



REAL ASSETS
PRIVATE EQUITY
PUBLIC EQUITY
CREDIT

28 January 2020

Dear Investor,

On behalf of the Board of Directors, I take pleasure in inviting you to the General Meeting of Members of 360 Capital Total Return Fund to be held:

Friday, 21 February 2020 at 9am

Bennelong Room, Dexus Place

Level 15, 1 Farrer Place, Sydney NSW

We encourage new and existing Investors to attend the meeting to meet with the Management Team as well as to receive an update on the operations and investments of the Fund. Overleaf is a recent ASX announcement which covers off some current Fund highlights.

At the Meeting we will put 2 resolutions to investors to ratify the placement of Stapled Units to institutional investors in October 2019 and to ratify the current investment strategy of the Fund post the URB merger. Enclosed is formal notice of the General Meeting. Please read this in full.

The Board of Directors recommend Members attend the Meeting in person. If you cannot, please submit a proxy vote following the instructions enclosed on the proxy form before 9.00am on Wednesday 19 February 2020.

We look forward to seeing as many of you there as possible.

If you have any questions on this Notice of Meeting or other questions related to the Fund, please contact us via email: investor.relations@360capital.com.au, investor line: 1300 082 130, or by visiting our website www.360capital.com.au.

Sincerely,

David van Aanholt
Independent Chairman



ASX Release

TOT Completes URB Merger and Activates On-Market Buyback

23 January 2020

Merger with URB Investments (URB)

The Fund has now completed the merger with URB with all assets being absorbed by the Fund. The Fund has commenced the sale of the URB's listed equities portfolio, having now sold approximately \$17.8 million in line with holding values, with a balance of approximately \$3.1 million of listed equities remaining to be sold. The remaining assets of URB are cash and \$11.2 million of indirect property investments.

Loan Repayments

The Fund's \$8.0m Coogee and \$7.7m Perth hotel loan investments have now been repaid, delivering a 15.1% and a 16.8% Internal Rate of Return (IRR) per annum respectively (including the Fund's share of AMF Finance Pty Limited (AMF) fees).

The Fund's \$100 million real estate loan portfolio now comprises only senior secured first and only mortgages, with an average all-in interest rate of 9.8% and portfolio Loan to Value Ratio (LVR) of approximately 67% on a fully drawn basis.

Gladesville Apartment Sales Campaign

The Fund has commenced the sales campaign for the Gladesville apartment asset. Recent sales within the area support sales prices approximately 26% above the Fund's November purchase price.

New Investments

On 23 December 2019 the Fund announced that TGP TOT JV Pty Limited, a company jointly owned by TOT and 360 Capital Group (ASX: TGP), made a 19.9% strategic stake in Velocity Property Group (ASX: VP7) for an investment of approximately \$1.6 million or 2.0 cents per share reflecting a 64% discount to the 30 June 2019 Net Tangible Assets (NTA) per security of 5.6 cents per security.

TOT has also provided a \$23.7 million residual stock loan over a completed project currently being sold down by Velocity and a \$10.0m secured convertible note with a term of 2 years and an interest rate of 7.0% p.a. and conversion/ option price of 4.0 cents per security (pre-consolidation) a 28% discount to the 30 June 2019 NTA per security (conversion rights being subject to Velocity shareholder approval).

Half Year Results Guidance - 31 Dec 2019

Subject to completion of the review of the accounts by TOT's auditors and Board approval, TOT expects:

- Operating profit per unit of approximately 4.5 cents per unit for the half year ended 31 December 2019;
- Unaudited core Net Tangible Asset (pre-AASB9 provision) as at 31 December 2019 of approximately \$1.16 per unit;
- Cash of \$33.1 million and current receivables of \$18.1 million¹ balance as at 31 December 2019.

TOT will be releasing its full results for the period ended 31 December 2019 on the 27 February 2020.

Forecast Distributions

TOT reaffirms forecast distribution guidance of 9.0 cents per unit (annualised) for FY20, reflecting a forecast annualised distribution yield of 8.5%².

