



















Charter Hall Retail REIT 2020 Full Year Results

Agenda

- 1. Portfolio Resilience and Strategy
- 2. COVID-19 Impacts
- 3. Financial Performance
- 4. Operational Performance
- 5. Outlook
- 6. Annexures



Greg Chubb Retail CEO



Christine Kelly Head of Retail Finance and Deputy Fund Manager

Portfolio Resilience and Strategy





Portfolio Resilience

The leading owner and manager of property for convenience retailers

Supermarket MAT growth¹

5.2%

↑ from 4.0% at June 2019

Total MAT growth³

3.9%

↑ from 2.8% at June 2019

Majors contribution to portfolio income

51.4%

↑ from 46.0% at June 2019

Supermarkets in turnover²

61.0%

↑ from 56.0% at June 2019

Majors WALE

11.5yrs↑ from 10.4yrs at June 2019

Leasing spreads

0.9%

↑ from 0.8% at June 2019

Key metrics	FY19	FY20	Movement
Operating earnings ⁴	\$128.0m	\$142.7m	+11.5%
Operating earnings per unit	31.12 cents	30.56 cents	(1.8%)
Distributions per unit	28.76 cents	24.52 cents	(14.7%)
Property portfolio value	\$2,982m	\$3,252m	+9.1%



Coles Adelaide Distribution Centre

^{1.} Like for like sales for stores in turnover

^{2.} Includes supermarkets with fixed rent reviews

^{3.} Like for like sales

^{4.} FY20 operating earnings includes \$10.7m of COVID-19 tenant support. Net cashflow from operating activities is \$132.9m

CQR Convenience Strategy

Providing a resilient and growing income stream for our investors







Enhance portfolio quality

- Active portfolio curation
- Partnering with major tenants to meet their property needs
- Extending WALE with quality major tenants



Active asset management

- Maintain strong tenant relationships
- Enhance the customer experience
- Optimise the tenancy mix through proactive leasing



Prudent capital management

- Strong and flexible balance sheet
- Sustainable gearing
- Extending capital partnerships

The leading owner and manager of property for convenience retailers

Curating the portfolio to deliver a resilient and growing income stream

Core convenience and everyday needs









Enabling major partner omnichannel servicing model



Store refurbishments / formats



Last mile home delivery



Click & collect / contactless

Expanding convenience focus



Participating in the convenience supply chain



Partnering with leading convenience retailers

Delivery of CQR Convenience Strategy

Partnering with leading convenience retailers

FY15 / 16

2 major tenants equals 52% of portfolio

FY17 / 18

3 major tenants equals 50% of portfolio

FY 19 / 20+

5 major tenants equals 53% of portfolio¹



- 74 centres
- 76 supermarkets
- 30% metro
- 10.7 years majors WALE



- 58 centres
- 70 supermarkets
- 45% metro
- 10.4 years majors WALE



- 50 centres + 2 Long WALE Retail¹
- 69 supermarkets¹
- 54% metro¹
- 11.7 years majors WALE¹

A focus on centres dominant within their catchments and divestment of non core assets

Resulting in fewer, better centres with a metro focus and higher proportion of supermarkets in turnover

Partnering with leading convenience retailers to grow income and extend WALE

^{1.} Proforma for the disposal of West Ryde Marketplace and acquisition of Coles Adelaide Distribution Centre

Fuel and Long WALE Convenience Retail

Providing a resilient and growing income stream for our investors through partnering with tenant customers



Fuel and Convenience Retail Sector

- Fuel and convenience retail is a large and evolving sector with convenience sales¹ (excluding fuel) of \$8.8bn in 2019 with food sales growth of 6% pa
- Consistent with CQR's strategy of owning convenience based assets dominant within their relevant catchments and providing essential goods and services
- Assets underpinned by strong locational attributes and embedded land value with future higher and better use potential



BP Mosman, NSW



BP Partnership

- BP is a leading fuel and convenience retailer which enhances CQR's existing major tenant exposures
- Enhances WALE and provides predictable and growing cashflows through an efficient triple net lease structure
- BP partnership with David Jones food now expanded from 10 to 31 locations with 26 within the CQR BP portfolio.
 - "Our strategy to lead the transformation of convenience retailing in Australia is resonating with our customers". Brooke Miller, BP Australia, VP Sales and Marketing
- Globally, BP is an industry-leader in fuel alternative investments, including batteries and charging infrastructure for electric vehicles



UK's largest public rapid charging hub by BP Chargemaster

^{1.} Source: Australasian Association of Convenience Sales (AACS) State of the Industry Report 2019 (May 2020)

Delivery of CQR Convenience Strategy

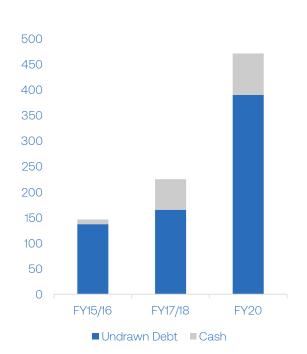
Prudent capital management

Strong and flexible balance sheet enhanced through recent equity raise

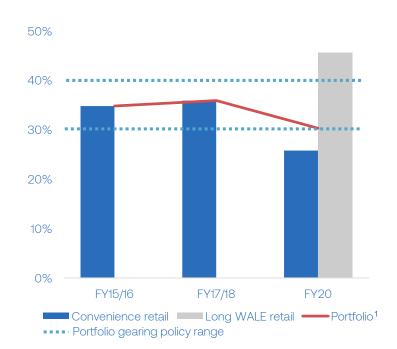
Differentiated gearing based on resilience of income

