



dexus

# 2022 Annual General Meeting

26 October 2022

Dexus Funds Management Limited | ABN 24 060 920 783 | AFSL 238163 as responsible entity for Dexus



# Chair address

Richard Sheppard





# Welcome to the Dexus 2022 AGM

**Richard Sheppard,**  
Chair



# Hybrid AGM

Link Market Services  
online platform



dexus

Online Meeting  
POWERED BY LINK MARKET SERVICES

HELP NUMBER  
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# Acknowledgement of country

Dexus acknowledges the Traditional Custodians of the lands on which our business and assets operate, and recognises their ongoing contribution to land, waters and community.

We pay our respects to First Nations Elders past, present and emerging.

**Artwork:** Down in the Valley by Deborah Taylor.  
**Artwork photographer:** Sharon Hickey.





# Dexus Board of Directors



Richard Sheppard

> Chair



Penny Bingham-Hall

> Non-Executive Director



Warwick Negus

> Non-Executive Director



Darren Steinberg

> CEO



Tonianne Dwyer

> Non-Executive Director



Nicola Roxon

> Non-Executive Director



Patrick Allaway

> Non-Executive Director



Mark Ford

> Non-Executive Director



Elana Rubin AM

> Non-Executive Director



# Tonianne Dwyer

Retiring on 26 October 2022

## Board member

since August 2011

## Valuable member of various committees

including the Board Audit and Board Nomination Committees and Chair of the Board Risk Committee

## Extensive property, funds management

and corporate strategy experience

## On behalf of the Board and Group Management Committee,

thank you to Tonianne for her significant contribution to Dexus over the past 11 years





# Warwick Negus

New Chair effective 27 October 2022

## Board member

since February 2021

## Extensive funds management, finance

and property industry experience

Most recent executive roles include Chief Executive Officer of Colonial First State Global Asset Management, Chief Executive Officer of 452 Capital, and Goldman Sachs Managing Director in Australia, London and Singapore.

Chair of Pengana Capital Group and a non-executive director of Washington H. Soul Pattinson and Bank of Queensland

## Leading the Board

as Dexus commences its next phase of growth





# Agenda

Chair address



**Richard Sheppard**

CEO address



**Darren Steinberg**

Questions

Formal business



**Richard Sheppard**

Questions



Capital Square, 11 Mount Street, Perth WA



# Dexus

A decade of growth

**It has been 10 years since we revised our strategy** to build on our strengths of delivering resilient income streams and being the real estate investment partner of choice

Divested our exposure to offshore properties and **reinvested in high quality assets located in Australia’s major cities**

**Third party funds management business has diversified and grown** at an average 16% per annum to \$25.9 billion today

**Enhanced portfolio quality** through active asset management, asset recycling and development. Upweighted exposure to industrial and healthcare sectors which benefit from strong tailwinds

**Increased the group’s development pipeline** to \$17.7 billion providing opportunity to create future value across the group

On the completion of the AMP Capital transaction, Dexus will **diversify further into the infrastructure real asset class**

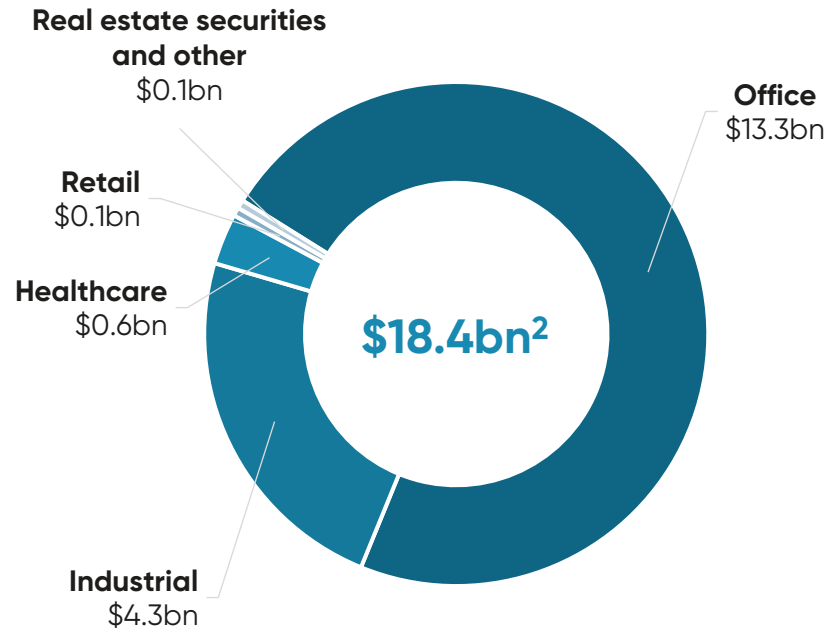
	FY12	FY22
Funds under management	\$12.9 billion	\$44.3 billion
Third party platform - number of funds	4 funds	19 funds
Types of funds	Pooled funds, joint ventures/mandates	Pooled funds, joint ventures/mandates, listed funds, retail funds
Sectors	Retail, office, industrial, offshore	Office, industrial, retail, healthcare, real estate securities
Development pipeline	\$1.2 billion	\$17.7 billion
People	269	647
Market capitalisation	\$4.4 billion	\$9.6 billion



