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360 Capital

ASX Release

29 April 2022

360 Capital Group (ASX: TGP)

NOTICE OF EXTRAORDINARY MEETING OF MEMBERS

Dear Investor,

On behalf of the Board, I notify you of an Extraordinary Meeting of the Members of 360 Capital Group Limited ACN 113 569 136 and a meeting of the unitholders of 360 Capital Investment Trust ARSN 104 552 598 (ASX:TGP), to be held concurrently.

The Meeting of Members of TGP will be held in person and virtually at **10.00am (AEST)** on **Wednesday, 1 June 2022**. Formal notice of meeting is enclosed.

To record your vote, please return the proxy form to our Registry provider before 10.00am (AEST) on Monday, 30 May 2022.

Yours Sincerely,

Tony Pitt
Executive Chairman

Authorised for release by, Glenn Butterworth, Company Secretary.

360 Capital

Notice of Extraordinary General Meetings

360 Capital Group Limited ACN 113 569 136

360 Capital Investment Trust ARSN 104 552 598

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 financial, legal, tax or other professional adviser without delay.

Important Notices

What is this document?

Notice is hereby given that a meeting of the shareholders of 360 Capital Group Limited ACN 113 569 136 (the "**Company**") and a meeting of the unitholders of 360 Capital Investment Trust ARSN 104 552 598 (the "**Trust**") (together, the "**Meetings**") will be held concurrently as set out in this document. Company shareholders and Trust unitholders are referred to in this document as "**Securityholders**".

Concurrent Meetings are being held for the Company and the Trust, as they have identical Securityholders following the stapling of the shares in the Company with the units in the Trust, those securities are referred to as ("**Stapled Securities**").

This Notice is issued by the Company and 360 Capital FM Limited ACN 090 664 396 as responsible entity of the Trust ("**Trust RE**"). The constitutions of the Company and the Trust ("**Company Constitution**" and "**Trust Constitution**" respectively) provide that meetings of Securityholders of both the Company and the Trust may be held in conjunction with each other while stapling of the shares in the Company to the units in the Trust applies. Accordingly, where applicable, the Meetings will be a meeting of both the Company and the Trust (the "**Group**").

The purpose of this Notice is to provide information considered to be material to the decision of Securityholders in determining how to vote on the Resolution.

All information in this document forms part of the Notice.

No investment advice

The information contained in this Notice 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 (including the Explanatory Memorandum) in its entirety before making any investment decision and any decision on how to vote on the Resolution.

Any questions?

360 Capital Group is committed to providing Securityholders with an opportunity to ask questions in advance of the Meetings. If you have any questions about the Resolution, please contact 360 Capital Investor Services on 1300 082 130. If you are in any doubt on how to vote on the Resolution or the action to be taken, you should contact your financial, legal, tax or other professional adviser without delay.

Meeting details and important dates

Last date and time for receipt of Proxy Forms	10.00am (AEST) 30 May 2022
Date and time to determine your eligibility to vote at the Meetings	7.00pm (AEST) 30 May 2022
Date and time of the Meetings	10.00am (AEST) 1 June 2022
Place	The Meetings will be held at Level 37, Gateway Tower, 1 Macquarie Place, Sydney NSW 2000 and virtually at web.lumiagm.com/373565817

Contents

Notice of Meetings

360 CAPITAL GROUP LIMITED ACN 113 569 136 ("**Company**")

360 CAPITAL INVESTMENT TRUST ARSN 104 552 598 ("**Trust**")

Notice is given by the Company and the Trust RE that a meeting of members of the Company and the Trust (the "**Group**") will be held concurrently at the time, date and place detailed below, or such later time and date as notified to Securityholders:

Date: 1 June 2022

Time: 10.00am (AEST)

Place: The meeting will be held at Level 37, Gateway Tower, 1 Macquarie Place, Sydney NSW 2000 and virtually at web.lumiagm.com/373565817

The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on matters to be considered at the Meetings. The notes about the Meetings and Explanatory Memorandum are part of this Notice of Meeting.

Business of the Meetings

APPROVAL OF ACQUISITION

The Meeting is asked to consider and if thought fit, pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.1 and for all other purposes, the acquisition by the Group of shares in PMG Holdings Limited from 360 Capital REIT (ASX:TOT), who is a related party of the Group, on the terms described in the Explanatory Memorandum, be approved."

Short Explanation

The Group wishes to acquire a 50% interest in PMG Holdings Limited, a New Zealand Fund Manager, from 360 Capital REIT (ASX:TOT) (the **Proposed Acquisition**). The Group is a substantial securityholder in TOT and is deemed a related party, a substantial holder and an associate by virtue of ASX Listing Rules 10.1.1, 10.1.3 and 10.1.4. Accordingly, the Group seeks Securityholder approval for the Proposed Acquisition in accordance with Listing Rule 10.1.

Independent Expert's Report

Securityholders should carefully consider the Independent Expert's Report included with this Notice of Meeting, prepared by the Independent Expert, Grant Thornton for the purposes of the Securityholder approval required under ASX Listing Rule 10.1. The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of this Resolution to the non-associated Securityholders in the Group. The Independent Expert has determined that the Resolution is fair and reasonable to the non-associated Securityholders.

Voting Exclusion Statement

The Group will disregard any votes case in favour of the Resolution by or on behalf of:

- TOT, the Group, and any other person who will obtain a material benefit as a result of the Proposed Acquisition (except a benefit solely by reason of being a holder of ordinary securities in the Group); or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with 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 holder 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 holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

By order of the Boards of the Company and Trust RE

Tony Pitt

Executive Chairman

360 Capital Group

Dated: 29 April 2022

Notes about the Meetings and how to vote

THESE NOTES FORM PART OF THE NOTICE

Changing the time and date of the Meetings and updated information

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

The Group will endeavour to notify Securityholders of any such postponement prior to the original date and time of the Meetings, however the postponement of the Meetings will not be invalidated by the failure to do so. If the Meetings are adjourned for one month or more, the Group will give new notice of the adjourned Meetings.

Any updated information in relation to the Meetings or the Resolution will be made available by the Group on the Group's website at www.360capital.com.au.

Quorum

The Company Constitution provides that three Securityholders present personally, or by representative, attorney or proxy, shall be a quorum for a General Meeting of the Company.

The Trust Constitution provides that two Securityholders present personally, or by representative, attorney or proxy, shall be a quorum for a meeting of the Trust.

Proxies

If you are unable or do not wish to attend the Meetings, you may appoint a proxy to attend and vote on your behalf. A proxy need not be a Securityholder.

If a Securityholder is entitled to two or more votes they may appoint two proxies and may specify the number or percentage of votes each proxy is appointed to exercise. If no such number or percentage is specified, each proxy may exercise half the Securityholder's votes.

Body corporate representatives

Body corporate representatives are requested to provide appropriate evidence of appointment as a representative. Attorneys are requested to provide a copy of the Power of Attorney pursuant to which they have been appointed. Representatives will also be required to provide proof of identity. These documents can be mailed to the Group at least 24 hours before the meeting.

Voting entitlements

The Directors of the Company and Trust RE have determined that, subject to the voting restrictions set out below, voting entitlements will be determined from the names of the Securityholders on the Register of Securityholders of the Company and the Trust as at 7.00pm (AEST) 30 May 2022.

Voting procedure

Voting on the Resolution will be undertaken by a poll where each Securityholder present in person or by proxy or attorney or where the Securityholder is a body corporate, by representative, will, in the case of a resolution of the Company, have one vote for each fully paid share held in the Company and, in the case of a resolution of the Trust, have one vote for each whole $1.00 of unit value held in the Trust.

General voting exclusions

In accordance with section 253E of the Corporations Act, the Trust RE and its associates are not entitled to vote units of the Trust held by them if they have an interest in a resolution other than as a holder of units of the Trust.

Proxy voting by the Chair of the Meetings

If the Chair of the Meetings is your proxy, and you do not provide a voting direction with respect to the Resolution, you will have directed the Chair of the Meetings to vote in favour of the Resolution. The Chair of the Meetings also intends to vote undirected proxies in favour of the Resolution.

Required Voting Majority

The Resolution to be put to the Securityholders at the Meetings is an ordinary resolution and will be passed if greater than 50% of the votes cast by Securityholders entitled to vote on the resolution, (in person, by proxy, attorney or corporate representative), are in favour.

Lodgement of proxies and other authorities

Proxy Forms and other authorities should be returned by posting them in the reply-paid envelope provided or delivering them to one of the addresses below.

By post

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Online

https://www.votingonline.com.au/tgpegm2022

By facsimile
(02) 9290 9655

By hand
c/- Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

All Proxy Forms must be received by Boardroom Pty Limited no later than 10.00am (AEST) 30 May 2022.

Documents received after that time will not be valid for the Meetings.

Virtual participation

The Meetings will be held both physically and virtually. Those Securityholders who attend virtually will have the opportunity to participate in the Meetings through an online platform.

Securityholders who wish to participate in the Meetings may do so:

- from their computer, by entering the URL in their browser web.lumiagm.com/373565817

  or

- from their mobile device by either entering the URL in their browser web.lumiagm.com/373565817

If you choose to participate in the Meetings online, you can log in to the meeting by entering:

- the meeting ID for the online Meetings, which is 373-565-817;
- your username is your Voting Access Code (**VAC**), which is located the first page of your Proxy Form; and
- your password, which is the postcode registered to your holding if you are an Australian Securityholder. Overseas Securityholders will need to enter the three-character country code e.g. New Zealand – NZL of their registered holding address. A full list of country codes can be found at the end of the user guide.

You will be able to view the Meetings live, lodge a direct vote in real time and ask questions online.

Securityholders participating in the Meeting will be able to cast direct votes between the commencement of the Meeting (10.00am AEST on 1 June 2022) and the closure of voting as announced by the Chairman during the Meetings.

More information regarding online participation at the Meetings (including how to vote and ask questions online during) is available in the User Guide. The User Guide is attached to this Notice of Meeting and will be lodged with the ASX and will also be available from our website.

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of Securityholders of the Company and the Trust in relation to the business to be conducted at the Meetings to be held at 10.00am (AEST) 1 June 2022.

The purpose of this Explanatory Memorandum is to assist Securityholders to decide how to vote upon the Resolution set out in the Notice of Meeting and is intended to be read in conjunction with the Notice of Meeting.

The Directors unanimously recommend Securityholders vote in favour of the Resolution. The Chairman of the Meetings intends to vote all available undirected proxies in favour of the Resolution.

RESOLUTION: APPROVAL OF ACQUISITION

General Background

360 Capital REIT is a listed stapled security comprising 360 Capital Passive REIT and 360 Capital Active REIT trading as 360 Capital REIT (ASX: TOT) (**TOT**). In February 2021, 360 Capital Active REIT (**TOT Active**) entered into a Share Sale Agreement (the **Original SPA**) to acquire a 50% interest in PMG Holdings Limited (**PMG**) from various vendors (**PMG Vendors**).

Further details in relation to PMG and its business are set out below under the heading "PMG Holdings".

Subject to obtaining Securityholder approval, the Group proposes to acquire, either directly or indirectly through a wholly owned subsidiary, the 50% interest in PMG (**PMG Interest**) from TOT Active (the **Proposed Acquisition**).

Terms of the Proposed Acquisition

Share Sale Agreement

On 13 April 2022, Group entered into a Share Sale Agreement (**Share Sale Agreement**) to acquire the PMG Interest from TOT Active. The material terms of the Share Sale Agreement are:

Term	Summary
Parties	360 Capital Group Limited, or a wholly owned subsidiary of 360 Capital Group Limited, will acquire the PMG Interest from 360 Capital FM Limited as responsible entity of 360 Capital Active REIT (being TOT Active).
Purchase Price	The purchase price payable by the Group to TOT Active for the PMG Interest will be a cash consideration of: • NZ$21.875 million; plus • an amount equal to 50% of the NTA of PMG as at the date of completion, the **Purchase Price.**
Conditions	Completion is conditional on: • the Independent Expert concluding that the Proposed Acquisition is fair and reasonable; and • Securityholders approving the Proposed Acquisition, the **Conditions**. If the Conditions are not satisfied by 30 June 2022, either party may terminate the Share Sale Agreement.
Original SPA - Warranties	Pursuant to the Original SPA, the PMG Vendors gave certain fundamental (title and capacity) and business warranties in favour of TOT Active (**Original Warranties**). The Original Warranties were qualified and limited in a manner that is consistent with market practice including the following limitations: • a cap on the liability of the PMG Vendors, being the purchase price for a breach of fundamental warranties and NZ$6million for a breach of all other warranties; • a de minimis threshold of NZ$30,000 for claims; • a time limit on claims of 6 years for a breach of fundamental warranties and 3 years for a breach of all other warranties TOT Active will assign the benefit of these Original Warranties to the Group as part of the arrangements relating to the Share Sale Agreement.
TOT Active Warranties	In addition to receiving an assignment of the benefit of the

	Original Warranties, TOT Active provides customary title and capacity warranties to Group in respect of itself and the PMG Interest held by it.

Shareholders Agreement

TOT Active is party to a Shareholders Agreement in relation to PMG dated 19 February 2021 (**Shareholders Agreement**) pursuant to which there is a general restriction on TOT Active disposing of the PMG Interest other than in accordance with the terms of the Shareholders Agreement. TOT Active is permitted to dispose of the PMG Interest to a 'Permitted Transferee' as that term is defined in the Shareholders Agreement and, for the purposes of the Shareholders Agreement, the acquisition by the Group (or a wholly owned subsidiary of the Group) will be a transfer to a Permitted Transferee.

