

360 Capital



# 360 CAPITAL PRIVATE CREDIT FUND

## Information Memorandum

# Important Information

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This Information Memorandum (**IM**) is dated **1 July 2023** and relates to an offer of Units in the 360 Capital Private Credit Fund (**Fund**). The offer of Units under this IM is made by 360 Capital FM Limited ACN 090 664 396, AFSL 221 474 (**We or Trustee**) as Trustee for the Fund.

The Trustee has appointed 360 Capital Credit Management Pty Limited ACN 637 706 060 as the investment manager of the Fund (**Investment Manager**). The Investment Manager is an authorised representative (no. 001281688) of the Trustee.

## Qualifying Investors only

This Offer is only available to Investors who meet the definition of a Wholesale Client under the Corporations Act or Wholesale Investor under the FMCA (NZ) (collectively, "Qualifying Investors"). The Trustee reserves the right to accept or reject any Application at its discretion.

## Not investment advice. Seek your own financial advice

We have prepared this IM without taking account of your investment objectives, financial situation or needs. This IM does not contain investment, legal, tax or immigration advice, nor is it a recommendation or opinion on the merits of investing in the Fund. You should seek professional advice and conduct your own investigation and analysis regarding the information contained in this IM. Investment in the Fund is speculative and may not be appropriate for you. You should consider the appropriateness of investing in the Fund having regard to your objectives, financial situation and needs.

## Not a product disclosure statement (PDS) or prospectus

The Fund is an unregistered managed investment scheme and the regulated fundraising requirements of the Corporations Act do not apply to the Offer. This IM is not a PDS or prospectus within the meaning of the Corporations Act. Accordingly, this IM does not contain the same level of disclosure required for registered managed investment schemes that issue PDSs. We have prepared this IM on the express basis it does not purport to contain all of the information you may require to make an informed decision about whether or not to invest in the Fund.

You should read this IM carefully in full before investing. This IM must be read in conjunction with the Fund's Constitution for further information about your rights and obligations as a Unitholder in the Fund and our rights and obligations as the Trustee of the Fund. If there are inconsistencies between this IM and the Constitution, the Constitution will prevail.

Statements made in this IM are made at the date of this IM. Under no circumstance does the delivery of this IM at any time or the issue of any Units in the Fund create an implication the information contained in this IM is correct at any other time subsequent to such date.

## Disclaimer

None of the Trustee, the Investment Manager nor their respective associates or directors, guarantee the performance of the Fund, the repayment of capital or an income return. Past performance is not indicative of future performance.

To the extent permitted by law, neither we nor the Investment

Manager nor our respective directors, associates and advisors represent or warrant (expressly or impliedly) the information in this IM is complete, true and correct and not misleading or likely to be misleading, or are responsible or in any circumstance liable for any statement made in this IM. You should make your own enquiries to ascertain the accuracy of any information upon which you intend to rely.

There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. The actual outcomes are dependent on future events which may be radically different from those predicted for reasons outside our or the Investment Manager's control. It is particularly important you carefully consider the risk factors that could affect the performance of the Fund in light of your personal circumstances before making an investment decision.

## Confidentiality

This IM is provided on a strictly confidential basis solely for your information and exclusive use to assess an investment in the Fund and may not be used for any other purpose. This IM may not be copied, reproduced, republished, posted, transmitted, distributed, disseminated or disclosed, in whole or in part, to any other person in any way without our prior written consent, which we may withhold in our absolute discretion. By accepting this IM, you agree you will comply with these confidentiality restrictions and acknowledge your compliance is a material inducement to us providing this IM to you.

## Glossary

Capitalised terms are defined in the Glossary.

## Applications

If you wish to apply for Units you must use the Application Form that accompanies this IM.

Certain information in this IM is subject to change from time to time. Any updated information will be placed on the Trustee's website at [www.360capital.com.au](http://www.360capital.com.au), including details about the Fund's investment performance. The Trustee strongly recommends that Investors review any updated material before making a decision to acquire Units.

Unless otherwise specified, currency amounts are stated in Australian dollars.

## Foreign Offers

This Offer is only available to Australian and, New Zealand Investors. This IM does not constitute an Offer in any jurisdiction in which, or to any person to whom, it would be unlawful to offer the Units under this IM. The distribution of this IM in jurisdictions outside Australia and New Zealand may be restricted by law and any person into whose possession the IM comes (including nominees, trustees or custodians) should seek advice on and observe those restrictions. It is the responsibility of any overseas applicant to ensure compliance with all laws of any country relevant to their application.

# Important Information — New Zealand Investors

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**WARNING** (please read the following important information): The Offer of Units in the Fund is not being, and will not be, offered or sold in New Zealand to persons other than “wholesale investors” within the meaning of:

- (a) Clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 (“FMCA Schedule 1”) which covers “investment businesses”, persons meeting the “investment activity criteria”, “large” persons and “government agencies” as defined in each case in FMCA Schedule 1 (“Institutional Wholesale Investor”);
- (b) Clauses 3(3)(a) and 41 of the FMCA Schedule 1 which covers “eligible investors” (“Eligible Investor”); and
- (c) Clause 3(3)(b)(i) or (ii) of FMCA Schedule 1 which covers investors meeting the NZ\$750,000 minimum investment amount criteria (“Minimum Investment Exclusion”).

The information referred to on the pages that follow is restricted in New Zealand to persons in these “Wholesale Investor” categories.

Applications or any requests for information from persons in New Zealand who do not meet the above criteria will not be accepted.

If you are a New Zealand investor, and apply for Units in the Fund, you warrant that you meet the above eligibility criteria, and agree that you will not sell your interests in the Fund within 12 months after they are issued, to any person who is not a “Wholesale Investor”, in circumstances where disclosure would be required under Part 3 of the FMCA or in circumstances which may result in the Trustee or any of its directors or related bodies corporate incurring any liability whatsoever.

If you are an Institutional Wholesale Investor, you agree to provide a certificate to the Trustee in the form attached as Appendix 2B together with this document prior to investing in the Fund.

If you are an Eligible Investor you agree to provide a certificate to the Trustee (which includes details of your experience with financial products) in the form attached as Appendix 2C and arrange for confirmation of the certificate by a lawyer, qualified statutory accountant or financial advisor prior to investing in the Fund.

If you are investing in the Fund in reliance on the Minimum Investment Exclusion, the following warning statement is important in relation to your investment in the Fund:

## **WARNING**

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision.

The usual rules do not apply to this Offer because there is an exclusion for offers where the amount invested upfront by the investor (plus any other investments the investor has already made in the financial products) is NZ\$750,000 or more. As a result of this exclusion, you may not receive a complete and

balanced set of information. You will also have fewer other legal protections for these investments.

Investments of this kind are not suitable for retail investors.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

## **Offence**

It is an offence to give a certificate knowing that it is false or misleading in a material particular. The offence has a penalty of a fine not exceeding NZ\$50,000.



# How to Invest

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## **Guide to Investing through the 360 Capital Private Credit Fund**

The 360 Capital Private Credit Fund (**Fund**) is a contributory mortgage Fund designed for Qualifying Investors looking for the opportunity to select an approved loan investment providing a stable return and protecting capital by securing the loan with a mortgage over the real property asset.

360 Capital Credit Management Pty Limited (**Investment Manager**) undertakes an extensive process to select and approve loan investment opportunities to be made available to Investors through the individual Classes of Units in the Fund. Each Class of Units is referable to a particular Sub-Fund which acts as lender and allows Investors to choose which loans they want to allocate funds to.

At the end of the loan investment term Investor funds are returned to Investors along with any interest payments via the Fund. In some cases, interest payments may be paid to Investors during the investment period.

To participate in this Offer, you will need to complete the following steps:

### **STEP 1. REVIEW THIS INFORMATION MEMORANDUM CAREFULLY**

You should read this document, in its entirety, prior to deciding whether to make an investment in the Fund. Please note that the investment is only open to Qualifying Investors that comply with a strict set of criteria and a process of accreditation.

### **STEP 2. CONSIDER THE OFFER**

You should carefully consider all the information included in this Information Memorandum, ensuring that you consider all the risks associated with this investment. Also, you should consider whether your particular investment needs and objectives will be well served by an investment in the Fund and whether this Fund is appropriate for you.

All new investments in the Fund are made into the Cash Account by completing an Application Form prior to making an investment into a Class of Units. Allocations of your investment to a Class of Units referable to a Sub-Fund are made with reference to a Supplementary IM. There are two ways of making investments into a Class of Units: providing a Specific Investment Authority or providing a General Investment Authority. This process is explained in more detail later in this IM.

### **STEP 3. OBTAIN ADVICE**

Before investing in the Fund, you should discuss this offer with your financial, legal and taxation advisors in order to determine whether investment in the Fund is right for you.

### **STEP 4. APPLY**

Prior to completing this application, you will have undertaken a pre-assessment with regards to your eligibility to invest in the Fund, have received access to the investor portal giving you an opportunity to review this IM and current Supplementary IMs and have expressed your interest in becoming an investor in this Fund. As part of this process, you would have been required to complete a Sophisticated/Wholesale Investor Certification. In some instances, you would have provided an Accountant's

Certificate confirming you are a Qualifying Investor and sufficient information to enable us to complete all AML/CTF checks.

Upon receipt of your expression of interest, we will provide you with access to an Application Form to become an Investor in this Fund, either through the investor portal, otherwise electronically or in paper form. You can apply to become an investor in this Fund by completing the Application provided. If you have any queries in relation to completion of the Application Form, please contact 1300 333 788 (from within Australia) or +61 2 8405 8860 (from outside Australia) or e-mail us at [private.credit@360capital.com.au](mailto:private.credit@360capital.com.au).

### **STEP 5. WE WILL RESPOND**

Following receipt of your Application, we will respond confirming receipt of your investment and providing details regarding the next steps. At this time we will provide you with details regarding any Classes of Units available for investment and the applicable Supplementary IMs for those Classes.

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# KEY FEATURES

1.

## Section 1 : Key features

The key features, benefits and risks set out in this section are a summary only. You should read this entire IM before completing an Application Form as the IM contains important information about an investment in the Fund. You should also consider seeking independent legal, taxation and financial advice before investing under the Offer.

The key feature		Further details
<b>Investment Objective</b>	To provide Investors with regular income through the investment in selected mortgage investments, secured by real estate assets through sub funds (each a Sub-Fund) referable as classes of Units in the Fund. 360 Capital Group (ASX:TGP) or may co-invest in a Sub-Fund via the Fund or directly into the Sub-Fund.	2.1
<b>Fund structure</b>	<p>The Fund is a unit trust established by the Constitution.</p> <p>The Fund is a “contributory mortgage scheme” which means that it operates as a master feeder fund to sub funds (the Sub-Funds) which legally and beneficially hold a loan investment which is referable to a specific Class of Units in the Fund.</p> <p>Investors do not invest in a pool of mortgages but receive the investment outcome, including rate of return, duration and capital security relating to the specific loan investment which is referable to the Class of Units in which they invest.</p> <p>A particular loan investment involves a loan to a specific borrower (or group of co-borrowers) from a particular Sub-Fund which relates to an investment in a particular class of Units in the Fund.</p> <p>This IM discloses generic information about the Fund investments. Specific information relating to each individual investment made by a Sub-Fund is disclosed in the Supplementary IM for those investments.</p>	2.2
<b>Co-investment and underwriting</b>	<p>360 Capital Group (ASX:TGP) and/or 360 Capital Mortgage REIT (ASX:TCF) intends to invest in the Fund and/or a Sub-Fund, in accordance with 360 Capital Group’s philosophy of co-investing and may underwrite the issue of Units in the Fund or units in a Sub-Fund.</p> <p>TGP and/or TCF may subsequently sell down some or all of their Units in the Fund or interest in a Sub-Fund subsequent to the loan investment being made.</p>	2.3
<b>Trustee</b>	360 Capital FM Limited	4.1
<b>Investment Manager</b>	360 Capital Credit Management Pty Limited	4.2
<b>Target Return</b>	The target return will vary from loan to loan and will depend on a number of factors. The targeted return for each loan will be set out in the Supplementary IM allowing Investors to assess each opportunity prior to making the investment.	

