

dexus

Dexus Asian REIT Fund

Interim Report

31 December 2024

(prepared under the wind up basis of accounting)

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Dexus Asian REIT Fund (the Fund) is a registered managed investment scheme domiciled in Australia that invests in a portfolio of listed Asian Real Estate Investment Trusts (REITs). Dexus Asset Management Limited (DXAM) is the Responsible Entity of the Fund. DXAM oversees the management and strategic direction of the Fund in its role as Responsible Entity.

The registered office of the Responsible Entity of the Fund is Level 30, Quay Quarter Tower, 50 Bridge Street, Sydney, NSW 2000 and its principal place of business is Level 5, 80 Collins Street (South Tower), Melbourne, VIC 3000.

Operating and Financial Review

Review of operations

The results of the Fund's operations are disclosed in the Statement of Comprehensive Income. A summary of results for the six months to 31 December 2024 is as follows:

Key financial performance metrics:	31 December 2024	31 December 2023	Change
Net profit/(loss) after tax (\$'000)	2,200	(226)	2,426
Distribution per unit (cents)	4.998	4.998	-
Distributions paid/payable (\$'000)	833	1,349	(516)
Total assets (\$'000)	18,042	34,433	(16,391)
Average NAV (\$'000)	20,522	36,735	(16,213)

Financial result

The Fund's total comprehensive income was \$2,200,000 for the half year ended 31 December 2024 (31 December 2023: total comprehensive loss of \$226,000), up \$2,426,000, primarily driven by \$2,642,000 increase in net fair value gains on financial assets at fair value through profit or loss offset by \$341,000 decline in distribution income.

The Fund continued to manage its assets in accordance with its governing documents and the Constitution.

Principal activities

The principal activity of the Fund is to invest in Asian REITs as well as cash and fixed interest investments.

On 13 December 2024, investors were notified of DXAM's decision to commence a process to terminate and wind up the Fund.

The Fund is a registered managed investment scheme domiciled in Australia. The Fund did not have any employees during the period.

Directors' Report

The Directors of Dexus Asset Management Limited (DXAM) as the Responsible Entity of Dexus Asian REIT Fund (the Fund) present their Directors' Report together with the Financial Statements for the half year ended 31 December 2024.

Directors

The following persons were Directors of DXAM at all times during the period and to the date of this Directors' Report, unless otherwise stated:

Directors	Appointed
Jennifer Horrigan, BBus, GradDipMgt, GradDipAppFin, MAICD	30 April 2012
Melanie Bourke, B.Com, MBA (Exec), CA, GAICD	17 July 2024
Danielle Carter, BA/BCom, Grad DipAppFin, CA, GAICD	17 October 2022
Emily Smith, BCom, GAICD	19 April 2022
Jonathan Sweeney, BCom, LLB, CFA, GAICD	17 October 2022
Deborah Coakley, BBus, GAICD ¹	19 August 2021
Brett Cameron, LLB/BA, GAICD, FGIA – Alternate Director ²	1 March 2022

¹ Resigned from the DXAM Board effective from 17 July 2024

² Ceased as Alternate Director for Deborah Coakley on 17 July 2024 and was appointed as Alternative Director for Melanie Bourke on 17 July 2024.

Significant changes in the state of affairs

On 13 December 2024, investors were notified of DXAM's decision to commence a process to terminate and wind up the Fund.

The Fund has ceased accepting additional applications from 13 December 2024 and investors will no longer be able to redeem from the Fund after 10 March 2025. The Fund will be terminated in accordance with Fund's constitution on or around 24 March 2025 and remaining interests in the Fund will be redeemed at the time of final distribution around April 2025.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration, as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Rounding of amounts and currency

As the Fund is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the Directors have chosen to round amounts in this Directors' Report and the accompanying Interim Financial Statements to the nearest thousand dollars, unless otherwise indicated. All figures in this Directors' Report and the Interim Financial Statements, except where otherwise stated, are expressed in Australian dollars.

Directors' authorisation

The Directors' Report is made in accordance with a resolution of the Directors. The Interim Financial Statements were authorised for issue by the Directors on 5 March 2025.



