



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.

Fund Update

The Investment Period was extended previously till September 2018. This was further extended till 31 December 2018 as such an extension will allow for the fifth acquisition for which the due diligence was initiated in September 2018 and got delayed to complete the due diligence process. Therefore, the completion of the acquisition and executed Murabaha was on December 31, 2018 and further documents were being finalized.

The Board of Directors have now resolved that the **Final Closing Date** is **31 December 2018**.

The Fund owns 5 assets, 4 in Germany and 1 in Paris as detailed in the second page. The Fund's Subscription Amount (cumulative) as of Final Closing Date is €38.6 million. The contribution of the investors Subscription Amount will be prorated among the 5 acquired assets and the returns will be accordingly distributed from the combined income earned by all assets.

Last Asset acquired by the Fund :

- A modern office building located in an established city location in Hannover, largest city and Capital of Lower Saxony, and building benefits from excellent transportation and road accesses.
- The building is let to Nord L/B Bank (Norddeutsche Landesbank Girozentrale) with a Weighted Average Lease Term (WALT) of 11.3 years starting from 1 January 2019.
- The property which was built in 2000, consisting of five (5) floors and a basement, and benefits from 169 outdoor parking spaces.

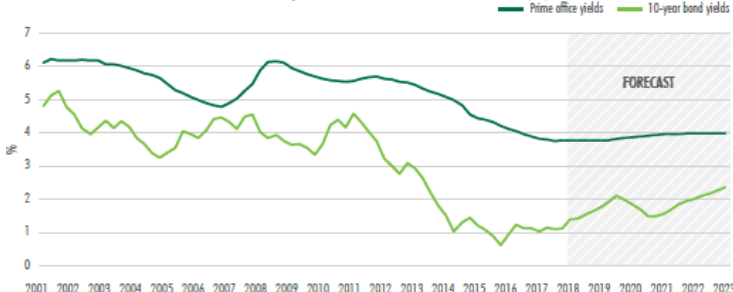
Returns Summary

- The Fund has paid Q4 2018 dividends in December 2018 at an annualized rate of 6.70% on the Subscription Amounts which is in line with the target returns.
- The consolidated distributions to the investors since inception stands at €2.5 million as on 31 December 2018.
- The next dividends are targeted to be paid in April 2019.

European real estate market outlook

- The European real estate investment market is highly liquid and investment volumes are at record levels, supported by platform transactions
- European Central Bank (ECB) eyeing an exit from its asset-purchases programme, marking a turning point in monetary policy.
- Interest rate volatility is possible but the global rise in savings accumulated for retirement will keep interest rates low
- Income growth expectations remain important determinant for property yields, and the short-term outlook for rental growth looks positive.

Eurozone Prime Office Yields & 10-year Government Bond Yields (%), 2001-2023*



Fund* Summary

Sponsor and Investment Manager	The First Investor QSCC ("TFI")
Asset and Property Manager	Inovalis SA ("Inovalis")
Total Investment	€38.6 million
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.

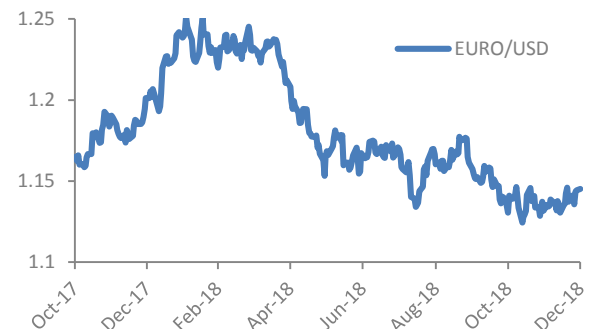
** Target returns are based on informed assumptions although no guarantee is given by the Manager to achieve such returns. Therefore, the investor is advised to consider the risks factors as set out in the Information Memorandum.

Fund Portfolio



Euro-to-Dollar Rate

During the last year the Euro has raised against the Dollar to 1.25 and then came back almost to the same level as one year ago around 1.15.





TFI EU Property Income Fund

Progress Report – 2018

Fund Portfolio

Germany, Stuttgart



Sector:	Office
Size:	22,560 sq.m
Construction Year:	1994 (refur 2014)
Total Transaction Costs:	€40.5 million
Fund Invested Amount:	€9.1 million

Acquisition Date:	June 2017
Leverage at acquisition:	64.51%
Key Tenants:	Daimler AG
Occupancy:	96.3%
WALT at acquisition:	7 years

France, Paris



Sector:	Office
Size:	13,307 sq.m
Construction Year:	1992
Total Transaction Costs:	€27.3 million
Fund Invested Amount:	€6.0 million

Acquisition Date:	September 2017
Leverage at acquisition:	63.15%
Key Tenants:	Solabia, SAS Papyrus Group
Occupancy:	97.35%
WALT at acquisition:	6.63 years

Germany, Neu-Isenburg



Sector:	Office
Size:	12,554 sq.m
Construction Year:	2013
Total Transaction Costs:	€40.1 million
Fund Invested Amount:	€9 million

Acquisition Date:	December 2017
Leverage at acquisition:	59.33%
Key Tenants:	Arrow Central Europe
Occupancy:	100%
WALT at acquisition:	5.25 years

Germany, Ingolstadt Kosching



Sector:	Office
Size:	9,858 sq.m
Construction Year:	2017
Total Transaction Costs:	€26.0 million
Fund Invested Amount:	€6 million

Acquisition Date:	February 2018
Leverage at acquisition:	57.31%
Key Tenants:	TKI Automotive
Occupancy:	100%
WALT at acquisition:	10 years

Germany, Hannover



Sector:	Office
Size:	11,527 sq.m
Construction Year:	2000
Total Transaction Costs:	€27.0 million
Fund Invested Amount:	€8.5 million

Acquisition Date:	December 2018
Leverage at acquisition:	60%
Key Tenants:	Nord/LB
Occupancy:	100%
WALT at acquisition:	11.3 years

* WALT - weighted average lease expiry

Contact Information

Houssam Kharbotli
(+974) 4459 6148 kharbotli@tfi.com.qa

Anuj Mittal
(+974) 4459 6197 amittal@tfi.com.qa

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