

Supplementary Product Disclosure Statement

6 April 2020

This Supplementary Product Disclosure Statement (**SPDS**) supplements the product disclosure statement dated 1 February 2019 (**PDS**) in relation to the offer by Charter Hall Direct Property Management Limited (ABN 56 073 623 784, AFSL 226849) (**CHDPML**), as responsible entity, of units in the Charter Hall Direct Industrial Fund No.4 (ARSN 615 152 817, APIR Code MAQ0854AU) (**Fund**).

This SPDS was prepared and issued by CHDPML, as responsible entity of the Fund, in accordance with the Corporations Act. The information in this document updates the PDS. You should read this SPDS together with the PDS. Except to the extent amended by this SPDS, or updated on the Fund's website, the PDS remains in full force.

ASIC takes no responsibility for the contents of this PDS and expresses no view regarding the merits of the investment set out in this SPDS or the PDS.

No investment advice

The information contained in this SPDS is not financial product advice. The information contained in this SPDS is general information only and does not take into account your investment objectives, financial situation and particular needs.

It is therefore important that you read this SPDS and the PDS in full before deciding whether to invest in the Fund and take into consideration your investment objectives, financial situation and particular needs. If you are in any doubt, you should consider consulting your financial adviser, stockbroker or other professional advisers.

Defined terms

Capitalised terms used in this SPDS which have not been defined have the meaning given in the Glossary in Section 12.0 of the PDS.

Addition to Section 5.0 (Risks)

Section 5.0 of the PDS is amended pursuant to this SPDS. The following should be read in conjunction with the risks disclosed on pages 16, 17 and 18 of the PDS.

The impact of COVID-19

While the impact of COVID-19 is not able to be forecast, there is a risk that the broad economic conditions caused by the pandemic may adversely affect the Fund, including the value of the Property Portfolio and the Fund's earnings and income distributions.

The ongoing value of the Property Portfolio is influenced by many factors, including those arising from COVID-19. In the circumstances, CHDPML will obtain independent valuations of the Property Portfolio as at 31 March 2020 and as at 30 June 2020. Additional independent valuations may also be obtained from time to time if the Board deems it prudent to do so. Any revised valuations will be used to calculate the Fund unit price.

Investors should be aware that any independent valuation will be based on a number of assumptions and qualifications and it will be difficult for any person to measure the impact of COVID-19 with certainty at any point in time. Some of the challenges with accurately

valuing unlisted property at this time include: asset valuations in liquid markets are currently volatile, reflecting current uncertainties; transactional activity in unlisted markets has reduced, providing less data points to accurately value unlisted assets; and there is a risk subsequent circumstances may not have been anticipated in determining values. Given the longer term nature of an investment in the Fund, and assuming a return to normality in due course, the current short term volatility in markets may not be reflective of the longer term, undisturbed prices of real assets.

Income distributions are largely dependent on tenants meeting their rental obligations and the underlying tenant demand for a Property. Some tenants in the Portfolio may have difficulty meeting their rental obligations and CHDPML may either, through agreement with one or more tenant(s) or through requirement of government regulation or legislation, provide such tenant(s) with rental deferral, rental abatement, or waiver of rent. These arrangements could reduce the income of the Fund and the cash flows available to provide investors with distributions or meet liquidity requests. In addition, there is a risk that COVID-19 may have longer term impacts on the economy which may affect the tenant demand and rents for the Property Portfolio in the future.

Changes in Property values or cash flows may impact the gearing ratio or interest cover ratio for the Fund and the Fund's compliance with its debt covenants. The Fund has no debt maturing until October 2024 and as at the date of this SPDS has sufficient capacity under all its financial covenants.

COVID-19 risk mitigants

CHDPML does not underestimate the potential impact of COVID-19 and is working to minimise its impact on the Fund. There are a number of relevant and important risk mitigants, including:

- Governments and central banks around the world including Australia have provided unprecedented stimulus as they seek to maintain liquidity and support the economy.
- The Fund has a diversified Property Portfolio with a large number of tenants. This mitigates some of the risk to cash flows of any individual tenant experiencing economic hardship. Updated details of the portfolio are available on the Fund website.
- The Fund is conservatively geared and has no debt maturing until March 2024. The impact of any revised Property valuations on debt covenants can be viewed on the Fund website by viewing the RG 46 & PDS Updated Information document.
- Charter Hall's strategy for many years has been to focus on well located properties with high occupancy levels and long leases to quality tenants. This continues to be our strategy, to ensure the sustainable and stable income that our funds provide throughout market cycles and over the medium to long term.



Charter Hall



Charter Hall Direct Industrial Fund No.4

Product disclosure statement

An unlisted property fund with an established and growing portfolio of quality Australian industrial properties.
APIR Code MAQ0854AU

Important information

Product disclosure statement

This PDS relates to an offer to invest in Charter Hall Direct Industrial Fund No.4 (ARSN 615 152 817, APIR Code MAQ0854AU) (Fund). The Fund is a registered managed investment scheme under the Corporations Act. Applicants may submit an application to subscribe for Units at any time while this PDS is on issue.

This PDS is dated 1 February 2019. Unless otherwise specified, all financial and operational information contained in this PDS is stated as at the date of this PDS.

ASIC takes no responsibility for the contents of this PDS and expresses no view regarding the merits of the investment set out in this PDS. You should read this PDS in full before deciding whether to invest in the Fund. If you are in doubt as to how to interpret or deal with this document, you should consider consulting your financial adviser, stockbroker or other professional advisers.

Responsible Entity

Charter Hall Direct Property Management Limited (ABN 56 073 623 784, AFSL 226849) (Responsible Entity or CHDPM) is the issuer of this PDS and the Units offered pursuant to this PDS. The Responsible Entity has appointed Charter Hall Holdings Pty Limited (ABN 15 051 363 547) to act as manager of the Fund (Manager).

Custodian

The Responsible Entity has appointed The Trust Company (Australia) Limited (ABN 21 000 000 993, AFSL 235145) as the custodian of the Fund (Custodian). The Custodian's role is limited to holding the assets of the Fund as agent of the Responsible Entity. The Custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests. In accordance with the terms of the Custody Agreement, the Custodian has no liability or responsibility to you for any act done or omission made. The Custodian makes no statement in this PDS and has not authorised or caused the issue of it.

Eligibility

The Offer made in this PDS is available only to those persons receiving this PDS (electronically or otherwise) within Australia or New Zealand. No action has been taken to register Units or otherwise permit a public offering of Units in any jurisdiction outside Australia or New Zealand.

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The distribution of this PDS in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this PDS who are not in Australia or New Zealand should seek advice on and observe any such restrictions in relation to the distribution or possession of this PDS. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Other than as permitted by law, investments in the Fund will only be accepted on receipt of an Application Form.

Cooling off period

Direct Investors who are not Wholesale Clients have a 14-day cooling off period. Cooling off rights do not apply to Indirect Investors that invest through an IDPS.

New Zealand

Refer to section 11 for additional information for New Zealand investors.

Master trust or wrap accounts

The Responsible Entity authorises the use of this PDS as disclosure to Indirect Investors who access the Fund through an IDPS or IDPS-like scheme (known commonly as a master trust or wrap account) or nominee or custody service and those investors may rely on this PDS. Individuals or entities who invest in the Fund through a master trust or wrap account do not become Direct Investors. The operator or custodian of the master trust or wrap account (IDPS Operator) will be recorded as the Investor in the Investor Registry and will be the person who exercises the rights and receives the benefits as an Investor. Reports and documentation relating to the Fund will be sent to the IDPS Operator. Investors using these services should be aware that they may be subject to different conditions from those set out in this PDS, particularly in relation to:

- ▶ arrangements for the application for and transfer of Units;
- ▶ fees and expenses; and
- ▶ distribution calculation and timing.

Indirect Investors in master trusts or wrap accounts should contact their adviser or IDPS Operator with any queries relating to an investment in the Fund using these services.

No investment advice

The information contained in this PDS is not financial product advice. The information contained in this PDS is general information only and does not take into account your investment objectives, financial situation and particular needs.

It is therefore important that you read this PDS in full before deciding whether to invest in the Fund and take into consideration your investment objectives, financial situation and particular needs. If you are in any doubt, you should consider consulting your financial adviser, stockbroker or other professional advisers.

Forward looking statements

This PDS contains forward looking statements which are subject to known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Fund to be materially different from those expressed or implied in such forward looking statements. Past performance is not a reliable indicator of future performance.

Disclaimer

An investment in Units is not an investment in, or a deposit with or other liability of, the Responsible Entity or any other member of Charter Hall Group and is subject to investment and other risks, including possible delay in repayment and loss of income and capital invested. None of the Responsible Entity, the Manager, other entities in Charter Hall Group, the Custodian or any of their respective directors, officers or associates gives any guarantee or assurance as to the performance of the Fund or the underlying assets of the Fund or the repayment of capital from the Fund or any particular rate of capital or income return from the Fund.

No representations other than contained in this PDS

You should only rely on the information in this PDS when deciding whether to invest in the Fund. No person is authorised to give any information or to make any representation in connection with the Fund that is not contained in this PDS. Any information or representation not contained in this PDS may not be relied upon as having been authorised by the Responsible Entity in connection with the Fund.

Investment risks

You should read this PDS in full before deciding whether to invest in the Fund and if you are in any doubt, you should consider consulting your financial adviser, stockbroker or other professional advisers. Each Applicant shall be considered to have read and understood section 5 of this PDS.

PDS availability

This PDS may be viewed online on the Fund website. If you access the electronic version of this PDS, you should ensure that you download and read this PDS in full. A paper copy of this PDS is available free of charge to any person in Australia by calling Charter Hall Group on 1300 652 790 (local call cost).

Updated information

Information in this PDS may change from time to time. Information that has changed in relation to the Fund that is not materially adverse but which the Responsible Entity wishes to provide to Investors, will be made available on the Fund website. A printed copy of any updated information will be available from the Responsible Entity free of charge upon request by calling Charter Hall Group on 1300 652 790 (local call cost). The Responsible Entity may issue a supplementary product disclosure statement to supplement any relevant information not contained in this PDS, in accordance with its obligations under the Corporations Act. Any supplementary product disclosure statement and updated information should be read together with this PDS. A copy of any supplementary product disclosure statement and other information regarding the Fund will be made available on the Fund website and a printed copy will be available from the Responsible Entity free of charge upon request.

Continuous disclosure

In accordance with ASIC Regulatory Guide 198 'Unlisted disclosing entities: Continuous disclosure obligations', the Responsible Entity advises that it will fulfil its continuous disclosure requirements by way of website disclosure which complies with ASIC's good practice guidance. Investors may access material information regarding the Fund from the Fund website.

Pictures of properties in this PDS

Unless otherwise specified, all pictures of properties in this PDS are actual pictures of buildings or property which are assets (directly or indirectly) of the Fund.

Defined terms

and financial information

Definitions of certain terms used in this PDS appear in the Glossary in section 12. References to currency are to Australian currency unless otherwise specified, and references to times are to Australian Eastern Standard Time (AEST) unless otherwise specified. Unless otherwise specified or implied, references to years are financial year references.

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Thinking of investing?

This is why

**Income paid
quarterly**

**100%
occupancy
target**

**Long weighted
average lease
expiries**

**Quality
Australian
industrial
properties**

**A portion of
distributions are
currently tax-
deferred**

**Capital growth
potential**

**Low correlation
to equities**

**Five-year
investment
terms**

**There are risks
inherent in every
investment**

- ▶ Industrial property provides an attractive alternative investment to residential property, shares and term deposits. These asset classes have different liquidity and risk profiles. Refer to section 5 for some of the key risks associated with the Fund.

Investing?

More details

- ▶ **Charter Hall Direct Industrial Fund No.4 is an unlisted property fund with an established and growing portfolio of quality Australian industrial properties.**
- ▶ **By investing in the Fund, you have the potential to receive sustainable and stable tax-advantaged income paid quarterly.**
- ▶ **Distributions are derived from real properties with long-term leases and annual rent increases. There is also the potential for capital growth.**
- ▶ **Investors should be aware of the risks involved in direct property funds, some of which are set out in section 5.**

The Manager

Charter Hall Group is one of Australia's leading property groups, investing in commercial properties, including office buildings, supermarket anchored retail centres and industrial assets on behalf of institutional, wholesale and retail investors. Charter Hall Group, its directors and senior managers are aligned by investing alongside investors in many of the funds they manage.

Charter Hall Direct Property is part of Charter Hall Group and is one of Australia's leading direct property fund managers. We have a strong track record managing unlisted property funds and syndicates since 1995. Our products are consistently highly rated by external research groups and our skilled and motivated team utilises their industry experience and passion to deliver sustainable returns for our investors, with a focus on outperformance of fund benchmarks.

Direct property

Direct property investments provide attractive levels of income with the benefit of potential capital growth. They have a low correlation to and are less volatile than equities, and they generally offer higher income than more defensive fixed interest or cash options. The level of risk associated with investment in direct property is different to other asset classes. Refer to section 5 for some of the risks associated with an investment in direct property funds.

Industrial property

Industrial property in Australia is progressively becoming automated, strategically located and technologically enhanced. It is characterised by long leases, large and adaptable site areas and is currently in high demand. Increasingly dominated by logistics and distribution assets that have benefited in part from the global and Australian growth in e-commerce, industrial property can also include manufacturing plants or food processing and storage facilities.

The Fund

The Fund invests in quality industrial properties in Australian industrial precincts, with an emphasis on those positioned near major transport infrastructure.

The Fund may also invest in other high quality industrial funds that meet the investment criteria.

The Fund targets properties and investments that are 100% occupied, have long leases to quality tenants and have structured rental increases. The current portfolio of assets can be found on the Fund website.

Active portfolio management

Properties are actively managed to generate a stable income return and achieve capital growth. Each Property will be regularly assessed for its income outlook and strategic value and Properties will be acquired and investments will be made subject to meeting the Fund's investment criteria. Refer to section 3.

Sustainable and stable income

The Fund aims to provide sustainable and stable tax-advantaged income paid quarterly. Income returns from direct property investments generally compare favourably with the income returns of other asset classes. The level of risk associated with an investment in the Fund is different to other asset classes. Please consider the risks associated with the Fund carefully before deciding whether to invest. The current income yield for the Fund can be found on the Fund website. The income yield for the Fund is calculated at a point in time and will fluctuate when the distribution amount or Unit Price changes.

Liquidity

The Fund launched on 3 November 2016 and has rolling five-year terms. At the end of each term, there will be a Liquidity Event, where the Responsible Entity will endeavour to provide all Investors with the opportunity to redeem their investment if they elect to do so. In addition to Liquidity Events at the end of each term, regular Limited Withdrawal Offers are intended to be made. Refer to section 4.3.

Risks

There are risks inherent in every investment. You should read this PDS in full before deciding whether to invest in the Fund and if you are in any doubt, you should consider consulting your financial adviser, stockbroker or other professional advisers. Refer to section 5 for a summary of the key risks relating to an investment in the Fund.

1.0 Key features

1.1 Fund profile

Investment opportunity

► PDS section 4

The Fund aims to provide Investors with sustainable and stable tax-advantaged income and the potential for capital growth. The Fund will achieve this with its established and growing portfolio of quality industrial Properties in Australian industrial precincts, with an emphasis on those positioned near major transport infrastructure. The Fund may also invest in other high quality industrial funds that meet the investment criteria.

Offer

► PDS section 4.2

The Offer made under this PDS is for investors to subscribe for Ordinary Units in Charter Hall Direct Industrial Fund No.4.

Distributions

► PDS section 4.4

Distributions will be paid quarterly in arrears within the month following each quarter ending March, June, September and December. Historical distributions can be found on the Fund website. Past performance is not indicative of future performance.

Fund term and liquidity

► PDS section 4.3

The Fund launched on 3 November 2016 and has rolling five-year terms.

The Initial Term ends in or around November 2021. Thereafter, the Fund will have rolling five-year terms.

At the end of each five-year term, there will be a Liquidity Event where, subject to its obligations at law, the Responsible Entity will endeavour to provide liquidity for all Investors wishing to redeem all or some of their investment. In the event that the Responsible Entity is unable to redeem Units at a Liquidity Event, subject to law, it will continue to work to provide liquidity for those Investors at the prevailing Exit Price. In certain circumstances, the Responsible Entity may suspend Liquidity Events or Limited Withdrawal Offers. Direct property investments, such as the Fund, are by their nature illiquid investments.

Regular Limited Withdrawal Offers are intended to be made every six months from June 2019, subject to the Fund having available liquid assets. The amount made available under each Limited Withdrawal Offer will be notified to Investors at the time an offer is made.

Investment strategy

► PDS section 3

The Fund's investment strategy is to:

- invest in quality Australian industrial properties for the medium to long term and actively manage them to increase their value and income growth prospects;
- seek investment opportunities, including co-investment opportunities, through Charter Hall Group's investment pipeline, its joint venture partners and others in accordance with clear investment criteria; and
- regularly review and rebalance the Portfolio, including where appropriate, selling Properties to maximise risk adjusted returns for Investors.

Occupancy and average lease term

► Fund website

The Fund is targeting 100% occupancy and minimum seven-year target average lease term (weighted by income). The current occupancy and average lease term can be found on the Fund website.

Current Portfolio

► PDS section 3, Fund website

The current Portfolio of assets can be found on the Fund website.

As at the date of this PDS, the Portfolio comprises a direct interest in seven quality Australian industrial Properties and an investment in a Charter Hall managed wholesale investment partnership. As at the date of this PDS, the Portfolio is valued at \$319.8 million and is diversified across New South Wales, Victoria, Queensland, South Australia, Tasmania and Western Australia.

Fund debt

► PDS section 10.1

The Responsible Entity has a gearing target for the Fund of 30% to 45% (calculated on a look-through basis). Gearing may be temporarily higher in order to settle Property acquisitions or Portfolio investments with subsequent proceeds from the Offer used to reduce the Fund's gearing in line with the gearing target. Gearing may also be lower from time to time if the Responsible Entity determines it is prudent to be so.

Unit Price

► PDS section 8, Fund website

The current Unit Price can be found on the Fund website.