Extending capital partnerships to access larger quality assets whilst preserving diversification

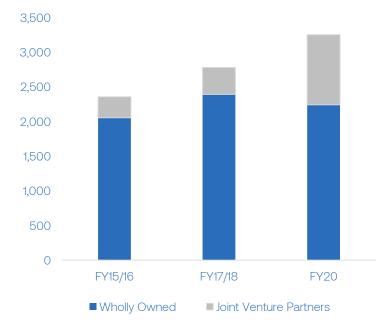
Liquidity - undrawn debt and cash (\$m)



Gearing - Convenience retail / Long WALE retail / Portfolio



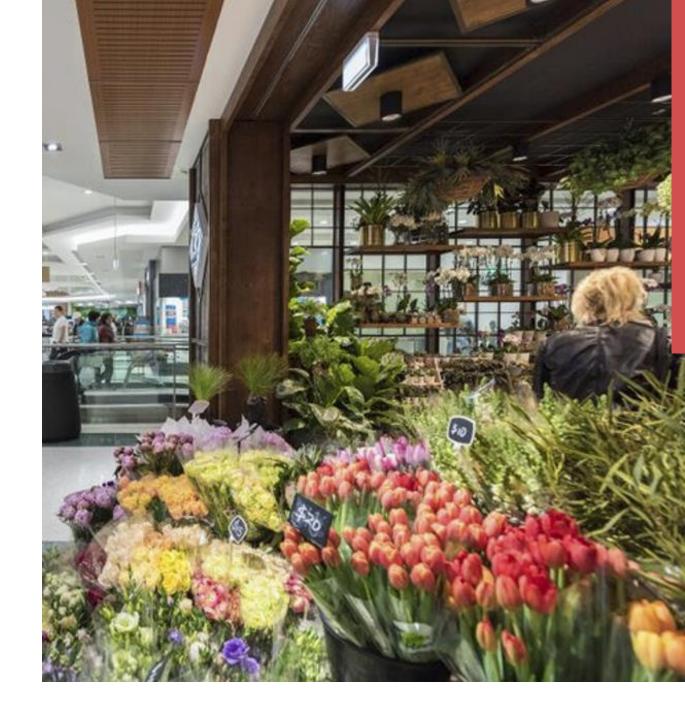
Capital Partners - diversification (GAV, \$m)



^{1.} Look-through gearing
Note: FY15/16 and FY17/18 are averages

COVID-19 Impacts





Operational Impact from COVID-19

Convenience based retail remains resilient

- All major tenants remained opened and traded positively demonstrating resilience and essential nature
- Specialty MAT decline reflects temporary store closures
- Speciality tenant trading has recovered post temporary store closures
- As at 30 June, footfall returned to pre COVID-19 levels with majority of specialty tenants opened and trading
- Convenience centres have benefited from customers shopping closer to home
- As at 6 August, two centres in Victoria are in Stage 4 restrictions and two centres are in Stage 3 restrictions. Shops closed at these assets represent 2.5% of annual portfolio income.

25.0% 15.0% (5.0%) (25.0%) Jan 20 Feb 20 Mar 20 Apr 20 May 20 Jun 20 Majors Specialties

Footfall and shops closed



Specialty MAT and specialty shops open

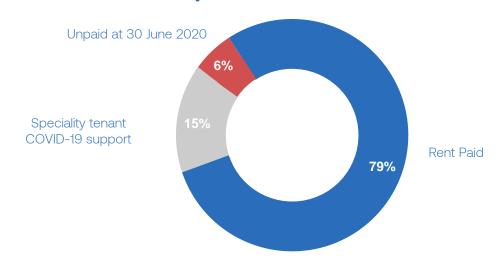


Financial Impact from COVID-19

Convenience based retail remains resilient

- \$10.7m in COVID-19 tenant support provided in Q4
- 70% of tenant support provided as rent free incentive
- Tenant support reduced over the quarter as footfall and sales have progressively improved
- As at 30 June 60% of FY20 COVID-19 tenant support had been agreed
- Following agreements reached in July 85% of FY20 COVID-19 tenant support now agreed
- As at 30 June 6% of Q4 rent was unpaid
- Following collections in July only 3% of Q4 rent now remains unpaid

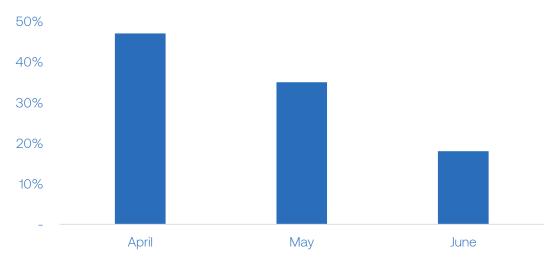
FY20 Q4 Gross Rental Analysis



FY20 COVID-19 Tenant Support Analysis

	% of Gross Income	% of FY20 Support	Support as % of Annual Income
Govt. Mandated Closures / Restrictions	7%	29%	14%
Discretionary	11%	40%	14%
Non-Discretionary	82%	31%	1%
Total	100%	100%	4%

