31 March 2015

The Manager
Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir or Madam

Australian Industrial REIT - takeover offer by 360 Capital Investment Management Limited (ACN 133 363 185) as responsible entity of 360 Capital Industrial Fund (ARSN 099 680 252)

In accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth) please find attached a copy of the second supplementary target's statement supplementing the target's statement dated 26 February 2015 as supplemented by the first supplementary target's statement dated 30 March 2015 (**Second Supplementary Target's Statement**) in relation to the off-market takeover offer by 360 Capital Investment Management Limited as responsible entity of 360 Capital Industrial Fund (**Bidder**).

The attached Second Supplementary Target's Statement has been sent to the Bidder and lodged with the Australian Securities and Investments Commission today.

Yours faithfully

Keir Barnes
Company Secretary

AUSTRALIAN INDUSTRIAL REIT

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION

IF YOU ARE IN ANY DOUBT ABOUT HOW TO DEAL WITH THIS DOCUMENT, YOU SHOULD CONSULT YOUR FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER IMMEDIATELY

Second Supplementary Target's Statement

This Second Supplementary Target's Statement supplements, and is to be read together with, the Target's Statement dated 26 February 2015 issued by **Fife Capital Funds Limited** (ACN 130 077 735) as responsible entity of **Australian Industrial REIT** (ARSN 165 651 301) and its first supplementary target's statement dated 30 March 2015 in response to the unsolicited off-market, predominantly scrip takeover bid made by **360 Capital Investment Management Limited** (ACN 133 363 185) as responsible entity of **360 Capital Industrial Fund** (ARSN 099 680 252).

REJECT THE UPDATED OFFER

Your Independent Directors unanimously recommend that you **REJECT** the Updated Offer and **DO NOTHING** in relation to all Offer documents received from 360 Capital Investment Management Limited

ANI Unitholder Information Line

ANI has established a Unitholder Information Line which ANI Unitholders should call if they have any queries in relation to the Offer. The telephone number for the Unitholder Information Line is:

- 1300 730 659 (Toll Free for calls within Australia); or
- +61 1300 730 659 (for callers outside Australia),

which is available Monday to Friday between 8.30am and 5.30pm (Sydney time).

FINANCIAL ADVISERS

FORT STREET ADVISERS

UBS

LEGAL ADVISER

KING&WOOD MALLESONS

Important notices

Nature of this document

This document is the second supplementary target's statement ("**Second Supplementary Target's Statement**") to the target's statement dated 26 February 2015 ("**Target's Statement**") issued by Fife Capital Funds Limited as responsible entity of Australian Industrial REIT under Part 6.5 of the Corporations Act and lodged with the Australian Securities and Investments Commission ("**ASIC**") on 26 February 2015, as supplemented by the first supplementary target's statement lodged with ASIC on 30 March 2015, in relation to the Updated Offer made pursuant to the Replacement Bidder's Statement which was served on ANI by the Bidder on 13 February 2015 (replacing the original bidder's statement lodged with ASIC on 3 February 2015) (hereinafter referred to as the "**Bidder's Statement**") and the first supplementary bidder's statement dated 13 February 2015, the second supplementary bidder's statement dated 23 February 2015 and the third supplementary bidder's statement dated 24 March 2015.

This Second Supplementary Target's Statement supplements, and is to be read together with, the Target's Statement and the first supplementary target's statement dated 30 March 2015.

Defined terms

Unless the context otherwise requires, defined terms in this Second Supplementary Target's Statement have the same meaning as in the Target's Statement. This Second Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement and the first supplementary target's statement.

Disclaimer regarding forward looking statements

This Second Supplementary Target's Statement contains forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which ANI operates as well as general economic conditions and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected. None of ANI, Fife Funds any of its officers or employees, or any person named in this Second Supplementary Target's Statement with their consent or any person involved in the preparation of this Second Supplementary Target's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement.

The forward looking statements in this Second Supplementary Target's Statement reflect views held only as at the date of this Second Supplementary Target's Statement.

Maps and diagrams

Any diagrams, charts, graphs and tables appearing in this Second Supplementary Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available as at the date of this Second Supplementary Target's Statement.

ASIC and ASX disclaimer

A copy of this Second Supplementary Target's Statement has been lodged with ASIC and sent to the ASX. None of ASIC, ASX or any of their respective officers takes any responsibility for the content of this Second Supplementary Target's Statement.

ANI Unitholder Information Line

ANI has established a Unitholder Information Line which ANI Unitholders should call if they have any queries in relation to the Updated Offer. The telephone number for the Unitholder Information Line is:

- 1300 730 659 (Toll Free for calls within Australia); or
- +61 1300 730 659 (for callers outside Australia),

which is available Monday to Friday between 8.30am and 5.30pm (Sydney time).

Further information relating to the Updated Offer can be obtained from ANI's website at http://www.aireit.com.au/.

Key dates

Date of Offer	17 February 2015
Date of Target's Statement	26 February 2015
Date of first supplementary target's statement	30 March 2015
Date of this Second Supplementary Target's Statement	31 March 2015
Close of Offer Period (unless withdrawn or extended)	15 April 2015

Table of contents

Chairman's letter

AUSTRALIAN
INDUSTRIAL
REIT

Dear ANI Unitholder,

THE INDEPENDENT DIRECTORS RECOMMEND YOU REJECT THE UPDATED OFFER FOR YOUR ANI UNITS

THE INDEPENDENT EXPERT HAS CONCLUDED THE OFFER IS NEITHER FAIR NOR REASONABLE

360 Capital Investment Management Limited ("**360 Capital RE**") as responsible entity of 360 Capital Industrial Fund ("**TIX**") has recently increased its offer for your Units in Australian Industrial REIT ("**ANI**").

The updated offer ("**Updated Offer**") represents only a marginal improvement on TIX's original offer ("**Original Offer**") as shown in the table below.

Per ANI Unit	Original Offer	Updated Offer
TIX scrip consideration	0.89 TIX Units	0.90 TIX Units
TIX Cash Payment	–	4.5 cents
March 2015 TIX distribution[1]	4.5 cents	–

The TIX Cash Payment of 4.5 cents per ANI Unit under the Updated Offer is being paid in lieu of the March 2015 quarterly TIX distribution for the same amount per ANI Unit under the Original Offer. The Independent Board Committee ("**IBC**") does not consider this as an additional benefit under the Updated Offer as ANI Unitholders that accept the Updated Offer will forgo the ANI June 2015 half yearly distribution estimated at 9.6 cents per ANI Unit.

Separately, 360 Capital Group[2] has increased the Conditional Cash Payment under the Updated Offer from 3 cents to 10 cents per ANI Unit. As the conditions[3] attaching to the Conditional Cash Payment have not changed, there is continuing uncertainty as to whether ANI Unitholders will receive it under the Updated Offer.

The Updated Offer fails to deliver compelling value for ANI Unitholders

The IBC of Fife Capital Funds Limited ("**Fife Funds**"), the responsible entity of ANI, has completed a detailed review of the Updated Offer in conjunction with its advisers. In the opinion of the IBC:

The Updated Offer delivers unsatisfactory financial outcomes for ANI Unitholders

- the key financial metrics of the Updated Offer – the impact on pro forma forecast Distributable Earnings per unit, pro forma forecast distributions per unit, net tangible assets per unit and Gearing[4] – remain adverse or not sufficiently compelling for ANI Unitholders

The Updated Offer fails to provide a compelling or certain premium for ANI Unitholders

- the Updated Offer fails to address the concerns previously raised in the Target's Statement being that the value of the Updated Offer is uncertain, and given the relatively low trading liquidity of TIX Units, any premium under the Updated Offer may not be realised

1. Payable under the Original Offer subject to satisfaction or waiver of all Offer conditions and acceptance by 24 March 2015.
2. 360 Capital Group is an ASX listed stapled group (ASX code: TGP) comprising 360 Capital Group Limited and 360 Capital RE in its capacity as responsible entity of the 360 Capital Investment Trust and their controlled entities.
3. Conditional Cash Payment from 360 Capital Group is only payable if more than 50% of ANI Unitholders accept the Updated Offer, or if a 360 Capital Group member is appointed as responsible entity of ANI before the Updated Offer closes.
4. Pro forma forecast Distributable Earnings and distributions for FY15 and FY16 and pro forma net tangible assets per unit and Gearing impact as at 31 December 2014 as detailed in Section 2 of this Second Supplementary Target's Statement.

A change in management to 360 Capital Group changes the risk profile for ANI Unitholders

- ANI's strategy differs to TIX's strategy and the Updated Offer does not address any of the issues previously raised in the Target's Statement with respect to investment criteria, portfolio strategy, pipeline and capital management

360 Capital Group has unsatisfactory governance arrangements

- The Updated Offer fails to address the conflict issues previously identified by the IBC surrounding 360 Capital Group and the responsible entity of TIX sharing the same board of directors
- The Updated Offer fails to adequately address the previously raised conflict concerns where TIX does not acquire 100% of ANI and a 360 Capital Group member is appointed as the responsible entity of ANI, including a failure to identify independent directors for ANI to enable their expertise and independence to be properly scrutinised by ANI Unitholders

Independent Directors' Recommendation

For these reasons, the Independent Directors of Fife Funds, together with Non-executive Director John Hudson, recommend that ANI Unitholders **REJECT the Updated Offer**. Allan Fife, the Managing Director of Fife Funds, is an ultimate owner of Fife Funds and has elected not to make a recommendation.

Each of the Directors of Fife Funds, including Allan Fife, currently intends to **REJECT the Updated Offer** in respect of the Units they own in ANI.

To REJECT the Updated Offer simply DO NOTHING and take NO ACTION in relation to all documents sent to you by TIX.

Independent Expert's Conclusion

The Independent Expert, KPMG Corporate Finance, has concluded that the **Updated Offer is neither fair nor reasonable**.

The supplementary Independent Expert's Report is set out in Annexure A of this Second Supplementary Target's Statement.

Conclusion

This Second Supplementary Target's Statement sets out the Responsible Entity's response to the Updated Offer.

I would encourage you to read this Second Supplementary Target's Statement carefully, having regard to your own risk profile, investment strategy and tax position. You should seek independent financial, tax or other professional advice if you are in doubt as to what you should do in response to the Updated Offer.

The Responsible Entity will keep you informed if there are any material developments with respect to the Updated Offer. Announcements relating to the Updated Offer and ANI can be found on the ASX website (www.asx.com.au – ASX code: ANI).

Rod Pearse OAM
Independent Chairman
Fife Capital Funds Limited
as responsible entity of the Australian Industrial REIT

INDEPENDENT DIRECTORS' RECOMMENDATION: REJECT THE UPDATED OFFER

Each of your Independent Directors together with Non-executive Director John Hudson recommends that ANI Unitholders REJECT the Updated Offer.

Given Allan Fife's interest in the outcome as described in Section 3.1 of the Target's Statement, he makes no recommendation in relation to the Updated Offer.

Each of the Directors including Allan Fife currently intends to REJECT the Updated Offer in relation to the ANI Units that they hold

HOW TO REJECT THE UPDATED OFFER

To **REJECT** the Updated Offer you should **DO NOTHING** and take **NO ACTION** in relation to all documents sent to you by the Bidder in relation to the Updated Offer.

If you have any queries in relation to the Updated Offer, please contact the Unitholder Information Line on 1300 730 659 (Toll Free for calls within Australia) or +61 1300 730 659 (callers outside Australia), which is available Monday to Friday between 8.30am and 5.30pm (Sydney time)

To **REJECT** the Updated Offer, **DO NOTHING** and ignore all documents received from the Bidder

1. Key reasons to **REJECT** the Updated Offer

1.1 The Updated Offer delivers unsatisfactory financial outcomes for ANI Unitholders

Your Independent Directors have assessed the Updated Offer based on a range of financial metrics, having regard to the current position of ANI Unitholders relative to the expected position following the Updated Offer, and believe that the Updated Offer delivers unsatisfactory financial outcomes for ANI Unitholders.

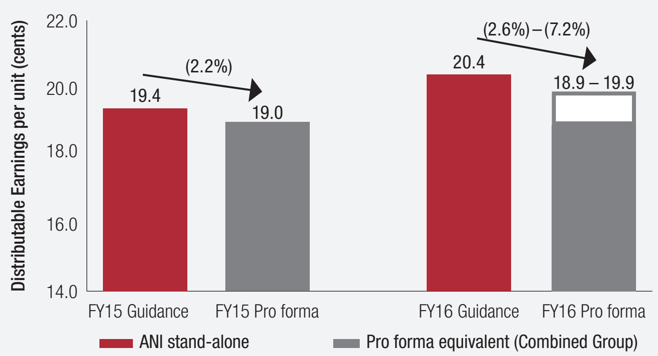
On an equivalent basis, ANI Unitholders may suffer Distributable Earnings per unit dilution

- The Updated Offer may still result in Distributable Earnings per unit dilution for ANI Unitholders.[1]
- ANI Unitholders' pro forma forecast Distributable Earnings per unit is expected to decrease by 2.2%[2,3] in FY15 and decrease by 2.6% to 7.2%[2,3] in FY16 assuming TIX achieves 100% ownership of ANI and a full year impact.
- The actual Distributable Earnings per unit dilution experienced by ANI Unitholders in FY16 will depend on the timing and execution of asset sales that TIX has stated it intends to make following implementation of the Updated Offer:
  - upper end of the range (2.6% dilution) reflects no asset sales.[2,3]
  - lower end of the range (7.2% dilution) reflects the full year impact of asset sales.[2,3]
- Full re-investment of the Conditional Cash Payment in the Combined Group[4], prior to any leakage from tax and brokerage costs leads to a pro forma forecast Distributable Earnings per Unit impact of 2.0% in FY15 and (3.3%) to 1.5% in FY16 (depending on the extent of asset sales).
  - the full re-investment outcome is prior to tax and brokerage costs payable, which will depend on each individual ANI Unitholder's position and will worsen the Distributable Earnings per unit impact.
- These estimates are based on the assumptions provided in Section 7 of the Target's Statement and Section 2 of this Second Supplementary Target's Statement.

