






Qualitas Real Estate Income Fund (ASX:QRI)

Fact sheet 31 August 2021

The Qualitas Real Estate Income Fund (ASX:QRI) aims to provide regular income and portfolio diversification by investing in the opportunities of the commercial real estate (CRE) debt market.

KEY FEATURES

ASX code:	QRI
Product type:	Listed Investment Trust (LIT)
ASX listing date:	27 November 2018
NTA:	\$428m/\$1.6022 per unit
Unit price:	\$1.650
Market cap:	\$441m
Distribution/payment frequency:	Cash (monthly) ¹
Target return:	RBA cash rate ² + 5.0 to 6.5% p.a. (net of fees and expenses). The current RBA cash rate is 0.10% and current target return is therefore 5.10% to 6.60% p.a.
Asset Class:	Commercial real estate debt – First and second mortgages
Performance fee:	20% of any outperformance over a return hurdle of 8.0% p.a.
Management fee ³ :	1.50% p.a. (excl. GST) of the Trust's NAV; or 1.54% p.a. (incl. GST, less RITC) of the Trust's NAV.
Manager:	QRI Manager Pty Ltd, a wholly owned entity of the Qualitas Group
Responsible entity:	The Trust Company (RE Services) Limited, a wholly owned entity of the Perpetual Group
Research rating:	  

WHY INVEST IN QRI?

If you're looking to diversify your portfolio beyond shares, fixed income and traditional property investments, QRI could help you meet more of your goals by investing in the growing opportunities of the CRE debt market.

QRI aims to provide investors with **monthly cash income** and **capital preservation** via a portfolio of investments with exposure to CRE loans secured by real property mortgages (first and second mortgages) predominantly in Australia, diversified by borrower, loan type, property sector and location.

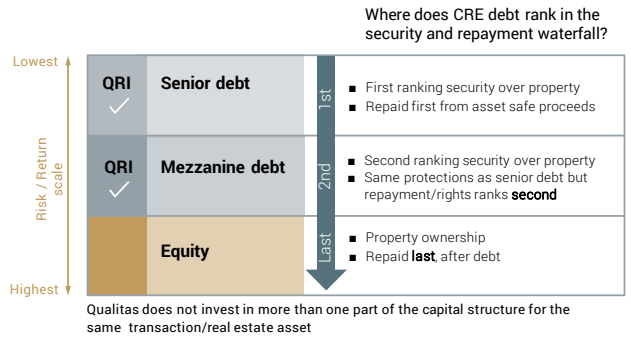
- ✓ Experienced institutional local manager
- ✓ Regular and stable monthly cash distributions¹
- ✓ Return is an attractive premium over current low cash rate⁴
- ✓ Capital preservation due to loans secured by real property mortgages
- ✓ Exposure to the property market without direct property ownership
- ✓ Simple investment strategy of investing in only CRE loans
- ✓ Manager co-investment for alignment of interest

1. The payment of monthly cash income is a goal of the Trust only and neither the Manager nor the Responsible Entity provides any representation or warranty (whether express or implied) in relation to the payment of any monthly cash income.
2. Subject to a floor of 0%. The current RBA cash rate is 0.10% as of the date of this fact sheet.
3. Refer Section 13.10 of the most recent PDS dated 11 September 2019.
4. Returns are not guaranteed. The premium achieved is commensurate to the investment risk undertaken.

WHAT IS CRE DEBT?

- CRE debt refers to loans made to commercial borrowers who require funding for real estate purposes.
- Loans may be used to purchase improved, developable or vacant land, or for property buildings, both completed and under construction.
- Land or property is mortgage collateral for the loan, and investors target to earn income from the fees and ongoing interest paid on the loan.
- CRE loans rank ahead of equity and can either be senior loans (first mortgage) or mezzanine loans (second mortgages).

Commercial real estate capital structure



FUND PERFORMANCE

Monthly and quarterly QRI fund performance updates are released to the ASX respectively on or about the 15th and 25th of each month. Targeted monthly cash distributions have been paid consistently since listing, delivering a healthy risk-adjusted return at attractive premiums over the current low RBA cash rate.⁵

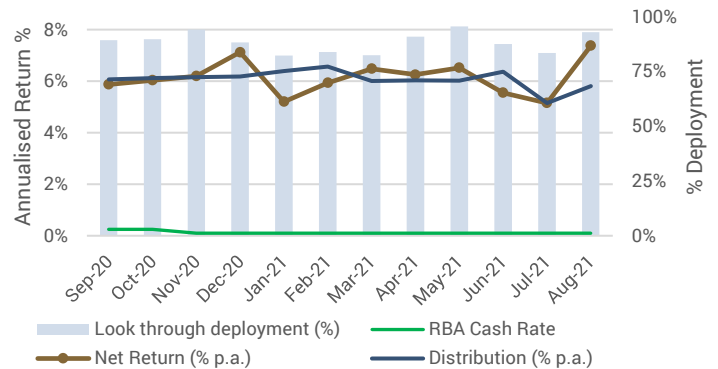
Returns by period

	1 mth	3 mth	6 mth	12 mth	24 mth
Distribution (c/unit) ⁶	0.7894	2.3264	4.7530	9.6976	19.5971
Distribution return (% p.a.)	5.81%	5.76%	5.89%	6.05%	6.09%
Net return (% p.a.)	7.38%	6.04%	6.22%	6.14%	6.20%

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

✓ **Target return met**

Monthly returns



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ABOUT QUALITAS

Qualitas is Australia's leading real estate financier and investment manager with specialist expertise across the entire capital structure.

<p>AU\$4.2 bn committed capital</p>	<p>No losses of capital since inception⁷</p>	<p>On-ground market presence since 2008</p>
<p>Institutional-grade governance and investment processes</p>	<p>Extensive global institutional and wholesale investor base</p>	<p>Environmental, social and governance (ESG) commitment</p>

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6. Cumulative distribution for each respective period.

7. There is a risk that invested capital may result in loss from investments. Past performance is not a reliable indicator of future performance.

THINKING OF INVESTING IN QRI?

Talk
to your broker

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Call
03 9612 3900



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