

Media Release

Charter Hall Prime Industrial Fund secures \$2.6 billion of new equity commitments

25 November 2020

Charter Hall Limited
ACN 113 531 150

Charter Hall
Funds Management Limited
ABN 31 082 991 786

Level 20, No.1 Martin Place
Sydney NSW 2000
GPO Box 2704 Sydney NSW
2001

T +61 2 8651 9000
F +61 2 9221 4655

www.charterhall.com.au

Charter Hall Group (Charter Hall or the Group) announced that its flagship \$5.8 billion Charter Hall Prime Industrial Fund (CPIF or Fund) has closed its capital raising significantly oversubscribed, having raised \$2.6 billion since April 2020 in two separate raisings.

The capital raising was supported by both existing and 29 new investors, comprising a mix of Australian and offshore investors including super funds, pension plans, sovereign wealth funds, insurance companies, and financial institutions from Asia, the Middle East, Europe and North America.

Charter Hall's Managing Director and Group CEO, Mr David Harrison said "The Group is delighted with the strong level of support we have received despite the economic uncertainty caused by COVID-19. It demonstrates the quality and resilience of the CPIF portfolio and Charter Hall's reputation, amongst domestic and global investors, as a leading player in the Australian industrial and logistics market.

"The industrial and logistics sector continues to benefit from the rapid growth in online retailing and the focus on supply chain efficiencies. Most institutional investors are significantly underweight the industrial and logistics sector and recognise the potential growth and the attractive long-term, resilient returns available. The deployment of capital remains competitive. Charter Hall's industrial and logistics platform now exceeds \$11.5 billion with significant growth prospects. Institutions recognise that by investing with Charter Hall, they can secure access to a high quality, growing portfolio of strategically located industrial and logistics assets underpinned by strong tenant covenants and long weighted average lease expiries (WALEs)" said Mr Harrison.

Investors were particularly attracted to CPIF's high quality portfolio, its 52 per cent exposure to the consumer staples sector, the \$1 billion + 'develop to core pipeline', and the attractive 5 year forecast total returns, underpinned by an industry leading WALE of 10.6 years, 98.0 per cent occupancy, weighted average annual rental reviews of 2.9 per cent and resilient tenant covenants with 95.0 per cent leased to government, publicly listed or nationally/globally recognised tenants.

The capital raising strengthens CPIF's balance sheet and provides significant capacity to fund both acquisitions and new develop to core facilities for our growing tenant customer base.

"The capital raising gives the Fund the capacity to grow to in excess of \$8 billion whilst maintaining gearing below its targeted 30% level, cementing its position as Australia's largest unlisted property fund focussed on the pure play industrial and logistics sector" said Mr Harrison.

CPIF's current \$5.8 billion industrial and logistics portfolio comprises 76 assets and 2.6 million square metres of space, with 91 per cent of the portfolio by value in the key land constrained and high performing Eastern Seaboard markets of Sydney, Melbourne and Brisbane.

Charter Hall's Industrial & Logistics CEO, Mr Richard Stacker, said "Whether it is through our \$1 billion plus committed development pipeline or through new acquisitions via sale and leasebacks such as the recent ALDI and VISY Glass portfolios, we are providing investors with access to the strong performing and tightly held industrial and logistics sector.

“We continue to leverage our local market knowledge and deep cross-sector tenant customer relationships to curate a portfolio of high quality assets with a large exposure to consumer staples and essential services, at the same time as maintaining a sector leading WALE” said Mr Stacker.

CPIF has delivered strong annualised total returns of 11.1 per cent over the 12 months to 30 September 2020, 10.6 per cent over 3 years, 11.1 per cent over 5 years and 11.2 per cent over 10 years, outperforming the MSCI Mercer Australian Core Property Fund Index which has delivered returns of -3.4 per cent, 4.5 per cent, 7.4 per cent and 8.4 per cent respectively.

Charter Hall Prime Industrial Fund

Charter Hall Prime Industrial Fund (CPIF) is an \$5.8 billion unlisted property fund comprising a geographically diverse, high quality portfolio of industrial and logistics assets, strategically located and underpinned by long-term leases and strong tenant covenants.

CPIF is managed by Charter Hall Group (ASX:CHC). With over 29 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 \$43.4 billion diverse portfolio of over 1,300 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 \$6.8 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.

For further enquiries, please contact
David Harrison
Managing Director and Group CEO
Charter Hall
T +61 2 8651 9142
david.harrison@charterhall.com.au

Richard Stacker
Industrial & Logistics
Charter Hall
T +61 2 8651 9260
richard.stacker@charterhall.com.au

For media enquiries, please contact
Adrian Harrington
Head of Capital & Product Development
Charter Hall
T + 61 410 489 072
adrian.harrington@charterhall.com.au
