



Performance Update – May 2020

QRI Highlights

Net Return¹ (% p.a.)

1 month (%) p.a.	5.73%
12 month (%) p.a.	6.03%

Distribution

Current month	\$0.008152 / unit
Current month % p.a.	6.02%

QRI investment benefits

- ✓ Experienced Institutional local based Manager
- ✓ Regular and stable monthly cash distributions²
- ✓ Return is an attractive premium to current low cash rate³
- ✓ Capital preservation: loans / real property mortgages
- ✓ Exposure to the property market
- ✓ Simple credit strategy of investing in only Commercial Real Estate (CRE) loans

QRI Key Metrics as at 31 May 2020

Market Cap / Trust NAV	\$313m / \$361m
Invested Capital ⁴	\$315m
Unit Price	\$1.39
Unit NAV	\$1.6003
Total Invested positions ⁵	14
Total Loans ⁶	31
Weighted LVR ⁷	63%
Weighted loan maturity ⁶	0.6 years
Loans in arrears ⁸	-
Fixed / Floating interest exposure	82% / 18%

Key Information⁹

Target Return	8.0% p.a. (net)
Investment Type	Listed Investment Trust
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 diversification⁹.

Investment Strategy

Seek to achieve the Investment Objective by investing in a portfolio of investments that offers exposure to commercial real estate loans secured by first and second mortgages, predominantly located in Australia.

Market Update and Investment Activity

Market conditions for May remain largely unchanged from last month as the impact of COVID-19 across the economy, property & commercial real estate (CRE) debt markets continue to persist.

The Manager's view is that residential is considered the most defensive asset class right now and continues to see high demand for residual stock loans. The Manager has observed that borrowers are being cautious with a preference for lower leverage than observed pre COVID-19. There are also some borrowers who have deferred new lending until market conditions improve. Nonetheless there continues to be compelling opportunities as banks tighten their credit supply and alternative lender competition pairs back.

During the month of May, a number of loan repayments totalling \$3.2m (look through to Qualitas wholesale funds) were made in line with expected loan performance and repayment timing. These related to progressive repayments on a mezzanine construction loan from residential settlements, progressive repayments on a residual stock loan from units sold, and a senior investment loan repaid / refinanced. Furthermore, a new senior land loan within the Qualitas Senior Debt Fund was settled.

As of 31 May 2020, the Trust's invested capital is 87%. The current cash balance coupled with the short-weighted duration of the portfolio of 0.6 years continues to provide flexibility for the Trust to reinvest capital into new loans and existing loan extensions which is important to appropriately reposition the portfolio to reflect the current market conditions in respect of loan terms and risk / return.

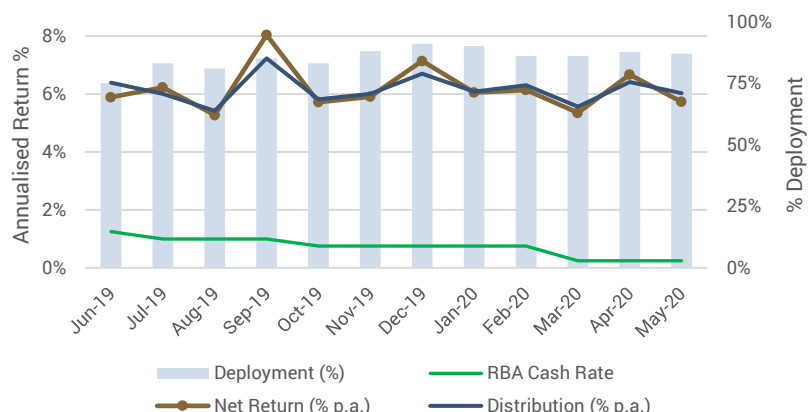
The Manager is pleased to deliver a May net return of 5.73% p.a. which comprised of base interest, distribution income and fee income of 0.21% p.a. charged on the senior construction loan (1.2% of total Trust capital) subject to a restructure (as previously reported) which was finalised in May. For the month of May, the Manager delivered on the key investment objective of cash payment of monthly income to unitholders with the May distribution return of 6.02% p.a. demonstrating a healthy return at a premium to the RBA cash rate.

Capital preservation is of the highest priority during this period and the Manager is pleased to confirm that the Trust's NAV remains stable after the most recent asset review of the QRI portfolio (currently conducted every 4 weeks). Therefore, as at the date of this report there are no loan impairments and no interest arrears in the Trust's portfolio.

