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Real Estate Centre MONTHLY REIT FACTOR ANALYSIS

August 2026

Introduction and Rationale

As part of our academic research (see References in the Appendix) into i) Global Listed Real Estate ("LRE") performance over the cycle, ii) optimal LRE asset allocations and iii) real estate investment strategies for both public and private asset allocators, we monitor the factors affecting the monthly performance of our proprietary database of >370 Global REITs. We focus purely on REITs in these studies for simplicity and ease of comparison.

It has been well documented by Hoesli (2012) that LRE is influenced by equity markets in the short term and the underlying real estate market in the longer (three years) term. It is also well known that certain style factors affect performance regardless of equity sector (Fama and French 2102). Our area of enquiry is to identify both the *real estate* and the specific *non real estate factors* that are driving LRE performance and identify the trends which will shape future performance. We therefore apply both real estate and general equity style factors to our REIT universe. Generalist asset allocators often struggle to incorporate real estate equities into their process but by applying general equity factors it is easier to incorporate the unique characteristics of LRE with the other 10 equity sectors (Moss 2025). Given that generalist investors are the key price setters for LRE we believe that this practitioner focussed work has significance.

Each month we provide an overview of how LRE performed relative to other assets in a Multi Asset Portfolio and provide a summary of the key factors driving performance. We then provide more detailed analysis on each of the factors. We are acutely conscious of two features in particular: Firstly, regarding time, market sentiment drivers very rarely compartmentalise into neat monthly frameworks, so the full impact is not always captured, and secondly, regarding factors there are occasions when there is a single driving factor (e.g. size or leverage) for performance in a month, but more often, there are several factors which contribute (e.g. sector and size). Best performing factors are highlighted in green throughout this document. We use information from these monthly figures for our academic papers as well as incorporating them into the Real Estate Capital Market modules we teach here at Bayes for Finance, Management and Accounting Undergraduates, Real Estate, Real Estate Investment, and Global Finance Postgraduates, and Global MBA students.

Section 1 is an overview of this month's multi asset performance.

Section 2 looks at Smart Beta/Factor based General Equity Funds

Section 3 provides an insight into broad real estate factor performance.

Section 4 is a detailed factor analysis of REITs' performance.

The source for all tables and charts is Authors, LSEG Workspace. All returns and figures (e.g. Market Capitalisation) are shown in GBP).

1) Overview of this month's multi asset performance

August delivered a sharply divergent month, with equities and Alternative asset classes posting strong gains even as Global Real Estate suffered a notable setback. Bitcoin was once again the standout performer, surging 24.96% following July's 6.90% gain, extending its risk-on rally into a second consecutive month and reinforcing the sense of renewed speculative momentum and strengthening risk appetite across digital assets. Commodities also delivered a robust 6.94% gain, building on July's 5.40% rise and marking back-to-back months of strong performance, likely reflecting persistent supply-side pressures or continued inflation concerns feeding through to dollar-denominated commodity prices. Gold rebounded sharply to 9.90%, a significant reacceleration from July's modest 0.87% gain, suggesting renewed safe-haven demand even amid the broader risk-on tone across other asset classes. US Equities extended their recovery with a strong 2.68% gain, more than doubling July's 1.24% rise and marking a fourth consecutive positive month, pointing to sustained investor confidence and possibly continued strength in corporate earnings or economic data. Euro Equities, however, cooled sharply to just 0.37% after July's 1.04% gain, suggesting a continued rotation of relative appeal away from European markets in favour of the US and Alternative assets. Global Real Estate (Global RE) was the standout laggard, reversing sharply into a 4.49% decline after July's steady 1.58% gain, likely reflecting renewed sensitivity to rising bond yields or a reassessment of valuations following the prior month's M&A-driven optimism. Euro Bonds posted a smaller decline of 0.98%, while US Bonds managed a modest 0.38% gain, snapping their two-month losing streak.

Table 1 Global Listed RE in a Multi Asset Context – 2026 Month by Month Performance

