

360 Capital Industrial Fund

25 October 2013

MEETING OF MEMBERS 25 OCTOBER 2013
CHAIRMAN'S SPEECH AND PRESENTATION

Please find attached a copy of the Chairman's speech and the presentation to be delivered at today's Meeting of Members.

More information 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, 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 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. The company's 17 full time staff located in Sydney have significant property, funds and investment management experience. 360 Capital manages 10 investment vehicles holding assets valued at more than \$845 million on behalf of almost 9,000 investors, has over \$90 million worth of co-investments across the 360 Capital platform and owns two direct assets valued at approximately \$50 million.

360 CAPITAL INDUSTRIAL FUND

ARSN 099 680 252

Unitholder Meeting | Radisson Blu Hotel, Sydney | 25 October 2013

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Please refer to the Notice of Meeting and Explanatory Memorandum dated 1 October 2013 for further information on the resolution.

Agenda

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Resolution: Ratify June 2013 Placement

Rationale for June 2013 Placement

69 Studley Court, Derrimut VIC
Deliver Australia



457 Waterloo Road, Chullora NSW
Elite Logistics

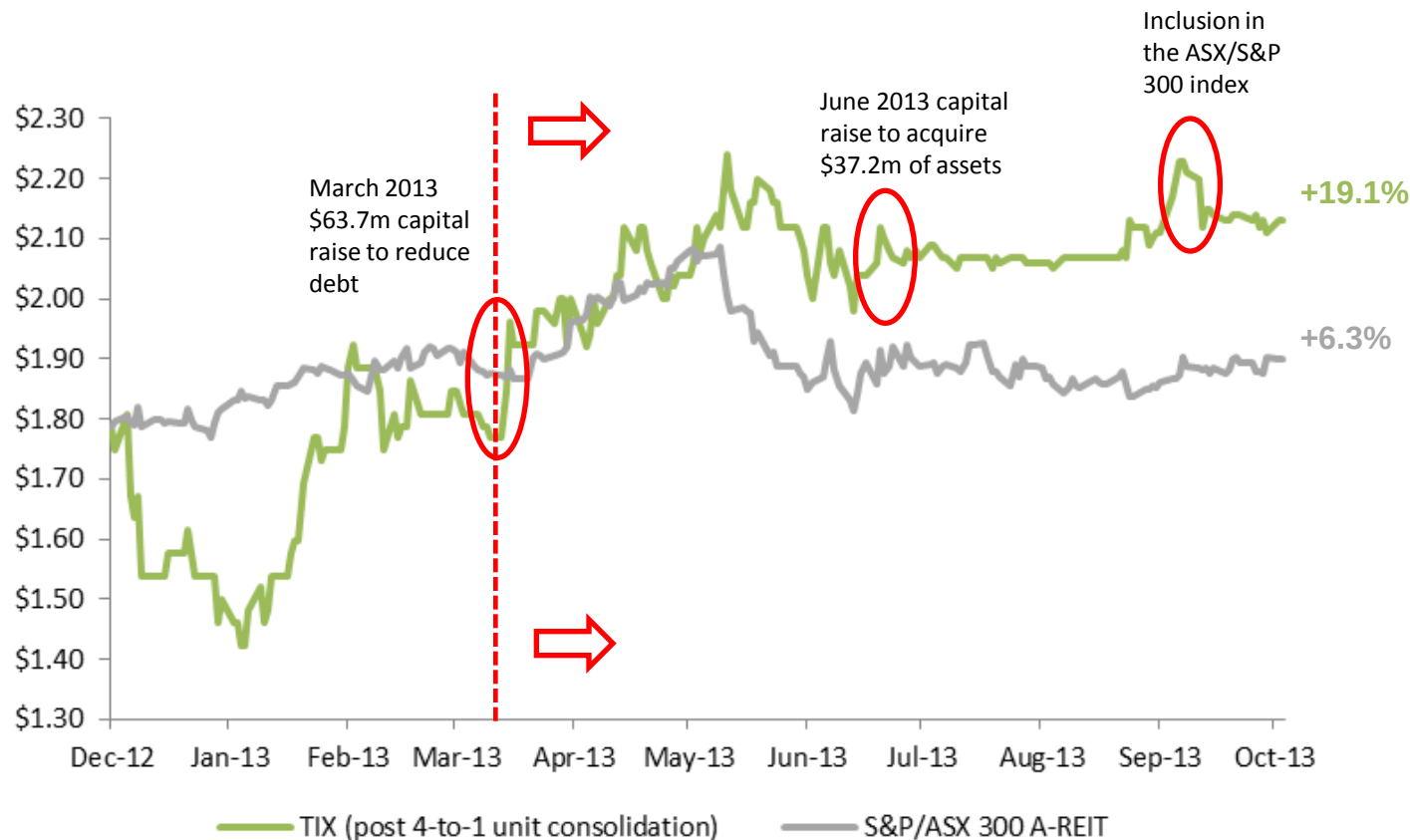


Issue Price		\$2.00
Placement		\$24.3m
Total acquisition price		\$37.2m
WALE	↑	5.2 years
Exposure to NSW	↑	20%
Portfolio value	↑	\$337m
Market Capitalisation	↑	\$186m
LVR	↓	46.9%
NTA	↔	\$1.92