Pursuant to the Shareholders Agreement, any person who becomes a shareholder of PMG will be required to accede to the terms of the Shareholders Agreement.

On completion of the Proposed Acquisition, Group will be required to accede to the Shareholders Agreement and will be bound by the terms of the Shareholders Agreement.

The Shareholders Agreement, amongst other things, governs the following:

- The manner of appointment of Directors and the operation of the PMG board including in relation to voting;
- Governance of shareholders meetings;
- Funding and dividend policies;
- Reporting requirements;
- Protocols re issuing new shares in PMG;
- Restrictions on transferring shares in PMG (including a lock in period, permitted transferee provisions (as noted above), a pre-emption regime and drag and tag rights);
- Shareholder default provisions;
- Restraint of trade provisions; and
- A regime for resolving disputes and deadlocks including a Russian roulette mechanism if parties are unable to resolve a dispute.

PMG Holdings

Founded in 1992 PMG is a New Zealand commercial real estate funds management business, managing 5 unlisted funds and approximately NZ$800 million of Funds Under Management. The unlisted funds are as follows:

PMG Generation Fund

A growing portfolio of strategically selected industrial, office and large format retail property assets diversified by region, sector and tenant.

Pacific Property Fund Limited

This is PMG's largest portfolio of industrial, office and retail properties across main metropolitan centres in New Zealand.

PMG Direct Office Fund

Office properties in main metropolitan areas across NZ which provide the opportunity to add value through proactive asset management.

PMG Direct Childcare Fund

A portfolio of new build Early Childhood Education properties across major New Zealand Metropolitan centres.

PMG Capital Fund Limited

A Private Equity Fund focussed on acquiring real estate and facilitating the transfer to a PMG investment fund after either adding value, underwriting, or as a short term buy/sell transaction.

Listing Rule 10.1

Listing Rule 10.1 states than an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, the following persons, without obtaining approval from the holders of the entity's ordinary securities:

- a related party;
- a child entity;
- a substantial (10%+) holder;
- an associate of a person referred to above; or
- a person whose relationship to the entity or a person referred to above is such that, in ASX's opinion, the transaction should be approved by securityholders.

An asset is deemed to be substantial if its value, or the value of the consideration for it is, or in ASXs opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX under the ASX Listing Rules (the **5% Rule**).

The Group is a substantial securityholder in TOT and is deemed a related party, a substantial holder and an associate by virtue of ASX Listing Rules 10.1.1, 10.1.3

and 10.1.4.

As the value of the Purchase Price payable by the Group to TOT Active for the PMG Interest exceeds the 5% Rule amount, Listing Rule 10.1 is to apply to the Proposed Acquisition.

Accordingly, the Group seeks Securityholder approval for the Proposed Acquisition in accordance with Listing Rule 10.1.

Technical Information required by Listing Rule 14.1A

If the Resolution is passed, the Group will be able to proceed with the Proposed Acquisition.

If the Resolution is not passed, the Proposed Acquisition will not proceed, and the Share Sale Agreement will terminate on its terms.

Technical Information required by Listing Rule 10.5

For the purposes of Listing Rule 10.5, the following information is provided in relation to the Resolution and the Proposed Acquisition:

- the seller of the PMG Interest is 360 Capital FM Limited (**360 CFM**) as responsible entity of 360 Capital Active REIT (i.e. TOT Active);
- 360 CFM is a wholly owned subsidiary of the Group;
- the Group, through its wholly owned subsidiary 360 Capital Property Limited, is a substantial holder in TOT and holds 34,488,486 stapled securities or 24.05%;
- the assets being acquired by Group from TOT Active are shares in PMG, being the PMG Interest;
- the consideration for the acquisition of the PMG Interest is the Purchase Price (as set out above) which exceeds 5% of the equity interests of the Group and is therefore deemed a substantial asset;
- the acquisition of the PMG Interest will be funded by cash on balance sheet;
- if the Proposed Acquisition is approved by Securityholders, it is expected that the completion of the acquisition of the PMG Interest by Group will occur on 2 June 2022;
- a summary of the material terms of the sale agreement pursuant to which Group will acquire the PMG Interest are set out above;
- a voting exclusion statement is included for the Resolution; and
- the Independent Expert's Report is attached to this Notice at Annexure A.

Independent Expert's Report

Listing Rule 10.5.10 provides that a notice of meeting to obtain Securityholder approval for the purpose of Listing Rule 10.1 must include a report on the transaction from an independent expert.

The Independent Expert's Report accompanying this Notice, prepared by Grant Thornton, sets out a detailed independent examination of the Proposed Acquisition to enable Securityholders to assess the merits of the Proposed Acquisition and decide whether or not the approve the Resolution.

The Independent Expert has concluded that the Proposed Acquisition is fair and reasonable to Securityholders.

Securityholders are encouraged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

The Group confirms that it has undertaken appropriate enquiries into the assets and liabilities, financial position and performance, profits and losses, and prospects of PMG and is satisfied that the Proposed Acquisition is in the interests of the Group and its Securityholders.

Advantages of the Proposed Acquisition

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Securityholders decision on how to vote on the Resolution:

- the Group will expand its business beyond Australia and into New Zealand, thereby bringing about greater opportunities for the Group in the future;
- the acquisition of the PMG Interest will result in Securityholders receiving additional income streams over and above those currently held by the Group;
- the PMG management team will provide deep levels of experience in all aspects of real estate investing in New Zealand. Furthermore, the PMG team has an extensive network throughout the New Zealand property industry to assist the Group in securing new investment opportunities.

Disadvantages of the Proposed Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Securityholder's decision on how to vote on the Resolution:

- the use of capital to purchase the PMG Interest from TOT will restrict the Group's ability to sponsor other activities within the wider 360 Capital Group and its managed funds.

The Board considers that the significant benefits provided by the Proposed Acquisition outweigh the potential disadvantages described above.

Directors Interests in the Proposed Acquisition

Tony Pitt is a director of the Group and is also a director of 360 Capital FM Limited which is appointed as responsible entity of TOT.

Pursuant to the Shareholders Agreement, TOT Active nominated Tony Pitt as a director of PMG. If the Proposed Acquisition proceeds, Group would continue to nominate Tony Pitt as a representative on the board of PMG.

QUERIES

If you have any questions regarding your investment in the Group, the Resolution, 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 CFM	360 Capital FM Limited ABN 15 090 664 396.
360 Capital Group or **Group** or **TGP**	360 Capital Group (ASX:TGP) being the stapled entity comprising 360 Capital Group Limited ABN 18 113 569 136 and 360 Capital FM Limited ABN 15 090 664 396 (AFSL 221474) as Responsible Entity for 360 Capital Investment Trust ARSN 104 552 598.
AEST	Australian Eastern Standard time.
ASX	ASX Limited (ABN 98 008 624 691) or the financial market operated by it (as the context requires).
ASX Listing Rules	The official Listing Rules of the ASX.
Company Constitution	The constitution of the Company.
Conditions	The conditions to the Proposed Acquisition, as further described in the Explanatory Memorandum.
Corporations Act	Corporations Act 2001 (Cth).
Directors	The directors of the Group.
Explanatory Memorandum	The explanatory memorandum contained in this document.
Independent Expert	Grant Thornton.
Independent Expert's Report	The independent expert's report set out in Annexure A.
Meetings	The meetings of Securityholders of the Group to be held pursuant to the Notice of Extraordinary Meeting.
Notice of Extraordinary Meeting or **Notice**	This document, including the Notice of Extraordinary Meeting set out on page 2 of this document.
NTA	Net Tangible Assets.
NZD	New Zealand Dollars.
Original SPA	Has the meaning given in the Explanatory Memorandum.
Original Warranties	Has the meaning given in the Explanatory Memorandum.
PMG	PMG Holdings Limited.
PMG Interest	Means the 50% interest in PMG to be acquired pursuant to the Proposed Acquisition.
PMG Vendors	Has the meaning given in the Explanatory Memorandum.
Proposed Acquisition	The proposed acquisition of the PMG Interest by TGP, as further described in the Explanatory Memorandum.
Proxy Form	The form by which a Securityholder may appoint a proxy to vote on the Resolution on its behalf without attending the Meetings in person.
Purchase Price	The purchase price payable by TGP pursuant to the Share Sale Agreement, as further described in the Explanatory Memorandum.
Resolution	The resolution set out in this Notice of Extraordinary Meeting.
Responsible Entity or **RE**	The responsible entity of 360 Capital Investment Trust ARSN 104 552 598, 360 Capital FM Limited ABN 15 090 664 396 (AFSL 221474).
Securityholder	A registered holder of a Stapled Security.

Share Sale Agreement	The Share Sale Agreement dated 13 April 2022 between TOT Active and TGP, as further described in the Explanatory Memorandum.
Stapled Security	A Stapled Security in the Group comprising a share in 360 Capital Group Limited ABN 18 113 569 136 stapled to a unit in 360 Capital Investment Trust ARSN 104 552 598 and **Stapled Securities** shall have a corresponding meaning.
TOT	360 Capital REIT (ASX:TOT) being the stapled entity comprising 360 Active REIT ARSN 602 303 613 and 360 Capital Passive REIT ARSN 602 304 432.
TOT Active	360 Active REIT ARSN 602 303 613.
Trust	360 Capital Investment Trust ARSN 104 552 598.
Trust Constitution	The constitution of the Trust.
Trust RE	The responsible entity of the Trust (360 Capital FM Limited ABN 15 090 664 396 (AFSL 221474)).

360 Capital Group Limited

Independent Expert's Report and Financial Services Guide

22 April 2022

Summary of opinion

Grant Thornton Corporate Finance has concluded that the Proposed Transaction is FAIR AND REASONABLE to the Non-Associated Securityholders.

The Independent Directors
360 Capital FM Limited
Level 37,
1 Macquarie Place
Sydney, NSW 2000

22 April 2022

Dear Directors

Independent Expert's Report and Financial Services Guide

Introduction

360 Capital Group ("360 Capital" or "TGP" or the "Bidder") is an ASX-listed, investment and funds management group, providing strategic and active investment management services. It currently acts as the responsible entity for 360 Capital REIT ("360 Capital REIT" or "TOT" or the "Vendor"). In addition, it also provides exposure to various debt instruments through its 360 Capital Enhanced Credit Income Fund. As at 28 March 2022, TOT and TPG had a market capitalisation of c. A$131 million and c. A$206 million respectively. TGP does not own or manage any assets in New Zealand.

PMG Holdings Ltd ("PMG" or the "Company") is a real estate funds management business that invests in properties in the commercial, industrial and childcare sectors. As at 31 March 2022, the Company had funds under management[1] ("FUM") of c. NZ$893.5 million[2], managed 46[3] properties across 5 unlisted open-ended funds. PMG is 50% owned by TOT and 50% by Management. TOT acquired its 50% interest in PMG in February 2021 for a total consideration of c. NZ$19.1 million[4].

On 31 January 2022, TGP announced that in line with its strategy of increasing its funds under management, it had entered into an agreement with TOT to acquire TOT's 50% interest in PMG ("Proposed Transaction"). Under the agreement, the total consideration will be NZ$21.875 million plus 50% of PMG NTA ("NTA Adjustment"). Based on the latest financial position as at 31 December 2021, the NTA of PMG on a 100% basis is expected to be c. NZ$3.8 million. Accordingly, the NTA Adjustment is c. NZ$1.9 million. As a result the total consideration is NZ$23.8 million ("Total Consideration").

The Proposed Transaction is subject to the terms and conditions discussed in section 1 of this IER. If the Proposed Transaction is approved, TOT's 50% interest in PMG will be transferred to TGP and the balance will continue to be held by Management of PMG ("Management").

1 Funds under Management represents the gross value of the properties i.e. debt plus equity
2 This includes the property at Heretaunga West Street Property ("Heretaunga") which as at the date of this report has not yet been settled. The risk of settlement in relation to this property remains low.
3 Ibid.
4 This consideration was structured as follows - NZ$13.3 million representing the value of the funds management platform and NZ$1.6 million for TOT's share of the NTA. These amounts were paid upfront. NZ$4.2 million was conditional and payable over two years subject to the Company achieving a FUM of NZ$875 million. An 8% coupon on conditional monies outstanding over the earn-out period.

Subject to the Independent Expert concluding that the Proposed Transaction is fair and reasonable, the Independent Directors[5] of TGP have unanimously recommended that Non-Associated Securityholders vote in favour of the Proposed Transaction and Each Director intends to vote or to procure to vote the TGP Shares that they own in favour of the Proposed Transaction.

Purpose of the report

The Consideration represents c. 10%[6] of the net asset value of TGP as at 31 December 2021 and TOT is a related party of TGP. Accordingly, the Proposed Transaction is a transaction that is covered by ASX Listing Rules 10.1 *Transactions with related parties* ("ASX LR 10.1") and Chapter 2E of the Corporations Act (the "Act").

When preparing this IER, Grant Thornton Corporate Finance had regard to the Australian Securities Investment Commission ("ASIC") Regulatory Guide 111 Contents of expert reports ("RG 111") and Regulatory Guide 112 Independence of experts ("RG 112"). The IER also includes other information and disclosures as required by ASIC.

Summary of opinion

Grant Thornton Corporate Finance has concluded that the Proposed Transaction is FAIR AND REASONABLE to the Non-Associated Securityholders.

In forming our opinion, Grant Thornton Corporate Finance has considered whether the Proposed Transaction is fair and reasonable to the Non-Associated Securityholders and other quantitative and qualitative considerations.

