Dexus Core Infrastructure Fund

On-Platform Class A

December 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 on a ten-year and since inception basis.
- The listed component of DCIF returned 1.97% for December, underperforming the MSCI World ex AU Accumulation Hedged AUD Index return of 3.94%.

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 December 2023

Inception Date: 19 Nov 2007

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

Management costs: 1.04%

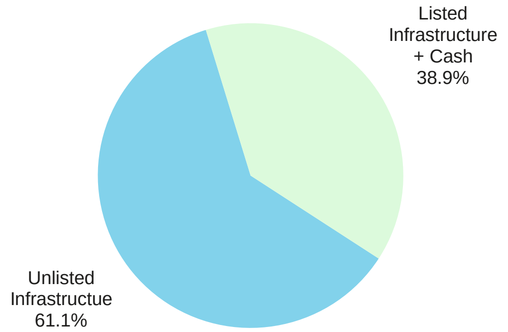
The Management costs include a management fee, and indirect costs. The Fund PDS outlines the management costs components, as well as other fees and costs that may apply to your investment. You can review the PDS at www.dexus.com/dcif

%	1 mth	3 mth	1 yr	3 yrs	5 yrs	10 yrs	Incept
Total return - after fees	0.54	3.80	0.03	3.03	3.18	7.00	6.65
Distribution	0.81	0.85	3.11	3.37	3.22	3.89	5.05
Growth	-0.27	2.95	-3.09	-0.35	-0.04	3.10	1.60
Benchmark	0.61	1.89	7.20	6.13	5.46	5.76	6.59

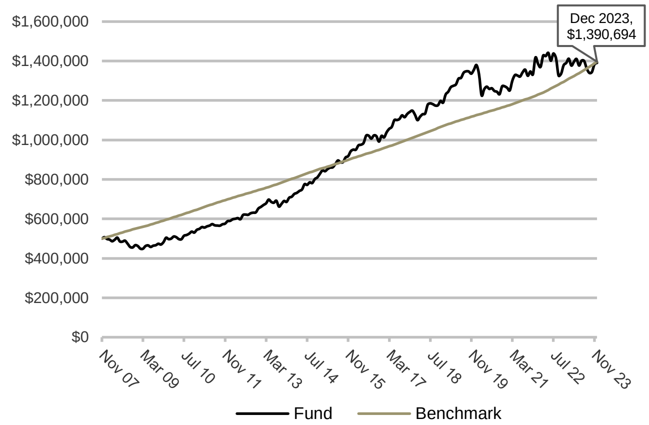
Past performance is not a reliable indicator of future performance. Performance is annualised for periods greater than one year.

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 'A' fees and costs, assume all distributions are reinvested and are annualised for periods greater than one year.

Asset allocation



$500,000 Invested since inception



Regional allocation

Region	Current %
Australia	38.59
US	29.17
UK	10.96
Europe	7.74
New Zealand	6.79
Canada	5.51
Asia excl. Japan	0.68
Japan	0.56

Top 10 holdings

Security details	Portfolio %
Australia Pacific Airports Corporation	18.68
London Luton Airport	6.31
ConGlobal	5.90
ANU Student Accommodation	5.65
American Tower Corp	4.54
Royal Adelaide Hospital	4.43
Auckland South Corrections Facility	3.66
Enbridge Inc	3.39
Macarthur Wind Farm	3.23
Vinci SA	2.81

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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 and since inception basis.

The listed component of DCIF returned 1.97% for December, underperforming the MSCI World ex AU Accumulation Hedged AUD Index return of 3.94%*.

* 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, 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 continues to deliver strong operational and financial performance. For the month of December 2023, Melbourne Airport recorded the highest number of monthly passengers transiting through the airport since the onset of the Covid-19 pandemic, peaking above three million travellers in total. Furthermore, international capacity has exceeded the previous record in January 2020 by circa. 2.9%, bolstered by the return of airline carriers servicing new and existing routes from Melbourne Airport. Recently introduced services include Asiana Airlines commencing seasonal flights to Seoul and Aircalin reconnecting Melbourne to Noumea. As a result, international passenger volumes for the month of December 2023 soared to 96% of FY19 (pre-pandemic) levels and represented an 18% increase from the November 2023 figures. Domestic passenger volumes continue to remain stable in excess of 90% of pre-pandemic levels.

Melbourne Airport is delighted to welcome Turkish Airlines to its growing network of international carrier partners, with first-ever flights connecting Australia, through Melbourne, and Istanbul expected to commence in mid-March 2024. Turkish Airlines will initially operate the service three times a week via Singapore with plans to increase services to daily over time upon receipt of a new aircraft. Turkish Airlines will become the only European airline carrier to operate services from Melbourne Airport and will provide Australians with easier access to Türkiye and Europe.

Powerco

Year-to-date (YTD) earnings before interest, tax, depreciation, amortisation, and financial movements (EBITDAF), excluding Customer Initiated Works, is tracking broadly in line with budget. YTD electricity and gas revenues are marginally behind budget due to month-on-month weather variations, offset slightly by disciplined management of business support costs through reductions in non-essential marketing, information technology and other administrative spending.

