

Charter Hall Long WALE REIT

RETAIL ENTITLEMENT OFFER

Details of a 1 for 17 accelerated non-renounceable entitlement offer at an Issue Price of \$5.50 per New Security

**Retail Entitlement Offer
closes at 5.00pm (AEDT),
Tuesday, 19 November 2019.**

Charter Hall WALE Limited
(ABN 20 610 772 202, AFSL 486721)

as Responsible Entity for
Charter Hall Long WALE REIT

NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION OUTSIDE AUSTRALIA AND NEW ZEALAND

This document and the personalised Entitlement and Acceptance Form that accompanies it contains important information. You should read both documents carefully and in their entirety. If you have any queries please call your professional adviser or the Charter Hall Long WALE REIT Offer Information Line on +61 1300 303 063 between 8:30am and 5:30pm (AEDT), Monday to Friday, during the Retail Offer Period (Friday, 8 November 2019 to Tuesday, 19 November 2019) or visit our website at <https://www.charterhall.com.au/investments/funds/clw>. If you do not understand these documents, or are in doubt as to how to act, you should consult your financial or other professional adviser before making any investment decision.

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Important Notice

This Retail Offer Booklet is issued by Charter Hall WALE Limited (**Responsible Entity**) (ABN 20 610 772 202, AFSL 486721) as responsible entity for Charter Hall Direct Industrial Fund (ARSN 144 613 641) and LWR Finance Trust (ARSN 614 713 138), being the managed investment schemes that comprise the Charter Hall Long WALE REIT (**CLW** or the **REIT**). This Retail Offer Booklet is dated Friday, 8 November 2019 and relates to the Retail Entitlement Offer, which is part of an offer of New Securities announced by the Responsible Entity on Monday, 4 November 2019.

This Retail Entitlement Offer is being made pursuant to section 1012DAA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73) which allows rights issues to be conducted without a product disclosure statement.

This Retail Offer Booklet is not a product disclosure statement under the Corporations Act and has not been lodged with ASIC. This Retail Offer Booklet does not contain all of the information which would be required to be disclosed in a product disclosure statement. As a result, it is important for you to read and understand the publicly available information on the REIT and the Entitlement Offer (for example, the information available on the REIT's website <https://www.charterhall.com.au/investments/funds/clw> or on the ASX's website www.asx.com.au) prior to deciding whether to accept your Entitlement and apply for New Securities.

The Investor Presentation, which is included in Annexure B, contains a non-exhaustive summary of important factors and risks that could affect the financial and operating performance of the REIT. Please refer to the summary of the key risks in Appendix B of the Investor Presentation for further details. When making an investment decision in connection with this Retail Entitlement Offer, it is essential that you consider these risk factors carefully in light of your individual personal circumstances, including financial and taxation issues (some of which have been outlined in Section 3 of this Retail Offer Booklet).

The Responsible Entity does not guarantee any particular rate of return or the performance of the REIT, nor does it guarantee the repayment of capital from the REIT or any particular tax treatment.

In addition to reading this Retail Offer Booklet in conjunction with the REIT's other periodic and continuous disclosure announcements including the Investor Presentation and ASX Announcement, you should conduct your own independent review, investigation and analysis of the REIT and the New Securities and obtain any professional advice you require to evaluate the merits and risks of an investment in the REIT before making any investment decision.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Securities through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Retail Offer Booklet and agree to the terms of the Retail Entitlement Offer detailed in this Retail Offer Booklet.

This Entitlement Offer is made on the basis that the determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is made by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Responsible Entity and / or the Underwriters. Each of the Responsible Entity and the Underwriters and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

J.P. Morgan Securities Australia Limited and UBS AG, Australia Branch are acting as joint lead managers and underwriters to the Entitlement Offer and they have not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Retail Offer Booklet and there is no statement in this booklet which is based on any statement made by the Underwriters or by any of their respective affiliates, officers or employees.

To the maximum extent permitted by law, the Underwriters and their respective affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this booklet other than references to its name and makes no representation or warranty as to the currency, accuracy, reliability or completeness of the information in this Retail Offer Booklet.

No overseas offering

This Retail Offer Booklet, the accompanying Entitlement and Acceptance Form or any accompanying ASX Announcements, do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Retail Offer Booklet does not constitute an offer to Ineligible Securityholders and may not be distributed in the United States and the New Securities may not be offered or sold, directly or indirectly, to persons in the United States.

No action has been taken to register or qualify the Retail Entitlement Offer or the New Securities, or otherwise permit the public offering of the New Securities, in any jurisdiction other than Australia and New Zealand.

The distribution of this Retail Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this Retail Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

New Zealand

The New Securities are not being offered to the public within New Zealand other than to existing Securityholders with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

This Retail Offer Booklet, and any accompanying ASX Announcements and the Entitlement and Acceptance Form, do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to any persons acting for the account or benefit of any person in the United States. Neither this Retail Offer Booklet nor the Entitlement and Acceptance Form may be distributed in the United States. The New Securities have not been, nor will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. The New Securities may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. The New Securities offered and sold in the Retail Entitlement Offer will be sold only in “offshore transactions” (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

Not investment advice

Securityholders must note that the information provided in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form, does not constitute financial product advice. All information has been prepared without taking into account your individual investment objectives, financial circumstances or particular needs. The information contained in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form should not be considered as comprehensive or to comprise all the information which a Securityholder may require in order to determine whether or not to subscribe for New Securities. If you have any questions, please consult your professional adviser before deciding whether or not to invest.

Forward-looking statements

No representation or warranty is given as to the accuracy or likelihood of achievement of any forward-looking statement in this Retail Offer Booklet, or any events or results expressed or implied in any forward-looking statement. These statements can generally be identified by the use of words such as “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “could”, “may”, “target”, “predict”, “guidance”, “plan” and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and are by their nature subject to significant uncertainties, risks and contingencies. Actual results or events may differ materially from any expressed or implied in any forward-looking statement and deviations are normal and to be expected. Past performance is not a reliable indicator of future performance.

Definitions

Defined terms used in this Retail Offer Booklet are contained in the Glossary.

Currency

All currency amounts in this Retail Offer Booklet are in Australian Dollars unless otherwise stated.

Times and dates

All dates and times in this Retail Offer Booklet are indicative only and subject to change. Unless otherwise specified, all times and dates refer to AEDT. Any changes to the timetable will be posted on Charter Hall Long WALE REIT’s website at <https://www.charterhall.com.au/investments/funds/clw>

Chairman's Letter

Charter Hall Long WALE REIT – Retail Entitlement Offer

Dear Securityholder,

On behalf of the board of Charter Hall WALE Limited, as the responsible entity of the managed investment schemes that comprise the Charter Hall Long WALE REIT, I am pleased to invite you to participate in a fully underwritten accelerated non-renounceable entitlement offer of new securities in the REIT at an issue price of \$5.50 per New Security.

Offer

On Monday, 4 November 2019, the REIT announced its intention to raise approximately \$242 million by way of a fully underwritten 1 for 17 accelerated non-renounceable entitlement offer (to raise approximately \$122 million) ("**Entitlement Offer**") and a fully underwritten institutional placement (to raise approximately \$120 million) ("**Placement**", together with the Entitlement Offer, the "**Offer**").

The Responsible Entity successfully conducted the Institutional Entitlement Offer to raise approximately \$87 million and the Placement to raise \$120 million, at an issue price of \$5.50 per New Security. New Securities are expected to be issued under the Placement and Institutional Entitlement Offer on Monday, 18 November 2019.

The Entitlement Offer comprises:

- an offer to Eligible Institutional Securityholders; and
- an offer to Eligible Retail Securityholders, to which this Retail Offer Booklet relates.

The Offer is fully underwritten by J.P. Morgan Securities Australia Limited and UBS AG, Australia Branch.

Use of proceeds

The proceeds raised from the Offer will partially fund the following acquisitions:

- a 15% interest¹ in the Global Headquarters of Telstra Corporation Limited at 242 Exhibition Street, Melbourne for \$63.6 million²;
- a 50% interest in The Glasshouse, a new office building substantially pre-committed to the NSW Government at 45-61 Waterloo Road, Macquarie Park, Sydney for \$165.7 million³; and
- a 100% interest in a new flagship Bunnings store in Darwin, for \$41.3 million³, (together, the "**Acquisitions**").

The total property valuation of the Acquisitions is \$331.5 million, reflecting a weighted average capitalisation rate of 4.9%. The Acquisitions are modern and well located properties and feature:

- long leases to high quality tenants with 83% of income derived from the NSW Government Telstra Corporation Limited and Bunnings Group Limited;
- Acquisition portfolio WALE of 10.9 years;
- an attractive weighted average rent review ("WARR") of 3.4% p.a.; and
- an 88% weighting to the strongly performing Sydney and Melbourne office markets.

Financial impact of the Acquisition and the Offer

Including the impact of the Acquisitions and Offer and barring any unforeseen events and no material change in market conditions, CLW is pleased to increase its FY20 Operating EPS guidance from 28.0 cents to 28.1 cents per security, representing annual growth of 4.5% over FY19 Operating EPS of 26.9 cents per security.

Following the Acquisitions, the Offer and including the impact of post balance date transactions⁴, the REIT's pro-forma 30 June 2019:

- balance sheet gearing is forecast to be 24.7%, within CLW's target range of 25-35%;
- look through gearing is forecast to 36.7%; and
- NTA per security of \$4.22.

¹ CLW will be acquiring 100% of the units in Charter Hall Co-Investment Trust 5 (CHC 5). CHC 5 holds a 15% interest in CHC 242 Exhibition Street Holding Trust.

² Total gross asset value of \$830 million (100% interest).

³ Part of the total consideration is payable upon practical completion of the properties being developed by the vendors. Refer to pages 7-9 of the investor presentation released to the market on 4 November 2019 for further information.

⁴ Including post balance date transactions reported in Appendix A of the equity raising Investor Presentation released to the market on 4 November 2019.

Additional information on the transaction rationale, use of the proceeds of the Offer, the REIT and its strategy is contained in the ASX Announcement and the Investor Presentation annexed to this Retail Offer Booklet.

Retail Entitlement Offer

This Retail Offer Booklet relates to the Retail Entitlement Offer, which will raise approximately \$35 million. Under the Retail Entitlement Offer, Eligible Retail Securityholders can subscribe for 1 New Security for every 17 Securities they hold as at the Record Date at an Issue Price of \$5.50 per New Security. The Issue Price under the Retail Entitlement Offer is the same Issue Price as for the Institutional Entitlement Offer and the Placement, and represents:

- a discount of 4.0% to the last close price of \$5.73 on 1 November 2019;
- a discount of 3.8% to the theoretical ex-rights price (TERP) of \$5.72; and
- a FY20 Operating EPS Yield of 5.1%⁵.

New Securities issued under the Offer will rank equally with existing Securities and will be entitled to the distribution for the three months to 31 December 2019.

The number of New Securities for which you are entitled to subscribe for under the Retail Entitlement Offer is set out in your personalised Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is dispatched to Eligible Retail Securityholders on Friday, 8 November 2019.

How to apply

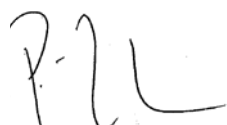
To participate in the Retail Entitlement Offer, please ensure that you validly accept it, before 5:00pm (AEDT) on Tuesday, 19 November 2019. You can accept by paying your Application Monies via BPAY®. If you choose to pay via BPAY® you are not required to submit the Entitlement and Acceptance Form but are taken to make the statements on that form and representations outlined below in Section 2.4 (*Implications of making an Application*) including the Eligible Retail Securityholder declarations set out in Section 5. Alternatively, you may submit your completed Entitlement and Acceptance Form together with cheque, bank draft or money order for all Application Monies. Detailed payment instructions are set out in the personalised Entitlement and Acceptance Form that accompanies this Retail Offer Booklet.

If you apply and pay your Application Monies before 5.00pm (AEDT) on Thursday, 14 November 2019 (**Early Retail Acceptance Due Date**) via BPAY®, your New Securities will be allotted to you on Monday, 18 November 2019, which is the same date applicable to Eligible Institutional Securityholders who took up their entitlements on Monday, 4 November 2019 under the Institutional Entitlement Offer.

You should seek appropriate professional advice before making any investment decision. If you have any questions about the Retail Entitlement Offer, please do not hesitate to contact the Charter Hall Long WALE REIT Offer Information Line on +61 1300 303 063 between 8:30am and 5:30pm (AEDT), Monday to Friday during the Retail Offer Period (Friday, 8 November 2019 to Tuesday, 19 November 2019) or visit our website at <https://www.charterhall.com.au/investments/funds/clw>.

The board of Charter Hall WALE Limited encourages you to participate in the Retail Entitlement Offer and thanks you for your continued support of the REIT.

Yours faithfully,



Peeyush Gupta AM
Chair

Charter Hall WALE Limited as responsible entity of the Charter Hall Long WALE REIT
Friday, 8 November 2019

⁵ The theoretical ex rights price (TERP) is the theoretical price at which securities should trade after the ex-date for the Entitlement Offer.

Key Dates

Key event	Date
Trading halt and announcement of the Transaction	Monday, 4 November 2019
Institutional Entitlement Offer and Placement conducted	Monday, 4 November 2019
Trading of securities recommences on the ASX on an 'ex-entitlement' basis	Tuesday, 5 November 2019
Entitlement Offer Record Date	7:00pm, Wednesday, 6 November 2019
Retail Entitlement Offer Booklet is dispatched and Retail Entitlement Offer opens	9:00am, Friday, 8 November 2019
Early Retail Acceptance Due Date	5:00pm, Thursday, 14 November 2019
Settlement of New Securities issued under the Placement and Institutional Entitlement Offer (and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date)	Friday, 15 November 2019
Allotment and normal trading of New Securities issued under the Placement and Institutional Entitlement Offer (and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date)	Monday, 18 November 2019
Retail Entitlement Offer closes	5:00pm, Tuesday, 19 November 2019
Allotment of remaining New Securities issued under the Retail Entitlement Offer	Tuesday, 26 November 2019
Normal trading of remaining New Securities issued under the Retail Entitlement Offer	Wednesday, 27 November 2019

All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to AEDT.

Section 1 - What Should You Do?

1.1 Decide if you are eligible to participate in the Retail Entitlement Offer

The Retail Entitlement Offer is an offer only to Eligible Retail Securityholders, being Securityholders who:

1. are registered as a Securityholder on the Record Date;
2. have a registered address in Australia or New Zealand;
3. are not in the United States or acting for the account or benefit of a person in the United States;
4. are not an Institutional Securityholder; and
5. are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

1.2 Read this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form

This Retail Offer Booklet and the personalised Entitlement and Acceptance Form that accompanies it contain important information about the Retail Entitlement Offer. You should read both documents carefully and in their entirety before deciding whether or not to participate in the Retail Entitlement Offer.

