360 Capital

ASX Release

2 December 2024

360 Capital Mortgage REIT (ASX:TCF)

Capital Raising and Investor Presentation

360 Capital FM Limited ("**Responsible Entity**") as responsible entity for 360 Capital Mortgage REIT ("**TCF**" or the "**Fund**") is pleased to announce that it has launched an equity raising via a placement (Tranche 1) and a conditional placement (Tranche 2) to wholesale and institutional investors (together, "**Capital Raising**").

Capital Raising

The Responsible Entity is proposing to issue up to 3,367,000 new ordinary fully paid units in the Fund ("**New Units**") at a price of $5.94 per New Unit.

The Capital Raising will be made available to institutional and sophisticated investors via a two-tranche placement comprising a placement pursuant to ASX Listing Rule 7.1 of 619,600 New Units at $5.94 per Unit to raise approximately $3.68 million under the Fund's existing 15% placement capacity ("**Placement**") and a conditional placement of up to approximately 2.75 million New Units at $5.94 per New Unit to raise up to approximately $16.32 million ("**Conditional Placement**"). The Conditional Placement will be subject to approval of the Fund's members ("**Members**") at the upcoming EGM on 20 December 2024.

New Units issued under the Placement will be entitled to monthly distributions from and including the December 2024 monthly distribution.

New Units issued under the proposed Conditional Placement will be issued post the EGM (if approved by Members) and will be entitled to monthly distributions from and including the January 2025 monthly distribution.

The Responsible Entity forecasts that the Fund's distribution forecast for FY25 will be maintained at $0.60 p.a., representing an increase of over 118% from the date of the appointment of the Responsible Entity. The issue price of $5.94 is in line with the Fund's net tangible asset backing ("**NAV**") as at the relevant last reporting date. Issuing New Units in the Fund at NAV is consistent with the Fund's capital preservation strategy by ensuring there is no dilution to the Fund's NAV as a result of the proposed Capital Raising.

The Capital Raising, coupled with the proposed off-market buy-back to be considered at the upcoming EGM, are important steps in continuing to diversify the Fund's loan book, improving market liquidity for the Fund's units ("**Units**"), closing the difference between the trading price of the Units with the NAV of those Units and diversifying the Fund's investor base.

Purpose of the Capital Raising

Proceeds from the Capital Raising will immediately be invested into two first mortgage residual stock loans across 60 individual mortgages of completed homes located in North West Sydney, ensuring there is no cash drag on the Fund.

Further Information

The Fund has appointed Ord Minnett Limited ACN 002 733 048 and Shaw and Partners Limited ACN 003 221 583 (together, "**Joint Lead Managers**") as joint lead managers of the Capital Raising. The proposed investment manager of the Fund (if approved by Members at the upcoming EGM) ("**Proposed Investment Manager**") has agreed to pay certain fees to the Joint Lead Managers for acting as the managers to the Capital Raising.

Further details of the Capital Raising, including indicative dates are outlined within the 'Investor Presentation' annexed to this announcement.

Authorised for release by the Glenn Butterworth, Company Secretary, 360 Capital FM Limited.

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

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About 360 Capital Mortgage REIT (ASX: TCF)

The 360 Capital Mortgage REIT provides investors access to credit opportunities secured by Australian real estate assets. TCF aims to deliver regular monthly income to investors through disciplined asset selection and risk analysis.

360 Capital Mortgage REIT (ASX:TCF)

ARSN 115 632 990

Capital Raising Presentation

2 December 2024

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

360 Capital

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This presentation is dated 2 December 2024 and is in respect of the proposed capital raising by 360 Capital FM Limited (ACN 090 644 396, AFSL 221974) as responsible entity (Responsible Entity) of the 360 Capital Mortgage REIT ARSN 115 632 990 (TCF or the Fund) to wholesale and institutional investors. The Responsible Entity proposes to issue new units in the Fund (New Units) to wholesale and institutional investors in order to raise up to approximately $20.00 million, comprising $3.68m under the Fund's existing 15% placement capacity (Placement) and up to $16.32 million under a conditional placement (subject to the Fund's members (Members) approving such conditional placement at the upcoming EGM on 20 December 2024) (Conditional Placement) (the Placement and Conditional Placement together, the Capital Raising).

This presentation has been prepared by the Responsible Entity of the Fund. It is in summary form and therefore, does not purport to contain all the information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a disclosure document prepared in accordance with the requirements of the *Corporations Act 2001 (Cth)* (Corporations Act). As noted above, the opportunities to participate in the Capital Raising referred to in this presentation are only being offered to wholesale and institutional investors.

All information and statistics in this presentation are current as at 29 November 2024 unless otherwise specified. It contains selected summary information and does not purport to be all-inclusive or to contain all of the information that may be relevant to any particular transaction or which a prospective investor may require to evaluate a possible investment in the Fund. It should be read in conjunction with the Fund's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at www.asx.com.au. The recipient acknowledges that circumstances may change and that this presentation may become outdated as a result. This presentation and the information in it are subject to change without notice and the Responsible Entity is not obliged to correct or update the content of this presentation.

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This presentation may contain forward-looking statements, guidance, forecasts, estimates , prospects, projections or statements in relation to future matters (Forward Statements). Forward Statements can generally be identified by the use of 'forward-looking' terminology, including the terms 'believes', 'estimates', 'anticipates', 'expects', ‘projects’, 'predicts', 'intends', 'plans', 'propose', 'goals', 'targets', 'aims', 'outlook', 'guidance', 'forecasts', 'may', 'will', 'would', 'could' or 'should' or, in each case, their negative, other variations or comparable terminology and includes (but is not limited to) financial outlook information and the outcome of the Capital Raising referred to in this presentation and the use of the proceeds. Forward Statements involve elements of subjective judgment, analysis and assumptions, are neither promises nor guarantees and involve known or unknown risks, uncertainties and other factors, some of which are beyond the ability of the 360 Capital Group to control or predict, which may cause actual results to vary materially from any projection, future results or performance expressed or implied by such Forward Statements. They are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the 360 Capital Group.

