

22 February 2018

Charter Hall Group 2018 Half Year Results

6 months to 31 December 2017

Western Sydney University, 1 Parramatta Square, Parramatta NSW

Agenda

1. Group Highlights

2. Property Funds Management

3. Property Investment

4. Financial Result

5. Outlook and Guidance

6. Additional Information



David Harrison
Managing Director &
Group CEO



Sean McMahon
Chief Investment Officer &
Industrial CEO



Russell Proutt
Chief Financial Officer

Group Highlights



Artist impression of GPO Tower, Adelaide, SA

Group Highlights

Group maintained \$3.2bn of investment growth capacity

Group Returns	Property Investments	Funds Management	Balance Sheet
\$121m statutory profit	11.9% Total Property Investment Return ²	10.4% FUM growth to \$21.9bn (6 months)	0% balance sheet gearing ⁴
4.3% OEPS growth pcip	\$1.6bn Property Investment portfolio	\$2.0bn in gross transactions (6 months)	26.8% look through gearing ⁵
19.5% Total Platform Return ¹	6.4% Property Investment yield	4.5% Property Funds Management yield ³	2.6% NTA per security growth ⁶ (6 months)

1. Total Platform Return is calculated as growth in net tangible assets (NTA) per security plus distribution per security divided by the weighted average NTA per security for the 12 months to 31 December 2017
2. Total Property Investment (PI) Return is calculated as growth in the PI portfolio value plus distributions received divided by the weighted average PI portfolio value for the 12 months to 31 December 2017
3. Property Funds Management (PFM) yield is calculated as PFM operating earnings per security divided by the weighted average NTA per security for the 12 months to 31 December 2017
4. Balance sheet gearing calculated as debt (net of cash) / gross assets (less cash)
5. Look through gearing calculated as Charter Hall's look through debt (net of cash) / total assets (net of cash) of the PI Portfolio plus Charter Hall's balance sheet
6. Net tangible assets per stapled security is calculated as assets less liabilities, net of intangible assets and related deferred tax.

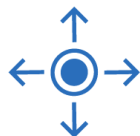
Our Strategy

We use our property expertise to access, deploy, manage and invest equity in our core real estate sectors – office, retail and industrial – to create value and generate superior returns for our customers.



ACCESS

Accessing equity from wholesale, retail and listed investors.



DEPLOY

Creating value through attractive investment opportunities.



MANAGE

Funds management, asset management, leasing and development services.



INVEST

Investing alongside our capital partners.

6 MONTHS¹

\$0.9bn
gross equity raised

\$2.0bn
gross transactions

\$2.1bn
FUM growth

\$104m increase in PI to \$1.6bn
6.8% growth

\$1.5bn acquisitions
\$0.5bn divestments

336
properties

11.9%^{2,3}
Total Property Investment Return

3 YEAR¹

\$5.4bn
gross equity raised

\$11.5bn
gross transactions

\$9.2bn
FUM growth

\$836m increase in PI
105.1% growth

\$7.9bn acquisitions
\$3.6bn divestments

66
additional properties

23.2%²
Total Property Investment Return

5 YEAR¹

\$8.4bn
gross equity raised

\$18.0bn
gross transactions

\$11.9bn
FUM growth

\$1.1bn increase in PI
190.7% growth

\$12.4bn acquisitions
\$5.6bn divestments

141 additional properties

13.6%²
Total Property Investment Return

1. For the period ending 31 December 2017

2. Total Property Investment (PI) Return is calculated as growth in the PI portfolio value plus distributions received divided by the weighted average PI portfolio value

3. 12 months to 31 December 2017

Operational Highlights



OFFICE

67 Leasing deals executed across **72,000sqm**

Major pre-leases to Vanguard SA Government, CBUS and Telstra Super

130 Lonsdale now **55%** pre-leased

\$1,004m gross transactions

9 development projects completion value **\$2.3bn**

\$2.9bn new and refinanced debt facilities



INDUSTRIAL

30 Leasing deals executed across **464,000sqm**

175,000sqm new pre-leases on existing land holdings

\$316m gross transactions

24 development projects completion value **\$1.7bn**

\$266m new and refinanced debt facilities



RETAIL

234 Leasing deals executed across **43,000sqm**

7 leases executed across **18,000sqm** to Majors

\$705m gross transactions with increased non-core divestments as we curate portfolios

14 development projects development spend **\$392m**

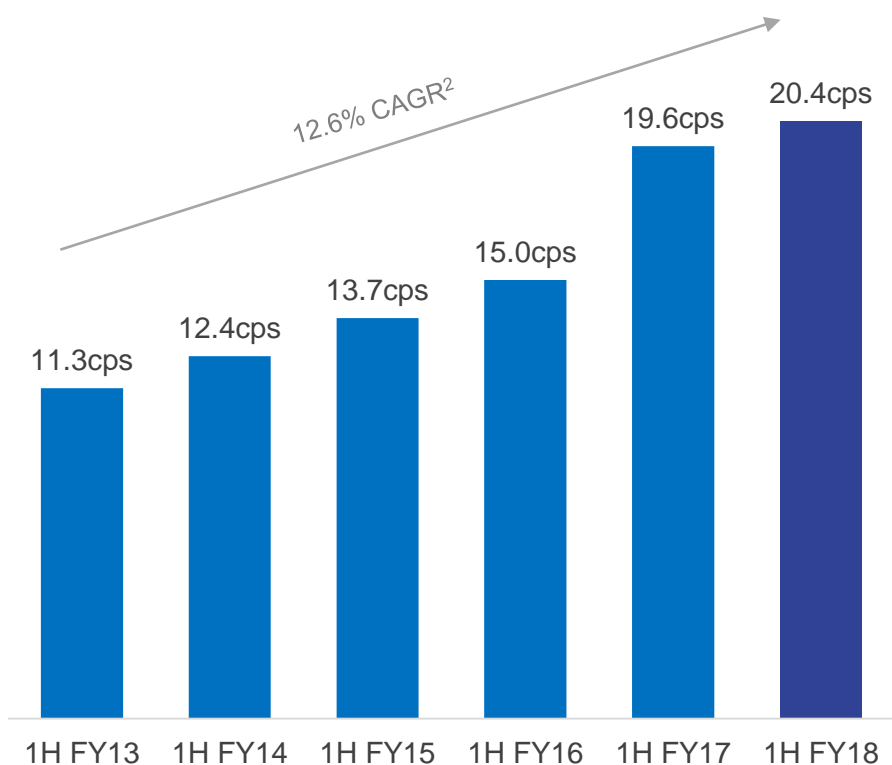
\$418m new and refinanced debt facilities

1. Figures on this page refer to the 6 months to 31 December 2017

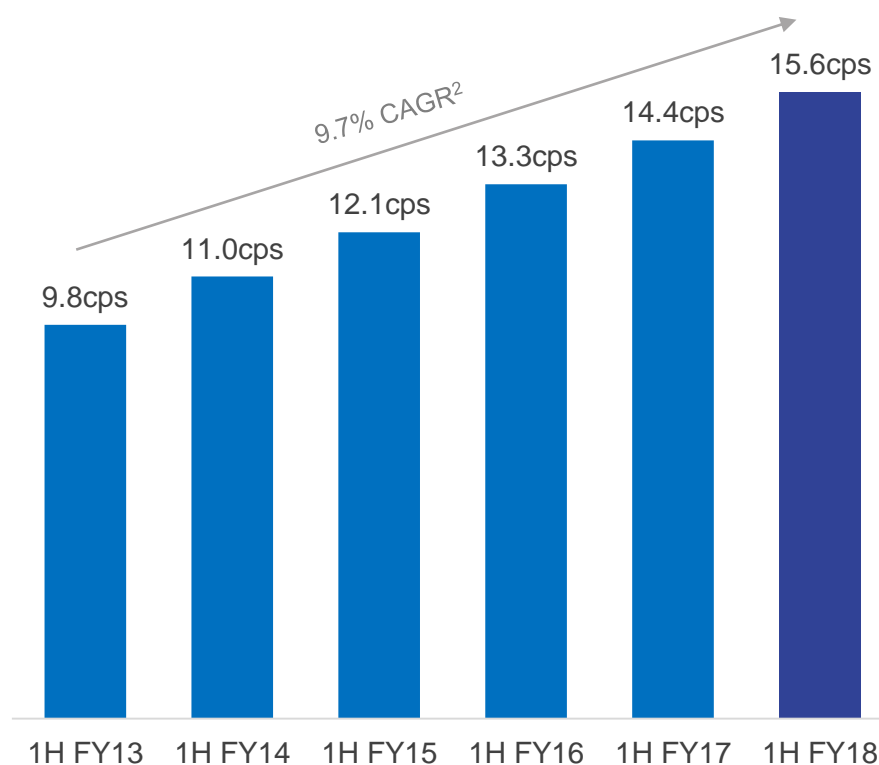
Sustained Growth

FY16 OEPS to FY18 OEPS (guidance) reflects growth of 10.3% per annum

Operating earnings per security growth¹



Distributions per security growth



1. Operating earnings per security prior to FY14 restated to include security-based benefits expense
2. Compound annual growth rate (CAGR) from 1H FY13 to 1H FY18

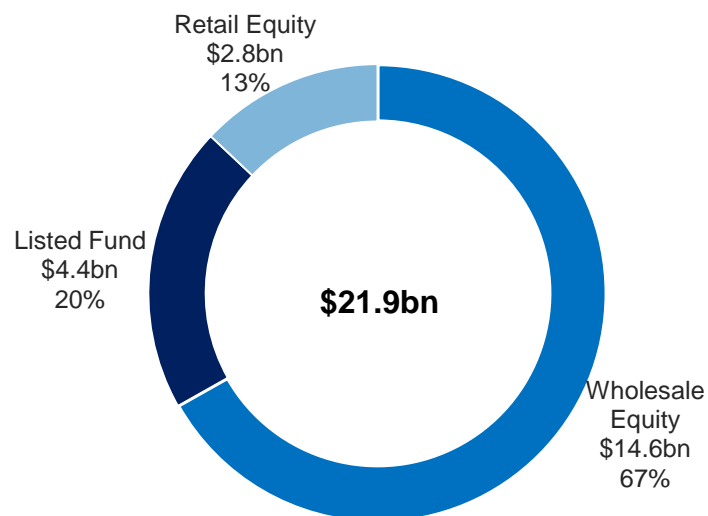
Property Funds Management



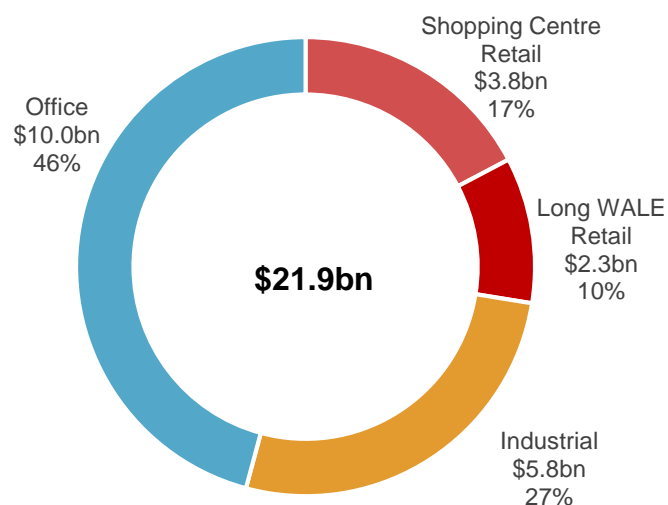
Group Funds Management Portfolio

	Portfolio Value (\$bn)	Lettable Area (m sqm)	No. of Properties	No. of Tenants	Gross Income (\$m)	WALE ¹ (years)	Occupancy (%)	WACR ² (%)
31 Dec 17	21.9	5.5	336	2,617	1,541	7.7	97.8	5.91
30 Jun 17	19.8	5.1	329	2,658	1,454	7.7	98.0	6.07