This Retail Entitlement Offer is not being made under a product disclosure statement. This Retail Offer Booklet does not contain all of the information which would be required to be disclosed in a product disclosure statement. As a result, it is important for you to read and understand the publicly available information on the REIT and the Entitlement Offer (for example, the information available on Charter Hall Long WALE REIT's website <https://www.charterhall.com.au/investments/funds/clw> or on the ASX's website www.asx.com.au) before deciding whether to accept your Entitlement and apply for New Securities.

If you are in doubt as to the course you should follow, you should seek appropriate professional advice before making an investment decision.

1.3 Consider the Retail Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer.

An investment in New Securities is subject to both known and unknown risks, some of which are beyond the control of the Responsible Entity. These risks include the possible loss of income and principal invested. The Responsible Entity does not guarantee any particular rate of return or the performance of the REIT, nor does it guarantee the repayment of capital from the REIT or any particular tax treatment. In considering an investment in New Securities, investors should have regard to (amongst other things) the key risks section in Appendix B of the Investor Presentation and the disclaimers outlined in this Retail Offer Booklet.

1.4 Decide what you want to do

1.4.1 Ineligible Securityholder

All Securityholders who do not satisfy the criteria to be Eligible Retail Securityholders or Eligible Institutional Securityholders, are Ineligible Securityholders.

Ineligible Securityholders must not take up any of their Entitlements.

1.4.2 Eligible Securityholders

If you are an Eligible Retail Securityholder, you may subscribe for all, some or none of your Entitlement.

Eligible Retail Securityholders who do not participate in the Retail Entitlement Offer, or participate for an amount less than their Entitlement will have their percentage holding in the REIT reduced as a result of the Entitlement Offer. Eligible Retail Securityholders who participate in the Retail Entitlement Offer will see their percentage holding in the REIT reduce, increase or stay the same depending on the proportion of their Entitlement they subscribe for as a result of the Entitlement Offer.

The Entitlement Offer is non-renounceable, which means the Entitlements cannot be traded or otherwise transferred on the ASX or any other exchange or privately. If you do not take up your Entitlement, you will not receive any value for those Entitlements not taken up.

1.5 Apply for New Securities

To participate in the Retail Entitlement Offer, please complete and lodge a valid Entitlement and Acceptance Form and Application Monies for New Securities, or make a payment by BPAY®, by 5.00pm (AEDT) on Tuesday, 19 November 2019 pursuant to the instructions set out on the Entitlement and Acceptance Form. See Section 2 for more information.

Eligible Retail Securityholders have the opportunity to be allotted New Securities up to their Entitlement at the same time as Eligible Institutional Securityholders under the Institutional Entitlement Offer and Institutional Investors, on Monday, 18 November 2019 if they submit their Application and pay their relevant Application Monies by BPAY® so that cleared funds are received by 5.00pm (AEDT) on Thursday, 14 November 2019 in accordance with their Entitlement and Acceptance Form.

If you take no action your Entitlement under the Retail Entitlement Offer will lapse, you will receive no value for your lapsed Entitlement and your percentage holding in the REIT will reduce.

1.6 Questions

If you have any questions about the Retail Entitlement Offer, please do not hesitate to contact the Charter Hall Long WALE REIT Offer Information Line on +61 1300 303 063 between 8:30am and 5:30pm (AEDT), Monday to Friday during the Retail Offer Period (Friday, 8 November 2019 to Tuesday, 19 November 2019).

Section 2 - How to Apply – Eligible Retail Securityholders

2.1 Choices available to Eligible Retail Securityholders

Eligible Retail Securityholders may:

1. take up all of their Entitlement;
2. take up part of their Entitlement; or
3. do nothing and allow their Entitlement to lapse (refer to Section 2.3).

The Retail Entitlement Offer is a pro-rata offer to Eligible Retail Securityholders only.

2.2 Take up all, or part, of your Entitlement

If you wish to take up your Entitlement in full or in part, there are two different ways you can submit your Application and Application Monies.

2.2.1 Payment via BPAY®

To apply and pay via BPAY®, you should:

- read this Retail Offer Booklet and the Entitlement and Acceptance Form in their entirety (also available online at <https://events.miracle.com/CLW-Offer> and seek appropriate professional advice if necessary;
- make your payment of the Application Monies via BPAY® for the number of New Securities you wish to subscribe for (being the Issue Price of \$5.50 per New Security multiplied by the number of New Securities you are applying for) so that it is received by no later than the Final Retail Closing Date, being 5:00 pm (AEDT) on Tuesday, 19 November 2019. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution.

If you choose to pay via BPAY® you are not required to submit a completed Entitlement and Acceptance Form but are taken to make all of the statements on that form, including the representations and declarations outlined below in Sections 2.4 or online at <https://events.miracle.com/CLW-Offer>.

You will be taken to have applied for such whole number of New Securities which is covered in full by your Application Monies.

You can choose for your New Securities the subject of your Entitlement to be allotted at the same time as Eligible Institutional Securityholders under the Institutional Entitlement Offer on the Early Retail Entitlement Offer Allotment Date, being Monday, 18 November 2019. To do this you must pay your Application Monies via BPAY® in time to ensure that cleared funds are received no later than 5:00 pm (AEDT) on Thursday 14 November 2019.

If your payment is received in cleared funds after 5.00pm (AEDT) on Thursday 14 November 2019, but before the Final Retail Closing Date, New Securities will be allotted to you on the Final Allotment Date being Tuesday, 26 November 2019. Your Application Monies will not be accepted after the Final Retail Closing Date, being 5:00 pm (AEDT) on Tuesday, 19 November 2019, and no New Securities will be issued to you in respect of that Application.

If you have multiple holdings you will have multiple BPAY® reference numbers. To ensure you receive your Entitlement in respect of a holding, you must use the reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Securities that you wish to apply for in respect of that holding.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment of Application Monies.

2.2.2 Submit your completed Entitlement and Acceptance Form together with cheque, bank draft or money order for all Application Monies

To apply and pay by cheque, bank draft or money order, you should:

- read this Retail Offer Booklet and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary;
- complete the personalised Entitlement and Acceptance Form accompanying this Retail Offer Booklet in accordance with the instructions set out on that form, and indicate the number of New Securities you wish to subscribe for; and
- return the form to the Registry (address details below) together with a cheque, bank draft or money order which must be:
 - in respect of the full Application Monies (being \$5.50 multiplied by the number of New Securities you wish to subscribe for);
 - in Australian currency drawn on an Australian branch of a financial institution; and
 - made payable to 'Charter Hall Long WALE REIT' and crossed 'Not Negotiable'.

You should ensure that sufficient funds are held in relevant account(s) to cover the full Application Monies.

Cash payments will not be accepted. Receipts for payment will not be issued.

You can only choose for your New Securities the subject of your Entitlement to be allotted at the same time as Eligible Institutional Securityholders on the Institutional Entitlement Offer on the Early Retail Entitlement Offer Allotment Date being Monday, 18 November 2019 if you pay your Application Monies by BPAY®.

If you apply and pay by cheque, bank draft or money order, your Entitlement and Acceptance Form and your Application Monies in cleared funds must be received by the Registry by no later than the Final Retail Closing Date being 5:00 pm (AEDT) on Tuesday, 19 November 2019 and New Securities will be allotted to you on the Final Allotment Date being Tuesday, 26 November 2019. Entitlement and Acceptance Forms (and payments for Application Monies) will not be accepted after the Final Retail Closing Date and no New Securities will be issued to you in respect of that Application.

You need to ensure that your completed Entitlement and Acceptance Form and cheque, bank draft or money order in respect of the full Application Monies reaches the Registry at the following address:

Postal Address

Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235
 +61 1300 303 063

Entitlement and Acceptance Forms (and payments for any Application Monies) will not be accepted at Responsible Entity's registered or corporate offices.

For the convenience of Eligible Retail Securityholders who have elected to receive physical copies of securityholder communications, an Australian reply paid envelope addressed to the Registry has been enclosed with this Retail Offer Booklet.

Note that if you have more than one holding of Securities, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. A separate Entitlement and Acceptance Form and payment of Application Monies must be completed for each separate holding.

Refund of Application Monies

Any Application Monies received for more than your final allocation of New Securities or received after the Final Retail Closing Date will be refunded as soon as practicable after the Final Allotment Date. No interest will be paid to applicants on any Application Monies received or refunded.

2.3 If you take no action all of your Entitlement will lapse

If you are an Eligible Retail Securityholder and you do nothing, your Entitlements will lapse in respect of your Securities. You should also note that, if you do not take up all of your Entitlement, then your percentage holding in the REIT will be reduced to the extent that New Securities are issued to other Eligible Securityholders under the Entitlement Offer.

2.4 Implications of making an Application

Returning a completed Entitlement and Acceptance Form or paying Application Monies for New Securities via BPAY® will be taken to constitute a representation by the Eligible Retail Securityholder that they:

- have received a copy of this Retail Offer Booklet and accompanying Entitlement and Acceptance Form, and read them in their entirety;
- make the Eligible Retail Securityholder declarations set out in Section 5; and
- acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law.

2.5 Enquiries

This Retail Offer Booklet and the Entitlement and Acceptance Form that accompanies it contain important information. You should read both documents in their entirety before deciding whether or not to participate in the Retail Entitlement Offer. If you:

- have questions in relation to the existing Securities upon which your Entitlement has been calculated;
- have questions on how to complete the Entitlement and Acceptance Form or take up your Entitlement; or
- you have lost your Entitlement and Acceptance Form and would like a replacement form,

please call the Charter Hall Long WALE REIT Offer Information Line on +61 1300 303 063 between 8:30am and 5:30pm (AEDT), Monday to Friday during the Retail Offer Period (Friday, 8 November 2019 to Tuesday, 19 November 2019). If you have further questions you should contact your professional adviser.

Section 3 - Taxation

3.1 General

This Section 3 below provides a general summary of the Australian income tax, goods and services tax (GST) and stamp duty implications of the Retail Entitlement Offer for certain Eligible Retail Securityholders.

The comments in this Section deal only with the Australian taxation implications of the Retail Entitlement Offer if you:

- are a resident for Australian income tax purposes; and
- hold your Securities on capital account.

These comments do not apply to you if you:

- are not a resident for Australian income tax purposes; or
- hold your Securities as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading); or
- are assessed on gains and losses on the Securities under the 'TOFA provisions' in Division 230 of the Income Tax Assessment Act 1997; or
- acquired your Securities in respect of which your Entitlements are issued under any employee equity scheme or where you are issued with any New Securities pursuant to any employee equity scheme; or
- are subject to special tax rules such as insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents.

The taxation implications of the Retail Entitlement Offer will vary depending upon your particular circumstances. Accordingly, you should seek and rely upon your own professional advice before concluding on the particular taxation treatment that will apply to you.

The Responsible Entity and its officers, employees, taxation or other advisers do not accept any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

This taxation summary is necessarily general in nature and is not exhaustive of all Australian tax consequences that could apply in all circumstances for Eligible Retail Securityholders. It is strongly recommended that each Eligible Retail Securityholder seek their own independent professional tax advice applicable to their particular circumstances.

This summary does not constitute financial product advice as defined in the Corporations Act. This summary is confined to certain taxation matters, based on the relevant Australian tax laws in force, established interpretations of that law and understanding of the practice of the relevant tax authority at the date of this summary. This summary does not take into account the tax laws of countries other than Australia.

3.2 Issue of Entitlements

The issue of the Entitlements should not, of itself, result in any amount being included in your assessable income.

3.3 Acquiring New Securities

Eligible Retail Securityholders who exercise their Entitlements will acquire New Securities.

For the purposes of CGT, each New Security will:

- have an initial cost base (and reduced cost base) that is equal to the Issue Price for the New Securities plus certain non-deductible incidental costs incurred in acquiring the New Security; and
- be taken to be acquired on the day that the Entitlement in respect of the New Security is exercised.

No income tax will arise on the exercise of the Entitlements.

3.4 Distributions on New Securities

Future distributions made in respect of New Securities will be subject to the same income taxation treatment as distributions made on existing Securities held in the same circumstances.

The Responsible Entity has made an irrevocable election to adopt the Attribution Managed Investment Trust (AMIT) regime. The Responsible Entity intends to attribute the taxable income of the REIT to its Securityholders on a fair and reasonable basis each year. On this basis and the basis that the REIT undertakes only eligible investment business activities (i.e. passive investment activities such as investing in land for the purpose/primarily for the purpose of deriving rent), the REIT should not have any liability for Australian income tax.

In respect of each income tax year, an Eligible Retail Securityholder will be required to include their share of the taxable income of the REIT (as advised by Responsible Entity) in their assessable income for tax purposes. An Eligible Retail Securityholder's share of the taxable income of the REIT will be included in their assessable income for the income year to which that taxable income relates and not the year in which the relevant distribution is paid to the Eligible Retail Securityholder.

If the REIT makes any non-assessable distributions to an Eligible Retail Securityholder, the cost base and reduced cost base of the Security would be reduced by the amount of the non-assessable payment.

In the event that the non-assessable distribution exceeds an Eligible Retail Securityholder's cost base in their Security, a capital gain will arise (such a gain may potentially be eligible for the CGT discount – see below). Where this happens, the cost base and reduced cost base of the Security are reduced to nil.

3.5 Disposal of New Securities

On disposal of a New Security, you will make a capital gain if the capital proceeds exceed the total cost base of the New Security. You will make a capital loss if the capital proceeds are less than the total reduced cost base of the New Security.

Individuals, complying superannuation entities or trustees that have held New Securities for at least 12 months (not including the dates of acquisition and disposal of the New Securities) should be entitled to discount the amount of any net capital gain resulting from the disposal of the New Securities (after the application of any current year or carry forward capital losses).

The CGT discount applicable is one-half for individuals and trustees and one-third for complying superannuation entities. The CGT discount is not available for companies that are not trustees.

If a capital loss arises on disposal of the New Securities, the capital loss can only be used to offset capital gains; the capital loss cannot be used to offset ordinary income. However, the capital loss can be carried forward to use in future income years if the loss cannot be used in a particular income year it, providing certain tests are satisfied.

3.6 Entitlements not taken up

As described in Section 2.3 above, any Entitlement not taken up under the Retail Entitlement Offer will lapse and the Eligible Retail Securityholder will not receive any consideration for those Entitlements. In these circumstances, there should not be any tax implications for the Eligible Retail Securityholder.

