

360 Capital Industrial Fund



28 September 2015

ANI Notice of Meeting and Explanatory Memorandum

360 Capital Investment Management Limited (360 Capital) as responsible entity for the 360 Capital Industrial Fund (Bidder or TIX) refers to the off-market takeover bid (TIX Offer) which it has made for all the units in Australian Industrial REIT (ANI).

As disclosed on 22 September and 25 September 2015, attached to this announcement is the Notice of Meeting and Explanatory Memorandum dispatched to ANI Unitholders today by which the Bidder has called a meeting of ANI Unitholders to replace Fife Capital as the responsible entity of ANI with 360 Capital ANI Management Limited (360 CAML).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Alan Sutton'.

Alan Sutton
Company Secretary
360 Capital Investment Management Limited

More information on the TIX Offer can be found on the ASX's website at www.asx.com.au using the Fund's ASX code "TIX", on the Fund's website www.360capital.com.au, or by calling the TIX Offer Information Line on 1800 247 697 (callers in Australia) or +61 2 8024 1189 (callers outside Australia) between 8.30am and 5.30pm (Sydney time) on Business Days.

Tony Pitt
Managing Director
360 Capital Group
+61 2 8405 8865

Ben James
Chief Investment Officer
360 Capital Group
+61 2 8405 8871

About 360 Capital Industrial Fund (ASX code TIX)

360 Capital Industrial Fund is an ASX-listed Fund focused on passive rent collecting from warehouse and logistics properties in Australia in the \$10.0 million plus range. The Fund has strong, defensive, income-focused investment fundamentals via a diversified \$544 million portfolio of 22 quality assets, a weighted average lease expiry of 5.3 years, occupancy of 99.7% and a forecast FY16 distribution of 21.5cpcu. The Fund is externally managed by 360 Capital Group, a leading ASX-listed real estate investor and fund manager that operates under a transparent fee structure and is the largest unitholder in the Fund to ensure ongoing alignment of interests with Unitholders.

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 18 full time staff have significant property, funds and investment management experience. 360 Capital Group manages nine investment vehicles holding assets valued at over \$1.2 billion on behalf of over 10,500 investors and has over \$193 million worth of co-investments across the 360 Capital Group.

28 September 2015

Dear Fellow ANI Unitholder,

360 CAPITAL CALLS MEETING OF ANI UNITHOLDERS TO REPLACE FIFE FUNDS AS RESPONSIBLE ENTITY

On behalf of 360 Capital Investment Management Limited (360 CIML), I am pleased to enclose a Notice of Meeting and Explanatory Memorandum in relation to a meeting of Members of Australian Industrial REIT (ANI or 'your fund').

The Meeting has been called to consider the removal of Fife Capital Funds Limited (Fife Funds) as the responsible entity of ANI and the appointment 360 Capital ANI Management Limited (360 CAML) as the new responsible entity of ANI.

If the Resolutions are passed and 360 CAML replaces Fife Funds as the responsible entity of ANI, Members will receive, among other things;

- access to **360 Capital Group's proven expertise and performance**, an independent board; and
- up to a **1.1 cent per Unit increase in distributions** as a result of 360 CAML's management fees being between 33% and 50% less than those charged by Fife Funds.

Since the previous ANI Unitholder Meeting held on 25 May 2015 there have been significant changes to your investment in ANI. These include:

- The **TIX Offer has increased to 0.90 TIX Units and 24.5 cents cash** per ANI Unit. The TIX Offer is now unconditional, certain and capable of immediate acceptance
- TIX now own over 33% of ANI and is in a significantly stronger position to acquire 100% of ANI which will create a larger, more profitable, more diversified and lower risk industrial AREIT
- ASX trading liquidity in ANI has reduced significantly and will continue to decrease as TIX's ownership in ANI increases. Lower liquidity may lead to the removal of ANI from the S&P/ASX 300 Index leading to selling pressure which may have a negative impact on the ANI Unit price

360 CIML, as responsible entity, is committed to ensuring the best outcome is achieved for all ANI Members.

I firmly believe that the Resolutions are in Members' best interests and recommend you VOTE IN FAVOUR of the Resolutions.

Please read the Notice of Meeting and Explanatory Memorandum carefully when considering your vote. If you are in any doubt regarding how to vote, you should seek your own professional financial advice without delay.

If you are unable to attend the Meeting in person, please vote by filling out the enclosed Proxy Form and returning it in the reply paid envelope or in person by no later than 3.00pm (AEDT), Friday 23 October 2015.

(cont.)

TIX Offer Update

The relative Implied Value of the TIX Offer has now increased to \$2.43 per ANI Unit. This is 3.0 cents above the highly conditional, non-binding, undisclosed, offshore bid for ANI referred to in the announcement by ANI's Independent Board Committee (IBC) on Monday 21 September 2015 (Offshore Proposal).

The TIX Offer now comprises:

- **0.90 TIX Units and 24.5 cents for each ANI Unit paid within 5 business days of accepting the TIX Offer**

In addition, Members who accept prior to 12 October 2015 will also qualify for TIX's distribution for the September quarter equal to **4.84 cents** per ANI Unit.

Unlike the non-binding, conditional Offshore Proposal, **the TIX Offer is unconditional and capable of immediate acceptance**. Members who accept the TIX Offer will have certainty they will remain invested in an ASX listed industrial AREIT.

TIX has extended the closing date of the TIX Offer to 12 October 2015 to allow time for Members to accept the TIX Offer.

Further details can be found in the original Bidder's Statement and subsequent Second, Third and Fourth Supplementary Bidder's Statements.

Enclosed is a blue Acceptance Form in relation to the TIX Offer. To accept, please complete and sign the blue Acceptance Form and return the Acceptance Form so that your acceptance may be processed before 5.00pm (AEDT) on 12 October 2015 using the enclosed replied paid envelope, as per the instructions on page 5 of the Bidder's Statement or on the Acceptance Form.

Further details can be found on the ASX website at www.asx.com.au using the ASX code "TIX" and at www.360capital.com.au

Should you have any questions in relation to the Meeting, please do not hesitate to call the 360 Capital investor enquiry line on 1800 247 697 (callers in Australia) or +61 2 8024 1189 (callers outside Australia) between 8.30am and 5.30pm (Sydney time) on Business Days.

