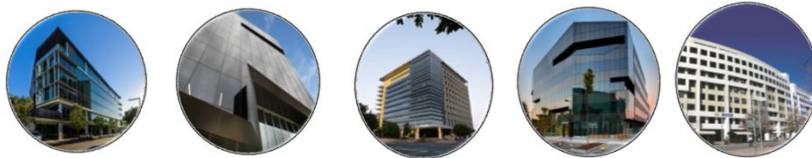


360 Capital

OFFICE FUND



2016 Annual Results Presentation

ASX: TOF

17 August 2016

Table of contents

2016 Annual Results Presentation

1	At a glance
2	Key achievements
3	Earnings & distributions
4	Assets & liabilities
5	Capital management
6	Portfolio management
7	Portfolio overview
8	Reinvestment capacity
9	Peer comparison
10	Outlook & guidance

Appendices

A	Balance sheet
B	Profit & loss statement
C	Operating earnings reconciliation
D	Portfolio metrics



1

At a glance

\$207.9m

Portfolio value

4.7 year

WALE

99.2%

Occupancy

**A
Grade
Portfolio**

18.0cpu

FY16
Operating earnings

17.0cpu

FY16
Distributions





17.8%

Gearing

~70%

Forecast FY16
tax deferred

TOF continues its focus on creating Unitholder value and sustainable EPU and DPU growth

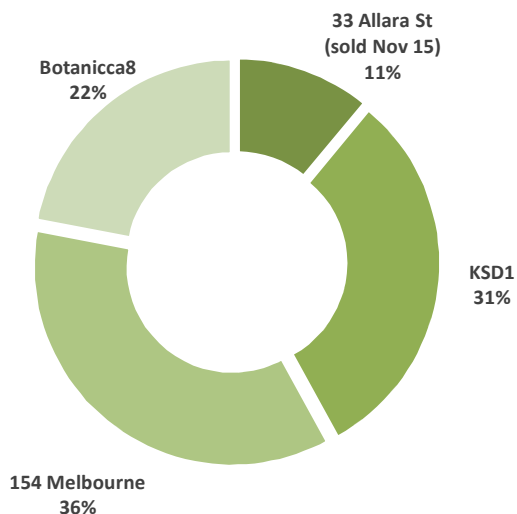
		Achievement
Portfolio management		<ul style="list-style-type: none"> • Leased over 9,600sqm; representing 24.7% of the portfolio¹ • Sale of non-core asset for \$29.0m • Revaluation uplift of \$11.8m or 6.0%, with potential further uplift post leasing • Weighted average cap rate (WACR) firmed by 29bp to 7.12%
Capital Management		<ul style="list-style-type: none"> • Conservative balance sheet, with gearing now 17.8% • Actively managed capital base, reducing gearing whilst increasing NTA per Unit • Post period reduced over hedging position to be in line with current drawn debt • Debt financing to be extended upon redeployment of current capacity
Reinvestment		<ul style="list-style-type: none"> • \$60.0m of balance sheet capacity (gearing at ~35.0% fully deployed) • Patient approach, targeting A-grade assets of similar quality to current portfolio • Value range \$50.0m to \$60.0m; cap rate range 7.00% to 7.50% • Resultant EPU 18.20 to 18.50cpu on a fully deployed basis²
Unitholder returns		<ul style="list-style-type: none"> • Total Unitholder return of 39.6% since listing • NTA per Unit increase of 5.1% since June 2015 • Distribution yield of 7.6%; Earnings yield of 8.0%³ • Focused on long-term sustainable EPU and DPU growth, not FUM growth

High quality assets with strong underlying earnings

1. Based on area of 38,835 sqm including 33 Allara Street, Canberra ACT
2. Based on full year reinvestment
3. Based on closing price on 30 June 2016 of \$2.25 per unit.

