

360 Capital Total Return Fund

For the year ended 30 June 2017

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 2017. 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 2017 is attached and forms part of this Appendix 4E.

Details of reporting period:

Current reporting period: 1 July 2016 – 30 June 2017

Prior corresponding period: 1 July 2015 – 30 June 2016

Results announcement to the market:

	30 Jun 2017 \$'000	30 Jun 2016 \$'000	Movement \$'000	Movement %
Revenue and other income from ordinary activities	7,361	7,723	(362)	(4.7)
Profit attributable to stapled securityholders for the year	6,700	5,904	796	13.5
Operating profit ¹	3,100	3,195	(95)	(3.0)

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 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 3 of the Financial Report.

	30 Jun 2017 Cents per security	30 Jun 2016 Cents per security	Movement Cents per security	Movement %
Earnings per security – Basic and diluted	18.2	16.4	1.8	11.0
Operating profit per security	8.4	8.9	(0.5)	(5.6)

360 Capital Total Return Fund



For the year ended 30 June 2017

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)

Distributions:

	Cents per Security	Total amount paid \$'000	Date of payment
September quarter distribution	1.90	583	27 October 2016
December quarter distribution	1.90	582	25 January 2017
March quarter distribution	1.90	583	27 April 2017
June quarter distribution	2.40	1,582	27 July 2017
June special distribution	2.40	1,582	27 July 2017
Total distribution for the year ended 30 June 2017	10.50	4,912	
September quarter distribution	2.81	1,115	23 October 2015
Special distribution	1.20	476	23 October 2015
December quarter distribution	1.50	571	27 January 2016
March quarter distribution	1.50	506	28 April 2016
June quarter distribution	1.50	460	26 July 2016
Total distribution for the year ended 30 June 2016	8.51	3,128	

Net tangible asset per security:

	30 Jun 2017 \$	30 Jun 2016 \$
NTA per security	1.24	1.33

A large, abstract graphic composed of several overlapping, hand-drawn style green lines that form a series of concentric, irregular loops, resembling a stylized 'C' or a series of orbits. The lines are a vibrant green color and are set against a dark grey background.

Annual Report
FOR THE YEAR ENDED 30 JUNE 2017

**360 CAPITAL
TOTAL RETURN FUND**

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 2017

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 2017

The Directors of 360 Capital FM Limited (CFML) (ABN 15 090 664 396) (AFSL No 221474), the Responsible Entity, present their report together with the financial report of 360 Capital Total Return Fund (Fund or consolidated entity) (ASX code: TOT) for the year ended 30 June 2017. 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).

On 23 November 2016, 360 Capital Group (ASX code: TGP) (Group), the Stapled Group of which the Responsible Entity is a subsidiary, announcement that it had entered into contracts to dispose of the majority of the Group's funds management business to Centuria Capital Group (Centuria). As part of the Transaction, the Group elected to exclude the management rights and its co-investment in the Fund, with a strategy to make the Fund the Group's flagship listed investment fund.

On 23 December 2016, unitholders of the Passive Fund and the Active Fund passed a resolution to change the Responsible Entity from 360 Capital Investment Management Limited (CIML) to 360 Capital FM Limited enabling 360 Capital Group to continue to manage the Fund post the sale of the balance of the business to Centuria. The change in Responsible Entity was effective from this date. The Directors of CIML were the same and only Directors as CFML, as listed below, for the period and up to the date of the change of the Responsible Entity.

Directors

The following persons were Directors of 360 Capital FM Limited from the date of the change of the Responsible Entity 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 listed on the Australian Stock Exchange (ASX) in April 2015 as a unique, opportunistic fund investing in various forms of Australian real estate assets. The Fund's objective is to deliver a total return of 12.0% plus per annum through disciplined investment in a broad range of real estate opportunities 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.

Operating and financial review

The Fund's statutory net profit attributable to securityholders for the year ended 30 June 2017 was \$6.7 million (2016: \$5.9 million), which was driven primarily by a \$3.6 million uplift in valuation of the Fund's investment in listed property securities. The Fund's statutory balance sheet as at 30 June 2017 had gross assets of \$85.2 million (2016: \$41.3 million).

360 Capital Total Return Fund
Responsible Entity report
For the year ended 30 June 2017

Operating and financial review (continued)

The Fund's operating profit (profit before specific non-cash and significant items) for the year ended 30 June 2017 was \$3.1 million (2016: \$3.2 million).

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 3: Segment reporting of the financial statements for the year ended 30 June 2017, which have been subject to audit; refer to page 35 for the auditor's report on the financial statements.

