



Charter Hall Long WALE REIT

Annual General Meeting

22 October 2020

2020 Annual General
Meeting

Agenda

1. **Independent Chair's Address: Peeyush Gupta AM**
2. **Fund Manager's Address: Avi Anger**
3. **Questions**
4. **Items of Business**

Independent Chair's Address

1

Coles Distribution Centre, Perth
Charter Hall Long WALE REIT



Board of Directors



Peeyush Gupta AM
Chair



Glenn Fraser
Non-Executive Director



Ceinwen Kirk-Lennox
Non-Executive Director



David Harrison
Managing Director & Group CEO

Fund Managers



Scott Martin
Head of Finance – Diversified



Avi Anger
Fund Manager



Darryl Chua
Deputy Fund Manager

Delivering on strategy

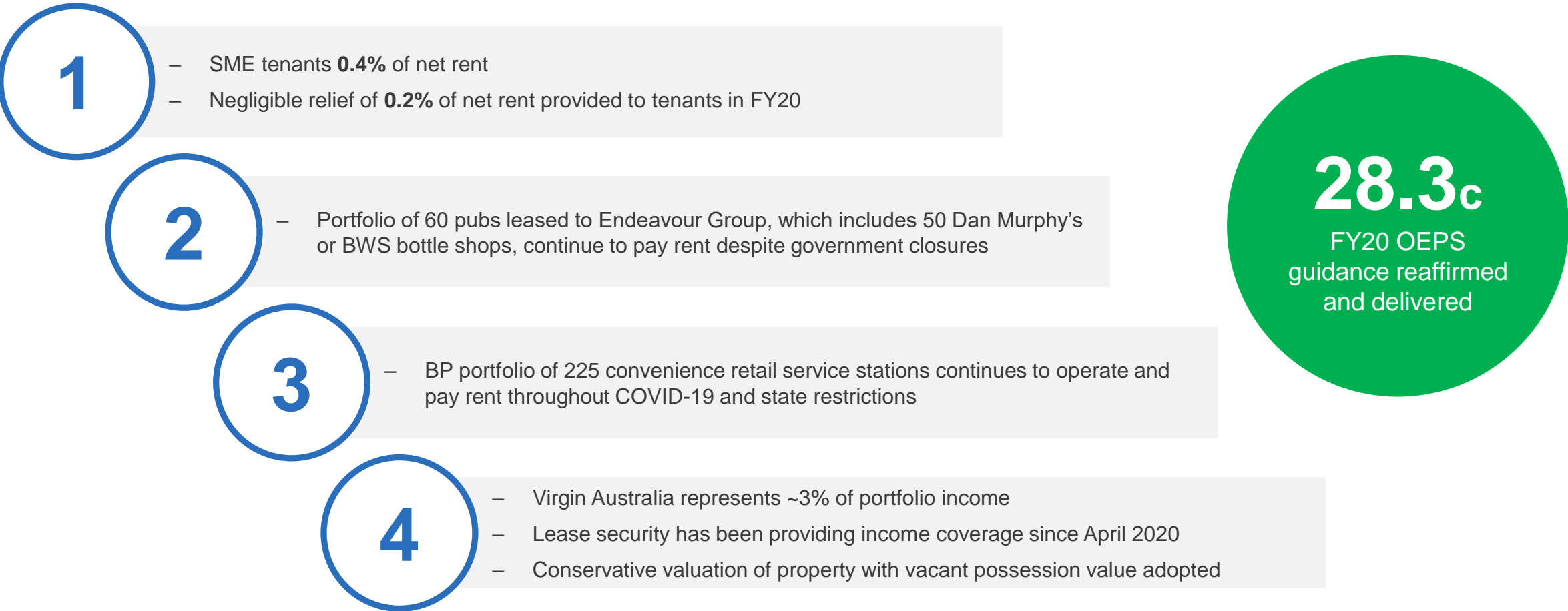
High quality, diversified portfolio delivering stable and secure long term income

