

360 Capital Industrial Fund

11 August 2014

Acquisition of 33-37 Mica Street, Carole Park, QLD

360 Capital Investment Management Limited (360 Capital) in its capacity as responsible entity of the 360 Capital Industrial Fund (ASX code: TIX) (Fund) is pleased to announce it has exchanged conditional contracts for the acquisition of 33-37 Mica Street, Carole Park QLD for \$23.9 million (Property).

The 17,916 square metre industrial facility comprises warehouse, office and various temperature controlled food production areas on a total site area of 2.27 hectares.

Located in the highly sort after Western Corridor, the Property is a short distance from the junction of two of South East Queensland's major transport routes, the Ipswich Motorway and the Logan Motorway.

The Property is fully leased to Greens Biscuits Pty Ltd (Green's), a wholly owned subsidiary of Greens Foods Holdings Pty Limited, on a 15 year lease with two, five year options.

Greens Foods Holdings Pty Limited, the parent company, has provided a corporate guarantee over the lease.

Green's develops, manufactures, distributes and markets a diverse portfolio (more than 20 product forms) of branded and private label food products, including Green's Baking, Poppin Popcorn, Waterthins premium crackers and Lowan oats & muesli ranges, all number one or two brands in their respective categories.

The acquisition is conditional upon the vendor obtaining freehold title from the Queensland government as the property is currently held as a leasehold interest. This process is expected to be completed within the four week settlement period.

The acquisition is in line with the Fund's strategy of investing in industrial properties characterised by strong, income focused investment fundamentals from quality tenants on long leases with fixed rental increases.

Key metrics of the transaction include:

Purchase price:	\$23.9 million
Initial passing yield:	8.00%
Weighted average lease expiry (WALE):	15 years
Rent reviews:	Fixed 3.25% annual increases with a market review on the exercise of the option with minimum 3.25% increase

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The transaction has the following benefits for the Fund:

- Portfolio WALE¹ increases from 5.6 to 6.1 years
- Introduction of a further brand-name tenant covenant to the portfolio
- Continues to enhance the security and predictability of the Fund's future cashflows
- Increases the size of the portfolio to 21 properties valued at \$462.1 million.

The acquisition will be 100% debt funded using the Fund's existing debt capacity. Post the transaction the Fund's gearing will be 44.7% which is within the Fund's stated target gearing range of 35.0% to 50.0%.

FY15 distribution guidance remains as previously announced at 19.2cpu.

Settlement is scheduled for mid-September 2014 at which time an announcement will be made to the market.

For more information, please contact:

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About 360 Capital Industrial Fund (ASX code TIX)

360 Capital Industrial Fund is an ASX-listed Fund focused on passive rent collecting from warehouse and logistics properties in Australia in the \$10.0 million plus range. The Fund has strong, defensive, income-focused investment fundamentals via a diversified \$462.1 million portfolio of eighteen quality assets, a weighted average lease expiry of 6.1 years, occupancy of 96.7%, appropriate gearing of 44.7%, distributions tax deferred at approximately 40% to 50% and a forecast FY15 distribution of 19.20cpu. The Fund is externally managed by 360 Capital Group, a leading ASX-listed real estate investor and fund manager that operates under a transparent fee structure and is the largest unitholder in the Fund to ensure ongoing alignment of interests with Unitholders.

About 360 Capital Group (ASX code TGP)

360 Capital Group is an ASX-listed, property investment and funds management group concentrating on strategic investment and active investment management of property assets. The company actively invests in direct property assets, property securities and various corporate real estate acquisitions within Australian real estate markets on a private equity basis. 360 Capital Group's 22 full time staff have significant property, funds and investment management experience. 360 Capital Group manages nine investment vehicles holding assets valued at approximately \$1.0 billion on behalf of over 10,000 investors, has over \$90 million worth of co-investments across the 360 Capital Group platform and owns a direct asset valued at more than \$35 million.

¹ By income as at 11 August 2014