FY20 Monthly COVID-19 Tenant Support Analysis



Financial Performance





Earnings and Distributions

- Statutory profit of \$44.2m decreased on pcp of \$53.1m primarily due to the impact of negative valuation movements
- Total net income growth impacted by:
 - asset divestments in FY20
 - investment in Bass Hill Plaza & Pacific Square convenience plus retail properties and the BP portfolio
- Net finance costs and other expenses impacted by the timing of asset acquisitions and divestments, equity raise and the low interest rate environment
- Difference between operating earnings and net cashflow from operating activities predominately relates to \$10.7m COVID-19 tenant support¹
- Distribution of 10.00cpu for 2H FY20 reflects lower payout ratio to take into account the operating cashflow generated during the period

\$m	FY19	FY20
Net property income	146.4	146.4
Net income from convenience retail property joint ventures	23.5	27.4
Total convenience retail income	169.9	173.8
Net income from Long WALE retail	-	7.5
Total net income	169.9	181.3
Net finance costs	(29.5)	(24.9)
Other expenses	(12.4)	(13.7)
Operating earnings	128.0	142.7
Net cashflow from operating activities ³	128.1	132.9
Operating earnings per unit (cents)	31.12	30.56
Net cashflow from operating activities (cents)	31.12	28.45
Distribution per unit (cents)	28.76	24.52
Payout ratio ²	92.4%	80.2%

^{1. \$10.7}m of COVID-19 tenant support provided during the period less \$0.7m provision for expected credit loss on deferred rent

^{2.} Distribution (cpu) divided by operating earnings (cpu)

^{3.} FY19 includes joint venture distribution

Balance Sheet

- Total property portfolio value increased by \$270m over the
 12 month period due to:
 - acquisitions exceeding divestments by \$284m
 - portfolio value decline of \$14m
- Investment in property joint ventures has increased following recent shopping centre and BP portfolio acquisitions
- Net borrowings have decreased with equity raising activity of \$424m offset by acquisitions exceeding divestments
- Cash balance decreased following acquisition of Coles Adelaide Distribution Centre in July 2020

\$m	Jun 19	Jun 20
Cash	5	80
Investment properties	2,449	2,240
Investments in property joint ventures ¹	383	666
Other assets ²	72	124
Total assets	2,909	3,110
Borrowings	(946)	(750)
Distribution payable	(64)	(57)
Other liabilities ³	(98)	(161)
Total liabilities	(1,108)	(968)
NTA	1,801	2,142
Units on issue (million)	440.9	570.9
NTA per unit (\$)	4.08	3.75

^{1.} June 20 is comprised of \$1,011m of investment properties less \$346m of liabilities, for further details refer to Annexure 4

^{2.} Other assets includes derivative movements and receivables

^{3.} Other liabilities includes derivative movements

Property Valuations

Limited valuation movement highlights portfolio resilience

- 99%1 of the portfolio was externally revalued over FY20 with 67%1 in the second half
- Shopping centre portfolio six month valuation decline of 2.4%² (or \$70m) offset by 6.2%² (or \$26m) increase in Long WALE retail valuation movement
- Portfolio composition changes led to portfolio cap rate compression while shopping centre portfolio cap rate expanded 4bps in the second half

\$m	Shopping centre / Convenience retail	Long WALE retail	Total Portfolio
30 June 2019 portfolio value	2,982	-	2,982
Net acquisitions / (disposals)	(41)	258	217
Valuation movement	30	-	30
31 December 2019 portfolio value	2,971	258	3,228
Net acquisitions / (disposals)	(88)	156	67
Valuation movement	(70)	26 ³	(44)
30 June 2020 portfolio value	2,813	439	3,252
June 2019 weighted average cap rate	6.18%	-	6.18%
December 2019 weighted average cap rate	6.16%	5.50%	6.11%
June 2020 weighted average cap rate	6.19%	5.00%	6.03%

^{1.} By value

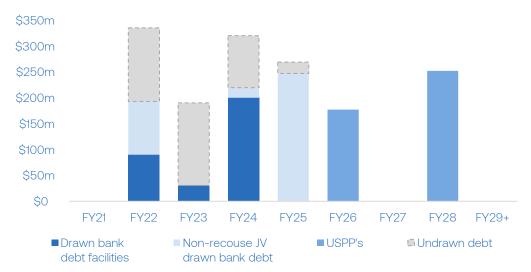
^{2.} Like for like

^{3.} Represents valuation uplift of \$40m, offset by \$14m acquisition costs write off Note: Numbers may not add due to rounding

Capital Management

- No debt maturing until FY22 with recent refinancings reducing FY22 maturities to \$155m and increasing weighted average debt maturity to 4.3 years
- FY20 weighted average cost of debt is 2.8%
- April 2020 equity raise delevered convenience retail portfolio in an uncertain environment whilst delivering significant liquidity to support ongoing strategy
- Moody's affirmed the Baa1 issuer rating and senior unsecured rating with a stable outlook

Debt maturity profile



Key metrics	Jun 19	Jun 20
Weighted average cost of debt ¹	3.0%	2.8%
Weighted average debt maturity	5.0 years	3.9 years
Weighted average hedge maturity	3.9 years	4.6 years
Interest rate hedging	75.0%	77.5%
Interest cover ratio	4.6x	5.3x
Gearing:		
Convenience retail gearing	35.9%	25.3% ²
Long WALE retail gearing	-	45.5% ²
Total portfolio gearing ³	35.9%	32.3%²
Available liquidity	\$148m	\$434m ²

