



# Performance Update – April 2022

### QRI Highlights

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

12 month (%) p.a.	5.35%
1 month (%) p.a.	5.50%

#### Distribution

12 month (%) p.a.	5.34%
Current month % p.a.	5.75%

Current month \$0.007556 / unit

### QRI Key Metrics as at 30 April 2022

Market Cap / Trust NAV	\$585m / \$600m
Invested Capital <sup>4</sup>	\$527m (88%)
Unit Price	\$1.5600
Unit NAV	\$1.6002
Total Loans <sup>5</sup>	35
Weighted loan maturity <sup>5</sup>	1.1 years
Weighted LVR <sup>6</sup>	66%
Loans in arrears <sup>7</sup>	-
Fixed / Floating interest exposure	69% / 31%

### Key Information<sup>8</sup>

Target Return	RBA Cash Rate <sup>9</sup> + 5.0% to 6.5% p.a. (net)
Investment Type	Listed Investment Trust
Distributions	Monthly
Unit Pricing	Weekly
Distribution Reinvestment Plan (DRP)	Yes - Active

### QRI investment benefits & features

- ✓ Experienced Institutional local based Manager
- ✓ Regular monthly cash distributions<sup>2</sup>
- ✓ Return is an attractive premium<sup>3</sup> to current low cash rate
- ✓ The potential of Capital preservation from loans secured by real property mortgages
- ✓ Exposure to the property market
- ✓ Simple credit strategy of investing in only Commercial Real Estate (CRE) loans

### Investment Objective

To achieve the Target Return, and provide monthly cash income, capital preservation and portfolio diversification<sup>10</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.

### Investment Activity

As of 30 April 2022, the Trust's capital is 88% invested. The Manager has now fully invested the Entitlement Offer proceeds ahead of the forecast set out in PDS. In times of market uncertainty, QRI has continued to distribute an attractive monthly risk adjusted return of 5.34% on (on last twelve month (LTM) average NAV of \$1.61) as at 30 April 2022. The LTM monthly distribution as at 30 April 2022 is within target range and subject to no unexpected repayments and no further settlement delays, the Manager expects that the monthly distribution return should remain within target range for the remainder of this financial year.

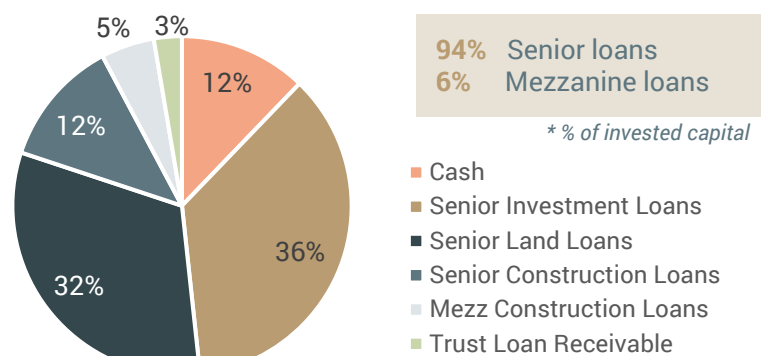
Investment activity for the month encompassed settlement of the facility increase of one existing loan, totaling \$0.1m. Loan repayments were \$8.5m in total, mainly partial repayments from several residual stock loans. The Trust's portfolio continues to perform in line with investment objectives with no interest arrears or impairments recorded on any loans.

The global geopolitical events and rising interest rates have impacted on returns of other asset classes, as such the S&P/ASX300 A-REIT Index returned -6.1% YTD and the Australian equity market (S&P/ASX300 Index) delivered return of 1.2% YTD<sup>12</sup>. Increasing interest rates is considered to have a positive impact on the Trust as any increase translates to increased returns and distributions paid to unitholders. As at 30 April 2022, 31% of the QRI portfolio is loans based on a variable interest rate and this percentage of the portfolio is expected to increase as existing loans mature, noting that QRI's weighted loan maturity is 1.1 years and any new loans or roll-overs will be priced on a variable rate base rate. QRI is not leveraged, so rising interest rates do not impact the cost side of the Fund's profitability. Any increases in variable rate loan interest rates will be passed on to fund investors. The QRI target return is based on a margin above the RBA Cash Rate. Our variable loan interest rates are set at a margin above 3-mth BBSY which is at ~0.80% as at 30 April 2022 compared to the cash rate of 0.35%. This difference may translate almost directly into an increase in revenue and returns for our investors during market volatility.

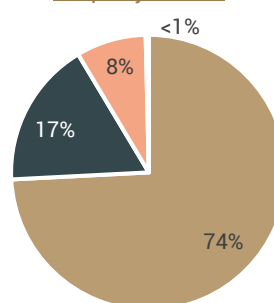
QRI loans are structured to target yield with inflation protection. The short duration of the QRI portfolio allows for re-pricing of loans and the revaluation of underlying real asset security. Fully secured portfolio with an averaged Loan-to-Value ratio of c.66% with 99% of QRI investment personally guaranteed as at 30 April 2022 provide significant equity buffer against any reduction in the value of underlying real estate security. QRI has access to a robust commercial real estate (CRE) pipeline of opportunities, ~\$300m of new loan mandates generated through the QRI Manager's network in the next few months.

The Manager also notes that rising interest rates may have an impact on the valuation of the underlying real estate security which may have an impact on the returns of the fund.

