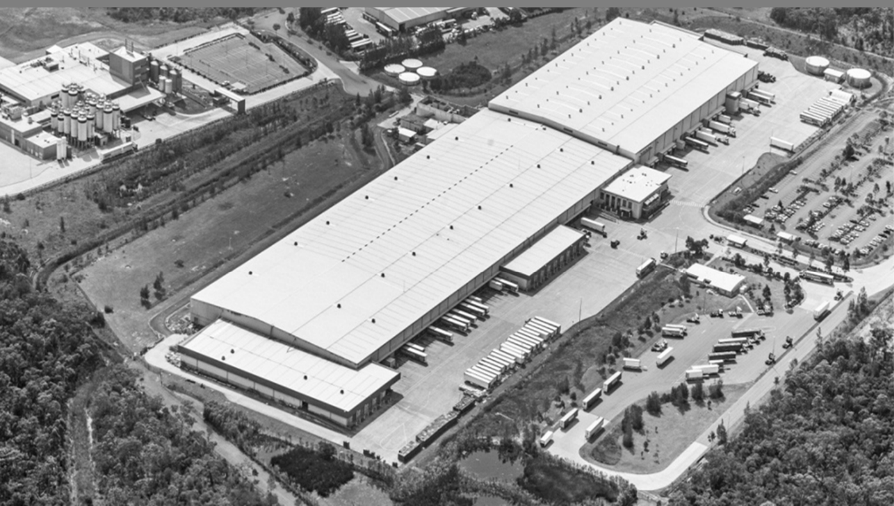
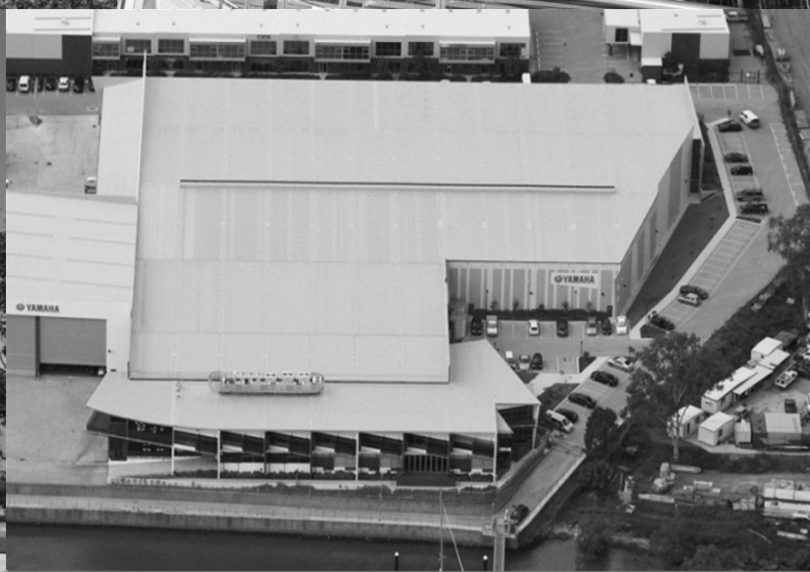
Interim Financial Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

360 CAPITAL INVESTMENT TRUST





360 Capital Investment Trust (ARSN 104 552 598) and its controlled entities

360 CAPITAL INVESTMENT TRUST

Interim Financial Report
For the half year ended 31 December 2014

Comprising 360 Capital Investment Trust ARSN 104 552 598 and its controlled entities.

Contents **Page**

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of 360 Capital Investment Trust for the year ended 30 June 2014 and any public announcements made by 360 Capital Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Directors of 360 Capital Investment Management Limited, the Responsible Entity of 360 Capital Investment Trust ("Fund") present their report, together with the interim financial report of 360 Capital Investment Trust and its controlled entities ("consolidated entity") for the half year ended 31 December 2014.

The consolidated entity forms part of the stapled entity, 360 Capital Group ("Stapled Group") (ASX Code: TGP) comprising 360 Capital Group Limited and its controlled entities and 360 Capital Investment Trust and its controlled entities.

Directors

The following persons were Directors of 360 Capital Investment Management Limited, the Responsible Entity of 360 Capital Investment Trust, during the half year and up to the date of this report unless otherwise stated:

David van Aanholt (Chairman)
Tony Robert Pitt
William John Ballhausen
Graham Ephraim Lenzner
Andrew Graeme Moffat

Principal activities

The principal activities of the consolidated entity during the course of the half year were direct investments in commercial real estate and co-investments in the managed funds including loan investments in some of these funds.

There were no other significant changes in the nature of activities of the consolidated entity during the period.

Operating and financial review

The statutory profit to the unitholders of the consolidated entity for the half year ended 31 December 2014 was $23.3 million (31 December 2013: $0.4 million). The operating profit (profit before specific non-cash items and significant items) was $6.9 million (31 December 2013: $4.1 million).

Operating profit is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the profit under AAS adjusted for specific non-cash items and significant items. The Directors consider operating profit to reflect the core earnings of the consolidated entity.

Operating and financial review (continued)

The following table summarises key reconciling items between statutory profit attributable to the unitholders of the consolidated entity and operating profit. The operating profit information in the table has not been subject to any specific review procedures by the consolidated entity's auditor but has been extracted from Note 5 of the accompanying financial statements for the half year ended 31 December 2014, which have been subject to review; refer to page 31 for the auditor's review report on the financial statements.

