

Dexus Wholesale Australian Property Fund

A direct property fund which aims to provide regular distribution

Figures as at 30 September 2024

- Open-ended fund established 1985
- Managed by Dexus
- 7.9% return to investors (net of fees) since inception
- Gross assets of approximately \$1.9 billion
- Diversified across the office, retail and industrial sectors
- Portfolio occupancy of 97.1%
- Gearing range of 0-45% with long-term target 0-15% of gross assets¹
- Monthly redemption windows with payments to be made within 12 months (subject to conditions)³
- No entry fee and no buy/sell spread
- Investment amount: up to \$10 million

Commercial property can potentially add income, reduce volatility and act as an inflation hedge in a portfolio.

The Dexus Wholesale Australian Property Fund aims to provide investors with income and long-term capital growth by currently investing in 24 quality commercial properties in major metropolitan markets throughout Australia. The Fund has a long track record of paying a reliable income distribution and achieving solid returns.

Since inception in 1985, the Fund has delivered a total return of 7.9% (net of fees). In the last 12 months the Fund has paid 6.0% distribution².



Commercial vs residential – commercial property has historically offered a better income yield than residential property, but the cost of individual commercial properties is prohibitive for most investors. Investing via the Dexus Wholesale Australian Property Fund allows investors to benefit from a \$1.9 billion portfolio for as little as \$10,000.

Access to your Investment – ‘liquidity’ is the term used to describe when you can withdraw from a fund. The Dexus Wholesale Australian Property Fund allows you to submit a withdrawal at any time. Withdrawals are processed on a monthly basis with payments to be made within 12 months³ after receiving a withdrawal request which may provide you with flexibility and optionality.

Quarterly distribution – the ‘distribution’ is the amount of cash investors are paid. The Dexus Wholesale Australian Property Fund has paid a distribution every quarter since its inception in 1985.

Gearing – range of 0-45% with long-term target of 0-15% of gross assets. In the past 10 years, the average fund debt has been 14.2%. The current gearing is 30.6%.

Diversified portfolio – the Fund has a high-quality portfolio of assets which are diversified across Australia’s major metropolitan markets. The Fund is well diversified by tenant, property and market.

High occupancy rate – over the past 15 years, the Fund has maintained an occupancy rate of 96.8%. The Fund’s consistently-high occupancy rate has allowed a reliable distribution to be paid to investors.

Cost competitive – there is no application fee, no buy/sell spread, no performance fee and no stamp duty payable by new investors on existing fund assets.

1. At the time the debt is drawn.

2. Past performance is not an indication of future performance.

3. While the Fund is liquid, the Responsible Entity aims to pay redemptions within 12 months receiving the redemption request, however this may be extended in certain circumstances.

Dexus Wholesale Australian Property Fund – navigating the market

The 24 direct property interests are diversified across different sectors, with approximately 350 tenants supporting the cashflow. These tenants operate in a range of industries and the largest tenant in the portfolio accounts for just 5.6% of total Fund revenue.

The portfolio is diversified across major metropolitan cities with properties located in Sydney, Melbourne, Brisbane, Adelaide and the Gold Coast and the Fund's largest asset accounts for just 10.7% of the portfolio.

Office portfolio

The Fund's office portfolio is characterised by its ability to offer tenants quality accommodation at affordable rents in high-amenity locations.

The properties are often in highly urbanised areas which offer excellent transport links but are generally outside major CBDs.

Locations include Mascot in Sydney, North Sydney, Newstead and South Brisbane, in Brisbane and St Kilda in Melbourne.

The portfolio generally caters to small and medium sized tenants which is part of the market with the greatest volume of activity.

Dexus is one of Australia's leading office managers with a specialist in-house leasing team ensuring complete market coverage, unparalleled access to leasing deal flow and market intelligence.



Retail portfolio

The retail portfolio has a long-term occupancy rate of 99%.

Three of the four retail properties are anchored by supermarkets and approximately 65% of the revenue is paid by: supermarkets (Coles, Woolworths, Aldi), fresh food (butchers, bakers, grocers etc), healthcare (chemists, pharmacists etc), personal services that cannot be fulfilled online (hairdressers, beauty, wellness, fitness etc); essential services (banks and Australia Post); other services (dry cleaning, car wash etc), or major corporate tenants or government (Kmart, local government).



Logistics portfolio

The Fund's properties are located in established markets in the major capital cities of Australia and has a long-term occupancy rate of 100%. The properties are versatile and have been well-maintained, making them attractive to a wide range of tenants.



