



Net return¹ (% p.a.)

12 month (%) p.a.	5.58%
1 month (%) p.a.	7.36%

Distribution

12 month (%) p.a.	5.58%
Current month % p.a.	6.85%
Current month	\$0.009004 / unit

Market update and investment activity

- The Trust's capital is 94% allocated as at 30 September 2022. The Manager is going through an investment screening process to deploy cash in the portfolio.
- With the RBA's decision to increase the cash rate to 2.60%, 67% of our portfolio will reflect the increase in BBSY on 1 November 2022.
 - Between 30 September 2022 and 30 June 2023, 22% of the portfolio that is currently fixed rate loans matures and is anticipated to convert to floating rate as each loan matures.
- During the month of September, the Manager deployed a further \$32.4m in land and investment loans. Variable rate loans split increased from 55% to 67% as the result of these investments and repayments. Repayments of \$35.4m primarily from the partial and full repayments from nine residual stock loans and mezzanine loans.
 - The Manager continues to see an orderly sell down of apartments generally in the market which secures QRI's residual stock loans. In the Managers opinion, this is supported by low vacancy in the market and seemingly a preference of occupiers and investors to purchase completed apartments as opposed to waiting for construction delivery for off plan apartments.
- The Manager has noted increasing institutional investor interests in the private commercial real estate (CRE) credit sector as the Manager attracted multiple capital commitments in the last few months. QRI is the only pure-play CRE credit fund listed on the ASX accessible by retail investors.
- The weighted LVR of the portfolio remained consistent at 66% from July to September. This was driven by existing residual stock loans repaid in accordance with expectations and the Manager's ongoing effort to maintain sufficient equity buffer in every debt investment we make.
 - Average portfolio LVR of 66% implies an equity buffer of 34%.
- QRI delivered a monthly distribution of 6.85% on NAV of \$1.60 as at 30 September 2022. The September distribution is higher than August due to increasing underlying interest income as BBSY increases and credit risk margins widen for new investments.
 - The Manager delivered the highest LTM distribution amongst LITs listed on the ASX with exclusively credit investments.¹³
- The Manager is rewarded for our diligence in asset management, bespoke structuring and robust risk assessment. The Manager does not take a probability approach in assessing default risk and allocating provisions. All borrowers and each loan in the portfolio are closely reviewed on a monthly basis with detailed assessment on serviceability, asset valuation, loan to value ratio, repayment profile, exit options and any other specific investment risks. These reviews are conducted and signed off by the Head of Fund, Head of Investment Risk and discussed at the Monthly Fund Performance Meetings. We allocate specific transaction provisioning if required following the monthly reviews.
- The Manager confirms that as at 30 September 2022, the portfolio has no interest arrears or impairments.

QRI key metrics as at 30 September 2022

Market cap / Trust NAV	\$544m / \$601m
Invested capital ⁴	\$564m (94%)
Unit price	\$1.4500
Unit NAV	\$1.6004
Total Loans ⁵	40
Weighted loan maturity ⁵	1.1 years
Weighted LVR ⁶	66%
Loans in arrears ⁷	-
Fixed / Floating interest exposure	33% / 67%

Key information⁸

Target return	RBA cash rate^{9,12} + 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 features

- Experienced Institutional local based Manager
- Regular monthly cash distributions²
- Return is at a premium³ 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

**Please refer to PDS section 8 on risks related to QRI*

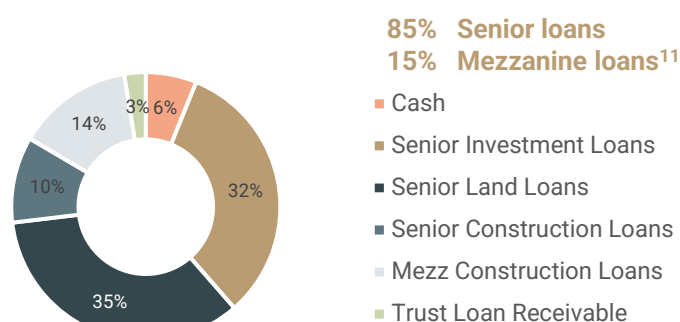
Investment objective

To achieve the Target Return, and provide monthly cash income, capital preservation and portfolio diversification¹⁰.

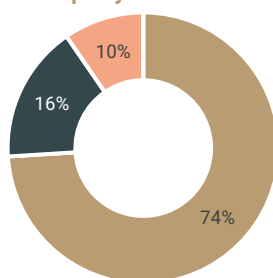
Investment strategy

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.

