

ASX Announcement

Qualitas Real Estate Income Fund (ASX: QRI) - 27 April 2023 Investor Day Presentation

27 April 2023: Qualitas Real Estate Income Fund (ASX: QRI) (QRI) is today holding an Investor Day in Melbourne, Australia commencing at 12.30pm (AEST). QRI is an ASX listed fund managed by QRI Manager Pty Ltd, a wholly owned entity of Qualitas Limited (ASX: QAL).

Enclosed are the presentation materials.

The event will be hosted at the Sofitel Hotel in Melbourne, with the option for virtual attendance. For further information, please visit the event website below to register.

EVENT DETAILS

Please use the following link to access the [event website](#).

For any additional information please contact the Qualitas Investor Relations team via email at investor.relations@qualitas.com.au.

This announcement is authorised for release by The Trust Company (RE Services) Limited as responsible entity of the Trust (Responsible Entity).

- Ends -

About Qualitas Real Estate Income Fund

The Qualitas Real Estate Income Fund ("Trust" or "QRI") seeks to provide monthly income 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.¹

For further information on QRI, please refer to our on-demand CPD presentation which provides insights into the benefits of CRE debt investments in the current market.

<https://www.qualitas.com.au/listed-investments/cpd-on-demand/>

¹ There is no guarantee the Trust will meet its Investment Objective. The payment of monthly cash income is a goal of the Trust only.

About QRI Manager Pty Ltd

QRI Manager Pty Ltd is the Manager of the Trust and is wholly owned by the Qualitas Group (“Qualitas”). Qualitas Limited is an ASX-listed Australian alternative real estate investment manager with circa A\$5.8 billion² of committed funds under management.

Qualitas matches global capital with access to attractive risk adjusted investments in real estate private credit and real estate private equity through a range of investment solutions for institutional, wholesale and retail clients. Qualitas offers flexible capital solutions for its partners, and creating long-term value for shareholders, and the communities in which it operates.

For 15 years Qualitas has been investing through market cycles to finance assets with a combined value of over A\$19 billion² across all real estate sectors. Qualitas focuses on real estate private credit, opportunistic real estate private equity, income producing commercial real estate and build-to-rent residential. The broad platform, complementary debt and equity investing skillset, deep industry knowledge, long-term partnerships, and diverse and inclusive team of more than 80 professionals provides a unique offering in the market to accelerate business growth and drive performance for shareholders.

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 135 years and is an Australian public company that has been listed on the ASX for over 55 years.

Investor Queries

General

Phone: +61 3 9612 3939

Email: gri@qualitas.com.au

Trust website: www.qualitas.com.au/listed-investments/QRI

Responsible Entity

The Trust Company (RE Services) Limited
Level 18, Angel Place,
123 Pitt Street,
Sydney NSW 2000

Unit Registry

Phone: 1300 402 177

Email: qualitas@automicgroup.com.au

Website: www.automic.com.au

Notices and disclaimers

1. This communication has been issued and authorised for release by The Trust Company (RE Services) Limited (ACN 003 278 831) (AFSL 235150) as responsible entity of The Qualitas Real Estate Income Fund (ARSN 627 917 971) (“Trust”) 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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² As at 31 December 2022

If you require advice that takes into account your personal circumstances, you should consult a licensed or authorised financial adviser.

3. While every effort has been made to ensure the information in this communication is accurate; its accuracy, reliability or completeness is not guaranteed and none of The Trust Company (RE Services) Limited (ACN 003 278 831), QRI Manager Pty Ltd (ACN 625 857 070), Qualitas Securities Pty Ltd (ACN 136 451 128) or any of their related entities or their respective directors or officers are liable to you in respect of this communication. Past performance is not a reliable indicator of future performance.
4. The Product Disclosure Statement (“PDS”) and a target market determination for units in the Trust can be obtained by visiting the Trust website www.qualitas.com.au/qri. The Trust Company (RE Services) Limited as responsible entity of the Trust is the issuer of units in the Trust. A person should consider the PDS in deciding whether to acquire, or to continue to hold, units in the Trust.

Qualitas Real Estate Income Fund Investor Forum

ASX:QRI



QUALITAS

Welcome Remarks

Kathleen Yeung
Global Head of Corporate Development at
Qualitas



An aerial view of a modern residential development. In the foreground, a central courtyard features a circular lawn where several people are playing. To the right, a multi-story brick building with balconies is visible. The background shows more greenery, including palm trees and a tennis court. A large white text box is overlaid on the center of the image.

Acknowledgement of Country

Qualitas acknowledges the Traditional Custodians of country throughout Australia and their ongoing connection to land, sea and community. We pay respect to their Elders past and present.

Agenda



12:00pm

Registration
and Lunch

12:30pm

Welcome
Remarks

Kathleen Yeung
Qualitas

12:35pm

Qualitas
Overview

Andrew Schwartz
Qualitas

12:55pm

The Rise of
CRE Private
Credit

Sameer Chopra,
CBRE
Marco Gattino,
Goldfields Group
Nick Consiglio,
R.Corporation

1:35pm

Break

1:50pm

CRE Private
Credit at an
Inflection Point
– Investment
Case Studies

Mark Power
Qualitas

2:30pm

Closing
Remarks

Kathleen Yeung
Qualitas

Five key takeaways from today

1

Commercial real estate (CRE) private credit is an emerging asset class supported by secular tailwinds. Investors are increasingly recognising the attractive risk-adjusted returns and capital preservation that the asset class can deliver, particularly in volatile markets.

2

Opportunities exist in the Australian multi-dwelling residential sector supported by a decade long undersupply.

3

Mounting interest from global institutional investors in Australian CRE private credit who select managers with a sound track record and robust investment selection criteria.

4

Flexibility, deep expertise in the sector, timeliness and certainty of financing are highly valued by borrowers.

5

Qualitas takes a bespoke approach to every CRE investment. We recognise that every CRE investment has a distinctive risk profile that requires tailored structuring and frequent monitoring.