Fairness Assessment

In forming our opinion in relation to the fairness of the Proposed Transaction to the Non-Associated Securityholders, Grant Thornton Corporate Finance has compared the fair market value of TOT's interest in PMG to the Total Consideration.

The following table summarises our valuation assessment:

Fairness assessment NZ$ 000s unless stated otherwise	*Section Reference*	Low	High
Fair market value of TOT's interest in PMG	*Section 6*	21,662	25,100
Total Consideration	*Note 1*	23,850	23,850
Premium/(discount)		**2,188**	**(1,250)**
Premium/(discount) (%)		**10.1%**	**(5.0%)**
FAIRNESS ASSESSMENT		**FAIR**	

Source: GTCF Calculations
Note (1): Total Consideration comprises the fair market value of the funds management platform plus the NTA Adjustment.

[5] Independent Directors are those that are not associated with TOT.
[6] Calculated as NZ$21.875 million (Value of the Management Platform) + NZ$1.9 million (NTA Adjustment) divided by reported Net asset value of TGP as at 31 December 2021 of c. NZ$242.8 million. The reported Net assets as at 31 December 2021 is A$223.179 million and for the purpose of this calculation, we converted this into NZ$ using an exchange rate of A$:NZ$ of 0.92:1.

The Total Consideration is within our assessed valuation range of TOT's interest in PMG. Accordingly, we conclude Consideration is FAIR to the Non-Associated Securityholders.

We have assessed the fair market value of TOT's interest in PMG by adopting a multiple of FUM ("FUM Multiple"). We have considered the FUM Multiple as the appropriate methodology given that PMG's income is characterised by a high-level of non-recurring / transactional revenue. We have cross-checked our valuation assessment using the EBIT multiple ("EBIT Multiple") method.

Reasonableness Assessment

RG111 establishes that the offer is reasonable if it is fair. It might also be reasonable if, despite being not fair, there are sufficient reasons for the security holders to accept the offer in the absence of any superior proposal. In assessing the reasonableness of approving the Proposed Transaction, we have considered the following advantages, disadvantages and other factors.

Advantages

In accordance with ASIC RG111, if a transaction is fair it is also reasonable. Notwithstanding that we have concluded that the Proposed Transaction is fair, we have also considered the following likely advantages, disadvantages and other factors.

Additional fees and access to New Geography

If the Proposed Transaction is implemented, it will create an enlarged and fully integrated real estate funds management business which should be better positioned to compete in the marketplace, grow its AUM and withstand increasingly volatile market conditions due to the following:

- *Additional FUM* – Following the acquisition of TOT's interest in PMG, TGP will be able to access additional FUM of NZ$893.5 million (on a 100% basis). This will enable TGP to generate additional fees and continue to grow the business.

- *Improved market position* – If the Proposed Transaction is completed, TGP will have access to the New Zealand market through its investment in PMG which currently does not serve. As a diversified funds manager operating in multiple geographies, this is likely to reflect in the trading price of TGP Securities which will ultimately benefit all TGP Securityholders.

- *Potential Synergies* – PMG's current investor base is predominantly comprised of retail and wholesale investors. TGP has a number of institutional investors across its various funds. Following the completion of the Proposed Transaction, TGP will be able to introduce potential investors to PMG which will ultimately benefit TGP Securityholders.

- *Attractiveness as a takeover target* – TGP's attractiveness as a potential takeover target is likely to be enhanced.

Future potential performance fees

TGP Securityholders may benefit from the receipt of potential future performance fees which may crystallise across certain funds in PMG. Over the past three years, PMG has received average performance fees of c.

NZ$1.1 million per annum. Whilst we have not expressly included any performance fees into our valuation assessment, they represent potential upside for TGP Securityholders.

Continuity of Management and protection of the intellectual property

Existing directors and key management are expected to continue in their current roles once the Proposed Transaction is approved. This will ensure that TGP Securityholders continue to benefit from the expertise of the current management after the Proposed Transaction.

Additional sources of capital

PMG intends to further grow its FUM. As part of a larger and listed funds management platform, PMG is likely to be able to access a larger pool of capital which may help it to pursue its growth initiatives.

Disadvantages

Advisor cost

As part of the Proposed Transaction, TGP has appointed advisors to assist with the Proposed Transaction. Most of these advisor costs are one-time expenses that are unlikely to generate future benefit for TGP Securityholders if the Proposed Transaction is not completed.

In our opinion, the advisor costs are sunk costs and these are likely to be offset by future benefit to TGP Securityholders.

Opportunity cost

TGP typically uses its balance sheet to co-invest alongside unitholders across the funds it manages. By deploying capital to acquire PMG, TGP's ability to sponsor other activities within the wider 360 Capital Group could be restricted.

However, this will be offset by the dividends available to TGP from PMG's performance.

Uncertainty due to macroeconomic factors

By investing in PMG, TGP's earnings will be impacted by the trends in the New Zealand market. Following the Reserve Bank of New Zealand's decision to increase interest rates from 0.25% to 1%, the macroeconomic environment in New Zealand is currently different when compared to Australia. The Reserve Bank of Australia has so far refrained from increasing interest rates which has helped continued to support the property markets in Australia. The near-term impact of the increases in interest rates on the property markets remains unclear. All else equal, this is likely to create uncertainty on the earnings of PMG in the short-term.

Other factors

Comparison with the acquisition of 50% of PMG by TOT

In February 2021, TOT acquired 50% of PMG at a total purchase price of NZ$17.5 million comprising an upfront payment of NZ$13.3 million and a deferred consideration of c. NZ$4.2 million based on an independent

Grant Thornton

valuation. The deferred consideration was payable over a period of two years provided the Company achieved a FUM of NZ$875 million. In addition to this, TOT would provide PMG an underwriting facility of c. NZ$10 million to grow the FUM.

Our assessed value range of TOT's interest in PMG's funds management platform is between c. NZ$21.7 million and c. NZ$25.1 million. We are of the opinion this is not unreasonable given that:

- In spite of another round of lockdowns, PMG has managed to retain majority of its tenants and rental collections continue to remain strong. Further, sectors such as childcare properties have rebounded strongly once lockdown restrictions were lifted suggesting that PMG's portfolio remains robust.

- TGP recently completed the sale of 50% of its interest in 360 Capital Global Data Centre Management platform (which manages the Global Data Centre Group ("GDC") to entities associated with the Managing Director of GDC and the FUM multiple adopted in our valuation assessment in broadly in line with the multiple implied in this transaction. We have not disclosed the transaction multiples due to confidentiality purposes.

- Between 1 February 2021 and 31 March 2022, the S&P 200 ASX A-REIT Index has grown by 21%[7]. Other funds management businesses such as Centuria Capital Group (63.3%[8]), Dexus (22%[9]), Cromwell Property Group (-0.5%[10]) and Home Consortium Limited (78.1%[11]) have shown positive trading price performance or have remained flat, demonstrating the resilience of the property market.

- A pool of potential purchasers with their professional networks and relationships could potentially ascribe some value to the pipeline of opportunities that are currently available with PMG.

Given the above, we consider the increase in the value of PMG over the last 12 months to be reasonable.

Directors' recommendations and intentions

Subject to the Independent Expert opining that the Proposed Transaction is fair and reasonable to the Non-Associated Securityholders, the Independent Directors of TGP unanimously recommend that all Non-Associated Securityholders vote in favour of the Proposed Transaction.

All the Independent Directors intend to vote or procure to vote in favour of the Proposed Transaction in respect of the TGP Securities that they own or control.

Reasonableness conclusion

In our opinion, the advantages outweigh the disadvantages as set out above and on this basis, it is our opinion that the Proposed Transaction is **REASONABLE** to the Non-Associated Securityholders.

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[7] This is measured as the relative movement between the value of the Index as at 1 February 2021 and 31 March 2022.
[8] This measured as the relative movement between the market capitalisation as at 1 February 2021 and 31 March 2022.
[9] Ibid.
[10] Ibid.
[11] Ibid.

Overall conclusion

After considering the abovementioned quantitative and qualitative factors, Grant Thornton Corporate Finance has concluded that the Proposed Transaction is **FAIR AND REASONABLE** to the Non-Associated Securityholders.

Other matters

Grant Thornton Corporate Finance has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is set out in the following section.

The decision of whether or not to vote in favour of the Proposed Transaction is a matter for each TGP Securityholder to decide based on their own views of the value of PMG and expectations about future market conditions, PMG's performance, risk profile and investment strategy. If TGP Securityholders are in doubt about the action they should take in relation to the Proposed Transaction, they should seek their own professional advice.

Yours faithfully
GRANT THORNTON CORPORATE FINANCE PTY LTD

ANDREA DE CIAN
Director

JANNAYA JAMES
Authorised Representative

22 April 2022

Financial Services Guide

1 Grant Thornton Corporate Finance Pty Ltd

Grant Thornton Corporate Finance carries on a business, and has a registered office, at Level 17, 383 Kent Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Grant Thornton Corporate Finance has been engaged by TGP to provide general financial product advice in the form of an independent expert's report in relation to the Proposed Transaction. This report is included in TGP's Notice of Meeting and Explanatory Memorandum.

2 Financial Services Guide

This Financial Services Guide ("FSG") has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

3 General financial product advice

In our report we provide general financial product advice. The advice in our report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

4 Remuneration

When providing the IER, Grant Thornton Corporate Finance's client is TGP. Grant Thornton Corporate Finance receives its remuneration from TGP. In respect of the IER, Grant Thornton Corporate Finance will receive from TGP a fee of A$50,000 (plus GST), which is based on commercial rates plus reimbursement of out-of-pocket expenses for the preparation of the IER. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this report.

5 Independence

Grant Thornton Corporate Finance is required to be independent of PMG, TOT and TGP in order to provide this report. The guidelines for independence in the preparation of independent expert's reports are set out in Regulatory Guide 112 *Independence of expert* issued by the Australian Securities and Investments Commission ("ASIC"). The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

"Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with PMG, TGP and TOT (and

associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation the Proposed Transaction.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the transaction, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Proposed Transaction. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

Grant Thornton Corporate Finance considers itself to be independent in terms of Regulatory Guide 112 "Independence of expert" issued by the ASIC."

6 Complaints process

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 11800). All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 367 287

Grant Thornton Corporate Finance is only responsible for this report and FSG. Complaints or questions about the General Meeting should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

Contents

Grant Thornton

1 Overview of the Proposed Transaction

1.1 Steps to implement the Proposed Transaction

- *Parties:* 360 Capital Group Limited or a wholly owned subsidiary of TGP will acquire the PMG interest from 360 Capital FM Limited as responsible entity of 360 Capital REIT.

- *Purchase Price:* The purchase price payable by TGP to TOT for the PMG interest will be a cash consideration of:

  - NZ$21.875 million; plus

  - An amount equal to 50% of the NTA of PMG as at the date of completion. Based on the balance sheet as at 31 December 2021, the NTA Adjustment has been estimated to be NZ$1.9 million.

- *Conditions Precedent:* Completion is conditional on:

  - The Independent Expert concluding that the Proposed Transaction is fair and reasonable.

  - Securityholders approving the Proposed Transaction.

  If the CPs are not satisfied by the date as included in the Notice of Meeting, either party may terminate the Proposed Transaction.

- *Underwriting Facility:* When TOT acquired an interest in PMG, it agreed to provide a NZ$10 million underwriting facility to PMG to underwrite capital raisings in PMG Funds. As part of the Proposed Transaction, TGP would continue to support capital raisings in PMG funds through an assignment / novation of the underwriting facility. The key terms associated with the underwriting facility are:

  - A 3% underwriting fee;

  - 12-month-term; and

  - 5.5% distribution. Given TGP will be underwriters, distributions will accrue at 5.5% p.a on the units held on capital raises.

- *Shareholders Agreement:* TOT is a party to a Shareholders Agreement dated 19 February 2021 which included provisions on disposal of interest by existing shareholders such as TOT. The Shareholders Agreement permits the disposal to a ‘Permitted Transferee’ as defined in the Shareholders Agreement which includes TGP or a subsidiary of TGP. On completion of the Proposed Transaction, TGP will be bound by the terms of the Shareholders Agreement. Other than this, the Shareholders Agreement includes standard clauses around governance and the functioning of PMG which are discussed in the Notice of Meeting.

2 Purpose and scope of the report

2.1 Purpose

The Independent Expert's Report is to accompany a notice of meeting and explanatory memorandum to be sent to the shareholders of the Company to comply with the requirements of ASX Listing Rule ("LR") 10.1 Transactions with Related Party and Chapter 2E Corporations Act (Cth).

Chapter 10 of the ASX Listing Rules

Chapter 10 of the ASX Listing Rules requires the approval from the non-associated shareholders of a company if it proposes to acquire or dispose of a substantial asset to a related party or a substantial holder.

ASX Listing Rule 10.2 states that an asset is substantial if its value, or the value of the consideration, is 5% or more of the equity interest of the entity as set out in the latest financial statement provided to the ASX. Based on ASX Listing Rule 10.1.3, a substantial holder is a person who has a relevant interest, or had a relevant interest at any time in the six months before the transaction, in at least 10% of the voting power of the company.

ASX Listing Rule 10.10.2 requires that the Notice of Meeting to approve the related party transaction must display prominently an expert's opinion as to whether the transaction is fair and reasonable to the holders of the entity's ordinary securities whose votes are not to be disregarded.

An IER will be required in relation to TGP's acquisition of TOT's 50% interest in PMG as TGP owns c. 24.51% of TOT and therefore meets the definition of substantial shareholder for the purposes of the ASX Listing Rules.

