

ASX Release

Charter Hall increases its FUM by \$0.95 billion to \$14.5 billion

8 September 2015

Charter Hall Limited
ACN 113 531 150

Charter Hall
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As per the attached media release, Charter Hall Group (ASX: CHC) (Charter Hall or the Group) today announced its industrial funds under management (FUM) has increased by \$700 million.

When combined with the \$250 million of retail and office acquisitions recently announced by the Group, including \$102 million of retail acquisitions by Charter Hall Retail REIT (ASX:CQR) and the Aurizon pre-leased project acquired by CPOF/DOF which has an on completion value of \$170 million, the Group's FUM will increase to \$14.5 billion; an increase of \$0.95 billion since 30 June 2015.

The impact of these transactions is expected to be slightly OEPS accretive but within the FY16 OEPS guidance provided at the FY15 Results Announcement.

About Charter Hall

Charter Hall Group (ASX:CHC) is one of Australia's leading fully integrated property groups, with over 24 years' experience managing high quality property on behalf of institutional, wholesale and retail clients. Charter Hall has over \$14.5 billion of funds under management across the office, retail and industrial sectors. The Group has offices in Sydney, Melbourne, Brisbane, Adelaide and Perth.

The Group's success is underpinned by a highly skilled and motivated team with diverse expertise across property sectors and risk-return profiles. Sustainability is a key element of its business approach and by ensuring its actions are commercially sound and make a difference to its people, customers and the environment, Charter Hall can make a positive impact for its investors, the community and the Group.

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Media Release

Charter Hall increases industrial portfolio by \$700 million to \$3.5 billion 8 September 2015

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Charter Hall has continued the growth in its industrial platform by acquiring circa \$700 million in industrial assets since 1 July 2015. The industrial and logistics sector has been a key focus for the Group over the past three years given the sectors strong property fundamentals with the Group's total industrial and logistics funds under management increasing from \$800 million as at 1 July 2012 to \$3.5 billion today.

The \$700 million in acquisitions over the past three months have been acquired by Charter Hall's unlisted managed funds, the Core Plus Industrial Fund (CPIF), Core Logistics Partnership (CLP) and Direct Industrial Fund No.3 (DIF3).

David Harrison, Joint Managing Director, said: "We continue to improve the quality of these portfolios through a disciplined approach to asset selection, a preference for off market transactions and an emphasis on quality tenants, long leases and prime estates and single tenant assets.

"We will continue to refine these fund portfolios through the pre-leasing of land banks, recycling of non core assets and future acquisitions," Mr Harrison added.

CPIF Fund Manager Paul Ford said: "Our focus is on owning and managing a geographically diverse and high quality portfolio of industrial and logistics properties leased to high calibre tenants on long term leases.

"Evidencing our strategy to reduce the building age of our portfolios, we have delivered 24 new pre-leased logistics assets across the Group industrial platform valued at over \$770 million and covering approximately 490,000 square metres. The development pipeline will be pre-leased to deliver further high quality investments to deliver upon fund objectives," Mr Ford added.

Commenting on the growth of the CLP portfolio in less than three years since inception, Fund Manager Simon Greig said: "We've grown the CLP portfolio from one asset in January 2013 to a \$1.2 billion national portfolio with a sector leading WALE of 10.3 years. The portfolio has a tenant register of high quality international and national logistics companies and a resilient logistics theme consistent with the mandate created by Charter Hall and endorsed by our institutional CLP partners."

Settlement of the acquisitions has or will occur prior to 30 September 2015.



Appendix 1

CPIF	Current	30 June 2015	Change
FUM	\$1,550m	\$1,140m	\$410m
WALE	7.3yrs	7.2yrs	+0.1yrs
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CLP	Current	30 June 2015	Change
FUM	\$1,190m	\$921m	\$269m
WALE	10.3yrs	12.2yrs	(1.9yrs)
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DIF3	Current	30 June 2015	Change
FUM	\$195.7m	\$ 163.7m	\$32m
WALE	14.1yrs	13.2yrs	+0.9yrs
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Charter Hall Industrial	Current	30 June 2015	Change
FUM	\$3,500m	\$2,800m	\$700m
WALE	9.4yrs	9.9yrs	(0.5yrs)

CPIF is a \$1.55 billion wholesale fund established in 2007 with prime industrial and logistics facilities in all major Australian cities and a development pipeline across the eastern seaboard that has the capacity to deliver in excess of \$350 million of prime investment product.

CLP is a \$1.2 billion wholesale partnership comprising two domestic institutional investors partnering with Charter Hall, having created a 10.3 year WALE portfolio in less than three years. A development pipeline for a further 400,000sqm of developed floor space exists within CLP across Sydney, Melbourne and Brisbane.

DIF3 now has a portfolio approaching \$200 million on completion of pre leases and a target to grow beyond \$250 million.

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