The key feature		Further details
<b>What is the Fund's investment and lending strategy?</b>	<p>The Fund's investment strategy is to invest in real estate loans via Sub-Funds. These may take various forms with Investors able to select each loan investment. The Fund will focus on the following areas:</p> <ul style="list-style-type: none"> <li>• Senior real property loans</li> <li>• Junior real property loans</li> <li>• Construction development loans</li> <li>• Bridging loans</li> </ul> <p>The terms of each loan will be set out in the Supplemental IM, including loan covenants such as loan to value ratio, interest cover, security, term of loan, interest rates, default provisions and other fees and costs to the borrower. Within the lending strategy, the exit strategy for the loan will be assessed.</p> <p>In certain circumstances the Trustee may approve a Sub-Fund investing into another managed fund focussed on property based lending. This will always be as set out in the Supplemental IM.</p>	3.1, 3.2
<b>Who can invest?</b>	The Offer is only available to Qualifying Investors, being persons who meet the definition of a Wholesale Client under the Corporations Act or Wholesale Investor under the FMCA (NZ). Please see section 2.8.	2.8
<b>The Offer</b>	360 Capital FM Limited on behalf of the Fund will make an offer of Units in a Class referable to each Sub-Fund. This IM sets out the general terms that apply to all offers	Supplemental IM
<b>Minimum initial investment amount from a Qualifying Investor</b>	<p>\$25,000.</p> <p>The Trustee may accept lesser amounts and may reject Applications in its absolute discretion.</p>	2.10
<b>Distributions</b>	<p>The Trustee will determine if and how frequently distributions will be paid. The level, frequency and type of distribution (capital or income) will vary for each Class of Units and will be set in line with the structure of the underlying Loan Investment.</p> <p>However, income distributions are not guaranteed and are at the discretion of the Trustee.</p>	2.12
<b>Gearing</b>	<p>The Fund will not borrow. Sub-Funds will have the capacity to borrow, however any borrowings will be quarantined to the Sub-Fund with full details of any borrowings set out in the Supplementary IM.</p> <p>See section 2.16 for further information.</p>	2.16
<b>Liquidity and withdrawals</b>	<p>A Class of Units in the Fund will not be liquid. Liquidity events will only occur at the maturity of the loan or other investment held by the relevant Sub-Fund.</p> <p>See section 2.13 for further information.</p>	2.13



The key feature		Further details
<b>Risks</b>	Like any investment, there are risks associated with investing in the Fund. Distributions are not guaranteed, nor are any capital returns. See Section 5 for information on the risks associated with an investment in the Fund.	Section 5
<b>Sub-Fund offer terms</b>	<p>The specific terms of investment into a particular Class of Units are contained in the relevant Supplementary IM, including details of the intended investments to be made by the Sub-Fund, which will include:</p> <ul style="list-style-type: none"> <li>• The type of investment for the relevant Sub-Fund;</li> <li>• The projected rate of return for the Class;</li> <li>• The regularity of distribution payments to Investors in the Class;</li> <li>• The expected maturity date of the loan held by the Sub-Fund;</li> <li>• The collateral or security held by the Sub-Fund.</li> </ul>	Section 6
<b>Offers</b>	<p>360 Capital FM Limited on behalf of the Fund will, over time, offer a range of Classes of Units each referable to a Sub-Fund.</p> <p>Investors may either choose the specific Class or Classes to invest in or elect to complete a General Authority requesting the trustee to allocate its investment to a Class of Units, referable to a Sub-Fund on their behalf.</p> <p>As each new Class is made available, a Supplementary IM and Offer will be made available through the investor portal.</p>	Supplemental IM

The key feature		Further details
<b>Fees and costs</b>	<p>There are fees and expenses (plus GST, if applicable) payable in relation to the management of the Fund. The payment of these fees will generally be paid through amounts received from borrowers pursuant to the terms of the relevant loan agreements. Provided these costs are recovered from the borrowers or have been allowed for in calculating investor returns they will not impact the targeted rate of return. The Investment Manager or its Associates will not be entitled to any Investment Management fees until the target return is met.</p> <p>The fees and expenses may include:</p> <p><b>1. Investment management fee</b></p> <p>The Investment Manager may be entitled to a fee in circumstances where the Class of Units referable to the Sub-Fund achieves the targeted rate of return following the maturity of the relevant loan made by the Sub-Fund.</p> <p>Please see section 6.1 for further information about the management fee.</p> <p><b>2. Operating costs and expenses</b></p> <p>The Trustee and the Manager are entitled to be paid or reimbursed for costs and expenses associated with the operation of the Fund and each Sub-Fund, such as the costs associated with the administration or distribution of income, any Fund administrator's fee, any Registrar's fee, fees for the audit of the Fund, fees to other service providers and other expenses properly incurred in connection with performing their duties and obligations in the day-to-day operations of the Fund and the Sub-Funds.</p> <p><b>3. Indirect costs</b></p> <p>There may be specific transactional fees and other expenses that may apply to an investment in the Fund and specifically the operation of a Sub-Fund, for example:</p> <ul style="list-style-type: none"> <li>• valuation and search fees;</li> <li>• quantity surveyor costs;</li> <li>• legal fees;</li> <li>• loan default expenses.</li> </ul> <p>These will generally be recoverable from a borrower, however, if a loan provided by a Sub-Fund has defaulted, and the expenses are unable to be recovered from a borrower, Investors may receive a reduction to their investment return in the relevant Class of Units.</p> <p>The above is a summary only of the key fees payable in relation to the Fund.</p> <p>Additional fees and expenses may be payable from the assets of the Fund if the appointment of the Trustee, the Investment Manager or the Fund administrator is terminated.</p> <p>For full information about the fees and expenses payable, see section 6.</p>	Section 6
<b>Tax</b>	Please obtain your own independent tax advice before investing in the Fund.	Section 7

# ABOUT THE FUND

A woman with blonde hair is sitting at a round table in a modern office or lounge. She is holding a small notepad and looking towards another person who is partially visible on the right. A laptop is open on the table. In the background, there is a large window with blinds and a potted plant. The overall atmosphere is professional and collaborative.

2.

# Section 2 : About the Fund

## 2.1 Fund investment objective

The Fund’s objective is to provide Investors access to invest in real estate loan investments, backed by Real Property Mortgages on a loan-by-loan basis. Investors can elect which individual loan they wish to invest in enabling Investors to tailor a portfolio of loan investments.

The Fund’s loan investments are structured to provide Investors with regular income returns with a level of capital preservation (taking into account the risks of each loan) and providing Investors a total targeted return as set out in the respective Supplementary IM over the term of the loan investment.

## 2.2 Fund structure

The Fund is an unregistered unlisted managed investment scheme structured as an Australian unit trust. The Fund is established by the Constitution.

The working of the Fund is regulated by its Constitution and the general laws of Australia. The Constitution sets out the conditions under which the Fund is to operate, the rights and liabilities of Investors, and the rights, powers, responsibilities and duties of the Trustee. Investors are bound by the provisions of the Fund’s Constitution.

The Fund is a “contributory mortgage scheme” which means that Investors may choose a loan investment held by a Sub-Fund owned by the Fund, referable to a Class of Units which the Investor may invest in. Investors receive the investment outcome from that Class of Units.

A diagram of the structure of the Fund is as follows:

360 Capital FM Limited (Trustee) is the trustee of the Fund, while 360 Capital Credit Management Pty Limited is its investment manager (Investment Manager).

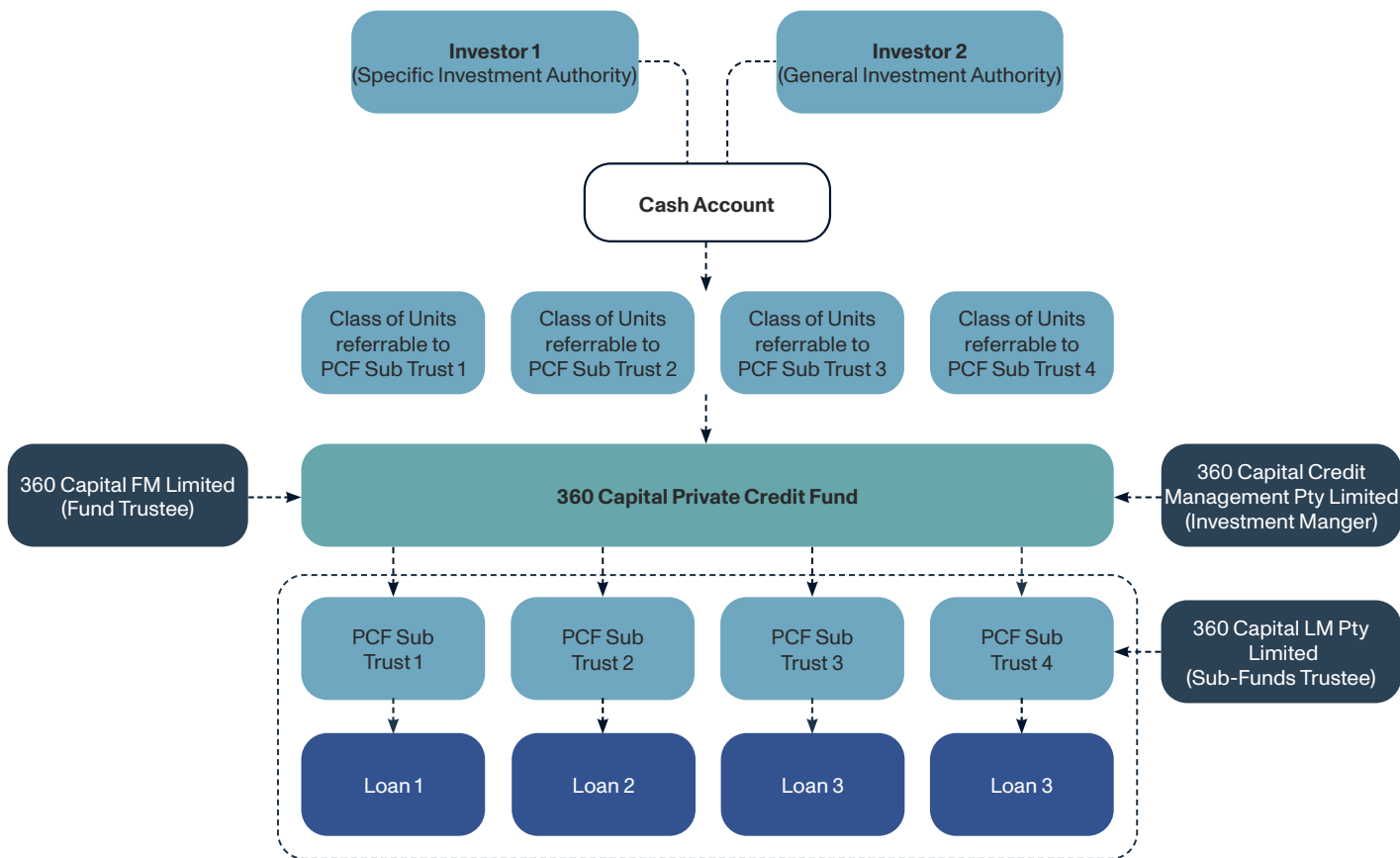
As noted in the below diagram, once an Investor’s Application has been accepted and funds received, its investment funds are initially placed in the Cash Account pending investment into the particular Class of Units referable to the associated Sub-Fund. No interest is earned on monies in the Cash Account.

Investors may either select a specific Class of Units and referable Sub-Fund investment in which they wish to invest by providing a Specific Investment Authority or provide an authority for the Trustee to invest into the Class of Units and referable Sub-Fund investment it (the Trustee) chooses.

## 2.3 360 Capital Group and 360 Capital Mortgage REIT

360 Capital Group (ASX:TGP) and 360 Capital Mortgage REIT (ASX:TCF) may co-invest in the Fund and/or a Sub-Fund on a pari-passu basis for the term of the loan alongside Investors. In certain circumstances TGP and/or TCF might act as a co-lender with a Sub-Fund, again on a pari-passu basis. TGP and/or TCF may also subsequently sell down part or all of their co-investment to other investors post settlement of the loan.

Depending on capital management and portfolio composition, TCF has a mandate to remain fully invested and as such will typically invest for the term of the loan.





## 2.4 Investing in a Class of Units referable to a Sub-Funds

An Investor can either choose the Class of Units to invest in or elect to complete a General Authority requesting the Investment Manager to arrange for the Trustee to allocate its investment of their behalf.

Neither the Investment Manager nor the Trustee guarantees a particular Class of Units offered will remain available for any length of time.

