

360 Capital

G r o u p

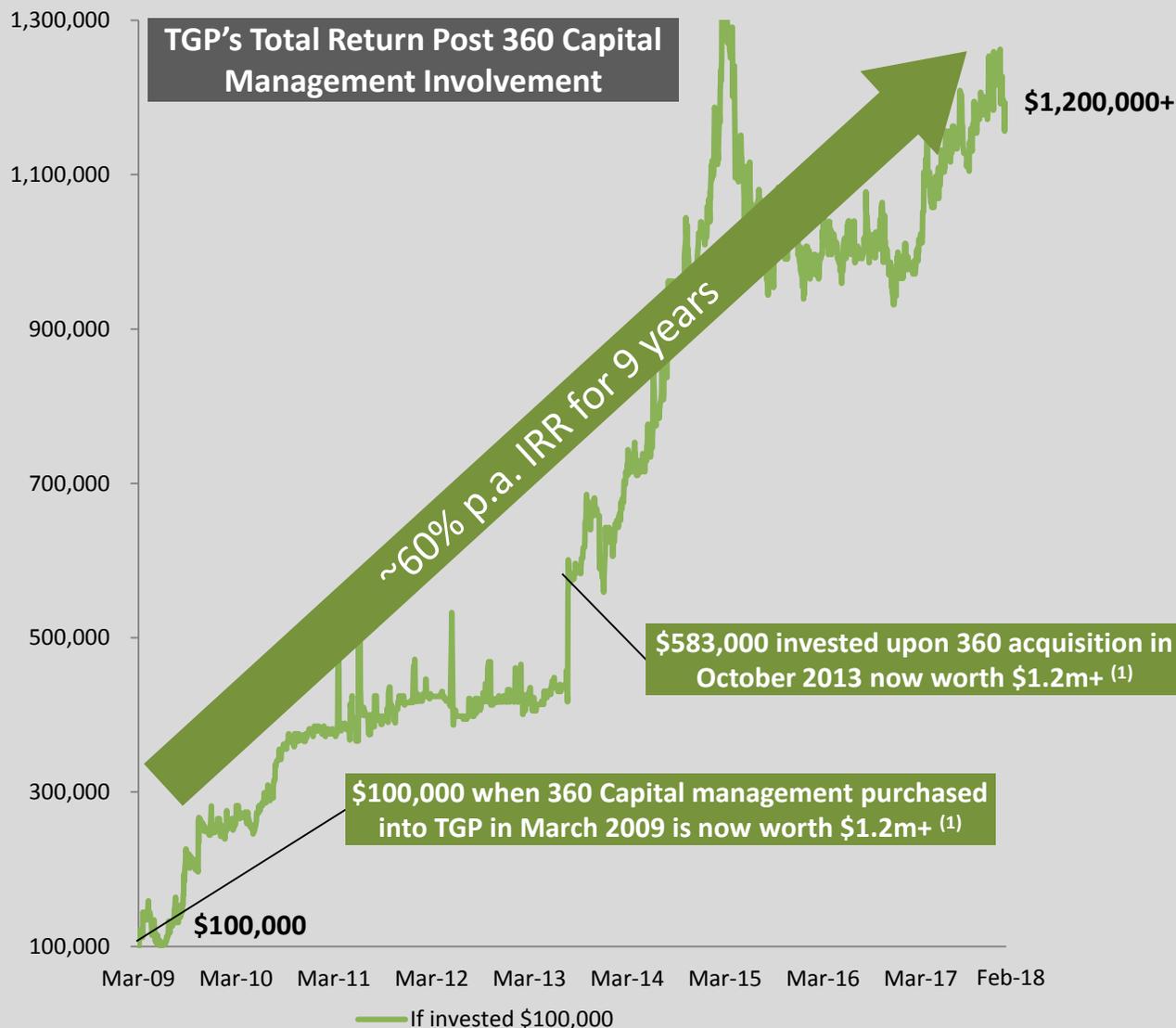


2018 HALF YEAR RESULTS PRESENTATION

360 CAPITAL GROUP

ASX: TGP

28 FEBRUARY 2018



360 Capital's Philosophy

We are:

- High-conviction investors
- Active with our investments
- Aligned with our investors – TGP is 33.7% owned by staff/directors
- Focused on shareholder returns
- Patient with our investment approach, recognising investment cycles
- Responsive to these investment cycles and manage our capital to capitalise on these economic trends

We are NOT:

- Passive asset accumulators
- Focused on FUM
- Fixated on short-term returns
- Wedded to assets we own
- Herd followers

1. On a total return basis assuming dividends were reinvested. Since 360 Capital's initial strategic stake in Trafalgar (ASX:TGP), through which 360 Capital later listed

Demonstrated History of Identifying, Securing, Repositioning and Realising Opportunities Across Corporate and Direct Real Estate

