QUAY global INVESTORS

Performance report | 31 August 2025

Quay Global Real Estate Strategy (Unhedged)

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 ($USD)[1]

	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[3] p.a.
Strategy[1]	+2.52%	-0.06%	+5.04%	-3.78%	+9.10%	+6.08%	+7.01%	+7.61%	+7.28%
Benchmark[2]	+4.37%	+4.06%	+5.20%	+1.78%	+9.32%	+4.26%	+4.65%	+3.77%	+3.00%
Value added	-1.84%	-4.11%	-0.16%	-5.56%	-0.23%	+1.83%	+2.35%	+3.84%	+4.28%

Past performance does not guarantee future results - investing involves risks, including the possible loss of principal. Performance represents the gross performance of the Strategy, which is currently only offered to non-US persons, and the performance of the index. Gross performance excludes fees and expenses. Performance has been converted from Australian dollars (the base currency of the Strategy) to US dollars. Investment returns may vary depending on currency exchange rates, expenses and other fees. See "Important Legal Information" at the end of this document.

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

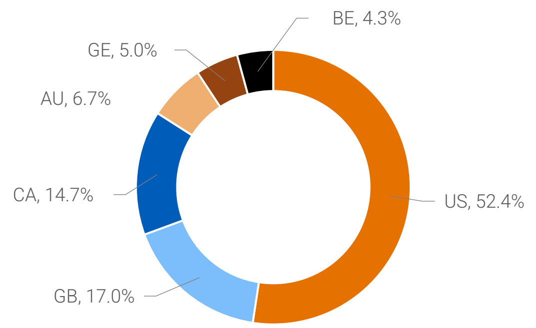
Co-founder, Principal & Portfolio Manager

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.

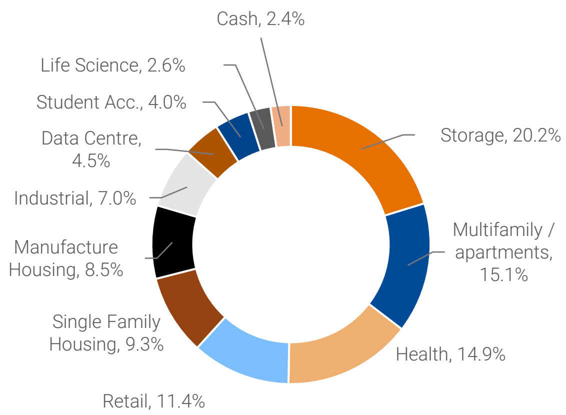
Strategy details

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

Geographic weighting

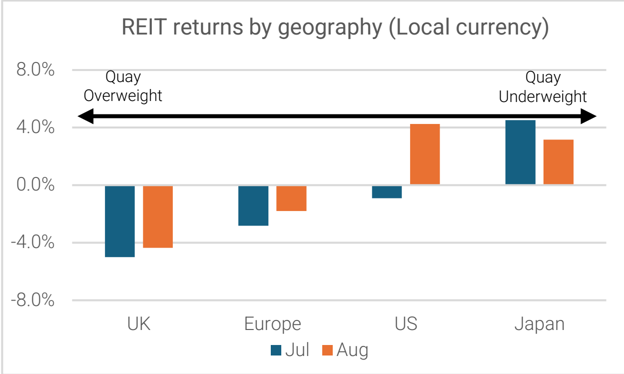


Sector weighting



Commentary

The global listed real estate index (USD) returned +4.37% in August. The Strategy returned +2.52% for the month, underperforming the index by -184bps.



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 cyclicality 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 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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Geographic and sector weightings are subject to change. There is no assurance that the geographic and sector weightings presented above will be maintained, and actual geographic and sector weightings experienced by a client may be different than those shown here.

[1] Returns have been converted to USD for the purpose of this report. Returns are calculated daily by Citigroup Pty Limited using the exchange rate available at the time of the calculation or end of day.

[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.

[3] The securities listed do not represent all of the securities purchased, sold, or recommended. A complete description of the performance calculation methodology, including further details of securities that contributed to performance, is available upon request. Please contact us for additional information.

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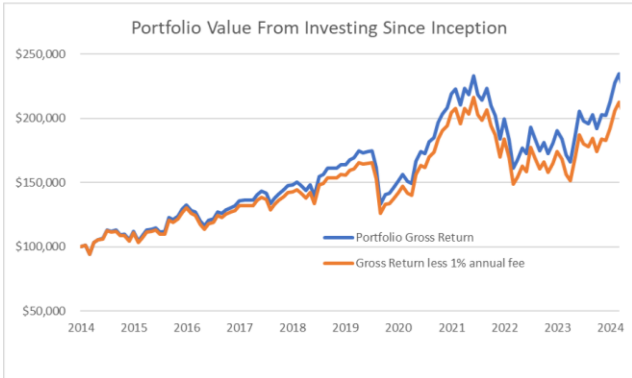
The performance figures provided in this report are gross, and do not reflect the deduction of investment management fees, and any return may be reduced by management fees and any other expenses incurred in the management of the account. Actual fees are available upon request and will vary depending on, among other things, the applicable fee schedule and account size. On the right is a hypothetical example showing the effect that an investment management fee of 1%, and no performance fee, would have if $100,000 was invested in the Strategy since inception.



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Risk factors:

The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the fund, potentially creating a partial or total loss for the fund. The fund can be exposed to different currencies. Changes in foreign exchange rates could create losses. A derivative may not perform as expected, and may create losses greater than the cost of the derivative. If a fund uses derivatives for leverage, it makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss. Equity prices fluctuate daily, based on many factors including general, economic, industry or company news. In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares. The fund may take positions that seek to profit if the price of a security falls. A large rise in price of the security may cause large losses. Failures at service providers could lead to disruptions of fund operations or losses.