



Performance Update – August 2019

QRI Highlights

Net Return (p.a.)

1 month	Since inception ¹
5.27%	3.90%

Current Month Distribution

Current NAV

\$0.0073700/unit	\$1.6002
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QRI Snapshot – Key metrics as at 31 August 2019

Market Cap	\$273m
Trust NAV	\$266m
Unit Price	\$1.645
Unit NAV	\$1.6002
Total Investments	11
Total Loans ²	29
Weighted LVR ³	64%
Weighted loan maturity ²	1.0 years
Loans in arrears ⁴	-
Fixed / Floating interest exposure	74% / 26%

Key Information⁵

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

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 diversification⁵.

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.

Market Update and Investment Activity

Market conditions for the provision of CRE debt are similar to last month, where a sustained level of demand is driven in part by the major banks continuing to reduce their lending to commercial real estate, supporting growth in the alternative lending sector.

The Manager continues to see good demand for first mortgage investment and land loans and lower demand for mezzanine finance.

As at 31 August 2019, 81% of the Trust's capital was invested, following the partial repayment of a loan during the month. Whilst no new investments were made during August, the remaining capital has been fully allocated (after allowing for a cash buffer which will provide an appropriate level of liquidity) to new loans. Settlement of these approved loans is targeted to occur in September.

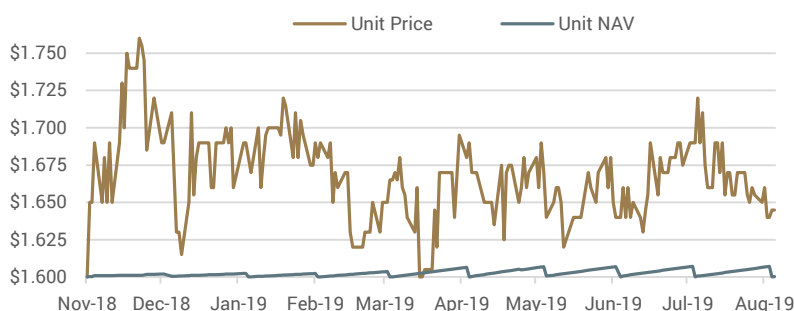
The Manager's view remains that the current risk/return profile and composition of the Trust's investments is appropriate for the current market cycle and conditions.

The Trust achieved an annualised net return of 5.27% p.a. for the month of August and declared a distribution return of 5.42% p.a. The July month distribution return of 6.00% p.a. benefited from the receipt of loan establishment fees on the two loans which settled that month. Given the nature of loan establishment fees which are paid upfront, the Trust's net return may vary month to month depending on the timing of loan settlements.

The Trust is expected to receive the benefit of additional interest income and loan establishment fees in September, should the approved loans reach settlement.

The Manager confirmed that no impairments have been made to the loans within the Trust's portfolio.

Unit Price vs NAV



QRI Historical Performance⁶

	1 Mth	3 Mth	6 Mth	Inception
Net Return (%) ⁷	0.45%	1.46%	2.58%	3.02%
Net Return (% p.a.) ⁷	5.27%	5.79%	5.11%	3.90%
Distribution (¢/unit)	0.7370	2.3917	4.0883	4.7297

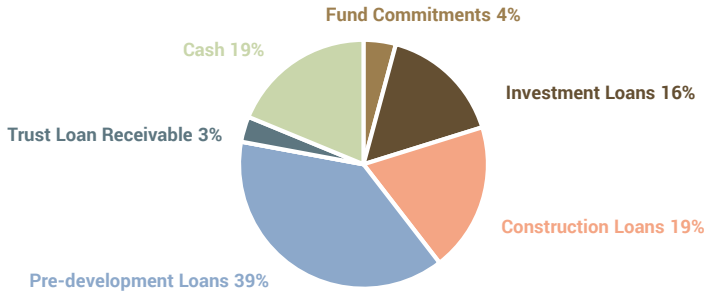
	Nov '18 ⁸	Dec '18	Jan '19	Feb '19	Mar '19	Apr '19	May '19	Jun '19	Jul '19	Aug '19
Net Return (%)	0.02%	0.08%	0.12%	0.15%	0.25%	0.41%	0.44%	0.49%	0.53%	0.45%
Net Return (% p.a.)	2.24%	0.90%	1.41%	1.98%	3.00%	4.98%	5.13%	5.89% ⁹	6.23%	5.27%
Distribution (% p.a.)	-	1.13%	1.78%	2.01%	2.78%	5.11%	4.76%	6.39% ¹⁰	6.00%	5.42%
Distribution (¢/unit)	-	0.1534	0.2416	0.2464	0.3784	0.6719	0.6463	0.8397	0.8150	0.7370
Deployment (%) ¹¹	10%	29%	29%	35%	65%	74%	78%	75%	83%	81%



