

Important information

Charter Hall Direct Industrial Fund No.3 (DIF3)

Fund Update, Liquidity Event information & Withdrawal Form

An Investor communication in relation to the Liquidity Event for Investors holding Wholesale & Ordinary Units.

APIR Code MAQ0844AU (Wholesale Units) & MAQ0845AU (Ordinary Units)



Important information

Fund Update

This Fund Update relates to Charter Hall Direct Industrial Fund No.3 (ARSN 601 348 225, APIR Code MAQ0844AU (Wholesale Units), APIR Code MAQ0845AU (Ordinary Units) (Fund). The Fund is a registered managed investment scheme under the Corporations Act.

This Fund Update is dated 17 March 2021. Unless otherwise specified, all financial and operational information contained in this Fund Update is stated as at the date of this Fund Update.

ASIC takes no responsibility for the contents of this Fund Update and expresses no view regarding the merits of the investment set out in this Fund Update. You should read this Fund Update in full. If you are in doubt as to how to interpret or deal with this Fund Update or the Withdrawal Form, 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 CHDPML) is the issuer of this Fund Update. 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 Fund Update and has not authorised or caused the issue of it.

No investment advice

The information contained in this Fund Update is not financial product advice. The information contained in this Fund Update 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 Fund Update in full 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 Fund Update 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 indication 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 Fund Update

You should only rely on the information in this Fund Update when deciding whether to hold an investment 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 Fund Update. Any information or representation not contained in this Fund Update may not be relied upon as having been authorised by the Responsible Entity in connection with the Fund.

Investment risks

You should read this Fund Update in full before deciding whether to hold an investment in the Fund and if you are in any doubt, you should consider consulting your financial adviser, stockbroker or other professional advisers. Each Investor shall be considered to have read and understood the PDS and this Fund Update.

Updated information

Information in this Fund Update 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 additional documents to supplement any relevant information not contained in this Fund Update, in accordance with its obligations under the Corporations Act. Any updated information should be read together with this Fund Update. A copy of any 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 Fund Update

Unless otherwise specified, all pictures of properties in this Fund Update 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 Fund Update appear in the Glossary. 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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1.0 Executive summary

1.1 Why are you receiving this document?

You are an Investor in Charter Hall Direct Industrial Fund No.3 and this document provides important information in relation to the Liquidity Event for Investors holding Wholesale Units and Ordinary Units.

Coinciding with the seventh anniversary of the Fund and in accordance with the PDS, the Responsible Entity is providing Investors with an opportunity to exit some or all of their investment in the Fund. This Fund Update details that opportunity (Liquidity Event).

At this time, Investors can decide whether to:

- remain fully invested in the Fund – there is no action required and you should not complete the Withdrawal Form;
- exit some or all of your investment in the Fund – you should participate in the Liquidity Event by completing the Withdrawal Form and returning it to the Investor Registry by 5.00pm AEST Friday, 30 April 2021.

1.2 What is the Liquidity Event?

The Liquidity Event is an opportunity for Investors to exit some or all of their investment in the Fund by submitting a withdrawal request.

If, at the end of the Liquidity Event, the Responsible Entity holds withdrawal requests from Investors in respect of more than 50% of the Units on issue, the Responsible Entity will arrange for the Fund to be wound up and will either procure the sale of all Units or; complete an orderly sale of the Properties, and return the net proceeds to Investors.

Alternatively, if the Responsible Entity does not hold withdrawal requests from Investors in respect of more than 50% of the Units on issue, the term of the Fund will be extended for a further period of three years and the Responsible Entity will use its best endeavours to implement the proposed liquidity strategy to facilitate the transfer or redemption of all Units subject to a withdrawal request, by 20 July 2021 (or such later date as the Responsible Entity determines).

1.3 Recommendation

The Manager has carefully considered the advantages and the risks of extending the term of the Fund and believes that extending the term to 30 September 2024 (Extension Term) is in the best interests of Investors. The reasons for recommending the Extension Term include:

- the Fund is expected to continue to deliver sustainable and stable tax-advantaged income and potential for capital growth given the strong fundamentals of the Australian industrial property market (refer to section 4);
- Investors who wish to dispose of some or all of their Units will have the opportunity to redeem in a timely and efficient manner under the Liquidity Event; and
- Investors will have the option of participating in the Liquidity Event or deferring the disposal of their Units and the associated capital gains tax liability until a future time.

