



Performance Update – June 2021

QRI Highlights

Net Return¹ (% p.a.)

1 month (%) p.a.	5.55%
12 month (%) p.a.	6.16%

Distribution

Current month	\$0.008376 / unit
Current month % p.a.	6.37%

QRI investment benefits

- ✓ Experienced Institutional local based Manager
- ✓ Regular and stable monthly cash distributions²
- ✓ Return is an attractive premium³ to current low cash rate
- ✓ Capital preservation: loans / real property mortgages
- ✓ Exposure to the property market
- ✓ Simple credit strategy of investing in only Commercial Real Estate (CRE) loans

QRI Key Metrics as at 30 June 2021

Market Cap / Trust NAV	\$423m / \$415m
Invested Capital ⁴	\$363m
Unit Price	\$1.630
Unit NAV	\$1.6001
Total Invested positions ⁵	17
Total Loans ⁶	32
Weighted LVR ⁷	64%
Weighted loan maturity ⁶	1.3 years
Loans in arrears ⁸	-
Fixed / Floating interest exposure	96% / 4%

Key Information⁹

Target Return	RBA Cash Rate ¹⁰ + 5.0% to 6.5% p.a. (net)
Investment Type	Listed Investment Trust
Distributions	Monthly
Unit Pricing	Weekly
Distribution Reinvestment Plan (DRP)	Yes - Activate

Investment Objective

To achieve the Target Return, and provide monthly cash income, capital preservation and portfolio diversification⁹.

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.

Market Update and Investment Activity

The Manager is pleased to see its strong CRE debt pipeline well diversified across property sectors reflective of the growing CRE debt market both in demand and supply of credit. The Manager is seeing more pre-development land loan opportunities as developers acquire sites in readiness for the next development cycle. Residual stock loan opportunities are expected to reduce in line with reducing residual stock levels across the market.

The alternative lender competitive landscape continues to increase, and loan pricing has started to compress, however despite this, the Manager remains focused on ensuring the best risk-adjusted returns are achieved with a continued emphasis on sponsor quality within the Trust's portfolio.

On 15 June 2021, the Manager launched a unit purchase plan offer which closed on 29 June 2021, raising \$12.7m of new capital which will allow the Manager to continue investing in CRE loan investments. The new units were issued on 6 July 2021.

The Manager fully redeemed / exited the \$26.5m Arch Finance Warehouse Trust ("AFWT") notes which aligns with its strategy to increase the Trust's exposure to direct loan investments⁵. The key benefit of direct loans is the greater flexibility to manage the Trust's portfolio composition whilst providing greater control over loan assets. Exposure to direct investments has now increased to 74% of total Trust NAV.

During the month, there were 3 loans settled totalling \$23.2m, one new investment loan and two increases to existing residual stock loans to support an increase in new stock within the respective loan security pools. Repayments totalled \$56.4m which includes the AFWT redemption, full exits from 4 senior loans and partial repayments. As a result, the capital of the Trust was 87% invested at 30 June 2021.

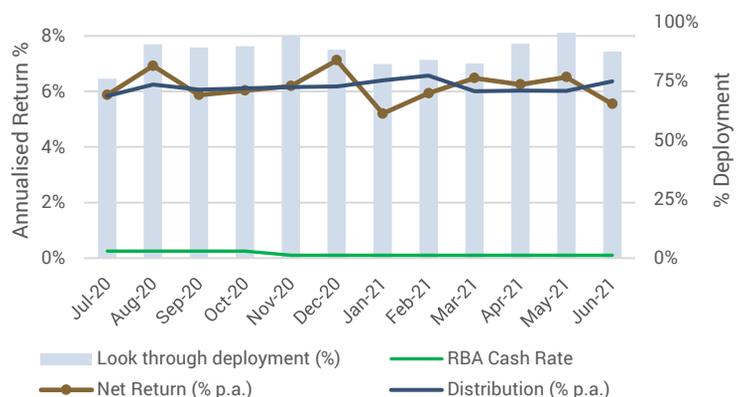
The Manager is pleased to deliver an attractive risk-adjusted return for the Trust with a June net return of 5.55% p.a. and distribution return of 6.37% achieved, in line with the current **Target Return of 5.10% to 6.60% p.a.**⁹ and the distribution guidance of at least circa 6.00% p.a. (until June 2021) provided last month.

The loan portfolio is performing and has met all investment objectives, with no impairments or interest arrears recorded as of the date of this release.

