Centuria Capital Group

Acquisition and Capital Raising

23 November 2016

www.centuria.com.au

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Financial data

All dollar values are in Australian dollars (A$) unless otherwise stated.

Investors should note that the pro forma financial information and Offer metrics assume that a Conditional Placement for $50m is undertaken by Centuria. The Conditional Placement is conditional on the approval by ordinary resolution of non-participating security holders at a extraordinary general meeting scheduled for 3 January 2017. The Board has a high level of confidence that this resolution will be passed since Securityholders associated with the Board hold 13.7% of stapled securities, and shareholders (including Noontide Investments Limited, Investors Mutual Limited and Ellerston Capital Limited) controlling a further 10.7% of stapled securities have indicated their intention of voting in favour. However, If the resolution is not approved then the new securities relating to the Conditional Placement will not be issued. In this case, Centuria has put in place the Conditional Placement Backstop Arrangements to provide funding certainty to assist Centuria to settle the Transaction. Further details on the Conditional Placement and the Conditional Placement Backstop Arrangements are provided on pages 30, 44, 47 and 50.

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In this document “Centuria” refers to the Centuria Capital Group (ASX:CNI) which is a stapled group comprising of Centuria Capital Limited and Centuria Capital Fund.

Section 1

Executive Summary

Executive Summary

- Centuria to acquire the majority of 360 Capital Group's (ASX:TGP) real estate platform for $217m ("Transaction") comprising:
  - the manager of 360 Capital Industrial Fund (ASX:TIX), 360 Capital Office Fund (ASX:TOF) and four unlisted funds; and
  - co-investment stakes in TIX (approximately 15.6%) and TOF (19.99%)[1]
- Centuria has also entered into a two year put and call option arrangement over TGP's equity interests in four unlisted funds (~$59m) as part of the Transaction
- Centuria Property Funds Limited ("CPFL"), as the Responsible Entity of Centuria Metropolitan REIT (ASX:CMA), announces its intention to acquire a further 8.8% of TOF from TGP, conditional on TOF unitholder approval
- Transformational change in the scale of Centuria's funds management business with Funds Under Management ("FUM") increasing from $2.2bn[2] to $3.6bn (+63%). Centuria will manage:
  - TIX, being the largest ASX listed REIT focused entirely on industrial assets ($0.9bn FUM);
  - CMA and TOF which have complementary platforms focused on metropolitan office assets, with the potential to merge these funds in the future; and
  - One of the leading unlisted property funds management platforms ($1.3bn FUM)
- The Transaction is to be funded by way of a fully underwritten $150 million conditional equity raising at $1.00 per CNI security[1], with the balance of funds to be provided through existing cash reserves of approximately $27 million and a vendor loan advanced to Centuria from TGP of $50 million
- The Transaction conditions include TGP Security holder approval to change the responsible entity of TGP and TOF unitholder approval for the sale of TGP's 28.8% in TOF to Centuria (19.99%) and CMA (8.8%)

1. Assumes that the Conditional Placement is approved. If the Conditional Placement is not approved, Centuria expects to implement the Conditional Placement Backstop Arrangements. See page 44.
2. FUM as at 30 June 2016 adjusted for the establishment of the Centuria Zenith Fund ($287m in additional settled FUM).

Transaction Rationale

✓

Creating one of the leading property funds management platforms

- Increases listed property FUM ~four-fold to $1.55bn including exposure to a dedicated industrial REIT (TIX) and the potential to create the largest metro focused office fund/REIT (CMA/TOF)
- Complements Centuria's leading unlisted property funds management business ($1.3bn FUM) with continuing growth potential
- Expands the investor base for Centuria across both listed and unlisted funds with addition of existing investors in TGP funds

✓

Recurring underlying revenue streams increase from 65% to 77% of post transaction

- Underlying revenue of acquired funds is predominately comprised of base fee and property management fees
- Co-investment income from TIX and CMA/TOF are expected to account for approximately 45% of Centuria's net profit post transaction[1]

✓

Leverages Centuria's existing capabilities and underutilised property platform

- Brings the existing property funds management platform to scale with minimum changes in corporate overheads
- Centuria and its managed fund investors benefit from Centuria's fully integrated funds management and property services platform

✓

Compelling Market Metrics

- Centuria is expected to offer investors a forecast FY17 PE multiple of 10.1x and FY17 DPS yield of 7.5%, with DPS expected to increase 35.9% post transaction due to material increase in co-investment income and stapled structure[2]
- Centuria's indicative market capitalisation post transaction is ~$230m[3] moving it close to S&P/ASX 300 index inclusion

1. Assumes that the Conditional Placement is approved. If the Conditional Placement is not approved, Centuria expects to implement the Conditional Placement Backstop Arrangements. See page 44.
2. FY17PE and DPS calculated using expected underlying NPAT and dividend/distribution based on an offer price of $1.00. Refer to page 27 for Proforma P&L and the appendix for financial assumptions and key risks. Underlying NPAT is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents profit under AAS adjusted for specific non-cash and significant items (including fair value gains and losses and transaction costs). Assumes that the Conditional Placement is approved. If the Conditional Placement is not approved, Centuria expects to implement the Conditional Placement Backstop Arrangements. See page 44.
3. Based on the Offer price of $1.00 per CNI security, and assumes full Equity Raising.

Transformational change in scale

		Centuria Pre	Centuria Post	Change
Portfolio	Funds Under Management	2,207[1]	3,603	63%
	No of listed property funds	1	3	2
	No of unlisted property funds	14	18	4
Income metrics[2]	FY17 Forecast Underlying EPS (cents)	9.3	9.9	6.0%
	FY17 Forecast DPS (cents)	5.5	7.5	35.9%
Balance sheet metrics[2]	NAV per security	1.53	1.14	(25.6%)
	Corporate gearing[3]	8.6%	11.4%	2.8ppts
	Corporate debt to EBITDA	2.0x	2.2x	0.2x
Market Metrics[2]	Indicative market capitalisation ($m)	79.5[4]	229.5[4]	150.0
	FY17 PE Ratio	10.7x	10.1x	(0.6x)
	FY17 DPS yield	5.5%	7.5%	35.9%
	DPS payout ratio	60%	76%	16ppts

1. FUM adjusted for the establishment of the Zenith Fund ($287m).
2. Balance sheet metrics based on 30 June 2016 Balance Sheet adjusted for Proforma impact of the Transaction and the Equity Raising completing in full. FY17PE and DPS calculated using underlying NPAT and distribution/dividends, based on an offer price of $1.00, assuming that Transaction completes on 1 January 2017 and Equity Raising completes in full. Refer to page 27 and page 28 for Proforma Balance Sheet and P&L and the appendix for financial assumptions and key risks. Underlying NPAT is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents profit under AAS adjusted for specific non-cash and significant items (including fair value gains and losses and transaction costs). Assumes that the Conditional Placement is approved. If the Conditional Placement is not approved, Centuria expects to implement the Conditional Placement Backstop Arrangements. See page 44.
3. Corporate gearing calculated as (corporate debt – cash) / (total assets – reverse mortgage receivables – cash).
4. As at 22 November 2016, being the date immediately prior to the announcement of the Transaction. Revised market capitalisation based on the full Equity Raising amount at Offer price.

Section 2
Centuria to Date

Centuria Profile

- Founded in 1998, Centuria is an ASX listed investment manager currently managing $2.2bn of investments[1]
  - **Property Funds Management Division**: Manages a portfolio of 14 unlisted funds and the ASX listed Centuria Metropolitan REIT (ASX:CMA)
  - **Investment Bonds**: Offers a range of investment products including tax-effective bonds and pre-paid funeral plans

Centuria

$2,207m[1]

Total Funds under Management (FUM)

Centuria Property Funds Management FUM

$1,071m[1]

Unlisted Property

$416m

Listed Property (ASX: CMA)

Centuria Investment Bonds FUM

$350m

Centuria Life Investment Bonds

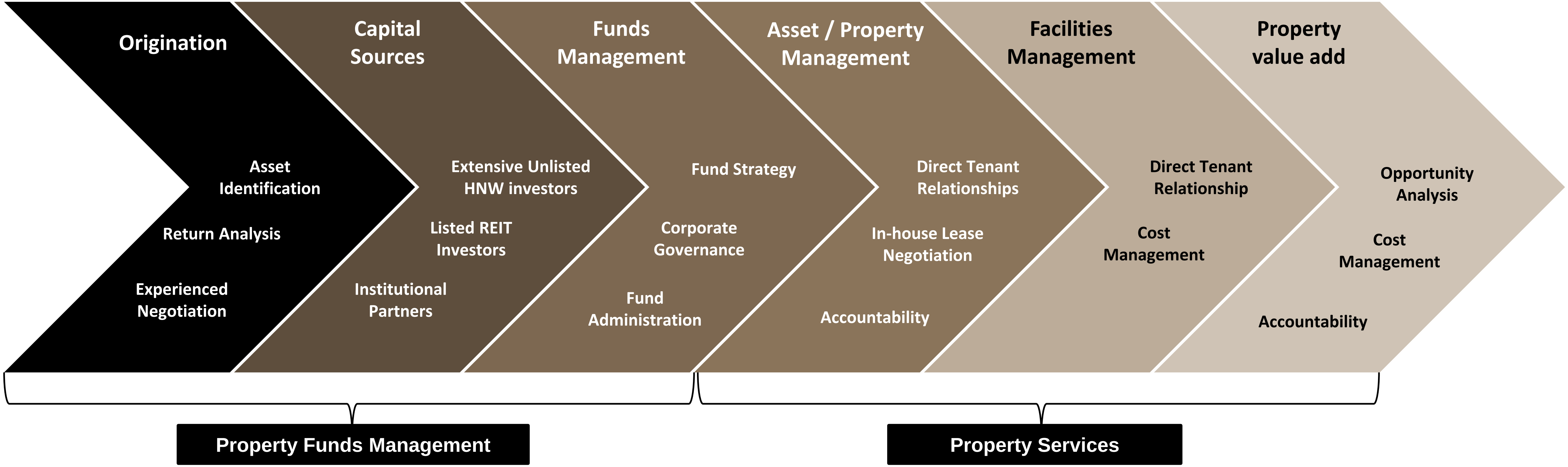
$370m

Over Fifty Guardian Friendly Society Bonds

1. FUM as at 30 June 2016 adjusted for the establishment of the Centuria Zenith Fund ($287m in additional settled FUM).

Vertically Integrated Property Model

- Centuria has a fully integrated property management platform that seeks to add value to the origination and ownership process through a hands on approach to all aspects of asset ownership
- Centuria has 39 employees spread across the various disciplines within its property funds management and property services division and believes that this model provides enhanced returns to both Centuria and Centuria fund investors over the course of asset ownership



Achieving Strategic Milestones

- Centuria has a disciplined approach to its strategy delivering on its milestone initiatives, including recent examples:

Delivering attractive returns to 3rd party investors	• ~30% IRR on sale of 175 Castlereagh St • ~20% IRR on sale of 80 Waterloo Rd, Macquarie Park
Capital partnering success	• Partnered with Blackrock to establish $287m Centuria Zenith Fund • Successful joint bid with Mirvac for Australian Technology Park site
Increase co-investment income	• Additional seed investment in Centuria Diversified Property Fund ($5.6m)[1] and Centuria Woden Green Estate Development Fund ($1.2m) • Acquiring co-investment stakes in TIX and TOF
Stapling proposal	• Corporate restructure to allow efficient co-investment ownership for Centuria security holders
Investment Bonds expansion	• Launched "White Label" investment bond offering • New FUM gains in FY16 with broaden distribution

175 Castlereagh St. Sydney, NSW

80 Waterloo Rd, Macquarie Park, NSW

1. Total investment in Centuria Diversified Property Fund of $6.2m since inception.

Centuria

Select Portfolio Acquisitions Over Last 5 Years

- Centuria's growth story is underpinned by its continued acquisition of higher value property through both its listed and unlisted funds

Unlisted Funds

200 Creek Street, Brisbane QLD

March 2011
Price: $37.7m

441 St. Kilda Rd Melbourne, VIC

April 2012
Price: $58.0m

175 Castlereagh St. Sydney, NSW

April 2013
Price: $56.0m

8 Central Ave. Eveleigh, NSW

Dec 2013
Price: $99.6m

8 Central Ave. Eveleigh, NSW

July 2015
Price: $109.4m

203 Pacific Highway St. Leonards, NSW[1]

Dec 2015
Price: $86.1m

ATP Eveleigh, NSW

April 2016
Price: $104.0m

The Zenith Centre Chatswood, NSW

Post June 2016
Price: $279.1m

2011
Total value of acquisitions: $67.9m

2012
Total value of acquisitions: $81.3m

2013
Total value of acquisitions : $247.3m

2014
Total value of acquisitions: $227.2m

2015
Total value of acquisitions: $324.7m

2016 to date
Total value of acquisitions: $383.1m

Listed Funds

Establishment of ASX: CMA Listed Trust

Listing of 8 Properties in December 2014
Total value of acquisitions: $182.2m

Further acquisitions in 2015

5 Properties acquired in 2015[1]
Total value of acquisitions: $215.3m

1. Centuria unlisted fund and CMA each own a 50% interest in 203 Pacific Highway, NSW

Section 3
The Transaction

Transaction Overview

- Centuria has agreed to acquire TGP's real estate funds management platform under 360 Capital Investment Management Limited ("CIML") and TGP's co-investment holdings
- Centuria will examine options for the transfer of the majority of the unlisted equity interests into new or existing unlisted Centuria funds over a two year period

Property Funds Management Business

Managed Funds

Listed	Unlisted
360 Capital Office Fund (ASX:TOF)	360 Capital 111 St George's Terrace Property Trust
360 Capital Industrial Fund (ASX: TIX)	360 Capital Retail Fund No. 1
	360 Capital Havelock House Property Trust
	360 Capital 441 Murray Street Property Trust

Total Consideration: $91.5m
Forecast FY17 Annualised EBIT Multiple of 10.0x[3]

Co-Investment Holdings

Strategic Co-Investments

- 19.99% interest in TOF[2]
- 15.6% interest in TIX

Total Consideration: $115.8m
Average FY17 DPS Yield: 8.3%[4]

Deferred Settlement[1]

Unlisted Equity Interests

- 42.3% interest in 360 Capital 111 St. George's Terrace Property Trust[5]
- 49.9% interest in 360 Capital Retail Fund No. 1
- 38.8% interest in 360 Capital Havelock House Property Trust
- 35.7% interest in 360 Capital 441 Murray Street Property Trust

Deferred Settlement Consideration: $58.9m
Average FY17 DPS Yield: 9.2%[4]

1. Centuria has entered into a 2 year put and call arrangement over the unlisted co-investments for approximately $59 million.
2. CMA to acquire the 8.8% holding, with Centuria and CMA holding 28.8% interest in TOF, conditional on TOF unitholder approval. Assumes that the Conditional Placement is approved. If the Conditional Placement is not approved, Centuria expects to implement the Conditional Placement Backstop Arrangements. See page 44.
3. Refer to page 16 for additional detail.
4. Based on expected weighted average annualised distribution entitlement and the agreed acquisition price of units in the respective Unit Sale Agreement. Further details, including relevant assumptions, material contracts and risks are provided in the appendix.
5. CIML, as responsible entity of the Trust, is undertaking the equity raising on behalf of 360 Capital 111 St George's Terrace Property Trust. CIML has indicated that it will not participate in the capital raising and ownership interest will reduce to 38.9% on completion if the equity raising is successful.