3.7 Tax file number

If an Eligible Retail Securityholder has quoted their Australian business number (ABN) (in certain circumstances), tax file number (TFN) or provided notice of an exemption from quoting their tax file number in respect of an existing Security, this quotation or exemption will also apply in respect of any New Securities acquired by that Eligible Retail Securityholder.

Tax may be required to be deducted by Responsible Entity from any distributions at the highest marginal tax rate if a TFN has not been not quoted, or an appropriate TFN exemption has not been provided. Where the Eligible Retail Securityholder acquires Securities in the course of an enterprise it carries on, the Eligible Retail Securityholder may quote its ABN rather than a TFN.

3.8 Other Australian taxes

No Australian GST or stamp duty will be payable by Eligible Retail Securityholders in respect of the issue or exercise of the Entitlements or the acquisition of New Securities pursuant to the Retail Entitlement Offer.

Section 4 - Important Information for Securityholders

4.1 Retail Offer Booklet availability

Eligible Retail Securityholders will receive a copy of this Retail Offer Booklet and a personalised Entitlement and Acceptance Form in the mail. Please read this Retail Offer Booklet and the Entitlement and Acceptance Form together in their entirety.

A copy of this Retail Offer Booklet can be obtained during the Retail Offer Period (Friday, 8 November 2019 to Tuesday, 19 November 2019) at the offer website at <https://events.miraqle.com/CLW-Offer>. Alternatively you can obtain a copy by calling the Charter Hall Long WALE REIT Offer Information Line on +61 1300 303 063 between 8:30am and 5:30pm (AEDT), Monday to Friday during the Retail Offer Period.

If this Retail Offer Booklet is being viewed electronically, please ensure that you download the Retail Offer Booklet in its entirety (including the annexures to this Retail Offer Booklet). Eligible Retail Securityholders can access their BPAY details online when the Retail Entitlement Offer opens on Friday, 8 November 2019.

It is important to note that you will only be able to accept the Retail Entitlement Offer by either:

1. paying your Application Monies via BPAY® using the information contained on your personalised Entitlement and Acceptance Form or online at <https://events.miraqle.com/CLW-Offer>; or
2. completing your personalised Entitlement and Acceptance Form which accompanies this Retail Offer Booklet and returning it to the Registry together with your Application Monies by the Final Retail Closing Date, (see Section 2.2.2 for further information). Please carefully read the instructions on the accompanying Entitlement and Acceptance Form.

Securityholders in foreign jurisdictions should refer to Section 4.16 below.

4.2 Ranking of New Securities

New Securities will rank equally with existing Securities and will be entitled to the distribution for the three months to 31 December 2019.

4.3 Reconciliation and fractional entitlements

In any entitlement offer investors may believe that they own more or fewer existing Securities on the Record Date than they ultimately do. This could potentially result in the requirement for reconciliation to ensure all Eligible Retail Securityholders have the opportunity to receive their full Entitlement. If this is required, it is possible that the Responsible Entity may need to issue a small quantity of additional New Securities to ensure all Eligible Institutional Securityholders and Eligible Retail Securityholders have the opportunity to receive their full Entitlement. The price at which these Securities will be issued will be the same as the Issue Price (\$5.50). The Responsible Entity also reserves the right to reduce the number of New Securities allocated to Eligible Securityholders or persons claiming to be Eligible Securityholders, if their Entitlement claims prove to be overstated, or if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are indeed not Eligible Securityholders.

To the extent that application of the offer ratio of 1 New Security for every 17 existing Securities held on the Record Date results in a fractional entitlement to New Securities for a particular Securityholder, that Securityholder's Entitlement shall be rounded up to the next higher whole number of New Securities.

4.4 Quotation and trading

The Responsible Entity will apply to ASX for official quotation of the New Securities in accordance with ASX Listing Rule requirements. Subject to approval being granted, it is expected that:

- normal trading of New Securities allotted under the Institutional Entitlement Offer and Early Retail Entitlement Offer will commence on Monday, 18 November 2019; and
- normal trading of New Securities allotted under the Retail Entitlement Offer will commence on Wednesday, 27 November 2019.

4.5 Holding Statements

Holding statements are expected to be dispatched to Eligible Retail Securityholders:

- on Monday, 18 November 2019 in respect of New Securities allotted under the Institutional Entitlement Offer and Early Retail Entitlement Offer; and
- on Thursday, 28 November 2019 in respect of New Securities allotted under the Retail Entitlement Offer.

It is the responsibility of each applicant to confirm their holding before trading in New Securities. Any applicant who sells New Securities before receiving confirmation of their holding in the form of their holding statement will do so at their own risk. The Responsible Entity and the Underwriters disclaim all liability whether in negligence or otherwise (and to the maximum extent permitted by law) to persons who trade New Securities before receiving their holding statements, whether on the basis of confirmation of the allocation provided by Responsible Entity, the Registry or the Underwriters.

4.6 No Entitlement Trading

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on ASX or otherwise transferable. If you do not participate in the Retail Entitlement Offer, your Entitlement will lapse and you will receive no value for those your lapsed Entitlements and their percentage holding in the REIT will be reduced.

4.7 Participation of Directors and Charter Hall Group

The Directors (and their representatives) may acquire New Securities under the Entitlement Offer to the extent they are Eligible Securityholders.

Charter Hall Group is the REIT's largest Securityholder with approximately 14% of securities on issue and has committed to take up its full Entitlement under the Entitlement Offer, representing a commitment of approximately \$17 million.

Details of Directors' holdings of Securities and substantial holders' interests in the REIT are disclosed to, and available from, ASX at www.asx.com.au.

4.8 Withdrawal of the Entitlement Offer

The Responsible Entity reserves the right to withdraw the Entitlement Offer at any time, in which case Responsible Entity will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest.

4.9 Continuous disclosure requirements

Under the Corporations Act, the REIT is a disclosing entity and is subject to ongoing reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Under the ASX Listing Rules, the Responsible Entity has an obligation (subject to certain exceptions) to notify the ASX immediately of any information that a reasonable person would expect to have a material effect on the price or value of the Securities. Such information is available to the public from the ASX.

The Responsible Entity is also required to lodge certain documents with ASIC. Such documents can be inspected and obtained from an ASIC office.

4.10 Retail Offer Booklet does not constitute investment advice

Securityholders must note that the information provided in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form, does not constitute financial product advice. This Retail Offer Booklet is not a prospectus, product disclosure statement or other form of disclosure document under the Corporations Act. All information has been prepared without taking into account your individual investment objectives, financial circumstances or particular needs. The information contained in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form should not be considered as comprehensive or to comprise all the information which a Securityholder may require in order to determine whether or not to subscribe for New Securities. Before making an investment decision, Eligible Retail Securityholders should consider the appropriateness of the information having regard to their own objectives, financial situation and needs, make their own assessment of the information and seek advice appropriate to their jurisdiction in relation to the information and any action taken on the basis of the information. Any reference to, or explanations of legislation, regulatory issues or any other legal commentary (if any) are indicative only, and do not summarise all relevant issues and are not intended to be a full explanation of a particular matter.

If, after reading this Retail Offer Booklet, you have any questions about whether you should invest in the Retail Entitlement Offer, please consult your professional adviser.

4.11 Risk factors

An investment in the REIT is subject to known and unknown risks, some of which are beyond the control of the REIT. The Investor Presentation contains a non-exhaustive summary of important factors and risks that could affect the financial and operating performance of the REIT. Please refer to the Summary of the key risks section in Appendix B of the Investor Presentation for further details. When making an investment decision in connection with this Retail Entitlement Offer, it is essential that you consider these risk factors carefully in light of your individual personal circumstances, including financial and taxation issues (some of which have been outlined in Section 3 of this Retail Offer Booklet).

4.12 No authorisation beyond information contained within this Retail Offer Booklet

Any information or representation not contained in this Retail Offer Booklet may not be relied on as having been authorised by the Responsible Entity in connection with the Entitlement Offer. No person is authorised to give any information or make any representation in connection with the Entitlement Offer, which is not contained in this Retail Offer Booklet.

Except as required by law, and only to the extent so required, none of the Responsible Entity or the REIT or any of their respective directors, officers or employees or any other person, warrants or guarantees the future performance of the REIT or any return on any investment made pursuant to this Retail Information Booklet.

4.13 No cooling-off rights

Cooling-off rights do not apply to a subscription for New Securities under the Entitlement Offer. This means that you cannot withdraw your Application once it has been accepted.

4.14 Forward-looking statements

No representation or warranty is given as to the accuracy or likelihood of achievement of any forward-looking statement in this Retail Offer Booklet, or any events or results expressed or implied in any forward-looking statement. These statements can generally be identified by the use of words such as “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “could”, “may”, “target”, “predict”, “guidance”, “plan” and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Any forward-looking statements are provided as a general guide only, they are not guarantees of future performance and are, by their nature, subject to significant uncertainties, risks and contingencies, known and unknown.

Actual results, performance or events may differ materially from any expressed or implied in any forward-looking statement and deviations are normal and to be expected. Neither the Responsible Entity or the REIT, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur.

Please refer to the key risks section of the Investor Presentation for a non-exhaustive summary of certain general and company-specific risk factors that may affect the REIT. Eligible Retail Securityholders should consider any forward-looking statements contained in this Retail Offer Booklet in light of those risks and disclosures. Any forward-looking statements are based on information available to the REIT as at the date of this Retail Offer Booklet and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be proven to be correct. Except as required by law or regulation (including the ASX Listing Rules), the Responsible Entity disclaims any obligation and makes no undertaking to provide any additional or updated information whether as a result of new information, future events or results or otherwise, or to reflect any change in expectations or assumptions.

4.15 Past performance

Past performance is not a reliable indicator of future performance.

4.16 Offer jurisdictions – restrictions and limitations

The Retail Entitlement Offer will not be made to Securityholders with registered addresses outside Australia and New Zealand. This document does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. Return of the Entitlement and Acceptance Form or payment by BPAY® of Application Monies shall be taken by Responsible Entity to constitute a representation by you that there has been no breach of any such laws.

The distribution of this document outside Australia and New Zealand may be restricted by law. If you come into possession of this document you should observe any such restrictions. See Appendix C of the Investor Presentation titled “International Offer Restrictions” for such restrictions. A failure to comply with such restrictions may contravene applicable securities laws.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States absent registration or an exemption from registration under the US Securities Act. The New Securities offered and sold in the Retail Entitlement Offer will be sold only in “offshore transactions” (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

New Zealand

The New Securities are not being offered to the public within New Zealand other than to existing Securityholders with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

4.17 Ineligible Securityholders

The Responsible Entity has decided that it is unreasonable to make offers under the Retail Entitlement Offer to retail investors who are holders of Securities and who are resident outside Australia and New Zealand, having regard to the number of such holders in those places and the number and value of the New Securities that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places.

4.18 Nominees

The Retail Entitlement Offer is being made to all Eligible Retail Securityholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Securities, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Securityholder.

Nominees and custodians which hold Securities as nominees or custodians will have received, or will shortly receive, a letter from the Responsible Entity. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- beneficiaries on whose behalf they hold Securities who would not satisfy the criteria for an Eligible Retail Securityholder;
- Eligible Institutional Securityholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);

- Ineligible Securityholders who were ineligible to participate in the Institutional Entitlement Offer or Retail Entitlement Offer; or
- Securityholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Due to legal restrictions, nominees and custodians may not send copies of this Retail Offer Booklet or accept the Retail Entitlement Offer on behalf of any person in the United States or other jurisdiction outside Australia or New Zealand, except to beneficial Securityholders who are institutional or professional investors in certain foreign countries to the extent contemplated in the Investor Presentation under Appendix C titled "International Offer Restrictions" or as the Responsible Entity may otherwise permit in compliance with applicable law.

The Responsible Entity is not required to determine whether or not any registered Securityholder is acting as a nominee or the identity or residence of any beneficial owners of existing Securities.

4.19 Underwriting arrangements and fees

J.P. Morgan Securities Australia Limited and UBS AG, Australia Branch will be acting as joint lead managers, bookrunners and underwriters of the Offer (**Underwriters**). The Responsible Entity has entered into an Underwriting Agreement with the Underwriters in respect of the Offer.

The Responsible Entity must pay the Underwriters an underwriting fee of 1.6% of the proceeds of the Offer and a management fee of 0.4% of the proceeds of the Offer, in each case not including proceeds raised from Charter Hall Group. The Responsible Entity must also reimburse the Underwriters for their reasonably incurred costs in connection with the Entitlement Offer, including legal fees and disbursements, bookbuild expenses, travel expenses and stamp duty or similar taxes payable in respect of the Underwriting Agreement.

