



Fund Summary

TFI-EU Property Income Fund (the "Fund") was launched in 2017 as a Euro denominated, closed-end Cayman Islands exempted limited liability company. The purpose of the fund is to invest in income-producing real estate investments in the Euro Zone countries on a Shariah-compliant basis. The fund currently holds a portfolio of four assets (3 in Germany and 1 in France).

Returns Summary

- Utilizing the returns from its 4 assets, the Fund has paid its 4th Dividends for Q2 2018 at annual rate of 6.75% net p.a. on the Subscription Amounts paid by the investors which is in line with the target returns.
- The next dividends are targeted to be paid in October 2018.
- It is expected that the Fund will continue to provide returns to the investors which are in line with the target returns as mentioned in the Information Memorandum.

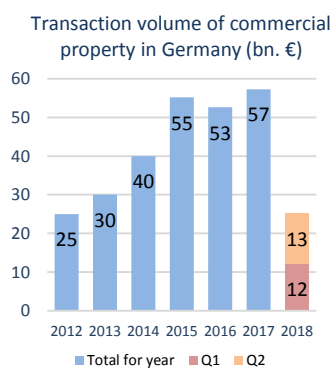
Dividend payments	Date of Dividends	Total Capital (EUR)	Dividend Amount (EUR)	Annualized Dividend yield
1 st Dividend	Q3 2017	14,437,600	374,908	6.00%
2 nd Dividend	Q4 2017	20,137,600	256,057	6.50%
3 rd Dividend	Q1 2018	24,137,600	433,550	6.75%
4 th Dividend*	Q2 2018	30,137,600	507,179	6.75%

* The outstanding dividend for the previous period (1st Jan 2018 - 31st Mar 2018) of EUR 37,726 for the investors from the fifth capital call were transferred along with Q2 dividends.

Real Estate Market Outlook 2018

Germany commercial investments in H1 2018

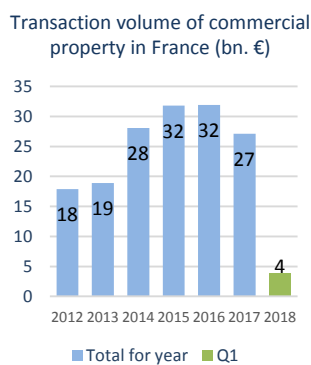
- The transaction volume on the German commercial real estate market of about €25.1 bn was almost identical to the volume recorded in the previous year's period (-1%).
- Offices continue to be responsible for the highest transaction volume.
- The average prime yield for all seven strong holds is 3.24%, which is virtually unchanged from the previous quarter.



* Hotels, Sites, Special Properties

France commercial investments in Q1 2018

- With €3.8bn invested in France in Q1 2018, investment in commercial real estate is stable compared to Q1 2017.
- Offices are still investors' favourite asset category: in Q1 they accounted for 78% of investment, up 10% vs. Q1 2017.
- The prime yield is starting to reach floor levels, even though slight declines are still expected in 2018.



* Hotels, Sites, Special Properties

Fund* Summary

Sponsor and Investment Manager The First Investor QSCC ("TFI")

Asset and Property Manager Inovalis SA ("Inovalis")

Total Investment €30.1 million

Final Closing Date September 2018

Investment Term 3 years (1+1 extension period) – from final closing date

Target Returns** 6% - 7% p. a. - quarterly dividends ("Target Yield")
8-10% - investor IRR

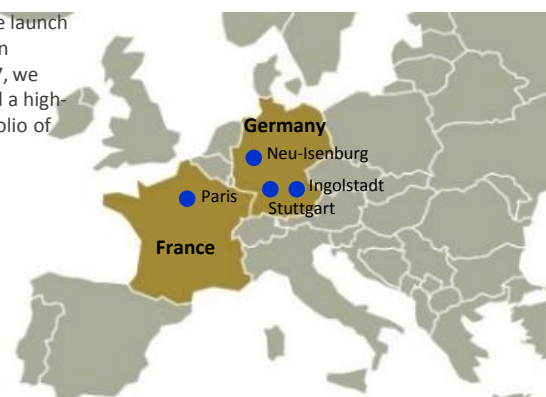
Loan to Value Up to 70% LTV

*Neither the Cayman Islands Monetary Authority nor any federal or state agency has made any finding or determination as to the fairness for any investment in the Fund, nor has made any recommendation or endorsement of any investment in the Fund. Investment in the Fund involves a high degree of risk, lack of liquidity and transferability and is subject to the restrictions set out in the Offering or Principal Documents and the Information Memorandum and no investments compensation system is available for any investment in the Fund.

**Target returns are based on informed assumptions although no guarantee is given by the Manager to achieve such returns. Therefore, the investor is advised to consider the risks factors as set out in the Information Memorandum.

Fund Portfolio

Following the launch of the Fund in January 2017, we have secured a high-quality portfolio of four assets.



Euro-to-Dollar Rate

The Euro has raised against the Dollar during the last year. In the first quarter of this year it stabilised and then partly bounced back in the second quarter. The Euro will likely remain volatile against the U.S. Dollar over coming weeks, despite the easing of political risks in the Eurozone.

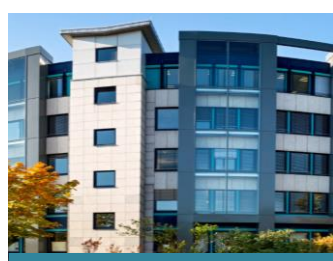




TFI EU Property Income Fund

Progress Report – Q2 2018

Fund Portfolio



Location:
Germany, Stuttgart

Sector:
Office

Size:
22,560 sq.m

Construction Year:
1994 (refurbished 2014)

Acquisition Date :
June 2017

Total Transaction Costs:
€40.5 million

Fund Invested amount:
€9.1 million

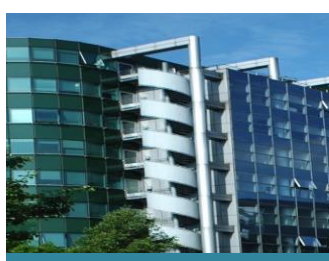
Leverage:
64.51%

Target Yield:
6% - 7% p. a

Key Tenants:
Daimler AG

Occupancy:
96.3%

WALT at acquisition:
7 years



Location:
France, Paris

Sector:
Office

Size:
13,307 sq.m

Construction Year:
1992

Acquisition Date :
September 2017

Total Transaction Costs:
€27.3 million

Fund Invested amount:
€6.0 million

Leverage:
63.15%

Target Yield:
6% - 7% p. a

Key Tenants:
Aref Diamant, Solabia,
SAS Papyrus Group

Occupancy:
97.35%

WALT at acquisition:
5 years



Location:
Germany, Neu-Isenburg

Sector:
Office

Size:
12,554 sq.m

Construction Year:
2013

Acquisition Date:
December 2017

Total Transaction Costs:
€40.1 million

Fund Invested Amount:
€9 million

Leverage:
59.33%

Target Yield:
6% - 7% p. a

Key Tenants:
Arrow Central Europe

Occupancy:
100%

WALT at acquisition:
5.25 years



Location:
Germany, Ingolstadt
Kosching

Sector:
Office

Size:
9,858 sq.m

Construction Year:
2017

Acquisition Date:
February 2018

Total Transaction Costs:
€26.0 million

Fund Invested Amount:
€5.8 million

Leverage:
57.31%

Target Yield:
6% - 7% p. a

Key Tenants:
TKI Automotive

Occupancy:
100%

WALT at acquisition:
10 years

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