

12 September 2014

**360 CAPITAL INTENDS TO REQUISITION A UNITHOLDER MEETING
TO REMOVE CENTURIA PROPERTY FUNDS LIMITED
AS RESPONSIBLE ENTITY OF \$113.2 MILLION CENTURIA DIVERSIFIED DIRECT PROPERTY FUND**

360 Capital Group (ASX code: TGP) ("Group") and its associated entities announce it intends to call a meeting of unitholders in the Centuria Diversified Direct Property Fund ("Fund") proposing to remove Centuria Property Funds Limited ("Centuria") as the responsible entity of the Fund and replace Centuria with 360 Capital Investment Management Limited as responsible entity.

As the largest unitholder in the Fund (holding 19.9% of units on issue), in order to protect unitholder value, 360 Capital has no option but to seek to remove Centuria as responsible entity due to Centuria's persistent refusal over three years to provide promised liquidity to all unitholders in the Fund.

Since Centuria's appointment as responsible entity in 2010, distributions to unitholders have halved, reducing from 8.00cpu p.a. to a forecast of 4.00cpu p.a. for FY15, and the Fund's NTA per Unit has also reduced, despite a rising property market over this period.

This lack of promised liquidity and decline in unitholder value is not acceptable to 360 Capital.

Centuria, owning only 0.01% of Fund units, received in excess of \$1.7 million in fees in FY13.

A number of other unitholders in the Fund support 360 Capital's proposal to change the responsible entity and provide liquidity in order to improve total returns. As an indication, if appointed responsible entity of the Fund, 360 Capital will purchase the units from the second largest unitholder of the Fund taking its overall stake to 25.8%.

360 Capital's investment philosophy is to co-invest alongside its unitholders and it now has in excess of \$125.0 million of capital committed to co-investment across its \$1.1 billion platform. 360 Capital has a strong track record of listening to unitholders requests and has now provided a liquidity opportunity across all funds and trusts it manages.

If appointed responsible entity of the Fund, 360 Capital will undertake to:

- provide meaningful liquidity to all unitholders
- reduce management fees by more than 1/3 immediately
- increase distributions to all unitholders immediately
- commence a disposal program to provide further liquidity immediately

The time and date of the unitholder meeting will be set out in the notice of meeting which will be sent to all unitholders in the Fund.

360 Capital will similarly seek liquidity for unitholders in other Centuria managed funds where 360 Capital has an investment.

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

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About 360 Capital Group (ASX code TGP)

360 Capital Group is an ASX-listed, property investment and funds management group concentrating on strategic investment and active investment management of property assets. The company actively invests in direct property assets, property securities and various corporate real estate acquisitions within Australian real estate markets on a private equity basis. 360 Capital Group's 21 full time staff have significant property, funds and investment management experience. 360 Capital Group manages nine investment vehicles holding assets valued at approximately \$1.0 billion on behalf of over 10,800 investors, has over \$100 million worth of co-investments across the 360 Capital Group platform and owns a direct asset valued at \$38.5 million.

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360 Capital Group

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