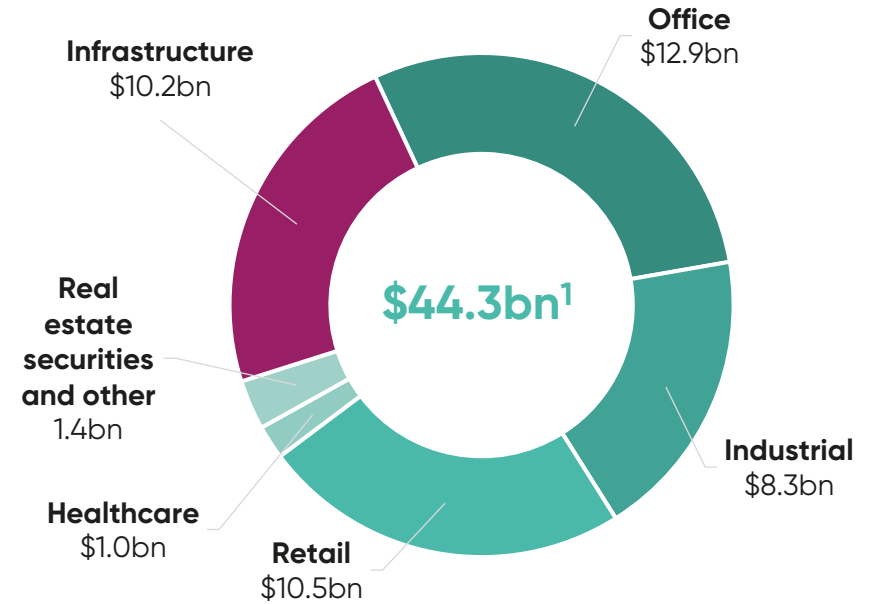
# Dexus today<sup>1</sup>

circa \$62.7 billion<sup>1</sup> fully integrated real estate group

**Dexus portfolio**



**Funds management portfolio**



1. Pro forma FUM is on completion of the AMP Capital transaction and includes circa \$18.4 billion of AMP Capital FUM, reflecting AMP Capital FUM at 30 June 2022, net of known transition of FUM from the AMP Capital platform.  
 2. Includes co-investments in pooled funds, as at 30 June 2022.

