



Performance Update – March 2020

QRI Highlights

Net Return (% p.a.)

1 month (%) p.a.⁸ 5.35%

12 month (%) p.a.⁹ 5.88%

Distribution

Current month \$0.007539 / unit

Current month % p.a. 5.56%

QRI Key Metrics as at 31 March 2020

Market Cap \$293m

Trust NAV \$361m

Invested Capital \$309m

Unit Price \$1.30

Unit NAV \$1.6003

Total Invested positions² 13

Total Loans³ 30

Weighted LVR⁴ 64%

Weighted loan maturity³ 0.7 years

Loans in arrears⁵ -

Fixed / Floating interest exposure 81% / 19%

Key Information⁶

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) Suspended

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.

Market Update and Investment Activity

The widespread economic and financial impact of COVID-19 provides both risks and opportunities in the property market with flow on impact to the commercial real estate (CRE) debt markets. Rental distress across all sectors and some project delays are expected due to unemployment, reduced activity and business closures.

Despite rapidly changing conditions, the Manager's view is that it is too early to make a definitive assessment of the depth of the market dislocation or its longevity but is monitoring events closely to assess both the short and long-term impacts on the economies and markets relevant to QRI. Early observations are that there is easing competitive pressures from reduced credit availability which is expected to improve pricing and terms for new loans.

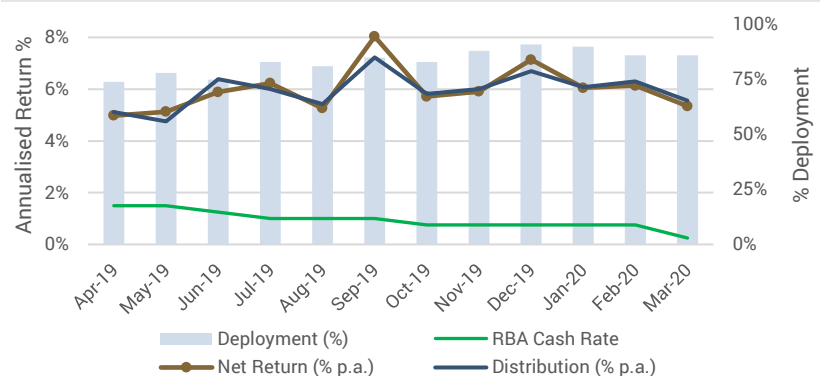
The Trust portfolio remained stable during March at 86% of capital invested and a net return of 5.35% p.a., reflective of the current strategy to be invested primarily in senior loans (97%). Importantly, there is no external debt at the Trust level or in any of the underlying fund investments in which the Trust invests. Given the short-term portfolio duration of 0.7 years, the Trust returns are expected to benefit from ongoing extension and loan establishment fees from reinvesting repaid capital.

As at the date of the report, a senior construction loan settled increasing invested capital to 88%. Based on all available information at the date of the report the Manager currently expects the April net return to be within the range of 6.00%-6.50% p.a.¹⁰ which includes upfront loan establishment fees. This new loan was closed at an attractive 9% interest rate relative to its conservative LVR of < 45%, reflective of the start of improving terms and pricing returning to the market.

The Manager has conducted a detailed assessment of all 30 loan positions (including the AFWT notes) specifically having regard to the risks of COVID-19. In response to the current market volatility, the frequency of asset reviews has increased to every 4 weeks (from 6-8 weeks). As at the date of this report there are no loan impairments and no interest arrears in the Trust's portfolio. One senior construction loan (1.2% of total Trust capital), is currently undergoing a restructure.

QRI Historical Performance

	1 Mth ⁸	3 Mth ⁹	6 Mth ⁹	12 Mth ⁹	Inception ¹
Net Return (%)	0.45%	1.45%	2.99%	5.88%	-
Net Return (% p.a.)	5.35%	5.84%	5.98%	5.88%	5.08%
Distribution (¢/unit)	0.79539	2.3761	4.8662	9.5272	10.547



*Past performance is not a reliable indicator of future performance.

