

# Rasmala European Real Estate Income Fund



December 2019

## Investment Objective

Rasmala European Real Estate Income Fund ("Fund") aims to generate income and capital growth by investing in a Sharia compliant investments or structures which will provide exposure to the performance of a portfolio of European real estate assets. The portfolio is diversified among residential, commercial and social properties and invests in Europe and UK real estate assets.

## Fund Manager Report

During the month of December, the Fund delivered a positive net return of +0.66%, which was the eighth month of positive returns since launch.

The Timberland Logistic centre in the Netherlands, the largest direct investment of the Fund, delivered a +0.62% return (in Euro), whilst the Patrizia Hanover Property Trust underperformed delivering an income of +0.39% and a negative capital return of -0.93%.

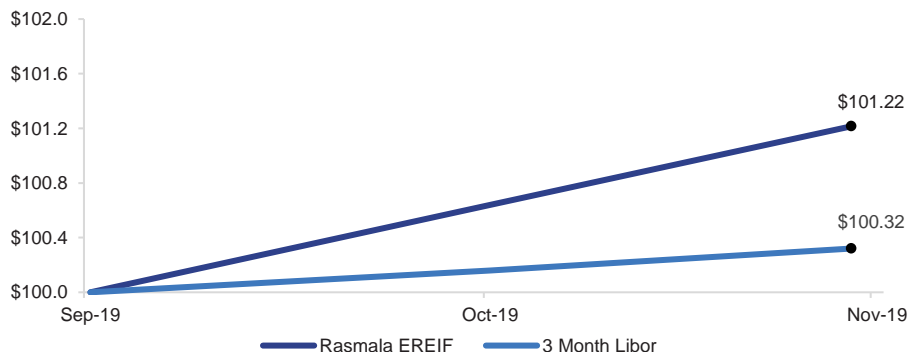
REITS performance was in general very strong validating our strategy of acquiring UK REITs at a discount prior to the UK election, with McKay Securities REIT delivering a total return of 11.83% during the month. Urban Logistics REIT delivered a total return of 9.8% during the month, on the back of the shift of preference of investors within the UK Logistics sector away from the Big Box theme.

The Foreign Exchange protection strategy continues to be a source of outperformance adding 0.94%p.a. to GBP denominated assets and 2.24%p.a. to EUR denominated assets, with a blended contribution of 1.61%p.a.. The Fund made its second direct investment in a Du Pont research laboratory located in the Bio-Science park of Leiden, near Amsterdam. The Euro 33mil facility, which is expected to be delivered in April 2020, has been pre-leased for a period of 18 years to Du Pont. The investment has been structured in a Shariah compliant manner to deliver a dividend yield of 7%p.a. and should also deliver some capital appreciation in the short term due to the strong interest of international investors for Dutch Commercial Real Estate.

During the month we increased our exposure to the Berlin Residential market via ADO Properties, taking advantage of a sharp drop in the share price following the announcement of the three-way merger with Alder Real Estate and Consus Real Estate to create a nationwide German Residential player. Our investment thesis is that over the next few months the market will reassess the discount at which ADO's had been trading following the decision of the Berlin Senate to freeze rents offering a near term capital gain opportunity.

Looking forward to 2020, we continue to project a total return comprised between 6-7%p.a. to be delivered primarily by the income on our investments.

## Performance Overview



## Monthly Net Performance\* (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	-	-	-	-	-	-	-	-	-	0.64	0.57	0.66	1.88

## Key Performance Indicators (%)

	1 Month	YTD	Since Inception <sup>2</sup>
Rasmala Long Income Fund <sup>1</sup>	0.66	1.88	1.88
3 Month LIBOR	0.16	0.48	0.48
Relative Performance	0.50	1.40	1.40

Source: Rasmala's internal performance measurement team (%).

<sup>1</sup> Performance is net of fees and expenses based on the Rasmala European Real Estate Income Fund A USD Accumulation share class as of 31<sup>st</sup> December 2019.

<sup>2</sup> Launch date of performance measurement period is 30th September 2019

## Fund Information

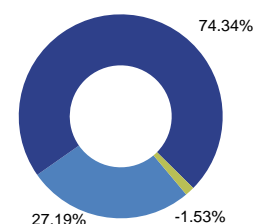
Asset Type	Real Estate
Fund Currency	GBP, USD, EUR
Total Net Assets	USD 66 million
Domicile	Cayman Islands
Investment Manager	Rasmala Investment Bank Limited Eric Swats
Investment Committee	Ruggiero Lomonaco Naseer Aka Doug Bitcon
Administrator	Apex Fund Services Ltd.
Auditor	PricewaterhouseCoopers
Legal Advisors	Maples & Calder LLP
Sharia Advisor	Dar Al Sharia Limited
Inception Date	30 September 2019
Structure	Open-Ended
Subscription Frequency	Daily
Redemption Frequency	Daily
Dividend Frequency	Monthly
Redemption Notice Period	5 Days
WAULT (years)	8.13

## Strategy Breakdown

Traditional	Alternative	Cash
92.20%	9.33%	-1.53%

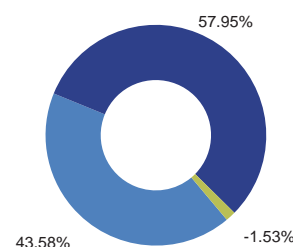
Traditional allocation includes office, retail and logistics. Alternative allocation includes health care, education, supermarkets and budget hotels.

## Lease Breakdown



■ More than 10 years ■ Between 5 and 10 years  
■ Less than 5 years ■ Liquidity

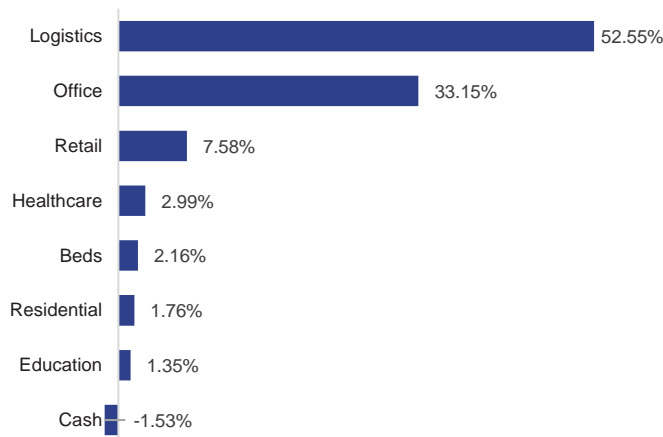
## Geographical Breakdown



■ United Kingdom ■ Continental Europe ■ Liquidity

December 2019

## Sector Allocation



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

Share Class <sup>1</sup>	NAV /Share 31/12/2019	1 Month	YTD	Since Inception	Entry Charge	Exit/Redemption Fee <sup>2</sup>	ISIN Number
A USD Acc	101.88	0.66	1.88*	1.88*	Up to 5%	0%	KYG738781296
A GBP Inc	103.93	0.55	3.93	3.93*	Up to 5%	0%	KYG738781452
M USD Inc	100.32	0.55	1.13*	1.13*	Up to 5%	0%	KYG738781940

<sup>1</sup>Other shareclasses are stated in the Fund prospectus and available only to eligible investors as defined in the Fund prospectus.

Management fees for all share classes is 1%.

Minimum subscription as per Securities & Commodities Authority ('SCA') to be equivalent of AED 1 million.

<sup>2</sup>Exit fees are charged within the defined periods only.

\*Inception of the share class to date.

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