The Underwriting Agreement contains representations and warranties and indemnities in favour of the Underwriters. Each Underwriter may also, in certain circumstances, terminate their obligations under the Underwriting Agreement on the occurrence of certain termination events including where:

- any of the material obligations of the relevant parties under the agreements for the Acquisitions (**Acquisition Agreements**) are not capable of being performed in accordance with their terms (in the reasonable opinion of the Underwriter) or if all or any part of any Acquisition Agreement:
 - (i) is amended or varied in a material respect without the consent of the Underwriters;
 - (ii) is terminated or rescinded;
 - (iii) is materially breached;
 - (iv) ceases to have effect, otherwise than in accordance with its terms; or
 - (v) is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights);
- a statement in this Retail Offer Booklet or other Offer documents is or becomes misleading or deceptive in a material respect or is likely to mislead or deceive in a material respect (including by omission);
- a certificate which is required to be furnished under the Underwriting Agreement is not furnished by the time required;
- CLW withdraws the Entitlement Offer;
- CLW becomes required to give or gives a correcting notice under the Corporations Act other than as a result of a new circumstance arising;
- an application is made by ASIC for an order under Part 9.5 in relation to the Offer or the Offer documents or ASIC commences any investigation or hearing under Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth), and in each case is not withdrawn within 2 business days after it is made or commenced or within 2 business days of a settlement date for the Offer, before that date.
- ASX announces that the REIT will be removed from the official list or that any Securities will be delisted or suspended from quotation by ASX;
- a Director of the Responsible Entity is charged with an indictable offence or is disqualified from managing a corporation under the Corporations Act;
- any government agency commences any public action against a Director of CLW in their capacity as a Director of CLW (or the Charter Hall Group) or announces that it intends to take any such action;
- CLW or a material member of the REIT group is insolvent or there is an act or omission which may result in such party becoming insolvent;
- unconditional approval (or conditional approval, provided such condition would not have a material adverse effect on the success or settlement of the Offer) by the ASX for official quotation of the New Securities is refused, or is not granted, or is withdrawn or ASX makes, in writing, an official statement to any person or indicates to CLW or the Underwriters that official quotation of the New Securities will not be granted;

- the Responsible Entity ceases to be the responsible entity of CLW;
- there are certain delays in the timetable for the Offer.
- any statement in a certificate to be provided under the Underwriting Agreement is false, misleading or deceptive;
- any information supplied by or on behalf of CLW to the Underwriters in final form is or becomes misleading or deceptive in a material respect, including by way of omission;
- hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, Hong Kong, New Zealand, Singapore, the United Kingdom, any member state of the European Union or the United States, or a major terrorist act is perpetrated on any of those countries;
- there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia, or any Federal or State authority of Australia adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement), any of which does or is likely to prohibit or adversely regulate the Offer;
- a contravention by CLW or a CLW group member of the Corporations Act, any of their respective constitutions, the ASX Listing Rules or any other applicable law;
- CLW fails to perform or observe any of its obligations under the Underwriting Agreement and such breach is not remedied within the time limits specified;
- a representation or warranty made or given by CLW under the Underwriting Agreement proves to be, or has been, or becomes, untrue or incorrect;
- a general moratorium on commercial banking activities in Australia, Hong Kong, Singapore or the United States is declared by the relevant central banking authority in those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries, in any such case continuing for 1 full trading day or more;
- trading in all securities quoted or listed on ASX, the New York Stock Exchange, the London Stock Exchange or the Hong Kong Stock Exchange is suspended or limited in a material respect for at least 1 day on which that exchange is open for trading;
- a change in the fund manager of CLW or in the board of directors of CLW is announced or occurs;
- in the reasonable opinion of an Underwriter, a new circumstance arises that would have been required to be disclosed in the Offer documents had it arisen before the Offer documents were lodged with ASX; or
- there is an application to a government agency for an order, declaration or other remedy, or a government agency commences any investigation or hearing or announces its intention to do so, in each case in connection with the Offer (or any part of it) or any agreement entered into in respect of the Offer (or any part of it).

If an Underwriter terminates its obligations under the Underwriting Agreement, each Underwriter will not be obliged to perform any of their obligations which remain to be performed.

Neither the Underwriters nor any of their respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives, agents or advisers (the **Limited Parties**) have authorised or caused the issue of this Retail Offer Booklet and they do not take responsibility for any statements made in this Retail Offer Booklet or any action taken by you on the basis of such information. To the maximum extent permitted by law, each Limited Party disclaims all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this information being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. None of the Limited Parties make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning this Entitlement Offer or any such information and you represent, warrant and agree that you have not relied on any statements made by the Underwriters or any of their respective related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Securities or the Entitlement Offer generally.

4.20 Governing law

This Retail Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the law applicable in New South Wales, Australia. Each Securityholder who applies for New Securities submits to the jurisdiction of the courts of New South Wales, Australia.

Section 5 - Eligible Retail Securityholder Declarations

In making your application for New Securities as part of the Retail Entitlement Offer, you will be declaring to Responsible Entity that you:

- have read this Retail Offer Booklet;
- agree to be bound by the constitution of the REIT;
- acknowledge the statement of risks in the “Summary of Key Risks” section in Appendix B of the Investor Presentation, and that investments in the REIT are subject to investment risk;
- agree to be bound by the terms of the Retail Entitlement Offer;
- authorise the Responsible Entity to register you as the holder of New Securities allotted to you under this Retail Entitlement Offer;
- confirm that all details in the Entitlement and Application Form are complete, accurate and up to date;
- are over 18 years of age and that you have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- accept that there is no cooling off period under the Retail Entitlement Offer and that once the Responsible Entity receives either your Entitlement and Acceptance Form, your payment of Application monies via BPAY® or both, that you may not withdraw or change your Application;
- agree to apply for and be issued with up to the number of New Securities shown on the Entitlement and Acceptance Form, or for which you have submitted payment of Application Monies via BPAY®, at the Issue Price of \$5.50 per New Security;
- authorise the Responsible Entity, the Underwriters, the Registry and respective officers or agents, to do anything on your behalf necessary for the New Securities to be issued to you, including to act on instructions of the Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- you are the current registered holder of existing Securities and are an Australian or New Zealand resident at the Record Date;
- acknowledge that the information contained in this Retail Offer Booklet and the Entitlement and Acceptance Form does not constitute investment advice, nor a recommendation that New Securities are suitable for you given your individual investment objectives, financial situation or particular needs;
- understand that this Retail Offer Booklet is not a product disclosure statement, does not contain all of the information that you may require in order to assess an investment in the REIT and is given in the context of the REIT’s past and ongoing continuous disclosure obligations under the Corporations Act and the ASX listing rules;
- acknowledge that none of the Responsible Entity, its directors, officers, employees, agents, consultants nor advisers, or the Underwriters, guarantees the performance of the REIT, or guarantees the payment of income or repayment of capital from the REIT;
- represent and warrant that you are an Eligible Retail Securityholder and the law of any other jurisdiction does not prohibit you from being given this Retail Offer Booklet or making an Application;
- represent and warrant that you are not in the United States and are not acting for the account or benefit of a person in the United States;
- acknowledge that the New Securities have not, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia;
- agree not to send this Retail Offer Booklet or any other material relating to the Retail Entitlement Offer to any person in the United States;
- acknowledge that, if you decide to sell or otherwise transfer any New Securities, you will only do so in regular way transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre arranged with, or that the purchaser is, a person in the United States;
- acknowledge that, if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is an Eligible Retail Securityholder;
- make all other representations and warranties set out in this Retail Offer Booklet; and
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and/or of your holding of Securities on the Record Date.

Annexure A – ASX announcement



ASX Release

Charter Hall Long WALE REIT Portfolio growth from acquisitions and equity raising

4 November 2019

Not for release to US wire services or distribution in the United States

Charter Hall WALE Limited
ACN 610 772 202
AFSL 486721

Responsible Entity of
Charter Hall Long WALE REIT

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Charter Hall WALE Limited as responsible entity of the Charter Hall Long WALE REIT (ASX:CLW) (the REIT) today announces that it:

- has entered into agreements to acquire interests in two A-grade office buildings located in Melbourne and Macquarie Park, Sydney and a Bunnings warehouse site in Darwin (the **Acquisitions**) reflecting a total property valuation of the Acquisitions of \$331.5 million; and
- will undertake a fully underwritten \$242 million equity raising (**Equity Raising**) to partially fund the Acquisitions and associated transaction costs.

Acquisitions

The REIT has entered into agreements to acquire the following:

- A 15% interest¹ in 242 Exhibition Street, Melbourne for \$63.6 million² representing a passing yield of 4.5%. The property is predominantly leased to Telstra Corporation Limited (**Telstra**) as its Global Headquarters, with a weighted average lease expiry (**WALE**) of 11.5 years;
- A 50% interest in The Glasshouse, 45-61 Waterloo Road, Macquarie Park, Sydney for \$165.7 million³, representing a passing yield of 5.0%. The property is a new office building under construction that is substantially pre-committed to the NSW Government on a 12 year lease, with a three year rental guarantee provided by the vendor over the remaining space; and
- A 100% interest in Bunnings Palmerston, Darwin for \$41.3 million⁴, representing a passing yield of 5.7%. On completion, the property will be a new, large format store built to Bunnings' latest standards and will have a new 12 year lease to Bunnings.

The total property valuation of the Acquisitions is \$331.5 million, reflecting a weighted average capitalisation rate of 4.9%.

Avi Anger, Fund manager of CLW commented: "These acquisitions are modern and well located properties that significantly enhance the CLW portfolio. These properties feature long leases to high quality tenants with 83% of income derived from NSW Government, Telstra and Bunnings Group Limited. The acquisition portfolio WALE is 10.9 years with an attractive weighted average rent review (WARR) of 3.4% p.a. The properties are also predominantly located in the strongly performing Sydney and Melbourne office markets."

¹ CLW will be acquiring 100% of the units in Charter Hall Co-Investment Trust 5 (CHC 5). CHC 5 holds a 15% interest in CHC 242 Exhibition Street Holding Trust.

² Total gross asset value \$830m (100% interest).

³ Final price will be subject to a final NLA surveying of the property at practical completion. \$8.3 million payable by CLW upfront with the remaining \$157.4 million payable at practical completion

⁴ Structured via an upfront land payment of \$15.0m and a construction management fee of \$26.3m payable at practical completion



Portfolio impact

	Pre-Acquisitions	Acquisitions	Post-Acquisitions
Number of properties	155	3	158
Property valuation	\$2,546m	\$331m	\$2,877m
Weighted average capitalisation rate	5.8%	4.9%	5.7%
Occupancy	99.7%	99.8%	99.7%
WALE	13.2 years	10.9 years	13.0 years
WARR	2.8%	3.4%	2.8%
Proportion of leases subject to fixed rent reviews	63%	100%	66%

Equity Raising

To partially fund the Acquisitions and associated transaction costs, the REIT will undertake a fully underwritten Equity Raising of approximately \$242 million, comprising an institutional placement to raise approximately \$120 million (**Placement**) and a 1-for-17 accelerated non-renounceable entitlement offer to raise approximately \$122 million (**Entitlement Offer**).

The Equity Raising will be issued at a fixed price of \$5.50 per security, which represents a:

- 4.0% discount to the last close of \$5.73 per security on 1 November 2019
- 3.8% discount to the theoretical ex-rights price of \$5.72 per security
- 5.1% FY20 forecast Operating EPS yield⁵

Securities issued under the Equity Raising will rank equally with existing CLW securities and will be entitled to the distribution for the three months to 31 December 2019.

Charter Hall Group is the REIT's largest securityholder with approximately 14% of securities on issue and has committed to take up its full entitlements under the Entitlement Offer, representing a commitment of approximately \$17 million.

The balance of the funding for the Acquisitions will be sourced from a combination of existing CLW debt facilities, a new \$100 million debt facility with an international lender and debt facility secured at the 242 Exhibition Street wholesale partnership level.

Financial impact

The REIT is restructuring swaps at a cost of \$3.1 million that will result in an interest saving in FY20, offsetting the earnings impact of raising equity now for future deployment on practical completion of The Glasshouse and Bunnings Palmerston.

Including the impact of the Acquisitions, Equity Raising and capital management initiatives, and barring any unforeseen events and no material change in current market conditions, CLW is pleased to increase its FY20 Operating EPS guidance to 28.1 cents per security, which represents 4.5% growth over FY19 Operating EPS.

Following the Acquisition and the Equity Raising, the REIT's pro-forma⁶:

- balance sheet gearing is 24.7%, at the lower end of CLW's target range of 25 – 35%;
- look through gearing is 36.7%; and
- NTA per security is \$4.22.

⁵ Based on CLW's guidance for FY20 Operating EPS of 28.1 cents per security (barring any unforeseen events with no material change in current market conditions)
⁶ As at 30 June 2019, with pro forma adjustments outlined in Appendix A of the investor presentation released to the ASX on 4 November 2019



Timetable

Event	Date 2019
Trading halt and announcement of the Acquisitions and Equity Raising	Monday, 4 November
Placement and Institutional Entitlement Offer conducted	Monday, 4 November
Trading of securities recommences on the ASX on an 'ex-entitlement' basis	Tuesday, 5 November
Entitlement Offer Record Date	7:00pm, Wednesday, 6 November
Retail Entitlement Offer Booklet despatched and Retail Entitlement Offer opens	Friday, 8 November
Early Retail Acceptance Due Date	5:00pm, Thursday, 14 November
Settlement of new securities issued under the Placement, Institutional Entitlement Offer (and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date)	Friday, 15 November
Allotment and normal trading of new securities issued under the Placement, Institutional Entitlement Offer (and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date)	Monday, 18 November
Retail Entitlement Offer closes	5:00pm, Tuesday, 19 November
Announcement of results of Retail Entitlement Offer	Friday, 22 November
Settlement of remaining new securities issued under the Retail Entitlement Offer	Monday, 25 November
Allotment of remaining new securities issued under the Retail Entitlement Offer	Tuesday, 26 November
Normal trading of remaining new securities issued under the Retail Entitlement Offer	Wednesday, 27 November

All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to AEDT.

Additional information

Additional information about the Acquisitions and Equity Raising including certain key risks are contained in the investor presentation released to the ASX today.

A Retail Entitlement Offer Booklet containing information in connection with the retail component of the Entitlement Offer will be released separately and mailed to eligible securityholders.



Charter Hall Long WALE REIT (ASX: CLW)

Charter Hall Long WALE REIT is an Australian Real Estate Investment Trust (REIT) listed on the ASX and investing in high quality Australasian real estate assets that are predominantly leased to corporate and government tenants on long term leases.

Charter Hall Long WALE REIT is managed by Charter Hall Group (ASX:CHC). With over 28 years' experience in property investment and funds management, we're one of Australia's leading fully integrated property groups. We use our property expertise to access, deploy, manage and invest equity across our core sectors – office, retail, industrial and social infrastructure.

Operating with prudence, we've carefully curated a more than \$34.6 billion diverse portfolio of over 840 high quality, long leased properties. Partnership and financial discipline are at the heart of our approach. Acting in the best interest of customers and communities, we combine insight and inventiveness to unlock hidden value. Taking a long term view, our \$6.5 billion development pipeline delivers sustainable, technologically enabled projects for our customers.

The impacts of what we do are far-reaching. From helping businesses succeed by supporting their evolving workplace needs, to providing investors with superior returns for a better retirement, we're powered by the drive to go further.