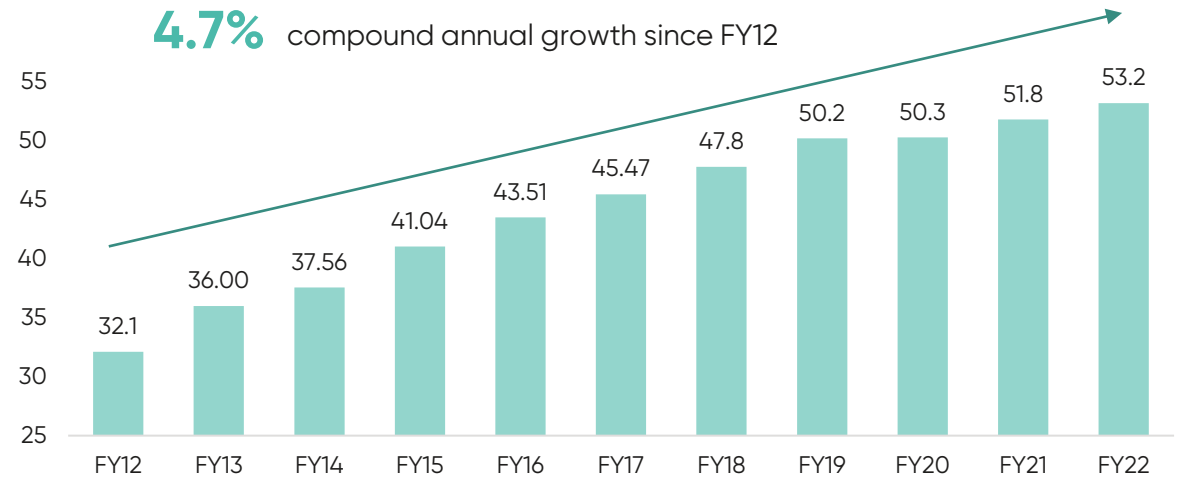


# Financial outcomes

In a complex operating environment

- › Achieved FY22 distribution of **53.2 cents per security, up 2.7%**
- › **Delivered 9.7%** Return on Contributed Equity
- › Strong balance sheet with **gearing<sup>1</sup> (look-through) of 26.9%<sup>2</sup>** below the 30-40% target range
- › **Have held or grown distributions each year** over the past decade despite the impacts of the Covid-19 pandemic
- › **Security prices across A-REIT sector, including Dexus's, have declined significantly**, primarily due to global economic factors

## Track record of delivering distributions



1. Adjusted for cash and debt in equity accounted investments.

2. Excluding Dexus's share of co-investments in pooled funds. Look-through gearing including Dexus's share of co-investments in pooled funds is 27.8% as at 30 June 2022.



# Our strategy

<p><b>Purpose</b> &gt;</p>	<p>To create spaces where people thrive</p>
<p><b>Vision</b> &gt;</p>	<p>To be globally recognised as Australia’s leading real estate company</p>
<p><b>Strategy</b> &gt;</p>	<p>To deliver superior risk-adjusted returns for investors from high-quality real estate in Australia’s major cities</p>
<p><b>Strategic objectives</b> &gt;</p>	<ul style="list-style-type: none"> <li data-bbox="871 925 2423 1005"> <p><b>Resilient income streams</b> &gt; Investing in income streams that provide resilience through the cycle</p> </li> <li data-bbox="871 1053 2423 1133"> <p><b>Real estate investment partner of choice</b> &gt; Expanding and diversifying the funds management business</p> </li> </ul>

Acquisition of AMP Capital’s real estate and domestic infrastructure equity platform accelerates and evolves strategy

# Significant transactional activity

Reallocating into higher returning opportunities

**\$10.7 billion**

Total group transactions across office, industrial, healthcare and convenience retail sectors

**\$5.0 billion**

Group property acquisitions sourced predominantly off-market



Capital Square, Perth WA



Jandakot Airport, Perth WA



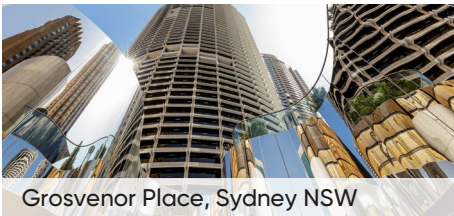
Artist impression: Mamre Rd, Kemps Creek NSW



