

Responsible Entity:
AMP Capital Funds Management Limited
ABN 15 159 557 721



Fund:
Dexus Wholesale Australian Property Fund
ARSN: 088 996 392
APIR Code: NML0001AU

www.dexus.com

31 October 2023

Dear Investor,

Change to expected timeframe for withdrawal payments

We are writing to advise you of important changes to the Dexus Wholesale Australian Property Fund ARSN 088 996 392 (**Fund**).

The Fund's constitution allows the Responsible Entity to pay withdrawal requests within a period of up to 12 months after receipt. The Responsible Entity has generally aimed to pay processed withdrawal requests within six months after receipt. Due to a deterioration in conditions in the commercial property market, the Responsible Entity now expects that payments will be made within 12 months after receiving a withdrawal request (**Changes in Withdrawal Arrangements**). This will apply to any withdrawal requests submitted after 1pm on 15 May 2023.

The Responsible Entity does not currently intend that this be a permanent change, but at this stage no time has been set for the expected 12 month payment timeframe to be reduced. The Responsible Entity may, from time to time, notify investors of the expected payment timeframe on the Fund's website.

The Responsible Entity may take into account a range of factors in determining payment times in the interests of investors as a whole, which may include the following:

- **capital management** – ensuring prudent capital management of the Fund.
- **gearing** – the availability of debt as well as the current and forecast level of Fund gearing, having regard to the target level of gearing and the maximum level of gearing.
- **cashflows arising from applications and withdrawals** – the trend in applications to and withdrawals from the Fund as well as the Responsible Entity's outlook for these flows. This may be affected by many factors, including the outcomes of any research by a ratings agency, whether the Fund is made available through master trusts or other platforms for investment, and whether the Fund is made available to clients by financial planners.
- **asset liquidity** – the ability to readily realise direct property holdings of the Fund for their market value, having regard to market conditions, the time required to transact and the transaction costs which may need to be incurred to sell assets.
- **portfolio composition** – the likely future composition of the portfolio if asset sales are required to fund withdrawal payments, having regard to the investment return objective of the Fund.
- **investor equity** – in managing the Fund in the interests of the investors as a whole, taking into account the interests of Investors who are withdrawing from the Fund and the interests of investors who are retaining their investment in the Fund.

¹ Or the next Business Day if the Specified Withdrawal Date is not a Business Day, unless otherwise communicated.

A new PDS which reflects this change to the Fund's withdrawal arrangements is available on the Fund's website. Following the Changes to the Withdrawal Arrangements:

- You can continue to submit a withdrawal request at any time.
- The Specified Withdrawal Date will continue to be the 15th day of each calendar month.
- The RE will aim to pay processed withdrawal requests six to twelve months after receipt of a withdrawal request. Currently, the Responsible Entity expects that payments will be made within 12 months of receiving a withdrawal request.
- The unit price used to calculate your withdrawal value will be the price calculated on the last valuation date before we process the payment of your withdrawal request.
- No changes will be made to the Fund's constitution. The Fund's constitution currently allows withdrawal requests to be paid within 12 months of receipt and longer if the Responsible Entity is unable to realise sufficient assets due to circumstances beyond its control. This will remain the same.
- If the Fund ceases to be liquid for the purposes of the Corporations Act, the Responsible Entity will not meet withdrawal requests. This will remain the same. As at the date of this PDS, the Fund is liquid under the current Corporations Act definition of 'liquid', where the Responsible Entity reasonably expects that it could sell at least 80% of the Fund's assets at market value within 12 months.

Before making any investment decisions, we recommend you read the information in the PDS, about the benefits and risks of investing, and the other features of the Fund.

Reason for the changes to the Withdrawal Arrangements

The RE has made the Changes to the Withdrawal Arrangements as part of prudently managing the Fund's capital and acting in the best interests of investors as a whole. By way of explanation:

- cash to fund withdrawals may be available from a number of sources which may include existing cash reserves of the Fund, the proceeds from application for units by new or existing investors, bank debt, the sale of Australian Real Estate Investment Trust securities (AREITs) (if any) and direct property sales;
- a significant proportion of the Fund's assets (as high as 100%) will be held as direct property investments which, by their nature, are illiquid investments and may not be able to be sold quickly at an appropriate price. Significant time may be required to prepare a property for sale, market the property, negotiate a sale contract and receive the final settlement proceeds; and
- if insufficient liquid resources are not available at the time required or if it becomes necessary to dispose of one or more of the Fund's direct properties to meet withdrawals, there is a greater risk that the Fund may not be able to maintain the current timeframe for processing and paying withdrawal requests.

The Changes to the Withdrawal Arrangements better recognise the illiquid nature of the Fund's investments and the low levels of transaction activity occurring within the market at the moment.

Withdrawals in the case of Hardship

The Australian Securities & Investments Commission (ASIC) has granted the Responsible Entity the ability to pay withdrawal requests received from direct investors where it is established that they are suffering or likely to suffer hardship.

An indirect investor may request their master trust or platform operator to make a withdrawal request if it is established that they are suffering or likely to suffer hardship. Master trust or platform operators may deduct their fees and charges from the proceeds of any withdrawal requests.

The executor or administrator of a member's estate may make a withdrawal request if it is established that a beneficiary of the estate is suffering or likely to suffer hardship. The executor or administrator may deduct their fees and charges from the proceeds of any withdrawal requests.

Direct and indirect investors that qualify for hardship may be able to access some or all of their investment. To make a withdrawal based on hardship, direct investors and indirect investors (a person) must meet one of the criteria prescribed by ASIC and there must be sufficient liquid assets available in the Fund. The categories where hardship relief may be permitted include:

- Severe financial hardship
- Compassionate grounds
- Unemployment, or
- Permanent incapacity

The detailed criteria is included as part of the Hardship Application Form at: www.dexus.com/forms. The form also lists the documentation required to be submitted with a hardship request to support your claim. This includes signing a Statutory Declaration which is part of the Hardship Application form.

The minimum withdrawal amount is \$1,000 (subject to change at our discretion). If a withdrawal request is received which would result in you holding less than the minimum account balance and your hardship withdrawal meets the ASIC criteria, we may redeem your entire investment.

The maximum withdrawal amount you can apply for through the hardship policy in any calendar year is the lesser of:

- the amount required as a result of the hardship; and
- \$100,000

You can make up to four hardship applications in any calendar year.

Hardship payments will be assessed on a monthly basis and will not be subject to the payment time restrictions or other payment limits which apply to other withdrawal requests.

Indirect investors should contact their financial adviser, master trust or platform operator if they wish to make a withdrawal based on hardship.

Amending or cancelling withdrawal requests

You can amend your withdrawal request by notifying us in writing either by mail or email, or contacting us on 1300 084 023. If you are an indirect investor and wish to amend your withdrawal request, please contact your financial adviser, master trust or platform operator.

Further information

If you have any questions about this update, please contact our Client Services Team on 1800 658 404, between 8.30am and 5.30pm (Sydney time) Monday to Friday or via email at clientservices@dexus.com.

Yours sincerely



Christopher Davitt
Fund Manager