



Performance Update – June 2020

QRI Highlights

Net Return¹ (% p.a.)

1 month (%) p.a.	6.21%
12 month (%) p.a.	6.10%

Distribution

Current month	\$0.007882 / unit
Current month % p.a.	6.01%

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 30 June 2020

Market Cap / Trust NAV	\$321m / \$361m
Invested Capital ⁴	\$323m
Unit Price	\$1.425
Unit NAV	\$1.6007
Total Invested positions ⁵	14
Total Loans ⁶	33
Weighted LVR ⁷	62%
Weighted loan maturity ⁶	0.6 years
Loans in arrears ⁸	-
Fixed / Floating interest exposure	83% / 17%

Key Information⁹

Target Return	8.0% p.a. (net)
Investment Type	Listed Investment Trust
Distributions	Monthly
Unit Pricing	Weekly
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 and COVID-19 related impacts were relatively unchanged during June however continue to present both opportunities and risks. The Manager is observing available credit for high quality assets and sponsors and limiting exposure to retail, leisure and hotel sectors whilst remaining focused on asset reviews of existing loans. Adequate liquidity has also been observed for land loans as evidenced by several refinances in the market and the Trust's portfolio.

The Manager's CRE debt pipeline was characterised by increasingly strong deal flow. A number of new mandates are being progressed as a result of borrowers now choosing to fast track financing to achieve capital certainty before market conditions change. Residual stock loans continue to be in high demand as good quality last cycle projects reach completion and developers look to hold onto unsold stock for longer to maximise value.

June was an active month and the Trust's portfolio was repositioned with senior investment loan exposure increasing to 23% as a result of three new and extended investment loans across QRI and the Qualitas Senior Debt Fund. One new land loan was also closed and loan repayments totalling \$2.2m (look through) were made in line with expectations. The Mezzanine construction loan continued to repay (LVR 23% from 70%) and the Manager takes comfort that senior has been fully repaid and any unsold or defaulted stock can be heavily discounted to meet full repayment if required.

As of 30 June 2020, the Trust's invested capital increased to 90%. The Manager is pleased to deliver a June net return of 6.21% p.a. of which 0.89% p.a. was fee income from new loans and extensions. The Manager delivered on the Trust's key investment objective of cash payment of monthly income to unitholders with the June distribution return of 6.01% p.a. demonstrating a healthy return at a premium³ to the RBA cash rate.

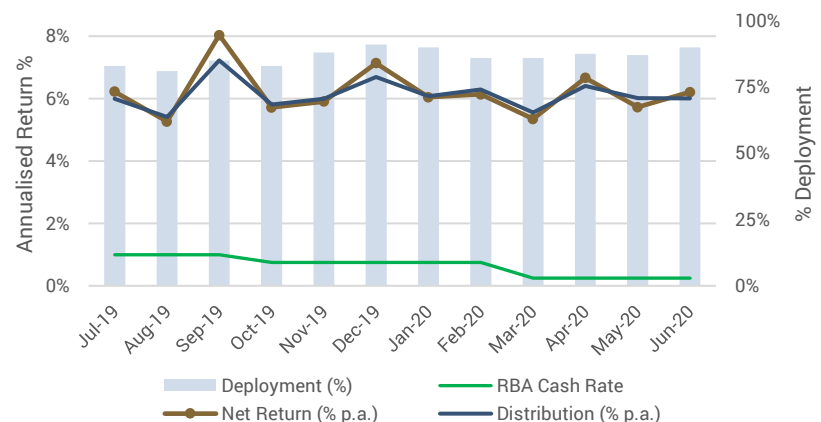
The Manager is focused on closing the gap between the unit price and Net Asset Value ("NAV") and in early June completed a small parcel buy back of 3,503 units to support liquidity. Further buy backs will be considered having regard to capital management priorities and the best use of capital that is accretive to the Trust's returns.

Capital preservation is of the highest priority and the Trust's NAV remained stable after the most recent asset review (conducted every 4 weeks). As at the date of this report there are no loan impairments and no interest arrears in the Trust's portfolio. NAV reporting is now weekly thereby increasing transparency for unitholders.