✓	Increase portfolio WALE	<ul style="list-style-type: none">– Average 18.7 year WALE on new acquisitions– Including leasing extensions, increased portfolio WALE from 12.5 years to 14.0 years
✓	Enhance portfolio diversification	<ul style="list-style-type: none">– Portfolio expanded from 118 to 386 properties, with the addition of new investment grade tenants– 73% Eastern Seaboard portfolio exposure
✓	Increase exposure to resilient, high quality tenants	<ul style="list-style-type: none">– Addition of new long lease properties leased to tenants including Telstra, BP, Arnott's and the NSW Government– Non-discretionary, defensive industries
✓	Earnings accretive investments	<ul style="list-style-type: none">– Upgraded FY20 OEPS guidance twice as a result of accretive transactions
✓	Secure income for securityholders	<ul style="list-style-type: none">– Impact of COVID-19 mitigated by secure, long leases to resilient tenants– Delivered OEPS and DPS in line with upgraded guidance



Summary of COVID-19 impact

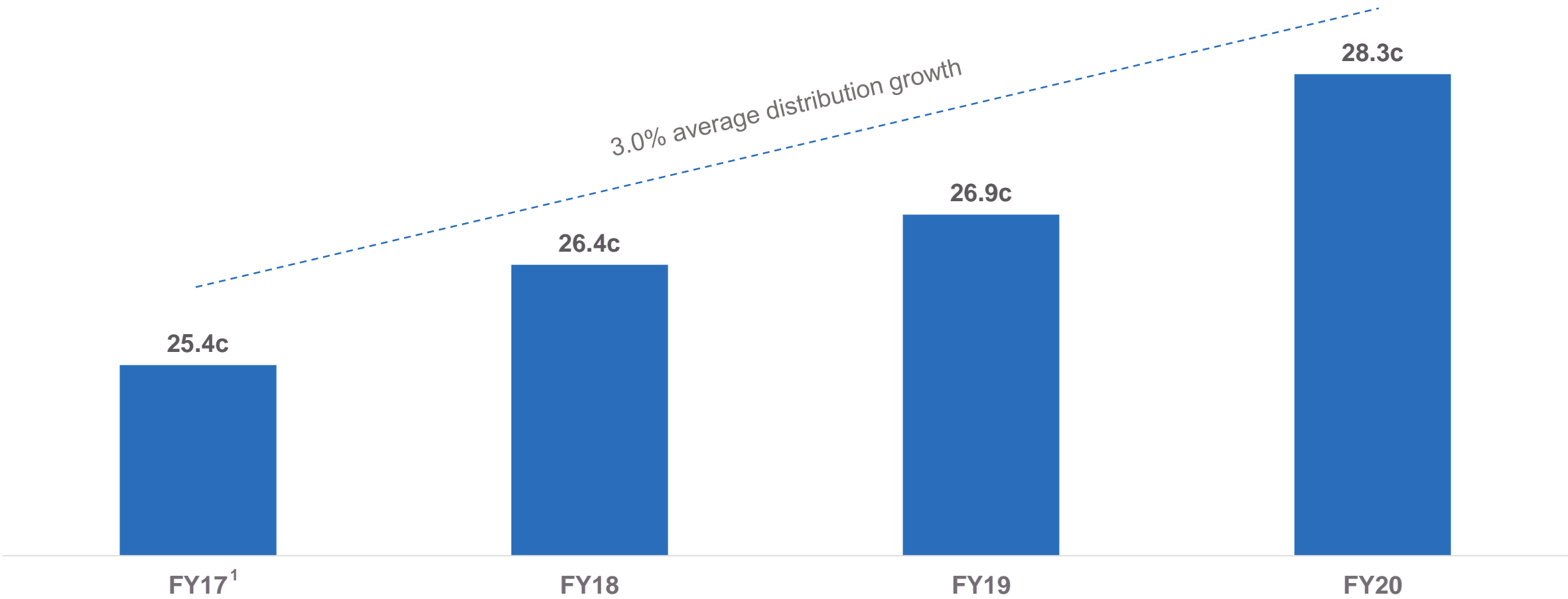
Negligible impact to FY20 operating earnings as a result of CLW's defensive, non-discretionary income profile



