



## ASX Release

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PRIVATE EQUITY  
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CREDIT

360 Capital Total Return Fund (ASX: TOT):

16 October 2019

Fully underwritten institutional placement oversubscribed, raising  
\$10.8 million

Page 1 of 2

360 Capital FM Limited as Responsible Entity for the 360 Capital Total Return Fund (**Fund** or **TOT**) is pleased to announce that the fully underwritten institutional placement closed oversubscribed. The Fund issued 9.14 million stapled units at \$1.18 per unit (**New Stapled Units**) to institutional investors to raise approximately \$10.8 million as announced on 14 October 2019 (**Equity Raising**).

New Stapled Units issued under the Equity Raising will rank equally with existing Stapled Units on issue from allotment and will be eligible for the 31 December 2019 quarter distribution which is expected to be 2.25 cents per Stapled Unit (cpu) (paid quarterly) for FY20.

Moelis Australia Advisory Pty Limited (ACN 142 008 446) (**Moelis**) and Shaw and Partners Limited (ABN 24 003 221 583) (**Shaws**) are acting as Joint Lead Managers and Underwriters to the Equity Raising.

### Use of Proceeds

The Fund has recently reached financial close on \$32.8 million of senior, first mortgage debt transactions, including the \$23.1 million first mortgage financing of seven (7) childcare centres leased to Affinity Education and a \$9.7 million first mortgage construction facility in Greenway, ACT (**Loan Investments**).

Further information in respect of the Equity Raising can be found in the investor presentation following.

Proceeds from the Equity Raising will be allocated to the Fund's non-bank lending activities, replenishing working capital to support the Fund's strong investment pipeline.

The Fund has requested that its trading halt be lifted with effect from the open of market today.

Key dates in relation to the Equity Raising:

Event	Date
Announcement of completion of Equity Raising, trading halt lifted	Wednesday, 16 October 2019
Settlement of Equity Raising	Friday, 18 October 2019
Allotment of New Stapled Units issued under the Equity Raising	Monday, 21 October 2019



## ASX Release

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More information on TOT can be found on the ASX's website at [www.asx.com.au](http://www.asx.com.au) using ASX code "TOT", at our website [www.360capital.com.au](http://www.360capital.com.au), by calling the TOT investor line:1300 082 130 or by emailing [investor.relations@360capital.com.au](mailto:investor.relations@360capital.com.au)

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### About 360 Capital Total Return Fund (ASX code TOT)

360 Capital Total Return Fund aims to provide total returns with a performance hurdle of 12% per annum to investors through a selective and disciplined investment philosophy, combined with access to real estate-based investment opportunities available to the Fund through the 360 Capital Group, the manager of the Fund.

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### About 360 Capital Group (ASX: TGP)

360 Capital Group is an ASX-listed, investment and funds management group, focused on strategic and active investment management of alternative assets.

Led by a highly experienced team, the Group operates in Australian and global markets investing across real estate, public and private equity and credit strategies. We partner with our stakeholders to identify, invest and realise on opportunities.

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360 Capital



# 360 Capital Total Return Fund

Capital Raising Presentation

October 2019



JOINT LEAD MANAGERS  
AND UNDERWRITERS



Shaw and Partners  
an EFG company



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# 1. Transaction Overview







## TOT's Strategy



TOT is 360 Capital's listed real estate business

Our investment strategy is focused on 4 key areas:

- **Direct real estate**
  - Asset repositioning
  - Opportunistic acquisitions
  - Rezoning / redevelopment
  - Income generating real estate
- **Indirect real estate**
  - Operating businesses
  - Strategic equity investments
  - Participation in mergers and acquisitions
  - Recapitalisations
- **Real estate debt**
  - First and second mortgage
  - Preferred equity
- **Non-performing real estate debt**
  - Distressed financing
  - Non-performing loans

## Transaction Overview

- 360 Capital Total Return Fund (“TOT” or “Fund”) has been actively investing in real estate debt for the past 30 months, having written over \$146 million in senior and mezzanine transactions
- The Fund has agreed terms to finance via a registered first and only mortgage, a portfolio of seven (7) childcare centres leased to Affinity Education and is undertaking a fully underwritten institutional placement (“Institutional Placement” or “Offer”) to raise \$10.8<sup>1</sup>m and replenish working capital to support the Fund’s strong investment pipeline
- The Offer Price will be \$1.18 per Stapled Unit (in line with 5-day VWAP)
- Moelis Australia Advisory Pty Limited and Shaw and Partners Limited have been appointed as Joint Lead Managers and Underwriters to the Offer
- As 360 Capital Group Limited (“TGP”) is ineligible to participate in the Institutional Placement, TGP’s holding of 18.5m Stapled Units will represent 23.3<sup>2</sup>% of TOT’s issued capital post the Offer

1. Based on Offer Price of \$1.18 per Stapled Unit  
2. Based on TGP’s holding post completion of the Offer 79,368,897

# Key Highlights

EARNINGS	FY20 Earnings per Security 9.0cps to 12.0cps / 7.6% to 10.2% earnings yield on the Offer Price
DISTRIBUTIONS	Annualised 9.0cps Distributions per Security, reflecting a 7.6% distribution yield on the Offer Price
MARKET CAP	13.0% increase in the market capitalisation of TOT to \$93.7m <sup>1,2</sup>
ACTIVE EARNINGS	AMF Finance (50.0% owned by TOT) has generated \$0.84m <sup>3</sup> in fee revenue so far for FY20
DIVERSIFICATION	Diversified loan book across seven (7) <sup>4</sup> borrowers and 13 <sup>4</sup> individual properties
OPPORTUNITIES	Market conditions and tighter credit policy continue to provide opportunities in both real estate debt and opportunistic real estate equity investments
URB INVESTMENTS	Proposed merger with URB Investments Limited (ASX:URB) via a Scheme of Arrangement at a 3.0% premium to URB’s September Net Tangible Assets, reflecting merger ratio of 0.9833 TOT for every 1.0 URB. If the scheme is implemented, the market capitalisation of TOT would increase to \$169.5 million <sup>5</sup> at the Offer Price

