

360 Capital Total Return Fund

For the year ended 30 June 2015

Comprises the stapling of 360 Capital Total Return Passive Fund (ARSN 602 304 432) and 360 Capital Total Return Active Fund (ARSN 602 303 613)

This Preliminary Financial Report is given to the ASX in accordance with Listing Rule 4.3A. This report should be read in conjunction with the Annual Report for the year ended 30 June 2015. It is also recommended that the Annual Report be considered together with any public announcements made by the Fund. Reference should also be made to the statement of significant accounting policies as outlined in the Financial Report. The Annual Report for the year ended 30 June 2015 is attached and forms part of this Appendix 4E.

Details of reporting period:

Current reporting period: 1 July 2014 – 30 June 2015

Prior corresponding period: 1 July 2013 – 30 June 2014

Overview of operations

The Fund completed a restructure of an existing listed fund CVC Property Fund (ASX: CJT), a capital raising of \$40 million, and listing on the ASX on 22 April 2015.

The Passive Fund and Active Fund were registered on 27 October 2014 for the purpose of undertaking the restructure of CJT. The restructure was subsequently approved by CJT unitholders on 21 January 2015. The Fund is considered to be a continuance of the previous CJT entity as the restructure associated with the creation of the Active and Passive Funds had no economic substance and simply facilitates a broad investment mandate providing flexibility in relation to how the ownership of investments is to be structured. The comparative reporting period for the Fund therefore reflects the historic financial results and position of CJT for the year ended 30 June 2014.

Results announcement to the market:

	30 Jun 2015 \$'000	30 Jun 2014 \$'000	Movement \$'000	Movement %
Revenue and other income from ordinary activities	4,539	3,860	679	17.6
(Loss)/profit attributable to stapled securityholders for the year	(1,467)	671	(2,138)	(318.6)
Operating profit ¹	2,690	1,659	1,031	62.1

¹ Operating profit is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the profit under AAS adjusted for specific non-cash items and significant items. The Directors consider operating profit to reflect the core earnings of the Fund. Operating earnings is used by the Board to make strategic decisions and as a guide to assessing an appropriate distribution to declare. A reconciliation of the Fund's statutory profit to operating earnings is provided in Note 8 of the Financial Report.

360 Capital Total Return Fund



For the year ended 30 June 2015

Comprises the stapling of 360 Capital Total Return Passive Fund (ARSN 602 304 432) and 360 Capital Total Return Active Fund (ARSN 602 303 613)

	30 Jun 2015 Cents per security	30 Jun 2014 Cents per security	Movement Cents per security	Movement %
Earnings per security – Basic and diluted	(10.6)	8.7	(19.3)	(221.8)
Operating profit per security	19.4	21.6	(2.2)	(10.2)

The earnings per security and operating profit per security for both the current and comparative years are impacted by the capital restructure that occurred in April 2015. This resulted in reducing units on issue in the ratio of 1:100 for the comparative year plus the issue of 32.0 million units in April 2015 for the current year.

Distributions:

	Cents per security	Total amount paid \$'000	Date of payment
June quarter distribution	2.81	1,115	24 Jul 2015
Total distribution for the year ended 30 June 2015	2.81	1,115	
Total distribution for the year ended 30 June 2014	Nil	Nil	

Net tangible asset per security:

	30 Jun 2015 \$	30 Jun 2014 \$
NTA per security	1.22	1.59 ¹

¹ 30 June 2014 NTA was \$0.02 per unit. The comparative has been adjusted to \$1.59 per unit to reflect the 100:1 consolidation of CJT units which occurred in April 2015 as part of the restructure of the Fund.

Control Gained or Lost over Entities during the year:

On 21 April 2015, 100% interest was acquired in 360 Capital Total Return Active Fund (ARSN 602 303 613), also refer to the Overview of operations section above regarding the restructure of the Fund that occurred during the year.

360 CAPITAL TOTAL RETURN FUND

Annual Report
FOR THE YEAR ENDED
30 JUNE 2015

360 Capital Total Return Fund comprises 360 Capital Total Return Passive Fund (ARSN 602 304 432)
and 360 Capital Total Return Active Fund (ARSN 602 303 613)

360 CAPITAL TOTAL RETURN FUND

Financial Report For the year ended 30 June 2015

360 Capital Total Return Fund comprises 360 Capital Total Return Passive Fund ARSN 602 304 432 and its controlled entities and 360 Capital Total Return Active Fund ARSN 602 303 613.

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360 Capital Total Return Fund

Responsible Entity report

For the year ended 30 June 2015

The Directors of 360 Capital Investment Management Limited (“CIML”), the Responsible Entity, present their report together with the financial report of 360 Capital Total Return Fund (“the Fund” or “consolidated entity”) (ASX: TOT) for the year 1 July 2014 to 30 June 2015. 360 Capital Total Return Fund comprises 360 Capital Total Return Passive Fund (“Passive Fund”) (“Parent Entity”) and its controlled entities and 360 Capital Total Return Active Fund (“Active Fund”).

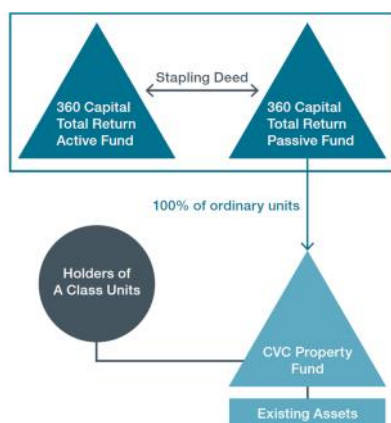
Directors

The following persons were Directors of 360 Capital Investment Management Limited during the year and up to the date of this report, unless otherwise stated:

David van Aanholt (Chairman)
Tony Robert Pitt
William John Ballhausen
Graham Ephraim Lenzner
Andrew Graeme Moffat

Principal activities

The Fund completed a restructure of existing listed fund CVC Property Fund (“CJT”) (ASX: CJT), a capital raising of \$40.0 million, and listing on the ASX on 22 April 2015. The diagram below illustrates the structure of the Fund following the restructure and capital raising.



The Fund’s investment strategy is to invest in real estate based activities and actively manage a diversified portfolio of investments including:

- repositioning assets, including short term re-leasing positions and refurbishment projects;
- investing in investment properties that generate rental income;
- underwriting potential capital raisings in the real estate sector including syndicates and both unlisted and listed funds;
- taking strategic positions in unlisted funds, including providing liquidity solutions to existing unitholders of those funds;
- capitalising on mispriced trading opportunities within ASX listed AREIT sector;
- participating in mergers and acquisition activities occurring within the Australian real estate markets; and
- participating in special situations which arise from time to time within Australian real estate markets including distressed sales, investments with restructuring potential, and providing loans.

360 Capital Total Return Fund
Responsible Entity report
For the year ended 30 June 2015

Reporting period

The Passive Fund and Active Fund were registered on 27 October 2014 with the purpose of undertaking the restructure of CJT as outlined above. The restructure was subsequently approved by CJT unitholders on 21 January 2015. The Fund is considered to be a continuance of the previous CJT entity as the restructure associated with the creation of the Active and Passive Funds had no economic substance and simply facilitates a broad investment mandate providing flexibility in relation to how the ownership of investments is to be structured. The comparative reporting period for the Fund therefore reflects the historic financial results and position of CJT for the year ended 30 June 2014.

Operating and financial review

The Fund's statutory net loss attributable to securityholders for the year ended 30 June 2015 was \$1.5 million, which was driven primarily due to a \$2.3 million downwards revaluation of the Fund's investment properties.

The Fund's statutory balance sheet as at 30 June 2015 had gross assets of \$49.9 million reflecting the results of the recapitalisation from the \$40.0 million capital raise completed in April 2015.

Operating profit is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the profit under AAS adjusted for specific non-cash items and significant items. The Responsible Entity considers operating profit to reflect the core earnings of the Fund and it is used as a guide to assess the Fund's ability to pay distributions to unitholders.

The following table summarises key reconciling items between statutory profit attributable to the unitholders of the Fund and operating profit. The operating profit information in the table has not been subject to any specific audit procedures by the Fund's auditor but has been extracted from Note 8: Segment reporting of the financial statements for the year ended 30 June 2015, which have been subject to audit; refer to page 40 for the auditor's report on the financial statements.

