

# Dexus

## Media Release



6 May 2024

### Dexus announces successful fundraising for its real estate opportunity fund

Australasian real asset manager Dexus announced it has successfully raised more than \$300 million for a first close for its second dedicated real estate opportunity fund, putting it on track to raise up to \$1 billion in equity.

The Dexus Real Estate Partnership 2 (DREP2) fund is the second in a series of closed-ended funds targeting Australian real estate opportunities. The fund seeks to provide institutional and wholesale investors with enhanced returns through exposure to investments in property repositioning, development, special situations and real estate credit opportunities.

Multiple funding rounds for DREP2 are expected to close this year. Once completed, and with gearing, the fund expects to invest as much as \$2 billion commencing with the funds from first close.

DREP1 closed in December 2022, with the fund's investment capacity at circa \$1 billion, including gearing. Up to four DREP1 deals are expected to be exited this calendar year, with fund returns expected to be consistent with the target net equity IRR of 15%<sup>1</sup>. DREP2 is targeting the same IRR.

Dexus Chief Executive Funds Management, Deborah Coakley said: "This successful fund raising illustrates the continued investment appetite for enhanced returns and investors support for the specialist Dexus team to identify and deliver successful transactions in this space."

DREP Fund Manager, Jason Howes said: "As anticipated, DREP2 has attracted substantial investor interest from domestic and international investors who believe that the current market environment offers the right set of circumstances for opportunity style investing."

The capital raise attracted a mix of new and existing DREP1 investors, two thirds of which are institutional and the remaining third are wholesale investors.

DREP1 adopted a disciplined and rigorous deal assessment process, with only 4% of potential opportunities moving to execution. DREP2 would follow a similar disciplined process, Mr Howes said.

"Our targets for deploying capital are up to 33% in credit opportunities, with the balance weighted toward equity repositioning and special situations strategies. We expect at least 60% of the portfolio to be in Sydney and Melbourne and will cap gearing at 55% of gross assets," he said.

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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 \$57.1 billion. 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 \$15.8 billion of office, industrial, healthcare, retail and infrastructure assets and investments. We manage a further \$41.3 billion of investments in our funds management business 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 platform's \$16.9 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 35,000 investors from 22 countries. With four decades of expertise in real estate and infrastructure 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](http://www.dexus.com)

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<sup>1</sup> 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.

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