

# Dexus Core Infrastructure Fund

## Off-Platform Class H

January 2025

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

- While the Dexus Core Infrastructure Fund (“DCIF or “Fund”) continued to deliver solid performance, the Fund has underperformed its benchmark<sup>1</sup> in January
- The listed component of DCIF returned 1.26% for January\*
- DCIF’s unlisted portfolio continues to deliver strong operational performance. Key highlights over the month of January 2025 included record-high passenger volumes observed at Melbourne Airport, availability performance across our Public-Private Partnership assets continuing to sit at near-maximum levels, and LLA delivering robust passenger performance despite ongoing capacity constraints caused by industry-wide supply chain issues.
- DCIF’s listed portfolio generated resilient returns despite the ongoing macroeconomic volatility, with strong contributions from the Transmission & Distribution and Toll Roads sectors, benefitting from a combination of strong operating performance and favourable market sentiment.

\* 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](https://www.dexus.com/dcif)

### Performance – as at 31 January 2025

**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](https://www.dexus.com/dcif)

%	1 mth	3 mth	1 yr	3 yrs	5 yrs	10 yrs	Incept
Total return - after fees	0.36	-2.11	1.37	0.12	0.05	4.91	5.88
Total return – Including Tax Credits <sup>2</sup>	0.36	-2.11	1.85	0.34	0.25	5.17	6.04
Distribution <sup>3</sup>	0.00	0.80	3.50	3.17	3.00	3.51	4.71
Growth	0.36	-2.91	-2.14	-3.04	-2.95	1.40	1.18
Benchmark	0.64	1.87	7.50	7.11	6.06	5.83	6.67

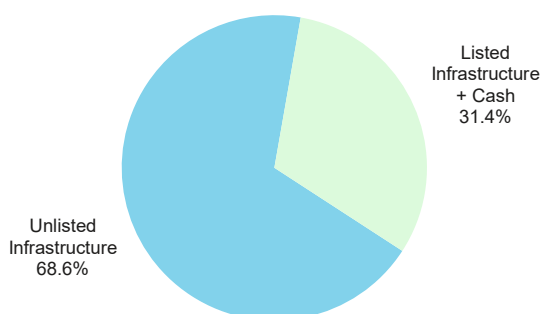
Past performance is not a reliable indicator of future performance. Performance is annualised for periods greater than one year.

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.

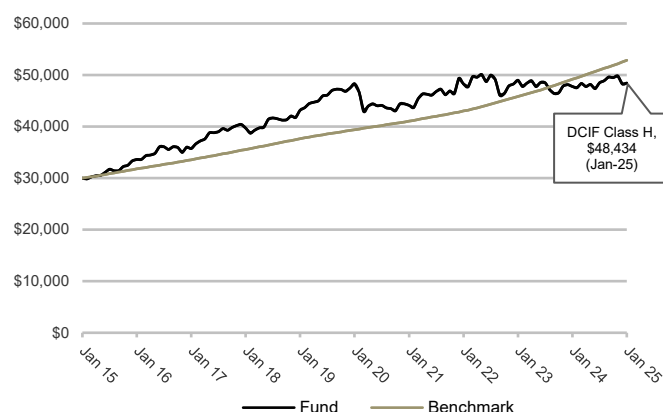
<sup>2</sup> Tax Credits include franking credits and foreign income tax offsets. Individual investors may be eligible for franking credits and foreign income tax offsets depending on their tax residency status and entity type and should seek their own tax advice.

<sup>3</sup> Distributions are not inclusive of tax credits.

### Asset allocation



### \$30,000 Invested over 10 years



### Regional allocation

Region	Current %
Australia	42.23
US	26.80
UK	11.02
New Zealand	8.36
Europe	5.40
Canada	5.25
Asia	0.94

### Top 10 holdings

Security details	Portfolio %
Australia Pacific Airports Corporation	17.60
ConGlobal	8.16
ANU Student Accommodation	6.98
London Luton Airport	5.86
Royal Adelaide Hospital	5.68
Auckland South Corrections Facility	4.35
Macarthur Wind Farm	4.20
Powerco	3.48
Enbridge	3.26
American Tower Corp	3.00

<sup>1</sup> On a net total return, including tax credits, basis

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## Performance and activity

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## 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 2024 and the Reserve Bank of Australia reducing interest rates for the first time since 2020 in February 2025. 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. 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.
3. Assets across both the unlisted and listed portfolios are positioned to benefit from long-term growth themes 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 deliver robust operational and financial performance. Passenger volumes for the month of January 2025 rose to a new record, with a total of 3,393,977 travellers welcomed through Melbourne Airport’s terminals.

