responsible Entity.

The Chairman will report the activities of the Fund Investment Committee to the Board of the Responsible Entity after each meeting.

2.9 Reporting

For accounting and reporting purposes the Fund operates on a financial year basis with a year end of 30 June. The Fund formally reports to investors on a half yearly basis as at 30 June and 31 December. Amongst other things, the report details:

- the amount of distributions for the period;
- the NTA per Unit at the end of the reporting period;
- the performance of the Fund over the period;
- the significant activities during the period; and
- a portfolio update (including valuations of the Properties).



03

**PROPERTY
PORTFOLIO**

PROPERTY PORTFOLIO

(CONTINUED)

3.1 Portfolio overview

The Fund currently holds 18 Properties which are well located across Australia. The Fund has also entered into unconditional Property Acquisition Agreements to acquire two new properties being: 2 Woolworths Way, Warnervale, NSW and 21 Jay Street, Mount St John, Townsville, QLD.

The Fund's portfolio post completion of the Transaction is diversified by geography, sector and tenant. The portfolio is underpinned by a long WALE of 5.7 years and a weighting towards leases with fixed rent reviews, as outlined in the charts below.

Fund portfolio summary

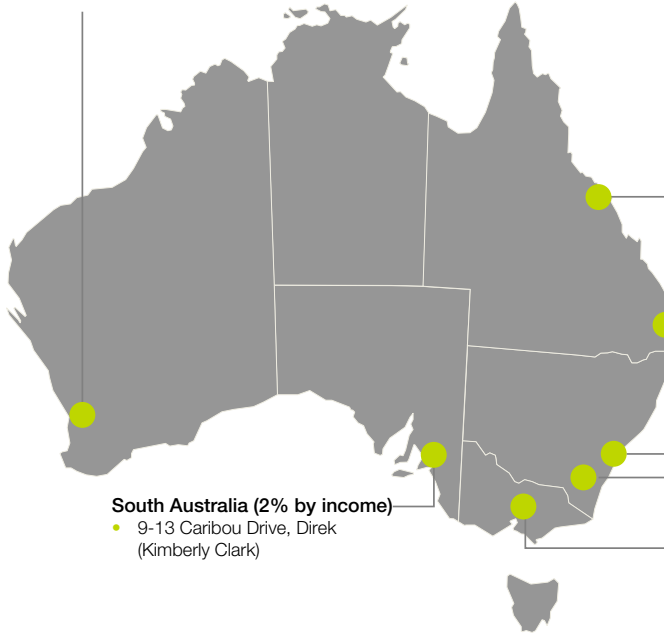
Property	State	Valuation (\$m) ¹	Last Valued (date)	WACR (%)	NLA (sqm)	Occupancy (%)	WALE (years)
2 Woolworths Way, Warnervale	NSW	69.8	May 2014	8.25	54,533	100.0	7.1
21 Jay Street, Mount St John, Townsville	QLD	9.6	May 2014	8.75	4,726	100.0	10.5
457 Waterloo Road, Chullora	NSW	20.3	Apr 2014	8.00	16,051	100.0	13.7
69 Studley Court, Derrimut	VIC	21.0	Apr 2014	7.75	20,731	100.0	9.3
22 Hawkins Crescent, Bundamba	QLD	36.2	Apr 2014	8.00	18,956	100.0	10.4
1 Ashburn Road, Bundamba	QLD	33.0	Apr 2014	8.25	26,628	100.0	5.6
54 Sawmill Circuit, Hume	ACT	13.8	Apr 2014	8.00	8,689	100.0	7.7
9-13 Caribou Drive, Direk	SA	9.5	Apr 2014	8.50	7,023	100.0	5.3
Sub-Total (properties acquired by 360 Capital)		213.2		8.15	157,337	100.0	8.3
60 Marple Avenue, Villawood	NSW	20.0	Apr 2014	8.75	18,493	100.0	2.2
37-51 Scrivener Street, Warwick Farm	NSW	21.8	Apr 2014	9.25	27,599	100.0	4.0
8 Penelope Crescent, Arndell Park	NSW	14.5	Apr 2014	8.50	11,420	100.0	1.9
5-9 Woomera Avenue, Edinburgh Parks	SA	5.0	Jun 2013	10.5	10,580	–	0.0
102-128 Bridge Road, Keysborough	VIC	26.5	Apr 2014	8.75	24,617	96.7	3.1
500 Princes Highway, Noble Park	VIC	20.0	Apr 2014	8.75	13,789	96.9	1.6
6 Albert Street, Preston	VIC	23.0	Apr 2014	8.75	20,531	94.9	4.6
14-17 Dansu Court, Hallam	VIC	15.5	Apr 2014	8.25	17,070	100.0	4.7
12-13 Dansu Court, Hallam	VIC	11.9	Apr 2014	8.25	11,542	100.0	3.6
33-59 Clarinda Road, Oakleigh South	VIC	10.1	Jun 2013	9.25	10,903	100.0	1.5
39-45 Wedgewood Road, Hallam	VIC	8.5	Apr 2014	8.25	10,631	100.0	0.9
310 Spearwood Avenue, Bibra Lake	WA	48.2	Apr 2014	8.90	59,508	100.0	4.4
Sub-Total (pre-existing portfolio)		225.0		8.80	236,682	94.5	3.1
Total		438.2		8.48	394,019	96.7	5.7

¹ The existing Properties were independently valued as at 1 April 2014, except for 5-9 Woomera Avenue, Edinburgh Parks and 33-59 Clarinda Road, Oakleigh South which were independently valued in June 2013. The two Properties being acquired pursuant to the Property Acquisitions were independently valued as at 23 May 2014.

Fund Property locations

Western Australia (11% by income)

- 310 Spearwood Avenue, Bibra Lake (AWH)



Queensland (18% by income)

- 1 Ashburn Road, Bundamba (The Reject Shop)
- 22 Hawkins Crescent, Bundamba (Australian Pharmaceutical Industries)
- 21 Jay Street, Mount St John, Townsville (Woolworths)

New South Wales (35% by income)

- 60 Marple Avenue, Villawood (Kent Transport)
- 37-51 Scrivener Street, Warwick Farm (Visy Board)
- 8 Penelope Crescent, Arndell Park (Tyremax)
- 457 Waterloo Road, Chullora (Elite Logistics)
- 2 Woolworths Way, Warnervale (Woolworths)

ACT (3% by income)

- 54 Sawmill Circuit, Hume (The Grace Group)

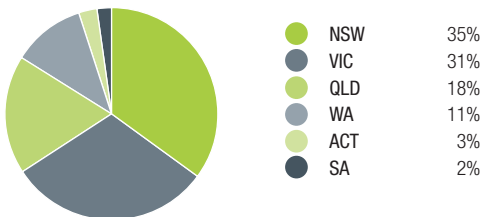
South Australia (2% by income)

- 9-13 Caribou Drive, Direk (Kimberly Clark)

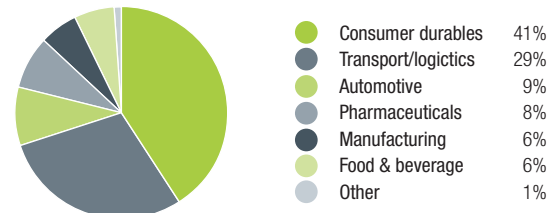
Victoria (31% by income)

- 500 Princes Highway, Noble Park (Mainfreight Distribution)
- 6 Albert Street, Preston (Hugo Boss)
- 102-128 Bridge Road, Keysborough (Montague Cold Storage)
- 14-17 Dansu Court, Hallam (GM Holden)
- 12-13 Dansu Court, Hallam (DKSH)
- 33-59 Clarinda Road, Oakleigh South (Bidvest Australia)
- 39-45 Wedgewood Road, Hallam (Dana Australia)
- 69 Studley Court, Derrimut (Deliver Australia)

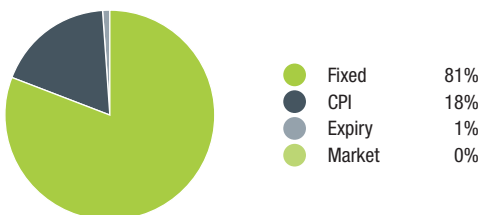
Geographic location (by income)



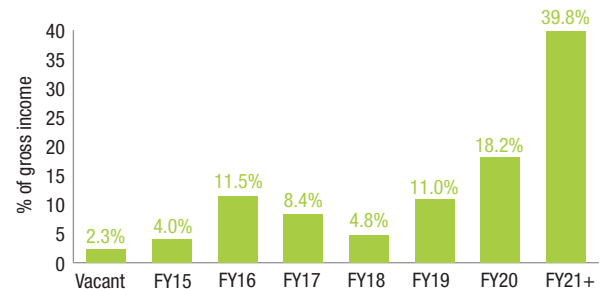
Tenant type (by income)



Rent review type (by income)



Lease expiry profile (by income)



Top 10 tenants (by income)

	Rent (\$m)	% of total
1 Woolworths Limited	6.6	17.7
2 The Reject Shop	2.9	7.9
3 Australian Pharmaceutical Industries	2.9	7.9
4 AWH	2.8	7.7
5 Visy Industries	2.1	5.7
6 Elite Logistics	1.6	4.4
7 Deliver Logistics	1.6	4.3
8 Kent Transport Industries	1.5	3.9
9 Tyremax	1.3	3.4
10 Grace Group	1.1	3.0
Top 10 total	24.4	66.1



2 Woolworths Way, Warnervale, NSW

PROPERTIES TO BE ACQUIRED PURSUANT TO THE PROPERTY ACQUISITION AGREEMENTS



2

WOOLWORTHS WAY

WARNERVALE
NEW SOUTH WALES

The Warnervale property is one of seven national distribution facilities utilised by Woolworths Limited. The property comprises a modern, well-located, distribution centre generating over 800 truck movements per day currently leased to Woolworths on a 15 year lease, expiring in July 2021 with fixed 2.5% p.a. rental increases.



Valuation details

Valuation (100%)	\$69.8m
Title	Freehold
Net lettable area (NLA)	54,533sqm
Valuation per sqm	\$1,280
Valuer	CBRE
Valuation date	23 May 2014
Capitalisation rate	8.25%
Initial yield	8.25%
Net income (as at 1 July 2014)	\$5.8m
Proportion of fixed reviews	100.0%
Average fixed review	2.5%

Key metrics

NLA – Warehouse	34,665sqm
NLA – Cold store warehouse	16,309sqm
NLA – Office	2,520sqm
NLA – Other	1,039sqm
Site area	23.1 hectares
Occupancy	100.0%
Lease expiry	29 July 2021
Lease options	10 options for 5 years each
WALE	7.1 years
Date of construction	2006

Acquisition Rational

This property provides the Fund with a high-quality, modern warehouse/distribution facility leased to Woolworths Limited on a 15 year lease, expiring 29 July 2021. There are minimal capital expenditure requirements in the near to medium term and the \$69.8 million purchase price is significantly below building replacement cost.

The property is of strategic importance to Woolworths as it represents one of seven national distributions facilities. Additionally, the centre is critical to the local community, employing approximately 600 people and accommodating 800 truck movements per day.

In its discussions with Woolworths, the Responsible Entity has identified major operational cost savings available to the tenant through utilising the rear of the site to allow full perimeter B Double truck movements. As part of the Fund's active asset management strategy, this will be raised with the tenant post completion of the Transaction and form part of the negotiations in relation to an early lease extension.

Location

The property is located on the eastern alignment of Woolworths Way, with secondary access also provided by Warren Road from the northern boundary. Warnervale is located next to the M1 Sydney – Newcastle Freeway with on – off ramps in both directions. The Warnervale CBD is located approximately 4 km to the south east of the subject property.

The property is located approximately 3.2 km north-west of Warnervale Train Station, 12 km north of Westfield Tuggerah Shopping Centre, 66 km south of the Newcastle CBD and 95 km north of the Sydney CBD. The property is located within the Warnervale Business Park, with surrounding users including a mixture of freestanding modern warehouse and industrial facilities.

Site Description

The property comprises Lot 413 in Deposited Plan 1058215 in the Local Government Area of Wyong, Parish of Munmorah and County of Northumberland. The site is generally regular in shape and has a total site area of 231,600 square metres.

Property Description

A modern, high-quality distribution centre providing a total building area of 54,533sqm, situated upon a site are of 231,600sqm. The warehouse is a national distribution centre for Woolworths and was constructed in 2006.



Warehouse Accommodation

The warehouse is divided into two distinct areas including an ambient warehouse which occupies the southern half of the building together with a temperature controlled warehouse located on the northern side. The temperature controlled warehouse is divided into three areas including a chilled goods area (2 degrees celsius), freezer (-24 degrees celsius) and produce area (-13 degrees celsius).

The warehouse features fully sprinklered accommodation with excellent internal clearance of approximately 9.5 metres to 13.5 metres. The facility is accessed via 47 loading docks together with 18 finger docks.

The site also features excellent hardstand and large awning areas, which comfortably caters for the 800 truck movements per day.

Additional site improvements include security gatehouse, single level transport office, on grade parking for approximately 482 vehicles, 10 marked prime mover parking bays and 50 trailer parking bays.

Office Accommodation

The main office accommodation is situated along the eastern elevation of the main warehouse and is configured over two levels and is serviced via an internal staircase and or single pedestrian lift.

The ground floor predominately consists of amenities including toilets, showers and partitioned meeting rooms.

Office accommodation is of a modern standard and generally incorporates carpet and linoleum floor coverings, suspended acoustic tile ceilings, recessed fluorescent lighting, fire sprinklers, thermal detectors and ducted air conditioning.



21

JAY STREET

MOUNT ST JOHN
TOWNSVILLE
QUEENSLAND

The Townsville property is a modern, well-located distribution centre fully leased to Woolworths Limited. The property is of strategic importance to Woolworths as it represents a critical distribution network servicing North Queensland. The property has a long WALE of 10.5 years and fixed 2.5% p.a. rental increases.



Valuation details

Valuation (100%)	\$9.6m
Title	Leasehold
Net lettable area (NLA)	4,726sqm
Valuation per sqm	\$2,031
Valuer	CBRE
Valuation date	23 May 2014
Capitalisation rate	8.75%
Initial yield	8.74%
Net income (as at 1 July 2014)	\$0.8m
Proportion of fixed reviews	100.0%
Average fixed review	2.5%

Key metrics

NLA – Office	355sqm
NLA – Cold store warehouse	3,196sqm
NLA – Workshops	426sqm
NLA – Loading docks	749sqm
Site area	2.925 hectares
Occupancy	100.0%
Lease expiry	27 June 2025
WALE	10.5 years
Date of construction	2005

Acquisition Rational

The property is a high-quality, modern warehouse/distribution facility leased to Woolworths Limited on a 15 year lease, expiring 27 June 2025. The property provides the Fund with a significantly long lease term of 10.5 years and annual 2.5% fixed rental increases, further driving income security, cash flows and potential capital gains. The acquisition is in line with the Fund’s strategy of diversifying the tenant base with quality tenants underpinned by strong lease covenants (Woolworths, as an ASX top 20 company, represents the strongest covenant in the Fund’s portfolio).

The property is of strategic importance to Woolworths as it represents a critical distribution network for North Queensland. Due to the high-quality, modern nature of the building, there is minimal capital expenditure required in the near and medium term.

The property has a site coverage ratio of approximately 16% which provides significant space for future expansion of the existing improvements if required.

Location

The property is located within the Webb Industrial Estate in the industrial suburb of Mount St John approximately 11 km west of the Townsville Central Business District. The Webb Industrial Estate is known as the best industrial estate in Townsville with tenants located nearby include Coca Cola, Toll, CEVA, Komatsu, Cummings and Goodman Fielder. The Townsville Airport is located approximately 7.6 km to the east.

Townsville has a strong and diverse economy in which significant industries include retail trade, health and education services, government administration and defence, construction, mining, manufacturing and property and business services.

Townsville is regarded as the capital of North Queensland. It’s sustained growth has confirmed its standing as the most dynamic city in Northern Australia. With a population of approximately 190,000, the city and its services are predicted to expand to become home to an additional 100,000 residents over the next two decades.

Townsville is the transport and logistics hub for the mineral and agricultural industries of greater North Queensland. It is unlike any other regional city in Australia of comparable size, in that it is closely connected to the future prosperity of the country through its broad base of industry and government sectors.

Site Description

The property comprises Lot 69 in Deposited Plan 191763 in the Local Government Area of Townsville, Parish of Coonambelah and County of Elphinstone.



The site is irregular in shape, generally level and extends to a site area of 29,250 square metres.

Property Description

A modern, high-quality cold storage facility extending to a total building area of 4,726sqm situated on a site area of 29,250sqm. This facility services 42 Woolworth stores in the northern Queensland and was constructed in 2005.

Cold Store Accommodation

The property features a modern freestanding Cold Storage incorporating various cold storage areas operating at temperatures from 2 to 13 degrees celsius. The facility is divided into three distinct areas for different grocery distribution. The building is accessed via 5 docks incorporating rapid rise roller shutter doors. There is also another finger dock providing access to the ambient section of the warehouse.

The property benefits from a low site coverage allowing the building to be extended in the future, thus enhancing the value of the asset.

The property also features full drive round truck access, large hardstand area and two street frontages.

Office Accommodation

The office area is over a single level and incorporates an office area with some partitioned offices, male and female amenities and kitchen/staff area. All areas are fully sprinklered, carpeted and air conditioned.

Title

The Fund is purchasing the leasehold interest in the property, which comprises a ground lease expiring in January 2058 with an option term for further period of 49 years.

The background features a dark blue gradient with several curved, overlapping bands. A prominent light blue dotted line curves from the top left towards the bottom center. A solid light blue line follows a similar path, positioned slightly below the dotted line. The overall aesthetic is modern and minimalist.

EXISTING PORTFOLIO



457 Waterloo Road, Chullora NSW

The property comprises a recently refurbished traditional freestanding office and warehouse facility. Access to the warehouse is via 18 roller doors, providing a mixture of on-grade and raised dock access. Chullora is an established industrial precinct and is located approximately 15 km west of the Sydney CBD and is accessed via the Hume Highway and is in close proximity to both the M5 and M4 Motorways and the Enfield Intermodal Port.

Valuation summary

Ownership / title	100%/Freehold
Valuation	\$20.3m
Last valued	April 2014
Capitalisation rate	8.00%

Property statistics

Net lettable area	16,051sqm
Occupancy	100.0%
WALE	13.7 years

Major tenant

Tenant name	Review type	NLA (sqm)	Lease expiry
Elite Logistics	Greater of CPI or 3.5%	16,051	28 Feb 2028



69 Studley Court, Derrimut VIC

The property is a modern freestanding office and warehouse facility completed in 2009 comprising office accommodation positioned over two levels and a high clearance warehouse benefiting from large canopies and large container rated hardstand and truck weighbridge. Access to the warehouse is via 18 roller doors, providing a mixture of on-grade and raised dock access. Derrimut is an established yet emerging industrial precinct approximately 12 km west of the Melbourne CBD and is accessed via both the Western Ring Road and Westgate Freeway.

Valuation summary

Ownership / title	100%/Freehold
Valuation	\$21.0m
Last valued	April 2014
Capitalisation rate	7.75%

Property statistics

Net lettable area	20,731sqm
Occupancy	100.0%
WALE	9.3 years

Major tenant

Tenant name	Review type	NLA (sqm)	Lease expiry
Deliver Australia	Fixed 3.5%	20,731	1 Oct 2023



22 Hawkins Crescent, Bundamba QLD

The property was completed in 2009 and is situated approximately 33 km south west of the Brisbane CBD on the junction of three major highways offering exceptional access to the Port of Brisbane, the CBD and interstate. This state distribution facility for Australian Pharmaceutical Industries is located within a 350 hectare master planned estate and is an emerging industrial location. The building has 10 metres of internal clearance and is 100% temperature controlled. There is a 1,487sqm of office accommodation and 210 car spaces on site. The property is in close proximity to the property owned by the Fund at 1 Ashburn Road, Bundamba QLD.

Valuation summary

Ownership / title	100%/Freehold
Valuation	\$36.2m
Last valued	April 2014
Capitalisation rate	8.00%

Property statistics

Net lettable area	18,956sqm
Occupancy	100.0%
WALE	10.4 years

Major tenant

Tenant name	Review type	NLA (sqm)	Lease expiry
Australian Pharmaceutical Industries	Greater of market or 4%	18,956	11 Nov 2024



1 Ashburn Road, Bundamba QLD

The property was completed in 2010 and is situated approximately 33 km south west of the Brisbane CBD on the junction of three major highways offering exceptional access to the Port of Brisbane, the CBD and interstate. The property is Reject Shop's state distribution facility and comprises 1,544sqm of office accommodation and 25,050sqm of warehouse. The building is located within a 350 hectare master planned estate and is an emerging industrial location. The facility incorporates drive around truck access, 140 car spaces and trailer parking. The property is in close proximity to the property owned by the Fund at 22 Hawkins Crescent, Bundamba QLD.

Valuation summary

Ownership / title	100%/Freehold
Valuation	\$33.0m
Last valued	April 2014
Capitalisation rate	8.25%

Property statistics

Net lettable area	26,628sqm
Occupancy	100.0%
WALE	5.6 years

Major tenant

Tenant name	Review type	NLA (sqm)	Lease expiry
Reject Shop	Fixed 3.75%	26,628	7 Feb 2020



54 Sawmill Circuit, Hume ACT

Completed in 2010, the property is located in the industrial precinct of Hume, providing easy access to the Monaro Highway and is within close proximity to the Canberra CBD. The property is a warehouse and storage facility and provides internal clearance of 11 metres. The property comprises 5,000sqm of warehouse 600sqm of office and on-site parking for 67 cars. A 3,000sqm warehouse expansion is currently under construction and is due for completion mid June 2014.

