



Charter Hall 

**Charter Hall
Long WALE REIT**
Annual Report 2024

ASX:CLW

Acknowledgement of Country

Charter Hall acknowledges the Traditional Custodians of the lands on which we work and gather.

We pay our respects to Elders past and present and recognise their continued care and contribution to Country.



Maku wunkun / Towards tomorrow 2022
Tiarna Herczeg

Cover: Woolworths
Dandenong Distribution Centre, Vic
Bunurong land

Contents

Performance highlights	4
Strategy	6
Chair and Fund Manager message	8
Portfolio performance	12
Sustainability	14
Leadership	20
Directors’ Report and Financial Report	23
Fund Manager remuneration	76
Securityholder analysis	78
Investor information	80
Contact details	81
Corporate directory	82

Charter Hall Long WALE REIT

Charter Hall Long WALE REIT (CLW or the REIT) owns and manages a high quality and diversified real estate portfolio leased to government, multinational and national blue-chip tenants on long-term leases.

CLW is a registered managed investment scheme. The Responsible Entity is Charter Hall WALE Limited (CHWALE), a member of the Charter Hall Group (Charter Hall or the Group).

The CHWALE Board of Directors (Board) provides the leadership and direction for the REIT, including setting the tone in relation to good governance, which is critical to achieving the REIT’s objectives.

→ Our 2024 annual reporting suite

For more information:
charterhall.com.au/clw

[Annual Results Presentation](#)
[Corporate Governance Statement](#)

Note: Figures and statistics throughout this presentation are for the 12 months to 30 June 2024 unless otherwise stated.

Performance highlights

Financial performance

26.0c

Operating earnings

in line with FY24 OEPS guidance of 26.0c

\$4.66

Net tangible assets (NTA) per security

4.7%

Like-for-like net property income growth

underpinned by 51% of lease rent reviews being CPI linked at 5.4%³

1. Debt metrics are as at 30 June 2024 pro forma adjusted for the settlement of the Inghams Portfolio (unconditionally exchanged) and Red Cross, Sydney (exchanged with settlement subject to FIRB approval).
2. Includes the sale of the Inghams Portfolio (unconditionally exchanged) and Red Cross, Sydney (exchanged with settlement subject to FIRB approval).
3. Reflects the weighted average CPI increase in FY24, comprising June 2023 CPI of 6.0%, September 2023 CPI of 5.4%, December 2023 CPI of 4.1% and March 2024 CPI of 3.6%. The majority of the REIT's CPI-linked leases are linked to the September annual CPI.

Portfolio performance

\$762m

Transaction activity²

portfolio curation through strategic divestments

99.9%

Occupancy

underpinned by government, ASX-listed, multinational or national tenants

10.5_{yr}

Weighted Average Lease Expiry (WALE)

long-term income security

Capital management¹

30.1%

Balance sheet gearing

reduced from 34.5% and in the middle of the target range of 25% – 35%

72%

Drawn debt hedged

providing protection against interest rate volatility

Baa1

Moody's credit rating reaffirmed

demonstrating support of CLW's credit profile



Louisa Lawson Building,
Tuggeranong ACT
Ngunnawal land

Strategy

The REIT's objective is to provide investors with stable and secure income, and the potential for both income and capital growth. We seek to achieve this over the long-term through our exposure to a long WALE portfolio of high-quality, institutional grade properties.

Portfolio highlights

540

Number of properties

\$5.8bn

Portfolio valuation

99.9%

Occupancy

5.4%

Weighted Average Capitalisation Rate (WACR)

10.5yrs

WALE

51%

Exposure to CPI-linked rent reviews



Right: Arnott's,
Huntingwood NSW
Darug land

Chair and Fund Manager message

Charter Hall Long WALE REIT continues to actively curate its portfolio, ensuring resilience throughout the cycle.



Dear Securityholder

Welcome to the Charter Hall Long WALE REIT (CLW or the REIT) Annual Report for the year ended 30 June 2024.

CLW is Australia's largest diversified long WALE REIT with a defensive 10.5-year WALE. CLW invests in commercial properties primarily leased to major corporate and government tenants on long-term leases.

In April 2024, after eight years, Peeyush Gupta resigned as a Director and Chair of the Board to pursue a directorship with another ASX listed REIT. Peeyush made a significant contribution to CLW from its inception in 2016 and we thank Peeyush for his dedication, leadership and guidance as Chair.

Glenn Fraser, a long-standing Director of the Board, was subsequently appointed as Chair, ensuring a seamless transition and continuity for CLW securityholders.

The Board also appointed Ray Fazzolari as a non executive Director, bringing over 40 years' experience across all aspects of real estate funds management, through multiple property cycles. Ray's expertise will assist the Board to continue executing on strategy at a challenging time. We encourage you to read the Director profiles on pages 32-34 of this report.

This year, the significant economic challenges of the past few years continued. The Reserve Bank of Australia's cash rate outlook remained uncertain, with persistent inflation leading to a "higher for longer" interest rate environment.

The commercial property sector was not immune to the adverse consequences, with higher interest costs negatively impacting sector earnings and property valuations. CLW's operating earnings were down 7% from FY23 to 26 cents per security as a result of higher interest costs and asset sales more than offsetting the portfolio earnings growth. Pleasingly in line with guidance, distributions per security of 26 cents were paid, representing a 100% payout ratio.

Notwithstanding higher interest costs, CLW's underlying portfolio continues to deliver strong, consistent rental growth, reflecting the quality of its properties and tenant covenant and its 10.5 year WALE.

Importantly, CLW has a balanced mix of rental growth, with 51% of leases featuring annual rent reviews linked to CPI and the remainder of leases fixed, with average fixed annual increases of 3.1%. This blend of exposure to CPI-linked and fixed annual rental increases provides a growing rental stream and resilience in both low and high inflation scenarios. This combination of rental streams delivered 4.7% like-for-like rental growth in FY24.

Independent property valuations were also affected by the interest rate environment leading to higher capitalisation rates and lower values for most properties. CLW incurred a \$626 million net decrease in the fair value movement of investment properties during the financial year.



Left: Breakfast Creek Hotel, Albion Qld
Turrbal and Yuggera land

This also affected CLW's Net Tangible Assets (NTA) with NTA per security declining from \$5.63 as at 30 June 2023 to \$4.66 as at 30 June 2024.

The cyclical nature of the property cycle is demonstrated by the movement in capitalisation rates across CLW's portfolio. On a like-for-like basis across CLW's diversified real estate portfolio, sector cap rates have on average expanded over the past two years by the same amount they compressed during the period 30 June 2020 to 30 June 2022. Despite cap rate expansion over the past two years, like-for-like capital values across CLW's portfolio are on average 14% higher in 2024 compares to 2020, driven by contracted and market rental growth.

Whilst valuations have been a persistent challenge for the commercial property sector over the past two years, we are encouraged by general market views that the Australian commercial property market is approaching a trough for valuations.

One of CLW's main focus areas this year has been ongoing portfolio curation to reduce debt levels through the sale of assets. During the financial year, CLW completed \$762 million in asset sales, reducing pro-forma balance sheet gearing to 30.1% and look through gearing to 37.6%¹.

For CLW, our FY25 operating earnings will reflect the level of divestments that we made this year and a gradual step up in our finance costs as existing interest rate hedges roll off resulting in our cost of debt increasing.

We continue to actively manage our portfolio to ensure long-term performance. While we have not been unaffected during this turbulent period, the robustness of our portfolio continues to provide a strong foundation for future growth. ►

1. As at 30 June 2024 pro forma adjusted for the settlement of the Inghams Portfolio (unconditionally exchanged) and Red Cross, Sydney (exchanged with settlement subject to FIRB approval).



Right: Young & Jackson
Melbourne Vic
Wurundjeri and
Bunurong land

Portfolio curation

An important part of CLW's strategy is to diversify and enhance our portfolio through strategic portfolio curation.

This year, the focus was on asset disposals, with a total of \$762 million of divestments completed. This required a significant and lengthy effort by management during a difficult point in the property cycle. This contributed to reducing CLW's near term lease expiry risk and resulted in CLW's portfolio having greater exposure to prime quality assets in core markets, low capital intensive NNN leases and CPI linked rent reviews.

Active portfolio management

During the year, CLW continued delivering on strategy, improving both the quality and metrics of its portfolio. At year end, the REIT held 540 properties valued at \$5.8 billion with a WALE of 10.5 years. The percentage of the REIT's properties with NNN leases was 55% of the portfolio net income. Under a NNN lease, the tenant bears all the outgoings and other costs of maintenance and capital expenditure associated with the properties, thereby enabling the REIT to avoid such expenditure.

CLW's best-in-class tenant register provides portfolio quality and diversity. Ninety-nine per cent of the REIT's portfolio is leased to government, ASX-listed, multinational and national tenants. Importantly, these blue-chip tenants are in resilient industries and the REIT continues to generate strong rental growth.

At the end of the period, the portfolio WACR was 5.4% (up from 4.8% in 2023) reflecting the high quality of the properties, income security afforded by the tenants and desirable locations of the assets.

CLW also continues to enjoy strong occupancy across the portfolio, with 99.9% occupancy over the period and a portfolio WALE of 10.5 years. CLW has no major lease expiries until FY26, ensuring strong security of income for investors.

Capital management

CLW continues to actively manage its balance sheet in order to remain defensive in a high interest rate environment. As such, a key focus this year was de-gearing the portfolio, a strategy that was successfully delivered. At the start of FY25, balance sheet gearing is 30.1% in the middle of the target 25%-35% range and look-through gearing is 37.6%¹.

A number of debt capital initiatives were completed in order to hedge some of the impact of rising interest rates, while continuing to position the REIT for long-term growth. During the year, CLW also refinanced and extended \$820 million of look through debt.

CLW has a weighted average debt maturity of 4.1 years, with staggered maturities over a six year period from FY27 to FY32. CLW maintained its Moody's Baa1 investment grade issuer rating with a stable outlook.

Sustainability

Sustainability is integrated into how CLW and the Charter Hall Group conduct business, and we continue to partner with our customers and communities to deliver meaningful change.

This year, we have achieved Net Zero Scope 1 and Scope 2 emissions, for assets under our operational control, supported by our approach to renewables and execution of our nature based offset strategy. We also set long-term and interim targets for Scope 3 emissions.

CLW has 6.5MW of onsite solar installed across its portfolio, an increase of 4.5 MW since FY23, 100% of which directly supplies our tenants. An additional 3.8MW of onsite solar is planned or committed across our industrial assets. Further, from 1 January 2024, Charter Hall formerly commenced its market linked renewable Power Purchase Agreement with ENGIE, supplying renewable electricity to all of CLW's office assets.

CLW continues to enjoy strong environmental credentials for its portfolio with a portfolio rating of 5.3 star for NABERS Energy and 5.0 star for NABERS Water ratings. CLW continues to make progress in its sustainability benchmarks, scoring 77 in the 2023 GRESB Benchmark assessment, and maintaining its 'A' rating for Public Disclosure. GRESB is a leading organisation for assessing environment, social and governance performance for real estate and infrastructure companies globally.

CLW supported Charter Hall's partnership with Red Cross to recruit and train an additional 130 volunteers each year, contributing to a 5% growth in Red Cross's emergency services volunteers. Charter Hall Group also maintained Australia's largest footprint of WELL Building Portfolio and Health Safety rated workplaces, including 750,000 square metres of CLW assets.

We have continued our approach to ensuring that robust governance underpins our operations. CLW continues to align reporting with best practice independent frameworks to verify our ESG progress and non financial disclosure.

Outlook and guidance

We continue to focus on what is within our control in preparation for the cycle to turn as interest rates peak, valuation bottoms and the market shifts toward growth. To that end, CLW is well positioned for the long term, with a diversified and resilient portfolio, high quality tenants and security of long leases. We will continue to execute our strategy of pursuing long WALE opportunities and aim to deliver long-term earnings and distribution growth.

Finally, on behalf of the Board and Management team, we would like to thank our securityholders for their ongoing support. We will endeavour to continue to provide you with stable and secure income, and target income and capital growth over the long term.

Glenn Fraser
Chair

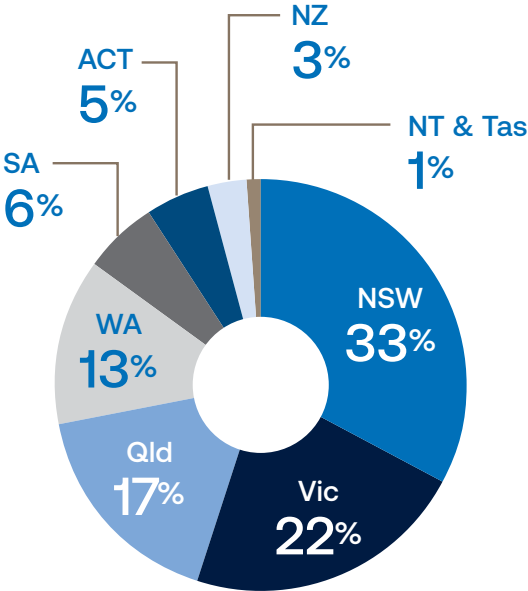
Avi Anger
Diversified CEO and
CLW Fund Manager

1. As at 30 June 2024 pro forma adjusted for the settlement of the Inghams Portfolio (unconditionally exchanged) and Red Cross, Sydney (exchanged with settlement subject to FIRB approval).

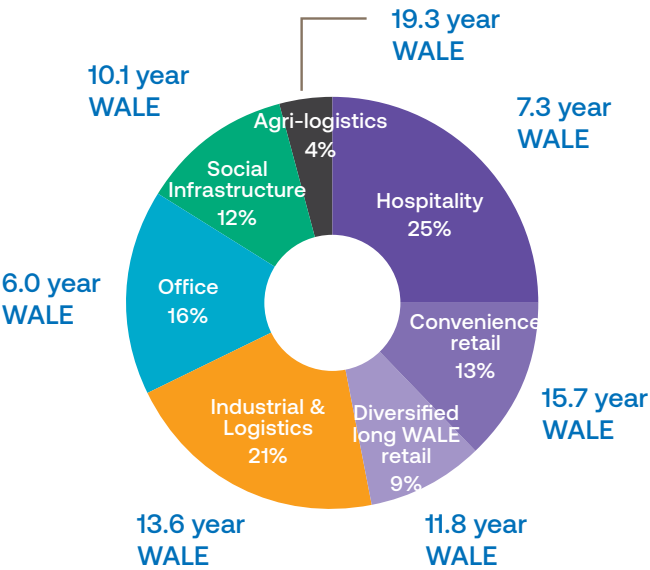
Portfolio performance

Diversification

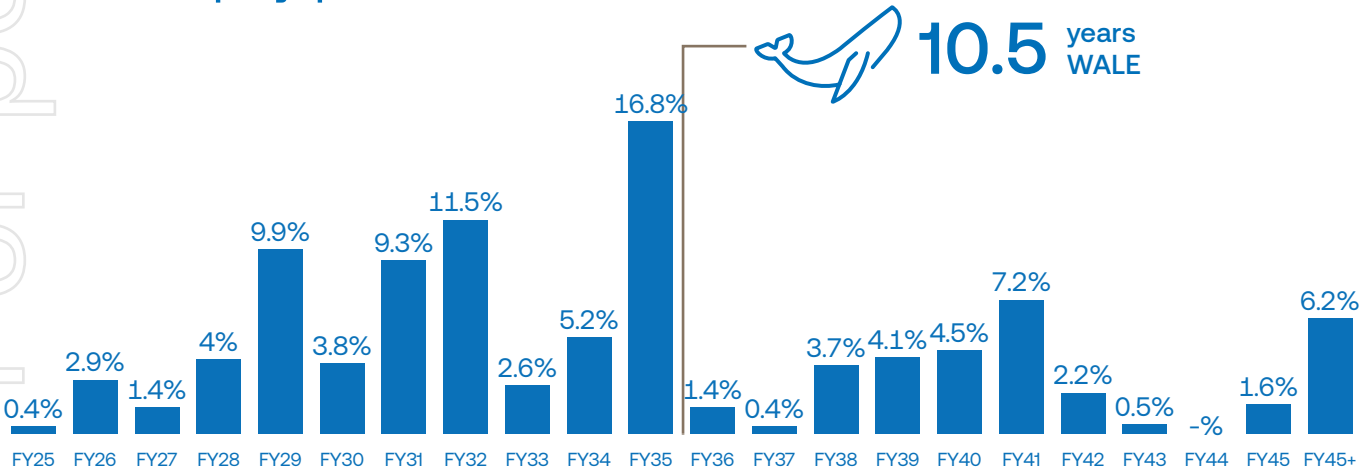
Geographic diversification¹



Real estate sector diversification^{1,2}



Lease expiry profile²



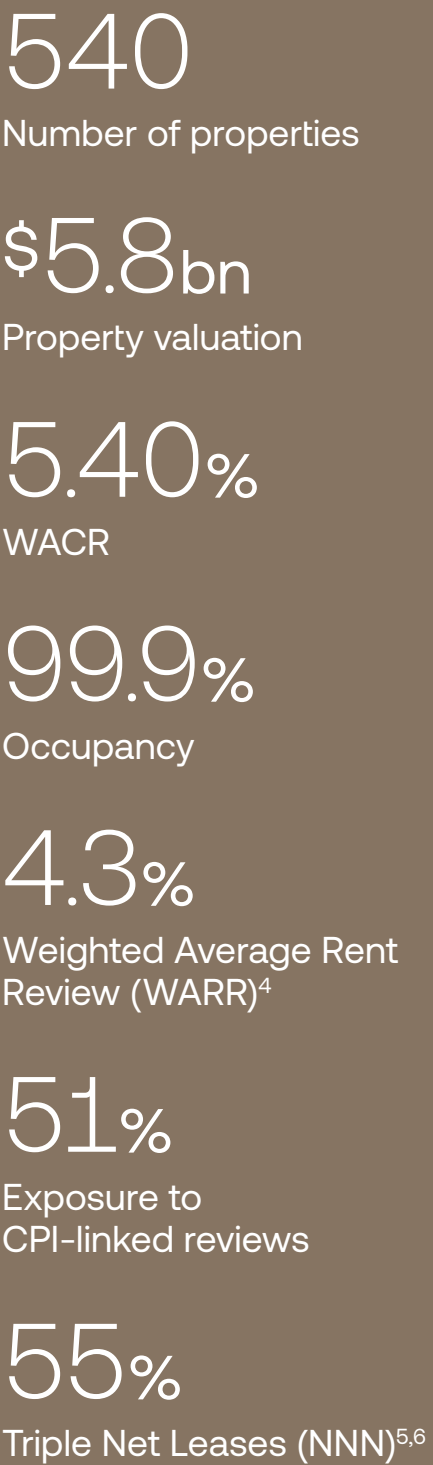
Note: totals may not add to 100% due to rounding.
1. Weighted by external valuation as at 30 June 2024 (REIT ownership interest).
2. WALE weighted by net passing income as at 30 June 2024 (REIT ownership interest).

Major tenants³



3. Weighted by net passing income as at 30 June 2024 pro forma adjusted for settlement of the Inghams Portfolio (unconditionally exchanged) and Red Cross, Sydney (exchanged with settlement subject to FIRB approval).

Portfolio summary



4. Weighted average across fixed and CPI-linked reviews. Reflects average FY24 CPI of 5.4%.
5. Weighted by net passing income as at 30 June 2024.
6. Triple Net Leases ("NNN"), where all property outgoings and capital expenditure obligations are the tenant's responsibility.

Sustainability

CLW's approach to sustainability is practical, platform wide and integrated into how Charter Hall Group (Charter Hall or the Group) does business and delivers value for our stakeholders. To ensure our approach is current and fully informed, our review of our material issues includes research into pivotal global shifts, as well as emerging ESG issues, stakeholder interests, thought leadership and peer reporting in the real estate and construction sectors.