- Operating EPU skewed to first half FY16 due to income from Allara St
- Statutory EPU higher than Operating EPU due to
 - Revaluation gains on investment property, offset by mark to market movement in derivatives
- Operating EPU in line with guidance at 18.0cpu
- DPU in line with guidance at 17.0cpu

Operating income composition



	30 June 16 (\$m)	30 June 15 (\$m)	Change
Operating income	20,626	22,228	▼ -7.2%
Property expenses	(3,396)	(3,729)	
Fund expenses	(1,721)	(2,004)	
Finance costs	(2,320)	(2,530)	
Operating earnings¹	13,189	13,965	▼ -5.6%
Non-cash items	7,249	(1,563)	
Statutory net profit	20,438	12,402	▲ 64.8%
Units on issue	73,280	75,590	

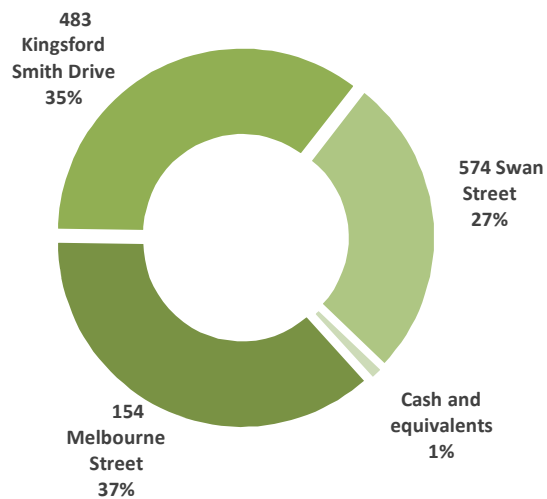
Operating EPU	18.0 cents	18.5 cents	▼ -2.7%
Statutory EPU	27.9 cents	16.4 cents	▲ 70.1%
DPU	17.0 cents	17.0 cents	-

Notes

1. Operating earnings is statutory net profit adjusted for amortisation of incentives and leasing fees, fair value adjustments on properties and derivatives, loss on sale of properties, amortisation of borrowing costs, straight-lining of lease revenue and outstanding duty

- Total assets reduced as a result of the sale of Allara Street; offset by revaluation gains of \$11.8m on Bottanica8 and KSD1
- Liabilities reduced as net proceeds from sale used to repay debt
- \$60.0m of balance sheet capacity to pursue acquisitions
- NTA per Unit increase of 5.1% due to revaluation gains
- Conservative gearing of 17.8% provides significant capacity

