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Why consider REITs for real asset exposure?

IMAP Portfolio Management Conference

March 2025

Dexus today

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

Dexus total FUM	Investment portfolio	Third-party FUM
$53.4bn	**$14.5bn**	**$38.9bn**

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

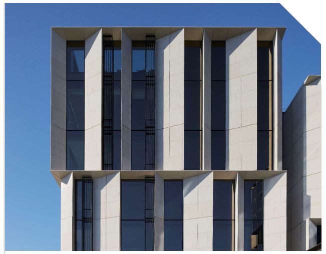
Office
$20.2bn

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

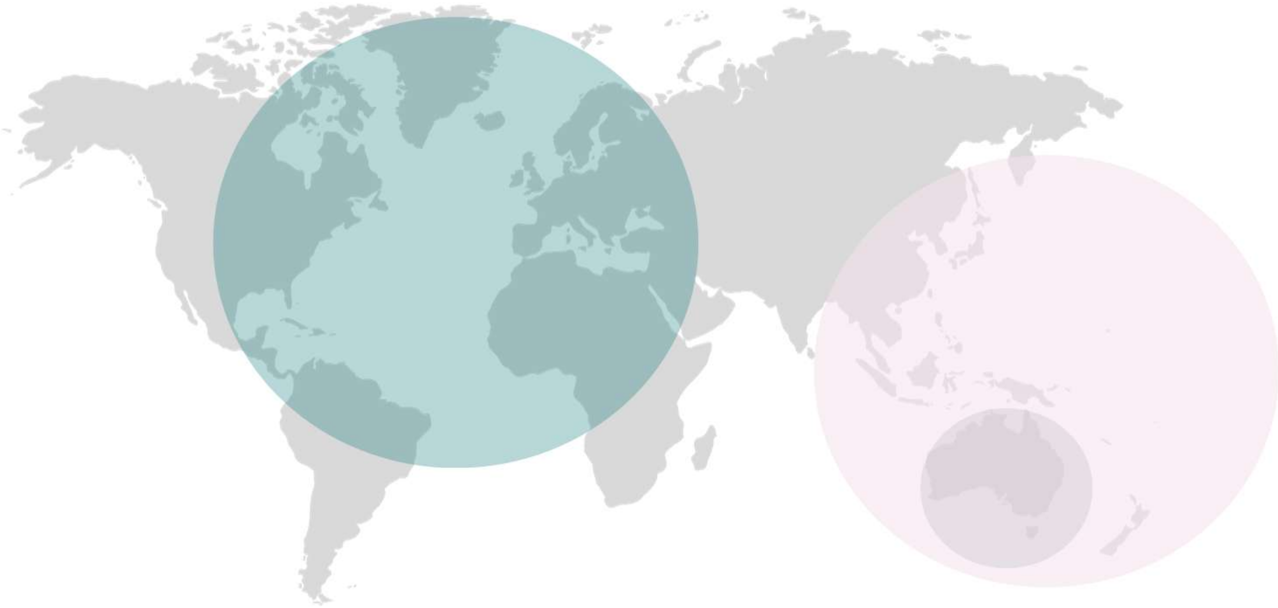
5.90% pa[1]
Dexus AREIT Fund
Current running yield

9.70% pa[3]
Total return[2]

Global

3.80% pa[1]
Dexus Global REIT Fund
Current running yield

9.24% pa[5]
Total return[2]



1. Current running yield at 31 December 2024 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 December 2024. 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]

Investment philosophy

Dexus Real Estate Securities

An active manager with a relative value bias targeting growth at a reasonable price

Commercial property is primarily an investment in a predictable, growing income stream

Long term leases provide protection from the short-term business cycle impacting other asset classes

Understanding property **fundamentals** is critical

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Our objective

Income, lower volatility and CPI+ capital growth

Commercial property exposure **diversified** by asset type, location, sector

Active portfolio management: Allocate to those regions, property types with prospects of sustained **rental tension**

Attractive risk-adjusted total returns achieved over the long-term

REITs for real asset exposure

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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

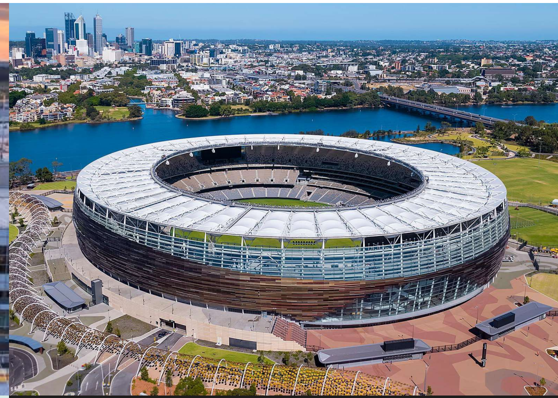
*Under normal market conditions but withdrawals can take longer in certain cases as set out in the PDS

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

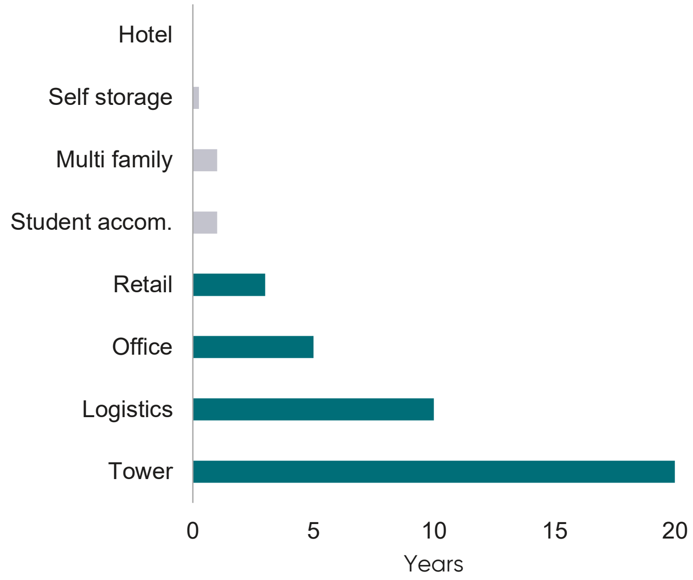
Real asset qualities driving real estate returns

Understanding how the long-term drivers of value can be optimised to maintain the purchasing power of capital

