

# Performance report | 31 March 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. Using 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 (\$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>	-10.23%	-3.32%	-5.54%	+0.25%	+1.24%	+5.95%	+2.36%	+5.36%	+6.43%
Benchmark <sup>2</sup>	-9.00%	+1.03%	+0.29%	+8.97%	+6.40%	+6.73%	+1.82%	+2.83%	+2.95%
Value added	-1.22%	-4.35%	-5.84%	-8.72%	-5.16%	-0.78%	+0.54%	+2.53%	+3.48%

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

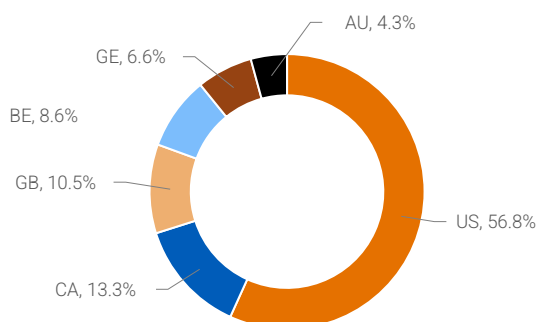
Co-founder, Principal & Portfolio Manager

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.

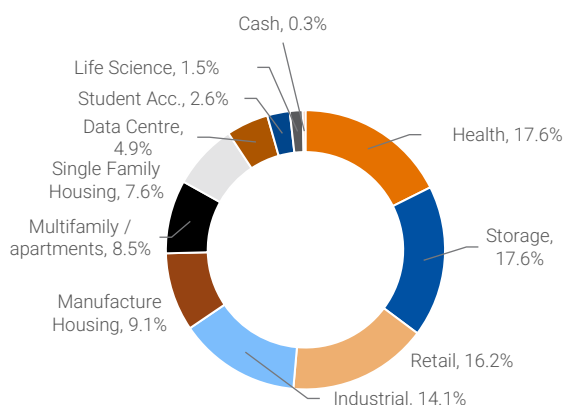
## Strategy details

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 March, the global listed real estate index returned -9.00% on an US dollar ("USD") basis. A strong USD proved a headwind to overall returns, with foreign exchange impacts detracting -74bps to local currency returns.

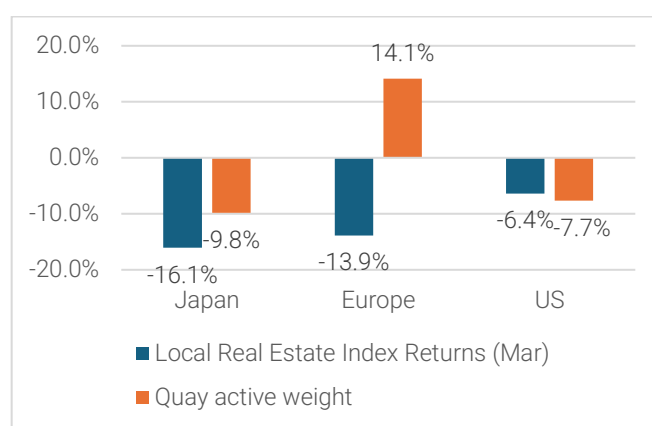
The Strategy returned -10.23% for the month, underperforming the index by 122bps. Underperformance was mainly driven by the Strategy's higher relative weighting to Europe, which struggled (particularly compared to US REITs) likely due to the greater dependence European economies have on oil imports from the Middle East.

## Sector review

Market uncertainty around the Iran war as well as inflationary fears from increased oil prices drove a sell-off in the listed real estate sector and spikes in global bond yields.

Out of the 358 stocks in the global listed real estate index, only 15 (4.2%) delivered a positive return in March. Notably, nearly half these (7 out of 15) were under takeover bids, with the bid prices anchoring valuations during the market selloff.

On a geographic basis, of the three major regions in the index (combined 85% of the index), Japan and Europe, which are more dependent on Middle Eastern oil, performed worse than the US.



Source: Quay Global Investors

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

Company	Sector	Share Price Change	Portfolio average weight	Contribution to Return (local currency)
Digital Realty	US Data Centre	+1.7%	4.6%	+0.1%

No other positive contributor

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**Digital Realty's** share price rose modestly despite the market-wide sell-off. The AI capex cycle may, in our view, be relatively more resilient to any economic consequences of the Iran war. Digital Realty also has immaterial exposure to the Middle East – limited to a 25% interest in a small development joint venture in Israel.

### Bottom 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	-20.0%	4.8%	-0.8%
Sirius Real Estate	EUR Industrial	-17.2%	4.9%	-0.8%
WDP	EUR Industrial	-14.2%	5.4%	-0.7%

There were no company-specific announcements that compounded the selloff in the share prices of **Safestore**, **Sirius Real Estate**, or **WDP** this month. All three companies operate in Europe and were caught up in the broader selloff of European stock markets (relative to the US).

We do note that the industrial sector is more economically sensitive and the storage sector is more interest rate sensitive relative to other parts of real estate, which likely explains their relative underperformance this month.

However, we are of the view:

- i) That it is too early to tell if there will be material impacts on real estate fundamentals from the Iran war.
- ii) Even if there is a sustained higher inflationary environment, European industrial real estate (and other commercial) owners get some offsetting benefit from leases that all have annual CPI-linked indexation.
- iii) These companies, particularly European storage, were trading at valuations that were, in our assessment, below fair value even before the sell-off.

Hence, we have not trimmed our weightings to these companies. At the time of writing of this report, all three stocks (and the broader portfolio) have recovered some losses in April month to date – and in our view, a cessation of hostilities could support a further recovery in valuations.

#### Outlook

Despite increased short term volatility and uncertainty from the Iran war, we remain confident our portfolio is well positioned to generate competitive risk-adjusted returns over the long term. A lack of development starts in many real estate sub-sectors will support ongoing rental growth in a sector that was in our view, trading at a discount to assessed fair value prior to the war, and at a wider discount today.

## 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.

<sup>2</sup> 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.

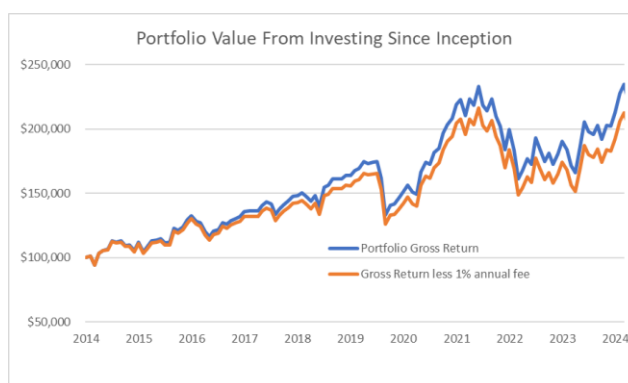
<sup>3</sup> The securities listed do not represent all of the securities purchased, sold, or recommended. A complete description of the performance calculation methodology, including further details of securities that contributed to performance, is available upon request. Please contact us for additional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

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