



27 October 2016

The Manager  
Company Announcements Office  
Australian Securities Exchange  
L4, 20 Bridge Street  
SYDNEY NSW 2000

**360 Capital Group Limited**  
ABN 18 113 569 136

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56 Pitt Street  
Sydney NSW 2000

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Web: [www.360capital.com.au](http://www.360capital.com.au)

**2016 NOTICE OF ANNUAL GENERAL MEETING OF 360 CAPITAL GROUP LIMITED AND GENERAL MEETING OF  
360 CAPITAL INVESTMENT TRUST, AND ASSOCIATED DOCUMENTS**

In accordance with ASX listing rule 3.17.1, the following documents in relation to the 360 Capital Group Limited Annual General Meeting and 360 Capital Investment Trust General Meeting, which will be held concurrently at 10am (AEDT) on Monday 28 November 2016 in Sydney.

A copy of Notice of Meeting which will be mailed to all Securityholders follows.

Yours sincerely,

Charisse Nortje  
Company Secretary



**360 Capital Investment Management Limited**  
ABN 38 133 363 185

Level 8  
56 Pitt Street  
Sydney NSW 2000

Phone: (02) 8405 8860  
Fax: (02) 9238 0354

Web: [www.360capital.com.au](http://www.360capital.com.au)

27 October 2016

Dear Investor,

On behalf of the Board, I take pleasure in inviting you to the Annual General Meeting of 360 Capital Group to be held at:

**10.00am**  
**Monday 28 November 2016**

at

**The Warrane Theatre**  
**Museum of Sydney**  
**cnr Philip Street and Bridge Street**  
**Sydney NSW 2000**

The formal notice of meeting is enclosed. If you are unable to attend the meeting, I encourage you to complete the enclosed proxy form and record your vote before 10.00am Saturday 26 November 2016 via the enclosed replay paid envelope, fax, in person or online.

Please note that the cut-off time for mailing or hand delivering Proxy Forms is 5.00pm Friday 25 November 2016 and the cut-off time for online voting and faxing Proxy Forms is 10.00am Saturday 26 November 2016.

If you will attend the meeting, please bring your proxy form with you to assist with registration.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'David van Aanholt'. The signature is written in a cursive style with a long, sweeping underline.

David van Aanholt  
Independent Chairman



## Notice of Annual General and General Meetings

# 360 CAPITAL GROUP LIMITED

360 Capital Group Limited  
ABN 18 113 569 136

360 Capital Investment Trust  
ARSN 104 552 598

**This is an important document and requires your immediate attention.**

You should read this document in its entirety before deciding how to vote.

If you are in any doubt about what to do, you should consult your legal,  
investment, taxation and other professional adviser without delay.

## Important Notices

### What is this document?

Notice is given that the Annual General Meeting of members of 360 Capital Group Limited ABN 18 113 569 136 (the “**Company**”) and a General Meeting of members of 360 Capital Investment Trust ARSN 104 552 598 (the “**Trust**”) (together, the “**Meetings**”) will be held concurrently as set out in this document. Concurrent Meetings are being held for the Company and the Trust, as they have identical Securityholders following the stapling of the shares in the Company with the units in the Trust, those securities are referred to as “**Stapled Securities**” or “**Securities**”).

This Notice is issued by the Company and 360 Capital Investment Management Limited ABN 38 133 363 185 as responsible entity of the Trust (“**360 Capital Investment Management Limited**” or “**Trust RE**”). The constitutions of the Company and the Trust (“**Company Constitution**” and “**Trust Constitution**” respectively) provide that meetings of Securityholders of both the Company and the Trust may be held in conjunction with each other while stapling of the shares in the Company to the units in the Trust applies. Accordingly, where applicable, the Meetings will be a meeting of both the Company and the Trust (the “**Group**”).

The purpose of this Notice is to provide information about: receiving the Company’s 2016 Annual Financial Statements and Report; approving the Company’s Fiscal 2016 Remuneration Report; re-election of Company Directors; approving the on market buy back of Stapled Securities in the Group; approving the proposed change of responsible entity of the Trust; and to provide such other information considered material to the decision of Securityholders in determining how to vote on the Resolutions.

