Performance report | 31 July 2025

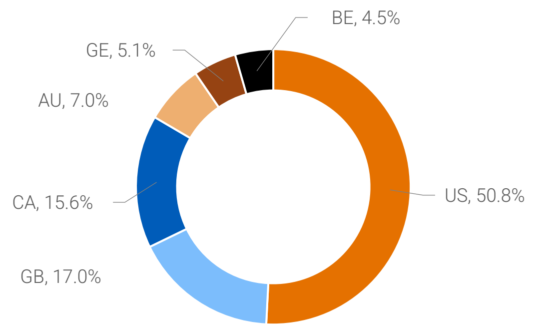
Quay Global Real Estate Fund (AUD Hedged)

Net returns

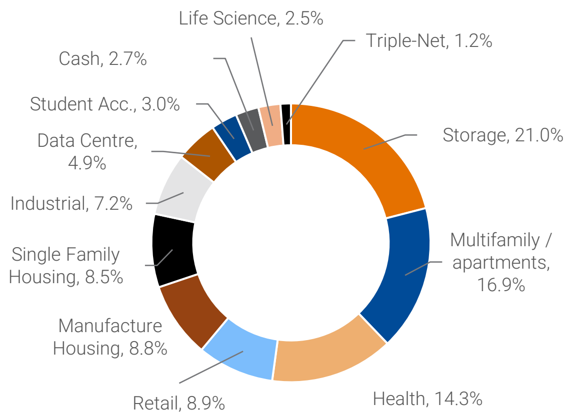
	1 mth	3 mths	6 mths	1 year	2 years p.a.	3 years p.a.	Since inception[2] p.a.
Fund	-2.94%	+0.33%	+2.10%	-1.67%	+3.61%	-0.45%	-2.95%
Benchmark[1]	-0.22%	+2.73%	+1.40%	+2.52%	+4.71%	-0.40%	-2.31%
Value added	-2.72%	-2.41%	+0.70%	-4.19%	-1.10%	-0.05%	-0.64%

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

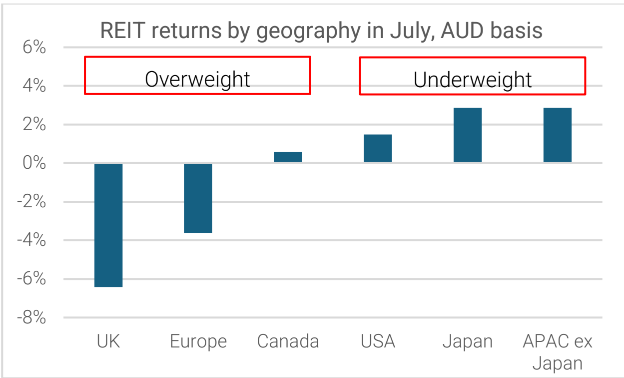


Sector weighting



Commentary

The AUD hedged global listed real estate index returned -0.22% in July. The Fund returned net -2.94%, underperforming the index by -272bps.



The chart above shows that there was significant divergence in returns between geographies this month. The fund's positioning across these geographies impacted our returns on both in absolute terms and relative to the index. To be clear, the Fund's geographical weightings are an outcome of Quay's bottom-up stock selection process and are not targeted allocations. Nevertheless, it is our view that there is no strong fundamental reason driving this short-term divergence. Similarly, in our view there is no compelling reason to think there won't be a reversion of this performance gap over time as market dynamics normalise.

Below we provide some commentary on certain regions at both ends of the performance spectrum.

UK & Europe

UK and Europe performed particularly poorly this month, and our fund's overweight exposure to these regions impacted performance. In the UK, bond yields rose significantly as the month progressed, triggered initially by

A Bennelong boutique

scenes of the finance minister crying in parliament, which raised concerns about the fiscal outlook. Later, stronger-than-expected inflation and wage growth led to further rises in bond yields. UK REITs likely sold off on the back of this.

Bond yields rose in Europe too, with the European Central Bank deciding to hold interest rates in July (largely expected) and the bank's president Christine Lagarde more hawkish than expected in her subsequent commentary.

Though there has been pressure on share prices, our UK and European investees are in fact performing well at the operational level. Our holdings in the region are predominately in the storage sector, which continue to report growing revenues as well as improvements in customer demand. Our investees are trading at attractive valuations, including at a discount to their US peers and will benefit from a better structural growth story. Our other holdings in the Europe region are in German industrial and Residential, both areas where new supply is hard to build, and demand continues to outpace supply.

Asia Pacific, including Japan

Our portfolio is underweight the Asia Pacific region, including to Japan, which were the top performing regions in July, and this impacted our relative returns. Together, this region represents 23% of the global index.

The fund has nil holdings in Japan, Singapore and Hong Kong. Despite the recent strength of these markets, we remain concerned about a variety of factors that will ultimately impact longer term returns, including poor demographic trajectory and/or the valuation and composition of the REIT markets in Asia.

In Australia, REITs also performed well, led largely by a recovery in the share price of Goodman Group. We own one stock in the region, a best-in-class retail owner, who operationally is going from strength to strength.

Outlook

We are positive on the outlook for the real estate sector and for our Fund in particular. Our investees, many of which have experienced significant de-rates in valuation multiples, are poised to outperform. The outlook for earnings growth is strong, due to in many instances, a shortage of supply being built and/or robust demand. We analyse US construction spend as well other key themes in this month's investments perspectives – 10 charts we are thinking about right now.

At Quay, we continue to invest in a concentrated portfolio of good businesses at attractive valuations, in-line with our investment philosophy and process. We believe these companies will reward patient investors in the medium to longer term – irrespective of fluctuations of bond yields or short-term macro headlines. This month marks the 11th year anniversary of our unhedged fund and we believe our track record over these years are a testament to the strength of our investment philosophy and process.

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	25
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]	0.8496
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)

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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.