Please note, the Responsible Entity will receive a Performance Fee which will be payable whether or not the Initial Term is extended. Refer to section 6.3.

In determining the recommendation for the Extension Term, the Responsible Entity considered the risks and alternative options. The normal risks of investing will continue to apply to the Fund during the Extension Term and were outlined in the PDS. In addition to these, the Responsible Entity has included risks associated with the Liquidity Event and the COVID-19 pandemic. Refer to section 6 for further details.

1.4 Investment strategy for the Extension Term

If the Fund is extended for the Extension Term, the Fund's investment strategy will be to:

- actively manage the Properties during the Extension Term to increase their value and income growth prospects
- active management of the Portfolio may result in changes, including to the valuation of Properties, income or the Portfolio average lease term; and
- consider selling some or all Properties prior to the conclusion of the Extension Term, if the Responsible Entity believes it is in the best interests of Investors to do so.

The Responsible Entity will continually review the ongoing strategy and structure of the Fund.

Prior to the conclusion of the Extension Term, the Responsible Entity will communicate with Investors and provide an update regarding the future of the Fund.

2.0 What you need to do

This is an important document. Please read the information in this document carefully. All Investors should consider whether to remain fully invested in the Fund or to exit some or all of their investment. If you are in any doubt you should consider seeking your own professional advice without delay.

You need to

- Read this document in full.
- Consider consulting your investment, tax, legal or other professional adviser.
- Decide whether to remain fully invested in the Fund or to exit some or all of your investment.
- If you decide to exit some or all of your investment, you should participate in the Liquidity Event by completing the Withdrawal Form by the Liquidity Event close date.
- If you decide to remain fully invested, no further action is required.

Key dates

Liquidity Event open date	Wednesday, 17 March 2021
Liquidity Event close date	Friday, 30 April 2021
Payment date	On or around Tuesday, 20 July 2021

Unit Price as at 28 February 2021

Wholesale Units	\$1.34
Ordinary Units	\$1.32

The Unit Price as at 28 February 2021 includes an estimate of the selling costs of the Properties, provision for the Performance Fee payable at the end of the Initial Term and an allowance for the costs of winding up the Fund.

The final Exit Price will be based on the Unit Price of the Fund last calculated prior to the payment date.

On or around 30 June 2021 the Responsible Entity intends to undertake independent valuations of all the Properties to ensure the accuracy of the final Exit Price. As such the Exit Price is likely to differ from that set out above. Refer to section 5.

3.0 Update on the Fund

DIF3 is a fixed term fund that invests in a quality Portfolio of long-leased Australian industrial Properties. The Fund aims to provide sustainable and stable income and the potential capital growth.

The Fund was launched in 2014 to progressively acquire assets for the benefit of Investors.

It now invests in eight industrial & logistics assets and is diversified across Western Australia, New South Wales, Victoria, South Australia and Queensland.

The Portfolio is 100% occupied, has a weighted average lease expiry of 12.7 years and has a total value of \$380 million.

DIF3 has consistently outperformed the benchmark, being the MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index. The Fund has returned a strong 12.3% per annum total return since inception to 28 February 2021 (Wholesale Units).

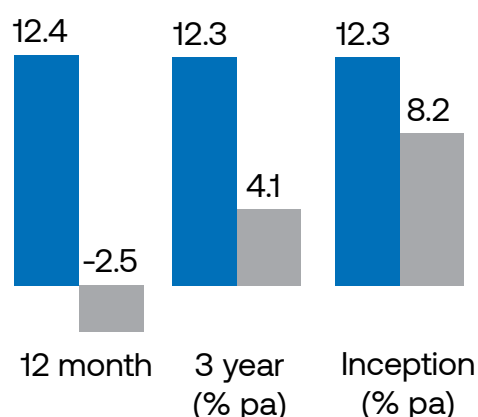
The information shown here is as at 28 February 2021 unless otherwise stated.

