

15 October 2026

The Manager
ASX Market Announcements
Australian Securities Exchange Limited
Sydney NSW 2000

By: e-Lodgement

Quay Global Real Estate Fund (Unhedged) – Active ETF (ASX: QGRU) – Monthly Investment Update

Please find attached a copy of the investment update for the month ending 30 September 2026.

If you have any queries, please contact the Bennelong Client Experience team on 1800 895 388 (Australia) or 0800 442 304 (New Zealand).

Yours sincerely
Client Experience Team
Bennelong Funds Management Ltd

Performance report | 30 September 2026

Quay Global Real Estate Fund (Unhedged) Active ETF

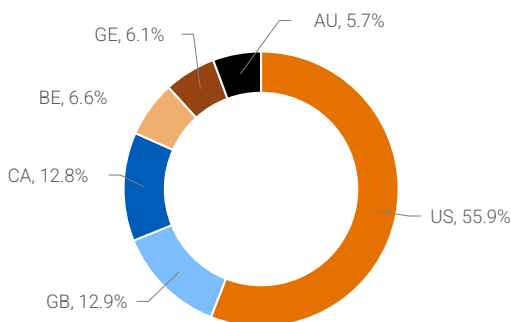
Net returns

	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	-3.26%	-7.22%	+1.04%	-8.08%	-5.40%	+4.18%	+0.23%	+5.08%	+7.55%
Benchmark ¹	-2.81%	-6.49%	+0.32%	-2.64%	+0.79%	+6.79%	+1.36%	+3.53%	+5.50%
Value added	-0.45%	-0.72%	+0.72%	-5.44%	-6.19%	-2.61%	-1.13%	+1.56%	+2.06%

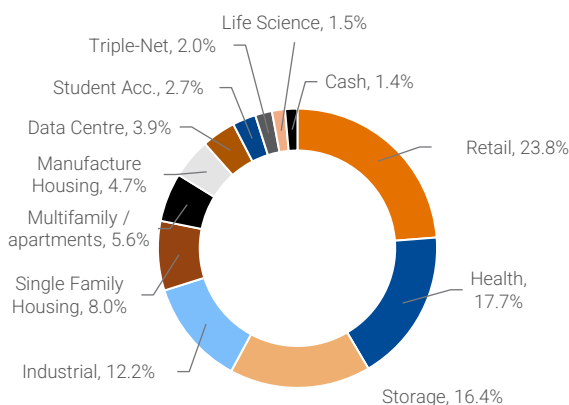
Performance figures include dividends and are after all fees and costs and gross of any earnings tax, but after withholding tax.

¹'Value added' calculation does not use rounded performance figures. Past performance is not indicative of future performance.

Geographic weighting



Sector weighting



Commentary

In September, the global listed real estate index returned -2.81% in Australian dollar (AUD) terms. The Fund delivered a net return of -3.26%, underperforming the index by 45bps. Currency movements partially offset weaker local share prices, contributing +195bps to monthly returns.

Very few areas of the global real estate sector escaped September's weakness, with 88% of index constituents declining in local currency terms. The sell-off extended beyond real estate, with the equal-weighted S&P 500 falling 5.2% and nine of the 11 sectors posting negative returns. The broad market weakness was likely driven by rising bond yields across developed markets, reflecting changing expectations for future central bank policy. Our latest white paper, *Let's Talk About Bonds*, explores this relationship and its implications for interest-rate-sensitive assets.

The Fund's relative underperformance in September was primarily driven by exposures to the single-family housing and self-storage sectors. The Fund's allocation to small-cap stocks also detracted from relative returns.

In our view, the fundamentals of the Fund's holdings remain materially stronger than the negative sentiment currently reflected in market pricing.

During September, members of the investment team travelled overseas to meet management teams and conduct on-the-ground due diligence on prospective investments. A key observation from these meetings was the clear divergence in business conditions across regions. The United States stood out as the strongest market, supported by robust economic growth and generally healthier corporate balance sheets. US REITs also continue to demonstrate superior capital discipline through lower

payout ratios and more conservative leverage levels, an important advantage in an environment of heightened interest rate uncertainty.

In a higher-rate environment, well-capitalised REITs are increasingly advantaged relative to more highly leveraged peers.

At the sector level, feedback from the trip reinforced several long-held investment views. Outside of data centres, new supply remains uneconomic across most property sectors. The stage of the rental growth cycle varies by sector, depending on current demand conditions and the extent of legacy supply yet to be absorbed. We expect constrained new supply to drive a sustained period of broader-based earnings growth across the sector.

Retail continues to stand out in many markets due to its favourable demand and supply dynamics, while valuations remain attractive on both a relative return and replacement cost basis. Although current operating conditions are strong, we also take comfort in the fact that major REITs typically own dominant shopping centres and retail assets that continue to attract tenant and consumer demand throughout the cycle.

