

7 December 2017

**360 Capital Group
FY18 Earnings and Distribution Upgraded 83%
Asia Pacific Data Centre Group (ASX:AJD) Update
Expansion into Non-Bank Lending Business**

Earnings and Distribution Upgrade

360 Capital Group (ASX:TGP)(the “Group”) is pleased to announce that it has reviewed its FY18 forecast earnings following the close of the takeover offer and change of control of Asia Pacific Data Centre Group (ASX:AJD) as well as the Group’s expansion into non-bank lending.

As a result of the deployment of the Group’s capital into AJD as well as the expansion into non-bank lending activities, the FY18 Group earnings are now forecast to be 5.5 cents per security, up 83% on the previous forecasts of 3.0 cents per security, assuming the Group’s capital remains fully invested.

In line with the Group’s distribution policy, distributions for FY18 are also forecast to increase from 3.00 cents to 5.50 cents per security, comprising 0.75 cents per security for the December 2017 quarter and 2.00 cents per security for each of the March and June 2018 quarters.

Attached is a presentation outlining the Group’s current activities.

Asia Pacific Data Centre Group (ASX:AJD) Update

The Group now owns 67.3% of Asia Pacific Data Centre Group and has representatives on the AJD Board.

From today’s AJD update to the market, we note various initiatives, including a \$100 million refinancing, AJD recommencing distributions with a FY18 forecast distribution of 8.5 cents per security and that it has commenced reviewing various opportunities to continue to add value for AJD securityholders and to grow AJD.

Expansion into Non-Bank Lending Business

Given the Group’s views on the market for traditional real estate assets in Australia (as outlined in the Group’s recent results), the Group is focused on expanding into non-bank lending activities. With APRA continuing to place restraints on the Australian banks capital allocation to certain property sectors, we see real estate debt investment as a strong growth area for the Group.

Over the past 5 months, through AMF Finance, the Group’s joint venture with the 360 Capital Total Return Fund (ASX:TOT), the Group has reviewed over \$0.8 billion in transactions. TOT has committed approximately \$50.0 million to non-bank lending and, subject to being presented with appropriate transactions is targeting to deploy the balance of its cash into lending activities.

To date, the approved transactions have been in the \$5.0 million to \$20 million range, and the Group has sourced these from brokers and directly. Typical internal rates of return (IRR) from these real estate debt investments are between 12-15% per annum.

The Group has been approached by several Australian Banks to partner on lending transactions and is also focused on growing its broker networks.

The Group is targeting to be a major participant in non-bank lending within the Australian real estate marketplace and expects these activities to be a major contributor to revenue growth for the Group through establishment fees, management fees and direct return through co-investment with its partners and the 360 Capital Total Return Fund.

The Group has also been developing a new listed 1st mortgage fund. The proposed fund will comprise a preference return class of security designed for retail investors seeking a strong monthly return as well as an unlisted wholesale class of security for the Group's capital partners to participate in. Within the revised forecasts today, the Group has not forecast any revenue for this fund. The Group is currently proposing to launch this fund in 2018.

Staffing

Given the increased volume in transaction activities, the Group appointed David Graaug as Head of Real Estate Debt and James Cama as Manager of Real Estate Debt.

Prior to joining 360 Capital, David was Head of Property Finance NSW and had a career at St George spanning over 20 years dealing across all facets of commercial property investment and development finance.

James Cama was previously an Account Manager – Commercial Property Finance NSW at ING Direct Australia and was awarded 2016 Account Manager of the year – Commercial Property Finance. Prior to ING Direct, James had various roles in real estate finance at St George Bank over a 10-year period.

More information on the Group can be found on the ASX's website at www.asx.com.au using the Group's ASX code "TGP", on the Group's website www.360capital.com.au, by calling the 360 Capital investor enquiry line on 1300 082 130 or emailing investor.relations@360capital.com.au.

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About 360 Capital Group (ASX: 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 Group actively invests in direct property assets, property securities, real estate debt and various corporate real estate investments within Australian real estate markets on a private and public equity basis.

360 Capital

G r o u p

Five solid green circles are arranged horizontally below the word 'Group'.

Operational Update Distribution & Earnings Upgrade

7 December 2017



REAL ESTATE EQUITY INVESTMENTS

“Reducing equity exposure to traditional real estate assets susceptible to low growth and disruption”



\$30.5m Exposure



\$24.2m Exposure

REAL ESTATE DEBT INVESTMENTS

“Becoming a major participant in growing non-bank lending sector to real estate assets”



\$82.5m Assets (Predominantly Cash & Development Loans)