	30 June 2017 \$'000	30 June 2016 \$'000
Profit attributable to stapled securityholders of the Fund	6,700	5,904
Specific non-cash items and significant items		
Loss on disposal of investment properties	-	344
Net gain on fair value of financial assets	(3,643)	(3,521)
Payment to "A" Class unitholders	-	410
Property makegood income	-	(225)
Acquisition costs	43	283
Operating profit (profit before specific non-cash and significant items)	3,100	3,195

The key financial highlights for the year ended 30 June 2017 include:

- Statutory net profit attributable to securityholders of \$6.7 million (2016: \$5.9 million)
- Operating profit of \$3.1 million (2016: \$3.2 million)
- Statutory EPS of 18.2 cps (2016: 16.4 cps)
- Operating earnings per security (EPS) of 8.4 cents per security (cps) (2016: 8.9 cps)
- Net tangible assets per security at 30 June 2017 of \$1.24 (2016: \$1.33)
- Distributions per security (DPS) of 10.5 cps (2016: 8.51 cps)
- ASX closing price of \$1.11 per security

The key operational achievements for the year ended 30 June 2017 include:

- Completed a \$40.6 million capital raising on 9 May 2017, comprising of \$5.3 million via a placement to institutional investors and a \$35.3 million non-renounceable 1 for 1 entitlement offer
- Increased the Fund's strategic investment in Industria REIT (ASX code: IDR) (IDR) to 16.9% or 27.55 million securities and subsequent to balance date exited the entire holding for \$63.4 million, delivering Securityholders with an internal rate of return of 18.3% over the two year investment horizon
- In line with the Fund's strategy to increase its exposure to non-bank lending activities, post balance date the Fund entered into a term sheet for a \$7.1 million junior debt facility

360 Capital Total Return Fund
Responsible Entity report
For the year ended 30 June 2017

Capital raise

The Fund completed a \$40.6 million capital raising on 9 May 2017, comprising of \$5.3 million via a placement to institutional investors and a \$35.3 million non-renounceable 1 for 1 entitlement offer. The proceeds from the capital raise were used to increase the Fund's strategic investment in Industria REIT and invest in non-bank lending activities.

Non-bank lending

As part of the capital raise detailed above, the Fund acquired a 50% stake of Australian Mezzanine Finance Pty Limited (AMF) for nominal consideration. AMF will provide alternative lending and structured financing solutions to Australian real estate investors and developers. The other 50% stake is held by 360 Capital Group.

Post reporting period, the Fund has entered into a term sheet for a \$7.1 million junior debt facility. It is anticipated that the investment will provide the Fund with a greater than 15% internal rate of return p.a. over an 18 to 20 month period and is expected to be drawn in September 2017.

In addition, AMF has been developing a product in partnership with the Australian banks which enables the banks to offer a stretched senior facility to its commercial real estate customers (investors and developers). AMF has now entered into an agreement with a major Australian Bank to progress this product development and complete among other aspects, the legal structuring, and is currently investigating potential transactions to commence this partnership with the bank.

This product, as well as direct broking of transactions through AMF and other financing brokers will provide the Fund with a pipeline of financing opportunities on a selective basis.

Sale of strategic fund investment

Post balance date the Fund exited its investment in IDR for \$63.4 million, at \$2.30 per security on an ex-distribution basis. The sale crystallised a \$6.2 million trading profit and delivered Securityholders with an internal rate of return of 18.3% per annum over the two-year investment horizon.

Capital management

On 24 July 2017, the Fund announced a proposed on-market buyback for up to 30.0% (19,777,434 stapled securities) of the issued securities in the Fund. The proposed buyback is subject to Unitholder approval on 23 August 2017. If approved by members, the proposed buy-back will be funded from existing cash reserves. The level of buyback will also depend on the price which securities can be repurchased as well as other opportunities available for the Fund's capital.

Outlook

The Fund's strategy remains focused 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 across debt and equity investments in direct and indirect property assets.

360 Capital Total Return Fund
Responsible Entity report
For the year ended 30 June 2017

Distributions

Total distributions paid or payable to unitholders by the Fund for the year ended 30 June 2017:

	30 June 2017 \$'000	30 June 2016 \$'000
September 2015 quarterly distribution 2.81 cps paid on 23 October 2015	-	1,115
Special distribution 1.20 cps paid on 23 October 2015	-	476
December 2015 quarterly distribution 1.50 cps paid on 27 January 2016	-	571
March 2016 quarterly distribution 1.50 cps paid on 28 April 2016	-	506
June 2016 quarterly distribution 1.50 cps paid on 26 July 2016	-	460
September 2016 quarterly distribution 1.90 cps paid on 27 October 2016	583	-
December 2016 quarterly distribution 1.90 cps paid on 25 January 2017	582	-
March 2017 quarterly distribution 1.90 cps paid on 27 April 2017	583	-
June 2017 quarterly distribution 2.40 cps paid on 27 July 2017	1,582	-
June 2017 special distribution 2.40 cps paid on 27 July 2017	1,582	-
	4,912	3,128

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 exited its investment in IDR for \$63.4 million, at \$2.30 per security on an ex-distribution basis.

On 24 July 2017, the Fund announced a proposed on-market buyback for up to 30.0% (19,777,434 stapled securities) of the issued securities in the Fund. The proposed buyback is subject to Unitholder approval on 23 August 2017. If approved by members, the proposed buy-back will be funded from existing cash reserves. The level of buyback will also depend on the price which securities can be repurchased as well as other opportunities available for the Fund's capital.

Post balance date, the Fund has entered into a term sheet for a \$7.1 million junior debt facility.

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.

360 Capital Total Return Fund
Responsible Entity report
For the year ended 30 June 2017

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 stapled securityholders. No buy back arrangements occurred in the year ended 30 June 2017 (2016: 9.0 million units bought back).

