

# Quarterly Report

Dexus Australian Property Fund

APIR code: NML0337AU

March 2026



# Investment objective

The Fund's objective is to provide income and long-term capital growth by investing in a diversified portfolio of Australian commercial properties and Real Estate Investment Trusts (AREITs) through investing in Dexus Wholesale Australian Property Fund.

## Summary

### Dexus Australian Property Fund

- **Returns** – Over the year to 31 March 2026, the Fund returned 8.26% of which 5.59% was the distribution and 2.67% was growth. The quarterly total return in Q1/2026 was 2.26%.

### Dexus Wholesale Australian Property Fund

- **Valuations** – the portfolio value increased by 0.6% over the quarter. The retail portfolio increased by 2.1% and the industrial portfolio increased by 0.4% over the quarter. The average cap rate for the investment portfolio is 6.30% and valuations have now increased for eight consecutive quarters, though remain well-below replacement cost.
- **Key metrics** – the Fund's occupancy was stable at 97.4% and the weighted average lease expiry sits at 4.7 years.
- **Divestments** – contracts were successfully exchanged on 202-228 Greens Rd, Dandenong for \$50.0 million. Pricing was in line with the December 2025 valuation and settlement took place on 15 April 2026.
- **Leasing** – terms were agreed with Seafolly to extend its tenure by 7 years at The Mill. Advanced negotiations with new tenants are in progress which will see the vacancy at Gasworks Workspace significantly reduced and near-full occupancy maintained at Brickworks.
- **Development** – a planning permit was issued at 636 St Kilda Road, Melbourne. Dexus assembled a preeminent team of consultants to design a building that would meet a growing community need for housing, add to the architectural heritage of Melbourne and maximize the value of the site for DWAPF unit holders.
- **New unit class** – DWAPF Class D units – which offer capped monthly liquidity – continue to gain traction in the market.
- **Additional Units Offer** – in celebration of the 40<sup>th</sup> anniversary of the Fund, Dexus is making 2% 'additional units' available for those investing from 1 October 2025. This offer has been extended to 30 September 2026. Details of the offer are available at [dexus.com/dwapf](https://dexus.com/dwapf).

## Fund facts

Gross assets	\$49.6 million
Inception date	31 July 2001
Management costs	1.40%
Buy/sell spread	Nil
Distribution frequency	Quarterly
Distribution cents per unit	1.04
SIV compliant	Yes
Withdrawal payment time	12 months <sup>1</sup>

## Dexus Wholesale Australian Property Fund

Debt	41.7% of gross assets
No. of properties	19
Portfolio occupancy	97.4%

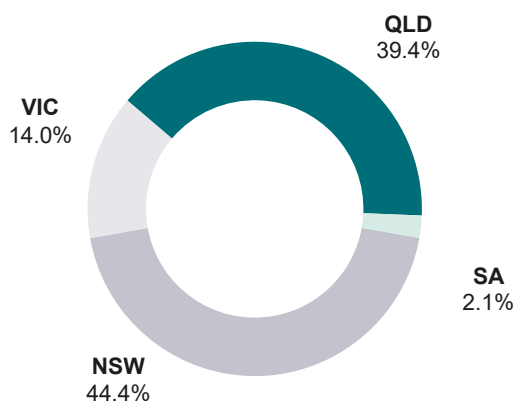
# Fund returns & Asset allocation

	3 months	1 year	3 years	5 years	10 years	Since inception
	%	%	%	%	%	%
Distribution return	1.35	5.59	5.58	5.42	3.97	7.23
Growth return	0.91	2.67	-7.91	-3.22	-1.58	-1.15
<b>Total return (after fees)</b>	<b>2.26</b>	<b>8.26</b>	<b>-2.33</b>	<b>2.21</b>	<b>3.97</b>	<b>6.08</b>