Valuation summary¹

Ownership / title	100%/Leasehold
Valuation	\$13.8m
Last valued	April 2014
Capitalisation rate	8.00%

Property statistics¹

Net lettable area	8,689sqm
Occupancy	100.0%
WALE	7.7 years

Major tenant¹

Tenant name	Review type	NLA (sqm)	Lease expiry
Grace Group	Fixed 4%	8,684	28 Feb 2022

¹ Post expansion works scheduled for mid June 2014 completion.



9-13 Caribou Drive, Direk SA

Completed in 2009, the property is located 25 km north of Adelaide, 3 km from the Northern expressway and proposed new off ramp and is the state distribution facility for Kimberley Clarke. The building comprises 6,612sqm of warehouse with 9.65 metre internal clearance and 410sqm of office. The property 4 integrated finger docks for B Double trucks with dock levellers on a separate dock for rear loading vehicles. The property also incorporates 5,900sqm of driveway and hardstand and parking for 35 cars.

Valuation summary

Ownership / title	100%/Freehold
Valuation	\$9.5m
Last valued	April 2014
Capitalisation rate	8.50%

Property statistics

Net lettable area	7,023sqm
Occupancy	100.0%
WALE	5.3 years

Major tenant

Tenant name	Review type	NLA (sqm)	Lease expiry
Kimberly Clark	Fixed 3.5%	7,023	28 Oct 2019



60 Marple Avenue, Villawood NSW

The property is located in the traditional industrial precinct of Villawood, a central western suburb of Sydney situated approximately 26 km west by road from the Sydney CBD. The property comprises three main industrial buildings, together with an ancillary lube building, a truck wash, and surplus hardstand/yard area. The buildings feature a mix of office and warehouse areas with amenities and loading docks.

Valuation summary

Ownership / title	100%/Freehold
Valuation	\$20.0m
Last valued	April 2014
Capitalisation rate	8.75%

Property statistics

Net lettable area	18,493sqm
Occupancy	100.0%
WALE	2.2 years

Major tenants

Tenant name	Review type	NLA (sqm)	Lease expiry
Kent Transport Industries	CPI	8,896	18 Feb 2017
Slatterys	Fixed 3.5%	5,733	30 Mar 2015
Hazstore	Greater CPI or fixed 3.5%	3,901	15 Feb 2016



37-51 Scrivener Street, Warwick Farm NSW

The property is located at Warwick Farm, 31 km south west of the Sydney CBD. Warwick Farm is a small established industrial precinct located on the northern side of the Hume Highway. The property comprises a mixture of traditional industrial buildings and modern high clearance warehouses. There are also three ground floor workshops and three, two level office areas. There are associated staff amenities and offices. There are also two large awnings providing 1,844sqm and 992sqm of covered space.

Valuation summary

Ownership / title	100%/Freehold
Valuation	\$21.8m
Last valued	April 2014
Capitalisation rate	9.25%

Property statistics

Net lettable area	27,599sqm
Occupancy	100.0%
WALE	4.0 years

Major tenant

Tenant name	Review type	NLA (sqm)	Lease expiry
Visy Industries	Fixed 3%	27,599	30 Jun 2018



8 Penelope Crescent, Arndell Park NSW

The Property is located approximately 40 km west of the Sydney CBD in the suburb of Arndell Park. Arndell Park is an established industrial precinct located on the northern side of the Great Western Highway. The property consists of a modern high clearance industrial building comprising a warehouse with a 7 to 9.5 metre internal clearance and covered loading dock areas. The property also features associated offices and staff amenities over two levels of 63sqm.

Valuation summary

Ownership / title	100%/Freehold
Valuation	\$14.5m
Last valued	April 2014
Capitalisation rate	8.50%

Property statistics

Net lettable area	11,420sqm
Occupancy	100.0%
WALE	1.9 years

Major tenant

Tenant name	Review type	NLA (sqm)	Lease expiry
Tyremax Pty Ltd	Fixed 2.5%	11,423	23 May 2016



5-9 Woomera Avenue, Edinburgh Parks SA

The property is located within the suburb of Edinburgh, approximately 28 km north of the Adelaide CBD. Edinburgh Parks is a modern industrial estate opposite General Motors Holden's Elizabeth complex. The property comprises two modern warehouse buildings connected by a central canopy with 7.5 metre internal clearance offices of 320sqm and ample car parking.

Valuation summary

Ownership / title	100%/Freehold
Valuation	\$5.0m
Last valued	June 2013
Capitalisation rate	10.5%

Property statistics

Net lettable area	10,580sqm
Occupancy	Vacant
WALE	NA

Major tenant

Tenant name	Review type	NLA (sqm)	Lease expiry
NA	NA	NA	NA



102-128 Bridge Road, Keysborough VIC

The property is located in the south-eastern suburb of Keysborough, approximately 30 km south east of the Melbourne CBD. The property comprises a purpose built industrial cold store facility, with associated offices, loading facilities and car parking. Two newly constructed warehouses with internal offices are situated toward the rear of the property and the site benefits from two street accesses. The property is in close proximity to East Link Freeway.

Valuation summary

Ownership / title	100%/Freehold
Valuation	\$26.5m
Last valued	April 2014
Capitalisation rate	8.75%

Property statistics

Net lettable area	24,617sqm
Occupancy	96.7%
WALE	3.1 years

Major tenants

Tenant name	Review type	NLA (sqm)	Lease expiry
Montague Cold Storage	Fixes 3.75%	8,655	22 Dec 2018
Wallara Australia Ltd	CPI	3,188	31 Aug 2019
	CPI	1,867	16 Jan 2015
Allpower Industries Pty Ltd	Fixed 3.5%	4,601	30 Jun 2016



500 Princes Highway, Noble Park VIC

The property is located on the north side of Princes Highway approximately 30 km south east of the Melbourne CBD. The property comprises three buildings including a three storey office building of approximately 4,000sqm, a specialised warehouse of 8,507sqm with up to 9 metre internal clearance serviced for dangerous goods and a two storey laboratory building. The site also provides ample on-site parking.

Valuation summary

Ownership / title	100%/Freehold
Valuation	\$20.0m
Last valued	April 2014
Capitalisation rate	8.75%

Property statistics

Net lettable area	13,789sqm
Occupancy	96.9%
WALE	1.6 years

Major tenants

Tenant name	Review type	NLA (sqm)	Lease expiry
Mainfreight Distribution	CPI	8,403	8 Jun 2016
Newell Australia	Fixed 3.25%	3,679	31 Oct 2015
Boron Molecular Pty Ltd	Fixed 3.5%	1,203	31 Aug 2016



6 Albert Street, Preston VIC

The property is located in the traditional industrial precinct of Preston approximately 8 km north of the Melbourne CBD. The property consists of four buildings, including a modern four level, high quality office, showroom and warehouse building constructed circa 2001, and three older style single storey low clearance office and warehouse buildings. The office building was purpose built for the major tenant Hugo Boss Australia.

Valuation summary

Ownership / title	100%/Freehold
Valuation	\$23.0m
Last valued	April 2014
Capitalisation rate	8.75%

Property statistics

Net lettable area	20,531sqm
Occupancy	94.9%
WALE	4.6 years

Major tenants

Tenant name	Review type	NLA (sqm)	Lease expiry
Hugo Boss Australia	CPI	2,425	30 Jun 2020
		6,504	30 Jun 2017
Flair Industries	Fixed 3.5%	4,426	30 Jun 2020
Hills Holding	Fixed 3.5%	1,956	31 Mar 2016



14-17 Dansu Court, Hallam VIC

The property is situated within the established south eastern industrial precinct of Hallam, approximately 30 km from the Melbourne CBD. The property comprises a large high clearance warehouse of 15,330sqm, offices of 1,730sqm and 140 car spaces. The property is adjacent and with easy access to the Princess Highway. The building has a combination of on grade and levelled docks and the site has dual street access. The property adjoins 12-13 Dansu Court which is also owned by the Fund.

Valuation summary

Ownership / title	100%/Freehold
Valuation	\$15.5m
Last valued	April 2014
Capitalisation rate	8.25%

Property statistics

Net lettable area	17,070sqm
Occupancy	100.0%
WALE	4.7 years

Major tenants

Tenant name	Review type	NLA (sqm)	Lease expiry
GM Holden	Fixed 3.5%	15,333	30 May 2019
DKSH	Fixed 3.5%	1,737	31 Oct 2017



12-13 Dansu Court, Hallam VIC

The property is situated within the established south eastern industrial precinct of Hallam, approximately 30 km from the Melbourne CBD. The property is a modern office high clearance distribution facility with 8.5 metre internal clearance with semi-detached offices of 3,026sqm. The property is adjacent and with easy access to the Princess Highway. The property adjoins 14-17 Dansu Court which is also owned by the Fund.

Valuation summary

Ownership / title	100%/Freehold
Valuation	\$11.9m
Last valued	April 2014
Capitalisation rate	8.25%

Property statistics

Net lettable area	11,542sqm
Occupancy	100.0%
WALE	3.6 years

Major tenants

Tenant name	Review type	NLA (sqm)	Lease expiry
DKSH	Fixed 3.5%	7,627	31 Oct 2017
Mitre 10 Australia	CPI	3,026	30 Apr 2018



33-59 Clarinda Road, Oakleigh South VIC

The property is situated approximately 17 km south-east of the Melbourne CBD. There are two buildings on the site with the larger warehouse of 8,643sqm being 30% temperature controlled cold store and associated offices. The second building is 1,000sqm of warehouse and offices. The property is a short distance to both the Nepean and Monash freeways.

Valuation summary

Ownership / title	100%/Freehold
Valuation	\$10.1m
Last valued	June 2013
Capitalisation rate	9.25%

Property statistics

Net lettable area	10,903sqm
Occupancy	100.0%
WALE	1.5 years

Major tenant

Tenant name	Review type	NLA (sqm)	Lease expiry
Bidvest Australia Ltd	CPI	10,774	31 Dec 2015



39-45 Wedgewood Road, Hallam VIC

The property is situated within the established south eastern industrial precinct of Hallam, approximately 30 km from the Melbourne CBD. The property comprises an 8,076sqm industrial/manufacturing facility with 7 metre internal clearance and 2,008sqm of office accommodation. The site has drive-around access, onsite parking for 112 vehicles and is in close proximity to the Princess Highway.

Valuation summary

Ownership / title	100%/Freehold
Valuation	\$8.5m
Last valued	April 2014
Capitalisation rate	8.25%

Property statistics

Net lettable area	10,631sqm
Occupancy	100.0%
WALE	0.9 years

Major tenant

Tenant name	Review type	NLA (sqm)	Lease expiry
Dana Australia Pty Ltd	Fixed 3.5%	10,631	14 May 2015



310 Spearwood Avenue, Bibra Lake WA

The property is located within the established Bibra Lake Industrial Area, approximately 17 km south of the Perth CBD. The property comprises four warehouses with between 7.5 and 9.5 metre internal clearance. The site has drive-around and through truck access and three street frontages.

Valuation summary

Ownership / title	100%/Freehold
Valuation	\$48.2m
Last valued	April 2014
Capitalisation rate	8.90%

Property statistics

Net lettable area	59,508sqm
Occupancy	100.0%
WALE	4.4 years

Major tenants

Tenant name	Review type	NLA (sqm)	Lease expiry
AWH	Fixed 3.5%	44,297	31 July 2019
CTI Freight Systems	Fixed 3.5%	15,211	28 Feb 2017



04

**MANAGEMENT
OF THE FUND**

4.1 The Responsible Entity and manager

The Responsible Entity of the Fund is 360 Capital Investment Management Limited. The Responsible Entity is a member of 360 Capital Group Limited.

The Responsible Entity holds an AFSL (AFSL 340304) issued by ASIC which authorises 360 Capital Investment Management Limited to act as the responsible entity of the Fund.

4.2 360 Capital Group

4.2.1 Overview

360 Capital Group is an ASX-listed (ASX: TGP) real estate investment and funds management group with a market capitalisation of approximately \$203.9 million. The 360 Capital senior management team has an average of almost 20 years' experience across Australian real estate and funds management sectors.

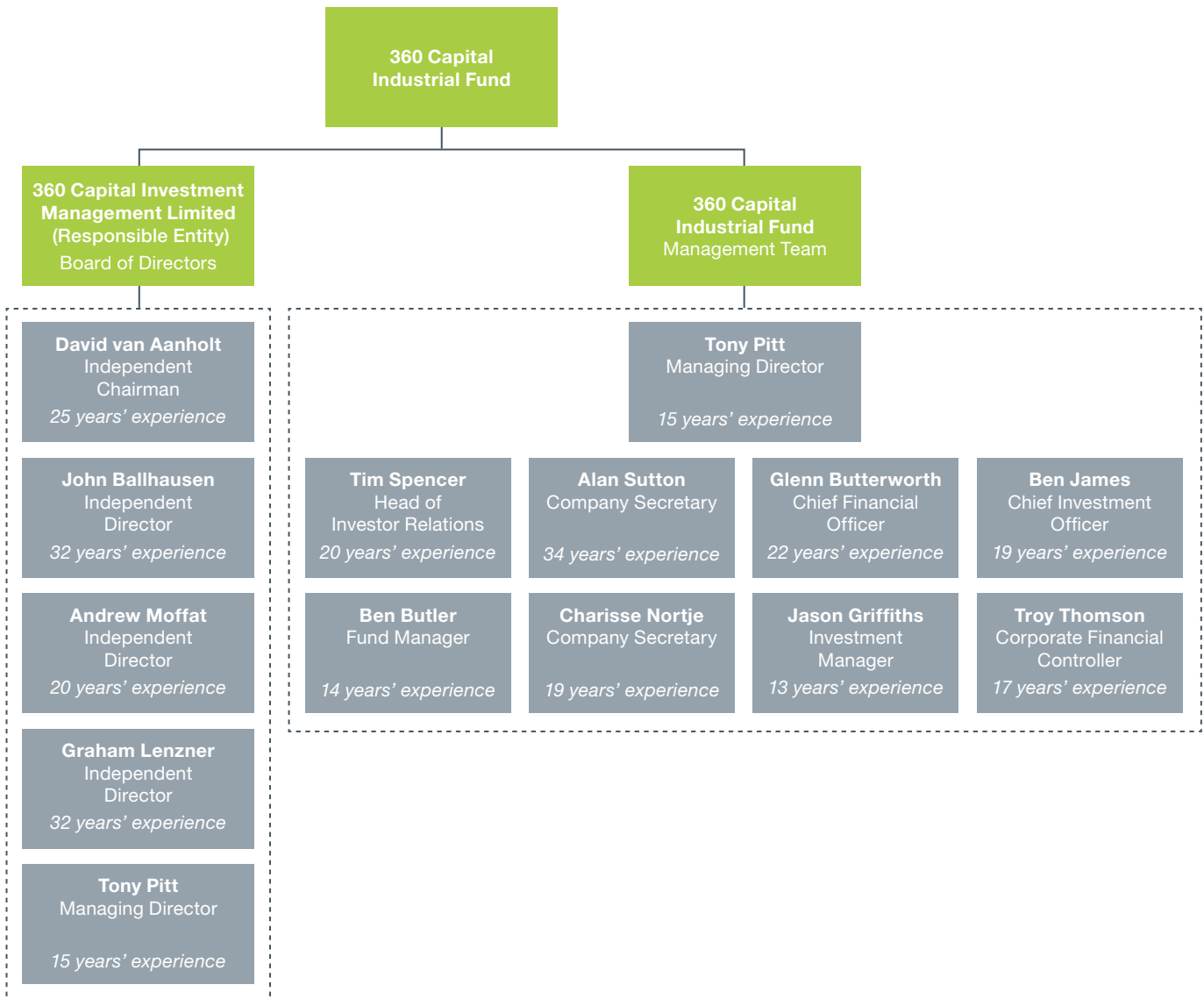
360 Capital is 20.9% owned by Tony Pitt who is 360 Capital's Managing Director, and the 360 Capital management team own a further 6.8% of 360 Capital.

4.2.2 Background

360 Capital manages nine listed and unlisted investment vehicles holding 30 industrial, office and retail assets across Australia valued in excess of \$1.0 billion on behalf of almost 8,500 investors. Additionally, 360 Capital has over \$100 million in co-investments in the funds it manages.

4.3 Overview of Board of Directors and senior management

The Board of the Responsible Entity comprises five Directors, four of whom are independent non-executive Directors, including the Chairman. The Board of 360 Capital is the same as the Board of the Responsible Entity.





David van Aanholt, Independent Chairman

David has over 25 years of experience in the real estate funds management industry. David's previous roles have included Chief Executive Officer (Asia Pacific) of the Goodman Group (previously known as Macquarie Goodman) overseeing the group's operations in Australia, New Zealand, Hong Kong and Singapore. David previously held various Fund Manager roles for Paladin Australia Limited (acquired by Deutsche Bank) and Macquarie Goodman Industrial Fund. David is an Independent Director of the Kennards Self Storage Group and is a Fellow of the Australian Property Institute.

David is the Chairman of the Fund's Investment Committee.



Tony Pitt, Managing Director

A 360 Capital founding Director, Tony has worked in the real estate and real estate funds management industries for 15 years. As Managing Director, Tony has been responsible for repositioning the 360 Capital Group since December 2010 through the disposal of in excess of \$340.0 million in underlying fund and trust assets and the refinancing of approximately \$500.0 million in debt. Tony was formerly the director of JF Meridian Trust (JFM), an ASX-listed diversified trust and was responsible for growing JFM from \$530.0 million to \$1.1 billion in assets over a three year period. Tony was previously an executive director of James Fielding Funds Management Limited, JF Meridian Management Limited, Hotel Capital Partners Limited, Bankminster Properties Limited and Travelodge Hotel Group.



Andrew Moffat, Independent Director

Andrew has in excess of 20 years of corporate and investment banking experience. Andrew is the sole principle of Cowoso Capital Pty Ltd, a company providing corporate advisory services. Andrew is the Chairman of Pacific Star Network Limited, a non-exclusive director of Rubik Financial Limited and CCK Financial Solutions Limited. Andrew was previously a director of Equity Capital Markets and Advisory for BNP Paribas Equities (Australia) Limited.



John Ballhausen, Independent Director

John is a financial services professional with over three decades of experience. He provides services to a number of organisations including PortNordica Limited, Pipeclay Lawson Limited and Equity for Living (Australia) Pty Ltd. In 2002, John founded Rimcorp Property Limited and became its Managing Director until its successful sale in 2008, with approximately \$100.0 million in funds under management in four registered property schemes. John has held the position of Chief Investment Officer with a major insurance group, with responsibility for more than \$3 billion of funds across the fixed interest, equities and property asset classes.

John is a member of the Fund's Investment Committee.



Graham Lenzner, Independent Director

Graham has had a career spanning four decades, with particular emphasis on funds management and financial markets. Graham was an Executive Director of the Armstrong Jones Group for 12 years, the last four years as Joint Managing Director. Other previous roles include Finance Director and Deputy Managing Director of Aquila Steel, General Manager Finance and Investments of MMI Insurance Limited and Director Head of Equities with Schroder Darling Management Limited. Graham has served on the Board of a number of public and private companies. He is currently Chairman of Device Technologies Australia Pty Limited.

The Responsible Entity's Board is well supported by a dedicated management team who are able to draw on broader resources of 360 Capital. The key people responsible for the management and operation of the Fund are:



Ben James, Chief Investment Officer

Ben is responsible for all property investment activities within 360 Capital. Ben has over 19 years' experience in real estate funds management. Prior to joining 360 Capital in 2010, Ben was the Trust Manager of Mirvac Property Trust, the investment vehicle of Mirvac Group. Prior to his 12 years at Mirvac, Ben held positions in property management and investment sales with Colliers International.

Ben is a member of the Fund's Investment Committee.



Ben Butler, Industrial Fund Manager

Ben is responsible for the overall performance of the Fund and has over 14 years' experience in the property industry. Prior to joining 360 Capital in 2013, Ben was a Senior Portfolio Manager at Centuria Property Funds Limited. Prior to that, Ben spent seven years at ING Real Estate in the roles of Asset Manager and Investment Manager with the ASX-listed ING Industrial Fund ("IIF"), incorporating functions including trust and portfolio management, analytics and investment strategies. Before his ING role, Ben was a valuer with CBRE. Ben holds a Bachelor of Land Economics (Honours).



Jason Griffiths, Industrial Fund Investment Manager

At 360 Capital, Jason is responsible for overseeing the performance of a portfolio of industrial assets across Australia. Jason has over thirteen years' experience in property and property funds management and has broad experience in asset management and property development across all sectors. Prior to joining 360 Capital, Jason held the position of Asset Manager at FKP Property Group. Jason has also spent over seven years at Challenger Financial Services Group in the position of Asset Manager and Development Manager. Jason holds a Bachelor of Commerce (Valuation and Property Management).



Alan Sutton, Company Secretary

Alan is responsible for 360 Capital's corporate financial reporting and all company secretarial matters. Alan is a CPA and Registered Tax Agent with more than 30 years' experience in financial control. Prior to 360 Capital, Alan was the Company Secretary for Lachlan REIT Limited, Financial Controller at Paladin Australia Limited and was responsible for all accounting and financial aspects of the Asset Management Property Group at Deutsche Asset Management.



Charisse Nortje, Company Secretary

Charisse joined 360 Capital in 2013 as Company Secretary for the Responsible Entity, and is responsible for all company secretarial matters for the Responsible Entity and its related portfolio of listed and unlisted funds. Prior to 360 Capital, Charisse was Company Secretary at RATCH-Australia Corporation Ltd (formerly known as Transfield Services Infrastructure Fund), and prior to that, Charisse worked in the UK for seven years as General Counsel & Company Secretary for both listed (UK Mail plc) and unlisted (Metsec plc) companies across mail/logistics and manufacturing/engineering industries. Originally qualified as a lawyer, Charisse holds an MBA and is an associate member with the Governance Institute Australia and the Institute of Chartered Secretaries and Administrators UK (AGIA/ACIS).



