



Performance Update – October 2019

QRI Highlights

Net Return (% p.a.)

1 month (%) p.a.⁹ 5.72%

Since inception¹ 4.43%

Distribution

Current month \$0.007906 / unit

Current month % p.a. 5.82%

QRI Key Metrics as at 31 October 2019

Market Cap	\$365m
Trust NAV	\$361m
Invested Capital	\$299m
Unit Price	\$1.62
Unit NAV	\$1.6004
Total Invested positions ³	13
Total Loans ⁴	34
Weighted LVR ⁵	63%
Weighted loan maturity ⁴	0.9 years
Loans in arrears ⁶	-
Fixed / Floating interest exposure	79% / 21%

Key Information⁷

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

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

The Manager has observed the positive effect of lower interest rates on house prices and auction clearance rates across capital cities. Newly completed residential stock continues to sell and pockets of oversupply are being absorbed which the Manager believes is important for the market to recalibrate for the next development cycle. Demand for construction loans is expected to remain low at this stage of the cycle whilst demand for land loans continues to be strong.

Increased alternative lender capital is improving liquidity for the CRE lending sector, however has resulted in pricing compression to good quality borrowers given increased competition. Despite this, borrowers often look to the lender's track record where, in the Manager's experience, relationships are key and these are built over a number of years.

During October, \$39m of new capital was invested in the Qualitas Senior Debt Fund (QSDF) and \$54.3m of new units were issued under the Accelerated Non-Renounceable Entitlement Offer.

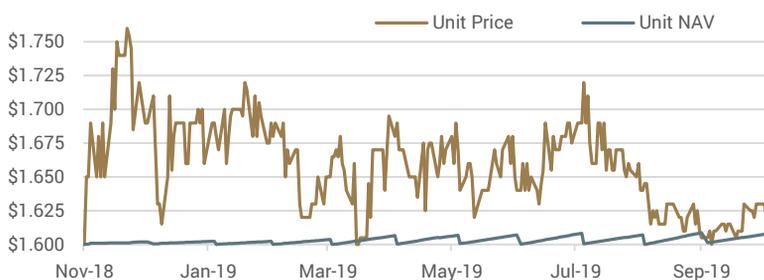
As of 31 October 2019, the Trust's total capital increased to \$361m and was 83% invested. The Manager is pleased to deliver an October month net return of 5.72% p.a. and a distribution return of 5.82% p.a.

As at the date of this release, a senior land loan has settled which increased the Trust's capital invested to 88%.

The Trust's portfolio continues to reflect a lower risk return profile, being predominantly invested in senior loans and underweight to mezzanine loans (below the Manager's target range 20-35%). The Trust does not currently have any exposure to New Zealand.

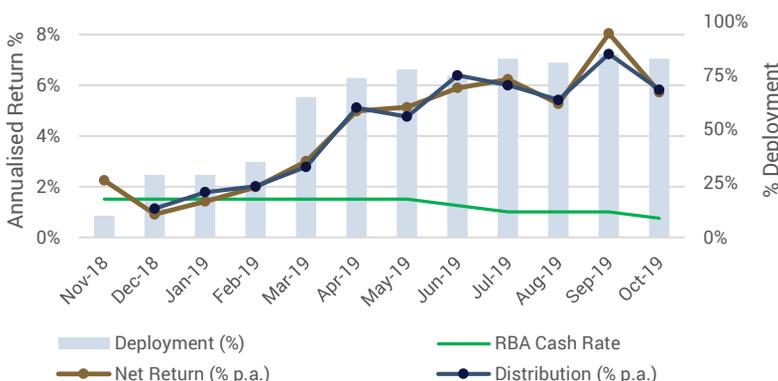
The Manager confirmed that no impairments have been made to the loans within the Trust's portfolio.

