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Charter Hall Direct Industrial Fund No.3 (DIF3 or Fund) – update

Dear Investor

We recently wrote to all Investors to provide information about the future of the Fund, including details of a Liquidity Event and Entitlement Offer.

As advised in that correspondence, if the holders of more than 50% of units wished to stay invested, then the Fund would continue for a further five-year term and we would seek to redeem units subject to a liquidity request over the next 12 months.

We are pleased to advise that, based on the quantum of liquidity requests received, DIF3 will continue for the five-year term and as such, we will endeavour to provide liquidity to those investors that requested it.

Ongoing Fund strategy

The Fund has provided consistent returns since inception and has delivered high levels of income and an average total return of 13.5% pa to 30 September 2024, compared to the benchmark return of 5.4% pa.

Charter Hall remains focused on delivering regular income with the potential for capital growth by providing Investors with exposure to an established portfolio of quality Industrial & Logistics properties in Australian industrial precincts. Specifically, the Fund's investment strategy will be to:

- actively manage the properties to maximise their value and income growth prospects for the Fund's term;
- regularly review and rebalance the portfolio, including where appropriate, selling properties to maximise risk adjusted returns for Investors; and
- hold a future Liquidity Event in Q3/2029.

Charter Hall commissioned a report on the current state and future outlook for the Australian Industrial & Logistics property market, which was prepared by CBRE. The report can be found at: www.charterhall.com.au/dif3.

DIF3 is open for investment for a limited time

If you wish to increase your investment in DIF3 then you can participate in the Offer that is currently open, for a limited time, on the terms as described in the product disclosure statement (PDS).

The DIF3 portfolio is well positioned, providing Investors access to a high quality, geographically diversified Industrial & Logistics portfolio that is 100% occupied with a 10.2 year WALE as at 30 September 2024.

Units acquired under the Offer will be issued at a 2.5% discount to the prevailing Unit Price. Details of the Offer are contained in the PDS available at www.charterhall.com.au/dif3.

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Next steps

We will continue to provide information about your investment in the quarterly update. Investors that are retaining their investment will continue to receive quarterly distributions and regular communications from the registry.

For those investors that requested to redeem, we will write to you separately early in 2025 with further details in relation to your redemption of units, once the liquidity strategy has been finalised. Distributions will be payable until the units have been redeemed.

Thank you

We would like to thank investors and their advisers for the support and endorsement of Charter Hall and we look forward to continuing to manage the Fund to maximise value for investors into the future.

To discuss this matter further contact your financial adviser, or Charter Hall on 1300 652 790.

Yours sincerely

Charter Hall Direct