Fees and costs

► PDS section 6

Certain one off and ongoing fees are payable in relation to an investment in the Fund. Direct Investors may also elect to pay their adviser an upfront and/or ongoing professional fee for service.

Risks

► PDS section 5

You should read this PDS in full before deciding whether to invest in the Fund and if you are in any doubt, you should consider consulting your financial adviser, stockbroker or other professional advisers.

1.2 Important Offer information

Minimum Application Amount

\$20,000

The Responsible Entity may waive the minimum Application Amount requirements in its discretion.

Fund website

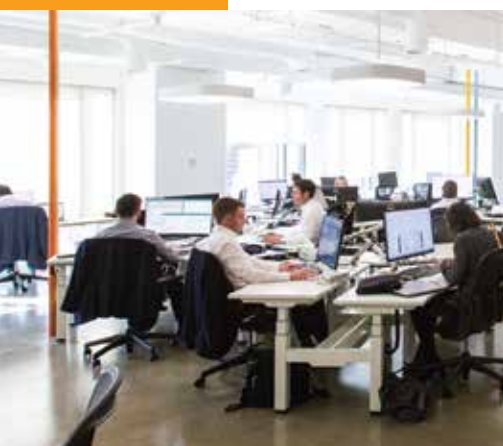
www.charterhall.com.au/dif4

2.0 Charter Hall

Charter Hall Group (ASX: CHC) is one of Australia's leading fully integrated property groups, managing high quality property on behalf of institutional, wholesale and retail investors. The Group uses its property expertise to access, deploy, manage and invest equity in its core real estate sectors — office, retail, industrial and social infrastructure — to create value and generate superior returns for its investors.



The images in this section are of Charter Hall Group staff and offices, not images of Fund Properties. For images of Fund Properties, see section 3.



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

2.1 Key management

Peeyush Gupta AM FAICD

Independent Chairman
of the Responsible Entity



Peeyush was co-founder and the inaugural Chief Executive Officer of Ipac Securities Limited, a pre-eminent wealth management firm. He has experience in starting and growing businesses, general and investment management, and corporate governance. He is a Non-Executive Director of National Australia Bank Limited, BNZ Life, Link Group, Insurance & Care NSW, and SBS. He also serves in a pro bono capacity on the Australian School of Business Dean's Advisory Committee and as a Trustee of Western Sydney University.

Peeyush holds a Master of Business Administration in Finance from the Australian Graduate School of Management and a Bachelor of Arts in Computing Studies from the University of Canberra. He is also an alumnus of Harvard Business School.

Rick Higgins

Independent Director
of the Responsible Entity



Rick is a property professional with over 45 years of experience, having provided valuations and consultancy advice to a range of large institutional clients relating to a broad range of properties. He is also a Non-Executive Director on the Board of BWP Management Limited, which is the responsible entity for the ASX listed BWP Trust.

Rick was the National Director of Business Development for Colliers International. Before that, he was employed by Jones Lang Wootton for 30 years as National Director responsible for the National Valuation and Consultancy Division. Rick is a Fellow of the Australian Property Institute (FAPI).

Ian Pratt

Independent Director
of the Responsible Entity



As an accounting professional, Ian has been providing astute property, finance and tax advice for over 40 years.

Currently a partner in a firm of chartered accountants, he is also a member of Chartered Accountants Australia and New Zealand, is a director of a number of private companies, is Chairman of Ashley Services Group Limited and was a Director of Macquarie Direct Property Management Limited, which became Charter Hall Direct Property Management Limited in 2010.

David Harrison

Executive Director
of the Responsible Entity



32 years industry experience / 14 years at Charter Hall Group

David has more than 32 years of property market experience across office, retail and industrial sectors in multiple geographies globally. As Charter Hall Managing Director and Group CEO, David is responsible for all aspects of the Charter Hall business, with specific focus on strategy. He continues to build the momentum of a \$26.4 billion investment portfolio and is recognised 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 Leadership Group.

David has overseen the growth of Charter Hall Group from \$500 million to \$26.4 billion of assets under management. David has been principally responsible for transactions exceeding \$25 billion of commercial, retail and industrial property assets. David holds a Bachelor of Business (Land Economy) from Western Sydney University, is a Fellow of the Australian Property Institute (FAPI) and holds a Graduate Diploma in Applied Finance from the Securities Institute of Australia.

Richard Stacker

Executive Director
of the Responsible Entity



27 years industry experience / 8 years at Charter Hall Group

Richard is the CEO of Charter Hall's Industrial real estate business and was previously Head of Global Investor Relations.

Richard has over 26 years of experience in real estate funds management, real estate finance, accounting and risk management. With experience across all sectors, he has led the establishment and structuring of new funds, and management of these funds, including overseeing transactional, development, asset and property management.

Prior to joining Charter Hall, Richard was a Division Director of Macquarie Group and Chief Executive Officer of Macquarie Direct Property Management Limited. Previously to that, Richard was a General Manager with Lend Lease Corporation and a senior manager with PricewaterhouseCoopers. He is a member of Chartered Accountants Australia and New Zealand.

Steven Bennett

Head of Direct Property and
Fund Manager of the Fund



18 years industry experience / 8 years at Charter Hall Group

Steven is Head of Charter Hall Group's Direct Property business and has worked in the Direct Property business at Charter Hall for more than eight years. Steven is also Fund Manager of the Fund and has day-to-day responsibility for overseeing asset management and tenancy matters, managing the financial structure of the Fund including debt financing and hedging and stakeholder communications. Prior to joining Charter Hall Group, he worked for Macquarie Group Limited for seven years at their Sydney and London offices. Steven holds a Bachelor of Business from the University of Technology, Sydney and is a member of Chartered Accountants Australia and New Zealand.

Christopher Choi

Assistant Fund Manager of
the Fund



11 years industry experience / 7 years at Charter Hall Group

Christopher is Assistant Fund Manager and is responsible for overseeing financial performance and analytics for the Fund. Christopher also assists with asset management, strategic planning and the financial structure for Charter Hall Direct Property's suite of unlisted funds. Prior to joining Charter Hall Group, he worked for Investa Property Group in their Commercial Office Development business. Christopher holds a Bachelor of Commerce from The University of New South Wales and is a member of Chartered Accountants Australia and New Zealand.

3.0 Investment strategy

Why industrial property?

Industrial property in Australia is progressively becoming automated, strategically located and technologically enhanced. It is characterised by long leases, large and adaptable site areas and is currently in high demand. Increasingly dominated by logistics and distribution assets that have benefited in part from the global and Australian growth in e-commerce, industrial property can also include manufacturing plants or food processing and storage facilities. Features of industrial property include:



Growth of online retailers

The growth in online retailing has translated into increased demand for industrial assets. A larger quantity of goods is being received, stocked, processed and dispatched directly from industrial assets. Increased industrial floorspace is also required to process returns.

The competition amongst e-retailers will revolve around price, convenience and product. The access to well-located and highly functional warehouses will reduce supply-chain costs and delivery times. These assets will be highly sought after and will benefit from steady income growth.



Technology

Sophisticated technologies, including automated and artificially intelligent solutions, are built in to newer industrial facilities – significant investments that are underpinned by long leases.

Technological solutions are being tailored to the specific requirements of tenants as many look to store and dispatch goods quickly. For example, some of the larger online retailers have adopted these solutions to offer a wider variety of goods through denser stocking.



Demand

Global and local property investors have united to increase demand for Australia's industrial real estate assets, which has provided for capital growth in the sector.

The industrial and logistics sector has subsequently become increasingly institutionalised. Investor and occupier demand are positively correlated to economic and population growth. The sector will also benefit from infrastructure investment as these projects reduce travel time, and costs, to major markets.

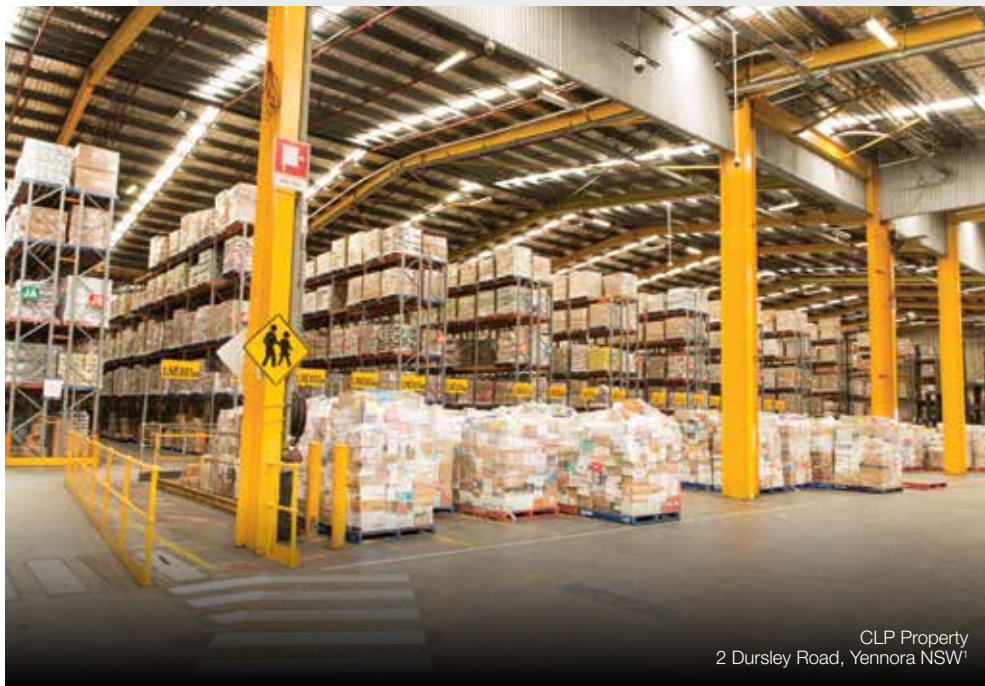


Supply

Supply of industrial space has largely met demand to date, and has been weighted towards the Australian eastern seaboard, reflecting the national population composition. However, limited supply of industrial land and rezoning of large parcels of land to residential or infrastructure uses near population centres, has prevented timely responses to demand. This has caused notable rises in rents for certain markets.

Imbalances in supply and demand are usually resolved in the medium term once the provision of industrially zoned land and connecting infrastructure occurs.

Higher volumes of online retail sales will continue to increase the required supply, particularly near large population bases.



Note:

1. The assets pictured are owned directly or indirectly by the Fund.

Fund investment strategy and criteria

The Fund aims to provide Investors with sustainable and stable tax-advantaged income and the potential for capital growth. The Fund will achieve this with its established and growing portfolio of quality industrial Properties in Australian industrial precincts with an emphasis on those positioned near major transport infrastructure. The Fund may also invest in other high quality industrial funds that meet the investment criteria.

The Fund's investment strategy is to:



The Responsible Entity aims to make investments having regard to the following clear criteria:

Investment criteria

Property type	Institutional grade industrial properties.
Location	Properties will usually be located in established Australian industrial precincts, with an emphasis on those positioned near major transport infrastructure.
Tenants	Highly regarded tenants in the industrial property sector to provide a secure and stable income stream.
Average lease term	At the time of acquisition, the Property will not reduce the Portfolio's average lease term below seven years.
Occupancy	Target occupancy of 100%.
Development	To reduce risks associated with development, any direct Property acquired that is subject to development will have an approved development application and an agreement for lease over the majority of the Property.
Co-investments	All co-investments will be in high quality industrial investment opportunities alongside Charter Hall's institutional funds, partnerships or major Australian or international investors.

The Responsible Entity may revise these investment criteria from time to time, having regard to the best interests of Investors. Changes to these investment criteria will be communicated to Investors via the Fund website or in writing. The Responsible Entity may give effect to these investment criteria by taking an interest in funds or trusts (including funds or trusts managed by other entities). Refer to section 8.6.

The current Portfolio of assets can be found on the Fund website.

Portfolio as at the date of this PDS:

As at the date of this PDS, the Portfolio comprises a direct interest in seven quality Australian industrial Properties and an investment in a Charter Hall managed wholesale investment partnership. As at the date of this PDS, the Portfolio is valued at \$319.8 million and has a weighted average lease expiry of 11.0 years. Details are below:

Direct Property					
Property	Valuation ¹	Capitalisation rate	Lease term (by income)	Occupancy	Tenants (by income)
55 Yarrunga Street, Prestons NSW²	\$71.6 million ³	5.25%	10.3 years	100%	Mainfreight Distribution Pty Ltd (100%)
115-121 Jedda Road, Prestons NSW	\$66.0 million ⁴	5.50%	10.2 years	100%	P&M Quality Smallgoods (100%)
13-39 Pilbara Street, Welshpool WA	\$55.0 million ⁴	7.25%	7.1 years	100%	AMCAP and GPC (100%)
27-35 Sturton Road, Edinburgh Parks SA 50% interest ⁷	\$39.0 million ⁴	6.00%	20.8 years	100%	Inghams (100%)
9 Shale Place, Eastern Creek NSW	\$14.0 million ⁵	5.00%	16.6 years	100%	C R Laurence (100%)
42 Enterprise Drive, Rowville Vic	\$9.4 million ⁶	5.25%	16.6 years	100%	C R Laurence (100%)
19 Production Road, Canning Vale WA	\$9.1 million ⁵	6.00%	9.4 years	100%	C R Laurence (100%)
Investments					
Investment fund	Value of investment ¹	Average capitalisation rate of investment fund	Average lease term (by income)	Average occupancy	Top five tenants (by income)
Core Logistics Partnership Trust (CLP) 31 high quality, well located properties diversified across Australia	\$55.7 million	5.70%	9.9 years	100%	Woolworths (19%) Inghams (10%) Peters Ice Cream (5%) Target (5%) DHL (4%)
Total (direct Property and investments)	\$319.8 million	5.83%	11.0 years	100%	48 tenants (6 direct and 42 indirect)

Note:

1. Book valuation as at 31 December 2018.
2. The Property located at 55 Yarrunga Street, Prestons NSW (Mainfreight Property) is subject to final settlement. Refer to section 8.7.
3. Independently valued at 30 July 2018.
4. Independently valued at 31 December 2018.
5. Independently valued at 20 September 2018.
6. Independently valued at 1 October 2018.
7. For further information relating to owning a Property under a joint venture arrangement, refer to sections 5.3 and 10.4.

4.0 The Fund and the Offer

4.1 Structure of the Fund

The Fund is a unit trust domiciled in Australia and registered as a managed investment scheme under the relevant provisions of the Corporations Act.

CHDPML has been appointed as the responsible entity of the Fund and as such is responsible for all aspects of the management and administration of the Fund.

4.2 The Offer

The Responsible Entity is seeking to raise equity for the Fund to acquire Properties that satisfy the investment criteria.

Successful Applicants under the Offer will be issued Ordinary Units. Refer to section 8.2 for more details. Units to be issued pursuant to the Offer will be issued each Business Day at the prevailing Unit Price plus any Buy Spread (Entry Price). Any Buy Spread will be notified on the Fund website.

The Responsible Entity may, in its discretion, accept or reject applications in whole or in part or issue fewer Units than are applied for.

The daily cut-off for applications is 2pm AEST. If the Responsible Entity receives a completed Application Form and Application Amount before or at 2pm AEST, Units will be allotted at the Entry Price applicable at the close of business that day. If the Application Form or Application Amount is received after 2pm AEST, the Responsible Entity will apply the Entry Price for the next Business Day.

4.3 Fund term and liquidity

The Fund launched on 3 November 2016 and has rolling five-year terms. The Initial Term ends in or around November 2021. Thereafter, the Fund will have rolling five-year terms.

At the end of each five-year term, all Investors will be offered the opportunity to redeem their investment if they elect to do so. In addition to Liquidity Events, regular Limited Withdrawal Offers are intended to be made every six months from June 2019.

All redemptions through liquidity opportunities will occur at the prevailing Exit Price.

Liquidity Events and Limited Withdrawal Offers may be cancelled, deferred, scaled back or suspended in exceptional circumstances such as where it is impracticable to offer liquidity or it would not be in the best interests of remaining Investors for liquidity to be offered.

Liquidity Events

At the end of each term, there will be a Liquidity Event where, subject to its obligations at law, the Responsible Entity will endeavour to provide liquidity for all Investors wishing to redeem all or some of their investment. The first Liquidity Event will be in or around November 2021.

At a Liquidity Event, the Responsible Entity will communicate formally with Investors, providing an outline of the liquidity strategy proposed, and the forecast price that Investors will receive if they redeem Units. Investors will be provided with a withdrawal request form prior to each Liquidity Event.

To provide liquidity, the Responsible Entity may:

- ▶ sell one or more Properties;
- ▶ raise new equity for the Fund;
- ▶ reconsider the gearing ratio of the Fund; or
- ▶ undertake a combination of these measures.

Liquidity Events would not be offered if the Fund is listed.

The Responsible Entity will aim to satisfy accepted redemption requests made in response to a Liquidity Event within 12 months of the closing date of the Liquidity Event. Liquidity Event payments may be satisfied over multiple instalments and will be made at the prevailing Exit Price. Refer to section 8.1.

In the event that the Responsible Entity is unable to redeem Units at a Liquidity Event, subject to its obligations at law, it will continue to work to provide liquidity for those Investors at the prevailing Exit Price at the time of redemption. Refer to section 8.1.

Limited Withdrawal Offers

Regular Limited Withdrawal Offers are intended to be made every six months from June 2019, subject to the Fund having available liquid assets. The amount made available under each Limited Withdrawal Offer will be notified to Investors at the time an offer is made. It is expected that, in aggregate \$10 million will be made available each year under Limited Withdrawal Offers.

Provided the Fund has sufficient available liquid assets to do so, the Responsible Entity will aim to satisfy accepted redemption requests made in response to a Limited Withdrawal Offer within 30 days of the closing date of the Limited Withdrawal Offer.

The Responsible Entity has discretion to delay or suspend redemptions, or to scale back redemption requests on a proportionate basis, including in the event that demand for redemptions pursuant to any Limited Withdrawal Offer exceeds the Fund's available liquid assets. The Responsible Entity may determine that such other terms and conditions will apply to Limited Withdrawal Offers from time to time. These terms and conditions will be communicated to Investors at the time of the Limited Withdrawal Offer.