The Group's Sustainability Framework focuses our efforts on where we can generate the greatest value and make the most difference over the long-term. Our purpose and values guide how we deliver on the full range of economic, environmental, and social impacts that we promise.

CLW achievements in FY24

Achieved Net Zero carbon

CLW achieved Net Zero carbon emissions for assets in operational control, ahead of our 2025 target for Scope 1 and Scope 2.¹ This was supported by our approach to renewable electricity and the execution of our nature-based offset strategy.

ESG performance

Scored 77 in the 2023 GRESB assessment and maintained "A" GRESB Public Disclosure Level.

Community partnership

More than 110,000sqm of CLW office assets activated space to support community organisations.

Clean energy

CLW increased installed solar by 4.5 MW since FY23, for a total of 6.5 MW, of which 100% supplies directly to tenants. An additional 3.8MW is committed or planned in FY25.

5.3 star NABERS Energy

Office portfolio rating.²

5.0 star NABERS Water

Office portfolio rating.²

Innovate RAP

Continued our RAP journey, built cultural awareness amongst our people, recognised First Nations at our assets and developed partnerships with First Nations businesses. Charter Hall's Innovate RAP status endorsed by Reconciliation Australia.

Our strategic pillars align with the United Nations Sustainable Development Goals (UN SDGs) and enable us to:

Cultivate

deep, trusted relationships with stakeholders and high-performing talent.

Respond

to the challenges and consequences of a warming climate through rethinking how we use resources and prioritising the protection and restoration of nature.

Drive

lasting change through partnerships that deliver learning and employment opportunities for vulnerable young Australians and support communities impacted by natural disaster and hardship through strong communities, healthy places and pathways to prosperity.

Deliver

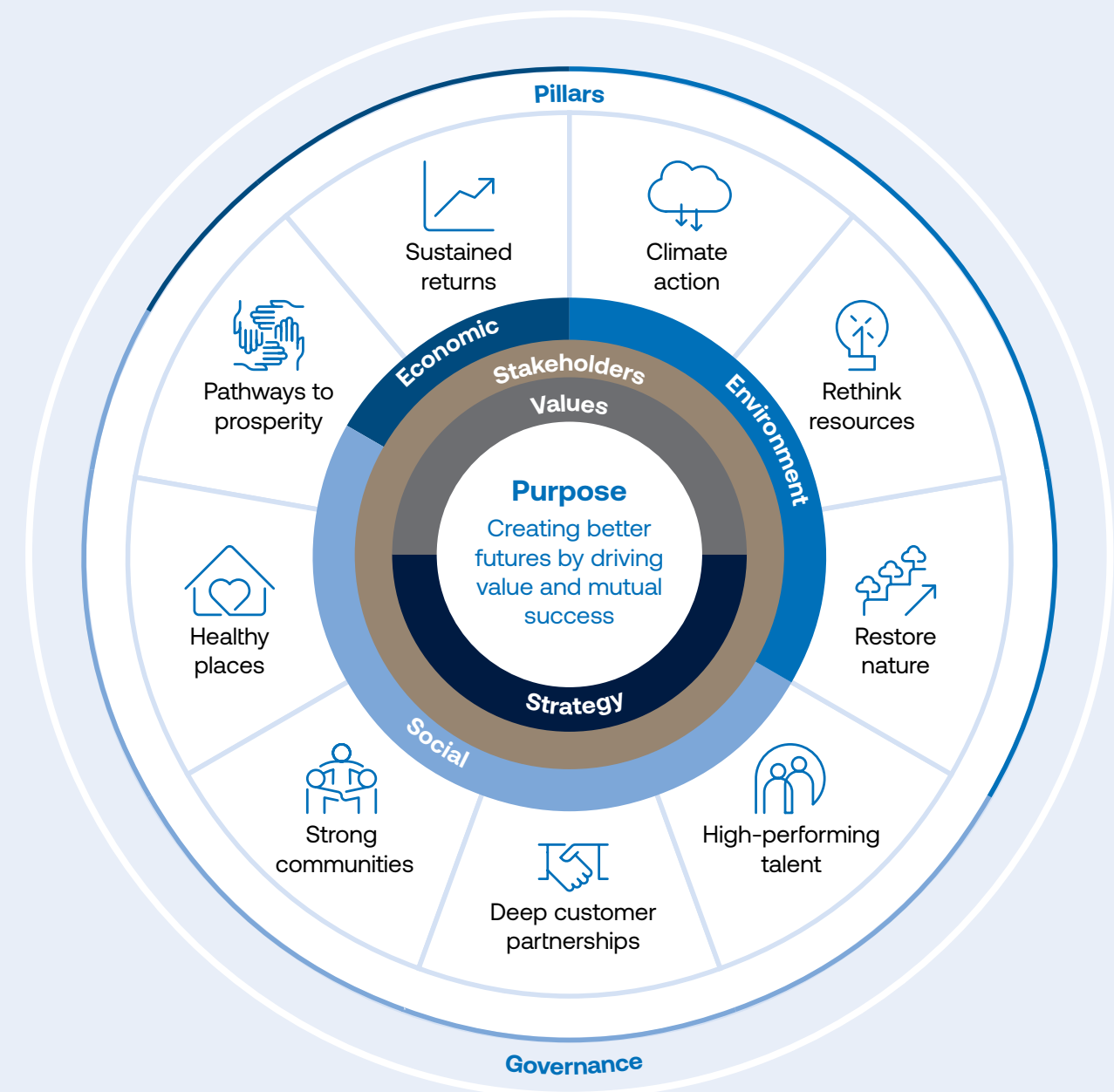
long-term value and mutual success for our investors, customers and communities.

→ 2024 Sustainability Report

More information provided in our 2024 Sustainability Report.

1. Our Net Zero target applies to Scope 1 and Scope 2 emissions for existing assets that fall under the operational control of the responsible entity for CLW, and is subject to final assurance and surrender of carbon offsets and large scale renewable energy certificates.
2. Rating is consistent with FY23 period with NABERS water portfolio rating decreased by 0.2 star due to increased occupancy. The NABERS Portfolio rating only includes assets in operational control.

Sustainability Framework



Progress against our sustainability targets

Strategic pillar	FY24 performance	Looking forward
Climate action		
Scope 1 and 2 carbon emissions	CLW achieved Net Zero carbon emissions for assets in operational control, ahead of our 2025 target for Scope 1 and Scope 2.¹ This was supported by our approach to renewable electricity and the execution of our nature-based offset strategy	Partner with tenant customers to reduce our Scope 3 emissions and increase tenant data coverage
Clean energy	CLW's Office assets² are powered by 100% electricity supplied from renewable sources	Maintain 100% electricity supplied from renewable sources by 2025²
	CLW installed an additional 4.5MW of onsite solar in partnership with tenant customers, bringing the total solar capacity across the portfolio to 6.5MW	3.8 MW of onsite solar planned or committed across CLW industrial assets
Energy performance	CLW achieved a 5.3 star NABERS Energy for Office portfolio rating, covering 100% of its Office assets²	Target 5.5 star NABERS Energy for Office portfolio by 2025
Benchmarking performance	CLW achieved a 5 star Green Star Performance rating for its Office portfolio and 2 star Green Star Performance rating for its Industrial & Logistics portfolio	Maintain Green Star Performance, while transitioning to the updated rating tool
Rethink resources		
Operational waste	CLW's Office portfolio diverted 35% of its operational waste from landfill, an improvement of 17% since FY23, due to the introduction of additional offsite separation	75% diversion target from landfill by 2030 for Office portfolios
Align to circular economy	CLW's Office and Industrial & Logistics portfolios adopted CHC's circular economy framework	Implement circular economy sector specific pathways for CLW assets
Restore nature		
Water performance	CLW achieved a 5.0 star NABERS Water for its Office portfolio rating, a decrease of 0.2 star linked to increased water use due to higher occupancy	Maintain 5.0 star NABERS Water for Office portfolio rating by 2025

1. Our Net Zero target applies to Scope 1 and Scope 2 emissions for existing assets that fall under the operational control of the responsible entity for CLW.
2. Assets in operational control.
3. Social enterprises include businesses registered with Supply Nation, Social Traders and Deductable Gift Recipient entities.

Strategic pillar	FY24 performance	Looking forward
High-performing talent		
Inclusion, diversity and equality	- CHC achieved an employee engagement of 89% and 95% employee participation rate in its Annual Engagement Survey - CHC received Silver status in the annual Pride in Diversity Australian Workplace Equality Index (AWEI) - CHC maintained Workplace Gender Equality Agency (WGEA) recognition for gender equality	Sustain levels of engagement that align with being a global high-performing culture
Deep customer partnerships		
Customer satisfaction	- CLW's Office and Industrial sectors exceeded their FY24 customer targets - CHC combined cross-sector NPS held steady at +52, a strong result for the third year	Invest in centralised and connected data to deepen our understanding of customer needs
Strong communities		
Community investment	CHC contributed over \$1.4m in community donations, with 30% donated to disaster relief	Continue to co-create initiatives that make a genuine long-term impact for our communities
First Nations	CHC achieved Innovate RAP status endorsed by Reconciliation Australia	
Health and well-being		
Healthy buildings	CLW's Office assets maintain WELL Health & Safety and 5.3 NABERS Indoor Environment portfolio rating	Continue to demonstrate improvement in indoor environment for our tenants
Pathways to prosperity		
Create employment opportunities	CHC generated 222 employment outcomes for vulnerable young Australians	Achieve CHC target 1,200 employment outcomes for vulnerable young Australians by 2030
Employee volunteering	CHC contributed 3,766 hours YTD in community volunteering. The most recorded in a year, representing 80% of employees	Volunteer 6,000 hours in the community by FY25
Social procurement	CHC procured over \$2.6m with social enterprises³ including First Nations businesses	Leverage our social procurement to deliver social good in our value chain and in the operation of our assets
Governance		
Transparency and disclosure	CLW achieved 77 in the 2023 GRESB assessment and maintained "A" GRESB Public Disclosure Level	Mature our approach to the management of climate-related risks and opportunities and integrating into risk management and financial reporting
	CHC continued independent screening of suppliers, updating training on modern slavery for all employees and continued industry collaboration to support knowledge sharing	Continue to enhance responsible business practices

Climate-related disclosure

We are actively aligning our climate action approach to the requirements of the draft Australian Sustainability Reporting Standards and maturing our understanding of the impacts of climate-related risks and opportunities on our financial performance.

Governance

Charter Hall WALE Limited (CHWALE), as the responsible entity for CLW, has overarching responsibility for the REIT's management, including overall strategy, governance and performance.

CHWALE has appointed Charter Hall to provide various property and asset management services for the REIT and has adopted Charter Hall's policies and procedures as they relate to the REIT, including its approach to climate change.

The Charter Hall Executive Committee have strategic oversight of ESG strategy, target setting, monitoring and implementation. The Charter Hall ESG Sub-Committee makes recommendations on targets and focuses on platform-wide alignment and the implementation of ESG strategy and initiatives. CHWALE relies upon regular reports from Charter Hall Executives and Senior Managers, including regular updates on progress related to the Charter Hall Strategy for CLW, particularly on climate change initiatives.

Charter Hall Executives have ESG performance metrics in their individual scorecards linked to their short term incentive. These metrics are also cascaded to the teams that directly manage the assets in the CLW portfolio to drive a focus on ESG. In FY24, these included measures related to progress on decarbonisation, including working towards our carbon targets and increasing our footprint of installed solar.

Strategy

Charter Hall has a long-standing commitment to delivering meaningful action on climate change. We are on track to meet our Net Zero by 2025 target (Scope 1 and Scope 2)¹ and strengthening the resilience of our assets to climate-related impacts by:

- Achieving highly energy efficient portfolio powered by clean energy;
- Partnering with our customers and suppliers to reduce emissions in our value chain;
- Improving the adaptive capacity of our portfolio to climate-related impacts;
- Supporting communities with both immediate relief and long term recovery from natural disasters;
- Collaborating toward Net Zero and climate resilience.

Risk Management

In FY24, we undertook a series of climate-related risk and opportunity workshops with senior leaders from across the business to reassess our climate-related risks and opportunities in our three climate scenarios between now and 2050. The workshops identified the following climate-related exposures:

- Adaptation of products and services;
- Access to capital;
- Partnerships to support transition;
- Resource availability;
- Supply chain;
- Policy and regulation;
- Physical impacts to assets.

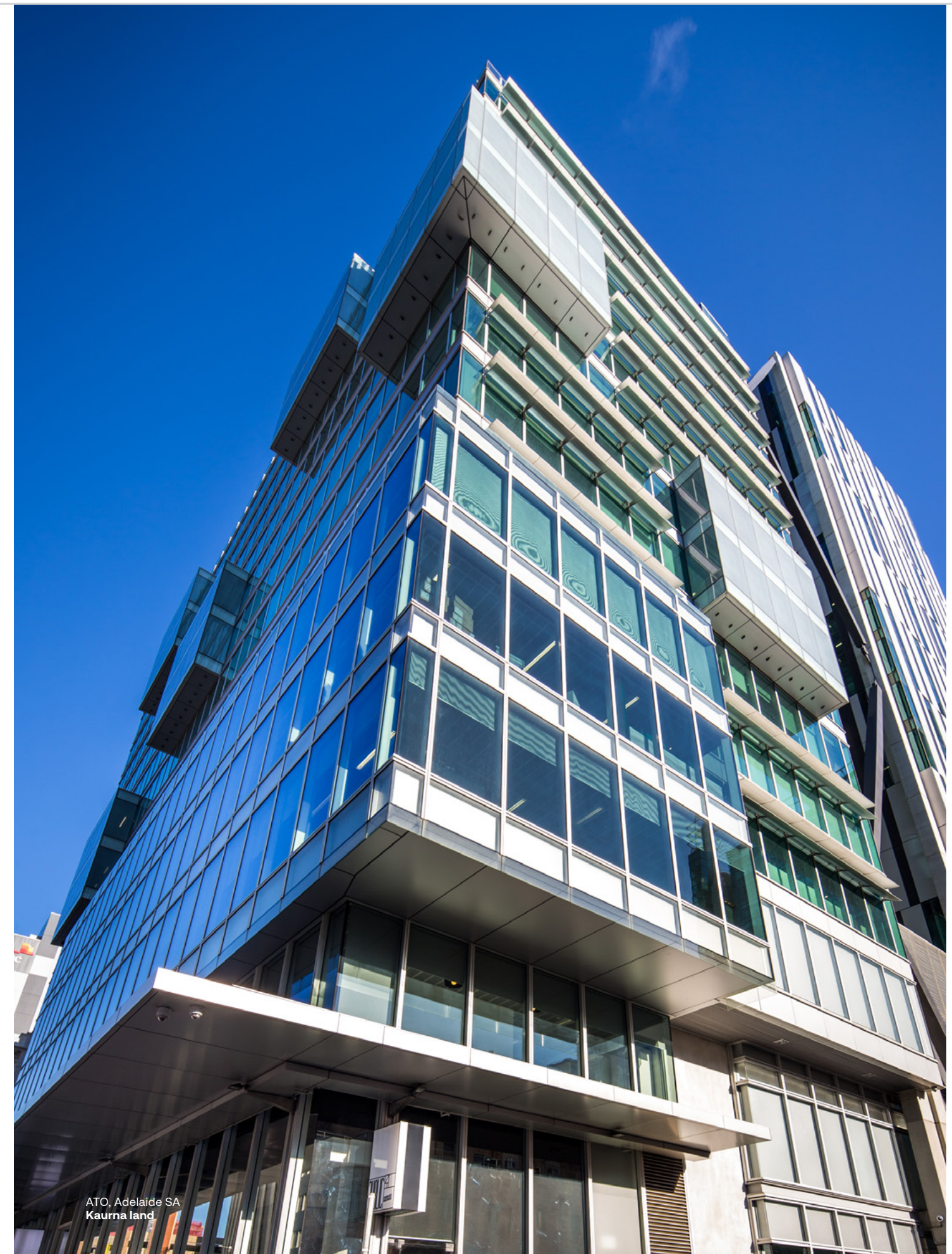
We also progressed our understanding of physical climate risks, through analysis of climate risk exposure for RCP8.5 at 2050. We are currently evaluating inherent risk with consideration for building attributes in line with our Risk Management Framework. We have identified a range of adaptation measures to further reduce risk that will be incorporated into strategic asset plans.

In FY25, we aim to further understand the effect of our climate-related risk and opportunities on our business model, strategy and value chain.

CLW metrics and targets

- CLW achieved Net Zero carbon emissions for assets in operational control, ahead of our 2025 target for Scope 1 and Scope 2. This was supported by our approach to renewable electricity and the execution of its nature-based offset strategy.¹
- CLW achieved 100% renewable electricity supply for Office assets under operational control.

1. Our Net Zero target applies to Scope 1 and Scope 2 emissions for existing assets that fall under the operational control of the responsible entity for CLW.



Leadership

Board of Directors



Glenn Fraser
Chair and Independent
Non-Executive Director



Ceinwen Kirk-Lennox
Independent Non-Executive
Director



Ray Fazzolari
Independent Non-Executive
Director



David Harrison
Executive Director



Carmel Hourigan
Executive Director

See pages 32-34 for
information on the Directors.

Management



Avi Anger
Diversified CEO and Fund Manager,
Charter Hall Long WALE REIT

Avi has over 20 years' experience in real estate funds management, corporate finance and accounting.

As CEO of Charter Hall's Diversified funds business, Avi is responsible for a team of property and funds management professionals managing approximately \$11 billion of assets on behalf of wholesale and listed investors.

Avi joined Charter Hall in 2003 and has played an integral role in delivering the strong growth of Charter Hall's funds management business. Prior to his current role, Avi was Head of Transactions and Advisory and was responsible for all property transactions of the Group and its managed funds.

During his time at Charter Hall, Avi has been involved in the creation of new funds and partnerships for the Group as well as maintaining and developing relationships with new and existing investor customers. Notably, Avi led the establishment and listing of the Charter Hall Long WALE REIT (ASX:CLW) in 2016 and continues to lead CLW as Fund Manager.

Avi is currently Chair of Property Council of Australia Capital Markets Global Investment Committee and Member of the Property Council of Australia Capital Markets Division Council.

Prior to joining Charter Hall, Avi worked for Ernst & Young Corporate Finance and Terrace Tower Group. Avi holds a Bachelor of Commerce and a Master of Commerce from the University of New South Wales.



Scott Martin
Head of Diversified Finance

Scott joined Charter Hall Group following the acquisition of Folkestone Limited in November 2018 where he held the position of Chief Financial Officer and Company Secretary since December 2005.

Scott has over 24 years' financial experience in Australia specialising in the property and construction industries. Scott is a Chartered Accountant who began his career at Deloitte specialising in accounting, taxation and transaction services.

Scott is a member of the Institute of Chartered Accountants and holds a Bachelor of Commerce from the University of Melbourne.



Darryl Chua
Deputy Fund Manager

Darryl joined Charter Hall in 2016 and is responsible for the operation of the Charter Hall Long WALE REIT, particularly with respect to portfolio and capital management. Darryl has over 17 years' experience in real estate funds management and corporate finance.

Prior to joining Charter Hall, Darryl worked at Goodman Group in the Investment Management team and Macquarie Group in both its real estate financing division and its investment banking division, Macquarie Capital, specialising in real estate corporate advisory.

Darryl holds a Bachelor of Laws from the University of Western Australia.