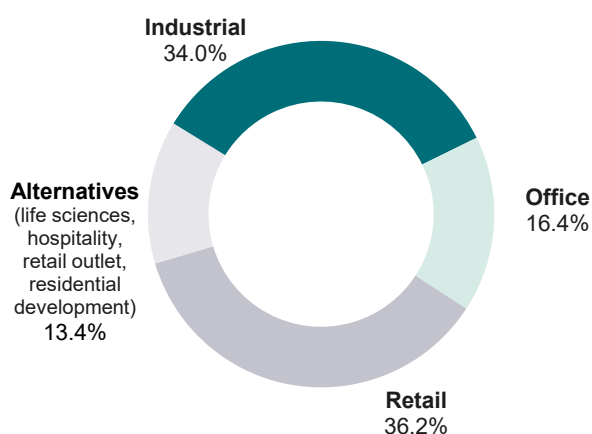
Past performance is not a reliable indicator of future performance.

Returns shown before tax and after fees. Performance is annualised for periods greater than one year. Distributions for future periods may vary.

## Asset allocation – by state



## Asset allocation – by sector



## Commentary

Over the year to 31 March 2026, the Fund returned 8.26% of which 5.59% was the distribution and 2.67% was growth. The quarterly total return in Q1/2026 was 2.26%.

### Dexus Wholesale Australian Property Fund

The overall portfolio value increased by 0.6% over the quarter. Momentum in the retail portfolio continued, with these assets increasing by 2.1%. The industrial portfolio increased by 0.4%. Most of the office assets also ticked up in value, though the overall result was -1.9% which is attributable to a conservative position being assumed with respect to Dentsu, a large tenant at Bond One, Sydney with a 2027 expiry.

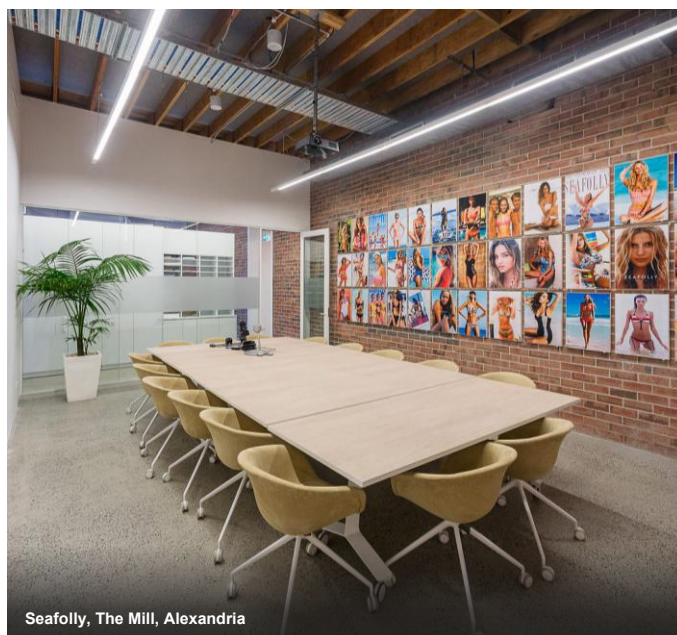
The average cap rate for the investment portfolio was 6.30% and valuations have now increased for eight consecutive quarters.

Contracts were successfully exchanged on 202-228 Greens Rd, Dandenong for \$50.0 million. This pricing was in line with the 31 December 2025 valuation and settlement occurred on 15 April 2026. The divestment is consistent with the strategic decision to reduce current allocations to Victoria and older assets.

The Fund's debt facility was increased by \$23.5 million, increasing the Fund's capital management options. The new tranche was provided by National Australia Bank.

A planning permit was issued at 636 St Kilda Road, Melbourne. The development approval was fast-tracked via the Development Facilitation Program (DFP). Dexus assembled a preeminent team of consultants - which included Bates Smart and Urbis - to craft a design that meets a growing community need for housing, adds to the architectural heritage of Melbourne and maximises the value of the site for DWAPF unit holders. The approved scheme rises to 102 metres, which is significantly above the existing height limit of 60 metres.

