



## ASX Release

REAL ASSETS  
PRIVATE EQUITY  
PUBLIC EQUITY  
CREDIT

### 360 Capital Group (TGP) - FY19 Results Executing on Alternative Assets Strategy

21 August 2019

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360 Capital Group (ASX: TGP) ('the Group') is pleased to announce its financial results and an update on the progress of our expanded investment strategy for the financial year ending 30 June 2019.

Our purpose is to be a leading Australian investor and fund manager of alternative assets, who partner with our stakeholders to identify, invest and realise on opportunities.

Although we have expanded our investment strategy to alternative assets, our investment philosophy has not changed.

*We are a high conviction investor who invests alongside other stakeholders and partners with a focus on maximising investment returns over an agnostic investment term.*

*Pushing ourselves to think outside of traditional investment parameters allows us to see opportunities that others miss and realise value others can't.*

*Drawing on our team of highly skilled investment and sector-specific specialists, we will continue to execute on strategies with strong thematic, while remaining nimble and cohesive as a Group.*

#### FY19 Key Highlights

During the year the Group disposed of its interest in Asia Pacific Data Centre Group (ASX: AJD) for \$154.8 million, repaying all debts, strongly positioning the Group to develop and execute a broader investment strategy, focused around the diversification of investment strategies. The Group:

- Expanded its investment strategy into alternative asset classes to diversify allowing faster growth of the Group's investment activities
- Entered into an equities joint venture management business with Dennison Hambling, commencing today
- Maintains a strong cash position of \$177.2 million at 30 June 2019 from proceeds of business sale to Centuria
- Entered into management joint venture with David Yuile who will head key Digital Infrastructure strategy
- 360 Capital Return Fund (ASX: TOT) reports \$56.6 million in loans repaid at an average IRR of 15.9% during the year and wrote \$46.1 million in loans.



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### Following 30 June 2019, the Group has remained busy

- Announced launch and completed \$50 million in pre-IPO capital raising for 360 Capital Digital Infrastructure Fund
- 360 Capital Digital Infrastructure Fund acquired two data centre interests
- Launching the IPO and further \$65 million raising of 360 Capital Digital Infrastructure Fund
- Chris Chase appointed Head of Private Credit to further develop the Group's existing corporate credit strategy.

### Group key financial results highlights for the year ended 30 June 2019

- Statutory net profit of \$1.6m down on pcp reflecting significant unrealised gains in the prior period from AJD assets
- Operating profit of \$4.8m down on pcp due to reduced investments and high cash balances
- Statutory earnings per security (EPS) of 0.7cps
- Operating EPS of 2.3cps
- Distributions per security (DPS) of 5.0cps (including fully franked 3.0cps special dividend)
- NTA per security of \$0.93 (including \$0.77cps cash, \$0.09cps into TOT)
- Strong balance sheet with \$177.2 million in cash and no borrowings across the group and its managed funds
- Increase in ASX trading price from \$1.015 to \$1.03, representing a total shareholder return of 5.5% for FY19

### Strategy Rollout

During the past 6 months the Group has expanded its investment strategies, investing in people to allow for the organic growth of the business and to allow for rolling out the four investment strategies:

1. Real Assets
2. Public Equity
3. Private Equity
4. Credit

During the past 6 months, Management has focused on starting to build out these strategies as follows:



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### Real Assets

#### Real Estate

The Group's continues to focus on expanding the capital base and relevance of the Group's flagship listed real estate offering, 360 Capital Total Return Fund (ASX: TOT). During the year, TOT continued to focus on deploying capital into real estate credit strategies, predominately secured first mortgage loan investments. As at 30 June, TOT was well capitalised to take advantage of opportunities with \$42.3 million in cash after the repayment of \$56.6 million of loans during the year.

During the year, the Group increased its investment in TOT to 26.3% after investing a further \$3.4 million via distribution reinvestment plan. TOT continues to provide investors solid income returns from its financing activities with distributions of \$0.12 for FY19.

TOT is expanding its investment activities, including investigating acquiring completed apartments at discounted prices and other equity investments in real estate positions and assets

TOT has invested \$8.5 million in URB Investments at an average of \$1.03 per share and is now it is the second largest shareholder. URB has a similar investment strategy to TOT. We will continue to monitor this investment, but we will remain disciplined not to dilute TOT's capital base.

#### Digital Infrastructure Fund

In May 2019, the Group established a joint venture with David Yuile, a telecommunications industry executive and investor, to develop a global digital infrastructure funds management platform.