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Directors' Report and Financial Report

For the year ended 30 June 2024

Contents

Directors' Report	24
Auditor's Independence Declaration	36
Consolidated Statements of Comprehensive Income	37
Consolidated Balance Sheets	38
Consolidated Statements of Changes in Equity	39
Consolidated Cash Flow Statements	40
About This Report	41
A. REIT Performance	42
B. Property Portfolio Assets	46
C. Capital Structure and Financial Risk Management	52
D. Further Information	62
Directors' Declaration to Stapled Securityholders	70
Independent Auditor's Report	71



Bunnings Caboolture,
Brisbane Qld
Gubbi Gubbi land

Directors' Report

The Directors of Charter Hall WALE Limited (CHWALE) present their report together with the consolidated financial report of the Charter Hall Long WALE REIT (CLW or REIT) and the consolidated financial report of LWR Finance Trust (Finance Trust) for the year ended 30 June 2024, and the Independent Auditor's Report thereon. The financial report of CLW comprises Charter Hall Direct Industrial Fund (DIF) and its controlled entities and LWR Finance Trust and its controlled entity. The financial report of Finance Trust comprises LWR Finance Trust and its controlled entity. DIF and Finance Trust are collectively referred to as "Stapled Trusts". One of the stapled entities of a stapled structure is to be identified as the parent entity for the purposes of preparing a consolidated annual financial report. In accordance with this requirement, DIF has been identified as the parent entity (see D8(b)). The stapled securities cannot be traded or dealt with separately.

DIF and Finance Trust are registered schemes, and CHWALE is a company limited by shares. DIF, Finance Trust and CHWALE are incorporated and domiciled in Australia with the registered office and principal place of business located at Level 20, No.1 Martin Place, Sydney NSW 2000.

CHWALE is the Responsible Entity of the Stapled Trusts and is a controlled entity of Charter Hall Limited.

Principal activities

The principal activity of the REIT during the year was property investment. The principal activity of the Finance Trust during the year was financing the REIT through the Intra-Group Facility Agreement (IGFA). There were no significant changes in the nature of either the REIT's or Finance Trust's activities during the financial year.

Directors

The following persons have held office as Directors of the Responsible Entity during the period and up to the date of this report:

- Glenn Fraser

– Ceinwen Kirk-Lennox

– Ray Fazzolari

– Peeyush Gupta AM

– David Harrison

– Carmel Hourigan
- Chair (appointed 24 April 2024) and Non-Executive Director

– Non-Executive Director

– Non-Executive Director (appointed 24 April 2024)

– Chair and Non-Executive Director (resigned 24 April 2024)

– Executive Director and Chief Executive Officer/Managing Director of Charter Hall Group

– Executive Director

Distributions

Distributions paid or declared during the year are as follows:

	Number of securities on issue entitled to distribution	2024 Cents per security	2024 \$'000	Number of securities on issue entitled to distribution	2023 Cents per security	2023 \$'000
Ordinary securityholders of DIF						
30 September	722,955,466	6.50	46,992	722,955,466	7.00	50,607
31 December	722,955,466	6.50	46,992	722,955,466	7.00	50,607
31 March	722,955,466	6.50	46,992	722,955,466	7.00	50,607
30 June	722,955,466	6.50	46,992	722,955,466	7.00	50,607
Total distributions		26.00	187,968		28.00	202,428

Finance Trust did not declare any distributions in its own right in the current or prior periods.

Distribution reinvestment plan (DRP)

The REIT has established a Distribution Reinvestment Plan (DRP) under which securityholders may elect to have all or part of their distribution entitlements satisfied by the issuance of new securities rather than being paid in cash.

The DRP issue price is determined at a discount of 1.0% to the daily volume weighted average price of all securities traded on the ASX during the 10 business days commencing on the third business day following the distribution record date. The DRP was not active during the year.

Review and results of operations

The financial results of the REIT and Finance Trust are summarised as follows:

	Charter Hall Long WALE REIT		Finance Trust	
	Year to 30 Jun 2024	Year to 30 Jun 2023	Year to 30 Jun 2024	Year to 30 Jun 2023
Total revenue (\$'000)	219,668	222,511	99,456	82,594
Statutory (loss)/profit (\$'000)	(510,878)	(188,993)	(24,492)	2,345
Basic (loss)/earnings per stapled security (cents)	(70.67)	(26.14)	(3.39)	0.32
Operating earnings of the REIT (\$'000)	187,992	202,446	-	-
Operating earnings of the REIT per stapled security (cents)	26.00	28.00	-	-
Distributions (\$'000)	187,968	202,428	-	-
Distributions per stapled security (cents)	26.00	28.00	-	-
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
Total assets (\$'000)	5,252,475	6,203,453	1,843,823	2,117,474
Total liabilities (\$'000)	1,882,670	2,133,660	1,801,140	2,050,299
Net assets attributable to securityholders (\$'000)	3,369,805	4,069,793	42,683	67,175
Stapled securities on issue ('000)	722,955	722,955	722,955	722,955
Net assets per stapled security (\$)	4.66	5.63	0.06	0.09
Balance sheet gearing - total debt (net of cash) to total assets (net of cash)	34.0%	32.9%	-	-
Look-through gearing - total debt (net of cash) to total assets (net of cash)	40.7%	40.1%	-	-

The REIT recorded a statutory loss of \$510.9 million for the year ended 30 June 2024 (2023: \$189.0 million loss). Operating earnings amounted to \$188.0 million (26.0 cents per stapled security) for the year ended 30 June 2024 (2023: \$202.4 million; 28.0 cents per stapled security) and a distribution of \$188.0 million (26.0 cents per stapled security) was declared for the same period (2023: \$202.4 million; 28.0 cents per stapled security).

The table below sets out income and expenses that comprise operating earnings on a proportionate consolidation basis:

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Net property income	332,715	324,574
Interest income	2,634	1,714
Fund management fees	(30,566)	(31,110)
Finance costs	(111,231)	(87,179)
Administration and other expenses	(5,560)	(5,553)
Operating earnings	187,992	202,446

Note: Further detail on operating earnings is contained in Note A1.

Operating earnings is a financial measure which represents profit under Australian Accounting Standards adjusted for net fair value movements, non-cash accounting adjustments such as straight lining of rental income and amortisations and other unrealised or one-off items that are not in the ordinary course of business or are capital in nature.

The inclusion of operating earnings as a measure of the REIT's profitability provides investors with the same basis that is used internally for evaluating operating segment performance. Operating earnings is used by the Board to make strategic decisions and as a guide to assessing an appropriate distribution to declare.

The uncertainty of the current geopolitical events and the heightened consumer price inflation and interest rates in Australia may have an impact on the future performance of the portfolio. The REIT benefits from its inflation-linked revenue streams and the interest rate hedging in place.

Reconciliation of operating earnings to statutory loss is set out below:

	30 Jun 2024	30 Jun 2023
	\$'000	\$'000
Operating earnings	187,992	202,446
Net fair value movements on investment properties*	(625,955)	(362,662)
Net fair value movements on debt and derivative financial instruments*	(48,612)	(29,597)
Net fair value movements on investments at fair value through profit or loss	205	151
Straight lining of rental income, amortisation of lease fees and incentives*	(3,365)	1,492
Acquisition and disposal related costs*	(1,524)	(1,134)
Realised loss on sale of interest in joint ventures	(16,490)	-
Loss on debt extinguishment*	(1,826)	(573)
Income support and development rebate	(1,115)	(256)
Foreign exchange (losses)/gains	(183)	1,056
Other	(5)	84
Statutory loss for the year	(510,878)	(188,993)
Basic weighted average number of stapled securities ('000)	722,955	722,955
Basic loss per stapled security (cents)	(70.67)	(26.14)
Operating earnings per stapled security (cents)	26.00	28.00

* Includes the REIT's proportionate share of non-operating items of joint ventures on a look-through basis.

Fair value movements on investment properties

The net fair value movements on investment properties totalling a loss of \$626.0 million (2023: loss of \$362.7 million) comprised valuation losses on a proportionate consolidation basis totalling \$619.1 million (2023: loss of \$353.6 million) and revaluation decrements attributable to transaction costs of \$10.3 million (2023: \$7.6 million) offset by revaluation increments attributable to straight lining of rental income, amortisation of lease fees and incentives of \$3.4 million (2023: loss of \$1.5 million).

External valuations were conducted on 30 June 2024 for 84% (2023: 90%) of the REIT's portfolio, including joint ventures.

Significant changes in the state of affairs

Disposals

During the year, the REIT disposed the following assets:

	Disposal date	Disposal price
		\$'000
Australia Post, Kingsgrove NSW	18/12/2023	39,250
SUEZ, Campbellfield VIC	12/01/2024	7,100
40 Tank St, Brisbane QLD (50% interest)	31/01/2024	36,500
Ampol Travel Centre, Redbank Plains QLD	29/02/2024	23,000
Coates Hire, Kingston NSW	1/03/2024	38,700
Charter Hall Exchange Wholesale Trust (19.4% interest)	22/05/2024	76,797
Modern Star, Brendale QLD	30/05/2024	29,000
ATO, Mount Gravatt QLD	26/06/2024	60,300
Myer, Melbourne VIC (16.67% Interest)	26/06/2024	72,000
		382,647

As at 30 June 2024, the REIT had exchanged contracts for the disposal of a further \$299.3 million of investment properties.

Debt arrangements and hedging

In December 2023, the REIT extended the term for \$270 million of debt facilities due to expire in November 2025 for a new five-year term expiring in December 2028.

In January 2024, the REIT extended the term of \$500 million of debt facilities due to expire in 2026 for a new five-year term expiring in January 2029.

In September 2023, the REIT entered into \$200 million of interest rate swaps with a forward start date of 20 June 2025.

In December 2023, the REIT entered into a \$100 million interest rate swap with a forward start date of 20 June 2025.

Debt facilities in joint ventures and associates

In September 2023, Long WALE Investment Partnership (LWIP) refinanced its existing syndicated facility, which was due to expire in November 2026 for a new five-year debt facility expiring in September 2028.

In November 2023, CH LEP Holding Trust repaid \$180.0 million of CIB notes (CLW share: \$90.0 million). The REIT funded its share of the repayment of CIB Notes with available capacity from its bilateral debt facilities.

There were no other significant changes in the state of affairs of the REIT or Finance Trust that occurred during the year.

Business strategies and prospects

The REIT's objective is to provide investors with stable and secure income and the potential for both income and capital growth through an exposure to a diversified property portfolio with a long WALE.

The REIT aims to maintain and enhance the existing portfolio through active asset and property management and to grow the portfolio through the acquisition of assets that are predominantly leased to tenants with strong covenants on long-term leases.

The REIT aims to proactively manage its equity and debt. It has a target balance sheet gearing range of 25-35%.

The material business risks faced by the REIT that are likely to have an effect on its financial performance are set out below. A dedicated risk and compliance team are responsible for the ongoing review and monitoring of compliance and risk management systems. The Board regularly reviews material risks to ensure they remain within the REIT's agreed risk appetite.

Risk		Description	Mitigation
External Risks	Property cycle risk and adverse market or economic conditions	Failure to insulate against property cycle downturns and slowing economic conditions may have an impact on asset values and investor returns.	The REIT ensures it consistently delivers on strategy with a focus on investment in long WALE assets with contracted growth attributes. The REIT undertakes a detailed annual strategic review for all assets to inform recycling of capital into new areas and formal exit strategies for investments.
	Structural change in commercial property	Disruptive competitors may have an impact on key tenants and on marginal tenancies. This may impact space requirements from tenants. Changing technology is changing tenant expectations.	By undertaking ongoing due diligence including demographics, environment, competitor threats, and by leveraging consultant expertise the REIT ensures that it remains informed of market changes.
Financial Risks	Debt and equity capital management	Effective capital management is required to meet the REIT's ongoing liquidity and funding requirements. The inability to raise new capital to pursue growth opportunities or to raise replacement capital at challenging points in the debt or equity markets cycle is a key risk.	The REIT mitigates these risks by implementing its debt diversity strategy combined with regular monitoring and reporting on debt covenants and stress testing of liquidity positions. The REIT has demonstrated strong performance, an equity raising track record and access to diversified equity partners across sources. The REIT manages its relationships with its partners through investment agreements including investment committee oversight of all key decisions with structured and pre-agreed reporting.
		A relationship breakdown or termination of joint venture partnership may result in reputational or financial damage.	
	Interest rates	Rising interest rates may adversely impact the REIT by increasing finance costs and impacting the amount the REIT has available to distribute to investors.	The REIT has a Treasury Risk Management Policy which includes policies and controls to minimise the impact of fluctuating interest rates on the REIT's financial performance. The REIT enters into interest rate swaps in order to provide more certainty for the REIT's finance costs. As at 30 June 2024, the REIT had 81% of its debt hedged (calculated on a look-through basis) and a weighted average hedge maturity term of 1.4 years.
Operational Risks	Work, Health & Safety (WHS) obligations, critical safety incident or significant crisis	The REIT has a commitment to promote and protect the health, safety and wellbeing of its people, customers, contractors and all users of the REIT's assets.	The Group WHS Manager collaborates closely with property management teams to ensure the roll-out of enhanced contractor registration/on-boarding platforms, incident notification platform, ongoing risk audits and training on incident response and management.

Technology and cyber security		There is increasing sophistication of cyber-attacks, particularly denial of service impact on Building Management Security. A reportable data breach may result in adverse impact on reputation and/or financial penalty.	The cyber security strategy and program continues with external validation and yearly review of IT policies against best practice. The REIT undertakes annual penetration tests against critical systems and properties and have brought all critical systems under IT General Controls (ITGC) including regular user access reviews. Our internal audit includes risk identification and assessment for new platforms. The REIT also has a formal cyber insurance policy which covers incident remediation costs.
	Organisational culture and conduct	Our ongoing success depends on our ability to attract, engage and retain a motivated and high-performing workforce to deliver our strategic objectives and an inclusive culture that supports our values.	The REIT has a Code of Conduct in place with all employees and undertakes consistent messaging and tone at the top regarding behaviour. The REIT has a formal Whistleblower Policy in place and process to obtain regular employee feedback on culture and behaviours which is used to inform management decisions.
Environmental	Climate change	There is an increasing interest and expectation amongst investor groups for reporting against climate change risk. There has been the introduction of Task Force on Climate-related Financial Disclosures (TCFD) as a framework to address climate change through governance, risk management, metrics and targets.	The REIT has aligned with the TCFD framework and developed our Climate Strategy for a Low Carbon Economy and Business as Usual Scenario. The REIT has created a TCFD Working Group to inform climate resilience and reporting approach. The REIT has set a pathway to net zero Scope 1 and Scope 2 emissions by 2025. The REIT has undertaken physical climate change risk exposure assessments across assets and climate change adaptation plans are in development for its assets. Climate change adaptation due diligence is undertaken during the acquisition process.
Regulatory	AFSL compliance	CHWALE is required to comply with Australian Financial Services Licence (AFSL) requirements through our established policies and frameworks.	Regular compliance reporting is undertaken to the Audit, Risk and Compliance Committee (ARCC), including mandatory annual compliance training requirements for all employees. In addition, the REIT has formalised compliance committees with annual external audit of compliance plans.

Management of conflicts of interest	Inadequate management of tenant and acquisition conflicts may arise between Charter Hall managed funds or related party transactions may be inappropriately managed. There is also a risk that the REIT fails to pay market rate for related party services.	Conflict of Interest protocols are embedded in the business, including annual declarations from all employees and directors, board reporting/approval for all related party transactions. The REIT has in place a Compliance Plan/function including oversight of Conflict of Interest/Related Party protocols and formalised asset allocation protocols.
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Matters subsequent to the end of the financial year

The Directors of the Responsible Entity are not aware of any matter or circumstance not otherwise dealt with in this report or the annual consolidated financial statements that has significantly affected or may significantly affect the operations of the REIT or Finance Trust, the results of their operations or the state of affairs of the REIT or Finance Trust in future financial years.

Likely developments and expected results of operations

The consolidated financial statements have been prepared on the basis of current known market conditions. The extent to which a potential deterioration in either the capital or property markets that may have an impact on the results of the REIT or Finance Trust is unknown. Such developments could influence property market valuations, the ability to refinance debt and the cost of such debt, or the ability to raise equity.

At the date of this report and to the best of the Directors' knowledge and belief, there are no other anticipated changes in the operations of the REIT or Finance Trust which would have a material impact on their future results. Property valuation changes, movements in the fair value of derivative financial instruments and movements in interest rates may have a material impact on the REIT's and Finance Trust's results in future years, however, these cannot be reliably measured at the date of this report.

Indemnification and insurance of Directors, Officers and Auditor

During the year, the REIT and Finance Trust contributed to the premium for a contract to insure all directors, secretaries, executive officers and officers of the REIT and Finance Trust and of each related body corporate, with the balance of the premium paid by Charter Hall Group and funds managed by members of Charter Hall Group. In accordance with usual commercial practice, the insurance contract prohibits disclosure of details relating to the nature of the liabilities covered by the insurance, the limit of indemnity and the amount of the premium paid under the contract.

Provided the officers of the Responsible Entity act in accordance with the REIT's and Finance Trust's constitutions and the *Corporations Act 2001*, the officers are indemnified out of the assets of the REIT and Finance Trust against losses incurred while acting on behalf of the REIT and Finance Trust. The insurance does not provide cover for the independent auditors of the REIT or Finance Trust or of a related body corporate. The REIT and Finance Trust indemnifies the auditor (PricewaterhouseCoopers Australia) against any liability (including legal costs) for third party claims arising from a breach by the REIT or Finance Trust of the auditor's engagement terms, except where prohibited by the *Corporations Act 2001*.

Fees paid to and interests held in the REIT by the Responsible Entity or its Associates

Base fees of \$30.6 million (2023: \$31.1 million) were paid by the REIT and \$0.3 million (2023: \$0.4 million) by the Finance Trust and other fees of \$11.1 million (2023: \$9.4 million) were paid or are payable to the Responsible Entity and its Associates by the REIT for the services provided during the year, in accordance with the REIT's and Finance Trust's constitutions as disclosed in Note D1 in the consolidated financial statements.

Interests in the REIT and Finance Trust held by the Responsible Entity or its Associates as at 30 June 2024 are also disclosed in Note D1 in the consolidated financial statements.

Interests in the REIT and Finance Trust

	2024	2023
Securities on issue at the beginning of the year	722,955,466	722,955,466
Securities on issue at the end of the year	722,955,466	722,955,466

Environmental regulations

The operations of the REIT and Finance Trust are subject to environmental regulations under Commonwealth, State and Territory legislation in relation to property developments.

In relation to the property developments, the REIT is obliged to ensure all works carried out under any development approval comply with that approval as well as any further relevant statutory requirements. The REIT ensures that contracts it enters into with builders for its developments stipulate that the builder must:

- (a) ensure that in carrying out the contractor's activities:
 - (i) it complies with all statutory requirements and other requirements of the contract for the protection of the environment
 - (ii) it does not pollute, contaminate or otherwise damage the environment
 - (iii) its subcontractors comply with the requirements referred to in the contract.
- (b) make good any pollution, contamination or damage to the environment arising out of, or in any way in connection with, the contractor's activities, whether or not it has complied with all statutory requirements or other requirements of the contract for the protection of the environment
- (c) indemnify the REIT to the full extent permitted by law against:
 - (i) any liability to or a claim by a third party
 - (ii) all fines, penalties, costs, losses or damages suffered or incurred by the REIT, arising out of or in connection with the contractor's breach of the contract.

Approvals for property developments are required under various local, State and Territory environmental laws.

To the best of the Directors' knowledge, the operations of the REIT have been undertaken in compliance with the applicable environmental regulations in each jurisdiction where the REIT operates.

