



Fund Summary

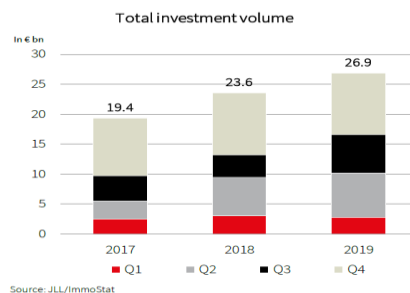
TFI-EU Property Income Fund (the “Fund”) was launched in 2017 as a Euro denominated, closed-end Cayman Islands exempted limited liability company. The purpose of the Fund is to invest in income-producing real estate investments in the Euro Zone countries on a Shariah-compliant basis. As of Final Closing Date of 31 December 2018, the Fund acquired 5 assets (4 in Germany and 1 in Paris).

The Fund’s Subscription Amount (cumulative) as of Final Closing Date is €38.6 million. The Investors Subscription Amounts have been prorated amongst 5 acquired assets and the returns are distributed accordingly from the combined income earned by all assets to ensure parity for all the Investors of the Fund. The Fund portfolio has an acquisition LTV of approximately 60%.

Returns Summary

- The Fund has paid Q4 2019 dividends in January 2020 at an annualized rate of 6.60% on the Subscription Amounts, in line with the target returns.
- The consolidated distributions to the Investors since inception stands at € 5.1 million as of Q4 2019.
- All assets have been performing as per agreed business plan.
- The next dividends are targeted to be paid in April 2020.

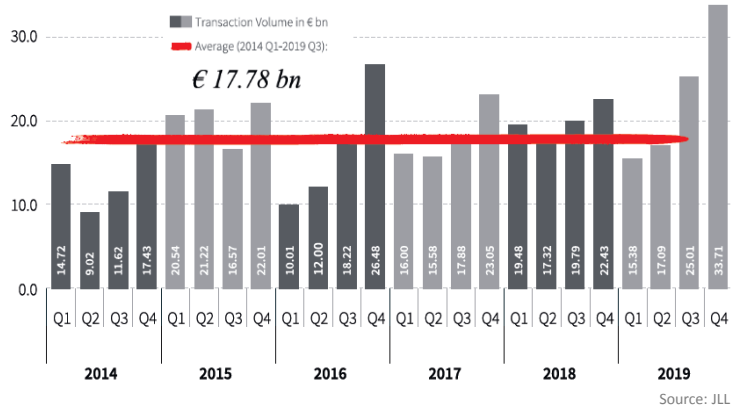
France



- Investments in Greater Paris region reached a record of €10.3bn over Q4 2019, a similar level to last year taking the full year volume to €26.9 bn which is 14% increase as compared to 2018.
- Following the yield compression seen over Q2 2019, prime office yields remained stable over H2 2019. With the risk free rate at -0.12% at end of December, prime office real estate in Paris CBD offers a particularly high risk free premium (263 basis points).

European real estate market outlook

Germany



- The spectacular end to 2019 ensured that the German investment market achieved a new record result. The Q4 alone registered an unprecedented €34bn, which has never been achieved in any previous quarter (the former record was set in Q4 2016 with €26.5bn). In the last three months of the year, 73 transactions in the three digit-million or even billion-euro range were completed. As a result, the total transaction volume including Living¹ amounted to €91.3bn in 2019, with 187 transactions beyond the €100m mark.
- Office property and property for residential purposes continued to dominate the German investment market in 2019. In the Q4 2019, the office transactions continued to experience a moderate decline in the prime yields. The average office prime yield for all seven strongholds was 2.93%, which was down slightly compared to Q3 2019. Compared to 2018, the yield was 18 basis points lower. In 2020 it is expected that the prime yields will level off at this point.

1. Living includes residential properties, student housing, micro living and Elderly Care Homes

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 31 December 2018 (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





TFI EU Property Income Fund

Progress Report – Q4 2019

Fund Portfolio

Germany, Stuttgart



Sector:	Office	Acquisition Date:	June 2017
Size:	22,560 sq.m	Leverage at acquisition:	64.51%
Construction Year:	1994 (refurbished 2014)	Key Tenants:	Daimler AG
Total Transaction Costs:	€40.5 million	Occupancy:	96.3%
Fund Invested Amount:	€9.1 million	WALT at acquisition:	7 years

France, Paris



Sector:	Office	Acquisition Date:	September 2017
Size:	13,307 sq.m	Leverage at acquisition:	63.15%
Construction Year:	1992	Key Tenants:	Solabia, SAS Papyrus Group
Total Transaction Costs:	€27.3 million	Occupancy:	97.35%
Fund Invested Amount:	€6.0 million	WALT at acquisition:	6.63 years

Germany, Neu-Isenburg



Sector:	Office	Acquisition Date:	December 2017
Size:	12,554 sq.m	Leverage at acquisition:	59.33%
Construction Year:	2013	Key Tenants:	Arrow Central Europe
Total Transaction Costs:	€40.1 million	Occupancy:	100%
Fund Invested Amount:	€9 million	WALT at acquisition:	5.25 years

Germany, Ingolstadt Kosching



Sector:	Office	Acquisition Date:	February 2018
Size:	9,858 sq.m	Leverage at acquisition:	57.31%
Construction Year:	2017	Key Tenants:	TKI Automotive
Total Transaction Costs:	€26.0 million	Occupancy:	100%
Fund Invested Amount:	€6 million	WALT at acquisition:	10 years

Germany, Hannover



Sector:	Office	Acquisition Date:	December 2018
Size:	11,527 sq.m	Leverage at acquisition:	60%
Construction Year:	2000	Key Tenants:	Nord/LB
Total Transaction Costs:	€27.0 million	Occupancy:	100%
Fund Invested Amount:	€8.5 million	WALT at acquisition:	11.3 years

* WALT - weighted average lease expiry

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