

# Charter Hall Group

2020 Full Year Results

20 August 2020

130 Lonsdale Street, Melbourne VIC



# Agenda

1. Highlights and Strategy
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



**Russell Proutt**  
Chief Financial  
Officer

# Highlights and Strategy

1



# Group highlights<sup>1</sup>

## Group investment capacity of \$5.0bn

### Group Returns

Operating earnings  
**\$323m**  
Statutory profit<sup>2</sup>  
**\$346m**

OEPS  
**69.3cps**

Total platform return<sup>3</sup>  
**18.8%**

### Property Investments

Property Investment portfolio  
**\$2.0bn**  
10.0% growth

Total Property Investment (PI) return<sup>4</sup>  
**10.0%**

Property Investment (PI) yield  
**6.2%**

### Funds Management

FUM growth  
**\$10.1bn**  
to  
**\$40.5bn**    33.2% growth

Gross transactions  
**\$8.3bn**

Property Funds Management (PFM) yield<sup>5</sup>  
**10.5%**

### Investment Capacity

Group investment capacity<sup>6</sup>  
**\$5.0bn**

### Balance sheet

NTA growth  
**9.6%**

Balance sheet gearing  
**0%**

1. Figures and statistics on this slide and throughout this presentation are for the 12 months to 30 June 2020 unless otherwise stated  
2. Attributable to stapled securityholders  
3. Total Platform Return is calculated as growth in net tangible assets (NTA) per security plus distributions per security divided by the opening NTA per security for the 12 months to 30 June 2020

4. Total Property Investment Return is calculated as distributions received from funds plus growth in investment value divided by the opening investment value of the PI portfolio for the 12 months to 30 June 2020. This excludes investments in new vehicles held for less than a year and investments in Direct funds  
5. Property Funds Management (PFM) yield is calculated as PFM operating earnings post tax per security (includes 50% allocation of net interest) divided by the opening NTA per security for the 12 months to 30 June 2020  
6. Investment capacity calculated as cash plus undrawn debt facilities for CHC and the funds management platform. At 30 June 2020, cash was \$1.4bn

## Our strategy

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

	<div></div> <div><b>Access</b> Accessing equity from listed, wholesale and retail investors</div>	<div></div> <div><b>Deploy</b> Creating value through attractive investment opportunities</div>	<div></div> <div><b>Manage</b> Funds management, asset management, leasing and development services</div>	<div></div> <div><b>Invest</b> Investing alongside our capital partners</div>
1 year	<div>Gross equity deployed</div> <div>\$5.1bn</div>	<div>Gross transactions</div> <div>\$8.3bn</div> <div><div>Divestments</div><div>\$1.0bn</div><div>Acquisitions</div><div>\$7.3bn</div></div>	<div>FUM</div> <div>\$40.5bn</div> <div><div>FUM growth</div><div>\$10.1bn</div></div>	<div>Increase in PI to \$2.0bn</div> <div>\$184m ↑ 10.0%</div> <div>Total Property Investment return</div> <div>10.0%</div>
3 years	<div>Gross equity deployed</div> <div>\$10.2bn</div>	<div>Gross transactions</div> <div>\$16.8bn</div> <div><div>Divestments</div><div>\$2.8bn</div><div>Acquisitions</div><div>\$14.0bn</div></div>	<div>FUM growth</div> <div>\$20.7bn</div>	<div>Increase in PI</div> <div>\$501m ↑ 32.8%</div> <div>Total Property Investment return</div> <div>10.4%</div>
5 years	<div>Gross equity deployed</div> <div>\$14.0bn</div>	<div>Gross transactions</div> <div>\$25.8bn</div> <div><div>Divestments</div><div>\$5.8bn</div><div>Acquisitions</div><div>\$19.9bn</div></div>	<div>FUM growth</div> <div>\$27.0bn</div>	<div>Increase in PI</div> <div>\$1.1bn ↑ 114.8%</div> <div>Total Property Investment return</div> <div>13.1%</div>

## Operating in the COVID-19 environment

Charter Hall strategy demonstrating its resilience



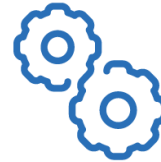
### Access

- Accelerating demand for industrial & logistics
- Direct flows have averaged \$95m per month during FY20
- Continued securing wholesale pooled and partnership inflows
- Listed inflows of \$1.4bn during FY20



### Deploy

- Continued momentum in sale and leaseback transactions
- Pivoted volume toward Industrial & logistics
- Taken advantage of reduced buyer competition



### Manage

- Proportion of rent from SME tenants of 10.2% across the funds platform
- Platform benefited from high occupancy, long WALE portfolios and resilient tenant industries



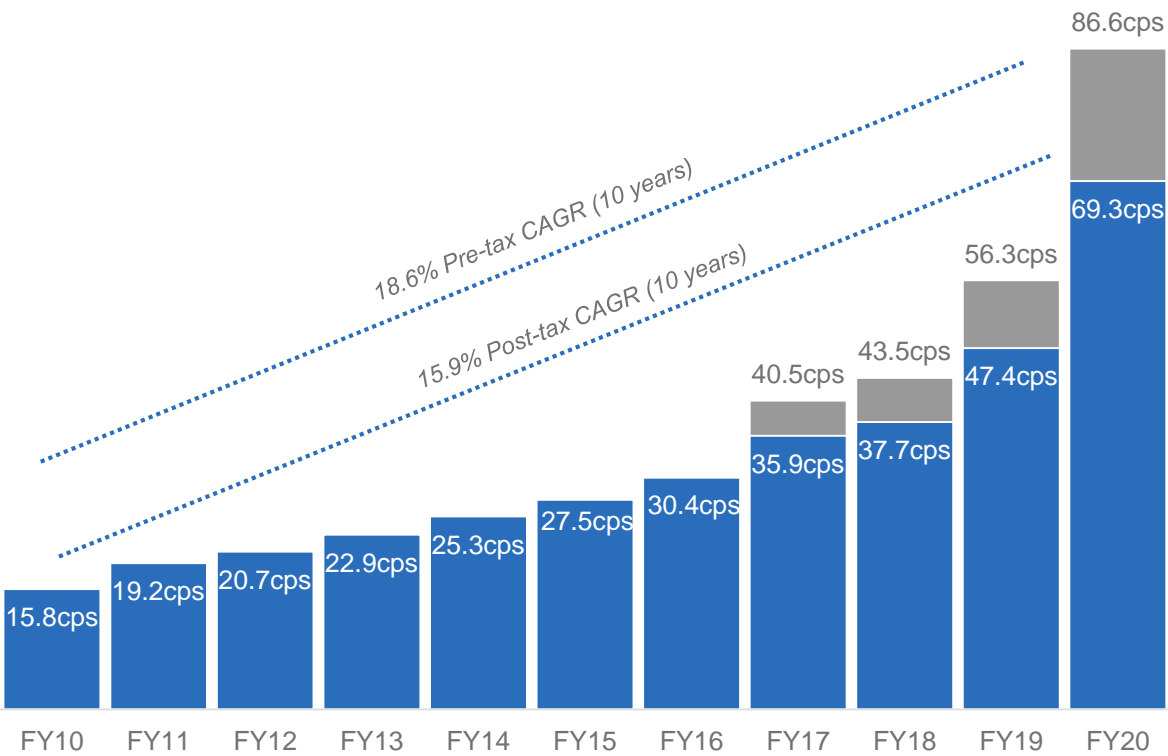
### Invest

- Incremental balance sheet investments weighted towards Industrial & Logistics & Long WALE portfolios
- Balance sheet highly diversified with Top 10 asset exposures representing only 7.4% of Group earnings
- High proportion of government and strong covenant corporate tenants in resilient industries

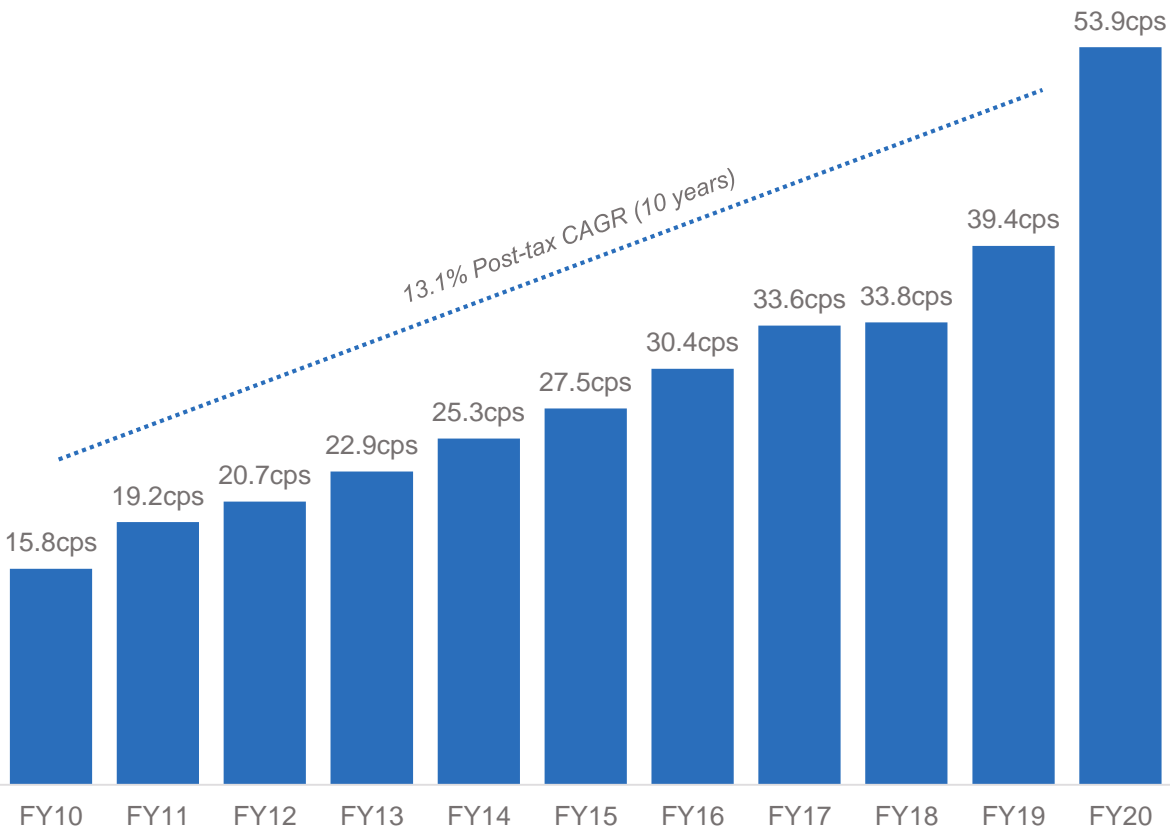
# Operating earnings growth

Operating earnings per security growth

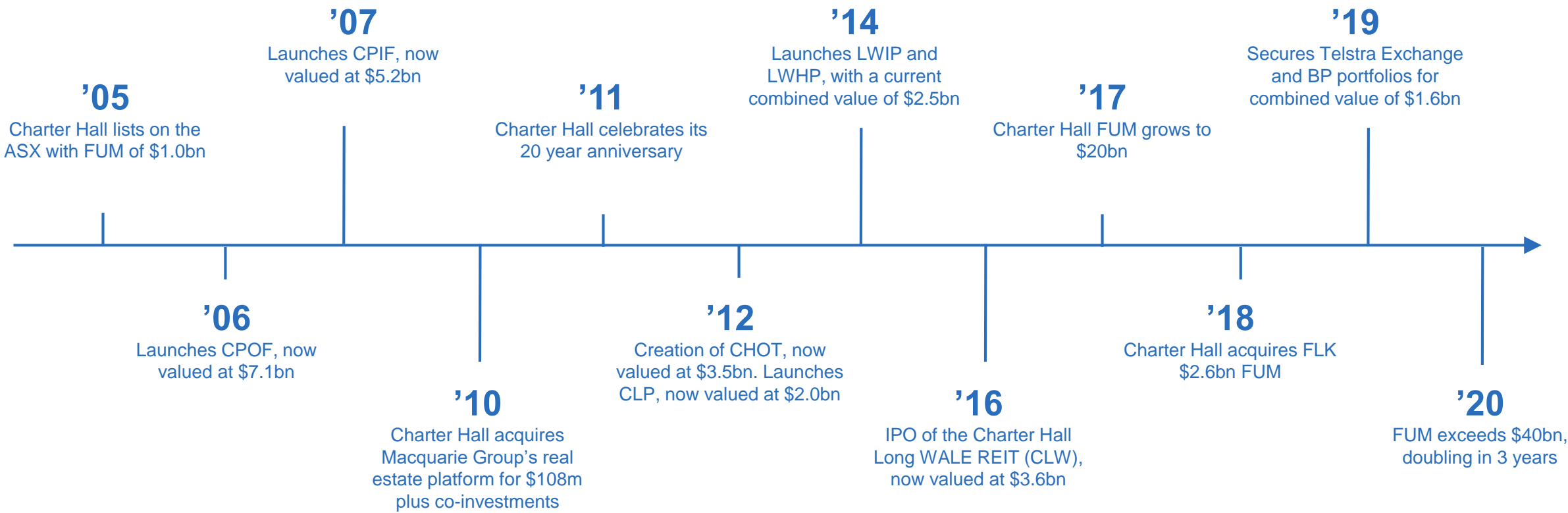
- OEPS (pre-tax) cps
- OEPS (post-tax) cps



Operating earnings per security growth  
(excluding CHOT Performance fee)



