

Qualitas Real Estate Income Fund (ASX: QRI) - Portfolio Update

13 March 2020: QRI Manager Pty Ltd (**Manager**), the manager of Qualitas Real Estate Income Fund ("QRI" or "**Trust**"), is pleased to provide investors with an update on the QRI portfolio in light of recent market volatility.

We actively monitor all our loans in the usual course of business and in the current heightened risk environment, we continue to remain diligent in assessing our loan positions for any investment which may require more active management. The Manager has recently undertaken its periodic asset management review of all loans within the Trust's portfolio on the 11th February 2020, and in conjunction with ongoing loan monitoring, has determined that QRI's loan portfolio as at current date is not materially impacted by the coronavirus and no impairment has been deemed necessary. The Trust's Net Tangible Asset ("**NTA**") therefore remains stable at NTA per Unit of \$1.6006 as of 29 February 2020.

The Trust also benefits from investing only in commercial real estate loans secured by real property mortgages, thereby delivering on the Trust's investment objective being to the maximum extent possible providing capital preservation to investors.

Based on all available information at current date, the Manager currently expects the March 2020 net return to be within the range of 5.25% - 6.00% p.a.¹ which is less than the February 2020 net return which is reflective of:

- higher cash balances due to expected loan repayments; and
- portfolio rebalancing to reduce concentration risk given current market conditions.

The Manager is comfortable to conservatively build and hold cash reserves whilst remaining selective with investments during this period of volatility. The Manager has consistently delivered monthly cash income to unitholders as evidenced by the 6 month net return to 31 January 2020 of 6.15% p.a.²

- Ends -

¹ No decision has been made on the March 2020 net return as at today's date.

² Past performance is not a reliable indicator of future performance.

About Qualitas Real Estate Income Fund

The Qualitas Real Estate Income Fund (“Trust” or “QRI”) seeks to provide monthly income and capital preservation by investing in a portfolio of investments that offers exposure to real estate loans secured by first and second mortgages, predominantly located in Australia.³

About QRI Manager Pty Ltd

QRI Manager Pty Ltd is the Manager of the Trust, and is wholly owned by the Qualitas Group (“Qualitas”).

Established in 2008, Qualitas has a 11-year track record in the real estate sector and currently manages approximately \$2.5 billion in committed capital. Comprising over 70 investment and fiduciary professionals, 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.

About the Trust Company (RE Services) Limited

The Responsible Entity of the Trust is The Trust Company (RE Services) Limited, a wholly owned member of the Perpetual Group (“Perpetual”). Perpetual has been in operation for approximately 130 years and is an Australian public company that has been listed on the ASX for over 50 years.

Investor Queries

General

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Trust website: www.qualitas.com.au/listed-investments/QRI

Unit Registry

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Website: www.automic.com.au

Responsible Entity

The Trust Company (RE Services) Limited

Level 18, Angel Place,

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Sydney NSW 2000

³ There is no guarantee the Trust will meet its Investment Objective. The payment of monthly cash income is a goal of the Trust only.

Notices and disclaimers

1. This communication has been issued 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) (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 34224)).
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