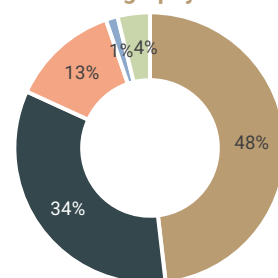
Portfolio composition¹⁰



Property Sector¹¹



Geography¹¹



■ Residential ■ Commercial ■ Industrial

■ VIC ■ NSW ■ QLD ■ ACT ■ SA

Qualitas Real Estate Income Fund (ASX:QRI)

Performance Update – September 2022



QUALITAS

Net return by period

	1 mth	3 mth	6 mth	1 yr	3 yr ¹	Incep ^{1,2}
Net Return (%)	0.60	1.67	3.11	5.58	5.88	5.68
RBA Cash Rate (%)	0.19	0.44	0.54	0.59	0.39	0.60
Distribution (%)	0.56	1.62	3.08	5.58	5.84	5.64
Spread to RBA (%)	0.37	1.18	2.54	4.99	5.45	5.04

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

About the Manager

Established in 2008 and listed on the ASX in 2021, Qualitas has a 14-year track record in the real estate sector and currently manages circa \$5 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.

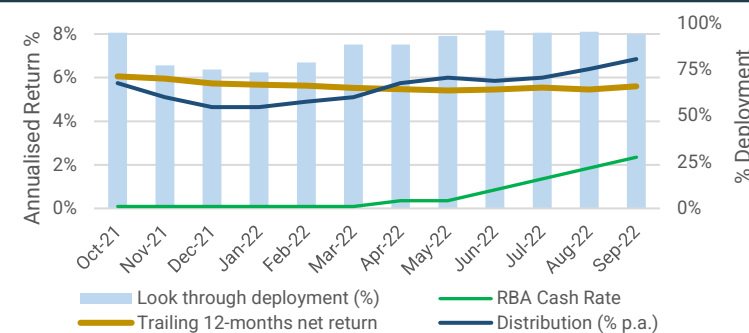
Platforms

Macquarie	Asgard	HUB24
BT Panorama	Netwealth	Mason Stevens
BT Wrap	AMP North	Praemium

Key service providers

Manager	QRI Manager Pty Ltd – an authorised representative of Qualitas Securities Pty Ltd
Responsible Entity	The Trust Company (RE Services) Limited

Monthly net return vs. deployment³

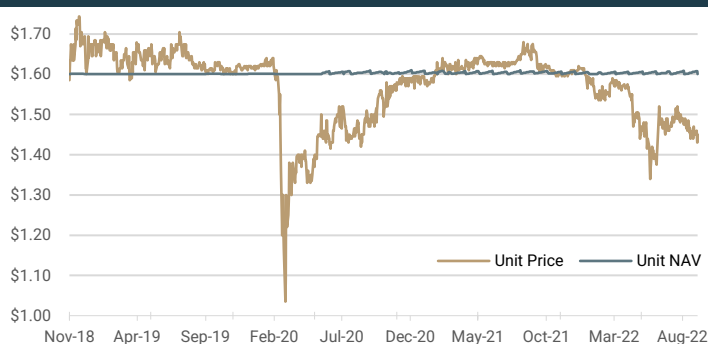


*Past performance is not a reliable indicator of future performance.

Monthly historical 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	3.1777
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	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	0.6706	0.6315	0.6318	0.6012	0.6932	0.7556	0.8159	0.7689	8.5896
FY23	0.8151	0.8701	0.9004										2.5856
Net return (%)													
FY19	-	-	-	-	0.02%	0.08%	0.12%	0.15%	0.25%	0.41%	0.44%	0.49%	1.96%
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%	6.23%
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%	6.16%
FY22	0.44%	0.63%	0.44%	0.46%	0.40%	0.38%	0.36%	0.42%	0.45%	0.45%	0.50%	0.49%	5.42%
FY23	0.53%	0.54%	0.60%										1.67%

Unit price vs NAV



Investor queries

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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
W www.automic.com.au



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] QRI is a different asset class to cash which is displayed by the RBA Cash Rate and BBSY. Accordingly, QRI is of a higher risk than an investment in cash.

[13] LTM distributions divided by average end of month NAV up to September 2022.

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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.

[3] QRI is a different asset class to cash which is displayed by the RBA Cash Rate and BBSY. Accordingly, QRI is of a higher risk than an investment in cash.

Disclaimer

This communication has been issued and 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) ("Trust" or "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 342242)).

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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. 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.