Class D units – which offer capped monthly liquidity – continue to gain traction in the market. Since their inception in July 2025, the Fund has paid all redemptions received in this unit class within 10 business days of the monthly cut-off.



At The Mill, in Sydney, commercial terms were agreed with Seafolly to extend its tenure by 7 years. At Gasworks, advanced negotiations with new tenants are in progress which will see vacancy significantly reduced and at Brickworks, terms were agreed with a new tenant which will see near-full occupancy maintained.

In celebration of the 40th anniversary of the Fund, Dexus is making 2% 'additional units' available for those investing from 1 October 2025. This offer has been extended 30 September 2026 or until \$100 million of Qualifying Investments are received by the Responsible Entity. Please note that from 1 April 2026, investors must make an application for Additional Units within 2 months of making a Qualifying Investment. Details of the offer are available at [dexus.com/dwapf](https://dexus.com/dwapf).

# Market commentary

The cautiously optimistic outlook that prevailed through early 2026 has been disrupted by domestic inflation pressures and the escalating US-Iran conflict.

Inflation remained sticky, above the RBA's 2-3% target range since October last year. Since then, the cash rate market curve has flipped, with the cash rate now sits at 4.10% after back-to-back hikes. The 10-year bond yield remains stubbornly high, just under 5%.

Australia's streak of positive business confidence was broken in February after 10 consecutive months. However, business conditions held up at +7 index points, suggesting underlying activity retains momentum.

The medium-term growth outlook has softened. GDP is now forecast to grow at 2.1% in FY26, with a recovery to 2.3% in FY27.

Unlisted real estate sectors reported positive performance, with the all-fund index returning 7.6% y-o-y. Three-year returns continue to improve as 2022-23 valuation declines roll out of the measurement window. The divergence between listed and unlisted assets widened sharply during the quarter, though the stability and improving fundamentals underpinning direct real estate should buffer against significant losses.

Real estate transaction volumes were subdued after a strong Dec-25 quarter finish, down 43% compared to the same period last year. The pullback was broad-based, with retail the relative outperformer. Despite the quarterly decline, rolling annual volumes to Mar-26 remained 19% above the prior year, indicating that the recovery in transaction activity through 2025 has not reversed.

The Australian office sector continues to recover, with improving demand and constrained forward supply reinforcing the rental growth trajectory. Sydney and Brisbane CBD remain the best-performing office markets nationally. In Sydney, net absorption over the year was 110,000 sqm, vacancy continued to fall, and effective rent growth was nearly double digits. Brisbane CBD absorbed solidly and vacancy

rising modestly. Melbourne CBD delivered a softer result, with net absorption declining through the quarter, although effective rents grew.

The industrial sector continued to normalise through the March quarter, with demand holding firm and rent growth moderating after recent years' strong gains. Gross take-up in Q1 2026 was led by West Melbourne (127,000 sqm) and South Brisbane (108,000 sqm), while Outer West Sydney was quieter at 61,000 sqm. South Brisbane's incentives compressed to 15.0%, while Outer West Sydney and West Melbourne drifted higher to 22.5% and 27.5% respectively. Vacancy edged lower in Melbourne, falling 14 basis points to 5.2%, while Sydney held steady at 5.8% - both low by historical and global standards.

Retail unlisted wholesale funds have been the best performing sector in the MSCI Australian Wholesale Index since June 2024, returning 9.8% in the year to February 2026. Supply remains the defining structural support for the sector. Retail yields held flat across regional and sub-regional centres nationally. Transaction volumes were subdued, totaling \$1.7bn, a decrease of 27%, compared to the same period last year.