All information in this document forms part of the Notice.

### No investment advice

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

### Any questions?

360 Capital Group is committed to providing all Company shareholders and Trust unitholders (together, “Securityholders”) with an opportunity to ask questions in advance of the Meetings. If you have any questions about your holding of Stapled Securities or the Resolutions, please contact the 360 Capital Investor Services on 1800 182 257. If you are in any doubt on how to vote on the Resolutions or the action to be taken, you should contact your financial, legal, tax or other professional adviser without delay.

## Meeting details and important dates

<b>Last date and time for receipt of Proxy Forms</b>	10.00am (AEDT) Saturday* 26 November 2016
<b>Date and time to determine your eligibility to vote at the Meeting</b>	7.00pm (AEDT) Friday 25 November 2016
<b>Date and time of the Meeting</b>	10.00am (AEDT) Monday 28 November 2016
<b>Place</b>	Warrane Theatre Museum of Sydney Cnr Phillip Street & Bridge Street Sydney NSW 2000

\* Please note that the cut-off time for receiving mailed or hand delivered Proxy Forms is 5.00pm (AEDT) Friday 25 November 2016. The cut-off time for online voting and receiving faxed Proxy Forms is 10.00am (AEDT) Saturday 26 November 2016.

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# Notice of Meetings

360 CAPITAL GROUP LIMITED ABN 18 113 569 136 (“**Company**”)  
360 CAPITAL INVESTMENT TRUST ARSN 104 552 598 (“**Trust**”)

## Fiscal 2016 Annual General and General Meetings

Notice is given that the Annual General Meeting of members of the Company and a General Meeting of members of the Trust will be held concurrently as follows:

Date: Monday 28 November 2016

Time: 10.00am (AEDT)

Place: Warrane Theatre  
Museum of Sydney  
Cnr Phillip Street & Bridge Street  
Sydney NSW 2000

## Business of the Meetings

### COMPANY ITEMS OF BUSINESS:

#### Item A. Financial Statements and Report

To receive the Company’s Annual Report 2016, including the Directors’ Report and Financial Statements for the Company together with the Independent Auditor’s Report for the year ended 30 June 2016:

**No resolution is required for this item of business.**

#### Item B. Approval of the Fiscal 2016 Remuneration Report

The Securityholders are asked to consider and if thought fit, pass the following resolution as an ordinary resolution of the Company:

##### Resolution 1

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report of the Company for the financial year ended 30 June 2016 as contained in the Director’s Report for the Company be approved.”*

**The vote on this resolution is advisory only and does not bind the Directors or the Company.**

#### Item C. Re-election of Directors

Mr. David M. van Aanholt, being a Director of the Company who retires from office in accordance with the Constitution of the Company and ASX Listing Rules and being eligible and having offered himself for re-election, seeks re-appointment as a Director at this Annual General Meeting.

The Securityholders are therefore asked to consider and if thought fit, pass the following resolution as an ordinary resolution of the Company:

##### Resolution 2

*“That Mr. David M. van Aanholt, being a Director of the Company who retires from office in accordance with the Constitution of the Company, ASX Listing Rules and for all other purposes, and being eligible and having offered himself for re-election, be re-appointed as a Director of the Company.”*

Mr Graham E. Lenzner, being a Director of the Company who retires from office in accordance with the Constitution of the Company and Listing Rules and being eligible and having offered himself for re-election, seeks re-appointment as a Director at this Annual General Meeting.

