Dexus Core Infrastructure Fund

Off-Platform Class H

August 2023

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 underperformed its benchmark over the past month. The Fund has outperformed its benchmark over a ten-year basis.
- The listed component of DCIF returned -4.38% for August, underperforming the MSCI World ex AU Accumulation Hedged AUD Index return of -1.85%.

Investment approach

The Fund aims to invest primarily in unlisted infrastructure assets (50%) and listed infrastructure securities and cash (50%).

For more information visit dexus.com/dcif

Performance – as at 31 August 2023

Inception Date: 30 Oct 2007

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

Management costs: 1.29%

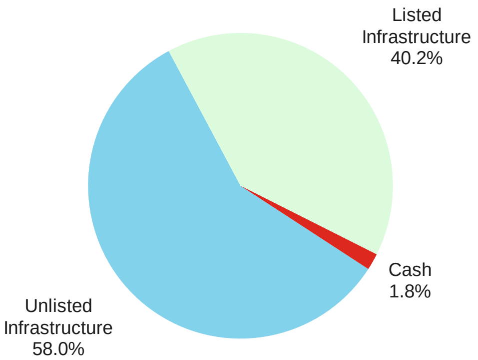
The Management costs include a management fee, and indirect costs. The Fund PDS outlines the management costs components, as well as other fees and costs that may apply to your investment. You can review the PDS at www.dexus.com/dcif

%	1 mth	3 mth	1 yr	3 yrs	5 yrs	10 yrs	Incept
Total return - after fees	-2.76	-1.21	-4.03	2.63	2.58	7.18	6.28
Distribution	0.00	0.70	3.16	3.13	2.98	3.76	4.85
Growth	-2.76	-1.91	-7.19	-0.51	-0.39	3.42	1.44
Benchmark	0.61	1.79	6.97	5.74	5.34	5.75	6.58

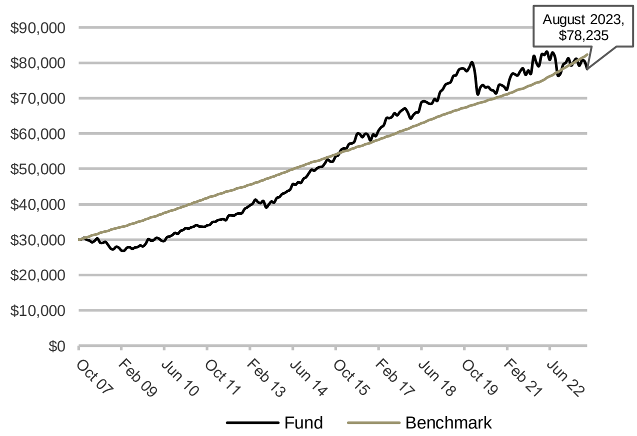
Past performance is not a reliable indicator of future performance. Performance is annualised for periods greater than one year.

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.

Asset allocation



$30,000 Invested since inception



Regional allocation

Region	Current %
Australia	37.79
US	29.95
UK	11.29
Europe	7.90
New Zealand	6.47
Canada	5.33
Asia excl. Japan	0.69
Japan	0.58

Top 10 holdings

Security details	Portfolio %
Australia Pacific Airports Corporation	17.04
London Luton Airport	6.54
ConGlobal (Formerly ITS ConGlobal)	5.76
ANU Student Accommodation	5.48
American Tower Corp	4.34
Royal Adelaide Hospital	4.22
Enbridge Inc	3.65
Auckland South Corrections Facility	3.52
Macarthur Wind Farm	3.13
Vinci SA	2.81

Dexus Core Infrastructure Fund - Off-Platform Class H

Performance and activity

The Dexus Core Infrastructure Fund (DCIF) has underperformed its benchmark over the past month. The Fund has outperformed its benchmark over a ten-year basis.

The listed component of DCIF returned -4.38% for August, underperforming the MSCI World ex AU Accumulation Hedged AUD Index return of -1.85%*.

* Past performance is not a reliable indicator of future performance.

Unlisted infrastructure

The unlisted component of the portfolio comprises Australia Pacific Airports Corporation (APAC) (Melbourne and Launceston Airports), Powerco, AquaTower, SA Schools, Port Hedland International Airport (PHIA), ConGlobal (formerly ITS ConGlobal), London Luton Airport (LLA), Australian National University Student Accommodation (ANU), Macarthur Wind Farm, Auckland South Corrections Facility (ASCF), Royal Adelaide Hospital (RAH), Dexus Diversified Infrastructure Trust, InfraBridge Global Infrastructure Fund and InfraBridge Global Infrastructure Fund II.