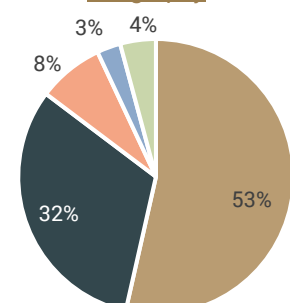
### Portfolio Composition<sup>10</sup>



### Property Sector<sup>11</sup>



### Geography<sup>11</sup>



■ Residential ■ Commercial ■ VIC ■ NSW ■ QLD ■ ACT ■ SA  
■ Industrial ■ Retail



### Performance Update – April 2022

#### 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 (¢/unit)</b>													
FY19	-	-	-	-	-	0.1534	0.2416	0.2464	0.3784	0.6719	0.6463	0.8397 <sup>1</sup>	<b>3.1777</b>
FY20	0.8150	0.7370	0.9511	0.7906	0.7896	0.9099	0.8233	0.7989	0.7539	0.8405	0.8152	0.7882	<b>9.8132</b>
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	<b>9.8471</b>
FY22	0.6994	0.7894	0.7507	0.7814	0.6706	0.6315	0.6318	0.6012	0.6932	0.7556			<b>7.0048</b>
<b>Net Return (%)</b>													
FY19	-	-	-	-	0.02%	0.08%	0.12%	0.15%	0.25%	0.41%	0.44%	0.49% <sup>2</sup>	<b>1.96%</b>
FY20	0.53%	0.45%	0.66%	0.49%	0.49%	0.61%	0.51%	0.49%	0.45%	0.55%	0.49%	0.51%	<b>6.23%</b>
FY21	0.50%	0.59%	0.48%	0.51%	0.51%	0.60%	0.44%	0.46%	0.55%	0.51%	0.55%	0.46%	<b>6.16%</b>
FY22	0.44%	0.63%	0.44%	0.46%	0.40%	0.39%	0.38%	0.42%	0.45%	0.45%			<b>4.46%</b>

#### Net return by period

#### About the Manager

	1 mth	3 mth	6 mth	1 yr	3 yr <sup>3</sup>	Incep <sup>3,4</sup>
<b>Net Return (%)</b>	0.45	1.32	2.46	5.35	5.80	5.55
<b>RBA Cash Rate (%)</b>	0.01	0.02	0.05	0.10	0.38	0.52
<b>Distribution (%)</b>	0.47	1.28	2.49	5.34	5.77	5.53
<b>Spread to RBA (%)</b>	0.46	1.26	2.44	5.24	5.40	5.01

Established in 2008, Qualitas has a 14-year track record in the real estate sector and currently manages \$4.2 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

#### Investor Queries

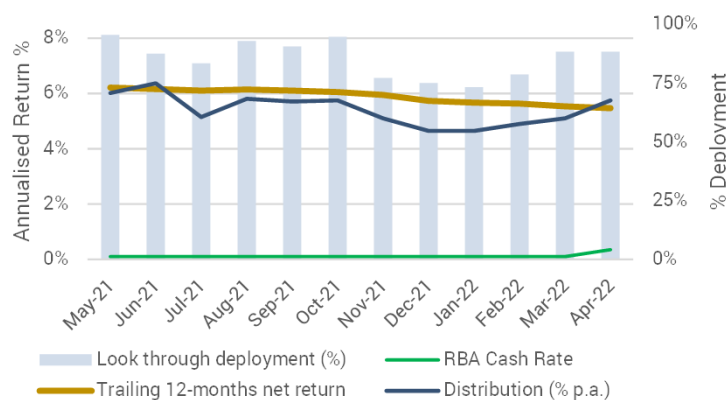
##### General

P +61 3 9612 3939 | E [qri@qualitas.com.au](mailto:qri@qualitas.com.au)  
 W [www.qualitas.com.au/listed-investments/QRI](http://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

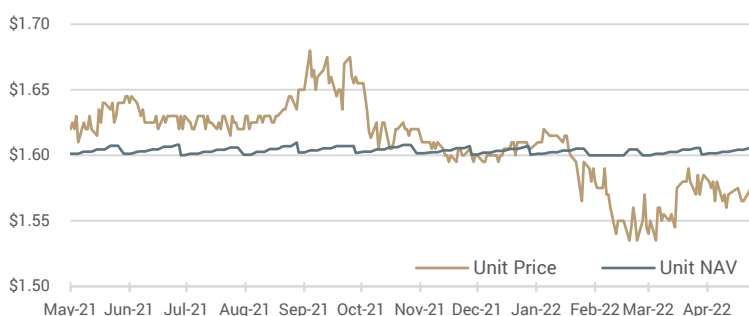
P 1300 420 177 | E: [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)  
 W [www.automic.com.au](http://www.automic.com.au)

#### Trailing 12-Months Returns vs. deployment



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

#### Unit Price vs NAV





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### 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] 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.

[11] Excludes Trust Loan Receivable & cash.

[12] Market data from S&P closing December 2021 to 30 April 2022.

#### Page 2

[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.

[3] Annualised.

[4] IPO in November 2018.

### Disclaimer

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The PDS and a target market determination for units in the Trust can be obtained by visiting the Trust website [www.qualitas.com.au/qri](http://www.qualitas.com.au/qri). The Trust Company (RE Services) Limited as responsible entity of the Fund is the issuer of units in the Trust. A person should consider the PDS in deciding whether to acquire, or to continue to hold, units in the Trust.