



Performance Update – August 2020

QRI Highlights

Net Return¹ (% p.a.)

1 month (%) p.a.	6.93%
12 month (%) p.a.	6.19%

Distribution

Current month	\$0.008469 / unit
Current month % p.a.	6.25%

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 August 2020

Market Cap / Trust NAV	\$335m / \$361m
Invested Capital ⁴	\$327m
Unit Price	\$1.485
Unit NAV	\$1.6015
Total Invested positions ⁵	16
Total Loans ⁶	34
Weighted LVR ⁷	62%
Weighted loan maturity ⁶	1.0 years
Loans in arrears ⁸	-
Fixed / Floating interest exposure	84% / 16%

Key Information⁹

Target Return	RBA Cash Rate ³ + 5.0% - 6.5% p.a. (net)
Investment Type	Listed Investment Trust
Distributions	Monthly
Unit Pricing	Weekly
Distribution Reinvestment Plan (DRP)	Suspended

Investment Objective

To achieve the Target Return, 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

CRE debt market conditions are beginning to stabilise after the initial shock in March as everyone adjusts to a new world. The Manager continues to benefit from increased demand for alternative financing and this is evident in both pipeline and enquiry.

The Manager has observed that competition remains strong and there is liquidity for all asset classes as lenders compete for the highest quality loans. We continue to see vendors offload non-core assets rather than forced sales, as well as banks lowering leverage and restricting 'new' borrowers.

The Manager leveraged favourable market conditions and deployed a substantial amount of available cash to reposition the portfolio, increasing investment loan exposure to 40% as a result of three new residual stock loans reaching settlement. The portfolio average loan maturity is now 1 year, up from 0.7 of a year. At this stage of the cycle, the Manager is comfortable with the construction and land loan exposure of 12% and 29% respectively.

As of 31 August 2020, the Trust's invested capital increased to 91% (look through to Qualitas funds) as a result of these new loans, which was offset by \$11m (look through to Qualitas funds) of loan repayments, both partial repayments across a number of senior loans and a full repayment / exit of a mezzanine construction loan.

The Manager is pleased to declare an increase to the distribution for the month of August, with the distribution return of 6.25% p.a. reflective of strong investment activity and increased deployment of Trust capital. The August month net return of 6.93% p.a. comprised a sizeable 1.48% p.a. of fee income from new loan settlements.

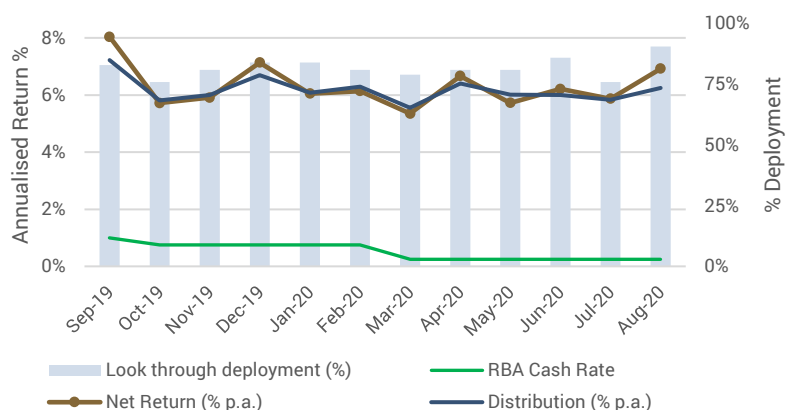
The Manager delivered on the Trust's key investment objective of cash payment of monthly income to unitholders, the achievement of the Target Return (currently 5.25% to 6.75%) and capital preservation.

The Trust's NAV and underlying credit quality remained stable after the most recent asset review (conducted monthly). 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	0.59%	1.59%	3.08%	6.19%	-
Net Return (% p.a.)	6.93%	6.34%	6.12%	6.19%	5.43%
Distribution (¢/unit)	0.8469	2.4265	4.8361	9.8995	14.6292
Distribution Return (% p.a.)	6.25%	6.03%	6.01%	6.11%	5.36%

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



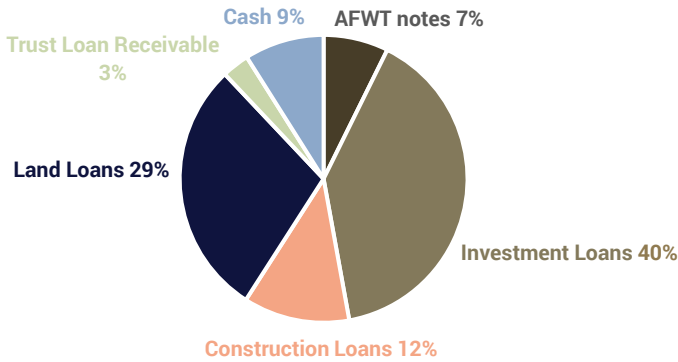
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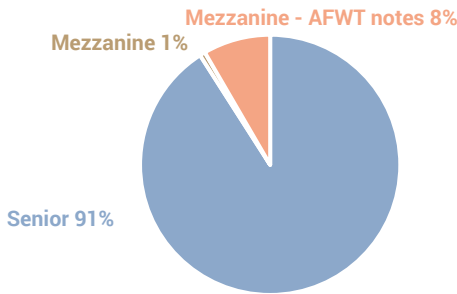
QRI Portfolio Diversification¹