1. Based on Offer Price of \$1.18 per Stapled Unit  
2. Based on 79,368,897 post completion of the Offer at the Offer Price  
3. Post settlement of the Gregory Hills loan investment and Affinity Childcare loan portfolio  
4. Post the settlement of the Affinity Childcare loan portfolio  
5. Based on the potential merger of TOT and URB Investments (“Combined Group”) at the merger ratio

# Offer Matrix

Capital raising metrics	Offer Price	\$1.18 per Stapled Unit
	Institutional Placement <sup>1</sup>	\$10.8m
	Forecast FY20 EPS / operating earnings yield <sup>2</sup>	<b>9.0cps to 12.0cps / 7.6% to 10.2%</b>
	Forecast FY20 DPS / distribution yield <sup>2</sup>	<b>9.0cps / 7.6%</b>
	Ranking for distribution	Full December quarter (2.25cps)
	New Units to be issued under the Offer	9,143,498
	Pro forma NTA per Unit <sup>3</sup>	\$1.19
	Offer Price <sup>1</sup> discount to pro forma NTA per Unit	(-0.9%)
	Pro forma gearing <sup>4</sup>	4.7%
	Pro forma market capitalisation <sup>1</sup>	\$93.7m
	Pro forma market capitalisation (Post proposed URB Scheme) <sup>5</sup>	\$169.5m

1. Placement of 9,143,498 New Stapled Units at the Offer Price
2. Based on Offer Price of \$1.18 per Stapled Unit
3. Pro-forma NTA as calculation in accordance with pro-forma balance sheet on page 23 of this presentation
4. Pro-forma gearing calculated as (Net Debt) / (Total Assets less Cash)
5. Pro-forma market capitalisation based on agreed merger ratio of 0.9833 TOT for every 1.000 URB



## 2. Investment Portfolio



Track Record: recent repayments



Progressively drawn senior	
Project Description	Development of 162 room 4-star hotel in Melbourne CBD
Size	Net Realisation <sup>1</sup> : \$53.0m Facility Amount <sup>2</sup> : \$36.3m (68.4% LVR)
Internal Rate of Return (IRR)	16.8% p.a.
Term	12.5 months
Exit / Repayment	Repaid via refinance with term debt at practical completion



Progressively drawn senior	
Project Description	Development of 2,396 sqm (GLA) medical centre in Sunbury, VIC
Size	Net Realisation <sup>1</sup> : \$13.0m Facility Amount <sup>2</sup> : \$9.3m (71.2% LVR)
Internal Rate of Return (IRR)	14.6% p.a.
Term	17 months
Exit / Repayment	Repaid via refinance

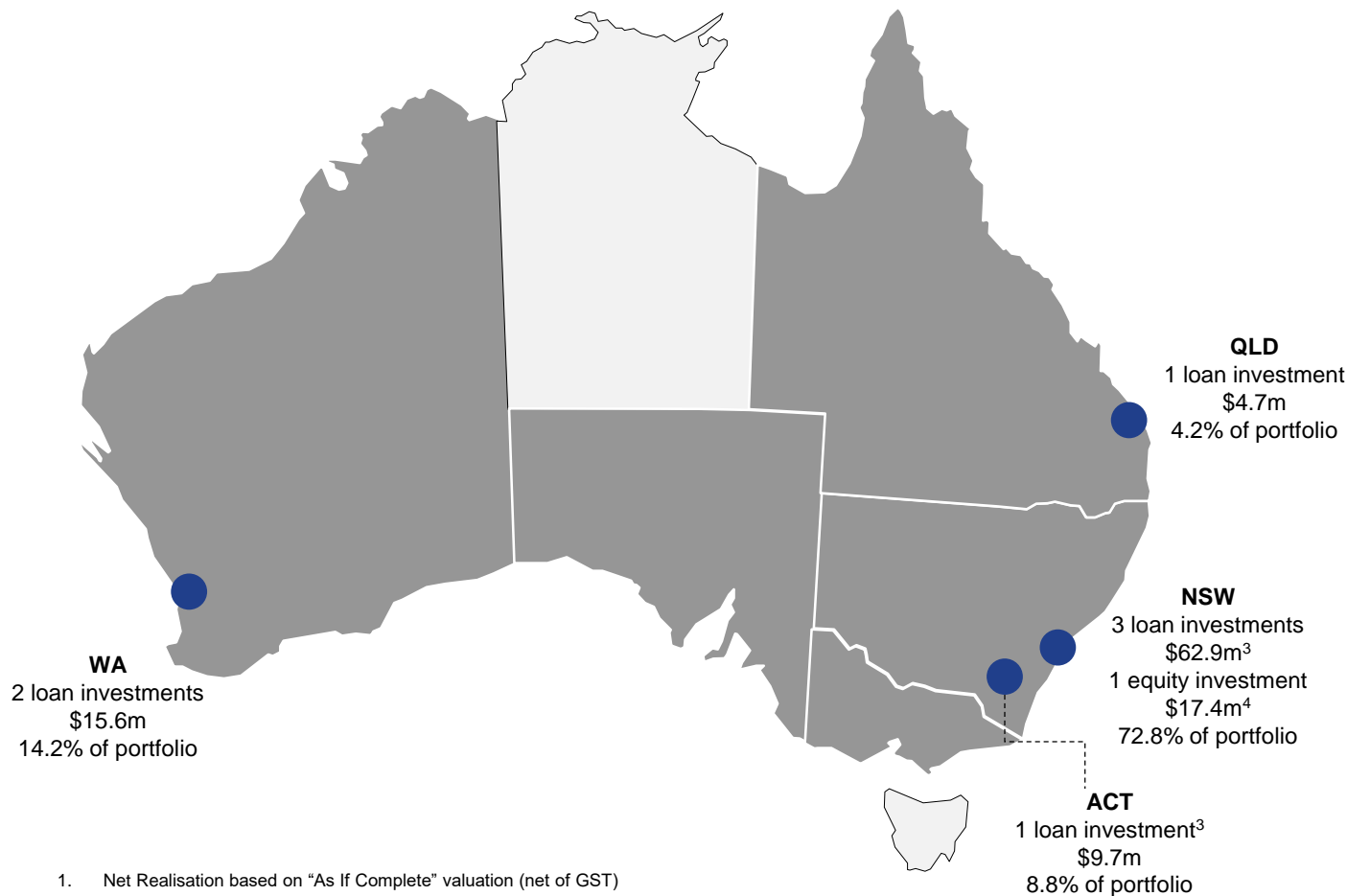


Cash advance senior	
Project Description	Construction of 30 residential apartments in Western Sydney
Size	Net Realisation <sup>1</sup> : \$16.8m Facility Amount <sup>2</sup> : \$8.2m (48.9% LVR)
Internal Rate of Return (IRR)	13.5% p.a.
Term	10 months
Exit / Repayment	Repaid via settlement of sales