When preparing the independent expert's report, Grant Thornton Corporate Finance will also have regard to Australian Securities and Investments Commission ("ASIC") Regulatory Guide 111 ("RG111") Regulatory Guide 112 ("RG 112"). The independent expert's report will also include other information and disclosures as required by ASIC.

The Company recognises that our Independent Expert's Report will be prepared for the specific purpose as set out above and confirms that neither the whole or part of our report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement other than the notice of meeting without prior written consent of Grant Thornton Corporate Finance as to the form and content in which it appears.

2.2 Basis of assessment

Grant Thornton Corporate Finance has had regard to RG111 in relation to the content of independent expert's report and RG76 in relation to related party transactions. RG76 largely refers to RG111 in relation to the approach to related party transactions.

RG111 establishes certain guidelines in respect of independent expert's reports prepared for the purposes of the Corporations Act. RG111 is framed largely in relation to reports prepared pursuant to Section 640 of the Corporations Act and comments on the meaning of "fair and reasonable" in the context of a takeover offer. RG111 also regulates independent expert's reports prepared for related party transactions in clauses 52 to 63. RG111 notes that an expert should focus on the substance of the related party transaction, rather than the legal mechanism and, in particular where a related party transaction is one component of a broader transaction, the expert should consider what level of analysis of the related party aspect is required.

We note that RG111 clause 56 states the following:

RG111.56 Where an expert assesses whether a related party transaction is 'fair and reasonable' (whether for the purposes of Chapter 2E or ASX Listing Rule 10.1), this should not be applied as a composite test – that is, there should be separate assessment of whether the transaction is 'fair' and 'reasonable', as in a control transaction. An expert should not assess whether the transaction is 'fair and reasonable' based simply on a consideration of the advantages and disadvantages of the proposal, as we do not consider this provides members with sufficient valuation information (See Regulatory Guide 76 Related party transactions ("RG76") at RG76.106 – RG76.111 for details.

Accordingly, in the consideration of the Proposed Transaction, the expert should undertake a separate test of the fairness and then analyse the advantages and disadvantages to the Non-Associated Securityholders.

RG111 notes that a related party transaction is:

- Fair, when the value of the financial benefit being offered by the entity to the related party is equal to or less than the value of the assets being acquired.

- Reasonable, if it is fair, or despite not being fair, after considering other significant factors, shareholders should not vote in favour of the transaction.

In considering whether the Proposed Transaction is fair, we have compared the Total Consideration to the fair market value of TOT's 50% interest in PMG proposed to be acquired by TGP.

In considering whether the Proposed Transaction is reasonable to the Non-Associated Securityholders, we have considered a number of factors, including:

- Whether the Proposed Transaction is fair.

- The implications to TGP and the Non-Associated Securityholders if the Proposed Transaction is not approved.

- Other likely advantages and disadvantages associated with the Proposed Transaction as required by RG 111.

- Other costs and risks associated with the Proposed Transaction that could potentially affect the Non-Associated Securityholders.

2.3 Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance (a 100% subsidiary of Grant Thornton Australia Limited) considered its independence with respect to the Proposed Transaction with reference to the ASIC Regulatory Guide 112 "Independence of Expert's Reports" ("RG 112").

Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the Proposed Transaction other than that of an independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report.

Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the success or failure of the Proposed Transaction.

2.4 Consent and other matters

Our report is to be read in conjunction with the Notice of Extraordinary General Meeting and Explanatory Memorandum dated on or around 29 April 2022 in which this report is included, and is prepared for the exclusive purpose of assisting the Non-Associated Securityholders in their consideration of the Proposed Transaction. This report should not be used for any other purpose.

Grant Thornton Corporate Finance consents to the issue of this report in its form and context and consents to its inclusion in the Notice of Meeting and Explanatory Memorandum.

This report constitutes general financial product advice only and in undertaking our assessment, we have considered the likely impact of the Proposed Transaction to the Non-Associated Securityholders as a whole. We have not considered the potential impact of the Proposed Transaction on individual Non-Associated Securityholders. Individual securityholders have different financial circumstances and it is neither practicable nor possible to consider the implications of the Proposed Transaction on individual shareholders.

The decision of whether or not to approve the Proposed Transaction is a matter for each Non-Associated Securityholder based on their own views of the value of PMG and expectations about future market conditions, PMG's performance, risk profile and investment strategy. If the Non-Associated Securityholders are in doubt about the action they should take in relation to the Proposed Transaction, they should seek their own professional advice.

3 Industry overview

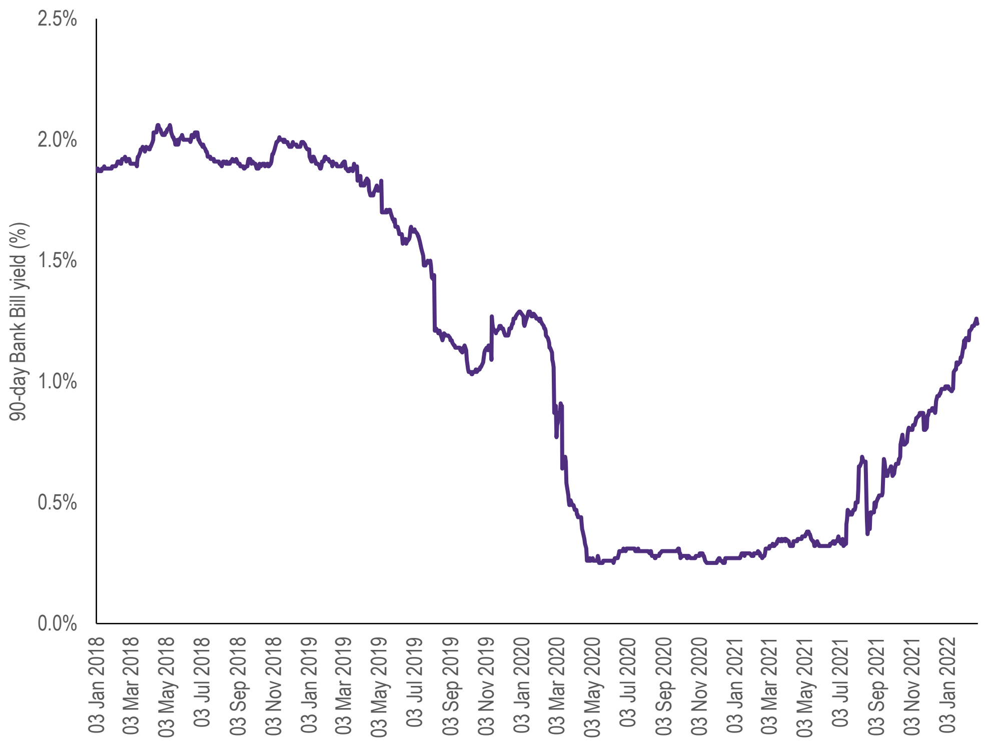
PMG is a property fund manager which offers investment management services in New Zealand. It is responsible for sourcing investment opportunities, completion of transactions, as well as sourcing financing for deals and the management of all aspects of the various funds it manages. Through its funds, PMG provides investors exposure to various property types such as office, commercial, industrial and childcare centres. Given PMG has exposure to the trends in these sectors, we have briefly discussed these below.

3.1 Key Drivers of the Property Market

Set out below are some macroeconomic factors which affect both the property sector and the real estate lending market.

- *Prevailing interest rate environment*: Post the GFC, there has been a low interest rate environment. The following graph sets out the 90-day bank bill over the last 4 years.

90-day bank bill rates



Source: Reserve Bank of New Zealand

Whilst the RBNZ has raised interest rates with efforts to contain inflation which has increased recently, interest rates continue to remain well below historical levels. All else equal, rising interest rates will negatively impact property prices. However, this will improve the yield on investments which may result in additional capital being allocated to the sector. This will ultimately benefit PMG's financial performance.

- *Business sentiment* – Business sentiment represents the level of positivity amongst business owners. During periods of less uncertainty, business sentiment is high. High business sentiment leads to an increase in demand for property, thereby increasing the volume of transactions completed. Weak business sentiment results in contraction of property demand and can negatively impact the property industry. In New Zealand, ANZ Banking Group ("ANZ") undertakes a monthly business outlook survey and publishes a business confidence index ("ANZ Business Confidence Index"). As a result of lockdowns and the discovery of the new variant, Omicron, ANZ Business Confidence Index fell 7 points in December 2021 from negative16.4[12] in November 2021 to negative 23.2 in December 2022. Some of the key factors behind this decline in ANZ Business Confidence Index were the challenges of finding skilled labour, cost inflation and regulatory hurdles.

- *Economic activity* – Prior to the outbreak of COVID-19, there was a level of steady economic activity which supported demand for commercial and industrial properties. This contributed to low vacancy rates across New Zealand and continued to support increases in rents. Similar to PMG, most property operators, charge fees as a percentage of rent and have benefited from rising rents over the past five years. The outbreak of the pandemic negatively impacted the outlook for commercial properties. However, following economic uncertainty over the last two years, the outlook for GDP growth for New Zealand (as December 2021) remains strong. According to the RBNZ website, annual GDP growth is expected to be 3%.

- *Demand and Supply* – Demand and supply for properties are key drivers of rental income and occupancy rates. Similar to PMG, other property fund managers tend to calculate fees as a proportion of rental income. A higher demand will therefore mean lower vacancy which all else equal will mean higher property income. Over the past five years, tenant demand has remained strong due to economic conditions. This has placed upward pressure on the rents, particularly in the office and industrial sectors. According to JLL's Q12022 NZ Office Survey, Auckland CBD properties vacancy increased from 10.6% to 11.5% which was also impacted by sustained lockdowns. However, Auckland fringe and suburban office vacancies decreased from 12%to c. 11% and is expected to decrease further depending on when international students are permitted to enter New Zealand. In case of industrial properties, there has been a decline in vacancy across all major cities due to strong demand for industrial properties. Similarly, as normalcy returns from COVID-19, similar trends are expected in retail properties and across other properties that PMG has exposure to.

  On the supply front, there has been strong activity in the sector as evidenced by the performance of the New Zealand construction sector. However, due to COVID-19 and restrictions on mobility in parts of New Zealand, a number of projects have been on hold or progressing slowly and are expected to be completed during 2022. According to JLL's Q12022 NZ Office Survey, in the Auckland CBD, A-grade properties of c. 39,300 sqm are expected to be completed over the medium term. Within the Auckland fringe and suburban office, several properties are expected to be completed of which at least 10 properties are office and smaller retail spaces. In the Wellington CBD, c. 52,000 sqm of A-grade office space is expected to be completed. Similar trends are expected in industrial and retail properties.

  Based on the above, it appears that demand and supply dynamics for commercial property are expected to positively impact PMG's operations over the medium term.

[12] Given the number is an index, it does not have any unit of measure. A negative index suggests a weak business confidence.

3.2 Office property sector

PMG invests in the Office property sector on behalf of the unitholders of the fund. In 2021, the office sector is expected to account for c. 20% of 2021's total commercial sales. Despite COVID-19, introduction of hybrid working models, demand for office properties remains strong. As investors chase yields, prime grade assets are expected to experience demand and the persistent lack of stock available continues to generate high competition in the sector from onshore and offshore investors. Shortages in labour and an abundance of roles will result in investment in office properties thereby resulting in an improvement in the overall asset quality.

According to JLL's Market Office Outlook Q1 2022, demand for real estate is expected to increase for office assets. Further, as borders are planned to open later in 2022, New Zealand is expected to continue attracting foreign investment and this, along with increased travel is expected to support transaction activity. Average prime rents have remained unchanged at NZ$521 per sqm for Q421 and forecasted to increase and economic activity returns to normal levels. On the other hand, average secondary rents decreased to reach to NZ$224 per sqm due to the 'flight to quality[13]' trend.

PMG typically deals in prime properties albeit in the suburban regions and therefore will be positively impacted by the trends in the property sector.

3.3 Industrial property sector

Industrial properties include warehouses, distribution centres, factories, logistics facilities and other forms of storage centres. Yields in this sector are impacted by the competitiveness of New Zealand's trade-oriented businesses, consumer expenditure and the supply of available properties. All else equal, industrial properties are expected to be more resilient to the impacts of COVID-19. However, similar to office properties, industrial properties are expected to be affected by any downturn in the general economy.

According to Colliers' New Zealand Research Report February 2022, the industrial sector generated c. 50% of sales activity and total sales value over 2021. Demand for properties in this sector has increased due to growth in occupier demand. The ability to grow supply of properties remains constrained. This has resulted in a decline in vacancy rates to historically low levels particularly in major industrial precincts. According to JLL's Industrial Market Research Report Q1 2022, rent has remained steady or increased marginally across this asset class. Prime and secondary asset yields are at record lows and any further compressions in the yields are expected to be slow in a rising interest rate market.

PMG typically deals in high quality assets and therefore will be positively impacted by the trends in the property sector.

3.4 Childcare and early learning centre property sector

Childcare and Early Childhood Education ("ECE") properties are typically characterised by longer WALTs[14] compared to other property classes including office and industrial. All else equal, these properties are likely to be resilient to COVID-19 particularly in instances where the case numbers are declining and

[13] As part of this trend tenants have been switching from low quality assets to higher quality assets.
[14] Weighted Average Lease Term.

normalcy is returning. However, typically after lockdowns, these properties are likely to bounce back quickly. The sector also experiences tailwinds from New Zealand's high childcare participation rate[15]. Other key drivers of this sector are population growth, favourable policy with regard to funding the costs of childcare.

In December 2020, Charter Hall announced the sale of 20 childcare centres as it exited the portfolio in New Zealand. The yields on the exit were c. 6% which is broadly in line with PMG Direct Childcare Fund's yields. Unlike Australia, there are no listed childcare centre REITs that can provide exposure to investors.