On Market Buy Back

Given the Fund is currently trading at a 11.0% discount to the unaudited core Net Tangible Asset of \$1.16 and a distribution yield of approximately 8.5%, the Fund has announced an on-market buy back of up to 6.7 million securities (being 10% of the Fund's units as allowed under the ASX Listing rules). The buy back will be funded from TOT's current \$50 million cash balance (representing approximately \$0.35 per unit).

¹ Current receivables balance includes \$16.9 million of proceeds from sale of majority of URB equities portfolio prior to 31 December 2019

² Based on annualised FY20 forecast distributions / closing price of \$1.055 per unit on 22 January 2020

Notice of Meeting and Explanatory Memorandum

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 or other professional adviser without delay.

The stapled fund
comprising

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 ABN 15 090 664 396
AFSL 221 474 as responsible
entity of 360 Capital Total
Return Fund

360 Capital



Important notices

What is this document?

This Notice of Meeting and Explanatory Memorandum is dated 28 January 2020 and is issued by 360 Capital FM Limited ABN 15 090 664 396 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 Resolutions. 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 Resolutions.

Defined terms

Capitalised terms used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary on page 6. All times expressed in this Notice of Meeting and Explanatory Memorandum refer to Australian Eastern Daylight Time (AEDT) and references to dollars, \$, cents or ¢ are to Australian currency.

Any questions?

If you have any questions about your holding of Stapled Units or the Resolutions, please contact 360 Capital Investor Services on 1300 082 130. If you are in any doubt on how to vote on the Resolutions 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	9.00am Wednesday (AEDT) 19 February 2020
Date and time of Meeting	9.00am Friday (AEDT) 21 February 2020
Place	Bennelong Room Dexus Place Level 15, 1 Farrer Place Sydney NSW 2000 Australia

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Notice of Meeting

360 CAPITAL TOTAL RETURN FUND

Notice is hereby given by 360 Capital FM Limited ABN 15 090 664 396 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 Resolutions in this Notice of Meeting.

Date: Friday, 21 February 2020
Time: 9am AEDT
Place: Bennelong Room
Dexus Place
Level 15, 1 Farrer Place
Sydney NSW 2000
Australia

Business of the Meeting

Resolution 1. Ratification of the placement of Stapled Units to institutional investors in October 2019

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

"That the issue of 9,143,498 stapled units in the Fund at \$1.18 per stapled unit to institutional investors on 14 October 2019; and 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."

Resolution 2. Approval of current Fund investment strategy

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

"That the investment strategy set out in Annexure 2 to the Explanatory Memorandum be approved as the investment strategy of the Fund".

By order of the Board



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

Dated: 28 January 2020

Notes about the Meeting and how to vote

THESE NOTES FORM PART OF THE NOTICE OF MEETING

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 Resolutions.

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 that Resolution other than as a Member.

Voting Exclusion Statements

The Fund will disregard any votes cast in favour of Resolution 1 by or on behalf of:

- any person who participated in the issue of Stapled Units described in Resolution 1; or
- an associate of that person (or those persons).

However, the Fund need not disregard a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a Member acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the Member that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution; and
 - the Member votes on the resolution in accordance with directions given by the beneficiary to the Member to vote in that way.

Resolutions

Both resolutions are ordinary resolutions and will be passed if more than 50% of the votes cast by or on behalf of Members entitled to vote on each such resolution are in favour of that resolution.

Voting

Voting on the Resolutions will be decided by poll. 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 Resolutions.

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 Resolutions. If you do, your proxy does not have to vote, but if your proxy does vote, your proxy must vote as directed. 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 a 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 9.00am on Wednesday, 19 February 2020 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.

Online

www.votingonline.com.au/totegm2020

By facsimile

(02) 9290 9655

By post

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

In person

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

All Proxy Forms must be received by the Responsible Entity no later than 9.00am on Wednesday, 19 February 2020. Documents received after that time will not be valid for the Meeting.

RESOLUTION 1. Ratification of the placement of Stapled Units to institutional investors in October 2019

1.1 Placement of Stapled Units in October 2019

On 14 October 2019, the Fund announced an institutional placement of new Stapled Units to raise approximately \$10.8 million (**Institutional Placement**).