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

Company	Sector	Share Price Change	Portfolio average weight	CTR (local currency)
Primaris	CAN Retail	+4%	0.5%	+0.1%
Shurgard	EUR Storage	-2%	2.9%	+0.0%
LXP Industrial	US Industrial	+0%	2.3%	+0.0%

Primaris REIT was a new position initiated late in the month, which explains its low average portfolio weight. During September, the company raised C\$230m of equity to fund the C\$411m acquisition of Upper Canada Mall, a dominant retail centre in the Greater Toronto Area. This transaction reflects Primaris' strategy of acquiring high-quality Canadian malls from exiting pension funds at attractive high-single-digit capitalisation rates and enhancing returns through active asset management. We toured several Primaris assets with the CEO and saw first-hand how leasing initiatives and targeted capital expenditure can generate double-digit reversionary yields.

Shurgard recovered some of the share price weakness experienced following its August guidance downgrade. During September, we met management on two occasions, including at a conference and with the company's UK operations team. Management remains constructive on the long-term supply outlook in its key markets, although near-

term supply pressures, particularly in London, continue to weigh on revenue growth. With the shares trading at approximately a 50% discount to net tangible assets, supply pressures expected to moderate, and a development pipeline targeting 8–9% yields at stabilisation, we continue to see substantial value at current prices.

LXP Industrial was again a positive contributor during the month. As highlighted in previous reports, the company remained subject to a takeover bid from Brookfield and CPP Investments, resulting in share price behaviour that resembled a cash position during the broader market sell-off. We exited the position during the month at a price broadly consistent with the offer and redeployed the capital into more attractive opportunities elsewhere in the portfolio.

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

Company	Sector	Share Price Change	Portfolio average weight	CTR (local currency)
Invitation Homes	US Single Family Housing	-10%	5.1%	-0.5%
Sirius Real Estate	GER Industrial	-9%	4.6%	-0.4%
Safestore	UK Storage	-11%	3.8%	-0.4%

Invitation Homes declined during September despite providing an encouraging operational update. We believe the weakness was likely driven by elevated bond yields and ongoing policy uncertainty surrounding the 21st Century ROAD to Housing Act. The company's September investor presentation reported blended rent growth of 3.2% for July and August, up from 2.7% in the second quarter. Capital allocation remains disciplined, with US\$700m of share buybacks completed since December at an average price of US\$26.72 per share, funded by home sales averaging approximately US\$460,000 per property, a substantial premium to the value implied by the current share price.

Sirius Real Estate reached a 52-week low during September as UK and European equities continued to exhibit heightened sensitivity to interest rates. In our view, the sell-off appeared excessive, a view seemingly shared by management, with the CEO purchasing 100,000 shares on market late in the month. Following month-end, the company's first-half trading update confirmed continued operating momentum, with total revenue growing 11.3% in constant currency terms and like-for-like rent roll increasing 5.1%. With the second half typically stronger seasonally, Sirius remains on track to meet our earnings expectations.

Safestore fell during September following a softer-than-expected third-quarter trading update. Like-for-like revenue increased 1.9%, occupancy declined, and full-year earnings

guidance was set at the lower end of market expectations. During the month, we visited a London facility and met with management. Our observations suggest the post-pandemic move-out overhang has largely been absorbed, while management has also re-sequenced the development pipeline to smooth earnings growth. We continue to hold the position given its attractive valuation metrics and our conviction in the long-term investment thesis, centred on the relatively low penetration of self-storage in the UK market.

Portfolio changes

During the month, we exited our position in LXP Industrial Trust, following the company's agreed take-private transaction involving Brookfield Asset Management and CPP Investments. We redeployed the proceeds into new positions in Primaris REIT, the previously mentioned Canadian shopping centre owner, and NetStreit Corp, a US net lease REIT. We believe both companies offer attractive forecast earnings growth, strong balance sheets, and favourable valuations.

Outlook

Real estate is inherently a capital-intensive asset class, and most property acquisitions involve some degree of debt financing. Rising bond yields, and the prospect of interest rates remaining higher for longer, affect REITs through three primary channels.

Firstly, investors demand higher returns from property assets, which translates into lower asset values. This effect is magnified at the equity level through leverage, with more highly geared REITs experiencing a greater impact.

Secondly, higher interest rates can directly affect earnings through increased financing costs. The extent of this impact depends not only on leverage levels, but also on debt hedging arrangements and debt maturity profiles. At the portfolio level, Quay's average debt-to-EBITDA (earnings before interest, tax, depreciation and amortisation) ratio has continued to decline and is currently a conservative 5.4x. Approximately 90% of portfolio debt is hedged and only 8% is due to mature during FY27.

Thirdly, tenant demand can weaken in more economically sensitive sectors, including office, industrial, and mid-market retail.