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 35,262,092 new securities issued during the year associated with the institutional placement and entitlement offer completed in May 2017 (2016: Nil).

Number of interests on issue

As at 30 June 2017 the number of securities on issue in the Fund was 65,924,780 (2016: 30,662,688).

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

As at 30 June 2017 related parties of the Responsible Entity held securities in the Fund, as detailed in Note 16 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 16 to the financial statements.

Indemnification and insurance of Directors and 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.

Indemnification and insurance of Auditors

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 6 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.

360 Capital Total Return Fund
Responsible Entity report
For the year ended 30 June 2017

Auditor's independence declaration

The auditor's independence declaration required under Section 307C of the *Corporations Act 2001* is set out on page 8 and forms part of the Responsible Entity's report for the year ended 30 June 2017.

Rounding of amounts

360 Capital Total Return Fund is an entity of the kind referred to in Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC). In accordance with that Instrument, amounts in the annual 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



Graham Ephraim Lenzner
Director

Sydney
17 August 2017

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

As lead auditor for the audit of 360 Capital Total Return Passive Fund for the financial year ended 30 June 2017, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of 360 Capital Total Return Passive Fund and the entities it controlled during the financial year.



Ernst & Young



Mark Conroy
Partner
17 August 2017

360 Capital Total Return Fund

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2017

		30 June 2017 \$'000	30 June 2016 \$'000
	Note		
Revenue from continuing operations			
Rental from investment properties	5	-	1,269
Distribution income	5	3,636	2,732
Finance revenue		82	201
Total revenue from continuing operations		3,718	4,202
Other income			
Net gain on fair value of financial assets	9	3,643	3,521
Total other income		3,643	3,521
Total revenue from continuing operations and other income		7,361	7,723
Investment property expenses		-	179
Administration expenses		220	273
Management fees	16	352	330
Acquisition costs		43	283
Finance expenses		46	-
Net loss on sale of investment properties		-	344
Payment to "A" Class unitholders		-	410
Profit from continuing operations		6,700	5,904
Total comprehensive income for the year		6,700	5,904
Total comprehensive income attributable to:			
Unitholders of 360 Capital Total Return Passive Fund		6,830	5,955
Unitholders of 360 Capital Total Return Active Fund		(130)	(51)
Profit attributable to the stapled securityholders		6,700	5,904
Earnings per stapled security for profit after tax			
attributable to the stapled securityholders of 360 Capital Total Return Fund		cents	cents
Basic and diluted profit per security	7	18.2	16.4

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 2017

		30 June 2017 \$'000	30 June 2016 \$'000
	Note		
Current assets			
Cash and cash equivalents	14	19,858	1,094
Receivables	8	2,204	1,488
Financial assets at fair value through profit or loss	9	63,091	-
Total current assets		85,153	2,582
Non-current assets			
Financial assets at fair value through profit or loss	9	-	38,751
Total non-current assets		-	38,751
Total assets		85,153	41,333
Current liabilities			
Trade and other payables	11	88	74
Distribution payable		3,164	460
Total current liabilities		3,252	534
Total liabilities		3,252	534
Net assets		81,901	40,799
Equity			
Issued capital – Passive Fund units	12	88,217	54,679
Issued capital – Active Fund units	12	11,976	6,200
Accumulated losses		(18,292)	(20,080)
Total equity attributable to stapled securityholders		81,901	40,799
Total equity		81,901	40,799

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 2017

		Issued capital - Passive Fund units \$'000	Issued capital - Active Fund units \$'000	Accumulated losses - Passive Fund units \$'000	Accumulated losses - Active Fund units \$'000	Total equity attributable to stapled Securityholders \$'000	Total equity \$'000
	Note						
Balance at 1 July 2016		54,679	6,200	(19,860)	(220)	40,799	40,799
Total comprehensive income/(loss) for the year		-	-	6,830	(130)	6,700	6,700
Transactions with Securityholders in their capacity as Securityholders							
Issued securities - Entitlement offer	12	34,590	5,961	-	-	40,551	40,551
Equity raising transaction costs	12	(1,052)	(185)	-	-	(1,237)	(1,237)
Distributions	4	-	-	(4,912)	-	(4,912)	(4,912)
		33,538	5,776	(4,912)	-	34,402	34,402
Balance at 30 June 2017		88,217	11,976	(17,942)	(350)	81,901	81,901
Balance at 1 July 2015		63,453	7,747	(22,687)	(169)	48,344	48,344
Total comprehensive income/(loss) for the year		-	-	5,955	(51)	5,904	5,904
Transactions with Securityholders in their capacity as Securityholders							
Security buy back		(8,765)	(1,543)	-	-	(10,308)	(10,308)
Equity raising transaction costs	12	(9)	(4)	-	-	(13)	(13)
Distributions	4	-	-	(3,128)	-	(3,128)	(3,128)
		(8,774)	(1,547)	(3,128)	-	(13,449)	(13,449)
Balance at 30 June 2016		54,679	6,200	(19,860)	(220)	40,799	40,799