Portfolio summary

Property	Ownership	Tenant
Coles Distribution Centre, Perth WA	25%	Coles
Woolworths Distribution Centre, Dandenong South Vic	26%	Woolworths
Coles Distribution Centre, Edinburgh SA	24%	Coles
170 Railway Pde, Bassendean WA	100%	Bradken
45 Kiln Street, Darra Qld	100%	Wildbreads
1 Culverston Road & 21 Huntsmore Road, Minto NSW	100%	Cospak
54 Tyrone Place, Erskine Park NSW	100%	Loscam Australia
34-42 Tyrone Place, Erskine Park NSW	100%	Mainfreight

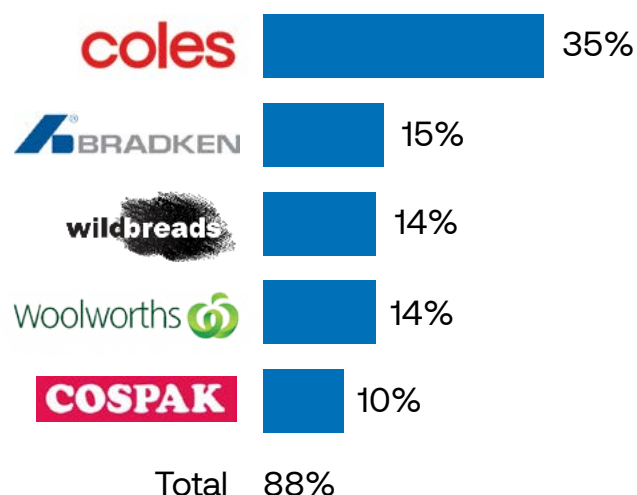
Fund performance as at 28 February 2021

■ DIF3 (Wholesale Units)
■ Benchmark



Note: the total return for Ordinary Units was 11.2% (12 month), 11.7% pa (3 year) and 11.9% pa (inception).

Top five tenants (by income)



Fund statistics

Unit Price (Wholesale)	\$1.34
Unit Price (Ordinary)	\$1.32
Current income yield (pa) (Wholesale)	6.2%
Current income yield (pa) (Ordinary)	6.2%
Income yield (pa) (Wholesale) based on the original \$1 invested	8.25%
Income yield (pa) (Ordinary) based on the original \$1 invested	8.15%
Gearing	39%



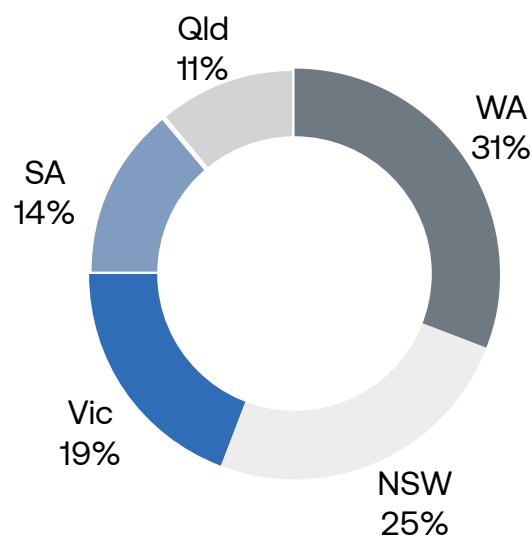
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DIF3 has a strong performance record and counts leading brands Coles and Woolworths among its tenants.

Lease expiry profile (by income)



Portfolio diversification by location (by value)



4.0 Australian Industrial property outlook

The COVID-19 pandemic has had varied impacts across the commercial real estate sector and in some cases amplified trends that were already underway. One of these trends is the growth in online retailing and the impacts on industrial and logistics demand.

As people have turned to online retailing, industrial and logistics property has experienced growth in leasing demand, rents, land values and increased competition in supply.

Demand across the sector has been accelerated in a variety of ways. For example, restrictions to mobility and mandated distancing requirements meant many Australians turned to online retailing for their daily needs. Evidence can be found in the NAB Online Retail Sales Index (December 2020) where it was reported that online sales increased +33.8% year-on-year, accelerating online retail take-up by an estimated four to six years and exposing a broader cohort of Australians to its benefits.