The Securityholders are therefore asked to consider and if thought fit, to pass the following resolution as an ordinary resolution of the Company:

##### Resolution 3

*“That Mr. Graham E. Lenzner, being a Director of the Company who retires from office in accordance with the Constitution of the Company, ASX Listing Rules and for all other purposes, and being eligible and having offered himself for re-election, be re-appointed as a Director of the Company.”*

## NOTICE OF MEETING

(CONTINUED)

### GROUP ITEMS OF BUSINESS:

#### Item D. Approval of on market buy back of Stapled Securities

The Securityholders are asked to consider and if thought fit, pass the following resolution as an ordinary resolution of each of the Company and the Trust:

##### Resolution 4

*“That the Company and the responsible entity of the Trust be authorised to undertake an on market buy back of up to 48,000,000 Stapled Securities in the Group (it being noted that each Stapled Security comprises one share in 360 Capital Group Limited ABN 18 113 569 136 stapled to one unit in 360 Capital Investment Trust ARSN 104 552 598) on the terms set out in the Explanatory Memorandum and be approved for all purposes (including the purposes of section 601KH(8) of the Corporations Act).”*

### TRUST ITEMS OF BUSINESS:

#### Item E. Approval of change of responsible entity of the Trust

The Securityholders are asked to consider and if thought fit, pass the following resolution as an ordinary resolution of the Trust:

##### Resolution 5

*“That, upon the retirement of 360 Capital Investment Management Limited ABN 38 133 363 185 as responsible entity of 360 Capital Investment Trust ARSN 104 552 598 in accordance with section 601FL(1) of the Corporations Act, 360 Capital FM Limited ABN 15 090 664 396 AFSL 221 474 be appointed as the new responsible entity of 360 Capital Investment Trust ARSN 104 552 598 in its place.”*

By order of the Boards of the Company and Trust RE



**Charisse Nortje**  
Group Company Secretary  
360 Capital Group Limited

Dated: 27 October 2016

# Notes about the Meetings and how to vote

THESE NOTES FORM PART OF THE NOTICE

## Changing the time and date of the Meetings and updated information

The Group reserves the right to postpone or adjourn the Meetings to a later time or date. If the Group makes such a determination, it will notify all Securityholders by lodging an announcement on ASX and by placing an announcement on the Group's website at [www.360capital.com.au](http://www.360capital.com.au).

The Group will endeavour to notify Securityholders of any such postponement prior to the original date and time of the Meetings, however the postponement of the Meetings will not be invalidated by the failure to do so. If the Meetings are adjourned for one month or more, the Group will give new notice of the adjourned Meetings.

Any updated information in relation to the Meetings or the Resolutions will be made available by the Group on the Group's website at [www.360capital.com.au](http://www.360capital.com.au).

## Quorum

The Company Constitution and the Trust Constitution provide that three Securityholders present personally, or by representative, attorney or proxy, shall be a quorum for an Annual General Meeting of the Company and a General Meeting of the Trust.

## Proxies

If you are unable or do not wish to attend the Meetings, you may appoint a proxy to attend and vote on your behalf. A proxy need not be a Securityholder.

If a Securityholder is entitled to two or more votes they may appoint two proxies and may specify the number or percentage of votes each proxy is appointed to exercise. If no such number or percentage is specified, each proxy may exercise half the Securityholder's votes.

## Body corporate representatives

Body corporate representatives are requested to bring appropriate evidence of appointment as a representative. Attorneys are requested to bring a copy of the Power of Attorney pursuant to which they have been appointed. Representatives will also be required to provide proof of identity

## Voting entitlements

The Directors of the Company and Trust RE have determined that, subject to the voting restrictions set out below, voting entitlements will be determined from the names of the Securityholders on the Register of Securityholders of the Company and the Trust as at 7.00pm (AEDT) Friday 25 November 2016.

## Voting procedure

Voting on each Resolution will be by a show of hands, whereby each Securityholder present, in person or by proxy or attorney or where the Securityholder is a body corporate, by representative, will have one vote on a show of hands.

However, if a poll is validly demanded, each Securityholder present in person or by proxy or attorney or where the Securityholder is a body corporate, by representative, will have one vote for each fully paid Stapled Security.

## Voting exclusions – Resolution 1

In accordance with the Corporations Act 2001 (Cth) ("**Corporations Act**"), a vote must not be cast on the non-binding Remuneration Report resolution ("**Resolution 1**") by or on behalf of a Securityholder of the Key Management Personnel (whose remuneration details are contained in the Remuneration Report) or their closely related parties whether as a Securityholder or as a proxy.

