

360 Capital Industrial Fund

7 April 2015

360 Capital to Call ANI Unitholder Meeting to Replace Fife Funds as Responsible Entity and Provide Certainty for 10.0 cent per unit Cash Payment

360 Capital Investment Management Limited (360 Capital) as responsible entity for the 360 Capital Industrial Fund (Bidder) refers to the off-market takeover bid (TIX Offer) which it has made for all the units in Australian Industrial REIT (ANI).


The Bidder proposes to call a meeting of ANI Unitholders to replace Fife Capital as the responsible entity of ANI with 360 Capital ANI Management Limited (360 CAML). A notice of meeting will be sent to ANI Unitholders shortly.

To allow sufficient time to hold that meeting before the close of the TIX Offer, the Bidder has extended the offer period under the TIX Offer by 6 weeks so that it is now scheduled to close at 7:00pm (Sydney time) on 27 May 2015 (unless extended).

We enclose copies of:

- a letter sent today to ANI Unitholders in relation to the proposed meeting to consider resolutions to replace the responsible entity of ANI and the extension of the TIX Offer;
- the notice of variation of the TIX Offer under section 650D of the Corporations Act; and
- the notice of the new date for giving notice of the status of conditions under section 630(2) of the Corporations Act.

Yours sincerely



Alan Sutton
Company Secretary
360 Capital Investment Management Limited

More information on the TIX Offer can be found on the ASX's website at www.asx.com.au using the Fund's ASX code "TIX", on the Fund's website www.360capital.com.au, or by calling the TIX Offer Information Line on 1800 247 697 (callers in Australia) or +61 2 8024 1189 (callers outside Australia) between 8.30am and 5.30pm (Sydney time) on Business Days.

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About 360 Capital Industrial Fund (ASX code TIX)

360 Capital Industrial Fund is an ASX-listed Fund focused on passive rent collecting from warehouse and logistics properties in Australia in the \$10.0 million plus range. The Fund has strong, defensive, income-focused investment fundamentals via a diversified \$544 million portfolio of 22 quality assets, a weighted average lease expiry of 5.8 years, occupancy of 99.9%, distributions tax deferred at approximately 50% to 60% and a forecast FY15 distribution of 20.0c/pt. The Fund is externally managed by 360 Capital Group, a leading ASX-listed real estate investor and fund manager that operates under a transparent fee structure and is the largest unitholder in the Fund to ensure ongoing alignment of interests with Unitholders.

About 360 Capital Group (ASX code TGP)

360 Capital Group is an ASX-listed, property investment and funds management group concentrating on strategic investment and active investment management of property assets. The company actively invests in direct property assets, property securities and various corporate real estate acquisitions within Australian real estate markets on a private equity basis. 360 Capital Group's 21 full time staff have significant property, funds and investment management experience. 360 Capital Group manages nine investment vehicles holding assets valued at over \$1.1 billion on behalf of over 8,300 investors and has over \$177 million worth of co-investments across the 360 Capital Group.

7 April 2015

Dear ANI Unitholder

**360 Capital to Call ANI Unitholder Meeting
to
Replace Fife Funds as Responsible Entity
and
Provide Certainty for 10.0 cent per unit Cash Payment**

As announced to the ASX, 360 Capital Industrial Fund (TIX) currently has a relevant interest in 21.01% of ANI units.

360 Capital Group will now call an ANI unitholder meeting to provide every opportunity for ANI unitholders to receive the additional Cash Payment of 10.0 cents per ANI unit from 360 Capital.

You will shortly receive a Notice of Meeting seeking to replace Fife Capital as the responsible entity of ANI with 360 Capital ANI Management Limited (360 CAML). If that resolution is passed, the TIX Offer will be declared unconditional and ANI unitholders who accept the TIX Offer will receive the Cash Payment of 10.0 cents per ANI Unit.

To allow this to occur before the close of the TIX Offer, the Offer Period will be extended from the current expiry of 15 April 2015 to 27 May 2015. A formal extension notice is attached.

It is disappointing that Fife Capital continues to provide ANI Unitholders with information which is misleading in a number of important respects. Amongst other things, it fails to properly recognise value to ANI Unitholders of the 10.0 cent per unit Cash Payment.

We remind investors of the benefits of the TIX Offer (inclusive of the Cash Payment). It provides:

- a significant premium to the historic ANI trading price and NTA
 - 16.5% premium to ANI's closing price immediately prior to the announcement of TIX's indicative scheme proposal
 - 26.4% premium to NTA
- 2.5% earnings accretion to ANI stand-alone forecast FY16 EPU guidance
- 5.7% distribution accretion to ANI stand-alone forecast FY16 DPU guidance
- 5.5% NTA accretion to ANI stand-alone pro forma NTA per unit

The Notice of Meeting will provide ANI unitholders with all relevant information in relation to the change of responsible entity. We look forward to shortly providing you with the Notice of Meeting and the opportunity for you to have your say having regard to your own best interests.