Demand

National industrial leasing volumes have remained at above-trend levels since 2015. Annual leasing volumes for the 2020 year of 2.86 million sqm were the highest on record, surpassing the 2.79 million sqm of occupier demand recorded in 2005. Industrial leasing demand reflects this structural shift towards online retailing. The Retail

Trade (959,700 sqm), Transport, Postal & Warehousing (858,200 sqm) and Manufacturing (510,500 sqm) sectors contributed a combined 2.33 million sqm (or 82%) of industrial leasing activity over the 2020 calendar year. Unprecedented levels of government support is expected to continue to underpin consumption levels with positive flow-on effects to industrial floorspace demand as a result. This will particularly be the case for consumer staples such as Woolworths and Coles.

Supply

Overall industrial leasing volumes were driven by pre-leasing activity over 2020, with 1.55 million sqm – or 77% – of the 2.01 million sqm of the industrial stock that reached the Australian market having received pre-commitment from tenants. This level of supply was 48% higher than the 10-year annual average and the highest annual figure on record since 2008 (2.55 million sqm). Most of this supply was concentrated in Melbourne in response to the record tenant demand levels over 2020. New supply remains concentrated in the Eastern Seaboard markets, with 1.81 million sqm of industrial stock forecast for 2021.

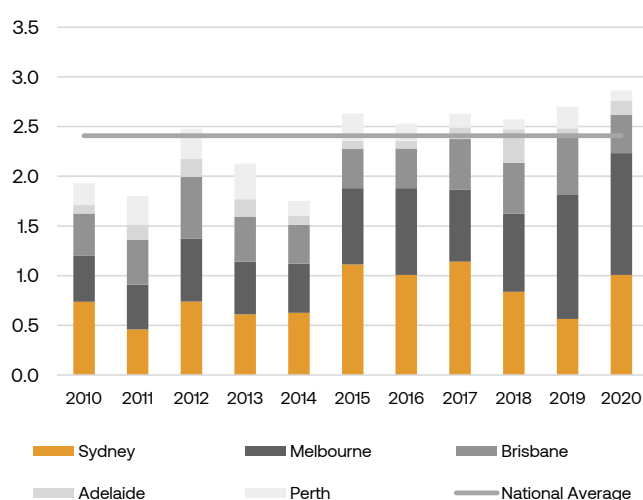
Total Returns

Industrial sector total returns reached 13.9% over the year to December 2020. The industrial sector benchmark has outperformed the other major sectors

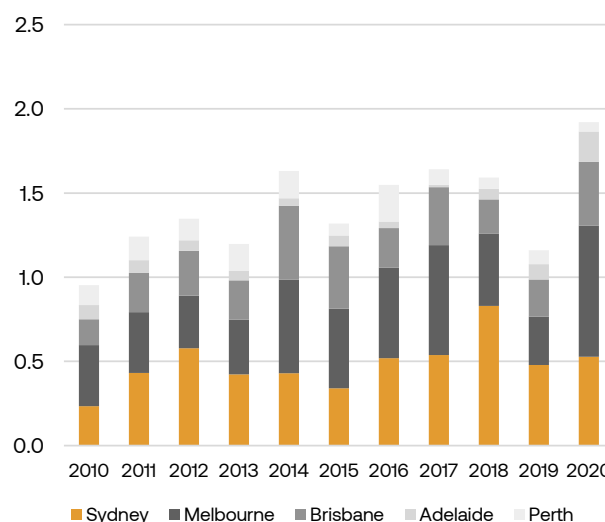
(Office and Retail) over the last five years. Strong risk-adjusted returns have been supported by longer lease structures, stringent planning, the financial environment and Australia's economic performance. Over the past two decades, Australia's industrial and logistics sector has generated higher average returns than many major global markets, and importantly, these returns have been delivered at lower levels of volatility.

Average capitalisation rates for Australian industrial assets remain above those recorded across major industrial markets overseas and given the historical risk-adjusted performance of Australia's industrial sector, there is scope for this differential to narrow further, particularly given the aforementioned economic outperformance of Australia in response to the pandemic. The weight of capital looking for exposure to the Australian industrial sector remains at elevated levels and investors continue to re-weight their portfolios towards the industrial sector. At the same time, supply of industrial property for sale remains constrained. Further, supportive monetary policy and a low inflationary environment will likely place downward pressure on risk-free rates, with yield spreads high relative to historical periods as a result.

