

# Performance report | 28 February 2026

## 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)<sup>1</sup>

	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 <sup>3</sup> p.a.
Strategy <sup>1</sup>	+3.98%	+6.69%	+5.76%	+11.09%	+8.88%	+7.88%	+5.03%	+7.50%	+7.47%
Benchmark <sup>2</sup>	+7.01%	+9.72%	+11.20%	+16.98%	+13.45%	+8.93%	+4.34%	+4.75%	+3.82%
Value added	-3.04%	-3.03%	-5.43%	-5.88%	-4.57%	-1.05%	+0.69%	+2.75%	+3.66%

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

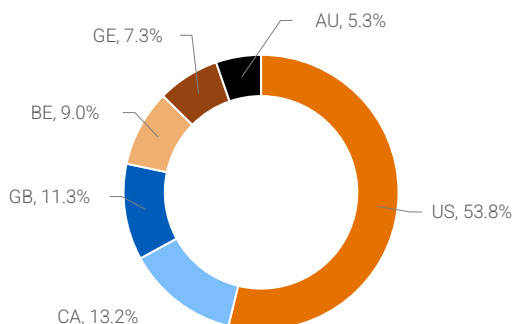
Co-founder, Principal & Portfolio Manager

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.

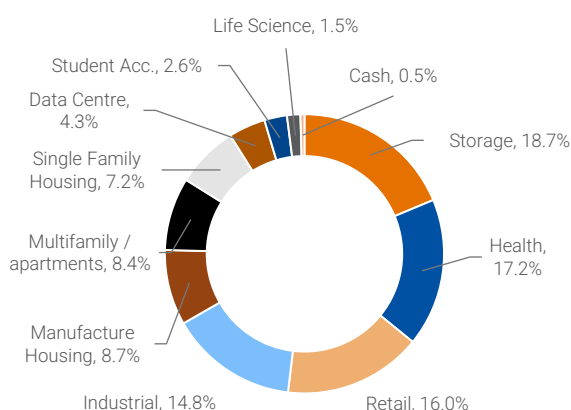
## Strategy details

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

In February, the global listed real estate index returned +7.01% on a US dollar basis. The Strategy returned +3.98% for the month, underperforming the index by 304bps. Underperformance was mainly driven by:

- Our nil exposure to the five stocks listed below which are some of the largest in the index. These combined to detract -2.9% on a relative basis:
  - Japan's largest property developers, Mitsubishi Estate & Mitsui Fudosan combined to detract -0.8%. Developers are excluded from Quay's investment universe for volatility reasons.
  - US data centre operator Equinix -0.8% (valuation reasons), US Senior housing REIT Welltower -0.7% (valuation reasons), US industrial REIT Prologis -0.6% (supply + valuation reasons). Note that we do

invest these sectors through our holdings in their less-expensively priced peers.

- Stock specific performance within the portfolio which we outline in detail in the detractors section below.

### Sector review

The sector extended its strong start to the year. Already attractively valued relative to broader sectors, listed real estate has been largely insulated from AI-disruption concerns that have been impacting equity markets this year. The notable exception has been the office-subsector, which has sold off based on fears around AI impacts on structural tenant demand.

The sector also remained resilient to tariff-related developments this month, following the Trump administration's introduction of new broad-based tariffs after US Supreme court decision invalidated prior tariffs. Falling bond yields in the US and Europe also added a further tailwind. Year to date, US REITs are outperforming the S&P500 by ~10.5%.

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

Company	Sector	Share Price Change	Portfolio average weight	Contribution to Return (local currency)
Ventas	US Healthcare	+10.9%	6.4%	+0.7%
Sirius Real Estate	GER Industrial	+13.9%	4.8%	+0.6%
Chartwell Retirement	CAN Healthcare	+9.9%	5.5%	+0.5%

- Ventas'** share price rose strongly after the company reported full year 2025 results. The company is guiding an exceptional +8.5-10.5% same-store NOI growth for the year ahead. Additionally, management indicated that market rents still need to rise a further ~20-25% on average to justify new supply in the US.
- Sirius Real Estate** outperformed during the month after issuing GBP77m of equity to acquire two defence-related industrial assets in Germany at an attractive blended initial yield of 7.6%. Pricing of the equity raise was in-line with NAV and at a small premium to the share price, which places it among the best priced equity raises seen in the sector in recent years.
- Chartwell's** share price also rose in February after the company reported results ahead of consensus expectations. Operational performance continues to be strong, with 2025 same-store NOI growing +18.4%. Based on guidance the company is expected to deliver at least 15% FFO (earnings) per share growth in 2026.

