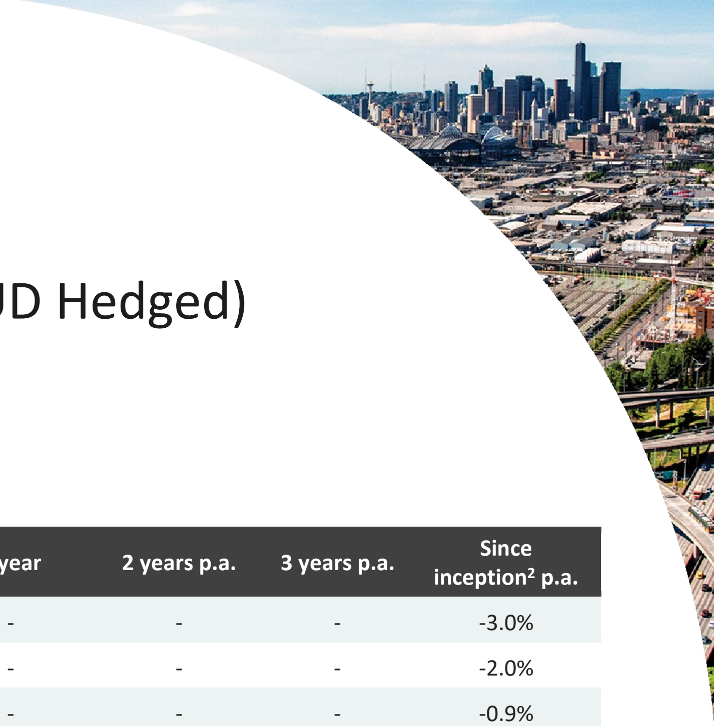


Quay Global Real Estate Fund (AUD Hedged)

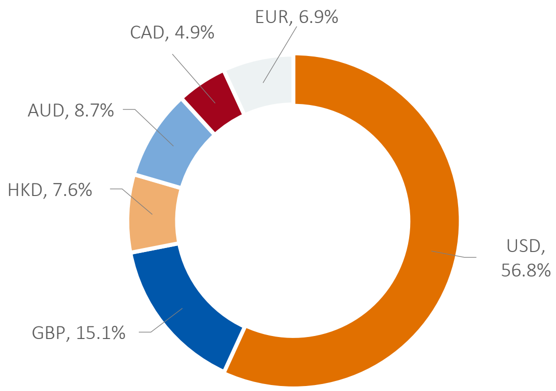
Performance report | 28 February 2022

Net client returns (after fees and expenses)

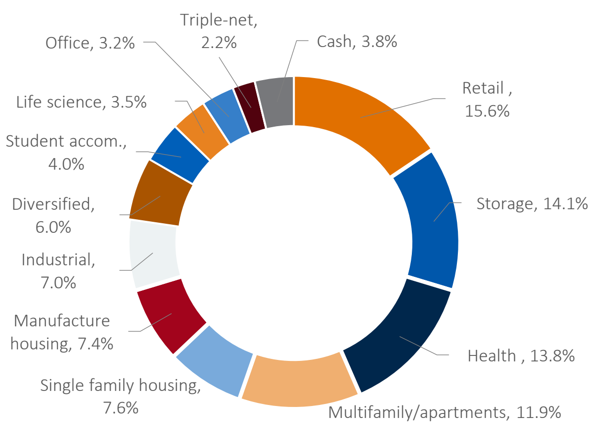
	1 mth	3 mths	6 mths	1 year	2 years p.a.	3 years p.a.	Since inception[2] p.a.
Fund	-3.0%	-	-	-	-	-	-3.0%
Benchmark[1]	-2.0%	-	-	-	-	-	-2.0%
Value added	-0.9%	-	-	-	-	-	-0.9%

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

Currency weighting



Sector weighting



Market commentary

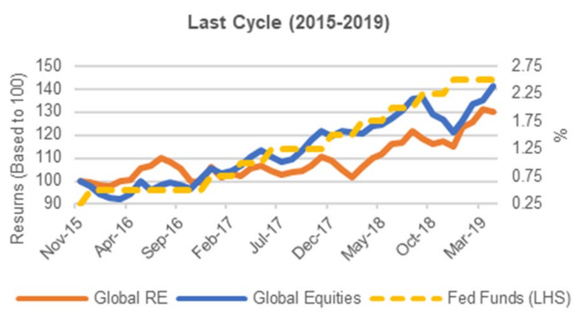
It was a difficult month for risk assets as global equities returned -5.3% in February, a decline that was exacerbated by a -2.7% currency headwind for local (AUD) investors.