Corporate Transactions⁽¹⁾

Secured >\$3.0 Billion in Real Estate Through Corporate Transactions



~60% IRR ⁽²⁾



10x Return on Cost⁽³⁾



~45% IRR

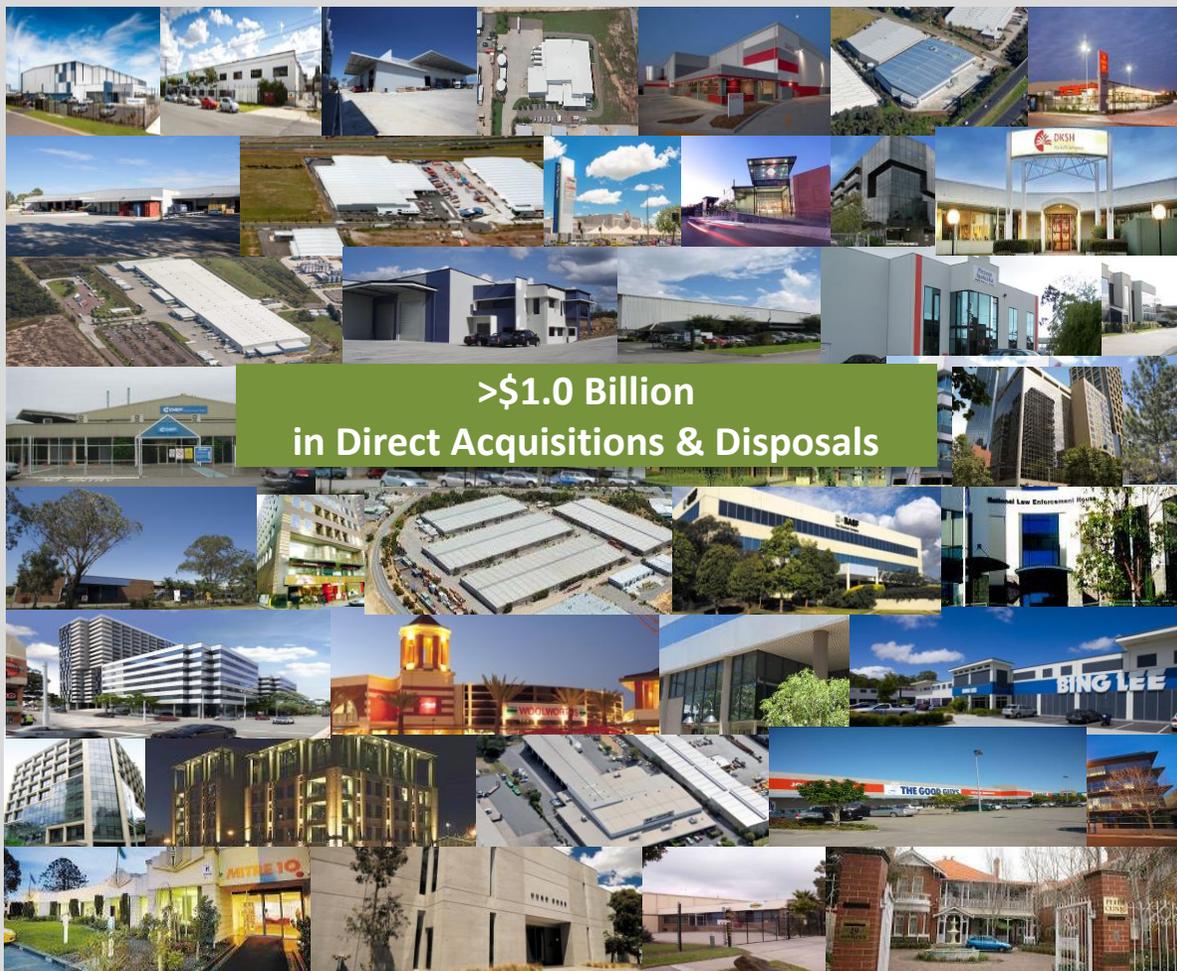


18% IRR⁽⁴⁾



~50-60% IRR⁽⁵⁾

Direct Real Estate Transactions



>\$1.0 Billion in Direct Acquisitions & Disposals

1. Various entities managed by 360 Capital Group (including 360 Capital Industrial Fund, 360 Capital Office Fund, and 360 Capital Total Return Fund) were involved in these transactions. All return metrics are high-level management estimates for illustrative purposes only.