	Total core 31 December 2014 $'000	Total core 31 December 2013 $'000
Profit attributable to the unitholders of the consolidated entity	**23,269**	**375**
Specific non-cash items		
Net gain on fair value of financial assets	(8,075)	(1,872)
Net gain on fair value of derivative financial instruments	(10)	-
Net (gain)/loss on fair value of investment properties	(8,615)	5,673
Straight-lining of lease revenue and incentives	365	277
Significant items		
Other income	-	(5)
Gain on bargain purchase of 360 Capital Property Group	-	(1,057)
Business combination transaction expenses	-	688
Operating profit (profit before specific non-cash and significant items)	**6,934**	**4,079**

The key financial highlights for the half year ended 31 December 2014 include:

- Statutory net profit attributable to unitholders of the consolidated entity of $23.3 million (December 2013: $0.4 million)
- Operating profit of $6.9 million (December 2013: $4.1 million)
- Statutory Basic EPU of 10.3 cpu (December 2013: 0.2 cpu)
- Operating EPU of 3.1 cpu (December 2013: 2.6 cpu)
- Distributions of 2.7915 cpu (December 2013: 2.50 cpu)
- Net assets increased to $137.2 million from $115.1 million as at 30 June 2014

The key operating achievements for the half year ended 31 December 2014 include:

- Accelerated Group's strategy of becoming pure fund manager and investor by opportunistically exchanging contracts to sell Hurstville for $47.0m (22.1% premium to previous book value)
- Completed 360 Capital Diversified Property Fund takeover
- Completed $75.0m unsecured 5 year corporate bond issue
- Repaid all group bank debt with $19.5m facility remaining available to redraw
- The consolidated entity made strategic investment of $27.1 in Australian Industrial REIT (ASX: ANI) to become largest unitholder
- Settled Goulburn asset disposal for $4.3m.

Operating and financial review (continued)

Financial results

Statutory results
The consolidated entity's statutory net profit attributable to unitholders for the half year ended 31 December 2014 was $23.3 million compared to the net profit of $0.4 million for prior period. The statutory net profit for the period was primarily driven by a full six months profit contribution resulting from acquisition of the 360 Capital Property Group which occurred on 2 October 2013 of the prior period. Distribution revenue also increased as a result of acquisitions of co-investments funded by redeployment of the consolidated entity's capital and from corporate bond proceeds.

The consolidated entity also recognised $18.4 million of other income during the half including fair value gains across the consolidated entity's listed and unlisted investments and the one-off gain from the fair value uplift following the exchange of contracts for sale for the disposal of the Group's Hurstville property.

The consolidated entity's statutory balance sheet as at 31 December 2014 had gross assets of $227.3 million reflecting an increase of $56.4 million from 30 June 2014. Current assets have increased to $61.2 million reflecting the reclassification of the consolidated entity's Hurstville investment property to assets held for sale. The consolidated entity's financial assets fair valued through the profit and loss increased in total by $47.4 million to $168.2 which included the acquisition of $27.1 million in the listed property fund ANI.

Total borrowings at 31 December 2014 increased to $75.0 million from $25.0 million at 30 June 2014 as a result of the consolidated entity's $75.0 million unsecured note issuance in September 2014 and subsequent repayment of its secured bank facility.

Segment results
The operating profit for the half year ended 31 December 2014 was $6.9 million compared to $4.1 million for the prior period. The result reflects the full six months operating profit contribution resulting from the acquisition of 360 Capital Property Group in the prior period combined with distribution revenue growth driven by from significant additional capital invested in listed and unlisted co-investments.

Co-investments in managed funds

The consolidated entity made an offer to all of the unitholders in the Diversified Fund to purchase all of the units the consolidated entity did not already own, providing long sought-after liquidity for the unitholders and the fund becoming a wholly owned subsidiary of the consolidated entity, and significantly boosting the co-investments by the consolidated entity. The consolidated entity booked an uplift of $5.5 million recognised directly in equity (meaning it did not go through the profit and loss) but boosted the net assets of the consolidated entity as a result of this transaction.

360 Capital Industrial Fund (ASX Code: TIX) has made a takeover offer for ANI. If this takeover offer proceeds and the consolidated entity accepts TIX units as consideration (based on the current proposal), the 360 Capital Group combined will have a co-investment in the combined entity of approximately 12.2%.

Hurstville investment property sale

On 30 October 2014, the consolidated entity exchanged unconditional contracts to dispose of its last remaining direct asset at 20 Woniora Road, Hurstville, NSW for a gross sale price of $47.0 million. The sale price represents a 22.1% premium to the previous carrying value of the asset of $38.5 million. Under the contract, the purchaser will also lease the entire building from the expiry of the ATO lease in February 2015 until settlement on 30 September 2015, with the sale price to be reduced by any rental payments under the lease.

Operating and financial review (continued)

Capital Management

The consolidated entity issued a total of $75 million in unsecured subordinated corporate bonds during the period with a fixed term of 5 years to help fund the consolidated entity's growth. Proceeds from the bond issue have been fully deployed and applications included the takeover of 360 Capital Diversified Fund $21.2m, purchase of strategic stake in ANI $27.1m, repayment of bank borrowings $15.8m, acquisition of TOF units $4.8m and seed capital for new Retail Fund $3.9m. At 31 December 2014 the consolidated entity has an undrawn senior debt facility with approximately $19.5 million available.

Summary and Outlook

The 360 Capital Group which includes the consolidated entity has now finalised implementing its business plan to become a pure funds management and co-investor group, with the disposal of the Hurstville investment property contracted and due to settle in September 2015.

The Group will continue to maintain its "capital light" strategy, opting to grow earnings and distributions per security in excess of its peers from a tight capital base. 360 Capital remains focused, disciplined in its investment approach with an unchanged business plan.

Distributions

Distributions declared by 360 Capital Investment Trust directly to unitholders during the half year were as follows:

	31 December 2014 $'000	31 December 2013 $'000
1.25 cents per stapled security paid on 24 October 2013 (unfranked)	-	3,096
1.25 cents per stapled security paid on 28 January 2014 (unfranked)	-	3,109
1.3125 cents per stapled security paid on 24 October 2014 (unfranked)	3,264	-
1.479 cents per stapled security paid on 27 January 2015 (unfranked)	3,679	-
	6,943	6,205

Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the half year under review other than those listed above or elsewhere in the Directors' report.

Likely developments and expected results of operations

The consolidated entity continues to focus on rolling out its business plan. The consolidated entity remains well capitalised and will continue to maintain a "capital light" strategy, opting to grow earnings and distributions per unit in excess of its peers from this tight capital base.

The consolidated entity's NTA is expected to continue to increase mainly due to increased value of the co-investment stakes due to continuing firming of property yields as local and overseas investors continue to chase well leased income producing properties.

Events subsequent to balance date

No other circumstances have arisen since the end of the half year which have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Auditor's independence declaration

The auditor's independence declaration required under Section 307C of the Corporations Act 2001 is set out on page 7 and forms part of the Directors' report for the half year ended 31 December 2014.

