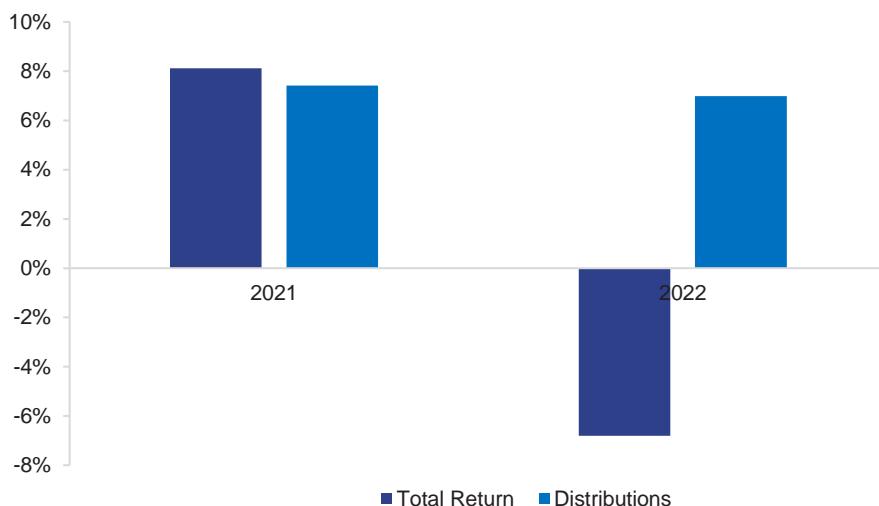


December 2022

Investment Objective

The Share Class invests in a single Research Laboratory leased to Genencor, a subsidiary of International Flavours & Fragrances (IFF), located in the Leiden University Bio-Science Park, 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. The current target dividend per share is \$7 per annum (paid monthly).

Performance Overview



Cumulative Net Performance (%)

	Total Return	Distributions
2021 (*)	8.12	7.41
2022 YTD	-6.80	6.98

Source: Rasmala's Internal Performance Measurement Team (%).

* Performance is net of fees and expenses based on the European Real Estate Income Fund D7 USD Income share class as of 31st December 2022.

* Launch date of performance measurement period is 3rd January 2021

Historical performance is not and should not be construed as being indicative for the future or likely performance.

Portfolio Manager Commentary

The asset performed as expected despite the economic stresses across the property sector. Rents were collected on time and with cost of finance fixed until 2025 ensure a stable income stream for investors, hence, holders of shares received their monthly distributions of \$0.58 per share, equivalent to an annualized yield of 7% of issue price.^{1,2}

The decline in value of the property on 31st December over the year was caused by the higher interest rates, to tackle high inflation, 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 sector, we expect that this decline in value will be temporary and that it should be recovered over the next 3-5 years.^{1,2}

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

Looking forward, JLL expects activity in the sector to remain steady in the next 12 months, although economic uncertainty, continued investment and occupier supply constraints, and a reduction in VC investment will impact activity. The market will proceed to produce healthcare advancements, but caution will remain a constant.³

Sources

¹ Rasmala Real Estate Team

² CBRE Valuation Q4 22

³ JLL life science cluster report 2023



Share Class Information

Issuer	Rasmala European Real Estate Income Fund
Share Class	Class D7 USD INC
Currency	USD
Asset Type	Office and Laboratory
Location	Leiden, Netherlands
Tenant	Genencor International B.V (DuPont)
Dividend Frequency	Monthly
ISIN Number	KYG738782930
NAV/Share	\$87.60
Monthly Dividend	\$0.58
Inception Date	03/01/2021
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	Office and Laboratory
Property Valuation	€33,569,274
Last Valuation Report	31 Dec 2022
LTV	56%
Loan	€18,900,000
Rental Reviews	Annual, CPI cap Rent Review March 2023
Rental cap	4.96%
Rent expiry date	17 Mar 2038
Annual Rent	€1,727,692
Market Rent	€1,710,665
Under/Over Rented	+1%

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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