Australia Pacific Airports Corporation (APAC)

Melbourne Airport continued to observe strong passenger traffic for August 2023, with both international and domestic volumes exceeding 90% of FY19 (pre-pandemic) figures. International passenger volumes rose to approximately 90% of pre-pandemic levels with further growth expected from the welcomed return of Chinese group travel for the first time since the start of the pandemic ahead of China's 8-day national "Golden Week" holiday period which, commences in late September. Domestic passenger volumes represented approximately 91% of pre-pandemic levels as Melbourne Airport begins preparations for a busy September domestic travel schedule ahead of the Victorian school holidays and the AFL Grand Final.

Melbourne Airport is pleased to welcome back LATAM, South America's largest airline, with the first direct flight touching down at the airport in early September 2023. LATAM's return enables Melbourne Airport to connect Victoria directly to the South American continent with flights initially operating three times a week. Furthermore, the return boosts Melbourne Airport's overall international capacity to 97% of pre-pandemic levels with the airport expecting a complete rebound to 100% by the end of 2023.

In Melbourne Airport's Business Park, construction has commenced on a new Toll Group healthcare facility which will provide state of the art pharmaceutical storage offerings in Victoria. The facility will be Toll Group's largest healthcare facility in Victoria and is expected to warehouse and distribute medical supplies. Toll will lease the healthcare facility from Melbourne Airport with the at least 10-year lease expected to commence in 2024.

Port Hedland International Airport (PHIA)

For the month of July 2023, passenger volumes tracked slightly behind budget, though exceeded the prior corresponding period (PCP) by 4%, reflecting the continued solid performance from FY23.

EBITDA tracked 3% adverse to budget due to higher operating expenses. Aeronautical revenues were 1% higher than budget with lower passenger charges offset by higher than budgeted landing charges. Non-aeronautical revenues tracked 5% favourable to budget, primarily due to higher-than-expected hire car income and parking income. Staff costs tracked 54% adverse to budget due to staff performance-based remuneration recognised for the month.

Pleasingly, the terminal redevelopment project is now complete, with the terminal officially reopened on the 22nd of September 2023. The launch was well attended by key stakeholders from across the Port Hedland community.

Powerco

Powerco's YTD (for the 4 months to July 2023) earnings before interest, tax, depreciation, amortisation and fair value adjustments (EBITDAF) tracked slightly behind budget due to lower-than-expected gas consumption and connection volumes. This is a result of warmer weather currently being experienced in New Zealand, which has seen lower gas consumption compared to prior periods. YTD revenue from customer-initiated works was lower than budget as the demand mix continues to shift from smaller residential customers to larger industrial customers, which points to the observation that the reduction in connection volumes is related to the broader slow-down in the new home-build sector across New Zealand.

In early August, the New Zealand Ministry of Business, Innovation and Employment released a gas transition plan issues paper, seeking written responses from the community by November. The paper explores the importance of balancing emissions reductions and legislated targets with the key role that fossil fuel plays in New Zealand's energy mix. The paper also identifies flexibility in regulatory frameworks to enable investment and pricing/cost allocation for decarbonisation, which aligns with Powerco's position on gas transition. New Zealand's Gas Transition Plan is due to be announced later this calendar year or early next year, and Powerco intends to use the updated Gas Transition Plan to refine their gas strategy.

In late August, Powerco hosted an awards night with employees and contractors to celebrate the conclusion of the business' 5-year Customised Price-Quality Path program. The evening was an opportunity to not only recognise the people responsible for the successful delivery of the program, but also to highlight examples of positive culture and initiatives across Powerco's contractors and staff and share best practice learnings from successful projects.

ConGlobal (formerly ITS ConGlobal)

ConGlobal's YTD July adjusted EBITDA tracked 25% behind the PCP because of lower volumes received and the changing mix of container types.

The Depot business unit's YTD adjusted EBITDA tracked 23% behind budget, which reflected the cyclical impact of consumer spending on container volumes and mix of container types. Despite growth in container volumes, containers received by the Depot business are increasingly empty. Loaded containers command a higher price due to the greater difficulty in storing and handling them. With a weak outlook for U.S consumer spending and continued rebalancing of consumer demand from goods towards services following the surge in spending on goods during the COVID-19 pandemic, the trend from loaded to unloaded containers is expected to continue.