^{1.} Includes line fee (including cost of undrawn debt) and usage fee and excludes amortisation of upfront debt costs

^{2.} Proforma for the disposal of West Ryde Marketplace and acquisition of Coles Adelaide Distribution Centre

^{3.} June 20 proforma balance sheet gearing is 23.9%

Operational Performance

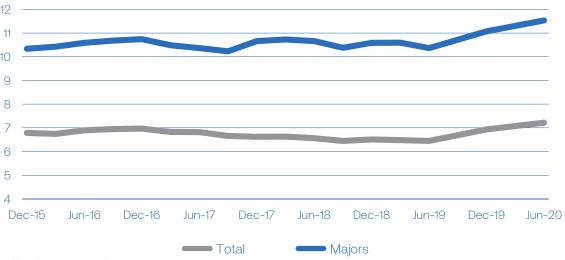




Portfolio Summary

- Acquired interest in a convenience based retail portfolio of 225 assets leased to BP with a 19.4 year WALE
- Acquired interest in two high quality Sydney metro assets
- Divested nine lower growth assets at a 1.9% premium to book value and delivering a weighted average IRR of 12% since acquisition
- Portfolio WALE increased to 7.2 years following acquisitions during the period
- Post period, acquired an interest in the Coles Adelaide Distribution Centre and divested West Ryde Marketplace increasing majors WALE to 11.7 years

Portfolio and majors WALE

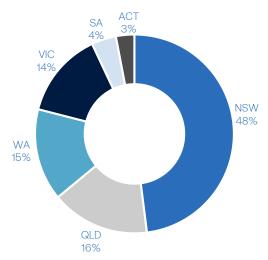


^{2.} Like for like sales

	Total	Majors	
. Shopping centre portfolio			

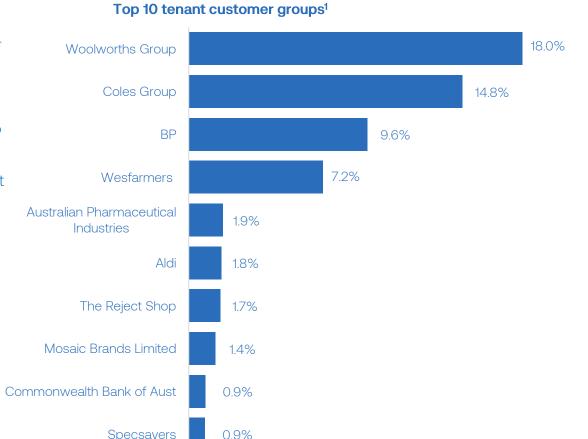
Portfolio snapshot	Jun 19	Jun 20
Number of shopping centres	58	51
Number of Long WALE assets	-	225
Value (\$m)	2,982	3,252
Weighted average cap rate	6.18%	6.03%
GLA ('000sqm) ¹	644	629
Occupancy ¹	98.1%	97.3%
Total MAT growth ²	2.8%	3.9%
WALE – total	6.5 years	7.2 years
WALE – majors	10.4 years	11.5 years

Portfolio value by state



Portfolio Tenant Composition

- Ongoing partnership with major tenants Woolworths, Coles, Wesfarmers, Aldi and BP has seen their proportion of portfolio rental income grow from 46% to 51% over the past 12 months
- BP is now the third largest tenant customer at 9.6% of rental income
- Aldi is the sixth largest tenant customer with representation increasing from nine to eleven stores
- Wesfarmers at 7.2% of portfolio income and will progressively reduce over the next 12 months with Target tenancy conversions
- Recent transactions further increase weighting to convenience based, nondiscretionary retail and will result in Coles Group being the largest portfolio tenant



Charter Hall Retail REIT

Specsavers

^{1.} Calculated by rental income as at 30 June 2020

Supermarkets

- Supermarkets in turnover delivered 5.2% MAT growth¹
- Aldi representation increased from nine to eleven stores
- Completed five supermarket new leases and extensions
- Coles and Woolworths refurbished seven stores over the period
- Contactless pick-up rolled out at 23 supermarket locations since the commencement of the COVID-19 period
- Click and Collect installation completed or underway at 47 Coles and Woolworths supermarkets across the portfolio

Supermarkets in turnover²

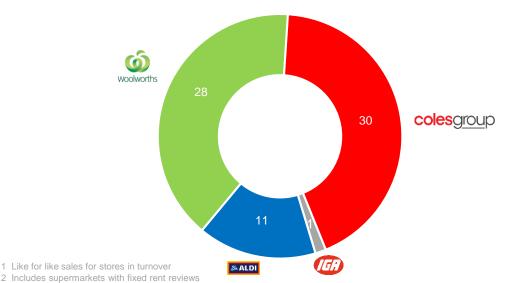
61.0%

MAT growth³

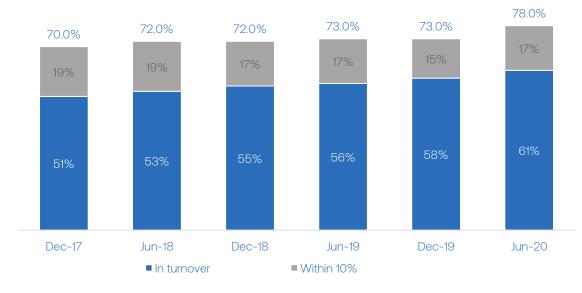
5.2%

	Supermarket performance	Jun 19	Jun 20
	MAT growth ¹ – supermarkets in turnover	4.0%	5.2%
	MAT growth ³	3.7%	5.2%
;	Supermarkets in turnover ²	56%	61%
	Supermarkets within 10% of turnover	17%	17%