# 15 years as a listed company

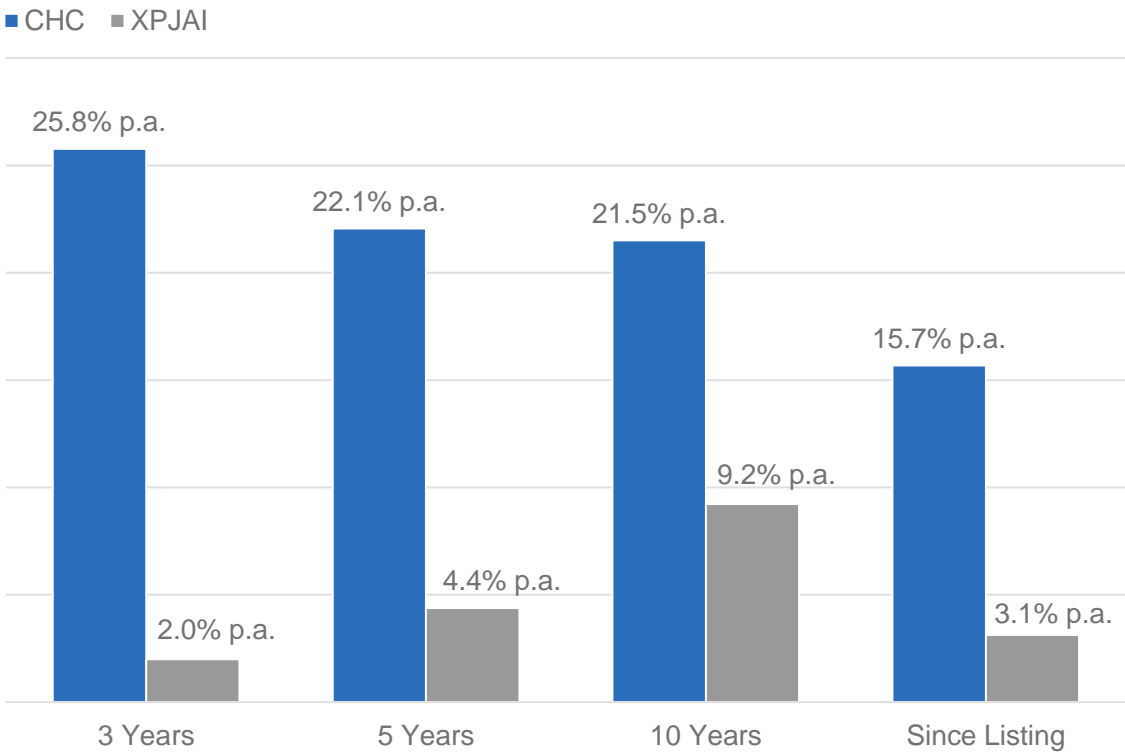




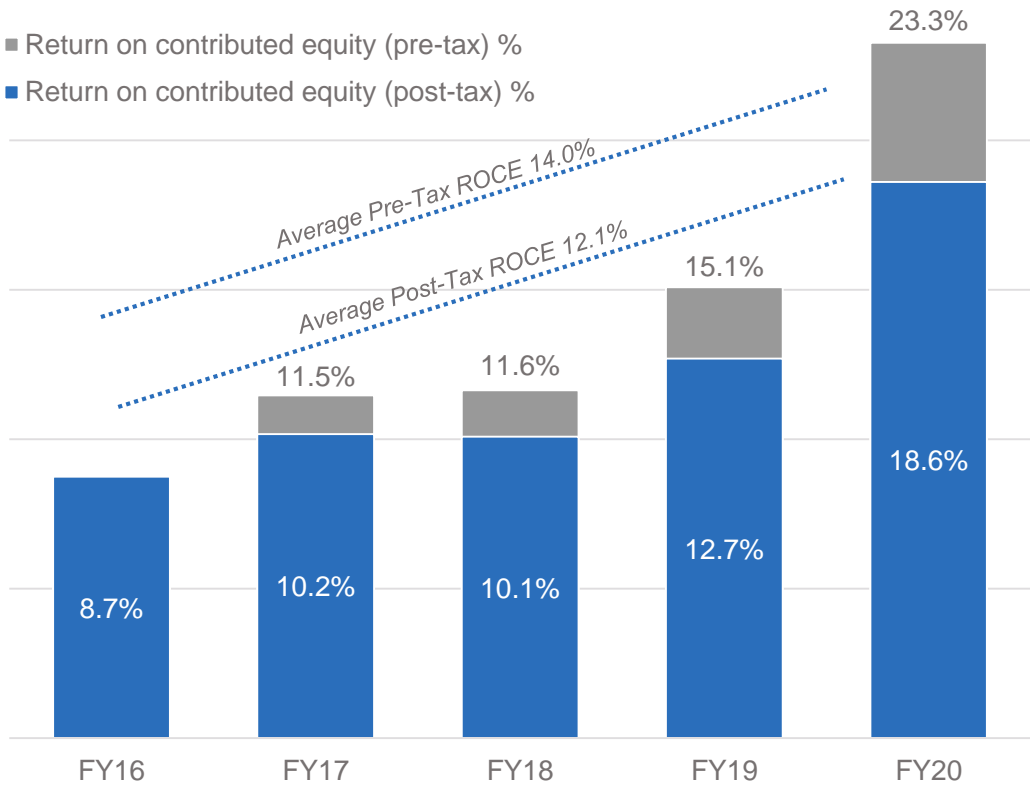
# 15 years as a listed company

## 15 years of outperformance relative to the AREIT index

Total Shareholder Return vs. ASX 200 Property Accumulation Index (XPJAI)  
(Compound Annual Growth Rate)



Return on Contributed Equity



# Property Funds Management

# 2

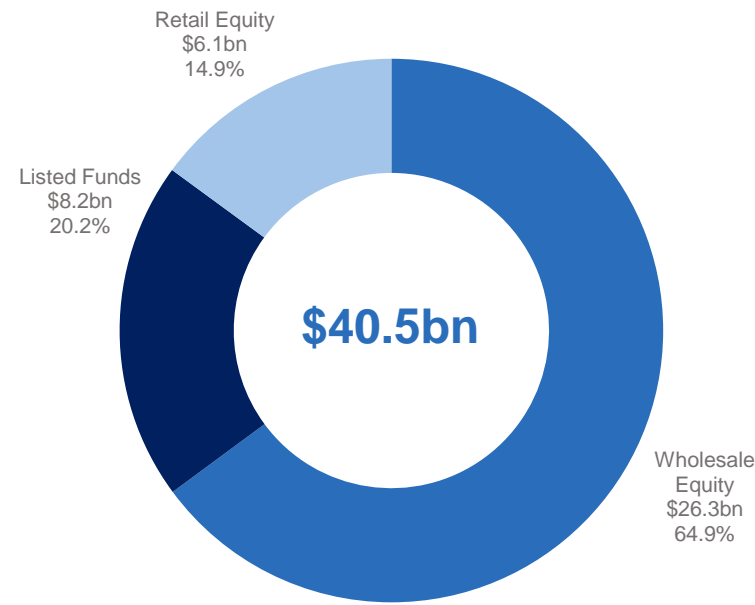


# Group funds management portfolio

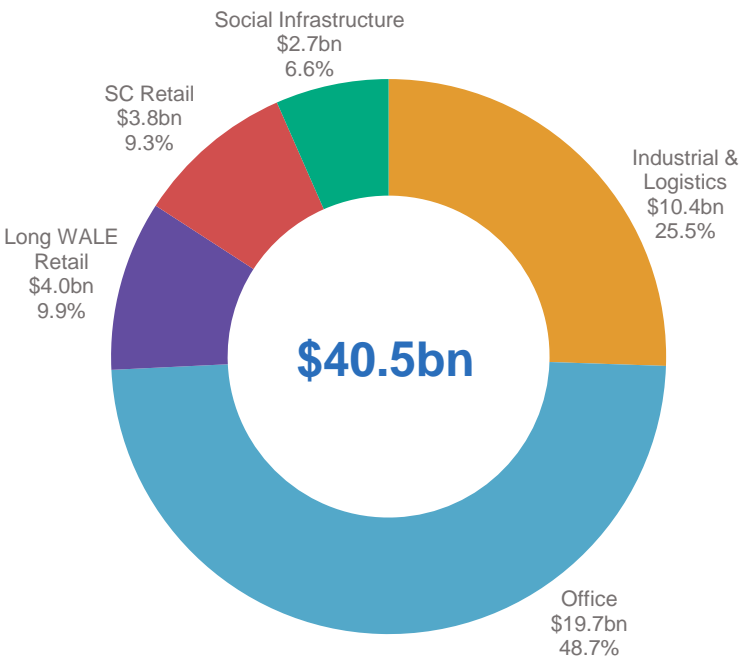
## High occupancy and sector leading WALE's

	Portfolio value (\$bn)	Lettable area (m sqm)	No. of Properties	No. of Tenancies	Net rent (\$m)	WALE (years)	Occupancy (%)	WACR (%)
30 June 2020	40.5	7.9	1,104	4,051	2,167	8.6	97.5	5.27
30 June 2019	30.4	6.6	844	3,419	1,713	8.2	97.9	5.58

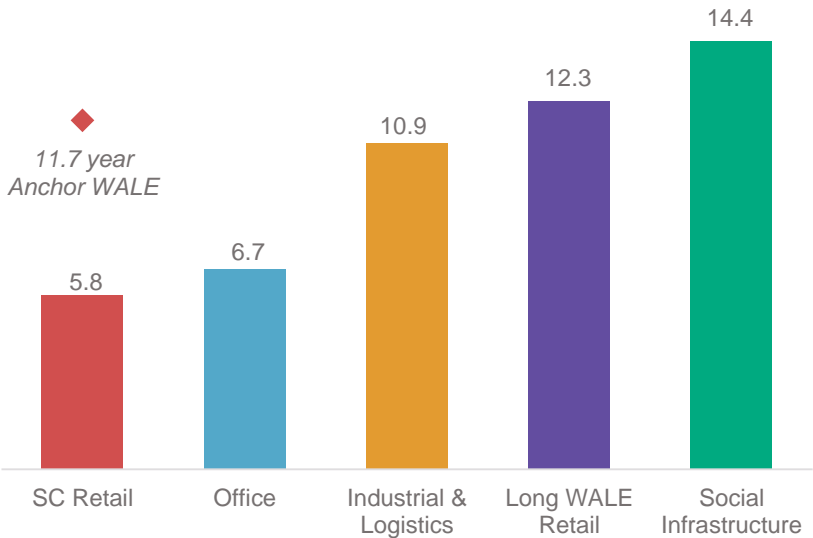
Diversification by equity source



Asset type diversification



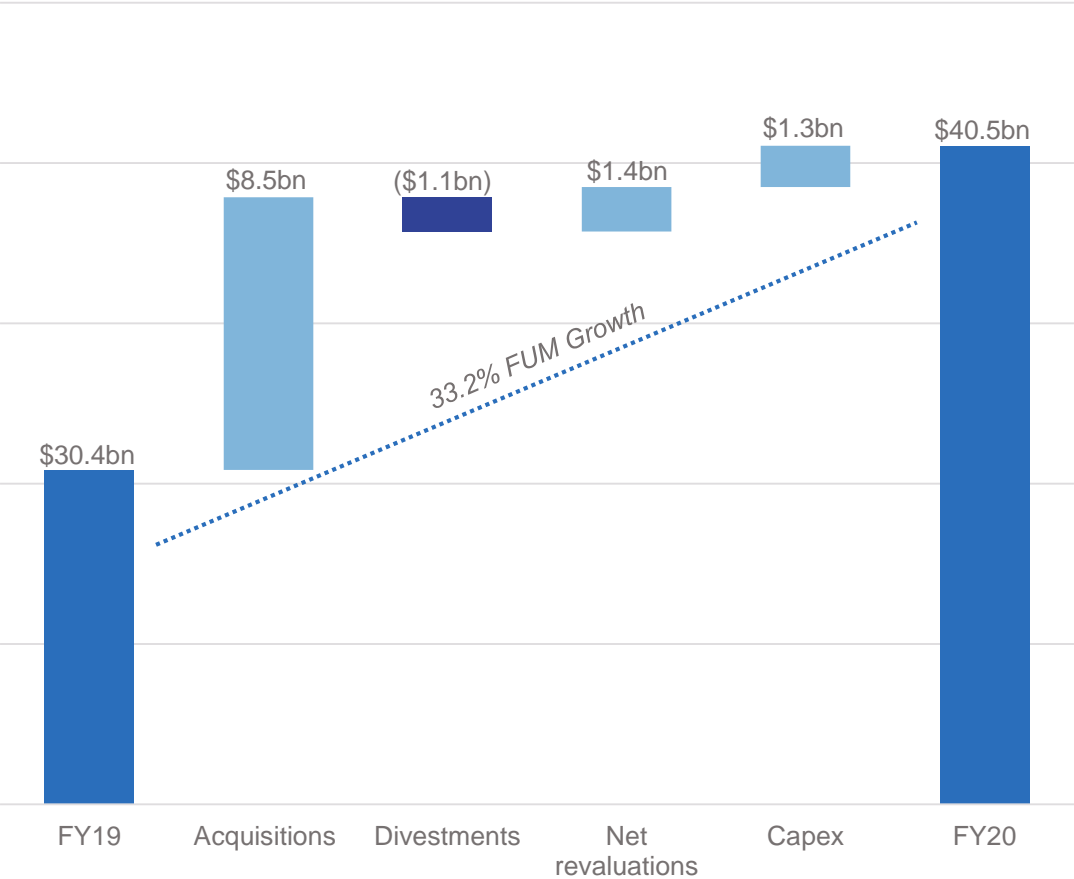
WALE by sector



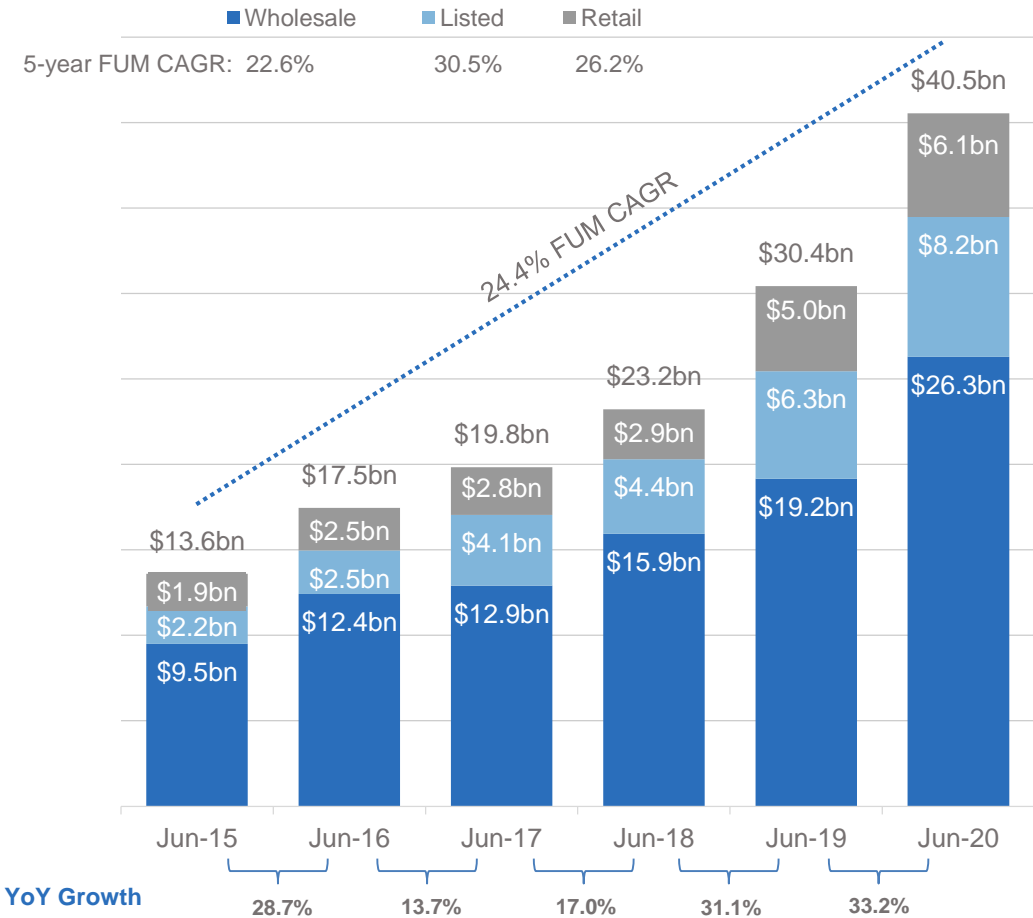
# Funds under management growth

FUM growth of 33.2% in FY20, to \$40.5bn

Funds under management movement (\$bn)



