



Notice of Meeting and Explanatory Memorandum

360 CAPITAL TOTAL RETURN FUND

The stapled fund comprising the
360 Capital Total Return Passive Fund
ARSN 602 304 432
360 Capital Total Return Active Fund
ARSN 602 303 613

Issued by 360 Capital FM Limited ACN 090 664 396 AFSL 221 474
as responsible entity of 360 Capital Total Return Fund.

This is an important document and requires your immediate attention.
You should read this document in its entirety before deciding how to vote.
If you are in any doubt about what to do, you should consult your legal,
investment, taxation and other professional adviser without delay.

Important Notices

What is this document?

This Notice of Meeting and Explanatory Memorandum is dated 23 June 2017 and is issued by 360 Capital FM Limited ACN 090 664 396 AFSL 221 474 in its capacity as responsible entity of 360 Capital Total Return Fund (the stapled fund comprising the 360 Capital Total Return Passive Fund ARSN 602 304 432 and the 360 Capital Total Return Active Fund ARSN 602 303 613) (Fund).

The purpose of this Notice of Meeting and Explanatory Memorandum is to provide information considered material to the decision of Members in determining how to vote on the Resolution. All information in this document forms part of the Notice of Meeting.

No investment advice

The information contained in this Notice of Meeting and Explanatory Memorandum does not constitute financial product advice and has been prepared without reference to your particular investment objectives, financial situation, taxation position and needs. It is important that you read the Notice of Meeting and Explanatory Memorandum in its entirety before making any investment decision and any decision on how to vote on the Resolution.

Defined terms

Capitalised terms used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary on page 5. All times expressed in this Notice of Meeting and Explanatory Memorandum refer to Australian Eastern Standard Time (AEST) and references to dollars, \$, cents or ¢ are to Australian dollars.

Any questions?

If you have any questions about your holding of Stapled Units or the Resolution, please contact 360 Capital Investor Services on 1300 082 130. If you are in any doubt on how to vote on the Resolution or the action to be taken, you should contact your financial, legal, tax or other professional adviser without delay.

Meeting details and important dates

Last date and time for receipt of Proxy Forms	11.00am (AEST) Sunday, 16 July 2017
Time and date of Meeting	11.00am (AEST) Tuesday, 18 July 2017
Place	Press Room Radisson Blu Hotel 27 O'Connell Street Sydney NSW 2000

Please note the proxy return date falls on a Sunday and the office of the Unit Registrar is not open on a weekend. If you are returning your proxy by email or fax, you have until 11.00am on Sunday, 16 July 2017 to do so. If you are returning your proxy by hand or by post, please ensure that it reaches the offices of the Unit Registrar prior to 5.00pm on Friday, 14 July 2017.

Documents received after this time will not be valid for the Meeting.

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Notice of Meeting

360 Capital Total Return Fund

NOTICE IS HEREBY GIVEN by 360 Capital FM Limited ACN 090 664 396 AFSL 221 474 as responsible entity of 360 Capital Total Return Fund (the stapled entity comprising the 360 Capital Total Return Passive Fund ARSN 602 304 432 and the 360 Capital Total Return Active Fund ARSN 602 303 613) (Fund) pursuant to section 252A of the Corporations Act that a meeting of Members in each of the 360 Capital Total Return Passive Fund and the 360 Capital Total Return Active Fund will be held contemporaneously at the time, date and place detailed below, or such later time and date as notified to Members, to consider and vote on the Resolution in this Notice of Meeting.

Time: 11.00am AEST

Date: Tuesday, 18 July 2017

Place: Press Room
Radisson Blu Hotel
27 O'Connell Street
Sydney NSW 2000

Business of the Meeting

1. Ratification of the placement of Stapled Units to institutional investors in April 2017

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Fund:

"That the issue of 4,599,403 stapled units in the 360 Capital Total Return Fund to institutional investors on 20 April 2017, as described in the Explanatory Memorandum accompanying this Notice of Meeting convening the Meeting, is ratified and approved for the purposes of ASX Listing Rule 7.4 and for all other purposes."