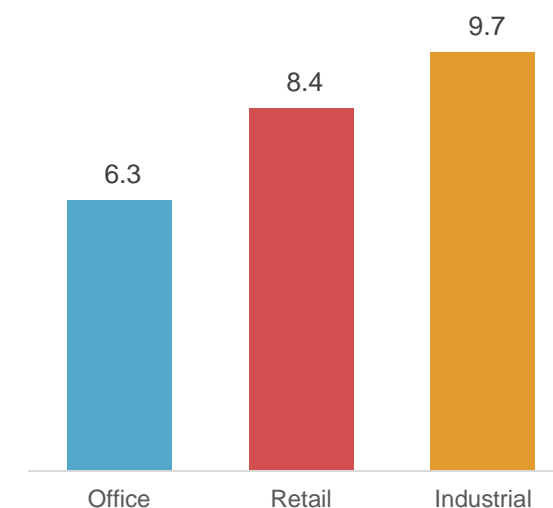
Diversification by equity source



Asset type diversification



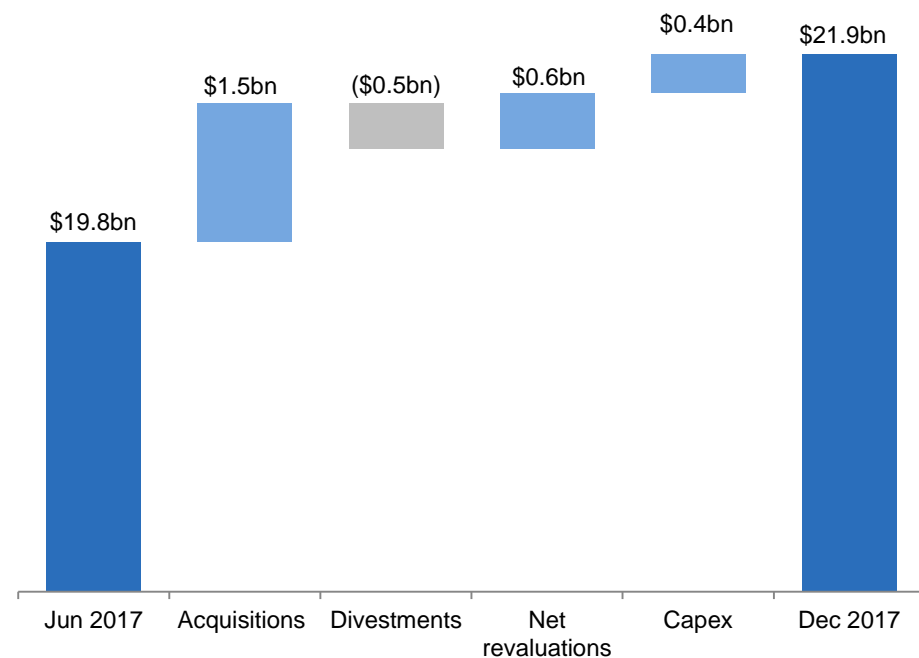
WALE by sector



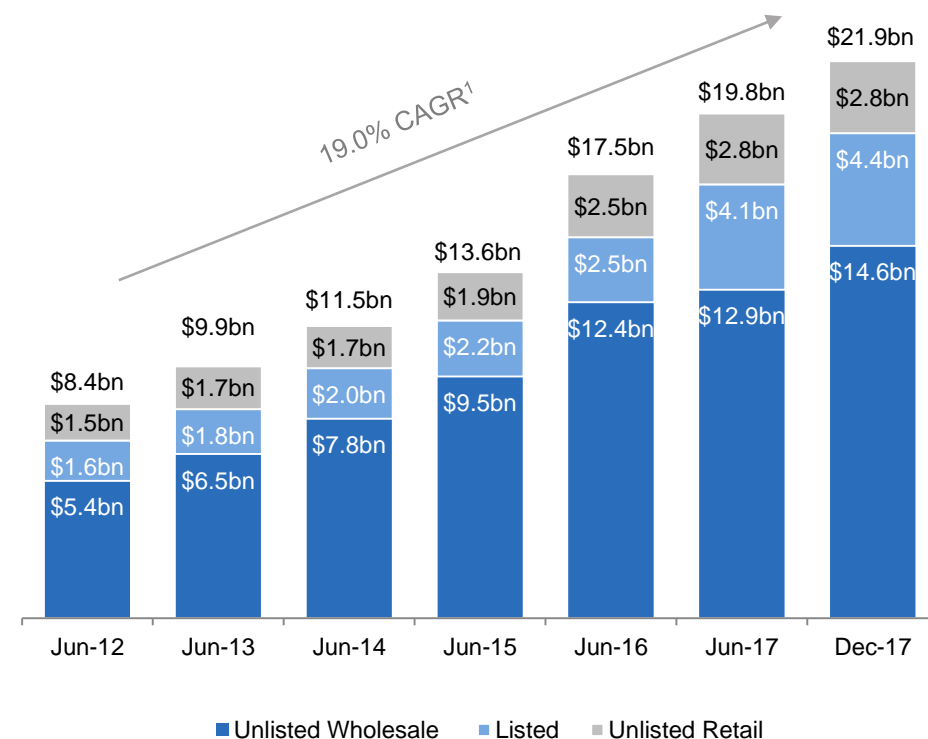
1. WALE is the weighted average lease expiry for the Property Funds Management portfolio and is weighted by gross income
2. WACR is the weighted average cap rate for the Property Funds Management portfolio and is weighted by gross asset value

Funds Under Management Growth

Funds under management movement (\$bn)



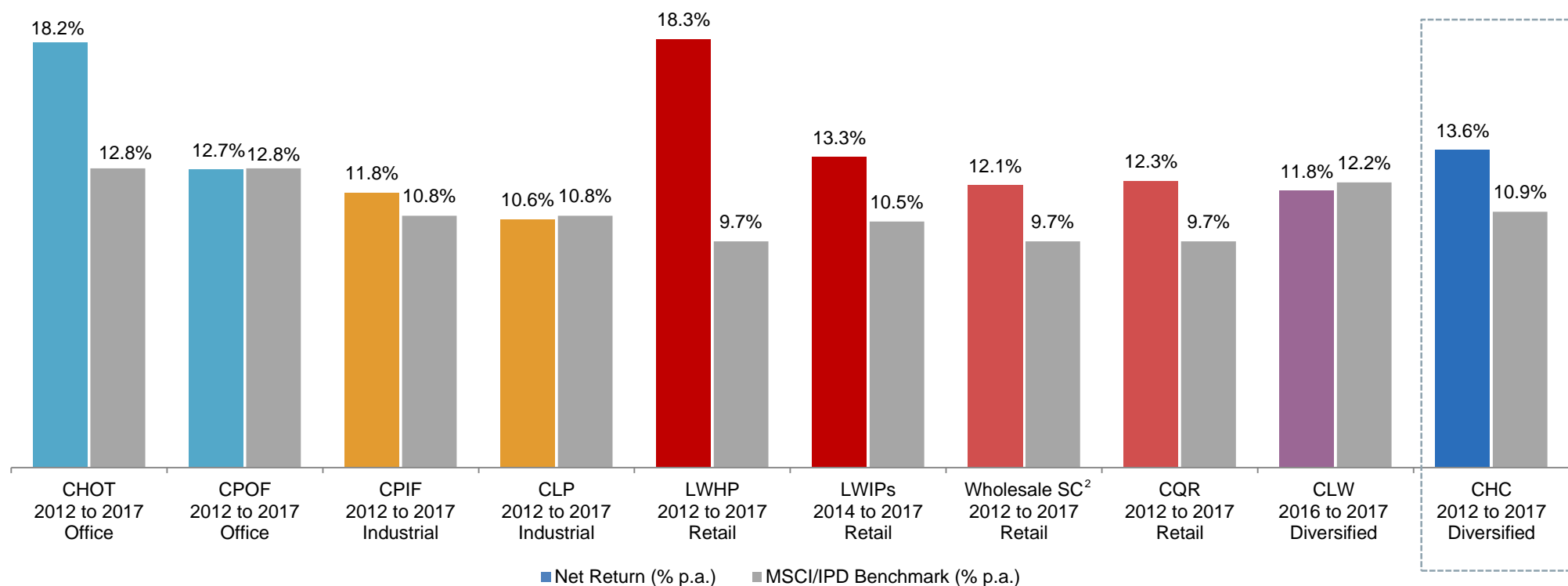
Funds under management by equity source (\$bn)



1. Compound annual growth rate (CAGR) from 30 June 2012 to 31 December 2017

Property Investment Portfolio Returns

- The Property Investment Portfolios total property return¹ over the five years to 31 December 2017 is 13.6% per annum, outperforming the MSCI/IPD Unlisted Wholesale Property Fund Index (NAV post fees) which returned 10.9% over the same period
- The below chart shows the total property return of each core Property Investment relative to its sector specific MSCI/IPD index