Acquisition Metrics – Funds Management Platform

- Acquiring funds management platform for $91.5m (+ additional $10m in cash and net assets) which represents a 10.0x multiple to forecast FY17 annualised EBIT expected to be generated by the platform
- Fees predominately relate to base management fees and property services fee income
  - Consistent with its existing funds and asset management philosophy, Centuria will bring property management services in-house
- Existing Centuria platform is underutilised and therefore minimal incremental costs will be required to manage the acquired FUM
- No FUM growth assumed in forecasts for acquisition of 360 Capital funds management platform

Forecast FY17 annualised incremental EBIT Multiple[1]	$m
Funds Management Fees	9.1
Property Management Fees	1.5
Performance Fees	-
Transactional Fees	-
Total Management Income	**10.6**
Expenses	(1.5)
Incremental EBIT	**9.1**
EBIT Multiple	**10.0x**

1. Assumes transaction completed on 1 July 2016 as EBIT multiple is calculated on an annualised basis. Further details, including relevant assumptions and risks are provided in the appendix. Assumes that the Conditional Placement is approved. If the Conditional Placement is not approved, Centuria expects to implement the Conditional Placement Backstop Arrangements. See page 44.

Overview of the 360 Capital Funds[1]

	TIX	TOF	360 Capital 111 St. George's Terrace Property Trust	360 Capital Retail Fund No 1	360 Capital Havelock House Property Trust	360 Capital 441 Murray Street Property Trust
Fund Type	Listed	Listed	Unlisted	Unlisted	Unlisted	Unlisted
Sector Focus	Industrial	Office	Office	Retail	Healthcare	Office
AUM ($)	923.3	211.0	142.0	72.5	25.3	22.4
Market capitalisation ($m)[2]	517.2	158.3	n/a	n/a	n/a	n/a
No of properties	37	3	1	2	1	1
WACR	7.5%	7.1%	7.6%	6.9%	7.5%	8.3%
Occupancy (by GLA)	99.4%	99.2%	88.0%	97.2%	100.0%	100.0%
WALE (by income)	4.7	4.7	4.1	6.5	11.6	0.4
Gearing[3]	42.6%	17.8%	49.4%	46.0%	46.2%	47.1%

1. All figures, unless stated, are based as at 30 June 2016 .
2. Market capitalisation as at 22 November 2016, being the date immediately prior to the announcement of the Transaction.
3. Gearing defined as net debt / (total tangible assets – cash).

Section 4
The Expanded Centuria

Overview of the Expanded Centuria

- Centuria provides security holders with an exposure to a substantial funds management platform with established access to deep listed and unlisted investor bases covering real estate and investment bonds
- Centuria has a unique approach where it intends to grow both unlisted and listed property platforms with equal focus

Expanded Centuria
FUM: $3,603m

Property Funds Management
FUM: $2,883m

- Scalable listed and unlisted opportunities
- In-house property management services
- Platform in place to manage significantly more FUM

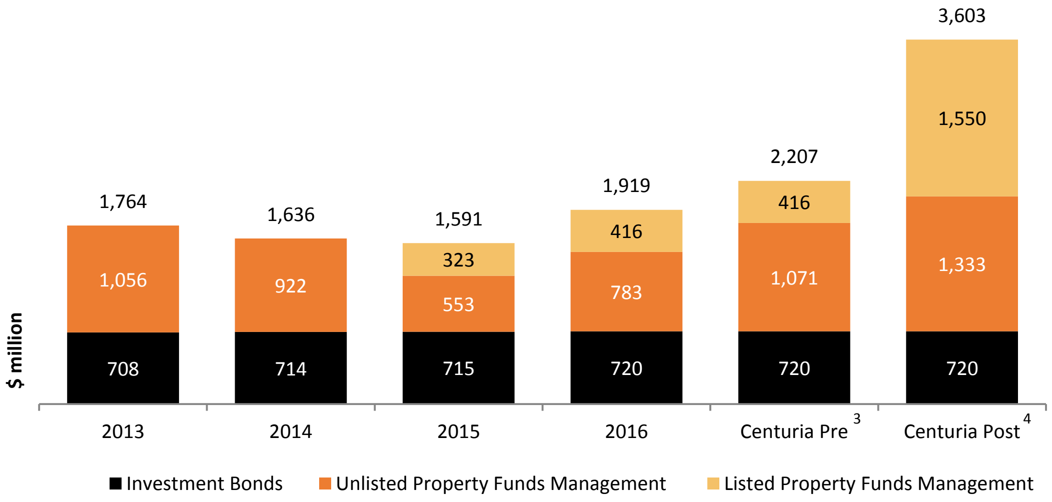
Co-investments[1]
$129m

- Alignment of interest
- Stable recurring income source through distributions
- Co-investment income expected to represent 45% of forecast underlying NPAT in FY17 post transaction[2]

Investment Bonds
FUM: $720m

- Tax effective investment solution over long to medium term
- Well positioned to take advantage of proposed changes to superannuation

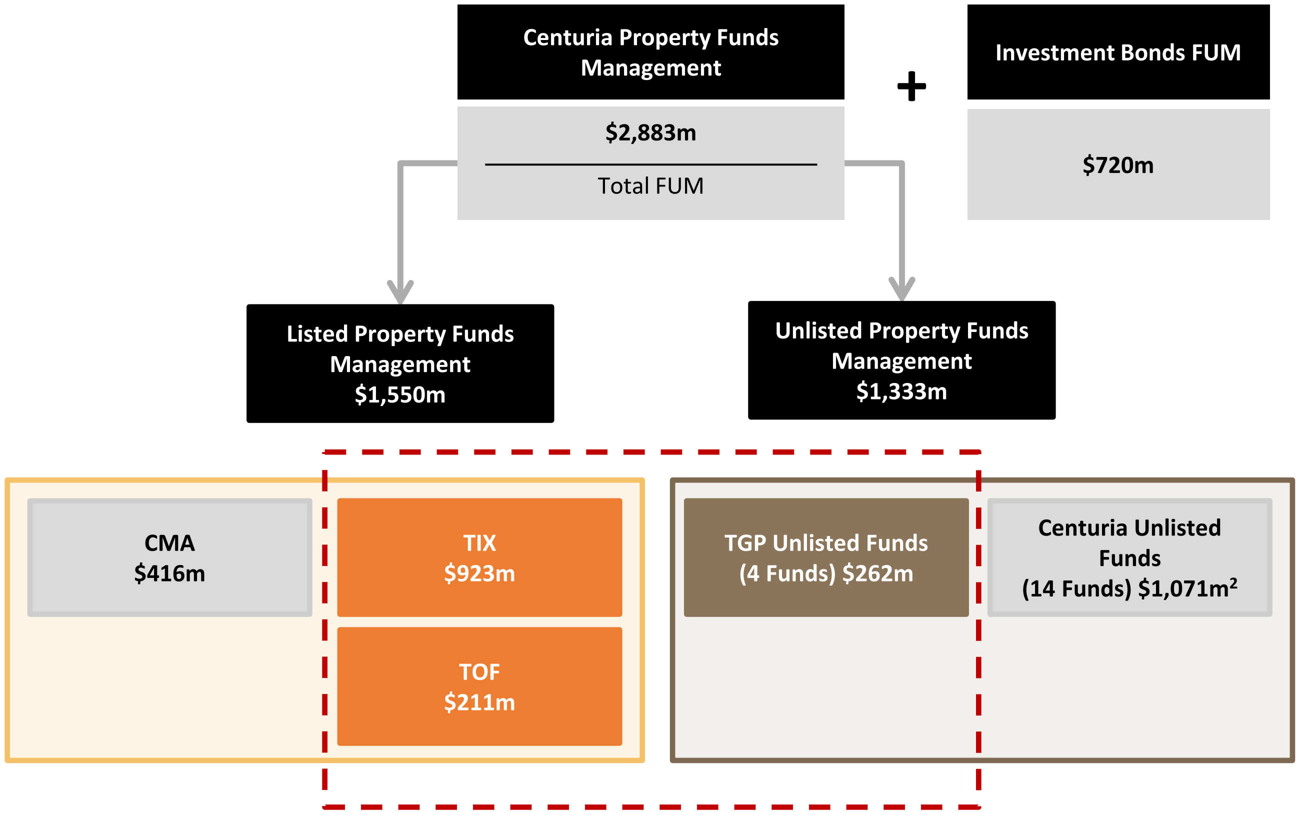
Funds under management



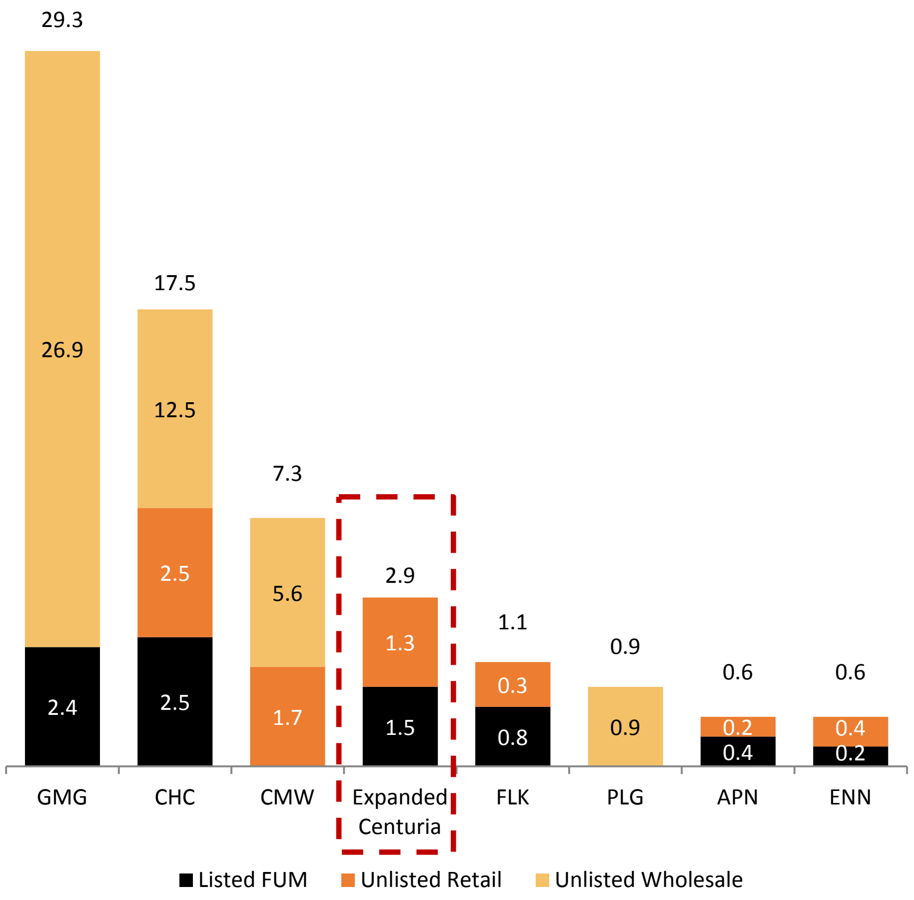
1. Co-Investments represent equity investments made by Centuria in each underlying listed/unlisted fund and form a component of the property funds management FUM. Assumes that the Conditional Placement is approved. If the Conditional Placement is not approved, Centuria expects to implement the Conditional Placement Backstop Arrangements. See page 44.
2. Refer to page 27 and page 28 for Proforma Balance Sheet and P&L and the appendix for financial assumptions and key risks.
3. FUM as at 30 June 2016 adjusted for the establishment of the Zenith Fund ($287m in additional FUM).
4. FUM as at 30 June 2016 adjusted for the establishment of the Zenith Fund ($287m in additional FUM) + incremental FUM growth from acquisition of TGP platform.