Information on current Directors

Director	Experience	Special responsibilities	Interest in securities of the REIT
Peeyush Gupta AM	Peeyush joined the Board on 6 May 2016 and served as Chair until his retirement from the Board on 24 April 2024, at which time he held 397,676 stapled securities in the REIT.		-
Glenn Fraser	Glenn joined the Board on 6 May 2016 and was appointed Chair of the Board on 24 April 2024. With 46 years' industry experience, Glenn is a professional Non-Executive Director following a long career in finance, infrastructure and property. Glenn was a member of Transfield Holdings Advisory Board from 1999 to 2015. He was instrumental in Transfield Holding's acquisition of a 50% interest in Charter Hall and its subsequent expansion and ASX listing in 2005. Glenn also served as a Non-Executive Director of the Charter Hall Group from April 2005 to August 2012. Joining Transfield Holdings in 1996, Glenn was General Manager – Finance Project Development, where he was responsible for the financial elements of infrastructure and property projects. Glenn was subsequently appointed Chief Financial Officer of Transfield Holdings when it had turnover in excess of \$1 billion per annum and over 8,000 staff. Glenn was a principal and director of a project finance advisory business, Perry Development Finance Pty Limited from 1985, which was sold to Hambros Corporate Finance Limited in 1995. Glenn holds a Bachelor of Commerce from the University of New South Wales. He is a member of the Institute of Chartered Accountants and a graduate of the Australian Institute of Company Directors. Current listed directorships: Nil Former listed directorships in the last three years: Nil	Chair	76,721
Ceinwen Kirk-Lennox	Ceinwen joined the Board on 28 June 2016. Ceinwen has over 40 years' experience in many aspects of property including agency, development, project and construction management, property management, and community development. Her executive career includes 26 years at Lendlease Corporation, where she held executive roles, running commercial business units, client accounts and functions across the Lendlease Group. Ceinwen now runs her own consultancy, Mosaic Xchange, with clients across both private and public sectors. Ceinwen has served on a number of boards including both for-profit and not-for-profit companies. Ceinwen was appointed to the Greater Sydney Parklands Board in 2020 and currently holds a number of roles within Homes NSW delivering mixed-use market, affordable and social housing. Ceinwen holds a Bachelor of Business in Land Economy from the University of Western Sydney and is a graduate of the Australian Institute of Company Directors. Current listed directorships: Nil Former listed directorships in the last three years: Nil	Nil	60,341

Director	Experience	Special responsibilities	Interest in securities of the REIT
Carmel Hourigan	Carmel joined the Board on 30 November 2020. Carmel brings 30 years' experience in the real estate investment industry, spanning key senior leadership positions and roles in funds management across public and private markets, investment, research and advisory services. As the Charter Hall Office CEO, Carmel is responsible for driving the Office business' strategic growth, including funds management, portfolio curation, capital raising and equity flows. Carmel's previous roles include the Global Head of Real Estate at AMP Capital, CIO at GPT Group and Head of Investment Management at Lendlease. Carmel has served as a Director of the Property Council of Australia for nine years, including Vice President. Carmel currently serves as a member of the Property Champions of Change group and is a Fellow of the Australian Property Institute. Carmel is also a former member of the Trustee Board and Deputy Chancellor of Western Sydney University. Carmel holds a Bachelor of Business in Land Economy from Western Sydney University. She also holds a Graduate Diploma in Applied Finance and Investment from FINSIA and has participated in leadership programs at world renowned institutions including INSEAD, Harvard Business School and London Business School. Current listed directorships: Nil Former listed directorships in the last three years: Nil	Nil	10,250
Ray Fazzolari	Ray joined the Board on 24 April 2024. Ray has extensive industry experience in the financial sector and commercial property industry over 40 years through various cycles and market conditions. Ray's executive career includes three years with the St Hillier's Group as the General Manager of Development, 16 years with the Leda Group of Companies as the Managing Director and a further 10 years with Citi as the General Manager of Commercial Finance. Ray currently serves as a Non-Executive Director of Charter Hall Investment Management Limited, the responsible entity of Charter Hall Prime Office Fund and Charter Hall Prime Industrial Fund, Charter Hall's flagship unlisted wholesale office and industrial funds. Current listed directorships: Nil Former listed directorships in the last three years: Nil	Audit, Risk & Compliance Committee Chair	Nil

Director	Experience	Special responsibilities	Interest in securities of the REIT
David Harrison	David joined the Board on 16 February 2016 David has over 30 years' property market experience across office, retail and industrial sectors in multiple geographies globally. As Charter Hall's Managing Director and Group CEO, David is responsible for strategically growing the business and maintaining its position as a multi-core sector market leader. David is an executive member of various Fund Boards and Partnership Investment Committees, and Chair of the Executive Property Valuation Committee and Executive Leadership Committee. David has overseen the growth of Charter Hall Group from being a small fund manager with \$500 million of assets under management when it listed on the ASX in 2005, to today being the largest diversified property funds managers in Australia. David remains driven to achieve excellence and create a positive impact – giving back to the communities that Charter Hall operates in and protecting and growing the retirement savings of those invested either directly or indirectly in the company – ensuring every one of Charter Hall's stakeholders benefits through the firm's integrity, discipline and ability to add more value. David is the Chair of the Property Council of Australia Nominations and Financial Management Committees. He is also a member of the Property Council Australia Champions of Change Coalition. David holds a Bachelor of Business in Land Economy from the University of Western Sydney, is a Fellow of the Australian Property Institute (FAPI) and holds a Graduate Diploma in Applied Finance from the Securities Institute of Australia. Current listed directorships: Charter Hall Group (ASX: CHC) Charter Hall Retail REIT (ASX: CQR) Former listed directorships in the last three years: Nil	Nil	699,285

Meetings of Directors

Name	Full meetings of Directors		Meetings of Audit, Risk and Compliance Committee	
	Eligible to attend	Attended	Eligible to attend	Attended
Peeyush Gupta AM	9	7	3	2
Glenn Fraser	11	11	4	4
Ceinwen Kirk-Lennox	11	11	4	4
Ray Fazzolari	2	2	1	1
David Harrison	11	10	-	-
Carmel Hourigan	11	11	-	-

Company secretary

Mark Bryant was appointed as Company Secretary for the REIT and Finance Trust on 21 November 2017.

Mark holds a Bachelor of Business (Accounting), a Bachelor of Laws (First Class Honours), a Graduate Certificate in Legal Practice, and is admitted as a lawyer of the Supreme Court of NSW. Mark has over 18 years' experience as a lawyer, including advising on listed company governance, securities law, funds management, real estate, and general corporate law. Mark joined Charter Hall in 2012, prior to which he was a Senior Associate in the Sydney office of King & Wood Mallesons.

Mark is the Group General Counsel and Company Secretary for the Charter Hall Group.

Non-audit services

The Responsible Entity may decide to engage the auditor (PricewaterhouseCoopers) on assignments in addition to the statutory audit duties where the auditor's expertise and experience with the REIT or Finance Trust are important.

Details of the amounts paid to the auditor for audit and non-audit services provided during the year are disclosed in Note D5 to the consolidated financial statements.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit, Risk and Compliance Committee, is satisfied that the provision of the non-audit services is compliant with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out in D5 to the consolidated financial statements, did not compromise the auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit, Risk and Compliance Committee to ensure that they do not impact the integrity and objectivity of the auditor and
- none of the services undermine the general principles relating to auditor independence as set out in Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants*.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 36.

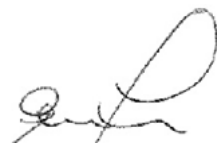
Rounding of amounts to the nearest thousand dollars

As permitted by ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 (as amended) issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the Directors' report and consolidated financial statements. Amounts in the Directors' report and consolidated financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

This report is made in accordance with a resolution of the Board of Directors of Charter Hall WALE Limited.

Directors' authorisation

The Directors' report is made in accordance with a resolution of the Directors. The consolidated financial statements were authorised for issue by the Directors on 8 August 2024. The Directors have the power to amend and re-issue the financial statements.



Glenn Fraser
Chair

Sydney
8 August 2024



Auditor's Independence Declaration

As lead auditor for the audit of Charter Hall Long WALE REIT and Finance Trust for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Charter Hall Direct Industrial Fund ("DIF") and the entities it controlled during the period and LWR Finance Trust and the entity it controlled during the period (together referred to as "Charter Hall Long WALE REIT") and LWR Finance Trust and the entity it controlled during the period (together referred to as "Finance Trust").

Klynton Hankin
Partner
PricewaterhouseCoopers

Sydney
8 August 2024

Consolidated Statements of Comprehensive Income

		Charter Hall Long WALE REIT		Finance Trust	
	Notes	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue					
Property income	A1	217,918	221,476	-	-
Interest income	A1	1,750	1,035	99,456	82,594
Total revenue		219,668	222,511	99,456	82,594
Other income					
Net fair value gain on financial assets	B3	205	151	-	-
Foreign exchange gains		-	1,056	-	1,041
Total other income		205	1,207	-	1,041
Total revenue and other income		219,873	223,718	99,456	83,635
Expenses					
Property expenses	A1	(37,199)	(34,826)	-	-
Fund management fees	D1	(29,988)	(30,477)	(318)	(414)
Finance costs	C2	(83,912)	(60,376)	(84,506)	(60,474)
Administration and other expenses		(4,645)	(4,566)	(47)	(88)
Share of net loss from joint ventures	B2	(75,817)	(43,094)	-	-
Net fair value loss on investment properties	B1	(441,561)	(217,924)	-	-
Net fair value loss on derivative financial instruments	C3	(39,432)	(20,314)	(39,077)	(20,314)
Acquisition and disposal related costs	B2	(1,524)	(1,134)	-	-
Realised loss on sale of joint ventures		(16,490)	-	-	-
Foreign exchange losses		(183)	-	-	-
Total expenses		(730,751)	(412,711)	(123,948)	(81,290)
Net (loss)/profit for the year		(510,878)	(188,993)	(24,492)	2,345
Other comprehensive (loss)/income		(1,142)	2,924	-	-
Total comprehensive (loss)/income		(512,020)	(186,069)	(24,492)	2,345
Net profit and total comprehensive (loss)/income attributable to:					
DIF		(487,528)	(188,414)	-	-
Stapled Trusts other than DIF		(24,492)	2,345	(24,492)	2,345
		(512,020)	(186,069)	(24,492)	2,345
Basic and diluted (loss)/earnings per ordinary securityholder					
Loss per security of parent entity (cents)	A2	(67.28)	(26.47)	(0.05)	(0.06)
(Loss)/earnings per stapled security (cents)	A2	(70.67)	(26.14)	(3.39)	0.32

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheets

		Charter Hall Long WALE REIT		Finance Trust	
	Notes	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Assets					
Current assets					
Cash and cash equivalents		22,681	19,682	5,397	1,784
Receivables	D2	21,029	23,808	7	10
Derivative financial instruments	C3	28,601	2,530	28,558	2,530
Other assets	D2	2,431	2,295	14	-
Investment properties held for sale	B1	299,341	-	-	-
Total current assets		374,083	48,315	33,976	4,324
Non-current assets					
Investment properties	B1	2,474,042	3,481,539	-	-
Investments in joint ventures	B2	2,388,446	2,593,708	-	-
Intra-group facility receivable	C2	-	-	1,797,966	2,038,192
Investment in financial assets at fair value	B3	4,023	4,933	-	-
Derivative financial instruments	C3	11,881	74,958	11,881	74,958
Total non-current assets		4,878,392	6,155,138	1,809,847	2,113,150
Total assets		5,252,475	6,203,453	1,843,823	2,117,474
Liabilities					
Current liabilities					
Payables	D2	34,759	32,950	8,801	9,295
Distribution payable	A2	46,992	50,607	-	-
Derivative financial instruments	C3	2,317	91	-	-
Other liabilities	D2	6,166	7,025	-	-
Total current liabilities		90,234	90,673	8,801	9,295
Non-current liabilities					
Borrowings	C2	1,704,835	1,940,891	1,704,835	1,940,891
Derivative financial instruments	C3	87,504	101,941	87,504	100,113
Other liabilities		97	155	-	-
Total non-current liabilities		1,792,436	2,042,987	1,792,339	2,041,004
Total liabilities		1,882,670	2,133,660	1,801,140	2,050,299
Net assets		3,369,805	4,069,793	42,683	67,175
Equity					
<i>Equity holders of DIF</i>					
Contributed equity	C4	3,271,183	3,271,183	-	-
Reserves		(4,121)	(2,979)	-	-
Retained profits		60,060	734,414	-	-
Parent entity interest		3,327,122	4,002,618	-	-
<i>Equity holders of Finance Trust</i>					
Contributed equity	C4	6,641	6,641	6,641	6,641
Retained profits		36,042	60,534	36,042	60,534
Equity holders of Finance Trust		42,683	67,175	42,683	67,175
Total equity		3,369,805	4,069,793	42,683	67,175

The above consolidated balance sheets should be read in conjunction with the accompanying notes.

Consolidated Statements of Changes in Equity

		Attributable to securityholders of DIF			
	Notes	Contributed equity \$'000	Reserves \$'000	Retained profits \$'000	Total \$'000
Balance at 1 July 2022		3,271,183	(5,903)	1,128,180	4,393,460
Total comprehensive income/(loss)		-	2,924	(191,338)	(188,414)
Distributions provided for or paid	A2	-	-	(202,428)	(202,428)
Balance at 30 June 2023		3,271,183	(2,979)	734,414	4,002,618
Balance at 1 July 2023		3,271,183	(2,979)	734,414	4,002,618
Total comprehensive loss		-	(1,142)	(486,386)	(487,528)
Distributions provided for or paid	A2	-	-	(187,968)	(187,968)
Balance at 30 June 2024		3,271,183	(4,121)	60,060	3,327,122

		Attributable to securityholders of Finance Trust			
	Notes	Contributed equity \$'000	Reserves \$'000	Retained profits \$'000	Total \$'000
Balance at 1 July 2022		6,641	-	58,189	64,830
Total comprehensive income		-	-	2,345	2,345
Balance at 30 June 2023		6,641	-	60,534	67,175
Balance at 1 July 2023		6,641	-	60,534	67,175
Total comprehensive loss		-	-	(24,492)	(24,492)
Balance at 30 June 2024		6,641	-	36,042	42,683

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statements

		Charter Hall Long WALE REIT		Finance Trust	
		2024	2023	2024	2023
	Notes	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Property rental income received		234,561	224,547	-	-
Property expenses paid		(38,567)	(40,213)	-	-
Distributions received from investment in joint venture entities		118,655	100,169	-	-
Interest received		1,750	1,035	612	381
Other income received		380	2,129	-	-
Finance costs paid		(82,794)	(57,954)	(82,783)	(57,985)
Fund management fees paid		(33,218)	(33,250)	(356)	(449)
Administration and other expenses paid		(4,537)	(4,603)	(91)	(152)
Net GST (paid)/received with respect to operating activities		(11,054)	(12,631)	39	39
Net cash flows from operating activities	A3	185,176	179,229	(82,579)	(58,166)
Cash flows from investing activities					
Payments for investment properties		(36,208)	(65,323)	-	-
Receipts from sale of investment property		305,850	112,250	-	-
Payments for investments in joint ventures		(85,907)	(97,628)	-	-
Proceeds from sale of joint ventures		76,797	-	-	-
Capital distributions from joint venture entities		2,160	446	-	-
Draws from income support fund		1,115	-	-	-
Acquisition and disposal related costs		(1,524)	(1,134)	-	-
Advances under Intra-Group Facility Agreement		-	-	(291,737)	(333,875)
Repayments under Intra-Group Facility Agreement		-	-	630,693	308,432
Net cash flows from investing activities		262,283	(51,389)	338,956	(25,443)
Cash flows from financing activities					
Distributions paid to securityholders, net of DRP		(191,696)	(206,982)	-	-
Payment of interest rate swaps		-	(21,560)	-	(21,560)
Proceeds from borrowings, net of borrowing costs		326,236	426,840	326,236	426,840
Repayment of borrowings		(579,000)	(325,461)	(579,000)	(325,461)
Net cash flows from financing activities		(444,460)	(127,163)	(252,764)	79,819
Net increase in cash and cash equivalents		2,999	677	3,613	(3,790)
Cash and cash equivalents at the beginning of the year		19,682	19,005	1,784	5,574
Cash and cash equivalents at the end of the year		22,681	19,682	5,397	1,784

The above consolidated cash flow statements should be read in conjunction with the accompanying notes.

About This Report

The notes to these consolidated financial statements include additional information which is required to understand the operations, performance and financial position of the REIT and Finance Trust. They are organised in four key sections:

- A. REIT performance** – provides key metrics used to measure financial performance
- B. Property portfolio assets** – explains the investment property portfolio structure
- C. Capital structure and financial risk management** – details how the REIT manages its exposure to capital and financial risks
- D. Further information** – provides additional disclosures relevant to understanding the REIT's consolidated financial statements

A. REIT performance	42	B. Property portfolio assets	46
A1. Segment information	42	B1. Investment properties	46
A2. Distributions and earnings per security	44	B2. Investment in joint venture entities	48
A3. Reconciliation of net profit to operating cash flows	45	B3. Investment in financial assets at fair value	51
		B4. Commitments and contingent liabilities	51
C. Capital structure and financial risk management	52	D. Further information	62
C1. Capital risk management	52	D1. Related party information	62
C2. Borrowings and liquidity	52	D2. Working capital	64
C3. Derivative financial instruments	54	D3. Parent entity information	65
C4. Contributed equity	57	D4. Significant contract terms and conditions	66
C5. Financial risk management	57	D5. Remuneration of the auditor	66
C6. Offsetting financial assets and liabilities	61	D6. Interest in other entities	67
		D7. Events occurring after balance date	68
		D8. Other material accounting policies	68

Critical accounting estimates and judgements

The preparation of the consolidated financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and management to exercise its judgement in the process of applying the REIT's accounting policies.

The areas involving significant estimates or judgements are:

- Fair value estimation – B1 Investment properties
- Consolidation decisions and classification of joint arrangements – B2 Investment in joint venture entities

In preparing its financial statements, the REIT has considered the ongoing impact that the future economic outlook has had on its business operations and upon the business operations of its tenant customers. In assessing such impacts management has relied upon certain key estimates to evaluate current and future business conditions. Inherent in any estimate is a level of uncertainty. Estimation uncertainty is associated with the extent and duration of a high inflation and interest rate environment, including:

- the disruption and volatility to capital markets
- deteriorating credit and liquidity concerns
- the effectiveness of government and central bank measures
- judgements in property valuations.

A. REIT Performance

This section provides additional information on the key financial metrics used to define the results and performance of the REIT, including operating earnings by segment, distributions and earnings per stapled security.

Operating earnings is a financial measure which represents profit under Australian Accounting Standards adjusted for net fair value movements, non-cash accounting adjustments such as straight lining of rental income and amortisations and other unrealised or one-off items.

The inclusion of operating earnings as a measure of the REIT's profitability provides investors with the same basis that is used internally for evaluating operating segment performance. Operating earnings is used by the Board to make strategic decisions and as a guide to assessing an appropriate distribution to declare.

A1. Segment information

(a) Description of segments

The Directors of the Responsible Entity have determined the operating segments based on the reports reviewed by the chief operating decision maker, being the Board of the Responsible Entity. The REIT has one operating segment being its Australasian operations. Finance Trust results are not separately identified and reported, and therefore segment information for Finance Trust is not prepared and provided to the Board.

