



Net return ¹ (% p.a.)	
12 month (%) p.a.	5.72%
1 month (%) p.a.	7.07%
Distribution	
12 month (%) p.a.	5.69%
Current month % p.a.	7.00%
Current month	\$0.009510 / unit

Market update and investment activity

- The Trust's capital is approximately 97% allocated as at 31 October 2022.
- With the RBA's decision to increase the cash rate to 2.85%, 67% of our portfolio will reflect the increase in BBSY on 1 December 2022.
 - Between 31 October 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.
- The RBA signaled further rate increases over the near term.¹³ The 1 year forward interest swap as at 31 October 2022 is at 3.8%.¹⁴ The Manager believes that there will be some level of distress in certain segments of the commercial real estate (CRE) market. However, on balance we remain positive in outlook of the multi-dwelling residential sector in Australia. Apart from the supply shortage mentioned in previous monthly reports, we would like to highlight a few other macroeconomic factors underpinning resilience of the Australian CRE sector:
 - Sufficient level of depth and liquidity - real estate transaction volumes in Australia have been US\$40bn per annum over the past decade. CBRE assesses Australia as the 6th most liquid and transacted market globally.¹⁵
 - Low impairments - impairments have been averaging 1.1% over the 10 years to December 2021 and 1.8% since 2004, which accounts for the global financial crisis.¹⁵
 - Strong interest from institutional investors - CBRE estimated that 20 large real estate institutional investors have a total ~US\$160bn development pipeline extended over 2022-2030. Residential communities and apartments are the largest category representing 45% of activity.¹⁵
- During the month of October, there were repayments of \$10.3m primarily driven by partial and full repayments from three residual stock loans, one construction loan, five investment loans and one land loan. Progressive repayment of residential residual stock loans are performing to expectations.
- The weighted LVR of the portfolio remained consistent at 66% implying an equity buffer of 34%.
- QRI delivered a monthly distribution of 7.00% on NAV of \$1.60 as at 31 October 2022. The October distribution is higher than September due to increasing underlying interest income as BBSY increases and credit risk margins widen for new investments.
- The Manager confirms that as at 31 October 2022, the portfolio has no interest arrears or impairments.

QRI key metrics as at 31 October 2022

Market cap / Trust NAV	\$542m / \$601m
Invested capital ⁴	\$556m (92%)
Unit price	\$1.445
Unit NAV	\$1.6006
Total Loans ⁵	40
Weighted loan maturity ⁵	1.0 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

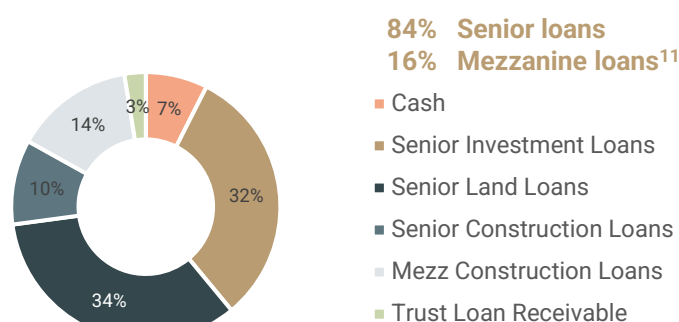
Investment objective

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

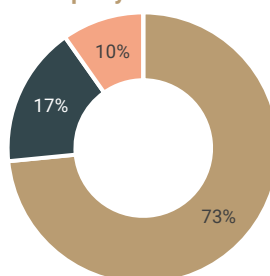
Investment strategy

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.

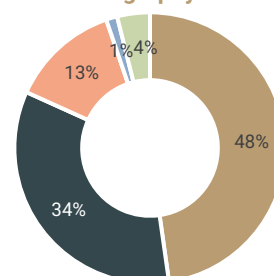
Portfolio composition¹⁰



Property Sector¹¹



Geography¹¹



■ Residential ■ Commercial ■ Industrial

■ VIC ■ NSW ■ QLD ■ ACT ■ SA

Qualitas Real Estate Income Fund (ASX:QRI)

Performance Update – October 2022



QUALITAS

Net return by period

	1 mth	3 mth	6 mth	1 yr	3 yr ¹	Incep ^{1,2}
Net Return (%)	0.60	1.74	3.26	5.72	6.10	5.73
RBA Cash Rate (%)	0.21	0.55	0.75	0.80	0.44	0.64
Distribution (%)	0.59	1.70	3.20	5.69	6.06	5.68
Spread to RBA (%)	0.38	1.15	2.45	4.89	5.61	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 approximately \$5.33 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.

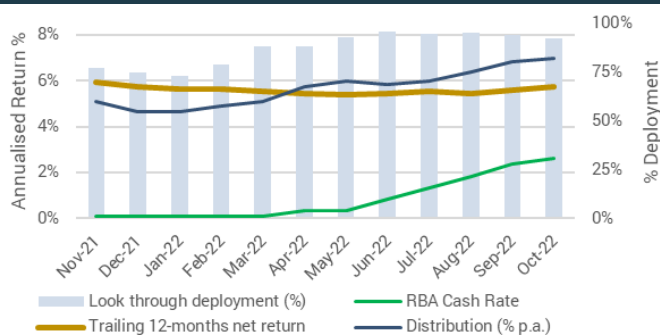
Platforms

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	0.9510									3.5366
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%	0.60%									2.27%

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] RBA, Statement by Philip Lowe, Governor: Monetary Policy Decision, 1 November 2022.

[14] Factset.

[15] CBRE, Why invest in Australia Real Estate?, October 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

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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.