



Trafalgar

PRODUCT DISCLOSURE STATEMENT & PROSPECTUS

A Capital Raising by Trafalgar Corporate Group Limited ("TCGL") ACN 113 569 136 and the Responsible Entity for Trafalgar Platinum Fund No. 12 ("TPF12") ARSN 104 552 598 (together "TGP") through the issue of up to 120,000,000 New 360 Securities at the Issue Price of \$0.59, each New 360 Security comprising one fully paid ordinary share in TCGL and one fully paid unit in TPF12 to raise up to \$70,800,000.

This is an important document and requires your immediate attention.
It should be read in its entirety. If you are in doubt about what to do, you should consult your legal, financial or other professional adviser without delay.

Lead Manager and Underwriter

MOELIS & COMPANY

Co-Managers

BELL POTTER

RBS Morgans

IMPORTANT INFORMATION

This Product Disclosure Statement and Prospectus (hereafter referred to as "PDS") is dated 21 August 2013 and was lodged with ASIC on that date. The PDS is issued by Trafalgar Corporate Group Limited ACN 113 569 136 ("TCGL") and Trafalgar Managed Investments Limited ACN 090 664 396 ("TML") as responsible entity for Trafalgar Platinum Fund No. 12 ARSN 104 552 598 ("TPF12"). Prior to the issue of New 360 Securities under this PDS, Securityholders will be asked to vote on a proposal to replace TML as responsible entity for TPF12 with 360 Capital Investment Management Limited ACN 133 363 185.

Neither ASIC nor ASX takes any responsibility for the contents of this PDS or the merits of the investment to which this PDS relates.

This PDS is a prospectus for the purposes of Chapter 6D of the Corporations Act and a Product Disclosure Statement for the purposes of Chapter 7 of the Corporations Act in relation to the Capital Raising and Employee Security Plan ("ESP"). New 360 Securities will be issued to "sophisticated investors", "professional investors" and "wholesale clients" within the meaning of sections 708 and 761G of the Corporations Act to whom offers may be made without disclosure under the Corporations Act ("Eligible Investors") and the participants under the ESP to whom offers will be made on the terms set out in this PDS. No application form for New 360 Securities is attached to this PDS and application forms will separately be provided only to Eligible Investors, participants under the ESP and any other person acquiring New 360 Securities under this PDS.

This PDS expires as a prospectus on 21 September 2014, 13 months after the date of this PDS, and no New 360 Securities will be issued after that date.

TGP is admitted to the official list of the ASX and will apply for quotation of the New 360 Securities within seven days of the date of this PDS.

Important document

It is important that Eligible Investors carefully read this PDS in its entirety before deciding to apply for New 360 Securities and, in particular, that Eligible Investors consider the assumptions underlying any prospective financial information and the risk factors that could affect the financial performance of New 360. Eligible Investors should carefully consider these factors in light of their personal circumstances (including financial and taxation issues) and seek professional advice from an accountant, stockbroker, lawyer or other professional adviser before deciding whether to apply for New 360 Securities. This PDS does not constitute financial product advice and, as such, it does not take into account the objectives, financial situation or needs of any Eligible Investor.

No person is authorised to give any information or to make any representation in connection with the Capital Raising that is not contained in this PDS. Any information or representation not contained in this PDS may not be relied on as having been

authorised by TGP in connection with the Capital Raising. Neither TGP nor any other person warrants the future performance of New 360 or any return on any investment made under this PDS, except as required by law and then, only to the extent so required.

The Lead Manager has not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this PDS and does not make or purport to make any statement in this PDS and there is no statement in this PDS which is based on any statement by the Lead Manager. The Lead Manager and its affiliates, officers and employees, to the maximum extent permitted by law, expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this PDS and make no representation or warranty as to the currency, accuracy, reliability or completeness of this PDS.

Forward-looking statements

Certain "forward-looking statements" have been provided in this PDS. These statements can be identified by the use of words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "predict", "guidance", "plan" and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

Preparation of these forward-looking statements was undertaken with due care and attention; however, forward-looking statements remain subject to known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Issuer and its officers, employees, agents and advisers. Consequently, such factors may impact the performance of TGP such that actual performance differs materially to any performance indicated in the forward-looking statements. Some of the risk factors that impact on forward-looking statements in this PDS are set out in Section 6. No assurance can be provided that actual performance will mirror the guidance provided.

Other than as required by law, none of TCGL or the Responsible Entity, its directors, officers, employees or advisers or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this PDS will actually occur. You are cautioned not to place undue reliance on those statements.

The forward-looking statements in this PDS reflect the views held only immediately before the date of this PDS, unless otherwise stated. Subject to the Corporations Act and any other applicable law, each of the TCGL or the Responsible Entity, their respective directors, officers, employees and advisers disclaims any duty to disseminate after the date of this PDS any updates or revisions to any such statements to reflect any change in expectations in relation to such statements or any change in events, conditions or circumstances on which any such statement is based.

Restrictions on the distribution of this PDS

This PDS does not constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to do so. The distribution of this PDS (whether electronically or otherwise) in jurisdictions outside Australia may be restricted by law and any person into whose possession this PDS comes (including nominees, trustees or custodians) should seek advice on and observe those restrictions. The New 360 Securities have not been, and will not be, registered under the US Securities Act 1933 (as amended) and may not be offered or sold in the United States or to, or for the account of or benefit of, US persons. Accordingly this PDS may not be sent to investors in the United States or otherwise distributed in the United States. For more information regarding restrictions on the distribution of this PDS, please refer to Section 11.16.

Publicly available information

This PDS is intended to be read in conjunction with the publicly available information in relation to TGP which has been notified to ASX. Eligible Investors should have regard to the publicly available information in relation to TGP before making a decision on whether to apply for New 360 Securities.

Updated information

Information in this PDS is subject to change. If the change is not materially adverse, the information will be updated at www.trafalgarcorporate.com. A paper copy of any updated information will also be available free of charge from TCGL or the Responsible Entity.

Financial information

Unless otherwise specified, all financial information contained in this PDS is believed to be current as at the date of this PDS.

All currency amounts are in Australian dollars unless otherwise specified.

Defined terms and abbreviations

Defined terms and abbreviations used in this PDS are explained in the Glossary of Terms.

Electronic PDS

This PDS may be viewed in Australia at www.trafalgarcorporate.com.

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KEY OFFER INFORMATION

Key investment aspects

Issue Price of \$0.59 per New 360 Security
120,000,000 New 360 Securities to be issued under the Capital Raising
\$70,800,000 to be raised under the Capital Raising
\$70,800,000 underwritten under the Capital Raising

Key dates

Announcement of Capital Raising and Transaction	Wednesday, 21 August 2013
Notice of Meeting and PDS and Prospectus dispatched to Securityholders	Monday, 26 August 2013
General meeting of Securityholders	Tuesday, 24 September 2013
Settlement of Capital Raising	Tuesday, 1 October 2013
Allotment of New 360 Securities	Wednesday, 2 October 2013
Implementation date	Wednesday, 2 October 2013
Dispatch of holding statements	Thursday, 3 October 2013
Normal trading of New 360 Securities	Tuesday, 8 October 2013

These dates are subject to change and are indicative only. TGP reserves the right to amend this indicative timetable and any variation to it will be announced to ASX.

21 August 2013

Dear Investor,

On 20 August 2013, TGP entered into a Security Sale Agreement with the shareholders of the stapled entities of the 360 Capital Property Group ("360 Capital"), comprising of 360 Capital Investment Trust (ARSN 141 872 844) and 360 Capital Property Limited (ACN 146 484 433) ("360 Capital") whereby TGP has agreed to purchase 100% of 360 Capital through a scrip for scrip offer to 360 Capital securityholders (with a Cash Election) subject to (among other things) approval by TGP's Securityholders. As part of the acquisition of 360 Capital, TGP will raise \$70.8 million through a fully underwritten institutional conditional placement of TGP Securities at \$0.59 per Security (together the "Transaction").

If approved by Securityholders, the Transaction will transform TGP into a diversified real estate investment and funds management group. Following completion, TGP will be renamed the "360 Capital Group". For clarity, any reference to TGP post-completion of the Transaction in this document shall use the term "New 360".

New 360 will be a real estate business consisting of:

- Approximately \$860 million of assets under management including the ASX-listed 360 Capital Industrial Fund (ARSN 099 680 252) ("Industrial Fund");
- 10 funds/syndicates owning 28 properties diversified across Australia and the key office and industrial sectors;
- \$90.9 million of co-investments in (including loans to) predominantly managed funds to align New 360 with its fund investors; and
- \$48.8 million in direct real estate ownership primarily in one (1) direct real estate office building leased to the Australian Taxation Office (\$44.0 million value) with the opportunity to secure earnings through extending the current lease beyond February 2015.

New 360's income will be derived from three main sources from underlying real estate investments:

- Fees derived from the management of real estate funds (forecast to be \$4.7 million in FY14);
- Distributions from co-investments in (including loans to) New 360's managed funds (forecast to be \$7.4 million in FY14); and
- Rental income from direct property investment (expected to be \$6.8 million in FY14).

We expect that New 360's forecast earnings and distributions per New 360 Security will be attractive relative to the broader A-REIT sector.

- FY14 operating earnings per New 360 Security are expected to be 5.9 cents which equates to a 10.0% yield on the Issue Price
- FY14 distribution per New 360 Security is expected to be 5.0 cents, which equates to an 8.5% yield on the Issue Price

TGP is inviting institutional investors to subscribe for up to 120,000,000 New 360 Securities at an Issue Price of \$0.59 per New 360 Security to raise up to \$70,800,000 (the "Capital Raising"). The Capital Raising will be fully underwritten by Moelis Australia Advisory Pty Ltd ("Moelis").

Funds raised under the Capital Raising together with a new debt facility in TGP will be used to fund the cash component of the acquisition of 360 Capital with respect to 360 Capital Securityholders who made the Cash Election, repayment of existing TGP debt and 360 Capital securityholder loans and purchase of strategic loans which have been provided to some of 360 Capital's managed funds.

Importantly, Tony Pitt (through TT Investments Pty Limited) who currently owns 21.1% of 360 Capital and 28.2% of TGP will become Managing Director of New 360 and will lead the management team in executing the New 360 strategy. Tony has accepted the Scrip Offer as consideration for TT Investments' share of 360 Capital, and will own approximately 20.7% of all New 360 Securities and therefore has a strong alignment with all New 360 Securityholders.

Details of the Capital Raising, other aspects of the Transaction including the acquisition of 360 Capital and the potential risks of investing in the New 360 Securities are included in this PDS and the Notice of Meeting dated 26 August 2013. I encourage you to read the PDS and Notice of Meeting in its entirety.

On behalf of the Board of Directors, I thank you for your interest and commend the Transaction to you.

Yours faithfully,



David van Aanholt
Independent Chairman
Trafalgar Corporate Group Limited

KEY INVESTMENT HIGHLIGHTS

Growth-oriented and market-aligned real estate and funds management platform	<p>New 360 will be a diversified real estate investment and funds management business consisting of:</p> <ul style="list-style-type: none"> • Approximately \$860 million of assets under management including the ASX-listed 360 Capital Industrial Fund with \$347.1 million in assets; • 10 funds/syndicates owning 28 properties diversified across Australia and the key office and industrial sectors; • \$90.9 million of co-investments in (including loans to) predominantly managed funds to align New 360 with its fund investors; and • \$48.8 million in direct real estate ownership primarily in one (1) direct real estate office building leased to the Australian Taxation Office (\$44.0 million value, currently owned by TGP) with the opportunity to secure earnings through extending the current lease. <p>New 360's funds management platform provides the potential for New 360 to enhance return on equity and earnings growth through growing existing funds and establishment of new funds. New 360's co-investments provide alignment of New 360 with underlying fund investors and, in combination with direct real estate ownership, provide stable recurring real estate investment income.</p>
Stable and diversified income streams	<p>New 360 will derive income from three main sources from underlying real estate investments:</p> <ul style="list-style-type: none"> • Fees derived from the management of real estate funds (forecast to be \$4.7 million in FY14); • Distributions from co-investments in (including loans to) New 360's managed real estate funds (forecast to be \$7.4 million in FY14); and • Rental income from direct property investment (expected to be \$6.8 million in FY14). <p>New 360's revenue streams will be derived from a diversified portfolio of 30 real estate assets across Australia valued at \$764 million. In addition, New 360 will have accrued exit fees of \$5.0 million from underlying managed funds.</p>
Attractive FY14 forecast earnings and distributions¹	<p>Forecast earnings and distributions per New 360 Security are considered attractive relative to the broader A-REIT sector.</p> <ul style="list-style-type: none"> • FY14 operating earnings per New 360 Security are expected to be 5.9 cents which equates to a 10.0% yield on the Issue Price • FY14 distribution per New 360 Securities is expected to be 5.0 cents, which equates to an 8.5% yield on the Issue Price
Aligned and experienced management team	<p>New 360's strategy will be driven by the management team from 360 Capital which has an average of 16 years of experience across the Australian real estate and funds management sectors.</p> <p>Importantly, the management team will be led by Tony Pitt who will be Managing Director of New 360 and has accepted the Scrip Offer as consideration for TT Investments' share of 360 Capital and will own approximately 20.7% of all New 360 Securities post-Transaction and the proposed ESP.</p> <p>The current TGP Chairman, David van Aanholt, will remain as Independent Chairman of New 360 while two 360 Capital directors (Andrew Moffat and John Ballhausen) will be invited to join the New 360 Board.</p>

1. Forecast earnings and distributions are for FY14 only. Actual earnings and distributions may differ from these forecasts. Forecasts do not guarantee the availability or amount of future earnings. There is no guarantee that forecasts or earnings will be achieved or continued beyond FY14.

KEY INVESTMENT RISKS

Removal of New 360 as RE	<p>As a funds management business, there is a risk that New 360 is removed as the responsible entity/fund manager of the funds through a vote of the funds' unitholders. This will impact on the revenue derived by New 360 in funds management fees. New 360 believes this risk is mitigated by its alignment with fund investors through its unitholdings in the managed funds.</p>
Expiry of funds	<p>Whilst New 360 may receive significant one-off fees upon exit from funds, the loss of funds management fees will have a negative impact on New 360's recurring revenue.</p> <p>The terms of some of the 360 Capital funds will expire over the next 12 months including:</p> <ul style="list-style-type: none">• The 360 Capital Retail Fund (ARSN 107 250 420) ("Retail Fund") in February 2014<ul style="list-style-type: none">— the responsible entity has entered into a conditional contract with a potential purchaser of the remaining asset of the fund and the fund will subsequently be wound up; and• The 360 Capital Office Fund (ARSN 106 453 196) ("Office Fund") in April 2014 (unless listed prior)<ul style="list-style-type: none">— 360 Capital is working on restructuring and stabilising this fund for the longer term including acquiring the Lawson Loan as part of this Transaction. <p>See Section 3.8 for the strategy and outlook for these and other funds to be managed by New 360.</p>
Office Fund restructure may not proceed	<p>If the Office Fund is not restructured prior to April 2014, the assets of the Office Fund may need to be sold and the fund wound up.</p> <p>This will most likely result in the loss of funds management fee income, however this may be offset by the payment of deferred fees due to New 360 as well as potential profits from the acquisition and subsequent repayment of the Lawson Loan and New 360's share of the 360 Capital Developments Income Fund (ARSN 103 700 956) ("Developments Income Fund").</p> <p>Please refer to Section 3.3 and Section 3.8 on the potential restructuring of the Office Fund and New 360's investment in the Lawson Loan to facilitate a restructuring.</p>
ATO Building lease expiry in February 2015	<p>Currently owned by TGP, the ATO Building is a single tenant office building in suburban Sydney occupied by the Australian Taxation Office ("ATO"). The ATO lease is due to expire in February 2015 and there is no certainty that the lease will be renewed beyond this date, or the terms of any such renewal. To date, TGP has made an offer to extend the lease for 10 years, and also provided an incentive to the ATO to exercise its current five year option early. However, with the impending Federal election, decisions on lease renewals are not expected to occur until after the election.</p> <p>The lease expiry occurs beyond the forecast period of FY14 and net rental income for FY14 is forecast to be \$6.8 million, which is 36% of New 360's total forecast revenue for FY14. See Section 3.8 for detailed information on the ATO Building.</p>
Reliance on key personnel	<p>The loss of key personnel, including Tony Pitt (Managing Director) and Ben James (Chief Investment Officer) may have a material adverse effect on New 360's ability to deliver earnings and/or growth prospects in the medium term.</p>

QUESTIONS AND ANSWERS

Question	Answer	Relevant Section
What is the Capital Raising?	The Capital Raising is a fully underwritten conditional institutional placement of 120,000,000 New 360 Securities to raise \$70,800,000 at an Issue Price of \$0.59 per New 360 Security. The Capital Raising is conditional on TGP Securityholder approval.	2
What is New 360?	<p>Following completion of the Transaction, TGP will be transformed into a diversified real estate investment and funds management group ("New 360").</p> <p>The funds management business will consist of 10 managed investment vehicles across office, retail and industrial sectors with total funds under management of approximately \$860 million with approximately 9,000 fund investors in total.</p> <p>New 360's property investments will consist of 100% direct ownership of two (2) real estate assets together valued at \$48.8 million, interests in co-investments vehicles together valued at \$90.9 million, including investments in loans to co-investment vehicles with a face value of \$31.0 million, which collectively brings the total value of property investments to \$139.7 million.</p> <p>New 360's management team will consist of 360 Capital's existing proven and experienced management team.</p> <p>Eligible Investors will have the opportunity to apply for New 360 Securities.</p>	3
What is the Issue Price?	\$0.59 per New 360 Security.	2
What is the expected operating earnings and distribution yields?²	<p>FY14 operating earnings per TGP Security 5.9 cents, representing a 10.0% yield on the Issue Price.</p> <p>FY14 distribution per TGP Security 5.0 cents, representing an 8.5% yield on the Issue Price.</p>	2
What is the Transaction?	<p>The Transaction consists of both the acquisition of 360 Capital by TGP and the Capital Raising (as described above). The Transaction is conditional on TGP Securityholder approval.</p> <p>TGP has agreed to acquire 100% of 360 Capital via an offer to 360 Capital securityholders of 2.5 New 360 Securities for each 360 Capital security they own ("Scrip Offer") with the option to elect to receive \$1.40 of cash in lieu of the Scrip Offer for each 360 Capital security they own ("Cash Election").</p>	1.2
How will the Capital Raising proceeds be used?	The Capital Raising proceeds will be used to fund the Cash Election of the Transaction. The remaining Capital Raising proceeds, along with newly drawn debt from a new debt facility for New 360, will be used to fund the repayment of all existing debt within TGP and 360 Capital, the acquisition of the Lawson Loan, working capital and the payment of costs incurred in relation to the Transaction.	1.2
Is the Capital Raising underwritten?	Yes, the Capital Raising will be fully underwritten by Moelis Australia Advisory Pty Ltd ("Moelis").	2

2. Forecast earnings and distributions are for FY14 only. Actual earnings and distributions may differ from these forecasts. Forecasts do not guarantee the availability or amount of future earnings. There is no guarantee that forecasts or earnings will be achieved or continued beyond FY14.

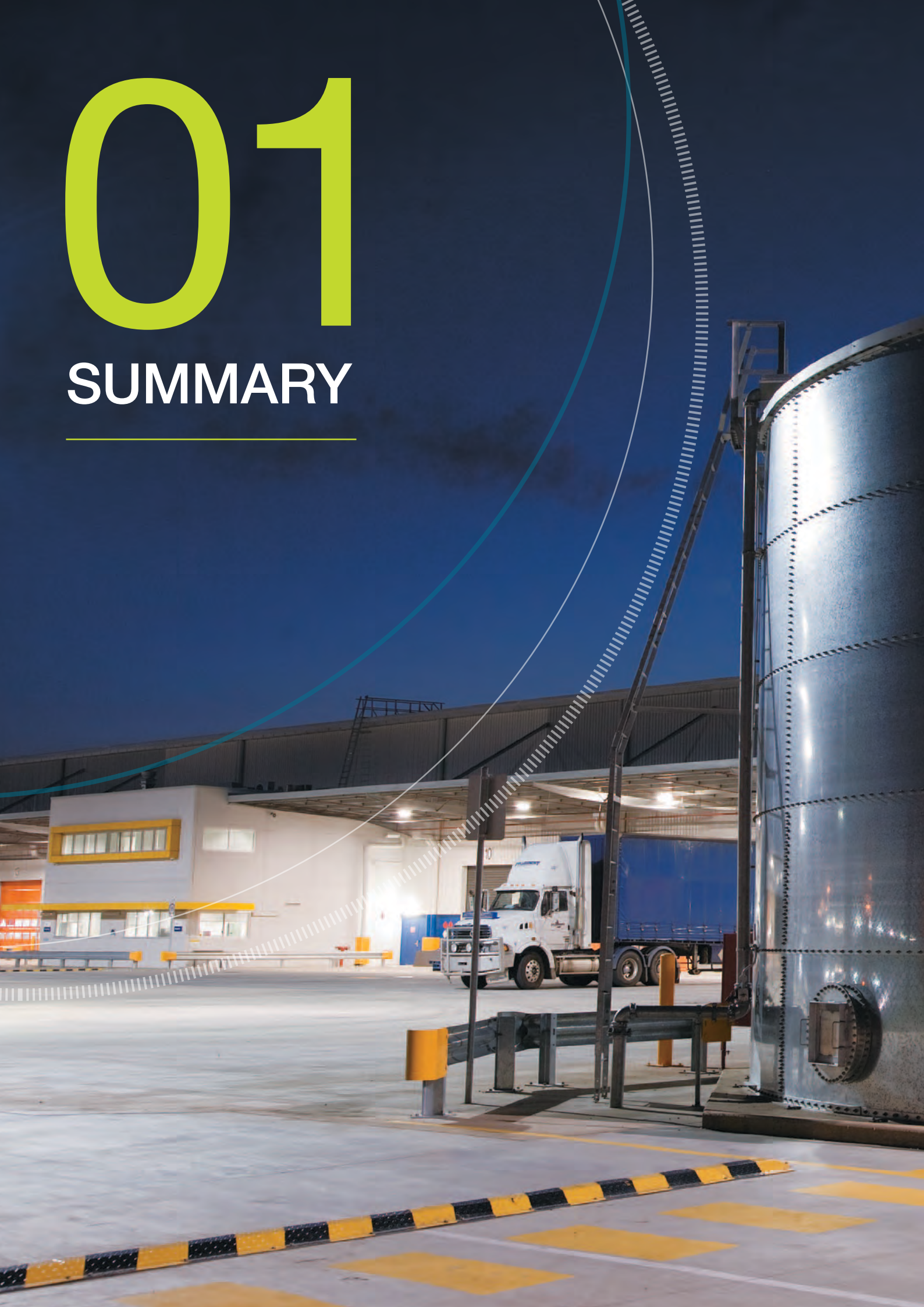
Question	Answer	Relevant Section
What are the strategic loans?	<p>On or about the date of this document TGP entered into a call option agreement with the trustee of the Lawson Trust to acquire a secured loan (the “Lawson Loan”) currently provided to the Developments Income Fund, a fund managed by 360 Capital. The agreed acquisition price is \$22.5 million, which is a discount of 18% to the face value of \$27.5 million. See Section 3.3 and 3.8 for more details.</p> <p>A total of approximately \$3.5 million is being used to refinance the loan in the 360 Capital Diversified Property Fund (ARSN 117 509 921) (“Diversified Fund”). This is being funded from working capital of New 360 and will occur prior to expiry of the loan in December 2013. New 360 owns 58.9% of the Diversified Fund.</p>	3.3
What will the market capitalisation of New 360 be upon reinstatement of Securities to quotation on the ASX?	Based on the Issue Price, market capitalisation of New 360 post the Transaction will be approximately \$146.8 million ³ .	2
What are the key dates of the Capital Raising?	<ul style="list-style-type: none"> • Announcement of Capital Raising and Transaction – Wednesday, 21 August, 2013 • Notice of Meeting and PDS dispatched – Monday, 26 August 2013 • General meeting of Securityholders – Tuesday, 24 September 2013 • Completion of the Transaction and issue of New 360 Securities under the Capital Raising – Wednesday, 2 October, 2013 <p>These dates are subject to change and are indicative only. TGP reserves the right to amend this indicative timetable and any variation to it will be announced to the ASX.</p>	2
What are the costs of the Transaction and who is paying them?	The total cost of the Transaction is expected to be approximately \$5.0 million which will be paid by New 360 out of the Capital Raising proceeds.	11.11
When will I receive distributions?	<p>The New 360 Securities issued under the Capital Raising will be issued on identical terms to, and rank equally with, all other Securities on issue at the time of allotment.</p> <p>New 360 is forecast to pay distributions on a quarterly basis. FY14 distributions are forecast to be 5.0 cents per New 360 Security with first distribution forecast to be 1.25 cents per New 360 Security for the quarter ending 30 September 2013. New 360 Securities will rank equally for, and be entitled to, any distributions for the quarter ending September 2013⁴.</p>	2

3. Pro forma market capitalisation calculated by multiplying the Issue Price of \$0.59 per New 360 Security by the number of Securities on issue on Completion.

4. Forecast distributions are for FY14 only. There is no guarantee that distributions will be achieved or continue beyond FY14.

01

SUMMARY



1.1 The Capital Raising

TGP is undertaking a fully underwritten conditional institutional placement under this PDS to raise \$70,800,000 through the issuance of 120,000,000 New 360 Securities at \$0.59 per New 360 Security (the "Capital Raising").

The New 360 Securities issued under the Capital Raising will be issued on identical terms to, and rank equally with, all other Securities on issue at the time of allotment.

The table below summarises the key statistics relevant to the Capital Raising, assuming completion of the Transaction described below.

Issue Price	\$0.59
New 360 Securities on offer	120,000,000
Total Capital Raising amount	\$70,800,000
Estimated FY14 operating earnings per New 360 Security ("EPS")	5.9 cents
Estimated FY14 EPS yield on the Issue Price	10.0%
Estimated FY14 distributions per New 360 Security ("DPS") ¹	5.0 cents
Estimated FY14 DPS yield on the Issue Price	8.5%
Pro forma NTA per Security	\$0.59
Pro forma gearing ratio (debt divided by total assets)	12.9%
Pro forma look through gearing ratio (net debt divided by total assets)	30.1%
Pro forma market capitalisation ²	\$146.8 million
No. of managed investment vehicles	10
No. of direct property investments	2
No. of co-investments (including loans)	10
Funds under management	approximately \$860 million
Value of direct property investments and co-investments (including loans investments)	\$139.7 million

Notes:

1. Forecast distributions are for FY14 only. There is no guarantee that distributions will be achieved or continue beyond FY14.
2. Pro forma market capitalisation calculated by multiplying the Issue Price of \$0.59 per New 360 Security by the number of Securities on issue on Completion.

The Capital Raising makes up part of the larger Transaction (described below) and is subject to TGP Securityholder approval.

1.2 The Transaction

The Transaction consists of both the acquisition of 360 Capital by TGP and the Capital Raising (as described above).

TGP will acquire 100% of 360 Capital via an offer to 360 Capital securityholders of 2.5 New 360 Securities for each 360 Capital security they own ("Scrip Offer") with the option to elect to receive \$1.40 of cash in lieu of the Scrip Offer for each 360 Capital security they own ("Cash Election").

The Cash Election will be funded via proceeds raised from the Capital Raising. The remaining Capital Raising proceeds, along with newly drawn debt from a new debt facility for New 360, will be used to fund the repayment of all existing debt within TGP and 360 Capital, the acquisition of the Lawson Loan, working capital and the payment of Transaction costs.

TGP has entered into a credit-approved term sheet for a \$25.0 million debt facility with the National Australia Bank Limited ("NAB") in order to refinance and will draw down debt to \$22.5 million on completion of the Transaction.

On or about the date of this document, TGP entered into a call option agreement with the trustee of the Lawson Trust to acquire a loan (the "Lawson Loan") currently provided to the Developments Income Fund, a fund managed by 360 Capital. The agreed acquisition price is \$22.5 million, which represents a discount of 18% to the face value of \$27.5 million. The acquisition of the Lawson Loan provides New 360 with the opportunity to unlock inherent value associated with its interests in and management of the Developments Income Fund and the Office Fund. Further details are provided in Sections 3.3 and 3.8. New 360 will also use \$3.5 million of working capital to refinance the loan in the Diversified Fund which expires in December 2013. New 360 owns 58.9% of the Diversified Fund and this loan is the only loan of the Diversified Fund which has total assets of \$70.3 million.

SUMMARY

The table below outlines the uses of the Capital Raising proceeds and debt drawdown as part of the Transaction.

Sources	(\$m)	Uses	(\$m)
Capital Raising proceeds	70.8	360 Capital securityholder Cash Election	44.9
New 360 debt facility (drawdown)	22.5	Existing TGP loan repayment	5.4
		360 Capital securityholder loans	11.3
		Strategic loans	26.0
		Working capital	0.7
		Transaction costs	5.0
Total	93.3	Total	93.3

The Transaction is subject to TGP Securityholder approval.

1.3 Overview of New 360

Following completion of the Transaction, TGP will be transformed into a diversified real estate investment and funds management group.

The funds management business will consist of 10 managed investment vehicles across the office, retail and industrial sectors with total funds under management of approximately \$860 million.

New 360's real estate investments will consist of 100% direct ownership of two (2) real estate assets together valued at \$48.8 million, interests in co-investments vehicles together valued at \$90.9 million, including investments in loans to co-investment entities worth \$31.0 million, which collectively brings the total value of property investments to \$139.7 million.

New 360's strategy will be driven by the management team from 360 Capital which has an average of 16 years of experience across the Australian real estate and funds management sectors.

Importantly, the management team will be led by Tony Pitt who will be Managing Director of New 360 and following completion of the Transaction, Tony will own approximately 20.7% of all TGP Securities (following the issue of New 360 Securities under the Capital Raising and the ESP).