Yours sincerely,



David van Aanholt

Independent Chairman

360 Capital Investment Management Limited as responsible entity for the 360 Capital Industrial Fund

VOTE IN FAVOUR

Notice of Meeting and
Explanatory Memorandum

AUSTRALIAN INDUSTRIAL REIT (ANI)

ARSN 165 651 301

With respect to the appointment of 360 Capital ANI Management Limited ACN 090 664 396 as the responsible entity of ANI in place of Fife Capital Funds Limited ACN 130 077 735

This notice is issued to Members of the Australian Industrial REIT.

This Booklet contains important information and requires your immediate attention.

It contains information about a Proposal to change the responsible entity of Australian Industrial REIT.

It should be read in its entirety. If you do not understand the information in this Booklet or are in doubt as to what you should do, it is recommended you consult your financial adviser immediately.

Your vote is important. The Meeting of Members is to be held at 10.00am (AEDT) on Monday 26 October 2015 at the Adelaide Room, Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney NSW 2000. If you cannot attend in person, please complete and return the enclosed Proxy Form to Boardroom Pty Limited ACN 003 209 836 at the address stated on the Proxy Form as soon as possible and no later than 3:00pm (AEDT) on Friday 23 October 2015.

Important Notices

What is this document?

This Notice of Meeting and Explanatory Memorandum is dated 28 September 2015 and is issued by 360 Capital Investment Management Limited ACN 133 363 185 (360 CIML) pursuant to section 601FM of the Corporations Act (as modified by ASIC Class Order 13/519). It contains information about a Meeting of Members of Australian Industrial REIT ARSN 165 651 301 (Fund or ANI) at which a proposal to change the responsible entity of the Fund will be considered.

360 CIML is not the responsible entity of the Fund.

The purpose of this Notice of Meeting and Explanatory Memorandum is to provide information about the proposed change of responsible entity of ANI and to provide such other information considered material to the decision of Members in determining how to vote on the Resolutions. All information in this document forms part of the Notice of Meeting.

No investment advice

The information contained in this Notice of Meeting and Explanatory Memorandum does not constitute financial product advice and has been prepared without reference to your particular investment objectives, financial situation, taxation position and needs. It is important that you read the Notice of Meeting and Explanatory Memorandum in its entirety before making any investment decision and any decision on how to vote on the Resolutions.

Defined terms

Capitalised terms used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary in section 8. All times expressed in this Notice of Meeting and Explanatory Memorandum refer to Australian Eastern Daylight Time (AEDT) and references to dollars, \$, cents or ¢ are to Australian dollars.

Any questions?

If you have any questions about the Resolutions, please contact the 360 Capital Investor Services on 1800 182 257. If you are in any doubt on how to vote on the Resolutions or the action to be taken, you should contact your financial, legal, tax or other professional adviser without delay.

Updated information

360 CIML may update the information contained in this Notice of Meeting and Explanatory Memorandum on its website www.360capital.com.au

Meeting details and important dates

Date of Bidder's Statement for TIX Offer	3 February 2015
Date of Notice of Meeting	28 September 2015
Last date and time for receipt of Proxy Forms	3.00pm (AEDT) on Friday 23 October 2015
Date and time of Meeting	10.00am (AEDT) on Monday 26 October 2015
TIX Offer closes	5.00pm (AEDT) on Monday 12 October 2015 (unless extended)

Dates are subject to change. The TIX Offer closes on 12 October 2015 (unless extended). Any changes will be announced on the ASX and on 360 CIML's website www.360capital.com.au.

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Notice of Meeting

Australian Industrial REIT

NOTICE IS HEREBY GIVEN by 360 Capital Investment Management Limited that a meeting of Members of the Australian Industrial REIT ARSN 165 651 301 (Fund or ANI) will be held at the time, date and place detailed below, or such later time and date as notified to Members, to consider and vote on the Resolutions in this Notice of Meeting.

Time: 10.00am AEDT

Date: Monday 26 October 2015

Place: Adelaide Room
Sofitel Sydney Wentworth
61-101 Phillip Street
Sydney NSW 2000

Business of the Meeting

The business of the Meeting will be to consider and, if thought fit, pass the following Resolutions:

Resolution 1 – Ordinary Resolution to remove Fife Capital Funds Limited as the responsible entity of ANI

"As an ordinary resolution, that, subject to Resolution 2 being passed, Fife Capital Funds Limited ACN 130 077 735 be removed as the responsible entity of the Australian Industrial REIT ARSN 165 651 301."

Resolution 2 – Ordinary Resolution to appoint 360 Capital ANI Management Limited (360 CAML) as the new responsible entity of ANI

"As an ordinary resolution, that, subject to Resolution 1 being passed, 360 Capital ANI Management Limited be appointed as the responsible entity of the Australian Industrial REIT ARSN 165 651 301."

By order of the Board



David van Aanholt
Independent Chairperson
360 Capital Investment Management Limited
as responsible entity for 360 Capital Industrial Fund

Dated: 28 September 2015

What has changed since the previous ANI Unitholder Meeting held on 25 May 2015?

The TIX Offer is significantly more compelling for Members

TIX Offer has increased to 0.90 TIX Units and 24.5 cents per ANI Unit¹	<ul style="list-style-type: none"> The TIX Offer is unconditional, certain and capable of immediate acceptance The revised Offer exceeds the indicative, non-binding undisclosed offshore bid announced by ANI's Independent Board Committee ANI Members have certainty they will remain invested in an ASX listed industrial AREIT
TIX's ownership in ANI is now over 33%	<ul style="list-style-type: none"> TIX is in a significantly stronger position to acquire 100% of ANI, which will create a larger, more profitable, more diversified and lower risk industrial REIT TIX is even more aligned to Member interests as the largest unitholder in ANI
TIX Offer has been declared unconditional	<ul style="list-style-type: none"> Members now have certainty that they will receive the TIX Consideration if they accept the TIX Offer 0.90 TIX Units² and 24.5 cents will be paid within 5 business days of accepting the TIX Offer
TIX Units are significantly more liquid than ANI Units	<ul style="list-style-type: none"> The TIX Units received under the TIX Offer are significantly more liquid than an investment in ANI Units The average daily value traded of TIX Units over the last 90 days is 1.8 times greater than ANI Units Liquidity in ANI Units is likely to continue to decrease as TIX's ownership in ANI increases Lower liquidity may lead to the removal of ANI from the S&P/ASX300 Index and create selling pressure as Index-linked investment funds are required to reduce their positions This will have a negative impact on the ANI Unit price for Unitholders that do not accept the TIX Offer
Members who do not accept the TIX Offer before 12 October 2015 will not participate in the TIX September quarter distribution and therefore lose approximately 4.8 cents in value	<ul style="list-style-type: none"> Only Members who accept the TIX Offer before 12 October 2015 will be entitled to receive the TIX September 2015 quarterly distribution which is estimated to be 4.8 cents per ANI Unit

¹ Inclusive of the Cash Payment of 10.0 cents per ANI Unit to be paid by 360 Capital Group.

² Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders refer to section 11.5.4 of the Bidder's Statement.

Explanatory Memorandum

1 Overview

1.1 Purpose of the Meeting

Members would be aware that 360 Capital Investment Management Limited (360 CIML) in its capacity as responsible entity of the 360 Capital Industrial Fund (TIX) on 3 February 2015 made a takeover bid for all the units in the Fund (TIX Offer). Subject to the terms of the TIX Offer, Members will receive 0.9 TIX Units and 24.5 cents for every ANI Unit (TIX Consideration).³

The purpose of the Meeting is for Members to consider a Proposal whereby 360 CAML will replace Fife Funds as the responsible entity of ANI.

If the Resolutions are passed and 360 CAML replaces Fife Funds as the responsible entity of ANI, Members will receive amongst other things, access to 360 Capital Group's proven expertise, an independent board and up to a 1.1 cent per Unit increase in distributions as a result of 360 CAML's management fees being between 33% to 50% less than those charged by Fife Funds.

1.2 The TIX Offer

Background

On 3 February 2015, TIX made an off-market takeover bid for all the Units in ANI. Details of the TIX Offer are set out in the replacement bidder's statement issued on 13 February 2015 as supplemented (together, the Bidder's Statement).

Current status of TIX Offer

The TIX Offer is unconditional meaning when you accept the TIX Offer you will receive 0.90 TIX Units⁴ and 24.5 cents cash for each ANI Unit you own within five business days of valid acceptance.

In addition, Members who accept the TIX Offer before 12 October 2015 will be entitled to receive the TIX September quarterly distribution which is estimated to be 4.8 cents per ANI Unit.

As at the date of this Notice of Meeting, TIX has a relevant interest in respect of 33% of ANI Units.

The TIX Offer is scheduled to close at 5.00pm (AEDT) on 12 October 2015 (unless extended).

1.3 Resolutions 1 and 2

Resolution 1 provides for the removal of Fife Funds as the responsible entity of ANI.

Resolution 2 provides for the appointment of 360 CAML as the replacement responsible entity of ANI. Further information in relation to 360 CAML is set out in section 3.

Resolutions 1 and 2 are ordinary resolutions which will be passed if more than 50% of the votes cast by or on behalf of Members entitled to vote on the relevant resolution are in favour of the Resolutions.

Resolutions 1 and 2 are interdependent, meaning that both resolutions must be passed for either to become effective.

Please refer to sections 2 and 5 for more detail in relation to the Resolutions.

1.4 What do Members need to do?

Members should read this document in its entirety before voting. If you are in any doubt about what to do, you should consult your legal, investment, taxation and other professional adviser without delay.

Your vote is important. 360 CIML encourages Members to vote on the Resolutions by either attending the Meeting in person or by appointing a proxy to vote on their behalf.

³ Inclusive of the Cash Payment of 10.0 cents per ANI Unit to be paid by 360 Capital Group.

⁴ Ineligible Foreign Unitholders and Unmarketable Parcel Unitholders refer to section 11.5.4 of the Bidder's Statement.

2 Key considerations in relation to the Resolutions

360 CIML sets out in this section what it considers to be the key considerations in respect of the Resolutions to be considered at the Meeting. These should be read together with the rest of this Explanatory Memorandum.

2.2 Increased distributions from reduced management fees

If 360 CAML is appointed responsible entity of ANI and TIX acquires less than 100% of ANI, 360 CAML will waive up to 50% of the management fees otherwise due to 360 CAML as responsible entity of ANI and distribute the savings to Members via an increase in distributions. The percentage waived will be the greater of 33% and the percentage of Units accepted into the TIX Offer (up to a maximum of 50%).

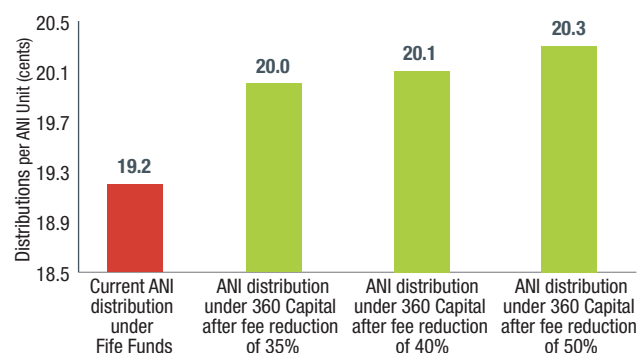
If 360 CAML is not appointed responsible entity of ANI, ANI will continue to pay 100% of the current management fees to Fife Funds.

The table below shows the impact of a 35% - 50% fee reduction depending upon the level of acceptances under the TIX Offer and on the basis TIX acquires less than 100% of ANI and 360 CAML being appointed responsible entity:

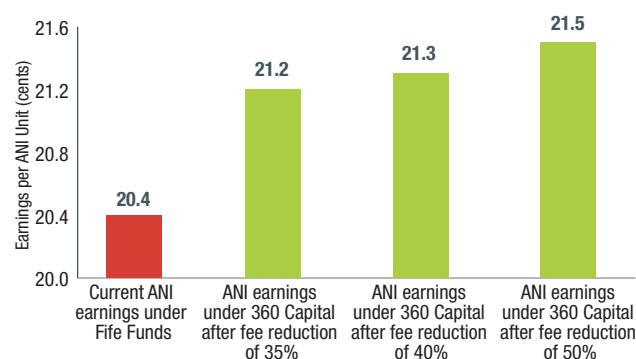
TIX ownership	Fee waived	Fee waived (per annum)	Impact of fee waiver on ANI FY16 forecast earnings and distributions (cents per ANI Unit per annum)
35%	35%	\$695,310	+0.8 cents
40%	40%	\$794,640	+0.9 cents
50% or more	50%	\$993,300	+1.1 cents

The charts below show the impact of a 35% - 50% fee reduction on ANI's forecast FY16 earnings per Unit and distributions per Unit:

Forecast FY16 distributions per ANI Unit under various ownership scenarios⁵



Forecast FY16 earnings per ANI Unit under various ownership scenarios⁵



2.3 TIX's superior track record

2.3.1 Fund performance

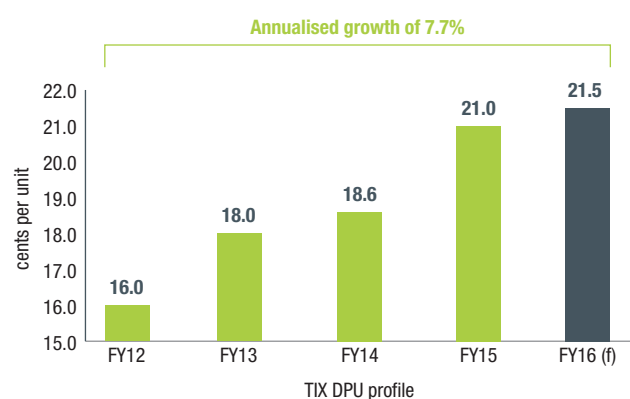
The market has endorsed 360 Capital's active and disciplined approach as evidenced by a track record of consistent outperformance.