By order of the Board



Tony Pitt
Managing Director
360 Capital FM Limited
as responsible entity of the 360 Capital Total Return Fund

Dated: 23 June 2017

Notes about the Meeting and how to vote

THESE NOTES FORM PART OF THE NOTICE

Changing the time and date of the Meeting

The Responsible Entity reserves the right to postpone or adjourn the Meeting to a later time or date. If the Responsible Entity makes such a determination, it will notify all Members by lodging an announcement on the ASX and by placing an announcement on the Fund's website at www.360capital.com.au

The Responsible Entity will endeavour to notify Members of any such postponement prior to the original date and time of the Meeting, however, the postponement of the Meeting will not be invalidated by the failure to do so. If the Meeting is adjourned for one month or more, the Responsible Entity will give new notice of the adjourned Meeting.

Quorum

The quorum necessary for the Meeting is at least two Members present in person or by proxy together holding at least 10% of the Stapled Units on issue, and the quorum must be present at all times during the Meeting.

Chairperson

Pursuant to section 252S of the Corporations Act, the Responsible Entity will appoint a person to chair the Meeting.

Voting intentions of the Chairperson

The Chairperson intends to vote all undirected proxies appointing the chair as proxy in favour of the Resolution.

Voting by Responsible Entity

The Responsible Entity and its associates are not entitled to vote their interests on a Resolution at the Meeting if they have an interest in the Resolution other than as a Member.

Voting Exclusion Statements

The Fund will disregard any votes cast on the Resolution by:

- any person who participated in the institutional placement conducted in April 2017; and
- an associate of that person (or those persons).

However, the Fund need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution

The Resolution is an ordinary resolution and will be passed if more than 50% of the votes cast by or on behalf of Members entitled to vote on the resolution are in favour of the resolution.

Voting

Voting on the Resolution will be decided on a show of hands unless a poll is required by the Corporations Act or properly demanded. On a show of hands, every person present who is a Member or a proxy, or body corporate representative has one vote. On a poll, every person present who is a Member or a proxy, or body corporate representative has one vote for each dollar of the value of the Member's total Stapled Units in the Fund held by the person, or in respect of which the person is appointed as proxy, or body corporate representative. A Member entitled to two or more votes does not have to exercise its votes in the same way and does not have to cast all its votes.

Bodies corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body corporate may exercise at meetings of Members of the Fund. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body corporate could exercise at a meeting or in voting on the Resolution.

An original or certified copy of the representative's appointment should be delivered or presented to the Responsible Entity before the Meeting commences.

Jointly held Stapled Units

If a Stapled Unit in the Fund is held jointly, and more than one Member votes in respect of that Stapled Unit, only the vote of the Member whose name appears first in the register of Members counts.

Appointment of proxy

If you are entitled to vote at the Meeting you have a right to appoint a proxy to attend and vote at the Meeting on your behalf and may use the Proxy Form enclosed with the Notice of Meeting. The notes on the Proxy Form explain how the form should be completed. The proxy does not need to be a Member of the Fund.

If you wish to appoint someone other than the Chairperson of the Meeting as your proxy, please write the name of that person in the appropriate box. Members cannot appoint themselves. If you do not name a proxy, or your named proxy does not attend the Meeting, the Chairperson of the Meeting will be your proxy and vote on your behalf.

Your proxy has the same rights as you to speak at the Meeting and to vote to the extent you allow on the Proxy Form.

Appointing a second proxy

If you are entitled to cast two or more votes you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If you appoint two proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes (ignoring fractions).

Voting directions to your proxy

You may direct your proxy on how to vote on the Resolution. If it does, your proxy does not have to vote, but if your proxy does vote, your proxy must vote as directed. If your proxy has two or more appointments that specify different ways to vote on the Resolution, your proxy must not vote on a show of hands. If your proxy is the Chairperson, the Chairperson must vote on a poll and must vote as directed.

If you do not direct your proxy how to vote, your proxy will vote as it chooses. If you mark more than one box relating to the Resolution any vote by your proxy on that item may be invalid.

Signing instructions

A Proxy Form must be signed by the Member or the Member's attorney. Instructions for signing are on the Proxy Form. If a proxy is signed by an attorney and you have not previously lodged the power of attorney for notation, please attach an original or a certified copy of the power of attorney to the Proxy Form when you return it.

Appointment of proxy under the power of attorney

If a proxy is signed under a power of attorney on behalf of a Member, an original or a certified copy of the power of attorney must be lodged with the Proxy Form and received by the Responsible Entity no later than 11.00am on Sunday, 16 July 2017 at one of the addresses set out below.

Lodgement of proxies and other authorities

Proxy Forms and other authorities should be returned by one of the methods below.