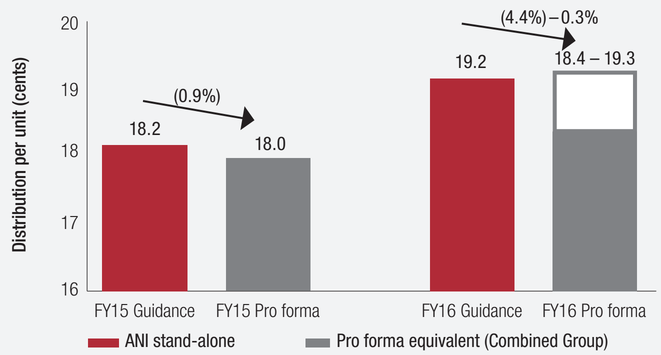
On an equivalent basis, ANI Unitholders may suffer distribution per unit dilution

- ANI Unitholders' pro forma forecast distribution per unit is expected to decrease by 0.9%[3,5] in FY15 and decreases by 4.4% or shows a modest increase of 0.3%[3,5] in FY16 assuming TIX achieves 100% ownership of ANI and a full year impact.
- The actual distribution per unit dilution experienced by ANI Unitholders in FY16 will depend on the timing and execution of asset sales that TIX has stated it intends to make following implementation of the Updated Offer:
  - upper end of the range (0.3% modest increase) reflects no asset sales.[3,5]
  - lower end of the range (4.4% dilution) reflects the full year impact of asset sales.[3,5]
- The distribution per unit impact for ANI Unitholders has been softened by TIX assuming an increased payout ratio of 97% for the Combined Group in FY16 (vs. ANI's current payout ratio of 94%).
- Full re-investment of the Conditional Cash Payment in the Combined Group[4], prior to any leakage from tax and brokerage costs leads to a pro forma forecast distribution per unit impact of 3.3% in FY15 and (0.3%) to 4.6% in FY16 (depending on the extent of asset sales).
  - the full re-investment outcome is prior to tax and brokerage costs payable, which will depend on each individual ANI Unitholder's position and will worsen the distribution per unit impact.
- These estimates are based on the assumptions provided in Section 7 of the Target's Statement and Section 2 of this Second Supplementary Target's Statement.

ANI equivalent full year Distributable Earnings per unit impact based on TIX acquiring 100% of ANI[2,3]



ANI equivalent full year distribution per unit impact based on TIX acquiring 100% of ANI[4,5]

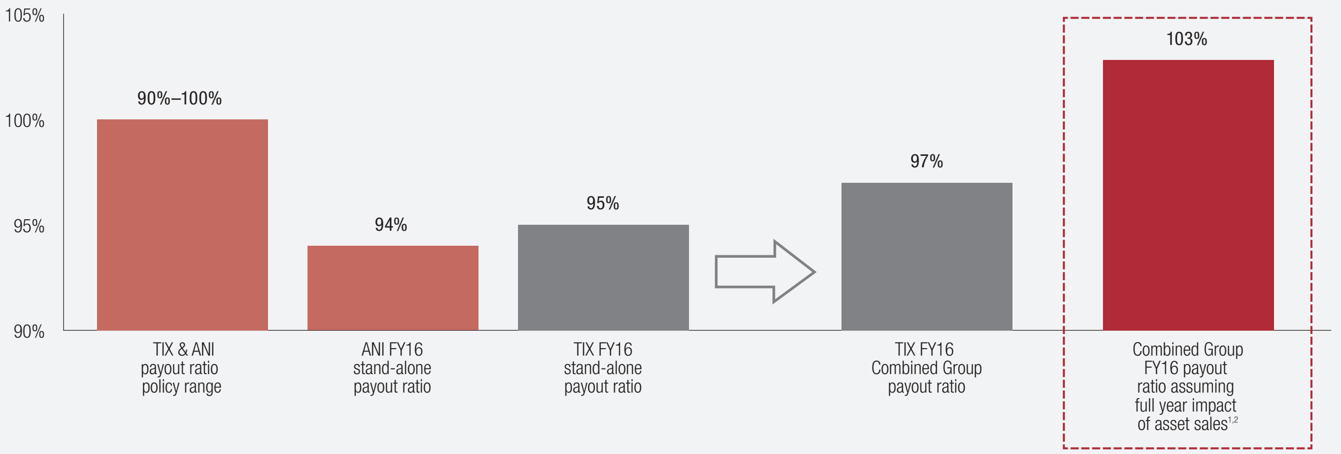


1. In the Updated Offer 360 Capital Group is providing a partial responsible entity fee waiver whereby the percentage waived will equal the percentage of ANI Units accepted into the TIX Offer (up to a maximum of 50%). This only applies in situations where a member of 360 Capital Group is appointed as responsible entity of ANI and TIX acquires less than 100% of ANI.
2. Assumptions consistent with Section 7 of the Target's Statement updated to reflect the increased scrip ratio from 0.89 TIX Units per ANI Unit to 0.90 TIX Units per ANI Unit and the impact of debt funding the $0.045 per unit TIX Cash Payment at TIX's all-in cost of debt of 4.0% per annum. Refer to Section 2 for further information.
3. Excludes the re-investment of the $0.10 Conditional Cash Payment.
4. Assumes full re-investment of the Conditional Cash Payment in the Combined Group at $2.60 per TIX Unit (being the TIX 5 day VWAP of $2.64 on 27 March 2015, adjusted for the 5.0662 cent March 2015 quarter distribution for the days prior to the ex-distribution date of 27 March 2015).
5. Assumptions consistent with Section 7 of the Target's Statement updated to reflect the increased scrip ratio from 0.89 TIX Units per ANI Unit to 0.90 TIX Units per ANI Unit, the impact of debt funding the $0.045 per unit TIX Cash Payment at TIX's all-in cost of debt of 4.0% per annum, and a Combined Group payout ratio of 97% of Distributable Earnings per unit in FY16 (consistent with the revised assumption in the TIX Third Supplementary Bidder's Statement). Refer to Section 2 for further information.

To achieve the stated FY16 pro forma forecast distribution per unit for the Combined Group, TIX is increasing the payout ratio with no increase in underlying earnings

- TIX has increased the FY16 payout ratio assumption for the Combined Group twice since the original Bidder's Statement to engineer a higher stated pro forma forecast Combined Group distribution per unit. The Combined Group's assumed payout ratio has increased by 2% from an initial level of 95% in the Bidder's Statement to 97% in the Third Supplementary Bidder's Statement. Over the same period, TIX's pro forma forecast Distributable Earnings per unit for the Combined Group has fallen slightly from 22.4 cents to 22.3 cents.
- TIX's pro forma forecast FY16 Distributable Earnings per unit for the Combined Group assumes asset sales are completed on 31 March 2016, only 3 months before the end of FY16. In contrast, ANI has calculated a pro forma forecast FY16 Distributable Earnings per unit range for the Combined Group to show the full year impact of asset sales and provide greater clarity to ANI Unitholders on the level of Distributable Earnings per unit post asset sales.
- TIX's pro forma forecast FY16 distribution per unit for the Combined Group reflects a payout ratio of 103% of Distributable Earnings per unit (post the full year impact of asset sales). This elevated payout ratio may dampen distribution per unit growth prospects for the Combined Group.

Payout ratio



TIX	Date	TIX assumed Combined Group FY16 payout ratio
Original Bidder's Statement	3 February 2015	95.0%
Second Supplementary Bidder's Statement	23 February 2015	96.5%
Third Supplementary Bidder's Statement	24 March 2015	97.0%

1. Assumptions consistent with Section 7 of the Target's Statement updated to reflect the increased scrip ratio from 0.89 TIX Units per ANI Unit to 0.90 TIX Units per ANI Unit and the impact of debt funding the $0.045 per unit TIX Cash Payment at TIX's all-in cost of debt of 4.0% per annum. Refer to Section 2 for further information.
2. Based on TIX's stated pro forma forecast FY16 distribution per unit of 21.6 cents for the Combined Group and ANI's pro forma forecast FY16 Distributable Earnings per unit of 21.0 cents for the Combined Group reflecting the full year impact of asset sales.

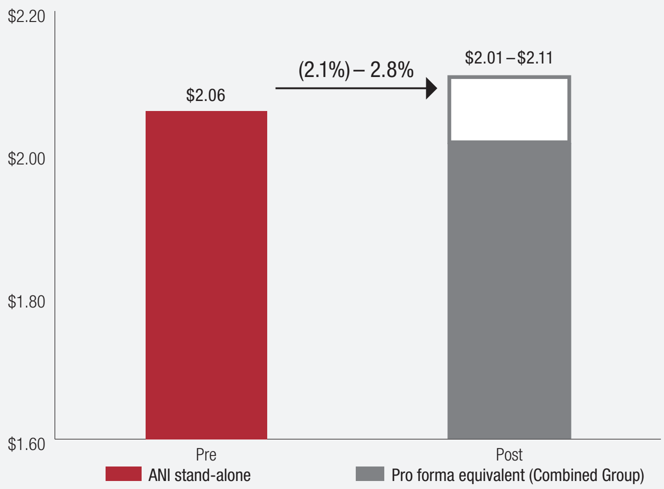
ANI Unitholders may suffer NTA per unit dilution

- NTA per unit impact for ANI Unitholders will depend on whether the Conditional Cash Payment is paid:
  - upper end of the range ($2.11) includes the full amount of the Conditional Cash Payment before tax.[1,2,3]
  - lower end of the range ($2.01) excludes the Conditional Cash Payment.[1,2]
- NTA impact incorporates TIX's 31 March 2015 revaluations, whereas ANI has not revalued its portfolio since 31 December 2014.
- With regards to its March 2015 revaluations, TIX has yet to provide an asset by asset breakdown detailing which properties contributed to the revaluation.
- ANI transaction costs associated with the Updated Offer are included in the Combined Group, given such costs are only incurred due to the unsolicited approach from TIX.
- NTA impact assumes TIX is able to realise book value as at 31 December 2014 for its proposed asset sales.

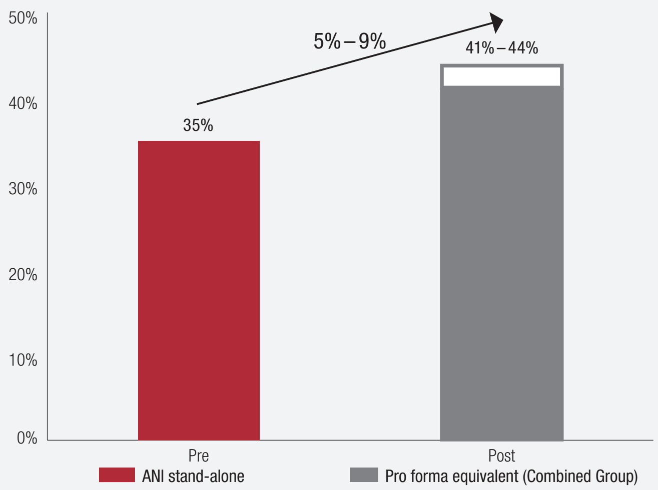
ANI Unitholders will be exposed to significantly higher Gearing

- ANI Unitholders would be exposed to an entity with significantly higher Gearing, with Combined Group pro forma Gearing of between 41% to 44%[1,2,4]
- This is higher than ANI's stated target gearing policy of 25% to 40% and ANI's pro forma Gearing as at 31 December 2014 of 35%.[2]
- The actual Gearing of the Combined Group will depend on the extent of ANI asset sales that 360 Capital RE has stated it intends to make following implementation of the Updated Offer and assumes that TIX acquires 100% of ANI Units.

Equivalent NTA per unit impact for ANI Unitholders based on TIX acquiring 100% of ANI[1,2,3]



Gearing impact for ANI Unitholders based on TIX acquiring 100% of ANI[1,2,4]



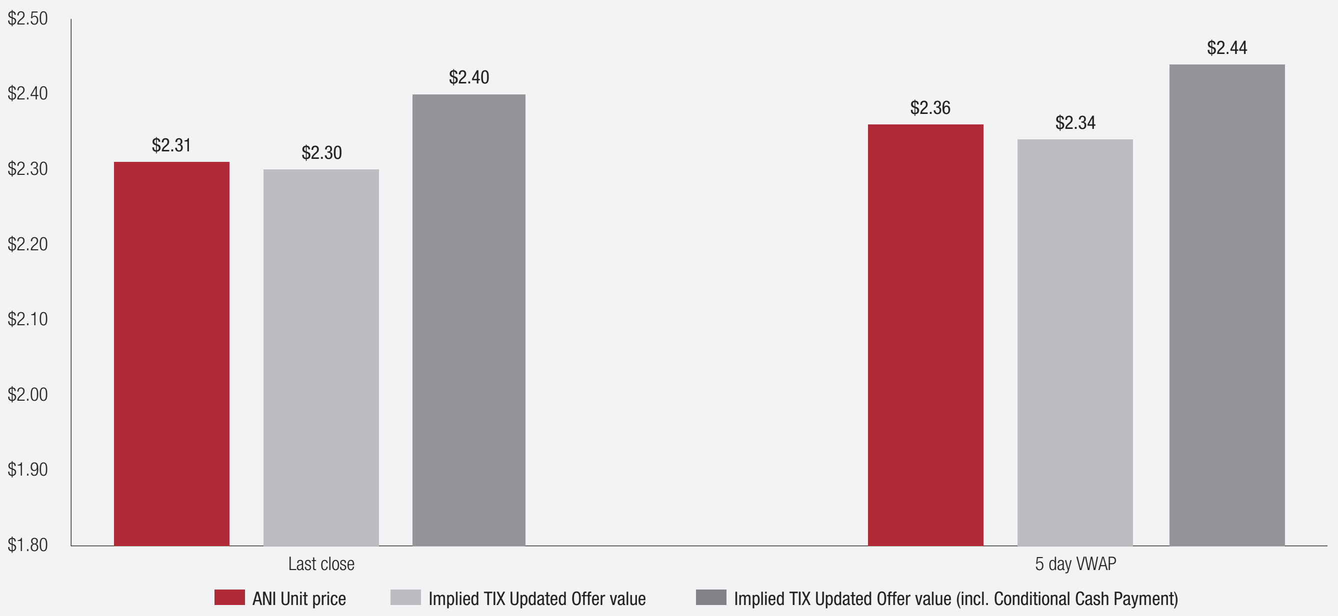
1. Assumptions consistent with Section 7 of the Target's Statement updated to reflect the increased scrip ratio from 0.89 TIX Units per ANI Unit to 0.90 TIX Units per ANI Unit, the impact of debt funding the $0.045 per unit TIX Cash Payment and TIX March 2015 revaluations. Refer to Section 2 for further information.
2. As at 31 December 2014 adjusted for termination of derivative financial instruments, December 2014 DRP, March 2015 revaluations and acquisition of Boondall property for TIX and termination of derivative financial instruments for ANI.
3. Tax payable on the Conditional Cash Payment will depend on each individual ANI Unitholder's position and will worsen the NTA per unit impact from the levels quoted.
4. Gearing as per TIX definition of gearing: interest bearing liabilities (excluding capitalised borrowing costs) less cash divided by total tangible assets (excluding goodwill) less cash.