Glenn Butterworth, Chief Financial Officer

Glenn was appointed as Chief Financial Officer in December 2013. Glenn is responsible for all 360 Capital's financial management activities. Prior to joining 360 Capital, Glenn spent 11 years at Mirvac, most recently as Financial Controller of the Investment Division. Glenn was responsible for Mirvac Property Trust, listed and wholesale managed funds and partnership structures and has a wealth of Transactional and financial management skills, gained from over 20 years' industry experience.



Troy Thompson, Corporate Financial Controller

Troy has 17 years' experience and is responsible for all accounting and financial aspects of the 360 Capital Group including statutory and management reporting, GST and income tax compliance and treasury control. Troy joined 360 Capital from Trafalgar Corporate Group, where over seven years he developed an in-depth knowledge of all financial management facets of the Trafalgar business. Troy is a member of CPA Australia.



Tim Spencer, Head of Investor Relations

Tim is responsible for all marketing and communications with key external stakeholders including institutional investors, analysts and media, as well as product and market development initiatives. Tim has 20 years' real estate market experience having held senior property securities analyst positions and roles in investment analysis, portfolio management, trust management, investor relations, research and product development. Previously, Tim was Investor Relations Manager for ING Industrial Fund and ING Office Fund, Head of Listed Securities.



Roland Martin, Investor Relations Manager

Roland joined 360 Capital in June 2013 and is responsible for developing investor relations with both existing and new investors across the entire 360 Capital business. Roland's role incorporates the communication of key fund and trust activities and investment strategies to stakeholders and identifying requirements for future investment opportunities. Prior to joining 360 Capital, Roland had over nine years' experience in property funds management in areas such as asset management, analytics and valuations at the ASX-listed Goodman Group.



05

**FINANCIAL
INFORMATION**

5 Introduction

The Directors of the Responsible Entity have prepared the Financial Information of the Fund in conjunction with the Offer. The Financial Information includes:

Historical Statements of Financial Position, comprising:

- Statutory Statement of Financial Position as at 31 December 2013; and
- Pro forma Statement of Financial Position as at 31 December 2013

(herein referred to as the “Historical Statements of Financial Position”).

Forecast Financial Information, comprising:

- Forecast Statement of Financial Performance for the 12 months ending 30 June 2015; and
- Forecast Operating Earnings and Distribution Statement for the 12 months ending 30 June 2015

(herein referred to as the “Forecast Financial Information”)

(together the “Financial Information”).

Ernst & Young Transaction Advisory Services Limited, the Investigating Accountant, has undertaken a limited assurance engagement on the Financial Information in accordance with the Australian Standard on Assurance Engagements ASAE 3450 “Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information”. The Independent Limited Assurance Report is contained in Section 10. Investors should note the scope and limitations of this report.

5.1 Basis of preparation and presentation of the Financial Information

The Pro Forma Statement of Financial Position has been prepared on the basis that the Offer and Property Acquisitions occurred on 31 December 2013, which differs from the Forecast Financial Information which assumes the Transaction is settled in July 2014 in line with the key dates set out on page 4. This has been done to present the Transaction in the Pro Forma Statement of Financial Position based on the most recent publicly available general purpose financial statements of the Fund.

Historical Statements of Financial Position

The Statutory Statement of Financial Position has been extracted from the interim statutory general purpose financial statements of the Fund for the half year ended 31 December 2013 which have been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards and other mandatory professional reporting requirements in Australia applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The interim statutory general purpose financial statements as at 31 December 2013 were reviewed by Ernst & Young, and an unmodified review report issued.

The Pro Forma Statement of Financial Position has been adjusted to reflect the recognition of certain events which occurred after 31 December 2013, and the impact of certain Transactions related to the Offer and the Property Acquisitions

as if they occurred on 31 December 2013. These adjustments have been detailed in Section 5.2 and are reflected in a manner consistent with the recognition and measurement principles of all Australian Accounting Standards, but do not comply with all the presentation and disclosure requirements.

The Directors of the Responsible Entity believe this presentation provides useful information for potential investors to assess the Offer and the Fund.

Forecast Financial Information

The Forecast Financial Information has been prepared on the basis that the settlement of the Offer and the Property Acquisitions occur in July 2014 in line with the key dates set out on page 4. The Directors of the Responsible Entity believe the Forecast Financial Information has been prepared with due care and attention and consider the assumptions to be reasonable, and reflecting the Directors’ best estimate at the time of preparing this PDS.

The Forecast Period is for the period from 1 July 2014 to 30 June 2015.

The Forecast Statement of Financial Performance has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, but does not comply with all the presentation and disclosure requirements. The Forecast Financial Information assumes a going concern basis of preparation.

The Forecast Operating Earnings and Distribution Statement has been derived from Statutory Net Income as detailed in Section 5.3.2. As Operating Earnings is the Directors’ measure of the periodic amount available for distributions, it differs from Statutory Net Income as determined by Australian Accounting Standards.

Rounding of figures in the Forecast Financial Information may result in some discrepancies between the sum of components and the totals outlined within the tables and percentage calculations.

Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information and that any deviation in the assumptions on which the Forecast Financial Information is based may have a material positive or negative effect on the Fund’s actual financial performance or position. Investors are advised to review the assumptions in conjunction with the sensitivity analysis set out in Section 5.4.4, the risk factors set out in Section 6 and other information as disclosed in this PDS.

Historical Statutory Financial Statements

360 Capital Industrial Fund listed on the ASX on 13 December 2012. The interim and annual statutory general purpose financial statements of the Fund, together with other information as required under ASX Listing Rules, since the Fund’s listing are available at www.360capital.com.au

Accounting policies

A summary of the principal accounting policies adopted in the preparation of the Financial Information is set out in Section 5.5. These policies have been consistently applied throughout the periods presented in the Financial Information.

5.2 Historical Statements of Financial Position

The Pro Forma Statement of Financial Position has been derived from the Statutory Statement of Financial Position as at 31 December 2013 adjusted for:

- significant events occurring post 31 December 2013; and
- transactions related to the execution of the Offer and Property Acquisitions as if they had occurred at 31 December 2013.

Further details of the adjustments have been included in the footnotes to the Historical Statements of Financial Position below.

The Historical Statements of Financial Position are provided for illustrative purposes only and are not represented as being indicative of the Responsible Entity's view on the Fund's likely financial position at the date of the Transaction.

	Statutory Statement of Financial Position	Pro Forma Adjustments		Pro Forma Statement of Financial Position
	31 Dec 2013 (\$m)	(a) (\$m)	(b) (\$m)	(\$m)
Current assets				
Cash	7.9	(4.1) (i)		3.8
Trade and Other Receivables	1.5			1.5
Investment Properties – Held for Sale	9.6	(4.6) (ii)		5.0
Total Current Assets	19.0			10.3
Non-Current Assets				
Investment Properties	323.9	29.9 (iii)	79.4 (viii)	433.2
Total Non-Current Assets	323.9			433.2
Total Assets	342.9			443.5
Current Liabilities				
Trade and Other Payables	4.1			4.1
Distribution Payable	4.4	(4.4) (i)		0.0
Total Current Liabilities	8.5			4.1
Non-Current Liabilities				
Interest Bearing Liabilities	151.3	4.2 (iv)	25.9 (ix)	181.4
Derivative financial instruments	0.3		(0.3) (x)	–
Total Non-Current Liabilities	151.6			181.4
Total Liabilities	160.1			185.5
Net Assets	182.8			258.0
Equity				
Issued Equity	266.1	(5.6) (v)	58.1 (xi)	318.6
Retained Earnings	(83.3)	27.0 (vi)	(4.3) (xii)	(60.6)
Total Equity	182.8			258.0
Number of Units On Issue (million)	94.1	(2.5) (vii)	28.2 (xiii)	119.8
NTA per Unit (\$)	1.94			2.15

Notes:

- (i) Payment of December 2013 distribution comprising \$4.1 million cash and \$0.3 million reinvested under the Distribution Reinvestment Plan ("DRP").
- (ii) Disposal of 223-235 Barry Road, Campbellfield on 7 April 2014, with net proceeds used to repay debt.
- (iii) Net gain on revaluation of Property portfolio at 1 April 2014 of \$27.0 million, plus maintenance capital expenditure of \$0.5 million and the \$2.4 million in relation to the development of the building at Sawmill Circuit, Hume.
- (iv) Net draw down of Debt Facility to fund Unit buy back of \$5.9 million, payment of development fee for expansion of Sawmill Circuit, Hume of \$2.4 million and additional funding for capital expenditure of \$0.5 million less net proceeds on sale of 223-235 Barry Rd. of \$4.6 million.
- (v) Reduction in issued equity as a result of the unit buy back of \$5.9 million plus DRP units issued for December 2013 quarter distribution of \$0.3 million.
- (vi) Net gain on revaluation of Investment Property portfolio at 1 April 2014.
- (vii) Reduction in Units on issue as a result of unit buy back of 2.8 million plus DRP units issued for December 2013 quarter distribution of 0.2 million.
- (viii) Acquisition of two investment Properties valued at \$79.4 million (net of transaction costs of \$4.6 million).
- (ix) Draw down of Debt Facility to fund the Property Acquisitions of \$26.5 million less borrowing costs of \$0.6 million. Total drawn debt post Transaction is \$183.6 million excluding capitalised borrowing costs.
- (x) Termination of existing derivative financial instrument.
- (xi) Increase in issued equity resulting from Entitlement Offer and Institutional Placement of \$61.0 million less equity raising costs \$2.9 million.
- (xii) Write off of property transaction costs including stamp duty and due diligence costs.
- (xiii) Issue of New Units relating to the Institutional Placement and Entitlement Offer of 28.2 million.

5.3 Forecast Financial Information

The Forecast Financial Information has been prepared for the 12 months ending 30 June 2015. The information has been based on the assumptions as detailed in Section 5.4.

5.3.1 Forecast Statement of Financial Performance

	Forecast 12 months ending 30 June 2015 (\$m)	
Property Income		
Rental Income	43.1	
Outgoings	(7.6)	
Incentives and Leasing Fee Amortisation	(0.4)	
Straight-Lining of Rental Income	1.0	
Net Property Income	36.1	
Property acquisition and transaction costs	(4.6)	(i)
Net loss on termination of derivative	(0.2)	(ii)
Fund Operating Expenses	(3.5)	
Earnings Before Interest and Tax (EBIT)	27.8	
Financing Expenses		
Net Interest Expense	(8.3)	
Amortisation of Borrowing Costs	(1.0)	
Statutory Net Income	18.5	

Notes:

- (i) Write off of property transaction costs including stamp duty, government charges and other costs in relation to acquired properties.
- (ii) Termination of existing derivative financial instrument.

The Forecast Operating Earnings and Distribution Statement on the following page adjusts Statutory Net Income for a specific non-cash items. See Section 5.3.2.

5.3.2 Forecast Operating Earnings and Distribution Statement

Operating Earnings represents the Directors of the Responsible Entity's view of Operating Earnings in the Forecast Period, being Net Income adjusted for non-cash items, including straight-lining of rental income and amortisation of incentives and borrowing costs.

The table below provides a reconciliation from Statutory Net Income in the Forecast Statement of Financial Performance to Operating Earnings.

	Forecast 12 months ending 30 June 2015 (\$m)
Statutory Net Income	18.5
Property acquisition and transaction costs	4.6
Net loss on termination of derivative	0.2
Incentives and leasing fee amortisation	0.4
Straight-Lining of Rental Income	(1.0)
Amortisation of Borrowing Costs	1.0
Operating Earnings	23.7
Weighted Average Number of Units (million)	117.2
Operating Earnings per Unit (cents)	20.2
Distribution	23.0
Number of Units (million)	119.8
Distribution per Unit (cents)	19.2
Payout Ratio	95.0%

The Fund's distribution policy is to distribute between 90% and 100% of Operating Earnings. However, the Directors of the Responsible Entity can provide no guarantee as to the extent of future distributions, as these will depend upon the future Operating Earnings of the Fund and its financial position at that time. The Fund's distribution guidance for the year ending 30 June 2015 is 19.2 cents per Unit.

5.4 Assumptions

The Directors' best estimate assumptions relating to the Forecast Financial Information are set out below.

5.4.1 Key assumptions

- The Offer is completed as per the timetable as set out in this PDS;
- Settlement of the Property Acquisitions for \$79.4 million (net of transaction costs of \$4.6 million) funded from the Offer and increased and extended Debt Facility occurs on 29 July 2014; and
- The Offer is fully subscribed.

5.4.2 General assumptions

- No further property acquisitions in the Forecast Period;
- No material contract disputes or litigation in the Forecast Period;
- No material change in the competitive operating environment;
- No material changes to accounting policies or Corporations Act in the Forecast Period;
- No material changes in Australian income tax legislation;
- No significant change to legislative or regulatory environment;
- All existing leases are enforceable and perform in accordance with their terms;
- The Fund has enough working capital to carry out its stated objectives;
- There will be no underlying movement in the fair value of investment properties or other financial assets including any mark to market movements in relation to the interest rate swaps taken in respect of the debt, as the Directors do not believe such movements can be reliably forecast; and
- CPI rate of 3.00% per annum during the Forecast Period.

5.4.3 Specific assumptions

Rental income

- Rental income has been forecast based on existing leases and assumptions for future occupancy rates, tenant turnover and market rentals.

Re-letting and vacancy

- All leases are enforceable and are performed in accordance with the lease terms;
- There is one major lease expiry in the Forecast Period representing 2.1% of annualised portfolio income. In total, 4.0% of portfolio income expires in the Forecast Period as set out in Section 3.1.
 - The lease to Dana Australia, who occupy 10,631sqm at 39-45 Wedgewood Road, Hallam expires in May 2015. The Forecast Financial Information assumes the tenant vacates on expiry, however discussions have commenced with the tenant to extend the lease;
- Lease incentives have been assumed on a Property-by-Property basis.

Outgoings

- Outgoings have been forecast on a Property-by-Property basis with regard to the current outgoings of each Property. Outgoings are forecast to increase in line with existing service contracts where fixed or at an annual rate of between 1.59% and 3.00% per annum.

Other expenses

- The Fund will incur operating expenses including the ASX listing fees, registry fees, custodian fees, legal, audit and tax compliance fees, investor reporting costs, valuation fees and other miscellaneous expenses. These costs have been forecast by taking into account factors likely to influence the level of these expenses, including the Fund's estimated market capitalisation and gross asset value.

Management Fee

- Management Fee calculated as 0.60% of the gross asset value of the Fund per annum has been assumed. Management fees are paid quarterly in arrears. The Responsible Entity is entitled to charge 0.65% of the gross asset value of the Fund per annum (refer Section 8).

Finance Costs

- As part of the Transaction an existing interest rate swap (floating to fixed) will be terminated and a new swap will be entered into to fix approximately 100% of the interest rates on the drawn amount of the Debt Facility;
- The Fund's borrowings under the Debt Facility will incur an average effective all in interest rate of 4.6% (inclusive of margin and forecast hedging arrangements); and
- Borrowing costs of \$0.6 million have been capitalised against the debt balance and will be amortised over the term of the Debt Facility.

Taxation

- The Fund is treated as a trust for Australian tax purposes. Under the current Australian income tax legislation, the Fund is not liable for Australian income tax, including capital gains, provided that the Unitholders are presently entitled to the income of the Fund that has been determined in accordance with the Constitution. Accordingly, no allowance for income tax has been made; and
- Expected goods and services tax recoveries in respect of the Transaction costs and ongoing operations which are appropriate to the activities of the entities have been forecast.

Stamp duty & property acquisition costs

- The Forecast Financial Information assumes the Fund will pay \$4.6 million of stamp duty, government charges and other costs in relation to the acquired properties, in July 2014. These costs are initially capitalised to the carry value of the new investment properties and subsequently written off in the Forecast Statement of Financial Performance as a result of the revaluation of the properties to their estimated fair value.

Distribution reinvestment plan

- The Forecast Financial Information has been prepared on the basis that there will be no distribution reinvestment plan in operation.

Fair value of investment property

- The fair value of investment properties is assumed to remain constant over the Forecast Period as the Directors of the Responsible Entity believe they cannot reliably predict future changes in fair value;
- Properties to be acquired as part of the Transaction are valued at their estimated fair value, which is considered to be equivalent to their purchase price, excluding transaction costs. Existing Properties held by the Fund are recorded at fair value; and
- The Pro Forma Statement of Financial Position includes revaluations of existing Properties held by the Fund.

Fair value of derivatives

- No mark to market adjustments in relation to changes in the fair value of interest rate swaps.

Investment Properties – Held for Sale

- The Forecast Financial Information assumes the Investment Property Held for Sale, 5-9 Woomera Avenue, Edinburgh Parks, is not disposed of and is vacant for the full Forecast Period.

5.4.4 Sensitivity Analysis

The Forecast Financial Information is based on a number of estimates and assumptions that are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Responsible Entity and its Directors and management.

Set out below is a summary of the sensitivity of forecast Operating Earnings to certain changes in a number of key variables. The changes in the key variables as set out in the sensitivity analysis are not intended to be indicative of the complete range of variations that may be experienced.

	FY15	
	\$m	cpu
Operating Earnings	23.7	20.2
25 basis point change in average interest rate	0.0	0.0
5% change in outgoings	0.0	0.0
5% change in the Fund's operating expenses	0.2	0.1
Default of average tenant	(0.5)	(0.4)

5.4.5 Debt Finance

The Fund intends to enter into an amending deed in respect of its Debt Facility with NAB which extends the term of the existing Debt Facility until July 2017 and increases the limit to \$230.0 million.

The Debt Facility was drawn down to \$152.9 million as at December 2013, with a further \$30.7 million to be drawn down in relation to various pro forma adjustments and as part of the Transaction. Total pro forma drawn debt post the Transaction is \$183.6 million prior to the off set of capitalised borrowing costs of \$2.2 million.

The Debt Facility contains certain covenant ratios detailed below which, if not achieved, entitle the Lender to seek immediate repayment of the borrowings. The covenants following the Fund entering into the amending deed are as follows:

- LVR covenant of ≤ 55%
- ICR covenant of ≥ 1.60 times

The Debt Facility is secured against the assets of the Fund as follows:

- First ranking registered freehold/leasehold mortgages over all of the Fund's Properties;
- First ranking fixed and floating charges over all of the assets and undertakings of the Fund; and
- All other securities customary for a facility of this nature as determined by the Lender.

Under the Debt Facility agreement there can be no further borrowings or pledging of assets as security without the prior approval of the Lender.

5.5 Significant accounting policies

The preparation of the Financial Information requires estimates, judgments and assumptions that affect the reported amounts of gross revenues, gross expenses, assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Revisions to estimates are recognised in the period in which the estimate is revised and in any future period affected.

The significant accounting policies outlined below apply estimates, judgments and assumptions which could materially affect the financial results or financial position reported in future periods.

The significant accounting policies are based upon those disclosed in the 30 June 2013 audited statutory general purpose financial statements of the Fund and are consistent with those adopted in the reviewed 31 December 2013 interim statutory general purpose financial statements. Policies are consistent with the requirements of the Australian Accounting Standards and International Financial Reporting Standards.

5.5.1 Principles of consolidation

The Financial Information incorporates the assets and liabilities of all subsidiaries of the Fund and the results of those subsidiaries.

A subsidiary is any entity over which the Fund has the power to control the financial and operating policies so as to obtain benefits from its activities. All subsidiaries have a 30 June balance date. All inter-entity balances and transactions between entities in the Fund, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies adopted by the Fund.

5.5.2 Property income

Rental income from operating leases is recognised as income on a straight-line basis over the lease term. Where a lease has fixed annual increases, the total rent receivable in respect of the lease is recognised as revenue on a straight-line basis over the lease term.

Lease incentives provided by the Fund to lessees are included in the measurement of fair value of investment property. The amounts are recognised on a straight line basis over the lease periods as reductions in rental income.

Contingent rents based on the future amount of a factor that changes other than with the passage of time, including CPI linked rental increases, are only recognised when contractually due.

All income is stated net of the amount of GST.

5.5.4 Investment properties

Investment property is property which is held to earn rental income, or for capital appreciation, or for both.

Investment properties are initially recognised on acquisition at cost (including capitalised property acquisition costs) and then carried at fair value determined either by the Directors of the Responsible Entity or independent valuers. Investment properties are not depreciated and any gains or losses on the sale of investment properties are recognised in the changes to fair value included in the profit or loss.

The carrying amount of investment properties includes components relating to lease incentives, leasing costs and receivables on rental income that have been recorded on a straight-line basis. Rental guarantees provided in relation to the Properties are not included in the measurement of the fair value of the Property, rather they are recorded as separate assets.

Property purchases are recognised when the Fund has entered into unconditional purchase contracts, and the majority of the significant risks and rewards of ownership have been transferred to the Fund. Property disposals are recorded when the Fund has entered into unconditional sales contracts, and the majority of the significant risks and rewards of ownership have been transferred to the buyer. Transfers of risks and rewards vary depending on the individual terms of the contracts.

5.5.5 Financial instruments

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. Financial assets are recognised at the trade date (the date on which the Fund commits to sell or purchase the assets). Financial assets are derecognised when the right to receive cash flows from the financial asset have expired or have been transferred and the Fund has transferred substantially the risks and rewards of ownership. Financial instruments are designated on initial recognition.

5.5.6 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently at amortised cost. They are classified as current assets except where the maturity is greater than 12 months after the balance date in which case they are classified as non-current.

Amounts not recoverable are assessed at each reporting date. Indicators that an amount is not recoverable include where there is objective evidence of significant financial difficulties, debtor bankruptcy, financial reorganisation or default in payment (generally over 90 days). Any allowances for non-recoverable receivables are recognised in a separate allowance account. Any bad debts which have previously been provided for are eliminated against the allowance account. In all other cases bad debts are written off directly to the profit or loss.

5.5.7 Trade and other payables

These represent liabilities for goods and services provided to the Fund prior to the balance date which are unpaid. Trade and other payables are recognised initially at fair value and subsequently at amortised cost.

Management Fee liabilities will accrue when payable and are typically payable quarterly in arrears.