The current TGP Chairman, David van Aanholt, will remain as Independent Chairman of New 360.

1.4 Distribution Guidance

The forecast distribution for FY14 post completion is 5.0 cents per New 360 Security per annum paid on a quarterly basis.⁵

5. Forecast distributions are for FY14 only. There is no guarantee that distributions will be achieved or continue beyond FY14.

02

DETAILS OF THE CAPITAL RAISING

DELIVER



DETAILS OF THE CAPITAL RAISING

TGP invites Eligible Investors to apply for New 360 Securities at an Issue Price of \$0.59 per New 360 Security.

The Capital Raising will result in the issue of 120,000,000 New 360 Securities and will raise \$70,800,000.

The details of the Capital Raising are outlined in the table below.

Conditional Institutional Placement	<ul style="list-style-type: none"> Issue of 120,000,000 New 360 Securities to institutional investors at \$0.59 per New 360 Security to raise approximately \$70,800,000 Subject to conditions precedent including TGP Securityholder approval of the Transaction Fully underwritten by Moelis Australia Advisory Pty Ltd 																		
Issue Price	<ul style="list-style-type: none"> The Issue Price of \$0.59 per New 360 Security 																		
Ranking	<ul style="list-style-type: none"> New 360 Securities issued will rank equally with all other New 360 Securities on issue at the time of allotment and be entitled to the September 2013 distribution which is forecast to be 1.25 cents per New 360 Security 																		
Key metrics	<ul style="list-style-type: none"> Estimated FY14 operating earnings per New 360 Security of 5.9 cents represent a 10.0% yield on the Issue Price Estimated FY14 distribution per New 360 Security of 5.0 cents represent an 8.5% on the Issue Price Pro forma NTA of \$0.59 per New 360 Security Pro forma gearing ratio of 12.9% and look through gearing ratio of 30.1% following Completion (both calculated as debt divided by total assets) Pro forma market capitalisation of \$146.8 million following Completion 																		
Timetable	<table> <tr> <td>Announcement of Capital Raising and Transaction</td><td>Wednesday, 21 August 2013</td></tr> <tr> <td>Notice of Meeting and PDS and Prospectus dispatched to Securityholders</td><td>Monday, 26 August 2013</td></tr> <tr> <td>General meeting of Securityholders</td><td>Tuesday, 24 September 2013</td></tr> <tr> <td>Settlement of Capital Raising</td><td>Tuesday, 1 October 2013</td></tr> <tr> <td>Allotment of New 360 Securities</td><td>Wednesday, 2 October 2013</td></tr> <tr> <td>Implementation date</td><td>Wednesday, 2 October 2013</td></tr> <tr> <td>Dispatch of holding statements</td><td>Thursday, 3 October 2013</td></tr> <tr> <td>Normal trading of New 360 Securities</td><td>Tuesday, 8 October 2013</td></tr> <tr> <td>Record date for distribution for the quarter ending September 2013</td><td>Tuesday, 8 October 2013</td></tr> </table> <p>These dates are subject to change and are indicative only. TGP reserves the right to amend this indicative timetable and any variation to it will be announced to the ASX.</p>	Announcement of Capital Raising and Transaction	Wednesday, 21 August 2013	Notice of Meeting and PDS and Prospectus dispatched to Securityholders	Monday, 26 August 2013	General meeting of Securityholders	Tuesday, 24 September 2013	Settlement of Capital Raising	Tuesday, 1 October 2013	Allotment of New 360 Securities	Wednesday, 2 October 2013	Implementation date	Wednesday, 2 October 2013	Dispatch of holding statements	Thursday, 3 October 2013	Normal trading of New 360 Securities	Tuesday, 8 October 2013	Record date for distribution for the quarter ending September 2013	Tuesday, 8 October 2013
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03

NEW 360

3.1 Overview

Following completion of the Transaction, TGP will be transformed into a diversified real estate investment and funds management group ("New 360").

New 360's funds management business will consist of 10 managed investment funds across office, retail and industrial sectors with total funds under management of approximately \$860 million.

The two (2) direct property investments, being the ATO building at Hurstville ("ATO Building") and the Goulburn industrial facility ("Goulburn Asset"), will be bolstered with the addition of co-investments in each of the managed funds totalling \$90.9 million, including investments in loans to co-investment vehicles with a face value of \$31.0 million, bringing the value of total co-investments to \$139.7 million.

Furthermore, New 360 will benefit from the retention of 360 Capital's proven and experienced management team possessing an average of 16 years experience in Australian real estate and funds management.

3.2 New 360 Business Model

Fund and asset management	Co-investments in managed funds	Direct real estate investments
Provides New 360 with enhanced return on its co-invested equity through generating fee revenue	Provides stability of income to New 360 through distributions from funds	Provides stable rental cash flow to New 360
Utilises New 360's key skill set and strong track record in managing funds on behalf of third party investors	New 360 actively manages the assets and funds to ensure its co-investment equity value is maximised	Strategy to target well located assets with stable cash flows to complement New 360's existing investment activities and utilise New 360's expertise in active asset management
Captures continued market demand for well-managed real estate funds that demonstrate stable income yield and managed by aligned and experienced fund managers	New 360 key investment philosophies of investing alongside fund investors, ensuring alignment of interests between New 360 and underlying fund investors	Acquire and add value to real estate assets with potential to drive funds management initiatives

Funds Management

The funds management strategy of New 360 will be reflective of the current 360 Capital business model:

- focus on scalable sector specific funds in the industrial and office sectors, listed on the ASX (such as the Industrial Fund);
- continue to manage New 360's suite of single real estate funds and aim to launch other unlisted funds/syndicates to meet continued demand for well-managed real estate funds with stable cash flows; and
- focus on recurring and sustainable fund management fees.

Integral to the funds management business is the co-investment strategy discussed below.

New 360 in FY14 is expected to receive \$4.7 million in responsible entity and other recurring fees. New 360 will be entitled to one-off fees of \$5.0 million from current funds/syndicates when they are due to expire/roll over.

Co-investments

A key part of New 360's business strategy and investment philosophy is to hold significant and meaningful equity co-investments in its managed funds, thereby investing alongside other investors in the funds it manages. The strategy of New 360 is to own between 10% and 20% of each managed fund not only aligning the manager with its fund investors but also optimising returns from deployed capital.

New 360 will have co-investments valued at \$90.9 million with ownership interests ranging from 8.7% to 58.9% in each managed fund. New 360's co-investments will initially consist of the following investments:

- \$33.2 million (58.9% interest) investment in the Diversified Fund, an umbrella fund currently managed by 360 Capital which predominantly owns interests in managed funds, the largest of which is the interest in the listed Industrial Fund;
- \$26.7 million (40.8% interest) direct and indirect co-investment in the 360 Capital 111 St George's Terrace Property Trust (ARSN 098 126 660) ("111 St George's Terrace"); and
- \$31.0 million of loans to managed co-investment vehicles, primarily comprising a \$27.5 million loan (Lawson Loan) to the Developments Income Fund, together with a 9.6% stake in that fund. This loan and direct co-investment are a key part of New 360's strategy to restructure and simplify the Developments Income Fund and Office Fund. Further details on the strategy of this investment and these two funds are set out below in Sections 3.3 and 3.8.

Direct real estate investments

Direct real estate assets valued at \$48.8 million consisting of the Australian Taxation Office building in Hurstville NSW ("ATO Building") and the industrial facility in Goulburn NSW ("Goulburn Asset"). In the short to medium term, New 360 will look to utilise its strong asset management capability to add value to these current direct investment assets through a re-leasing and renewal strategy and potentially redeploying the capital into higher returns through funds management activities and/or direct assets which will produce secure cash flow and greater risk adjusted returns.

As New 360 recycles its capital, the longer term strategy is for New 360 to maintain a level of ownership in real estate assets through its co-investments in managed funds.

3.3 Specific Key Initiatives and Growth Strategies

Listed and Potential Listed Funds

Industrial Fund

360 Capital currently has one A-REIT being the Industrial Fund which listed on the ASX in December 2012 and currently comprises 20 industrial assets and total assets of \$347.1 million. The Industrial Fund has raised approximately \$88 million in new equity since listing, which was used primarily to purchase two properties and provide stability to the fund's capital structure. The Industrial fund has a current market capitalisation of approximately \$194 million⁶. The business plan to acquire industrial property between \$15 million and \$40 million positions the fund well in a strong segment. The Industrial Fund is expected to be a key driver of New 360's funds management and co-investment earnings.

For illustrative purposes, if the Industrial Fund acquires \$100 million of assets, funds management income will increase by approximately \$0.6 million⁷.

Office Fund

The Office Fund owns two office assets valued at \$94.8 million in Burwood, NSW and Canberra, ACT. However the Office Fund currently has negative book equity of \$35.2 million and a complex capital structure.

The Office Fund's "capital stack" includes a senior loan from NAB of \$45.7 million (reflecting a LVR of 48.3%) and a mezzanine loan of \$76.9 million from the Developments Income Fund which is the sole asset of the Developments Income Fund.

The Developments Income Fund in turn has a \$27.5 million loan (Lawson Loan) which New 360 has agreed to acquire for \$22.5 million from Lawson Trust resulting in a pro forma fair value adjustment of \$5.0 million.

New 360's strategy is to use the Lawson Loan position in Developments Income Fund to propose a restructure of Developments Income Fund and the Office Fund. The restructure will require, among other things, the raising of new equity and the restructure of the debt arrangements within the Office Fund. As part of the restructure, and following on from the successful listing of the Industrial Fund, New 360 may list the Office Fund

on the ASX (Office Fund unitholders have previously approved a listing of the Fund by April 2014).

The Office Fund's future focus will then be to target to income focused office assets within Australian capital CBD's and suburban markets.

ATO Building

Currently owned by TGP, the ATO has a lease over the entire building expiring in February 2015. In FY14, the ATO Building at Hurstville is estimated to contribute \$6.8 million of net rental income representing 36% of expected total revenue for New 360. Under the lease, the ATO has an option to renew for five years to February 2020. The core focus in relation to this property is to renew the ATO lease and subsequently assess the "hold or sell" decision depending on lease terms agreed with the ATO. To date, TGP has made an offer to extend the lease for 10 years, and also provided an incentive to exercise the option early. Under the lease, the ATO must exercise the option to renew 12 months prior to the expiry of the lease term, which would see the ATO required to exercise its current option by February 2014.

One of the key requirements of Federal Government tenants is that the properties its departments occupy have a 4.5 star NABERS rating (energy and building efficiency rating). A capital expenditure program was undertaken to improve the building's energy efficiency to achieve a 4.5 star NABERS rating, which therefore meets ATO requirements.

Although leasing proposals have been provided to the ATO, it has not been in a position to agree to the extension due to the upcoming Federal election.

TGP believes there are reasonable prospects that the ATO will renew its lease over the property as the building:

- has a 5 star NABERS rating;
- accommodates 550 ATO staff in a location that has a large employment base and fits the Government's "decentralisation" policy;
- is well located near Hurstville train station;
- has received the relocation of the ATO library;
- meets the ATO's current accommodation requirements; and
- further, the lease proposals are at current market rents.

111 St George's Terrace – Management and Co-investment

- **Proactive re-leasing** – As at 30 June 2013, the property was 96.5% occupied. The property remains well tenanted with 60% of income leased to State and Federal Governments and there is an opportunity to capture reversionary rents following the expiry of the leases to the Bank of Queensland, Administrative Appeals Tribunal and Ministry of Justice in 2016. The leasing focus over FY14 will be the negotiation of leases to Hudson Global Resources (967sqm) and securing new tenants for space vacated by Australian Hearing Services (254sqm) and the Australian Electoral Commission (669sqm).

6. As at 19 August 2013.

7. Assuming the current responsible entity management fee charged by 360 Capital of 60 basis points per annum on gross asset value ("GAV") remains the same and there are no incremental responsible entity expenses.

111 St George's Terrace is significantly under rented with passing rent approximately 27% below market rent (\$10.0 million passing rent compared with \$12.7 million market rent).

- **Increasing income returns** – Reflecting the repositioning of the property and Perth office market conditions, capital management initiatives and the re-setting of the interest rate swap.

The FY14 distribution forecast to be 32.0cpu, representing a significant 18.5% increase over FY13.

- **Targeted capital expenditure** – The strategic focus of the property over the next 12 months will be the upgrades to the hydraulics in preparation for a rolling program to upgrade bathroom facilities and improve floor foyer presentations; installation of the condenser water loop and 10 year VAV replacements.
- **Capital management** – As at 30 June 2013, the trust was compliant with all loan covenants required under its debt facility and is currently documenting a loan extension to January 2017.

Unlisted Funds

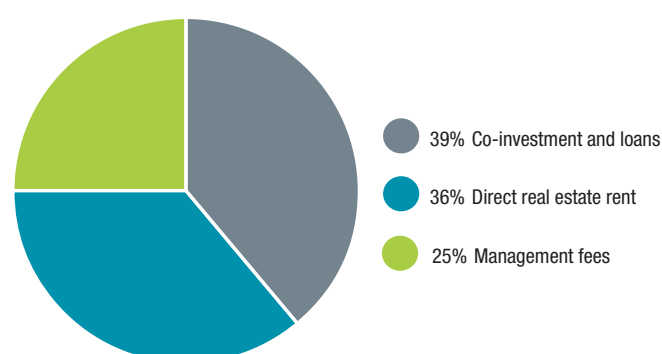
360 Capital currently has almost 6,000 investors across nine unlisted funds and trusts, of which five are single asset trusts which have performed well. 360 Capital has extended/rolled over each of these five single asset trusts with votes of in excess of 75% of the entire unit register in each case.

To date this pool of investors has not been approached with offers of new unlisted funds or trusts. It is proposed that one of the growth drivers for funds management for New 360 will be the establishment of new property syndicates and unlisted funds and trusts to capture market demand for real estate funds that demonstrate stable yield focused income and managed by aligned and experienced fund managers.

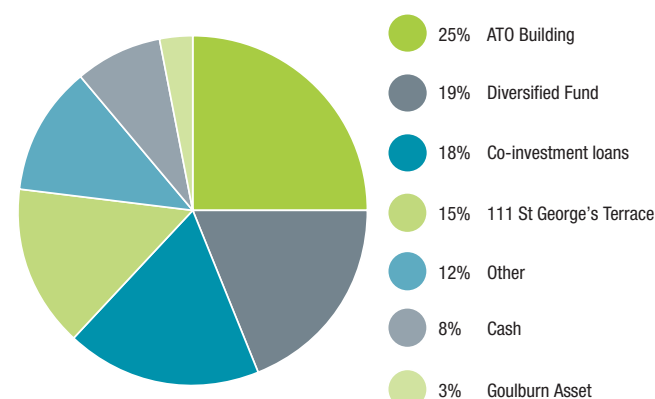
New 360 has not forecast any income from new funds management initiatives, including new real estate funds/syndicates; however this will be a key focus for New 360's growth strategy.

3.4 New 360 Revenue and Total Asset Snapshot

FY14 total revenue of \$19.0 million^{8,9}



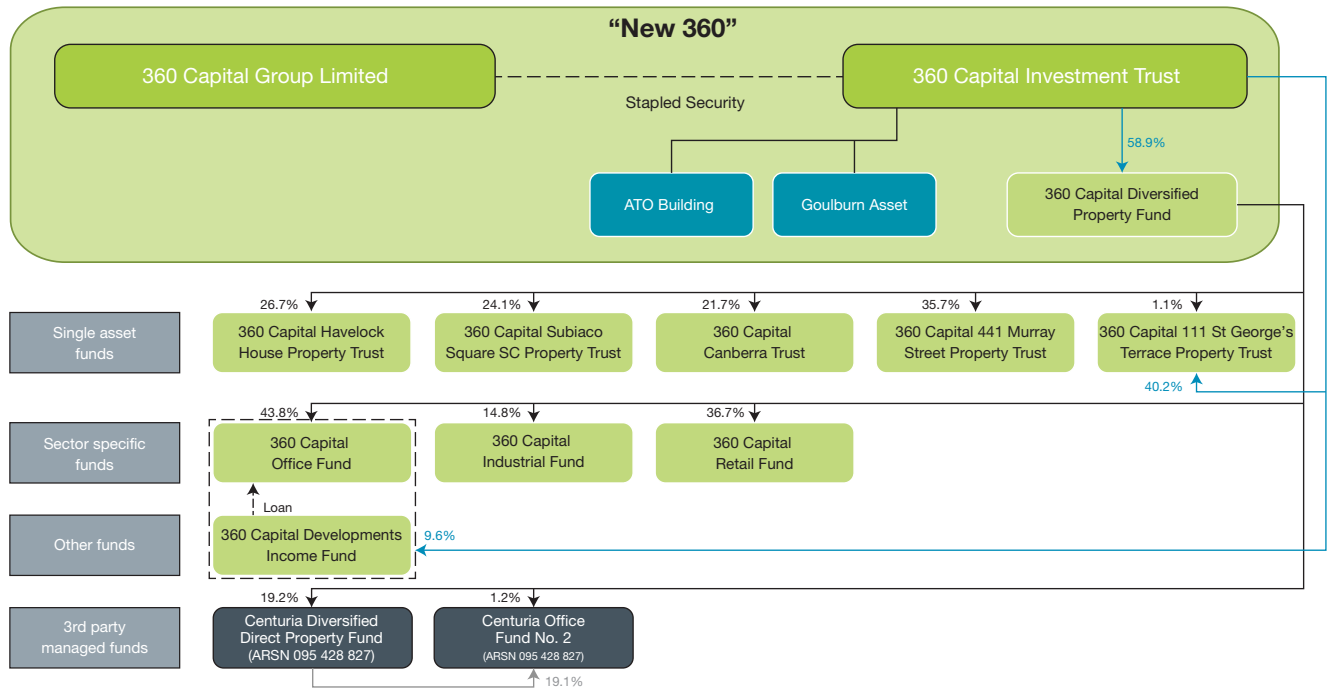
Pro forma total assets as at 31 May 2013 of \$174.7 million⁸



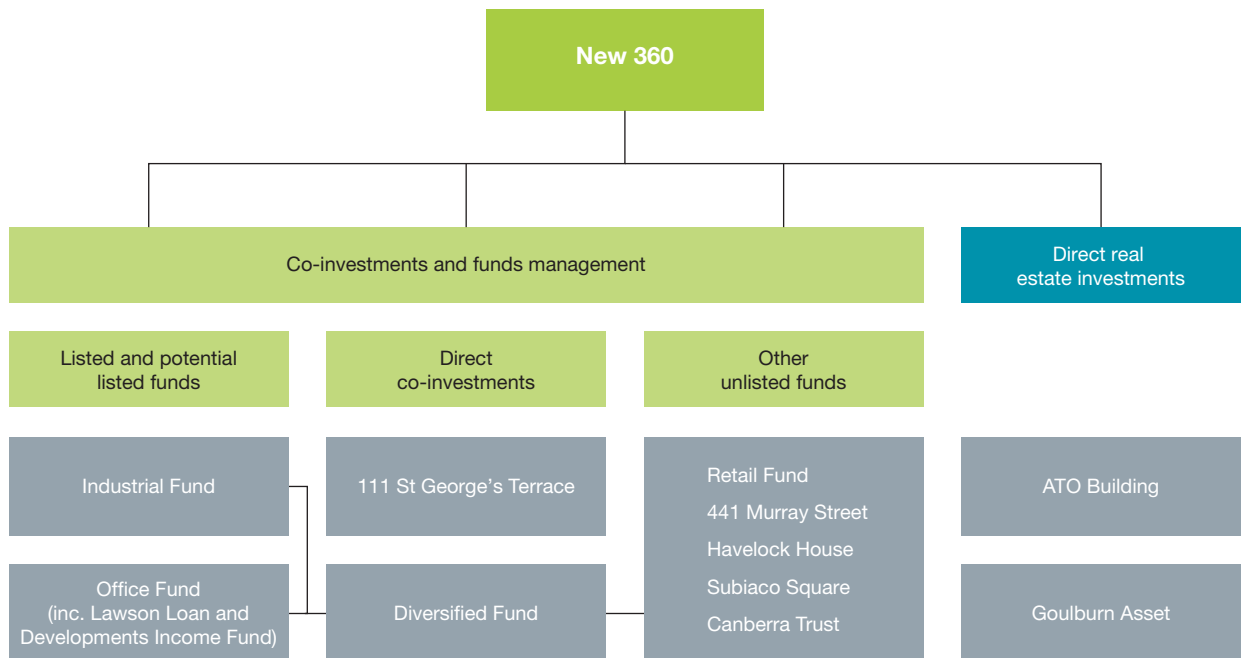
8. Figures adjusted to remove the effect of consolidating interests in Diversified Fund.

9. Adjusted to include the net rental income from the ATO Building.

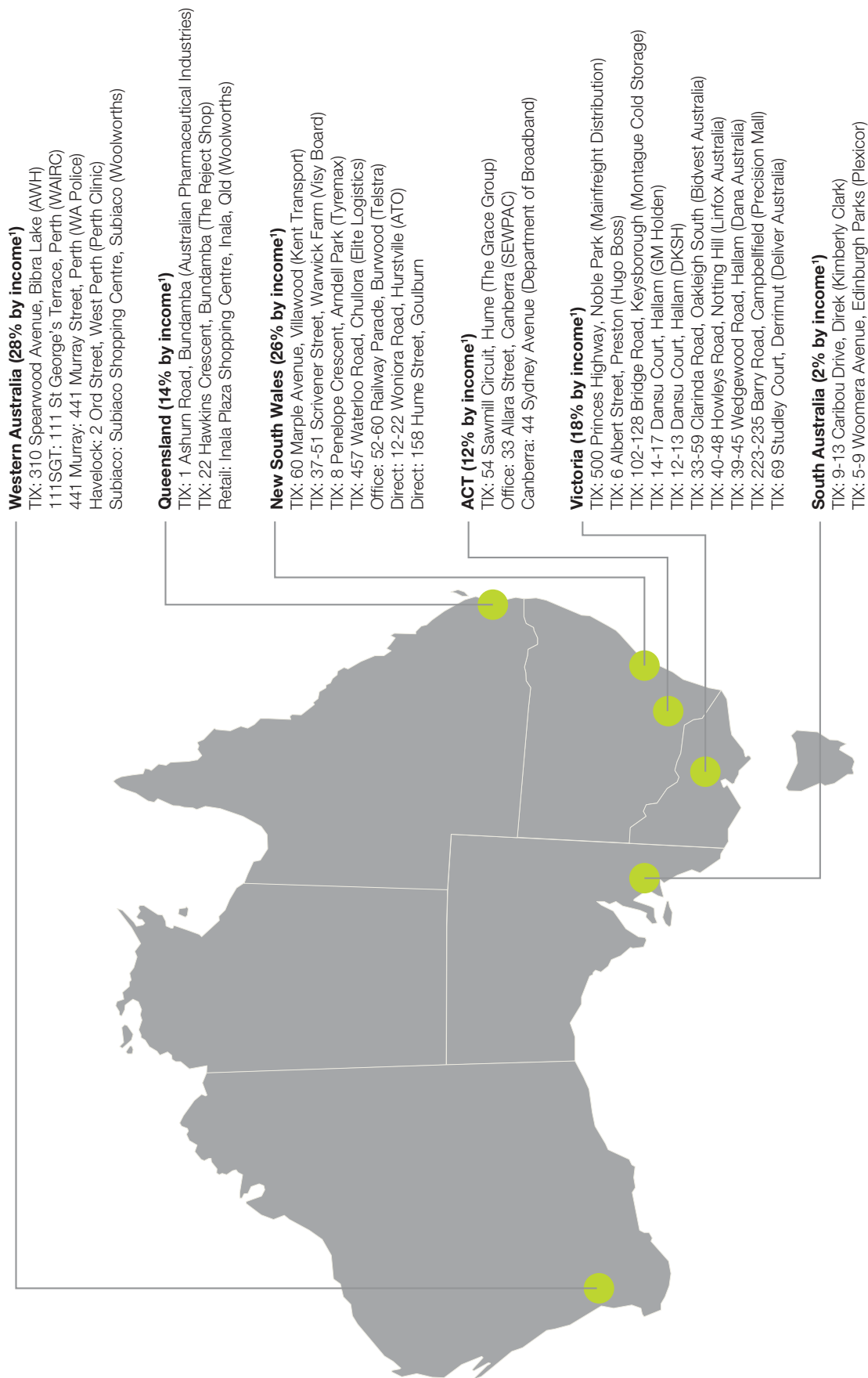
3.5 New 360 Group Structure



3.6 Summary of New 360's Investments



Well diversified \$764 million Real Estate Portfolio¹⁰



Note:
1. By gross passing income.

10. Total property value. For more information see Section 3.8.

3.7 Summary of New 360's Direct Investments and Managed Funds

Direct Investments	FY14 funds management fees ¹ (\$m)	FY14 look through investment income ² (\$m)	Combined revenue ³ (\$m)	% of total revenue	Look through ownership interest ⁴	Fund expiry	Fund LVR	Total assets at fair value (\$m)
ATO Building	–	6.8 ⁵	6.8	36.0%	100.0%	N/A	N/A	44.0
Strategic loans	–	3.3	3.3	17.2%	100.0%	N/A	N/A	31.0
111 St George's Terrace	0.9	2.3	3.2	16.6%	40.8%	Jan 17	47.0%	138.4
Goulburn Building	–	–	–	–	100.0%	N/A	N/A	4.8
Developments Income Fund	–	–	–	–	9.6%	Feb 83	53.7%	51.2
Diversified Fund	0.1 ⁶	See Managed Funds below	0.1	0.4%	58.9%	Open-ended	12.9%	70.3
Managed Funds								
Industrial Fund	2.2	1.1	3.3	17.3%	8.7%	Open-ended	46.9%	347.1
Office Fund	0.9	–	0.9	4.7%	25.8%	Apr 14	48.3%	98.7
441 Murray Street⁷	0.1	0.2	0.3	2.1%	21.0%	Oct 16	36.9%	26.9
Subiaco Square⁸	0.2	0.1	0.3	1.4%	14.2%	Dec 15	51.3%	27.7
Havelock House⁹	0.1	0.1	0.2	1.4%	15.7%	May 17	50.4%	22.7
Canberra Trust¹⁰	0.1	–	0.1	0.5%	12.8%	Jun 70 ¹¹	55.0% ¹²	42.0 ¹²
Retail Fund	0.1	–	0.1	0.5%	21.6%	Feb 14	59.0%	37.5
Other (externally managed)	–	0.4	0.4	1.9%	N/A	N/A	N/A	N/A
Total	4.7	14.3	19.0	100.0%				862.6¹³

Notes:

- Funds management fees consists of management and custodian fee revenue.
- Investment income consists of distributions, net real estate rent and interest income; distributions from managed funds are paid to the Diversified Fund and therefore the Investment Income figure corresponding to each managed fund (in the table above) represents its proportional contribution to the total distributions received by New 360 from its interest (58.9%) in the Diversified Fund
- Combined revenue is the sum of the funds management fees and investment income.
- Combined direct and indirect interest.
- Net rental income.
- Within the Diversified Fund, 360 Capital does not charge funds management fees on other 360 Capital managed funds.
- 360 Capital 441 Murray Street Property Trust (ARSN 097 139 207).
- 360 Capital Subiaco Square Shopping Centre Property Trust (ARSN 094 189 732).
- 360 Capital Havelock House Property Trust (ARSN 100 593 548).
- 360 Capital Canberra Trust (ARSN 105 380 685).
- February 2014 review event.
- On 14 August 2013, LVR increased to 58.6% following the adoption of a lower property valuation by the financier.
- Funds under management; excludes ATO Building, loans to managed funds and the Goulburn Asset.

3.8 Investments and Managed Funds Information

360 Capital 111 St George's Terrace Property Trust



Total Assets	\$138.4 million
LVR	47.0%
Fund Expiry	January 2017
New 360 Ownership	40.8%¹¹
NLA	19,040sqm
Occupancy	96.5%
WALE	5.3 years

Fund Description

The 111 St George's Terrace Property Trust was established in January 2002 to acquire and hold the property at 111 St George's Terrace, Perth, Western Australia (the Property). The Property has a net lettable area of 19,040sqm over 20 levels. The Property has recently undergone a \$9.7 million refurbishment of the ground floor including the creation of new retail outlets, upgrading of lifts and associated works. The capital expenditure program over the coming year includes further upgrades to plant and equipment in order to increase the property's NABERS rating and remain competitive in the market.

The Trust has a \$74.3 million finance facility with Bankwest, of which \$62.9 million has been drawn. The facility is due to expire in June 2016, and is currently compliant with all loan covenants required under the finance facility. This facility is currently being extended to January 2017. This debt is limited recourse to the Trust.

Under the management of 360 Capital, unitholders (including 360 Capital) in the Trust have benefited from increased distributions from 18.0cpu in FY11 to 32.0cpu forecast for FY14, and increased property value from \$105.0 million at the time of acquisition in December 2010 to \$136.0 million as at June 2013.

Fee Structure

New 360 is to receive a responsible entity fee equivalent to 6.0% of gross rental receipts per annum and a custodian fee for acting as custodian for the fund which in total for FY14 is forecast to be approximately \$0.9 million. 360 Capital is also entitled to an exit fee upon the sale of the property which on the present property value of \$136.0 million equates to approximately \$3.4 million.