1. Net Realisation based on “As If Complete” valuation (net of GST)  
2. Facility amount including capitalised interest and fees

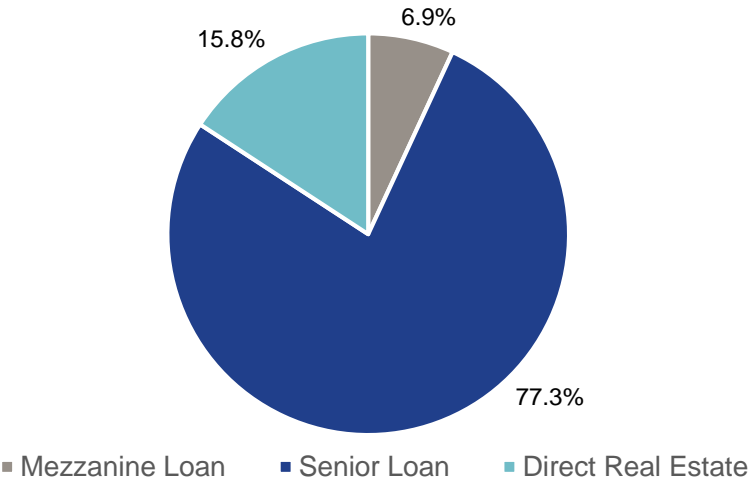
# Investment Portfolio

## Geography<sup>1,2</sup>

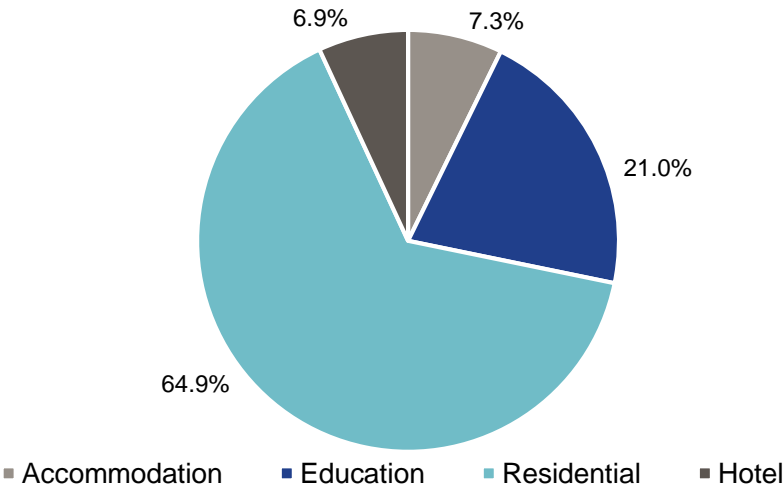


1. Net Realisation based on "As If Complete" valuation (net of GST)  
2. Loan Investments based facility amount, including capitalised interest and fees  
3. Post the settlement of the Affinity Childcare loan (subject to satisfaction of conditions precedent)  
4. Gladesville apartments carried at cost (including transaction costs)

## Investment Type<sup>1,3,4</sup>



## Property Type<sup>1,2,4</sup>





Progressively drawn senior	
Project Description	Development of 94 apartments in Western Sydney
Size	Net Realisation <sup>1</sup> : \$46.7m Facility Amount <sup>2</sup> : \$31.8m (68.0% LVR / 79% LTC)
Term	24 months



Cash advance senior	
Project Description	Medium density complex comprising 109 waterfront, residential apartments in Port Coogee, W.A.
Size	Net Realisation <sup>1</sup> : \$13.2m Facility Amount <sup>2</sup> : \$8.0m (61% LVR)
Term	18 months



Cash advance senior	
Project Description	Medium density complex comprising 22 luxury apartments in New Farm, QLD
Size	Net Realisation <sup>1</sup> : \$8.0m Facility Amount <sup>2</sup> : \$4.7m (58% LVR)
Term	12 months



Cash advance senior <sup>3</sup>	
Project Description	Bridging facility for portfolio of seven (7) childcare assets leased to Affinity Education
Size	Current Valuation: \$35.6m Facility Amount: \$23.1m (65% LVR)
Term	12 months

1. Net Realisation based on "As If Complete" valuation (net of GST)  
2. Facility amount including capitalised interest and fees  
3. Affinity Childcare loan subject to satisfaction of conditions precedent





Mezzanine

Project Description	Construction of pre-leased hotel in Perth, WA
Size	Net Realisation <sup>1</sup> : \$76.0m Facility Amount <sup>2</sup> : \$7.6m (70% LVR / 78% LTC)
Term	24 months



Progressively drawn senior

Project Description	Development of 28 room residential accommodation facility in Coogee NSW
Size	Net Realisation <sup>1</sup> : \$11.4m Facility Amount <sup>2</sup> : \$8.0m (70% LVR / 80% LTC)
Term	20.5 months



Progressively drawn senior

Project Description	Development of 27 townhouses in Greenway, ACT
Size	Net Realisation <sup>1</sup> : \$13.5m Facility Amount <sup>2</sup> : \$9.7m (71.9% LVR)
Term	15 months

