

27 March 2015

Charter Hall Direct Property
Management Limited
ACN 073 623 784
AFSL 226849

Responsible entity for
Charter Hall Direct Office Fund
ABN 39 233 547 813

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Redemption payment from the Charter Hall Direct Office Fund (DOF or Fund)

Dear Investor,

Following receipt of your Withdrawal Offer form for the Charter Hall Direct Office Fund, enclosed is a transaction statement reflecting the **first Withdrawal Offer payment** that has been made in accordance with your redemption instructions.

Redemption payments

The total amount of your withdrawal request will be fully satisfied over **two instalment payments**. The first payment occurred on 27 March 2015 and was deposited into the bank account that your quarterly distribution is paid. A final payment will be made to you following the sale of DOF's asset, 504 Pacific Highway, St Leonards. We anticipate that this payment will occur in the September 2015 quarter. Delays in the government rezoning approval process, which are out of the Managers control, have impacted the sale timing of the asset.

Redemption price

The Manager has recognised an increased valuation on 504 Pacific Highway, St Leonards reflecting the expected approval of the rezoning. We are pleased to advise that this resulted in an uplift of 9% in the exit price from the December 2014 quarter, and translates to an **uplift in the exit price to \$0.7811** (ordinary units).

The final exit prices for the three unit classes are listed below:

Unit class	Exit price
Retail	\$0.7809
Wholesale	\$0.7813
Ordinary	\$0.7811

Your remaining investment in the Fund

The closing balance noted in the enclosed transaction statement reflects the number and value of the units that you continue to hold in DOF after the first Withdrawal Offer payment.



March 2015 quarter distribution

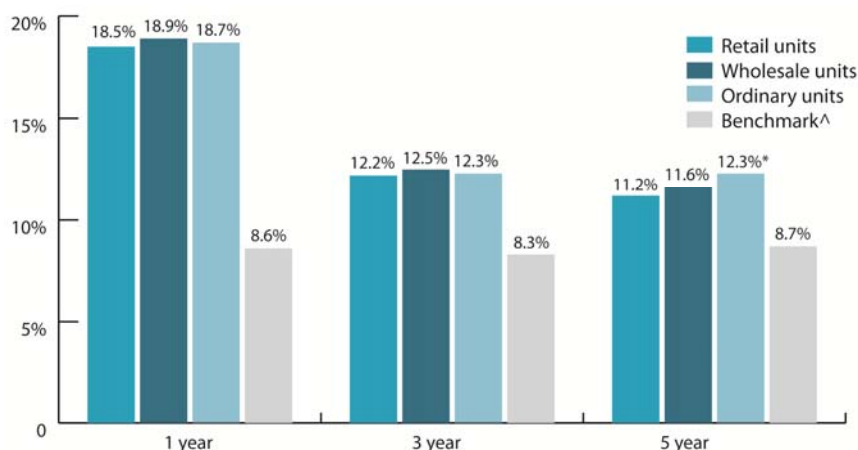
The March quarterly distribution has been accrued into the exit price in the previous table. The distribution amount for the March quarter will only apply to your remaining units held after your redemption.

The March quarterly distribution will be made as normal towards the end of April 2015. Within the distribution mailing you will receive the quarterly investor report, which keeps you informed about your investment, and your quarterly distribution statement.

Fund performance

Since Charter Hall took over as Responsible Entity in 2010, the Fund has outperformed the Benchmark Index.

The table below illustrates the one, three and five year total returns for each of the three unit classes when compared to the funds performance Benchmark.



* Return for Ordinary units since inception date of December 2010. Returns for Retail and Wholesale units since inception date of January 2006 are 4.0% (Retail) and 4.4% (Wholesale).
[^] Mercer/IPD Australia Unlisted Wholesale PFI Index

Taxation

Investors should seek advice from their financial adviser or other taxation professional regarding the taxation implications of this redemption payment. An annual tax statement will be sent to all unitholders in late July 2015.

Contact us

Please contact the registry on 1300 137 895 for any administration matters such as account balances, unit price and distribution enquiries, statement requests and changing contact details.

New investment opportunity – 7.4%¹ p.a. annualised yield

Investors looking to diversify their portfolio may wish to consider the Charter Hall Direct Industrial Fund No.3 (DIF3), the third in our successful direct industrial fund series. DIF3 offers investors a 7.4%¹ distribution yield and the potential for capital growth through its investment in quality Australian industrial properties. Income is paid quarterly and secured on real properties with long leased tenants. Please contact Charter Hall on 1300 652 790 to discuss this opportunity.

Yours sincerely

Richard Stacker
Head of Direct Property
Charter Hall Direct Property

Steven Bennett
Fund Manager
Charter Hall Direct Property

1. On initial property portfolio forecast for the years ending 30 June 2015 and 30 June 2016. Assumes \$1.00 unit price for Ordinary Units. Refer to www.charterhall.com.au/dif3-unitprice to obtain current unit pricing.