

## Supplementary Product Disclosure Statement

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This is the supplementary product disclosure statement (**Supplementary PDS**) issued by the Trust Company (RE Services) Limited (ACN 003 278 831) (**Responsible Entity**) in its capacity as the responsible entity of the Qualitas Real Estate Income Fund (ARSN 627 917 971) (**Trust**). It supplements, and is intended to be read with, the product disclosure statement dated 8 October 2018 relating to the offer of Units to raise up to \$500,000,000 (**Original PDS**).

This Supplementary PDS is dated 9 November 2018 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. None of ASIC, the ASX and their respective officers take responsibility for the contents of this Supplementary PDS.

The Responsible Entity has applied to the ASX for admission of the Trust to the Official List of the ASX and the quotation of Units to be issued pursuant to the Offer.

The information set out below is taken to be included in the Original PDS. References in this Supplementary PDS to a page or section are references to the corresponding page or section of the Original PDS. Except where defined in this Supplementary PDS, capitalised terms have the meaning set out in the Original PDS.

## Purpose of this Supplementary PDS

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The purpose of this Supplementary PDS is to provide investors with additional information which may be relevant to their decision to invest in the Trust.

## Stable monthly cash income

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References made to “stable monthly cash income” in the Original PDS are to be replaced with references to “**targeted** stable monthly income” and with an additional footnote:

*“The payment of stable monthly cash income is a goal of the Trust only.”*

## Internal rate of return (IRR)

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All references to the Qualitas Group’s track record return IRR of 24.8% are deleted.

## Historical Performance of the Qualitas Group

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Additional disclosure relating to the historical performance of the Qualitas Group in Section 6.2 of the Original PDS is provided by adding the following paragraph:

*“It is expected that the unrealised gross IRR forecast for the senior debt investment type is more relevant to investors in the Trust.”*

## Loans made to related parties of the Qualitas Group

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The Responsible Entity provides further disclosure in regards to the loans made by the Sub-Trust and the Qualitas Funds.

The loans made by the Sub-Trust and the Qualitas Funds will be made to third parties, not members of the Qualitas Group or their related parties. The only exception is the Trust Loan Receivable (see Section 13.3 of the Original PDS).

### Acquisitions of existing units in Qualitas Funds

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The Responsible Entity advises that, if applicable, any existing units in the Qualitas Funds will be acquired on arms length terms from third parties.

The investment management agreements for each of the Trust and the Sub-Trust each require the Manager to, act in the best interests of Unitholders, and if there is a conflict between the interests of Unitholders and its own interests, give priority to the interests of Unitholders.

### Investment Approval Group

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Further disclosure is provided in regards to the persons responsible for approving investment decisions in the Sub-Trust, being the Portfolio Allocation Committee, the Qualitas Group's risk management team and the Qualitas Investment Committee (**Investment Approval Group**).

- (a) The Portfolio Allocation Committee currently comprises:
  - Yossi Kraemer – Head of Institutional Capital & Portfolio Management (Chairperson of the Portfolio Allocation Committee).
  - Andrew Schwartz – Group Managing Director.
  - Tim Johansen – Managing Director of Real Estate Finance.
  - Mark Fischer – Managing Director of Principal Investments.
- (b) The risk management team currently comprises:
  - Gerd Mayer – Chief Risk Officer.
  - Jason Rackley – Senior Director, Risk Management.
  - Chandni Haribhai – Associate, Risk Management.
- (c) The Qualitas Investment Committee currently comprises:
  - Gerd Mayer – Chief Risk Officer (Chairperson of the Qualitas Investment Committee).
  - Michael Schoenfeld – Independent non-executive Chairperson of the Qualitas Advisory Board.
  - David Krasnostein – Independent non-executive Qualitas Advisory Board member.
  - Andrew Schwartz – Group Managing Director.
  - Tim Johansen – Managing Director of Real Estate Finance.
  - Mark Fischer – Managing Director of Principal Investments.
  - Jason Rackley – Senior Director, Risk Management.

