

# Performance report | 30 September 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)<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>  | +0.52% | -1.16% | +6.14% | -6.18% | +13.32%      | +10.97%      | +7.86%       | +7.27%        | +7.27%                            |
| Benchmark <sup>2</sup> | +0.89% | +4.07% | +8.65% | -0.31% | +13.32%      | +9.29%       | +5.50%       | +3.75%        | +3.06%                            |
| Value added            | -0.37% | -5.22% | -2.52% | -5.87% | +0.00%       | +1.68%       | +2.35%       | +3.52%        | +4.21%                            |

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

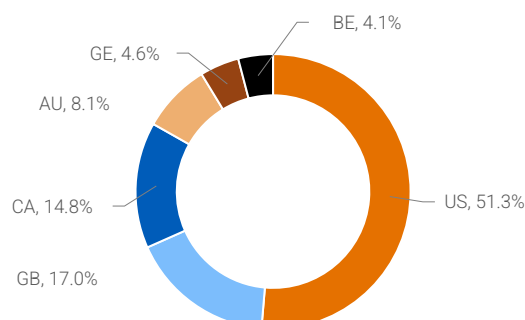
Co-founder, Principal & Portfolio Manager

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.

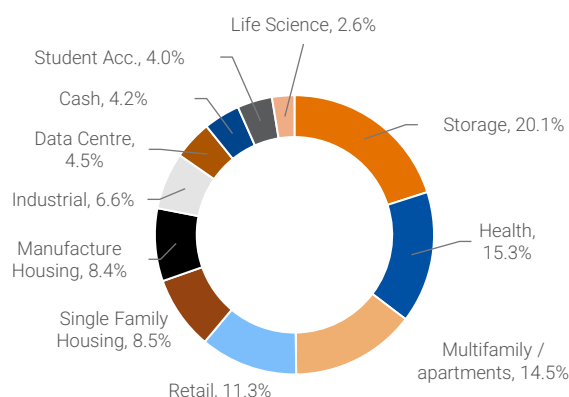
## Strategy details

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

## Geographic weighting



## Sector weighting



## Commentary

In September, the global real estate index (USD) returned +0.89% and the Strategy returned +0.52%, underperforming the index by 37bps.

In September the Federal Reserve delivered the first US rate cut of 2025, reducing rates by 25 bps to the range of 4.00%-4.25%. While this outcome was in line with market expectations, the summary of economic projections (dot plot) was notable for showing the wide dispersion of outlooks among the policymakers (FOMC). The median dot calls for an additional 50 bps of cuts in 2025.

Several other central banks around the world had meetings in September. The European Central Bank, Bank of England, Bank of Japan, Reserve Bank of Australia and Swiss National Bank all decided to leave rates unchanged. Policymakers worldwide are maintaining a cautious

approach amid macroeconomic and geopolitical uncertainties.

To note has been the performance of Gold, which set record highs and ended the month up +10.2%. While demand for Gold is broad-based, this flight to the 'safe haven' asset likely reflects the market's evolving approach to risk.

A sub-sector that detracted from the funds' performance this month was US Single Family Housing. On the back of no company specific news, this sell-off was likely caused by mounting concerns in the 'for sale' housing market, which is experiencing price declines (in some regions) and rising unsold homebuilder inventories.

These fears are unrelated to our long-term investment thesis in the 'for rent' market, which is underpinned by structural ownership unaffordability and a decade long demographic tailwind. In our view, the recent price-action is reflecting a shift in short-term investor psychology rather than changes in fundamental value.

During September, Bank of America (BofA) hosted its annual global real estate conference in New York. Several of Quay's portfolio companies gave operational updates that were constructive, with a recurring theme being the fall in new development starts (future competitive supply).

The one exception to this trend is Data Centres. Widely viewed as the 'picks and shovels' play for artificial intelligence, the sub-sector continues to attract record levels of capital to fund new builds. In this month's [investment perspectives](#), we assess the prevailing risks and outline our approach to stock selection in this domain.

Another focal point at the BofA conference was the valuation opportunity for REITs. The BofA US Equity & Quantitative Strategy team highlighted that S&P real estate companies are trading at the lowest relative multiple on an average historical basis across all sectors.

In our research, we are observing these deeply discounted valuations globally and consider them to be markedly disconnected from the sector's robust fundamentals.

We recognise that real estate can be a slow-moving asset class; however, with the current margin of safety, past cycles indicate that the patient investor will be greatly rewarded.

Top contributors to returns for the month came from positions in Canadian Healthcare and UK Storage. The top detractors for the month were our positions in US Single Family Housing and German Apartments.

## 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.

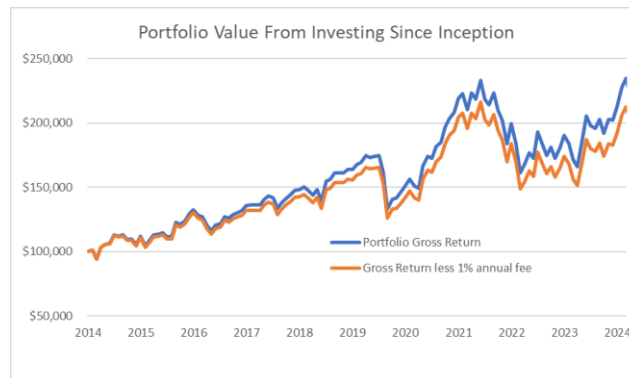
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The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the fund, potentially creating a partial or total loss for the fund. The fund can be exposed to different 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.