



## 360 Capital REIT – Target Market Determination

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*This Target Market Determination (**TMD**) is issued by 360 Capital FM Limited ABN 15 090 664 396 AFSL 221 474 (**Issuer**). The Issuer is the responsible entity and issuer of stapled securities in the managed investment scheme referred to in this TMD. The TMD provides general information only and does not take into account an investors individual objective, financial situation, needs or circumstances. This material is not a financial product recommendation or an offer or solicitation with respect to the purchase or sale of any financial product in any jurisdiction.*



## 360 Capital REIT – Target Market Determination

### Legal disclaimer

This Target Market Determination (**TMD**) is required under section 994B of the *Corporations Act 2001* (Cth) (the **Act**) and is issued by 360 Capital FM Limited ABN 15 090 664 396 AFSL 221 474 (**Issuer**, **our** or **us**) as responsible entity of 360 Capital REIT (**Fund**) (the stapled entity comprising 360 Capital Passive REIT ARSN 602 304 432 (**passive Fund**) and 360 Capital Active REIT ARSN 602 303 613 (**active Fund**)). It sets out the class of consumers for whom the product, including its key attributes, would likely be consistent with their likely objectives, financial situation and needs. In addition, the TMD outlines the triggers to review the target market and certain other information. It forms part of 360 Capital FM Limited's design and distribution arrangements for the product.

This document is **not** a product disclosure statement and is **not** a summary of the product features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the Product Disclosure Statement (**PDS**) for the Fund and the Entitlement Offer before making a decision whether to buy this product.

**The offer described below is only available to existing Securityholders of the Fund (Eligible Securityholders).**

Important terms used in this TMD are defined in the TMD Definitions which supplement this document.

### Offer Summary

The Issuer is pleased to offer Eligible Securityholders an opportunity to acquire further securities in the Fund under a 0.8 for 1 pro-rata non-renounceable entitlement offer of New Stapled Securities (**Entitlement Offer**) with the intention to raise up to \$46.8 million of new capital. The Entitlement Offer will be made under section 1012DAA of the *Corporations Act 2001* (Cth) (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73) (Low Doc Regime), and accordingly the Issuer will not be required to prepare a product disclosure statement in respect of the Entitlement Offer.

Eligible Securityholders will be able to acquire New Stapled Securities under the Entitlement Offer a price of \$0.40 per New Stapled Securities. The offer of 0.8 New Stapled Security for every 1 Existing Stapled Securities has been made to Eligible Securityholders who have a registered address in Australia or New Zealand on the Record Date.



## Target Market Summary

The product that is the subject of the Entitlement Offer is likely to be appropriate for a consumer that: (1) seeks capital growth and quarterly income distribution; (2) Has a Long investment timeframe and the ability to bear some losses consistent with a medium risk/return profile with limited access to capital; (3) Will use the product as a satellite/small allocation of their portfolio.

Furthermore, as the Entitlement Offer is only open to Eligible Securityholders who already hold securities in the Fund, the product is likely to be suitable for consumers who are seeking to increase or maintain their proportional investment in the Fund.

## Fund and Issuer identifiers

|                               |  |
|-------------------------------|--|
| <b>Issuer</b>                 | 360 Capital FM Limited   |
| <b>Issuer ABN</b>             | 15 090 664 396   |
| <b>Issuer AFSL</b>            | 221474   |
| <b>Fund</b>                   | 360 Capital REIT   |
| <b>ARSN</b>                   | 360 Capital Passive REIT ARSN 602 304 432 and 360 Capital Active REIT ARSN 602 303 613 |
| <b>Market Identifier Code</b> | ASX: TOT   |
| <b>Date TMD approved</b>      | 13 February 2024   |
| <b>TMD Version</b>            | 1  |
| <b>TMD Status</b>             | Current  |

## Distribution conditions/restrictions

This part is required under section 994B(5)(c) of the Act.



| <b>Distribution Condition</b>  | <b>Distribution Condition Rationale</b> | <b><i>Applicable</i></b> |
|--|---|--------------------------|
| There are no distribution conditions.  | Not applicable.                         | <i>Y</i>                 |
| Only suitable for distribution to consumers who have received personal advice                | -                                       | <i>N</i>                 |
| Only suitable for distribution through specified distributor/s/distribution channel (if any) | -                                       | <i>N</i>                 |
| Other  | -                                       | <i>N</i>                 |



## Description of Target Market

This part is required under section 994B(5)(b) of the Act.