However, a vote may be cast on Resolution 1 by a Key Management Personnel or a closely related party of a Key Management Personnel if:

the vote is cast by a person as a proxy for a person who is entitled to vote (i.e. is not a Key Management Personnel or a closely related party of a Key Management Personnel), in accordance with the directions on the proxy form; or

a Key Management Personnel is the Chairman of the meeting and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of the Key Management Personnel.

## Voting exclusions – Resolutions 2-5

Nil.

## Proxy voting by the Chairman of the Meetings

If the Chairman of the Meetings is your proxy, and you do not provide a voting direction with respect to the Resolutions, you will have directed the Chairman of the Meetings to vote in favour of the Resolutions.

The Chairman of the Meetings also intends to vote undirected proxies in favour of each item of business.

## Submission of written questions to the Group or Auditor

In accordance with section 250PA of the Corporations Act, Securityholders entitled to vote at the Meetings, may submit a written question to the Group or the Group's auditor ("Auditor") no later than five business days before the date of the Meetings. All questions must be sent to the Group marked to the attention of the Group Secretary.

Questions directed to the Auditor must relate to:

- the conduct of the audit; or
- the content of the Auditor's Report.

Under the Corporations Act, Securityholders are also entitled at the Meetings to ask the Auditor or their representative questions relevant to these above matters, as well as in relation to:

- the independence of the Auditor in relation to the conduct of the audit; or
- the accounting policies adopted by the Group in relation to the preparation of the Financial Report.

## Required Majority

The Resolutions to be put to the Securityholders at the Meetings are ordinary resolutions, and will be passed if at least 50% of the votes cast by Securityholders entitled to vote on a resolution (in person, by proxy, attorney or corporate representative) are in favour.

## Lodgement of proxies and other authorities

Proxy Forms and other authorities should be returned by posting them in the reply paid envelope provided or delivering them to one of the addresses below.

### By post

Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001

### Online

[www.votingonline.com.au/360capitalgroupagm2016](http://www.votingonline.com.au/360capitalgroupagm2016)

### By facsimile

(02) 9290 9655

### By hand

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

**All Proxy Forms must be received by Boardroom Pty Limited no later than 10.00am (AEDT) Saturday 26 November 2016.**

**Please note that the cut-off time for receiving mailed or hand delivered Proxy Forms is 5.00pm (AEDT) Friday 25 November 2016.**

**The cut-off time for online voting and receiving faxed Proxy Forms is 10.00am (AEDT) Saturday 26 November 2016.**

**Documents received after that time will not be valid for the Meetings.**



# Explanatory Memorandum

## Item A. Financial Statements and Reports

A copy of the Company's Annual Report 2016 (including the Directors' Report and Financial Statements for the Company together with the Independent Auditor's Report for the year ended 30 June 2016) ("**Annual Report**") has been previously forwarded to you, unless you have indicated that you do not wish to receive it.

The Annual Report is to be tabled at the Annual General Meeting of the Company in accordance with section 317(1) of the Corporations Act. A copy of the Annual Report is also available via our website at [www.360capital.com.au](http://www.360capital.com.au).

## Item B. Approval of the Fiscal 2016 Remuneration Report

The Corporations Act requires the Company to include in the Directors' Report a section titled "Remuneration Report", which sets out the remuneration of key management personnel (including the Directors and Executives) ("**Key Management Personnel**") of the Company for the 2016 fiscal year ("**Remuneration Report**").

It is also a requirement that the Directors' Report (including the Remuneration Report) be tabled at the Annual General Meeting so that Securityholders of the Company can vote on whether or not to approve the Remuneration Report. The vote is advisory only and, as such, does not bind the Directors or the Company.