Given the above, PMG is well placed to take advantage of any increase in demand for properties in this sector through its dedicated open-ended fund.

3.5 Outlook

Overall, the outlook for the property sectors in which PMG operates looks positive. According to JLL's Australia and New Zealand Real Estate Investment Themes for 2022, a strong recovery in real estate transaction volumes is expected. Further, with the RBNZ having already raised interest rates, investors are already preparing for higher interest rates. ESG is expected to play a key role in decision-making going forward. Industrial assets are expected to continue receiving more allocations as New Zealand will look to address supply chain concerns created by the current pandemic.

PMG has been operating in the market for a number of years and continues to deliver returns to its investors which are in line with general market returns. Given this, PMG is expected to take advantage of any tailwinds experienced by the properties it manages.

[15] On average in OECD countries 33% of children in the age group of 0-2 years participate in formal care. In New Zealand, this number is higher at 41% suggesting a strong level of childcare participation.

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4 Profile of PMG Group

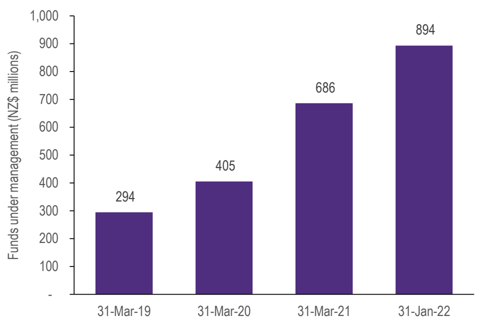
4.1 Corporate overview

PMG is a New Zealand-based real estate funds and property management business. As at 31 January 2022, it managed NZ$893.5 million[16] worth of FUM comprising 43[17] properties across 5 unlisted open-ended[18] funds.

PMG also facilitates a secondary market in which investors can either buy or sell their units in the various PMG trusts to other eligible PMG investors. According to PMG's website, investment sales can be achieved within 30 days, however this timeframe may vary depending on the number of investors looking to buy units at any point in time. PMG may also offer redemptions for the applicable funds, which will be dependent on the specific fund and is offered at PMG's discretion.

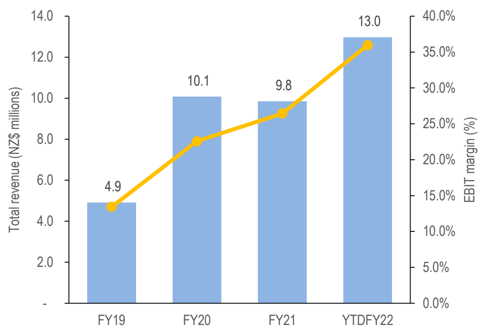
Historically, PMG has experienced a high growth in its FUM through a combination of growth in existing property prices and new inflows from investors. During this time, whilst the investor base continues to be dominated by retail investors, PMG has managed to introduce wholesale investors and more recently has been able to attract institutional investors. The following graphs set out in the historical growth in FUM and the total revenue growth and EBIT margin.

Historical growth in FUM



Source: Management information
Note (1): Funds under management includes Heretaunga which as at the date of this report has not yet settled and the risk of settlement remains low.

Total revenue and EBIT margins



Source: Management information
Note (1): YTDFY22 represents the results for the 9-month period ended 31 December 2021.

The recurring revenue comprises property management fees[19] and project and fund / asset management fees[20] whereas the balance is non-recurring revenue. As the investor base primarily comprises retail and wholesale investors, the fee structure has been driven by non-recurring / transactional income. As a result of this non-recurring fee income structure, the EBIT margin fluctuates year-on-year. Whilst costs have also increased to support the higher level of FUM, PMG's current cost base is expected to support a higher level of FUM than the reported FUM as at 31 January 2022.

[16] This includes Heretaunga which as at the date of this report has not yet settled and the risk of settlement remains low.
[17] This includes the property at Heretaunga West.
[18] Open-ended funds do not have an end date or a termination date. Investors of the fund can investor redeem their investments in accordance with the rules set out in the fund's constitution.
[19] Property Management fees is typically calculated as a proportion of gross rental receipts.
[20] Project Management fees are typically charged as a proportion of the development costs. Fund / Asset Management fees are charged on gross assets (i.e. total assets).

4.2 Business model & key personnel

As stated earlier, PMG has 5 funds that follow different strategies with the intention of delivering long-term returns to its investors. To align its interests with its investors, PMG invests alongside investors in each of their funds. PMG's investor base primarily comprises retail and high networth individuals ("HNI") although the Company has started attracting interest from institutional investors. Typically, the Company deals in low-risk properties and does not take on zoning risk. More recently, the Company has been targeting properties with a limited development potential in order to generate competitive returns. The Company is actively looking at ways to manage the development risk; however, this remains unproven. Unlike typical funds management businesses, PMG offers in-house property management services which helps provide greater control over all aspects of the property, helping mitigate risk and strengthening relationships with tenants. During COVID-19, PMG worked closely with its tenants to manage their rental payments. As a result of this, PMG was able to maintain rental collections in excess of 90% throughout the COVID-19 period. This also resulted in further strengthening the relationship between PMG and its tenants, thereby reducing tenancy risk.

The following is a brief background of the key personnel involved with PMG. Following the transaction, it is expected that these personnel will continue to be actively involved with managing and growing the FUM.

- Denis McMahon – Denis is the founder of PMG. In 1994, Denis syndicated his first property in Tauranga and has overseen a further 30 investment offerings over the last 25 years.

- Scott McKenzie – Scott is the CEO and also a director within PMG. Scott has experience in diverse businesses across New Zealand the UK particularly in the financial services sector. As a result of this, Scott has strong relationships with financial institutions that serve to provide key source of financing when acquiring new properties.

- Daniel Lem – Daniel is the head of investments and also a director within PMG. Daniel is a real estate professional with 25 years' experience in asset and project management, commercial leasing and structured property finance.

- Nigel Lowe – Nigel is the CFO and also a director within PMG. He has been with PMG for 6 years and previously spent 13 years at a Big 4 accounting firm.

- Steve Williams – Steve Williams is the Head of Transactions and has been operating in the New Zealand property industry since 1989. Previously, Steve was part of the Kiwi Income Property Trust ("KIPT") which was New Zealand's largest listed property company.

4.3 Extract of the IMAs

4.3.1 IMAs

The following are the key features of the IMAs across the various funds. In a non-exhaustive manner, we have covered details around continuity and removal of the manager.

- Given the funds are open-ended, the IMA will expire when the IMA is terminated.

- Termination of the manager by the fund without cause is only permitted by a special resolution with at least 6 months of notice. The causes included insolvency, breach of material obligation and other conditions that are typical to IMA termination clauses. For completeness, none of these events are likely to occur at the date of our report. In the event the Manager is terminated, the IP associated with the specific funds will be lost with the manager.

- The Manager can terminate the agreement by providing 12 months notice to the fund. In the event of termination, the Manager will be paid a termination fee equal to a monthly management fee (as defined in the respective IMAs) for the preceding 12 months.

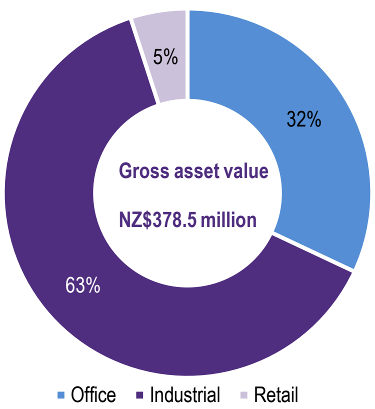
Based on the above, the manager is well entrenched and the risk of removal of the manager remains low. This risk is further mitigated by the heterogenous investor base and the dominance of retail and wholesale investors.

4.4 Overview of operations

4.4.1 Pacific Property Fund

Pacific Property Fund is PMG's largest property fund which largely comprises industrial properties (>50%) with the balance comprising office and retail. The fund's targets properties in these categories located in major metropolitan and regional centres of New Zealand. Set out below is an extract of the fund's key metrics as at 30 September 2021:

Rental income by property type



Source: PMG Pacific Property Fund September 2021 Quarterly Report

Other key stats of the fund

Source: PMG Pacific Property Fund September 2021 Quarterly Report

The following is a summary of the fee structure and key terms for the Pacific Property Fund.

Fee Structure Pacific Property Fund Limited	
Asset Management Fee	0.5% of the total carrying value of properties
Property Management Fee	1.5% of gross rental collected from properties
Brokerage Fee	2.0% of equity rasied
Transaction Fee	1.0% of Acquisition and Disposal Price (minimum acquisition fee value of NZ$150,000)
Performance Fee	Not applicable

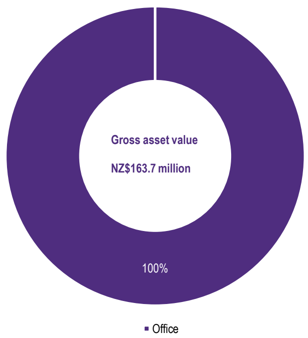
Source: September Quarterly Report 2021

4.4.2 PMG Direct Office Fund

The fund was established in 2016 with the aim of targeting office properties in main metropolitan areas across New Zealand which provide the opportunity to value add through proactive asset management.

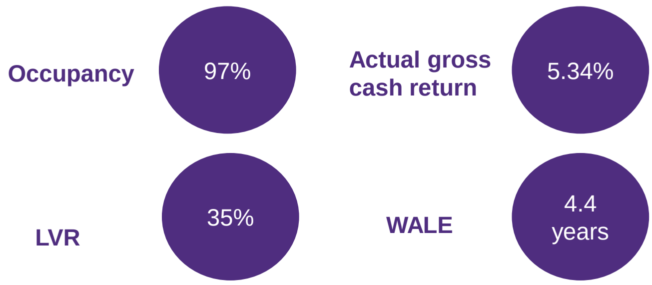
Set out below is the composition of the PMG Direct Office Fund's portfolio as at 30 September 2021:

Rental income by property type



Source: PMG Direct Office Fund September 2021 Quarterly Report

Other key stats of the fund



Source: PMG Direct Office Fund September 2021 Quarterly Report

The following is the fee structure for PMG's Direct Office Fund.

Fee Structure PMG Direct Office Fund	
Asset Management Fee	0.5% of total carrying value of properties
Property Management Fee	2.0% of gross rental collected from properties
Brokerage Fee	2.0% of equity rasied
Transaction Fee	1.0% of Acquisition or Disposal Price
Performance Fee	20.0% over the 10-year government bond yield plus 6.0%

Source: September Quarterly Report 2021

4.4.3 PMG Direct Childcare Fund

The PMG Direct Childcare Fund is a sector-specific fund, investing in new, purpose-built childcare education centres in metropolitan areas in New Zealand. The fund's strategy is to hold and grow a portfolio of Early Childhood Education properties, diversified by region and tenant, to achieve greater resilience of income with scale.

As at 30 September 2021, PMG Direct Childcare Fund's portfolio had an estimated value of NZ$47.0 million[21], which comprised of investments in 9 properties limited to the childcare sector and the fund's annualised actual gross cash return of 6.02%[22] annualised.

The following is the fee structure for PMG's Direct Childcare Fund.

Fee Structure PMG Direct Childcare Fund	
Asset Management Fee	0.4% of total carrying value of properties
Property Management Fee	1.0% of gross rental income
Brokerage Fee	2.0% of equity rasied
Transaction Fee	On acquisition of a new property by the Fund (including completion of a development property), a fee equal to the greater of NZ$50,000 and 1.25% of the acquisition cost of any property Disposal fee of 1.0% of the sale price
Performance Fee	20.0% over the 10-year government bond yield plus 6.0%

Source: PMG Board Paper February 2021

4.4.4 PMG Generation Fund

The PMG Generation Fund represents a growing portfolio of strategically selected industrial, office and large format retail property assets diversified by region, sector and tenant. This fund intends to not only invest in direct commercial property, but also invest in other unlisted property funds as well as listed property vehicles. The fund also offers a distribution reinvestment scheme ("PMG Reinvestment Plan"). The Reinvestment Plan allows all PMG investors to reinvest their returns from any of the PMG funds into the PMG Generation Fund.

As at 30 September 2021, PMG Generation Fund's portfolio had an estimated value of NZ$166 million[23], which comprised of investments in 5 properties limited to the industrial sector. For the quarter ended 31 December 2021 the fund achieved an actual gross cash return of 5.5%[24] annualised.

[21] September 2021 Quarterly Report
[22] Calculated as the annualised cash distribution cents per share of NZ$0.06825 expressed as a percentage of the latest board approved share price of NZ$1.08.
[23] September 2021 Quarterly Report
[24] Calculated as the annualised cash distribution cents per share of NZ$0.06 expressed as a percentage of the latest board approved share price of NZ$1.09.

Set out below is the composition of the PMG Generation Fund's portfolio as at 30 September 2021:

Rental income by property type

Source: PMG Generation Fund September 2021 Quarterly Report

Other key stats of the fund

Occupancy	100%
Actual gross cash return	5.5%
LVR	39%
WALE	4.2 years

Source: PMG Generation Fund September 2021 Quarterly Report

The following is the fee structure for the PMG Generation Fund.

