

## December 2023

### 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. 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 (\$)	Dividend Yield (%)
2021	19.55	5.25	4.62
2022	-15.04	7.00	7.69
2023	-0.58	7.00	8.37

Source: Rasmala's Internal Performance Measurement Team & Apex Fund Services Ltd. (%)  
<sup>1</sup> Performance is net of fees and expenses based on the European Real Estate Income Fund D10 USD Income share class as of 31<sup>st</sup> December 2023. Current dividend yield equals to last 12 months distributions over current price.  
<sup>2</sup> Launch date of performance measurement period is 13<sup>th</sup> 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 met the objective of paying \$7 for the year, resulting in a yield of 8.37% relative to the closing share price.

The total return was however marginally negative due to the fall of share price caused by the decline in value of the property. In general, valuations of Dutch logistics assets have been marked down during the year, although less than the sharp falls of 2022, pointing to a possible bottoming out. With European interest rates falling from the extreme levels touched in October 2023, Dutch logistics assets are again displaying an attractive yield relative to fixed income boding well for a return of institutional investors.

In December we commenced the construction of a €4mil extension to the property which will be used by the tenant as an office. The tenant also commissioned the development of a second warehouse on the adjacent plot of land signing a forward starting 15 year, index linked lease, showing its commitment to the site and reinforcing the expectation of a renewal of the lease.

We have engaged the lending bank to discuss the extension of the current facility maturing in July 2024. Initial feedback is that the bank sees positively the construction of the extension and of the second asset. However, we are anticipating that the cost of finance will be substantially higher than what we are paying at the moment, necessitating a reduction of distribution at some point this year.

We are however planning to sell the property at some point in 2025 to return capital to investors.



### 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	\$83.68
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

Asset Class	Logistics Facility
Property Valuation	€55,791,982
Last Valuation Report	31 December 2023
LTV	56.3%
Loan	€31,392,500
Rent Reviews	CPI (3% cap) p.a. Rent Review March 2024
Rental Cap	4.85%
Rent expiry date	31 Mar 2029
Annual Rent	€2,939,176
Under/Over Rented	-12.3%

### Product Risk Rating (\*)



(\*) Determined by Rasmala Risk Management Team. 1 = low risk; 5 = high risk

## 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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