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 2017

		30 June 2017 \$'000	30 June 2016 \$'000
	Note		
Cash flows from operating activities			
Cash receipts from customers (inclusive of GST)		-	1,396
Cash payments to suppliers (inclusive of GST)		(520)	(1,143)
Distributions received		2,881	1,759
Finance revenue		82	201
Finance expenses		(46)	-
Net cash inflows from operating activities	14	2,397	2,213
Cash flows from investing activities			
Proceeds from disposal of investment properties		-	25,656
Payments for financial assets		(21,188)	(24,284)
Proceeds from disposal of financial assets		448	-
Net cash (outflows)/inflows from investing activities		(20,740)	1,372
Cash flows from financing activities			
Proceeds from borrowings by controlled entities		16,026	-
Repayment of borrowings by controlled entities		(16,026)	-
Proceeds from issue of capital	12	40,551	-
Payment of transaction costs to issue capital	12	(1,236)	(13)
Payments for buyback of stapled securities	12	-	(10,308)
Distributions paid to stapled securityholders		(2,208)	(3,784)
Payment to "A" Class unitholders		-	(410)
Net cash inflows/(outflows) from financing activities		37,107	(14,515)
Net increase/(decrease) in cash and cash equivalents		18,764	(10,930)
Cash and cash equivalents at the beginning of the year		1,094	12,024
Cash and cash equivalents at the end of the year	14	19,858	1,094

The above consolidated 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 2017

Note 1: Basis of preparation

a) Reporting entity

The financial report of 360 Capital Total Return Fund (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 FM 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.

On 23 December 2016, unitholders of the Passive Fund and the Active Fund passed a resolution to change the Responsible Entity from 360 Capital Investment Management Limited to 360 Capital FM Limited. The change in Responsible Entity was effective from this date.

The financial report was authorised for issue by the Board on 17 August 2017.

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 Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

d) Critical judgements and significant accounting estimates

Critical accounting estimates, judgements and assumptions

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.

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:

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 20.

The accounting policies set out in Note 20 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 2017

Note 2: 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. During the year the Fund issued new securities as part of a capital raise, refer to Note 12: Equity for further information.

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

Note 3: 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 and significant items which management consider to reflect the core earnings of the Fund and is used as a guide to assess the Fund's 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 2017 \$'000	30 June 2016 \$'000
Profit attributable to stapled securityholders of the Fund	6,700	5,904
Specific non-cash items and significant items		
Loss on disposal of investment properties	-	344
Net gain on fair value of financial assets	(3,643)	(3,521)
Payment to "A" Class unitholders	-	410
Property makegood income	-	(225)
Acquisition costs	43	283
Operating profit (profit before specific non-cash and significant items)	3,100	3,195
Weighted average number of stapled securities ('000)	36,811	35,914
Operating profit per unit (profit before specific non-cash and significant items) (per stapled security) – cents	8.4	8.9

360 Capital Total Return Fund
Notes to the financial report
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Note 4: Distributions

Total distributions paid or payable to unitholders by the Fund for the year ended 30 June 2017:

	30 June 2017 \$'000	30 June 2016 \$'000
September 2015 quarterly distribution 2.81 cps paid on 23 October 2015	-	1,115
Special distribution 1.20 cps paid on 23 October 2015	-	476
December 2015 quarterly distribution 1.50 cps paid on 27 January 2016	-	571
March 2016 quarterly distribution 1.50 cps paid on 28 April 2016	-	506
June 2016 quarterly distribution 1.50 cps paid on 26 July 2016	-	460
September 2016 quarterly distribution 1.90 cps paid on 27 October 2016	583	-
December 2016 quarterly distribution 1.90 cps paid on 25 January 2017	582	-
March 2017 quarterly distribution 1.90 cps paid on 27 April 2017	583	-
June 2017 quarterly distribution 2.40 cps paid on 27 July 2017	1,582	-
June 2017 special distribution 2.40 cps paid on 27 July 2017	1,582	-
	4,912	3,128

Note 5: Revenue

Rental income from investment properties include:

	30 June 2017 \$'000	30 June 2016 \$'000
Rent	-	1,044
Property makegood income	-	225
	-	1,269

Distributions from property funds include:

	30 June 2017 \$'000	30 June 2016 \$'000
Property funds	3,636	2,732
	3,636	2,732

360 Capital Total Return Fund
Notes to the financial report
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Note 6: Auditors' remuneration

	30 June 2017 \$	30 June 2016 \$
<u>Audit services</u>		
Audit services	40,000	50,000
Audit of compliance plan	14,750	7,060
	54,750	57,060
<u>Other services</u>		
Taxation compliance services	20,000	27,500
	74,750	84,560

Note 7: Earnings per stapled security

	30 June 2017 ¢	30 June 2016 ¢
Basic and diluted profit per stapled security	18.2	16.4

	\$'000	\$'000
Basic and diluted earnings		
Profit attributable to stapled securityholders of 360 Capital Total Return Fund used in calculating profit per stapled security	6,700	5,904

	000's	000's
Weighted average number of stapled securities used as a denominator		
Weighted average number of stapled securities – basic and diluted	36,811	35,914

Note 8: Receivables

	30 June 2017 \$'000	30 June 2016 \$'000
Current		
Distribution receivable	2,204	1,448
Prepayments and other debtors	-	40
	2,204	1,488

a) Bad and doubtful trade receivables

During the year, the Fund made Nil (2016: \$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.