Gains or losses on liabilities through re-measurement or de-recognition, including where they are waived or forgiven, are recognised in the income statement.

5.5.8 Issued Units

The Fund issues Units which are classified as equity in accordance with AASB 132: Financial Instruments: Presentation.

Should the terms or conditions of the Units change such that they no longer comply with the criteria for classification as equity under AASB 132, the Units would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying amount of the equity instrument and the fair value of the liability at the date of reclassification would be recognised in equity.

Units on issue are recognised at the fair value of the consideration received by the Fund less directly attributable issue costs.

5.5.9 Borrowings

Interest-bearing loans and overdrafts are initially measured at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Fund has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

5.5.10 Derivative financial instruments

The Fund uses derivative financial instruments to hedge its risks associated with interest rate fluctuations. The Fund's policy is to convert a proportion of its floating rate debt to fixed rates by entering into interest rate swaps. The Fund does not use derivative financial instruments for speculative purposes.

Derivatives are initially measured at fair value on the date a derivative contract is entered into and are subsequently measured at fair value at each balance date and recorded as either a financial asset or financial liability.

5.5.11 Finance costs

Finance costs are recognised using the effective interest rate applicable to the financial liability.

5.5.12 Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

5.5.13 Income tax

Under current legislation the Fund is not liable for income tax provided Unitholders are presently entitled to the income of the Fund each income year.

5.6 Working Capital Statement

The Fund has sufficient working capital to carry out its stated objectives.

A decorative graphic on the left side of the page consists of several overlapping circular shapes. The outermost circle is a solid light blue. Inside it is a darker blue circle, and further in is a very dark blue circle. A dotted light blue line follows the inner edge of the outermost circle.

06

RISKS

6 Overview

This section describes what the Responsible Entity believes to be some of the key risks associated with an investment in the Fund. It does not purport to be an exhaustive list of every risk that may be associated with an investment in the Fund now or in the future. The consequences associated with each risk are partially or completely outside the control of the Responsible Entity and, if they were to eventuate, may adversely affect the future operating performance of, and the value of an investment in, the Fund.

Before applying for New Units, you should satisfy yourself that you have a sufficient understanding of the risks described in this section and consider whether the New Units are a suitable investment for you, having regard to your own investment objectives, financial circumstances and taxation position. If you do not understand any part of this PDS or are in any doubt as to whether to invest in the New Units, you should seek advice from your broker, solicitor, accountant, tax adviser or other independent and qualified professional adviser before deciding whether to invest.

6.1 Property investment risks

Property values

The ongoing value of a Property is influenced by changes in property market conditions including supply, demand, capitalisation rates and rentals. There is no guarantee that a Property will achieve a capital gain on its sale or that the value of the Property will not fall as a result of the assumptions on which the relevant valuations are based prove to be incorrect.

Property revenue

Distributions in respect of the Fund are largely dependent upon the rents received in connection with the Properties and tenants paying rent in accordance with their lease terms. There is a risk that tenants may default on the terms of their lease which could result in a reduction in rental income for the Fund and additional expenses associated with re-leasing the tenancy or enforcement action. Vacancy periods may have an adverse impact on the Fund's net income and distributions, a Property's capital value and potentially the Fund's NTA per Unit and trading price per Unit. This risk is reduced by the Fund having 43 tenants across the portfolio and no single tenant comprising more than 18% of income (post completion of the Transaction).

Property liquidity

If it becomes necessary for the Fund to dispose of one or more of the Fund's Property assets (for example, to reduce gearing) there is a risk that the Fund may not be able to realise sufficient Property assets in a timely manner or at an optimal sale price. This may adversely affect the Fund's NTA per Unit or trading price per Unit.

Capital expenditure

There is a risk that capital expenditure could exceed expectations, resulting in increased funding costs and potentially lower distributions.

Natural phenomena (including flooding, terrorist attacks or force majeure events)

There is a risk that natural phenomena may affect a Property. There are certain events for which insurance cover is not available or for which the Fund does not have cover. If the Fund is affected by an event for which it has no insurance cover, this would result in a loss of capital and a reduction to the Fund's NTA and Unitholder returns. This could also result in an increase in insurance premiums applicable to other areas of cover.

Property contamination

Property income, distributions or property valuations could be adversely affected by discovery of an environmental contamination or incorrect assessment of costs associated with an environmental contamination or with property preservation. This risk may occur irrespective of whether the contamination was caused by the Fund or prior owners.

Leasing risk

It may not be possible to negotiate lease renewals or maintain existing lease terms, which may also adversely impact the Fund's net income and asset values. The ability to lease or re-lease tenancies upon expiry of the current lease, and the rent achievable, will depend on the prevailing market conditions at the relevant time and these may be affected by economic, competitive or other factors.

6.2 Fund investment risks

Trading price of Units

The market price of Units will fluctuate due to numerous factors including general movements in interest rates, the Australian and international general investment markets, economic conditions, global geo-political events and hostilities, investor perceptions and other factors that may affect the Fund's financial performance and position. The price of the Units also fluctuates due to changes in the market rating of the Units relative to other listed and unlisted securities, other investment options such as debentures or interest bearing deposits and investor sentiment towards the Fund. There can be no guarantee that liquidity will be maintained and the number of potential buyers or sellers of the Units on the ASX at any given time may vary. This may increase the volatility of the market price of the Units and therefore affect the market price at which Unitholders are able to buy or sell Units. Unitholders who wish to sell their Units may be unable to do so at a price acceptable to them. Units could trade on the ASX at a discount to NTA per Unit.

Refinancing risk and gearing

The Fund's ability to raise funds, including both debt and equity, on favourable terms (including fees and the interest rate margin payable) for future refinancing, capital expenditure, or acquisitions depends on a number of factors including general economic conditions, political, capital and credit market conditions and the reputation, performance and financial strength of the Fund. Any change in these factors could increase the cost of funding, or reduce the availability of funding, as well as increase the Fund's refinancing risk for maturing debt facilities. The Fund's ability to refinance its debt facilities as they fall due will depend upon market conditions, the performance of the Fund's assets and the financial position of the Fund's tenants. If the debt facilities are not refinanced, or need to be repaid it is possible that the Fund will need to realise assets for less than their fair value, which would impact the Fund's NTA per Unit. The Fund is a geared investment product. The level of the Fund's gearing will magnify the effect of any movements in the value of the Property portfolio.

Ranking

If the Fund is wound-up, Unitholders will rank behind secured and unsecured creditors of the Fund. If there is a shortfall of funds on winding-up, there is a risk that Unitholders will receive less than NTA per Unit.

Breach of debt covenants

As at the date of this PDS, the Fund is in compliance with all covenants under its debt facilities. The Fund's debt covenants have income and asset value tests and falling asset values, declining rental income or other unforeseen circumstances may cause covenants under the Fund's debt facilities to be breached. A breach of a debt facility covenant may result in a debt financier enforcing its security over the relevant assets. The financier may require repayment of the facility, possibly prior to its expected expiry. This could result in an early sale of a Property at a less than optimal sale price, for instance, in a depressed market, where additional equity would be required, or distributions being reduced or suspended to repay the borrowings.

Interest rates

There is a risk that a debt facility or an interest rate hedge (i.e. fixing the interest rate) may not be available on the same terms upon extension or refinancing, or when new finance or hedging strategies are sought. There is also a risk that interest rates may increase, however the Fund will enter into interest rate swap contracts to hedge the majority of the Fund's drawn debt balance. These risks may have a material, adverse impact on the Fund's activities, financial position and distributions in the future.

Conflicts of interest

The Fund may be affected by certain inherent conflicts of interest. Despite adhering to best corporate governance practises there is a risk that these conflicts may not be managed appropriately.

Responsible Entity risk

By investing in the Fund, investment decisions are delegated to the Responsible Entity. The performance of the Fund is affected by the performance of the Responsible Entity and that of the external service providers engaged by the Responsible Entity and is therefore not assured.

Dilution

Future capital raisings and equity-funded acquisitions by the Fund may dilute the holdings of Unitholders. In the normal course of managing the Fund the Responsible Entity is seeking to increase distribution income to Unitholders and to provide the potential for capital growth. In order to provide this growth, capital raisings may be undertaken to acquire property investments. At the extreme, a capital raising may need to be undertaken to reduce debt in order that the Fund remain compliant with its debt covenants, and the raising may have a material adverse effect on the Fund's financial performance, distributions, growth prospects and Unit price.

Distributions may vary

The ability of the Fund to pay quarterly distributions is dependent upon the Fund having sufficient cash resources and distributable income. Whilst the level of income derived by the Fund from year to year is expected to be relatively certain, default in payment of rent by any of the lessees of the Properties or variances in the costs of operating the Fund may affect the level of income available for distribution as well as the timing of distributions.

Taxation treatment of Units may change

Investors should be aware that changes in Australian taxation law (including changes in interpretation or application of the law by the courts or taxation authorities in Australia) may materially affect the taxation treatment of an investment in Units, the holding or disposal of Units or the treatment of distributions and the financial performance, financial position, cash flows, distributions, growth prospects and the quoted price of Units.

6.3 Transaction risks

Due diligence

It is possible that the due diligence undertaken to date in connection with the Property Acquisitions has not revealed issues that will later have a materially adverse impact on the expected benefits to the Fund. For example, if such due diligence has failed to reveal required capital expenditure, that required capital expenditure could reduce the future returns.

Completion

The completion of the Property Acquisitions are conditional on parties fulfilling their obligations under a number of contracts including the Property Acquisition agreements and the Debt Facility documentation with the Lender. Any failure by a party to satisfy its obligations under, or any legal action commenced to injunct performance of, any such contract may adversely affect the Fund's ability to complete the Property Acquisitions as proposed.

Retail Entitlement Offer termination

The underwriting of the Retail Entitlement Offer is subject to customary conditions and termination events. Most of the termination events, and to a lesser extent the conditions, are beyond the control of the Responsible Entity. Therefore, there is a risk that the proceeds from the Retail Entitlement Offer will not be received. If the Underwriting Agreement is terminated, the Fund will be able to fund the Property Acquisitions from debt and existing cash reserves. Investors should note that the Fund's level of gearing will be higher in the event that the Retail Entitlement Offer is either terminated or not underwritten as a result of the Underwriting Agreement being terminated.

6.4 General investment risks

Economy and market conditions

There is the risk that changes in economic and market conditions may affect asset returns and values and may decrease the Unit price. The overall performance of Units may be affected by changing economic or property market conditions. These may include movements in interest rates, exchange rates, securities markets, inflation, consumer spending, employment and the performance of individual local, state, national and international economies.

Insurance

Any losses incurred due to uninsured risks may adversely affect the Fund's performance. Increases in insurance premiums may also affect the performance of the Fund. Insurance premium increases could occur if the Fund claims under any insurance policy for significant losses in respect of a Property. Any failure by the company or companies providing insurance (or reinsurance) may adversely affect the Fund's ability to make claims under its insurance. All insurance policies have a minimum excess.

Litigation

In the ordinary course of operations, the Fund or the Responsible Entity may be involved in disputes and possible litigation. These include tenancy disputes, environmental and occupational health and safety claims, industrial disputes, native title claims, and any legal claims or third party losses. It is possible that a material or costly dispute or litigation could affect the value of the assets or expected income of the Fund.

Legal and regulatory matters

There is the risk that changes in any law, regulation or government policy affecting the Fund's operations (which may or may not have a retrospective effect) will have an effect on the Property portfolio and/or the Fund's performance. This may include changes to taxation regimes.

Forward looking statements

There can be no guarantee that the assumptions and contingencies on which the forward looking statements, opinions and estimates are based will ultimately prove to be valid or accurate. The forward looking statements, opinions and estimates depend on various factors, many of which are outside the control of the Responsible Entity.



07

**DETAILS OF
THE OFFER**

7 Overview of the Offer

The Responsible Entity intends to raise \$61.0 million by offering 28.2 million New Units at an Offer Price of \$2.16 per New Unit.

This PDS relates to the Retail Entitlement Offer and the General Offer.

7.1 Purpose of the Offer

The proceeds of the Offer will be applied to:

- fund the Property Acquisitions;
- deleverage the fund and reduce the Fund's gearing; and
- pay Transaction costs.

7.2 Sources and uses

Sources	(\$m)	Applications	(\$m)
Institutional Placement	33.7	Property Acquisitions	79.4
1 for 7.25 Entitlement Offer and General Offer in respect of any Entitlement Offer Shortfall	27.3	Transaction costs	8.1
Drawdown of Debt Facility	26.5		
Total	87.5	Total	87.5

In addition to the proceeds raised through the Offer, the Fund will draw an additional \$26.5 million under the Debt Facility, with the total drawn amount on the Debt Facility to be \$183.6 million (on a pro forma basis).

The proceeds of the Offer and the amount drawn down under Debt Facility will be applied to the Property Acquisitions and associated Transaction costs (which comprise stamp duty, due diligence costs, bank debt establishment costs and other costs associated with the Offer) (refer Section 5).

7.3 Structure of the Offer

The Offer is fully underwritten and is structured as follows:

- an Institutional Placement which consists of an invitation to certain Institutional Investors in Australia and a number of other authorised jurisdictions to apply for 15.6 million New Units at an Offer Price of \$2.16 per New Unit to raise \$33.7 million. New Units issued under the Institutional Placement will not participate in the Entitlement Offer. The Institutional Placement has now been completed.
- a 1 for 7.25 Entitlement Offer to Existing Unitholders of 12.6 million New Units at an Offer Price of \$2.16 per New Unit to raise \$27.3 million. The Entitlement Offer will be conducted via an Institutional Entitlement Offer and a Retail Entitlement Offer. The Institutional Entitlement Offer has now been completed.
- a General Offer of any Units not taken up under the Entitlement Offer at an Offer Price of \$2.16 per New Unit.

7.4 Rights attaching to New Units

New Units issued under the Offer are of the same class and will rank equally with all other Units.

7.5 Joint Lead Managers

The Responsible Entity has appointed Moelis and Morgans to act as Joint Lead Managers to the Offer as well as Moelis to act as financial advisors in respect of the Offer.

7.6 Allocation policy

The Responsible Entity may allocate New Units under the Institutional Placement and the General Offer in its absolute discretion.

Currently, the Responsible Entity has determined that in relation to the General Offer, priority will be given to as follows:

- Existing Unitholders who take up more than their full Entitlement under the Entitlement Offer;
- then unitholders in 360 Capital managed funds (both listed and unlisted) and 360 Capital Group securityholders who are on the respective registers as at 5.00pm AEST on the Record Date; and
- then other persons eligible to invest in the General Offer.

The Responsible Entity has absolute discretion to change the above allocation policy without notice. In respect of the General Offer or any oversubscription under the Entitlement Offer, the Responsible Entity may reject an Application, or allocate fewer New Units than applied for, in its absolute discretion.

7.7 Institutional Placement and Institutional Entitlement Offer

The Joint Lead Managers will separately advise Institutional Investors of the Application procedures for the Institutional Placement and Institutional Entitlement Offer.

7.8 Retail Entitlement Offer

Who can apply under the Retail Entitlement Offer?

Eligible Unitholders may apply for New Units under the Retail Entitlement Offer. Eligible Unitholders are those Existing Unitholders who:

- are registered as Existing Unitholders as at 7.00pm (AEST) on the Record Date;
- have not had the opportunity to participate in the Institutional Entitlement Offer;
- have a registered address in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Eligible Unitholders are being offered the opportunity to subscribe for 1.0 New Unit for every 7.25 Existing Units held at 7.00pm (AEST) on the Record Date at the Offer Price of \$2.16 per New Unit (rounded up to the nearest whole New Unit).

If Eligible Unitholders do not take up all or part of their Entitlements under the Retail Entitlement Offer, any associated right to participate will lapse.

If you are an Eligible Unitholder, your Entitlements are set out in your personalised Entitlement and Acceptance Form which accompanies this PDS.

If you have more than one holding of Existing Units, you will be sent more than one personalised Entitlement and Acceptance Form. Each separate holding will have separate Entitlements which you will be unable to combine when making an Application as part of the Entitlement Offer.

Nominees

The Retail Entitlement Offer is being made to all Existing Unitholders on the register of the Fund at 7.00pm (AEST) on the Record Date with an address in Australia or New Zealand that are not in the United States and are not acting for the account or benefit of a person in the United States. The Fund is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Existing Units. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation

by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Return of a duly completed Entitlement and Acceptance Form or receipt of Application Monies by BPAY will constitute a representation that there has been no breach of such regulations. Unitholders who are nominees are therefore advised to seek independent advice as to how they should proceed.

Any person in the United States with a holding through a nominee may not participate in the Retail Entitlement Offer and the nominee must not take up any Entitlement or send any materials into the United States. The Responsible Entity is not able to advise on foreign laws.

Consider the Retail Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant, solicitor or other independent professional adviser or if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer. You should also refer to Section 6 of this PDS.

Choices available to Eligible Unitholders

If you are an Eligible Unitholder you may do any one of the following:

- take up all or part of your Entitlements; or
- take up all of your Entitlements and apply for additional New Units (see below); or
- do nothing, in which case all of your Entitlements will lapse and you will not receive any value in respect of those Entitlements not taken up.

Acceleration of Entitlements

The Retail Entitlement Offer closes on 20 August 2014.

If you wish to accelerate the issue of your New Units, you must pay by BPAY so that the Registry receives cleared funds by 5.00pm (AEST) on 25 July 2014, and advise the Registry by calling 1800 182 257. Please note that cheques cannot be accepted if you wish to accelerate the issue of your New Units. Your New Units will be issued under the Retail Entitlement Offer on 29 July 2014 if your accelerated acceptance is approved. In this case, any additional New Units applied for over and above your Entitlement will not be issued until New Units are issued pursuant to the General Offer. If you do not take up and pay for your Entitlement by this date then you will have until 5.00pm (AEST) on 20 August 2014 to return your Entitlement and Acceptance Form and pay for your New Units.

How can Eligible Unitholders apply for New Units under the Retail Entitlement Offer and additional New Units under the General Offer

If you decide to take up your Entitlements in part or in full under the Retail Entitlement Offer, please complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies or pay your Application Monies via BPAY by following the instructions set out on the personalised Entitlement and Acceptance Form accompanying this PDS.

DETAILS OF THE OFFER

(CONTINUED)

Unitholders that take up their full Entitlement may also apply for additional New Units under the General Offer on their personalised Entitlement and Acceptance Form.

The Fund will treat you as applying for as many New Units as your payment will pay for in full, up to your Entitlement. Amounts received by the Fund in excess of your Entitlements will be treated as an Application to apply for as many additional New Units under the General Offer as your Application Monies will pay for in full. Any allocation of additional New Units is subject to the available Entitlement Offer Shortfall, and subject to any scale-back the Responsible Entity may determine to implement, in its absolute discretion, in respect of any additional New Units.

If you are paying by B_{PAY}, please make sure to use the specific Biller Code and unique Customer Reference Number (CRN) on the front of your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the CRN specific to the Entitlement on that form. If you inadvertently use the same CRN for more than one of your Entitlements, you will be deemed to have applied for additional New Units in respect of the Entitlements to which that CRN applies.

If you take no action, you will not be allocated New Units and your Entitlements will lapse. Your entitlement to participate in the Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Unitholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

If you take up and pay for all or part of your Entitlements before the close of the Retail Entitlement Offer at 5.00pm (AEST) on 20 August 2014, you will be allotted your New Units on 27 August 2014. If you wish to accelerate the issue of your New Units, you must pay by B_{PAY} in order that the Registry receives cleared funds by 5.00pm (AEST) on 25 July 2014, and advise the Registry by calling 1800 182 257. Your New Units will be issued under the Retail Entitlement Offer on 29 July 2014 if your accelerated acceptance is approved.

If you apply for additional New Units, subject to any available Entitlement Offer Shortfall, and subject to the Responsible Entity's and the Joint Lead Managers' absolute discretion to scale-back your Application for additional New Units (in whole or part), you will be issued your additional New Units on 27 August 2014.

The Responsible Entity's and Joint Lead Managers' decision on the number of New Units (and any additional New Units) to be allocated to you will be final. The Responsible Entity and Joint Lead Managers also reserve the right (in their absolute discretion) to reduce the number of New Units allocated to Eligible Unitholders, or persons claiming to be Eligible Unitholders, if their claims prove to be overstated or otherwise incorrect or if they or their nominees fail to provide information to substantiate their claims.

Payment

Payment via B_{PAY}[®]

For payment by B_{PAY}, please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique CRN). You can only make a payment via B_{PAY} if you are the holder of an account with an Australian financial institution that supports B_{PAY} Transactions.

Please note that if you choose to pay by B_{PAY}:

- while you are not required to submit the personalised Entitlement and Acceptance Form, you are taken to have made the declarations on that Entitlement and Acceptance Form; and
- you are deemed to have taken up your Entitlements in respect of such whole number of New Units, and if applicable, additional New Units, as is covered in full by your Application Monies.

It is your responsibility to ensure that your B_{PAY} payment is received by the Registry by no later than 5.00pm (AEST) on 20 August 2014 (subject to variation). You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

Any Application Monies received for more than your final allocation of New Units (and any additional New Units) (but only where the amount is \$2.16 or greater) will be refunded as soon as possible after the Retail Entitlement Offer closes. No interest will be paid to Applicants on any Application Monies received or refunded.

Note: If you have multiple holdings of Existing Units and receive more than one personalised Entitlement and Acceptance Form, when making payment via B_{PAY} only use the CRN specific to the relevant holding set out in the applicable Entitlement and Acceptance Form. If you do not use the correct CRN specific to that holding, as set out in the applicable Entitlement and Acceptance Form, your Application Monies above that for New Units will be assumed to refer to an Application for additional New Units (relating to that specific CRN, subject to the available Entitlement Offer Shortfall, and subject to the Responsible Entity's absolute discretion to scale-back your Application for additional New Units (in whole or part)).

Payment by cheque

For payment by cheque, you should complete your personalised Entitlement and Acceptance Form (mailed to you with this PDS) in accordance with the instructions on the form and return it accompanied by a cheque.