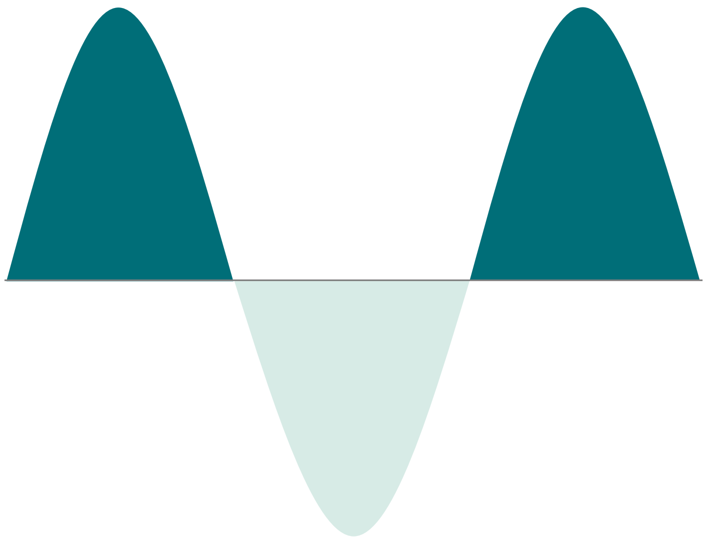
- Capitalisation of income
- Replacement cost
- Lease duration
- Cyclical, structural trends

Actively optimising real asset returns

Real estate with shorter leases can readily access market forces



Supply and demand dynamics drive rental tension and growth



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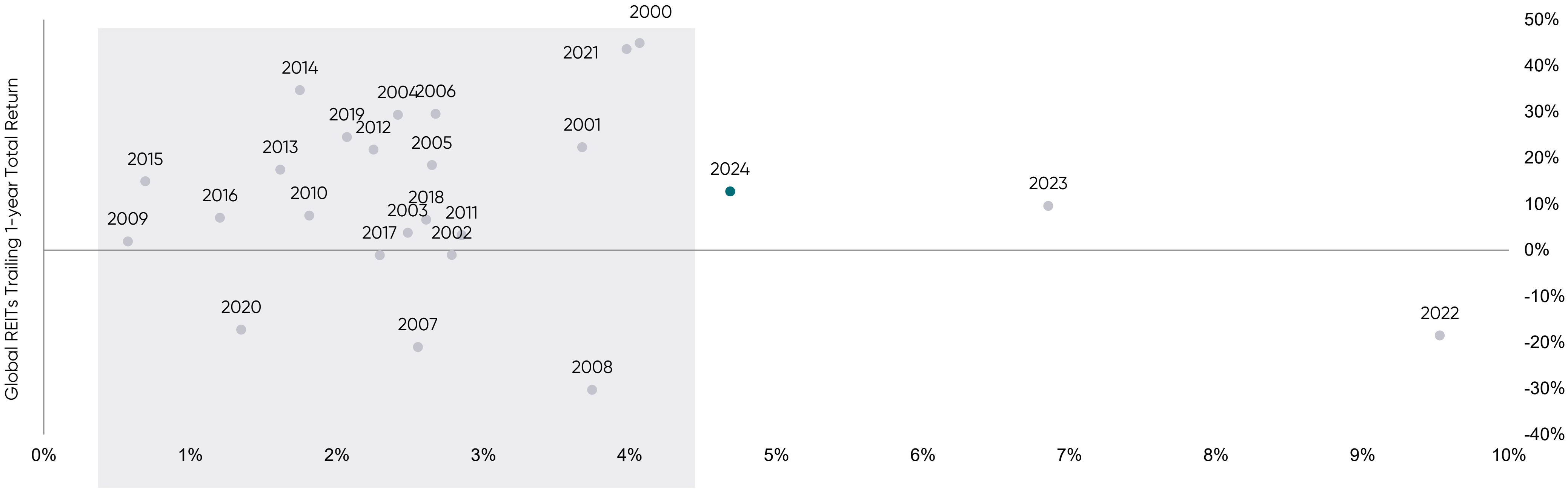
REITs have historically achieved better returns when inflation is around 2.0% – 3.0%

Global REITs Trailing 12M Total Return vs CPI (%)*



*Global REITs is the GPR 250 REIT Index; CPI is the OECD global inflation rate. Past performance is not a reliable indicator of future performance
Source: DXAM, UBS Research, Bloomberg

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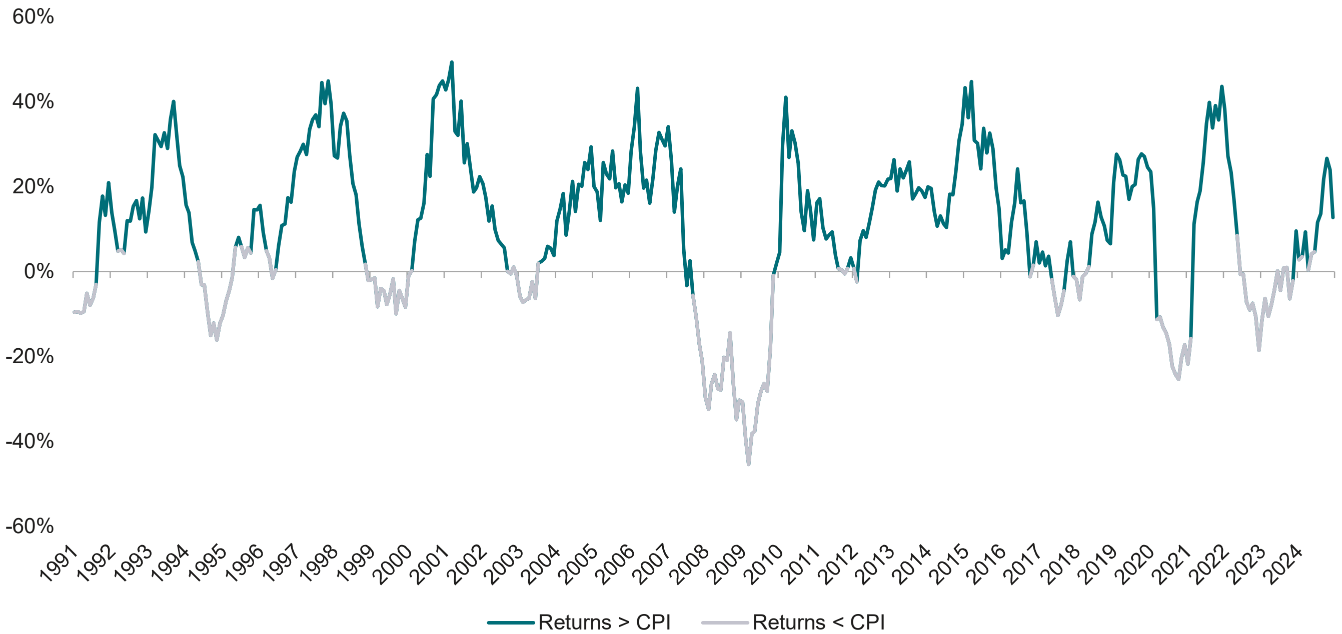
REIT returns have historically outperformed inflation