Fee Structure PMG Generation Fund	
Asset Management Fee	0.5% of total carrying value of properties
Property Management Fee	1.5% of gross rental collected from properties
Brokerage Fee	2.0% of the value of the units issued
Transaction Fee	Acquisition fee of 1.75% of the property purchase price (investment interests in property schemes managed by PMG excepted) Disposal fee of 1.0% (same exemption as acquisition fee)
Performance Fee	15.0% of the 10-year government bond plus 6.0%

Source: September Quarterly Report 2021

4.4.5 PMG Capital Fund Limited

PMG Capital Fund Limited is PMG's private equity fund focused on acquiring real estate and facilitating the transfer of such properties into any one of PMG's investment funds after either adding value, underwriting, or as a short term buy/sell transaction. Typically, these activities would be carried out using the funds on the balance sheet of the funds manager. However, given PMG's size, these activities are completed using external investors funds in return for which the Company aims to provide an attractive return well in excess of typical PMG funds. The fund targets an internal rate of return of 10.0% per annum and is open to eligible wholesale investors only. As at 30 September 2021 PMG Capital Fund had c. NZ$23.1[25] million FUM.

[25] PMG Board Paper

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4.5 Financial information

4.5.1 Financial performance

The table below illustrates PMG's audited consolidated statements of comprehensive income for the period FY20, FY21 and YTD FY22.

Consolidated statements of financial performance	FY20	FY21	YTD FY22
NZ$ '000	Audited	Audited	Unaudited
Revenue	10,040	9,849	12,972
Other income	42	129	628
Administrative expenses	(7,894)	(7,373)	(8,934)
EBIT	**2,188**	**2,604**	**4,666**
Finance income	22	3	
Finance expenses	(35)	(86)	(192)
Net financing costs	**(14)**	**(83)**	(192)
Profit / (loss) before income tax	**2,174**	**2,521**	4,475
Income tax benefit / (expense)	(642)	(664)	(1,277)
Profit / (loss) for the year	**1,533**	**1,857**	**3,198**

Sources: PMG Annual Reports
Note (1): YTD FY22 represents the actual performance for the 9 months ended 31 December 2021

With regard to financial performance, we note the following:

- *Revenue:* The revenue relates to the various fee income that is received by PMG from the funds it manages. The following table provides a breakdown of the fees by fee type.

Summary of historical revenue				
NZ$000's unless stated otherwise	Type	FY20	FY21	YTDFY22
Brokerage fees	N/R	1,940	1,113	2,869
Performance fees	N/R	1,081	2,304	-
Project management fees	R	367	209	80
Property management fees	R	2,209	2,962	3,284
Transaction fees	N/R	4,387	3,029	6,539
Other revenue	N/R	55	231	200
Total		**10,040**	**9,848**	**12,972**

Source: PMG Annual Reports
N/R = Non-recurring revenue; R = Recurring revenue

The brokerage fees has been steady at c. NZ$1 million due to favourable market conditions. The Performance fees was higher in FY21 on account of cap rate compression in New Zealand as the cash rate was reduced to record lows in New Zealand. The Project Management and Property Management fees have grown on account of the growth in FUM. The Company expects non-recurring revenue to remain a significant component of the business going forward. The transaction fees in YTDFY22 is higher on account of fees in relation to the PMG Generation Fund which has a higher level of fees (1.75%) compared with the fees in other funds (ranging between 1% and 1.2%). These fees have been normalised as part of the valuation assessment.

- *Wages:* The increase in the wages is driven by increase in the headcount from an average of c. 19 employees in FY19 to an average of c. 37 employees in YTDFY22.

- *Other administrative expenses:* Apart from salaries, the major other administrative expenses include commissions paid to external agents when acquiring or selling properties (FY19 – NZ$0.6 million; FY20 – NZ$1.2 million; YTDFY22 – NZ$0.2 million). The other major items of expenditure is director fees (FY19 and FY20 – c. NZ$0.1 million and FY21 – NZ$0.3 million; YTDFY22 – NZ$0.3 million).

Given the level of non-recurring income and the differences in fee structure across the various funds, financial performance in particular years can be impacted by transaction fees in conjunction with large acquisitions. We have therefore normalised the historical earnings which are presented in the table below:

Normalised EBIT assessment			9 months
NZ$000's unless stated otherwise	FY20	FY21	YTDFY22
Reported EBIT	2,188	2,604	4,666
Transaction fees - Bethleham Town Centre			(480)
Total	**2,188**	**2,604**	**4,187**

Source: GTCF Calculations, Management information

The normalisations relate to the acquisition of Bethleham Town Centre and other acquisitions made through the PMG Generation Fund. The transaction fee in this fund is 1.75% which is higher than the other PMG Funds (ranging between 1% and 1.5%). During FY22, a greater-than-normal amount had been raised through the PMG Generation Fund which is not expected to be maintainable into perpetuity. As a result, the transaction fee realised on the Bethleham Town Centre was also well in excess of historically realised transaction fee which is not expected to be maintainable into perpetuity. To normalise this, any fee income in excess of 1.2% of the total transaction value has been reduced from the EBIT.

4.5.2 Financial position

The consolidated statement of financial position of PMG as at 31 March 2020 and 31 March 2021 is summarised in the table below.

Consolidated statements of financial position NZ$ '000	31-Mar-20 Audited	31-Mar-21 Audited	31-Dec-21
Assets			
Cash and cash equivalents	912	1,955	2,174
Trade and other receivables	1,515	2,842	1,153
Shares held for resale	1,594	4,247	2,404
Total current assets	**4,021**	**9,045**	**5,732**
Property, plant and equipment	259	257	248
Right of use assets	1,006	961	830
Intangible assets	213	213	213
Investments in shares / units			2,149
Income tax refundable		121	
Total non-current assets	**1,479**	**1,552**	**3,440**
Total assets	**5,500**	**10,597**	**9,172**
Liabilities			
Trade and other payables	1,655	1,047	950
Income tax payable	344		1,152
Lease payable	129	167	42
Lease incentives	16	22	22
Deferred tax			24
Shareholder current account	3,522		
Loans - shareholders		4,285	
Total current liabilities	**5,667**	**5,521**	**2,189**
Deferred tax	108	581	
Loans			1,976
Lease payable	903	844	844
Total non-current liabilities	**1,011**	**1,426**	**2,820**
Total liabilities	**6,678**	**6,947**	**5,009**
Net assets	**(1,178)**	**3,651**	**4,162**
Net tangible assets	**(1,392)**	**3,438**	**3,949**
Net tangible assets (50%)	**(696)**	**1,719**	**1,975**

Sources: PMG Annual Reports

- *Cash and cash equivalents:* PMG maintains a minimal amount of cash and cash equivalents to comply with the requirements of the AFSL.
- *Intangible assets:* This represents goodwill on the balance sheet as a result of legacy transactions. This has been excluded as part of the NTA calculations.
- *Shares held for resale*: This represents the investments made by PMG in each of its funds and also includes capital raisings in which PMG has participated.
- Shareholder loans: This represents the balance of the deferred consideration that will be extinguished before the sale to TGP. To pay-out this loan, the shares held for resale may be sold.
- *Right of use asset and Right of use liability:* refers to PMG's leased office premises in Tauranga, Auckland and Christchurch as well as a storage space in Tauranga. With the exception of short-term

leases[26] and leases of low value underlying assets[27], which are not recognised, each lease is reflected on the balance sheet as a right of use asset and a lease liability.

[26] Leases with original terms of less than 12 months

[27] Assets less than NZ$5,000 in value

5 Valuation methodologies

5.1 Introduction

As part of assessing whether or not the Proposed Transaction is fair to the Non-Associated Securityholders, Grant Thornton Corporate Finance has compared the fair market value of TGP's interest in PMG to be acquired from TOT on a control basis to the Consideration.

In each case, Grant Thornton Corporate Finance has assessed value using the concept of fair market value. Fair market value is commonly defined as:

"the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm's length."

Fair market value excludes any special value. Special value is the value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

We note, RG111 requires the fairness assessment to be made assuming 100% ownership of the target company and irrespective of whether the consideration offered is scrip or cash and without consideration of the percentage holding of the offeror or its associates in the target company.

5.2 Valuation methodologies

RG 111 outlines the appropriate methodologies that a valuer should generally consider when valuing assets or securities for the purposes of, amongst other things, approval of an issue of shares using item 7 of s611 of the Corporations Act, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

- Discounted cash flow ("DCF") method and the estimated realisable value of any surplus assets.
- Application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets.
- Amount available for distribution to security holders on an orderly realisation of assets.
- Quoted price for listed securities, when there is a liquid and active market.
- Any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

Further details on these methodologies are set out in Appendix A to this report. Each of these methodologies is appropriate in certain circumstances.

RG111 does not prescribe the above methodologies as the method(s) that an expert should use in preparing their report. The decision as to which methodology to use lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the entity or asset being valued. In general, an expert would have regard to valuation theory, the accepted and most common market practice in valuing the entity or asset in question and the availability of relevant information.

5.3 Selected valuation methods

In valuing PMG, we have adopted the following methods:

- FUM multiple ("FUM Multiple"): For the purpose of our valuation assessment of PMG, Grant Thornton has adopted the FUM Multiple due to the following:

    - Historically, c.40% to 60% of revenue was non-recurring in nature and accordingly the application of valuation methods such as the discounted cash flow will present some challenges in estimating non-recurring income streams.

    - The FUM Multiple is a commonly adopted methodology in valuing funds management businesses.

- We have cross-checked our valuation using the EBIT multiple ("EBIT Multiple") method given that EBIT is frequently used valuation metric as it is less likely to be impacted by different accounting policies.

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6 Valuation assessment of PMG

6.1 FUM Multiple

The following table sets out the valuation assessment using the FUM Multiple.

FUM Multiple - valuation summary NZ$ '000 (except where stated otherwise)	*Section Reference*	Low	High
Assessed FUM	*Section 6.1.1*	875,000	925,000
Assessed FUM multiple	*Section 6.1.2*	4.5%	5.0%
Enterprise value of Funds Management Business		39,375	46,250
TGP relevant interest		50%	50%
Enterprise value of Funds Management Business (50%)		19,688	23,125
Add: NTA adjustments	*Section 4*	1,975	1,975
Equity value of TGP's 50% in PMG		**21,662**	**25,100**

Source: GTCF Calculations

Based on the above, we assessed the fair market of PMG to be in the range of c. NZ$21.7 million to c. NZ$25.1 million for TGP's 50% interest in PMG.

6.1.1 Assessed FUM

In assessing the FUM, we have considered the following:

- The historical growth in PMG's FUM between FY19 and YTDFY22 which is set out in the table below.

Historical FUM Growth NZ$millions unless stated otherwise	31-Mar-19	31-Mar-20	31-Mar-21	31-Jan-22
Reported EBIT	294	405	686	894
Y-o-y growth		*37.8%*	*69.4%*	*30.2%*

Source: Management information

  We have also considered the current FUM of PMG of NZ$893.5 million. This includes the acquisition of the Heretaunga Street West Property which is c. NZ$27 million[28] which is expected to be settled in April 2022

- The earn-out threshold in PMG's acquisition by TOT of NZ$875 million in the transaction undertaken during FY21.

Based on the above, we have assessed the FUM to be in the range of NZ$875 million and NZ$925 million. The mid-point of our selected range is broadly in line with the FY22 FUM after taking into account the Heretaunga Street West Property.

6.1.2 FUM Multiple

To support our valuation assessment, we had regard to the FUM multiples and EBIT multiples implied in recent transactions involving the acquisition of funds management platforms via internalisation

[28] Before capital expenditure and working capital, offer cost and cash retained within the fund for future Property Investments.

transactions or merger and acquisitions. A list of these transactions and their respective multiples is presented in the table below:

Summary of Recent Transactions and Internalisation Transactions			EV	FUM	EV / FUM	EBIT	EBIT / FUM
Date	Target	Acquirer	($m)	($m)	(%)	Multiple	(%)
Tier 1: Internalisation Transactions							
Mar-21	AMP Haumi Management Limited	Precinct Properties NZ	197	3,207	6.1% / 4.1%	14.7x	0.4%
Oct-20	Investec Australia Property Fund	Irongate Group	40	1,385	2.9%	9.1x	0.3%
Sep-19	Garda Capital Group[1]	Garda Diversified Property Fund	31	405	7.7%	9.1x	0.8%
Aug-18	Aventus Capital Limited	Aventus Retail Property Fund	146	2,000	7.3%	9.0x	0.8%
Nov-14	Arena Investment Management	Arena REIT	12	411	2.8%	10.5x	0.3%
Dec-13	Commwealth Investment Management	CFS Retail Property Trust	460	13,900	3.3%	9.5x	0.3%
Oct-13	GDI[2]	GDI Property Group	32	742	4.3%	5.7x	0.8%
Jul-13	Kiwi Income Property Pty Ltd	Kiwi Income Property Trust	62	1,809	3.5%	6.6x	0.5%
Average					**4.5%**	**8.5x**	**0.5%**
Median					**3.5%**	**9.1x**	**0.5%**
Tier 2: Other management platform transactions							
May-21	APN Property Group[3]	Dexus Property Group	320	3,208	10.0%	25.4x	0.4%
Apr-21	Primewest Group[4]	Centuria Capital Limited	428	5,000	8.6%	14.5x	0.6%
Jun-20	GoFARM Asset Management	PrimeWest Group	10	275	3.6%	Na	Na
Jun-20	Augusta Capital Limited	Centuria Platform Investments Pty Ltd	81	1,796	4.5%	12.9x	0.4%
Aug-19	Eildon Funds Management Limited[5]	CVC Limited	4	270	1.6%	4.3x	0.4%
May-19	Heathley Limited	Centuria Capital Group	32	620	5.1%	10.0x	0.5%
Nov-18	Heathley Limited	Dexus Property Group	40	528	7.5%	Na	Na
Nov-18	Propertylink Limited	ESR Real Estate	39	1,028	3.8%	9.6x	0.4%
Aug-18	Folkestone Management Platform	Charter Hall Group	56	1,609	3.5%	8.3x	0.4%
May-17	Armada Funds Management	Moelis Australia	31	800	3.8%	6.5x	0.6%
Nov-16	360 Capital Management Platform	Centuria Capital Group	92	1,397	6.6%	10.1x	0.7%
Average					**5.3%**	**11.3x**	**0.5%**
Median					**4.5%**	**10.0x**	**0.4%**

sSource: Company annual reports, Mergermarket, GTCF analysis, other publicly available information
Na = Not available; Nm = Not meaningful
Notes: (1) The EBIT multiple for GARDA internalisation is a forward FY20 multiple; (2) The GDI internalisation transaction has been calculated based on the average EBIT for the past three years; (3) We note that APN Property Group in addition to the fund management business has also Co-investment operations that accounts for almost 50% of the business value assessed by the Independent Expert; (4) We have utilised the maintainable EBITDA assessed by the Independent Expert. We note that it is uncommon for fund managers to have high levels of depreciation and amortisation and therefore EBIT and EBITDA multiples tends to be similar; (5) Na = Not available.

