

23 August 2017

Charter Hall Group 2017 Full Year Results

12 months to 30 June 2017

Western Sydney University, 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

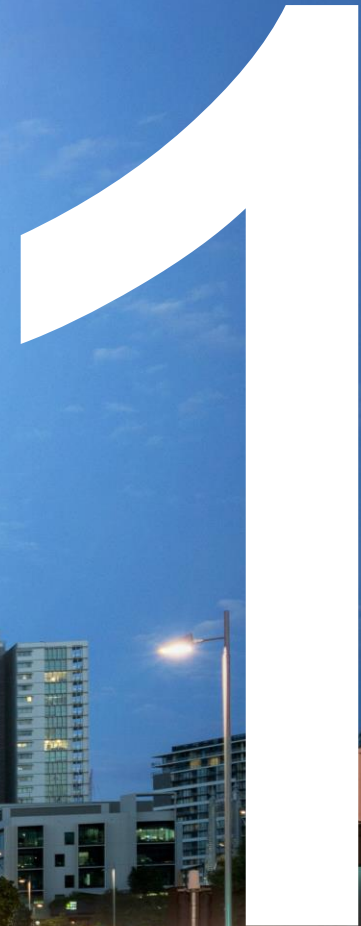


Sean McMahon
Chief Investment Officer



Russell Proutt
Chief Financial Officer

Group Highlights



Artist impression of 11 Breakfast Creek Road, Newstead, QLD

Group Highlights – FY17

Group Returns	Property Investments	Funds Management	Balance Sheet
19.7% statutory profit growth	19.8% Total Property Investment Return ²	13.7% FUM growth to \$19.8bn	0% balance sheet gearing ⁴
18.1% OEPS growth	\$1.5bn Property Investment portfolio	\$5.2bn in gross transactions	20.1% look through gearing ⁵
27.6% Total Platform Return ¹	6.9% Property Investment yield	5.1% Property Funds Management yield ³	18.1% NTA per security growth ⁶

Note figures and statistics on this slide are for the 12 months to 30 June 2017 unless otherwise stated

1. Total Platform Return calculated as the distributions per security plus the growth in NTA per security divided by the opening NTA per security adjusted for contributed equity
2. Total Property Investment Return calculated as distributions received from funds plus the growth in investment value divided by the opening investment value of the Property Investment Portfolio. This excludes any investments held for less than a year
3. Property Funds Management (PFM) yield calculated as operating earnings per security post-tax of the PFM business divided by opening NTA adjusted for contributed equity. The PFM pre-tax yield was 6.6%
4. Balance sheet gearing calculated as debt (net of cash) / gross assets (less cash)
5. Look through gearing calculated as Charter Hall Group's look through debt (net of cash) / total assets (net of cash)
6. Net tangible assets (NTA) per stapled security (\$) is calculated using assets less liabilities, net of intangible assets and related deferred tax

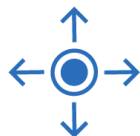
Our Strategy

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.

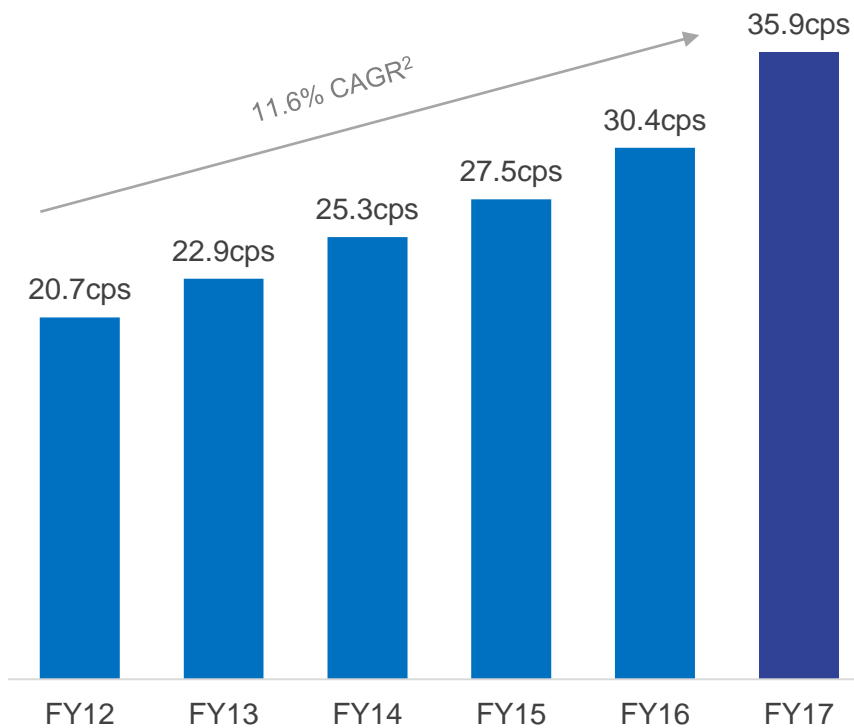
	ACCESS	DEPLOY	MANAGE	INVEST
1 YEAR	\$2.3bn gross equity raised	\$5.2bn gross transactions \$3.0bn acquisitions \$2.3bn divestments	\$2.4bn FUM growth 329 assets	\$430m increase in PI¹ to \$1.5bn 39% growth 19.8%² Total Property Investment Return
3 YEAR	\$5.5bn gross equity raised	\$11.5bn gross transactions \$7.8bn acquisitions \$3.7bn divestments	\$8.4bn FUM growth 117 additional assets	\$807m increase in PI 112% growth 16.1%² p.a. Total Property Investment Return
5 YEAR	\$8.1bn gross equity raised	\$17.3bn gross transactions \$11.7bn acquisitions \$5.6bn divestments	\$11.4bn FUM growth 144 additional assets	\$1,050m increase in PI 220% growth 14.7%² p.a. Total Property Investment Return

1. PI refers to the Property Investment Portfolio

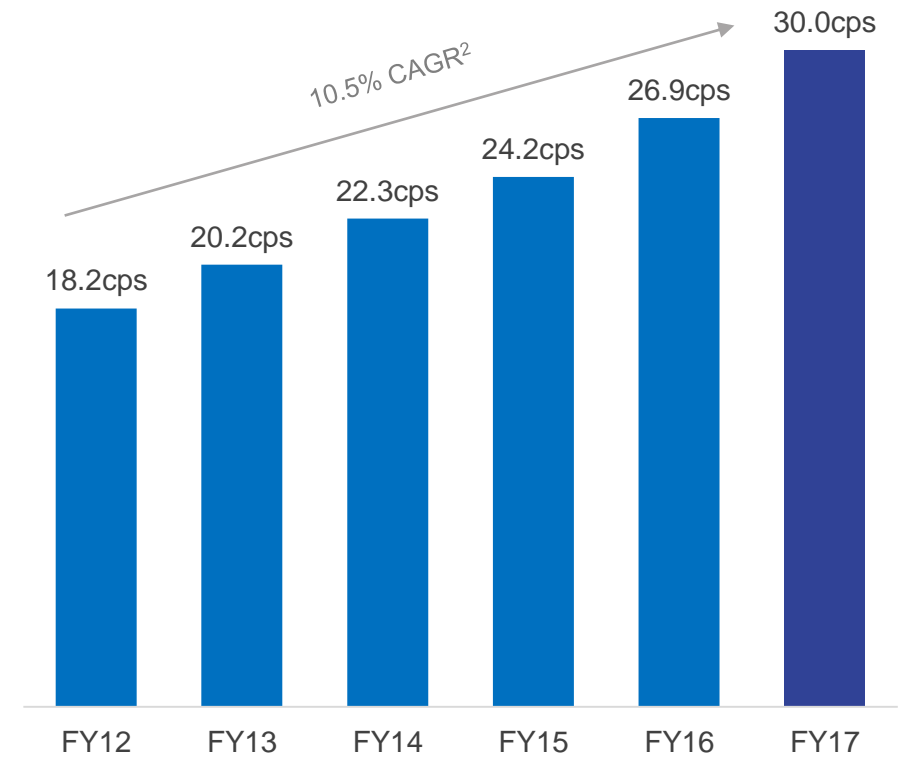
2. Total Property Investment Return calculated as distributions received from funds plus the growth in investment value divided by the opening investment value of the Property Investment Portfolio. This excludes any investments held for less than a year

Sustained Growth

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 30 June 2012 to 30 June 2017

Property Funds Management



Reject Shop Distribution Centre, VIC

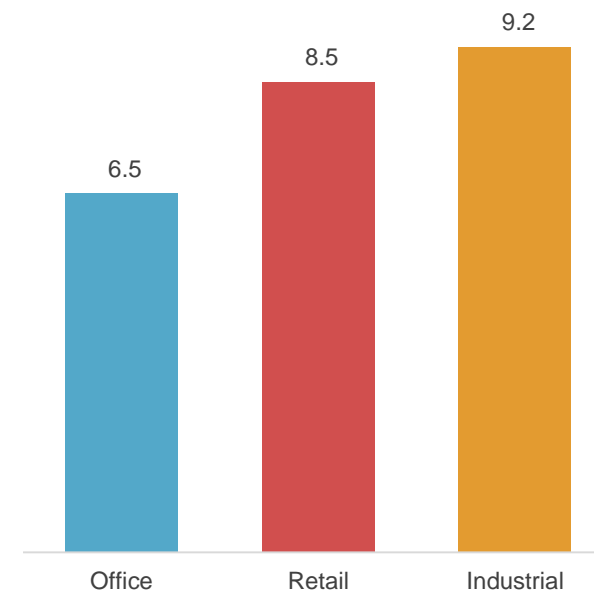
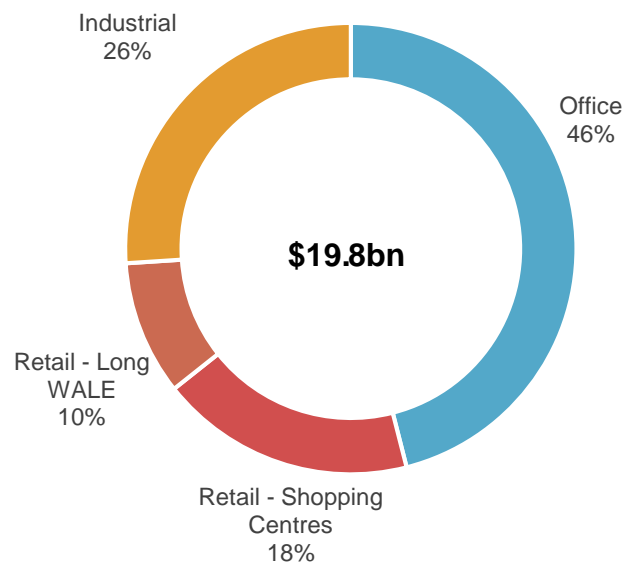
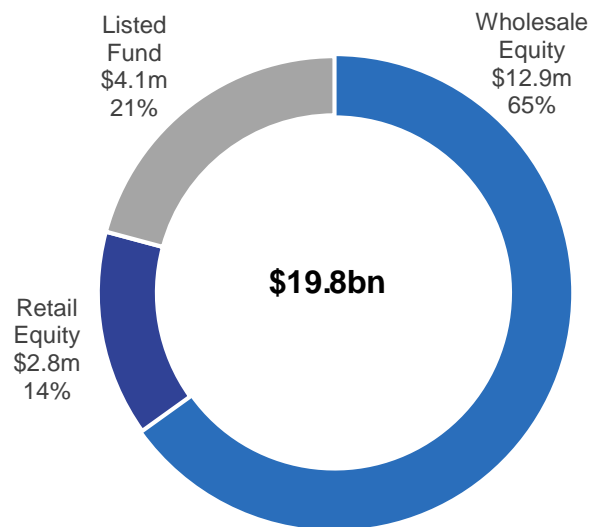
Group Funds Management Portfolio