By post

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

By facsimile

(02) 9290 9655

By hand

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

Online

www.votingonline.com.au/TOT

All Proxy Forms must be received by the Responsible Entity no later than 11.00am on Sunday, 16 July 2017. Documents received after that time will not be valid for the Meeting.

Please note the proxy return date falls on a Sunday and the office of the Unit Registrar is not open on a weekend. If you are returning your proxy by email or fax, you have until 11.00am on Sunday, 16 July 2017 to do so. If you are returning your proxy by hand or by post, please ensure that it reaches the offices of the Unit Registrar prior to 5.00pm on Friday, 14 July 2017.

Documents received after this time will not be valid for the Meeting.

Explanatory Memorandum

1 Overview

1.1 Placement of Stapled Units in April 2017

On 11 April 2017, the Fund announced an institutional placement and rights issue of approximately 35.3 million new Stapled Units raising up to a total of \$40.6 million.

4,599,403 new Stapled Units were issued under the institutional placement at a price of \$1.15 per Stapled Unit.

The proceeds from the institutional placement have been applied towards two investments for the Fund, being a 20% interest in the 360 Capital 2017 Private Equity Real Estate Fund and an investment in mezzanine debt and a debt business operated by 360 Capital Group. Detailed information about these two investments was set out in the ASX announcements made in conjunction with the institutional placement and the rights issue in April 2017.

Stapled Units issued under the institutional placement rank equally with existing Stapled Units from the date of issue.

Stapled Units issued under the institutional placement were issued to Wholesale Clients identified by Moelis Australia Advisory Pty Ltd ABN 72 142 008 446 and Morgans Corporate Limited ACN 010 539 607.

Under the Resolution, the Responsible Entity proposes that the above institutional placement be ratified so as to enable further placements of Stapled Units within the following 12-month period.

Please refer to section 2 for more information.

1.2 What does the Responsible Entity recommend?

The Directors consider that the refreshment of the Fund's capacity to issue new stapled Units under the ASX Listing Rules by way of placement is in the best interests of the Members of the Fund as it provides funding flexibility in respect of potential acquisitions, investment opportunities, and general capital management initiatives that may arise from time to time.

The Responsible Entity recommends that Members vote in favour of the Resolution.

Please refer to section 2 of this document for more details regarding the Resolution.

2 Resolution: Ratification of the placement in April 2017

2.1 What is proposed?

Members are requested to ratify the institutional placement of Stapled Units which occurred in April 2017 to refresh the Fund's placement capacity for the purposes of ASX Listing Rule 7.4 and for all other purposes.

2.2 Why is the Resolution being proposed?

ASX Listing Rule 7.1 imposes a limit on the number of Stapled Units that the Fund can issue or agree to issue by way of placement in any 12-month period without Member approval. Generally, and subject to the exceptions set out in ASX Listing Rule 7.2, an entity may not, without Member approval, issue by way of placement in any 12-month period more than 15% of the number of securities it has on issue 12 months before the date of the issue. The institutional placement the subject of the Resolution was made in accordance with the Fund's placement capacity under ASX Listing Rule 7.1. As such, if the Resolution is not passed, the Fund could not undertake any further institutional placement until May 2018. However, if the Resolution is passed, the Fund's placement capacity will be refreshed which will allow the Fund to undertake further placements within the following 12-month period. Any further placements will need to comply with ASX Listing Rule 7.1 and will therefore be subject to the 15% limit unless further Member approval is obtained.

2.3 What does refreshment mean for Members?

Advantages

The effect of an approval of the Resolution would be that the Stapled Units issued under the institutional placement (the subject of the Resolution) would not reduce the number of Stapled Units that could be issued by the Fund without Member approval (within the 15% limit) and will increase the base number of Stapled Units from which the 15% calculation is made.

Approval of the Resolution provides funding flexibility in respect of potential acquisitions, investment opportunities, and general capital management initiatives that may arise from time to time. The Fund continues to actively seek acquisition opportunities which complement its investment strategy and existing portfolio.

If an opportunity to acquire an attractive asset or assets that will assist the Fund to meet its strategy arises, then an ASX announcement will be made if required.

Disadvantages/risks

The key potential disadvantage and risk associated with approving the Resolution is that if the Fund issues further equity by way of a placement (which it would be able to do, should Members approve the Resolution) the percentage holdings in the Fund of Members who do not participate in that future issue will be reduced. Furthermore, the value of Members' Stapled Units may be impacted by the price at which any new Stapled Units are placed.

