



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).

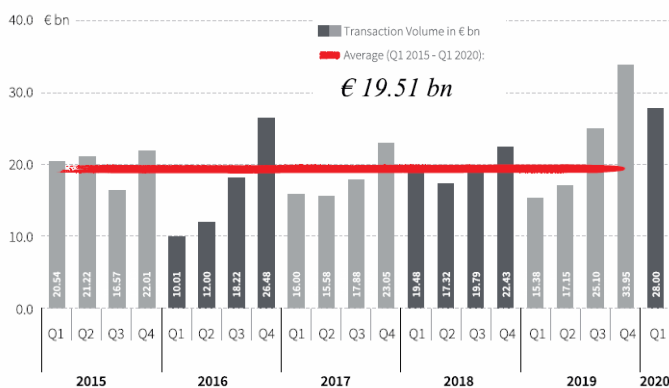
The Fund’s Subscription Amount (cumulative) as of Final Closing Date is €38.6 million. The Investors Subscription Amounts have been prorated amongst 5 acquired assets and the returns are distributed accordingly from the combined income earned by all assets to ensure parity for all Investors of the Fund.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

Returns Summary

- The Fund has paid Q1 2020 dividends in April 2020 at an annualized rate of 6.50% on the Subscription Amounts, in line with target returns.
- The consolidated dividend distributions to Investors since inception stands at € 5.76 million as of Q1 2020.
- The Asset Manager is monitoring all the assets to evaluate any possible impact of Covid-19. At the end of Q1 2020, the performance of all assets are in line with Fund objectives.
- The next dividends are targeted to be paid in July 2020.

European real estate market outlook

Germany

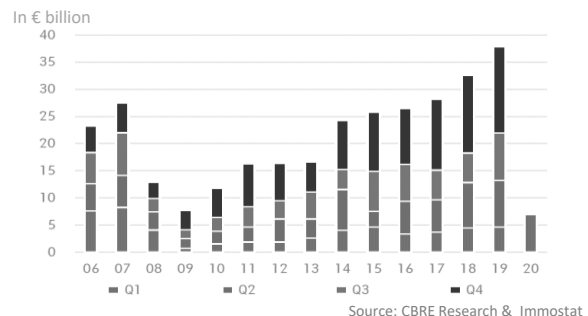


Source: JLL

- In Q1 2020, the effects of Covid-19 crisis was not felt, as seen in chart above, because most transactions had been initiated or were in the final stages of negotiation and therefore a “deal freeze” or a slump in the investment market is not apparent in the figures for Q1 2020. However, Q2 2020 is expected to witness a decline in the investment volumes and the Covid-19 effects will probably become evident by the second half of this year.
- The expected economic downswing we are witnessing is likely to create an uncertainty on demand for office space. Prices for office buildings may temporarily decline in metropolitan areas and we should have a clearer picture in the coming months.

Source: Deutsche Bank

France



Source: CBRE Research & Immostat

- With nearly € 7 billion invested, Q1 2020 recorded the best quarter of the past decade. Although the number of transactions has declined y-o-y, the market performed well due to an overall increase in average transaction volume, and particularly major transactions.
- Offices remain the asset category most prized by investors, with historically low yield at 2.75% for the prime CBD and hovering around 3% for the rest or the Paris.

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 – Q1 2020

Fund Portfolio

Germany, Stuttgart



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

Acquisition Date:	June 2017
Leverage at acquisition:	64.51%
Key Tenant:	Daimler AG
Current Occupancy:	99.65%
Current WALT*:	3.99 years

France, Paris



Sector:	Office
Total Area:	13,307 sq.m
Construction Completion 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
Current Occupancy:	76.84%
Current WALT*:	7.72 years

Germany, Neu-Isenburg



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

Acquisition Date:	December 2017
Leverage at acquisition:	59.33%
Key Tenant:	Arrow Central Europe
Current Occupancy:	92.41%
Current WALT*:	3.52 years

Germany, Ingolstadt Kosching



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

Acquisition Date:	February 2018
Leverage at acquisition:	57.31%
Key Tenant:	TKI Automotive
Current Occupancy:	100%
Current WALT*:	7.67 years

Germany, Hanover



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

Acquisition Date:	December 2018
Leverage at acquisition:	60%
Key Tenant:	Nord/LB Bank
Current Occupancy:	100%
Current WALT*:	9.75 years

* WALT - weighted average lease expiry as of 31 March 2020

Contact Information

Naveed Ahmad
(+974) 4459 6125 nahmad@tfi.com.qa

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

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