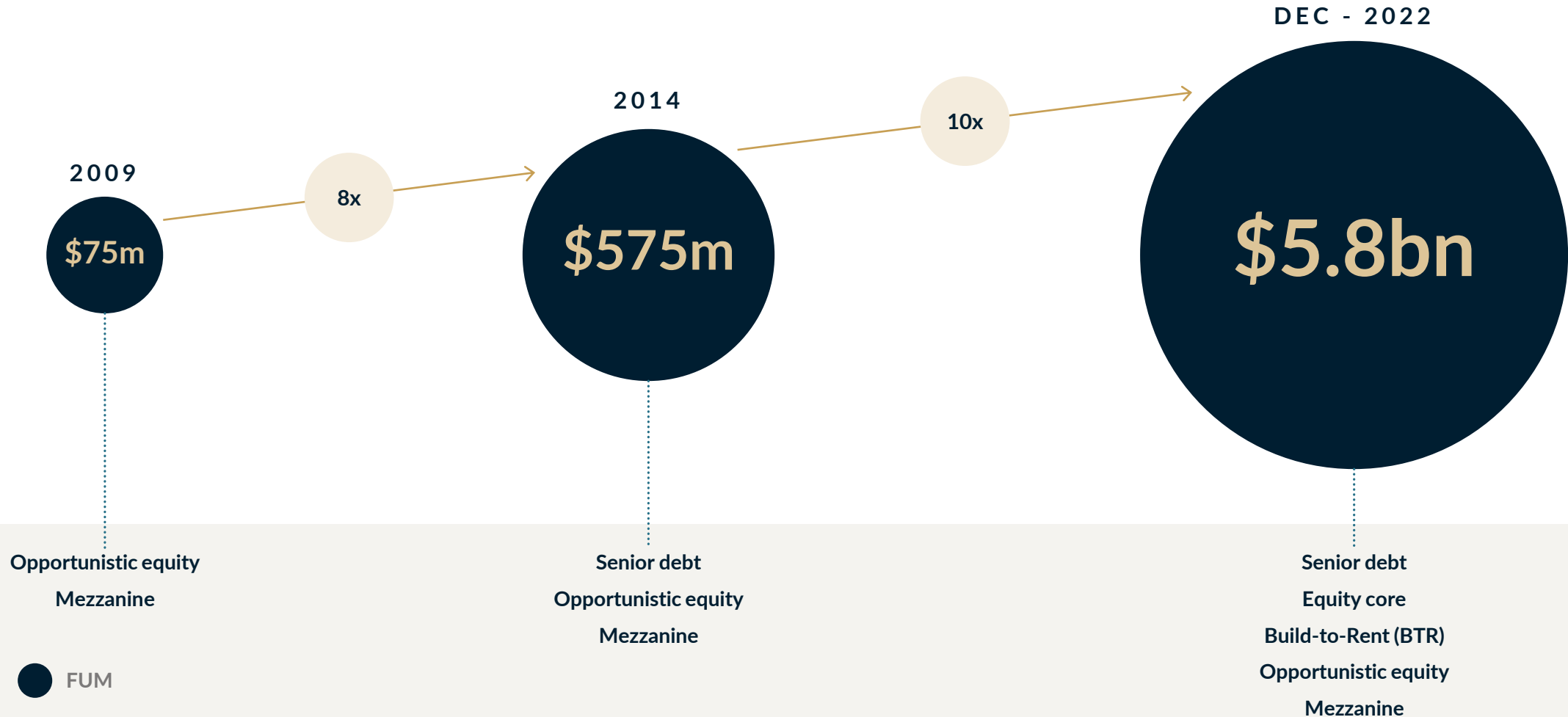
Qualitas Overview

Andrew Schwartz
Group Managing Director and Co-Founder at
Qualitas



An amazing 15-year journey for Qualitas

Significant growth powered by a track record of performance and unique proposition as one of the pioneers of CRE alternative investing in Australia



Real estate specialist with a proven track record

Qualitas is one of the largest alternative real estate investment managers in Australia managing predominantly discretionary funds across private credit and private equity

16 funds

Across income and total return strategies¹

\$71m

Average gross investment size excl. 'AURA by Aqualand'²

54

current investments in CRE credit¹
Managed by a team of specialists with extensive experience investing through the cycle

~78%

of committed FUM is eligible for performance fee¹
Track record of outperformance³



\$7.4bn
Total capital deployed^{1,4}



\$19.9bn
Gross asset value of investments^{1,4,5}



253
Total investments¹



206
Credit investments¹

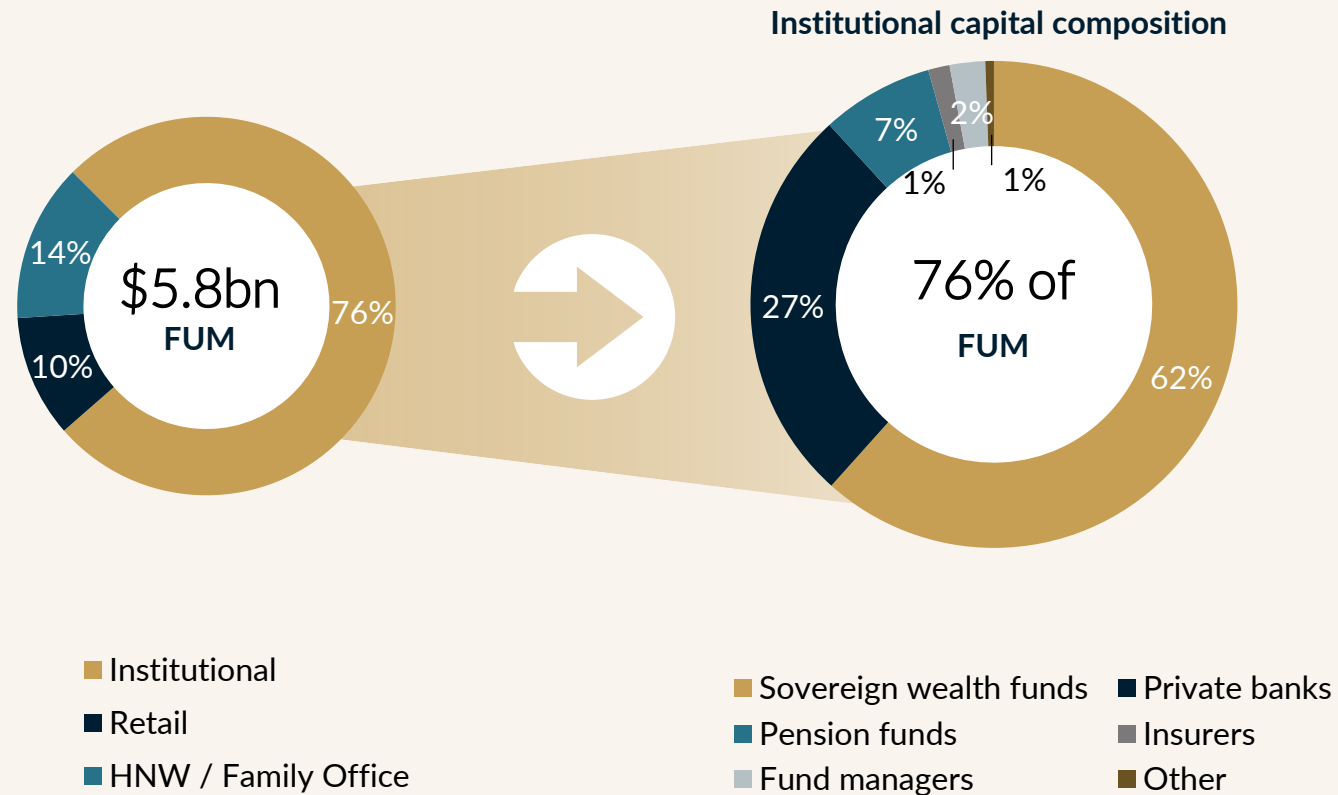


47
Equity investments¹

Growth in institutional capital raised

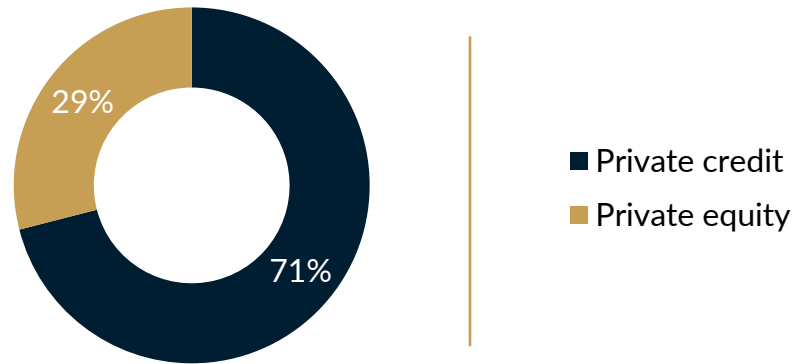
Private credit strategy continues to drive FUM growth and scalability of our platform