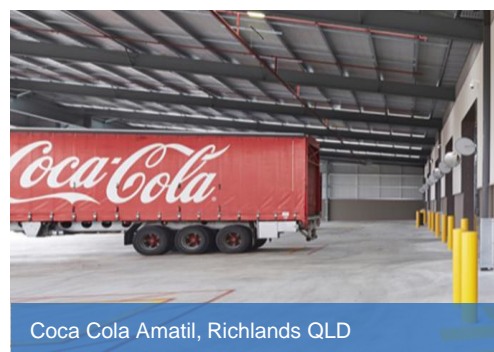


1. Total Property Investment (PI) Return is calculated as growth in the PI portfolio value plus distributions received divided by the weighted average PI portfolio value for the 12 months to 31 December 2017
 2. Includes CHC's investments in Wholesale Shopping Centre (SC) Funds RP2, RP6 and CPRF

1H FY18 Transactional Activity

- Consistent transaction volume across core sectors
- Average acquisition value of \$70m versus average divestment value of \$20m

(\$m)	Office	Industrial	Long WALE Retail	Shopping Centre Retail	Total
Acquisitions	707	311	293	216	1,526
Divestments	297	6	38	158	499
Net transactions	409	305	255	58	1,027
Gross transactions	1,004	316	331	374	2,025



Development Activity

Continues to drive asset creation and attract capital

- Development activity is undertaken by funds/partnerships to enhance income yield and total returns
- In-house development skills are a core competency of Charter Hall
- Total pipeline includes 47 office, industrial and retail projects
- Majority of committed projects are de-risked through pre-leases and fixed price building contracts
- Average committed project size of \$234m for office, \$58m for industrial and \$16m¹ for retail

Development activity (completion value \$m)	Committed projects	Uncommitted projects ²	Total Pipeline ³
Office	1,405	941	2,346
Industrial	816	856	1,672
Retail ¹	131	261	392
Total	2,352	2,058	4,410

1. Reflects development spend only and excludes existing centre value

2. Includes potential end value of uncommitted development projects

3. \$1.7bn included in FUM at 31 December 2017

Equity Flows

Diversified equity sources with \$880m gross equity raised in the 6 months to 31 December 2017:

- Across the Group six open ended pooled unlisted funds continue to raise new equity
- \$480m raised in Wholesale Funds and Partnerships with further equity raising underway in CPOF
- \$323m raised in Direct Funds with further equity raising underway in open Direct Funds

(\$m)	FY15	FY16	FY17	1H FY18
Wholesale Pooled Funds	653	606	776	232
Wholesale Partnerships	598	467	217	248
Listed Funds ¹	274	76	988	78
Direct Funds ²	180	318	355	323
Gross equity raised	1,705	1,467	2,336	880
Net equity raised	1,297	1,099	1,689	783

Equity flows includes equity received or returned only and excludes undrawn equity commitments

1. Listed Funds include equity raised in CHC, CQR and CLW

2. Funds and syndicates for retail, SMSF and high net worth investors

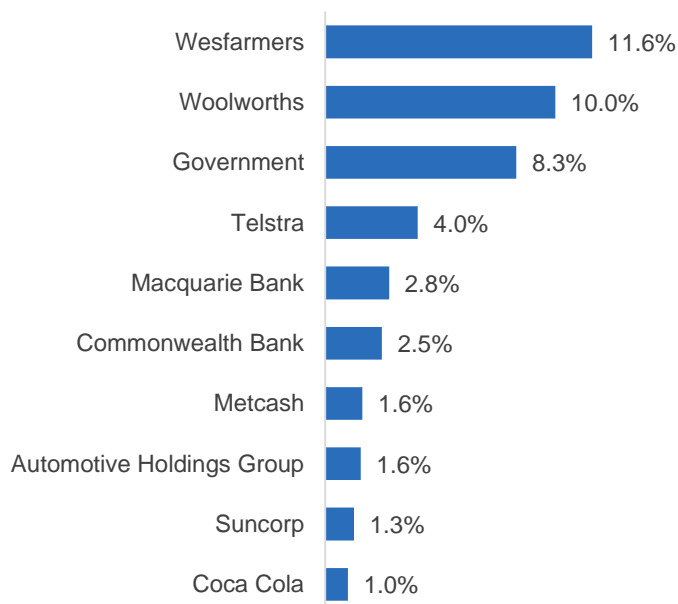
Property Investment



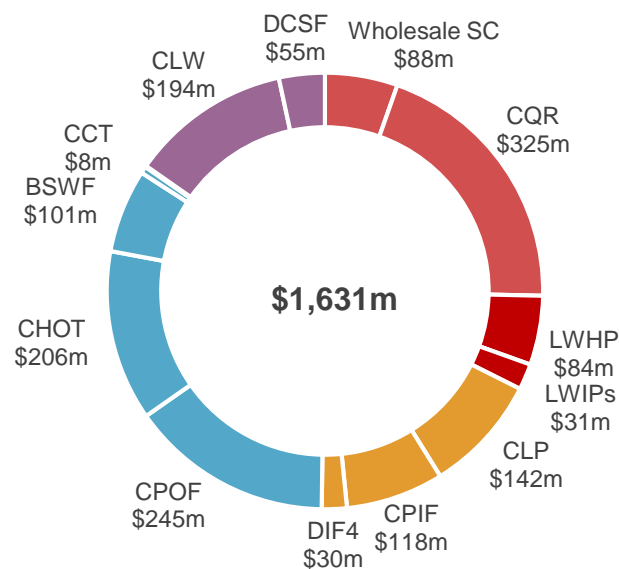
Property Investment Portfolio

	Portfolio Value (\$m)	No. of Properties	WALE (years)	Occupancy (%)	WARR ¹ (%)	WACR (%)	WADR ² (%)
31 Dec 17	1,631	303	7.4	97.8	3.5	5.93	7.3
30 Jun 17	1,527	292	7.4	97.7	3.6	6.09	7.3

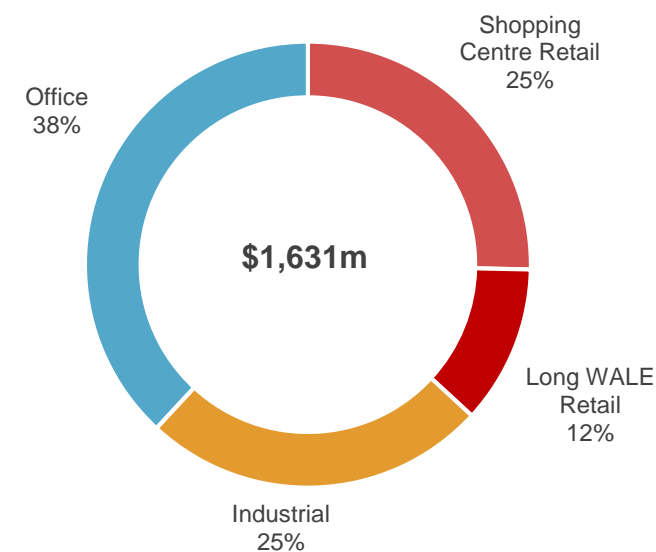
Top 10 Tenants by Gross Income



Diversification by Property Investment



Diversification by Sector

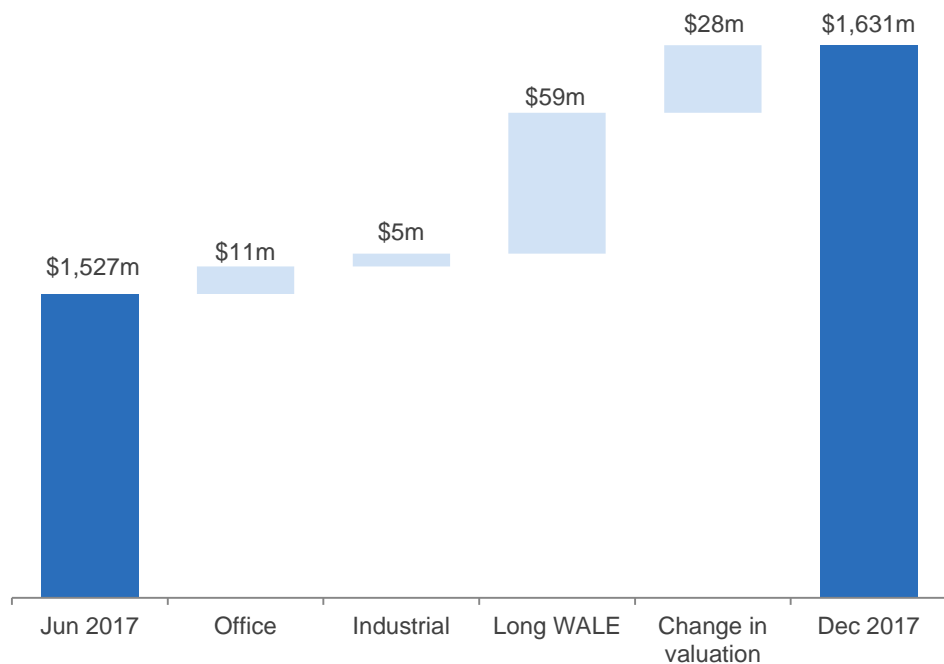


1. WARR is the weighted average rent review and is weighted by gross income
2. WADR is the weighted average discount rate and is weighted by the Investment value of each Property Investment

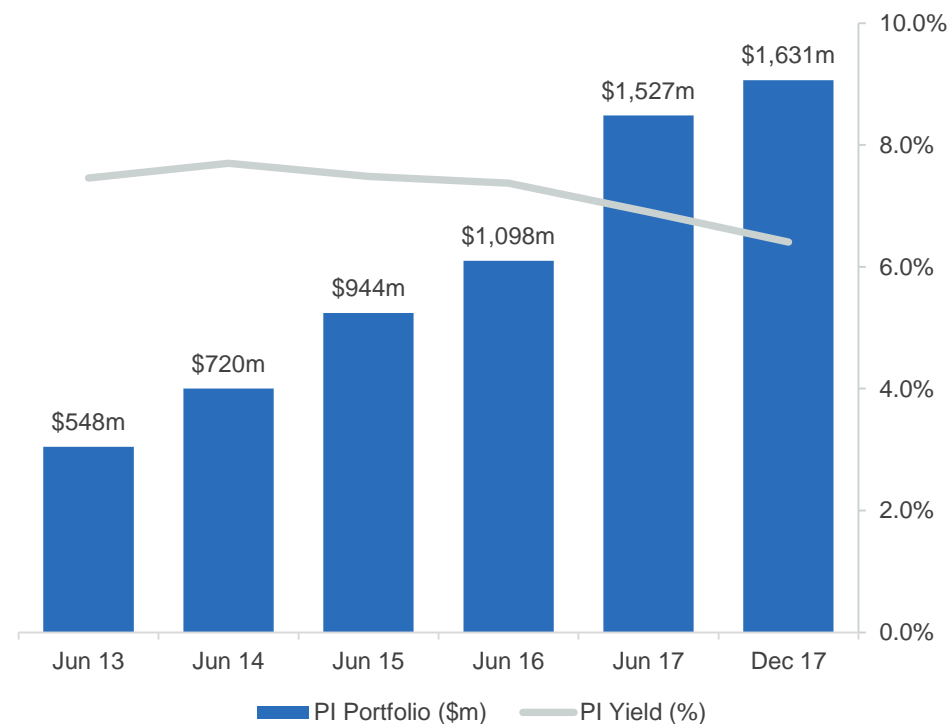
Property Investment Portfolio Movement

- During the 6 months to 31 December 2017 the Property Investment Portfolio increased by 6.8% (+\$104m) to \$1,631m
- The Property Investment yield remains attractive at 6.4%
- The decrease in yield has been driven by the improved quality and WALE of the Portfolio, together with compressing cap rates