With respect to each Class of Unit, a Supplementary IM will be provided which will contain information relating to an investment in that Class, in order for Investors to assess if the investment meets their investment objectives and risk profile. This may include:

<b>Details of the underlying loan investments</b>	<ul style="list-style-type: none"> <li>- Purpose of the use of funds</li> <li>- Location attributes of the proposed development or security property (if applicable)</li> <li>- The status of the development (if applicable)</li> <li>- Known risks specific to the loan</li> <li>- Any special provisions in the mortgage or security documentation (if applicable)</li> <li>- The expected repayment strategy for the loan</li> </ul>
<b>Borrowers and Security summary</b>	<ul style="list-style-type: none"> <li>- The borrower and security providers (if applicable)</li> <li>- Any guarantors</li> <li>- The loan type (e.g. term Loan for completed assets or a construction loan for land acquisition and/or construction)</li> <li>- The asset class of the property or proposed development (e.g. residential, mixed use, commercial, industrial)</li> <li>- The address and title details of any security property</li> </ul>
<b>Investment Summary</b>	<ul style="list-style-type: none"> <li>- The amount of the loan</li> <li>- The loan to value ratio and valuation requirements</li> <li>- The term of the loan including when the loan is due to be fully repaid and any installments</li> <li>- The interest rate payable by the borrower, including any higher rate applicable</li> <li>- The targeted rate of return to the Investor and when distributions will be paid (e.g. distributed periodically or at the end of the loan term)</li> </ul>

## 2.5 Investment Process

### Stage 1: Initial Investment

All new investments in the Fund are made into the Cash Account by completing an Application Form prior to making an investment into a Class of Units.

No interest is paid on balances held in the Cash Account.

### Stage 2: Allocation to a Class of Units referable to a Sub-Fund

Allocations of your investment to a Class of Units referable to a Sub-Fund are made with reference to a Supplementary IM. There are two ways of making investments into a Class of Units.

#### Providing a Specific Investment Authority

The Specific Investment Authority requires you to select a Class of Units referable to a Sub-Fund which meets your investment requirements for the investment of your funds held in the Cash Account.

The Investment Manager will issue you with a Supplementary IM on behalf of the Trustee which relates to the Class of Units you may wish to invest in. To make an investment in a Class of Units referable to a particular the Sub-Fund, you must complete the Specific Investment Authority directing the Trustee to invest your funds in the Class of Units referable to that Sub-Fund.

Investments in a Class of Units are made on a first come first served basis. If you do not approve an investment via the Specific Investment Authority before the Class of Units is filled by other Investors, you may miss the opportunity to invest in the particular investment.

#### Providing a General Investment Authority

The General Investment Authority option provides us the authority to automatically allocate your Cash Account funds to a Class of Units referable to a Sub-Fund.

A General Investment Authority will provide you with an opportunity to provide your investment preferences and authorise the Trustee to direct your Cash Account funds to any available Class or Classes of Units, without inferring that the investment is suitable to your personal investment objectives and without seeking your approval for the investment.

Upon selection of a Class or Classes of Units by the Trustee, the Investment Manager will arrange for the Trustee to issue you with the Supplementary IM for the Class of Units. You are deemed to have received this Supplementary IM 3 business days after it has been issued.

You have 10 business days from the date you are deemed to have received the Supplementary IM to notify us in writing that you do not want us to proceed. If you notify us that you do not wish to proceed with an investment in this time frame this means you will not be issued Units in the Fund referable to that Sub-Fund, and your investment money will remain in the Cash Account.

If we do not receive a notification, your Cash Account funds will be invested in the relevant Class of Units in the Fund referable to the Sub-Fund under the terms specified by the relevant Supplementary IM.



## 2.6 Not advice

The issuing of this IM or a Supplementary IM under a Specific Investment Authority or a General Investment Authority does not comprise financial advice. You should obtain professional advice prior to making an investment or accepting any invitation to invest in a Class of Units referable to a Sub-Fund.

## 2.7 Receiving and processing applications

After receiving access to an Application Form to invest in the Fund, the Investment Manager will accept an application to become an investor in the Fund on behalf of the Trustee in accordance with the details communicated with the application form for a period of 48 hours, or such longer period of time as the Trustee determines in its sole discretion.

Failure to provide information required or cleared funds may delay the processing or non acceptance of your applications.

Application funds will remain in the Cash Account pending investment into a specific Sub-Fund and the provision of those funds to a borrower by the Sub-Fund.

## 2.8 Qualifying Investors only

This Offer is only available to Qualifying Investors.

For Australian investors, under the Corporations Act, a person may qualify as a Qualifying Investor in several ways including by:

- investing at least \$500,000 into the Fund;
- providing a certificate from an accountant that shows that you have:
  - o net assets of \$2.5 million; or
  - o earned gross income of \$250,000 in the last two financial years;
- are a 'professional investor' within the meaning of the Corporations Act.

For New Zealand investors, please see Important Information – New Zealand Investors on page 3 for details as to who may qualify as a Wholesale Investor.

The Trustee may reject applications in its absolute discretion.

## 2.9 Units

The Investment Manager may in its absolute discretion arrange for the Trustee to, issue new Classes of Units at any time. Different Classes of Units may have different terms and rights attached such as different fees and investment amounts and will differ as to the underlying Sub-Fund applicable to the Class.

For each new loan proposed to be granted a Sub-Fund will be established to provide the loan and a new Class of Units will be issued to be referable to that Sub-Fund and, indirectly, the loan investment that Sub-Fund makes.

Further details on each Class of Unit will be set out in the Supplementary IM.

The Trustee may refuse to accept an Application in its absolute discretion, including where the Application Money is not received in cleared funds or the Trustee is not satisfied that it has received all relevant information required to process the Application.

## 2.10 Minimum investment amounts from Qualifying Investors

Provided you qualify to invest in the Fund, you must make a minimum initial investment of \$25,000 (or such lower amount as we accept at our discretion). Subsequent investments must be in increments of \$10,000 provided that the Trustee may accept lesser amounts from a Qualifying Investor in its absolute discretion.

## 2.11 Unit pricing

Each separate Class of Units in the respective Sub-Fund will have its own Unit Price which will be set out in the Supplemental IM.

Subsequent issuances of Units (if any) within the respective Sub-Fund will be issued at a Unit Price which is calculated in accordance with the Constitution and is based on the net asset value applicable to the Class of Units in question.

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## 2.12 Distributions

Each Supplementary IM will specify the applicable distributions payable for a Class of Units and these distributions are ultimately sourced from an investment made by a Sub-Fund.

The Fund will only pay distributions from cash from its operations and its reserves and will not fund any distributions through borrowings.

There is no guarantee that income distributions will be paid and are at the discretion of the Trustee. The Trustee may determine that an income distribution is appropriate for some Classes of Units but not for others.

Once a loan has been repaid, your investment will be returned to the Cash Account until it is invested in a new Class of Units by way of a new Supplementary IM, or your investment monies are returned to you. Funds held in the Cash Account do not earn any interest.

## 2.13 Liquidity and withdrawals

Withdrawals are not permitted from a Class of Units during the terms specified in the relevant Supplementary IM.

Investors may withdraw their investment at the end of the term specified in the Supplementary IM when the assets of the Sub-Fund referable to the Class of Units are liquid. The Supplementary IM will disclose the anticipated investment term for the relevant Class of Units.

If you do not give us a direction to return your investment to you at this time then your investment will be returned to the Cash Account until it is invested in a new Class of Units by way of a new Supplementary IM. Funds held in the Cash Account do not earn any interest.

## 2.14 Transfer of Units

There will not be any established secondary market for the sale of Units. If you want to sell your Units, we may endeavour to assist you; however, we are not required to do so. Trustee consent is required to any transfer of Units.

## 2.15 Related Party transactions and underwriting

360 Capital Group (ASX: TGP) and/or 360 Capital Mortgage REIT (ASX:TCF) may invest in the Fund and/or in a Sub-Fund alongside Investors on a pari-passu basis.

360 Capital Group (ASX: TGP) and/or 360 Capital Mortgage REIT (ASX:TCF) or other underwriters may also sell their Units in the Fund or interest in a Sub-Fund down subsequent to subscribing, as part of underwriting a particular loan.

Typically, an underwriter of an offer of Units will be issued a different Class of Units (being 'underwriting Units') referable to the Sub-Fund, which are redeemed by the issue of further Units referable to the same Sub-Fund.

## 2.16 Borrowings

The Fund has no borrowings and no plans to borrow in the future. There may be instances where it is appropriate to borrow in the Sub-Funds, however, any borrowings in the Sub-Funds will be limited recourse to the Sub-Funds and full details of the borrowings will be set out in the Supplementary IM.



# SUB-FUND INVESTMENTS

3.





## Section 3: Sub-Fund Investments

The Fund is structured to offer exposure to a selection of asset backed loans and hybrid investments, each held and managed separately through a Sub-Fund.

Investors are given the opportunity to select and invest in Classes of Units in the Fund each referable to different Sub-Funds.

### 3.1 Lending Guidelines

The following table provides a summary of the key terms of the lending guidelines which will be considered for loans issued by Sub-Funds referable to the Classes of Units in the Fund.

Depending on the Investment Manager's views of the market conditions, property market cycles and various other conditions, these parameters vary from time-to-time. They may be changed by us without providing notification to you.

<b>Loans</b>	<ul style="list-style-type: none"><li>- Senior real property loans</li><li>- Junior real property loans</li><li>- Construction development loans</li><li>- Bridging loans</li></ul>
<b>Securities</b>	<p>The preferred security for a loan will take the form of a Real Property Mortgage over the relevant borrower's real property.</p> <p>A Real Property Mortgage will be a first or second ranking mortgage (if registered).</p> <p>The lending guidelines will preference loans secured by a first ranking mortgage and these are intended to represent the majority of loans to be made by Sub-Funds.</p> <p>The trustee of the Sub-Fund may take other additional forms of security from a borrower referred to as Security Interests, which may include general security agreements, specific security agreements, personal guarantees or directors' guarantees.</p> <p>If there are any loans proposed to be granted without the benefit of a first ranking mortgage the Investment Manager will undertake a further assessment of the risk profile of the loan and the value of any security being offered in support the loan against established lending criteria and capacity requirements to determine whether the loan is a suitable investment for the Sub-Fund.</p> <p>The security provided by a borrower will be clearly described in a Supplementary IM so that Investors can make an informed decision as to the risk profile of the investment in that particular Class of Units.</p>
<b>Borrower</b>	<p>The Investment Manager's assessment process will consider a prospective borrower's creditworthiness, their experience in:</p> <ul style="list-style-type: none"><li>- managing property;</li><li>- loan servicing;</li><li>- property development experience; and</li><li>- the nature of the security they are able to offer.</li></ul> <p>Where a loan involves construction or development, the Investment Manager's assessment will also consider:</p> <ul style="list-style-type: none"><li>- development approvals (DAs) or applications/ permits;</li><li>- status of Construction Certificate (CC)/ Building Permit;</li><li>- full details of project costs as validated by initial independent quantity surveyor (QS) report;</li><li>- Qualifying presales (if applicable);</li><li>- information to assess the ability of the borrower/ developer to complete the project on time and in budget;</li><li>- assessment of the builder's capabilities to complete the project, financials (if available) and the relevant builder's current and future project workload to complete within contracted timelines;</li><li>- third party reports and information including acceptable valuation report, initial QS reports, historical sales data, RP data reports and consultation with selling agents;</li><li>- assessment of the market appetite for the completed property; and;</li><li>- the ease of an orderly exit of the loan facility through ability to sell the project and/ or refinance by term end.</li></ul>



<b>Geography</b>	The Fund will seek to invest in the Australian capital cities. The Fund may, subject to potentially stricter lending covenants, invest in non capital city locations on a case by case basis
<b>Amount</b>	The minimum amount that will be lent to any one borrower will be \$2,000,000, subject to any lesser amount agreed by the Sub-Fund Trustee.
<b>Loan to value ratio (LVR)</b>	<p>Loans offered are not expected to exceed a maximum LVR of 70%.</p> <p>An LVR means a loan to value ratio. If the relevant security property has a value of \$3 million and the loan is \$2 million, then the LVR is 66.6%.</p> <p>In some instances, the LVR maybe higher than this limit of 70%, such as junior loans. In these instances the Supplementary IM will outline the reasons why the Investment Manager is comfortable at the higher LVR and also set out the additional risks from such a specific loan.</p> <p>The actual LVR for each loan will vary depending upon the Investment Manager's assessment of the credit risk of the borrower and the nature of the property which is being offered as the subject of a Real Property Mortgage or other applicable Security Interests.</p> <p>Loan terms on average are for 12 to 24 months, however, can be as short as 3 months and up to 3 years. The Supplementary IM for each Sub-Fund will state the term for that specific loan.</p>
<b>Interest Rate</b>	<p>In setting the interest rate charged, the Investment Manager will take into account several factors including the credit risk assessment of the borrower, the delivery risk of the project, the marketability of the property in determining the exit strategy(s) and market conditions at the time the loan was advanced and predicted market conditions at the end of the term of the specific loan.</p> <p>The interest rate will generally be agreed as a margin over the BBSW (the bank bill swap rate being a variable rate) with a fixed floor interest rate per annum and is determined by the Investment Manager.</p> <p>The Investment Manager may however determine it appropriate that a loan is at a simple fixed rate over the term of the loan, given the nature of the loan.</p> <p>The Investment Manager normally sets a minimum interest earn for each specific loan.</p> <p>Specific details of the interest rate applicable to a loan granted by a Sub-Fund will be specified in the Supplementary IM.</p>
<b>Default terms</b>	Standard events of default including failure to pay amounts when due, breach of financial covenants and the insolvency of the borrower.
<b>Establishment and loan management fees</b>	The Investment Manager may charge establishment and loan management fees to the borrower. If charged, then these will be paid by the borrower and not by the Fund.
<b>Related party loans</b>	The Fund will not invest in loans to related parties under any circumstances.
<b>Other key requirements</b>	Typical representations, warranties, undertakings and events of default, including restrictions on the borrower disposing of the security property or incurring additional financial indebtedness.