Gross leasing (millions, sqm)



Supply (millions, sqm)



5.0 Liquidity Event

5.1 Details of the Liquidity Event

The Responsible Entity intends to implement the Liquidity Event to provide Investors who wish to do so an opportunity to dispose of some or all of their Units.

If, at the end of the Liquidity Event, the Responsible Entity holds withdrawal requests from Investors in respect of more than 50% of the Units on issue, the Responsible Entity will arrange for the Fund to be wound up and will either procure the sale of all Units; or complete an orderly sale of the Properties, and return the net proceeds to Investors.

Alternatively, if the Responsible Entity does not hold withdrawal requests from Investors in respect of more than 50% of the Units on issue, the term of the Fund will be extended for a further period of three years.

If the outcome of the Liquidity Event is that the term of the Fund is extended, the Responsible Entity will use its best endeavours to implement the proposed liquidity strategy to facilitate the transfer or redemption of all Units subject to a withdrawal request at the Exit Price. The Responsible Entity currently expects that Investors will receive their withdrawal proceeds by 20 July 2021.

The Responsible Entity intends to implement the following liquidity strategy:

- redeem Units using the proceeds from the sale of Properties;
- redeem Units using available debt capacity, noting that gearing will not exceed the 45% gearing target outlined in the PDS;
- transfer Units subject to withdrawal requests. Transferees may be related entities of the Responsible Entity;
- redeem Units using the proceeds from new issues of Units. Subscribers may be related entities of the Responsible Entity; or
- undertake a combination of these or other measures.

Investors who wish to dispose of some or all of their Units should complete the Withdrawal Form.

Under the Liquidity Event, Investors who wish to dispose of some or all of their Units will appoint the Responsible Entity as their agent and attorney to effect the sale or redemption of Units (as the case may be) in connection with the liquidity strategy.

In implementing the liquidity strategy, the Responsible Entity is obliged to act in the best interests of all Investors. Providing certainty and meeting withdrawal requests in a timely manner for Investors choosing to dispose of some or all of their Units will be a key consideration for the Responsible Entity when considering the liquidity strategy.

5.2 Completing the Withdrawal Form

If you wish to participate in the Liquidity Event, you will need to complete the Withdrawal Form and return this to the Investor Registry by Friday, 30 April 2021.

If you wish to remain fully invested in the Fund – there is no action required and you should not complete the Withdrawal Form.

5.3 Unit Price

The Unit Price as at 28 February 2021 includes an estimate of the selling costs of the Properties, provision for the Performance Fee payable at the end of the Initial Term and an allowance for the costs of winding up the Fund.

To assist Investors considering whether to remain invested or transfer or redeem some or all of their Units, below is the Unit Price as at 28 February 2021. The Unit Price set out below is not the final Exit Price.

5.4 Final Exit Price

The final Exit Price will be based on the Unit Price of the Fund last calculated prior to the payment date.

On or around 30 June 2021 the Responsible Entity intends to undertake independent valuations of all the Properties, taking into account relevant market and property specific matters (including any changes which may arise between the date of this Fund Update and the date of those valuations) to ensure the accuracy of the final Exit Price. As such the Exit Price is likely to differ from that set out below.

Refer to the Fund's website at www.charterhall.com.au/dif3 for updated Unit Price and Exit Price information.

Unit Price as at 28 February 2021

Wholesale Units	\$1.34
Ordinary Units	\$1.32

6.0 Additional information and risks

6.1 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 hold an investment in the Fund, you should consider your attitude towards the risks disclosed in the PDS, and 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.

The normal risks of investing will continue to apply to the Fund during the Extension Term and are as outlined in the PDS. These risks include, but are not limited to, the following:

- valuation: the potential for a decrease in the value of the Properties. Accordingly, there is a risk that the value of the Properties may decrease over time;
- tenancy: the Fund's income is largely dependent upon the Properties being tenanted, the terms of the relevant leases and the tenants, paying rent in accordance with their lease terms;
- insurance: the performance of the Fund may be adversely affected where losses are incurred due to uninsurable risks, uninsured risks or under-insured risks; and
- capital expenditure: capital expenditure on the Properties could exceed expectations.

