



## Performance Update – July 2021

### QRI Highlights

#### Net Return<sup>1</sup> (% p.a.)

1 month (%) p.a.	5.15%
12 month (%) p.a.	6.09%

#### Distribution

Current month	\$0.006994 / unit
Current month % p.a.	5.15%

### QRI investment benefits

- ✓ Experienced Institutional local based Manager
- ✓ Regular and stable monthly cash distributions<sup>2</sup>
- ✓ Return is an attractive premium<sup>3</sup> 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 July 2021

Market Cap / Trust NAV	\$433m / \$428m
Invested Capital <sup>4</sup>	\$356m
Unit Price	\$1.620
Unit NAV	\$1.6001
Total Invested positions <sup>5</sup>	17
Total Loans <sup>6</sup>	32
Weighted LVR <sup>7</sup>	64%
Weighted loan maturity <sup>6</sup>	1.3 years
Loans in arrears <sup>8</sup>	-
Fixed / Floating interest exposure	96% / 4%

### Key Information<sup>9</sup>

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

### Investment Objective

To achieve the Target Return, and provide monthly cash income, capital preservation and portfolio diversification<sup>9</sup>.

### 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 conditions were largely stable since last month.

The loan portfolio is performing, with no impairments as of the date of this release. However, the Manager notes that in the last few weeks the lockdown of Melbourne and Sydney (amongst other cities in Australia) is occurring which like the onset of COVID-19 last year has increased the Manager's review of the Trust loan portfolio, whereby allowing the determination ahead of time whether any loan investments could be COVID-19 impacted.

In this regard, the portfolio has limited exposure to discretionary retail or hospitality businesses noting that the loans are to wholesale borrowers and in nearly all cases these loans benefit from personal and/or corporate guarantee support and in some instances pre-funded interest reserves. The Manager carefully monitors sponsor risk, valuation risk and ongoing interest serviceability and at this stage, is satisfied based upon the most recent information available that the portfolio is performing to a satisfactory level as expected.

QRI does not have any loans which are exposed to Sydney construction which has been directly impacted by the lockdowns and reduction of site capacity. QRI only has 11% portfolio exposure to construction loans for projects located in Melbourne only. Despite the increased uncertainty in the market and restricted travel, the Manager's CRE debt pipeline remains strong and there has been no impact to originating deals and sourcing opportunities.

As a result of the issuance of \$12.7m worth of new units from the unit purchase plan on 6 July 2021, the Trust's NAV increased from \$415m to \$428m which was 83% invested as of 31 July 2021.

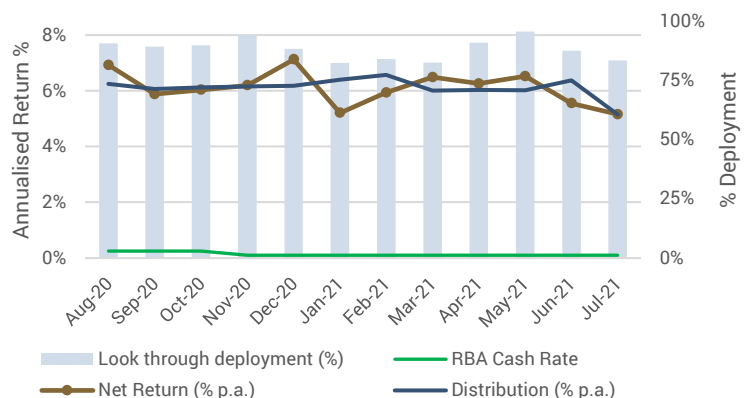
During the month \$4.3m worth of new investments settled which comprised a new land loan and an increase to an existing construction loan. The Trust also allocated \$50m of capital to a new residual stock loan which is expected to settle in August. Repayments totalled \$9.9m which included one full exit of a land loan and partial repayments across residual stock loans.

The Manager is pleased to deliver an attractive risk-adjusted return for the Trust with a July net return of 5.15% p.a. and distribution return of 5.15% p.a. achieved, in line with the current Target Return of 5.10% to 6.60% p.a.

### QRI Historical Performance

	1 Mth	3 Mth	6 Mth	12 Mth	24 Mth
Net Return (%) <sup>1</sup>	0.44%	1.45%	2.96%	6.09%	-
Net Return (% p.a.)	5.15%	5.74%	5.97%	6.09%	6.11%
Distribution (¢/unit)	0.6994	2.3546	4.7696	9.7551	19.5447
Distribution Return (% p.a.)	5.15%	5.83%	6.00%	6.08%	6.09%