- Provides the ability to transact quickly on suitable opportunities to enhance portfolio quality
- Attractive new institutional investors
- Market support for Fund's strategy with TIX trading at
 - 6% premium to issue price and
 - 9% premium to NTA
- Over-riding earnings and distribution focus with all acquisitions

Price Performance

- Strong market support for capital raisings reflected in price performance
- Sustained Index outperformance since May 2013
- 12.8% Index outperformance since listing in December 2012



Resolution: Ratify June 2013 Placement

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Fund:

“That the issue of 48,637,361 ordinary units in the 360 Capital Industrial Fund to institutional investors on 25 June 2013, as described in the Explanatory Memorandum accompanying this Notice of Meeting convening the Meeting, is ratified and approved for the purposes of ASX Listing Rule 7.4 and for all other purposes.”

Resolution: Ratify June 2013 Placement (cont.)

Directors believe refreshing the Fund's equity raising capacity is in Members' best interests

- Generally, an entity may not, without Member approval, issue in any 12 month period more than 15% of the number of Units on issue 12 months before the date of the issue
- If the Resolution is passed it will provide funding flexibility in respect of potential acquisitions, investment opportunities and general capital management initiatives that may arise
- The Fund continues to actively seek acquisition opportunities which complement its investment strategy and existing portfolio to meet its objectives of increasing income returns and the potential for capital growth
- Institutions that took part in the June 2013 placement are excluded from voting on the Resolution
- If the Resolution is passed the percentage holding in the Fund of Members who do not participate in future capital raisings will be reduced
 - offset by potential income and capital growth upside

360 Capital recommends you VOTE IN FAVOUR of the Resolution

Resolution: proxy voting

Resolution: Ratify June 2013 institutional placement

	For		Against		Open		Total		Abstain
	Votes	%	Votes	%	Votes	%	Votes	%	Votes
By Number of Units	29.4m	94.6%	0.7m	2.3%	1.0m	3.1%	31.1m	100.0%	0.3m

- The Resolution is an ordinary resolution and will be decided on a show of hands unless a poll is demanded

360 Capital recommends you VOTE IN FAVOUR of the Resolution

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MEETING OF MEMBERS

10am 25 October 2013

David van Aanholt (Chairman):

Good Morning Ladies and Gentlemen and welcome to a meeting of Members of the 360 Capital Industrial Fund.

My name is David van Aanholt and I am the Independent Chairman of 360 Capital Group, and a Director of the Responsible Entity of the Fund, 360 Capital Investment Management Limited. I have been appointed by the Responsible Entity to chair this meeting in accordance with section 252S(1) of the Corporations Act and I table a letter of appointment for myself from the Responsible Entity.

I thank you all for taking the time and making the effort to attend this morning.

It is now after 10am, the time appointed for the meeting. A quorum is present if we have at least 2 members present at all times during the meeting, including individuals attending as proxy, attorney, personal representative or body corporate. I have been informed by Boardroom Pty Limited, the Fund's unit registrar, that there is a quorum for this meeting. As this meeting has the required quorum, I formally declare this meeting open.

I would now like to take this opportunity to introduce you to the representatives from the 360 Capital Group who are in attendance and available to answer questions at the appropriate time: Ben James, Chief Investment Officer of 360 Capital and Ben Butler, Fund Manager of your Fund.

The item on today's agenda is the proposed refreshment of the Fund's capacity to issue new units under the ASX Listing Rules.

I will now hand over to Ben Butler who will provide an update on the Fund's current position.

Ben Butler (Fund Manager):

Good Morning Ladies and Gentlemen and thank you again for attendance this morning. My name is Ben Butler and I am the Fund Manager of the 360 Capital Industrial Fund.

Before our Chairman moves on to discussing the Resolution proposed here today, I would like to take a moment to provide Unitholders with an overview of the June placement and the rationale behind it.

The June capital raising, the subject of the Resolution you are being asked to consider today, was an important step in delivering on the Fund's strategy of enhancing value by continuing to improve the quality of the portfolio and maximise Unitholder returns.

The capital raised was used to acquire two high quality industrial properties at 69 Studley Court, Derrimut, Victoria and 457 Waterloo Road, Chullora, NSW for a combined purchase price of \$37.2 million.