INVESTOR COMPOSITION AS OF 31 DECEMBER 2022

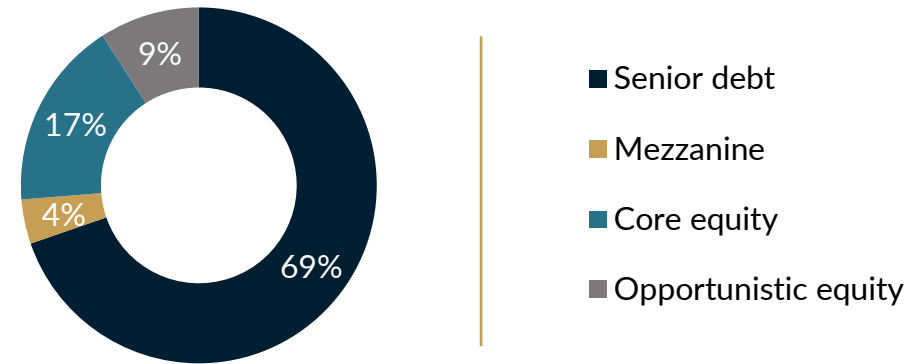


Significant exposure to private credit and the residential sector in major cities across the east coast of Australia

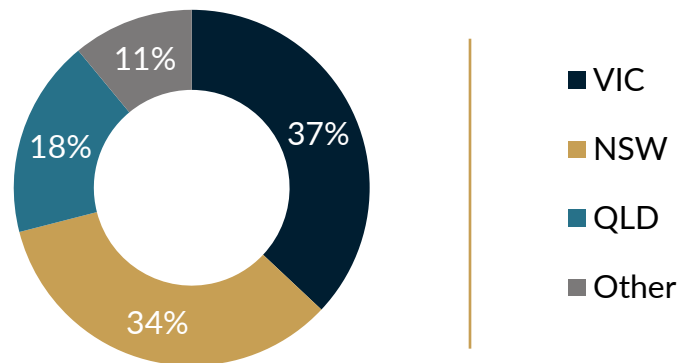
FUNDS UNDER MANAGEMENT¹ (BY COMMITTED FUM)



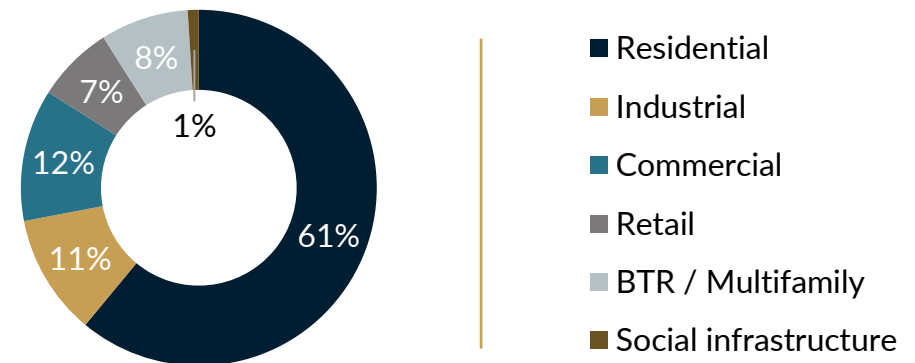
FUNDS UNDER MANAGEMENT RISK ALLOCATION² (BY INVESTED FUM)



UNDERLYING GEOGRAPHIC EXPOSURE² (BY INVESTED FUM)



UNDERLYING SECTOR EXPOSURE² (BY INVESTED FUM)



Notes: 1. Represents committed capital as at 31 December 2022 excludes QCDF I. 2. Split based on allocated capital as at 31 December 2022 excluding the impact of unallocated / non-deployed capital and includes QCDF I.

Why is Australian CRE private credit attractive to institutional investors?



29 yrs
Uninterrupted GDP growth¹

13th
Largest economy globally²

12%
Population growth to 2030³

2nd
Highest GDP per capita in APAC region²



<1%
Vacancy in Sydney, Melbourne and Brisbane⁴

\$900bn
CRE market⁵

6th
Most liquid/transacted real estate market globally⁶

1.1%
10yr average impairment rate in ADIs CRE exposure⁷

WHY QUALITAS?



Trusted brand with strong track record



Deep bench of specialised CRE talent



Well capitalised balance sheet



Discretionary funds management model

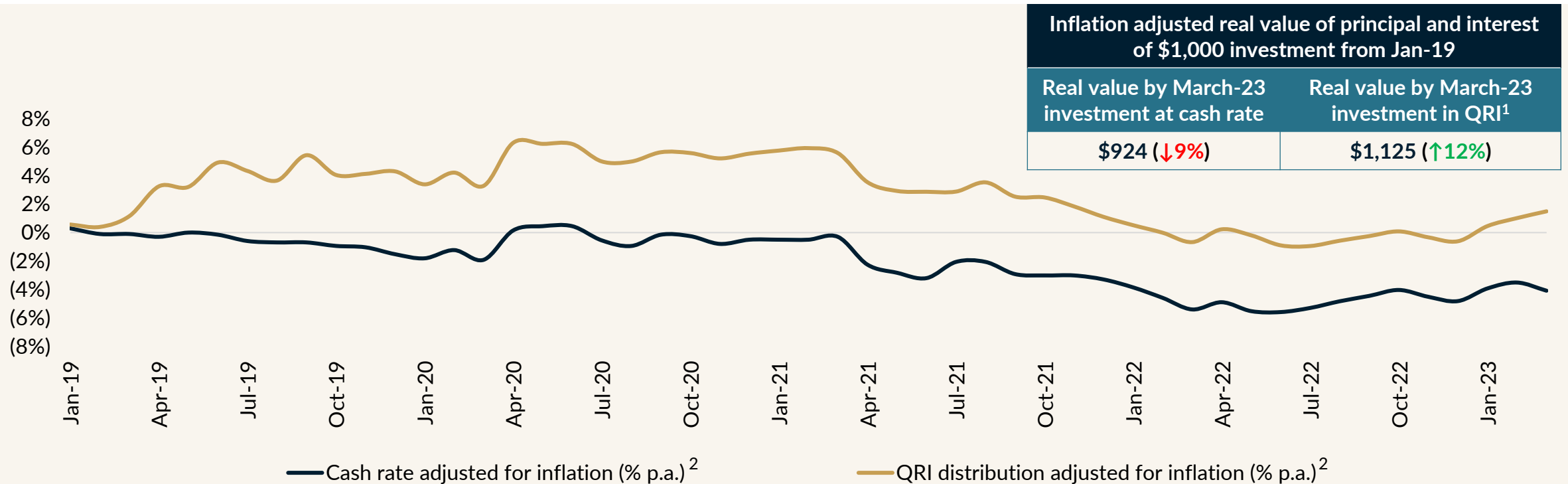


Strong transaction pipeline

Why CRE private credit may be attractive to retail investors?

QRI delivers positive inflation adjusted returns for investors

INVESTMENTS WITH RETURNS BELOW INFLATION ARE DETRIMENTAL TO WEALTH GENERATION



QRI is a different asset class to cash which is displayed by the RBA cash rate. QRI is of a higher risk than an investment in cash. Investors must remember that unlike a cash investment the capital in QRI is not guaranteed and could be at risk. There is a higher risk of borrower default in a high interest rate environment. Investors must therefore ensure they understand the risks as well as the potential benefit in a high inflation environment.

Notes: 1. Assuming distributions were not re-invested and unit price gains / losses are not considered. 2. RBA and ABS, March-23 inflation based on Macquarie Research forecast. Cash rate adjusted for inflation = (1 + RBA cash rate) / (1 + annualised seasonally adjusted Inflation). QRI distribution adjusted for inflation = (1 + annualised QRI distribution) / (1 + annualised seasonally adjusted Inflation).