No impact to FY20 operating earnings or distributions and portfolio recorded a 2.7% net valuation uplift for FY20 including the COVID-19 affected period

Reliable and growing distributions

CLW has delivered consistently growing distributions per security each year since IPO

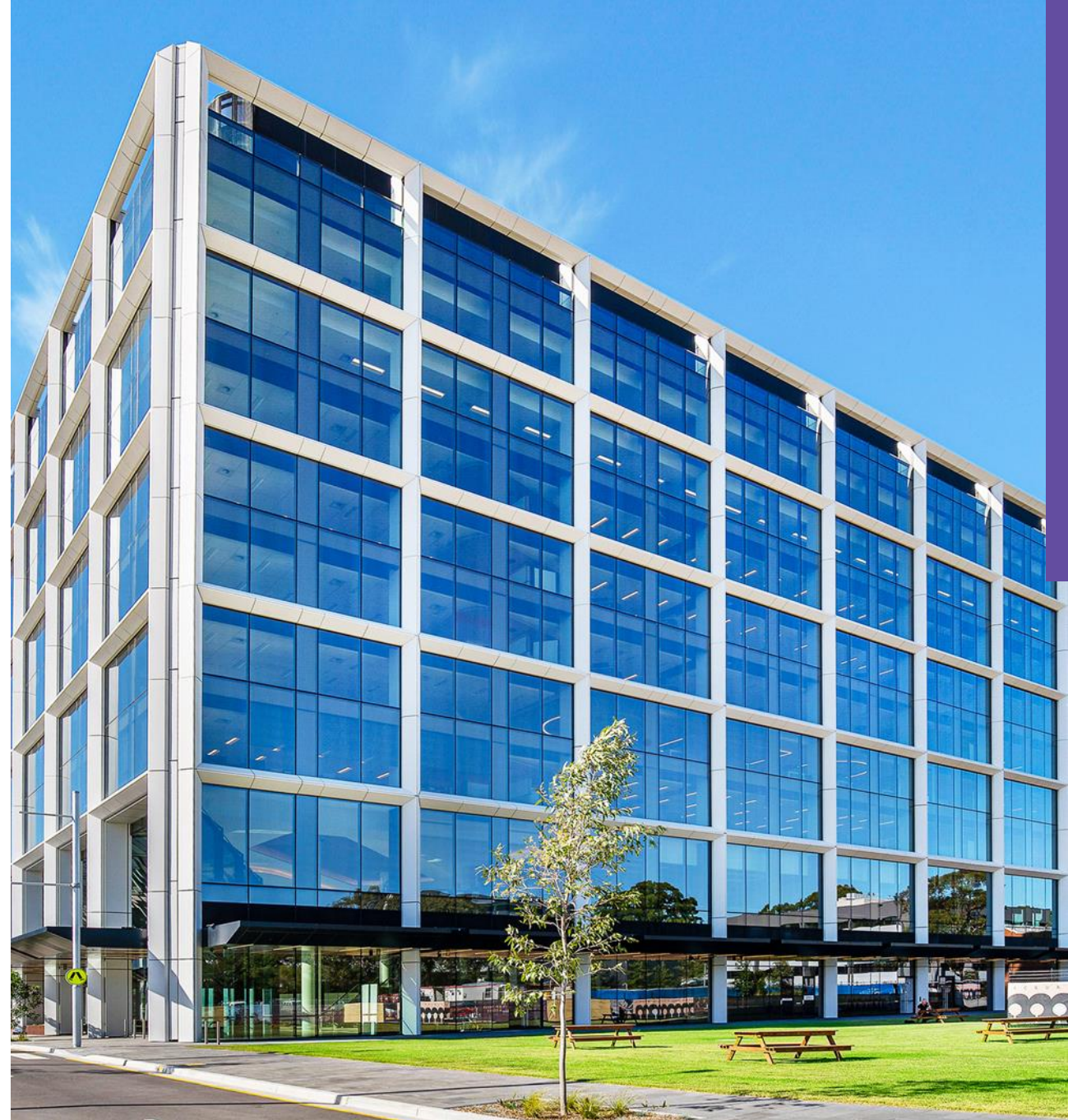


1. Reflects the FY17 DPS of 16.2 cents for the period from IPO to 30 June 2017, which represents 25.4 cents on an annualised basis
Charter Hall Long WALE REIT