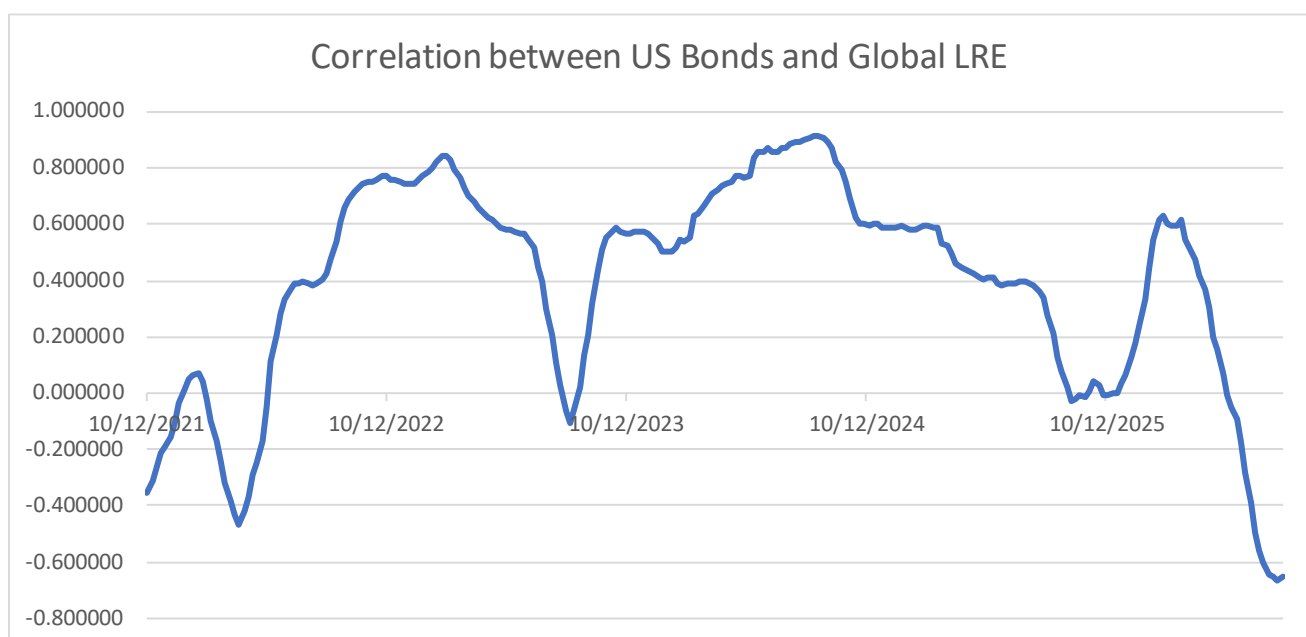
FUND	Jan 26 TR	Feb 26 TR	Mar 26 TR	April 26 TR	May 26 TR	June 26 TR	July 26 TR	Aug-26
Euro Bonds	0.75%	1.15%	-2.21%	0.19%	0.90%	0.57%	-1.66%	-0.98%
US Bonds	0.22%	1.66%	-1.73%	0.03%	0.32%	0.29%	-1.41%	0.38%
Euro Equities	3.31%	3.85%	-7.65%	5.40%	3.05%	2.77%	1.24%	0.37%
US Equities'	1.47%	-0.86%	-4.93%	10.51%	5.26%	-1.03%	0.03%	2.68%
Global RE	1.54%	8.72%	-7.05%	6.21%	0.11%	3.47%	1.53%	-4.49%
Gold	12.36%	8.63%	-11.01%	-1.49%	-1.57%	-11.67%	0.87%	9.90%
Commodities	9.47%	0.26%	5.78%	3.28%	-0.57%	-7.88%	5.40%	6.94%
Bitcoin	-4.61%	-21.83%	2.91%	12.53%	-4.16%	-20.24%	6.90%	24.96%

Table 1A Global Listed RE in a Multi Asset Context – Correlations YTD

Year-to-date correlations reveal a market structure where traditional fixed income and equities remain tightly linked, while Alternative assets continue to offer meaningful diversification benefits. Euro Bonds and US Bonds show a strong positive correlation of 0.74, reflecting continued synchronisation in global rate markets, while both bond markets also exhibit a notably high correlation with equities — Euro Bonds/Euro Equities at 0.61 and US Bonds/Euro Equities at 0.47 — suggesting bond and equity markets have been moving in tandem for much of the year, potentially reducing the traditional diversification benefit of a 60/40 style allocation. Within equities, Euro Equities and US Equities are moderately correlated at 0.58, while Global RE shows a strong relationship with both Euro Bonds (0.39) and Euro Equities (0.17), and a particularly high correlation with Gold at 0.17, highlighting Real Estate's dual sensitivity to both rate and equity market movements. Gold stands out as a genuine diversifier against bonds, posting a low correlation with Euro Bonds (0.22) and US Bonds (0.42), while its relationship with equities remains modest (0.25 with Euro Equities, 0.13 with US Equities), reinforcing its traditional safe-haven characteristics. Commodities show the most consistently negative correlations across the matrix, notably -0.23 with Euro Bonds, -0.32 with US Bonds, and -0.29 with Euro Equities, underscoring their value as a portfolio hedge against fixed income and equity market weakness. Bitcoin remains the most idiosyncratic asset in the matrix, showing negligible or weak correlations across the board — including a near-zero 0.05 with US Equities and -0.06 with Global RE — but a somewhat firmer 0.36 correlation with Commodities, suggesting it continues to trade with some characteristics of a speculative, inflation-sensitive asset rather than moving in line with traditional risk assets.