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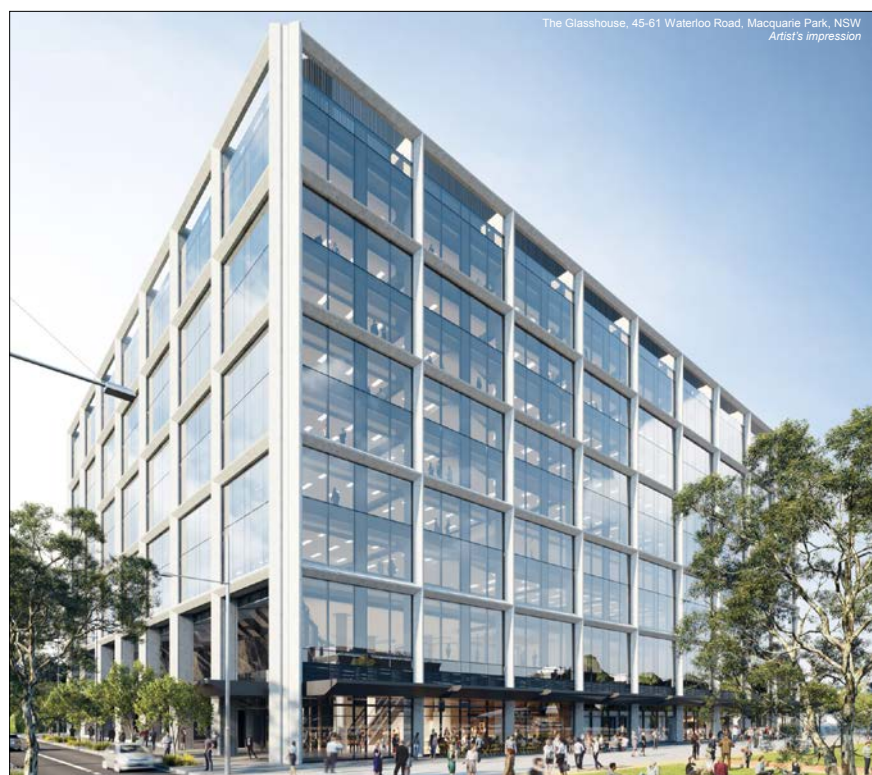
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Annexure B – Investor Presentation



Charter Hall 

Charter Hall
Long WALE REIT

**Portfolio growth
from acquisitions
and equity raising**

4 November 2019

**Not for release to US wire services
or distribution in the United States**

Portfolio growth from acquisitions and equity raising

Disclaimer

Important Notice

This presentation ("Presentation") has been prepared by and is the sole responsibility of Charter Hall WALE Limited (ABN 20 610 772 202, Australian Financial Services Licence Number 486721) ("Responsible Entity") as the responsible entity for each of LWR Finance Trust (ARSN 614 713 138) and Charter Hall Direct Industrial Fund (ARSN 144 613 641) (which collectively comprise the "Long WALE REIT" or the "REIT") and is dated 4 November 2019.

Summary information

This Presentation contains summary information about the Responsible Entity, Long WALE REIT and their business current as at 4 November 2019. It is provided for the sole purpose of providing general information and an overview of the Responsible Entity and the Long WALE REIT and their business ("Purpose"). The information in this Presentation is a general background and does not purport to be complete. It does not purport to summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with the Long WALE REIT's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange ("ASX"), which are available at www.asx.com.au.

Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither the Long WALE REIT nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications.

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Portfolio growth from acquisitions and equity raising	
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The pro-forma financial information included in this presentation is for illustrative purposes and does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission. Investors should be aware that financial data in this presentation include "non-IFRS financial information" under ASIC Regulatory Guide 230 "Disclosing non-IFRS financial information" published by ASIC and also "non-GAAP financial measures" within the meaning of Regulation G under the US Securities Exchange Act of 1934. Non-IFRS/non-GAAP measures in this presentation include the pro-forma financial information. The Responsible Entity believes this non-IFRS/non-GAAP financial information provides useful information to users in measuring the financial performance and conditions of the Long WALE REIT. The non-IFRS financial information do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS/non-GAAP financial information and ratios included in this Presentation. Financial data for the properties contained in this Presentation has been derived from financial statements and other financial information made available by the vendors in connection with the Acquisitions. Such financial information is unaudited and does not purport to be in compliance with Article 3-05 of Regulation S-X under the US Securities Act.</p>	
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Acquisitions and equity raising			
1. Transaction overview		5	Appendix
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Avi Anger Fund Manager Charter Hall Long WALE REIT		Kerri Leech Head of Finance Charter Hall Long WALE REIT	
			
		Darryl Chua Deputy Fund Manager Charter Hall Long WALE REIT	

Portfolio growth from acquisitions and equity raising

Transaction overview

Acquisitions	<ul style="list-style-type: none"> Charter Hall Long WALE REIT has entered into agreements to acquire the following: <ul style="list-style-type: none"> A 15% interest¹ in the Global Headquarters of Telstra Corporation Limited ("Telstra") at 242 Exhibition Street, Melbourne for \$63.6 million² A 50% interest in The Glasshouse, a new office building substantially pre-committed to the NSW Government at 45-61 Waterloo Road, Macquarie Park, Sydney for \$165.7 million³ A 100% interest in a new flagship Bunnings store in Darwin for \$41.3 million³ (the "Acquisitions") The Acquisitions are predominantly leased to high quality ASX-listed and government tenants with an Acquisition Portfolio WALE of 10.9 years and WARR of 3.4% p.a. The total property valuation of the Acquisitions is \$331.5 million.
Equity raising	<ul style="list-style-type: none"> The REIT will undertake a fully underwritten equity raising of approximately \$242 million ("Equity Raising") to partially fund the Acquisitions and associated transaction costs, comprising: <ul style="list-style-type: none"> Institutional placement to raise approximately \$120 million ("Placement"); and 1-for-17 accelerated non-renounceable entitlement offer to raise approximately \$122 million ("Entitlement Offer") The issue price for the Equity Raising has been set at \$5.50 per security ("Issue Price") Charter Hall Group is the REIT's largest securityholder with approximately 14% of securities on issue and has committed to take up its full entitlement under the Entitlement Offer, representing a commitment of approximately \$17 million
Financial impact	<ul style="list-style-type: none"> Including the impact of the Acquisitions and Equity Raising and barring any unforeseen events and no material change in market conditions, CLW is pleased to increase its FY20 Operating EPS guidance: <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>28.1 cps</p> <p>FY20 Operating EPS (previously 28.0 cps)</p> </div> <div style="text-align: center;"> <p>4.5%</p> <p>FY20 Operating EPS growth over FY19 (previously 4.0%)</p> </div> </div> Portfolio value increases to \$2.88 billion Following the Acquisitions and Equity Raising, the REIT's key pro-forma⁴ metrics are: <ul style="list-style-type: none"> Balance sheet gearing of 24.7% Look through gearing of 36.7% NTA per security of \$4.22

¹ CLW will be acquiring 100% of the units in Charter Hall Co-Investment Trust 5 (CHC 5). CHC 5 holds a 15% interest in CHC 242 Exhibition Street Holding Trust.
² Total gross asset value of \$830 million (100% interest).
³ Part of the total consideration is payable upon practical completion of the properties being developed by the vendors. Refer to pages 7-9 for further information.
⁴ Metrics on this page and throughout this presentation are as at 30 June 2019 pro forma adjusted as outlined in Appendix A.

Portfolio growth from acquisitions and equity raising

Strategic rationale

Acquisition of a portfolio of high quality properties with long leases to blue chip tenants

1 High quality, modern properties in prime locations

- ✓ 242 Exhibition Street, Melbourne is an iconic, modern A-grade office building located in the Melbourne CBD
- ✓ The Glasshouse, Macquarie Park represents a rare opportunity to acquire a new A-grade office building with large floor plates in the rapidly developing and well connected Macquarie Park precinct
- ✓ Bunnings Palmerston will be a new, large format Bunnings store that serves the south east region of Darwin

3 Improved portfolio diversification

- ✓ Increases exposure to the strongly performing office markets of Sydney and Melbourne and increases the REIT's overall office sector exposure from 28% to 35%
- ✓ Increases exposure to NSW and VIC from 40% to 45% and increases the REIT's overall portfolio weighting to the eastern seaboard from 64% to 67% post acquisition

2 Long leases to quality tenants

- ✓ Acquisitions are predominantly leased to blue chip tenants with investment grade credit ratings, with 83% of income derived from NSW Government, Telstra and Bunnings Group Limited ("Bunnings")
- ✓ Acquisition Portfolio WALE of 10.9 years and an attractive WARR of 3.4% p.a
- ✓ Expands on CLW's strong tenant relationships with Telstra and Bunnings

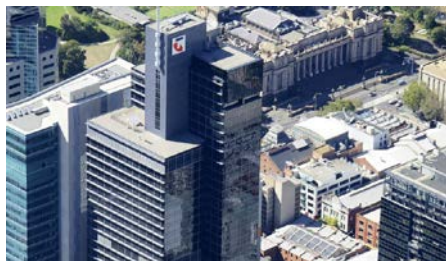
4 Attractive financial impact

- ✓ FY20 Operating EPS growth over FY19 guidance upgraded from 4.0% to 4.5%
- ✓ Pro forma balance sheet gearing maintained at the low end of the target range of 25 – 35%
- ✓ 8 cent uplift in pro-forma NTA to \$4.22 per security

Portfolio growth from acquisitions and equity raising

Acquisition overview – 242 Exhibition Street, Melbourne

Iconic Melbourne CBD office building predominantly leased to Telstra as its Global Headquarters



Property details

Address	242 Exhibition Street, Melbourne, VIC
Property type	Office
Ownership interest	15%
Co-owners	CHC, CPOF, PSP
Title	Freehold
Purchase price (CLW interest) ¹	\$63.6m
Passing yield	4.5%
Average annual rent review	3.50% p.a.
WALE	11.5 years
Occupancy	99.5%
NLA (100% basis)	65,940 sqm

Property overview

- A-Grade, 47-storey office building located in the Melbourne CBD, with significant street frontages to Exhibition Street, Lonsdale Street and Little Lonsdale Street
- Property comprises 346 car parking bays (1:191 sqm ratio) over three basement levels, retail arcade, food court, theatre and conference centre
- Built in 1992 and extensively refurbished in 2010 and 2018, with a 5 star NABERS Energy Rating and a 4 Star NABERS Water Rating
- 95.6% leased to Telstra with a remaining lease term of 12 years and 3.50% fixed annual rent reviews
- A Charter Hall wholesale partnership comprising Charter Hall Group (CHC), the Charter Hall Prime Office Fund (CPOF) and the Public Sector Pension Investment Board (PSP) has settled the purchase of a 50% interest in the property in October 2019 with settlement of the remaining 50% to occur in December 2019
- CLW will acquire part of CHC's interest in the partnership after the settlement of the remaining 50% interest in December 2019 for the same acquisition price paid by CHC, CPOF and PSP²

Portfolio lease expiry profile



Key tenants

Tenant	NLA (sqm)	Expiry date	Income (%)	Annual review
Telstra	63,398 sqm	Oct-31	95.6%	3.50%

¹ Property purchase price of \$830m on 100% basis. CLW purchase price reflects the purchase price of the units in Charter Hall Co-Investment Trust 5.
² CLW will be acquiring 100% of the units in Charter Hall Co-Investment Trust 5 (CHC 5). CHC 5 holds a 15% interest in CHC 242 Exhibition Street Holding Trust.

Portfolio growth from acquisitions and equity raising

Acquisition overview – The Glasshouse, 45-61 Waterloo Road, Macquarie Park, Sydney

A-Grade office development, 70% pre-committed to NSW Government on a long lease



Property details

Address	Building C, 45-61 Waterloo Road, Macquarie Park, Sydney
Property type	Office
Ownership interest	50%
Co-owners	Charter Hall Direct PFA
Title	Freehold
Purchase price (CLW interest) ¹	\$165.7m
Passing yield	5.0%
Average annual rent review	3.50% p.a.
WALE ²	9.9 years
Occupancy ³	100%
NLA (100% basis)	34,947 sqm

Property overview

- Upon completion, The Glasshouse will be an A-Grade 34,898 sqm NLA office building located in Macquarie Park. The property forms part of the Macquarie Square master planned precinct
- The property comprises eight levels of office accommodation (with large floor plates of 4,250 sqm) situated above 848 sqm of ground floor retail, end of trip facilities and 350 car spaces
- Macquarie Park metro station is within two minutes walking distance, connecting Macquarie Park to Sydney's north western suburbs and Chatswood
- Practical completion is anticipated to occur in March 2020, with 70% (by net income) pre-committed to the NSW Government on a 12 year lease. CLW will acquire the property upon practical completion at an agreed fixed price, with the vendor responsible for completing the development
- A three year rental guarantee will be provided by the vendor, John Holland, for the remaining NLA comprising 8,599 sqm of office, 848 sqm of retail accommodation and 100 car spaces

Portfolio lease expiry profile



Pre-commitments

Tenant	NLA (sqm)	Lease term	Income (%)	Annual review
Property NSW	25,500 sqm	12 years	70.0%	3.50%

¹ Final price will be subject to a final NLA surveying of the property at practical completion. \$8.3 million payable by CLW upfront with the remaining \$157.4 million payable at practical completion.
² Forecast WALE at the time CLW enters into arrangements to acquire the property, inclusive of three-year rent guarantee and development period up to practical completion.
³ On practical completion and inclusive of three-year rent guarantee

Portfolio growth from acquisitions and equity raising

Acquisition overview – Bunnings Palmerston, Darwin

New large format Bunnings store on a long lease



Property overview

- Upon completion, Bunnings Palmerston will be a new, large format store built to Bunnings' latest standards
- Located on a 4 hectare site in Palmerston approximately 20kms east of Darwin CBD with high visibility and accessibility to the Stuart Highway
- CLW is acquiring the property via a fund through structure including an upfront land payment of \$15 million and a final payment on completion of \$26.3 million
 - Construction of the new store is currently underway with completion expected in late 2020
 - CLW will earn a 5.65% rebate during construction
- The site will comprise a 17,170 sqm large format Bunnings Warehouse and an undercroft car parking for 456 vehicles
- Bunnings will relocate from its existing Palmerston store to the new property on a new 12 year lease, with 2.50% fixed annual rent reviews

Property details

Address	6 Pierssene Road, Palmerston, NT
Property type	Long WALE Retail
Ownership interest	100%
Title	Freehold
Purchase price ¹	\$41.3m
Passing yield	5.7%
Average annual rent review	2.50% p.a.
WALE ²	12.8 years
Occupancy	100%
GLA	17,170 sqm

Portfolio lease expiry profile



Key tenants

Tenant	GLA (sqm)	Lease terms	Income (%)	Annual review
Bunnings Group Limited	17,170 sqm	12 years	100%	2.5%

¹ Structured via an upfront land payment of \$15.0m and a construction management fee of \$26.3m payable at practical completion (less the rebate)

² Forecast WALE at the time CLW enters binding arrangements to acquire the property including development period up to practical completion

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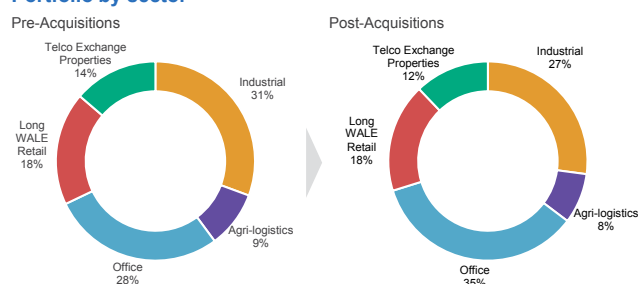
Portfolio growth from acquisitions and equity raising