Global REIT returns have outperformed inflation in 65% of the last 30 years

Global REIT Trailing 12M Total Return*



Return CAGR*

	Global CPI	Global REITS
1-yr	4.7%	12.7%
5-yr	5.2%	3.7%
10-yr	3.5%	6.8%
15-yr	3.0%	9.9%
20-yr	2.9%	6.6%
30-yr	3.3%	9.4%

*Data to 31 December 2024. Global REITs is the GPR 250 REIT Index; CPI is the OECD global inflation rate. Past performance is not a reliable indicator of future performance
Source: DXAM, Bloomberg

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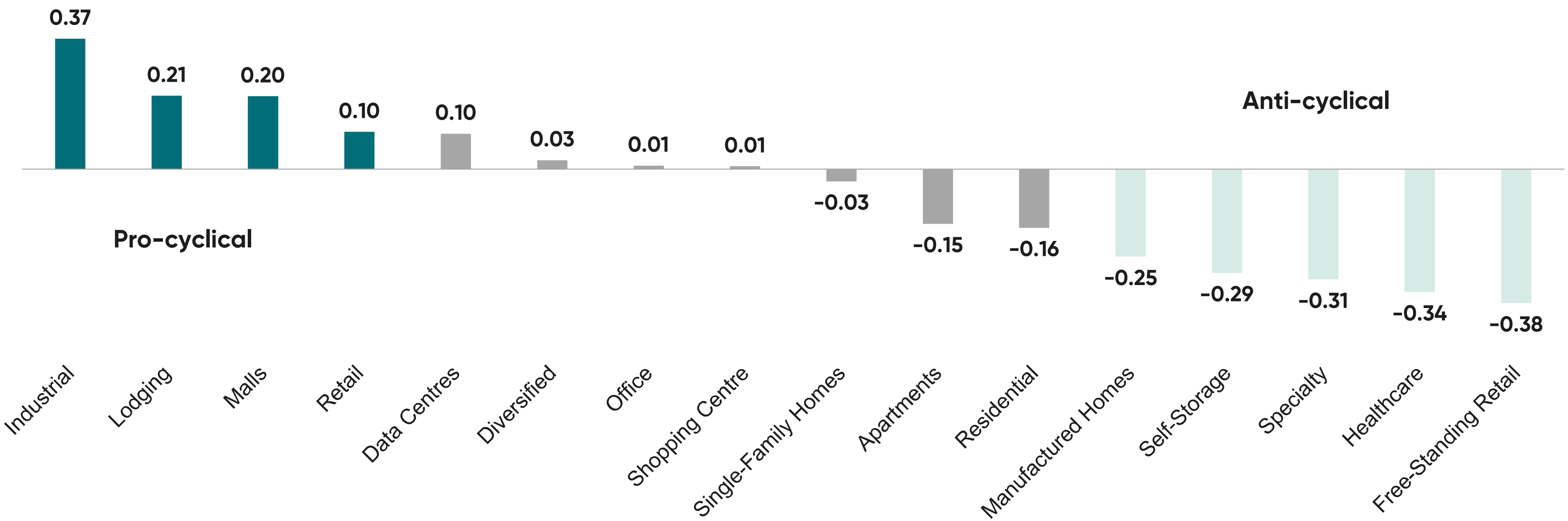
US REIT sub-sector return correlation with GDP

Access alternative real estate sub-sectors lower correlations to broader economic cycle

US REIT Sub-Sector Performance Correlation to GDP 2000-2023 (ex. 2020-21)*



Source: UBS, DXAM
*Past performance is not a reliable indicator of future performance

US REITs sub-sector return analysis

An actively managed and diversified exposure to optimise risk-adjusted returns

Correlations between US REIT sub-sectors*

	Multi-Family	Data Centre	Healthcare	Industrial	Infrastructure	Lodging	Malls	Manufactured Housing	Office	Shopping Centres	Single Family	Self-Storage	Timber	Triple Net
Multi-Family	1.00													
Data Centre	0.42	1.00												
Healthcare	0.79	0.42	1.00											
Industrial	0.76	0.64	0.67	1.00										
Infrastructure	0.49	0.67	0.55	0.56	1.00									
Lodging	0.70	0.12	0.63	0.67	0.24	1.00								
Malls	0.74	0.15	0.71	0.64	0.30	0.81	1.00							
Manufactured Housing	0.74	0.57	0.74	0.66	0.57	0.43	0.51	1.00						
Office	0.84	0.37	0.78	0.78	0.46	0.78	0.81	0.64	1.00					
Shopping Centres	0.79	0.20	0.79	0.69	0.36	0.81	0.92	0.58	0.85	1.00				
Single Family	0.75	0.57	0.76	0.75	0.61	0.44	0.51	0.77	0.68	0.59	1.00			
Self-Storage	0.69	0.40	0.62	0.70	0.49	0.49	0.52	0.62	0.63	0.54	0.54	1.00		
Timber	0.56	0.37	0.57	0.62	0.33	0.63	0.59	0.52	0.68	0.61	0.61	0.37	1.00	
Triple Net	0.70	0.33	0.79	0.63	0.51	0.56	0.72	0.71	0.70	0.75	0.69	0.59	0.50	1.00

*Time period for analysis by sub-sector is 8 years for Single Family, 8years for Data Centre, 12 years for Infrastructure, 13yrs for Timber and 15 years for the remainder. Past performance is not a reliable indicator of future performance
Source: Citi Research, NAREIT, DXAM

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Real asset return correlations

Global REIT returns exhibit low relative correlation to both equities and bonds

Correlation Matrix

	Global REIT	Global Infra.	Commodity	EM Equity	US Equity	US HY Bond	US BBB+Bond	US T-Note	AUS Equity	AUS REIT
Global REIT	**1.00**	**0.75**	**0.45**	**0.60**	**0.74**	**0.69**	**0.16**	**-0.13**	**0.71**	**0.80**
Global Infra.	0.75	1.00	0.58	0.80	0.77	0.66	0.07	-0.26	0.88	0.72
Commodity	0.45	0.58	1.00	0.57	0.46	038	-0.19	-0.36	0.49	0.24