The Intermodal business unit's YTD EBITDA was 12% lower than the PCP. However, operational performance continues to be strong with the revenue per lift outperforming the PCP by 13% and tracking 4% ahead of the budget, which is a solid outcome as the ConGlobal management team continues to focus on improving operational efficiency.

London Luton Airport (LLA)

August was the peak month for the British summer holiday period and LLA saw exceptionally strong operational performance with August passenger volumes outperforming the budget by 1.4% and customer satisfaction metrics achieving above target (ASQ score of 4.18 vs 4.02 target and NPS of 40 vs 38 target).

YTD (for the eight months to August 2023) passenger volumes remained stable at 90% of pre-pandemic levels, which reflected a 9% outperformance to budget. YTD revenue exceeded the budget by approximately 16% due to the strong performance from the passenger segment. YTD operating expenses, however, tracked slightly adverse to budget due to higher concession fees incurred as a result of the higher-than-expected passenger volumes. Notwithstanding this, LLA's YTD EBITDA continues to be robust, outperforming the budget by 35%.

With outperformance expected to continue through the remainder of 2023, LLA is on track to meet its revised full year outlook.

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.

The RAH Board are planning to hold a strategy day in Sydney at Dexus' offices in September 2023. Our social infrastructure asset management team is looking forward to the outcomes from the strategy day.

SA Schools

SA Schools continues to operate well. Relationships are very good between Dexus, the State of South Australia, Downer and the Schools.

Operational performance is measured against 294 KPIs. For the 12 months to 31 August 2023, 99.99% of the service fee was received from the State of South Australia, and of the 0.01% abatement, 100% was passed through to the subcontractor.

Staff and students continue to be located in temporary accommodation following the fire at John Hartley School, whilst our social infrastructure asset management team manages the insurance claim for the rebuild of the permanent building.

SA Schools is now awaiting confirmation from insurers to proceed with the rebuild. The permanent building is expected to be complete in around 12 months' time.

AquaTower

All plants continue to operate well. For the seven months to 31 August 2023, treated water volumes outperformed the budget by 0.1%.

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

The ANU PBSA's Semester 2 2023 occupancy remains at near 100% with the ANU continuing to manage a waitlist of students. Our student accommodation asset management team has been working closely and collaboratively with the ANU on changes to the student occupancy agreements to enhance the ability for exchange students to reside in our high-quality PBSA portfolio. This student segment is expected to grow and contribute to future demand for on-campus student accommodation. In addition to this, our student accommodation asset management team is expecting to receive initial insights on the progress of room applications for the 2024 academic year in October.

Macarthur Wind Farm

Macarthur continues to see material improvements to its energy production in July, exceeding the 5-year average production level due to high wind speed and strong turbine availability. The asset continues to receive its scheduled payments from AGL in full under the fixed price contract.

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, 99.59% of the service fee was received from the New Zealand Crown, and of the 0.41% abatement, 100% was passed through to the subcontractor.

A site inspection of the asset was held in July 2023 with the Board undertaking a WH&S inspection of the control facility.

Global listed infrastructure

The listed component of DCIF returned -4.38% for August, underperforming the MSCI World ex AU Accumulation Hedged AUD Index return of -1.85%.

Utilities

Diversified utilities, water, integrated regulated and transmission & distribution all provided a negative return.

Infrastructure

Airports, rail, toll roads, communications infrastructure and ports all provided a negative return.

Outlook

DCIF remains 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.

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	$785.42 million
Minimum suggested time frame	5 years
Minimum initial investment	$10,000
Buy/sell spread (%)	+0.05/-0.05

Distribution frequency	Quarterly
Date of last distribution	June 2023
Distribution cents per unit	0.919

Dexus Funds Management Limited as responsible entity of Dexus Property Trust and Dexus Operations Trust (**Dexus**) recently acquired AMP Capital's real estate and domestic infrastructure equity business. Following the acquisition, Dexus intends to change the legal name of certain responsible entities to reflect Dexus branding. Dexus has registered the proposed names as business names with the Australian Securities and Investments Commission. Subject to regulatory filings and approvals, the change of name is expected to be completed in 2023.

AMP Capital Investors Limited (**Investment Manager**) remains the investment manager of the Dexus Core Infrastructure Fund and Dexus Diversified Infrastructure Trust. Dexus has also recently entered into a conditional agreement to acquire the Investment Manager, with completion of the acquisition expected to occur following receipt of a required regulatory consent.

For more information

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