Rounding of amounts

The consolidated entity is an entity of the kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission ("ASIC"). In accordance with that Class Order, amounts in the interim financial report and Directors' report have been rounded to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Directors.

Tony Robert Pitt
Director

Graham Ephraim Lenzner
Director

Sydney
25 February 2015

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Auditor's Independence Declaration to the Directors of 360 Capital Investment Management Limited as Responsible Entity for 360 Capital Investment Trust

In relation to our review of the financial report of 360 Capital Investment Trust for the half-year ended 31 December 2014 to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Mark Conroy

Mark Conroy
Partner
25 February 2015

360 Capital Investment Trust
Consolidated interim statement of profit or loss and other comprehensive income
For the half year ended 31 December 2014

	Note	31 December 2014 $'000	31 December 2013 $'000
Revenue from continuing operations			
Rental from investment properties		3,830	3,805
Distributions from property funds		6,029	1,703
Finance revenue		227	155
Total revenue from continuing operations		10,086	5,663
Other income			
Gain on bargain purchase		-	1,057
Net gain on fair value of financial assets	8	9,822	562
Net gain on fair value of investment properties	7	8,615	-
Net gain on fair value of derivative financial instruments		10	-
Other income		-	1,605
Total other income		18,447	3,224
Total revenue from continuing operations and other income		28,533	8,887
Investment property expenses		707	845
Responsible entity fees		145	172
Administration expenses		375	306
Finance expenses	3	2,018	437
Business combination transaction expenses		-	688
Net loss on fair value of investment properties		4	5,673
Profit for the half year		25,284	766
Other comprehensive income for the half year		-	-
Total comprehensive income for the half year		25,284	766
Total comprehensive income attributable to:			
Profit attributable to unitholders		23,269	375
Profit attributable to external non-controlling interests		2,015	391
Profit for the half year		25,284	766
Earnings per unit for profit attributable to unitholders of the consolidated entity		**Cents**	**Cents**
Basic earnings per unit	4	10.3	0.2
Diluted earnings per unit	4	9.4	0.2

The above consolidated interim statement of profit or loss and other comprehensive income should be read with the accompanying condensed notes.

360 Capital Investment Trust

Consolidated interim statement of financial position

As at 31 December 2014

	Note	31 December 2014 $'000	30 June 2014 $'000
Current assets			
Cash and cash equivalents		5,430	5,648
Receivables		6,602	1,473
Financial assets at fair value through profit or loss	8	2,136	3,364
Assets held for sale	6	47,000	4,300
Other current assets		28	187
Total current assets		61,196	14,972
Non-current assets			
Financial assets at fair value through profit or loss	8	166,074	117,474
Investment properties	7	-	38,500
Total non-current assets		166,074	155,974
Total assets		227,270	170,946
Current liabilities			
Trade and other payables		1,841	506
Borrowings	9	-	5,000
Derivative financial instruments		4	14
Provisions		3,678	3,448
Due to related entities		6,194	1,346
Other current liabilities		5,613	786
Total current liabilities		17,330	11,100
Non-current liabilities			
Borrowings	9	72,770	19,751
Total non-current liabilities		72,770	19,751
Total liabilities		90,100	30,851
Net assets		137,170	140,095
Equity			
Issued capital - trust units	10	152,453	152,453
Security based payments reserve		752	451
Accumulated losses		(16,035)	(37,839)
Total equity attributable to unitholders		137,170	115,065
External non-controlling interest		-	25,030
Total equity		137,170	140,095

The above consolidated interim statement of financial position should be read with the accompanying condensed notes.

360 Capital Investment Trust
Consolidated interim statement of changes in equity
For the half year ended 31 December 2014

	Note	Issued capital - trust units $'000	Security based payments reserve $'000	Accumulated losses $'000	Total equity attributable to Unitholders $'000	External non-controlling interest $'000	Total equity $'000
Balance at 1 July 2014		152,453	451	(37,839)	115,065	25,030	140,095
Total comprehensive income for the period		-	-	23,269	23,269	2,015	25,284
Acquisition of external non-controlling interest	14	-	-	5,478	5,478	(26,678)	(21,200)
Transactions with Unitholders in their capacity as Unitholders							
Issued units - Employee securities plan	10		301		301	(6)	295
Distributions	2	-	-	(6,943)	(6,943)	(361)	(7,304)
Balance at 31 December 2014		152,453	752	(16,035)	137,170	-	137,170
Balance at 1 July 2013		71,508	-	(33,413)	38,095	-	38,095
Total comprehensive income for the period		-	-	375	375	391	766
Acquisition of external non-controlling interest		-	-	-	-	23,553	23,553
Transactions with Unitholders in their capacity as Unitholders							
Issued units - Institutional equity raising	10	61,596	-	-	61,596	-	61,596
Issued units - Scrip-for-scrip	10	23,095	-	-	23,095	-	23,095
Issued units - Employee securities plan	10	-	150	-	150	-	150
Issued units - Redeemed		-	-	-	-	(3)	(3)
Equity raising transaction costs	10	(3,746)	-	-	(3,746)	-	(3,746)
Distributions	2	-	537	(6,205)	(5,668)	(339)	(6,007)
Balance at 31 December 2013		152,453	687	(39,243)	113,897	23,602	137,499

The above consolidated interim statement of changes in equity should be read with the accompanying condensed notes.