The financial outlook information has been prepared by the 360 Capital Group based on historical financial information and an assessment of current economic and operating conditions, including in relation to the current impact of the COVID-19 pandemic on TCF's business, and various assumptions regarding future factors, events and actions, including in relation to economic conditions, future growth, customer retention and contracts and the success of the external businesses in which the Fund holds an investment. Forward Statements including indications, guidance or outlook on future revenues, distributions or financial position and performance or return or growth in underlying investments are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No independent third party has reviewed the reasonableness of any such statements or assumptions. No member of the 360 Capital Group represents or warrants that such Forward Statements will be achieved or will prove to be correct or gives any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any Forward Statement contained in this presentation. Except as required by law or regulation, the Responsible Entity assumes no obligation to release updates or revisions to Forward Statements to reflect any changes.

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TIME AND CURRENCY

All references to time are to Australian Eastern Daylight Time (AEDT), unless otherwise indicated.

All dollar values are in Australian dollars ($ or A$) unless stated otherwise. The recipient should note that this presentation contains pro forma financial information, including a pro forma balance sheet.

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360 Capital Group reserves the right to withdraw the Capital Raising.

Cooling-off rights do not apply to the Capital Raising.

Table of contents

360 Capital

1. 360 Capital’s credit platform

360 Capital Group (ASX:TGP) private credit track record

Established & Successful Track Record in Real Estate Credit

18 years

Founded in 2006, 360 Capital has been successful in investing through multiple economic and business cycles across the real estate capital stack.

>$380m

Private credit transactions over the last 7-years

$0

Capital lost or impaired

25 Transactions

Average loan size of $15.2m

10.92%

Weighted average interest rate achieved over the past 7-years

Investor access

ASX listed 360 Capital Mortgage REIT (ASX:TCF) or contributory offerings through 360 Capital Private Credit Fund

Cumulative Private Credit AUM

1. As at 31 October 2024

360 Capital Mortgage REIT (ASX:TCF) – financial and pro forma loan snapshot

360 Capital

Regular monthly income from private credit investments secured against Australian real estate

10.1%
FY25 forecast distribution yield, paid monthly[1]

118%
Increase in distributions since 360 Capital took over TCF in 2020[2]

66.1%
Portfolio LVR[3]

$5.94
NAV per Unit

+4.0%
Target Return over Cash Rate

97.1%
Senior loans[3]

8 months
Average loan term to maturity[3]

5 Loans
With >60 individual mortgages

11.5%
W. Avg. Interest Rate[3]

1. Based on FY25 DPU of 60cpu divided by the NAV per Unit of $5.94
2. Based on the increase in annual distributions since FY20 and FY25 forecast distributions of 60.0cpu
3. Pro forma 31 October 2024 loan portfolio updated for allocation of proceeds based on maximum capital raising amount of $20 million

Our Investment Strategy: capitalising on real estate private credit

360 Capital

Benefits for Investors

- **Consistent Income:** Reliable returns from a diversified portfolio of loans secured by high-quality assets with strong underlying fundamentals.
- **Capital Preservation:** Protecting investor capital through secure, asset-backed loans, focusing on first mortgages.
- **Diverse Exposure:** Risk management through strategic diversification across sectors, borrowers, and geographic regions.

Our Expertise

- **Established Track Record**: 18 years of real estate investing, with over $6 billion in equity, debt, and corporate transactions.
- **Proven Experience**: Seven years in commercial real estate debt, with over $380 million invested across 25 transactions.
- **Risk Management:** Rigorous credit policies, systems, and processes with zero capital losses.

Market Insights

- **Market Expansion:** Private credit market projected to double to $146 billion by 2028.
- **Enhanced Yields:** Higher returns fueled by rising cash rates and tightened liquidity.
- **Downside Protection:** Equity buffer shields commercial real estate debt investors from first-loss risk.

Prioritising risk management and capital preservation, we deliver consistent income for our investors

2. Fund snapshot

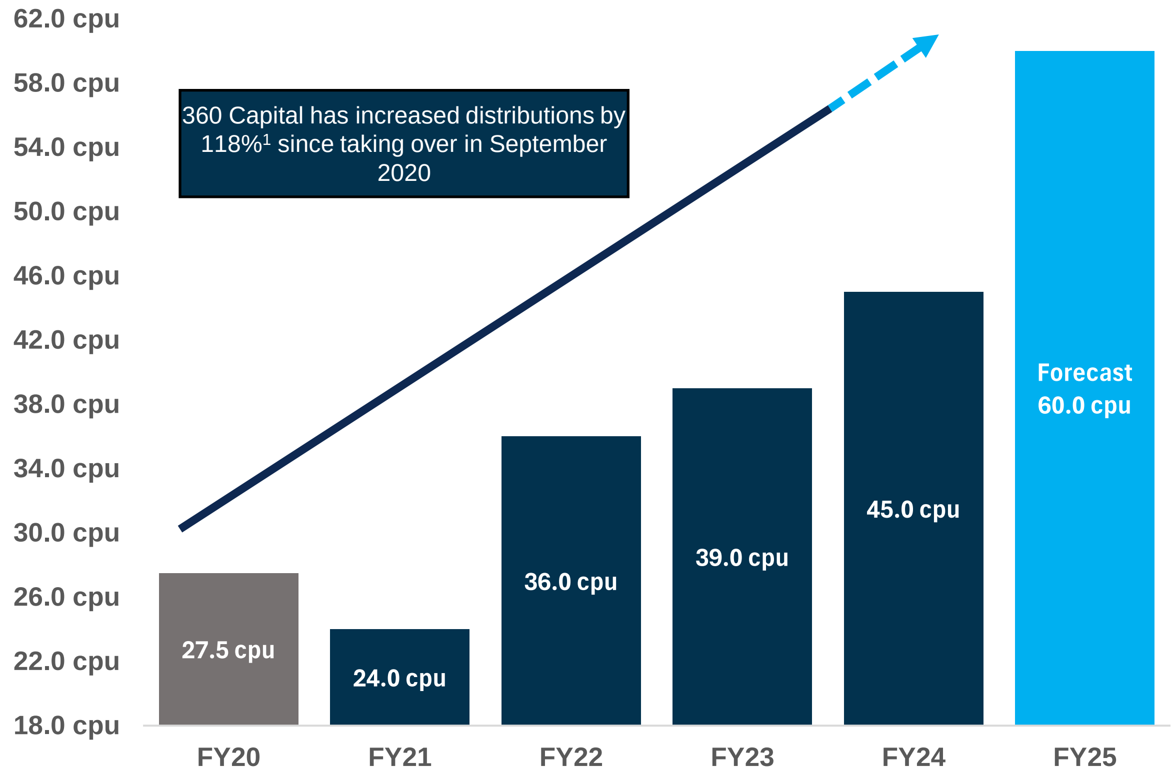
360 Capital Mortgage REIT (ASX:TCF)

