



## 360 CAPITAL INVESTMENT TRUST

### Interim Financial Report For the half year ended 31 December 2020

Comprising 360 Capital Investment Trust ARSN 104 552 598 and its controlled entities.

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of 360 Capital Investment Trust for the year ended 30 June 2020 and any public announcements made by 360 Capital Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**360 Capital Investment Trust**  
**Directors' report**  
**For the half year ended 31 December 2020**

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The Directors of 360 Capital FM Limited (CFML) (ABN 15 090 664 396) (AFSL No 221474), the Responsible Entity of 360 Capital Investment Trust (Trust) present their report, together with the financial report of 360 Capital Investment Trust and its controlled entities (consolidated entity) for the half year ended 31 December 2020.

The consolidated entity forms part of the stapled entity, 360 Capital Group (Stapled Group or Group) (ASX: TGP) comprising 360 Capital Group Limited (Company) and its controlled entities and 360 Capital Investment Trust and its controlled entities.

**Directors**

The following persons were Directors of 360 Capital FM Limited during the half year and up to the date of this report unless otherwise stated:

David van Aanholt (Chairman)  
Tony Robert Pitt  
William John Ballhausen  
Graham Ephraim Lenzner  
Andrew Graeme Moffat

On 15 February 2021, Graham Lenzner announced his retirement from his role as independent non-executive director of 360 Capital Group Limited and 360 Capital FM Limited and their related entities, effective from 31 March 2021.

**Principal activities**

The Group is a diversified investment and funds management business whose purpose is to be a leading Australian investor and fund manager of alternative assets, partnering with stakeholders to identify, invest and realise on opportunities. The Group's four investment strategies which make up its alternative assets management and investment strategy are:

- Real Assets
- Private Equity
- Public Equity
- Credit

**Operating and financial review**

The key financial highlights for the half year ended 31 December 2020 include:

- Statutory net profit attributable to unitholders of \$0.7 million (December 2019: \$2.0 million)
- Operating profit<sup>1</sup> of \$0.8 million (December 2019: \$2.1 million)
- Statutory Earnings per Unit (EPU) of 0.3 cpu (December 2019: 0.9 cpu)
- Distributions per Unit (DPU) of 2.0 cpu (December 2019: 2.0 cpu)

The key operating achievements for the half year ended 31 December 2020 include:

- Repayment of the \$19.8 million childcare loan
- Redeemed investment in 360 Capital Active Value Equity Fund for \$3.6 million

1 Operating profit is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents the profit under AAS adjusted for specific non-operating items. The Responsible Entity considers operating profit to reflect the core earnings of the Trust and it is used as a guide to assess the Trust's ability to pay distributions to unitholders. The operating profit has not been subject to any specific audit procedures by the Trust's auditor but has been extracted from Note 1: Segment reporting.

**360 Capital Investment Trust**  
**Directors' report**  
**For the half year ended 31 December 2020**

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**Operating and financial review (continued)**

Investment in 360 Capital Active Value Equity Fund

During the half year, 360 Capital Active Value Equity Fund (CAVEF) redeemed all of the units held by the consolidated entity for consideration of \$3.6 million. The results of CAVEF are consolidated into the financial statements of the Trust up to the final redemption date of 24 September 2020. The details of the deconsolidation can be found in Note 8.

Investment in 360 Capital Enhanced Income Fund (ASX:TCF)

The Trust acquired a 19.9% stake in the Australian Enhanced Income Fund (ASX:AYF) in July and August 2020. On 22 July 2020, 360 Capital Group put forward a proposal to AYF unitholders to remove the manager, Elstree Investment Management Limited and appoint 360 Capital FM Limited as responsible entity of the fund. On 9 September 2020, unitholders of AYF formally approved the change of responsible entity to 360 Capital FM Limited and the name of the fund changed to 360 Capital Enhanced Income Fund (ASX:TCF).

TCF processed a number of redemptions totalling \$11.2 million during the period and completed a \$12.1 million capital raise in December 2020. As a result, the Trust's ownership percentage of TCF fluctuated throughout the half year to 37.1% on 9 September 2020 and up to 45.3% in December, before being diluted down to 18.5% as a result of the capital raise on 17 December 2020. Accordingly, TCF is equity accounted for the period from 9 September 2020 to 17 December 2020, and held at fair value through profit or loss at 31 December 2020.

**Impact of COVID-19 on the consolidated entity**

The World Health Organization declared a global pandemic in March 2020 as a result of the novel coronavirus (COVID-19). The consolidated entity has considered the impact of COVID-19 in preparing its financial report for the half year. The effects of the pandemic are continuing to unfold, and the extent of the social, medical and economic impacts worldwide are unknown.