Asset composition



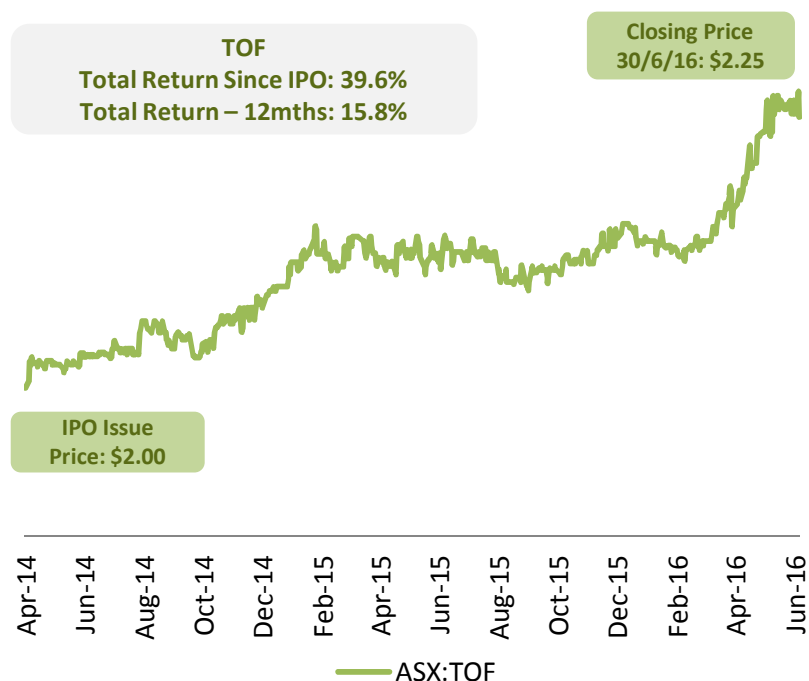
Notes

1. Gearing is defined as total borrowings less cash divided by total assets less cash

	30 June 16 (\$m)	30 June 15 (\$m)	Change
Cash	2,590	3,421	
Receivables	489	988	
Investment properties	207,900	226,100	
Total assets	210,979	230,509	▼ -8.5%
Payables	1,507	2,391	
Distributions	3,114	3,114	
Borrowings	39,445	67,983	▼ -42.0%
Financial instruments	2,107	195	
Total liabilities	46,173	73,683	▼ -37.3%

Net assets	164,806	156,826	5.1%
Units on issue (000)	73,280	73,280	
NTA per Unit	\$2.25	\$2.14	5.1%
Gearing¹	17.8%	28.7%	▼ -40.0%

Equity – trading at NTA per Unit



- Disciplined equity management
- No dilutive capital raisings
- Actively managing existing capital base, reducing gearing, increasing NTA and improving earnings quality

Notes

1. Reduced post period from \$70.0m to \$40.0m
2. Excluding margin
3. Weighted average debt cost reflect post period \$40m hedge amount

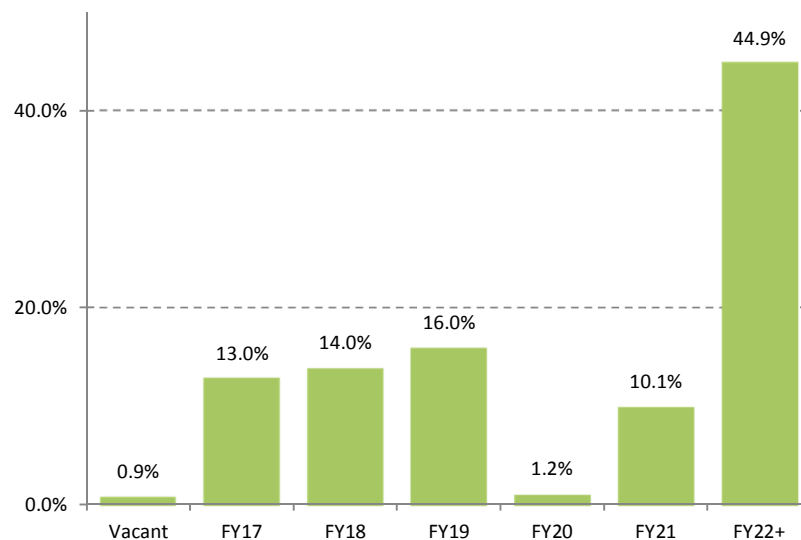
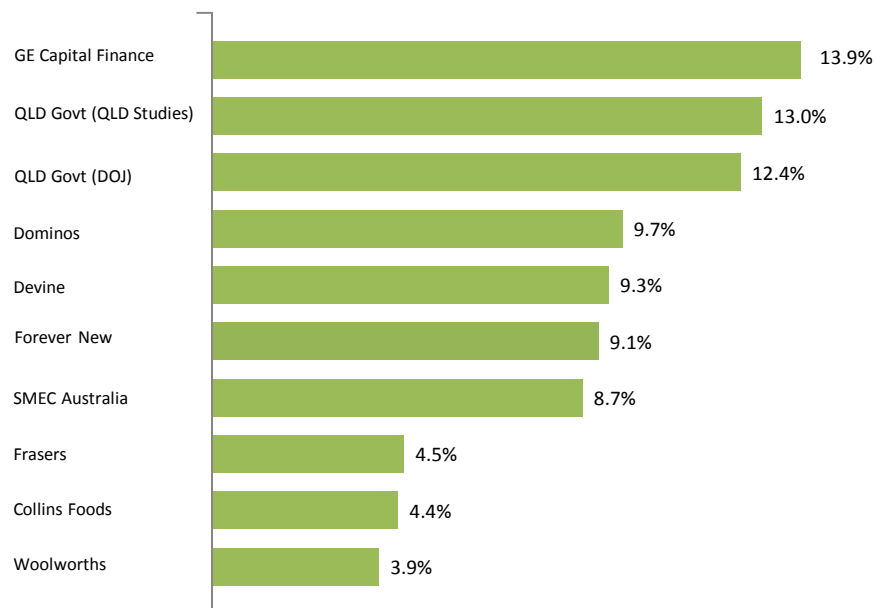
Debt

