

dexus

Funds Management  
Profile  
2021

# Real estate investment partner of choice



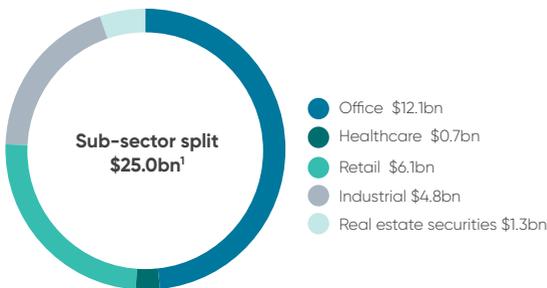
Dexus is one of Australia's leading fully integrated real estate groups, managing a high-quality portfolio valued at \$42.5 billion. The group manages \$25.0 billion of office, retail, industrial and healthcare properties in its funds management business, which provides investors with exposure to quality sector specific and diversified real estate investment products.

The funds within this business have a strong track record of delivering outperformance and benefit from Dexus's capabilities. The funds management \$6.5 billion development pipeline provides the opportunity to grow portfolios and enhance future returns.

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 out-performance
- Asset management, with strong sector leasing capabilities supported by deep market relationships and the 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

## Dexus funds management sector composition



1. Prior to circa \$2bn of redemptions to existing ADPF unitholders and proforma for the acquisition of APN Property Group which was approved on 27 July 2021 as well as settlement of MDAP's 33.3% interest in 1 Bligh Street, Sydney which occurred on 8 July 2021.

**\$25.0bn**

Funds under management

**\$6.5bn**

Funds management development pipeline

Sector leaders across

**4**

ESG benchmarks

**Dexus manages a diverse, high-quality \$25.0 billion portfolio comprising direct Australian real estate and international property securities.**

In August 2021, the APN Property Group became part of Dexus. As a result of this merger the Dexus funds management business comprises:

- 20 investment vehicles across listed and unlisted direct property vehicles, capital partnerships, real estate securities and venture capital
- Diversified, multi-national institutional, wholesale and retail investor base
- Trusted by leading institutional global real estate investors including sovereign wealth funds, pension and superannuation funds, insurance agencies and corporates
- Strong track record of out-performance

### Case study

## Merger positions DWPF as largest wholesale Australian diversified fund

Dexus Wholesale Property Fund (DWPF) is Dexus's flagship wholesale diversified fund. Established in 1995, DWPF has consistently delivered out-performance, and is globally recognised as a leader in environmental, social and governance performance.

In April 2021, DWPF merged with AMP Capital Australian Diversified Property Fund (Dexus ADPF), a high-quality diversified property fund following both sets of unitholders approving the merger, signaling their confidence in Dexus's ability to deliver enhanced value.

The \$16 billion<sup>2</sup> merged portfolio comprises interests in 54 quality office, industrial and retail assets<sup>2</sup>, with the potential to achieve enhanced returns through alternative investments with exposure to development and core plus opportunities.

The merger further diversifies DWPF's portfolio and investor base while solidifying its position as a globally significant diversified real estate wholesale fund.

2. DWPF and Dexus ADPF merged portfolio. Prior to circa \$2 billion of redemptions.

# The Dexus Sustainability Approach

We consider sustainability to be an integral part of our business with the objectives of Leading Cities, Future Enabled Customers, Strong Communities, Thriving People and an Enriched Environment supporting our overarching goal of Sustained Value.



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## **Our purpose:**

To create spaces where people thrive

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## **Our values:**

Openness and trust, empowerment, integrity

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## **Our vision:**

### **To be globally recognised**

as Australia's leading real estate company

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## **Our strategy:**

### **To deliver superior risk-adjusted returns**

for investors from high-quality real estate in Australia's major cities

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## **Our strategic objectives:**

### **Generating sustainable income streams**

Investing in income streams that provide resilience through the cycle

### **Being identified as the real estate investment partner of choice**

Expanding and diversifying the funds management business

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## Case study

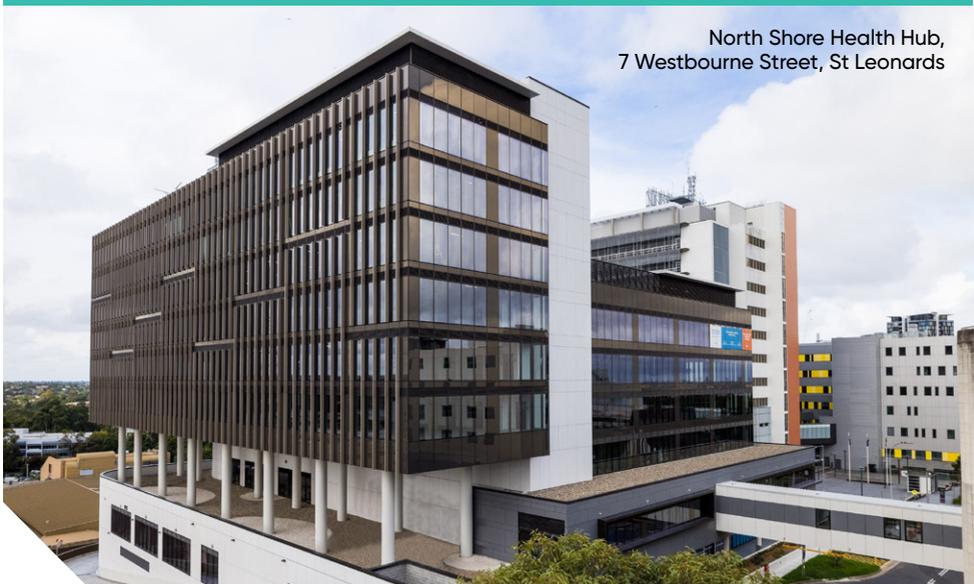
# Leading ESG in healthcare

Dexus Healthcare Property Fund (DHPF) was launched in 2017 in response to the strong demand drivers and market fundamentals supporting the long-term growth of the Australian healthcare sector. Healthcare properties provide access to secure long-term leases, strong tenant covenants, limited owner capex requirements through triple net leases, and diversification benefits compared to other property sectors.

