



### 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. As of Final Closing Date of 31 December 2018, the Fund has acquired 5 assets (4 in Germany and 1 in Paris). The final closing of the last acquisition, a modern office located in Hannover, Germany was concluded on 22 January 2019.

The Fund's Subscription Amount (cumulative) as of Final Closing Date is €38.6 million. The contribution of the investors Subscription Amount will be prorata among the 5 acquired assets and the returns will be accordingly distributed from the combined income earned by all assets.

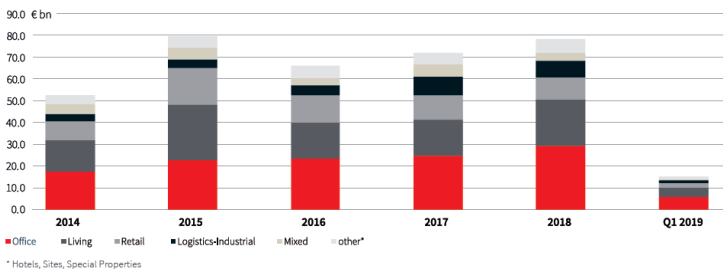
### Returns Summary

- The Fund has paid Q4 2018 dividends in March 2019 at an annualized rate of 6.75% on the Subscription Amounts which is in line with the target returns.
- The consolidated distributions to the investors since inception stands at €3.2 million as on 31 March 2019.
- The next dividends are targeted to be paid in July 2019.

### European real estate market outlook

#### Germany

Transaction Volume by Main Asset Class



- Properties with value of almost €15.3 billion was sold in the period from January to March, representing a 22% decline compared to the same period of 2018 owing to the absence of large portfolio deals. Property used exclusively for commercial purposes accounted for €11.3 billion. Investors continued to focus on office property, which accounted for a 38% share.

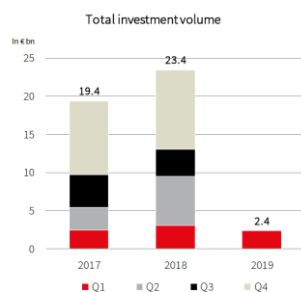
- The average office prime yield for the seven strongholds fell slightly again by 5 basis points to 3.06% compared to the previous quarter, and by 20 points in a 12-month comparison. The yield compression has also continued in the top properties in sub-markets outside the prime locations, and the aggregated yield has fallen to its lowest level in ten years at 3.41%.

- The continuing yield compression in the first quarter combined with further rental price growth of 12.9% year on year resulted in a further significant appreciation in peak office values.

#### France

- The Greater Paris region investment market which has been particularly active in the recent years continued to perform well over Q1 2019 with almost €2.4 billion investments which is 17% higher than long term average.

- Prime yields remain stable in Q1 2019 for asset classes in Greater Paris region. Prime real estate yield of 3.00% in Paris CBD offers a risk premium of 268 basis points compared with risk free interest rate.



Source: JLL/ImmoStat

### Fund\* Summary

<b>Sponsor and Investment Manager</b>	The First Investor QSCC ("TFI")
<b>Asset and Property Manager</b>	Inovalis SA ("Inovalis")
<b>Total Investment</b>	€38.6 million
<b>Final Closing Date</b>	31 December 2018
<b>Term</b>	3 years (1+1 extension period) – from Final Closing date
<b>Target Returns**</b>	6% - 7% p. a. - quarterly dividends ("Target Yield") 8-10% - investor IRR
<b>Loan to Value</b>	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.

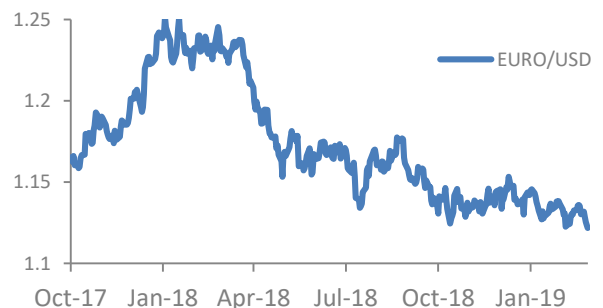
\*\* Target returns are based on informed assumptions although no guarantee is given by the Manager to achieve such returns. Therefore, the investor is advised to consider the risks factors as set out in the Information Memorandum.

### Fund Portfolio



### Euro-to-Dollar Rate

During the last quarter the Euro has fallen slightly against the Dollar to 1.12 owing to challenging external environment and soft growth in EU economy.





# TFI EU Property Income Fund

## Progress Report – Q1 2019

### Fund Portfolio

#### Germany, Stuttgart



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

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

#### France, Paris



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

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

#### Germany, Neu-Isenburg



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

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

#### Germany, Ingolstadt Kosching



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

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

#### Germany, Hannover



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

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

\* WALT - weighted average lease expiry

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