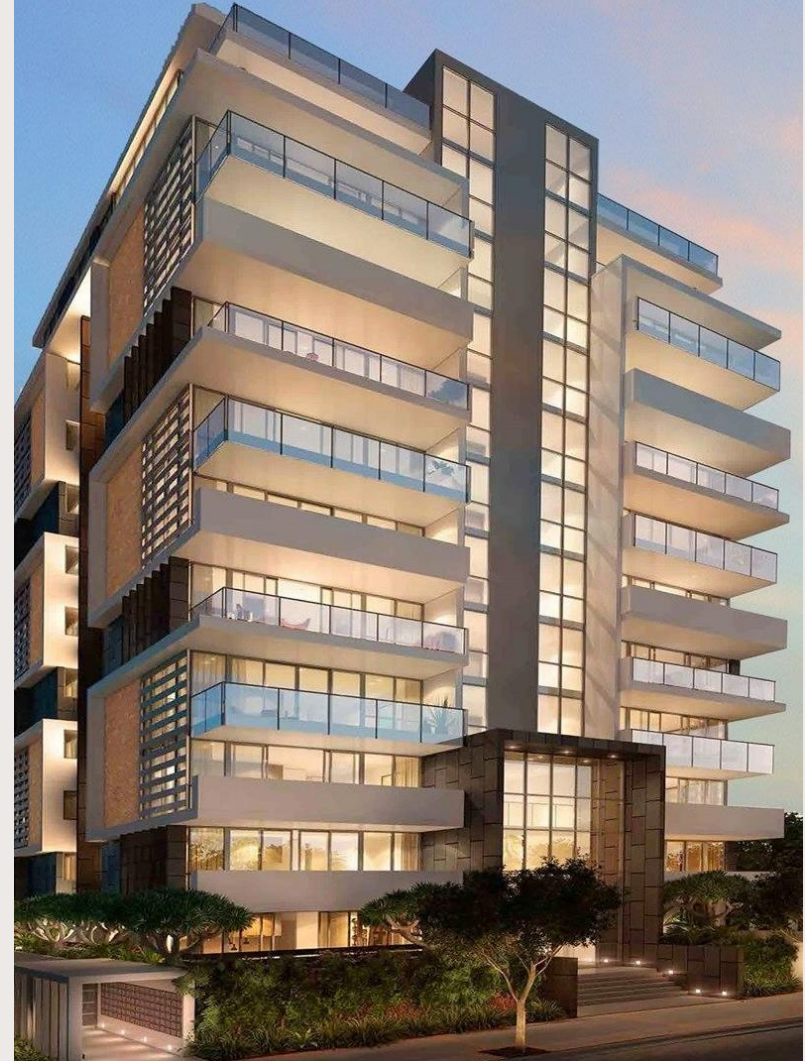


Equity investment

Project Description	23-apartments in Gladesville, approximately 12 kilometres north of Sydney CBD
Size	Original list price: \$24.3m Current market value: \$20.5m Purchase price: \$16.5m (-32% discount to list price)
Term	Exit over 12 – 36 months

1. Net Realisation based on “As If Complete” valuation (net of GST)  
2. Facility amount including capitalised interest and fees

# 3. URB Merger



## Scheme of Arrangement: URB Investments



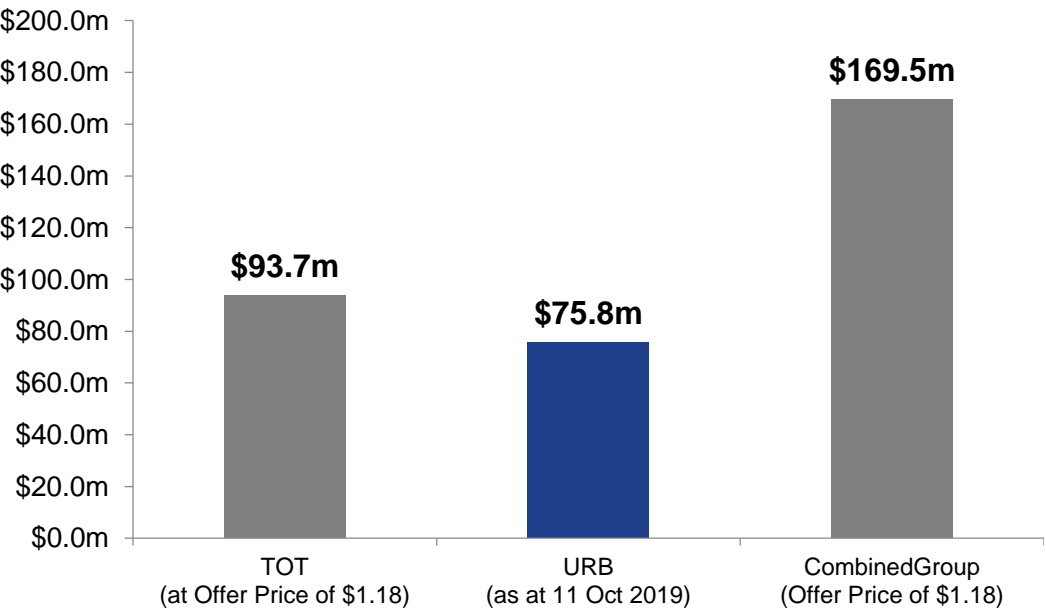
- The Responsible Entity for 360 Capital Total Return Fund (“TOT”) has made a proposal for TOT to acquire all of the outstanding shares of URB Investments Limited (ASX:URB) via a scheme of arrangement (the “Proposed Transaction”).
- If implemented, the Proposed Transaction will combine two highly complementary real estate vehicles to provide TOT Securityholders and URB Shareholders with an enhanced investment proposition relative to each strategy on a standalone basis, including:
  - ✓ Total assets of approximately \$178.0 million<sup>1</sup>, an increase of 72%;
  - ✓ Market capitalisation of approximately \$170.0 million<sup>2</sup>, an increase of 81%;
  - ✓ Increase in the TOT unitholder base to over 3,500 investors; and
  - ✓ Increased capital base for TOT to continue to invest and diversify its asset base.
- If implemented, the Responsible Entity will combine the assets of TOT and URB and where appropriate seek to recycle URB's existing assets and reinvest the proceeds in line with TOT's investment strategy.
- If implemented, 360 Capital Group Limited (“TGP”) has also proposed to acquire, by way of novation, the Investment Management Agreement (“Agreement”) between URB and Contact Asset Management Pty Limited (“Investment Manager”) (“IMA Proposal”) for consideration of \$2.5 million and will enter into an arrangement for transitional service.
- The URB Board of Directors intend to unanimously recommend that URB Shareholders vote in favour of the Proposed Transaction, in the absence of a superior proposal and subject to the independent expert concluding, and continuing to conclude, that the Proposed Transaction is fair and reasonable and in the best interests of URB Shareholders.
- Major URB shareholder, Washington H. Soul Pattinson is supportive of the proposed merger and has indicated its intention to vote all securities in favour of the proposed merger, subject to a “fair and reasonable” opinion from an Independent Expert and no superior proposal emerging.
- The Proposed Transaction is conditional on the approval of URB Shareholders and the IMA Proposal is conditional on successful implementation of the Proposed Transaction