Strategy/Outlook

- Proactive re-leasing** – As at 30 June 2013, the property was 96.5% occupied. The property remains well tenanted with a large portion (60%) of the property leased to State and Federal Governments and the opportunity to capture reversionary rents following the expiry of the leases to the Bank of Queensland, Administrative Appeals Tribunal and Ministry of Justice in 2016. The leasing focus over the next financial year will be the negotiation of leases to Hudson Global Resources (967sqm) and securing new tenants for areas vacated by Australian Hearing Services (254sqm) and the Australian Electoral Commission (669sqm).
 - 111 St George's Terrace is significantly under rented with passing rent approximately 21% below market rent based on the most recent independent valuation (\$10.0 million passing rent compared to \$12.7 million market rent).
- Increasing income returns** – The impact from the repositioning of the property and the imminent positive rental reversions, capital management initiatives and the re-setting of the interest rate swap is forecast to be realised over the next three years, with FY14 distribution forecast of 32.0cpu, representing a significant 18.5% increase over FY13. Further increases are expected as rental reversions are realised.
- Increasing capital returns** – Any additional net property income as a result of the reversion to market rents is expected to result in an increase and an increase in valuation of the property and an increase in value of New 360's share of the fund.
- Targeted capital expenditure** – The strategic focus of the property over the next 12 months will be the upgrades to the hydraulics in preparation for a rolling program to upgrade bathroom facilities and improve foyer presentations; installation of the condenser water loop and 10 year variable airconditioning volume (VAV) replacements.


11. Combined direct and indirect interest.

111 St George's Terrace Stack Plan


Level	Signage – 2016				
20	WA Government Annual 4% Reviews – 2024 expiry				
19	WA Government Annual 4% Reviews – 2024 expiry				
18	WA Government Annual 4% Reviews – 2024 expiry				
17	WA Government Annual 4% Reviews – 2024 expiry		WA Government Annual 4% Reviews – 2022 expiry		
16	WA Government Rent circa \$350 per sqm – 2016 expiry				
15	WA Government Rent circa \$350 per sqm – 2016 expiry				
14	WA Government Rent circa \$350 per sqm – 2016 expiry				
13	WA Government Annual 4% Reviews – 2022 expiry				
12		2015 expiry			
11		2017 expiry	2017 expiry	2016 expiry	
10	Hudson Global Resources Rent circa \$600 per sqm – 2014 expiry				
9	BOQ Rent circa \$320 per sqm – 2016 expiry				
8	BOQ Rent circa \$320 per sqm – 2016 expiry				
7	BOQ Rent circa \$320 per sqm – 2016 expiry				
6	WA Government Rent circa \$250 per sqm – 2015 expiry				
5	WA Government Rent circa \$250 per sqm – 2015 expiry			Vacant 254sqm	
4	Vacant 669sqm		WA Government Rent circa \$600 per sqm – 2014 expiry		
3	WA Government Rent circa \$600 per sqm – 2014 expiry				
2	CBA Rent circa \$500 per sqm – 2016 expiry				
1	2016 expiry	2018 expiry	2018 expiry	2019 expiry	2018 expiry
	78 CAR BAYS				



Solid cash flow from Government for 12 years, Fixed 4% reviews.



Substantially under-rented with 2016 reversions.



Substantially under-rented with 2016 reversions.

The summarised financial information audited by E&Y as the fund's auditors, is presented below:

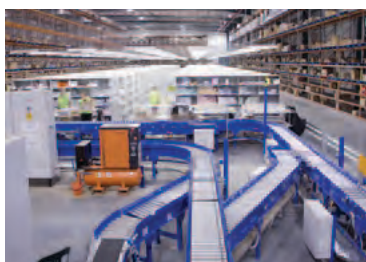
Balance Sheet	31 Dec 12 \$'000	30 Jun 12 \$'000
Cash and current assets	1,176	1,534
Properties at fair value	130,739	130,171
Other assets	5,656	5,836
Total assets	137,571	137,541
Interest bearing liabilities	61,791	53,549
Other liabilities	9,605	9,181
Total liabilities	71,396	62,730
Net assets	66,175	74,811
Units on issue ('000)	17,469	19,856
NTA per Unit	\$3.79	\$3.76

Profit and Loss	6 mths to 31 Dec 12 \$'000	12 mths to 30 Jun 12 \$'000
Property rental	6,815	13,190
Interest income	17	90
Net gain on derivative financial instruments	–	–
Total revenue	6,832	13,280
Direct property expenses	(2,092)	(3,362)
Responsible entity fees	(446)	(2,112)
Other expenses	(57)	(93)
Finance costs	(1,865)	(3,793)
Net loss on derivative financial instruments	(113)	(1,179)
Loss on termination of derivative financial instruments	–	(2,676)
Total costs	(4,573)	(13,215)
Net movement in property fair value	(95)	20,345
Net profit/(loss)	2,164	20,410
Net operating profit	2,801	5,269
Operating earnings (cpu)	14.37	26.49
Distributions (cpu)	13.25	26.00 ¹

Note:

1. Excludes special distribution of 2.60cpu.

360 Capital Industrial Fund



Total Assets	\$347.1 million
LVR	46.9%
Fund Expiry	ASX-listed
New 360 Ownership	8.7%¹²
No. of properties	20
NLA	353,722sqm
Occupancy	98.4%
WALE	5.1 years

Fund Description

The Industrial Fund was established in August 2002 to acquire and hold a portfolio of industrial properties. Members voted in favour of listing the fund in November 2012 and the fund subsequently began trading on the ASX in December 2012. The fund's portfolio is characterised by 20 core industrial properties in established industrial locations across all mainland Australian states with a WALE to 5.1 years.

The Industrial Fund has a gearing target of 40% to 50%. The fund has a \$180.0 million loan facility with NAB, currently drawn to \$160.4 million as at 30 June 2013. The Trust is currently compliant with all loan covenants. This debt is limited recourse to the fund.

Fee Structure

New 360 is entitled to receive a Management fee of 0.65% per annum of the gross asset value of the fund, payable monthly in arrears, however it has elected to reduce this fee to 0.60% of gross assets. The management fee along with a custodian fee for acting as custodian for the fund is forecast to total \$2.1 million for FY14.

Strategy/Outlook

- **Enhance portfolio quality** – The key longer term focus being to continually enhance the quality of the portfolio via active asset management and the opportunistic sale of underperforming and non-core properties.
- **Drive operational performance via active asset management and asset recycling** – Investment strategies are focused on generating income growth from contracted rental increases as well as active asset management initiatives including proactive re-leasing of pending expiry and selective asset sales, portfolio recycling and asset repositioning.
- **Generate capital growth by leveraging the cycle** – Industrial market metrics remain positive. The current level of supply of new industrial space should allow the fund to leverage to the improving valuation and rent cycle and capitalise on increased activity in investment markets.
- **Target suitable acquisitions in the \$15 million to \$40 million range** – The fund is targeting the acquisition of well-located, quality industrial facilities with strong lease covenants in the \$15 million to \$40 million price range. The fund believes this market segment is attractive given it is generally outside the investment range for private investors and yet not large enough for the larger A-REITs, thus providing value to purchasers that also have the experience to actively manage the asset.
- **Successful equity raisings** – As part of the fund's repositioning strategy, the fund has undertaken the following capital raisings:
 - On 26 March 2013, the fund announced the successful completion of a fully underwritten placement to institutional investors of new fully paid ordinary units to raise \$12.3 million and a fully underwritten 1-for-1.6 non-renounceable entitlement offer to eligible members to raise further gross proceeds of \$51.4 million. Proceeds were used to simplify the fund's balance sheet through the reduction of its borrowings, repaying \$34.4 million of senior debt and fully repaying the \$26.0 million of unsecured notes. As a result, the fund's LVR has reduced from 57.4% as at 31 December 2012 to 47.7% on a pro forma basis, thereby significantly increasing covenant headroom.
 - On 18 June 2013, the fund announced the successful completion of a fully underwritten placement to institutional investors of new fully paid ordinary units to raise \$24.3 million. Proceeds from the Institutional placement were used to acquire two high quality industrial properties for a combined purchase price of \$37.2 million.
- **Earnings and Distribution Upgrade** – Due to the continuing improvement to the fund's underlying property fundamentals and cash flow and the recent capital management initiatives, (where a reduction in the fund's interest rate margin was negotiated saving the fund approximately \$1.1 million to \$1.3 million per annum). FY14 distribution guidance of 18.6cpu has been provided, an increase of 3.3% compared to FY13 distribution per unit of 18.0cpu.

12. Indirect interest.

The summarised financial information audited by E&Y as the fund's auditors, is presented below:

	30 Jun 13 \$'000	30 Jun 12 \$'000
Balance Sheet		
Cash and current assets	4,820	2,977
Properties at fair value	340,700	291,781
Other assets	1,680	54,994
Total assets	347,128	349,752
Interest bearing liabilities	158,442	239,346
Other liabilities	7,535	18,191
Total liabilities	165,977	257,537
Net assets	181,151	92,215
Units on issue ('000)	93,652,435 ¹	180,554
NTA per Unit	\$1.95 ¹	\$0.51
	30 Jun 13 \$'000	12 mths to 30 Jun 12 \$'000
Profit and Loss		
Property rental	34,937	32,595
Other income	–	–
Interest income	233	169
Net gain on derivative financial instruments	626	–
Write off of initial and deferred establishment fees	7,100	–
Total revenue	42,896	32,764
Direct property expenses	(7,158)	(7,160)
Responsible entity fees	(2,243)	(5,509)
Other expenses	(2,694)	(2,191)
Finance costs	(17,234)	(12,665)
Net loss on derivative financial instruments	–	(5,850)
Profit/(Loss) on sale of properties	(923)	(507)
Total costs	(30,252)	(33,882)
Net movement in property fair values	992	(10,081)
Net profit/(loss)	13,636	(11,199)
Net operating profit	11,091	9,698
Operating earnings (cpu)	21.48 ¹	5.37
Distributions (cpu)	18.0 ¹	4.00

1. Post unit consolidation.

Property	State	NLA	June 13 Valuation	Cap Rate	Occupancy	WALE
60 Marple Ave, Villawood	NSW	18,529	18,700,000	9.50%	100.0%	3.5
8 Penelope Cres, Arndell Park	NSW	11,423	14,100,000	8.50%	100.0%	2.9
37-51 Scrivener St, Warwick Farm	NSW	27,599	20,900,000	9.75%	100.0%	5.0
457 Waterloo Road, Chullora	NSW	16,051	17,300,000	9.25%	100.0%	9.7
54 Sawmill Circuit, Hume	ACT	5,684	8,900,000	8.50%	100.0%	5.1
22 Hawkins Crescent, Bundamba	QLD	18,956	34,200,000	8.25%	100.0%	11.4
1 Ashburn Road, Bundamba	QLD	26,628	30,700,000	8.50%	100.0%	6.6
5-9 Woomera Ave, Edinburgh Parks	SA	10,580	5,000,000	10.50%	100.0%	0.2
9-13 Caribou Drive, Direk	SA	7,023	9,200,000	8.75%	100.0%	6.3
12-13 Dansu Ct, Hallam	VIC	11,542	11,350,000	8.75%	100.0%	2.9
14-17 Dansu Ct, Hallam	VIC	17,070	14,600,000	8.75%	100.0%	1.0
39-45 Wedgewood Rd, Hallam	VIC	10,631	8,350,000	9.00%	100.0%	1.9
6 Albert St, Preston	VIC	20,517	17,000,000	10.00%	90.9%	4.9
102-128 Bridge Rd, Keysborough	VIC	24,617	22,000,000	9.25%	100.0%	3.8
33-59 Clarinda Rd, South Oakleigh	VIC	10,774	10,100,000	9.25%	100.0%	2.5
223-235 Barry Rd, Campbellfield	VIC	11,092	5,000,000	10.00%	69.0%	2.9
40-48 Howleys Rd, Notting Hill	VIC	11,053	9,300,000	8.75%	100.0%	0.5
500 Princes Hwy, Noble Park	VIC	13,714	19,000,000	9.25%	96.9%	2.7
69 Studley Court, Derrimut	VIC	20,731	20,000,000	8.00%	100.0%	10.3
310 Spearwood Ave, Bibra Lake	WA	59,508	45,000,000	8.67%	100.0%	5.5
Total		353,722	340,700,000	8.93%	98.4%	5.1

ATO Building



Valuation	\$44.0 million
New 360 Ownership	100%
Lease expiry	February 2015
Tenant	Australian Taxation Office
NLA	14,700sqm
Occupancy	100%
WALE	1.7 years

Property Description

12-22 Woniara Road Hurstville NSW – The property is an A-grade commercial office building located in Hurstville approximately 50 metres from the railway station. Hurstville is a regional metropolitan centre in the middle of Sydney's South Western suburbs approximately 20 kilometres from Sydney's CBD. The office building was built in 1994 and includes a ground floor and five upper levels of office accommodation. Parking is provided over three basement levels.

Summary

Area: NLA is 14,700sqm plus 100 car spaces
 Ownership: 100% freehold
 Tenant: Fully leased to the Australian Taxation Office (ATO) until February 2015 with 3% fixed annual increases and 2 x 5 year options.

New 360 believes there are reasonable prospects that the ATO will remain in the property as the building:

- has a 5 star NABERS rating;
- accommodates 550 ATO staff in a location that has a large employment base and fits the Government's "decentralisation" policy;
- is well located near Hurstville train station;
- has received the relocation of the ATO library;
- meets its current accommodation requirements; and
- further, the lease proposals are at current market rents.

Strategy/Outlook

The ATO has a lease over the entire building, expiring in February 2015. In FY14, the ATO Building is estimated to contribute \$6.8 million of net rental income or 36% to total revenue in New 360. Under the lease, the ATO has an option to extend for five years from February 2015 to February 2020. A capital expenditure program was undertaken to improve the building's energy efficiency to achieve a 5 star NABERS rating. The core focus in relation to this property is to renew the ATO lease and subsequently assess the "hold or sell" decision depending on lease terms agreed with the ATO. To date, TGP has made an offer to extend the lease for 10 years, and also provided an incentive to exercise the option early. Under the lease, the ATO must exercise any option to extend 12 months prior to the expiry of the lease term, which would see the ATO required to exercise its current option by February 2014.

One of the key requirements of Federal Government tenants is the properties they occupy have a 5 star NABERS rating (energy and building efficiency rating). The ATO Building has a 5 star NABERS rating and therefore meets ATO requirements.

The ATO engages tenant representatives to negotiate its tenancy requirements and although leasing proposals have been provided to the ATO, it has not been in a position to agree to these offers to renew given the upcoming Federal election.

360 Capital Office Fund



Total Assets Value	\$98.7 million
LVR	48.3%
Fund Expiry	April 2014
New 360 Ownership	25.8%¹³
No. of properties	2
NLA	25,863sqm
Occupancy	99.4%
WALE	2.3 years

Fund Description

The Office Fund was established in November 2003 to acquire and hold a portfolio of office buildings. The fund has two assets, being 52-60 Railway Parade, Burwood, NSW and 33 Allara Street, Canberra, ACT.

The Office Fund had a net asset position of \$(0.18) per unit as at 31 December 2012. The fund currently has two loans in place, being a \$45.7 million senior debt facility with NAB and a \$76.9 million subordinated debt facility with the Developments Income Fund. Both debt facilities are limited recourse to the fund.

Fee Structure

New 360 is to receive a responsible entity fee equivalent to 6.0% of gross rental receipts per annum and a custodian fee for acting as custodian for the fund which in total for FY14 is forecast to be approximately \$0.9 million. New 360 is also entitled to an exit fee equating to approximately \$3.9 million which New 360 has fully provisioned against.

Tenants

The fund's tenants are predominantly national or Government based providing strong lease covenants.

Strategy/Outlook

- **Asset sales** – Since 360 Capital took over management of the fund in December 2010 the fund has sold nine investments totalling \$200 million and retired a portion of the fund's debt to reduce gearing levels in order to restructure the fund.
- **Capital management** – The fund currently has a senior debt facility with NAB for \$45.7 million expiring in December 2014. An interest rate hedge is in place until December 2013 over \$35.0 million of borrowings to fix the interest expense for the fund, with the residual debt remaining unhedged. The fund is now compliant with LVR and ICR covenants within its NAB finance facility.

Developments Income Fund Loan

The Office Fund has a loan from Developments Income Fund on balance sheet at \$76.9 million. This loan results in the Office Fund negative NTA position.

360 Capital Group holds a 9.6% investment in Developments Income Fund at nil value; however upon a successful restructure, significant value may be created for New 360.

Listing Strategy

Similar to the successful strategy resulting in the listing of the Industrial Fund, New 360 may seek to list the Office Fund on the ASX prior to April 2014. The Office Fund is currently unlisted with \$94.8 million in two office buildings, however is excessively leveraged and requires a capital restructure.

The Office Fund's "capital stack" includes a senior loan from NAB of \$45.7 million (reflecting a LVR of 48.3%) and a mezzanine loan of \$76.9 million from the Developments Income Fund which is the sole asset of the Developments Income Fund.

The Developments Income Fund in turn has a \$27.5 million loan (Lawson Loan) which New 360 has agreed to acquire for \$22.5 million from Lawson Trust (MSREF/Blackstone).

New 360's strategy is to use the Lawson Loan position in Developments Income Fund to propose a debt restructure of Developments Income Fund and the Office Fund. The restructure will require, among other things, the raising of new equity and the restructure of the debt arrangements within the Office Fund. As part of the restructure, and following on from the successful listing of the Industrial Fund, New 360 may list the Office Fund on the ASX (Office Fund unitholders have previously approved a listing of the Fund by April 2014). The Office Fund's future focus will then be to add value to income focused office assets within Australian capital cities and suburban markets.

New 360 has previously undertaken complex restructuring strategies to other managed funds. Returns have justified the complexity of such transactions and New 360 believes this will be the case with the Office Fund.

¹³. Indirect interest.

The summarised financial information audited by E&Y as the fund's auditors, is presented below:

Balance Sheet		31 Dec 12 \$'000	30 Jun 12 \$'000
Cash and current assets		2,948	3,090
Properties at fair value		93,156	90,978
Other assets		1,451	1,783
Total assets		97,555	95,851
Interest bearing liabilities		122,295	122,520
Other liabilities		11,430	15,969
Total liabilities		133,725	138,489
Net assets/(liabilities)		(36,170)	(42,638)
Units on issue ('000)		198,986	198,986
NTA per Unit		\$(0.18)	\$(0.21)

Profit and Loss		6 mths to 31 Dec 12 \$'000	12 mths to 30 Jun 12 \$'000
Property rental		5,416	15,220
Interest income		62	81
Other income		–	972
Net foreign exchange gain/(loss)		–	–
Net gain on derivative financial instruments		25	3959
Total revenue		5,503	20,232
Direct property expenses		(913)	(4,275)
Responsible entity fees		(393)	(701)
Other expenses		(134)	(579)
Finance costs		(4,633)	(16,951)
Forgiveness of surrender payment		4,954	–
Loss on termination of financial instrument		–	(5,353)
Loss on sale of properties		–	(10,524)
Net loss on financial assets held at fair value through profit or loss		–	(965)
Total costs		(1,119)	(39,348)
Net movement in property fair values		2,084	11,223
Net profit/(loss)		6,468	(7,893)
Net operating profit		2,766	3,751
Operating earnings (cpu)		0.01	1.88
Distributions (cpu)		–	–

Property	State	NLA	Jun 13 Val	Cap Rate	Occupancy	WALE
33 Allara St, Canberra	ACT	9,900	34,500,000	10.75%	100.0%	2.8
52-60 Railway Pde, Burwood	NSW	15,963	60,300,000	9.75%	99.1%	2.0

360 Capital Diversified Property Fund



Total Assets	\$70.3 million
LVR	12.9%
Fund Expiry	Open-ended
New 360 Ownership	58.9%

Fund Description

The Diversified Fund was established in February 2006. It is an open-ended fund (although currently closed for reinvestment and redemptions) with a core focus of ensuring the strategies within the underlying funds and trusts that form the fund's investment portfolio are implemented. The Diversified Fund has total assets with investments in eight funds to be managed by New 360 and two funds managed by Centuria Property Funds.

The Diversified Property Fund has \$8.0 million in outstanding debt from a short-term financier. This loan will be partly repaid from the net proceeds of the sale of the remaining asset of the Retail Fund and subsequently refinanced from New 360's working capital. The maturity of the debt was extended to December 2013 and the fund is compliant with all debt covenants on the facility. This debt is limited recourse to the fund.

Fee Structure

New 360 is to receive a responsible entity fee equivalent to 0.65% of gross assets (excluding 360 managed funds) per annum for the fund which in total for FY14 is forecast to be approximately \$0.1 million.

Strategy/Outlook

New 360's core focus as manager will be to implement the strategies within the underlying funds and trusts it manages in the Diversified fund's investment portfolio. Given the fund is a significant unitholder in its underlying investments, the

implementation of these strategies is expected to directly benefit the performance of the fund. Fund performance is also enhanced by simplifying fund activities and structures and implementing other cost saving initiatives.

The fund is currently exploring the options available to unitholders to provide liquidity to unitholders wishing to exit their investment.

In summary, the main initiatives for the fund going forward are:

- **Closely monitor underlying investment performance** – Initiatives are currently being implemented in the fund's underlying investments which will have a flow-through effect to the fund, including recommencement and increased distributions.
- **Maintained distributions** – FY14 forecast distributions for the fund are expected to be at 1.60cpu, in line with FY13 distributions.
- **Reduce fund expenses** – The fund is currently on a number of wrap platforms, incurring considerable expense. Given the fund is closed for redemptions and applications, New 360 will review the benefit in remaining on the wrap platforms.

Non-360 managed fund details	Centuria Diversified Direct Property Fund	Centuria Office Fund 2
Description	The fund owns six office and retail properties spread across Australia valued at between \$5 million and \$51 million. The largest single asset is Burwood Plaza, a shopping centre in Sydney's inner west. There will be a vote on extending the term of the fund in December 2013.	The fund owns two office assets located in Qld and Vic valued at \$62 million and \$31 million respectively. There will be a vote on extending the term of the fund in December 2013.
Number of properties	6	2
Property Valuation	\$118.3 million	\$93.1 million
Borrowings	\$50.3 million	\$46.6 million
LVR	42.5%	50.0%
Occupancy	98.5%	93.9%
WALE	3.1 years	3.2 years

The summarised financial information audited by E&Y as the fund's auditors, is presented below:

Balance Sheet	31 Dec 12 \$'000	30 Jun 12 \$'000
Cash and current assets	1,213	864
Financial investments at fair value	62,135	62,446
Other assets	854	570
Total assets	64,202	63,880
Interest bearing liabilities	9,147	8,840
Other liabilities	1,174	1,032
Total liabilities	10,321	9,872
Net assets	53,881	54,008
Units on issue ('000)	206,518	206,523
NTA per Unit	\$0.26	\$0.26

Profit and Loss	6 mths to 31 Dec 12 \$'000	12 mths to 30 Jun 12 \$'000
Interest income	15	24
Trust distributions	2585	3796
Other income	–	560
Net gain on financial assets held at fair value through profit or loss	–	–
Total revenue	2,600	4,380
Responsible entity fees	(120)	(248)
Other expenses	(123)	(137)
Finance costs	(812)	(95)
Net loss on sale of financial assets held at fair value through profit or loss	–	(4)
Net loss on financial assets held at fair value through profit or loss	(18)	(7,064)
Total costs	(1,073)	(7,548)
Net profit/(loss)	1,527	(3,168)
Net operating profit	1,855	3,900
Operating earnings (cpu)	0.90	1.89
Distributions (cpu)	0.80	1.60

Investment Portfolio

Investment	Diversified Fund holding¹ (%)	Managed by 360 Capital	Book value at 31 Dec 2012 (\$m)	Effective 360 Capital holding (%)
Office Fund	43.8%	Yes	0.0	25.8%
Industrial Fund	14.8%	Yes	13.9	8.7%
Industrial Fund unsecured notes ²	NA	NA	9.5	NA
Retail Fund	36.7%	Yes	5.6	21.6%
441 Murray Street	35.7%	Yes	6.1	21.0%
Havelock House	26.7%	Yes	2.6	15.7%
Subiaco Square	24.1%	Yes	3.1	14.2%
111 St George's Terrace	1.1%	Yes	0.7	40.8%
Canberra Trust	21.7%	Yes	4.0	12.8%
Centuria Diversified Direct Property Fund	19.2%	No	16.0	11.3%
Centuria Office Fund 2	1.2%	No	0.7	0.7%
Total value of investments			62.1	

1. As at 31 December 2012.

2. Unsecured notes were repaid in March 2013.

360 Capital Retail Fund



Total Assets	\$37.5 million
LVR	59.0%
Fund Expiry	February 2014
New 360 Ownership	21.6%¹⁴
No. of properties	1
NLA	16,499sqm
Occupancy	98.7%
WALE	4.0 years

Overview

The Retail Fund was established in January 2004 to purchase an initial portfolio of 11 retail properties. Impacted by the GFC, an asset sale program was required to stabilise the fund (four assets were sold totalling \$48.1 million) and reduce gearing levels. The Retail Fund now has one remaining asset, being Inala Plaza Shopping Centre in Queensland. The responsible entity has entered into a conditional contract with a potential purchaser for the remaining asset of the fund and the fund is forecast to be liquidated during FY14. On the sale of this property the fund will be wound up with all surplus funds after the repayment of debt and other creditors returned to unitholders.

Strategy/Outlook

The fund is to be wound up with Inala Plaza Shopping Centre to be sold and residual capital is expected to be returned to unitholders in FY14.

Fee Structure

New 360 is to receive a responsible entity fee equivalent to 6.0% of gross rental receipts per annum and a custodian fee for acting as custodian for the fund which in total for FY14 is forecast to be approximately \$0.1 million on the expectation the fund is wound up by February 2014.

14. Indirect interest.

The summarised financial information audited by E&Y as the fund's auditors, is presented below:

	31 Dec 12 \$'000	30 Jun 12 \$'000
Balance Sheet		
Cash and current assets	1,441	3,338
Properties at fair value	35,280	35,282
Other assets	1,149	930
Total assets	37,870	39,550
Interest bearing liabilities	21,036	20,927
Other liabilities	1,658	3,215
Total liabilities	22,694	24,142
Net assets	15,176	15,408
Units on issue ('000)	98,168	98,168
NTA per Unit	\$0.15	\$0.16

	6 mths to 31 Dec 12 \$'000	12 mths to 30 Jun 12 \$'000
Profit and Loss		
Property rental	3,153	9,012
Interest income	12	298
Other income	–	5
Net (loss)/gain on derivative financial instruments	(30)	(14)
Total revenue	3,135	9,301
Direct property expenses	(1,472)	(4,144)
Responsible entity fees	(226)	(586)
Other expenses	(152)	(273)
Finance costs	(844)	(1,534)
Loss on sale of properties	(21)	(3,973)
Total costs	(2,715)	(10,510)
Net movement in property fair values	(161)	867
Net profit/(loss)	259	(342)
Net operating profit	607	3,201
Operating earnings (cpu)	0.62	3.26
Distributions (cpu)	0.50	–

360 Capital 441 Murray Street Property Trust



Total Assets	\$26.9 million
LVR	36.9%
Fund Expiry	October 2016
New 360 Ownership	21.0%¹⁵
NLA	5,941sqm
Occupancy	100%
WALE	3.4 years

Overview

The 441 Murray Street trust was established in August 2001 to acquire and hold the property at 441 Murray Street, Perth WA for a period of 10 years. The property is a B-grade building with an NLA of 5,941sqm. In April 2011, unitholders approved the extension of the trust to October 2016.

The Minister for Works (WA Police) is the sole tenant of the property, with the lease expiring in December 2016. The trust has a \$13 million senior debt facility with Bankwest, of which \$9.7 million has currently been drawn. The facility expires in October 2014 with the undrawn component of the finance facility to be used to fund ongoing capital expenditure of the property.

The trust is currently compliant with all loan covenants. This debt is limited recourse to the trust.

Strategy/Outlook

Effective property management and co-ordination of capital expenditure initiatives remain central to the trust's strategic objective of retaining its Government tenancy (WA Police) prior to the December 2016 lease expiry.

Fee Structure

New 360 is to receive a responsible entity fee equivalent to 5.0% of gross rental receipts per annum and a custodian fee for acting as custodian for the trust which in total for FY14 is forecast to be approximately \$0.2 million. New 360 is also entitled to an exit fee upon the sale of the property which currently equates to approximately \$0.7 million.

15. Indirect interest.

The summarised financial information audited by E&Y as the trust's auditors, is presented below:

	31 Dec 12 \$'000	30 Jun 12 \$'000
Balance Sheet		
Cash and current assets	1,294	1,189
Properties at fair value	25,798	25,549
Other assets	807	1,074
Total assets	27,899	27,812
Interest bearing liabilities	9,391	9,361
Other liabilities	1,538	1,526
Total liabilities	10,929	10,887
Net assets	16,970	16,925
Units on issue ('000)	5,203	5,203
NTA per Unit	\$3.26	\$3.25

	6 mths to 31 Dec 12 \$'000	12 mths to 30 Jun 12 \$'000
Profit and Loss		
Property rental	1,414	2,831
Interest income	15	42
Net gain on derivative financial instruments	–	–
Total revenue	1,429	2,873
Direct property expenses	(316)	(559)
Responsible entity fees	(82)	(305)
Other expenses	(34)	(75)
Finance costs	(339)	(626)
Net loss on derivative financial instruments	(19)	(114)
Gain/(loss) on termination of derivative financial instruments	–	(28)
Total costs	(790)	(1,707)
Net movement in property fair values	82	(72)
Net profit/(loss)	721	1,094
Net operating profit	778	1,482
Operating earnings (cpu)	14.94	28.49
Distributions (cpu)	13.00	25.00

360 Capital Havelock House Property Trust



Total Assets	\$22.7 million
LVR	50.4%
Fund Expiry	May 2017
New 360 Ownership	15.7%¹⁶
NLA	4,856sqm
Occupancy	100%
WALE	14.6 years

Overview

The Havelock House trust was established in July 2002 to acquire and hold property known as 29 Havelock Street and 2 Ord Street, West Perth (collectively the Property) for a period of 10 years. The Property comprises a 98 bed hospital, a three level office building and a mixture of other office, group therapy and communal rooms spread over a net lettable area of 4,856sqm. In April 2013, unitholders approved a proposal to extend the term of the trust to May 2017 in order to maximise the value of their investment.

