

Performance report | 30 April 2026

Quay Global Real Estate Strategy (Unhedged)

For Institutional Investors Only

Overview

The Quay Global Real Estate Strategy ('the Strategy') invests in global listed real estate with a focus on rent-based total return opportunities, avoiding developers and emerging markets and seeking robust balance sheets and reliable long-term cash flows. Utilising fundamental analysis in stock selection and concentrated, low-turnover portfolio construction, the management team aims to generate annualised real total returns in excess of CPI +5% over the long term.

The Strategy is managed by Quay Global Investors, a Bennelong boutique. Bennelong is part of the BFM Group, an investment company that partners with boutiques across the globe to deliver actively managed equity funds.

Gross returns (\$AUD)

	1 mth	3 mths	6 mths	1 year	2 years p.a.	3 years p.a.	5 years p.a.	10 years p.a.	Since inception ¹ p.a.
Strategy	+4.02%	-0.69%	-3.42%	-5.00%	+3.35%	+4.83%	+4.40%	+7.07%	+9.58%
Benchmark ²	+3.38%	+2.97%	+0.64%	+4.25%	+8.63%	+5.98%	+3.69%	+4.30%	+5.97%
Value added	+0.64%	-3.65%	-4.06%	-9.24%	-5.29%	-1.15%	+0.71%	+2.77%	+3.61%

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

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

Strategy managers



Justin Blaess

Co-founder, Principal & Portfolio Manager

Before establishing and co-managing the Quay Global Real Estate Strategy, Justin spent five years at ING Investment Management in Sydney, where he was portfolio manager for all the listed real estate investment strategies with over \$2bn under management. He has also worked in corporate finance at major investment banks, where as part of their real estate investment banking teams he had experience on local and cross border M&A, debt and equity transactions. Justin started his finance career as a research analyst, first at HSBC and then Deutsche Bank, where with Chris he established and managed a REIT research team.



Chris Bedingfield

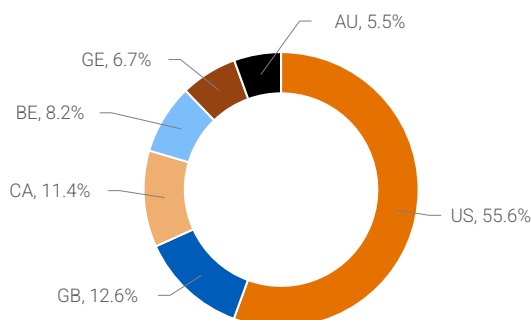
Co-founder, Principal & Portfolio Manager

Chris has nearly 30 years of experience working as a real estate specialist with a background in investment banking, real estate equities research and investment management. Prior to co-founding Quay, Chris was a senior member in the Real Estate Investment Banking group at Credit Suisse in Sydney and previously the Head of Real Estate Investment Banking Asia at Deutsche Bank. Chris started his career in real estate equity research, eventually becoming the head of research.

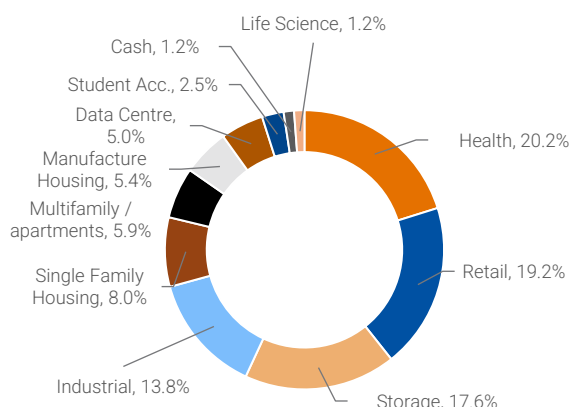
Strategy details

Feature	Information
Strategy	Global listed real estate
Index	FTSE/NAREIT Developed TR AUD Index
Investment vehicles	Separately Managed Accounts; AUD Unit Trust

Geographic weighting



Sector weighting



Commentary

In April, the global listed real estate index returned +3.38% on an Australian dollar ('AUD') basis. Foreign exchange impacts from a strong AUD detracted -410bps from local currency returns. The Strategy returned +4.02% for the month, outperforming the index by 64bps.