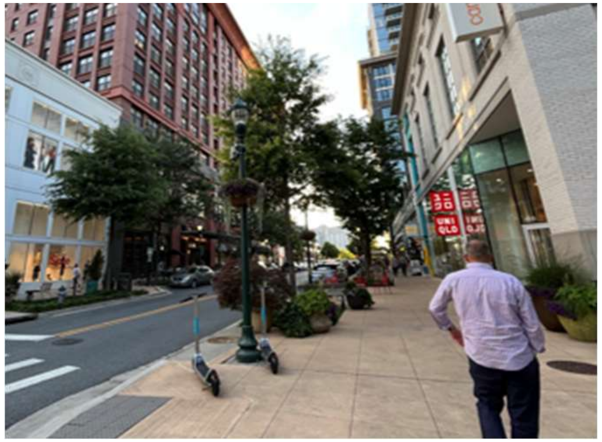
Source: Bloomberg (Global Infra. = SPGTIND Index, EM Equity = MXEF Index, Global REIT = G250USUS Index, Commodity = SPGSCI Index, US Equity = SPX Index, US HY Bond = LF98TRUU Index, US BBB+ Bond = LBUSTRUU Index, US T-Note = IEF US Equity, AUS Equity = AS51 Index, AUS REIT = AS51PROP Index.).
Past performance is not a reliable indicator of future performance

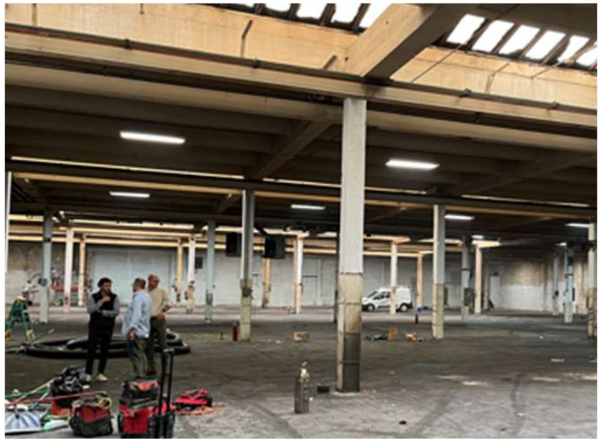
Why active management in REITs

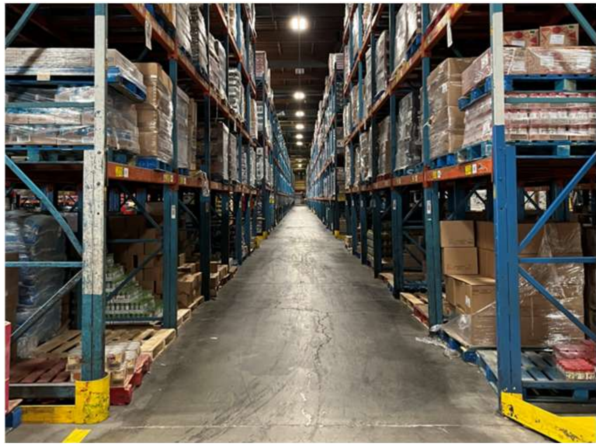
Active investing edge in REITs

Deep specialist industry knowledge and active diligence can uncover unique investment opportunities in REITs

- Just ~2.2% of the MSCI World Index
- Ownership is dominated by generalists, passive investors
- Less analyst coverage, focus in small/mid-cap segment
- Material divergence between regional, sector performance
- Active engagement with REIT boards, management teams
- Investment team of industry specialists
- Attend domestic and global property tours, conferences



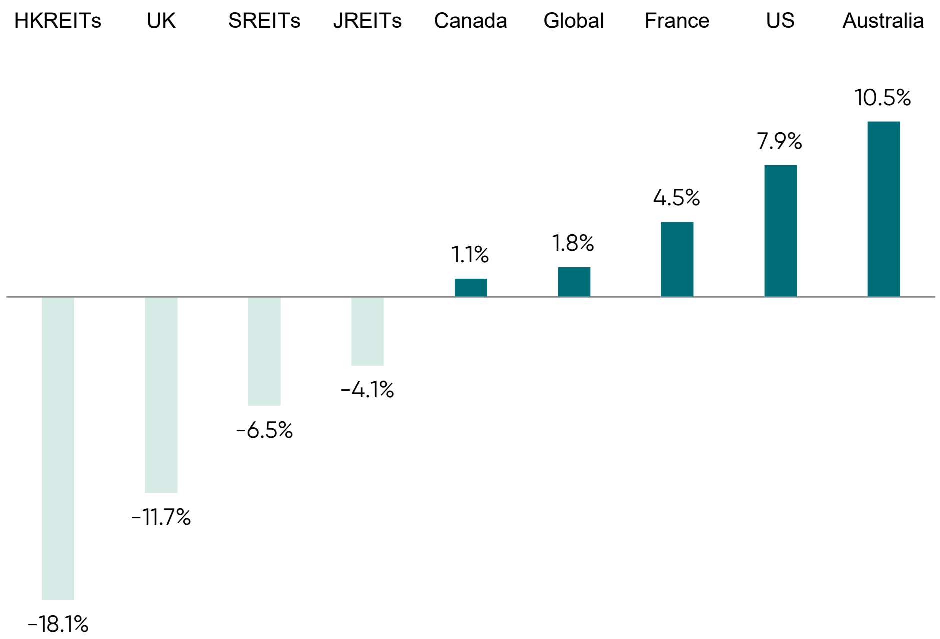


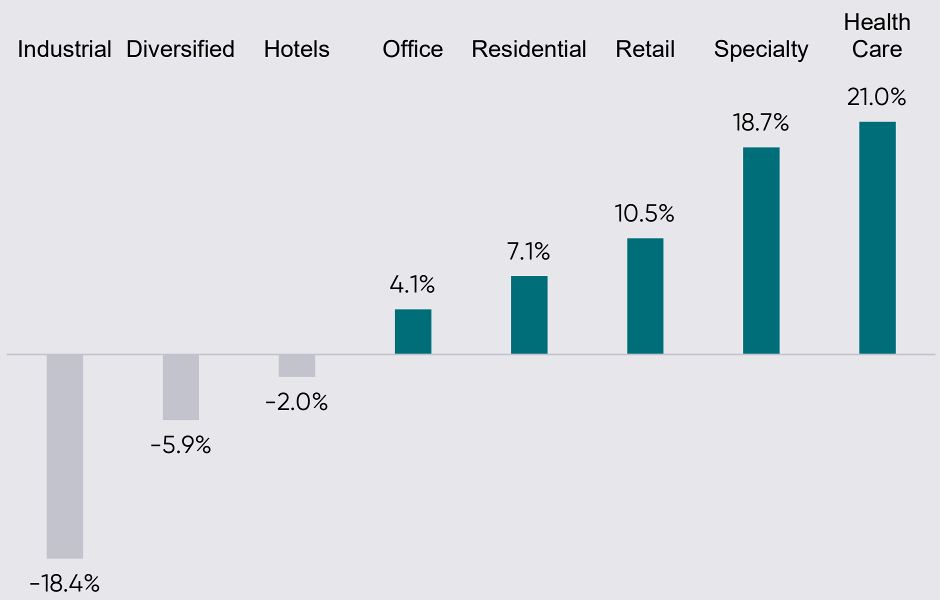


Source: MSCI, DXAM

Active investing edge in REITs

Material divergence in regional and sub-sector performance creates ability to drive positive returns





