



Performance Update – May 2021

QRI Highlights

Net Return¹ (% p.a.)

1 month (%) p.a.	6.52%
12 month (%) p.a.	6.22%

Distribution

Current month	\$0.008176 / 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 premium³ to current low cash rate
- ✓ 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 2021

Market Cap / Trust NAV	\$425m / \$415m
Invested Capital ⁴	\$396m
Unit Price	\$1.640
Unit NAV	\$1.6012
Total Invested positions ⁵	19
Total Loans ⁶	35
Weighted LVR ⁷	62%
Weighted loan maturity ⁶	1.3 years
Loans in arrears ⁸	-
Fixed / Floating interest exposure	89% / 11%

Key Information⁹

Target Return	RBA Cash Rate ¹⁰ + 5.0% to 6.5% p.a. (net)
Investment Type	Listed Investment Trust
Distributions	Monthly
Unit Pricing	Weekly
Distribution Reinvestment Plan (DRP)	Yes - Activated

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

The CRE debt market is characterised by ample opportunities and a stable operating environment, which have been key factors in supporting the Manager's CRE debt pipeline however has also attracted increased investment activity from both domestic and offshore alternative lenders in recent months.

The Manager will monitor any effects that this increased competition may have on market pricing, and will ensure to maintain robust rigor on risk-adjusted returns. The Manager also continues to remain disciplined with investment selection and will not compromise on transactions which present material credit risks, ensuring strong sponsor and property quality.

As of 31 May 2021, the invested capital of the Trust was 95%. During the month, a new \$24.4m land loan was settled and \$6.8m of loan repayments were received across 5 investment loans, mainly progressive repayments from residual stock loans in line with expectations, demonstrating good levels of sales activity.

The Manager is pleased to deliver an attractive risk-adjusted return for the Trust with a May net return of 6.52% p.a. and distribution return of 6.02% achieved, in line with the current **Target Return of 5.10% to 6.60% p.a.**

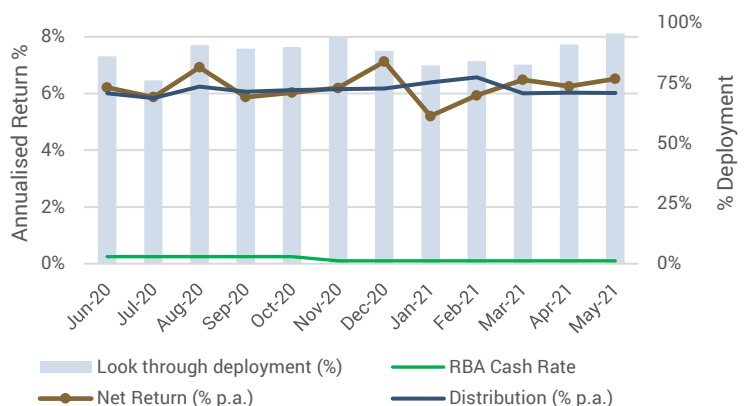
Based on the current loan portfolio and subject to no unexpected repayments, the Manager expects that the strong fully invested capital position of the Trust will underpin a consistent level of distributions to investors of at least circa 6.00% p.a. until June 2021.

The loan portfolio is performing in line with the investment objectives, and the Manager currently has no concerns. No impairments or interest arrears were recorded as of the date of this release which resulted in a stable NAV position for the Trust.

QRI Historical Performance

	1 Mth	3 Mth	6 Mth	12 Mth	24 Mth
Net Return (%) ¹	0.55%	1.62%	3.12%	6.22%	-
Net Return (% p.a.)	6.52%	6.42%	6.26%	6.22%	6.19%
Distribution (¢/unit)	0.8176	2.4266	4.9391	9.7977	19.6624
Distribution Return (% p.a.)	6.02%	6.02%	6.18%	6.12%	6.13%

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



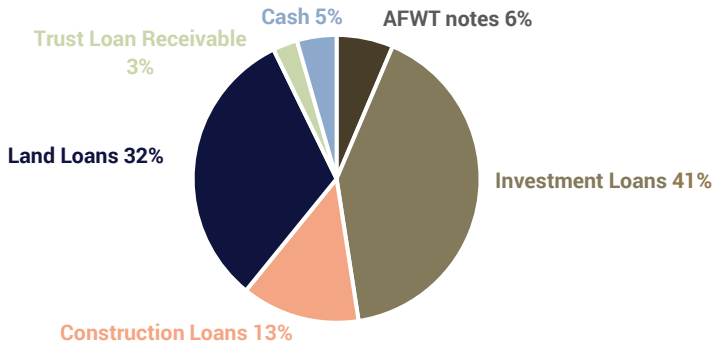
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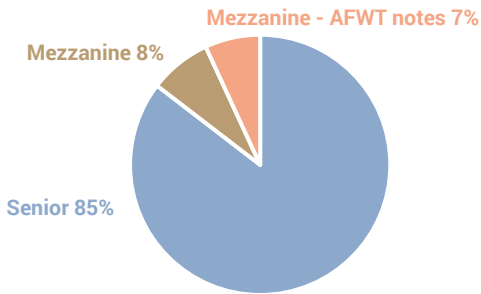
QRI Portfolio Diversification¹