**Summary and Outlook**

The Group is an investor and fund manager of alternative assets which partners with its stakeholders to identify, invest and realise on opportunities. The Group intends to continue to execute on its strategy across its four segments representing real assets, private and public equity and credit.

**Distributions**

Distributions declared by 360 Capital Investment Trust directly to unitholders during the half year were as follows:

	<b>31 December</b>	<b>31 December</b>
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
1.0 cent per unit paid on 24 October 2019	-	2,309
1.0 cent per unit paid on 23 January 2020	-	2,309
1.0 cent per unit paid on 27 October 2020	2,295	-
1.0 cent per unit paid on 27 January 2021	2,295	-
<b>Total</b>	<b>4,590</b>	<b>4,618</b>

**Significant changes in state of affairs**

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the half year under review other than those listed above or elsewhere in the Directors' report.

**Likely developments and expected results of operations**

The Group will continue to focus on implementing its strategy of managing and investing in alternative assets.

**Events subsequent to balance date**

No other circumstances have arisen since the end of the half year which have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

**360 Capital Investment Trust**  
**Directors' report**  
**For the half year ended 31 December 2020**

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**Buy back arrangement**

The consolidated entity is not under any obligation to buy back, purchase or redeem units from unitholders. During the half year, the consolidated entity bought back and cancelled 1,350,000 units related to the Group's 2017 employee share plan (December 2019: Nil) at an average price of \$1.01.

**Auditor's independence declaration**

The auditor's independence declaration required under Section 307C of the Corporations Act 2001 is set out on page 5 and forms part of the Directors' report for the half year ended 31 December 2020.

**Rounding of amounts**

The Trust is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC). In accordance with that Instrument, amounts in the interim financial report and Directors' report have been rounded to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Directors.



**David van Aanholt**  
Chairman



**Tony Robert Pitt**  
Managing Director

Sydney  
26 February 2021



**Building a better  
working world**

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## **Auditor's Independence Declaration to the Directors of 360 Capital FM Limited as Responsible Entity for 360 Capital Investment Trust**

As lead auditor for the review of the half-year financial report of 360 Capital Investment Trust for the half-year ended 31 December 2020, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of 360 Capital Investment Trust and the entities it controlled during the financial period.

Ernst & Young

Douglas Bain  
Partner  
26 February 2021

**360 Capital Investment Trust**  
**Consolidated interim statement of profit or loss and other comprehensive income**  
**For the half year ended 31 December 2020**

		31 December 2020 \$'000	31 December 2019 \$'000
	Note		
<b>Revenue from continuing operations</b>			
Rental from investment properties		-	306
Distributions		96	124
Finance revenue		305	1,298
<b>Total revenue from continuing operations</b>		<b>401</b>	<b>1,728</b>
<b>Other income</b>			
Net gain on disposal of financial assets		49	-
Share of equity accounted profits	5	730	1,383
Net gain on deconsolidation of controlled entity		-	122
Net gain on fair value of financial assets		81	-
Foreign exchange gains		-	97
Reversal of provision for loss		10	-
<b>Total other income</b>		<b>870</b>	<b>1,602</b>
<b>Total revenue and other income from continuing operations</b>		<b>1,271</b>	<b>3,330</b>
Administration expenses		470	541
Finance expenses		-	61
Transaction costs		12	15
Provision for loss		-	10
Net loss on fair value of financial assets		-	401
Net loss on disposal of financial assets		-	139
Net loss on deconsolidation of controlled entity	9	61	-
<b>Profit for the half year</b>		<b>728</b>	<b>2,163</b>
<b>Profit attributable to:</b>			
Profit attributable to unitholders		728	2,013
Profit attributable to non-controlling interests		-	150
<b>Profit for the half year</b>		<b>728</b>	<b>2,163</b>

**360 Capital Investment Trust**  
**Consolidated interim statement of profit or loss and other comprehensive income**  
**For the half year ended 31 December 2020**

	31 December 2020 \$'000	31 December 2019 \$'000	
<b>Profit for the half year</b>	<b>728</b>	2,163	
<b>Other comprehensive income that may be reclassified to profit or loss</b>			
Other comprehensive loss	(913)	-	
<b>Total comprehensive (loss)/income for the half year</b>	<b>(185)</b>	2,163	
<b>Total comprehensive income attributable to:</b>			
Unitholders of 360 Capital Investment Trust	(185)	2,013	
Non-controlling interests	-	150	
<b>Total comprehensive (loss)/income for the half year</b>	<b>(185)</b>	2,163	
<b>Earnings per unit for profit attributable to unitholders of the consolidated entity</b>			
	Note	Cents	Cents
<b>Basic earnings per unit</b>	12	<b>0.3</b>	0.9
<b>Diluted earnings per unit</b>	12	<b>0.3</b>	0.9

*The above consolidated interim statement of profit or loss and other comprehensive income should be read with the accompanying notes.*

