



Performance Update – April 2019

QRI Highlights

Net Return (p.a.)

1 month	Since inception ¹
4.98%	2.43%
Current Month Distribution	Current NAV
\$0.006719/unit	\$1.6001

QRI Snapshot – Key metrics as at 30 April 2019

Market Cap	\$244m
Trust NAV	\$231m
Unit Price	\$1.69
Unit NAV	\$1.6001
Total Investments	8
Total Loans ²	22
Weighted LVR ³	64%
Weighted loan maturity ²	1.2 years
Weighted interest rate ⁴	9.83% p.a.
Loans in arrears ⁵	-
Fixed / Floating interest exposure	61% / 39%

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 diversification⁶.

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 Information⁶

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

QRI Historical Performance⁷

	Nov '18 ⁸	Dec '18	Jan '19	Feb '19	Mar '19	Apr '19	May '19	Jun '19	Inception
Net Return (%)	0.02%	0.08%	0.12%	0.15%	0.25%	0.41%	-	-	1.03%
Net Return (% p.a.)	2.24%	0.90%	1.41%	1.98%	3.00%	4.98%	-	-	2.43%
Distribution (% p.a.)	-	1.13%	1.78%	2.01%	2.78%	5.11%	-	-	2.41%
Distribution (¢/unit)	-	0.1534	0.2416	0.2464	0.3784	0.6719	-	-	1.6917

Commercial Real Estate (CRE) Debt Market Update

Market conditions in April were consistent with March. Property purchase decisions continue to be delayed due to political uncertainty, softening housing prices, negative market sentiment and tighter credit availability.

Notwithstanding, the demand for commercial real estate loans remains relatively resilient and alternative lenders are still active. Lower residential construction starts, due to reduced apartment pre-sales, continue to affect demand for mezzanine finance. Senior loans present the deepest pool of opportunities in the current market.

The Manager expects to see increased commercial real estate investment activity when greater certainty returns to the market in the second half of the year, and when the impact of the banking Royal Commission and the Federal election will be known. The Manager will remain focused on assessing any negative impacts to credit markets during this time.

Expectations of interest rate cuts later this year have impacted current base rates (BBSY) which have fallen by approximately 30 basis points since March 2019.⁹

Investment Activity

The Trust portfolio as at 30 April 2019 is now 74% invested, a 9% increase from last month. The Manager is pleased to have delivered a further increase to the April month return of 4.98% p.a., reflecting the increasing income and cash distribution profile of the Trust.

During the month, the Manager closed the Trust's \$44.1m investment in the Qualitas Land Debt Fund, which in turn invested in two senior land loan positions.

The origination pipeline continues to be strong, and further progress was made on loan approvals and documentation. The Manager is continuing to work through a number of loans which are earmarked for investment by QRI, or by the underlying Qualitas funds that QRI invests in. A number of loans which were previously expected to settle in May have been delayed, however they are in advanced stages of final due diligence and documentation. Given the quantum of opportunities well progressed, the Manager expects that substantial investment of the Trust's capital should be achieved in the coming months.

The Trust's return from investments is reflective of a lower risk-adjusted portfolio of loans than initially anticipated, in response to a shift in market opportunities. Therefore, when the Trust's capital is fully invested, the Manager expects that the portfolio should comprise a higher weighting to senior loans, diversified by loan type, sector and geography. Returns from loans with floating interest rates have also reduced in line with falls in the base rate, however, this is mostly concentrated in the Trust's investment in the Qualitas Senior Debt Fund.

The Manager's strong focus on risk-adjusted returns, balanced by sensible investing in the current market environment, ensures overall portfolio credit quality and loan performance is sound.

Unit Price vs NAV

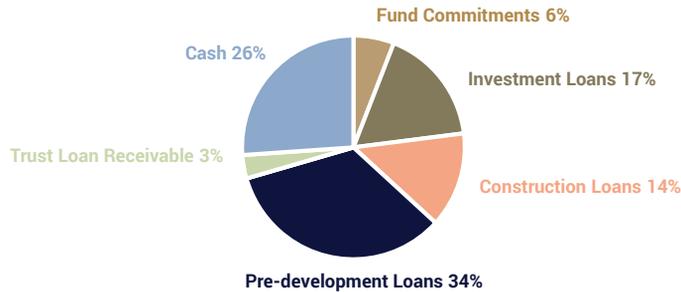




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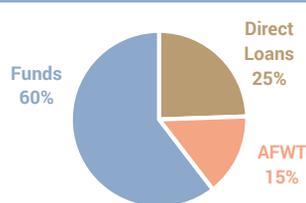
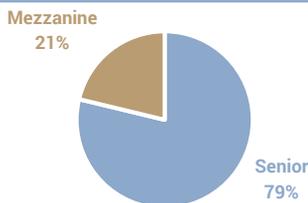
Portfolio Diversification¹⁰

Portfolio Composition¹¹

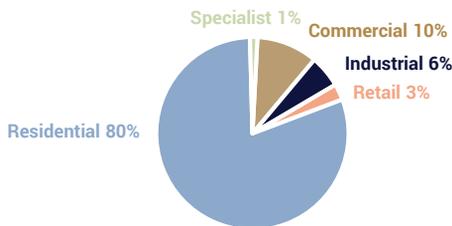


Loan Classification¹²

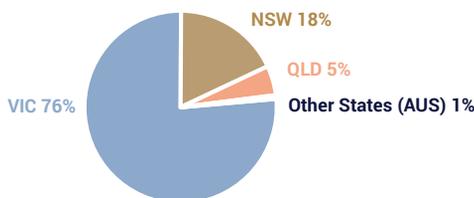
Investment Type¹²



Property Sector Diversification¹³



Geographic Diversification¹³



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. Represents total loans in the portfolio on a look through basis, via investments in direct loans and Qualitas wholesale funds. Excludes the AFWT loan portfolio.
- [3] Represents total LVR of loans in the portfolio on a look through basis, via investments in direct loans, Qualitas wholesale funds and AFWT loan portfolio.
- [4] Represents weighted interest rate and fees of total loans in the portfolio on a look-through basis and the AFWT notes. Excludes Trust Loan Receivable and Cash.
- [5] Represents % of loan portfolio on look through-basis (excluding AFWT loan portfolio) in arrears by 90 days or more.
- [6] 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.
- [7] Past performance is not a reliable indicator of future performance.
- [8] November 2018 represents performance for the period from date of issue of units, being 22 November 2018, to month end.
- [9] Bank Bill Swap Bid Rate (BBSY) is an Australian benchmark interest rate. Falls refer to BBSY 3 month.
- [10] The portfolio statistics are determined on a look-through basis having regard to the loans in the underlying Qualitas Funds and the AFWT portfolio as indicated. The classifications of these diversification parameters are determined by the Manager.
- [11] Fund Commitments represent uninvested Trust capital amounts that have yet to be invested in direct loans by the underlying funds.
- [12] Excludes Trust Loan Receivable & cash. The Manager classifies the AFWT subordinated notes as mezzanine as it ranks behind senior noteholders.
- [13] Excludes Trust Loan Receivable & cash. Adjusted for AFWT loan portfolio.

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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Research



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