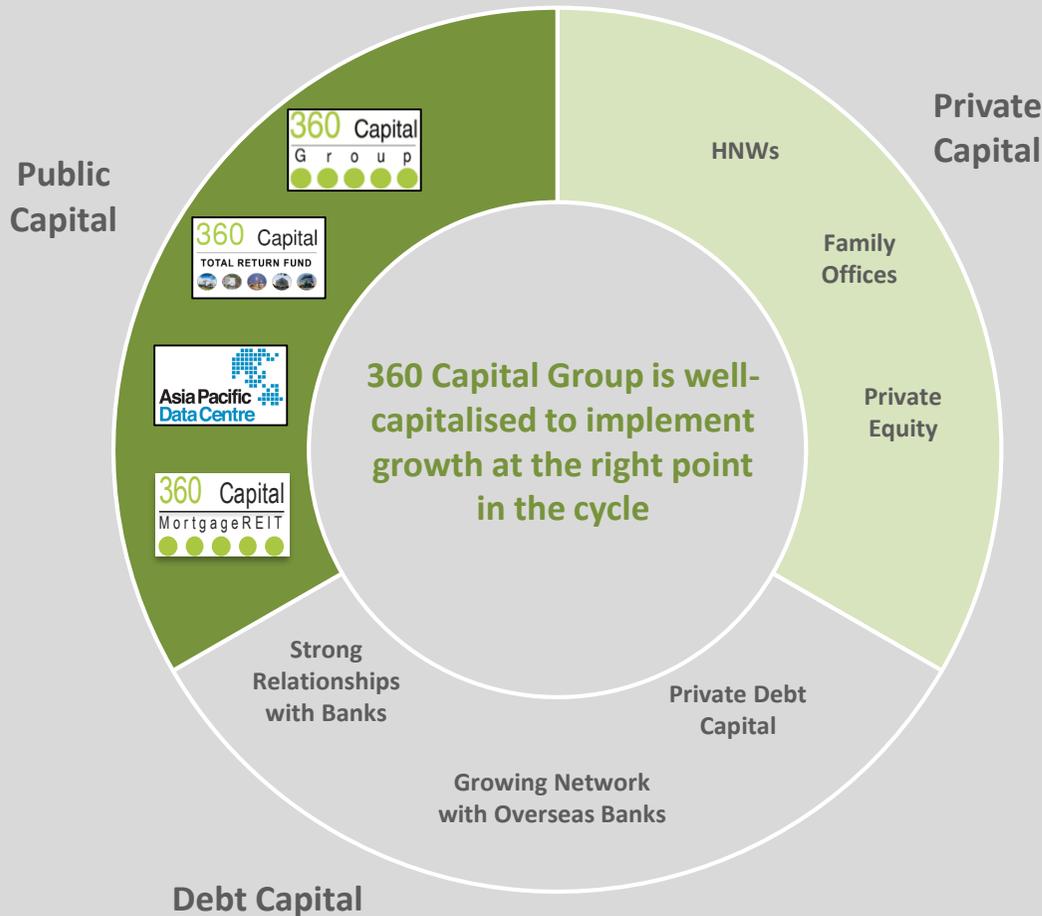
2. On a total return basis assuming dividends were reinvested. Since 360 Capital management's initial strategic stake in Trafalgar (ASX:TGP), through which 360 Capital later listed.

3. Based on initial acquisition and final exit. Does not account for movements throughout the hold period.

4. Management estimate. Includes both 360 Capital Group and 360 Capital Total Return Fund cash. Subject to successful completion of current sales campaign by Asia Pacific Data Centre Group.

5. Subject to successful completion of current sales campaign by Asia Pacific Data Centre Group.

Diversified Capital Sources Supporting Our Strategy: Focused on Building Long Term Relationships in the Various Capital Markets



>\$0.5 billion in equity raised from public markets in last 5 years

>\$1.0 billion of capital available from existing banking relationships for right transactions

Potential existing net cash of >\$120 million post sale of AJD

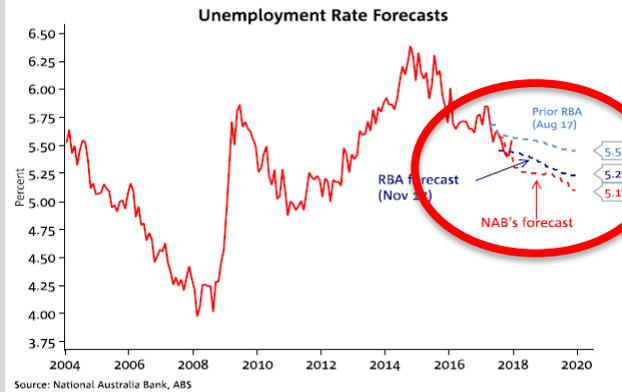
- Focus on building long-term relationships
- Our reputation is our biggest asset
- Advising our private clients that now is not the time to equity-invest into real estate and to be patient
- Dedicated Head of Private Capital building relationships
- Good support for existing public capital investors
- Proposed IPO and wholesale mortgage REIT currently being developed
- Strong relationships with local banks, building overseas bank relationships