Household spending growth has remained resilient, stabilising around 4-5% y-o-y, with discretionary and non-discretionary growth converging. Total retail spending grew 4.8% y-o-y. The labour market remains resilient but is showing early signs of softening. Consumer confidence has deteriorated, falling 13% since November 2025, pointing to a material weakening of sentiment following the March rate rise and the escalating Middle East conflict.

Looking ahead, despite heightened global and domestic uncertainty, the outlook for real estate markets is still underpinned by momentum in business conditions and supply scarcity. As the market transitions into the next phase of the cycle, the Fund is well placed to look through the current uncertainty in the outlook, with valuations far less volatile than listed comparators.

## Fund features & positioning

<b>Fund features</b>	<b>* Income focus</b>	quarterly distribution paid continuously since inception
	<b>* Tax-deferred income</b>	Tax deferred components can potentially reduce short term assessable income
	<b>* Low target gearing</b>	target range is 0-45% of gross assets with a long-term target of 0-15% of gross assets <sup>1</sup>
	<b>* Quarterly valuations</b>	generally, lower price volatility than listed investments
	<b>* 2% bonus units</b>	available if you opt into the Distribution Reinvestment Program
	<b>* Liquidity</b>	monthly redemption windows paid within 12 months <sup>2</sup>
	<b>* Hardship &amp; Deceased estates</b>	monthly withdrawals available if criteria met <sup>3</sup>
	<b>* Asset allocation</b>	select mix of traditional and contemporary asset classes
<b>Positioning</b>	<b>* Transaction volumes lifting</b>	as more buyer types enter market
	<b>* Strong population growth</b>	supporting demand for real assets
	<b>* Rising construction costs</b>	have increased the replacement cost of existing assets
	<b>* Factors constraining supply</b>	elevated construction costs, finance costs and development risk
	<b>* Valuations below replacement cost</b>	buying below cost may prove an astute strategy

<sup>1</sup> As at 31 March, drawn debt was 41.7%.

<sup>2</sup> While the Fund is liquid, the Responsible Entity aims to pay redemptions within 12 months of the applicable window. This may be extended in certain circumstances.

<sup>3</sup> Please refer to the PDS.

## Real estate and 'the Road to 200'

In 2025, US equity markets, gold, and bitcoin all reached all-time highs simultaneously. Then, in February 2026, the US and Israel launched strikes on Iran, disrupting the Strait of Hormuz, sending oil prices sharply higher, and triggering a wave of volatility across global markets. For financial advisers, the message from clients has become increasingly consistent: find investments that offer stability, tangible value, and shelter from the storm.

This is where commercial real estate can play its part. Income derived from long-dated leases, unit prices set by independent quarterly valuations rather than real-time sentiment, and low correlation to listed markets make unlisted property a powerful portfolio stabiliser. But here lies a tension. The dominant trend reshaping how Australian advisers manage money – the rise of the Separately Managed Account – is built on a foundation of daily liquidity, a structural requirement that has kept private market investments firmly off the table.

### What is a managed account?

A managed account is a professionally managed investment portfolio where, unlike a traditional managed fund, the investor retains direct beneficial ownership of the underlying assets. This distinction matters: it allows for greater transparency, individual tax optimisation, and a more personalised investment experience. The two principal forms are the Separately Managed Account (SMA) and the Managed Discretionary Account (MDA).

An SMA is a financial product, issued under a Product Disclosure Statement, and administered on an investment platform. It is model-based and rules-driven: the investment manager constructs a portfolio, and the platform automatically rebalances each client's account to mirror the model. SMAs are highly scalable – an adviser can manage hundreds of clients off a single model – but require daily liquidity, which effectively excludes unlisted private market investments such as real estate.

An MDA is an investment service, governed by a formal agreement between the client and the provider. Here, the provider has discretionary authority to make investment decisions on behalf of the client within an agreed mandate. MDAs allow for a far greater degree of customisation and can accommodate less-liquid assets, including unlisted real estate funds. They are typically used by high-net-worth and sophisticated investors, though their reach is expanding.