360 Capital Investment Trust
Consolidated interim statement of cash flows
For the half year ended 31 December 2014

	Note	31 December 2014 $'000	31 December 2013 $'000
Cash flows from operating activities			
Cash receipts from customers		4,549	4,355
Cash payments to suppliers and employees		(1,578)	(1,500)
Dividends and distributions received		4,827	1,777
Finance revenue		227	34
Finance expenses		(308)	(964)
Net cash inflows from operating activities		**7,717**	**3,702**
Cash flows from investing activities			
Proceeds from disposal of investment properties		8,901	-
Payments for financial assets		(43,173)	(652)
Proceeds from disposal of financial assets		1,669	3,388
Payments for subsidiaries - net of cash acquired		-	(36,515)
Payments for external non-controlling interest	14	(21,200)	-
Payment of transaction costs to acquire subsidiaries		-	(688)
Net cash outflows from investing activities		**(53,803)**	**(34,467)**
Cash flows from financing activities			
Proceeds from borrowings		75,000	20,000
Repayment of borrowings		(25,000)	(28,217)
Payments for borrowing costs		(2,201)	-
Amounts paid to related parties		5,148	(14,156)
Proceeds from issue of capital		-	61,596
Payment of transaction costs to issue capital		-	(3,746)
Distributions paid to unitholders		(6,373)	(3,688)
Distributions paid to external non-controlling interests		(700)	(339)
Redemption of units from external non-controlling interests		(6)	(3)
Net cash inflows from financing activities		**45,868**	**31,447**
Net (decrease) increase in cash and cash equivalents		(218)	682
Cash and cash equivalents at the beginning of the half year		5,648	1,932
Cash and cash equivalents at the end of the half year		**5,430**	**2,614**

The above consolidated interim statement of cash flows should be read with the accompanying condensed notes.

Note 1: Statement of significant accounting policies

a) Reporting entity

The interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The interim financial report of 360 Capital Investment Trust comprises the consolidated financial statements of 360 Capital Investment Trust and its controlled entities. The consolidated entity forms part of the stapled entity, 360 Capital Group ("Stapled Group") (ASX Code: TGP) comprising 360 Capital Group Limited and its controlled entities and 360 Capital Investment Trust and its controlled entities.

The interim financial report does not include all of the notes and information required for a full annual financial report and should be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by 360 Capital Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The annual financial report of the 360 Capital Investment Trust as at and for the year ended 30 June 2014 is available upon request from the registered office at Level 8, 56 Pitt Street, Sydney NSW 2000 Australia or at www.360capital.com.au.

Where accounting policies have changed, comparative financial information of the consolidated entity has been revised.

The accounting policies adopted in this interim financial report are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below:

As a result of new or revised accounting standards which became effective for the annual reporting period commencing 1 July 2014, the consolidated entity has changed some of its accounting policies. The affected policies and standards are:

- AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities;
- AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets;
- AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities;
- AASB 2014-1 Amendment to Australian Accounting Standards - 2010-2012 Cycle; and
- AASB 2014-1 Amendment to Australian Accounting Standards - 2011-2013 Cycle.

For the financial period, the adoption of these amended standards has no material impact on the financial statements of the consolidated entity.

The following new accounting standards, amendments to standards and interpretations have been issued, but are not mandatory as at 31 December 2014. They are available for early adoption, but have not been applied in preparing these financial statements. The consolidated entity plans to adopt these standards on the effective date. The impact of these new standards and interpretations are as follows:

- AASB 9 - *Financial Instruments* (Effective January 1, 2018). This standard includes requirements to simplify the approach for the classification and measurement of financial assets. The Board is currently assessing the impact on the consolidated entity.
- IFRS 15 - *Revenue from Contracts with Customers* (Effective January 1, 2017). This standard establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The Board is currently assessing the impact on the consolidated entity.

Note 1: Statement of significant accounting policies (continued)

b) Basis of consolidation

Stapling

On 2 October 2013, 360 Capital Group was formed by stapling together the shares of the 360 Capital Group Limited ("Company") and the units of 360 Capital Investment Trust ("Trust"). Equity holders of the Stapled Group are entitled to an equal interest in each stapled entity.

The Constitutions of the Trust and the Company ensure that, for so long as these entities remain jointly listed, the number of units in the Trust and the number of shares in the Company shall be equal and that unitholders and shareholders be identical. Both the Responsible Entity of the Trust and the Company must at all times act in the best interest of 360 Capital Group.

The stapling arrangement will cease upon the earlier of the winding up of any of the stapled entities, or any of the entities terminating the stapling arrangement.

Note 2: Distributions

Distributions declared by 360 Capital Investment Trust directly to unitholders during the half year were as follows:

	31 December 2014 $'000	31 December 2013 $'000
1.25 cents per stapled security paid on 24 October 2013 (unfranked)	-	3,096
1.25 cents per stapled security paid on 28 January 2014 (unfranked)	-	3,109
1.3125 cents per stapled security paid on 24 October 2014 (unfranked)	3,264	-
1.479 cents per stapled security paid on 27 January 2015 (unfranked)	3,679	-
	6,943	6,205

Note 3: Finance expenses

	31 December 2014 $'000	31 December 2013 $'000
Interest and finance charges paid and payable	1,778	254
Borrowing cost amortisation	240	183
	2,018	437

Note 4: Earnings per unit

	31 December 2014 ¢	31 December 2013 ¢
Basic earnings per unit	10.3	0.2
Diluted earnings per unit	9.4	0.2

	$'000	$'000
Basic and diluted earnings		
Profit attributable to unitholders of the consolidated entity used in calculating earnings per unit	23,269	375

	000's	000's
Weighted average number of units used as a denominator		
Weighted average number of units - basic	226,733	155,274
Weighted average number of units - diluted	248,703	165,976

Note 4: Earnings per unit (continued)

Dilution

During the prior year 21,970,000 stapled securities were granted to employees of the Stapled Group under the 360 Capital Group ESP. The issue price per security was $0.59 which was equal to the price per security in the $70.8 million Institutional Capital Raising completed in October 2013. The grant of the securities is subject to a 3 year Total Securityholder Return target.

The employees who participated in the ESP were also provided with a loan on the grant date of an amount equivalent to the face value of the securities. Interest on the loan is equal to any distributions or dividends paid on the securities over the 3 year period, and should performance hurdles not be met, or participants elect not to repay the loan, then the Board, at its discretion, will either sell or cancel the securities.

Further information on the ESP is provided in Note 10.

Note 5: Segment reporting

Segment information is presented in respect of the consolidated entity's operating segments, which are the primary basis of segment reporting. An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other operating segments. The primary segments are based on the consolidated entity's management and internal reporting structure and include:

1) Co-investment - providing income through distributions and capital growth in equity values
2) Direct asset investment - delivering stable rental cash flows

The consolidated entity's management strategy and measures of performance focus on the returns from these core segments in order to deliver returns and value to investors.

Operating segments are determined based on the information which is regularly reviewed by the Managing Director, who is the Chief Operating Decision Maker of the consolidated entity.