1.2 No compelling or certain premium for ANI Unitholders as at the date of this Second Supplementary Target's Statement

Based on the TIX 5-day VWAP to 27 March 2015, the implied value of the Updated Offer is $2.34 per ANI Unit (excluding the Conditional Cash Payment) and represents a discount of 1.2%[1] compared to the ANI 5-day VWAP over the same period. Including the Conditional Cash Payment the implied value of the Updated Offer is $2.44 per ANI Unit, representing a small premium of 3.1%[1] compared to the ANI 5-day VWAP over the same period.

The supplementary Independent Expert's Report (see Annexure A) indicates that the implied Updated Offer value provides either no control premium, or an insufficient control premium to ANI Unitholders.

Implied Updated Offer values



Premium/ (Discount)[1]	**(0.6%)**	**3.7%**	**(1.2%)**	**3.1%**

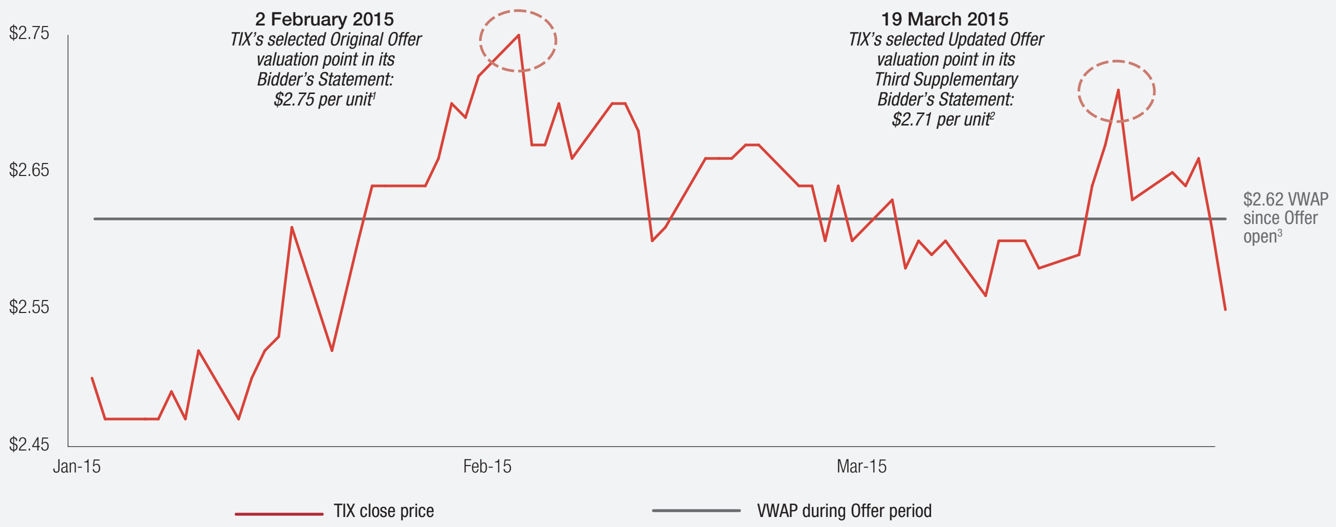
Source: IRESS as at 27 March 2015

The ability for ANI Unitholders to realise the implied Updated Offer value and realise any premium is not certain given the relatively low liquidity of TIX Units. Over the last 12 months TIX had lower relative liquidity than ANI, the S&P/ASX 300 A-REIT Index and the All Ordinaries Index and the cumulative value traded as a percentage of market capitalisation was 34% for TIX compared with 67% for ANI[2].

TIX's Bidder's Statement presented an implied Offer value based on TIX's all-time high close price and TIX's Third Supplementary Bidder's Statement presented an implied Updated Offer value based on TIX's third all-time highest close price. Given the Updated Offer is predominantly scrip, the value of the Updated Offer is largely dependent on the value of TIX Units which will vary over time. Further, the Conditional Cash Payment of $0.10 per ANI Unit is uncertain and may not be received by ANI Unitholders.

1. Based on the TIX last close of $2.55 on 27 March 2015, and the 5 day VWAP of $2.64 on 27 March 2015 (adjusted for the 5.0662 cent March 2015 quarter distribution for the days prior to the ex-distribution date of 27 March 2015). Excludes TIX Cash Payment of 4.5 cents per ANI Unit paid in lieu of the TIX March 2015 quarterly distribution given that it, together with the expected TIX June 2015 quarterly distribution of 4.6 cents per unit (ANI equivalent), only partially offsets the expected ANI June 2015 half yearly distribution of 9.6 cents per ANI Unit forgone by ANI Unitholders under the Updated Offer. Inclusion of the TIX Cash Payment increases the premia offered in the above scenarios by c.1.9%.
2. For the 12 months to 27 March 2015.

TIX trading price



Source: IRESS as at 27 March 2015

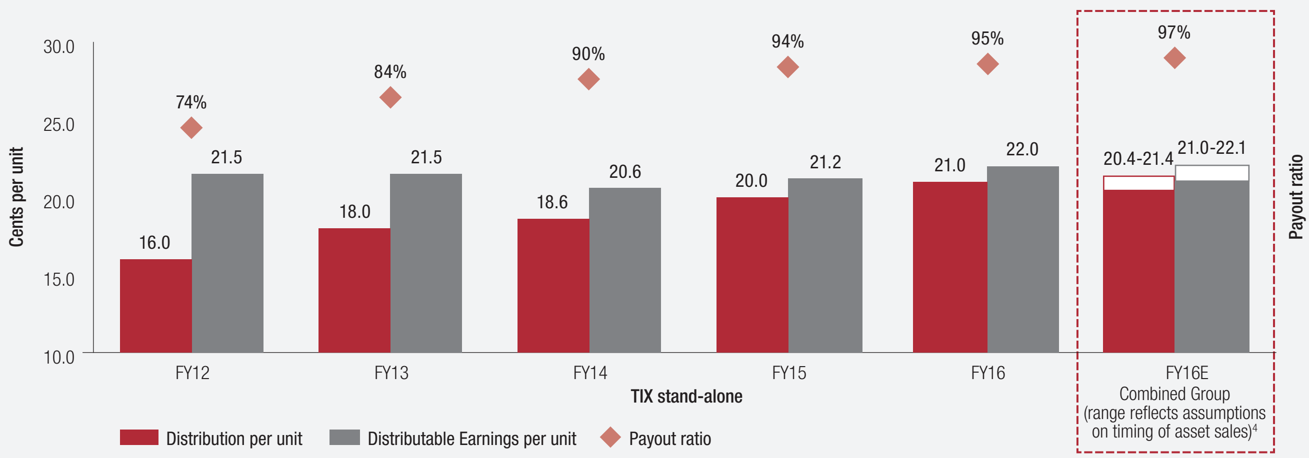
1.3 Change in risk profile on change of management

1.3.1 Track record and forecast financial performance

360 Capital Group's track record of Distributable Earnings per unit and distribution per unit growth with TIX raises concerns for the Combined Group's future prospects.

TIX stand-alone FY15 Distributable Earnings per unit guidance is 1.4% lower than its FY12 Distributable Earnings per unit, while its corresponding distribution per unit is 25% higher. The increase in distribution per unit is a result of a 20% rise in the payout ratio from 74% to 94% over the same time period. Looking ahead to FY16, pro forma Distributable Earnings per unit for the Combined Group relative to TIX stand-alone decreases by 4.4% assuming a full year impact of asset sales or a modest increase of 0.3% assuming no asset sales.[4]

TIX actual and forecast financial performance



Source: TIX filings

1. Less than 0.1% of TIX Units on issue have ever traded at or above $2.75.
2. Value of $2.71 relates to 15,485 units that traded after market close (0.01% of TIX's issued capital).
3. VWAP from 17 February 2015 to 27 March 2015.
4. Assumptions consistent with Section 7 of the Target's Statement updated to reflect the increased scrip ratio from 0.89 TIX Units per ANI Unit to 0.90 TIX Units per ANI Unit, the impact of debt funding the $0.045 per unit TIX Cash Payment at TIX's all-in cost of debt of 4.0% per annum, and a Combined Group payout ratio of 97% of Distributable Earnings per unit in FY16 (consistent with the revised assumption in the TIX Third Supplementary Bidder's Statement). Refer to Section 2 for further information.

The opportunity for TIX to deliver distribution growth in the future via continued increases in payout ratio is questionable and leaves limited capacity to absorb unforeseen expenses without affecting distributions or exceeding its target payout ratio.

1.3.2 TIX portfolio and 360 Capital Group capability and strategy

ANI's strategy differs materially from TIX's strategy and the Updated Offer does not address any of the following issues which were raised in the Target's Statement:

Issue	Original Offer	Updated Offer
Investment criteria	• Majority of TIX properties would not meet ANI's strict investment criteria	No change
Property management	• Fife Capital Group undertakes property management allowing it to maintain direct relationships and day-to-day dealings with all ANI tenants vs. TIX outsourcing to third parties	No change
Portfolio management	• ANI focus on proactively re-leasing assets with short WALEs and maintaining close tenant relationships vs. TIX selling assets with short WALEs at a c.12% discount to last external valuation	No change
Built-to-suit development pipeline	• Track record of built-to-suit development and significant pipeline vs. TIX's uncertain development pipeline	No change
Capital management	• ANI's target gearing range of 25% – 40% vs. TIX 35% – 50% • ANI pro forma Gearing of 35% as at 31 December 2014 vs. TIX pro forma Gearing of 46% as at 31 December 2014[1]	No change

1.4 360 Capital Group has unsatisfactory governance arrangements

360 Capital Group's proposed amendments to governance arrangements still do not resolve all conflict concerns raised previously in the Target's Statement:

Issue	Original Offer	Updated Offer
Conflicts between TIX and 360 Capital Group	• Each of the directors of the responsible entity of TIX are also directors of 360 Capital Group	No change
Conflicts between ANI and TIX (if TIX does not acquire 100% of ANI and a 360 Capital Group member is appointed as the responsible entity of ANI)	If ANI and TIX both remain listed on the ASX, and are managed by 360 Capital Group entities, then a number of conflict issues would arise relating to the allocation of: • investment opportunities; • potential tenants; and • potential investors where they are suitable for both ANI and TIX	TIX has proposed a dedicated fund manager and dedicated responsible entity to be appointed to ANI with a majority independent board from 360 Capital Group, however 360 Capital Group has not yet provided any detail regarding its proposed: • candidates for the **board of directors** to allow proper scrutiny by ANI Unitholders of their expertise and independence, nor even begun the process of identifying independent directors; • **ANI fund manager** to allow ANI Unitholders to assess the individual's expertise and suitability for the role; or • "**appropriate conflict management protocols"** it has promised to put in place in relation to the allocation of opportunities, tenants and investors where they are suitable for both ANI and TIX

1.5 The Independent Expert has concluded that the Updated Offer is neither fair nor reasonable

In assessing the fairness of the Updated Offer, the Independent Expert stated "there is an insufficient control premium inherent in the Updated Offer". Accordingly, the Independent Expert concluded that the Updated Offer is not fair.

In forming its opinion as to the reasonableness of the Updated Offer the Independent Expert stated "the disadvantages to the ANI Unitholders of accepting the Updated Offer outweigh the advantages, and there are no compelling reasons as to why the ANI Unitholders should accept the Updated Offer".

Consequently, the Independent Expert concluded the Updated Offer is neither fair nor reasonable.

1. Gearing as at 31 December 2014 adjusted for termination of derivative financial instruments, December 2014 DRP, March 2015 revaluations and acquisition of Boondall property for TIX and termination of derivative financial instruments for ANI.

2. Financial information and related matters

2.1 Introduction

The Pro Forma Financial Information set out in Section 7 of the Target's Statement has been updated as set out below to reflect:

In the case of the Stand-alone Pro Forma Statements of Financial Position:

- the TIX Stand-alone Pro Forma Statement of Financial Position now includes an increase in investment properties of $17.5 million as a result of the revaluation of 13 properties as at 31 March 2015.

In the case of the Combined Group Pro Forma Statements of Financial Position:

- the increased scrip ratio from 0.89 TIX Units per ANI Unit to 0.90 TIX Units per ANI Unit;
- the impact of debt funding the TIX Cash Payment of $0.045 per ANI Unit; and
- in the 30% Ownership Case, TIX consultant fees of $0.6 million, consistent with the revised assumption in the Third Supplementary Bidder's Statement.