	Portfolio Value (\$bn)	Portfolio Size (m sqm)	No. of Assets	No. of Tenant Customers	Gross Income (\$m)	WALE ¹ (years)	Occupancy (%)	WACR ² (%)
30 Jun 17	19.8	5.6	329	2,658	1,454	7.7	98.0	6.07
30 Jun 16	17.5	4.8	296	2,550	1,306	7.9	98.6	6.54

Diversification by equity source

Asset type diversification

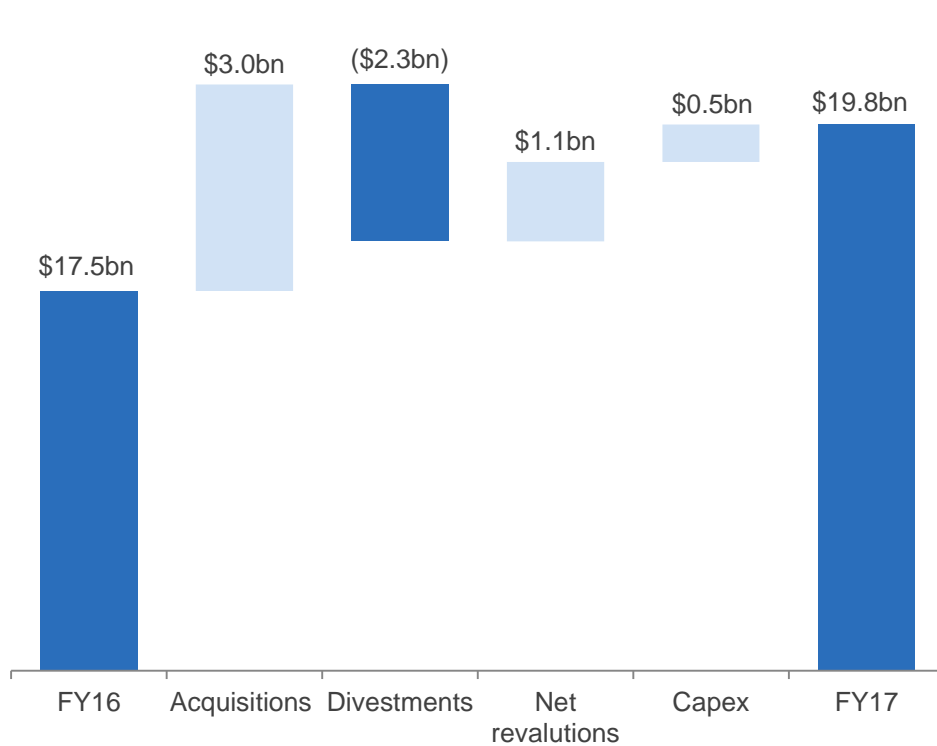
WALE by sector



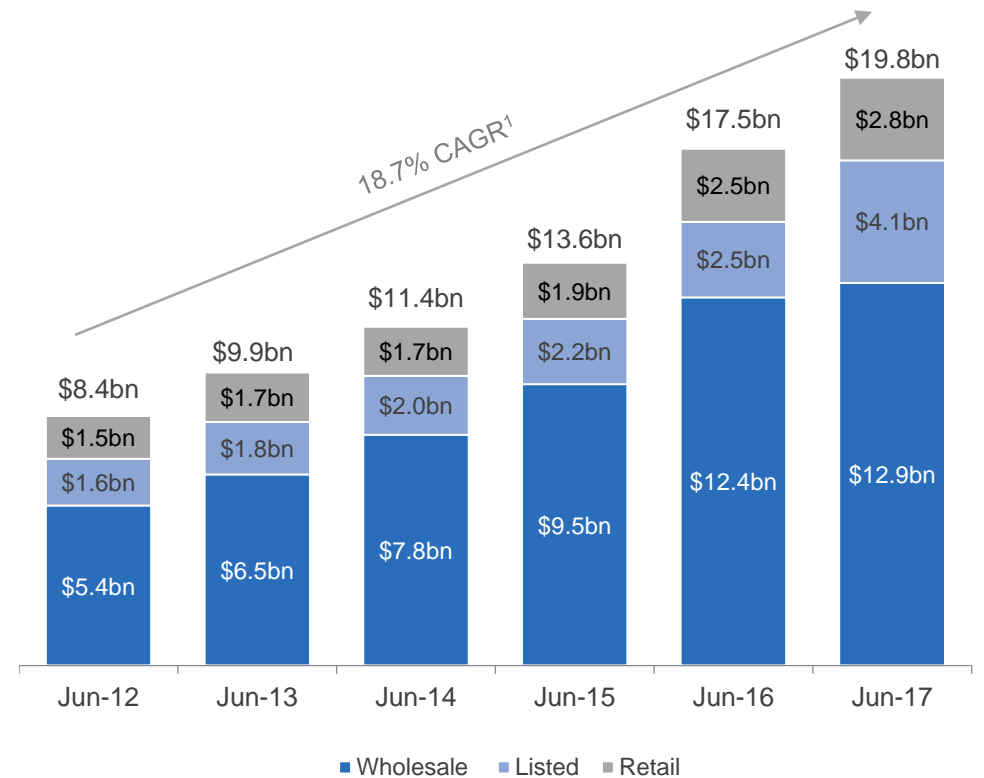
1. WALE is the weighted average lease expiry for the Property Funds Management portfolio and is weighted by gross income
 2. WACR is the weighted average cap rate for the Property Funds Management portfolio and is weighted by gross asset value

Funds Under Management Growth

Funds under management movement (\$bn)



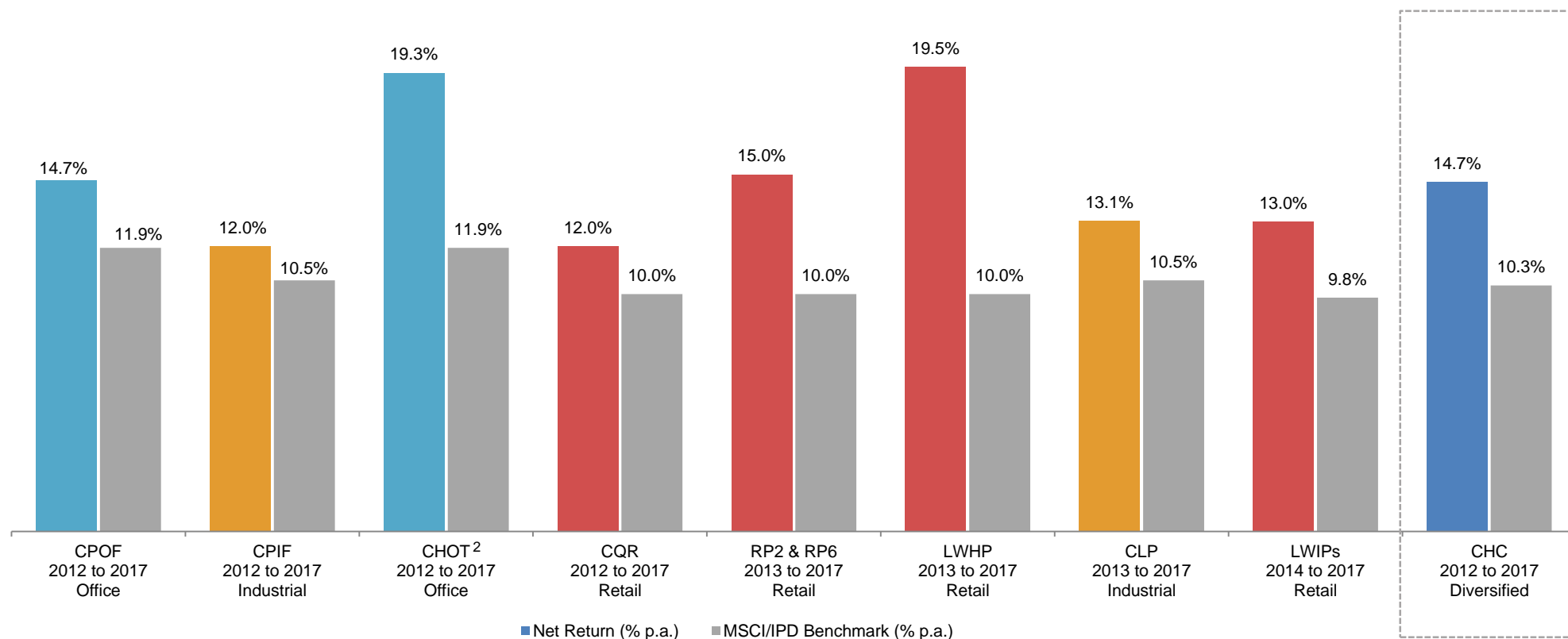
Funds under management by equity source (\$bn)



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

Property Investment Portfolio Returns

- The Total Property Investment Return¹ from 30 June 2012 to 30 June 2017 is 14.7% per annum, outperforming the MSCI/IPD Unlisted Wholesale Property Fund Index (NAV post fees) which returned 10.3% over the same period
- The Total Property Investment Return reflects the equity IRR achieved from each core Property Investment and is compared to the sector specific MSCI/IPD index over the same period



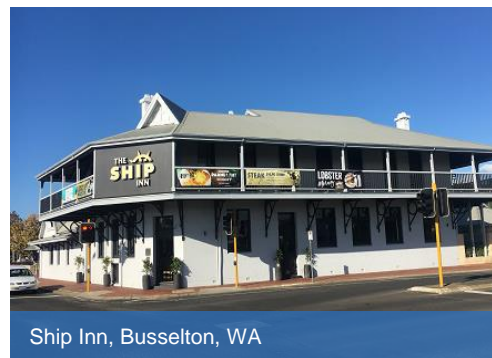
1. Total Property Investment Return calculated as distributions received from funds plus the growth in investment value divided by the opening investment value of the Property Investment Portfolio. This excludes any investments held for less than a year

2. This reflects CHCs Total Property Investment Return from privatisation date of CQO, however the actual Total Property Investment Return of CHCs initial investment in CQO is 23.2%

Transactional Activity

- Transaction revenue is a regular feature of earnings which we expect to continue
- Performance fees continue to contribute to PFM earnings with whole of fund/partnership fees expected to contribute in coming years
- Refer to Appendix 1 for Portfolio Performance Fee timing schedule

	Office	Industrial	Retail	TOTAL
Acquisitions	\$922m	\$1,354m	\$687m	\$2,963m
Divestments	(\$894m)	(\$941m)	(\$417m)	(\$2,252m)
Net transactions	\$29m	\$413m	\$270m	\$711m
Gross transactions	\$1,816m	\$2,295m	\$1,104m	\$5,215m



1. Transactions for the 12 months to 30 June 2017

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 48 office, industrial and retail projects
- Majority of projects are de-risked through pre-leases and fixed price building contracts

Development Activity (completion value)	Committed Projects	Uncommitted Projects ¹	Total Pipeline ²
Office	\$577m	\$1,514m	\$2,091m
Industrial	\$657m	\$999m	\$1,655m
Retail ³	\$625m	\$272m	\$897m
Total	\$1,859m	\$2,784m	\$4,643m

1. Includes potential end value of uncommitted development projects

2. \$2.0bn included in FUM at 30 June 2017

3. Reflects end value of development spend only

Equity Flows

Equity flows have generated \$3bn in undrawn debt and cash within funds platform

Diversified equity sources with \$2,336m gross equity raised during the year including:

- \$988m in Listed Funds including \$692m from the successful IPO of Charter Hall Long WALE REIT
- \$993m in Wholesale Funds and Partnerships
- \$355m in Direct Funds with further equity raising underway in PFA, DOF and DIF4

	FY14	FY15	FY16	FY17
Wholesale Pooled Funds	\$651m	\$653m	\$606m	\$776m
Wholesale Partnerships	\$261m	\$598m	\$467m	\$217m
Listed Funds ¹	\$260m	\$274m	\$76m	\$988m
Direct Funds ²	\$277m	\$180m	\$318m	\$355m
Gross equity raised	\$1,449m	\$1,705m	\$1,467m	\$2,336m
Net equity raised	\$987m	\$1,297m	\$1,099m	\$1,689m