**360 Capital Investment Trust**  
**Consolidated interim statement of financial position**  
**As at 31 December 2020**

		<b>31 December</b>	<b>30 June</b>
		<b>2020</b>	<b>2020</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current assets</b>			
Cash and cash equivalents		52,796	69,479
Receivables	3	476	1,958
Loans receivable	4	-	19,790
Financial assets at fair value through profit or loss		-	1,611
Due from related entities		49,735	15,638
Other current assets		6	-
<b>Total current assets</b>		<b>103,013</b>	<b>108,476</b>
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss		3,744	2,226
Investments equity accounted	5	65,456	66,539
<b>Total non-current assets</b>		<b>69,200</b>	<b>68,762</b>
<b>Total assets</b>		<b>172,213</b>	<b>177,238</b>
<b>Current liabilities</b>			
Trade and other payables		130	116
Distribution payable		2,295	2,309
<b>Total current liabilities</b>		<b>2,425</b>	<b>2,425</b>
<b>Total liabilities</b>		<b>2,425</b>	<b>2,425</b>
<b>Net assets</b>		<b>169,788</b>	<b>174,813</b>
<b>Equity</b>			
Issued capital - trust units	6	194,872	194,877
Other capital reserves		(1,822)	-
Accumulated losses		(23,262)	(20,263)
<b>Total equity attributable to unitholders</b>		<b>169,788</b>	<b>174,614</b>
Non-controlling interest		-	199
<b>Total equity</b>		<b>169,788</b>	<b>174,813</b>

*The above consolidated interim statement of financial position should be read with the accompanying notes.*

**360 Capital Investment Trust**  
**Consolidated interim statement of changes in equity**  
**For the half-year ended 31 December 2020**

	Note	Issued capital \$'000	Other capital reserves \$'000	Accumulated losses \$'000	Total equity attributable to unitholders \$'000	External non- controlling interest \$'000	Total equity \$'000
<b>Balance at 1 July 2020</b>		194,877	-	(20,263)	174,614	199	174,813
Profit for the half year		-	-	728	728	-	728
Comprehensive income for the half year		-	(913)	-	(913)	-	(913)
Total comprehensive income for the half year		-	(913)	728	(185)	-	(185)
<b>Transactions with non-controlling interest</b>		-	(909)	863	(46)	(199)	(245)
<b>Transactions with Unitholders in their capacity as Unitholders</b>							
Equity raising transaction costs		(5)	-	-	(5)	-	(5)
Distributions	2	-	-	(4,590)	(4,590)	-	(4,590)
		(5)	-	(4,590)	(4,595)	-	(4,595)
<b>Balance at 31 December 2020</b>		<b>194,872</b>	<b>(1,822)</b>	<b>(23,262)</b>	<b>169,788</b>	<b>-</b>	<b>169,788</b>
<b>Balance at 1 July 2019</b>		194,880	-	(14,593)	180,287	-	180,287
Total comprehensive income for the half year		-	-	2,013	2,013	150	2,163
<b>Transactions with non-controlling interest</b>		-	-	(723)	(723)	(150)	(873)
<b>Transactions with Unitholders in their capacity as Unitholders</b>							
Distributions	2	-	-	(4,617)	(4,617)	-	(4,617)
		-	-	(4,617)	(4,617)	-	(4,617)
<b>Balance at 31 December 2019</b>		<b>194,880</b>	<b>-</b>	<b>(17,920)</b>	<b>176,960</b>	<b>-</b>	<b>176,960</b>

The above consolidated interim statement of changes in equity should be read with the accompanying notes.

**360 Capital Investment Trust**  
**Consolidated interim statement of cash flows**  
**For the half-year ended 31 December 2020**

	31 December 2020	31 December 2019
Note	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Cash receipts from customers	-	315
Cash payments to suppliers	(496)	(156)
Distributions received	2,335	1,090
Finance revenue	386	1,305
Finance expenses	(1)	(61)
<b>Net cash inflows from operating activities</b>	<b>2,224</b>	<b>2,493</b>
<b>Cash flows from investing activities</b>		
Payments for additions to investment properties	-	(39,024)
Payments for equity accounted investments	-	(11,608)
Payments for financial assets	(3,633)	(20,267)
Proceeds from disposal of financial assets	3,858	269
Payments for loans receivable	-	(19,887)
Proceeds from loans receivable	19,800	-
Payment of transaction costs	-	(15)
<b>Net cash inflows/(outflows) from investing activities</b>	<b>20,025</b>	<b>(90,532)</b>
<b>Cash flows from financing activities</b>		
Loans to related parties	(34,122)	(11,348)
Repayment from related parties	-	7,500
Proceeds from issue of capital to NCI	-	10,634
Payment of transaction costs to issue capital	(5)	-
Distributions paid to unitholders	(4,604)	(2,296)
<b>Net cash (outflows)/inflows from financing activities</b>	<b>(38,731)</b>	<b>4,490</b>
Net decrease in cash and cash equivalents	(16,482)	(83,549)
Cash balance on deconsolidation of controlled entities	(201)	(214)
Cash and cash equivalents at the beginning of the half year	69,479	164,780
<b>Cash and cash equivalents at the end of the half year</b>	<b>52,796</b>	<b>81,017</b>

