

360 Capital Industrial Fund

17 July 2014

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**Institutional Offer Component of Fully Underwritten \$61.0 million Capital Raising
Closes Oversubscribed**

360 Capital Industrial Fund ('Fund' or ASX code: 'TIX') announces the successful completion of its fully underwritten Institutional Placement and Institutional Entitlement Offer of new fully paid ordinary Units in the Fund ('New Units') raising \$46.0 million. The proceeds will be used to partly fund the purchase of two high quality industrial properties valued at \$79.4 million ('Acquisition').

The Institutional Placement closed over-subscribed and raised approximately \$33.7 million at \$2.16 per Unit ('Offer Price') as determined by a bookbuild, whilst the 1 for 7.25 Institutional Entitlement Offer raised an additional \$12.3 million at the Offer Price.

The Offer Price reflects a forecast FY2015 distribution yield of 8.9%.

The Offer

The Offer relates to the issue of approximately 28.2 million New Units in the Fund at the Offer Price to raise up to a total of \$61.0 million and comprises:

- an Institutional Placement to Institutional Investors that raised \$33.7 million (Placement) which is now complete;
- a 1 for 7.25 Entitlement Offer raising approximately \$27.3 million (Entitlement Offer), with the Institutional Entitlement Offer also now complete; and
- a General Offer of New Units not taken up under the Entitlement Offer with priority to existing unitholders within the 360 Capital Group of managed funds (General Offer).

Both existing and New Units will rank for the forecast September 2014 quarter distribution of 4.80cpu.

The Responsible Entity expects ASX to lift the trading halt and for the Fund to recommence trading from market open on 17 July 2014. Annexure A contains a timetable for the Offer.

Moelis Australia Advisory Pty Ltd and Morgans Corporate Limited are acting as Joint Lead Managers, Bookrunners and Underwriters to the fully underwritten capital raising.

Further details regarding the Retail Entitlement Offer and the General Offer are set out in the product disclosure statement ('PDS') to be lodged with ASX and ASIC on 17 July 2014 and sent to eligible unitholders on or about 22 July 2014. The PDS may also be accessed at www.360capital.com.au once available. The PDS should be considered in deciding whether to apply for New Units.

Fund Manager, Mr Ben Butler said: "We're very pleased to successfully close the Institutional component of our capital raise as it's a strong endorsement of our strategy for the Fund. The Acquisition will enhance overall portfolio metrics whilst providing Unitholders with secure earnings over the long term as well as reduce pro forma gearing to 40.9%.

It enhances the size, scale and liquidity of the Fund with pro forma market capitalisation now in the order of \$259 million and assists in increasing forecast FY15 distributions to 19.2cpu up 3.2% on FY14, an 8.9% yield on the Offer Price.

We are particularly pleased to welcome new institutional investors to TIX and we thank our existing institutional investors for their continued support. Retail investors now have the opportunity to invest alongside Institutions via the Retail Entitlement Offer and General Offer."

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Property Transaction

The Fund has entered into contracts to acquire \$79.4 million of industrial properties leased to Woolworths Limited on long term leases:

	2 Woolworths Way, Warnervale NSW	21 Jay Street, Mount St John, Townsville QLD
Purchase Price:	\$69,800,000	\$9,595,000
Lettable Area:	54,533 sqm	4,726 sqm
Capitalisation Rate:	8.25%	8.75%
WALE:	7.1 years	10.5 years

Debt Facility

The Fund has extended the term of its existing Debt Facility with National Australia Bank, the key terms of which are as follows:

- Debt Facility term of three years expiring on 31 July 2017
- Debt Facility limit to increase to \$230.0 million
- Loan to value ratio covenant of $\leq 55\%$
- Interest cover ratio (ICR) covenant of ≥ 1.6 times

It is expected the Debt Facility will be drawn to approximately \$183.6 million post completion of the Transaction (pro forma basis), providing the Fund with approximately \$46.4 million of headroom. The pro forma gearing of the Fund post completion of the Transaction is approximately 40.9% and forecast ICR for FY15 of 4.2 times.

The Fund has also reset its existing interest rate hedge for 3 years over \$185.0 million at an all in interest cost of 4.5% per annum.

Investor Enquiries

For further information, please call the 360 Capital Information Line on 1800 182 257 (within Australia) or +61 2 9290 9600 (from outside Australia) between the hours of 8.30am and 5.00pm Monday to Friday AEST (excluding public holidays).

For more information, please contact:

Ben Butler
Fund Manager
360 Capital Industrial Fund
+61 2 8405 5672

Tim Spencer
Head of Investor Relations
360 Capital Group
+61 2 8405 8872

About 360 Capital Industrial Fund (ASX code TIX)

360 Capital Industrial Fund is an ASX-listed Fund focused on passive rent collecting from warehouse and logistics properties in Australia in the \$10.0 million plus range. The Fund has strong, defensive, income-focused investment fundamentals via a diversified \$358.8 million portfolio of eighteen quality assets, a weighted average lease expiry of 5.3 years, occupancy of 96.1%, appropriate gearing of 43.3%, distributions tax deferred at approximately 40% to 50% and a forecast FY15 distribution of 19.20cpc. TIX is externally managed by 360 Capital, a leading ASX-listed real estate investor and fund manager that operates under a transparent fee structure and is the largest unitholder in the Fund to ensure ongoing alignment of interests with Unitholders.

About 360 Capital Group (ASX code TGP)

360 Capital is an ASX-listed, property investment and funds management group concentrating on strategic investment and active investment management of property assets. The company actively invests in direct property assets, property securities and various corporate real estate acquisitions within Australian real estate markets on a private equity basis. The Group's 22 full time staff have significant property, funds and investment management experience. 360 Capital manages nine investment vehicles holding assets valued at approximately \$1.0 billion on behalf of almost 8,800 investors, has over \$90 million worth of co-investments across the 360 Capital platform and owns two direct assets valued at more than \$40 million.

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Appendix A - Timetable

These dates are indicative only and are subject to change. 360 Capital reserves the right to close one or more components of the Offer early or to extend or cancel the Offer without notice. If the date the Offer closes is varied, subsequent dates may also be varied accordingly.

Action	Date
Enter trading halt	Tuesday 15 July 2014
Announce results of Placement and Institutional Entitlement Offer and trading resumes	Thursday 17 July 2014
Record Date for Entitlement Offer (7.00pm AEST)	Friday 18 July 2014
Retail Entitlement Offer and General Offer open	Tuesday 22 July 2014
Retail Entitlement Offer early acceptances close	Friday 25 July 2014
Settlement of Placement, Institutional Entitlement Offer and early Retail Entitlement Offer acceptances	Monday 28 July 2014
Placement, Institutional Entitlement Offer and early Retail Entitlement Offer New Units allotted and normal trading commences	Tuesday 29 July 2014
Settlement of Property Acquisitions	Tuesday 29 July 2014
Retail Entitlement Offer final close and General Offer close	Wednesday 20 August 2014
Settlement of Retail Entitlement Offer and General Offer (including shortfall)	Tuesday 26 August 2014
Issue of New Units under Retail Entitlement Offer final close and General Offer	Wednesday 27 August 2014
Trading commences in New Units issued under the Retail Entitlement Offer and General Offer	Thursday 28 August 2014
Dispatch of holding statements	Friday 29 August 2014