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

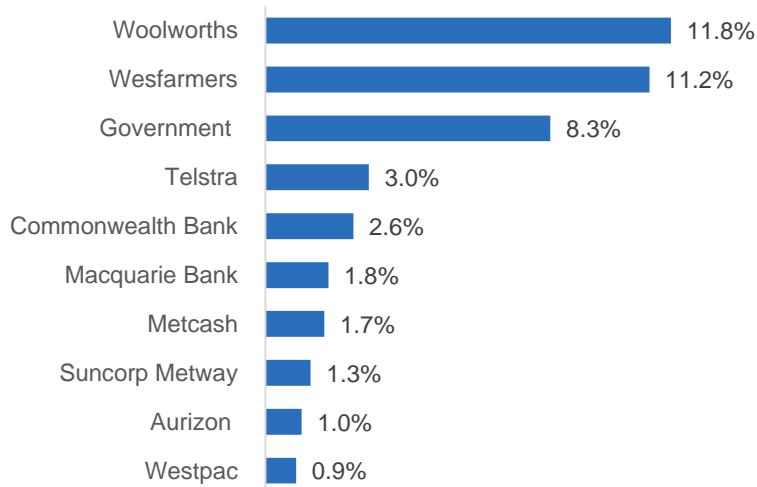
Property Investment



Property Investment Portfolio

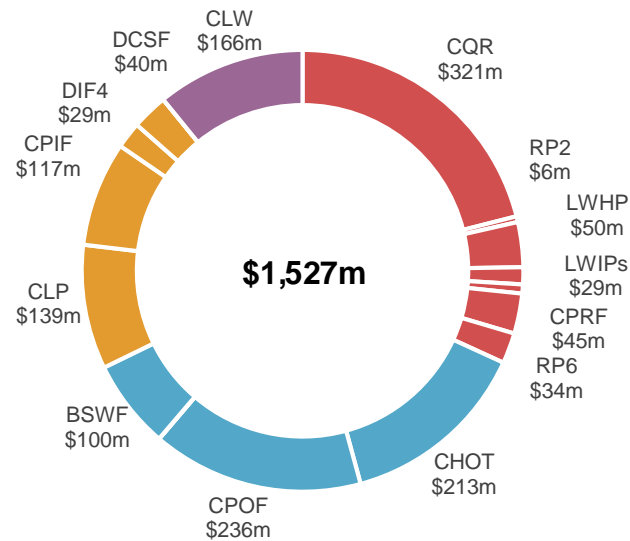
	Portfolio Value (\$m) ¹	No. of Properties	WALE ² (years)	Occupancy (%)	WARR ³ (%)	WACR ⁴ (%)	WADR ⁵ (%)	Tenant Retention Rate (%)
30 Jun 17	1,527	292	7.4	97.7	3.6	6.09	7.3	76.2%
30 Jun 16	1,098	258	8.8	98.6	3.4	6.46	7.9	79.3%

Top 10 Tenant Customers by Gross Income

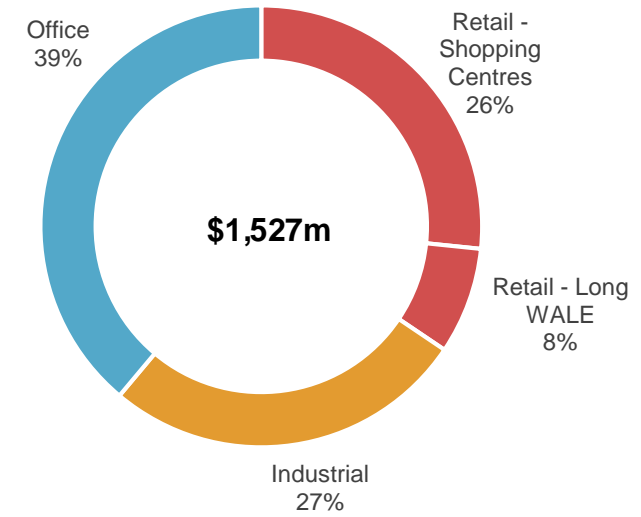


67% Repeat Tenant Customers⁶
across **1,800** leases

Diversification by Fund



Diversification by Sector

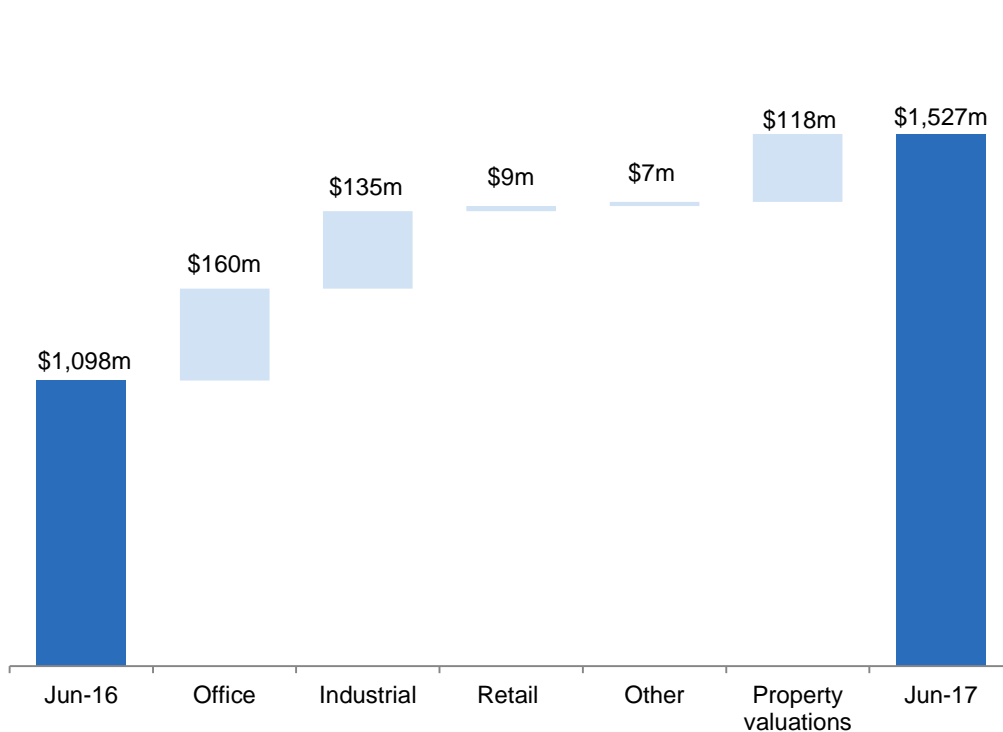


1. Portfolio Value represents all Property Investments
2. WALE is weighted by gross income of the Property Investment Portfolio
3. WARR is weighted by gross income of the Property Investment Portfolio
4. WACR is weighted by the Investment value of each Investment
5. WADR is weighted by the Investment value of each Investment
6. Repeat Tenant Customers are those with multiple leases across CHC funds

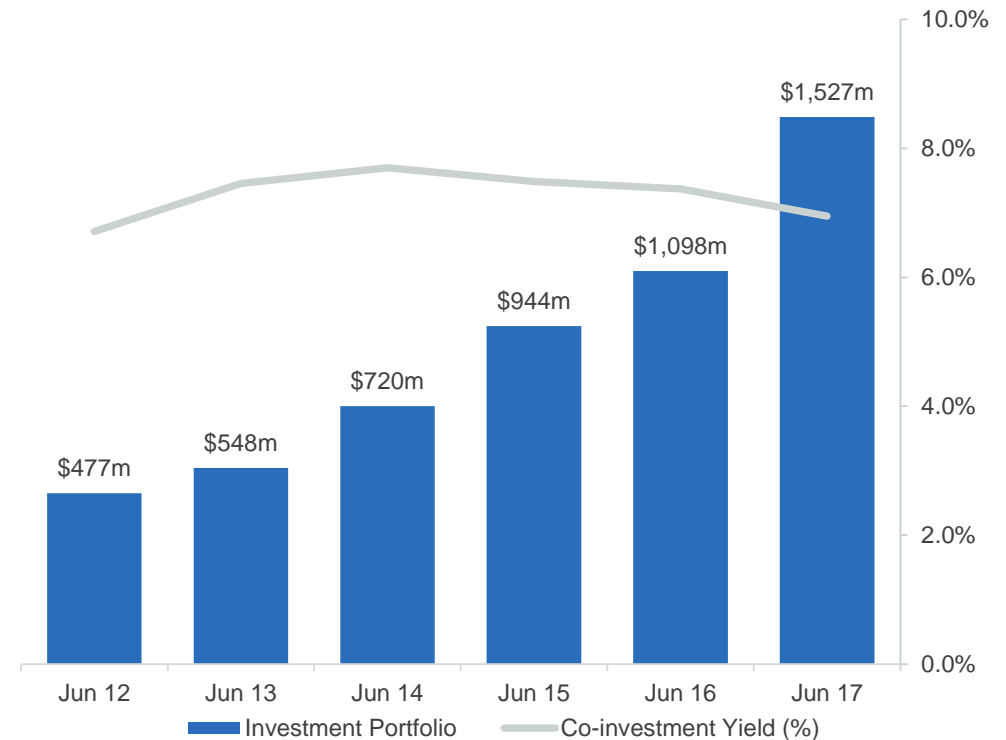
Property Investment Portfolio Movement

- During the year the Property Investment Portfolio increased by 39% (+\$430m) to \$1,527m including:
 - \$304m of net investments
 - \$118m of property valuations (net)
- Attractive PI earnings yield of 6.9%
- PI yield falling due to improved quality and WALE, together with compressing cap rates

Property Investment Portfolio movement (\$m)



Property Investment Portfolio Earnings



Capital Deployment

- On 28th April 2017, Charter Hall announced to the market a \$275m Institutional Placement to fund the majority of \$333m of contracted, committed or identified investments
- Capital deployment is currently ahead of schedule, with \$250m deployed/committed into identified investments

Sector	Investment	Size	Indicative timing	Update
Industrial	Charter Hall Prime Industrial Fund (CPIF)	\$20m	Q3 FY17	Deployed
Industrial	Direct Industrial Fund No. 4 (DIF4)	\$30m	Q4 FY17	Deployed
Office	Brisbane Square Wholesale Fund (BSWF)	\$95m	Q4 FY17	Deployed
Office	Charter Hall Prime Office Fund (CPOF)	\$30m	Q4 FY17	Deployed
Diversified	Direct Consumer Staples Fund (DCSF)	\$25m	Q4 FY17	Deployed
Office	Charter Hall PFA Fund (PFA)	\$10m	Q1 FY18	Deployed
Retail (Liquor)	Long WALE Investment Partnership (LWIP)	\$10m	Q1 FY18	Deployed
Retail (Hardware)	Long WALE Hardware Partnership (LWHP)	\$30m	Q1 FY18	Committed
Total identified investment opportunities deployed / committed		\$250m		
Retail (Shopping)	Charter Hall Prime Retail Fund (CPRF)	\$41m	Q1 FY18	Due Diligence Ongoing
Office	Counter Cyclical Trust (CCT)	\$25m	During FY18	Sourcing Acquisitions
Retail (Shopping)	Retail Partnership No. 6 Trust (RP6)	\$17m	During FY18	Sourcing Acquisitions
Total identified investment opportunities with an indicative investment timing during FY18		\$83m		
Total identified investment opportunities		\$333m		