Your cheque must be:

- for an amount equal to the full Application Monies (being \$2.16 multiplied by the number of New Units and any additional New Units that you are applying for);
- in Australian currency drawn on an Australian branch of a financial institution; and made payable to "360 Capital Industrial Fund Applications Account" and crossed "Not Negotiable".

You should ensure that sufficient funds are held in any relevant account(s) to cover the full amount of the Application Monies. If the amount of your payment for Application Monies is insufficient to pay in full for the number of New Units you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Units as your cleared Application Monies will pay for (and to have specified that number of New Units on your personalised Entitlement and Acceptance Form). Alternatively, your Application will not be accepted.

Cash payments will not be accepted and receipts for payment will not be issued.

Please note if you wish to accelerate the issue of your New Units you must pay your application monies by BPAY by 25 July 2014. Cheques will not be accepted as payment when wishing to accelerate the issue of your New Units.

To participate in the Retail Entitlement Offer, your payment must be received no later than the close of the Retail Entitlement Offer, at 5.00pm (AEST) on 20 August 2014. Unitholders who make payment via cheque, bank draft or money order should return their completed personalised Entitlement and Acceptance Form together with Application Monies:

- BY MAIL using the reply paid envelope provided with this PDS (no postage required if posting from within Australia); or
- BY MAIL to the following address:
360 Capital Industrial Fund
Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

For the convenience of Eligible Unitholders in Australia, a reply paid envelope addressed to the Registry has been enclosed with this PDS. If mailed in any country outside of Australia, correct postage must be affixed.

Applications will only be accepted by the methods above. Applications will not be accepted in person.

As described above, where you have more than one holding of Existing Units, you will be sent more than one personalised Entitlement and Acceptance Form, and must complete the relevant Entitlement and Acceptance Form for each separate Entitlement you hold.

7.9 General Offer

The number of New Units available under the General Offer will be equal to the number of New Units not taken up by Eligible Unitholders under the Entitlement Offer.

The Minimum Application Amount under the General Offer is \$2,160.00 and in increments of at least \$540.00 thereafter. If you are an Existing Unitholder and apply for additional New Units over and above your Entitlement, there is no Minimum Application Amount.

If you are not an Existing Unitholder, to apply for New Units under the General Offer, you will need to complete and return the General Offer Application Form in accordance with the instructions on the General Offer Application Form together with your Application Monies.

Payment by cheque

For payment by cheque, you should complete the General Offer Application Form in accordance with the instructions on the form and return it accompanied by a cheque.

Your cheque must be:

- for an amount equal to the full Application Monies (being \$2.16 multiplied by the number of New Units that you are applying for;
- in Australian currency drawn on an Australian branch of a financial institution; and made payable to "360 Capital Industrial Fund Applications Account" and crossed "Not Negotiable".

You should ensure that sufficient funds are held in any relevant account(s) to cover the full amount of the Application Monies. If the amount received is insufficient to pay in full for the number of New Units you have applied for in your General Offer Application Form, you will be taken to have applied for such lower number of whole New Units as your cleared Application Monies will pay for (and to have specified that number of New Units on your General Offer Application Form). Alternatively, your Application will not be accepted.

To participate in the General Offer, your payment must be received no later than 5.00pm (AEST) on 20 August 2014. Applicants who make payment via cheque, bank draft or money order should return their completed General Offer Application Form together with Application Monies:

- BY MAIL to the following address:
360 Capital Industrial Fund
Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Applications will only be accepted by mail. Applications will not be accepted in person.

Online Payment

Alternatively, Applicants under the General Offer are also able to submit their Application Form and Application Monies electronically via the internet at www.boardroomlimited.com.au/360CapitalIndustrialFundGeneralOffer with payment through BPAY.

Full details of how to make payment through BPAY can be found online at www.bpay.com.au.

It is the Applicant's responsibility to ensure that BPAY payment is received by no later than 5.00pm (AEST) on 20 August 2014.

If you are applying online and paying by BPAY, you do not need to return the paper General Offer Application Form, however you are taken to have made the declarations on the General Offer Application Form. You should be aware that your financial institution may implement earlier cut off times with regard to electronic payment and therefore you should consider this when making payment.

7.10 Warranties made on acceptance of the Offer

By completing and returning an Application Form (including online) or paying the Application Monies by B_{PAY} you will be deemed to have acknowledged, agreed, represented and warranted that you, and each person on whose behalf you are acting:

- acknowledge that you have fully read and understood both this PDS and the Application Form in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this PDS and the Application Form;
- agree to be bound by the terms of the Offer, the provisions of this PDS and the Constitution;
- authorise the Responsible Entity to register you as the holder(s) of New Units (and any additional New Units) allotted to you;
- declare that all details and statements in the Application Form are complete and accurate;
- declare you are at least 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- acknowledge that once the Responsible Entity receives your Application Form or any payment of Application Monies via B_{PAY}, you may not withdraw your Application or funds except as allowed by law;
- agree to apply for and be issued up to the number of New Units specified in the Application Form, or for which you have submitted payment of any Application Monies via B_{PAY}, including, in each case, any additional New Units, at the Offer Price per New Unit;
- authorise the Responsible Entity, the Joint Lead Managers, the Registry and their respective officers or agents to do anything on your behalf necessary for New Units (and any additional New Units) to be issued to you, including to act on instructions of the Registry and to use the contact details set out in your Application Form;
- if relevant, declare that you were the registered holder(s) at the Record Date of the Units indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this PDS and your Application Form is not investment advice or financial product advice nor have they been prepared taking into account your investment objectives, financial circumstances or particular needs or circumstances. You acknowledge that this PDS and your Application Form is not a recommendation that New Units (including additional New Units) are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this PDS may not contain all of the information that you may require in order to assess an investment in the Fund and is given in the context of the Fund's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the summary of the key risks in Section 6 of this PDS and that investments in the Fund are subject to risk;
- acknowledge that none of the Responsible Entity, the Joint Lead Managers, or their respective related bodies corporate, affiliates or respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantee the performance of the Fund, nor do they guarantee the repayment of capital from the Fund;
- agree to provide (and, if applicable, direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Offer and of your holding of Existing Units on the Record Date;
- authorise the Responsible Entity to correct any errors in your Application Form or other form provided by you;
- represent and warrant that the law of any place does not prohibit you from being given this PDS and the Application Form, nor does it prohibit you from making an Application for New Units and are eligible under all applicable laws to receive an offer under the Offer without any lodgement, filing, registration or qualification; and
- represent and warrant that your acceptance of the Offer does not breach any laws in a jurisdiction outside Australia or New Zealand.

By completing and returning your Application Form (including online) or paying the Application Monies by B_{PAY}, you will also be deemed to have acknowledged, agreed, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that you are an Eligible Unitholder and/or otherwise eligible to participate in the Offer and:

- you are not in the United States and you are not acting on behalf of a person in the United States (to the extent you are holding Existing Units on behalf of such person in the United States) and are not otherwise a person to whom it would be illegal to make an offer of or issue of Entitlements or New Units under the Offer and under any applicable laws and regulations;
- you understand and acknowledge that neither the Entitlements nor the New Units have been, nor will be, registered under the Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia and New Zealand. Accordingly, the Entitlements may not be taken up by, and the New Units may not be offered or sold to, persons in the United States or any jurisdiction other than Australia and New Zealand;

- you and each person on whose account you are acting have not and will not send this PDS, the Application Form or any other materials relating to the Entitlement Offer to any person in the United States;
- if in the future you decide to sell or otherwise transfer the New Units, you will only do so in regular way transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting an Application Form is not in the United States, and you have not sent this PDS, the Application Form or any information relating to the Offer to any such person in the United States.

7.11 Confirmation of your Application and managing your holding

Existing Unitholders can access information on their holding, including your Record Date balance and the issue of New Units from the Offer, and manage the standing instructions the Registry records on your holding on the Investor Centre website www.investorserve.com.au. To access the Investor Centre you will need your Security Reference Number (SRN) or Holder Identification Number (HIN) as shown on your Issuer Sponsored/CHESS statements.

7.12 Offer discretion

The Responsible Entity reserves the right to:

- close the Offer or any part of it early;
- extend the Offer or any part of it;
- accept late Applications either generally or in particular cases;
- withdraw any part of the Offer at any time before the issue of New Units, in which case the Responsible Entity will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to Applicants.
- reject any Application; and
- allocate any Applicant fewer Units than their Application.

7.13 No cooling off

Applicants should note there will not be a cooling off period in relation to Applications.

Once an Application has been lodged, it cannot be withdrawn. Should quotation of the New Units be granted by the ASX, Unitholders will have the opportunity to sell their Units at the prevailing market price, which may be different to the Offer Price.

7.14 ASX

Neither the ASX nor any of its officers takes any responsibility for the content of this PDS or for the investment in the Fund.

Following the issue of New Units under the Offer, the Registry will send successful Applicants a holding statement detailing the number of New Units issued to them under the Offer and the total number of Units held. It is expected that holding statements will be dispatched on or about 29 August 2014. It is the responsibility of Applicants to confirm their allocation of New Units prior to trading in New Units. Applicants can confirm their allocation of New Units by calling the 360 Capital Information Line on 1800 182 257 (within Australia) or +61 2 9290 9600 (from outside Australia) or emailing investor.relations@360capital.com.au. A Unitholder who sells New Units before they receive their holding statement does so at their own risk.

7.14 CHESS

The Responsible Entity will apply for the New Units to participate in CHESS, in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an automated transfer and settlement system for transactions in units quoted on the ASX under which transfers are effected in a paperless form.

The Responsible Entity in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules, maintains an electronic CHESS sub-register (for Unitholders who are participants in CHESS or sponsored by such a participant) and an electronic issuer sponsored sub-register (for all other Unitholders). These two sub-registers together make up the Fund's principal register of Unitholders. Following allocation of the New Units to successful Applicants, Unitholders will be sent holding statements that set out the number of New Units that have been allocated and the Unitholder's Holder Identification Number, or in the case of issuer sponsored holders, the Unitholder Reference Number.

Unitholders will receive statements showing any changes to their holding of Units. Certificates will not be issued for New Units. A Unitholder who wishes to have New Units sponsored by a CHESS participant should forward their initial statement of holding and Unitholder Reference Number (upon receipt) to their broker who will transfer their holding onto the CHESS sub-register.

7.15 Brokerage, commission and stamp duty

No brokerage, commission or stamp duty is payable by Applicants who apply for New Units under the Offer.

Investors who buy or sell Units on the ASX may be subject to brokerage and other transaction costs. Under current legislation, there is no stamp duty payable on the sale or purchase of Units quoted on the ASX provided that no investor (together with any related or associated persons or any other persons in an associated transaction, for the purposes of stamp duty law) holds 90% or more of the interests in the Fund.

7.16 Taxation Issues

A summary of Australian tax consequences of investing in the Fund is contained in Section 11.

However, the summary provides general information only. Applicants should make their own enquiries in relation to the taxation consequences of investing, taking into account their own circumstances. Applicants should obtain and only rely on professional taxation advice if they are in doubt about the consequences of investing in the Fund, from a taxation perspective.

7.17 Foreign Investors

This document does not constitute an offer of New Units in any jurisdiction in which it would be unlawful. New Units may not be offered or sold in any country outside Australia except to the extent permitted below.

Hong Kong

This document has not been, and will not be, authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Units have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO). No advertisement, invitation or document relating to the New Units has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Units which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). New Units may be offered and sold in New Zealand only to:

- persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or

- persons who are each required to (i) pay a minimum subscription price of at least NZ\$500,000 for the securities before allotment or (ii) have previously paid a minimum subscription price of at least NZ\$500,000 for securities of the Fund ("initial securities") in a single transaction before the allotment of such initial securities and such allotment was not more than 18 months prior to the date of this document.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. This document and any other document or material in connection with the Offer or sale, or invitation for subscription or purchase of the New Units may not be circulated or distributed, nor may the New Units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the Securities and Futures Act, Chapter 289 (the "SFA")), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an institutional investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Units being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to US Persons (as defined in Regulation S under the US Securities Act of 1933). Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States or to US Persons except in transactions exempt from, or not subject to, the registration requirements under the US Securities Act and applicable US state securities laws.

7.18 Enquiries

If you have enquiries or questions about this PDS or the Offer, you should contact the 360 Capital Information Line on 1800 182 257 (within Australia) or +61 2 9290 9600 (from outside Australia).

If you have any queries or uncertainties relating to aspects of this PDS or the Offer, please consult your broker, accountant or other independent financial adviser before deciding whether to invest.

08

FEES AND OTHER COSTS

8 Fees and other costs of the Fund

Consumer advisory warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your Fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower administration fees where applicable. Ask the Fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities & Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

8.1 Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs will be deducted from the Fund's monies prior to distribution of income to Unitholders unless specified otherwise. There is therefore no separate payment required in relation to any of the fees and costs listed below.

Information regarding tax is set out in Section 11.

Except as otherwise stated, the fees and costs set out below show the net effect of GST i.e. inclusive of 10% GST less any input tax credits, including reduced input tax credits.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

A further description of the fees and costs outlined in the table below is provided in Section 8.3.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment fee The fee to open your investment	Nil	There is no establishment fee.
Contribution fee The fee on each amount contributed to your investment	Nil	There is no contribution fee.
Withdrawal fee The fee on each amount you take out of your investment	Nil	There is no withdrawal fee.
Exit fee The fee to close your investment	Nil	There is no termination fee.

Management costs¹

The fees and costs for managing your investment	Estimated at 0.80% per annum of the gross asset value of the Fund comprising: Management Fee of 0.60% per annum of the gross asset value plus expenses relating to the proper performance of the Responsible Entity's duties in connection with the Fund estimated to be approximately 0.20% per annum of the gross asset value of the Fund.	The Management Fee is payable to the Responsible Entity quarterly in arrears. Ongoing expenses are reimbursable to the Responsible Entity from the Fund's assets when incurred from time to time.
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Service fees

Switching fee The fee for changing investment options	Nil	There is no switching fee.
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¹ Refer to Sections 8.3.1 and 8.3.3 (inclusive) for more detail.

8.2 Example of annual fees and costs

The following table shows a breakdown of estimated ongoing Management Fees and costs for the 12 month period ending 30 June 2015. You should use these tables to compare this product with other managed investment products.

Example	Balance of \$50,000 with a contribution of \$5,000 during the year	
Contribution fee	Nil	Nil
PLUS Management Costs	0.80% per annum of the gross asset value of the Fund ¹	For every \$50,000 you have invested you will be charged \$688 ¹ each year
EQUALS cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you invested an additional \$5,000 during that year, you would be charged fees and expenses of between \$689 and \$756 ¹ for that year.

¹ This amount has been estimated based on the Fund's expected costs of managing the Fund, and the expected gross asset value on completion of the Transaction. Based on a 40.9% gearing ratio, this represents an amount of 1.38% per annum of the net asset value of the Fund.

FEES AND OTHER COSTS

(CONTINUED)

8.3 Additional explanation of fees and costs

8.3.1 Management costs

The management costs in the tables above are the fees and costs paid for general administration of the Fund and comprise the Management Fee and an estimate of all other expenses recoverable by the Responsible Entity.

8.3.2 Management Fees

Under the Constitution, the Responsible Entity is entitled to a Management Fee of 0.65% per annum of the gross asset value of the Fund during the relevant year for its role in managing and administering the Fund. As set out in the tables above, the Responsible Entity is currently electing to charge 0.60% per annum of the gross asset value of the Fund, payable quarterly in arrears. If the Responsible Entity determines to change the Management Fee subject to the maximum limit in the Constitution, it will provide Unitholders with 30 days' prior notice.

8.3.3 Expense recoveries

The Responsible Entity is entitled to recover all expenses properly incurred in managing and administering the Fund, including in relation to the following:

- Fund costs incurred by the Responsible Entity in accordance with the Constitution;
- compliance committee costs;
- audit fees;
- legal fees;
- independent consultant report preparation fees;
- asset custody expenses; and
- bank fees, government fees and taxes.

The Responsible Entity estimates that the Fund will incur expenses of approximately 0.20% of the gross asset value of the Fund per annum. This estimate has been included in the tables set out in Sections 8.1 and 8.2 above.

8.3.4 Professional services fees

If the Responsible Entity or any of its associates provides additional services to the Fund in a professional capacity, it will also be entitled to receive fees for providing these services in accordance with the terms of the Constitution. These fees will be charged on an arms' length basis in accordance with the market rates for those services at the relevant time.

8.3.5 GST

Unless otherwise stated, all fees in this section of the PDS show the net effect of GST (i.e. inclusive of GST less any input tax credits including reduced input tax credits). Where the Fund is entitled to an input tax credit or reduced input tax credit under the GST legislation for GST paid in respect of the services provided to it, the cost to the Fund of paying GST will be reduced proportionally. For additional information in relation to the taxation implications of an investment in the Fund please see Section 11.

8.3.6 Administration services

Persons investing through an administration service or investor directed portfolio service (IDPS), such as a master fund or wrap account, or a nominee or custody service should be aware that in addition to the fees and charges described above, they will also be liable to pay fees to the operator of the service as described in the offer document or guide for the relevant service. The Responsible Entity may pay fees to the operator of an administration service where they provide marketing and product support in relation to the Fund, or the Responsible Entity may draw on its own resources to provide marketing and product support to an administration service.

8.3.7 Adviser remuneration

No upfront or trail commission is paid to advisers by the Fund or the Responsible Entity in respect of offers for Units.

8.4 Fees and costs associated with the Transaction

Fee/Cost	\$m
Stamp duty and government charges	4.4
Debt Facility establishment costs	0.6
Underwriting and Offer management fees and costs	2.4
Advisers' and consultants' fees	0.6
Other Transaction costs	0.1
Total	8.1

8.5 Other expenses

The Fund may enter into agreements with third parties (which may include 360 Capital or its wholly owned subsidiaries) to provide property management and other services to the Fund from time to time. All such arrangements will be entered into on arm's length terms. The material agreements that have been, or will be, initially entered into are summarised in Section 12. Under these agreements, certain fees and expenses may be paid from the assets of the Fund to 360 Capital. These amounts are not included in the above tables as 'management costs' as they are of a kind that would typically be incurred if investors acquired the Properties directly and not through the Fund.

A decorative graphic on the left side of the page, featuring overlapping circles in shades of blue and green, and a dotted line that curves around the circles.

09

INDEPENDENT PROPERTY VALUATIONS

VALUATION & ADVISORY SERVICES



CBRE Valuations Pty Limited
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SYDNEY NSW 2000

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www.cbre.com.au

16 May 2014

The Directors
360 Capital Investment Management Limited
Level 8, 56 Pitt Street
Sydney NSW 2000

Dear Sirs,

Summary of Valuation Report: 2 Woolworths Way, Warnervale NSW 2259**Instructions**

CBRE Valuations Pty Limited ("CBRE") accepted instructions dated 7 May 2014 to prepare a Market Valuation for the Freehold interest in the property listed above. The Valuation is to be relied upon for Acquisition purposes and First Mortgage Security purposes only and is specifically addressed for use and reliance upon by the parties named in the full valuation report. The Valuation is prepared in accordance with the Australian Property Institute Australia and New Zealand Valuation and Property Standards January 2012, having regard to ANZVGN 8, Valuations for use in Offer Documents. The instructions specifically request us to provide our opinion of the market value of the property, as at 23 May 2014, on the following basis:

1. Market Value - As Is - Subject to existing occupancy arrangements.

CBRE has been instructed to provide a full Valuation Report in addition to this Summary Letter which is included in the Product Disclosure Statement document. In accordance with ANZVGN 8, our Valuation Report draws attention to the key issues and considerations impacting value and provides a detailed Property Risk Assessment and SWOT Analysis, plus the report details our Critical Assumptions, Assumptions, Disclaimers, Limitations and Qualifications and our Recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, it is considered prudent to consider the entire contents of our Valuation Report. Therefore, we recommend that this Summary Letter is to be read and considered together with the Valuation Report. We accept no responsibility for reliance upon the Summary Letter. We refer the reader to 360 Capital Investment Management Limited to obtain a copy of our Valuation Report.

Brief Description of the Property and Tenancy Details

The property comprises a modern, high quality national distribution centre purpose built for Woolworths, which was constructed in 2006. The centre is divided into two main areas; being an ambient warehouse and temperature controlled warehouse. Additional improvements include a security gatehouse, single-level transport office, on-grade parking for approximately 482 vehicles, 10 marked prime mover parking bays and 50 trailer parking bays. The building is leased to Woolworths Limited until July 2021.

Liability limited by a scheme approved under Professional Standards Legislation

Market Movement

The valuation referred to on the previous page represents the value of the property as at the date of valuation only. The value assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property or particular property sector). CBRE is not liable for losses arising from any subsequent changes in value.

Critical Assumptions and Reliance on Information Provided

A summary of select Critical Assumptions noted in the full Valuation Report are noted as follows:

- **Information Provided:** We have been provided with information from 360 Capital Group which we have relied upon for this valuation, and this includes the lease to Woolworths Limited, Statutory Costs, Insurance Estimate, Rent Adjustment Information, Colliers Information Memorandum and GLA Survey (Realserve).

Our valuation is conditional on the information provided being correct. Should this not be the case then our valuation will require revision.

- **Heads of Agreement:** We have been provided with the Heads of Agreement for the proposed purchase of the subject property.

The price stated is \$69,800,000 exclusive of GST, with a due diligence period, of which this valuation forms part, of four weeks expiring 2 June 2014.

We have had specific regard to the above purchase price throughout the assessment. Should the final purchase price differ from the above, then we reserve the right to amend our valuation.

We emphasise that due to the timing of the transaction there is no Contract for Sale to review.

Accordingly, it is a condition of our valuation that the eventual Contract contains no onerous conditions that would impact on the valuation figure provided. If this is to occur, then our valuation will require revision.