In the case of the Combined Group Pro Forma Forecast Financial Information:

- the increased scrip ratio from 0.89 TIX Units per ANI Unit to 0.90 TIX Units per ANI Unit;
- the impact of debt funding the TIX Cash Payment of $0.045 per ANI Unit at TIX's all-in cost of debt of 4.0% per annum;
- in the 50.1% Ownership Case, a waiver of 50% of ANI's responsible entity fees for the year ending 30 June 2015 and 30 June 2016, consistent with the Third Supplementary Bidder's Statement;
- the Combined Group payout ratio in FY16 is assumed to be 97% of Combined Group Distributable Earnings, consistent with the revised assumption in the Third Supplementary Bidder's Statement; and
- analysis is prior to the re-investment of the net of tax proceeds from the Conditional Cash Payment of $0.10 per ANI Unit (the impact of which is included in a sensitivity analysis in Section 2.3).

All other assumptions relating to the Pro Forma Financial Information are consistent with those set out in Section 7.3 of the Target's Statement.

2.2 Summary of key financial metrics

2.2.1 Pro Forma Statements of Financial Position

(a) ANI Stand-alone Pro Forma Statement of Financial Position

The table below outlines the ANI Stand-alone Pro Forma Statement of Financial Position:

	Reviewed ANI Statement of Financial Position	Pro forma adjustments		Unaudited ANI Stand-alone Pro Forma Statement of Financial Position
	31 Dec 2014 ($m)	**($m)**		**31 Dec 2014 ($m)**
Current assets				
Cash	1.5			1.5
Trade and other receivables	0.6			0.6
Rental guarantees	0.3			0.3
Total current assets	2.3			2.3
Non-current assets				
Investment properties	320.0			320.0
Rental guarantees	0.1			0.1
Total non-current assets	320.1			320.1
Total assets	**322.5**			**322.5**
Current liabilities				
Trade and other payables	2.5			2.5
Distribution payable	8.3			8.3
Total current liabilities	10.8			10.8
Non-current liabilities				
Interest bearing liabilities	111.2	2.6	(i)	113.8
Derivative financial instruments	2.6	(2.6)	(i)	–
Total non-current liabilities	113.8			113.8
Total liabilities	**124.5**			**124.6**
Net assets	**197.9**			**197.9**
Number of units on issue (million)	96.3			96.3
Gearing[1]	**34%**			**35%**
NTA per unit ($)	**2.06**			**2.06**

Note:

1. Gearing is calculated based on ANI's definition of gearing: interest bearing liabilities less cash divided by total assets less cash.

ANI pro forma adjustments for events post 31 December 2014 as if they had occurred at 31 December 2014:

(i) restructure of ANI's interest rate swaps and draw down of debt to fund one-off costs associated with the restructure as announced on 28 January 2015.

(b) Combined Group Pro Forma Statement of Financial Position for 100% Ownership Case

The table below outlines the Combined Group Pro Forma Statement of Financial Position assuming TIX acquires 100% of ANI Units:

	Unaudited TIX Stand-alone Pro Forma Statement of Financial Position[1]	Unaudited ANI Stand-alone Pro Forma Statement of Financial Position	Pro forma adjustments		Unaudited Combined Group Pro Forma Statement of Financial Position
	31 Dec 2014 ($m)	31 Dec 2014 ($m)	($m)		31 Dec 2014 ($m)
Current assets					
Cash	1.0	1.5			2.5
Trade and other receivables	2.2	0.6			2.8
Rental guarantees	–	0.3			0.3
Total current assets	3.2	2.3	–		5.5
Non-current assets					
Investment properties	543.5	320.0			863.5
Rental guarantees	–	0.1			0.1
Goodwill	–	–	31.4	(i)	31.4
Total non-current assets	543.5	320.1	31.4		895.0
Total assets	**546.7**	**322.5**	**31.4**		**900.5**
Current liabilities					
Trade and other payables	4.5	2.5	(0.1)	(ii)	6.9
Distribution payable	–	8.3			8.3
Total current liabilities	4.5	10.8	(0.1)		15.1
Non-current liabilities					
Interest bearing liabilities	251.2	113.8	15.8	(ii)	380.9
Derivative financial instruments	0.2	–			0.2
Total non-current liabilities	251.4	113.8	15.8		381.1
Total liabilities	**255.9**	**124.6**	**15.7**		**396.2**
Net assets	**290.8**	**197.9**	**15.6**		**504.3**
Number of units on issue (million)	124.9	96.3	86.7	(iv)	211.5
Gearing[2]	**46%**	**35%**			**44%**
NTA per unit ($)[3]	2.33	2.06			2.24
ANI equivalent NTA per unit[4]		**2.06**			**2.01**
ANI equivalent NTA per unit accretion/(dilution)[4]					**(2.1%)**

Notes:

1. Per Third Supplementary Bidder's Statement.
2. Gearing is calculated based on TIX's definition of gearing: interest bearing liabilities (excluding capitalised borrowing costs) less cash divided by total tangible assets (excluding goodwill) less cash. Interest bearing liabilities excluding capitalised borrowing costs are $253.0 million for the TIX Stand-alone Pro Forma Statement of Financial Position, $114.6 million for the ANI Stand-alone Pro Forma Statement of Financial Position and $383.4 million for the Combined Group Pro Forma Statement of Financial Position.
3. NTA per unit is calculated as total tangible assets less total liabilities divided by the number of units on issue.
4. NTA per unit of the Combined Group is $2.11 on an ANI equivalent basis including the full payment of the Conditional Cash Payment of $0.10 before tax, leading to a 2.8% increase on an ANI equivalent NTA per unit basis.

The Combined Group Pro Forma Statement of Financial Position in the 100% Ownership Case is based on TIX acquiring 100% of ANI Units and consolidating ANI as a business combination (in accordance with Australian Accounting Standards) and assumes that the Updated Offer completes on 31 December 2014, with no impact of the properties identified for sale by TIX.

In addition, the Directors' pro forma adjustments and assumptions are as follows:

(i) goodwill of $31.4 million recognised on acquisition of ANI, reflecting the premium of the consideration at the implied Updated Offer price of $2.38 per ANI Unit (based on the TIX 5 day VWAP of $2.64 on 27 March 2015, adjusted for the 5.0662 cent March 2015 quarter distribution for the days prior to the ex-distribution date of 27 March 2015, and inclusive of the TIX Cash Payment) over ANI's NTA of $2.06 per unit, multiplied by the total number of ANI Units on issue;

(ii) elimination of transaction costs incurred and treated as a payable by ANI as at 31 December 2014;

(iii) draw down of debt facilities to fund the TIX Cash Payment of $0.045 per ANI Unit totalling $4.3 million, and total transaction costs associated with the Updated Offer of $11.5 million, comprised of TIX stamp duty and consultant fees of $7.1 million (per Third Supplementary Bidder's Statement) and ANI consultant fees of $4.4 million; and

(iv) the issuance of 86.7 million TIX Units for the acquisition of 100% of ANI Units on issue in accordance with the Updated Offer.

(c) Combined Group Pro Forma Statement of Financial Position for 50.1% Ownership Case

The table below outlines the Combined Group Pro Forma Statement of Financial Position assuming TIX acquires 50.1% of ANI Units:

	Unaudited TIX Stand-alone Pro Forma Statement of Financial Position[1]	Unaudited ANI Stand-alone Pro Forma Statement of Financial Position	Pro forma adjustments		Unaudited Combined Group Pro Forma Statement of Financial Position
	31 Dec 2014 ($m)	31 Dec 2014 ($m)	($m)		31 Dec 2014 ($m)
Current assets					
Cash	1.0	1.5			2.5
Trade and other receivables	2.2	0.6			2.8
Rental guarantees	–	0.3			0.3
Total current assets	3.2	2.3	–		5.5
Non-current assets					
Investment properties	543.5	320.0			863.5
Rental guarantees	–	0.1			0.1
Goodwill	–	–	15.7	(i)	15.7
Total non-current assets	543.5	320.1	15.7		879.3
Total assets	**546.7**	**322.5**	**15.7**		**884.9**
Current liabilities					
Trade and other payables	4.5	2.5	(0.1)	(ii)	6.9
Distribution payable	–	8.3			8.3
Total current liabilities	4.5	10.8	(0.1)		15.1
Non-current liabilities					
Interest bearing liabilities	251.2	113.8	9.7	(iii)	374.7
Derivative financial instruments	0.2	–			0.2
Total non-current liabilities	251.4	113.8	9.7		374.9
Total liabilities	**255.9**	**124.6**	**9.6**		**390.0**
Net assets	**290.8**	**197.9**	**6.2**		**494.8**
External non-controlling interest	–	–	96.6	(iv)	96.6
Net assets attributable to unitholders	**290.8**	**197.9**	**(90.5)**		**398.2**
Number of units on issue (million)	124.9	96.3	43.4	(v)	168.3
Gearing[2]	**46%**	**35%**			**43%**
NTA per unit ($)[3]	2.33	2.06			2.27
ANI equivalent NTA per unit[4]		**2.06**			**2.05**
ANI equivalent NTA per unit accretion/(dilution)[4]					**(0.5%)**

Notes:

1. Per Third Supplementary Bidder's Statement.
2. Gearing is calculated based on TIX's definition of gearing: interest bearing liabilities (excluding capitalised borrowing costs) less cash divided by total tangible assets (excluding goodwill) less cash. Interest bearing liabilities excluding capitalised borrowing costs are $377.3 million for the Combined Group Pro Forma Statement of Financial Position.
3. NTA per unit is calculated as total tangible assets less total liabilities divided by the number of units on issue.
4. NTA per unit of the Combined Group is $2.15 on an ANI equivalent basis including the full payment of the Conditional Cash Payment of $0.10 before tax, leading to a 4.4% increase on an ANI NTA per unit equivalent basis.

The Combined Group Pro Forma Statement of Financial Position in the 50.1% Ownership Case is based on TIX acquiring 50.1% of ANI Units and consolidating ANI as a business combination, with the proportionate ownership of the 49.9% non-controlling interest treated as an adjustment in equity in accordance with Australian Accounting Standards. It assumes that the Updated Offer completes on 31 December 2014 and no impact of the properties identified for sale by TIX.

In addition, the Directors' pro forma adjustments and assumptions are as follows:

(i) goodwill of $15.7 million recognised on acquisition of ANI, reflecting the premium of the consideration at the implied Updated Offer price of $2.38 per ANI Unit (based on the TIX 5 day VWAP of $2.64 on 27 March 2015, adjusted for the 5.0662 cent March 2015 quarter distribution for the days prior to the ex-distribution date of 27 March 2015, and inclusive of the TIX Cash Payment) over ANI's NTA of $2.06 per unit, multiplied by 50.1% of ANI Units on issue;

(ii) elimination of transaction costs incurred and treated as a payable by ANI as at 31 December 2014;

(iii) draw down of debt facilities to fund the TIX Cash Payment of $0.045 per ANI Unit totalling $2.2 million, and total transaction costs associated with the Updated Offer of $7.5 million, comprised of TIX stamp duty and consultant fees of $3.1 million (per Third Supplementary Bidder's Statement) and ANI consultant fees of $4.4 million;

(iv) given that TIX acquires 50.1% of ANI Units on issue, it consolidates ANI as a business combination (in accordance with Australian Accounting Standards) and recognises the proportionate ownership of the 49.9% non-controlling interest of $96.6 million, including the impact of 49.9% of ANI's consultant costs, as an adjustment in equity; and

(v) the issuance of 43.4 million TIX Units for the acquisition of 50.1% of ANI Units on issue in accordance with the Updated Offer.

(d) Combined Group Pro Forma Statement of Financial Position for 30% Ownership Case

The table below outlines the Combined Group Pro Forma Statement of Financial Position assuming TIX acquires 30% of ANI Units:

	Unaudited TIX Stand-alone Pro Forma Statement of Financial Position[1]	Unaudited ANI Stand-alone Pro Forma Statement of Financial Position	Pro forma adjustments		Unaudited Combined Group Pro Forma Statement of Financial Position
	31 Dec 2014 ($m)	31 Dec 2014 ($m)	($m)		31 Dec 2014 ($m)
Current assets					
Cash	1.0	1.5			1.0
Trade and other receivables	2.2	0.6			2.2
Rental guarantees	–	0.3			–
Total current assets	3.2	2.3	–		3.2
Non-current assets					
Investment properties	543.5	320.0			543.5
Rental guarantees	–	0.1			–
Financial assets at fair value	–	–	68.8	(i)	68.8
Total non-current assets	543.5	320.1	68.8		612.3
Total assets	**546.7**	**322.5**	**68.8**		**615.5**
Current liabilities					
Trade and other payables	4.5	2.5			4.5
Distribution payable	–	8.3			–
Total current liabilities	4.5	10.8	–		4.5
Non-current liabilities					
Interest bearing liabilities	251.2	113.8	1.9	(ii)	253.1
Derivative financial instruments	0.2	–			0.2
Total non-current liabilities	251.4	113.8	1.9		253.3
Total liabilities	**255.9**	**124.6**	**1.9**		**257.8**
Net assets	**290.8**	**197.9**	**66.9**		**357.7**
Number of units on issue (million)	124.9	96.3	26.0	(iii)	150.9
Gearing[2]	**46%**	**35%**			**41%**
NTA per unit ($)[3]	2.33	2.06			2.37
ANI equivalent NTA per unit[4]		**2.06**			**2.13**
ANI equivalent NTA per unit accretion/(dilution)[4]					**3.8%**

Notes:

1. Per Third Supplementary Bidder's Statement.
2. Gearing is calculated based on TIX's definition of gearing: interest bearing liabilities (excluding capitalised borrowing costs) less cash divided by total tangible assets (excluding goodwill) less cash. Interest bearing liabilities excluding capitalised borrowing costs are $254.9 million for the Combined Group Pro Forma Statement of Financial Position.
3. NTA per unit is calculated as total tangible assets less total liabilities divided by the number of units on issue.