Whilst 360 CAML has an independent board comprising a majority of directors independent of TIX and 360 Capital Group, the board of 360 CAML will draw on the broader expertise and resources of 360 Capital Group's executive management team.

TIX has a demonstrated history of growing earnings and distributions per unit for TIX Unitholders.

TIX earnings and distribution guidance for the year ending 30 June 2016 is 22.2 cents per Unit and 21.5 cents per Unit respectively.

TIX distribution track record and forecast



TIX has delivered three distribution upgrades since listing in December 2012. In addition the Fund has undertaken three equity raisings totaling \$149.0 million with each equity issuance priced above the previous issue price (\$1.80, \$2.00 and \$2.16 per TIX Unit respectively).

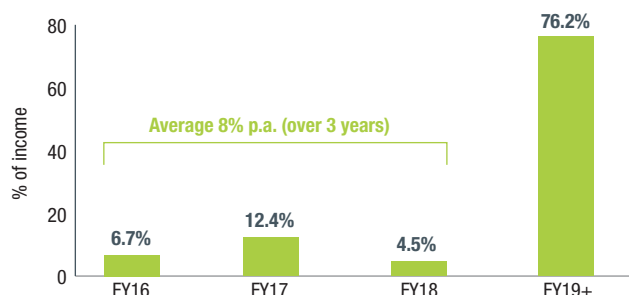
⁵ On the basis TIX acquires less than 100% of ANI and 360 CAML being appointed responsible entity.

2.3.2 TIX's superior lease expiry profile – ANI's earnings and distributions are at risk due to lease expiry profile

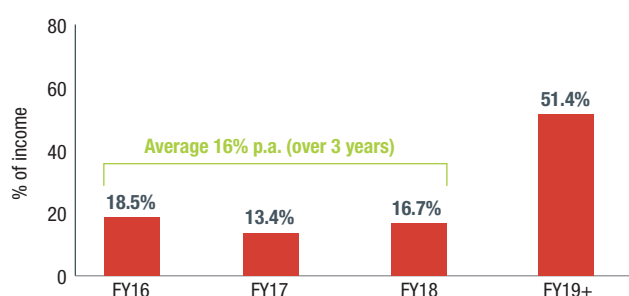
As the largest unitholder in ANI, TIX is extremely concerned about Fife Funds' ability to manage the FY16 to FY18 lease expiries which represent over 48% of ANI's portfolio.

The recent announcement from Fife Capital that it has entered into a new long term leases over a portion of the Dandenong South property and the Keon Park property does little to reduce this risk, and the impact on earnings is unknown as the leasing metrics were not provided and significant incentives may have been given in order to secure the leases.

TIX lease expiry profile



ANI lease expiry profile



The ANI lease expiry profile illustrated above casts doubt as to whether ANI's distributions are sustainable beyond FY16. In contrast, 360 Capital has leased over 362,000 square metres of space within the TIX portfolio since it took over management of the vehicle. In 2015, TIX leased 11.5% of the portfolio with lease maturities well in excess of the average lease expiry of TIX over the next 3 years, demonstrating a very manageable and defensive lease expiry profile. TIX has addressed its leasing risk and this provides earnings certainty. TIX's lease expiry profile demonstrates that TIX distributions are sustainable and also supports 360 Capital's strategy in relation to leasing, acquisitions and disposals.

2.4 360 Capital has a strong alignment of interests

As at the date of this Notice of Meeting, TIX has a relevant interest in respect of over 33% of the ANI Units highlighting that a significant proportion of Members are in favour of creating a larger, more profitable, more diversified and lower risk industrial AREIT.

As part of its strategy of being aligned with its investors, 360 Capital ensures it maintains a significant co-investment in each of the funds it manages. This strategy ensures 360 Capital remains focused and disciplined on the financial returns to TIX Unitholders as it has a material impact on its own financial performance.

Based on the current holdings of 360 Capital, including its subsidiaries it will hold 12.4%⁶ of the units in the Combined Group (representing an investment of approximately \$69.0 million). 360 Capital has a long term strategy of owning between 10% and 15% of the funds it manages.

In contrast, ownership of ANI by Allan Fife, Fife Capital Funds Limited and its related bodies corporate (Fife Funds) amounts to only 0.6%, meaning Fife Funds derives a greater benefit from the management fees it receives from ANI than its co-investment. To date, Fife Funds has spent approximately \$2.5 million of Members funds in defending its management rights which is clearly not acting in ANI Unitholders best interests. Based on disclosures contained in ANI's Target Statement dated 26 February 2015, there is also an additional \$1.9 million of Members funds still to be spent.

360 Capital's intention is to retain its co-investment in the Combined Group and to continue to be strongly aligned with Members.

⁶ Assuming TIX acquires 100% of ANI and all parties accept the Offer in respect of their existing ANI Unitholding.

2.5 Independent board and management of potential conflicts

As explained in section 3, 360 CAML:

- has a majority independent board which comprises a majority of directors independent of TIX and the 360 Capital Group;
- will not act as responsible entity of any other fund;
- will have a dedicated Fund Manager whose only responsibility will be managing ANI and will have no role in respect of any other fund managed by the 360 Capital Group;
- will have the resources to pursue transactions in the best interests of Members of ANI; and
- will have adopted, along with the rest of the 360 Capital Group, appropriate protocols to manage any potential conflicts which may arise between the interests of ANI, TIX and 360 Capital.

There are a number of appropriate protections in place to ensure that 360 CAML manages ANI independently and in the best interests of Members of ANI.