(b) Segment information provided to the Board

The operating earnings reported to the Board for the year ended 30 June 2024 are as follows:

	30 Jun 2024	30 Jun 2023
	\$'000	\$'000
Property lease revenue	206,340	210,749
Services income	11,578	10,727
Property income	217,918	221,476
Income support and development rebate	1,115	256
Non-cash adjustments	2,427	(1,606)
Property expenses	(37,199)	(34,907)
Net property income from wholly owned properties (NPI)	184,261	185,219
Share of operating earnings from investments in joint ventures	120,492	111,611
Interest income	1,750	1,035
Fund management fees	(29,988)	(30,477)
Finance costs	(83,912)	(60,376)
Administration and other expenses	(4,611)	(4,566)
Operating earnings	187,992	202,446
Weighted average number of stapled securities	722,955	722,955
Operating earnings per stapled security (cents)	26.00	28.00

The operating earnings on a proportionate consolidation basis are set out below:

	30 Jun 2024	30 Jun 2023
	\$'000	\$'000
Net property income	332,715	324,574
Interest income	2,634	1,714
Fund management fees	(30,566)	(31,110)
Finance costs	(111,231)	(87,179)
Administration and other expenses	(5,560)	(5,553)
Operating earnings	187,992	202,446

The table below sets out the top five tenants' contribution to net property income presented on a proportionate consolidation basis:

	2024	2023
Tenant	%	%
Endeavour Group	21	19
Federal and State government	18	19
Telstra	13	13
bp	11	10
Ingham's	5	5

The reconciliation between operating earnings to statutory loss is set out below:

	30 Jun 2024	30 Jun 2023
	\$'000	\$'000
Operating earnings	187,992	202,446
Net fair value movements on investment properties*	(625,955)	(362,662)
Net fair value movements on debt and derivative financial instruments*	(48,612)	(29,597)
Net fair value movements on investments at fair value through profit or loss	205	151
Straight lining of rental income, amortisation of lease fees and incentives*	(3,365)	1,492
Acquisition and disposal related costs*	(1,524)	(1,134)
Realised loss on sale of interest in joint ventures	(16,490)	-
Loss on debt extinguishment*	(1,826)	(573)
Income support and development rebate	(1,115)	(256)
Foreign exchange (losses)/gains	(183)	1,056
Other	(5)	84
Statutory loss for the year	(510,878)	(188,993)

* Includes the REIT's proportionate share of non-operating items of joint venture investments on a look-through basis.

Property lease revenue

Property lease revenue represents income earned from the long-term rental of REIT properties and is recognised on a straight line basis over the lease term. The portion of rental income relating to fixed increases in operating lease rentals in future years is recognised as a separate component of investment properties.

Minimum lease payments to be received include future amounts to be received on non-cancellable operating leases. Amounts receivable under non-cancellable operating leases where the REIT's right to consideration for a service directly corresponds with the value of the service provided to the customer have not been included (for example, variable amounts payable by tenants for their share of the operating costs of the asset).

Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the consolidated financial statements are receivable as follows:

	30 Jun 2024	30 Jun 2023
	\$'000	\$'000
Less than 1 year	175,034	208,936
1 – 2 years	174,568	211,198
2 – 3 years	167,872	209,617
3 – 4 years	158,269	197,295
4 – 5 years	155,634	183,822
Over 5 years	962,158	1,380,929
Total	1,793,535	2,391,797

Services income

Services income principally includes non-lease income derived under lease agreements with tenants. Non-lease income relates to the proportion of property operating costs which are recoverable from tenants in accordance with lease agreements and relevant legislative acts.

Property expenses

Property expenses include rates and taxes incurred in relation to investment properties where such expenses are the responsibility of the REIT. These expenses are recognised on an accrual basis.

A2. Distributions and earnings per security

(a) Distributions paid and payable

	Number of securities on issue entitled to distribution	2024 Cents per security	\$'000	Number of securities on issue entitled to distribution	2023 Cents per security	\$'000
Ordinary securityholders of DIF						
30 September	722,955,466	6.50	46,992	722,955,466	7.00	50,607
31 December	722,955,466	6.50	46,992	722,955,466	7.00	50,607
31 March	722,955,466	6.50	46,992	722,955,466	7.00	50,607
30 June	722,955,466	6.50	46,992	722,955,466	7.00	50,607
Total distributions		26.00	187,968		28.00	202,428

No distributions were paid or declared during the year by Finance Trust.

Pursuant to the REIT's constitutions, the amount distributed to securityholders is at the discretion of the Responsible Entity. The Responsible Entity uses operating earnings as a guide to assess an appropriate distribution to declare. Operating earnings amounted to \$188.0 million (26.0 cents per stapled security) for the year ended 30 June 2024 (2023: \$202.4 million; 28.0 cents per stapled security) and distributions of \$188.0 million (26.0 cents per stapled security) were declared for the same period (2023: \$202.4 million; 28.0 cents per stapled security).

A liability is recognised for the amount of any distribution declared by the REIT on or before the end of the reporting period but not distributed at balance date.

Under current Australian income tax legislation, the REIT is not liable to pay income tax provided its income for the year, as determined under the REIT's constitutions, is fully distributed to securityholders, by way of cash or reinvestment.

(b) Earnings per stapled security

	Charter Hall Long WALE REIT 2024	2023	Finance Trust 2024	2023
Basic and diluted earnings				
(Loss)/earnings per stapled security (cents)	(70.67)	(26.14)	(3.39)	0.32
Operating earnings of the REIT per stapled security (cents)	26.00	28.00	N/A	N/A
Loss of the parent entity (cents)	(67.28)	(26.47)	(0.05)	(0.06)
Earnings used in the calculation of basic and diluted earnings per stapled security				
Net profit/(loss) for the year (\$'000)	(510,878)	(188,993)	(24,492)	2,345
Net loss of the parent entity for the year (\$'000)	(486,386)	(191,338)	(343)	(438)
Operating earnings of the REIT for the year (\$'000)	187,992	202,446	N/A	N/A
Weighted average number of stapled securities used in the calculation of basic and diluted earnings per stapled security ('000)	722,955	722,955	722,955	722,955

Basic and diluted earnings per unit is determined by dividing statutory profit/(loss) attributable to the stapled securityholders by the weighted average number of stapled securities on issue during the year. The REIT has no dilutive or convertible stapled securities on issue.

Operating earnings per stapled security is determined by dividing operating earnings attributable to the stapled securityholders by the weighted average number of stapled securities on issue during the year.

A3. Reconciliation of net profit to operating cash flow

	Charter Hall Long WALE REIT 2024 \$'000	2023 \$'000	Finance Trust 2024 \$'000	2023 \$'000
Profit/(Loss) for the year	(510,878)	(188,993)	(24,492)	2,345
Non-cash items				
Net fair value movements on financial assets	(205)	(151)	-	-
Net fair value movements on investment properties	441,561	217,924	-	-
Net fair value movements on derivative financial instruments	39,432	20,314	39,077	20,314
Share of non-operating loss from investments in joint ventures	196,213	154,705	-	-
Distributions withheld from investments in joint ventures and distributions reinvested	(920)	(14,051)	-	-
Straight lining of rental income and amortisation of incentives	2,427	(1,607)	-	-
Amortisation of borrowing costs	2,003	1,961	2,003	1,961
Rent-free incentives	(8,632)	(13,391)	-	-
Interest capitalised on investment properties	(605)	-	-	-
Provision for rent relief	(157)	(80)	-	-
Capitalised interest on Intra-Group Facility	-	-	(98,844)	(82,213)
Foreign exchange loss/(gains)	183	(1,056)	-	(1,041)
Classified as investing and financing activities				
Acquisition and disposal related costs	1,524	1,134	-	-
Realised loss on sale of interest in joint ventures	16,490	-	-	-
(Increase)/decrease in trade and other receivables	2,047	7,655	(11)	(12)
Increase/(decrease) in trade and other payables	4,693	(5,135)	(312)	480
Net cash flows from operating activities	185,176	179,229	(82,579)	(58,166)

B. Property Portfolio Assets

The REIT’s property portfolio assets comprise directly held investment properties, indirectly held interests in investment property held through joint ventures and investments in financial assets at fair value. Investment properties comprise investment interests in land and buildings held for long-term rental yields.

The following table summarises the property portfolio assets detailed in this section.

	Notes	2024 \$'000	2023 \$'000
Current assets			
Investment properties held for sale	B1	299,341	-
Total current assets		299,341	-
Non-current assets			
Investment properties	B1	2,474,042	3,481,539
Investments in joint ventures	B2	2,388,446	2,593,708
Investment in financial asset at fair value	B3	4,023	4,933
Total non-current assets		4,866,511	6,080,180
Total property portfolio assets		5,165,852	6,080,180

The valuation policies stated in B1 also apply to property held in joint operations (B1) and joint ventures (B2).

Summary of acquisition and disposal costs directly expensed to the statement of comprehensive income in relation to transactions which occurred during the year:

Costs in relation to transactions with:	Notes	2024 \$'000	2023 \$'000
Investment properties		3	74
Investments in joint ventures	B2	1,521	1,060
Total		1,524	1,134

B1. Investment properties

Investment properties

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Revaluation gains and losses are included in the consolidated statement of comprehensive income in the year in which they arise.

Assets held for sale

Investment properties are classified as assets held for sale when it is highly probable that the carrying amount will be recovered principally through a sale transaction rather than through continuing use. Investment properties classified as held for sale are measured at fair value. Assets which are classified as held for sale are classified as current assets as it is expected they will be divested within the coming reporting period.

Development properties

The total cost of a development property is generally capitalised to its carrying value until development is complete. At the commencement of a development project, an estimated valuation on completion is obtained and the capitalised costs during the project are monitored against this initial valuation. Post completion, the property is externally valued with a full formal report and thereafter the stabilised asset valuation process applies. At each reporting date, the carrying values of development properties are reviewed to determine whether they are in excess of their fair value. Where appropriate, a write-down is made to reflect fair value.

Joint operations

The REIT recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the consolidated financial statements under the appropriate headings.

(a) Reconciliation of the carrying amount of investment properties at the beginning and end of year

	2024 \$'000	2023 \$'000
Carrying amount at the beginning of the year	3,481,539	3,722,057
Additions	31,381	85,805
Acquisition and disposal costs incurred	10,301	2,245
Disposals	(305,850)	(112,250)
Revaluation decrement	(433,687)	(214,073)
Revaluation decrement attributable to acquisition costs, straight lining of rental income and amortisation of incentives and leasing fees	(7,874)	(3,851)
Straight lining of rental income and amortisation of incentives and leasing fees	(2,427)	1,606
Reclassification of assets classified as held for sale	(299,341)	-
Carrying amount at the end of the year	2,474,042	3,481,539

(b) Valuation process

The Responsible Entity conducts an investment property valuation process on a semi-annual basis. This process is overseen by the Executive Property Valuations Committee (EPVC), which is an internal Charter Hall committee comprised of The Charter Hall Group CEO, Chief Investment Officer and Head of Capital Transactions. The role of the EPVC is to oversee the valuation process including:

- approving a panel of independent valuers
- reviewing key valuation inputs and assumptions
- reviewing the independent valuations prior to these being presented to the Board
- acting as an escalation point between the group and any external valuer.

Valuations are performed either by independent professionally qualified external valuers or by Charter Hall’s internal valuers who hold recognised relevant professional qualifications. Fair value is determined using discounted cash flow (DCF) and income capitalisation methods.

Each investment property is valued by an independent external valuer at least once every 12 months, or earlier, where the Responsible Entity deems it appropriate or believes there may be a material change in the carrying value of the property. Independent valuers are engaged on a rotational basis. External valuations were conducted at 30 June 2024 for 84% of the REIT’s portfolio, including joint ventures.

(c) Valuation techniques and key judgements

In determining fair value of investment properties management has considered the nature, characteristics and risks of its investment properties. Such risks include but are not limited to the property cycle, transaction evidence and structural changes in the current and future macro-economic environment.

The table below identifies the inputs, which are not based on observable market data, used to measure the fair value (level 3) of the investment properties:

	Fair value \$'000	Net market rent (\$ sqm/p.a.)	Adopted capitalisation rate (% p.a.)	Adopted terminal yield (% p.a.)	Adopted discount rate (% p.a.)
2024	2,474,042	100 - 1,303	4.00 - 7.75	4.00 - 8.00	5.50 - 8.00
2023	3,481,539	17 - 1,303	3.50 - 7.75	3.50 - 8.25	4.50 - 9.25

Term	Definition
Discounted cash flow (DCF) method	A method in which a discount rate is applied to future expected income streams to estimate the present value.
Income capitalisation method	A valuation approach that provides an indication of value by converting future cash flows to a single current capital value.
Net market rent	A net market rent is the estimated amount for which a property or space within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion. In a net rent, the owner recovers outgoings from the tenant on a pro-rata basis (where applicable).
Capitalisation rate	The return represented by the income produced by an investment, expressed as a percentage.
Terminal yield	A percentage return applied to the expected net income following a hypothetical sale at the end of the cash flow period.
Discount rate	A rate of return used to convert a future monetary sum or cash flow into present value.

Sensitivity analysis

The REIT considers capitalisation rates the most significant assumption that is subject to estimation uncertainty given the nature of its portfolio. Accordingly, sensitivities to the fair value of investment properties (including those owned by the REIT's joint ventures) have been provided around reasonable possible movements in the capitalisation rate.

If the capitalisation rate expanded by 25 basis points, the fair value of all wholly owned investment properties would reduce by \$118.0 million from the fair value as at 30 June 2024 (\$254.6 million reduction including the REIT's share of joint venture properties) and if the capitalisation rate compressed by 25 basis points, the fair value would increase by \$129.2 million from the fair value as at 30 June 2024 (\$279.6 million increase including the REIT's share of joint venture properties).

Movement in the inputs are likely to have an impact on the fair value of investment properties. An increase/(decrease) in net market rent will likely lead to an increase/(decrease) in fair value. A decrease/(increase) in adopted capitalisation rate, adopted terminal yield or adopted discount rate will likely lead to an increase/(decrease) in fair value.

B2. Investment in joint venture entities

The REIT accounts for investments in joint venture entities and associates using the equity method, with investments initially recognised at cost and adjusted thereafter to recognise the REIT's share of post-acquisition profits or losses of the investee in profit or loss, and the REIT's share of movements in other comprehensive income of the investee in other comprehensive income of the REIT. Distributions received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the REIT's share of losses in a joint venture investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the REIT does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the REIT and its joint venture entities are eliminated to the extent of the REIT's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint venture investees have been changed where necessary to ensure consistency with the policies adopted by the REIT.

The REIT exercises joint control over the joint venture entities, but neither the REIT nor its joint venture partners have control in their own right, irrespective of their ownership interest. An associate is an entity over which the REIT has significant influence. The principal activity of all joint venture entities and associates during the year was property investment.

Management regularly reviews joint venture investments for impairment by reference to changes in circumstances or contractual arrangements, external independent property valuations and market conditions, using generally accepted market practices. When a recoverable amount is estimated through a value in use calculation, critical judgements and estimates are made regarding future cash flows and an appropriate discount rate.

Information relating to the joint venture entities is detailed below:

Name of entity	Properties	2024 Ownership	2023 Ownership	2024 \$'000	2023 \$'000
Perth RDC Trust (Perth Trust)	Coles, Perth WA	49.9%	49.9%	160,039	180,432
LWIP	ALH (National Portfolio)	49.9%	49.9%	434,185	436,933
CH DC Fund	Woolworths, Dandenong VIC	26.0%	26.0%	71,714	83,446
Kogarah Trust	Westpac, Kogarah NSW	50.1%	50.1%	100,009	126,580
CH BBD Trust	Brisbane Bus Depot, Brisbane QLD	50.0%	50.0%	31,153	44,396
Charter Hall Exchange Wholesale Trust (Exchange Trust)	49% in Telstra Portfolio (National Portfolio)	30.6%	50.0%	134,818	282,748
CH 242 Exhibition Street Holding Trust (CH 242 Ex Trust)	242 Exhibition St, Melbourne VIC	15.0%	15.0%	48,371	69,882
Charter Hall Australian Convenience Retail Trust (bp Aus)	49% in bp Portfolio (National Portfolio)	50.0%	50.0%	360,376	345,713
CH Dartmouth NZ Wholesale Fund (bp NZ)	49% in bp NZ Portfolio (NZ Portfolio)	50.0%	50.0%	168,200	169,388
CH LEP Holding Trust (CH LEP)	ALE Portfolio (National Portfolio)	50.0%	50.0%	794,960	765,207
Charter Hall GSA Trust (CH GSA)	Geoscience Australia, Canberra ACT	25.0%	25.0%	84,621	88,983
				2,388,446	2,593,708

Note: Country of establishment of all joint venture entities is Australia.

(a) Gross equity accounted value of investment in joint venture entities

	2024 \$'000	2023 \$'000
Balance at the beginning of the year	2,593,708	2,634,274
Additions (including acquisition costs) ¹	85,907	112,812
Disposals (including disposal costs) ²	(75,276)	-
Loss on disposal	(16,490)	-
Acquisition and disposal costs written off	(1,521)	(1,060)
Share of joint venture loss	(75,817)	(43,094)
Capital distribution	(1,351)	(1,254)
Distributions received and receivable	(119,572)	(110,894)
Foreign exchange gain/(loss)	(1,142)	2,924
Balance at the end of the year	2,388,446	2,593,708

¹ Includes \$85.0 million equity call from CH LEP to fund the repayment of the CIB notes.

² Sale of Exchange Trust units for \$76.8 million less transaction costs of \$1.5 million.

(b) Summarised financial information for material joint ventures

The information presented below reflects the amounts in the financial statements of the joint ventures.

	CH LEP	LWIP	bp Aus	Exchange Trust	bp NZ	Perth Trust	Other trusts*	Total
2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Summarised balance sheet:								
Cash and cash equivalents	4,970	1,783	554	2,446	-	3,245	12,517	25,515
Other current assets	1,107	1,698	17,146	4,965	4,097	248	6,443	35,704
Non-current assets	1,590,300	1,253,600	1,145,073	831,138	336,401	319,000	1,700,278	7,175,790
Current liabilities	(6,458)	(13,244)	(13,507)	(4,788)	(4,097)	(1,773)	(24,519)	(68,386)
Borrowings - non-current liabilities	-	(373,727)	(428,513)	(393,180)	-	-	(496,008)	(1,691,428)
Net assets	1,589,919	870,110	720,753	440,581	336,401	320,720	1,198,711	5,477,195
REIT's share	50.0%	49.9%	50.0%	30.6%	50.0%	49.9%		
REIT's share in \$'000 and carrying value	794,960	434,185	360,376	134,818	168,200	160,039	335,868	2,388,446

* Includes Kogarah Trust, CH DC Fund, CH BBD Trust, 242 Exhibition Trust and CH GSA Trust.

Summarised statement of comprehensive income:

Revenue	67,304	66,656	53,907	36,111	16,597	18,433	126,100	385,108
Interest expense	(2,418)	(21,344)	(13,223)	(10,115)	-	-	(21,608)	(68,708)
(Loss)/profit for the year	(49,733)	32,568	72,421	(99,249)	16,440	(23,716)	(218,903)	(270,172)
Total comprehensive income	(49,733)	32,568	72,421	(99,249)	16,440	(23,716)	(218,903)	(270,172)
REIT's share in \$'000	(24,867)	16,251	36,211	(42,370)	8,156	(11,834)	(57,364)	(75,817)
REIT's share of distribution received in \$'000	30,380	19,000	20,189	12,273	8,299	8,559	20,872	119,572

	CH LEP	LWIP	bp Aus	Exchange Trust	bp NZ	Perth Trust	Other trusts*	Total
2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Summarised balance sheet:								
Cash and cash equivalents	19,329	1,109	323	1,417	-	3,283	13,412	38,873
Other current assets	383	3,869	14,472	3,077	4,054	785	4,031	30,671
Non-current assets	1,696,585	1,258,750	1,118,816	957,456	338,776	360,000	1,991,083	7,721,466
Current liabilities	(9,463)	(13,544)	(14,337)	(4,466)	(4,054)	(2,480)	(26,229)	(74,573)
Borrowings - non-current liabilities**	(176,421)	(374,566)	(427,848)	(391,988)	-	-	(498,092)	(1,868,915)
Net assets	1,530,413	875,618	691,426	565,496	338,776	361,588	1,484,205	5,847,522
REIT's share	50.0%	49.9%	50.0%	50.0%	50.0%	49.9%		
REIT's share in \$'000 and carrying value	765,207	436,933	345,713	282,748	169,388	180,432	413,287	2,593,708

* Includes Kogarah Trust, CH DC Fund, CH BBD Trust and 242 Exhibition Trust. CH GSA income statement from acquisition date.