360 Capital Total Return Fund
Notes to the financial report
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Note 8: Receivables (continued)

c) Credit risk

There is a limited amount of credit risk - refer to Note 13 for more information on the risk management policy of the Fund.

Note 9: Financial assets at fair value through the profit or loss

	30 June 2017 \$'000	30 June 2016 \$'000
Current		
Units in listed property funds – held for sale	63,091	-
	63,091	-
Non-current		
Units in listed property funds	-	38,751
	-	38,751
Total	63,091	38,751

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

	30 June 2017 \$'000	30 June 2016 \$'000
Balance at 1 July	38,751	11,227
Financial assets acquired – on market	21,145	24,003
Financial assets disposed - on market	(448)	-
Fair value adjustment of financial assets	3,643	3,521
Closing balance	63,091	38,751

Post balance date the Fund exited its investment in IDR for \$63.4 million, at \$2.30 per security on an ex-distribution basis.

Note 10: Interest in joint venture

	30 June 2017 %	30 June 2016 %	30 June 2017 \$'000	30 June 2016 \$'000
Joint venture				
Australian Mezzanine Finance Pty Limited	50	-	-	-

During the year the Fund acquired a 50% stake of Australian Mezzanine Finance Pty Limited (AMF) for nominal consideration. AMF will provide alternative lending and structured financing solutions to Australian real estate investors and developers. The other 50% stake is held by 360 Capital Group.

Note 11: Trade and other payables

	30 June 2017 \$'000	30 June 2016 \$'000
Trade payables and accruals	88	74
	88	74

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

360 Capital Total Return Fund
Notes to the financial report
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Note 12: Equity

(a) Issued capital

	30 June 2017 000's	30 June 2016 000's
360 Capital Total Return Passive Fund - Ordinary securities issued	65,925	30,663
360 Capital Total Return Active Fund - Ordinary securities issued	65,925	30,663
	\$'000	\$'000
360 Capital Total Return Passive Fund - Ordinary securities issued	88,217	54,679
360 Capital Total Return Active Fund - Ordinary securities issued	11,976	6,200
Total issued capital	100,193	60,879

(b) Movements in issued capital

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

	30 June 2017 000's	30 June 2016 000's
Opening balance at 1 July	30,663	39,678
Security buy back	-	(9,015)
Institutional Placement and Accelerated Entitlement Offer – 21 April 2017	19,751	-
Retail Entitlement Offer – 9 May 2017	15,511	-
Closing balance	65,925	30,663

During the year the Fund issued 35,262,092 new securities at \$1.15 per security as detailed in the Entitlement Offer Booklet dated 20 April 2017.

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

	30 June 2017 \$'000	30 June 2016 \$'000
Opening balance at 1 July	60,879	71,200
Security buy back	-	(10,308)
Institutional Placement and Accelerated Entitlement Offer – 21 April 2017	22,714	-
Retail Entitlement Offer – 9 May 2017	17,837	-
Transaction costs incurred in issuing capital	(1,237)	(13)
Closing balance	100,193	60,879

360 Capital Total Return Fund
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Note 13: Other financial assets and liabilities

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.

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 2017 \$'000	30 June 2016 \$'000
Cash and cash equivalents	19,858	1,094
Receivables	2,204	1,488
Financial assets at fair value through profit or loss	63,091	38,751
Total	85,153	41,333

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.

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.

360 Capital Total Return Fund
Notes to the financial report
For the year ended 30 June 2017

Note 13: Other financial assets and liabilities (continued)

Interest rate risk

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

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 2017						
<u>Financial assets</u>						
Cash and cash equivalents	19,858	-	-	-	-	19,858
Trade and other receivables	-	-	-	-	2,204	2,204
Total financial assets	19,858	-	-	-	2,204	22,062
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	-	88	88
Distributions payable	-	-	-	-	3,164	3,164
Total financial liabilities	-	-	-	-	3,252	3,252
Net financial assets (liabilities)	19,858	-	-	-	(1,048)	18,810
30 June 2016						
<u>Financial assets</u>						
Cash and cash equivalents	1,094	-	-	-	-	1,094
Trade and other receivables	-	-	-	-	1,488	1,488
Total financial assets	1,094	-	-	-	1,488	2,582
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	-	74	74
Distributions payable	-	-	-	-	460	460
Total financial liabilities	-	-	-	-	534	534
Net financial assets (liabilities)	1,094	-	-	-	954	2,048

360 Capital Total Return Fund
Notes to the financial report
For the year ended 30 June 2017

Note 13: Other financial assets and liabilities (continued)

Summarised interest rate sensitivity analysis

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

		Change in interest rate	
		-1%	1%
	Carrying amount	Profit	Profit
	\$'000	\$'000	\$'000
30 June 2017			
Cash and cash equivalents	19,858	(199)	199
Total increase/(decrease)		(199)	199
30 June 2016			
Cash and cash equivalents	1,094	(11)	11
Total increase/(decrease)		(11)	11

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 below. 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.