The Combined Group Pro Forma Statement of Financial Position in the 30% Ownership Case is based on TIX acquiring 30% of ANI Units and no change in the responsible entity of ANI. Given TIX will not have the ability to control ANI, it will recognise its investment in ANI as a financial asset fair valued through profit and loss. It is assumed that the Updated Offer completes on 31 December 2014 and no impact of the properties identified for sale by TIX.

In addition, the Directors' pro forma adjustments and assumptions are as follows:

(i) with the acquisition of 30% of ANI Units on issue, TIX does not have the ability to control ANI and will classify its investment in ANI as a financial asset fair valued through the profit and loss. The recognised market value of TIX's investment in ANI Units of $68.8 million reflects the implied Updated Offer price of $2.38 per ANI Unit (based on the TIX 5 day VWAP of $2.64 on 27 March 2015, adjusted for the 5.0662 cent March 2015 quarter distribution for the days prior to the ex-distribution date of 27 March 2015, and inclusive of the TIX Cash Payment) multiplied by 30% of ANI Units on issue acquired by TIX;

(ii) draw down of debt facilities to fund the TIX Cash Payment of $0.045 per ANI Unit, totalling $1.3 million, and TIX consultant fees associated with the Updated Offer of $0.6 million (per Third Supplementary Bidder's Statement); and

(iii) the issuance of 26.0 million TIX Units for the acquisition of 30% of ANI Units on issue in accordance with the Updated Offer.

2.2.2 Pro Forma Forecast Financial Information

(a) Pro forma Distributable Earnings and distribution per unit for the year ending 30 June 2015

The table below provides a summary of the stand-alone, pro forma Combined Group and pro forma ANI equivalent Distributable Earnings and distributions per unit for the year ending 30 June 2015 as if the acquisition of ANI Units had occurred on 1 July 2014 and is based on the following three scenarios:

- the acquisition of 100% of ANI Units by TIX (100% Ownership Case);
- the acquisition of 50.1% of ANI Units by TIX (50.1% Ownership Case); and
- the acquisition of 30% of ANI Units by TIX (30% Ownership Case).

Detailed assumptions on the Pro Forma Forecast Financial Information are set out in Section 2.1 of this Second Supplementary Target's Statement and Section 7.3.2 of the Target's Statement.

	Distributable Earnings[1]	Distribution	Payout ratio %
Stand-alone			
TIX FY15 guidance (cpu)	21.2	20.0	94.3%
ANI FY15 guidance (cpu)	19.4	18.2	93.8%
Combined Group pro forma – 100% Ownership Case			
Combined Group (cpu)	21.1	20.0	95.0%
ANI equivalent[2] (cpu)	19.0	18.0	
Movement in ANI FY15 guidance[3]	(2.2%)	(0.9%)	
Combined Group pro forma – 50.1% Ownership Case			
Combined Group (cpu)	21.4	20.3	95.0%
ANI equivalent[2] (cpu)	19.2	18.3	
Movement in ANI FY15 guidance[3]	(0.9%)	0.4%	
Combined Group pro forma – 30% Ownership Case			
Combined Group (cpu)	20.7	19.7	95.0%
ANI equivalent[2] (cpu)	18.6	17.7	
Movement in ANI FY15 guidance[3]	(4.0%)	(2.8%)	

Notes:

1. For the purpose of providing pro forma Distributable Earnings of the Combined Group, it is assumed that the calculation of ANI Distributable Earnings and TIX Operating Earnings are materially consistent.
2. Represents pro forma Combined Group Distributable Earnings and distribution per unit adjusted to reflect ANI Unitholder equivalent at scrip ratio of 0.90.
3. Movement between the stand-alone ANI FY15 guidance and ANI equivalent.

(b) Pro forma Distributable Earnings and distribution per unit for the year ending 30 June 2016

The table below provides a summary of the stand-alone, pro forma Combined Group and pro forma ANI equivalent Distributable Earnings and distributions per unit for the year ending 30 June 2016 as if the acquisition of ANI Units had occurred on 1 July 2014 and is based on the following three scenarios:

- the acquisition of 100% of ANI Units by TIX (100% Ownership Case);
- the acquisition of 50.1% of ANI Units by TIX (50.1% Ownership Case); and
- the acquisition of 30% of ANI Units by TIX (30% Ownership Case).

Detailed assumptions on the Pro Forma Forecast Financial Information are set out in Section 2.1 of this Second Supplementary Target's Statement and Section 7.3.2 of the Target's Statement.

	Distributable Earnings[1]	Distribution	Payout ratio %
Stand-alone			
TIX FY16 guidance (cpu)	22.0	21.0	95.5%
ANI FY16 guidance (cpu)	20.4	19.2	94.1%
Combined Group pro forma – 100% Ownership Case			
Combined Group (cpu)	21.0	20.4	97.0%
ANI equivalent[2] (cpu)	18.9	18.4	
Movement in ANI FY16 Guidance[3]	(7.2%)	(4.4%)	
Combined Group pro forma – 50.1% Ownership Case			
Combined Group (cpu)	21.6	20.9	97.0%
ANI equivalent[2] (cpu)	19.4	18.9	
Movement in ANI FY16 Guidance[3]	(4.7%)	(1.8%)	
Combined Group pro forma – 30% Ownership Case[4]			
Combined Group (cpu)	21.5	20.9	97.0%
ANI equivalent[2] (cpu)	19.4	18.8	
Movement in ANI FY16 Guidance[3]	(5.0%)	(2.1%)	

Notes:
1. For the purpose of providing pro forma Distributable Earnings of the Combined Group, it is assumed that the calculation of ANI Distributable Earnings and TIX Operating Earnings are materially consistent.
2. Represents pro forma Combined Group Distributable Earnings and distribution per unit adjusted to reflect ANI Unitholder equivalent at scrip ratio of 0.90.
3. Movement between the stand-alone ANI FY16 guidance and ANI equivalent.
4. The 100% Ownership Case and 50.1% Ownership Case assume asset sales of $47.3 million occur on 1 July 2015, not 31 March 2016 as per the Third Supplementary Bidder's Statement. No asset sales are provided for in the 30% Ownership Case given it is assumed that Fife Funds would remain as the responsible entity of ANI, and hence TIX would be unable to implement is asset disposal strategy.

2.3 Sensitivity analysis

To further assist ANI Unitholders in assessing the impact of the Updated Offer, sensitivity analyses are provided below which illustrate the impact of a change in assumptions with regard to:

- the sale of properties identified by TIX on the pro forma Combined Group and ANI equivalent Distributable Earnings per unit for the year ending 30 June 2016 and pro forma Gearing as at 31 December 2014;
- the re-investment of the Conditional Cash Payment on the pro forma Combined Group and ANI equivalent Distributable Earnings per unit for the years ending 30 June 2015 and 30 June 2016;
- the extent of cost synergies achieved on the pro forma Combined Group and ANI equivalent Distributable Earnings per unit for the years ending 30 June 2015 and 30 June 2016; and
- the payout ratio of the Combined Group on the pro forma Combined Group and ANI equivalent distribution per unit for the year ending 30 June 2016.

It is important to note that a number of factors may bear upon the results achieved and that changes in one variable may cause or influence changes in another variable.

(i) Impact of asset sales

Sensitivity analysis of the impact of the sale of $47.3 million of assets identified by TIX on the pro forma Combined Group and ANI equivalent Distributable Earnings per unit for the year ending 30 June 2016, and pro forma Gearing is shown in the tables below.

Sensitivity table impact of asset sales identified by TIX on Combined Group and ANI equivalent pro forma Distributable Earnings for the year ending 30 June 2016

Impact on FY16 forecast Distributable Earnings[1,2]	Full year asset sale impact (base case)	No asset sale impact
Stand-alone		
ANI FY16 guidance (cpu)	20.4	20.4
Combined Group pro forma – 100% Ownership Case		
Combined Group (cpu)	21.0	22.1
ANI equivalent[3] (cpu)	18.9	19.9
Movement in ANI FY16 guidance[4]	(7.2%)	(2.6%)
Combined Group pro forma – 50.1% Ownership Case		
Combined Group (cpu)	21.6	22.3
ANI equivalent[3] (cpu)	19.4	20.1
Movement in ANI FY16 guidance[4]	(4.7%)	(1.7%)

Notes:
1. For the purpose of providing pro forma Distributable Earnings of the Combined Group, it is assumed that the calculation of ANI Distributable Earnings and TIX Operating Earnings are materially consistent.
2. There is no 30% Ownership Case as in this scenario it is assumed 360 Capital RE would not become the responsible entity of ANI and hence would be unable to implement its asset disposal strategy.
3. Represents Combined Group Distributable Earnings adjusted to reflect ANI Unitholder equivalent at scrip ratio of 0.90.
4. Movement between the stand-alone ANI FY16 guidance and ANI equivalent.

Sensitivity table impact of asset sales identified by TIX on Combined Group pro forma Gearing as at 31 December 2014

Pro forma Gearing[1] as at 31 December 2014	100% Ownership Case	50.1% Ownership Case
Stand-alone		
ANI[2]	35%	35%
Combined Group[3,4]		
Prior to asset sales	44%	43%
Post asset sales	41%	40%

Notes:
1. Gearing is calculated based on TIX's definition of gearing: interest bearing liabilities (excluding capitalised borrowing costs) less cash divided by total tangible assets (excluding goodwill) less cash.
2. Based on ANI Stand-alone Pro Forma Statement of Financial Position.
3. Based on Combined Group Pro Forma Statement of Financial Position.
4. There is no 30% Ownership Case as in this scenario given it is assumed 360 Capital RE would not become the responsible entity of ANI and hence would be unable to implement its asset disposal strategy.

(ii) Impact of re-investment of full proceeds from the Conditional Cash Payment

The Conditional Cash Payment from 360 Capital Group is payable only if more than 50% of ANI Unitholders accept the Updated Offer, or if a 360 Capital Group member is appointed as responsible entity of ANI before the Updated Offer closes. Sensitivity analysis of the impact of re-investment of the Conditional Cash Payment on the pro forma Combined Group and ANI equivalent Distributable Earnings per unit for the 100% Ownership Case and 50.1% Ownership Case for the years ending 30 June 2015 and 30 June 2016 are shown below. There is no 30% Ownership Case as throughout this Second Supplementary Target's Statement it is assumed 360 Capital RE would not become the responsible entity of ANI in this scenario and hence the Conditional Cash Payment would not be payable. This is also consistent with the approach taken by TIX in the Third Supplementary Bidder's Statement.

The analysis assumes that the full proceeds of the $0.10 Conditional Cash Payment can be re-invested in the Combined Group at $2.60 per TIX Unit (being the TIX 5 day VWAP of $2.64 on 27 March 2015, adjusted for the 5.0662 cent March 2015 quarter distribution for the days prior to the ex-distribution date of 27 March 2015). The analysis is prior to any leakage from tax and brokerage costs, which will depend on each individual ANI Unitholder's position and will worsen the Distributable Earnings per unit impact.

Sensitivity table impact of re-investment of full proceeds from the Conditional Cash Payment on Combined Group and ANI equivalent pro forma Distributable Earnings for the year ending 30 June 2015

FY15 forecast impact on Distributable Earnings[1]	No re-investment (base case)	Full re-investment
Stand-alone		
ANI FY15 guidance (cpu)	19.4	19.4
Combined Group pro forma – 100% Ownership Case		
Combined Group (cpu)	21.1	21.1
ANI equivalent (cpu)	19.0[2]	19.8[3]
Movement in ANI FY15 guidance[4]	(2.2%)	2.0%
Combined Group pro forma – 50.1% Ownership Case		
Combined Group (cpu)	21.4	21.4
ANI equivalent (cpu)	19.2[2]	20.1[3]
Movement in ANI FY15 guidance[4]	(0.9%)	3.4%

Notes:

1. For the purpose of providing pro forma Distributable Earnings of the Combined Group, it is assumed that the calculation of ANI Distributable Earnings and TIX Operating Earnings are materially consistent.
2. Represents Combined Group pro forma Distributable Earnings adjusted to reflect ANI Unitholder equivalent at scrip ratio of 0.90.
3. Represents Combined Group pro forma Distributable Earnings adjusted to reflect ANI Unitholder equivalent at scrip ratio of 0.90, plus the re-investment of the full $0.10 from the Conditional Cash Payment at $2.60 per TIX Unit (being the TIX 5 day VWAP of $2.64 on 27 March 2015, adjusted for the 5.0662 cent March 2015 quarter distribution for the days prior to the ex-distribution date of 27 March 2015), prior to any leakage from tax and brokerage costs.
4. Movement between the stand-alone ANI FY15 guidance and ANI equivalent.

Sensitivity table impact of re-investment of full proceeds from the Conditional Cash Payment on Combined Group and ANI equivalent pro forma Distributable Earnings for the year ending 30 June 2016

FY16 forecast impact on Distributable Earnings[1]	No re-investment (base case)	Full re-investment
Stand-alone		
ANI FY16 guidance (cpu)	20.4	20.4
Combined Group pro forma – 100% Ownership Case		
Combined Group (cpu)	21.0	21.0
ANI equivalent (cpu)	18.9[2]	19.7[3]
Movement in ANI FY16 guidance[4]	(7.2%)	(3.3%)
Combined Group pro forma – 50.1% Ownership Case		
Combined Group (cpu)	21.6	21.6
ANI equivalent (cpu)	19.4[2]	20.3[3]
Movement in ANI FY16 guidance[4]	(4.7%)	(0.7%)

Notes:

1. For the purpose of providing pro forma Distributable Earnings of the Combined Group, it is assumed that the calculation of ANI Distributable Earnings and TIX Operating Earnings are materially consistent.
2. Represents Combined Group pro forma Distributable Earnings adjusted to reflect ANI Unitholder equivalent at scrip ratio of 0.90.
3. Represents Combined Group pro forma Distributable Earnings adjusted to reflect ANI Unitholder equivalent at scrip ratio of 0.90, plus the re-investment of the full $0.10 from the Conditional Cash Payment at $2.60 per TIX Unit (being the TIX 5 day VWAP of $2.64 on 27 March 2015, adjusted for the 5.0662 cent March 2015 quarter distribution for the days prior to the ex-distribution date of 27 March 2015), prior to any leakage from tax and brokerage costs.
4. Movement between the stand-alone ANI FY16 guidance and ANI equivalent.