360 Capital

One of only two ASX listed mortgage REITs in Australia

FY25 forecast distribution	Forecast FY25 distribution yield	Target return	Gross asset value
60.0cps Up 33.3% on FY24	10.1%[1]	+4.0% over cash rate	$24.9m[3]

118% increase in distributions under 360 Capital



Consistent Income

Distributions have increased year on year since 360 Capital took over management of TCF in September 2020.

Benefits from Higher Rates

Underlying senior mortgages are priced as a margin over a base rate. Senior loans are subject to a rate floor should rates fall.

Capital Preservation

Portfolio comprises 97.1% senior loans[2]. The value of the underlying real estate would need to fall >30% before the NAV of TCF is impacted.

1. FY25 TCF forecast distribution yield based on FY25 forecast distribution of 60.0cpu distribution divided by 30 October 2024 NAV of $5.94 per Unit
2. Pro forma 31 October 2024 loan portfolio LVR updated for allocation of proceeds based on maximum capital raising amount of $20.0 million, weighted by exposure, including cash
3. Gross asset value as at 31 October 2024.

360 Capital Mortgage REIT (ASX:TCF) – Pro forma loan portfolio analysis

Regular monthly income from private credit investments secured against Australian real estate

66.1%
Portfolio LVR[1,2]

97.1%
Senior loans[1,2]

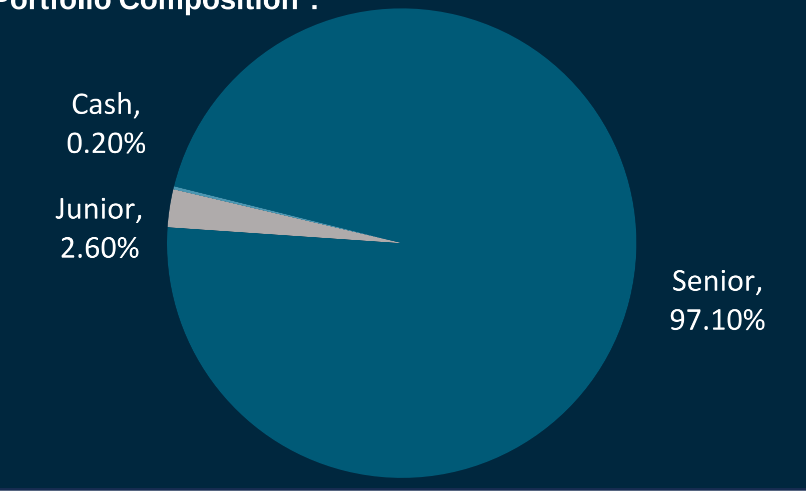
11.5%
W. Avg. Interest Rate[1,2]

$45.4m
New loans written during FY25 across TCF and PCF

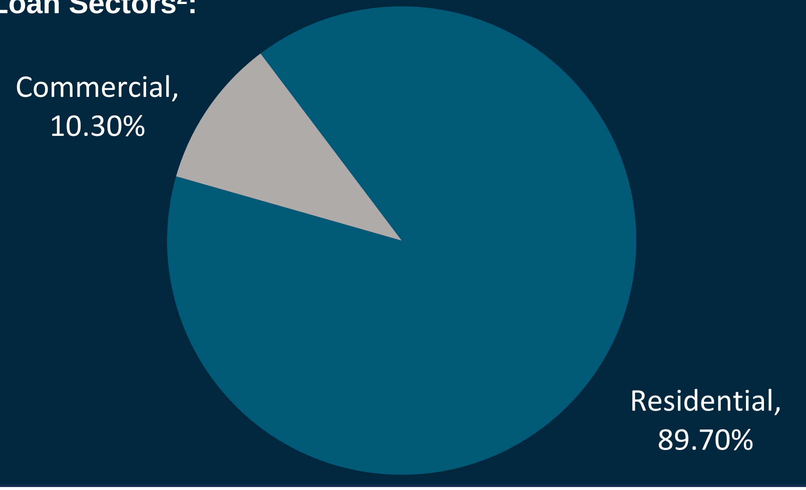
8 months
W. Avg. term to maturity[2]

5 Loans
Increased diversification. Loan portfolio now consists of >60 individual mortgages[2].

Portfolio Composition[2]:



Loan Sectors[2]:



1. Weighted by exposure, including cash
2. Pro forma 31 October 2024 loan portfolio updated for allocation of proceeds based on maximum capital raising amount of $20.0 million