### TMD indicator key

The Consumer Attributes for which the product is likely to be appropriate have been assessed using a red/amber/green rating methodology with appropriate colour coding:

|                  |                              |                                 |
|------------------|------------------------------|---------------------------------|
| In target market | Potentially in target market | Not considered in target market |
|------------------|------------------------------|---------------------------------|

### Instructions

Generally, a consumer is unlikely to be in the target market for the product if:

- **one or more** of their Consumer Attributes correspond to a **red** rating, or
- **three or more** of their Consumer Attributes correspond to an **amber** rating.

Definitions and guidance around important terms used in this TMD can be found in the Definitions section of this document.

### Investment products and diversification

A consumer (or class of consumer) may intend to hold a product as part of a diversified portfolio (typically with an intended product use of *satellite/small allocation* or *core component*). In such circumstances, the product should be assessed against the consumer's attributes for the relevant portion of the portfolio, rather than the consumer's portfolio as a whole. For example, a consumer may seek to construct a conservative portfolio with a satellite/small allocation to growth assets. In this case, it may be likely that a product with a *High* or *Very High* risk/return profile is consistent with the consumer's objectives for that allocation notwithstanding that the risk/return profile of the consumer as a whole is *Low* or *Medium*. In making this assessment, distributors should consider all features of a product (including its key attributes).



## Consumer Attributes

| Consumer Attributes   | TMD Indicator                   | Product description including key attributes   |
|---|---------------------------------|--|
| <b>Consumer's investment objective</b>                          |                                 |  |
| Capital Growth  | In target market                | Your investment objectives are to invest in a Fund that: focuses on providing income at a quarterly frequency, aims for, but does not guarantee capital growth.<br>The Fund is a geared investment, which increases the potential for larger capital losses (and gains). Investors should therefore have a higher risk tolerance than if the Fund were not geared.   |
| Capital Preservation  | Not considered in target market |  |
| Capital Guaranteed  | Not considered in target market |  |
| Income Distribution   | In target market                |  |
| <b>Consumer's intended product use (% of Investable Assets)</b> |                                 |  |
| Solution/Standalone (75-100%)                                   | Not considered in target market | The Fund provides quarterly distribution income to investors and aims at capital growth and portfolio diversification. The product is suited to form part of an investment portfolio. This investment may be held as part of a more diversified portfolio, where it is not the sole or a significant proportion of investments held (unless held in this manner for a short time while building a more diversified portfolio). |
| Core Component (25-75%)   | Not considered in target market |  |
| Satellite (<25%)  | In target market                |  |



| <b>Consumer's investment timeframe</b>                           |                                 |  |
|--|---------------------------------|--|
| Short (≤ 2 years)  | Not considered in target market | The suggested minimum investment timeframe is 5 to 7 years.  |
| Medium (> 2 years)   | In target market                |  |
| Long (> 8 years)   | Potentially in target market    |  |
| <b>Consumer's Risk (ability to bear loss) and Return profile</b> |                                 |  |
| Low  | Not considered in target market | The Fund's objective is to provide investors with quarterly income distributions and the potential for capital growth.   |
| Medium   | In target market                | An investment in the Fund has a medium level of risk. This means the risk of the value of your investment falling in the short term is higher than an investment in a managed investment scheme that invests in assets such as cash or fixed income.   |
| High   | In target market                |  |
| Very High  | In target market                |  |
| <b>Consumer's need to withdraw money</b>                         |                                 |  |
| Daily  | In target market                | Securities in the Fund are quoted on the ASX. Withdrawals can only be achieved via selling securities on the ASX. Although liquidity is generally expected to exist, there are no guarantees that an active trading market with sufficient liquidity will develop. Additionally, if securities are sold to meet an urgent need for cash, they may have to be sold at a loss. As noted above, the Fund should be considered a medium to long term investment. |
| Weekly   | In target market                |  |
| Monthly  | In target market                |  |
| Quarterly  | In target market                |  |
| Annually or longer   | In target market                |  |



## Appropriateness

Note: This section is required under RG 274.64–66.