(iii) Impact of synergies

Sensitivity analysis of the impact of synergies on the pro forma Combined Group and ANI equivalent Distributable Earnings per unit for the 100% Ownership Case and 50.1% Ownership Case for the years ending 30 June 2015 and 30 June 2016 are shown below.

There is no 30% Ownership Case as in this scenario it is assumed that 360 Capital RE would not become the responsible entity of ANI and hence would be unable to realise cost synergies.

Sensitivity table impact of synergies on Combined Group and ANI equivalent pro forma Distributable Earnings for the year ending 30 June 2015

	Synergies as a % of Combined Group GAV			
FY15 forecast impact on Distributable Earnings[1]	**3 basis points**	**2 basis points**	**1 basis point**	**No synergies**
Stand-alone				
ANI FY15 guidance (cpu)	19.4	19.4	19.4	19.4
Combined Group pro forma – 100% Ownership Case				
Combined Group (cpu)	21.1	21.0	21.0	21.0
ANI equivalent[2] (cpu)	19.0	18.9	18.9	18.9
Movement in ANI FY15 guidance[3]	(2.2%)	(2.4%)	(2.6%)	(2.8%)
Combined Group pro forma – 50.1% Ownership Case				
Combined Group (cpu)	21.4	21.4	21.4	21.3
ANI equivalent[2] (cpu)	19.3	19.3	19.2	19.2
Movement in ANI FY15 guidance[3]	(0.6%)	(0.8%)	(0.9%)	(1.0%)

Notes:
1. For the purpose of providing pro forma Distributable Earnings of the Combined Group, it is assumed that the calculation of ANI Distributable Earnings and TIX Operating Earnings are materially consistent.
2. Represents Combined Group pro forma Distributable Earnings adjusted to reflect ANI Unitholder equivalent at scrip ratio of 0.90.
3. Movement between the stand-alone ANI FY15 guidance and ANI equivalent.

Sensitivity table impact of synergies on pro forma Combined Group and ANI equivalent Distributable Earnings for the year ending 30 June 2016

	Synergies as a % of Combined Group GAV			
FY16 forecast impact on Distributable Earnings[1]	**3 basis points**	**2 basis points**	**1 basis point**	**No synergies**
Stand-alone				
ANI FY16 guidance (cpu)	20.4	20.4	20.4	20.4
Combined Group pro forma – 100% Ownership Case				
Combined Group (cpu)	21.0	21.0	20.9	20.9
ANI equivalent[2] (cpu)	18.9	18.9	18.8	18.8
Movement in ANI FY16 guidance[3]	(7.2%)	(7.4%)	(7.6%)	(7.8%)
Combined Group pro forma – 50.1% Ownership Case				
Combined Group (cpu)	21.6	21.6	21.6	21.6
ANI equivalent[2] (cpu)	19.5	19.5	19.4	19.4
Movement in ANI FY16 guidance[3]	(4.5%)	(4.6%)	(4.7%)	(4.8%)

Notes:
1. For the purpose of providing pro forma Distributable Earnings of the Combined Group, it is assumed that the calculation of ANI Distributable Earnings and TIX Operating Earnings are materially consistent.
2. Represents Combined Group pro forma Distributable Earnings adjusted to reflect ANI Unitholder equivalent at scrip ratio of 0.90.
3. Movement between the stand-alone ANI FY16 guidance and ANI equivalent.

(iv) Impact of payout ratio

Sensitivities of the impact of payout ratio on the pro forma Combined Group and ANI equivalent distribution per unit for the 100% Ownership Case, 50.1% Ownership Case and 30% Ownership Case for the year ending 30 June 2016 are shown below. Two separate payout ratios have been considered:

- ANI's forecast payout ratio of 94.0% for the years ending 30 June 2015 and 30 June 2016; and
- the revised TIX assumption of 97.0% per the Third Supplementary Bidder's Statement.

Sensitivity table impact of payout ratio on pro forma Combined Group and ANI equivalent distribution per unit for the year ending 30 June 2016

	Combined Group payout ratio	
FY16 forecast impact on distribution per unit	**94.0%**	**97.0%**
Stand-alone		
TIX FY16 guidance (cpu) – based on 95% payout ratio	21.0	21.0
ANI FY16 guidance (cpu) – based on 94% payout ratio	19.2	19.2
Combined Group pro forma – 100% Ownership Case		
Combined Group (cpu)	19.8	20.4
ANI equivalent[1] (cpu)	17.8	18.4
Movement in ANI FY16 guidance[2]	(7.3%)	(4.4%)
Combined Group pro forma – 50.1% Ownership Case		
Combined Group (cpu)	20.3	20.9
ANI equivalent[1] (cpu)	18.3	18.9
Movement in ANI FY16 guidance[2]	(4.8%)	(1.8%)
Combined Group pro forma – 30% Ownership Case		
Combined Group (cpu)	20.2	20.9
ANI equivalent[1] (cpu)	18.2	18.8
Movement in ANI FY16 guidance[2]	(5.1%)	(2.1%)

Notes:

1. Represents pro forma Combined Group distribution per unit adjusted to reflect ANI Unitholder equivalent at scrip ratio of 0.90.
2. Movement between the stand-alone ANI FY16 guidance and ANI equivalent.

3. Additional Information

Consents

Consents to inclusion of a statement

- Each of the persons listed below has given and has not, before the lodgement of this Second Supplementary Target's Statement with ASIC, withdrawn its written consent to the inclusion of the statements in this Second Supplementary Target's Statement that are specified below in the form and context in which the statements are included and to all references in this Second Supplementary Target's Statement to those statements in the form and context in which they are included:
  - KPMG Corporate Finance (a division of KPMG Financial Advisory Services) – to be named as Independent Expert, and to inclusion of the supplementary Independent Expert's Report and statements said to be based on statements made in the supplementary Independent Expert's Report; and
  - Each Director – to be named in this Second Supplementary Target's Statement and to the inclusion of statements made by them.

Consents to be named

- King & Wood Mallesons has given and has not, before the date of this Second Supplementary Target's Statement, withdrawn its consent to the inclusion of its name in this Second Supplementary Target's Statement as legal adviser to ANI.
- Fort Street Advisers Pty Ltd and UBS AG, Australia Branch each have given and have not, before the date of this Second Supplementary Target's Statement, withdrawn their consent to the inclusion of their name in this Second Supplementary Target's Statement as financial advisers to ANI.

Disclaimer regarding statements made and responsibility

Each person named above as having given its consent to the inclusion of a statement or to being named in this Second Supplementary Target's Statement:

- does not make, or purport to make, any statement in this Second Supplementary Target's Statement or any statement on which a statement in this Second Supplementary Target's Statement is based other than, in the case of a person referred to above as having given their consent to the inclusion of a statement, a statement included in this Second Supplementary Target's Statement with the consent of that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Second Supplementary Target's Statement, other than a reference to its name and, in the case of a person referred to above as having given their consent to the inclusion of a statement, any statement or report which has been included in this Second Supplementary Target's Statement with the consent of that party.

Date of Second Supplementary Target's Statement

This Second Supplementary Target's Statement is dated 31 March 2015, which is the date on which it was lodged with ASIC.

Approval of Second Supplementary Target's Statement

This Second Supplementary Target's Statement has been approved by a resolution passed by the Independent Directors.

Dated 31 March 2015.

Rod Pearse OAM
Independent Chairman
Fife Capital Funds Limited
as responsible entity of the Australian Industrial REIT

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as responsible entity for Australian Industrial REIT
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31 March 2015

Dear Independent Directors

SUPPLEMENTARY INDEPENDENT EXPERT'S REPORT AND FINANCIAL SERVICES GUIDE

PART ONE – SUPPLEMENTARY INDEPENDENT EXPERT'S REPORT

1 Introduction

On 24 March 2015, 360 Capital Investment Management Limited (360 Capital), as responsible entity for 360 Capital Industrial Fund (TIX) issued a Third Supplementary Bidder's Statement (Third Supplementary Bidder's Statement) which set out the revised terms of its original Offer (Original Offer)[1] to acquire all the outstanding ANI Units (Updated Offer).

The Updated Offer comprises:

- 0.90 TIX units (Scrip Ratio) for each ANI Unit
- a cash payment of 4.5 cents which is in lieu of the TIX March 2015 Quarterly distribution (Cash Consideration).

Separately, a cash payment of 10 cents per ANI Unit will be paid by 360 Capital subject to satisfaction of the cash payment condition[2] (Revised Cash Payment).

[1] An off-market all scrip takeover offer to acquire all the outstanding ANI Units as detailed in the Bidder's Statement dated 3 February 2015 and the Second Supplementary Bidder's Statement dated 23 February 2015.
[2] Payment of the Revised Cash Payment is subject to the satisfaction of the cash payment condition, which is payable only if TIX receives more than 50% acceptances or if a member of the 360 Capital group is appointed as the responsible entity of ANI before the Updated Offer closes.

The Updated Offer period has also been extended, and will close at 7.00pm (Sydney time) on 15 April 2015 (unless further extended). TIX has indicated that this is the best and final offer and will not be increased, in the absence of a competing proposal.

KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Corporate Finance is a division) (KPMG Corporate Finance), as requested by the Independent Board Committee of Fife Capital Funds Limited (Fife Funds) (the IBC), prepared an Independent Expert's Report (IER) in relation to the Original Offer. The IER dated 26 February 2015, concluded that, having assessed the Original Offer, we considered the Original Offer was neither fair nor reasonable to ANI Unitholders.

The IBC of Fife Funds has requested KPMG Corporate Finance to consider whether our opinion in relation to the Original Offer has changed as a consequence of the Updated Offer.

This supplementary report sets out the opinion of KPMG Corporate Finance as to the merits or otherwise of the Updated Offer, as it pertains to ANI Unitholders. This report should be considered in conjunction with, and not independently of, the information set out in the Target's Statement (including the IER) and the Second Supplementary Target's Statement provided to ANI Unitholders in relation to the Updated Offer.

Further information regarding KPMG Corporate Finance's preparation of this report is set out in Appendix 1 of this report.

KPMG Corporate Finance's Financial Services Guide is contained in Part Two of this report.

2 Opinion

In our opinion, the Updated Offer[3], is **neither fair nor reasonable to ANI Unitholders.**

In arriving at this opinion, which is unchanged from that in relation to the Original Offer, we consider that the Updated Offer should continue to be evaluated on a 'like-for-like' basis. Accordingly, we have:

- assessed whether the Updated Offer is fair on the basis of the underlying values of both ANI and TIX, the terms of the Updated Offer, and whether a control premium has been paid
- assessed what factors associated with reasonableness have changed as a consequence of the Updated Offer.

In assessing the fairness of the Updated Offer, we have considered the values of ANI and TIX on a 'like-for-like' basis, taking into account their relative adjusted net tangible asset (NTA) values as set out in Section 2.1 of this report.

In assessing the Updated Offer, given it is a control transaction, we have then assessed whether ANI Unitholders are receiving an adequate control premium for their ANI Units. Our analysis indicates that there is an insufficient control premium.

[3] Assuming 100% ownership of the ANI.

In forming this opinion, we recognise that there are a number of different financial metrics which can be and have been examined, all of which are extremely sensitive to the assumptions and methodology applied. As a consequence, small changes in assumptions and/or methodology can impact whether ANI Unitholders are sufficiently compensated under the various financial metrics implied by the Updated Offer. In our view, this confirms our opinion, that there is an insufficient control premium inherent in the Updated Offer given the benefits that will flow to TIX and/or 360 Capital and the changes in risks that would flow to ANI Unitholders by accepting the Updated Offer. Accordingly, we consider the Updated Offer to be **not fair**.

The principal matters that KPMG Corporate Finance has taken into consideration in forming its opinion that the **Updated Offer is neither fair nor reasonable** to ANI Unitholders are summarised in the remainder of Section 2 below.

2.1 Assessment of the fairness of the Updated Offer

KPMG Corporate Finance has assessed the Updated Offer is not fair to ANI Unitholders. In forming this view we have examined the Updated Offer based on:

- a comparison of the sum of the parts (SOTP) value[4] per ANI Unit to the equivalent value per ANI Unit under the Updated Offer, together with the Revised Cash Payment[5]
- a comparison of the trading prices of ANI Units and TIX units under the Updated Offer, together with the Revised Cash Payment.

Our primary assessment examined the adjusted NTA of ANI and TIX on a 'like-for-like' basis, which reflects the market value of the property portfolios of these trusts, together with the carrying values of the other assets, interest bearing liabilities and other liabilities. The analysis of the adjusted NTA per ANI and TIX units is set out in the table below.

Table 1: Comparison of adjusted NTA per ANI and TIX Unit

$ million unless otherwise stated	ANI	TIX
NTA	**197.9**	**273.3**
Less: Capitalised overhead costs	(20.8)	(37.6)
Adjusted NTA	**177.1**	**235.7**
Units on issue (million)	96.3	124.9
Adjusted NTA per unit ($)	**1.84**	**1.89**
Add: NTA uplift from property revaluations		0.14
Less: March 2015 Quarter distribution of 5.0662 cents per unit		(0.05)
Adjusted NTA per unit including revaluation uplift ($)		**1.98**

Source: KPMG Corporate Finance analysis

We note that the improvement in the 'like-for-like' analysis from the Original Offer is partially due to TIX having undertaken independent valuations for 13 of the properties in its portfolio as at 31 March

[4] The SOTP value has been based on the adjusted NTA value.