There were very few "up" days during the period as the start of the month was dominated by a fear of persistent inflation and rising near term interest rates, while by month end it was the conflict in Ukraine. The later increasing concerns for ongoing inflation due to rising commodity prices and the impact of heavy sanctions on Russia.

It was the increase in commodity prices which supported the AUD, which was unusually strong given the "risk off" environment.

Unsurprisingly, the local equity market fared far better (no doubt buoyed by rising resource prices) posting a +2.1% total return in a rare display of outperformance relative to global equities.

We have no real insight into the politics and war in Europe however, we see very little medium-term risk to Fund returns solely due to rising inflation and interest rates. Below is a reminder of how US REIT's performed during the last rate hike cycle. For more on this topic, please refer to this month's Investment Perspectives.



Source: Bloomberg, Quay Global Investors

Fund commentary

The Fund struggled to perform this month posting a -3.0% total return. Not unlike global equities, losses accelerated toward month end as conflict in Ukraine dominated headlines.

We would like to remind investors the Fund has zero exposure to Russia, Ukraine (either directly or indirectly) or any other emerging economy. Our largest exposure to Europe is via the UK, and much of our exposure on the continent lies to the west in the German city of Berlin. The strategy is constrained to be invested only in developed markets.

For the fund, our focus has been reporting season which in most cases rounded-out full year 2021 earnings and provided the respective management teams the opportunity to provide 2022 guidance.

In summary, we have been satisfied with the results and guidance to date. Despite recent returns we believe at the margin, portfolio risk is lower today, while the outlook is brighter than at the beginning of the year. This is due to:

- Continued occupancy recovery in US senior housing indicating we have seen the lows in values and cashflows (in the absence of another COVID variant), and evidence the product has not suffered permanent reputational damage from COVID
- Strong retail sales and leasing performance in the US and Australia contrary to expectation of a 2022 fiscal drag
- A return to normal in occupancy and rents in student accommodation earlier than expected (while the current share price remains materially lower relative to pre-pandemic levels)
- Ongoing evidence of constrained supply across our underlying assets

For the month, the best returns represented a cross section of the portfolio diversification with Scentre Group (Australian retail), Empire State Realty Trust (US office) and Unite Group (UK student) strongly contributing. Invitation Homes (US housing), STAG Industrial (US Industrial) and Cubesmart (US Storage) were the laggards.

We continue to believe the Fund is well positioned to meet its investment objective of CPI + 5% over the medium term, and as such there was little change to the portfolio.

Fund details

Feature	Information
APIR Code	BFL3333AU
Investment objective	To provide investors with a total return (before fees and expenses) in excess of CPI + 5% per annum, measured over five years or more.
Portfolio managers	Chris Bedingfield/Justin Blaess
Stock number	26
Fund size	A$14m
Inception date	1 February 2022[2]
Recommended investment period	Long term (5+ years)
Minimum investment (AUD)	$20,000
Additional investment (AUD)	$5,000
NAV[3]	0.9704
Buy/Sell spread	+/-0.20%
Entry/Exit fees	Nil
Distributions	Bi-annual
Management fee[4]	0.82%

How to invest

The Fund is open to investors directly via the PDS (available on our website).

Get in touch

quaygi.com

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

client.experience@bennelongfunds.com

[1] Benchmark is the FTSE/EPRA NAREIT Developed Hedged 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] Inception date is 1 February 2022.

[3] Adjusted for expected withholding taxes.

[4] The management fee does not include fund expenses, which are capped at 0.10% per annum on net asset value, or the performance fee. Any performance fee payable is 15.375% of the excess return over the greater of CPI and the FTSE/EPRA NAREIT Developed Hedged Index Net TR AUD. All fees quoted include GST net of reduced input tax credits. For more information, refer to the Fund's Product Disclosure Statement available on our website.