Warringah Mall, Bookvale NSW

**\$5.7 billion**

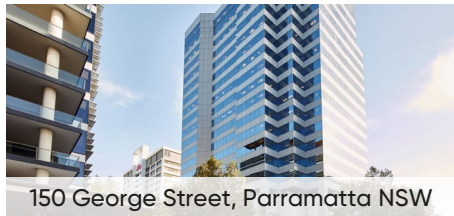
Group property divestments



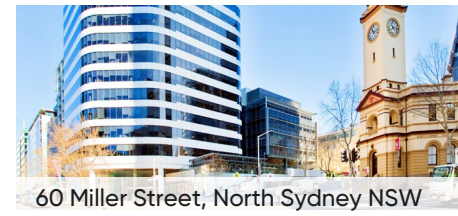
Grosvenor Place, Sydney NSW



383 Kent Street, Sydney NSW



150 George Street, Parramatta NSW



60 Miller Street, North Sydney NSW



436-484 Victoria Road, Gladesville NSW



# Progressing \$17.7 billion development pipeline

Progress at a number of city shaping projects



**Brisbane**  
Waterfront Brisbane



**Sydney**  
Central Place Sydney



**Sydney**  
Pitt and Bridge precinct



**Sydney**  
Atlassian development



**Melbourne**  
60 Collins Street

# Environmental, Social and Governance highlights

Achieved Net Zero emissions across the group managed portfolio

## 2022 Global ESG benchmark performance

**Sustainability Award**  
Gold Class 2022  
**S&P Global**

**Global real estate leader**  
S&P Global Sustainability  
Yearbook

## ESG update

### Achieved net zero operational emissions for FY22

- › Reducing emissions and undertaking property upgrades
- › Transitioning to renewables and carbon offsets for managed assets



G R E S B  
★★★★★ 2022

**Global Listed Office Leader**  
Dexus Office Trust

### Launched Reflect Reconciliation Action Plan (RAP)

- › Dexus's Reflect RAP commences our reconciliation journey through acknowledging and connecting with Australia's First Nations peoples



**A-**  
CDP Climate Change

### Named Employer of Choice for Gender Equality

- › By the Workplace Gender Equality Agency for the fifth consecutive year



# Remuneration framework review

## Response to remuneration strike

- › Following the “first strike” incurred at the 2021 AGM, the Board conducted a **thorough remuneration framework review and consulted extensively with investors and proxy advisors** to discuss their concerns
- › The Board has made a number of **changes to Dexus’s remuneration framework to ensure the continued alignment** of the company’s strategy and remuneration framework
- › The key changes being made to our Senior Executive structure with effect from FY23 are:
  - **Lowering our STI and increasing our LTI** opportunity levels to place greater emphasis on rewarding long-term performance in equity rather than cash
  - **Removing tranche vesting in the STI** by simplifying our deferral period to 12 months
  - **Removing the STI’s Individual Contribution Factor** and assessing performance against individual KPIs
  - **Replacing Absolute Total Security holder Return (ATSR) with Relative Total Security holder Return (RTSR)** in our FY23 LTI grant
  - **Increasing the hurdle range for our ROCE measure in the LTI** by setting hurdles at the “through the cycle” range (rather than within the range)



80 Collins Street, Melbourne VIC

# Summary

- › Demonstrated resilience over the past few years, having held or grown distributions, maintained a high-quality portfolio and a strong balance sheet
- › Anticipate a challenging period over the next two years with rising interest rates, ongoing supply chain disruptions, a global energy crisis and geopolitical risks contributing to continued economic uncertainty
- › Based on current expectations relating to interest rates, continued asset sales and barring unforeseen circumstances, Dexus maintains its guidance to deliver **distributions of 50.0 to 51.5 cents per security** for the 12 months ended 30 June 2023<sup>1</sup>.
- › Dexus is set to emerge as one of **the leading real asset managers** in the Asia Pacific region and we are confident of **continuing to deliver long-term value** due to:
  - Our experienced Board and leadership team
  - Our scale and capability
  - The diversity and quality of our customers, investors and funds
  - Our city-shaping and industrial development pipeline
  - Our funds management business which has diversified into new asset classes including infrastructure
- › Post completion of the AMP Capital transaction, funds under management will grow to **circa \$63 billion** across the group

1. Assumes current interest rate expectations of 2.75% - 3.75% based on an average floating interest rate (90-day BBSW), the transition of circa \$18 billion of FUM from the acquisition of the AMP Capital real estate and domestic infrastructure equity platform and circa \$50 - \$55 million of trading profits (post-tax).