The information provided is net of specific non-cash items including fair value adjustments, straight-lining of lease revenues and incentives and impairment adjustments. Significant one off items are also excluded.

Consolidation and eliminations

Included in this segment are the elimination of inter-group transactions and conversion of the consolidated results from the managed fund deemed to be controlled under AASB 10, being material non-controlling interests (refer to Note 14). The performance of this managed fund is considered to be non-core and is reviewed separately to that of the performance of the business segments. On 19 September 2014 the consolidated entity increased its ownership of the managed fund to 100% and accordingly there will be no further consolidation and elimination entries relating to this fund.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue and segment assets are based on the geographical location of the underlying assets. All segments operate solely within Australia.

Note 5: Segment reporting (continued)

The operating segments provided to the Board for the reportable segments for the half year ended 31 December 2014 are as follows:

Half year ended 31 December 2014	**Co-investment funds**	**Direct asset investment**	**Total core**	**Consolidation & eliminations**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Net property income	-	3,487	3,487	-	3,487
Co-investment revenue	5,579	-	5,579	451	6,030
Finance revenue	27	-	27	(27)	-
Total revenue and other income	5,606	3,487	9,093	424	9,517
Operating expenses	79	290	369	155	524
Earnings before interest	5,527	3,197	8,724	269	8,993
Net interest expense	2,011	(221)	1,790	1	1,791
Operating profit (before specific non-cash and significant items)	3,516	3,418	6,934	268	7,202

Weighted average number of units - basic ('000)			226,733		
Operating profit per unit (before specific non-cash and significant items) (EPU) - cents			3.1		

Number of units for distribution per unit (DPU) ('000)			248,703		
DPU - cents			2.792		

Note 5: Segment reporting (continued)

The operating segments provided to the Board for the reportable segments for the half year ended 31 December 2013 are as follows:

Half year ended 31 December 2013	Co-investment funds	Direct asset investment	Total core	Consolidation & eliminations	Total
	$'000	$'000	$'000	$'000	$'000
Net property income	-	3,237	3,237	-	3,237
Co-investment revenue	1,049	-	1,049	654	1,703
Finance revenue	98	-	98	(98)	-
Total revenue and other income	1,147	3,237	4,384	556	4,940
Operating expenses	7	215	222	256	478
Earnings before interest	1,140	3,022	4,162	300	4,462
Net interest expense	-	83	83	199	282
Operating profit (before specific non-cash and significant items)	1,140	2,939	4,079	101	4,180

Weighted average number of units - basic ('000)			155,274		
Operating profit per unit (before specific non-cash and significant items) (EPU) - cents			2.6		

Number of units for distribution per unit (DPU) ('000)			248,703		
DPU - cents			2.50		

Note 5: Segment reporting (continued)

Reconciliation of profit to operating profit for the half year is as follows:

	Total core 31 December 2014 $'000	Total core 31 December 2013 $'000	Total 31 December 2014 $'000	Total 31 December 2013 $'000
Profit after tax attributable to unitholders	23,269	375		
Profit for the half year			25,284	766
Specific non-cash items				
Net (gain)/loss on fair value of investment properties	(8,615)	5,673	(8,615)	5,673
Net gain on fair value of financial assets	(8,075)	(1,872)	(9,822)	(562)
Net gain on fair value of derivative financial instruments	(10)	-	(10)	-
Straight-lining of lease revenue and incentives	365	277	365	277
Significant items				
Other income	-	(5)	-	(1,605)
Gain on bargain purchase of 360 Capital Property Group	-	(1,057)	-	(1,057)
Business combination transaction expenses	-	688	-	688
Operating profit (before specific non-cash items and significant items)	6,934	4,079	7,202	4,180

Note 5: Segment reporting (continued)

As at 31 December 2014	Co-investment funds $'000	Direct asset investment $'000	Total core $'000	Consolidation & eliminations $'000	Total $'000
Assets					
Cash and cash equivalents	1,792	3,638	5,430	-	5,430
Financial assets at fair value through the profit or loss	168,210	-	168,210	-	168,210
Assets held for sale	-	47,000	47,000	-	47,000
Other assets	6,566	64	6,630	-	6,630
Total assets	176,568	50,702	227,270	-	227,270
Liabilities					
Borrowings	72,770	-	72,770	-	72,770
Other liabilities	1,589	15,741	17,330	-	17,330
Total liabilities	74,359	15,741	90,100	-	90,100
Net assets	102,209	34,961	137,170	-	137,170
As at 30 June 2014					
Assets					
Cash and cash equivalents	219	4,731	4,950	698	5,648
Investment properties	-	38,500	38,500	-	38,500
Assets held for sale	-	4,300	4,300	-	4,300
Financial assets at fair value through the profit or loss	95,330	-	95,330	25,508	120,838
Other assets	2,254	208	2,462	(802)	1,660
Total assets	97,803	47,739	145,542	25,404	170,946
Liabilities					
Borrowings	-	24,755	24,755	(4)	24,751
Other liabilities	10	5,712	5,722	378	6,100
Total liabilities	10	30,467	30,477	374	30,851
Net assets	97,793	17,272	115,065	25,030	140,095

Note 6: Assets held for sale

	31 December 2014 $'000	30 June 2014 $'000
Investment property		
158 Hume Street, Goulburn NSW	-	4,300
12-22 Woniora Road, Hurstville NSW	47,000	-
	47,000	4,300
Less: Deferred rent receivable	(3,150)	-
	43,850	4,300

On 30 October 2014 the consolidated entity entered into an unconditional sale contract to dispose 12-22 Woniora Road, Hurstville NSW for a gross sale price of $47.0 million. Settlement is expected prior to September 2015.

In the prior year 158 Hume Street, Goulburn NSW was subject to an exchanged sales contract for $4.3 million. The property settled on 13 August 2014. The net loss on sale was $3,876.

