

24 July 2017

Dear Securityholder,

**360 Capital Total Return Fund (ASX: TOT)
Notice of Meeting – Proposed Buy Back**

Further to the announcement on 11 July 2017 regarding the sale of the 360 Capital Total Return Fund's (Fund) stake in Industria REIT, the Fund now has approximately \$83.3 million in cash and continues to trade at a discount to its underlying net tangible assets.

The Fund sold its major investment, being 18.2% (including 360 Capital Group's holding) in Industria REIT (ASX: IDR) for \$63.4 million, delivering the Fund with an 18.3% Internal Rate of Return per annum over a two-year hold period.

The Fund's last closing price of \$1.185 represents a discount of 5.2% to the unaudited proforma net tangible assets of \$1.25 per Security (post the sale of the Fund's IDR stake).

The Responsible Entity considers the current market trading price of the Fund's Securities does not accurately reflect the true value of the Fund's assets. The responsible entity has scheduled a meeting of Members for 23 August 2017 to consider a resolution to enable the Fund to buy back up to 30% of the Fund's current Securities on issue by way of an on market buyback.

The Notice of Meeting and Explanatory Memorandum is attached to this announcement and will be mailed to all members shortly.

360 Capital Group will maintain its current holding of 15,621,124 Stapled Units (currently 23.7%) and will not participate in the Buy Back.

The Buy Back does not alter the Responsible Entity's strategy of continuing to focus on providing Members with a total return of 12% or greater per annum by pursuing opportunities in line with the Fund's stated investment strategy.

If approved by Members, the Buy Back will be funded from existing cash reserves.

More information on TOT can be found on the ASX's website at www.asx.com.au using the Fund's ASX code "TOT", on the Fund's website www.360capital.com.au, or by calling the 360 Capital Information Line on 1300 082 130 or emailing investor.relations@360capital.com.au

Alternatively, please contact:

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About 360 Capital Total Return Fund (ASX code TOT)

360 Capital Total Return Fund aims to provide total returns with a performance hurdle of 12% per annum to investors through a selective and disciplined investment philosophy, combined with access to real estate based investment opportunities available to the Fund through the 360 Capital platform. The Fund is externally managed by 360 Capital Group, a leading ASX-listed real estate investor and fund manager that operates under a transparent fee structure and is co-invested the Fund to ensure ongoing alignment of interests with Unitholders.

About 360 Capital Group (ASX: TGP)

360 Capital Group is an ASX-listed, property investment and funds management group concentrating on strategic investment and active investment management of property assets. The Group actively invests in direct property assets, property securities, real estate debt and various corporate real estate investments within Australian real estate markets on a private and public equity basis.



Notice of Meeting and
Explanatory Memorandum

360 CAPITAL
TOTAL
RETURN
FUND

The stapled entity comprising
360 Capital Total Return Passive Fund
ARSN 602 304 432
and
360 Capital Total Return Active Fund
ARSN 602 303 613

Issued by 360 Capital FM Limited (ACN 090 664 396) (AFSL 221 474)
as responsible entity of 360 Capital Total Return Fund.

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?

This Notice of Meeting and Explanatory Memorandum is dated 24 July 2017 and is issued by 360 Capital FM Limited ACN 090 664 396 in its capacity as responsible entity of 360 Capital Total Return Fund (the stapled fund comprising the 360 Capital Total Return Passive Fund ARSN 602 304 432 and the 360 Capital Total Return Active Fund ARSN 602 303 613) (Fund).

The purpose of this Notice of Meeting and Explanatory Memorandum is to provide information about the proposed buyback of Stapled Units and to provide such other information considered material to the decision of Members in determining how to vote on the Resolution. All information in this document forms part of the Notice of Meeting.

No investment advice

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

Defined terms

Capitalised terms used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary in section 4. All times expressed in this Notice of Meeting and Explanatory Memorandum refer to Australian Standard Time (AEST) and references to dollars, \$, cents or ¢ are to Australian dollars.

Any questions?

If you have any questions about your holding of Stapled Units or the Resolution, please contact 360 Capital Investor Services on 1300 082 130. If you are in any doubt on how to vote on the Resolution or the action to be taken, you should contact your financial, legal, tax or other professional adviser without delay.