### A market in rapid ascent

The scale of the managed accounts industry in Australia is striking. Total funds under management reached \$256.2 billion as at June 2025<sup>1</sup> – up from \$232.8 billion just six months earlier – with nearly \$1 billion a week flowing into managed accounts over that period. SMAs account for two thirds of the market, while MDAs represent roughly \$60 billion. Adviser adoption underpins this momentum with approximately 60% of advisers now use them in some form<sup>2</sup>.

For clients, the appeal is straightforward: managed accounts deliver greater transparency, tax efficiency, and the confidence that their portfolio is being actively managed without requiring their sign-off at every turn. For advisers, managed accounts free them from the administrative drag of seeking client approval for every portfolio adjustment – time better spent deepening relationships with existing clients and growing their business.

That challenge is not just commercial; it's a matter of national importance. Australia's financial advice profession has contracted sharply over recent years, with adviser numbers stabilising at around 15,500<sup>3</sup> – nearly half the peak recorded at the start of 2019, ahead of the Hayne Royal Commission's final report. The result is that the average adviser is managing about 100–120 ongoing clients, against an industry aspiration of 200, while an estimated 15.9 million Australians have unmet advice needs.<sup>4</sup>

For advisers, the 'Road to 200' – shorthand for the industry's push to double adviser productivity – is one of the defining commercial challenges of the decade. By eliminating the need for individual client sign-off on every portfolio change, managed accounts are one of the few tools that can credibly get advisers there. But they are not a magic pudding – they also have limitations ...

## A shifting investment backdrop

When equity valuations are stretched, geopolitical uncertainty is elevated, and volatility is running high, the case for allocating to real estate – an asset class that derives its value from bricks, mortar, and long-dated leases rather than market sentiment – becomes increasingly compelling. The records set in the US equity markets, gold, and bitcoin in 2025 has left many investors feeling more exposed than enriched. Even before the outbreak of war in the middle east, stretched valuations across multiple asset classes, had advisers and their clients increasingly looking to rebalance portfolios in favour of tangible investments that offer greater transparency and stability.

That instinct has been sharpened by the events of 2026. The outbreak of the US-Israel war against Iran in late February – a conflict whose escalation, duration and broader economic consequences remain stubbornly unpredictable – is a timely reminder that geopolitical risk can materialise suddenly and at scale. In precisely these conditions, unlisted real estate demonstrates its worth. With income derived from long-dated leases – not from corporate earnings cycles or market sentiment – and unit prices determined by independent quarterly valuations rather than real-time trading, unlisted real estate absorbs the kind of volatility that ripples through listed portfolios. For financial advisers seeking to reduce risk for their clients without sacrificing returns, the current environment presents a powerful argument for allocation to high-quality, appraisal-based real estate.

### Private markets: the impossible frontier?

Here lies the central dilemma: the shift toward managed accounts is accelerating, yet these structures – particularly SMAs – are built on daily liquidity, which brings with it daily price volatility; and at the same time, the need to include investments that dampen that volatility has never been greater.

Real estate illustrates the challenge particularly well. Held directly, property is lumpy, illiquid, and entirely unsuited to the investment platforms that underpin SMA structures. Held via listed vehicles such as A-REITs, the daily pricing that platforms require comes at a cost – the securities become subject to the same sentiment-driven volatility as any other listed investment, largely defeating the purpose of including real estate as a stabiliser. Closed-ended syndicate structures avoid listed market volatility but introduce their own problems: fixed terms, concentrated asset exposure, high debt, no platform compatibility, and no ability to be included in the consolidated reporting that makes managed accounts so operationally attractive to advisers in the first place. What is needed is a semi-liquid structure: one that is not subject to daily pricing, yet liquid enough to sit on platform alongside an adviser's SMA portfolios and appear in the same consolidated reporting their clients receive. Something that balances sound portfolio construction with undeniable commercial imperatives.