[5] The Revised Cash Payment has been included in the assessment as it has been undertaken on the assumption of 100% ownership of ANI.

2015 (representing 63% of the portfolio by value). This resulted in the entire portfolio being valued at $543.5 million representing an increase of 3.3% to the total portfolio value as at 31 December 2014. According to the announcement by TIX on 17 March 2015, the increase in the asset values was largely attributed to a combination of income growth and capitalisation rate compression. We note, TIX is yet to provide an asset by asset breakdown detailing which properties contributed to the revaluation.

In addition, an adjustment has been made for the TIX March 2015 quarter distribution of 5.0662 cents per unit which is expected to be paid on or about 24 April 2015.

Based on this approach, we have assessed that on an adjusted NTA basis, the value attributable to the Updated Offer and Cash Payment (0.90 TIX units and 10 cents per ANI Unit) is $1.92, which represents an 8 cent (or 4.6%) premium to the adjusted NTA per ANI Unit of $1.84.

Table 2: Comparison of adjusted NTA per ANI and TIX Unit to equivalent ANI Units in TIX and Cash Payment under the Original Offer and the Updated Offer

$ unless otherwise stated	Offer	Updated Offer
Adjusted NTA per TIX Unit	1.89	1.98
Scrip Ratio (ratio)	0.89	0.90
Adjusted NTA per ANI Unit under the Scrip Ratio	**1.68**	**1.78**
Add: Cash Consideration (cash component of 4.5 cents)	n/a	0.045
Add: Cash Payment per ANI Unit	0.03	0.10
Total adjusted NTA and Cash Payment per ANI Unit under the Offer	**1.71**	**1.92**
Adjusted NTA per ANI Unit	1.84	1.84
Premium/(Discount)	**(0.13)**	**0.08**
Premium/(Discount) (%)	**(7.0%)**	**4.6%**

Source: KPMG Corporate Finance analysis
Note: Numbers may not cast due to rounding

The table above reflects the adjustments relating to the Updated Offer which include:

- Cash Consideration of 4.5 cents per unit which is in lieu of the TIX March 2015 quarterly distribution, which would have been received under the Original Offer (if all conditions were met and acceptances received by 24 March 2015)
- Revised Cash Payment of 10 cents per ANI unit. This has been included in the analysis as it is assessed on a 100% acceptance basis.

Whilst the analysis under the Updated Offer indicates a premium, we note the 'like-for-like' analysis is extremely sensitive to the value of the underlying property portfolios and that whilst TIX has revalued 13 of the fund's assets at 31 March 2015, comprising 63% of the portfolio, ANI in contrast, has not had their portfolio revalued since 31 December 2014.

In order to understand the impact on our assessment should ANI's property portfolio be revaluated to 31 March 2015, we have undertaken a sensitivity analysis. The table below illustrates the change in our assessed premium/discount to adjusted NTA in the event that ANI's portfolio was to be revalued, resulting in an increase in the portfolio value of 2% to 3%.

Table 3: Sensitivity analysis of Updated Offer to a revaluation of the ANI property portfolio

Sensitivity analysis				
Increase in ANI property portfolio to 31 March 2015	**0%**	**2.0%**	**2.5%**	**3.0%**
Premium/(Discount) ($)	0.08	0.018	0.002	(0.015)
Premium/(Discount) (%)	4.6%	1.0%	0.1%	(0.8%)

Source: KPMG Corporate Finance analysis

The sensitivity analysis indicates that if ANI's property portfolio was to be revalued resulting in a similar uplift in the property portfolio to TIX, the premium received would be eroded and would result in either a minor or no control premium being received.

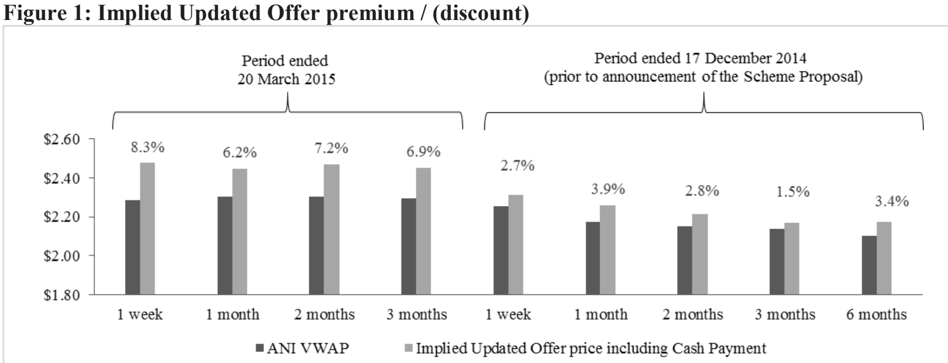
On this basis, we note that the adjusted NTA per ANI Unit, including an assumed increase in the property portfolio, does not reflect a significant control premium.

We consider a control premium is appropriate in assessing the value of ANI Units given the:

- potential cost savings which would be generally available to acquirers within the A-REIT sector
- the significant reduction in transaction costs from combining property portfolios rather than acquiring separately
- the form of consideration as scrip rather than cash
- continued capitalisation rate compression in the sector
- the benefits from increased scale in regards to funding ability and market position.

Our secondary approach assessed the fairness of the Updated Offer by reference to the recent trading activity of ANI Units and TIX units. In undertaking this assessment, we have analysed the recent VWAPs of ANI Units and TIX units as set out below.

Figure 1: Implied Updated Offer premium / (discount)



Source: S&P Capital IQ; KPMG Corporate Finance analysis

With regard to the analysis set out above, we note the following:

- the comparison of VWAPs for the period ended 17 December 2014 implies the Updated Offer is at a premium for each period

- the comparison of VWAPs for the period ended 20 March 2015 imply Updated Offer premiums in the range of 6.2% to 8.3%. We note that it is important to consider these premiums in the context of:
  - the liquidity in TIX units being low relative to ANI Units, which reduces the reliability of its trading prices as a measure of value, thereby reducing our confidence in the implied premiums
  - the uncertainty as to the extent to which ANI Unitholders will be able to realise the implied premium should they accept the Updated Offer, as the premium received will depend upon there being sufficient demand relative to the price levels of TIX units
  - the implied premiums paid in control transactions involving A-REITs during 2014 range between 6.4% to 22.8%. These premiums have been calculated based on the one month VWAPs of each target entity prior to announcement of the relevant transaction (or notable corporate activity), as detailed in Appendix 4 of the IER.

In our view, the comparison of recent trading activity in ANI Units and TIX units demonstrates that the Updated Offer provides ANI Unitholders with a level of control premium, which is at the lower end of the comparable transactions in the sector. We do not consider that this premium, in its own right, to be a sufficient buffer to provide adequate certainty for ANI Unitholders should they decide to crystallise the Updated Offer value by way of selling their units in the Combined Group given the level of liquidity in TIX units.

According to RG111, the Updated Offer should be considered fair to the ANI Unitholders if the consideration offered is equal to, or greater than, the assessed value of ANI Units which are the subject of the Updated Offer. As our analysis indicates that the Updated Offer provides possibly no premium or an insufficient premium to ANI Unitholders, **we consider the Updated Offer to be not fair.**

2.2 Assessment of changes to the reasonableness arising from the Updated Offer

2.2.1 Advantages of the Updated Offer

The principal advantages of the Updated Offer are consistent with those which were outlined in the IER with respect to the Original Offer.

2.2.2 Disadvantages of the Updated Offer

The principal disadvantages of the Updated Offer are consistent with those which were outlined in the IER with respect to the Original Offer, with the exceptions set out below.

A reduction in earnings per unit (EPU)

Accepting the Updated Offer, assuming TIX achieves 100% ownership of ANI, will result in a reduction in the pro forma EPU for FY15 of 2.2% and FY16 of 1.6% to 7.2% (depending on the timing of the sale of non-core assets). Refer to Appendix 2 for further details.

The extent of the reduction will depend on the timing of non-core asset sales, and the ability to achieve cost synergies in the Combined Group, which have been estimated by the Bidder to be approximately 3 basis points of gross asset value of the Combined Group.

We note that the reduction in EPU excludes the reinvestment of the net of tax proceeds from the Revised Cash Payment of 10 cents per ANI Unit, if received and the Cash Consideration of 4.5 cents per ANI Unit. This was excluded from the analysis to understand the EPU on a go forward basis.

A decrease in Net Tangible Assets (NTA) per unit

Under the Updated Offer, assuming TIX achieves 100% ownership of ANI, there will be a reduction in NTA per ANI Unit from $2.06 as at 31 December 2014 to $2.01 per equivalent ANI Unit, based on the pro forma NTA as at 31 December 2014 for the Combined Group[6]. This represents a reduction of NTA of 2.1%.

We note our analysis of NTA is performed on the basis of what the Combined Group's NTA would be on a go forward basis and excludes other payments.

An increase in gearing

Acceptance of the Updated Offer will result in the Combined Group's gearing being approximately 41% to 44%, depending on the extent of non-core asset sales, which 360 Capital has stated it intends to sell following TIX acquiring 100% of ANI Units.

Relative to ANI's current gearing of 35%, as at 31 December 2014, this represents an increase in gearing, which increases the exposure of ANI Unitholders to higher interest expenses and additional related risks including:

- a larger portion of the Combined Group's cash from operating activities will be required to pay interest expenses
- flexibility to react to changes in the business and industry may be limited due to the available cash flow remaining after the commitment to pay principal and interest on the debt facilities
- adverse economic, credit and financial market conditions will be more likely to have a negative effect on the Combined Group given the increased gearing. The Combined Group will also be exposed to greater refinancing risk.

2.3 Other considerations

In forming our opinion, we have also considered a number of other factors as outlined below. Whilst we do not necessarily consider these to be advantages or disadvantages of the Updated Offer, we consider it appropriate to address these considerations in arriving at our opinion as ANI Unitholders will likely have their own view as to whether they consider these matters to be advantages or disadvantages.[7] On an exceptions basis to the factors raised in the IER, we note the following:

---

[6] Refer Section 2 of the Second Supplementary Target's Statement NTA of the Combined Group.

[7] This analysis also considers issues associated with TIX not achieving 100% ownership.

Distributions per unit (DPU)

The pro forma FY15 DPU from the Combined Group results in a decrease 0.9% on an equivalent basis for ANI Unitholders, after applying the Scrip Ratio. The pro forma FY16 DPU is in the range of a decrease of 4.4% to an increase of 1.3% due to the different timing of asset sales. The increase in FY16 DPU is achieved through a payout ratio for the Combined Group of 97%, which compares to ANI's current payout ratio of 94%. We note, dilution in DPU may occur depending upon the timing of non-core asset sales, assuming the payout ratio remains unchanged at 97%.

The FY15 DPU and FY16 DPU (assuming sales of non-core assets occur on 1 July 2015) is based on the financial information as presented in Section 2 of the Second Supplementary Target's Statement. The FY16 DPU (assuming sales of non-core assets occur on 31 March 2016) is based on the pro forma financial information as presented in the Section 8 of the Third Supplementary Bidder's Statement.

Change in manager

In the event that TIX achieves acceptances under the Updated Offer in excess of 50% or 360 Capital is successful in having Fife Funds replaced as responsible entity of ANI, ANI Unitholders will be exposed to a different manager in 360 Capital.

A change in manager will expose ANI Unitholders to a change in access to future acquisition opportunities, a different management strategy and approach, and a different corporate governance framework.

Under the Updated Offer, TIX has proposed:

- a dedicated responsible entity to be appointed to ANI with a majority of independent directors that are not executives or directors of any other 360 Capital Group entity
- an appropriate conflict management protocols to manage potential conflicts between the interests of ANI and TIX
- a dedicated ANI Fund manager.

However, we note details of the relevant entity, independent directors and fund manager have not been disclosed at the time of this report.

Entitlement to TIX quarterly distribution

Under the Original Offer, where ANI Unitholders accepted on or before 24 March 2015, and the conditions of the Original Offer were waived or satisfied, they would have been issued TIX units in time to receive TIX's March 2015 quarter distribution which is expected to be 4.5 cents per equivalent ANI Unit. Given the timing, under the Updated Offer, TIX is proposing a Cash Consideration of 4.5 cents in lieu of the TIX March 2015 quarterly distribution. ANI Unitholders who accept the Updated Offer will also receive the TIX June 2015 quarterly distribution expected to be 4.6 cents (per ANI Unit equivalent), however, they will forgo the ANI June 2015 half yearly distribution which is expected to be 9.6 cents per ANI Unit.

2.4 Consequences should the Updated Offer not be accepted by 100% of ANI Unitholders

In the event that TIX does not acquire a relevant interest in 90% or more ANI Units and does not proceed to compulsory acquisition, ANI will continue to operate in its current form and be listed on the ASX. The consequences under the Updated Offer will be consistent with those under the Original Offer[8].

Consequences should the Updated Offer be accepted by less than 90% of ANI Unitholders

There are a number of uncertainties which arise from the Updated Offer not being subject to a minimum acceptance condition and having a waiver by 360 Capital of all conditions once acceptances exceed 30% of the ANI Units. This means that following the close of the Updated Offer, the Bidder may own anywhere between 0%[9] and 100% of ANI.

In the situation where TIX acquires a relevant interest in less than 90% of the ANI Units the consequences under the Updated Offer are consistent with those under the Original Offer except where 360 Capital Group is appointed responsible entity of ANI. In which case, 360 Capital Group will waive up to 50% of the management fees in ANI. The percentage waived will equal the percentage of ANI Units accepted into the Updated Offer, up to a maximum of 50%. No fee waiver will be incurred in situations where TIX acquires 100% of ANI. Therefore, the potential for receiving two fees for managing the same assets under the Updated Offer has been partially reduced.