In contrast, there appears to be a number of conflicts inherent in the management of ANI by Fife Funds, including:

- Fife Capital Group is appointed property manager and receives an above market fee of 3% of gross income of ANI in addition to responsible entity fees charged;
- Fife Capital Group has at least one other industrial mandate which is in conflict with ANI and has purchased in excess of \$130 million of industrial assets over the last 18 months which have not been for the benefit of ANI;
- ANI must allow Fife Capital Group to be the development manager in respect of all development projects even if the appointment of Fife Capital Group is not in the best interests of Members; and
- Fife Capital Group's interests are not aligned with Members' as the income which Fife Capital Group derives from its fund management and property management roles is significantly more than the income it derives from its token 0.6% co-investment in ANI.

It is not clear how these potential conflicts are managed (if at all) by the Fife Funds.

3 Information about 360 Capital ANI Management Limited and 360 Capital Group

3.1 360 Capital ANI Management Limited

360 Capital ANI Management Limited (360 CAML) is a wholly owned subsidiary of 360 Capital and holds an AFSL (AFSL 221474) issued by ASIC which authorises 360 CAML to act as the responsible entity of ANI.

360 CAML will not undertake any other activities apart from managing ANI.

While 360 CAML is a member of the 360 Capital Group, as explained in sections 3.2 and 3.3 below, it has an independent board which comprises a majority of directors which are independent of the 360 Capital Group.

360 CAML will be supported by a dedicated fund manager and will have access to the resources and expertise of 360 Capital.

3.2 360 Capital Group

360 Capital is an ASX-listed (ASX: TGP) real estate investment and funds management group with a market capitalisation of approximately \$244 million. The 360 Capital senior management team has an average of over 20 years' experience across Australian real estate and funds management sectors.

360 Capital is 28.0% owned by the directors and management team of 360 Capital.

360 Capital manages nine listed and unlisted investment vehicles holding 33 industrial, office and retail assets across Australia valued at \$1.2 billion on behalf of over 10,500 investors. Additionally, 360 Capital has over \$193 million in co-investments in the funds it manages.

TIX, which is the bidder under the TIX Offer, is one of the ASX-listed funds which 360 Capital manages through its subsidiary 360 CIML.

3.3 Board of Directors of 360 CAML

The board of 360 CAML comprises three directors, two of whom are independent non-executive directors, including the Chairperson.



Melinda Snowden, Independent Chairperson

Melinda is a non-executive director of Kennards Self Storage Pty Ltd. Melinda was previously a non executive director of MLC Limited, the wealth management division of NAB and a number of its associated boards (between 2009 and 2014) and a non-executive director of Vita Group Limited, an ASX listed electronics and telecommunications retailer (between 2008 and 2011).

Melinda was an investment banker for over 15 years and with corporate advisory firm Grant Samuel for 12 years. She has advised on a variety of transactions including capital raisings, mergers and acquisitions, and the preparation of independent expert reports. Prior to joining Grant Samuel, Melinda held corporate finance roles with Merrill Lynch and Goldman Sachs in Australia and New York and worked on numerous strategic advisory and financing assignments. She was also a solicitor with the corporate division of Freehills between 1991 and 1994.

Melinda's qualifications and accreditations include Bachelor of Economics and Bachelor of Laws, Graduate Diploma in Applied Finance and Investment, GAICD, and Fellow of FINSIA.



Peter Lewis, Independent Director

Peter Lewis is an Executive Director of Capitol Health Limited and a member of the advisory Boards for Anacacia Capital and Acquire Learning. He is also a director of the Australian Broadcasting Corporation. He has previously held board and advisory positions with the International Grammar School Sydney, TXA Australia Pty Ltd, Norwest Productions Pty Ltd, Propex Derivatives, Australian News Channel Pty Ltd, B Digital Limited, VividWireless Limited and Yahoo 7 Australia.

Mr Lewis has more than two decades of experience in both executive and financial roles in the media. He was appointed financial controller of the Network Ten between 1990 and 1994; the Head of Business Affairs for the Sydney Olympic Broadcasting Organisation between 1996 and 1998, Chief Financial Officer of the Seven Network Limited from 1998 to April 2010, was the Chief Financial Officer of Seven Group Holdings Limited from May 2010 to November 2011; was the Chief Operating Officer of Seven Media Group from July 2008 to January 2012 and was the Chief Financial Officer of Seven West Media Limited from May 2011 to May 2013.

Mr Lewis is also a Fellow of the Institute of Chartered Accountants in Australia, a member of the Australian Society of Certified Practicing Accountants and a Fellow of the Governance Institute of Australia.



Tony Pitt, Managing Director

A 360 Capital founding Director, Tony has worked in the real estate and real estate funds management industries for over 18 years. As Managing Director, Tony has been responsible for repositioning the 360 Capital Group since December 2010 through the disposal of in excess of \$340 million in underlying fund and trust assets and the refinancing of approximately \$500 million in debt. Tony was formerly the director of JF Meridian Trust (JFM), an ASX-listed diversified trust and was responsible for growing JFM from \$530 million to \$1.1 billion in assets over a three year period. Tony was previously an executive director of James Fielding Funds Management Limited, JF Meridian Management Limited, Hotel Capital Partners Limited, Bankminster Properties Limited and Travelodge Hotel Group.

3.4 Senior management team of 360 Capital Group

The board of 360 CAML will be supported by a dedicated Fund Manager whose sole responsibility will be to look after the interests of ANI. That person will not have responsibility for the management of any other fund managed by the 360 Capital Group.

360 Capital has commenced an executive search for this Fund Manager role and has a number of potential candidates. The details of the appointed Fund Manager will be communicated to Members as soon as practicable upon 360 CAML becoming ANI's responsible entity.

In addition, 360 CAML will also draw on broader resources of 360 Capital, including the following executives.

Tony Pitt, Managing Director

As above.



Ben James, Chief Investment Officer

Ben is responsible for all property investment activities within 360 Capital. Ben has over 20 years' experience in real estate funds management. Prior to joining 360 Capital in 2010, Ben was the Trust Manager of Mirvac Property Trust, the \$4.5 billion investment vehicle of Mirvac Group. Prior to his 12 years at Mirvac, Ben held positions in property management and investment sales with Colliers International.



Alan Sutton, Company Secretary

Alan is responsible for all 360 Capital's company secretarial matters and is an accountant with more than 30 years in financial control and company secretarial practice, the last 12 years in property funds management. Prior to 360 Capital, Alan was the Company Secretary for Lachlan REIT Limited, Financial Controller at Paladin Australia Limited and was responsible for all accounting and financial aspects of the Asset Management Property Group at Deutsche Asset Management. Alan is a FCPA, AGIA, FFin and a registered tax agent.