*The above consolidated interim statement of cash flows should be read with the accompanying notes.*

**360 Capital Investment Trust**  
**Notes to the interim financial report**  
**For the half year ended 31 December 2020**

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**360 Capital Investment Trust**  
**Notes to the interim financial report**  
**For the half year ended 31 December 2020**

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**Financial Information**

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the consolidated entity.

**Note 1: Segment reporting**

The Trust is a single segment for reporting within Australia.

The Chief Operating Decision Maker, being the Managing Director of the Responsible Entity, monitors the performance and results of the Trust at a total Trust level. As a result, the Trust has only one segment. Operating profit is a financial measure which is not prescribed by AAS and represents the profit under AAS adjusted for non-operating items which management consider to reflect the core earnings of the Trust and is used as a guide to assess the Trust's ability to pay distributions to unitholders.

The following table summarises key reconciling items between statutory profit attributable to the unitholders of the Trust and operating profit.

	<b>31 December 2020 \$'000</b>	<b>31 December 2019 \$'000</b>
<b>Profit attributable to the unitholders of the Trust</b>	<b>728</b>	2,013
<b>Non-operating items</b>		
Net (gain)/loss on fair value of financial assets	(61)	401
Net (gain)/loss on disposal of financial assets	(49)	139
Share of equity accounted profits, net of distributions received	98	(342)
Loss on deconsolidation of controlled entity	61	-
Loss allowance/(reversal of loss allowance)	(10)	10
Other items	-	24
Transaction costs	7	15
Foreign exchange gains	-	(135)
<b>Operating profit (profit before non-operating items)</b>	<b>774</b>	2,125
Weighted average number of units ('000)	218,373	218,373
<b>Operating profit per unit (profit before non-operating items) (EPU) - cents</b>	<b>0.4</b>	1.0

**360 Capital Investment Trust**  
**Notes to the interim financial report**  
**For the half year ended 31 December 2020**

**Note 2: Distributions**

Distributions declared by 360 Capital Investment Trust directly to unitholders during the half year were as follows:

	<b>31 December</b>	<b>31 December</b>
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
1.0 cent per unit paid on 24 October 2019	-	2,309
1.0 cent per unit paid on 23 January 2020	-	2,309
1.0 cent per unit paid on 27 October 2020	2,295	-
1.0 cent per unit paid on 27 January 2021	2,295	-
<b>Total</b>	<b>4,590</b>	<b>4,618</b>

**Note 3: Receivables**

Receivables include:

	<b>31 December</b>	<b>30 June</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Trade receivables	59	55
Interest income receivable	-	81
Distributions receivable	417	1,822
	<b>476</b>	<b>1,958</b>

**Note 4: Loans receivable**

During the half year, the Trust's loan receivable to a childcare operator previously carried at amortised value of \$19.8 million was repaid in full. Amounts previously provisioned for expected credit losses have been recognised as other income in the current period.

	<b>31 December</b>	<b>30 June</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Secured loans – amortised cost	-	19,800
Loss allowance	-	(10)
	-	19,790

**360 Capital Investment Trust**  
**Notes to the interim financial report**  
**For the half year ended 31 December 2020**

**Note 5: Investments equity accounted**

	31 December 2020 %	30 June 2020 %	31 December 2020 \$'000	30 June 2020 \$'000
<b>Co-investment interest</b>				
360 Capital Passive REIT	20.2	20.0	25,386	25,531
Global Data Centre Group	33.2	37.9	40,070	41,005
			<b>65,456</b>	<b>66,536</b>

Co-investment interest

The Trust holds a 20.2% interest in the stapled entity 360 Capital REIT (ASX:TOT), with the beneficial interest of 360 Capital Passive REIT units held by 360 Capital Diversified Property Fund and the beneficial interest of 360 Capital Active REIT units held by 360 Capital Property Limited.

Global Data Centre Group

The Trust holds a 33.2% interest in Global Data Centre Group (ASX:GDC) (formerly 360 Capital Digital Infrastructure Fund (ASX:TDI)) at the reporting date. During the half year, GDC completed an institutional capital raise which had the impact of diluting the Trust's ownership in GDC.

