



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).

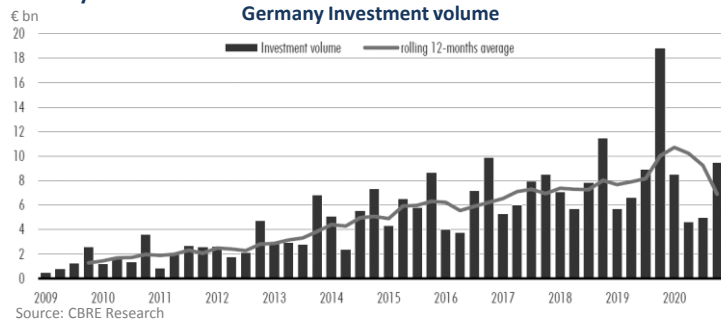
The Fund’s Subscription Amount (cumulative) as of Final Closing Date is €38.6 million. The Investors Subscription have been prorated amongst 5 acquired assets and the returns are distributed accordingly from the combined income earned by all assets to ensure parity among the Investors.

Return Summary

- The Fund has paid Q4 2020 dividends in January 2021 at an annualized rate of 6.66% on the investor subscriptions, in line with target returns.
- The consolidated dividend distributions to Investors since inception stands at €7.68 million as of Q4 2020.
- At the end of Q4 2020, the performance of all assets are in line with Fund objectives.
- The next dividends are targeted to be paid in April 2021.

European offices outlook

Germany

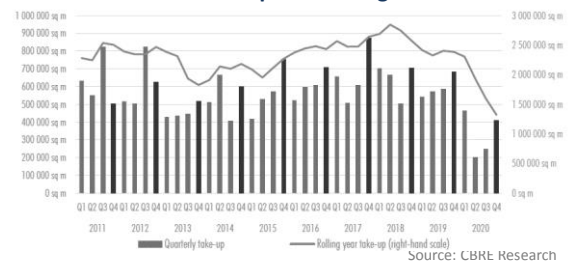


- Though the transaction volume was visibly lower in Q4 2020 due to the continued lockdown, the German office investment market had a reasonably good year with €26bn invested in 2020. Although the volume is circa 35% lower compared to 2019, the transaction volume is significantly (30%) better than the 10 year average. Office assets continue to hold their dominant position in terms of transaction volume in the German market.
- Office space take-up (new leases) in the big cities (7 prominent markets) fell by more than 33% to a total volume of 2.67 million sqm. Take-up has decreased in all 7 real estate strongholds, ranging from -25% in Munich to -55% in Stuttgart. Even Berlin, which has become accustomed to success, registered a 25% decline. In view of the existing situation, the majority of companies have decided to put on hold their office expansion plans and rather took measures to renew the leases of existing spaces.
- Office rents are proving to be very stable and robust. The average office prime yields stood at 2.81% by Q4 2020 (12 basis points lower compared to the Q4 2019).

Source: CBRE Research & JLL

France

Office take up in Paris region



- A worsening economic situation, lack of visibility and successive waves of the Covid-19 pandemic have witnessed significant downturn in 2020 on business in the Paris region.
- Paris region has observed a decline in the new office leases take up by -45% y-o-y and -44% when compared with the 10-year average.
- Paris region vacancy rate has continued to grow to 6.3% due to the completion of numerous projects and at the same time pre letting market is almost non existence.

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*:	3.53 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*:	2.71 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*:	2.70 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:	48%
Key Tenant:	TKI Automotive
Current Occupancy:	100%
Current WALT*:	6.92 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:	51%
Key Tenant:	Nord/LB Bank
Current Occupancy:	100%
Current WALT*:	9.00 years

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

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