Unit Price vs NAV



QRI Historical Performance⁶

	1 Mth	3 Mth	6 Mth	12 Mth	Inception ¹
Net Return (%)	0.49%	1.48%	2.94%	N/A	4.17%
Net Return (% p.a.)	5.72%	5.87%	5.86%	N/A	4.43%
Distribution (¢/unit)	0.7906	2.4787	4.7797	N/A	6.4714

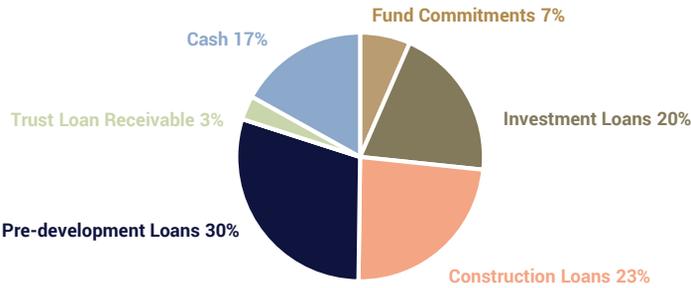




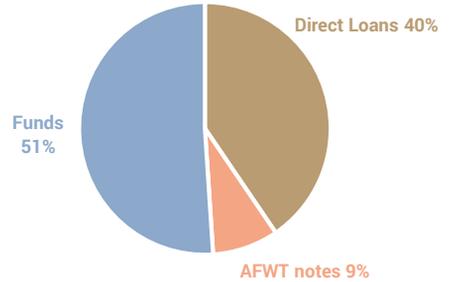
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Portfolio Diversification¹⁰

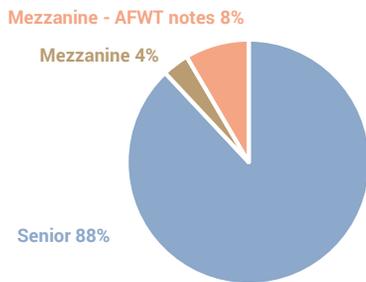
Portfolio Composition¹¹



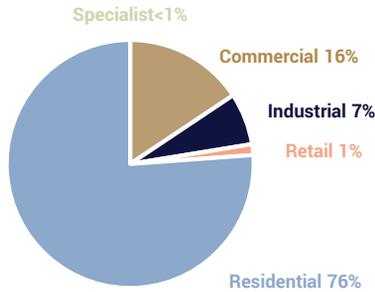
Investment Type¹²



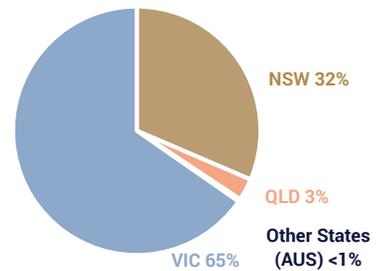
Loan Classification¹²



Property Sector Diversification¹³



Geographic Diversification¹³



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.

Platforms

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

Upcoming Investor Events & Key Dates

- **ASX Financial Adviser Workshop 2019:** Qualitas is participating as an event partner on November 1st (Sydney), 8th (Brisbane) and 15th (Melbourne).
- **ASX Investor Day 2019:** Qualitas is participating as an event partner on November 2nd (Sydney), 9th (Brisbane) and 16th (Melbourne).

Investor Queries

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W www.qualitas.com.au/listed-investments/QRI

Unit Registry P 1300 402 177 | E: qualitas@automicgroup.com.au
W www.automic.com.au

Key Service Providers

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

Responsible Entity The Trust Company (RE Services) Limited

Research





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Monthly Historical Performance

Net Return (%)

Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
FY18	-	-	-	-	0.02%	0.08%	0.12%	0.15%	0.25%	0.41%	0.44%	0.49% ¹⁴	1.96%
FY19	0.53%	0.45%	0.66% ¹⁴	0.49% ¹⁴	-	-	-	-	-	-	-	-	2.12%

Distributions (¢/unit)

Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
FY18	-	-	-	-	-	0.1534	0.2416	0.2464	0.3784	0.6719	0.6463	0.8397 ¹⁵	3.1777
FY19	0.8150	0.7370	0.9511 ¹⁵	0.7906	-	-	-	-	-	-	-	-	3.2937

Notes

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[1] Since IPO 27 November 2018. Annualised return is based on average month end NAV.

[2] 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.

[3] All investments including direct loans are made by the Sub-Trust. The Sub-Trust is wholly owned by the Trust.

[4] Total loans 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.

[5] 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.

[6] Represents % of loan portfolio on look through-basis (excluding AFWT loan portfolio) in arrears by 90 days or more.

[7] 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.

[8] Past performance is not a reliable indicator of future performance. November 2018 represents performance for the period from date of issue of units, being 22 November 2018, to month end.

[9] Net return calculated based on weighted average NAV.

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[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.

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[14] Net Return calculated based on weighted average NAV.

[15] Calculated based on units entitled to the distribution. The units entitled to the September distribution excludes units issued under the Wholesale and Early Retail Entitlement Offers.

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