Loan portfolio summary

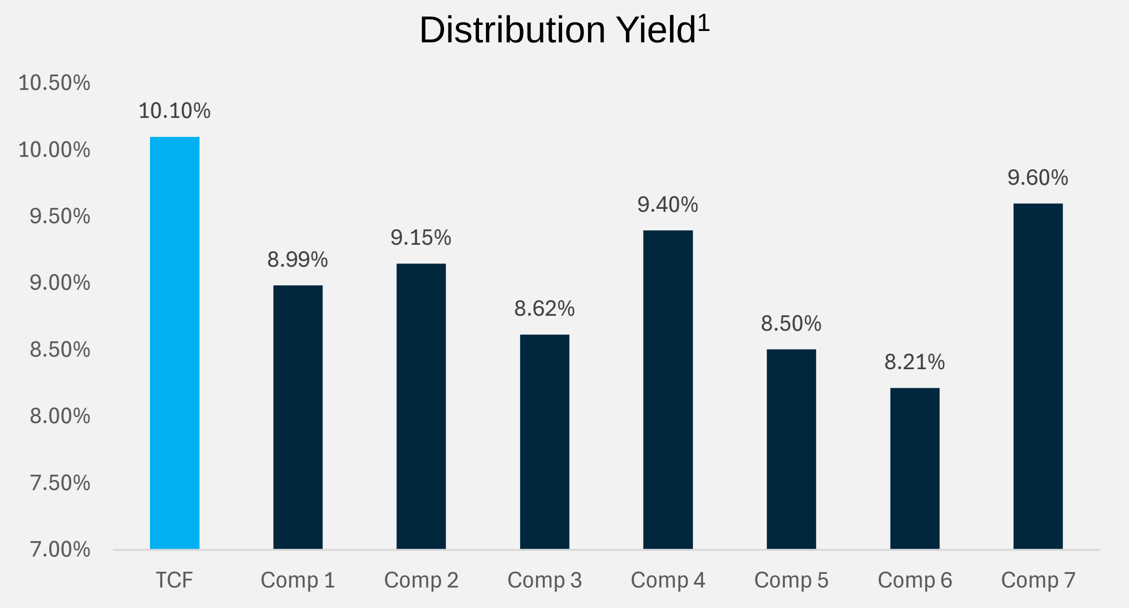
360 Capital

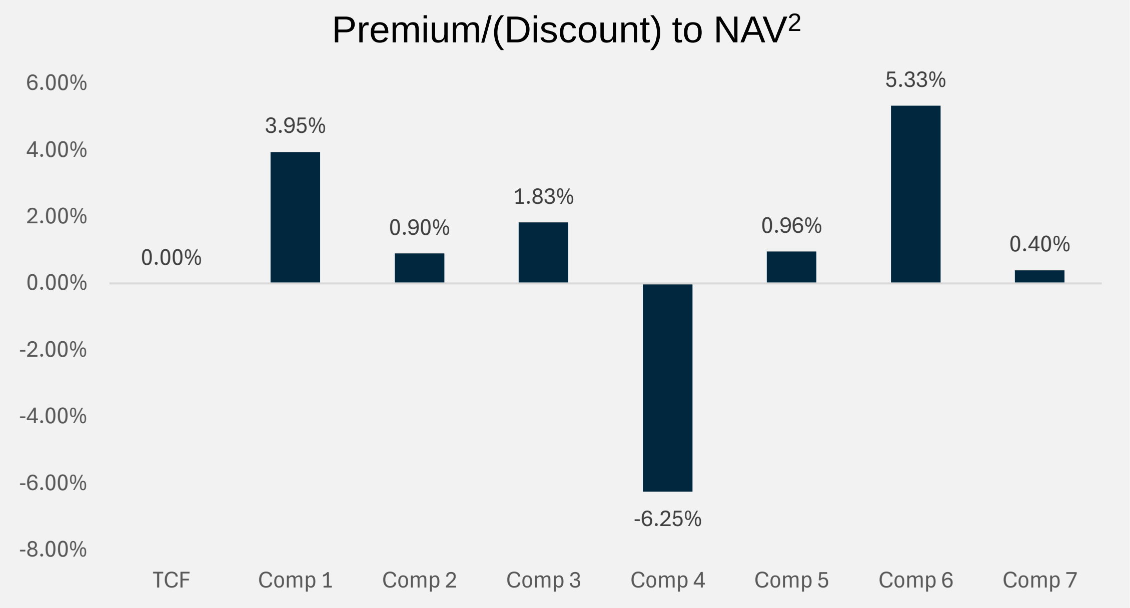
			Application of Capital Raising proceeds[1]	
				
Senior investment	**Junior investment**	**Senior investment**	**Senior investment**	**Senior investment**
Snapshot: Residual land lots Northwest Sydney	**Snapshot:** Waterfront luxury apartment development Sydney	**Snapshot:** Brand new service station with 12-year WALE	**Snapshot:** Completed four and five-bedroom houses	**Snapshot:** Completed three and four-bedroom houses
Independent Valuation: $18.6m **Loan Facility:** $13.0m **LVR Covenant:** 70.0%	**Independent Valuation:** $98.5m **Loan Facility:** $4.1m **LVR Covenant:** 79.0%	**Independent Valuation:** $6.6m **Loan Facility:** $4.6m **LVR Covenant:** 70.0%	**Independent Valuation:** $37.4m **Loan Facility:** $26.2m **LVR Covenant:** 70.0%	**Independent Valuation:** $20.8m **Loan Facility:** $14.6m **LVR Covenant:** 70.0%
TCF Exposure: $9.7m	**TCF Exposure:** $1.2m	**TCF Exposure:** $4.6m	**TCF Exposure:** $17.4m[2]	**TCF Exposure:** $11.6m[2]
Interest Rate: 8.5% over BBSW 12.0% rate floor	**Interest Rate:** 17.0% with profit share top-up to 20% IRR	**Interest Rate:** 5.25% over BBSW 9.25% floor	**Interest Rate:** 6.6% over BBSW 11.0% floor	**Interest Rate:** 6.6% over BBSW with 11.0% floor
Term to Maturity: 7 months	**Term to Maturity:** 19 months	**Term to Maturity:** 1 months	**Term to Maturity:** 8 months	**Term to Maturity:** 10 months
Security: First mortgage	**Security:** Second mortgage	**Security:** First mortgage	**Security:** First mortgage	**Security:** First mortgage

1. Proposed application of Capital Raise proceeds to subscribe for additional interest in these loan investments, based on maximum capital raising amount of $20.0 million
2. Pro forma 31 October 2024 loan portfolio LVR updated for allocation of proceeds based on maximum capital raising amount of $20.0 million., Weighted by exposure, including cash

360 Capital Mortgage REIT (ASX:TCF) - peer comparison

One of two ASX-Listed Mortgage REITS, balance of peers are diversified across sectors some with overseas exposure





- **Attractive Yield:** Offers a distribution yield of 10.1%, the highest among ASX-listed credit funds.
- **Conservative Structure:** Operates with no leverage and minimal junior loans, ensuring all loans are secured by registered real estate mortgages.
- **Consistent Income:** Provides monthly distribution payments to investors.
- **Domestic Focus:** Invests exclusively in Australian loans, eliminating foreign exchange and derivative exposures

- **Undervalued Position:** Trades at Net Asset Value (NAV), presenting a potential value opportunity relative to peers.
- **Liquidity Mechanism:** Implements a buyback program to offer liquidity at NAV, enhancing investor flexibility.