Yours sincerely,



David van Aanholt

Independent Chairman

360 Capital Investment Management Limited as responsible entity for the 360 Capital Industrial Fund

Corporations Act 2001 (Cth)

Section 650D(1)

Notice of variation of offers - Extension of offer period

- TO: Australian Securities & Investments Commission (**ASIC**)
Fife Capital Funds Limited in its capacity as responsible entity of Australian Industrial REIT (**ANI**)
- AND TO: In accordance with ASIC Class Order 13/521, those persons listed on the ANI register as at 4 February 2015 and any other persons who have accepted the TIX Offer
- Reference is made to:
- (a) the offers dated 17 February 2015 from 360 Capital Investment Management Limited as responsible entity for the 360 Capital Industrial Fund (**Bidder**) for all the units in ANI (**TIX Offer**); and
 - (b) the replacement bidder's statement dated 13 February 2015 in relation to the TIX Offer (**Bidder's Statement**).

Unless otherwise specified, terms used in this notice have the same meaning as in the Bidder's Statement.

Extension of offer period

Bidder hereby gives notice under section 650D(1) of the Corporations Act 2001 (Cth) that the TIX Offer is varied by extending the period during which the TIX Offer remains open for acceptance until 7:00pm (Sydney time) on Wednesday 27 May 2015.

Withdrawal Rights

As this variation results in the Bidder varying the TIX Offer in a way that postpones for more than 1 month the time when the Bidder has to meet its obligations under the TIX Offer, each ANI Unitholder who has accepted the TIX Offer has the right to withdraw their acceptance within 1 month beginning on the day after the day on which this notice is received in accordance with section 650E of the Corporations Act.

Any notice by an ANI Unitholder withdrawing its acceptance of the TIX Offer under section 650E of the Corporations Act must:

- (a) if the shares are in a CHESS Holding, be in the form of a Valid Originating Message transmitted to ASX Settlement by the Controlling Participant for that CHESS Holding, specifying the number of shares to be released from the Offer Accepted Subposition in which the relevant shares have been reserved; or
- (b) in any other case, be in writing and delivered to the Bidder.

If an ANI Unitholder withdraws an acceptance in this manner, the Bidder must, before the end of 14 days after the day it is given the withdrawal notice:

- (a) return to the ANI Unitholder any documents that were sent by the ANI Unitholder to the Bidder with the acceptance of the TIX Offer; and
- (b) if the shares are in a CHESS Holding, transmit to ASX Settlement a Valid Message that authorises the release of those shares from the Offer Accepted Subposition in which the CHESS Holding has been reserved.

In order to assist with the processing of withdrawals, the withdrawal notice should identify the full name(s) of the withdrawing ANI Unitholder, provide the ANI Unitholder's Security Reference Number (SRN) or Holder Identification Number (HIN) (if applicable) and be signed in the same manner as the ANI Unitholder signed the Acceptance Form.

Words defined in the ASX Settlement Operating Rules have the same meaning when used in this notice, unless the context requires otherwise.

ASIC lodgement

A copy of this notice was lodged with ASIC on 7 April 2015. ASIC takes no responsibility for the contents of this notice.

Approval

In compliance with ASIC Class Order 13/521, this notice has been approved by a unanimous resolution passed by the directors of Bidder.

Signed by



David van Aanholt
Independent Chairman
360 Capital Investment Management Limited
Date: 7 April 2015

360 CAPITAL INVESTMENT MANAGEMENT LIMITED (ACN 133 363 185)

NOTICE OF NEW DATE FOR GIVING NOTICE OF STATUS OF CONDITIONS

REQUIRED BY SECTION 630(2) OF THE CORPORATIONS ACT 2001 (CTH)


TO: Australian Securities Exchange (**ASX**)
Fife Capital Funds Limited in its capacity as responsible entity of Australian Industrial REIT (**ANI**)

360 Capital Investment Management Limited as responsible entity for the 360 Capital Industrial Fund (**Bidder**) notes that the offers dated 17 February 2015 for all the units in Australian Industrial REIT (ARSN 165 651 301) (**TIX Offer**) contained in the replacement bidder's statement dated 13 February 2015 (**Bidder's Statement**) have been varied by extending the Offer Period so that the Offer Period is now scheduled to close at 7:00pm (Sydney time) on 27 May 2015.

The Bidder gives notice under section 630(2) of the Corporations Act 2001 (Cth) (**Corporations Act**) that:

- (a) the new date for giving notice of the status of conditions referred to in section 630 of the Corporations Act is **19 May 2015**;
- (b) the TIX Offer is:
 - (i) free of Condition K entitled "Bidder Trading Price" in Appendix 1 of the Bidder's Statement as a result of it having being fulfilled; and
 - (ii) not free of any of the other conditions set out in Appendix 1 of the Bidder's Statement;
- (c) so far as Bidder knows, no further conditions referred to in Appendix 1 of the Bidder's Statement in relation to the TIX Offer have been fulfilled by the date of this notice.

Date: 7 April 2015

Signed by  on behalf of 360 Capital Investment Management Limited.
Alan Sutton