Major Cross Sector Tenant Customer Relationships



Overview of Wesfarmers Subsidiary Leases

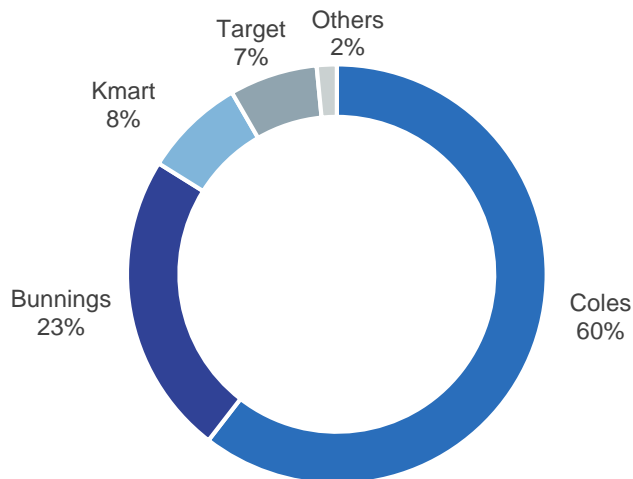
Sector	Area (NLA '000's m ²)	Tenancies (#)
Retail	462	99
Industrial	282	6
Office	42	4
Total	786	109
% of Platform Gross Income	11.2%	



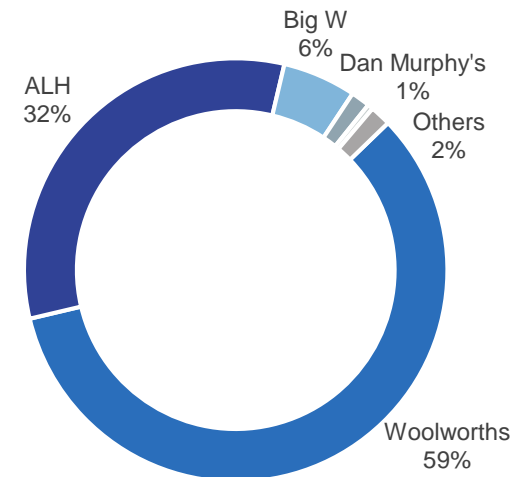
Overview of Woolworths Group Subsidiary Leases

Sector	Area (NLA '000's m ²)	Tenancies (#)
Retail	470	136
Industrial	247	6
Office	1	1
Total	718	143
% of Platform Gross Income	11.8%	

Tenant Customer Breakdown by Income



Tenant Customer Breakdown by Income



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 **increased to 4.5 Stars**. Retail national average weighted energy ratings achieved **3.77 Stars**

National Average NABERS Weighted Rating		
	Energy	Water
Office	4.50	3.40
Retail	3.77	3.49



Charter Hall is a member of GRESB, with six funds responding in FY17. Existing funds **CHOT and CPOF achieved top quartile Green Star status** in FY16, while CPIF continued year on year improvements



PLACE CREATION



Charter Hall have joined international philanthropy movement Pledge 1%. Our Pledge is through **Our People: Our Places: Our Partnerships**



Our People – pledge their time to making a difference in their communities



Our Places – pledge spaces for use by community groups



Our Partnerships – provide programs and services for our people, our customers and in our communities



WELLBEING



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



Financial Result



Salamander Bay, Port Stephens, NSW

Income Statement

OEPS pre-tax growth of 33.3%

- OEPS post-tax growth of 18.1% to 35.9cps and DPS growth of 11.5% to 30.0cps
- PI operating earnings up 8.2% to \$85.0m
- PFM operating earnings pre-tax up 85.3% to \$85.7m
- Property Investments¹ net valuation increase of \$118.3m
- Statutory profit after tax growth of 19.7% to \$257.6m

\$m	FY17	FY16	Change %
PI operating earnings	85.0	78.5	8.2%
PFM operating earnings pre-tax	85.7	46.2	85.3%
Operating earnings pre-tax	170.6	124.7	36.8%
Tax	(19.5)	-	-
Operating earnings post-tax	151.2	124.7	21.2%
Property valuations (net) ¹	118.3	107.8	9.8%
Amortisation and impairment of intangibles	(4.3)	(8.5)	48.9%
Impairment of investment in joint venture	(10.5)	-	-
Gain on disposal of investments and inventory ¹	3.9	6.1	(36.1%)
Realised and unrealised losses on derivatives ¹	8.2	(10.3)	179.3%
Income taxes ²	(4.1)	(1.7)	(142.2%)
Other non-operating items ¹	(5.0)	(2.9)	73.3%
Total non-operating items	106.4	90.5	17.6%
Statutory profit after tax	257.6	215.2	19.7%
OEPS pre-tax (cps)	40.5	30.4	33.3%
OEPS post-tax (cps)	35.9	30.4	18.1%
DPS (cps)	30.0	26.9	11.5%
Distribution payout ratio	83.5%	88.4%	(4.9%)

1. Includes the Group's proportionate share of non-operating items of equity accounted investments on a look through basis

2. Non-operating deferred income tax expense

Segment Result

- PI operating earnings growth driven by:
 - 3.6% 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 34.2% outpacing total PFM expense growth of 7.0%
 - FY17 tax expense to drive franking credits in FY18

\$m	FY17	FY16	Change %
PI revenue	84.8	78.5	8.0%
Interest and expenses	0.2	(0.0)	-
PI operating earnings	85.0	78.5	8.2%
PFM revenue	178.5	133.0	34.2%
PFM expenses	(68.7)	(61.5)	11.6%
Corporate expenses	(24.2)	(25.2)	(4.2%)
Total PFM expenses	(92.8)	(86.8)	7.0%
PFM operating earnings pre-tax	85.7	46.2	85.3%
Operating earnings pre-tax	170.6	124.7	36.8%
Tax	(19.5)	-	-
Operating earnings post-tax	151.2	124.7	21.2%
PI Yield	6.9%	7.4%	(0.4%)
PFM Yield	5.1%	4.1%	1.0%
PFM EBITDA Margin ¹	49.9%	36.7%	13.2%
Corporate MER ²	12.2bps	14.5bps	(2.3bps)

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

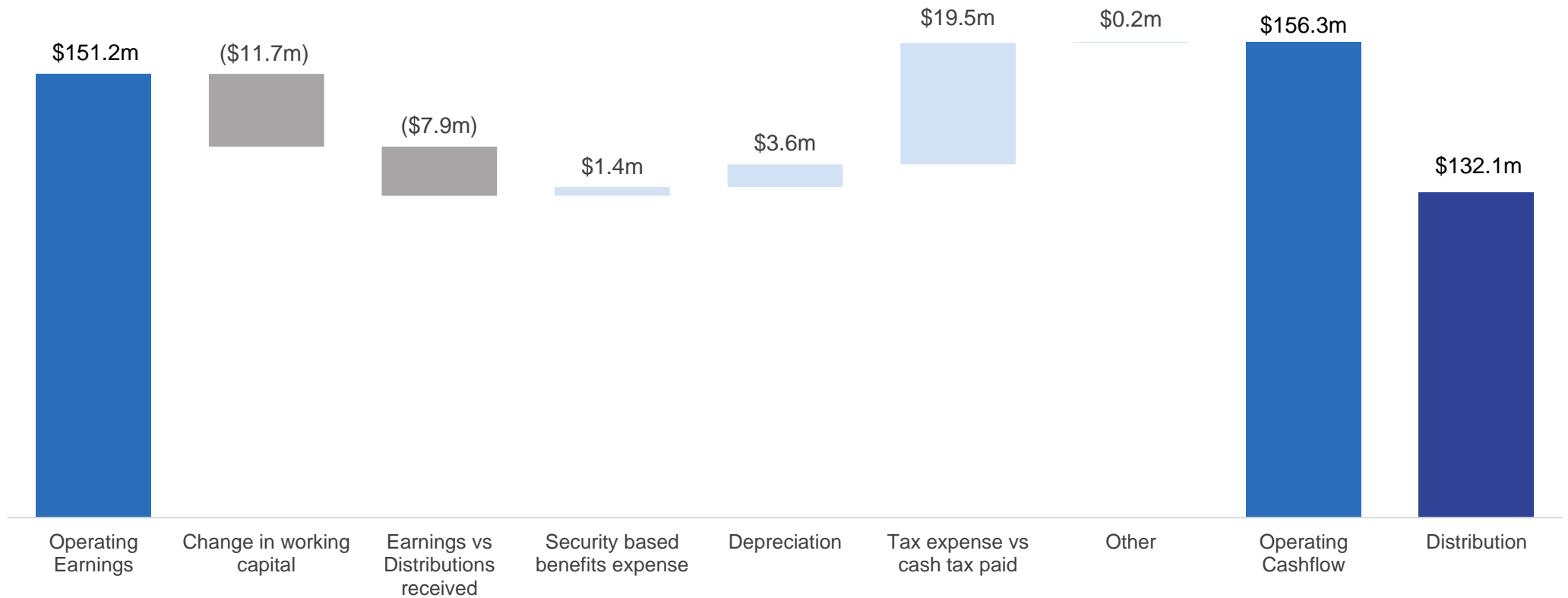
Scalable Business Model

- PFM revenue up 34.2% to \$178.5m
- Investment Management revenue up 41.1% to \$131.6m:
 - 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 18.1% to \$46.9m:
 - Value adding development services
 - Successful leasing activity driving high occupancy

\$m	FY17	FY16	Change %
Fund management fees	75.0	62.6	19.9%
Transaction and performance fees	56.6	30.7	84.2%
Investment management revenue	131.6	93.3	41.1%
Property management fees	16.4	16.0	2.8%
Development management fees	11.3	8.2	37.9%
Leasing fees	14.8	11.2	32.1%
Facilities and project management fees	4.3	4.3	0.2%
Property services revenue	46.9	39.7	18.1%
PFM revenue	178.5	133.0	34.2%
PFM expenses	(68.7)	(61.5)	11.6%
Corporate expenses	(24.2)	(25.2)	(4.2%)
Total PFM expenses	(92.8)	(86.8)	7.0%
PFM operating earnings pre-tax	85.7	46.2	85.3%
Tax	(19.5)	0.0	-
PFM operating earnings post-tax	66.2	46.2	43.2%

Cashflow

- FY17 Distribution covered 118% by operating cashflow
- Working capital movement driven by timing of fees and payment of expenses



Balance Sheet

Significant liquidity

- Strong balance sheet maintained:
 - Cash position of \$174m to fund identified and pipeline investments
 - Considerable financial flexibility with total investment capacity of approximately \$300m
- NTA growth of 18.1% to \$3.60 per security
- Financial return metrics continue to deliver on strategy

\$m	30 June 2017	30 June 2016	Change %
Cash	\$174m	\$145m	20.0%
Property Investments	\$1,527m	\$1,098m	39.1%
Other assets	\$106m	\$102m	3.5%
Intangibles	\$65m	\$70m	(6.2%)
Total assets	\$1,873m	\$1,416m	32.3%
Total liabilities	\$151m	\$104m	44.3%
Total equity	\$1,722m	\$1,311m	31.4%
NTA per security ¹	\$3.60	\$3.04	18.1%
Balance sheet gearing ²	0.0%	0.0%	-
Investments look through gearing ³	20.1%	25.3%	(5.2%)
Return Metrics	30 June 2017	30 June 2016	Change %
Return on Equity pre-tax ⁴	13.1%	10.8%	2.3%
Return on Equity post-tax ⁴	11.6%	10.8%	0.8%
Total Property Investment Return ⁵	19.8%	16.4%	3.4%
Total Platform Return ⁶	27.6%	18.1%	9.5%

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

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 calculated as OEPS divided by opening NTA per security adjusted for contributed equity during the period

5. Total Property Investment Return calculated as distributions received from funds plus the growth in investment value divided by the opening investment value of the Property Investment Portfolio. This excludes any investments held for less than a year

