

# Performance report | 31 December 2025

## Quay Global Real Estate Fund (AUD Hedged) Active ETF

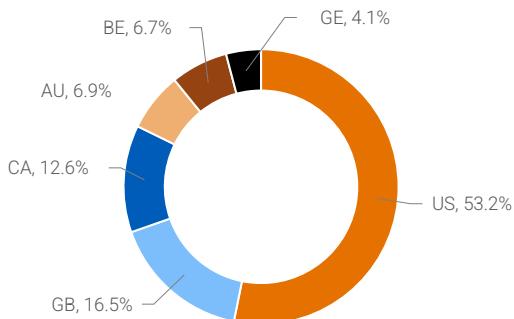
### Net returns

	1 mth	3 mths	6 mths	1 year	2 years p.a.	3 years p.a.	Since inception <sup>2</sup> p.a.
Fund	-1.57%	-2.47%	-3.26%	+1.36%	+0.17%	+4.49%	-2.72%
Benchmark <sup>1</sup>	-1.43%	-0.20%	+4.10%	+7.49%	+5.10%	+6.02%	-1.00%
Value added	-0.14%	-2.28%	-7.36%	-6.13%	-4.93%	-1.53%	-1.72%

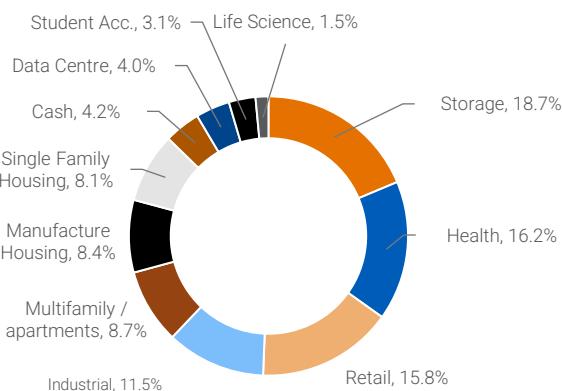
Performance figures include dividends and are after all fees and costs and gross of any earnings tax, but after withholding tax.

<sup>1</sup>'Value added' calculation does not use rounded performance figures. Past performance is not indicative of future performance.

### Geographic weighting



### Sector weighting



### Commentary

In December the AUD hedged global listed real estate index returned -1.43%. The Fund returned net -1.57% for the month, underperforming the index by 14bps.

The performance was again disappointing, however part of this was explained by the cessation of discussions between one of our investees, Big Yellow Group (BYG, UK self-storage), and Blackstone for the potential take private. Unable to agree on price, Blackstone and BYG ended discussions, with BYG's share price falling significantly on the news. Peer holdings in the fund also sold off in sympathy.

We were not that disappointed with the outcome – In our view BYG's ask (circa £13.50-14.00 per share) was not excessive and mirrored a similar multiple to the current local storage take private National Storage. Ultimately, we believe the returns will come for patient BYG shareholders.

As it was a relatively quiet month for listed company reporting, the dynamics in global bond market's likely weighed on REIT performance. While listed real estate performance can track bond prices in the short term, long-term returns show no meaningful correlation.

This month, senior investment team members travelled overseas to meet with REIT executives and conduct on the ground research. One clear takeaway was that while investor sentiment has weakened at the asset-class level, select companies are excelling at the operational level.

Drawing on key insights from the research trip, the fund initiated a new position in a European industrial landlord, Warehouses De Pauw (WDP).

The team are confident that WDP will exceed Quay's real total return target as a result of the accelerating demand dynamics, line of sight to earnings growth, land scarcity in key markets, robust balance sheet, and most importantly the attractive valuation entry point - both on a replacement cost and earnings yield basis. Thematically, the re-arming of Europe is likely to create incremental logistics demand across the continent which further strengthens the investment case.

Top contributors to returns for the month came from positions in US Retail and UK Student Accommodation. The top detractors for the month were our positions in UK and European Storage, largely a result of the abovementioned abandoned BYG bid.