Transformational change in scale to over $3.6bn in FUM

- An approximately four-fold increase in listed property funds under management business transforms Centuria into the fourth largest pure play ASX listed property funds management business



Comparable Property Funds Under Management ($m)[1]

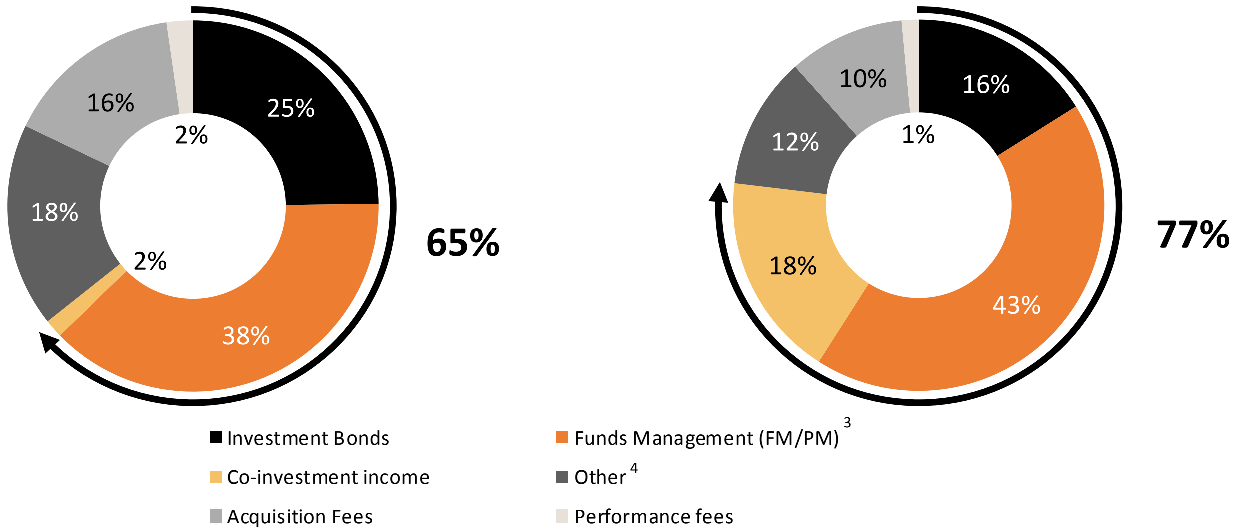


1. As at 30 June 2016, sourced from ASX disclosures. Note ENN includes FUM increase from Elanor Retail Property Fund (as disclosed on 4 October 2016).
2. FUM as at 30 June 2016 adjusted for the establishment of the Zenith Fund ($287m in additional FUM).

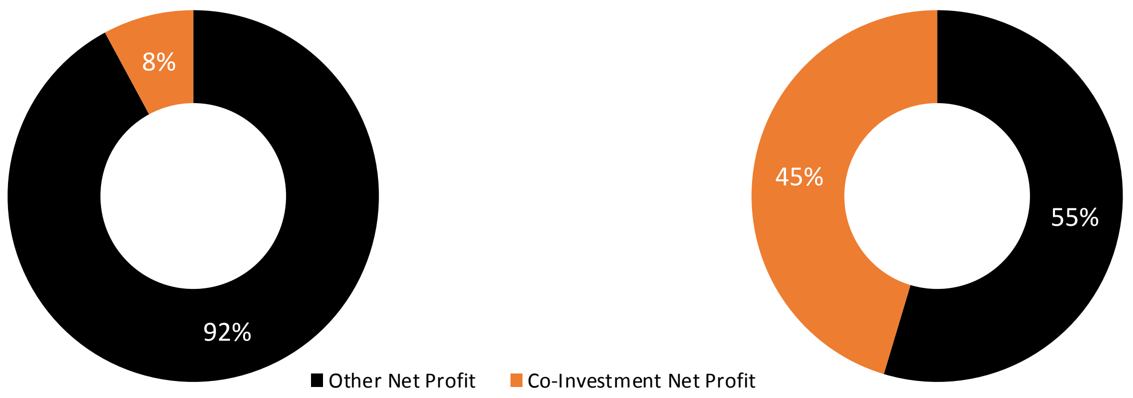
Enhanced earnings quality as recurring revenue grows

- Centuria's earnings quality is materially improved with recurring revenues expected to increase from 65% to 77% of total revenue post Transaction[1,2]
- Post Transaction, co-investment income becomes a major contributor to Centuria's net profit[1,2]
  - Increased contribution to approximately 18% of revenue and ~45% of net profit on an annualised basis
  - Stapled structure allows for efficient flow through of co-investment income to Centuria investors
- The expected increase in recurring co-investment income underpins the expected increase in FY17 distributions

Revenue Centuria pre[1] **Revenue Centuria post[1,2]**



NPAT Centuria pre[5] **NPAT Centuria post[5]**



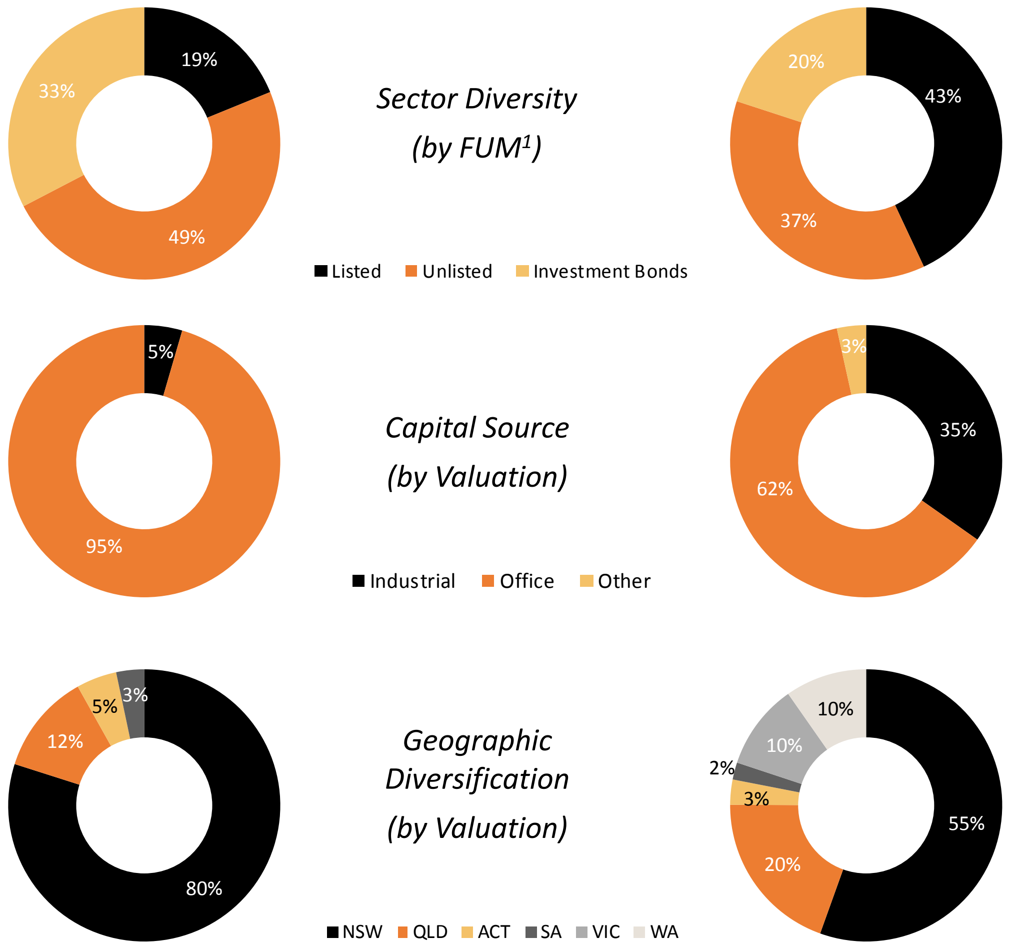
1. Represents underlying revenue calculated on an annualised basis. Refer to the appendix for financial assumptions and key risks.
2. Assumes that the Conditional Placement is approved. If the Conditional Placement is not approved, Centuria expects to implement the Conditional Placement Backstop Arrangements. See page 44.
3. FM = Funds Management, PM = Property Management
4. Other revenue includes: Sales Fees, Development Income, Project Management Fees, Design Recovery, Fees associated with Belmont Road, Interest Income and Other
5. Represents underlying NPAT calculated on an annualised basis. Refer to the appendix for financial assumptions and key risks. Underlying NPAT is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents profit under AAS adjusted for specific non-cash and significant items (including fair value gains and losses and transaction costs).

Centuria

Creating a diversified property funds management platform

- Centuria real estate platform significantly rebalanced to listed REITs and the industrial asset class
  - TIX is a dedicated industrial REIT included in the S&P/ASX 300 index
  - The potential to create the largest metro focused office fund/REIT in the future (CMA/TOF)

Centuria pre **Centuria post**



1. FUM as at 30 June 2016 adjusted for the establishment of the Zenith Fund ($287m in additional FUM)

Leverages Centuria's existing capabilities

- Significant incremental income generation resulting from additional FUM added to the platform[1]

Listed Funds	
Advantages	**Considerations**
• Ability to leverage equity capital markets • Very scalable business • Expanded REITs advance growth options	• Sizeable co-investment

Unlisted Funds	
Advantages	**Considerations**
• Additional fee opportunities on acquisition, equity raising and performance fees for outperformance success of the funds	• Capital recycling required to launch new funds • Generally funds will have finite term

TIX, TOF, CMA		
Recurring Revenue		
Base Management Fee	**(% of GAV)**	0.55 – 0.60%
Custodian fee	**(% of GAV)**	0.05%[2]
Property Management Fees[3]	**(% of Gross revenue)**	1.3- 2.2%
Leasing Fees [4]	**(% of first year lease revenue)**	3.0 - 5.5%
Transactional Revenue		
Acquisition fees	**(% of acquisition price)**	-
$200m of incremental FUM		
Recurring Revenue	**($m)**	1.6 – 1.7
Transactional Revenue	**($m)**	nil
Total Revenue	**($m)**	**1.6 - 1.7**
EBITDA Margin	**(%)**	60% - 80%
Incremental EBITDA	**($m)**	**1.0 – 1.4**

Unlisted Property Average Fees		
Recurring Revenue		
Base Management Fee	**(% of GAV)**	0.80%
Custodian fee	**(% of GAV)**	0.05%
Property Management Fees[2]	**(% of Gross revenue)**	2.5%
Leasing Fees [3]	**(% of first year lease revenue)**	3.0 - 5.5%
Transactional Revenue		
Acquisition fees	**(% of acquisition price)**	1.5%
$200m of incremental FUM		
Recurring Revenue	**($m)**	2.2
Transactional Revenue	**($m)**	3.0
Total Revenue	**($m)**	**5.2**
EBITDA Margin	**(%)**	60 – 80%
Incremental EBITDA	**($m)**	**3.1 – 4.2**

1. Illustrative purposes only
2. Not applicable to CMA as fees payable to custodian is considered an operating cost
3. Assumes Centuria will manage 80% of underlying FUM of TIX and TOF (with remainder externally managed by third parties)
4. Assumes 70% rollover of existing tenants on expiry of lease term

Section 5

Transitioning to the Expanded Centuria

Benefits for Property Fund Investors

- Centuria's property funds management business has been serving Australian investors since 1998 with 33 completed funds totalling $1.3 billion

Committed & experienced Manager	• Vertically Integrated property management model with depth and experience across all facets of platform (refer page 11) • Recent transaction includes $279.1 million acquisition of "The Zenith" in partnership with leading global institutional investor Blackrock
Focus on corporate governance & alignment of interests	• Centuria's Property Funds management business has a strong focus on corporate governance and seeks to align Centuria's interests with those of investors through substantial co-investments in the funds
Orderly transition	• **Listed Funds** - TIX to be managed in line with previously stated strategies with additional benefit of access to Centuria's integrated property model - The potential to create the largest metro focused office fund/REIT in the future (CMA/TOF) • **Unlisted Funds** - Centuria will manage the unlisted funds in line with present policy, but will review all funds within 3 months of completion and adjust its strategy as required

Section 6

Financial Impact

Financial Impact: Proforma Forecast FY17 Profit and Loss Statement

- Assumes the Transaction is implemented on 1 Jan 2017 and the Equity Raising completes in full[1,2]
- Forecast FY17 Underlying revenue increases 27% to $47.2m due to an expected:
  - $4.5m increase in property funds management fees ($9.1m annualised)
  - $0.8m increase in property services fees ($1.5m annualised)
  - $4.8m from co-investments in TIX and TOF ($9.7m annualised)
- Forecast FY17 total expenses expected to increase by $0.8m ($1.6m annualised) from additional staffing and corporate overheads given ability to leverage Centuria's existing platform
- FY17 DPS expected to increase 35.9% with attractive distribution yield of 7.5%
- Key assumptions applied in the Proforma forecast FY17 Profit and Loss Statement are outlined in the appendix (page 52)
- Key risks are contained in the appendix (page 41-44)

Proforma forecast FY17 Underlying Profit and Loss Statement[1,2,3,4,5] (A$m)

	Centuria pre	Transaction	Centuria post
Investment bond fees	9.2	-	9.2
Property funds management fees	9.4	4.5	13.9
Property services fees	4.7	0.8	5.4
Co-investment income	0.6	4.8	5.4
Acquisition fees	5.8	-	5.8
Performance fees	0.9	-	0.9
Other revenue	6.6	-	6.6
Underlying revenue	**37.1**	**10.1**	**47.2**
Staffing expenses	(15.7)	(0.7)	(16.4)
Other expenses	(8.3)	(0.1)	(8.4)
Underlying EBITDA	**13.1**	**9.3**	**22.4**
Depreciation	(0.3)	-	(0.3)
Underlying EBIT	**12.8**	**9.3**	**22.1**
Net Interest expense	(2.3)	(1.2)	(3.6)
Underlying Net Profit Before Tax	**10.5**	**8.0**	**18.5**
Underlying tax expense	(3.3)	(0.3)	(3.6)
Underlying Net Profit After Tax	**7.2**	**7.7**	**14.9**

Underlying EPS (cents)	9.3		9.9
DPS (cents)	5.5		7.5

1. For the purposes of this presentation, the financial information does not consolidate any funds operated by Centuria Life Limited on behalf of policy holders . The profit and loss from these funds are required to be consolidated for statutory purposes.
2. Assumes that the Conditional Placement is approved. If the Conditional Placement is not approved, Centuria expects to implement the Conditional Placement Backstop Arrangements. See page 44.
3. For the purposes of this Presentation, the financial information does not consolidate the four unlisted funds in which TGP's equity interests are subject to put and call arrangements with Centuria. The profit and loss from these funds are required to be consolidated for statutory purposes. This will result in an increase to revenue and expenses, the elimination of management fee for the unlisted funds and an offsetting adjustment to non-controlling interests. Therefore NPAT on a statutory basis would increase. However, NPAT after non-controlling interest will not be impacted on a statutory basis.
4. Underlying NPAT excludes transaction costs of $2.6 million required to be expensed through the profit and loss statement for statutory reporting purposes.
5. Underlying NPAT is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents profit under AAS adjusted for specific non-cash and significant items (including fair value gains and losses and transaction costs).

