



### Performance Update – January 2019

#### QRI Highlights

##### Net Return (p.a.)

1 month	Since inception <sup>1</sup>
<b>1.41%</b>	<b>1.29%</b>
Current Month Distribution	Current NAV
<b>\$0.002416/unit</b>	<b>\$1.6001</b>

#### QRI Snapshot – Key metrics as at 31 January 2019

Market Cap	\$243m
Trust NAV	\$231m
Unit Price	\$1.68
Unit NAV	\$1.6001
Total Investments	2
Total Loans*	16
Weighted LVR*	63%
Weighted loan maturity*	0.9 years
Loans in arrears**	-
Fixed / Floating interest exposure	14% / 86%

\* Represents total loans in the portfolio on a look through basis, via investments in direct loans and wholesale funds managed by Associates of the Manager.<sup>2</sup>

\*\* Represents % of portfolio in arrears by 90 days or more.

#### Investment Objective

To achieve a Target Return of 8% p.a. (net of fees and expenses), and provide monthly cash income, capital preservation and portfolio diversification<sup>3</sup>.

#### Investment Strategy

The Trust will seek to achieve the Investment Objective by investing in a portfolio of investments that offers exposure to real estate loans secured by first and second mortgages, predominantly located in Australia.

#### Key Information<sup>3</sup>

Target Return	8.0% p.a. (net)
Investment Type	Listed Investment Trust
IPO Date	27 November 2018
Distributions	Monthly
Unit Pricing	Monthly

#### Commercial Real Estate (CRE) Debt Market Update

Ahead of its release, the Hayne Royal Commission's final report was a subject of uncertainty for the financial services sector. However, the 76 recommendations contained in the report will, according to the Manager, have a limited impact on QRI, with the Commission's recommendations largely focused on culture and process, and ancillary services such as mortgage brokers.

In terms of market data, housing starts were down in the latter part of 2018, suggesting a softening in demand for CRE construction loans. While the Manager noted a small decrease, there still remains significant activity in the market and appetite for quality, niche and well-located developments.

Moreover, construction loans are only a portion of QRI's portfolio; there is continued demand for land loans, as the banks reduce their appetite for such loans, while investment loan opportunities remain available for alternate lenders to provide more favourable terms relative to the banks.

A recalibration in land values is being seen across the market and the Manager expects to see healthy demand for land loans continue, as sites become more affordable. Developers and investors are seeking finance for their purchases, setting up their pipelines for the next phase of the cycle.

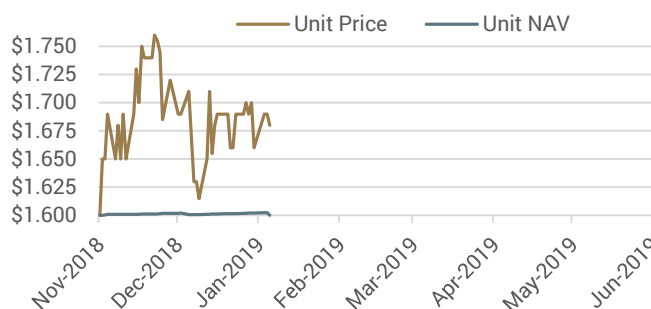
#### Investment Activity

Activity for QRI continues to gain momentum. As noted in December, the Manager is continuing the orderly progressive deployment of capital raised. With the holiday period being a seasonally quiet period for completion of transactions, the Manager's focus was on continuing due diligence on existing opportunities and identifying new opportunities as borrowers returned after the holiday period.

As at 31 January 2019, 29% of Trust capital has been committed to investments, with a further 6% of Trust capital allocated to an approved Senior Loan with settlement expected to occur in February. The Qualitas Senior Debt Fund (QSDF) maintained exposure to 15 loans, with a small existing loan position having been extended. The QSDF has a further 3 loans that have been approved for investment which are expected to commence first draw in February.

January's distribution represented an increase of 57% compared to the maiden distribution. Future monthly distributions are anticipated to increase as capital is deployed in a disciplined manner.