The Issuer has assessed the product and formed the view that the product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market as described above, as the features of this product in Column 3 of the table above are likely to be suitable for consumers with the attributes identified with a green TMD Indicator in Column 2.

## Review Processes

This part is required under section 994B(5)(d) of the Act.

| Review triggers   |
|---|
| Material change to key attributes, fund investment objective and/or fees.   |
| Material deviation from benchmark / objective over sustained period.  |
| Key attributes have not performed as disclosed by a material degree and for a material period.  |
| Determination by the issuer of an ASIC reportable Significant Dealing.  |
| Material or unexpectedly high number of complaints (as defined in section 994A(1) of the Act) about the product or distribution of the product. |
| The use of Product Intervention Powers, regulator orders or directions that affects the product.  |

| Mandatory review periods |  |
|--------------------------|--|
| Review period            | Maximum period for review                          |
| Initial review           | Approximately 1 year and 3 months from date of TMD |
| Subsequent review        | Approximately every 3 years thereafter             |





## Distributor Reporting

This part is required under section 994B(5)(g) and (h) of the Act.

| Reporting requirement   | Reporting period  | Which distributors this requirement applies to |
|---|---|--|
| Complaints (as defined in section 994A(1) of the Act) relating to the product design, product availability and distribution. The distributor should provide all the content of the complaint, having regard to privacy. | Within 10 business days following end of calendar quarter.  | All distributors                               |
| Significant dealing outside of target market, under s994F(6) of the Act.<br>See Definitions for further detail.   | As soon as practicable but no later than 10 business days after distributor becomes aware of the significant dealing. | All distributors                               |
| To the extent a distributor is aware, dealings outside the target market, including reason why acquisition is outside of target market, and whether acquisition occurred under personal advice.                         | Within 10 business days of the end of the calendar reporting period.  | All distributors                               |

If practicable, distributors should adopt the FSC data standards for reports and provide them via email to the Issuer at [DDO@360capital.com.au](mailto:DDO@360capital.com.au)



## Disclaimer

This TMD has been prepared by 360 Capital FM Limited (ACN 090 664 396) (**Issuer**) as responsible entity for 360 Capital REIT 360 Capital REIT (**Fund**) (the stapled entity comprising 360 Capital Passive REIT ARSN 602 304 432 (**passive Fund**) and 360 Capital Active REIT ARSN 602 303 613 (**active Fund**)). This material is a summary and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. A reader should, before making any decisions in relation to their investment or potential investment in the Fund, seek their own professional advice. This document is not an offer or invitation for subscription or purchase of securities or other financial products. The Issuer and its related bodies corporate and other affiliates and their respective directors, employees, consultants and agents make no representation or warranty as to the accuracy, completeness, timeliness or reliability of the contents of this presentation. To the maximum extent permitted by law, no member of the Issuer accepts any liability (including, without limitation, any liability arising from fault or negligence on the part of any of them) for any loss whatsoever arising from the use of this presentation or its contents or otherwise arising in connection with it. Indications of, and guidance on, future earnings and financial position and performance are “forward-looking statements”. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Issuer, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. Except as required by law, the Issuer does not undertake any obligation to publicly update or review any forward – looking statements, whether as a result of new information or future events. This information has been made available to the recipient for information purposes only. It is not intended to be, and does not constitute a product disclosure statement, prospectus, short form prospectus or profile statement as those terms are defined in the Corporations Act 2001 (Cth). It does not constitute an offer for the issue, sale or purchase of any securities, or any recommendation in relation to investing in any asset.