Financial Impact: Proforma Balance Sheet

- Proforma adjustments to 30 June 2016 Balance Sheet reflect:
  - Payment of accrued fees from the sale of Macquarie Park ($9.7m) and return of deposit on Centuria Zenith Fund ($6.8m) and repayment of other liabilities offset by increase in other receivables ($1.9m)
  - Additional seed investment in Centuria Diversified Property Fund ($5.6m)[1] and Centuria Woden Green Estate Development Fund ($1.2m)
  - Acceptance of Growthpoint Offer and participation in Cash Alternative Facility ($40.5m) with proceeds used to retire debt
- The proceeds from the equity raising are applied to acquisition of:
  - units in TIX and TOF ($115.8m in total) and associated accrued distributions
  - Property fund management rights ($91.5m) and associated net assets of CIML ($10m which is predominantly cash)
- Additionally, Centuria will draw down a vendor loan from TGP ($50m) and utilise available cash on balance sheet ($27m) to fund the acquisition and associated transaction costs
- Centuria will consider its funding options at the time of exercise of the put and call options over TGP's interest in the 4 unlisted funds and at the time of repayment of the vendor loan. Funding sources may include drawdown under existing debt facilities, establishment in new debt facilities or a further equity raising

30 Jun 2016: Proforma Balance Sheet[2,3,4] (A$m)

	Centuria pre	Adjustments	Transaction	Centuria post
Cash	13.2	17.7	(17.1)	13.8
Trade & Other Receivables	19.7	(14.6)	0.0	5.1
Other Investment Assets	47.2	(33.7)	115.8	129.3
Reverse Mortgage Receivables	51.6			51.6
Properties Held for Development	35.7			35.7
Intangible Assets	53.0		91.5	144.5
Other Assets	1.9			1.9
Total assets	**222.2**	**(30.6)**	**190.2**	**381.9**
Trade & Other Payables	9.2	(1.5)		7.7
Corporate Debt	26.8	(26.8)	50.0	50.0
Development Facility Debt	23.4			23.4
Reverse Mortgage Debt	9.8			9.8
Derivative liabilities (Reverse Mortgages)	20.8			20.8
Other Liabilities	4.6	(2.3)		2.3
Total liabilities	**94.5**	**(30.6)**	**50.0**	**114.0**
Non-controlling interests	9.7			9.7
Net assets attributable to CNI	**118.0**	**(0.0)**	**140.2**	**258.2**
NAV per security	1.53	-	-	1.14
Corporate gearing[5]	8.6%	-	-	11.4%

1. Total investment in Centuria Diversified Property Fund of $6.2m since inception.
2. Assumes that the Conditional Placement is approved. If the Conditional Placement is not approved, Centuria expects to implement the Conditional Placement Backstop Arrangements. See page 44.
3. For the purposes of this Presentation, the financial information does not consolidate any funds operated by Centuria Life Limited on behalf of policy holders . These profit and loss from these funds are required to be consolidated for statutory purposes.
4. For the purposes of this Presentation, the financial information does not consolidate the four unlisted funds in which TGP's equity interests are subject to a fixed price consideration put and call arrangement with Centuria. On a statutory basis the assets and liabilities of the unlisted funds would be included, increasing both assets and liabilities. The offset would be recorded in "Non-controlling interests". Therefore net assets attributable to CNI remain the same as presented.
5. Corporate gearing calculated as (corporate debt – cash) / (total assets – reverse mortgage receivables – cash).

Section 7

Equity Raising Summary

Centuria

Equity Raising Overview

- The $150m fully underwritten equity raising at an Offer Price of $1.00 per New Security comprises a:
  - 1 for 1 accelerated pro-rata non-renounceable entitlement offer to raise approximately $77m
  - Placement to existing and new institutional investors to raise $23m
  - Conditional Placement to existing and new institutional investors to raise $50m
- The equity raising is conditional on TGP unitholders approving a change of RE of TGP (from CIML to a new entity) and TOF unitholders approving the sale of TGP's 28.8% in TOF to Centuria (19.99%) and CMA (8.8%)[1]
- The Conditional Placement is also subject to approval by eligible non participating CNI security holders at an EGM scheduled for 3 January 2017
  - If the Conditional Placement is not approved, Centuria has put in place the Conditional Placement Backstop Arrangements to provide funding certainty to assist Centuria to settle the Transaction (Conditional Placement Backstop)[2]
- The Conditional Placement Backstop involves a number of alternative funding arrangements including:
  - Not acquiring 19.99% of TOF from TGP
  - Drawdown of additional $17m on existing debt facility which is intended to be subsequently refinanced within 3 months via a discounted rights issue underwritten by Moelis

Key Offer Information[1]

Offer Price per security ($)	$1.00
Discount to last closing price (%)	(2.9%)
No of New Centuria securities issued (m)[2]	150
Total capital raising amount ($m)[2]	150
Pro forma market capitalisation post ($m)[2,3]	229.5
Forecast FY17 earnings yield (%)[4]	9.9%
Forecast FY17 distribution yield (%)[4]	7.5%
Pro forma gearing ratio post Transaction (%)[5]	11.4%

1. In the event that the TGP Security holders or TOF unitholders do not approve the Transaction, then New Securities will not be issued and any application monies paid will be reimbursed without interest
2. If the Conditional Placement is not approved the Conditional Placement securities will not be issued. See page 44 for the financial impact of and risks associated with those arrangements.
3. At an Offer price of $1.00
4. Forecast earnings and distribution yield calculated using underlying NPAT and distributions, based on an offer price of $1.00. Refer to page 27 for Proforma P&L and the appendix for financial assumptions and key risks. Underlying NPAT is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents profit under AAS adjusted for specific non-cash and significant items (including fair value gains and losses and transaction costs)
5. Gearing calculated as (corporate debt – cash) / (total assets – reverse mortgage receivables – cash)

Details of the Equity Raising

Equity Raising Details	• An Equity Raising of up to 150 million New Securities to raise approximately $150 million
Entitlement Offer	• 1-for-1 accelerated non-renounceable entitlement offer to raise approximately $77 million • Record date is 25 November 2016 • Entitlement Offer will comprise an accelerated Institutional Entitlement Offer and a Retail Entitlement Offer • New Securities in respect of institutional entitlements not subscribed for will be placed into an institutional bookbuild (concurrent with the Placement and Conditional Placement) • Retail Entitlement Offer opens on 30 November 2016 and closes on 28 December 2016[1] • Conditional on TGP Security holder and TOF unitholder approval of the Transaction[2]
Placement	• Institutional Placement to raise approximately $23 million offered to existing and new institutional investors • Conditional on TGP security holder and TOF unitholder approval of the Transaction[2]
Conditional Placement	• Conditional Institutional Placement to raise approximately $50 million offered to existing and new institutional investors • Conditional on Centuria approval of the issue of new securities under the Conditional Placement[3], and TGP security holder and TOF unitholder approval of the Transaction[2]
Settlement	• Settlement of the of the Institutional Entitlement Offer, Retail Entitlement Offer, Placement and Conditional Placement will occur concurrently once the conditions are satisfied
Ranking	• New Securities issued under the equity raising will rank equally with existing Centuria securities
Pricing	• The Offer Price of $1.00 per new security represents a 2.9% discount to the closing price of $1.03 at 22 November 2016
Dividend / Distribution entitlement	• Directors to declare a 2.3 cent interim dividend/distribution for existing security holders • Record date for the interim dividend/distribution is 30 December 2016 (to be paid in February 2017) • Forecast final dividend/distribution of 5.2 cents for all security holders (existing and new) for the 6 months to 30 June 2017
Underwriter	• The equity raising is fully underwritten by Moelis Australia Advisory Pty Ltd
Directors Intentions	• Certain Directors and members of senior management who hold CNI securities have committed to take up all or some of their entitlements in the Entitlement Offer. In addition, certain Directors and members of senior management (or entities associated with these Directors and senior management) have agreed to sub-underwriting commitments in connection with the Entitlement Offer as detailed on page 54[4,5]

1. Timetable is subject to change at Centuria's discretion with the prior written consent of the Underwriter (subject to the law and ASX listing rules).
2. In the event that the TGP or TOF unitholders do not approve the Transaction, then New Securities will not be issued and any application monies paid will be reimbursed without interest.
3. Assumes that the Conditional Placement is approved. If the Conditional Placement is not approved, Centuria expects to implement the Conditional Placement Backstop Arrangements. See pages 30 and 44.
4. Some of the Directors may enter into funding arrangements in order to fund their participation in the Entitlement Offer and/or sub-underwriting commitments
5. The Directors and members of senior management who have entered into sub-underwriting commitments with the Underwriter will receive a fee from the Underwriter based on that sub-underwriting commitment consistent with the fee arrangements entered into by the Underwriter with other third party sub-underwriters

Sources and Uses of the Proceeds

- The equity raising will partly fund the acquisition of CIML, the co-investments in TIX and TOF and fund the Transaction and associated transaction costs
- TGP has agreed to provide Centuria with $50m in vendor financing for a minimum period of 18 months
  - The vendor loan has been provided to allow Centuria adequate time post Transaction to establish a long-term financing arrangement (ie. corporate bond or loan) via traditional banking channels[2]
  - Further details on the vendor loan are outlined in the material contracts summary on page 49

Sources	($m)	Uses	($m)
Available cash	27.1	Purchase of CIML property funds management rights	91.5
Vendor financing	50.0	CIML net assets acquired (predominantly cash)	10.0
Equity raising[1]	150.0	Co-investments in TIX and TOF	115.8
		Transaction and equity raising costs	9.7
Total sources	**227.1**	**Total uses**	**227.1**

1. In the event that Centuria security holders do not approve the Conditional Placement, then Conditional Placement securities will not be issued. Centuria has put in place the Conditional Placement Backstop Arrangements to provide funding certainty to assist Centuria to settle the Transaction . See page 30 for further details on the Conditional Placement Backstop alternative funding arrangements if the Conditional Placement is not approved, and page 44 for the risks associated with those arrangements.
2. Centuria will consider its funding options at the time of repayment of the vendor loan. Funding sources may include drawdown under existing debt facilities, establishment in new debt facilities or a further equity raising

Equity Raising Indicative Timetable

Indicative Offer Timetable	
Trading Halt and announcement of the Transaction and Equity Raising	**Wednesday, 23 November 2016**
Placement, Conditional Placement & Institutional Entitlement Offer opens	Wednesday, 23 November 2016
Placement, Conditional Placement & Institutional Entitlement Offer closes	Thursday, 24 November 2016
Record date for Retail Entitlement Offer (7:00pm AEST)	Friday, 25 November 2016
TGP AGM	Monday, 28 November 2016
Retail Entitlement Offer Opens	Wednesday, 30 November 2016
TOF EGM to approve the sale of 28.8% stake by TGP to Centuria and CMA (Estimated)	**Friday, 23 December 2016**
Retail Entitlement Offer Closes (5:00pm AEST)	Wednesday, 28 December 2016
Record date for 1st half interim dividend/distribution to be paid February 2017	Friday, 30 December 2016
Centuria EGM to approve Conditional Placement	**Tuesday, 3 January 2017**
Settlement of the Entitlement Offer, Placement & Conditional Placement (assuming Transaction is approved)	Thursday, 5 January 2017
Allotment under the Entitlement Offer, Placement & Conditional Placement (assuming Transaction is approved)	Friday, 6 January 2017
ASX quotation under the Entitlement Offer, Placement & Conditional Placement (assuming Transaction is approved)	Monday, 9 January 2017
Dispatch of holding statements	Monday, 9 January 2017

1. Timetable is subject to change at Centuria's discretion with the prior written consent of the Underwriter (subject to the law and ASX listing rules).

