Dexus Core Infrastructure Fund

Off-Platform Class H

September 2024

The Dexus Core Infrastructure Fund aims to generate income and capital growth from a diversified portfolio of Australian and global unlisted infrastructure assets and listed infrastructure securities.

Performance summary

- The Dexus Core Infrastructure Fund (DCIF) has outperformed its benchmark over September
- The Fund has outperformed its benchmark on a ten-year basis
- DCIF's global listed infrastructure component returned 2.25% for September, outperforming the MSCI World ex AU Accumulation Hedged AUD Index return of 1.41%
- DCIF experienced strong performance in its listed portfolio, attributable to a combination of positive market sentiment for listed infrastructure, most notably the Transmission & Distribution and Communications Infrastructure sectors, an improving macroeconomic outlook and some stock-specific factors
- DCIF's unlisted portfolio continued to deliver strong operational performance. Highlights included sustained growth in Melbourne Airport's international passenger numbers, London Luton Airport's (LLA) resilient EBITDA despite industry-wide supply chain issues, and strong Semester 2 2024 occupancy at the ANU Student Accommodation

* Past performance is not a reliable indicator of future performance

Investment approach

The Fund aims to invest primarily in unlisted infrastructure assets (target range 40-60%) and listed infrastructure securities and cash (target range 40-60%).

For more information visit dexus.com/dcif

Performance – as at 30 September 2024

Inception Date: 30 Oct 2007

Performance benchmark: 10-year Australian Government Bond Yield plus 3.25% pa

Management costs: 1.28%

The Management costs include a management fee, and indirect costs. The Fund PDS outlines the management costs components, as well as other fees and costs that may apply to your investment. You can review the PDS at www.dexus.com/dcif

%	1 mth	3 mth	1 yr	3 yrs	5 yrs	10 yrs	Incept
Total return – Including Tax Credits[1]	1.46	4.75	7.40	2.64	1.18	6.25	6.31
Total return - after fees	1.46	4.75	6.90	2.42	0.98	5.98	6.15
Distribution[2]	0.90	0.93	3.66	3.17	3.01	3.60	4.76
Growth	0.56	3.82	3.24	-0.75	-2.04	2.38	1.39
Benchmark	0.57	1.78	7.50	6.82	5.84	5.78	6.65

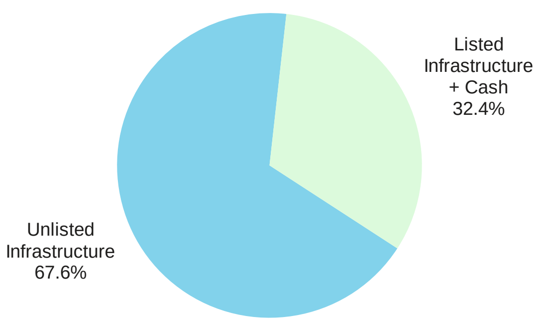
Past performance is not a reliable indicator of future performance. Performance is annualised for periods greater than one year.

Total returns are calculated using the unit price which uses the net asset values for the relevant month end. This price may differ from the actual unit price for an investor applying for or redeeming an investment. Actual unit prices will be confirmed following any transaction by an investor. Returns quoted are before tax, after Class 'H' fees and costs, assume all distributions are reinvested and are annualised for periods greater than one year.

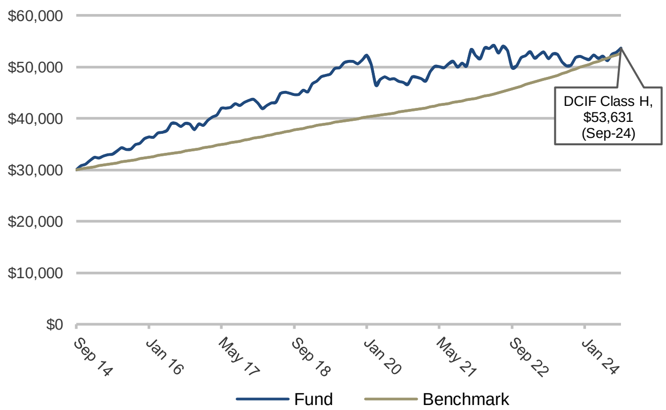
[1] Tax Credits include franking credits and foreign income tax offsets. Individual investors may be eligible for franking credits and foreign income tax offsets depending on their tax residency status and entity type and should seek their own tax advice.