This TMD is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.



## Definitions

| Term  | Definition   |
|---|--|
| <b>Consumer's investment objective</b>                          |  |
| Capital Growth  | The consumer seeks to invest in a product designed to generate capital return. The consumer prefers exposure to growth assets (such as shares or property) or otherwise seeks an investment return above the current inflation rate.   |
| Capital Preservation  | The consumer seeks to invest in a product to reduce volatility and minimise loss in a market downturn. The consumer prefers exposure to defensive assets (such as cash or fixed income securities) that are generally lower in risk and less volatile than growth investments.   |
| Capital Guaranteed  | The consumer seeks a guarantee or protection against capital loss whilst still seeking the potential for capital growth (typically gained through a derivative arrangement). The consumer would likely understand the complexities, conditions and risks that are associated with such products.   |
| Income Distribution   | The consumer seeks to invest in a product designed to distribute regular and/or tax-effective income. The consumer prefers exposure to income-generating assets (typically, high dividend-yielding equities, fixed income securities and money market instruments).  |
| <b>Consumer's intended product use (% of Investable Assets)</b> |  |
| Solution/Standalone (75-100%)                                   | The consumer intends to hold the investment as either a part or the majority (up to 100%) of their total <i>investable assets</i> (see definition below). The consumer typically prefers exposure to a product with at least High <i>portfolio diversification</i> (see definitions below).  |
| Core Component (25-75%)   | The consumer intends to hold the investment as a major component, up to 75%, of their total <i>investable assets</i> (see definition below). The consumer typically prefers exposure to a product with at least Medium <i>portfolio diversification</i> (see definitions below).   |
| Satellite (<25%)  | The consumer intends to hold the investment as a smaller part of their total portfolio, as an indication it would be suitable for up to 25% of the total <i>investable assets</i> (see definition below). The consumer is likely to be comfortable with exposure to a product with Low <i>portfolio diversification</i> (see definitions below). |



| Term   | Definition   |
|--|--|
| Investable Assets  | Those assets that the investor has available for investment, excluding the residential home.   |
| <b>Portfolio diversification (for completing the key product attribute section of consumer's intended product use)</b>   |  |
| Low  | Single asset class, single country, low or moderate holdings of securities - e.g. high conviction Aussie equities.   |
| Medium   | 1-2 asset classes, single country, broad exposure within asset class, e.g. Aussie equities "All Ords".   |
| High   | Highly diversified across either asset classes, countries or investment managers, e.g. Australian multi-manager balanced fund or global multi-asset product (or global equities).  |
| <b>Consumer's intended investment timeframe</b>  |  |
| Short ( $\leq 2$ years)  | The consumer has a short investment timeframe and may wish to redeem within two years.   |
| Medium ( $> 2$ years)  | The consumer has a medium investment timeframe and is unlikely to redeem within two years.   |
| Long ( $> 8$ years)  | The consumer has a long investment timeframe and is unlikely to redeem within eight years.   |
| <b>Consumer's Risk (ability to bear loss) and Return profile</b>   |  |
| <p>Issuers should undertake a comprehensive risk assessment for each product. The FSC recommends adoption of the Standard Risk Measure (<b>SRM</b>) to calculate the likely number of negative annual returns over a 20 year period, using the guidance and methodology outlined in the <b><i>Standard Risk Measure Guidance Paper For Trustees</i></b>. SRM is not a complete assessment of risk and potential loss. For example, it does not detail important issues such as the potential size of a negative return or that a positive return could still be less than a consumer requires to meet their investment objectives/needs. Issuers may wish to supplement the SRM methodology by also considering other risk factors. For example, some products may use leverage, derivatives or short selling, may have liquidity or withdrawal limitations, or otherwise may have a complex structure or increased investment risks, which should be documented together with the SRM to substantiate the product risk rating. A consumer's desired product return profile would generally take into account the impact of fees, costs and taxes.</p> |  |
| Low  | <p>The consumer is conservative or low risk in nature, seeks to minimise potential losses (e.g. has the ability to bear up to 1 negative return over a 20 year period (SRM 1 to 2)) and is comfortable with a low target return profile.</p> <p>Consumer typically prefers defensive assets such as cash and fixed income.</p> |



