

Qualitas Real Estate Income Fund (ASX: QRI) announces \$266 million Accelerated Non-Renounceable Entitlement Offer

- Offer to raise up to \$266 million of new units to make further loan investments, increase liquidity in QRI for existing unitholders and diversify the unitholder base
- Pro-rata 1 for 1 Accelerated Non-Renounceable Entitlement Offer (“ANREO Offer”) to existing unitholders and new investors (subject to a shortfall offer)

11 September 2019: The Trust Company (RE Services) Limited ACN 003 278 831 (**Responsible Entity**) as responsible entity of the Qualitas Real Estate Income Fund (ASX: QRI) (**Trust**) and QRI Manager Pty Ltd ACN 625 857 070 (**Manager**) as investment manager of the Trust, today announced an entitlement offer to raise up to \$266 million of new capital for the Trust.

The entitlement offer is an accelerated, non-renounceable, pro rata offer of one new fully paid ordinary unit for every one existing unit in the Trust to existing eligible unitholders at an Offer Price of \$1.60 per new unit (**Entitlement Offer**). If there is a shortfall under the Entitlement Offer, the shortfall may be placed at the discretion of the Responsible Entity to new wholesale and retail investors.

Tim Johansen, Managing Director, Global Head of Capital, Qualitas, said the capital raise will allow the Trust to capture opportunities identified in its lending pipeline.

“As the banks continue to retreat from commercial real estate lending, alternative credit providers are increasing their market share. We are seeing continued demand for predominantly senior loans to be used for investment, construction and land financing. By increasing the capital base of QRI, we will be able to take advantage of these investment opportunities.”

The Manager recognises the importance of deploying this new capital in an appropriate timeframe, and to ensure alignment of interests with unitholders, will reduce the Management Fee by 50% on the capital raised in the Entitlement Offer until it is investedⁱ.

QRI aims to deliver stable monthly cash income generated by a portfolio of commercial real estate loans, secured by predominantly first mortgages, and to a lesser extent, second mortgagesⁱⁱ. As at 31 August 2019, 83% of the Trust’s portfolio was invested in senior loans (first mortgage) and 17% in mezzanineⁱⁱⁱ.

Since listing on the Australian Securities Exchange on 27 November 2018, the Manager has progressively deployed the capital raised and paid monthly distributions. The annualised net return for the month of August was 5.27%.

Evans Dixon Corporate Advisory Pty Limited (**Evans Dixon**) is acting as Lead Arranger to the Entitlement Offer. Evans Dixon and Shaw and Partners Limited are together the Joint Lead Managers.

Details of the Offer

The Entitlement Offer will comprise of the following:

1. pro-rata entitlement of new units to eligible wholesale unitholders who are accelerated (**Wholesale Entitlement Offer**). This offer will open on Wednesday, 11 September 2019 and close on Thursday, 12 September 2019. Any entitlements not taken up will be made available to new wholesale investors. New units will be issued on Thursday, 26 September 2019;
2. pro-rata entitlement of new units to all eligible retail unitholders (**Retail Entitlement Offer**). This offer will open on Friday, 16 September 2019 and close on Tuesday, 8 October 2019. New units will be issued on Friday, 18 October 2019; and
3. all eligible retail unitholders can elect to be accelerated (**Early Retail Entitlement Offer**). This offer will also open on Monday, 16 September 2019 and close on Friday, 20 September 2019. New units will be issued on Thursday, 26 September 2019.

If there is a shortfall under the Entitlement Offer (**Shortfall**), the Shortfall may be placed at the discretion of the Responsible Entity to new investors, which will expand the Trust's investor base and provide greater liquidity for unitholders, or to existing unitholders.

The current trading halt will continue until the earlier of a further announcement by the Manager announcing, among other things, the outcome of the Wholesale Entitlement Offer and commencement of trading on Friday, 13 September 2019.

A Product Disclosure Statement (**PDS**) for the Offer was lodged with ASIC today and is available from the ASX or Trust's website <https://www.qualitas.com.au/listed-investments/gri-overview/>. The PDS will be dispatched to dispatched as at the record date to existing unitholders not invited to participate in the Wholesale Entitlement Offer. Investors should consider the PDS in deciding whether to acquire, or continue to hold, units in the Trust.

Key Dates of the Offer

Lodgement of PDS with ASIC	11 September 2019
Wholesale Entitlement Offer Opens	11 September 2019
Wholesale Entitlement Offer Closes	12 September 2019
Results of Wholesale Entitlement Offer announced	13 September 2019
Early Retail Entitlement Offer Opens	16 September 2019
Retail Entitlement Offer Opens	16 September 2019
Early Retail Entitlement Offer Closes	20 September 2019
Retail Entitlement Offer Closes	8 October 2019
Announcement of Shortfall	11 October 2019
Results of Retail Entitlement Offer announced	17 October 2019

Ends

About Qualitas Real Estate Income Fund

The Qualitas Real Estate Income Fund (“Trust” or “QRI”) seeks to provide monthly income^{iv} 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.

About the Manager

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

Established in 2008, Qualitas has an 11-year track record in the real estate sector and currently manages approximately \$2.3 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.

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 over 130 years and is an Australian public company that has been listed on the ASX for over 50 years.

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Notices and disclaimers

This communication has been issued by The Trust Company (RE Services) Limited (ACN 003 278 831) (AFSL 235150) 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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ⁱ from 1.5375% p.a to 0.7688% p.a, Inclusive of GST, less RITC will be applied to uninvested capital. Management Fees form part of the Management Costs of the Trust which is 1.89% - 2.05% of the Trust's NAV. The reduced fee arrangement ceases once the capital raised (less 5%) is invested. For more information, please refer to the Product Disclosure Statement (PDS)

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

ⁱⁱⁱ Excludes Trust Loan Receivable & cash. The Manager classifies the AFWT subordinated notes as mezzanine as it ranks behind senior noteholders.

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