



Performance Update – October 2021

QRI Highlights

Net Return¹ (% p.a.)

1 month (%) p.a.	5.42%
12 month (%) p.a.	6.04%

Distribution

Current month	\$0.007814 / unit
Current month % p.a.	5.75%

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 October 2021

Market Cap / Trust NAV	\$433m / \$428m
Invested Capital ⁴	\$397m
Unit Price	\$1.6200
Unit NAV	\$1.6069
Total Loans ⁵	31
Weighted loan maturity ⁵	1.2 years
Weighted LVR ⁶	65%
Loans in arrears ⁷	-
Fixed / Floating interest exposure	97% / 3%

Key Information⁸

Target Return	RBA Cash Rate ⁹ + 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 diversification¹⁰.

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

According to the RBA Financial Stability Review released in October 2021, non-bank debt financing now represents 10% of the financial system in Australia, an increase from 7% since the RBA's review in October 2019. This demonstrates that non-bank lenders' market share has increased and based on this proportion and the APRA reported bank CRE debt exposures of \$369Bn¹⁰, the Manager estimates the size of the CRE debt market to have grown further to now ca. \$410Bn (previous estimate was \$397Bn).

The Manager is now originating in a busy period for CRE debt investment due to both alternative lenders and borrowers seeking to close financing by the end of 2021. Due to the increased financing and investment activity in the market, the Manager expects to drive solid deployment outcomes for the Trust leading up to the holiday season.

As of 31 October 2021, the invested capital of the Trust was 93%. Investment activity for the month encompassed settlement of \$7.8m of new loans and \$1.3m increases of existing loans. Loan partial repayments were minimal at \$5.0m in total.

During the month \$171.6m of new capital was raised through an Entitlement Offer and Shortfall Offer and the new units were issued in early November¹¹ which increases the Trust's total capital to \$599.6m. As of the date of this report, the Manager has deployed and allocated 61% of the new capital to new loans. The Manager continues to seek to invest new capital raised progressively within three to six months.

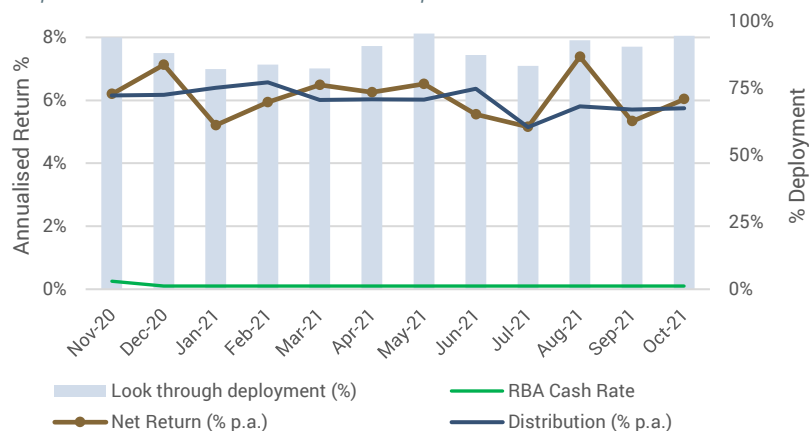
The Manager is pleased to deliver an attractive risk-adjusted return for the Trust with a October net return of 5.42% p.a. and distribution return of 5.75% p.a. achieved, in line with the current **Target Return of 5.10% to 6.60% p.a.**

The Trust's portfolio continues to perform in line with investment objectives with no interest arrears or impairments recorded on any loans. The Manager also continues to see residual stock loans consistently amortise as the residential sector continues to perform strongly.

QRI Historical Performance

	1 Mth	3 Mth	6 Mth	12 Mth	24 Mth
Net Return (%) ¹	0.46%	1.53%	2.97%	6.04%	-
Net Return (% p.a.)	5.42%	6.05%	5.90%	6.04%	6.09%
Distribution (¢/unit)	0.7814	2.3215	4.6761	9.6052	19.3875
Distribution Return (% p.a.)	5.75%	5.76%	5.79%	5.98%	6.04%