Artist impression: Atlassian Central and Central Place Sydney NSW



# CEO address

Darren Steinberg





# September 2022 quarter

## Highlights



Central Place Sydney NSW

- › **Maintained strong portfolio fundamentals** despite complex operating environment
- › **Leased over 175,000 square metres<sup>1</sup>** across Dexus office and industrial portfolios
- › Maintained **high rent collections** at 98.6%
- › **Progressed the development pipeline**
  - Completed 63,600 square metres of industrial development at Ravenhall and Jandakot
  - Atlassian Central development commenced in August 2022
  - Central Place Sydney lodged Stage 3 Unsolicited Proposal and the Project Development Agreement with the State Government and separately received development approval from City of Sydney in October 2022
- › **Divested \$577 million** from Dexus balance sheet including
  - \$462 million of previously announced transactions settled in July 2022
  - In October 2022, agreed to sell 586 Wickham Street and 10 Light Street, Fortitude Valley Brisbane (Audi Centre), for \$98.0 million

1. Including Heads of Agreement and development leasing.



# Portfolio resilience

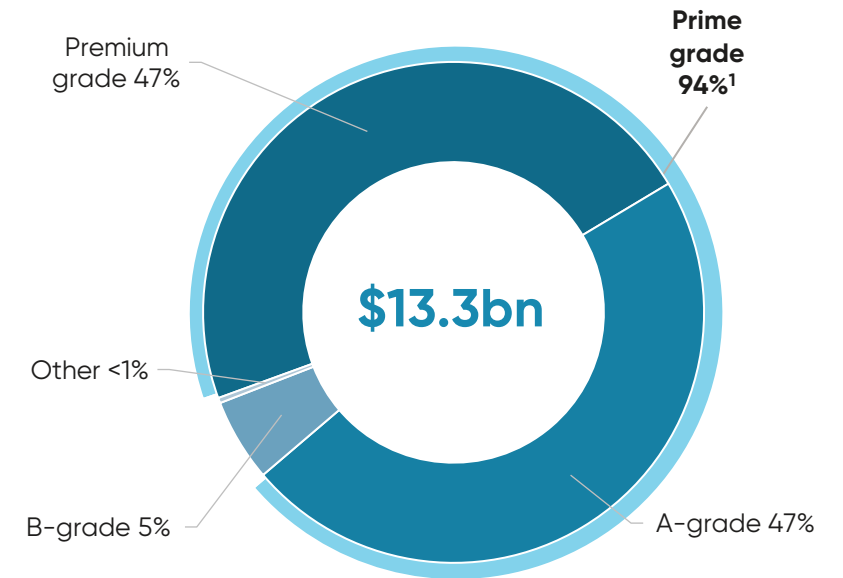
Across office and industrial portfolios<sup>1</sup>

 <b>Office</b>	<p><b>95.6%</b> Occupancy by income (FY22: 95.6%, FY21: 95.2%)</p>	<p><b>4.6 years</b> Weighted average lease expiry (FY22: 4.7 years, FY21: 4.6 years)</p>	<p><b>29.6%</b> Average Incentives (FY22: 29.4%, FY21: 24.9%)</p>
 <b>Industrial</b>	<p><b>97.7%</b> Occupancy by income (FY22: 98.1%, FY21: 97.7%)</p>	<p><b>4.7 years</b> Weighted average lease expiry (FY22: 4.7 years, FY21: 4.4 years)</p>	<p><b>9.1%</b> Average Incentives (FY22: 13.5%, FY21: 17.8%)</p>

## Return to office gaining momentum

- › Continued evidence of **flight to quality** as customers look to attract and retain talent
- › Large businesses indicating **strong desire for staff to return to the office** due to evidence of lower productivity, inequitable distribution of work and impact on culture. However, tight labour market is delaying mandated returns
- › Of the space renewed across the office portfolio in FY22, **20%** were **expansions**, **5%** were **contractions** and **75%** retained the **same space**
- › **Companies continue to look through the current environment** to the future, with average lease term of 6.0 years across stabilised leasing deals during the September 2022 quarter

## Office by asset type<sup>2</sup>



1. As at 30 September 2022 unless otherwise stated.  
 2. As at 30 June 2022.

# AMP Capital platform

## Acquisition update

- › **Dexus continues to work towards completing the acquisition of AMP Limited's real estate and domestic infrastructure equity business** via a Share Sale and Purchase Agreement ("SPA")
- › AMP Capital Wholesale Office Fund ("AWOF") has transitioned from the AMP Capital platform and AMP Capital Retail Trust ("ACRT") is expected to transition prior to the end of CY22
- › Dexus will acquire approximately \$65 million of co-investment stakes across the platform and will continue to invest and drive platform growth. Dexus will not acquire the co-investment stakes initially contemplated for AWOFF or ACRT
- › Earn-out consideration will be finally assessed and payable nine months following completion