Source: UBS, DXAM
*Past performance is not an indicator of future performance

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Active investing edge in REITs

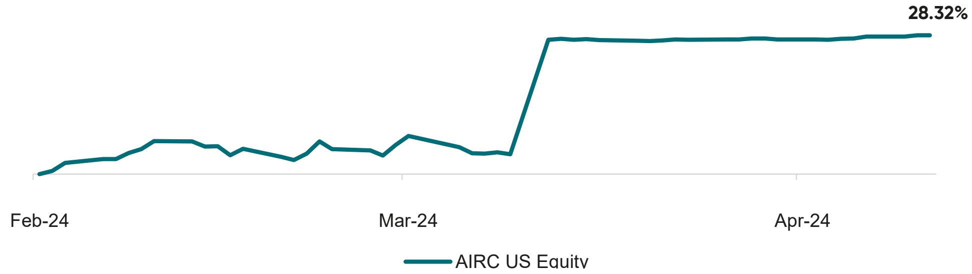
Value-affirming transactions often occur in the small or mid-capitalisation REIT segment

AIR Communities
NYSE:AIRC

1.20%	0.40%	+80bps

Owner and manager of upscale coastal apartments
Portfolio of over 26k multifamily properties primarily in Miami, LA, & Boston

Relative valuation, Quality fundamentals
Strong lease mechanics, high quality tenants, expansion of platform, enhancements driving value creation

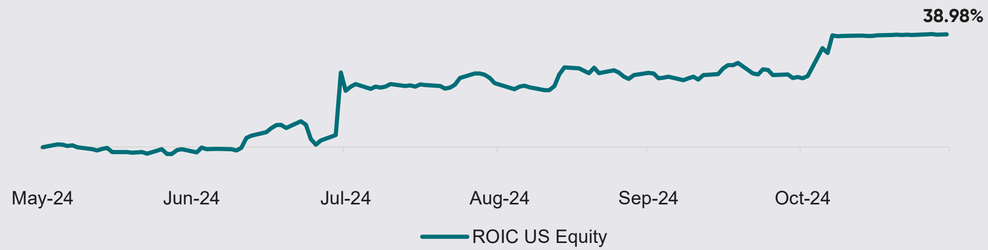


Retail Opportunity Investments Corp
NYSE:ROIC

3.00%	0.14%	+286bps

Owner of west coast US grocery anchored retail
Portfolio of over 93 high quality retail properties across Los Angeles, Seattle, San Francisco and Portland

Relative valuation, Superior markets
Strong tenant demand, attractive rent growth, high supply barriers, value affirming private transactions

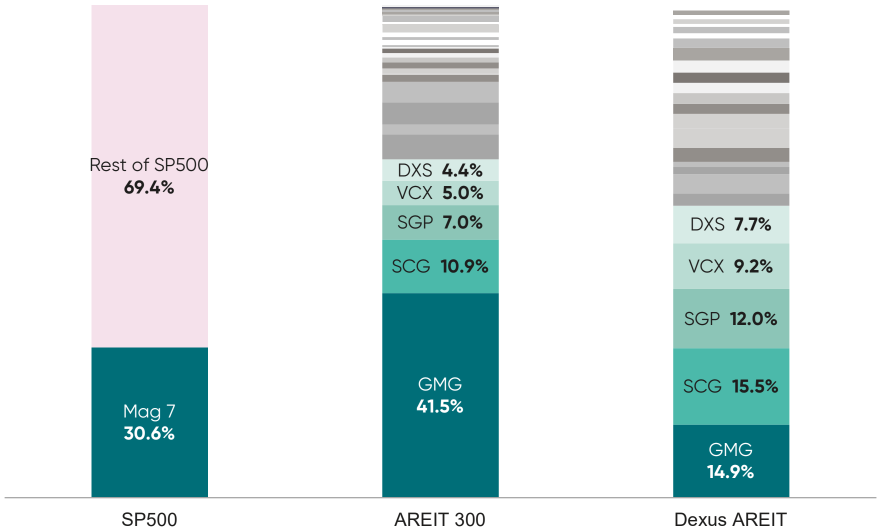


Source: DXAM, Bloomberg, Company information

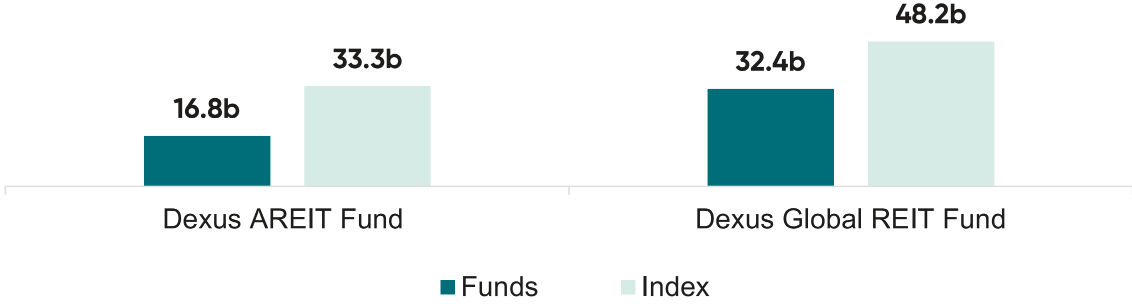
Active investing edge in REITs

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

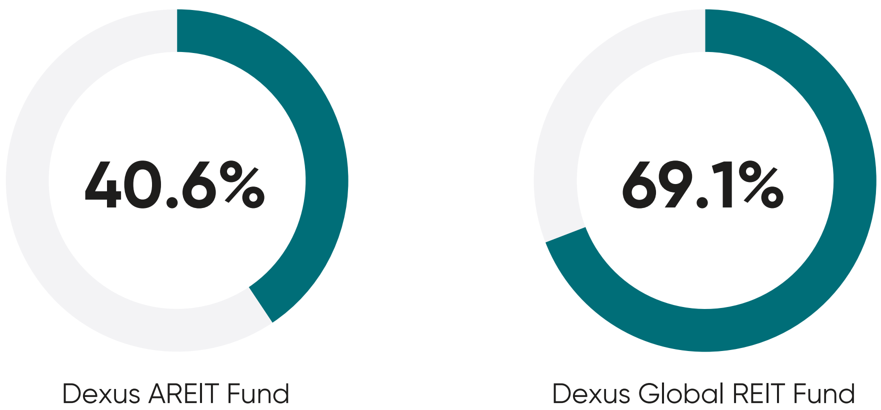
Market concentration in REITs



Weighted average market cap (AUD)



