



Performance Update – April 2020

QRI Highlights

Net Return (% p.a.)

1 month (%) p.a.⁸ 6.67%

12 month (%) p.a.⁹ 6.00%

Distribution

Current month \$0.008405 / unit

Current month % p.a. 6.41%

QRI Key Metrics as at 30 April 2020

Market Cap \$316m

Trust NAV \$361m

Invested Capital \$316m

Unit Price \$1.40

Unit NAV \$1.6007

Total Invested positions² 14

Total Loans³ 31

Weighted LVR⁴ 64%

Weighted loan maturity³ 0.6 years

Loans in arrears⁵ -

Fixed / Floating interest exposure 82% / 18%

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 economic and financial impact of COVID-19 on the property market and the commercial real estate (CRE) debt markets continues to be monitored by the Manager. Reduced supply of capital into CRE debt is expected as offshore capital retreats and local banks deleverage. This decrease in competitive supply has already resulted in more favourable pricing and terms, and improved quality of security packages for alternate lenders.

The volume of new loan opportunities is expected to be steady throughout the immediate future. Current opportunities identified include an increase in residual stock loans as developers seek to gain access to profit and equity tied up in unsold stock, or to extinguish more expensive construction debt.

The short-term portfolio duration of 0.6 years provides the flexibility to reprice and extend maturing loans (in addition to charging new extension fees) given borrowers are seeking certainty of capital in the current environment.

In terms of the Manager’s outlook for CRE, the residential sector will continue to be considered defensive as immigration will return over the longer-term. Hospitality, leisure and retail sectors will remain challenged given the reliance on rental income from COVID-19 affected businesses. The Industrial sector is expected to continue to see strong underlying fundamentals owing to the increased reliance of the post COVID-19 economy on logistics assets for the movement of goods around the economy. The office sector however is expected to be impacted by ongoing social distancing policies via slowed net absorption of office space.

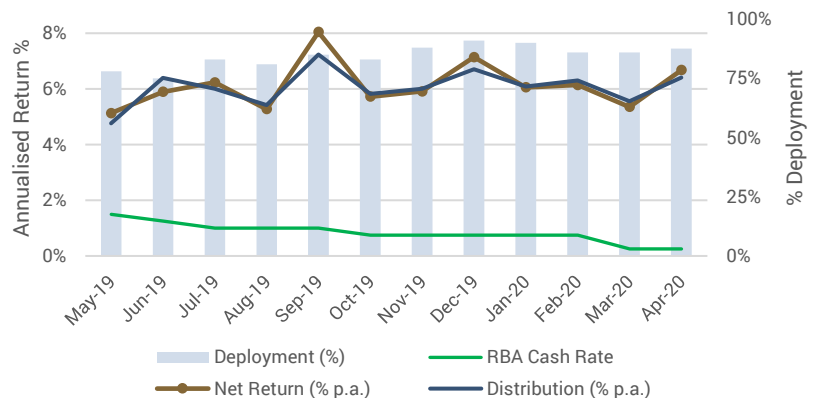
As at 30 April 2020, invested capital increased slightly to 88% as a result of a new senior loan settlement and offset by loan repayments. The April net return of 6.67% p.a. included 0.98% p.a. of loan establishment fees from the new loan. The Trust’s return continues to reflect the current strategy to be invested primarily in senior loans.

During the month of May to date, a new senior loan within the Qualitas Senior Debt Fund was closed at an 8.5% p.a. interest rate at a more conservative LVR of 50% compared to pre COVID-19 LVR of 65%. This further reflects that improved terms and pricing are being consistently achieved in the market as anticipated by the Manager.

Whilst the Manager is selectively deploying the Trust’s capital to new investments and existing loan renewals, it will continue to prioritise asset management of each loan and position in the portfolio having regard to the current pandemic. As at the date of this report there are no interest arrears in the Trust’s portfolio. One senior construction loan (1.2% of total Trust capital) is currently undergoing a restructure (as previously reported) however is expected to be finalised by the end of May.

QRI Historical Performance

| | 1 Mth ⁸ | 3 Mth ⁹ | 6 Mth ⁹ | 12 Mth ⁹ | Inception ¹ |
|-----------------------|--------------------|--------------------|--------------------|---------------------|------------------------|
| Net Return (%) | 0.55% | 1.49% | 3.09% | 6.00% | - |
| Net Return (% p.a.) | 6.67% | 6.04% | 6.22% | 6.00% | 5.20% |
| Distribution (¢/unit) | 0.8405 | 2.3933 | 4.9161 | 9.6958 | 11.3875 |



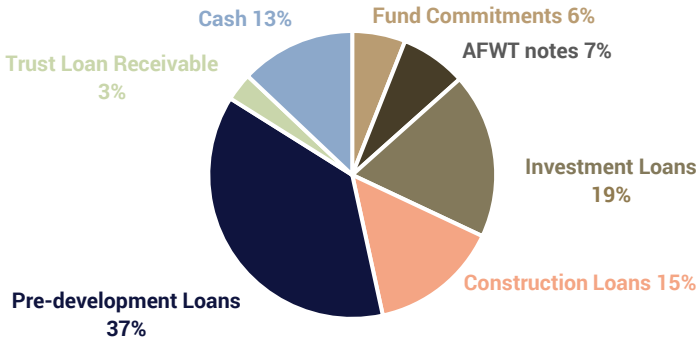
*Past performance is not a reliable indicator of future performance.