Glenn Butterworth, Chief Financial Officer

Glenn is responsible for all 360 Capital's financial management activities. Prior to joining 360 Capital, Glenn spent 11 years at Mirvac, most recently as Financial Controller of the Investment Division. Glenn was responsible for Mirvac Property Trust, listed and wholesale managed funds and partnership structures and has a wealth of transactional and financial management skills, gained from over 20 years' industry experience. Prior to Mirvac, Glenn held a number of senior finance roles including Financial Controller at McGrath Estate Agents. Glenn is a chartered accountant and commenced his career at Deloitte.



Tim Spencer, Head of Investor Relations

Tim is responsible for all marketing and communications with key external stakeholders including institutional investors, analysts and media, as well as product and market development initiatives. Tim has 20 years' real estate market experience having held senior property securities analyst positions and roles in investment analysis, portfolio management, trust management, investor relations, research and product development. Previously, Tim was Investor Relations Manager for ING Industrial Fund and ING Office Fund, Head of Listed Securities at Brookfield Multiplex Capital and Fund Manager of the ASX-listed Multiplex Acumen Property Fund.

3.5 Management protocols

Given that 360 CAML is a member of the 360 Capital Group which includes 360 CIML, the responsible entity of TIX which is bidding for ANI under the TIX Offer, appropriate protocols have been put in place between 360 CAML, 360 Capital and 360 CIML to manage potential conflicts which may arise between the interests of ANI Members and the interests of 360 Capital and TIX members.

These protocols further ensure that ANI is managed independently and free from potential conflicts in addition to the independent board and dedicated fund manager outlined in section 3.3 and 3.4 above.

In summary, the protocols provide that:

- the protocols are intended to manage potential conflicts associated with ANI's relationship with 360 Capital, TIX and the TIX Offer (Relevant Matters);
- the independent directors of the board (as outlined in section 3.3 above) (Independent Board) will oversee the application of the protocols;
- the Independent Board will be responsible for all decisions relating to the management of ANI and to the Relevant Matters;
- to the extent practicable, any board meeting at which Relevant Matters are to be considered will be convened as a separate meeting to ensure that consideration of those matters by the Independent Board is quarantined from consideration by the board;
- the Independent Board will have a direct line of communication with, and may receive advice directly from, ANI's advisors or, if it considers appropriate, may appoint additional advisors;
- the Independent Board will have sufficient resources (including access to the assistance of management) reasonably necessary to consider and act in respect of matters connected to the management of ANI and the board will not have access to any advice provided to the Independent Board, unless expressly authorised by the Independent Board;
- the Independent Board will ensure that appropriate measures are put in place to ensure that information in connection with the Relevant Matters (Relevant Information) is kept confidential. In particular, the members of the Independent Board will have no obligation to disclose Relevant Information to the members of the board who are not members of the Independent Board;
- the Independent Board will be supported by a designated fund manager whose sole responsibility will be to act as fund manager for ANI in the best interests of Members; and
- in the event new investment opportunities, tenants or potential investors are identified by the 360 Capital Group, those opportunities will be presented to the Independent Board and the fund managers for TIX and ANI. Where TIX and ANI wish to pursue the opportunity, then both fund managers and the Independent Board will be free to negotiate separately in respect of the opportunity. In these circumstances Tony Pitt will be excluded from the decision making process.

4 Intentions of 360 Capital ANI Management Limited for ANI

4.1 General intentions for the Fund

Upon appointment, 360 CAML will undertake a strategic review to ensure that all actions and strategies undertaken in respect of ANI are in the best interests of Members.

These may include:

- operational changes for the portfolio;
- repositioning the portfolio;
- opportunities to improve ANI's leasing and income profile; and
- other actions that 360 CAML can take to maximise the value of the portfolio for all Members.

In respect of the TIX Offer (if still open), 360 CAML will seek to ensure Members are given such information as is necessary to enable them to make a properly informed decision as to whether to accept the TIX Offer.

In respect of the highly conditional, non-binding proposal from the offshore consortium announced 21 September 2015, 360 CAML will give it due consideration and make a decision based on what it considers to be in the best interests of all Members. Currently there is insufficient information with which to make any meaningful assessment.

4.2 Address lease expiries

Subject to the outcome of the above review, 360 CAML will seek to address ANI's FY16, FY17 and FY18 lease expiry risk.

ANI has approximately 48% (by income) of its leases expiring in FY16, FY17 and FY18. This will potentially have a significant impact on ANI's earnings for FY17 and FY18 whereby earnings may not be maintained at or above previous year's earnings and in turn be detrimental to ANI maintaining current distribution levels.

4.3 Financing arrangements of ANI

ANI's existing financier is NAB. 360 Capital has a strong relationship with NAB, having approximately \$330 million of finance facilities across its platform and NAB has been the main financier to 360 Capital and its entities since 2010.

360 Capital has received a Letter of Support from one of the 360 Capital managed fund's existing financiers indicating its willingness to refinance ANI if required as a result of the TIX Offer or 360 CAML becoming the responsible entity of ANI.

360 CAML proposes to work with NAB and if required put in place replacement financing for ANI as a result of the Proposal.

360 CIML believes there will be no adverse affect on ANI's funding costs on 360 CAML being appointed responsible entity. Accordingly given the above and on the basis of the information currently available to 360 CAML, 360 CAML does not anticipate that the change of responsible entity will have an adverse impact on the financing of ANI.

4.4 Property and development arrangements

If 360 CAML becomes the responsible entity of ANI, it may consider discontinuing existing property management, development management and other ancillary services arrangements with Fife Capital. Fife Funds currently charges a 3% property management fee to ANI and any property management fees that are not fully recoverable through the tenant will impact the earnings of ANI.

360 Capital currently outsources the property management function of the TIX portfolio to reputable real estate companies. Outsourcing the property management function on a portfolio of this size ensures best practice principles are applied within a cost efficient structure. Importantly 360 Capital maintains control of the value-add functions including tenant relationships, lease and rent review negotiation, acquisitions and disposals. It is therefore proposed that 360 CAML will operate ANI in the same manner as 360 Capital operates TIX i.e. outsource the property management function.

For TIX, the property management fee charged by the external property managers is generally recoverable from the tenants and averages 1.3% of gross income across the portfolio.

