

Performance report | 31 August 2025

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. Utilizing fundamental analysis in stock selection and concentrated, low-turnover portfolio construction, the management team aims to generate annualized 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	+0.85%	-1.73%	-0.20%	-0.25%	+8.53%	+7.73%	+9.65%	+8.48%	+10.76%
Benchmark ²	+2.67%	+2.32%	-0.05%	+5.52%	+8.75%	+5.88%	+7.24%	+4.61%	+6.34%
Value added	-1.81%	-4.05%	-0.15%	-5.77%	-0.22%	+1.85%	+2.41%	+3.87%	+4.41%

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



Chris Bedingfield

Co-founder, Principal & Portfolio Manager

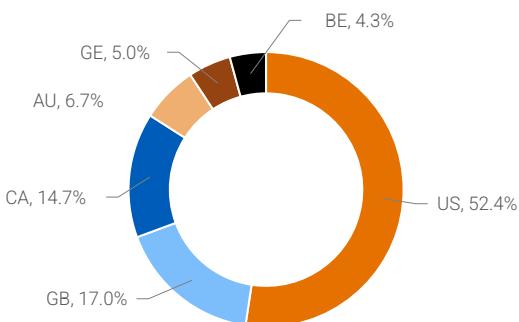
Before establishing and co-managing the Quay Global Real Estate Strategy, Justin spent five years at ING Investment Management in Sydney, where he was portfolio manager for all the listed real estate investment strategies with over \$2bn under management. He has also worked in corporate finance at major 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 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.

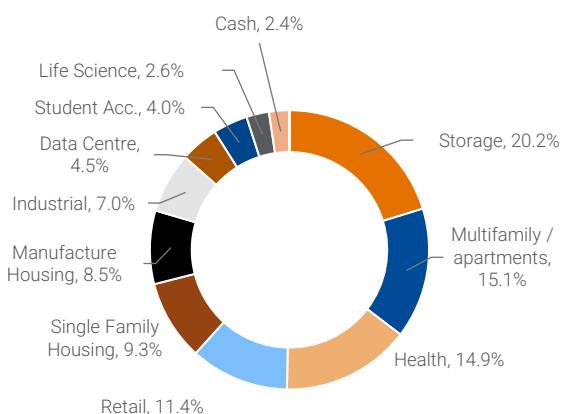
Strategy details

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

Geographic weighting

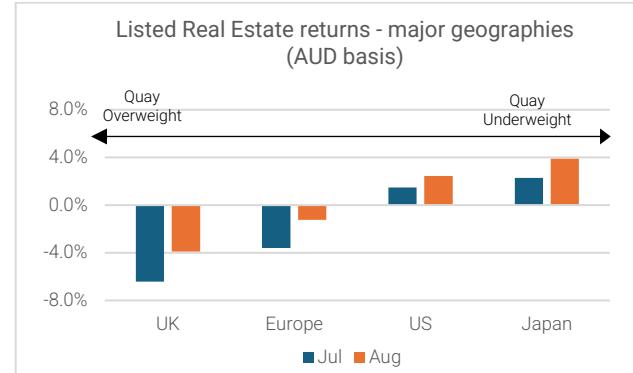


Sector weighting



Commentary

The global listed real estate index (AUD) returned +2.67% in August. Currency represented a -0.97% headwind on an AUD basis. The Strategy returned +0.85% for the month, underperforming the index by -181bps.



Source: Quay, Bloomberg

This month (and in July) there was a significant dispersion in sector returns when viewed at a geographical level. The fund's positioning across these geographies impacted our returns in absolute terms and relative to the index.

As we wrote in last month's report, we are of the view that there will likely be a reversion of this performance gap between regions over time as market dynamics normalise.

A good example of this reversion can be seen in Hong Kong (~3% of index). Listed REIT performance in Hong Kong had been strong, including a +4.6% return in July, due to falling HIBOR interest rates. However, HIBOR started to normalise in August and rose back to levels seen in May, as a result Hong Kong REITs fell -5.4% in August.

UK was again the worst performer amongst the major geographical regions this month. Although the Bank of England cut its benchmark interest rate at the start of the month, it took the committee members two votes to reach this decision – a narrow majority of 5 votes for, and 4 against. UK bond yields spiked, and REIT prices fell on the back of this development, as it signalled to the market that future rate cut decisions in the UK will be finely balanced. Later in the month, the release of higher-than-expected UK inflation figures, likely further dampened sentiment and REIT prices.

On the end of the performance spectrum, Japanese listed real estate continued to outperform, led by the share price gains of the two largest Japanese developers, Mitsui Fudosan and Mitsubishi Estate. While Quay excludes property developers from our investment universe (due to cyclical and elevated risk of earnings), they do form a part of the global index and our nil holdings impacted our relative performance.

Outlook

In the short term, share prices and monthly returns can be significantly influenced by macroeconomic data releases and speculation around central bank decisions. In our view, as long-term investors, the focus should be on earnings and valuation. In this month's [investment perspectives](#), we look in detail into a sub-sector that is currently experiencing strong earnings growth – senior housing in North America.

At Quay, we seek to underwrite the best ideas globally on a 5-year investment horizon using our bottom-up process in line with our investment philosophy.

Our portfolio currently trades at attractive valuations and our investees, including those in the UK, continue to perform well operationally, and we are confident this will be reflected in share price outperformance in the future. This is very much the case particularly after a period of recent underperformance.

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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