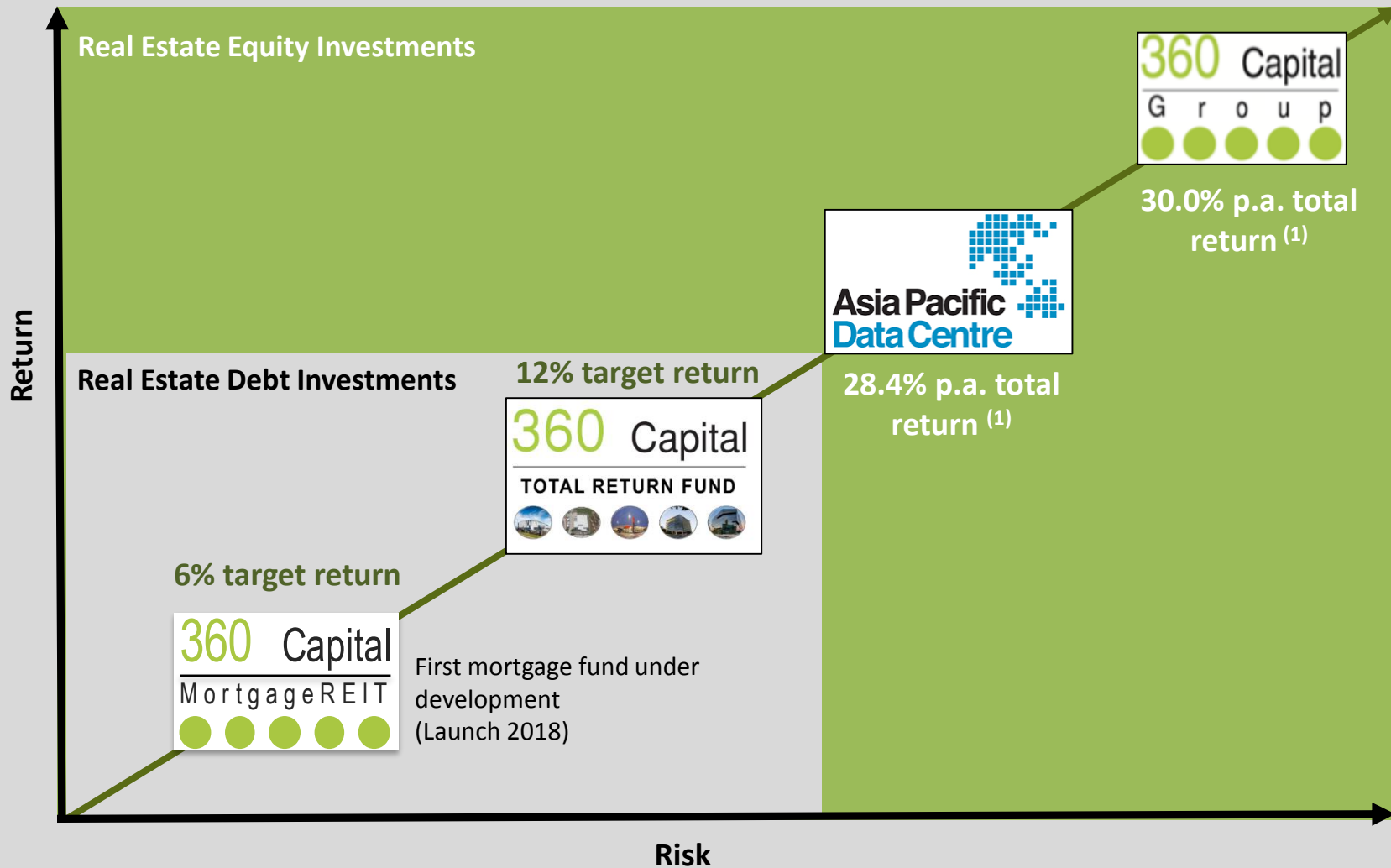
“Increasing equity exposure to real estate assets in high-growth sectors and assets in demand”