	30 June 2015 \$'000	30 June 2014 \$'000
Loss attributable to stapled securityholders of the Fund	(1,467)	671
Specific non-cash items		
Net loss on fair value of investment properties	2,255	988
Net loss on fair value of financial assets	1,256	-
Significant items		
Restructure and acquisition costs	646	-
Operating profit (profit before specific non-cash and significant items)	2,690	1,659

The key financial highlights for the year ended 30 June 2015 include:

- Operating profit of \$2.7 million (2014: \$1.7 million)
- Operating earnings per security (EPS) of 19.4 cents per security (cps)
- Net assets increased to \$48.3 million from \$12.2 million at 30 June 2014
- Net tangible assets per security (NTA) of \$1.22, compared to \$1.25 per the Fund's Product Disclosure Statement (PDS)
- Distributions per security (DPS) of 2.81 cps paid for June 2015 quarter representing an annualised yield of 9% on Initial Public Offer (IPO) price per security of \$1.25 (2014: \$Nil)
- ASX closing price of \$1.17 per security

360 Capital Total Return Fund
Responsible Entity report
For the year ended 30 June 2015

The key operational achievements for the year ended 30 June 2015 include:

- Raised capital of \$40.0 million during the Fund's IPO
- An investment worth \$11.2 million in a third party property fund
- Full repayment of the Fund's debt facilities
- Subsequent to year end the Fund exchanged unconditional contracts for the sale of the Frenchs Forest properties for \$26.0 million with settlement due on 30 September 2015

Properties

During the year the Fund continued to own and manage two properties located at 8 Rodborough Road and 357 Warringah Road, Frenchs Forest NSW. These properties are fully leased, however the lease to Ricoh at 8 Rodborough Road expires in September 2015 and Ricoh does not intend to enter into a new lease.

Subsequent to balance date the Fund announced the unconditional exchange of contracts for sale of the Fund's properties for a combined purchase price of \$26.0 million. The Fund commenced negotiations with the purchaser shortly after taking over management in April 2015 and settlement is due to occur on 30 September 2015.

On 20 April 2015, in accordance with resolutions passed by CJT unitholders on 21 January 2015, existing unitholders became entitled to "A" class units in the CJT fund entitling those unitholders to any proceeds above \$26.0 million from the sale of these properties under the existing conditional sales contracts. As the sale of the properties is now unconditional, the entitlements of the Class A units will be satisfied upon settlement of the properties and the Fund will redeem the Class A units, resulting in a simplified capital structure.

Strategic fund investment

At the balance date the Fund held a \$11.2 million investment in a third party property fund which management believe to be undervalued. The Fund has identified multiple exit strategies for this investment based around a short to medium term investment period.

Capital management

During the year the Fund had a loan facility with National Australia Bank ("NAB"). At 30 June 2014 the drawn amount was \$16.1 million which was subsequently reduced throughout the year to \$14.6 million. On 4 May 2015, the Fund utilised \$14.6 million of the capital raise proceeds to repay all of its drawn debt.

The Fund has invested its cash and assets convertible to cash held at the time of the IPO in a manner consistent with the investment strategy of the Fund, including the repayment of debt, investment in property funds and working capital.

Outlook

The Fund's strategy remains to focus on identifying unique real estate based investment opportunity with a target total return hurdle of 12% per annum. The Fund has a deliberately broad mandate to enable it to pursue attractive investments across all sectors of real estate as well as the unique ability to invest in debt investments and equity as well as direct property.

360 Capital Total Return Fund
Responsible Entity report
For the year ended 30 June 2015

Distributions

Total distributions paid or payable to unitholders by the Fund for the year ended 30 June 2015:

	30 June 2015 \$'000	30 June 2014 \$'000	30 June 2015 CPS	30 June 2014 CPS
Distributions to securityholders	1,115	-	2.81	-

During the year the Fund declared a distribution of 2.81 cents per security ("cps") for the quarter ending 30 June 2015 (30 June 2014: Nil). This distribution was paid on 24 July 2015.

Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of 360 Capital Total Return Fund that occurred during the year under review other than those listed above or elsewhere in the Responsible Entity's report.

Likely developments and expected results of operations

The Fund will continue to invest in real estate based activities and actively manage a diversified portfolio of investments as outlined in the Product Disclosure Statement ("PDS") dated 17 March 2015.

Events subsequent to balance date

Subsequent to balance date the Fund announced the unconditional exchange of contracts for sale of the Fund's properties for a combined purchase price of \$26.0 million.

No other circumstances have arisen since the end of the year which have significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

Environmental Issues

The Fund complied with all environmental regulations during the course of the financial year.

Buy back arrangements

As detailed in the Fund constitution, the Responsible Entity is not under any obligation to buy back, purchase or redeem units from securityholders. No buy back arrangements occurred in the financial year ended 30 June 2015 (2014: Nil).

Options

No options over issued units or interests in the Fund were granted during or since the end of the financial year and there were no options outstanding at the date of this report. The Directors and Executives of the Responsible Entity hold no options over interests in the Fund.

Securities issued in the Fund

There were 39,678,456 securities issued during the year. Refer to Note 15 for more detail.

Number of interests on issue

At 30 June 2015 the number of securities on issue in the Fund was 39,678,456 (30 June 2014: 7,678,502).

During the year the previous listed fund CJT, was restructured including the acquisition by the Passive Fund of all issued units in CJT and the issue of 1 Passive Fund unit for every 100 CJT units, resulting in the reduction of units on issue from 767,850,234 to 7,678,502 prior to the stapling of the Passive Fund units to the Active Fund units and the capital raise in April 2015.

360 Capital Total Return Fund
Responsible Entity report
For the year ended 30 June 2015

Securities held by the Responsible Entity or Related Parties of the Responsible Entity

At 30 June 2015 related parties of the Responsible Entity held securities in the Fund, as detailed in Note 19 to the financial statements.

Fees, commissions or other charges by the Responsible Entity or Related Parties of the Responsible Entity

All fees payable to the Responsible Entity or its related parties are detailed in Note 19 to the financial statements.

Indemnification and insurance of Officers

During or since the end of the financial year, the Responsible Entity has paid insurance premiums to insure each of the aforementioned Directors as well as Officers of the Responsible Entity of the Fund against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity of the Responsible Entity, other than conduct involving a wilful breach of duty in relation to the Responsible Entity. The Responsible Entity has not otherwise, during or since the end of the financial year indemnified or agreed to indemnify an officer of the Responsible Entity.

To the extent permitted by law, the Responsible Entity has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Non-audit services

Disclosed in Note 10 were the non-audit services provided by the Fund's auditors. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Auditor's independence declaration

The auditor's independence declaration required under Section 307C of the Corporations Act 2001 is set out on page 7 and forms part of the Responsible Entity's report for the year ended 30 June 2015.

Rounding of amounts

360 Capital Total Return Fund is an entity of the kind referred to in Class Order 98/100 issued by the Australian Securities and Investments Commission ("ASIC"). In accordance with that Class Order, amounts in the interim financial report and Responsible Entity report have been rounded to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Directors.



Tony Robert Pitt
Director

Sydney
26 August 2015



Graham Ephraim Lenzner
Director



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Auditor's Independence Declaration to the Directors of 360 Capital Investment Management Limited as Responsible Entity for 360 Capital Total Return Passive Fund

In relation to our audit of the financial report of 360 Capital Total Return Passive Fund for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Mark Conroy
Partner
26 August 2015

360 Capital Total Return Fund

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2015

		30 June 2015 \$'000	30 June 2014 \$'000
	Note		
Revenue from continuing operations			
Rental from investment properties	4	3,999	3,858
Distribution income	4	476	-
Finance revenue		64	2
Total revenue from continuing operations		4,539	3,860
Investment property expenses		609	631
Administration expenses		457	410
Restructure and acquisition costs		646	-
Finance expenses	5	783	1,160
Net loss on fair value of investment properties	12	2,255	988
Net loss on fair value of financial assets	10	1,256	-
(Loss)/Profit from continuing operations		(1,467)	671
Total comprehensive (loss)/income for the year		(1,467)	671
Total comprehensive (loss)/income attributable to:			
Unitholders of 360 Capital Total Return Passive Fund		(1,298)	671
Unitholders of 360 Capital Total Return Active Fund		(169)	-
(Loss)/Profit attributable to the stapled securityholders		(1,467)	671
Earnings per stapled security for (loss)/profit after tax			
attributable to the stapled securityholders of 360 Capital Total Return Fund		Cents	Cents
Basic and diluted (loss)/profit per security	7	(10.6)	8.7

The above consolidated statement of profit or loss and other comprehensive income should be read with the accompanying condensed notes.