QRI Historical Performance

	1 Mth	3 Mth	6 Mth	12 Mth	24 Mth
Net Return (%) ¹	0.46%	1.52%	2.98%	6.16%	-
Net Return (% p.a.)	5.55%	6.11%	6.00%	6.16%	6.17%
Distribution (¢/unit)	0.8376	2.4479	4.9394	9.8471	19.6603
Distribution Return (% p.a.)	6.37%	6.14%	6.22%	6.15%	6.13%

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



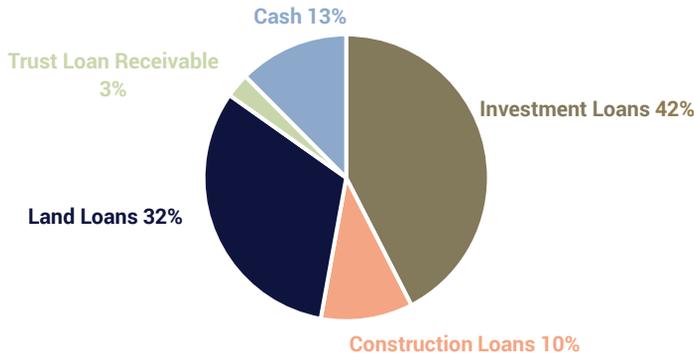
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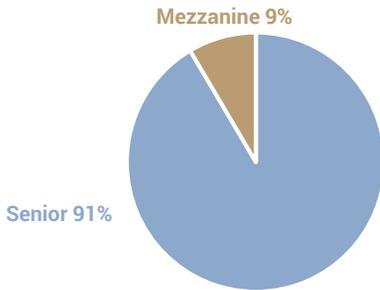
QRI Portfolio Diversification¹

Portfolio Composition

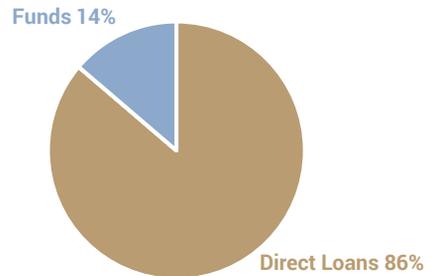


Category	\$ millions	%
Cash (QRI) uncommitted	45.8	11%
Cash (Qualitas funds) uncommitted	6.0	2%
Senior Debt Investment Loans	176.1	42%
Senior Debt Construction Loans	13.3	3%
Senior Debt Land Loans	132.4	32%
Mezzanine Debt Construction Loans	30.0	7%
Trust Loan Receivable	11.4	3%
Total	\$415.0	100%

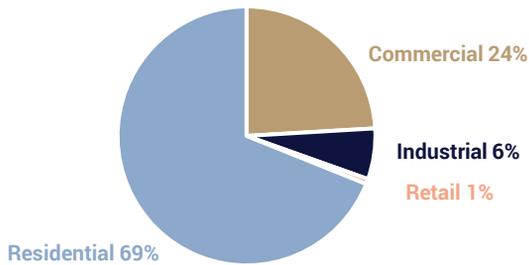
Loan Classification²



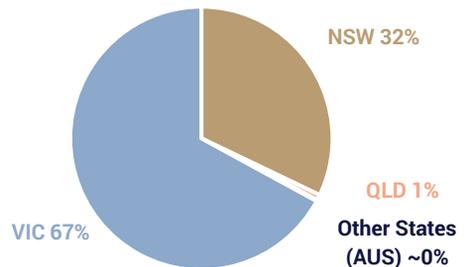
Investment Type²



Property Sector Diversification³



Geographic Diversification³



About the Manager

Established in 2008, Qualitas has a 13-year track record in the real estate sector and currently manages \$3.0 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

Upcoming Investor Events & Key Dates

- 29 July 2021: QRI June quarter portfolio update

Investor Queries

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Performance Update – June 2021

Monthly Historical Performance

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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 ¹	3.1777
FY20	0.8150	0.7370	0.9511 ¹	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
Net Return (%)													
FY19	-	-	-	-	0.02%	0.08%	0.12%	0.15%	0.25%	0.41%	0.44%	0.49% ²	1.96%
FY20	0.53%	0.45%	0.66% ²	0.49% ²	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% ²	0.55%	0.46%	6.16%

Unit Price vs NAV

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.
- [5] All investments including direct loans are made by the Sub-Trust. The Sub-Trust is wholly owned by the Trust.
- [6] Represents total loans in the portfolio on a look through basis, via investments in direct loans and Qualitas wholesale funds.
- [7] Represents total LVR of loans in the portfolio on a look through basis, via investments in direct loans and Qualitas wholesale funds.
- [8] Represents % of loan portfolio on look through-basis in arrears by 90 days or more.
- [9] 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.
- [10] RBA cash rate is subject to a floor of 0%.

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- [1] 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.
- [2] Excludes Trust Loan Receivable & cash.
- [3] Excludes Trust Loan Receivable & cash.

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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.

Disclaimer

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