

November 2018

Charter Hall Group Market Update



Group Highlights

Our Strategy

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



Access

Accessing equity from listed, wholesale and retail investors



Deploy

Creating value through attractive investment opportunities



Manage

Funds management, asset management, leasing and development services



Invest

Investing alongside our capital partners

YTD FY19

GROSS EQUITY RAISED

\$918m

GROSS TRANSACTIONS

\$2.2bn

ACQUISITIONS

\$1.8bn

DIVESTMENTS

\$0.4bn

FUM GROWTH

\$3.2bn

ADDITIONAL PROPERTIES

449

FOLKESTONE

\$1.6bn

INCREASE IN PI TO \$1.8bn

\$93m ↑ **5.5%**

FY18

GROSS EQUITY RAISED

\$1.7bn

GROSS TRANSACTIONS

\$3.5bn

ACQUISITIONS

\$2.5bn

DIVESTMENTS

\$1.0bn

FUM GROWTH

\$3.4bn

PROPERTIES

330

INCREASE IN PI TO \$1.7bn

\$179m ↑ **11.7%**

TOTAL PROPERTY INVESTMENT RETURN¹

12.3%

1. Calculated as distributions received from funds plus growth in investment value divided by the opening investment value of the PI portfolio. Excludes investments held for less than one year and investments in Direct Funds.