Jennifer Horrigan

Chair

5 March 2025



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Dexus Asset Management Limited (as Responsible Entity for Dexus Asian REIT Fund)

I declare that, to the best of my knowledge and belief, in relation to the review of the Interim Financial Report of Dexus Asian REIT Fund for the half-year ended 31 December 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Cameron Slapp

Partner

Sydney

5 March 2025

Statement of Comprehensive Income

For the half year ended 31 December 2024

	Wind up basis	Going concern basis
	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Revenue from ordinary activities		
Distribution income	599	940
Interest revenue	5	2
Total revenue from ordinary activities	604	942
Other income		
Net fair value gain on financial assets at fair value through profit or loss	1,719	-
Net gains on foreign exchange	4	-
Total other income	1,723	-
Total income	2,327	942
Expenses		
Management fees expense	(49)	(97)
Net fair value loss on financial assets at fair value through profit or loss	-	(923)
Net losses on foreign exchange	-	(26)
Other expenses	(78)	(122)
Total expenses	(127)	(1,168)
Profit/(loss) for the period	2,200	(226)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the period	2,200	(226)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 December 2024

	Wind up basis	Going concern basis
	31 Dec 2024 \$'000	30 Jun 2024 \$'000
	Note	
Current assets		
Cash and cash equivalents	329	209
Financial assets at fair value through profit or loss	17,259	21,858
Distribution receivable	215	198
Receivables	239	386
Total assets	18,042	22,651
Current liabilities		
Payables	355	722
Provisions	122	161
Total liabilities	477	883
Net assets	17,565	21,768
Equity		
Contributed equity	33,183	38,753
Retained losses	(15,618)	(16,985)
Total equity	17,565	21,768

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the half year ended 31 December 2024

	Note	Contributed equity \$'000	Retained losses \$'000	Total \$'000
Opening balance as at 1 July 2023		53,127	(10,579)	42,548
Loss for the period		-	(226)	(226)
Other comprehensive income		-	-	-
Total comprehensive loss for the period		-	(226)	(226)
Transactions with owners in their capacity as unitholders:				
Issue of contributed equity net of transaction costs		1,079	-	1,079
Unit redemptions including transaction costs		(8,182)	-	(8,182)
Units issued under distribution reinvestment plan (DRP)		241	-	241
Distributions paid or payable	2	-	(1,349)	(1,349)
Transactions with owners in their capacity as unitholders		(6,862)	(1,349)	(8,211)
Closing balance as at 31 December 2023 – Going concern basis		46,265	(12,154)	34,111
Opening balance as at 1 July 2024		38,753	(16,985)	21,768
Profit for the period		-	2,200	2,200
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	2,200	2,200
Transactions with owners in their capacity as unitholders:				
Issue of contributed equity net of transaction costs		1,293	-	1,293
Unit redemptions including transaction costs		(7,011)	-	(7,011)
Units issued under distribution reinvestment plan (DRP)		148	-	148
Distributions paid or payable	2	-	(833)	(833)
Transactions with owners in their capacity as unitholders		(5,570)	(833)	(6,403)
Closing balance as at 31 December 2024 – Wind up basis		33,183	(15,618)	17,565

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the half year ended 31 December 2024

	Wind up basis	Going concern basis
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Cash flows from operating activities		
Proceeds from sale of financial assets at fair value through profit or loss	8,906	13,062*
Payments for financial assets at fair value through profit or loss	(2,142)	(5,761)*
Receipts in the course of operations (inclusive of GST)	579	1,030
Payments in the course of operations (inclusive of GST)	(626)	(282)
Interest received	5	3
Net cash inflow from operating activities	6,722	8,052
Cash flows from financing activities		
Proceeds from issue of contributed equity	1,299	1,286
Payments for redemption of units	(7,181)	(8,182)
Distributions paid to unitholders	(724)	(1,150)
Net cash outflow from financing activities	(6,606)	(8,046)
Net increase in cash and cash equivalents	116	6
Cash and cash equivalents at the beginning of the period	209	399
Effects of exchange rate changes on the balance of cash held in foreign currencies	4	(26)
Cash and cash equivalents at the end of the period	329	379

* The prior period comparative information has been restated to conform with the current year's presentation. The Fund previously classified "Payments for financial assets" and "Proceeds from sale of financial assets" as investment activities. These activities are reclassified to operating activities to align with the nature of this cash flow activity.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Interim Financial Statements

In this section

This section sets out the basis upon which the Fund's Interim Financial Statements are prepared.

Basis of preparation

These Interim Financial Statements are general purpose financial statements which have been prepared in accordance with the requirements of the Constitution of the Fund, the *Corporations Act 2001* and *AASB 134 Interim Financial Reporting* issued by the Australian Accounting Standards Board.

These Interim Financial Statements do not include notes of the type normally included in an annual financial report. Accordingly, these Interim Financial Statements should be read in conjunction with the annual Financial Statements for the year ended 30 June 2024.

Unless otherwise stated, these Interim Financial Statements have been prepared using consistent accounting policies in line with those of the previous financial year and corresponding Interim reporting period. Where required, comparative information has been restated for consistency with the current period's presentation.

The Interim Financial Statements are presented in Australian dollars, with all values rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise stated.