360 Capital Enhanced Income Fund

The Trust acquired a 19.9% stake in 360 Capital Enhanced Income Fund (ASX:TCF) (formerly Australian Enhanced Income Fund (ASX:AYF)) throughout July and August 2020. The Trust's ownership percentage of TCF fluctuated throughout the half year to 37.1% following unitholder redemptions on 9 September 2020 and up to 45.3% in December, before being diluted down to 18.5% as a result of a capital raise on 17 December 2020. Accordingly, TCF is equity accounted for the period from 9 September 2020 to 17 December 2020, and held at fair value through profit or loss at 31 December 2020.

Reconciliation of movements in equity accounted investments for the half year are as follows:

	31 December 2020 \$'000	30 June 2020 \$'000
<b>360 Capital Passive REIT</b>		
Opening Balance - 1 July	25,531	17,989
Acquisitions of interest	-	8,477
Equity accounted profit for the half year	689	1,355
Distributions	(834)	(2,291)
Closing Balance	<b>25,386</b>	25,531
<b>Global Data Centre Group</b>		
Opening Balance - 1 July	41,005	-
Recognition on deconsolidation	-	39,667
Disposals of interest	-	3,131
Equity accounted (loss)/profit for the half year	(23)	1,202
Equity accounted reserves	(683)	(818)
Distributions	-	(2,176)
Dilution loss on deemed disposal	(229)	-
Closing Balance	<b>40,070</b>	41,005
<b>360 Capital Enhanced Income Fund</b>		
Opening Balance - 1 July	-	-
Transfer in from financial assets at FVTPL	3,539	-
Equity accounted profit for the half year	64	-
Transfer out to financial assets at FVTPL	(3,603)	-
Closing Balance	-	-
	<b>65,456</b>	<b>66,536</b>

**360 Capital Investment Trust**  
**Notes to the interim financial report**  
**For the half year ended 31 December 2020**

**Note 6: Equity**

**(a) Issued capital**

	<b>31 December 2020 000's</b>	<b>30 June 2020 000's</b>
360 Capital Investment Trust - Ordinary units issued <sup>1</sup>	218,373	218,373
<small>1. Excluding ESP securities on issue and EIS rights issued</small>		
	<b>\$'000</b>	<b>\$'000</b>
360 Capital Investment Trust - Ordinary units issued <sup>1</sup>	194,872	194,877

**(b) Movements in issued capital**

	<b>000's</b>	<b>'000</b>
Opening balance at 1 July	218,373	218,373
Closing balance	<b>218,373</b>	218,373
	<b>31 December 2020 \$'000</b>	<b>30 June 2020 \$'000</b>
Opening balance at 1 July	194,877	194,880
Transaction costs incurred in issuing capital	(5)	(3)
Closing balance	<b>194,872</b>	194,877

Under Australian Accounting Standards securities issued under the 360 Capital Group Employee Security Plans (ESP) are required to be accounted for as options and are excluded from total issued capital, until such time as the relevant employee loans are fully repaid or the employee leaves the Group. Total ordinary securities issued as detailed above is reconciled to securities issued on the ASX as follows:

	<b>31 December 2020 000's</b>	<b>30 June 2020 000's</b>
Total ordinary securities balance at 1 July	230,873	230,873
Issued capital – ESP securities cancelled	(1,350)	-
Total securities issued on the ASX	<b>229,523</b>	230,873

In September 2020, 1,350,000 ESP securities were bought back and cancelled at face value and the corresponding loans were repaid. The average price of the securities cancelled was \$1.01.

**(c) Share Based Payment (SBP) Schemes**

**Reconciliation of Shares and Rights outstanding under SBP Schemes**

<b>Plan</b>	<b>Balance 1 July Securities</b>	<b>Issued</b>	<b>Vested</b>	<b>Forfeited/ Cancelled</b>	<b>Balance 31 Dec Securities</b>
LTI - 23 December 2019	1,309,000	-	-	-	1,309,000
LTI - 21 October 2020	-	2,189,800	-	-	2,189,800
	1,309,000	2,189,800	-	-	3,498,800
ESP - 2 August 2017	12,500,000	-	-	(1,350,000)	11,150,000
	12,500,000	-	-	(1,350,000)	11,150,000
	<b>13,809,000</b>	<b>2,189,800</b>	-	<b>(1,350,000)</b>	<b>14,648,800</b>

**360 Capital Investment Trust**  
**Notes to the interim financial report**  
**For the half year ended 31 December 2020**

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**Note 6: Equity (continued)**

On 2 August 2017 and 13 October 2017, a total of 12,500,000 stapled securities were granted to employees of the Stapled Group under the 360 Capital Group ESP. The issue price per security was \$0.98 which was equal to the volume weighted average price for the 10 days preceding the issue date. In September 2020, 1,350,000 ESP securities were cancelled, leaving 11,150,000 ESP securities outstanding at 31 December 2020. These ESP securities are not included in the calculation of the basic number of stapled securities on issue due to the non-recourse nature of the associated ESP loans.

