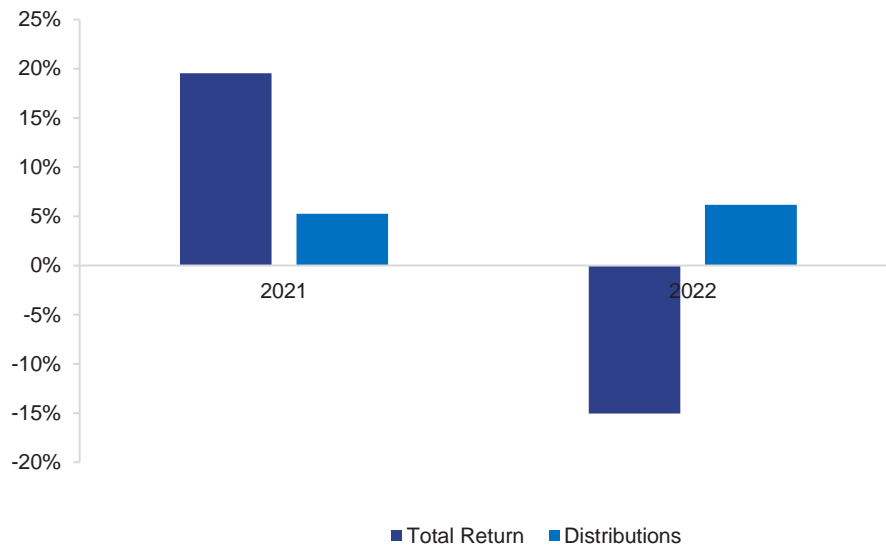


December 2022

Investment Objective

The Share Class invests in a single logistic asset leased to Timberland and located in Almelo, The Netherlands. The investment objective is to generate a regular income and grow capital over time by benefiting from progressive rental escalations. The investment makes use of limited recourse leverage to enhance returns and is hedged in USD. For the current year, the share class targets a dividend per share of \$7 per share (paid monthly).

Performance Overview



Cumulative Net Performance (%)

	Total Return	Distributions
2021	19.55	5.25
2022 YTD	-15.04	6.16

Source: Rasmala's Internal Performance Measurement Team & Apex Fund Services Ltd. (%)
¹ Performance is net of fees and expenses based on the European Real Estate Income Fund D10 USD Income share class as of 31st December 2022.
² Launch date of performance measurement period is 13th April 2021.
 Historical performance is not and should not be construed as being indicative for the future or likely performance.

Portfolio Manager Commentary

The share class achieved the objective of paying the target \$7 distribution for the year. However, the share price declined during the year due to a decline in the value of the underlying property.

The tenant continues to pay the rent on time without delays and is fully committed to the site having signed an LOI for the development of a new property adjacent to the existing one to expand their operations. As part of the LOI, the tenant has agreed to lease the new property for 15 years, which gives us confidence that the existing lease will be renewed when it expires in 2029. ¹

The decline in value of the property on 31st December was caused by the higher interest rates which are impacting the overall European property market. In particular, logistics sector recorded higher than market declines due to the low yields which were recorded at the beginning of the year. Given the strong growth of rents in the logistics sector, we expect that this decline in value will be temporary and that it should be recovered over the next 3-5 years, providing an opportunity to sell the property profitably. ²

The currency hedging strategy has worked well since inception and has delivered a substantial cash payout in December. Going forward, given the current low level of the Euro, we have decided to partially reduce the currency cover to avoid that future appreciation of the Euro versus the USD drains liquidity and triggers a margin call. This is expected to increase the sensitivity of the share price to movements of the EUR but is expected contribute positively to the total return over time. ¹

Source

1 Rasmala Real Estate Team
 2 CBRE Valuations Q4 22



Share Class Information

Fund	Rasmala European Real Estate Income Fund
Share Class	Class D10 USD INC
Currency	USD
Asset Type	Logistics Facility
Location	Almelo, Netherlands
Tenant	Timberland Europe B.V
Dividend Frequency	Monthly
ISIN Number	KYG738783011
NAV/Share	\$91.04
Monthly Dividend	\$0.58
Inception Date	13/04/2021
Investment Manager	Rasmala Investment Bank Limited
Administrator	Apex Fund Services Ltd.
Auditor	PricewaterhouseCoopers
Legal Advisors	Maples & Calder LLP
Sharia Advisor	Dar Al Sharia Limited

Asset Information^{1,2}

Asset Class	Logistics Facility
Property Valuation	€55,923,603
Last Valuation Report	31 Dec 2022
LTV	56%
Loan	€31,392,500
Rent Reviews	CPI (3% cap) p.a. Rent Review June 2023
Rental Cap	4.84%
Rent expiry date	31 Mar 2029
Annual Rent	€2,848,748
Market Rent	€2,855,548
Under/Over Rented	-0.01%

Distribution policy and capital depletion

The share class aims to make regular distributions at a pre-announced rate reviewed on a quarterly basis by the Directors of the Fund. Distribution rates are set on the basis of the average anticipated total return of the share class, are funded by available cash and can exceed the income of the underlying investment. In the event that the rate of distributions falls short of the total return achieved during a given period, the share price will decline by an amount corresponding to the shortfall leading to capital depletion.

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