360 Capital Total Return Fund
Consolidated statement of financial position
As at 30 June 2015

		30 June 2015 \$'000	30 June 2014 \$'000
	Note		
Current assets			
Cash and cash equivalents	17	12,024	293
Receivables	9	621	168
Assets held for sale	11	26,000	-
Total current assets		38,645	461
Non-current assets			
Financial assets at fair value through profit or loss	4	11,227	-
Investment properties	12	-	28,250
Total non-current assets		11,227	28,250
Total assets		49,872	28,711
Current liabilities			
Trade and other payables	13	413	371
Distribution payable	3	1,115	-
Total current liabilities		1,528	371
Non-current liabilities			
Borrowings	14	-	16,146
Total non-current liabilities		-	16,146
Total liabilities		1,528	16,517
Net assets		48,344	12,194
Equity			
Issued capital – Passive Fund units		63,453	32,468
Issued capital – Active Fund units		7,747	-
Accumulated losses		(22,856)	(20,274)
Total equity attributable to stapled securityholders		48,344	12,194
Total equity		48,344	12,194

The above consolidated statement of financial position should be read with the accompanying condensed notes.

360 Capital Total Return Fund

Consolidated statement of changes in equity

For the year ended 30 June 2015

		Issued capital - Passive Fund units \$'000	Issued capital - Active Fund units \$'000	Accumulated losses \$'000	Total equity attributable to stapled Securityholders \$'000	Total equity \$'000
	Note					
Balance at 1 July 2014		32,468	-	(20,274)	12,194	12,194
Total comprehensive loss for the year		-	-	(1,467)	(1,467)	(1,467)
Transactions with Securityholders in their capacity as Securityholders						
Issued shares/units - Institutional equity raising	15	32,000	8,000	-	40,000	40,000
Equity raising transaction costs	15	(1,015)	(253)	-	(1,268)	(1,268)
Distributions	3	-	-	(1,115)	(1,115)	(1,115)
		30,985	7,747	(1,115)	37,617	37,617
Balance at 30 June 2015		63,453	7,747	(22,856)	48,344	48,344
Balance at 1 July 2013						
		32,468		(20,945)	11,523	11,523
Total comprehensive income for the year				671	671	671
Transactions with Securityholders in their capacity as Securityholders						
Issued shares/units - Institutional equity raising	15	-	-	-	-	-
Equity raising transaction costs	15	-	-	-	-	-
Distributions	3	-	-	-	-	-
		-	-	-	-	-
Balance at 30 June 2014		32,468	-	(20,274)	12,194	12,194

The above consolidated statement of changes in equity should be read with the accompanying condensed notes.

360 Capital Total Return Fund
Consolidated statement of cash flows
For the year ended 30 June 2015

		30 June 2015 \$'000	30 June 2014 \$'000
	Note		
Cash flows from operating activities			
Cash receipts from customers (inclusive of GST)		4,324	4,346
Cash payments to suppliers (inclusive of GST)		(1,971)	(1,517)
Finance revenue		64	2
Finance expenses		(783)	(1,169)
Net cash inflows from operating activities	17	1,634	1,662
Cash flows from investing activities			
Payments for investment properties	12	(5)	(88)
Proceeds from disposal of investment properties		-	3,600
Payments for financial assets	10	(12,484)	-
Net cash (outflows)/inflows from investing activities		(12,489)	3,512
Cash flows from financing activities			
Proceeds from borrowings		-	596
Repayment of borrowings	12	(16,146)	(5,732)
Proceeds from issue of capital	15	40,000	-
Payment of transaction costs to issue capital	15	(1,268)	-
Net cash inflows/(outflows) from financing activities		22,586	(5,136)
Net increase in cash and cash equivalents		11,731	38
Cash and cash equivalents at the beginning of the year		293	255
Cash and cash equivalents at the end of the year	17	12,024	293

The above consolidated interim statement of cash flows should be read with the accompanying condensed notes.

360 Capital Total Return Fund
Notes to the financial report
For the year ended 30 June 2015

Note 1: Statement of significant accounting policies

a) Reporting entity

The financial report of 360 Capital Total Return Fund ("the Fund") comprises the consolidated financial statements of 360 Capital Total Return Passive Fund ("Passive Fund") and its controlled entities and 360 Capital Total Return Active Fund ("Active Fund"). A 360 Capital Total Return Fund stapled security comprises one 360 Capital Total Return Passive Fund unit stapled to one 360 Capital Total Return Active Fund unit to create a single listed entity traded on the ASX. The stapled security cannot be traded or dealt with separately.

The Responsible Entity of the Fund is 360 Capital Investment Management Limited. The registered office and the principal place of business is Level 8, 56 Pitt Street, Sydney NSW 2000 Australia. The nature of operations and principal activities of the Fund are disclosed in the Responsible Entity's report.

The financial report was authorised for issue by the Board on 26 August 2015.

The Passive Fund and Active Fund were registered on 27 October 2014 with the purpose of undertaking the restructure of CJT. The restructure was subsequently approved by CJT unitholders on 21 January 2015. The Fund is considered to be a continuance of the previous CJT entity as the restructure associated with the creation of the Active and Passive Funds had no economic substance and simply facilitates a broad investment mandate providing flexibility in relation to how the ownership of investments is to be structured. The comparative reporting period for the Fund therefore reflects the historic financial results and position of CJT for the year ended 30 June 2014.

The principal accounting policies adopted in the preparation of the financial report are set out below.

b) Statement of compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

International Financial Reporting Standards ("IFRS") form the basis of Australian Accounting Standards (including Australian Interpretations) adopted by the AASB, being Australian equivalents to IFRS ("AIFRS"). The financial report complies with IFRS and interpretations adopted by the International Accounting Standards Board.

c) Basis of preparation

Basis of preparation

360 Capital Total Return Fund and its consolidated entities are for-profit entities for the purpose of preparing the financial report.

The financial report has been prepared on accruals basis and on the historical cost basis except for investment properties, financial assets and financial liabilities, which are stated at their fair value.

The financial report is presented in Australian dollars.

The Fund is an entity of the kind referred to in ASIC Class Order 98/100 dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006) and in accordance with that Class Order, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

360 Capital Total Return Fund
Notes to the financial report
For the year ended 30 June 2015

c) Basis of preparation (continued)

Changes in accounting policy

As a result of new or revised accounting standards which became effective for the annual reporting year commencing 1 July 2014, the Fund has changed some of its accounting policies. The affected policies and standards that are applicable to the Fund are:

- AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities;
- AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets;
- AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities;
- AASB 2014-1 Amendment to Australian Accounting Standards - 2010-2012 Cycle;
- AASB 2014-1 Amendment to Australian Accounting Standards - 2011-2013 Cycle; and
- AASB 1031 – Materiality.

For the financial year, the adoption of these amended standards has no material impact on the financial statements of the Fund.

Critical accounting estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report and estimates with a significant risk of material adjustment in the next year are disclosed in Note 1 (t).

The accounting policies set out below have been applied consistently to all periods presented in this financial report. The accounting policies have been applied consistently by all entities in the Fund.

Certain new or amended Australian Accounting Standards have been published that are not mandatory for this reporting period. Based on management's assessment, the recently issued or amended Accounting Standards are not expected to have a significant impact on the amounts recognised or disclosures made in this financial report when restated for the application of the new or amended Accounting Standards.

360 Capital Total Return Fund
Notes to the financial report
For the year ended 30 June 2015

d) Basis of consolidation

Stapling

On 21 April 2015, 360 Capital Total Return Fund was formed by stapling together the units of the 360 Capital Total Return Passive Fund and the units of 360 Capital Total Return Active Fund. The Fund was subsequently listed on 22 April 2015. Following approval at a CJT unitholder meeting held on 21 January 2015, CJT was restructured including the acquisition by the Passive Fund of all issued units in CJT, the issue of 1 Passive Fund unit for every 100 CJT units, and the stapling of each Passive Fund unit to an Active Fund unit.

The Fund has determined that the Passive Fund is the parent entity in the stapling arrangement.

For statutory reporting purposes, the Fund reflects the consolidated entity being the Passive Fund (the acquirer) and its controlled entities. On the basis that the Passive Fund does not hold any interest in the Active Fund, the net assets, profit or loss and other comprehensive income of the Active Fund are considered non-controlling interests and are therefore disclosed separately.

The Constitutions of the Passive Fund and the Active Fund ensure that, for so long as these entities remain jointly listed, the number of units in the Passive Fund and the number of units in the Active Fund shall be equal and that unitholders in both funds be identical. Both the Responsible Entity of the Passive Fund and the Active Fund must at all times act in the best interest of consolidated entity.