As a result of amendments to the Corporations Act which came into effect on 1 July 2011, if 25% or more of the votes cast by Securityholders are against the adoption of the Remuneration Report at consecutive Annual General Meetings, an ordinary resolution must be put to a vote by Securityholders at the second Annual General Meeting as to whether a further general meeting of Securityholders should be held within 90 days of the date of the second Annual General Meeting at which all Directors (other than the Managing Director) who were in office at the date of the Remuneration Report tabled at the second Annual General Meeting must stand for re-election.

It is noted that less than 25% of Securityholders voted against the remuneration report which was tabled at the Fiscal 2015 Annual General Meeting for the Company.

## Item C. Re-election of Directors

The ASX Listing Rules require that an entity which has directors must hold an election of directors each year. Even though the Directors were elected at the Fiscal 2013 Annual General Meeting, in accordance with the ASX Listing Rules and Company Constitution, the following Directors have put themselves forward for re-election.

Mr. David M. van Aanholt was elected a Director at the Fiscal 2013 Annual General Meeting of the Company.

David has close to 30 years experience in the property and funds management industry. Prior to establishing his own boutique property group in 2007, he was the Chief Executive Officer (Asia Pacific) of the ASX listed Goodman Group. Prior to being the CEO (Asia Pacific), David was Goodman's Group's Chief Operating Officer.

David worked for Goodman Group for more than a decade and before joining them he was the Fund Manager of ASX listed Paladin Industrial Fund and an Associate Director of CDH Properties (acquired by KPMG).

David has a proven track record at both executive and board levels of the development and implementation of effective business strategy. He also has extensive and practical experience in change management.

David holds a Bachelor of Business, a Post Graduate Diploma in Management and a Masters in Business Administration.

David is the Chairman and an Independent Director of the Kennards Self Storage Group, and he also sits on a number of advisory boards. In August 2016, David was appointed to the Council of the University of New England. David is a Fellow of the Australian Property Institute. David was also appointed Chairman of the Group on 19 March 2013 and has declared himself independent.

Mr. Graham E. Lenzner was elected a Director at the Fiscal 2013 Annual General Meeting of the Company.

Graham has had a career spanning four decades, with particular emphasis on funds management and financial markets.

Graham was an Executive Director of the Armstrong Jones Group for 12 years, the last four years as Joint Managing Director. Other previous roles include Finance and Deputy Managing Director of Aquila Steel, General Manager Finance and Investments of MMI Insurance Limited and Director Head of Equities with Schroder Darling Management Limited.

Graham has served on the board of a number of public and private companies. He is currently Chairman of Device Technologies Australia Pty Limited.

Graham has declared himself an independent, non-executive Director.

## Item D. Approval of on market Buy Back of Stapled Securities

### What is proposed?

There are currently 239,602,516 Stapled Securities on issue in the Group.

The Boards of the Company and Trust RE propose to undertake a buy back of up to approximately 20% of the number of Stapled Securities currently on issue (i.e. 48,000,000 Stapled Securities) over a period of 12 months commencing in December 2016 ("**Buy Back**").

The Buy Back will be conducted on market, meaning that the Group will buy back Stapled Securities in the ordinary course of trading on the ASX. Assuming Securityholders approve this Resolution, the Buy Back will be open to all Securityholders and participation is voluntary. The Boards of the Company and Trust RE reserve the right to suspend or terminate the Buy Back at any time. Stapled Securities bought back by the Group under the Buy Back will be cancelled.

The proposed Buy Back is a cost effective and efficient means of reducing the Group's capital and returning surplus cash to Securityholders and may also allow Securityholders to realise their investment in the Group.

The Boards of the Company and Trust RE have proposed the Buy Back as they consider the current market trading price of Stapled Securities does not accurately reflect the value of the Group's cash and other investments. The Buy Back is an opportunity to add value to the Securityholders who remain Securityholders of the Group post the Buy Back.

**Funding of Buy Back**

The Group will have approximately \$10.00 million of excess cash available from its share in the sale of Subiaco Square Shopping Centre which is due to settle on 30 November 2016 ("**Subiaco Square Sale**").

