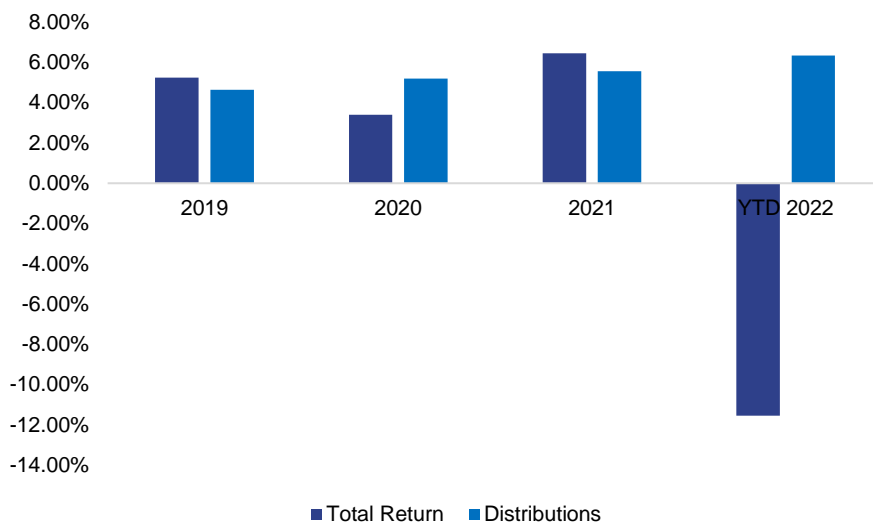


December 2022

Investment Objective

The Fund invests into a diversified portfolio of long income Real Estate, Social and Economic Infrastructure assets primarily located in the United Kingdom, USA and Continental Europe. The Share class targets an annual distribution of \$9 per share (paid monthly).

Performance



Cumulative Net Performance (%)

| Year | Total Return | Distributions |
|------|--------------|---------------|
| 2019 | 5.25 | 4.01 |
| 2020 | 3.40 | 5.19 |
| 2021 | 6.46 | 5.57 |
| 2022 | -11.54 | 6.34 |

Source: Rasmala's internal performance measurement team. Please note: Performance is net of fees and expenses based on the Rasmala Long Income Fund A USD Income share class which was launched on 3rd March 2019. Historical performance is not and should not be construed as being indicative for the future or likely performance.

Fund Information

| | |
|--------------------------|---------------------------------|
| Asset Type | Real Estate |
| Fund Currency | United States Dollars |
| Net Asset Value | USD 179 million |
| Domicile | Cayman Islands |
| Investment Manager | Rasmala Investment Bank Limited |
| Portfolio Manager | Ruggiero Lomonaco |
| Administrator | Apex Fund Services Ltd. |
| Auditor | PricewaterhouseCoopers |
| Legal Advisors | Maples & Calder LLP |
| Sharia Advisor | Dar Al Sharia Limited |
| Inception Date | 18 December 2018 |
| Structure | Open-Ended |
| Dealing Frequency | Daily |
| Dividend Frequency | Monthly |
| Redemption Notice Period | 5 Days |

Share Class Information

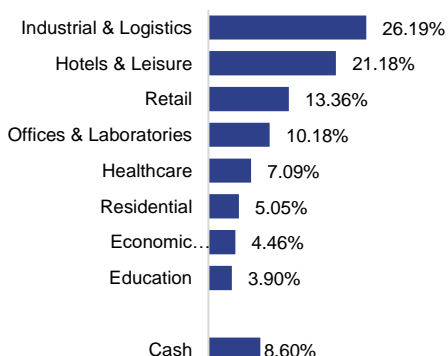
| | |
|-------------------|---------------------|
| Code | Class A USD INC |
| ISIN | KYG7387W1188 |
| Currency | USD (hedged) |
| Distributions | Monthly |
| Dealing | Daily |
| Redemption Notice | 5 business days (*) |
| Management Fee | 1%p.a. |
| Subscription Fee | Up to 5% |

(*) Redemptions are subject to a Dilution Adjustment.

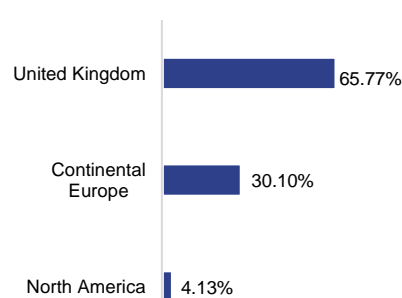
Currency Exposure (USD class)

| | |
|-----|--------|
| USD | 60.70% |
| GBP | 31.44% |
| EUR | 7.85% |

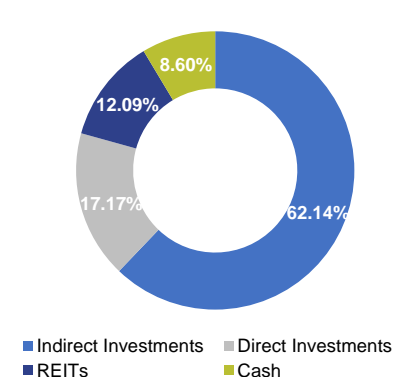
Sector Allocation



Geographical Allocation



Portfolio Composition



Source: Rasmala Real Estate Team

Portfolio Manager Commentary

The income of the portfolio continues to increase as a result of the elevated inflationary environment which is gradually lifting rents.

Capital values of Long Income assets in UK and Europe were, however, negatively impacted by the general negative sentiment during the last quarter of the year. In the USA, NNN leased assets showed more resilience.

The yield on long income asset is now comparable to that of investment grade fixed income securities, with the added advantage of growth via the inflation linkage or fixed rental escalation (1).