FUND	Euro Bonds	US Bonds	Euro Equities	US Equities'	Global RE	Gold	Commodi	Bitcoin
Euro Bonds	1.00	0.74	0.61	0.39	0.56	0.22	-0.23	0.11
US Bonds	0.74	1.00	0.47	0.36	0.50	0.42	-0.32	0.01
Euro Equities	0.61	0.47	1.00	0.58	0.58	0.41	-0.29	0.05
US Equities'	0.39	0.36	0.58	1.00	0.17	0.45	-0.03	0.27
Global RE	0.56	0.50	0.58	0.17	1.00	0.13	-0.25	-0.06
Gold	0.22	0.42	0.41	0.45	0.13	1.00	0.33	0.21
Commodities	-0.23	-0.32	-0.29	-0.03	-0.25	0.33	1.00	0.36
Bitcoin	0.11	0.01	0.05	0.27	-0.06	0.21	0.36	1.00

The rolling correlation between US Bonds and Global Listed Real Estate has undergone a dramatic and telling shift over the past five years, moving from a strongly positive relationship of around +0.60 to +0.90 through much of 2022–2024 to a sharply negative reading near -0.60 to -0.70 by late 2025/into 2026. During the 2022–2023 period, the consistently high positive correlation reflected an environment in which Global Real Estate traded largely as a rate-sensitive proxy for bonds — both asset classes reacting in tandem to shifting interest rate expectations and monetary policy signals, with REITs' heavy reliance on debt financing and their bond-like income characteristics driving this close co-movement. The brief but sharp dip toward zero and slightly negative territory around late 2023 likely coincided with a period of monetary policy uncertainty or a temporary decoupling as equity-market-specific factors (such as sector rotation or earnings dynamics) began to exert greater influence on REIT pricing than rates alone. The subsequent rebound to a second peak near +0.90 through 2024 suggests a reversion to the "REITs as bond proxy" dynamic, likely as rate expectations remained the dominant driver of both markets. However, the pronounced and accelerating breakdown in correlation from late 2025 into 2026 — culminating in the current strongly negative reading — marks a significant regime shift, suggesting that Global Real Estate has begun trading increasingly on its own equity-market and stock-specific fundamentals (such as earnings, occupancy, and capital markets activity) rather than simply mirroring bond market moves. This decoupling is particularly notable given the recent environment of rising bond yields alongside REIT weakness (as seen in August's -4.49% Global RE decline against rising yields), which would typically reinforce a positive correlation; instead, the negative reading implies that idiosyncratic real estate factors, equity risk sentiment, or sector-specific stress (as seen in some of August's steep sub-sector declines) are now the dominant forces driving listed real estate returns, reducing its traditional utility as a simple bond-proxy allocation within a portfolio.



2) Smart Beta Factor Funds performance

In their seminal work on US REITs and Factors that drive performance <https://www.reitfactors.ai/dashboard>

Cayman Seagrave, Stace Sirman and Maria Letdin use the following factors:

Size
Value
Momentum
Quality
Low Volatility
Reversal
Equal Weighted
And Value weighted

These classifications are consistent with the academic literature, from Fama French onwards. Our purpose is not to replicate their excellent work, but to expand it to encompass:

- 1) Global REITs
- 2) Infra stocks so that Real Asset factors can be analysed
- 3) Defining strategies that can allocate between factors according to the cycle
- 4) To apply the findings to allocation strategies that can be used by practitioners

As a starting point we have compiled a database of the largest Smart Beta/Factor based Equity Funds globally. We will use this for constructing our strategies.

As can be seen below the predominant categories are Income, Growth and Value followed by a series of Factor, Smart Beta and Themed Funds.

Our Factor based Funds Database

Factor style	No of Funds	Total AuM ((£)
Income	59	364,406,237,539
Growth	19	289,996,877,914
Value	30	271,203,935,984
Equal weight	11	94,222,546,798
Quality	15	87,376,626,575
Large Cap	7	82,074,707,471
Momentum	13	60,399,769,540
Minimum volatility	18	56,538,794,108
Small Cap	12	55,768,212,296
ESG	11	54,575,608,582
Factor	17	38,037,896,439
Fundamental	3	26,941,423,964
Income	2	19,750,492,651
Tech theme	5	11,163,984,920
Defensive	1	5,828,254,911