### An opportunity in plain sight

The Dexus Wholesale Australian Property Fund (DWAPF) is designed precisely for this moment. With a 40-year track record, a diversified portfolio of high-quality commercial real estate, and unit prices set by independent quarterly valuations rather than daily market sentiment, the Fund offers the stability and income consistency that listed investments cannot reliably provide. Critically, DWAPF is available on major investment platforms and can sit alongside an adviser's SMA portfolios within consolidated reporting – giving clients a single, unified view of their wealth. And with multiple liquidity options, it occupies the middle ground that the market has been searching for: not daily-priced like a listed REIT, not locked away like a syndicate, but genuinely accessible in a way that works within the operational realities of a modern advice practice. For advisers navigating the 'Road to 200', managing client anxiety in volatile markets, and seeking investments that complement rather than compound the risks already present in a managed account portfolio, DWAPF offers something increasingly rare – a single solution that addresses all three challenges at once.

<sup>1</sup> IMAP/Milliman Managed Accounts FUM Census, June 2025, published September 2025.

<sup>2</sup> State Street Global Advisors / Investment Trends, 16th SPDR ETFs Managed Accounts Report, March 2025.

<sup>3</sup> ASIC Financial Adviser Register; Rainmaker, Financial Advisor Vol 6 No. 4, December 2025.

<sup>4</sup> Investment Trends, 2025 Financial Advice Report, December 2025.

# Balance sheet

Assets/Liabilities	Valuation	Valuation Date	Cap rate	Occupancy	No. of Tenants	WALE <sup>1</sup> (years)
Casula Mall	\$210.0m	Mar-2026	5.75%	100.0%	64	7.7
Stud Park Shopping Centre	\$147.0m	Mar-2026	6.25%	99.3%	62	5.1
Gasworks Plaza	\$145.0m	Mar-2026	5.50%	100.0%	46	4.4
Brickworks	\$156.0m	Mar-2026	5.75%	99.4%	51	2.4
The Mill, Alexandria	\$185.0m	Mar-2026	5.50%	98.3%	19	3.8
Bond One, Walsh Bay	\$110.0m	Mar-2026	6.88%	100.0%	6	1.7
636 St Kilda Rd, Melbourne	\$76.1m	development				
199 Grey St, Brisbane	\$89.6m	Mar-2026	7.50%	94.4%	17	2.2
Gasworks Workspace, Brisbane	\$65.5m	Mar-2026	7.75%	70.0%	9	3.0
Stanley House, South Brisbane	\$33.3m	Mar-2026	6.13%	100.0%	2	5.6
Connect Corporate Centre B2, Mascot	\$88.5m	Mar-2026	7.75%	100.0%	9	3.7
Connect Corporate Centre B3, Mascot	\$150.0m	Mar-2026	7.75%	99.4%	11	3.9
Holbeche Industrial Estate, Arndell Park <sup>2</sup>	\$63.25m	Mar-2026	5.50%	76.3%	4	2.2
202-228 Greens Rd, Dandenong <sup>3</sup>	\$50.0m <sup>4</sup>	Dec-2025	6.25%	100.0%	2	5.8
Crossbank 161, Trade Coast, Brisbane	\$100.0m	Mar-2026	5.50%	100.0%	1	12.9
Crossbank 141, Trade Coast, Brisbane	\$53.25m	Mar-2026	5.50%	100.0%	1	8.6
Acacia Gate Industrial Estate, Acacia Ridge	\$39.7m	Dec-2025	6.50%	100.0%	11	2.2
7-9 French Ave, Brendale	\$33.0m	Mar-2026	6.00%	100.0%	1	3.8
2 Second Ave, Mawson Lakes	\$39.0m	Mar-2026	7.50%	100.0%	1	4.7
Cash & other assets	\$3.8m					
<b>Total / Portfolio Average<sup>4</sup></b>	<b>\$1,788.0m</b>		<b>6.30%</b>	<b>97.4%</b>	<b>317</b>	<b>4.7 yrs</b>
Debt <sup>4</sup>	\$746.4m	41.7%				
Other liabilities	\$38.9m					
<b>Total</b>	<b>\$785.3m</b>					
<b>Net Assets</b>	<b>\$1,002.7m</b>					