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## 3.2 Lending Strategy

The Fund's investment strategy is to invest in real estate loans. These may take various forms with Investors able to select each loan investment. The Fund will focus on the following areas:

- Senior real property loans
- Junior real property loans
- Construction development loans
- Bridging loans

The terms of each loan will be set out in the Supplemental IM, including loan covenants such as loan to value ratio, interest cover, security, term of loan, interest rates, default provisions and other fees and costs to the borrower. Within the lending strategy, the exit strategy for the loan will be assessed.

The Investment Manager will ensure at all times that the risk/reward profile of each loan is appropriate having regard to the credit quality and value of the loan, underlying security, the borrower and the credit risk process.

Each loan investment is vigorously assessed from the point at which the loan application is received, to being thoroughly screened, and then submitted for credit review and approval by the Investment Manager.

All loan investment decisions will be based on risk-adjusted returns over the term of the loan. All loans, borrowers and Real Property Mortgages are assessed by the Investment Manager, as described below.

In addition, each loan will be properly documented and appropriately secured following a comprehensive assessment of the purpose, servicing and repayment capacity of the borrower, valuation, insurance and management protocols proposed for each loan.

In certain circumstances the Trustee may approve a Sub-Fund investing into another managed fund focussed on property based lending. This will always be as set out in the Supplemental IM. If a Sub-Fund does invest in another managed fund, then the Investment Manager will be responsible for monitoring the performance of the other managed fund.

## 3.3 Loan Investment Selection and Assessment

The Investment Manager will be responsible for undertaking the assessment of any loans proposed to be made by a Sub-Fund, having regard to the lending guidelines outlined above.

A number of factors are considered when assessing a proposed loan and commence when an application and accompanying financial data is received by the Investment Manager from a proposed borrower.

The Investment Manager will assess the merits of each prospective loan and the associated risks. The analysis takes into account a set of criteria, including the creditworthiness of the proposed borrower and any supporting parties, available security, the precise nature of any security property, likely LVR and evidence of capacity to service the loan. The risks can be described in three broad categories as follows:

### a) Security/Development Risk

The Investment Manager will assess a range of factors, including the character and geographic suitability of the security property, the proposed project expenditure, the capacity to complete the development (if applicable), as well as factors such as permissible usage and planning approvals, competition, appeal and demand for the asset.

### b) Servicing/Repayment risk

The ability of the borrower to meet loan commitments, which focus on security income and cash flow sources of the borrower as well as overall creditworthiness.

### c) Saleability

Where appropriate, the exit strategy at the loan conclusion, including the ability of the borrower to sell the property (including existing income producing or development assets), or the ability of the borrower to refinance.

Once the Investment Manager has assessed the prospective loan, the Investment Manager will prepare a loan proposal, which is tabled with Investment Manager Board and seek final approvals from the Trustee.

## 3.4 Approval process and ongoing management

After a loan is made, the Investment Manager is responsible for the day-to-day and ongoing management of the loan.

The Investment Manager will provide monthly reports to the Trustee in relation to both individual and portfolio loan performance, including the payment and collection of interest (if applicable), progress of construction loans to forecast (if applicable), compliance with loan covenants and conditions, and the progress of any legal action commenced against a defaulting borrower.

The Investment Manager will also dedicate resources towards ensuring that all properties provided as security for Real Property Mortgages are appropriately insured for public liability, loss or damage to improvements and builders' insurance. Policies (where possible) will note the Sub-Fund Trustee as an interested party. It should be noted that not all properties and improvements may require insurance. For example, a property that consists only of vacant land will not be insured (except for public liability). Further, improvements in respect of which insurance cover is not available at commercially reasonable prices will be assessed and insurance coverage may be determined by the Investment Manager as uneconomical.

## 3.5 Valuation Policy

The Investment Manager will instruct qualified valuers with at least 5 years' experience and be registered with a state/territory valuer registration regime to produce a formal valuation report which complies with relevant industry standards and codes.

The Investment Manager will have security property revalued whenever it considers that a significant change may have occurred in the property's value, and at any other time it considers it to be in the best interests of Investors.

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## 3.6 Documentation and settlement of Loan Investments

Loan and security documents will be prepared and reviewed by a legal firm experienced in mortgage finance, verification and validation requirements, who will also attend to settlement of legal documentation.

Normal funding conditions such as receipt of independent valuation, consultants, engineers and/or quantity surveyors report confirming costs, expenses, and cost to complete the project will be required before any loans are made for development purposes.

## 3.7 Arrears and Default Management

Where a borrower fails to make a payment when due, or an event of default is established on or before the due date (T), the Investment Manager will issue a payment reminder to the borrower by T + 24 hours and call the borrower by T + 48 hours. If payment or default is not remedied by T + 11 days, a letter asking the borrower to show cause for the payment failure or event of default will be issued.

If the payment has not been received or the default not remedied, the Investment Manager will instruct solicitors to issue a default letter by T+ 14 days and commence recovery action against the defaulting borrower.

Where the Real Property Mortgage securing the loan is first ranking and recovery action is issued against a borrower:

- a) the Sub-Fund Trustee may become a mortgagee in possession of the security property;
- b) the Sub-Fund Trustee will procure a new valuation in respect of the security property;
- c) the security property may be placed on the market for sale;
- d) depending on the nature of the security property, the Sub-Fund Trustee may appoint parties to manage the security property or complete the development of the security property before commencing a sale process; and
- e) if the security property is sold at a price that is less than the amount required to satisfy the outstanding balance of the loan together with interest and costs (including recovery fees), then recovery action against the borrower and any guarantors may continue.

Where the Real Property Mortgage securing the loan is not a first ranking mortgage, the enforcement of the loan will be dictated by the actions taken by the senior lender. The senior lender will have the right to take possession of, and deal with, the security property and assets of the borrower if various covenants of the senior lender's loan facility are not met.

If the Real Property Mortgage has a security ranking behind a senior lender (ie we have a second registered mortgage) and the senior lender exercises its rights under its first registered mortgage, then the Sub-Fund will not have day-to-day control over the borrower's assets. This will generally mean the Sub-Fund Trustee cannot exercise the Sub-Fund's security until the senior lender has been paid in full. In addition, any money

available to the Sub-Fund in these circumstances would be limited to what is recovered after the senior lender has been paid in full.

## 3.8 Enforcement expenses

If a borrower defaults under a loan, then the Sub-Fund may have to enforce the security held to recover the loan and any unpaid interest and costs. The Sub-Fund will have to use its own resources to pay for those enforcement costs (such as the costs of appointing a receiver, legal fees in enforcing against the borrower, agent's commissions for sale of the security property, etc.).

The Investment Manager has procedures which specify the selection of, and monitoring of, the performance requirements for independent valuers, solicitors, civil engineers, quantity surveyors and other experts engaged. Typically, all fees of third-party service providers are payable by the borrower. However, if the loan has defaulted, some of these fees may be recovered from the assets of the relevant Sub-Fund.

## 3.9 Loan extensions and entering into a new loan facility

No loan will automatically extend for a further period beyond the term disclosed in the Supplementary IM.

Generally, prior to the expiration of a loan provided by a Sub-Fund, the Investment Manager will contact the borrower to provide a reminder of the due date for repayment and to ascertain whether the borrower has made adequate arrangements for the repayment on or before the due date.

In the event that the borrower requires an extension, it will be required to submit a request in writing which will be considered by the Investment Manager. The Investment Manager may request updated information to confirm whether the lending criteria remains satisfied and will generally consider the following:

- the borrower's overall compliance with the terms of the loan;
- the borrower's progress towards completing the construction, development or a sale (as appropriate given the nature of the loan);
- the impact on the LVR of the loan;
- the borrowers/guarantors overall financial position; and
- any other matters that the Investment Manager considers prudent given the circumstances of the request.

If the requested extension period is disclosed in the relevant Supplementary IM or is less than 3 months, the trustee of the Sub-Fund may decide to:

- extend the term of the loan;
- refuse the extension and enforce the terms of the loan arrangements.

Such a decision will be made in the best interests of Investors but without consent of the Investors. The Investment Manager will inform of the Investors if the term is extended and the reasons why an extension has been granted.



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If the requested extension period is not disclosed in the relevant Supplementary IM and is more than 3 months, the trustee of the Sub-Fund may decide to:

- make an offer to refinance the loan on new terms;
- refuse the extension and enforce the terms of the loan arrangements.

In the case of an offer to refinance the loan being proposed, if accepted, the existing loan would be repaid and if applicable Investors will have the opportunity, but not the obligation, to participate in the new loan facility.

### **3.10 Repayment of loan and discharge of borrower**

When a borrower is ready to discharge their loan, the Fund will provide the Borrower with a loan payout figure, instruct its solicitors to draft the required release documents, attend to settlement and in exchange for release documents, collect all amounts due including principal, interest and any other fees due.

### **3.11 Distributions if there is a shortfall**

Distributions to Investors are paid from the following sources:

- Prepaid Interest;
- Interest payments made by borrowers;
- The sale of Security Property;
- The pursuit of guarantors and borrowers.

If, from all viable sources, there are insufficient funds to pay:

- a) a prior ranking charge (for example a higher-ranking mortgage or land tax);
- b) all management costs and disbursements; and
- c) Investors all their interest and capital distributions,

then the available monies will be applied in order (first (a), then (b), then (c)).

This means there is risk that Investors will suffer a shortfall on the payment of income and capital distributions.

Any Investment Management fees payable to the Investment Manager will be paid after Investors capital has been returned and the target return is met.

### **3.12 Gearing**

The Fund will not borrow under any circumstances. Sub-Funds will have the capacity to borrow, however any borrowings will be quarantined to the Sub-Fund with full details of the loan set out in the Supplementary IM. Any borrowings will be limited recourse to the respective Sub-Fund and the Trustee will ensure that any such borrowings will not impact the Fund or any other Sub-Fund.

The Trustee and Investment Manager will only use borrowings in very limited circumstances as part of a structuring of a specific loan investment quarantined to the specific Sub-Fund.

# MANAGEMENT OF THE FUND

The background image shows two men in an office. One man is in the foreground, seen from the back, looking towards the other man. The second man is standing and facing the first, wearing glasses and a dark jacket over a light blue shirt. They are in front of a large window that looks out onto a city skyline at dusk or dawn. The overall color scheme is dark blue.

4.

## Section 4 : Management of the Fund

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### 4.1 The Trustee

The Trustee of the Fund is 360 Capital FM Limited, a member of the 360 Capital Group.

The Trustee holds an AFSL (no. 221 474) issued by ASIC which, amongst other things, authorises it to act as the Trustee of the Fund.

### 4.2 The Investment Manager

The Trustee will delegate the investment management of the Fund to the Investment Manager pursuant to the IMA.

The Investment Manager is 360 Capital Credit Management Pty Limited. The board of directors of the Investment Manager, along with their biographies, are set out below in Section 4.3 (**Investment Manager Board**).

