



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 2023 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.

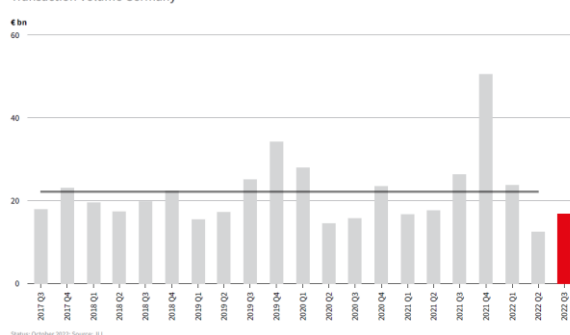
Return Summary

- The Fund has paid Q3 2022 dividends in October 2022 at an annualized rate of 6.50% on investor subscriptions, in line with target returns.
- The consolidated dividend distributions to Investors since inception stands at €12.09 million (cumulative distribution from inception till date of 31.3%) as of Q3 2022.
- The next dividends are targeted to be paid in January 2023.

European office outlook

Germany

Transaction Volume Germany



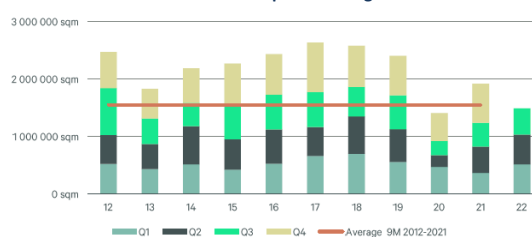
Status October 2022, Source: JLL

- The German GDP continues to grow at 0.4% (QoQ) and 1.2% (YoY), a slower pace mainly due to the geopolitical upheavals, energy crisis and supply chain bottlenecks. Higher interest rates and inflation has resulted in investors being cautious and banks at the same time delaying loans due to greater risks. Despite the current environment, this asset class is generally expected to remain sustainable in the near future.
- The German office real estate investment market achieved a transaction volume of nearly €20bn until Q3 2022, reflecting a growth of 7.5% compared to the previous year. Purchase by foreign investors has increased from 29% in 2021 to 36% in 2022 thereby indicating interest in this sector. The vacancy rate averaged 4.8% across the top 7 cities which is slight higher than previous quarter. The rents in the top 7 cities is expected to rise by a further 1.9% till end of the year.

Source: CBRE & JLL Research

France

Office take up in Paris region



- The Greater Paris region office market is holding itself, take up has increased 20% y-o-y for the first nine months of 2022, primarily due to the strength in small and medium spaces in business districts.
- The vacancy rates is at 6.9% in Q3 and nearly the same as last year. Nearly 31% of the vacancy is in new/refurbished assets and is high compared to previous years. Vacancy rates in prime areas like central Paris is 3% while peripheral area vacancy has increased. Prime rents have been more or less stable and increased by 5.3% Y-o-Y whereas in peripheral areas attractive incentives are being offered on headline rents.



Fund Portfolio

Germany, Stuttgart



Sector:	Office
Total Area:	22,560 sq.m
Construction Completion Year:	1994 (refurbished 2014)
Total Transaction Costs:	€40.7 million
Fund Invested Amount:	€9.1 million

Acquisition Date:	June 2017
Current LTV:	50%
Key Tenant:	Daimler AG
Current Occupancy:	100.0%
Current WALT*:	6.54 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:	100.0%
Current WALT*:	7.25 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:	100.0%
Current WALT*:	5.17 years

Germany, Neu-Isenburg



Sector:	Office
Total Area:	12,554 sq.m
Construction Completion year:	2013
Total Transaction Costs:	€40.2 million
Fund Invested Amount:	€9 million

Acquisition Date:	December 2017
Current LTV:	62%
Key Tenant:	Arrow Central Europe
Current Occupancy:	100.0%
Current WALT*:	1.17 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:	53%
Key Tenants:	Solabia, SAS Papyrus Group
Current Occupancy:	69.18%
Current WALT*:	3.99 years

* WALT - weighted average lease term as of 30 September 2022

Contact Information

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