Funds under management by equity source (\$bn)





## FY20 transactional activity

67% growth in transactional activity

(\$m)	Office	Industrial & Logistics	Long WALE Retail	Shopping Centre Retail	Social Infrastructure / Other	Total
Acquisitions	3,334	1,906	1,212	62	760	7,275
Divestments	(229)	(107)	(194)	(420)	(72)	(1,023)
Net transactions	3,106	1,799	1,018	(358)	688	6,252
Gross transactions	<b>3,563</b>	<b>2,014</b>	<b>1,407</b>	<b>482</b>	<b>832</b>	<b>8,297</b>



ALDI Distribution Centre, Prestons, Sydney NSW



BP Forestville, Sydney NSW



2 Chifley Square, Sydney NSW



Arnott's Distribution Facility, Huntingwood, Sydney NSW

## Development activity

Development continues to drive FUM growth & attract capital

Development activity (completion value (\$m))	Completions (last 12 months)	Committed projects	Uncommitted projects <sup>2</sup>	Total pipeline <sup>3</sup>
Office	1,319	870	3,339	4,209
Industrial & Logistics	328	1,348	916	2,264
Long WALE Retail	-	116	-	116
Retail <sup>1</sup>	-	19	32	51
Social Infrastructure	25	116	29	145
<b>Total / weighted average</b>	<b>1,672</b>	<b>2,470</b>	<b>4,316</b>	<b>6,786</b>

1. Reflects development spend only and excludes existing centre value

2. Includes potential end value of uncommitted development projects

3. \$2.5bn included in FUM at 30 June 2020

## Equity flows

Diversified equity sources with \$5.1bn gross equity flows across 24 funds in the last 12 months

- Wholesale equity raisings of \$2.6bn including raisings in CPOF, DVP, CHAIT and Telstra Exchanges Trust
- Listed equity flows of \$1.4bn with 6 raisings across CLW, CQR and CQE
- Continued strength in Direct funds with \$1.1bn raised in the year
- 37,000 investor customers across Wholesale, Listed & Direct

(\$m)	FY17	FY18	FY19	FY20
Wholesale pooled funds	776	649	1,802	1,272
Wholesale partnerships	217	322	219	1,298
Listed funds	988	77	692	1,369
Direct funds	355	653	691	1,136
<b>Gross equity</b>	<b>2,336</b>	<b>1,701</b>	<b>3,404</b>	<b>5,076</b>
Net equity	1,689	1,487	3,287	4,585

# Property Investment

# 3

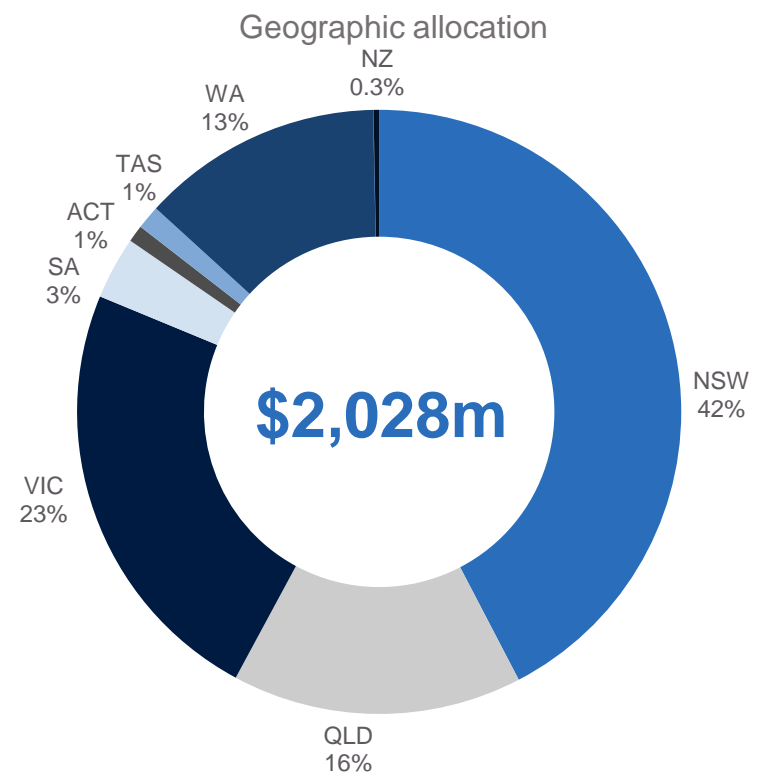
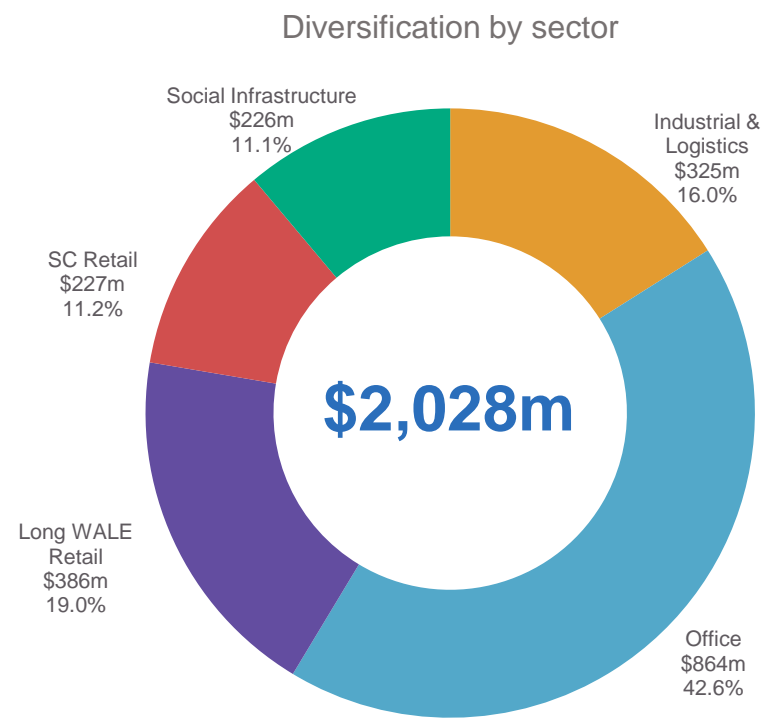




# Property Investment portfolio

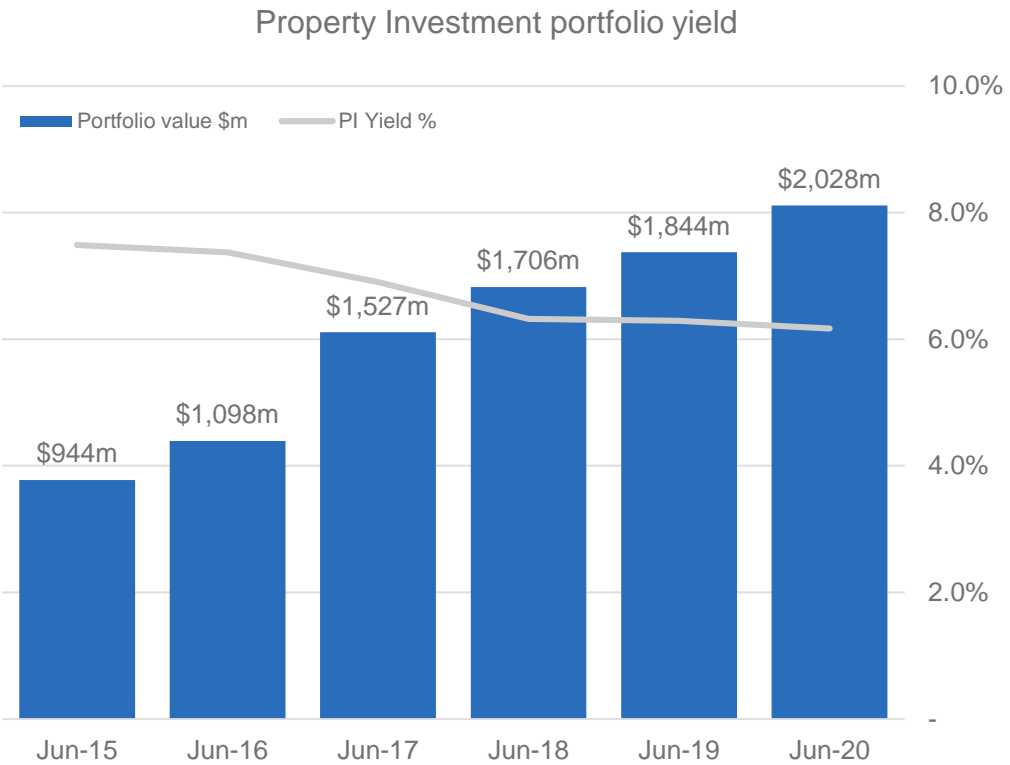
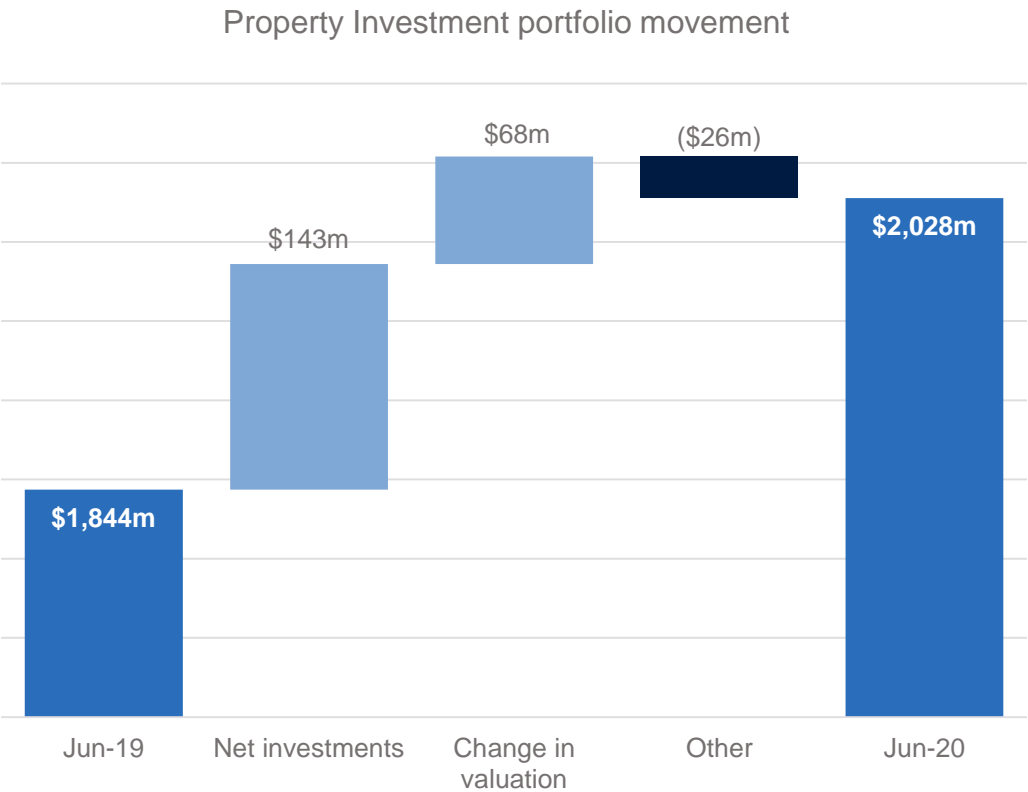
81% east coast weighting

	Portfolio value (\$bn)	No. of Properties	WALE (years)	Occupancy (%)	WARR (%)	WACR (%)	WADR (%)
30 June 2020	2.0	1,027	8.7	97.6	3.3	5.25	6.5
30 June 2019	1.8	793	7.6	97.7	3.5	5.64	6.9



# Property Investment portfolio movement

## PI yield of 6.2% remains attractive

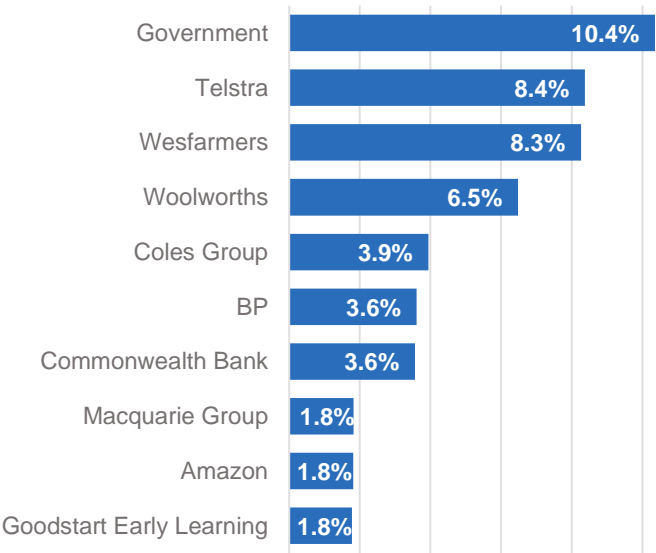


## Diversified PI earnings

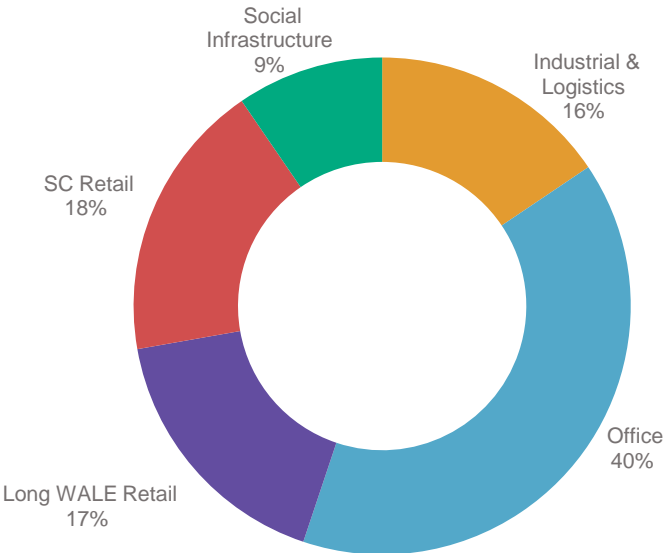
Top 10 asset exposures represent only 7.4% of Group earnings (post-tax)