1. As at 27 November 2024
2. As at 27 November 2024, TCF premium/(discount) represents Offer Price to NAV

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Capital management - FY25 outlook and guidance

NTA gap and liquidity	1	Implement initiatives to close discount to NTA, including potential NTA liquidity mechanism
		Commence marketing and broker coverage as one of only two ASX listed Australian mortgage REITs
Potential capital raising	2	Potential capital raising in line with NAV during FY25
		Increased capital base will improve ASX trading liquidity, loan diversification and fund relevance
Diversification	3	Target of 5-15 loan investments (currently 5), further diversified by geography asset class and loan type
		Diversification through co-investing with the unlisted 360 Capital Private Credit Fund and deal by deal loan syndication
Guidance	4	Forecast FY25 distributions of 60.0 cpu[1] equivalent to 10.1%[2] DPU yield, paid monthly
		Introduction of distribution policy to target cash rate +4.0%[3]

1. FY25 distribution of 60.0 cpu is subject to the timing of repayment of existing loan investments and redeployment of proceeds and any changes in the prevailing market and interest rate environment
2. Based on TCF's closing price on the ASX on 29 November 2024 of $5.94 per unit.
3. Based on TCF's NAV as at 31 October 2024 NAV of $5.94 per Unit.

3. Capital raising

Offer Summary

Capital Raising Metrics	
Offer	Placement and Conditional Placement of New Units to wholesale and institutional investors
Offer Price	$5.94 per New Unit
Total Offer Amount[1]	$20,000,000
Total New Units[1]	3,367,000 New Units
Forecast FY25 DPU	$0.60
Forecast FY25 distribution yield	10.1%
Ranking for distribution for New Units under Placement	New Units will rank pari-passu for December 2024 distribution
Ranking for distribution for New Units under the Conditional the Placement	New Units will be allotted ex December 2024 distribution and will be entitled to monthly distributions from the January 2025
Pro forma market capitalisation[1]	Up to $44.5 million
Pro forma NAV per Unit	$5.94

Fund Research

1. Based on full amount raised under the Placement and Conditional Placement

Sources and Applications			Up to
Source of Funds			
Placement of 619,600	Units @	$5.94	$3,680,424
Conditional Placement of up to 2,747,400	Units @	$5.94	$16,319,556
Total Placement			**$20,000,000**
Application of Funds			
Schofields Residual Stock Loan			$10,000,000
Colebee Residual Stock Loan			$10,000,000
Costs of Placement and Conditional Placement (paid by Responsible Entity)			nil
Total application of funds			**$20,000,000**

How to participate in the Placement

Wholesale and institutional investors can participate in the Capital Raising by contacting their broker and bidding into the Capital Raising

Joint Lead Arrangers and Joint Lead Managers

ShawandPartners Financial Services

ORD MINNETT

Offer Details – key dates and how to participate

The Offer improves TCF through increased loan portfolio size, diversification, improved liquidity and fund awareness

Key dates

Lodgement of EGM Notice	Tuesday, 26 November 2024
Announcement of trading halt, Offer opens	9.00am Monday, 2 December 2024
Offer closes	4.00pm Tuesday, 3 December 2024
ASX announcement of completion and trading halt lifted, commencement of normal trading	9.00am Wednesday, 4 December 2024
Settlement of New Units under the Placement (Tranche 1)	Monday, 9 December 2024
Allotment of New Units under the Placement (Tranche 1)	Tuesday, 10 December 2024
EGM and approval of the Conditional Placement (Tranche 2)	Friday, 20 December 2024
Settlement of New Units under the Conditional Placement (Tranche 2) subject to Member approval	Friday, 27 December 2024
Allotment of New Units under the Conditional Placement (Tranche 2) subject to Member approval	Monday, 30 December 2024

Benefits of the Offer

- Increased portfolio diversification from expanded asset base
- Liquidity increased from expanded free float post Offer
- Issue price of $5.94 at NAV with buy-back facility to maintain efficient market
- Proceeds from Offer deployed immediately into executed transactions already available within TCF
- Diversification of investor base will improve liquidity
- All fees of the Offer borne by 360 Capital Group

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360 Capital

Identifying
strategic investment
opportunities

Appendix A. Liquidity mechanism

Illustrative photo only

Proposed off-market liquidity mechanism: 360 Capital Mortgage REIT (ASX: TCF)

Proposed off-market buyback to enhance investor liquidity

Off-Market Buyback

- **Semi-Annual Opportunities:** Ability to participate in off-market buybacks every June and December.
- **Attractive Pricing:** Units repurchased at Net Asset Value (NAV) plus any accrued distributions.
- **Participation Cap:** The Responsible Entity proposes to conduct equal access off-market buy-backs in the 12 month period following the relevant Unitholder approvals for up to 10% of the highest number of Units on issue during that period, less as at the date of an off-market buyback the number of Units bought back pursuant to any on-market buyback in the 12 month period from the relevant Unitholder approval.
- **Simple Participation:** Notify the responsible entity at least three months before the buyback date to join.
- **First Buyback Date:** Scheduled for 30 June 2025; express interest by 31 March 2025.

On-Market Buyback

- **Announcement:** On 20 September 2024, the Fund announced an on-market buyback program.
- **Flexible Timing:** The Responsible Entity may repurchase units on the ASX at its discretion.
- **Pricing Limit:** Purchases will not exceed NAV plus any accrued distributions.
- **Impact on Off-Market Buyback:** The capacity for the subsequent off-market buyback is reduced by the volume of units repurchased on-market in the preceding six months.

Implementation of Investment Management Agreement (IMA)

- **Unitholder Approval:** The off-market buyback is contingent upon Member approval of the proposed investment management agreement (IMA).
- **No Additional Fees:** The proposed IMA introduces no new fees; any management fees are covered by the existing Responsible Entity fees.
- **Long-Term Commitment:** The proposed IMA spans 10 years, with an automatic 5-year extension.