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



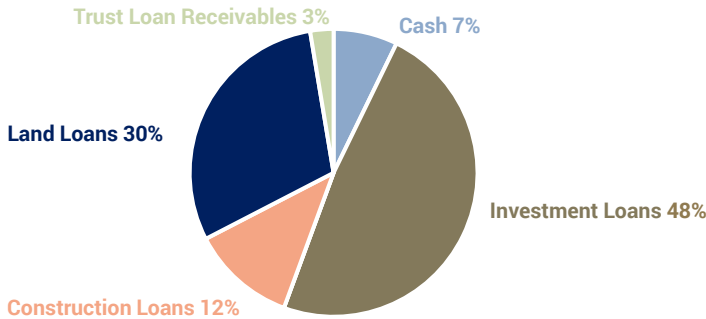
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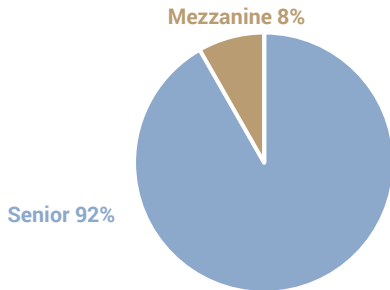
QRI Portfolio Diversification¹

Portfolio Composition

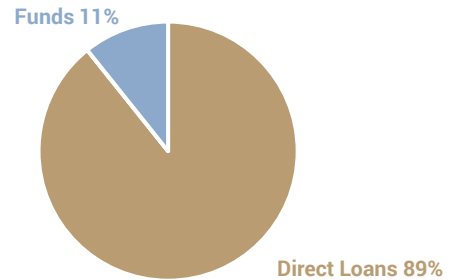


Category	\$ millions	%
Cash (QRI) uncommitted	25.6	6.0%
Cash (Qualitas funds) uncommitted	5.3	1.2%
Senior Debt Investment Loans	207.1	48.4%
Senior Debt Construction Loans	18.0	4.2%
Senior Debt Land Loans	128.3	30.0%
Mezzanine Debt Construction Loans	32.6	7.6%
Trust Loan Receivable	11.2	2.6%
Total	\$428.0	100%

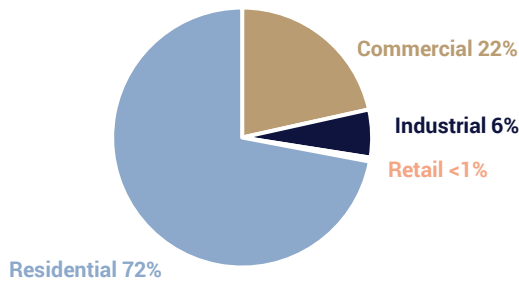
Loan Classification²



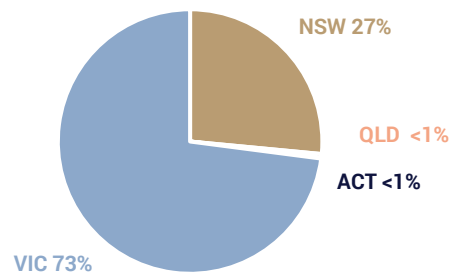
Investment Type²



Property Sector Diversification²



Geographic Diversification²



About the Manager

Established in 2008, Qualitas has a 13-year track record in the real estate sector and currently manages \$4.0 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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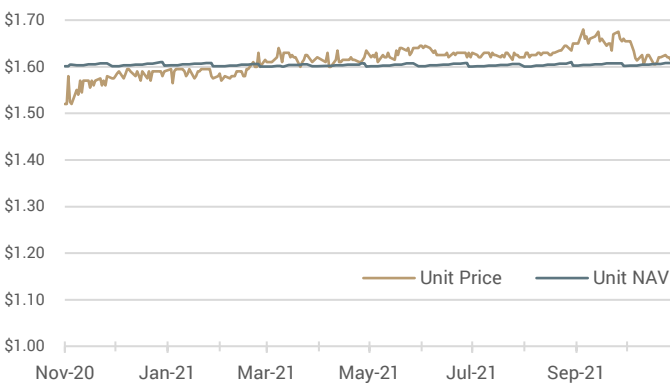
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Monthly Historical Performance

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Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
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	0.8376	9.8471
FY22	0.6994	0.7894	0.7507	0.7814									3.0209
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%	0.46%	6.16%
FY22	0.44%	0.63%	0.44%	0.46%									1.97%

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) and the Trust Loan Receivable. All investments including direct loans are made by the Sub-Trust. The Sub-Trust is wholly owned by the Trust.
- [5] Represents total loans in the portfolio on a look through basis, via investments in direct loans and Qualitas wholesale funds.
- [6] Represents total LVR of loans in the portfolio on a look through basis, via investments in direct loans and Qualitas wholesale funds.
- [7] Represents % of loan portfolio on look through-basis in arrears by 90 days or more.
- [8] 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.
- [9] RBA cash rate is subject to a floor of 0%.
- [10] APRA Quarterly authorised deposit institutional property exposures June 2021 (released 7 September 2021).
- [11] New Units under the Entitlement Offer and Shortfall Offer were issued on 1 November 2021 and 4 November 2021 respectively.

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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 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.

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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

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