The stapling arrangement will cease upon the earlier of the winding up of any of the stapled entities, or any of the entities terminating the stapling arrangement.

Controlled entities

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of the Fund as at 30 June 2015 and the results of all controlled entities for the period then ended.

Controlled entities are entities controlled by the Fund. Control exists when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of controlled entities are included in the financial report from the date that control commences until the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Fund entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Fund.

Investments in controlled entities are accounted for at cost in the individual financial statements of the parent entity, less any impairment.

360 Capital Total Return Fund
Notes to the financial report
For the year ended 30 June 2015

e) Segment reporting

Segment information is presented in respect of the Fund's operating segments, which are the primary basis of segment reporting. An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other operating segments. The primary segments are based on the Fund's management and internal reporting structure.

Operating segments are determined based on the information which is regularly reviewed by the Managing Director, who is the Chief Operating Decision Maker within the Fund.

f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of GST paid. Revenue is recognised for the major business activities as follows:

Rental from investment properties

Rental revenue from investment properties is recognised on a straight-line basis over the lease term where leases have fixed increments, otherwise on an accruals basis. Rental revenue not received at reporting date is reflected in the statement of financial position as a receivable or if paid in advance, a current liability. Lease incentives granted are recognised over the lease term on a straight-line basis as a reduction of rental revenue.

Distributions from property funds

Distribution income from investments is recognised when the unitholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the unitholder and the amount of income can be measured reliably.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest basis.

Other income

Other income is recognised when the right to receive the revenue has been established.

g) Finance expenses

Finance expenses which include interest and amortised borrowing costs are recognised using the effective interest rate applicable to the financial liability.

h) Income tax

Under current Australian income tax legislation, the Active Fund and Passive Fund are generally not liable for income tax provided their taxable income and taxable capital gains are fully distributed to unitholders each year. In the circumstances if a managed investment trust undertakes certain trading activities that trust may be liable to pay income tax.

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i) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

k) Receivables

Receivables are recognised initially at fair value and subsequently at amortised cost. The payment terms are usually 30 days after the invoice is raised. They are classified as current assets except where the maturity is greater than 12 months after the reporting date in which case they are classified as non-current.

Amounts not recoverable are assessed at each reporting date. Indicators that an amount is not recoverable include where there is objective evidence of significant financial difficulties, debtor bankruptcy, financial reorganisation or default in payment. Any allowances for non-recoverable receivables are recognised in a separate allowance account. Any bad debts which have previously been provided for are eliminated against the allowance account. In all other cases bad debts are written off directly to the statement of profit or loss.

l) Financial instruments

Financial assets and financial liabilities are recognised when a Fund entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets are classified into the following specified categories: "Receivables" and "Financial assets at fair value through profit or loss". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss

Financial assets designated at fair value through profit or loss comprises investments in unlisted and listed funds. Upon initial recognition, the investments are designated at fair value through profit or loss in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*.

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l) Financial instruments (continued)

Financial assets designated at fair value through profit or loss at inception, are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all the risk and rewards of ownership.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the statement of profit or loss within income or expenses in the period in which they arise. Dividend/distribution income from financial assets at fair value through profit and loss is recognised in the statement of profit or loss as part of revenue from continuing operations when the Fund's right to receive payments is established.

Receivables

Refer to Note 1 (k).

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Fund are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Impairment

The Fund assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

m) Assets held for sale

Assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. The assets must meet the following criteria:

- the asset is available for immediate sale in its present condition and is highly probable;
- an active program to locate a buyer and complete a sale must have been initiated;
- the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale should be completed within 12 months from the date of classification.

Immediately before applying the classification as held for sale, the measurement of the assets is brought up to date in accordance with applicable accounting standards.

Investment properties which are classified as held for sale are carried at fair value as the measurement provisions of AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* do not apply to investment properties.

Impairment losses determined at the time of initial classification of the non-current asset as held for sale are included in the statement of profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement.

n) Investment properties

Investment properties are properties which are held for the purpose of producing rental income, capital appreciation, or both. Investment properties are initially recognised at cost including any acquisition costs. Investment properties are subsequently stated at fair value at each balance date with any gain or loss arising from a change in fair value recognised in the statement of profit or loss in the period. An external, independent valuer with appropriately recognised professional qualification and recent experience in the location and category of the property being valued, values the individual properties when considered appropriate as determined by management in accordance with a Board approved valuation policy. Valuation methods used to determine the fair value include market sales comparison, discounted cash flow and capitalisation rate. The fair value for a property may be determined using a combination of these and other valuation methods.

These external valuations are taken into consideration when determining the fair value of the investment properties. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without prejudice.

o) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Fund prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

p) Borrowings

Interest bearing loans and overdrafts are initially measured at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Fund has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Transaction costs are amortised over the term of the borrowing and the balance of transaction costs is amortised immediately upon a borrowing being substantially renegotiated, refinanced or repaid in full.

q) Provisions

A provision is recognised in the statement of financial position when the Fund has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate which reflects current market assessments of the time value of money and, where appropriate the risks specific to the liability.

Distributions

A provision for distributions payable is recognised in the reporting period in which the distributions are declared, determined, or publicly recommended by the Directors on or before the end of the financial period, but not distributed at balance date.

r) Issued capital

Issued capital represents the amount of consideration received for stapled securities issued by the Fund. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

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s) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

t) Critical judgements and significant accounting estimates

The preparation of financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities are:

Valuation of investment properties

The Directors ascertain the fair value of investment properties after having regard to independent valuations which are undertaken annually. These valuations are determined through the use of the properties' lease profile and direct market comparison and include the valuers' assessments of appropriate capitalisation rates and discounted cash flow rates. The valuations are in accordance with accounting policy Note 1 (n).

Income taxes

In circumstances where the Fund becomes subject to income taxes in Australia there are transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain.

The Fund may recognise liabilities based on the Fund's current understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Impairment of assets

The Fund assesses the recoverability of both current and non-current assets on at least an annual basis. In determining the recoverability of these assets the Fund assesses the likelihood that future cash flows or net assets support the carrying values.

Financial assets at fair value through profit or loss

The fair value of investments which are not traded in an active market is determined by using valuation techniques. The Net Tangible Assets ('NTA') of the underlying Funds is used as a basis for valuation however may be amended as deemed appropriate. The Fund uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each statement of financial position date.

In determining the NTA of the underlying investments, property assets are either valued using an external professional valuer, or subject to a Director valuation. All other assets and liabilities held within entities are valued in accordance with accounting policies, consistent with those noted in Note 1.

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For the year ended 30 June 2015

u) Accounting standards issued but not yet effective

The following new accounting standards, amendments to standards and interpretations have been issued, but are not mandatory as at 30 June 2015. They are available for early adoption, but have not been applied in preparing these financial statements. The Fund plans to adopt these standards on the effective date. The impact of these new standards and interpretations are as follows:

- AASB 9 – *Financial Instruments (Effective January 1, 2018)*. This standard includes requirements to simplify the approach for the classification and measurement of financial instruments. This is not expected to materially impact the Fund's financial statements
- AASB 15 – *Revenue from Contracts with Customers (Effective January 1, 2018)*. This standard establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. At this stage we are currently assessing the impact on the Fund's financial statements.

In addition to above, the following amendments have been proposed due to amendments of related standards and the annual improvements cycles:

- AASB 2014-4 *Clarification of Acceptable Methods of Depreciation and Amortisation (Effective January 1, 2016)*
- AASB 2014-9 *Equity method in Separate Financial Statements (Effective April 1, 2016)*
- AASB 2015-1 *Annual Improvements to Australian Accounting Standards – 2012-2014 Cycle (Effective April 1, 2016)*
- AASB 2015-2 *Disclosure Initiative: Amendments to AASB 101 (Effective April 1, 2016)*

The recently issued amendments are not expected to have a significant impact on the amounts recognised in the financial statements at the effective date.

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Note 2: Financial risk management

Overview

The Fund's activities expose it to various types of financial risks including credit risk, liquidity risk, and market risk. The Board of Directors of the Responsible Entity has responsibility for the establishment and oversight of the risk management framework ensuring the effective management of risk.

The Board has established risk management principles and policies and monitor their implementation. Policies are established to identify and analyse the financial risks faced by the Fund, to set appropriate risk limits and controls, and monitor the risks and adherence to limits. The Board meets regularly to review risk management policies and systems and ensure they reflect changes in market conditions and the Fund's activities.