Factor Based Funds Performance for Aug 26

August marked a broad-based recovery across Smart Beta factor styles, with every single style posting positive returns — a sharp contrast to July's far more mixed picture, where roughly half the styles registered losses. ESG was the standout performer, surging to +3.67% after a punishing -3.70% in July, representing one of the sharpest reversals in the group and suggesting a strong rotation back into sustainability-focused strategies. Tech Theme also delivered a robust +3.18%, building on a modest +0.38% in July, while Quality staged a notable turnaround, rising to +2.92% after a -0.93% decline the prior month. Momentum similarly reversed course, climbing to +0.75% after July's steepest decline of -2.74%, though it remained the weakest performer in August despite the improvement. Defensive strategies

cooled significantly, easing from July's sector-leading +5.20% to a more modest +1.84% in August, while Income (the second Income row) and Large Cap both posted solid, consistent gains across both months, suggesting steadier demand for these styles regardless of the broader market's shifting risk tone. Minimum Volatility and Small Cap also strengthened notably, rising to +2.60% and +2.47% respectively from +0.23% and -1.36% in July, reinforcing the sense of a broad-based rally that lifted both defensive-oriented and higher-beta styles alike. Overall, August's performance reflects a marked improvement in breadth and consistency across factor styles compared to July's more fragmented, divergent showing, with the reversal in previously lagging styles (ESG, Momentum, Quality, Small Cap) standing out as the defining feature of the month.

Factor style	July 26 TR%	Aug 26 TR
Defensive	5.20%	1.84%
Equal weight	0.11%	2.50%
ESG	-3.70%	3.67%
Factor	1.91%	2.58%
Fundamental	0.55%	2.60%
Growth	-1.03%	1.69%
Income	0.22%	2.04%
Income	3.39%	2.21%
Large Cap	-0.05%	2.07%
Minimum volatility	0.23%	2.60%
Momentum	-2.74%	0.75%
Quality	-0.93%	2.92%
Small Cap	-1.36%	2.47%
Tech theme	0.38%	3.18%
Value	0.62%	1.80%

3) Real estate Factor performance

Table 2 Performance by Property Type exposure – 2026 Month by Month

Within listed real estate, August marked a sharp and broad-based reversal from July's more mixed picture, with the majority of sectors swinging into negative territory. Timber REITs suffered the most dramatic turnaround, tumbling from July's sector-leading 3.45% gain into a -6.25% decline in August, the steepest fall across the group and a clear signal of profit-taking or a reassessment of the sector's near-term fundamentals. Self-Storage REITs also reversed sharply, falling -5.07% after a modest 0.74% gain in July, pointing to emerging softness in storage demand or pricing power. Retail REITs (-3.72%), Hotel & Resort REITs (-3.71%), and Health Care REITs (-3.70%) all swung from solid July gains (2.53%, 2.17%, and 2.53% respectively) into meaningful August declines, underscoring a broad rotation away from consumer and services-facing property types. Industrial REITs mirrored this pattern, reversing from July's strong 3.20% gain into a -2.52% decline, while Office REITs saw one of the sharpest swings in the group, falling from 3.12% in July to -2.71% in August. Multi-Family Residential REITs extended their weakness for a second consecutive month, deepening from -1.23% in July to -3.02% in August, reinforcing the narrative of sustained softening in residential rental demand. Data Center REITs were a rare bright spot for improvement, recovering to a flat 0.28% after July's steep -4.86% decline, suggesting some stabilisation following the prior month's FERMI-driven volatility. Telecom Tower REITs held up relatively well, easing only modestly from 3.10% to 2.22%, while Single-Family Residential REITs edged higher to 0.78% from 0.36%, together standing out as the only two sectors to post positive returns and offering the sole areas of resilience in an otherwise difficult month for listed real estate.

Asset Group	Jan 26 TR	Feb 26 TR	Mar 26 TR	April 26 TR	May 26 TR	June 26 TR	July 26 TR	Aug 26 TR
Data Center REITs	3.39%	2.94%	-10.56%	10.10%	5.68%	2.09%	-4.86%	0.28%
Diversified REITs	0.57%	2.90%	-6.54%	5.04%	-1.55%	1.01%	0.91%	-2.13%
Health Care REITs	4.43%	7.67%	-7.41%	5.63%	2.97%	3.34%	2.53%	-3.70%
Hotel & Resort REITs	1.05%	4.84%	-6.14%	7.27%	5.45%	8.08%	2.17%	-3.71%
Industrial REITs	1.84%	3.43%	-7.54%	6.58%	1.26%	0.31%	3.20%	-2.52%
Multi-Family Residential REITs	1.31%	0.89%	-7.65%	4.26%	-0.42%	1.45%	-1.23%	-3.02%
Office REITs	0.78%	-1.10%	-6.58%	6.59%	0.59%	2.65%	3.12%	-2.71%
Other Specialized REITs	3.50%	7.63%	-7.40%	7.09%	-1.14%	0.34%	1.11%	-3.57%
Retail REITs	1.88%	5.85%	-4.97%	6.15%	0.63%	2.35%	1.52%	-3.72%
Self Storage REITs	4.74%	3.68%	-9.17%	7.19%	-1.57%	2.09%	0.74%	-5.07%
Single-Family Residential REITs	-0.19%	1.11%	-5.56%	5.48%	-1.04%	2.75%	0.36%	0.78%
Telecom Tower REITs	-1.67%	6.47%	-10.67%	10.05%	-0.74%	-13.69%	3.10%	2.22%
Timber REITs	6.93%	-5.17%	-1.18%	3.05%	-0.77%	0.81%	3.45%	-6.25%