Portfolio impact

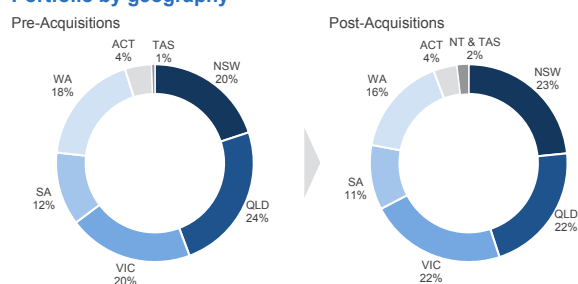
The Acquisitions increase CLW's eastern seaboard and office exposure

	Pre Acquisitions ¹	Acquisitions	Post Acquisitions
Number of properties	155	3	158
Property valuation	\$2,546m	\$331m	\$2,877m
Weighted Average Capitalisation Rate ("WACR")	5.8%	4.9%	5.7%
Occupancy	99.7%	99.8%	99.7%
WALE	13.2 years	10.9 years	13.0 years
WARR	2.8%	3.4%	2.8%
Proportion of leases subject to fixed rent review	63%	100%	66%

Portfolio by sector^{2, 3}



Portfolio by geography^{2, 3}



¹ Per pro forma metrics outlined in the investor presentation released to market on 16 August 2019, adjusted for the removal of the Deakin Exchange from the Telstra portfolio

² Weighted by Independent Valuation (REIT ownership interest)

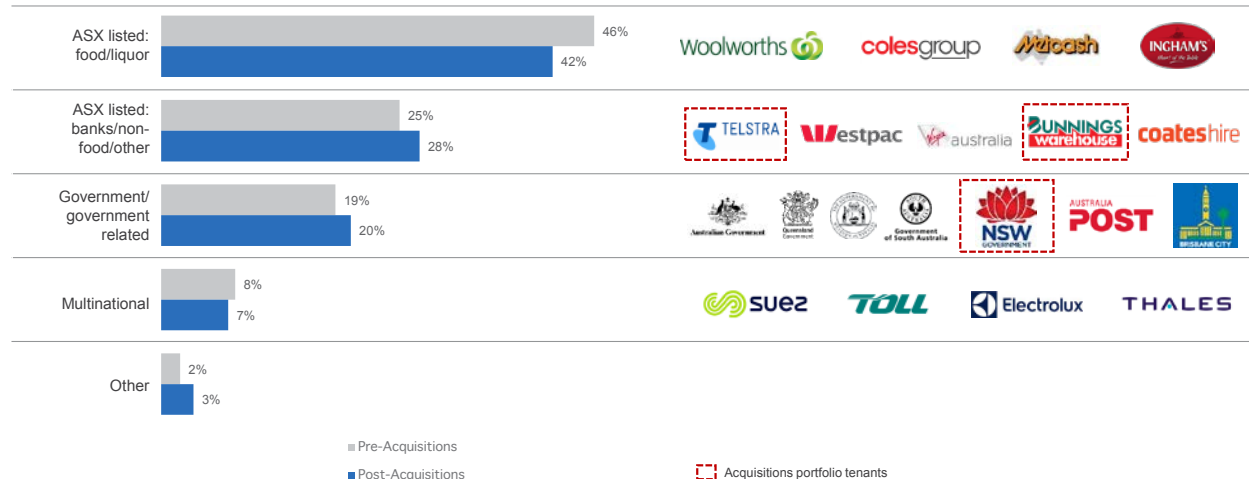
³ Totals may not add due to rounding

Charter Hall 10

Portfolio growth from acquisitions and equity raising

Industry diversification¹

Increased weighting to secure government and non-food/liquor ASX-listed tenants

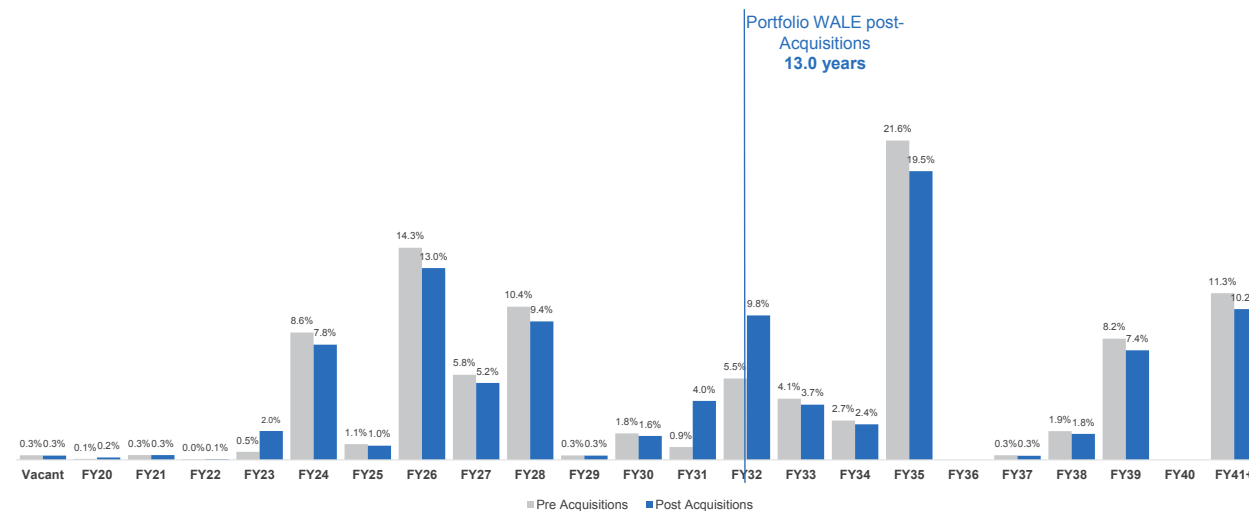
Major tenants¹¹ Weighted by net passing income as at 30 June 2019 (REIT ownership interest)

Charter Hall 11

Portfolio growth from acquisitions and equity raising

Lease expiry profile

Long portfolio WALE of 13.0 years post Acquisitions

¹ Totals may not add due to rounding

Charter Hall 12

Portfolio growth from acquisitions and equity raising

Sources and uses of funds

Acquisitions funded through a fully underwritten \$242 million Equity Raising and the drawdown of new and existing debt facilities

- The REIT will undertake a fully underwritten Placement and Entitlement Offer of approximately \$242 million to partially fund the Acquisitions and associated transaction costs
- The balance of the funding for the Acquisitions will be sourced from a combination of existing CLW debt facilities, a new \$100 million debt facility with an international lender and a debt facility secured at the 242 Exhibition Street wholesale partnership level
- The REIT is also restructuring swaps at a cost of \$3.1 million that will result in an interest saving in FY20, offsetting the earnings impact of raising equity now for future deployment on practical completion of The Glasshouse and Bunnings Palmerston

Sources of Funds	(\$m)
Proceeds from the Placement	120
Proceeds from the Entitlement Offer	122
Debt	50
Total sources¹	292

Uses of Funds	(\$m)
Acquisitions ²	271
Acquisitions and Equity Raising transaction costs ³	22
Total uses¹	292

Key Equity Raising metrics	
Issue Price	\$5.50
Discount to CLW's last close price on 1 November 2019	4.0%
Discount to TERP ⁴	3.8%
Pro forma market capitalisation post Equity Raising ⁵	\$2.4bn
FY20 OEPS yield (at Issue Price) ⁶	5.1%
FY20 DPS yield (at Issue Price) ⁶	5.1%
Pro forma balance sheet gearing (post Acquisitions and Equity Raising)	24.7%
Pro forma look through gearing (post Acquisitions and Equity Raising)	36.7%

¹ May not add due to rounding² On a look-through basis, net of debt at the 242 Exhibition Street wholesale partnership level³ Includes stamp duty, cost of restructuring swaps and a 1% acquisition fee payable to Charter Hall Group⁴ The theoretical ex-rights price ("TERP") is the theoretical price at which securities should trade after the ex-date for the Entitlement Offer. TERP excludes new securities issued under the Placement. TERP is a theoretical calculation only and the actual price at which securities trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal TERP⁵ Based on CLW's market capitalisation as at 1 November 2019 adjusted for the equity raising of approximately \$242 million⁶ Based on CLW's guidance for FY20 Operating EPS of 28.1 cents per security (barring any unforeseen events with no material change in current market conditions) and a 100% payout ratio

Portfolio growth from acquisitions and equity raising

Equity Raising overview

\$242 million fully underwritten institutional placement and accelerated non-renounceable entitlement offer

Structure	<ul style="list-style-type: none"> • A fully underwritten equity raising of approximately \$242 million to partially fund the Acquisitions and associated transaction costs, comprising: <ul style="list-style-type: none"> – Institutional placement to raise approximately \$120 million; and – 1-for-17 accelerated non-renounceable entitlement offer to raise approximately \$122 million • Record date for Entitlement Offer is Wednesday, 6 November 2019 at 7:00pm (AEDT) • Entitlement Offer will comprise an accelerated Institutional Entitlement Offer and a Retail Entitlement Offer
Pricing	<ul style="list-style-type: none"> • Fixed Issue Price of \$5.50 per security represents a: <ul style="list-style-type: none"> – 4.0% discount to the last close price of \$5.73 on 1 November 2019 – 3.8% discount to TERP of \$5.72 – 5.1% FY20 forecast Operating EPS yield
Ranking	<ul style="list-style-type: none"> • Securities issued under the Equity Raising will rank equally with existing CLW Securities and will be entitled to the distribution for the three months to 31 December 2019
Charter Hall Group intentions	<ul style="list-style-type: none"> • Charter Hall Group is the REIT's largest securityholder with approximately 14% of securities on issue and has committed to take up its full entitlement under the Entitlement Offer, representing a commitment of approximately \$17 million
Underwriting	<ul style="list-style-type: none"> • The Equity Raising is fully underwritten

Portfolio growth from acquisitions and equity raising

Timetable

Event	Date 2019
Trading halt and announcement of the Acquisitions and Equity Raising	Monday, 4 November
Placement and Institutional Entitlement Offer conducted	Monday, 4 November
Trading of securities recommences on the ASX on an 'ex-entitlement' basis	Tuesday, 5 November
Entitlement Offer Record Date	7:00pm, Wednesday, 6 November
Retail Entitlement Offer Booklet despatched and Retail Entitlement Offer opens	Friday, 8 November
Early Retail Acceptance Due Date	5:00pm, Thursday, 14 November
Settlement of new securities issued under the Placement and Institutional Entitlement Offer (and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date)	Friday, 15 November
Allotment and normal trading of new securities issued under the Placement and Institutional Entitlement Offer (and Retail Entitlement Offer for applications received by the Early Retail Acceptance Due Date)	Monday, 18 November
Retail Entitlement Offer closes	5:00pm, Tuesday, 19 November
Announcement of results of Retail Entitlement Offer	Friday, 22 November
Settlement of remaining new securities issued under the Retail Entitlement Offer	Monday, 25 November
Allotment of remaining new securities issued under the Retail Entitlement Offer	Tuesday, 26 November
Normal trading of remaining new securities issued under the Retail Entitlement Offer	Wednesday, 27 November

All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to AEDT.

Portfolio growth from acquisitions and equity raising

Conclusion

- ✓ Acquisition of modern and well located properties that are predominantly leased to high quality ASX-listed and government tenants
- ✓ Acquisitions have a long WALE of 10.9 years and weighted average fixed rent reviews of 3.4% p.a.
- ✓ Enhances the geographic and sector diversification of the REIT with 88% weighting to the eastern seaboard markets and increases the REIT's exposure to the strongly performing office sector
- ✓ Strong balance sheet maintained with pro forma balance sheet gearing of 24.7%
- ✓ Upgraded FY20 OEPS guidance of 28.1 cents per security reflecting 4.5% growth over FY19 OEPS

Appendix A

A



Portfolio growth from acquisitions and equity raising

Pro forma balance sheet

(\$m)	Jun-19 ¹	Acquisitions and Equity Raising	Jun-19 pro forma
Cash	6.4		6.4
Investment properties	1,438.2	207.0	1,645.2
Equity accounted investments	707.4	56.0 ²	763.5
Other assets	16.8		16.8
Total assets	2,168.9	263.0	2,431.9
Provision for distribution	22.9		22.9
Debt	556.4	50.3	606.7
Unamortised borrowing costs	(2.8)		(2.8)
Other liabilities	27.9	(3.1)	24.8
Total liabilities	604.5	47.1	651.7
Net tangible assets	1,564.4	215.9	1,780.2
Securities on issue (m)	377.6	44.0	421.6
NTA per security (\$)	\$4.14		\$4.22
Balance sheet gearing	25.4%		24.7%
Look through gearing	36.8%		36.7%

¹ Per pro forma metrics reported in Appendix A of the equity raising investor presentation released to the market on 16 August 2019, adjusted for the removal of the Deakin Exchange from the Telstra Portfolio (CLW's share of the Deakin Exchange purchase price was \$1.1 million) and expected receipt of \$5.5 million of dividend reinvestment plan proceeds in respect of CLW's September quarter distribution and subsequent issue of approximately 1.0 million securities

² Represents purchase price (CLW interest) of \$63.6 million adjusted for transaction costs

Appendix B

B



Portfolio growth from acquisitions and equity raising

Summary of key risks

Transaction specific risks

Acquisition risk

The REIT expects the Acquisitions to proceed as advised in this Presentation. If an acquisition in fact fails to complete or completion is delayed, the expected financial performance of the REIT could be adversely affected. If an acquisition does not complete and the REIT has raised funds under this Equity Raising, the REIT will need to consider alternative uses for, or ways to return, those funds.

The Acquisitions expose the REIT to the same types of risks described in "Other risks", including re-leasing and vacancy risk, tenant concentration risk (i.e. Telstra) and environmental risks. The Macquarie Park and Palmerston acquisitions also expose the REIT to development risk as set out in "Other risks" below.

Underwriting

The REIT has entered into an underwriting agreement under which the underwriters of the Equity Raising have agreed to fully underwrite the Equity Raising, subject to the terms and conditions of the underwriting agreement between the Responsible Entity and the underwriters ("Underwriting Agreement"). The underwriters' obligation to underwrite the Equity Raising is conditional on certain customary matters. Further, if certain events occur, the underwriters may terminate the Underwriting Agreement. Termination of the Underwriting Agreement is likely to have an adverse impact on the amount of proceeds raised under the Equity Raising, and the REIT's ability to complete the Acquisitions as currently planned and fund transaction costs, and could materially adversely affect the REIT's business, cash flow, financial performance, financial conditions and share price.