33 Alfred Street, Quay Quarter Tower and Governor Phillip Tower, Sydney NSW



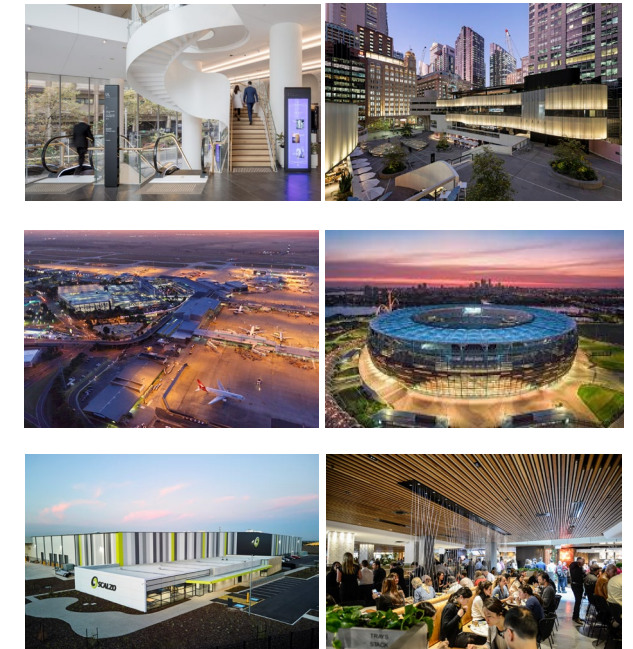
# Evolution to a leading real asset manager

Acquisition of AMP Capital domestic real estate and infrastructure platform

circa \$62.7 billion across the Dexus platform

	Real estate circa \$34.1bn		Infrastructure circa \$10.2bn	Combined third party FUM circa \$44.3bn
Dexus balance sheet \$18.4bn	Dexus \$25.9bn	AMP Capital circa \$8.2bn <sup>1</sup>	AMP Capital circa \$10.2bn <sup>1</sup>	
Pooled	\$16.0bn 3 Funds	\$2.8bn 1 Fund	\$3.3bn 2 Funds	circa \$22.1bn 6 Funds
JV / Mandates	\$6.6bn 7 Funds	\$2.8bn 5 Funds	\$6.1bn 9 Funds	circa \$15.5bn 21 Funds
Listed / Retail	\$3.3bn 9 Funds	\$2.6bn 2 Funds	\$0.8bn 1 Fund	circa \$6.7bn 12 Funds

- › Expanded **product offering**
- › Expanded **investor base**
- › **New capabilities** in infrastructure and enhanced retail platform



1. Reflects AMP Capital FUM at 30 June 2022, net of known transition of FUM from the AMP Capital platform..

# Summary

Fully integrated real asset platform

## Continue to execute on strategic objectives to:

- Increase the resilience of portfolio income streams
- Expand and diversify the funds management business

## Enabled by our quality people,

scalable and efficient operating platform, strong balance sheet and significant development pipeline

## Well positioned in challenging environment

Continue to embed and consolidate the AMP Capital platform



Calvary Private Hospital, Adelaide SA



Willows Shopping Centre, Townsville QLD



64 Momentum Way, Ravenhall VIC



Melbourne Airport, Melbourne VIC



A photograph of three business professionals in a modern office setting. A woman in a black suit is leaning over a wooden table, pointing at a laptop. Two other people, a woman in a white shirt and a man in a light blue shirt, are seated at the table, looking at the laptop. The background shows a bright office with large windows and contemporary furniture.

# Questions





27  
-  
16



# Formal business





# Resolution 1

Adoption of the Remuneration Report



To consider and if thought fit pass the following Resolution as an ordinary resolution:

“That the Remuneration Report for the financial year ended 30 June 2022 be adopted.”

