



dexus

# Dexus Real Estate Securities

AusBiz

April 2025

# Dexus today

Integrated platform with broad capabilities to deliver superior risk-adjusted returns

Dexus total FUM  
**\$53.4bn**

Investment portfolio  
**\$14.5bn**

Third-party FUM  
**\$38.9bn**

## Investment performance underpinned by sector-specific business units with focused strategies



Office  
**\$20.2bn**



Industrial  
**\$10.5bn**



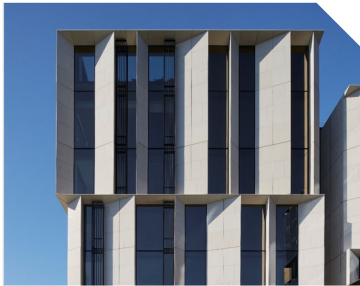
Retail  
**\$9.0bn**



Healthcare  
**\$1.7bn**



Infrastructure  
**\$10.6bn**



Alternatives  
**\$0.7bn**

**Equity capital pools of scale and diversity:**

**>38,000**  
Listed investors

**150+**  
Unlisted institutional investors

**480+**  
Unlisted high net worth investors

**5,500+**  
Unlisted registered retail investors

Data as at 31 December 2024. Real estate securities and trading account for c.\$0.7bn of total FUM. Unlisted high net worth investors include private wealth groups, platforms and high net worth registered holders.



# Dexus Real Estate Securities

Experience and capability across global real estate securities

## Australia

**6.11% pa<sup>1</sup>**

Dexus AREIT Fund  
Current running yield

**9.41% pa<sup>3</sup>**

Total return<sup>2</sup>

## Global

**3.76% pa<sup>1</sup>**

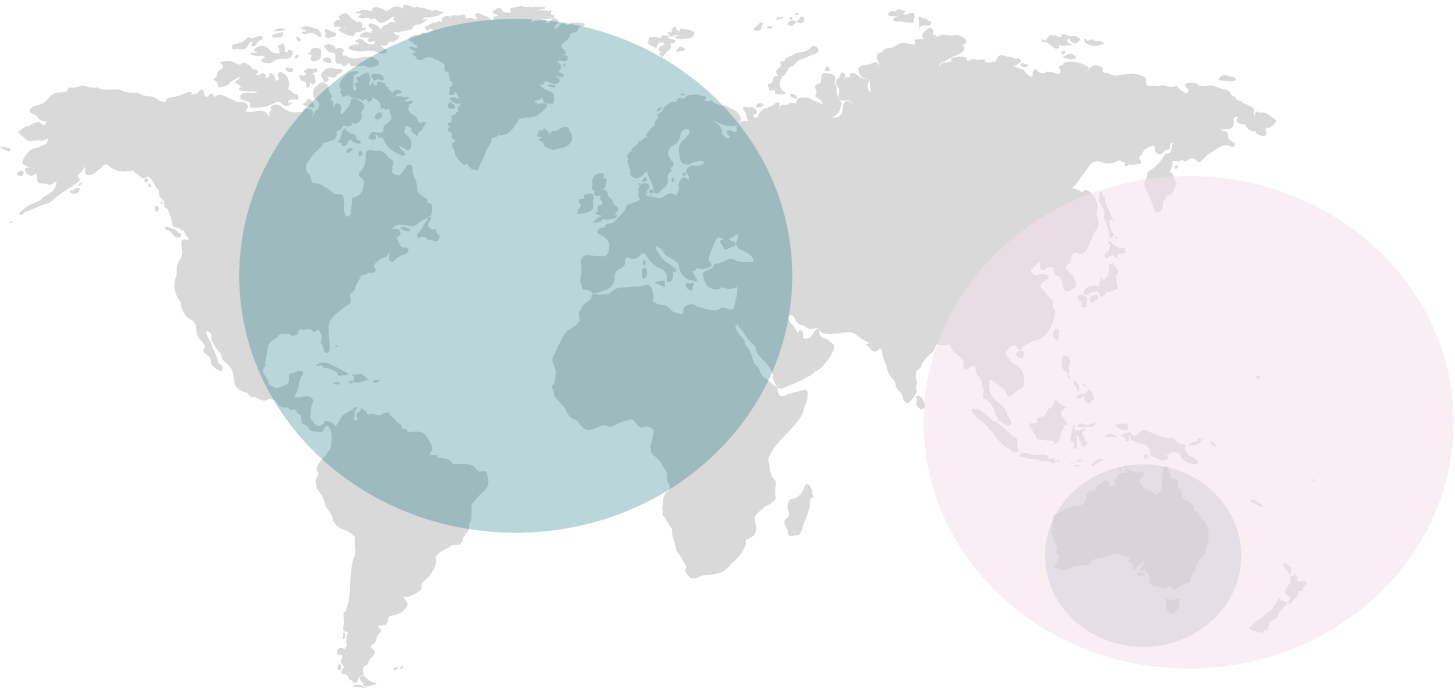
Dexus Global REIT Fund  
Current running yield

**9.19% pa<sup>5</sup>**

Total return<sup>2</sup>

1. Current running yield at 31 March 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.

2. Total returns are at 31 March 2025. 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 the return: [3 Dexus AREIT Fund inception date: 19 January 2009, 4 Dexus Asian REIT Fund inception date: 19 July 2011, 5 Dexus Global REIT Fund's inception date: 1 April 2020]



# What is a real asset?

An asset you can touch and feel whose intrinsic value is inextricably linked to its physical use.