Meeting details and important dates

Last date and time for receipt of Proxy Forms	10.00am (AEST) 21 August 2017
Time and date of the Meeting	10.00am (AEST) 23 August 2017
Place	360 Capital Group Level 8, 56 Pitt Street Sydney NSW 2000 Australia

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Notice of Meeting

360 Capital Total Return Fund

NOTICE IS HEREBY GIVEN by 360 Capital FM Limited (ACN 090 664 396) (AFSL 221 474) as responsible entity of 360 Capital Total Return Fund (the stapled entity comprising the 360 Capital Total Return Passive Fund ARSN 602 304 432 and the 360 Capital Total Return Active Fund ARSN 602 303 613) (Fund) pursuant to section 252A of the Corporations Act that a meeting of Members in each of the 360 Capital Total Return Passive Fund and the 360 Capital Total Return Active Fund will be held contemporaneously at the time, date and place detailed below, or such later time and date as notified to Members, to consider and vote on the Resolution in this Notice of Meeting:

Time: 10.00am AEST
Date: Wednesday, 23 August 2017
Place: 360 Capital Group
Level 8, 56 Pitt Street Sydney
NSW 2000 Australia

Business of the Meeting

1. Approval of Buy Back of Stapled Units

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

Resolution

"That the Buy Back of up to 19,777,434 Stapled Units in the Fund (it being noted that each Stapled Unit comprises one unit in the Passive Fund stapled to one unit in the Active Fund) on the terms set out in the Explanatory Memorandum be approved for all purposes (including the purposes of Section 601KH(8) of the Corporations Act 2001 (Cth))."

By order of the Board



David van Aanholt
Independent Director and Chairman
360 Capital FM Limited
as responsible entity of the 360 Capital Total Return Fund

Dated: 24 July 2017

Notes about the Meeting and how to vote

THESE NOTES FORM PART OF THE NOTICE OF MEETING

Changing the time and date of the Meeting

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

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

Quorum

The quorum necessary for the Meeting is at least two Members present in person or by proxy together holding at least 10% of the Stapled Units on issue, and the quorum must be present at all times during the Meeting.

Chairperson

Pursuant to section 252S of the Corporations Act, the Responsible Entity will appoint a person to chair the Meeting.

Voting intentions of the Chairperson

The Chairperson intends to vote all undirected proxies appointing the chair as proxy in favour of the Resolution on a poll.

Voting by Responsible Entity

The Responsible Entity and its associates are not entitled to vote their interests on a Resolution at the Meeting if they have an interest in the Resolution other than as a Member.

Resolution

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

Voting

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

Bodies corporate

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

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

Jointly held Stapled Units

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

Appointment of proxy

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

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

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

Appointing a second proxy

If you are entitled to cast two or more votes you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If you appoint two proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes, (ignoring fractions).

Voting directions to your proxy

You may direct your proxy on how to vote on the Resolution. Your proxy does not have to vote, but if your proxy does vote, your proxy must vote as directed. If your proxy has two or more appointments that specify different ways to vote on the Resolution, your proxy must not vote on a show of hands. If your proxy is the Chairperson, the Chairperson must vote on a poll and must vote that way.

If you do not direct your proxy how to vote, your proxy will vote as it chooses. If you mark more than one box relating to the Resolution any vote by your proxy on that item may be invalid.

Signing instructions

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

Appointment of proxy under the power of attorney

If a proxy is signed under a power of attorney on behalf of a Member, an original or a certified copy of the power of attorney must be lodged with the Proxy Form and received by the Responsible Entity no later than 10.00am on Monday 21 August 2017 at one of the addresses set out below.

Lodgement of proxies and other authorities

Proxy Forms and other authorities should be returned by one of the methods below.

By post

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Online

www.votingonline.com.au/TOT/EGM2017

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 the Responsible Entity no later than 10.00am on 21 August 2017. Documents received after that time will not be valid for the Meeting.

Explanatory Memorandum

1 Overview

1.1 Approval of the Buy Back

The Responsible Entity proposes to undertake an on market Buy Back of Stapled Units in the Fund over the period of 12 months commencing on or just after 23 August 2017. It is proposed that up to 30% of the number of Stapled Units currently on issue (i.e. 19,777,434 Stapled Units) be bought back through this process (**Buy Back**).

Due to the fact that the number of Stapled Units proposed to be bought back is greater than 10% of the smallest number of Stapled Units on issue at any time during the previous 12 months, Member approval of the Buy Back is required.

Please refer to section 2 for more information in relation to the Buy Back.