Property Investments movement



Property Investment Portfolio Earnings



Major Tenant Customer Relationships

65% repeat tenant customers across 1,450 leases

- Tenant retention rate of 77.5% in 1H FY18
- CHC continues to be a major player within the sale and leaseback market with over \$3.0bn sale and leaseback transactions over the 5 years to 31 December 2017
 - CHC continues to see success sourcing off-market opportunities through loyal existing tenant customers
 - Management believe there is still opportunity to do more sale and leaseback transactions within new and existing sectors
- Global market volatility likely to continue to assist the sale and leaseback story as corporates continue strategic efforts to ensure balance sheet stability and focus on their core business operations/efficiencies

Examples of CHC's Sale and Leaseback Relationships



Sustainability



ECO-INNOVATION



Charter Hall has **Australia's largest Green Star footprint** with **178 Green Star Performance** ratings across operating assets, and **18 Green Star Design and As Built** ratings in our developments.



Office national average weighted energy ratings of **4.5 Stars**. Retail national average weighted energy ratings of **3.75 Stars**

250kWh solar system recently installed at Singleton Square. Increasing **the renewable footprint** in our portfolio to **800kW** of **solar PV** generating over 1200MWh of electricity per annum.



Singleton Square, Singleton NSW



PLACE CREATION



Charter Hall is part of the international Philanthropy movement Pledge 1%. Our Pledge is through:

Our People: Our Places: Our Partnerships



161 days
of our People's time
volunteering in the
community



\$1.4m
of space contributed
to the community



\$500,000
Donated to our
community partners



WELLBEING



Charter Hall has **four** registered International **WELL Buildings Projects**

Charter Hall achieved International **WELL Building Silver Ratings** for New and Existing Interiors in the Perth and Melbourne Offices.

Financial Result



Earnings Summary

- Statutory profit after tax of \$120.6m¹
 - Change in Property Investment valuation² of \$28.3m
- OEPS pre-tax growth of 8.3% to 24.0cps
 - PI operating earnings up 23.3% to \$51.0m
 - PFM operating earnings pre-tax up 21.3% to \$60.8m
- DPS growth of 8.4% to 15.6cps comprising:
 - 9.4cps distribution from Charter Hall Property Trust (CHPT)
 - 6.2cps fully franked dividend from Charter Hall Limited (CHL)
 - 2.7cps of franking credits distributed

\$m	1H FY18	1H FY17	Change %
PI operating earnings	51.0	41.3	23.3%
PFM operating earnings pre-tax	60.8	50.1	21.3%
Operating earnings pre-tax	111.7	91.4	22.2%
Tax	(16.6)	(10.6)	(56.2%)
Operating earnings post-tax	95.1	80.8	17.7%
Change in Property Investment valuation ²	28.3	99.1	(71.5%)
Amortisation and impairment of intangibles	(1.4)	(3.8)	64.1%
Income taxes ³	0.3	(2.8)	111.9%
Other non-operating items	(1.8)	-	-
Total non-operating items	25.5	92.5	(72.5%)
Statutory profit after tax	120.6¹	173.3	(30.4%)
OEPS pre-tax (cps)	24.0	22.2	8.3%
OEPS post-tax (cps)	20.4	19.6	4.3%
DPS (cps)	15.6	14.4	8.4%
Distribution payout ratio	76%	73%	3.9%

1. Attributed to securityholders

2. Includes the Group's proportionate share of non-operating items of equity accounted investments on a look through basis and investments held at fair value through profit and loss

3. Non-operating deferred income tax expense

Segment Result

- PI operating earnings growth driven by:
 - 3.5% WARR across Property Investments Portfolio
 - Strong market rental reversions in Office
 - Growth in Property Investments Portfolio
- PFM operating earnings growth driven by:
 - PFM revenue growth of 14.7% outpacing total PFM expense growth (including corporate) of 7.2%

\$m	1H FY18	1H FY17	Change %
PI revenue	50.7	41.1	23.3%
Interest and expenses	0.3	0.2	33.3%
PI operating earnings	51.0	41.3	23.3%
PFM revenue	107.5	93.7	14.7%
PFM expenses	(34.9)	(32.9)	(5.9%)
Corporate expenses	(11.9)	(10.7)	(11.1%)
Total PFM expenses	(46.7)	(43.6)	(7.2%)
PFM operating earnings pre-tax	60.8	50.1	21.3%
Operating earnings pre-tax	111.7	91.4	22.2%
Tax	(16.6)	(10.6)	(56.2%)
Operating earnings post-tax	95.1	80.8	17.7%
PI Yield	6.4%	7.0%	(0.6%)
PFM Yield	4.5%	4.7%	(0.2%)
PFM EBITDA Margin ¹	58.3%	55.4%	2.9%
Corporate MER ²	10.9 bps	11.2 bps	(0.3 bps)

The format of Segment Note 3 has been amended in the 1H FY18 Interim Financial Report. The note ceased to include the gross up of proportionately consolidated income and expenses

1. PFM EBITDA Margin calculated as PFM operating earnings (excluding depreciation and tax expense) divided by PFM revenue

2. Corporate MER calculated as Corporate expenses divided by closing FUM, as basis points

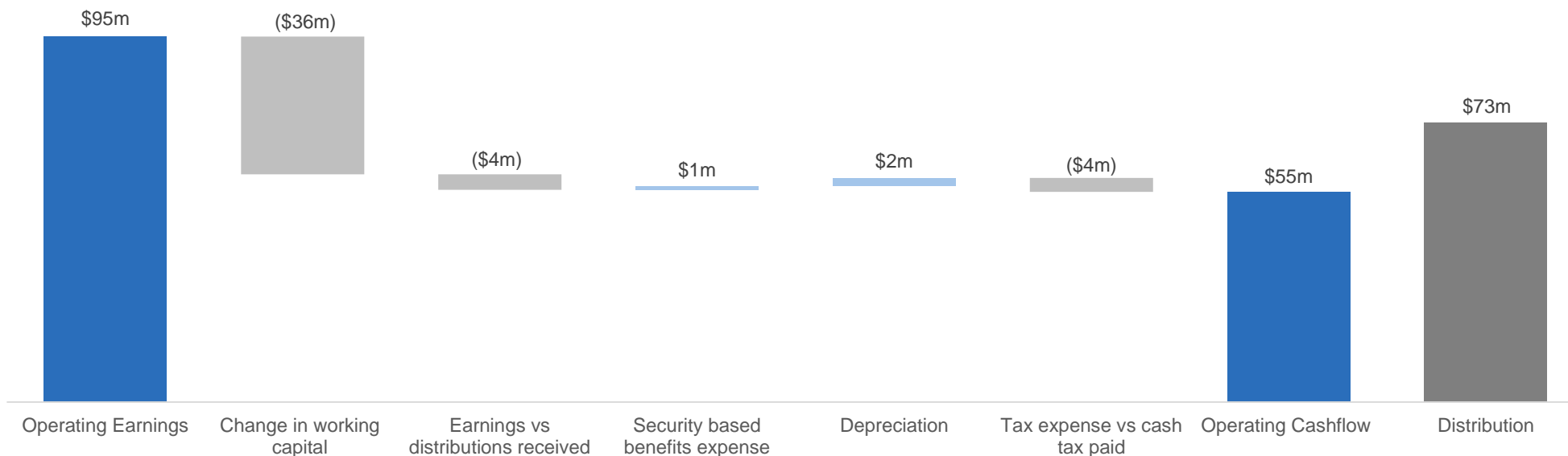
Property Funds Management Composition

- PFM revenue up 14.7% to \$107.5m
- Investment Management revenue up 16.5% to \$82.2m:
 - Continued momentum in FUM driving funds management and transaction fees
 - Outperformance driving performance fees
 - Diversified contribution to investment management fees from all funds and partnerships
- Property services revenue up 9.2% to \$25.3m:
 - Value adding development services
 - Successful leasing activity driving high occupancy

\$m	1H FY18	1H FY17	Change %
Fund management fees	42.6	35.7	19.3%
Transaction and performance fees	39.6	34.8	13.7%
Investment management revenue	82.2	70.5	16.5%
Property management fees	8.9	7.5	17.7%
Development management fees	7.1	5.5	29.9%
Leasing fees	7.5	8.3	(10.4%)
Facilities and project management fees	1.9	1.9	1.8%
Property services revenue	25.3	23.2	9.2%
PFM revenue	107.5	93.7	14.7%
PFM expenses	(34.9)	(32.9)	(5.9%)
Corporate expenses	(11.9)	(10.7)	(11.1%)
Total PFM expenses	(46.7)	(43.6)	(7.2%)
PFM operating earnings pre-tax	60.8	50.1	21.3%
Tax	(16.6)	(10.6)	(56.2%)
PFM operating earnings post-tax	44.2	39.5	11.9%

Operating Cashflow

- 1H FY18 distribution covered 75% by operating cashflow
- The negative cashflow variance between 1H FY18 operating earnings and operating cashflow is primarily driven by timing and includes:
 - An interim payment related to the CHOT performance fee accrued at 31 December to be cash paid in March 2018 (no claw back)¹. This contributes \$25m of the \$36m change in working capital movement. The balance of the CHOT Portfolio performance fee is payable in FY20.
 - Other working capital movements driven by timing of fees and payment of expenses in the first half
 - Timing of cash payment of Property Investment distributions
 - Cash payment of FY17 tax and PAYG instalments versus 1H FY18 accrued operating tax expense



1. CHOT carries a \$110m performance fee liability at 31 December 2017 this liability will reduce to \$85m when the \$25m interim payment is paid in March 2018