70 supermarket stores in portfolio



Supermarket in turnover



21

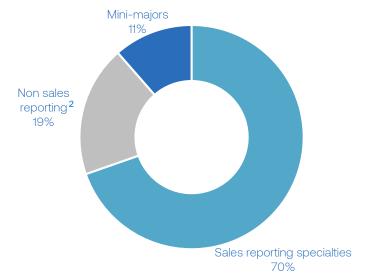
3 Like for like sales

Specialty Tenants

- Specialty MAT impacted by temporary closures due to COVID-19
- 345 specialty leases were completed in the period
- Leasing spreads over the period were +0.9%
- 149 new leases (+0.5% leasing spread)
- 196 renewals (+1.1% leasing spread)
- An additional 69 lease extensions (average 19 months) completed as part of the COVID-19 tenant support negotiations

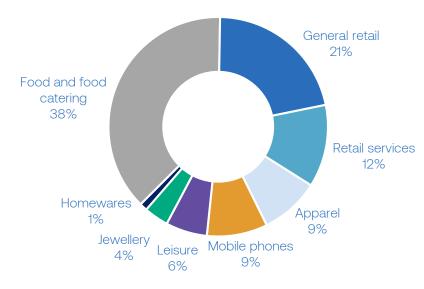
Specialty performance	Jun 19	Jun 20
MAT growth ¹	+0.7%	(2.6%)
Sales productivity (per sqm)	\$9,672	\$9,557
Average gross rent (per sqm)	\$1,054	\$1,131
Specialty occupancy cost	10.9%	11.8%
Average rental increase pa	4.2%	4.2%
Retention rate	82%	72%

Rental income by tenant type



1. Like for like sales

Specialty sales MAT by category



^{2.} Specialty tenants under SCCA guidelines (tenants who do not report sales include banks and medical etc.)

Sustainability





Environment

- 8.5MW solar installations completed at 11 assets and a further 3.9MW of installations at 4 assets are nearing completion
- Solar installations complete and nearing completion represent 60% of CQR's contracted 27 asset solar PPA roll out program
- Energy generated from the contracted PPA program equates to 46% of CQR's current energy needs
- Charter Hall targeting net zero carbon emissions¹ by 2030

Social and Community

- Continued partnership with The Two Good Co as part of Two Good's "In Good Hands". Distributed 6,800 cookbooks to shoppers across 23 centres increasing awareness of domestic violence
- Charter Hall employees volunteered 2,000 hours as part of the Two Good Co partnership
- 22 initiatives giving back to local communities
- Donated \$1 million in community space across the portfolio

¹ Scope 1 and Scope 2 emissions in Charter Hall operational control

Tenant Customer Relationships

Positive increases in all areas of relationship satisfaction

- Continued to partner with Monash University on the annual tenant customer satisfaction survey engaging 1,175 tenant customers and achieving a 97% participation rate
- Our people continued to be our greatest strength
- Trustworthiness and commitment to customer relationships achieved highest satisfaction and impact rating
- Perceived performance, industry leader and overall satisfaction continued to improve resulting in four years of consecutive positive movement
- Likely to be recommended as a preferred partner to other tenant customers improved on prior year

What our tenant customers say about our people



Committed to long term relationships

Trustworthy

Easy to do business with

Responsive

Ffficient





Pacific Square, Sydney NSW

Source: Monash University CentreSAT 2020, Retailer satisfaction and experience report

Outlook







Summary and Outlook

Resilience of portfolio focused on convenience retailers

- Supermarket and convenience retail sales will continue to be strong, driven by customers preference to shop closer to home and focus on everyday needs
- Visitations normalised in most regions highlighting the essential need associated with convenience retail
- Focus on providing income resilience and growth through continuation of the acquisition and divestment strategy
- Strategy remains focused on non-discretionary convenience retailers

In light of current COVID-19 uncertainty and associated impacts

CQR will not be providing FY21 earnings guidance.

Distributions will continue to be paid with reference to operating cashflow.





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FY20 earnings bridge

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Reconciliation of statutory profit to operating earnings and AFFO

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NTA per unit reconciliation

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Investment in property joint ventures and associates

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State and category specialty MAT

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Shopping centre portfolio historical performance

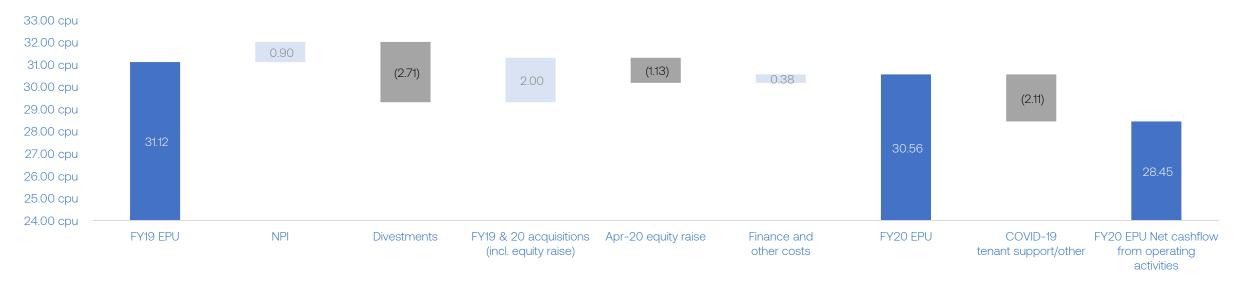
11

Acquisition of Coles Adelaide Distribution Centre

12

Glossary

FY20 earnings bridge (cpu)