The Interim Financial Statements have been prepared on a wind up basis of accounting, however the comparatives have been presented on a going concern basis using the historical cost convention, except for the following which are stated at their fair value:

- Financial assets at fair value through profit or loss.

Under the wind up basis of accounting, all assets and liabilities are measured at liquidation value, which represent their net realisable value. With reference to the assets of the Fund, net realisable value approximates the current carrying amount of the assets measured under the relevant Accounting Standards adjusted for estimated disposal and wind-up costs. The liquidation value of the liabilities recognised represents their estimated settlement amount. Due to the nature of the Fund's assets and liabilities, there is no difference between the carrying amount determined using a wind up basis of accounting and the amount measured in accordance with Accounting Standards. Any gains or losses resulting from measuring assets and liabilities to the liquidation value are recognised in profit or loss.

Under the wind up basis of accounting, all the assets and liabilities are arranged in order of liquidity and expected costs arising from the liquidation process have been recorded in the results of the Fund. The change in basis of preparation has resulted in no impact on the classification and measurement of the assets and liabilities of the Fund.

Refer to the specific accounting policies within the Notes to the annual Financial Statements for the year ended 30 June 2024 for the basis of valuation of assets and liabilities measured at fair value.

Termination and wind up of the Fund

On 13 December 2024, investors were notified of DXAM's decision to commence a process to terminate and wind up the Fund.

The Fund has ceased accepting additional applications from 13 December 2024 and investors will no longer be able to redeem from the Fund after 10 March 2025. The Fund will be terminated in accordance with Fund's constitution on or around 24 March 2025 and remaining interests in the Fund will be redeemed at the time of final distribution around April 2025.

Critical accounting estimates

The preparation of Interim Financial Statements requires the use of certain critical accounting estimates and management to exercise its judgement in the process of applying the Fund's accounting policies.

There are no key assumptions concerning the future or areas of estimation uncertainty at the end of the reporting period that have a significant risk of causing material adjustments to the Interim Financial Statements.

Notes to the Interim Financial Statements (continued)

Notes to the Interim Financial Statements

The Notes include information which is required to understand the Interim Financial Statements and is material and relevant to the operations, financial position and performance of the Fund.

The Notes are organised into the following sections:

Fund performance	Capital and financial risk management	Other disclosures
1. Operating segment	3. Fair value measurement	6. Related parties
2. Distributions paid and payable	4. Commitments and contingencies	7. Subsequent events
	5. Contributed equity	

Fund performance

In this section

This section explains the results and performance of the Fund.

It provides additional information about those individual line items in the Interim Financial Statements that the Directors consider most relevant in the context of the operations of the Fund, including: results by operating segment and distributions paid and payable.

Note 1 Operating segment

The Fund derives its income in the form of distributions from listed property securities and is deemed to have only one operating segment which is consistent with the reporting reviewed by the chief operating decision makers.

Note 2 Distributions paid and payable

Distributions are recognised when declared.

Distribution to unitholders

	Wind up basis	Going concern basis
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
31 July (paid 13 August 2024)	154	246
31 August (paid 12 September 2024)	146	233
30 September (paid 14 October 2024)	138	224
31 October (paid 14 November 2024)	139	220
30 November (paid 12 December 2024)	134	215
31 December (paid 14 January 2025)	122	211
Total distributions to unitholders	833	1,349

Distribution rate

	Wind up basis	Going concern basis
	31 Dec 2024	31 Dec 2023
	Cents per unit	Cents per unit
31 July (paid 13 August 2024)	0.8333	0.8333
31 August (paid 12 September 2024)	0.8333	0.8333
30 September (paid 14 October 2024)	0.8333	0.8333
31 October (paid 14 November 2024)	0.8333	0.8333
30 November (paid 12 December 2024)	0.8333	0.8333
31 December (paid 14 January 2025)	0.8333	0.8333
Total distribution rate	4.9998	4.9998

Capital and financial risk management

In this section

The Board of the Responsible Entity determines the appropriate capital structure of the Fund and how much is raised from unitholders (equity) in order to finance the Fund's activities both now and in the future. This capital structure is detailed in the following notes:

- **Assets and liabilities:** *Fair value measurement* in note 3 and *Commitments and contingencies* in note 4; and
- **Equity:** *Contributed equity* in note 5.

Note 3 Fair value measurement

The Fund uses the following methods in the determination and disclosure of the fair value of assets and liabilities:

Level 1: the fair value is calculated using quoted prices in active markets.

Level 2: the fair value is determined using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable data.

All listed equities included within financial assets at fair value through profit or loss within the Statement of Financial Position were measured at Level 1 for the periods presented in this report.