The nature and extent of the financial instruments and the risk management policies employed by the Fund are discussed in this section.

a) Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Fund is exposed to credit risk through the financial assets listed in the table below. The table also details the maximum exposure to credit risk for each class of financial instrument.

	30 June 2015 \$'000	30 June 2014 \$'000
Cash and cash equivalents	12,024	293
Receivables	621	150
Financial assets at fair value through profit or loss	11,227	-
Total	23,872	443

The Fund manages credit risk and the losses which could arise from default by ensuring that parties to contractual arrangements are of an appropriate credit rating, or do not show a history of defaults. At reporting date, there are no issues with the credit quality of financial assets that are neither past due nor impaired, and all amounts are expected to be received in full.

b) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Board has a policy of prudent liquidity risk management ensuring that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund monitors its exposure to liquidity by ensuring that there is sufficient cash on hand to meet the contractual obligations of financial liabilities as they fall due.

The maturities of financial liabilities at reporting date based on the contractual terms of each liability in place at reporting date have been disclosed in a table in Note 16. There are no financial liabilities where the fair value would be materially different from the amortised cost. The amounts disclosed are based on undiscounted cash flows.

Note 2: Financial risk management (continued)

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Fund's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Fund's market risk is managed in accordance with the investment guidelines as outlined in the Fund's Product Disclosure Statement.

Interest rate risk

The Fund's interest rate risk arises from borrowings and cash balances. The potential impact of a change in interest rates by +/- 1% on profit and equity has been disclosed in a table in Note 16.

Price risk

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund and classified on the statement of financial position as financial assets at fair value through profit or loss. The Fund is not exposed to commodity price risk.

These risks include, but are not limited to, exposure from different investment classes. The overall risk to exposures from investments is monitored and managed by the Board.

The Fund's exposure to other price risk at reporting date, including its sensitivity to changes in the fair value of different classes of equity securities that were reasonably possible has been disclosed in a table in Note 30.

Other markets risk

The Fund does not have any material exposure to any other market risks such as currency risk.

d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The Fund uses a variety of methods to calculate the value of financial instruments and makes assumptions that are based on market conditions existing at each balance date. The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables.

e) Capital Management

Under the direction of the Board, the Fund manages its capital structure to safeguard the ability of the Fund to continue as a going concern while maximising the return to unitholders through the optimisation of net debt and total equity balances.

In order to maintain or adjust the capital structure, the Fund may adjust the amount of distributions paid to unitholders, return capital to unitholders, issue new units, purchase the Fund's own units, or sell assets to reduce debt.

There were no changes in the Fund's approach to capital management during the year.

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Note 3: Distributions

Total distributions paid or payable to unitholders by the Fund for the year ended 30 June 2015:

	30 June 2015 \$'000	30 June 2014 \$'000	30 June 2014 CPU	30 June 2014 CPU
Distributions to unitholders	1,115	-	2.81	-

During the period the Fund declared a distribution of 2.81 cents per unit ("cpu") for the quarter ending 30 June 2015 (30 June 2014: Nil). This distribution was paid on 24 July 2015.

Note 4: Revenue

Rental income from investment properties include:

	30 June 2015 \$'000	30 June 2014 \$'000
Rent	3,999	3,858
	3,999	3,858

Distributions from property funds include:

	30 June 2015 \$'000	30 June 2014 \$'000
Property funds	476	-
	476	-

Note 5: Finance costs

	30 June 2015 \$'000	30 June 2014 \$'000
Interest paid on debt facilities	783	1,160
	783	1,160

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Note 6: Auditors' remuneration

	30 June 2015 \$	30 June 2014 \$
<u>Audit services – EY</u>		
Audit services	55,000	-
Audit of compliance plan	9,300	-
	64,300	-
<u>Other services – EY</u>		
Taxation compliance services	25,000	-
Taxation services – other	57,000	-
	146,300	-
<u>Audit services – HLB Mann Judd</u>		
Audit services	-	41,000
Audit of compliance plan	-	4,750
	-	45,750

Note 7: Earnings per stapled security

	30 June 2015 ¢	30 June 2014 ¢
Basic and diluted (loss)/profit per stapled security	(10.6)	8.7
	\$'000	\$'000
Basic and diluted earnings		
(Loss)/Profit attributable to stapled securityholders of 360 Capital Total Return Fund used in calculating (loss)/profit per stapled security	(1,467)	671
	000's	000's
Weighted average number of stapled securities used as a denominator		
Weighted average number of stapled securities – basic and diluted	13,903	7,679

Earnings per stapled security for the year ended 30 June 2014 was 0.09 cents before adjusting for the scrip for scrip offer. The comparative has been adjusted for the issue of 1 Passive Fund unit for every 100 CJT units made during the restructure completed in April 2015. The weighted average number of units on issue for the year ended 30 June 2014 has also been adjusted from 767,850,204 to 7,678,502 to reflect the restructure.

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Note 8: Segment reporting

The Fund invests solely in the property sector within Australia.

The Chief Operating Decision Maker being, the Managing Director of the Responsible Entity, monitors the performance and results of the Fund at a total Fund level. As a result, the Fund has only one segment. Operating profit is a financial measure which is not prescribed by AAS and represents the profit under AAS adjusted for specific non-cash items and other significant items which management consider to reflect the core earnings of the Fund and is used as a guide to assess the Funds ability to pay distributions to stapled securityholders.

The following table summarises key reconciling items between statutory profit attributable to the unitholders of the Fund and operating profit.

	30 June 2015 \$'000	30 June 2014 \$'000
Loss attributable to stapled securityholders of the Fund	(1,467)	671
Specific non-cash items		
Net loss on fair value of investment properties	2,255	988
Net loss on fair value of financial assets	1,256	-
Significant items		
Restructure and acquisition costs	646	-
Operating profit (profit before specific non-cash and significant items)	2,690	1,659
Weighted average number of stapled securities ('000)	13,903	7,679
Operating profit/(loss) per unit (profit before specific non-cash and significant items) (per stapled security) – cents	19.4	21.6

The operating earnings per stapled security for both the current and comparative years are impacted by the capital restructure that occurred in April 2015. This resulted in reducing units on issue in the ratio of 1:100 for the comparative year plus the issue of 32.0 million units in April 2015 for the current year.

Note 9: Receivables

	30 June 2015 \$'000	30 June 2014 \$'000
Current		
Distribution receivable	476	-
Prepayments	145	150
	621	150

a) Bad and doubtful trade receivables

During the year, the Fund made \$Nil (2014: \$Nil) provision in respect of bad and doubtful receivables.

b) Fair values

The receivables are carried at amounts that approximate their fair value. There are no receivables where the fair value would be materially different from the carrying value.

c) Credit risk

There is a limited amount of credit risk - refer to Note 16 for more information on the risk management policy of the Trust.

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Notes to the financial report
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Note 10: Financial assets at fair value through the profit or loss

	30 June 2015 \$'000	30 June 2014 \$'000
Non-current		
Units in property funds	11,227	-
Total	11,227	-

Movements in the carrying value during the year are as follows:

	30 June 2015 \$'000	30 June 2014 \$'000
Balance at 1 July	-	-
Financial assets acquired – on market	12,484	-
Fair value adjustment of financial assets	(1,256)	-
Closing balance	11,227	-

Note 11: Assets held for sale

	30 June 2015 \$'000	30 June 2014 \$'000
Investment properties		
8 Rodborough Road, Frenchs Forest NSW	12,000	-
357-373 Warringah Road, Frenchs Forest NSW	14,000	-
	26,000	-

Subsequent to balance date the Fund announced the unconditional exchange of contracts for sale of the Fund's properties for a combined purchase price of \$26.0 million. The Fund commenced negotiations with the purchaser shortly after taking over management in April 2015 and settlement is due to occur on 30 September 2015.

On 20 April 2015, in accordance with resolutions passed by CJT unitholders on 21 January 2015, existing unitholders became entitled to "A" class units in the CJT fund entitling those unitholders to any proceeds above \$26 million from the sale of these properties under the existing conditional sales contracts. As the sale of the properties is now unconditional, the entitlements of the Class A units will be satisfied upon settlement of the properties and the Fund will redeem the Class A units, resulting in a simplified capital structure.

Upon initial exchange of conditional contracts a deposit of \$1.6 million was paid by the purchaser into a trust account held by Jones Lang Lassalle.