## Real estate



## Infrastructure



## Commodities



# REITs for real asset exposure



Liquid access to growing secular trends\*



High quality portfolios managed by specialists



Defensive & flexible balance sheets



Attractive relative value & persisting catalysts



Single family



Multi family



Healthcare



Logistics



Life sciences



Hospitality



Data centres



Mobile towers



Retail



Office



Self-storage



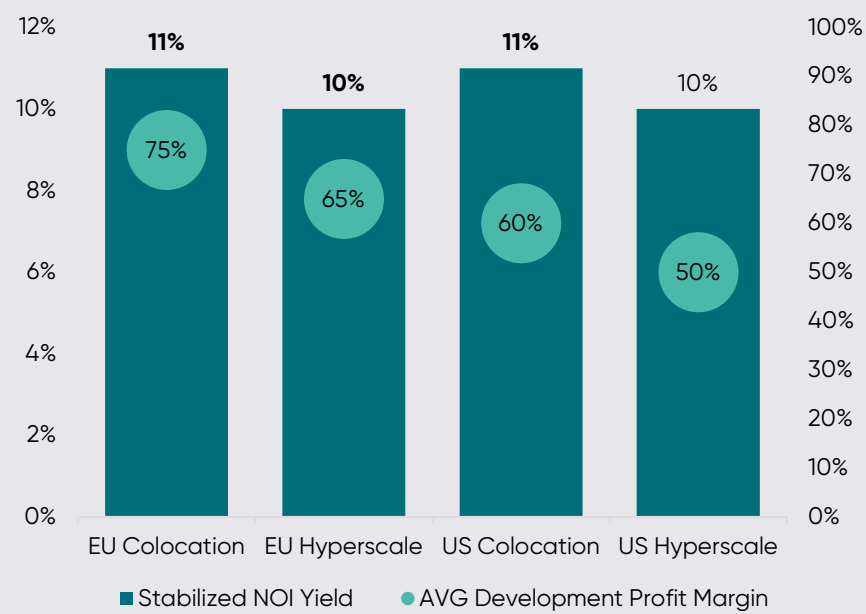
Agriculture

\*Under normal market conditions but withdrawals can take longer in certain cases as set out in the PDS

Sector insight

# Data Centres

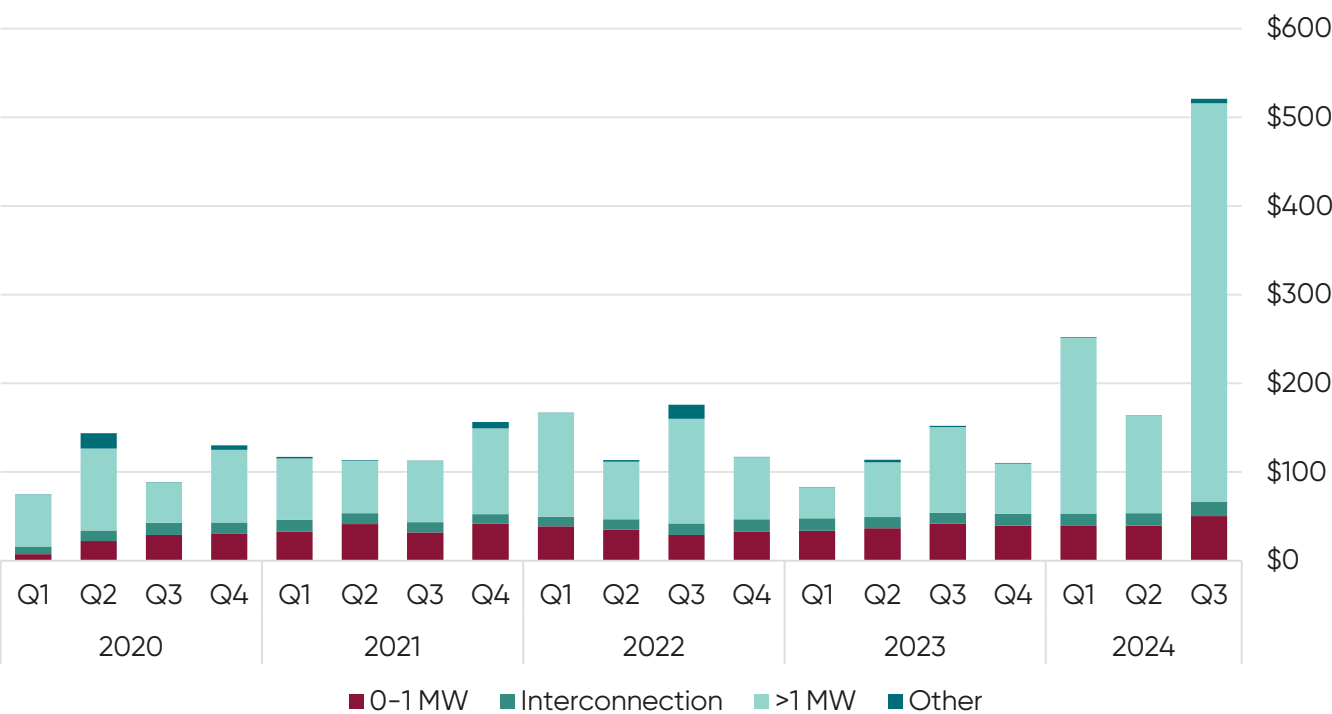
DC development yield & profit by type



Source: Greenstreet, DLR, DXAM

AI demand in a tight power constrained market is driving leasing and attractive development yields

Digital Realty historical leasing (MM USD)



Sector insight

# Healthcare

Resilient and defensive asset class benefitting from strong demographic tailwinds and government support