The employees who participated in the ESP were also provided with a loan on the grant date of an amount equivalent to the face value of the securities. Interest on the loan is equal to any distributions or dividends paid on the securities over the 3 year period, and should performance hurdles not be met, or participants elect not to repay the loan, then the Board, at its discretion, will either sell or cancel the securities. The security based payments reserve captures all transactions relating to the securities under the plan.

Securities under the ESP were due to vest on 1 August 2020. Given the security price volatility triggered by the COVID-19 pandemic, together with ongoing market and economic uncertainty, the Board decided to extend the vesting period by up to 12 months to 1 August 2021, subject to certain conditions. Securityholder approval was received at the Group's AGM in November 2020 for the extension of the vesting period for Directors. A holding lock remains on vested securities until such time as the associated loan is repaid.

On 21 October 2020, a total of 1,589,300 and 600,500 performance rights were granted under the Group's Long Term Incentive (LTI) offer (2020 LTI rights) to KMPs and staff respectively pursuant to the terms of the 360 Capital EIP, exercisable from on or around 31 August 2023 (vesting date) subject to vesting conditions. The fair value of each performance right was \$0.37 at the issue date. Upon vesting and exercise in accordance with those plan terms, each performance right will vest and entitle the holder to one fully paid ordinary security (ASX:TGP).

**360 Capital Investment Trust**  
**Notes to the interim financial report**  
**For the half year ended 31 December 2020**

**Risk**

This section of the notes discusses the consolidated entity's exposure to various risks and shows how these could affect the consolidated entity's financial position and performance.

**Note 7: Fair value measurement**

**Fair values**

The fair value of receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows and based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities

Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)

Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

For financial instruments that are recognised at fair value on a recurring basis, the consolidated entity determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

As at 31 December 2020, the consolidated entity held the following classes of financial instruments measured at fair value:

	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>As at 31 December 2020:</b>				
<i>Financial assets</i>				
Financial assets at fair value through profit or loss	<b>3,744</b>	3,744	-	-
<b>As at 30 June 2020:</b>				
<i>Financial assets</i>				
Financial assets at fair value through profit or loss	3,837	1,611	-	2,226

There were no transfers between different levels of the fair value measurement hierarchy. Fair value hierarchy levels are reviewed on an annual basis unless there is a significant change in circumstances indicating that the classification may have changed.

Reconciliation of fair value measurements categorised within the Level 3 hierarchy for the half year is as follows:

	<b>31 December</b>	<b>30 June</b>
	<b>2020</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 July:	2,226	2,183
Financial assets acquired	-	1,750
Financial assets disposed	(2,226)	(2,183)
Fair value adjustment of financial assets	-	476
<b>Closing balance</b>	<b>-</b>	<b>2,226</b>

**360 Capital Investment Trust**  
**Notes to the interim financial report**  
**For the half year ended 31 December 2020**

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**Note 7: Fair value measurement (continued)**

**Valuation techniques**

Financial assets at fair value through profit or loss

For fair value profit or loss financial assets, the consolidated entity invests in listed and unlisted investments. The value of the investments in the listed market is stated at unit price as quoted on the ASX at each statement of financial position date. As such, listed investments are categorised as Level 1 instruments. Unlisted investments are not traded in an active market and are categorised as Level 3 instruments. The Net Tangible Assets (NTA) of the underlying investments is used as a basis for valuation however may be amended as deemed appropriate (e.g. when the NTA of the underlying investment is negative).

**360 Capital Investment Trust**  
**Notes to the interim financial report**  
**For the half year ended 31 December 2020**

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**Group Structure**

This section of the notes provides information which will help users understand how the group structure affects the financial position and performance of the consolidated entity.

**Note 8: Business combinations and acquisition of non-controlling interests**

There were no business combinations and acquisitions of non-controlling interests during the half year ended 31 December 2020.

Business combination details from the prior period are detailed below:

Global Data Centre Group (ASX: GDC) - formerly 360 Capital Digital Infrastructure Fund (ASX: TDI)

On 2 July 2019 GDC was established and the Trust subscribed for 12,875,001 units in the fund for \$25,000,002 representing 100% ownership of GDC. CFML was appointed as responsible entity of GDC. The Trust is deemed under AASB10 *Consolidated Financial Statements* to control GDC as it owns 100% of the fund.

On 17 September 2019, GDC issued 12,874,999 additional units for \$24,999,998. The Trust subscribed for 7,321,239 of these units for \$14,215,998, which led to an overall dilution in the Trust's ownership of GDC to 78.4%. The Trust is deemed under AASB10 *Consolidated Financial Statements* to control GDC as it continues to hold a 78.4% interest in GDC. At the date of dilution, the fair value of assets and liabilities was \$25.0 million leading to a nil gain or loss on dilution.