Risks associated with not taking up new securities under the Equity Raising

Investors who do not participate in the Equity Raising, or who do not take up all of their entitlement under the Equity Raising, will have their percentage securityholding in the REIT diluted and you will not be exposed to further increases or decreases in the REIT's security price in respect of those new securities which would have been issued to you had you taken up all of your entitlement.

Reliance on information provided in respect of the Acquisitions

CLW and its advisers have undertaken a due diligence process in respect of the Acquisitions, which relied in part on the review of the financial and other information provided by the vendors. Despite taking reasonable efforts, CLW and its advisers have not been able to verify the accuracy, reliability or completeness of all the information that was provided to it against independent data. If any of the data or information provided to and relied upon by CLW in its due diligence process and its preparation of this Presentation proves to be incomplete, inaccurate or misleading, there is a risk that the financial position and performance of the Acquisitions may be materially different to that expected by CLW as reflected in this Presentation.

Unrealised capital gains

The REIT will inherit the CGT cost base of the 242 Exhibition Street property held by an existing trust. At the REIT's 15% interest, the property has an inherent capital gain of approximately \$90.9m. This gain will only be realised if the landowning trust sells the property. There is no current intention for the landowning trust to dispose of the property.

Completion risk – Macquarie Park

Under the terms of the Property NSW lease, the tenant may refuse consent to the sale in limited circumstances where it is not satisfied as to the financial capacity and identity of the purchaser.

Other risks

Rental Income

Distributions made by the REIT are largely dependent on the rents received from tenants across the portfolio and expenses incurred during operations, which may be affected by a number of factors, including:

- overall economic conditions;
- the financial circumstances of tenants (on the date the units are allotted under the Equity Raising in accordance with the Timetable, and in the future);
- the ability to negotiate lease extensions or replace outgoing tenants with new tenants;
- the occurrence of rental arrears or any vacancy periods;
- reliance on a tenant which leases a material portion of the REIT's portfolio;
- an increase in unrecoverable outgoings; and
- supply and demand in the property market.

Any negative impact on rental income (including as a result of a failure of existing tenants to perform existing leases in accordance with their terms) has the potential to decrease the value of the REIT and have an adverse impact on distributions or the value of securities or both.

Re-leasing and vacancy risk

In the longer term, the REIT's portfolio leases will come up for renewal on a periodic basis. There is a risk that the REIT may not be able to negotiate suitable lease renewals with existing tenants, maintain existing lease terms, or replace outgoing tenants with new tenants. This may result in a reduction in the REIT's Operating Earnings and distributions and a reduction in the value of the assets of the REIT.

Portfolio growth from acquisitions and equity raising

Summary of key risks (cont.)

Property valuation risk

The value of each property held by the REIT, and those it may hold in the future, may fluctuate due to a number of factors affecting both the property market generally or the REIT's properties in particular. These factors include, but are not limited to:

- changes in market rental rates;
- changes in property yields;
- fluctuating occupancy levels;
- tenants defaulting;
- supply and demand in the relevant property market;
- increased competition from new or existing properties;
- a downturn in the property market generally;
- pricing or competition policies of any competing properties or tenants; and
- general economic conditions, such as interest rates.

These factors may change for a variety of reasons including those set out above in respect of these particular risks. A reduction in the value of any property may adversely affect the value of securities in the REIT. It may also impact the REIT's financing arrangements (refer to Funding risk).

Property values may fall if the underlying assumptions on which the property valuations outlined in this Presentation are based, change in the future. As changes in valuations of investment properties are recorded in the statutory income statement, any decreases in value will have a negative impact on the statutory income of the REIT.

As property values fluctuate, so too may returns from property assets. Rental and occupancy levels may change as a result of changes in the property market and this may affect the distributions paid by the REIT and the market price of securities.

The REIT will have its properties independently revalued regularly in accordance with its valuation policy. The independent valuations of the properties are the best estimates of the independent valuers at the time of undertaking the valuation and may not reflect the actual price a property would realise if sold. The independent valuations are subject to a number of assumptions which may prove to be inaccurate.

Property liquidity

By their nature, investments in real property assets are illiquid investments, and there is a risk that should the REIT be required to realise property assets, it may not be able to do so in a short period of time, or may not be able to realise a property asset for the amount at which it has been valued. This may adversely affect the REIT's net tangible assets and the value of securities in the REIT.

Tenant concentration

The majority of the properties comprising the REIT's portfolio are single tenanted. This exposes the value and performance of each property to the ability of those tenants to continue to meet their obligations under the respective lease agreements. There is a risk that if one or more of the major tenants cease to be a tenant, the REIT may not be able to find replacement tenants on lease terms that are at least as favourable as the current terms. Should replacement tenants lease the property on less favourable terms this will adversely impact the returns and the overall performance of the REIT and value of the properties. The Responsible Entity of the REIT actively manages the tenant selection process to manage this risk.

Development risk

The REIT will focus on sustainable income returns and minimising development risk. The REIT will not undertake speculative development. Any development risk will be substantially mitigated through fixed price construction contracts, and undertaking pre-leasing activities relating to the development, both prior to and during, construction. The REIT will endeavour to achieve a level of pre-commitment appropriate to the project prior to commencing development activities.

Development risk associated with the Macquarie Park and Palmerston acquisitions have been substantially mitigated through agreed fixed purchase prices and with settlement of both properties only occurring after practical completion and major lease commencement has been achieved. Macquarie Park is 70% pre-committed to the NSW State Government, with the vendor providing a three year rent guarantee over the balance of the space. Bunnings Palmerston is 100% pre-committed to Bunnings. As a result, the REIT's exposure to development risk is limited to delays in practical completion of these projects, which could also delay the REIT's acquisition of the properties and impact rental income for the REIT. If practical completion does not occur within certain timeframes, there is a risk that the REIT's acquisition of the properties will not complete.

No guarantee of distribution or capital return

No guarantee can be given as to the amount of any income or capital return from the securities or the performance of the REIT, nor can the repayment of capital from the REIT be guaranteed.

Management performance

The REIT will be reliant on the expertise, experience, and strategies of its executive directors and management of the Charter Hall Group. As a result, the loss or unavailability of key personnel at the Charter Hall Group could have an adverse impact on the management and financial performance of the REIT and therefore returns to securityholders.

Portfolio growth from acquisitions and equity raising

Summary of key risks (cont.)

Capital expenditure

The REIT will be responsible for capital expenditure that may arise. There is a risk that the actual required capital expenditure may exceed currently expected expenditure which could lead to increased funding costs and impact distributions. Additionally, any requirement for unforeseen material capital expenditure on the properties could impact the performance of the REIT.

Acquisitions

In addition to acquiring the assets in connection with these Acquisitions, the REIT will continue to identify new investment opportunities for potential acquisition. The REIT will endeavour to conduct all reasonable and appropriate due diligence on potential investment opportunities.

There is a risk that the REIT will be unable to identify suitable investment opportunities that meet the REIT's investment objectives. Even if such opportunities are identified, they may not be able to be secured on appropriate terms. These factors may restrict the REIT's ability to add investments to its portfolio and this may adversely impact growth and returns to securityholders.

Reliance on third parties

The Responsible Entity may engage third party service providers in respect of a part or the whole of the REIT's portfolio, being the Charter Hall Group entities or third parties outside the Charter Hall Group. These services will be subject to contractual arrangements between the Responsible Entity and the relevant third parties.

A failure of third parties to discharge their agreed responsibilities may adversely affect the management and financial performance of the REIT and therefore also adversely impact returns to investors.

Conflicts

The REIT may engage Charter Hall Holdings Pty Limited, a wholly owned subsidiary of Charter Hall Limited, to provide property management and facilities management services in respect of various properties in the REIT. The Responsible Entity and Charter Hall Holdings Pty Limited also have two common Executive Directors.

This may create a conflict of interest. Related party transactions also carry a risk that they could be assessed and monitored less rigorously than transactions with unrelated third parties. The REIT will mitigate these risks through the conflicts of interest and related party policy that governs the way the REIT manages such conflicts or transactions.

Funding

The Responsible Entity may fund future refinancing, capital expenditure and acquisitions from either debt or equity markets. The REIT's ability to raise funds from either market on favourable terms is dependent on a number of factors including:

- the general economic and political climate;
- the state of debt and equity capital markets;
- the performance, reputation and financial strength of the REIT; and
- the value of the properties.

Changes to any of these or other factors could lead to an increased cost of funding, limited access to capital, increased refinancing risk for the REIT and / or an inability to expand operations or purchase assets in a manner that may benefit the REIT and its securityholders.

Extension and refinancing

The REIT's ability to refinance or repay its debts as they fall due will be impacted by market conditions, the financial status of the REIT, the value of the REIT's properties, and prevailing economic conditions, including interest rates, at the time of maturity or refinancing. There is a risk that the REIT may not be able to extend or refinance its debts before maturity. Possible increases in the interest rate, the cost of interest rate hedges and the level of financial covenants required by lenders may also adversely impact the operating and financial performance of the REIT, the distributions of the REIT and the REIT's ability to raise equity and / or enter into new debt facilities.

In these circumstances, the REIT may need to raise further equity, dispose of assets for a lower market value than could otherwise have been realised, or enter into new debt facilities on less favourable terms.

There is also a risk that the REIT may be unable to hedge future borrowings to mitigate future interest rate risk, or that the terms of such hedging are less favourable than the existing terms.

Debt facility undertakings and covenants

The REIT is subject to a number of undertakings and covenants under existing debt facilities, including in relation to gearing ratio and interest cover ratios. An event of default would occur if the REIT fails to maintain these financial covenants. This may be caused by amongst other factors, unfavourable movements in interest rates (to that extent interest rates are not hedged) or deterioration in the income or the value of the REIT's portfolio. In the event that an event of default occurs, the lender may require immediate repayment of a debt facility. The REIT may need to dispose of some or all of its properties for less than their book value, raise additional equity, or reduce or suspend distributions in order to repay a debt facility.

Portfolio growth from acquisitions and equity raising

Summary of key risks (cont.)

Gearing

The level of gearing exposes the REIT to any changes in interest rates and increases the REIT's exposure to movements in the value of the REIT's portfolio or performance measures. Higher gearing will increase the effect. If the level of gearing increases over the term of the REIT's debt financing, this may create refinancing risk on the REIT's debts as it approaches expiry.

Interest rates

To the extent that interest rates are not hedged, unfavourable movements in interest rates relating to existing debt facilities could lead to increased interest expense. This could impact the level of distributions available to securityholders.

Derivatives

The REIT will use derivative instruments to hedge the REIT's exposure to interest rates. The mark-to-market valuation of derivative instruments could change quickly and significantly. Such movements may have an adverse effect on the financial performance and financial position of the REIT. In entering into derivative contracts, the REIT will be exposed to the risk that a party to the contract become insolvent or otherwise default on its contractual obligations. The Responsible Entity will seek to manage this risk by only entering into hedging arrangements with reputable counterparties.

Insurance

Insurance coverage is maintained in respect of each property (including insurance for destruction or damage to the property and public risk liability) where that coverage is available on commercial terms. Insurance coverage will include differing levels of cover for material loss or damage items such as accidental damage, flood and demolition and removal of debris. Some risks are not able to be insured at acceptable premiums. Examples of losses that are generally not insured against include war or acts of terrorism and natural phenomena such as earthquakes or hurricanes.

Any losses incurred due to uninsured risks, or loss in excess of the insured amounts, may adversely affect the performance of the REIT, and could lead to a loss of some of the capital invested by the REIT. Increases in insurance premiums may affect the performance of the REIT to the extent they are not recoverable from the tenant under their leases. Any failure by the company or companies providing insurance (or any reinsurance) may adversely affect the REIT's right of recovery under its insurance.

Insolvency

In the event of any liquidation or winding up of the REIT, the claims of the REIT's creditors, including any counterparty under any hedging or other derivative arrangements, will rank ahead of those of its securityholders. Under such circumstances the REIT will first repay or discharge all claims of its creditors. Any surplus assets will then be distributed to the REIT's securityholders. All securityholders will rank equally in their claim and will be entitled to an equal share per security.

Compliance

The REIT is a managed investment scheme which means that the Responsible Entity is subject to strict regulatory and compliance arrangements under the Corporations Act and its Australian Financial Services Licence. If the Responsible Entity fails to comply with the conditions of its Australian Financial Services Licence, then ASIC may take action to suspend or revoke the licence, which in turn could adversely impact the REIT.

Forecast Financial Information

The forward looking statements, opinions and estimates provided in the Presentation, including any forecast financial information provided, rely on various contingencies and assumptions. Various factors and risks, both known and unknown, many of which are outside the control of the REIT, may impact upon the performance of the REIT and cause actual performance to vary significantly from expected results. There can be no guarantee that the REIT will achieve its stated objectives or that forward looking statements or forecasts will eventuate.

Environmental

As with any property, there is a risk that one or more of the properties in the REIT's portfolio may be contaminated now or in the future. Government environmental authorities may require such contamination be remediated. There is always a residual risk that the REIT may be required to undertake any such remediation at its own cost. Such an event would adversely impact the REIT's financial performance. Environmental laws impose penalties for environmental damage and contamination which can be material in size.

In addition, if any remediation required to be undertaken on a property is not completed properly, this may adversely affect the REIT's ability to sell the relevant property or to use it as collateral for future borrowings. Should new or more stringent environmental laws or regulations be introduced in the future, any remediation costs required to be incurred by the REIT may increase materially in order to comply with the new laws or regulations.

Exposure to hazardous substance at a property within the REIT's portfolio could result in personal injury claims. Such a claim could prove greater than the value of the contaminated property. An environmental issue may also result in interruptions to the operations of a property, including the closure or re-lease of the property.

Occupational health and safety

There is a risk that liability arising from occupational health and safety matters at a property may be attributable to the REIT as the landlord instead of, or as well as, the tenant. To the extent that any liabilities may be borne by the REIT, this may impact the financial performance of the REIT (to the extent not covered by insurance). In addition, penalties may be imposed upon the REIT which may have an adverse impact on the REIT.

Portfolio growth from acquisitions and equity raising

Summary of key risks (cont.)

Disputes and litigation

The REIT may in the ordinary course of business be involved in possible litigation and disputes (for example, tenancy disputes, occupational health and safety claims or third party claims). Whilst the extent of any disputes and litigation cannot be ascertained at this time, any dispute or litigation may be costly and may adversely affect the operational and financial results of the REIT.