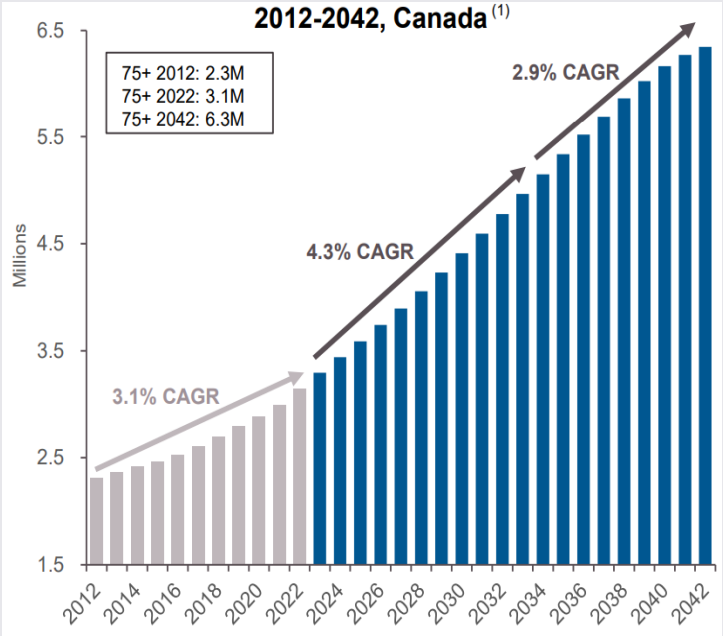
## Seniors living

Countries like Canada are expecting a doubling in 20 years of those aged 75+

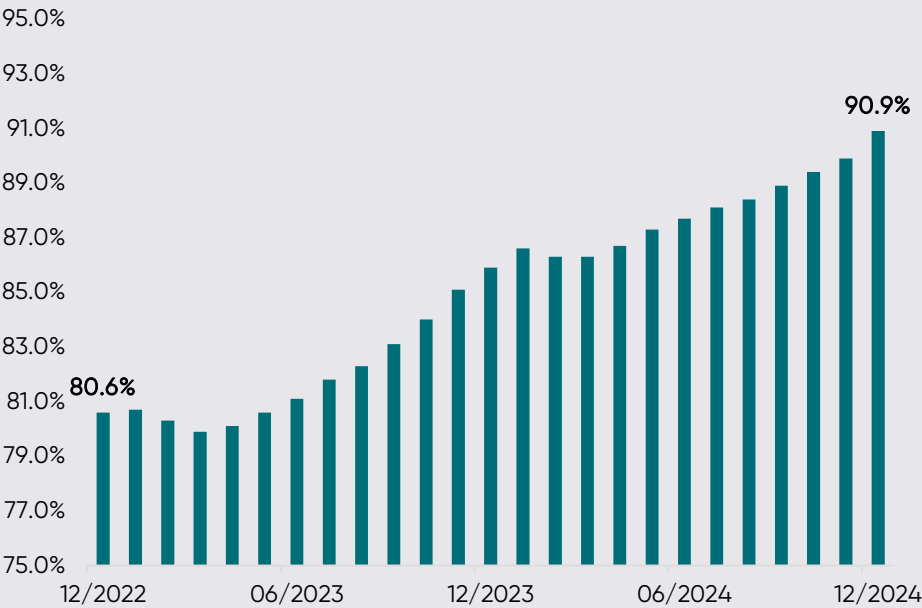
New construction for seniors housing in North America are at their lowest levels in years

Investment return drivers have anti-cyclical properties given they are less correlated with the traditional business cycle