Fund Manager's Address

2

The Glasshouse, Macquarie Park, Sydney
Charter Hall Long WALE REIT



FY20 highlights¹

Delivered EPS growth of 5.2% over FY19

Financial performance

Operating EPS of 28.3 cents

up 5.2% over FY19

DPS of 28.3 cents

up 5.2% over FY19

\$4.47 NTA per security

up 9.3% from 30 June 2019

Portfolio performance

14.0 year WALE

up from 12.5 years at 30 June 2019

\$96 million net valuation uplift

up 2.7% during FY20

46% triple net (NNN)

tenants responsible for all outgoings, maintenance and capex

Capital management

\$1.4 billion

of new investments increasing portfolio valuation to \$3.6 billion

24.2% balance sheet gearing²

below target range of 25% – 35%

\$290 million

investment capacity³

1. Unless otherwise stated, metrics on this page and throughout this presentation are as at 30 June 2020, pro forma adjusted for the committed acquisition of Bunnings Palmerston announced on 4 November 2019
2. Reflects balance sheet gearing, pro forma adjusted for the committed acquisition of Bunnings Palmerston and divestment of the REIT's 5% interest in Waypoint REIT (WPR) announced on 28 July 2020. Unadjusted balance sheet gearing as at 30 June 2020 reporting date was 26.1%
3. Reflects available cash and undrawn debt post the divestment of the REIT's 5% interest in WPR and the committed acquisition Bunnings Palmerston

Post balance date - bp NZ portfolio acquisition

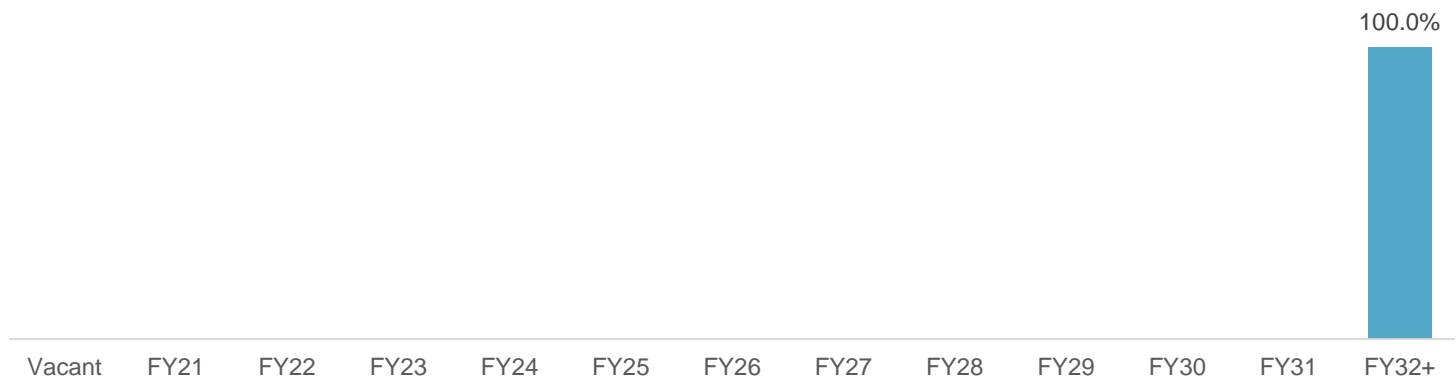
bp leased, NNN convenience retail properties with a portfolio WALE of 20 years



Portfolio overview

- Acquired in September 2020, the bp NZ Portfolio comprises 70 convenience retail properties that are integral to the bp fuel and convenience retail distribution network in New Zealand
- 100% NNN, with the tenant responsible for all outgoings, repairs, maintenance and capital expenditure
- Geographically diversified with 78%³ of properties located in metro and commuter metro locations, including a 51%³ weighting to Auckland, New Zealand's largest city
- Long leases of between 18-22 years, with a bp Portfolio WALE of 20 years and annual rent reviews linked to New Zealand CPI (plus up to 0.5% in the first five years) subject to a 0% floor and 4% cap⁴
- CLW will acquire a 50% interest in a new Charter Hall managed partnership (remaining 50% to be acquired by Charter Hall Retail REIT), which will acquire a 49% interest in the bp Portfolio
 - bp will retain a 51% interest in the bp Portfolio