Section 8
Appendices

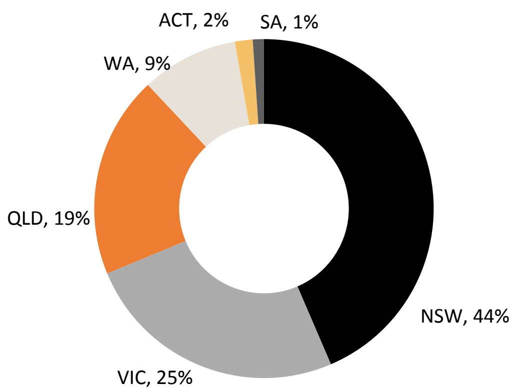
360 Capital Industrial Fund (ASX: TIX)

TIX Overview

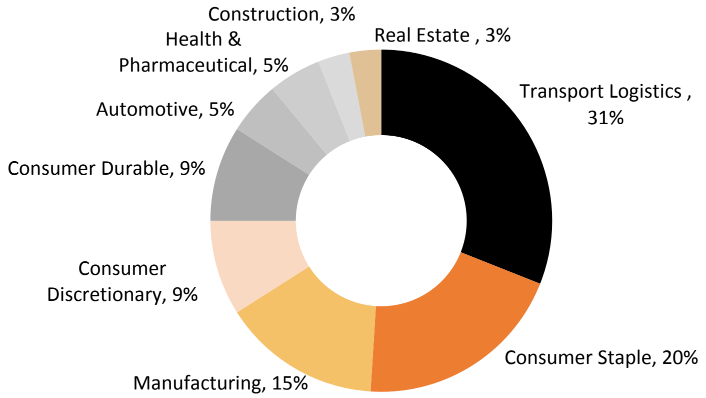
- Largest ASX listed pure rent collecting industrial AREIT with a market capitalisation of $517.2m as at 22 November 2016
- Holds an investment portfolio of 37 assets independently valued at approximately $905m
- Successfully acquired and integrated Australia Industria REIT's (ANI) portfolio in 2015, contributing an additional 16 properties to TIX's portfolio
- Outperformed the broader index having delivered a total return of ~93% since listing versus the broader S&P/ASX300 A-REIT Accumulation Index of ~62%

Financial Metrics (30 June 2016)	
NTA per Unit ($)	2.32
Gearing (%)	42.6%
Property Metrics (30 June 2016)	
Independent Valuation ($m)	905.2
Number of Properties	37
Cap Rate	7.45%
Occupancy (by GLA)	99.4%
WALE (by Income)	4.7
GLA (sqm)	686,411

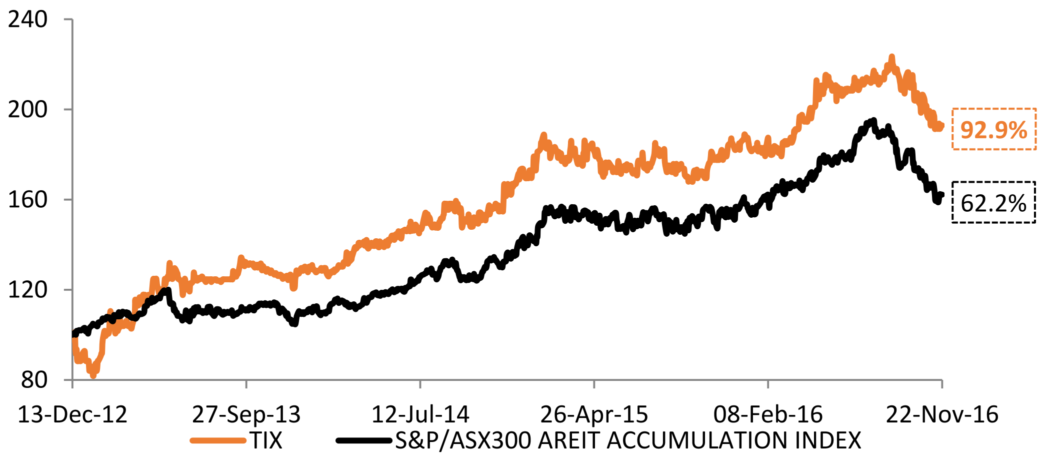
TIX Geographical Distribution (by Value)



Tenant Diversification (by income)



Total Return[1]



Note: Sourced from public disclosures

1. Total Return source: Bloomberg as at 22 November 2016.

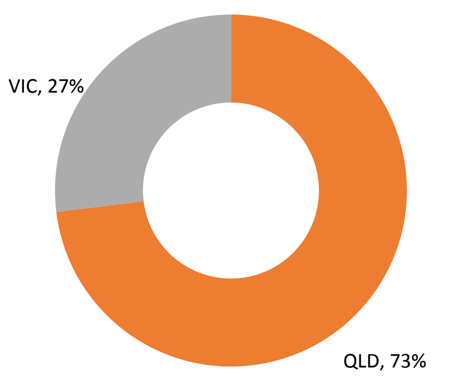
360 Capital Office Fund (ASX:TOF)

TOF Overview

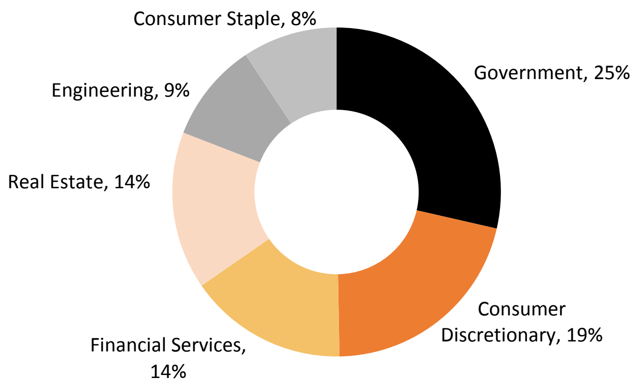
- Listed in April 2014 with a strategic focus on acquiring suburban A and CBD B grade office properties
- TOF has a market capitalisation of $158.3m as at 22 November 2016, and currently holds an investment portfolio of 3 assets independently valued at approximately $208m
- Significant balance sheet capacity (~$60m if at fully deployed target gearing of 35%)
- Delivered a total return of ~33% since listing versus the broader S&P/ASX300 A-REIT Accumulation Index of ~39%

Financial Metrics (30 June 2016)	
NTA per Unit ($)	2.25
Gearing (%)	17.8%
Property Metrics (30 June 2016)	
Independent Valuation ($m)	207.9
Number of Properties	3
Cap Rate	7.12%
Occupancy (by GLA)	99.2%
WALE (by Income)	4.7
GLA (sqm)	28,954

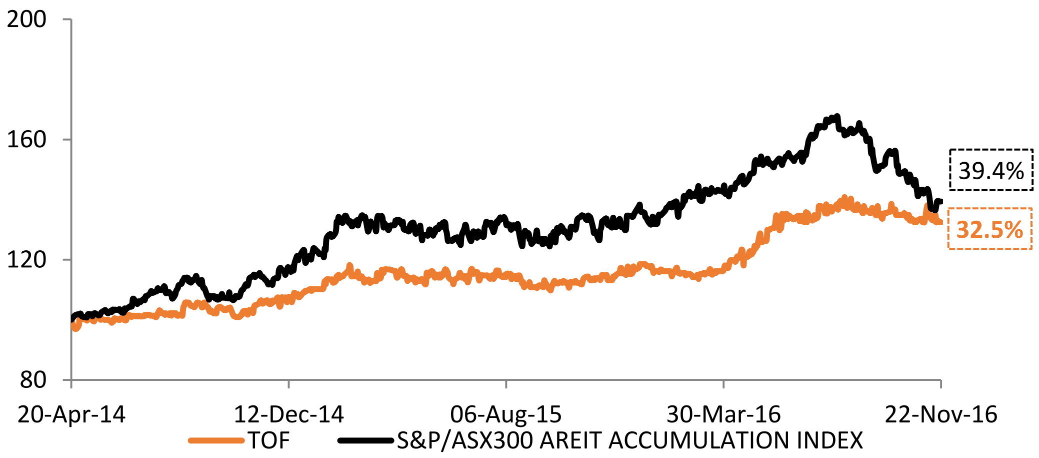
TOF Geographical Distribution (by value)



Tenant Diversification (by income)



Total Return[1]



Note: Sourced from public disclosures

1. Total Return source: Bloomberg as at 22 November 2016.

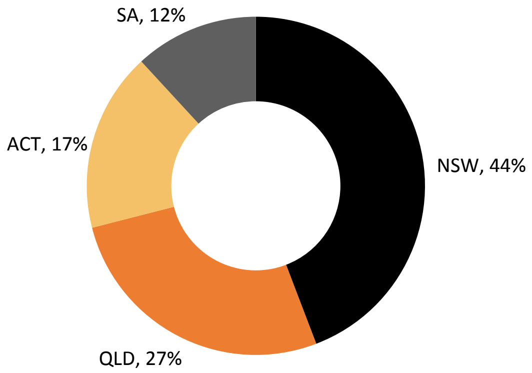
Centuria Metropolitan REIT (ASX: CMA)

CMA Overview

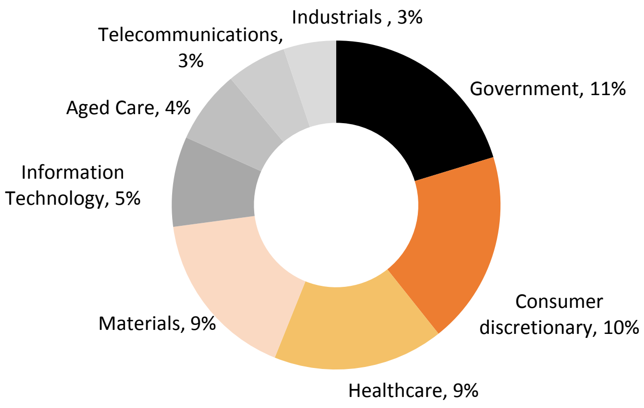
- ASX listed REIT with a market capitalisation of $248.4m as at 22 November 2016
- Conservatively managed REIT with a robust tenancy base delivering predictable and growing earnings & distributions
- Holds an investment portfolio of 10 office and 3 industrial assets, independently valued at approximately $396.7m as at 30 June 2016
- Delivered a total return of ~23% since listing versus the broader S&P/ASX300 A-REIT Accumulation Index of ~20%

Financial Metrics (30 June 2016)	
NTA per Stapled Security ($)	2.18
Gearing (%)	33.2%
Property Metrics (30 June 2016)	
Independent Valuation ($m)	396.7
Number of Properties	13
Cap Rate	7.86%
Occupancy (by NLA)	97.2%
WALE (by NLA)	4.4
NLA (sqm)	112,653

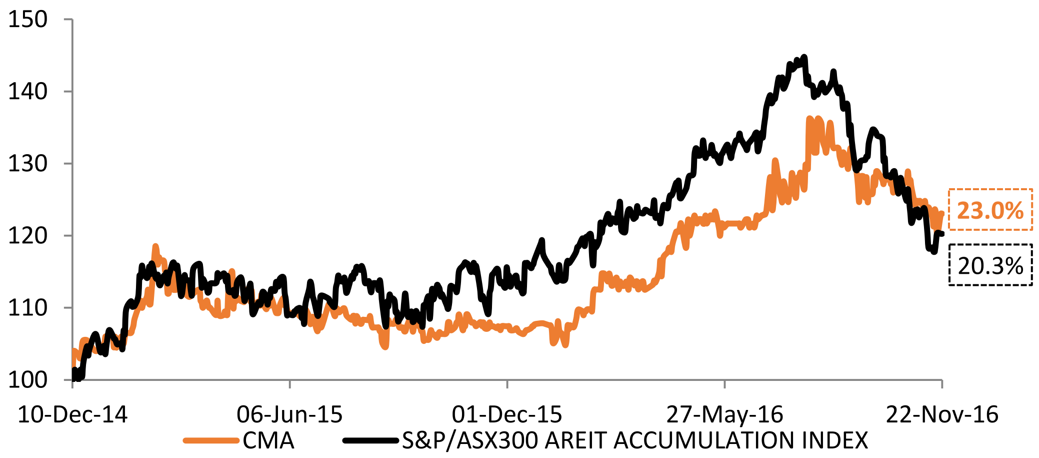
CMA Geographical Distribution (by Value)



Tenant Diversification (by income)



Total Return[1]



Note: Sourced from public disclosures

1. Total Return source: Bloomberg as at 22 November 2016.

Board of Directors

Garry Charny, *Chairman*

- Garry Charny was appointed Chairman of the Centuria Board in March 2016; He is currently the Managing Director and founder of Wolseley Corporate and Chairman of Spotted Turquoise Films; Garry has had extensive board experience in both listed and unlisted companies across a diverse range of sectors including property, retail, technology and media

Peter Done*, Non-Executive Director & Chairman of CPFL*

- Peter Done is Independent Chairman of Centuria Property Funds Limited, appointed to the Board of CPFL in 2007; Previously Partner at KPMG for over 27 years; Peter is a Fellow of the Institute of Chartered Accountants Australia

John McBain*, Executive Director & Group CEO*

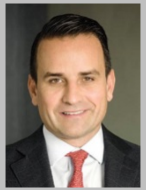
- John McBain joined the Centuria Board in July 2006; John brings a wealth of executive and entrepreneurial experience to the board, previously holding key senior positions on a number of property development and investment companies; Founder of boutique funds manager Century Funds Management, property funds manager Waltus Investments Australia and specialist property consultancy Hanover Group

Susan Wheeldon-Steele, *Non-Executive Director*

- Susan is currently the Head of Performance at Google; previously Head of Brand and Retail at AMP Capital Shopping Centres; During her career, Susan has held a number of senior roles in Australia and the United Kingdom across a diverse range of industries including global law firms DLA Piper and King & Wood Mallesons, working with the Virgin Australia and Virgin Atlantic airline brands, and as Vice President of Groupon

Nicholas Collishaw, *Executive Director & CEO Listed Property Funds*

- Nicholas Collishaw was appointed Chief Executive Officer of Centuria's Listed Property Funds in May 2013; Previously CEO and Managing Director at the Mirvac Group where he was responsible for successfully guiding the business through the impact of the global financial crisis and implementing a strategy to position the real estate developer and investor for sustained growth; Nicholas has over 30 years' experience in all major real estate markets within Australia and investment markets in the United States, United Kingdom and Middle East



Jason Huljich, Executive Director & CEO Unlisted Property Funds

- Jason Huljich is an Executive Director of Centuria Capital & CPFL and CEO of Centuria's Unlisted Property Funds; Jason has been with Centuria since its inception in 1999 and was appointed to the Board of CPFL in 2001; He is responsible for providing strategic leadership and ensuring the effective operation of CPFL's Unlisted property portfolio; Currently President of the Property Funds Association (PFA) and sits on the National Executive Committee

John Slater, Non-Executive Director

- Prior to joining the Board, John founded boutique Financial Advisory firm Riviera Capital and was a senior executive in the KPMG Financial Services practice; Previously on Investment Committees of KPMG Financial Services, Berkley Group and Byron Capital and has been an adviser to the Centuria Life Friendly Society Investment Committees since 2011