Resolution		For	Open	Against
1. Adoption of the Remuneration Report	%	91.55%	0.12%	8.33%
	Number of Votes	753,539,124	1,028,213	68,528,154
	Number of Security holders	291	190	221

# Resolution 2

FY23 grant of long-term incentive performance rights to the Chief Executive Officer

To consider and if thought fit pass the following Resolution as an ordinary resolution:

“ That approval is given for all purposes for

- a. The granting of 262,610 performance rights to Darren Steinberg under the Long-Term Incentive Rights Plan; and
- b. The transfer or allocation of Securities to Darren Steinberg upon vesting of the performance rights

for the year commencing 1 July 2022 as described in the Explanatory Memorandum to the 2022 Notice of Annual General Meeting.”



Resolution		For	Open	Against
2. FY23 grant of long-term incentive performance rights to the Chief Executive Officer	%	94.60%	0.13%	5.28%
	Number of Votes	773,706,243	1,029,376	43,158,860
	Number of Security holders	239	188	280



# New Chair – Warwick Negus

Appointed to the Board on 1 February 2021, Warwick Negus is an Independent Director of Dexus Funds Management Limited and a member of the Board Nomination Committee, Board Audit Committee and Board Risk Committee.

Warwick is Chair of Pengana Capital Group and a Non-Executive Director of Washington H. Soul Pattinson, the Bank of Queensland, Virgin Australia Holdings Limited, Terrace Tower Group, New South Wales Rugby Union Limited and Tantallon Capital Advisors. He is also Deputy Chancellor and a member of the Council of UNSW.

Warwick has more than 30 years of funds management, finance and property industry experience in Australia, Europe and Asia. His most recent executive roles included Chief Executive Officer of Colonial First State Global Asset Management, Chief Executive Officer of 452 Capital, and Goldman Sachs Managing Director in Australia, London, and Singapore. Warwick was formerly Chair of UNSW Global and a Non-Executive Director of FINSIA.



# Resolution 3.1

## Approval of Independent Director Mark Ford



To consider and if thought fit pass the following Resolution as an ordinary resolution:

“That the continuing appointment of Mark Ford as a Director of Dexus Funds Management Limited be approved (by ratification).”

Resolution		For	Open	Against
3.1 Approval of Independent Director – Mark Ford	%	97.46%	0.13%	2.41%
	Number of Votes	802,465,106	1,040,379	19,860,784
	Number of Security holders	468	193	53



# Mark Ford

Appointed to the Board on 1 November 2016, Mark Ford is an Independent Director of Dexus Funds Management Limited and Dexus Wholesale Property Limited, Chair of the Board Audit Committee and a member of the Board Environmental, Social & Governance Committee and Board Nomination Committee.

Mark is Chair of Kiwi Property Group and is a Director of Prime Property Fund Asia.

Mark has extensive property industry experience and has been involved in Real Estate Funds Management for over 25 years. He was previously Managing Director, Head of DB Real Estate Australia, where he managed more than \$10 billion in property funds and sat on the Global Executive Committee for Deutsche Bank Real Estate and RREEF. Mark was also a Director in the Property Investment Banking division of Macquarie and was involved in listing the previous Macquarie Office Fund. His previous directorships include Comrealty Limited, Property Council of Australia, Deutsche Asset Management Australia and he was also Founding Chair of Cbus Property Pty Limited and Chair of South East Asia Property Company. Mark previously held senior roles with Price Waterhouse and Macquarie Bank.



# Resolution 3.2

Approval of Independent Director  
**The Hon. Nicola Roxon**



To consider and if thought fit pass the following Resolution as an ordinary resolution:

“That the continuing appointment of The Hon. Nicola Roxon as a Director of Dexus Funds Management Limited be approved (by ratification).”

Resolution		For	Open	Against
3.2 Approval of Independent Director – The Hon. Nicola Roxon	%	75.73%	0.13%	24.15%
	Number of Votes	623,462,797	1,038,434	198,793,736
	Number of Security holders	418	193	109



# The Hon. Nicola Roxon

Appointed to the Board on 1 September 2017, Nicola Roxon is an Independent Director of Dexus Funds Management Limited, Chair of the Board Environmental, Social & Governance Committee and a member of the Board People & Remuneration Committee and Board Nomination Committee.

