

# Qualitas Real Estate Income Fund

ASX:QRI | Performance Update – August 2023



## MONTHLY PORTFOLIO UPDATE

As at 31 August 2023, the Trust's capital is fully invested<sup>1</sup> with \$33.7m drawn in the warehouse facility which is delivering an incremental 1.00% p.a. return on the drawn balance for QRI unitholders.

The Manager confirms that as at 31 August 2023, the portfolio has no interest arrears<sup>2</sup> or impairments.

## HIGHLIGHTS

### Net return<sup>3</sup> (% p.a.) on NAV

12 month	8.24%
1 month	9.47%

### Distribution (% p.a.) on NAV

12 month	8.12%
Current month	8.80%
Current month distribution (\$)	\$0.011959/ unit

### Distribution on month end unit price (% p.a.)

Current month	8.91%
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## KEY INFORMATION

Target return	RBA cash rate <sup>4,5</sup> + 5.0% to 6.5% p.a. (net)
S&P Global Industry Classification Standard Code and Classification	40204010 Mortgage Real Estate Investment Trust
Distributions	Monthly <sup>6</sup>
Unit pricing	Weekly
Distribution reinvestment plan (DRP)	Yes - active

## INVESTMENT FEATURES

- Property investment without ownership risk.
- Regular income<sup>6</sup> and the potential for capital preservation.
- Expert real estate investment manager.

## INVESTMENT OBJECTIVE

To achieve the target return, and provide monthly cash income, capital preservation and portfolio diversification<sup>7</sup>.

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

## KEY METRICS AS AT 31 AUGUST 2023

**\$593m / \$601m**

Market cap / Trust NAV

**\$1.580 / \$1.6008**

Unit price / Unit NAV

**36**

Total loans<sup>8</sup>

**0.91 years**

Weighted loan maturity<sup>8</sup>

**65% / 35%**

Weighted LVR<sup>9</sup> / % underlying real estate securities value need to fall on a weighted average basis across the portfolio for unit price to fall below NAV<sup>10</sup>

**36%**

of portfolio underlying real estate securities valued within the last 12 months

**\$590m (98%)**

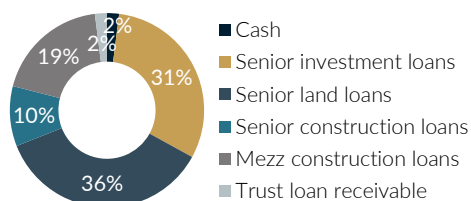
Invested capital<sup>11</sup>

**11% / 89%**

Fixed / Floating interest exposure

## PORTFOLIO UNDERLYING EXPOSURE<sup>12</sup>

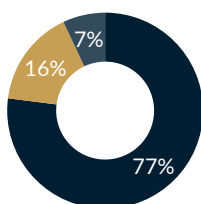
### Portfolio composition<sup>7</sup>



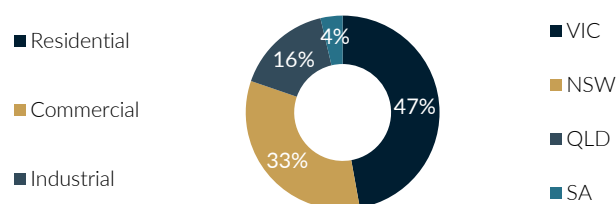
80% Senior loans<sup>13</sup>

20% Mezzanine loans<sup>13</sup>

### Property sector<sup>7</sup>



### Geography<sup>7</sup>



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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	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	0.9666	1.0396	1.0597	1.0060	1.1416	1.1047	1.1414	1.3020	12.2982
FY24	1.1893	1.1959											2.3852

<b>Net return (%)</b>													
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%	0.57%	0.72%	0.67%	0.60%	0.70%	0.66%	0.75%	0.80%	7.74%
FY24	0.76%	0.80%											1.56%

## NET RETURN BY PERIOD

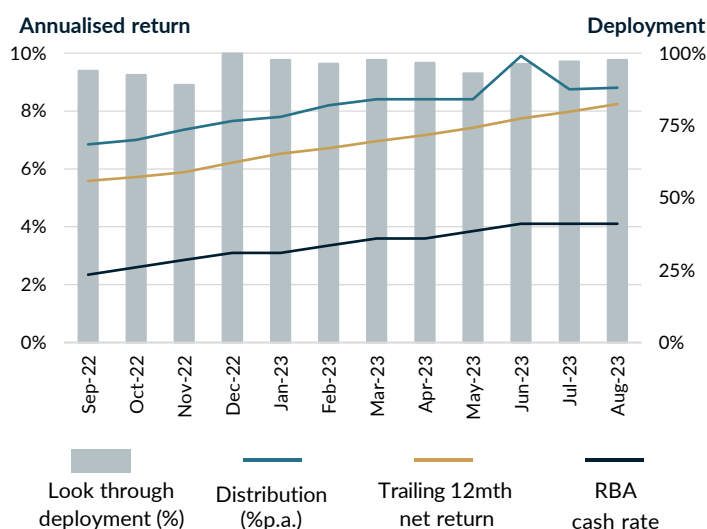
%	1mth	3mth	6mth	1yr	3yr <sup>14</sup>	Incep <sup>14,15</sup>
Net return	0.80	2.37	4.48	8.24	6.68	6.38
Target return at 5.0%	0.76	2.27	4.44	8.36	6.30	6.15
Target return at 6.5%	0.88	2.65	5.19	9.86	7.80	7.65
RBA cash rate	0.34	1.02	1.94	3.36	1.30	1.15
Distribution	0.75	2.30	4.42	8.12	6.64	6.32
Spread to RBA	0.41	1.28	2.48	4.76	5.34	5.17

