

Quay Global Real Estate Fund (AUD Hedged)

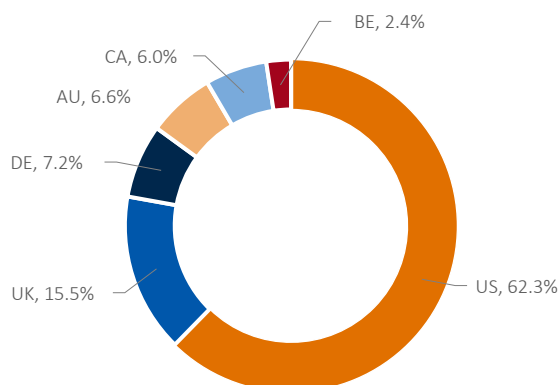
Performance report | 31 May 2023

Net client returns (after fees and expenses)

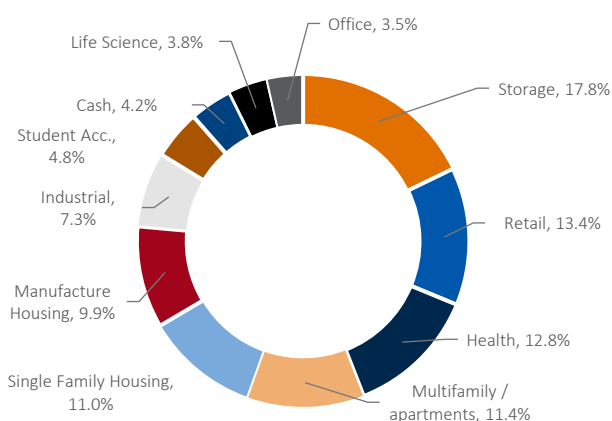
	1 mth	3 mths	6 mths	1 year	2 years p.a.	3 years p.a.	Since inception ² p.a.
Fund	-4.4%	-7.2%	-4.8%	-16.0%			-17.7%
Benchmark ¹	-3.8%	-5.7%	-5.6%	-15.7%			-16.1%
Value added	-0.6%	-1.6%	+0.8%	-0.4%			-1.5%

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

Geographic weighting



Sector weighting



Market commentary

Fears around the US debt ceiling abated by the end of month resulting in a modest 1% gain in global equities. Although currency helped for local investors, the surge in Artificial Intelligence stocks (AI) accounted for most of the gain. Despite the fact the US equity market is up ~10% this year, excluding a handful of large tech stocks overall equities are flat year to date.

The Australian market retraced -2.5% this month as fears mounted that the Reserve Bank of Australia is not yet finished with rate hikes this cycle.

Portfolio commentary

Global real estate remains volatile, as some of April's gains were lost in May. The Fund roughly matched the broader index declining -4.4%.

The strongest contributors to the Fund's return in May were overwhelmingly US residential stocks which, is not surprising since most private data providers are confirming the lack of for-sale inventory is resulting in a recovery and acceleration of residential prices.

As we discussed in last month's [Investment Perspectives](#) there appears to be a clear global trend with rising residential prices. For some, there may be a temptation to take advantage of this opportunity via listed residential developers. However, in this month's [Investment Perspectives](#) we highlight these types of stocks can be poor proxies for the residential market.

A reminder the portfolio retains a significant allocation to residential property (standalone homes, apartments and manufactured homes) where we find a stronger long-term relationship between underlying residential prices and stock returns without the need to take on development risk.

Portfolio Outlook

There has been little turnover in the portfolio over the past few months. While we continue to scour the world for new investment opportunities, we have yet to find any new investees that offer more compelling risk adjusted total returns than the companies that make-up the current portfolio. That may change as some of our investment team head to the US NAREIT conference this month to interview +40 companies.

While it is always difficult to predict near term returns, we remain confident the current portfolio is well positioned to meet and exceed our long-term investment objective.

Fund details

Feature	Information
APIR Code	BFL3333AU
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	24
Fund size	A\$59m
Inception date	2 February 2022 ²
Recommended investment period	Long term (5+ years)
Minimum investment (AUD)	\$20,000
Additional investment (AUD)	\$5,000
NAV ³	0.7620
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](#)) or the following platforms.

Platforms

AMP North
CFS (FirstWrap)
Dash
Hub24 (Super and IDPS)
Macquarie Wrap
Mason Stevens
Netwealth (Super Service, Wrap Service)
Praemium

Get in touch



quaygi.com



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



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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 2 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) Total Return (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.

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