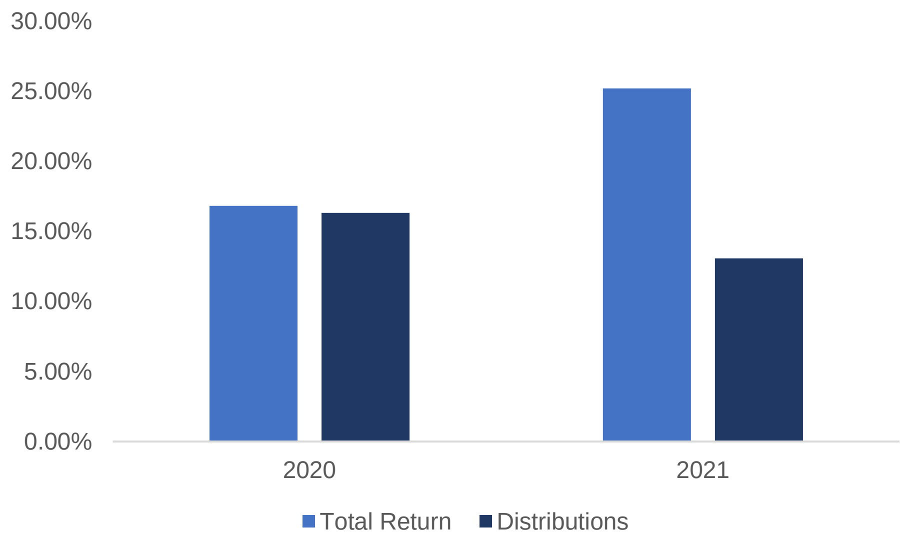
# Rasmala North American Real Estate Income Fund
## Class D3 USD INC

**November 2021**

### Investment Objective

The Fund invests in a diversified portfolio of Real Estate, Social and Economic Infrastructure assets primarily located in the United States of America with the aim of generating a secure income and some capital appreciation. Investments are made in both Real Estate Investment Trusts, open ended property funds and direct properties. All rental income and realized capital gains are distributed in cash to investors on a monthly basis.

### Performance Overview




### Cumulative Net Performance (%)

| | Total Return | Distributions |
|---|---|---|
| 2020 | 16.81 | 16.32 |
| 2021 | 25.19 | 13.08 |

Source: Apex Funds Services. Performance is net of fees and expenses. From 1 Jan 2020 to 30 June 2020, performance is based on Class D1 USD INC. Class D3 USD INC was launched on the 2 July 2020. Historical performance is not and should not be construed as being indicative for the future or likely performance.

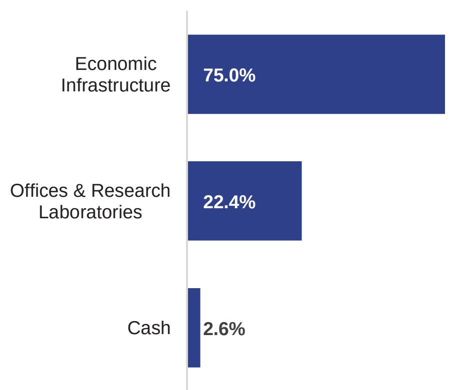
### Fund Information

| | |
|---|---|
| Asset Class | Real Estate |
| Fund Currency | USD |
| Total Net Assets | USD 77.4 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 |
| Sharia Advisor | Dar Al Sharia Limited |
| Inception Date | 30 December 2019 |
| Structure | Open-Ended |

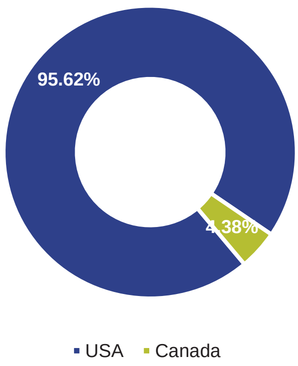
### Share Class Information

| | |
|---|---|
| Name | Class D3 USD INC |
| Distribution Frequency | Monthly |
| Subscription Frequency | Daily |
| Redemption Frequency | Daily |
| Redemption Notice | 5 Days |
| Subscription Fee | 0% |
| Redemption Fee | 0% |
| Acquisition Fee | 1% |
| Management Fee | 0.50%pa |
| Performance Fee | 10% (7% hurdle) |