The Group's employee securities plan ("**Employee Securities Plan**") comprises the issue of 18.37 million Stapled Securities and loans to employees totalling \$10.84 million. Stapled Securities issued under this plan have now met their three year performance target and are able to be realised if the relevant employee repays the outstanding loan. It is expected that some employees will seek to sell part or all of their Stapled Securities and repay the loans providing the Group with further excess cash.

Furthermore, as an opportunistic group, the 360 Capital Group seeks to take advantage of market conditions by realising some of its assets (for example the Subiaco Square Sale). The Group continues to monitor market conditions and its assets and it is seeking further capacity over and above current excess cash in the event that over the next 12 months it realises further assets of the Group.

**Overview of process**

The implementation of an on market buy back is regulated by both ASIC and the ASX. The Group must announce on the ASX the period during which the Stapled Securities may be bought back, the maximum number of Stapled Securities intended to be bought back and any other information that would affect a Securityholder's decision to sell their Securities. The Group is also required to give daily notices containing details of the Securities that have been bought back, and the highest and lowest prices paid for Stapled Securities.

There is no guarantee that the maximum buy back (approximately 20% of the number of Stapled Securities currently on issue, or 48,000,000 Stapled Securities) ("**Maximum Buy Back**") will occur, or that any Stapled Securities will be bought back at all (for example, if the Group decides not to proceed with the Buy Back or if it amends or terminates the Buy Back prior to completion).

**Pricing**

The Boards of the Company and Trust RE will offer to buy back Stapled Securities during the course of the 12 month Buy Back period (commencing in December 2016) within a range of prices they determine, however, that price cannot be greater than 5% above the volume weighted average market price of all Stapled Securities sold on the ASX during the last five days on which sales in Stapled Securities were recorded before the date of the relevant buy back. The closing market price of Stapled Securities was \$0.91 as at 21 October 2016. It should be noted that the Group cannot give any assurance as to the likely average price per Security to be paid under the Buy Back, as the price of Stapled Securities may fluctuate over time.

**Timing**

If Securityholders approve the Resolution, an indicative timetable for the Buy Back program is expected to be as follows:

Event	Date
Meetings to approve the Buy Back	28 November 2016
Commencement of the Buy Back	1 December 2016
Latest date for completion of the Buy Back	30 November 2017

Whilst the Group does not currently anticipate changing any of the dates and times set out above, it reserves the right to do so. Any changes to the indicative timetable will be announced to the ASX.

**Effect on Group strategy**

The Buy Back will not alter the Group's strategy of continuing to focus on maximising Securityholders' returns by pursuing opportunities in line with the Group's stated investment strategy.

**Directors' participation**

The Directors of the Company and Trust RE and their associated entities are entitled to vote on the Resolution, and may participate in the Buy Back.

Mr Tony Pitt has indicated he will maintain his current holding of 53,250,000 Stapled Securities and will not participate in the Buy Back. Mr Tony Pitt and his associates' percentage investment in the Group (currently 22.2%) may increase (up to a maximum of 27.8%, if the Maximum Buy Back occurs) as a result of the Buy Back by virtue of the total number of Stapled Securities within the Group decreasing.

### Effect on control of the Group

The Buy Back may result in the Group buying back up to 20% of its current issued capital. The following table illustrates the potential impact on the Securityholders who have substantial holdings as at 5 October 2016, if the Buy Back is undertaken. It assumes that those Securityholders with substantial holdings do not participate in the Buy Back and that the Maximum Buy Back occurs.

This table is illustrative only and does not necessarily reflect each Securityholder's intention on whether or not to participate in the Buy Back.

Securityholders with substantial holdings	Securities held as at 5 Oct 2016	% holding pre-Buy Back	% holding post-Buy Back
Tony Pitt	53,250,000	22.2%	27.8%
LHC Capital Partners Pty Ltd ABN 15 163 162 561	21,549,709	9.0%	11.2%
First Samuel Limited ABN 51 086 243 567	18,776,973	7.8%	9.8%
Investors Mutual Limited ABN 14 078 030 752	15,184,633	6.3%	7.9%
Wylie Group Pty Ltd ABN 31 009 602 886	12,474,576	5.2%	6.5%

The Maximum Buy Back will not result in any Securityholder obtaining control over the Group.