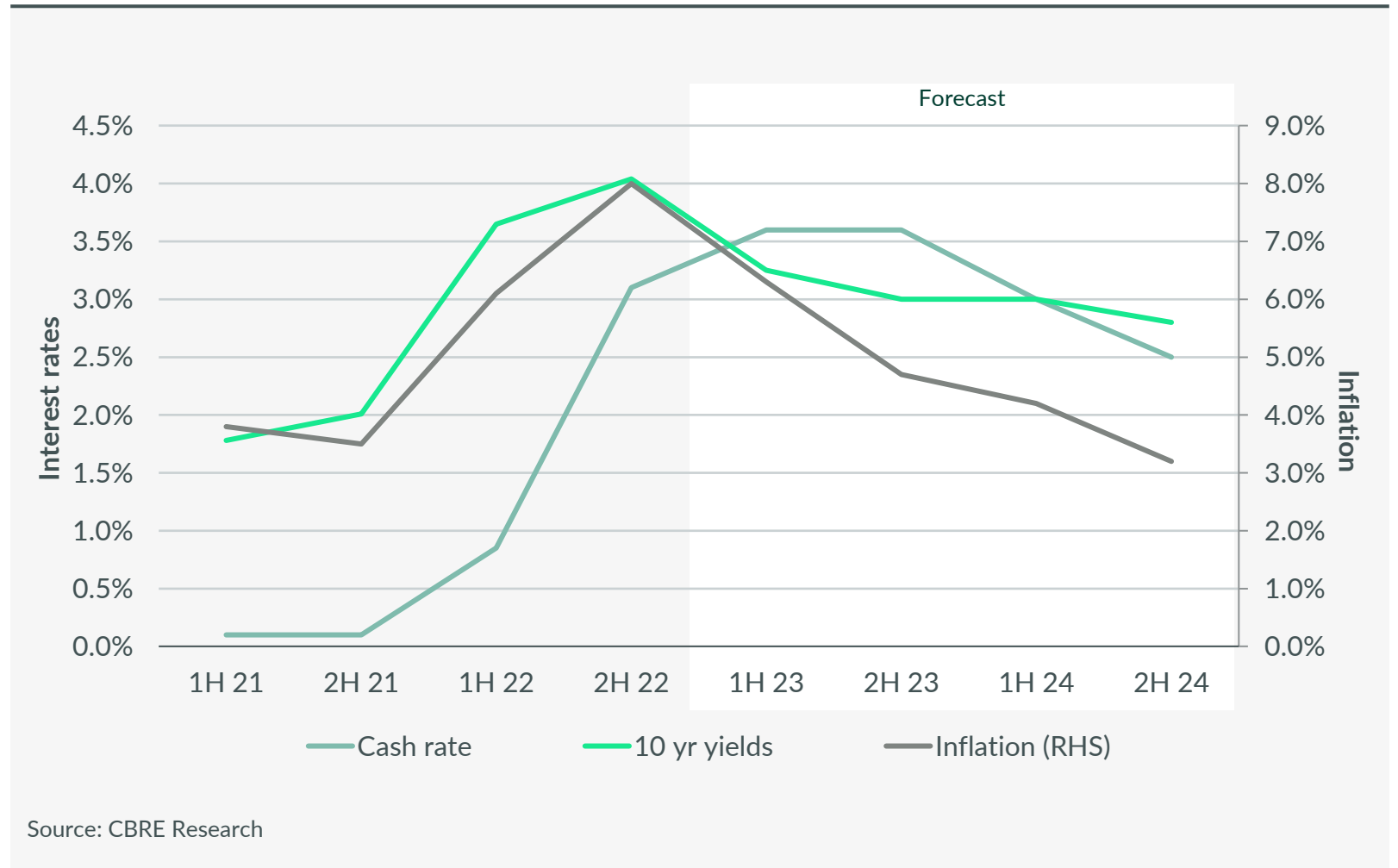
The Rise of CRE Private Credit

Sameer Chopra, CBRE
Marco Gattino, Goldfields Group
Nick Consiglio, R.Corporation
Moderated by Mark Power,
Head of Income Credit at Qualitas



Peak inflation in 4Q 2022, rates to stabilise before falling in 2024.

Australia's interest rates and inflation



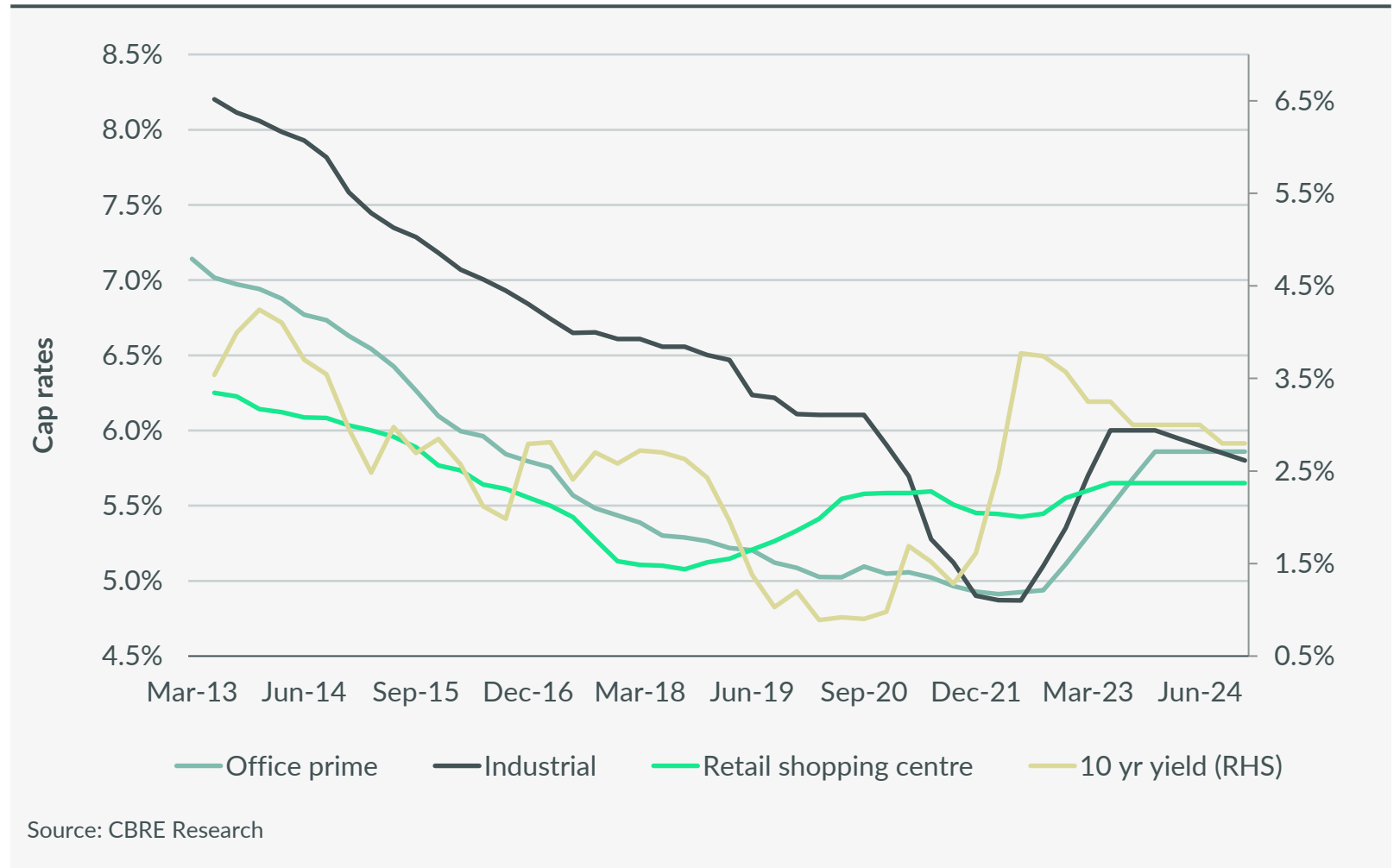
Source: CBRE Research

INVESTMENT

Cap rates up 15bps-50bps 4Q 2022.