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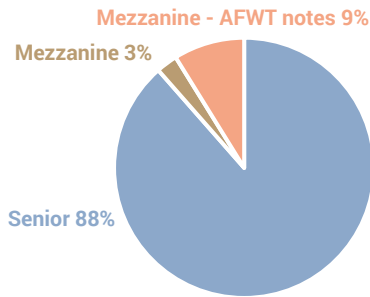
QRI Portfolio Diversification¹

Portfolio Composition²

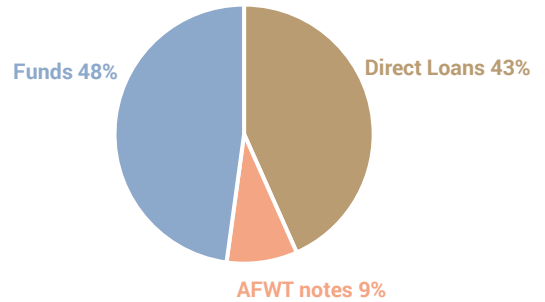


| April 2020 - Category | \$'millions | % |
|---|-------------------|-------------|
| Cash – uncommitted | 45.2 | 13% |
| Fund Commitments | 21.7 | 6% |
| Senior Debt Investment Loans | 67.4 | 19% |
| Senior Debt Construction Loans | 45.1 | 13% |
| Senior Debt Land Loans | 135.3 | 37% |
| Mezzanine Debt Construction Loans | 7.8 | 2% |
| AFWT Notes | 26.9 | 7% |
| Trust Loan Receivable | 11.4 | 3% |
| Total | \$360.8 | 100% |
| Gross Return | 8.52% p.a. | |
| Mgt Fee and Overheads | (1.85% p.a.) | |
| Net Yield (Annualised)³ | 6.67% p.a. | |

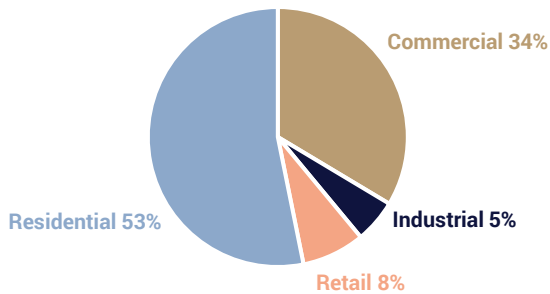
Loan Classification⁴



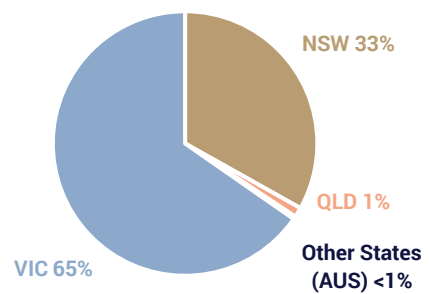
Investment Type⁴



Property Sector Diversification⁵



Geographic Diversification⁵



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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 W www.qualitas.com.au/listed-investments/QRI
 A: L38/120 Collins Street, Melbourne VIC 3000

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

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



Performance Update – April 2020

Monthly Historical Performance

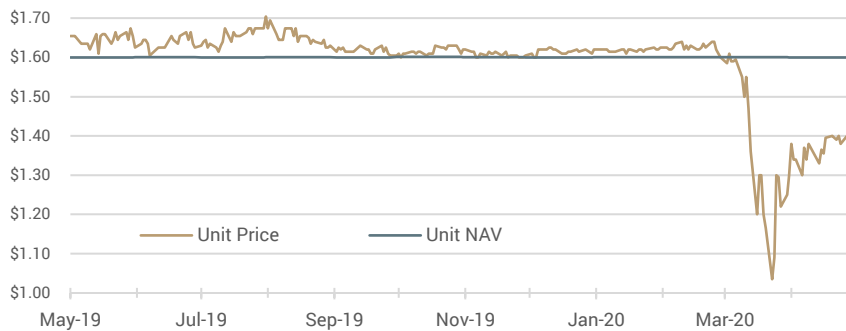
Net Return (%)

| 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% | 0.55% | - | - | 5.23% |

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 | 0.8405 | - | - | 8.2098 |

Unit Price vs NAV



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.

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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] Net Yield is based on the net return of the Trust Portfolio for the reporting month and converts this into an annual yield as if the return was constant for 12 months.
- [4] Excludes Trust Loan Receivable & cash. The Manager classifies the AFWT subordinated notes as mezzanine as it ranks behind senior noteholders.
- [5] 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 Sep-19 distribution excludes units issued under the Wholesale and Early Retail Entitlement Offers.

Disclaimer

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