Balance Sheet

- Strong balance sheet maintained:
 - Cash position of \$87m to fund identified and pipeline investments
 - Considerable financial flexibility with total headstock investment capacity of approximately \$250m
- NTA per security growth of 2.6% to \$3.69 per security
- Financial return metrics continue to deliver on strategy

\$m	31 Dec 2017	30 Jun 2017
Cash	\$87m	\$174m
Property Investments	\$1,631m	\$1,527m
Other assets	\$137m	\$106m
Intangibles	\$64m	\$65m
Total assets	\$1,919m	\$1,873m
Total liabilities	\$137m	\$151m
Total equity	\$1,782m	\$1,722m
NTA per security ¹	\$3.69	\$3.60
Balance sheet gearing ²	0.0%	0.0%
Investments look through gearing ³	26.8%	20.1%
Return Metrics	31 Dec 2017	30 Jun 2017
Return on Equity ⁴	10.6%	11.6%
Total Property Investment Return ⁵	11.9%	19.8%
Total Platform Return ⁶	19.5%	27.6%

Note: Balance sheet presented is the consolidated balance sheet of CHC which includes Charter Hall Direct Diversified Consumer Staples Fund (DCSF) at 100%

1. Net tangible assets (NTA) per stapled security (\$) is calculated using assets less liabilities, net of intangible assets, related deferred tax and non-controlling interests in DCSF

2. Balance sheet gearing calculated as debt (net of cash) / gross assets (less cash)

3. Look through gearing calculated as Charter Hall Group's look through debt (net of cash) / total assets (net of cash)

4. Return on equity is calculated as total operating earnings post-tax per security divided by the weighted average NTA per security for the 12 month period

5. Total Property Investment (PI) Return is calculated as growth in the PI portfolio value plus distributions received divided by the weighted average PI portfolio value for the 12 months period

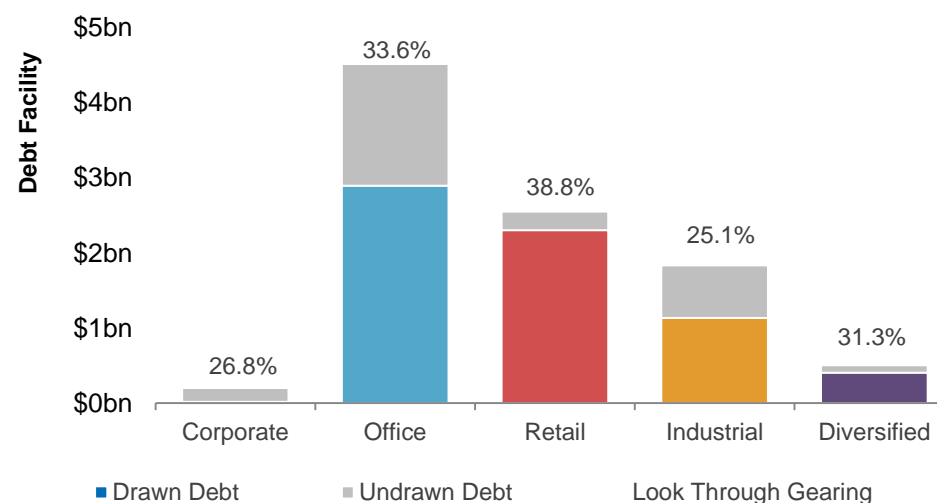
6. Total Platform Return is calculated as growth in net tangible assets (NTA) per security equity plus distribution per security divided by the weighted average NTA per security for the 12 month period

Debt and Capital Management

- Substantial funding capacity available across the Group funds platform with \$3.2bn of available liquidity
- \$3.6bn of new and refinanced debt facilities in 1H FY18
- Look through weighted average debt maturity¹ of 4.0 years
- Look through weighted average cost of debt² of 4.05%
- Look through interest rate hedging of 58% with an average maturity of 3.8 years

Key debt metrics funds platform	31 Dec 2017	30 Jun 2017
Combined fund facility limits (\$m)	9,601	8,611
Combined fund undrawn debt (\$m)	2,852	2,313
Total group cash (\$m)	310	679
Look through gearing (%)	26.8%	20.1%
Look through weighted average debt maturity (yrs) ¹	4.0	4.3
Look through weighted average cost of debt ²	4.05%	4.09%
Look through interest rate hedging (%)	58%	65%

Drawn Debt (\$m) and Gearing (%) by Sector



1. Duration is based on facility limits

2. Passing cost of debt is on a look through basis and includes floating rate, hedge rate, margins, line fee but excludes undrawn line fees and amortised borrowing costs

Outlook & Guidance

5

231 Elizabeth Street, Sydney NSW

FY18 Earnings Guidance

We believe the property market landscape will continue to accommodate growth

- **Asset growth** is expected in submarkets that are underpinned by **favourable property fundamentals** where there is effective rental growth
- **Continued equity flows** expected for fund managers with strong track records

Our guidance is as follows:

Based on no material change in current market conditions our FY18 guidance for operating earnings per security post-tax is no less than 3% growth on FY17 OEPS of 35.9 cents per security, equivalent to 37.0 cents per security

The distribution payout ratio is expected to normalise within our longer term range, being 85% to 95% of operating earnings per security post-tax



Artist impression of Wesley Place, 130 Lonsdale Street, Melbourne VIC

Additional Information

1. Property Funds Management

2. Property Investment

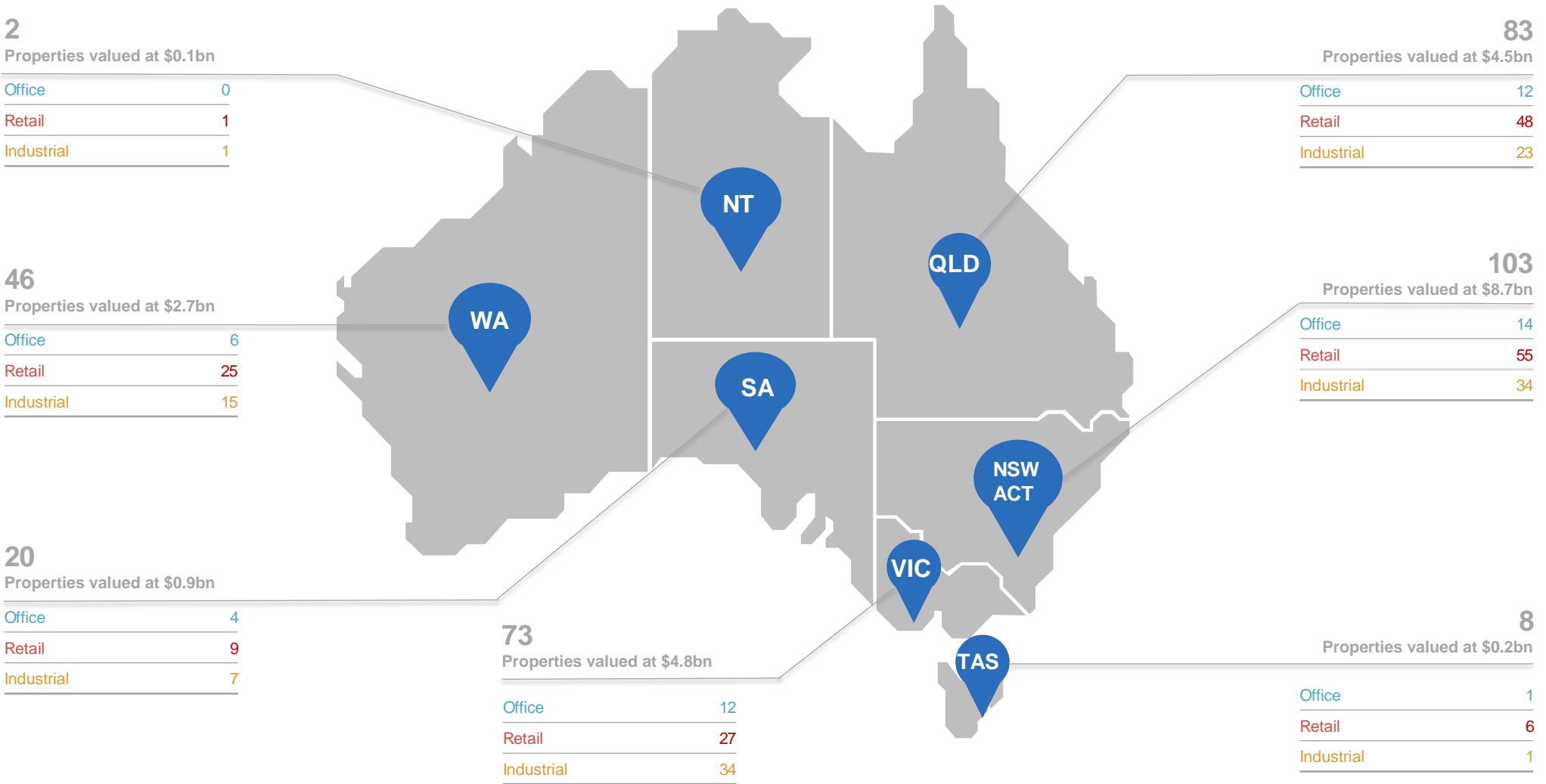


Appendix – Property Funds Management

9 Castlereagh Street, Sydney NSW



Charter Hall Group Property Overview¹



1. Excludes one New Zealand asset



Charter Hall Managed Funds

Office \$10.0bn

Industrial \$5.8bn

Retail \$6.0bn

Wholesale Equity	CHOT \$2.7bn	CPOF ¹ \$3.7bn	BSWF ¹ \$0.5bn	CLP \$1.5bn	CPIF \$2.8bn	LWHP \$1.0bn	RP2 \$0.1bn	LWIPs ³ \$0.6bn
	CCT \$0.4bn	Mandates \$0.6bn				RP6 \$0.3bn	Mandates \$0.3bn	CPRF \$0.2bn
Retail Equity	DOF \$1.2bn	PFA \$0.3bn		DIFs/CDC \$0.8bn	DCSF \$34m ²	DAT \$0.1bn	DAT2 \$88m	DCSF \$28m ²
	Workzone \$0.1bn					BW Trust \$93m		
Listed Equity	CLW ² \$0.5bn			CLW ² \$0.7bn		CQR \$2.9bn	CLW ² \$0.4bn	

Note Statistics on this page may not add due to rounding

1. CPOF holds 49.9% of the units in the Brisbane Square Wholesale Funds (BSWF)
2. Diversified across the Office, Industrial and Retail sectors
3. LWIPs include LWIP and LWIP2. CLW hold 45% of the units in LWIP



Office

“As one of the largest managers of CBD office properties in Australia, our strategy to actively manage our portfolio is creating enhanced value for investors through the successful re-development of existing assets, strategic acquisition of core office properties and divestment of non-core properties.”