[2] Distributions are not inclusive of tax credits.

Asset allocation



$30,000 Invested over 10 years



Regional allocation

Region	Current %
Australia	41.28
US	27.01
UK	11.81
New Zealand	8.26
Europe	5.75
Canada	4.95
Asia	0.94

Top 10 holdings

Security details	Portfolio %
Australia Pacific Airports Corporation	16.96%
ConGlobal	7.84%
ANU Student Accommodation	7.17%
London Luton Airport	6.66%
Royal Adelaide Hospital	5.54%
Auckland South Corrections Facility	4.43%
Macarthur Wind Farm	3.87%
American Tower Corp	3.58%
Powerco	3.37%
Enbridge	3.00%

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Performance and activity

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DCIF's unlisted portfolio continued to deliver strong operational performance. Highlights included sustained growth in Melbourne Airport's international passenger numbers, London Luton Airport's (LLA) resilient EBITDA despite industry-wide supply chain issues, and strong Semester 2 2024 occupancy at the ANU Student Accommodation.

Outlook

DCIF continues to remain an attractive investment opportunity, particularly on a risk-adjusted return basis and during periods of high market volatility. The Fund provides a well-diversified investment opportunity, with exposure to the performance of a wide range of infrastructure and utilities sectors through its blend of unlisted and listed infrastructure.

We believe the global macroeconomic environment has reached an important turning point following the US Federal Reserve's decision to lower rates in September 2024 and Australia's annual inflation rate (to September 2024) easing to its lowest levels since 2021. We maintain strong conviction in the outlook for DCIF for several reasons.

1. Unlisted portfolio growth: DCIF's unlisted portfolio of high-quality infrastructure assets is well-positioned to deliver strong performance through:
    a. Exciting growth prospects embedded within business plans
    b. Opportunities to drive upside value from active asset management initiatives
    c. Valuations set to benefit from falling interest rates
2. Listed portfolio potential: DCIF's listed portfolio is trading at significant valuation discounts compared to long term averages (~11.5% discount to 10-year average).
3. Assets across both the unlisted and listed portfolios are positioned to benefit from long-term growth thematics including:
    a. Decarbonisation and the energy transition
    b. Population growth
    c. Ageing population
    d. Digitisation

Unlisted Infrastructure

Australia Pacific Airports Corporation (APAC)

Melbourne Airport continues to perform to high operational standards. September 2024 was another robust month, with the airport welcoming a post-pandemic daily record of 119,740 passengers on the AFL Grand Final Day in late September. Domestic passenger volumes exceeded the prior corresponding period (PCP) by 0.4%. Strong growth continues to be observed across the international passenger segment, with the September 2024 volumes outperforming both the PCP and pre-pandemic levels by 9.9% and 5.1% respectively. The resilient performance is attributable to Melbourne Airport's ability to drive higher international capacity through increasing the frequency of high-demand routes and launching new services into growing overseas travel markets.

On 13 September the Minister for Infrastructure, Transport, Regional Development and Local Government approved the major development plan for the construction of the third runway (M3R) at Melbourne Airport. The approval is a key milestone in the project and allows management to move into detailed design and negotiations with airlines. As part of the approval, the airport has agreed to the lengthening of the east-west runway in order to optimise noise sharing and undertake noise amelioration for affected communities. The runway is a pivotal project to ensure the airport can meet future passenger and airfreight demands.