- NPI reflecting impact of provisioning for deferred rent as part of COVID-19 tenant support and increased vacancy over Q4
- NPI on divestments of \$177m contracted and settled divestments over FY20
- Impact of acquisitions in FY19 (including equity raise relating to Rockdale Plaza acquisition in April 2019) and Pacific Square and Bass Hill Plaza, BP portfolio (1H20 and 2H20 including equity raise in February 2020)
- Impact of the April 2020 equity raise includes \$275m of institutional placement and \$29.2m in Unit Purchase Plan (UPP)
- Reduction in finance costs is driven by lower forecast rates offset by reduction in capitalised interest
- COVID-19 tenant support of \$10.7m less \$0.7m of expected credit loss

Reconciliation of statutory profit to operating earnings and AFFO

\$m	FY20
Statutory profit	44.2
Revaluation (increment) / decrement on investment properties ¹	56.2
Net loss on derivative financial instruments	23.3
Loss on disposal of investment properties	5.5
Provision for COVID-19 tenant support ²	3.0
Other	10.5
Operating earnings	142.7
Less: COVID-19 tenant support ³	(10.0)
Less: capital expenditure	(11.4)
Adjusted Funds From Operations (AFFO)	121.4
Distribution	121.4
Distribution / AFFO	100.0%

cpu	1H FY20	2H FY20	FY 20
Operating earnings	15.88	14.68	30.56
Less: COVID-19 tenant support	-	(2.14)	(2.14)
Less: capital expenditure	(1.36)	(1.19)	(2.55)
Adjusted Funds From Operations (AFFO)	14.52	11.35	25.87
Distribution	14.52	10.00	24.52
Distribution / Operating Earnings	91.4%	68.1%	80.3%
Distribution / AFFO	100.0%	88.1%	94.8%
\$m	1H FY20	2H FY20	FY 20
Operating earnings	70.1	72.6	142.7
Less: COVID-19 tenant support	-	(10.0)	(10.0)
Less: capital expenditure	(5.8)	(5.6)	(11.4)
Adjusted Funds From Operations (AFFO)	64.3	57.1	121.4
Distribution	64.3	57.1	121.4
Distribution / Operating Earnings	91.7%	78.6%	85.0%

^{1.} Includes revaluation of straight-lining, incentives amortisation and COVID-19 tenant support agreed as at 30 June 2020

^{2.} Rent free incentives relating to COVID-19 expected to be agreed post 30 June 2020

^{3. \$10.7}m of COVID-19 tenant support provided during the period less \$0.7m provision for expected credit loss on deferred rent Note: Numbers may not add due to rounding

NTA per unit reconciliation



¹ Includes disposal costs and accounting adjustments

Investment in property joint ventures – balance sheet breakdown

\$m	Jun 19	Jun 20	Movement
Convenience retail investment properties	533	572	39
Long WALE retail investment properties	-	439	439
Borrowings	(141)	(368)	(227)
Net other	(9)	23	32
Equity investment in property joint ventures	383	666	283







Debt maturities and covenants

Debt facility (ownership interest)	Limit (\$m)	Drawn (\$m)	Rate	Maturit	у	ICR Covenant	ICR Actual	LVR Covenant	LVR Actual
JV debt - CHRP1	110	103	Floating		Jun-22	2.0x	4.7x	55.0%	40.5%
JV debt - CHRP2	55	44	Floating		Jul-24	1.5x	4.1x	60.0%	40.7%
JV debt - CHRP6	25	20	Floating		Mar-24	2.0x	4.3x	60.0%	32.9%
JV debt – BP Portfolio	214	203	Floating		Dec-24	1.75x	4.1x	60.0%	46.2%
				\$50m	Dec-21				
				\$175m	Jun-22				
				\$150m	Jul-22				
Bank debt facilities	710	321	Floating	\$40m	Nov-22				
				\$75m	Jul-23	0.0	E 04.	F0.00/	22.40/
				\$50m	Aug-23	2.0x	5.31x	50.0%	33.4%
				\$95m	Nov-23				
				\$75m	Nov-23				
USPP - May 2016	177	177	Floating		May-26				
USPP - July 2015	252	252	Floating		Jul-27				
Grand total	1,543	1,119							

Note: Numbers may not add due to rounding

Convenience focused portfolio

28 Convenience assets

- Single supermarket and complementary convenience specialty
- Specialty productivity across the convenience portfolio outperforms the Urbis neighbourhood benchmark¹
- Supermarkets across the convenience portfolio outperform the Urbis neighbourhood benchmark in terms of both sales volumes and productivity¹

23 Convenience Plus assets

- Multiple supermarkets and/or supermarket and a discount department store with complementary convenience specialty and retail services
- Significantly smaller than the 29,502sqm Urbis sub-regional benchmark¹
- Greater supermarket space allocation than the Urbis sub-regional benchmark¹
- Half the discretionary specialty retail compared to the Urbis subregional benchmark¹