ADRIAN TAYLOR
OFFICE CEO



FUM

\$10.0bn



PROPERTIES

49



OCCUPANCY

98.1%



WALE

6.3yrs



CAP RATE

5.67%



CHC INVESTMENT

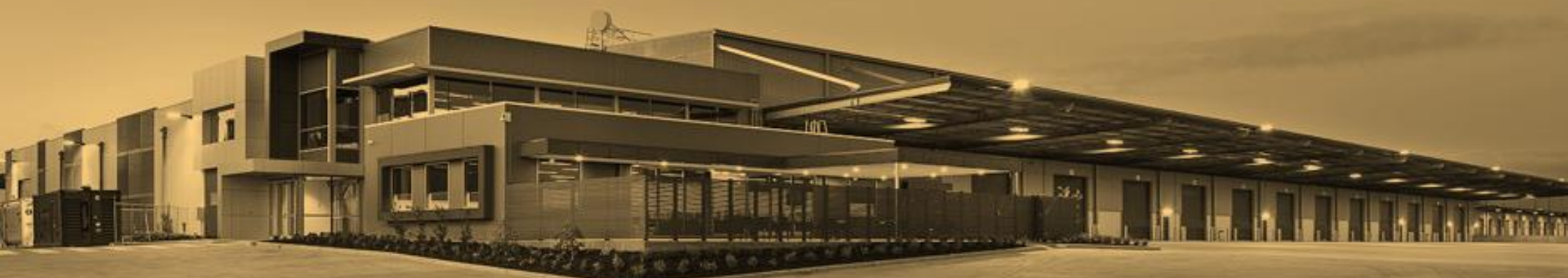
\$622m



Industrial

“As one of Australia’s leading managers and developers of industrial and logistics real estate our focus is on owning and managing a geographically diverse portfolio of properties with strong tenant covenants, whilst leveraging relationships with our tenant customers across all sectors of our business.”

SEAN MCMAHON
INDUSTRIAL CEO



FUM
\$5.8bn



PROPERTIES
116



OCCUPANCY
97.2%



WALE
9.7 yrs



CAP RATE
6.27%



CHC INVESTMENT
\$409m



Retail

“As the leading owner and manager of Australian supermarket anchored shopping centres and with a portfolio of hardware, automotive showroom and hospitality assets, we are providing a secure and growing income stream for our investors.”

GREG CHUBB
RETAIL CEO



FUM
\$6.0bn



PROPERTIES
171



OCCUPANCY
97.8%



WALE
8.4yrs



CAP RATE
5.94%



CHC INVESTMENT
\$601m



Charter Hall Direct

“Charter Hall Direct is Australia’s leading manager of unlisted property funds and syndicates for retail investors including high net worth, self managed super funds and mum and dad investors that are self directed or use financial advisers.”

RICHARD STACKER
GROUP EXECUTIVE – GLOBAL INVESTOR RELATIONS



FUM
\$3.0bn



PROPERTIES
55



OCCUPANCY
99.8%



WALE
9.6yrs



CAP RATE
6.25%



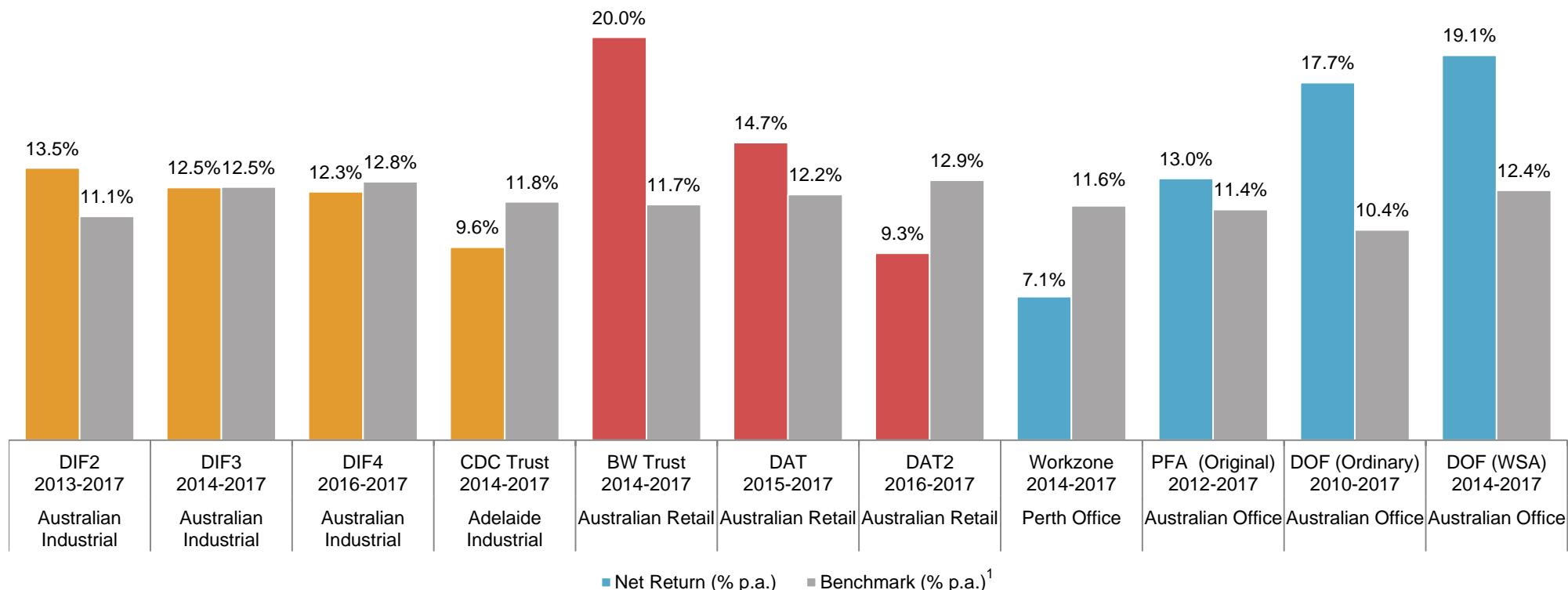
CHC INVESTMENT
\$87m

Direct Funds Net Returns Since Inception

The active Direct Funds have returned 12.9% p.a. outperforming the benchmark¹ by 1.2%



COMMERCIAL PROPERTY
SMSF MEMBER
WINNER
CORE DATA



1. Benchmark refers to the MSCI/IPD Unlisted Core Wholesale Property Fund Index

Appendix – Property Investment



Coca Cola Amatil, Richlands QLD

Property Investment Portfolio

	Ownership Stake (%)	Charter Hall Investment (\$m)	Charter Hall PI Income (\$m)	WALE (years)	WACR (%)	WADR (%)	WARR (%)	PI Yield ² (%)
Office		562.3	17.1	5.4	5.6%	7.0%	3.8%	6.3%
Charter Hall Prime Office Fund (CPOF)	9.6%	245.5	6.9	6.4	5.7%	7.0%	3.8%	5.9%
Charter Hall Office Trust (CHOT)	14.3%	206.2	6.6	4.5	5.3%	6.9%	3.8%	6.4%
Brisbane Square Wholesale Fund (BSWF)	16.8%	100.9	3.4	6.3	6.1%	7.3%	3.6%	6.8%
Counter Cyclical Trust (CCT)	5.0%	8.3	0.1	3.8	5.8%	7.0%	3.9%	11.1%
Workzone Trust (Workzone)	2.0%	1.3	0.1	7.7	7.1%	7.5%	4.0%	9.1%
Charter Hall PFA Fund (PFA)	0.1%	0.2	0.0	8.6	7.2%	8.0%	3.4%	7.4%
Industrial		290.9	8.5	9.7	6.2%	7.5%	3.0%	6.0%
Core Logistics Partnership (CLP)	13.8%	142.4	4.2	10.1	6.2%	7.5%	3.0%	6.0%
Charter Hall Prime Industrial Fund (CPIF)	5.9%	118.2	3.2	8.9	6.2%	7.5%	3.1%	5.5%
Direct Investment Fund No. 4 (DIF4)	18.3%	30.3	1.1	11.4	6.4%	7.8%	2.9%	7.6%
Retail		528.5	16.9	6.9	6.0%	7.3%	3.9%	6.8%
Charter Hall Retail REIT (CQR) ¹	18.7%	325.5	11.5	6.7	6.2%	7.2%	4.1%	7.2%
Long WALE Hardware Partnership (LWHP)	12.9%	83.6	1.7	9.6	5.6%	7.2%	2.9%	5.3%
Charter Hall Prime Retail Fund (CPRF) ¹	38.0%	44.9	1.4	4.0	5.8%	7.5%	4.4%	6.3%
Retail Partnership No. 6 (RP6) ¹	20.0%	36.5	1.0	3.6	5.6%	7.8%	3.5%	6.1%
Long WALE Investment Partnership (LWIP)	5.0%	21.0	0.7	16.7	5.9%	7.2%	2.0%	7.1%
Long WALE Investment Partnership 2 (LWIP2)	10.0%	10.5	0.4	17.4	5.9%	7.3%	2.0%	6.9%
Retail Partnership No. 2 (RP2) ¹	5.0%	6.6	0.2	4.7	5.5%	7.3%	4.4%	6.7%
Diversified		249.3	7.4	11.0	6.3%	7.7%	2.8%	6.6%
Charter Hall Long WALE REIT (CLW)	20.4%	193.9	5.5	11.3 ³	6.2% ³	7.6% ³	2.8% ³	6.5%
Discretionary Consumer Staples Fund (DCSF) ⁴	76.8%	55.4	1.9	9.3	6.7%	8.1%	2.7%	6.9%
Total Property Investments Portfolio		1,631.1	49.9	7.4	5.93%	7.3%	3.5%	6.4%

1. Refers to contracted weighted average rent reviews of the specialty tenants only

2. PI Yield is calculated as operating earnings divided by weighted average investment during the period . Excludes MTM movements in NTA during the year

3. Includes Virgin Australia Head Office which was acquired 4 January 2018

4. DCSF is included as a direct property investment in the 1H FY18 statutory accounts

Charter Hall Retail REIT (CQR)