\*Past performance is not a reliable indicator of future performance.  
Target return: RBA cash rate + 5.0% to 6.5% p.a. (net)

## ABOUT THE MANAGER

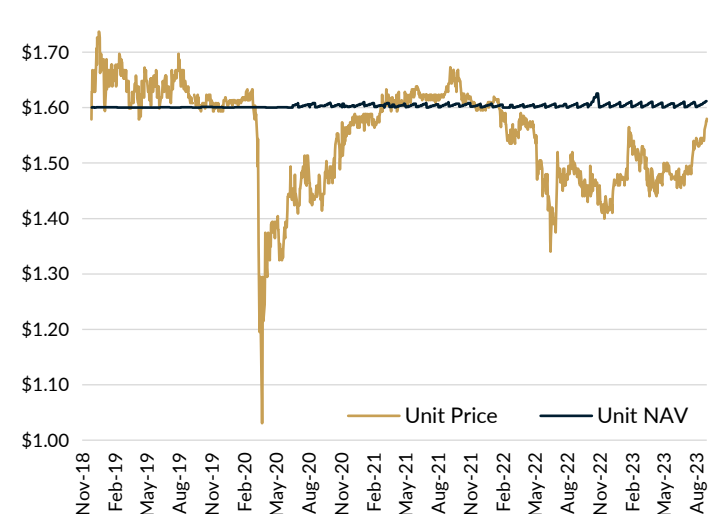
Established in 2008 and listed on the ASX in 2021, Qualitas has a 15-year track record in the real estate sector and currently manages A\$7.5 billion<sup>17</sup> in committed capital. Qualitas has a disciplined approach to generating strong risk-adjusted returns for its investors. Qualitas' investment strategies include senior and mezzanine debt, preferred and ordinary equity investments in real estate development, value-add, repositioning, special situations and other opportunistic transactions.

## MONTHLY NET RETURN VS. DEPLOYMENT<sup>16</sup>



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

## UNIT PRICE VS. NAV



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## PLATFORMS

AMP North  
Asgard IDPS  
Asgard Super & Pension  
BT Panorama  
BT Wrap

CFS FirstWrap  
Edge CFS  
HUB24  
IOOF xpanD  
Macquarie

Netwealth  
Mason Stevens  
MLC Wrap  
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)

## ENQUIRES

### GENERAL

**P** +61 3 9612 3939 | **E** [qri@qualitas.com.au](mailto:qri@qualitas.com.au)  
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**A** L38/120 Collins Street, Melbourne VIC 3000  
**LinkedIn** [linkedin.com/company/qualitas-group/](https://www.linkedin.com/company/qualitas-group/)

### UNIT REGISTRY

**P** 1300 554 474 | **E** [qualitas@linkmarketservices.com.au](mailto:qualitas@linkmarketservices.com.au)  
**W** [linkmarketservices.com.au](http://linkmarketservices.com.au)

## NOTES

1. Excluding cash buffer allocated for ongoing expenses.
2. Represents % of loan portfolio on look through basis in arrears by 90 days or more. All references in this update to 'arrears' are to be read accordingly.
3. Net returns are calculated based on the daily weighted average NAV across the respective time periods.
4. RBA cash rate is subject to a floor of 0%.
5. 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.
6. 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.
7. 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.
8. Represents total loans in the portfolio on a look through basis, via investments in direct loans and Qualitas wholesale funds.
9. Represents total LVR of loans in the portfolio on a look through basis, via investments in direct loans and Qualitas wholesale funds.
10. Valuation dates of the underlying real estate securities vary across the portfolio based on the tenure of the loans.
11. 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.
12. Term is as at financial close of facility. All stats are on a look through basis, representing QRI's share of the loans except for average loan amount which is based on total Qualitas exposure to each investment.
13. Excludes Trust loan receivable and cash.
14. 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.
15. Net return calculated based on weighted average NAV.
16. 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.
17. FUM metrics as at 30 June 2023 and adjusted for increased A\$750 million commitment in QCDF II and additional A\$700 million from Abu Dhabi Investment Authority.

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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.*