Unit Price vs NAV

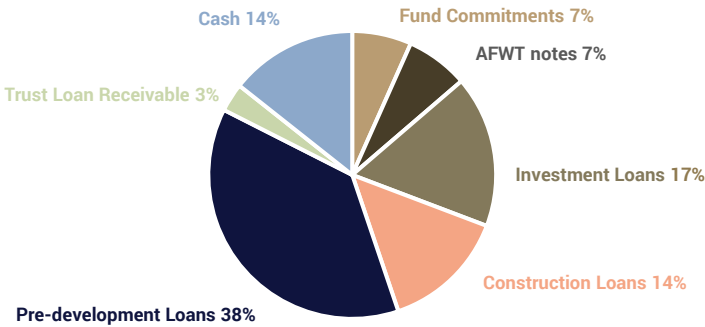




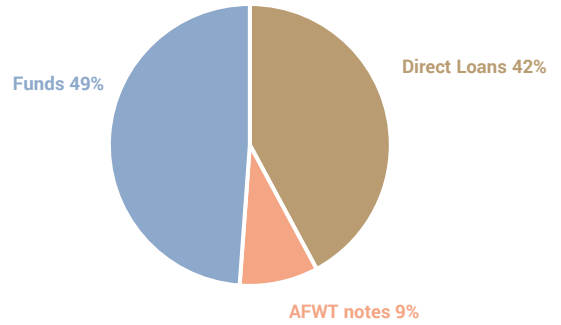
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Portfolio Diversification¹

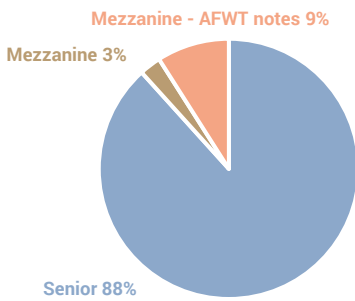
Portfolio Composition²



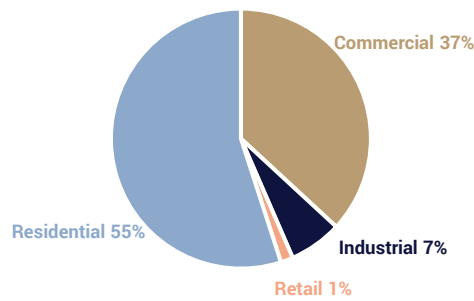
Investment Type³



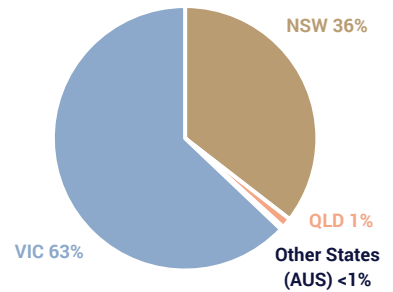
Loan Classification³



Property Sector Diversification⁴



Geographic Diversification⁴



About the Manager

Established in 2008, Qualitas has an 12-year track record in the real estate sector and currently manages \$2.5 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.

Investor Queries

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Unit Registry P 1300 402 177 | E: qualitas@automicgroup.com.au
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Platforms

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

Upcoming Investor Events & Key Dates

NA

Key Service Providers

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

Responsible Entity The Trust Company (RE Services) Limited



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Monthly Historical Performance

Net Return (%)

Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
FY19	-	-	-	-	0.02%	0.08%	0.12%	0.15%	0.25%	0.41%	0.44%	0.49% ¹	1.96%
FY20	0.53%	0.45%	0.66% ¹	0.49% ¹	0.49%	0.61%	0.51%	0.49%	0.45%	-	-	-	4.68%

Distributions (¢/unit)

Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
FY19	-	-	-	-	-	0.1534	0.2416	0.2464	0.3784	0.6719	0.6463	0.8397 ²	3.1777
FY20	0.8150	0.7370	0.9511 ²	0.7906	0.7896	0.9099	0.8233	0.7989	0.7539	-	-	-	7.3693

Notes

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[1] Since IPO 27 November 2018. Annualised return is 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.

[3] 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.

[4] 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.

[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] 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.

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

[9] Net return calculated based on average month end NAV.

[10] No decision has been made on the April 2020 net return as at the date of the report.

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[1] 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. Figures stated are subject to rounding.

[2] Fund Commitments represent uninvested Trust capital amounts that have yet to be invested in direct loans by the underlying funds.

[3] Excludes Trust Loan Receivable & cash. The Manager classifies the AFWT subordinated notes as mezzanine as it ranks behind senior noteholders.

[4] Excludes Trust Loan Receivable & cash. Adjusted for AFWT loan portfolio.

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

[2] Calculated based on units entitled to the distribution. The units entitled to the September 2019 distribution excludes units issued under the Wholesale and Early Retail Entitlement Offers.

Disclaimer

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