The sole tenant is Perth Clinic Pty Ltd and the lease is set to expire in January 2028. The trust recently entered into a new three year debt facility for \$13 million which is currently drawn to \$10.4 million with NAB. The facility expires in April 2016 and is currently

compliant with all loan covenants. This debt is limited recourse to the trust.

Strategy

After entering into a new lease with Perth Clinic and securing a new NAB debt facility, unitholders approved an extension of the trust term to May 2017. With this recent leasing and refinancing success income distributions have been reinstated at 9.50cpu for FY14.

Fee Structure

New 360 is to receive a responsible entity fee equivalent to 6.0% of gross rental receipts per annum and a custodian fee for acting as custodian for the trust which in total for FY14 is forecast to be approximately \$0.1 million. New 360 is also entitled to an exit fee upon the sale of the property which currently equates to approximately \$0.1 million.

¹⁶. Indirect interest.

The summarised financial information audited by E&Y as the trust's auditors, is presented below:

Balance Sheet	31 Dec 12 \$'000	30 Jun 12 \$'000
Cash and current assets	331	922
Properties at fair value	20,650	23,000
Other assets	127	87
Total assets	21,108	24,009
Interest bearing liabilities	10,882	11,999
Other liabilities	401	309
Total liabilities	11,283	12,308
Net assets	9,825	11,701
Units on issue ('000)	9,200	9,200
NTA per Unit	\$1.07	\$1.27

Profit and Loss	6 mths to 31 Dec 12 \$'000	12 mths to 30 Jun 12 \$'000
Property rental	1,335	2,646
Interest income	11	38
Net gain on derivative financial instruments	–	161
Total revenue	1,346	2,845
Direct property expenses	(273)	(492)
Responsible entity fees	(66)	(189)
Other expenses	(40)	(76)
Finance costs	(466)	(818)
Total costs	(845)	(1,575)
Net movement in property fair values	(2,377)	474
Net profit/(loss)	(1,876)	1,744
Net operating profit	573	1,134
Operating earnings (cpu)	6.23	12.32
Distributions (cpu)	–	9.40

360 Capital Subiaco Square Shopping Centre Property Trust



Total Assets	\$27.7 million
LVR	51.3%
Fund Expiry	December 2015
New 360 Ownership	14.2%¹⁷
NLA	6,481sqm
Occupancy	95.9%
WALE	6.5 years

Overview

The Subiaco Square trust was established in October 2000 to acquire and hold the Subiaco Square Shopping Centre, Subiaco, Perth WA. In November 2011, unitholders voted in favour of extending the term of the trust by four years to December 2015. The Centre comprises a modern neighbourhood shopping centre with an NLA of 6,481sqm. Woolworths is the top tenant by gross income, contributing some 41.8% of gross income of the trust with a lease expiry of November 2024.

The Subiaco Square trust has a \$14.5 million senior debt facility with Bankwest, of which \$13.7 million has currently been drawn down. The facility expires in December 2014 and is currently compliant with all loan covenants. This debt is limited recourse to the Trust.

Strategy/Outlook

Improving tenancy mix through capital expenditure initiatives and attracting long-term, service-based retail, such as a medical centre, remains a key objective in order to ensure the centre remains competitive and relevant to its community.

Fee Structure

New 360 is to receive a responsible entity fee equivalent to 5.0% of gross rental receipts per annum and a custodian fee for acting as custodian for the trust which in total for FY14 is forecast to be approximately \$0.2 million. New 360 is also entitled to an exit fee upon the sale of the property which currently equates to approximately \$0.7 million.

17. Indirect interest.

The summarised financial information audited by E&Y as the trust's auditors, is presented below:

	31 Dec 12 \$'000	30 Jun 12 \$'000
Balance Sheet		
Cash and current assets	860	923
Properties at fair value	26,469	26,451
Other assets	352	340
Total assets	27,681	27,714
Interest bearing liabilities	13,438	13,416
Other liabilities	1,378	1,352
Total liabilities	14,816	14,768
Net assets	12,865	12,946
Units on issue ('000)	8,400	8,400
NTA per Unit	\$1.53	\$1.54

	6 mths to 31 Dec 12 \$'000	12 mths to 30 Jun 12 \$'000
Profit and Loss		
Property rental	1,657	3,445
Interest income	12	39
Total revenue	1,669	3,484
Direct property expenses	(728)	(1,409)
Responsible entity fees	(90)	(202)
Other expenses	(59)	(139)
Finance costs	(449)	(931)
Net loss on derivative financial instruments	(25)	(281)
Total costs	(1,351)	(2,962)
Net movement in property fair values	(63)	6
Net profit/(loss)	255	528
Net operating profit	383	889
Operating earnings (cpu)	4.56	10.59
Distributions (cpu)	4.00	8.00

360 Capital Canberra Trust



Total Assets	\$42.0 million
LVR	55.0%¹⁸
Fund Expiry	June 2070¹⁹
Ownership	12.8%²⁰
NLA	10,003sqm
Occupancy	64.9%
WALE	0.8 years

Overview

The Canberra Trust was established in September 2003. The sole property of the Trust is 44 Sydney Avenue, Canberra which consists of a modern A-grade commercial building constructed in 2003. On 24 August 2011, unitholders approved the extension of the property sale window and a review is required every three years.

PwC (36.5% of FY13 trust income) vacated the premises at the expiry of its lease in July 2013. To date, leasing activity in the Canberra market has been poor in light of Federal Government

18. On 14 August 2013, LVR increased to 58.6% following the adoption of a lower property valuation by the financier.

19. February 2014 review event.

20. Indirect interest.

budget cuts, the oversupply of office space and the forthcoming Federal election.

Strategy/Outlook

The key strategic focus remains upgrading the property to a 4.5 NABERS rating. The upgrade in energy efficiency is considered critical and essential in order to retain existing tenants at the property and reposition the asset to maximise leasing potential to new tenants.

Fee Structure

New 360 is to receive a responsible entity fee equivalent to 3.0% of gross rental receipts per annum and a custodian fee for acting as custodian for the trust which in total for FY14 is forecast to be approximately \$0.1 million.

The summarised financial information audited by E&Y as the trust's auditors, is presented below:

Balance Sheet	31 Dec 12 \$'000	30 Jun 12 \$'000
Cash and current assets	1,513	2,726
Properties at fair value	39,603	39,605
Other assets	436	452
Total assets	41,552	42,783
Interest bearing liabilities	21,741	23,021
Other liabilities	1,332	1,528
Total liabilities	23,073	24,549
Net assets	18,479	18,234
Units on issue ('000)	20,500	20,500
NTA per Unit	\$0.90	\$0.89

Profit and Loss	6 mths to 31 Dec 12 \$'000	12 mths to 30 Jun 12 \$'000
Property rental	2,570	4,938
Interest income	26	101
Other income		21
Net gain on derivative financial instruments	1	–
Total revenue	2,597	5,060
Direct property expenses	(482)	(1,179)
Responsible entity fees	(88)	(173)
Other expenses	(34)	(67)
Finance costs	(829)	(1,686)
Financial derivative break costs	(38)	–
Net loss on derivative financial instruments	–	(401)
Total costs	(1,471)	(3,506)
Net movement in property fair values	(10)	(2,229)
Net profit/(loss)	1,116	(675)
Net operating profit	1,158	2,392
Operating earnings (cpu)	5.65	11.67
Distributions (cpu)	4.25	8.50

Goulburn Asset



Valuation	\$4.8 million
New 360 Ownership	100%
NLA	18,685sqm
Occupancy	0.0%
WALE	0 years

Property Description

158 Hume Street, Goulburn NSW – The property is a logistics distribution warehouse industrial facility located in Goulburn with road access to provide a transport hub servicing Sydney, the South Coast, Canberra and south into Victoria. The property comprises a total area of 5.6 hectares.

Strategy/Outlook

The core focus in relation to the property is to sell the property to either an owner/occupier or an investor after leasing the building.

3.9 Board of Directors

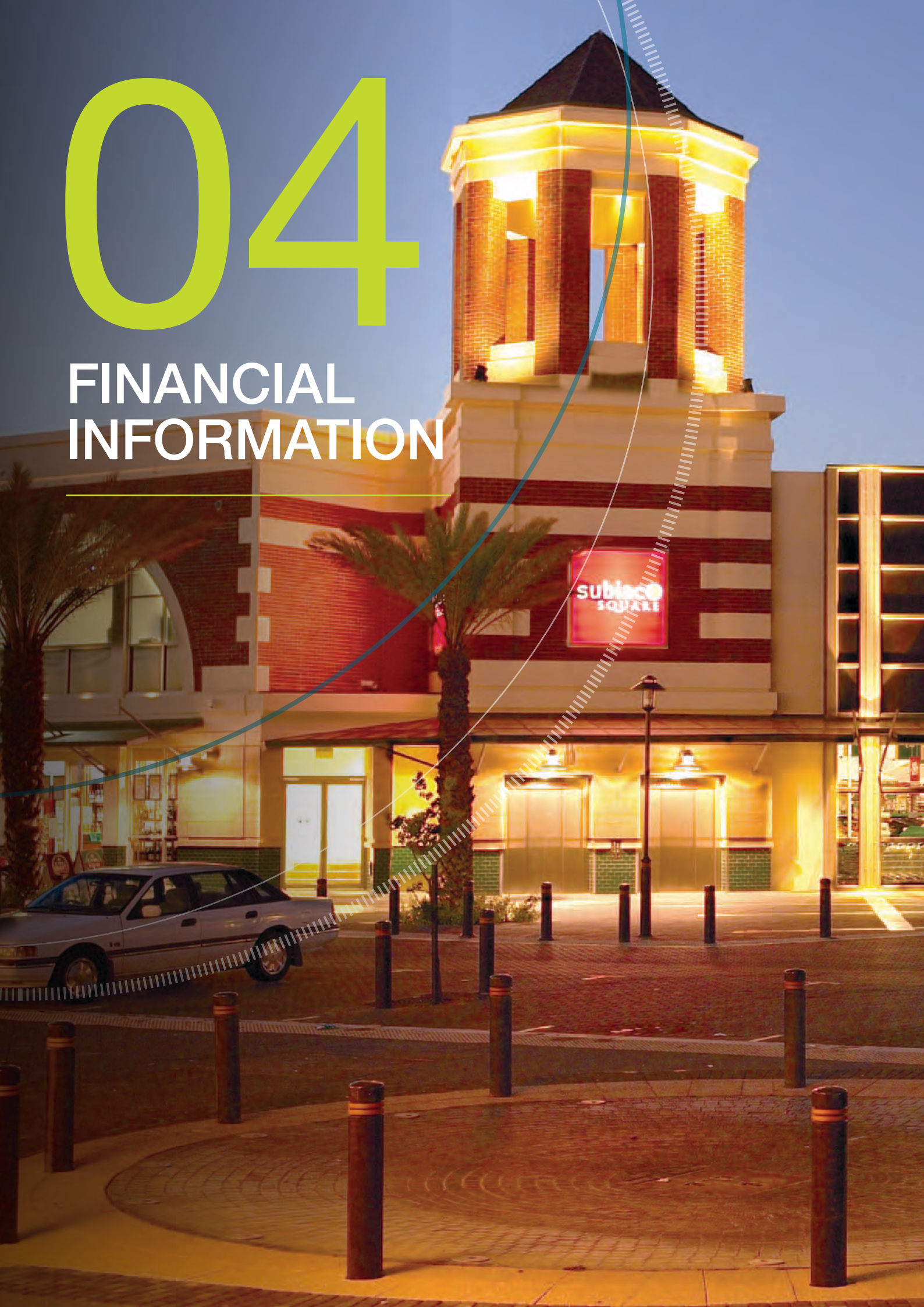
David van Aanholt Independent Non-Executive Chairman	<p>David has substantial expertise with over 20 years of experience in the real estate funds management industry. David's previous roles have included Chief Executive Officer (Asia Pacific) of the Goodman Group (previously known as Macquarie Goodman) overseeing the group's operations in Australia, New Zealand, Hong Kong and Singapore and various Fund Manager roles for Paladin Australia Limited (acquired by Deutsche Bank) and Macquarie Goodman Industrial Fund.</p>
Tony Pitt Managing Director	<p>Tony is the founder and Managing Director of 360 Capital Property Group, a Sydney based property investment and funds management organisation with funds under management of approximately \$860 million.</p> <p>Tony is also an Executive Director and major shareholder of Pentagon Property Group, a significant security holder in Trafalgar Corporate Group. He has in excess of 15 years' experience in property valuation, investment, funds management, development and advisory in both the listed and unlisted property sectors.</p> <p>As Managing Director of 360 Capital, Tony was responsible for the performance of 360 Capital's various investments and funds, including the investment analysis, management, acquisitions and disposal and overall group and investment strategy. In particular, this includes repositioning of the 360 Capital group since December 2010 through the disposal of in excess of \$340 million in underlying fund and trust assets and the refinancing of approximately \$0.5 billion in debt.</p> <p>Tony was previously an Executive Director of Mirvac Funds Management Ltd (formerly James Fielding Funds Management Limited), Bankminster Properties Limited and Travelodge Hotel Group. He also held positions at Paladin Australia Limited, Jones Lang LaSalle and Richard Ellis.</p>
John Ballhausen Independent Non-Executive Director (To be invited to join the Board post Transaction)	<p>John is a financial services professional. He provides services to a number of organisations including PortNordica Limited and Equity for Living (Australia) Pty Ltd. In 2002, John founded Rimcorp Property Limited and became its Managing Director. In 2008, Rimcorp was successfully sold with approximately \$100 million in funds under management spread over four registered real estate schemes. Before 2002, John held the position of Chief Investment Officer with HIH Insurance, with responsibility for more than \$3 billion of funds across fixed interest, equities and property asset classes. John has a Bachelor of Commerce from the University of NSW and is a Fellow of the Financial Services Institute of Australasia.</p>
Andrew Moffat Independent Non-Executive Director (To be invited to join the Board post Transaction)	<p>Andrew has in excess of 20 years of corporate and investment banking experience and is the sole principal of Cowoso Capital Pty Ltd, a company providing corporate advisory services. Andrew is the Chairman of Pacific Star Network Limited, a non-executive director of Rubik Financial Limited. Andrew was a director of Equity Capital Markets and Advisory for BNP Paribas Equities (Australia) Limited. He has expertise in banking, capital markets and finance.</p>
Graham Lenzner Independent Non-Executive Director	<p>Graham has had a career spanning four decades, with particular emphasis on funds management and financial markets. He has also worked as an executive for some years in the insurance, building products and construction industries. Graham was an Executive Director of the Armstrong Jones Group for 12 years, the last 4 years as Joint Managing Director. Other previous roles include Finance and Deputy Managing Director of Aquila Steel, General Manager Finance and Investments of MMI Insurance Limited and Director Head of Equities with Schroder Darling Management Limited. Graham has served on the Board of a number of public and private companies. He is currently Chairman of Device Technologies Australia Pty Limited and Chairman of Heemskirk Consolidated Limited.</p>

3.10 Key Management

Tony Pitt Managing Director	See Section 3.9.
Ben James Chief Investment Officer	Ben is responsible for all real estate investment activities within New 360. Ben has over 19 years' experience in real estate funds management and investment across the office, retail, industrial, hotel and car park sectors. Prior to joining 360 Capital, Ben was the Trust Manager of Mirvac Property Trust, the \$4.5 billion investment vehicle of the ASX listed Mirvac Group, which held investments in over 70 sector diversified assets and more than \$300 million in listed, wholesale, infrastructure and joint venture funds. Prior to his 12 years at Mirvac, Ben held positions in property management and investment sales with Colliers International.
Alan Sutton Company Secretary	Alan is responsible for New 360's corporate financial reporting and all company secretarial matters. Alan is a CPA and Registered Tax Agent with more than 30 years' experience in financial control. Prior to 360 Capital, Alan was the Company Secretary for Lachlan REIT Limited, having spent some time as Paladin Australia's Financial Controller – Corporate before its merger with Deutsche Asset Management in July 2000. At Deutsche, he was responsible for all accounting and financial aspects of the Asset Management Property Group and reorganising the property trust accounting team to take on various property trusts and mandates.
Emma Shipley Chief Financial Officer	Emma is responsible for all aspects of financial control at both the underlying fund and Corporate levels, which includes overseeing all capital management, accounting and financial reporting functions, including tax and treasury. Emma has over 11 years of industry experience. Prior to 360 Capital, Emma was most recently VP Finance within Brookfield Australia's \$5 billion Infrastructure Group, where she worked on the \$2 billion acquisition of Prime Infrastructure. Prior to this, Emma was the CFO of Brookfield Multiplex Capital, Brookfield Multiplex's property funds management arm, which had \$6 billion in property funds under management spread over eight unlisted and listed property funds.
Tim Spencer Head of Investor Relations	Tim is responsible for all marketing and communications with key external corporate and fund stakeholders including institutional investors, analysts and media, as well as product and market development initiatives. Tim has 19 years of industry experience. Prior to 360 Capital, Tim was Investor Relations Manager for the ING Industrial Fund and ING Office Fund. Prior to ING, Tim was Head of Listed Securities at Brookfield Multiplex Capital and Fund Manager of the ASX-listed Multiplex Acumen Property Fund. Tim has held senior real estate securities analyst positions and roles in investment analysis, portfolio management, trust management, investor relations, research and product development.
Ben Butler Fund Manager 360 Capital Industrial Fund	Ben has over 14 years' experience in the real estate industry. Prior to 360 Capital, Ben was a Senior Portfolio Manager at Centuria Property Funds Limited. Prior to that, Ben spent seven years at ING Real Estate in the roles of Asset Manager and Investment Manager with the ASX-listed ING Industrial Fund ("IIF"), which had gross assets of almost \$3.0 billion. During his time with IIF, Ben had a wide ranging role assisting the CEO with fund and portfolio operations. This included the preparation of material for marketing and communication to all stakeholders, portfolio analytics, income and expense forecasting, fund reporting and co-ordinating the fund's valuation program. Ben also worked closely with Senior Management in formulating and implementing investment strategies. Before his ING role, Ben was a valuer with CB Richard Ellis.
Nicole Plant Fund Manager Unlisted Funds	Nicole has over 11 years of industry experience having specialised in real estate and real estate funds management and has broad experience in asset management, capital transactions and funds management. Prior to joining 360 Capital, Nicole held the position of Business Development Manager at Stockland Property Group. She was previously Fund Manager across Stockland's unlisted office and retail real estate funds, responsible for the strategic fund direction and performance, and was a member of the group's Corporate Responsibility and Sustainability Committee. Nicole has also held positions at Mirvac, James Fielding and Abacus Property Groups.
Kevin Low Trust Manager	Kevin is responsible for the 360 Capital Investment Trust. He has eight years' experience in real estate investment, development, advisory work and research. Prior to joining 360 Capital, Kevin was responsible for all valuations, forecasting, modelling and analysis for Mirvac Property Trust. He has also held the roles of development analyst at Mirvac Group, Senior Analyst at BDO Property Transaction Services and Senior Research Analyst at the Property Council of Australia.

04

FINANCIAL INFORMATION



4.1 General

Presentation of Financial Information

The financial information of TGP and 360 Capital contained in this section has been prepared by the Directors of TGP and 360 Capital and includes:

- Historical Financial Information for TGP and 360 Capital
- Pro forma Statement of Financial Position for New 360 as at 31 May 2013
- Forecast Statement of Comprehensive Income for New 360 for the year ending 30 June 2014

Basis of preparation

The Financial Information included in this section that is described as “statutory” has been prepared and presented in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards and other mandatory professional reporting requirements in Australia.

The Financial Information included in this section that is described as “pro forma” has, however, been adjusted or presented in a manner not consistent with the recognition and measurement principles of all Australian Accounting Standards and other mandatory professional reporting requirements in Australia, in that it reflects (i) the recognition of certain items in periods different from the applicable period under the Australian Accounting Standards and International Financial Reporting Standards, and (ii) the impact of certain transactions as if they occurred on the Transaction date with respect to the Pro Forma Statement of Financial Position for New 360. TGP believes that this section provides useful information as it permits investors to examine with respect to the statement of financial position, what it believes to be the financial position of New 360 adjusted to reflect transactions occurring since 31 May 2013 as if these transactions had occurred on that date.

A summary of the principal accounting policies adopted in the preparation of the Financial Information is set out in Section 4.6.

For simplicity, TGP, 360 Capital and New 360 are collectively referred to as New 360 in Section 4.6.

AASB 10 has not been adopted in the Pro Forma Statement of Financial Position for New 360 as at 31 May 2013 and Forecast Statement of Comprehensive Income for New 360 for the year ending 30 June 2014 presented in Sections 4.2 and 4.3.

Qualitative information on the disclosures should AASB 10 be applied is disclosed in Section 4.3.

The Financial Information is presented in an abbreviated form and does not contain all of the disclosure provided in an annual report prepared in accordance with the Corporations Act.

Preparation of Historical Financial Information

The statutory historical consolidated statements of financial position for TGP for the years ended 30 June 2010, 2011 and 2012 and the consolidated statements of comprehensive income for TGP at 30 June 2010, at 30 June 2011 and at 30 June 2012 have been audited, and unqualified opinions were issued on the full-year financial reports. The consolidated interim statement of comprehensive income and consolidated interim statement of financial position of TGP for the six months ended 31 December 2012 were reviewed and an unqualified review report was issued. These have been presented in Sections 4.4 and 4.5.

The statutory historical consolidated statements of financial position for 360 Capital for the years ended 30 June 2011 and 2012 and the consolidated statements of comprehensive income for 360 Capital at 30 June 2011 and 30 June 2012 have been audited, and unqualified opinions were issued on the full-year financial reports. These have been presented in Sections 4.4 and 4.5. We note that the stapled 360 Capital Group was formed in January 2011; accordingly presentation of historical information for 360 Capital for the periods prior to the year ended 30 June 2011 is not considered relevant.

We note that historical financial performance is not necessarily a guide to future performance.

Preparation of Forecast Financial Information

The Forecast Financial Information, to the extent possible, has been prepared on a consistent basis as the Historical Financial Information and in accordance with the recognition and measurement principles contained in Australian Accounting Standards and TGP's and 360 Capital's adopted accounting policies. The forecast has been based on the best estimate assumptions of the Directors of TGP and 360 Capital as set out in Section 4.3.

The information is intended to assist investors in assessing the reasonableness of assumptions occurring, and is not intended to be a representation that the assumptions will occur.

The Directors' best-estimate assumptions on which the forecast is based relate to future events and/or transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of TGP and 360 Capital.

The Forecast Financial Information has been prepared on the basis that the transaction was completed on 1 July 2013.

4.2 Pro Forma Consolidated Statement of Financial Position for New 360 as at 31 May 2013

The historical consolidated statement of financial position for TGP shown below has been extracted from the unaudited management accounts of TGP and 360 Capital as at 31 May 2013. The pro forma financial information includes adjustments to reflect the impact of certain significant transactions post 31 May 2013 and adjustments relating to the proposed merger between 360 Capital and TGP and the associated capital raising.

FINANCIAL INFORMATION

New 360 – Pro Forma Consolidated Statement of Financial Position as at 31 May 2013

Pro forma	Note	Consolidated Group \$'000
Current Assets		
Cash and cash equivalents	1	15,077
Trade and other receivables	2	1,631
Investment properties held for sale	3	4,750
Investments at fair value through profit and loss	4	4,201
Prepayments and other receivables		91
Total Current Assets		25,750
Non-Current Assets		
Trade and other receivables	5	4,971
Lawson Loan	6	27,500
Investment Properties	7	44,000
Investments at fair value through profit and loss	8	87,440
Investments in Joint ventures	9	800
Employee Loans	10	12,980
Deferred tax assets	11	681
Fixed assets – office equipment		195
Total non-current assets		178,567
Total assets		204,317
Current Liabilities		
Trade and other payables	12	5,121
Interest bearing liabilities	13	5,479
Distribution payable		226
Total current liabilities		10,826
Non-Current Liabilities		
Interest bearing liabilities	14	22,500
Total non-current liabilities		22,500
Total liabilities		33,326
Net assets		170,991
External non-controlling interest	15	(23,187)
Total equity		147,804

Notes:

The details in relation to material balance sheet items of New 360 (as at 31 May 2013) are provided below:

1. Net cash deployed following the capital raising and debt refinance.
2. Trade and other receivables includes management fees receivable from the underlying funds.
3. The property at Goulburn is a non-core asset, which is being marketed for sale as outlined in Section 3.8.
4. Represents investment in the 360 Capital Retail Fund (held for sale as the fund is due to wind up in FY14).
5. Exit fees payable to 360 Capital on the sale of properties within the funds (fees are calculated based on the current value of the property, however are only received on the future disposal of such property assuming certain performance hurdles are met).
6. Purchase of the Lawson Loan investment with an interest rate return of 10.5% as set out in Section 3.8.
7. ATO Building (carried at its most recent valuation) as set out in Section 3.8.
8. Represents investments in underlying funds held in the Diversified Fund (see Section 3.8 for details of each investment) (these are carried at NTA, with the exception of the Industrial Fund which is a listed entity and carried at its ASX market price).
9. Investment in Rhodes joint venture arrangement.
10. The employee share plan (See Section 11.3) involved a back to back non-recourse loan with employees.
11. Net of deferred tax liabilities. Deferred tax assets relate to timing differences rather than tax losses.
12. Payables includes provision for employee related provisions, amounts due under a shareholder loan to one of the 360 Capital Shareholders and other office running costs.
13. Loan within the 360 Capital Diversified Fund as set out in Section 3.8.
14. New 360 corporate loan with NAB, which refinances current 360 and TGP corporate debt, as set out in Section 11.6(b).
15. Minority unitholders interests in the Diversified Fund.

4.3 Forecast Consolidated Statement of Comprehensive Income for New 360 for the Year Ending 30 June 2014

	Note	Consolidated Group 30 Jun 14 \$'000
Revenue		
Management Fees Revenue	a	4,243
Rental income	b	8,079
Custodian Fees Revenue		354
Distribution received from related party funds		5,686
Distribution received from external funds		800
Income received from financing activities	c	2,888
Total revenue and other income		22,050
Expenses		
Direct property expenses		(1,415)
Employee benefits expense	d	(4,166)
Other custodian fees		(136)
Administration expenses		(1,058)
Total expenses		(6,775)
Fair value adjustment	e	5,000
Finance income	f	1,734
Finance costs	g	(1,512)
Profit for the year		20,497
Income tax (expense)		111
Total comprehensive income for the year		20,608
Total comprehensive income attributable to:		
Stapled securityholders		19,473
External non-controlling interests		1,135
Total comprehensive income for the year		20,608

The Forecast Financial Information has been prepared on the basis that the transaction was completed on 1 July 2013.

The Forecast Financial Information, to the extent possible, has been prepared on a consistent basis as the Historical Financial Information and has been based on the best estimate assumptions of the Directors of TGP and 360 Capital as set out below.

Key assumptions supporting forecasts

- a. Fund management fees and distributions received from funds are detailed in Section 3.7. Fund Management fees have been calculated in accordance with New 360's agreements with the respective Funds. Distributions have been based on each fund's distribution guidance for the year ending 30 June 2014. Fund Management fees and distributions paid by the Diversified Fund to New 360 have been eliminated.
- b. Rental income relates to the ATO building in Hurstville as set out in Section 3.7 together with a \$0.5 million 'make good' payment from the tenant of the Granville property. Outgoings in relation to the ATO building are separately disclosed as direct property expenses.
- c. Income received from financing activities relates to the interest income earned at a rate of 10.5% on the Lawson Loan as set out in Section 3.7.
- d. Employee benefit and administration expenses have been based on the Director's estimates of the ongoing costs required to operate New 360.
- e. The fair value adjustment is a one off, non cash adjustment to reflect the re-valuation of the Lawson Loan from its acquisition price (\$22.5 million) to its face value (\$27.5 million) as set out in Section 3.2.
- f. Finance income represents interest on cash balances at 3.75% and interest on the employee loans as set out in Section 11.3 (b).
- g. Finance costs reflects the interest payable on the new \$22.5 million corporate debt facility as set out in Section 11.6(b); together with interest payable on Diversified Fund's debt facility.

Application of AASB 10

AASB 10 – Consolidated Financial Statements, applies to reporting periods beginning on or after 1 January 2013; this standard supersedes AASB 127 – Separate Financial Statements, which was previously applied to all financial reports. In accordance with AASB 10.4, all parent entities (such as New 360) shall present consolidated financial statements.

AASB 10.7 clarifies that the investor controls (and therefore consolidates) the investee if and only if the investor has all of the following: (a) power over the investee; (b) exposure, or has rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns.

There is uncertainty as to how AASB 10 would be applied to New 360 for the year ending 30 June 2014. This is due to the fact that New 360's effective ownership stakes in the funds (through its co-investments) are in varying interests (ranging from 9% to 41% excluding 360 Capital Diversified Fund), and there is uncertainty as to New 360's ability to control each of the funds through these co-investment stakes. There is also uncertainty as to how AASB 10 would be applied to New 360 given the stapled arrangement of New 360.

As a result of these uncertainties, the financial information in this PDS and Prospectus has been presented on a historical basis using AASB 127, which is consistent with how 360 Capital has

previously reported, and will report, its comprehensive income for the years up to and including 30 June 2013. 360 Capital Diversified Property Fund, in which 360 Capital currently has a 58.9% unit holding, has historically been consolidated under AASB 127 and continues to be presented in that manner in the forecast statement of comprehensive income for the year ending 30 June 2014 in Section 4.3.

AASB 10 is designed to change the presentation and disclosure of the reported results from that reported under AASB 127, and, for New 360, is due to come into effect from 1 July 2013. Therefore, the forecast statement of comprehensive income presented in Section 4.3 for New 360 for the year ending 30 June 2014 may not be consistent with the presentation of the actual results for the year ending 30 June 2014. However, all comprehensive income attributable to New 360 Securityholders will be consistent, and the application of AASB 10 will not change the underlying earnings or distribution forecasts for the year ending 30 June 2014.