<sup>1</sup> Weighted Average Lease Expiry <sup>2</sup> 50% interest <sup>3</sup> contracted price: settlement occurred 15 April 2026 <sup>4</sup> proforma, taking settlement of 202-228 Greens Rd into account

## Fund Management Team



**Christopher Davitt** is the Fund Manager for the Dexu Wholesale Australian Property Fund and has overarching responsibility for setting and executing the Fund's investment strategy and capital management plan.

Christopher works with Dexu's specialist teams to formulate asset plans for the properties, source and evaluate acquisitions and manage the portfolio's debt and equity. He joined the business in March 2010 having previously held research, transaction and funds management roles in Australia and Europe.



**Charlie Nguyen** is the Fund Analyst for the Dexu Wholesale Australian Property Fund.

Charlie is responsible for performing detailed analysis of fund performance, market trends, and investment opportunities available to the Fund. With a background in finance, financial modelling and portfolio analysis, she plays a key role in developing insights to help guide investment decisions.

Charlie works closely with stakeholders across the business to ensure accurate and timely reporting for investors.

## Disclaimer and Important notes

Dexus Capital Funds Management Limited (ACN 159 557 721, AFSL 426455) ("**Responsible Entity**") is the responsible entity of the Dexus Australian Property Fund (ARSN 096 853 619) ("**DAPF**" or "**Fund**") and the issuer of the units in the Fund. The Responsible Entity is a wholly owned subsidiary of Dexus (ASX: DXS).

This document has been prepared for information purposes only and is not an offer, solicitation or invitation to invest in the Fund.

The information in this document, including, without limitation, any forward-looking statements, or opinions ("**Information**"), may be subject to change without notice. Any forward-looking statements or opinions are based on estimates and assumptions related to conditions such as future business, economic, market, political, social or other conditions, that are inherently subject to significant uncertainties and risks. Actual results may differ materially from those predicted or implied by any forward-looking statements or opinions for a range of reasons.

The Responsible Entity, Dexus, their related bodies corporate and their officers, employees and advisers make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the Information. The Information should not be considered to be comprehensive or to comprise all the information which an investor or potential investor may require in order to determine whether to invest or deal in the Fund. Accordingly, to acquire or to continue to hold units in the Fund, investors will need to consider the product disclosure statement ("**PDS**"), target market determination ("**TMD**") and all other relevant continuous disclosure materials for the Fund ("**Disclosure Materials**"). The PDS, TMD and Disclosure Materials contain important information about investing in the Fund and it is important that investors read them before making an investment decision about the Fund. The PDS, TMD and Disclosure Materials are available at [www.dexus.com/dapfinvest](http://www.dexus.com/dapfinvest) or by contacting us.

This document has been prepared for the purpose of providing general information, without taking account of any particular investor's objectives, financial situation or needs. Investors should, before making any investment decisions, consider the appropriateness of the information in this document, and seek professional advice, having regard to their objectives, financial situation and needs.

The repayment and performance of an investment in the Fund (including any particular rate of return referred to in this document) is not guaranteed by the Responsible Entity, Dexus, any of their related bodies corporate or any of their officers, employees and advisers. This investment is subject to investment risk, including possible delays in repayment and loss of income and principal invested.

Past performance is not a reliable indicator of future performance.

All currency figures are expressed in Australian dollars (AUD) unless otherwise specified. This document may not be distributed to any person in any jurisdiction outside Australia where it would be contrary to applicable laws, regulations or directives.

Due to rounding, any numbers presented throughout this presentation may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.