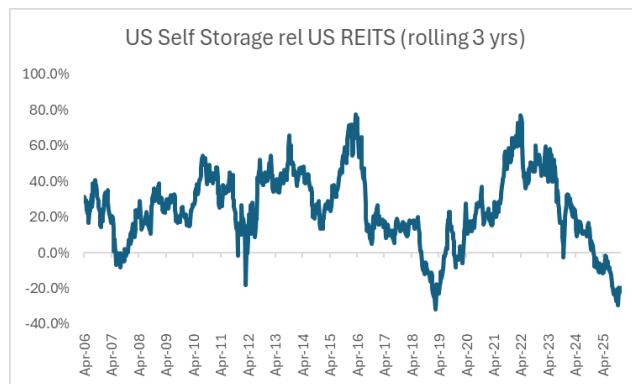
## 2025 Review

The fund's calendar year total return in 2025 has underperformed Quay's investment objective of CPI + 5%.

At the sub-sector level, key drivers of underperformance were the weightings in US single family housing (-1.7% contribution) and US storage (-1.5% contribution).

Our US single family investees increased profit guidance during the year and yet are now trading at +30% unlevered discounts to both replacement cost and transaction values.

Similarly, US storage is performing well at an operational level given the tepid US housing sales market. Earnings forecasts have been met or upgraded, and as discussed above, private capital is seeking to take advantage of the inherent value of the sector in the UK and Australia. It is rare for the US storage REITs to underperform for extended periods, and we expect our investees to generate returns above market expectations over the next few years.

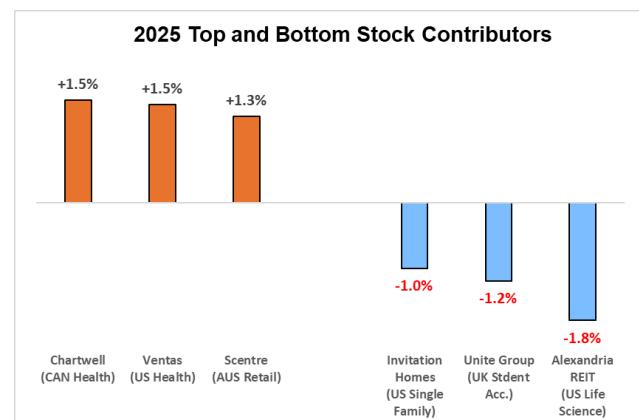


(Source – Quay Global Investors)

Not all of the underperformances can be attributed to sentiment changes - earnings downgrades due to unforeseen factors also played a role.

One example was in the Life Science space (labs), where the gutting of the FDA following the change in US political administration impacted our holding in Alexandria REIT -

who downgraded earnings by 28% due to deteriorating tenant demand and higher funding costs. The contribution from Alexandria REIT to the funds' performance in 2025 is depicted in the chart below.



(Source – Quay Global Investors)

While the fund is highly index unaware, it was also disappointing to have underperformed the benchmark in 2025.

From a relative standpoint, the fund was meaningfully disadvantaged by the nil holdings of companies that either exist outside of Quay's investible universe (property developers) or that contradict the team's valuation philosophy (mega-cap REITs trading at premiums).

In this respect, we feel ok about missing the gains that fall outside of our investment mandate and believe that when momentum falls away our nil holdings in the mega caps will be a source of future outperformance.

## 2026 Outlook

While it is difficult looking backwards at the total return of the fund over the past two years, it is highly encouraging looking forward.

What is becoming clear is the continued emergence of private capital to take advantage of the substantial disconnect between intrinsic value and market prices.

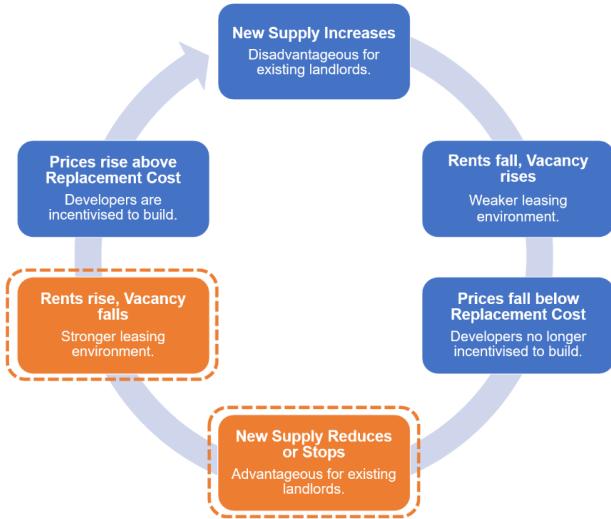
While we benefited from this 'take-private' trend last year via one of our Canadian holdings, the theme appears to have accelerated across the storage and residential REIT spaces – two areas where the fund has the highest weighting.