	Convenience compared to neighbourhood ¹	Convenience Plus compared to sub- regional ¹
Supermarket productivity	Greater than 13%	Greater than 12%
Specialty productivity	Greater than 20%	Greater than 0%
Size variance	Less than 18%	Less than 37%
Supermarket floorspace representation	Greater than 8%	Greater than 31%
Discretionary specialty floorspace	Less than 42%	Less than 50%

^{1.} Source: Urbis Shopping Centre Benchmarks 2019; Urbis

Lease expiry profile as at 30 June 2020

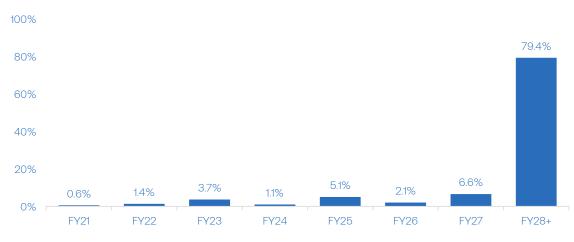
11.5 years Major tenant WALE

7.2 years
Portfolio WALE

3.0 years

Specialty and mini-major tenant WALE

Major tenant expiry profile (by income)



Specialty and mini-major tenant expiry profile (by income)



Property valuations as at 30 June 2020

State	Property	Location	Ownership interest (%)	Book Value (\$m)	Cap Rate	
ACT	Dickson Woolworths	Dickson	100.0%	18.7	6.00%	
	Manuka Terrace	Manuka	100.0%	58.5	6.00%	
ACT Total				77.2		
NSW	Bass Hill Plaza	Bass Hill	20.0%	20.0	6.00%	
	Bateau Bay Square	Bateau Bay	49.9%	107.8	6.25%	
	Carnes Hill Marketplace	Horningsea Park	50.0%	71.0	5.50%	
	Cootamundra Woolworths	Cootamundra	100.0%	17.0	5.75%	
	Dubbo Square	Dubbo	100.0%	46.0	7.00%	
	Gordon Village Centre	Gordon	100.0%	140.5	5.00%	
	Goulburn Square	Goulburn	100.0%	81.5	6.25%	
	Highlands Marketplace	Mittagong	50.0%	41.5	6.00%	
	Jerrabomberra Village	Jerrabomberra	100.0%	29.2	6.00%	
	Kings Langley Shopping Centre	Kings Langley	100.0%	46.0	6.00%	
	Lake Macquarie Square	Mount Hutton	100.0%	128.0	6.25%	
	Morisset Shopping Centre	Morisset	100.0%	41.9	6.75%	
	Mudgee Metroplaza	Mudgee	100.0%	28.2	6.25%	
	Orange Central Square	Orange	100.0%	52.0	6.50%	
	Pacific Square	Maroubra	20.0%	39.5	5.50%	
	Parkes Metroplaza	Parkes	100.0%	22.5	6.50%	
	Rockdale Plaza	Rockdale	100.0%	146.5	5.75%	

Property valuations as at 30 June 2020

State	Property	Location	Ownership interest (%)	Book Value (\$m)	Cap Rate
NSW (cont.)	Rutherford Marketplace	Rutherford	50.0%	20.6	6.13%
	Salamander Bay Square	Salamander Bay	50.5%	82.6	6.25%
	Singleton Square	Singleton	100.0%	119.4	6.63%
	Sunnyside Mall	Murwillumbah	100.0%	47.8	6.50%
	Tamworth Square	Tamworth	100.0%	53.5	6.75%
	Tumut Coles	Tumut	100.0%	11.2	6.00%
	West Ryde Marketplace	West Ryde	50.0%	28.3	5.25%
NSW Total				1,422.4	
QLD	Allenstown Square	Rockhampton	100.0%	50.4	7.00%
	Arana Hills Shopping Centre	Arana Hills	100.0%	64.8	6.00%
	Atherton Square	Atherton	100.0%	38.4	6.25%
	Bay Plaza	Hervey Bay	100.0%	26.5	6.50%
	Bribie Island Shopping Centre	Bribie Island	100.0%	65.0	6.00%
	Currimundi Markets	Currimundi	100.0%	44.8	5.75%
	Gatton Square	Gatton	100.0%	25.0	6.00%
	Highfields Village	Highfields	100.0%	41.0	6.00%
	Mareeba Square	Mareeba	100.0%	21.0	6.50%
	Sydney Street Markets	Mackay	100.0%	37.9	6.75%
QLD Total				414.8	
SA	Brickworks Marketplace	Torrensville	50.0%	34.3	6.50%
	Southgate Square	Morphett Vale	100.0%	80.0	6.25%
SA Total				114.3	