CBRE forecasts +25bps- +100bps in 2023, depending upon asset class.

Changes in national cap rates



Rent growth has accelerated as vacancy tightens

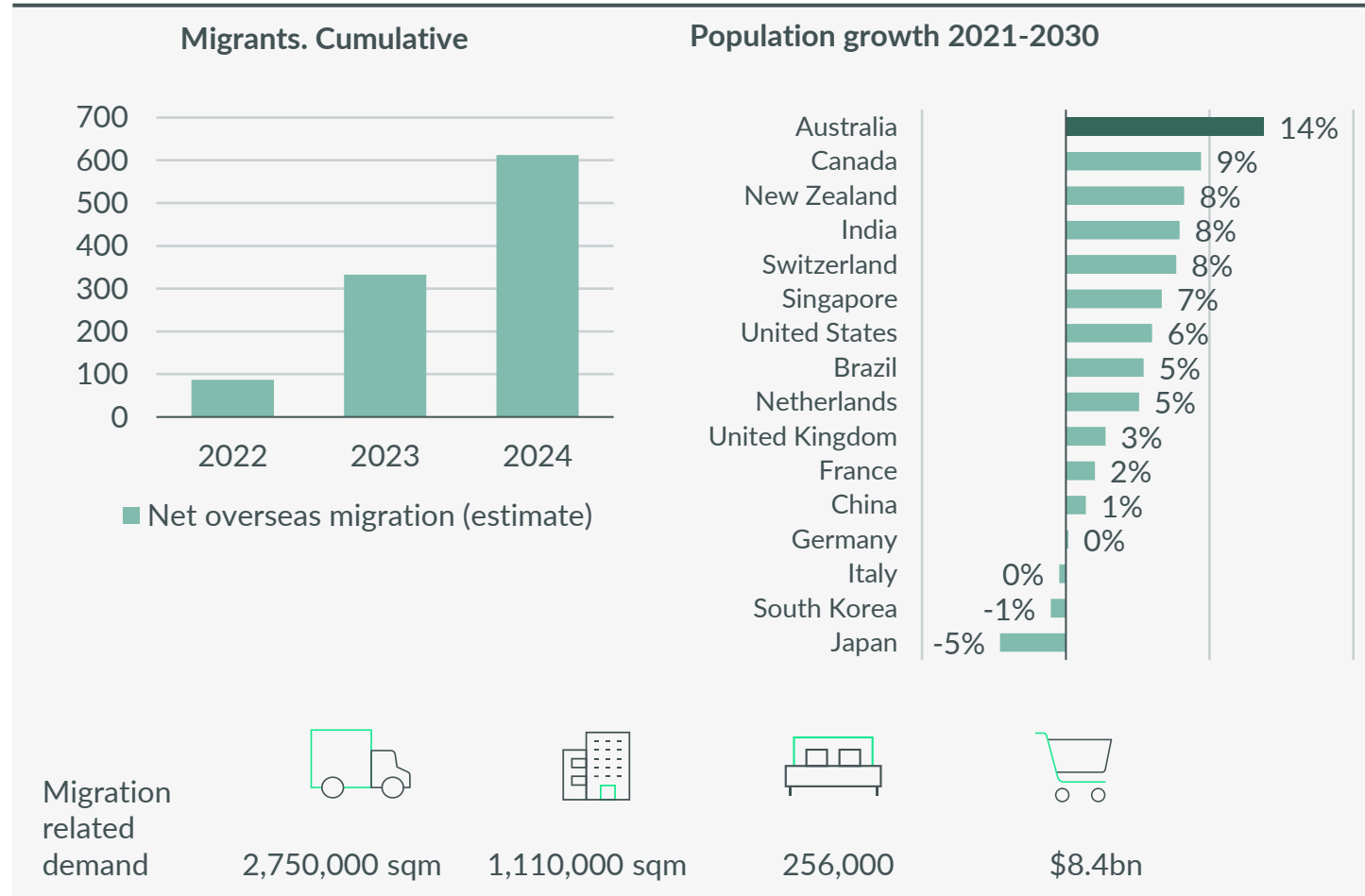
2023 Net effective rent growth

	Office CBD Prime	Industrial Super prime	Retail Regional	Residential Apartments
Sydney	4%	10%	5%	14%
Melbourne	-1%	15%	5%	14%
Brisbane	4%	6%	4%	9%
Perth	6%	7%	2%	8%
Adelaide	-1%	4%	2%	7%
Canberra	2%	4%	2%	5%
Auckland	2%	5%	1%	n/a
Wellington	3%	4%	2%	n/a

