Performance report | 30 November 2024

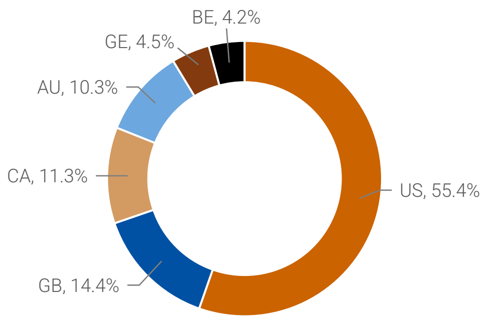
Quay Global Real Estate Fund (Unhedged)

Net returns

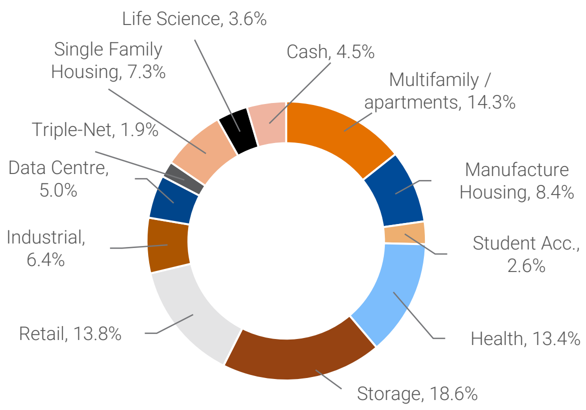
	1 mth	3 mths	6 mths	1 year	2 years p.a.	3 years p.a.	5 years p.a.	10 years p.a.	Since inception[2] p.a.
Fund	+1.52%	+1.33%	+11.43%	+20.20%	+12.62%	+2.44%	+4.32%	+8.97%	+10.19%
Benchmark[1]	+2.95%	+4.27%	+15.55%	+21.02%	+9.10%	+1.08%	+1.32%	+5.83%	+6.69%
Value added	-1.43%	-2.94%	-4.12%	-0.81%	+3.52%	+1.35%	+3.00%	+3.14%	+3.50%

Performance figures include dividends and are after all fees and costs and gross of any earnings tax, but after withholding tax. 'Value added' calculation does not use rounded performance figures. Past performance is not indicative of future performance.

Geographic weighting



Sector weighting



Commentary

Global real estate had a positive month, with the Index returning +2.6% on a local currency basis and +3.0% on an AUD basis. The Fund returned net +1.5% in November.

The US election dominated market attention this month. With Trump now elected as the next president, the top-of-mind question for many investors and market participants appears to be how to best position for Trump 2.0. This is especially pertinent as the Republicans will also control the House and Senate. Current market consensus is that a Trump presidency will result in higher economic growth and higher inflation in the US. In fact, bond yields had been rising in the weeks leading up to the election to factor in this possible outcome. In this month's investment perspectives, we explain why in our view, Trump 2.0 may not end up as inflationary / pro-growth as the market believes.

On a central bank front, the US Federal Reserve cut its benchmark rate by a further 25 basis points this month. Chairman Jerome Powell subsequently tempered market enthusiasm by indicating 'the economy is not sending any signals that we need to be in a hurry to lower interest rates. It was a similar tone in the UK, with the Bank of England implying a slower interest rate cut cycle after it lowered its benchmark rate by a further 25 basis points. The bank revised its inflation forecasts upwards to reflect the expected impact of the recently announced UK federal budget.

Reporting season for third quarter earnings concluded this month. According to Citi, 49% of US REITs beat market expectations. A standout was American Healthcare REIT (US Healthcare), which reported earnings that beat market expectations by ~20%. It achieved year-on-year same-store net operating income growth of +22.6% and +61.8%

respectively from its integrated senior health campus and senior housing assets.

Some interesting real estate related news released during the month included:

- Leg Immobilien (German Apartments) acquires remaining 63% stake in Brack Capital Properties (~9,100 German apartments with 90% regional overlap to LEG) for EUR45.00/share. Pricing represents a 7.5% gross rental yield (versus LEG portfolio of 4.9%) and EUR1,120/sqm (versus LEG portfolio of ~EUR1,600/sqm)
- Blackstone acquires ROIC (US strip retail) for $17.50/share in an all-cash deal worth US$4billion. This represents a 34% premium to ROIC's unaffected share price and implies a cap rate of 6.2%
- HMC Capital's data centre portfolio, Digico Infrastructure REIT will list on the ASX in December with a market capitalisation at listing of $2.75bn and an enterprise valuation of $4.2bn. Pricing represents a 26.1x pro-forma annualised adjusted EBITDA for 2025
- 60.1% of Californian voters in the US General Election voted against repealing the Costa-Hawkins Rental Housing Act (Prop 33), which limits the ability of local authorities to enact rent control
- According to data from Colliers, US industrial vacancy in 3Q24 increased by 19 basis points to 6.6%. New supply of 76 million square feet (lowest level since early 2021) was delivered during the quarter against net absorption of 39 million square feet

Top contributors to returns for the month came from positions in US Retail and US Data Centre. The top detractors for the month were from our positions in UK Storage.

Fund details

Feature	Information
APIR Code	BFL0020AU
Investment objective	To generate a real total return of at least 5% above CPI per annum over a 5+ year investment horizon
Portfolio managers	Chris Bedingfield/Justin Blaess
Stock number	25
Inception date	30 July 2014[2]
Recommended investment period	Long term (5+ years)
Minimum investment (AUD)	$20,000
Additional investment (AUD)	$5,000
NAV[3]	1.5135
Buy/Sell spread	+/-0.20%
Entry/Exit fees	Nil
Distributions	Bi-annual
Management fees and costs[4]	0.87%

How to invest

The Fund is open to investors directly via the PDS (available on our website) or the following platforms. Visit How to invest to find out more.

Platforms

AMP (My North, North, Summit, iAccess)

BT Asgard (Infinity eWrap)

BT (Panorama)

CFS (FirstChoice, FirstWrap)

Dash

Hub24 (Super, IDPS)

Macquarie Wrap (IDPS, Super)

Mason Stevens

MLC (Navigator, Wrap)

Netwealth (Wealth

Accelerator Plus and Super

Accelerator Plus)

Oasis (Wealthtrac)

Powerwrap (IDPS)

Praemium (Non Super, Super)

Get in touch

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1800 895 388 (AU) or 0800 442 304 (NZ)

[1] 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.

[2] The Quay Global Real Estate Fund (Unhedged) was launched on 30 July 2014 by another trustee, and the above performance data relates to this strategy. Bennelong assumed responsibility as replacement trustee on 31 January 2016. For performance history relating to this date, please contact Client Experience on 1800 895 388 (AU) or 0800 442 304 (NZ) or client.experience@bennelongfunds.com.

[3] Adjusted for expected withholding taxes.

[4] Management fees and costs consist of annual management fee rate and capped recoverable expenses. For a detailed split of the fees and costs, please refer to the fund(s) PDS.