ASX Release

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CQR transfers JV investments and four 100% owned assets into CCRF as a foundation investor with expansion and contraction rights

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CQR investment in Charter Hall Convenience Retail Fund (CCRF)

Following the successful completion of the privatisation of the listed ASX REIT HPI during the latter part of FY25, Charter Hall Retail REIT (ASX:CQR) (CQR or the REIT) today announces that it has facilitated the completion of its funding strategy for the HPI transaction.

CQR has lowered its look through gearing to the mid-point of its targeted 30-40% range, via the transfer of JV equity accounted investments in Retail Partnership No.1 (RP1) and Retail Partnership No.2 (RP2) into an equity investment in the Charter Hall Convenience Retail Fund (CCRF or the Fund).

Charter Hall Group (ASX:CHC) (Charter Hall or the Group) has today announced the establishment of CCRF as a wholesale pooled fund with a strategy to invest in metropolitan convenience shopping centres and select metropolitan net-lease retail assets throughout Australia.

In addition to the investment into CCRF as a foundation investor with expansion and contraction rights, CQR has also sold four 100% owned assets to CCRF realising net proceeds of $294m. These two concurrent transactions have lowered CQR’s balance sheet gearing to 27% and look through gearing to 35%, from what would otherwise have been 41% as at 30 June 2025.

This balance sheet position includes the full completion of the HPI transaction (reflecting CQR’s 50% ownership), the sale of the previously announced Lake Macquarie Square, NSW and the CCRF transaction announced today.

$294m in cash proceeds and $385m foundation investment in CCRF

CCRF’s initial equity raising totals $1.75bn in equity commitments, inclusive of a $385m foundation equity investment from CQR via the transfer of its equity investments in RP1 and RP2, both long established JV partnerships with Australian superannuation funds. The balance of equity committed to the Fund has been secured from an additional 12 external wholesale investors, predominantly domestic superannuation funds, in addition to a $100m foundation co-investment by Charter Hall.

CQR’s foundation investment holding in CCRF aligns with a long and successful history of partnering with wholesale investors in the convenience retail sector, which commenced in 2011, with RP1.

CQR’s holding in CCRF reflects a 22% equity investment in the vehicle and means that CQR is the largest investor in CCRF. This allows CQR to continue to have exposure to the assets and likely growth of CCRF to a $2.5bn portfolio, retaining the right to upsize CQR’s equity stake at any time.

CQR's recent investments in wholesale investment structures, including the HPI partnership and CCRF, are consistent with the REIT's investment strategy to maximise prospective earnings growth over the longer term. The REIT continues to focus on pivoting the portfolio towards highly productive assets that will benefit from ongoing population growth, reduced future competing supply and the active management of the Charter Hall platform.

CCRF transaction and asset details

In addition to the transfer of JV equity accounted investments in RP1 and RP2, CQR has vended four 100% owned assets into CCRF to achieve its targeted reduction in gearing.

The assets and investments from CQR include:

Asset/Investment	Location
Rockdale Plaza (100%)	Sydney NSW
Campbellfield Plaza (100%)	Melbourne VIC
Bribie Island Central (100%)	Brisbane QLD
Swan View Central (100%)	Perth WA
CQR's 50% investment in RP1	Various
CQR's 50% investment in RP2	Various

All transactions were completed at 30 June 2025 independent valuations.

$504m of newly sourced acquisitions for CCRF also include:

Asset	Location	Classification
Chullora Marketplace (100%)	Sydney NSW	Convenience Shopping Centre
Waverley Gardens (100%)	Melbourne VIC	Convenience Shopping Centre
Mernda Junction (100%)	Melbourne VIC	Convenience Shopping Centre
Bunnings Thomastown (100%)	Melbourne VIC	Net Lease Retail
Bunnings Oxenford (100%)	Gold Coast QLD	Net Lease Retail
Bunnings Mittagong (100%)	Southern Highlands NSW	Net Lease Retail

Charter Hall Retail CEO and CQR Fund Manager, Ben Ellis, said, "CQR has benefited greatly from co-investing in convenience retail assets with long-term wholesale partners, diversifying CQR's portfolio across a broader asset mix than would ordinarily be possible and contributing to enhanced returns. The CCRF transaction continues this strategy execution and additionally provides capital funding requirements for the HPI acquisition which has significantly improved CQR's overall earnings growth objectives."

Charter Hall Retail REIT will announce its Financial Year 2025 Results on Monday 18 August 2025.

Announcement Authorised by Board.

Charter Hall Retail REIT (ASX: CQR)

Charter Hall Retail REIT is the leading owner of property for convenience retailers.

Charter Hall Retail REIT is managed by Charter Hall Group (ASX: CHC). Charter Hall is Australia's leading fully integrated diversified property investment and funds management group. We use our expertise to access, deploy, manage and invest equity to create value and generate superior returns for our investor customers. We've curated a diverse portfolio of high-quality properties across our core sectors – Office, Industrial & Logistics, Retail and Social Infrastructure. With partnerships and financial discipline at the heart of our approach, we create and invest in places that support our customers, people and communities to grow.

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