### Functions of the Qualitas Advisory Board

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The following additional disclosure is provided in regards to the functions of the Qualitas Advisory Board:

*"The Qualitas Advisory Board sets and approves the strategic direction of the Qualitas Group. This includes the approval of the corporate policies and internal risk management framework, monitoring operational and financial performance both historical and forecast."*

### Conflicts policy and the role of the Responsible Entity

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The following additional disclosure is provided in regards to the functions of the Qualitas Group's conflicts policy:

*"The Qualitas Group has a conflicts of interest policy which will manage conflicts of interest that may arise wholly or partially in relation to the activities of the Manager in managing the Trust and the Sub-Trust."*

The following additional paragraph is included in relation to the role of the Responsible Entity in ensuring potential conflicts relating to the Trust's investment in the Qualitas Funds and with any investments with entities within the Qualitas Group are managed and the processes in place to monitor the investment decisions of the Manager in managing the Trust and the Sub-Trust consistent with its obligations under the investment management agreements:

*"None of the Trust, Sub-Trust or members of the Qualitas Group (either directly or indirectly, as an investment made by one or more Qualitas Funds) will invest across more than one part of the capital structure of a real estate asset at the same time. This means that one or more of the Trust, Sub-Trust or Qualitas Funds will not hold investments in both senior and mezzanine loans relating to the same investment. This is to ensure that there is no conflict of interest in respect of managing and enforcing each investment.*

*The relevant investment committees described in the PDS for the Trust and Sub-Trust will conduct all investment approval processes before any final investment decision is made. This includes conducting due diligence on each investment opportunity, associated risk analysis and the identification of all potential conflicts/related party transaction issues which may be the result of an investment. The results of these inquiries and deliberations will be detailed in a recommendation letter provided by the Manager to the Responsible Entity.*

*The Responsible Entity has overall responsibility for oversight of compliance by the Manager with the conflicts of interest policy when approving investments. For each investment of the Sub-Trust, the Manager will submit a recommendation letter to the Responsible Entity on the proposed investment for assessment prior to approval being granted (**Recommendation**).*

*Each Recommendation is expected to provide details about the following areas relevant to the investment opportunity:*

- *Background and details of the investment including the borrower/lender, facility limits, associated rates i.e. interest, maturity, defaults etc, and associated fees;*
- *Details of the due diligence process undertaken for the transaction or investment by the Trust's Investment Committee;*
- *Disclosure on conflicts of interests and/or related party activity (if applicable) and related actions to address these;*
- *Representations/warranties from the Manager confirming the transaction complies with the Trust and Sub-Trust investment mandates;*
- *Representations/warranties from the Manager confirming that investment does not involve investments across the capital structure relating to the same transaction or investment; and*
- *If relevant, details of how the transaction or investment has been allocated across the Sub-Trust and Qualitas Funds.*

*On the basis of the Recommendation, the Responsible Entity will assess whether the Manager and the Trust Investment Committee have followed all appropriate processes and controls in assessing the transaction or investment, including confirming that any conflicts of interest or related party dealings*

*have been adequately identified and assessed, that the allocation of investments across the Sub-Trust and the Qualitas Funds is fair and equitable and to ensure that that any investment would not lead to the Qualitas Group holding any investments across the capital structure on the same transaction or investment.*

*Officers of the Responsible Entity who are familiar with the Trust and Sub-Trust's conflicts of interest policy, the Investment Principles and the Trust Investment Committee's role will review the details in each Recommendation and clarify concerns, if any, including to ensure no related party investments or cross mandate investments are present prior to providing approval.*

*In addition, consistent with good corporate governance practices, the investment management agreement for both the Trust and the Sub-Trust require the Manager to issue a quarterly compliance attestation to the Responsible Entity, confirming amongst other things, compliance with all relevant conflicts of interest policies."*

### Associates of the Manager

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An additional paragraph to be included in Section 4.8.1 of the Original PDS to read:

*"The QSDF is managed by QSD Fund Manager Pty Limited, a wholly owned member of the Qualitas Group."*

### Retirement of the Responsible Entity

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An additional Section 13.1.15 is included in the Original PDS to read:

**"13.1.15 Retirement of the Responsible Entity by request of the Manager**

*If the Manager requests the Responsible Entity to retire, the Responsible Entity is only required to do so if the Responsible Entity considers it appropriate having regard to all relevant laws that apply, including the provisions of the Corporations Act. Unitholders will be entitled to vote on the appointment a new Responsible Entity in those circumstances."*

### Fees and costs

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The additional details are further provided in the "Letter to Investors" on page 9 of the Original PDS:

*"The Manager has agreed to reimburse the Trust for all costs and expenses incurred in relation to, or relating to, the Offer. The Trust will provide the Manager an unsecured loan (Trust Loan Receivable) to assist the Manager to pay the Offer Costs which is to be repaid over 10 years and can range from \$5,250,000 to \$17,500,000 depending on the gross proceeds of the Offer."*

### Direct loans

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Reference in the Original PDS to direct secured real estate loans to borrowers by the Trust should be read as direct lending by the Sub-Trust. The Sub-Trust will make these loans, not the Trust.