The Investment Manager Board is responsible for all investment decisions, including to the development and implementation of investment policies and procedures and final approval of all investment decisions related to the Fund.

The Investment Manager Board meets on a quarterly basis with the members of the senior management team to review all loan investments, individually and at a portfolio level. The Investment Manager Board also has oversight of the strategic initiatives of the Fund. The Investment Manager is an authorised representative (no. 001281688) of the Trustee.

### 4.3 360 Capital Group

#### (a) Overview

360 Capital Group is an ASX-listed (ASX:TGP) investment and Funds management group with a market capitalisation of approximately \$177 million . The 360 Capital Group senior management team has an average of over 20 years' experience across the Australian real estate and Funds management sectors.

360 Capital Group is approximately 42% owned by staff and Directors.

#### (b) Background

360 Capital Group manages three listed investment vehicles and a number of both registered and unregistered investment vehicles

#### (c) Overview of Board of Directors and senior management

The Board of the Trustee comprises four Directors, three of whom are independent non-executive Directors. The Board of 360 Capital is the same as the Board of the Trustee.

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<sup>1</sup> As at 30 May 2023

## Board of Directors of the Trustee

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**Tony Pitt**  
Executive Chairman

Tony is a founding Director of 360 Capital and has worked in the property and property funds management industries for over 25 years.

As Executive Chairman, Tony is responsible for the Group's investments strategic direction and overall Group strategy.

He has overseen the IPO on the ASX of four AREITs since 2012 as well as the creation of various unlisted funds, undertaken various corporate acquisitions and disposals, mergers and acquisitions and the ASX listing of 360 Capital Group.

Tony has formerly held numerous senior roles and directorships at Mirvac Group, James Fielding Group and Paladin Australia. He also held positions at Jones Lang LaSalle and CB Richard Ellis.

Tony graduated from Curtin University with a Bachelor of Commerce (Property), has a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australasia.



**David van Aanholt**  
Independent Non-executive  
Deputy Chairman

David has over 30 years' experience in the property and Funds management industry.

Prior to establishing his own property group in 2007, David worked for the ASX listed Goodman Group where he was the Chief Executive Officer (Asia Pacific) and was responsible for Goodman's operations in Australia, New Zealand, Hong Kong and Singapore.

Prior to working for Goodman David held senior roles at Paladin Australia and CDH Properties (acquired by KPMG). David holds a Bachelor of Business (Land Economy), a Post Graduate Diploma in Management, a Masters in Business Administration and he is a Fellow of the Australian Property Institute.

David is a non-executive Director and Chair of Kennard's Self Storage Group and a Councillor at the University of New England where he sits on the Audit and Risk, Finance and Infrastructure, Innovation and Remuneration Committees.



**Andrew Moffat**  
Independent Non-executive  
Director

Andrew has in excess of 23 years of corporate and investment banking experience, including serving as a director of equity capital markets and advisory for BNP Paribas Equities (Australia) Limited.

Andrew is the sole principal of Cowoso Capital Pty Ltd, a company providing corporate advisory services.

Andrew is also a director of Sports Entertainment Group Limited (previously called Pacific Star Network Limited), ICP Funding Pty Ltd and IPD Group Limited. His past public company directorships include Rubik Financial Limited, Keybridge Capital Limited, CCK Financial Solutions Limited, itX Group Limited and Infomedia Limited.



**Tony McGrath**  
Independent Non-executive  
Director

Tony is a chartered accountant of almost 40 years standing, specialising in restructuring and insolvency. Following an initial career at KPMG, in 2004 Tony founded McGrathNicol, a specialist restructuring and forensics practice.

Today Tony is a consultant to McGrathNicol, and is an experienced non-executive director.

In addition to 360 Capital, Tony is a non-executive director at the NRL and Servcorp. He is also non-executive director for a range of not-for-profit entities, including the Australian National University, and the Sydney Archdiocese of the Catholic Church.



# Senior Management

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**James Storey**  
Chief Executive Officer

James has over 16 years' experience in real estate funds management including such areas as asset management, capital transactions, analytics and valuations.

Prior to being promoted to Chief Executive Officer, James was Head of Real Assets of the Group and also his previous roles included Fund Manager of the 360 Capital Office Fund (ASX: TOF) and 360 Capital Industrial Fund (ASX: TIX) with a combined gross asset of over A\$1.1b. Prior to his tenure at 360 Capital, James held the role of Investment Manager at Brookfield Office Properties, Senior Analyst at Valad Property Group and worked for Ernst & Young within its Transaction Advisory Services team.

James has a Bachelor of Business (Property Economics) from the University of Western Sydney and a graduate certificate of applied finance and investment. He is also a licensed real estate agent.



**Glenn Butterworth**  
Chief Financial Officer

Glenn Butterworth is a key executive within the business and is responsible for all 360 Capital's financial management activities.

Glenn has over 25 years' experience and joined 360 Capital from Mirvac where he spent 11 years, most recently as financial controller of the Mirvac's investment division where he was responsible for the Mirvac Property Fund, listed and wholesale managed Funds and partnership structures. Glenn has a wealth of transactional and financial management experience.

Glenn is a Chartered Accountant and holds a Bachelor of Commerce and commenced his career at Deloitte.

# Investment Manager Board

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**Andrew Moffat**  
Independent Chairman  
Director

As previous.



**Tony McGrath**  
Independent Non-executive  
Director

As previous.



**Tony Pitt**  
Executive Director

As previous.



# RISKS

An aerial photograph of a modern building with a rooftop garden. The garden is divided into several rectangular sections by low walls, each containing various plants, trees, and outdoor furniture like tables and chairs. The building is surrounded by other urban structures, including a parking lot and a street with cars. The overall scene is captured in a dark, moody style with a blue tint.

# 5.



## Section 5 : Risks

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### 5.1 Overview

This section describes the major risks that the Trustee believes are associated with an investment in the Fund. It does not purport to be an exhaustive list of every risk that may be associated with an investment in the Fund now or in the future.

The consequences associated with each risk are partially or completely outside the control of the Trustee and, if they were to eventuate, may adversely affect the future operating performance of, and the value of an investment in the Fund.

Before applying for Units, you should satisfy yourself that you have a sufficient understanding of the risks described in this section having regard to your own investment objectives, financial circumstances and taxation position.

The Supplementary IM will include further details of specific risks with a Class of Units and the loan investment made by a Sub-Fund which is referable to those Units. This IM and the Supplementary IM should be read in conjunction with each other.

If you do not understand any part of this IM or a Supplementary IM you should seek advice from your broker, solicitor, accountant, tax adviser or other independent and qualified professional adviser before deciding whether to invest.

### 5.2 Market risk

Market risk is the risk that investment returns from the Fund may be affected by negative movements in general market conditions and may decline over short or extended periods due to market sentiment, economic, technological, legal, social and/or political factors.

Factors that influence markets generally can include business confidence and government and central bank policies, including the level and direction of interest rates, natural disasters and man-made disasters beyond the control of the Trustee and the Investment Manager.

### 5.3 Liquidity Risk

Once your capital has been committed to a loan provided by a Sub-Fund your investment will be illiquid. This means you will only be able to withdraw from the Fund when the loan is repaid to the Sub-Fund and the Fund redeems the relevant Class of Units.

Whilst Investors will generally not be able to withdraw funds invested into a loan until end of term, the Investment Manager may find a replacement Investor to replace your investment. However, the Fund does not guarantee that a replacement Investor will be able to be found.

Further, because the underlying security is property, the ability of the Fund to quickly wind up a borrower in default may be limited. Any sale of security property involves a period of marketing followed by a sale with settlement following in at least two or three months. If a defaulting borrower occupies the property, we may need to obtain possession by obtaining a court judgment. Delays could occur between when a loan goes into default and when the sale proceeds are received.

These delays may affect interest and any return of capital payments being made to you.

### 5.4 Security risk

The security property may be damaged or destroyed and the insurance cover may prove to be insufficient to cover the full amount of the loan.

Where the underlying security is real property, which is illiquid, there is also a risk that delays could occur between a loan going into default and the sale of the security property. These delays may affect the payment of distributions to Investors and the ability of the Trustee to make withdrawal offers due to insufficient cash being available.

### 5.5 Junior lender risk

If the Sub-Fund holds a Real Property Mortgage which ranks in priority behind a senior lender's mortgage, in the event of a default by the borrower, the ability to recover the amount owing under the loan agreement will be affected by the actions of the senior lender.

Generally, the senior lender will have the right to take possession of, and deal with, the security property and assets of the borrower if various covenants of the senior lender's loan facility are not met. Because the Sub-Fund's security will rank behind the senior lender, if the borrower defaults under any of the loan facilities and the senior lender exercises its security the Sub-Fund Trustee will not have day-to-day control over the borrower's assets. This will generally mean that the Sub-Fund Trustee cannot exercise the security until the senior lender has been paid in full. In addition, any money available to the Sub-Fund in these circumstances would be limited to what is recovered after the priority mortgagees have been paid in full.

### 5.6 Investment specific risk

Investment specific risks refer to the risks that apply to only a particular investment, as opposed to general sector, systemic or market risks that are more broadly applicable.

For example, an investment specific risk may be the risk of losing an investment or an investment value decreasing because of the characteristics a specific property or the commercial terms that apply to a particular investment.

A summary of investment specific risks that may apply to a particular loan will be disclosed in the relevant Supplementary IM. However, some risks are outside of our control and/or may not be reasonably foreseeable at the time of issuing a Supplementary IM relevant to a Class.

### 5.7 Investment Manager risk

The risk that the Investment Manager or the Investment Manager's investment strategy will not achieve its performance objectives or produce returns that compare favourably against its peers. Many factors can negatively impact the Investment Manager's ability to generate acceptable returns e.g. loss of key staff. In addition, the Investment Manager's fee may be related to the performance of the Fund, in particular the rate of return received. This type of fee incentivises the Investment Manager to endeavour to improve the Fund's performance. However, there is a risk it may encourage the Investment



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Manager to make riskier decisions regarding its management of the Fund's investments with the object of improving the Fund's performance in the short term.

## 5.8 Trustee and Manager risk

There is a risk 360 Capital FM Limited ACN 090 664 396 may be replaced as trustee of the Fund or its key personnel may change, 360 Capital Credit Management Pty Limited ACN 637 706 060 may be replaced as Investment Manager of the Fund or its key personnel may change.

Investors should note the Trustee is obliged to retire as trustee of the Fund following a request made by the Investment Manager, pursuant to the Investment Management Agreement. There is also a risk that the Investment Manager's authorisation under the 360 Capital FM Limited AFS Licence may be suspended or revoked.

## 5.9 Key person risk

The Investment Manager relies on a small number of professionals. In particular, if one or more key members of the Investment Manager's investment team noted at 4.3 resigned, or were terminated, suitable replacements may not be achieved within a reasonable time frame, and any replacement would be subject to similar risks.

## 5.10 Diversification risk

Generally, diversification means reducing investment risk by investing in a variety of assets. Although investing in a particular Class of Units does not itself provide diversification, Investors have the flexibility to achieve greater diversification by investing in multiple Classes or otherwise designing their portfolio of investments to cover a broader range of investments. Investors should be aware of the risk of concentrating on similar or correlated assets.

Diversification risk means that, should a particular asset class be adversely impacted, other highly correlated asset classes run a greater risk that they will also be affected.

## 5.11 Lost opportunity risk

This risk relates to the early repayment of a loan by a borrower, which may reduce the investment period and consequently reduce the return to Investors as their capital will not be invested for the projected period. It is possible that an Investor who has their capital returned early will not be able to find a replacement investment providing a similar return profile, leading to a loss of anticipated return. Most loans will include a minimum interest amount payable by a borrower if there is an early repayment of a loan which would minimise the possible lost opportunity risk.

## 5.12 Borrower risk

If the borrower is a company, and becomes insolvent or under external administration, then the loan will go into default.

If the loan goes into default, the payment of any interest distributions will cease, and the recoverability of the payments will depend upon the money that can be realised from selling the

security property and if necessary, pursuing the borrower and any guarantor.

Further a Borrower may delay or stop payment on a loan or default on the loan. There is no guarantee nor warranty as to any protection from late payment and/or default, and as such you may suffer financial loss of both interest and principal if the security property(s) is sold for less than the total amount owing on the loan.

## 5.13 Valuation Risk

Although the Investment Manager takes precautions to ensure that all internal property value assessments and external valuations it relies on are accurate, there is a risk that estimated property values or values provided by external valuers will be flawed.