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

	Carrying amount	Contractual cash flow	Less than 1 Year	Between 1-5 Years	Over 5 Years
	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2017					
Trade and other payables	88	88	88	-	-
Distribution payable	3,164	3,164	3,164	-	-
	3,252	3,252	3,252	-	-
30 June 2016					
Trade and other payables	74	74	74	-	-
Distributions payable	460	460	460	-	-
	534	534	534	-	-

360 Capital Total Return Fund
Notes to the financial report
For the year ended 30 June 2017

Note 13: Other financial assets and liabilities (continued)

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 table below illustrates the potential impact a change in the listed security price by +/-1% would have had on the Fund's profit.

		Change in listed security price	
		-1%	1%
	Carrying amount	Profit	Profit
	\$'000	\$'000	\$'000
30 June 2017			
<u>Financial assets</u>			
Financial assets at fair value through profit or loss	63,091	(631)	631
Total increase/(decrease)		(631)	631
30 June 2016			
<u>Financial assets</u>			
Financial assets at fair value through profit or loss	38,751	(388)	388
Total increase/(decrease)		(388)	388

Other markets risk

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

Fair values

The fair value of the Fund's financial assets and liabilities are approximately equal to that of their carrying values as at 30 June 2017.

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.

360 Capital Total Return Fund
Notes to the financial report
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Note 13: Other financial assets and liabilities (continued)

At the 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 2017	63,091	63,091	-	-
Financial assets at fair value through profit or loss as at 30 June 2016	38,751	38,751	-	-

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.

Note 14: Cash flow information

(a) Reconciliation of cash and cash equivalents

	30 June 2017 \$'000	30 June 2016 \$'000
Cash at bank	19,858	1,094
Cash and cash equivalents in the statement of cash flows	19,858	1,094

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

	30 June 2017 \$'000	30 June 2016 \$'000
Net (loss)/profit for the year	6,700	5,904
<u>Adjustment for:</u>		
Net loss on disposal of investment properties	-	344
Net change in fair value of financial assets	(3,643)	(3,521)
Transaction costs	43	283
Payment to "A" Class unitholders	-	410
<u>Change in assets and liabilities</u>		
Increase in receivables	(716)	(867)
Increase/(decrease) in payables	13	(340)
Net cash inflows from operating activities	2,397	2,213

360 Capital Total Return Fund
Notes to the financial report
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Note 15: Capital commitments and contingencies

There are no capital commitments or contingent liabilities as at 30 June 2017 (2016: \$Nil).

Note 16: Related party transactions

Responsible entity

The Responsible Entity of the Fund is 360 Capital FM Limited. The immediate parent entity of the Responsible Entity is Trafalgar Corporate Pty Limited (ABN 11 080 518 243), and its ultimate parent entity is 360 Capital Group Limited (ABN 18 113 569 136).

On 23 December 2016, unitholders of the Passive Fund and the Active Fund passed a resolution to change the Responsible Entity from 360 Capital Investment Management Limited (CIML) to 360 Capital FM Limited. The change in Responsible Entity was effective from this date.

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

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

Controlled entities

Interests in controlled entities are set out in Note 17.

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 2017 \$	30 June 2016 \$
Fees for the year paid/payable by the Fund:		
<u>Management of the Fund</u>		
Management fees – paid to CIML	141,725	310,189
Management fees – paid to CFML	200,371	-
Fund recoveries	9,819	19,993
	351,915	330,182
<u>Other fees</u>		
Acquisition fees	-	246,021
Disposal fees	-	260,000
Total	-	836,203

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.

360 Capital Total Return Fund
Notes to the financial report
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Note 16: Related party transactions (continued)

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.

The Responsible Entity agreed to waive its entitlement to acquisition fees associated with the acquisition of IDR units during the year as well as disposal fees associated with the sale of IDR units post balance date, on the basis of the Fund's continuing operations post disposal of its main asset.

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 2017	30 June 2016
360 Capital Property Limited		
Number of stapled securities held	15,621,124	7,449,415
Interest % held	23.7%	24.3%
Distributions paid/payable by the Fund (\$)	1,174,431	559,784

During the year 360 Capital Property Limited (CPL) took up its full entitlement of 7,449,415 units under the Entitlement Offer completed in May 2017, and acquired an additional 722,294 units on-market in May 2017. Subsequent to the settlement of the Accelerated Entitlement Offer on 20 April 2017, CPL's holding increased to 29.6% up to the date the Retail Entitlement Offer settled on 9 May 2017, at which time CPL's holding was diluted down to 23.7%. On 21 June 2017, CPL sold its beneficial interest in 360 Capital Total Return Passive Fund units to 360 Capital Diversified Property Fund, a wholly owned subsidiary of the 360 Capital Investment Trust.

Loan with related entity

During the year, there was a loan between a controlled entity of the Fund, 360 Capital 2017 Private Equity Real Estate Fund, and 360 Capital Diversified Property Fund, an entity related to the Responsible Entity. Interest was charged on the loan on a commercial basis in accordance with the loan agreement and the loan was fully repaid within the year from proceeds of the capital raise.

Interest in Joint venture

During the year the Fund acquired a 50% stake of Australian Mezzanine Finance Pty Limited (AMF) for nominal consideration. AMF will provide alternative lending and structured financing solutions to Australian real estate investors and developers. The other 50% stake is held by 360 Capital Group.