Portfolio Composition

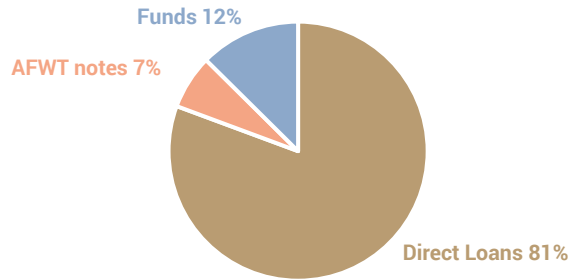


Category	\$ millions	%
Cash (QRI) uncommitted	12.2	3%
Cash (Qualitas funds) uncommitted	6.3	2%
Senior Debt Investment Loans	170.8	41%
Senior Debt Construction Loans	25.5	6%
Senior Debt Land Loans	132.5	32%
Mezzanine Debt Construction Loans	29.6	7%
AFWT Notes	26.5	6%
Trust Loan Receivable	11.5	3%
Total	\$414.9	100%
Gross Return	8.36% p.a.	
Mgt Fee and Overheads	(1.84% p.a.)	
Net Yield (Annualised)²	6.52% p.a.	

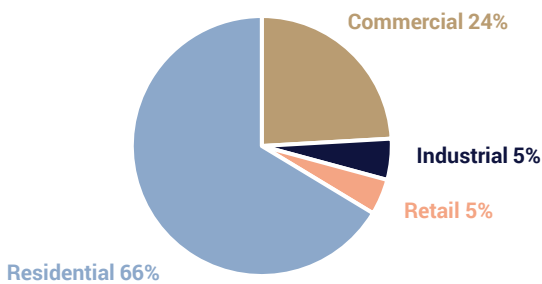
Loan Classification³



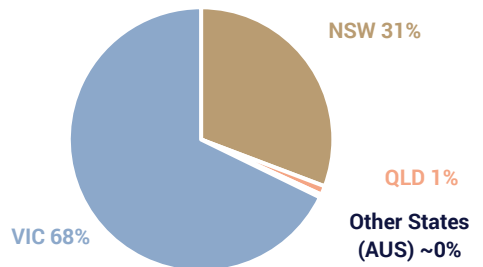
Investment Type³



Property Sector Diversification⁴



Geographic Diversification⁴



About the Manager

Established in 2008, Qualitas has a 13-year track record in the real estate sector and currently manages \$3.0 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, Mason Stevens

Upcoming Investor Events & Key Dates

Investor Queries

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Performance Update – May 2021

Monthly Historical Performance

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

Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
Distributions (c/unit)													
FY19	-	-	-	-	-	0.1534	0.2416	0.2464	0.3784	0.6719	0.6463	0.8397 ¹	3.1777
FY20	0.8150	0.7370	0.9511 ¹	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	0.7956	0.8289	0.8076	0.8373	0.8692	0.8060	0.8163	0.7927	0.8176	-	9.0095
Net Return (%)													
FY19	-	-	-	-	0.02%	0.08%	0.12%	0.15%	0.25%	0.41%	0.44%	0.49% ²	1.96%
FY20	0.53%	0.45%	0.66% ²	0.49% ²	0.49%	0.61%	0.51%	0.49%	0.45%	0.55%	0.49%	0.51%	6.23%
FY21	0.50%	0.59%	0.48%	0.51%	0.51%	0.60%	0.44%	0.46%	0.55%	0.51% ²	0.55%	-	5.70%

Unit Price vs NAV



Notes

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- [1] Net returns are calculated based on the daily weighted average NAV across the respective time periods.
- [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] The premium achieved is commensurate to the investment risk undertaken.
- [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] RBA cash rate is subject to a floor of 0%.

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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] 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.
- [2] Net Return calculated based on weighted average NAV.

Disclaimer

This report has been authorised for release by The Trust Company (RE Services) Limited (ACN 003 278 831) (AFSL 235150) as responsible entity of The Qualitas Real Estate Income Fund (ARSN 627 917 971) (Fund) and has been prepared by QRI Manager Pty Ltd (ACN 625 857 070) (AFS Representative 1266996 as authorised representative of Qualitas Securities Pty Ltd (ACN 136 451 128) (AFSL 34224)).

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