London Luton Airport (LLA)

The year-to-date (YTD) passenger volumes at LLA for the eight months to August 2024 exceeded the PCP by 3%, representing a strong operational outcome despite the ongoing industry wide supply chain issues resulting in further capacity reductions and rising airfares. Notwithstanding this, LLA's YTD EBITDA outperformed the PCP by 12%, reflective of management's focused efforts to drive stronger yield performance across the aero and non-aero segments of the airport.

The Terminal Cark Park 2 recovery is progressing well. The rebuild contractor was appointed over the quarter and management is targeting completion of the rebuild by August 2025, ahead of the end of the business interruption insurance coverage. The Temporary Drop-off Zone opened in early July, delivering an improved transit experience for guests whilst the rebuild progresses.

ConGlobal

ConGlobal continues to generate resilient operational performance despite the short-term headwinds affecting the North American logistics sector. YTD August 2024 adjusted EBITDA outperformed the PCP by 6%, driven by a rebound in freight volumes, newly won tenders and successful implementation of value-accretive initiatives across the Depot segment.

The consolidated Intermodal business continues to deliver resilient performance, with the YTD August 2024 adjusted EBITDA exceeding the PCP by 47%. The strong performance was predominantly attributable to a welcome rebound in intermodal volumes to more normalised levels post-pandemic. However, management remains cautious on the intermodal demand and expects it to remain measured over the near-term due to the current macroeconomic outlook.

The Depot business' YTD adjusted EBITDA tracked in line with the PCP, with the strong performance from the Louisville depot, driven by a loaded storage contract with a single customer, offset by lower demand observed across the sector.

Australian National University (ANU) Purpose Built Student Accommodation (PBSA)

The occupancy across the ANU Student Accommodation portfolio reached 98% for Semester 2, 2024, exceeding prior forecasts.

The occupancy at Yukeembruk has materially improved to 96%, representing a significant increase from the 70% recorded in Semester 1, 2024. The uplift in occupancy was attributable to the focused efforts from our Student Accommodation asset management team, in collaboration with the ANU, to drive demand for Yukeembruk. Key implemented initiatives included a more streamlined application system, launch of the "Discover Yukeembruk" campaign on social media, extending university accommodation guarantee to all students for Semester 2, providing a shuttle bus service between Yukeembruk and the city, and improving the food and beverage offering at the site.

Royal Adelaide Hospital (RAH)

The project is operating well, with strong relationships in place between the State of South Australia, Celsus, RAH directors and the Operators, Downer and DCX Technology. Abatements are low and operating performance is robust. For the 12 months to 30 September 2024, 99.99% of the service fee was received from the State of South Australia and the full abatement was passed through to the subcontractor.

Car parking activity has been strong throughout the quarter with solid revenue from staff and public users. Several optimisation initiatives continue to be rolled out, including new cashless payment machines, which will be integrated with the "Park and Pay" app to expand payment options, as well as working with precinct partners to improve wayfinding and improve navigational clarity across the campus.

Auckland South Corrections Facility (ASCF)

The project continues to perform well both financially and operationally. Operational performance is measured against 52 KPIs. For the 12 months to 30 June 2024, 99.63% of the service fee was received from the New Zealand Crown, and of the 0.37% abatement, 100% was passed through to the subcontractor.

Over the quarter, the Board undertook a safety inspection of House Block 2 Wing 3, which recently had a barber corner installed. The area is functioning well with no reported issues. The purpose of the barber corner is to provide inmates with an opportunity to utilise the service, make their own personal bookings, and train others who are interested in learning how to cut hair.

Macarthur Wind Farm (MWF)

AGL continues the transition of insourcing the operations and maintenance functions. Availability and production have been impacted with an off-site transformer being offline until 26 July 2024. This transformer sits outside of the Macarthur project but is operationally necessary for Macarthur to export to the grid. Production was brought back online after the off-site transformer was returned to service. Availability and production made a good return towards average in August 2024.