The large basket of transactions included in the table above is due to consolidation trends in the market wherein asset managers are being internalised owing to perceived conflicts of interest and large variable expenses such as performance fees. Further, some of the institutional investors are unable to invest in stand-alone fund management entities and therefore tend to prefer internalised fund management functions in order to gain exposure to these businesses.

The transaction multiples are impacted by several factors which can be broadly classified into three categories:

- Level of entrenchment such as the length of the contractual tenure in the management agreement, the mechanism of appointing an alternative responsible entity and the ability of the responsible entity and its associates to control resolutions of unit holders. Higher levels of entrenchment tend to make the removal of the fund manager more difficult, which may result in higher FUM multiples being paid.

- Transaction metrics such as size of FUM, EBIT as a % of the FUM. All else equal, a larger FUM and larger EBIT as a % of FUM will result in higher transaction multiples.

- Other qualitative factors such as the reputation of management team, historical returns generated and depth of services.

Whilst we have discussed the other metrics of PMG later in this section, in relation to the entrenchment, we note the following:

- PMG co-invests alongside other unitholders of the various funds it manages which create some barriers for its removal as fund manager Further, given a large proportion of its investor base is largely retail and wholesale investors, unless there is significant underperformance, the risk of removal of the manager is low.

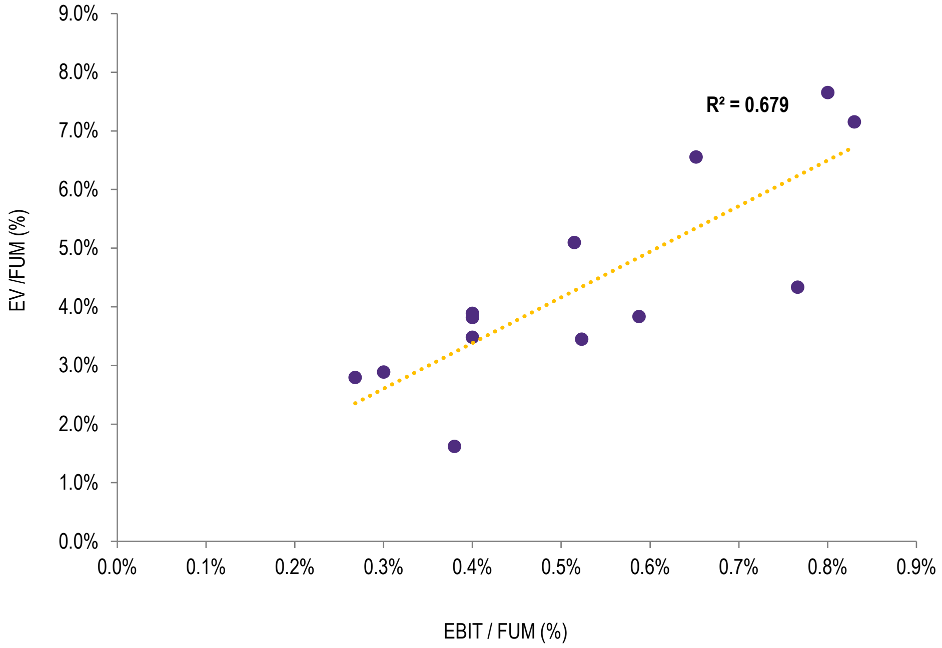
- The IMA between PMG and the various funds does not have an expiry date.

- If the current manager is removed, unitholders may face significant risks in relation to losing the critical knowledge of the assets and IP embedded in the existing management team.

Based on the above, we are of the opinion that the fund manager is well entrenched within the funds reducing any risk associated with its removal.

In the selection of the appropriate multiple, the profitability generate by the manager also plays a critical role. This is best captured by analysing the EBIT as % of FUM. We have performed a regression analysis between EBIT as % of FUM and the EV/FUM multiple to demonstrate that there is a high correlation between the profitability of the business and the FUM mulitple.

EBIT as a % of FUM and FUM multiple



Source: GTCF analysis

The EBIT as a % of FUM for PMG historically is set out below.

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PMG Funds Management NZ$ '000 (except where stated otherwise)	Reference	FY20 Actual	FY21 Actual
Normalised EBIT	*Section 4*	2,276	2,669
FUM	*Section 4*	405,184	605,396
Reported EBIT / FUM (%)		0.6%	0.4%
Average			**0.5%**

Source: GTCF analysis, Management information

We have considered the above when analysing our most comparable transactions.

Most comparable transactions

Given market conditions over the last 5 years with record low interest rates and growth in real estate property market, we have placed greater reliance on transactions occurred during this period. Further, we have only considered transactions that involved internalisation or acquisitions of funds management businesses or other transactions but only where transaction metrics in relation to the funds management platform are available.

These have been discussed below:

- *Augusta transaction* – In June 2020, Centuria Capital Group ("Centuria") acquired Augusta Capital Limited ("Augusta"), a New Zealand based manager of unlisted single and multi-asset property funds. At the time, Augusta was the largest player in New Zealand's unlisted property funds market, actively managing 65 properties across the retail, office, industrial and tourism sectors and had c. NZ$1.7 billion of FUM. Whilst there is limited discussion on Augusta's entrenchment across its funds, we note that c. 76% FUM are represented by single asset funds. Further, Augusta has in excess of 3,900 retail investors. Based on these factors, we conclude that the level of entrenchment is high and comparable to PMG. Augusta's FUM is c. NZ$1.7 billion whereas EBIT as a % of FUM is 0.4%. This is comparable to PMG's FUM of NZ$890 million and EBIT as a % of FUM of 0.5%. This is largely driven by Augusta's recurring revenue base which is higher (50.6%[29]) compared with PMG (32.3%[30]). The transaction was completed at EV / FUM multiple of 4.5%.

- *Precinct Properties New Zealand Transaction* – In March 2021, Precinct Properties New Zealand Limited ("Precinct Properties"), New Zealand's largest developer of premium office, undertook an internalisation through the acquisition of its manager AMP Haumi Management Limited ("AMP"). Whilst there is limited information on the level of entrenchment, we note that AMP had doubled the assets under management from 2010 to 2020 and delivered strong returns to its unitholders. As such, we consider the level of entrenchment to be similar to PMG. AMP's FUM of c. NZ$3.2 billion is greater than PMG's FUM of NZ$890 million and AMP's EBIT / FUM of 0.4% is comparable to PMG's EBIT / FUM of c. 0.5%. The transaction was completed at a EV/FUM multiple of 6.1% (pre-synergy multiple) and on a post-synergy basis the multiple was 4.5%. This transaction included significant savings of c. NZ$70 million which contributes to the high multiple.

- *Investec Transaction* – In October 2020, Investec Property Limited ("IPL"), as a responsible entity of Investec Australia Property Fund ("IAP") entered into an implementation deed with Investec Group in relation to the internalisation of the fund's management rights. Whilst the management agreement

[29] Based on the FY20 financial performance of Augusta.
[30] Based on the YTD FY22 financial performance of PMG.

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can be terminated by an ordinary resolution, it maybe challenging to find expertise in South African and Australian markets and therefore the level of entrenchment can be considered comparable to PMG. At the time of acquisition, IAP had c. A$1.4 billion of FUM across 30 properties within the office and industrial sectors which is comparable to PMG. IAP had a EBIT / FUM of 0.3% which is lower than PMG's EBIT / FUM of 0.5% and likely to have impacted the EV/FUM of 2.9%.

- *GARDA Transaction* – In September 2019, GARDA Diversified Property Fund ("GARDA REIT") made the decision to internalise the manager, GARDA Property Group ("GARDA"). Similar to PMG, GARDA had demonstrated strong performance prior to the internalisation and the risk of removal of the manager was low. Further, a special resolution was required to remove the manager and GARDA and its associates controlled in excess of 20% of the units on issue of the GARDA REIT. Based on this, we conclude that the level of entrenchment is similar to PMG. GARDA's FUM was c. A$405 million which was smaller than PMG's NZ$890 million. However, GARDA's EBIT as a % of FUM (0.7%) was significantly higher than PMG (0.5%).

- *Aventus Transaction* – In August 2018, Aventus Retail Property Fund ("Aventus" or "AVN") announced the internalisation of its management functions through the acquisition of Aventus Property Group ("APG"). At the time of acquisition, APG had FUM of c. A$2.0 billion, comprised of 20 large format retail centres which is greater than PMG's FUM. Avenutus' IMA was for an initial period of 10 years and automatically renewed for subsequent five years. However, we note that the change of control of Aventus represented a termination trigger under the IMA which accordingly made the management right less marketable. In order words, without AVN agreeing to a change of control of Aventus, the value of the manager for a pool of potential purchasers would have been limited to the skill-set of the management team, the existing relationships with investors and policies and procedures in place. The IMA also included a termination payment such that upon termination of the IMA, Aventus was entitled to receive an amount equivalent to the total fees billed in the 12 months leading up to termination. Per the actual FY18 and forecast FY19 financial performance, Aventus generated total fees of circa A$30 million. The replacement of the manager was subject to the approval of AVN securityholders, however we note that Aventus and its shareholders collectively held a combined 29.4% interest in AVN which would make the replacement of the manager difficult to implement. Based on this, we conclude that the level of entrenchment is comparable to PMG. Aventus' EBIT / FUM is 0.8% is higher than PMG's. 0.5%. The EV/FUM multiple in the transaction was c. 7.3%.

- *Armada Funds Management transaction* – In May 2017, Moelis Australia Limited ("Moelis") acquired Armada Funds Management Pty Ltd ("Armada"). At the time of acquisition, Armada had c. A$800 million of FUM across 10 unlisted funds managed on behalf of institutional and high net worth clients, concentrated towards assets across the hotel, office and retail real estate sectors. The acquisition occurred at an EV / FUM percentage of 3.8% with an implied EBIT multiple of 6.5 times. We note that according to management, for the year ended 30 June 2017 Armada was expected to generate c. $4.7 million of EBIT of which base management fees would account for c. 65%. Relative to this, PMG's proportion of recurring fees is low (c. 32%).

Conclusion on AUM Multiple

We have adopted an EV / FUM multiple of 4.5% to 5.0% which we consider reasonable based on the following considerations:

- PMG is smaller in size compared to all the recent transactions. All else equal, smaller businesses will attract a lower multiple.
- With the exception of Investec and Aventus, PMG's EBIT / FUM (0.5%) is comparable to the other transactions.
- The nature of PMG's funds management business, which generates a significant proportion of its revenue from one-off / transaction fees (c. 65.9% in FY22) given the nature of its operations as a property funds manager, which presents higher revenue risks.

7 Valuation cross-check

The following table sets out the EBIT multiples implied in our valuation range and the consideration for the funds management platform.

Implied EBIT multiples NZ$ '000 unless stated otherwise	*Section Reference*	Low	High
Pro-rata value of Funds Management Business (100%)	**[A]**	39,375	46,250
YTD FY22 EBIT (9 months) - Normalised	**[B]**	4,187	4,187
FY22 EBIT (Annualised) - Normalised	***[C] = [B] / 9 *12***	5,582	5,582
EV / EBIT multiples (times)			
FY22 EBIT multiple - Normalised	**[D] = [A] / [C]**	7.1x	8.3x

Source: GTCF Calculations
Note (1): Annualised EBIT is calculated as the reported EBIT of NZ$4.1 million which is for a 9-month period and has been annualised for 12 months. Refer to section 4 for details.

We have extensively discussed the most comparable transactions earlier in this section. We have set out below the EBIT multiples of the most comparable transactions.

Summary of Recent Transactions Date	Target	Acquirer	EV ($m)	FUM ($m)	EBIT Multiple	EBIT / FUM (%)
Mar-21	AMP Haumi Management Limited	Precinct Properties NZ	197	3,207	14.7x	0.4%
Oct-20	Investec Australia Property Fund	Irongate Group	40	1,385	9.1x	0.3%
Jun-20	Augusta Capital Limited	Centuria Platform Investments Pty Ltd	81	1,796	12.9x	0.4%
Sep-19	Garda Capital Group	Garda Diversified Property Fund	31	405	9.1x	0.8%
Aug-18	Aventus Capital Limited	Aventus Retail Property Fund	146	2,000	9.0x	0.8%
May-17	Armada Funds Management	Moelis Australia	31	800	6.5x	0.6%
Average					**9.3x**	
Median					**9.1x**	

Source: Publicly available information, GTCF analysis

Given PMG's lower funds under management and the EBIT as a % of AUM, we conclude that the multiples implied in the consideration sit within the transaction multiples and therefore provide support to our assessed value range.