Lease expiry profile



Portfolio details	
Properties	70
Property type	Long WALE Convenience Retail
Ownership interest	24.5% (look through) ¹
Co-owners	bp, CQR
Purchase price (CLW interest)	NZ\$131m / \$121m ²
Initial yield	6.25%
Annual rent review	NZ CPI + up to 0.5% ⁴
Tenant	bp
WALE	20.0 years
Options	3 x 10 years
Total portfolio site area (100% basis)	311,777 sqm

1. CLW will acquire a 50% interest in a new Charter Hall managed Partnership, which will acquire a 49% interest in the bp Portfolio

2. NZ\$ purchase price converted to \$ at \$:NZ\$ exchange rate of 1.08

3. Weighted by property value

4. Rent review mechanism is linked to NZ CPI (0% floor, 4% cap). In the first five years, if NZ CPI <= 2.0%, rent review is NZ CPI (0% floor) + 0.5%; if NZ CPI > 2.0% and < 2.5%, rent review is 2.5%; and if NZ CPI >= 2.5%, rent review is NZ CPI (4% cap). After the first five years, annual rent review is NZ CPI (0% floor, 4% cap).

Charter Hall Long WALE REIT

2020 Annual General Meeting

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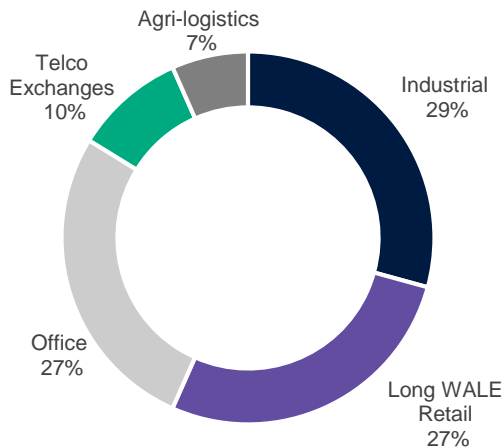
CLW portfolio impact from bp NZ acquisition¹

Increases CLW’s proportion of NNN leases to 48%

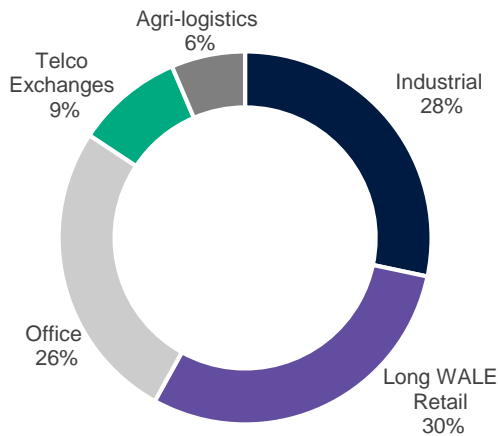
	Pre-Acquisition ²	Acquisition	Post-Acquisition
Number of properties	386	70	456
Property valuation	\$3,630m	\$121m	\$3,751m
Proportion of NNN leases	46%	100%	48%
Weighted Average Capitalisation Rate (“WACR”)	5.4%	6.3%	5.5%
Occupancy	99.8%	100.0%	99.8%
WALE	14.0 years	20.0 years	14.2 years
WARR ³	2.2%	NZ CPI (plus 0.5%) ⁴	2.2%