1. Post implementation of the Proposed Transaction

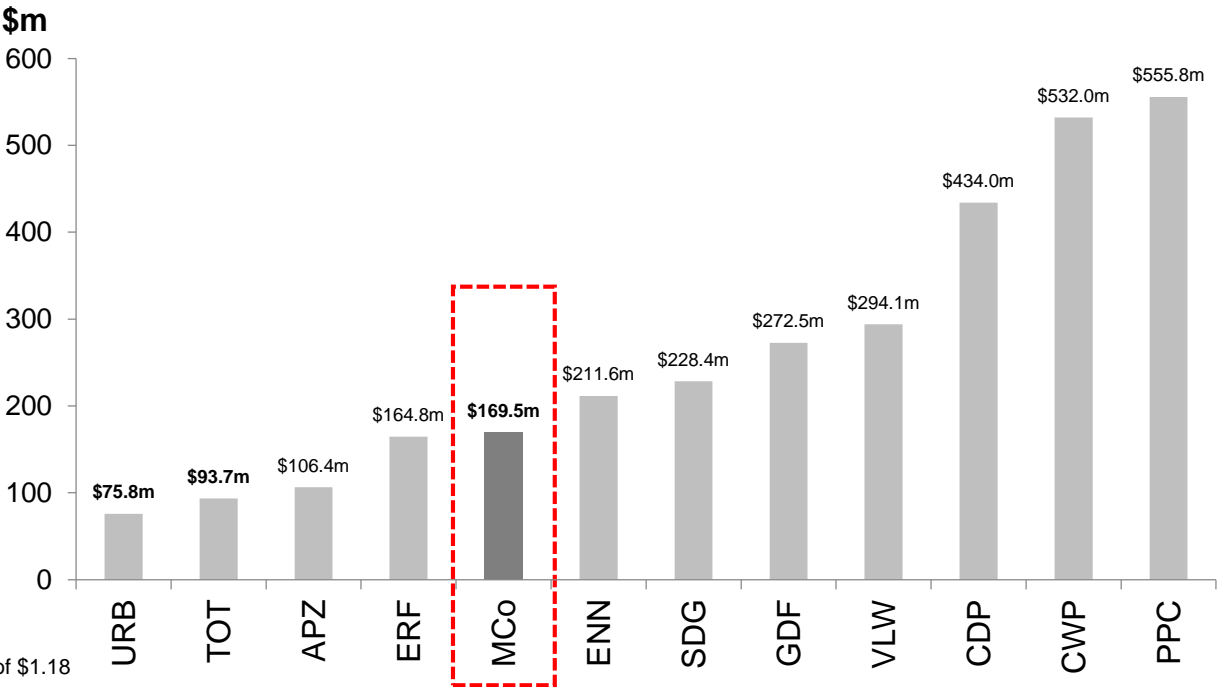
2. Combined Group market capitalisation is based on total units outstanding, post-conversion multiplied by the Offer Price of \$1.18

- If the Proposed Transaction proceeds, post completion of the Offer and implementation of the scheme, the combined TOT and URB entities (“Combined Group”) will have a significant increase in scale, providing greater liquidity and the potential for greater market awareness
- Market capitalisation of approximately \$170.0 million<sup>1</sup>
- Approximately 3,500 investors
- Increased capital base for TOT to continue to invest and diversify its asset base.

**Market capitalisation of URB, TOT and Combined Group<sup>1</sup>**



**Market capitalisation of S&P/ASX (ex300) A-REITs<sup>1,2</sup>**



1. Combined Group market capitalisation is based on total units outstanding, post-conversion multiplied by the Offer Price of \$1.18  
2. Market capitalisation based on closing prices of securities on 11 October 2019



# 4. Capital Raising



# Sources and Applications

- The Offer Price will be \$1.18 per Stapled Unit (in line with the 5-day VWAP)
- The Fund has agreed terms to finance via a registered first and only mortgage, a portfolio of seven (7) childcare centres leased to Affinity Education and is undertaking an Institutional Placement to raise \$10.8<sup>1</sup>m and replenish working capital to support the Fund’s strong investment pipeline
- Moelis Australia Advisory Pty Limited and Shaw and Partners Limited have been appointed as Joint Lead Managers

Source of Funding	\$m	Application of Funds	\$m
Institutional Placement	\$10.8	Working Capital	\$10.5
		Transaction Costs	\$0.3
<b>Total Funding</b>	<b>\$10.8</b>	<b>Total Application of Funds</b>	<b>\$10.8</b>

1. Based on Offer Price of \$1.18 per Stapled Unit

# Indicative Capital Raising Timetable

Key Events	Key Dates
Enter trading halt	Monday, 14 October 2019
Announcement of Institutional Placement	Tuesday, 15 October 2019
Trading resumes	Wednesday, 16 October 2019
Settlement of Institutional Placement	Friday, 18 October 2019
Allotment of New Securities issued under the Institutional Placement	Monday, 21 October 2019
Expected Trading of New Securities issued under the Institutional Placement	Tuesday, 22 October 2019

Notes:  
All dates and times are indicative only and subject to change at the discretion of the Responsible Entity. All dates and times are references to Australian Eastern Daylight Savings Time.

