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Quarterly Report

Dexus Global REIT Fund

June 2025

Singapore

Contents

Investment objective

- The primary investment return objectives of the Fund are to:
- Deliver a gross annual income yield (before management fees, expenses and taxes) in excess of the Fund's performance benchmark[1], combined with some capital growth, derived predominantly from investing in global REITs
- Maintain the real value of investments over a 5-7 year time horizon (where real value is measured against the weighted-average CPI for those countries within the GPR 250 REIT Index (AU) Yield (or equivalent)
- Provide lower than market volatility[2]

Features

- Focus on generating sustainable, regular and relatively high income returns through investing in listed property securities
- Access to an underlying diversified portfolio of thousands of quality commercial real estate assets predominantly located in North America, Asia Pacific and European markets
- Has paid monthly distributions[3]
- Actively managed (non-index aware) portfolio, applying a highly disciplined and proven strategy designed to deliver on the Fund's income and risk objectives
- Liquid – daily applications and withdrawals (under normal market conditions but withdrawals can take longer in certain cases as set out in the PDS)
- Risks associated with managed investment schemes and specific to the Fund are set out in the PDS

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1. GPR 250 REIT Net Index (AUD) Yield.
2. The Dexus Global REIT Fund aims to provide lower than market volatility compared with the GPR 250 REIT Index (AUD) over a 5-7 year time horizon
3. Past performance is not an indicator of future performance.
4. Current running yield as at 30 June 2025 is calculated daily by dividing the annualised distribution rate by the latest entry unit price. Distributions may include a capital gains component. Distributions are not guaranteed and past performance is not an indication of future performance

Fund facts

Fund type	Property securities fund
Commencement date	1 April 2020
Fund size	$25.42M as at 30 June 2025
Investment timeframe	5-7 years
Minimum investment	$1000
Minimum additional amount	$500 ($100 per month with regular savings plan)
Income distribution	Monthly generally payable within 10 business days3
Current Running Yield	3.85%[4]
Unit pricing	Daily
Management fees and costs	0.98% pa of NAV (see section 6 of the PDS for details)
Buy/sell spread	0.15% buy and 0.15% sell

Fund performance

Dexus Global REIT Fund	3 months	6 months	1 year	3 years	Since inception
	%	%	%	% pa	% pa
DXGRF total return (after fees)*	-1.42	0.50	16.68	6.17	8.44
GPR 250 REIT Net Index (AU) total return#	-3.21	0.15	13.50	5.48	7.13
+/(-)	**1.80**	**0.34**	**3.18**	**0.68**	**1.30**

* Returns after all fees and expenses. Assumes distributions are reinvested. Investors' tax rates are not taken into account when calculating returns. Returns and values may rise and fall from one period to another. Past performance is not an indicator of future performance. Fund's inception date used to determine return: 1 April 2020.
# On 31 March 2025, the Fund changed its performance benchmark from GPR 250 REIT Index (AU), where returns are calculated on a "gross" basis with respect to withholding taxes, to GPR 250 REIT Net Index (AU), which is on a "net" basis. The new benchmark allows for a more accurate comparison of benchmark and Fund returns. The impact of the change on the comparison of Fund's performance returns to the benchmark is not material and accordingly, the Fund's inception date used for since inception returns remains 1 April 2020.

Fund Commentary

Over the June quarter, the Dexus Global REIT Fund (the Fund) returned -1.42%[1], 180bps ahead of the benchmark that returned -3.21%. At a country level, the Fund's superior stock selection in Canada and United Kingdom contributed the most to its outperformance.

At a sub-sector level, Healthcare REITs, particularly the Canadian senior housing names, continued their strong growth momentum from the previous periods and drove the Fund's relative performance. This was largely due to their defensive characteristics and favourable demand-supply dynamics, which further contributed to strong earnings growth. In addition, Industrial REITs contributed positively to the Fund's outperformance, underpinned by stock selection. On the other hand, US Mortgage REITs suffered from tightening yield spreads and were a drag to the Fund's relative performance.

At a stock level, Urban Logistics REIT (LSE:SHED), a specialist landlord and operator of the United Kingdom's only pure-play last-mile logistics portfolio, was acquired by LondonMetric Property (LSE:LMP). This name was the largest contributor to the Fund's relative performance over the quarter; followed by Sienna Senior Living (TSE:SIA), a Canadian Healthcare REIT which investors appeared to reward through the period for its exceptionally strong operating results and favourable outlook for ongoing defensive growth.