Limited Withdrawal Offers may be advised to Investors by any means as determined by the Responsible Entity, including by publishing the Limited Withdrawal Offer on the Fund website or including information in the Fund's quarterly update. Ordinarily, Limited Withdrawal Offers will open in the month following the June or December quarter end, close in the second month following quarter end and be paid in the third month following quarter end.

Limited Withdrawal Offer payments will be made at the prevailing Exit Price. Refer to section 8.1.

4.4 Distributions

Distribution policy

The Responsible Entity intends to pay income distributions as set out in section 1.1. Distributions will be paid from the Fund's income from Properties or other investments and will be determined by dividing the total amount available for distribution (as determined by the Responsible Entity and referable to the entitlement of Ordinary Units) for any given period by the number of Ordinary Units on issue on the last day of the distribution period. The Responsible Entity intends that distributions will be paid from the Fund's cash from operations (including proceeds of sale and excluding borrowings) available for distribution. However, from time to time for short periods, the Fund may pay distributions from other sources such as equity. This may occur when equity has been raised but not yet deployed to acquire a Property or Properties.

To this end, the Responsible Entity intends, over time, to distribute the whole of the Fund's distributable income calculated in accordance with the Constitution. In doing so, a portion of distributable income may be retained in one period to smooth distributions and/or provide additional working capital for future periods.

Distribution payments

All distributions are calculated in Australian dollars. Distributions for Australian Investors will only be paid in Australian dollars directly into a bank account or other account with a financial institution where there is a branch in Australia. New Zealand Investors may elect to have their distributions paid in New Zealand dollars to a New Zealand bank account, with the Australian dollar distribution converted to New Zealand dollars at a spot exchange rate.

If valid bank account details are not provided, this may delay the processing of an Applicant's application and/or an Investor's distribution payment. Distributions will not be paid by cheque.

Tax-deferred amounts arise through the different treatment of expenses and depreciation allowances on buildings and plant and equipment within a building for accounting and taxation purposes. For further information on the tax implications of investing in the Fund, refer to section 7.1.

Changes in the amount of depreciation, interest rates, the level of gearing and other risk factors may influence the actual tax-deferred amounts of a distribution.

Tax-deferred amounts

A portion of distributions are currently tax-deferred. The Responsible Entity anticipates that distribution payments to holders of Units may contain some tax-deferred amounts in the future.

Distribution reinvestment plan

Instead of receiving distributions as cash payments, Australian and New Zealand Direct Investors may reinvest all of their distribution entitlement for Ordinary Units by indicating their preferred option on the Application Form.

Any distribution reinvested will be invested at the ex-distribution Entry Price prevailing on the last day of the period. The Responsible Entity may, in its discretion, elect to provide Direct Investors with a discount for Ordinary Units issued under the distribution reinvestment plan. The current discount for the distribution reinvestment plan can be found on the Fund website.

Direct Investors can vary their participation in the Fund's distribution reinvestment plan by providing the Responsible Entity with a minimum of 10 Business Days' notice in writing.

Full terms of the distribution reinvestment plan are available from the Fund website or by contacting the Responsible Entity. If for any reason in the future the Responsible Entity terminates or suspends the distribution reinvestment plan, all distributions from the Fund will be paid into Investors' nominated bank accounts.

4.5 Fund historical financial, Unit Price and distribution information

The Fund's historical financial reports, Unit Prices and distributions can be found on the Fund website. Past performance is not indicative of future performance (refer to sections 8.1 and 10.5). Future Unit Prices and distributions are subject to risks (refer to section 5).

5.0

Risks

As with all investments, an investment in the Fund will be subject to risks, some of which are outside the control of the Responsible Entity, the Manager and their directors. If they eventuate, these risks may reduce or suspend your distributions from the Fund and/or reduce the capital value of your investment. An investment in the Fund may lead to a loss of income and capital invested. Before deciding whether to invest in the Fund, you should consider your attitude towards the following, and other, potential risks.

The risks discussed below are not an exhaustive list. It is the Responsible Entity's current opinion that the following are key risks of an investment in the Fund:

- ▶ property investment risks – including the risk that property values may decline and the risk that there is a decrease in Fund income;
- ▶ property development risks;
- ▶ Fund investment risks – including the limitations on the liquidity of your investment, investment horizon and gearing; and
- ▶ general investment risks – including that the economy and market conditions may affect asset returns and values.

These risks are outlined in more detail below. You should read this PDS in full before deciding whether to invest in the Fund and consider consulting your financial adviser, stockbroker or other professional advisers.

As well as considering the risks below, you should also consider how an investment in this product fits into your overall investment portfolio.

5.1 Property investment risks

These risks relate to direct investing in real estate:

Property values and sale prices

The ongoing value of a property is influenced by many factors including supply, demand, capitalisation rates, rentals, lease terms, property markets and economic conditions. There is no guarantee that the Property Portfolio will achieve a capital gain, or that sale prices will be in excess of valuations as at the date of this PDS, or that the value of the Property Portfolio will not fall as a result of the assumptions on which the relevant valuations are based proving to be incorrect.

Property revenue

The Fund's income is largely dependent upon the tenants paying rent in accordance with the lease terms. There is a risk that a tenant may default on the terms of the lease or that the Fund does not provide agreed minimum service standards, either of which could result in a reduction in rental income for the Fund, and additional expenses associated with re-leasing the tenancy or enforcement action. Vacancy periods may have an adverse impact on the Fund's net income and distributions, the Fund's ability to comply with its debt covenants, the Property's capital value and potentially the NTA per Unit.

Property acquisitions

The Responsible Entity is seeking to progressively acquire for the Fund, a diversified portfolio of quality industrial properties. While Properties will be acquired subject to meeting the Fund's investment criteria, there is no guarantee that future Properties will be able to be acquired on terms that do not impact the Fund's income yield.

Capital expenditure

There is a risk that capital expenditure could exceed expectations, resulting in increased funding costs and therefore lower distributions.

Market conditions

The ongoing value of properties is influenced by changes in real estate market conditions, such as increases in supply or falls in demand in any of the real estate market sectors, or a change in the capitalisation rates considered appropriate by valuers or otherwise generally applied in the market.

Property liquidity

Direct property investments are by their nature illiquid investments. If it becomes necessary for the Fund to dispose of the Fund's assets to fund redemptions or to lower gearing, there is a risk that the Fund may not be able to realise sufficient property assets in a timely manner or at an optimal sale price. This may affect the Responsible Entity's ability to return capital to Investors and may reduce the NTA per Unit.

Environmental contamination

Property income or valuations of the Properties could be adversely affected by:

- ▶ discovery of an environmental contamination; or
- ▶ incorrect assessment of costs associated with an environmental contamination or with property preservation. This risk may occur irrespective of whether the contamination was caused by the Fund or prior owners.

Technology

There is a risk that there may be advances and changes in technology relating to logistics and changes in tenant requirements and expectations with respect to industrial premises. This may adversely impact on a tenant's desire to extend their lease of a Property and may increase the Fund's re-letting risk.

5.2 Property development risks

Properties may be subject to development. Development properties are subject to additional risks associated with the timing, completion and cost of the development. For example, completion of delivery of the developments may be delayed (including due to unforeseen circumstances, contractor default and weather), costs associated with the development may be more than anticipated or counterparties involved in the development may default. Any of these circumstances may have an adverse financial impact on the Fund. These risks are substantially mitigated by virtue of the Fund following the investment criteria as they relate to development arrangements.

5.3 Fund investment risks

These risks relate specifically to an investment in the Fund:

Liquidity

There is no guarantee that the Responsible Entity will be able to fund the exit of Investors at a Liquidity Event or Limited Withdrawal Offer (refer to section 4.3) or any other liquidity initiatives. There is a risk that the Fund may not have sufficient liquid assets to offer any liquidity opportunities to Investors in the future. If it is necessary for the Fund to dispose of assets to fund redemptions, there is a risk that the Fund may not be able to realise sufficient assets in a timely manner or at an optimal sale price. This may affect the Responsible Entity's ability to return capital to Investors and may reduce the NTA per Unit.

Further, it may be that all liquidity rights may be cancelled, deferred, scaled back or suspended (refer to section 4.3) and following a Liquidity Event, there is no guarantee that the Responsible Entity will be able to fund the redemption or purchase of all redeeming Investors' Units. As such, Investors may remain invested in the Fund.

There is also a risk that the amount requested to be redeemed at a Liquidity Event could cause the Fund to be wound up.

Net capital gains

The Fund is already established and holds existing Properties. There is a risk that a capital gain (or loss) may be realised by the Fund if an existing Property is sold. Any capital gain will be distributed to Investors and will need to be included in the calculation of the Investor's net capital gain or loss for an income year. As at the date of this PDS, the existing Property Portfolio has an aggregate CGT cost base of \$258.9 million, compared to the Portfolio valuation of \$264.1 million and the Fund's investment in CLP units has an aggregate CGT cost base of \$49 million, compared to the valuation of \$53.2 million. The current CGT cost base can be found on the Fund website. The issue price of Units will not be adjusted for any future capital gain which may be payable on the sale of a Property. Investors who acquire Units may receive a capital gain when a Property is sold. Investors who acquire Units may also receive a capital gain when a fund that the Fund invests in sells a property. The impact of this will depend on a number of factors including the timing of any sale, the price at which a Property is sold and the size of the Fund at the time of the relevant sale.

Gearing

The Fund is a geared investment product. Gearing will magnify the effect of any movements in the value of the Property Portfolio.

A breach of a debt facility covenant may also result in a debt financier enforcing its security over the relevant assets of the Fund. The financier may require repayment of the facility, possibly prior to its expected expiry. This could result in an early sale of a Property at a less than optimal sale price (for instance, in a depressed market) additional equity being required, or distributions being reduced or suspended to repay the borrowings.

If the borrowings are refinanced, the terms (including fees and the interest rate margin payable) may be less favourable than those applying to the prevailing borrowings.

Fund listing or merger

The Constitution allows the Responsible Entity to list the Fund or implement any fund merger, acquisition or takeover without Investor consent or approval.

Debt facility and interest rates

There is a risk that a debt facility or an interest rate hedge (i.e. fixing the interest rate) may not be available on the same terms upon extension or refinancing, or when new finance or hedging strategies are sought.

There is also a risk that interest rates may rise. These risks may have a material adverse impact on the Fund's activities, financial position and distributions.

Diversification

Generally, the more diversified a portfolio, the lower the impact that an adverse event affecting one property or lease will have on the income or capital value of an investment.

The Fund will invest in industrial properties only and therefore is not diversified by property sector.

There is a risk that the Responsible Entity may not be able to source future properties for the Fund with appropriately diversified geographic locations and tenants which satisfy the Fund's investment criteria.

Environment

There is a risk that the Fund may be required to remediate a site to comply with environmental laws which may be at significant cost.

Joint venture and Fund investments

Where the Fund acquires less than 100% of a Property or acquires an investment in a fund, there is a risk that in connection with the disposal of that interest potential purchasers may apply a discount as a result of not being able to control the relevant property assets. Also, the relevant investment terms may include pre-emptive rights and other restrictions which may impede the sale process. The Responsible Entity will take these matters into account when concluding the suitability of an investment.

Conflicts of interest

The Fund may be affected by certain inherent conflicts of interest. There is a risk that these conflicts may not be managed appropriately. For details on the procedure to be followed when the Responsible Entity is making decisions regarding the acquisition of assets from, or other dealings with, a related party, refer to section 10.2.

5.4 General investment risks

These risks relate to the overall risk of most investments:

Economy and market conditions

There is the risk that changes in the economy and market conditions may affect asset returns and values, which in turn, result in reduced distributions and may decrease the NTA per Unit.

The overall investment performance of the Fund may be affected by changing economic or market conditions. These may include movements in interest rates, exchange rates, securities markets, inflation, consumer spending, employment and the performance of individual local, state, national and international economies.

Insurance

Any losses incurred due to uninsured risks may adversely affect the performance of the Fund. Increases in insurance premiums may also affect the performance of the Fund. Insurance premium increases could occur, for example, if the Fund claims under any insurance policy for significant losses in respect of the Property Portfolio. Any failure by the company or companies providing insurance (or any reinsurance) may adversely affect the Fund's ability to make claims under its insurance. Also, most insurance policies have a minimum excess.

There are also certain events for which insurance cover is not available or for which the Fund does not have cover. If the Fund is affected by an event for which it has no insurance cover, this would result in a loss of capital and a reduction to the NTA per Unit and overall Investor returns. An event of this type could also result in an increase in insurance premiums.

Counterparties

The Fund may enter into legal agreements in relation to numerous aspects of the Fund's operations, for example, property management arrangements, custody arrangements, debt financing arrangements, property development arrangements and tenancy arrangements. The Fund may be adversely affected where a party fails to perform under these arrangements.

Litigation

In the ordinary course of operations, the Fund may be involved in disputes and possible litigation. It is possible that a material or costly dispute or litigation could affect the value of the assets or expected income of the Fund.

Legal and regulatory matters

There is the risk that changes in any law, regulation or government policy affecting the Fund's operations (which may or may not have a retrospective effect) will have an effect on the Property Portfolio and/or the Fund's performance.

Taxation

Changes to taxation law and policy might adversely impact the Fund and Investors' returns. Investors are advised to seek professional taxation advice in relation to their own position; however, it is not possible to predict future changes to taxation law or policy.

6.0 Fees and other costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

6.1 Fees associated with an investment in the Fund

The below table shows fees and other costs that you may be charged. These fees and costs may be deducted from the money you invest, from the returns on your investment or from assets of the Fund as a whole. Information on taxation is set out in section 7. The fees set out in the table below show the total cost to Investors, including the effect of GST (i.e. inclusive of 10% GST less any input tax credits, including reduced input tax credits). You should read all the information about fees and costs as it is important to understand their impact on your investment.

Charter Hall Direct Industrial Fund No.4

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee¹ The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee The fee to close your investment	Nil	Not applicable
Management costs^{2,3}		
The fees and costs of managing your investment	Estimated at 0.78% per annum of the GAV. This comprises: <ul style="list-style-type: none"> ▶ the base management fee of 0.6% per annum of the GAV; and ▶ costs and expenses, estimated to be 0.18% per annum of the GAV. Performance fee: <ul style="list-style-type: none"> ▶ 15% of the outperformance over an IRR of 9% per annum. 	The base management fee is payable monthly from the Fund's assets. Expenses are deducted directly from the Fund's assets as they are incurred. Refer to section 6.2.
Service fees		
Switching fee The fee for changing investment options	Nil	Not applicable

Note:

1. Direct Investors may direct the Responsible Entity to pay their adviser a professional fee for service. For more detail, refer to section 6.2.

2. Additional fees may apply in a given year including acquisition fees and disposal fees. For a description of the fees and costs comprising management costs, refer to section 6.2.

3. Acquisition and disposal fees have been excluded from this calculation (refer to section 6.2 for an overview of these fees).

Example of annual fees and costs

This table gives an example of how the fees and costs for this product can affect your investment over a one-year period.¹ You should use this table to compare this product with other managed investment products.

Example: balance of \$50,000 with a contribution of \$5,000 during the year		
Fee	Amount	How and when paid
Contribution fee	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS management costs <ul style="list-style-type: none"> ▶ base management fee; plus ▶ Fund expenses 	Estimated at 0.78% per annum of the GAV, comprising: <ul style="list-style-type: none"> ▶ the base management fee of 0.6% per annum of the GAV; and ▶ costs and expenses, estimated to be 0.18% per annum of the GAV. 	And, for every \$50,000 you have in the Fund, you will be charged \$650 each year.^{1,2,3,4}
EQUALS cost of the Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of from: <p style="text-align: center;">\$650 and \$715^{1,2,3,4}</p> <p style="text-align: center;">What it costs you will depend on the investment option you choose and the fees you negotiate.</p>

Note:

1. Additional fees may apply in a given year including performance fees, acquisition fees and disposal fees. For more detail, refer to section 6.2.
2. This calculation assumes the Fund has a 40% gearing ratio. This equates to an indirect cost ratio of 1.30% per annum of the NAV. This calculation will change as the gearing ratio changes from time to time. Transactional and operational costs may also apply.
3. This does not include any additional fees or expenses your adviser may charge you.
4. Acquisition and disposal fees have been excluded from this calculation (refer to section 6.2 for an overview of these fees).

6.2 Additional explanation of fees and costs

Under the Constitution, the Responsible Entity is entitled to all of the fees and expenses set out in the tables in section 6.1 and in this section 6.2. The Responsible Entity may change fees without your consent. However, we will not do so without providing at least 30 days' written notice.

Ongoing management costs

Base management fee

The Responsible Entity (and in turn, the Manager) is entitled to the base management fee in respect of Ordinary Units set out in the tables in section 6.1.

In circumstances where the Fund invests in another fund, partnership or trust managed by an entity within Charter Hall Group, the Responsible Entity will only charge a management fee in respect of that investment such that in total the Responsible Entity and the manager of the other Charter Hall fund receive a maximum management fee of 0.6% per annum of the GAV of that fund or entity. There will therefore, be no double charging of management fees by entities within Charter Hall Group.

Fund expenses

The Responsible Entity (and in turn, the Manager) is entitled to be reimbursed for all reasonable outgoings and disbursements in connection with the proper performance of its duties and obligations in operating the Fund. Expenses recovered may, for example, include those relating to postage, printing, accounting services, auditing services, external Fund research, legal services, valuations, debt arrangement, maintenance of the Investor register, IDPS investment menus and custody services.

As it is not possible to determine the quantum of expenses which may be incurred, the Responsible Entity's estimate of the expenses incurred by it and the Manager has been included in the tables in section 6.1.

Indirect costs

In accordance with ASIC Regulatory Guide 97, the Fund's indirect costs are included in the management costs figures set out in section 6.1. The Fund's indirect costs were \$291,000 (excluding the base management fee) for the year to 30 June 2018. Past costs are not a reliable indicator of future costs.