Assuming all New 360's interests in its co-investments are consolidated, then AASB 10 will have the following impact on the presentation of the forecast financial information:

- No management fees or distribution income would be seen in the statement of comprehensive income, instead all net property rental income is shown from the co-investments (funds).
- As described in Section 1.1, New 360 will acquire the Lawson Loan and refinance the Diversified Fund loan which it will receive income from. The application of AASB 10 does not show this income as being received.
- All property level debts and the servicing of these debts within the funds are non-recourse to the Group (ie "ringfenced"), however the adoption of AASB 10 shows interest costs for all the underlying funds.
- Amounts due to external non-controlling interests will significantly increase; this would represent the amounts due to all other external parties that invest in these funds.
- It should be noted the profit attributable to stapled securityholders of New 360 will not change, irrespective of whether AASB 10 is applied.

AASB 10 would also result in all properties held by the underlying funds in which New 360 has a co-investment being included in the balance sheet along with all the debt secured against those properties in the funds. The New 360 Securityholders have no recourse exposure to such debt nor do they have any direct rights over the real property assets; AASB 10 would show these on balance sheet for disclosure/presentation purposes only.

In order to show the "look through" position of the underlying funds that may be consolidated if AASB 10 was applied by New 360, details of each of the underlying funds in which New 360 will have investments are outlined in Section 3.8. This analysis provides an overview of each fund, details of New 360's percentage unit holding in the fund, as well as providing a summary of the last audited statements of comprehensive income and statements of financial position for each of the funds.

The Directors have made a preliminary assessment of which co-investments they consider may need to be consolidated if AASB 10 is applied. In addition to the 360 Capital Diversified

Property Fund (which is already consolidated) it is possible that the 360 Capital 111 St George's Terrace Property Trust may be consolidated given New 360's effective 40.8% unit holding in that fund.

The Directors consider that additional analysis will be required to understand what other funds may be consolidated on the adoption of AASB 10. This analysis will include considering the extent to which New 360 has control of these funds (as defined in AASB 10) in light of the unique arrangements surrounding each fund, and New 360's unit holdings in each of the funds.

4.4 Summary of Historical Consolidated Statements of Financial Position for TGP and 360 Capital

TGP – Historical Consolidated Statements of Financial Position

	As at 30 Jun 10 Audited \$'000	As at 30 Jun 11 Audited \$'000	As at 30 Jun 12 Audited \$'000	As at 31 Dec 12 Reviewed \$'000
Current assets				
Cash and cash equivalents	8,161	22,903	10,714	8,144
Trade and other receivables	1,727	455	1,156	197
Available for sale investments	–	429	–	–
Assets held for sale	54,220	21,780	5,100	23,690
Investments accounted for using the equity method	23,177	–	–	–
Other financial assets	22,301	5,397	3,698	1,455
Other current assets	2,553	476	484	420
Total current assets	112,139	51,440	21,152	33,906
Non-current assets				
Available for sale investments	538	–	–	–
Investment properties	157,555	79,183	71,748	45,001
Investments accounted for using the equity method	–	20,540	2,591	500
Property, plant and equipment	270	227	192	179
Other non-current assets	8,495	2,049	1,752	1,335
Total non-current assets	166,858	101,999	76,283	47,015
Total assets	278,997	153,439	97,435	80,921
Current liabilities				
Trade and other payables	5,409	1,280	1,257	1,053
Interest bearing loans and borrowings	7,542	12,458	8,100	25,507
Provisions	67	77	67	171
Other financial liabilities	1,277	–	–	–
Other current liabilities	1,890	974	929	874
Total current liabilities	16,185	14,789	10,353	27,605
Non-current liabilities				
Interest bearing loans and borrowings	130,994	33,006	24,331	–
Other financial liabilities	134	–	–	–
Provisions	107	146	168	71
Total non-current liabilities	131,235	33,152	24,499	71
Total liabilities	147,420	47,941	34,852	27,676
Net assets	131,577	105,498	62,583	53,245

FINANCIAL INFORMATION

360 Capital – Historical Consolidated Statements of Financial Position

	As at 30 Jun 11 Audited \$'000	As at 30 Jun 12 Audited \$'000
Current assets		
Cash and cash equivalents	14,455	4,409
Trade and other receivables	3,191	9,221
Distribution receivable	706	538
Investments at fair value through profit and loss	–	3,281
Prepayments and other receivable	220	151
Total current assets	18,572	17,599
Non-current assets		
Trade and other receivables	6,105	4,714
Investments at fair value through profit and loss	82,690	88,077
Deferred tax assets	2,560	4,116
Fixed assets – office equipment	86	38
Total non-current assets	91,443	96,945
Total assets	110,015	114,544
Current liabilities		
Trade and other payables	27,513	1,631
Interest bearing liabilities	–	21,980
Distribution payable	704	339
Current tax liability	1,287	959
Total current liabilities	29,504	24,909
Non-current liabilities		
Provisions	2,060	–
Deferred tax liabilities	2,430	5,905
Total non-current liabilities	4,491	5,905
Total liabilities	33,995	30,814
Net assets	76,020	83,730
Equity		
Total equity attributable to stapled securityholders	51,164	61,553
External non-controlling interest	24,857	22,207
Total equity	76,020	83,730

4.5 Summary of the Historical Consolidated Statements of Comprehensive Income

TGP – Historical Consolidated Statements of Comprehensive Income

	12 months ended 30 Jun 10 Audited \$'000	12 months ended 30 Jun 11 Audited \$'000	12 months ended 30 Jun 12 Audited \$'000	6 months ended 31 Dec 12 Reviewed \$'000
Revenue and other income				
Rent from investment properties	22,916	16,099	10,641	4,738
Management fee income	110	18	–	–
Finance income	1,517	1,381	602	173
Other income	1,804	1	237	–
Total revenue and other income	26,347	17,499	11,480	4,911
Rates, taxes and other property outgoings	(2,914)	(2,913)	(2,057)	(1,014)
Consultants and professional fees	(871)	(741)	(681)	(127)
Management and administration expenses	(1,120)	(847)	(737)	(287)
Depreciation	(55)	(43)	(35)	(17)
Employee benefits expense	(2,891)	(1,867)	(1,743)	(639)
Other expenses	(1,299)	–	–	–
Net loss on fair value adjustment of investment properties	(6,080)	(3,887)	(2,377)	(8,399)
Net gain on fair value adjustment of financial instruments	3,089	1,285	–	–
Net gain (loss) on disposal of investment properties	–	(38)	67	–
Impairment of available for sale assets	(88)	–	–	–
Reversal of impairment (impairment) of available for sale investments	–	(109)	4	–
Reversal of impairment (impairment) of equity accounted investments	–	(922)	1,514	378
Impairment of third party loans receivable	(197)	(2,423)	(1,324)	(1,071)
Results from operating activities	13,921	4,994	4,111	(6,265)
Finance expenses	(11,155)	(8,119)	(2,654)	(939)
Share of profit on investments accounted for using the equity method	(128)	90	11	–
Profit (loss) before income tax expenses	2,638	(3,035)	1,468	(7,204)
Income tax expense	–	–	–	–
Total comprehensive income (loss) for the year	2,638	(3,035)	1,468	(7,204)

FINANCIAL INFORMATION

360 Capital – Historical Consolidated Statements of Comprehensive Income

	From inception to 30 Jun 11 Audited \$'000	12 months ended 30 Jun 12 Audited \$'000
Revenue		
Management fees revenue	5,024	6,864
Acquisition fees	–	4,020
Commitment fees	–	560
Exit and performance fees	2,534	4,417
Distribution received from related party funds	1,465	5,796
Distribution received from external funds	34	27
Bargain gain on acquisition of subsidiaries	1,616	–
GST recoveries and fringe benefits tax refund	–	688
Re-measurement of contingent consideration payable	(761)	844
Other income	43	63
Total revenue and other income	9,954	23,280
Expenses		
Commission expenses	118	(11)
Employee benefits expense	(1,926)	(3,263)
Impairment of investments	–	(126)
Provision for impairment of deferred exit fees	(1,465)	(1,651)
Other custodian fees	–	(133)
Administration expenses	(793)	(1,312)
Fair value movement of investments	4,005	(3,043)
Loss of sale of investments	–	(4)
Total expenses	(60)	(9,543)
Finance income	51	104
Finance costs	31	(3,341)
Profit/(loss) for the year	9,914	10,500
Income tax (expense)	(1,088)	(1,443)
Total comprehensive income for the year	8,827	9,057
Total comprehensive income attributable to:		
Stapled securityholders	9,433	10,359
External non-controlling interests	(606)	(1,302)
Total comprehensive income for the year	8,827	9,057

4.6 Key Accounting Policies

Principles of consolidation

New 360's financial statements incorporate the assets and liabilities of all subsidiaries of New 360 and the results of all subsidiaries of New 360. New 360 and its subsidiaries together are referred to as New 360 or the consolidated entity. The effects of all transactions between entities in New 360 are eliminated in full.

Subsidiaries are all those entities over which New 360 has the power to govern the financial and operating policies, generally accompanying a shareholding or unitholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to New 360. They are de-consolidated from the date that control ceases.

As set out in Section 4.3, AASB 10 Consolidated Financial Statements applies to reporting periods beginning on or after 1 January 2013; this standard supersedes AASB 127 Separate Financial Statements, which was previously applied to all financial reports. In accordance with AASB 10.4, all parent entities (such as New 360) shall present consolidated financial statements. A detailed discussion in relation to the application of AASB 127 and AASB 10 to New 360 is set out in Section 4.3.

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at the fair value at the acquisition date and the amount of any non-controlling interest in the acquiree.

In relation to the acquisition of 360 Capital, the acquirer, for the purpose of AASB 3 Business Combinations, is the entity that controls New 360 after the transaction. Having considered AASB 3, the Directors consider New 360 to be the acquirer in relation to this transaction.

Goodwill implications (if any) of the consolidation of 360 Capital will depend on which co-investment funds New 360 will be required to consolidate pursuant to AASB 10. Any goodwill implications of the consolidation will only be confirmed once the impact of AASB 10 has been determined, and after the purchase price accounting of the 360 Capital acquisition has been undertaken by New 360. Given this uncertainty, the Pro Forma Consolidated Statement of Financial Position as at 31 May 2013 for New 360 has been prepared on the basis that no intangible assets result on the consolidation of 360 Capital.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of GST paid.

Revenue is recognised for the major business activities as follows:

Management fee income (including deferred exit fees)

Management and exit fee revenue is recognised in accordance with the entitlement to fees for the management services provided. Revenue from activities conducted by the consolidated entity on a success fee basis is taken into account in the year on an accruals basis.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

Dividends and distributions

Dividend and distribution income from investments is recognised when the unitholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Entity and the amount of income can be measured reliably).

Rent from Investment Properties

Rental income from investment properties is recognised in the statement of comprehensive income on a straight line basis over the lease term where leases have fixed increments; otherwise on an accrual basis. Rental income not received at reporting date is reflected in the statement of financial position as a receivable or if paid in advance, as rents in advance. Lease incentives granted are recognised over the lease term, on a straight line basis, as a reduction of lease income.

Investment Properties

Investment property is property which is held to earn rental income, or for capital appreciation, or for both. Investment properties are initially recognised on acquisition at cost (including capitalised property acquisition costs) and then carried at fair value determined either by the Directors or independent valuers. Changes to fair value are recorded in New 360's income statement. Investment properties are not depreciated. Any gains or losses on the sale of investment properties are recognised in the changes to fair value included in the profit or loss. The fair value of investment properties includes any accrued operating lease income or lease incentives recognised in accordance with AASB 117 Leases. Property purchases are recognised when New 360 has entered into an unconditional purchase contract, and the majority of the significant risks and rewards of ownership have been transferred to New 360. Property disposals are recorded when New 360 has entered into an unconditional sales contract, and the majority of the significant risks and rewards of ownership have been transferred to the buyer. Transfers of risks and rewards vary depending on the individual terms of the contracts.

Other income

Other income is recognised when the right to receive the revenue has been established.

Finance costs

Finance costs, which include interest costs and amortised borrowing costs, are recognised using the effective interest rate applicable to the financial liability.

Income tax

Companies

The total income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction and deferred tax expense calculated by reference to changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where New 360 has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Trusts and Funds

Under current legislation, the trusts and funds in the New 360 group are not liable for income tax provided their taxable income is fully distributed to unitholders.

Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently at amortised cost. The payment terms are usually 30 days after the invoice raised. They are classified as current assets except where the maturity is greater than 12 months after the reporting date, in which case they are classified as non-current.

Amounts not recoverable are assessed at each reporting date. Indicators that an amount is not recoverable include where there is objective evidence of significant financial difficulties, debtor bankruptcy, financial reorganisation or default in payment. Any allowances for non-recoverable receivables are recognised

in a separate allowance account. Any bad debts which have previously been provided for are eliminated against the allowance account. In all other cases bad debts are written off directly to the statement of comprehensive income.

Financial instruments

Financial assets and financial liabilities are recognised when a New 360 entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets are classified into the following specified categories: "Trade and other receivables", and "Financial assets at fair value through profit or loss". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently at amortised cost. They are classified as current assets except where the maturity is greater than 12 months after the reporting date, in which case they are classified as non-current.

Amounts not recoverable are assessed at each reporting date. Indicators that an amount is not recoverable include where there is objective evidence of significant financial difficulties, debtor bankruptcy, financial reorganisation or default in payment (generally over 90 days). Any allowances for non-recoverable receivables are recognised in a separate allowance account. Any bad debts which have previously been provided for are eliminated against the allowance account. In all other cases bad debts are written off directly to the profit or loss.

Financial assets at fair value through profit or loss

Financial assets designated at fair value through profit or loss comprises investments in unlisted and listed funds. Upon initial recognition, the investments are designated at fair value through profit or loss in accordance with AASB 139 Financial Instruments: Recognition and Measurement.

Financial assets designated at fair value through profit or loss at inception, are those that are managed and their performance evaluated on a fair value basis in accordance with New 360's documented investment strategy. New 360's policy is for the Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and New 360 has transferred substantially all the risks and rewards of ownership.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the profit or loss within income or expenses in the

period in which they arise. Dividend/distribution income from financial assets at fair value through profit and loss is recognised in the profit or loss as part of revenue from continuing operations when the Trust's right to receive payments is established.

Financial liabilities and equity

Financial liabilities and equity instruments issued by New 360 are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Impairment

New 360 assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value of trade receivables and payables is assumed to approximate their fair value.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to New 360 and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to New 360 prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Interest-bearing loans and overdrafts are initially measured at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless New 360 has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted.

Issued capital

Shares

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Units

The stapled trust in New 360 issues units which have a limited life under the Trusts' constitutions and are classified as equity in accordance with AASB 132 Financial Instruments: Presentation as amended by AASB 2009-2 Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation. Units are recognised at initial consideration less any costs relating to the issue.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset.

Provisions

Provisions are recognised when New 360 has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the consolidated statement of financial position date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

05

INDUSTRY OVERVIEW



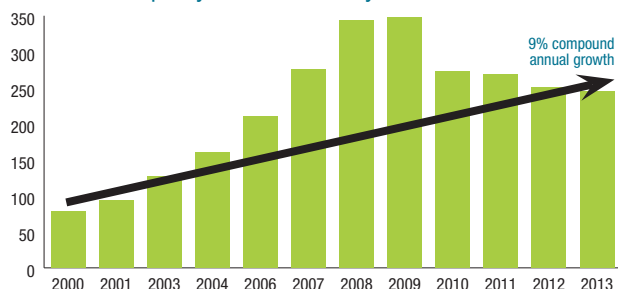
New 360 will operate in the Australian industrial, retail and office real estate markets through its interests in direct real estate investments and co-investments as well as its funds management portfolio.

5.1 Australian Property Funds Industry

The Australian real estate funds management industry in 2013 consisted of 70 fund management organisations and 379 real estate funds with gross assets under management (“AUM”) of \$246 billion, which was 2% below the previous year. However since 2000, AUM has grown at a compound annual growth rate (“CAGR”) of 9% as per the chart below.

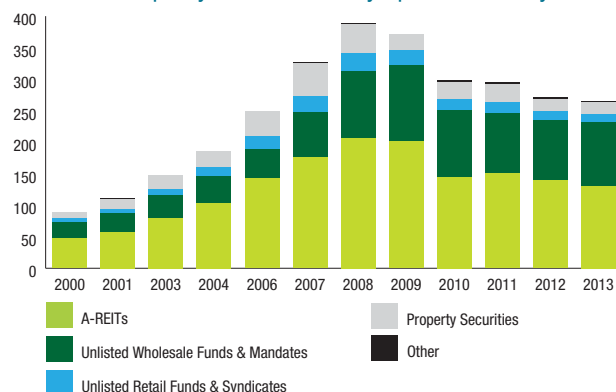
According to the 2013 PIR Australian Property Funds Industry Survey (“Survey”), the split of AUM by sector from 2000 to 2013 can be shown in the following chart.

Australian Property Funds Industry from 2000 to 2013



Source: PIR, 2013

Australian Property Funds Industry split of AUM by sector



For the Survey, 360 Capital ranked seventh within the “Syndicates and Unlisted Property Fund Managers” category (as the Industrial Fund remained an unlisted property fund during the survey period).

Total Assets Syndicates and Unlisted Property Fund Managers

Fund Manager	2013 Ranking	Total Assets (\$m)	% Total Industry
Charter Hall Group	1	1,876	14%
Federation Centres (Centro)	2	1,558	11%
Australian Unity Limited	3	1,409	10%
AMP Capital Investors Limited	4	1,203	9%
Centuria Property Funds	5	1,136	8%
Arena Investment Management Limited	6	1,098	8%
360 Capital Property Group	7	774	5%
GDI Funds Management Ltd	8	745	5%
Peet Limited	9	507	4%
Abacus Property Group	10	449	3%
Total Assets		10,739	78%

The industry as a whole has been undergoing a deleveraging process with a focus on better capital management and operational efficiencies.

Total leverage (defined as debt/gross assets) has declined to 28%, well below historical levels. In particular, Australian real estate investment trusts (“REITs”) and unlisted wholesale funds (“UWFs”) are operating on an average of 33% and 20%, respectively.

With the property sector largely stabilised and offering good risk-adjusted returns, the industry is well placed to take advantage of institutional demand for long-term, reasonably predictable income streams.

5.2 Australian Industrial Market²¹

As freight costs continue to increase and consumer expectations about shorter delivery times rise, the importance of an informed industrial property investment decision will grow in significance. For many national wholesale/retail and logistics corporates, a successful distribution model has involved the combination of a single, supersized distribution centre located in a capital city industrial precinct with satellite warehouses located strategically throughout regional Australia. And largely because of this type of response, capital city industrial market precincts that cater to logistics operations have become increasingly sought after.

Although focus at the top end has been on the transport and logistics sector, the overall market remains in good condition. Manufacturers, of course, have been doing it tough as a consequence of globalisation. However, sound market fundamentals have continued to deliver good results for the majority of the industrial property market segments.

Adelaide

Development and pre-lease activity has been improving recently evidenced by the pre-leasing of 60,000sqm of industrial space over the six months to May 2013 by corporations such as Cameron Transport, Electrolux, Spotless Group, Rand Transport, Blackwoods and AHI Carrier Pty Ltd.

A major \$407.5 million upgrade to Adelaide's north-south transport corridor is anticipated for completion in mid-2014. The duplication of the Southern Expressway will provide for an 18.5 kilometre multi-lane, two way expressway between Bedford park in the Inner South and Old Noarlunga in the Outer South.

Brisbane

Recent major commitments by Bunnings (30,450sqm), NQX (43,633sqm), Caterpillar (59,000sqm) and Super Retail Group (46,000sqm) have improved market sentiment. General occupier demand continues, however, to be steady. The amount of available industrial space (over 3,000sqm) has more than doubled over the past 12 months due to backfill space and some tenant contraction.

From January 2012 to May 2013, supply (over 5,000sqm) increased by 228,000sqm with a further 187,900sqm currently under construction. The surge in supply was a response to the low vacancy levels observed in the 2011 calendar year.

Melbourne

Available industrial space increased over the first quarter of 2013. As at April 2013, there was 410,508sqm of industrial space (over 5,000sqm) available within 39 buildings. However, the level of available industrial space remains 23% below the historical average of 533,280sqm.

The new industrial supply pipeline is forecast to total 558,163sqm over the course of 2013, which is 4% lower than 2012.

Sydney

Demand for industrial space continues to improve, particularly in the sub 10,000sqm category. Rental growth, however, only increased 0.5% for Sydney prime net rents over the 12 months to April 2013.

Gross supply is forecast to decline 34% in 2013 and with backfill expected to be confined to secondary stock, prime vacancies are likely to continue to tighten. Combined with relatively stronger leasing demand for prime stock, these factors support improved prime rental growth over the course of the year.

5.3 Australian Office Market²²

All CBD office markets around Australia and New Zealand experienced a drop in A-Grade net effective rents in 2012, with the exception of Adelaide and Auckland CBDs. However, the amount of new supply entering the market in 2013 in each market is now known and on average, is significantly lower than the past 10 years. Even if there are much lower levels of demand than the last three years, this will be enough to drive down the vacancy rate and theoretically lead to rental rises.

Overall, in most markets, we believe that 2013 will be the last year for some time that tenants have the upper hand in lease negotiations. Affordability levels are increasing, particularly in the larger markets of Sydney and Melbourne CBDs. Workspace ratios have largely plateaued suggesting that even mild rises in employment levels will lead to tenants needing more space. Employment growth in 2013 is expected to be minimal however on the positive side, 2014 and beyond is considered to be far stronger.

Canberra

In January 2013, the total vacancy rate was 11.9% driven by low levels of overall demand. However, vacancies are significantly lower in certain areas, in particular Civic, the Parliamentary Precinct and the Town Centre with the prime vacancy rates of 3.9%, 3.7% and nil, respectively.

Whilst face rents have remained constant over the last three years in both Prime and Secondary sectors, effective rents have reduced as incentives have increased.

Perth

In January 2013, the total vacancy rate was 5.7% with the largest increase in vacancy coming from Premium-grade buildings which had a vacancy rate of 4.5% compared to 0.1% in January 2012. However, it is expected that the vacancy rate will fall below 5.0% by 2014.

Over the 12 months to December 2012, the new supply of 144,875sqm entered the market.

Sydney Suburban

In January 2013, the vacancy was 7.9%, which was a decline from 9.5% 12 months earlier. This improvement has been driven by a slight fall in net supply (-4,900sqm, equivalent to 0.2% of stock) and steady organic growth in demand. Led by the Inner West and South regions, net absorption recorded a positive 47,396sqm or 1.6% of stock.

Gross supply over the next two years is anticipated to be only 1.1% per annum of stock, of which greater than half has already been pre-committed. A-grade gross face rents have increased 2.4% in the last 12 months. The majority of this growth has been absorbed by the rise in outgoings with the Inner West (5.4%) and South (1.7%) being the only regions to post A-grade net face rental growth in excess of 1.0%.

21. Colliers International and Knight Frank.

22. Colliers International and Knight Frank.

5.4 Australian Retail Market²³

Retail sales have been quite inconsistent, which in turn weighs on retailer sentiment and leasing decisions.

Landlords are actively trying to drive income growth by undertaking expansion and refurbishment programs, with development a key value driver for the retail sector. Australia's largest retail property owners currently have in excess of \$10 billion worth of development under construction or planned over the next five years. Increasing competition between centres is driving defensive investment by shopping centre owners, as they focus on the amenity and quality of their centres and the ability to entice shoppers to stay for longer. The entrance of international retailers to Australia means increased competition for domestic retailers, but it also results in a revival of consumer interest, particularly in CBD and regional shopping centres where they typically choose to locate.

While performance varies from sector to sector and across individual centres, on average leasing demand remains patchy. Vacancy rates have remained low, partly due to property owners offering incentives to retain and attract tenants. There is also an increasing trend for tenants to occupy space on short-term leases, on hold over and in pop-up shops. This space would otherwise be available for longer-term lease. Face rents are largely being maintained and average rental growth for sitting tenants remains positive as a function of contractual increases. A range of incentives are being offered to both sitting and new tenants, including rent relief or rent free periods, and contributions to fit-out. Overall, rents on new leases continue to be lower than expiring rents, and fewer tenants are opting to renew leases. While overall retail indicators are improving, the leasing market is anticipated to remain challenging over the short term, with lower rents on some new store leases expected to remain a feature of the market over the course of 2013.

National Retail Turnover Growth by Category

(Seasonally Adjusted, 12 months to December 2012)

	Food	Dept Stores	Clothing	H'Hold Goods	Other	Hospitality	Total
Annual Growth	3.9%	0.8%	2.4%	0.3%	3.0%	6.4%	3.1%
5 year compound	4.8%	0.6%	1.6%	0.9%	4.9%	5.5%	3.6%
10 year compound	5.6%	2.3%	3.6%	3.7%	4.7%	6.6%	4.8%

Source: ABS/Savills Research.

Due to a shortage of capital allocated to retail development, the level of retail construction has declined substantially.

However, there has been recent capital markets activity in this space with approximately \$500 million of equity capital raised by, and listing of, Shopping Centres Australasia Property Group ("SCA"), a REIT owning a portfolio of shopping centres and freestanding retail assets located across Australia and New Zealand.

23. Colliers International and Knight Frank

06

RISK FACTORS



As with all investments, an investment in New 360 Securities will be subject to risks, many of which are outside the Board's control. If they eventuate, these risks may adversely affect the value and the return of the investment.

It is the Board's current opinion that the following are some of the key risks of an investment in New 360 Securities. The list of risks discussed below is not exhaustive.

As well as considering the risks below, investors should also consider how an investment in New 360 fits into their overall investment portfolio.

6.1 General risks

Economic environment: If the global economy experiences a prolonged economic downturn, this could have an adverse impact on New 360's earnings. Aspects of the business that could be affected include reduced rental income as a result of increased vacancy rates, lower rents and tenant defaults; higher lease incentives; lower funds management and performance fees; potential defaults on mortgage loans; lower inflows into the managed funds or other adverse consequences. Other economic factors that could also affect New 360's business include unemployment, inflation, monetary policy, regulatory change, consumer spending, business investment, taxation and the state of capital markets in general.

Interest rates: Adverse fluctuations in interest rates, to the extent that they are not hedged, may impact New 360's earnings. New 360's asset values may also be affected by any impact that rising interest rates may have on property markets in which New 360 operates. In addition, if New 360 enters into a fixed interest rate contract (IRS), and if official interest rates reduce further than what is valued within the IRS, this may have the effect of increasing the liability associated with the IRS which could also impact on New 360's AIFRS profit.

Availability of capital: The real estate investment industry is highly capital-intensive. The ability of New 360 to raise funds on favourable terms for future acquisitions, new and existing funds managed by New 360 and refinancing depends on a number of factors including general economic, political, and capital market conditions and the reputation, performance and financial strength of New 360's business. The inability of New 360 or funds managed by New 360 to raise funds on favourable terms for future acquisitions, and refinancing could adversely affect New 360 and/or its managed funds. In addition New 360 has exposure to listed capital market risks given New 360 Securities will be ASX-listed and its managed fund, the Industrial Fund is ASX-listed.

ASX market volatility: The ASX price of the New 360 Securities will fluctuate due to various factors including general movements in interest rates, the Australian and international investment markets, international economic conditions, global geo-political events and hostilities, investor perceptions and other factors that may affect New 360's financial performance and position.

Human resources: The loss of key management personnel who have particular expertise in funds management, real estate and asset management or real estate investment may influence New 360's future earnings.

Competition: New 360 faces competition in the markets in which it operates. Increased competition may lead to higher prices as well as limited availability of properties that New 360, or funds managed by New 360, may target to acquire.

6.2 Regulatory issues and changes in law

Changes in law: New 360 is subject to the usual business risk that there may be changes in laws or government legislation, regulation and policy that reduce income or increase costs. This may adversely affect the future earnings, asset values and the market value of New 360 Securities quoted on ASX.

Taxation implications: Future changes in taxation laws, including changes in interpretation or application of those laws by the court or taxation authorities, may affect taxation treatment of an investment in New 360 Securities, or the holdings and disposal of those securities. Tax considerations may differ between securityholders, therefore, prospective investors are encouraged to seek professional tax advice in connection with any investment in securities.

Further, changes in tax law, or changes in the way tax law is, or is expected to be, interpreted in the various jurisdictions in which New 360 operates, may impact the future tax liabilities of New 360. Those laws may also adversely affect the taxation treatment of entities in New 360 and that may in turn adversely affect the value of New 360 Securities or distributions on those securities.

As New 360 consists of two entities, a trust and a company, in a stapled arrangement, any changes in the tax laws specifically affecting staples, or changes to the administration of current laws which affect stapled arrangements or the characterisation of transactions between stapled entities, could adversely affect securityholders' interests.

6.3 Specific risks associated with the Transaction

Completion risk: Completion of the transfer of the securities in the 360 Capital entities being acquired by New 360 are subject to a number of conditions beyond New 360's direct control that may prevent or delay such transfer, including a number of regulatory requirements. It is possible that satisfaction of these requirements may be substantially delayed, not be forthcoming or be subject to material conditions.

Reliance on information provided: Information regarding 360 Capital has been derived from audited and unaudited financial information and other information made available by or on behalf of 360 Capital during the due diligence process conducted by TGP in connection with the Transaction. While TGP has conducted due diligence on 360 Capital and prepared a detailed financial analysis in order to determine the attractiveness of 360 Capital, TGP is unable to verify the accuracy or completeness of the information provided to it by or on behalf of 360 Capital and there is no assurance that this due diligence was conclusive and that all material issues and risks in relation to the Transaction and 360 Capital have been identified. To the extent that this information is incomplete, incorrect, inaccurate or misleading, or the actual results achieved by New 360 following completion of the Transaction are weaker than those indicated by TGP's analysis and forecasts, there is a risk that the profitability and future results of New 360's operations may differ from TGP's expectations.