Interest in Investment manager

In association with the capital raise in May 2017, the Fund acquired a 25% interest in 360 Capital 2017 PERE Pty Limited for nominal consideration. The other 75% is held by 360 Capital Group. There were no transactions involving the entity during the year.

Transfer of investment

In May 2017, 360 Capital Diversified Property Fund, an entity related to the Responsible Entity, sold 909,900 IDR units to a controlled entity of the Fund. The transaction occurred on-market with consideration of \$2.0 million.

360 Capital Total Return Fund
Notes to the financial report
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Note 16: 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 FM Limited, to manage the activities of the Fund. The directors and key management personnel of the Responsible Entity are detailed below. No compensation is paid directly by the Fund to directors or to any of the key management personnel of the Responsible Entity.

Payments made by the Fund 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 2017 are as follows:

Name	Position	30 June 2016	Acquisitions	30 June 2017
		Equity Holding		Equity Holding
David van Aanholt	Director	Nil	-	Nil
Tony Robert Pitt	Director	150,000	550,000	700,000
William John Ballhausen	Director	60,000	60,000	120,000
Graham Ephraim Lenzner	Director	50,000	50,000	100,000
Andrew Graeme Moffat	Director	200,000	200,000	400,000
Glenn Butterworth	KMP	Nil	19,642	19,642

Note 17: 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 2017	30 June 2016
360 Capital Total Return Active Fund	Australia	Ordinary	100	100
CVC Property Fund	Australia	Ordinary	100	100
Frenchs Forest No.1 Trust ¹	Australia	Ordinary	-	100
360 Capital 2017 Private Equity Real Estate Fund	Australia	Ordinary	100	-

¹ Frenchs Forest No.1 Trust was wound up during the year.

360 Capital Total Return Fund
Notes to the financial report
For the year ended 30 June 2017

Note 18: Parent entity disclosures

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 20.

	30 June 2017 \$'000	30 June 2016 \$'000
Current assets	97	599
Non-current assets	74,000	38,751
Total assets	74,097	39,350
Current liabilities	3,222	508
Non-current liabilities	15,764	14,604
Total liabilities	18,986	15,112
Issued units	55,751	22,212
Retained earnings	(640)	2,026
Total equity	55,111	24,238
Net profit for the year	2,199	5,635
Total comprehensive profit for the year attributable to unitholders	2,199	5,635

Note 19: Events subsequent to balance date

Subsequent to balance date, the Fund exited its investment in IDR for \$63.4 million, at \$2.30 per security on an ex-distribution basis.

On 24 July 2017, the Fund announced a proposed on-market buyback for up to 30.0% (19,777,434 stapled securities) of the issued securities in the Fund. The proposed buyback is subject to Unitholder approval on 23 August 2017. If approved by members, the proposed buy-back will be funded from existing cash reserves. The level of buyback will also depend on the price which securities can be repurchased as well as other opportunities available for the Fund's capital.

Post balance date, the Fund has entered into a term sheet for a \$7.1 million junior debt facility.

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.

360 Capital Total Return Fund
Notes to the financial report
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Note 20: Statement of significant accounting policies

a) Changes in accounting policy

There were no changes to the Fund's accounting policies for the financial reporting year commencing 1 July 2016. The policies of the Fund are consistent with the prior year.

b) 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 2017 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
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b) Basis of consolidation (continued)

Investments in associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Fund's share of net assets of the associate or joint venture since the acquisition date.

The Fund's share of net profit or loss is recognised in the statement of profit or loss from the date joint control commences until the date joint control ceases. Other movements in reserves are recognised directly in the consolidated reserves.

c) 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.

d) 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.

Finance revenue

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.

e) Finance expenses

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

360 Capital Total Return Fund
Notes to the financial report
For the year ended 30 June 2017

f) 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.

g) 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.

h) 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.

i) 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.

j) 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*.

360 Capital Total Return Fund
Notes to the financial report
For the year ended 30 June 2017

j) 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 20(i).

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.

k) 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.

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.

l) 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.

360 Capital Total Return Fund
Notes to the financial report
For the year ended 30 June 2017

m) 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.

n) 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.

o) 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.

p) 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 2017. 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. This is not expected to materially impact the Fund's financial statements as the Fund's main asset is a financial instrument which was disposed of subsequent to balance date.

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

- AASB 2016-2 *Disclosure Initiative: Amendments to AASB 107 (Effective January 1, 2017)*
- AASB 2017-2 *Further Annual Improvements 2014-2016 Cycle (Effective January 1, 2017)*

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

360 Capital Total Return Fund
Directors' declaration
For the year ended 30 June 2017

In the opinion of the Directors of 360 Capital FM Limited, the Responsible Entity:

- 1) The consolidated financial statements and notes that are set out on pages 9 to 33 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 2017 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 2017.
- 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



Graham Ephraim Lenzner
Director

Sydney
17 August 2017

Independent Auditor's Report to the unitholders of 360 Capital Total Return Passive Fund

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of 360 Capital Total Return Passive Fund (the Fund) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the declaration of directors of 360 Capital FM Limited, the Responsible Entity of the consolidated entity.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2017 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

1. Investment in Industria REIT

Why significant

The Group's main activity is the \$63.1m (16.9%) investment in an ASX listed entity, Industria REIT, which is measured at fair value.