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



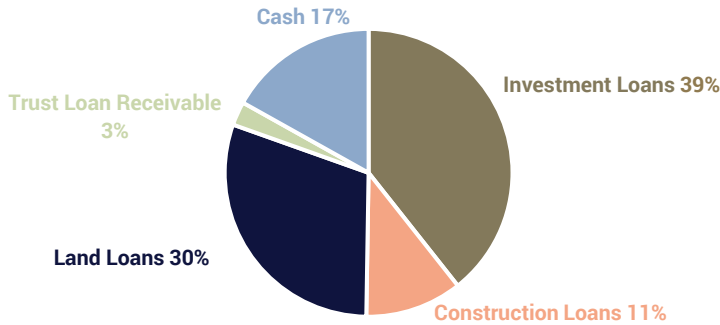
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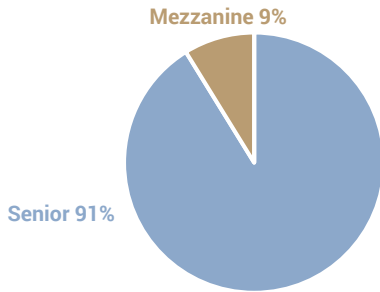
QRI Portfolio Diversification<sup>1</sup>

Portfolio Composition

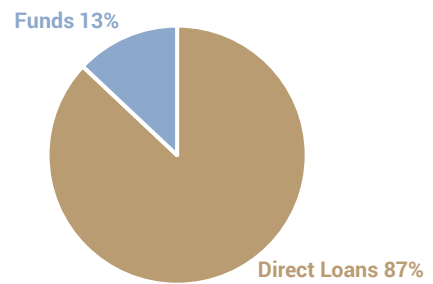


Category	\$ millions	%
Cash (QRI) uncommitted	64.6	15%
Cash (Qualitas funds) uncommitted	7.6	2%
Senior Debt Investment Loans	168.4	39%
Senior Debt Construction Loans	16.4	4%
Senior Debt Land Loans	129.1	30%
Mezzanine Debt Construction Loans	30.3	7%
Trust Loan Receivable	11.4	3%
<b>Total</b>	<b>\$427.8</b>	<b>100%</b>

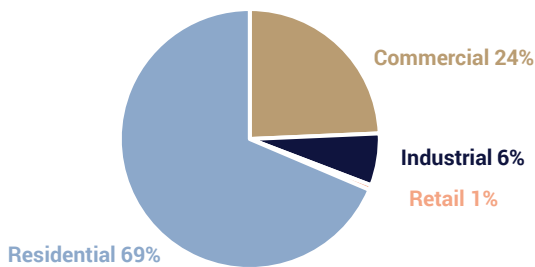
Loan Classification<sup>2</sup>



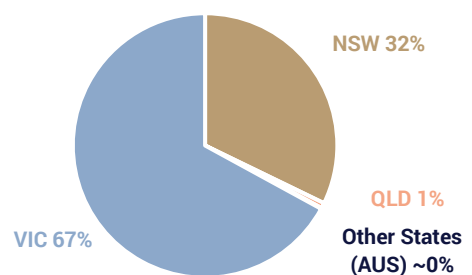
Investment Type<sup>2</sup>



Property Sector Diversification<sup>3</sup>



Geographic Diversification<sup>3</sup>



About the Manager

Established in 2008, Qualitas has a 13-year track record in the real estate sector and currently manages \$3.7 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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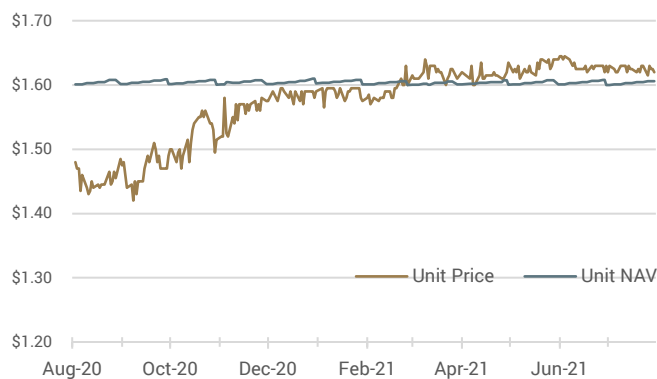
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### Monthly Historical Performance

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

Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
<b>Distributions (c/unit)</b>													
FY19	-	-	-	-	-	0.1534	0.2416	0.2464	0.3784	0.6719	0.6463	0.8397 <sup>1</sup>	3.1777
FY20	0.8150	0.7370	0.9511 <sup>1</sup>	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	0.8376	9.8471
FY22	0.6994												0.6994
<b>Net Return (%)</b>													
FY19	-	-	-	-	0.02%	0.08%	0.12%	0.15%	0.25%	0.41%	0.44%	0.49% <sup>2</sup>	1.96%
FY20	0.53%	0.45%	0.66% <sup>2</sup>	0.49% <sup>2</sup>	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% <sup>2</sup>	0.55%	0.46%	6.16%
FY22	0.44%												0.44%

### Unit Price vs NAV



### Notes

#### Page 1

- [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) 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.
- [7] Represents total LVR of loans in the portfolio on a look through basis, via investments in direct loans and Qualitas wholesale funds.
- [8] Represents % of loan portfolio on look through-basis 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%.

#### Page 2

- [1] The portfolio statistics are determined on a look-through basis having regard to the loans in the underlying Qualitas Funds as indicated. The classifications of these diversification parameters are determined by the Manager. Figures stated are subject to rounding.
- [2] Excludes Trust Loan Receivable & cash.
- [3] Excludes Trust Loan Receivable & cash.

#### Page 3

- [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

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