During the period, there were no transfers between Level 1, 2 and 3 fair value measurements.

Since cash, receivables and payables are short-term in nature, their fair values are not materially different from their carrying amounts.

Note 4 Commitments and contingencies

The Directors of the Responsible Entity are not aware of any commitments or contingent liabilities in relation to the Fund (30 June 2024: nil), other than those disclosed in the Notes to the Interim Financial Statements, which should be brought to the attention of unitholders as at the date of these Interim Financial Statements.

Note 5 Contributed equity

	Wind up basis	Going concern basis
	For the 6 months to	For the 12 months to
	31 Dec 2024	30 Jun 2024
	No. of units	No. of units
Opening balance at the beginning of the period	19,294,255	30,320,438
Issue of contributed equity	1,057,589	1,194,083
Unit redemptions	(5,778,886)	(12,538,290)
Units issued under distribution reinvestment plan	122,372	318,024
Closing balance at the end of the period	14,695,330	19,294,255

Other disclosures

In this section

This section includes other information that must be disclosed to comply with the Accounting Standards, the *Corporations Act 2001* or the Corporations Regulations.

Note 6 Related parties

a. Transactions with the Responsible Entity and related body corporate

The Responsible Entity and Manager of the Fund is DXAM. Dexus PG Limited (DXPG) (ACN 109 846 068), the immediate parent entity of DXAM, and its controlled entities are wholly owned subsidiaries of Dexus.

Accordingly, transactions with entities related to DXPG are disclosed below:

	Wind up basis		Going concern basis	
	31 December 2024		31 December 2024	
	Paid / (Received) \$'000	Payable / (Receivable) \$'000	Paid / (Received) \$'000	Payable / (Receivable) \$'000
Management fees ¹	69	12	121	22
Accounting fees ¹	10	10	10	10
Net expense recoveries and MER rebates ²	(43)	(91)	(27)	(95)
Reimbursement of costs paid on behalf of the Fund	23	-	44	5
Distributions	33	7	33	7

1. Management and accounting fees disclosed above exclude expense recoveries and Management Expense Ratio ("MER") rebates.
2. Net expense recoveries and MER rebates are presented net of the expenses that the Responsible Entity is entitled to recover as and when they are incurred in the Statement of Comprehensive Income.

b. Unitholdings and associated transactions with related parties

The below table shows the number of units held by related parties and also sets out the associated distributions paid, or payable to the related parties.

	Wind up basis		Going concern basis	
	31 December 2024		31 December 2023	
	Number of units	Distributions \$	Number of units	Distributions \$
APD Trust	790,282	39,513	790,282	39,513
Total	790,282	39,513	790,282	39,513

c. Related party investments held by the Fund

The Fund may acquire investments in entities that are also managed by DXPG or its related body corporates (Related Parties), in accordance with its PDS. The Fund did not hold any interests in related parties as at the half year end or throughout the period (31 December 2023: nil).

Note 7 Subsequent events

Since the end of the period, the Directors are not aware of any matter or circumstance not otherwise dealt within the Interim Financial Statements that has significantly or may significantly affect the operations of the Fund, the results of those operations, or state of the Fund's affairs in future financial periods.

Directors' Declaration

In the Directors' opinion:

- a) the Interim Financial Statements and Notes set out on pages 5 to 13 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2024 and of its performance for the half year ended on that date; and
- b) as disclosed in the Basis of Preparation in the Notes to the Financial Statements, the Fund is expected to be wound up within twelve months from the date of this report. Notwithstanding this, there are reasonable grounds to believe that Dexus Asian REIT Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Jennifer Horrigan
Chair
5 March 2025



Independent Auditor's Review Report

To the respective security holders of Dexus Asian REIT Fund

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Dexus Asian REIT Fund (the Fund).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Dexus Asian REIT Fund does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Dexus Asian REIT Fund financial position as at 31 December 2024 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Statement of financial position as at 31 December 2024
- Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the Half-year ended on that date
- Notes 1 to 7 comprising material accounting policies and other explanatory information
- The Directors' Declaration.

The **Interim Period** is the 6 months ended on 31 December 2024.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Fund and Dexus Asset Management Limited, the Responsible Entity of the Fund, in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter- Basis of preparation other than going concern

We draw attention to the Basis of preparation Note in the Financial Report, which indicates that the Interim Financial Report has been prepared on a basis other than going concern as Dexus Asset Management Limited (the Responsible Entity) resolved to terminate the Scheme on 24 March 2025. The Scheme is no longer considered a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Dexus Asset Management Limited are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2024 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Dexus Asian REIT Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



KPMG



Cameron Slapp

Partner

Sydney

5 March 2025