The Group does not have significant influence nor control over this entity. The investment is measured at fair value, with movements recorded through the consolidated statement of comprehensive income.

Given the judgment involved in assessing whether the Group has significant influence over the entity in accordance with the principles under Australian Accounting Standard - AASB 128 *Investments in Associates and Joint Ventures* we considered this to be a key audit matter.

Disclosure of the investment is included in note 9 to the financial report.

How our audit addressed the key audit matter

Our procedures included the following:

- ▶ We considered the Group's assessment of its influence and/or control with respect to the investment and the consequent application of the relevant accounting standards;
- ▶ We agreed the total number of units held at balance date to unitholding certificates;
- ▶ We assessed the unit price of the entity against the Australian Securities Exchange listed price as at 30 June 2017;
- ▶ We recalculated the fair value by multiplying the number of units held by the unit price; and
- ▶ We evaluated the financial report classification and disclosure of the investment in the fair value hierarchy for financial instruments.

Information Other than the Financial Report and Auditor's Report

The directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the Group's 2017 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

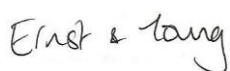
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Responsible Entity.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the Responsible Entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors of the Responsible Entity with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors of the Responsible Entity, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Ernst & Young



Mark Conroy
Partner
Sydney
17 August 2017

360 Capital Total Return Fund
Securityholder information
For the year ended 30 June 2017

Information below was prepared as at 9 August 2017.

a) Top 20 registered securityholders:

Holder Name	Securities held	% of issued securities
360 CAPITAL PROPERTY LIMITED	15,621,124	23.69
CVC LIMITED	10,877,715	16.50
J P MORGAN NOMINEES AUSTRALIA	8,779,975	13.31
AURORA FUNDS MANAGEMENT	5,551,471	8.42
NATIONAL NOMINEES LIMITED	2,936,495	4.45
PERSHING AUSTRALIA NOMINEES	2,750,000	4.17
RBC INVESTOR SERVICES	2,647,296	4.01
HORRIE PTY LTD	2,491,720	3.77
WYLLIE GROUP PTY LTD	1,600,000	2.42
HSBC CUSTODY NOMINEES	627,832	0.95
CITICORP NOMINEES PTY LIMITED	431,280	0.65
COWOSO CAPITAL PTY LTD	400,000	0.60
PENTAGON CAPITAL PTY LIMITED	400,000	0.60
DR ANDREW ALEXANDER CHANG	201,200	0.30
TT INVESTMENTS PTY LTD	200,000	0.30
PERSHING AUSTRALIA NOMINEES	189,380	0.28
HILLMORTON CUSTODIANS PTY LTD	180,100	0.27
MORGANS FOUNDATION LTD	171,163	0.25
DUCTMATE PTY LTD	160,000	0.24
BNP PARIBAS NOMS PTY LTD	150,718	0.22
Total Securities held by Top 20 security holders	56,367,469	85.50
Total Securities on issue	65,924,780	100.00

b) Distribution of securityholders:

Number of securities held by unitholders	Number of holders	Securities held	% of issued securities
1 to 1,000	241	22,675	0.03
1,001 to 5,000	66	222,277	0.34
5,001 to 10,000	94	786,486	1.19
10,001 to 100,000	266	7,896,686	11.98
100,001 and over	25	56,996,656	86.46
Totals	692	65,924,780	100.00

The total number of securityholders with less than a marketable parcel was 227 and they hold 12,300 securities.

c) Substantial securityholder notices:

Name of securityholder	Date of notice	Securities held	% of issued securities
360 Capital Property Limited	23/05/17	16,321,124	24.76
CVC Limited	26/07/17	10,675,350	16.19
Salt Funds Management Limited	19/07/17	6,164,996	9.35
Aurora Funds Management Limited	10/05/17	5,551,471	8.42
Greig & Harrison	10/05/17	3,494,428	5.30

360 Capital Total Return Fund

Glossary

For the year ended 30 June 2017

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
Cps	Cents per Security
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 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)
IFRS	International Financial Reporting Standards
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 FM Limited (ABN 15 090 664 396, AFSL 221474)
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 2017

Parent Entity

360 Capital Total Return Passive Fund
ARSN 602 304 432

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
James Storey – Fund Manager
Glenn Butterworth - Chief Financial Officer
Jennifer Vercoe - Company Secretary

Responsible Entity

360 Capital FM Limited
ACN 090 664 396
AFSL 221 474
Level 8, 56 Pitt Street Sydney NSW 2000
Telephone 02 8405 8860 Email: investor.relations@360capital.com.au

Unit Registry

Boardroom Pty Limited
ACN 003 209 836
Grosvenor Place, Level 12, 255 George Street Sydney NSW 2000
Telephone 1300 082 130 Email: enquiries@boardroomlimited.com.au

Auditor

Ernst & Young
680 George Street Sydney NSW 2000

Website

www.360capital.com.au