Table 3 Performance by Primary Listing Country -2026 Month by Month

Global listed real estate performance was broadly negative in August, with the majority of markets reversing from July's gains. Australia was the weakest performer, tumbling -7.14% after a solid 1.77% gain in July, while France also swung sharply into decline, falling -5.17% versus a strong 5.31% rise the prior month. Canada (-6.76%) and Italy (-5.51%) rounded out the sharpest reversals, reflecting broad-based weakness across developed markets. Turkey was the standout outperformer, surging 10.63% after a marginal -0.02% July, while South Korea also delivered a strong recovery, rising 5.27% following a 4.03% July gain. Hong Kong posted a robust 6.71% gain despite a punishing -3.87% July, and the United Arab Emirates added a solid 5.98% following a modest 0.80% rise the prior month. The United States and United Kingdom both reversed into negative territory, down -3.87% and -1.28% respectively, after positive showings in July, underscoring the broadly risk-off tone that dominated global real estate markets during the month.

Country	Jan 26 TR	Feb 26 TR	Mar 26 TR	April 26 TR	May-26	June 26 TR	July 26 TR	Aug 26 TR
Australia	-3.86%	-0.63%	-9.22%	4.96%	-0.20%	3.43%	1.77%	-7.14%
Belgium	2.63%	7.90%	-10.33%	5.65%	2.46%	-1.37%	1.31%	-2.91%
Brazil	1.44%	3.46%	0.90%	2.53%	-0.47%	-1.36%	-1.32%	0.82%
Canada	3.62%	0.94%	-5.18%	7.25%	1.41%	2.01%	1.01%	-6.76%
China (Mainland)	3.24%	-0.76%	-4.47%	-0.39%	-6.25%	-6.04%	-0.14%	-1.23%
France	-1.64%	7.95%	-8.01%	15.20%	1.44%	0.23%	5.31%	-5.17%
Greece	-0.85%	-5.13%	2.70%	1.75%	-1.74%	-23.49%	-3.87%	6.71%
Hong Kong	1.72%	9.65%	-12.05%	4.27%	2.00%	-9.26%	9.39%	-3.18%
India	2.50%	1.33%	-5.14%	2.85%	0.59%	2.40%	3.76%	0.20%
Ireland	7.68%	8.87%	-5.77%	2.96%	4.10%	4.48%	-7.03%	2.31%
Israel	-2.29%	-11.65%	1.00%	6.19%	-8.12%	-2.73%	-2.68%	-0.48%
Italy	2.88%	22.27%	-9.39%	8.60%	10.82%	-7.36%	-0.95%	-5.51%
Japan	-0.87%	1.46%	-7.31%	2.75%	-4.01%	-0.45%	1.84%	-3.35%
Malaysia	7.56%	0.76%	-6.31%	4.34%	-2.34%	-0.62%	-0.62%	-1.80%
Mexico	2.14%	7.97%	-3.16%	3.07%	3.03%	-4.36%	1.03%	-0.07%
Netherlands	3.15%	13.12%	-8.53%	6.64%	2.80%	-3.62%	-0.63%	-3.11%
New Zealand	-3.68%	-0.78%	-4.90%	1.61%	1.29%	1.60%	-1.23%	-1.74%
Philippines	-4.49%	2.77%	-6.74%	2.65%	0.76%	0.04%	1.47%	-1.35%
Saudi Arabia	1.53%	4.06%	-2.07%	1.77%	1.08%	-1.96%	-3.99%	-1.22%
Singapore	1.11%	-0.24%	-5.91%	4.81%	-0.68%	-0.45%	2.95%	-1.18%
South Africa	1.51%	7.31%	-11.87%	5.22%	1.18%	4.49%	0.57%	-3.76%
South Korea	6.67%	7.03%	-0.14%	14.12%	-16.71%	-4.75%	4.03%	5.27%
Spain	0.71%	4.59%	2.40%	1.30%	1.81%	0.92%	0.83%	-1.06%
Taiwan	0.56%	0.13%	-1.08%	-0.18%	1.51%	-0.85%	-1.16%	-1.33%
Thailand	-0.57%	5.97%	-5.97%	4.74%	-0.46%	3.18%	5.87%	0.81%
Turkey	10.14%	4.38%	3.11%	12.39%	-4.50%	4.54%	-0.02%	10.63%
United Arab Emirates	5.65%	6.87%	-18.63%	7.27%	5.13%	1.63%	0.80%	5.98%
United Kingdom	6.12%	1.37%	-14.92%	7.83%	2.44%	4.61%	4.30%	-1.28%
United States	2.76%	5.74%	-6.61%	8.51%	3.21%	4.49%	1.06%	-3.87%

