



Performance Update – February 2019

QRI Highlights

Net Return (p.a.)

1 month	Since inception ¹
1.98%	1.48%
Current Month Distribution	Current NAV
\$0.002464/unit	\$1.6000

QRI Snapshot – Key metrics as at 28 February 2019

Market Cap	\$243m
Trust NAV	\$231m
Unit Price	\$1.68
Unit NAV	\$1.6000
Total Investments	3
Total Loans*	16
Weighted LVR*	60%
Weighted loan maturity*	1.0 years
Loans in arrears**	-
Fixed / Floating interest exposure	40% / 60%

* 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.²

** 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 diversification³.

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 Information³

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

QRI Historical Performance⁵

	Nov '18 ⁶	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%	1.98%	-	-	-	-	1.48%
Distribution (% p.a.)	-	1.13%	1.78%	2.01%	-	-	-	-	1.48%
Distribution (c/unit)	-	0.1534	0.2416	0.2464	-	-	-	-	0.6414

Commercial Real Estate (CRE) Debt Market Update

Conditions in the commercial real estate lending market are largely unchanged since the previous month's report.

Credit availability remains tight, creating opportunities for alternative lenders in regards to land, construction, and investment loans. CRE investment activity continues to create demand for financing.

The market is showing resilience in the face of uncertainty generated by upcoming events such as a New South Wales election in March, and a Federal election in May. The Manager has also observed no significant impact on the commercial credit markets since the release of the Banking Royal Commission report.

Investment Activity

Consistent with previous reports, normal pipeline origination has resumed and the Manager confirms that Qualitas has experienced its usual post summer surge in potential opportunities which are currently in the process of being screened.

February was an active month for QRI. Key investment activities included settlement of anticipated investments, further investment approvals and continued transaction screening and due diligence on a number of opportunities in the pipeline. Similar to recent months, the Manager has reviewed a wide range of opportunities, of which approximately 20% have been selected for advanced due diligence. This reflects the Manager's selective investment approach in constructing an optimal portfolio for investors in a disciplined and timely manner.

As at 28 February 2019, 35% of Trust capital had been committed to investments, following the settlement of the senior construction loan referred to in last month's update. The Qualitas Senior Debt Fund (QSDF) settled one loan position, however two loans that were expected to settle in February, are now anticipated to settle in March. The QSDF also had a small loan position repaid in early February.

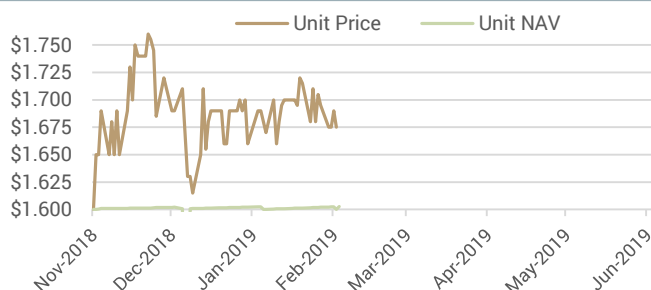
Further progress was made in obtaining investment committee approvals in February and early March for four investments representing a further 22% of Trust capital, which are expected to settle during March. These investments include two direct positions in senior loans totalling 7% of capital, a \$24.6m investment in the subordinated notes of the Arch Finance Warehouse Trust (AWFT) note program and a commitment to the Qualitas Mezzanine Debt Fund.

QRI's investment in the AWFT note program is subject to unitholder approval as announced to the ASX on 28 February 2019.⁴

Subject to unitholder approval obtained for QRI's investment in AWFT note program, these approved investments are expected to increase deployment of Trust Capital to 57% by the end of March.

The Manager has commenced engaging with external debt providers to establish a debt facility consistent with the Trust's borrowing policy stated in the PDS (up to a maximum of 10% NAV) having regard to the pipeline and availability of capital within the Trust.

Unit Price vs NAV

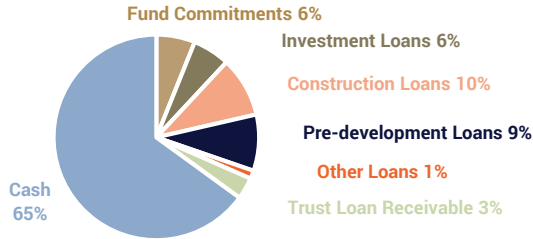




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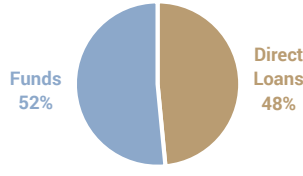
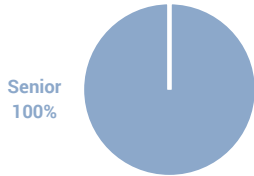
Portfolio Diversification⁷

Portfolio Composition⁸

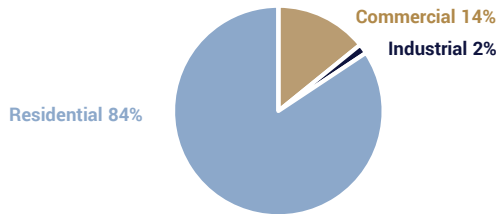


Loan Classification⁹

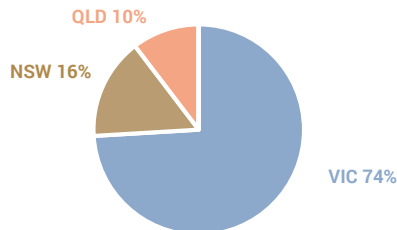
Investment Type⁹



Property Sector Diversification⁹



Geographic Diversification⁹



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] All Unitholders were sent the Explanatory Memorandum ("EM") and Notice of Meeting ("NOM") on the 28th of February 2019 regarding QRI's proposed investment in the AFWP note program. The EM and NOM can also be obtained from the ASX.
- [5] Past performance is not a reliable indicator of future performance.
- [6] November 2018 represents performance for the period from date of issue of units, being 22 November 2018, to month end.
- [7] 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.
- [8] Fund Commitments represent uninvested Trust capital amounts that have yet to be invested in direct loans by the underlying funds.
- [9] 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

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