The following risks are in addition to those disclosed in the PDS:

Liquidity Event

If at the end of the withdrawal offer, the Responsible Entity holds withdrawal requests in respect of more than 50% of the Units, the Responsible Entity will either procure the sale of all Units or; complete an orderly sale of the Properties, and return the net proceeds to Investors.

There is a risk that the sale of Properties or Units may be delayed due to the Responsible Entity being unable to obtain a satisfactory price, or other matters.

Alternatively, if the Responsible Entity does not hold withdrawal requests from Investors in respect of more than 50% of the Units on issue, despite the Responsible Entity using its best endeavours to do so, there is no guarantee that all Units subject to a withdrawal request will be transferred or redeemed, as applicable, at the Exit Price.

Pandemics

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

6.2 Alternative options

In determining the recommendation for the Extension Term, the Responsible Entity considered alternative options, including winding up the Fund at the end of the Initial Term or an extension term of less than or more than three years.

The Responsible Entity preferred the option to extend the term of the Fund as contemplated under the PDS, having regard to the strong industrial property market fundamentals, the quality of the Portfolio, its view in respect of the future demand for industrial property and the expected sustainable and stable income during the Extension Term.

6.3 Fees to the Responsible Entity

There are no changes to the Fund fee structure for the Extension Term.

The Performance Fee was described in the PDS and is calculated as 15% of the portion of the outperformance of the Fund over an IRR of 10% per annum. The Responsible Entity expects to receive a Performance Fee of approximately \$4.7 million subject to the independent valuation of the Portfolio and ongoing management fees of up to 0.5% per annum (Wholesale Units) and 0.6% per annum (Ordinary Units) of the gross asset value of the Fund, amounting to approximately \$1.9 million per annum. In addition, if the Fund is extended for the Extension Term, the Responsible Entity may receive a fee for renegotiation of the debt facility as the current debt facility will mature during the Extension Period. The Responsible Entity may also be reimbursed for certain costs in relation to the operation of the Fund.

In addition, as per the Fund's Constitution, the next Performance Fee calculation date will be the earlier of the conclusion of the Extension Term, the wind up of the Fund or when the Performance Fee otherwise becomes payable under the Constitution. Upon the sale of any of the Properties, the Responsible Entity is entitled to receive a disposal fee equal to 1.5% of the gross sale price (referable to Wholesale Units) and 2% of the gross sale price (referable to Ordinary Units).

These fees were detailed in the PDS and remain unchanged.

6.4 Taxation

The following taxation information provides a general outline of some of the taxation implications arising for Australian tax resident Investors as a result of the Extension Term. The taxation information also contains an overview of certain Australian taxation implications arising from an exit from the Fund under the Liquidity Event. Taxation implications for Investors not residing in Australia may differ substantially from those outlined in this section. The information is current as at the date of this Fund Update and may change from time to time.

This general outline does not take into account the specific circumstances of any Investor. It is therefore important that Investors obtain and only rely on their own independent professional advice as to the specific taxation implications for their own circumstances. CHDPML does not purport to offer any taxation advice.

The information below only considers an Australian tax resident Investor that holds their investment on capital account and does not apply to Investors who are traders or who hold Units as part of a business or who acquired their Units in respect of services provided or to be provided. The information is also not relevant for Investors who are exempt from income tax in Australia or are subject to Division 230 of the Income Tax Assessment Act 1997 (Cth).

Taxation treatment of the Fund

The Fund is a resident trust for Australian income tax purposes and is treated as a 'flow-through' trust for the purposes of Australian income tax.

The Fund has met the requirements to be treated as a managed investment trust (MIT) and has made an election to treat its eligible 'assets' on capital account for taxation purposes. The Fund has also elected to apply the attribution managed investment trust (AMIT) rules.

Investors remaining in the Fund

For Investors who do not transfer or redeem Units under the Liquidity Event, there will be no CGT event arising from the Liquidity Event.

Investors exiting the Fund

For Investors who do transfer or redeem Units under the Liquidity Event, there will be a CGT event arising from the Liquidity Event.

Capital gains of the Fund

As the Fund has met the requirements to be treated as a MIT and has made an election to treat its eligible 'assets' on capital account for taxation purposes, if the Fund disposes of the Properties at a later time, a distribution may include capital gains. As at 28 February 2021, the existing Property Portfolio has an aggregate CGT cost base of \$257.6 million, compared to the Portfolio valuation of \$357.2 million (being the carrying value of the investment property and investment in financial assets at fair value).

