360 Capital Industrial Fund

8 October 2014

PRESENTATION TO MORGANS QUEENSLAND CONFERENCE

360 Capital Investment Management Limited as Responsible Entity for the 360 Capital Industrial Fund ('Fund')(ASX:TIX) is pleased to provide the attached presentation made by the Fund at today's Morgans Queensland Conference.

More information on the Fund can be found on the ASX's website at www.asx.com.au using the Fund's ASX code "TIX", on the Fund's website www.360capital.com.au by calling the 360 Capital investor enquiry line on 1800 182 257, emailing investor.relations@360capital.com.au or contacting:

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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 $461.6 million portfolio of 21 quality assets, a weighted average lease expiry of 6.1 years, occupancy of 96.9%, appropriate gearing of 43.3% and a forecast FY15 distribution of 19.20cpu. The Fund is externally managed by 360 Capital Group, 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 Group 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. 360 Capital Group's 21 full time staff have significant property, funds and investment management experience. 360 Capital Group manages eight investment vehicles holding assets valued at approximately $1.0 billion on behalf of almost 10,000 investors, has $125.9 million worth of co-investments across the 360 Capital Group platform and owns a direct asset valued at $38.5 million.

360 CAPITAL INDUSTRIAL FUND

ARSN 099 680 252

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TIX: overview

- Total FY14 Unitholder return of 17.3% pa and 27.6% pa since listing[1]
- Distribution yield of 8.73%[2] (FY15 guidance of 19.20 cpu)
- Distributions paid quarterly with high tax deferred component (FY14 was 45%)
- Pro-forma gearing of 43.3%[3] with a targeted gearing range of 35% to 50%
- Portfolio value of $461.6 million [3] and pro-forma NTA per unit of $2.13 [3]
- FY15 guidance of EPU of 20.2 cents and DPU of 19.2 cents

Notes
1. The Fund listed on 12 December 2012
2. Based on a unit price of $2.20 as at 7 October 2014
3. 30 June 2014 pro-forma post the acquisitions of Warnervale and Townsville in July 2014 and Carole Park in September 2014

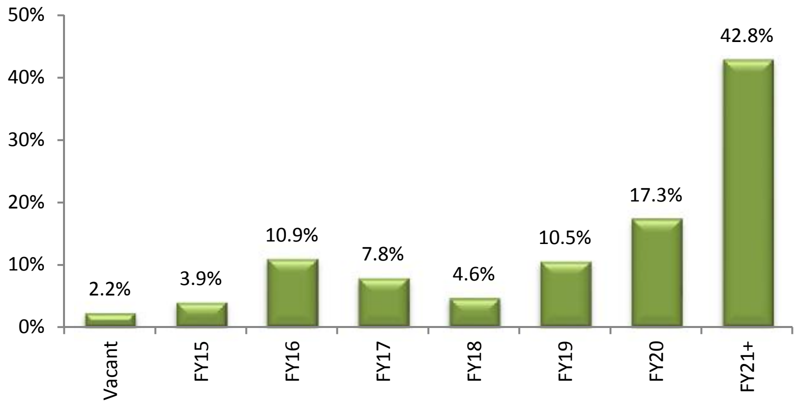
TIX: investment strategy

- To provide consistent and growing income returns with an opportunity for capital growth from industrial assets in core industrial locations across Australia
- Key investment criteria:
  - securely leased assets with high occupancy
  - passive and generic industrial facilities with long leases
  - $10m+ value range
  - strong tenant covenants
  - focus on providing consistent and secure income through fixed rental increases
  - low ongoing capital expenditure
  - no development risk
  - no offshore investment
- Key Fund metrics:
  - target gearing range of 35-50%
  - target payout ratio of approximately 90% - 95%
  - 360 Capital to maintain a significant co-investment in the Fund

TIX: portfolio metrics[1]

Portfolio Snapshot	
Number of Assets	21
Net Building Area (sqm)	411,935
Property Value ($m)	461.6
WACR (by income)	8.5%
Occupancy (by area)	96.9%
WALE (by income)	6.1 years

Lease expiry profile (by income)



- Long portfolio WALE and high occupancy ensure stable and predictable cashflows
- Portfolio well diversified by geographic location and tenant
- Manageable lease expiry profile with no year greater than 11% of the portfolio until FY20

Top 10 Tenants	Rent ($m)	% total
Woolworths	6.6	16.8
The Reject Shop	2.9	7.6
API	2.9	7.6
AWH	2.8	7.3
Visy Industries	2.1	5.4
Greens Biscuits	1.9	4.9
Elite Logistics	1.6	4.2
Deliver Logistics	1.6	4.1
Kent Transport	1.5	3.7
Tyremax	1.3	3.3
Total	**25.3**	**64.9**

Notes
1. Pro-forma metrics as at 30 June 2014 including acquisitions of Warnervale, Townsville and Carole Park assets

TIX: portfolio metrics[1] (cont.)