4) Detailed Factor Analysis- REITs

i) Size and Liquidity Factors

August marked a sharp reversal for listed real estate by size, with all four REIT quartiles posting negative returns (-1.09% to -4.11%), a stark contrast to July's broadly positive, large-cap-led environment. This risk-off shift aligns with the broader deterioration seen across capital markets, where Global Real Estate fell -4.49%, Euro Equities cooled to just 0.37%, and Euro Bonds declined -0.98%, even as US Equities (+2.68%) and select Alternative assets like Bitcoin (+24.96%) and Gold (+9.90%) continued to advance. Within this weaker environment, the size dynamic that favoured scale in July inverted decisively: large-cap REITs (1st Quartile) were the worst performers, falling -4.11% after leading the market with +2.93% in July, while the smallest REITs (4th Quartile) proved most resilient, declining only -1.09%. The 2nd Quartile (-3.40%) and 3rd Quartile (-1.72%) fell between these extremes, reinforcing a broadly consistent pattern across the month whereby larger, more liquid REITs bore the brunt of the sell-off while smaller-cap names offered relatively greater downside protection — a notable rotation away from the large-cap bias that characterised July's rally.

Table 4 Size Factor Impact on Performance

SIZE	Ave Mkt Cap	Jan 26 TR	Feb 26 Tr	Mar 26 TR	April 26 TI	May-26	Jun-26	Jul-26	Aug-26
1st Quartile (Largest)	13,794,816,756	1.55%	5.16%	-7.89%	6.54%	1.26%	2.39%	2.93%	-4.11%
2nd Quartile	2,271,562,749	2.34%	2.88%	-7.70%	6.11%	0.70%	2.89%	2.09%	-3.40%
3rd Quartile	1,001,702,411	1.33%	2.30%	-4.92%	7.42%	0.24%	1.62%	1.09%	-2.41%
4th Quartile (Smallest)	480,297,264	1.63%	3.71%	-6.18%	5.06%	-0.05%	0.46%	0.03%	-1.51%

Table 5 Liquidity Factor Impact on Performance

August brought a broad-based reversal across the liquidity spectrum, with all four quartiles posting negative returns, though the pattern was more linear than July's distinctive U-shape. The most liquid REITs (1st Quartile) were the weakest performers, falling -4.21%, closely mirroring July's leadership at the top of the liquidity spectrum but in the opposite direction — a clear sign that the most liquid, and typically most closely watched, names bore the brunt of the month's sell-off. The least liquid REITs (4th Quartile) fared best, declining just -1.79%, a marked improvement in relative terms from their already strong +2.62% July showing, suggesting continued resilience at this end of the spectrum regardless of overall market direction. The two middle quartiles again lagged notably, with the 2nd Quartile down -3.22% and the 3rd Quartile down -2.41%, broadly consistent with July's pattern of underperformance in the middle of the liquidity curve. This near-linear decline — with performance improving steadily as liquidity decreases — stands in contrast to July's U-shaped pattern and suggests that August's weakness was concentrated most heavily among the most liquid, closely-traded names, while a genuine liquidity-preference dynamic (rather than stock-specific or sector-composition effects) may have been more clearly at play this month.

LIQUIDITY	Ave Daily Liquidity	Jan 26 TR	Feb 26 Tr	Mar 26 TR	April 26 TI	May-26	Jun-26	Jul-26	Aug-26
1st Quartile (Most liquid)	33,308,622	1.71%	5.37%	-7.99%	6.64%	1.52%	2.44%	2.83%	-4.21%
2nd Quartile	6,340,853	2.30%	2.66%	-7.45%	6.05%	0.48%	3.03%	1.90%	-3.22%
3rd Quartile	2,867,774	1.43%	2.91%	-4.95%	7.27%	0.37%	1.83%	1.50%	-2.41%
4th Quartile (Least liquid)	904,386	1.37%	3.00%	-6.23%	5.50%	-0.13%	0.24%	0.14%	-1.79%

Table 6 Coverage Factor Impact on Performance

August saw a broad decline across all analyst coverage quartiles, though with a notably different pattern from July's mild tilt toward less-covered names. The 2nd Quartile held up relatively best, falling only -1.48%, followed by the least-covered names (4th Quartile) at -1.52%, while the most followed stocks (1st Quartile) underperformed more meaningfully at -2.12%, and the 3rd Quartile posted the steepest decline at -4.02%. This represents a marked shift from July, when the least-covered stocks led with +1.86% while the most-followed names lagged at just +0.12% — in August, the most heavily covered names actually underperformed the 2nd and 4th quartiles, breaking from any consistent relationship based on coverage level. The sharp underperformance of the 3rd Quartile stands out as the

most notable feature of the month, suggesting that August's weakness may have been driven more by stock-specific or sector-composition effects within that particular cohort rather than a clean rotation based on analyst attention itself.