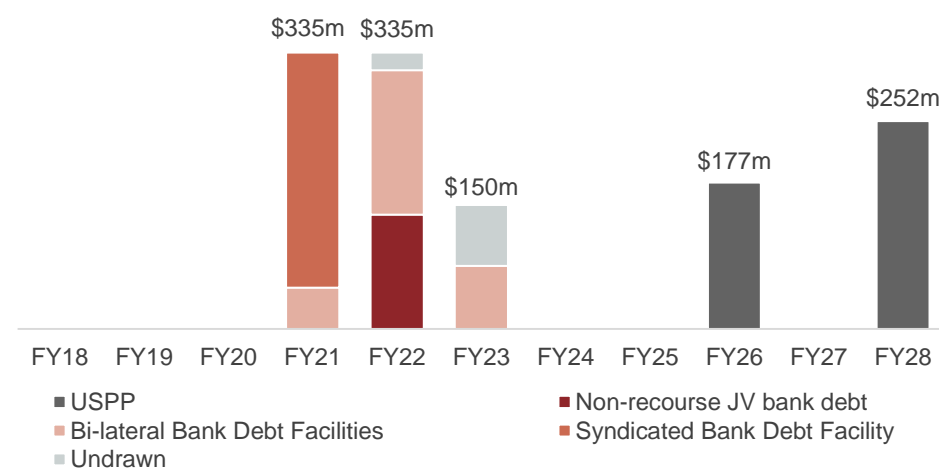
Key events during 1H FY18

- Acquired Salamander Bay, NSW and Highfields Village, QLD for the combined consideration of \$215.5m
- Divested 11 non-core assets for \$229.8m¹
- Dan Murphy's at Secret Harbour completed and opened in December 2017
- Lake Macquarie, Mount Hutton and Wanneroo re-developments underway
- Repaid and cancelled \$50m debt facility maturing in July 2018
- Weighted average debt maturity of 5.6 years with no debt maturing until FY21

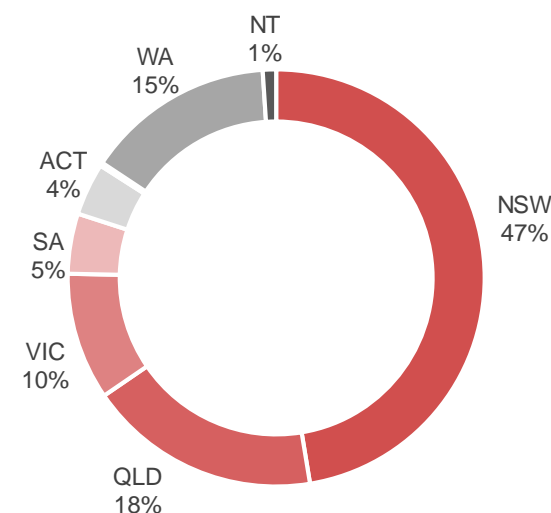
Key metrics

Gross property assets	\$2.9bn
Total debt	\$1.0bn
Gearing (balance sheet) ²	33.9%
Number of assets	66
Occupancy (weighted by GLA)	97.8%
WALE	6.7
WACR	6.2%
WARR	4.1%
Charter Hall interest	18.7%
Charter Hall co-investment	\$325.5m

Debt expiry profile (by facility limit)



Geographic allocation (by GAV)



1. Divestments calculated at CQR's share and include divestments settling post balance date
 2. December 2017 pro-forma balance sheet gearing post-contracted asset disposals

Charter Hall Office Trust (CHOT)

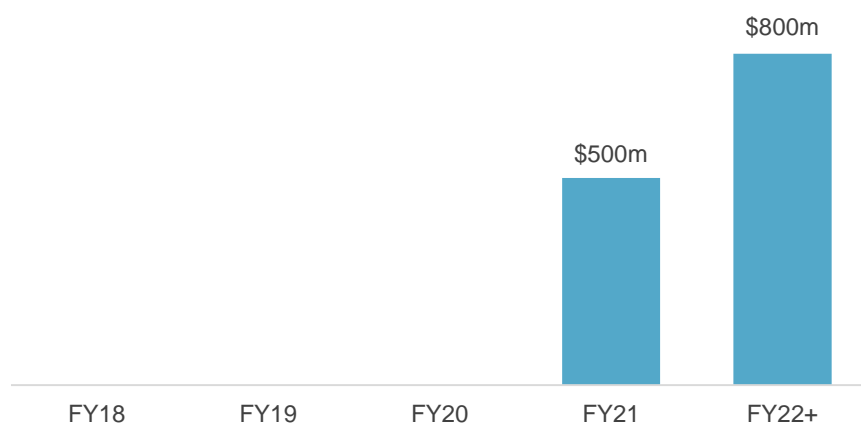
Key events during 1H FY18

- The portfolio was independently valued at \$2.7bn as at 31 December 2017 representing a net valuation increase of 5.0% against the 30 June 2017 book valuations
- Debt refinance was completed – debt facility increased by \$100m to \$1.3bn and extended term from 2.5 years to 4.0 years
- DA for new tower (circa 16,000sqm) at 140 Lonsdale was approved by the Minister for Planning

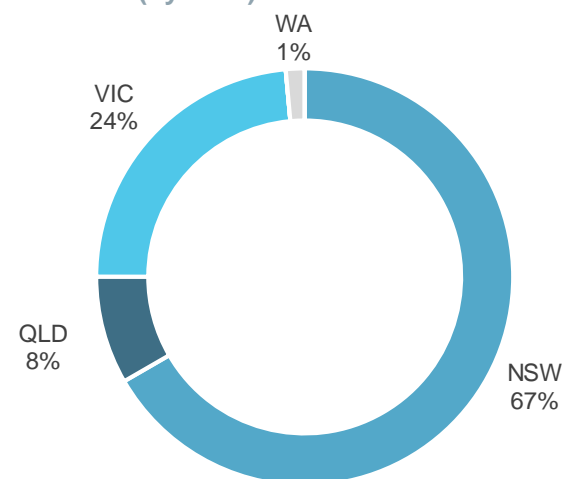
Key metrics

Gross property assets	\$2.7bn
Total debt	\$1.2bn
Gearing (balance sheet)	41.6%
Number of assets	10
Occupancy	98.9%
WALE	4.5
WACR	5.3%
WARR	3.8%
Charter Hall interest	14.3%
Charter Hall co-investment	\$206.2m

Debt expiry profile (by facility limit)



Geographic allocation (by GAV)

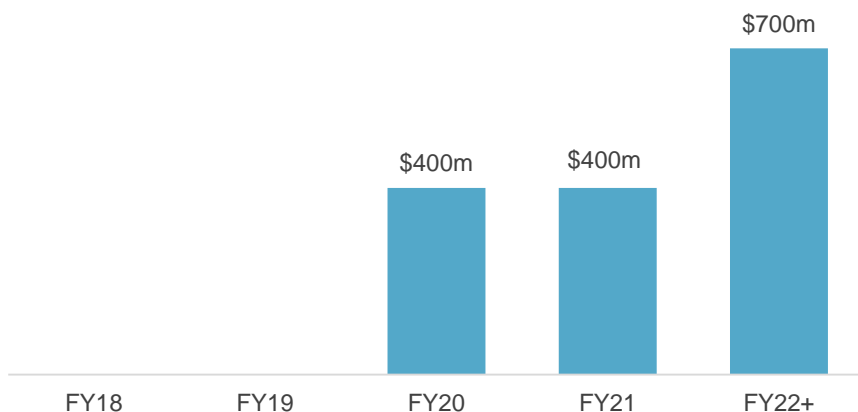


Charter Hall Prime Office Fund (CPOF)

Key events during 1H FY18

- CPOF returned 15.3% in the 12 months to 31 December 2017, outperforming the MSCI / IPD Unlisted Wholesale Core Office Index benchmark which returned 14.9% over the same period. CPOF was the highest performing fund in the Index over 3 years to 31 December 2017 (17.2%)
- Significant development leasing progress at CPOF's key development projects. Major tenants Telstra Super, CBUS and Vanguard secured at 130 Lonsdale St (50+% pre-committed)
- CPOF commenced a \$500m equity raising with \$340m equity committed at first close. Introduced two new offshore investors
- New unsecured debt facility entered into and facility size extended by \$300m to total \$1.5bn. The refinance introduces new offshore lending sources to the portfolio

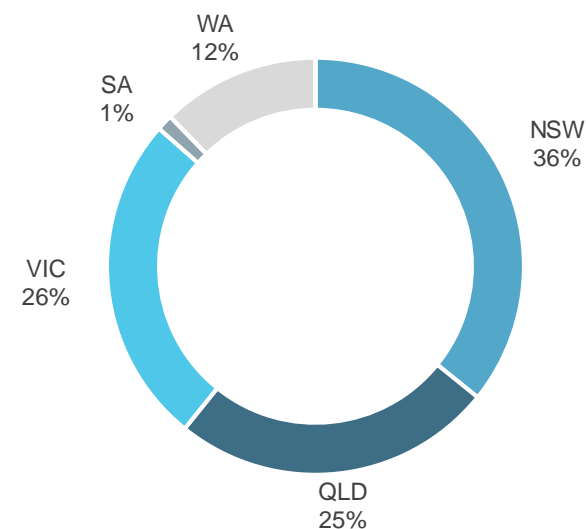
Debt expiry profile (by facility limit)



Key metrics

Gross property assets	\$3.7bn
Total debt	\$0.7bn
Gearing (balance sheet)	21.6%
Number of assets	22
Occupancy	97.8%
WALE	6.4
WACR	5.7%
WARR	3.8%
Charter Hall interest	9.6%
Charter Hall co-investment	\$245.5m

Geographic allocation (by GAV)

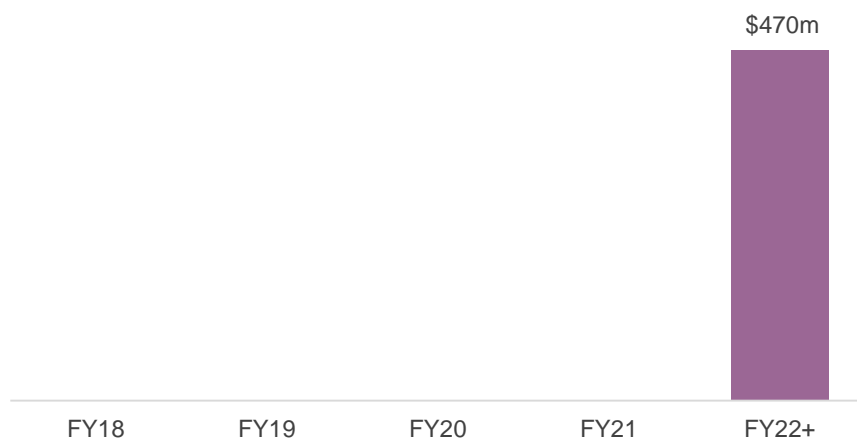


Charter Hall Long WALE REIT (CLW)