- **30 July 2014 Review:** Given the proximity of the fixed rental increase of 2.5% in July 2014, we have reflected this review in our valuation for modelling purposes and in our assessment of the market rent. We have made an adjustment to the valuation to reflect the shortfall in rent from the date of valuation and the review date.

For clarity, we have also identified the actual initial yield at the date of valuation and the initial yield from the July 2014 review.

- **Capital Expenditure:** We have not been provided with a due diligence building report as this is being prepared concurrently with the valuation (reflecting the tight timescales required for this valuation). As such, we have not been provided with any existing capital expenditure amounts that may be required. Whilst acknowledging that there is unlikely to be substantial structural capital expenditure required under the current lease, our valuation is conditional on there being no immediate capital expenditure amount outstanding at the date of valuation.

- **Management Costs:** We have made an adjustment to reflect that management costs are not recoverable under the lease. The PV amount of \$256,373 has been deducted from the valuation.

360 Capital has advised that the management costs will be absorbed within the Industrial Fund. We have therefore shown a separate initial yield with and without deductions for management costs for indicative and investment purposes only.

VALUATION & ADVISORY SERVICES



- **Current Passing Rental:** We have been advised via correspondence from 360 Capital Group of adjustments to the current passing rent for capital works undertaken during the first five years of the lease. Should the actual passing rent differ from what has been advised, then our valuation will require revision.

Report Content

Our Valuation Report, in addition to the content noted earlier, contains detailed information and description pertaining to Instructions, Use and Reliance, Site Details including Location, Legal, Environmental and Town Planning, Building Improvements, and our analysis of the asset's Occupational and Financial attributes. This is followed by a comprehensive Economic, Investment Market and Market Overview and details of the sales evidence regarded, along with our Investment Considerations. Finally, the report considers the value and marketability of the property. We again refer the reader of this letter to our Valuation Report for detail in respect of the above items.

Valuation Rationale

In arriving at our opinion of value, we have considered relevant general and economic factors and in particular we have investigated recent sales and leasing transactions of comparable properties.

We have placed primary emphasis on the capitalisation of net income approach and have additionally undertaken a DCF analysis as a supporting method of valuation. A detailed explanation of the assets investment credentials and the application of the capitalisation approach and DCF methodology are provided in the full Valuation Report.

Valuation Summary

In accordance with the instructions, we summarise our valuation conclusions for 2 Woolworths Way, Warnervale, as at 23 May 2014 as follows:

1. Market Value 'As Is' - Subject to existing occupancy arrangements.
\$69,800,000 (Sixty Nine Million, Eight Hundred Thousand Dollars), GST exclusive

The following table outlines our valuation conclusion and provides a brief summary of the tenancy profile and key investment parameters for the complex as at 23 May 2014:

VALUATION SUMMARY (100% Freehold)

Valuation Approaches	Capitalisation & DCF	
Net Lettable Area (sqm)	54,533.0	
Site Area (sqm)	231,600.0	
Date of Valuation	23 May 2014	
Market Value	\$69,800,000	
Net Passing Income 23 May 2014	\$5,666,025	\$104 psm
Net Passing Income 30 July 2014	\$5,807,676	\$106 psm
Net Market Income	\$5,807,676	\$106 psm
Weighted Average Lease Term (by income/by area)	7.2 years	7.2 years
Outgoings (Adopted)	\$12.50	psm
PV of Outstanding Tenant Incentives	\$0	
Capitalisation Rate	8.25%	
Terminal Yield	8.75%	
Target IRR (Discount Rate)	9.25%	
Ten Year IRR (Indicated)	9.30%	
Initial Yield At 23 May 2014	8.05%	
Initial Yield From 30 July 2014	8.25%	
Equivalent Yield	8.29%	
Value psm of NLA	\$1,280	psm
Current Vacancy Rate	Nil	

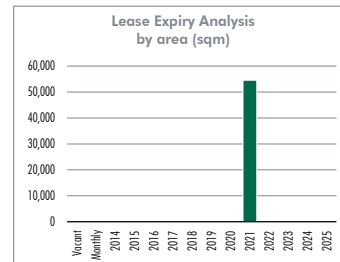
VALUATION ASSUMPTIONS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
CPI (Access)	2.45% (10 yr avg)	1.87%	2.78%	2.78%	2.44%	2.40%	2.35%	2.51%	2.57%	2.41%	2.40%
Market Rent Growth	3.20% (10 yr avg)	2.62%	3.53%	3.53%	3.19%	3.15%	3.10%	3.26%	3.32%	3.16%	3.15%
Outgoing Escalation	2.45% (10 yr avg)	1.87%	2.78%	2.78%	2.44%	2.40%	2.35%	2.51%	2.57%	2.41%	2.40%
Incentives Yr 1	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
Renewal Probability	50%										
Leasing Up Period Yr 1	18 mths										
Assumed New Lease Term	5 years										
Assumed New Lease Reviews	3.50%										
Assumed Leasing Commissions (new/renewal)	12%	7%									
Lessors Works/Make Good (\$psm)	\$35 psm										
Total Capital Expenditure (Yrs 1 to 11) *	\$1,758,149	\$32 psm									

* Includes Refurbishment and Lessors Make Good allowances.

TENANT PROFILE	Area (sqm)	Passing Gross Rent	Market Gross Rent	Expiry
Woolworths Limited	54,533.0			Jul-21
Total (Gross Passing)	54,533.0	\$6,489,449	\$6,489,449	
Total (Gross Passing Fully leased)	54,533.0	\$6,489,449	\$6,489,449	

Note: Gross rents include outgoings recovery (where applicable). Market rent shown for vacancies.



Consent

CBRE provides its consent for the inclusion of this Summary Letter within the Product Disclosure Statement for the 360 Capital Industrial Fund subject to 360 Capital Investment Management Limited making recipients of the Product Disclosure Statement aware of the following liability disclaimers.

Liability Disclaimer

- a) CBRE is not operating under an Australian Financial Services Licence when providing the full Valuation Report or this Summary Letter and those documents do not constitute financial product advice. Investors should consider obtaining independent advice from their financial advisor before making any decision to invest in/with 360 Capital Investment Management Limited.
- b) CBRE disclaims any liability to any person in the event of an omission from, or false and misleading statements included in the Prospectus, other than in respect to this Summary Letter and the full Valuation Report.

VALUATION & ADVISORY SERVICES



- c) The Valuation Report and this Summary Letter are strictly limited to the matters contained within those documents, and are not to be read as extending, by implication or otherwise, to any other matter in the Prospectus. Without limitation to the above, no liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the real estate market subsequent to the date of valuation.
- d) CBRE has prepared the full Valuation Report and this Summary Letter relying on and referring to information provided by third parties in including financial and market information ("Information"). CBRE assumes that the Information is accurate, reliable and complete and it has not tested the information in that respect.
- e) References to the Property's value within this Summary Letter or the Product Disclosure Statement have been extracted from CBRE's Valuation Report. The Valuation Report draws attention to the key issues and considerations impacting value and provides a detailed assessment and analysis as well as key critical assumptions, assumptions, disclaimers, limitations and qualifications and recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, CBRE recommends that this Summary Letter and any references to value within the Prospectus must be read and considered together with the Valuation Report. This Summary Letter is to be read in conjunction with our full Valuation Report dated 23 May 2014 and is subject to the Assumptions, Limitations, Disclaimers and Qualifications contained therein. We refer the reader to 360 Capital Investment Management Limited to obtain a copy of the full report.
- f) No responsibility is accepted for any loss or damage arising as a result of reliance upon this Summary Letter.
- g) Neither this Summary Letter nor the full Valuation Report may be reproduced in whole or in part without prior written approval of CBRE.
- h) CBRE charges a professional fee for producing valuation reports, and the fee paid by 360 Capital Investment Management Limited for the Valuation Report and this Summary Letter was \$13,500 inclusive of GST.
- i) We confirm that the valuer does not have a pecuniary interest that would conflict with a proper valuation of the interest in the property.
- j) This document is for the sole use of persons directly provided with it by CBRE. Use by, or reliance upon this document by, anyone other than those parties named above is not authorised by CBRE and CBRE is not liable for any loss arising from such unauthorised use or reliance.

Yours sincerely

CBRE Valuations Pty Limited

Kenneth Duncanson

Senior Director – Valuation & Advisory Services



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ABN 15 008 912 641

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1 Eagle Street
Brisbane QLD 4000

T 61 7 3833 9833
F 61 7 3833 9830

www.cbre.com.au

16 May 2014

The Directors
360 Capital Investment Management Limited
Level 8 56 Pitt Street
Sydney NSW 2000

Dear Sirs

**Summary of Valuation Report: Woolworths Regional Distribution Centre
21 Jay Street, Mount St John, Townsville QLD 4818**

Instructions

CBRE Valuations Pty Limited ("CBRE") accepted instructions dated 7 May 2014 to prepare a market Valuation for the leasehold interest in the property listed above. The Valuation is to be relied upon for Acquisition purposes and First Mortgage Security purposes only and is specifically addressed for use and reliance upon by the parties named in the full valuation report. The Valuation is prepared in accordance with the Australian Property Institute Australia and New Zealand Valuation and Property Standards January 2012, having regard to ANZVGN 8, Valuations for use in Offer Documents. The instructions specifically request us to provide our opinion of the market value of the property, as at 23 May 2014, on the following basis:

1. Market Value - As Is - Subject to existing occupancy arrangements.

CBRE has been instructed to provide a full Valuation Report in addition to this Summary Letter which is included in the Product Disclosure Statement document. In accordance with ANZVGN 8, our Valuation Report draws attention to the key issues and considerations impacting value and provides a detailed Property Risk Assessment and SWOT Analysis, plus the report details our Critical Assumptions, Assumptions, Disclaimers, Limitations and Qualifications and our Recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, it is considered prudent to consider the entire contents of our Valuation Report. Therefore, we recommend that this Summary Letter is to be read and considered together with the Valuation Report. We accept no responsibility for reliance upon the Summary Letter. We refer the reader to 360 Capital Investment Management Limited to obtain a copy of our Valuation Report.

VALUATION & ADVISORY SERVICES



Brief Description of the Property and Tenancy Details

The property comprises a leasehold parcel of industrial land improved with a modern purpose built cold storage facility providing office, loading dock and temperature variable cold store warehouse components together with extensive concrete hardstand, awnings and parking areas. The facility was completed in December 2005 and provides additional balance land available for future extensions.

The freehold site is leased from Bruin Enterprises Pty Ltd on a 50 year term (with 49 year option) with the property sub-leased to Woolworths Limited on a 15 year lease which commenced 28 June 2010 with 10 x 5 year options.

Market Movement

The valuation referred to above represents the value of the property as at the date of valuation only. The value assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property or particular property sector). CBRE is not liable for losses arising from any subsequent changes in value.

Critical Assumptions and Reliance on Information Provided

A summary of select Critical Assumptions noted in the full Valuation Report are noted as follows:

- **Information Provided:** We have been provided with information from 360 Capital Group upon which we have relied upon for this valuation, and this includes: Head lease, Woolworths Limited sub-lease, Deed of assignment (Woolworths to Orchard Capital – Arena Investment Management Limited), Statutory Costs, Insurance Estimate, Rent Adjustment Information, Colliers Information Memorandum and GLA Survey (Realserve).

Our valuation is conditional on the information provided being correct. Should this not be the case then our valuation will require revision.

- **Heads of Agreement:**

We have been provided with the Heads of Agreement for the proposed purchase of the subject property.

The price stated is \$9,595,000 with a due diligence period, of which this valuation forms part, of four weeks expiring 2 June 2014.

We have had specific regard to the above purchase price throughout the assessment. Should the final purchase price differ from the above, then we reserve the right to amend our valuation.

We emphasise that due to the timing of the transaction there is no Contract for Sale to review. Accordingly, it is a condition of this valuation that the eventual Contract contains no onerous conditions that would impact on the valuation figure provided. If this is to occur, then our valuation will require revision.

- **Capital Expenditure:**

We have not been provided with a due diligence building report as this is being prepared concurrently with the valuation (reflecting the tight timescales required for this valuation). As such, we have not been provided with any existing capital expenditure amounts that may be required.

Whilst acknowledging that there is unlikely to be substantial structural capital expenditure required under the current lease, our valuation is conditional on there being no immediate capital expenditure amount outstanding at the date of valuation.

- **Date of Valuation:**

It is a critical assumption is that there will be no material change in the property market or the property between the date of inspection and the date of valuation. Refer to Section 2.1 Instructions.

Report Content

Our Valuation Report, in addition to the content noted earlier, contains detailed information and description pertaining to: Instructions, Use and Reliance; Site Details including Location, Legal, Environmental and Town Planning; Building Improvements; and our analysis of the asset's Occupational and Financial attributes. This is followed by a comprehensive Economic, Investment Market and Retail Market Overview and details of the sales evidence regarded, along with our Investment Considerations. Finally, the report considers the value and marketability of the property. We again refer the reader of this letter to our Valuation Report for detail in respect of the above items.

Valuation Rationale

In arriving at our opinion of value, we have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties.

We have placed primary emphasis on the capitalisation of net income approach (for the remaining head lease term including option) and have additionally undertaken a DCF analysis as a supporting method of valuation. A detailed explanation of the assets investment credentials and the application of the capitalisation approach and DCF methodology are provided in the full Valuation Report.

Valuation Summary

In accordance with the instructions, we summarise our valuation conclusions for 21 Jay Street, Mount St John, as at 23 May 2014 as follows:

1. Market Value 'As Is' - Subject to existing occupancy arrangements.
\$9,595,000 (Nine Million, Five Hundred and Ninety Five Thousand Dollars), GST exclusive

The table overleaf outlines our valuation conclusion and provides a brief summary of the tenancy profile and key investment parameters for the complex as at 23 May 2014.

VALUATION & ADVISORY SERVICES



CBRE EXECUTIVE SUMMARY

VALUATION SUMMARY

Valuation Approaches	Capitalisation, Discounted Cash Flow
Interest Valued	Leasehold
Gross Lettable Area	4,726.3 sqm
Site Area	29,250 sqm
Date of Valuation	23 May 2014
Market Value	\$9,595,000

Capitalisation Summary	Contract/Passing	Market
Gross Income	\$808,237	\$808,237
Outgoings (adopted)	(\$12,500)	(\$12,500)
Net Income (before vacancies/adjustments)	\$795,737	\$795,737
Income Adjustments		
Fully Leased Net Income (after vacancies)	\$795,737	\$795,737
Capital Adjustments	\$468,838	\$468,838
Capitalisation Adopted	\$9,600,000	\$9,600,000

Investment Summary

Capitalisation Rate	8.75%	
Terminal Yield	9.75%	
Target IRR (Discount Rate)	10.00%	
10 Year IRR (Indicated)	9.96%	
Passing Initial Yield	8.74%	excludes balance land
Indicated Equivalent Yield	8.72%	
Equivalent Yield excl Balance Land	8.72%	
Value \$psm of Gross Lettable Area	\$1,926	
Current Vacancy Rate	0.00%	
Weighted Average Lease Term*	11.10 years	* excl. Vacancies/Monthly Tenants
Weighted Average Lease Term**	11.10 years	** incl. Vacancies/Monthly Tenants

VALUATION ASSUMPTIONS

CPI (Deloitte Access) 10yr Avg	2.62%	
Market Rent Growth 10yr Avg (gross)	3.62%	
Outgoing Escalation 10yr Avg	2.62%	
Renewal Probability Yr 1	50%	
Leasing Up Period Yr 1	12 mths	
Incentives Yr 1	6 mths	
Assumed New Lease Term	5 years	
Lessors Works/Make Good (\$psm)	\$0 psm	
Refurbishment Allowance (Year 5/ Year 11)	\$25 psm	\$25 psm
Total Capex Yrs 1 to 11 (incl Refurb & Lessors Make Good allowances)	\$439,555	\$93 psm

TENANT PROFILE

	Area (sqm)	Gross Passing Rent	Gross Market Rent
Woolworths Limited	4,726	\$808,237	\$808,237
Total (Gross Passing Fully leased)	4,726	\$808,237	\$808,237

Consent

CBRE provides its consent for the inclusion of this Summary Letter within the Product Disclosure Statement for the 360 Capital Industrial Fund subject to 360 Capital Investment Management Limited making recipients of the Product Disclosure Statement aware of the following liability disclaimers.

Liability Disclaimer

- (a) CBRE is not operating under an Australian Financial Services Licence when providing the full Valuation Report or this Summary Letter and those documents do not constitute financial product advice. Investors should consider obtaining independent advice from their financial advisor before making any decision to invest in/with 360 Capital Investment Management Limited.
- (b) CBRE disclaims any liability to any person in the event of an omission from, or false and misleading statements included in the Prospectus, other than in respect to this Summary Letter and the full Valuation Report.

- (c) The Valuation Report and this Summary Letter are strictly limited to the matters contained within those documents, and are not to be read as extending, by implication or otherwise, to any other matter in the Prospectus. Without limitation to the above, no liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the real estate market subsequent to the date of valuation.
- (d) CBRE has prepared the full Valuation Report and this Summary Letter relying on and referring to information provided by third parties in including financial and market information ("Information"). CBRE assumes that the Information is accurate, reliable and complete and it has not tested the information in that respect.
- (e) References to the Property's value within this Summary Letter or the Product Disclosure Statement have been extracted from CBRE's Valuation Report. The Valuation Report draws attention to the key issues and considerations impacting value and provides a detailed assessment and analysis as well as key critical assumptions, assumptions, disclaimers, limitations and qualifications and recommendations. As commercial investments of this nature are inherently complex and the market conditions have changed and/or have been uncertain in recent times, CBRE recommends that this Summary Letter and any references to value within the Prospectus must be read and considered together with the Valuation Report. This Summary Letter is to be read in conjunction with our full Valuation Report dated 23 May 2014 and is subject to the Assumptions, Limitations, Disclaimers and Qualifications contained therein. We refer the reader to 360 Capital Investment Management Limited to obtain a copy of the full report.
- (f) No responsibility is accepted for any loss or damage arising as a result of reliance upon this Summary Letter.
- (g) Neither this Summary Letter nor the full Valuation Report may be reproduced in whole or in part without prior written approval of CBRE.
- (h) CBRE charges a professional fee for producing valuation reports, and the fee paid by 360 Capital Investment Management Limited for the Valuation Report and this Summary Letter was \$12,650 inclusive of GST.
- (i) We confirm that the valuer does not have a pecuniary interest that would conflict with a proper valuation of the interest in the property.
- (j) This document is for the sole use of persons directly provided with it by CBRE. Use by, or reliance upon this document by anyone other than those parties named above is not authorised by CBRE and CBRE is not liable for any loss arising from such unauthorised use or reliance.

Yours sincerely
CBRE Valuations Pty Limited



Tristan Gasiewski
Director – Valuation & Advisory Services



10

**INDEPENDENT
LIMITED
ASSURANCE
REPORT**



Ernst & Young Transaction Advisory
Services Limited
680 George Street
Sydney NSW 2000 Australia
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Tel: +61 2 9248 5555
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17 July 2014

The Board of Directors
360 Capital Investment Management Limited as responsible entity for the 360 Capital Industrial Fund
Level 8, 56 Pitt Street
Sydney NSW 2000

Dear Directors

PART 1 – INDEPENDENT LIMITED ASSURANCE REPORT ON STATUTORY STATEMENT OF FINANCIAL POSITION, PRO FORMA STATEMENT OF FINANCIAL POSITION AND FORECAST FINANCIAL INFORMATION

1. Introduction

We have been engaged by 360 Capital Investment Management Limited (“360 Capital” or “Responsible Entity”), as responsible entity for the 360 Capital Industrial Fund (“the Fund”), to report on the historical statements of financial position and forecast financial information of the Fund for inclusion in the Product Disclosure Statement (“PDS”) to be dated on or about 16 July 2014, and to be issued by 360 Capital, in respect of the offer of units in the Fund (“the Offer”).

Expressions and terms defined in the PDS have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence under the *Corporations Act 2001*. Ernst & Young Transaction Advisory Services Limited (“Ernst & Young Transaction Advisory Services”) holds an appropriate Australian Financial Services Licence (AFS Licence Number 240585). Gavin Sultana is a Director and Representative of Ernst & Young Transaction Advisory Services. We have included our Financial Services Guide as Part 2 of this report.

2. Scope

Statutory Statement of Financial Position

You have requested Ernst & Young Transaction Advisory Services to review the statutory statement of financial position as at 31 December 2013

(hereafter the ‘Statutory Statement of Financial Position’).

The Statutory Statement of Financial Position has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles prescribed in Australian Accounting Standards. The Statutory Statement of Financial Position has been extracted from the interim financial report of the Fund for the period ended 31 December 2013, which was reviewed by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued an unmodified review report. The Statutory Statement of Financial Position is presented in the PDS in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.



Pro Forma Statement of Financial Position

You have requested Ernst & Young Transaction Advisory Services to review the pro forma statement of financial position as at 31 December 2013

(hereafter the 'Pro Forma Statement of Financial Position').

(the Statutory Statement of Financial Position and Pro Forma Statement of Financial Position is together referred to as the 'Historical Statements of Financial Position').

The Pro Forma Statement of Financial Position has been derived from the Statutory Statement of Financial Position of the Fund, and adjusted for the effects of pro forma adjustments described in the footnotes to the Statements of Financial Position in Section 5.2 of the PDS. The stated basis of preparation is in a manner consistent with the recognition and measurement principles contained in Australian Accounting Standards applied to the Statutory Statement of Financial Position and the events or transactions to which the pro forma adjustments relate, as described in footnotes to the Statements of Financial Position in Section 5.2 of the PDS, as if those events or transactions had occurred as at 31 December 2013. Due to its nature, the Pro Forma Statement of Financial Position does not represent the company's actual or prospective financial position.

Forecast Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following forecast financial information included in the PDS:

- ▶ forecast statement of financial performance for the twelve months ending 30 June 2015; and
- ▶ forecast operating earnings and distribution statement for the twelve months ending 30 June 2015

(hereafter the 'Forecast Financial Information').