The valuation of the security property for a loan may be inaccurate or not accurately reflect its true value at the time the valuation is undertaken. If the valuation of the security property for a loan is incorrect, then the amount realised on the sale of a security property may not cover the amount lent to the borrower.

If the estimated value or external value is wrong, then part or all of the loan, may be effectively unsecured. This means that in the event of default and the security property has to be sold, there may be a partial or total loss of your investment.

Further, as with any investment, there is always risk that the value of the security property falls and no longer represents the value as assessed at the time of foreclosure or default. Should this occur, this may diminish the amount of principal and outstanding interest that can be repaid to Investors.

Where a building is under construction, the property will be valued on an 'as if complete' basis.

These valuations assume that the relevant building is complete, has been built in accordance with the agreed specifications and that the leases commence as expected and on the agreed terms. 'As if complete' valuations also assume that property market conditions remain constant. As a result, with 'as if complete' valuations there is a risk that, on practical completion of any relevant building, the valuation will not be the same.

## 5.14 Development and construction risk

A Sub-Fund may lend money for property development or construction projects and there are specific risks associated with this type of loan. These risks include:

- (a) construction or development costs can exceed budgeted costs and the borrower may be unable to complete the project unless the borrower can obtain further funds;
- (b) the funds kept in reserve to complete the project being insufficient to meet the cost of completion;
- (c) the builder is unable to complete the project and needs to be replaced;
- (d) union activity could delay the timing to complete the construction of a property development project and/or increase its cost;

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- (e) development approvals may not be obtained within expected timeframes, may not be granted in the form anticipated, or may not be granted at all; and
  - (f) a change in market conditions could result in the project's value on completion being worth less than anticipated, or in lower sale rates and prices than expected.

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

Delays may also increase holding costs, including interest which will erode the money that is finally recovered from the sale of the security property and could result in loss of interest and capital distributions to Investors.

## 5.15 Default and credit risk

A borrower or a borrower's guarantor(s) may not be able to meet their financial obligations. This may be for a wide range of reasons, including:

- (a) a change in the financial or other circumstances of the borrower, or
- (b) a change in the economic climate generally that adversely affects all borrowers.

The Trustee and the Investment Manager together seek to manage and minimise these risks by only permitting loans to borrowers that meet the Fund's lending criteria.

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

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

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

The Investment Manager manages this risk by applying the lending guidelines and employing collection and management systems. All loans and valuations are subject to periodic review.

## 5.16 Interest rate risk

Fluctuations in market interest rates may impact your investment in the Fund. For example, rising market interest rates may increase a variable loan borrower's interest costs, making it more difficult to make regular payments. Similarly, falling interest rates may lead a fixed rate borrower to repay a loan in order to refinance at a cheaper rate.

The interest rate will generally be agreed as a margin over the BBSW (the bank bill swap rate being a variable rate) with

a fixed floor interest rate per annum and is determined by the Investment Manager.

The Investment Manager may however determine it appropriate that a loan is at a simple fixed rate over the term of the loan, given the nature of the loan.

## 5.17 Term risk

A loan may not be repaid or refinanced in a timely fashion, which may cause a delay or potential loss of capital. The Investment Manager seeks to manage this risk through the initial loan approval process as well as managing maturing loans in a timely fashion.

## 5.18 Enforcement risk

If a borrower defaults under a loan, then the Sub-Fund may have to enforce its security to recover the loan secured by it, any unpaid interest and costs. The Sub-Fund will have to use its own resources to pay for those enforcement costs (such as the costs of appointing a receiver, legal fees in enforcing against the borrower, agent's commissions for sale of the security property etc.).

This will most likely lead to a reduction in distributions paid to Investors and, depending on whether the enforcement costs can ultimately be repaid out of the proceeds from the sale of the security property, may result in a loss.

## 5.19 Commitment risk

All new investments in the Fund are made into the Cash Account prior to making an investment into a Class of Units. No interest is paid on balances held in the Cash Account, and accordingly if an Investor delays making a decision to invest into a Class of Units they risk having an extended period of no return on their monies.

## 5.20 Regulatory risk

The Fund's operations may be negatively impacted by changes to government policies, regulations and taxation laws. These are factors that the Trustee and the Investment Manager are not able to influence.

## 5.21 General economic risks

General economic factors including (but not limited to) equity and credit market cycles and interest rate movements may have an adverse effect on the profitability of investments and the performance of the Fund.

## 5.22 Taxation risk

The returns to Investors may be affected by changes to taxation legislation. Changes to taxation legislation may necessitate a change to the Fund's structure to ensure Investor interests are protected.

## 5.23 Fund risk

The Fund could terminate, or the fees and expenses paid from the assets of the Fund could change. There is also the risk that

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investing in the Fund may give different results than investing in the underlying assets of the Fund directly because of the income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other Investors.

## 5.24 Due diligence risk

In all investments there exists a risk that material items that could affect the performance of individual investments are not identified during the investment analysis process and that these risks are not mitigated by the Investment Manager.

## 5.25 Unforeseen risk and insurance risk

Unforeseen extraordinary events such as natural phenomena, pandemics, attacks or other like events may affect the Fund's assets or the underlying funds in which the Fund invests. These may be events for which insurance cover is either not available, or the Fund does not have cover. The performance of the Fund may be adversely affected where any unforeseen event results in losses to Fund assets due to uninsurable risks, uninsured risks or underinsured risks, or the cost of the insurance premiums being in excess of those forecasts. Occurrence of these events could also lead to insurance becoming unavailable for such events in the future, or premiums increasing above levels expected by the Investment Manager.

Any failure by an insurer or re-insurer may also adversely affect the Fund's ability to make claims under an insurance policy. These occurrences may result in a loss of capital, in turn reducing the value of Units and amounts that may be available for distribution by the Fund.

## 5.26 Building risk

Property assets naturally deteriorate over time and are subject to disasters, which can damage the structure of the building. There is a risk that the value of a property could diminish if the building on the properties forming the security property deteriorate or are damaged.

## 5.27 Environmental risk

The valuation of security property could be adversely affected by discovery of environmental contamination or the incorrect assessment of costs associated with an environmental contamination, as well as restrictions associated with flora and fauna conservation.

## 5.28 Documentation risk

A deficiency in documentation could, in certain circumstances, adversely affect the return on a loan. This may make it difficult for the Fund to enforce its security against the borrower.

## 5.29 Class Risk

Generally, assets and liabilities will be treated as referable to a particular Class of Units in the Fund. The performance of a particular Class of Units is dependent on and directly related to the assets which are referable to that Class of Units.

The performance of each Class of Unit may therefore vary. Conversely, some expenses (such as other Fund expenses) may be referable to the Fund as a whole but a proportion will be allocated to each Class on issue based on value of assets referable to that Class. If a Class of Units is not successful and it cannot bear their portion of expenses, other Classes of Units may have to bear a greater proportion of the expenses than they would otherwise have had to bear.

The Fund will not borrow under any circumstances. Sub-Funds will have the capacity to borrow, however any borrowings will be quarantined to the Sub-Fund with full details of the loan set out in the Supplementary IM. Any borrowings will be limited recourse to the respective Sub-Fund and the Trustee will ensure that any such borrowings will not impact the Fund or any other Sub-Fund.

The above list of risk factors should not be taken as an exhaustive list of the risks faced by the Fund or by Investors in the Fund. The above factors, and others not specifically referred to above, may materially affect the financial performance or position of the Fund and the value of the various Classes of Units under the Offer. The Units issued under the Offer carry no guarantee in respect of profitability, distributions or return of capital.

**You should consult your professional adviser before deciding whether to invest in the Fund or a particular Class of Units.**



# FEEES AND OTHER COSTS OF THE FUND

6.



## Section 6 : Fees and Other Costs of the Fund

### 6.1 Investment Management Fee

The Investment Manager has entered into an Investment Management Agreement (IMA) with the Trustee and is entitled to a fee in circumstances where a Class of Units referable to a Sub-Fund achieves the targeted rate of return following the maturity of the relevant loan provided by the Sub-Fund.

This fee is calculated in accordance with the following formula:

$$\text{Investment Management Fee} = (\text{NAV} + \text{PD}) - \text{Target Return}$$

Where:

**NAV** = the total value of the net assets of the Sub-Fund at the time the Sub-Fund Trustee makes a determination to wind up the Sub-Fund;

**PD** = the total value of any distributions paid or payable by the Sub-Fund to the Fund (referable to the relevant Class of Units) during the term of the Sub-Fund; and

Target Return = the total of:

- a) the total amount invested in the relevant Class of Units; and
- b) the amount payable to the Fund (referable to the relevant Class of Units) to achieve the targeted rate of return to Investors as disclosed in the relevant Supplementary IM relevant to the Class of Units.

If the targeted rate of return is not achieved and not payable to Investors in the Class of Units referable to the Sub-Fund loan, the Investment Manager is not entitled to receive an Investment Management fee.

### 6.2 Trustee Fee

The Trustee or Sub Fund Trustee is not entitled to any fees from the Fund or a Sub-Fund while an IMA is in place.

If the Investment Manager is removed and for the duration for which no replacement Investment Manager is appointed, then the Trustee may take the full Investment Manager Fee as set out in Section 6.1 until such time as a new Investment Manager is appointed.

### 6.3 Costs and Expenses

The Trustee and the Investment Manager are entitled to be paid or reimbursed for operating costs and expenses associated with the operation of the Fund and each Sub-Fund, such as the costs associated with the administration or distribution of income, Fund and Sub-Fund administration fees, Fund registry fees, fees to service providers and other expenses properly incurred in connection with performing their duties and obligations in the day-to-day operation of the Fund and each Sub-Fund.

If a cost or expense is not directly referable to any Class of Units, the Trustee may allocate those costs and expenses between a Class or Classes (or the Fund as a whole) on a fair and reasonable basis as determined by the Trustee.

### 6.4 Indirect Costs

There may be specific transactional fees and other expenses that may apply to an investment in the Fund and specifically the

operation of a Sub-Fund, for example:

- valuation and search fees;
- quantity surveyor costs;
- legal fees;
- loan default expenses.

These will generally be recoverable from a borrower however if a loan provided by a Sub-Fund has defaulted, and the expenses are unable to be recovered from a borrower, Investors may receive a reduction to their investment return in the relevant Class of Units.

### 6.5 Borrower Fees

From time to time, the Trustee or the Investment Manager may charge other fees in relation to loans made by the Fund. These fees are charged to the borrower and are not a cost of the Fund. These fees may include loan establishment fees, line fees and origination fees and are typically (but not limited to) between 1.00% - 2.00% of the loan amount. The Trustee or the Investment Manager may receive these fees from the relevant borrowers, and in certain circumstances these fees may be retained within the Fund or paid to other entities within the 360 Capital Group.

### 6.6 Sub-Funds

The Fund intends to make loan investments via one or more Sub-Funds (whether wholly or partially owned).

### 6.7 Interposed vehicles

Any interposed entity into which the Fund has invested (such as a Sub-Fund or managed investment scheme) will not result in additional fees and costs to Investors in addition to those set out in this IM or the applicable Supplementary IM.

### 6.8 Waiver, deferral or rebate of fees

The Trustee and the Investment Manager may, in their absolute discretion, accept lower fees and expenses than they are entitled to receive, or may defer payment of those fees and expenses for any time. If payment is deferred, then the fee will accrue until paid. They may also waive, negotiate or rebate our fees in respect of certain Investors, for example, in the case of a large investment amount.

### 6.9 Goods and services tax

All fees quoted in this IM are quoted exclusive of GST.

# TAXATION INFORMATION

7.