On 31 October 2019, GDC became listed on the ASX (formerly ASX:TDI) and issued 32,500,000 additional units for \$65,000,000 as part of the IPO. The Trust subscribed for 1,565,571 of these units for \$3,131,142, which led to an overall dilution in the Trust's ownership of GDC to 37.4%. The Trust is deemed under AASB10 *Consolidated Financial Statements* to no longer control GDC as its ownership of GDC is below 50%. GDC was deconsolidated from this date and as the Trust then has significant influence over GDC, the fair value of GDC has been established as the initial carrying value of the equity accounted associate and equity accounting has been performed from 31 October 2019 through to the reporting date. A gain on deconsolidation of \$0.1m has been recognised.

**Note 9: Business divestment**

Business divestment transactions during the half year ended 31 December 2020 are detailed below. There were no divestment transactions in the prior period.

360 Capital Active Value Equity Fund (CAVEF)

During the half year, CAVEF liquidated a significant portion of its investments. Cash from the sale of investments was used to fund the redemption of all units held by the consolidated entity.

Redemptions occurred over two transactions as set out below, over which all of the Trust's units in CAVEF were redeemed and subsequently cancelled.

	<b>31 December</b>
	<b>2020</b>
	<b>\$'000</b>
<b>Consideration received on redemption of CAVEF units</b>	
Cash receipt – redemption on 31 July 2020	1,627
Cash receipt – redemption on 24 September 2020	1,982
<b>Total consideration received</b>	<b>3,608</b>

**360 Capital Investment Trust**  
**Notes to the interim financial report**  
**For the half year ended 31 December 2020**

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**Note 9: Business divestment (continued)**

Up until the final redemption on 24 September 2020, the Trust consolidated CAVEF into its financial statements. The details of the deconsolidation upon the final redemption are as follows:

	<b>\$'000</b>
<b>Assets</b>	
Cash and cash equivalents	40
Financial assets at fair value through profit or loss	2,226
<b>Liabilities</b>	
Trade and other payables	(16)
Carrying value of assets divested	2,250
Less: Non-controlling interests	(206)
<b>Carrying value of assets divested excluding non-controlling interest</b>	<b>2,044</b>
Consideration received	1,982
Net loss on disposal	<b>(62)</b>
Net gain on disposal recognised on 31 July 2020	1
<b>Net loss on disposal recognised during the half year</b>	<b>(61)</b>

**Unrecognised Items**

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

**Note 10: Events subsequent to balance date**

No other circumstances have arisen since the end of the half year which have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

**360 Capital Investment Trust**  
**Notes to the interim financial report**  
**For the half year ended 31 December 2020**

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**Other Information**

This section of the notes includes information that must be disclosed to comply with prescribed accounting standards and other pronouncements, but that are not immediately related to individual line items in the financial statements.

**Note 11: Related party transactions**

Responsible Entity

The Responsible Entity of the Trust is 360 Capital FM Limited. The immediate parent entity of the Responsible Entity is 360 Capital Property Limited (ABN 46 146 484 433), and its ultimate parent entity is 360 Capital Group Limited (ABN 18 113 569 136).

The following significant transactions occurred with related parties during the half year:

Investment in 360 Capital Enhanced Income Fund (ASX: TCF)

In July and August 2020, 360 Capital Diversified Property Fund, a subsidiary of the Trust, acquired 639,958 units in 360 Capital Enhanced Income Fund (ASX:TCF) (formerly known as Australian Enhanced Income Fund (ASX:AYF) on market, representing a 19.9% holding on 13 August 2020. Total consideration paid was \$3.6 million.

On 22 July 2020, 360 Capital Group put forward a proposal to AYF unitholders to remove the manager, Elstree Investment Management Limited and appoint 360 Capital FM Limited as responsible entity of the fund. On 9 September 2020, unitholders of AYF formally approved the change of responsible entity to 360 Capital FM Limited and the name of the fund changed to 360 Capital Enhanced Income Fund (ASX:TCF).

TCF processed a number of redemptions totalling \$11.2 million during the period and completed a \$12.1 million capital raise in December 2020. As a result, the Trust's ownership percentage of TCF fluctuated throughout the half year to 37.1% on 9 September 2020 and up to 45.3% in December, before being diluted down to 18.5% as a result of the capital raise on 17 December 2020. Accordingly, TCF is equity accounted for the period from 9 September 2020 to 17 December 2020, and held at fair value through profit or loss at 31 December 2020.