\$142.2m Exposure

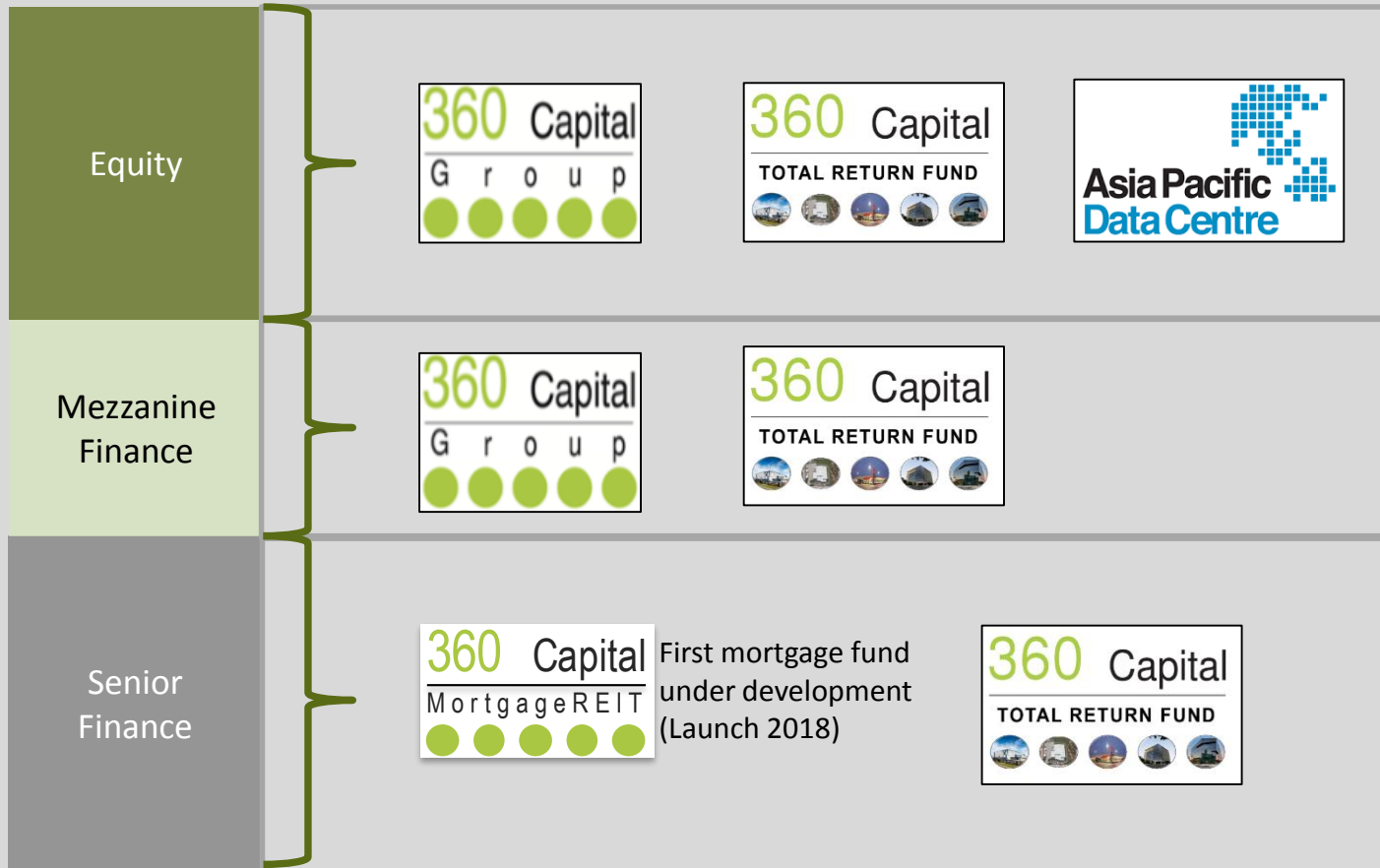
“Accessing capital sources key to non-bank lending growth”
First mortgage fund under development
(Launch 2018)



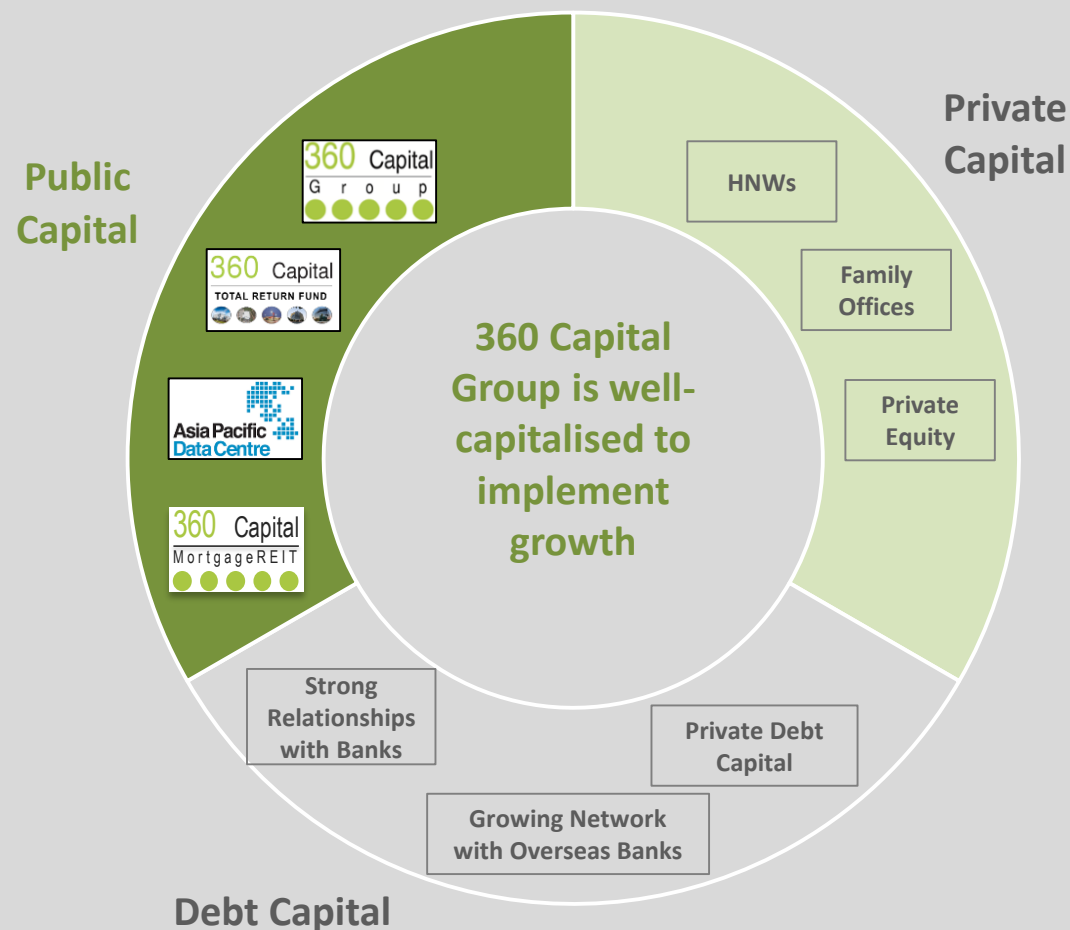


(1) Return from IPO to 30 June 2017

360 Capital Group has a product to invest at all levels of the real estate capital stack



Diversified Capital Sources Supporting Our Strategy: Access to Capital Markets is Key to Driving the Group's Growth