	Property	State	Valuation ($m)	Last Valued (date)	WACR[2] (%)	Area (sqm)	Occupancy[3] (%)	WALE[2] (years)
1	33-37 Mica Street, Carole Park	QLD	23.9	Jul 14	8.00	17,916	100.0	15.0
2	2 Woolworths Way, Warnervale	NSW	69.8	May 14	8.25	54,533	100.0	7.1
3	Lot 69 Jay Street, Mount St John, Townsville	QLD	9.6	May 14	8.75	4,726	100.0	10.5
4	457 Waterloo Road, Chullora	NSW	20.3	Apr 14	8.00	16,051	100.0	13.7
5	69 Studley Court, Derrimut	VIC	21.0	Apr 14	7.75	20,731	100.0	9.3
6	22 Hawkins Crescent, Bundamba	QLD	36.2	Apr 14	8.00	18,956	100.0	10.4
7	1 Ashburn Road, Bundamba	QLD	33.0	Apr 14	8.25	26,628	100.0	5.6
8	54 Sawmill Circuit, Hume	ACT	13.8	Apr 14	8.00	8,689	100.0	7.7
9	9-13 Caribou Drive, Direk	SA	9.5	Apr 14	8.50	7,023	100.0	5.3
	Sub-Total (acquired since 360 Capital became manager)		**237.1**		**8.14**	**175,253**	**100.0**	**9.0**
10	60 Marple Avenue, Villawood	NSW	20.0	Apr 14	8.75	18,493	100.0	2.2
11	37-51 Scrivener Street, Warwick Farm	NSW	21.8	Apr 14	9.25	27,599	100.0	4.0
12	8 Penelope Crescent, Arndell Park	NSW	14.5	Apr 14	8.50	11,420	100.0	1.9
13	5-9 Woomera Avenue, Edinburgh Parks[4]	SA	4.5	Jun 13	10.50	10,580	-	0.0
14	102-128 Bridge Road, Keysborough	VIC	26.5	Apr 14	8.75	24,617	96.7	3.1
15	500 Princes Highway, Noble Park	VIC	20.0	Apr 14	8.75	13,789	96.9	1.6
16	6 Albert Street, Preston	VIC	23.0	Apr 14	8.75	20,531	94.9	4.6
17	14-17 Dansu Court, Hallam	VIC	15.5	Apr 14	8.25	17,070	100.0	4.7
18	12-13 Dansu Court, Hallam	VIC	11.9	Apr 14	8.25	11,542	100.0	3.6
19	33-59 Clarinda Road, Oakleigh South	VIC	10.1	Jun 14	9.25	10,903	100.0	1.5
20	39-45 Wedgewood Road, Hallam	VIC	8.5	Apr 14	8.25	10,631	100.0	0.9
21	310 Spearwood Avenue, Bibra Lake	WA	48.2	Apr 14	8.90	59,508	100.0	4.4
	Sub-Total (pre-existing portfolio)		**224.5**		**8.80**	**236,682**	**94.6**	**3.3**
	Total		**461.6**		**8.46**	**411,935**	**96.9**	**6.1**

Notes
1. Pro-forma metrics as at 30 June 2014 including acquisitions of Warnervale, Townsville and Carole Park assets
2. By income
3. By area
4. Held for Sale

TIX: fund metrics

- Market capitalisation of $263.5[1]m and inclusion in the S&P/ASX300 AREIT Index
- Multi-option debt facility of $230.0m with existing debt capacity for further acquisitions
  - debt facility expires July 2017
- $185.0m interest rate hedge at 2.95% plus margin
- Externally managed vehicle with a management fee 60bp of GAV + 22bp of recoveries
- No acquisition, disposal, leasing or performance fees
- Distribution Reinvestment Plan (DRP) currently active
- $150.3m of equity raised since Mar 13 for recapitalisation upon listing and fund acquisitions
- Significant co-investment by 360 Capital of 12.0%

Fund Metrics	
FY15 forecast Operating EPU	20.2cpu
FY15 forecast DPU	19.2cpu
Payout ratio	95%
Drawn debt[2]	$206.5m
All in debt cost	~4.5%
Total assets[2]	$469.1m
Units on issue	119.8m
Market capitalisation[2]	$263.5m
NTA per unit[2]	$2.13
Gearing[2]	43.3%
LVR Covenant	55.0%
Interest cover ratio	3.9 times
Interest cover ratio covenant	1.6 times

Notes
1. Based on a unit price of $2.20 as at 7 October 2014
2. 30 June 2014 pro-forma post the acquisitions of Warnervale and Townsville in July 2014 and Carole Park in September 2014

TIX: outlook

Market

- Capitalisation rates to firm continuing to drive TIX’s NTA per Unit growth
- More acquisition opportunities expected in FY15 albeit competition has increased
- Increase in pre-commitment activity may provide fund-through opportunities

Operational

- Opportunistic disposal of smaller assets meeting demand by more market players seeking industrial assets
- Address medium term lease expiries to further strengthen the Fund’s cashflows

Objectives

- Deliver further value for Unitholders via sustainable distributions from solid and predictable cashflows
- Remain appropriately capitalised to continue to grow the Fund’s asset base in a responsible manner
- Maximise Unitholder returns by remaining well capitalised and nimble to secure suitable opportunities

FY15 operating EPU guidance of 20.2cpu
FY15 DPU guidance of 19.2cpu

Questions ?

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