16th September 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 31st October 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 | 31 October 2026

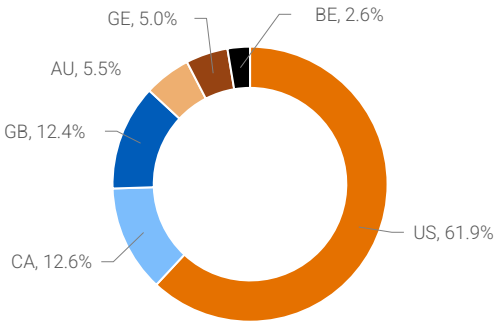
Quay Global Real Estate Fund (Unhedged) Active ETF

Net returns

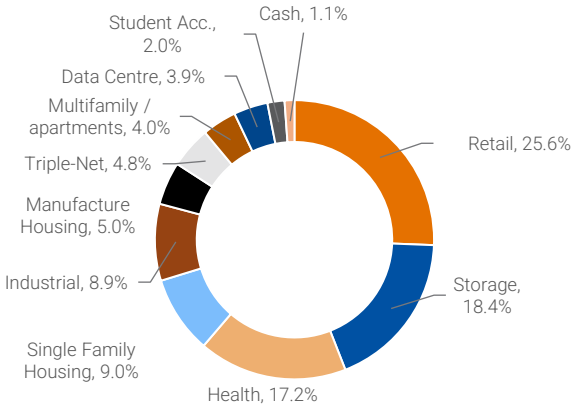
	1 mth	3 mths	6 mths	1 year	2 years p.a.	3 years p.a.	5 years p.a.	10 years p.a.	Since inception[2] p.a.
Fund	+2.95%	-5.75%	+0.07%	-3.79%	-3.58%	+5.64%	+0.39%	+5.93%	+7.76%
Benchmark[1]	+1.25%	-6.51%	-1.75%	-1.11%	+1.15%	+8.30%	+1.23%	+4.21%	+5.57%
Value added	+1.70%	+0.76%	+1.82%	-2.68%	-4.73%	-2.66%	-0.84%	+1.72%	+2.19%

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

In October, the global listed real estate index returned +1.25% in Australian dollar terms. Currency movements detracted 106bps from returns. The Fund delivered a net return of +2.95%, outperforming the index by +170bps. The primary driver of relative outperformance was our underweight exposure to data centres, including to Industrial REITs that have increasingly pivoted to data centre development.

October saw a sharp reversal in the AI trade, as rising debt costs amplified growing investor scepticism about the economics of the AI infrastructure buildout. The S&P 500 technology sector declined more than 6%, led by NVIDIA (-11%) and US hyperscalers such as Meta (-15%) and Alphabet (-17%). More speculative AI companies, including neoclouds such as IREN and CoreWeave fell more than 30% in the month.

While we do not claim to be experts in AI technology, we do note that the capital allocation decisions unfolding across the technology sector, particularly when compared to the real estate sector, are notable. We are witnessing a reversal of the pre-AI cycle status quo. Large technology companies are increasingly issuing equity, taking on debt, and going free cash flow negative to fund enormous capital expenditure. In contrast, much of the listed REIT sector is moving in the opposite direction, scaling back development spending, reducing leverage and returning capital to investors via share buybacks. Against this backdrop, we question whether current market valuations adequately reflect this divergence in financial risk and capital discipline.

The Fund has been underweight AI-related real estate since the cycle began in 2022. This positioning has been driven not by a view on the future of AI, but by our bottom-up valuation discipline, concerns around the volume of supply under construction, and scepticism towards the execution

capabilities of less established data centre operators. More recently, rising debt costs, community opposition and increased political pushback have added to the risks. We question whether prevailing valuations adequately compensate investors for the capital intensity, development risk and execution uncertainty inherent in the data centre sector.

