

# Funds Management

dexus

## A wholesale partner of choice in Australian property

Dexus manages a diverse, high quality \$17.0 billion portfolio across the Australian office, retail, industrial and healthcare property sectors on behalf of third party capital partners.

Our capital partners benefit from Dexus's deep real estate capabilities across a full-service platform and an ability to co-invest alongside partners.

Our integrated model provides access to multi-sector expertise in:

- Investment management, underpinned by best practice corporate governance principles, and a track record of delivering fund outperformance
- Asset management, with strong sector leasing capabilities supported by deep market relationships and benefits of platform scale
- Development management, with a demonstrated record in delivering income-enhancing projects
- Transactional capabilities, which unlock opportunities and outcomes that support our clients' investment objectives

79

Third Party capital partners

\$5.5bn

Third Party development pipeline<sup>1</sup>

204%

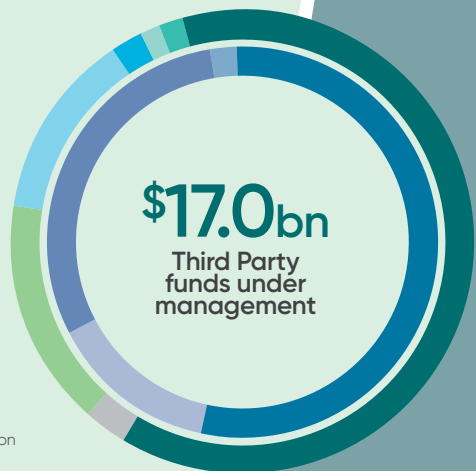
Growth in Funds Management since FY12

### Sector allocation

- Office Properties 54%
- Industrial Properties 14%
- Retail Centres 30%
- Healthcare Properties 2%

### Funds Management platform

- Dexus Wholesale Property Fund \$10.7bn
- Dexus Australian Logistics Partner \$0.5bn
- Dexus Office Partner \$2.7bn
- Australian Mandate \$2.2bn
- Australian Industrial Partner \$0.4bn
- Dexus Industrial Partner \$0.2bn
- Healthcare Wholesale Property Fund \$0.3bn



1. Third party funds' or partners' share of development spend and including Dexus third party funds' or partners' share of Westfield redevelopments and estimated on-completion value for North Shore Health Hub.

# A wholesale partner of choice in Australian property

Being the wholesale partner of choice in Australian property is one of Dexus's two strategic objectives.



## Funds management snapshot

- Seven wholesale investment vehicles across pooled funds, joint ventures and mandates
- 79 institutional capital partners including sovereign wealth funds, pension/superannuation funds and government entities
- Strong track record of outperformance and recognised sustainability credentials:
  - Dexus Wholesale Property Fund (DWPF) has outperformed its benchmark<sup>1</sup> over 1, 3, 5, 7 and 10 years
  - DWPF is ranked Overall Global Sector Leader for diversified office/retail entities and was ranked 13th globally by Global Real Estate Sustainability Benchmark (GRESB)
- All other unlisted vehicles achieving strong performance against client objectives

## Adding value for our funds management clients

Dexus has a long history of delivering strong performance for its funds management clients.

For more than 35 years Dexus has developed and managed high quality real estate investments that deliver superior property solutions for its customers.

As one of the largest office and industrial investment managers in Australia, scale provides Dexus with valuable insights that ensure the best outcomes are achieved for customers.

Dexus manages a diverse portfolio of retail properties across Australia and leverages its capabilities to create vibrant retail experiences in shopping centres and city retail spaces.

1. Mercer/IPD Australian Pooled Property Fund Index (Net returns, Net Asset weighted).

## Active management achieves investment objectives

The \$5.5 billion funds management development pipeline provides opportunities to grow our partners' portfolios and enhance future returns.



### Realising strategic objectives to meet industrial demand

The Dexus Australian Logistics Trust (DALT) is an unlisted trust seeded with assets from Dexus's existing industrial portfolio comprising \$1.4 billion of core logistics properties and a development landbank where we have recently commenced works.

The establishment of DALT:

- Unlocked the growth potential of the Dexus industrial platform through an open-ended trust with an active acquisition and development mandate, and
- Increases third party assets under management, aligning with Dexus's strategy of being the wholesale partner of choice in Australian property

There are further opportunities within the logistics sector as businesses seek to drive supply chain efficiencies and preferences for online retail continue to rise.



### Providing institutional investment into Australian healthcare property

The Healthcare Wholesale Property Fund (HWPF) established in late 2017<sup>1</sup> consists of approximately \$623 million<sup>1</sup> in healthcare real estate assets. The HWPF portfolio includes the North Shore Health Hub in St Leonards, Sydney (under development), the new 343-bed Calvary Adelaide Hospital, and the GP Plus Healthcare Centre located in Elizabeth, north of Adelaide.

The North Shore Health Hub is a specialist mixed-use healthcare facility comprising over 15,000 square metres located adjacent to the existing Royal North Shore public and private hospitals. The development is targeting a 5 star Green Star Design and As Built (Core and Shell) rating in line with the fund's Clean Energy Policy objectives.

The healthcare property sector in Australia is supported by strong demographic drivers, and features stable, long-dated income streams from high quality covenants.

1. On completion value.

# Active management achieves investment objectives

## Rare opportunity to invest in a whole block precinct

Dexus jointly acquired 80 Collins Street, Melbourne with DWPF in May 2019 for a total acquisition cost of \$1.476 billion<sup>1</sup>. Dexus acquired a 75% interest with DWPF acquiring the remaining 25% interest.

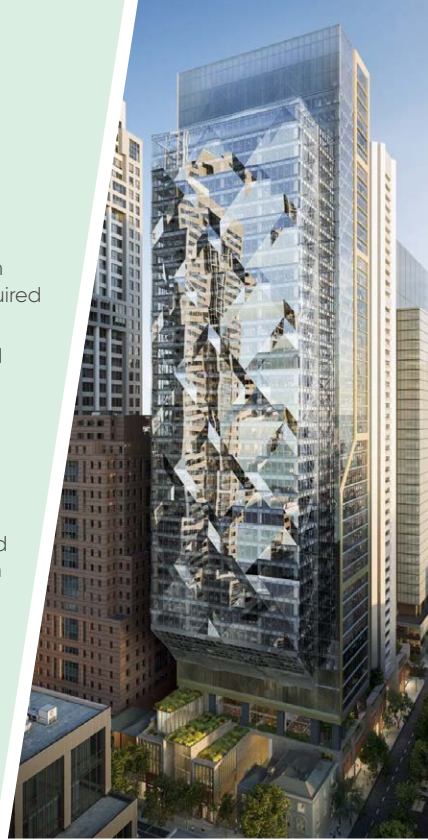
The 80 Collins precinct is a large-scale site strategically located in the Eastern Core of Melbourne's CBD comprising:

- an existing 47 level A-grade office tower
- a new 35 level premium office tower
- a new retail podium with 21 tenancies, and
- a new 255 room boutique hotel

In Melbourne where prime office vacancy has tightened to a record low of 1.8%, Dexus's leasing focus at 80 Collins Street has resulted in record rents and set new benchmarks for the Melbourne CBD with metrics exceeding the acquisition underwrite.

The acquisition of 80 Collins Street further enhances scale and presence in the tightly held Paris end of the Melbourne, a prime location where our customers want to be.

1. Total Acquisition Cost reflects the gross price for the acquisition of 100% of the 80 Collins precinct, excluding transaction costs and subject to customary adjustments.



For more information about partnering with our funds management platform, please contact



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