Key management biographies

John McBain, *Executive Director & Group CEO*

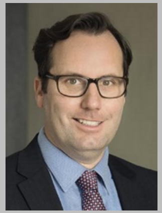
- Please refer to "Board of Directors" above

Nicholas Collishaw, *Executive Director & CEO Listed Property Funds*

- Please refer to "Board of Directors" above

Jason Huljich, *Executive Director & CEO Unlisted Property Funds*

- Please refer to "Board of Directors above



Neil Rogan, *General Manager, Investment Bonds Division*

- Neil was appointed GM – Investment Bonds Division at Centuria Life in October 2014. Neil is responsible for the business strategy and operations of the Investment Bond Division; Neil has more than 20 years' experience in the financial services industry, having held a number of senior roles at AMP Ltd including Head of Marketing and Campaigns, Head of Product Marketing and leading the change for the introduction of MySuper in 2013; Throughout 2014, Neil was a NSW Council member of the Australian Marketing Institute

Simon Holt, *Chief Financial Officer*

- Simon Holt is responsible for the financial and treasury management of the Centuria Capital Group; Previously Chief Financial Officer of WorleyParsons and has held senior finance positions at Westfield Group; Simon is an associate of the Institute of Chartered Accountants Australia and is a member of Australian Institute of Company Directors

CIML Fee Structures

Listed

TIX

Management	Property
Base management fee: 0.60% of gross asset value	Nil
Custodian fee: 0.05% of gross asset value	

TOF

Management	Property
Base management fee: 0.60% of gross asset value	Nil
Custodian fee: 0.05% of gross asset value	

Unlisted

360 Capital 111 St. George's Terrace Property Trust

Management	Property
Base management fee: 6.0% gross proceeds	Disposal fee: 2.5% sale price of property minus $3.425m
Custodian fee: 0.05% gross asset value	Leasing fee: 8.5% of gross proceeds for first year

360 Capital Retail Fund No. 1

Management	Property
Base management fee: 0.60% of gross asset value	Disposal fee: 2.5% sale price of property minus $3.425m
Custodian fee: 0.05% gross asset value	Leasing fee: 8.5% of gross proceeds for first year
Performance Fee: 20.0% of outperformance of the fund over an IRR hurdle of 10% the Issue Price of $1.00 per Unit	

360 Capital Havelock House Property Trust

Management	Property
Base management fee: 6.0% gross Proceeds	Nil
Custodian fee: 0.05% gross asset value	

360 Capital 441 Murray Street Property Trust

Management	Property
Base management fee: 5.0% gross Proceeds	Nil
Custodian fee: 0.05% gross asset value	

Asset Services

Fee streams include

- Development management
- Major tenant leasing / rent reviews
- Acquisition and disposals
- Due diligence
- Property financial management
- Energy procurement

Risks

General Risks:

Economic Environment

- General economic factors such as interest rates, exchange rates, inflation, business and consumer confidence and general market factors may have an adverse impact on Centuria's earnings. Aspects of the business that could be affected include reduced management and performance fees, reduced funds under management, Centuria's swap arrangements, reduced distribution income or other adverse consequences.

ASX Market Volatility

- The market price of Centuria's securities will fluctuate due to various factors, many of which are non-specific to Centuria, including recommendations by brokers and analysts, Australian and international general economic conditions, inflation rates, interest rates, exchange rates, changes in government, fiscal and monetary and regulatory policies (including APRA prudential requirements), changes to laws (particularly taxation laws), global investment markets, global geo-political events and hostilities, investor perceptions and other factors that may affect Centuria's financial performance and position. In the future, these factors may cause Centuria's securities to trade at or below their issue price. Factors such as those mentioned above may also affect the income, expenses and liquidity of Centuria. Additionally, the stock market can experience price and volume fluctuations that may be unrelated or disproportionate to the operating performance of Centuria.

Liquidity and realisation risk

- There can be no guarantee that there will be an active market in the New Securities or that the price of the New Securities will increase. There may be relatively few or many buyers or sellers of the New Securities on the ASX at any one time which may lead to increased price volatility and affect the price at which Security holders are able to sell their New Securities.

Taxation

- Future changes in Australian taxation law (including the goods and services tax and stamp duty), including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation treatment of your investment in Centuria securities or the holding and disposal of those securities. Further, changes in tax law (including the goods and services tax and stamp duty) or changes in the way tax law is expected to be interpreted in the jurisdictions in which Centuria operates, may impact the future tax liabilities of Centuria.

Litigation

- Centuria may, in the ordinary course of business, be involved in possible litigation disputes. Any such dispute may be costly and adversely affect the operational and financial results of Centuria.

Industry Specific Risks

Property Sector Risks

- Centuria is subject to the prevailing property market conditions in the sectors in which each of the funds under the control of Centuria operate and the jurisdiction in which each of its funds' assets are located. The demand for property as an asset class changes over time and can be influenced by general economic factors such as interests rates and economic cycles. A deterioration in investment market conditions in the property sector due to a sustained downturn in the domestic and/or global economic climate could adversely impact Centuria's earnings through directly reducing the value of Centuria's existing funds under management, reducing the value of property assets, and through reducing the attractiveness of the property sector to investors .

Property Liquidity

- The property assets to which Centuria and the funds managed by Centuria are exposed are, by their nature, illiquid investments. There is a risk that Centuria may not be able to realise property assets within a short period of time or may not be able to realise property assets at valuation including selling costs, which could materially adversely affect the financial performance of Centuria.

Risks

Liquidity and realisation risk

- The ongoing value of properties held by funds managed by Centuria may fluctuate due to a number of factors including rental levels, occupancy assumptions, vacancy periods, rental incomes and capitalisation rates, all of which may change for a variety of reasons including the risks outlined in this Presentation. Valuations represent only the analysis and opinion of qualified experts at a certain point in time. There is no guarantee that a property will achieve a capital gain on its sale or that the value of the property will not fall as a result of the assumptions on which the relevant valuations are based proving to be incorrect. Centuria is aware of vacancies in a number of the property assets in the portfolio of unlisted funds to be acquired under the Transaction. Centuria has considered vacancies and factored these into the total consideration payable under the Transaction.

Regulatory risk and changes in legislation

- Centuria operates in a highly regulated environment and it, and the Centuria Funds Management business is subject to a range of industry specific and general legal and other regulatory controls (including Australian Financial Services Licensing and Anti Money Laundering / Counter Terrorism Funding requirements). Regulatory breaches may affect Centuria's operational and financial performance, through penalties, liabilities, restrictions on activities and compliance and other costs. ASIC routinely undertakes surveillance of Australian financial services licensees, and from time-to-time undertakes regulatory and enforcement action in relation to such licensees. If ASIC was to take such action against Centuria or Centuria's Funds Management business, then this action might result in Centuria or Centuria's Funds Management business being restricted or prohibited from providing financial services, including operating its Funds Management business, or might lead to the imposition of additional compliance costs or reputational damage. ASIC may make a public announcement of its regulatory action.
- Changes in government legislation and policy in jurisdictions in which Centuria and the Centuria Funds Management business operate may affect the value of funds managed by Centuria and the financial performance of Centuria. This may include changes in stamp duty or tenancy legislation, policies in relation to land development and zoning and delays in the granting of approvals or registration of subdivision plans.

Risks Specific To Centuria

Funds Management

- Centuria manages a number of funds on behalf of third party investors. The majority of Centuria's income is derived from fees calculated with reference to the value of funds under the control of the Centuria Funds Management business. Centuria's financial performance may be adversely affected if it was not able to appropriately respond to the following risks
  - significant or prolonged underperformance of the Centuria Funds that may affect the ability of Centuria to retain existing funds and to attract new funds under management.
  - unitholder or competitor actions initiated to remove funds from the control of the Centuria Funds Management business.
  - a number of funds under the control of the Centuria Funds Management business are fixed term funds or funds where strategic review dates fall due in the short to medium term. Unitholder approval and/or endorsement is required for extensions to the term of these funds. There is a risk that investors may not approve or endorse such extensions or that key investors may terminate management arrangements or otherwise remove their funds from the control of Centuria Funds Management business at any time.
  - the direct property funds that Centuria Funds Management manages have exposure to a variety of entities that lease or otherwise occupy the properties owned by these funds. Insolvency or financial distress leading to a default by a major lessee or lessees across a number of leases, or failure to secure new leases on acceptable terms, could give rise to earnings volatility and breach of financial covenants within these funds.
  - to the extent that property values or income levels in a particular fund fall, there is a risk that the management fee income derived from that fund may be adversely impacted.

Reliance on third party equity

- As a fund manager, growth in Centuria's earnings may be impacted by the ability of Centuria to establish new listed or unlisted funds. Specifically such income growth is dependent on the ability of Centuria to continue to source and maintain equity from new and existing investors for current and future funds.

Co-Investment's

- Centuria long term strategy is to continue holding co-investment positions in a number of the funds it manages. Such investments are subject to the general investment risks outlined above. Factors influencing the financial performance of these managed funds may adversely impact the value of Centuria's assets or quantum of its earnings which may in turn impact the price of Centuria 's securities.

Risks

Funding

- Centuria and funds managed by the Centuria Funds Management business relies on access to various sources of capital, along with the refinancing and/or variation of existing debt facilities. An inability to obtain the necessary funding or refinancing on acceptable terms and at commercial rates or a material increase in the costs of such funding may have an adverse impact on Centuria’s performance or financial position. Further, these debt facilities are subject to various covenants including interest coverage ratios and loan to valuation ratios. The use of debt funding may enhance returns and increase the number of assets that Centuria can acquire, but it may also substantially increase the risk of loss. Use of debt funding may adversely affect Centuria when economic factors such as rising interest rates and/or margins, severe economic downturns, availability of credit, reduction in asset values or further deterioration in the condition of debt and equity markets occur. If an investment is unable to generate sufficient cash flow to meet the principal and interest payments on its indebtedness, the value of Centuria’s equity component could be significantly reduced.

Acquisition risks

- The Transaction announced in this Presentation is subject to a number of completion conditions, in particular:
  - The Transaction is subject to the condition relating to TGP Unitholder approval of change of Responsible Entity and TOF Unitholder approval of the sale of TGP’s 28.8% unitholding in TOF to Centuria (19.99%) and CMA (8.8%). If either of these conditions is not satisfied, the transaction will not proceed and New Securities will not be issued under the Offer.
  - Whilst Centuria is not aware of any reason why the Transaction will not proceed or will be delayed, there is a risk that these conditions may not be satisfied or that satisfaction of those conditions is delayed and accordingly that the Transaction does not complete or that completion is delayed. To the extent that the Transaction fails to complete or that completion is delayed, the financial performance and forecast of Centuria could be materially adversely affected.
- In addition to the Transaction announced in this Presentation, Centuria is undertaking due diligence on a potential further single asset acquisition that it expects to undertake in coming months. Centuria also has a significant potential acquisition pipeline that it is pursuing in order to drive future growth of the business. There is no guarantee that Centuria will be able to execute all current or future acquisitions. To the extent that the Transaction or any current or future acquisitions are not successfully integrated with Centuria’s existing business, the financial performance of Centuria could be materially adversely affected.
- There is a risk that Centuria will be unable to identify future acquisition opportunities that meet its investment objectives, or if such acquisition opportunities are identified, that they can be acquired on appropriate terms, thereby potentially limiting the growth of Centuria and its Funds Management business. Any failure to identify appropriate assets or successfully acquire such assets could materially adversely affect the growth prospects and financial performance of Centuria. While it is Centuria’s policy to conduct a thorough due diligence process in relation to any such acquisition, risks remain that are inherent in such acquisitions.

Dilution risk

- Centuria’s security holders who do not participate in the Entitlement Offer, or do not take up all of their entitlements under the Entitlement Offer, will have their investment in Centuria diluted and receive no value for their entitlement. Investors may also have their investment in Centuria diluted by future capital raisings. Centuria may issue new securities to finance future acquisitions or pay down debt which may, under certain circumstances, dilute the value of an investor’s interest. Centuria will only raise equity if it believes that the benefit to investors of acquiring the relevant assets or reducing gearing is greater than the short term detriment caused by the potential dilution associated with a capital raising.

Information system disruption

- Centuria relies on its infrastructure and information technology in order to operate its business. A sever disruption to or failure of Centuria's information technology systems may adversely impact the operations of Centuria and its current and future business and financial performance.

Personnel Risk

- The ability of Centuria to successfully deliver on its strategy is dependent on retaining key employees (such as John McBain (Group CEO), Nicholas Collishaw (CEO Listed Property Funds), Jason Huljich (CEO of Unlisted Property Funds), Simon Holt (CFO) and Neil Rogan (General Manager Investment Bonds). The loss of senior management, or other key personnel, could adversely impact on Centuria’s current and future business and financial performance.

Risks

Risks Specific To the Transaction

Conditional Placement Backstop Arrangements

- The Conditional Placement is conditional on the approval by ordinary resolution of non-participating security holders at a extraordinary general meeting scheduled for 3 January 2017. If the resolution is not approved then the new securities offered under Conditional Placement will not be issued. In this case, Centuria has put in place the Conditional Placement Backstop Arrangements[1] to provide funding certainty to assist Centuria to settle the Transaction. The Conditional Placement Backstop Arrangements could adversely impact on Centuria's current and future business and financial performance including;
  - The loss of an important strategic holding in TOF
  - Reduction in recurring income in the future from lost co-investment income given loss of strategic holding
  - Increase in indebtness of Centuria, particularly prior to undertaking the Conditional Backstop equity raising or if it fails to complete
  - Uncertainty on the equity raising price under the Conditional Placement Backstop underwriting arrangements
- The Conditional Placement Backstop Arrangements would result in corporate debt initially increasing from $50 million to $67 million and corporate gearing increasing 7.4% from 11.4% to 18.8%[2]. This is being driven by increase in corporate debt and corresponding reduction in total assets (because the acquisition of TOF units would not proceed).
- While this would have an immediate minor positive effect on forecast Financial Year 2017 underlying earnings per Stapled Security, due to increased leverage, Centuria's board does not believe it would be prudent to maintain this level of debt, and therefore, expect that Centuria would undertake the Conditional Placement Backstop Arrangements in this case. The additional equity raised via the Conditional Placement Backstop Arrangements would return gearing to a level that is closer to target corporate gearing levels to approximately 12%. However, the Conditional Placement Backstop Arrangements are likely to dilute future underlying earnings and distributions per Stapled Security.
- Additionally, the Conditional Placement Backstop Arrangements result in the loss of Centuria's strategic stake in TOF. This will result in a reduction in recurring co-investment income and increased reliance on transaction based revenues which may be subject to increased earnings volatility.