Fund active share



Source: DXAM, Bloomberg, Company information

Dexus AREIT Fund

Portfolio composition and outcome of investment strategy

Retail REITs Fortress mall outperformance	VICINITY CENTRES	+4.4%
Industrial REITs Defensive growth, structural tailwinds	Goodman	-3.9%
Residential REITs Structural tailwinds, rate cuts	Stockland	+4.6%
Diversified REITs Deep value, Office recovery	dexus	+2.6%
Alternative REITs Defensive growth, resilient income	NATIONAL STORAGE	+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

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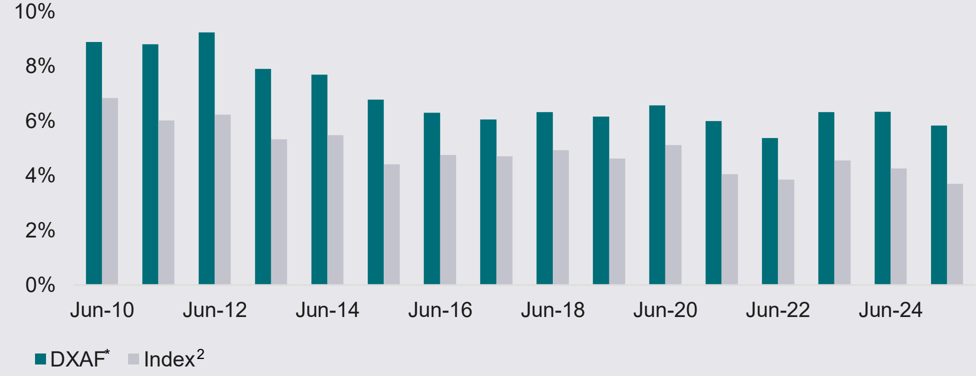
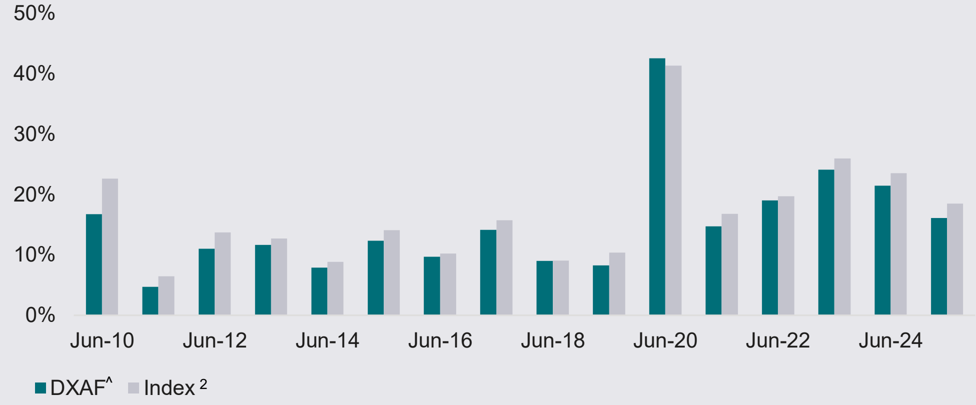
Income
Dividend Yield[1]



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 EastGroup Properties; Urban Logistics REIT PLC
Regional and sector diversification	**Technology REITs** Defensive growth, structural tailwinds Equinix; Digital Realty
Real income underpins total return	**Healthcare REITs** Seniors living, demographic tailwinds Chartwell; Ventas
Direct real estate portfolio completion	**Residential REITs** Supply shortage, resilient demand Unite Students; AvalonBay Communities
	Retail REITs Open-air, daily needs Kite; Vicinity Centres

Source: Company information, DXAM

REIT expectations & opportunity

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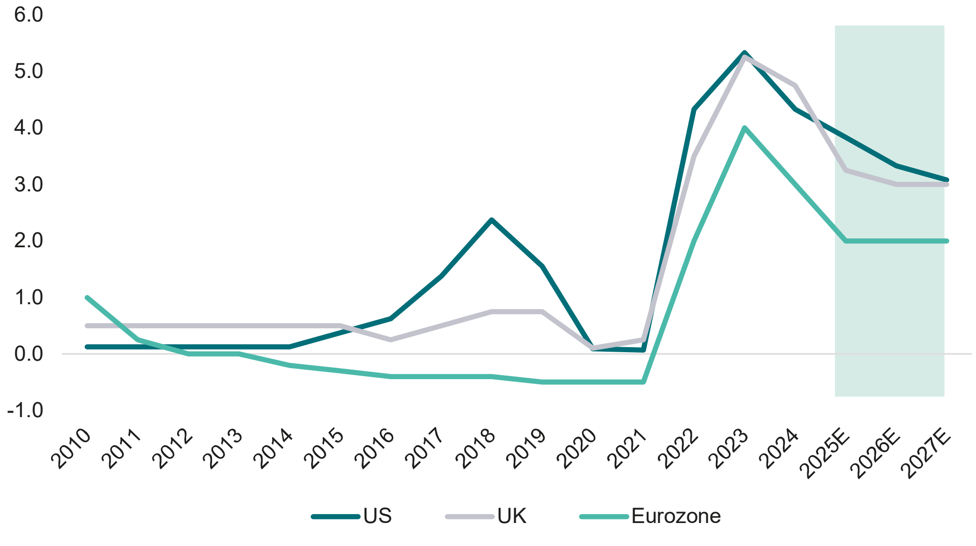
Increasingly supportive macro backdrop

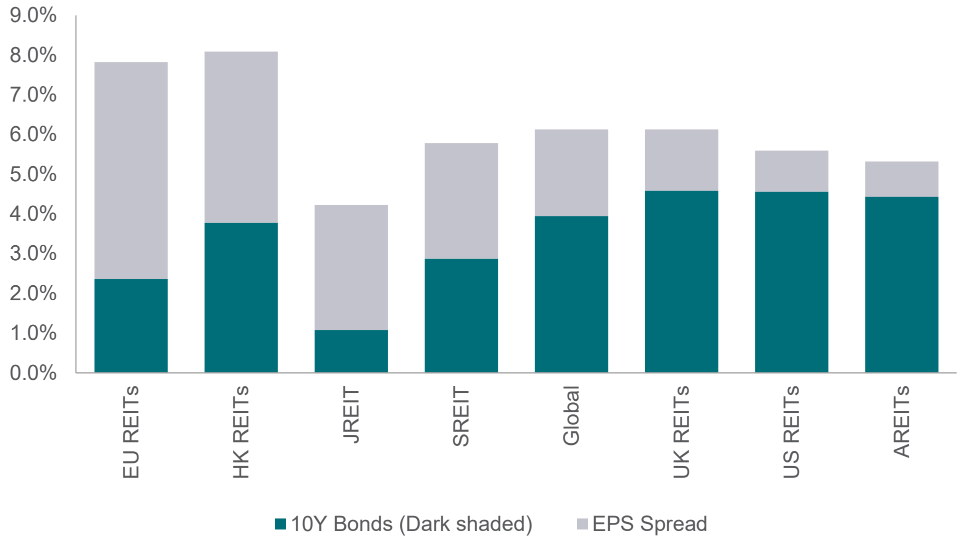
Policy rates have eased while a positive spread exists between government bond and REIT EPS yields

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.