Debt Terms	
Banks:	NAB and Bankwest
Expiry:	April-17
Facility limit:	\$80.0m
Drawn:	\$39.7m
Gearing:	17.8%
Hedged amount ¹ :	\$40.0m or 102%
Weighted average hedge rate ² :	2.64%
Weighted average hedge term:	3.6 years

Covenant summary

Covenant	Actual	Limit	Headroom
Loan to value:	19.1%	50.0%	30.9%
Interest cover:	6.7 times	2.0 times	4.7 times

- Post period over-hedging reduced in line with drawn debt
- Weighted average hedge term 3.6 years; weighted average debt cost currently 4.8%³; debt cost will reduce post redeployment of capacity
- Debt financing to be extended upon redeployment of current capacity

Lease expiry profile¹Top 10 tenants¹

FY2017 lease expiries

Tenant	Address	Area (sqm)	Income (\$m)	Proportion of total Income (%)	Expiry
Queensland Government (QLD Studies)	154 Melbourne Street	3,700	2.1	13.0%	Jun 17

FY2018 lease expiries²

Tenant	Address	Area (sqm)	Income (\$m)	Proportion of total Income (%)	Expiry
Frasers Australia	154 Melbourne Street	1,086	0.7	4.5%	Aug 17
SMEC Australia	154 Melbourne Street	2,180	1.4	8.7%	Oct 17

1. Based on gross passing rent (excluding car parking)

2. Excluding minor retail tenants

154 Melbourne Street, South Brisbane QLD

Summary metrics

Building grade	A-grade
Building constructed	2009
Net Lettable Area	11,301
Car parking	102
WALE	1.9 years
Occupancy	100%
NABERS rating	5 Stars

Ownership

Ownership Interest	100%
Title	Freehold

Valuation summary

Valuation	\$77.5m
Capitalisation rate	7.50%
Last external date	Mar-15
Valuer	Jones Lang LaSalle

483 Kingsford Smith Drive, Brisbane QLD

Summary metrics

Building grade	A-grade
Building constructed	2013
Net Lettable Area	9,322
Car parking	192
WALE	7.5 years
Occupancy	98%
NABERS rating	4.5 Stars