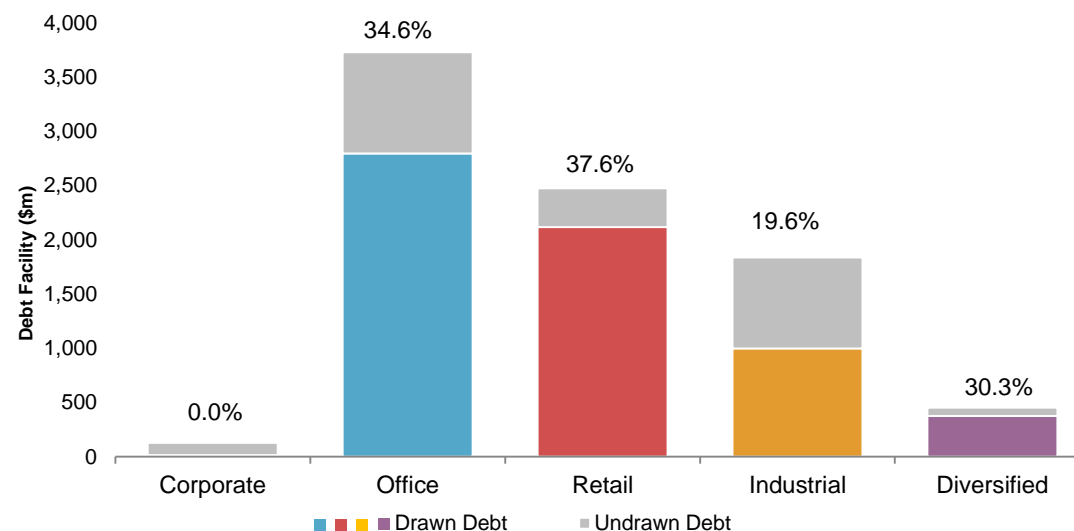
6. Total Platform Return calculated as the growth in NTA per security plus the distribution per security divided by the opening NTA per security adjusted for contributed equity during the period

Debt and Capital Management

- Substantial funding capacity available across the funds platform with \$3.0bn of available liquidity
- \$5.5bn of new and refinanced debt facilities in FY17
- Look through weighted average debt maturity¹ of 4.3 years
- Look through weighted average cost of debt² of 4.09% down from 4.55%
- Interest rate hedging of 65% with an average maturity of 3.8 years

Key debt metrics funds platform	Jun 17	Jun 16
Combined fund facility limits (\$m)	8,611	7,527
Combined fund undrawn debt (\$m)	2,313	1,667
Total group cash (\$m)	679	431
Look through gearing (%)	20.1%	25.3%
Look through weighted average debt maturity (yrs) ¹	4.3	3.8
Look through weighted average cost of debt ²	4.09%	4.55%
Look through interest rate hedging (%)	65%	70%

Drawn Debt (\$m) and Gearing (%) by Sector¹



1. Debt 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



FY18 Earnings Guidance

We believe the investment landscape will continue to accommodate growth

- **Relative attractiveness** of real assets
- **Continued equity flows** expected to real assets for institutional fund managers with strong track records
- We continue to expect **asset values** to remain well supported

Our guidance is as follows:

Based on no material change in current market conditions and having regard to the 18% earnings growth achieved in FY17 over FY16, our FY18 guidance is for operating earnings per security post-tax to be no less than FY17 of 35.9cps

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 130 Lonsdale Street, Melbourne, VIC



Lansell Square, Bendigo, VIC

Additional Information

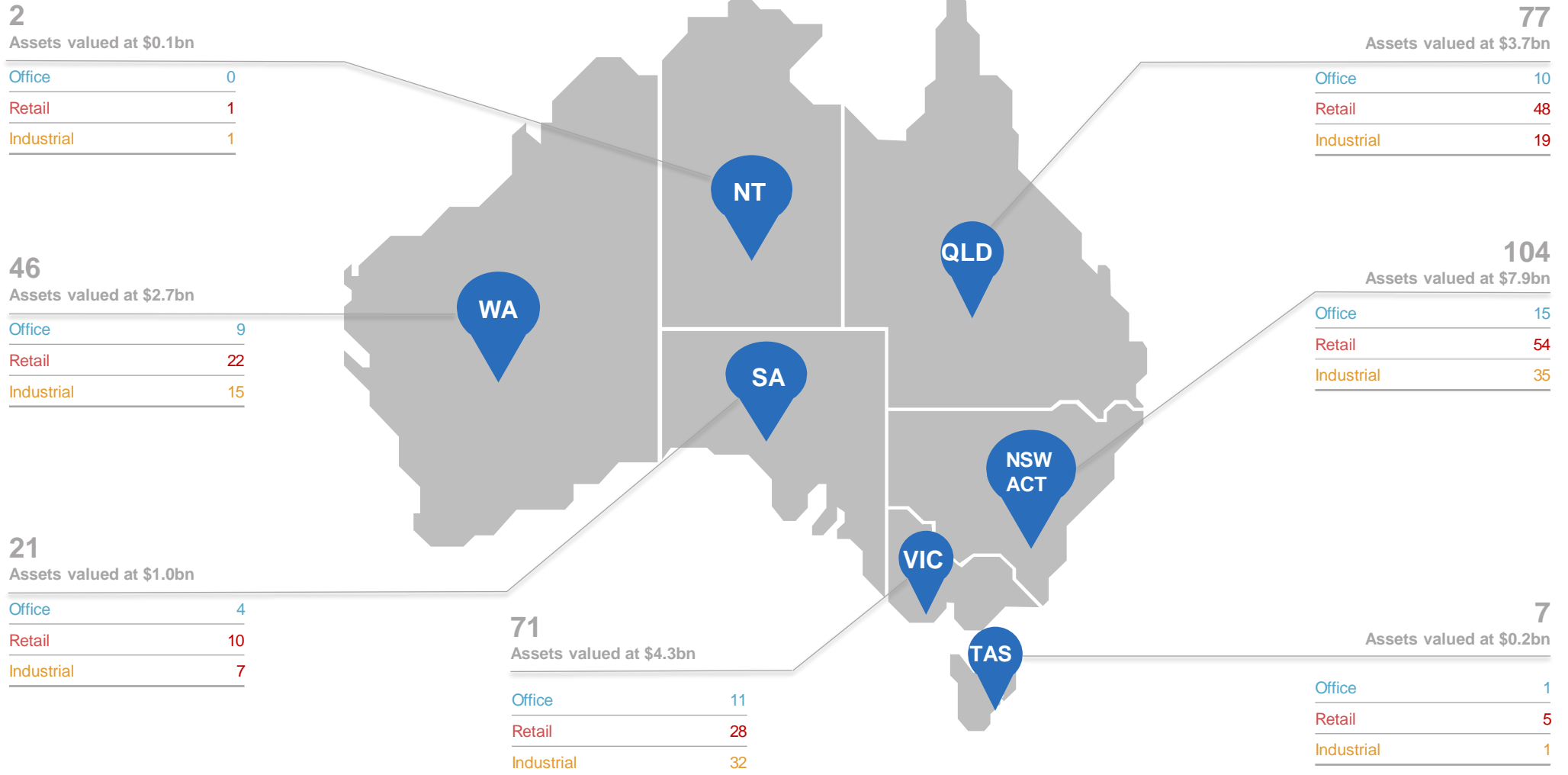
1. Property Funds Management
2. Property Investments
3. Financial Result



Appendix – Property Funds Management



Charter Hall Group Overview¹



1. Excludes one New Zealand asset acquired June 2017

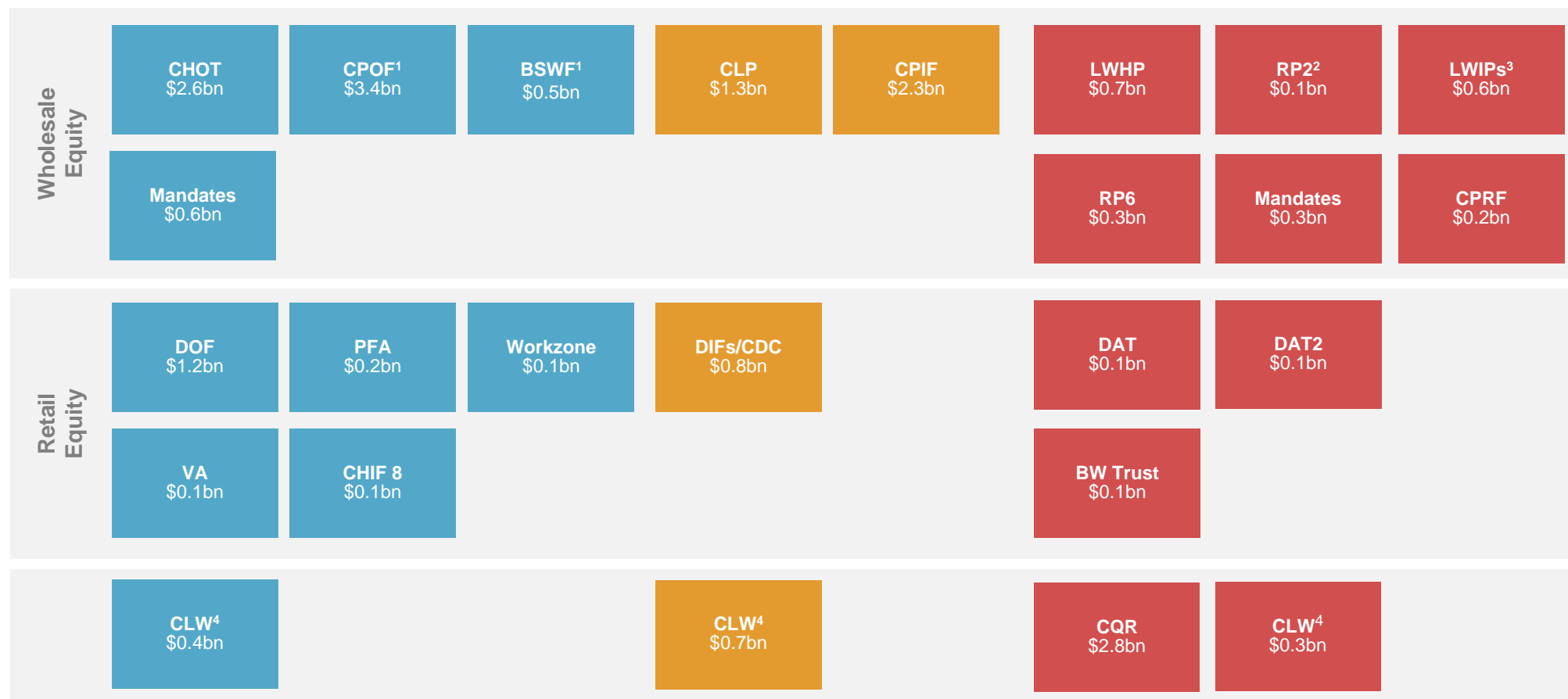


Charter Hall Managed Funds

Office \$9.1bn

Industrial \$5.2bn

Retail \$5.5bn



Note Statistics on this page may not add due to rounding

1. CPOF holds 49.1% of the units in the Brisbane Square Wholesale Funds (BSWF)
2. CQR holds 47.5% of the units in RP2
3. LWIPs include LWIP1 and LWIP2. CLW hold 45% of the units in LWIP1
4. Charter Hall Long WALE REIT (CLW) is a \$1.4bn listed REIT diversified across the Office, Industrial and Retail sectors



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
GROUP EXECUTIVE – OFFICE



FUM

\$9.1b



PROPERTIES

50



OCCUPANCY

98.5%



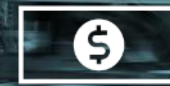
WALE

6.5yrs



CAP RATE

5.87%



CHC INVESTMENT

\$594m



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.”