** With the exception of borrowings in CH LEP classified as current.

Summarised statement of comprehensive income:

Revenue	63,723	61,606	49,952	33,754	15,841	19,476	113,709	358,061
Interest expense	(5,966)	(18,620)	(13,849)	(9,964)	-	-	(16,948)	(65,347)
(Loss)/profit for the year	(90,754)	(30,622)	22,435	44,332	(14,363)	16,278	(76,506)	(129,200)
Total comprehensive income	(90,754)	(30,622)	22,435	44,332	(14,363)	16,278	(76,506)	(129,200)
REIT's share in \$'000	(45,377)	(15,280)	11,218	22,166	(7,182)	8,123	(16,762)	(43,094)
REIT's share of distribution received in \$'000	26,679	18,705	18,483	11,735	7,921	8,474	18,897	110,894

B3. Investments in financial assets at fair value

	2024 \$'000	2023 \$'000
Income support account	4,023	4,933
Total	4,023	4,933

	2024 \$'000	2023 \$'000
Balance at the beginning of the year	4,933	4,782
Withdrawals	(1,115)	-
Net fair value movement on investment at fair value	205	151
Balance at the end of the year	4,023	4,933

B4. Commitments and contingent liabilities

As at the balance date, the REIT's capital commitments amounted to \$5.2 million (2023: \$21.8 million).

The Finance Trust had no commitments as at 30 June 2024 (2023: nil).

As at 30 June 2024, the REIT and Finance Trust have no contingent liabilities (2023: nil).

The REIT's share in the commitments and contingent liabilities of joint venture entities, other than those described above, total \$1.8 million (2023: nil).

C. Capital Structure and Financial Risk Management

The REIT’s activities expose it to numerous external financial risks such as market risk, credit risk and liquidity risk. This section explains how the REIT utilises its risk management framework to reduce volatility from these external factors.

C1. Capital risk management

The REIT optimises capital through the mix of available capital sources while complying with statutory and constitutional capital and distribution requirements, maintaining gearing, interest cover ratios and other covenants within approved limits and continuing to operate as a going concern. The REIT assesses its capital management approach as a key part of its overall strategy and it is regularly reviewed by management and the Board.

The REIT is able to alter its capital mix by issuing new units, activating the DRP, electing to have the DRP underwritten, adjusting the amount of distributions paid, activating a unit buyback program or selling assets to reduce borrowings. The REIT has a target balance sheet gearing level of 25-35% of debt to total assets and its balance sheet gearing at 30 June 2024 was 34.0% (2023: 32.9%).

C2. Borrowings and liquidity

(a) Borrowings

Borrowings are initially recognised at fair value, estimated by comparing the margin on the facility to the pricing of a similar facility in the current market, and subsequently measured at amortised cost using the effective interest rate method. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the borrowings are recognised in profit or loss over the expected life of the borrowings. All borrowings are classified as non-current liabilities as they have maturities greater than 12 months. The figures below represent both the REIT and Finance Trust.

	2024		2023	
	Total carrying amount	Fair value	Total carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Bank loan	1,103,210	1,107,212	1,354,210	1,352,863
Australian dollar medium-term notes (A\$MTNs)*	608,857	593,838	594,153	559,575
Unamortised borrowing cost	(7,232)	-	(7,472)	-
Total	1,704,835	1,701,050	1,940,891	1,912,438
Balance available for drawing	526,790		275,790	

* Includes fair value hedge adjustment of (\$91.1) million (2023: (\$105.8) million).

Bank loans

	Maturity Date	Facility limit at 30 Jun 2024	Utilised amount at 30 Jun 2024
		\$'000	\$'000
Bilateral facility	July 2026	100,000	-
Bilateral facility	November 2026	100,000	100,000
Bilateral facility	November 2026	310,000	304,210
Bilateral facility	November 2027	100,000	100,000
Bilateral facility	December 2027	250,000	99,000
Bilateral facility	December 2028	270,000	-
Bilateral facility	January 2029	200,000	200,000
Bilateral facility	January 2029	300,000	300,000
		1,630,000	1,103,210

Covenants

Syndicated and bilateral facilities are repayable if any of the following occurs:

- the REIT defaults on payments of interest or principal
- interest cover ratio falls below 2.00:1
- total liabilities to total tangible assets ratio exceeds 50%
- the aggregate of the priority indebtedness ratio for the Group and the priority indebtedness ratio for the non-recourse debt exceeds 27.5%
- the aggregate of priority debt and any secured finance debt exceeds 5%
- total unsecured debt over unencumbered assets of the REIT exceeds 60%.

The REIT complied with all debt covenants during the financial year.

Australian dollar medium-term notes (A\$MTNs)

In March and June 2021, the Finance Trust on behalf of the REIT issued \$700 million of fixed rate A\$MTNs comprising \$300 million seven-year notes, \$200 million 8.5-year notes and \$200 million 10-year notes.

The REIT’s interest rate exposure under these notes is 100% hedged with interest rate swaps (refer to Note C3(b)).

Intra-Group Facility Agreement

	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Loans receivable under IGFA		
Charter Hall Direct Industrial Fund	1,797,966	2,038,192
	1,797,966	2,038,192

On 10 November 2016, the Finance Trust entered an Intra-Group Facility Agreement (IGFA) with DIF. This agreement expires in December 2027.

Interest rates under the IGFA are variable and reset periodically. As at 30 June 2024, the interest rate under the IGFA was 4.92% (30 June 2023: 4.17%) per annum. Interest income of \$98.8 million was earned during the year (2023: \$82.2 million).

As at 30 June 2024, the fair value of the loan receivable under IGFA amounted to \$1,798 million (2023: \$2,038 million).

Borrowings in joint ventures

	Maturity Date	Facility limit at 30 Jun 2024 at 100%	Facility limit at 30 Jun 2024 REIT’s share
		\$'000	\$'000
LWIP – syndicated debt facility	September 2028	100,000	49,900
LWIP – US Private Placement notes (USPP)	May 2027	200,000	99,800
LWIP – US Private Placement notes (USPP)	November 2031	110,000	54,890
CH BBD Trust – debt facility	August 2027	52,250	26,125
Exchange Trust	March 2028	97,500	29,835
Exchange Trust – A\$MTN	September 2030	300,000	91,800
242 Exhibition Street	November 2028	466,500	69,975
Charter Hall Australian Retail Trust	August 2028	450,000	225,000
		1,776,250	647,325

In November 2023, CH LEP Holding Trust repaid \$180.0 million of CIB notes (CLW share: \$90.0 million). The REIT funded its share of the repayment of CIB Notes with available capacity from its bilateral debt facilities, which was funded by an equity call to CH LEP Holding Trust investors.

Net debt reconciliation

The table below sets out an analysis of net debt and the movements in net debt during the year.

	2023 \$'000	Fair value adjustment \$'000	Movements in borrowing costs \$'000	Movement in cash \$'000	2024 \$'000
Bank debt	1,354,210	-	-	(251,000)	1,103,210
A\$MTNs	594,153	14,704	-	-	608,857
Borrowing costs	(7,472)	-	240	-	(7,232)
Total borrowings	1,940,891	14,704	240	(251,000)	1,704,835
Cash	(19,682)	-	-	(2,999)	(22,681)
Net debt	1,921,209	14,704	240	(253,999)	1,682,154

	2022 \$'000	Fair value adjustment \$'000	Movements in borrowing costs \$'000	Movement in cash \$'000	2023 \$'000
Bank debt	1,251,806	(1,072)	-	103,476	1,354,210
A\$MTNs	591,755	2,398	-	-	594,153
Borrowing costs	(9,358)	-	1,886	-	(7,472)
Total borrowings	1,834,203	1,326	1,886	103,476	1,940,891
Cash	(19,005)	-	-	(677)	(19,682)
Net debt	1,815,198	1,326	1,886	102,799	1,921,209

(b) Finance costs

	Charter Hall Long WALE REIT		Finance Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Finance costs incurred on financial instruments:				
- At amortised cost	100,206	81,139	100,800	81,237
- Fair value through profit and loss*	(16,294)	(20,763)	(16,294)	(20,763)
	83,912	60,376	84,506	60,474

* Net interest (received) under interest rate swap agreements.

C3. Derivative financial instruments

The REIT uses derivatives to hedge its exposure to interest rates. Derivative financial instruments are measured and recognised at fair value on a recurring basis. All derivatives are classified based on their maturity date and are not split based on notional cashflows.

Amounts reflected in the financial statements are as follows:

Balance Sheet	2024		2023	
	Asset \$'000	Liability \$'000	Asset \$'000	Liability \$'000
Current				
Forward foreign exchange contracts	43	2,317	-	91
Interest rate swaps	28,558	-	2,530	-
Total current derivative financial instruments	28,601	2,317	2,530	91
Non-current				
Forward foreign exchange contracts	-	-	-	1,828
Interest rate swaps	11,881	-	74,958	-
Interest rate swaps – fair value hedges	-	87,504	-	100,113
Total non-current derivative financial instruments	11,881	87,504	74,958	101,941
Total derivative financial assets/liabilities	40,482	89,821	77,488	102,032

The REIT uses derivatives to economically hedge its exposure to floating interest rates and foreign exchange exposure from the bp New Zealand portfolio. All derivative financial instruments are measured and recognised at fair value on a recurring basis.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The REIT designates certain derivatives as fair value hedges. Hedge ineffectiveness may occur due to credit/debit value adjustments and differences in critical terms between the hedging instrument and the hedged item. For derivatives not in hedging arrangements where an upfront payment is made, subsequent changes in fair value arising from cash receipts are classified as interest and recognised within finance costs, with a corresponding adjustment to net fair value loss on derivative financial instruments.

(a) Interest rate swaps

The Finance Trust, on behalf of the REIT, is a party to \$1,500 million of interest rate swaps, which entitle the REIT to receive interest, at quarterly intervals, at a floating rate on a notional principal amount and obliges the REIT to pay interest at a fixed rate on the same amount. The interest rate and swap agreements allow the REIT to raise long-term borrowings at a floating rate and effectively swap them into a fixed rate.

At 30 June 2024, the fixed rate under interest rate swaps was 1.93% per annum and the comparable market rate for a similar weighted average hedge duration of 1.3 years was 4.48% (2023: fixed rate under interest rate swaps was 2.08% and the comparable market rate for a similar weighted average hedge duration of 1.9 years was 4.58%).

Changes in fair value for interest rate swap derivatives are classified as interest expense to the extent that net cash flows are exchanged.

At balance date, 81.1% (2023: 83.2%) of the REIT's direct and joint venture interest rate exposure was hedged.

In September 2023, the REIT entered into \$200 million of interest rate swaps with a forward start date of 20 June 2025.

In December 2023, the REIT entered into a \$100 million interest rate swap with a forward start date of 20 June 2025.

As at 30 June 2024, the notional principal amount and period of expiry of the interest rate swap contracts (excluding designated fair value hedges) are as follows:

	1 year or less \$'000	1 - 2 years \$'000	2 - 3 years \$'000	Total \$'000
Floating to fixed interest				
2024	1,300,000	400,000¹	100,000²	1,800,000
2023	235,000	1,300,000	200,000	1,735,000

¹ \$200 million has a forward start date of June 2025 and an expiry date of June 2026.

² This interest rate swap has a forward start date of June 2025 and an expiry date of June 2027.

(b) Interest rate swaps – fair value hedges

Following the issuance of A\$MTNs in March and June 2021, the REIT entered into contracts with two major Australian banks to swap the fixed rate exposure of the A\$MTNs to a floating rate exposure with the terms that match the issued notes. These interest rate swaps were designated as fair value hedges against a risk of changes in fair value of A\$MTNs due to the changes in interest rates.

The gain or loss relating to interest payments on interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance costs. Changes in the fair value of derivative hedging instruments and the hedged fixed rate borrowings attributable to interest rate risk are recognised within 'net gains/(losses) from derivative financial instruments'. The gain or loss relating to the ineffective portion is also recognised in profit or loss within 'net gains/(losses) from derivative financial instruments'.

Risk	Definition	Exposure	Exposure management
Market risk – interest rate risk	The risk that changes in interest rates will change the fair value or cash flows of the REIT's monetary assets and liabilities.	Cash and borrowings at fixed and floating rates.	Interest rate swaps are used to hedge movements in interest rates.
Market risk – foreign exchange risk	The risk that changes in foreign exchange rates will change the Australian dollar value of the REIT's foreign denominated net assets or earnings.	Investment in foreign operations denominated in New Zealand dollars.	The investment and income from foreign operations are hedged via forward exchange contracts.
Liquidity risk	The risk the REIT has insufficient liquid assets to meet its obligations as they become due and payable.	Payables, borrowings and other liabilities.	Maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.
Credit risk	The risk a contracting entity will not complete its obligations under a contract and will cause the REIT to make a financial loss.	All financial assets including tenant receivables.	Performing credit reviews on prospective tenants, obtaining tenant collateral and detailed review of tenant arrears. Reviewing the aggregate exposure of receivables and tenancies across the portfolio. Limiting the credit exposure to any financial institution and limiting to investment grade counterparties. Monitoring the public credit rating of counterparties.

(a) Market risk – Interest rate risk

The table below shows the REIT and Finance Trust's exposure to interest rate risk.

	Charter Hall Long WALE REIT		Finance Trust	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Fixed rate				
Borrowings	700,000	700,000	700,000	700,000
Borrowings - joint venture entities ¹	246,490	392,925	-	-
Net fixed rate exposure	946,490	1,092,925	700,000	700,000
Floating rate				
Cash	(22,681)	(19,682)	(5,397)	(1,784)
Cash - joint venture entities ¹	(9,190)	(16,536)	-	-
Loans receivable	-	-	(1,797,966)	(2,038,192)
Borrowings	1,103,210	1,354,210	1,103,210	1,354,210
Borrowings - joint venture entities ¹	369,265	387,770	-	-
	1,440,604	1,705,762	(700,153)	(685,766)
Derivative financial instruments				
Interest rate swaps - fixed to floating ²	700,000	700,000	700,000	700,000
Interest rate swaps - floating to fixed ²	(1,500,000)	(1,735,000)	(1,500,000)	(1,735,000)
Interest rate swaps - floating to fixed - joint venture entities ^{1&2}	(270,980)	(286,500)	-	-
Net floating rate exposure	369,624	384,262	(1,500,153)	(1,720,766)

¹ The REIT's share of financial assets and liabilities included within its net investments in joint venture entities.

² The amounts represent the notional principal payable under the derivative contracts.

Sensitivity analysis

The table below reflects the potential net increase/(decrease) in profit and equity, resulting from changes in Australian interest rates applicable at 30 June 2024, with all other variables remaining constant. The change in interest payable on the REIT's and Finance Trust's floating rate interest bearing liabilities, is partially offset by changes in the fair value of derivative financial instruments hedging this exposure.

	Charter Hall Long WALE REIT					
	2024			2023		
	Interest expense \$'000	Net gain/(loss) from derivative financial instruments \$'000	Profit and loss \$'000	Other comprehensive income \$'000	Profit and loss \$'000	Other comprehensive income \$'000
<i>Australian interest rates</i>						
+ 1%	(3,696)	17,406	13,710	-	27,031	-
- 1%	3,696	(17,742)	(14,046)	-	(27,801)	-

The table above is prepared on a proportionate consolidated basis.

	Finance Trust					
	2024			2023		
	Interest expense \$'000	Net gain/(loss) from derivative financial instruments \$'000	Profit and loss \$'000	Other comprehensive income \$'000	Profit and loss \$'000	Other comprehensive income \$'000
<i>Australian interest rates</i>						
+ 1%	15,002	14,617	29,619	-	42,841	-
- 1%	(15,002)	(14,885)	(29,887)	-	(43,450)	-

The sensitivity analysis presented above does not take into account impact of changes in interest rates on the rate of inflation, the market capitalisation rate and property values which, together with other external factors, may also influence operating earnings and statutory profit of the REIT and Finance Trust in the future periods.

(b) Market risk – foreign exchange risk

Foreign exchange risk is the risk that changes in foreign exchange rates will change the Australian dollar value of the REIT's net assets or its Australian dollar earnings. The REIT is exposed to foreign currency risk from its investment in foreign operations.

The REIT's investments in foreign operations arises from the translation of New Zealand assets and liabilities from New Zealand dollars to Australian dollars. The foreign currency exposure to New Zealand dollars is hedged by forward exchange contracts.

The Finance Trust has no exposure to foreign currency risk. The table below sets out the REIT's overseas investments, by currency (Australian dollar equivalent):

	Charter Hall Long WALE REIT NZ\$ exposure*	
	2024 \$'000	2023 \$'000
Assets		
Cash and cash equivalents	1,047	2,050
Receivables	2,062	2,044
Investments in joint ventures	168,200	169,388
Total Assets	171,309	173,482

* Australian dollar equivalents of foreign denominated balances.

(c) Liquidity risk

The following table provides the contractual maturity of the REIT's and Finance Trust's fixed and floating rate financial liabilities and derivatives as at balance date. The amounts represent the future contractual undiscounted principal and interest cash inflows/(outflows) based on interest rates and foreign exchange rates prevailing at balance date and therefore do not equate to the value shown in the consolidated balance sheet. Repayments which are subject to notice are treated as if notice were given immediately.

Charter Hall Long WALE REIT					
	Carrying value	Less than 1 year	1 to 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Financial liabilities					
Payables	(34,759)	(34,759)	-	-	(34,759)
Distribution payable	(46,992)	(46,992)	-	-	(46,992)
Borrowings	(1,704,835)	(86,632)	(1,640,266)	(413,804)	(2,140,702)
Derivative financial instruments	(89,821)	(22,329)	(68,131)	(11,766)	(102,226)
Other liabilities	(6,263)	(6,263)	-	-	(6,263)
Total financial liabilities	(1,882,670)	(196,975)	(1,708,397)	(425,570)	(2,330,942)
2023					
Financial liabilities					
Payables	(32,950)	(32,950)	-	-	(32,950)
Distribution payable	(50,607)	(50,607)	-	-	(50,607)
Borrowings	(1,940,891)	(98,853)	(1,917,578)	(424,690)	(2,441,121)
Derivative financial instruments	(102,032)	(22,872)	(72,344)	(22,440)	(117,656)
Other liabilities	(7,180)	(7,025)	(123)	(32)	(7,180)
Total financial liabilities	(2,133,660)	(212,307)	(1,990,045)	(447,162)	(2,649,514)
Finance Trust					
	Carrying value	Less than 1 year	1 to 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Financial liabilities					
Payables	(8,801)	(8,801)	-	-	(8,801)
Borrowings	(1,704,835)	(86,632)	(1,640,266)	(413,804)	(2,140,702)
Derivative financial instruments	(87,504)	(22,329)	(68,131)	(11,766)	(102,226)
Total financial liabilities	(1,801,140)	(117,762)	(1,708,397)	(425,570)	(2,251,729)
2023					
Financial liabilities					
Payables	(9,295)	(9,295)	-	-	(9,295)
Borrowings	(1,940,891)	(98,853)	(1,917,578)	(424,690)	(2,441,121)
Derivative financial instruments	(100,113)	(22,872)	(72,344)	(22,440)	(117,656)
Total financial liabilities	(2,050,299)	(131,020)	(1,989,922)	(447,130)	(2,568,072)

(d) Credit risk

The maximum exposure to credit risk at the end of each reporting period is equivalent to the carrying value of the financial assets. The REIT has policies to review the aggregate exposures of receivables and tenancies across its portfolio. As at 30 June 2024, the REIT has no significant concentrations of credit risk on its receivables.