A reconciliation of the movements in assets held for sale during the half year is set out below:

	31 December 2014 $'000	30 June 2014 $'000
Balance at 1 July	4,300	9,583
Reclassification from investment properties (refer to Note 7)	47,000	-
Fair value adjustment of assets held for sale	-	(450)
Sale of asset held for sale	(4,300)	(4,833)
Closing balance	47,000	4,300

Note 7: Investment properties

	31 December 2014 $'000	30 June 2014 $'000
Balance at 1 July	38,500	44,000
Payments for capital additions, incentives and leasing fees	250	15
Reclassification to assets held for sale (refer to Note 6)	(47,000)	-
Straight-lining of lease revenue and incentives	(365)	(620)
Fair value adjustment of investment properties	5,465	
Fair value adjustment of investment properties - Deferred rent receivable	3,150	(4,895)
Closing balance	-	38,500

a) Valuation basis

Investment properties are carried at fair value. Fair value of the properties is determined by the Directors, having regard to independent valuations prepared by valuers with appropriately recognised professional qualification and recent experience in the location and category of the property being valued. Valuation methods used to determine the fair value include market sales comparison, discounted cash flow and capitalisation rate. The fair value for a property may be determined using a combination of these and other valuation methods. Valuations are undertaken in accordance with the Australian Property Institute Professional Practice Standard and the International Valuation Standard Committee Guidelines.

Note 7: Investment properties (continued)

Market sales comparison: The sales comparison approach utilises recent sales of comparable properties, adjusted for any differences including the nature, location and lease profile, to indicate the fair value of a property. Where there is a lack of recent sales, activity adjustments are made from previous comparable sales to reflect changes in economic conditions.

Discounted cash flow: Projections derived from contracted rents, market rents, operating costs, lease incentives, lease fees, capital expenditure and future income on vacant space are discounted at a rate to arrive at a value. The discount rate is a market assessment of the risk associated with the cash flows, and the nature, location and tenancy profile of the property relative to returns from alternative investments, CPI rates and liquidity risk. It is assumed that the property is sold at the end of the investment period at terminal value. The terminal value is determined by using an appropriate capitalisation rate.

Capitalisation rate: An assessment is made of fully leased net income based on contracted rents, market rents, operating costs and future income on vacant space. The adopted fully leased net income is capitalised in perpetuity from the valuation date at an appropriate capitalisation rate. The capitalisation rate reflects the nature, location and tenancy profile of the property together with current market investment criteria, as evidenced by current sales evidence. Various adjustments, including incentives, capitalised expenditure and reversions to market rent are made to arrive at the property value.

b) Sensitivity Matrix

Inputs	Fair value measurement sensitivity to increase in input	Fair value measurement sensitivity to decrease in input
Net passing rent	Increase	Decrease
Gross market rent	Increase	Decrease
Net market rent	Increase	Decrease
Adopted capitalisation rate	Decrease	Increase
Adopted terminal yield	Decrease	Increase
Adopted discount rate	Decrease	Increase

Capitalisation and discount rates are considered significant Level 3 inputs. Refer to Note 11 for further information.

Net passing rent is the contracted amount for which a property or space within a property is leased. In a net rent, the owner recovers outgoings from the tenant on a pro-rata basis (where applicable).

Gross market rent is the estimated total amount for which a tenancy within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and wherein the parties have each acted knowledgably, prudently and without compulsion.

Net market rent is the estimated amount for which a property or space within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion. In a net rent, the owner recovers outgoings from the tenant on a pro-rata basis (where applicable).

Note 7: Investment properties (continued)

		Book value		Capitalisation rate		Discount rate			
	Date of acquisition	31 Dec 2014 $'000	30 Jun 2014 $'000	31 Dec 2014 %	30 Jun 2014 %	31 Dec 2014 %	30 Jun 2014 %	Last external valuation	Valuation $'000
12-22 Woniora Road, Hurstville NSW	20-Jul-05	-	38,500	-	9.25	-	10.25	Dec-13	38,500
Investment properties		-	38,500						38,500
Less: lease income receivable and incentives		-	(816)						
		-	37,684						

<u>12-22 Woniora Road, Hurstville NSW</u>
The consolidated entity owns this property which is a 5 star NABERS rated office building located in Hurstville, approximately 50 metres from the railway station. Hurstville is a regional metropolitan centre in the middle of Sydney's South Western suburbs approximately 20 kilometres from Sydney's CBD. The property comprises a ground floor and five upper levels of office accommodation. Parking is provided over three basement levels. On 30 October 2014 the consolidated entity entered into an unconditional sale contract to dispose of the property for a gross sale price of $47.0 million. The property has been reclassified to assets held for sale (refer to Note 6) during the half year.

Note 8: Financial assets at fair value through the profit or loss

	31 December 2014 $'000	30 June 2014 $'000
Current		
Units in unlisted funds managed by 360 Capital Group	2,136	3,364
	2,136	3,364
Non-current		
Units in listed funds managed by 360 Capital Group	76,515	65,678
Units in unlisted funds managed by 360 Capital Group	45,901	39,568
Units in listed funds managed externally	27,184	-
Units in unlisted funds managed externally	16,474	12,228
	166,074	117,474
Total	168,210	120,838

The consolidated entity holds investments in the following managed investment schemes:

	31 December 2014 %	30 June 2014 %	31 December 2014 $'000	30 June 2014 $'000
Current				
360 Capital Canberra Trust	21.73%	21.73%	2,136	3,364
			2,136	3,364
Non-current				
360 Capital Industrial Fund (ASX: TIX)	12.03%	15.75%	36,815	32,136
360 Capital Office Fund (ASX: TOF)	24.93%	25.02%	39,700	33,542
360 Capital 111 St Georges Property Trust	44.17%	41.26%	30,346	27,115
360 Capital 441 Murray Street Property Trust	35.65%	35.65%	5,885	5,860
360 Capital Havelock House Property Trust	26.68%	26.68%	3,044	3,048
360 Capital Subiaco Square Property Trust	39.79%	24.08%	6,085	3,545
360 Capital AREIT Fund	71.51%	-	540	-
Australian Industrial REIT (ASX: ANI)	12.89%	-	27,184	-
Centuria Diversified Direct Property Fund	19.90%	19.31%	16,467	12,184
Centuria Office Fund No.2	1.20%	1.20%	8	44
			166,074	117,474
Total			168,210	120,838

The 360 Capital Industrial Fund, 360 Capital Office Fund and Australian Industrial REIT are listed on the ASX. All other investments are unlisted.