360 Capital has a proven track record and recognised brand in the Australian investment marketplace

360 Capital Board



David van Aanholt
Non executive Chairman



Tony Pitt
Managing Director



John Ballhausen
Non executive Director



Graham Lenzner
Non executive Director



Andrew Moffat
Non executive Director

ASIA PACIFIC DATA CENTRE GROUP BOARD



David van Aanholt
Non executive Chairman



Tony Pitt
Managing Director



John Wilson
Non executive Director



Lawrie Gibbs
Non executive Director

360 CAPITAL MANAGEMENT TEAM

Real Estate Equity Team



Tony Pitt
Managing Director



James Storey
Fund Manager – TOT & AJD



Priya A. Roy
Head of Private Capital

Real Estate Debt Team



David Graaug
Head of Real Estate Debt



James Cama
Manager of Real Estate Debt

Finance, Compliance



Glenn Butterworth
Chief Financial Officer



Ainslie Ebejer
Finance Manager



Jennifer Vercoe
Company Secretary

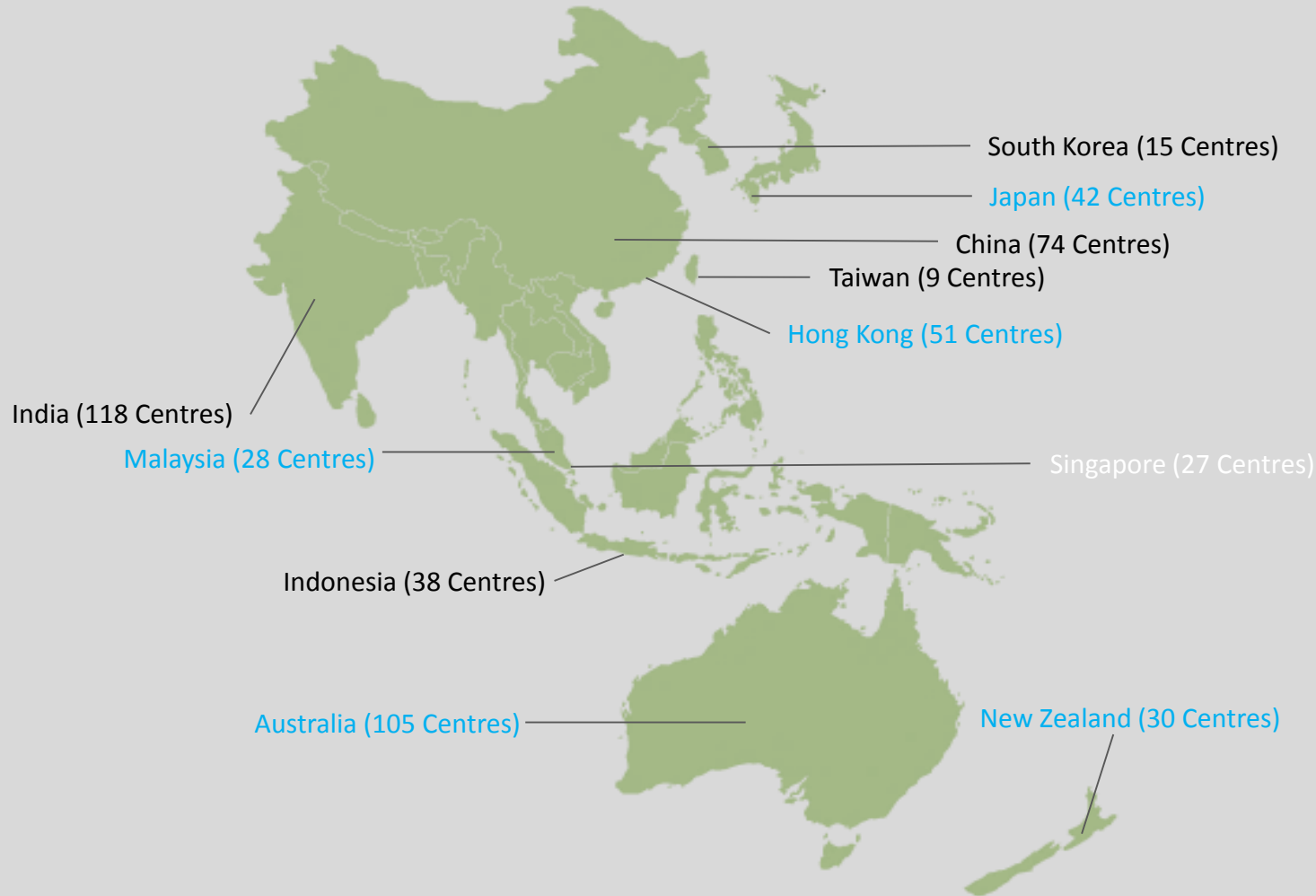
- Current portfolio of three data centres worth \$212.8 million
- 360 Capital has gained control of ASX listed Asia Pacific Data Centres with 67.3% stake for consideration of \$142.2 million
- Average entry price of \$1.84 per security
- Currently undertaking strategic review including \$100 million refinancing and investigating growth opportunities
- AJD has announced recommencing distributions with an 8.5c forecast distribution for FY18
- Review structure of AJD to put it in best position for growth going forward