On 8 December 2023, the Gas Industry Company (an industry body which works alongside the New Zealand Government and gas industry to co-regulate gas) released a commissioned report by EY, which explored the current and future gas supply and demand environment in New Zealand. The report discussed four key potential scenarios, each of which outlines a different supply and demand dynamic relating to the future of gas usage in New Zealand. The report largely aligns with Powerco's view that the future of gas in New Zealand's energy mix is predicated upon careful consideration in balancing reliability and affordability of gas supply for consumers.

ConGlobal

ConGlobal's YTD November adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) tracked 29% behind the prior corresponding period (PCP) as a result of the challenging US macroeconomic headwinds and goods trading conditions.

The consolidated Rail business unit continues to deliver resilient performance, with YTD adjusted EBITDA exceeding the PCP by over 70%. While declines in intermodal volumes, arising from consumer patterns reverting to pre-pandemic normalities, were observed, 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 38% behind the PCP due to the outflows of loaded and wheeled storage containers. This is a function of the supply chain in the US becoming more fluid and the decrease in consumption as a result of the macroeconomic environment. Loaded and wheeled storage containers commanded a higher rate in comparison to empty containers. Management has observed empty containers returning to depots, with YTD volumes representing a 41% increase to the PCP.

London Luton Airport (LLA)

LLA continues to perform to high operational standards with YTD (to October 2023) passenger volumes exceeding the budget by 8% and representing circa. 90% of FY19 (pre-pandemic) figures. Driven by the strong passenger traffic, LLA's YTD EBITDA has outperformed the budget by 30%, with the full-year EBITDA outlook on track to exceed pre-pandemic levels by 34%.

LLA and Luton Borough Council's jointly crafted Development Consent Order (DCO) submission, in relation to the expansion of LLA's capacity to up to 32 million passengers per annum, continues to progress with great momentum, with the team currently navigating through the DCO examination process, which is expected to conclude in February 2024. Following this date, a decision is expected to be made by the relevant authorities in the second half of 2024.

In parallel, the LLA management team is currently making preparations to welcome an additional one million passengers following receipt of planning approval for P19 (increasing the airport's passenger cap by 1 million to 19 million). The capacity is expected to become available in the summer period of 2024.

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.

Celsus has identified enhancements to its financial management arrangements, including the transition to an enhanced accounting system. This has been endorsed by the Celsus board and will be implemented in the first half of 2024.

SA Schools

SA Schools continues to operate well. Relationships are very good 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.

Our Social Infrastructure asset management team has spent the last quarter working together with the State, John Hartley school, and the builder, Hansen Yuncken, on the rebuild process for Building 6. We are currently working towards seeking an agreement to the expanded scope, design, and costs by the first quarter of 2024.

AquaTower

All water treatment plants continue to operate well. Operational performance is measured against 29 KPIs. For the 12 months to 31 December 2023, no abatements were levied on AquaTower with each plant meeting all contractual water quality parameters.

AquaTower finished the year strongly with treated water volumes tracking 1.1% ahead of budget. A number of routine maintenance activities were carried out across the plants over the course of the quarter to ensure high availability and treated water compliance.

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

The ANU PBSA was effectively full for Semester 2 2023, with occupancy remaining above 99% through November 2023. The let-up for the 2024 academic year continues to progress with momentum as demand for on-campus accommodation remains strong, with applications significantly outnumbering available beds. Forward bookings reached 80% by the end of 2023 with offers out for the remainder of available beds and applications continuing to be received simultaneously. These figures are favourable relative to the same period in the prior year which subsequently resulted in full occupancy.

Our Student Accommodation asset management team met with the ANU's new Chief Operating Officer during the quarter as part of our regular engagement with key University representatives. We continue to dedicate our time towards strengthening our working relationship with the ANU so that we can stay on top of key strategic decisions at the University, ensure that our best interests are upheld and identify opportunities for mutual growth.

Macarthur Wind Farm

AGL continues to progress with the internalisation of the operation and maintenance functions for Macarthur Wind Farm. Higher wind speed, production and availability were observed over the second half of 2023, which represents a positive outcome for the project. The asset continues to receive its scheduled payments in full from AGL 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 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.

ASCF has agreed to provide support to the Department of Corrections by accommodating additional inmates at ASCF, due to a shortage of Department of Corrections Staff at other facilities across the country. This commenced in mid-October and has been extended into the coming quarter. ASCF is compensated for the incremental costs of additional staffing for this activity.

Global listed infrastructure

The listed component of DCIF returned 1.97% for December, underperforming the MSCI World ex AU Accumulation Hedged AUD Index return of 3.94%.

Utilities

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

Infrastructure

Airports and toll roads provided a positive return. Rail, communications infrastructure and ports 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	$734.51 million
Minimum suggested time frame	5 years
Minimum initial investment	$500,000
Buy/sell spread (%)	+0.05/-0.05

Distribution frequency	Quarterly
Date of last distribution	December 2023
Distribution cents per unit	1.051

For more information

T: 1800 658 404
F: 1800 630 066
W: www.dexus.com/dcif
Or your state account manager

APIR Code AMP1179AU
AMP Capital Investors Limited
ABN 59 001 777 591, AFSL 232497