

360 Capital Industrial Fund

August 2012

Summary report for the investment proposition for ASX listing

The 360 Capital Industrial Fund is an unlisted property trust established in 2002. The portfolio contains 24 industrial properties in Australia. The fund is managed by 360 Capital Property Group Ltd.

The manager of the fund is required to offer a liquidity opportunity for investors to redeem their investment by December 2012.

Liquidity is the ease of buying and selling an investment within a reasonable timeframe without affecting the price of the investment. Investors pay lower prices and demand higher returns from less liquid assets than from otherwise similar more liquid assets.

A number of mechanisms are available to provide liquidity in a portfolio of property investments. Listing on the Australian Securities Exchange (ASX) and the sale of property assets have been identified as the feasible sources of liquidity for the fund.

The fund manager has proposed to list the fund on the ASX as an Australian Real Estate Investment Trust (A-REIT).

Listing provides an ongoing liquidity mechanism enabling security holders to exit their investment. The trading price of the investment is not predictable. Listing can introduce price volatility.

Those who elect to sell their units will determine whether the price is suitable. Those who elect to remain in the fund would expect a gradual improvement in price.

The securities will initially trade at a discount to NTA on listing reflecting the likely volume of selling.

The only feasible alternative liquidity solution is the sale of assets. Sales of assets in volume would almost certainly result in lower prices than book value which would detract value from all unit holders, including those who do not seek a liquidity event.

Listing of the 360 Capital Industrial Fund would provide liquidity on an equitable basis for all investors.

This summary should be read in conjunction with the full report prepared by Atchison Consultants dated August 2012 and the accompanying Financial Services Guide. This report does not constitute financial advice nor has it been prepared to consider the individual investment objectives or requirements of any individual.

Financial Services Guide

TAG Asset Consulting Group Pty Ltd trading as Atchison Consultants
This financial service guide is dated July 2012

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