Investments held in Australian Industrial REIT, Centuria Diversified Direct Property Fund and Centuria Office Fund No. 2 are managed externally.

During the half year the consolidated entity made a $27.1 million investment in the Australian Industrial REIT (ASX: ANI). The consolidated entity also increased its investment in the 360 Capital Subiaco Square Property Trust from 24.08% to 39.79% and also its investment in 360 Capital 111 St Georges Terrace Property Trust from 41.26% to 44.17%.

Note 8: Financial assets at fair value through the profit or loss (continued)

Certain funds in which the consolidated entity invests are due for review within the next 12 months and have therefore been classified as current assets. This includes the 360 Capital Canberra Trust. On 25 August 2014 the unitholders voted in favour of not extending the life of the Trust beyond December 2014 and the Responsible Entity has commenced the disposal process of assets to allow the Trust to be wound up.

The consolidated entity has elected to measure these investments at fair value through profit or loss as allowed under paragraph 18 of AASB 128 *Investments in Associates and Joint Ventures*.

Movements in the carrying value during the half year are as follows:

	31 December 2014 $'000	**30 June 2014 $'000**
Balance at 1 July	120,838	-
Financial assets acquired - Through the acquisition of 360 Capital Property Group	-	87,375
Financial assets acquired - Initial Public Offering	-	38,707
Financial assets acquired - Distribution Reinvestment Plan	692	652
Financial assets acquired - Other	38,570	2,789
Financial assets disposed	(1,712)	(11,581)
Fair value adjustment of financial assets	9,822	2,896
Closing balance	168,210	120,838

Note 9: Borrowings

	31 December 2014 $'000	**30 June 2014 $'000**
Current		
Borrowings - secured	-	5,000
Capitalised borrowing costs	-	-
	-	5,000
Non-current		
Borrowings - secured	-	20,000
Borrowings - unsecured	75,000	-
Capitalised borrowing costs	(2,230)	(249)
	72,770	19,751
Borrowings		
Total facility limit	95,000	25,000
Used at end of reporting date	75,000	25,000
Unused at end of reporting date	20,000	-

Note 9: Borrowings

a) Loan facilities summary

Unsecured note issue

During the half year the consolidated entity raised $75.0 million through the issue of five year, fixed rate unsecured notes. The fixed rate of the notes is 6.9% per annum. The note funds were used to fund the acquisition of 360 Capital Diversified Property Fund, underwrite future unlisted trust offerings by the Stapled Group, reduce the NAB loan facility balance and for general working capital purposes.

National Australia Bank facility

The consolidated entity has a loan facility with National Australia Bank ("NAB"). During the half year the $25 million loan balance was repaid and the facility limit reduced to $20.0 million. The facility is undrawn at balance date and expires in September 2015. The facility is secured by a mortgage in favour of NAB over 12-22 Woniora Road, Hurstville NSW (refer to Note 7) and a fixed and floating charge over the assets of the wholly owned entities within the Stapled Group. The consolidated entity has an interest rate commercial hedge covering $15.0 million of the facility at a rate of 2.77% (exclusive of the underlying margin). The interest rate hedge expires in February 2015.

Funding Covenants

All loan facilities are subject to standard commercial covenants consistent with the type of loan including Loan Value Ratio, Interest Cover Ratio and Negative Variations. At the date of this report, the consolidated entity complies with all debt covenants and did at all times during the half year.

Note 10: Equity

(a) Issued capital

	31 December 2014 000's	30 June 2014 000's
360 Capital Investment Trust - Ordinary units issued	226,733	226,733

	$'000	$'000
360 Capital Investment Trust - Ordinary units issued	152,453	152,453

(b) Movements in issued capital

Movement during the half year in the number of issued units of the consolidated entity was as follows:

	31 December 2014 000's	30 June 2014 000's
Opening balance at 1 July	226,733	85,352
Scrip for scrip offer - 1 October 2013	-	25,385
Unit consolidation - 1 October 2013	-	(25,385)
Institutional capital raising - 2 October 2013	-	120,000
Scrip for scrip offer - 2 October 2013	-	21,381
Closing balance	226,733	226,733

Note 10: Equity (continued)

Movement during the half year in the value of issued units of the consolidated entity was as follows:

	31 December 2014 $'000	30 June 2014 $'000
Opening balance at 1 July	152,453	71,508
Scrip for scrip offer - 1 October 2013	-	10,818
Institutional capital raising - 2 October 2013	-	61,596
Scrip for scrip offer - 2 October 2013	-	12,277
Transaction costs incurred in issuing capital	-	(3,746)
Closing balance	152,453	152,453

(c) Employee Security Plan

During the prior year 21,970,000 securities were granted to employees of the Stapled Group under the 360 Capital Group ESP. The issue price per security was $0.59 which was equal to the price per security in the $70.8 million Institutional Capital Raising completed by the Stapled Group in October 2013.

The employees who participated in the ESP were also provided with a loan on the grant date of an amount equivalent to the face value of the securities. Interest on the loan is equal to any distributions or dividends paid on the securities over the 3 year period, and should performance hurdles not be met, or participants elect not to repay the loan, then the Board, at its discretion, will either sell or cancel the securities. The securities vest if the Stapled Group's Total Securityholder Return (TSR) over a 3 year period achieves the following:

Absolute TSR Achieved (% pa)	Proportion of Target Award Vesting
15%	100%
>10% and <15%	Pro Rata Allocation
10%	50%
<10%	0%

The fair value of the issue of securities under the ESP at grant date is estimated using a binominal pricing model, taking into account the terms and conditions upon which the securities were granted and the following key assumptions:

Valuation Date:	2 October 2013
Security Price:	$0.66
Risk Free Rate:	2.84%
Dividend Yield:	7.5%
Volatility:	30%
Initial TSR:	11.9%
Exercise price:	$0.59

The grant date fair value of the securities issued under the ESP was $0.0998 per security. For the half year ended 31 December 2014, the Stapled Group has recognised $0.35 million (31 December 2013: $0.17 million) of security based payment expense in the statement of profit or loss. As the employees are employed by the Stapled Group and not the consolidated entity, this cost is not an expense of the consolidated entity. However the consolidated entity's proportionate share of issued capital, being $0.30 million, has been recognised.