Portfolio Composition

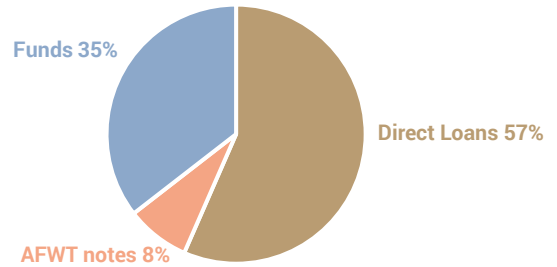


Category	\$ millions	%
Cash (QRI) uncommitted	16.8	4%
Cash (Qualitas funds) uncommitted	17.0	5%
Senior Debt Investment Loans	145.6	40%
Senior Debt Construction Loans	39.0	11%
Senior Debt Land Loans	102.6	29%
Mezzanine Debt Construction Loans	2.2	1%
AFWT Notes	26.5	7%
Trust Loan Receivable	11.1	3%
Total	\$360.8	100%
Gross Return	8.78% p.a.	
Mgt Fee and Overheads	(1.85% p.a.)	
Net Yield (Annualised)²	6.93% p.a.	

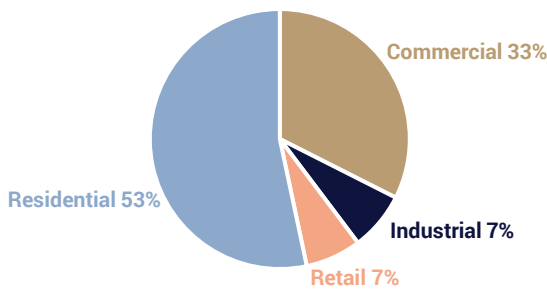
Loan Classification³



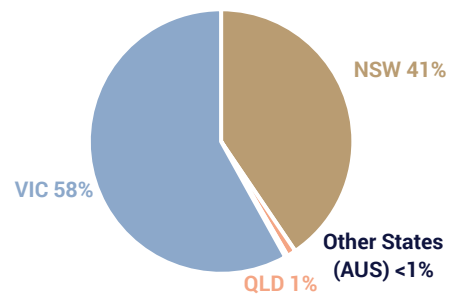
Investment Type³



Property Sector Diversification⁴



Geographic Diversification⁴



About the Manager

Established in 2008, Qualitas has a 12-year track record in the real estate sector and currently manages \$2.76 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

- 26 October 2020: QRI September quarter portfolio update

Investor Queries

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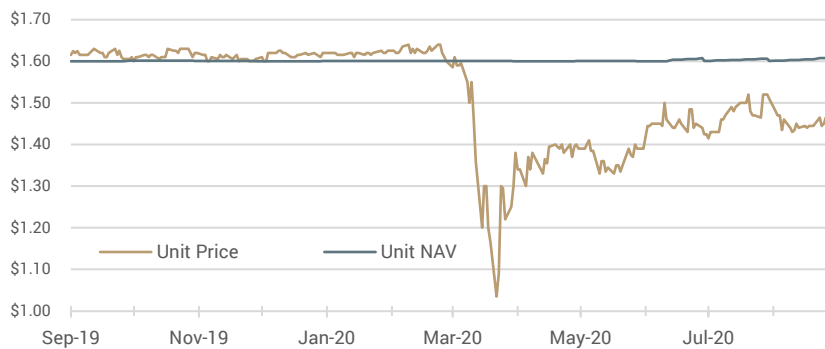
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Monthly Historical Performance

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Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
Net Return (%)													
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%
FY21	0.50%	0.59%	-	-	-	-	-	-	-	-	-	-	1.08%
Distributions (c/unit)													
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
FY21	0.7914	0.8469	-	-	-	-	-	-	-	-	-	-	1.6383

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] RBA cash rate is subject to a floor of 0%. The change to the Target Return was announced to the ASX on 22 July 2020.
- [4] Invested Capital represents the amount of the Trust's total capital that has been committed and invested as at month end in loans (on a look through basis to the Qualitas Funds), the AFWT notes and 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] 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.
- [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 Sep-19 distribution excludes units issued under the Wholesale and Early Retail Entitlement Offers.

Disclaimer

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