1.2 What does the Responsible Entity recommend?

Approval of Buy Back of Stapled Units

The Responsible Entity considers that the Buy Back is in the best interests of the Members of the Fund as the current market trading price of Stapled Units in the Fund does not reflect the value of the Fund's underlying assets and therefore the Buy Back is an accretive way of investing the Fund's capital and thereby enhancing returns to Members.

Please refer to section 2 for more detail.

The Responsible Entity recommends that Members vote in FAVOUR of Resolution 1.

2 Resolution 1: Approval of the Buy Back

2.1 What is proposed?

There are currently 65,924,780 Stapled Units on issue in the Fund.

The Responsible Entity proposes to undertake the Buy Back of up to 30% of the number of Stapled Units currently on issue (i.e. 65,924,780 Stapled Units) over a period of 12 months commencing on or just after 23 August 2017. This means that up to 19,777,434 Stapled Units may be bought back.

The Buy Back will be conducted on market, meaning that the Responsible Entity will Buy Back Stapled Units in the ordinary course of trading on the ASX. The Buy Back will be open to all Members and participation is voluntary. The Responsible Entity reserves the right to suspend or terminate the Buy Back at any time. The Resolution being passed does not oblige the Responsible Entity to buy back any Stapled Units.

The Responsible Entity may offer to Buy Back Stapled Units during the course of the 12 month Buy Back period within a range of prices it determines, however, that price cannot be greater than 5% above the volume weighted average market price of all Stapled Units sold on the ASX during the last five days on which sales in Stapled Units were recorded before the date of the relevant Buy Back.

It is intended that Moelis Australia Securities Pty Limited (ACN 122 781 560) will be appointed to act as the Fund's broker for the Buy Back.

The Responsible Entity has proposed the Buy Back as it considers the current market trading price of Stapled Units does not accurately reflect the value of the Fund's cash and other investments.

The Buy Back will be funded from the Fund's existing cash reserves. The Fund is currently debt free.

The following table has been prepared (based on an assumed weighted average price of Stapled Units bought back and assuming varying levels of Stapled Units are bought back) to illustrate to Members the possible financial effect of the Buy Back.

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

Percentage of Stapled Units bought back under the Buy Back	Assumed weighted average price of Stapled Units bought back	Capital (\$ million)	Pro forma NTA ¹ (\$ per Stapled Unit)
0.0%	N/A	N/A	\$1.246
10.0%	\$1.20	\$7.9	\$1.251
20.0%	\$1.20	\$15.8	\$1.258
30.0%	\$1.20	\$23.7	\$1.266

¹ As at the date of this Notice of Meeting.

The Fund's most recent audit reviewed financial statements were lodged with ASX on 22 February 2017 and are available on the Fund's website at www.360capital.com.au or by contacting the Responsible Entity.

The Buy Back will not alter the Responsible Entity's strategy.

360 Capital Group has indicated it will maintain its current holding of 15,621,124 Stapled Units and will not participate in the Buy Back. 360 Capital Group's percentage investment in the Fund (currently 23.7%) will increase as a result of the Buy Back by virtue of the total number of Stapled Units within the Fund decreasing. Assuming the full Buy Back of 30% of Stapled Units occurs, 360 Capital Group will hold 33.85% of the Stapled Units on issue.

2.2 Why is this Resolution being proposed?

The Corporations Act imposes a limit on the number of Stapled Units that can be bought back without Member approval. If greater than 10% of the smallest number of Stapled Units at any time during the previous 12 months, Member approval for the Buy Back is required.

After successfully completing an institutional placement and 1-for-1 entitlement offer in May 2017, the Fund sold its major investment, being 18.2% (including 360 Capital Group's holding) in Industria REIT (ASX: IDR) for \$63.4 million. The Responsible Entity considers the current market trading price of Stapled Units does not accurately reflect the value of the Fund's cash and other investments.

Due to the fact that the number of Stapled Units proposed to be bought back is greater than 10% of the smallest number of Stapled Units on issue at any time during the previous 12 months, Member approval of the Buy Back is required.

2.3 Advantages and disadvantages of the Buy Back

Advantages

The Responsible Entity believes the Buy Back will create the following benefits for Members:

- The closing price of Stapled Units as at 19 July 2017 of \$1.18 reflects a discount of -5.6% to the Fund's pro-forma NTA per Stapled Unit of \$1.25, representing an attractive investment proposition for the Fund;
- The Buy Back of Stapled Units below the current audited NTA per Stapled Unit is expected to enhance Members' returns by increasing the NTA per Stapled Unit;
- Should the Responsible Entity Buy Back the full 30% of the Stapled Units currently on issue, the Responsible Entity will still have significant capacity to pursue assets in line with the Fund's investment mandate.