Offsetting these risks is the fact that REITs typically own the highest-quality assets within their sectors, which tend to attract tenant demand throughout the economic cycle. The ongoing theme of declining new supply is also helping to keep vacancy rates tight. In addition, Quay focuses on businesses supported by durable secular growth drivers. In sectors where supply is constrained and demand remains robust, we believe earnings growth can remain resilient and, in some cases, accelerate.

In listed markets, the pricing impact of higher interest rates is often immediate, with investors appearing to adopt a 'sell first, ask questions later' approach, as reflected by the broad-based de-rating seen in September. However, the real-world impact of higher rates on property markets and REIT earnings takes considerably longer to emerge.

While recent share price performance has been disappointing, we do not believe it reflects a sector under financial stress. Compared with the period leading into the Global Financial Crisis, REIT balance sheets remain substantially more conservative, and payout ratios are lower.

As bottom-up investors, we remain focused on businesses supported by durable demand drivers, strong balance sheets, and attractive long-term earnings growth prospects. We view the recent indiscriminate sell-off as an opportunity to acquire high-quality REITs at more attractive valuations. Ultimately, we believe value will be recognised over time, as it has in previous market cycles.

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	27
Inception date	30 July 2014 ²
Recommended investment period	Long term (5+ years)
Minimum investment (AUD) ⁵	\$20,000
NAV ³	3.6741
Buy/Sell spread	+/-0.20%
Entry/Exit fees	Nil
Distributions	Bi-annual
Management fees and costs ⁴	0.88%

Buy or sell units on the ASX

	Information
Ticker	QGRU
Exchange	ASX
Trading currency	Australian Dollar
iNAV provider	Solactive
Market maker	Bennelong Funds Management
Pricing	Intra-day

Market pricing information on QGRU

	Ticker	iNAV Ticker
Bloomberg	QGRU AU Equity	QGRUAUIV Index
Reuters/Refinitiv	QGRU.AX	QGRUAUDINAV=SOLA
IRESS	QGRU.AXW	QGRUAUDINAV.ETF

How to invest

The Fund is dual access, giving investors flexibility in how they choose to invest. Units can be purchased via your trading platform or broker through the Australian Stock Exchange. Alternatively, investors can apply directly via the PDS (available on our website) or through the platforms listed below.

Visit [How to invest](#) to find out more.

Platforms

AMP North	Mason Stevens
BT (Panorama)	MLC (Navigator, Wrap)
CFS (FirstChoice, Edge Super, Accelerate)	Netwealth (Wealth, Super)
Dash (uXchange)	Oasis (Wealthtrac)
Hub24 (Super Choice, Invest Choice)	Powerwrap (IDPS)
Insignia (Expand, Expand Extra)	Praemium (IDPS, Super)
Macquarie Wrap (IDPS, Super)	

Get in touch



quaygi.com



client.experience@bennelongfunds.com



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 On 17 November 2025 the fund name changed from the Quay Global Real Estate Fund (Unhedged) to the Quay Global Real Estate Fund (Unhedged) Active ETF. 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.
- ⁵ When applying for Units directly with the Responsible Entity. There is no minimum number of units investors can buy on the ASX, subject to broker conditions.

This information is issued by Bennelong Funds Management Ltd (ABN 39 111 214 085, AFSL 296806) (BFML) in relation to the Quay Global Real Estate Fund (Unhedged) Active ETF. The Fund is managed by Quay Global Investors, a Bennelong boutique. This is general information only, and does not constitute financial, tax or legal advice or an offer or solicitation to subscribe for units in any fund of which BFML is the Trustee or Responsible Entity (Bennelong Fund). This information has been prepared without taking account of your objectives, financial situation or needs. Before acting on the information or deciding whether to acquire or hold a product, you should consider the appropriateness of the information based on your own objectives, financial situation or needs or consult a professional adviser. You should also consider the relevant Information Memorandum (IM) and or Product Disclosure Statement (PDS) which is available on the BFML website, bennelongfunds.com, or by phoning 1800 895 388 (AU) or 0800 442 304 (NZ). Information about the Target Market Determinations (TMDs) for the Bennelong Funds is available on the BFML website. BFML may receive management and or performance fees from the Bennelong Funds, details of which are also set out in the current IM and or PDS. BFML and the Bennelong Funds, their affiliates and associates accept no liability for any inaccurate, incomplete or omitted information of any kind or any losses caused by using this information. All investments carry risks. There can be no assurance that any Bennelong Fund will achieve its targeted rate of return and no guarantee against loss resulting from an investment in any Bennelong Fund. Past fund performance is not indicative of future performance. Information is current as at the date of this document. Quay Global Investors Pty Ltd (ABN 98 163 911 859) is a Corporate Authorised Representative of BFML.