Portfolio composition

The Fund invests in a diversified portfolio comprising listed and non-listed assets, with the allocation skewed towards non-listed assets to control short term volatility.

The majority of non-listed investments consists of Direct Property Funds which provide diversification and some form of liquidity. The balance of non-listed investments comprises Direct Investments in single properties through which we aim to generate a superior return.

Listed investments comprise a diversified portfolio of Long Income REITs and listed Social and Economic Infrastructure Funds.

During the course of the next 12 months we plan to decrease unlisted investments and increase exposure to listed investments to enhance the overall liquidity profile of the portfolio and capture the superior return opportunities we see in this part of the market.

Sector Allocation

The Fund invests primarily in alternative real estate sectors where long income assets are more common. Within traditional sectors, the focus tends to be on mission critical assets with long income profiles.

Sector preferences are dictated by an analysis of multiple long-term economic trends which are believed to have a significant impact on the use of real estate and infrastructure assets. Example of such trends are Aging Population, Energy Transition, Digital Transformation, and Sustainable Urbanization.

Whilst long term economic trends are expected to persist over multiple economic cycles, attention is also given to short and medium term trends which might affect the performance of a particular investment.

The **Industrial and Logistics** sector benefits from the progressive shift towards e-commerce which is transforming retail sales. In addition, following the trade disruptions caused by the recent pandemic and persistent geopolitical tensions, the sector is benefiting from a process of re-shoring of production and re-stocking.

These increasing automation of Logistics warehouses has transformed this traditional sector in an ideal candidate for Long Income strategies, as tenants are keen to secure built-to-suit

properties in which they have made substantial investments in automation systems.

The **Residential** long income sector consists essentially of Affordable Housing properties leased to either Housing Associations or Local Municipalities on long leases with inflation linkages. Serviced Apartments also offer an opportunity to secure long leases with specialist operators, however credit counterparty may be an issue. Another area where it is possible to find long leases is in the Shared Ownership or Gradual Ownership area, where tenants are keen to enter into long leases on properties which they wish to eventually acquire.

The **Retail** is going through a profound transformation as a result of the rise of ecommerce, with tenants becoming increasingly uncertain about the prospects of their business models and unwilling to enter into long leases. Within this sector, however, **Supermarkets** represent an exception, especially stand-alone properties which can service both traditional and online sales.

Traditional **Offices** have lost their appeal as long income assets. Sales and leaseback of corporate HQs have become less frequent after accounting and tax incentives of long leases were removed. Corporate tenants have also started to value flexibility in respect of their regional offices, resulting in a progressive shortening of leases. In general, the rise of work from home practices is also reducing overall demand for office space.

Life Science Laboratories and **Medical Office Buildings** interesting opportunities to secure long leases, given the specialized nature of these properties.

Similarly **Care Homes** provide an interest opportunity to secure long leases, although the recent pandemic has highlighted the challenges that operators in this sector may face.

The **Hotels & Leisure** sector consists of limited services hotels and family resorts with long leases. After two difficult years in which both income and capital values declined, we are now starting to see consistent improvements on both fronts and expect renewed investor interest.

Another interesting area to secure long income is in the **Economic Infrastructure** sector, primarily Data Centers and Renewable Energy which benefit from megatrends of Digital Transformation and Energy Transition.

Geographic and Currency Allocation

The Fund invests primarily in the United Kingdom where inflation-linked long leases are relatively common and where we have been able to identify relatively liquid Direct Funds to build our exposure.

Exposure to the EUR and GBP is only partially hedged to provide the share class an opportunity to generate additional return should the two currencies appreciate relative to the USD.

Authored by: Rasmala Real Estate Funds Team

Sources

1 – <https://www.cbre.com/insights>

Subscription Information and Key Performance Indicators for Additional Share Classes (%)

| Share Class | Price /Share 31/12/2022 | MTD | YTD | Since Inception | Inception Date | Mgmt. Fee | Deferred Sales Charges (*) | ISIN Number |
|-------------|----------------------------|-------|--------|-----------------|----------------|-----------|----------------------------|--------------|
| A USD Acc | 103.42 | -4.61 | -11.18 | 3.42 | 17/12/2018 | 1% | 0% | KYG7387W1006 |
| A USD Inc | 82.36 | -4.64 | -11.54 | 1.11 | 18/12/2018 | 1% | 0% | KYG7387W1188 |
| A GBP Inc | 89.72 | -5.19 | -4.75 | 8.14 | 19/02/2019 | 1% | 0% | KYG7387W2178 |
| A EUR Inc | 88.54 | -5.76 | --7.31 | 3.21 | 12/02/2019 | 1% | 0% | KYG7387W1915 |

Please note: (*) Deferred Sales Charges are paid upfront but capitalized in the NAV and amortized daily over a period of 2 years for Class "S" shares and over a period of 3 years for Class "M" Shares. An amount equal to the un-amortized portion of the deferred sales charge will be deducted from redemption proceeds in case of redemption prior to the end of the amortization period. Kindly refer to the PPM, to know more on the fees charged. The Fund publishes daily dealing prices at which shares can be subscribed and redeemed. Dealing prices can be higher or lower than IFRS NAV published within the annual audited report.

For further information please contact our Client Services Team at +971 4 424 2700 or by email at clientservice@rasmala.com

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The dealing price published by the Fund can be higher or lower than the IFRS NAV of the Fund because of the effect of a Dilution Adjustment which reflects the net cost of acquiring or selling the underlying assets of the Fund. Investors should be aware that during the month the dealing price can swing up or down by effect of subscriptions or redemptions in the Fund. The likelihood of a downward swing is higher when the Fund runs a low liquidity buffer.