Appendix B. Key risks

Illustrative photo only

Key risks

- **Market risk:** Market risk is the risk that investment returns from the Fund may be affected by negative movements in general market conditions and may decline over short or extended periods due to market sentiment, economic, technological, legal, social and/or political factors. Factors that influence markets generally can include business confidence and government and central bank policies, including the level and direction of interest rates, natural disasters and man-made disasters beyond the control of the Responsible Entity.
- **Security risk:** The security property may be damaged or destroyed, and the insurance cover may prove to be insufficient to cover the full amount of the loan. Where the underlying security is real property, which is illiquid, there is also a risk that delays could occur between a loan going into default and the sale of the security property. These delays may affect the payment of distributions to Investors and the ability of the Responsible Entity to make withdrawal offers due to insufficient cash being available.
- **Property liquidity:** If it becomes necessary for the Fund to dispose of one or more of the Fund's loans there is a risk that the Fund may not be able to realise sufficient loan assets in a timely manner or at a price which achieves the outstanding loan principal. This may adversely affect the Fund's NAV per Unit or trading price per Unit.
- **Junior lender risk:** If the Fund holds a real property mortgage which ranks in priority behind a senior lender's mortgage, in the event of a default by the borrower, the ability to recover the amount owing under the loan agreement will be affected by the actions of the senior lender. Generally, the senior lender will have the right to take possession of, and deal with, the security property and assets of the borrower if various covenants of the senior lender's loan facility are not met. Because the Fund's security will rank behind the senior lender, if the borrower defaults under any of the loan facilities and the senior lender exercises its security, the trustee of the Fund will not have day-to-day control over the borrower's assets. This will generally mean that the Responsible Entity will be unable to exercise its rights in respect of the relevant security until the senior lender has been paid in full. In addition, any money available to the Fund in these circumstances would be limited to what is recovered after the senior lender (and any other priority lenders) have been paid in full.
- **Investment specific risk:** Investment specific risks refer to the risks that apply to only a particular investment, as opposed to general sector, systemic or market risks that are more broadly applicable. For example, an investment specific risk may be the risk of losing an investment or an investment value decreasing because of the characteristics a specific property or the commercial terms that apply to a particular investment.
- **Responsible Entity risk:** There is a risk that the Responsible Entity's investment strategy will not achieve its performance objectives or produce returns that compare favourably against its peers. Many factors can negatively impact the Responsible Entity's ability to generate acceptable returns (e.g. loss of key staff). In addition, the Responsible Entity's fee may be related to the performance of the Fund, in particular the rate of return received. This type of fee incentivises the Responsible Entity to endeavour to improve the Fund's performance. However, there is a risk that such fee may encourage the Responsible Entity to make riskier decisions regarding its management of the Fund's investments with the object of improving the Fund's performance in the short term.
- **Responsible Entity risk:** There is a risk 360 Capital FM Limited ACN 090 664 396 may be replaced as responsible entity of the Fund or its key personnel may change.
- **Key person risk:** The Responsible Entity relies on a small number of professionals. In particular, if one or more key members of the Responsible Entity's investment team leaves, a suitable replacements may not be achieved within a reasonable time frame, and any replacement would be subject to similar risks.
- **Diversification risk:** The Fund has a relatively concentrated loan portfolio across a number of borrowers, locations, loan types and expiries. As a result of this relative concentration, the risk of an adverse impact of one loan within the loan portfolio will have a greater impact due to its high correlation across a certain borrower, loan type, location, etc.
- **Lost opportunity risk:** This risk relates to the early repayment of a loan by a borrower, which may reduce the investment period and consequently reduce the return to investors as their capital will not be invested for the projected period. It is possible that an investor who has their capital returned early will not be able to find a replacement investment providing a similar return profile, leading to a loss of anticipated return. Most loans will include a minimum interest amount payable by a borrower if there is an early repayment of a loan which would minimise the possible lost opportunity risk.
- **Term risk:** A loan may not be repaid or refinanced in a timely fashion, which may cause a delay or potential loss of capital. The Responsible Entity seeks to manage this risk through the initial loan approval process as well as managing maturing loans in a timely fashion.

Key risks

- **Borrower risk:** If the borrower is a company, and that company becomes insolvent or undergoes external administration, then the loan will go into default. If the loan goes into default, the payment of any interest distributions will cease, and the recoverability of the payments will depend upon the money that can be realised from selling the security property and if necessary, pursuing the borrower and any guarantor. Further, a borrower may delay or stop payment on a loan or default on the loan. There is no guarantee nor warranty as to any protection from late payment and/or default, and as such you may suffer financial loss of both interest and principal if the security property(s) is sold for less than the total amount owing on the loan.
- **Valuation risk:** Although the Responsible Entity takes precautions to ensure that all internal property value assessments and external valuations it relies on are accurate, there is a risk that estimated property values or values provided by external valuers will be fundamentally flawed. The valuation of the security property for a loan may be inaccurate or may not accurately reflect its true value at the time the valuation is undertaken. If the valuation of the security property for a loan is incorrect, then the amount realised on the sale of a security property may not cover the amount lent to the borrower. If the estimated value or external value is wrong, then part or all of the loan, may be effectively unsecured. This means that in the event of default and the security property has to be sold, there may be a partial or total loss of your investment. Further, as with any investment, there is always risk that the value of the security property falls and no longer represents the value as assessed at the time of foreclosure or default. Should this occur, this may diminish the amount of principal and outstanding interest that can be repaid to investors. Where a building is under construction, the property will be valued on an 'as if complete' basis. These valuations assume that the relevant building is complete, has been built in accordance with the agreed specifications and that the leases commence as expected and on the agreed terms. 'As if complete' valuations also assume that property market conditions remain constant. As a result, with 'as if complete' valuations there is a risk that, on practical completion of any relevant building, the valuation will not be the same.
- **Interest rate risk:** Fluctuations in market interest rates may impact your investment in the Fund. For example, rising market interest rates may increase a variable loan borrower's interest costs, making it more difficult to make regular payments. Similarly, falling interest rates may lead a fixed rate borrower to repay a loan in order to refinance at a cheaper rate. Generally, the loans intended to be offered to borrowers will be granted on a fixed interest rate basis with a minimum interest payment which will limit the risk of early repayments by borrowers through refinance where rates fall.
- **Development and construction risk:** The Fund may lend money for property development or construction projects and there are specific risks associated with this type of loan. These risks include:
  a) construction or development costs can exceed budgeted costs and the borrower may be unable to complete the project unless the borrower can obtain further funds;
  b) the funds kept in reserve to complete the project being insufficient to meet the cost of completion;
  c) the builder is unable to complete the project and needs to be replaced;
  d) union activity could delay the timing to complete the construction of a property development project and/or increase its cost;
  e) development approvals may not be obtained within expected timeframes, may not be granted in the form anticipated, or may not be granted at all; and
  f) a change in market conditions could result in the project's value on completion being worth less than anticipated, or in lower sale rates and prices than expected.