Source: CBRE Research

Impact of overseas migration

Resuming overseas migration could add pressure in an already tight market

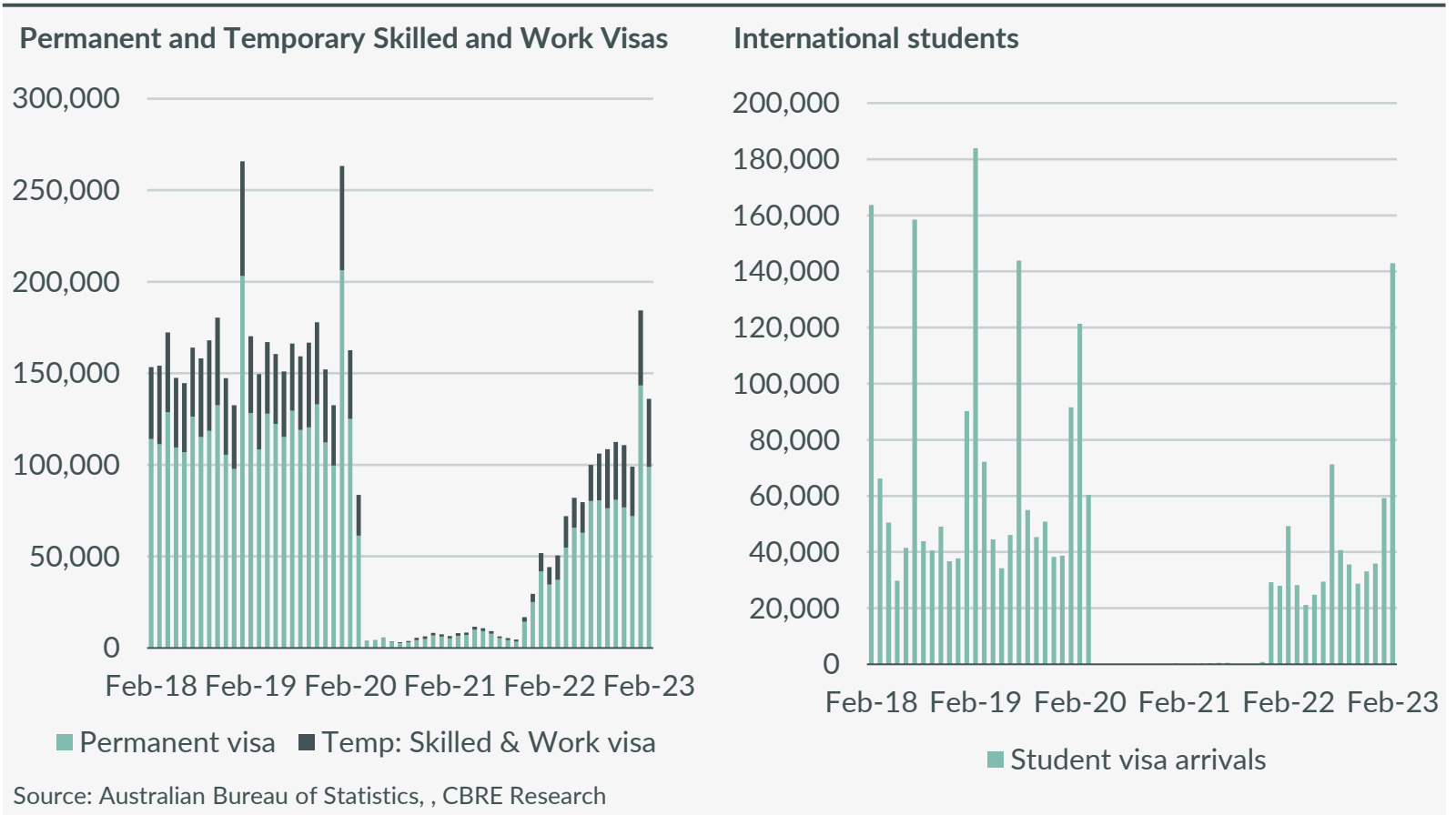


Source: 2021 Population Statement, Deloitte Access Economics, OECD, CBRE Research

Feb migrant arrivals was just 22% below Jan 20 levels.

International student arrivals 80% recovered

International arrivals





R. Iconic by R. Corporation

Goldfields 70-hectare Clyde North Land Investment



CRE Private Credit at an Inflection Point

Including Investment Case Studies

Mark Power

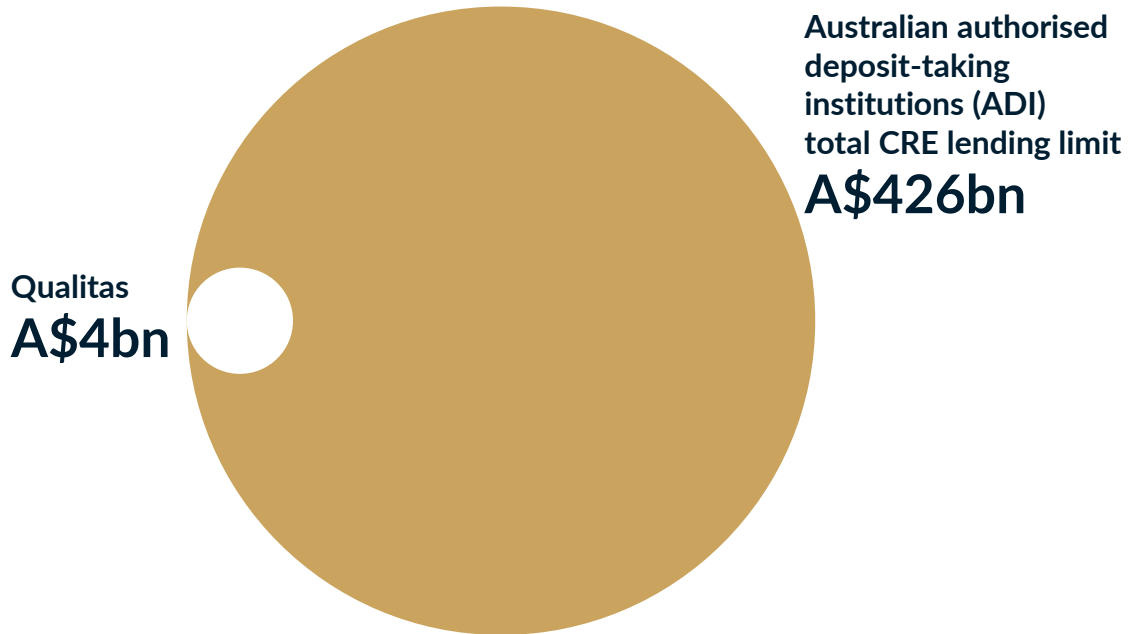
Head of Income Credit at Qualitas



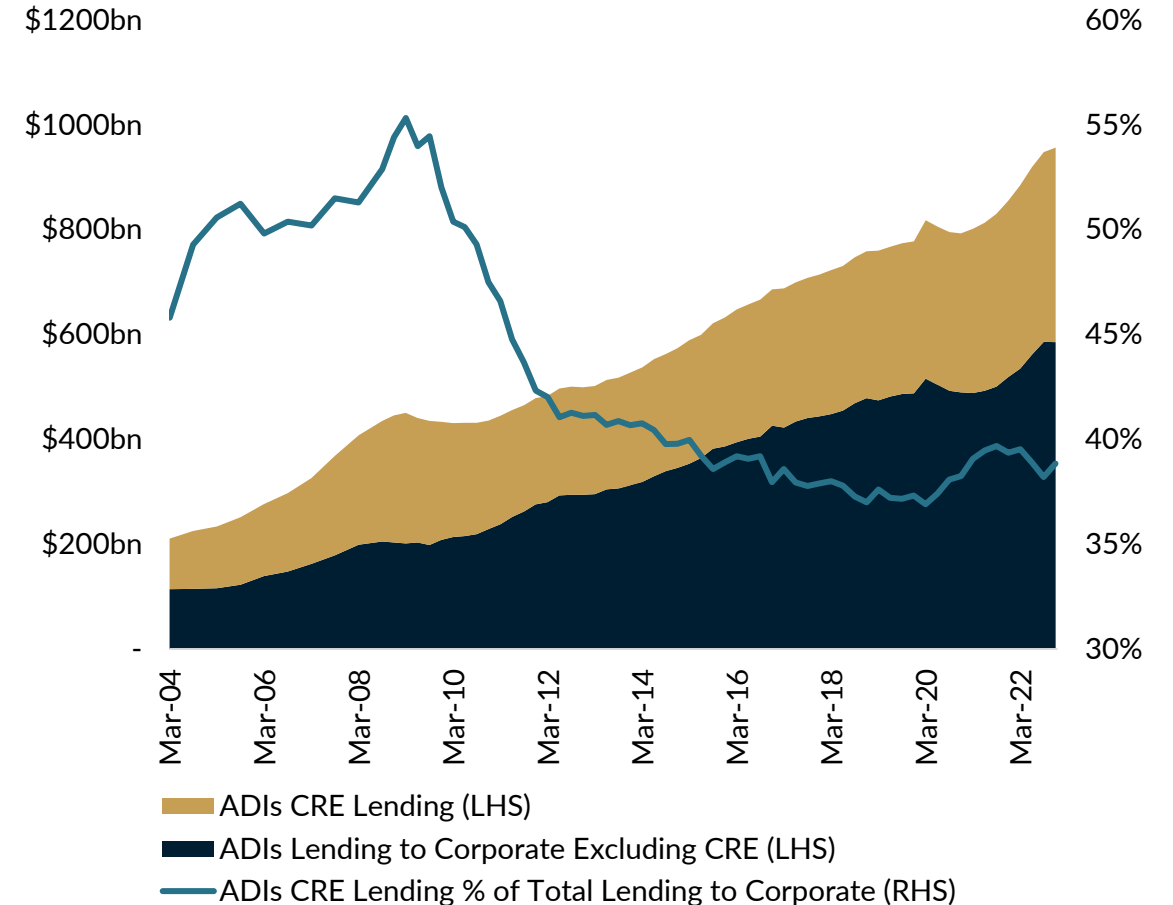
Enormous addressable market driven by regulatory change