1. For details regarding the Conditional Placement Backstop Arrangement, see page 31 and the Material Contracts Summaries in respect of the "TOF Unit Sale Deed" and "Backstop Underwriting Agreement" on pages 47 and 50.
2. Corporate gearing calculated as (corporate debt – cash) / (total assets – reverse mortgage receivables – cash)

Material Contracts: Share Sale Agreement

1.0 Share Sale Agreement:

1.1 Sale and Consideration

- 360 Capital Group Limited (**Seller**), Centuria Capital Limited (**Buyer**) and Centuria Funds Management Limited as responsible entity of the Centuria Capital Fund (CCF) propose to enter into a share sale agreement for the sale of 100% of the issued share capital of 360 Capital Investment Management Limited (CIML or the Company) for $101.5m, subject to adjustment following the agreement or determination of completion accounts[1].

1.2 Conditions Precedent

- The sale will be conditional on the satisfaction or waiver of the following conditions precedent before 16 January 2017:
  a) TGP securityholders approving the change of responsible entity of 360 Capital Investment Trust from CIML to 360 Capital FM Limited (360CFML) and any other matters required by law or a regulatory authority;
  b) TOF unitholders approving the sale of 28.8% of the units on issue in TOF under the TOF Unit Sale Agreement (see 3 below) (**TOF Condition**);
  c) the Seller obtaining the consent to the transactions under this agreement from the holders of the notes issued by the Company as responsible entity of the 360 Capital Investment Trust pursuant to an information memorandum dated 17 September 2014;
  d) Moelis Australia Advisory Pty Limited not terminating the Underwriting Agreement;
  e) Certain third party consents to the change in control of the Company; and
  f) the execution of the following transaction documents:
     1. the TIX Unit Sale Agreement (see 2 below);
     2. the TOF Unit Sale Agreement (see 3 below);
     3. the Call Option (see 4 below);
     4. the Put Option (see 5 below);
     5. the Retail Call Option (see 6 below);
     6. the Loan (see 7 below);
     7. the Underwriting Agreement;
     8. a 12 month investment management agreement in relation to TOT under which the Company delegates the management of TOT to 360CFML and passes through its responsible entity fee in full; and
     9. a 12 month investment management agreement in relation to Subiaco Square Shopping Centre Property Trust under which the Company delegates the management of that trust to 360CFML and passes through its responsible entity fee in full.

1.3 Restrictions on activities

- Between signing and Completion of this agreement (**Completion**) the Seller will use reasonable endeavours to procure that the business conducted by CIML and its subsidiaries (**the Business**) is carried on in the ordinary and usual course, consistent with usual practices.

1. CIML holds approximately $10m in cash, and the effective purchase price is therefore $91.5m

Material Contracts: Share Sale Agreement cont.

- For up to 18 months following Completion in relation to TIX and TOF and otherwise for up to 2 years following Completion and subject to the Buyer not defaulting under the Loan, the Seller will not take action which would have a material adverse effect on the Buyer's management of the Business or the Buyer's business. In consideration of this, the Buyer will also, for 18 months following Completion, not take action which would have a material adverse effect on the Seller's continued management of or the Buyer's business.

1.4 Warranties and indemnities

- The Seller gives the Buyer a range of warranties on the signing of the agreement and on Completion. These include warranties as to title, the absence of encumbrances, the assets and contracts of the Business and the information provided during the due diligence process. The Seller has also given a tax indemnity including in respect of any tax payable as a result of having been a member of the TGP tax and GST groups.
- There will be a framework of limitations on bringing claims under the agreement including warranty claims and the process for bringing warranty claims. These will include:

  a) a warranty claim time limitation of 5 years after Completion for tax warranties and 12 months after Completion for other warranties;

  b) the maximum amount that can be claimed under tax, title, capacity and authorisation, validity of agreement and solvency warranties is 100% of the purchase price and the maximum that can be claimed under other warranties is 60% of the purchase price; and

  c) the amount claimed under one or more warranties must be at least $1,000,000 but if that threshold is reached, the whole of that amount may be claimed.

1.5 Deal Protection

- The Seller will not to solicit or participate in proposals which require the Seller to abandon the transactions under this agreement, including by another party acquiring control of the Company or more than a 19.9% relevant interest in the Seller, subject to fiduciary exceptions. The Seller will notify the Buyer of any third party proposals and has provided a right to the Buyer to match third party proposals.
- A reimbursement fee of $2,300,000 is payable to the Buyer if the transactions under this agreement do not proceed in certain circumstances.
- The Seller will contribute 50% of the Buyer’s defence costs up to $3,575,000 if there is a proposal for a third party to become the responsible entity of TOF, or otherwise to acquire a relevant interest in 40% or more of TOF units within 12 months of Completion.

1.6 Termination

- This agreement may be terminated if the conditions precedent are not satisfied or waived or a party fails to remedy a default notice in relation to obligations at Completion.
- The agreement may also be terminated by the Buyer if

  a) there is a breach of a title warranty or the Seller is insolvent;

  b) a suspension or termination of the Company’s Australian financial services licence occurs between signing and Completion or

  c) a breach of Warranty occurs or is reasonably likely to occur that is reasonably likely to result in a claim by the Buyer in excess of $5.0m.

Material Contracts: TIX & TOF Unit Sale Agreement

2.0 TIX Unit Sale Agreement

- The Seller, the Company as trustee of the 360 Capital Diversified Property Fund, the Company as trustee of the 360 Capital Diversified Property Industrial Sub Trust, the Company as trustee of the 360 Capital Diversified Property Industrial Sub Trust No.2, Centuria Investment Holdings Pty Limited as trustee of Centuria Capital No. 2 Industrial Fund (TIX Buyer), 360 Capital FM Limited (Incoming Trustee), CCF and the Buyer will enter into the TIX unit sale deed in relation to the acquisition of 33,148,945 units in TIX by TIX Buyer.
- The completion of this deed and the acquisition of TIX units under it are conditional on Completion.
- The price payable by TIX Buyer for the TIX units under this deed is:
  a) $2.50 per unit or $82,872,362 in aggregate and its obligations are guaranteed by the Buyer; plus
  b) an amount per TIX unit acquired on account of the sellers' proportionate share of the distribution for the calendar quarter in which the completion of the acquisition occurs. This amount is calculated by reference to the number of days in that quarter that those sellers had held the TIX units and a distribution amount of 5.4 cents per TIX unit.
- The obligations of the TIX Buyer are guaranteed by the Buyer and CCF.
- Each party gives warranties under this agreement in relation to their authority and solvency and where they are a trustee, their status as trustee and right to be indemnified out of the assets of the relevant trust for costs properly incurred in performance of this agreement

3.0 TOF Unit Sale Deed

- The Buyer, the Seller, the Company, the Company as trustee of the 360 Capital Investment Trust, the Company as trustee of the 360 Capital Diversified Property Fund, the Company as trustee of the 360 Capital Diversified Property Office Sub Trust, the Company as trustee of the 360 Capital Diversified Property Office Sub Trust 2 (CC2OF), the Company as trustee of the 360 Capital Diversified Property Office Sub Trust 3, Centuria Investment Holdings Pty Limited as trustee of Centuria Capital No. 2 Office Fund, Centuria Property Funds Limited as responsible entity of CMA, Incoming Trustee, CCF and Moelis Australia Advisory Pty Limited (Moelis) will enter into the TOF unit sale deed in relation to the sale of up to 21,071,706 units in TOF to one or more entities (TOF Buyers).
- The completion of this deed and the acquisition of TOF units under it are conditional on satisfaction or waiver of conditions under the Share Sale Agreement. Additionally:
  a) where both the TOF Condition is satisfied by Completion and eligible Centuria Securityholders approve the issue of New Securities under the Conditional Placement by Completion, the TOF Buyers are CC2OF and Centuria Metropolitan REIT No.1 and:
     1. CC2OF will acquire 14,648,622 TOF units, representing 19.99% of the TOF units on issue; and
     2. Centuria Metropolitan REIT No.1 will acquire 6,423,084 TOF units, representing 8.76% of the TOF units on issue
  b) where the TOF Condition is satisfied but eligible Securityholders do not approve the issue of New Securities under the Conditional Placement by Completion, the TOF Buyers are Centuria Metropolitan REIT No.1 & Moelis and:
     1. Moelis will buy, or procure buyers for, 13,556,754 TOF units, representing 18.5% of the TOF units on issue[1]; and
     2. Centuria Metropolitan REIT No.1 will acquire 6,423,084 TOF units, representing 8.76% of the TOF units on issue
     3. the sellers will continue to hold 1,099,749 TOF units, representing 1.5% of the TOF units on issue
- The price payable by the TOF Buyers for the TOF units under this agreement:
  c) is $2.25 per TOF unit (or $47,411,339 in aggregate if all 21,071,706 TOF units are acquired under this agreement); plus
  d) an amount per TOF unit acquired on account of the sellers' proportionate share of the distribution for the calendar quarter in which the completion of the acquisition occurs. This amount is calculated by reference to the number of days in that quarter that those sellers had held the TOF units and a distribution amount of 4.25 cents per TOF unit
- The obligations of Centuria Metropolitan REIT No.1 and CC2OF are guaranteed by the Buyer and CCF
- Each party gives warranties under this agreement in relation to their authority and where they are a trustee, their status as trustee and right to be indemnified out of the assets of the relevant trust for any liability incurred in performance of this agreement

1. See pages 30 and 44 for further details in relation to the Conditional Placement Backstop Arrangements.

Material Contracts: Call, Put and Retail Options

4.0 Call Option

- The Seller, the Company as trustee of the 360 Capital Diversified Property Fund, the Company as trustee of the 360 Capital Trust, Incoming Trustee Centuria Funds Management Limited as trustee of Centuria Capital No. 2 Fund, CCF and the Buyer have agreed to enter into a ‘call option deed’ (**Call Option**) under which Centuria Funds Management Limited as trustee of Centuria Capital No. 2 Fund (**Call Option Buyer**) will have a call option for up to two years which, if exercised, will allow it to acquire some or all of:
  a) 1,855,000 units in 360 Capital 441 Murray Street Property Trust for $2.04 per unit;
  b) 3,574,166 units in 360 Capital Havelock House Property Trust for $1.41 per unit;
  c) 8,166,914 units in 360 Capital 111 St Georges Terrace Property Trust for $3.74 per unit; and
  d) 21,499,000 units in 360 Capital Retail Fund No. 1 for $0.91 per unit,
  e) for an aggregate purchase price of up to approximately $58.9m if all units are acquired
- If the Call Option Buyer exercises the option to acquire units in 360 Capital 441 Murray Street Property Trust, the Seller will guarantee a return of 8% per annum on the acquired units for the remaining option period.
- For the option period until the Call Option Buyer exercises its Call Option over the units, the Call Option Buyer, CCF and the Buyer will guarantee an overall return of 7.5% per annum on the remaining units for the remaining option period based on initial capital values equal to the exercise price for the units.

5.0 Put Option

- The Seller, the Company as trustee of the 360 Capital Diversified Property Fund, the Company as trustee of the 360 Capital Trust, Incoming Trustee, CCF, the Buyer and the Call Option Buyer will enter into a 'put option deed' (**Put Option**) under which the Company or the Incoming Trustee (as applicable) can during the 20 business days following the expiry of the Call Option exercise period put to the Call Option Buyer any of the units the subject of the Call Option which have not been acquired by the Call Option Buyer under the Call Option, for the same exercise price as under the Call Option
- The Put Option may be exercised early in respect of units in a trust in limited circumstances, including if the relevant trust is wound up, a real estate asset of the trust is sold, a merger of the trust occurs or there is a redemption of more than 50% of units in the trust

6.0 Retail Call Option

- The Seller, the Company as trustee of the 360 Capital Diversified Property Fund, Incoming Trustee, the Call Option Buyer, CCF and the Buyer will enter into a 'retail call option deed’ (**Retail Call Option Deed**) in relation to a further call option over 7,044,584 units in 360 Capital Retail Fund No.1 (less any units sold to a third party between Completion and the date which is 2 years later) which may be exercised by the Call Option Buyer at the same time as and on the same terms as the Call Option for an aggregate purchase price of up to approximately $6.4m if all these units are acquired

Material Contracts: Loan Agreement & Underwriting Agreement

7.0 Loan Agreement

- It is proposed that the Seller will provide an interest only vendor loan to Centuria Funds Management Limited as responsible entity for the Centuria Capital Fund (**Borrower**) for $50,000,000 for a term of 18 months (**Vendor Loan**).
- The loan is to be secured against the assets of the TIX Buyer which will grant a general security agreement including a fixed charge over the TIX units to the Seller. No other security over these units is permitted and, amongst other things, the TIX Buyer will undertake not to sell any TIX units until the Vendor Loan is fully repaid.
- Key terms of the Vendor Loan include
  a) interest will be charged at a rate of 5.0% p.a. paid monthly in arrears and accruing daily;
  b) prepayment of the Vendor Loan is permissible and a $500,000 fee will be payable by the Borrower if the Vendor Loan has not been repaid by the due date;
  c) a loan to value ratio (LVR) of 65% or lower must be maintained in respect of the Vendor Loan calculated at any time by reference to the ratio (calculated as a percentage) of the gross assets of the TIX Buyer and the principal sum outstanding at that time;
  d) if the 65% LVR is breached, additional TIX units or TOF units must be provided as top up security or the Borrower may elect to prepay part of the principal sum to reduce the LVR to 65%;
  e) if a breach of the LVR is not cured within 2 business days, the interest rate will increase to 20% p.a. (calculated daily from the day of the breach) until such time as the breach is rectified;
  f) if the LVR is greater than 70% and not reduced within 5 business days, the Seller has the right to demand immediate repayment of the Vendor Loan;
  g) the Buyer is to provide a guarantee to the Seller for the obligations of the Borrower and the TIX Buyer in respect of the Vendor Loan;
  h) if the Conditional Placement is not approved the terms of the Vendor Loan will be amended to reduce the term and alter the interest payment mechanics;
  i) any default under the banking facilities to be provided by National Australia Bank Limited must be notified to the Seller in writing;
  j) default in respect of financial liabilities of the Buyer or the Borrower in amounts exceeding $500,000 or in respect of the TIX Grantor (at first instance) in amounts exceeding $50,000 will be defaults under the terms of the vendor loan; and
  k) in the case of the TIX Buyer, distributions may be made while no potential event of default or event of default is subsisting and in the case of each other the Borrower and the Buyer, any distributions in an amount not exceeding the net profit after tax of the Group for the prior financial year (in aggregate) are permissible.