Key events during 1H FY18

- Entered agreement to acquire Virgin Australia Head Office in Queensland¹
 - \$90.8m purchase price, reflecting a portfolio capitalisation rate of 6.8%
 - 100% occupied with 8.4 year WALE at settlement
 - Improves portfolio diversification and increases weighting to Eastern Seaboard
- Portfolio revaluations resulted in a total gross uplift of \$21.0m
 - 1.5% increase on prior book values
- Successfully raised \$94.1m of new equity via entitlement offer in December with proceeds utilised to fully fund Virgin Australia Head Office acquisition
- Delivered OEPS of 13.0cps for the period, outperforming PDS target of 12.8cps

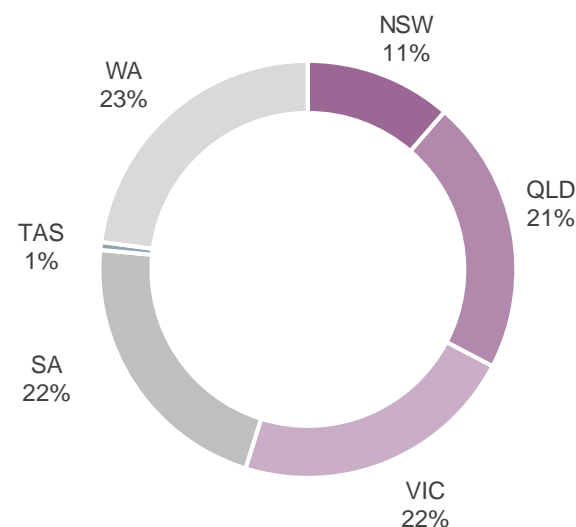
Debt expiry profile (by facility limit)



Key metrics

Gross property assets ²	\$1.5bn
Total debt	\$0.4bn
Gearing (balance sheet) ³	28.6%
Number of assets ²	81
Occupancy ²	100.0%
WALE ²	11.3
WACR ²	6.2%
WARR ²	2.8%
Charter Hall interest	20.4%
Charter Hall co-investment	\$193.9m

Geographic allocation (by GAV)



1. Acquisition settled post balance date on 4 January 2018
 2. Includes Virgin Australia Head Office which was acquired 4 January 2018
 3. Reflects pro-forma 31 December 2017 balance sheet gearing adjusted for the settlement of Virgin Australia Head Office

Core Logistics Partnership (CLP)

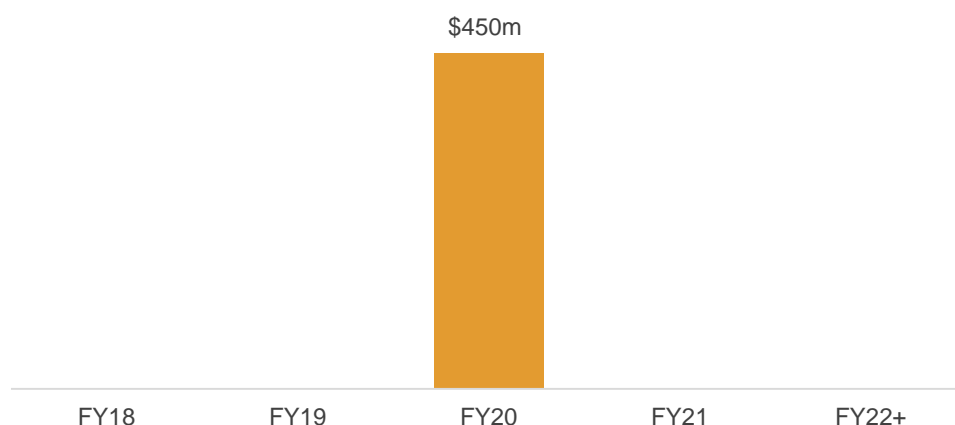
Key events during 1H FY18

- CLP have exchanged contracts for the **divestment of non-core land parcels** with a combined **realisation value of \$51.0m**
- New leases over 190,200sqm of GLA** executed during the half. These include 120,700sqm of leases on the Fund's stabilised portfolio and 69,500sqm of new prelease on the Fund's existing land holding at Drystone Estate and Connectwest Estate
- Two new pre-leased facilities at Drystone Estate, Victoria** reached practical completion. These included Couriers Please (14,800sqm GLA) and Laverton Cold Storage expansion (12,800sqm GLA) with a combined on completion value of \$52m

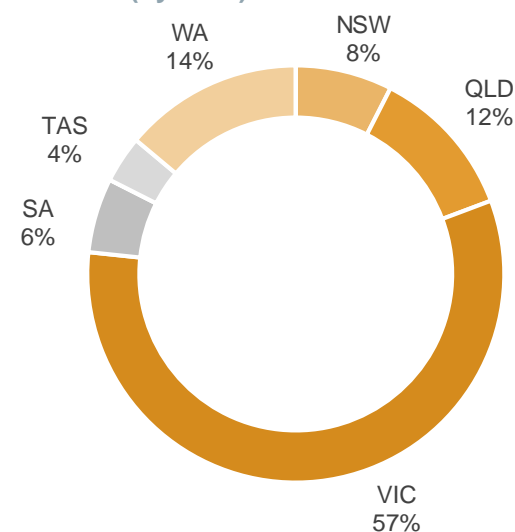
Key metrics

Gross property assets	\$1.5bn
Total debt	\$0.3bn
Gearing (balance sheet)	22.2%
Number of assets	26
Occupancy	99.8%
WALE	10.1
WACR	6.2%
WARR	3.0%
Charter Hall interest	13.8%
Charter Hall co-investment	\$142.4m

Debt expiry profile (by facility limit)



Geographic allocation (by GAV)



Charter Hall Prime Industrial Fund (CPIF)

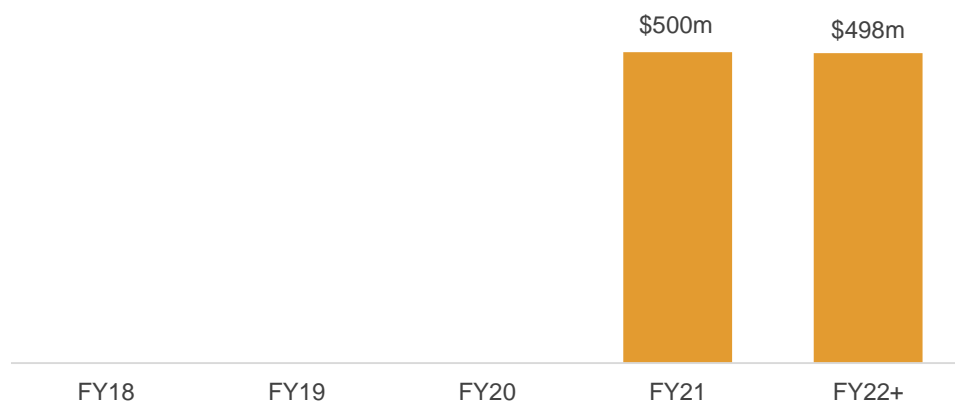
Key events during 1H FY18

- **Acquisition of three assets for \$311m** settled during the period, this includes Hastings Deering portfolio at Acacia Ridge QLD (\$118m) and a newly built Coca Cola facility at Richlands QLD (\$157m) both with lease terms of 20 years **improving the Fund WALE to 8.9 years** from 7.7 years
- **New leases over 260,500sqm of GLA** were executed. These included 124,200sqm of executed leases on the Fund's stabilised portfolio and 136,300sqm of new pre-lease on the Fund's existing land holding
- CPIF exchanged contracts to **divest part of Chullora Industrial Park for \$23.3m** at above book value

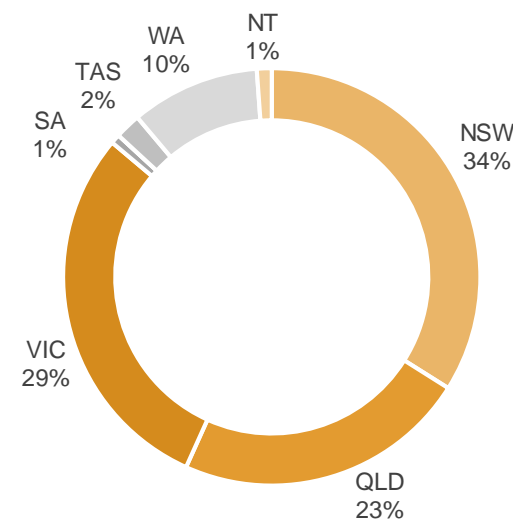
Key metrics

Gross property assets	\$2.8bn
Total debt	\$0.5bn
Gearing (balance sheet)	19.0%
Number of assets	52
Occupancy	94.0%
WALE	8.9
WACR	6.2%
WARR	3.1%
Charter Hall interest	5.9%
Charter Hall co-investment	\$118.2m

Debt expiry profile (by facility limit)



Geographic allocation (by GAV)



Fund Key and Glossary

Listed Entities	
CHC	Charter Hall Group
CQR	Charter Hall Retail REIT
CLW	Charter Hall Long WALE REIT
Wholesale	
BSWF	Brisbane Square Wholesale Fund
CHOT	Charter Hall Office Trust
CCT	Charter Hall Counter Cyclical Trust
CLP	Core Logistics Partnership
CPIF	Charter Hall Prime Industrial Fund
CPOF	Charter Hall Prime Office Fund
CPRF	Charter Hall Prime Retail Fund
LWHP	Long WALE Hardware Partnership
LWIP	Long WALE Investment Partnership
LWIP2	Long WALE Investment Partnership No. 2
RP1	Retail Partnership No.1
RP2	Retail Partnership No.2
RP6	Retail Partnership No.6

Direct Funds	
BW Trust	BW Trust (Direct syndicate)
CDC	Charter Hall Direct CDC Trust
DIF2, DIF3, DIF4	Direct Industrial Fund series
DOF	Direct Office Fund
PFA	Direct PFA Fund
DAT, DAT2	Charter Hall Direct Automotive Trust Series
DCSF	Charter Hall Direct Consumer Staples Fund
Other	
CAGR	Compound Annual Growth Rate
FUM	Funds Under Management
NTA	Net Tangible Assets
OEPS	Operating Earnings per Security
PFM	Property Funds Management
PI	Property Investments
WACR	Weighted Average Cap Rate
WADR	Weighted Average Discount Rate
WALE	Weighted Average Lease Expiry
WARR	Weighted Average Rent Review

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