# 5. Financials





# Pro-forma Balance Sheet

## Post Offer

(\$'000)	Unaudited 30 Sep 19 TOT	Adjustments	Unaudited Proforma 30 Sep 19 TOT
Cash	25,624	1 10,493	3,318
Receivables	491		491
Direct Property	2a 831	2b 16,592	2c 17,423
Loans Investments	48,082	3 24,207	72,289
AASB 9 Provision	(1,073)		(1,073)
AMF Finance Joint Venture	298		298
Investments in Listed Securities (other than URB)	926		926
Investment in URB	8,555	4 1,210	9,765
Other Assets	-		-
<b>TOTAL ASSETS</b>	<b>83,733</b>		<b>103,436</b>
Payables	91		91
Distributions payable	1,580		1,580
Borrowings	-	5 8,000	8,000
Other Liabilities	-	6 365	365
<b>TOTAL LIABILITIES</b>	<b>1,671</b>		<b>10,036</b>
<b>NET ASSETS</b>	<b>82,062</b>		<b>93,400</b>
Add back: AASB 9	1,073		1,073
<b>CORE NET ASSETS</b>	<b>83,135</b>		<b>94,472</b>
Securities on issue	70,225	1 9,143	79,369
Core NTA post (AASB 9) Allowance	\$1.18		\$1.19
Gearing	-		7 4.7%

### Key movements

- 1) Placement of 9,143,498 securities at the Offer Price of \$1.18 per Security, net of Offer costs
- 2) Purchase of Gladesville apartments
  - a) Deposit on Gladesville apartments
  - b) Settlement Gladesville apartments including transaction costs
  - c) Gladesville apartments carried at cost
- 3) Settlement of Affinity Childcare Portfolio
- 4) Uplift in URB Investments at Merger Ratio
- 5) Debt Facility, drawn upon settlement of Gladesville apartments
- 6) Transaction costs in relation to implementation of Proposal
- 7) Gearing calculated as Net Debt / (Total Assets less Cash)

# Pro-forma Balance Sheet

## Post Offer and Implementation of Potential Proposal

(\$'000)	Unaudited Proforma 30 Sep 19 TOT	Unaudited Proforma 30 Sep 19 URB	Merger Adjustments	MergeCo
Cash	3,318	30,697	3 (5,568)	28,447
Receivables	491	298		789
Direct Property	17,423	10,957		28,380
Loans Investments	72,289	-		72,289
AASB 9 Provision	(1,073)	-		(1,073)
AMF Finance Joint Venture <sup>1</sup>	298	-		298
Investments in Listed Securities (other than URB)	926	47,531		48,457
Investment in URB	9,765	-	(9,765)	-
Other Assets	-	494		494
<b>TOTAL ASSETS</b>	<b>103,436</b>	<b>89,978</b>		<b>178,081</b>
Payables	91	116		207
Distributions/dividends payable	1,580	2,368	(3,948)	-
Borrowings	8,000	-		8,000
Other Liabilities	365	3,455	4 (1,620)	2,200
<b>TOTAL LIABILITIES</b>	<b>10,036</b>	<b>5,939</b>		<b>10,407</b>
<b>NET ASSETS</b>	<b>93,400</b>	<b>84,039</b>		<b>167,674</b>
Add back: AASB 9	1,073	-	-	1,073
<b>CORE NET ASSETS</b>	<b>94,472</b>	<b>84,039</b>		<b>168,747</b>
Securities on issue	79,369	73,960	1 (9,715)	143,613
Core NTA post (AASB 9) Allowance	\$1.19	\$1.14		2 \$1.17
Gearing	4.7%	-	-	-

### Key assumptions

- 1) Proposed merger ratio of **0.9833** TOT for every **1.00** URB Share, if scheme implemented
  - a) Proposed merger ratio based on a 3.0% premium to the estimated ex-dividend and transaction costs URB 30 September Net Tangible Assets of \$1.136 per URB share, being **\$1.17**
- 2) Proforma MergeCo NTA of \$1.17
- 3) Cash impact of payment of distributions/dividends and transactions costs
- 4) Transaction costs in relation to implementation of Proposal

# Appendix 1: Board of Directors



**David Van Aanholt**  
Non-executive Chairman

David has over 30 years' experience in the property and funds management industry. Prior to establishing his own property group in 2007, David worked for the ASX listed Goodman Group where he was the Chief Executive Officer (Asia Pacific) and was responsible for Goodman's operations in Australia, New Zealand, Hong Kong and Singapore. Prior to working for Goodman David held senior roles at Paladin Australia and CDH Properties (acquired by KPMG). David holds a Bachelor of Business (Land Economy), a Post Graduate Diploma in Management, a Masters in Business Administration and he is a Fellow of the Australian Property Institute.

David is a non-executive Director and Chair of Kennard's Self Storage Group and a Councillor at the University of New England where he sits on the Audit and Risk, Finance and Infrastructure, Innovation and Remuneration Committees



**Tony Pitt**  
Executive Director

Tony is a founding Director of 360 Capital Group and has worked in the property and property funds management industries for over 20 years. As Managing Director, Tony is responsible for the Group's investments, strategic direction and overall Group strategy. He has overseen the IPO on the ASX of three AREITs since 2012 as well as the creation of various unlisted funds, undertaken various corporate acquisitions and disposals, mergers and acquisitions and the ASX listing of 360 Capital Group.

Tony has formerly held numerous senior roles and directorships at Mirvac Group, James Fielding Group and Paladin Australia. He also held positions at Jones Lang LaSalle and CB Richard Ellis. He graduated from Curtin University with a Bachelor of Commerce (Property), has a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australasia.



**John Ballhausen**  
Non-executive Director

John is a financial services professional with over 35 years' experience. He is a founder of Quay Fund Services Limited providing trustee and responsible entity services to fund managers. He is also a non-executive director of Arctic Intelligence.

John founded Rimcorp Property Limited and became its Managing Director. In 2008, Rimcorp was successfully sold with approximately \$100 million in funds under management spread over four registered property schemes. Before 2002 John held the position of Chief Investment Officer with HIH Insurance, with responsibility for more than \$3 billion of funds across fixed interest, equities and property asset classes. John has a Bachelor of Commerce from the University of NSW, is a Fellow of the Financial Services Institute of Australasia and a Graduate of the Australian Institute of Company Directors.



**Graham Lenzner**  
Non-executive 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 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.



**Andrew Moffat**  
Non-executive Director

Andrew has in excess of 23 years of corporate and investment banking experience, including serving as a director of Equity Capital markets and Advisory for BNP Paribas Equities (Australia) Limited. Andrew is the sole principal of Cowoso Capital Pty Ltd, a company providing corporate advisory services. Andrew is also a Director of Pacific Star Network Limited and a Director of ICP Funding Pty Ltd. His past public company directorships include Rubik Financial limited, Keybridge Capital Limited, CCK Financial Solutions Limited, itX Group Limited and Infomedia Limited.