Additional information and other fees and costs

Performance fee

The Responsible Entity (and in turn, the Manager) will be entitled to a performance fee in respect of Ordinary Units of 15% of the portion of the outperformance of Ordinary Units over an IRR of 9% per annum.

The first performance fee calculation period is expected to be from the date of the first issue of Ordinary Units to the earlier of the conclusion of the Initial Term or the wind up of the Fund.

If the Fund is continued beyond the Initial Term, the performance fee will be payable based on the Unit Price referable to Ordinary Units at the conclusion of the Initial Term and will be calculated based on the assumption that an amount equal to the equity value, determined based on the prevailing Unit Price, adding back any per-Unit accrual of any performance fee already accounted for in the Unit Price multiplied by the number of Units on issue was paid to Investors.

The IRR calculation will reset so that the next calculation period will be from the end of the previous calculation period to the next Liquidity Event date and so on.

The performance fee will also be calculated, payable and reset in certain circumstances including if: CHDPML is removed as the responsible entity of the Fund; the Fund is listed on the ASX; the Fund is stapled to or merged with another entity; a scheme or other arrangement affects the Fund whereby Investors holding greater than 60% of the Units on issue dispose of those Units; the Fund is wound up; the performance fee provisions in the Constitution are amended without the consent of the Responsible Entity; or the Fund takes over, is taken over by, or otherwise enters into a scheme of arrangement with any other entity including an arrangement whereby Investors acquire securities in a new fund.

In circumstances where Investors do not realise their investment, generally the performance fee will be calculated based on the assumption that an amount equal to the equity value, determined based on the prevailing Unit Price, adding back any per-Unit accrual of any performance fee already accounted for in the Unit Price multiplied by the number of Units on issue was paid to Investors.

Example of performance fee

This example is provided for information purposes only to illustrate the calculation of the performance fee. Actual results may vary significantly from those in this example.

For example, if the Fund:

- ▶ raised \$20 million at an Entry Price of \$1.00 per Unit;
- ▶ paid a distribution per annum of 7.00 cents per Unit for five years (representing total distributions to Investors of \$1.4 million per annum); and
- ▶ returned \$1.13 per Unit at its wind up (representing \$22.6 million),

then the Unit IRR based on these series of cash flows is calculated to be 9.2% per annum. The outperformance amount above the hurdle IRR of 9% per annum would be \$0.2 million, being the amount that, if included in the Unit IRR cash flows as an outflow at the wind up of the Fund reduces the Unit IRR to 9% per annum.

Therefore, the performance fee payable would be \$0.03 million (being 15% of \$0.2 million for the Fund, or \$0.002 per Unit).

Applying this example to an Investor with an initial \$50,000 investment, they would have received aggregate distributions of \$17,500 for the five years and a capital return of \$56,423 after deducting \$77 for their share of the performance fee.

Acquisition fee

The Responsible Entity (and in turn, the Manager) is entitled to an acquisition fee in respect of Ordinary Units, for any direct or indirect interest in a property acquired by the Fund, of up to 1.25% of the total consideration referable to the interest of Ordinary Units (including the purchase price and all development and related costs).

For example, if a Property is acquired by the Fund for a purchase price referable to Ordinary Units of \$20 million, then the Manager is entitled to an acquisition fee of up to \$0.25 million. If an additional \$4 million is spent on development work associated with the Property, an additional acquisition fee of up to \$0.05 million will be payable to the Manager.

An acquisition fee of 1.25% of the value of any Property in which the Fund acquires an indirect interest (multiplied by the Fund's percentage of beneficial interest in that Property) will also be payable.

Where the Fund invests in another fund or trust managed by an entity within Charter Hall Group, the Responsible Entity will only charge an acquisition fee in respect of that investment, such that in total the Responsible Entity and the manager of the other Charter Hall fund receive a maximum acquisition fee of 1.25% of the value of the relevant Property. There will therefore be no double charging of acquisition fees by entities within Charter Hall Group.

Disposal fee

The Responsible Entity (and in turn, the Manager) is entitled to a disposal fee in respect of Ordinary Units of up to 1.25% of the Gross Sale Price referable to Ordinary Units in respect of the sale of any Property, held directly or indirectly, or the Gross Sale Price in respect of the Fund's assets implied by a trust scheme affecting greater than 60% of the Units on issue. The Responsible Entity (and in turn, the Manager) is also entitled to a disposal fee if: CHDPML is removed

as the responsible entity of the Fund; the Fund is listed on the ASX; the Fund is stapled to or merged with another entity; the disposal fee provisions in the Constitution are amended without the consent of the Responsible Entity or the Fund takes over, is taken over by, or otherwise enters into a scheme of arrangement with any other entity including an arrangement whereby Investors acquire securities in a new fund. This fee will be calculated at 1.25% of the gross value of the Properties at the relevant calculation date, referable to Ordinary Units. If the Fund only has a proportionate interest in a Property, only that proportion of the disposal fee will be charged.

For example, if the Gross Sale Price referable to Ordinary Units for a Property is \$40 million, then the Responsible Entity (and in turn, the Manager) is entitled to a gross disposal fee of up to \$0.5 million upon completion of the sale.

Debt origination, restructuring and refinancing fee

The Responsible Entity (and in turn, the Manager) is entitled to a debt origination, restructuring and refinancing fee of up to 0.4% of the debt facility limit. For debt facilities of three or more years, the maximum allowable fee is 0.4%. For debt facilities of less than three years the fee is reduced on a pro rata basis.

For example, if a debt facility is secured for \$100 million over two years, then the Responsible Entity (and in turn, the Manager) is entitled to a debt origination, restructuring and refinancing fee of \$0.27 million (being 0.27%, or two thirds on a pro rata basis, of the maximum allowable fee of 0.4%) upon completion of the debt facility agreement.

Other fees

The Manager may be entitled to other fees from time to time as detailed in the memorandum of understanding between CHDPML and CHH (MoU). These include fees for project management for building works, development management, property management, facilities management, make-good negotiation, leasing services, valuation co-ordination, tenant fitout services, and corporate advisory services. Fees for services under the MoU are benchmarked against market levels. Refer to section 9.4.

Buy Spread and Sell Spread

The Buy Spread and Sell Spread represent the Responsible Entity's estimate of the transaction costs incurred by the Fund and its underlying investments when acquiring and selling investments. Transaction costs are recovered through adjustments to the Unit Price. The resultant difference between the Entry Price and the Exit Price is referred to as a Buy Spread and Sell Spread respectively. As at the date of this PDS, the Buy Spread is nil and the Sell Spread for Ordinary Units is 2.5%. The prevailing Buy Spread and Sell Spread will be published on the Fund website. The Buy Spread and Sell Spread are an additional cost to an Investor, but are held in the Fund and are not passed through to the Responsible Entity or the Manager.

Transactional and operational costs

In managing the assets of the Fund, the Fund may incur transactional and operational costs such as agent's commission, stamp duty, land tax, rates and insurance when assets are bought and sold. These are reflected in the Unit Price and the Buy Spread and Sell Spread (refer above). As these costs are factored into the asset value of the Fund's assets and reflected in the Unit Price, they are an additional implicit cost of investing to the Investor and are not a fee paid to the Responsible Entity. The Fund's total transaction and operational costs were 0.66% of the GAV of the Fund for the year to 30 June 2018 for Ordinary Units. The dollar value of these costs for the year based on an average account balance of \$50,000 is \$550. The dollar value of these costs will change from time to time, particularly in line with costs incurred from the acquisition and sale of properties. Past costs are not a reliable indicator of future costs.

Services fees

The Responsible Entity may also seek services for the Fund from service providers such as external sales or leasing agents or from related parties of the Responsible Entity. The fees for these services will be charged at normal commercial rates to the Fund and any related party services are subject to the approval of the Responsible Entity's independent directors. For more detail on the Responsible Entity's related party transactions policy, refer to section 10.2.

Deferral of fees

If the Responsible Entity (and in turn, the Manager) defers payment of all or any part of its fees, such fees will accrue until paid.

Form of payment of fees

Fees may be paid to the Responsible Entity and/or Manager as cash or in the form of Units.

Adviser remuneration

The Responsible Entity does not pay commissions to advisers. Direct Investors may direct the Responsible Entity to pay their adviser a professional fee for service for the advice and recommendations they give them about the Fund, of an upfront amount and/or an ongoing amount. Any upfront fee will be deducted from the Application Amount and any ongoing fee will be deducted from an Investor's distribution payments. The maximum allowable upfront fee is 3% (excluding GST) of the Application Amount and the maximum allowable ongoing fee is 1% per annum (excluding GST) of the net Application Amount. These fees will be in addition to the other fees described in this section 6.

The net amount of an Investor's Application Amount or distribution payments, after deducting the professional fee for service, will be invested into the Fund or paid to the Investor.

Different fees to Wholesale Clients

The Responsible Entity and/or the Manager may negotiate different fees with, or rebate a portion of their fees to, Wholesale Clients. This is because they invest large amounts of money into the Fund. In effect, this means they pay lower fees. The Responsible Entity and/or the Manager will not ordinarily negotiate fees. Contact us using one of the methods listed on the inside back cover of this PDS for further information.

Taxation

Taxation information is in section 7. Unless expressly stated otherwise, the fees set out in this section 6.2 are shown exclusive of GST. If the Responsible Entity or Manager becomes liable to pay GST on fees not described in this PDS as GST inclusive, they are entitled to be reimbursed out of the assets of the Fund for the amount of GST.

7.0

Taxation

The taxation information provided below is a brief summary of some relevant Australian tax considerations. Refer to section 11 for New Zealand tax considerations. The information below has been prepared on the basis that Investors are Australian tax resident individuals who hold their Units on capital account. The information does not address the tax consequences that may arise if an Investor holds Units on revenue account or as trading stock.

The taxation of a unit trust investment such as the Fund can be complex and may change over time.

This section 7 is not, and is not intended to be, tax advice. Accordingly, Investors are advised to seek professional tax advice in relation to their own position. The information below is based on existing tax law and practice as at the date of this PDS.

7.1 Taxation of the Fund

On the basis of its investment activities as set out in this PDS, the Fund should be subject to the ordinary 'flow-through' taxing provisions in the current income tax legislation.

Tax losses

Where a revenue loss or net capital loss is incurred by the Fund, the loss cannot be passed on to Investors for tax purposes. Instead, revenue tax losses will, provided the relevant trust loss rules are satisfied, be carried forward in the Fund and offset against assessable income derived by the Fund in future income years. Net capital losses will be carried forward in the Fund and offset against future capital gains (there are currently no restrictions on carrying forward capital losses incurred by a trust). The relevant trust loss rules for carrying forward revenue losses include a continuity of more than 50% of the ownership interests in the Fund.

Capital gains tax

The CGT discount rules operate such that where the Fund derives a capital gain in respect of an asset held for at least 12 months, it should be entitled to a 50% discount in the calculation of the taxable capital gain. Whether an Investor can obtain the benefit of this will depend on their tax profile (see below). There is a risk that a capital gain (or loss) may be realised by the Fund if an existing Property is sold. Refer to section 5.3. Any material updates to the CGT cost base can be found on the Fund website.

Tax on disposal of New Zealand property

In the event that the Fund holds New Zealand property (directly or indirectly), rental income will be subject to New Zealand tax and any gain made on disposal of that property may be subject to New Zealand tax.

Managed investment trust (MIT) rules

The Fund has made the appropriate election so that its eligible investments are taxed on capital account.

For the Fund to continue to qualify as a MIT in relation to an income year, it must satisfy a number of conditions including conditions relating to being widely held by Investors and specific conditions relating to not being closely held. The Responsible Entity believes the Fund will continue to satisfy the conditions for it to be a MIT, although the need to meet those conditions for MIT status to be preserved is ongoing. Among other things, changes to the composition of Investors will affect whether the Fund continues to qualify as a MIT.

As a general rule, MIT status generally provides favourable withholding tax rates for distributions from the Fund to Investors resident in certain foreign jurisdictions.

Attribution managed investment trust (AMIT) rules

The Fund has elected to apply the new AMIT rules. This election is irrevocable and in order to retain AMIT status the Fund must, among other requirements, continue to satisfy the requirements to be a MIT. Under the AMIT rules, qualifying funds that elect to be taxed under the regime are able to segment their income into components – e.g. into certain types of income, gains, exempt amounts, offsets and credits – and allocate particular components to particular investors, provided the basis of allocation is fair and reasonable and in accordance with the fund's constituent documents. The amounts so allocated will retain their tax character when passing through the fund. The Responsible Entity intends to attribute these amounts based on an Investor's entitlement to distributions. In relation to non-Australian tax resident Investors, the MIT withholding rate for AMITs is the same as under the MIT regime, with the withholding generally being triggered at the time the Responsible Entity attributes or pays amounts to Investors.

The AMIT regime also clarifies and amends the interaction between the tax liability on distributions payable to Investors, and the tax liability on disposal of Units. The AMIT rules alleviate double taxation that may otherwise arise where an amount has been taxed to an Investor but not received by the time Units are sold, by increasing the cost base of the Units to reflect the taxed but undistributed amount. Other key features of the AMIT regime include deemed fixed trust status and the ability to make adjustments in respect of prior year errors in the year in which the errors are discovered. Where the Fund is an AMIT, if the amount of taxable income estimated for the Fund at year end is different to the amount that is finally calculated, the difference (under or over) will generally be carried forward and adjusted in the year in which the variation is discovered except in exceptional circumstances.

7.2 Taxation of Australian tax resident Investors

Taxation of distributions

Investors will be liable to pay income tax on their share of the Fund's taxable income (such share being allocated in proportion to each Investor's entitlement to distributions from the Fund) for each income year, at the tax rates applicable to the relevant Investor.

The portion of the Fund's taxable income will be advised by the Responsible Entity on an annual basis and should be included in an Investor's assessable income in the income year to which the amount relates (i.e. the year in which the Fund derives the income, not when it is physically received by the Investor).

Distributions by the Fund generally retain their source and character. For example, a capital gain derived by the Fund will be treated as a capital gain in the hands of the Investor. Distributions from the Fund may include various components, the taxation treatment of which may differ depending on the status of the Investor. For example, distributions may include tax-deferred amounts, CGT concession components and net capital gains.

Tax-deferred amounts

Tax-deferred amounts are not defined under the AMIT legislation or tax law more generally. However, they broadly represent the excess of the amount of any entitlement to a distribution from the Fund over the taxable component of that entitlement. The excess is sheltered from tax because of deductions such as depreciation on plant and equipment and other tax timing differences. Tax-deferred amounts are not immediately assessable in the hands of the Investor but will reduce the cost base and reduced cost base of their Units. Therefore, tax-deferred amounts affect the Investor's capital gain/loss on disposal of the Units. Once the Investor exhausts their cost base in the Units, tax-deferred amounts will give rise to a capital gain in the income year in which the entitlement to the tax-deferred amount arises.

The mechanism by which tax-deferred amounts reduce cost base and reduced cost base has been changed under the AMIT legislation. In broad terms, all rights to receive amounts (including tax offsets) from the Fund have the effect of reducing cost base and reduced cost base in Units. However, there is an offsetting increasing adjustment to cost base and reduced cost base to the extent that, broadly, those amounts are taxable (Offsetting Amounts). In the case of a tax-deferred amount, there is no Offsetting Amount and so the tax-deferred amount reduces cost base and reduced cost base (or can create a capital gain to the extent the tax-deferred amount exceeds the cost base in the Unit).

CGT concession components

The CGT concession component of a distribution represents the component of a capital gain derived by the Fund which is not taxable by virtue of the CGT discount rules. Subject to the comments below regarding net capital gains, the CGT concession component is not assessable when received by Investors. The CGT concession component of a Fund distribution will not result in a cost base or reduced cost base adjustment under the AMIT legislation. This is because the Investor is required to double the amount of any discounted capital gain attributed to that Investor.

Net capital gains

A realised capital gain distributed by the Fund should be included with an Investor's other capital gains and losses (i.e. in the calculation of their net capital gain or loss).

Where the attributed capital gain includes a discounted capital gain component, the Investor is required to 'gross up' that amount by the discount applied by the Fund (i.e. 50%). The gross capital gain (i.e. the whole amount of the gain prior to discounting) is then included in the calculation of the Investor's net capital gain or loss. The Investor may be entitled in their own right to a CGT discount if they are an individual, a trust or a complying superannuation entity (50% in the case of an individual or trust and 33 $\frac{1}{3}$ % in the case of a complying superannuation entity). Companies do not receive a discount on capital gains.

Foreign tax offsets

In the event the Fund pays tax in New Zealand, the Fund may be able to attribute a foreign income tax offset (FITO), which Australian Investors need to take into account in determining their taxable income. Furthermore, Investors may be able to utilise the FITOs to reduce their tax liability. Any excess or unused FITOs for a particular income year cannot be carried forward by Investors and will be lost.

Redemption or sale of Units

Upon the redemption or sale of Units, Investors who dispose of their Units must include any realised capital gain or loss on disposal of the Units in the calculation of their capital gain or loss for the income year in which the redemption or sale occurred. A net capital gain will be included in assessable income. A net capital loss may be carried forward until the Investor has realised capital gains against which the net capital loss can be offset. A net capital loss cannot be deducted against other assessable income for the income year.

If the proceeds of redemption or sale comprise both a final distribution of the Fund's taxable income and a payment for redemption or sale, only the component relating to the payment for redemption or sale will be relevant in determining whether an Investor has made a capital gain or a capital loss.

An Investor's net capital gain or loss is calculated as follows:

- ▶ the Investor should make a capital gain to the extent that the capital proceeds from the redemption or sale of the Units exceed the cost base;
- ▶ the Investor should make a capital loss to the extent that the reduced cost base of the Units exceeds the capital proceeds from the redemption or sale;
- ▶ broadly, the cost base (and reduced cost base) will include, among other things, the amount paid to acquire the Units and any incidental costs of purchase and sale (reduced by any tax-deferred distributions);
- ▶ if the Investor has held the Units for less than 12 months, this is the gain or loss included in the Investor's net capital gain or loss calculation;
- ▶ if the Investor has held the Units for 12 months or more and there is a loss, this loss is included in the Investor's net capital gain or loss calculation;

- ▶ if the Investor has held the Units for 12 months or more and there is a gain, a discounting factor may be available to certain Investors. The gain on the Units is initially reduced by any other capital losses of the Investor. If, as a result, a net capital gain arises, it may be reduced by the discount factor. The discount factor for individuals and trusts is 50%, while a discount factor of 33¹/₃% applies for complying superannuation entities; and
- ▶ in determining the 12-month holding period, the Units are acquired when first issued to the Investor.