Group Highlights

Operational Highlights¹



Office

55

LEASING TRANSACTIONS EXECUTED ACROSS

65,000sqm

130 LONSDALE

66%

PRE-LEASED²

\$1.2bn

GROSS TRANSACTIONS

7

DEVELOPMENT PROJECTS
COMPLETION VALUE

\$1.8bn



Industrial

10

LEASING TRANSACTIONS EXECUTED ACROSS

97,000sqm

\$419m

GROSS TRANSACTIONS

23

DEVELOPMENT PROJECTS
COMPLETION VALUE

\$1.6bn



Retail

91

LEASING TRANSACTIONS EXECUTED ACROSS

10,000sqm

\$497m

GROSS TRANSACTIONS

7

DEVELOPMENT PROJECTS
DEVELOPMENT SPEND

\$325m

1. Leasing and Development as at 30 September. Transactions as at 7 November.

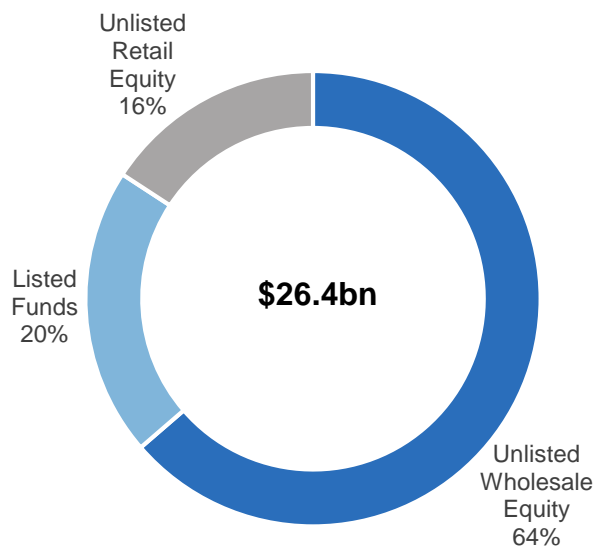
2. Includes Heads of Agreement

Property Funds Management

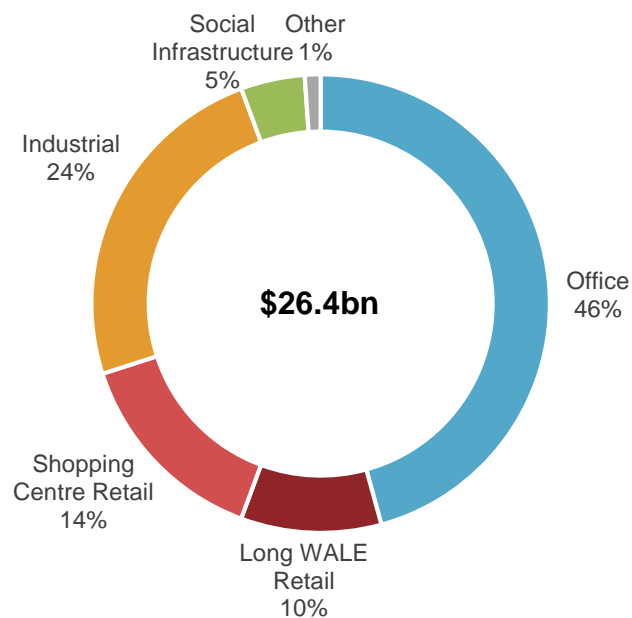
Group Funds Management Portfolio¹

	Portfolio Value (\$bn)	No. of Properties	Gross Income (\$m)	WALE (years)	Occupancy (%)	WACR (%)
Nov 18	26.4	779	1,759	7.7	97.9	5.76
Jun 18	23.2	330	1,634	7.7	98.1	5.74

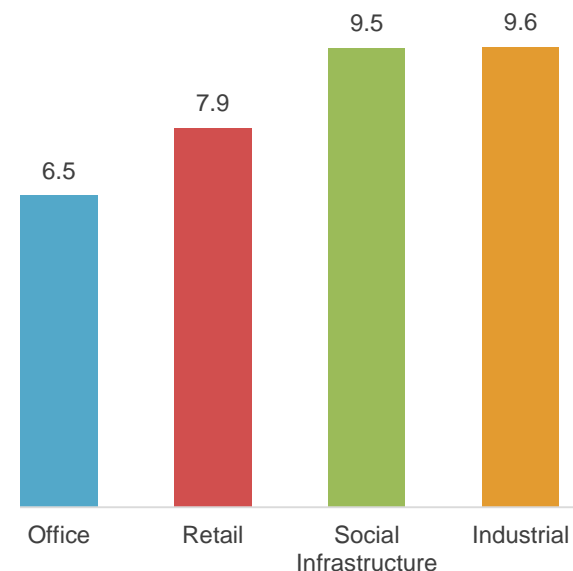
Diversification by equity source



Asset type diversification



WALE by sector



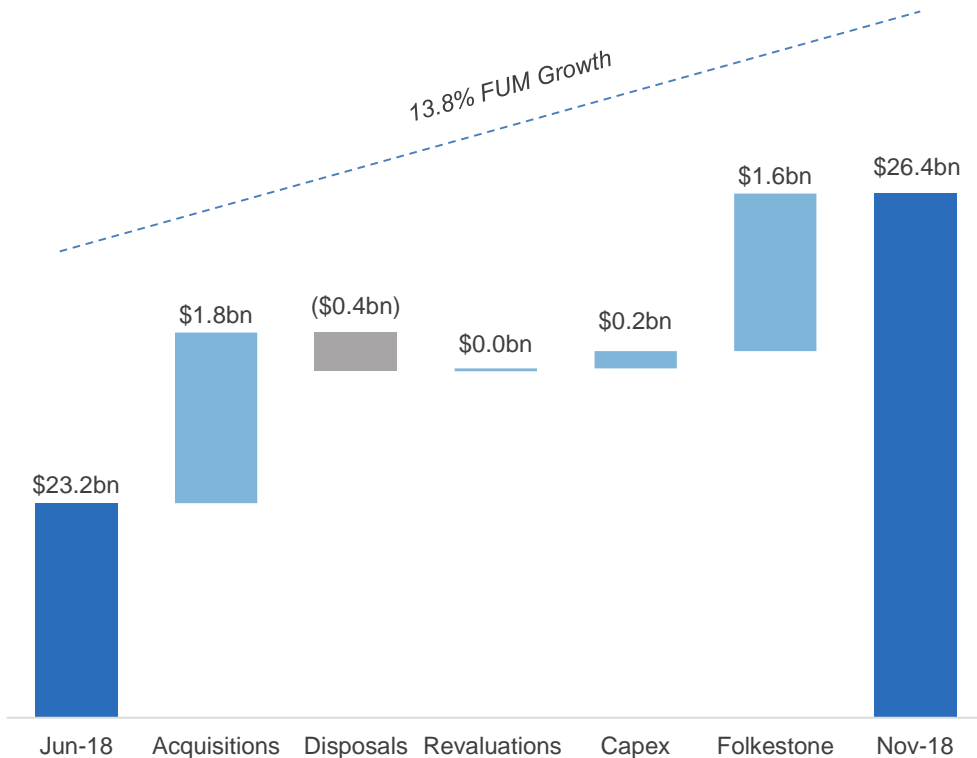
1. Portfolio value and number of properties as at 7 November. All other values as at 30 September.