Note 11: Financial instruments

Fair values

Set out below is a comparison of the carrying amounts and fair values of financial instruments as at 31 December 2014:

	Carrying amount		Fair value	
	31 December 2014 $'000	30 June 2014 $'000	31 December 2014 $'000	30 June 2014 $'000
Financial assets				
Financial assets at fair value through profit or loss	166,074	117,474	166,074	117,474
Total non-current	166,074	117,474	166,074	117,474
Receivables	6,602	1,473	6,602	1,473
Financial assets at fair value through profit or loss	2,136	3,364	2,136	3,364
Total current	8,738	4,837	8,738	4,837
Total	174,812	122,311	174,812	122,311
Financial liabilities				
Borrowings	72,770	19,751	75,000	20,000
Total non-current	72,770	19,751	75,000	20,000
Trade and other payables	1,841	506	1,841	506
Borrowings	-	5,000	-	5,000
Derivative financial instruments	4	14	4	14
Due to related entities	6,194	1,346	6,194	1,346
Total current	8,039	6,866	8,039	6,866
Total	80,809	26,617	83,039	26,866

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows and based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities
Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)
Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

For financial instruments that are recognised at fair value on a recurring basis, the consolidated entity determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Note 11: Financial instruments (continued)

As at 31 December 2014, the consolidated entity held the following classes of financial instruments measured at fair value:

	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
As at 31 December 2014:				
Financial assets measured at fair value				
Financial assets at fair value through profit or loss	168,210	103,699	-	64,511
Financial liabilities measured at fair value				
Derivative financial instruments	4	-	4	-
As at 30 June 2014:				
Financial assets measured at fair value				
Financial assets at fair value through profit or loss	120,838	65,678	-	55,160
Financial liabilities measured at fair value				
Derivative financial instruments	14	-	14	-

There were no transfers between Level 1 and Level 2 fair value measurements, and no other transfers into or out of Level 3 fair value measurements. Fair value hierarchy levels are reviewed on an annual basis unless there is a significant change in circumstances indicating that the classification may have changed.

Valuation techniques

Fair value profit or loss financial assets

For fair value profit or loss financial assets, the consolidated entity invests in listed and unlisted investments. The value of the investments in the listed market is stated at unit price as quoted on the ASX at each statement of financial position date. As such, listed investments are categorised as Level 1 instruments. Unlisted investments are not traded in an active market and are categorised as Level 3 instruments. NTA of the underlying investments is used as a basis for valuation however may be amended as deemed appropriate (e.g. when the NTA of the underlying investment is negative). The NTA of investments is driven by underlying investment properties which are carried at fair value based on valuations using the capitalisation rate, markets sale comparison and discounted cash flow approaches (refer to Note 7). The significant Level 3 inputs in relation to the underlying property valuations of the investments include capitalisation rates which are estimated to be in the range of 7.5% to 9.5% and discount rates estimated to be between 9.0% and 10.5%. The consolidated entity uses its judgment to select a variety of methods and makes assumptions that are mainly based on market conditions existing at each statement of financial position date.

Derivatives

For derivatives, as market prices are unavailable the consolidated entity uses valuation models to derive fair value. The models are industry standard and mostly employ a Black–Scholes framework to calculate the expected future value of payments by derivative, which is discounted back to a present value. The models' interest rate inputs are benchmark interest rates such as BBSW and active broker quoted interest rates in the swap, bond and futures markets. Interest rate volatilities are sourced through a consensus data provider. As such, the input parameters into the models are deemed observable, thus these derivatives are categorised as Level 2 instruments.

Borrowings

The fair value of the borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Note 12: Capital commitments and contingencies

Capital commitments
At 31 December 2014 the consolidated entity had no capital commitments (30 June 2014: no capital commitments) relating to the purchase of property, plant and equipment.

There are no other contingent liabilities as at 31 December 2014.

Note 13: Related party transactions

The following significant transactions occurred with related parties during the half year:

Acquisition of 360 Capital Diversified Property Fund
On 19 September 2014 the consolidated entity acquired 100% of 360 Capital Diversified Property Fund through a $21.2 million cash offer to external unitholders. At the time of the acquisition the consolidated entity held 58.9% of 360 Capital Diversified Property Fund.

At the time of the acquisition the consolidated entity held 58.9% of 360 Capital Diversified Property Fund.

The acquisition was approved by unitholders at an extraordinary general meeting held on 8 September 2014 following Independent Expert, BDO Corporate Finance, concluding that the acquisition was fair and reasonable and in the best interest of unitholders not associated with the Stapled Group.

Note 14: Controlled entities

During the half year the following material transactions occurred with controlled entities:

360 Capital Diversified Property Fund
On 19 September 2014 the consolidated entity acquired an additional 41.1% of 360 Capital Diversified Property Fund through a $21.2 million cash offer to external unitholders.

At the time of the acquisition the consolidated entity held 58.9% of 360 Capital Diversified Property Fund.

Prior to acquiring the Fund, the consolidated financial report included the financial statements of the Fund based on the Group's Material non-controlling interest. The acquisition increased the consolidated entity's ownership to 100%.

	$'000
Cash consideration paid to non-controlling interests	21,200
Carrying value of the additional interest	26,678
Value uplift recognised in retained earnings	5,478

Note 15: Events subsequent to balance date

No other circumstances have arisen since the end of the year which have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

360 Capital Investment Trust
Directors' declaration
For the half year ended 31 December 2014

In the opinion of the Directors of 360 Capital Investment Management Limited, the Responsible Entity:

1) The consolidated financial statements and notes that are set out on pages 8 to 29 are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date; and

   (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting and Corporations regulations 2001* and other mandatory professional reporting requirements; and

2) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Tony Robert Pitt
Director

Graham Ephraim Lenzner
Director

Sydney
25 February 2015

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To the unitholders of 360 Capital Investment Trust

Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of 360 Capital Investment Trust ('the Trust), which comprises the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Trust and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Interim Financial Report

The directors of 360 Capital Investment Management Limited, the Responsible Entity of the Trust, are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of 360 Capital Investment Trust and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which follows the Responsible Entity report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of 360 Capital Investment Trust is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

Mark Conroy

Mark Conroy
Partner
Sydney
25 February 2015