| Term   | Definition  |
|--|---|
| Medium   | <p>The consumer is moderate or medium risk in nature, seeking to minimise potential losses (e.g. has the ability to bear up to 4 negative returns over a 20 year period (SRM 3 to 5)) and comfortable with a moderate target return profile.</p> <p>Consumer typically prefers a balance of growth assets such as shares, property and alternative assets and defensive assets such as cash and fixed income.</p>                     |
| High   | <p>The consumer is higher risk in nature and can accept higher potential losses (e.g. has the ability to bear up to 6 negative returns over a 20 year period (SRM 6)) in order to target a higher target return profile.</p> <p>Consumer typically prefers predominantly growth assets such as shares, property and alternative assets with only a smaller or moderate holding in defensive assets such as cash and fixed income.</p> |
| Very high  | <p>The consumer has a more aggressive or very high risk appetite, seeks to maximise returns and can accept higher potential losses (e.g. has the ability to bear 6 or more negative returns over a 20 year period (SRM 7) and possibly other risk factors, such as leverage).</p> <p>Consumer typically prefers growth assets such as shares, property and alternative assets.</p>  |
| <b>Consumer's need to withdraw money</b>   |   |
| <p>Issuers should consider in the first instance the redemption request frequency under ordinary circumstances. However, the redemption request frequency is not the only consideration when determining the ability to meet the investor's requirement to access capital. To the extent that the liquidity of the underlying investments or possible liquidity constraints (e.g. ability to stagger or delay redemptions) could impact this, this is to be taken into consideration in completing this section.</p> |   |
| Daily/Weekly/Monthly/Quarterly/Annually or longer  | <p>The consumer seeks to invest in a product which permits redemption requests at this frequency under ordinary circumstances and the issuer is typically able to meet that request within a reasonable period.</p>   |
| <b>Distributor Reporting</b>   |   |
| Significant dealings   | <p>Section 994F(6) of the Act requires distributors to notify the issuer if they become aware of a significant dealing in the product that is not consistent with the TMD. Neither the Act nor ASIC defines when a dealing is 'significant' and distributors have discretion to apply its ordinary meaning.</p>   |



| Term | Definition   |
|------|--|
|      | <p>The issuer will rely on notifications of significant dealings to monitor and review the product, this TMD, and its distribution strategy, and to meet its own obligation to report significant dealings to ASIC.</p> <p>Dealings outside this TMD may be significant because:</p> <ul style="list-style-type: none"> <li>• they represent a material proportion of the overall distribution conduct carried out by the distributor in relation to the product, or</li> <li>• they constitute an individual transaction which has resulted in, or will or is likely to result in, significant detriment to the consumer (or class of consumer).</li> </ul> <p>In each case, the distributor should have regard to:</p> <ul style="list-style-type: none"> <li>• the nature and risk profile of the product (which may be indicated by the product’s risk rating or withdrawal timeframes),</li> <li>• the actual or potential harm to a consumer (which may be indicated by the value of the consumer’s investment, their intended product use or their ability to bear loss), and</li> <li>• the nature and extent of the inconsistency of distribution with the TMD (which may be indicated by the number of red or amber ratings attributed to the consumer).</li> </ul> <p>Objectively, a distributor may consider a dealing (or group of dealings) outside the TMD to be significant if:</p> <ul style="list-style-type: none"> <li>• it constitutes more than half of the distributor’s total retail product distribution conduct in relation to the product over the reporting period,</li> <li>• the consumer’s intended product use is <i>Solution / Standalone</i>, or</li> <li>• the consumer’s intended product use is <i>Core component</i> and the consumer’s risk (ability to bear loss) and return profile is <i>Low</i>.</li> </ul> |