

360 Capital Total Return Fund

16 June 2015

Fund Update

360 Capital Investment Management Limited as responsible entity for 360 Capital Total Return Fund ('Fund' or 'TOT') is pleased to provide an update on the progress of the Fund since listing on the ASX on 22 April 2015.

The Fund raised a total of \$40.0 million as part of the IPO. Coupled with the existing CJT assets and equity, a total of 39.7 million securities were issued at \$1.25 per security in line with the proforma NTA.

Fund becomes debt free

The Fund has applied \$14.6 million to repay the Fund's entire debt. The Fund is now debt free with a portfolio of direct assets in Frenchs Forest valued at \$26.0 million which are now unencumbered.

Strategic Fund investment

In line with one of the Fund's identified strategies outlined in the PDS issued as part of the IPO, the Fund has invested approximately \$11.8 million to date in another Fund which we believe to be undervalued. The Fund has identified multiple exit strategies for this investment based around a short to medium term investment period and its targeted 12.0% minimum total return hurdle.

Mezzanine debt facility investment

The Fund (in joint venture (JV) with another ASX listed company) has issued a term sheet for a \$34.9 million mezzanine debt facility to be provided to a group of private investors and secured against a portfolio of retail investment assets valued at \$174 million.

Under the terms of the proposed facility, the JV will receive establishment fees and charge a 15.0% interest rate per annum (part capitalised and part paid quarterly in arrears), secured to a loan to value ratio (LVR) of 80.0% over the investment portfolio by way of a second mortgage.

The Fund proposes to commit \$19.9 million of the total \$34.9 million cash requirement.

The Fund will undertake due diligence and complete documentation over the next few weeks, with the mezzanine debt facility expected to settle in late July 2015. The Fund does not need to undertake a capital raising to complete this transaction.

The transaction is in a preliminary stage and there is no certainty the transaction will proceed; however, the Fund will keep investors updated on its progress.

Existing Frenchs Forest assets

The Fund's Frenchs Forest properties are under a conditional contract for sale currently due to expire on 30 September 2015.

The Fund is currently in discussion with the purchaser regarding various aspects of the conditions of the contract. Further details will be provided in due course.

Distribution for June 2015 quarter

The Fund's forecast distribution of 2.81 cents per security for the quarter ending 30 June 2015 remains unchanged. The Fund will be releasing its FY15 results in late August 2015, at which time it will be providing an update to the market, including FY16 financial forecasts.

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More information on TOT can be found on the ASX's website at www.asx.com.au using the Fund's ASX code "TOT", on the Fund's website www.360capital.com.au, or by calling the TOT Offer Information Line on 1800 182 257 or emailing investor.relations@360capital.com.au

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About 360 Capital Total Return Fund (ASX code TOT)

360 Capital Total Return Fund aims to provide total returns with a performance hurdle of 12% per annum to investors through a selective and disciplined investment philosophy, combined with access to real estate based investment opportunities available to the Fund through the 360 Capital platform. 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 co-invested 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 21 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 10,300 investors and has \$175 million worth of co-investments across the 360 Capital Group.