Portfolio by sector⁵

Pre-Acquisition

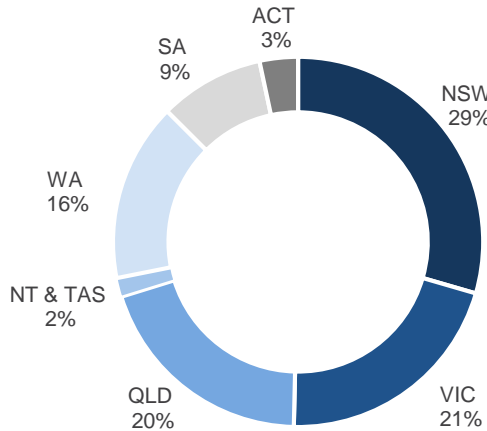


Post-Acquisition

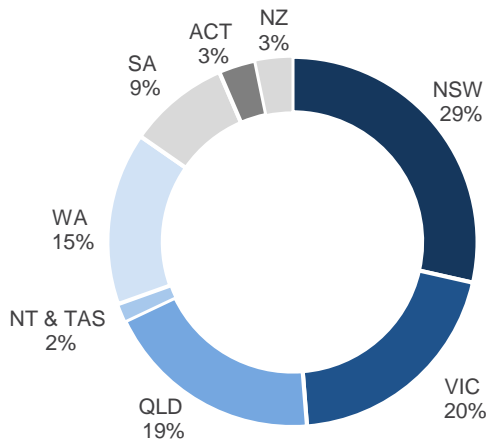


Portfolio by geography⁵

Pre-Acquisition



Post-Acquisition



1. bp Portfolio NZ\$ denominated property value and net passing income converted to \$ at \$:NZ\$ exchange rate of 1.08
2. As at 30 June 2020, pro-forma adjusted for the committed acquisition of Bunnings Palmerston announced on 4 November 2019, weighted by net passing income (REIT ownership interest)
3. CPI is assumed at 1% over the forecast period
4. Refer to page 7 for details of the bp Portfolio annual rent review structure
5. Sector and geographic exposure weighted by property value (REIT ownership interest)

Strong track record since IPO

Step change in portfolio quality with resilient increasing distributions

		IPO	Jun 17	Jun 18	Jun 19	Jun 20
	Tripled portfolio scale	\$1,253 million	\$1,397 million	\$1,525 million	\$2,133 million	\$3,630 million
	Doubled NNN exposure¹	23%	26%	28%	40%	46%
	Increased WALE by 1.9 years¹	12.1 years	11.8 years	10.8 years	12.5 years	14.0 years
	Upweighted to eastern seaboard^{2,3}	48%	51%	55%	66%	73%
	Delivered consistent DPU increases	-	25.4 cpu ⁴	26.4 cpu	26.9 cpu	28.3 cpu

1. Weighted by net passing income as at 30 June 2020 (REIT ownership interest). Includes on-completion net passing income for the committed acquisition of Bunnings Palmerston.

2. Weighted by external valuation as at 30 June 2020 (REIT ownership interest). Includes on-completion valuation for the committed acquisition of Bunnings Palmerston.

3. Refers to NSW, VIC, QLD and ACT properties.

4. Reflects the FY17 DPS of 16.2 cents for the period from IPO to 30 June 2017, which represents 25.4 cents on an annualised basis