- 74% repeat customers across 2,130 leases
- Tenant retention rate of 86.5% for the 12 months to 30 June 2020

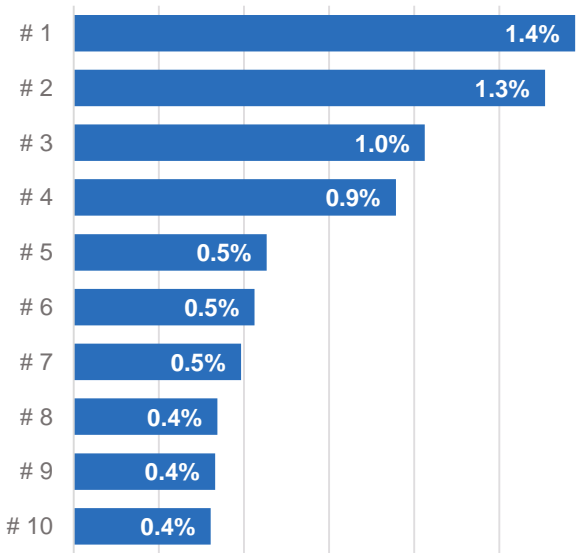
Top 10 tenants by net income<sup>1</sup>



Property Investment earnings (by sector)



Top 10 asset exposures<sup>2</sup>



1. Proportion of CHPT net income by tenant  
2. Asset exposure measured as net income of property, weighted for CHPT ownership stake, divided by post-tax group OEPS  
Charter Hall Group 2020 Full Year Results

## Environment

### Climate resilience

#### Net zero target

Implementation of Scope 1 and Scope 2 Net Zero by 2030 pathway.

#### Renewable Energy

21MW of solar installed across our retail, industrial and office portfolios, in partnership with our tenant customers, when operating at capacity has the potential to generate 32.3MWh of energy, equivalent to powering 2,150 homes, over a twelve month period.

#### Sustainable Portfolios

Australia's largest Green Star footprint with 230 assets achieving a Green Star Performance or Design and As Built ratings and 8 office funds in top 11 portfolios in NABERS Sustainable Portfolios index.



## Social

### Strong communities

#### Pledge 1%

\$933,000 donated to the community through our partnerships, including \$500,000 for bushfire relief and recovery.

60% of employees engaged in volunteering.

45,285sqm in Pledge 1% space, valued at \$1.9m provided for community use.

#### Engaged employees

93% employee engagement score and Charter Hall was recognised in the Women's Index – Australia as one of the leading ASX listed companies to demonstrate gender equality.



## Governance

### Responsible Business

#### TCFD alignment underway

Climate Strategy evolving to prepare our business for a low carbon economy and/or business as usual climate scenarios.

#### Working to protect human rights

Mandatory employee Modern Slavery training. High risk suppliers engaged through pre-qualification survey, measuring awareness and understanding of modern slavery issues.



# Financial Result

4



## Earnings summary

- DI EBITDA increased with accelerated completion of Folkestone developments
- PFM EBITDA increase includes CHOT performance fee of \$98m and strong transaction activity
- OEPS growth of 46.3% with growth excluding CHOT performance fee also strong at 36.8%
- DPS growth of 6.0% on FY19 to 35.7cps
  - Distribution payout ratio of 52% in the year
  - 7.5cps of franking credits distributed

(\$m)	FY19	FY20	Change %
PI EBITDA	110.8	120.0	8.3%
DI EBITDA	7.8	17.1	119.9%
PFM EBITDA <sup>1</sup>	156.6	289.0	84.5%
<b>EBITDA</b>	<b>275.2</b>	<b>426.1</b>	<b>54.8%</b>
Depreciation	(4.7)	(10.6)	125.5%
Interest income/expense	(8.3)	(11.9)	43.3%
<b>Operating earnings pre-tax</b>	<b>262.2</b>	<b>403.6</b>	<b>53.9%</b>
Tax	(41.5)	(80.8)	94.7%
<b>Operating earnings post-tax</b>	<b>220.7</b>	<b>322.8</b>	<b>46.3%</b>
<b>Non operating items</b>			
Change in Property Investment valuation <sup>2</sup>	75.8	67.8	(10.6%)
Other non-operating items <sup>2</sup>	(61.2)	(44.7)	(27.0%)
<b>Statutory profit after tax</b>	<b>235.3</b>	<b>345.9</b>	<b>47.0%</b>
OEPS pre-tax (cps)	56.3	86.6	53.9%
OEPS post tax (cps)	47.4	69.3	46.3%
OEPS post tax excluding CHOT performance fee (cps)	39.4	53.9	36.8%
DPS (cps)	33.7	35.7	6.0%
Distribution payout ratio	71%	52%	(20%)

1. In assessing the financial performance of the business, net operating expenses are considered to be primarily related to the Property Funds Management business

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

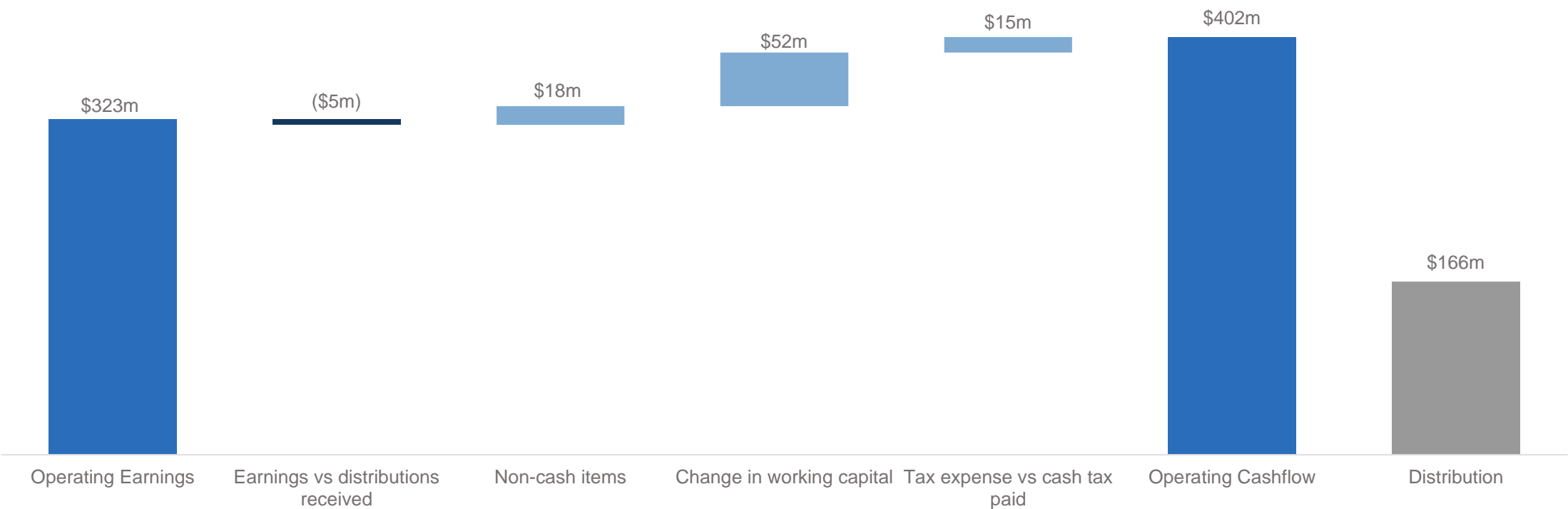
## Property funds management

- PFM revenue up 56.8% to \$412.3m
- Investment management revenue up 69.8% to \$357.1m:
  - Continued momentum in FUM driving funds management fee growth of 34.5%
  - Transaction fees earned from active acquisition and divestment program
  - \$98m of the \$148m CHOT performance fee was recognised in FY20 (cash paid in March 2020)
- Property services revenue up 4.9% to \$55.2m:
  - Growth in FUM driving increases across property management, facilities and project management fees
  - Development fees driven by continued development activity
- PFM EBITDA increase of 84.6% to \$289.0m

(\$m)	FY19	FY20	Change %
Fund management fees	114.0	153.3	34.5%
Transaction and performance fees	96.3	203.8	111.7%
<b>Investment management revenue</b>	<b>210.3</b>	<b>357.1</b>	<b>69.8%</b>
Property management fees	14.6	17.4	19.2%
Development fees	15.8	16.8	6.3%
Leasing fees	15.9	13.2	(17.0%)
Facilities and project management fees	6.3	7.8	23.7%
<b>Property services revenue</b>	<b>52.6</b>	<b>55.2</b>	<b>4.9%</b>
<b>PFM revenue</b>	<b>262.9</b>	<b>412.3</b>	<b>56.8%</b>
PFM expenses	(78.0)	(90.1)	15.5%
Corporate expenses	(28.3)	(33.2)	17.3%
<b>Total PFM expenses</b>	<b>(106.3)</b>	<b>(123.3)</b>	<b>16.0%</b>
<b>PFM EBITDA</b>	<b>156.6</b>	<b>289.0</b>	<b>84.6%</b>
PFM EBITDA Margin	59.6%	70.1%	10.5%

# Operating cashflow

- 2.4 times coverage of FY20 distribution by operating cashflow
- The cashflow difference between FY20 operating earnings and operating cashflow is primarily driven by timing of earnings recognition and receipt of cash





## Balance sheet and return metrics

- Increase in cash reflects receipt of performance fees and retained earnings, resulting in net zero gearing
- Utilised investment capacity from June 2019 to deploy into Property Investments, which along with revaluations, has grown the Property Investment Portfolio to \$2.0bn
- NTA per security growth of 9.6% since June 2019 to \$4.28, driven by revaluations and retained earnings
- Strong return metrics on capital employed in the business

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

1. Includes DCSF assets, distributions and fees receivable
2. Net of swap mark-to-market of \$73m relating to the USPP notes (representing USPP repayment value of \$231.5m)
3. 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
4. Return on equity is calculated as total operating earnings pre-tax/post-tax per security divided by the opening NTA per security
5. Return on contributed equity is calculated as total operating earnings post-tax per security divided by the opening contributed equity per security
6. Total Property Investment Return is calculated as distributions received from funds plus growth in investment value divided by the opening investment value of the PI portfolio. This excludes investments held for less than a year and investments in Direct funds
7. Total Platform Return is calculated as growth in net tangible assets (NTA) per security plus distributions per security divided by the opening NTA per security

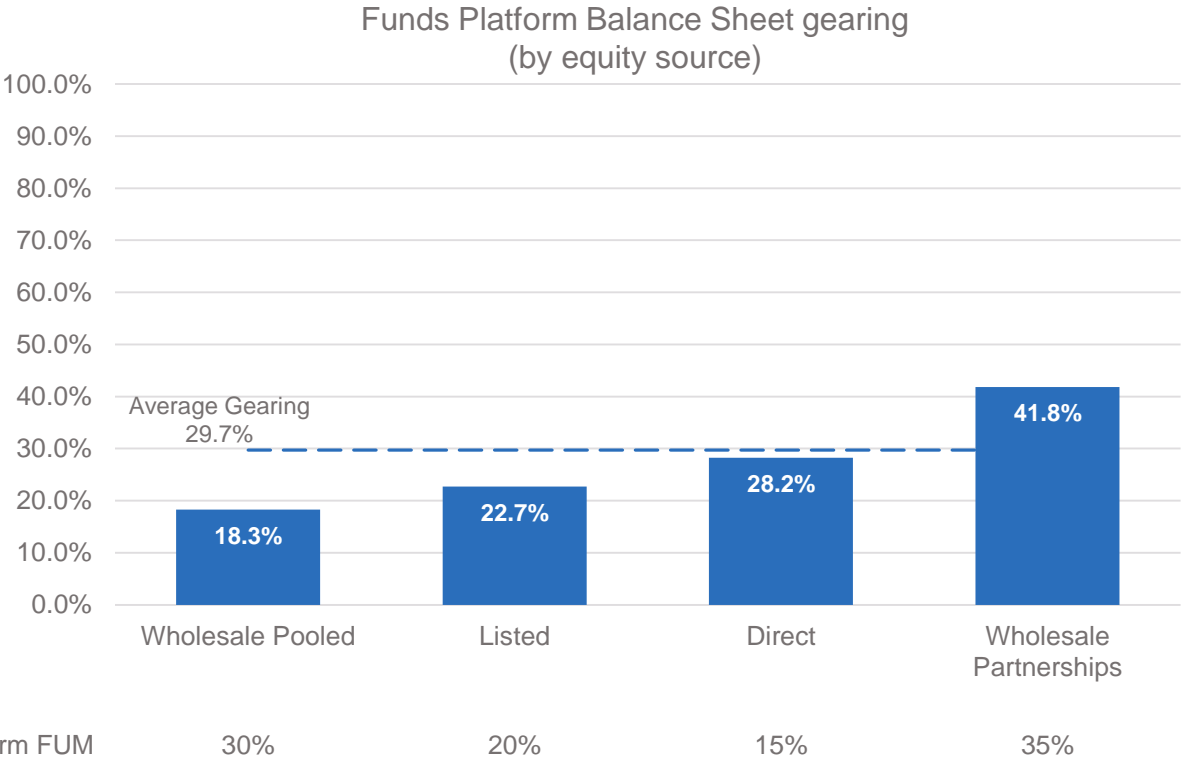
(\$m)	30 June 2019	30 June 2020
Cash	114	239
Property investment	1,844	2,028
Development investment	59	48
Other assets <sup>1,2</sup>	272	238
Intangibles	126	119
<b>Total assets</b>	<b>2,415</b>	<b>2,672</b>
Borrowings <sup>2</sup>	268	298
Other liabilities	187	228
<b>Total liabilities</b>	<b>455</b>	<b>526</b>
<b>Total equity</b>	<b>1,960</b>	<b>2,146</b>
Contributed equity per stapled security	\$3.73	\$3.71
NTA per stapled security <sup>3</sup>	\$3.90	\$4.28
Balance sheet gearing	5.4%	0.0%
Look through gearing	30.8%	29.1%
<b>Return metrics</b>		
Return on equity (pre-tax) <sup>4</sup>	14.8%	22.2%
Return on equity (post-tax) <sup>4</sup>	12.4%	17.8%
Return on contributed equity (post-tax) <sup>5</sup>	12.7%	18.6%
Total property investment return <sup>6</sup>	9.1%	10.0%
Total platform return <sup>7</sup>	11.1%	18.8%