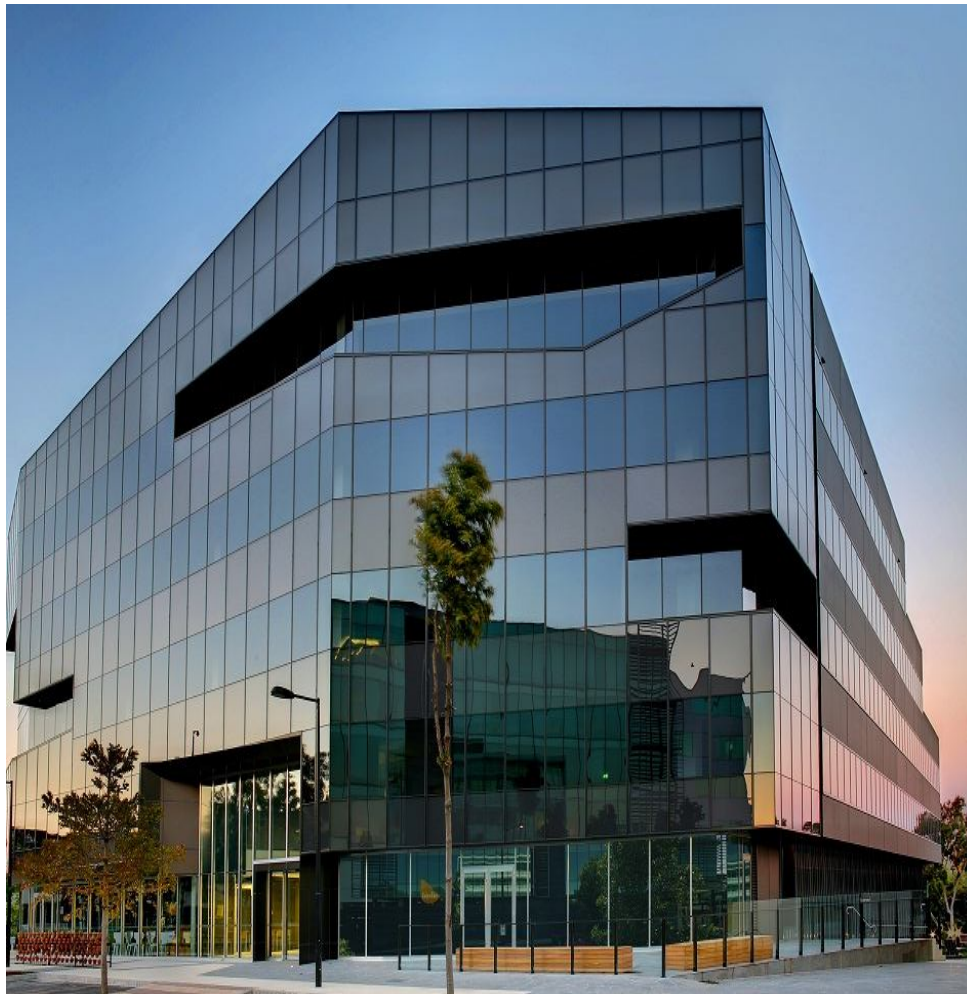
Ownership

Ownership Interest	100%
Title	Freehold

Valuation summary

Valuation	\$74.4m
Capitalisation rate	7.00%
Last external date	April 2016
Valuer	M3 Property

576 Swan Street, Richmond VIC



Summary metrics

Building grade	A-grade
Building constructed	2013
Net Lettable Area	8,331
Car parking	212
WALE	5.7 years
Occupancy	100.0%
NABERS rating	Exempt

Ownership

Ownership Interest	100%
Title	Freehold

Valuation summary

Valuation	\$56.0m
Capitalisation rate	6.75%
Last external date	May-16
Valuer	Urbis