Therefore a lower property management expense will not only reduce gross occupancy costs for ANI's tenants, it may also positively impact the earnings of the Fund through a reduction in non-recoverable expenses.

4.5 Co-operation Deed

Fife Funds has entered into an agreement (Co-operation Deed) with Fife Capital Group, which based on the summary contained in the product disclosure statement prepared in respect of the initial public offering of ANI, has the following features:

- Fife Capital Group would put opportunities to ANI which it (as opposed to the responsible entity of ANI) reasonably considers should be put to ANI except where conflicts under existing mandates mean such opportunities should be offered to other parties first. There is no disclosure in respect of the extent of such existing mandates;
- when ANI acquires additional properties it must first offer Fife Capital Group the right to carry property management services on pro forma terms; and
- if ANI requires development services it must first offer Fife Capital Group the right to carry out those development services.

If 360 CAML is appointed as responsible entity, it may terminate the agreement. Based on the above and given the numerous alternative potential sources of opportunities, 360 CAML anticipates that it will be in the best interests of Members to terminate the Co-operation Deed. However, any final decision will be determined in conjunction with the aforementioned strategic review.

5 Other information regarding Resolutions

5.1 What are the Resolutions?

Resolution 1 seeks to remove Fife Funds as the responsible entity of ANI.

Resolution 2 seeks to appoint 360 CAML as the replacement responsible entity of ANI.

5.2 What happens if the Resolutions are approved?

If the Resolutions are passed by the requisite majorities:

- 360 CAML will replace Fife Funds as the responsible entity of ANI within two business days of the Meeting;
- 360 CAML will assume responsibility for the management and administration of ANI; and
- 360 CAML will waive between 33% and 50% of its entitlement to receive management fees as described in section 2.2 if TIX acquires less than 100% of ANI Units.

Section 4 sets out 360 CAML's intentions in respect of ANI should it be appointed responsible entity of the Fund.

A summary of the arrangements to manage potential conflicts are outlined in sections 2.5 and 3.5.

5.3 What happens if one or both of the Resolutions are not approved?

If either or both of Resolutions 1 and 2 are not approved, the responsible entity of ANI will not change and Fife Funds will remain responsible entity of ANI.

ANI Members will not receive the benefits from appointing 360 CAML.

The TIX Offer closes at 5.00pm (AEDT) on 12 October 2015 (unless extended).

5.4 What are the advantages of passing the Resolutions?

The advantages of approving the Resolutions include:

- a waiver of between 33% to 50% of the management fees otherwise payable to 360 CAML in accordance with the existing fee arrangements with Fife Funds if TIX acquires less than 100% of the Units, distributing to Members savings in fees of up to 1.0 cent per ANI Unit per annum;
- an Independent Board and management with appropriate arrangements to manage potential conflicts and the removal of potential conflicts associated with the arrangements between Fife Funds and ANI; and
- putting ANI under the control of a management team with a proven track record of success.

5.5 What are the disadvantages of passing the Resolutions?

The disadvantages of approving the Resolutions include:

- if the Resolutions are approved, but TIX does not acquire all Units in ANI as a result of the TIX Offer, different members of the 360 Capital Group will be the responsible entity of TIX and ANI. However, as noted in sections 2 and 3 above, 360 Capital and 360 CAML have put in place a number of arrangements to ensure any potential conflicts which may arise are appropriately addressed; and
- the change of responsible entity may trigger certain default or review events under contracts to which ANI is a party. However, based on all publicly available information, 360 Capital does not believe that there will be any material adverse consequences arising from its appointment. Further, based on 360 Capital's existing relationship with NAB, ANI's principal financier, it has no reason to suspect that the change of responsible entity to 360 CAML will trigger an event of default under any financing facility and, in any event, as explained in section 4.3 above, 360 CAML has the benefit of a Letter of Support which gives 360 CAML comfort that a refinancing will be possible on no worse terms.

6 Notes about the Meeting and how to vote

THESE NOTES FORM PART OF THE NOTICE OF MEETING

Changing the time and date of the Meeting

360 CIML reserves the right to postpone or adjourn the Meeting to a later time or date. If 360 CIML makes such a determination, it will notify all Members by lodging an announcement on the ASX and by placing an announcement on 360 Capital's website at www.360capital.com.au

360 CIML will endeavour to notify Members of any such postponement prior to the original date and time of the Meeting, however, the postponement of the Meeting will not be invalidated by the failure to do so. If the Meeting is adjourned for one month or more, 360 CIML will give new notice of the adjourned Meeting.

Quorum

The quorum necessary for the Meeting is at least two Members present in person or by proxy together holding or representing at least 10% of all Units.

Chairperson

360 CIML will not be appointing an individual to chair the Meeting. In accordance with section 252S(2) of the Corporations Act, the Members of the Fund present at the Meeting will elect a Member present at the Meeting to chair the Meeting. The Chairperson will be deemed to be directed to vote undirected proxies in favour of both Resolutions, unless you write "Open" on your proxy form.

Resolutions

Resolution 1 is an ordinary resolution and will be decided on a show of hands unless a poll is required by the Corporations Act or properly demanded. Resolution 1 will be passed if more than 50% of the votes cast by or on behalf of Members entitled to vote on the resolution are in favour of the resolution.

Resolution 2 is an ordinary resolution and will be decided on a show of hands unless a poll is required by the Corporations Act or properly demanded. Resolution 2 will be passed if more than 50% of the votes cast by or on behalf of Members entitled to vote on the resolution are in favour of the resolution.

Voting

Voting on Resolutions 1 and 2 will be decided on a show of hands unless a poll is required by the Corporations Act or properly demanded. On a show of hands, every person present who is a Member or a proxy, attorney or body corporate representative has one vote. On a poll, every person present who is a Member or a proxy, attorney or body corporate representative has one vote for each dollar of the value of the Member's total Units in the Fund held by the person, or in respect of which the person is appointed as proxy, attorney or body corporate representative. A Member entitled to two or more votes does not have to exercise its votes in the same way and does not have to cast all its votes.

Bodies corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body corporate may exercise at meetings of Members of the Fund. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body corporate could exercise at a meeting or in voting on the Resolutions.

An original or certified copy of the representative's appointment should be delivered or presented to 360 CIML or Boardroom before the Meeting commences.

Jointly held Units

If a Unit in the Fund is held jointly, and more than one Member votes in respect of that Unit, only the vote of the Member whose name appears first in the register of Members counts.