Dexus

Dexus is one of Australia's leading fully integrated real asset groups, with \$54.5 billion¹ of assets under management. With over 35 years of expertise in property investment, funds management, asset management and development, Dexus has a proven track record in delivering superior risk-adjusted returns for its funds.



Experienced real estate manager

Over 35+ years of experience sourcing, investing in, managing and developing iconic real estate.



Active management

A multi-disciplinary team of 970+ real estate professionals aligned to deliver exceptional real asset experiences and sustainable investment outcomes for investors.



Commitment to ESG

A holistic approach to creating sustainable outcomes through our supply chain and in the communities in which we operate.

Fund Manager

Christopher Davitt is the Fund Manager for the Dexus Wholesale Australian Property Fund and has overarching responsibility for setting the Fund's strategy and capital management. Christopher works with Dexus's specialist teams to formulate asset plans for each of the Fund's properties and make acquisitions and divestments.

Christopher joined Dexus in 2022 as part of Dexus's wider acquisition AMP Capital. He joined AMP Capital in March 2010 having previously held research, transaction and funds management roles in Australia and Europe.



Risks

All investing involves risk, and you should consider investment risks before making an investment decision. The risks specific to the Fund may include or be associated with:

Property investments – factors such as investor demand for property, the demand by tenants for commercial space, rental income levels, tenants' ability to service rental payments, the supply of new commercial space, capital expenditure and ongoing expenses for maintenance and repairs may affect the Fund's performance.

Liquidity – assets subject to liquidity risk may be difficult to trade and it may take longer for their full value to be realised, and in circumstances where the Fund's portfolio ceases to be 'liquid' for Corporations Act purposes, there may be significant delays or a freeze on withdrawal requests. Market conditions may adversely impact the liquidity of assets held in a fund portfolio.

Interest rates – including the risk of capital loss in a rising interest rate environment.

Gearing – has the effect of magnifying the Fund's returns, both positive and negative.

Derivatives – the use of derivatives may magnify any losses incurred.

Market risk – certain events may have a negative effect on the economies and financial markets worldwide or in specific countries or regions which may negatively affect the value of investments including the Fund's investments.



APIR code:
NML0001AU



Minimum investment:
\$10,000



Distributions:
Paid Quarterly



Availability:
Invest directly or via a platform



SIV Compliant:
Yes

¹ As at 30 June 2024.

How to invest?

The Product Disclosure Statement is available at www.dexus.com/dwapf.

We recommend reading this carefully and consulting with your financial adviser.

If you're ready to invest you can make an application for units entirely online or by using a paper application or by talking to your financial adviser.

The Fund is available for investment on most major platforms, both super and IDPS options.



Why invest in commercial real estate?

- **Strong population growth** – is expected drive demand for real assets
- **Rising construction costs** – have increased the replacement costs of existing assets
- **New supply is expected to be constrained** – by rising finance costs and higher construction costs
- **Hedge against inflation** – institutions have historically allocated to real estate in times of persistent inflation
- **Fixed rental increases** – are often included in commercial leases providing for a growing income stream
- **Tax-deferred income** – potentially increases the attractiveness of the yield from real estate vs other investments

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Important note: Investors and potential investors should consider the Product Disclosure Statement ("PDS") available from Dexus Capital Funds Management Limited (ABN 15 159 557 721, AFSL 426455) ("DCFM") for the Dexus Wholesale Australian Property Fund ("Fund") before making any decision regarding the Fund. The PDS contains important information about investing in the Fund and it is important investors read the PDS before making a decision about whether to acquire, continue to hold or dispose of units in the Fund. A target market determination has been made in respect of the Fund and is available at www.dexus.com/dwapf.

DCFM is the responsible entity of the Fund and the issuer of units in the Fund. DCFM is a wholly owned subsidiary of Dexus (ASX: DXS). Any investment is subject to investment risk, including possible delays in repayment and loss of income and principal invested. Neither DCFM, Dexus nor any other company in the Dexus group guarantees the repayment of capital or the performance of the Fund or any particular rate of return referred to in this document. Past performance is not a reliable indicator of future performance. For details of the Fund's performance over different time periods, please refer to the Fund information page at this link: www.dexus.com/dwapf. While every care has been taken in the preparation of this document, DCFM and Dexus make no representation or warranty as to the accuracy or completeness of any statement in it including without limitation, any forecasts. This document has been prepared for the purpose of providing general information, without taking account of any particular investor's objectives, financial situation or needs. Investors should, before making any investment decisions, consider the appropriateness of the information in this document, and seek professional advice, having regard to their objectives, financial situation and needs.