## Appendix 2: Management Team



**James Storey**  
Head of Real Assets

James has over 12 years' experience in real estate funds management including such areas as asset management, capital transactions, analytics and valuations. Prior to his current role, James was the Fund Manager of the 360 Capital Office Fund (ASX: TOF) and 360 Capital Industrial Fund (ASX: TIX) with a combined gross assets of over A\$1.1b. Prior to his tenure at 360 Capital, James held the role of Investment Manager at Brookfield Office Properties, Senior Analyst at Valad Property Group and worked for Ernst & Young within its Transaction Advisory Services team.

James has a Bachelor of Business (Property Economics) from the University of Western Sydney and a graduate certificate of applied finance and investment. He is also a licensed real estate agent.



**Scott Morgan**  
Debt Origination Manager

Scott has 20 years' experience in real estate investments and is skilled in strategy, deal origination, execution, management and investor relations. Scott establishes strong relationships and is able to work collaboratively with a wide range of stakeholders applying commercial acumen to achieve great outcomes.

Prior to his current role, Scott was a Director with Newground Capital Partners responsible for originating real estate transactions, capital raising, fund management and reporting to investors.

Scott has also held senior roles at Investa Property Group, Babcock and Brown, Investec and led the Sydney Deloitte Real Estate team as a Director.

Scott has a Bachelor of Commerce from the Australian National University and holds a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australasia. He is also a Chartered Accountant and former Director of industry body, Property Funds Australia.



**Genevieve Naughton**  
Debt Transaction Manager

Genevieve has over 8 years' experience across real estate development and construction finance, loan origination and financial planning.

Prior to her current role, Genevieve was Risk and Compliance manager at Lambert Capital, a family office located in Melbourne.

Genevieve has a Bachelor of Business majoring in Economics and Finance at RMIT University and an advanced diploma in Financial Planning.



**Glenn Butterworth**  
Chief Financial Officer

Glenn Butterworth is a key executive within the business and is responsible for all 360 Capital's financial management activities. Glenn has over 25 years' experience and joined 360 Capital from Mirvac where he spent 11 years, most recently as Financial Controller of the Mirvac's Investment Division where he was responsible for Mirvac Property Trust, listed and wholesale managed funds and partnership structures and has a wealth of transactional and financial management experience. Glenn is a Chartered Accountant and holds a Bachelor of Commerce and commenced his career at Deloitte.



**Jennifer Vercoe**  
Company Secretary & Compliance

Jennifer has worked in finance and funds management within the commercial property industry since 2001. She was appointed Company Secretary of 360 Capital Group in February 2017 and has worked alongside 360 Capital Group since 2015 as Financial Controller of TT Investments. Prior to this, she held finance and funds management roles at Stockland, Valad Property Group and AMP Capital. Jennifer is a chartered accountant and has a certificate in Applied Finance and Bachelor of Commerce and Business Administration from Macquarie University.



**Ainslie Ebejer**  
Group Financial Controller

Ainslie joined 360 Capital in June 2014 and is responsible for the finance function of the 360 Capital Group, in a role covering management and statutory reporting, compliance, treasury control and taxation. Ainslie has over 10 years' experience in investment and asset management. Previously at Mirvac for 4 years, Ainslie was part of the finance team responsible for the Mirvac Property Trust, and prior to this she worked for the prestigious asset management firm Harrods Estates in London. Ainslie is a qualified Chartered Accountant, holding a Bachelor of Commerce (Accounting & Finance) from the University of Wollongong and a Graduate Diploma of Chartered Accounting.



**Alan Wang**  
Senior Analyst

Alan joined 360 Capital as a Senior Analyst in 2019. He is experienced in portfolio analysis, capital transactions, valuations and capital raisings. Prior to his current role, Alan was a Senior Portfolio Analyst at GSA and an Investment Analyst at Barwon Investment Partners. Alan holds a Bachelor of Commerce and Bachelor of Laws (Honours) from the University of Melbourne, and an MPhil in Banking & Finance at the University of New South Wales.



**Jonathon Nguyen**  
Analyst

Jonathon joined 360 Capital as an Analyst in 2018. Prior to this, Jonathon was a Treasury Analyst (ALM) for a mutual bank, responsible for the liquidity/funding requirements and management of fixed income investments in the banking portfolio. He initially started his career as a Graduate at State Street Bank & Trust Co., working in the Global Markets Division. Jonathon holds a Bachelor of Commerce from the University of New South Wales.



**Fraser Matthews**  
Real Estate Debt BDM

Fraser has worked with 360 Capital since 2015, having significant experience across real estate debt transaction origination and capital raising. Fraser has previously held the roles of Portfolio Manager at Young Group in London and Private Client Manager at the Bank of Scotland. Fraser has a BA, majoring in Economic History and Political Science from the Australian National University and a Diploma of Financial Planning.



**Libby Langtry**  
Investor Relations Manager

Libby oversees Investor Relations for the group, focused on ensuring that all investor and stakeholder communications to the market are clear, on time and effective. Additionally, Libby oversees all registry related requirements and assists on corporate actions and corporate positioning. She has 13 years' experience across a variety of related disciplines including business development, pursuit management, marketing and communications within the Australian Funds Management Sector. Prior to 360 Capital Group, Libby worked at CBRE, Propertylink, Forum Partners, AMP Capital and ING Real Estate.

## Appendix 3: Key risks





## Fund investment risks

- **Capital values:** The ongoing value of an investment is influenced by changes in market conditions including supply, demand, capitalisation rates and rentals. There is no guarantee that an investment will achieve a capital gain on its sale or that the value of the investment will not fall as a result the assumptions which the relevant valuations are based proving to be correct.
- **Income returns:** Distributions to Stapled Unitholders will include a degree of dependency upon the income return received in connection with the investments of the Fund. There is a risk that the contracts associated with investments may fall into default which could result in a reduction in income and additional expenses associated with enforcement action. Defaults may have an adverse impact on the net income and distributions of the Fund, its ability to satisfy its debt facility covenants, an investments capital value and potentially the NTA per Stapled Unit and the trading price per Stapled Unit. The earnings of the Fund may be volatile due to the uncertain timing in relation to making opportunistic investments, receiving income from (if any), and realising of, these investments.
- **General fundamental exposure:** Underlying risks in investments may include: changes in Australian and international economic conditions, inflation, changes in interest rates, changes in equity market conditions, environmental concerns, regulatory/compliance issues, geopolitical instability or changes in investor sentiment.
- **Refinancing risk and gearing:** The ability of the Fund 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 refinancing risk of the Fund for maturing debt facilities. The ability of the Fund to refinance its debt facilities as they fall due will depend upon market conditions, the performance of the assets of the Fund and the financial position of the tenants of property of the Fund. 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 NTA per Stapled Unit. The Fund is a geared investment product. The level of the Fund's LVR will magnify the effect of any movements in the value of the property portfolio.



