

ASX Release

Charter Hall Long WALE REIT issues Notice of Meeting and Explanatory memorandum

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Charter Hall WALE Limited as responsibility entity of the Charter Hall Long WALE REIT (ASX: **CLW**) today issued a Notice of Meeting and Explanatory Memorandum to CLW securityholders.

This relates to two resolutions which are currently being pursued by CLW, comprising the sale of a 50% interest in 12-26 Franklin Street, Adelaide (**ATO Building**) and secondly, a further simplification of the REIT's stapled trust structure.

1. Sale of a 50% Interest in ATO Adelaide

When CLW listed in November 2016, the portfolio consisted of an interest in 66 properties including the ATO Building in Adelaide. This property alone represented approximately 21% of the REIT's portfolio at IPO. With the maturity of the CLW portfolio and the recent market rent review completed, CLW has elected to accept an offer from an unlisted Charter Hall managed fund for the sale of a 50% interest in the property for \$135 million. Following completion of the proposed sale, CLW's remaining 50% interest in the property will represent approximately 10% of the CLW portfolio¹.

The sale proceeds of \$135 million are expected to be reinvested into a broader range of investments along the Eastern Seaboard markets of Australia.

The sale price is equal to CLW's June 2018 independent valuation and is also a 2.5% premium to the valuation of the property at the time of the CLW IPO in November 2016. In addition, a selling agent was not appointed for this sale which has resulted in a saving to CLW of agent's fees and marketing costs of 1% or more of the sale price.

CLW securityholder approval is required as it is a related party transaction with the Charter Hall Direct Office Fund. The ASX requires that securityholders vote on related party transactions over a prescribed value. Charter Hall will not vote its holding in CLW in relation to this resolution and has also agreed to waive its 1% divestment fee on the transaction.

2. CLW Further Simplification

The 2nd resolution outlined in the Notice of Meeting relates to a further simplification of the trust structure of the REIT.

At the time of the CLW IPO in November 2016, the REIT's structure consisted of 7 trusts which were brought together from across the broader Charter Hall Group to form the listed CLW stapled trusts.

¹ By income, as at 30 June 2018



Following securityholder approval on 22nd September 2017, an initial simplification was completed whereby the number of trusts in the CLW stapled trust structure was reduced from seven trusts to three trusts.

Due to recent stamp duty legislation changes, a further simplification is now proposed, such that the REIT structure is further simplified to two stapled trusts. This further simplification will streamline reporting and administration costs which are expected to result in an annual saving of approximately \$20,000 per annum for the REIT.

The Board of CLW encourage securityholders to read the Notice of Meeting and Explanatory Memorandum. There are further details in these documents regarding the proposed initiatives.

A meeting of securityholders will be held on Monday 6 August 2018 at 10am at the offices of Charter Hall Group to vote on these resolutions.

Securityholders should contact Charter Hall at the details included in the Notice of Meeting with any questions they may have.

About Charter Hall Long WALE REIT

Charter Hall Long WALE REIT is an Australian Real Estate Investment Trust ("REIT") listed on the ASX (ASX: CLW) and invests 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) one of Australia's leading fully integrated property groups, with over 25 years' experience managing high quality property on behalf of institutional, wholesale and retail clients. Charter Hall has over \$22.5 billion of funds under management across the office, retail and industrial sectors. The Group has offices in Sydney, Melbourne, Brisbane, Adelaide and Perth.

The Group's success is underpinned by a highly skilled and motivated team with diverse expertise across property sectors and risk-return profiles. Sustainability is a key element of its business approach and by ensuring its actions are commercially sound and make a difference to its people, customers and the environment, Charter Hall can make a positive impact for its investors, the community and the Group.

For further information, please contact

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