Dexus Core Infrastructure Fund

Off-Platform Class H

January 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 underperformed its benchmark over the past month.
- The Fund has outperformed its benchmark on a ten-year basis.
- DCIF's global listed infrastructure component returned -2.75% for January.

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 31 January 2024

Inception Date: 30 Oct 2007

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

Management costs: 1.29%

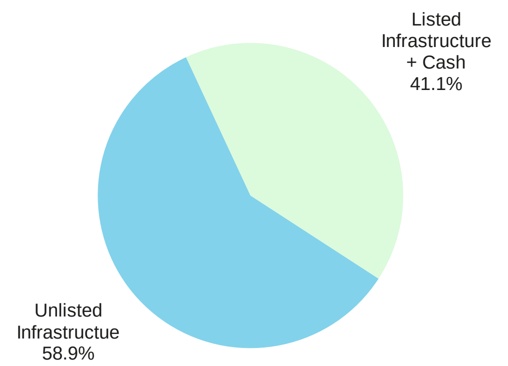
The Management costs include a management fee, and indirect costs. The Fund PDS outlines the management costs components, as well as other fees and costs that may apply to your investment. You can review the PDS at www.dexus.com/dcif

%	1 mth	3 mth	1 yr	3 yrs	5 yrs	10 yrs	Incept
Total return - after fees	-0.75	2.66	-2.47	2.69	2.04	6.54	6.17
Distribution	0.00	0.80	2.78	3.10	2.90	3.64	4.78
Growth	-0.75	1.86	-5.25	-0.41	-0.87	2.90	1.38
Benchmark	0.61	1.84	7.24	6.21	5.49	5.75	6.62

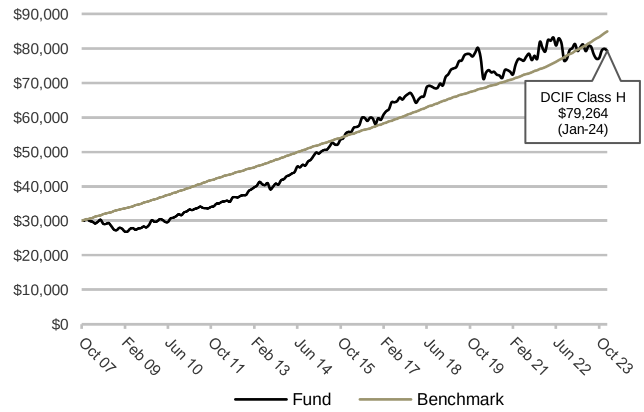
Past performance is not a reliable indicator of future performance. Performance is annualised for periods greater than one year.

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	35.45
US	30.72
UK	11.61
Europe	8.05
New Zealand	7.08
Canada	5.78
Asia excl. Japan	0.73
Japan	0.58

Top 10 holdings

Security details	Portfolio %
Australia Pacific Airports Corporation	14.59
London Luton Airport	6.66
ConGlobal	6.57
ANU Student Accommodation	5.77
Royal Adelaide Hospital	4.53
American Tower Corp	4.35
Auckland South Corrections Facility	3.75
Enbridge	3.61
Macarthur Wind Farm	3.30
Vinci SA	3.01

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 on a ten-year basis.

DCIF's global listed infrastructure component returned -2.75% for January*.

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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.

Unlisted Infrastructure

Australia Pacific Airports Corporation (APAC)

Melbourne Airport delivered strong operational performance to start the year, welcoming a record number of passengers for the month of January 2024. Domestic passenger volumes remain stable at circa. 94% of pre-pandemic (FY19) levels, whilst international passenger volumes rose to circa. 99% of FY19 volumes and exceeded the December 2023 figures by circa. 5%. January's international passenger volumes were bolstered by travellers celebrating the Chinese Lunar New Year and increases to international capacity, including Xiamen Airlines and Sichuan Airlines exceeding their pre-pandemic capacity by 61% and 43% respectively, signalling the airlines' confidence in the Victorian aviation market. Furthermore, following the highly successful launch of its summer seasonal flights where an average load factor of 96% was observed for incoming flights to Melbourne Airport, Asiana Airlines has recently announced plans to resume seasonal services from July to September 2024 with doubled operations. This seasonal service aligns with Korea's peak holiday period and provides Korean travellers with a direct connection to Melbourne.

Preparatory works for Stage 2 of the Naarm Way road upgrade have commenced, which is expected to provide passengers with a smoother experience transiting in and out of Melbourne Airport. The Stage 2 works involve establishing a direct connection from Tullamarine Freeway to newly dedicated pick-up and drop-off zones in the T123 car park. Stage 2 of the Naarm Way road upgrade is expected to open in 2026 and will create a resilient road network to reduce traffic congestion around Melbourne Airport.

London Luton Airport (LLA)

Passenger volumes for the month of January 2024 tracked behind budget by 9% due to lower-than-expected demand which impacted flight load factors and late in-season capacity reductions from EasyJet as a result of industry-wide supply chain issues associated with Airbus and Boeing not meeting their projected fleet supply. Despite the lower passenger performance, LLA's EBITDA for January 2024 tracked broadly in line with budget, reflective of management's ability to manage yield growth and the defensive nature of aeronautical contracts secured with airline carriers.

The examination for LLA's Development Consent Order to increase the airport's passenger cap to 32 million per annum reached completion on the 10th of February 2024 with a decision by the Secretary of State expected in 6 months, subject to judicial review. The UK General Election, which is scheduled for the second half of 2024, may impact this timeline as the UK may see a change of Government or be in the purdah period around the expected decision date.

Management continues to progress work on the P19 in order to activate the approved increase in the airport's annual passenger cap by 1 million to 19 million, by submitting all required plans to the Luton Planning Authority for their approval on 16 February 2024. Once these plans are approved, the capacity granted by the planning application will be available for usage by the airlines.