# Capital management

## \$5.0bn of liquidity/investment capacity

Funds platform debt metrics <sup>1</sup>	30 Jun 19	30 Jun 20
Total platform facility limits (\$m)	12,872	16,553
Total platform undrawn debt (\$m)	3,547	3,585
Total platform cash (\$m)	596	1,411
Look through weighted average debt maturity (yrs.) <sup>2</sup>	4.3	4.2
Look through weighted average cost of debt <sup>3</sup>	3.6%	2.5%
Look through interest rate hedging (%)	62%	61%

% of Platform FUM



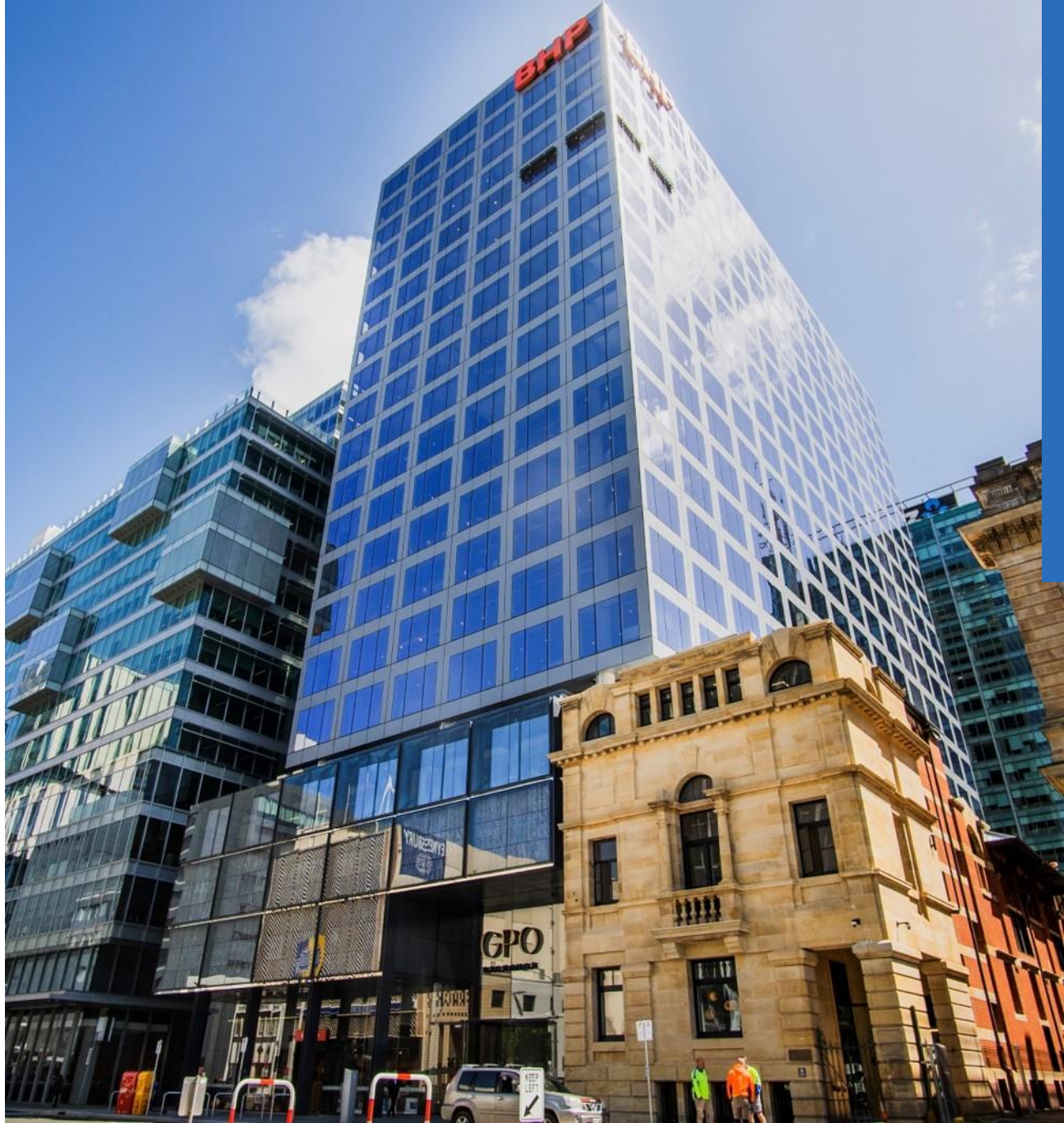
1. Total platform includes Corporate debt facility limits of \$452m, drawn to nil net of cash

2. Duration is based on facility limits

3. 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

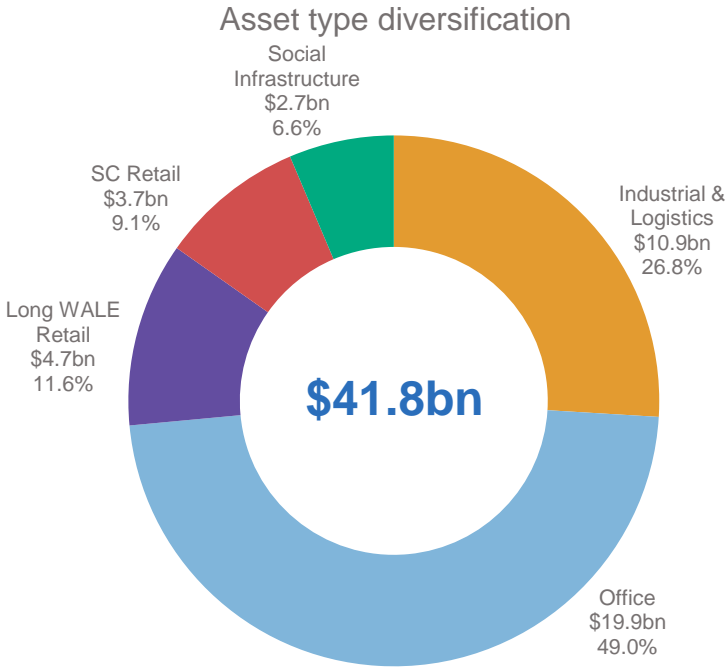
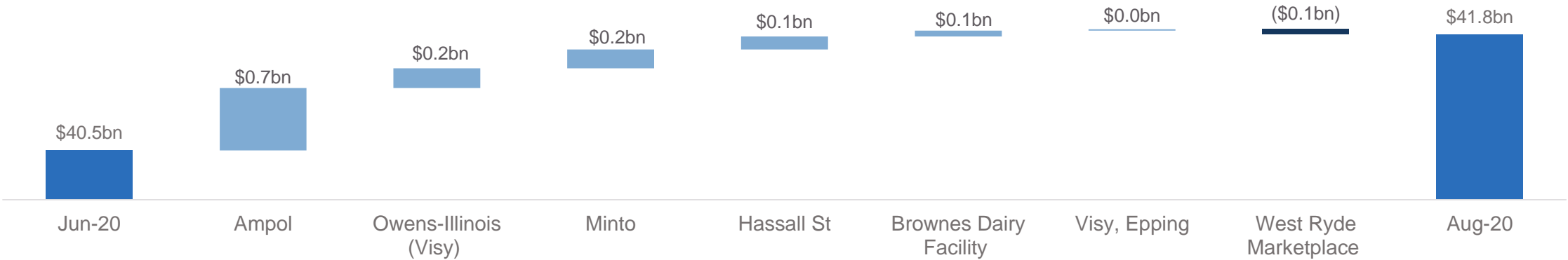
# Outlook & Guidance

5



# FY21 – Year to date activity

## \$1.3bn of net transactions since 30 June 2020



FY21 year to date transactions

(\$m)	Office	Industrial & Logistics	Long WALE Retail	SC Retail	Total
Acquisitions	\$0.1bn	\$0.5bn	\$0.7bn	-	\$1.3bn
Divestments	-	-	-	(\$0.1bn)	(\$0.1bn)
Net transactions	\$0.1bn	\$0.5bn	\$0.7bn	(\$0.1bn)	\$1.3bn
Gross transactions	\$0.1bn	\$0.5bn	\$0.7bn	\$0.1bn	\$1.4bn



## FY21 operating earnings guidance

- Based on no material change in current market conditions, FUM growth already achieved in FY21 and assuming the COVID-19 operating environment does not deteriorate markedly from here, FY21 guidance is for post-tax operating earnings per security of approximately 51.0 cps
- FY21 distribution per security guidance is for 6% growth over FY20



## Additional Information

### 6.1 Management Team

### 6.2 Property Funds Management

### 6.3 Property Investment

# 6



# Appendix 6.1

# Management

# Team



# Management Bench Experience

## Charter Hall Executive Leadership Group



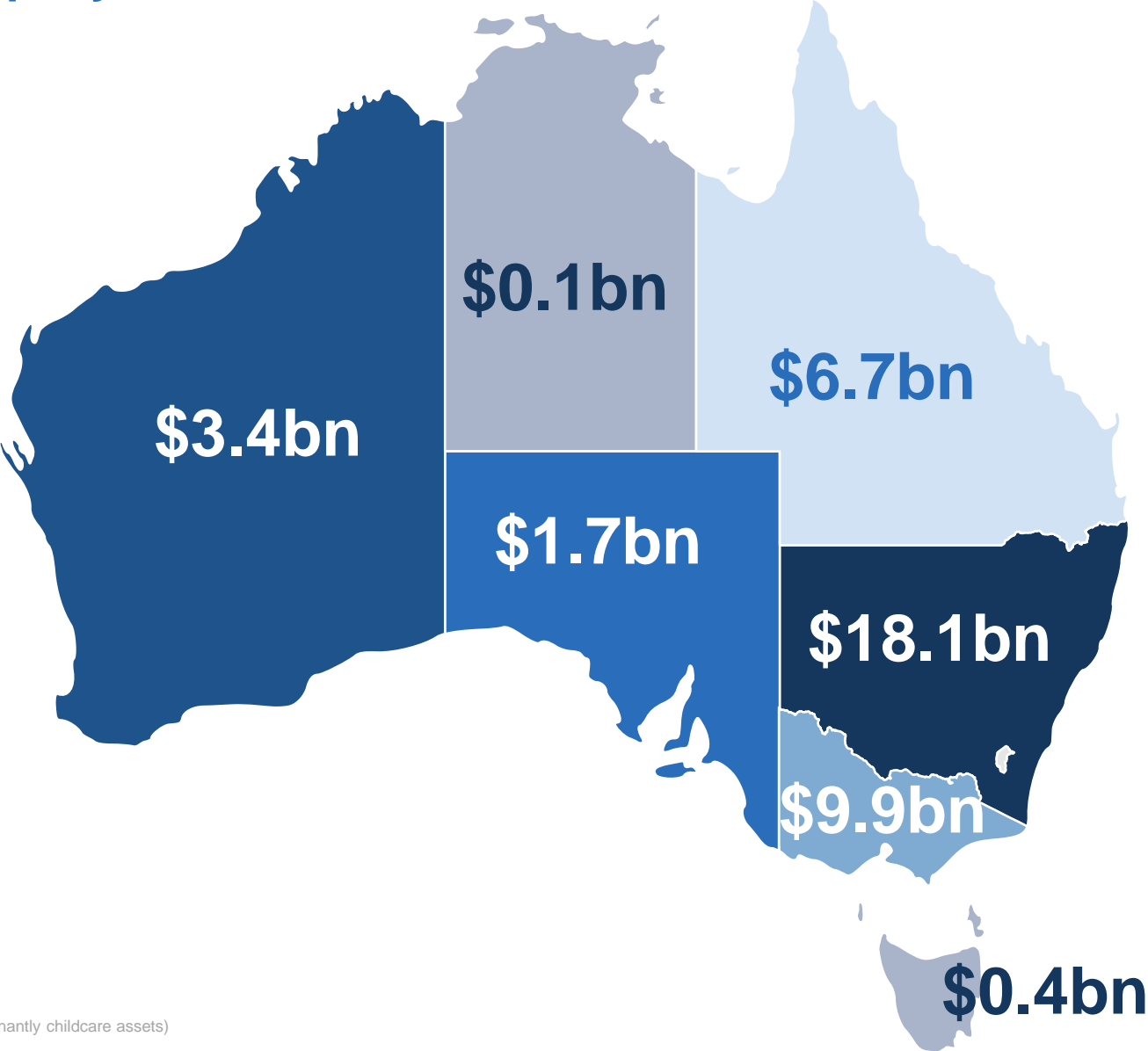
1. Commences late 2020  
Charter Hall Group 2020 Full Year Results



# Appendix 6.2

## Property Funds Management

# Charter Hall Group property overview<sup>1</sup>



1. Excludes 21 New Zealand assets; valued at \$0.1bn (predominantly childcare assets)  
Charter Hall Group 2020 Full Year Results

# Charter Hall managed funds

	Office \$19.6bn			Industrial & Logistics \$10.4bn		Shopping Centre Retail \$3.8bn		Long WALE Retail \$4.0bn		Social Infrastructure / Other \$2.7bn	
Wholesale Equity	CPOF \$7.1bn	CHOT \$3.5bn	BSWF <sup>1</sup> \$0.6bn	CPIF \$5.2bn	CLP \$2.0bn	CPRF \$0.3bn	RP <sup>s2</sup> \$0.6bn	LWHP \$1.5bn	LWIP <sup>s3</sup> \$0.6bn	CIB \$0.1bn	CHET \$0.4bn
	CCT \$0.5bn	Mandates \$0.6bn	DVP \$0.5bn	CHALWF \$0.3bn							
	Chifley \$1.1bn	242X/201E \$0.7bn	CHAIT \$0.4bn								
Retail Equity	DOF \$2.3bn	PFA \$1.3bn		DIFs \$1.5bn	DCSF \$36m			DATs \$0.2bn	DCSF \$0.1bn	Other \$0.2bn	MAXIM \$0.2bn
								BW Trust \$0.1bn			
Listed Equity	CLW \$1.0bn			CLW \$1.3bn		CQR \$2.8bn		CLW \$1.0bn	CQR \$0.4bn	CQE \$1.3bn	CLW \$0.4bn