Existing portfolio

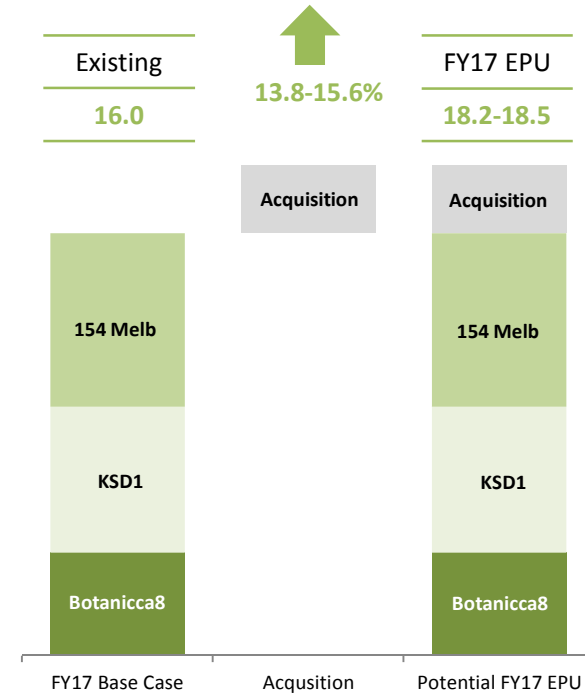
Target acquisition

Fully deployed capacity



Value:	\$50.0 - \$60.0m
Target Yield:	7.0% - 7.5%
Capacity ¹ :	Up to \$60.0m

- TOF significantly de-risked and of superior asset quality to its peers
- \$60.0m¹ of balance sheet capacity
- Yields have firmed, however TOF can entirely debt fund its next acquisition
- Focused on acquiring complementary assets that provide long-term EPU growth and Unitholder value

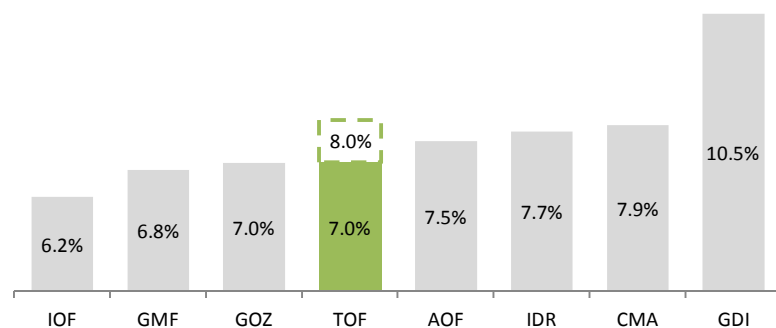


TOF remains focused on acquiring A-grade suburban assets in proven leasing markets

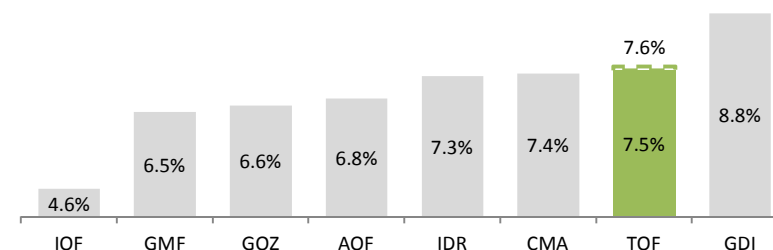
1. Balance sheet capacity to remain within targeted gearing range of 30% to 35%
2. Based on full year reinvestment

