

Dexus

Media Release



24 October 2023

Dexus launches new fund in its opportunity fund series

Following the success of Dexus's first dedicated opportunity fund, Dexus Real Estate Partnership 1 (DREP1), Dexus today announces the launch of DREP2.

DREP2 is the second in a series of closed-ended opportunity funds that seek to provide wholesale investors with an enhanced return through exposure to investments in property repositioning, development, special situations and credit opportunities.

DREP Fund Manager Jason Howes said: "In a competitive landscape, we have leveraged the Dexus platform to identify and successfully deliver nine transactions across the spectrum of real estate investments for DREP1."

DREP1 continues to assess a strong pipeline of opportunities and also announces today residential acquisitions in Melbourne including:

- 41 recently completed apartments in stage 1 of a development in the Melbourne CBD
- 79 apartments in a recently completed unit development in Central Melbourne, subject to FIRB approval

"We continue to see attractive entry points in the residential market, which presents further opportunity for the fund in a capital constrained investment environment," Jason said.

DREP1 has adopted a disciplined and rigorous deal assessment process, with only 4% of potential opportunities moving to execution. The fund has deployed capital across credit (38%), repositioning (27%), development (23%) and special situations (12%).

DREP1 closed in December 2022, with the fund's investment capacity at circa \$1 billion, including gearing. DREP1 is on track to deliver the target net equity IRR of circa 15%¹.

"Responding to market conditions and continued demand for opportunity-style investments, we expect DREP2 will attract substantial investor interest from domestic and international investors, particularly from high-net-worth investors and family offices looking for enhanced returns from Australian real estate investments," Jason said.

DREP2 is expected to be substantially larger than DREP1, with the first capital close expected in H1 CY2024.

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About Dexus

Dexus (ASX: DXS) is a leading Australasian fully integrated real asset group, managing a high-quality Australasian real estate and infrastructure portfolio valued at \$61.0 billion (pro forma post final completion of the AMP Capital acquisition). We believe that the strength and quality of our relationships will always be central to our success and are deeply connected to our purpose: Unlock potential, create tomorrow. We directly and indirectly own \$17.4 billion of office, industrial, healthcare, retail and infrastructure assets and investments. We manage a further \$43.6 billion of investments in our funds management business (pro forma post final completion of the AMP Capital acquisition) which provides third party capital with exposure to quality sector specific and diversified real asset products. The funds within this business have a strong track record of delivering performance and benefit from Dexus's capabilities. The group's \$17.4 billion real estate development pipeline provides the opportunity to grow both portfolios and enhance future returns. Our sustainability aspiration is to unlock the potential of real assets to create lasting positive impact and a more sustainable tomorrow, and is focused on the priorities of customer prosperity, climate action and enhancing communities. Dexus is supported by more than 34,000 investors from 25 countries. With four decades of expertise in property investment, funds management, asset management and development, we have a proven track record in capital and risk management and delivering returns for investors. www.dexus.com

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¹ The Target IRR is not a guarantee, forecast or prediction. There can be no assurance that the Fund will meet the Target IRR. IRR is presented on a "net" basis and reflects Management Fees, Performance Fees, Fund expenses, taxes and duties borne by the Fund (disregarding any rebates). For the purposes of this calculation, cash flows will be grossed up for any withholding tax and will be increased by the face value of any franking credits or foreign income tax offsets received by the Investor, and Investors will be deemed to have received a distribution of any such amounts.