PAUL FORD
GROUP EXECUTIVE – INDUSTRIAL



FUM
\$5.2b



PROPERTIES
111



OCCUPANCY
97.4%



WALE
9.2yrs



CAP RATE
6.41%



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
GROUP EXECUTIVE – RETAIL

**Lansell
Square
Charter Hall**


FUM
\$5.5b


PROPERTIES
168


OCCUPANCY
97.5%


WALE
8.5yrs


CAP RATE
6.08%


CHC INVESTMENT
\$515m



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



Best Direct Property Fund at the Money Management | Lonsec Fund Manager of the Year Awards in 2017



Best Direct Property Fund at the Professional Planner | Zenith Fund Awards in 2016



FUM
\$2.9b



PROPERTIES
52



OCCUPANCY
99.8%



WALE
9.5yrs

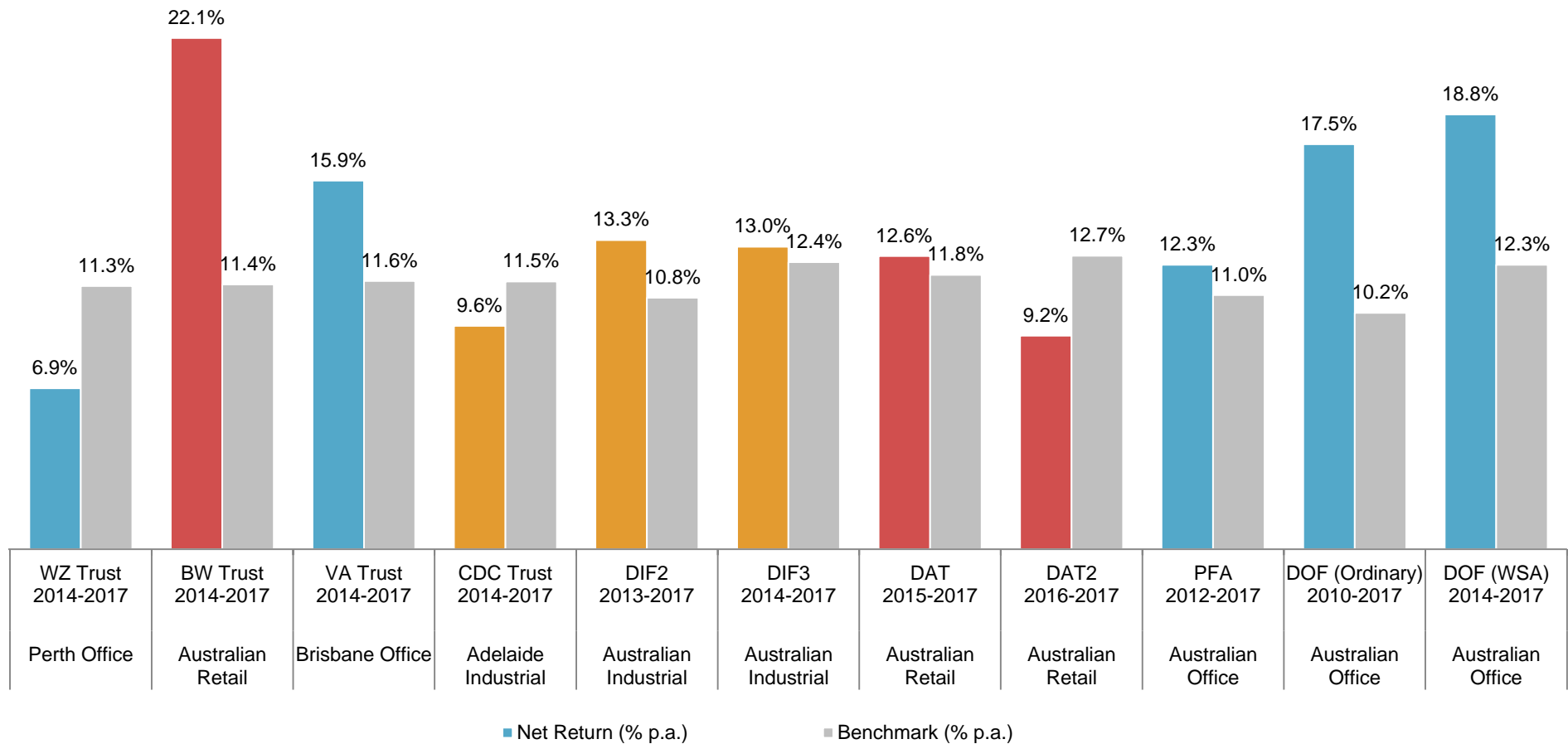


CAP RATE
6.42%

Direct fund and syndicate assets reflected in the retail, office, Industrial sector statistics

Direct Funds Net Returns Since Inception

- Charter Halls active Direct Syndicates & Funds have an average return of 13.0% p.a. Outperforming the MSCI/IPD Unlisted Core Wholesale Property Funds Index by an average of 1.8%¹
- The above benchmark performance of the Direct Funds continues to attract equity flows into existing and new funds



Note Income return is based on accumulation index, which assumes distributions are reinvested

1. Benchmark is MSCI/IPD Unlisted Core Wholesale Property Fund Index

Portfolio Performance Review Dates

Fund	Portfolio Performance Review Dates
Charter Hall Office Trust (CHOT)	FY20
Charter Hall Prime Office Fund (CPOF)	3 yearly – FY18
Brisbane Square Wholesale Fund (BSWF)	3 yearly – FY19
Charter Hall Prime Industrial Fund (CPIF)	3 yearly – FY19
Core Logistics Partnership (CLP)	7 yearly – FY20 plus individual asset divestment performance fees
Long WALE Hardware Partnership (LWHP)	7 yearly – FY21 plus individual asset divestment performance fees
Retail Partnership No. 2 (RP2)	7 yearly – FY22
Retail Partnership No. 6 (RP6)	7 yearly – FY22
Direct Office Fund (DOF)	5 yearly – FY20
Charter Hall PFA Fund (PFA) ¹	5 yearly – FY23 or individual asset divestment performance fees
Charter Hall Direct BW Trust (BW Trust)	FY19
Charter Hall Direct VA Trust (VA)	FY20
Charter Hall Direct CDC Trust (CDC)	FY20
Charter Hall Direct Industrial Fund No. 2 (DIF2)	FY20
Charter Hall Direct Industrial Fund No. 3 (DIF3)	FY22
Charter Hall Direct Industrial Fund No. 4 (DIF4)	5 yearly – FY22
Charter Hall Direct Automotive Trust (DAT)	FY22
Charter Hall Direct Automotive Trust No. 2 (DAT2)	FY22

1. Performance fee timing varies by unit class

Appendix – Property Investment



No.1 Martin Place, Sydney, NSW

Property Investment Portfolio

(\$m)	Ownership Stake (%)	Charter Hall Investment	Charter Hall Income	WALE	WACR	WADR	WARR	PI Yield ²
Office		549.1	25.3	5.6	5.8%	7.1%	3.7%	7.3%
Charter Hall Office Trust (CHOT)	14.3%	212.9	13.4	4.6	5.5%	7.0%	3.7%	8.6%
Charter Hall Prime Office Fund (CPOF)	10.5%	236.4	11.7	6.4	5.9%	7.2%	3.8%	6.2%
Brisbane Square Wholesale Fund (BSWF)	16.8%	99.6	0.2	6.8	6.1%	7.3%	3.6%	6.0%
Charter Hall PFA Fund (PFA)	0.1%	0.2	0.0	7.0	7.6%	8.2%	3.5%	7.8%
Industrial		285.8	16.5	9.1	6.4%	7.4%	3.0%	6.2%
Core Logistics Partnership (CLP)	13.8%	139.2	9.9	9.6	6.3%	7.6%	3.0%	6.3%
Charter Hall Prime Industrial Fund (CPIF)	6.0%	117.1	6.2	7.7	6.4%	7.6%	3.0%	6.1%
Direct Investment Trust No. 4 (DIF4)	21.2%	29.5	0.4	11.6	6.5%	6.0%	3.0%	6.6%
Retail		486.0	34.1	6.8	6.1%	7.4%	3.9%	7.3%
Charter Hall Retail REIT (CQR) ¹	18.6%	321.2	21.1	6.8	6.3%	7.4%	4.1%	7.7%
Charter Hall Prime Retail Fund (CPRF)	38.0%	44.8	1.9	4.1	5.8%	7.5%	4.4%	6.3%
Long WALE Invest Partnership (LWIP)	5.0%	19.0	5.2	17.2	6.0%	7.4%	2.0%	7.7%
Long WALE Invest Partner 2 (LWIP2)	10.0%	10.1	0.7	18.0	6.0%	7.4%	2.0%	7.3%
Long WALE Hardware Partnership (LWHP)	9.9%	50.2	2.6	9.4	5.7%	7.4%	2.9%	5.7%
Retail Partnership No. 2 (RP2)	5.0%	6.4	0.4	4.8	5.8%	7.5%	4.5%	7.1%
Retail Partnership No. 6 (RP6)	20.0%	34.3	2.1	3.3	5.8%	7.7%	3.3%	6.5%
Diversified		166.0	6.6	11.8	6.2%	7.4%	2.9%	6.3%
Charter Hall Long WALE REIT (CLW)	20.0%	166.0	6.6	11.8	6.2%	7.4%	2.9%	6.3%
Other³		59.9	2.3					
Total⁴		1,546.7	84.8	7.4	6.1%	7.3%	3.6%	6.9%

1. WARR is contracted weighted average rent increases of specialty tenant customers

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

3. Other includes investments and income from funds realised during the year, direct property assets and CIP

4. Total includes investment in CIP which is not included as part of the Property Investment Portfolio or in the calculation of key Portfolio metrics

Charter Hall Retail REIT (CQR)

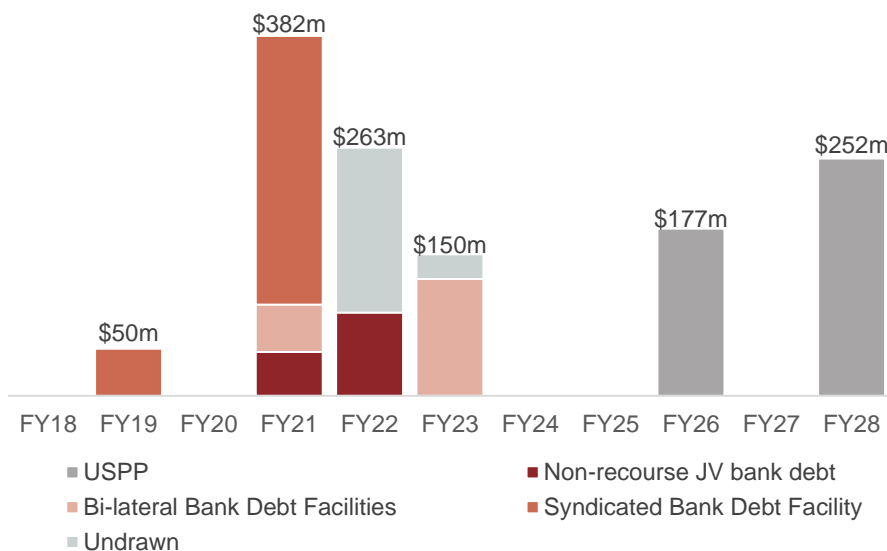
Key events during FY17

- Acquired Arana Hills Plaza, QLD for \$67.1m
- Disposal of non-core assets for \$81.2m reflecting a combined 5.8% yield including Pakington Strand (50% share), Caboolture, Moe Kmart and Newstead
- Refinanced \$100 million of FY19 maturities and increased liquidity by a further \$225 million
- RP1 JV bank debt extended to FY22
- Weighted average debt maturity of 6.1 years
- Balance sheet gearing of 33.1% towards the lower end of the target range
- Secret Harbour development completed in June 2017