QRI Historical Performance

	1 Mth	3 Mth	6 Mth	12 Mth	Inception ¹⁰
Net Return (%) ¹	0.49%	1.49%	3.09%	6.03%	-
Net Return (% p.a.)	5.73%	5.91%	6.18%	6.03%	5.24%
Distribution (¢/unit)	0.8152	2.4096	4.9170	9.8647	12.2027
Distribution Return (% p.a.)	6.02%	5.99%	6.18%	6.04%	5.22%

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



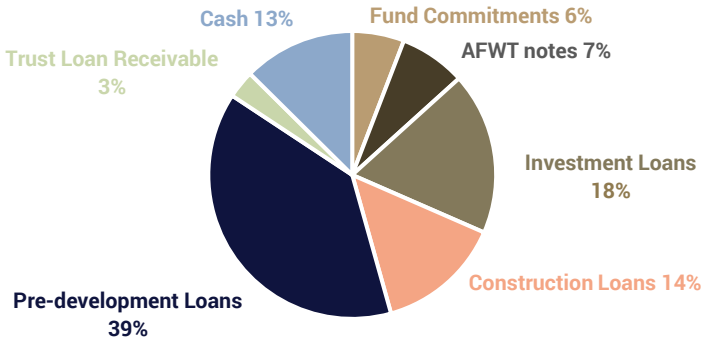
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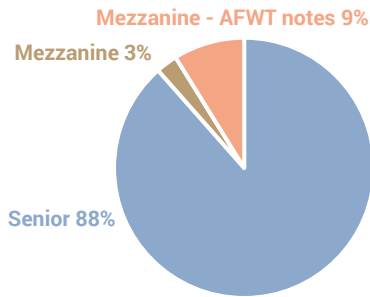
QRI Portfolio Diversification¹

Portfolio Composition²

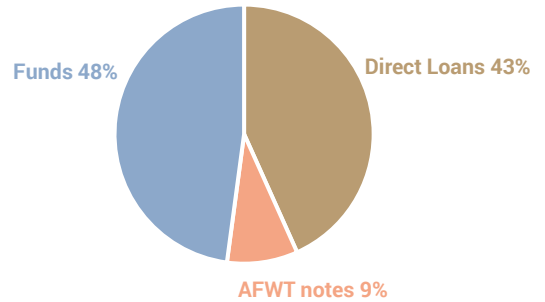


Category	\$ millions	%
Cash – uncommitted	45.4	13%
Fund Commitments	21.1	6%
Senior Debt Investment Loans	65.8	18%
Senior Debt Construction Loans	45.0	12%
Senior Debt Land Loans	139.4	39%
Mezzanine Debt Construction Loans	5.9	2%
AFWT Notes	26.9	7%
Trust Loan Receivable	11.3	3%
Total	\$360.8	100%
Gross Return	7.72% p.a.	
Mgt Fee and Overheads	(1.99% p.a.)	
Net Yield (Annualised)³	5.73% p.a.	

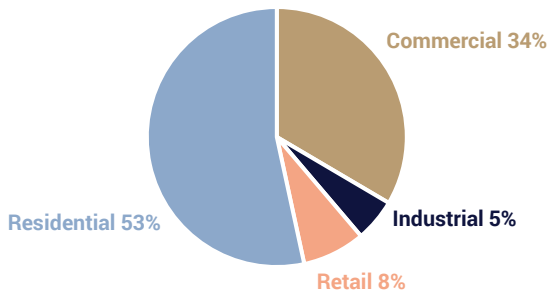
Loan Classification⁴



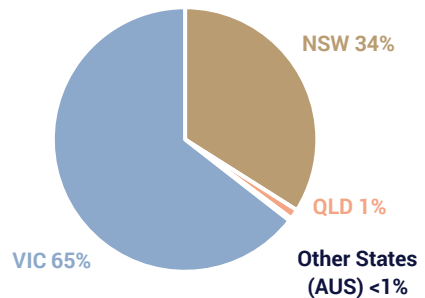
Investment Type⁴



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.

Key Service Providers

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

Responsible Entity The Trust Company (RE Services) Limited

Platforms

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

Upcoming Investor Events & Key Dates

- 15 July 2020: QRI Quarterly portfolio update & webinar

Investor Queries

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Performance Update – May 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%	0.49%	-	5.72%

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	0.8152	-	9.0250

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

Unit Price vs NAV



Notes

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- [1] 1 month net return is calculated based on the weighted average NAV. 3 month, 6 month and 12 month net return is calculated based on the average month end NAV.
- [2] The payment of monthly cash income is a goal of the Trust only and neither the Manager or the Responsible Entity provide any representation or warranty (whether express or implied) in relation to the payment of any monthly cash income.
- [3] Returns are not guaranteed. This is for comparative purposes only and is not the Trust's investment objective.
- [4] Invested Capital 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.
- [5] All investments including direct loans are made by the Sub-Trust. The Sub-Trust is wholly owned by the Trust.
- [6] 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.
- [7] 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.
- [8] Represents % of loan portfolio on look through-basis (excluding AFWT loan portfolio) in arrears by 90 days or more.
- [9] This is a target return only. There is no guarantee the Trust will meet its Investment Objective. The payment of monthly cash income is a goal of the Trust only and neither the Manager or the Responsible Entity provide any representation or warranty (whether express or implied) in relation to the payment of any monthly cash income. The Trust reserves the discretion to amend its distribution policy.
- [10] Since IPO 27 November 2018. Annualised return is 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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