Performance report | 30 September 2025

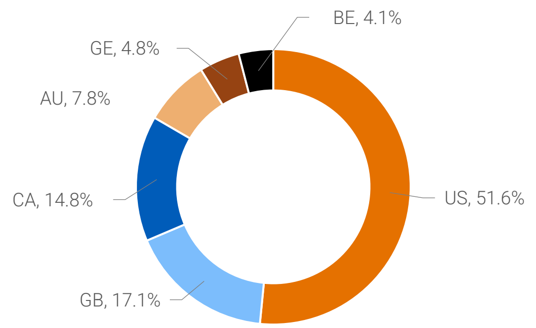
Quay Global Real Estate Fund (AUD Hedged)

Net returns

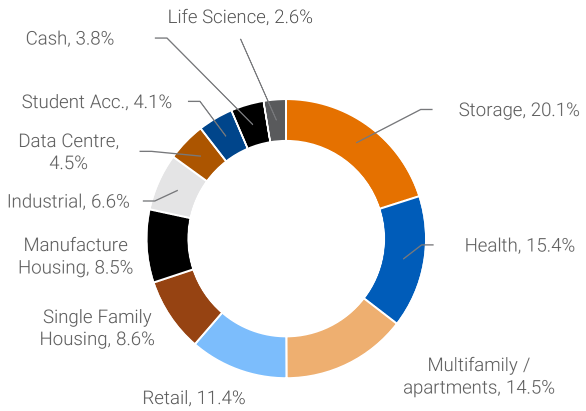
	1 mth	3 mths	6 mths	1 year	2 years p.a.	3 years p.a.	Since inception[2] p.a.
Fund	+0.56%	-0.80%	+2.87%	-6.21%	+9.67%	+6.76%	-2.24%
Benchmark[1]	+0.88%	+4.31%	+7.00%	-0.37%	+11.68%	+7.51%	-1.02%
Value added	-0.32%	-5.11%	-4.13%	-5.83%	-2.01%	-0.74%	-1.22%

Performance figures include dividends and are after all fees and costs and gross of any earnings tax, but after withholding tax.
'Value added' calculation does not use rounded performance figures. Past performance is not indicative of future performance.

Geographic weighting



Sector weighting



Commentary

The hedged global real estate index (AUD) returned +0.88% in September. The Fund returned net +0.56%, underperforming the index by 32bps.

In September the Federal Reserve delivered the first US rate cut of 2025, reducing rates by 25 bps to the range of 4.00%-4.25%. While this outcome was in line with market expectations, the summary of economic projections (dot plot) was notable for showing the wide dispersion of outlooks among the policymakers (FOMC). The median dot calls for an additional 50 bps of cuts in 2025.

Several other central banks around the world had meetings in September. The European Central Bank, Bank of England, Bank of Japan, Reserve Bank of Australia and Swiss National Bank all decided to leave rates unchanged. Policymakers worldwide are maintaining a cautious approach amid macroeconomic and geopolitical uncertainties.

To note has been the performance of Gold, which set record highs and ended the month up +10.2%. While demand for Gold is broad-based, this flight to the 'safe haven' asset likely reflects the market's evolving approach to risk.

A sub-sector that detracted from the funds' performance this month was US Single Family Housing. On the back of no company specific news, this sell-off was likely caused by mounting concerns in the 'for sale' housing market, which is experiencing price declines (in some regions) and rising unsold homebuilder inventories.

These fears are unrelated to our long-term investment thesis in the 'for rent' market, which is underpinned by structural ownership unaffordability and a decade long demographic tailwind. In our view, the recent price-action is reflecting a shift in short-term investor psychology rather than changes in fundamental value.

During September, Bank of America (BofA) hosted its annual global real estate conference in New York. Several of Quay's portfolio companies gave operational updates that were constructive, with a recurring theme being the fall in new development starts (future competitive supply).

The one exception to this trend is Data Centres. Widely viewed as the 'picks and shovels' play for artificial intelligence, the sub-sector continues to attract record levels of capital to fund new builds. In this month's investment perspectives, we assess the prevailing risks and outline our approach to stock selection in this domain.

Another focal point at the BofA conference was the valuation opportunity for REITs. The BofA US Equity & Quantitative Strategy team highlighted that S&P real estate companies are trading at the lowest relative multiple on an average historical basis across all sectors.

In our research, we are observing these deeply discounted valuations globally and consider them to be markedly disconnected from the sector's robust fundamentals.

We recognise that real estate can be a slow-moving asset class; however, with the current margin of safety, past cycles indicate that the patient investor will be greatly rewarded.

Top contributors to returns for the month came from positions in Canadian Healthcare and UK Storage. The top detractors for the month were our positions in US Single Family Housing and German Apartments.

Fund details

Feature	Information
APIR Code	BFL3333AU
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	24
Inception date	2 February 2022[2]
Recommended investment period	Long term (5+ years)
Minimum investment (AUD)	$20,000
Additional investment (AUD)	$5,000
NAV[3]	0.8683
Buy/Sell spread	+/-0.20%
Entry/Exit fees	Nil
Distributions	Bi-annual
Management fees and costs[4]	0.92%

How to invest

The Fund is open to investors directly via the PDS (available on our website) or the following platforms. Visit How to invest to find out more.

Platforms

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

Get in touch

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[2] Inception date is 2 February 2022.

[3] Adjusted for expected withholding taxes.

[4] 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.