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

Company	Sector	Share Price Change	Portfolio avg weight	Contribution to Return (local currency)
Unite Group	UK Student Acc	-11.0%	3.0%	-0.3%
Shurgard	EUR Storage	-8.8%	3.7%	-0.3%
Scentre Group	AUS Retail	-6.4%	4.9%	-0.3%

- Unite Group's** share price weakened in February after releasing its FY25 results. While 2025 earnings were in-line with consensus expectations, the company lowered their forward guidance for 2026 earnings. Management attributed this to lower occupancy expectations in their Empiric portfolio, which is an acquisition that closed at the end January. We have maintained our weight in Unite despite this development. In our view near term operational softness is already fully reflected in the current stock price. The longer term fundamentals of the UK student housing sector remain intact. As such we see limited downside from here and believe the risk-reward opportunity at current price is attractive.
- Shurgard's** share price performance was weak in February after initiating 2026 earnings guidance slightly below consensus expectations (+1.5% at the midpoint vs market expectations of +2.5%). This miss was mainly driven by higher interest expense assumptions for the year as the company has suspended its dividend reinvestment plan (a good move, in our view) due to share price weakness. We have maintained our position in the stock as fundamentals in the storage sector remain attractive and we believe there is substantial value in this stock. The company is guiding a +6-8% p.a. earnings growth between FY27-30 (as interest expense growth normalises), which is exceptional for the REIT-sector, and by our calculations is very achievable.
- Scentre Group's** share price also struggled in February. While the company reported good 2025 results, earnings guidance for 2026 was 2% below expectations. The miss can be attributed to three main factors. The first being a newly announced redevelopment plans for Bondi Westfield which will sacrifice near term earnings in 2026 for better future rents and growth once the redevelopment is complete. The other contributors to the miss are higher AUD assumptions, which will impact Scentre's NZ dollar earnings in AUD terms, as well as higher interest rate assumptions for 2026. We do not believe these factors should change our overall investment view. We expect continued strength in Scentre's operations and current

valuation remains attractive. We maintained our weight in this stock.

Outlook

At the time of writing of this report, the war in Iran had just begun and the flow on impacts to oil prices, bond yields and sentiment have started to emerge. While near term market volatility risk appears to be high, we believe the attractive valuations of the listed real estate sector and a lack of new development starts (future supply) will support fundamentals in the sector.

Quay's investment process is focused on identifying the best rent based total return opportunities while minimising investment risks. We believe our portfolio is best positioned to capture the return potential that global listed real estate offers. Despite recent performance, Quay is confident that with time, the value within the portfolio will be recognised and will deliver superior total returns.

## Get in touch



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- <sup>1</sup> 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.
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- <sup>3</sup> 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.

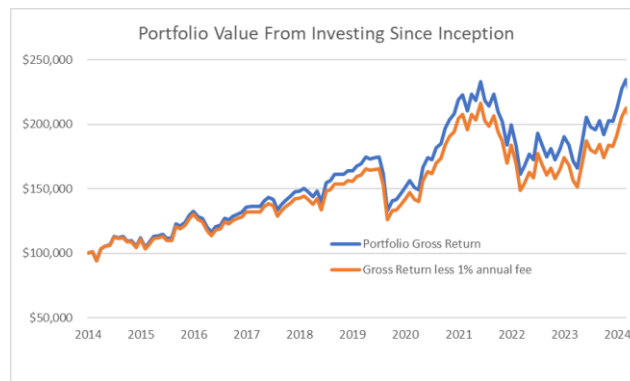
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### Risk factors:

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.