A reconciliation of the movements in assets held for sale during the year is set out below:

	30 June 2015 \$'000	30 June 2014 \$'000
Balance at 1 July	-	-
Reclassification from investment properties (refer to Note 12)	26,000	-
Closing balance	26,000	-

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Note 12: Investment properties

	Book value		Last external valuation	Valuation \$'000
	30 June 2015 \$'000	30 June 2014 \$'000		
8 Rodborough Road, Frenchs Forest NSW	-	13,900	Jan-14	12,000
357-373 Warringah Road, Frenchs Forest NSW	-	14,350	Jan-14	14,000
Investment properties	-	28,250		26,000

During the year the above properties were reclassified to Assets Held for Sale. See Note 11 for further details.

8 Rodborough Road, Frenchs Forest NSW

8 Rodborough Road is a four storey freestanding mixed use commercial office and warehouse facility, constructed in 1998. The building comprises three upper levels of office accommodation and ground floor high clearance warehouse space. The Property provides a total lettable area of 8,065sqm comprising 4,304sqm of office (53% of lettable area) and 3,762sqm of warehouse (47% of lettable area).

357-373 Warringah Road, Frenchs Forest NSW

There are two buildings erected upon this site. The northern building is an older style, albeit refurbished, two storey office building comprising 3,461sqm of Net Lettable Area (NLA) and is currently fully tenanted by Infomedia Limited (lease expiring 28 February 2017 with a 5 year option). The southern building is an older style single storey warehouse building comprising 5,412sqm of lettable area and is presently fully tenanted by Australian Postal Corporation (lease expiring 28 February 2017 with a 5 year option). The total lettable area of the Property is approximately 8,873sqm and a total of approximately 193 car spaces.

	30 June 2015 \$'000	30 June 2014 \$'000
Balance at 1 July	28,250	32,750
Payments for capital additions	5	88
Reclassification to assets held for sale (refer to Note 11)	(26,000)	-
Disposal of investment property	-	(3,600)
Fair value adjustment of investment properties	(2,255)	(988)
Closing balance	-	28,250

a) Valuation basis

Investment properties are carried at fair value. Fair value of the properties is determined by the Directors, having regard to the most recent independent valuations prepared by valuers with appropriately recognised professional qualification and recent experience in the location and category of the property being valued. Valuation methods used to determine the fair value include market sales comparison, discounted cash flow and capitalisation rate. The fair value for a property may be determined using a combination of these and other valuation methods. As discounted cash flow and capitalisation rate use unobservable inputs, the investment property is categorised as Level 3 under the Fair Value Hierarchy. These inputs include net passing rent, gross market rent and net market rent as set out in the sensitivity matrix in Note 16(b). For all investment properties current use reflects highest and best use.

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Note 13: Trade and other payables

	30 June 2015 \$'000	30 June 2014 \$'000
Trade payables and accruals	413	371
	413	371

All trade and other payables are expected to be settled within 12 months.

Note 14: Borrowings

	30 June 2015 \$'000	30 June 2014 \$'000
Non-current		
Borrowings - secured	-	16,146
	-	16,146
Borrowings - secured		
Total facility limit	-	16,146
Used at end of reporting date	-	16,146
Unused at end of reporting date	-	-

a) Loan facilities summary

National Australia Bank facility - (Frenchs Forest No.1 Trust and Frenchs Forest No.2 Trust)

During the year the Fund had a loan facility with National Australia Bank ("NAB"). At 30 June 2014 the drawn amount was \$16.1 million which was subsequently reduced throughout the year to \$14.6 million. On 4 May 2015, the Fund utilised \$14.6 million of the capital raise proceeds to repay its drawn debt.

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Note 15: Equity

(a) Issued capital

	30 June 2015 000's	30 June 2014 000's
360 Capital Total Return Passive Fund - Ordinary securities issued	39,678	-
360 Capital Total Return Active Fund - Ordinary securities issued	39,678	
CVC Property Fund (ASX: CJT) - Ordinary units issued	-	7,679
	\$'000	\$'000
360 Capital Total Return Passive Fund - Ordinary securities issued	63,453	
360 Capital Total Return Active Fund - Ordinary securities issued	7,747	
CVC Property Fund (ASX: CJT) - Ordinary units issued	-	32,468
Total issued capital	71,200	32,468

(b) Movements in issued capital

Movement during the year in the number of issued securities of the Fund was as follows:

	30 June 2015 000's	30 June 2014 000's
Opening balance at 1 July	767,850	767,850
Institutional capital raising – 21 April 2015	32,000	-
Scrip for scrip offer (1:100) – 21 April 2015	(760,172)	-
Closing balance	39,678	767,850
Closing balance (comparative restated for scrip for scrip offer)	39,678	7,679

During the year CJT unitholders were issued 1 Passive Fund unit for every 100 CJT units during the restructure of the Fund completed in April 2015, the comparative number of units on issue have been adjusted to reflect the 100:1 reduction of units in the current year.

Movement during the half year in the value of issued securities of the Fund was as follows:

	30 June 2015 \$'000	30 June 2014 \$'000
Opening balance at 1 July	32,468	32,468
Institutional capital raising – 21 April 2015	40,000	-
Transaction costs incurred in issuing capital	(1,268)	-
Closing balance	71,200	32,468

There was also an institutional capital raise completed on 21 April 2015 before the Fund was relisted on 22 April 2015.

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Note 16: Financial instruments

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the Fund as at 30 June 2015:

	Amortised cost		Fair value	
	30 June	30 June	30 June	30 June
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets at fair value through profit or loss	-	-	11,227	-
Total non-current	-	-	11,227	-
Receivables	621	150		
Total current	621	150	-	-
Total	621	150	11,227	-
Financial liabilities				
Borrowings	-	16,146	-	16,146
Total non-current	-	16,146	-	16,146
Trade and other payables	413	371	-	-
Distribution payable	1,115	1,115	-	-
Total current	1,528	31,486	-	-
Total	1,528	16,517	-	16,146

Fair values

Set out below is a comparison of the carrying amounts and fair values of financial instruments as at 30 June 2015:

	Carrying amount		Fair value	
	30 June	30 June	30 June	30 June
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets at fair value through profit or loss	11,227	-	11,227	-
Total non-current	11,227	-	11,227	-
Receivables	621	150	621	150
Total current	621	150	621	150
Total	11,848	150	11,848	150
Financial liabilities				
Borrowings	-	16,146	-	16,146
Total non-current	-	16,146	-	16,146
Trade and other payables	413	371	413	371
Distribution payable	1,115	-	1,115	-
Total current	1,528	371	1,528	371
Total	1,528	16,517	1,528	16,517

360 Capital Total Return Fund
Notes to the financial report
For the year ended 30 June 2015

Note 16: Financial instruments (continued)

The fair values of receivables, trade and other payables and distributions payable approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows and based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities

Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)

Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

For financial instruments that are recognised at fair value on a recurring basis, the Fund determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At balance date, the Fund held the following classes of financial instruments measured at fair value:

	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets measured at fair value				
Financial assets at fair value through profit or loss as at 30 June 2015	11,227	11,227	-	-
Financial assets at fair value through profit or loss as at 30 June 2014	-	-	-	-

There were no transfers between Level 1 and Level 2 fair value measurements, and no other transfers into or out of Level 3 fair value measurements. Fair value hierarchy levels are reviewed on an annual basis unless there is a significant change in circumstances indicating that the classification may have changed.

Valuation techniques

Fair value profit or loss financial assets

For fair value profit or loss financial assets, the Fund invests in listed investments. The value of the investments in the listed market is stated at unit price as quoted on the ASX at each statement of financial position date. As such, listed investments are categorised as Level 1 instruments.

Risk management activities

Credit risk

The carrying amounts of financial assets included in the statement of financial position represent the Fund's exposure to credit risk in relation to these assets. Credit risk management is detailed in Note 2(a).

Interest rate risk

The key source of interest rate risk for the Fund is derived from borrowings. The Fund manages this exposure by entering into interest rate swap agreements to fix a portion of the interest charged on its borrowings.

