

24 December 2014

**360 Capital Group  
Establishes New Unlisted Fund  
To Acquire Two Shopping Centres for \$68.0 million**

In line with the Group's strategy of growing its unlisted funds, 360 Capital Group (ASX code: TGP) ('360 Capital' or 'Group') is pleased to announce that the Group has entered into contracts to acquire two established shopping centres on behalf of the newly created unlisted 360 Capital Retail Fund No. 1 ('Fund').

**360 Capital Retail Fund No. 1**

The \$70.4 million Fund seeks to offer potential investors an 8.0% annual distribution yield<sup>1</sup> and will commence a \$43.0 million equity capital raising in February 2015 to the Group's existing platform investors and the general public.

The Group has fully underwritten the equity capital raising with scheduled settlement dates at the Fund's election of up to 30 June 2015.

The Fund has been established as a closed ended fund with an initial seven year term and will own two quality retail properties.

***Windsor Marketplace***

The Fund has entered into an unconditional Put and Call Deed to acquire Windsor Marketplace, Windsor NSW for \$19.6 million reflecting a 7.5% initial yield. Windsor Marketplace is a modern neighbourhood shopping centre redeveloped in 2009 which is located in the heart of Windsor Town Centre, Sydney.

The centre is anchored by a full line Woolworths Supermarket on a 22 year lease expiring in March 2033 providing an overall WALE of 11.8 years with gross lettable area of a 5,347sqm across a full line Woolworths Supermarket, nine specialty shops, two ATMs, two kiosks and a free standing medical centre.

***Confidential Sub-Regional Shopping Centre Acquisition***

The Fund has also entered into a conditional contract to acquire modern fully enclosed sub-regional shopping centre in Queensland for \$48.3 million. The contract is conditional on the renewal of one of the majors' lease. The centre is being purchased on an initial yield of 8.1% and the centre is anchored by a full line supermarket and discount department store in addition to 40 specialties with a WALE of 5.2 years.

**Attractive Fund Investment Metrics**

The Fund has strong property fundamentals and will provide stable, diversified and attractive forecast distributions. Its attractive metrics include:

- well located retail property portfolio with a high level of occupancy of 99.6% (by area);
- well-diversified portfolio with 48.6% of income secured through quality 'major' tenant covenants;
- stable weighted average lease expiry (WALE) of 7.0 years (by income);
- weighted average capitalisation rate (WACR) of 7.86% (by value); and
- monthly distributions;

- forecast distribution yield of 8.00%<sup>1</sup> p.a. on the issue price
- loan to value ratio (LVR) of less than 50% post settlement; and
- an initial term of seven years with the ability to extend the term for a further three years if approved by Unitholders via a special resolution

### Positive Impact on the Group

The Fund's creation will meet the Group's stated objective of creating a portfolio of new unlisted investments designed to meet current investor requirements in terms of security of income, diversification and term.

The Fund's capital raising will be fully underwritten by an entity within the 360 Capital Group. Underwriting fees, plus transaction, base management, disposal and any performance fees, will contribute to the Group's base earnings.

The Group has acquired (or contracted to acquire) in excess of \$168.0 million across the Group's listed and unlisted funds in the last three months.

The Group will provide an update to the Group's earnings at its FY15 half yearly results on or about 26 February 2015.

More information on the Group can be found on the ASX's website at [www.asx.com.au](http://www.asx.com.au) using the Group's ASX code "TGP", on the Group's website [www.360capital.com.au](http://www.360capital.com.au), by calling the 360 Capital investor enquiry line on 1800 182 257 or emailing [investor.relations@360capital.com.au](mailto:investor.relations@360capital.com.au)

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#### **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 over \$950 million on behalf of over 8,300 investors and has over \$134 million worth of co-investments across the 360 Capital Group platform.

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<sup>1</sup> Forecasts relate to FY2016 and FY2017. FY2016 forecast distribution is annualised. Forecast distributions are based on assumptions and are subject to risks, set out in the PDS when available, which should be read prior to any decision being made to invest. Forecast distributions are not guaranteed.