### Financial impact

The following table has been prepared (based on an assumed price of \$0.90 per Stapled Security bought back and assuming varying levels of Stapled Securities are bought back) to illustrate to Securityholders the possible financial effect of the Buy Back on the Group.

Please note that the financial effect of the Buy Back on the Group may be different from that set out below as it will depend on, amongst other things, the actual price at which Stapled Securities are bought back, the number of Stapled Securities which are bought back and other changes to the Group and its financial position which may occur.

Percentage of Stapled Securities bought back under the Buy Back	Assumed weighted average price of Stapled Securities bought back (\$)	Capital (\$ million)	Pro forma NTA (\$ per Stapled Security)	FY17 EPS Forecast (cents per Stapled Security)
0.00%	NA	NA	0.68	6.8-7.0
7.50%	0.90	16.2	0.66	+0.3
15.00%	0.90	32.3	0.64	+0.6
17.50%	0.90	37.7	0.63	+0.8
20.00%	0.90	43.1	0.62	+0.9

### Why is the Resolution being proposed?

The Corporations Act imposes a limit on the number of Stapled Securities that can be bought back without Securityholder approval. If the number of Stapled Securities proposed to be bought back, combined with the number of Stapled Securities which have been bought back during the last 12 months, is greater than the "10/12 limit" (10% of the lowest number of Stapled Securities on issue at any time during the previous 12 months), Securityholder approval for the buy back is required.

The lowest number of Stapled Securities on issue in the last 12 months is 239,602,516 (the current number on issue), 10% of which is 23,960,252 Stapled Securities. A total of 7,900,000 Stapled Securities have been bought back over the last 12 months.

The Buy Back proposed in this Notice of 48,000,000 Stapled Securities plus the 7,900,000 Stapled Securities bought back over the last 12 months (a total of 55,900,000 Stapled Securities) will exceed the "10/12 limit". Therefore Securityholder approval is being sought, pursuant to section 257C of the Corporations Act and ASIC Class Order 07/422.

### Advantages and disadvantages of the Buy Back

The Company and Trust RE Boards consider that the Buy Back offers a number of advantages, which outweigh the disadvantages. In deciding how to vote, Securityholders should consider the following advantages and disadvantages:

#### **Advantages**

The closing price of Stapled Securities as at 21 October 2016 of \$0.91 reflects a 7.8%-7.5% earnings yield based on FY17 forecast EPS of 6.8-7.0 cps, representing an attractive investment proposition for the Group.

The Buy Back provides liquidity to Securityholders through an increased ability to sell Securities.

There is transparency of pricing as the buy back price in an on market buy back is determined by market forces.

All Securityholders have an equal opportunity to participate in the Buy Back.

Participation is voluntary and discretionary and enables Securityholders to tailor their participation, including the number of Securities that they wish to sell (if any).

There is potential for improved earnings per Security due to there being a reduced number of Securities on issue after the Buy Back.

No Securityholder will obtain control over the Group, even if the Maximum Buy Back occurs, and Securityholders with substantial holdings do not participate in the Buy Back and their percentage of holdings increase as a consequence of the Buy Back.

As a result of the Employee Securities Plan performance conditions being met, there is the potential for up to 18.37 million securities which can be sold. By having a buyback in place there is further potential buying demand and liquidity for sellers.

### **Disadvantages/risks**

The Group's available cash reserves will be reduced, although following the Buy Back Group cash reserves are still substantial and will allow the Group to pursue its investment strategy.

The Group will incur some transaction costs when implementing the Buy Back (such as registry costs and legal fees).

There is potential for decrease in market liquidity for the future sale of Securities as a result of the reduced issued capital and smaller market capitalisation.

There is potential for decreased earnings per Security as a result of surplus funds being distributed to Securityholders instead of that surplus funds being used to decrease debt or for business growth purposes.