Appointment of proxy

If you are entitled to vote at the Meeting you have a right to appoint a proxy to attend and vote at the Meeting on your behalf and may use the Proxy Form enclosed with the Notice of Meeting. The notes on the Proxy Form explain how the form should be completed. The proxy does not need to be a Member of the Fund.

If you wish to appoint someone other than David van Aanholt, Independent Chairman of 360 CIML, as your proxy, please write the name of that person in the appropriate box. Members cannot appoint themselves. If you do not name a proxy, or your named proxy does not attend the Meeting, Tony Pitt will be your proxy and vote on your behalf.

Your proxy has the same rights as you to speak at the Meeting and to vote to the extent you allow on the Proxy Form.

Appointing a second proxy

If you are entitled to cast two or more votes you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you appoint two proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes (ignoring fractions).

Voting directions to your proxy

You may direct your proxy on how to vote on the Resolutions. If it does, your proxy does not have to vote, but if your proxy does vote, your proxy must vote as directed. If your proxy is the Chairperson, the Chairperson must vote on a poll and must vote in accordance with your directions.

If you do not direct your proxy how to vote, you will be deemed to have directed your proxy to vote in favour of both Resolutions, unless you write on your proxy form "Open" in which case your proxy may vote in its discretion. If you mark more than one box relating to the Resolutions any vote by your proxy on that item may be invalid.

Voting of proxies from acceptances of TIX Offer

Under the terms of the TIX Offer, Members who accept the TIX Offer agree to appoint 360 CIML as agent and attorney to vote in favour, or appoint a proxy to vote in favour, of the Resolutions.

Signing instructions

A Proxy Form must be signed by the Member or the Member's attorney. Instructions for signing are on the Proxy Form. If a proxy is signed by an attorney and you have not previously lodged the power of attorney for notation, please attach an original or a certified copy of the power of attorney to the Proxy Form when you return it.

Appointment of proxy under a power of attorney

If a proxy is signed under a power of attorney on behalf of a Member, an original or a certified copy of the power of attorney must be lodged with the Proxy Form.

Lodgement of proxies and other authorities

Proxy Forms and other authorities should be returned by posting them in the reply paid envelope provided or delivering them to one of the addresses below before 3.00pm (AEDT) on Friday 23 October 2015.

By post

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

By facsimile

(02) 9290 9655

By hand

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

Boardroom will ensure all Proxy Forms are delivered to Fife Funds as, to be valid, all Proxy Forms must be received by the existing responsible entity of the Fund no later than 10.00am (AEDT) on Saturday 24 October 2015. Documents received after that time will not be valid for the Meeting.

To enable Boardroom and 360 CIML to ensure all Proxy Forms are lodged in accordance with the above directions are delivered to Fife Funds by that date, 360 CIML recommends that Members return their Proxy Forms as soon as practical, but no later than 3.00pm on Friday 23 October 2015.

7 Queries

If you have any questions regarding the Resolutions, or what action you should take, please consult your legal, investment, taxation and other professional adviser or contact 360 Capital Investor Services on 1800 182 257.

8 Glossary

360 Capital or 360 Capital Group	360 Capital Group, the stapled entity comprising 360 Capital Group Limited (ACN 113 569 136) and 360 Capital Investment Trust (ARSN 104 552 598) and each of their subsidiaries
360 Capital Industrial Fund or TIX	360 Capital Industrial Fund ARSN 099 680 252, listed on the ASX under the code TIX
360 CIML	360 Capital Investment Management Limited ACN 133 363 185 AFSL 340 304
360 CAML	360 Capital ANI Management Limited ACN 090 664 396 AFSL 221 474
AEDT	Australian eastern daylight time
AFSL	Australian financial services licence
ANI	Australian Industrial REIT ARSN 165 651 301, listed on the ASX under the code ANI
ASX	Australian Securities Exchange
Bidder's Statement	The bidder's statement dated 3 February 2015, as amended and replaced, in connection with the TIX Offer
Boardroom	Boardroom Pty Limited ACN 003 204 836
Booklet	This document
Cash Payment	The cash payment of 10.0 cents per ANI Unit paid by 360 Capital
Chairperson	Has the meaning given in section 6 of this Notice of Meeting and under section 252S(2) of the Corporations Act 2001 (Cth)
Co-operation Deed	The Co-operation Deed between Fife Capital Funds Limited as responsible entity for the Australian Industrial REIT and Fife Capital Group Pty Ltd dated 4 September 2013, outlined in section 13.5.2 of Australian Industrial REIT's product disclosure statement dated 2 October 2013 and summarised in section 4.5 of this Notice of Meeting
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Explanatory Memorandum	The explanatory memorandum commencing on page 3 of the Notice of Meeting
Fife Capital Group	The group of entities associated with Fife Funds.
Fife Funds	Fife Capital Funds Limited ACN 130 077 735
Fund	Australian Industrial REIT ARSN 165 651 301, listed on the ASX under the code ANI
Independent Board	The independent directors of the board of 360 CAML
Letter of Support	Letter of Support from Bankwest dated 2 April 2015 as outlined in section 4.3 of this Notice of Meeting
Meeting	The meeting of Members of the Fund convened by the Notice of Meeting
Member or Unitholder	A person who holds Units in the Fund
NAB	National Australia Bank Limited ABN 004 044 937
Notice of Meeting	This document
Offer Period	The period during which the TIX Offer will remain open for acceptance in accordance with section 11.3 of the Bidder's Statement
Proposal	The proposal for Fife Funds to be replaced by 360 Capital ANI Management Limited as responsible entity of the Fund
Proxy Form	The form by which Members may vote on the Resolutions without attending the Meeting in person
Relevant Information	Information in connection with the Relevant Matters
Relevant Matters	ANI's relationship with 360 Capital, TIX and the TIX Offer
Resolutions	The resolutions set out in the Notice of Meeting
TIX Consideration	The consideration of 0.9 TIX Units and cash of 24.5 cents per ANI Unit (inclusive of the Cash Payment)
TIX Offer	The off market takeover offer announced by 360 CIML as responsible entity for TIX in respect of the Units in the Fund as described in section 1 and Annexure 1
Unit	A unit in the Fund
WALE	Weighted average lease expiry

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360 Capital Investment Management Limited

Level 8, 56 Pitt Street
Sydney NSW 2000
www.360capital.com.au

Enquiries

360 Capital Information Line
Callers within Australia (toll free): 1800 182 257

Postal Address for Lodgement of Proxies

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GPO Box 3993
Sydney NSW 2001