Property	State	Ownership	Occupancy (by area)	Lease Expiry	WALE	Cap Rate	Valuation (\$m)
M1	VIC	100.0%	100.00%	20/12/27	10.1	6.25%	80.00
S1	NSW	100.0%	100.00%	14/05/28	10.5	6.25%	95.30
P1	WA	100.0%	100.00%	29/11/28	11.0	7.50%	37.50
Core Portfolio			100.00%		10.4	6.47%	212.8

The Asia Pacific Data Centre Marketplace

- There are 591 existing colocation data centres in Asia Pacific Region
- Given growth in sector, development of centres likely avenue of rollout program
- AJD has ability to be a real estate partner through being funder of data centre development
- Not looking to change risk profile of AJD by undertaking developments but rather being takeout partner of real estate



Moving into Non-Bank Lending

The Market Opportunity ⁽¹⁾

With increasing regulatory pressures, traditional banks are unable to service the demand for real estate lending, creating a funding gap for non-bank lenders



Deal Origination

Direct Relationships with Brokers & Advisors



Australian & Overseas Banks

Direct Relationships with Borrowers

Capital Sources

Public Capital	<ul style="list-style-type: none"> ✓ 360 Capital Group (ASX:TGP) ✓ 360 Capital Total Return Fund (ASX:TOT) ✓ 360 Capital Mortgage REIT (Launch 2018)
Private Capital	<ul style="list-style-type: none"> ✓ High Net Worth ✓ Family Offices ✓ Private Equity
Debt Capital	<ul style="list-style-type: none"> ✓ Strong Relationships with Banks ✓ Growing Network with Overseas Banks ✓ Private Debt Capital

A Typical Deal

2 – 3%	Establishment Fee
12 – 15%	Interest Rate
70% / 80%	LVR / LTC
12 – 24 months	Term
Security over 1 st mortgage and personal guarantees over development projects	

1. Charts represent the share of commercial real estate financing exposures held by banks and non-banks. Source: Goldman Sachs Research, May 2017.