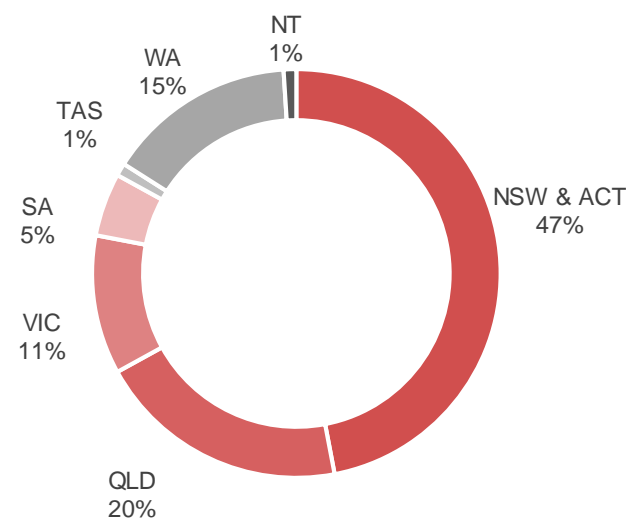
Key Metrics

Gross property assets	\$2.8bn
Total debt (look-through)	\$1.0bn
Gearing (balance sheet)	33.1%
Gearing (look-through)	36.2%
No. of assets	71
Occupancy	98.0%
Portfolio WALE (years)	6.8
WACR	6.3%
WARR	4.1%
Charter Hall interest	18.6%
Charter Hall co-investment	\$321.2m

Debt expiry profile (by facility limit)



Geographic allocation (by GAV)



Charter Hall Office Trust (CHOT)

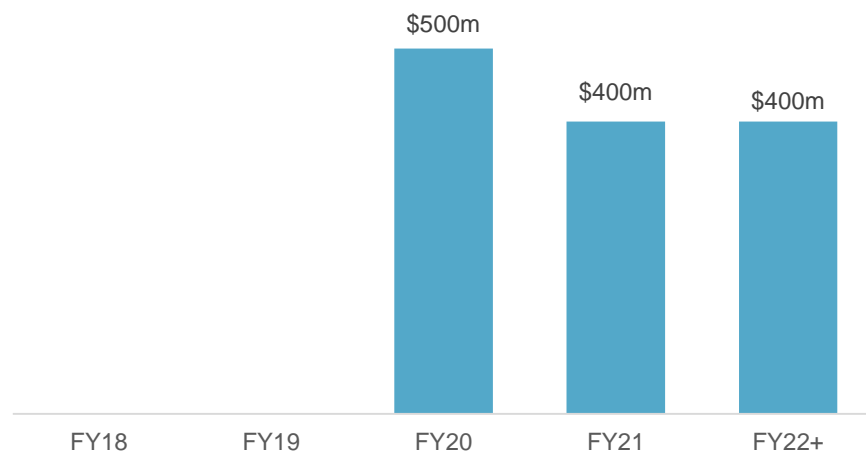
Key events during FY17

- The Fund achieved a 40.3% return for the 12 months to June 2017
- The portfolio was independently revalued to \$2.6bn, a net valuation increase of \$462.6m or 22% against the June 2016 book valuations
- The Fund divested of 5 Queens Road, St Kilda and Avaya House, North Ryde reflecting a \$60m profit (or 37%) over the December 2015 book valuation
- Charter Hall realised an interim performance fee of \$12.8m and extended the fund term by 3 years to April 2020
- Major leasing during the year included Amazon who now occupy 16,500sqm (22% NLA) at 2 Park Street, Sydney

Key metrics

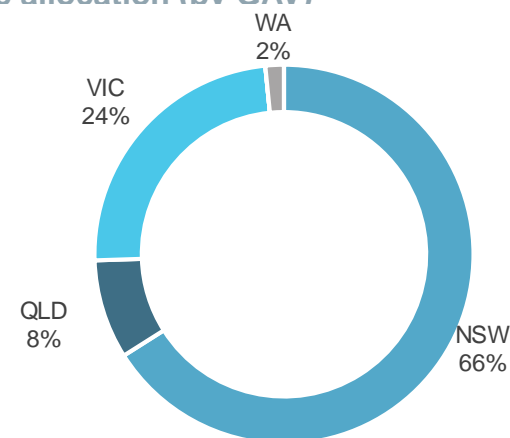
Gross property assets	\$2.6bn
Total debt	\$1.1bn
Gearing (balance sheet)	40.1%
No. of assets	10
Occupancy	99.2%
WALE	4.6
WACR	5.5%
WARR	3.7%
Charter Hall interest	14.3%
Charter Hall co-investment	\$212.9m

Debt expiry profile (bv facility limit)¹



1. Refinanced debt facility post 30 June 2017

Geographic allocation (bv GAV)



Charter Hall Prime Office Fund (CPOF)

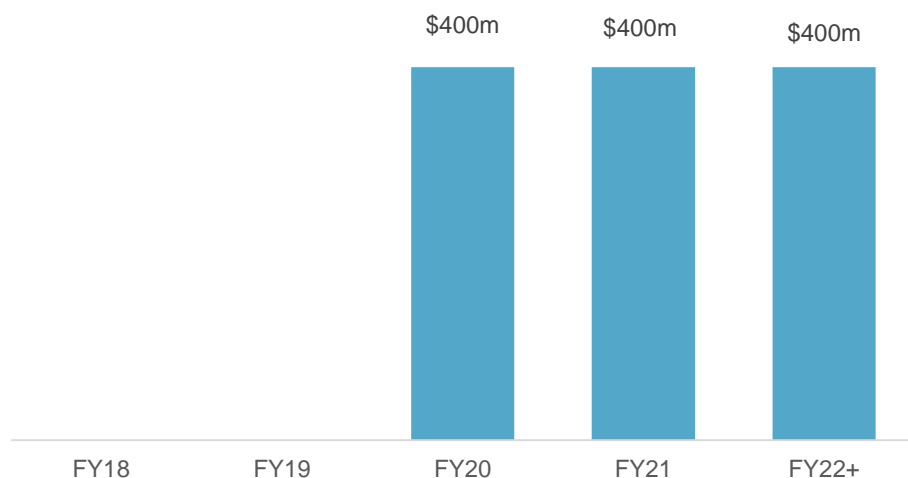
Key events during FY17

- The Fund achieved a 19.2% return for the 12 months to 30 June 2017 being the highest performing office fund in the IPD office index over 1, 2, 3 and 5 years
- Three acquisitions were made: 105 Phillip St, Parramatta (partially completed development asset in partnership with Direct Office Fund); 990 LaTrobe St, Melbourne and 366-380 Queen St, Brisbane (development site)
- An additional 16.57% stake was acquired in BSWF which gives CPOF greater exposure to core assets at Brisbane Square, Brisbane and BankWest Tower, Perth
- Assets currently under construction include 900 Ann Street, Fortitude Valley (new Aurizon headquarters), 105 Phillip St, Parramatta (12 year pre-commitment to Government Property NSW) and Raine Square, Perth retail upgrade
- Development opportunities being progressed at 130 Lonsdale Street, Melbourne and GPO Adelaide with significant pre-commitment campaigns well underway
- CPOFs equity raising closed oversubscribed by \$41m to total \$541m. The fund welcomed two new domestic investors and one new international investor in Q4 2017

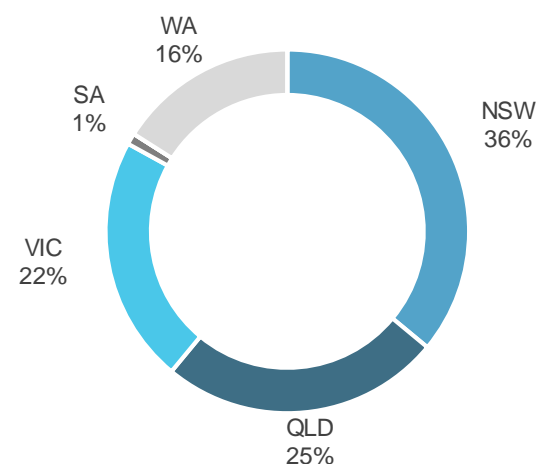
Key metrics

Gross property assets	\$3.4bn
Total debt	\$0.7bn
Gearing (balance sheet)	26.4%
No. of assets	21
Occupancy	97.9%
WALE	6.4
WACR	5.9%
WARR	3.8%
Charter Hall interest	10.5%
Charter Hall co-investment	\$236.4m

Debt expiry profile (by facility limit)



Geographic allocation (by GAV)



Charter Hall Long WALE REIT (CLW)

Key events during FY17

- Successful listing on the ASX on 8 November 2016
- Upgraded FY17 operating EPU 1.4% vs PDS forecast¹
- Completed or committed to the following property acquisitions:
 - SUEZ portfolio (10 industrial assets, \$65.9m, 15 year WALE)
 - LWIP hotel portfolio (three ALH operated hotels, \$23.2m², 15 year WALE)
 - Bunnings Mackay (\$28.5m, 9.4 year WALE)
- Revalued portfolio (excluding acquisitions) recording a gross \$37.4m valuation uplift, or 3.1% increase on prior valuations
- 2.2% NTA per unit growth from IPO, post statutory adjustments including the write off of acquisition costs
- Introduced second leading Australian bank to REIT's syndicated debt facility
- \$185m of new interest rate swaps, increasing look through hedging from 35% to 66%
- LWIP JV successfully issued A\$200m² note for 10 year term at all-in cost of 5.0%

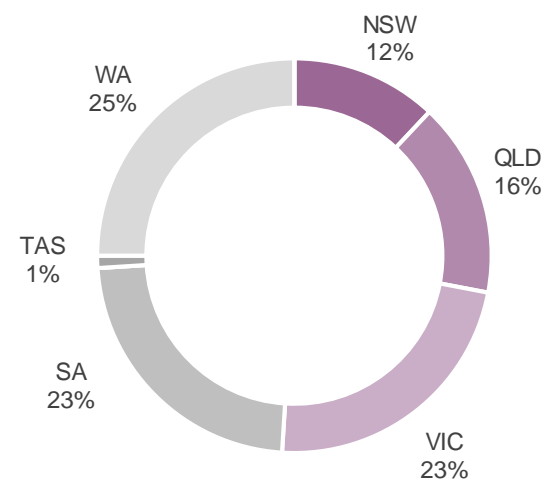
Debt expiry profile (by facility limit)



Key metrics

Gross property assets	\$1.4bn
Total debt	\$0.4bn
Gearing (balance sheet)	29.9%
No. of assets	80
Occupancy	100.0%
WALE	11.8
WACR	6.2%
WARR	2.9%
Charter Hall interest	20.0%
Charter Hall co-investment	\$166.0m

Geographic allocation (by GAV)



Core Logistics Partnership (CLP)

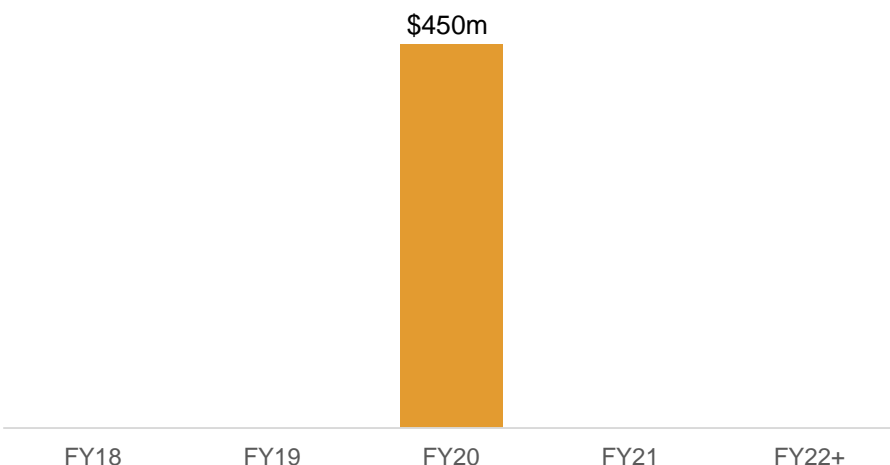
Key events during FY17

- CLP divested six assets for a combined realisation of \$353m in FY17. These sales improved portfolio quality, ensured funding of CLPs development pipeline, provided a \$120m capital return to the unitholders and crystallised performance fees of \$7.3m to Group.
- Executed new leases over 164,000sqm of GLA during the year including Target, The Reject Shop & Rand at Drystone Estate with a combined total GLA of 117,000sqm.
- Delivered three new pre-leased facilities at Drystone Estate, Victoria including The Reject Shop (37,864sqm), Target (63,320sqm) and Rand (16,557sqm) with a combined value of \$149m at 30 June 2017.
- Secured preleases to Couriers Please (15,000sqm) and Laverton Cold Storage (5,950sqm) at Drystone Estate with practical completion scheduled for August and October 2017 respectively.