Taxation of financial arrangements

The taxation of financial arrangements rules can require the taxation of unrealised gains on financial arrangements. These rules should not apply to an interest in a MIT. On this basis, the provisions will not apply to an Investor in relation to their investment in the Fund.

GST

GST is not payable by Investors on the acquisition, transfer or redemption of Units. GST may apply to fees charged to Investors, such as fees charged by their advisers. Investors should obtain their own advice as to whether input tax credits can be claimed for such GST, as it will depend on their personal circumstances.

Australian tax file number and Australian Business Number

An Investor need not quote a tax file number (TFN) when applying for Units. However, if a TFN is not quoted, or an appropriate TFN exemption is not provided, tax may be required to be deducted by the Responsible Entity from any distribution at the highest marginal tax rate. If the Investor holds Units in the course of furtherance of an enterprise, an ABN can be quoted instead of a TFN.

7.3 New Zealand investors

Refer to section 11 for details relevant to the taxation of New Zealand investors.

8.0 Additional information

8.1 Unit pricing

The Unit Price of Ordinary Units will be calculated on each Business Day in accordance with the Fund's unit pricing policy. For the most recent Unit Price, refer to the Fund website. The Unit Price is derived from the NAV per Ordinary Unit adjusted for accrued fees (including performance fees) and capitalised and unamortised costs and expenses. The NAV is based on the value of the gross assets of the Fund less the liabilities. The Responsible Entity may include in the Unit Price provisions and adjustments, including for future liabilities.

Expenses that may be capitalised are all those relating to the acquisition of Properties such as acquisition fees and stamp duty.

The price applicable to acquire Ordinary Units is calculated as the Unit Price plus any Buy Spread (Entry Price). As at the date of this PDS, there is no Buy Spread.

The price applicable to redeem Units at a Liquidity Event or Limited Withdrawal Offer (i.e. Exit Price) is calculated as at the date of the redemption as the Unit Price less any Sell Spread to reflect the costs and expenses anticipated with selling the investments of, and winding up, the Fund and providing the relevant liquidity (or, subject to the Corporations Act, such greater amount as CHDPML determines from time to time). As at the date of this PDS, there is a 2.5% Sell Spread for Ordinary Units.

Units will be issued each Business Day at the prevailing Entry Price. If your completed Application Form and Application Amount is received before or at 2pm AEST, your Units will be allotted at the Entry Price applicable at the close of business that day. If your completed Application Form or Application Amount is received after 2pm AEST, the Responsible Entity will apply the Entry Price for the next Business Day. You will not receive any interest on your application monies.

The prevailing Unit Price, Entry Price and Exit Price will be published on the Fund website. In the event that the Responsible Entity changes the Buy Spread or the Sell Spread, Investors will be notified on the Fund website.

8.2 Ordinary Units

Applicants who are issued Units under the Offer will be issued Ordinary Units. Ordinary Units will have a beneficial interest in all the assets of the Fund and have the rights summarised in this PDS.

8.3 Acquisition Units

To facilitate the acquisition of Properties, underwriters including entities within Charter Hall Group and/or its related bodies corporate or associates and third parties, may also provide funding by subscribing for Acquisition Units at the prevailing issue price per Unit.

The holder of Acquisition Units may sell the Acquisition Units to a third party or third parties at any time. Where an Acquisition Unit is transferred to a third party who is not a related party of the Responsible Entity, the transferred Unit will convert into an Ordinary Unit.

Acquisition Units have the same rights as Ordinary Units except for certain characteristics including that Acquisition Units may be redeemed using proceeds from the allotment of other Units or the sale of assets in the Fund. The redemption price of Acquisition Units will be equal to the prevailing issue price per Unit.

8.4 Further classes of Units

The Responsible Entity may, in the future, issue further classes of Units with different rights and/or preferential rights to those of Ordinary Units.

The Responsible Entity may, in its discretion and in accordance with the Constitution, issue further classes of Units for any purpose, including but not limited to the facilitation of any fee rebate arrangement.

8.5 Unit entitlements

Subject to the terms of issue of any Units, the entitlement of a Unit for all purposes will be based on the Unit NAV of that Unit. Each Unit will participate in the income and capital of the Fund on a pro rata basis having regard to its relevant Unit NAV relative to the Unit NAV of each other Unit.

The Unit NAV of a class of Units (and therefore their respective entitlements) will be adjusted having regard to the costs, fees and expenses attributable to that class.

8.6 Merger and acquisition

The Fund may from time to time acquire one or more Properties which meet the Fund's investment strategy and criteria through other means such as by merging with another fund without Investor approval, including through acquiring that fund, stapling the Fund with that fund or having that fund acquire the Fund. In that case, the Investor's Units may be exchanged for securities in the merged group without Investor approval.

8.7 The Mainfreight Property

As at the date of this PDS the Mainfreight Property is under contract for purchase, with final settlement conditional upon the vendor fulfilling certain obligations and the execution of transactional documents, including the issue of an occupancy certificate and the execution of a formal lease. As at the date of this PDS, there is an agreement for lease in place. It is expected settlement will occur during March 2019. If the Mainfreight Property is not acquired, there would be no adverse impact to the occupancy rate or average lease term for the Fund.

9.0 Key documents and Investor information

9.1 Summary of the Constitution

The Constitution sets out, among other things, the rights attaching to the Units. Those rights are, in certain circumstances, also regulated by the Corporations Act and general law. The Constitution is available for inspection at the offices of the Responsible Entity. The following is a summary of some of the principal rights of Investors set out in the Constitution:

- ▶ Investors are entitled to receive notice of, and to attend and vote at, a general meeting of the Fund and to receive all notices, accounts and other documents required to be sent to Investors under the Constitution, the Corporations Act or the general law;
- ▶ the Responsible Entity may issue further Ordinary Units and Units in other classes, at the prevailing issue price. Units in other classes may have preferential rights to those of Ordinary Units;
- ▶ subject to rights attached to a particular class of Unit, Investors have a right to participate in any withdrawal opportunity on a pro rata basis with all other Investors;
- ▶ Units may be transferred by a written document in any form authorised by the Corporations Act, or in any form that the Responsible Entity approves. The Responsible Entity may refuse to register a transfer of Units without giving any reason;
- ▶ Investors will be entitled to participate in Fund distributions according to their rights and interests. Subject to rights attached to a particular class of Unit, this means in proportion to their Unit holdings;
- ▶ if the Fund is wound up, Investors will be entitled to participate in any surplus Fund assets according to their rights and interests. Subject to rights attached to a particular class of Unit, this means in proportion to their Unit holdings;
- ▶ subject to law, the Responsible Entity has all the powers in respect of the Fund which it would have if it was the owner of the Fund's assets;
- ▶ the Constitution provides that the Responsible Entity will be entitled to be paid out of the income or capital of the Fund, certain fees which are detailed in section 6;
- ▶ subject to law, the Responsible Entity has a right of indemnity out of the Fund's assets other than where the liabilities are not incurred in the proper performance of its duties;
- ▶ the Responsible Entity, and its related bodies corporate, may hold Units and the Responsible Entity may contract with itself in another capacity, for example, as responsible entity of another fund, and may contract with related parties for the provision of services to the Fund paid for by the Fund; and
- ▶ the Responsible Entity may act as the agent and attorney of Investors to do all things necessary to give effect to any stapling, merger, restructure or listing of the Fund. No further Investor approval is required for a stapling, merger, restructure or listing to occur.
- ▶ providing all information necessary to allow the Responsible Entity to report to Investors on Fund performance quarterly or more often as required;
- ▶ managing surplus cash received by the Responsible Entity in respect of the Fund or an asset;
- ▶ preparing and issuing, or causing to be prepared and issued, notices of Investor meetings;
- ▶ advising on the financial risk management policy for the Fund (including the management of cash flows, interest rate risk, and other related risks in addition to targeted gearing);
- ▶ liaising with existing and potential Investors;
- ▶ assisting in the resolution of complaints and disputes with Investors received by the Responsible Entity, and in litigation in which the Responsible Entity is involved;
- ▶ engaging and supervising necessary accounting, financial or legal advisors and technical, business management, commercial, marketing or other experts;
- ▶ maintaining the Investor Registry;
- ▶ providing such services to the Responsible Entity as it reasonably requires to discharge its functions in relation to the Fund; and
- ▶ the provision of assistance to CHDPML in relation to the payment of distributions to Investors.

9.2 Summary of the Asset Services Agreement

The Asset Services Agreement, between CHH and CHDPML, provides for the appointment of the Manager to perform certain services in relation to the ongoing operation of the Fund. The Asset Services Agreement is a related party transaction between the Manager and the Responsible Entity, as the Manager and the Responsible Entity are related parties (both being part of Charter Hall Group). In entering into the Asset Services Agreement, the Responsible Entity complied with its related party transactions policy (refer to section 10.2).

Asset management services

The asset management services to be provided by the Manager include:

- ▶ providing all necessary Investor services in relation to the Fund;
- ▶ providing information to CHDPML regarding a variation to an initial proposal for the acquisition or management of a Property;

Reporting

The Manager must provide the Responsible Entity with all information necessary to allow the Responsible Entity to satisfy its obligations to Investors, which arise under the Constitution.

The Manager will report to the Responsible Entity as soon as practicable with any information that would reasonably be expected to have a material adverse effect on the value of any assets held by the Fund at any time.

Liability of the Manager

Neither the Manager nor any of its directors, officers, employees, agents or attorneys is responsible to the Responsible Entity for the financial performance of an asset of the Fund, for the effectiveness of the Asset Services Agreement, or for acting, or refraining from acting, in accordance with the instructions of the Responsible Entity, except to the extent that they are negligent or fraudulent, or they engage in wilful misconduct.

Fees and expenses

The Responsible Entity must pay from its own funds (and not as an additional cost to the Fund) all fees owed to the Manager under this agreement or may otherwise direct these fees are paid directly to the Manager. The Manager will be reimbursed from the Fund for all reasonably incurred expenses.

Refer to section 6 for more detail regarding the Manager's fees under the Asset Services Agreement.

Termination and retirement

The Responsible Entity may terminate the Manager's appointment:

- ▶ at any time, by giving 30 days' written notice to the Manager;
- ▶ by giving 30 days' written notice, if Investors pass a resolution to remove the Manager or where the Manager breaches any material obligation under the Asset Services Agreement which remains unremedied for a period of 21 days; or
- ▶ immediately, if an insolvency event occurs in respect of the Manager.

CHH may retire as Manager under the Asset Services Agreement with the prior consent of the Responsible Entity. The Manager may nominate to the Responsible Entity, any other entity within Charter Hall Group to be the replacement manager and to provide the asset management services. Such appointment is not complete until the replacement manager and the Responsible Entity execute a new agreement.

9.3 Summary of the Property Management Agreement

CHDPML has appointed CHH and certain wholly-owned subsidiaries of CHH (each a Property Manager) to perform services in relation to the Properties under the Property Management Agreement.

The Property Management Agreement is a related party transaction between each Property

Manager and CHDPML, as each Property Manager and CHDPML are related parties (both being part of Charter Hall Group). In entering into the Property Management Agreement, CHDPML complied with its related party transactions policy (refer to section 10.2).

Property management services

The services to be provided under the Property Management Agreement include leasing administration services (including monitoring tenants' compliance with leases and conducting rent reviews), ensuring that the Properties are maintained, procuring utilities and regularly reporting to the Responsible Entity in relation to the Properties and their income and outgoings.

Term and termination

The initial term of the Property Management Agreement is three years and will automatically be extended for further terms of three years each unless the parties otherwise agree. The Property Management Agreement can be terminated earlier in certain circumstances.

The total fees payable to the Property Managers under the Property Management Agreement are dependent on the scope of the services that are provided from time to time and the income derived from the Property Portfolio. It is expected that the total fees payable to the Property Managers will be approximately 1 to 2% of net property income per annum.

9.4 Summary of the MoU

CHDPML has entered into a memorandum of understanding (MoU) whereby it is agreed that CHH or sub-entities within Charter Hall Group will provide various services. The MoU is a related party transaction as CHDPML and CHH are related parties (both being part of Charter Hall Group). In entering into the MoU, CHDPML complied with its related party transactions policy (refer to section 10.2).

The services to be provided under the MoU include: acquisition services; due diligence; development management; portfolio management; facilities management; make-good negotiation; leasing services; disposal consultancy; valuation co-ordination; offshore transactions; tenant fitout services; debt structuring, hedging and renewal services; and corporate advisory services.

The amount payable for the services set out in the MoU vary over time due to market or specific deal circumstances. Fees for services under the MoU are benchmarked against market levels.

9.5 Corporate governance

Role as the Responsible Entity

The Responsible Entity's main responsibilities are to ensure that the Fund is managed according to the Constitution, the Corporations Act, the Compliance Plan and the established investment policy for the Fund as well as to properly administer the Fund.

In carrying out its duties, the Responsible Entity is subject to the Corporations Act and must, among other things:

- ▶ act honestly and in the best interests of Investors;
- ▶ exercise care and diligence; and
- ▶ treat Investors of the same class equally and Investors of different classes fairly.

Board composition

The Board of CHDPML comprises five directors: three independent directors, including an independent chairman, and two executives of Charter Hall Group. The Board of the Responsible Entity meets on a regular basis and is required to discuss pertinent business developments and review the operations and performance of the Fund.

The Compliance Plan

As required by law, the Responsible Entity has prepared and lodged with ASIC, a Compliance Plan that sets out the measures which the Responsible Entity will apply in operating the Fund to ensure compliance with the Corporations Act and the Constitution. A copy of the Compliance Plan is available upon request, free of charge, from Charter Hall Group's offices.

The Custodian

The Responsible Entity has appointed The Trust Company (Australia) Limited to act as custodian of the Fund's assets. The Custodian must only act on instructions from the Responsible Entity. The Custody Agreement contains relevant reporting requirements and key performance indicators in line with ASIC Regulatory Guide 133.

10.0 Fund policies and practices

10.1 Debt finance

Future debt facilities

Debt facilities will be sourced from major Australian and international financial institutions. The Responsible Entity will seek to obtain future debt facilities that will have a minimum allowable loan-to-value ratio covenant of 50%.

Current debt facility

The Fund currently has a syndicated debt facility with a facility limit of \$145 million provided by one major Australian financial institution which is due to mature in November 2022.

The maximum allowable loan-to-value ratio under the debt facility is 60%. As at the date of this PDS, the value of the Property Portfolio would need to decrease by 32% for the Fund to be in breach of this covenant. The interest cover ratio covenant under the debt facility is 2.0 times. As at the date of this PDS, the operating cash flow of the Fund would need to decrease by 44% for the Fund to be in breach of this covenant.

As at the date of this PDS:

- ▶ the Fund has drawn \$108 million under the debt facility leaving \$37 million undrawn;
- ▶ the look-through gearing of the Fund is 36%; and
- ▶ the 'all-in' interest rate under the debt facility is 3.9% per annum.

The facility is secured by first-ranking mortgages against the Property Portfolio and security interests over Fund assets in priority to, but with no recourse to, Investors.

Gearing and interest cover policy

The Responsible Entity maintains and complies with a written policy that governs the Fund's level of gearing and interest cover at a Fund and individual debt facility level.

The Responsible Entity has a gearing target for the Fund as set out in section 1.1. Throughout the term of the Fund, gearing may be higher from time to time in order to settle Property acquisitions, with

subsequent proceeds from the Offer used to reduce gearing in line with the target.

Debt facilities are provided by major Australian financial institutions with security granted against the Properties by a first-ranking mortgage and security interests over Fund assets in priority, but with no recourse, to Investors.

The Responsible Entity will aim to enter into debt facilities where the maximum allowable loan-to-value ratio and minimum allowable interest cover ratio provide sufficient headroom to minimise the likelihood of these covenants being breached.

Interest expenses of the Fund will not be capitalised in the ordinary course of business. The interest rate payable is made up of two components, being the market base rate and the bank margin. The market base rate is determined by the floating bank bill rate. The bank margin comprises a line fee and a margin. The line fee is payable on the facility limit and the margin is payable on the drawn debt balance.

Gearing ratio

The gearing ratio indicates the extent to which the Fund's assets are funded by borrowings. The gearing ratio gives an indication of the potential risks faced by the Fund as a result of its borrowings due to, for example, an increase in interest rates or a decrease in the value of the Properties.

A higher gearing ratio means a higher reliance on external liabilities to fund assets and exposes the Fund to increased funding costs if interest rates rise. A highly geared investment has a lower asset buffer to rely on in times of financial stress. ASIC Regulatory Guide 46 'Unlisted property schemes: Improving disclosure for retail investors' requires the gearing ratio to be calculated as:

Gearing ratio = Total interest-bearing liabilities/total assets

The gearing ratio calculated on a look-through basis in accordance with ASIC Regulatory Guide 46 (as at the date of this PDS) is 36%. This calculation differs from that of the loan-to-value ratio debt facility covenant described above.

Interest cover

Interest cover measures the ability of the Fund to meet its interest payments on debt finance from its earnings. The level of interest cover gives an indication of the Fund's financial health, in paying both interest to debt finance providers and distributions to Investors. It is a key measure of the risks associated with the Fund's debt finance and the sustainability of debt refinancing.

The lower the interest cover ratio, the higher the risk that the Fund will not be able to meet its interest payments. A fund with a low interest cover ratio only needs a small reduction in earnings, or a small increase in interest rates or other expenses, to be unable to meet its interest payments. ASIC Regulatory Guide 46 requires the interest cover ratio to be calculated as:

Interest cover ratio = (EBITDA – unrealised gains + unrealised losses)/interest expense

The Fund's interest cover ratio is 3.6 times as at the date of this PDS.