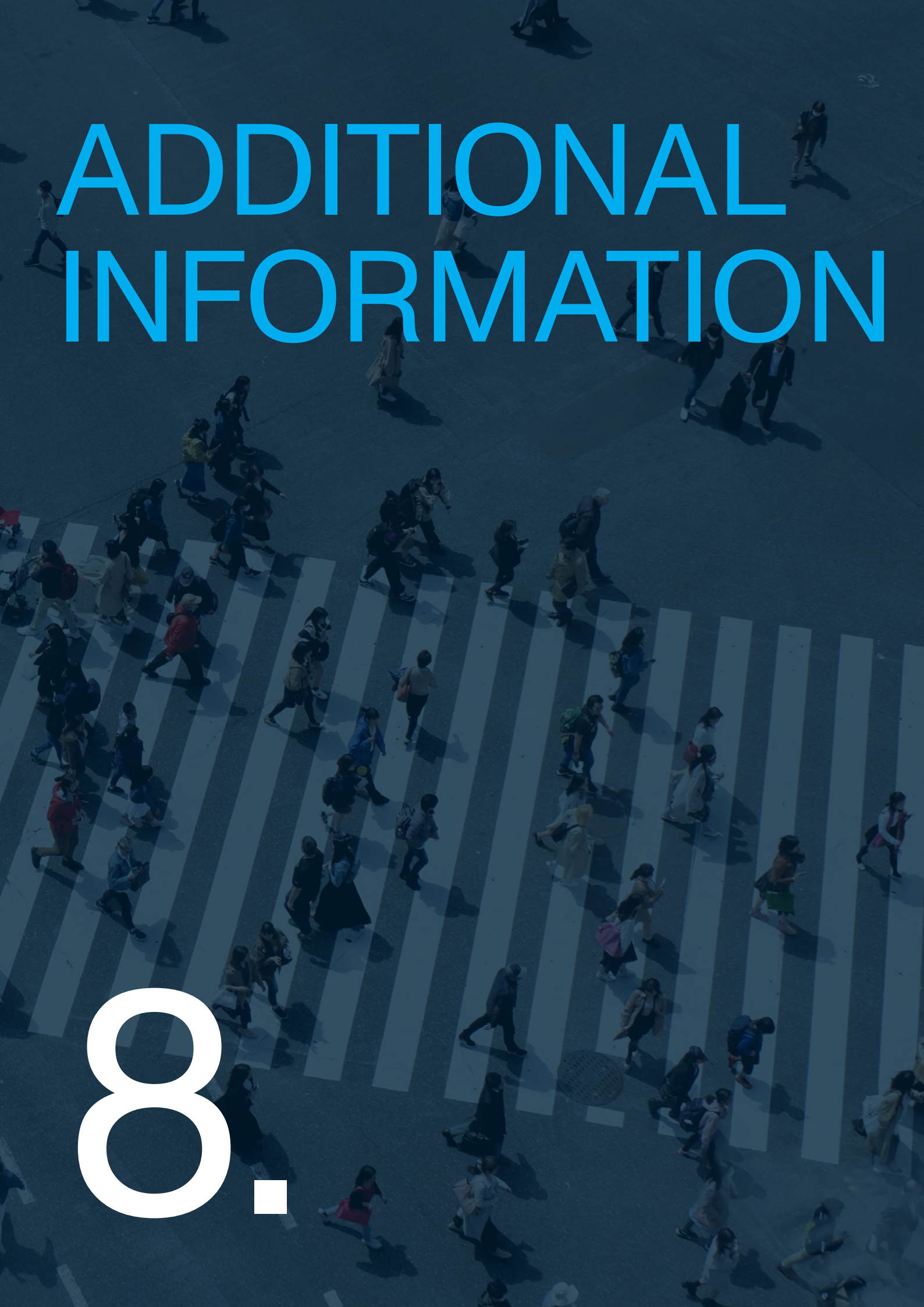
## Section 7 : Taxation Information

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Neither the Trustee nor the Investment Manager provides financial or taxation advice. The Trustee and the Investment Manager have not obtained taxation advice specific to the Offer. As such, this IM and any Supplemental IM does not address taxation issues which may be relevant to you. You must take full and sole responsibility for your investment in the Fund or a Class of Units, the associated taxation implications arising from your investment and any changes in those taxation implications during the course of your investment.

**Before investing in the Fund or a Class of Units, you should obtain your own independent tax advice, which takes into account your own circumstances. In particular, you should seek advice on income tax and interest withholding tax liabilities arising out of the investment.**





# ADDITIONAL INFORMATION

8.



## Section 8 : Additional Information

### 8.1 Cooling Off Rights

No cooling off rights apply to an investment in the Fund or into a Class of Units.

### 8.2 Summary of material documents

The following is a summary of material documents relevant to the Fund. You should consider whether it is necessary to obtain independent advice on any of the documents.

#### (a) Constitution

The Constitution is the primary document governing the relationship between the Investors' and the Trustee. It contains extensive provisions about the legal obligations of the parties and the rights and powers of each. Those rights are, in certain circumstances, also regulated by the Corporations Act and the general law.

Subject to the Constitution and the terms of the relevant Class of Units, Investors' have the following rights:

- (a) Class rights of the different Classes of Units.
- (b) The right to share in any distributions.
- (c) The right to attend and vote at meetings of Investors, including Class meetings.
- (d) The right to participate in certain proceeds of winding up of the Fund or of the Class.

The Constitution contains provisions about convening and conducting meetings of Investors, including Class meetings.

The Trustee can amend the Constitution with approval by Special Resolution of Investors, or without approval if the Trustee reasonably considers the change will not materially adversely affect Investors' rights, and in certain other limited circumstances.

The Trustee can be removed by unanimous resolution of the Investors in certain circumstances, provided the Investors have, by the same resolution, appointed a replacement Trustee. These circumstances include where the Trustee is in material breach of its obligations which has had a material adverse effect on the Fund, has engaged in negligence which has had a material adverse effect on the Fund, or wilful misconduct or fraud or bad faith in connection with its obligations, or is insolvent.

The Constitution is available for inspection at the offices of the Trustee, or you can request a copy free of charge. The Constitution includes provisions relating to the Trustee's right to fees, reimbursement and indemnity. Under the Constitution, Investors have a beneficial interest in the assets of the Fund, subject to the terms of their Unit Class, but have no rights in relation to the management or operation of the Fund.

#### (b) Investment Management Agreement

The Trustee has appointed the Investment Manager to provide investment management services to the Fund pursuant to an investment management agreement (IMA).

The IMA contains provisions dealing with matters such as the Investment Manager's obligations to report to us, and the fees payable to the Investment Manager for its services.

The IMA will remain in force until the Fund is wound up, unless

the IMA is terminated earlier in accordance with its provisions.

The Investment Manager's appointment can be terminated by Special Resolution of the Investors in certain circumstances, provided the Investors have, by Special Resolution, appointed a replacement investment manager. These circumstances include where the Investment Manager is in material breach of its provisions, and, after a certain time that breach has not been remedied (if capable of being remedied) or the Investment Manager does not provide adequate compensation to the Trustee for any loss or damage resulting from the breach (if the breach is not capable of being remedied). The Investment Manager's appointment may also be terminated if it becomes insolvent.

The Investment Manager's appointment may also be terminated without cause by the Trustee by giving 18 months' notice in writing to the Investment Manager where directed to do so by a Special Resolution of the Investors.

A removal fee is payable to the Investment Manager if the Investment Manager is removed as the investment manager of the Fund by termination of the IMA other than for cause. The removal fee payable to the Manager under a 'without cause' termination includes all outstanding fees owed to the Investment Manager plus an amount equivalent to 18 months' worth of the Investment Manager's estimated fees. If the Investment Manager is removed for cause, the removal fee payable to the Manager includes all outstanding fees owed to the Investment Manager plus an amount equivalent to 6 months' worth of the Investment Manager's estimated fees.

### 8.3 Co-lending

In certain instances, the Fund may invest in loans to be provided by a Sub-Fund alongside financial, strategic or other co-lenders (including, potentially, 1 or more of the Trustee's or Investment Manager's affiliates). There is a risk that co-lenders may have economic or business interests or objectives that are inconsistent with those of the Fund or may be in a position to take actions contrary to the Fund's investment objectives.

### 8.4 Third party referral fees

The Investment Manager may pay an introductory fee or commission rebate to a party that has referred you to the Fund and/or arranging for you to invest in the Fund where that party has been engaged by the Investment Manager to provide services which include the introduction of potential investors. Such fees and rebates are negotiated between that third party and the Investment Manager.

### 8.5 Ethical considerations, labour standards and environmental impact

Whilst the Investment Manager and the Trustee intend to operate the Fund in an ethical and sound manner, the Fund's investment criteria does not include giving additional weight to labour standards, environmental, social or ethical considerations.

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## 8.6 Conflicts of Interest and Related Party Policy

Actual or potential conflicts and related party matters will be considered by the Board in accordance with the Trustee's Conflicts Policy. The Conflicts Policy governs the way conflicts are managed, including:

- dealings with related parties;
- any proposal to acquire investments for the Fund or dispose of investments of the Fund, where any counterparty having a direct or indirect interest in the applicable property is:
  - a related body corporate of any 360 Capital entity or any director of a 360 Capital entity or their associates; or
  - any fund or account managed by a related body corporate of a 360 Capital entity; and
- any agreements between the Fund and a 360 Capital entity.

In addition, as 360 Capital manages a number of managed funds and investment vehicles, once 360 Capital has sourced a particular investment opportunity, it follows formal procedures to ensure that the asset or investment opportunity is offered to the most appropriate 360 Capital entity or fund based on the relevant fund's or entity's investment mandate. This means that assets or investment opportunities sourced by 360 Capital may not be exclusively offered to the Fund.

Investors may have conflicting investment tax, and other interests with respect to their investments in the Fund, including conflicts relating to the structuring of acquisitions and disposals of the Fund's assets. Conflicts may arise in connection with decisions made by the Trustee or the Investment Manager regarding an investment that may be more beneficial to one Investor than another, especially with respect to tax matters or the potential to provide co-investment opportunities, as described above. In structuring, acquiring and disposing of investments the Trustee and the Investment Manager may consider the investment and tax objectives of the Fund and its Investors as a whole, not the investment, tax, or other objectives of any Investor individually.

## 8.7 Customer service and complaints

The Trustee is committed to striving for excellence in relation to its products and services and wants to ensure it responds to customers' concerns as quickly and efficiently as possible. Despite our best endeavours, we realise that complaints will occur from time to time and have in place comprehensive internal and external complaints resolution processes to ensure they are resolved with minimum inconvenience to all parties. If you have a complaint, please contact us on 1300 333 788 (from within Australia) or +61 2 8405 8860 (from outside Australia) or email [private.credit@360capital.com.au](mailto:private.credit@360capital.com.au)

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**  
**360 Capital FM Limited**  
**Suite 3701, Level 37,**  
**1 Macquarie Place,**  
**Sydney NSW 2000**

## 8.8 Privacy and Personal Information

You do not need to give us any personal information requested in the Application Form or in any other document or communication relating to the products or services we supply you. However, without this information, we may not be able to process your Application or provide you with an appropriate level of service. By completing the Application Form, you agree to 360 Capital Group:

- collecting, holding and using your personal information to process your Application as well as administering and managing the Fund. This includes monitoring, auditing and evaluating the Fund, modelling data, testing data, communicating with you and dealing with any complaints or enquiries;
- providing your personal information to other entities in the 360 Capital Group, as well as to external service providers situated in Australia or offshore, which provide services in connection with the Fund provided they agree to treat your information in accordance with the *Privacy Act 1988* (Cth) (**Privacy Act**). These may include for example, mail houses or professional advisers;
- using your personal information to offer products or services that may be of interest to you, unless you request us not to (including for the purposes of the *Spam Act 2003* (Cth), via commercial emails);
- supplying your financial adviser with information about your investment if a financial adviser's stamp appears on an Application Form or there is evidence of their status; and
- disclosing your personal information to other parties if we believe that the law requires or permits us to do so, or to any person proposing to acquire an interest in our business, provided they agree to treat your information in accordance with the Privacy Act.

Other entities in the 360 Capital Group may use your personal information to offer products or services that may be of interest to you unless you request us not to allow this. Should you not wish to receive this information, please email [private.credit@360capital.com.au](mailto:private.credit@360capital.com.au).

We will not sell your personal information to other organisations to enable them, to offer products or services to you. Information you provide in an Application Form is collated by the Fund's Registry. The Registry's privacy policy can be viewed on its website [www.automicgroup.com.au](http://www.automicgroup.com.au).

Under the Privacy Act, you may request access to any of your personal information that we hold. You can contact us to make a request relating to the privacy of your personal information

by contacting:

**The Compliance Officer**  
**360 Capital FM Limited**  
**Suite 3701, Level 37,**  
**1 Macquarie Place, Sydney NSW 2000**

A copy of the 360 Capital Groups' Privacy Policy can be found at [www.360capital.com.au/privacypolicy](http://www.360capital.com.au/privacypolicy).