Investors may also make a capital gain or capital loss on disposal or redemption of their Units. The Responsible Entity estimates that for Units acquired on day one, the cost base for those Units is approximately \$0.69 per Unit. The actual cost base will differ for each individual Investor depending on the date Units were acquired and the Unit class. This information does not take into account the specific circumstances of any Investor and Investors should obtain and rely on their own independent professional advice.

7.0 Glossary

Term	Description
ABN	Australian Business Number as defined in the Corporations Act.
ACN	Australian Company Number as defined in the Corporations Act.
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).
APIR Code	Asia Pacific Investment Register Code. APIR Codes are standard identifiers for products in the financial services industry.
ARSN	Australian Registered Scheme Number as defined in the Corporations Act.
ASIC	Australian Securities and Investments Commission.
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 Fund (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).
Constitution	The constitution of the Fund (as amended from time to time).
Corporations Act	Corporations Act 2001 (Cth).
Custodian	The Fund 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.
Exit Price	The price at which a Unit is redeemed at a point in time.
Extension Term	The extension term of the Fund, being September 2021 to September 2024.
Fund	Charter Hall Direct Industrial Fund No.3 (ARSN 601 348 225).
Fund Update	This document.
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.
Initial Term	The initial term of the Fund, being September 2014 to September 2021.
Investor	A holder of a Unit.
Investor Registry	Boardroom (Victoria) Pty Limited (ABN 65 110 851 333).
IRR	Internal rate of return.
Liquidity Event	The process described in section 5.
Manager	CHH or another manager of the Fund from time to time.
Ordinary Unit	An ordinary unit in the Fund as described in the PDS.
PDS	The two product disclosure statements for the Fund, dated 9 September 2014 in respect of Wholesale Units and 22 September 2014 in respect of Ordinary Units.
Performance Fee	The Performance Fee was described in the PDS and is calculated as 15% of the portion of the outperformance of the Fund over an IRR of 10% per annum.
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.
Responsible Entity	CHDPML.
Unit	A unit in the Fund.
Unit Price	The price of a Unit from time to time
Wholesale Unit	A wholesale unit in the Fund as described in the PDS.
Withdrawal Form	The withdrawal form accompanying this Fund Update.

Withdrawal Form

This Withdrawal Form relates to the redemption of Units in Charter Hall Direct Industrial Fund No.3 (ARSN 601 348 225,) (DIF3 or Fund), issued by Charter Hall Direct Property Management Limited (ABN 56 073 623 784, AFSL 226849). Words defined in the Fund Update dated 17 March 2021 (Fund Update) have the same meaning in this form. **Please return this form via email to charterhall@boardroomlimited.com.au or mail to DIF3 Liquidity Event, C/- Boardroom (Victoria) Pty Limited, GPO Box 3993, Sydney NSW 2001.**

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

1 Liquidity Event details

If you wish to exit some or all of your investment in the Fund please complete this Withdrawal Form. By completing this form, you are electing to transfer or redeem Units in accordance with the Liquidity Event detailed in the Fund Update.

Important information regarding liquidity requests

The transfer or redemption of Units under the Liquidity Event is not guaranteed. If the withdrawal request cannot be satisfied in full under the Liquidity Event, the Investor will retain the balance of their Units. Subject to the Corporations Act, CHDPML retains complete discretion as to whether to accept or reject or process all or any part of any withdrawal request. Despite this, CHDPML intends to give effect to the exit via an arrangement to transfer or redeem Units.

Liquidity Event open date

Wednesday, 17 March 2021

Liquidity Event close date

Friday, 30 April 2021

Withdrawal Forms must be received by the Registry no later than 5pm AEST on the Liquidity Event close date.

Payment date

Expected Tuesday, 20 July 2021

Liquidity proceeds will be paid electronically to the bank account currently held on file for your distribution payments unless other arrangements are agreed with the Registry.

If you have not provided bank account details, please contact the Registry to ensure there is no delay in processing your redemption proceeds.

Exit Price

The final Exit Price will be based on the Unit Price of the Fund last calculated prior to the payment date. On or around 30 June 2021, the Responsible Entity intends to undertake independent valuations of all the Properties, to ensure the accuracy of the final Exit Price.