QRI Historical Performance

	1 Mth	3 Mth	6 Mth	12 Mth	Inception ¹⁰
Net Return (%) ¹	0.51%	1.54%	2.99%	6.10%	-
Net Return (% p.a.)	6.21%	6.20%	6.02%	6.10%	5.30%
Distribution (¢/unit)	0.7882	2.4439	4.8200	9.8132	12.9909
Distribution Return (% p.a.)	6.01%	6.14%	6.06%	6.06%	5.27%

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



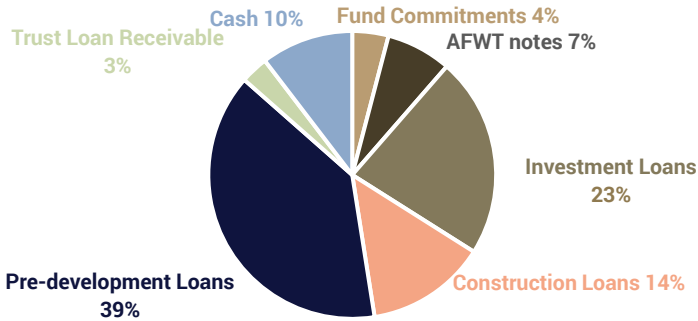
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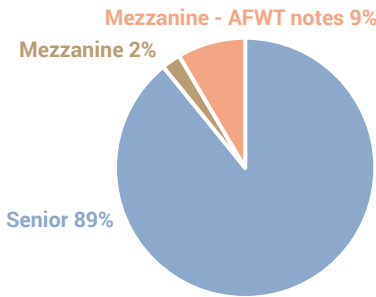
QRI Portfolio Diversification¹

Portfolio Composition²

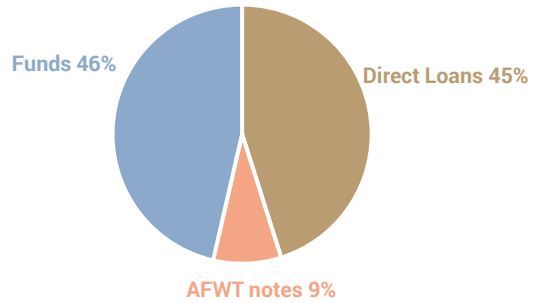


Category	\$ millions	%
Cash – uncommitted	37.4	10%
Fund Commitments	14.7	4%
Senior Debt Investment Loans	81.4	23%
Senior Debt Construction Loans	44.9	13%
Senior Debt Land Loans	140.7	39%
Mezzanine Debt Construction Loans	4.0	1%
AFWT Notes	26.5	7%
Trust Loan Receivable	11.2	3%
Total	\$360.8	100%
Gross Return	8.01% p.a.	
Mgt Fee and Overheads	(1.80% p.a.)	
Net Yield (Annualised)³	6.21% p.a.	

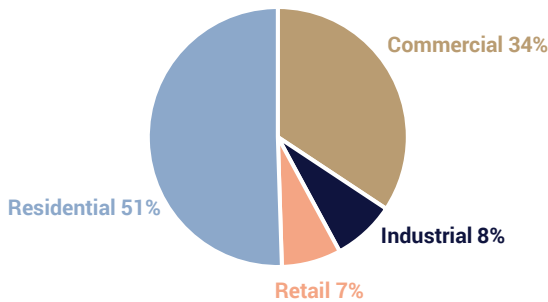
Loan Classification⁴



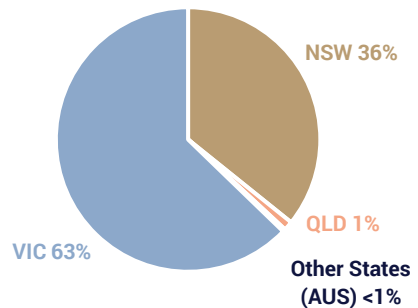
Investment Type⁴



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, BT Wrap, Asgard, Netwealth, AMP North, HUB24.

Upcoming Investor Events & Key Dates

- 22 July 2020: QRI Quarterly portfolio update & webinar

Investor Queries

General: P +61 3 9612 3900 | E qri@qualitas.com.au
 W www.qualitas.com.au/listed-investments/QRI
 A: L38/120 Collins Street, Melbourne VIC 3000
 LinkedIn: <https://www.linkedin.com/company/qualitas-group/>

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



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Monthly Historical Performance

Net Return (%)

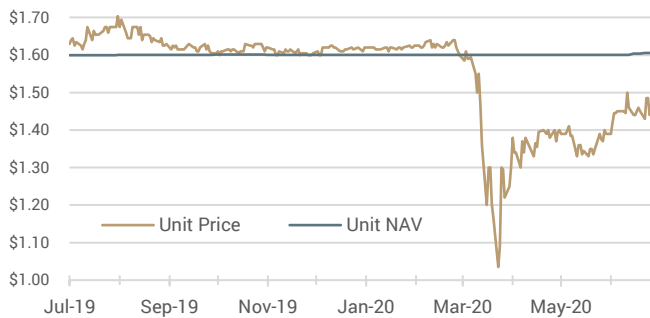
Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
FY19	-	-	-	-	0.02%	0.08%	0.12%	0.15%	0.25%	0.41%	0.44%	0.49% ¹	1.96%
FY20	0.53%	0.45%	0.66% ¹	0.49% ¹	0.49%	0.61%	0.51%	0.49%	0.45%	0.55%	0.49%	0.51%	6.23%

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	0.8152	0.7882	9.8132

**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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