360 Capital has a proven track record and is a recognised brand in the Australian investment marketplace

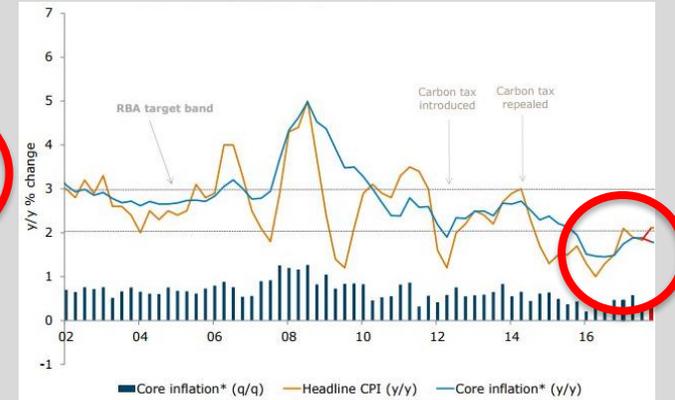
Rising Interest Rate Environment



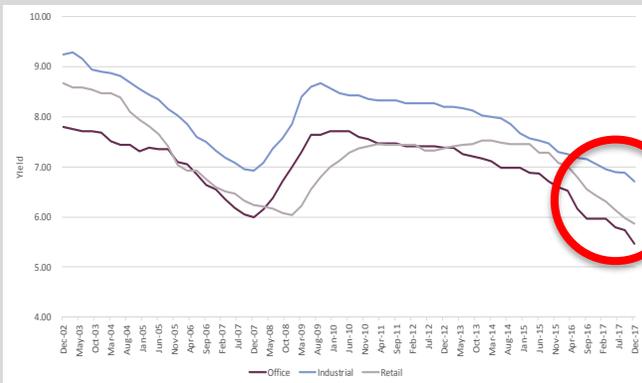
Unemployment Falling



Inflation Forecast to Rise



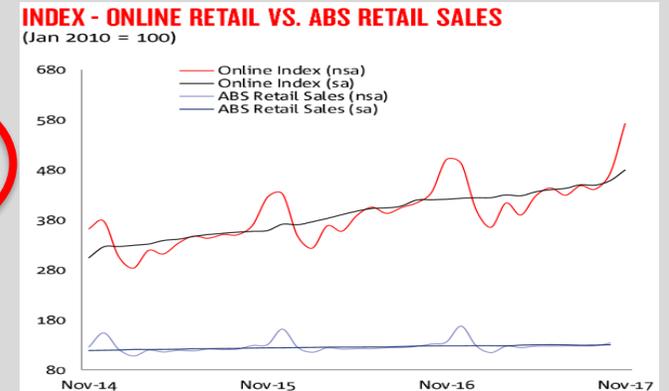
Investment Yields at Historic Lows



High Office Vacancies Outside Sydney and Melbourne



Disruption Impacting Certain Sectors- i.e. Online Retail



1. Sources: Savills Research, Bloomberg, NAB,

Markets Don't Go Up Forever!

AREIT Index 2001-2008 (2)

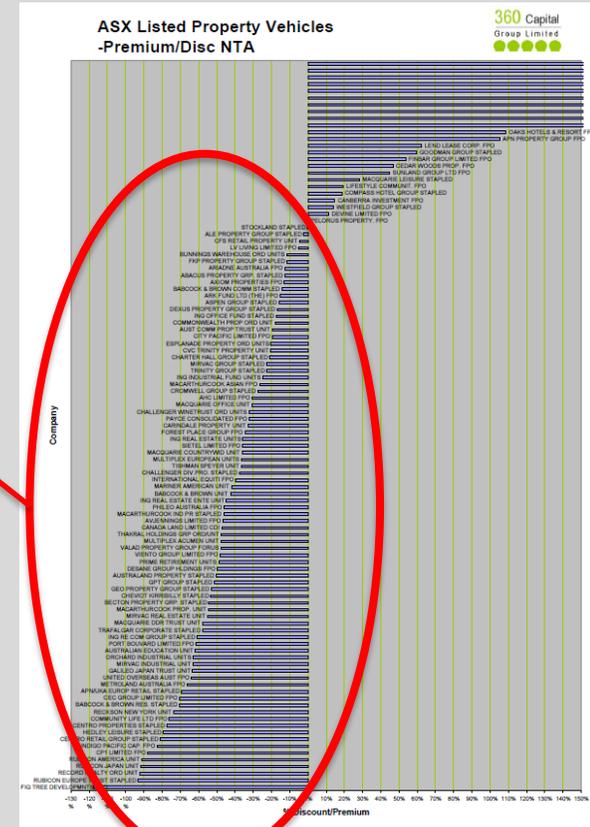
S&P/ASX 200 A-REIT [XPJ]



S&P/ASX 200 A-REIT Index still has not recovered, still trading well below 2008 levels

Majority of AREITs traded at significant discounts 9 years ago!

AREIT NTA Discounts 2008



360 Capital Group Positioning For Downturn In Real Estate Markets

Assuming AJD disposes of its assets, TGP will be:

- Debt free
- >\$120m in cash + >\$50m to be received from Centuria by January 2019
- Ready for counter-cyclical investment opportunities, bolstered by strong rapport build with capital partners
- Ready for execution of strategy alongside strong management and consultants

We will continue to be patient and to research and monitor the market and be ready to execute

1. Sources: 360 Capital Research
2. AREIT Index does not include the reinvestment of distributions

\$27.3m

Statutory Profit

↓ **49.0%**

\$6.0m

Operating Profit

↓ **34.1%**

~\$170m

Cash
potentially to be
realised from AJD
investment

\$1.06

NTA

↑ **11.6%**
Over the past 6
months

13.1 cps

Statutory Profit

↓ **45.6%**

2.8 cps

Operating Earnings

↓ **31.7%**

\$27.9m

Potential realised
profit from AJD
investment

1.5 cps

Distribution

↓ **53.8%**
(53% payout ratio)