Both properties are modern freestanding warehouse and logistics facilities located in core industrial markets, 100% leased, providing a combined WALE of 10 years and a combined initial yield of 8.6%.

The acquisition of these two properties fitted within the Fund's investment criteria of selecting good quality logistics properties located in core industrial locations with long lease expiries and sound fundamentals. The Properties have enhanced overall portfolio metrics whilst providing Unitholders with secure earnings over the long term.

Benefits to the Fund of this transaction at the time included:

- an increase in WALE to 5.2 years;
- increased exposure to NSW by 3% to 20%;
- increased portfolio value to \$337m;
- increased market capitalisation to \$186m;
- reduced LVR to 46.9% and;
- maintained NTA at \$1.92

The market continues to be supportive of the Fund and its strategy and this is demonstrated by the unit price which is currently trading at \$2.12, a 6% premium to the equity issuance price of \$2.00 and a 9.3% premium to the NTA at 30 June 2013 of \$1.94. In addition we were pleased to see new institutional investors support the acquisition and existing ones increase their investment alongside the existing Unitholders, underscoring the attractiveness of the Fund.

I am also pleased to say that the capital initiatives undertaken in the last 6 months were instrumental in the Fund being included in the S&P/ASX 300 index in September, which has increased liquidity in the Fund and broadened the potential investor base.

The following slide demonstrates the price performance of TIX since listing in December 2012. The Fund's unit price has outperformed the index by 12.8% during this time. Note this excludes the quarterly distributions that have been paid during the period. What is evident from this data is that the Fund's unit price lagged the index between December and March prior to the capital initiatives being undertaken. Since March the Fund's unit price has clearly outperformed the index and this is a clear vindication of the markets overall support for the Fund and its strategy.

Before I hand back to the Chairman, I would like to say that the implementation of the Resolution presented here today will assist the Fund to deliver its stated strategy of enhancing value through by pursuing in a measured approach opportunities to grow the Fund and improve asset quality thereby underpinning the future performance of your investment.

I will now hand back to our Chairman who will run through the Resolution in more detail and address any questions Unitholders have.

Thank you.

David van Aanholt (Chairman):

Thank you, Ben.

The Notice of Meeting dated 1 October 2013 contains the motion to be put before Members at today's meeting. I understand that the Notice of Meeting was sent to all Members, each of the directors, the auditors for the Fund and such other persons as required by the Fund's Constitution at least 21 days before the meeting. This complies with both the Corporations Act and the Fund's Constitution. I will now table the Notice of Meeting. Unless I hear to the contrary, I will take the Notice of Meeting as being read.

The Resolution you will be voting on now appears on the screen. Unless I hear to the contrary, I will also take the Resolution as being read.

The Resolution asks you to ratify the placement of Units to institutional investors in June 2013 as part of the successfully completed capital raising.

Taking advantage of significant institutional interest in the Fund, a fully underwritten placement of 48.6 million Units was made to institutional investors raising \$24.3 million at \$0.50 per Unit.

You would all be aware that the Fund has performed very well on the ASX since the placement which demonstrates the market's approval of the Fund's strategy.

While the placement has improved the Fund's ability to meet its objective of enhancing portfolio asset quality and earnings and growing distributions, according to the ASX Listing Rules, an entity may not generally, without Member approval, issue in any 12 month period more than 15% of the number of Units on issue 12 months before the date of the issue.

The Board recommends you approve the Resolution in order that the Fund's equity raising capacity is refreshed.

Refreshment will provide increased funding flexibility and enable the Fund to continue to actively seek acquisition opportunities which complement its investment strategy and thereby

assist in meeting its objectives of providing potential for increased income returns and capital growth.

The Resolution is an ordinary resolution and will be passed if more than 50 per cent of votes cast by or on behalf of Members entitled to vote on the Resolution are in favour of the Resolution.

Voting exclusions apply to the Resolution and are set out on page 3 of the Notice of Meeting which are taken as being read. However, I am happy to read the voting exclusions if requested.

I direct Unitholders to the results of the pre-meeting proxies which overwhelmingly show support for the Resolution in excess of 97%.

I now move to consider the Resolution – Ratification of the June 2013 institutional placement contained in the Notice of Meeting and as it appears on the screen.

May I now have a show of hands of those Members or their proxies who are in favour of the Resolution.

Thank you

May I now have a show of hands of those Members or their proxies who are against the Resolution

Thank you

I declare the Resolution [passed/not passed] by the requisite majority.

Ladies and Gentlemen, that concludes the formal business of the meeting and I declare this general meeting of Members of the Fund closed.

I thank you very much for your attendance here today.