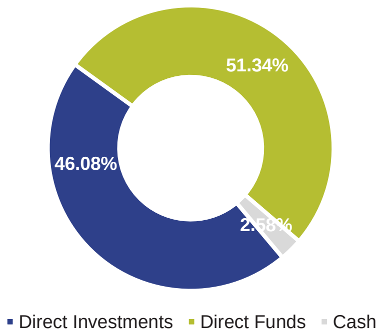
### Sector Allocation




### Geographical Breakdown




### Portfolio Breakdown



## Portfolio Manager Commentary

The Fund currently invests in 15 assets and has no exposure to REITs to shield the NAV from equity markets volatility, with the liquidity buffer entirely invested in cash. The portfolio manager expects to maintain this prudent allocation for the foreseeable future until there is more clarity on the timing of the tapering of assets purchases and the normalization of interest rates policy. The view is that, as we approach year end and assets in the portfolio are revalued, capital gains from non-listed assets should be sufficient to bridge the income shortfall from the large allocation to cash, ensuring that monthly distributions do not cause the NAV to decline.

Within the **Offices & Research Laboratories** sector, Research Laboratories have emerged as a relative safe asset class during the pandemic as the research conducted within laboratories, especially those engaged in bio-science technology, was considered an essential activity, and allowed to continue even during lockdowns. (1) The current holdings of the Fund in this sector continues to pay income regularly, with the next valuation scheduled in December.

Similarly, within the **Economic Infrastructure** sector, Data Centers have attracted considerable interest from institutional investors during the pandemic and continue to be primed as one of the most desirable areas for real estate investors to participate in the digital transformation of the economy. The portfolio of Data Centers in which the Fund is exposed continue to generate regular income and, in respect to properties valued quarterly, it is also showing consistent capital growth.

Besides the above two sectors, the Fund has a shortlist of investments to deploy incoming capital to diversify its exposure to the Retail, Healthcare, Industrial & Logistics, Education and Residential sectors.

Investment opportunities within the **Retail** sector consists essentially of properties leased on relatively long and secure income to a variety of Retailers addressing essential needs of consumers, and typically includes activities like Groceries, Pharmacies and Auto Repair workshops. These properties have typically individual low values and require a portfolio approach to achieve institutional scale and diversification. Within this sector “free standing retail” properties are emerging as a desirable format to operate multiple sales channels falling under the definition of Omnichannel retail.

The pipeline of opportunities within the **Healthcare** sector comprises Medical Office Buildings (in-patient and out-patient facilities) and Senior Housing. This is another highly specialized real estate sector which requires intimate knowledge of the operators conducting activities in those properties. The sector has also varying dynamics, with Senior Housing, for example, having experienced some headwinds over the last few years due to excessive supply.

The pipeline of **Industrial & Logistics assets** consists primarily of properties used by Retailers to conduct their e-commerce activities. Pure on-line retailers like Amazon as well as traditional retailers who have decided to implement online strategies have considerably increased demand of Logistics space to conduct their business pushing up rents and capital values.

The pipeline of investments in the **Education** sector primarily comprises Student Housing assets, but also include other premises located on campus and leased on a long-term basis to a university. Most of the Student Housing stock in the USA was built during the ‘60s on the back of the rise of the baby boomers’ generation and consisted of dormitories with shared facilities. The need to renovate this aging stock, coupled with the demand superior accommodation consisting of studios with en-suite bathrooms, has provided an opportunity for investors to deploy capital in a sector which has proven relatively uncorrelated to short term economic cycles.

Finally, the pipeline of **Residential** investments comprises multifamily estates, either in the form of apartment blocks or garden communities, and single-family rental homes which have strongly benefited from the trends towards larger housing units witnessed during the Covid pandemic as more individuals opt to work from home. Investment opportunities are tilted towards the so-called Sun Belt, i.e., States located in the southern part of the USA, which continue to benefit from migratory trends from individuals and families looking for milder climate and, in some cases, lower income taxes.

Source: Rasmala Real Estate Research Team

**Notes**

1 – Valuation Report, Cushman & Wakefield