Property valuations as at 30 June 2020

State	Property	Location	Ownership interest (%)	Book Value (\$m)	Cap Rate
VIC	Campbellfield Plaza	Campbellfield	100.0%	77.3	6.00%
	Gateway Plaza	Leopold	50.0%	67.5	6.00%
	Lansell Square	Kangaroo Flat	100.0%	95.0	6.75%
	Rosebud Plaza	Rosebud	100.0%	123.1	5.96%
VIC Total				362.9	
WA	Albany Plaza	Albany	100.0%	60.1	6.75%
	Esperance Boulevard	Esperance	100.0%	35.0	6.50%
	Kalgoorlie Central	Kalgoorlie	100.0%	44.8	6.75%
	Maylands Coles	Maylands	100.0%	18.0	5.25%
	Narrogin Coles	Narrogin	100.0%	13.8	5.75%
	Secret Harbour Square	Secret Harbour	100.0%	92.0	6.50%
	South Hedland Square	South Hedland	100.0%	76.5	7.25%
	Swan View Shopping Centre	Swan View	100.0%	21.5	6.00%
	Wanneroo Central	Wanneroo	50.0%	59.5	6.25%
WA Total				421.2	
CQR convenien	ce portfolio			2,812.7	6.19%
BP portfolio			47.5%	439.0	5.00%
Total CQR portf	iolio			3,251.7	6.03%

State and category specialty MAT as at 30 June 2020

Specialty sales by state	Proportion of specialty sales	MAT growth ¹
NSW & ACT	58%	(4.2%)
WA	11%	(0.1%)
VIC	11%	(4.5%)
SA	4%	(2.0%)
QLD	16%	2.3%
Total	100%	(2.6%)

Specialty sales by category	Proportion of specialty sales	MAT growth ¹
Food and food catering	38%	(1.5%)
General retail	21%	3.0%
Retail services	12%	(6.7%)
Clothing and apparel	9%	(14.3%)
Mobile phones	9%	2.7%
Leisure	6%	(5.1%)
Jewellery	4%	(8.4%)
Homewares	1%	(2.5%)
Total	100%	(2.6%)

Shopping centre portfolio historical performance

	Jun-15	Dec-15	Jun-16	Dec-16	Jun-17	Dec-17	Jun-18	Dec-18	Jun 19	Dec 19	Jun 20
Number of properties	73	76	74	72	71	66	58	58	58	55	51
Occupancy	98.4%	98.4%	98.0%	98.0%	98.0%	97.8%	98.1%	98.1%	98.1%	98.1%	97.3%
Same property NPI growth ^{1, 2}	2.4%	2.4%	2.2%	2.4%	1.0%	1.3%	1.8%	2.1%	2.1%	2.2%	2.0% ⁵
Major tenant MAT growth ¹	1.0%	1.2%	1.7%	2.8%	4.0%	2.8%	2.7%	1.8%	3.4%	4.0%4	5.4%
Specialty leasing spread ²	1.5%	1.4%	1.4%	1.2%	0.2%	0.8%	1.3%	1.9%	0.8%	4.1%	0.9%
Renewals ²	1.9%	0.4%	1.0%	0.5%	0.0%	0.2%	1.5%	2.4%	0.0%	3.8%	1.1%
New leases ²	0.1%	4.3%	3.0%	2.9%	0.7%	2.1%	0.9%	0.9%	2.4%	4.6%	0.5%
Number of leasing transactions	169	151	162	181	212	192	208	172	194	222	123
Average specialty gross rent psm	\$905	\$942	\$973	\$982	\$989	\$994	\$1,006	\$1,030	\$1,054	\$1,104	\$1,131
Average specialty sales psm	\$9,009	\$9,151	\$9,302	\$9,360	\$9,186	\$9,439	\$9,536	\$9,583	\$9,672	\$9,817	\$9,557
Average specialty occupancy cost	10.0%	10.3%	10.5%	10.5%	10.8%	10.5%	10.5%	10.7%	10.9%%	11.2%	11.8%

¹ Like for like

² Financial year to date

³ Comparable sales, noting some major tenants reported a 53 week year for FY19 (estimated to be approximately 1.8% when adjusted to 52 weeks)

⁴ Comparable sales, noting some major tenants reported a 53 week year for FY19 (estimated to be approximately 2.3% when adjusted to 52 weeks)

⁵ NPI growth prior to provision of \$10.7 million in COVID-19 tenant support

Acquisition of Coles Adelaide Distribution Centre

- CQR acquired 52% interest in a purpose-built distribution facility leased to Coles in Adelaide's prime industrial precinct of Edinburgh Park for \$111.8 million
- Coles has a remaining lease term of 14.5 years plus multiple options and fixed annual reviews of 2.75% providing accretion to the portfolio WALE and security of rental growth
- The distribution facility is utilised by Coles as its sole distribution centre to service all of its retail stores in South Australia and the Northern Territory



Portfolio details (as at June 2020)

Properties	1
Property type	Long WALE convenience retail
Ownership interest	52%
Co-owners	Charter Hall managed direct funds
GAV (CQR 52% interest)	\$111.8m
Fund Leverage	46%
WACR	5.75%
Annual rent review	2.75%
Tenant	Coles
WALE	14.5 years
Options	5 x 5 years
Total portfolio site area (100% basis)	67,947 sqm

Glossary

1H FY20

6 months from 1 July 2019 to 31 December 2019

2H FY20

6 months from 1 January 2020 to 30 June 2020

GLA

Gross lettable area (in square metres)

Gross rent

Base rent and outgoings

In turnover

Tenant is paying a percentage of sales in rent (turnover rent)

JV

Joint venture

MAT

Moving annual turnover calculated as a sum of rolling 12 month sales

MtM

Mark-to-Market

NPI

Net property income

Occupancy cost

Calculated as the annualised gross rent divided by annual sales

Triple net lease

Tenant responsible for all property outgoings, maintenance and capital expenditure

WALE

Weighted Average Lease Expiry calculated based on income

Further information

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Thank you



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