CRE credit was dominated by the big four banks 10 years ago, but their market share is shrinking

ENORMOUS ADDRESSABLE MARKET¹



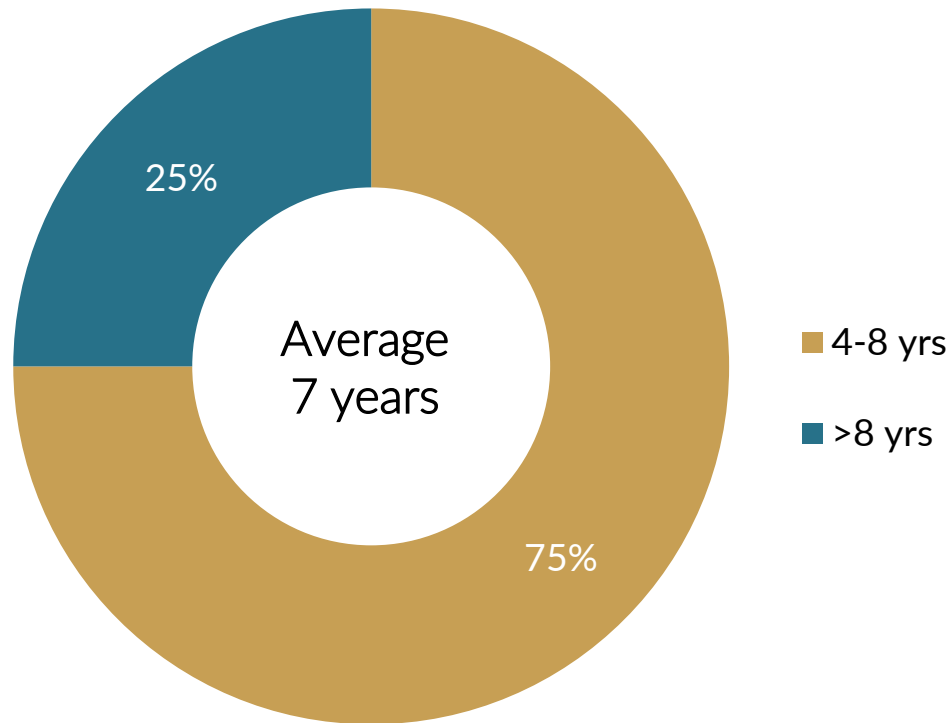
ADIs REDUCED SHARE OF CRE LENDING IN TOTAL CORPORATE LENDING BY 16% SINCE GFC^{1,2}



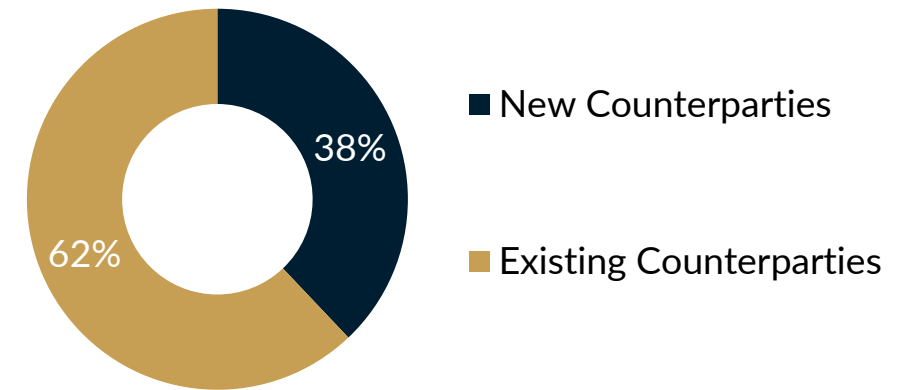
Notes: 1. APRA Quarterly ADI Commercial Property Exposures December 2022. 2. APRA Monthly Authorised Deposit-taking Institution Statistics February 2023.

Origination network built on deep relationships and reputation

TOP 20 COUNTERPARTIES RELATIONSHIP TENURE WITH QUALITAS^{1,3}



2022 TRANSACTION VOLUME SPLIT^{2,3}



QUALITAS CREDIT ORIGINATION NETWORK²

130
Counterparties within
Qualitas origination
network³

82/206
Credit investments with top
20 counterparties by
transaction volume and value

Qualitas vs. traditional financiers

WHAT BORROWERS ARE SEEKING	WHAT TRADITIONAL LENDERS PROVIDE	WHAT QUALITAS PROVIDES
→ Pricing	✓ Low funding costs	✓ Dynamically priced returns
→ Efficiency and certainty	- Syndicated loans with multiple counterparties. Standardised product with general terms and policies	✓ Large single cheque loans. Bespoke lending tailored to borrowers with optimal loan structuring
→ Relationship with financiers	✓ Potential relationship and track record with borrower. However limited resources available to service individual borrower needs	✓ Proven track record with repeat customers and increasing profile
→ Restructuring flexibility	✗ Solutions across debt financing only	✓ Solutions across the complete capital structure

Only mortgage real estate investment trust (MREIT) listed on the ASX

QRI was added to the All Ordinaries index on 20 March 2023

Target return – RBA cash rate + 5.0% to 6.5%

Delivered attractive risk-adjusted returns¹

8.40%

Mar-23 annualised distribution return p.a. based on NAV of \$1.60



Monthly cash distributions

Fully invested portfolio with diversification²

Well diversified by loan type, location, borrower, property sector

40

Loans²



Predominantly first mortgage

Focus on asset management

No impairments or interest arrears as at 31 March 2023³

\$1.60

Historical NAV with weighted loan-to-value ratio (LVR) of 66%²



Delivered on capital preservation – one of the key objectives of the Trust

Potential ASX300 and ASX300 A-REIT index inclusion in September 2023

To meet index inclusion thresholds, daily trading volume from 18 February to 18 August needs to increase by ~90k units⁴

\$470bn

Index FUM tracking ASX300⁵



Index inclusion increases liquidity and expands investor universe

*All figures are based on QRI exposure, look through to Qualitas wholesale funds. Notes: 1. Past performance is not a reliable indicator of future performance. 2. As at 31 March 2023. 3. Arrears refers to a % of the loan portfolio on look through-basis in arrears by 90 days or more. 4. Subject to existing constituents falling below eligibility thresholds and being removed from the indices. Future inclusion in these indices is not known and inclusion is solely determined by S&P. 5. Miraql as at 8 March 2023.