Sector review

Global listed real estate staged a recovery this month, with the index returning +7.48% on a local currency basis. This is despite government bond yields across major markets such as the US, closing either flat or up this month.

We believe that the strength in sector returns this month, is likely due to a combination of a few main factors:

- i) Demand for risk assets returned this month, as active combat in the Iran war has de-escalated to negotiations and naval blockades.
- ii) More importantly however, is that reporting season in the global listed real estate sector has been good. Even economically exposed sectors such as Industrial (particularly in Europe) reported no slowdown in tenant leasing activity because of the war. This is in stark contrast to the slowdown felt immediately after the tariff 'liberation day' period of March/April 2025.
- iii) Take-outs of listed REITs continued in April, with First Capital REIT (Canadian Retail), taken private by KingSett Capital (private equity) and Choice Properties (listed REIT) who will divide up the \$9b portfolio of assets. This continued trend of listed REIT take-outs is reflective of the attractive valuations many REITs trade at, particularly when compared to both replacement cost and private market values.

Top 3 contributors to monthly portfolio performance (local currency basis)

Company	Sector	Share Price Change	Portfolio average weight	Contribution to Return (local currency)
Macerich	US Retail	+15.0%	5.2%	+0.7%
Invitation Homes	US Single Family Housing	+15.8%	4.8%	+0.7%
Scentre Group	AUS Retail	+11.8%	4.8%	+0.5%

Macerich's share price rose strongly in April. There was no stock-specific news this month that directly drove this movement. However, we initially invested in the stock on the thesis that it was significantly underpriced relative to peers despite the high quality of its portfolio. Broader market recognition of this view has likely driven (and we expect will continue to drive) outperformance.

Invitation Home's share price performed strongly after reporting first quarter results during the month. Share prices for the single-family sector have had a relatively tough year. In the first quarter, the company repurchased a significant amount of their stock (US\$439m), a move consistent with value given the implied pricing discount relative to direct market value and replacement cost. The market was also pleased with better-than-expected leasing metrics.

Scentre Group's share price rebounded in April after a relatively tough start to the year. The company provided a strong first quarter update during the month, which showed no sign of consumer weakness. All operating metrics continued to be strong despite potential headwinds from interest rate hikes and fuel price increases.

**Bottom 3 contributors to monthly portfolio performance
(local currency basis)**

Company	Sector	Share Price Change	Portfolio average weight	Contribution to Return (local currency)
Hammerson	UK Retail	-2.4%*	0.3%	-0.03%
Alexandria Real Estate	US Life Science	-12.7%	1.4%	-0.18%
No other negative contributor				

*intra-month price change between 27/4 – 30/4

We started building a position in **Hammerson** intra-month, with the share price ending the month slightly lower than our average buy price. Hammerson owns a portfolio of best-in-class retail assets in the UK, Ireland and France. We have extensively written about why we like the best-in-class retail thematic over the years. Hammerson has transformed its portfolio in recent years, and we believe now is an appropriate time to establish a position at an attractive entry yield and where medium-term earnings growth per share of 8-10% p.a. is achievable. Like much of best-in-class retail globally, competing supply is low if not nil.

Alexandria's share price fell after reporting its first quarter 2026 results during the month. While key metrics were in line with expectations, the company effectively slightly lowered its 'trough' fourth quarter 2026 earnings guidance, which disappointed the market. Even on a lowered earnings guidance, the company trades at a double-digit earnings yield. We continue to hold this stock in the portfolio.

Outlook

Despite increased short-term volatility and uncertainty from the Iran war, we believe our portfolio is well-positioned to generate competitive risk-adjusted returns over the long term. A strong first quarter reporting season for our investees, and the continued trend of private takeovers of listed REITs provides support to our view. In addition, a lack of development starts in many real estate sub-sectors will support ongoing rental growth in a sector that in our view is trading at a discount to assessed fair value.

Get in touch



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¹ The above data for the Strategy relates to the performance data for the Quay Global Real Estate Fund (Unhedged) ("the Fund"). The Fund was launched on 30 July 2014 by another trustee. Bennelong assumed responsibility as replacement trustee on 31 January 2016. Please contact the Bennelong Institutional team for performance history relating to this date.

² Benchmark is the FTSE/ EPRA NAREIT Developed 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. The index is designed to track the performance of listed real estate companies and REITS worldwide.

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