9,143,498 new Stapled Units were issued under the Institutional Placement at a price of \$1.18 per Stapled Unit. These Stapled Units were issued on 21 October 2019. Each Stapled Unit is comprised of one fully paid ordinary unit in the Active Fund and one fully paid ordinary unit in the Passive Fund, each of which are stapled to the other.

The proceeds from the Institutional Placement have been applied towards the Fund's non-bank lending activities and replenishing working capital to support the Fund's strong investment pipeline. Details of the placement were set out in the ASX announcements made by the Fund on 14 October 2019 and 21 October 2019.

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 Shaw and Partners Limited ABN 24 003 221 583. The Stapled Units were not issued under an agreement and accordingly Listing Rule 7.5.7 is not applicable.

Under Resolution 1, the Responsible Entity proposes that the Institutional Placement be ratified so as to enable further placements (or other issues) of Stapled Units within the following 12-month period.

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 will be 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 Resolution 1.

Please refer to Sections 1.3 to 1.5 below for more details regarding Resolution 1.

1.3 What is proposed?

Members are requested to ratify the Institutional Placement to refresh the Fund's capacity to issue new Stapled Units for the purposes of ASX Listing Rule 7.4 and for all other purposes.

1.4 Why is Resolution 1 being proposed?

ASX Listing Rule 7.1 imposes a general limit on the number of Stapled Units that the Fund can issue or agree to issue 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 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 **15% Limit**). ASX Listing Rule 7.4 provides that an issue of securities made without approval under rule 7.1 is treated as having been made with approval for the purpose of rule 7.1 if:

- the issue did not breach rule 7.1; and
- the holders of the entity's ordinary securities subsequently approve it.

The Institutional Placement the subject of Resolution 1 was made in accordance with ASX Listing Rule 7.1) and thereby reduced the Fund's capacity to issue further Stapled Units under the 15% Limit. As such, if Resolution 1 is not passed, the Fund will be restricted in its ability to issue Stapled Units (including by way of any further institutional placement) for a period of 12 months from the date of the Institutional Placement. However, if Resolution 1 is passed, the Fund's capacity to issue Stapled Units will be refreshed which will allow the Fund to undertake further issues of Stapled Units (including placements) within the following 12-month period. Any further issue (including 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.

1.5 What does refreshment mean for Members?

Advantages

The effect of an approval of Resolution 1 would be that the Stapled Units issued under the Institutional Placement (the subject of Resolution 1) 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 Resolution 1 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

One of the key potential disadvantages and risks associated with approving Resolution 1 is that if the Fund issues further equity by way of a placement or otherwise (which it would be able to do, should Members approve Resolution 1) 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 issued.

The directors of the Responsible Entity are of the opinion that this potential disadvantage and risk are substantially outweighed by the potential advantages and benefits associated with the Fund refreshing its capacity to issue Stapled Units, 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 Resolution 1.

1.6 What happens if Resolution 1 is not approved?

If Members do not approve Resolution 1, 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.

RESOLUTION 2. Approval of current Fund investment strategy

2.1 Investment strategy

The Responsible Entity deems it appropriate (as a matter of good governance) to give Members the opportunity to review and approve the current investment strategy of the Fund, which has continued to evolve over time. Broadly speaking, given the Fund's wide real estate mandate, the investment strategy is to identify opportunities across the real estate capital stack, taking advantage of market conditions to maximise risk adjusted returns for Members. The original investment strategy of the Fund as outlined in the Fund's original product disclosure statement (issued prior to the Fund's initial public offering) is set out in Annexure 1 to this Explanatory Memorandum.

The Responsible Entity notes that as the investment strategy has evolved over time, key differences between the current investment strategy and the original investment strategy are that the Fund:

- (1) may now invest in residential assets;
- (2) may now invest in assets located overseas; and
- (3) may have exposure to development activities.

2.2 What does the update mean for Members?

Advantages

Key advantages of the investment strategy are that it provides the Fund with broad flexibility to invest in a wide range of real estate assets.