Note: Numbers 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. RPs include RP1, RP2 and RP6

3. LWIP include LWIP and LWIP2. CLW hold 49.9% of the units in LWIP

# Wholesale Pooled and Partnerships



FUM

\$26.3bn

Pooled: \$12.3bn  
Partnerships: \$14.0bn



Occupancy

97%



Cap rate

5.1%



Gearing

32%



WALE

7.7 yrs



CHC investment

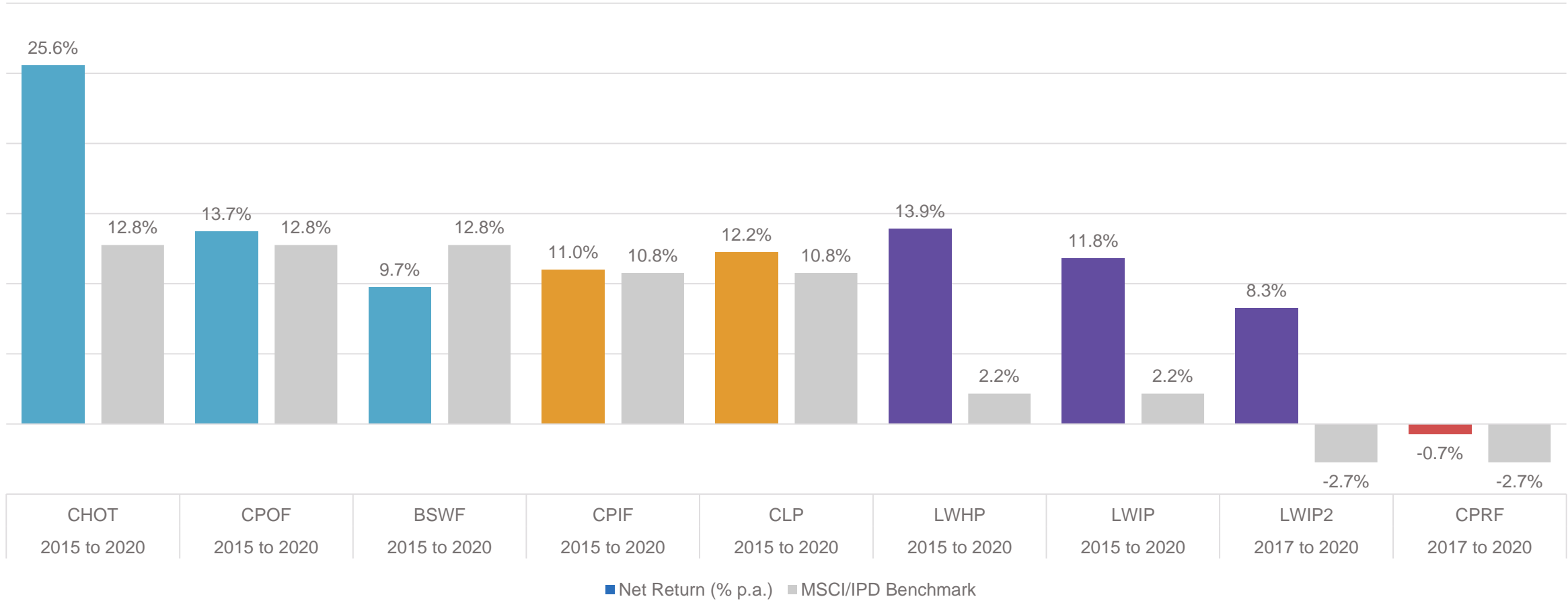
\$1.3bn



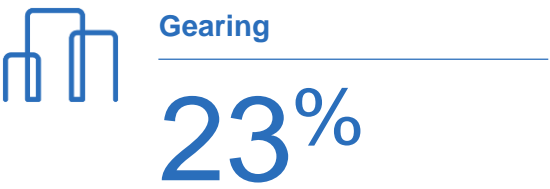
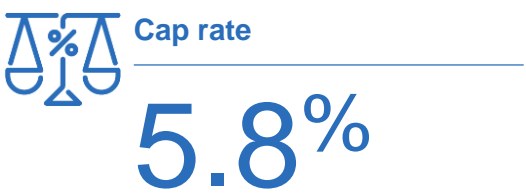
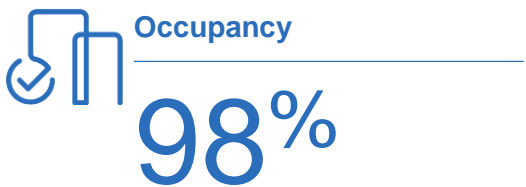
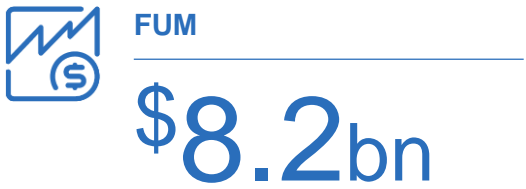


## Major wholesale property investment portfolio returns

The below chart shows the total property return of each major wholesale property fund relative to its sector specific benchmark index



Listed




1. Held at accounting value not market value  
Charter Hall Group 2020 Full Year Results





242 Exhibition Street, Melbourne VIC




# Charter Hall Direct

 FUM  
\$6.1bn

 Occupancy  
98%

 Cap rate  
5.4%

 Gearing  
28%

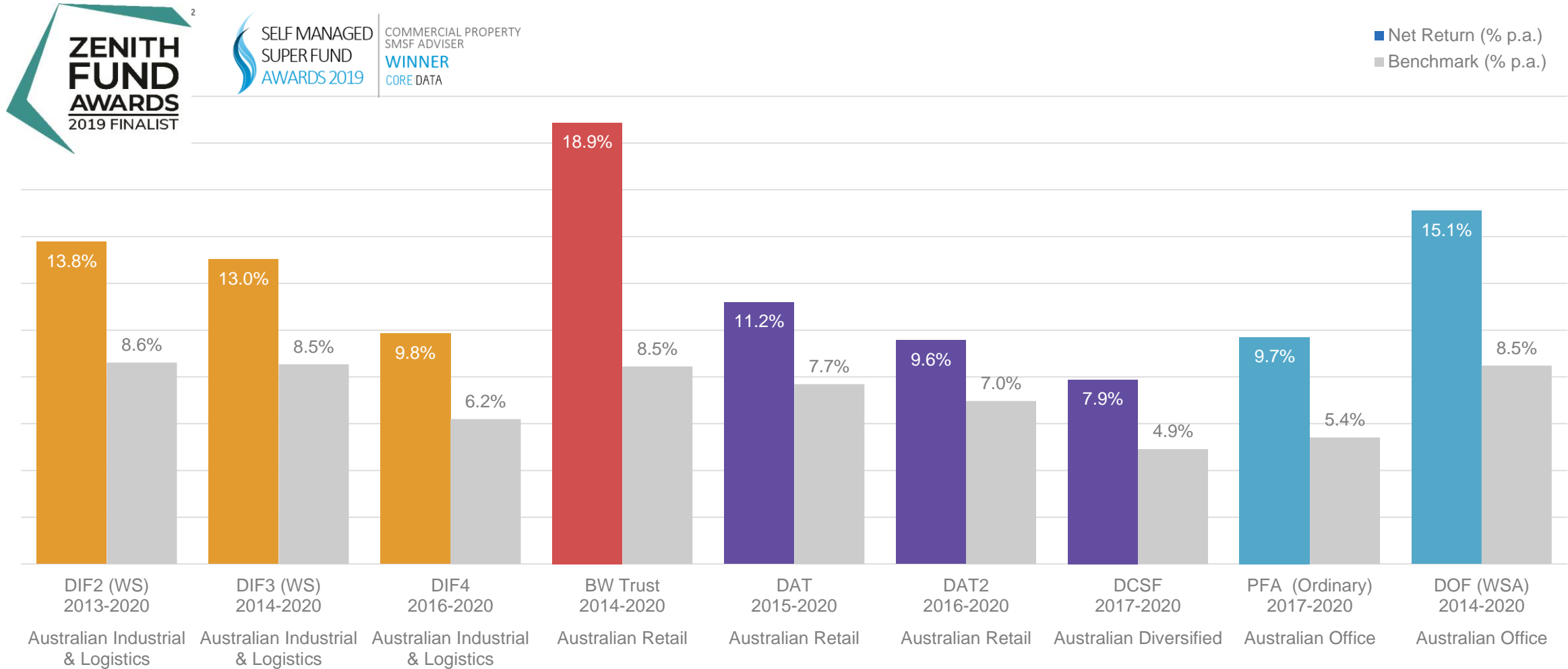
 WALE  
9.0yrs

 CHC investment  
\$0.1bn



## Direct funds net return since inception

The active Direct Funds have returned 13.0% p.a out performing the benchmark<sup>1</sup> by 4.4%












1. Benchmark refers to the MSCI/IPD Unlisted Core Wholesale Property Fund Index at June 2020.  
2. The Professional Planner | The Zenith Fund Awards were issued 11 October 2019 by Zenith Investment Partners (ABN 27 130 132 672, AFSL 226872) and are determined using proprietary methodologies. The Fund Awards are solely statements of opinion and do not represent recommendations to purchase, hold or sell any securities or make any other investment decisions. Fund Awards are current for 12 months from the date awarded and are subject to change at any time.



## Leasing activity

### Deals completed over the last 12 months

	Office	Industrial & Logistics	Long WALE Retail	Shopping Centre Retail	Social Infrastructure
Existing assets leased (lettable area sqm)	130,500	590,300	-	56,100	84,100
Major leases	 			 	  
Developments leased (lettable area sqm)	26,700	178,400	7,000	1,700	8,600
Major leases	 Australian Government				
Lettable area (sqm)	157,200	768,700	7,000	57,800	92,700
Value <sup>1</sup>	\$1.9bn	\$1.8bn	\$0.04bn	\$0.5bn	\$0.5bn
WALE (years)	7.4	7.9	12.3	5.5	11.3

1. Lease NLA/property NLA x property value. Shopping Centre Retail value is Lease income/property income x property value  
 Charter Hall Group 2020 Full Year Results

# Pledge 1%

As Australia endures droughts, bushfires and COVID-19, our community investment, aligned to Pledge 1%, sees us directly contribute to supporting vulnerable Australians and providing training and employment opportunities



## People

60% our of people contributed to 266 volunteer days

Our team give 1% of their time to:

- personal and team volunteering
- dollar-matched workplace giving
- employee-led initiatives drive fundraising and volunteering opportunities

## Places

\$1.9m or 45,285sqm of space contributed to the community

We're actively contributing by:

- identifying and addressing local community needs
- activating vacant or underutilised spaces
- supporting new initiatives that create belonging

## Partnerships

\$933,000 donated in community partnerships, including \$500,000 for bushfire relief and recovery

We support community partners including:

- Australian Red Cross, Foundation for Rural and Regional Renewal (FRRR), Property Industry Foundation, Foundation for Young Australians, Two Good Co. and many others



# Appendix 6.3

## Property Investment

# CHPT Property Investment portfolio

	Ownership stake (%)	Charter Hall Investment (\$m)	Charter Hall PI Income (\$m)	WALE (years)	WACR (%)	WADR (%)	WARR (%)	PI Yield <sup>2</sup> (%)
<b>Office</b>								
Charter Hall Prime Office Fund (CPOF)	6.2	312.9	14.5	7.0	4.9	6.4	3.7	4.8
Charter Hall Office Trust (CHOT)	15.7	293.5	16.2	6.3	4.8	6.3	3.8	6.4
Brisbane Square Wholesale Fund (BSWF)	16.8	101.8	7.7	6.7	5.5	6.7	3.8	7.4
Charter Hall Australian Investment Trust (CHAIT)	10.0	18.2	1.5	3.6	6.5	7.0	3.7	8.8
Counter Cyclical Trust (CCT)	5.0	11.5	0.7	6.2	5.8	6.4	3.6	6.1
201 Elizabeth Street	5.9	9.6	0.2	2.7	5.0	6.5	4.0	3.5
<b>Industrial &amp; Logistics</b>								
Charter Hall Prime Industrial Fund (CPIF)	3.6	131.4	6.7	10.2	5.1	6.5	2.9	5.3
Core Logistics Partnership (CLP)	6.9	85.0	5.5	9.7	5.2	6.5	3.0	6.0
<b>Shopping Centre Retail</b>								
Charter Hall Retail REIT (ASX:CQR) <sup>3</sup>	9.9	207.9	19.9	7.2	6.0	6.7	4.1 <sup>1</sup>	7.4
Charter Hall Prime Retail Fund (CPRF)	29.4	47.3	4.1	4.3	6.2	7.1	4.1 <sup>1</sup>	7.2
<b>Long WALE Retail</b>								
Long WALE Hardware Partnership (LWHP)	13.6	123.6	5.5	8.0	5.0	6.5	2.7	5.3
Charter Hall BP Partnership (BPP)	2.5	12.8	1.6	19.4	5.0	n/a	1.0	9.1
Long WALE Investment Partnerships (LWIPs)	9.6	11.6	0.8	14.4	5.7	n/a	1.2	6.8
<b>Social Infrastructure</b>								
Charter Hall Social Infrastructure REIT (ASX:CQE) <sup>3</sup>	8.9	90.8	5.4	12.7	6.2	n/a	2.1	5.7
Charter Hall Exchanges Trust (CHET)	21.8	70.1	3.6	20.1	4.4	6.1	1.5	6.0
<b>Diversified</b>								
Charter Hall Long WALE REIT (ASX:CLW) <sup>3</sup>	12.2	271.4	15.9	14.0	5.4	6.6	2.2	6.7
Discretionary Consumer Staples Fund (DCSF)	39.7	43.0	3.5	6.8	5.8	6.8	3.1	10.5
Charter Hall DVP Fund (DVP)	13.0	35.5	1.2	3.2	4.8	6.3	3.9	3.9
Other investments <sup>4</sup>		150.0	5.5	n/a	n/a	n/a	n/a	n/a
<b>Property Investment Total<sup>5</sup></b>	<b>12.1</b>	<b>2,027.8</b>	<b>120.0</b>	<b>8.6</b>	<b>5.3</b>	<b>6.5</b>	<b>3.3</b>	<b>6.2</b>