Pleasingly, growth continues to be strong across the international passenger segment as the January 2025 total volume (of 1,238,829 international passengers) set a new monthly record and represented a circa. 14% increase relative to the prior corresponding period (PCP). Furthermore, domestic passenger volumes also outperformed the PCP by circa 5% despite ongoing capacity constraints. The strong demand for travel was driven by a combination of the Australian festive season and major entertainment events, such as the Australian Open.

Melbourne Airport is pleased to welcome Delta Airlines to the airport’s extensive international network, with direct flights between Melbourne and Los Angeles expected to launch from December this year. Initially, the service will be operated three times a week, with plans to increase frequency as further long-haul A350 aircrafts enter Delta Airline’s fleet. The service will connect Melbourne directly to Delta Airlines’ Los Angeles hub and provide convenient onwards access to other major American cities.

### London Luton Airport (LLA)

LLA continues to perform to high operational standards. The year-to-date (YTD) passenger volumes for the month to January 2025 exceeded the budget and PCP by 7% and 12% respectively, predominantly attributable to higher Wizz Air volumes and Israil launching new services to Tel Aviv. The resultant YTD EBITDA outperformed the budget by 6%, driven by the strong passenger volumes.

The Development Consent Order decision to increase LLA’s passenger cap to 32 million passengers per annum has been postponed to early April to provide the newly appointed Secretary of State for Transport with sufficient time to consider the application before issuing a final determination. Despite the delay, the central government’s tone continues to be positive.

### ConGlobal

ConGlobal continues to generate resilient operational performance despite the ongoing headwinds currently affecting the North American logistics sector. YTD December 2024 adjusted EBITDA tracked 3% behind the PCP, due to softer performances generated by the Depot segment and the auto and chassis business lines within the Intermodal segment.

The Depot segment’s YTD adjusted EBITDA was approximately 8% below the PCP. The depot sector continues to face challenges arising from weak demand for chassis repairs, lower equipment utilisation and reduced margins. To mitigate the impacts, ConGlobal has implemented a comprehensive set of initiatives, including pricing adjustments and cost reductions, focused on sustaining the Depot segment’s profitability.

YTD adjusted EBITDA for the Intermodal segment exceeded the PCP by approximately 29%. The performance was driven by the successful run-rate conversion at previously underperforming terminals and intermodal volumes reverting to more normalised levels following the pandemic. Notwithstanding this, volumes are expected to remain measured due to ongoing macroeconomic headwinds, and the auto and chassis business lines, which are smaller relative contributors to segment performance, continue to trail prior year levels.

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

<sup>1</sup> On a net total return, including tax credits, basis

The let-up for Semester 1 2025, continues to progress, with the ANU currently in the process of making offers and forward bookings. As at 30 January 2025, unconditional forward bookings reached 87.3%. Our Student Accommodation asset management team continues to closely monitor the 2025 let-up and are working together with the university to identify alternate revenue streams during the semester in the event there are vacant beds. Looking ahead, the team is developing a detailed marketing plan for Semester 2 2025.

During the 2024/25 summer period, off-peak revenue tracked in line with forecasts. Our Student Accommodation asset management team is now exploring options and strategies with the ANU to maximise this revenue stream during the 2025/26 off-peak summer and future periods.

### **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 31 December 2024, 98.42% of the service fee was received from the State of South Australia and the full abatement was passed through to the subcontractor.

### **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 31 December 2024, 99.83% of the service fee was received from the New Zealand Crown, and of the 0.17% abatement, 100% was passed through to the subcontractor.