Real Estate Equity Investments

Reducing equity exposure to traditional real estate assets susceptible to low growth and disruption



\$30.5m Exposure



\$24.1m Exposure

Capitalising on market conditions to realise super profits



\$142.2m cost- \$27.9m potential profit- ~50-60% IRR

Real Estate Debt Investments

Becoming a major participant in growing non-bank lending sector to real estate assets

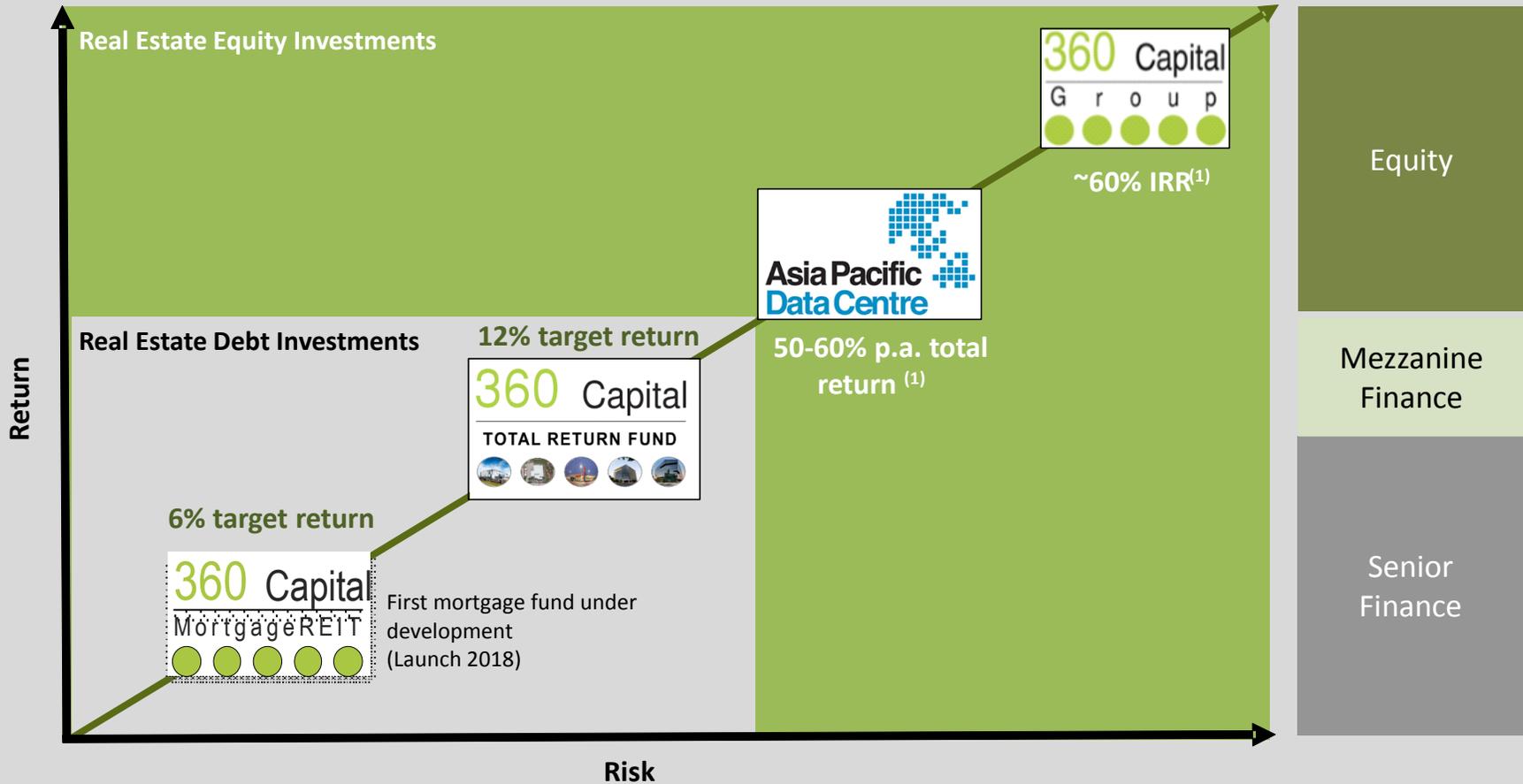


\$81.2m Assets (Predominantly cash & development loans)

Accessing capital sources key to non-bank lending growth
First mortgage fund under development
(Launch 2018)