  Further, completion of buildings under contract could be delayed due to the fault of the particular developer or other unforeseen events. If that occurs, the borrower might not be in a position to repay the loan provided when due.

  Delays may also increase holding costs, including interest which will erode the money that is finally recovered from the sale of the security property and could result in loss of interest and capital distributions to Investors.
- **Documentation risk:** A deficiency in documentation could, in certain circumstances, adversely affect the return on a loan. This may make it difficult for the Fund to enforce its security against the borrower.

Key risks (cont'd)

- **Default and credit risk:** A borrower or a borrower's guarantor(s) may not be able to meet their financial obligations. This may be for a wide range of reasons, including:
  - (a) a change in the financial or other circumstances of the borrower; or
  - (b) a change in the economic climate generally that adversely affects all borrowers.

  The Responsible Entity seeks to manage and minimise these risks by only permitting loans to borrowers that meet the Fund's lending criteria.

  Investments in the Fund are not capital guaranteed. During the life of a loan made by the Fund, factors outside the control of the Responsible Entity such as economic cycles, property market conditions, government policy, inflation and general business confidence can affect property values and a borrower's ability to continue to service a loan.

  If a security property is required to be sold to recover a debt, Investors' capital may be diminished or lost if the sale fails to realise sufficient funds to satisfy the loan balance and any capitalised interest and costs. Enforcement costs may not be recoverable in part or in full, in these circumstances.

  Where a loan is not renewed, the return of investment capital may be delayed until the loan is either refinanced or repaid. Interest is charged to the time of repayment of the loan.

  The Responsible Entity manages this risk by applying the lending guidelines and employing collection and management systems. All loans and valuations are subject to periodic review.
- **Enforcement risk:** If a borrower defaults under a loan, then the Fund may have to enforce its security to recover the loan secured by it, any unpaid interest and costs. The Fund will have to use its own resources to pay for those enforcement costs (such as the costs of appointing a receiver, legal fees in enforcing against the borrower, agent's commissions for sale of the security property etc.). This will most likely lead to a reduction in distributions paid to investors and, depending on whether the enforcement costs can ultimately be repaid out of the proceeds from the sale of the security property, may result in a loss.
- **Regulatory risk:** The Fund's operations may be negatively impacted by changes to government policies, regulations and taxation laws. These are factors that the Responsible Entity are not able to influence.
- **General economic risk:** General economic factors including (but not limited to) equity and credit market cycles and interest rate movements may have an adverse effect on the profitability of investments and the performance of the Fund.
- **Taxation treatment of Units may change:** Investors should be aware that changes in Australian taxation law (including changes in interpretation or application of the law by the courts or taxation authorities in Australia) may materially affect the taxation treatment of an investment in units in the Fund, the holding or disposal of units or the treatment of distributions and the financial performance, financial position, cash flows, distributions, growth prospects and the quoted price of units.
- **Due diligence risk:** In all investments there exists a risk that material items that could affect the performance of individual investments are not identified during the investment analysis process and that these risks are not mitigated by the Responsible Entity.
- **Unforeseen risk and insurance risk:** Unforeseen extraordinary events such as natural phenomena, pandemics, attacks or other like events may affect the Fund's assets or the underlying funds in which the Fund invests. These may be events for which insurance cover is either not available, or the Fund does not have cover. The performance of the Fund may be adversely affected where any unforeseen event results in losses to Fund assets due to uninsurable risks, uninsured risks or underinsured risks, or the cost of the insurance premiums being in excess of those forecasts. Occurrence of these events could also lead to insurance becoming unavailable for such events in the future, or premiums increasing above levels expected by the Responsible Entity.
- **Building risk:** Property assets naturally deteriorate over time and are subject to disasters, which can damage the structure of the building. There is a risk that the value of a property could diminish if the building on the properties forming the security property deteriorate or are damaged.
- **Environmental risk:** The valuation of security property could be adversely affected by discovery of environmental contamination or the incorrect assessment of costs associated with an environmental contamination, as well as restrictions associated with flora and fauna conservation.

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Appendix C. Responsible Entity’s historic transaction examples

Illustrative photo only

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Appendix C: Responsible Entity’s track record

Senior investment	Junior investment	Senior investment	Senior investment	Senior investment
Residual land lots North West Sydney	Absolute waterfront development in Sydney	35 completed four and five bedroom freehold houses	Newly completed petrol station development with 12-year lease	21 completed four and five bedroom freehold houses
Net Realisation: $18.6m Facility Amount: $13.0m (70% LVR)	Net Realisation: $97.8m Facility Amount: $4.1m (75-79% LVR)	Valuation: $37.4m Facility Amount: $26.2m (70% LVR)	Valuation: $6.6m Facility Amount: $4.6m (70% LVR)	Valuation: $26.0m Facility Amount: $18.2m (70% LVR)
Term: 12 months	Term: 24 months	Term: 12 months	Term: 12 months	Term: 12 months
Forecast IRR: 12.9% p.a.	Forecast IRR: 20.0% p.a.	Forecast IRR: 11.0% p.a.	Forecast IRR: 9.8% p.a.	Actual IRR: 10.1% p.a