FY17 earnings yield¹

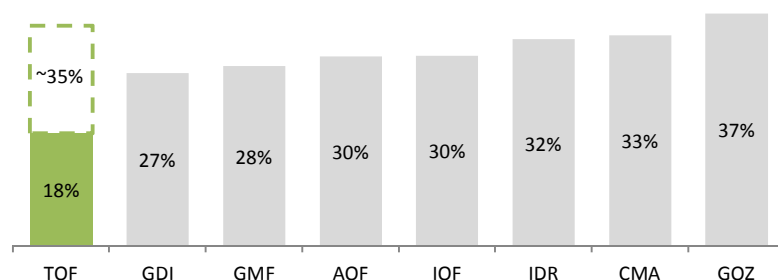
Average 7.7%

FY17 distribution yield¹

Average 6.9%

Gearing²

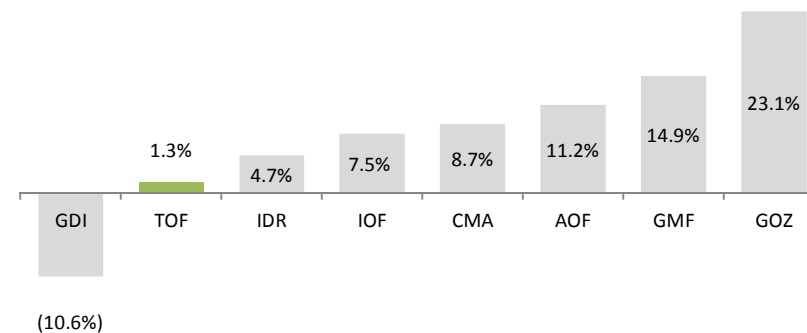
Average 31.1%



Assumes TOF redeploy at higher end of asset value range

Premium/(discount) to NTA³

Average 8.5%



Sources: Moelis research, Capital IQ, Thomson consensus estimates and company reports

CMA: Centuria Metropolitan REIT, GMF: GPT Metro Fund, GDI: GDI Property Limited, IDR: Industria REIT, TOF: 360 Capital Office Fund, IOF: Investa Office Fund, AOF: Australia Unity Office Fund, GOZ: Growthpoint

1. FY17 earnings and distribution yields based on guidance and consensus estimates (market prices as at 12 August 2016)

2. Stated gearing calculated as net debt divided by total assets less cash as at the date of this presentation according to company filings

3. All NTAs as last reported as at the date of this presentation according to company filings

Market outlook

- Cap rates have continued to compress in line with historically low debt costs and increased offshore capital
- Tightening credit policy and recent global volatility may limit medium term demand

Operating outlook

- Leasing current retail vacancy and renewal of June 17 expiry
- Normalised EPU 18.2cpu to 18.5cpu post reinvestment of balance sheet capacity
- DPU guidance will be reviewed in December 2016, subject to timing of reinvestment
- EPU guidance to be provided post reinvestment

Key focus

- Execute leasing strategy and revaluation of 154 Melbourne Street, Brisbane
- Reinvest capacity into A-grade suburban assets in proven leasing markets
- Debt financing to be extended upon redeployment of current capacity

DPU GUIDANCE

1H17
Distribution
guidance
8.50cpu

Questions?

Appendices



Balance sheet

Balance sheet	30 June 16 (\$'000)	30 June 15 (\$'000)
Assets		
Cash and cash equivalents	2,590	3,421
Trade and other receivables	489	988
Investment properties held for sale	-	-
Investment properties	207,900	226,100
Total assets	210,979	230,509
Liabilities		
Trade and other payables	1,507	2,391
Distribution payable	3,114	3,114
Borrowings	39,445	67,983
Derivative financial instruments	2,107	195
Total liabilities	46,173	73,683
Net assets	164,806	156,826
Units on issue ('000)	73,280	73,280
NTA per Unit (\$)	2.25	2.14

Profit and loss statement	30 June 16 (\$'000)	30 June 15 (\$'000)
Rental income	19,748	20,624
Finance revenue	65	119
Net gain on fair value of investment properties	11,750	5,569
Total income	31,563	26,312
Investment property expenses	3,396	3,729
Management Fees	1,452	1,486
Other expenses	403	1,317
Finance costs	2,605	2,792
Net loss on fair value of rental guarantee	36	2,414
Net loss on derivative financial instruments	1,912	1,149
Net loss on sale of properties	1,321	1,023
Statutory net profit	20,438	12,402
Weighted average units on issue ('000)	73,280	75,590
Statutory EPU (cents)	27.9	16.4



Operating earnings reconciliation

Operating earnings reconciliation	30 June 16 (\$'000)	30 June 15 (\$'000)
Statutory net profit	20,438	12,402
Specific non-cash items		
Net gain on fair value of investment properties	(11,750)	(5,569)
Loss/(gain) on fair value of rental guarantee	36	2,414
Rental guarantee cash received	1,111	1,237
Net loss on derivative financial instruments	1,912	1,149
Amortisation of borrowing costs	285	262
Straight-lining of lease revenue	(1,225)	(17)
Amortisation of incentives and leasing fees	927	264
Significant items		
Net loss on sale property	1,321	1,023
Provision for outstanding duty	134	800
Operating earnings	13,189	13,965
Weighted average units on issue ('000)	73,280	75,590
Operating EPU (cents)	18.0	18.5
DPU (cents)	17.0	17.0