ConGlobal

ConGlobal is experiencing near-term macroeconomic headwinds including a freight recession caused by the inventory which built up during the pandemic, reducing the demand for new inventory being sent via freight. This has resulted in lower revenues from lower intermodal volumes and lower loaded containers in the depot facilities through 2023. Consequently, ConGlobal's YTD December adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) tracked 26% behind the prior corresponding period (PCP). While this is impacting near-term results, management is confident in a rebound driven by the strong US consumer market and ConGlobal's recent shift to a more resilient business model, which is now focused on the Depot business which is positioned to capitalise on the tailwinds arising from the natural unwind of the inventory build-up.

The consolidated Rail business unit continued to deliver resilient performance, with YTD adjusted EBITDA exceeding the PCP by over 78%. While intermodal volumes declined as consumer patterns continue to revert to pre-pandemic normalities, the impact was partially offset by the intermodal terminal re-contracting efforts executed by management in 2023. Given the lower volumes, management is actively monitoring and adjusting labour hours whilst still maintaining high service expectations.

The Depot business unit's YTD adjusted EBITDA tracked 36% behind the PCP due to the outflows of loaded and wheeled storage containers as the supply chain bottlenecks began unwinding from late 2022 onwards. The lower storage volumes were more than offset by empty container inventory as the year progressed.

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

Occupancy for Semester 1 2024 reached circa. 96%, with the ANU residential services team remaining very focused on filling the remaining rooms across the student accommodation facilities. Several targeted initiatives were launched to drive further bookings, including financial incentives for the successful referrals of residents, social media campaigns, visible presence of the residential services team promoting the available rooms during orientation week and student-led marketing initiatives. The management team also prepared a diverse schedule of events designed to enhance the communal spirit within each of the residences ahead of Semester 1 commencing. Our Student Accommodation asset management team will be reviewing the Semester 1 2024 let-up period in greater detail to assess the supply and demand dynamics for the facilities and apply the key learnings to room pricing decisions for 2025.

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 2023, 99.99% of the service fee was received from the State of South Australia. The full abatement was passed through to the subcontractor. There were no material issues observed through January 2024.

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 2023, 99.56% of the service fee was received from the New Zealand Crown, and of the 0.44% abatement, 100% was passed through to the subcontractor.

A site inspection of the asset was held in February 2024 with the Board undertaking a work, health and safety inspection of the kitchen area.

Macarthur Wind Farm

In November 2023, AGL internalised Macarthur Wind Farm's operations and maintenance functions, and have been focused on managing the handover from Vestas, training and obtaining work permits under the AGL system.

The availability of technicians responding to faults and turbine downtime was impacted due to the handover and training, which negatively affected energy generation. AGL has indicated that the impacts are likely to be short-term in nature. Notwithstanding this, the asset continues to receive its scheduled payments in full from AGL under the fixed price contract.

Powerco

Powerco continues to generate resilient financial performance, notwithstanding the challenging macroeconomic conditions currently prevalent in New Zealand. Revenues, excluding customer contributions, performed in line with budget for the month of January 2024, with electricity revenues tracking in line with budget and gas revenues outperforming forecast by 4% due to favourable wash-ups for the gas business. Customer contribution revenues tracked behind budget for the month, driven by a slowdown in large scale connections and high margin subdivision works, which is commensurate with the overall softening observed in the New Zealand economy.

The Electricity Networks Association met with the Commerce Commission in December and the dialogue to date has been positive. The discussion signalled that the 10% per annum cap, which had historically been applied to each electricity distribution business' (EDB) annual revenue increase within the regulatory period, will likely to be removed. While this has been widely expected, we are pleased to see the reiteration of this message ahead of the next regulatory reset for electricity distribution networks, scheduled to come into effect from April 2025. Our Energy asset management team is currently working together with Powerco to incorporate the latest views from the ongoing dialogue into the business' default price path submission for its electricity distribution networks.

Powerco achieved its highest ever ranking in the Prosple Graduate programme survey and have met their 40/40/20 target for diversity in senior leadership roles, with 48% of senior leadership roles now occupied by women.

SA Schools

SA Schools continues to operate well, with relationships remaining positive between Dexus, the State of South Australia (State), Downer and the Schools.

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

SA Schools pleasingly completed a successful refinancing on 29 February 2024. The new 14.5-year debt facility removes all future refinancing risk for the project with a full-term tenor and was syndicated by leading domestic banks. The refinancing was overseen and managed by Dexus Debt Advisory and is the third successful refinancing for the project.

AquaTower

All water treatment plants continue to operate well. Operational performance is measured against 29 KPIs. For the month to 31 January 2024, no abatements were levied on AquaTower with each plant meeting all contractual water quality parameters. The January 2024 treated water volumes were close to budget.

Listed infrastructure

DCIF's global listed infrastructure component returned -2.75% for January*.

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Utilities

Diversified utilities, integrated regulated and transmission & distribution provided a positive return. Water provided a negative return.

Infrastructure

Airports and toll roads provided a positive return. Rail, communications infrastructure and ports provided a negative return.

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	$718.07 million	Distribution frequency	Quarterly
Minimum suggested investment time frame	5 years	Date of last distribution	December 2023
Minimum initial investment	$10,000	Distribution cents per unit	0.985 (Dec-23)
Buy/sell spread (%)	+0.05/-0.05	Next distribution	March 2024

For more information

T: 1800 658 404

F: 1800 188 267

W: www.dexus.com/dcif

Or your state account manager

APIR Code AMP1180AU
AMP Capital Investors Limited
ABN 59 001 777 591, AFSL 232497