



Fund Summary

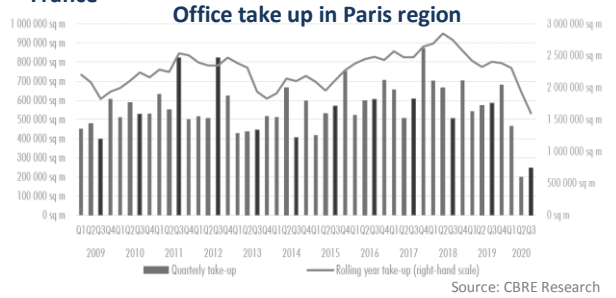
TFI-EU Property Income Fund (the “Fund”) was launched in 2017 as a Euro denominated, closed-end Cayman Islands exempted limited liability company. The purpose of the Fund is to invest in income-producing real estate investments in the Euro Zone countries on a Shariah-compliant basis. As of Final Closing 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 have been prorated amongst 5 acquired assets and the returns are distributed accordingly from the combined income earned by all assets to ensure parity among the Investors.

Return Summary

- The Fund has paid Q3 2020 dividends in October 2020 at an annualized rate of 6.60% on the investor subscriptions, in line with target returns.
- The consolidated dividend distributions to Investors since inception stands at €7.03 million as of Q3 2020.
- At the end of Q3 2020, the performance of all assets are in line with Fund objectives.
- The next dividends are targeted to be paid in January 2021.

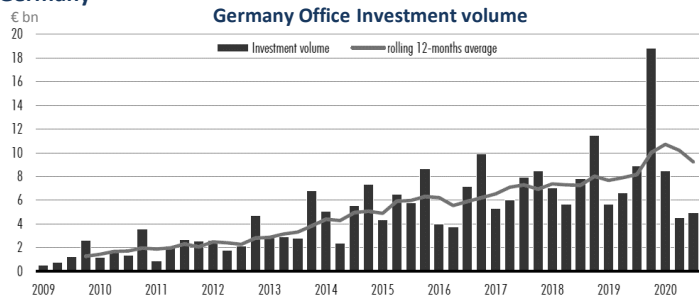
France



- Office transactions continued to decline, with new leases totaling to only 246,000 sqm (-58% year on year) for Q3 2020.
- Vacant space have increased considerably, totalling to 3.3 MM sqm (Oct 2020), with an average vacancy of 5.6% in the greater Paris region.
- Despite a net drop in rent demand, headline rents in the Paris region remain stable with owners providing increased incentives.

European offices outlook

Germany



- The transaction volume overall fell by 15% year-on-year to €18bn. However, office assets continue to hold their position in terms of transaction volume in the German market. The decline in transaction volume is mainly due to unavailability of quality core properties and not a result of declining investor interests.
- The new leasing has witnessed sharp decline in all big 7 cities (Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Munich, Stuttgart), since the beginning of this year. In Berlin, new leases fell by more than 30% to 498,000 sqm, which is unusual for a German capital which is considered safe investment destination by investors. The reasons for this acute weakness in demand are obvious; uncertainty about future course of the pandemic and its impact on the business environment.
- Despite the significant decline in lettings, rents are proving to be very stable and robust. Average prime rental yields in the Big 7 office markets dropped by 4 basis points in Q3 to reach at 2.85%. This reflects a year on year decline of 15 basis points.

Source: CBRE Research & JLL

Fund* Summary

Sponsor and Investment Manager	The First Investor QPSC (“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





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
Current LTV:	51%
Key Tenant:	Daimler AG
Current Occupancy:	99.65%
Current WALT*:	3.50 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
Current LTV:	55%
Key Tenants:	Solabia, SAS Papyrus Group
Current Occupancy:	78.98%
Current WALT*:	2.89 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
Current LTV:	60%
Key Tenant:	Arrow Central Europe
Current Occupancy:	97.95%
Current WALT*:	2.91 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
Current LTV:	49%
Key Tenant:	TKI Automotive
Current Occupancy:	100%
Current WALT*:	7.17 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
Current LTV:	52%
Key Tenant:	Nord/LB Bank
Current Occupancy:	100%
Current WALT*:	9.25 years

* WALT - weighted average lease expiry as of 30 September 2020

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