Disadvantages

The potential downside to this flexibility is that from time to time the Fund may invest in assets that don't perform in accordance with the Fund's expectations.

Members are invited to review the original investment strategy (see Annexure 1) and to separately review and approve the current investment strategy in the form set out in Annexure 2 to this Explanatory Memorandum.

2.3 What happens if Resolution 2 is not approved?

If Members do not approve Resolution 2, it will not have an impact on the Fund and the Responsible Entity will continue to ensure that the investments of the Fund are managed in the best interests of Members. However, if the Responsible Entity proposed to make a significant change, either directly or indirectly, to the nature or scale of the Funds activities, the Responsible Entity will be required to notify the ASX as soon as practicable, and if the ASX requires, the Fund must get the approval of Members for such change.

2.4 What does the Responsible Entity recommend?

The Responsible Entity recommends that Members vote in favour of Resolution 2.

QUERIES

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

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.
AEDT	Australian Eastern Daylight 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.
Responsible Entity	The responsible entity of the Fund, 360 Capital FM Limited (ABN 15 090 664 396) (AFSL 221474).
Stapled Unit	A Stapled Unit in the Fund comprising a unit in the Active Fund stapled to a unit in the Passive Fund.
Wholesale Client	A wholesale client for the purposes of section 761G of the Corporations Act.

Annexure 1 - Original Investment Strategy

Original Investment Strategy

The Fund's investment strategy is to invest in real estate based activities and actively manage a diversified portfolio of investments including, but not limited to:

- repositioning assets, including short term releasing positions and refurbishment projects;
- investing in investment properties that generate rental income;
- underwriting potential capital raisings in the real estate sector including syndicates for both unlisted funds and listed funds;
- taking strategic positions in unlisted funds, including providing liquidity solutions to existing unitholders of those funds;
- capitalising on mispriced trading opportunities within the ASX listed A-REIT sector;
- participating in mergers and acquisition activities occurring within the Australian real estate markets; and
- participating in special situations which arise from time to time within Australian real estate markets including distressed sales, investments with restructuring potential, and providing loans.

The table below describes examples of some activities the Fund could undertake under its investment mandate

Debt	Equity	Direct property
Senior Debt	ASX listed	Passive assets
Mezzanine debt	Unlisted funds	Repositioning via leasing
Bridging finance	Underwriting activities	Repositioning via refurbishment
Secondary trading	Mergers and acquisitions	Rezoning

The Fund's Original Objective and Strategy

The Responsible Entity's objective is to provide total returns to Stapled Unitholders through a selective and disciplined investment philosophy combined with 360 Capital's access to real estate based investment opportunities, with a performance hurdle of 12.0% total return per annum.

The Fund's investment strategy is to invest in real estate based activities and actively manage a diversified portfolio of investments including:

- repositioning assets, including short term releasing positions and refurbishment projects;
 - investing in investment properties that generate rental income;
 - underwriting potential capital raisings in the real estate sector including syndicates for both unlisted funds and listed funds;
 - taking strategic positions in unlisted funds, including providing liquidity solutions to existing unitholders of those funds;
 - capitalising on mispriced trading opportunities within ASX listed A-REIT sector;
 - participating in mergers and acquisition activities occurring within Australian real estate markets; and
 - participating in special situations which arise from time to time within Australian real estate markets including distressed sales, investments with restructuring potential, and providing loans.
- The Fund will not invest in residential assets or assets located overseas and will not undertake any development activities.
- By continuing to maintain a disciplined investment strategy and active management, the Responsible Entity believes it will be able to deliver recurring income along with capital growth to drive a total return to Stapled Unitholders.
- This objective will be achieved through:
- sourcing new investment opportunities that sit outside both the investment mandates of institutional investors and the general scale of most private investors;
 - conducting thorough due diligence in respect of all investments to ensure appropriate risk adjusted returns;
 - defining a clear strategy for each investment including an appropriate exit strategy; and
 - accessing 360 Capital's proven expertise in asset management and sourcing new investment opportunities.

