



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.

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.

Company Update

- The term of the Fund is 3+1+1 years from the Final Closing Date of 31 December 2018. The Term of the Fund will be extended by one year until 31 December 2022 by exercising one year extension option.
- A partial or full exit is targeted any time within this one year extension, however no assurance can be provided that the exit (full or partial) will be achieved during this period.
- The Investment Manager and Asset Manager have jointly initiated steps to undertake full or partial exit of the Fund’s investments.

Return Summary

- The Fund has paid Q3 2021 dividends in September 2021 at an annualized rate of 6.66% on investor subscriptions, in line with target returns.
- The consolidated dividend distributions to Investors since inception stands at €9.6 million (cumulative distribution from inception till date of 24.85%) as of Q3 2021.
- At the end of Q3 2021, the performance of all assets are in line with Fund objectives.
- The next dividends are targeted to be paid in January 2022.

European offices outlook

Germany

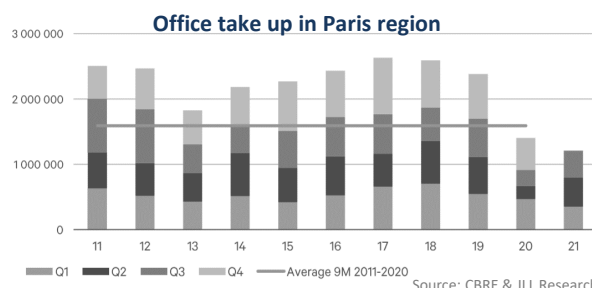


Source: CBRE Research

- The continuing emergence of new coronavirus variants and new studies regarding breakthrough infections not only create ongoing uncertainty among companies and consumers but also complicate the path to economic revival. In addition to the pandemic, disruptions in global supply chains and material shortages are increasingly causing production bottlenecks with an impact on economic growth.
- The German office real estate investment market achieved a transaction volume of €18.6bn until Q3 2021, reflecting a growth of 3% compared to the previous year. The transaction volume is expected to be reaching €25bn by the end of 2021. Leasing is picking up and a return to pre crisis levels is expected at the beginning of 2022. Prime yields for top 7 cities declined to 2.78%, due to the increasing demand and lack of supply.

Source: CBRE & JLL Research

France



Source: CBRE & JLL Research

- Positive signs of recovery of the office market seen from February are being confirmed with the Q3 performance. Take up has increased 32% year on year for the nine months of 2021. There is clear rebound in the take up for small and intermediated units while the medium to large units have seen slower recoveries.
- The vacancy rates have stabilized at 7.3% for the Paris region for Q3. However the Paris city area has seen a decrease in the vacancy while the peripheral areas have seen slight increases in vacancy due to the increased supply of new/refurbished offices.
- Prime rents have been more or less stable while there have been increase in the incentives as the owners focus on maintaining headline rents.

Source: CBRE & JLL Research



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*:	2.90 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:	54%
Key Tenants:	Solabia, SAS Papyrus Group
Current Occupancy:	71.45%
Current WALT*:	4.59 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:	61%
Key Tenant:	Arrow Central Europe
Current Occupancy:	97.95%
Current WALT*:	1.98 years

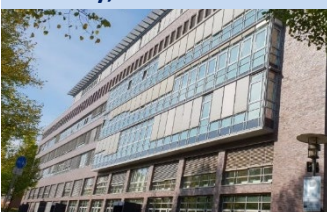
Germany, Ingolstadt Kosching



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*:	6.17 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
49	51%
Key Tenant:	Nord/LB Bank
Current Occupancy:	100%
Current WALT*:	8.25 years

* WALT - weighted average lease term as of 30 September 2021

Contact Information

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