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. Held at accounting value not market value

4. "Other investments" includes CHC's 5% stake in Waypoint REIT (ASX: WPR), fair valued at \$101.2m as at 30 June 2020

5. Weighted average ownership stake, excluding other investments



# Charter Hall Prime Office Fund (CPOF)

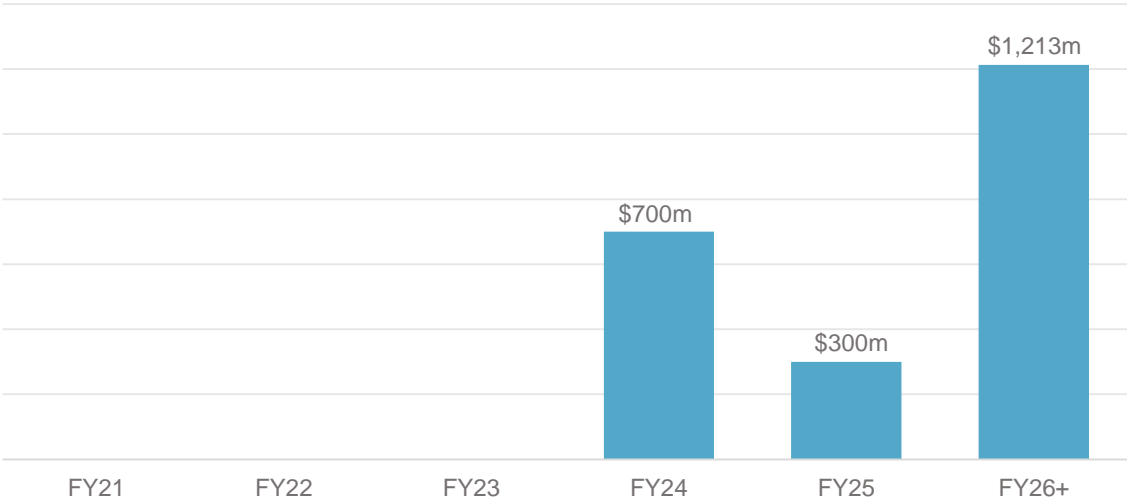
## Key events during FY20

- The Fund’s Gross Asset Value (GAV) grew by \$1.5bn to \$7.1bn in the 12 month period to 30 June 2020
- 130 Lonsdale Street reached practical completion in May 2020. The building was fully leased at practical completion with a WALE of 10.3 years
- The Fund’s Weighted Average Debt Maturity increased to 4.8 years (+0.6 years) in the 12 month period to 30 June 2020
- The Fund has successfully raised \$947m of new equity in the 12 months to 30 June 2020

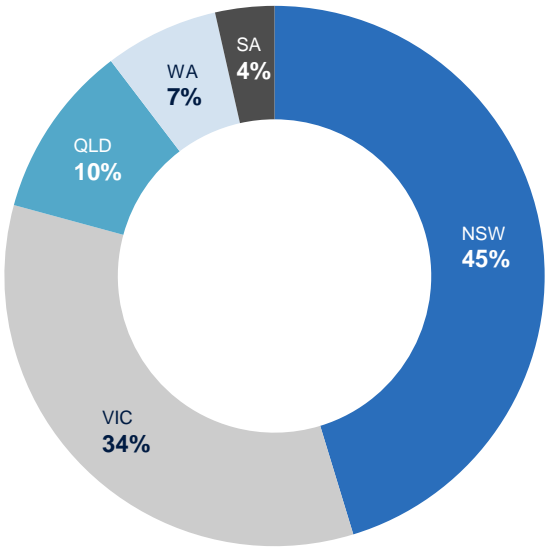
## Key metrics

Gross property assets	\$7.1bn
Gearing (balance sheet)	20.2%
Number of assets	27
Occupancy	97.5%
WALE	7.0 years
WACR	4.93%
WARR	3.7%
Charter Hall Interest	6.2%
Charter Hall co-investment	\$312.9m

Debt expiry profile (by facility limit)<sup>1</sup>



Geographic allocation (by GAV)



1. Reflects CPOF balance sheet debt facilities  
Charter Hall Group 2020 Full Year Results

# Charter Hall Office Trust (CHOT)

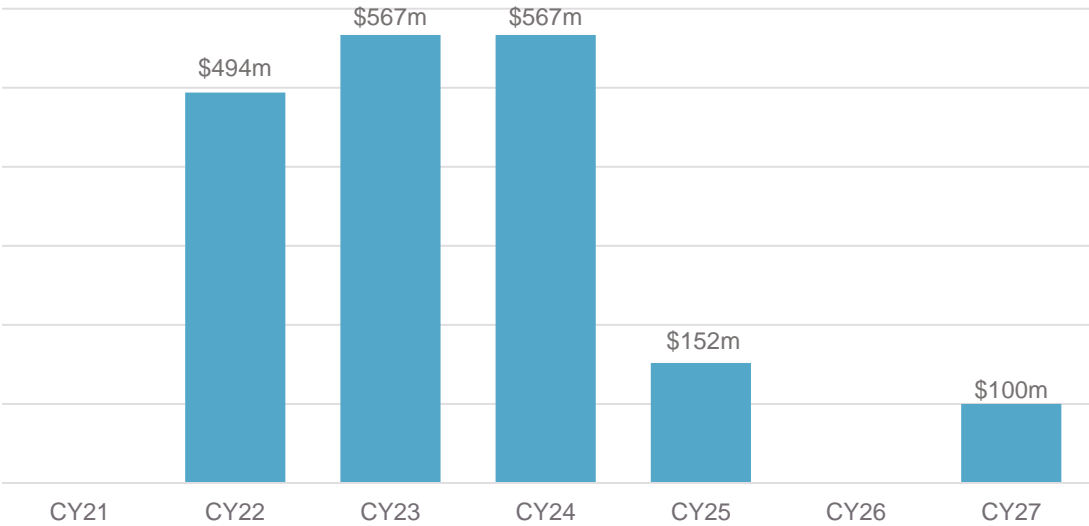
## Key events during FY20

- **Leasing** – ~85,000sqm of leasing during FY20 including Australian Federal Police (AFP) 30 year pre-commitment at 140 Lonsdale St, Melbourne
- **Development** – As part of the Wesley Precinct, commenced construction of a new fully leased office tower at 140 Lonsdale Street and achieved Development Approval for the redevelopment of 150 Lonsdale Street
- **Capital Management** – Increased and extended CHOT’s \$1.88bn bilateral debt facility with four domestic and four international banks

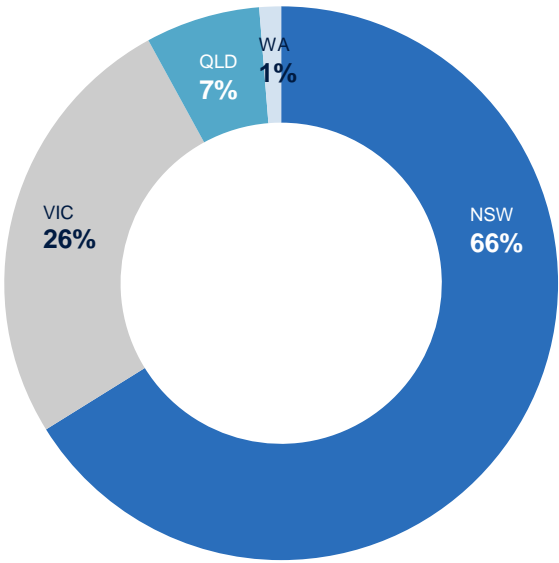
## Key metrics

Gross property assets	\$3.5bn
Gearing (balance sheet)	44.9%
Number of assets	10
Occupancy	97.0%
WALE	6.3 years
WACR	4.81%
WARR	3.8%
Charter Hall Interest	15.7%
Charter Hall co-investment	\$293.5m

Debt expiry profile (by facility limit)



Geographic allocation (by GAV)



# Charter Hall Prime Industrial Fund (CPIF)

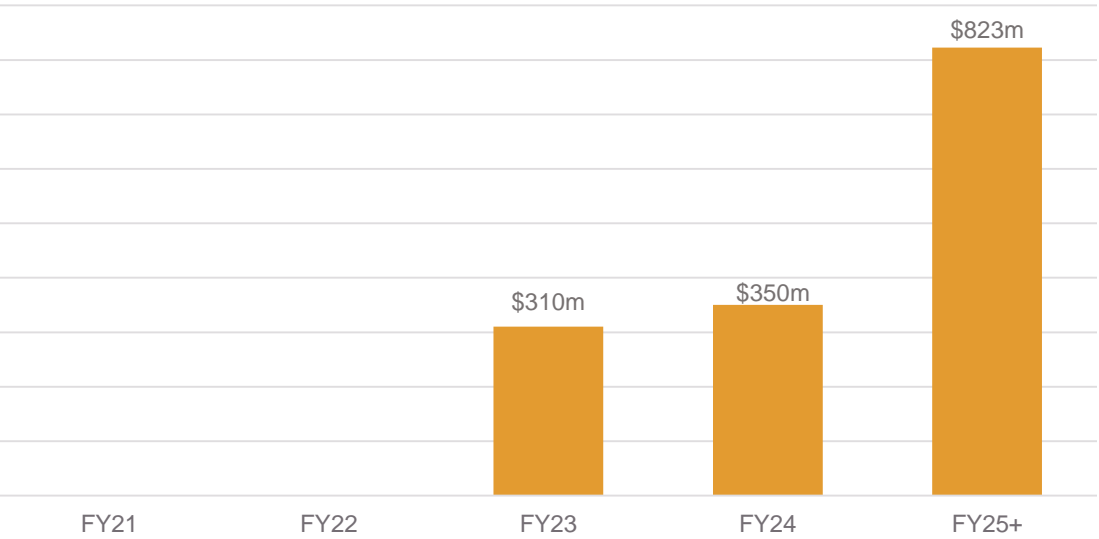
## Key events during FY20

- Acquisition of 8 core stabilised assets, for \$840m with a combined WALE of 13.2 years improving the Fund’s closing WALE to 10.2 years
- 8 developments reached completion with a GAV of \$242m
- Executed leases over 233,541sqm of GLA in the Fund’s stabilised portfolio and 136,050sqm of new pre-leases on existing land holdings
- Divested a portfolio of 3 non-core assets. CPIF now has an 90% allocation to the strong performing eastern seaboard markets
- Executed a new \$150m debt facility agreement for a 5-year term

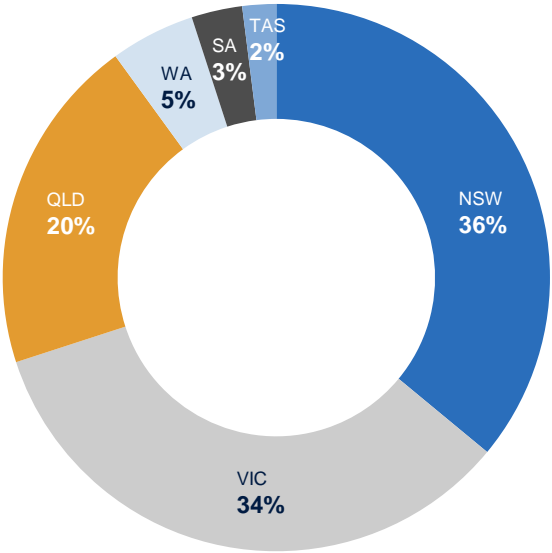
## Key metrics

Gross property assets	\$5.2bn
Gearing (look-through)	18.1%
Number of assets	70
Occupancy	97.2%
WALE	10.2 years
WACR	5.14%
WARR	2.9%
Charter Hall Interest	3.6%
Charter Hall co-investment	\$131.4m

Debt expiry profile (by facility limit)



Geographic allocation (by GAV)



# Core Logistics Partnerships (CLP)

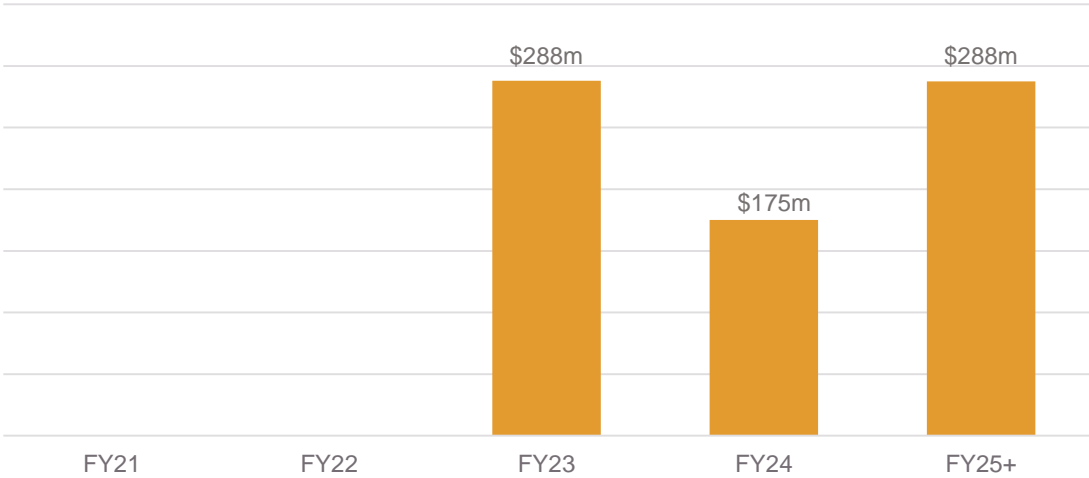
## Key events during FY20

- Acquired a 4.0 ha development site at Glendenning in NSW
- Development completions achieved with combined GAV of \$155m at Eastern Creek and Woodpark Estate NSW, Drystone Estate VIC & Woolworths Launceston TAS
- Executed leases over 103,991sqm of GLA in the stabilised portfolio and agreements for lease over 26,292sqm of GLA on existing land holdings
- Executed a new 5-year, \$100m debt facility improving debt maturity and lender diversification