Perth Hotel



Sydney House & Land



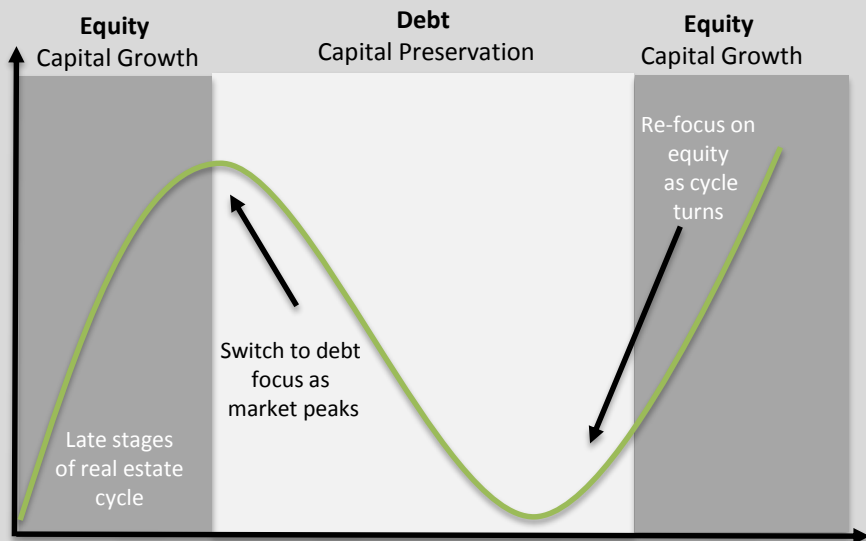
Melbourne Medical Centre



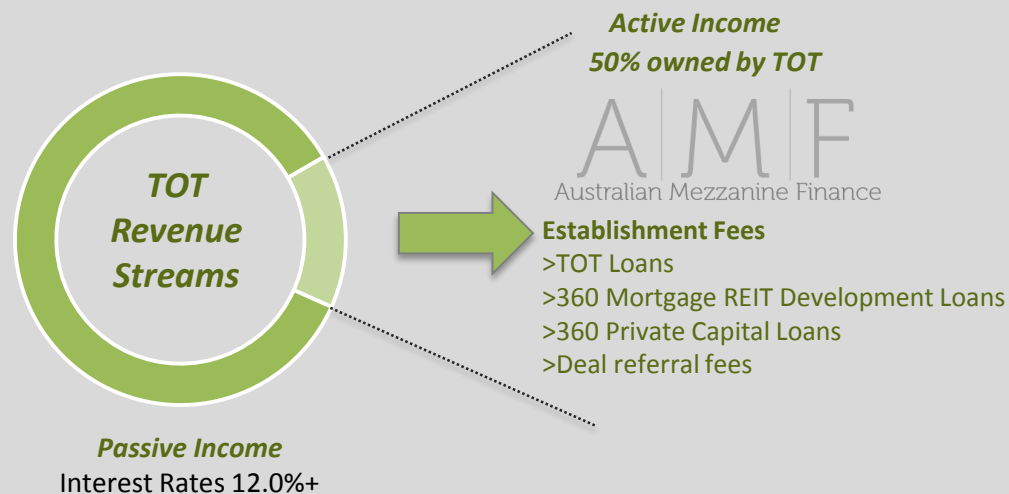
	Perth Hotel	Sydney House & Land	Melbourne Medical Centre
Loan Type	Fixed-rate mezzanine loan	Fixed-rate senior loan	Fixed-rate senior loan
Loan Purpose	Pre-committed commercial development: 250-key hotel with 15-year lease to operator	Acquisition of land + Development of 26 free-standing houses	Development of 2,396 sqm (GLA) medical centre
Size¹	<ul style="list-style-type: none"> ✓ Asset: \$76m ✓ Loan: \$7.7m (70% LVR / 78% LTC) 	<ul style="list-style-type: none"> ✓ Asset: \$31m ✓ Loan: \$19.5m (70% LVR / 80% LTC) 	<ul style="list-style-type: none"> ✓ Asset: \$13m ✓ Loan: \$9.3m (70% LVR / 79% LTC)
Interest Rate	15%	12%	12%
Term	24 months	15 months	18 months
Additional Security	<ul style="list-style-type: none"> ✓ Registered 2nd mortgage ✓ Personal and director guarantees ✓ 2nd-ranking General Security Deed ✓ Step-in and buy-out rights in intercreditor deed 	<ul style="list-style-type: none"> ✓ Registered 1st mortgage ✓ Personal and director guarantees ✓ 1st-ranking General Security Deed 	<ul style="list-style-type: none"> ✓ Registered 1st mortgage ✓ Personal and director guarantees ✓ Corporate guarantee ✓ 1st-ranking General Security Deed
Other Info	Planning approvals in place; fixed-price construction contract	Planning approvals in place; fixed-price construction contract	Planning approvals in place; fixed-price construction contract
Exit / Repayment	Repaid via refinance by senior lender at practical completion	Repaid via completion of pre-sale agreements	Repaid via refinance with term debt at practical completion

1. For asset size on development loans, taken as gross realisable value. For asset size on other loans, taken as the as-appraised value as of the date of the loan's origination.

Broad mandate switched focus to debt



Growth in Active Earnings thru AMF



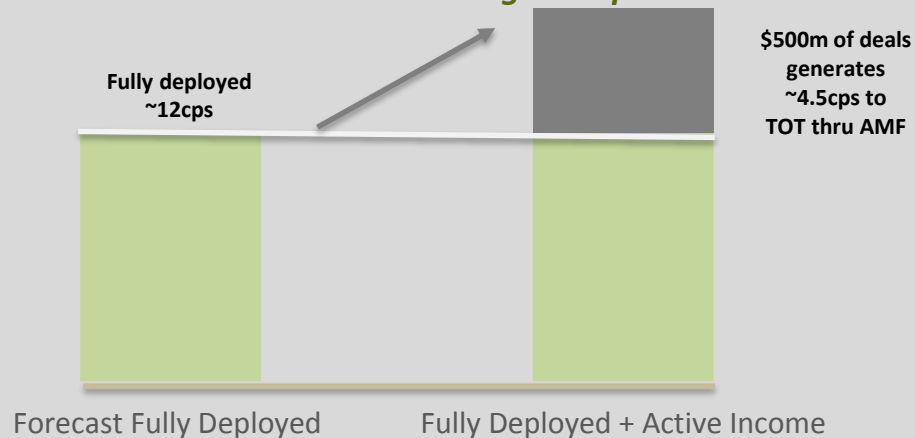
TOT'S non-bank lending activities

- \$82.5m of available cash post sale of IDR
 - ~\$50.0m deployed/allocated to transactions
 - Conservative lending ratios
 - Focus on capital preservation