Annexure 2 - Current Investment Strategy

Current Investment Strategy

The Fund's investment strategy is to invest in real estate-based activities and actively manage a diversified portfolio of investments including, but not limited to:

- repositioning assets, including short term releasing positions and refurbishment projects;
- investing in investment properties that generate rental income;
- investing in development projects;
- investing in real estate based operating businesses;
- investing in real estate debt
- underwriting potential capital raisings in the real estate sector including syndicates for both unlisted funds and listed funds;
- taking strategic positions in unlisted funds, including providing liquidity solutions to existing unitholders of those funds;
- capitalising on mispriced trading opportunities within the ASX listed A-REIT sector;
- participating in mergers and acquisition activities occurring within the Australian real estate markets; and
- participating in special situations which arise from time to time within Australian real estate markets including distressed sales, investments with restructuring potential, and providing loans.

The table below describes examples of some activities the Fund could undertake under its investment mandate

Debt	Equity	Direct property
Senior Debt	ASX listed	Passive assets
Mezzanine debt	Unlisted funds	Repositioning via leasing
Bridging finance	Underwriting activities	Repositioning via refurbishment
Secondary trading	Mergers and acquisitions	Rezoning

The Fund's Current Objective and Strategy

The Responsible Entity's objective for the Fund is to provide regular quarterly distributions in line with the Fund's passive earnings and re-investment of the Fund's active earnings.

The Fund's investment strategy is to invest in real estate-based activities and actively manage a diversified portfolio of investments including:

- repositioning assets, including short term releasing positions and refurbishment projects;
- investing in investment properties that generate rental income;
- investing in development projects;
- investing in real estate based operating businesses;
- underwriting potential capital raisings in the real estate sector including syndicates for both unlisted funds and listed funds;
- taking strategic positions in unlisted funds, including providing liquidity solutions to existing unitholders of those funds;
- capitalising on mispriced trading opportunities within the ASX listed A-REIT sector;
- participating in mergers and acquisition activities occurring within the Australian real estate markets; and
- participating in special situations which arise from time to time within Australian real estate markets including distressed sales, investments with restructuring potential, and providing loans.

The Fund will not invest in residential assets or assets located overseas and will not undertake any development activities.

The Fund may invest across both Australian and New Zealand real estate markets.

By continuing to maintain a disciplined investment strategy and active management, the Responsible Entity believes it will be able to deliver recurring income along with capital growth to drive a total return to Stapled Unitholders.

This objective will be achieved through:

- sourcing new investment opportunities that sit outside both the investment mandates of institutional investors and the general scale of most private investors;
- conducting thorough due diligence in respect of all investments to ensure appropriate risk adjusted returns;
- defining a clear strategy for each investment including an appropriate exit strategy; and
- accessing 360 Capital's proven expertise in asset management and sourcing new investment opportunities.

360 Capital



Corporate Directory

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

ABN 15 090 664 396

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 (ABN 15 090 664 396, 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.

360 Capital



All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 082 130
(outside Australia) +61 2 8016 2884

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 9:00am (AEDT) on Wednesday 19 February 2020.**

🖨 TO VOTE ONLINE

📱 BY SMARTPHONE

STEP 1: VISIT <https://www.votingonline.com.au/totegm2020>

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **9:00am (AEDT) on Wednesday, 19 February 2020.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

🖨 **Online** <https://www.votingonline.com.au/totegm2020>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

360 Capital Total Return Fund

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

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of 360 Capital Total Return Fund (the stapled entity comprising the 360 Capital Total Return Passive Fund and the 360 Capital Total Return Active Fund) and entitled to attend and vote hereby appoint:

☐

the Chair of the Meeting (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Extraordinary General Meeting of the Fund to be held at the **Bennelong Room, Dexus Place, Level 15, 1 Farrer Place, Sydney NSW 2000 on Friday, 21 February 2020 at 9:00am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business. If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf so your vote will not be counted.

		For	Against	Abstain*
Resolution 1	Ratification of the placement of Stapled Units to institutional investors in October 2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of current Fund investment strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF MEMBER/S

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2020