The largest detractor during the quarter was Franklin BSP Realty Trust (NYSE:FBRT), US Mortgage REIT that posted a negative earnings surprise and triggers concerns and headwinds in the multi-family residential sector where it is most exposed. Our conviction remains strong in this name and its prospects for attractive risk-adjusted returns.

As relative-value investors looking for growth at a reasonable price, our investment preference remains for REITs with resilient, growing income streams and solid capital structures. Pleasingly, select REITs sharing these attributes currently appear miss-priced by the public market. Despite elevated macroeconomic and geopolitical uncertainties, in our view select Global REITs continue to offer attractive long-term and risk-adjusted return prospects. We will continue to focus the Fund's exposure to these opportunities.

Market Commentary[2]

Global REITs (GPR 250 REIT Net Index (AU)) returned -3.21% through the June quarter, underperforming global equities (MSCI World Index (AU)) which returned 5.98%.

The relatively weak performance of the Global REIT sector was primarily driven by changing interest rate expectations after the Federal Reserve and European Central Bank signalled a higher-for-longer stance, as well as the positive rebound in performance of AI-related and technology stocks in global equities, which had been particularly weak through the precious quarter.

Across the Global REITs, country level performance through the quarter was driven by Spain (19.32%), Belgium (16.95%) and France (12.38%); while the United States (-6.60%) was a detractor. At a sub-sector level, Data Centre REITs (16.13%) rebounded significantly following the previous period's technology-industry sell-off. This sector reversion was driven by strong AI and cloud demand; a persistence of low vacancy rates and the tight supply conditions continuing to drive rental increases. On the contrary, Multi-family Residential REITs (-9.26%), particularly in the United States, continued to suffer in the backdrop of relatively elevated supply deliveries and muted rental growth.

Our analysis of fundamentals suggests that on balance tenant demand is robust, market rental levels are stable or growing and there is further support for top-line revenue growth. Conditions for ongoing rental tension at the Global REITs portfolio level is not only driven by the annual rent indexation built into leases, but a lack of new supply given the difficult conditions for property development that have prevailed over the last few years. This set-up suggests that select portfolios are positioned to deliver relatively strong total returns in the medium term.

In our view, performance from here will be led by Global REITs whose portfolios and capital structures are positioned to deliver resilient and growing earnings, regardless of macroeconomic or geopolitical uncertainties. As an active manager, we are currently looking to capitalise on these opportunities as we actively manage the portfolio.

[1] Returns after all fees and expenses. Assumes distributions are reinvested. Investors' tax rates are not taken into account when calculating returns. Returns and values may rise and fall from one period to another. Past performance is not an indicator of future performance. Fund's inception date used to determine return: 1 April 2020
[2] Past performance is not an indicator of future performance.

Global team

Mark Mazzarella, CFA

Mark joined Dexus Real Estate Securities (formerly APN Real Estate Securities) team in 2014 and is responsible for the analysis and funds management of the Australian, Global and Asian REIT Funds.

Prior to joining Dexus, Mark worked for Ernst & Young as a Senior Consultant and was responsible for real estate market research, property valuation, project feasibility studies, scenario analysis, financial modelling for real estate investments, transaction due diligence and bespoke advisory engagements. Mark was accepted into the New Horizons Program which resulted in a six-month secondment to the Ernst & Young corporate finance team in Singapore.

Mark holds a Bachelor of Commerce (Finance) and a Bachelor of Property and Construction (Property) from the University of Melbourne. He is an Associate of the Australian Property Institute, a Certified Practicing Valuer and a CFA.

David Kruth, CFA

David joined Dexus Real Estate Securities in 2019 as Regional Adviser, with more than 30 years experience across North American and global real estate markets.

He worked for 15 years as CIO, Portfolio Manager and Securities Analyst in global real estate securities with both Alliance Bernstein (AB) and Goldman Sachs Asset Management. David also worked for 13 years in global private equity real estate with Schroder Real Estate Associates and the Yarmouth Group (Lend Lease Real Estate Investments). He served on the Board of Directors at Rouse Properties (NYSE:RSE) from 2011 to 2016 and chaired the special committee tasked with the sale of Rouse to Brookfield Asset Management.

He is Adjunct Assistant Professor at the Columbia University Masters Program in Real Estate Development & Investment and a member of the Investment Advisory Counsel at the Ithaca College School of Business.

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