Appendix C: Responsible Entity’s track record

Senior land	Junior investment	Senior investment	Senior investment	Senior investment
Residential development land in North West Sydney	Residential development land in North West Sydney	Development of 2,396 sqm (GLA) medical centre in Sunbury, VIC	300 place childcare centre in South West Sydney	30 completed apartments in South-western Sydney
Valuation: \$65.0m Facility Amount: \$24.4m (38% LVR)	Valuation: \$65.0m Facility Amount: \$10.6m (55% LVR)	Valuation: \$13.0m Facility Amount: \$9.3m (71% LVR)	Valuation: \$30.4m Facility Amount: \$19.3m (65% LVR)	Valuation: \$14.9m Facility Amount: \$10.4m (70% LVR)
Term: 18 months	Term: 18 months	Term: 17 months	Term: 12 months	Term: 18 months
Actual IRR: 9.0% p.a.	Actual IRR:15.0% p.a.	Actual IRR: 14.6% p.a	Actual IRR: 10.0% p.a	Actual IRR: 10.4% p.a.

Appendix C: Responsible Entity's track record





Senior construction	**Senior construction**	**Senior investment**	**Senior investment**	**Senior investment**
Development of 162 room 4-star hotel in Melbourne CBD	Development of 27 townhouses in Greenway, ACT	Bridging facility for portfolio of seven (7) childcare assets leased to Affinity Education	Medium density complex comprising 109 waterfront, residential apartments in Port Coogee, W.A.	Medium density complex comprising 16 apartments and two (2) townhouses in Bulimba, QLD
Net Realisation: $53.0m[1] Facility Amount: $36.3m (68% LVR / 79% LTC)	Net Realisation: $13.5m[1] Facility Amount: $ 9.7m (72% LVR)	Current Valuation: $35.6m[1] Facility Amount: $23.1m (65% LVR)	Net Realisation: $13.2m[1] Facility Amount: $ 8.0m (61% LVR)	Net Realisation: $33.8m[1] Facility Amount: $23.7m (70% LVR)
Term: 12.5 months	Term: 6 months	Term: 12 months	Term: 18 months	Term: 18 months
Actual IRR: 16.8% p.a.	Actual IRR: 58% p.a.	Actual IRR: 11.5% p.a.	Actual IRR: 13.3% p.a.	Actual IRR: 9.25% p.a.

1. Net Realisation based on "As If Complete" valuation (net of GST & selling costs)
2. Facility amount including capitalised interest and fees

Appendix C: Responsible Entity's track record

				
Senior construction	**Senior investment**	**Senior investment**	**Junior investment**	**Senior construction**
Development of 94 apartments in Western Sydney	Construction of 30 residential apartments in Western Sydney	Medium density complex comprising 22 luxury apartments in New Farm, QLD	Construction of pre-leased hotel in Perth, WA	Development of 28 room residential accommodation facility in Coogee NSW
Net Realisation[1]: $46.7m Facility Amount[2]: $31.8m (68% LVR / 79% LTC)	Net Realisation[1]: $16.8m Facility Amount[2]: $ 8.2m (49% LVR)	Net Realisation[1]: $8.0m Facility Amount[2]: $4.7m (58% LVR)	Net Realisation[1]: $76.0m Facility Amount[2]: $7.6m (70% LVR / 78% LTC)	Net Realisation[1]: $11.4m Facility Amount[2]: $8.0m (70% LVR / 80% LTC)
Term: 24 months	Term: 10 months	Term: 12 months	Term: 24 months	Term: 20 months
Actual IRR: 15.5% p.a.	Actual IRR: 13.5% p.a.	Actual IRR: 10.5% p.a.	Actual IRR: 16.8% p.a.	Actual IRR: 15.1% p.a.

1. Net Realisation based on "As If Complete" valuation (net of GST & selling costs)
2. Facility amount including capitalised interest and fees

Appendix D. Glossary

Illustrative photo only

Glossary

Term	Definition (unless otherwise defined in this presentation)
360 Capital Group	means TGP and each of its subsidiaries
360 Capital Mortgage REIT	means 360 Capital Mortgage REIT (ARSN 115 632 990)
ASX	means ASX Limited ACN 008 624 691 or the market that it operates (as the context requires)
AEDT	means Australian Eastern Daylight Time
Cash Rate	means the current official cash rate as determined by the Reserve Bank of Australia (RBA)
Capital Raising	means the Placement or Conditional Placement, as applicable
Conditional Placement	means the issuance of up to 2,747,400 New Units to wholesale and institutional investors as defined by Corporations Act (conditional on Unitholders approving the Conditional Placement at the meeting of Unitholders to be held on 20 December 2024)
Corporations Act	means the *Corporations Act 2001* (Cth)
DPU	means distributions per Unit
Existing Unitholder	means a Unitholder of the Fund as at the date of this presentation
Fund	means the 360 Capital Mortgage REIT (ARSN 115 632 990) (ASX: TCF)
Joint Lead Managers and Arrangers	Ord Minnett Limited ACN 002 733 048 (Ord Minnett) and Shaw and Partners Limited ACN 003 221 583 (Shaw and Partners)
LVR	means loan to value ratio
Loan	means a loan within the portfolio of TCF
New Units	means the Units which will be issued pursuant to the Placement or Conditional Placement (as applicable)
NAV	means net asset value

Glossary

Term	Definition
Offer	means the capital raising in TCF of an amount of up to $20.0m as described in this presentation, comprising the Placement and Conditional Placement
Offer Price	means the price of $5.94 per New Unit offered under the Placement and Conditional Placement
Placement	means the issuance of 619,600 New Units to wholesale and institutional investors (as defined by the Corporations Act)
Responsible Entity	means 360 Capital FM Limited (ACN 090 644 396) (AFSL 221474)
Unit	means a unit in TCF
Unitholders	means the holder of a Unit
Target Return	means 4.0% above the RBA Cash Rate
TGP	means the stapled entity comprising 360 Capital Group Limited (ACN 113 569 136) and 360 Capital Investment Trust (ARSN 104 552 598) (ASX: TGP)
TCF	means 360 Capital Mortgage REIT (ARSN 115 632 990) (ASX: TCF)