## 8.9 Anti-Money Laundering and Counter-Terrorism Financing

*The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML Law)* is aimed at addressing money laundering in Australia and the threat to national security caused by terrorism. This legislation requires us to collect identification information from you and to verify your identity from original or certified copies of specified documents. Further details of the anti-money laundering regime, including what identification information and documentation you are required to provide, are set out in the Application Form of this IM. By applying for Units, you agree to the following:

- (a) you will supply, or procure the supply of, any documentation and other evidence and perform any acts to enable the Trustee to comply with AML Law;
- (b) if we suspect that you are in breach of AML Law applicable in Australia or elsewhere, or we believe it is required to take action under AML Law or any other applicable law in Australia or elsewhere, we may take any action we consider appropriate, including transferring your Units and refusing or ceasing to provide you with services, in order to comply with AML Law or any request of a relevant authority; and
- (c) we may, in our absolute discretion, with or without notice to you, disclose or otherwise report the details of any transaction or activity, or proposed transaction or activity, in relation to the Fund (including any personal information, as defined in the Privacy Act that you may have provided to us) to any reporting body authorised to accept reports under any laws relating to the AML Law applicable in Australia or elsewhere.

## 8.10 Foreign Tax Compliance Disclosure

The Foreign Account Tax Compliance Act (FATCA) is legislation of the United States of America (US) that enables the US Internal Revenue Service to identify and collect tax from US residents that invest in assets through non-US entities. The Organisation for Economic Co-operation and Development's (OECD) Common Reporting Standards for Automatic Exchange of Financial Account Information (CRS) is a similar global regime aimed at collecting and reporting on an investor's tax status. If you are a foreign resident for tax purposes, then you should note the Fund will comply with its FATCA and CRS obligations by collecting, retaining and reporting about certain investors to the ATO and other applicable regulatory authorities.

If requested by the Trustee, Investors agree, and it is a condition of the issue of Units, to provide certain information required in

order to comply with any applicable law, including FATCA and CRS.

## 8.11 ESG Policy

The Trustee will follow the 360 Capital Group's approach to environmental, social and governance (ESG) issues. 360 Capital Group takes a systematic approach to integrating ESG labour and ethical factors in the selection, retention or realisation of investments relating to the Fund. 360 Capital Group's objective for integrating ESG factors into its investment processes are to:

- ensure the companies and assets into which it invests on behalf of its clients', respect and ideally benefit, their stakeholders, society and the environment; and
- enhance investment returns and protect value for its clients.

With respect to any loans the Fund will provide to borrowers only, the Trustee will adopt a responsible investment framework to ensure its investments comply with relevant local and international laws, including adherence to international protocols. Investment professionals consider the potential ethical or reputational risk of a given investment, including in key topic areas such as labour rights, environmental management, bribery and corruption, and excluding investments according to the framework referenced below.

360 Capital Group looks at a range of ESG standards and uses a range of tools and methodologies to assist it with decision making. The 360 Capital Group bases its judgement regarding ESG factors on its own research as well as third party research, respecting that ESG topics are often diverse and vary over time.

Further information on 360 Capital Group's ESG policies can be found on our website [www.360capital.com.au](http://www.360capital.com.au).



# HOW TO INVEST

9.



## Section 9 : How to Invest

### 9.1 Pre-assessment

For an application to be considered, you must have first applied for pre-assessment as to your eligibility to invest in the Fund.

Following this pre-assessment you would have received confirmation of your eligibility and details enabling you to access the investor portal.

Through the investor portal you can access this IM and any current Supplementary IMs.

### 9.2 Before applying you should read this IM and any relevant Supplementary IM carefully

Please pay particular attention to all of the risk factors in section 5 of this IM and where providing a specific authority, the particular risks disclosed in the relevant Supplementary IM. The risks should be considered in light of your own investment situation.

Where appropriate, you should also consult a financial, taxation or other professional advisor before deciding whether to invest in the Fund.

Please contact [private.credit@360capital.com.au](mailto:private.credit@360capital.com.au)

### 9.3 Expressions of Interest

Once you have reviewed this IM and any relevant Supplementary IMs, if you wish to invest in the Fund please contact 360 Capital at [private.credit@360capital.com.au](mailto:private.credit@360capital.com.au) or complete the expression of interest form through the investor portal to provide details of your proposed investment, including the amount you wish to invest and any particular Classes of Units that you wish to invest in.

Your expression of interest will be reviewed and you will be provided access to apply to become an investor in the Fund based upon the availability of particularly Classes of Units and investment opportunities for the Fund.

### 9.4 How to apply

After receiving an electronic or paper copy of the application form, please complete and return the relevant section of the application form and pay the Application Money in accordance with the instructions detailed in the online application or on the application form within 48 hours of receipt (or such longer period agreed with the Trustee).

You are requested to provide your Tax File Number (TFN), Australian Business Number (ABN) or exemption code, where applicable, and failure to quote an ABN or TFN will result in tax being withheld by the Trustee on distributions paid to the Investor at the highest marginal tax rate plus Medicare levy. It is not compulsory for you to quote your TFN or ABN.

The Trustee has the sole discretion whether to accept or reject an application. If your application is rejected, wholly or in part, then the Trustee will notify you in writing.

If your application to invest in the Sub-Fund is accepted, then interest earned on your Application Money will be retained by

the Trustee until such time as the Application Money is paid to subscribe for Units at which point your investment in a Class of Units referable to a loan granted by a Sub-Fund will commence. If your application to invest in the Fund is not accepted, then your Application Money will be returned to you (without interest).

By sending a completed Application Form, you are making an irrevocable offer to become an Investor in the Fund and you are agreeing to be legally bound by the Constitution and the terms of the IM and any relevant Supplementary IM. A brief summary of the Constitution is included at section 8.1 of this IM.

### 9.5 Application instructions

Only legal entities are allowed to invest in the Fund. Applications must be in the name(s) of natural person(s), companies or other legal entities acceptable to the Trustee. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title shown below.

For online applications, the applicant will be required to complete an attestation. For hard copy applications, the Application Form should be signed by the applicant. If a joint holding, all applicants should sign. If signed by the applicant's attorney, a certified copy of the power of attorney must be provided, or attached to the Application Form. If executed by a company, then the form must be executed in accordance with the applicant's constitution and the Corporations Act. Type of investor Correct form Incorrect form.

Type of investor	Correct form	Incorrect form
Individual	Mr John David Smith	J D Smith
Company	JDS Pty Ltd	JDS P/L or JDS Co
Trusts	Mr John David Smith	JDS P/L or JDS Co
<J D Smith Family A/C>	John Smith Family Trust	John Smith Family Trust
Deceased Estates	Mr John Peter Smith <Est Late John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/ unincorporated bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation funds	John Smith Pty Limited <John Smith Superannuation Trust A/C>	John Smith Superannuation Trust

# Glossary

Term	Description
\$ or A\$ or cents	Australian currency
360 Capital or 360 Capital Group	The stapled entity comprising 360 Capital Group Limited ACN 113 569 136 and 360 Capital Investment Trust ARSN 104 552 598 and each of their subsidiaries
AEST	Australian eastern standard time being the time applicable in Sydney, New South Wales, Australia.
AFSL	Australian Financial Services Licence.
AML Law	The <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (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 the Trustee is subject pursuant to the laws of any country in respect of the Fund.
Applicant	A person who applies for Units under the Offer.
Application	An application to subscribe for Units under the Offer, made by an Applicant using an Application Form.
Application Form	The paper and electronic application form enclosed with, attached to or accompanying this IM.
Application Monies	Monies paid by an Applicant in respect of their subscription for Units in the Fund.
Application Price	The price at which a Unit is issued at a point in time
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the market operated by it as the context requires.
Board or Board of the Trustee	The board of Directors of the Trustee.
Business Day	A day other than a Saturday or Sunday on which trading banks are open for general banking business in Sydney and Melbourne and the ASX is conducting trading in Sydney and Melbourne.
Cash Account	An account of the Fund used to receive amounts from Investors which have not yet been allocated towards a particular Class of Units. The Cash Account may also hold funds those Investors who have exited an investment and are awaiting allocation towards a new Class of Units. No interest is earned on monies in the Cash Account.
Cause Event	Has the meaning ascribed to it in the IMA.
CGT	Capital Gains Tax.
Class	A class of Units in the Fund which will be referable to a particular Sub-Fund and hence loan investment.
Constitution	The trust deed establishing the Fund dated 24 May 2023 as amended from time to time.
Corporations Act	<i>Corporations Act 2001</i> (Cth) as amended from time to time.
Director	A director of the Trustee.
Fund	360 Capital Private Credit Fund.

# Glossary

Term	Description
<b>General Authority</b>	The authority given by the Investor to the Trustee if the Investor wishes for the Trustee to allocate the Investor's investment on the Investor's behalf.
<b>GST</b>	Goods and services tax (Australia).
<b>IM</b>	This document.
<b>IMA or Investment Management Agreement</b>	The investment management agreement between the Trustee and the Investment Manager, dated on or about the date of this IM (as may be amended from time to time).
<b>Investor</b>	A person who has invested in the Fund including a holder of Units.
<b>Investment Manager</b>	360 Capital Credit Management Pty Limited ACN 637 706 060.
<b>Investment Manager Board or Board of the Investment Manager</b>	The board of directors of the Investment Manager.
<b>Investment Manager Fee</b>	The fee to which the Investment Manager is entitled for the services it provides to the Fund (as described in Section 6)
<b>LVR</b>	Loan to value ratio
<b>NAV</b>	Net asset value.
<b>NTA</b>	Net tangible assets.
<b>Offer</b>	The offer of Units under this IM.
<b>Privacy Act</b>	<i>The Privacy Act 1988</i> (Cth)
<b>Qualifying Investors</b>	Means a Wholesale Investor or a Wholesale Client as defined in section 761G (7) of the Corporations Act or a sophisticated investor as defined in section 761GA of the Corporations Act.
<b>Real Property Mortgage</b>	A mortgage over real property in Australia.
<b>Registry</b>	Automic Pty Ltd ACN 152 260 814.
<b>Security Interest</b>	Security over assets other than real property (including security interests registered on the Personal Property Securities Register and personal guarantees and indemnities).
<b>Security Property</b>	Any property, real or otherwise, provided as security for a loan granted by a Sub-Fund
<b>Special Resolution</b>	Means a resolution that has been duly passed by at least 75% of the votes cast by Investors entitled to vote on the resolution.
<b>Supplementary IM</b>	Supplementary Information Memorandum detailing the specific information relating to each individual Class of Units and the referrable investment made by a Sub-Fund
<b>Sub-Fund</b>	A sub-trust of the Fund established for the purpose of investment by the Fund and referrable to a Class of Units in the Fund.
<b>Sub-Fund Trustee</b>	360 Capital LM Pty Limited ABN 52 651 973 956
<b>TFN</b>	Tax file number.

# Glossary

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Term	Description
<b>TGP</b>	The ASX code of 360 Capital.
<b>Trustee</b>	360 Capital FM Limited ACN 090 664 396 AFSL 221 474.
<b>Unit</b>	A unit in the Fund.
<b>Unitholder</b>	A person who holds Units.
<b>Wholesale Client</b>	A wholesale client for the purposes of the Corporations Act.
<b>Wholesale Investor</b>	A wholesale investor for the purposes of the FMCA.
<b>You and your</b>	A person who subscribes for and is issued a Unit.



# Corporate Directory

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## **Trustee**

### **360 Capital FM Limited**

ACN 090 664 396, AFSL 221 474

## **Directors of Trustee**

Tony Pitt

David van Aanholt

Andrew Moffat

Tony McGrath

## **Company Secretary**

Glenn Butterworth

## **Investment Manager**

### **360 Capital Credit Management Pty Limited**

ACN 637 706 060

## **Registered Office**

Suite 3701, Level 37

1 Macquarie Place

Sydney NSW 2000

## **Contact Information**

Within Australia: 1300 333 788

Outside Australia: +61 2 8405 8860

Email: [private.credit@360capital.com.au](mailto:private.credit@360capital.com.au)

Website: [www.360capital.com.au](http://www.360capital.com.au)

## **Legal Adviser**

Cowell Clarke Lawyers

Level 2, 50 Pitt Street

Sydney NSW 2000

## **Registry**

### **Automic Pty Ltd**

ACN 152 260 814

Phone: 1300 288 664

Email: [360capital@automicgroup.com.au](mailto:360capital@automicgroup.com.au)

Level 5, 126 Phillip Street

Sydney NSW 2000

## **Product Identifiers**

APIR Code: TFG9701AU

ISIN: AU60TFG97017

360 Capital



Identifying  
strategic investment  
opportunities.

[360capital.com.au](http://360capital.com.au)