360 Capital Total Return Fund
Notes to the financial report
For the year ended 30 June 2015

Note 16: Financial instruments (continued)

The Fund's exposure to interest rate risk by maturity period is:

	Floating interest rate \$'000	Fixed interest maturing in 1 year or less \$'000	Fixed interest maturing in 1 to 5 years \$'000	Fixed interest maturing more than 5 years \$'000	Non- interest bearing \$'000	Total \$'000
30 June 2015						
<u>Financial assets</u>						
Cash and cash equivalents	12,024	-	-	-	-	12,024
Trade and other receivables	-	-	-	-	621	621
Total financial assets	12,024	-	-	-	621	12,645
Weighted average interest rate	1.5%					
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	-	413	413
Distributions payable	-	-	-	-	1,115	1,115
Total financial liabilities	-	-	-	-	1,528	1,528
Weighted average interest rate	n/a					
Net financial assets (liabilities)	12,024	-	-	-	(907)	11,117
30 June 2014						
<u>Financial assets</u>						
Cash and cash equivalents	293	-	-	-	-	293
Trade and other receivables	-	-	-	-	150	150
Total financial assets	293	-	-	-	150	443
Weighted average interest rate	1.5%					
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	-	371	371
Borrowings	16,146	-	-	-	-	16,146
Total financial liabilities	16,146	-	-	-	371	16,517
Weighted average interest rate	3.93%					
Net financial assets (liabilities)	(15,853)	-	-	-	(221)	(16,074)

360 Capital Total Return Fund
Notes to the financial report
For the year ended 30 June 2015

Note 16: Financial instruments (continued)

Summarised interest rate sensitivity analysis

The table below illustrates the potential impact a change in interest rates by +/-1% would have had on the Fund's profit and equity.

		Change in interest rate -1%		Change in interest rate 1%	
	Carrying amount \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
30 June 2015					
<u>Financial assets</u>					
Cash and cash equivalents	12,024	(120)	(120)	120	120
Total increase (decrease)		(120)	(120)	120	120
30 June 2014					
<u>Financial assets</u>					
Cash and cash equivalents	293	(3)	(3)	3	3
<u>Financial liabilities</u>					
Borrowings	16,146	161	161	(161)	(161)
Total increase (decrease)		159	159	(159)	(159)

Liquidity risk

The following are contractual maturities of financial liabilities, including estimated interest payments (using existing variable interest rates):

	Carrying amount \$'000	Contractual cash flow \$'000	Less than 1 Year \$'000	Between 1- 5 Years \$'000	Over 5 Years \$'000
30 June 2015					
Trade and other payables	413	413	413	-	-
Distribution payable	1,115	1,115	1,115	-	-
	1,528	1,528	1,528	-	-
30 June 2014					
Trade and other payables	371	371	371	-	-
Borrowings	16,146	16,146	-	16,146	-
	16,517	16,517	371	16,146	-

360 Capital Total Return Fund
Notes to the financial report
For the year ended 30 June 2015

Note 17: Cash flow information

(a) Reconciliation of cash and cash equivalents

	30 June 2015 \$'000	30 June 2014 \$'000
Cash at bank	12,024	293
Cash and cash equivalents in the statement of cash flows	12,024	293

(b) Reconciliation of net (loss)/profit to net cash inflows from operating activities

	30 June 2015 \$'000	30 June 2014 \$'000
Net (loss)/profit for the year	(1,467)	671
<u>Adjustment for:</u>		
Net change in fair value of investment property	2,255	988
Net change in fair value of financial assets	1,256	-
<u>Change in assets and liabilities</u>		
Increase in receivables	(453)	-
Increase in payables	42	3
Net cash inflows from operating activities	1,634	1,662

Note 18: Capital commitments and contingencies

There are no capital commitments or contingent liabilities as at 30 June 2015 (30 June 2014: \$Nil).

Note 19: Related party transactions

Responsible entity

The Responsible Entity of the Fund is 360 Capital Investment Management Limited. The immediate parent entity of the Responsible Entity is 360 Capital Property Limited (ABN 46 146 484 433), and its ultimate parent entity is 360 Capital Group Limited (ABN 18 133 569 136).

Controlled entities

Interests in controlled entities are set out in Note 20.

360 Capital Total Return Fund
Notes to the financial report
For the year ended 30 June 2015

Note 19: Related party transactions (continued)

Responsible Entity's fees and other transactions

Under the terms of the constitution, the Responsible Entity is entitled to receive fees in accordance with the product disclosure statement.

	30 June 2015 \$'000
Fees for the year paid/payable by the Fund:	
Management of the Fund	62
Acquisition fees	125
Fund recoveries	332
	519

Restructure of CVC Property Fund

The Fund completed a restructure of an existing listed fund (CVC Property Fund), a capital raising of \$40 million, and listing on the ASX on 22 April 2015. As part of the restructure, the Responsible Entity is entitled to the following fees, as outlined in the PDS:

Management Fee: The Responsible Entity is entitled to a Management Fee of 0.65% p.a. of the gross value of the assets of the Fund during the relevant year for its role in managing and administering the Fund.

Performance Fee: The Responsible Entity is entitled to a Performance Fee of 20% of any total return in excess of 12% p.a. The calculation of total return is based on actual distributions paid to Stapled Securityholders during the relevant financial year plus any increase in the trading price of Stapled Securities in the relevant financial year. The Performance Fee is payable yearly in arrears after the end of the relevant financial year.

Acquisition Fee: The Responsible Entity will be entitled to an acquisition fee of up to 1.0% of the total purchase price of an investment of the Fund. The acquisition fee is payable upon the completion of the relevant acquisition.

Disposal Fee: The Responsible Entity will be entitled to a disposal fee of up to 1.0% of the total sale price of an investment sold by the Fund. The disposal fee is payable upon the completion of the relevant sale.

During the year, the Responsible Entity was reimbursed for \$332,000 of costs incurred of behalf of the Fund. These included costs directly associated with the establishment of the Fund, the restructure of CVC Property Fund and capital raise transaction costs.

Unitholdings

Units held by the Responsible Entity and other Funds managed by and related to the Responsible Entity held stapled securities in the Fund as follows:

	30 June 2015	30 June 2014
360 Capital Property Limited		
Number of stapled securities held	4,000,000	-
Interest % held	10.1%	-
Distributions paid/payable by the Fund (\$)	112,400	-

Related Party Loan

During the year an entity related to the Responsible Entity made a loan to the Active Fund of \$1,583,282 which was subsequently repaid on 30 April 2015. There was no interest charged on the loan.

360 Capital Total Return Fund
Notes to the financial report
For the year ended 30 June 2015

Note 19: Related party transactions (continued)

Key management personnel

The Trust does not employ personnel in its own right. However, it has an incorporated Responsible Entity, 360 Capital Investment Management Limited, to manage the activities of the Trust. The directors and key management personnel of the Responsible Entity are detailed below. No compensation is paid directly by the Trust to directors or to any of the key management personnel of the Responsible Entity.

Payments made by the Trust to the Responsible Entity do not specifically include any amounts attributable to the compensation of key management personnel.

Directors

David van Aanholt (Chairman)
 Tony Robert Pitt
 William John Ballhausen
 Graham Ephraim Lenzner
 Andrew Graeme Moffat

Management personnel unitholdings

The number of units held directly or indirectly by Directors, Key Management Personnel and their related parties as at 30 June 2015 are as follows:

Name	Position	30 June 2014	Acquisitions	30 June 2015
		Equity Holding		Equity Holding
David van Aanholt	Director	Nil	-	Nil
Tony Robert Pitt	Director	Nil	-	Nil
William John Ballhausen	Director	Nil	60,000	60,000
Graham Ephraim Lenzner	Director	Nil	50,000	50,000
Andrew Graeme Moffat	Director	Nil	200,000	200,000

Note 20: Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries controlled by 360 Capital Total Return Passive Fund:

Name of entity	Country of Domicile	Class of units	Equity Holding	
			30 June 2015	30 June 2014
360 Capital Total Return Active Fund	Australia	Ordinary	100	-
CVC Property Fund	Australia	Ordinary	100	-
Frenchs Forest No.1 Trust	Australia	Ordinary	100	-
Frenchs Forest No.2 Trust	Australia	Ordinary	100	-

360 Capital Total Return Fund
Notes to the financial report
For the year ended 30 June 2015

Note 21: Parent entity disclosures

During the year the parent entity of the consolidated entity changed from CVC Property Fund to 360 Capital Total Return Passive Fund. The Passive Fund was registered on 27 October 2014, there is no comparative information.

The following details information relating to the parent entity 360 Capital Total Return Passive Fund. The information presented below has been prepared using the consistent accounting policies as presented in Note 1.

	30 June 2015 \$'000
Current assets	4,489
Non-current assets	25,873
Total assets	30,362
Current liabilities	1,614
Total liabilities	1,614
Issued units	30,985
Accumulated losses	(2,238)
Total equity	28,748
Net loss for the year	(1,123)
Total comprehensive loss for the year attributable to unitholders	(1,123)

Note 22: Events subsequent to balance date

Subsequent to balance date the Fund announced the unconditional exchange of contracts for sale of the Fund's properties for a combined purchase price of \$26.0 million.