While 2026 is sure to have a number of unpredictable geopolitical and macroeconomic headlines, there are some slow-moving certainties to expect for sure:

- The delivery of new competitive real estate supply will continue to fall away in most sectors.
- The ability to underwrite the 'starts' of new real estate supply will continue to be stifled by the

heightened cost to build, cost of finance, and return requirements relative to economic rents.

It is the current stage of the real estate cycle (denoted in orange below) on which Quay's approach to investing has been premised.



(Source – Quay Global Investors)

This year we have seen once again the ability of landlords with a demand / supply imbalance to generate double digit earnings growth, namely in the US and Canadian senior housing markets. Due to their advancement in the supply cycle, we believe this sub-sector is a bellwether for REITs at large.

Finally, we would like to thank our investors for the continued support and trust placed in the investment team. We remain committed to delivering superior long-term real total returns through investing in global listed real estate.

## Fund details

Feature	Information
APIR Code	BFL333AU
Investment objective	To generate a real total return of at least 5% above CPI per annum over a 5+ year investment horizon
Portfolio managers	Chris Bedingfield/Justin Blaess
Stock number	25
Inception date	2 February 2022 <sup>2</sup>
Recommended investment period	Long term (5+ years)
Minimum investment (AUD) <sup>5</sup>	\$20,000
NAV <sup>3</sup>	5.0245
Buy/Sell spread	+/-0.20%
Entry/Exit fees	Nil
Distributions	Bi-annual
Management fees and costs <sup>4</sup>	0.92%

## Buy or sell units on the ASX

Information	
Ticker	QGFH
Exchange	ASX
Trading currency	Australian Dollar
iNAV provider	Solactive
Market maker	Bennelong Funds Management
Pricing	Intra-day

## Marketing pricing information on QGFH

	Ticker	iNAV Ticker
Bloomberg	QGFH AU Equity	QGFHAUIV Index
Reuters/Refinitiv	QGFH.AX	QGFHAUDINAV=SOLA
IRESS	QGFH.AXW	QGFHAUDINAV.ETF

## How to invest

The Fund is dual access, giving investors flexibility in how they choose to invest. Units can be purchased via your trading platform or broker through the Australian Stock Exchange. Alternatively, investors can apply directly via the PDS (available on our [website](#)) or through the platforms listed below.

Visit [How to invest](#) to find out more.

## Platforms

AMP North	Mason Stevens
BT (Panorama)	Netwealth (Wealth, Super)
CFS (Edge)	Praemium
Dash (uXchange)	Power Wrap (Smart Wrap)
Hub24 (Super, IDPS)	
Insignia (Expand, Expand Extra)	
Macquarie Wrap (IDPS, Super)	

## Get in touch

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<sup>1</sup> Benchmark is the FTSE EPRA/NAREIT Developed Hedged Index NET TR AUD. Source: FTSE International Limited ("FTSE") © FTSE 2017. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. "NAREIT®" is a trade mark of the National Association of Real Estate Investment Trusts and "EPRA®" is a trade mark of European Public Real Estate Association and all are used by FTSE under licence. All rights in the FTSE indices and / or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and / or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

<sup>2</sup> On 17 November 2025 the fund name changed from the Quay Global Real Estate Fund (AUD Hedged) to the Quay Global Real Estate Fund (AUD Hedged) Active ETF. The fund was inceptioned on 1 February 2022

<sup>3</sup> Adjusted for expected withholding taxes.

<sup>4</sup> Management fees and costs consist of annual management fee rate and capped recoverable expenses. For a detailed split of the fees and costs, please refer to the fund(s) PDS.

<sup>5</sup> When applying for Units directly with the Responsible Entity. There is no minimum number of units investors can buy on the ASX, subject to broker conditions.

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