

360 Capital Industrial Fund

3 November 2014

31 OCTOBER 2014 PROPERTY VALUATIONS

360 Capital Investment Management Limited as Responsible Entity for the 360 Capital Industrial Fund ('Fund') (ASX: 'TIX') advises independent valuations have been completed for 11 of the Fund's property assets as at 31 October 2014 (representing 70% of the portfolio by value), resulting in a \$17.5 million or 5.5% increase on the previous independent valuations undertaken in April 2014. The Fund's overall weighted average capitalisation rate (WACR) has firmed 24bp since April 2014 to 8.22%.

Recent strong transactional evidence, particularly from properties exhibiting long leases, has been reflected in significant firming of cap rates. The remaining 10 properties will be independently revalued in line with the Fund's valuation policy.

The results translate into pro-forma NTA per Unit increasing to \$2.28, an uplift of \$0.14 per Unit on the current NTA per Unit of \$2.14.

The Fund's gearing has now reduced to 40.6%.

Material movements include:

- 2 Woolworths Way, Warnervale NSW – a 25bp firming of cap rates since the acquisition in July 2014 resulted in a 3.1% or \$2.20 million valuation increase
- 12 Dansu Court, Hallam VIC – a 25bp firming of cap rates post a new lease to DKSH and an increase in the market rent has resulted in a 10.1% or \$1.20 million valuation increase.
- 37-51 Scrivener Street, Warwick Farm NSW - increased in value by 8.1% or \$1.75 million by virtue of a 25bp firming of the market cap rate and increase in market rental.
- 457 Waterloo Road, Chullora NSW – increased in value by \$1.60 million or 7.9% by virtue of a 50bp firming of cap rate reflecting the asset's long 13 year WALE.
- 22 Hawkins Crescent, Bundamba QLD – a 25bp firming of cap rates and an increase in market rent has resulted in a \$2.8 million or 7.7% increase in value.

A summary of the property revaluations can be found in Table 1 overleaf.

360 Capital Industrial Fund

Table 1

PROPERTY	VALUATION AS AT 31 OCTOBER 2014 (m)	VARIANCE TO PREVIOUS VALUATION (m)	VARIANCE TO PREVIOUS VALUATION	PREVIOUS CAP RATE	CURRENT CAP RATE
2 Woolworths Way, Warnervale NSW	\$72.00	\$2.20	3.1%	8.25%	8.00%
310 Spearwood Avenue, Bibra Lake WA	\$50.00	\$1.80	3.7%	8.90%	8.50%
22 Hawkins Crescent, Bundamba QLD	\$39.00	\$2.80	7.7%	8.00%	7.75%
1 Ashburn Road, Bundamba QLD	\$35.00	\$2.00	6.1%	8.25%	8.00%
102-128 Bridge Road, Keysborough VIC	\$28.20	\$1.70	6.4%	8.75%	8.25%
6 Albert Street, Preston VIC	\$24.60	\$1.60	7.0%	8.75%	8.25%
37-51 Scrivener Street, Warwick Farm NSW	\$23.50	\$1.75	8.1%	9.25%	9.00%
457 Waterloo Road, Chullora NSW	\$21.90	\$1.60	7.9%	8.00%	7.50%
14 Dansu Court, Hallam VIC	\$15.65	\$0.15	1.0%	8.25%	8.00%
54 Sawmill Circuit, Hume ACT	\$14.50	\$0.70	5.1%	8.00%	7.75%
12 Dansu Court, Hallam VIC	\$13.10	\$1.20	10.1%	8.25%	8.00%
TOTAL	\$337.45	\$17.50	5.5%		
TOTAL PORTFOLIO	\$479.07		3.8%		
TOTAL PORTFOLIO WACR				8.46%	8.22%

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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 \$479.1 million portfolio of 21 quality assets, a weighted average lease expiry of 6.1 years, occupancy of 96.9%, appropriate gearing of 40.6% and a forecast FY15 distribution of 19.20cpu. 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 eight investment vehicles holding assets valued at approximately \$1.0 billion on behalf of almost 10,000 investors, has \$125.9 million worth of co-investments across the 360 Capital Group platform.

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