Pre-emptive rights and other risks associated with joint-ownership agreements

The joint-ownership agreements to which the REIT (or a sub-trust of the REIT) is a party, contain pre-emptive rights which restrict the REIT's dealings in respect of its interest in the co-owned trust or the co-owned property. In particular, where the REIT wishes to deal with its interests in a co-owned trust or property, each other co-owner will have a pre-emptive right over the REIT's interests, other than in limited circumstances (for example, by way of a permitted transfer to a member of the REIT's unitholder or owner group).

A number of joint-ownership agreements also contain:

- tag-along options, pursuant to which the REIT may be required to take reasonable steps, if it wishes to sell its interest in a co-owned trust or co-owned property, to cause one or more of the other co-owners' interests to be acquired on substantively the same terms;
- drag along rights, pursuant to which a co-owner may require the REIT to sell its interests in a co-owned trust if the co-owner wishes to sell its interest and the REIT has not exercised its pre-emptive; and
- provisions under which a default sale process may be triggered on a change of control event, including where the Responsible Entity is replaced with an entity that is not a related body corporate of the Responsible Entity, with the default sale process giving the other co-owners a right to acquire the REIT's interests at the relevant default interest value.

Additionally, disputes may arise between co-owners and where a dispute cannot be resolved, a number of joint-ownership agreements provide for the sale of the relevant property in circumstances where a co-owner does not acquire the other co-owners' interests.

Accounting standards

The Australian Accounting Standards to which the REIT adheres are set by the Australian Accounting Standards Board ("AASB") and are consequently out of the control of the REIT and the Directors. Changes to accounting standards issued by AASB or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in the REIT's financial statements.

Operator risk

While the REIT is not an operator of any of the properties in the Long Wale Investment Partnership ("LWIP"), the valuation and yield of these assets could be materially adversely affected by a number of operational risks of the tenants of those properties. In particular, the REIT may be affected by:

- Competition – increased competition in the pub, gaming, retail liquor markets and other specialty stores in the regions of Australia in which its tenants operate. The REIT's tenants compete for customers with a wide variety of other retail assets, hotel operator companies, retail liquor outlets, gaming companies and other specialty stores, some of which could be, or could become, better equipped and could have access to greater financial resources than the REIT's tenants. Competitor actions could be difficult to predict and may adversely impact on the profitability of the tenants; and
- Regulation of operators – changes in legislation and government policies that regulate liquor and gaming venues or gaming laws may adversely impact the profitability of the tenants. By way of example, reductions in the number of gaming machines, restrictions on trading hours, increases in taxes and levies imposed on gaming machines, smoking restrictions and advertising restrictions may negatively impact the profitability of venues. Conversely, the reduction or removal of regulatory barriers to entry into the industry may also negatively impact the profitability of the pubs through increased competition. As these assets are used as pubs and gaming venues, changes in gaming and liquor laws or their interpretation may affect the trading and performance of the operators and thereby the value of the hotel assets, the ability of such tenants to perform their obligations and therefore the value of, and return from, an investment in securities.

Portfolio growth from acquisitions and equity raising

Summary of key risks (cont.)

There are risks associated with any stock market investment. These include, but are not limited to:

- **Dilution risk** – as the REIT issues securities to new investors, existing securityholders' proportional beneficial ownership in the underlying assets of the REIT may be reduced. For example, if you do not participate in a future entitlement offer or choose not to reinvest your distributions pursuant to any future distribution reinvestment plan, then your beneficial ownership in the REIT may be diluted. The Responsible Entity will only raise equity if it believes that the benefit of acquiring the relevant assets or reducing gearing is in the interests of the securityholders.
- **Pricing risk** – securities may trade on the ASX at, above or below the Issue Price or net tangible asset amount per security. The price of the securities can fall as well as rise. The price at which securities trade on the ASX may be affected by a range of factors including: movements and volatility in international and local share markets; general economic conditions in Australia and offshore including inflation, interest rates and exchange rates; recommendations by brokers; changes in government, fiscal, monetary and regulatory policies; changes to laws (particularly taxation laws); inclusion or removal from market indices; and changes in the supply and demand of listed property securities. Changes in the stock market rating of securities relative to other listed securities, especially other listed property trusts, may also affect prices at which securities trade.
- **Liquidity risk** – there can be no assurance of an active trading market for the securities. Liquidity of the securities will be dependent on the relative volume of the buyers and sellers in the market at any given time. Changes in liquidity may affect the price at which securityholders are able to sell their securities. Significant blocks of securities held by individual investors may reduce liquidity in the trading of securities.

Macro-economic

Changes in the general economic outlook both in Australia and globally may impact the performance of the REIT and its portfolio.

Examples include (whether individually or in combination):

- changes in economic conditions and outlook in Australia and internationally;
- changes in Australian government, industrial, fiscal, monetary, regulatory policies or changes to laws (e.g. taxation laws);
- changes in interest rates, exchange rates or rates of inflation;
- investor sentiment for particular sectors and real estate sectors over the economic cycle;
- the impact of international conflicts or acts of terrorism;
- performance of comparable listed entities and projects;
- changes in the general level of prices in local and international share markets and general investor sentiment in these markets; and
- significant industrial, contractual or political disturbances impacting the REIT or the continuity of its business.

Consequently the trading price of securities may be influenced by factors non-specific to the REIT and out of the REIT's ability to control.

No assurances can be made that the performance of the securities will not be adversely affected by such market fluctuations or factors. Neither the REIT or the Directors or any other person guarantees the performance of the securities.

Changes in laws, regulation and policy

Changes in laws, regulations and government policy may affect the REIT or the tenants and the attractiveness of an investment in the REIT. Further, the impact of actions by governments may affect the REIT's activities including such matters as compliance with environmental regulations and taxation.

Tax

The REIT's Operating Earnings may be affected by changes in taxation law, including changes in income tax, GST or stamp duty legislation, particularly if they relate to property investment. Taxation law may change as a result of legislation, case law in Australia, rulings and determinations issued by the Australian Commissioner of Taxation or other practices of tax authorities. The tax treatment of distributions in the hands of the REIT's securityholders may also be affected by changes to the tax regime applicable to the REIT, or the REIT's ability to make tax deferred distributions. Tax considerations may differ between investors, therefore prospective investors are encouraged to seek professional tax advice in connection with any investment in securities.

Offshore investors in managed investment trusts are governed by particular taxation rules. An offshore investor should obtain their own taxation advice in relation to those rules. As the REIT is already established, unrealised capital gains exist within the portfolio. As such, the disposal of an existing property may crystallise a capital gain that will be distributed to investors and will need to be included in the calculation of the investor's taxable income. The impact of this will depend on a number of factors including the price and timing of the sale and the profile of the investor.

Appendix C

C



Portfolio growth from acquisitions and equity raising

International Offer Restrictions

This document does not constitute an offer of new securities of CLW ("New Securities") in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, authorized by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorize this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Securities are not being offered to the public within New Zealand other than to existing security holders of CLW with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Securities may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore ("MAS") and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 (the "SFA") in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. CLW is not a collective investment scheme authorised under Section 286 of the SFA or recognised by the MAS under Section 287 of the SFA and the New Securities are not allowed to be offered to the retail public.

This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the New Securities may not be circulated or distributed, nor may the New Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an "institutional investor", please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Securities being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Portfolio growth from acquisitions and equity raising

International Offer Restrictions (cont.)

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Securities.

This document is issued on a confidential basis to "professional investors" (within the meaning of the Alternative Investment Fund Managers Directive) who are also "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom. The New Securities may not be offered or sold in the United Kingdom by means of this document or any other document except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to CLW.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

The New Securities are being marketed in the United Kingdom in compliance with the National Private Placement Regime (within the meaning of The Alternative Investment Fund Managers Regulations 2013). CLW's most recent financial and other information it has lodged with the Australian Securities Exchange can be found on the websites of CLW (<https://www.charterhall.com.au/investments/funds/clw>) and the ASX (www.asx.com.au).

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Securities have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Appendix D

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Portfolio growth from acquisitions and equity raising

Glossary

ASX	Australian Securities Exchange
Balance sheet gearing	Calculated as the ratio of net drawn debt (excluding unamortised debt establishment costs) to total tangible assets, less cash
CLW or the REIT	Charter Hall Long WALE REIT
DPS	Distributions per security
Look through gearing	Calculated as the ratio of net drawn debt (excluding unamortised debt establishment costs) to total tangible assets, less cash, based on the non-IFRS pro forma proportionately consolidated statement of financial position, which adjusts for the REIT's share of the debt, assets and cash held in equity accounted investments
LWIP	Long WALE Investment Partnership
NLA	Net lettable area
NTA	Net tangible assets
OEPS	Operating earnings per security
WACR	The average capitalisation rate across the portfolio or group of properties, weighted by independent valuation
WALE	The average lease term remaining to expiry across the portfolio or a property or group of properties, weighted by net passing income or as noted
WARR	The average rent review across the portfolio or a property or group of properties, weighted by net passing income

Contact Information



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Glossary

Defined Term	Meaning
Acquisitions	The acquisitions of: <ul style="list-style-type: none"> (a) a 15% interest¹ in Telstra Corporation's Global Headquarters at 242 Exhibition Street, Melbourne VIC for \$63.6 million²; (b) a 50% interest in The Glasshouse, a new office building substantially pre-committed to the NSW Government at 45-61 Waterloo Road, Macquarie Park NSW for \$165.7 million³; and (c) a 100% interest in a new flagship Bunnings store in Darwin, NT for \$41.3 million³.
AEDT	Australian Eastern Daylight Time
Application	An application for New Securities under the Retail Entitlement Offer
Application Monies	Monies received from an applicant in respect of their Application
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates (i.e. the Australian Securities Exchange)
ASX Announcement	The announcement released by Responsible Entity to ASX on Monday, 4 November 2019 in relation to the Entitlement Offer and annexed as Annexure A to this Retail Offer Booklet
ASX Listing Rules	The official listing rules of the ASX, as amended or repealed from time to time
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Early Retail Acceptance Due Date	5:00pm (AEDT), Thursday, 14 November 2019
Early Retail Entitlement Offer	That part of the Retail Offer in respect of which applications have been received by the Early Retail Acceptance Due Date
Early Retail Entitlement Offer Allotment Date	Monday, 18 November 2019
Eligible Institutional Securityholder	An Institutional Securityholder which has been invited to participate in the Institutional Entitlement Offer
Eligible Retail Securityholder	A Securityholder who satisfies the definition outlined in Section 1.1
Eligible Securityholder	An Eligible Institutional Securityholder or an Eligible Retail Securityholder
Entitlement	The entitlement to 1 New Security for every 17 Securities held on the Record Date by Eligible Securityholders
Entitlement and Acceptance Form	The Entitlement and Acceptance Form accompanying this Retail Offer Booklet which can be used to make an Application
Entitlement Offer	The accelerated non-renounceable entitlement offer of approximately 1 New Security for every 17 Securities held on the Record Date at the Issue Price, and comprised of the Institutional Entitlement Offer and the Retail Entitlement Offer
Final Allotment Date	Tuesday, 26 November 2019
Final Retail Closing Date	5.00pm (AEDT), Tuesday, 19 November 2019
Ineligible Securityholder	A Securityholder that is neither an Eligible Institutional Securityholder nor an Eligible Retail Securityholder
Institutional Entitlement Offer	The offer of New Securities to Eligible Institutional Securityholders and invited Institutional Investors under the Entitlement Offer, as described in Section 1.2

¹ CLW will be acquiring 100% of the units in Charter Hall Co-Investment Trust 5 (CHC 5). CHC 5 holds a 15% interest in CHC 242 Exhibition Street Holding Trust.

² Total gross asset value of \$830 million (100% interest).

³ Part of the total consideration is payable upon practical completion of the properties being developed by the vendors. Refer to pages 7-9 of the investor presentation released to the market on 4 November 2019 for further information.

Defined Term	Meaning
Institutional Investor	<p>A person:</p> <ol style="list-style-type: none"> 1 in the case of a person with a registered address in Australia, who is an “exempt investor” as defined in ASIC Corporations (Non-Traditional Right Issues) Instrument 2016/84; or 2 if outside Australia, to whom offers for issue of Securities may lawfully be made without the need for a lodged product disclosure statement, prospectus or other disclosure document or other lodgement, registration, filing with or approval by a governmental agency (other than one with which Responsible Entity is willing, in its absolute discretion, to comply)
Institutional Securityholder	A holder of Securities on the Record Date who is an Institutional Investor
Investor Presentation	The investor presentation dated Monday, 4 November 2019 in relation to the Entitlement Offer and annexed as Annexure B to this Retail Offer Booklet.
Issue Price	The issue price per New Security, being \$5.50 per New Security
New Securities	Securities offered under the Entitlement Offer
Offer	The Entitlement Offer and the Placement
Operating Earnings	Operating Earnings is a financial measure which represents the profit/(loss) under Australian Accounting Standards adjusted for net fair value movements non-cash accounting adjustments such as straight-lining of rental income, amortisation and other unrealised or one-off items. Operating Earnings also aligns to the Funds from Operations as defined by the Property Council of Australia
Operating EPS Yield	The percentage rate of return calculated by dividing the Operating Earnings per Security by the Issue Price
Placement	The institutional placement of New Securities at the Issue Price.
Record Date	7.00pm (AEDT) on Wednesday, 6 November 2019
Registry	Link Market Services Limited
REIT	Charter Hall Long WALE REIT
Responsible Entity	Charter Hall WALE Limited (ABN 20 610 772 202, AFSL 486721)
Retail Entitlement Offer	The offer of New Securities to Eligible Retail Securityholders under the Entitlement Offer, as described in Section 1.3
Retail Offer Booklet	This booklet dated Friday, 8 November 2019, including the ASX Announcement and the Investor Presentation
Retail Offer Period	The period from the date the Retail Entitlement offer opens until the Final Retail Closing Date
Security	One unit in Charter Hall Long WALE REIT
Securityholder	The registered holder of a Security
Underwriters	J.P. Morgan Securities Australia Limited (ABN 61 003 245 234) and UBS AG, Australia Branch (ABN 47 088 129 613)
Underwriting Agreement	The underwriting agreement between Responsible Entity and the Underwriters dated Monday, 4 November 2019, as described in Section 4.19

Corporate Directory

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Charter Hall Long WALE REIT Offer Information Line

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Open between 8.30am and 5.30pm (AEDT) Monday to Friday during the Retail Offer Period
(Friday, 8 November 2019 to Tuesday, 19 November 2019)

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UBS AG, Australia Branch

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Legal Adviser

King & Wood Mallesons

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Registry

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