The table below shows the ageing analysis of those rent receivables of the REIT which are past due or impaired:

	Past due but not impaired				Total
	Less than 30 days	31 to 60 days	61 to 90 days	More than 90 days	
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Rent receivable	856	253	46	58	1,213
Provision for expected credit losses	-	-	-	-	(45)
	856	253	46	58	1,168
2023					
Rent receivable	2,366	473	80	946	3,865
Provision for expected credit losses	-	-	-	-	(203)
	2,366	473	80	946	3,662

The REIT and Finance Trust apply the AASB 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance (ECL) for all trade receivables and other financial assets.

The loss allowances for rent receivables and other financial assets are based on assumptions about risk of default and expected loss rates. The REIT and Finance Trust use judgement in making these assumptions, based on the REIT's and Finance Trust's histories, existing market conditions as well as forward looking estimates at the end of each reporting period.

Agreement to rental deferral options between the REIT and a tenant does not automatically indicate a deterioration of credit risk but is considered within the framework of the above indicators.

The deferral of lease payments offered to tenants has not had a material impact on the REIT's cash inflows from operations.

The forward-looking judgements and assumptions reflect the best estimate of management as at balance date, using information available to them at that date. Accordingly, the REIT's ECL estimates are inherently uncertain and, as a result, actual results may differ from these estimates.

C6. Offsetting financial assets and liabilities

The REIT is a party to the master agreement as published by International Swaps and Derivatives Associates, Inc. (ISDA) which allow the REIT's counterparties, under certain conditions (i.e. event of default), to set off the position owing/receivable under a derivative contract to a net position outstanding. As the REIT does not have a legally enforceable right to set-off, none of the financial assets or financial liabilities are offset on the balance sheet of the REIT.

The table below demonstrates the effect of offsetting positions should the REIT's counterparties decide to enforce the legal right to set-off:

	Gross amounts of financial instruments	Amounts subject to set-off	Net amount post set-off
	\$'000	\$'000	\$'000
Consolidated entity			
2024			
Derivative assets	40,482	(40,482)	-
Derivative liabilities	(89,821)	40,482	(49,339)
Borrowings	(1,712,067)	-	(1,712,067)
	(1,761,406)	-	(1,761,406)
2023			
Derivative assets	77,488	(77,488)	-
Derivative liabilities	(102,032)	77,488	(24,544)
Borrowings	(1,948,363)	-	(1,948,363)
	(1,972,907)	-	(1,972,907)

D. Further Information

D1. Related Party Information

(a) Responsible Entity

The Responsible Entity of the REIT and Finance Trust is Charter Hall WALE Limited, a wholly owned controlled entity of Charter Hall. The registered office of the Responsible Entity is Level 20, No.1 Martin Place, Sydney NSW 2000.

(b) Directors

The following persons have held office as directors of the Responsible Entity during the year and up to the date of this report:

- Glenn Fraser

– Ceinwen Kirk-Lennox

– Ray Fazzolari

– Peeyush Gupta AM

– David Harrison

– Carmel Hourigan
- Chair (appointed 24 April 2024) and Non-Executive Director

– Non-Executive Director

– Non-Executive Director (appointed 24 April 2024)

– Chair and Non-Executive Director (resigned 24 April 2024)

– Executive Director and Chief Executive Officer/Managing Director of Charter Hall Group

– Executive Director

No payments were made by the REIT, Finance Trust or by the Responsible Entity on behalf of the REIT to the Executive Directors during the year.

(c) Transactions with the Responsible Entity and its related parties

The Responsible Entity and its related parties held 76,283,709 stapled securities as at 30 June 2024 (2023: 77,184,757).

The following is a summary of related party transactions including the REIT's share of fees charged to joint ventures for the year ended 30 June 2024:

Charter Hall Long WALE REIT					
Type of fee	Basis of fee calculation	Basis of fee calculation		Fee amount	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Base management*	0.45% of average gross assets	6,792,373	6,913,387	30,566	31,110
Transaction	1% of transaction price	425,148	248,458	4,251	2,484
Property management	Up to 3% of gross property income	328,088	319,751	3,769	3,711
Accounting services	Cost recovery	N/A	N/A	1,059	1,023
Leasing	% gross average annual rent based on a sliding fee scale	654	17,388	42	1,458
Project management	6% of the project value	19,373	4,112	1,162	170
Facility management	Annual charge per property	-	-	474	314
Other cost recoveries	Cost recovery	N/A	N/A	302	254
				41,625	40,524

* Includes the REIT's share of \$578,108 paid by 242 Exhibition Trust (2023: \$633,513).

Finance Trust					
Type of fee	Basis of fee calculation	Basis of fee calculation		Fee amount	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Base management	0.45% of average gross assets	70,733	91,980	318	414

(d) Outstanding payable balance with the Responsible Entity and its related parties

	Charter Hall Long WALE REIT		Finance Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Charter Hall Holdings Pty Limited	2,265	2,523	26	32

(e) Key management personnel

Key management personnel (KMP) are defined in AASB 124 *Related Party Disclosures* as those having authority and responsibility for planning, directing and controlling the activities of the entity. The Responsible Entity meets the definition of KMP as it has this authority in relation to the activities of the REIT and Finance Trust. These powers have not been delegated by the Responsible Entity to any other person. Details of management fees charged to the REIT by the Responsible Entity and its related parties are included in Note D1(c).

(f) Directors' fees and Fund Manager remuneration

Independent Directors' fees are as follows:

	2024	2023
	\$	\$
Peeyush Gupta AM	186,559	216,300
Glenn Fraser	176,120	159,650
Ceinwen Kirk-Lennox	149,247	144,200
Ray Fazzolari	30,669	-
	542,595	520,150

The level of fees is not related to the performance of the REIT and Finance Trust. The Board of the Responsible Entity reviews remuneration payable to its Independent Directors from time to time. Remuneration of independent Directors is approved by the Board and any increases are benchmarked to market rates.

The Executive Directors and Non-Executive Directors of the Responsible Entity and Fund Manager of the REIT and Finance Trust are employees of Charter Hall Holdings Pty Ltd and are remunerated by Charter Hall Holdings Pty Ltd.

(g) Directors' interests in REIT stapled securities

The number of stapled securities held directly, indirectly or beneficially by the Directors of the Responsible Entity or the Directors' related parties at 30 June is as follows:

	Stapled securities held	Stapled securities held
	2024	2023
Peeyush Gupta AM*	-	397,676
Glenn Fraser	76,721	76,721
Ceinwen Kirk-Lennox	60,341	60,341
Ray Fazzolari	-	-
David Harrison	699,285	699,285
Carmel Hourigan	10,250	10,250
	846,597	1,244,273

* Peeyush Gupta AM resigned from his position of Chair and Non-Executive Director on 24 April 2024, at which time he held 397,676 stapled securities in the REIT.

The aggregate number of stapled securities of the REIT and Finance Trust acquired by the Directors of the Responsible Entity or their related parties during the year is set out below.

	Stapled securities acquired	Stapled securities acquired
	2024	2023
David Harrison	-	10,000
	-	10,000

No stapled securities of the REIT were sold by the Directors of the Responsible Entity or their related parties during the year (2023: nil).

D2. Working capital

The REIT maintains a proactive cash management practice of using excess available cash to reduce drawn revolving debt facilities. The REIT is in a net current asset position of \$283.8 million at 30 June 2024 as a result of assets classified as held for sale (30 June 2023 net current liability position of \$42.4 million).

The entity has readily accessible credit facilities with \$526.8 million (30 June 2023: \$275.8 million) of undrawn non-current debt facilities at 30 June 2024 and operating cash flows to meet current liabilities. The REIT does not foresee any issues in meeting the current liabilities over the course of the next 12 months, and therefore, these financial statements have been prepared on a going concern basis.

Financial assets and liabilities not carried at fair value have carrying values that reasonably approximate their fair values (unless otherwise disclosed).

(a) Receivables and other assets

	Charter Hall Long WALE REIT		Finance Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Receivables				
Trade receivable	1,213	3,865	-	-
Provision for expected credit loss	(45)	(203)	-	-
Net rent receivable	1,168	3,662	-	-
Accrued income and other receivables	1,325	1,523	7	10
Distributions receivable from joint ventures*	18,536	18,623	-	-
	21,029	23,808	7	10
* Distributions received in the corresponding July.				
Other Assets				
Prepayments	2,431	2,295	14	-
	2,431	2,295	14	-

Trade receivables includes property income receivable together with receivables relating to revenue from contracts with customers.

(b) Payables and other liabilities

	Charter Hall Long WALE REIT		Finance Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Payables				
Accrued expenses	5,306	4,126	721	860
Accrued transaction costs	5,602	-	-	-
Accrued base management fee	2,291	2,523	26	32
Accrued capital expenditure	13,363	17,791	-	-
Interest payable	8,054	8,403	8,054	8,403
GST payable	143	107	-	-
	34,759	32,950	8,801	9,295
Other liabilities				
Unearned income	6,166	6,825	-	-
Other liabilities	-	200	-	-
	6,166	7,025	-	-

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the REIT. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

D3. Parent entity information

The financial information for the parent entities of the REIT and Finance Trust, has been prepared on the same basis as the consolidated financial statements except as set out below:

Investments in controlled entities

Investments in controlled entities and joint ventures are accounted for at cost in the financial statements of the parent entity. Such investments include both investments in equity securities issued by the controlled entity and other parent entity interests that in substance form part of the parent entity's investment in the controlled entity. These include investments in the form of interest-free loans which have no fixed contractual term and which have been provided to the controlled entity as an additional source of long-term capital.

Distributions received from controlled entities and joint ventures are recognised in the parent entity's statement of comprehensive income, rather than being deducted from the carrying amount of these investments.

Receivables and payables

Trade amounts receivable from controlled entities in the normal course of business and other amounts advanced on commercial terms and conditions are included in receivables. Similarly, amounts payable to controlled entities are included in payables.

Recoverable amount of assets

The carrying amounts of investments in controlled entities, associates and joint ventures are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying value exceeds their recoverable amount, the assets are written down to the lower value. If required, the write-down is expensed in the year in which it occurs.

(a) Summary financial information

The individual financial statements for the parent entities show the following aggregate amounts:

	Parent entity of Charter Hall Long WALE REIT		Parent entity of Finance Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Balance Sheet				
Current assets	223,820	245,395	4,837	4,821
Non-current assets	4,871,812	5,246,480	2,500	2,500
Total assets	5,095,632	5,491,875	7,337	7,321
Current liabilities	44,545	49,767	2,286	1,927
Non-current liabilities	2,318,235	2,786,025	-	-
Total liabilities	2,362,780	2,835,792	2,286	1,927
Equity				
Contributed equity	3,271,183	3,271,183	6,641	6,641
Accumulated losses	(538,331)	(615,100)	(1,590)	(1,247)
Total equity	2,732,852	2,656,083	5,051	5,394
Statement of comprehensive income				
Profit/(loss) for the year	76,769	105,971	(343)	(438)
Total comprehensive income/(loss)	76,769	105,971	(343)	(438)

(b) Guarantees and contingent liabilities

The parent entities did not have any contingent liabilities, either individually or as a class, at 30 June 2024 (2023: \$nil).

(c) Commitments

The parent entities did not have any commitments as at 30 June 2024 (2023: \$nil).

D4. Significant contract terms and conditions

Pre-emptive rights

The joint-ownership agreements to which the REIT is a party contain pre-emptive rights which restrict the REIT's dealings in respect of its interest in the respective 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 Securityholder 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 right
- 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
- dispute resolution procedures which provide for the sale of the relevant property in circumstances where a co-owner does not acquire the other co-owners' interests.

D5. Remuneration of the auditor

	Charter Hall Long WALE REIT		Finance Trust	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Amounts paid or payable to PricewaterhouseCoopers Australian firm for:				
Audit services	480	472	42	41
Taxation compliance services	1	1	-	-
	481	473	42	41

D6. Interest in other entities

Material subsidiaries

The REIT's and Finance Trust's principal subsidiaries at 30 June 2024 are set out below. Unless otherwise stated, they have contributed equity consisting solely of ordinary units that are held directly by the parent entity, and the proportion of ownership interests held equals the voting rights held by the parent entity.

Name of entity	Country of incorporation/ Place of business	Ownership interest held by the REIT		Principal activities
		2024	2023	
<u>Charter Hall Direct Industrial Fund</u>				
LWR LEP Trust	Australia	100%	100%	Property Investment
LWR LWIP Holding Trust	Australia	100%	100%	Holding Trust
LWR Dartmoor Trust	Australia	100%	100%	Property Investment
LWR 76 Pitt Street Trust	Australia	100%	100%	Property Investment
LWR 61 Huntingwood Drive Trust	Australia	100%	100%	Property Investment
LWR DJ Trust	Australia	100%	100%	Property Investment
LWR AL Holding Trust	Australia	100%	100%	Holding Trust
LWR Exchange Trust	Australia	100%	100%	Property Investment
LWR Canning Vale Trust	Australia	100%	100%	Property Investment
LWR Dartmouth NZ Trust	Australia	100%	100%	Property Investment
LWR Macquarie Park Trust	Australia	100%	100%	Property Investment
LWR BSM Trust	Australia	100%	100%	Property Investment
Suez Portfolio Trust	Australia	100%	100%	Property Investment
CLW Tuggeranong Trust	Australia	100%	100%	Property Investment
CPOF Kogarah Trust	Australia	100%	100%	Property Investment
CHDIF Perth Holding Trust	Australia	100%	100%	Holding Trust
CLW Boxhill Trust	Australia	100%	100%	Property Investment
LWR GSA Trust	Australia	100%	100%	Property Investment
LWR Mort Street Trust	Australia	100%	100%	Property Investment
LWR Carole Park Trust	Australia	100%	100%	Property Investment
Charter Hall Chester Hill Trust	Australia	100%	100%	Property Investment
LWR Truganina Trust	Australia	100%	100%	Property Investment
CLW Alexandria Trust	Australia	100%	100%	Property Investment
LWR Franklin Street Trust	Australia	100%	100%	Property Investment
LWR Optima Centre Trust	Australia	100%	100%	Property Investment
LWR UMG Trust	Australia	100%	100%	Property Investment
LWR 242 Exhibition Trust	Australia	100%	100%	Property Investment
LWR Palmerston Trust	Australia	100%	100%	Property Investment
LWR Baldivis Trust	Australia	100%	100%	Property Investment
LWR Murray Rose Trust	Australia	100%	100%	Property Investment
CHDIF Beverley Holding Trust	Australia	100%	100%	Holding Trust
CLW Albury Trust	Australia	100%	100%	Property Investment
LWR Wetherill Park Trust	Australia	100%	100%	Property Investment
LWR BBD Trust	Australia	100%	100%	Property Investment
LWR Tank Street Trust	Australia	100%	100%	Property Investment
LWR George Street Trust	Australia	100%	100%	Property Investment
LWR Caboolture Trust	Australia	100%	100%	Property Investment
LWR Club Hotel Waterford Trust	Australia	100%	100%	Property Investment
Larapinta Unit Trust	Australia	100%	100%	Property Investment
LWR 74 Pitt Street Trust	Australia	100%	100%	Property Investment
LWR Bunnings Trust	Australia	100%	100%	Property Investment
<u>LWR Finance Trust</u>				
Charter Hall LWR Limited	Australia	100%	100%	Provision of finance

D7. Events occurring after balance date

The Directors of the Responsible Entity are not aware of any matter or circumstance not otherwise dealt with in this report or the annual consolidated financial statements that has significantly affected or may significantly affect the operations of the REIT or Finance Trust, the results of their operations or the state of affairs of the REIT or Finance Trust in future financial years.

D8. Other material accounting policies

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the requirements of the REIT's and Finance Trust's constitutions, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. The REIT and Finance Trust are for-profit entities for the purpose of preparing the consolidated financial statements. The consolidated financial statements are presented in Australian dollars, which is the REIT's and Finance Trust's functional and presentation currency.

Compliance with IFRS accounting standards

The consolidated financial statements of the REIT and Finance Trust also comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except derivative financial instruments, investments in financial assets held at fair value, assets held for sale and investment properties, which have been measured at fair value.

(b) Principles of consolidation

Stapling

The Charter Hall Long WALE REIT is a “stapled” entity comprising Charter Hall Direct Industrial Fund (DIF) and its controlled entities, and LWR Finance Trust (Finance Trust) and its controlled entity. The units in DIF are stapled to the units in Finance Trust. The stapled securities are listed on the Australian Securities Exchange and cannot be traded or dealt with separately. The two entities comprising the stapled group remain separate legal entities in accordance with the *Corporations Act 2001*, and are each required to comply with the reporting and disclosure requirements of Accounting Standards and the *Corporations Act 2001*. As permitted by ASIC Corporations (Stapled Group Reports) Instrument 2015/838, this financial report is a combined financial report that presents the consolidated financial statements and accompanying notes of both DIF and Finance Trust.

Stapling arrangements are treated as a business combination by contract alone since none of the stapled entities (as opposed to their unitholders) obtain an ownership interest in another stapled entity.

Under AASB 3 *Business Combinations* and AASB 10 *Consolidated Financial Statements*, one of the stapled entities of a stapled structure is to be identified as the parent entity for the purpose of preparing a consolidated annual financial report. In accordance with this requirement, DIF has been identified as the parent entity.

The results and equity of Finance Trust have been treated and disclosed as non-controlling interests in the consolidated financial statements of the REIT. While the results and equity of Finance Trust are disclosed as non-controlling interests, the stapled securityholders of DIF are the same as the stapled securityholders of Finance Trust.

Controlled entities

Subsidiaries are all entities over which the REIT has control. The REIT controls an entity when the REIT is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the REIT. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

(c) Foreign currency translation

(i) Functional and presentation currencies

Items included in the financial statements of each of the REIT's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Australian dollars, which is the REIT's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(d) Comparative information

Where necessary, comparative information has been adjusted to conform to changes in presentation in the current year.

(e) Rounding of amounts

Under the option provided by ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 (as amended) issued by the Australian Securities and Investments Commission relating to the “rounding off” of amounts in the financial statements, amounts in the REIT's and Finance Trust's consolidated financial statements have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

(f) Changes in accounting standards

No new accounting standards or amendments have come into effect for the year ended 30 June 2024 that affect the REIT's operations or reporting requirements.

Certain amendments to accounting standards have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the REIT. These amendments are not expected to have a material impact on the REIT in the current or future reporting periods and on foreseeable future transactions.

Directors' Declaration to Stapled Securityholders

In the opinion of the Directors of Charter Hall WALE Limited, the Responsible Entity of Charter Hall Long WALE REIT and LWR Finance Trust:

- a the consolidated financial statements and notes set out on pages 37 to 69 are in accordance with the *Corporations Act 2001*, including:
 - i complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii giving a true and fair view of the REIT's and LWR Finance Trust's financial position as at 30 June 2024 and of their performance for the year ended on that date; and
- b there are reasonable grounds to believe that the REIT and LWR Finance Trust will be able to pay their debts as and when they become due and payable.