Disadvantages/risks

The key potential disadvantage and risk associated with the Buy Back is that the Fund's available cash reserves will be reduced which may increase the likelihood of a further capital raising being required if a large or multiple suitable investment opportunities are identified by the Responsible Entity. In addition, the Buy Back may place 360 Capital Group in a control position (see 2.1 above)

2.4 What happens if Resolution 1 is not approved?

If Members do not approve Resolution 1, the Responsible Entity will not be able to undertake the Buy Back.

2.5 What does the Responsible Entity recommend?

The Responsible Entity recommends that Members vote in FAVOUR of Resolution 1.

3 Queries

If you have any questions regarding your investment in the Fund, the Resolution, or what action you should take, please consult your legal, investment, taxation and other professional adviser or contact 360 Capital Investor Services on 1300 082 130 or email investor.relations@360capital.com.au

4 Glossary

360 Capital or 360 Capital Group	360 Capital Group consists of the stapled entity comprising 360 Capital Group Limited (ABN 18 113 569 136) and 360 Capital Investment Trust (ARSN 104 552 598) and each of their controlled entities
Active Fund	360 Capital Total Return Active Fund ARSN 602 303 613
ASIC	Australian Securities and Investments Commission
AEST	Australian Eastern Standard Time
ASX	ASX Limited (ABN 98 008 624 691) or the financial market operated by it (as the context requires)
Buy Back	The proposed Buy Back of Stapled Units in the Fund the subject of Resolution 1 as described in section 2 of this Explanatory Memorandum
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Explanatory Memorandum	The explanatory memorandum contained in this document
Fund	360 Capital Total Return Fund (the stapled fund comprising the Passive Fund and the Active Fund)
Meeting	The meeting of Members of each of the Active Fund and the Passive Fund to be held pursuant to the Notice of Meeting
Member	A registered holder of Stapled Units in the Fund
Notice of Meeting	This document, including the Notice of Meeting set out on page 1 of this document
NTA per Stapled Unit	Net tangible assets divided by Stapled Units on issue
Passive Fund	360 Capital Total Return Passive Fund ARSN 602 304 432
Proxy Form	The form by which Members may vote on the Resolution without attending the Meeting in person
Resolution	Resolution 1 set out in the Notice of Meeting regarding the approval of the Buy Back
Stapled Unit	A Stapled Unit in the Fund comprising a unit in the Active Fund stapled to a unit in the Passive Fund
Responsible Entity	The responsible entity of the Fund (360 Capital FM Limited)
Unit Registrar	Boardroom Pty Limited (ACN 003 209 836)
Responsible Entity	360 Capital FM Limited, the responsible entity of the Fund as at the date of this Notice



360 Capital Total Return Fund

(the stapled entity comprising the 360 Capital Total Return Passive Fund ARSN 602 304 432 and the 360 Capital Total Return Active Fund ARSN 602 303 613)

Investor Enquiries

360 Capital Investor Services
Toll Free: 1800 182 257
Email: investor.relations@360capital.com.au

Postal Address for Lodgement of Proxies

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Responsible Entity

360 Capital FM Limited
ACN 090 664 396
AFSL 221474

Registered Office

Level 8, 56 Pitt Street
Sydney NSW 2000

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Disclaimer

This document has been prepared by 360 Capital FM Limited (ACN 090 664 396, AFSL 221 474), Level 8, 56 Pitt Street, Sydney NSW 2000, as responsible entity of the 360 Capital Total Return Fund (the stapled fund comprising the 360 Capital Total Return Passive Fund ARSN 602 304 432 and the 360 Capital Total Return Active Fund ARSN 602 303 613) ("Responsible Entity"). The Responsible Entity, its associates, related entities and their respective directors do not guarantee the performance of the Fund or the repayment of monies invested. The information contained in this document does not constitute financial product advice. While every care has been exercised in the preparation of this document and the information is believed to be correct, this document is provided for general information purposes only and does not have regard to the particular circumstances, financial situation or needs of any specific person who may read it and whom should seek their own professional advice. This document contains forward looking statements which are identified by words such as "may", "could", "believes", "estimates", "expects", "intends" and other similar words that imply risks and uncertainties. These forward looking statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual results, performance or achievements of the Fund to vary materially from those expressed or implied in such forward looking statements. Past performance is not an indicator of future performance.