#### Unit Price vs NAV



#### QRI Historical Performance<sup>4</sup>

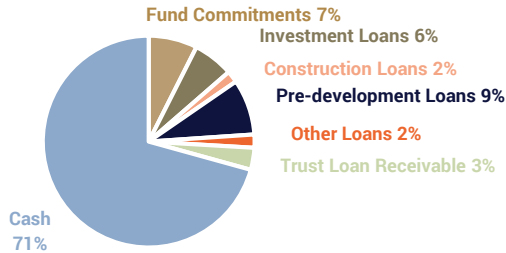
	Nov '18 <sup>5</sup>	Dec '18	Jan '19	Feb '19	Mar '19	Apr '19	May '19	Jun '19	Inception
Net Return (% p.a.)	2.24%	0.90%	1.41%	-	-	-	-	-	1.29%
Distribution (% p.a.)	-	1.13%	1.78%	-	-	-	-	-	1.27%
Distribution (¢/unit)	-	0.1534	0.2416	-	-	-	-	-	0.3950



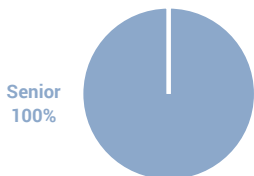
## Performance Update – January 2019

### Portfolio Diversification<sup>6</sup>

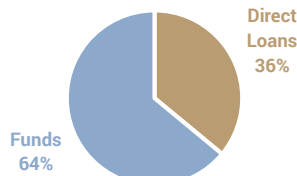
### Portfolio Composition<sup>7</sup>



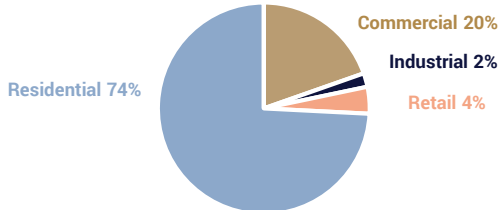
### Loan Classification<sup>8</sup>



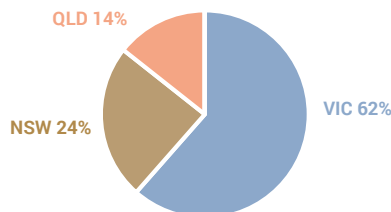
### Investment Type<sup>8</sup>



### Property Sector Diversification<sup>8</sup>



### Geographic Diversification<sup>8</sup>



### Research

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### Notes

- [1] Since IPO 27 November 2018.
- [2] All investments including direct loans are made by the Sub-Trust. The Sub-Trust is wholly owned by the Trust.
- [3] This is a target return only. There is no guarantee the Trust will meet its Investment Objective. Payment of monthly cash income is a goal of the Trust only. The Trust reserves the discretion to amend its distribution policy.
- [4] Past performance is not a reliable indicator of future performance.
- [5] November 2018 represents performance for the period from date of issue of units, being 22 November 2018, to month end.
- [6] The portfolio statistics are determined on a look-through basis having regard to the loans in the underlying Qualitas Funds. The classifications of these diversification parameters are determined by the Manager.
- [7] Fund Commitments represent uninvested Trust capital amounts that have yet to be invested in direct loans by the underlying funds.
- [8] Excludes Trust Loan Receivable & cash.

### About the Manager

Established in 2008, Qualitas has a 10-year track record in the real estate sector and currently manages approximately \$2.2 billion in committed capital.

Comprising over 70 investment and fiduciary professionals, Qualitas has a disciplined approach to generating strong risk-adjusted returns for its investors.

Qualitas' investment strategies include senior and mezzanine debt, preferred and ordinary equity investments in real estate development, value-add, repositioning, special situations and other opportunistic transactions.

### Key Service Providers

**Manager** QRI Manager Pty Ltd – an authorised representative of Qualitas Securities Pty Ltd

**Responsible Entity** The Trust Company (RE Services) Limited

### Investor Queries

#### General

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#### Unit Registry

Phone: 1300 402 177

Email: [qualitas@automicgroup.com.au](mailto:qualitas@automicgroup.com.au)

Website: [www.automic.com.au](http://www.automic.com.au)

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