2 Your details

Please enter your contact and investment details:

Investor number

Registered name(s)

Phone

3 Withdrawal request details

I/we offer to redeem the following under this Liquidity Event:

☐ All of my/our Units; or

☐ Some of my/our Units or a specific dollar amount

Write the number of Units or a specific dollar amount that you wish to redeem through the Withdrawal Offer below:

Units or \$ Dollar amount

Unit class to redeem (if known)

☐ Wholesale ☐ Ordinary

4 Important information

If you are in doubt about how to deal with this Withdrawal Form, please consult your financial or other professional adviser. If applicable, you need to obtain the approval of your margin lender before returning this form.

It is your responsibility to check if your form has been received by the Investor Registry. You can check this by logging into Investorserve at www.investorserve.com.au or by calling the Registry on 1300 137 895 at least five days prior to the Liquidity Event close date. Neither Boardroom Pty Limited nor Charter Hall Direct Property Management Limited accept any responsibility if you lodge the Withdrawal Form at any other address or by any other means.

5 Acceptance and consent

When signed under a Power of Attorney, the attorney states that they have not received a notice of revocation. A certified copy of the Power of Attorney needs to be sighted by the Registry. By completing and returning this form you are electing and agreeing to transfer or redeem Units under the Liquidity Event detailed in the Fund Update and appoint the Responsible Entity as your agent and attorney to effect the redemption or transfer of your specified Units at the discretion of the Responsible Entity in accordance with the Fund update. Receipt of this Withdrawal Form will constitute acceptance of the terms and conditions of the Liquidity Event described in the Fund Update. The transfer or redemption of Units under the Liquidity Event is not guaranteed in any way. If the withdrawal request is not satisfied in full under the Liquidity Event, the Investor will retain the balance of their Units. Subject to the Corporations Act 2001(Cth) the Responsible Entity retains complete discretion as to whether to accept or reject or process any part of this withdrawal form. I/we: agree that my request may be cancelled or scaled back as the Responsible Entity determines; declare that all statements in this Withdrawal Form are complete and accurate; accept the terms and conditions of the Liquidity Event and appoint the Responsible Entity as my/our agent to do all things necessary, including executing any other document, to effect the redemption or transfer of Units in accordance with the Liquidity Event; declare that I/we am/are over 18 years of age and have full legal capacity and power to perform all my/our rights and obligations under this Withdrawal Form; acknowledge that once the Registry receives this form, I/we may only withdraw it or vary my/our request in writing with the approval of the Responsible Entity; represent and warrant that my/our Units are free from any encumbrance; and acknowledge that the information contained in the Liquidity Event, and Withdrawal Form is not financial advice or a recommendation that the redemption of Units is suitable for me/us, given my/our investment objectives, financial situation or particular needs.

Signature 1

Name

Date

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

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

☐ Director ☐ Sole director and company secretary
☐ Trustee ☐ Other (please specify)

Privacy Statement: The personal information in this form is collected by Boardroom Pty Limited ('Boardroom'), as registrar for the issuer of the units you hold. Boardroom's privacy policy can be viewed on www.boardroomlimited.com.au. Your personal information is required for administration of the register of holdings. Should some or all of the requested information not be provided correct administration of your holding may not be possible. Your personal information may be disclosed to the issuer of the Units you hold, our related bodies corporate, external service companies such as print or mail service providers or otherwise as permitted by law. If, in accordance with the provisions of the Corporations Act the issuer of the securities you hold approves, you may be sent marketing material in addition to general corporate communications. You may elect not to receive marketing material by contacting Boardroom Pty Limited. You can obtain access to your personal information and (if required) advise of any incorrect, inaccurate or out of date data information held, by contacting Boardroom Pty Limited on 1300 137 895.

Contact details

Investor Registry

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

Charter Hall Direct Industrial Fund No.3
C/- Boardroom (Victoria) Pty Limited
GPO Box 3993
Sydney NSW 2001
Telephone: 1300 137 895 or +61 2 9290 9600

You should also contact the Investor Registry if you:

- 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/dif3

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
Charter Hall Direct Industrial Fund No.3
GPO Box 2704
Sydney NSW 2001