Note D8(a) confirms that the consolidated financial statements also comply with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The Directors have been given declarations by the Fund Manager, who performs the Chief Executive Officer function, and the Head of Finance, who performs the Chief Financial Officer function, required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



Glenn Fraser
Chair

Sydney
8 August 2024



Independent auditor's report

To the stapled securityholders of Charter Hall Long WALE REIT and the unitholders of LWR Finance Trust

Report on the audit of the financial reports

Our opinion

In our opinion:

The accompanying financial reports of Charter Hall Direct Industrial Fund ("DIF") and its controlled entities and LWR Finance Trust and its controlled entity (together referred to as "Charter Hall Long WALE REIT") and LWR Finance Trust and its controlled entity (together referred to as "Finance Trust") are in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of Charter Hall Long WALE REIT's and Finance Trust's financial positions as at 30 June 2024 and of their financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

Charter Hall Long WALE REIT's and Finance Trust's financial reports comprise:

- the Consolidated Balance Sheets as at 30 June 2024
- the Consolidated Statements of Comprehensive Income for the year then ended
- the Consolidated Statements of Changes in Equity for the year then ended
- the Consolidated Cash Flow Statements for the year then ended
- the notes to the consolidated financial statements, as contained in the "About this Report" section, including material accounting policy information and other explanatory information
- the Directors' Declaration to Stapled Securityholders.

Charter Hall Long WALE REIT comprises Charter Hall Direct Industrial Fund and the entities it controlled at year end or from time to time during the financial year and LWR Finance Trust and the entity it controlled at year end or from time to time during the financial year. Finance Trust comprises LWR Finance Trust and the entity it controlled at year end and from time to time during the financial year. For the purposes of consolidation accounting Charter Hall Direct Industrial Fund is the deemed parent entity and acquirer of Finance Trust.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial reports* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Liability limited by a scheme approved under Professional Standards Legislation.



Independence

We are independent of Charter Hall Long WALE REIT and Finance Trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial reports in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial reports are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial reports.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial reports as a whole, taking into account the geographic and management structure of Charter Hall Long WALE REIT and Finance Trust, their accounting processes and controls and the industry in which they operate.

Audit scope	Key audit matters
- Our audit focused on areas where Charter Hall Long WALE REIT and Finance Trust made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. - We identified separate components of Charter Hall Long WALE REIT including its equity accounted investments. We established an audit strategy for each component. - The audit work performed at the component level, together with additional audit procedures performed at the Charter Hall Long WALE REIT level provided us with sufficient evidence for our opinion on the financial report as a whole.	- Amongst other relevant topics, we communicated the following key audit matters to the Audit, Risk and Compliance Committee: - Valuation of investment properties held both directly and indirectly – Charter Hall Long WALE REIT. - Hedge Accounting – Finance Trust. - These are further described in the Key audit matters section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial reports for the current period. The key audit matters were addressed in the context of our audit of the financial reports as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.



Key audit matterHow our audit addressed the key audit matter

Valuation of investment properties held both directly and indirectly – Charter Hall Long WALE REIT <i>(Refer to "About this Report" section: B. Property Portfolio Assets)</i> At 30 June 2024 the carrying value of Charter Hall Long WALE REIT's total investment property portfolio (excluding investment properties held in equity accounted investments) was \$2,474 million (2023: \$3,482 million), refer to section B1. The carrying value of Charter Hall Long WALE REIT's equity accounted investments that held investment properties was \$2,388 million (2023: \$2,594 million) refer section B2. In measuring the fair value of investment properties, Charter Hall Long WALE REIT applied the principles of accounting for investment properties at fair value under Australian Accounting Standards and applied the valuation methodology described in section B of the financial report. We considered this a key audit matter because of the: - Financial significance of the investment property balances in Charter Hall Long WALE REIT's consolidated balance sheet. - Financial significance of revaluations that directly impact Charter Hall Long WALE REIT's consolidated statement of comprehensive income through the net fair value loss on investment properties. - Inherently subjective nature of investment property valuations such as prevailing uncertain economic environment, the individual nature and location and comparable sales evidence for each property. Estimation uncertainty that exists with respect to the key inputs and key assumptions used by Charter Hall Long WALE REIT in developing fair value estimates including capitalisation rates and discount rates.	To assess the valuation of investment properties, we performed the procedures set out below, amongst others. We inspected a selection of relevant property market reports and held discussions with PwC valuation experts to develop an understanding of prevailing market conditions and their expected impact on Charter Hall Long WALE REIT's investment properties. We assessed the design and tested the operating effectiveness of selected controls supporting Charter Hall Long WALE REIT's investment property valuation process. We assessed the scope, competence, capability, and objectivity of valuation experts engaged by Charter Hall Long WALE REIT. Where external valuations were obtained, we: - agreed the valuation of each investment property set out in the external valuation report to the accounting records. - agreed the net passing income used in a sample of investment property valuations to supporting documentation. For a sample of properties we performed the following procedures over the valuations obtained by Charter Hall Long WALE REIT: - assessed the appropriateness of the valuation methodology adopted against the Australian Accounting Standards. - assessed the appropriateness of relevant significant assumptions, such as capitalisation rates and discount rates, including comparing to market data and comparable transactions, where possible. We assessed the reasonableness of Charter Hall Long WALE REIT's disclosures in the financial report against the requirements of Australian Accounting Standards.
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Key audit matter	How our audit addressed the key audit matter
Hedge Accounting – Finance Trust <i>(Refer to “About this report” section: C. Capital Structure and Financial Risk Management)</i> Finance Trust holds unsecured medium term fixed notes (MTN) with a principal amount of \$700m on issuance date. The Finance Trust entered into interest rate swaps (IRS) with matching maturity dates in order to mitigate the fair value risk associated with the market interest rate. The Finance Trust entered into a fair value hedge accounting relationship in accordance with Australian Accounting Standards for the MTN (hedging item) and IRS (hedging instrument). We considered the hedging relationship to be a key audit matter due to the complexity required by Finance Trust in determining the appropriateness of the application of the hedge accounting relationship in accordance with Australian Accounting Standards, including auditing the revaluation of the IRS hedging instruments.	We evaluated the designation and documentation by (the) Finance Trust of the fair value hedge relationship and the expected prospective hedging effectiveness at inception against the requirements of Australian Accounting Standards. In addition we performed the following procedures, amongst others: - Inspected journal entries on a sample basis and compared the relevant terms of the hedging instrument to the hedged item to assess whether there was an economic relationship consistent with the Finance Trust's risk management strategy. - Together with PwC Valuation experts, assessed if the fair value of the IRS was appropriate by recalculating the value of the derivatives at balance date. We assessed the reasonableness of the Finance Trust's disclosures in the financial report in light of the requirements of Australian Accounting Standards. In particular, we considered the disclosures made in section C to the consolidated financial statements which explains the hedging relationship.

Other information

The directors of Charter Hall WALE Limited, the Responsible Entity of Charter Hall Direct Industrial Fund and LWR Finance Trust (the directors), are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial reports and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Directors' Report. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial reports does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon through our opinion on the financial reports.

In connection with our audit of the financial reports, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial reports or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial reports

The directors are responsible for the preparation of the financial reports in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial reports that are free from material misstatement, whether due to fraud or error.

In preparing the financial reports, they are responsible for assessing the ability of Charter Hall Long WALE REIT and Finance Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate Charter Hall Long WALE REIT and Finance Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial reports

Our objectives are to obtain reasonable assurance about whether the financial reports as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial reports.

A further description of our responsibilities for the audit of the financial reports is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.


PricewaterhouseCoopers


Klynton Hankin
Partner

Sydney
8 August 2024

Fund Manager remuneration



Avi Anger,
Fund Manager, CLW

The Fund Manager’s Total Target Remuneration is structured as a mixture of fixed and variable ‘at-risk’ Short Term Incentive (STI) and Long Term Incentive (LTI) components. While Fixed Annual Remuneration (FAR) is designed to provide a base level of remuneration, the ‘at-risk’ STI and LTI components align the employee’s performance with CLW and Charter Hall Group objectives and long-term securityholder interests.

STI

Individual STI outcomes are determined on the basis of Group, divisional, Fund and individual performance. The scorecard is split into three elements: Financial, Customer and Culture, Leadership and Collaboration with a 50% financial and 50% non-financial split. Details of KPIs are outlined on page 77.

For FY24, due to a role change from Fund Manager to Diversified CEO, the STI would typically be deferred on a pro-rata basis, with 75% paid in cash and 25% deferred into CLW units as services rights for the period as Fund Manager and two-thirds of the STI award delivered in cash and one-third deferred into CLW units as service rights for the period as Diversified CEO. However, Avi has voluntarily elected to have two-thirds of the STI award delivered in cash and one-third deferred into CLW securities as service rights, for the whole period. The CLW securities underpinning the service rights are purchased by CHC and transferred to the Fund Manager on vesting.

These service rights are deferred over two years, with 50% vesting at the end of year one (on 31 August 2025) and 50% at the end of year two (31 August 2026).

For the FY24 STI and all other grants from 1 July 2023, the automatic exercise of rights into CLW securities at vesting will be amended to allow the exercise of rights at the election of the participant for a period of up to 10 years from the grant date. The changes apply to all Performance Rights and Options Plan (PROP) participants and are intended to improve securityholder alignment as employees may choose to have additional capital exposure to CLW or other CHC Listed vehicles as a result of the flexibility of the offering.

LTI

The LTI is governed by the PROP, under which rights to stapled securities are granted to participants. Each performance right entitles the participant to one stapled security in the Charter Hall Group for nil consideration at the time of vesting, subject to meeting the performance hurdles as outlined below, measured over the relevant performance period:

- Charter Hall Group’s aggregate operating earnings per security (OEPS) growth – 50% of LTI allocation;
- Charter Hall Group’s relative total securityholder return (TSR) – 50% of LTI allocation.

More details are provided under section 6.5 of the Remuneration Report within Charter Hall Group’s 2024 Annual Report.

Role	Financial	Customer	Culture, Leadership and Collaboration
Overall Weighting	50%	30%	20%
KPIs	– Deliver CLW OEPS target and DPS target at no less than 26.0 cents per security for FY24 – Meet divisional budget targets for CLW – Ensure CLW maintains a long portfolio WALE to ensure resilience against competition and external factors – Maintain a focus on strategic and operational risk management across the business to ensure compliance with regulatory framework	– Partner with CLW top 20 investors and grow relationships and participate in listed investor conferences for CLW to further interest from investors in the REIT – Management of reputational risks in decision-making associated with customer issues – Ensure high level of satisfaction from investors	– Continued focus on employee engagement and well-being levels of the team – Progress ESG initiatives and implement GRESB improvement pathway for funds under management – Industry leadership via active participation at relevant industry bodies and conferences – Maintain and continue to build strong CLW team culture with focus on career growth, retention of key talent and succession planning

Securityholder analysis

Holding distribution

as at 29 July 2024

Range	Stapled securities held	% of issued stapled securities	No. of holders
100,001 and Over	524,500,577	72.55	218
10,001 to 100,000	126,618,035	17.51	5,519
5,001 to 10,000	41,895,847	5.80	5,707
1,001 to 5,000	27,835,421	3.85	9,765
1 to 1,000	2,105,586	0.29	4,773
Total	722,955,466	100.00	25,982
Unmarketable parcels	55,831	0.01	934

Substantial securityholder notices

as at 29 July 2024

Ordinary securities	Date of change	Stapled securities held	% stapled securities held
State Street Corporation	14 April 2023	39,222,021	5.43
PEJR Investments Pty Ltd	16 January 2023	15,780,550	2.18
Vanguard Group	21 September 2022	62,956,033	8.708
Blackrock Group	11 January 2021	35,281,641	6.17
Charter Hall Limited	29 September 2020	59,688,298	11.87

Top 20 securityholders

as at 13 August 2024

Rank	Name	A/C designation	Stapled securities held	%IC
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED		155,282,949	21.48
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED		101,394,288	14.02
3	TRUST COMPANY LIMITED	CHARTER HALL CO-INVEST	76,283,709	10.55
4	CITICORP NOMINEES PTY LIMITED		56,982,628	7.88
5	NATIONAL NOMINEES LIMITED		13,205,942	1.83
6	BNP PARIBAS NOMINEES PTY LTD	AGENCY LENDING	11,114,857	1.54
7	BNP PARIBAS NOMINEES PTY LTD	HUB24 CUSTODIAL SERV LTD	10,551,219	1.46
8	NETWEALTH INVESTMENTS LIMITED	WRAP SERVICES	8,851,566	1.22
9	BNP PARIBAS NOMS PTY LTD		7,002,772	0.97
10	CITICORP NOMINEES PTY LIMITED	COLONIAL FIRST STATE INV	6,312,724	0.87
11	ENDEAVOUR GROUP LIMITED		5,957,813	0.82
12	NETWEALTH INVESTMENTS LIMITED	SUPER SERVICES	3,513,482	0.49
13	IOOF INVESTMENT SERVICES LIMITED	IPS SUPERFUND	2,896,439	0.40
14	PIVOT GROUP PTY LTD		2,852,585	0.39
15	ORDA INVESTMENTS PTY LIMITED		2,559,140	0.35
16	ARTMAX INVESTMENTS LIMITED		2,545,171	0.35
17	HALIBERY HOTELS PTY LTD		2,500,000	0.35
18	BNP PARIBAS NOMINEES PTY LTD	PITCHER PARTNERS	2,449,682	0.34
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	NT-COMNWLTH SUPER CORP	2,072,585	0.29
20	BNP PARIBAS NOMS (NZ) LTD		1,738,640	0.24
Total			476,068,191	65.85
Balance of register			246,887,275	34.15
Grand total			722,955,466	100.00

Investor information

How do I invest in Charter Hall Long WALE REIT?

Charter Hall Long WALE REIT is listed on the Australian Securities Exchange (ASX) under the stock code “CLW”. You can buy securities just like you would buy shares – through your adviser, stockbroker or an online broker. If you do not already have a broker you can call the ASX Broker Referral Service on +61 1300 300 279 or go to the ASX website.

Where can I find more information about Charter Hall Long WALE REIT?

Charter Hall Long WALE REIT’s website, charterhall.com.au/clw contains extensive information on our Board, corporate governance, sustainability, property portfolio, unit price and all investor communications including distribution and tax information, reports and presentations, and profit results. The website also provides information on the broader Charter Hall Group including other managed funds available for investment.

Can I receive my Annual Report electronically?

Charter Hall Long WALE REIT provides its annual report as a PDF, accessible on its website. You can elect to receive notification that this report is available online via your Investor Centre login.

How do I receive my distribution?

Charter Hall Long WALE REIT pays its distribution via direct credit. This enables you to receive automatic payment of your distributions quickly and securely. You can nominate any Australian or New Zealand bank, building society, credit union or cash management account for direct payment by downloading a direct credit form using the Investor Login facility and sending to MUFG Pension & Market Services (formerly Link Market Services Limited).

On the day of payment you will be sent a statement via post or email confirming that payment has been made and setting out details of the payment. The REIT no longer pays distributions by cheque.

Can I reinvest my distribution?

The Distribution Reinvestment Plan (DRP) allows you to have your distributions reinvested in additional securities in Charter Hall Long WALE REIT without the need to pay brokerage, rather than having your distributions paid to you.

Participation in the DRP is optional. Investors may elect to participate fully so that all of your distribution will be reinvested; participating partially so only on a specified number of the units will be reinvested and the remaining units will be paid as a cash distribution; or not participate in the DRP and continue to receive cash distributions.

The DRP is not available to securityholders outside Australia and New Zealand.

For further information on the DRP including assistance on participating, please download the DRP Booklet or contact the Registry on 1300 303 063.

Do I need to supply my Tax File Number?

You are not required by law to provide your tax file number (TFN) or exemption. However, if you do not provide your TFN or exemption, withholding tax at the highest marginal rate may be deducted from your distributions. If you have not provided your TFN or exemption and wish to do so, please contact the Registry, your broker, or use Investor Login to download the TFN form. You will need your SRN or HIN along with your surname and postcode to log in.

How do I complete my annual tax return for the distributions I receive from Charter Hall Long WALE REIT?

At the end of each financial year, we issue securityholders with an Annual Taxation Statement. This statement includes information required to complete your tax return. The quarterly distributions paid are required to be included in your tax return for the financial year the income was earned, that is, the distribution income paid in August 2024 should be included in your 2024 financial year tax return.

How do I make a complaint?

Any unitholder wishing to lodge a complaint should refer to our Complaints Guide for relevant contact details. charterhall.com.au/complaints

Contact details

Registry

To access information on your holding or update your details including name, address, tax file number, payment instructions and document requests, contact:

MUFG Pension & Market Services
(formerly Link Market Services Limited)
Locked Bag A14
Sydney South NSW 1235

Phone +61 1300 303 063

Email charterhall.reits@linkmarketservices.com.au

Web linkmarketservices.com.au

Investor Relations

All other enquiries related to Charter Hall Long WALE REIT can be directed to Investor Relations:

Charter Hall WALE Limited
GPO Box 2704
Sydney NSW 2001

Phone +61 1300 365 585

Email reits@charterhall.com.au

Web charterhall.com.au

Corporate directory

Responsible Entity and Manager

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AFSL 486721

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Sydney NSW 2000

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Sydney NSW 2001

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Email reits@charterhall.com.au

Web charterhall.com.au/clw

ASX code CLW

Directors of the Responsible Entity

Glenn Fraser (Chair)
Ceinwen Kirk-Lennox
Ray Fazzolari
David Harrison
Carmel Hourigan

Fund Manager

Avi Anger

Company Secretary

Mark Bryant and
Rebekah Hourigan

Auditor

PricewaterhouseCoopers
One International Towers Sydney
Watermans Quay, Barangaroo
Sydney NSW 2000

Important information: This report comprises Charter Hall Direct Industrial Fund and its controlled entities (together referred to as Charter Hall Long WALE REIT, REIT or CLW). The REIT was formed upon the stapling of the units of the two Australian registered schemes listed below (collectively referred to as the Stapled Trusts): Charter Hall Direct Industrial Fund (DIF) and its controlled entities (ARSN 144 613 641); LWR Finance Trust (Finance Trust) and its controlled entities (ARSN 614 713 138); and Charter Hall WALE Limited ABN 20 610 772 202; AFSL 486721 (CHWALE) is the Responsible Entity of the Stapled Trusts and is a controlled entity of Charter Hall Limited ABN 57 113 531 150 (Charter Hall). This report is not intended to be and does not constitute an offer or a recommendation to acquire any securities in the REIT. This report does not take into account the personal objectives, financial situation or needs of any investor. Before investing in REIT securities, you should consider your own objectives, financial situation and needs and seek independent financial, legal and/or taxation advice. Historical performance is not a reliable indicator of future performance. Due care and attention has been exercised in the preparation of forward-looking statements. However, any forward-looking statements contained in this report are not guarantees or predictions of future performance and, by their very nature, are subject to uncertainties and contingencies, many of which are outside the control of CHWALE and its entities. Actual results may vary materially from any forward-looking statements contained in this report. Readers are cautioned not to place undue reliance on any forward-looking statements. Except as required by applicable law, CHWALE and its related entities do not undertake any obligation to publicly update or review any forward-looking statements, whether as a result of new information or future events. The receipt of this report by any person and any information contained herein or subsequently communicated to any person in connection with the REIT is not to be taken as constituting the giving of investment, legal or tax advice by the REIT nor any of its related bodies corporate, directors or employees to any such person. Neither the REIT, its related bodies corporate, directors, employees nor any other person who may be taken to have been involved in the preparation of this report represents or warrants that the information contained in this report, provided either orally or in writing to a recipient in the course of its evaluation of the REIT or the matters contained in this report, is accurate or complete. CHWALE does not receive fees in respect of the general financial product advice it may provide; however, it will receive fees for operating the REIT which, in accordance with the REIT's constitutions, are calculated by reference to the value of the assets. Controlled entities of Charter Hall may also receive fees for managing the assets of, and providing resources to, the REIT. Charter Hall and its related entities, together with their officers and directors, may hold securities in the REIT from time to time. All information herein is current as at 30 June 2024 unless otherwise stated. All references to dollars (\$) or A\$ are to Australian Dollars unless otherwise stated. © Charter Hall



275 George Street, Brisbane Qld
Turrbal and Yuggera land

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