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

Company	Sector	Share Price Change	Portfolio average weight	CTR (local currency)
Cubesmart	US Storage	+14%	4.3%	+0.6%
Extra Space Storage	US Storage	+15%	3.7%	+0.5%
Macerich	US Retail	+9%	6.0%	+0.5%

The US storage sector reported another strong set of quarterly earnings during the month. Same-store revenues continued their recovery, as competing supply moderates. This is despite persistently weak housing transaction volumes. Our holdings CubeSmart and Extra Space Storage were the two largest contributors to the Fund's absolute performance this month.

The storage sector has remained largely out of favour in recent years due to interest rate sensitivity and concerns about storage demand due to lower housing sales. Despite these headwinds, we have maintained both our conviction and weighting to the sector throughout the period, as our bottom-up approach and long-term conviction continued to show that there is value in this space. Now, in 2026, fundamentals have improved in the US. While much of the real estate limelight has been on the strength of senior housing and data centres, the US storage sector has quietly delivered share price returns of more than 20%+ year to date. We believe a similar recovery may unfold in European Storage in the coming years.

For us, the recovery in US storage is a timely reminder that, in our view, attractive investment opportunities emerge in overlooked sectors where improving fundamentals have yet to be fully reflected in valuations.

Macerich rebounded from relative share price weakness over the last two months to be one of the top performers in October. In our view, there were no material company specific news that explains the recent share price volatility. The stock remains the Fund's largest position.

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

Company	Sector	Share Price Change	Portfolio avg weight	CTR (local currency)
National Healthcare Properties	US Healthcare	-6%	2.2%	-0.1%
Alexandria Real Estate	US Life Science	-15%	0.5%	-0.1%
Sienna Senior Living	CAN Healthcare	-2%	4.3%	-0.1%

Alexandria Real Estate declined more than 15% in October. A downgrade by a previously bullish sell-side analyst drove the stock to fall 7% early in the month. This was followed by another roughly 7% fall late in the month as the company reported a mixed earnings result.

We exited our position in Alexandria, mid-month prior to the earnings release. Our decision reflected our view that higher bond yields may slow transaction activity and affect management's near-term asset disposal targets. This would raise the risk of balance sheet and funding issues. The recent sell-off across global REITs presented us with better risk-adjusted opportunities to invest in.

Sienna Senior Living' and National Healthcare Properties declined 2% and 6% respectively during the month. Its Canadian senior housing peer Chartwell, another portfolio holding, also had a weaker relative performance in October. In our view there were no material company-specific developments or deterioration in fundamentals driving these movements. In fact, Sienna, NHP and Chartwell are among the Fund's top performers in November (month to date) at the time of writing this report.

Outlook

As highlighted in last month's outlook, we believe the Fund remains well positioned for the current high interest rate environment. Our investees have relatively low leverage, high levels of fixed rate debt, and well laddered maturities. Over the longer term, higher rates will constrain future supply, further adding to the pricing power of our investees.

While one month's performance is a small sample size, we believe the Fund's strong absolute and relative performance in October is consistent with the benefits of our differentiated investment approach. At a time when global equity markets have become increasingly concentrated around the AI investment cycle, we believe our portfolio offers investors an attractive source of diversification, with return drivers grounded in real estate fundamentals.

We remain focused on identifying attractively valued companies with resilient and durable rental-based earnings, disciplined capital allocation and limited future supply risk. We believe these characteristics may support long-term returns, although outcomes will depend on factors including the direction of interest rates and the AI trade.

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)[5]	$20,000
NAV[3]	3.7827
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
BT (Panorama)
CFS (FirstChoice, Edge Super, Accelerate)
Dash (uXchange)
Hub24 (Super Choice, Invest Choice)
Insignia (Expand, Expand Extra)
Macquarie Wrap (IDPS, Super)
Mason Stevens
MLC (Navigator, Wrap)
Netwealth (Wealth, Super)
Oasis (Wealthtrac)
Powerwrap (IDPS)
Praemium (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.