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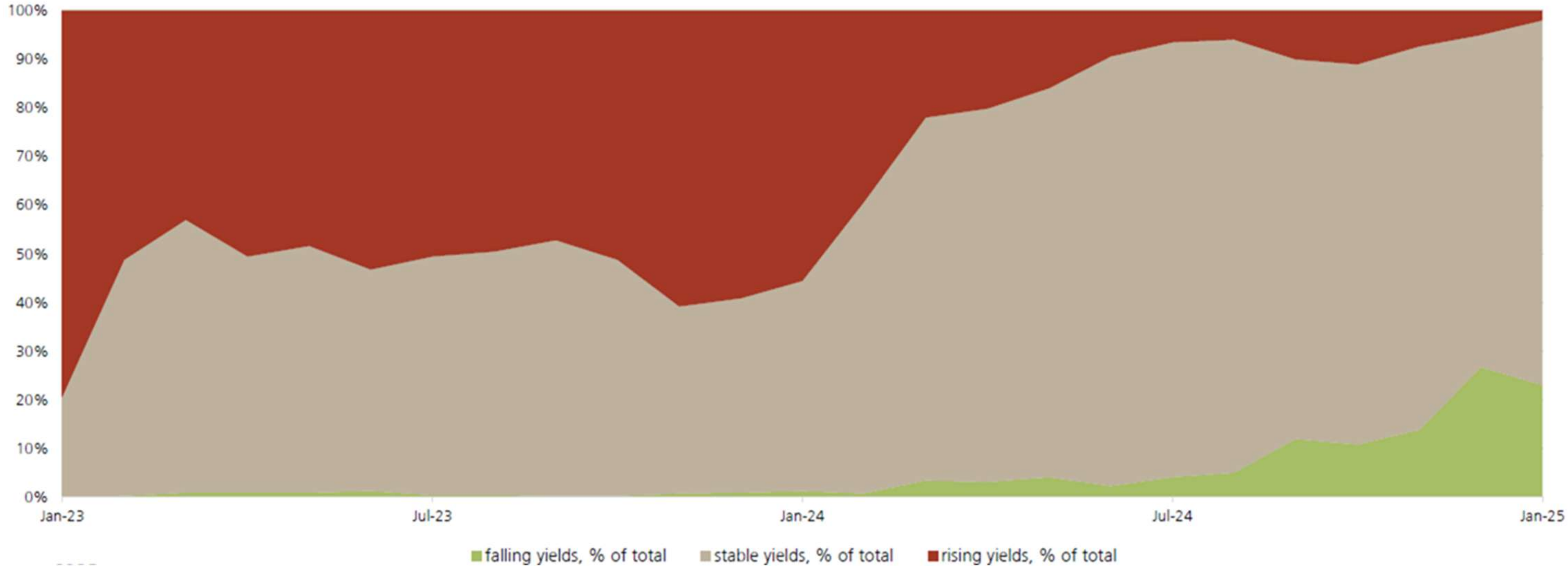
Real estate valuations at an inflection point

Research indicates property yields across Europe are past stabilisation and falling in many cases

Change in yields across 603 European real estate markets and sectors
(3-month change in yields, all European Markets)



Source: DXAM, CBRE, UBS

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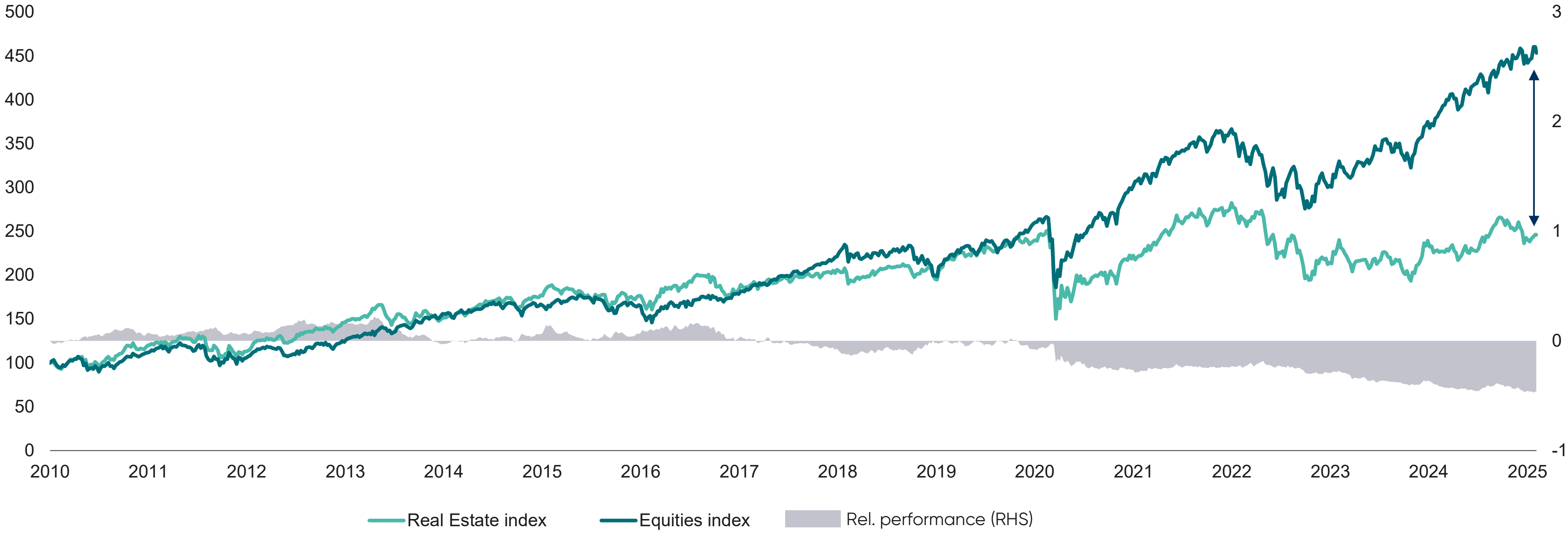
Divergence between Global REITs and equities

Sector performed in line with equities up until the pandemic induced market conditions that persist today