Reliance on forecasts: In addition to the potential that information provided by 360 Capital and relied upon was incorrect, it is possible that analysis undertaken by TGP and the best estimate assumption draws conclusions and

forecasts which are inaccurate due to flawed methodology and/or misinterpretation of economic circumstances.

Assumption of 360 Capital's liabilities: On Completion, New 360 will assume the liabilities of 360 Capital, including legal and regulatory liabilities, against which it may not be adequately indemnified. While documentation in relation to the Transaction contains representations and warranties, claims for breach of these representations and warranties may not be sufficient to cover the actual loss suffered in connection with any known or unknown liabilities of 360 Capital. The result is that representations and warranties may not cover all risks, and that New 360 may not be able to recover any or sufficient funds from 360 Capital for breach. Any material unsatisfied claims could adversely affect New 360's business, results of operations or financial condition and performance.

Replacement of responsible entities: The responsible entities of the funds and trusts that form part of the Transaction may be removed as responsible entities by the unitholders of those funds and trusts in accordance with the Corporations Act. If that was to occur, New 360 would no longer obtain the management fees payable to the responsible entity of the relevant fund (the fees would instead be paid to the replacement responsible entity). There can be no assurance that securityholders in these funds and trusts will not seek to replace one or more of the responsible entities. If one or more of the responsible entities is replaced, there is a risk that the profitability and future results of New 360's operations may differ from New 360's expectations.

Change of control risk: Some of the contracts that entities within 360 Capital are a party to contain change of control clauses which may entitle the counterparty to terminate the contract upon Completion. 360 Capital may also need to obtain approvals from third parties before it is able to assign to New 360 certain contracts to which it is a party. If any such consents or approvals are not able to be obtained, this could prevent TGP from purchasing some of the assets or businesses that it proposes to acquire and/or result in New 360 not obtaining the benefit of the relevant contract, permit or licence, any of which could adversely affect New 360's business, results of operations or financial condition and performance.

Integration risk: The Transaction involves the integration of businesses that have previously operated independently. New 360's long-term success will depend, in part, on the success of the integration of 360 Capital and TGP. The integration process will involve, among other things, integrating information technology systems, integrating personnel with diverse business backgrounds and combining different corporate and workplace cultures. There is an inherent risk that the integration of a recently acquired business may encounter unexpected challenges or issues. The process of integrating operations could, among other things, divert management's attention, interrupt or lose momentum in the activities of one or more of the businesses and could result in the loss of key personnel. Any of these outcomes could have an adverse effect on New 360's business, results of operations or financial condition and performance.

Key personnel: Key management personnel currently employed by 360 Capital who provide management services to 360 Capital, and who receive new contracts of employment from New 360, may either not accept those new contracts, or otherwise resign their employment during the transitional period, resulting in a loss of management expertise.

6.4 Specific fund-level and asset risks

(a) Funds

Diversified Fund

- The debt within the fund expires in December 2013. It is anticipated that the proceeds from the wind-up of the Retail Fund of approximately \$4.4 million will be used to partially retire debt, leaving the balance of the loan at \$3.5 million. It is proposed that New 360 will use \$3.5 million of its working capital to refinance the remaining principal of this loan before December 2013.

Office Fund

- The fund currently has a loan from the Developments Income Fund which results in a negative net asset position. A restructure and recapitalisation of the fund is part of New 360's strategy including the acquisition of the Lawson Loan as detailed in Section 3.8.
- The fund intends to meet its December 2013 LVR covenant of 48% by using cash reserves to pay down debt (currently 48.3%).
- The fund currently has a negative net asset position and a number of its financing arrangements are in forbearance subject to the responsible entity resolving to restructure the fund to restore value to various stakeholders. There is no firm proposal currently approved by members; however as part of the purchase of the Lawson Loan, it is proposed that a restructuring proposal be put to the various stakeholders with the intention to stabilise the current capital structure of the fund.

Retail Fund

- The sole remaining property is conditionally contracted for sale. Upon completion, the fund will be wound up, senior debt will be repaid and the remaining capital will be distributed to unitholders.

Canberra Trust

- PwC, the major tenant in the trust, vacated in July 2013. As a result, the trust is non compliant with its LVR covenant and is in discussions with its financiers. In preparation for this, distributions have been suspended and the trust is accumulating cash to fund works to lift the NABERS rating as well as fitout/incentive requirements for a new tenant. New 360 has not included any distribution income from the Canberra Trust for FY14 and beyond.

(b) ATO Building

The ATO lease is due to expire in February 2015 (ie FY15). There is no certainty that the lease will be renewed beyond this date, or of the terms of any such renewal. TGP has provided lease renewal proposals to the ATO to extend the lease for 10 years, plus an option to exercise the five year option early. However, given the impending Federal election, decisions on lease renewals are not expected to occur until after the election. The lease expiry occurs beyond the forecast period of FY14 and net rental income from the ATO Building for FY14 is forecast to be \$6.8m, which is 36% of total forecast revenue for FY14.

6.5 Specific risks for New 360

Investments in managed funds: New 360 manages a number of funds on behalf of third party investors. These funds typically invest in property-related assets and use debt to partially fund their investments. Many of the debt facilities within the funds have covenants related to the level of gearing and interest coverage to either assets or portfolios in the fund. To the extent that property values or income levels in a particular fund fall, there is a risk that the fund may breach a relevant covenant. New 360 has exposure to investments in its managed funds via co-investments it has made in the funds and loans it has made to the funds. To the extent that a fund breaches a covenant, there is a risk that the value of New 360's investments in that particular fund also falls. There are no cross default provisions between New 360 and its managed funds.

Leverage: The use of leverage may enhance returns and increase the number of assets that can be acquired, but it may also substantially increase the risk of loss. Use of leverage may adversely affect New 360 when economic factors such as rising interest rates and/or margins, severe economic downturns, availability of credit or deterioration in the condition of debt and equity markets occur. If an investment is unable to generate sufficient cash flow to meet the principal and interest payments on its indebtedness, the value of New 360's equity component could be significantly reduced or even eliminated. Following the Transaction, it is New 360's intention to maintain a low level of gearing on balance sheet, with the majority of New 360's exposure to debt residing at the property level within each managed fund, where it is non-recourse to investors including New 360.

Debt refinancing and renewals: The funds and trusts forming part of the Transaction may encounter some difficulty refinancing some or all of its debt facilities. If this were to occur, this may necessitate asset sales.

Illiquid property markets: Property assets are by their nature illiquid investments. This may make it difficult to sell assets of New 360 in the short term in response to changes in economic or other conditions.

Change in value of properties: The value of properties and co-investments owned by New 360 may fluctuate from time to time due to market and other conditions. New 360's policy is to undertake external revaluations of all of the investment properties, both directly held and within its managed funds, every 24 months, with approximately one-quarter of the portfolio valued at the end of each quarter (March, June, September and December). Any fluctuation in the value of the properties as a result of changes in the property market will affect New 360's gross asset value, its level of gearing, its net tangible asset backing per stapled security and its LVR position versus covenants within the managed funds. In addition, the change in value will be recorded in the profit and loss statement as an unrealised gain or loss, and while this accounting treatment does not impact on New 360's underlying earnings or distributions, it does impact on New 360's underlying earnings and net profit after tax. In addition, a change in New 360's gross asset value will impact the management fee income earned and in turn, New 360's net profit after tax. In general, valuations represent only the analysis and opinion of qualified experts at a certain date – they are not guarantees of present or future values. The valuation of a property may be materially higher than the amount that can be obtained from the sale of a property in certain circumstances, such as under a distress or liquidation sale.

Property related risks: An investment in New 360 is largely an investment in real estate and therefore may be adversely affected by changes to the underlying property, including: tenancy default or failure or delays in letting up premises and falls in rental and occupancy levels; capital expenditure requirements and increasing costs of plant, equipment, labour, development and refurbishment risk; unforeseen structural deterioration or failure; unforeseen litigation with tenants; claims under legislation relating to Indigenous occupants of land; native title claims; claims under environmental legislation; and changes in local, state and territory and federal legislation and regulations, particularly relating to planning.

Unforeseen environmental issues: Unforeseen environmental issues may affect any of New 360's properties or property interests. These liabilities may be imposed irrespective of whether or not New 360 is responsible for the circumstances to which they relate. New 360 may also be required to remediate sites affected by environmental liabilities. The cost of remediation of sites could be substantial. In addition, if New 360 is not able to remediate a site properly, this may adversely affect its ability to sell the relevant property or to use it as collateral for borrowings. Material expenditure may also be required to comply with new or more stringent environmental laws or regulations introduced in the future.

Fixed nature of costs: Many costs associated with property assets are fixed in nature. The value of assets may be adversely affected if the income from the asset declines while these fixed costs remain unchanged.

Capital expenditure: The risk of unforeseen capital expenditure requirements may impact investor returns.

Reliance on third party equity and funds: As a fund manager, earnings (both current and future) of New 360 include fees from the establishment and management of listed and unlisted funds. The ability of New 360 to continue to derive such income is dependent on the ability of New 360 to continue to source and maintain equity from new and existing.

Financial forecasts: The risk that any of the assumptions used in preparing the financial forecasts pertaining to this investor presentation may not be achieved, such that the forecast earnings and distributions cannot be achieved.

Insurance risk: New 360 and its managed funds maintain insurance coverage in respect of their properties and business. Some risks are not able to be insured at acceptable prices. Insurance coverage may not be sufficient and if there is an event causing loss it may be that not all losses will be recoverable.

Litigation and disputes: Legal and other disputes (including industrial disputes) may arise from time to time in the ordinary course of New 360's operations, including in relation to the conduct of the business it is acquiring as part of the Transaction. For example, ASIC has approved a dispute resolution scheme which applies to holders of an Australian Financial Services License (AFSL). This dispute resolution scheme involves the Financial Services Ombudsman who may determine a dispute between a holder of an AFSL and an eligible applicant. Any such dispute may impact on earnings or affect the value of New 360's assets.

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INDEPENDENT ACCOUNTANT'S REPORT





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Level 11, 1 Margaret St
Sydney NSW 2000

Australia

The Directors
Trafalgar Corporate Group Limited
Level 4
111 Harrington Street
SYDNEY NSW 2000

15 August 2013

Dear Sirs

INDEPENDENT ACCOUNTANT'S REPORT

INTRODUCTION

BDO Corporate Finance (East Coast) Pty Ltd (BDO) has been engaged by Trafalgar Corporate Group Limited to prepare this Independent Accountant's Report (Report) in relation to certain financial information of:

- Trafalgar Corporate Group Limited and Trafalgar Managed Investments Limited (as responsible entity for Trafalgar Platinum Fund No. 12) (together, Trafalgar Corporate Group (TGP)); and
- 360 Capital Investment Trust and 360 Capital Property Limited (together, 360 Capital Property Group (360 Capital)),

for inclusion in a product disclosure statement and prospectus proposed to be issued on or about 21 August 2013 (PDS). The PDS is being issued in relation to an offer of up to 120,000,000 fully-paid ordinary TGP securities at \$0.59 per security.

Unless stated otherwise in this Report, expressions defined in the PDS have the same meaning in this Report.

This Report has been prepared for inclusion in the PDS. We disclaim any assumption of responsibility for any reliance on this Report or on the financial information to which it relates for any purpose other than that for which it was prepared.

HISTORICAL FINANCIAL INFORMATION

This Report relates to the following financial information as set out in the PDS:

- The audited Consolidated Statements of Comprehensive Income and Consolidated Statement of Financial Position of TGP for the 3 years ended 30 June 2010, 30 June 2011 and 30 June 2012 and the reviewed Consolidated Interim Statement of Comprehensive Income and Consolidated Interim Statement of Financial Position of TGP for the 6 months ended 31 December 2012 - sections 4.4 and 4.5 of the PDS
- The audited Consolidated Statements of Comprehensive Income and Consolidated Statement of Financial Position of 360 Capital for the 2 years ended 30 June 2011 and 30 June 2012 - sections 4.4 and 4.5 of the PDS
- The Pro Forma Consolidated Statement of Financial Position as at 31 May 2013 of TGP following the proposed acquisition of 360 Capital (New 360) - section 4.2 of the PDS.

BDO Corporate Finance (East Coast) Pty Ltd ABN 70 050 038 170 AFS Licence No. 247 420 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (East Coast) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.



Scope of Review of the Historical Financial Information

You have requested BDO to review the historical financial information of TGP and 360 Capital included in the PDS.

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the relevant entities' adopted accounting policies.

The historical financial information for TGP has been extracted from the financial reports of TGP for the years ended 30 June 2010, 30 June 2011 and 30 June 2012, which were audited by KPMG in accordance with the Australian Auditing Standards and from the interim financial report of TGP for the 6 months ended 31 December 2012 which was reviewed by KPMG in accordance with the Australian Auditing Standards. KPMG issued unmodified audit opinions on the financial reports for the years ended 30 June 2010, 30 June 2011 and 30 June 2012 and an unmodified review opinion on the interim financial report for the 6 months ended 31 December 2012. The historical financial information is presented in the PDS in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

The historical financial information for 360 Capital has been extracted from the financial reports of 360 Capital for the years ended 30 June 2011 and 30 June 2012, which were audited by Ernst & Young in accordance with the Australian Auditing Standards. Ernst & Young issued unmodified audit opinions on the financial reports. The historical financial information is presented in the PDS in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Pro Forma Historical Financial Information

You have requested BDO to review the pro forma historical Consolidated Statement of Financial Position as at 31 May 2013 of New 360 referred to as "the pro forma historical financial information".

The pro forma historical financial information has been derived from the historical financial information and unaudited management accounts of TGP and 360 Capital, after adjusting for subsequent events and the effects of pro forma adjustments associated with the proposed transaction and capital raise. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and unaudited management accounts and the events or transactions to which the pro forma adjustments relate, as if those events or transactions had occurred as at 31 May 2013. Due to its nature, the pro forma historical financial information does not represent New 360's actual or prospective financial position.

Directors' Responsibility

The directors of TGP and of 360 Capital are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.



Our Responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Review statement on the Historical Financial Information

Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in section 4.1 of the PDS, and comprising:

- The audited Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position of TGP for the 3 years ended 30 June 2010, 30 June 2011 and 30 June 2012 and the reviewed Consolidated Interim Statement of Comprehensive Income and Consolidated Interim Statement of Financial Position of TGP for the 6 months ended 31 December 2012 - sections 4.4 and 4.5 of the PDS
- The audited Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position of 360 Capital for the 2 years ended 30 June 2011 and 30 June 2012 - section 4.4 and 4.5 of the PDS

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 4.1 of the document.

Pro forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Consolidated Statement of Financial Position for New 360 as at 31 May 2013 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 4.1 of the document.

FORECAST FINANCIAL INFORMATION

This Report relates to the following financial information as set out in section 4.3 of the PDS being the forecast Consolidated Statement of Comprehensive Income of New 360 for the financial year ending 30 June 2014. The forecast financial information has been prepared on the basis that the transaction was completed on 1 July 2013.

The forecast financial Information is presented in an abbreviated form in the PDS insofar as it does not include all of the disclosures required by the Australian Accounting Standards (including the Australian Accounting Interpretations) applicable to annual financial reports prepared in accordance with the Corporations Act 2001 (Cth).



Scope of Review of the Forecast Financial Information

You have requested BDO to review the forecast Consolidated Statement of Comprehensive Income of New 360 for the year ending 30 June 2014, as described in section 4.3 of the PDS.

The directors' best-estimate assumptions underlying the forecast are described in section 4.3 of the PDS. The forecast financial information, to the extent possible, has been prepared on a consistent basis as the historical financial information and in accordance with the recognition and measurement principles contained in Australian Accounting Standards and TGP's and 360 Capital's adopted accounting policies.

Directors' Responsibility

The directors of TGP and 360 Capital are responsible for the preparation of the forecast as at 30 June 2014, including the best-estimate assumptions underlying the forecast. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of a forecast that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express limited assurance conclusions on the forecast, the best-estimate assumptions underlying the forecast, and the reasonableness of the forecast themselves, based on our review. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Forecast Review Statement

Based on our limited assurance engagement, which is not a reasonable assurance engagement, nothing has come to our attention which causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the forecast Consolidated Statement of Comprehensive Income of New 360 for the year ending 30 June 2014 do not provide reasonable grounds for the forecast; and
- in all material respects, the forecast:
 - is not prepared on the basis of the directors' best-estimate assumptions as described in section 4.3 of the PDS; and
 - is not presented fairly in accordance with the stated basis of preparation, being in accordance with the recognition and measurement principles contained in Australian Accounting Standards and TGP's and 360 Capital's adopted accounting policies. However we note that AASB 10 - Consolidated Financial Statements applies to reporting periods beginning on or after 1 January 2013. In accordance with AASB10.4, all parent entities (such as New 360) shall present consolidated financial statements. It is



uncertain as to how AASB 10 will impact the preparation of New 360's consolidated financial statements. The financial information has been prepared on the basis that New 360 does not apply AASB 10; and

- the forecast itself is unreasonable.

The forecast has been prepared by management and adopted by the directors in order to provide prospective investors with a guide to the potential financial performance of New 360 for the year ending 30 June 2014 (the forecast financial information has been prepared on the basis that the transaction was completed on 1 July 2013). There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the forecast since anticipated events or transactions frequently do not occur as expected and the variation may be material.

The directors' best-estimate assumptions on which the forecast is based relate to future events and/or transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of TGP and 360 Capital. Evidence may be available to support the directors' best-estimate assumptions on which the forecast is based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions. The limited assurance conclusion expressed in this Report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in TGP, which are detailed in the PDS, and the inherent uncertainty relating to the forecast. Accordingly, prospective investors should have regard to the investment risks as described in section 6 of the PDS.

We disclaim any assumption of responsibility for any reliance on this Report, or on the forecast to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of TGP and 360 Capital that all material information concerning the prospects and proposed operations of New 360 has been disclosed to use and that the information provided to use for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

SUBSEQUENT EVENTS

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief, no material transaction or event outside of the ordinary business of TGP and 360 Capital not described in the PDS, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

INDEPENDENCE

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the PDS other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received.



GENERAL ADVICE WARNING

This Report has been prepared, and included in the PDS, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, the purpose of the financial information is for inclusion in the PDS. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the PDS in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the PDS. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the PDS.

FINANCIAL SERVICES GUIDE

Our Financial Services Guide follows this Report. This guide is designed to assist retail clients in their use of any general financial product advice in our Report.

Yours faithfully

BDO CORPORATE FINANCE (EAST COAST) PTY LTD

A handwritten signature in black ink, appearing to read 'S. Stevens', is written over a light blue rectangular background.

Sebastian Stevens

Director



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Australia

This Financial Services Guide is issued in relation to an independent accountant's report (IAR) prepared by BDO Corporate Finance (East Coast) Pty Ltd (ABN 70 050 038 170) (BDOCF) at the request of the Directors of Trafalgar Corporate Group Limited (TGP).

Engagement

The IAR is intended to accompany the product disclosure statement and prospectus proposed to be issued on or about 21 August 2013 (PDS). The PDS is being issued in relation to an offer of up to 120,000,000 fully-paid ordinary TGP securities at \$0.59 per security.

Financial Services Guide

BDOCF holds an Australian Financial Services Licence (License No: 247420) (Licence). As a result of our IAR being provided to you BDOCF is required to issue to you, as a retail client, a Financial Services Guide (FSG). The FSG includes information on the use of general financial product advice and is issued so as to comply with our obligations as holder of an Australian Financial Services Licence.

Financial services BDOCF is licensed to provide

The Licence authorises BDOCF to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, to carry on a financial services business to provide general financial product advice for securities and certain derivatives (limited to old law securities, options contracts and warrants) to retail and wholesale clients.

BDOCF provides financial product advice by virtue of an engagement to issue the IAR in connection with the issue of securities of another person.

Our IAR includes a description of the circumstances of our engagement and identifies the party who has engaged us. You have not engaged us directly but will be provided with a copy of our IAR (as a retail client) because of your connection with the matters on which our IAR has been issued.

Our IAR is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in the IAR.

General financial product advice

Our IAR provides general financial product advice only, and does not provide personal financial product advice, because it has been prepared without taking into account your particular personal circumstances or objectives (either financial or otherwise), your financial position or your needs.

Some individuals may place a different emphasis on various aspects of potential investments.

An individual's decision in relation to voting on the transaction described in the Documents may be influenced by their particular circumstances and, therefore, individuals should seek independent advice.

Benefits that BDOCF may receive

BDOCF will receive a fee based on the time spent in the preparation of the IAR in the amount of approximately \$180,000 (plus GST and disbursements). BDOCF will not receive any fee contingent upon the outcome of the proposed transaction, and accordingly, does not have any pecuniary or other interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in relation to the transaction.

Remuneration or other benefits received by our employees

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of BDOCF or related entities but any bonuses are not directly connected with any assignment and in particular are not directly related to the engagement for which our IAR was provided.

Referrals

BDOCF does not pay commissions or provide any other benefits to any parties or person for referring customers to us in connection with the reports that BDOCF is licensed to provide.

Associations and relationships

BDOCF is the licensed corporate finance arm of BDO East Coast Partnership, Chartered Accountants and Business Advisers. The directors of BDOCF may also be partners in BDO East Coast Partnership, Chartered Accountants and Business Advisers.

BDO East Coast Partnership, Chartered Accountants and Business Advisers is comprised of a number of related entities that provide audit, accounting, tax and financial advisory services to a wide range of clients.

BDOCF's contact details are as set out on our letterhead.

BDOCF is unaware of any matter or circumstance that would preclude it from preparing the IAR on the grounds of independence under regulatory or professional requirements. In particular, BDOCF has had regard to the provisions of applicable pronouncements and other guidance statements relating to professional independence issued by Australian professional accounting bodies and Australian Securities and Investments Commission (ASIC).

Complaints resolution

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, BDO Corporate Finance (East Coast) Pty Ltd, Level 11, 1 Margaret Street, Sydney NSW 2000.

On receipt of a written complaint we will record the complaint, acknowledge receipt of the complaint and seek to resolve the complaint as soon as practical. If we cannot reach a satisfactory resolution, you can raise your concerns with the Financial Ombudsman Service Limited (FOS). FOS is an independent body established to provide advice and assistance in helping resolve complaints relating to the financial services industry. BDOCF is a member of FOS. FOS may be contacted directly via the details set out below.

Financial Ombudsman Service Limited

GPO Box 3
Melbourne VIC 3001
Toll free: 1300 78 08 08
Email: info@fos.org.au

BDO Corporate Finance (East Coast) Pty Ltd ABN 70 050 038 170 AFS Licence No. 247 420 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (East Coast) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.



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TAXATION IMPLICATIONS

8.1 Taxation implications

The taxation consequences for a particular New 360 Securityholder may vary depending on their own specific circumstances. Accordingly, the information contained below, being of a general nature only, does not constitute taxation advice and cannot be relied upon as such. The following summary is in relation to the Australian income tax implications for Australian resident New 360 Securityholders who intend to hold their New 360 Securities on capital account. The summary is based on the Issuer's established interpretation of taxation law as at the date of this PDS.

New 360 Securityholders should seek appropriate independent professional taxation advice that considers the taxation implications of the content of the PDS to their own specific circumstances.

8.2 Acquisition of securities

Under the Capital Raising investors will acquire a share in TCGL ("TGP Shares") and a unit in TPF12 ("TGP Units"). Each TGP Share and TGP Unit is a separate CGT asset under Australian Income Tax Legislation. The TGP Shares and TGP Units should be taken to have been acquired when they were issued or allotted to investors who participate in the Capital Raising.

Generally, the first element of the cost base (and reduced cost base) of the TGP Shares and TGP Units will include the money paid in acquiring each CGT asset. Broadly, the total Issue Price of \$0.59 per New 360 Security is to be reasonably apportioned between each of the TGP Shares and TGP Units in order to determine the first element of the cost base (and reduced cost base) for each of the CGT Assets. The apportionment of the total Issue Price of \$0.59 between each of the TGP Shares and TGP Units is to be determined by the application of the funds raised under the Capital Raising by the Issuer. The Issuer will make information available on its website to advise investors of the apportionment of the Issue Price between each of the TGP Shares and TGP Units.

8.3 Distributions

Following subscription, New 360 Securityholders may in future receive trust distributions from the TGP Units and/or dividends in respect of the TGP Shares.

8.4 Trust distributions

The net income of the TPF12 will be calculated in accordance with the relevant provisions of the Australian Income Tax Legislation. Under Division 6 of the ITAA 1936, the trustee is not personally taxed on the net income of the trust provided unitholders are presently entitled to the income of the trust. It is intended that TPF12 will continue to be a flow through trust such that Division 6 should apply to the net income of TPF12. On this basis, Securityholders will include their share of the net income of the TPF12 in their assessable income in the year in which they become presently entitled to their share of the income of TPF12.

To the extent that a New 360 Securityholder's share of the net income is attributable to a capital gain made by TPF12, the New 360 Securityholder will be treated as having made a capital gain equal to that amount. Where the capital gain is a discount capital gain, the New 360 Securityholder is treated as making a discount capital gain equal to twice the amount that is attributable

to the discount capital gain. The New 360 Securityholder may be entitled to apply their relevant discount percentage to the discount capital gain to the extent that it is included in a net capital gain made for the income year.

Where the cash distribution that a New 360 Securityholder receives exceeds their share of the net income of the TPF12, the excess may include CGT concession or tax deferred amounts which will be non-assessable to the New 360 Securityholder. However, the tax deferred distribution will result in a reduction in the New 360 Securityholder's cost base on those TGP Units. The New 360 Securityholder will make a capital gain equal to the amount by which the tax deferred distributions received for an income year exceed the New 360 Securityholder's remaining cost base in those units.

8.5 Receipt of dividends

If dividends are paid in respect of TCGL, Australian resident unitholders will be required to include the amount of any dividends distributed in their assessable income when paid.

The precise tax consequences arising from the receipt of the dividend will vary depending on the nature of the New 360 Securityholder. Subject to our comments below, Australian resident New 360 Securityholders (and other Securityholders) may be required to gross up dividends included in their assessable income for any attached franking credits and may be entitled to a tax offset equal to the franking credit. Excess franking credits (that is, where franking offsets exceed income tax payable) may give rise to tax refunds for certain New 360 Securityholders.

Under Australian Income Tax Legislation, an Australian resident Securityholder must be a "qualified person" in order to be entitled to a tax offset in respect of the franked dividends received. The requirements of the qualified person test are complex and require, in broad terms, for the Securityholder to hold the shares or an interest in the shares at risk for a continuous period of 45 days during the relevant qualification period before being required to gross up the dividend to include the attached franking credit in their assessable income or becoming entitled to a tax offset. Securityholders should obtain their own advice based on their specific circumstances to confirm that they are entitled to the benefit of any tax offset in respect of any franked dividends received in respect of TCGL.

8.6 Tax File Numbers and Australian Business Numbers

New 360 Securityholders are not required by law to provide a Tax File Number ("TFN"), however, if a TFN is not quoted, or no appropriate TFN exemption information is provided, tax is required to be withheld from any income distribution entitlement or unfranked dividend at the highest marginal tax rate plus Medicare levy (currently 46.5%).

An entity that makes their investment in the New 360 Securities in the course of an enterprise carried on by it may quote their Australian Business Number rather than a TFN.

8.7 Goods and Services Tax ("GST")

The acquisition of New 360 Securities as contemplated under the PDS should not attract GST.

A low-angle, upward-looking photograph of a modern building's interior or exterior structure. The image features a complex network of dark steel beams and large glass panels that reflect the sky. The perspective creates a sense of height and architectural scale. Overlaid on the image are several decorative lines: a solid blue curve that starts from the left and arcs upwards towards the right, and a white dashed line that follows a similar path but is slightly offset. In the top left corner, the number '09' is displayed in a large, bold, lime-green font.

09

CORPORATE GOVERNANCE

New 360 is to be a stapled group consisting of TCGL and TPF12. Both TCGL and TPF12 will have identical boards of directors and hereafter the term “Board” should be read as referring to these boards.

New 360’s Board and management will have a set of values that recognise their responsibilities to all stakeholders, including New 360 Securityholders, customers, employees, our business partners, the community and the environment.

The Board places the highest standards of integrity and ethics with regard to its corporate governance practices and will continually review and update its principles and practices to ensure its compliance with best practice corporate governance.

9.1 Role of the Board of Directors

The primary role of the Board is to ensure financial viability, performance and enhancement of value to Securityholders. The Board is responsible for the overall governance of New 360, including:

- (a) Defining the powers reserved for the Board;
- (b) Setting objectives, values and strategies;
- (c) Ensuring that New 360 adheres to appropriate standards and values and that proper policies are developed and followed in relation to:
 - (i) Compliance with laws;
 - (ii) Safety, health and environment matters;
 - (iii) Human capital;
 - (iv) Corporate governance; and
 - (v) Operational excellence;
- (d) Selecting or confirming the appointment of the Managing Director, together with delegating distinct and clear functions, responsibility and accountabilities and subsequently regularly monitoring, reviewing and assessing the performance of the Managing Director;
- (e) Setting and ensuring implementation of all corporate governance matters and subsequently regularly monitoring, reviewing and assessing those matters;
- (f) Ensuring appropriate changes to corporate governance matters are made where necessary;
- (g) Monitoring performance of executive management;
- (h) Nominating committees and determining their membership, delegating clear functions and objectives, authority, responsibility and accountabilities to those committees and subsequently regularly monitoring, reviewing and assessing the performance of each committee against their objectives;
- (i) Keeping under review the general short, medium and long-term progress and development of New 360 in light of the political, economic and social environment in which it operates;
- (j) Determining desired financial objectives and approving New 360’s budget annually and subsequently monitoring the financial state and performance of New 360 (including investment and financial plans) against the objectives and budget and, where appropriate, communicating to stakeholders;
- (k) Determining that New 360’s accounts are true and fair;
- (l) Determining that satisfactory arrangements are in place for auditing New 360’s financial affairs, including selecting and recommending any changes to auditors as required at general meetings;
- (m) Capital management including issues, calls on, forfeiture of shares, declaration of dividends or distributions and share buy-backs, capital raising and debt facilities;
- (n) Managing the interests of the directors, conflicts and related party transactions;
- (o) Managing matters pertaining to shareholders including meetings, communications and relations;
- (p) Setting and maintaining the disclosure policy including continuous disclosure, approval of accounts and reports and period disclosure;
- (q) Approving major changes in the organisation, shape or direction of New 360, including entry of new fields of operation and departure from those which are no longer appropriate;
- (r) Approving major expenditures and transactions with other companies or parties including, for example, acquisitions, divestments, restructures, joint ventures and significant supply arrangements;
- (s) Supporting the Managing Director in the discharge of his/her responsibilities;
- (t) Ensuring appropriate credit policies and other risk management policies and procedures are in place and implemented and regularly monitoring, reviewing and assessing those areas;
- (u) Giving approval and/or support, as appropriate, to the most senior appointments at New 360 and ensuring that adequate career development, succession and remuneration arrangements exist for them; and
- (v) Reviewing the Board’s structure and performance and having evaluated individual director performance from time to time, making decisions on new appointments to the Board.