360 Capital Group Investing At All Levels Of The Real Estate Capital Stack



(1) Return from TGP getting involved to expected settlement

360 Capital Board



David van Aanholt
Non executive Chairman



Tony Pitt
Managing Director



John Ballhausen
Non executive Director



Graham Lenzner
Non executive Director



Andrew Moffat
Non executive Director

360 Capital Key Management Team

Real Estate Equity Team



Tony Pitt
Managing Director



James Storey
Fund Manager – TOT



Priya A. Roy
Head of Private Capital

Real Estate Debt Team



David Grauaug
Head of Real Estate Debt



James Cama
Manager of Real Estate Debt

Finance, Compliance



Glenn Butterworth
Chief Financial Officer



Ainslie Ebejer
Finance Manager



Jennifer Vercoe
Company Secretary

Potential \$27.9 Million Realisation Profit for TGP

- Current portfolio of three data centres worth \$280.0 million
- 360 Capital owns 67.3% stake in ASX-listed Asia Pacific Data Centres (AJD) paying a total of \$142.2 million for the stake
- Average entry price of \$1.84 per security
- AJD has agreed terms to sell the portfolio for \$280.0 million, \$67.2 million above previous book valuation
- TGP will receive an IRR (on funds invested) of ~50-60% if the sale proceeds
- NEXTDC has proposed a wind up meeting of AJD
- TGP has commenced legal action in the Supreme Court of NSW seeking declaratory relief that it is entitled to vote at the meeting



Moving into Non-Bank Lending

The Market Opportunity ⁽¹⁾

With increasing regulatory pressures, traditional banks are unable to service the demand for real estate lending, creating a funding gap for non-bank lenders



Deal Origination

Direct Relationships with Brokers & Advisors



Australian & Overseas Banks

Direct Relationships with Borrowers

Capital Sources

Public Capital

- ✓ 360 Capital Group (ASX:TGP)
- ✓ 360 Capital Total Return Fund (ASX:TOT)
- ✓ 360 Capital Mortgage REIT (Launch 2018)

Private Capital

- ✓ High Net Worth
- ✓ Family Offices
- ✓ Private Equity

Debt Capital

- ✓ Strong Relationships with Banks
- ✓ Growing Network with Overseas Banks
- ✓ Private Debt Capital

A Typical Deal

2 – 3%

Establishment Fee

12 – 15%

Interest Rate

70% / 80%

LVR / LTC

12 – 24 months

Term

Security over 1st mortgage and personal guarantees over development projects

1. Charts represent the share of commercial real estate financing exposures held by banks and non-banks. Source: Goldman Sachs Research, May 2017.

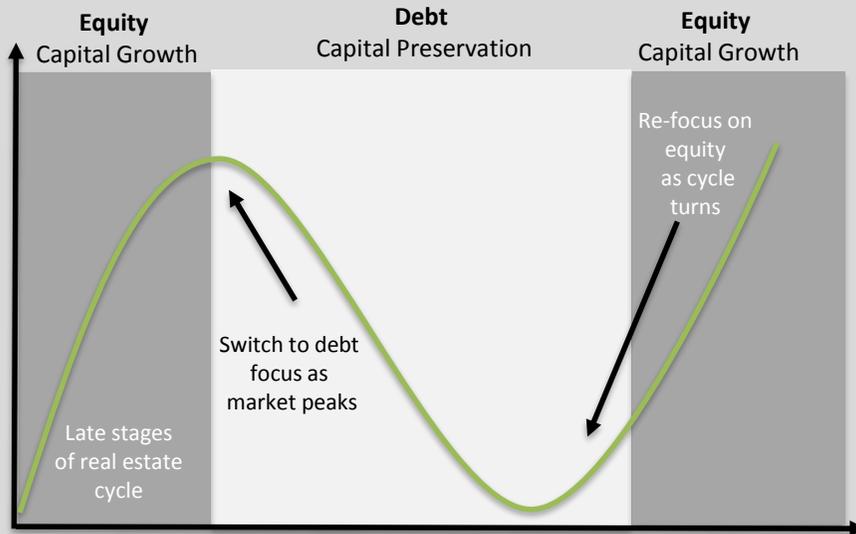
Originated To-Date in 360 Capital Total Return Fund

	Perth Hotel	Sydney House & Land	Melbourne Medical Centre
			
Loan Type	Fixed-rate mezzanine loan	Fixed-rate senior loan	Fixed-rate senior loan
Size	✓ Asset: \$76m ✓ Loan: \$7.7m (70% LVR / 78% LTC)	✓ Asset: \$31m ✓ Loan: \$19.5m (70% LVR / 80% LTC)	✓ Asset: \$13m ✓ Loan: \$9.3m (70% LVR / 79% LTC)
Interest Rate	15%	12%	12%
Term	24 months	18 months	15 months