QRI loan portfolio as at 31 March 2023



Senior land loans



Senior construction loans



Mezzanine construction loans



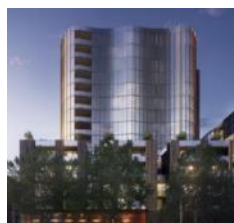
Senior investment loans / residual stock loans

Number of loans	15	3	4	18
Total loan amount	\$238m (40%)	\$55m (9%)	\$99m (16%)	\$180m (30%)
Avg. loan amount	\$33m	\$46m	\$31m	\$25m
Weighted avg. gross return	10.6%	8.4%	12.2%	8.8%
Weighted avg. duration	0.7 yrs	1.0 yrs	1.4 yrs	0.9 yrs
Weighted avg. LVR	65%	66%	73%	62%
Investment selection	<ul style="list-style-type: none"> Sites to be activated within the next 6-18 months backed by strong borrowers Close proximity to CBD 	<ul style="list-style-type: none"> Experienced borrowers with established builders Projects in areas of significant undersupply 	<ul style="list-style-type: none"> Sophisticated borrowers looking to increase equity internal rate of return (IRR) Substantial borrower group balance sheet 	<ul style="list-style-type: none"> High equity buffer Strong sales momentum transacting at or above valuation underwritten
Financing through the entire real estate cycle				

Loan investments



Brisbane CBD, QLD
Senior Investment
LVR 60%
36 months



West End, VIC
Residual Stock
LVR 57%
24 months



Box Hill, VIC
Residual Stock
LVR 66%
18 months



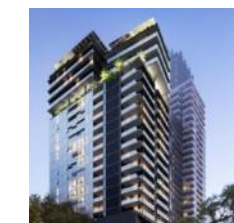
Mosman, NSW
Senior Construction
LVR 71%, LTC 84%
21 months



South Melbourne, VIC
Senior land
LVR 64%
18 months



Kirribilli, NSW
Senior land
LVR 70%
9 months

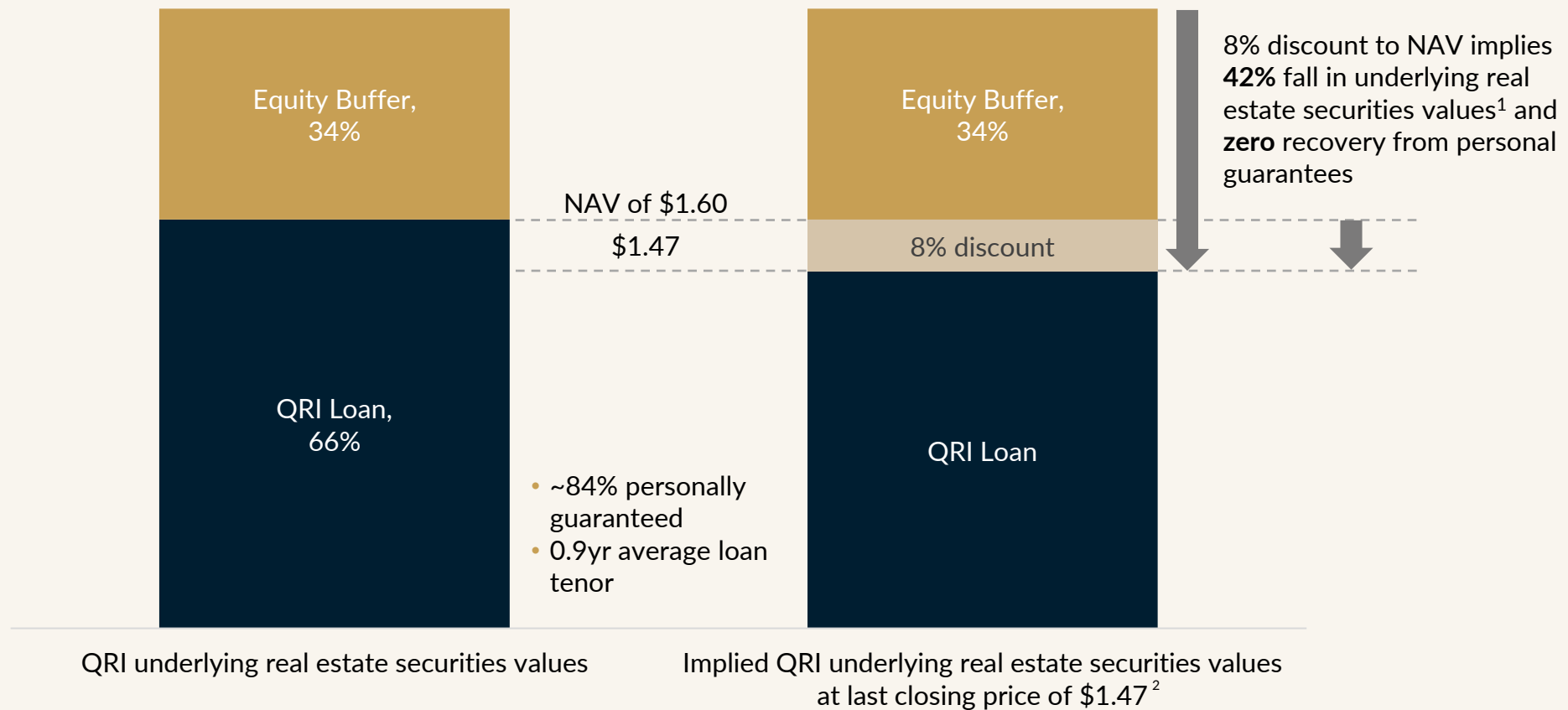


West Melbourne, VIC
Mezz Construction
LVR 70%, LTC 81%
27 months

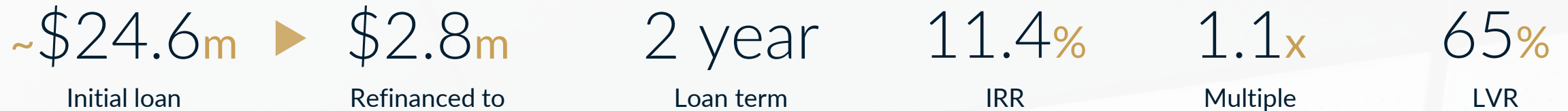
* Term is as at financial close of facility. All stats are on a look through basis, representing QRI's share of the loans

What does the current trading price imply?

CURRENT TRADING PRICE IMPLIES A DEEP DISCOUNT IN UNDERLYING SECURITIES VALUES



Case study 1: Land subdivision refinancing



Why Qualitas?

- Strong relationship
- Deep understanding of borrower's requirements
- Flexible funding solution – upfront equity repatriation

Potential risks

- Market/valuation risk
- Interest servicing risk

Why we proceeded

- Strong pre-sales
- Prime location
- Sophisticated and experienced borrower
- Moderate leverage

Case study 2: Residual stock facility - JD the Seasons

The Borrower

- Experienced Melbourne developer with a strong track record over 20 years
- High quality projects with reputable consultants and builders

Why Qualitas?

- Unique residual stock facility structure that traditional financiers often do not fund
- Experienced alternative financier

Investment thesis

- Majority of units already sold
- Strong sales rate
- Established location opposite retail amenity – Pines Shopping Centre



Closing Remarks

Kathleen Yeung
Global Head of Corporate Development at
Qualitas



Five key takeaways from today

1

Commercial real estate (CRE) private credit is an emerging asset class supported by secular tailwinds. Investors are increasingly recognising the attractive risk-adjusted returns and capital preservation that the asset class can deliver, particularly in volatile markets.

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Opportunities exist in the Australian multi-dwelling residential sector supported by a decade long undersupply.

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Mounting interest from global institutional investors in Australian CRE private credit who select managers with a sound track record and robust investment selection criteria.

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Flexibility, deep expertise in the sector, timeliness and certainty of financing are highly valued by borrowers.

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The performance of an individual portfolio may differ from that of a benchmark, representative account or composite included herein for various reasons, including but not limited to, the objectives, limitations or investment strategies of a particular portfolio. Management fees will reduce the rate of return on any particular account or portfolios. All investments are subject to certain risks. Generally, investments offering the potential for higher returns are accompanied by a higher degree of risk. While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty outside Qualitas' control.

The PDS and a target market determination for units in the Fund can be obtained by visiting the Fund website www.qualitas.com.au/qri. The Trust Company (RE Services) Limited as responsible entity of the Fund is the issuer of units in the Fund. A person should consider the PDS in deciding whether to acquire, or to continue to hold, units in the Fund.