Property Funds Management

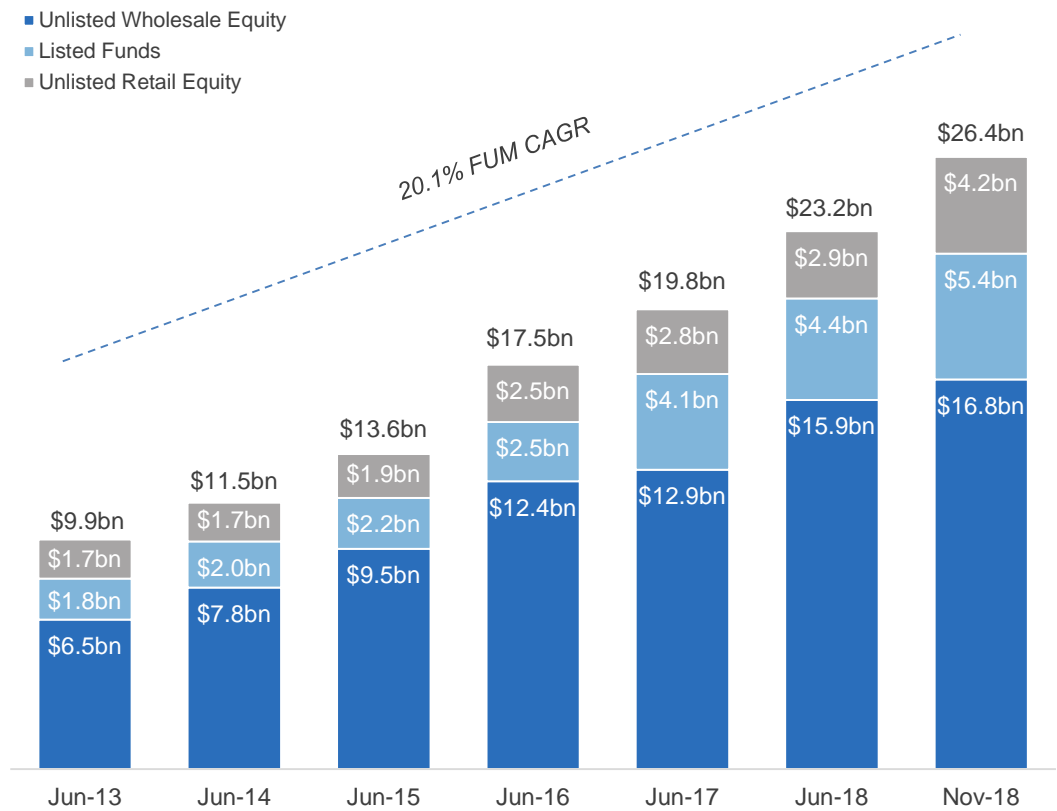
Funds Under Management Growth

Continued strong FUM growth – up 13.8% YTD

Funds under management movement (\$bn)



Funds under management by equity source (\$bn)



Property Funds Management

Transactional Activity

Very strong transactional activity with gross transactions YTD of \$2,164m

- All equity sources continue contributing to transaction volumes
- Gross transactions YTD does not include Folkestone acquisition

YTD FY19	Office	Industrial	Long WALE Retail	Shopping Centre Retail	Total
Acquisitions	1,052m	335m	293m	83m	1,764m
Divestments	(195m)	(84m)	(38m)	(83m)	(400m)
Net transactions	857m	251m	255m	-	1,363m
Gross transactions	1,247m	419m	331m	166m	2,164m

FY18	Office	Industrial	Long WALE Retail	Shopping Centre Retail	Total
Acquisitions	1,528m	371m	293m	333m	2,525m
Divestments	(623m)	(22m)	(38m)	(337m)	(1,020m)
Net transactions	905m	349m	255m	(4m)	1,505m
Gross transactions	2,151m	393m	331m	670m	3,545m

