






# Qualitas Real Estate Income Fund (ASX:QRI)

Fact sheet 30 September 2020

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:	\$361m/\$1.6014 per unit
Unit price:	\$1.490
Market cap:	\$336m
Distribution/payment frequency:	Cash (monthly) <sup>1</sup>
Target return:	RBA cash rate <sup>2</sup> + 5.0 - 6.5% p.a. (net of fees and expenses). The current <b>RBA cash rate</b> is 0.25% and the current target return is therefore <b>5.25% - 6.75% p.a.</b>
Asset Class:	Commercial real estate debt – First and second mortgages
Indirect Cost Ratio <sup>3</sup> :	1.89% p.a.
Performance fee:	20% of any outperformance over a return hurdle of 8.0% p.a.
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.

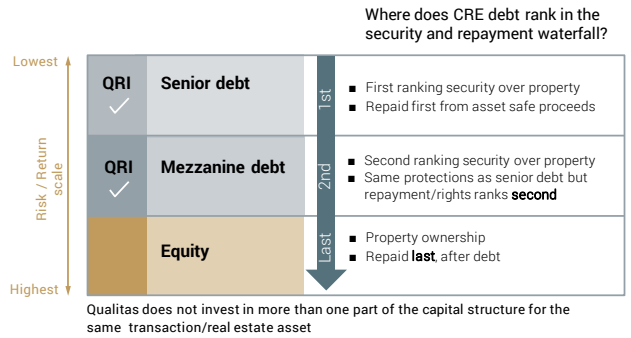
- ✓ Experienced institutional local manager
- ✓ Regular and stable monthly cash distributions<sup>1</sup>
- ✓ Return is an attractive premium over current low cash rate<sup>4</sup>
- ✓ Capital preservation due to loans secured by real property mortgages
- ✓ Exposure to the property market without direct property ownership
- ✓ Simple investment strategy of investing in only CRE loans
- ✓ Manager co-investment for alignment of interest

- <sup>1</sup> 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.
- <sup>2</sup> Subject to a floor of 0%. The current RBA cash rate is 0.25% as of the date of this fact sheet.
- <sup>3</sup> Calculated in accordance with the Financial Service Council Guidance Note 5, which is a ratio, expressed as a percentage per annum, of the total expenses to average Net Asset Value
- <sup>4</sup> Returns are not guaranteed.

## 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 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. 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. Historical returns as of 30 September 2020 reflect a portfolio of predominantly lower risk/return senior loans, and underweight to mezzanine loans:

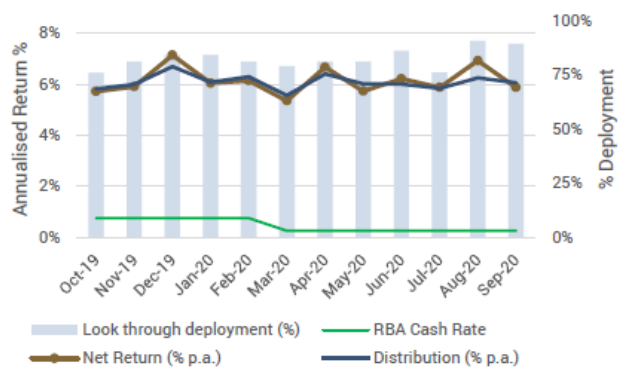
### Returns by period

	1 mth	3 mth	6 mth	12 mth
Distribution (c/unit)	0.7956	2.4339	4.8778	9.7440
Distribution return (% p.a.)	6.07%	6.05%	6.10%	6.09%
Net return (%) <sup>5</sup>	0.48%	1.57%	3.11%	6.10%
Net return (% p.a.)	5.88%	6.23%	6.21%	6.10%

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

✓ **Target return met**

### Monthly returns



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

## ABOUT QUALITAS

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

<p><b>AU\$2.76 bn<sup>6</sup> committed capital</b></p>	<p><b>No losses of capital since inception<sup>7</sup></b></p>	<p><b>On-ground market presence since 2008</b></p>
<p><b>Institutional-grade governance and investment processes</b></p>	<p><b>Extensive global institutional and wholesale investor base</b></p>	<p><b>Environmental, social and governance (ESG) commitment</b></p>

5. 1 month net return is calculated based on the weighted average NAV. 3 month, 6 month and 12 month net return is calculated based on the average month end NAV.

6. As at 31 August 2020.

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

Visit  
[qualitas.com.au/qri](http://qualitas.com.au/qri)

Email  
[qri@qualitas.com.au](mailto:qri@qualitas.com.au)

Call  
03 9612 3900



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