D Portfolio metrics

	Property address	State	Value (\$m)	Last valued	Cap. rate (%)	Area (sqm)	Occupancy (%)	WALE (years)
1	154 Melbourne Street	QLD	77.5	Mar-15	7.50	11,301	100	1.9
2	483 Kingsford Smith Drive	QLD	74.4	Apr-16	7.00	9,322	98	7.5
3	576 Swan Street	VIC	56.0	May-16	6.75	8,331	100	5.7
	Portfolio Total		207.9		7.12	28,954	99.2	4.7

Disclaimer

This presentation has been prepared by 360 Capital Investment Management Limited (ACN 133 363 185, AFSL 340304) as responsible entity of the 360 Capital Office Fund (ARSN 106 453 196) ('TOF' or the 'Fund').

All information and statistics in this presentation are current as at 17 August 2016 unless otherwise specified. It contains selected summary information and does not purport to be all-inclusive or to contain all of the information that may be relevant, or which a prospective investor may require in evaluations for a possible investment in 360 Capital. It should be read in conjunction with 360 Capital's other periodic and continuous disclosure announcements which are available at www.360capital.com.au. The recipient acknowledges that circumstances may change and that this presentation may become outdated as a result. This presentation and the information in it are subject to change without notice and 360 Capital is not obliged to update this presentation.

This presentation is provided for general information purposes only. It is not a product disclosure statement, pathfinder document or any other disclosure document for the purposes of the Corporations Act and has not been, and is not required to be, lodged with the Australian Securities & Investments Commission. It should not be relied upon by the recipient in considering the merits of TOF or the acquisition of securities in TOF. Nothing in this presentation constitutes investment, legal, tax, accounting or other advice and it is not to be relied upon in substitution for the recipient's own exercise of independent judgment with regard to the operations, financial condition and prospects of TOF.

The information contained in this presentation does not constitute financial product advice. Before making an investment decision, the recipient should consider its own financial situation, objectives and needs, and conduct its own independent investigation and assessment of the contents of this presentation, including obtaining investment, legal, tax, accounting and such other advice as it considers necessary or appropriate. This presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. It is not an invitation or offer to buy or sell, or a solicitation to invest in or refrain from investing in, securities in 360 Capital or any other investment product.

The information in this presentation has been obtained from and based on sources believed by 360 Capital to be reliable. To the maximum extent permitted by law, 360 Capital and its related bodies corporate make no representation or warranty, express or implied, as to the accuracy, completeness, timeliness or reliability of the contents of this presentation. To the maximum extent permitted by law, 360 Capital does not accept any liability (including, without limitation, any liability arising from fault or negligence) for any loss whatsoever arising from the use of this presentation or its contents or otherwise arising in connection with it.

This presentation may contain forward-looking statements, guidance, forecasts, estimates, prospects, projections or statements in relation to future matters ('Forward Statements'). Forward Statements can generally be identified by the use of forward looking words such as "anticipate", "estimates", "will", "should", "could", "may", "expects", "plans", "forecast", "target" or similar expressions. Forward Statements including indications, guidance or outlook on future revenues, distributions or financial position and performance or return or growth in underlying investments are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No independent third party has reviewed the reasonableness of any such statements or assumptions. No member of 360 Capital represents or warrants that such Forward Statements will be achieved or will prove to be correct or gives any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any Forward Statement contained in this presentation. Except as required by law or regulation, 360 Capital assumes no obligation to release updates or revisions to Forward Statements to reflect any changes.

All dollar values are in Australian dollars (\$) or A\$) unless stated otherwise. The recipient should note that this presentation contains pro forma financial information, including a pro forma balance sheet.