Under the Updated Offer, roll-over relief will not be available to the Australian tax residents who hold their ANI Units on capital account where TIX acquires less than 80% of all ANI Units.

After considering the assessed advantages and disadvantages of accepting the Updated Offer, other considerations, and the implications if the Updated Offer is not accepted, we are of the opinion that the disadvantages to the ANI Unitholders of accepting the Updated Offer outweigh the advantages, and there are no compelling reasons as to why the ANI Unitholders should accept the Updated Offer. Accordingly, we consider **the Updated Offer is not reasonable**.

3 Other matters

In forming our opinion, we have considered the interests of ANI Unitholders as a whole. This advice therefore does not consider the financial situation, objectives or needs of individual ANI Unitholders. It is not practical or possible to assess the implications of the Updated Offer on individual ANI Unitholders as their financial circumstances are not known. The decision of ANI Unitholders as to whether or not to approve the Updated Offer is a matter for individuals based on, amongst other things, their risk profile, liquidity preference, investment strategy and tax position. Individual ANI Unitholders should therefore consider the appropriateness of our opinion to their specific circumstances before acting on it. As an individual's decision to vote for or against the proposed resolutions may be influenced by his or her

[8] See Section 3.4 of the IER dated 26 February 2015.

[9] The current interest of 12.89% in ANI is held by 360 Capital Group, not by TIX.

particular circumstances, we recommend that individual ANI Unitholders including residents of foreign jurisdictions seek their own independent professional advice.

Our report has also been prepared in accordance with the relevant provisions of the Act and other applicable Australian regulatory requirements. This report has been prepared solely for the purpose of assisting ANI Unitholders in considering the Updated Offer. We do not assume any responsibility or liability to any other party as a result of reliance on this report for any other purpose.

All currency amounts in this report are denominated in Australian dollars unless otherwise stated.

Neither the whole nor any part of this report or its attachments or any reference thereto may be included in or attached to any document, other than the Second Supplementary Target's Statement to be sent to ANI Unitholders in relation to the Updated Offer, without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears. KPMG Corporate Finance consents to the inclusion of this report in the form and context in which it appears in the Second Supplementary Target's Statement.

The above opinion should be considered in conjunction with and not independently of the information set out in the remainder of this report, including the appendices.

Yours faithfully

Ian Jedlin
Authorised Representative

Sean Collins
Authorised Representative

Appendix 1 – KPMG Corporate Finance Disclosures

Qualifications

The individuals responsible for preparing this report on behalf of KPMG Corporate Finance are Ian Jedlin and Sean Collins. Ian is an Associate of the Institute of Chartered Accountants in Australia and a Senior Fellow of the Financial Securities Institute of Australasia and holds a Master of Commerce from the University of New South Wales. Sean is a Fellow of the Institute of Chartered Accountants in Australia, a Fellow of the Chartered Institute of Securities and Investments in the UK and holds a Bachelor of Commerce degree from the University of Queensland. Both Ian and Sean have a significant number of years experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than KPMG Corporate Finance's opinion as to whether the Updated Offer is fair and reasonable to the ANI Unitholders. KPMG Corporate Finance expressly disclaims any liability to any ANI Unitholder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

Other than this report, neither KPMG Corporate Finance nor the KPMG Partnership has been involved in the preparation of the Second Supplementary Target's Statement or any other document prepared in respect of the Updated Offer. Accordingly, we take no responsibility for the content of the Second Supplementary Target's Statement as a whole or other documents prepared in respect of the Updated Offer.

We note that the forward-looking financial information prepared by the Company does not include estimates as to the potential impact of any future changes in taxation legislation in Australia and New Zealand. Future taxation changes are unable to be reliably determined at this time.

Independence

In addition to the disclosures in our Financial Services Guide, it is relevant to a consideration of our independence that, during the course of this engagement, KPMG Corporate Finance provided draft copies of this report to management of ANI for comment as to factual accuracy, as opposed to opinions which are the responsibility of KPMG Corporate Finance alone. Changes made to this report as a result of those reviews have not altered the opinions of KPMG Corporate Finance as stated in this report.

Consent

KPMG Corporate Finance consents to the inclusion of this report in the form and context in which it is included with the Second Supplementary Target's Statement to be issued to the ANI Unitholders. Neither the whole nor the any part of this report nor any reference thereto may be included in any other document without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears.

Declarations

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board (APESB). KPMG Corporate Finance and the individuals responsible for preparing this report have acted independently.

Appendix 2 – Impact on earnings and distributions of ANI Unitholders as part of the Combined Group

The calculation of EPU is not straight forward due to a number of assumptions including:

- the treatment of cash payments and earnings from any reinvestment of these amounts
- the timing of assets sales
- the treatment of transaction costs.

In assessing the EPU, we have considered what the EPU will be for ANI Unitholders on a go forward basis. We have also considered the impact of acceptance of the Updated Offer by ANI Unitholders to their entitlement to FY15 and FY16 EPU and DPU, assuming TIX achieves 100% ownership of ANI.

We set out below the EPU and DPU guidance provided by ANI relative to the equivalent EPU and DPU per ANI Unit applied under the Scrip Ratio.

Table 4: ANI EPU and DPU guidance relative to ANI equivalent in the Combined Group

Cents per unit unless otherwise stated	EPU	DPU[1]
FY15		
ANI guidance	19.4	18.2
Combined Group pro forma[2]	21.1	20.0
ANI equivalent	19.0	18.0
Accretion / (dilution) to ANI guidance	(0.4)	(0.2)
Accretion / (dilution) to ANI guidance (%)	(2.2%)	(0.9%)
FY16 - Assuming sales of non-core assets occur on 31 March 2016		
ANI guidance	20.4	19.2
Combined Group pro forma[2,3]	22.3	21.6
ANI equivalent	20.1	19.4
Accretion / (dilution) to ANI guidance	(0.3)	0.2
Accretion / (dilution) to ANI guidance (%)	(1.6%)	1.3%
FY16 - Assuming sales of non-core assets occur on 1 July 2015		
ANI guidance	20.4	19.2
Combined Group pro forma[2]	21.0	20.4
ANI equivalent	18.9	18.4
Accretion / (dilution) to ANI guidance	(1.5)	(0.8)
Accretion / (dilution) to ANI guidance (%)	(7.2%)	(4.4%)

Source: Third Supplementary Bidder's Statement, Second Supplementary Target's Statement; KPMG Corporate Finance analysis
Note: Numbers may not cast due to rounding
Note 1: Combined Group pro forma DPU assumes a payout ratio of 95% in FY15 and 97% in FY16
Note 2: Combined Group pro forma EPU assumes that cost savings equating to 3bps of gross asset values are achieved, as indicated in the Bidder's Statement
Note 3: Based on the Third Supplementary Bidder's Statement, for which detailed assumptions used in calculating EPU have not been disclosed

In relation to the ANI's equivalent EPU and DPU relative to guidance, we note:

- ANI EPU guidance is based on distributable earnings. This measure of earnings is broadly aligned with the operating earnings upon which the Combined Group EPU is based
- the ANI equivalent EPU and DPU is based on the Combined Group's pro forma, adjusted to reflect an ANI Unitholder's equivalent at the Scrip Ratio of 0.90 TIX units
- the Updated Offer will result in dilution of FY15 and FY16 EPU for ANI Unitholders, with the level of dilution varying depending on the timing of 'non-core' asset sales
- the Combined Group pro forma EPU assumes that cost savings equating to 3bps of gross asset values are achieved, as indicated in the Bidder's Statement. Should these savings not be achieved, the extent of EPU dilution will be greater
- 360 Capital has outlined its intention to dispose of three properties that it considers to be 'non-core', and for the purpose of assessing the impact on EPU, has assumed that this occurs on 31 March 2016. The outcome of the disposal will result in dilution of ANI's FY16 EPU by approximately 1.6%
- given the uncertainty as to the timing of the sale of non-core assets, EPU dilution has been calculated assuming that the sale of these assets takes place on 1 July 2015. This scenario demonstrates that the full-year impact on EPU from disposal of these properties would be a dilution of approximately 7.2%. We note, however, that the dilution which results from the sale of these properties could be reduced in the event that the capital proceeds received upon sale are redeployed to acquire other investment properties
- the forecast EPU and DPU figures set out above do not include the reinvestment by ANI Unitholders of the net of tax proceeds from the Revised Cash Payment or the Cash Consideration
- given that DPU is a function of the payout ratio selected by the responsible entity, EPU represents the more meaningful measure of financial performance. We note that ANI guidance DPU is based on a payout ratio of 94%, whereas Combined Group pro forma DPU (and therefore the ANI equivalent) is based on the Third Supplementary Bidder's Statement released by 360 Capital on 24 March 2015, at a payout ratio of 97%, which has been increased from the 95% assumed in the Bidder's Statement. The increase in the payout ratio has reduced the dilution in DPU, whilst the dilution in EPU remains.

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PART TWO – FINANCIAL SERVICES GUIDE

Dated 31 March 2015

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by KPMG Financial Advisory Services (Australia) Pty Ltd **ABN 43 007 363 215**, Australian Financial Services Licence Number 246901 (of which KPMG Corporate Finance is a division) **(KPMG Corporate Finance)** and Ian Jedlin as an authorised representative of KPMG Corporate Finance **(Authorised Representative)**, authorised representative number 404177, and Sean Collins as an authorised representative of KPMG Corporate Finance, authorised representative number 404189.

This FSG includes information about:

- KPMG Corporate Finance and its Authorised Representative and how they can be contacted
- the services KPMG Corporate Finance and its Authorised Representative are authorised to provide
- how KPMG Corporate Finance and its Authorised Representative are paid
- any relevant associations or relationships of KPMG Corporate Finance and its Authorised Representative
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and the compensation arrangements that KPMG Corporate Finance has in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG Corporate Finance.
This FSG forms part of an Independent Expert's Report (Report) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (PDS). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

Financial services that KPMG Corporate Finance and the Authorised Representative are authorised to provide

KPMG Corporate Finance holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- deposit and non-cash payment products;
- derivatives;
- foreign exchange contracts;
- government debentures, stocks or bonds;
- interests in managed investment schemes including investor directed portfolio services;
- securities, and
- superannuation,

to retail and wholesale clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG Corporate Finance to provide financial product advice on KPMG Corporate Finance's behalf.

KPMG Corporate Finance and the Authorised Representative's responsibility to you

KPMG Corporate Finance has been engaged by Fife Capital Group (Client) to provide general financial product advice in the form of a Report to be included in the Second Supplementary Target's Statement (Document) prepared by Australian Industrial REIT in relation to the Updated Offer for 360 Capital to acquire all units in Australian Industrial REIT (Transaction).

You have not engaged KPMG Corporate Finance or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Document. Neither KPMG Corporate Finance nor the Authorised Representative are acting for any person other than the Client.
KPMG Corporate Finance and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As KPMG Corporate Finance has been engaged by the Client, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.
You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.
You should also consider the other parts of the Document before making any decision in relation to the Transaction.

Fees KPMG Corporate Finance may receive and remuneration or other benefits received by our representatives

KPMG Corporate Finance charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay KPMG Corporate Finance $290,000 for preparing the Report inclusive of our original independent expert's report. KPMG Corporate Finance and its officers, representatives, related

entities and associates will not receive any other fee or benefit in connection with the provision of the Report. KPMG Corporate Finance officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the KPMG Partnership). KPMG Corporate Finance's representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.
Further details may be provided on request.

Referrals

Neither KPMG Corporate Finance nor the Authorised Representative pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures KPMG Corporate Finance is controlled by and operates as part of the KPMG Partnership. KPMG Corporate Finance's Independent Directors and Authorised Representatives may be partners in the KPMG Partnership. The Authorised Representative is a partner in the KPMG Partnership. The financial product advice in the Report is provided by KPMG Corporate Finance and the Authorised Representative and not by the KPMG Partnership.
From time to time KPMG Corporate Finance, the KPMG Partnership and related entities (KPMG entities) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.
KPMG entities have provided, and continue to provide, a range of tax and advisory services to the Client for which professional fees are received. Over the past two years professional fees in the order of $10,000 have been received from the Client. None of those services have related to the Updated Offer or alternatives to the Updated Offer.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let either KPMG Corporate Finance or the Authorised Representative know. Formal complaints should be sent in writing to The Complaints Officer, KPMG, PO Box H67, Australia Square, Sydney NSW 1213. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 9335 7000 and they will assist you in documenting your complaint.
Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External complaints resolution process

If KPMG Corporate Finance or the Authorised Representative cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.
Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:

Address:	Financial Ombudsman Service Limited, GPO Box 3, Melbourne Victoria 3001
Telephone:	1300 78 08 08
Facsimile:	(03) 9613 6399 Email: info@fos.org.au.

The Australian Securities and Investments Commission also has a freecall infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG Corporate Finance has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details

You may contact KPMG Corporate Finance or the Authorised Representative using the contact details:
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A division of KPMG Financial Advisory Services (Australia) Pty Ltd
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PO Box H67
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Corporate directory

Australian Industrial REIT
ARSN 165 651 301

Responsible Entity
Fife Capital Funds Limited
ABN 18 130 077 735
AFSL 438693

Board of Directors of the Responsible Entity
Rod Pearse OAM (Independent Chairman)
Allan Fife (Managing Director)
Peter Dransfield (Independent Non-executive Director)
Michael Allen (Independent Non-executive Director)
John Hudson (Non-executive Director)

Secretaries of the Responsible Entity
Allan Fife
Keir Barnes

Registered Office of the Responsible Entity
Level 12
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Sydney NSW 2000

Legal Advisers
King & Wood Mallesons
Level 61, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Financial Advisers
Fort Street Advisers Pty Ltd
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1 O'Connell Street
Sydney NSW 2000

UBS AG, Australia Branch
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Unit Registry
Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000

Locked Bag A14
Sydney South NSW 1235

RM-15036

AUSTRALIAN INDUSTRIAL REIT