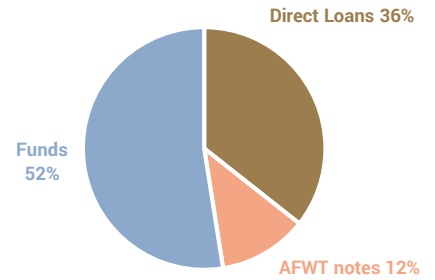
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Portfolio Diversification¹²

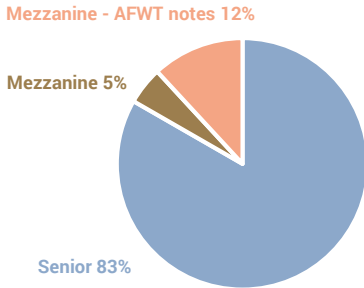
Portfolio Composition¹³



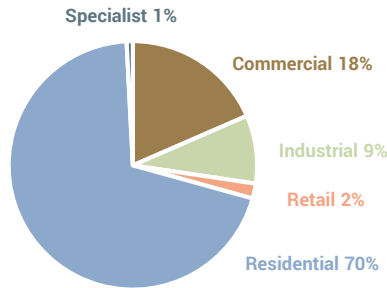
Investment Type¹⁴



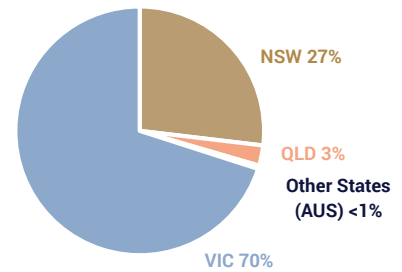
Loan Classification¹⁴



Property Sector Diversification¹⁵



Geographic Diversification¹⁵



About the Manager

Established in 2008, Qualitas has an 11-year track record in the real estate sector and currently manages approx. \$2.3 billion in committed capital. 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	P +61 3 9612 3900 E qri@qualitas.com.au W www.qualitas.com.au/listed-investments/QRI
Unit Registry	P 1300 402 177 E: qualitas@automicgroup.com.au W www.automic.com.au

Platforms

Macquarie, BT Panorama, Netwealth, AMP North, HUB24.

Research





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Notes

- [1] Since IPO 27 November 2018. Calculated as the annualised return based on average month end NAV.
- [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 % of loan portfolio on look through-basis (excluding AFWT loan portfolio) in arrears by 90 days or more.
- [5] 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.
- [6] Past performance is not a reliable indicator of future performance.
- [7] Calculated based on average month end NAV.
- [8] November 2018 represents performance for the period from date of issue of units, being 22 November 2018, to month end.
- [9] Calculated as the annualised return for month, based on weighted average NAV.
- [10] Calculated based on units entitled to the distribution only.
- [11] Deployment represents the % of the Trust's total capital that has been committed and invested as at month end in investments, including the Trust Loan Receivable.
- [12] 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.
- [13] Fund Commitments represent uninvested Trust capital amounts that have yet to be invested in direct loans by the underlying funds.
- [14] Excludes Trust Loan Receivable & cash. The Manager classifies the AFWT subordinated notes as mezzanine as it ranks behind senior noteholders.
- [15] Excludes Trust Loan Receivable & cash. Adjusted for AFWT loan portfolio.

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