Notwithstanding this, the asset continues to receive its scheduled payments from AGL in full under the fixed price contract.

Powerco

Powerco continues to deliver resilient operational performance, notwithstanding the challenging macroeconomic conditions prevalent in New Zealand. On a YTD (for the five months to August 2024) basis, revenues exceeded the budget by 1.04%, attributable to higher-than-forecast levels of customer contribution. Total expenditure levels were well-managed, with YTD operating costs tracking 2.65% favourable to the budget, reflective of management's prudent discipline. The resultant YTD earnings before interest, tax, depreciation, amortisation and fair value adjustments (EBITDAF) outperformed the budget by 3.51%.

Powerco was awarded the EEA's (Electricity Engineer's Association) Public Safety Award, for its proactive program aimed at identifying and addressing high-risk power poles. This initiative, in collaboration with Waka Kotahi (the NZ Transport Agency), involved analysing four decades of crash data across all roads within Powerco's electricity footprint. Since its launch last year, the program has successfully mitigated or eliminated risks at 87 pole sites and is part of a comprehensive 10-year plan targeting all 845 identified locations.

SA Schools

SA Schools continues to operate well, and the relationships between the project parties remain strong.

Operational performance is measured against 294 KPIs. For the 12 months to September 2024, 99.99% of the service fee was received from the State, and of the 0.01% abatement, 100% was passed through to the subcontractor.

During the quarter, Dexus continued overseeing the John Hartley Building 6 rebuild and expansion. Completion remains on track for the first half of 2025.

AquaTower

Operational performance is measured against 29 KPIs. For the 12 months to 30 September 2024, no abatements were levied on AquaTower with each plant meeting all contractual water quality parameters.

Over the quarter, operations performed to our expectations as the plants continued to produce very high levels of treated water quality. Regular maintenance and replacement activities were conducted for the plants, with no material issues arising.

For the nine months to 30 September 2024, treated water volumes tracked 0.4% ahead of budget.

Listed infrastructure

DCIF's global listed infrastructure component returned 2.25% for September, outperforming the MSCI World ex AU Accumulation Hedged AUD Index return of 1.41%*.

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Utilities

Transmission & distribution (+1.14%*), integrated regulated (+0.46%*) and water (+0.10%*) generated positive contributions, partially offset by diversified utilities (-0.03%*).

Transport & Communications

Communications infrastructure (+0.99%*), ports (+0.01%*) and airports (+0.01%*) delivered positive weighted returns. Rail (-0.01%*) and toll roads (-0.23%*) generated small negative contributions.

Region

The US (+2.00%*), Canada (+0.36%*), UK (+0.27%*) and New Zealand (+0.01%*) all provided positive contributions, partially offset by flat returns from Europe and negative contributions from Asia excluding Japan (-0.04%*), Japan (-0.08%*) and Australia (-0.08*).

Top Contributors

The top five contributors for the month comprised American Tower Corporation (+0.43%*), Crown Castle (+0.38%*), National Grid (+0.22%*), SBA Communications (+0.16%*) and CenterPoint Energy (+0.15%*).

Bottom Detractors

The largest detractors for the month were Vinci (-0.19%*), Transurban (-0.10%*), CK Infrastructure Holdings (-0.03%*), Kansai Electric Power Company (-0.03%*) and Osaka Gas (-0.02%*).

* On a local currency basis

Investment objective

To provide total returns (income and capital growth) after costs and before tax above the Fund's performance benchmark. The benchmark for the Fund is the 10 year Australian Government Bond Yield plus 3.25% pa.

Facts

Fund size	$592.51 million	Distribution frequency	Quarterly
Minimum suggested investment time frame	5 years	Date of last distribution	September 2024
Minimum initial investment	$10,000	Distribution cents per unit	1.132 (September-24)
Buy/sell spread (%)	+0.05/-0.05	Next distribution	December 2024

For more information

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