

# Performance report | 31 January 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>	+3.57%	+4.06%	+4.28%	+10.24%	+6.19%	+4.91%	+5.31 %	+7.09%	+7.16%
Benchmark <sup>2</sup>	+3.75%	+4.59%	+8.45%	+11.74%	+9.33%	+4.91%	+3.69%	+4.08%	+3.23%
Value added	-0.18%	-0.53%	-4.16%	-1.50%	-3.14%	+0.00%	+1.62%	+3.01%	+3.93%

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

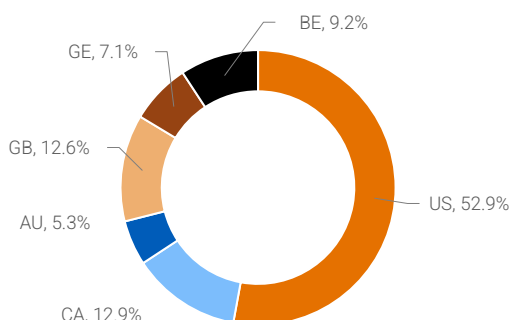
Co-founder, Principal & Portfolio Manager

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.

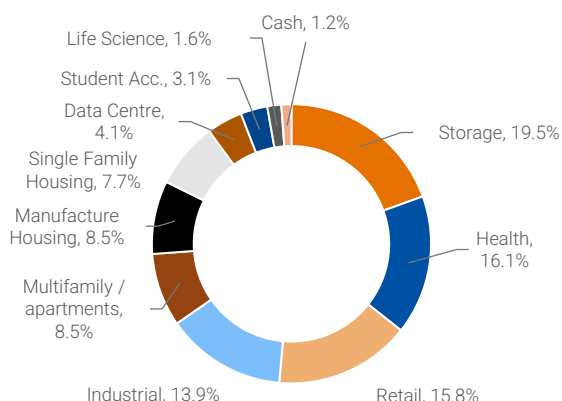
## Strategy details

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 January, the global listed real estate index returned +3.75% on an US dollar basis. Currency provided a tailwind of +0.83%. The Strategy returned +3.57% for the month, underperforming the index by 18bps. Underperformance was mainly driven by our larger weighting to the US single family homes sector – which faced share price pressure after Trump announced his intention to ban institutional investors from acquiring single family homes. We discuss this in more detail in the detractors section below.

### Sector review

In our view, the sector's performance this month (and relative to other asset classes) may reflect increased market attention to how relatively attractive the sector is in general, after underperforming in recent years. At the time of writing, we have already seen three public to private takeover bids announced in our universe since the start of

the year: Minto Apartments (Canadian apartments), Peakstone (US Industrial), Sankei Real Estate (Japanese Office/Hotel). While valuations in many sub-sectors of listed real estate screen cheap, underlying earnings and outlooks continue to be robust – a trend we are seeing as fourth quarter / full year reporting for North American and European companies kicked off in late-January.

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

Company	Sector	Share Price Change	Portfolio average weight	Contribution to Return (local currency)
Safestore	UK Storage	+12.4%	5.4%	+0.6%
Warehouses De Pauw	BEL Industrial	+8.1%	4.6%	+0.3%
Digital Realty	US Data Centre	+7.3%	4.0%	+0.3%

- **Safestore** reported strong full year 2025 results in January. Like-for-like revenue growth in their UK portfolio increased through FY25, and this trend is “continuing in 1Q26.” Additionally, management indicated they are now “at an inflection point” and are “cautiously optimistic” for FY26.
- **Warehouses De Pauw** (a new portfolio addition in December) also reported a good set of FY25 results during the month. Management is seeing increased demand in their markets, amidst a backdrop of lower supply. Importantly, management also disclosed an earnings per share target of at least EUR2.00 in 2030 (equivalent to a 6% p.a. growth over the next 5 years).
- **Digital Realty's** share price was strong in January as their biggest tenants, Meta and Microsoft, both reporting significant increases in AI Capex spending in their latest reporting period. Meta also announced 2026 capex guidance of US\$115-135b, ahead of street expectations of \$110b and a +73% increase on 2025's figure.

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

Company	Sector	Share Price Change	Portfolio average weight	Contribution to Return (local currency)
Invitation Homes	US Single Family Homes	-3.8%	4.9%	-0.2%
Scentre Group	AUS Retail	-3.8%	5.2%	-0.2%

Essex Property	US Apartments	-2.9%	4.0%	-0.1%
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- **Invitation Homes'** share price, along with peer AMH (also a portfolio holding), declined in January following Trump's announcement of his intention to prohibit institutional investors from acquiring single family homes. In our view, the practical impact is likely to be minimal. Neither company has been meaningfully acquisitive in recent years given current valuations, as both continue to trade at substantial discounts to private market values on an implied value per home basis. Notably, the executive order also includes a carve-out permitting the purchase of build to rent communities. We have not adjusted our weightings in our single-family rental holdings as a result of this development. We remain constructive on the sector due to favourable demographic trends, persistent supply-demand imbalances, and current valuations that remain more than 40% below estimated replacement cost.
- There was nothing stock specific driving **Scentre Group's** share price performance in January. Macroeconomic data and the flow-on impact on RBA's rate path was the likely driver. Scentre's share price (and the broader A-REIT sector) fell on the release of stronger than expected jobs growth as well as higher than expected CPI data. Fluctuations in near term interest rate expectations do not drive our investment approach.
- **Essex Property's** share price underperformed in January amid general weakness in the share performance of US residential sector, across single family (discussed above) and multifamily/apartments. Potentially, the market is pricing in a slower than expected recovery in US multifamily fundamentals in 2026. We are well-aware of the weakness facing multifamily operators in the sunbelt states, and hence are only invested in west-coast owner Essex who is more insulated from oversupply and trading at a significant discount to replacement cost.

### Outlook

The global listed real estate sector is currently trading at relatively cheap levels. Importantly, new development starts in many sub-sectors have fallen off significantly, which is bullish for medium-to-long term rent growth for existing operators.

A number of recent public to private bids of listed real estate companies to start 2026, supports our view that more investors are gaining confidence that listed valuations are at an unreasonable discount to intrinsic value – particularly after considering the robust outlook for 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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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.

- <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.

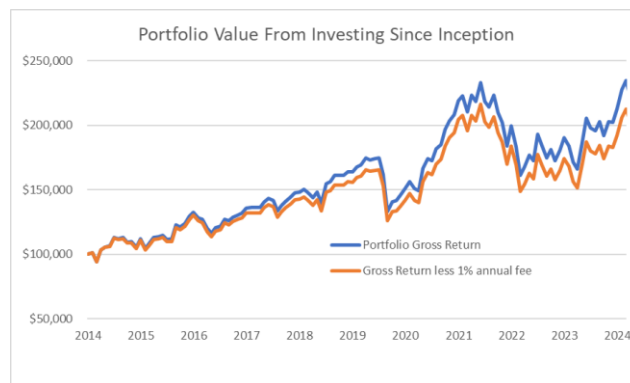
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### Risk factors:

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.