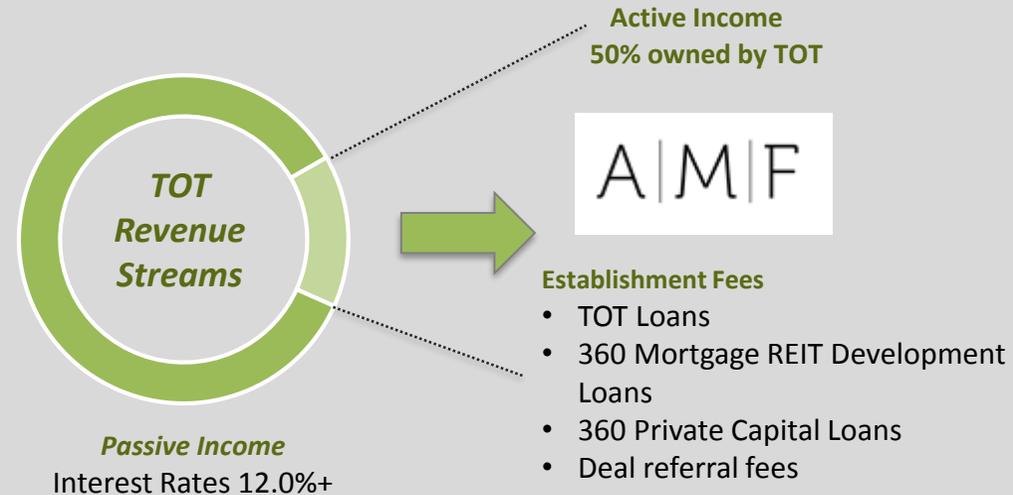
Strong Pipeline Building

	Sydney Eastern Suburbs Short Stay Accommodation	Sydney Medium Density Residential	Melbourne Hotel
			
Status	Terms agreed	Terms issued	Terms issued
Loan Size	\$8.0 million	\$32.0 million	\$36.0 million
Loan Type	Progressively drawn senior loan	Progressively drawn senior loan	Progressively drawn senior loan
Term	13 months	15 months	10 months

Broad Mandate Switched Focus to Debt



Growth in Active Earnings Through AMF



TOT'S Non-bank Lending Activities Paying Results

- \$72.7m of available cash as at 31 December 2017
- Forecast to be fully allocated by 31 March 2018
- Conservative lending ratios
- Focus on capital preservation



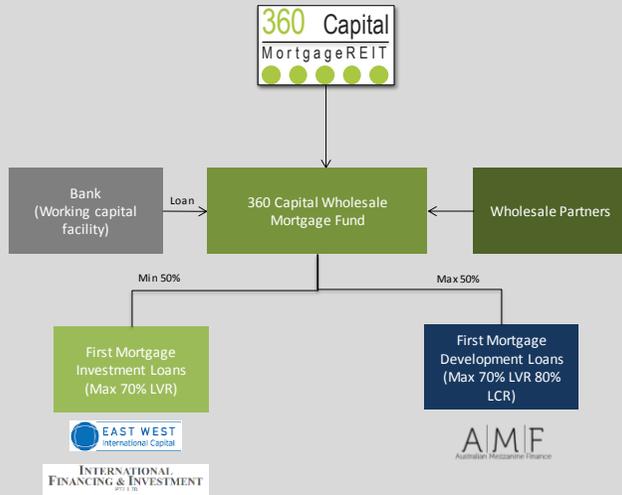
Strong Quarterly Distribution History



1. Based on a trading price of \$1.20 and 9cps distribution

Proposed 360 Capital Mortgage REIT & Private Client Mandates

Proposed 360 Capital Mortgage REIT



- 360 Capital is developing an ASX Listed Mortgage REIT with monthly distributions in 2018
- Management working with Australian investment banks in product development and distribution
- One of the key funding sources to Group's non-bank growth
- AMF (TGP/TOT) will receive establishment fees
- TGP will receive management fees

Private Capital Mandates



- Individual loans as well as mandate opportunities to be offered to Group's private clients, family offices and HNWs
- Focused on building long-term relationships rather than one-offs
- AMF (TGP/TOT) will receive establishment fees
- TGP will receive loan performance fees

Balance Sheet	30 Jun 17 (\$m) Audited	31 Dec 17 (\$m) Audited
Cash	97.2	11.6
Receivables	2.1	5.1
Listed investments- AJD	40.2	169.9
Listed investments- TOT	19.1	18.6
Listed investments- IDR	4.7	-
Total core investments	163.3	205.2
Centuria unlisted funds- put & call option	53.7	50.1
Centuria unlisted funds- not under put option	4.6	4.6
Total non-core co-investments	58.3	54.7
Other assets	4.7	16.7
Total assets	226.5	276.6
Corporate debt	-	20.0
Other	22.9	16.4
Total liabilities	22.9	36.4
Net assets	203.6	240.1
Securities on Issue	214.6	227.1
NTA (diluted) cps	94.8	105.7

Cash position to be replenished with potential realization of AJD securities

Strategic stake in AJD likely to be crystallised over next 3 months with cash to be used to sponsor new initiatives, TOT Growth and opportunities as they may arise

TGP has put and call options over these securities with Centuria guaranteeing a 7.5% p.a. income return until option has been exercised. TGP can put it to Centuria on 8 January 2019

\$20m corporate loan used to fund AJD acquisition. Loan will be repaid upon potential realization of AJD securities or capital return. Loan incurred 6% p.a. interest rate

NTA increased as a result of AJD uplift

Note: Segment balance sheet adjusted to include ESP loan receivables of \$16.6 million.