## Fund investment risks

- **Due diligence:** Some investments may be made based on limited due diligence conducted only in respect of publicly available information. This may increase the risk of individual investments and could lead to material adverse effects on the performance of the Fund.
- **Trading price of TOT:** The market price of the Stapled 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 financial performance and position of the Fund. The price of the Stapled Units may also fluctuate due to changes in the market rating of the Stapled Units relative to other listed and unlisted property investments, 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 Stapled Units on the ASX at any given time may vary. This may increase the volatility of the market price of the Stapled Units and therefore affect the market price at which holders are able to buy or sell Stapled Units. Stapled Unitholders who wish to sell their Stapled Units may be unable to do so at a price acceptable to them. The market price of the Stapled Units could trade on the ASX at a discount to NTA per Stapled Unit.
- **Ranking:** If the Fund is wound-up, Stapled 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 Stapled Unitholders will receive less than the NTA per Stapled Unit.
- **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.
- **Conflict of interest risk:** The Responsible Entity is a member of the 360 Capital Group. The directors of the 360 Capital Group are the same as the Directors of the Responsible Entity. This creates the potential for a conflict of interest in assessing and procuring investment opportunities. 360 Capital will follow formal procedures to ensure that an investment opportunity sourced by 360 Capital is offered to the most appropriate 360 Capital entity based on the relevant entity's investment mandate.



## Fund investment risks

- **Dilution:** Future capital raisings and equity-funded acquisitions made by the Fund may dilute the holdings of Stapled Unitholders. In the normal course of managing the Fund the Responsible Entity is seeking to increase distribution income to Stapled Unitholders and provide the potential for capital growth. In order to provide this growth, capital raisings may be undertaken to acquire property investments. In certain circumstances, a capital raising may need to be undertaken to reduce debt in order for the Fund to remain compliant with its debt covenants.
- **Distributions may vary:** The ability of the Fund to pay distributions is dependent upon it having sufficient cash resources and distributable income. Whilst the level of income derived from direct property investments from year to year is expected to be relatively certain, default in payment of rent by any of the lessees of the properties, variances in the costs of operating the Fund, or variances in returns from other investments held or made by the Fund, may affect the level of income available for distribution as well as the timing of distributions.
- **Natural phenomena (including flooding, terrorist attacks or force majeure events):** There is a risk that natural phenomena may affect an investment. 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.
- **Execution of business strategy:** There is no guarantee that either 360CPEREF or Australian Mezzanine Finance Pty Limited will be able to execute their respective investment strategies or source investments on suitable terms. In addition 360CPEREF may not be successful in raising third party capital.
- **Success of Offer:** the capital raise is conditional on entry into an underwriting agreement to fully underwrite the capital raise. If an underwriting agreement is not entered into, the capital raise contemplated in this presentation will not proceed.



## Fund 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.



## Appendix 4: Glossary of terms



Term	Definition
360 Capital Group	TGP and each of its subsidiaries
360 Capital Total Return Passive Fund	360 Capital Total Return Passive Fund (ARSN 602 304 432)
360 Capital Total Return Active Fund	360 Capital Total Return Active Fund (ARSN 602 303 613)
Agreement	the Investment Management Agreement between URB and Contact Asset Management Pty Limited
AMF	AMF Finance
AMF Finance	AMF Finance Pty Limited (ACN 120 390 749) the joint venture 50.0% owned by TOT
A-REIT	Australian real estate investment trust
ASX	ASX Limited ACN 008 624 691 or the market that it operates (as the context requires)
Combined Group	the combined TOT and URB entities if the Proposal proceeds
Corporations Act	the Corporations Act 2001 (Cth)
Debt Facility	Credit approved offer for finance from a major Australia Bank, in process of documentation
DPS	distributions per security
EPS	earnings per security
Fund	the stapled entity comprising 360 Capital Total Return Passive Fund and 360 Capital Total Return Active Fund (ASX: TOT)
IMA Proposal	Proposal by TGP to acquire by way of novation the Agreement
Institutional Investor	a wholesale client for the purposes of section 761G of the Corporations Act
Institutional Placement	the placement to Institutional Investors to raise \$10.8m as described in this presentation
IRR	internal rate of return



Term	Definition
Joint Lead Managers	Moelis and Shaws
LVR	loan to value ratio
Moelis	Moelis Australia Advisory Pty Limited (ACN 142 008 446)
New Stapled Units or New Securities	the Stapled Units which will be issued pursuant to the Offer
NTA	net tangible assets.
Offer	the capital raising, comprising the Institutional Placement of 9,143,498 Stapled Units to Institutional Investors at the Offer Price
Offer Price	\$1.18 per New Stapled Unit
Proposed Transaction	the Scheme
Responsible Entity	360 Capital FM Limited (ACN 090 644 396) (AFSL 221474)
Scheme	potential scheme of arrangement under Part 5.1 of the Corporations Act between URB and TOT
Stapled Units or Securities	a stapled unit in TOT
Shaws	Shaw and Partners Limited (ACN 003 221 583)
TGP	the stapled entity comprising 360 Capital Group Limited (ACN 113 569 136) and 360 Capital Investment Trust (ARSN 104 552 598) (ASX: TGP)
TOT	the stapled entity comprising 360 Capital Total Return Passive Fund and 360 Capital Total Return Active Fund (ASX: TOT)
Underwriting Agreement	the agreement between the Joint Lead Managers and TOT to underwrite the Institutional Placement
URB	URB Investments Limited (ABN: 89 615 320 262)
URB Shareholders	a shareholder of URB
VWAP	Volume Weighted Average Price is calculated over the period 2 October 2019 to 9 October 2019 as the total 5-day value divided by the 5-day total volume of Securities sold on ASX up to and including that date