Global Listed Real Estate Performance

Absolute and Relative*



Source: DXAM, UBS

*Past performance is not an indicator of future performance

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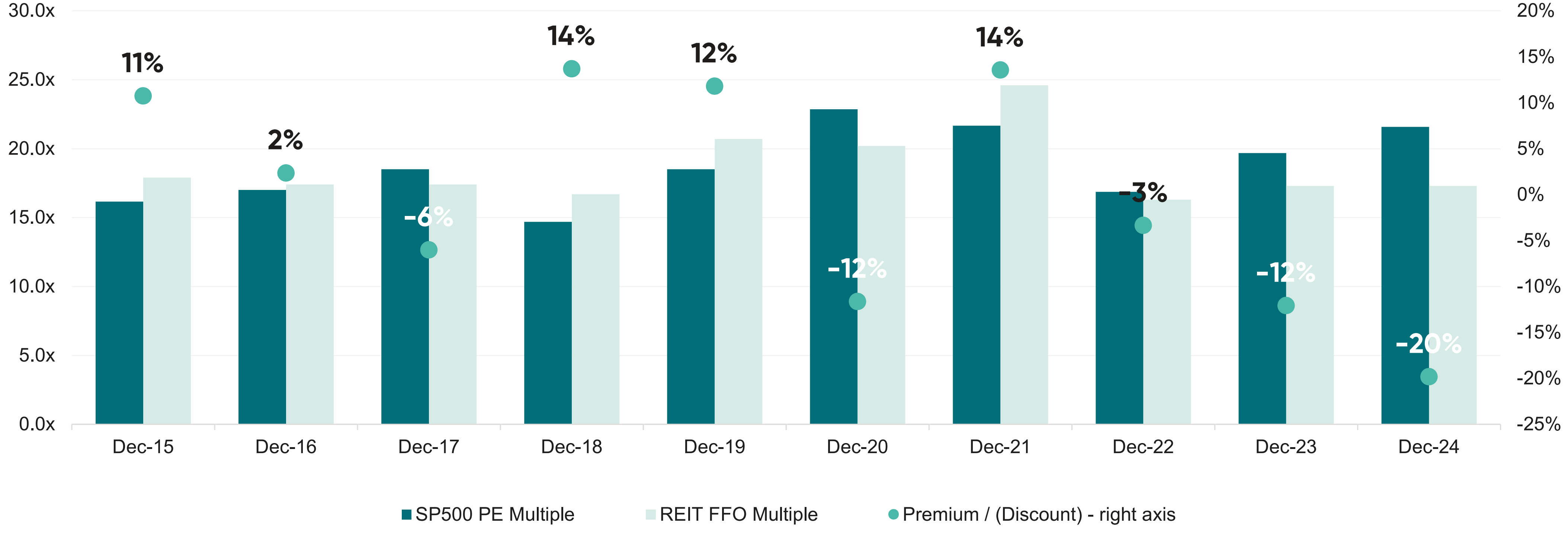
Relative value on offer in Global REITs

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

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Enduring catalysts for REIT outperformance

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

Operational resilience

Sustained barriers to development

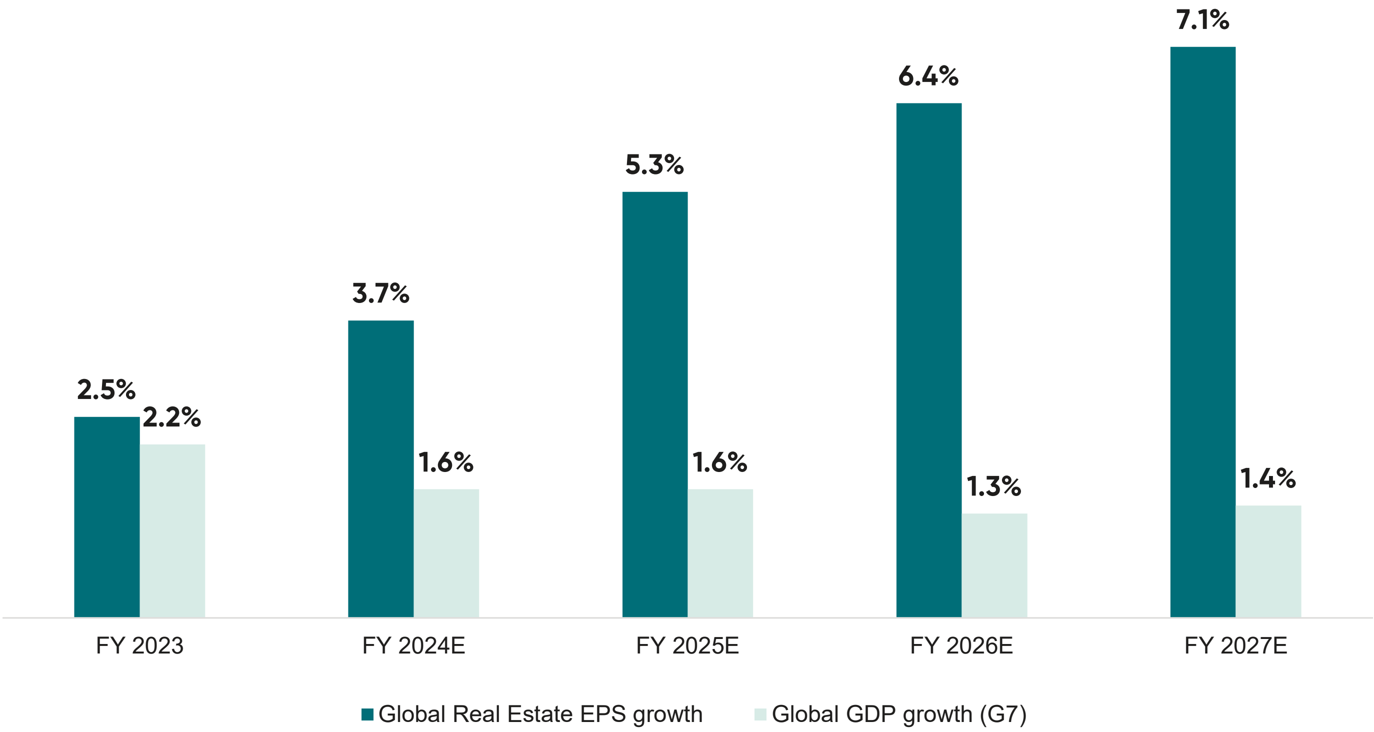
Access to growth capital

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.

REIT expectations and opportunity

Macro likely to dominate

Disconnect between listed and unlisted

Closer to certainty in the cost of capital

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

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Capital growth potential

Real income underpinning

Actively managed portfolios

Publicly traded securities

Q&A

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