9.2 Role of management

The Managing Director will be responsible for the overall management and financial performance of New 360. The Managing Director will manage the organisation in accordance with the strategy, plans, policies and budgets approved by the Board to achieve the agreed goals.

9.3 Board composition and size

The Board is to comprise of the Managing Director, three independent non-executive directors and an independent non-executive chairman. For profiles of members of the Board, please refer to Section 3.9.

9.4 Appointment of Directors

Nominations of new directors, recommended by the Nominations Committee, are considered by the full Board. The Nominations Committee's role is to assist the Board in assessing the skills required and identifying candidates for potential appointment to the Board.

The Nominations Committee considers potential directors taking into account the range of skills and experience required in relation to the:

- (a) Current composition of the Board;
- (b) Need for independence; and
- (c) Strategic direction and progress of New 360.

The Board assesses nominated directors against a range of criteria including experience, professional skills, personal qualities and their capacity to commit to the needs of New 360.

9.5 Director independence

A majority of the Board comprises independent non-executive directors, including an independent non-executive Chairman. All of the New 360 non-executive directors are independent non-executive directors, being free from any business or other relationship that could materially interfere with (or could reasonably be perceived to materially interfere with) the exercise of their independent judgement and their ability to act in the best interests of New 360.

9.6 Chairman's appointment and responsibilities

The Chairman is appointed by the Board.

The Chairman presides over the Board and his duties include:

- (a) Ensuring the Board performs its roles and functions;
- (b) Managing the relationship between the Managing Director and the Board;
- (c) Managing the business of the Board and presiding over its meetings, resolving differences between Directors and seeing that decisions are reached promptly and are appropriately recorded and implemented;
- (d) Ensuring that all relevant issues are on the agenda and that all Directors receive timely and relevant information to enable them to be effective members;
- (e) Ensuring that each director fully participates in the Board's activities;
- (f) Recommending to the Board for consideration the membership and functions of committees of the Board;
- (g) Maintaining a regular dialogue and mentoring relationship with the Managing Director;
- (h) Liaising with the Chairman of the Nominations and Remuneration Committee and the Chairman of the Audit and Risk Committee to ensure the core issues delegated to these committees are addressed;

- (i) Promoting the interests of New 360 as a whole in relation to New 360 Securityholders, stakeholders, governments, other public organisations, other companies and the public generally; and
- (j) Performing annual Director and Board evaluation.

9.7 Conduct of the Board

The Board schedules regular meetings and will also meet whenever necessary to carry out its responsibilities.

When conducting Board business, directors have a duty to question, request information, raise any issues of concern, fully canvass all aspects of any issues confronting New 360, disclose any potential for conflict and vote on any resolutions according to their own judgement.

9.8 Conflicts of interest

Directors are required to continually monitor and disclose any actual, potential or perceived conflicts of interest that may arise.

Directors must:

- (a) Disclose to the Board and Company Secretary any actual or potential conflict of interest that may arise as soon as the situation is recognised;
- (b) Take all necessary and reasonable steps to resolve any conflict of interest within an appropriate period, if required by the Board or deemed appropriate by that Director; and
- (c) Comply with the Corporations Act requirements in relation to disclosure of interests and restrictions on voting.

The same requirements exist for related party transactions, including financial transactions with New 360. Related party transactions are reported in writing to the Board.

9.9 Access to information

All Directors have unrestricted access to New 360's records and information and are encouraged to access members of senior management at any time to request relevant information.

Directors are entitled to seek independent advice at New 360's expense after advising the Chairman. Any advice received must be made available to all Directors.

9.10 Managing Director, CIO and CFO assurance

The Board will receive regular reports about the financial condition and operating results of New 360 from the Managing Director, CIO and CFO.

9.11 Committees

The Board will establish committees to consider certain issues and functions in further detail. The Chairman of each committee reports on any matters of substance at the next board meeting. All committee papers and minutes are provided to the Board.

There are currently two standing committees:

- (a) Audit and Risk Committee; and
- (b) Nominations and Remuneration Committee

Other committees may be formed from time to time, as required. Each committee has its own terms of reference, approved by the Board and reviewed annually, with additional review when appropriate. The Chairman and Managing Director attend committee meetings where appropriate.

Members of Board Committees will be:

	Audit and Risk	Nominations and Remuneration
David van Aanholt	–	–
Tony Pitt	–	–
Graham Lenzner	x (Chair)	x
John Ballhausen	x	x
Andrew Moffat	x	x (Chair)

9.12 Nominations and Remuneration Committee

The Committee assists the Board in its responsibility to oversee the nomination and remuneration of the Directors and senior executives of New 360.

The Committee is responsible for:

- (a) Making recommendations regarding the appointment of the Managing Director and reporting succession plans for senior executives to the Board;
- (b) Reviewing and making recommendations to the Board on the proposed remuneration strategy and package for the Managing Director, the Managing Director's direct reports and other senior executives;
- (c) Reviewing and making recommendations to the Board regarding the appointment and remuneration of the Directors, including attending to the following matters:
 - (i) Assessing the skills required by the Board;
 - (ii) From time to time, assessing the extent to which the required skills are present on the Board;
 - (iii) Establishing processes for the review of the performance of individual Directors and the Board as a whole;
 - (iv) Establishing processes for the identification of suitable candidates for appointment to the Board;
- (d) Reviewing and making recommendations to the Board concerning general remuneration and recruitment principles for New 360 (including incentives schemes, bonuses and similar matters); and
- (e) Supervising New 360's obligations on matters such as superannuation and other employment benefits and entitlements.
- (f) Any external consultant engaged to assist with the above is appointed by the Chairman and any report received is marked for the attention of the Chairman.

Board Performance Assessment

The Chairman annually conducts an evaluation of the Board as a whole and each Director individually and takes account of the following matters:

- (a) The ability of the Board to achieve the goals and objectives set by it;
- (b) The support of the Board to senior management;
- (c) The Board's ability to interact and work effectively;
- (d) The Board's ability to ensure corporate governance and whether the Board delivered value to Securityholders through performance;
- (e) The Director's focus on New 360 as a whole (including acting in the best interests of Securityholders);
- (f) Their performance on designated matters;
- (g) The Director's individual contribution to and participation in specific areas;
- (h) Their interaction with other Directors;
- (i) Their skill and experience level, their judgement and accountability; and
- (j) Their market awareness.

The Directors, independent of the Chairman, will meet every two years to evaluate the Chairman and consider the following:

- (a) The Chairman's focus on New 360 as a whole (including acting in the best interests of New 360 Securityholders);
- (b) The performance of the Chairman in relation to Board matters;
- (c) The Chairman's ability to steer the Board and to bring matters to a satisfactory conclusion; and
- (d) The Chairman's interaction with other Directors.

Retirement of Directors

Directors are required to not hold office for a continuous period in excess of three years without re-election and submit for re-election after fulfilling a three year term.

A Director appointed to a casual vacancy by the Board will hold office until the next AGM when the Director is required to stand for election. This election will be in addition to any rotational requirements.

9.13 Audit and Risk Committee

The Audit and Risk Committee assists the Board to discharge its corporate governance responsibilities in exercising due care, diligence and skill in relation to:

- (a) Compliance with:
 - (i) reporting of financial information;
 - (ii) application of accounting policies;
 - (iii) financial management;
 - (iv) internal control systems;
 - (v) risk management systems;
 - (vi) business policies and practices;

- (vii) protection of New 360's assets; and
- (viii) compliance with applicable laws, ASX Listing Rules, regulations, standards and best practice guidelines or recommendations.

In particular, as it relates to any ASIC registered managed investment scheme ("Scheme") managed by a New 360-controlled responsible entity ("RE"), the Committee will:

- (i) Monitor to what extent the RE complies with the Compliance Plan for a Scheme and report on its findings to the Board of the RE;
 - (ii) Report to the Board of the RE any breaches of the Corporations Act involving a Scheme, or any breaches of a Scheme's Constitution; and
 - (iii) Assess at regular intervals whether the Compliance Plan for a Scheme is adequate, report to the Board of the RE on the assessment and make recommendations to the Board of the RE about any changes to a Scheme's Compliance Plan;
- (b) Improving the credibility and objectivity of the accounting process, including financial reporting;
 - (c) Providing a formal forum for communications between the Board and senior financial management;
 - (d) Improving the effectiveness of internal control systems and be a forum for improving communications between the Board and the internal and external auditors;
 - (e) Facilitating the maintenance of the independence of the external auditor;
 - (f) Improving the quality of internal and external reporting of financial and non-financial information; and
 - (g) Fostering an ethical culture throughout New 360.

9.14 Auditor independence

The independence of the external auditor is of particular importance to Securityholders and the Board. The Board has adopted a Charter of Audit Independence that is reviewed regularly to keep in line with emerging practices.

The key points to the Charter include:

- (a) Rotation of the senior audit partner every five years;
- (b) Annual confirmation from the auditor that it has satisfied all professional regulations relating to auditor independence;
- (c) Fees for non-audit services not exceeding the agreed audit fee in any one year, except in exceptional circumstances; and
- (d) Specific exclusion of the audit firm from work which may give rise to a conflict of interest.

In accordance with the Corporations Act and based on the advice of the Audit Committee, the Directors have satisfied themselves that the provision of non-audit services during the year by the auditors is compatible with the general standard of independence for auditors imposed by the Corporations Act.

9.15 Risk management

The Board has overall responsibility for ensuring that there is a sound system of risk management and internal compliance and control across the business. It also has responsibility for establishing risk management policies and acceptable levels of risk for New 360, and ensuring these are implemented.

The system draws upon the ASX Corporate Governance Council's Revised Supplementary Guidance to Principle 7 and seeks to provide a consistent approach to identifying, assessing and reporting risks, whether they be related to New 360's performance, reputation, safety, environment, internal control, compliance or other risk areas.

Specific monitoring and evaluation of the effectiveness of risk management and the internal control environment are delegated to the Audit and Risk Committee. The committee approves New 360's accounting policies, reporting practices and production of financial statements and monitors the application of appropriate management controls.

It considers external audit reports and reviews the adequacy of New 360's procedures and internal controls in order to monitor financial risk and major operational risks.

Risk and Compliance processes and reporting procedures provide assurance to the Board and the Audit and Risk Committee that the preparation of the financial statements and the control systems underlying them are adequate.

Appropriate risk management structures and procedures exist throughout the organisation and the Managing Director has ultimate responsibility to the Board for the risk management and control framework.

The risk management framework enables the business to identify and assess risks and controls, respond promptly and appropriately and continue to monitor risks issues as they evolve. Risk and compliance information is reported at each Audit and Risk Committee meeting. Areas of significant business risk are also highlighted in the business plan presented to the Board by the Managing Director each year.

The Board reviews and approves the parameters under which significant business risks will be managed before adopting the business plan. Arrangements put in place by the Board to monitor risk management include:

- (a) Regular monthly reporting to the Board in respect of operations, financial position and new contracts;
- (b) Reports by the chairman of the Audit and Risk Committee and circulation of its minutes;
- (c) Presentations throughout the year of appropriate members of New 360's management team on particular risks and measures adopted to manage or mitigate the risks;
- (d) Increased monitoring of New 360's liquidity and status of renewals of finance facilities;
- (e) Formal risk assessments are required as part of business case approvals for projects or initiatives of a significant nature; and
- (f) Provision for any Director to request that operational and project audits be undertaken.

9.16 Compliance

The Board is responsible for ensuring that adequate measures are undertaken to manage compliance with the laws, regulators, contracts, industry codes, internal standards and policies applicable to New 360's operations.

Compliance is a key element of risk management.

Specific responsibility for the monitoring of compliance has been delegated to the Audit and Risk Committee. Consistent with New 360's risk management approach, New 360's compliance measures are subject to monitoring and continuous improvement. Any compliance issues or incidents are reported to the Audit and Risk Committee.

9.17 Code of Conduct

New 360 has a code of conduct outlining the standards of personal and corporate behaviour of all Directors, officers and employees. This code reinforces a strong ethical culture for the benefit of all stakeholders.

All Directors and employees must always act ethically, honestly, responsibly and diligently in full compliance with all governing laws and in the best interests of New 360, respecting investors and colleagues and treating them in a courteous and professional manner.

All Directors and employees must avoid conduct that is deceptive or unfair.

A copy of the Code of Conduct is provided to all Directors and employees on joining New 360.

New 360 is committed to employee related policies such as Equal Employment Opportunity and Occupational Health and Safety and endorses providing a safe and equitable work environment.

9.18 Share Trading Policy

New 360's Share Trading Policy applies to Directors, senior management and other employees and any other person associated with any of them, trading in New 360 and other securities.

New 360's Share Trading Policy aims to:

- (a) Protect stakeholders' interests at all times;
- (b) Ensure that Directors and employees do not use any information they possess for their personal advantage, or to the detriment of New 360; and
- (c) Ensure Directors and employees comply with insider trading legislation.

Directors, executives and employees of New 360 may not deal in New 360 Securities between:

- (a) 1 January and the announcement of half yearly results.
- (b) 1 July and the announcement of annual financial results.
- (c) Between the date of a securityholders' meeting and the announcement of results of the meeting.
- (d) Any other period as determined by the company secretary.

9.19 Communication with New 360 Securityholders

New 360 endeavours to ensure that communication with New 360 Securityholders and other stakeholders is undertaken in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions based on the operations and results of New 360.

New 360 is committed to transparent and quality communication to New 360 Securityholders through continuous disclosure. Information is communicated to New 360 Securityholders through distribution of half yearly and full year reports and other communications as required. All significant information is posted on New 360's website as soon as it is disclosed to the ASX.

9.20 Environmental regulation

New 360 is committed to achieving a high standard of environmental performance. The Board considers issues associated with the environmental impact of New 360's operations and, together with management, monitors New 360's compliance with statutory requirements, as well as published policies and procedures.

New 360's operations are subject to various environmental regulations under both Commonwealth and State legislation, particularly in relation to its property development activities. New 360 undertakes an environmental due diligence and risk assessment of all properties it acquires. The Board monitors environmental performance by setting objectives, monitoring progress and identifying remedial action where required.

9.21 Annual General Meeting (AGM)

All New 360 Securityholders are encouraged to attend and/or participate in New 360's AGM. New 360 Securityholders can attend in person or send a proxy as their representative. Unless unavailable, all Directors and senior management attend the meeting, along with the external auditor.

10

FEES AND OTHER COSTS



The Corporations Act requires the inclusion of the following standard consumer advisory warning. The information in the consumer advisory warning is standard across product disclosure statements and is not specific to fees and costs of TPF12.

10.1 Consumer Advisory Warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

10.2 Fees and other costs

This Section shows fees and other costs that you may be charged for your investment in TPF12. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of TPF12.

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of TPF12		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Termination fee The fee to close your investment	Nil	Not applicable
Management costs		
The fees and costs for managing your investment	TPF12 will not incur any external management fees, as the responsible entity of TPF12 will be wholly owned by TCGL. The operating expenses of TPF12 will be approximately 0.6% p.a. of the net asset value of TPF12.	The Responsible Entity's operating expenses will be paid or reimbursed from the assets of TPF12 as the expenses are incurred by the Responsible Entity.
Service fees		
Investment switching fee The fee for changing investment options	Nil	Not applicable

FEES AND COSTS

10.3 Example of annual fees and costs

This table gives an example of how the fees and costs referable to your investment in TPF12 can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Example	Amount	Balance of \$50,000 with a contribution of \$5,000 during year
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged nil.
PLUS Management costs:		
Management fees ²⁴ (including operating expenses)	0.6% p.a.	And , for every \$50, 000 you have in the fund you will be charged \$300 each year.
EQUALS Cost of TPF12	Nil	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged management costs of from \$300 to \$350 ²⁵ . What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.

10.4 Additional explanation of fees and costs

The Responsible Entity is entitled to charge fees set out in TPF12's constitution. However, as an internally managed trust, TPF12 is not subject any third party fund management fees.

Operating expenses of TPF12 include custodian expenses, registry fees, ASX fees, audit and insurance costs, compliance and regulatory costs, employee salaries, Directors' fees and general expenses of TPF12.

Changes to fees

The responsible entity of TPF12 may change the amount of fees without your consent. Fees will only be changed if 30 days prior written notice of the proposed changes is given to members of TPF12.

GST

All fees and costs in this Section are quoted inclusive of GST and take into account expected reduced input tax credits available to TPF12 in respect of the GST component of the fee or cost.

24. Determined by applying an allocation percentage to the total FY14 operating expenses of the stapled group (excluding the Diversified Fund being consolidated into New 360). The allocation percentage is calculated as the ratio of the total asset value of TPF12 over the combined FUM and total asset value of New 360.

25. The additional management costs (ie, operating expenses) will be on a pro-rata basis and will vary depending on whether you are invested for the whole year or part of the year.

An aerial photograph of an industrial park featuring several large, light-colored warehouse buildings. The park is surrounded by greenery and a residential area with houses and trees. In the far distance, a city skyline is visible under a clear blue sky. A large, bright yellow number '11' is positioned in the upper right corner. A white dashed line and a solid teal line curve across the image from the top left towards the bottom right.

11

ADDITIONAL INFORMATION

ADDITIONAL INFORMATION

The information contained in this Section assumes that New 360 is re-admitted to the official list of ASX.

11.1 Summary of TPF12 Constitution

The rights attached to the units are set out in the constitution of TPF12. Those rights are, in certain circumstances, also regulated by the Corporations Act, the ASX Listing Rules and the general law. The constitution of TPF12 is available for inspection at the offices of the Responsible Entity. The following is a summary of some of the principal rights of unitholders:

- (a) Unitholders are entitled to receive notice of, and to attend and vote at, a general meeting of TPF12 and to receive all notices, accounts and other documents required to be sent to members under the constitution of TPF12, the Corporations Act, the ASX Listing Rules or the general law. Meetings of TPF12 and TCGL will be held collectively while stapling applies;
- (b) The Responsible Entity may issue further units for the issue price specified in the constitution. Whilst stapling applies, a unit may only be issued together with a share as part of a stapled security. The issue price for a stapled security will be its market price (determined as the 10 day average of the daily weighted traded price of stapled securities on the ASX, a price determined by a bookbuild conducted by a reputable investment bank or a fair price determined by a qualified and experienced independent adviser) or such other price the Responsible Entity determines in accordance with law and ASIC policy. Currently, this means that the Responsible Entity may determine another issue price applies (including a discounted issue price) in circumstances of a pro rata rights offer, a placement, a security purchase plan or upon reinvestment of distributions;
- (c) The Responsible Entity may issue units in different classes which may have rights which are preferential to ordinary units;
- (d) Unitholders have no right to redeem their units. The Responsible Entity may in its absolute discretion offer unitholders an opportunity to redeem their units or may conduct a unit buy back on terms it determines in accordance with the constitution and all applicable laws;
- (e) Unitholders will be entitled to participate in any distributions of income from TPF12 according to their rights and interests. Subject to the rights attached to a particular class of units, this means in proportion to their holdings;
- (f) If TPF12 is wound up, unitholders will be entitled to participate in any surplus assets of TPF12 according to their rights and interests. Subject to the rights attached to a particular class of units, this means in proportion to their holdings. In addition to the circumstances in which TPF12 may be wound up under the Corporations Act, the Responsible Entity may wind up TPF12 by giving unitholders in TPF12 notice of the termination date;
- (g) Subject to the constitution of TPF12 and the Corporations Act, the Responsible Entity has all the powers in respect of TPF12 which it would have if it was the owner of the assets of TPF12;

- (h) The Responsible Entity may determine that TPF12 be stapled to, or unstapled from, another fund, company or other entity in its discretion;
- (i) The Responsible Entity may in its discretion implement any scheme, restructure or other arrangement on behalf of unitholders in TPF12. This may include transferring TPF12 assets, acquiring TPF12 assets, distributing TPF12 assets to members in specie or applying for and accepting transfer of securities in other entities or in the name of and on behalf of unitholders. Each unitholder appoints the Responsible Entity as their agent and attorney to implement any such scheme, restructure or other arrangement;
- (j) The constitution of TPF12 provides that the Responsible Entity will be paid out of the income or capital of TPF12 an annual fee; and
- (k) The Responsible Entity may hold units and may contract with itself in another capacity, for example as responsible entity of another fund, and may contract with related entities for the provisions of services to TPF12 paid for by TPF12.

11.2 Summary of TCGL Constitution

The rights attached to the shares are set out in the constitution of TCGL. Those rights are, in certain circumstances, also regulated by the Corporations Act, the ASX Listing Rules and the general law. The constitution of TCGL is available for inspection at the offices of TCGL. The following is a summary of some of the key provisions of the Constitution for shareholders:

- (a) Shareholders are entitled to receive notice of, and to attend and vote at, a general meeting of TCGL and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act, the ASX Listing Rules or the general law. Meetings of TCGL and TPF12 will be held collectively while stapling applies;
- (b) The Board may issue further shares at any time and on any terms and conditions as the Board resolves. This includes the right to issue preference shares, including redeemable or convertible preference shares. Whilst stapling applies, a share may only be issued together with a unit as part of a stapled security. The issue price for a stapled security will be determined having regard to the constitution of TPF12;
- (c) TCGL may in its absolute discretion conduct a share buy back on terms it determines in accordance with the constitution and all applicable laws. Shareholders have no right to require their shares to be bought back by TCGL;
- (d) Subject to the Corporations Act, the ASX Listing Rules and applicable laws, TCGL may sell the shares of a shareholder who holds less than a marketable parcel of shares;
- (e) The Board may from time to time resolve to pay dividends to members and fix the amount of the dividend, the timing for determining entitlements to the dividend and the timing and method of payment. Shareholders will be entitled to participate in any dividends according to their rights and interests. Subject to the rights attached to a particular class of shares, this means in proportion to their holdings;

- (f) If TCGL is wound up, shareholders will be entitled to participate in any surplus assets of TCGL according to their rights and interests. Subject to the rights attached to a particular class of shares, this means in proportion to their holdings;
- (g) The Board may determine that the method of payment by TCGL of a dividend or a return of capital, a buy back or otherwise, may include any or all of the payment of cash, the issue of new shares or other securities and the transfer of assets (including shares or other financial products in another body corporate or trust). The Board may authorise any person to act as agent and attorney for the shareholders to do all things necessary (including execute any document and agree to be a member of another company, trust or entity) to effect any such transfer of assets;
- (h) The Board may determine that TCGL be stapled to, or unstapled from, another company, fund or other entity in its discretion;
- (i) The minimum number of Directors that may comprise the Board is three and the maximum is ten. TCGL may pass a resolution varying that number but the minimum must not be less than three. Directors are elected at annual general meetings of TCGL. Retirement will occur on a rotational basis so that no Director (excluding the Managing Director) holds office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected. The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the Directors, who will then hold office until the end of the next annual general meeting of TCGL;
- (j) Resolutions arising at a meeting of the Board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of an equality of votes on a resolution, the chairperson of the meeting has a casting vote;
- (k) Non-Executive Directors are entitled to such remuneration as determined by the Directors but which must not exceed in aggregate the maximum amount determined by shareholders at a general meeting. Subject to the Constitution and applicable law, the remuneration of Executive Directors may be fixed by the Directors. Please refer to Sections 11.7 and 11.8 for more detail in relation to Directors' remuneration; and
- (l) TCGL, to the extent permitted by law, indemnifies each Director against any liability incurred by that Director as an officer of TCGL including for legal costs incurred by the Director associated with proceedings relating to liability of that Director (please refer to Section 11.9). TCGL may, to the extent permitted by law, pay the premium on a policy of insurance in respect of a person who is or has been an officer or auditor of TCGL.

11.3 Employee Security Plan

If the Transaction is approved, New 360 proposes to adopt an Employee Security Plan ("ESP") which, amongst other things, allows New 360 to lend funds to eligible New 360 employees to acquire New 360 Securities.

The Committee of Independent Directors of TGP believes that the ESP offers a number potential benefits to New 360 Securityholders.

Eligible New 360 employees will have a direct financial interest in the performance of New 360 by virtue of their New 360 Securities, thereby ensuring a closer alignment between the interests of New 360 employees and the interests of New 360 Securityholders.

The issue of New 360 Securities to eligible New 360 employees would be expected to reduce a Securityholders' proportional ownership of New 360. In addition, the issue of Securities has the potential to dilute earnings if the proceeds of exercise cannot be invested in assets which will provide the required return.

ADDITIONAL INFORMATION

The table below outlines the proposed Employee Security Plan ("ESP").

	Tony Pitt	Ben James	Non-Executive Directors	Other Staff
Participants	1	1	4	15
Salary package/Directors' fees	\$600,000	\$400,000	\$400,000	\$2,600,000
ESP equity issued	6,000,000	6,000,000	400,000	9,600,000

Plan overview

- It is proposed that New 360 Securities be offered to the above participants for \$0.59 per New 360 Security and that future offers would be in accordance with the terms of the ESP. The offer of these New 360 Securities will be open until the date of issue of the New 360 Securities under the ESP.
- Securities issued under the ESP will rank pari passu with the existing New 360 Securities then on issue in terms of distribution rights.
- A loan will be provided to each participant equivalent to the value of Securities issued. The interest on the loan will equal distributions being received by participants in the plan.
- Participants will be unable to trade New 360 Securities until they vest.
- After New 360 Securities have vested, participants can elect to pay all or part of the loan at any time, at such time triggering the receiving of distributions and the abolishment of loan interest. The Board may elect to continue the loan at its absolute discretion.
- Should performance hurdles not be met, or participants do not want to repay the loan, then the Board, at its discretion, will either sell or cancel the securities.
- The Board may determine and vary the circumstances in which 360 Securities may vest. Generally, they will not vest until the performance hurdles have been satisfied (see below). However, the Board may determine that 360 Securities will vest earlier on the happening of certain events such as a change of control or a change of circumstances. Tony Pitt and Ben James may elect for their 360 Securities to immediately vest where they are removed without cause, their contract terminates following a change of circumstances of New 360 or where there are circumstances which are likely to result in a change of control.
- No participant will be permitted to dispose of Securities that he or she acquires pursuant to the ESP other than in accordance with the ESP.

Hurdles for realisation

The performance criteria for vesting of the New 360 Securities are that the Total Shareholder Return (TSR) over the period of three years from the date Securities are issued under the ESP meets the following hurdles:

- Participants will be entitled to 100% of the securities issued under the ESP if TSR over the Performance Period is 15% per annum or greater;
- If the TSR is 10% per annum over the Performance Period, Participants will be entitled to 50% of the Securities to be issued under the ESP;
- If the TSR is between 10% and 15% per annum over the Performance Period, the number of Securities will be pro rata'd and be calculated on a straight line basis;
- If the TSR is not achieved over the period from issue to the date a participant can convert, the conversion cannot take place and the Board, at its discretion, can elect to either redeem securities (either through selling on market or cancelling securities) and cancel the loan or continue the measurement period, at its absolute discretion, until such time as the TSR is 15% per annum or greater; and
- TSR will take into consideration the total return of the New 360 Securities having regard to the change in price from the ESP issue price and any dividends or distributions or other returns. The capital return will be based on the trading price at the end of the three years or the price struck if a change of control occurs.

11.4 Other formalities

(a) General

The Corporations Act requires this PDS to contain certain information regarding the offer of New 360 Securities as follows:

- (i) no amount will or may be payable by an Eligible Investor after New 360 Securities allotted and issued;
- (ii) the Responsible Entity does not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of its investments;
- (iii) as a disclosing entity, New 360 is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to New 360 may be obtained from, or inspected at, an ASIC office;
- (iv) You have a right to obtain a copy of the following documents:
 - (A) the annual report most recently lodged with ASIC;
 - (B) any half-year financial report lodged with ASIC; and
 - (C) any continuous disclosure notices given by New 360, from ASIC and/or ASX or, if you request such documents from New 360, New 360 will provide them free of charge;
- (v) as New 360 is listed, holders of New 360 Securities do not have a cooling off right; and
- (vi) in respect of New 360 Securities issued under the Capital Raising, no interest will be paid to investors on application monies received. Application monies will be held in a subscription account and any interest earned will be retained by TCGL and/or the Responsible Entity.

Notwithstanding any other provision of this PDS, each New 360 Securityholder agrees to provide any information and documents reasonably requested by New 360 or the Responsible Entity to comply with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and any other applicable anti-money laundering or counter-terrorism financing laws of any country including, without limitation, any applicable laws imposing “know your customer” or other identification checks or procedures to which New 360 and the Responsible Entity are subject pursuant to the laws of any country (“AML/CTF laws”).