8 Sources of information, disclaimer and consents

8.1 Sources of information

In preparing this report Grant Thornton Corporate Finance has used various sources of information, including:

- TGP and TOT's ASX announcements and related updates regarding PMG.
- PMG's historical financial performance and position
- Other publicly available information;
- IBISWorld Report
- S&P Capital IQ
- Discussions with Management
- Other materials provided by Management

8.2 Qualifications and independence

Grant Thornton Corporate Finance Pty Ltd holds Australian Financial Service Licence number 247140 under the Corporations Act and its authorised representatives are qualified to provide this report.

Grant Thornton Corporate Finance provides a full range of corporate finance services and has advised on numerous takeovers, corporate valuations, acquisitions, and restructures. Prior to accepting this engagement, Grant Thornton Corporate Finance considered its independence with respect to TGP and all other parties involved in the Proposed Transaction with reference to the ASIC Regulatory Guide 112 "Independence of expert" and APES 110 "Code of Ethics for Professional Accountants" issued by the Accounting Professional and Ethical Standard Board. We have concluded that there are no conflicts of interest with respect to TGP, PMG and all other parties involved in the Proposed Transaction.

Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with TGP or its associated entities that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Transaction.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Proposed Transaction, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Proposed Transaction. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

8.3 Limitations and reliance on information

This report and opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

Grant Thornton Corporate Finance has prepared this report on the basis of financial and other information provided by TGP and publicly available information. Grant Thornton Corporate Finance has considered and relied upon this information. Grant Thornton Corporate Finance has no reason to believe that any information supplied was false or that any material information has been withheld. Grant Thornton Corporate Finance has evaluated the information provided by TGP and other experts through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. Nothing in this report should be taken to imply that Grant Thornton Corporate Finance has audited any information supplied to us, or has in any way carried out an audit on the books of accounts or other records of TGP.

Grant Thornton Corporate Finance, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance of services contemplated by our engagement letter, disclaim all responsibility for TGP's failure to inform us of any changes to any information and/or material which impacts upon the services we have agreed to provide. TGP must take all necessary steps to immediately correct any announcement, communication or document issued which contains, refers to, or is based upon such information.

This report has been prepared to assist the Non-Associated Securityholders in relation to the Proposed Transaction. This report should not be used for any other purpose. In particular, it is not intended that this report should be used for any purpose other than as an expression of Grant Thornton Corporate Finance's opinion as to whether the Proposed Transaction is fair and reasonable to the Non-Associated Securityholders.

8.4 Consents

Grant Thornton Corporate Finance consents to the issuing of this report in the form and context in which it is included in the Notice of Meeting and Explanatory Memorandum to be sent to TGP Securityholders. Neither the whole nor part of this report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement without the prior written consent of Grant Thornton Corporate Finance as to the form and content in which it appears.

Appendix A - Valuation methodologies

Discounted future cash flows

An analysis of the net present value of forecast cash flows or DCF is a valuation technique based on the premise that the value of the business is the present value of its future cash flows. This technique is particularly suited to a business with a finite life. In applying this method, the expected level of future cash flows are discounted by an appropriate discount rate based on the weighted average cost of capital. The cost of equity capital, being a component of the WACC, is estimated using the Capital Asset Pricing Model.

Predicting future cash flows is a complex exercise requiring assumptions as to the future direction of the company, growth rates, operating and capital expenditure and numerous other factors. An application of this method generally requires cash flow forecasts for a minimum of five years.

Capitalisation of future maintainable earnings

The capitalisation of future maintainable earnings multiplied by appropriate earnings multiple is a suitable valuation method for businesses that are expected to trade profitably into the foreseeable future. Maintainable earnings are the assessed sustainable profits that can be derived by a company's business and excludes any abnormal or "one off" profits or losses.

This approach involves a review of the multiples at which shares in listed companies in the same industry sector trade on the share market. These multiples give an indication of the price payable by portfolio investors for the acquisition of a parcel shareholding in the company.

Orderly realisation of assets

The amount that would be distributed to shareholders on an orderly realisation of assets is based on the assumption that a company is liquidated with the funds realised from the sale of its assets, after payment of all liabilities, including realisation costs and taxation charges that arise, being distributed to shareholders.

Market value of quoted securities

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

Comparable market transactions

The comparable transactions method is the value of similar assets established through comparative transactions to which is added the realisable value of surplus assets. The comparable transactions method uses similar or comparative transactions to establish a value for the current transaction.

Comparable transactions methodology involves applying multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company. The risk attached to this valuation methodology is that in many cases, the relevant transactions contain features that are unique to that transaction and it is often difficult to establish sufficient detail of all the material factors that contributed to the transaction price.

Appendix B – Comparable transactions

Comparable transactions Target	 Description
PrimeWest Group	Primewest Group Limited is a real estate investment firm specializing in investment in real estate assets. It seeks to invest in commercial, industrial, retail, large format retail, tourism, residential, land & agricultural property assets located in Australia. Primewest Group Limited is based in Perth, Australia with an additional office in Sydney, Australia.
APN Property Group	APN Property Group Limited operates as a real estate investment fund manager in Australia and internationally. It operates through Real Estate Securities Funds, Industrial Real Estate Fund, Direct Real Estate Funds, and Investment Revenue segments. The company manages open ended properties securities funds, listed property trusts, fixed term Australian funds, and wholesale funds. It manages direct property and listed funds, and managed investment schemes. The company provides its products to institutional and retail investors directly, as well as through independent financial planner networks and financial institutions. APN Property Group Limited was founded in 1996 and is headquartered in Melbourne, Australia. As of August 13, 2021, APN Property Group Limited operates as a subsidiary of Dexus.
GoFARM Asset Management	GoFARM Australia Pty Ltd. provides agricultural investment advisory services. The company's services include designing investment strategies, leading acquisition and divestment activities, implementing asset development/repositioning, preparing financial modeling and sensitivity analysis, and providing ongoing management and operational solutions. Its client base includes ASX-listed companies, institutional asset managers, corporates, large family-farm enterprises, high net worth individuals, banking institutions, and real estate agents. The company was founded in 2014 and is based in Melbourne, Australia. As of June 18, 2020, GoFARM Australia Pty Ltd operates as subsidiary of Primewest Group Limited.
AMP Harumi Investment Management	This represents the fund management function of Precinct Properties NZ.
Investec	Investec (nka:Irongate Group) has its origins as the Investec Group's Australian and New Zealand property investment and asset management business. Having invested in and managed over A$3bn of assets for the Investec Group, the long-standing management team evolved to become the Irongate Group to continue its growth trajectory and expand its third-party funds management platform. Our strength lies in our disciplined, measured and value-based approach to multi-sector property investment and asset management in Australia and New Zealand. We have dedicated teams that specialise in acquisitions, hands on active asset management, effective balance sheet management and developing trusted capital partnerships.
Garda Capital Group	Garda Capital Group is property funds management headquartered in Brisbane, Queensland, Australia. As of November 29, 2019, Garda Capital Group operates as a subsidiary of Garda Diversified Property Fund.
Aventus Property Group	Aventus Capital Limited is the fund manager of Aventus Property Group.
Citrus Investment Services Pty Ltd	Citrus Investment Services Pty Ltd is based in Australia.
CFX Co Limited	Vicinity Holdings Limited acts as a trustee or manager for managed investment schemes registered under the Managed Investments Act. The company was founded in 2013 and is based in Chadstone, Australia.
Kiwi Property Management Limited and Kiwi Income Properties Limited	Kiwi Property Management Limited and Kiwi Income Properties Limited represents the combined operations of Kiwi Property Management Limited and Kiwi Income Properties Limited in their sale. Kiwi Property Management Limited offers property management services. Kiwi Income Properties Limited operates the Kiwi Income Property Trust. Kiwi Property Management Limited and Kiwi Income Properties Limited are based in Auckland, New Zealand.
Augusta Capital Limited	Augusta Capital Limited engages in the investment of commercial and industrial properties in New Zealand. The company owns five commercial properties comprising commercial office towers, office buildings, finance center, and business parks located in Auckland. It also provides property syndication services. The company was formerly known as Kermadec Property Fund Limited and changed its name to Augusta Capital Limited in March 2012. Augusta Capital Limited was incorporated in 2006 and is based in Auckland, New Zealand.
Heathley Limited	Heathley Limited is a real estate investment firm specializing in multi–property and single property funds investing in prime commercial office, industrial, and medical sectors. Heathley Limited was founded in 1977 and is based in Sydney, Australia. Heathley Limited operates as a subsidiary of Centuria Platform Investments Pty Ltd.

Propertylink Group	Propertylink is an A-REIT, listed on the Australian Stock Exchange under the code "PLG". Propertylink is an internally managed real estate group that owns and manages a diversified portfolio of logistics, business park and office properties and is a leading investment and asset management business with A$1.8 billion of assets under management. Propertylink's integrated, in-house approach to active asset management is aimed at maximising the performance and value of assets under management for our global investors from North America, Europe, the Middle East, Asia and Australia.
Folkestone Limited	Folkestone Limited operates as a real estate funds management, investment, and development company in Australia. It operates through Property Development and Funds Management segments. The company invests in the office, retail, industrial, residential, and social infrastructure sectors; and provides real estate funds management services for private clients and institutional investors. Folkestone Limited is based in Sydney, Australia. As of October 23, 2018, Folkestone Limited operates as a subsidiary of Charter Hall Group.
Armada Funds Management Pty Limited	Armada Funds Management Pty Limited is a real estate investment firm specializing in wholesale direct property investments. Armada Funds Management Pty Limited based in Australia. As of June 1, 2017, Armada Funds Management Pty Limited operates as a subsidiary of Moelis Australia Limited.
Centuria Property Funds	Centuria Property Funds No. 2 Limited is a privately owned investment manager. It launches and manages real estate investment trusts and real estate investment funds for its clients. The firm invests in the real estate markets of Australia. It operates as a subsidiary of Centuria Capital Limited. It was formerly known as 360 Capital Investment Management Limited. Centuria Property Funds No. 2 Limited was founded in 2013, and is based in Sydney, New South Wales, Australia.

Source: S&P Global Capital

Appendix C – Glossary

A$	Australian Dollar
AASB 16	Australian Accounting Standards Board 16 Leases
ABS	Australian Bureau of Statistics.
ADI	Authorised Deposit-taking Institutions
AFSL or AFS Licence	Australian Financial Services Licence
AIML	Arena Investment Management Limited
APES	Accounting Professional and Ethical Standards
APRA	Australian Prudential Regulatory Authority
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ASX LR10.1	Australian Securities Exchange Listing Rules 10.1 Transactions with related parties
Aventus	Aventus Capital Limited
Aventus Internalisation	The transaction in August 2018 to internalise Aventus
AVN	Aventus Retail Property Fund
Corporations Act	Corporations Act 2001
EBIT	Earnings before, interest and tax
EBIT Multiple	Enterprise Value divided by underlying EBIT
EM	Explanatory Memorandum
EV	Enterprise Value
FSG	Financial Services Guide
FUM	Funds under management
FUM Multiple	Enterprise Value divided by FUM
FYxx	12 month financial year ended 30 June 20xx
GCM	GARDA Capital Group
GDF	GARDA Diversified Property Fund
Gearing Ratio	Net Debt over Equity
GFC	Global Financial Crisis
GTCF, Grant Thornton, or Grant Thornton Corporate Finance	Grant Thornton Corporate Finance Pty Ltd (ACN 003 265 987)
Heretaunga West Street Property	The Property located at Heretaunga West Street
IER or Report	Independent Expert Report
IMA	Investment Management Agreement
Internalisation Transactions	The comparable transactions involving internation of the asset managers (with the exception of Centro Business Services Limited)
NOM	Notice of Meeting
NTM	Next twelve months
Other Management Platform Transactions	The comparable transactions that are not Internalisation Transactions
PMG	PMG Group Pty Ltd
RBA	Reserve Bank of Australia
RG	Regulatory Guide
RG 74	ASIC Regulatory Guide 74 "Acquisition approved by members"
RG111	ASIC Regulatory Guide 111 “Contents of expert reports”
RG112	ASIC Regulatory Guide 112 “Independence of experts”
RG5	ASIC Regulatory Guide 5 "Relevant Interests and Substantial Holding Notices"
TGP	360 Capital Group

TOT	360 Capital REIT
Total Consideration	NZ$21.875 million plus NTA of PMG
WACC	Weighted Average Cost of Capital.
WALT	Weighted Average Lease Term

360 Capital

360 Capital Group Limited
ACN 113 569 136

360 Capital Investment Trust
ARSN 104 552 598

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YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am (AEST) on Monday, 30 May 2022.**

TO VOTE ONLINE — BY SMARTPHONE

STEP 1: VISIT https://www.votingonline.com.au/tgpegm2022

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:

(a) 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.

(b) 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 **10:00am (AEST) on Monday, 30 May 2022.** 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/tgpegm2022
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

360 Capital Group Limited
ACN 113 569 136

360 Capital Investment Trust
ACN 113 569 136

☐ **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 Group Limited** and **360 Capital Investment Trust (ASX: TGP) ("Group")** 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 Company to be held **Virtually on Wednesday, 1 June 2022 at 10:00am (AEST)** 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 intends to vote undirected proxies in favour of each of the items of business.

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 on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Approval of Acquisition	☐	☐	☐

STEP 3 SIGNATURE OF SECURITYHOLDERS

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

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name…………………………………………….... Contact Daytime Telephone……………………….............................. Date / / 2022