The directors' best-estimate assumptions underlying the Forecast Financial Information are described in Section 5.4 of the PDS. The stated basis of preparation used in the preparation of the Forecast Financial Information is the recognition and measurement principles prescribed in Australian Accounting Standards

(collectively, the 'Financial Information').

3. Directors' Responsibility

Statutory and Pro Forma Statements of Financial Position

The directors of 360 Capital are responsible for the preparation and presentation of the Statutory Statement of Financial Position and Pro Forma Statement of Financial Position, including the basis of preparation, the selection and determination of pro forma adjustments made to the Statutory Statement of Financial Position and included in the Pro Forma Statement of Financial Position. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Statutory Statement of Financial Position and Pro Forma Statement of Financial Position that are free from material misstatement, whether due to fraud or error.

Forecast Financial Information

The directors of 360 Capital are responsible for the preparation and presentation of the Forecast Financial Information for the year ending 30 June 2015, including the basis of preparation, the best-estimate assumptions underlying the Forecast Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Forecast Financial Information that is free from material misstatement, whether due to fraud or error.



4. Our Responsibility

Statutory and Pro Forma Statements of Financial Position

Our responsibility is to express limited assurance conclusions on the Statutory and Pro Forma Statements of Financial Position based on the procedures performed and the evidence we have obtained.

Forecast Financial Information

Our responsibility is to express a limited assurance conclusion on the Forecast Financial Information, the best-estimate assumptions underlying the Forecast Financial Information, and the reasonableness of the Forecast Financial Information itself, based on our limited assurance engagement.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

Statutory Statement of Financial Position

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the statutory statement of financial position as at 31 December 2013, as described in Section 5.2 of the PDS and comprising:

- the Statutory Statement of Financial Position

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5.1 of the PDS.

Pro Forma Statement of Financial Position

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma statement of financial position as at 31 December 2013, as described in Section 5.2 of the PDS and comprising:

- the Pro Forma Statement of Financial Position

is not presented fairly, in all material respects, in accordance with the stated basis of preparation as described in Section 5.1 of the PDS.

Forecast Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the forecast statement of financial performance and the forecast operating earnings and distribution statement of the Fund for



the year ending 30 June 2015 do not provide reasonable grounds for the Forecast Financial Information; and

- in all material respects, the Forecast Financial Information:
 - is not prepared on the basis of the directors' best estimate assumptions as described in Section 5.4 of the PDS; and
 - is not presented fairly in accordance with the stated basis of preparation as described in Section 5.1 of the PDS; and
- the Forecast Financial Information itself is unreasonable.

Forecast Financial Information

The Forecast Financial Information has been prepared by management and adopted by the directors in order to provide prospective investors with a guide to the potential financial performance of the Fund for the year ended 30 June 2015. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variation may be material. The directors' best-estimate assumptions on which the Forecast Financial Information is based relate to future events and/or transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of the Fund. Evidence may be available to support the directors' best-estimate assumptions on which the Forecast Financial Information is based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions. The limited assurance conclusions expressed in this report have been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in the Fund, which are detailed in the PDS and the inherent uncertainty relating to the Forecast Financial Information. Accordingly, prospective investors should have regard to the sensitivities and investment risks as described in Sections 5.4.4 and 6 of the PDS. The sensitivity analysis described in Section 5.4.4 of the PDS demonstrates the impact on the Forecast Financial Information of changes in specific assumptions. We express no opinion as to whether the forecast will be achieved.

We disclaim any assumption of responsibility for any reliance on this report, or on the Forecast Financial Information to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of the Fund, that all material information concerning the prospects and proposed operations of the Fund has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

6. Restriction on Use

Without modifying our conclusions, we draw attention to Section 5.1 of the PDS, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

7. Consent

Ernst & Young Transaction Advisory Services has consented to the inclusion of this independent limited assurance report in the PDS in the form and context in which it is included.



8. Independence or Disclosure of Interest

Ernst & Young Transaction Advisory Services does not have any interests in the outcome of this offer of units in the Fund other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully
Ernst & Young Transaction Advisory Services Limited

A handwritten signature in black ink, appearing to read 'Gavin Sultana', is positioned above the printed name.

Gavin Sultana
Director and Representative



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17 July 2014

**THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE
INDEPENDENT LIMITED ASSURANCE REPORT**

PART 2 - FINANCIAL SERVICES GUIDE

1. Ernst & Young Transaction Advisory Services

Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services" or "we," or "us" or "our") has been engaged to provide general financial product advice in the form of an Independent Limited Assurance Report ("Report") in connection with a financial product of another person. The Report is to be included in documentation being sent to you by that person.

2. Financial Services Guide

This Financial Services Guide ("FSG") provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority. The estimated fee for this Report is \$121,000 (inclusive of GST).

Ernst & Young Transaction Advisory Services is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits referred to above, Ernst & Young Transaction Advisory Services, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

6. Associations with product issuers

Ernst & Young Transaction Advisory Services and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of Ernst & Young Transaction Advisory Services is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the AFS Compliance Manager or the Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

9. Compensation Arrangements

The Company and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Company's employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the Company satisfy the requirements of section 912B of the Corporations Act 2001.



Contacting Ernst & Young Transaction Advisory Services AFS Compliance Manager Ernst & Young 680 George Street Sydney NSW 2000 Telephone: (02) 9248 5555	Contacting the Independent Dispute Resolution Scheme: Financial Ombudsman Service Limited PO Box 3 Melbourne VIC 3001 Telephone: 1300 78 08 08
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This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572.

11

TAXATION

11.1 Tax implications

The comments provided in this section are of a general nature only in relation to the Australian income tax implications for Australian resident investors who intend to participate in the Offer and hold their Units on capital account and not as trading stock or otherwise on revenue account. Each Unitholder's taxation position may vary depending on their individual circumstances. Accordingly, the information contained in this section, being of a general nature only, does not constitute taxation advice and cannot be relied upon as such. We disclaim all liability to any Unitholder for all costs, loss, damage and liability that the Unitholder may suffer or incur arising from or relating to the contents of this section.

Taxation is a complex area of law and the taxation consequences for each Unitholders may differ depending upon their own particular circumstances. Accordingly, Unitholders should seek appropriate independent professional taxation advice that considers the taxation implications of participating in the Offer in relation to their own specific circumstances.

11.2 Issue of Entitlements under the Entitlement Offer

The issue of the Entitlement to an Eligible Unitholder should not itself result in any amount being included in the assessable income of an Eligible Unitholder.

11.3 Entitlements not taken up under the Entitlement Offer

Any Entitlements not taken up under the Entitlement Offer will lapse and the Eligible Unitholder will not receive any consideration as a result of the expiration of the Entitlement. On this basis, there should not be any income tax implications for an Eligible Unitholder.

11.4 Sale of Entitlements

There is no opportunity for Eligible Unitholders to sell their Entitlements.

11.5 Exercise of Entitlements under the Entitlement Offer

For Eligible Unitholders who exercise their Entitlements and are allocated New Units, the Entitlements will cease to exist and a CGT event will occur, but any capital gain or loss made on the exercise of the Entitlements should be disregarded for income tax purposes.

11.6 Acquisition of New Units

Under the Offer, Unitholders will acquire a New Unit in the Fund which will be a CGT asset under Australian income tax legislation.

New Units will be treated for CGT purposes (including the CGT discount rules) as having been acquired when:

- the Eligible Unitholder exercises the Entitlement to subscribe for them; or
- the Responsible Entity issues or allots the New Units under the Offer.

Generally, the cost base (and reduced cost base) of the New Units issued to a Unitholder will include the money paid in acquiring the New Units (including any incidental costs incurred on the acquisition).

For Unitholders applying under the Institutional Offer, Entitlement Offer, or the General Offer, this should broadly be equal to the total Offer Price of \$2.16 per New Unit.

On any future disposal of New Units, Unitholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of those New Units.

Any capital gain arising to Unitholders who are individuals and trusts (other than trusts that are complying superannuation funds) can generally be reduced by one-half (after first offsetting available current year or carried forward net capital losses from previous years) if the New Units are held for at least 12 months between the date the New Units are acquired and the date of disposal.

For Unitholders who are complying superannuation funds, any capital gain can generally be reduced by one-third (after first offsetting available current year or carried forward capital losses from previous years) if the New Units are held for at least 12 months between the date the New Units are acquired and the date of disposal. The CGT discount is not available to Unitholders that are companies.

11.7 Taxation of distributions

Following issue of the New Units, Unitholders may in future receive trust distributions from the Fund. In respect of Eligible Unitholders acquiring New Units, any future distributions made in respect of the New Units will be subject to the same taxation treatment as distributions made on the Existing Units held in the same circumstances.

Under Australian income tax legislation, the Fund is treated as a flow-through trust under Division 6 of the Income Tax Assessment Act 1936 (Cth) such that the Fund is not liable to pay tax on the net income of the Fund provided that its Unitholders are presently entitled to the income of the Fund each year. It is intended that the Unitholders of the Fund should continue to be presently entitled to the income of the Fund each year.

Unitholders will include their share of the net income of the Fund in their assessable income in the year in which they become presently entitled to their share of the income of the Fund.

To the extent that a Unitholder's share of the net income is attributable to a capital gain made by the Fund, the Unitholder will be treated as having made a capital gain equal to that amount. Where the capital gain is a discount capital gain, the Unitholder is treated as making a discount capital gain equal to twice the amount that is attributable to the discount capital gain. The Unitholder may be entitled to apply their relevant CGT discount percentage to the discount capital gain to the extent that it is included in a net capital gain made for the income year.

Where the cash distribution that a Unitholder receives exceeds their share of the net income of the Fund, the excess may include CGT concession or tax deferred amounts which will generally be non-assessable to the Unitholder. The tax deferred component generally results from the availability of tax deductions for capital allowances and depreciation amounts on the underlying property investments.

Tax deferred distributions will result in a reduction in the cost base of the Units held by a Unitholder for tax purposes. In the event that any tax deferred amounts cumulatively exceed the cost base of the Unitholders' Units in the Fund, a capital gain may arise to the extent of the excess in the hands of the Unitholder.

To assist Unitholders in completing their income tax returns, the Fund will provide an annual distribution statement to each Unitholder which provides details on the components (such as amounts that are assessable income, capital gains and tax deferred amounts) which are included in a Unitholder's share of the income of the Fund.

11.8 Taxation of Financial Arrangements (TOFA)

Australian income tax law includes specific TOFA rules. In summary, the TOFA rules can operate to make assessable or deductible, gains or losses arising from certain "financial arrangements".

As the application of the TOFA rules is dependent on the particular facts and circumstances of the taxpayer, Unitholders should obtain their own advice in relation to the potential applicability of the TOFA rules, in light of their own individual facts and circumstances.

11.9 Other Australian Taxes

No GST or stamp duty should be payable in respect of the grant or exercise of the Entitlements or the acquisition of New Units.

11.10 Tax File Numbers and Australian Business Numbers

Unitholders are not required by law to provide a Tax File Number (TFN). However, in the event that a Unitholder has not quoted a TFN, or no appropriate TFN exemption is provided, tax is required to be withheld from any income distribution entitlement at the highest marginal tax rate plus the Medicare levy.

An entity that makes their investment in the Units in the course of an enterprise carried on by it may quote their Australian Business Number rather than a TFN.

11.11 Proposed changes to taxation law

This summary is based on the taxation law, established interpretations of legislation, applicable case law and published Australian Tax Office statements of administrative practice as at the date of issue of this PDS.

Australian income tax legislation may be amended at any time and therefore the consequences discussed above may alter if there is a change in the taxation law after the date of issue of this PDS. Specifically, we note that the government has previously announced that it intends to introduce changes to the taxation treatment of managed investment trusts and has also expressed the view that it may seek to treat tax deferred distributions as assessable income for certain classes of taxpayers.

Such changes may have adverse taxation consequences on the Unitholders concerned. We note that Unitholders should continue to monitor the taxation consequences that may apply to their circumstances, and where in doubt, seek professional tax advice.

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**MATERIAL
AGREEMENTS**

12.1 Summary of Debt Facility

The Fund intends to increase and extend the term of its existing Debt Facility with NAB. The Debt Facility limit is expected to be \$230.0 million.

The Debt Facility is used to assist with:

- the Property Acquisitions; and
- the fees and costs associated with the Transaction (refer Section 8.4).

12.1.1 Conditions precedent

The availability of funds under the Debt Facility is subject to a number of conditions precedent, which the Responsible Entity considers are customary and usual for a financing facility of this nature, including:

- completion of due diligence investigations by NAB including satisfactory review of property due diligence reports for the Property Acquisitions, review of lease agreements, statutory certificates and the Property Acquisition Agreements and inspections of Properties;
- providing NAB with copies of all other material documents, including insurance policies and the Constitution;
- execution of finance and security documents and receipt of a legal opinion from NAB's legal adviser satisfactory to NAB;
- providing a valuation report for the new Properties to be acquired pursuant to the Property Acquisitions to NAB showing a minimum market value of \$79.4 million;
- receipt of the Fund's constituent documents, including review of all requisite powers to enter into the proposed Transaction;
- hedging to be satisfactory to NAB to comprise 70% of the drawn balance for at least the term of the Debt Facility; and
- entering into an underwriting agreement for \$61.0 million in respect of the capital raise.

12.1.2 Facility Term

The Debt Facility is currently due to expire on 13 December 2015. It is intended this term will be extended and will expire on 31 July 2017.

12.1.3 Security

The Debt Facility is secured by securities which the Responsible Entity considers are customary and usual for a financing of this nature, including:

- first ranking registered freehold/leasehold mortgages over all the Fund's Properties;
- first ranking fixed and floating charges over all of the assets and undertakings of the Fund; and
- all other securities customary for a facility of this nature as determined by the Lender.

12.1.4 Undertakings

The Debt Facility contains a number of undertakings, representations and warranties. The Responsible Entity considers the undertakings, representations and warranties are customary and usual for financing of this nature.

In addition, the Debt Facility contains the following financial covenants:

- maintain the LVR so as not to exceed a maximum of 55% at all times. LVR is calculated as outstanding debt divided by the value of the Properties as given in the most recently approved valuations; and
- maintain an interest cover to net rental income ratio of 1.60 times, calculated as net rental income of the Fund divided by interest expense.

12.1.5 Events of Default

The Debt Facility is subject to certain events of default which the Responsible Entity considers are customary and usual for a financing of this nature, including:

- failure to pay;
- breach of any undertakings, covenants or financial covenants;
- material adverse change;
- default or breach under any of the Transaction or financing documents;
- misrepresentation;
- insolvency;
- ceasing of business;
- termination or vesting of trust and other events applicable to the Responsible Entity's status as trustee/responsible entity; and
- termination or vitiation of a finance document.

12.2 Property Acquisition Agreements

The Responsible Entity has entered into Property Acquisition Agreements pursuant to which the Fund has agreed to acquire an 100% freehold interest in 2 Woolworths Way, Warnervale, NSW and a 100% leasehold interest in 21 Jay Street, Mount St John, Townsville, QLD.

The main terms of the Property Acquisition Agreements are as follows:

- the Responsible Entity is relying on its own enquiries and investigations in relation to the quality and condition of the Properties and is buying the Properties on an "as is where is" basis, subject to certain warranties provided by the Vendor;
- the Properties are being acquired subject to the relevant tenancies for the Properties;

- except in certain circumstances, the Vendor must seek the Responsible Entity's consent to deal with any of the tenancies after exchange and prior to completion;
- all fixtures and fittings in the Properties (other than those of the existing tenants) are included in the sale; and
- the purchase of the Properties are the supply of a going concern for GST purposes. The property management agreement for each Property is to be novated to the Responsible Entity at completion.

The main points to note in relation to exchange and completion are as follows:

- the Property Acquisition Agreements were exchanged on 15 July 2014; and
- Settlement is due to occur on 29 July 2014. However, the Responsible Entity may elect to settle earlier.

12.3 Underwriting Agreement

On 17 July 2014, the Responsible Entity entered into the Underwriting Agreement with the Joint Lead Managers, under which the Joint Lead Managers have agreed to manage and fully underwrite the Offer. The Joint Lead Managers will be remunerated by the Responsible Entity for providing these underwriting and offer management services at market rates and may be reimbursed for certain expenses.

In respect of the fees payable for their services, the Joint Lead Managers will receive fees of approximately \$2.4 million.

In accordance with the Underwriting Agreement and as is customary with these types of arrangements:

- the Responsible Entity has (subject to certain usual limitations) agreed to indemnify the Joint Lead Managers, their related bodies corporate and affiliates, and their directors, officers, partners, advisers and employees against any losses arising directly or indirectly in connection with the Offer, or a breach by the Responsible Entity of any provision, including representation or warranty of, the Underwriting Agreement;
- the Responsible Entity and the Joint Lead Managers have given representations, warranties and undertakings in connection with (among other things) the conduct of the Offer;

- the Joint Lead Managers may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events on or prior to the final settlement date of the Offer, including (but not limited to) where:
 - in a material respect a statement contained in the offer materials is or becomes misleading or deceptive or likely to mislead or deceive or the Offer materials omit any information they are required to contain (having regard to the relevant Corporations Act requirements) and the Responsible Entity fails to take acceptable corrective action;
 - there are material adverse changes to the financial markets of key countries, certain falls in the ASX/S&P 300 Index or hostilities commence or escalate in key countries;
 - the Fund or the Responsible Entity breaches law; and
 - there is a material adverse change, or event involving a prospective material adverse change, in the assets, liabilities, financial position or performance, profits, losses or prospects of the Fund.

Please note that the above is not an exhaustive list of the termination events in the Underwriting Agreement.

None of the Joint Lead Managers (whether in that capacity, or otherwise) nor any of their related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents has authorised or caused the issue of this PDS and takes no responsibility for any information in this PDS or any action taken by you on the basis of such information, and have not made or purported to make any statement in this PDS and there is no statement in this PDS which is based on any statement by any of them. To the maximum extent permitted by law, the Joint Lead Managers (whether in that capacity, or otherwise) and each of their related bodies corporate and affiliates and each of their respective directors, officers, partners, employees, representatives or agents excludes and disclaims all liability, for any expenses, losses, damages or costs incurred by you as a result of your participation in the Offer and the information in this PDS being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

13

ADDITIONAL INFORMATION

13.1 Summary of the Fund's Constitution

The Fund is governed by the Constitution. The Constitution binds the Responsible Entity and all Unitholders. Some important features of the Constitution are summarised below:

- the Responsible Entity may issue New Units and Units of different classes at the price and terms determined in accordance with the Constitution;
- subject to the terms of any particular class of Unit, a Unitholder who is a Unitholder on the relevant record date will be entitled to share in any distribution on a pro rata basis;
- subject to law, the Responsible Entity has all the powers in respect of the Fund which it would have if it was the owner of the Fund's assets;
- if the Fund is wound up, Unitholders will be entitled to participate, subject to the terms of any particular class of Unit, pro rata in any surplus Fund assets;
- the Responsible Entity and its related bodies corporate may hold Units and contract with itself in another capacity and may contract with related entities for the provision of services to the Fund and paid for by the Fund;
- the Constitution provides that the Responsible Entity will be entitled to be paid out of the income or capital of the Fund certain fees which are detailed in Section 8 of this PDS; and
- the Responsible Entity is entitled to be indemnified out of the assets of the Fund for any liability incurred by it in properly performing or exercising its powers.

13.2 Directors' interests

As at the date of this PDS, the Directors of the Responsible Entity directly hold the following Units in the Fund:

Director	Direct and Indirect Unitholding (m)
David van Aanholt	24,092
Andrew Moffat	84,956
John Ballhausen	80,000
Graham Lenzner	70,000
Tony Pitt	607,102
Total	866,150

13.3 360 Capital co-investment

360 Capital currently holds a 58.9% Unitholding in DPF, which in turn holds a 15.3% Unitholding (pre the Offer) in the Fund.

The responsible entity of DPF and has indicated that it is unlikely to take up its 15.3% Entitlement, as it is currently exploring options to provide liquidity to the unitholders of DPF and does not consider it appropriate to raise capital within DPF in order to take up its Entitlement.

All directors of the Responsible Entity have indicated they will take up their Entitlements in full and, in some cases, subscribe for additional New Units.

360 Capital and its related parties will collectively hold approximately 12.9% of the Units on issue after completion of the Offer assuming the DPF does not take up its Entitlement and all Directors take up their Entitlements.

It is 360 Capital's intention to retain its investment in the Fund as a strategic stake, in line with its co-investment strategy.

13.5 Consents

The persons listed in the following table have given and have not, before the lodgement of this PDS with ASIC, withdrawn their written consent to:

- be named in this PDS in the form and context in which they are named;
- the inclusion of their respective reports or statements noted next to their names and the references to those reports or statements in the form and context in which they are included in this PDS; and
- the inclusion of other statements in this PDS which are based on or referable to statements made in those reports or statements, or which are based or referable to other statements made by those persons in the form and context in which they are included.

Name of person	Named as	Report or Statement
Ernst & Young Transaction Advisory Services Limited	Investigating Accountant	Independent Limited Assurance Report in Section 10
Moelis Australia Advisory Pty. Ltd.	Joint Lead Manager, Financial Advisor and Underwriter	N/A
Morgans Corporate Limited	Joint Lead Manager and Underwriter	N/A
CBRE	Valuer	Independent Property Valuations in Section 9
Clayton Utz	Legal Adviser	N/A
Ernst & Young	Auditor	N/A
Boardroom Pty Limited	Registry	N/A
NAB	Lender	See Sections 2, 5 and 12

Each of the parties referred to in this Section 13.5:

- has not authorised or caused the issue of this PDS;
- does not make, or purport to make, any statement in this PDS other than as specified in this section;
- has not made any statement on which a statement in this PDS is based, other than as specified in this section; and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this PDS other than the reference to its name and the statement (if any) included in this PDS with the consent of that party as specified in this section.

13.6 Directors' Consents

Each Director of the Responsible Entity has consented to the issue and lodgement with ASIC of this PDS.

