

**QUALITAS**

Unit Purchase Plan - DO NOTHING

SCOPE OF ADVICE

On the 14th of May, **Qualitas Real Estate Income Fund (ASX: QRI)** announced its intention to raise funds by way of a non-underwritten Unit Purchase Plan (UPP) (**Offer**).

New shares issued under the **Qualitas** UPP will be offered at the **Offer Price** of A\$1.60 per New Unit.

At current, the **Offer Price** represents a small ~1.2% discount to market relative to the current market price of A\$1.62, as of the 27th of May, 2024.

Importantly the net tangible asset (NTA) value of each unit is currently worth \$1.60, as of the 20th of May, therefore we see no value in taking up your rights.

Qualitas announced that proceeds from the Unit Purchase Plan capital raise **Offer** would be utilised to continue investing in commercial real estate loans in line with the investment mandate and target return of QRI, as disclosed in the **Trusts** (Qualitas Limited ASX: QAL) Product Disclosure Statement (**PDS**), linked below.

The investment mandate for this fund outlines Qualitas' ability to invest in other funds managed by Qualitas. As of the 27th of May, the Qualitas Real Estate Income Fund (**Sub-Trust**) currently invests in various underlying Qualitas funds.

Eligible Shareholders may apply for shares under the UPP in parcel sizes in increments of \$1,000, \$2,000, \$5,000, \$7,000, \$10,000, \$12,000, \$15,000, \$20,000, \$25,000 or \$30,000, with a minimum parcel size of \$1,000 and a maximum parcel size of \$30,000 shares free of any transaction costs or brokerage.

Whilst we are confident with the managers ability and track record for risk-adjusted returns in the commercial real estate environment, we believe the slim 1.2% discount via the **Offer Price** does not justify participating.

It is important to note that the UPP **Offer** is **NOT underwritten**. Furthering the uncertainty that brokers are skeptical of the risk/return profile of the raise, and its implication on existing shareholders.

The close date for the **Offer** is the 28th of May 2024 (**Closing Date**).

Given the fact that QRI continues to trade at an insignificant discount compared to that of the **Offer Price**, we therefore recommend not participating in the UPP.

We recommend you DO NOTHING and do not participate in the UPP.

This ROA confirms the reasons for our recommendation, the consequences and any costs associated with this advice. It does not address any other financial planning needs other than those stated above.

REASONS

We recommend no changes on the following basis:

- The basis of our advice is not significantly different from the basis of advice in the reference SoA because these recommendations are made as part of the ongoing investment management of your portfolio in line with your investor risk profile and investment objectives.
- We do not believe the Offer Price is overly attractive to warrant increased exposure.
- We believe there are better risk-adjusted commercial real estate funds, should you wish to increase your direct exposure to this asset class.

CONSEQUENCES

As a consequence of our advice:

- Should you elect to not participate in the Unit Purchase Plan (UPP) your entitlement will lapse with no value to you.

Additional Information

The offer document for **QUALITAS's** Unit Purchase Plan Offer:

[QUALITAS REAL ESTATE INCOME FUND UNIT PURCHASE PLAN](#)

The funds Product Disclosure Statement:

[Qualitas Real Estate Income Fund Product Disclosure Statement](#)

These documents provide more information about the Unit Purchase Plan and any associated risks. They may assist you to make your financial decisions. If you prefer to receive a copy of any of the above documents via email or post then please let us know. Copies will be provided free of charge.

NEXT STEPS

NOTHING REQUIRED.

If you do wish to participate in the Unit Purchase Plan (UPP) please contact your adviser providing your instructions **by 5:00PM the 28th of May.**

Should you have any queries in relation to the above or should you wish to fine-tune any aspect of the recommended strategy, please do not hesitate to contact me.