Nicola is an Independent Chair of HESTA (the health sector superannuation fund) and VicHealth (a health promotion statutory authority). She is also a Non-Executive Director of Lifestyle Communities Limited and on the Board of charity, Health Justice Australia.

Nicola is a lawyer by training and prior to her non-executive career, served in the Commonwealth Parliament for 15 years, including as Minister for Health and as Australia's first female Attorney-General. Nicola brings more than 20 years experience in government, health and law. Since commencing her non-executive roles, Nicola has focused on for purpose businesses, charities and the ESG footprint of the organisations she works with. Her insights into public policy, strategy and government adds diversity to the Board's perspectives on stakeholder & community engagement as well as risk management and governance.



# Resolution 3.3

## Approval of Independent Director Elana Rubin AM



To consider and if thought fit pass the following Resolution as an ordinary resolution:

“That the initial appointment of Elana Rubin AM as a Director of Dexus Funds Management Limited be approved (by ratification).”

Resolution		For	Open	Against	
3.3	Approval of Independent Director – Elana Rubin AM	%	99.62%	0.13%	0.25%
	Number of Votes	820,233,280	1,049,379	2,085,270	
	Number of Security holders	446	194	73	



# Elana Rubin AM

Appointed to the Board on 28 September 2022, Elana Rubin is an Independent Director of Dexus Funds Management Limited and a member of the Board Nomination Committee.

Elana is Chair of Victorian Managed Insurance Authority and a non-executive director of Telstra Corporation and Slater and Gordon. She is also a director of several infrastructure and government bodies.

Elana has been a non-executive director for over 20 years. She has extensive experience across technology, financial services, property, infrastructure and government sectors. Her non-executive directorships have spanned listed, unlisted, private and government companies.

Previous roles include having served as Chair of Afterpay, Chair of AustralianSuper and Chair of WorkSafe Victoria and as a director of Mirvac and ME Bank. Elana was formerly a member of the Federal Government's Infrastructure Australia Council and Climate Change Authority, and a member of the AICD Victorian Council.

Elana started her career working at the ACTU in social policy and industrial relations. Her last executive role was as Executive Director - Investments for Australian Retirement Fund.

Elana was awarded a Member of the Order of Australia in 2021 for services to corporate governance and community.



# Resolution 4

## Constitutional amendments

To consider and if thought fit pass the following Resolution as a special resolution:



“That approval is given for all purposes for

- a.** The Constitution of each Trust be amended as detailed in Annexure A of the 2022 Notice of Annual General Meeting in accordance with the provisions of the supplemental deeds poll tabled at the Meeting and initialed by the Chair for the purposes of identification
- b.** The Responsible Entity of each of the Trusts be authorised to execute the supplemental deeds poll in the same form as the supplemental deeds poll referred to in (a), and to lodge them with ASIC to give effect to the amendments to the Constitutions”

Resolution		For	Open	Against
4. Constitutional amendments	%	99.85%	0.12%	0.03%
	Number of Votes	831,046,207	1,037,708	240,519
	Number of Security holders	432	197	69



# Resolution 5

## Conditional Spill Resolution



To consider and if thought fit pass the following Resolution as an ordinary resolution:

“ That approval is given for all purposes for

- a.** A meeting of holders of Dexus stapled securities be held within 90 days of this Meeting (“Spill Meeting”)
- b.** All of Dexus Funds Management Limited’s directors who were directors when the resolution to adopt the 2022 Remuneration Report was passed, other than a managing director of the company who may, in accordance with the ASX Listing Rules, continue to hold office indefinitely without being re-elected to the office, cease to hold office immediately before the end of the Spill Meeting
- c.** Resolutions to appoint persons to the offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting”

Resolution		For	Open	Against
5. Conditional Spill Resolution	%	1.68%	0.13%	98.19%
	Number of Votes	13,822,003	1,049,492	808,280,446
	Number of Security holders	301	197	194



# Questions





Thank you  
for attending

UL

> Lifts to Levels 50  
> Park Lifts  
Escalator down to Ground Lobby

QUAY QUARTER

Heritage Dictionary and History

1982

The

1975

and

2022

now



# Disclaimer

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