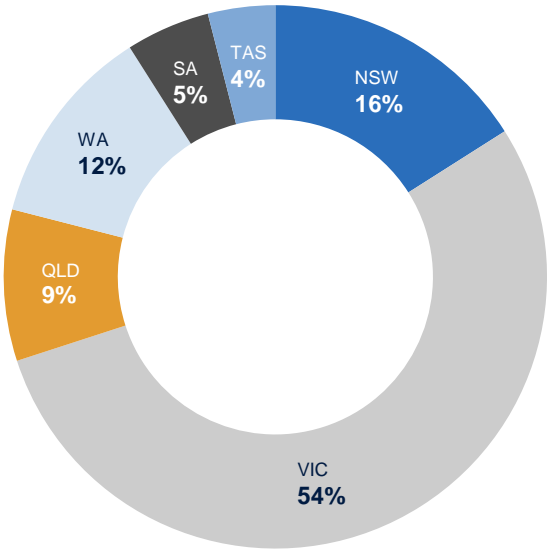
## Key metrics

Gross property assets	\$2.0bn
Gearing	32.9%
Number of assets	37
Occupancy	99.9%
WALE	9.7 years
WACR	5.25%
WARR	3.0%
Charter Hall Interest	6.9%
Charter Hall co-investment	\$85.0m

Debt expiry profile (by facility limit)



Geographic allocation (by GAV)



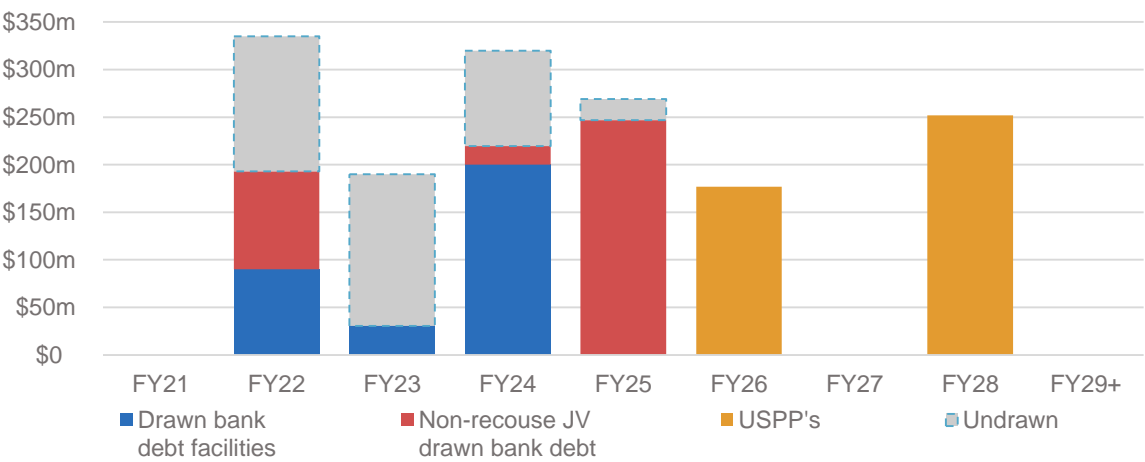


# Charter Hall Retail REIT (ASX: CQR)

## Key events during FY20

- Acquired 20% interest in Pacific Square, Maroubra and Bass Hill Plaza in September 2019 and a total of 47.5% interest in a BP portfolio of Long WALE convenience retail assets in December 2019 and February 2020<sup>1</sup>
- Divested nine assets totalling \$196m (Katherine, NT, Cooma, NSW, Bairnsdale, VIC, Moe, VIC, Kyneton, VIC, Erindale, ACT, Carnarvon, WA, Ballo Square, NSW and Pemulwuy, NSW)
- Raised \$100m and \$304m of equity and UPP in February and April 2020 respectively
- Post balance date, acquired 52% share in Coles Distribution Centre, SA and contracted to divest West Ryde in July 2020
- Weighted average debt maturity is 3.9 years with no debt maturing until FY22
- 8.5MW solar installations completed at nine assets with the solar roll-out program under PPA now increased to 27 assets

Debt expiry profile (by facility limit)

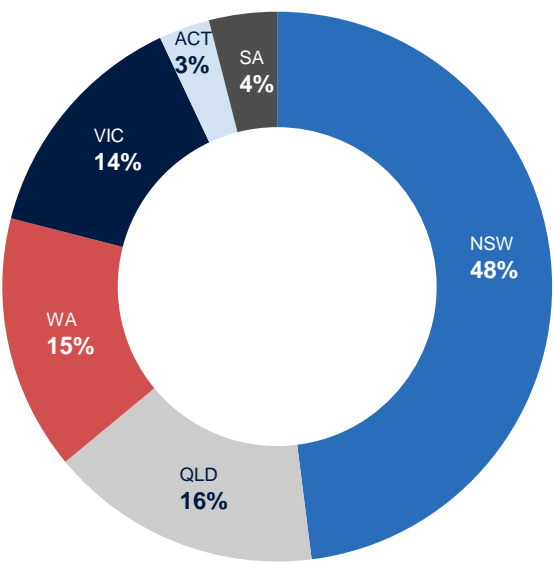


1. BP Portfolio consists of 225 assets tenanted by BP  
2. All metrics are on a look-through basis unless otherwise stated  
3. Refers to contracted weighted average rent reviews of the specialty tenants only  
4. Includes BP portfolio

## Key metrics<sup>2</sup>

Gross property assets	\$3.25bn
Gearing (balance sheet)	22.7%
Number of Convenience retail assets	51
Number of Long WALE retail assets	225
Occupancy	97.3%
WALE	7.2 years
WACR	6.03%
WARR <sup>3</sup>	4.1%
Charter Hall Interest	9.9%
Charter Hall co-investment	\$207.9m

Geographic allocation (by GAV)<sup>4</sup>

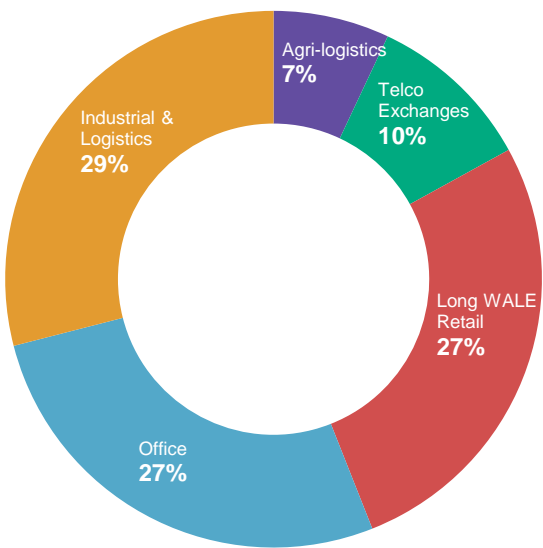


# Charter Hall Long WALE REIT (ASX: CLW)

## Key events during FY20

- \$1.4bn of earnings accretive investment activity, increasing portfolio WALE and enhancing tenant covenant strength and diversification
  - New key tenants including Telstra, BP, Arnott’s and NSW Government
  - Increased triple net lease exposure (46% NNN)
- Agreed key lease extensions with major industrial tenants Woolworths, Coles and SUEZ
- Reaffirmed and delivered upgraded FY20 EPS guidance of 28.3 cents despite impacts of COVID-19, demonstrating the resilience and defensive characteristics of CLW’s portfolio
  - 5.2% annual EPS growth over FY19
- Portfolio WALE at 30 June 2020 was 14.0 years, up from 12.5 years at 30 June 2019

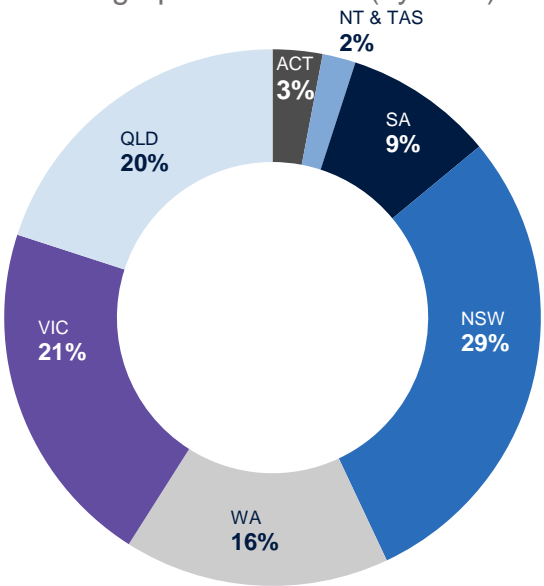
Sector diversification



## Key metrics

Gross property assets	\$3.6bn
Gearing (balance sheet) <sup>1</sup>	24.2%
Number of assets	386
Occupancy	99.8%
WALE	14.0 years
WACR	5.42%
WARR	2.2%
Charter Hall Interest	12.2%
Charter Hall co-investment	\$271.4m

Geographic allocation (by GAV)



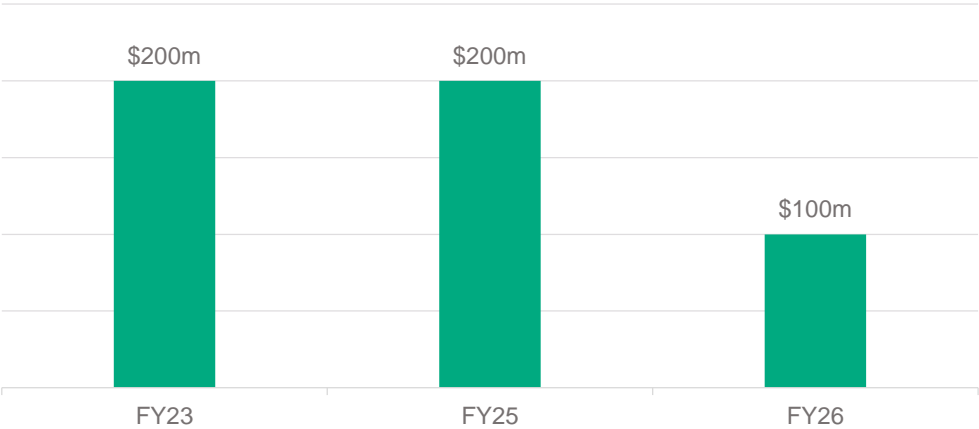
1. Reflects balance sheet gearing, pro forma adjusted for the committed acquisition of Bunnings Palmerston and divestment of the interest in Waypoint REIT announced on 28 July 2020. Unadjusted balance sheet gearing as at 30 June 2020 was 26.1%.

# Charter Hall Social Infrastructure REIT (ASX: CQE)

## Key events during FY20

- Completed a \$100m institutional placement in May 2020 and \$23m unit purchase plan in June 2020 reducing the gearing of CQE to 16.4%
- Settled the acquisition of 11 existing childcare centres (\$64.8m) with a further 3 contracted (\$12.6m) and forecast to settle in first half of FY21
- Disposed of 40 properties (\$59.4m) including 26 properties in New Zealand
- Development pipeline of 24 sites with a forecast completion value of \$149.2m
- Portfolio WALE increased to 12.7 years as a result of:
  - 45 new 15-20 year leases with two operators
  - 48 five year options renewed; and
  - 44 leased extended associated with COVID-19 rental relief

Debt expiry profile (by facility limit)

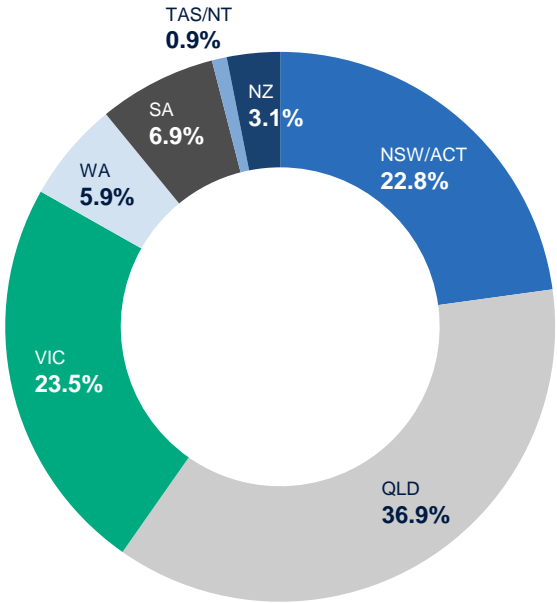


1. Excludes cash of \$75.6m  
2. Look-through gearing of 18.0%  
3. Includes 50% interest in Brisbane City Council Bus Network Terminal  
4. Vacant properties contracted for disposal

## Key metrics

Gross assets <sup>1</sup>	\$1.3bn
Gearing (balance sheet) <sup>2</sup>	16.4%
Number of assets <sup>3</sup>	395
Occupancy <sup>4</sup>	99.5%
WALE	12.7 years
WACR	6.23%
WARR	2.1%
Charter Hall Interest	8.9%
Charter Hall co-investment	\$90.8m

Geographic allocation (by annual rent)



## Portfolio performance review dates

Fund	Portfolio Performance Review Dates
Charter Hall Prime Office Fund (CPOF)	3 yearly – FY21
Brisbane Square Wholesale Fund (BSWF)	3 yearly – FY22
Charter Hall Direct Industrial Fund No. 4 (DIF4)	5 yearly – FY22
Charter Hall Prime Industrial Fund (CPIF)	3 yearly – FY22
Long WALE Hardware Partnership (LWHP)	7 yearly – FY22 plus individual asset divestment performance fees
Retail Partnership No. 2 (RP2)	7 yearly – FY22
Retail Partnership No. 6 (RP6)	7 yearly – FY22
Charter Hall Direct Industrial Fund No. 3 (DIF3)	FY22
Charter Hall Direct Automotive Trust (DAT)	FY22
Charter Hall Direct Automotive Trust No. 2 (DAT2)	FY22
Core Logistics Partnership (CLP)	FY23 plus individual asset divestment performance fees
Charter Hall Direct Consumer Staples Fund (DCSF)	5 yearly – FY23
Charter Hall PFA Fund (PFA)	5 yearly – FY23 plus individual asset divestment performance fees
Charter Hall Direct BW Trust (BW Trust)	FY24
Counter Cynical Trust (CCT)	FY25
Direct Office Fund (DOF)	5 yearly – FY25



## Fund key and glossary

### Listed entities

ASX:CHC	Charter Hall Group
ASX:CQR	Charter Hall Retail REIT
ASX:CLW	Charter Hall Long WALE REIT
ASX:CQE	Charter Hall Social Infrastructure REIT

### Wholesale funds

BSWF	Brisbane Square Wholesale Fund
CHALWF	Charter Hall Aldi Logistics 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, LWIP2	Long WALE Investment Partnership series
RP1, RP2, RP6	Retail Partnership series
DVP	Charter Hall DVP Fund
CHAIT	Charter Hall Australian Investment Trust
CHET	Charter Hall Exchanges Trust
BPP	Charter Hall BP Partnership

### 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
DI	Development Investments
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

## Further information

*Presentation authorised by the Board*



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