## Canada population projected 75 and over



## Chartwell same property occupancy



Source: Chartwell, DXAM

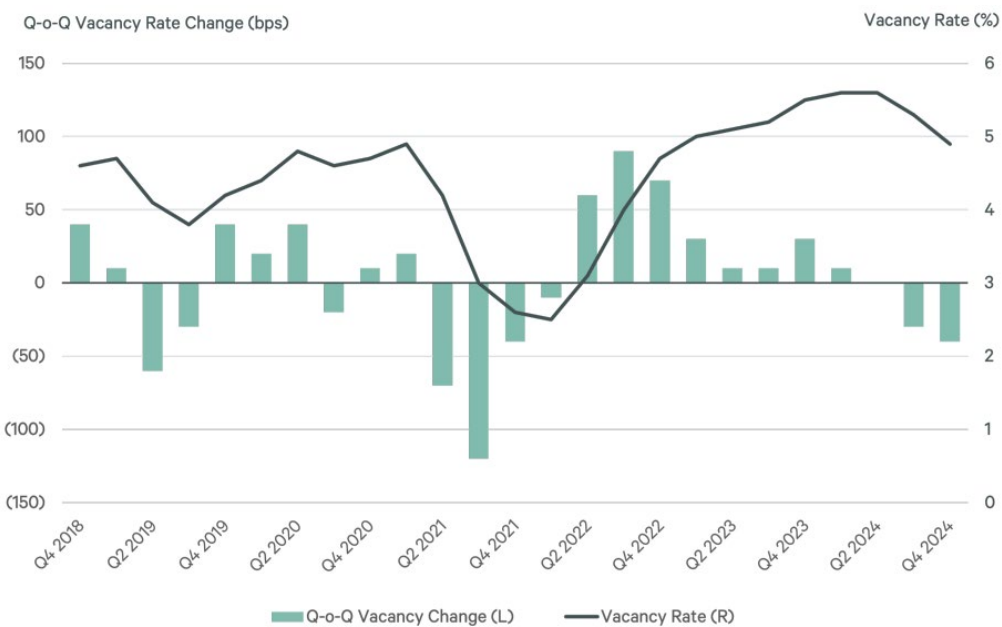


Sector insight

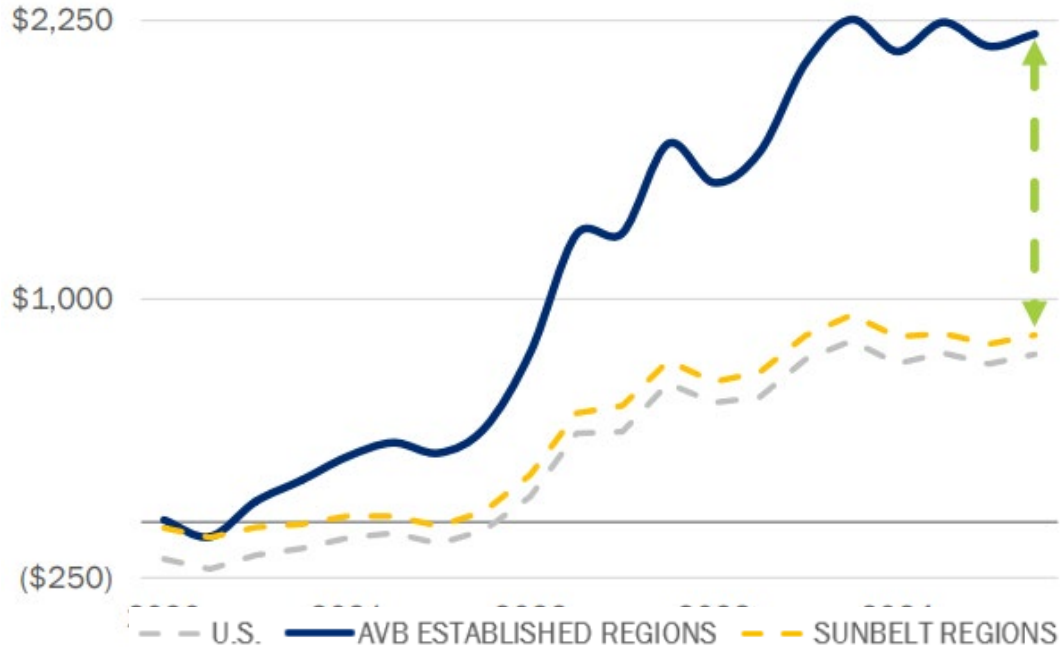
# Multifamily Residential

Apartments in demand as housing affordability at record lows

## U.S. multifamily vacancy rate



## Monthly median mortgage payment less apartment rent (\$USD)



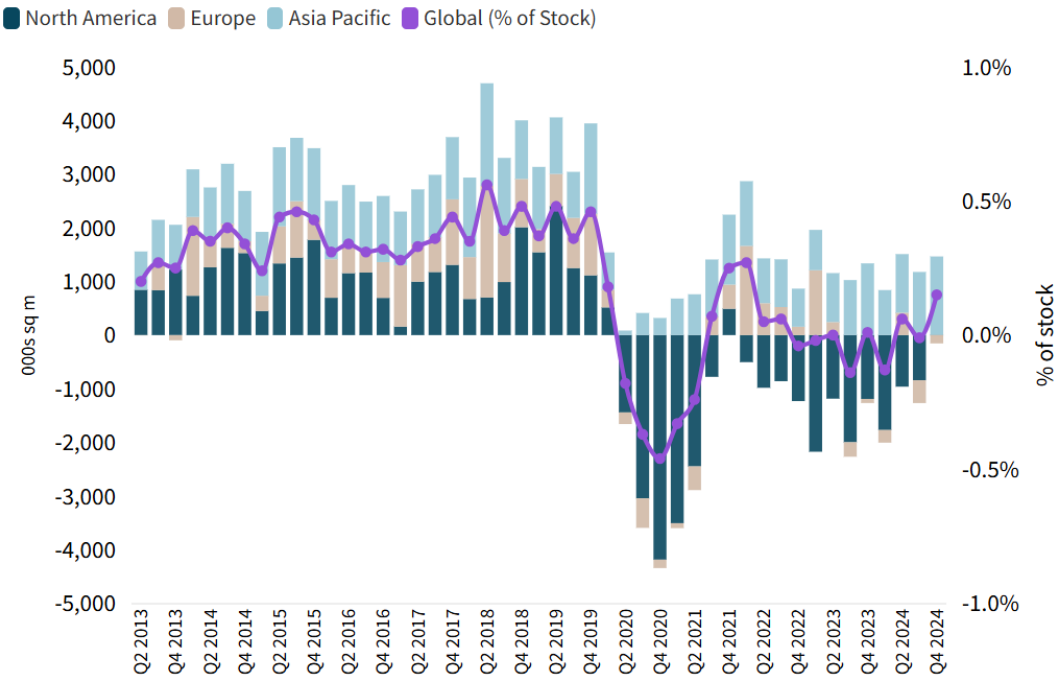
Source: CBRE,AVB



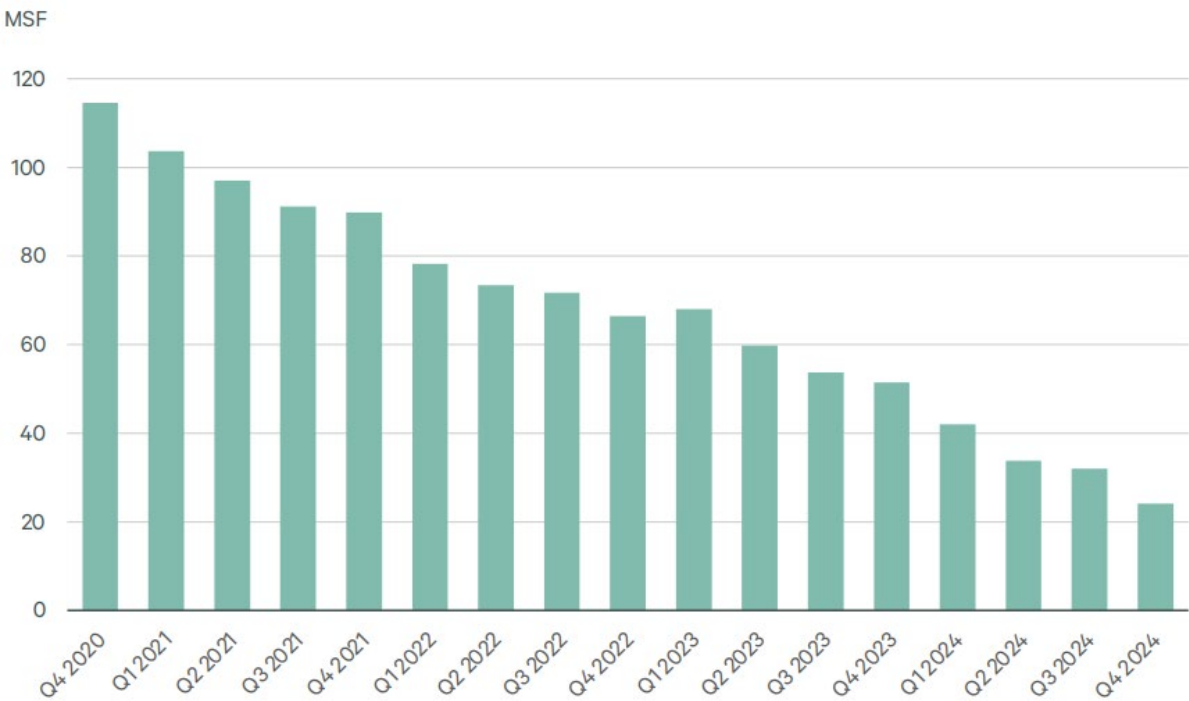
# Office

Tenants favour new mixed-use buildings with amenities in prime locations

## Office net absorption by region



## U.S. office under construction



Source: JLL,CBRE

Sector insight

# Industrial

Functional, flexible, and last-mile locations in high demand



**High growth markets**

Prime US Sunbelt markets with higher historical & expected GDP growth



**Limited supply**

Small bay inventory growth of 6% since 2020 vs 32.6% for larger sizes



**Diversification**

Top 10 customers are 7.2% ABR, 75% revenue from broadest tenant base 20k-100k SF


U.S. industrial vacancy rates by size range



# Enduring catalysts for REIT outperformance

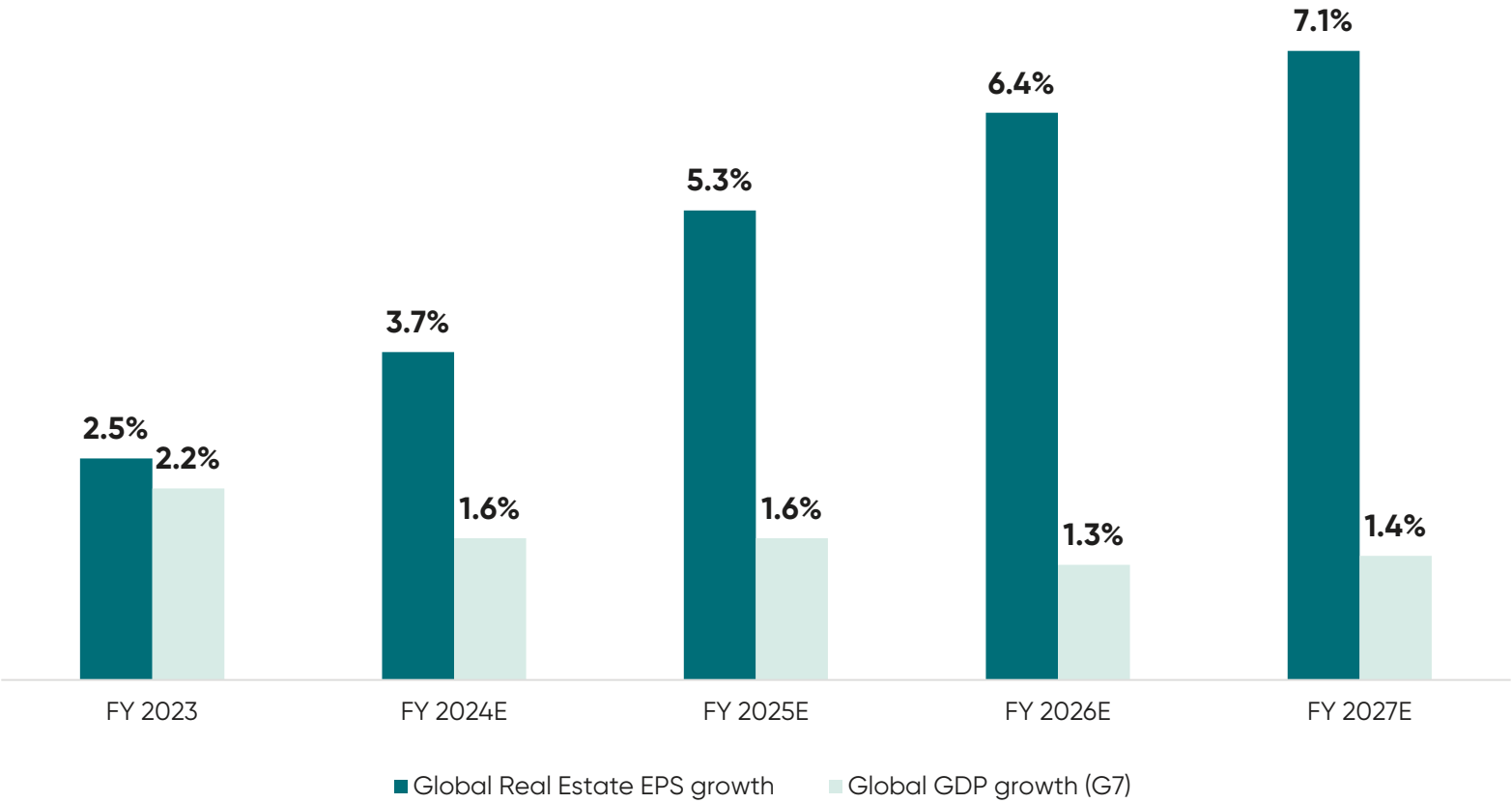
**Fundamental** and **macroeconomic** catalysts likely to see Global REITs fair value discounts close

- Operational resilience 
- Sustained barriers to development 
- Access to growth capital 
- Moderating inflation, interest rates 

 **Ingredients for current Fair Value Discounts to close**

## UBS Research

Global real estate sector earnings growth estimates vs. GDP growth\*








Source: IBES, Datastream, UBS, DXAM

\*This graph has not been prepared by DXAM and the information in it is predictive in nature. Global EPS & GDP growth (YoY) is average of US, UK, EU, AU, JP, HK, and Singapore. Any forward looking statements are based on estimates and assumptions related to future business, economic, market, political, social and other conditions that are inherently subject to significant uncertainties, risks and contingencies, and the assumptions may change at any time without notice. The statements may therefore be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Actual results ultimately achieved may differ materially from those predicted or implied by any forward looking statements and are not guaranteed to occur. The forward looking statements only speak as at the date of this material, and except as required by law, DXAM disclaims any duty to update them to reflect new developments.