ASCF implemented a three-month pilot youth mentorship programme, marking the first of its kind on site, following recommendations from the Office of the Inspectorate to develop innovative programmes to support the youth cohort.

### **Macarthur Wind Farm (MWF)**

Production for the month of January 2025 tracked below the 5-year average, impacted by planned and unplanned outages. Scheduled servicing continues to progress at a slower-than-budgeted pace due to ongoing reactive maintenance. With contractors assisting on site, the rate of scheduled maintenance is expected to improve over time.

Notwithstanding the softer production volumes, 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. YTD earnings before interest, tax, depreciation, amortisation and fair value adjustments (EBITDAF) tracked 1.9% behind budget, primarily driven by lower levels of electricity consumption due to consumer concerns on the current cost-of-living pressures.

Powerco's electricity field services tendering process continues to progress, with tender negotiations expected to conclude in mid-March. Powerco has adopted a balanced approach, considering both financial and non-price attributes to assess tender quality. This will ensure that the overall contractor performance on all metrics (including safety) is held to a high standard.

Michael Bessell has re-joined as a non-executive director on the Powerco board from 1 January 2025. Michael is Executive General

Manager of Infrastructure at Dexus and has more than 30 years of investment management and investment banking experience.

### **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 December 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.

Over the quarter, we continued the management of 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 31 December 2024, no abatements were levied on AquaTower with each plant meeting all contractual water quality parameters.

During the quarter, the plants operated in accordance with expectations. The plants continue to produce very high levels of treated water quality. Regular maintenance and replacement activities occur for the plants, and there were no material issues.

### **Listed infrastructure**

The listed component of DCIF returned 1.26% for January\*

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### **Utilities**

Transmission and Distribution (+1.04%\*) and Integrated Regulated (+0.04%\*) delivered positive contributions, partially offset by Diversified Utilities (-0.04%\*) and Water (-0.05%\*).

### **Transport & Communications**

Toll Roads (+0.35%\*) and Ports (+0.01%\*) provided positive contributions. Rail generated flat returns, while negative contributions were observed from Airports (-0.01%\*) and Communications Infrastructure (-0.07%\*).

### **Region**

Europe (+0.48%\*), US (+0.39%\*) and Canada (+0.33%\*) were the largest contributing regions, slightly offset by softer performances from New Zealand (-0.01%\*) and Asia (-0.12%\*).

### **Top Contributors**

The top five contributors for the month comprised Enbridge (+0.32%\*), Vinci SA (+0.29%\*), National Grid PLC (+0.21%\*), Consolidated Edison (+0.18%\*) and Duke Energy Corporation (+0.10%\*).

### **Largest Detractors**

The largest detractors for the month were PG&E Corporation (-0.28%\*), SBA Communications Corp (-0.08%\*), Crown Castle (-0.07%\*), CK Infrastructure Holdings (-0.04%\*) and Elia Group (-0.04%\*).

\* 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	\$574.28 million	Distribution frequency	Quarterly
Minimum suggested investment time frame	5 years	Date of last distribution	December 2024
Minimum initial investment	\$10,000	Distribution cents per unit	1.002 (December-24)
Buy/sell spread (%)	+0.05/-0.05	Next distribution	March 2025

Important note: Investors should consider the Product Disclosure Statement (PDS) available from Dexus Capital Funds Management Limited (ABN 15 159 557 721, AFSL 426 455) (DCFM) for the Dexus Core Infrastructure Fund (ARSN 127 019 238) before making any decision regarding the Fund. DCFM is the responsible entity of the Fund and the issuer of units in the Fund. DCFM has appointed Dexus Capital Investors Limited (ABN 59 001 777 591, AFSL 232497) (DCIL) as the investment manager of the Fund. DCFM and DCIL are both wholly owned subsidiary of Dexus: (ASX:DXS) (Dexus) and part of the Dexus group.

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. Investors should review the Target Market Determination (TMD) to consider if the Fund is suitable for them. A TMD has been made in respect of the Fund and is available at [www.dexus.com/dcifinvest](http://www.dexus.com/dcifinvest).

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### For more information

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