Interest rate hedging

From time to time, the Responsible Entity may enter into interest rate hedging contracts in order to provide more certainty for the Fund's future interest expenses. The Responsible Entity has entered into interest rate swaps with debt finance providers to hedge the market base rate under the Fund's current debt facility. The Responsible Entity intends to maintain hedging contracts in respect of at least 50% of the Fund's borrowings.

10.2 Related party transactions

There are a number of related party transactions described in this PDS in relation to the Fund, including the fees payable by the Responsible Entity to other entities within Charter Hall Group under the Asset Services Agreement and the Property Management Agreement.

The Responsible Entity may also seek professional services for the Fund from qualified service providers, including from related parties of the Responsible Entity. The fees for these services will be charged at normal commercial rates to the Fund. All parties and the fees chargeable for these services are subject to the approval of the Responsible Entity's independent directors.

Examples of areas in which related parties may provide services to the Fund are:

- ▶ property, development and project management;
- ▶ accounting, taxation and compliance;
- ▶ debt arrangement;
- ▶ financial structuring and underwriting;
- ▶ product distribution; and
- ▶ corporate advice.

The Responsible Entity maintains and complies with a written policy on related party transactions, including the assessment and approval process for such transactions and arrangements to manage conflicts of interest. All transactions in which the Responsible Entity may have, or may be perceived to have, a conflict of interest will be conducted in accordance with the Responsible Entity's related party transactions policy. Under this policy, the Responsible Entity may be required to disclose conflicts of interest to Investors and to ensure that its disclosure is timely, prominent, specific and meaningful, and contains enough detail to understand and assess the potential impact on the service provided by the Responsible Entity. These conflict situations will be monitored, assessed and evaluated by the general counsel, the company secretary and/or the head of risk and compliance for Charter Hall Group and if considered necessary, the matter will be referred to the Responsible Entity's Board and steps taken to ensure that the conflict is managed in an appropriate manner.

For more detail on the Responsible Entity's policy and procedures for related party transactions, please contact the Responsible Entity.

10.3 Asset allocation protocols

Charter Hall Group manages a number of property funds. Once Charter Hall Group has sourced a particular asset, it follows formal procedures to ensure that the asset is offered to the most appropriate Charter Hall Group fund based on the relevant fund mandates. This means that assets sourced by Charter Hall Group may not be exclusively offered to the Fund.

10.4 Joint venture arrangements

From time to time, the Fund will purchase Properties in joint venture, including with other Charter Hall Group entities. Joint venture arrangements usually include certain rights and responsibilities between the parties. These can include pre-emptive rights (being rights to acquire an interest in a property), cost sharing agreements, management agreements, valuation agreements and dispute resolution procedures.

10.5 Valuation policy

The Responsible Entity maintains and complies with a written valuation policy which:

- ▶ requires that before a Property is acquired, it is independently valued on an 'as is' or on an 'as if complete' and 'as is' basis for development properties;
- ▶ requires that the Property be subject to a directors' valuation at least every six months (or within two months after the directors form a view that there is a likelihood there has been a material change in the value of the Property) and in line with the requirements of the debt providers is independently valued on an 'as is' basis at least once every 12 months, usually but not exclusively as at 30 June or 31 December;
- ▶ requires that all independent valuers engaged by the Responsible Entity will be acceptable to the Fund's debt providers (if any), be registered or licensed and provide valuations which comply with all relevant industry standards and codes;
- ▶ requires that a Property will also be independently valued if the Responsible Entity believes it is likely to be subject to a material increase or decrease in value (i.e. greater than 5%);
- ▶ sets out the procedures to be followed for dealing with any conflicts of interest;
- ▶ provides that independent valuers must be rotated such that the same independent valuer cannot value an asset for more than three consecutive years; and
- ▶ prescribes a standard valuation brief to be given to independent valuers

which sets out matters including, but not limited to, the required experience and qualifications of the valuer, that the valuer has no conflict of interest, confidentiality obligations and the contents and the calculation methodology of the valuation report.

To obtain a copy of the Responsible Entity's valuation policy, please contact the Responsible Entity.

10.6 Disclosures to Investors

Investors' right to information

As a disclosing entity, the Fund is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office. Investors have a right to obtain a copy of the following documents:

- ▶ the annual financial report for the Fund most recently lodged with ASIC;
- ▶ any half-year financial report for the Fund lodged with ASIC; and
- ▶ any continuous disclosure notices for the Fund given to ASIC.

The Responsible Entity's disclosures to Investors will be guided by industry best practice and ASIC guidelines and will include the following regular communications:

- ▶ distribution statements or statements of account and transaction summaries;
- ▶ investment and withdrawal notices (for all account movements);
- ▶ annual tax statements and annual periodic statements; and
- ▶ other information that may be shared with you via post or electronically.

Investors may also use the Fund website to keep track of the Unit Price, current information on the Property Portfolio and other important information about the Fund. Alternatively, you may contact us directly to request information regarding the performance of the Fund and your investment.

ASIC disclosures

ASIC Regulatory Guide 46 'Unlisted property schemes: Improving disclosure for retail investors' and Regulatory Guide 198 'Unlisted disclosing entities: Continuous disclosure obligations' contain the benchmarks and disclosure principles currently recommended by ASIC.

These benchmarks and disclosure principles have been incorporated, or it has been described how the Responsible Entity will meet these obligations, within this PDS.

Benchmarks

Benchmark	Does the Fund satisfy the benchmark?	PDS section reference for more information
1. Gearing policy	Yes	10.1
2. Interest cover policy	Yes	10.1
3. Interest capitalisation	Yes	10.1
4. Valuation policy	Yes	10.5
5. Related party transactions	Yes	10.2
6. Distribution practices	Yes	4.4

Disclosure principles

Disclosure principle	PDS section reference for more information
1. Gearing ratio	10.1
2. Interest cover ratio	10.1
3. Scheme borrowing	10.1
4. Portfolio diversification	3
5. Related party transactions	10.2
6. Distribution practices	4.4
7. Withdrawal arrangements	4.3
8. Net tangible assets	4.5 and 8

The above tables show the benchmarks and disclosure principles set out in ASIC Regulatory Guide 46.

10.7 Labour standards and environmental, social or ethical considerations

The Responsible Entity and/or the Manager may take into account labour standards and environmental, social and ethical considerations from time to time where they may impact the performance objectives for the purposes of selecting, retaining or realising investments. However, it does not adhere to any particular set of standards or timeframes when deciding how far those considerations are taken into account and will determine on a case-by-case basis the approach to take. The Responsible Entity and/or the Manager will consider general factors such as, but not limited to, labour relations, potential environmental impacts and whether a company has a clearly defined code of conduct and ethics policies.

10.8 Cooling off rights

Direct Investors who are not classified as Wholesale Clients have a 14-day cooling off period. Cooling off rights do not apply to Indirect Investors that invest through an IDPS.

For each eligible Direct Investor, their 14-day period commences on the earlier of the date they receive their confirmation notice or the end of the fifth day after their Units are allotted. If an eligible Direct Investor cancels their investment during this period, the amount repaid to them may be adjusted in accordance with the Corporations Act to reflect any increase or decrease in the value of their investment, any tax or duties payable by the Responsible Entity and administration expenses and transaction costs associated with the acquisition and termination of their investment. The right to cooling off terminates immediately if an eligible Direct Investor exercises a right or power under the terms of the Fund, such as selling part of their investment. For any subsequent contributions made under the terms of an existing agreement, the right to cooling off does not apply.

10.9 Complaints handling

The Constitution contains provisions governing the procedures for dealing with complaints by Investors. The Responsible Entity has procedures in place to properly consider and deal with any complaints received from Investors.

If you have a complaint or query in relation to the administration or management of the Fund, please contact the compliance manager for Charter Hall Group on +61 2 8651 9000 or write to Charter Hall Group at GPO Box 2704, Sydney NSW 2001.

The compliance manager will, on behalf of the Responsible Entity, ensure your complaint is acknowledged in writing as soon as practicable and no later than 48 hours after receipt, and will ensure that it receives proper consideration. Where a complaint cannot be resolved within 20 Business Days, the complainant will be notified in writing that their complaint is being investigated and advised of the revised expected resolution date. Within 45 days of receiving the complaint, the Responsible Entity is required to communicate to the complainant its final proposal for resolution.

The Responsible Entity is also a member of Australian Financial Complaints Authority (AFCA), an external complaints resolution service that has been approved by ASIC. If you are dissatisfied with our response, you may raise the matter with AFCA. Its contact details are:

Australian Financial Complaints Authority
GPO Box 3
Melbourne Vic 3001
Telephone: 1800 931 678 (free call)
Email: info@afca.org.au
Website: www.afca.org.au

Please note that the Fund's internal and external complaints resolution procedures are available to both Direct Investors and Indirect Investors equally.

10.10 Privacy

Indirect Investors

We do not collect or hold any personal information about you in connection with your investment in the Fund. You should contact your IDPS Operator for details on collection, storage, use and disclosure of personal information.

Direct Investors

You do not need to give us any personal information requested in the Application Form or in any other document or communication relating to the products or services we supply you. However, without this information, we may not be able to process your application or provide you with an appropriate level of service.

By completing the Application Form, you agree to us:

- ▶ collecting, holding and using your personal information to process your application as well as administering and managing the Fund. This includes monitoring, auditing and evaluating the Fund, modelling data, testing data, communicating with you and dealing with any complaints or enquiries;
- ▶ providing your personal information to other entities in Charter Hall Group as well as to external service providers situated in Australia or offshore, which provide services in connection with the Fund. These may include, for example, mail houses or professional advisers;

- ▶ using your personal information to offer products or services that may be of interest to you unless you request us not to (including for the purposes of the Spam Act 2003 (Cth) and the Unsolicited Electronic Messages Act 2007 (New Zealand), via commercial emails);
- ▶ supplying your financial adviser with information about your investment, if a financial adviser's stamp appears on the Application Form or there is evidence of their status; and
- ▶ disclosing your personal information to other parties if you consent or if we believe that the law requires or permits us to do so, or to any person proposing to acquire an interest in our business, provided they agree to treat your information in accordance with the Privacy Act.

Other entities in Charter Hall Group may use your personal information to offer products or services that may be of interest to you unless you request us not to allow this. Should you not wish to receive this information, please contact us using one of the methods listed on the inside back cover of this PDS.

We will not sell your personal information to other organisations to enable them to offer products or services to you.

Under the Privacy Act, you may request access to any of your personal information that we hold. You can contact us to make a request relating to the privacy of your personal information. Refer to the inside back cover of this PDS for a contact details listing.

Charter Hall Group's privacy statement can be found at www.charterhall.com.au/privacy

10.11 Anti-money laundering, counter-terrorism financing, FATCA and CRS

The Responsible Entity is required to collect certain customer identification information (and verify that information) in compliance with AML Legislation before it can issue Units to an Applicant.

The Responsible Entity may refuse to accept an Application Form or decline to issue Units to an Applicant until it has satisfactorily concluded its customer identification procedure in relation to the Applicant. The Responsible Entity may also compulsorily redeem any Units, or may delay or refuse any request or transaction, including by suspending the issue or redemption of Units, if the Responsible Entity is of the belief that the request or transaction may cause the Responsible Entity to contravene AML Legislation (or any other legislation). The Responsible Entity will incur no liability to the Applicant if it does so.

If you have a financial adviser, your identification and verification checks can be conducted by your financial adviser who will also complete the relevant identification form issued by the Financial Services Council and the Financial Planning Association of Australia (FSC/FPA Form (May 2017 version)). If you do not have a financial adviser for this investment and are not an existing investor in another Charter Hall Group unlisted fund, please complete and return the Identification Form that accompanies this PDS.

We may, from time to time, be required to contact you to request additional information for identification or verification purposes.

By applying for Units, you agree to the following:

- ▶ at the reasonable request of us, you will supply, or procure the supply of, any documentation and other evidence and perform any acts to enable us to comply with AML Legislation;
- ▶ if we suspect that you are in breach of AML Legislation applicable in Australia or elsewhere, or we believe we are required to take action under any laws relating to AML Legislation or any other applicable law in Australia or elsewhere, we may take any action we consider appropriate, including redeeming your Units and refusing or ceasing to provide you with services, in order to comply with any laws relating to AML Legislation or any request of a relevant authority; and

- ▶ we may, in our absolute discretion, with or without notice to you, disclose or otherwise report the details of any transaction or activity, or proposed transaction or activity, in relation to the Fund (including any personal information, as defined in the Privacy Act that you may have provided to us) to any reporting body authorised to accept reports under any laws relating to AML Legislation applicable in Australia or elsewhere.

The Application Form and customer identification forms also incorporate the Foreign Account Tax Compliance Act (US) (FATCA), the Tax Laws Amendment (Implementation of the Common Reporting Standard) Act 2016 (Cth) (CRS) and any similar laws designed to implement those laws in Australia. Under FATCA and CRS legislation, the Responsible Entity is prevented from allotting Units until such time as all relevant information has been obtained and the Applicant's FATCA and CRS status has been determined. The FATCA and/or CRS status of self managed superannuation funds (SMSFs) or other regulated superannuation funds will be determined by the Responsible Entity in accordance with the ATO's FATCA and/or CRS guidance (as updated from time to time). In the event that a SMSF or other regulated superannuation fund is not confirmed as having an exempt beneficial owner status for FATCA and/or CRS purposes, the Responsible Entity may seek additional information from the Applicant. The Responsible Entity reserves the right to seek additional information from any Applicant for FATCA and/or CRS purposes.

We are required to disclose certain personal information you may provide to us to any body authorised to accept reports under any laws relating to FATCA and CRS legislation applicable in Australia or elsewhere. You can obtain a copy of our Privacy Policy via our website.

10.12 Consents

The entities listed below have given, and have not, before the date of this PDS, withdrawn their consent to be named in this PDS in the form and context in which they are named:

- ▶ Boardroom (Victoria) Pty Limited;
- ▶ the Manager; and
- ▶ The Trust Company (Australia) Limited.

None of these entities has authorised or caused the issue of this PDS and nor are they responsible for any particular part of it.

10.13 If you have an adviser or change your adviser

If you wish to pay your adviser a professional fee for service, please ensure that you and your adviser complete the relevant sections in the Application Form.

The upfront professional fee for service can be deducted from your Application Amount and paid to your adviser. The net amount of your Application Amount, after deducting this fee, will be invested into the Fund. You may also elect to pay your adviser an ongoing professional fee for service from your distribution payments. The balance of your distribution payments after paying your adviser this fee will be paid to you. This fee for service will continue each financial year unless requested otherwise.

If you have an adviser, your adviser may also be provided with details on your investment in the Fund.

If you change your adviser during the course of your investment in the Fund, please advise the Investor Registry in writing.

10.14 Fax and electronic correspondence conditions

By using a fax and/or electronic correspondence instruction service including the application for Units via an online Application Form, you release us and indemnify us against all losses and liabilities arising from any payment/action that we make/take based on the instructions we receive by fax and/or electronic correspondence including the application for Units via an online Application Form bearing your account number and an apparent signature of yours – even if the fax and/or electronic correspondence including the application for Units via an online Application Form is not genuine. You also agree that neither you nor anyone claiming through you has any claim against the Fund or us or in relation to these payments or actions.

Each Applicant completing the paper copy Application Form must return their completed original Application Form and accompanying items to the Investor Registry in order for their application to be processed.

Each Applicant completing the online Application Form will be emailed a copy to sign. Applicants must return their completed Application Form by either mailing a paper copy or emailing a scanned copy to the Investor Registry in order for their online application to be processed. Applicants that complete the online Application Form may also need to complete the Identification Form and mail the original documents if they are not able to be verified via the online application process.

11.0 New Zealand investors

If you are a New Zealand investor, the Responsible Entity is required to provide the following additional information to you under New Zealand law.

1. This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
2. This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.
3. There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
4. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
5. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.
6. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

7. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

Currency exchange

1. The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
2. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

The Responsible Entity can be contacted in New Zealand at:

C/- Tim Williams
Partner
Chapman Tripp
23-29 Albert Street
PO Box 2206
Auckland 1140 New Zealand
tim.williams@chapmantrip.com

Australian taxation of New Zealand residents

Distributions – MIT withholding tax regime and AMIT regime

The Fund is intended to be a MIT for Australian tax purposes and on that basis has also elected into the AMIT regime. As such, pursuant to the MIT withholding tax regime, the Responsible Entity is required to withhold tax at a rate of 15% from distributions of net taxable income (including rent and capital gains, but excluding amounts of interest which are subject to 10% interest withholding tax) made to New Zealand resident Investors. The Fund is also required to provide a payment summary to such Investors which sets out the total of the withholding payments that the payment summary covers and the total of the amounts withheld by the Fund from those withholding payments. If the Fund does not qualify as a MIT, the tax treatment of your investment will differ. We recommend that you seek independent taxation advice in this regard.

Taxation of capital gains

The redemption or transfer of any Units may give rise to a taxable capital gain. For example, this will be the case in circumstances where a New Zealand resident Investor has, at the time of redemption or transfer, or throughout a 12-month period that began no earlier than 24 months before that time, an interest in the Fund (including any interests held by associates) of 10% or more. Non-residents are not entitled to discount capital gains treatment.

New Zealand taxation of New Zealand resident Investors

GST

The issue and redemption of Units will not be subject to New Zealand GST.

Assumptions

The summary set out below assumes that you and your associates do not together hold more than 10% of the total Units on issue in the Fund. Investors will be taxed on their Units under one of two regimes: the ordinary tax regime or the Foreign Investment Fund (FIF) regime.

Tax treatment under ordinary tax regime

An Investor will be taxed under the ordinary tax rules if the Investor is a New Zealand resident natural person and does not hold offshore equities (including units in a unit fund but excluding, among other things, shares in most Australian resident companies listed on the ASX), the total cost of which is more than NZ\$50,000 unless the Investor elects otherwise. Under the ordinary tax rules:

- ▶ any distributions will be dividend income for the Investor;
- ▶ withdrawal by redemption of Units will give rise to dividend income for the Investor equal to the difference between:
 - ▶ the redemption proceeds; and
 - ▶ the average issue price of all the Units multiplied by the number of the Investor's Units which are redeemed; and
- ▶ an Investor will be taxed on any gains from the sale or redemption of Units only if the Investor acquired the Units either:
 - ▶ for the purpose of disposal; or
 - ▶ as part of a profit making scheme or undertaking; or
 - ▶ as part of a business in respect of which the sale of such investments is an ordinary incident.