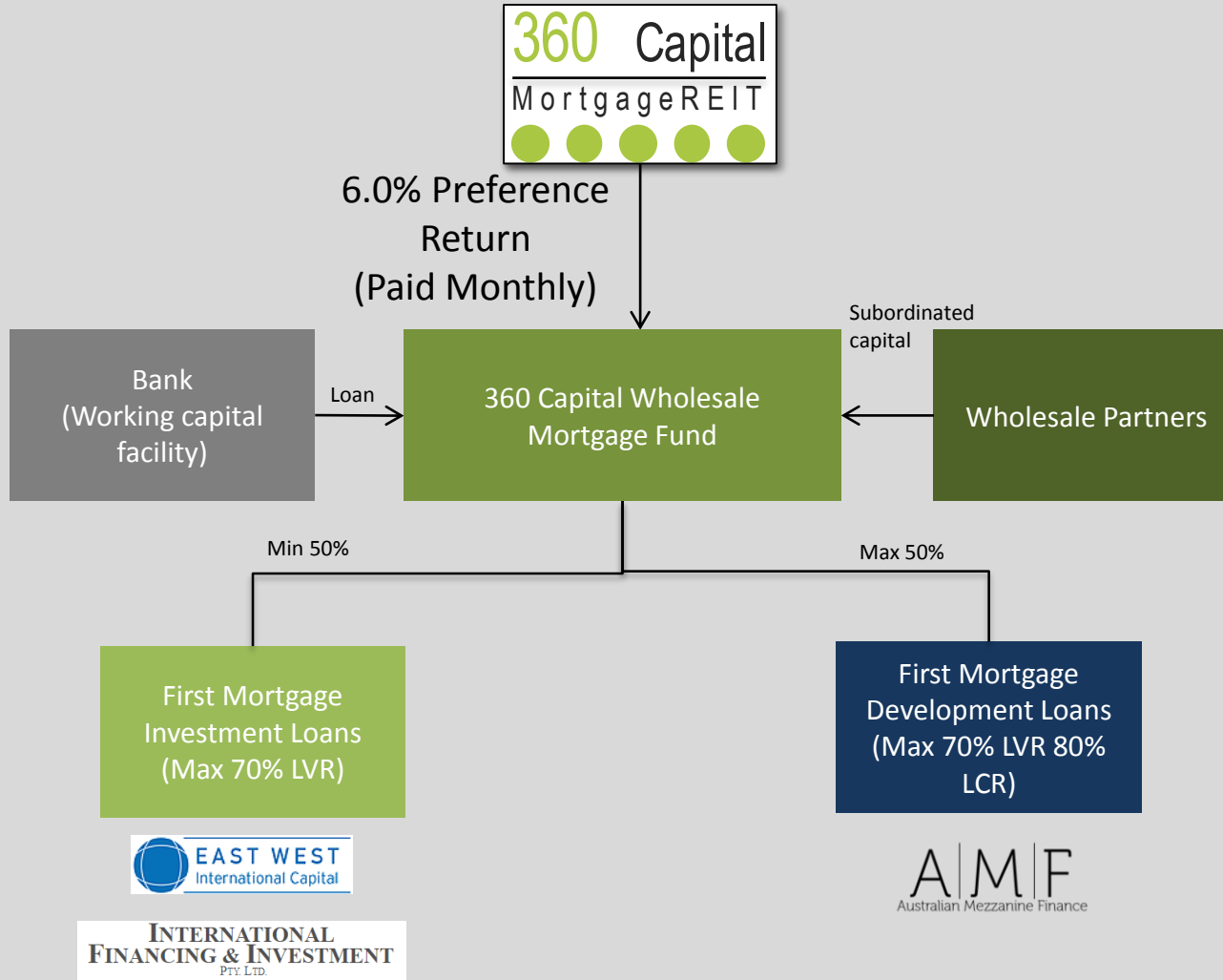
Forecast FY18
9.0cps
Distribution

Forecast FY18
7.7%
Distribution Yield¹

Illustrative Earnings Composition



1. Based on a trading price of \$1.175 and 9cps distribution

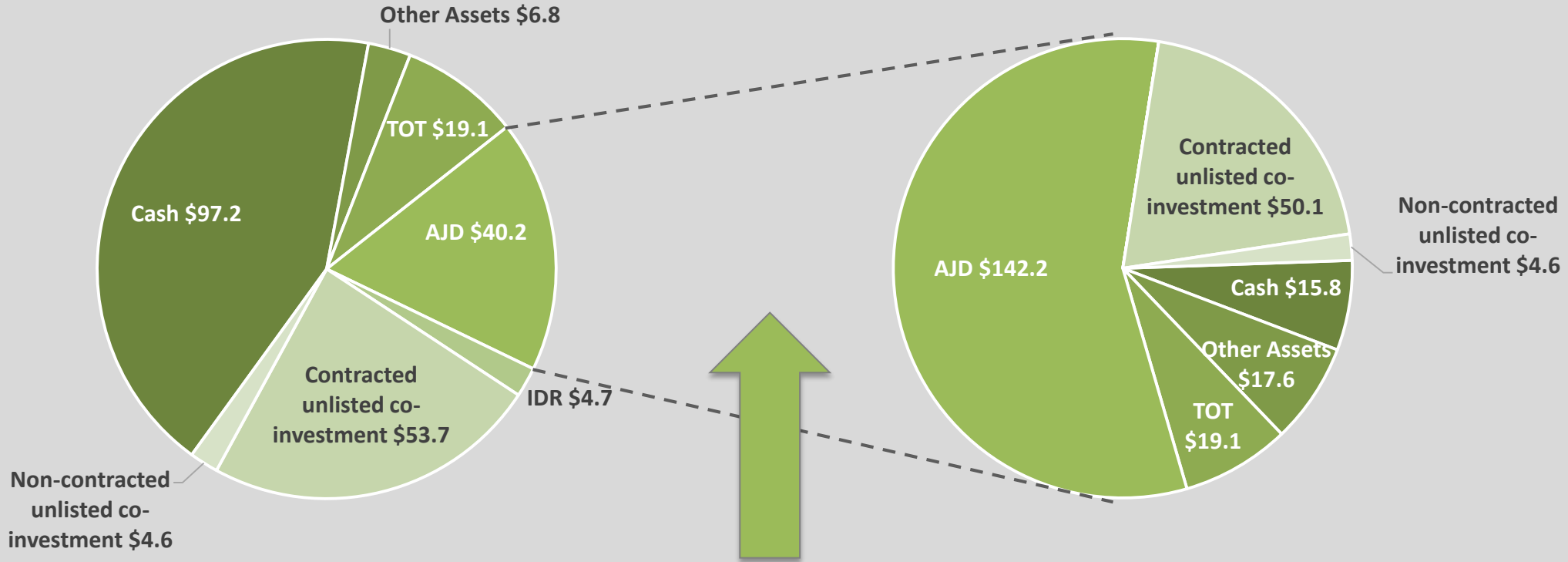


- Diversified funding sources critical to fund non-bank lending
- 360 Capital proposed to launch an ASX Listed Mortgage REIT with monthly distributions in 2018
- Mortgage REIT forecast 6% distribution yield paid monthly
- Diversification of capital with wholesale capital
- 360 Capital working with Australian bank to provide working capital facility
- AMF (TGP/TOT) will receive establishment fees
- TGP will receive management fees

Capital Deployment Underway

Assets as at Jun '17

Assets as at Nov '17

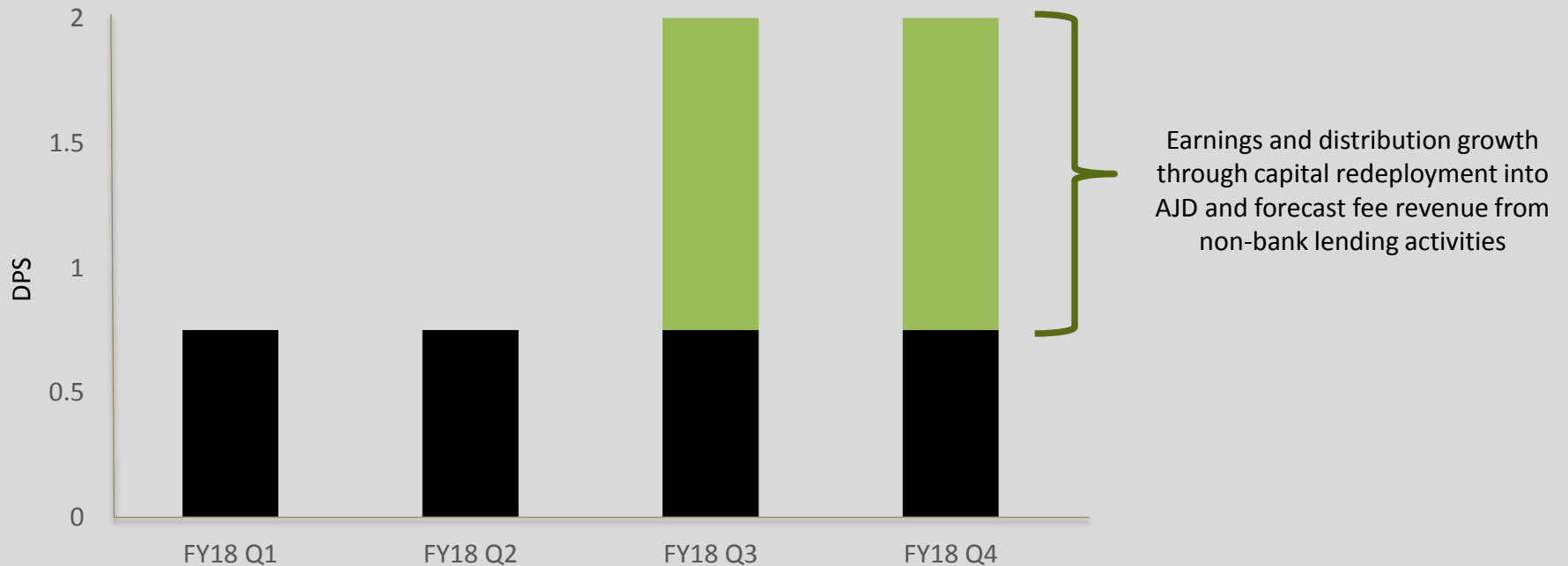


Redeployment of capital into AJD provides accretive earnings/distributions plus new business opportunity

Distribution Policy- 2H18 Distributions Forecast To Increase From 1.5cps to 4.0cps

- FY18 previous distributions were forecast to be 3.0 cents per security (ie 0.75cps per quarter) based on no further deployment of capital and the Group’s current investments remaining fully invested
- With deployment of capital and growth initiatives in non-bank lending, 2H18 distributions forecast to increase from 1.5 cps to 4.0 cps (2.0 cps per quarter)

Forecast FY18 Quarterly Distributions



This presentation has been prepared by 360 Capital Group Limited (ABN 18 113 569 136) and 360 Capital Investment Trust (ARSN 104 552 598) together the 'Group' or 'TGP'.

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