8.0 Underwriting Agreement

- Moelis Australia Advisory Pty Ltd (“**Moelis**”) is acting as lead manager, bookrunner and underwriter to the Equity Raising. Centuria has entered into an Underwriting Agreement with Moelis in respect of the Equity Raising.
- Centuria must pay Moelis an underwriting fee of 3.8% of the proceeds of the Equity Raising. Centuria must also pay or reimburse Moelis for costs it has incurred in respect of the Equity Raising, including legal fees, reasonable out of pocket expenses (including travel expenses, bookbuild expenses and stamp duty or similar taxes payable in respect of the Underwriting Agreement). Subject to certain exceptions, Centuria has agreed to indemnify Moelis its affiliates and related bodies corporate, and their respective directors, officers, employees, partners, agents, advisers and representatives (each an Indemnified Party) from and against all losses suffered or incurred by an Indemnified Party, directly or indirectly, arising out of or in connection with the Equity Raising or the Underwriting Agreement.
- The Underwriting Agreement contains representations and warranties in favour of Moelis. Moelis may also, in certain circumstances, terminate its obligations under the Underwriting Agreement on the occurrence of certain termination events including, but not limited to, where
  — Centuria is unable to issue the New Securities under the Equity Raising on the Allotment Date (unless remedied in accordance with the terms of the Underwriting Agreement and subject to certain consultation obligations in the event of a delay caused by a regulatory intervention);
  — Centuria alters its capital structure or its constitution without the prior written consent of Moelis (such consent not to be unreasonably withheld or delayed);
  — Centuria (or its subsidiaries) is or becomes insolvent;
  — Centuria, or any of its directors or officers (as those terms are defined in the Corporations Act) engage in any fraudulent conduct or activity in connection with the Equity Raising;

Material Contracts: Underwriting Agreement (cont.) & Backstop Underwriting Agreement

- ASIC issues, or threatens in writing to issue, proceedings or notifies Centuria in writing that it has commenced any investigation in relation to the Equity Raising, which is not withdrawn within 2 business days or by 10.00am on the Settlement Date (whichever is earlier); or
- the ASX officially determines (which determination is not withdrawn within 2 business days or by 10.00am on the Settlement Date (whichever is earlier)) that Centuria's securities will be suspended from quotation, Centuria will be removed from the official list or that quotation of all of the New Securities will not be granted by the ASX.

- Moelis may also terminate its obligations under the Underwriting Agreement on the occurrence of the following termination events, only where in its reasonable opinion, such termination event has or is likely to have a materially adverse effect on the marketing, outcome, success or settlement of the Equity Raising, has given or would be likely to give rise to a liability for Moelis or a contravention of applicable laws:
  - Centuria is in breach of certain disclosure related warranties given by Centuria in favour of Moelis (where such breach is not remedied in accordance with the terms of the Underwriting Agreement);
  - a general moratorium on commercial banking activities in Australia, the United States, the United Kingdom, Singapore and Hong Kong, is declared by the relevant central banking authority in any of those countries (and is not lifted within 2 days or by 10.00am on the Settlement Date (whichever is earlier)); or
  - trading in all securities quoted or listed on the ASX, the New Zealand Exchange, the London Stock Exchange, the Hong Kong Stock Exchange, the Singapore Stock Exchange or the New York Stock Exchange is suspended for 2 days or more.
- If Moelis terminates the Underwriting Agreement, Moelis will not be obliged to perform any of its obligations which remain to be performed under the Underwriting Agreement.

9.0 Backstop Underwriting Agreement

- Moelis Australia Advisory Pty Ltd and Centuria propose to enter into a further backstop underwriting agreement in the event that the issue of New Securities under the Conditional Placement is not approved by eligible Centuria security holders (**Backstop Underwriting Agreement**).
- Pursuant to the Backstop Underwriting Agreement, Moelis will act as lead manager, bookrunner and underwriter to a further accelerated entitlement offer to be undertaken by Centuria to raise approximately $17.2m in order to refinance the drawdown of an additional $17.2m on an existing NAB facility that forms part of the Conditional Placement Backstop Arrangements.
- The terms of the Backstop Underwriting Agreement are otherwise on commercial terms, including, in relation to the indemnity to be provided to Moelis by Centuria, fees payable to Moelis, representations and warranties and termination rights.

Financial Assumptions – General Transaction

The Directors' best estimate assumptions in relation to the forecast financial information are based on the following general assumptions

Implementation Date	• The Transaction is implemented on 1 January 2017
Offer	• The Offer is fully subscribed and the Conditional Placement is approved by Centuria security holders
Legislation	• No material changes to accounting policies or Corporations Act
Regulation	• No material changes to legislative or regulatory environment
Investment Properties	• No underlying movement in fair value of investment properties
Litigation	• No material contract disputes or litigation

Financial Assumptions – P&L

Investment Bond Fees and Funds Management Fees	• Investment Bonds and funds management fees have been calculated in accordance with expanded Centuria's agreements with the respective Funds. Refer to page 23 for illustrative example of fees associated with the management of each underlying Fund • Funds management fees in relation to TGP's two listed and four unlisted funds are based on the forecast FY17 fees as disclosed in TGP's FY16 Financial Presentation
Property services fees	• Are based on the Director's estimates of property services and leasing fees available to the expanded Centuria. It assumes that all existing external property services contracts in TGP portfolio are undertaken in-house by Centuria
Co-investment income	• Based on forecast distributions as per respective Fund Distribution Guidance released in FY16 Financial Presentations
Acquisition fees	• Includes acquisition fees received in relation to the Zenith acquisition ($2.8m) and Director's estimate of acquisition fees on forecast asset acquisitions equating to approximately $200m of FUM
Performance fees	• Director's estimate of the performance fee in relation to the forecast outperformance of the Belmont Road fund
Other revenue	• Other revenue includes transactional fees, Belmont Road investment income and other revenue associated with the reverse mortgage portfolio
Staffing costs	• Are based on the Director's estimates of the ongoing staffing costs required to operate the expanded Centuria Capital Group
Other expenses	• Director's estimates of the ongoing costs required to operate the expanded Centuria Capital Group
Net Interest expense	• Director's estimate of interest expenses associated with reverse mortgage portfolio, holding costs for GMF securities and interest payable on new vendor loan. Vendor loan all in interest rate of 5% p.a. for first 12 months
Tax Expense	• Reflects implementation of the Stapling Proposal on 17 October 2016 and assumes the Trusts are subject to Division 6 of the Income Tax Assessment Act 1936 (and therefore the trustee should not be liable for income tax provided that unitholders are presently entitled to net income of the trusts)

Foreign Jurisdictions

International Offer Restrictions:

This document does not constitute an offer of new stapled securities ("New Securities") of Centuria in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, authorized by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorize this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Securities have not been and will not be offered or sold in Hong Kong other than to “professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Securities are not being offered to the public within New Zealand other than to existing security holders of Centuria with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the FMC Act and the Securities Act (Overseas Companies) Exemption Notice 2013, or if allotment of the New Securities occurs after 6 January 2017, any replacement exemption notice.

Other than in the entitlement offer, the New Securities may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore ("MAS") and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 (the "SFA") in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. The issuer is not authorised or recognised by the MAS and the New Securities are not allowed to be offered to the retail public. This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the New Securities may not be circulated or distributed, nor may the New Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an institutional investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Securities being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly

Director sub-underwriting commitments

The Directors of CNI are supportive of the Transaction and the Entitlement Offer

Certain Directors and members of senior management (or entities associated with these Directors or members of senior management) of CNI, agreed to sub-underwriting commitments in connection with the Entitlement Offer as detailed below[1]:

Director	Sub-underwriting Commitment Limit ($)
Garry Charny, Chairman	• $225,000
John McBain, Group CEO	• $500,000
Jason Huljich, Executive Director & CEO, Unlisted Property Funds	• $2,000,000

Moelis Australia Advisory Pty Ltd has entered into an underwriting agreement with Centuria, under which it has agreed to lead manage and underwrite the Entitlement Offer ("**Underwriting Agreement**"). The terms of the Underwriting Agreement are summarised on page 49.

Moelis Australia Advisory Pty Ltd has entered into sub-underwriting arrangements with each of the above Directors, pursuant to individual sub-underwriting agreements ("**Sub-underwriting Agreements**").

Pursuant to each sub-underwriting Agreement, each of the above Directors and members of senior management (or entities associated with those Directors or members of senior management) has given a sub-underwriting commitment in favour of Moelis Advisory Australia Pty Ltd up to the Sub-underwriting Commitment Limits as set out above.

In the event that there is a shortfall in the number of New Securities to be issued to existing security holders under the Entitlement Offer, the terms of the Sub-underwriting Agreements require each Director to subscribe for the number of New Securities allocated to them by Moelis Australia Advisory Pty Ltd up to their respective Sub-underwriting Commitment Limit, at the Issue Price.

Each Director who is providing a sub-underwriting commitment is entitled to a sub-underwriting fee of 1.5% in respect of their respective Sub-underwriting Commitment Limit, which is payable by Moelis Australia Advisory Pty Ltd[2].

In the event that the Underwriting Agreement is terminated, each Sub-underwriting Agreement will be terminated without any obligation to the relevant sub-underwriter. The sub-underwriters have no specific termination rights under the Sub-underwriting Agreements and have acknowledged and agreed that they will accept the decisions and actions of Moelis Australia Advisory Pty Ltd under the Underwriting Agreement.

1. Some of the Directors may enter into funding arrangements in order to fund their participation in the Entitlement Offer and/or sub-underwriting commitments
2. This fee is consistent with the fee arrangements entered into by the underwriters with other third party sub-underwriters

Glossary

ASIC	Australian Securities and Investment Commission
ASX	ASX Limited (ABN 98 008 624 691)
AUM	Assets under Management
Balance Sheet Gearing	Gearing calculated as total borrowings - cash divided by total assets le
Centuria	The ASX listed stapled entity comprising Centuria Capital Limited (ACN 095 454 336) and Centuria Capital Fund (ARSN 613 856 358)
Centuria Funds Management Limited	The Responsible Entity of the Centuria Capital Fund
Centuria Capital Group	Refer to Centuria
Centuria Property Funds Limited	Responsible Entity of CMA
CIML	360 Capital Investment Management Limited (ACN 133 363 185), as responsible entity of TGP and its subsidiary Funds
CMA	Centuria Metropolitan REIT, an ASX listed stapled entity, comprising Centuria Metropolitan REIT No. 1 ARSN 124 364 718 and Centuria Metropolitan REIT No. 2 ARSN 124 364 656
Corporations Act	Corporations Act 2001 (Cth)
CPFL	Refer to Centuria Property Funds Limited
DPS	Distribution per Stapled Security
DPS Payout Ratio	DPS as a percentage of EPS
EBIT	Earnings Before Interest and Taxes
EBTIDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
EPS	Earnings per share
Equity Raising	Raising of Equity under the entitlement offer, institutional placement and conditional placement
FUM	Funds Under Management

Glossary

FY17	Financial Year ended 30 June 2017
GLA	Gross lettable area, the total lettable floor area in square metres
IFRS	International Financial Reporting Standards as developed and maintained by the International Accounting Standards Board
IRR	Internal Rate of Return
NAV	Net Asset Value, calculated as Net Assets divided by total shares outstanding
NPAT	Net Profit After Tax
PE	Offer Price divided by underlying NPAT per share
REIT	Real Estate Investment Trust
Security Holder	The registered holder of a Stapled Security
TGP	360 Capital Group, a stapled group comprising 360 Capital Group Limited (ACN 113 569 136) and 360 Capital Trust (ARSN 104 552 598).
TIX	360 Capital Industrial Fund (ARSN 099 680 252)
TOF	360 Capital Office Fund (ARSN 106 453 196)
TOT	360 Capital Total Return Fund comprising 360 Capital Total Return Passive Fund (ARSN 602 304 432) and 360 Capital Total Return Active Fund (ARSN 602 303 613)
Transaction	Refers to the transaction between CNI and TGP, involving CNI's purchase of CIML and corresponding co-investment stakes in TIX and TOF, in addition to Centuria's right to exercise the put and call options associated with the purchase of TGP's ownership interests in four unlisted funds
Underwriter	Moelis Australia Advisory Pty Ltd (ABN 72 142 008 446)
US Securities Act	The U.S. Securities Act of 1933, as amended
WACR	Weighted average capitalisation rate
WALE	Weighted average lease expiry

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