Amounts taxed as dividends will not be taxed again as gains from sale.

Tax treatment under FIF regime

Other Investors will be taxed under the FIF regime (FIF Investors). Broadly speaking, a FIF Investor will be deemed to derive income equal to 5% of the market value of the Units it holds at the beginning of the income year (fair dividend rate or FDR method). Any profits from selling or redeeming the Units and any dividends or redemption proceeds received are ignored (except as described in the following paragraphs).

If a FIF Investor bought and later sold Units in the same income year, then the FIF Investor has additional taxable income equal to either:

- ▶ the actual gain from the Units both bought and sold during the income year (including any distributions paid on them) (actual gain method). For these purposes, the last Unit acquired is deemed to be the first sold; or
- ▶ 5% of:
 - ▶ the difference between the greatest number of Units the FIF Investor held at any time during the income year and the number of Units the FIF Investor held at the beginning or end of the year (whichever produces the smaller difference), multiplied by
 - ▶ the average cost of all Units acquired during the income year (peak holding method).

The FIF Investor must apply the method which produces the lesser amount of additional income when applied consistently to all of their FIF investments bought and sold in the same income year.

A slightly different version of this method is used by Investors that are managed funds.

If a FIF Investor is a natural person or a family trust and its actual realised and unrealised return from its total portfolio of offshore equity investments is lower than the amount calculated under the FDR method described above, the Investor can elect to be taxed on its actual realised and unrealised returns – including dividends (the comparative or CV method). This method must be applied across all the Investor's FIF interests.

An Investor will also need to make certain elections in respect of how amounts are converted to New Zealand dollars.

The FIF regime described above is subject to various exceptions. Investors should seek specific tax advice if they believe the FIF regime may apply to them.

Trans-Tasman Imputation Regime

To the extent that the Fund maintains a New Zealand imputation credit account, imputation credits may be attached to dividends paid to investors in so far as they are able to be attached under the Trans-Tasman Imputation Regime. Imputation credits may be available to New Zealand investors to reduce New Zealand tax payable.

12.0

Glossary

Term	Description
ABN	Australian Business Number as defined in the Corporations Act.
ACN	Australian Company Number as defined in the Corporations Act.
Acquisition Unit	A class of Unit as set out in section 8.3.
AEST	Australian Eastern Standard Time.
AFSL	Australian financial services licence as defined in the Corporations Act.
AMIT	A trust, for an income year, that is an attribution managed investment trust for the purposes of section 276-10 of the Income Tax Assessment Act 1997 (Cth).
AML Legislation	Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), Financial Transaction Reports Act 1988 (Cth) and any similar legislation.
APIR Code	Asia Pacific Investment Register Code. APIR Codes are standard identifiers for products in the financial services industry.
Applicant	A person or entity who applies to subscribe for Units.
Application Amount	The monies payable by an Applicant to apply for Units.
Application Form	The paper application form attached to or accompanying this PDS or the online application form (available to Australian investors only) accompanying an electronic version of this PDS.
ARSN	Australian Registered Scheme Number as defined in the Corporations Act.
ASIC	Australian Securities and Investments Commission.
Asset Services Agreement	The asset services agreement between CHH and the Responsible Entity pursuant to which CHH has been appointed as the Manager to perform certain services for the Fund referred to and summarised in section 9.2.
ASX	ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires.
ATO	Australian Taxation Office.
Business Day	A weekday on which banks are open for business in Sydney, New South Wales.
Buy Spread	The estimate of transaction costs associated with buying investments. The Entry Price at investment can differ from the Unit Price because of the Buy Spread.
CGT	Capital gains tax as determined under the Income Tax Assessment Act 1997 (Cth).
Charter Hall Group, Charter Hall or Group	The stapled entity comprising Charter Hall Limited (ACN 113 531 150) and Charter Hall Funds Management Limited (ACN 082 991 786, AFSL 262861) as responsible entity of Charter Hall Property Trust (ARSN 113 339 147) listed on the ASX under the code CHC, and their subsidiaries.
CHDPML	Charter Hall Direct Property Management Limited (ABN 56 073 623 784, AFSL 226849) in its capacity as responsible entity of the Fund.
CHH	Charter Hall Holdings Pty Limited (ABN 15 051 363 547).
CLP	Core Logistics Partnership Trust (ABN 66 355 085 108).
Compliance Plan	The Fund's compliance plan, which sets out the measures that the Responsible Entity will apply in operating the Fund to ensure compliance with matters as required by the Corporations Act and the Constitution.
Constitution	The constitution of the Fund (as amended from time to time).
Corporations Act	Corporations Act 2001 (Cth).
CRS	Tax Laws Amendment (Implementation of the Common Reporting Standard) Act 2016 (Cth).

Term	Description
Custodian	The Trust Company (Australia) Limited (ABN 21 000 000 993, AFSL 235145).
Custody Agreement	The agreement pursuant to which the Custodian has been appointed to hold the assets of the Fund as agent of the Responsible Entity.
Direct Investor	An Applicant who invests in the Fund directly and not via an IDPS.
EBITDA	Earnings before interest, taxes, depreciation and amortisation.
Entry Price	The price at which an Ordinary Unit is issued at a point in time.
Exit Price	The price at which a Unit is redeemed at a point in time.
FATCA	Foreign Account Tax Compliance Act (US).
FSC/FPA Form	The form issued in May 2017 by the Financial Services Council and the Financial Planning Association of Australia.
Fund	Charter Hall Direct Industrial Fund No.4 (ARSN 615 152 817).
GAV	Gross asset value, or total assets, of the Fund.
Gross Sale Price	The total sale price received in respect of the sale of a Property (or which would have been received had the Fund sold the Property directly).
GST	Goods and services tax as defined in the A New Tax System (Goods and Services Tax) Act 1999 (Cth) or goods and services tax as charged under equivalent legislation in jurisdictions outside Australia.
IDPS	Investor directed portfolio service. An IDPS is provided by an IDPS Operator, which makes investments into products on behalf of its clients and provides a reporting service to these investors. Some master trusts and wrap accounts are examples of IDPS arrangements.
IDPS Operator	The trustee, custodian or operator of an IDPS.
Indirect Investor	An Applicant who invests in the Fund through an IDPS by directing their IDPS Operator to acquire Units on their behalf.
Initial Term	The initial term of the Fund as set out in section 1.1.
Investor	A holder of a Unit.
Investor Registry	Boardroom (Victoria) Pty Limited (ABN 65 110 851 333).
IRR	Internal rate of return.
Limited Withdrawal Offer	Limited Withdrawal Offers are intended to be made every six months from June 2019, subject to the Fund having available liquid assets. Refer to section 4.3.
Liquidity Event	The process, proposed to occur every five years subsequent to the Initial Term, by which the Responsible Entity will endeavour to provide liquidity for those Investors wishing to redeem their investment.
Manager	CHH or another manager of the Fund from time to time.
NAV	Net asset value, or net assets, of the Fund including accrued income and expenses calculated as the GAV less total liabilities of the Fund.
Net tangible assets or NTA	NAV excluding unamortised borrowing costs.
NTA per Unit	The NTA of the Fund divided by the aggregate number of Units on issue.
Offer	The offer of Ordinary Units under this PDS.
Ordinary Unit	An ordinary unit in the Fund as described in section 8.2.
PDS	This product disclosure statement.
Privacy Act	Privacy Act 1988 (Cth) and Australian Privacy Principles.
Property, Properties, Portfolio or Property Portfolio	Any one or all of the current and future properties that the Fund directly or indirectly invests in from time to time, including properties owned in joint venture or by funds, partnerships or other entities in which the Fund invests.
Property Management Agreement	The property management agreement between CHDPML and the Property Manager pursuant to which the Property Manager has been appointed to perform certain services for the Fund referred to and summarised in section 9.3.
Property Manager	Has the meaning set out in section 9.3.
Responsible Entity	CHDPML.
Sell Spread	The estimate of transaction costs associated with selling investments. The Exit Price at withdrawal can differ from the Unit Price because of the Sell Spread.
Unit	A unit in the Fund.
Unit Price	The price of a Unit from time to time as explained in section 8.1.
Wholesale Client	A wholesale client as defined in section 761G of the Corporations Act.

4 steps on how to invest



1 You should read this PDS in full before deciding whether to invest in the Fund and if you are in any doubt, you should consider consulting your financial adviser, stockbroker or other professional advisers.



3 Consider consulting your financial adviser, stockbroker or other professional advisers before deciding whether to invest.



2 Pay particular attention to the risks set out in section 5 and other information concerning the Units, the Fund and its assets. These risks need to be considered in light of your investment objectives, financial situation and particular needs.



4 **Online**
(for Australian investors only) Access the Application Form on the Fund website and return a copy with your signature.

Paper copy
Complete the paper copy attached to this PDS and return the original with your signature.

If you have any questions about the Offer, please call us on 1300 652 790 (local call cost) or +61 2 8651 9000.

You can now complete the Application Form online at www.charterhall.com.au/dif4

Payment information

Cheque

Payable to 'CHDPML – CH Direct Industrial Fund No.4 Application Account' crossed 'not negotiable'. Enclose with Application Form

BPAY® (Australian investors only)

If you are completing the paper copy of the Application Form, contact the Investor Registry on 1300 137 895 to request a BPAY® reference number. Include reference number on Application Form.

Electronic funds transfer

Transfer to the following account:

Account name: 'CHDPML – CH Direct Industrial Fund No.4 Application Account'
Bank: Westpac Banking Corporation
BSB number: 033 003
Account number: 528 418
Include reference (name of Applicant) on Application Form.
New Zealand investors please contact us for details regarding electronic funds transfer.

Direct debit (Australian investors only)

If you are completing the paper copy of the Application Form, complete the separate Direct Debit Request Form and return it with your Application Form – the Investor Registry will direct debit your Application Amount within three Business Days of receipt of your forms.

Sending your Application Form

You can now access the Application Form online at www.charterhall.com.au/dif4 or complete the paper copy attached to this PDS.

If you are completing the online Application Form, you will be emailed a copy to sign and return. You can scan and email back a copy to charterhall@boardroomlimited.com.au. You may also need to complete the Identification Form and mail the original documents if you cannot be e-verified.

If you are completing the paper copy Application Form, mail the **original** to:
Charter Hall Direct Industrial Fund No.4
C/- Boardroom (Victoria) Pty Limited
GPO Box 3993
Sydney NSW 2001

Indirect Investors

Your IDPS Operator will facilitate an investment in the Fund on your behalf. You should contact your adviser or IDPS Operator for further details.

Charter Hall Direct Industrial Fund No.4 Application Form



Charter Hall

This Application Form relates to the application for units in Charter Hall Direct Industrial Fund No.4 (ARSN 615 152 817) (Fund) under the PDS dated 1 February 2019 issued by Charter Hall Direct Property Management Limited (ABN 56 073 623 784, AFSL 226849). This form must be accompanied by the PDS when provided to any person. Unless otherwise defined, capitalised terms in this Application Form have the meaning given to them in the PDS. If you are completing the paper copy Application Form, mail the original to: Charter Hall Direct Industrial Fund No.4, C/- Boardroom (Victoria) Pty Limited, GPO Box 3993, Sydney NSW 2001.

Please use black pen and print in CAPITAL LETTERS and ☒ where appropriate

1 Contact details

Please enter contact details in case we need to contact you in relation to your application. Please note if you have a financial adviser we will contact them in the first instance.

Title

Name

Phone

Email

Postal address (all correspondence will be sent here)

SUBURB

STATE

POSTCODE

Are you an existing investor in a Charter Hall unlisted fund?

If you are an existing investor in a Charter Hall unlisted fund and you are investing in the Fund under the same name, or you are adding to an investment in the Fund, you do not need to complete section 3 of this Application Form or the Identification Form. After you complete section 2 of this Application Form, go straight to section 4.

☐ Yes, my investor number is:

☐ No, or I am investing in the Fund under a different name. You need to complete all sections of this Application Form and complete the Identification Form.

2 Investment details

Minimum application is \$20,000 and thereafter multiples of \$1,000. Payment details are described in section 5 of this Application Form.

Investment amount
\$

3 New investor (or existing investor under a different name)

What type of investor are you?

☐ Individual/joint holding
Complete the Identification Form individuals section AB

☐ Company
Complete the Identification Form corporates section C

☐ SMSF/trust – individual trustees
Complete the Identification Form trustees section ABD

☐ SMSF/trust – corporate trustees
Complete the Identification Form trustees section CD

☐ Sole trader
Complete the Identification Form individuals section AC

☐ Other – please contact us for further information

A Individual investor, joint investor, trustee or sole trader

Title

Given name(s)

Surname

Date of birth DAY / MONTH / YEAR

Occupation

Residential address

SUBURB

STATE

POSTCODE

Are you an Australian resident for tax purposes?

☐ Yes ☐ No, if no specify country:

TFN or exemption Provide to ensure tax is not deducted

B Second joint investor or second trustee

Title

Given name(s)

Surname

Date of birth DAY / MONTH / YEAR

Occupation

Residential address ☐ Same as A, or specify below

SUBURB

STATE

POSTCODE

Are you an Australian resident for tax purposes?

☐ Yes ☐ No, if no specify country:

TFN or exemption Provide to ensure tax is not deducted

C Company, corporate trustee or sole trader

Company name

ABN or TFN

ACN

Registered office address (not a PO Box)

SUBURB

STATE

POSTCODE

Principal place of business address (if different)

SUBURB

STATE

POSTCODE

Business activities

D SMSF or trust

Full name of the trustee

SMSF or trust name

ABN or TFN

Type of trust

Country in which trust was established

Full name of settlor of trust (if any)

4 How shall we pay you?

Please nominate the bank, building society or credit union account that you would like your distribution and any other payments to be paid to. The account must be held in the name of the Applicant.

Name of financial institution

Account name

BSB number

Account number

☐ I would like my distributions reinvested in the Fund.

5 How are you going to pay us?

Payment details

These details are required so your payment can be matched to your Application Form. Please indicate which payment method you have used.

I am paying by (please choose one method only):

☐ **Cheque**

Made payable to 'CHDPML – CH Direct Industrial Fund No.4 Application Account' and crossed 'not negotiable'.

☐ **BPAY®**

BPAY® Biller Code: **244681**



Please contact the Investor Registry on 1300 137 895 to request a BPAY® reference number and ensure the reference number is included here.

BPAY® reference number:

☐ **Electronic funds transfer**

Please transfer funds electronically to the following account and send your completed Application Form to the Investor Registry:

Account name: **CHDPML – CH Direct Industrial Fund No. 4 Application Account**

Please note your bank may require the full description of CHDPML (Charter Hall Direct Property Management Limited) to be included on transfer forms.

BSB: **033 003**

Account number: **528 418**

Reference
(Name of Applicant)

It is important to include your name as reference. If we are unable to match your application to a payment, your application may be delayed.

☐ **Direct debit**

Please complete and sign the Direct Debit Request Form for us to debit your nominated bank account for your Application Amount (within three Business Days of receipt of your forms).

6 Adviser details

(to be completed by your financial adviser)

If you use a financial adviser and/or your financial adviser is providing us with your identification documents, please have them complete, sign and stamp this section to confirm they hold a current AFSL and are authorised to deal in or advise on managed investment products.

Adviser name

Adviser company

Assistant name

Adviser email

Adviser phone

AFSL name

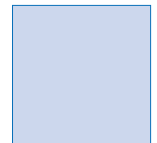
AFSL number

Authorised representative number

☐ Sign me up to AdviserServe to access my client's investment details and statements via www.adviserserve.com.au

By signing below and submitting the relevant identification documents with this Application Form, the financial adviser represents to the Responsible Entity that they: have followed the FSC/FPA Industry Guidance Note No. 24 (May 2017 version) and any other applicable AML Legislation; will make available to the Responsible Entity, on request, original verification and identification records obtained by the financial adviser in respect of the Applicant, being those records referred to in the FSC/FPA Form (May 2017 version); will provide details of the customer identification procedures adopted by the financial adviser in relation to the Applicant; have kept a record of the Applicant's identification and verification and will retain these on file for a period of seven years after their relationship with the Applicant has ended; will use reasonable efforts to obtain additional information from the Applicant if the Responsible Entity requests the financial adviser to do so; will not knowingly do anything to put the Responsible Entity in breach of AML Legislation; and will notify the Responsible Entity immediately if they become aware of anything that would put or may potentially put the Responsible Entity in breach of AML Legislation. I agree that any professional fee for service specified in section 7 of the Application Form is only for advice and recommendations I have provided to my client in respect of the Fund and not for any other advice or service.

Adviser signature and stamp



7 Adviser professional fee for service details

(to be completed by you)

If you have negotiated a professional fee for service with your financial adviser, you need to complete this section.

I request, until further notice from me, that the Responsible Entity deduct a professional fee for service from my Application Amount and/or an ongoing professional fee for service from my distribution payments as set out below. I acknowledge that these fees will be paid to my financial adviser as specified in section 6 of this Application Form and that the balance of my Application Amount will be invested in the Fund and/or the balance of my distribution payments will be paid to me.

Upfront professional fee for service

Either a percentage of your Application Amount or a fixed amount up to a maximum of 3% (excluding GST) of your Application Amount:

☐ 1% ☐ 2% ☐ 3% or \$ amount

Ongoing professional fee for service

Either a percentage or fixed amount from your distributions up to a maximum of 1% per annum (excluding GST) of your net Application Amount after deduction of any upfront professional fee for service:

% or \$ amount

Advise the financial year the ongoing professional fee for service will commence from i.e. FY21 (July 2020 to June 2021). This fee for service will apply to your whole investment if you are adding to an investment and will continue each financial year unless requested otherwise:

Signature 1

Signature 2

Name

Name

Date

Date

8 Common Reporting Standard (CRS) declaration (mandatory)

This section is mandatory for all Investors, EXCEPT those investing via an SMSF or other regulated superannuation fund.