ANALYST COVERAGE	Ave No of Analyst	Jan 26 TR	Feb 26 Tr	Mar 26 TR	April 26 TI	May-26	Jun-26	Jul-26	Aug-26
Most analysts following	13	1.71%	2.91%	-9.00%	6.33%	0.83%	2.07%	2.12%	-3.37%
2nd Quartile	7	1.06%	4.60%	-7.67%	6.26%	1.76%	2.90%	2.17%	-4.81%
3rd Quartile	3	2.03%	4.83%	-7.20%	6.75%	0.24%	1.64%	1.86%	-2.02%
Least analysts following	1	2.01%	1.82%	-3.32%	6.18%	-0.51%	1.02%	0.42%	-1.51%

Table 7 Analysts Rating Factor Impact on Performance

August continued to show little clear conviction pattern based on analyst recommendations, with a broadly negative month across all rating quartiles but no consistent relationship between rating strength and performance. The highest-rated (Buy) stocks fell -3.77%, underperforming both the 2nd Quartile (-2.33%) and the lowest-rated (Sell) stocks, which held up best at -2.66%, while the 3rd Quartile posted the steepest decline at -4.06%. This continues July's pattern of Sell-rated stocks outperforming Buy-rated ones, reinforcing the notion that analyst consensus ratings offered limited predictive value during the month's sell-off. As in July, the absence of a clean, linear relationship between recommendation strength and returns suggests that August's weakness was driven more by broad risk-off positioning and sector/size dynamics than by stock-specific fundamentals captured in analyst ratings.

ANALYST RATING	Consensus rating	Jan 26 TR	Feb 26 Tr	Mar 26 TR	April 26 TI	May-26	Jun-26	Jul-26	Aug-26
Highest analyst rating (BUY)	3.0	1.39%	3.52%	-6.10%	6.99%	0.74%	2.36%	1.39%	-3.77%
2nd Quartile	2.6	1.47%	2.19%	-8.08%	6.20%	1.53%	2.92%	1.54%	-3.44%
3rd Quartile	2.2	1.60%	4.03%	-7.74%	6.84%	0.54%	1.26%	2.53%	-4.06%
Lowest analyst rating (SELL)	1.8	2.14%	4.90%	-8.02%	6.75%	0.29%	2.13%	1.31%	-2.66%

ii) Valuation Factors

Table 8 NAV Valuation Factor Impact on Performance

Since US REITs do not mark to market assets under US GAAP, and they comprise a significant percentage of the global market this metric is less meaningful than for example in a Europe only study. July's performance revealed a fairly clear valuation-based pattern, with a general tilt toward stocks trading at deeper discounts to NAV. August saw a broadly negative month across the valuation spectrum, with a pattern that stands in partial contrast to July's mild value-oriented rotation. The Largest Premium quartile posted the steepest decline at -3.75%, while the 2nd Quartile fell -2.09% and the 3rd Quartile declined -3.29%, leaving the Largest Discount quartile as the relative outperformer, down just -1.79%. This continues July's theme of the most heavily discounted stocks holding up better than the most expensive names, reinforcing the sense that investors continued to favour cheaper, potentially undervalued REITs over those trading at rich premiums to net asset value — a pattern that has now persisted across both months despite the shift from a broadly positive to a broadly negative market backdrop. Notably, the relationship remains imperfectly linear, with the 3rd Quartile underperforming the 2nd Quartile, suggesting that while a value tilt is evident at the extremes, stock-specific or sector-composition effects continue to influence performance within the middle of the valuation spectrum.