Since establishing the joint venture, 360 Capital Digital Infrastructure Partners has purchased / contracted approximately \$60 million of digital assets in Australia and across Asia. An ASX-listed vehicle, providing public access to the partnership has received pre-IPO commitment of \$50 million and is expected to list on ASX in October 2019 at which time it is expected to raise a further \$65 million in equity as part of the IPO. The Group has subscribed for \$25 million as long-term co-investment capital.

### Public and Private Equity

In February 2019, the Group announced that it had entered into a joint venture management company to organically grow an Australian equities business. We are very pleased to formally announce that the Group's joint venture partner is Dennison Hambling.

Under the joint venture, upon the equities businesses reaching \$300 million of FUM, the Group has an option to purchase Dennison's 50% interest for TGP securities with Dennison remaining Head of Public and Private Equity strategies for the Group.

Dennison was previously the Chief Investment Officer of First Samuel over the past 11 years where he was responsible for \$660 million of assets. Dennison has been involved in numerous takeovers, recapitalisations, M&A activities over his 20-year history in the financial services industry, as well as averaging 11.2% per annum compound returns at First Samuel.



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Dennison will be responsible for the Group's Public and Private Equity strategies and is a member of the Group's executive Committee.

The joint venture commenced operations in August and has secured a material mandate to provide investment management and consulting services to an Australian based financial services company. The Group is establishing the 360 Capital Core Plus Equity Fund, intending to be launched in Q2 FY20, an unlisted wholesale fund focused on three primary investment strategies:

1. Corporate repair and recapitalisation
2. Growth strategies
3. Value investing

The Group will also investigate establishing a listed investment company in Q4 as part of the overall strategy to diversify its capital sources to grow our business.

### Credit Strategies

The Group has employed Chris Chase as Head of Private Credit for the Group. Chris is responsible for building out 360 Capital's corporate credit investment strategy. Prior to joining 360 Capital, Chris worked at Macquarie Group, CBA and ANZ in senior corporate financing origination and portfolio roles across Australia and Asia.

As part of the integrated group, this new platform will allow our investors access to a broader secured corporate finance offering. The Group is in the early stages of establishing the 360 Capital High Yielding Credit Fund, which is targeted to provide loans to small and mid-cap corporate entities. We expect this strategy will provide flexibility for the various Group Funds to invest across the capital stack.

### Capital Management

The Group remains well capitalised with \$177.2 million in cash as at 30 June 2019 and no borrowings at the Group or in its managed funds. Given the economic uncertainty, the Group plans to maintain a high level of cash reserves for opportunities in the future, while also using some of its cash to sponsor the growth of its new investment strategies and funds management initiatives.

Post period, the Group invested approximately \$50 million into the 360 Capital Digital Infrastructure Fund, \$25 million of which was long term co-investment capital and the balance being repaid from the pre-IPO and IPO proceeds.

The Group has committed \$10 million into the 360 Capital Core Plus Equity Fund as long term co-investment to establish the Fund and the equities strategy.

Furthermore, the Group has committed \$10 million into the 360 Capital High Yielding Credit Fund as long term co-investment to establish the Fund and the credit strategy.

The Group and its managed funds has access to various debt lines if needed for opportunities which may arise in the future.



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### Investor Relations and Distribution

With the expanded investment strategy and Fund creation, the Group has appointed Libby Langtry as Investor Relations Manager to manage communications and investor relations. The Group has today launched a new website to assist in communicating with our stakeholders across the platform.

### Key Focus for balance of FY20

- Complete \$115 million IPO of 360 Capital Digital Infrastructure Fund and deploy c\$55 million of free cash into digital assets
- Continue to grow TOT's capital base to keep pace with the Group's real estate lending pipeline and fund other real estate opportunities
- Launch listed investment trust for credit strategy in 3rd Quarter
- Launch listed investment company for equities strategy in 4<sup>th</sup> Quarter
- Build out distribution capability and continue to work with capital partners on transactions
- Forecast distribution of 4.0cps for FY20 (paid quarterly)

More information on the Group can be found on the ASX's website at [www.asx.com.au](http://www.asx.com.au) using the Group's ASX code "TGP", on the Group's website [www.360capital.com.au](http://www.360capital.com.au), by calling the 360 Capital investor enquiry line on 1300 082 130 or by emailing [investor.relations@360capital.com.au](mailto:investor.relations@360capital.com.au)

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### About 360 Capital Group (ASX: TGP)

360 Capital Group is an ASX-listed, investment and funds management group, focused on strategic and active investment management of alternative assets.

Led by a highly experienced team, the Group operates in Australian and global markets investing across real estate, public and private equity and credit strategies. We partner with our stakeholders to identify, invest and realise on opportunities.