There is no certainty of participation in the Buy Back, and the number of Securities bought back may be less than the Maximum Buy Back amount.

### **What happens if the Resolution is not approved?**

If Securityholders do not approve the Resolution, the Group will not be able to undertake the Buy Back.

### **What do the Boards of the Company and Trust RE recommend?**

The Boards of the Company and Trust RE recommend that Securityholders vote in FAVOUR of this Resolution.

## **Item E. Approval of change of responsible entity of Trust**

### **What change is proposed?**

360 Capital Investment Management Limited is the Trust's current responsible entity ("**Current RE**"), and is also the responsible entity of all 360 Capital managed funds.

360 Capital Investment Management Limited proposes to retire as responsible entity of the Trust, and it is proposed that 360 Capital FM Limited ABN 15 090 664 396 AFSL 221 474 ("**360 Capital FM**" or "**Proposed RE**") take its place.

360 Capital FM and 360 Capital Investment Management Limited are both wholly owned by the Company. The same level of resources and experience will be available to, and employed by, 360 Capital FM in managing and administering the Trust as has been the case under its management by the Current RE to date. As such, the change of the responsible entity of the Trust will not, of itself, have any material impact on how the Trust is managed or administered.

In accordance with the terms of the Group's Bond issuance, the Group will seek approval from the Security Trustee or bondholders (as appropriate) to the change of responsible entity.

### **Why is 360 Capital Investment Management Limited retiring?**

Currently, both 360 Capital and its managed funds are all managed by the same responsible entity, 360 Capital Investment Management Limited.

Similar groups to 360 Capital have now elected to separate the responsible entity of the managed funds, from the owner of the managed funds (being 360 Capital) to provide greater flexibility in respect of dealing with funds management business and to address potential conflicts of interest, and improve corporate governance.

### What does the change of responsible entity mean for Securityholders?

The change of responsible entity will not, of itself, have any material impact on how the Trust is managed or administered. The key issues are set out and addressed in the table below.

Key Issue	Effect of Change
<b>Corporate Governance</b>	The Directors of the Current RE and the Proposed RE are identical therefore ensuring the current Directors remain involved post the change of responsible entity.
<b>Controls</b> (e.g. risk management, custodial arrangements etc.)	The same compliance and risk management procedures will be in place before and after the proposed change of responsible entity. Further, the existing administration arrangements in respect of the Trust will remain in place. After the proposed change, 360 Capital FM will assume custody of the assets of the Trust in its capacity as responsible entity of the Trust.
<b>Financial Resources</b>	The Trust will have access to the same financial resources and benefits before and after the proposed change of responsible entity.
<b>Other Resources</b>	Human and information technology resources are common across and shared between the Current RE and the Proposed RE.
<b>Investment Management</b>	The same investment management procedures, key staff, philosophies and strategies will be applied to all investments in the Trust before and after the proposed change of responsible entity.

### What happens if the Resolution is passed?

If the Resolution is approved, 360 Capital Investment Management Limited will retire as the Trust's responsible entity and 360 Capital FM will become the Trust's responsible entity, upon ASIC updating its record of registration.

It is anticipated that this will occur within a week of the date of an approval at the meeting.

### What happens if the Resolution is NOT passed?

In the event that the Resolution is not approved, 360 Capital Investment Management Limited will remain as the Trust's responsible entity and will continue managing the underlying funds and trusts in the best interests of Securityholders.

### What does the Trust RE Board recommend?

The Trust RE Board believes the change of responsible entity is in the interests of Securityholders and recommends Securityholders vote in FAVOUR of this resolution.

## Queries

If you have any questions regarding your investment in the Group, the Resolutions, or what action you should take, please consult your legal, investment, taxation and other professional adviser or contact 360 Capital Investor Services on 1800 182 257 or email [investor.relations@360capital.com.au](mailto:investor.relations@360capital.com.au)



**360 Capital Group Limited**  
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**360 Capital Investment Trust**  
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