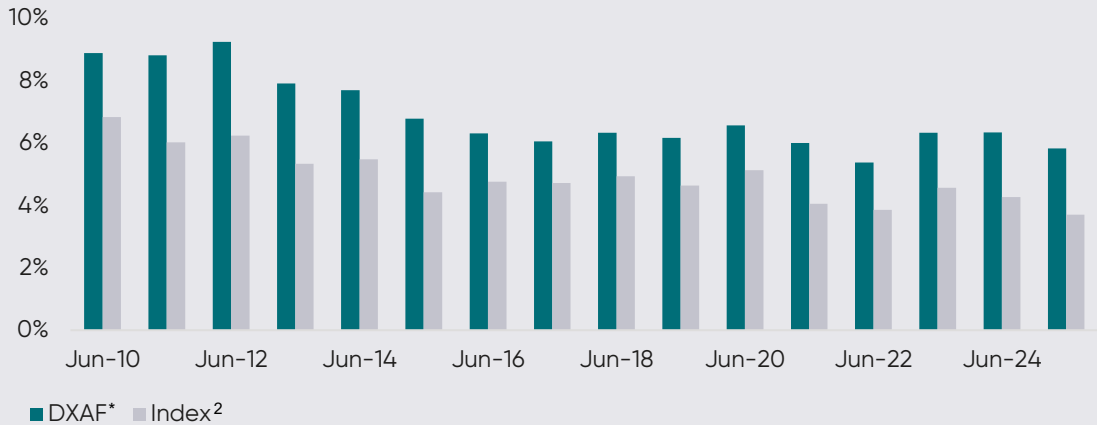
# Dexus AREIT Fund

Portfolio composition and outcome of investment strategy

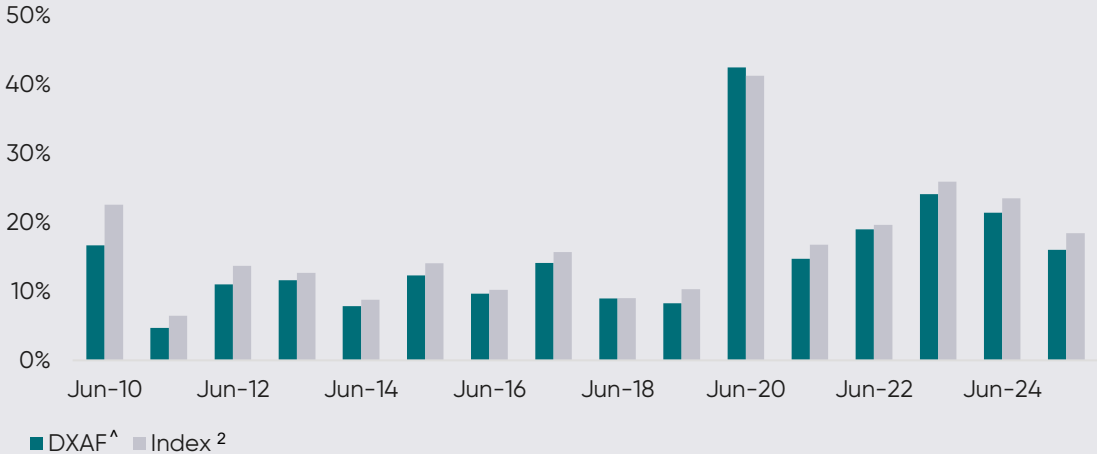
<b>Retail REITs</b> Fortress mall outperformance		+4.4%
<b>Industrial REITs</b> Defensive growth, structural tailwinds		-3.9%
<b>Residential REITs</b> Structural tailwinds, rate cuts		+4.6%
<b>Diversified REITs</b> Deep value, Office recovery		+2.6%
<b>Alternative REITs</b> Defensive growth, resilient income		+2%

1. Fund and Index Dividend yield are average of the last 12 months. Running yield is calculated daily by dividing the annualized 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.  
2. S&P ASX AREIT 300 Index