Property Funds Management

Equity Flows¹

Continued strong momentum in equity flows with \$918m gross equity raised year to date

- Wholesale equity – CPIF and CPOF closed capital raisings with strong support from existing and new investors
- Larger groups looking for co-invest and Partnership opportunities
- Direct Funds have continued to maintain their market leading status with a further \$217m raised year to date across the four open ended funds
- CLW successfully completed a \$60m institutional placement in October

(\$m)	FY16	FY17	FY18	YTD FY19
Wholesale Pooled Funds	606	776	649	564
Wholesale Partnerships	467	217	322	77
Listed Funds	76	988	77	60
Direct Funds	318	355	653	217
Gross equity raised	1,467	2,336	1,701	918
Net equity raised	1,099	1,689	1,487	874

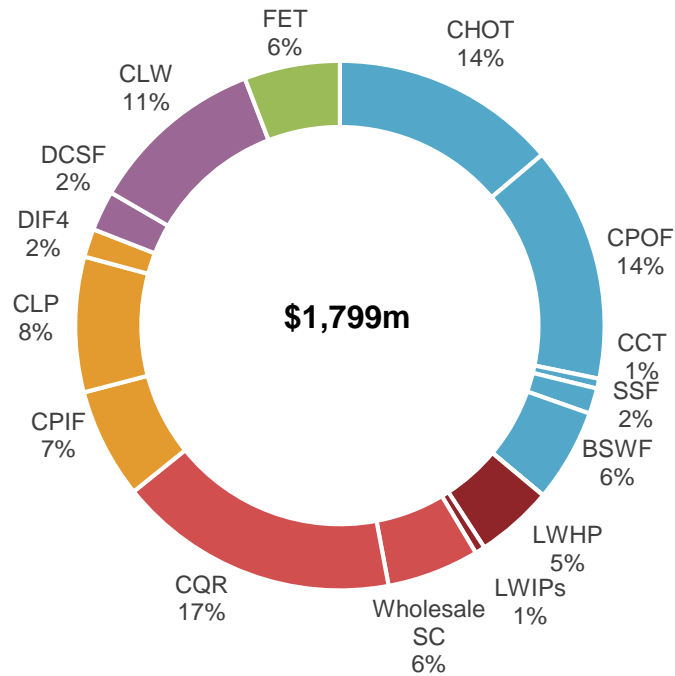
1. Equity flows includes equity received or returned only and excludes undrawn equity commitments

Property Investment

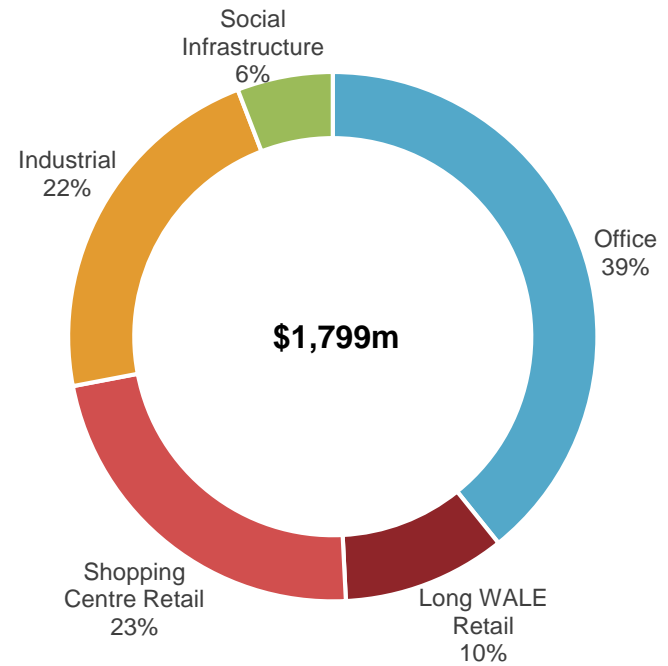
Property Investment Portfolio

	Portfolio Value (\$m)	No. of Properties	WALE (years)	Occupancy (%)	WARR (%)	WACR (%)
Nov 18	1,799	727	7.2	97.4	3.6	5.81
Jun 18	1,706	298	7.2	97.9	3.6	5.80

Diversification by Property Investment



Diversification by sector



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Additional information

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