

360 Capital Industrial Fund



26 October 2015

Letter to ANI Unitholders –TIX to Proceed With Compulsory Acquisition of ANI

360 Capital Investment Management Limited (360 Capital) as responsible entity for the 360 Capital Industrial Fund (Bidder) refers to the off-market takeover bid (TIX Offer) which it has made for all the units in Australian Industrial REIT (ANI) and encloses the following letter to be mailed to ANI Unitholders.

More information on the TIX Offer can be found on the ASX's website at www.asx.com.au using the Fund's ASX code "TIX", on the Fund's website www.360capital.com.au, or by calling the TIX Offer Information Line on 1800 247 697 (callers in Australia) or +61 2 8024 1189 (callers outside Australia) between 8.30am and 5.30pm (Sydney time) on Business Days.

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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 \$544 million portfolio of 22 quality assets, a weighted average lease expiry of 5.3 years, occupancy of 99.7% and a forecast FY16 distribution of 21.5cpu. 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 18 full time staff have significant property, funds and investment management experience. 360 Capital Group manages nine investment vehicles holding assets valued at over \$1.2 billion on behalf of over 10,500 investors and has over \$200 million worth of co-investments across the 360 Capital Group.

26 October 2015

Dear Fellow ANI Unitholder,

Compulsory acquisition of your ANI units

We refer to the off-market takeover bid (**TIX Offer**) made by 360 Capital Investment Management Limited as responsible entity for 360 Capital Industrial Fund (**Bidder** or **TIX**) for all the units in Australian Industrial REIT (**ANI**).

As TIX now has relevant interests in more than 90% of the ANI units on issue, TIX will, in accordance with the Corporations Act 2001 (Cth) (**Act**), proceed to compulsorily acquire any ANI units which have not been accepted into the TIX Offer.

According to our records, you have not validly accepted the TIX Offer and your ANI units will therefore be compulsorily acquired in accordance with the procedure under the Act.

This letter and the enclosed compulsory acquisition notice (**Notice**) sets out the compulsory acquisition procedure and explains your rights. You should read carefully the enclosed Notice.

As explained in the Notice, the compulsory acquisition will be on the same terms as under the TIX Offer which means that you will receive, subject to the terms of the TIX Offer, 0.90 TIX units and \$0.245 cash per ANI unit.

You do not need to sign or return the Notice. On completion of the compulsory acquisition procedure, ANI's responsible entity will send to ANI unitholders who have had their ANI units compulsorily acquired an explanation of the procedure for claiming the consideration for that acquisition. Subject to the Act, completion of the procedure is expected to occur around 5 to 6 weeks after the date of this letter.

If you have any questions about this letter or the compulsory acquisition procedure, you may call the TIX Offer Information Line on 1800 247 697 (callers in Australia) or +61 2 8024 1189 (callers outside Australia) between 8.30am and 5.30pm (Sydney time) on Business Days.

Further details can be found on the ASX website at www.asx.com.au using the ASX code "TIX" and at www.360capital.com.au

Yours sincerely,



David van Aanholt

Independent Chairman

360 Capital Investment Management Limited as responsible entity for the 360 Capital Industrial Fund

Notice of compulsory acquisition following takeover bid

Notice

Description of class of securities to which the bid relates

To each holder of:

Ordinary units

('Bid Class Securities')

in

Name of target company or body

Name ('the Company')

Australian Industrial REIT

ACN/ARBN/ARSN

165 651 301

Tick applicable box(es)

- and each holder of securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related.
- and each holder of non-transferable securities issued under an employee incentive scheme referred to in paragraph 2.

1. Under a takeover bid offers were made by

Name of bidder

360 Capital Investment Management Limited as responsible entity of the 360 Capital Industrial Fund

in respect of the acquisition of Bid Class Securities in the company.

The offers

Tick one box

- closed
- are scheduled to close

Date offers closed or are scheduled to close

on

Date

2 6 / 1 0 / 1 5
[D D] [M M] [Y Y]

2. You are, as at the date of this notice, the holder of one or more of the following

Tick applicable box(es).

(See subsection 661A(4) and (4A))

- securities in respect of which the takeover offer was made, but have not accepted the offer. (If you have accepted the offer but have received this notice you do not need to do anything in response to this notice—the bidder will acquire your securities under the offer.)
- securities to which the bid related issued after the end of the offer period and before the date of this notice
- securities that will or may be converted into, or confer rights to be issued, in the next 6 weeks, securities to which the bid related
- securities issued under an employee incentive scheme to which restrictions on transfer apply under the company's constitution or the terms of issue, being

Description of securities

Description of securities

the following securities in the bid class in which the bidder has a relevant interest

3. The bidder gives you notice under subsection 661B(1) of the Corporations Act 2001 ('the Act') that the bidder has become entitled pursuant to subsection

Tick one box

- 661A(1)

661A(3)

of the Act to compulsorily acquire your securities and desires to acquire those securities.

Continued... Notice

- 4. Under section 661D of the Act, you have the right, by notice in writing given to the bidder within one month after this notice is lodged with ASIC, to ask the bidder for a written statement of the names and addresses of everyone else the bidder has given this notice to.

This notice was lodged with ASIC on

Date

2	6	/	1	0	/	1	5
[D]	[D]		[M]	[M]		[Y]	[Y]

Date of lodgement

Insert paragraph 4A only where alternative forms of consideration were offered under the bid.

- 4A. You are entitled, within one month after being given this notice (see paragraph 8), or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, by notice in writing to the bidder, to elect which of the following forms of consideration will apply to the acquisition of your securities:

Details of alternative terms.

If you do not elect which of the alternative forms of consideration will apply to the acquisition of your securities, the form of consideration that will apply will be:

Set out the terms that will apply

- 5. Under section 661E of the Act, you have the right, within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is later, to apply to the Court for an order that the securities not be compulsorily acquired.
- 6. The bidder is entitled and bound to acquire the securities on the terms that applied under the takeover bid immediately before
 - this notice was given.
 - the end of the offer period.
- 7. Unless the Court otherwise orders, on application made by you under section 661E of the Act within one month after being given this notice (see paragraph 8) or within 14 days after being given a statement under section 661D (as referred to in paragraph 4 of this notice), whichever is the later, the bidder must comply with paragraph 6 of this notice.
- 8. A notice sent by post to you is taken to be given to you 3 days after it is posted.

Tick one box

Signature

Name of person signing

TONY PITT

Capacity

DIRECTOR

Signature

[Handwritten Signature]

Date signed

2	6	/	1	0	/	1	5
[D]	[D]		[M]	[M]		[Y]	[Y]