Since inception, DHPF has maintained a focus on integrating sustainable environmental outcomes through implementing its Clean Energy Policy, to align with the needs of its founding investors.

DHPF's Clean Energy Policy underpins the integration of ESG principles across the fund, including helping drive design enhancements for North Shore Health Hub, St Leonards, and high levels of due diligence in relation to energy efficiency for new acquisitions.

New developments demonstrate their sustainability credentials through seeking independent green building certifications. North Shore Health Hub has achieved 6 Star Green Star Design and As Built (v1.2) certified ratings from the Green Building Council of Australia, above its 5 Star target, and Australian Bragg Centre, Adelaide is targeting a LEED Gold certification upon completion.



North Shore Health Hub,  
7 Westbourne Street, St Leonards

## Case study

# 2022 net zero emissions target

In 2018, Dexus set a target to achieve net zero emissions across its managed portfolio by 2030. Getting Dexus to net zero is an opportunity to align with changing customer sentiment and meet the increasing investor demands for low-carbon investments.

Dexus has made great progress on its goal and has brought forward its target to achieve net zero emissions to 30 June 2022. Accelerating its net zero ambition delivers strong climate action for the planet, enhances the vision and customer proposition for smart, sustainable workspaces and ensures Dexus will be ready for other opportunities, including supporting customers on their own journey.

Achieving net zero emissions involves optimising building performance and resource efficiency, sourcing 100% renewable electricity and investing in nature-based offset projects to absorb the remaining carbon emissions.

# Recognised for ESG performance

Dexus has long recognised the importance of Environmental, Social and Governance (ESG) for sustained value creation. We engage with current and prospective investors to hear about their ESG priorities and concerns, discuss the implementation of our sustainability approach, and gain broader insights on how ESG is impacting local and global markets.

Dexus and its funds participate in global investor ESG surveys for the purposes of benchmarking our sustainability performance, communicating our sustainability credentials, and understanding how we can continuously enhance our sustainability approach. We are proud to have achieved the highest possible standing across key ESG benchmarks.

Read more about Dexus's performance and initiatives in our Sustainability Report and Modern Slavery Statement, available at [www.dexus.com/investor-centre](http://www.dexus.com/investor-centre)





Dexus group ratings from the Principles for Responsible Investment include:

- A+ score across Strategy and Governance
- A+ score for our approach to responsible investment across our Direct Property portfolio



Dexus group ratings from the 2021 Global Real Estate Sustainability Benchmark include:

- Dexus Office Trust ranked second within Oceania/Listed entities
- Dexus Wholesale Property Fund achieved Regional Sector Leader for Oceania diversified office/retail entities for a third consecutive year
- Dexus Healthcare Property Fund ranked first within the healthcare centre category and second in developments for non-listed healthcare entities



Dexus's retained its position on the DJSI World Index and retained its standing as the Global Industry Leader for real estate



Dexus group's rating from CDP Climate Change:

- Included on the CDP Climate A List (Leadership A score)  
Dexus was one of three Australian companies and one of only two Australian property companies to be included on the A List for 2020



Dexus awarded an Employer of Choice for Gender Equality



Tier one corporate charity partner



Tier one corporate charity partner

## Case study

# Dexus Industria REIT achieves carbon neutral certification

The \$1.1 billion Dexus Industria REIT (previously part of APN Property Group) is one of the first A-REIT's to be certified carbon neutral across both its corporate activities and the emissions associated with the properties under its operational control, in accordance with the Climate Active Standard. Climate Active's carbon neutral certification is awarded to businesses and organisations that are determined to achieve net zero emissions (carbon neutrality).

Over the past four years, Industria's investments in 2.5 Megawatts of onsite solar installations has saved approximately 2.4 million

kilograms of carbon dioxide emissions from being released into the atmosphere. This has resulted in buildings at Brisbane Technology Park being 49% self-sufficient during daylight hours.

Helping energy intensive operations cut their emissions also has the added benefit of assisting tenants to reduce their operational costs, and in doing so increases the prospect of that tenant remaining and reducing potential downtime in the future. Through the introduction of solar at one asset, the tenant reduced its energy bills by 16% and greatly cut its reliance of the electricity grid.

As well as solar, other initiatives to reduce energy usage throughout the portfolio were installing LED lighting and replacing older air conditioners. An additional 1.35 Megawatts of solar installations is planned throughout the Industria portfolio in FY22.

Dexus Industria REIT (ASX: ADI) is a listed Australian real estate investment trust managed by Dexus. It owns interests in a portfolio of office and industrial properties located across the major Australian cities, providing sustainable income and capital growth prospects for security holders over the long term.

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



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