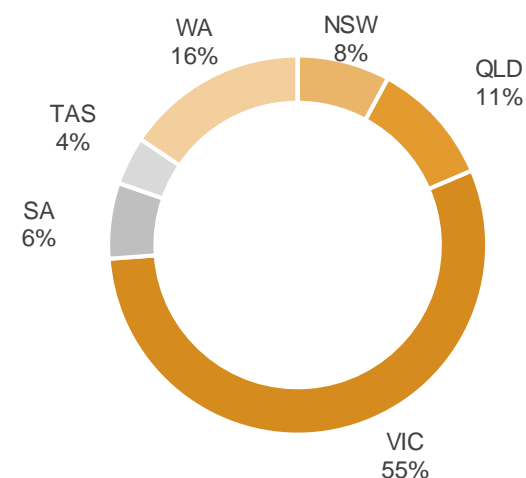
Key metrics

Gross property assets	\$1.3bn
Total debt	\$0.3bn
Gearing (balance sheet)	21.3%
No. of assets	23
Occupancy	100%
WALE	9.6
WACR	6.3%
WARR	3.0%
Charter Hall interest	13.8%
Charter Hall co-investment	\$139.2m

Debt expiry profile (by facility limit)



Geographic allocation (by GAV)

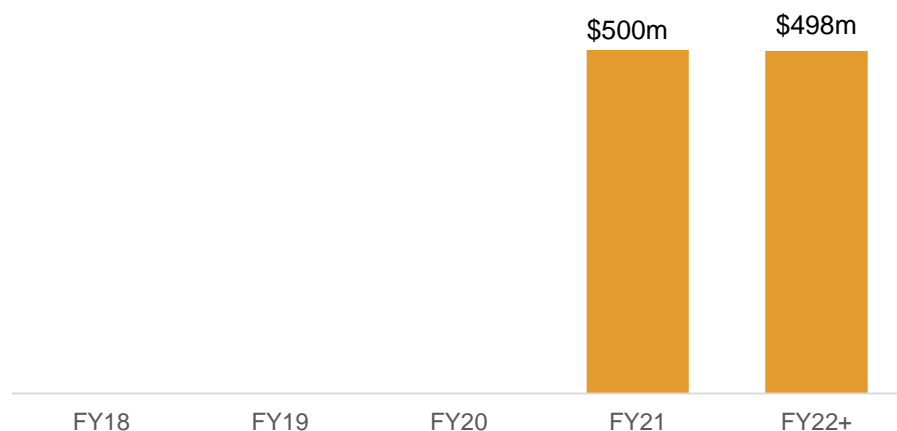


Charter Hall Prime Industrial Fund (CPIF)

Key events during FY17

- CPIF settled on seven acquisitions for \$311m during the period including 50% of Truganina Distribution Facility VIC (\$51.25m), Somerton Logistics Centre VIC (\$139.5m) and two properties leased to Primo in Chullora and Greenacre (\$81.05m) in an off market transaction. The fund also sold twelve, predominantly smaller non-core assets during the year for \$312m.
- CPIF executed new leases over 228,500sqm of GLA during the year. These included CUB (30,655sqm) at Rosehill Distribution Centre, Fastway Couriers (21,500sqm) at Chullora Logistics Park and GWA (30,000sqm) at M5/M7 Logistics Park.
- CPIF delivered three new development projects during the year including Berrinba Distribution Centre (19,000sqm), M5/M7 Logistics Park (25,000sqm) and Smithfield Distribution Centre (17,000sqm) with a collective value in excess of \$130m. CPIF also has a committed development pipeline under construction that will deliver a further 160,000sqm of GLA that is worth \$323m.
- CPIF undertook a US Private Placement in May diversifying its debt sources and also completed equity raisings of \$530m during the year.

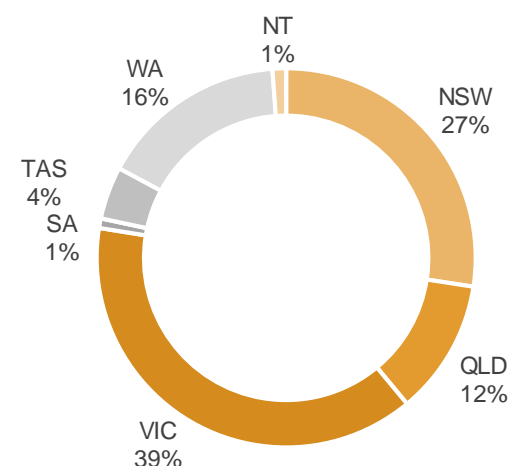
Debt expiry profile (by facility limit)



Key metrics

Gross property assets	\$2.3bn
Total debt (net of cash)	\$0.1bn
Gearing (balance sheet)	7.5%
No. of assets	48
Occupancy	94.2%
WALE	7.7
WACR	6.35%
WARR	3.0%
Charter Hall interest	6.0%
Charter Hall co-investment	\$117.1m

Geographic allocation (by GAV)



Appendix – Financial Result



Segment Earnings – Proportional Basis

FY17 (\$m)	Property Investments	Property Funds Management	Total
Property rental income	157.4	-	157.4
Property expenses	(31.4)	-	(31.4)
Management fee revenue	-	158.7	158.7
Net property development EBITDA ¹	3.6	-	3.6
Net operating expenses	(1.0)	(68.3)	(69.4)
Corporate expenses ²	-	(22.8)	(22.8)
Security based benefits expense	-	(1.4)	(1.4)
EBITDA	128.5	66.2	194.7
EBITDA as a % of total EBITDA	66.0%	34.0%	
Inter-segment fees and expenses ³	(14.1)	23.0	8.9
Depreciation and amortisation expense	(0.2)	(3.5)	(3.7)
Net interest expense	(28.6)	-	(28.6)
Income tax expense	(0.7)	(19.5)	(20.1)
Operating earnings	85.0	66.2	151.2
Other Segment Items:			
Realised gains/(losses) on disposal of investments ⁴	32.6		
EBITDA as a % of total EBITDA, including realised gains/(losses)⁵	70.9%	29.1%	

1. CIP Earnings before depreciation, interest and tax

2. Corporate expenses includes the costs to manage the listed stapled entity of CHC and non sector costs of managing the group wide platform including the Board, CEO, CFO, heads of group wide functions (People and IT), group finance, CHC investor relations, group marketing, corporate share of security-based benefits expense and restructuring costs.

3. Inter-segment fees and expenses are made up of fees and expenses paid by the funds to the Group whether treated as expenses or capitalised by the fund

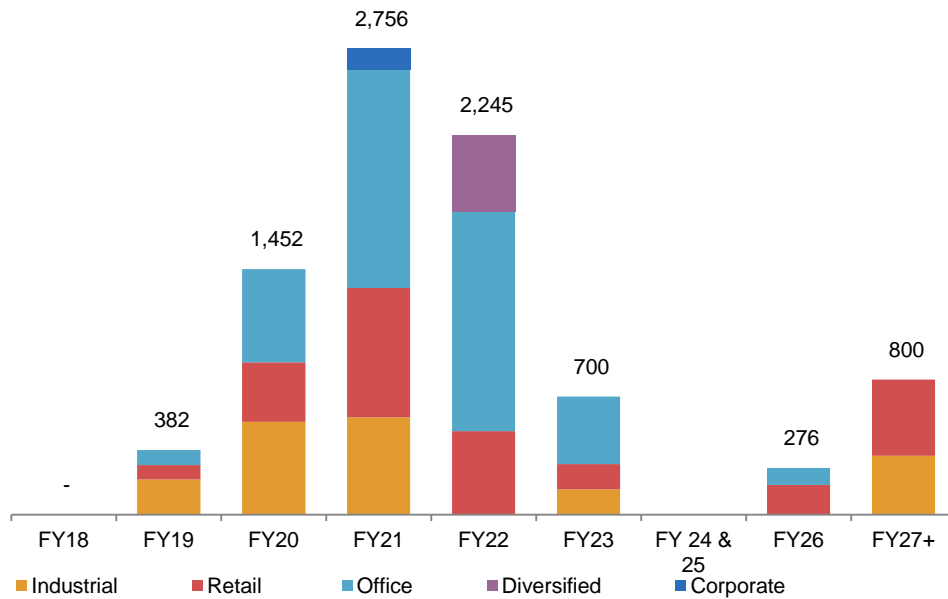
4. Realised gains/(losses) are calculated on property disposals based on sales price less historical acquisition costs plus capital expenditure on a look through basis

5. This ratio is calculated by dividing the Property Investments and Property Funds Management EBITDA plus the realised gains/(losses) on disposal of investments by the total EBITDA plus realised gains/(losses) on disposal of investments

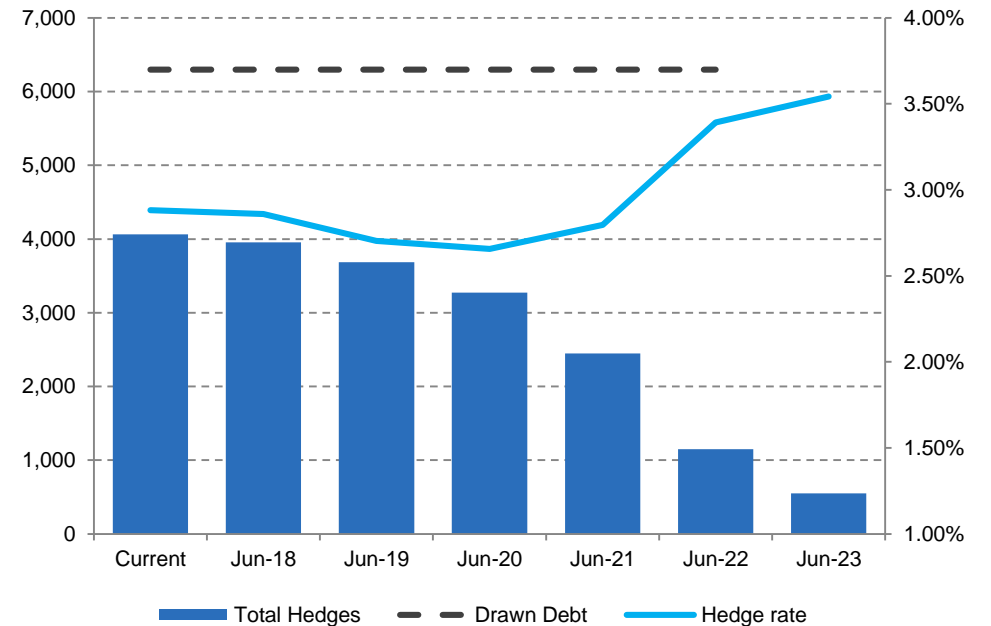
Funds Management Platform Debt Profile

- The hedge portfolio has a duration of 3.8 years
- The weighted average hedge rate is 2.88%
- The weighted average cost of debt is 4.11%

Debt expiry profile (\$m)



Group hedge maturity profile (\$m)



1. Interest rate hedging as at 30 June 2017
2. Current drawn debt as at 30 June 2017 and is projected on a straight line basis for illustrative purposes only
3. Hedge Rate is weighted average rate as at 30 June 2017. The look through weighted average cost of debt is 4.09%

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
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	Charter Hall PFA Fund
VA	Charter Hall Direct VA Trust
DAT, DAT2	Charter Hall Direct Automotive Trust Series
Other	
CAGR	Compound Annual Growth Rate
Cap Rate	Capitalisation 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
WALE	Weighted Average Lease Expiry

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All information contained herein is current as at 30 June 2017 unless otherwise stated. All references to dollars (\$) are to Australian dollars, unless otherwise stated.

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