

27 February 2019

**360 Capital Total Return Fund (TOT)
HY19 Results
\$110 million loan book
Continued focus on growing AMF Finance**

360 Capital FM Limited as Responsible Entity for the 360 Capital Total Return Fund (Fund or ASX: TOT) is pleased to announce its results for the 6 months to 31 December 2018. Key highlights for the period include:

- \$3.1m Statutory net profit attributable to securityholders,
- \$4.0m Operating profit¹ of \$4.0 million (equating to 6.0cps)
- Distributions of 6.0cps for the period reflects a 33.3% increase on the prior period
- Net tangible assets (NTA) of \$1.17 per Security
- The Fund's closing price² reflects a 9.8% operating earnings and distribution yield based on the annualised 1H19 operating EPS and DPS.
- 360 Capital's dedicated debt team has grown to four, which has led to a significant increase in deal flow with the Fund growing its loan book to \$110.2 million
- 360 Capital Group (ASX: TGP) announced the proposed establishment of two opportunity specific real estate credit funds potentially increasing revenue streams to AMF Finance

Investment strategy

Given the Responsible Entity's opinion that we are entering the late stage of the real estate cycle, TOT is capitalising on its broad mandate and focusing on real estate debt investment which it believes provides higher risk adjusted returns than equity investing.

Debt origination and management joint venture

The Fund holds a 50% stake in AMF Finance Pty Limited (AMF). AMF has begun to establish itself as a major non-bank real estate debt originator, growing to a dedicated team of four loan originators and credit underwriters. AMF has built strong relationships with the Australian banks and over 100 accredited brokers, and these relationships have delivered a strong track record to-date and are providing a robust and growing pipeline of transaction opportunities. This revenue stream will add to the Fund's active earnings.

Key Financial Highlights HY19

- \$3.1m Statutory net profit attributable to securityholders, higher than prior half year reflecting growth of finance revenue on real estate debt investments to \$4.2 million in HY19
- \$4.0m Operating profit¹ (equating to 6.0cps) excludes \$0.9 million allowance on loans recognised following the adoption of AASB 9
- Distributions of 6.0cps for the period reflects a 33.3% increase on the prior period
- Net tangible assets (NTA) of \$1.17 per Security, reflecting a \$0.02 reduction due to the impact of adoption of AASB 9 allowance on the Fund's loan portfolio
- The Fund's closing price² reflects a 9.8% operating earnings and distribution yield based on the annualised 1H19 operating EPS and DPS. The Fund continues to trade at a premium to NTA

¹ Operating profit is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents the profit under AAS adjusted for specific non-cash items and significant items.

² Based on Fund's Closing price on 28 December 2018

TOT to benefit from the growth of 360 Capital's Real Estate Credit Platform

360 Capital Group (ASX: TGP) today announced that it intends to establish the 360 Capital Residual Stock Credit Fund (360RSCF) and the 360 Capital Construction Credit Fund (360CCCF) to lend across Australian Real Estate Credit markets.

TOT stands to benefit through establishment fee revenue generated through its 50% stake in AMF, enhancing TOT's passive returns through Finance Income. The two new funds' will be unregistered Managed Investment Scheme targeting wholesale and institutional investors globally.

360 Capital Residual Stock Credit Fund (360RSCF)

The current supply of residential construction coincides with reduced consumer sentiment and tightening in residential (consumer) mortgage lending, a dynamic which has resulted in a number of developments reaching completion with no immediate purchasers

These conditions have created an opportunity to provide financing to completed residential apartment stock at conservative Loan to Value ("LTV") ratios and superior risk adjusted returns. The investments will be made in quality projects and proven locations matched with appropriate sell-down strategies.

The 360CRSCF is targeting an 8.0% net Internal Rate of Return ("IRR") per annum and will have a fund term of 3 years with 2 x 1-year options. TOT will vend in the Port Coogee, WA asset as a seed investment and will commit up to \$25 million (in total) to the 360CRSCF as co-investment overtime.

360 Capital Construction Credit Fund (360CCCF)

The 360CCCF will focus on middle market developers. These investments will be made in quality projects, in proven locations, in major Australian capital cities.

The 360CCCF is targeting a 10.0% IRR per annum and will have a fund term of 4 years with 2 x 1-year options. TOT will vend in the Liverpool, NSW asset as a seed investment.

Outlook and Guidance

The Fund's strategy remains focused on identifying unique real estate based investment opportunities with a target total return hurdle of 12.0% 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.

Based on the current written debt transactions and forecast AMF Finance fees (50% share), the Fund is forecasting FY19 earnings of 12.0 cents per security. The composition of this income remains subject to capital redeployment and fee revenue generated through AMF.

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

Alternatively, please contact:

Tony Pitt

Managing Director
360 Capital Group
+61 2 8405 8860

James Storey

Head of Real Estate
360 Capital Group
+61 2 8405 8860

About 360 Capital Total Return Fund (ASX code TOT)

360 Capital Total Return Fund aims to provide total returns with a performance hurdle of 12% per annum to investors through a selective and disciplined investment philosophy, combined with access to real estate-based investment opportunities available to the Fund through the 360 Capital platform. The Fund is externally managed by 360 Capital Group an ASX-listed, alternative asset investment and funds management group concentrating on strategic investment and active investment management of alternative assets. The Group actively invests in real estate debt and equity and is expanding its investment universe into public and private equity as well as investing in credit strategies.

About 360 Capital Group (ASX: TGP)

360 Capital Group is an ASX-listed, alternative asset investment and funds management group concentrating on strategic investment and active investment management of alternative assets. The Group actively invests in real estate debt and equity and is expanding its investment universe into public and private equity as well as investing in credit strategies.