**Income**  
Dividend Yield<sup>1</sup>



**Volatility**  
Standard Deviation





# Dexus Global REIT Fund

Portfolio composition and outcome of investment strategy

Defensively access structural trends



**Industrial REITs**

Last-mile, near-shoring, supply chain efficiency



Regional and sector diversification



**Technology REITs**

Defensive growth, structural tailwinds



Real income underpins total return



**Healthcare REITs**

Seniors living, demographic tailwinds



Direct real estate portfolio completion



**Residential REITs**

Supply shortage, resilient demand



**Retail REITs**

Open-air, daily needs

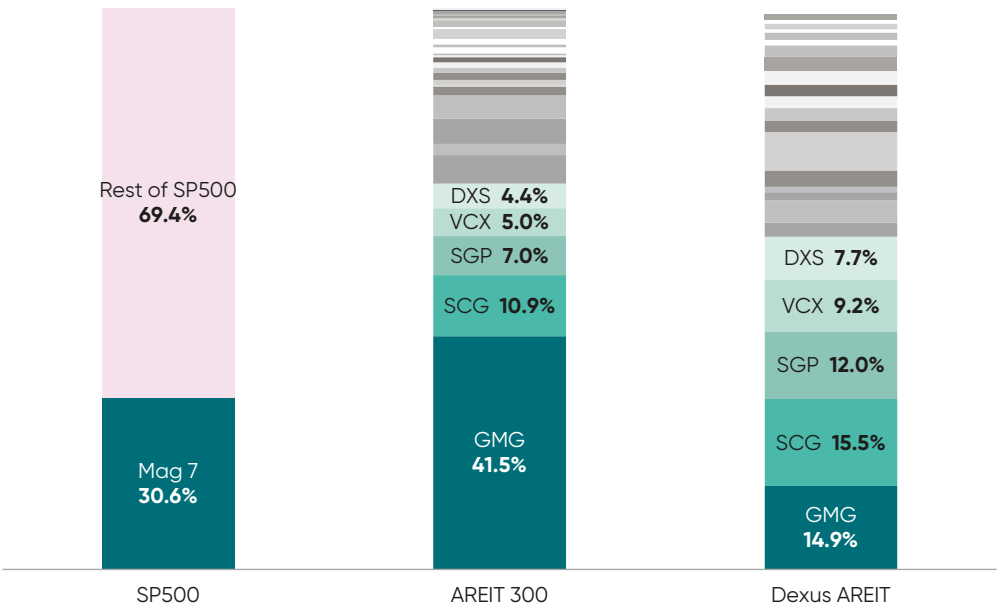


Source: Company information, DXAM

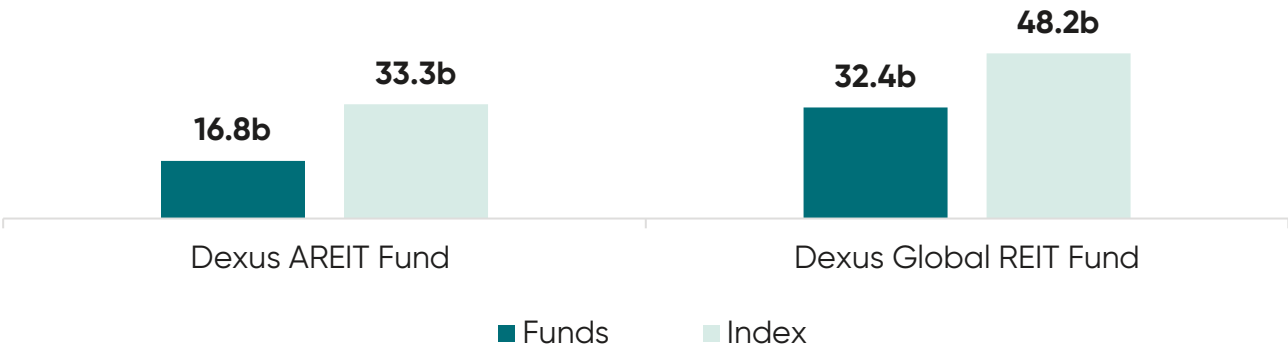
# Active investing edge in REITs

Both the Dexus AREIT Fund and Dexus Global REIT Fund are highly differentiated to passive alternatives