The Directors are of the opinion that this potential disadvantage and risk is substantially outweighed by the potential advantages and benefits associated with the Fund refreshing its placement capacity, and accordingly considers that the Resolution is in the best interests of all Members. However, Members should consider their individual circumstances and make their own determination as to how to vote on the Resolution.

2.4 What happens if the Resolution is not approved?

If Members do not approve the Resolution, the Fund's ability to raise funds and participate in any suitable investment opportunity in a timely manner, or at all, is likely to be constrained.

2.5 What does the Responsible Entity recommend?

The Responsible Entity recommends that Members vote in FAVOUR of the Resolution.

3 Queries

If you have any questions regarding your investment in the Fund, the Resolution, or what action you should take, please consult your legal, investment, taxation and other professional adviser or contact 360 Capital Investor Services on 1300 082 130 or email investor.relations@360capital.com.au

4 Glossary

360 Capital or 360 Capital Group	360 Capital Group consists of the stapled entity comprising 360 Capital Group Limited (ABN 18 113 569 136) and 360 Capital Investment Trust (ARSN 104 552 598) and each of their controlled entities.
Active Fund	360 Capital Total Return Active Fund ARSN 602 303 613.
AEST	Australian Eastern Standard Time.
ASX	ASX Limited (ABN 98 008 624 691) or the financial market operated by it (as the context requires).
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Explanatory Memorandum	The explanatory memorandum contained in this document.
Fund	360 Capital Total Return Fund (the stapled fund comprising the Passive Fund and the Active Fund), quoted on the ASX under the code TOT.
Meeting	The meeting of Members of each of the Active Fund and the Passive Fund to be held pursuant to the Notice of Meeting.
Member	A registered holder of Stapled Units in the Fund.
Notice of Meeting	This document, including the Notice of Meeting set out on page 1 of this document.
Passive Fund	360 Capital Total Return Passive Fund ARSN 602 304 432.
Proxy Form	The form by which a Member may appoint a proxy to vote on the Resolution on its behalf without attending the Meeting in person.
Stapled Unit	A Stapled Unit in the Fund comprising a unit in the Active Fund stapled to a unit in the Passive Fund.
Responsible Entity	The responsible entity of the Fund, 360 Capital FM Limited (ACN 090 664 396) (AFSL 221474).
Unit Registrar	Boardroom Pty Limited (ACN 003 209 836).
Wholesale Client	A wholesale client for the purposes of section 761G of the Corporations Act.



360 Capital Total Return Fund

(the stapled fund comprising the 360 Capital Total Return Passive Fund ARSN 602 304 432 and the 360 Capital Total Return Active Fund ARSN 602 303 613)

Investor Enquiries

360 Capital Investor Services

Toll Free: 1300 082 130

Email: investor.relations@360capital.com.au

Postal Address for Lodgement of Proxies

Boardroom Pty Limited

GPO Box 3993

Sydney NSW 2001

Responsible Entity

360 Capital FM Limited

ACN 090 664 396

AFSL 221474

Registered Office

Level 8, 56 Pitt Street

Sydney NSW 2000

www.360capital.com.au

Disclaimer

This document has been prepared by 360 Capital FM Limited (ACN 090 664 396, AFSL 221474), Level 8, 56 Pitt Street, Sydney NSW 2000, as responsible entity of the 360 Capital Total Return Fund (the stapled fund comprising the 360 Capital Total Return Passive Fund ARSN 602 304 432 and the 360 Capital Total Return Active Fund ARSN 602 303 613) ("Responsible Entity"). The Responsible Entity, its associates, related entities and their respective directors do not guarantee the performance of the Fund or the repayment of monies invested. The information contained in this document does not constitute financial product advice. While every care has been exercised in the preparation of this document and the information is believed to be correct, this document is provided for general information purposes only and does not have regard to the particular circumstances, financial situation or needs of any specific person who may read it and whom should seek their own professional advice. This document contains forward looking statements which are identified by words such as "may", "could", "believes", "estimates", "expects", "intends" and other similar words that imply risks and uncertainties. These forward looking statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual results, performance or achievements of the Fund to vary materially from those expressed or implied in such forward looking statements. Past performance is not an indicator of future performance.