HY18 Profit and Loss

SEGMENT OPERATING PROFIT	HY15 (\$M)	HY16 (\$M)	HY17 (\$M)	HY18 (\$M)	CHANGE HY17/HY18
Co-investment revenue	5.8	8.6	8.8	6.6	(25.0%)
Net property income/Other	3.5	1.2	-	-	n/a
Finance revenue	-	-	-	0.8	n/a
Funds management revenue	3.0	4.8	7.2	0.3	(95.8%)
Total revenue	12.3	14.6	16.0	7.7	(51.9%)
Operating expenses	3.6	3.7	2.5	1.7	(32.0%)
Operating EBIT	8.7	10.9	13.5	6.0	(55.6%)
Net interest expense	1.7	2.9	2.9	0.2	(93.1%)
Operating profit before tax	7.0	8.0	10.6	5.8	(45.3%)
Income tax expense	0.1	0.4	1.4	(0.2)	(114.3%)
Operating profit after tax	6.9	7.6	9.2	6.0	(34.8%)
One off and mtm items	15.0	0.1	44.2	21.3	(51.8%)
Statutory profit after tax	21.9	7.7	53.4	27.3	(48.9%)
Statutory EPS	9.7c	3.4c	24.1c	13.1c	(45.6%)
Operating EPS	3.1c	3.3c	4.1c	2.8c	(31.7%)
DPS	2.7915c	3.125c	3.25c	1.50c	(53.8%)

Finance revenue forecast to significantly increase from non-bank lending activities

Minimal exposure to interest rate movements due to minimal debt

Building securityholder value through repeated one off items

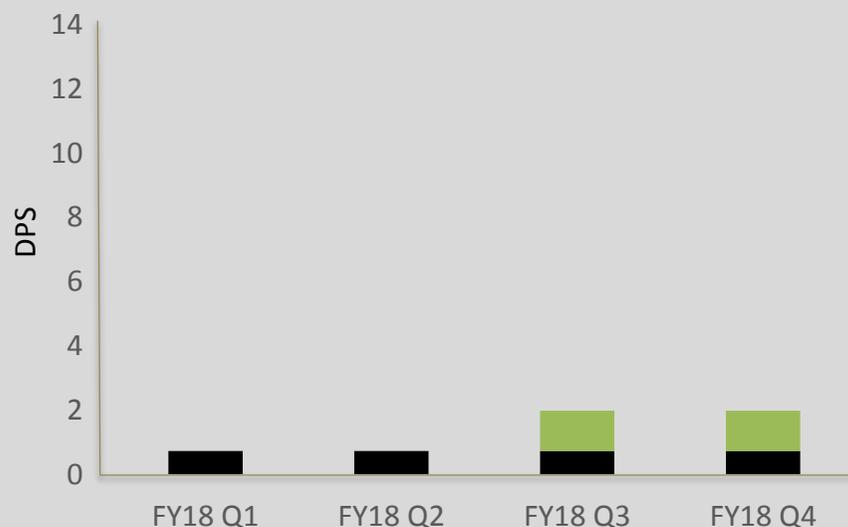
Company and Trust Cost Base Pre and Post Reconstruction



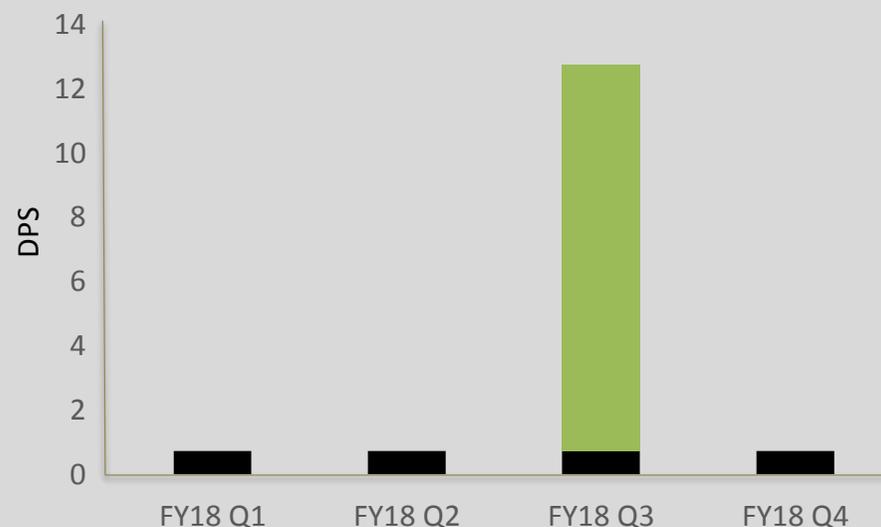
Distribution Policy- 2H18 Distributions Forecast To Increase

- Group upgraded its FY18 distributions in December 2018, post deployment of capital into AJD and growth initiatives in non-bank lending. 2H18 distributions forecast to increase from 1.5 cps to 4.0 cps (2.0 cps per quarter)
- In line with the Group's distribution policy, if Group realises its AJD investment (assuming \$280.0m disposal proceeds), FY18 distributions will change to 0.75 cps per quarter and a special distribution of 12.0 cps (i.e. 15 cps FY18)

Previous FY18 Distribution Guidance – 5.5 cps



Revised FY18 Distribution (If AJD sold) Guidance – 15.0 cps



This presentation has been prepared by 360 Capital Group Limited (ABN 18 113 569 136) and 360 Capital Investment Trust (ARSN 104 552 598) together the 'Group' or 'TGP'.

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