DISCOUNT/PREM to NAV	Ave Price to Book	Jan 26 TR	Feb 26 Tr	Mar 26 TR	April 26 TI	May-26	Jun-26	Jul-26	Aug-26
Largest Premium	379.75%	2.63%	6.50%	-5.55%	8.66%	-0.02%	4.11%	0.82%	-3.75%
2nd Quartile	137.52%	1.28%	3.38%	-6.91%	5.92%	-0.63%	1.23%	2.29%	-2.75%
3rd Quartile	95.62%	0.95%	3.03%	-7.03%	5.79%	-0.24%	1.39%	0.57%	-3.29%
Largest Discount	25.76%	1.84%	1.75%	-7.34%	5.58%	2.51%	1.90%	2.47%	-2.73%

Table 9 Dividend Valuation Factor Impact on Performance

August showed a mixed relationship between yield and returns, without a clean continuation of July's mild value/income-oriented tilt. The Lowest Yield quartile (highest valued, most "expensive" stocks) posted the steepest

decline at -2.50%, while the Highest Yield quartile (lowest valued, highest-yielding names) also fell notably at -3.11%, underperforming both middle quartiles. The 2nd Quartile held up best, declining just -1.85%, while the 3rd Quartile fell -2.94%. The absence of a clear linear pattern — with the Highest Yield quartile underperforming rather than leading, in contrast to July — suggests that August's sell-off was not driven by a consistent yield or value preference, but rather by broader risk-off positioning and potentially stock-specific or sector-composition effects cutting across the yield spectrum.

DIVIDEND YIELD	Ave Dividend Yield	Jan 26 TR	Feb 26 Tr	Mar 26 TR	April 26 TI	May-26	Jun-26	Jul-26	Aug-26
Lowest Yield	3.01	2.70%	6.89%	-7.33%	7.73%	-0.02%	2.02%	2.33%	-2.50%
2nd Quartile	4.73	1.71%	2.38%	-7.11%	6.84%	-0.63%	2.21%	1.56%	-3.85%
3rd Quartile	5.80	1.21%	2.23%	-8.22%	6.53%	-0.24%	0.89%	2.34%	-2.94%
Highest Yield	8.25	1.20%	2.72%	-7.62%	9.04%	2.51%	2.14%	0.74%	-2.44%

Table10 FFO Multiple Valuation Factor Impact on Performance

August saw a broadly negative month across FFO multiple quartiles, with a pattern that only partially echoes July's clear value-oriented rotation. The Highest Multiple quartile (most expensive valuations) posted the steepest decline at -3.13%, while the Lowest Multiple quartile (cheapest valuations), July's clear leader, also fell sharply at -4.77%, making it the weakest performer alongside the 3rd Quartile, also down -4.77%. The 2nd Quartile held up best, declining just -0.11%. The breakdown of July's clean value rotation — with the cheapest-valued REITs now underperforming rather than leading — suggests that August's sell-off was not driven by a consistent valuation preference, and that stock-specific or sector-composition effects likely played a more significant role in performance across the FFO multiple spectrum this month.

FFO MULTIPLE	Ave FFO Multiple	Jan 26 TR	Feb 26 Tr	Mar 26 TR	April 26 TI	May-26	Jun-26	Jul-26	Aug-26
Highest Multiple	23.80	2.34%	5.36%	-5.38%	6.76%	0.54%	2.36%	1.28%	-3.13%
2nd Quartile	16.16	1.64%	3.18%	-7.15%	6.23%	0.37%	2.17%	1.47%	-4.11%
3rd Quartile	13.50	2.40%	5.36%	-7.49%	5.32%	-0.39%	2.59%	0.95%	-4.77%
Lowest Multiple	9.75	0.70%	3.09%	-6.44%	7.13%	1.63%	5.14%	2.34%	-4.70%

iii) Leverage Factors

Table 11 Capital Leverage Factor Impact on Performance

August revealed a clearer leverage-related pattern than July's mixed signal, with higher-leverage REITs generally underperforming their lower-leveraged counterparts. The Lowest Leverage quartile held up best, declining just -1.96%, while the 2nd Quartile fell -3.58%. The Highest Leverage quartile posted a steep -4.02% decline, narrowly the weakest performer, just ahead of the 3rd Quartile at -2.96%. Unlike July, where the most highly levered names kept pace with or outperformed the middle quartiles, August's pattern points to a more meaningful penalty for balance sheet risk, with the lowest-leverage REITs emerging as the clear relative outperformer — a signal potentially linked to heightened sensitivity around interest rate expectations amid the broader risk-off tone seen across markets during the month.

CAPITAL LEVERAGE	DEBT to EV	Jan 26 TR	Feb 26 Tr	Mar 26 TR	April 26 TI	May-26	Jun-26	Jul-26	Aug-26
Lowest Leverage	22	2.13%	4.54%	-6.10%	6.99%	0.74%	2.84%	1.04%	-1.96%
2nd Quartile	36	1.27%	4.28%	-8.08%	6.20%	1.53%	1.74%	2.35%	-3.58%
3rd Quartile	46	1.84%	3.33%	-7.74%	6.84%	0.54%	1.06%	1.53%	-2.96%
Highest Leverage	59	1.60%	1.84%	-8.02%	6.75%	0.29%	1.94%	1.37%	-3.01%

Appendix

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