Redemption from 360 Capital Active Value Equity Trust (CAVEF)

During the half year, 360 Capital Active Value Equity Fund (CAVEF) redeemed all of the units held by the Trust for consideration totalling \$3.6 million. CAVEF is consolidated into the financial statements as a subsidiary from 1 July 2020 up until the final redemption of units on the 24 September. The details of the deconsolidation can be found in Note 8.

Due to/from related entities

The Trust has a loan to 360 Capital Group Limited, which is the stapled entity to the Trust. The loan relates to the investment operation of the Stapled Group and is unsecured, non-interest bearing, and payable on demand.

	<b>31 December 2020</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Due from 360 Capital Group Limited	49,735,135	15,638,809

Responsible Entity's fees

Under the terms of the Constitution, the Responsible Entity is entitled to receive fees in accordance with the product disclosure statement.

	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>\$</b>	<b>\$</b>
Management fees paid/payable by the Trust	370,800	371,400

**360 Capital Investment Trust**  
**Notes to the interim financial report**  
**For the half year ended 31 December 2020**

**Note 12: Earnings per unit**

	31 December 2020 cents	31 December 2019 cents
Basic earnings per unit	0.3	0.9
Diluted earnings per unit	0.3	0.9
	<b>\$'000</b>	<b>\$'000</b>
<b>Basic and diluted earnings</b>		
Profit attributable to unitholders of the consolidated entity used in calculating earnings per unit	454	2,013
	<b>000's</b>	<b>000's</b>
<b>Weighted average number of units used as a denominator</b>		
Weighted average number of units - basic	218,373	218,373
Weighted average number of units - diluted	230,176	230,873

Dilution

As at 31 December 2020, there is a total of 11,150,000 stapled securities outstanding (31 December 2019: 12,500,000) that have been granted to employees of the Stapled Group under the 360 Capital Group Employee Security Plans (ESP). These ESP securities have an associated loan to the employees and are therefore excluded from the calculation of basic securities on issue due to the non-recourse nature of the associated ESP loans.

**Note 13: Basis of preparation**

**a) Reporting entity**

The financial report of 360 Capital Investment Trust comprises the consolidated financial statements of 360 Capital Investment Trust (ARSN: 104 552 598) and its controlled entities. The consolidated entity forms part of the stapled entity, 360 Capital Group (Stapled Group) (ASX: TGP) comprising 360 Capital Group Limited and its controlled entities and 360 Capital Investment Trust and its controlled entities. A 360 Capital Group stapled security comprises one 360 Capital Group Limited share stapled to one 360 Capital Investment Trust unit to create a single listed entity traded on the ASX. The stapled security cannot be traded or dealt with separately.

The registered office and the principal place of business is Level 8, 56 Pitt Street, Sydney NSW 2000 Australia. The nature of operations and principal activities of the consolidated entity are disclosed in the Directors' report.

The financial report was approved for issue by the Board on 26 February 2021.

The principal accounting policies adopted in the preparation of the financial report are set out below.

**b) Basis of preparation**

These interim financial statements for the half year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001, as appropriate for profit-oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board.

**360 Capital Investment Trust**  
**Notes to the interim financial report**  
**For the half year ended 31 December 2020**

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**Note 13: Basis of preparation (continued)**

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The financial report is presented in Australian dollars.

The consolidated entity is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC). In accordance with that Instrument, amounts in the financial report and Directors' report have been rounded to the nearest thousand dollars, unless otherwise stated.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

**c) Accounting standards issued but not yet effective**

The Fund has adopted all Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. The amendments adopted by the Trust for the period commencing 1 July 2020 are detailed below:

- AASB 2018-6 *Amendments to AASs - Definition of a Business*
- AASB 2018-7 *Amendments to AASs - Definition of Material*
- AASB 2019-1 *Amendments to AASs - References to the Conceptual Framework*

These amendments had no impact on the consolidated financial statements of the Trust.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**360 Capital Investment Trust**  
**Directors' declaration**  
**For the half year ended 31 December 2020**

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In the opinion of the Directors of 360 Capital FM Limited, the Responsible Entity:

- 1) The consolidated financial statements and notes that are set out on pages 6 to 23 are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting and Corporations regulations 2001* and other mandatory professional reporting requirements; and
- 2) There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



**David van Anholt**  
Chairman



**Tony Robert Pitt**  
Managing Director

Sydney  
26 February 2021



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## **Independent Auditor's Review Report to the unitholders of 360 Capital Investment Trust**

### **Report on the Half-Year Financial Report**

#### **Conclusion**

We have reviewed the accompanying half-year financial report of 360 Capital Investment Trust and its subsidiaries (collectively the "Group") which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of 360 Capital FM Limited, the Responsible Entity of the Group.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### **Directors' Responsibility for the Half-Year Financial Report**

The directors of the Responsible Entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2020 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Ernst & Young

Douglas Bain  
Partner  
Sydney  
26 February 2021