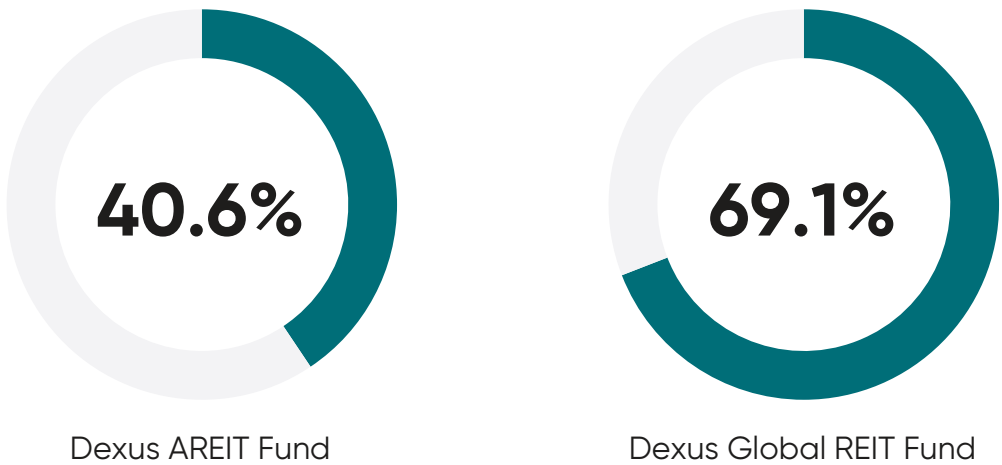
## Market concentration in REITs



## Weighted average market cap (AUD)



## Fund active share

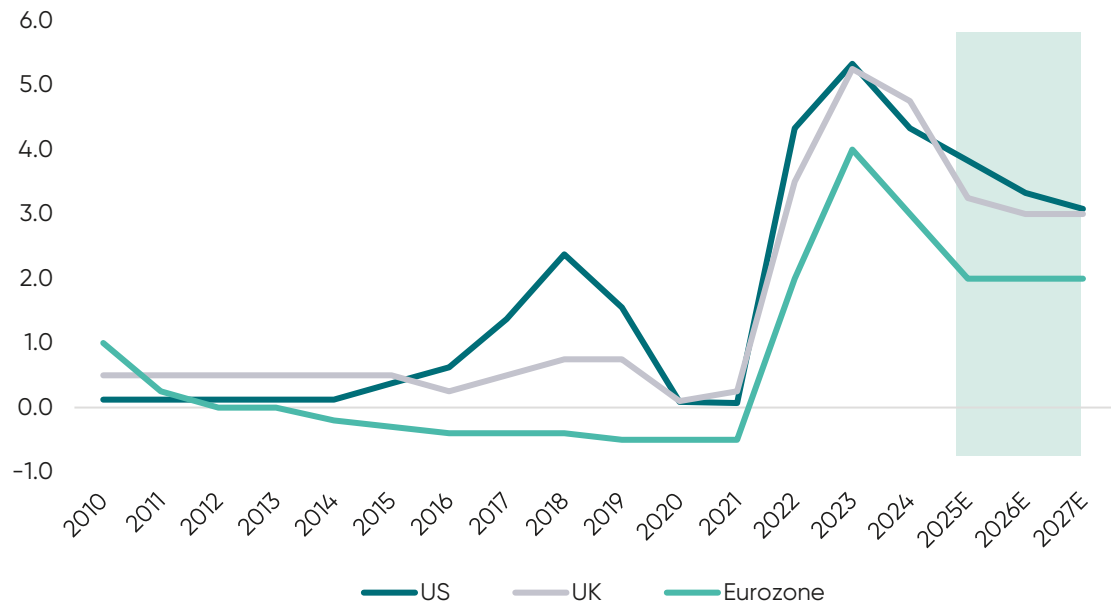


# Increasingly supportive macro backdrop

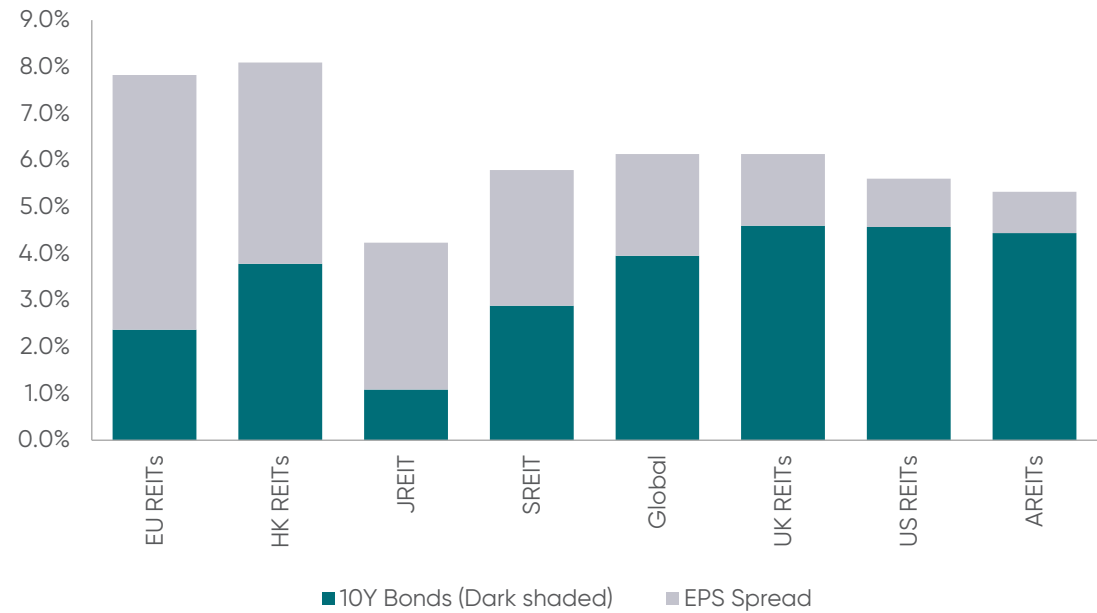
Policy rates have eased while a positive spread exists between government bond and REIT EPS yields

## Central bank policy rate (%)

Historical / Forecast (shaded)



## Global REIT EPS yield spread vs. local 10yr bond yield



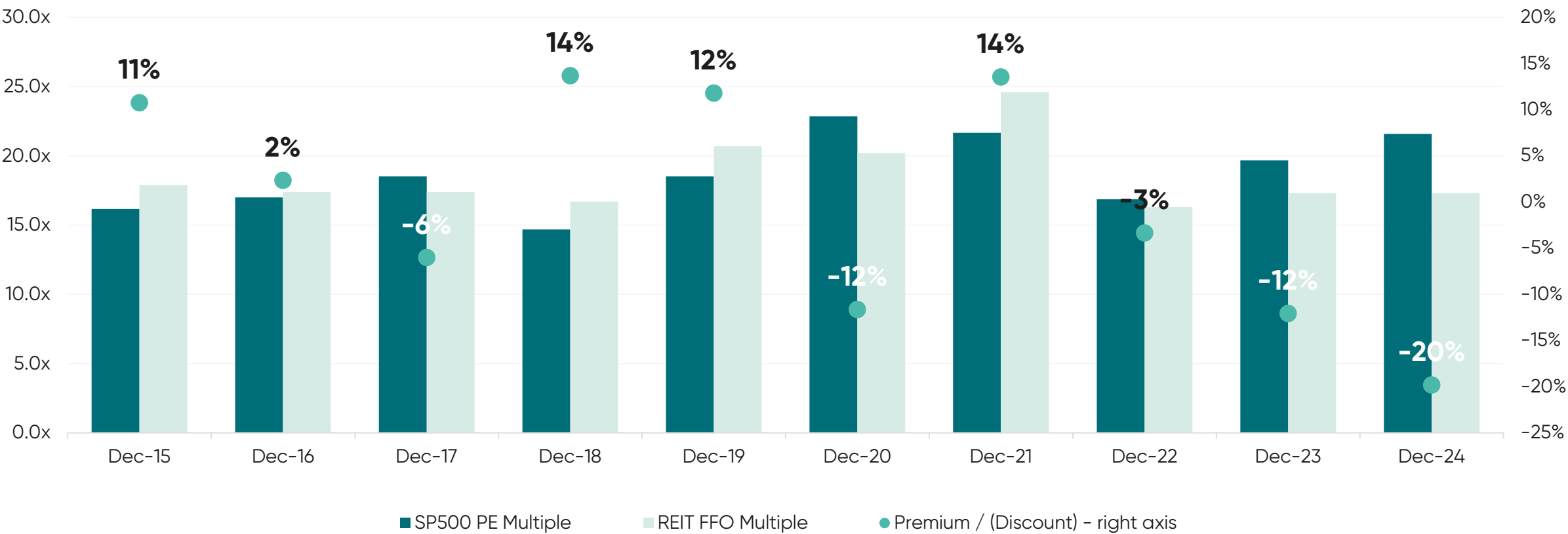
Source: Haver, CEIC, National Statistics, Refinitive Datastream, UBS economic forecasts.

\*This graph has not been prepared by DXAM and the information in it is predictive in nature. Any forward looking statements are based on estimates and assumptions related to future business, economic, market, political, social and other conditions that are inherently subject to significant uncertainties, risks and contingencies, and the assumptions may change at any time without notice. The statements may therefore be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Actual results ultimately achieved may differ materially from those predicted or implied by any forward looking statements and are not guaranteed to occur. The forward looking statements only speak as at the date of this material, and except as required by law, DXAM disclaims any duty to update them to reflect new developments.

# Relative value on offer in Global REITs

REIT multiples are trading at the widest multiple gap to equities in 10 years

SP500 P/E Multiple vs US REIT FFO Multiple



Source: Jefferies, DXAM



# REIT expectations and opportunity



**Macro likely to dominate**



**Closer to certainty in the cost of capital**



**Disconnect between listed and unlisted**



**A selective approach will be key**



## As the cycle turns, opportunities abound

Pressure on valuations, earnings from rising rates is now diminishing

Underperformance vs. equities has been significant, reversion potential?

Developed central banks have started to cut rates, interest rate sensitivity works both ways

Own the highest quality, well managed real estate portfolios at discounts to fair value

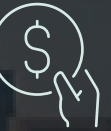
Access a liquid real asset class with a track record of outperforming inflation

REIT cashflows are underpinned by resilient operations and solid balance sheets

dexus



**Capital growth potential**



**Real income underpinning**



**Actively managed portfolios**



**Publicly traded securities**



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