If TCGL or the Responsible Entity form the view that, in its reasonable opinion, it is required to disclose information to any person in order to comply with its obligations under the AML/CTF laws, to the extent permitted by law, each New 360 Securityholder agrees that such disclosure will not be a breach of any obligation or duty, whether such obligation or duty is imposed by contract or law, owed by that party and that party will be released from any claim made against it in respect of such disclosure.

(b) Backdoor listing

ASX considers the Transaction to be a backdoor listing and requires TGP to meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if it were applying for admission to the official list. If Securityholders approve the resolutions required to implement the Transaction, then TGP will be suspended from quotation from the date of the meeting until TGP can demonstrate that it complies with Chapters 1 and 2 of the ASX Listing Rules. TGP expects that it will be able to satisfy ASX of this shortly after the meeting.

(c) Chapters 1 and 2 of ASX Listing Rules

Among other things, Chapters 1 and 2 of the ASX Listing Rules require New 360 to:

- (i) ensure that all Securities on issue after implementation of the Transaction each have a price of not less than \$0.20;
- (ii) satisfy the spread test set out in the ASX Listing Rules;
- (iii) prepare a prospectus/PDS;
- (iv) demonstrate that it has an appropriate structure and appropriate operations;
- (v) satisfy either of the tests set out in the ASX Listing Rules in relation to profitability or asset value; and
- (vi) demonstrate that the directors and proposed directors of TCGL and the Responsible Entity are of good fame and character.

While TGP expects that it will be able to satisfy ASX that it complies with Chapters 1 and 2 of the ASX Listing Rules shortly after the meeting, TGP will not issue Securities as part of the Transaction until it has received conditional confirmation from ASX that, subject to compliance with conditions imposed by ASX, TGP will comply with Chapters 1 and 2 of the ASX Listing Rules. There is a risk that TGP will be unable to comply with Chapters 1 and 2 of the ASX Listing Rules. Should this occur, Securities will not be traded on ASX until such time as those requirements can be met.

11.5 Customer service and complaints

TCGL and the Responsible Entity are committed to striving for excellence in relation to its products and services and want to ensure that it responds to customers' concerns as quickly and efficiently as possible. Complaints will occur from time to time and, to this end, TCGL and the Responsible Entity have in place comprehensive complaints resolution processes to ensure they are resolved with minimum inconvenience to all parties. If you have a complaint, please contact us on +61 2 9252 4211 or email pnorris@trafalgarcorporate.com.

We will either try to resolve your complaint or put you in contact with someone who is better placed to resolve the complaint.

If you are not satisfied with the response you receive or if you wish to submit a written complaint, you may write to us at:

The Complaints Officer
PO Box N283
Grosvenor Place
NSW 1220

ADDITIONAL INFORMATION

Please provide the detail and reason for your complaint and we will attempt to resolve the matter and respond within 45 days of receipt.

If you are dissatisfied with our response, you may raise the matter directly with the Financial Ombudsman Service (FOS).

Its contact details are:

Financial Ombudsman Service
GPO Box 3
Melbourne Vic 3001

Telephone: 1300 780 808 (within Australia) and
+61 3 9613 7366 (outside Australia)

Fax: +61 3 9613 6399

Email: info@fos.org.au

Please note that a complaint must have gone through the complaints handling process before it can be referred to FOS.

11.6 Contracts

(a) Underwriting Agreement

Moelis Australia Advisory Pty Ltd and TGP have entered into an Underwriting Agreement pursuant to which the Underwriter has agreed to fully underwrite any shortfall under the Capital Raising, as well as act as manager of the Capital Raising and to assist TGP in the successful conduct of the Capital Raising.

Under the Underwriting Agreement, TGP must pay the Underwriter an underwriting fee of 4% of the gross amount raised under the Capital Raising (exclusive of GST if applicable) and a management fee of 1% of the gross amount raised under the Capital Raising (exclusive of GST). TGP has also agreed to pay the Underwriter certain agreed costs and expenses incurred by the Underwriter in relation to the Capital Raising.

The Underwriter may terminate the Underwriting Agreement (subject to, in the case of some termination events only, satisfaction of specified materiality thresholds) on certain grounds set out in the Underwriting Agreement, including but not limited to where:

- (i) a consent necessary for the issue of the PDS is withdrawn;
- (ii) TGP Securityholders do not approve all required resolutions in respect of the Capital Raising and the Transaction set out in the Notice of Meeting;
- (iii) TGP's Australian financial services licence is cancelled or revoked or there is an amendment to its terms and conditions;
- (iv) the S&P/ASX 300 Index is at any time up to and including the date of Completion of the Capital Raising at a level that is 10% or more below its level as at 5.00pm on the trading day immediately preceding the date of the Underwriting Agreement and remains so:
 - (A) at the close of trading on three consecutive trading days; or
 - (B) at the close of trading on the trading day prior to the date of settlement of the shortfall under the Capital Raising;

whichever is shorter.

- (v) the Underwriter forms the view that there is an omission from this PDS or any supplementary PDS of information required by the Corporations Act to be included, or that the PDS or any supplementary PDS contains a statement that is untrue, inaccurate, misleading or deceptive or likely to mislead or deceive; or that the PDS or any supplementary PDS does not contain all information required to comply with all applicable laws;
- (vi) a material adverse change occurs or is reasonably likely to occur, in the assets, liabilities, financial position or performance, profits, losses or prospects of TOF4, TPF12, TCGL, TMIL, or TGP as a group, including a material adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of TGP from those disclosed in this PDS, the Notice of Meeting or other material information and public information disclosed by TGP;
- (vii) a representation or warranty made by TGP under the Underwriting Agreement is breached or becomes untrue or incorrect in a material respect;
- (viii) any ASIC modification or ASX waiver obtained in connection with the Capital Raising is withdrawn, revoked or amended; and/or
- (ix) certain ASIC orders are issued or applied for, or certain investigations commenced in relation to this PDS, the Notice of Meeting or certain other information materials prepared by TGP in connection with the Capital Raising or in relation to the Transaction.

The Underwriting Agreement also contains a number of other customary termination events (eg insolvency of TGP, certain changes in or contraventions of law, or specified disruptions in financial markets and hostilities).

TGP has provided customary representations and warranties to the Underwriter in relation to matters such as the power to enter into the Underwriting Agreement, corporate authority and approvals, the subsistence of New 360 and the status of TCGL and TMIL. TGP also gave a number of further representations and warranties, including that there are no material omissions from this PDS or the Notice of Meeting (among other information materials prepared by TGP) of information required by the Corporations Act to be included and that there are no statements in this PDS or Notice of Meeting which are untrue, inaccurate, misleading or deceptive or likely to mislead or deceive. Representations and warranties are also given in respect of the financial information prepared by TGP, including the consolidated balance sheet of TGP at 30 June 2013, and the forecasted and projected financial information provided in this PDS.

TGP has indemnified the Underwriter, its affiliates, directors, officers, employees, advisers and related bodies corporate against all losses incurred directly or indirectly by them in connection with the Capital Raising, the Transactions, the PDS, Notice of Meeting or other information materials prepared by TGP, or the Underwriting Agreement. The indemnity does not apply to the extent of any loss arising from any material breach of the Underwriting Agreement by the relevant indemnified person or their fraud, wilful misconduct or negligence.

(b) **Summary of the debt facility**

New 360 will enter into a new debt facility with the National Australia Bank Limited (NAB) in the form of a AUD\$25,000,000 cash advance facility (the NAB Facility).

Some important features of the NAB Facility (which is subject to final documentation) are mentioned below.

- The security taken by the NAB in respect of the NAB Facility includes, but is not limited to:
 - First ranking real property mortgages over the ATO Building and the Goulburn Asset described in Section 3.8 of this Document; and
 - Guarantee and indemnity which gives full effect to a first ranking fixed and floating charge over New 360 assets and all cash flows associated with New 360.
- Hedging to be satisfactory to the NAB and to comprise 75% of the facility to be hedged for the term of the facility.
- Certain information undertakings have been given by New 360 to the NAB under the terms of the NAB Facility which includes, but is not limited to:
 - The provision of audited annual and half-yearly audited accounts and insurance policies for all properties secured (at set intervals); and
 - The provision of tenancy schedules (within 60 days of each half year and 120 days of each financial year).
- The covenants under the terms of the NAB Facility are typical for funding of this nature and scale including, but not limited to, the following:
 - Maintain a Loan-to-Value Ratio of less than 50% at all times
 - An Interest Cover Ratio of greater than 1.75 times to be maintained (to be measured half yearly); and
 - At all times maintain a minimum cash balance of \$5,000,000 in a NAB term deposit account.
- The Events of Default under the terms of the NAB Facility are those events of default which are usual for facilities of this nature including, but not limited to, the following:
 - Non payment
 - Breach of any of the undertakings, covenants or financial covenants
 - Material adverse change
 - Default or breach any of the project, transaction of financing documents
 - Misrepresentation
 - Insolvency
 - Ceasing of business
 - Termination or vesting of trust and other events applicable to the Borrower's status as trustee/responsible entity
 - Termination or vitiation of a material project document.

(c) **Security Sale Agreement**

TGP has entered into a Security Sale Agreement with AMB Property (Esplanade) Pty Ltd and TT Investments Pty Limited ("Vendors") to acquire 360 Capital, comprising all the shares in 360 CPL and all the units in 360 CIT. The consideration for the acquisition by TGP of the 360 Capital securities from the Vendor is:

- (i) 2.5 New 360 Securities for each 360 Capital security; or
- (ii) \$1.40 cash for each 360 Capital security.

Completion of the sale and purchase of 360 Capital securities from the Vendors is conditional on:

- (i) TGP Securityholders approving all required resolutions by the requisite majorities at a duly convened meeting of Securityholders; and
- (ii) TGP receiving proceeds of not less than \$70,800,000 pursuant to the Capital Raising.

In the event the conditions to completion under the Security Sale Agreement are not satisfied or waived by 15 October 2013 (or such other date as the parties agree in writing), then any party to the Security Sale Agreement may terminate the Security Sale Agreement by giving notice to each other party.

The Security Sale Agreement includes warranties given by the Vendors for the benefit of TGP, primarily relating to title of the 360 Capital securities, capacity of the Vendors to enter into the Security Sale Agreement and similar matters. TGP has provided standard warranties for the benefit of the Vendors relating to authority, capacity and solvency, which are considered typical for an agreement of this kind.

Completion under the Security Sale Agreement is required to take place 10 Business Days after the date on which all the conditions to completion have been satisfied or waived in accordance with the Security Sale Agreement (unless parties otherwise agree in writing).

(d) **Summary of Lawson Loan arrangements**

The Developments Income Fund has borrowings of \$27.5 million from AET SPV Management Pty Limited, as trustee of the Lawson Trust (**Lawson Trust**). The loan is secured by a first ranking security interest over the property of the Developments Income Fund (Lawson Loan). The only material asset of the Developments Income Fund is a loan it has made to the Office Fund in an amount of \$76.4 million. That loan is subordinated to the Office Fund's senior lender, NAB.

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On or about the date of this document, TCGL entered into a call option with the Lawson Trust pursuant to which TCGL was granted a call option for it or its nominee to take assignment of the Lawson Loan (comprising the debt and associated security) for an exercise price of \$22.5 million. The call option fee paid by TCGL to the Lawson Trust was \$100,000.00, which will be subtracted from the exercise price required to be paid in circumstances where TCGL exercises its call option and takes assignment of the Lawson Loan. The call option fee will be forfeited in the event that the call option is not exercised.

Exercise of the call option is conditional on:

- the resolutions set out in the Notice of Meeting being passed by the requisite majority; and
- the obligation of the Underwriter to fully underwrite any shortfall under the Capital Raising pursuant to the Underwriting Agreement becoming unconditional (refer Section 11.6(a) for more detail).

Upon satisfaction or waiver of the above conditions, TCGL may in its discretion exercise the call option prior to 31 October 2013 or, upon payment of a non-refundable amount of \$50,000 per week, such later date as TCGL elects prior to 30 November 2013.

11.7 Directors' interests and benefits

(a) General

Except as set out in this PDS, no Director or proposed Director of TCGL or the Responsible Entity holds, or held at any time during the last two years any interest in:

- (i) the formation or promotion of TPF12 or TCGL;
- (ii) property acquired or proposed to be acquired by TPF12 or TCGL in connection with either their formation or promotion or with the offer of Securities under the Capital Raising;
- (iii) the offer of securities under the Capital Raising;
- (iv) and no person had paid or agreed to pay, or given or agreed to give, any benefit to a Director or proposed Director of TMIL:
 - (A) to induce them to become or to qualify as a Director of TCGL or TMIL; or
 - (B) for services provided by a Director or proposed Director of TCGL or TMIL in connection with either the formation or promotion of TPF12 or with the Capital Raising.

The table below shows the interest of each Director (whether held directly or indirectly) in securities of TGP as at the date of this PDS:

Director	Securities
Mr David M van Aanholt	0
Mr Tony R Pitt	24,039,565
Mr Graham E Lenzner	0

Directors may hold the relevant interests in Securities shown above directly, or through holdings by companies, trusts or other persons with whom they are associated.

Mr Tony Pitt is the controller of TT Investments Pty Ltd, who is one of the Vendors from whom TGP proposes to acquire 360 Capital in connection with the Capital Raising.

TT Investments Pty Limited has elected to receive scrip in consideration of its interests in 360 Capital and will be issued 21,380,603 New 360 Securities.

Mr John Ballhausen, a proposed Director, does not at the date of this PDS, hold any Securities of TGP, but has over the last two years held up to 1,408,000 Securities of TGP (either directly or indirectly).

(b) Executive Contracts

Tony Pitt

TGP has entered into an employment agreement with Tony Pitt (Employment Agreement). Under the Employment Agreement, Mr Pitt is employed as Managing Director.

Mr Pitt will be paid annual remuneration of \$600,000 (inclusive of statutory superannuation) and will be eligible to participate in the Employee Security Plan. Mr Pitt will be issued 6,000,000 Securities pursuant to the Employee Security Plan provided the required Securityholder approvals are obtained. Please refer to section 3 of the Notice of Meeting for more detail in relation to the terms of the Employee Security Plan.

The Employment Agreement does not have a set term and will continue until it is validly terminated in accordance with its terms. The Employment Contract contains termination provisions pursuant to which the Company must give 12 months' notice of termination (or shorter in a number of circumstances including in the event of serious misconduct, material breach, a serious criminal offence or bankruptcy). Mr Pitt must provide six months' notice of termination or, in circumstances of a change of control or where there is a material change in the role, responsibilities or other circumstances of Mr Pitt's employment (Change of Circumstance), one months' notice. The Company may make payment in lieu of service during any termination period. Mr Pitt is entitled to all unpaid remuneration and entitlements up to the date of termination. In addition, in the event of termination for a Change of Circumstance, Mr Pitt is entitled to a payment equal to 12 months' base salary. There are no restraint provisions in the Employment Agreement.

11.8 Directors' remuneration

- (a) The non-executive Directors are paid for their services as Directors the remuneration, not exceeding in aggregate a maximum sum, which is fixed by a general meeting. The current maximum aggregate sum which Securityholders have fixed to be paid as fees to the non-executive Directors is \$750,000 per annum. This amount was fixed by Securityholders at the 2005 annual general meeting.

The Chairman is paid an annual fee of \$130,000 plus superannuation. Other non-executive Directors are paid annual base fees of \$75,000 each together with committee fees, plus superannuation.

Each non-executive Director will be issued 100,000 Securities pursuant to the Employee Security Plan provided the required Securityholders' approvals are obtained.

Remuneration payable by New 360 to non-executive Directors is not to be by commission on, or percentage of, profits or operating revenue.

- (b) The remuneration of the Executive Director is fixed by the Board and may consist of salary, bonuses or any other elements, but must not be a commission on, or percentage of, profits or other operating revenue.

11.9 Officers' indemnities

New 360, to the extent permitted by law, indemnifies every officer of New 360 (and may indemnify any auditor of New 360) against any liability incurred by the person, in the relevant capacity, to another person unless the liability arises out of conduct involving lack of good faith.

New 360 may also make a payment in relation to legal costs incurred by these persons in defending an action for a liability, or resisting or responding to actions taken by a government agency or a liquidator.

11.10 Working capital

New 360 has enough working capital to carry out its stated objectives.

11.11 Costs of the Transaction

If the Transaction is approved, the total costs of the Transaction will be approximately \$5.0 million. These estimates include the costs of professional advisers (financial, corporate advisory, legal, accounting and tax), the Independent Expert, meeting costs and the costs of the Capital Raising including the underwriting fee. The costs which relate to the Capital Raising will be netted off against the amount raised.

11.12 Interests of experts and advisers

Other than as set out in this PDS and Prospectus, no person named in this PDS as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this PDS and no promoter of TGP or the Lead Manager of the Capital Raising or any financial service licensee named in this PDS as a financial service licensee involved in the Capital Raising holds at the date of this PDS, or has held in the two years prior to that date, an interest in the formation or promotion of TGP, any property acquired or proposed to be acquired by TGP in connection with its formation or promotion of the Capital Raising; nor has anyone paid or agreed to pay any amount, or given or agreed to give any benefit, to such person for services provided in connection with the formation or promotion of TGP or the Transaction.

Moelis Australia Advisory Pty Ltd has acted as lead manager and underwriter of the Capital Raising in connection with the Transaction and is entitled to be paid approximately \$3.5 million (plus GST and disbursements) for the services rendered to TGP in connection with the Capital Raising.

Ashurst Australia has acted as legal adviser in relation to the Transaction and will receive approximately \$0.3 million (plus GST and disbursements) for the services rendered to TGP in connection with the Transaction.

BDO has been engaged to provide an independent accountant's report in relation to the Transaction and will receive approximately \$0.2 million (plus GST and disbursements).

E&Y has acted as Australian tax adviser to TGP in relation to the Transaction and will receive approximately \$0.1 million (plus GST and disbursements) for the services rendered to TGP in connection with the Transaction.

Each of Bell Potter Securities Limited and RBS Morgans Corporate Limited will act as co-managers and will receive from the Lead Manager 1.25% of the amount allocated to each of them.

11.13 Consents

Each of the parties referred to in this section:

- (a) has not authorised or caused the issue of this PDS;
- (b) does not make, or purport to make, any statement in this PDS other than as specified in this Section;
- (c) has not made any statement on which a statement in this PDS is based, other than as specified in this Section; and
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this PDS other than the reference to its name and the statement (if any) included in this PDS with the consent of that party as specified in this Section.

Moelis Australia Advisory Pty Ltd has given and, at the time of lodgement of this PDS, has not withdrawn its written consent to be named in this PDS as Lead Manager and Underwriter to TGP in respect of the Capital Raising in the form and context in which it is named.

360 Capital has given, and at the time of lodgement of this PDS, has not withdrawn its written consent to be named in this PDS in the form and context in which it is named. In particular, 360 Capital is responsible for the information set out in Sections 1.3, 1.4 and 6 of this PDS, and those parts of Sections 3.3 to 3.10 of this PDS that are referable to 360 Capital or 360 Capital's managed funds, and TGP and the Responsible Entity takes no responsibility for these sections or statements.

Ashurst Australia has given and, at the time of lodgement of this PDS, has not withdrawn its written consent to being named in this PDS as legal adviser to TGP in respect of the Transaction in the form and context in which it is named.

BDO has given and, at the time of lodgement of this PDS, has not withdrawn its written consent to the inclusion of its Independent Accountants Report in the form and context in which it is included, and to being named in this PDS as accounting, and financial adviser to TGP in respect of the Transaction in the form and context in which it is named.

E&Y has given and, at the time of lodgement of the PDS and Prospectus, has not withdrawn its written consent to inclusion of its taxation report in the form and context in which it is included

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and its being named in that PDS and Prospectus as taxation adviser to TGP in respect of the Transaction in the form and context in which it is named.

Boardroom Pty Limited has given and, at the time of lodgement of this PDS, has not withdrawn its written consent to being named in this PDS as the share registry to TGP in respect of the Transaction in the form and context in which it is named.

PIR has given, and at the time of lodgement of this PDS, has not withdrawn its written consent to be named in this PDS in the form and context in which it is named.

AMB has given, and at the time of lodgement of this PDS, has not withdrawn its written consent to be named in this PDS in the form and context in which it is named.

Bell Potter Securities Limited has given, and at the time of lodgement of this PDS, has not withdrawn its written consent to be named in this PDS as co-manager in respect of the Capital Raising in the form and context in which it is named.

RBS Morgans Corporate Limited has given, and at the time of lodgement of this PDS, has not withdrawn its written consent to be named in this PDS as co-manager in respect of the Capital Raising in the form and context in which it is named.

11.14 Directors' consents

Each Director of the Board has consented to the lodgement and issue of this PDS.

11.15 Documents available for inspection

The following documents are available for inspection during normal business hours at the registered office of New 360:

- (a) this PDS;
- (b) the constitution of TPF12;
- (c) the constitution of TCGL;
- (d) the consents referred to in Section 11.13 of this PDS; and
- (e) the unit pricing discretions policy of the Responsible Entity, (which could also be provided to you free of charge on request).

11.16 Foreign jurisdictions

Hong Kong

The contents of this PDS have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this PDS, you should obtain independent professional advice.

This PDS does not constitute an offer or sale in Hong Kong of any New 360 Securities and no person may offer or sell in Hong Kong, by means of this PDS, any New 360 Securities other than:

- (a) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or
- (b) in other circumstances which do not result in this PDS being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance.

No person may issue or have in his possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the New 360 Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New 360 Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

New Zealand – Institutional Offer

If an Eligible Investor is in New Zealand, the Eligible Investor represents that it:

- (a) is a person whose principal business is the investment of money or who, in the course of and for the purposes of its business, habitually invests money within the meaning of section 3(2)(a)(ii) of the Securities Act 1978 (NZ);
- (b) is paying a minimum of NZ\$500,000 for the New 360 Securities prior to the allotment of those New 360 Securities; or
- (c) has paid a minimum of NZ\$500,000 for the New 360 Securities in a single transaction with New 360 within the past 18 months, and, accordingly, the Eligible Investor acknowledges that the provisions of the Securities Act 1978 (NZ) shall not apply in respect of the offer of New 360 Securities to the Eligible Investor.

The Eligible Investor represents that any New 360 Securities allotted to it are not being allotted with a view to them being offered for sale to the public in New Zealand and further undertakes to New 360 that if in the future the Eligible Investor elects to directly or indirectly sell or offer any of the New 360 Securities allotted to it, the Eligible Investor will not do so in a manner which will, or is likely to, result in a contravention of the Securities Act 1978 (NZ) or may result in New 360 or its Directors incurring any liability.

Singapore

New 360 is not authorised or recognised as a collective investment scheme by the Monetary Authority of Singapore and is not registered as a business trust under the Business Trusts Act, Chapter 31A of Singapore. The offer of New 360 Securities does not relate to a collective investment scheme which is authorised under section 286 or recognised under section 287 of the Securities and Futures Act. The New 360 Securities have not been, directly or indirectly, offered or sold and will not be, directly or indirectly, offered or sold in Singapore or to, or for the benefit of, any resident in Singapore (which term as used herein means any person resident in Singapore, including any corporation or other entity organised under the laws of Singapore) or to others for re-offering or re-sale, directly or indirectly, in Singapore or to, or for the benefit of, any resident of Singapore except pursuant to an exemption from the requirements of, and otherwise in compliance with, the Securities and Futures Act, Chapter 289 of Singapore and other relevant laws and regulations of Singapore.

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GLOSSARY OF TERMS



GLOSSARY OF TERMS

Term	Meaning
\$ or A\$	Australian dollars
111 St George's Terrace	360 Capital 111 St George's Terrace Property Trust (ARSN 098 126 660)
360 Capital or 360 Capital Group	The stapled entities of the 360 Capital Property Group, comprising: <ul style="list-style-type: none"> 360 Capital Property Limited (ACN 146 484 433, "360CPL") and 360 Capital Investment Trust (ARSN 141 872 844, "360CIT")
441 Murray Street	360 Capital 441 Murray Street Property Trust (ARSN 097 139 207)
AMB	AMB Property (Esplanade) Pty Ltd (ACN 149 257 474) a wholly owned subsidiary of AMB Holdings Pty Ltd
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the market operated by ASX
ASX Listing Rules	The official listing rules of ASX
ASX Settlement	ASX Settlement Pty Limited (ABN 49 008 504 532)
ASX Settlement Operating Rules	The operating rules of ASX Settlement
ATO Building	Regional office building at Hurstville, NSW
Board or Board of Directors	The boards of directors of TCGL and the Responsible Entity. Both TCGL and the Responsible Entity have identical boards of directors and as such the terms "Board" or "Board of Directors" should be read as referring to these boards
Canberra Trust	360 Capital Canberra Trust (ARSN 105 380 685)
Capital Raising	The fully underwritten conditional institutional placement to raise \$70,800,000 through the issuance of 120,000,000 New 360 Securities at \$0.59 per Security
Cash Election	The option of 360 Capital securityholders, under the acquisition of 360 Capital by TGP, to elect to receive \$1.40 of cash in lieu of Scrip Offer for each 360 Capital security they own
CHESS	Clearing House Electronic Subregister System
Completion	Completion of the Transaction
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Developments Income Fund	360 Capital Developments Income Fund (ARSN 103 700 956)
Directors	The directors of New 360
Diversified Fund	360 Capital Diversified Property Fund (ARSN 117 509 921)
Electronic PDS	The electronic copy of this PDS located at TGP's website at www.trafalgarcorporate.com
Eligible Investors	The persons who are eligible to participate in the Capital Raising, being "sophisticated investors", "professional investors" and "wholesale clients" within the meaning of sections 708 and 761G of the Corporations Act to whom offers may be made without a disclosure under Parts 6D.2 and 7.9 of the Corporations Act
ESP	Employee Security Plan
FUM	Funds under management
FY14	Financial year ending 30 June 2014
Goulburn Asset	Industrial facility at 158 Hume Street, Goulburn NSW
Havelock House	360 Capital Havelock House Property Trust (ARSN 100 593 548)
Industrial Fund	360 Capital Industrial Fund (ARSN 099 680 252)

Term	Meaning
Issuer	TCGL and the Responsible Entity, acting jointly
Issue Price	The issue price of a New 360 Security, being \$0.59 under the Capital Raising
Lawson Loan	A loan with a face value of \$27.5 million by the trustee of the Lawson Trust to the Developments Income Fund as declared in Sections 3.3 and 3.8
Lead Manager	Moelis Australia Advisory Pty Ltd (ACN 142 008 446)
LVR	Loan to value ratio being the fund's debt balance divided by the aggregate property value
New 360	The stapled entities of the Trafalgar Corporate Group following Completion, comprising TCGL and TPF12
New 360 Securities	One fully-paid ordinary share in TCGL and one fully-paid unit in TPF12, stapled together
NLA	Net lettable area
Notice of Meetings	The notice of meetings and explanatory memorandum issued by Trafalgar Corporate Group Limited (ABN 18 113 569 136), Trafalgar Managed Investments Limited (ABN 15 090 664 396) as responsible entity of Trafalgar Opportunity Fund No. 4 and Trafalgar Platinum Fund No. 12 dated 26 August 2013
Office Fund	360 Capital Office Fund (ARSN 106 453 196)
PDS	This document
Responsible Entity	The responsible entity of TPF12 from time to time
Retail Fund	360 Capital Retail Fund (ARSN 107 250 420)
Scrip Offer	The offer to 360 Capital securityholders, under the acquisition of 360 Capital by TGP, of 2.5 New 360 Securities for each 360 Capital security they own
Security	A stapled security in TGP or New 360 (as applicable)
Securityholder	A holder of Securities in TGP or New 360 (as applicable)
Security Sale Agreement	Agreement by which TGP is to acquire 360 Capital (see section 11.6(c))
sqm	Square metres
Subiaco Square	360 Capital Subiaco Square Shopping Centre Property Trust (ARSN 094 189 732)
TCGL	Trafalgar Corporate Group Limited (ACN 113 569 136)
TGP	The stapled entities of the Trafalgar Corporate Group prior to Completion comprising TCGL, TPF12 and TOF4
TMIL	Trafalgar Managed Investments Limited (ACN 090 664 396)
TOF4	Trafalgar Opportunity Fund No 4. (ARSN 107 416 348)
TPF12	Trafalgar Platinum Fund No 12. (ARSN 104 552 598)
Transaction	The acquisition of 360 Capital by TGP and the Capital Raising
Underwriter	Moelis Australia Advisory Pty Ltd (ACN 142 008 446)
US Persons	The meaning given to that term by regulations made under the US Securities Act 1933 (as amended)

Corporate/Responsible Entity

Trafalgar Corporate Group Limited
ACN 113 569 136

Trafalgar Managed Investments Limited
ACN 090 664 396
AFSL 221474

Registered Office
Level 4, 111 Harrington Street
Sydney NSW 2000
Telephone (02) 9252 4211

Directors

David van Aanholt, *Independent Chairman*
Graham Lenzner, *Independent Non-executive Director*
Tony R Pitt, *Non-executive Director*

Officer

Peter J Norris
Chief Financial Officer and Company Secretary

Custodians

BNY Trust Company of Australia Limited
ACN 050 294 052

Level 15, 20 Bond Street
Sydney NSW 2000

Australian Executor Trustees Limited
ACN 007 869 794

Level 22, 207 Kent Street
Sydney NSW 2000

Unit/Share Registry

Boardroom Pty Limited
ACN 003 209 836

Level 7, 207 Kent Street
Sydney NSW 2000

Telephone (02) 9290 9600
Email enquiries@boardroomlimited.com.au

Lead Manager

Moelis Australia Advisory Pty Ltd
Level 27, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Co-Managers

Bell Potter Securities Limited
RBS Morgans Corporate Limited

The Trafalgar logo is displayed in white text on a teal rectangular background. The word "Trafalgar" is in a bold, sans-serif font, with a small registered trademark symbol (®) to the upper right of the final 'r'.