Questions

3

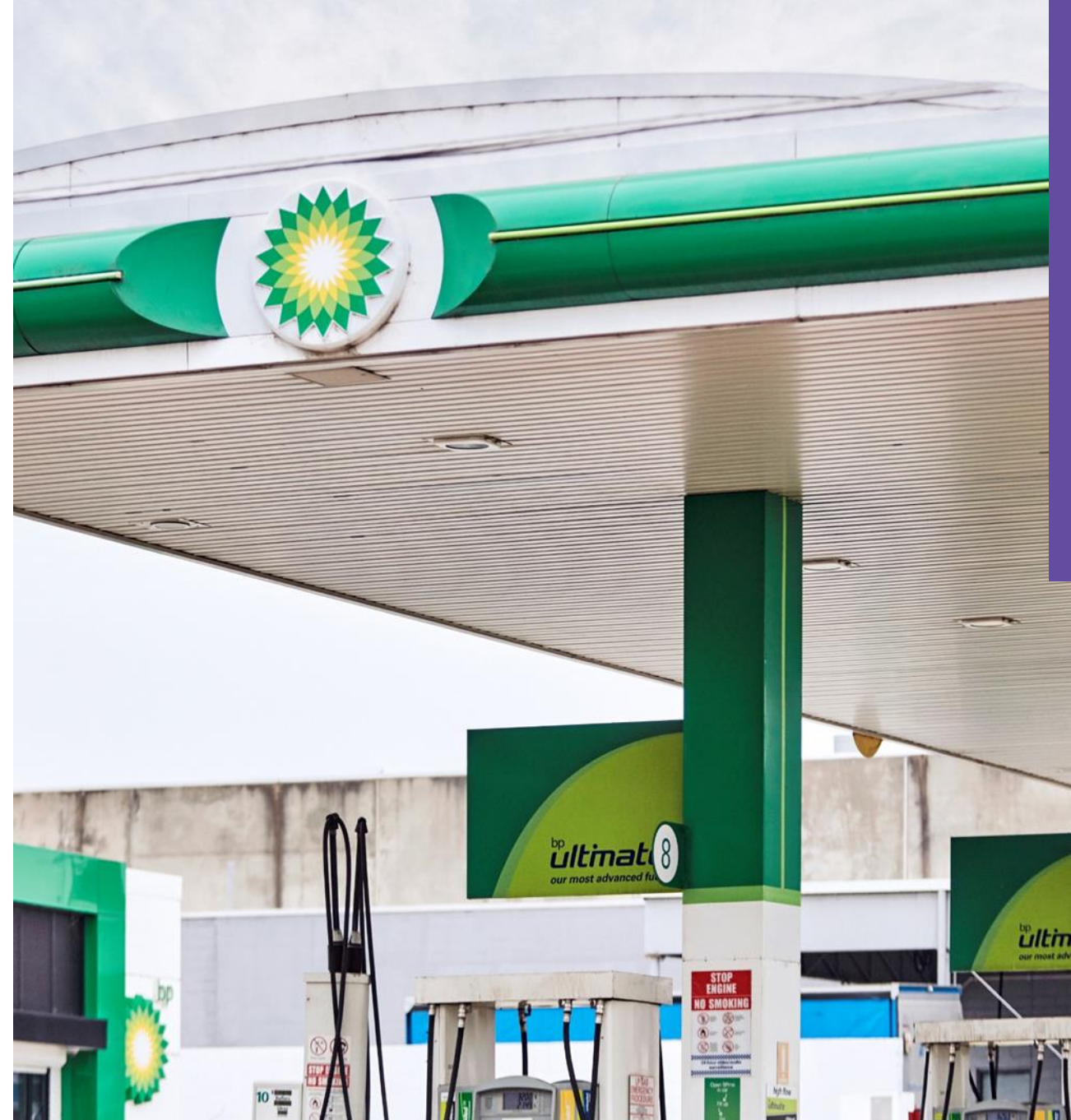
Woolworths Distribution Centre, Dandenong, Melbourne
Charter Hall Long WALE REIT



Items of Business

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BP Caringbah, Sydney
Charter Hall Long WALE REIT



Resolution 1

Re-election of Independent Director

To consider, and if thought fit, pass the following resolution, as an advisory, non-binding resolution of the Securityholders:

“That Mr Glenn Fraser, a Director of Charter Hall WALE Limited be re-elected as a director of Charter Hall WALE Limited.”

Resolution 1
Re-election of Independent Director

<hr/>	
FOR:	96.03%
<hr/>	
OPEN:	0.06%
<hr/>	
AGAINST:	3.91%
<hr/>	

Resolution 2

Ratification of Institutional Placement

To consider, and if thought fit, to pass the following resolution, as an ordinary resolution of Securityholders:

“To ratify, for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 12,320,329 Stapled Securities by Charter Hall Long WALE REIT at \$4.87 per Stapled Security on 16 September 2020 to certain institutional, professional and other wholesale investors under an institutional placement for the purposes and on the terms set out in the Explanatory Memorandum in the Notice of Meeting convening this meeting.”

Resolution 2

Ratification of Institutional Placement

FOR:	99.84%
OPEN:	0.09%
AGAINST:	0.06%

* Figures do not add to 100% due to rounding.

Contact information



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Presentation authorised by the Board

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