13.7 Accessing information about the Fund

The Responsible Entity provides regular communication to Unitholders. The Fund has a dedicated section on the 360 Capital website (www.360capital.com.au) which provides up to date information on the Fund including access to half-year and annual reports and distribution information.

As a disclosing entity, the Fund is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office. You have a right to obtain a copy of the following documents:

- the annual financial report most recently lodged with ASIC by the Fund;
- any half year financial report most recently lodged with ASIC by the Fund; and
- any continuous disclosure notices given by the Fund after lodgement of that annual report and before the date of this PDS.

The Fund is required to make these disclosures to the ASX and this information is accessible from the ASX's website at www.asx.com.au.

13.8 ASX Corporate Governance Council's Corporate Governance Principles

The Board of the Responsible Entity recognises the importance of strong corporate governance and is committed to high standards of compliance. This will be achieved through the Board of the Responsible Entity determining appropriate governance arrangements for itself and for the Fund and continually monitoring those arrangements.

To the extent they are applicable and appropriate for a company of the Responsible Entity's size and nature, the Responsible Entity has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2010 Amendments (2nd Edn).

In accordance with ASX Listing Rule 4.10.3, the extent to which the Fund has sought to comply with the ASX Corporate Governance Council's eight principles of good corporate governance recommendations for each are included in the Fund's annual report which is available on ASX and the Fund's website.

Further details of the Responsible Entity's corporate governance regime and a corporate governance statement can be found on the Fund's website.

13.9 Compliance Plan

The Fund has adopted a compliance plan which identifies the Fund's key compliance obligations and the measures in place to address them. The compliance plan is audited annually by the Fund's auditor, Ernst & Young, in accordance with the provisions of the Corporations Act. The compliance plan is the document which outlines the systems, measures and procedures that have been adopted by the Responsible Entity to enable it to comply with the provisions of the Corporations Act, ASIC policy and the Constitution. It deals with a range of issues including compliance monitoring by the Board which meets periodically to oversee the Responsible Entity's compliance activities.

Matters covered in detail in the compliance plan include procedures for complaints handling, the processing of applications, transfers and distributions, the monitoring and resolution of suspected breaches of the Corporations Act, accounts and record keeping, valuations, registry systems, audits, related party transactions, conflicts of interest and disclosure reporting requirements.

13.10 Compliance Committee

As more than half of the Directors of the Board of the Responsible Entity are independent external directors, there is no legal requirement to have a compliance committee. Provision is made in the ordinary meeting agendas for the Board to consider critical compliance and risk management issues as they arise. Standard compliance and risk management reporting to the Board occurs on a quarterly basis in the second month following each quarter.

13.11 Fund Conflicts Policy

Actual or potential conflicts and related party matters will be considered by the Board of the Responsible Entity in accordance with the Responsible Entity's Fund Conflicts Policy.

The Fund Conflicts Policy addresses conflicts of interest, including:

- dealings with related parties;
- any proposal to acquire Property for the Fund or dispose of Property of the Fund, where any counterparty having a direct or indirect interest in the applicable property is either:
 - a related body corporate of any 360 Capital entity or any director of a 360 Capital entity or their associates; or
 - any fund or account managed by a related body corporate of a 360 Capital entity; and
- any agreements between the Fund and a 360 Capital entity.

13.12 Fund Valuation Policy

360 Capital has a framework in place for the valuation of all investment properties it manages as set out in the Valuation Policy adopted by the Board of the Responsible Entity. The policy outlines the process of how 360 Capital determines the fair market value of these assets.

Investment properties are generally carried at their fair market value in accordance with applicable accounting standards. Independent external valuations of direct property investments are obtained once in a 12 month period or earlier if an internal valuation differs materially from the current carrying value of a property. A formal selection process applies with an approved panel of valuers. The panel of valuers must meet pre-determined criteria required by the Responsible Entity. A rotation policy is embedded into the valuation process. As such, an external valuer may undertake the valuation on a property no more than three consecutive times after which a new external valuer must be appointed. Properties that are part of a portfolio of assets may be staggered throughout the 12 month period so as long as each property is externally valued once.

At each reporting period an internal valuation (Responsible Entity's valuation) will be performed. To the extent that an external valuation has been undertaken, reliance can be placed on that valuation, however the Responsible Entity must consider all inputs into that valuation and confirm whether they are still appropriate and valid. A Property purchased within the most current financial year can be valued either externally or via a Responsible Entity's valuation.

13.14 Ethical considerations

The Fund does not take into account labour standards or environmental, social or ethical considerations for the purpose of selecting, retaining or realising the Fund's investments. However, sometimes these matters may indirectly affect the economic factors upon which investment decisions are based.

13.15 ASX waivers

In order to conduct the Offer, the Responsible Entity sought certain waivers from the ASX Listing Rules. The ASX has granted the Responsible Entity a waiver to permit the number of New Units issued under the Placement to be by reference to the number of Units on issue plus the number of New Units issued under the Entitlement Offer.

13.16 Anti-money laundering and Counter-terrorism financing

Notwithstanding any other provision of this PDS, each Applicant and/or Unitholder agrees to provide any information and documents reasonably requested by the Responsible Entity to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and any other applicable

anti-money laundering or counter-terrorism financing laws of any country including, without limitation, any applicable laws imposing “know your customer” or other identification checks or procedures to which the Responsible Entity is subject pursuant to the laws of any country in respect of the Fund (AML/CTF Laws).

If the Responsible Entity forms the view that, in its reasonable opinion, it is required to disclose information, to any person in order to comply with its obligations under the AML/CTF Laws, to the extent permitted by law, each Unitholder agrees that such disclosure will not be a breach of any obligation or duty, whether such obligation or duty is imposed by contract or law, owed by that party to any other responsible entity or Unitholder, and that party will be released from any claim made against them in respect of such disclosure.

13.17 Customer service and complaints

The Responsible Entity is committed to striving for excellence in relation to its products and services and wants to ensure that it responds to customers’ concerns as quickly and efficiently as possible. Despite its best endeavours, the Responsible Entity realises that complaints will occur from time to time and, to this end, has in place comprehensive complaints resolution processes to ensure they are resolved with minimum inconvenience to all parties. If you have a complaint, please contact the Responsible Entity on 1800 182 257 (free call from within Australia) or +61 2 9290 9600 (from outside Australia) or email investor.relations@360capital.com.au.

We will either try to resolve your complaint or put you in contact with someone who is better placed to resolve the complaint. If you are not satisfied with the response you receive or if you wish to submit a written complaint, you may write to us at:

The Complaints Officer
360 Capital Investment Management Limited
GPO Box 5483
Sydney NSW 2001

Please provide the detail and reason for your complaint and we will attempt to resolve the matter and respond within 45 days of receipt. If you are dissatisfied with our response, you may raise the matter directly with the Financial Ombudsman Service (FOS). Its contact details are:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

Telephone: 1300 780 808 (within Australia) or
+61 3 9613 7366 (from outside Australia)

Fax: +61 3 9613 6399

Email: info@fos.org.au

Please note that a complaint must have gone through the Responsible Entity’s complaints handling process before it can be referred to FOS.

13.18 Privacy and use of personal information

You do not need to give us any personal information requested in an Application Form or in any other document or communication relating to the products or services we supply you. However, without this information, we may not be able to process your Application or provide you with an appropriate level of service.

By completing an Application Form, you agree to us:

- collecting, holding and using your personal information to process your Application as well as administering and managing the Fund. This includes monitoring, auditing and evaluating the Fund, modelling data, testing data, communicating with you and dealing with any complaints or enquiries;
- providing your personal information to other entities in the 360 Capital Group as well as to external service providers situated in Australia or offshore, which provide services in connection with the Fund provided they agree to treat your information in accordance with the Privacy Act 1988 (Cth) (Privacy Act). These may include for example, mail houses or professional advisers;
- using your personal information to offer products or services that may be of interest to you unless you request us not to (including for the purposes of the Spam Act 2003 (Cth), via commercial emails);
- supplying your financial adviser with information about your investment, if a financial adviser’s stamp appears on an Application Form or there is evidence of their status; and
- disclosing your personal information to other parties if we believe that the law requires or permits us to do so, or to any person proposing to acquire an interest in our business, provided they agree to treat your information in accordance with the Privacy Act.

Other entities in the 360 Capital Group may use your personal information to offer products or services that may be of interest to you unless you request us not to allow this. Should you not wish to receive this information, please email investor.relations@360capital.com.au.

We will not sell your personal information to other organisations to enable them to offer products or services to you.

Information you provide in an Application Form is collated by Boardroom Pty Limited as the Fund’s Registry provider. The Registry’s Privacy Policy can be viewed on its website www.boardroomlimited.com.au

Under the Privacy Act, you may request access to any of your personal information that we hold. You can contact us to make a request relating to the privacy of your personal information by contacting:

The Privacy Officer
360 Capital Investment Management Limited
GPO Box 5483
Sydney NSW 2001

A copy of the 360 Capital Group’s Privacy Policy can be found at www.360capital.com.au

GLOSSARY

Term	Definition
\$ or A\$ or cents	Australian currency
360 Capital or 360 Capital Group	360 Capital Group, the stapled entity comprising 360 Capital Group Limited ACN 113 569 136 and 360 Capital Investment Trust ARSN 104 552 598 and each of their subsidiaries
AASB	Australian Accounting Standards Board
AEST	Australian Eastern Standard Time
AFSL	Australian Financial Services License
AML/CTF Laws	The <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (Cth) and any other applicable anti-money laundering or counter-terrorism financing laws of any country including, without limitation, any applicable laws imposing "know your customer" or other identification checks or procedures to which the Responsible Entity is subject pursuant to the laws of any country in respect of the Fund
Applicant	A person who subscribes for New Units under the Offer
Application	An application to subscribe for New Units under the Offer, made by an Applicant using an Application Form
Application Form	Each of the paper and electronic application forms attached to or enclosed with this PDS, including the Entitlement and Acceptance Form
Application Monies	Monies paid by an Applicant in respect of their subscription for New Units in the Fund
A-REIT	Australian Real Estate Investment Trust
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ACN 008 624 691 or the market operated by it as the context requires
ASX Listing Rules	The official listing rules of the ASX from time to time as modified by any express written confirmation, waiver or exemption given by the ASX
Board or Board of the Responsible Entity	Board of Directors of the Responsible Entity
CBD	Central business district
CGT	Capital gains tax
CHESS	Clearing House Electronic Sub-register System
Constitution	The constitution of the Fund, as amended from time to time
Corporations Act	<i>Corporations Act 2001</i> (Cth) as amended from time to time
CPI	Consumer price index
CPU	Cents per Unit
CRN	Customer reference number which will be used for any payment of the Application Monies by B _{PAY}
Debt Facility	The debt facility agreement to be entered into between the Fund and the Lender, as amended from time to time
Director/s	A director of the Responsible Entity
Distribution Yield	The rate of return derived by dividing the distribution per Unit by the Offer Price of the Unit
DPF	360 Capital Diversified Property Fund ARSN 117 509 921
DPU	Distribution per Unit
DRP	Distribution reinvestment plan
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Eligible Unitholder	Eligible Unitholders are those Existing Unitholders who have a registered address in Australia or New Zealand, are not in the United States and are not acting for the account or benefit of a person in the United States and are eligible under all applicable securities laws to receive an offer under the Entitlement Offer
Entitlement	The number of Units that an Eligible Unitholder may apply for under the Entitlement Offer
Entitlement and Acceptance Form	The personalised acceptance form accompanying this PDS which Eligible Unitholders may use to apply for New Units
Entitlement Offer	A 1 for 7.25 accelerated non renounceable Entitlement Offer to Existing Unitholders of 12,623,480 New Units at the Offer Price to raise \$27.3 million
Entitlement Offer Shortfall	The number of New Units not taken up by Eligible Unitholders under the Entitlement Offer
EPU	Earnings per Unit
Existing Unit	A Unit on issue as at the Record Date
Existing Unitholder	A Unitholder on the Fund's Unit register at the Record Date

Term	Definition
Forecast Period	Financial year ending 30 June 2015
FOS	Financial Ombudsman Service
Fund	360 Capital Industrial Fund ARSN 099 680 252
FY	Financial year
General Offer	The offer under this PDS to all persons resident in Australia to subscribe for the number of New Units which make up the Entitlement Offer Shortfall
General Offer Application Form	The Application Form in relation to the General Offer attached to this PDS
GST	Goods and services tax (Australia)
ICR	Interest Cover Ratio – Net rent received divided by interest expense incurred on the Debt Facility, based on the financial year to date
IDPS	Investor Directed Portfolio Service
Institutional Entitlement Offer	The Entitlement Offer in so far as it relates to Existing Unitholders who are Institutional Investors and which are contacted by the Joint Lead Managers to participate in the Entitlement Offer on an accelerated basis
Institutional Investor	An investor (Australian and/or non-Australian) to whom offers or invitations of financial product can be made without the need for a Product Disclosure Statement
Institutional Placement	An invitation to certain Institutional Investors in Australia and a number of other authorised jurisdictions to apply for 15,621,556 New Units at the Offer Price
Investigating Accountant	Ernst and Young Transaction Advisory Services Limited, the provider of the Independent Limited Assurance Report as detailed in Section 10
Investment Committee	The committee established to oversee the Fund's investments, key recruitment and policies as outlined in Section 2.8
GLA	Gross lettable area
Issuer	The Responsible Entity
Joint Lead Managers	Moelis and Morgans
Lender	NAB
LVR	Loan to value ratio being interest bearing liabilities divided by total property values
Management Fee	The fee which the Responsible Entity is entitled to for its role in managing and administering the Fund
Minimum Application Amount	In respect of the General Offer \$2,160.00 (1,000 Units), and thereafter in increments of \$540.00 (250 Units). There is no Minimum Application Amount in respect of the Entitlement Offer.
Moelis	Moelis Australia Advisory Pty. Ltd. ACN 142 008 446
Morgans	Morgans Corporate Limited ACN 010 539 607
NAB	National Australia Bank Limited ACN 004 044 937
New Unit	A Unit offered on the basis of, and under the terms of the Offer
NLA	Net Lettable Area
NTA	Net Tangible Assets
Offer	The offer of New Units under this PDS
Offer Price	\$2.16 per New Unit
Operating Earnings	Net profit after tax excluding specific non-cash adjustments, such as fair value adjustments of investment properties, derivative financial instruments, straight-lining of rental income, amortisation of incentives, leasing fees and borrowing costs
PDS	This product disclosure statement
Property/ies	A property or properties owned or to be owned by the Fund
Property Acquisition Agreements	The agreements the Responsible Entity has entered into with the Vendor pursuant to which the Fund will acquire the Properties located at 2 Woolworths Way, Warnervale, NSW and 21 Jay Street, Mount St John, Townsville, QLD
Property Acquisitions	The proposed acquisition by the Fund of the two properties located at 2 Woolworths Way, Warnervale, NSW and 21 Jay Street, Mount St John, Townsville, QLD as described in Section 3 of this PDS
Record Date	18 July 2014
Registry	Boardroom Pty Limited ACN 003 209 836
Responsible Entity	360 Capital Investment Management Limited ABN 38 133 363 185 AFSL 340 304
Retail Entitlement Offer	The Entitlement Offer other than the Institutional Entitlement Offer

GLOSSARY

(CONTINUED)

Term	Definition
sqm	Square metres
TFN	Tax File Number
TGP	The ASX code of 360 Capital Group
Transaction	The completion of the Property Acquisitions and the Offer
Underwriting Agreement	The underwriting agreement entered into between the Joint Lead Managers and the Responsible Entity, summarised in Section 12.3
Unit	A unit in the Fund
Unitholder	The holder of a Unit in the Fund
US	United States
Vendor	Arena DPF Pty Ltd ACN 125 559 613 in its capacity as trustee of the Arena DPF Sub Trust
VWAP	Volume weighted average price
WACR	Weighted Average Capitalisation Rate
WALE	Weighted Average Lease Expiry

Broker Reference – Stamp Only

360 Capital Industrial Fund

ARSN 099 680 252

Broker Code Advisor Code

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General Offer Application Form

Fill out this General Offer Application Form if you wish to apply for New Units in 360 Capital Industrial Fund and you are not an Existing Unitholder in this Fund.

- Please read the Product Disclosure Statement (PDS) dated 17 July 2014 issued by 360 Capital Investment Management Limited (ABN 38 133 363 185 AFSL 340304) as responsible entity for the 360 Capital Industrial Fund (ARSN 099680252)
- Follow the instructions to complete this General Offer Application Form (see reverse)
- Print clearly in capital letters using black or blue pen.
- Only complete this General Offer Application Form if you wish to pay for the New Units applied for via cheque, bank draft or money order. If you would like to make an **online application** for New Units under the General Offer, **please refer to Section 7.9 of the PDS.**

A Number of New Units you are applying for	x \$2.16 per New Unit =	B Total amount payable
<input type="text"/>		<input type="text"/>

Minimum of 1,000 New Units to be applied for, and thereafter in multiples of 250 New Units.

C Write the name(s) you wish to register the New Units in (see reverse for instructions)

Applicant 1

Name of Applicant 2 or < Account Designation >

Name of Applicant 3 or < Account Designation >

D Write your postal address here

Number/Street

Suburb/Town State Postcode

E CHESS participant – Holder Identification Number (HIN)

Important please note if the name & address details above in s C & D do not match exactly with your registration details held at CHESS, any New Units issued as a result of your application will be held on the Issuer Sponsored subregister.

F Enter your Tax File Number(s), ABN or exemption category

Applicant #1 Applicant #2

Applicant #3

G Cheque, bank draft or money order payment details – PIN CHEQUE, BANK DRAFT OR MONEY ORDER HERE

Please enter the relevant details of the cheque, bank draft or money order that accompanies this application.

Name of drawer	Cheque No.	BSB No.	Account No.	Amount A\$
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

H Contact telephone number (daytime/work/mobile) **I Email address**

By submitting this General Offer Application Form, I/We declare that this Application is completed and lodged according to the Product Disclosure Statement (PDS) and the instructions on the reverse of this General Offer Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the Constitution of 360 Capital Industrial Fund (the Fund). I/We was/were given access to the PDS together with the General Offer Application Form. I/We represent, warrant and undertake to the Fund that our subscription for the above New Units will not cause the Fund or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for New Units in the Fund. If I am/we are a natural person, I/we represent and warrant that I am/we are at least 18 years of age.

GUIDE TO THE GENERAL OFFER APPLICATION FORM

YOU SHOULD READ THE PRODUCT DISCLOSURE STATEMENT (PDS) CAREFULLY BEFORE COMPLETING THIS GENERAL OFFER APPLICATION FORM.

Only complete this General Offer Application Form if you wish to pay for the New Units applied for via cheque, bank draft or money order. If you would like to make an *online application* for New Units under the General Offer, please see Section 7.9 of the PDS.

Please complete all relevant sections of the appropriate General Offer Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the General Offer Application Form.

Instructions

- A** If applying for New Units insert the **number** of New Units for which you wish to subscribe at Item **A** (not less than **1,000** and then in multiples of **250** Multiply by \$2.16 to calculate the total for New Units and enter the **\$amount** at B.
- C** Write your **full name**. Initials are not acceptable for first names.
- D** Enter your **postal address** for all correspondence. All communications to you from the Fund will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E** If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
NB: your registration details provided must match your CHESS account exactly.
- F** Enter your Australian **tax file number** ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN / ABN of each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your General Offer Application Form.
- G** Complete **cheque, bank draft or money order details** as requested. Make your cheque, bank draft or money order payable to "**360 Capital Industrial Fund Applications Account**", cross it and mark it "Not negotiable". Cheques, bank drafts or money orders must be in Australian currency drawn on the Australian branch of a financial institution.
- H** Enter your **contact details** so we may contact you regarding your General Offer Application Form or Application Monies.
- I** Enter your **email address** so we may contact you regarding your General Offer Application Form or Application Monies or other correspondence.

INTERPRETATION

Terms used in this General Offer Application Form have the same meaning as defined in the PDS.

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities can hold the New Units. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Fund. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

Lodgement

Mail your completed General Offer Application Form with your cheque, bank draft or money order attached to the following address:

360 Capital Industrial Fund
c/- Boardroom Pty Limited
GPO Box 3993
Sydney, NSW 2001

It is not necessary to sign or otherwise execute the General Offer Application Form.

If you have any questions as to how to complete the General Offer Application Form, please contact Boardroom Pty Limited on 1800 182 257.

Privacy Statement

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a Unitholder (including your name, address and details of the Units you hold) to be included in the public register of the entity in which you hold Units. Information is collected to administer your Unit holding and if some or all of the information is not collected then it might not be possible to administer your Unit holding. Your personal information may be disclosed to the entity in which you hold Units. You can obtain access to your personal information by contacting Boardroom Pty Limited at the address or telephone number shown on the Application Form. Boardroom Pty Limited's privacy policy is available on their website (http://www.boardroomlimited.com.au/help/share_privacy.html).

CORPORATE DIRECTORY

Responsible Entity

360 Capital Investment Management Limited

ABN 38 133 363 185, AFSL 340304

Directors of Responsible Entity

David van Aanholt

Andrew Moffat

John Ballhausen

Graham Lenzner

Tony Pitt

Company Secretary

Alan Sutton

Charisse Nortje

Registered Office

Level 8

56 Pitt Street

Sydney NSW 2000

Legal Adviser

Clayton Utz

Level 15

1 Bligh Street

Sydney NSW 2000

Fund Auditor

Ernst & Young

680 George Street

Sydney NSW 2000

Registry

Boardroom Pty Limited

GPO Box 3993

Sydney NSW 2001

Joint Lead Manager, Financial Advisor and Underwriter

Moelis Australia Advisory Pty. Ltd.

Level 27

Governor Phillip Tower

One Farrer Place

Sydney NSW 2000

Joint Lead Manager and Underwriter

Morgans Corporate Limited

Level 9

88 Phillip Street

Sydney NSW 2000

360 Capital

G r o u p