Any person, company or trust that:

- is an individual or joint investor, company or trust; or
 - exercises control over an Applicant company; or
 - is a trustee, beneficiary or settlor of an Applicant trust,
- MUST complete this section.**

Are you a resident for tax purposes of any country other than Australia?

☐ No, go to section 9

☐ **Yes**, you MUST complete this section for each individual

Country For the individual, company or trust

Taxpayer identification number (TIN) Issued by the relevant tax authority

For any other Applicants, we will contact you for further CRS verification.

9 Foreign Account Tax Compliance Act (US) (FATCA) declaration (mandatory)

This section is mandatory for all Investors, EXCEPT those investing via an SMSF or other regulated superannuation fund.

Any person that:

- is an individual or joint investor; or
 - exercises control over an Applicant company; or
 - is a trustee, beneficiary or settlor of an Applicant trust,
- MUST complete this section.**

Are you a United States (US) citizen or resident for tax purposes?

☐ No, go to section 10

☐ **Yes**, you MUST complete this section for each individual

US TIN First person

US TIN Second person

For any other Applicants, we will contact you for further FATCA verification.

10 InvestorServe – online access

www.investorserve.com.au

InvestorServe is the Investor Registry's user friendly and secure website where you can access your investment details and statements.

If you are an existing InvestorServe user, your investment in the Fund will be automatically added to your account. If you have not used InvestorServe before, you will be registered and instructions on how to access InvestorServe will be mailed with your allotment of Units confirmation.

All new Investors will be set to receive electronic copies of correspondence, and all existing Investors will be set to receive electronic correspondence if an email address is provided in section 1 of this Application Form. You can update your communication preferences at anytime via InvestorServe or by contacting the Investor Registry.

11 Declaration

Please read the PDS before signing the Application Form. Note that company Applicants usually require two signatures.

I/We:

- wish to apply for Units, and received the PDS and any supplementary PDS for the Fund at the same time and by the same means as I/we received this Application Form;
- agree to be bound by the PDS and any supplementary PDS and the terms of the Constitution, as may be amended from time to time, and have received and accepted the Offer in Australia or New Zealand (as the case may be);
- confirm that I/we have read and understood the PDS and any supplementary PDS current at the date of the signing of this Application Form;
- agree to information about me/us being collected, used and disclosed in accordance with the privacy statement contained in the PDS;
- agree to the anti-money laundering and counter-terrorism financing statement as set out in section 10.11 of the PDS and agree to provide the Responsible Entity any additional information or documentation it requests from time to time to ensure compliance with that legislation;
- acknowledge that investments in the Fund are not deposits or liabilities of any company in Charter Hall Group or of the Custodian;
- declare that this Application Form is completed and lodged in accordance with the PDS and any supplementary PDS and that all statements made by me/us are complete and accurate and acknowledge that it is a criminal offence to knowingly provide misleading information or documents in respect to this application;
- declare the CRS and FATCA notifications provided at sections 8 and 9 of this Application Form are correct; and
- acknowledge that the Fund is subject to investment and other risks, set out in the PDS and any supplementary PDS, which could include delays in repayment, and/or loss of income and capital invested and that no member of Charter Hall Group or the Custodian guarantees the performance of the Fund or any particular rate of return.

If the application is signed by more than one person, who will operate the account?

☐ Any to sign ☐ All to sign together

Signature 1

Name

Date

Title

If a company officer or trustee, you MUST specify your title:

☐ Director ☐ Sole director and company secretary

☐ Trustee ☐ Other (please specify)

Signature 2

Name

Date

Title

If a company officer or trustee, you MUST specify your title:

☐ Director ☐ Sole director and company secretary

☐ Trustee ☐ Other (please specify)

Direct Debit Request Form

Please contact the Investor Registry on 1300 137 895 or charterhall@boardroomlimited.com.au if you require any assistance. This form authorises Charter Hall Direct Property Management Limited (ABN 56 073 623 784, AFSL 226849), User Identification 485904 to arrange through its own financial institution and registrar, a debit to your nominated account of any amount nominated by you in section 2 of the Application Form.

This debit or charge will be made through the Bulk Electronic Clearing System from your account nominated below and will be subject to the terms and conditions of the Direct Debit Agreement.

Please note that the Investor Registry will direct debit your nominated bank account for your Application Amount within three Business Days of receipt of your Application Form and Direct Debit Request Form.

Authorisation

Please indicate the account from which you would like us to deduct the Application Amount(s). Please note your account must be an Australian financial institution account held in the name of the Applicant; third party direct debits will not be accepted.

☐ I/We authorise Charter Hall Direct Property Management Limited to debit the bank account nominated in section 4 of the Application Form

OR

☐ I/We authorise Charter Hall Direct Property Management Limited to debit the bank account nominated below:

Name of financial institution

Account name

BSB number

Account number

Direct debit acknowledgement

By signing and/or providing us with a valid instruction in respect to your direct debit request, you have understood and agreed to the terms and conditions governing the direct debit request.

All nominated account holders must sign below to confirm the direct debit request. Please sign in the same way as the account signing instruction held by your financial institution.

Signature of nominated account holder 1

Name

Date

Signature of nominated account holder 2

Name

Date

This is your Direct Debit Agreement with Charter Hall Direct Property Management Limited (ABN 56 073 623 784, AFSL 226849), User Identification 485904. It explains what your obligations are when undertaking a Direct Debit arrangement with us. It also details what our obligations are to you as your Direct Debit provider.

Please keep a copy of this agreement for future reference. It forms part of the terms and conditions of your Direct Debit Request (DDR) and should be read in conjunction with your DDR authorisation.

The terms of this Direct Debit Agreement are for the purposes of your application for units in Charter Hall Direct Industrial Fund No.4 and us debiting from your account in accordance with your instructions outlined in the Application Form and the Direct Debit Request Form.

Definitions

account means the account held at your financial institution from which we are authorised to arrange for funds to be debited.

agreement means this Direct Debit Agreement between you and us.

banking day means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

debit day means the day that payment by you to us is due.

debit payment means a particular transaction where a debit is made.

direct debit request means the Direct Debit Request between us and you.

us or we means Charter Hall Direct Property Management Limited, (the Debit User) you have authorised by requesting a DDR.

you means the customer who has signed or authorised by other means the DDR.

your financial institution means the financial institution nominated by you on the DDR at which the account is maintained.

Debiting your account

By signing a DDR or by providing us with a valid instruction, you have authorised us to arrange for

funds to be debited from your account. You should refer to the DDR and this agreement for the terms of the arrangement between us and you. We will only arrange for funds to be debited from your account as authorised in the DDR.

If the debit day falls on a day that is not a banking day, we may direct your financial institution to debit your account on the following banking day. If you are unsure about which day your account will be debited, you should ask your financial institution.

Amendments by us

We may vary any details of this agreement or a DDR at any time by giving you at least 14 days' written notice.

Amendments by you

You may change*, stop or defer a debit payment, or terminate this agreement by providing us with at least five business days' notification by writing to the Investor Registry or by telephoning us on 1300 137 895 or +61 2 9290 9600 during business hours; or arranging it through your financial institution, which is required to act promptly on your instructions.

Your obligations

It is your responsibility to ensure that there are sufficient clear funds available in your account to allow a debit payment to be made in accordance with the DDR.

If there are insufficient clear funds in your account to meet a debit payment: (a) you may be charged a fee and/or interest by your financial institution; (b) you may also incur fees or charges imposed or incurred by us; and (c) you must arrange for the debit payment to be made by another method or arrange for sufficient clear funds to be in your account by an agreed time so that we can process the debit payment.

You should check your account statement to verify that the amounts debited from your account are correct.

Dispute

If you believe that there has been an error in debiting your account, you should notify us directly on 1300 137 895 or +61 2 9290 9600 and confirm that notice, in writing to us as soon as possible so that we can

resolve your query more quickly. Alternatively, you can take it up directly with your financial institution.

If we conclude as a result of our investigations that your account has been incorrectly debited, we will respond to your query by arranging for your financial institution to adjust your account (including interest and charges) accordingly. We will also notify you in writing of the amount by which your account has been adjusted. If we conclude as a result of our investigations that your account has not been incorrectly debited, we will respond to your query by providing you with reasons and any evidence for this finding in writing.

Accounts

You should check: (a) with your financial institution whether direct debiting is available from your account as direct debiting is not available on all accounts offered by financial institutions; (b) your account details which you have provided to us are correct by checking them against a recent account statement; and (c) with your financial institution before completing the DDR if you have any queries about how to complete the DDR.

Confidentiality

We will keep any information (including your account details) in your DDR confidential. We will make reasonable efforts to keep any such information that we have about you secure and to ensure that any of our employees or agents who have access to information about you do not make any unauthorised use, modification, reproduction or disclosure of that information.

We will only disclose information that we have about you: (a) to the extent specifically required by law; or (b) for the purposes of this agreement (including disclosing information in connection with any query or claim).

Notice

If you wish to notify us in writing about anything relating to this agreement, you should write to the Investor Registry.

We will notify you by sending a notice in the ordinary post to the address you have given us in the DDR. Any notice will be deemed to have been received on the third banking day after posting.

* Note: in relation to the above reference to 'change', your financial institution may 'change' your debit payment only to the extent of advising us, Charter Hall Direct Property Management Limited, of your new account details.

Charter Hall Direct Industrial Fund No.4

Identification Form

If you have previously completed identification verification details for another Charter Hall unlisted fund investment in the same name, you do not need to complete this form. If you have a financial adviser, you can complete this section or your adviser can complete section 6 of the Application Form and send us a copy of the relevant FSC/FPA Form. If you are completing the online Application Form, you may be e-verified. Otherwise, it is mandatory to complete this form and provide original certified copies of identification documentation for each Applicant.

Verification details – individuals

To be completed by individuals, individual trustees, joint individuals, joint individual trustees or sole traders. Trustee Applicants also complete the trustee verification details.

Option 1 — provide ONE original certified copy of one primary identification document

- ☐ Valid Australian state or territory driver's licence containing a photograph of the person
- ☐ Australian passport (a passport expired within the preceding two years is acceptable)
- ☐ Card issued by a state or territory for the purposes of proving a person's age containing a photograph of the person
- ☐ Valid foreign passport or similar travel document containing a photograph and the signature of the person (and if applicable, an English translation by an accredited translator)

OPTION 2 — provide TWO original certified copies of secondary identification documents, one from **A and one from **B****

Category **A**

- ☐ Australian birth certificate
- ☐ Australian or foreign citizenship certificate
- ☐ Pension or health card issued by Centrelink
- ☐ Valid Medicare card

Category **B**

- ☐ A document issued by the Commonwealth or a state or territory within the preceding 12 months that records the provision of financial benefits
- ☐ A document issued by the ATO within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or the Commonwealth to the individual), which contains the individual's name and residential address (block out any TFN references)
- ☐ A document issued by a local government body or utilities provider within the preceding three months which records the provision of services (must contain the individual's name and residential address)
- ☐ Australian marriage certificate
- ☐ If under 18 years old, a notice issued to the individual by a school principal within the preceding three months, that contains the name, residential address and the period of time attended at that school

Verification details – corporates

This section is only to be completed by corporate Applicants and corporate trustee Applicants that are Australian proprietary limited companies. For all other corporate Applicants, please contact us or provide the relevant FSC/FPA Form.

Provide a copy of one identification document

- ☐ A current and historical company information Company extract from the ASIC Connect website
- ☐ An original certified copy of a certificate of registration or a current annual company statement issued by ASIC

Provide the full name of each director:

Name **Director one**

Name **Director two**

Verification details – trustees

To be completed by ALL trustee Applicants — individual trustee(s) also complete the individuals verification details, and corporate trustee(s) also complete the corporates verification details. For registered managed investment schemes or government superannuation funds, please contact us or provide the relevant FSC/FPA Form.

OPTION 1 — SELF MANAGED SUPER FUND APPLICANTS
Provide a copy of one identification document

- ☐ A search extract from the ASIC, ATO or relevant regulator's website (e.g. 'Super Fund Lookup' at superfundlookup.gov.au)
- ☐ An original certified copy or extract of the trust deed

OPTION 2 — ALL OTHER TRUST APPLICANTS
Provide an original certified copy of one identification document

- ☐ A notice issued by the ATO within the last 12 months (block out any TFN references)
- ☐ An original letter from a solicitor or qualified accountant that confirms the full name of the trust and its appointer and settlor
- ☐ An original certified copy or extract of the trust deed

Provide the full name, address, date of birth and verification documents (see the verification requirements for individuals for further details) of the appointer of the trust:

Appointer name

Residential address

SUBURB STATE POSTCODE

Date of birth

Provide details of all individuals who are beneficial owners through one or more holdings of more than 25% of the trust's issued capital:

Name **Beneficiary one**

Residential address

SUBURB STATE POSTCODE

Name **Beneficiary two**

Residential address

SUBURB STATE POSTCODE

Provide details and verification documents (see the verification requirements for individuals for further details) of all individuals who are beneficial owners through one or more shareholdings of more than 25% of the company's issued capital:

Name **Beneficiary one**

Residential address

SUBURB STATE POSTCODE

Date of birth

Name **Beneficiary two**

Residential address

SUBURB STATE POSTCODE

Date of birth

Who can certify your documents?

If you are required to submit a certified copy of any original document, an authorised person needs to certify that the copy is a true copy of the original. A document can be certified by one of the following persons:

a person who is currently licensed or registered under a law to practise in one of the following occupations:

- medical practitioner;
- nurse;
- dentist;
- physiotherapist;
- chiropractor;
- pharmacist;
- optometrist; or
- veterinary surgeon;
- a person who is enrolled on the roll of the Supreme Court of a state or territory, or the High Court of Australia, as a legal practitioner; or
- a person on the following list:
 - an Australian Postal Corporation permanent employee or agent (who is currently employed and has two or more years of continuous service or is in charge of supplying postal services to the public);
 - an officer with, or an authorised representative of, a holder of an AFSL, with two or more continuous years of service with one or more licensees;
 - a teacher employed on a full-time basis at a school or tertiary education institution;
 - a minister of religion (under Subdivision A of Division 1 of Part IV of the Marriage Act 1961 (Cth));
 - a marriage celebrant (registered under Subdivision C of Division 1 of Part IV of the Marriage Act 1961 (Cth));
 - a bank, building society, finance company or credit union officer, with two or more continuous years of service;
 - a Justice of the Peace;
 - a police officer or sheriff;
 - a notary public;
 - a member of Governance Institute of Australia;
 - a member of the Chartered Accountants Australia and New Zealand, CPA Australia and the Institute of Public Accountants;
 - a member of the Association of Taxation and Management Accountants or fellow of The National Tax and Accountants' Association;
 - a member of Engineers Australia (other than the grade of student);
 - a member of The Australasian Institute of Mining and Metallurgy;
 - a member of the Australian Defence Force (who is an officer or non-commissioned officer within the meaning of the Defence Force Discipline Act 1982 (Cth), with two or more years of continuous service or a Warrant Officer within the meaning of the Act);
 - a member of the Commonwealth parliament, a state parliament, a territory legislature or a local government authority (state or territory);
 - a permanent employee of the Commonwealth (or Commonwealth authority) or a state or territory (or a state or territory authority) or a local government authority, with two or more years of continuous service;
 - a person before whom a statutory declaration may be made under the law of the state or territory in which the declaration is made;
 - an Australian Consular Officer or Australian Diplomatic Officer (within the meaning of the Consular Fees Act 1955 (Cth));
 - a court officer, registrar or deputy registrar of a court; or
 - a judge, clerk, magistrate, master of a court or chief executive officer of a Commonwealth court.

What must the certifier do?

The certifier must confirm the copy is certified as a true copy of the original documentation and clearly state their name, category and date of certification. An example of appropriate certification wording is:

"I certify this (and the following pages each of which I have signed/initialled) to be a true copy of the document shown and reported to me as the original."

Please note certification is only accepted if within two years of the date of certification.

Registrable names

Only legal entities (such as companies and superannuation funds, natural persons etc) are allowed to hold interests in the Fund. The application must be in the name(s) of natural person(s), companies or other legal entities acceptable to the Responsible Entity. For trusts, the name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of correctly registrable names shown below.

Type of investor	Correct form of registrable name	Incorrect form of registrable name
Individuals	John Alfred Smith	J A Smith
Companies Use company name, do not use abbreviations	ABC Pty Limited	ABC P/L ABC Co
Trusts Use trustee(s) personal names, do not use name of the trust	Sue Smith ATF <Sue Smith Family Trust>	Sue Smith Family Trust
Deceased estates Use executor(s) personal names, do not use name of the deceased	John Smith <Est Jane Smith A/c>	Estate of the Late Jane Smith
Clubs/unincorporated bodies/ business names Use office bearer(s) name(s), in addition to name of the club etc	Michael Smith <ABC Tennis Association A/c>	ABC Tennis Association
Superannuation funds Use name of trustee of the fund, do not use name of the fund	Jane Smith Pty Limited ATF <Super Fund A/c>	Jane Smith Pty Limited Superannuation Fund

Contact details

Investor Registry

You should send all original completed paper copy Application Forms to the Investor Registry:

Charter Hall Direct Industrial Fund No.4
C/- Boardroom (Victoria) Pty Limited
GPO Box 3993
Sydney NSW 2001
Telephone: 1300 137 895 or +61 2 9290 9600

The online Application Form can be found at:
www.charterhall.com.au/dif4

You should also contact the Investor Registry if you:

- have any queries regarding the Application Form;
- want to change your address or name;
- want to record your TFN;
- want to check your investment details; or
- require assistance with other registry matters.

Responsible Entity

For further information on the Fund, please contact your financial adviser or contact us through any of the methods below:

Website

www.charterhall.com.au/dif4

Email

directproperty@charterhall.com.au

Telephone

1300 652 790 (local call cost) or
+61 2 8651 9000 (calling from outside Australia)

In writing

Charter Hall Direct Property Management Limited
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