No other circumstances have arisen since the end of the year which have significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

Note 23: Responsible Entity details

The registered office and the principal place of business of the Responsible Entity is:

360 Capital Investment Management Limited
Level 8, 56 Pitt Street
Sydney, NSW 2000

360 Capital Total Return Fund
Directors' declaration
For the year ended 30 June 2015

In the opinion of the Directors of 360 Capital Investment Management Limited:

- 1) The consolidated financial statements and notes that are set out on pages 8 to 38 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- 2) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.
- 3) The Directors have given the declarations required by Section 295A of the *Corporations Act 2001* from the Managing Director and the Chief Financial Officer for the financial year ended 30 June 2015.
- 4) The Directors draw attention to Note 1(b) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Directors.



Tony Robert Pitt
Director

Sydney
26 August 2015



Graham Ephraim Lenzner
Director

Independent auditor's report to the unitholders of 360 Capital Total Return Passive Fund

Report on the Financial Report

We have audited the accompanying financial report of 360 Capital Total Return Passive Fund ('the Fund'), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the declaration of the directors of 360 Capital Investment Management Limited, the Responsible Entity of the consolidated entity, comprising the Fund and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements* that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

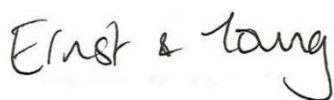
Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which forms part of the directors' report.

Opinion

In our opinion:

- a. the financial report of 360 Capital Total Return Passive Fund is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.



Ernst & Young



Mark Conroy
Partner
Sydney
26 August 2015

360 Capital Total Return Fund
Securityholder information
For the year ended 30 June 2015

Information below was prepared as at 20 August 2015

a) Top 20 registered securityholders:

Holder Name	Securities held	% of issued securities
AUST EXECUTOR TRUSTEES LTD	5,250,000	13.23
360 CAPITAL PROPERTY LIMITED	4,000,000	10.08
CVC LTD	2,902,404	7.32
WYLLIE GROUP PTY LTD	1,600,000	4.03
UBS NOMINEES PTY LTD	1,300,000	3.28
CITICORP NOMINEES PTY LIMITED	1,134,350	2.86
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	800,000	2.02
J P MORGAN NOMINEES AUSTRALIA LIMITED	633,425	1.60
EDSGEAR PTY LIMITED	400,000	1.01
J B HOLDINGS (VICTORIA) PTY LTD	344,000	0.87
DR DAVID JOHN RITCHIE & DR GILLIAN JOAN RITCHIE	300,000	0.76
DUCTMATE PTY LTD	280,000	0.71
J B HOLDINGS PTY LTD	255,000	0.64
BROADBENTS GARDEN SUPPLIES PTY LTD	250,000	0.63
DR ANDREW ALEXANDER CHANG	201,200	0.51
ARNOLD BRAM SUPERANNUATION NOMINEES PTY LTD	200,000	0.50
COWOSO CAPITAL PTY LTD	200,000	0.50
LANYON ASSET MANAGEMENT PTY LIMITED	200,000	0.50
MR CHRISTOPHER DAVID VANDERVORD NIXON & MRS ANNE THERESE NIXON	200,000	0.50
NATIONAL NOMINEES LIMITED	178,000	0.45
Total securities held by Top 20 securityholders	20,948,379	52.79
Total securities on issue	39,678,456	100.00

b) Distribution of securityholders:

Number of securities held by unitholders	Number of holders	Securities held	% of issued securities
1 to 1,000	240	25,070	0.06
1,001 to 5,000	65	214,893	0.54
5,001 to 10,000	135	1,112,896	2.81
10,001 to 100,000	487	15,565,554	39.23
100,001 and over	37	22,760,043	57.36
Total	964	39,678,456	100.00

The total number of securityholders with less than a marketable parcel was 227 and they hold 14,140 securities.

c) Substantial securityholder notices:

Name of securityholder	Date of notice	Securities held	% of issued securities
Trustees Australia Limited as Responsible Entity for Lanyon Australian Value Fund	16/04/2015	5,450,000	13.74
360 Capital Property Limited	22/04/2015	4,000,000	10.08
CVC Limited	22/04/2015	2,902,404	7.32

360 Capital Total Return Fund

Glossary

For the year ended 30 June 2014

Term	Definition
\$ or A\$ or cents	Australian currency
360 Capital Total Return Passive Fund	The managed investment scheme (ARSN 602 304 432) that represents part of the stapled entity, 360 Capital Total Return Fund
360 Capital Total Return Active Fund	The managed investment scheme (ARSN 602 303 613) that represents part of the stapled entity, 360 Capital Total Return Fund
The Fund, 360 Capital Total Return Fund	360 Capital Total Return Fund, the stapled entity comprising 360 Capital Total Return Passive Fund and 360 Capital Total Return Active Fund
AASB	Australian Accounting Standards Board
AFSL	Australian Financial Services Licence
A-REIT	Australian Real Estate Investment Trust
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited or the market operated by it as the context requires
ASX Guidelines	The ASX Principles of Good Corporate Governance and Best Practice Guidelines
Board	Board of Directors of the Responsible Entity
CGT	Capital gains tax
Constitution	The constitution of the Fund, as amended
Consolidated entity	360 Capital Total Return Fund, the stapled entity comprising 360 Capital Total Return Passive Fund and 360 Capital Total Return Active Fund
Corporations Act	Corporations Act 2001 (Cth) as amended from time to time
CPI	Consumer price index
Cpu	Cents per Unit
Director/s	A director of the Responsible Entity
Distribution yield	Rate of return derived by dividing distribution per Unit by the price
Earnings yield	Rate of return derived by dividing earnings per Unit by the price
FOS	Financial Ombudsman Service
Fund Investment Committee	The committee established to oversee the Fund's investments, key recruitment and policies
FY	Financial year (1 July to 30 June)
Gross Passing Income	The actual income being paid for a property by existing tenants
Gross Proceeds	The aggregate of all moneys (including all rent, licence fees, outgoings and all other amounts) received from tenants and other occupants and users of the real property assets (held directly or indirectly) of the Fund
GST	Goods and services tax (Australia)
HY	Half Year (half year from 1 July to 31 December or 1 January to 30 June)
ICR	Interest Cover Ratio meaning net rent received divided by interest expense incurred on the facility
IFRS	International Financial Reporting Standards
Lender	NAB
LVR	Loan to value ratio meaning interest bearing liabilities (excluding 360 Notes) divided by total property values
NLA	Net lettable area
NPI	Net property income
NTA	Net tangible assets as per the balance sheet
NTA per Unit	Net tangible assets divided by the number of Units on issue
Operating earnings	Operating earnings is statutory net profit adjusted for non-cash and significant items
p.a.	Per annum
Property/ies	A property or properties owned or to be owned by the Fund
Responsible Entity	360 Capital Investment Management Limited (ACN 133 363 185, AFSL 340 304)
Sqm	Square metres
WACR	Weighted average capitalisation rate
WALE	Weighted average lease expiry
YTD	Year to date

360 Capital Total Return Fund
Corporate directory
For the year ended 30 June 2015

Parent Entity

360 Capital Total Return Passive Fund
ABN 28 254 642 437
Level 8, 56 Pitt Street Sydney NSW 2000
Telephone (02) 8405 8860 Email: investor.relations@360capital.com.au

Directors & Officers

Non-Executive Directors

David van Aanholt (Chairman)
William John Ballhausen
Graham Ephraim Lenzner
Andrew Graeme Moffat

Executive Director

Tony Robert Pitt (Managing Director)

Officers

Ben James - Chief Investment Officer
Glenn Butterworth - Chief Financial Officer
Alan Sutton - Company Secretary
Charisse Nortje - Company Secretary
Kevin Low – Fund Manager

Custodians

360 Capital Investment Management Limited
ACN 133 363 185
AFSL 340 304
Level 8, 56 Pitt Street Sydney NSW 2000
Telephone 02 8405 8860 Email: investor.relations@360capital.com.au

Perpetual Services Pty Limited
ACN 001 020 364
Angel Place, Level 12, 123 Pitt Street Sydney NSW 2000

Share & Unit Registry

Boardroom Pty Limited
ACN 003 209 836
Grosvenor Place, Level 12, 255 George Street Sydney NSW 2000
Telephone 1800 182 257 Email: enquiries@boardroomlimited.com.au

Bankers

National Australia Bank
Level 28, 500 Bourke Street Melbourne VIC 3000

Auditor

Ernst & Young
680 George Street Sydney NSW 2000

Website

www.360capital.com.au