

Rasmala Long Income Fund

Temporary Suspension of Dealing – COVID-19

Questions & Answers – March 26, 2020



Background

The Rasmala Long Income Fund invests in three open ended TIME Investments Funds, namely:

- TIME Commercial Long Income Fund
- Freehold Authorised Investment Fund
- TIME Social Long Income Fund

A material uncertainty clause has been added into the property valuations of each of the TIME Investments Funds by their respective independent valuers, caused by the outbreak of the Novel Coronavirus (COVID-19). Consequently, dealing in the shares of TIME Investments Funds has, in accordance with Financial Conduct Authority (FCA) guidelines, been suspended effective of 9 am on 18 March 2020. This temporary suspension is in common with other authorised open-ended property funds, which have also suspended on the same material uncertainty basis.

This temporary suspension affects the Rasmala Long Income Fund which was in turn forced to suspend subscriptions and redemptions as well as switching or exchanging units/shares in it until further notice.

While we have taken this action to safeguard the interests of our investors and have answered some of questions you may have here, please don't hesitate to contact us if you want to discuss any of these points or have any other questions. You can call us on [+971 4 424 2700](tel:+97144242700) or email us at clientservice@rasmala.com.

1. Why has dealing been suspended?

The outbreak of the pandemic virus COVID-19 has had and continues to have a significant adverse effect on global markets. Whilst less affected than equity markets, the UK property sector is not immune to these unprecedented set of circumstances. Each of the Funds' valuers has advised the Investment Manager of the TIME Investments Funds that as a result of the ongoing emergency caused by COVID-19, there is material uncertainty over the value of the property assets of the TIME Investments Funds.

In accordance with the FCA Handbook, which each Time Investments Fund is subject to, where there are exceptional circumstances and it is deemed to be in the best interests of all shareholders, then a Fund will be suspended. In this exceptional case, each Time Investments Fund has been suspended as there is a risk that the material uncertainty of the valuer relating to the underlying property assets may mean an investor entering or exiting a Fund receives a share price significantly different than its underlying value. This may also impact shareholders who remain invested.

The three Funds' unanimous opinion of material uncertainty extends to the entire UK property market and has also been adopted by all regulated valuers in the UK. As such, in accordance with FCA guidelines the Funds, being substantially invested in UK property, suspended their dealing.

The Rasmala Long Income Fund was directly affected by the suspension of dealing of the TIME Investments Funds, and therefore had to suspend its dealing.

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2. Does the material uncertainty just relate to the property assets of the TIME Investments Funds?

Yes.

3. Do these material uncertainty clauses relate to all sectors of UK property?

The valuers' opinion of material uncertainty extends to the entire UK property market. This material uncertainty opinion has also been adopted by all regulated valuers in the UK.

The noted material uncertainty to property values is being applied across the whole UK market without any distinction between sub-asset classes, such as between ground rents and long leases to good covenants and secondary property with short leases.

Most of UK open ended property funds have already announced suspension of dealing.

4. Have the TIME Investments Funds suspended because they have insufficient liquidity to meet redemption requests?

No. Each Fund has adequate liquidity reserves, has generally experienced net subscriptions since inception, and had been well placed to meet redemptions on a daily and monthly basis. None of the three Funds would have suspended at this time were it not for each valuers' unanimous opinion of material uncertainty over property values in light of the impact of COVID-19.

The Rasmala Long Income Fund has currently USD 10 million in cash and is expected to receive approximately an additional USD 8 million from the currency hedges over the next 5 months. This is in addition to the existing dividend income earned on the portfolio and will assist in maintaining the current distribution level for the foreseeable future.

5. Can I place any deals in the Rasmala Long Income Fund?

Dealing instructions received will not be accepted. This includes any instructions placed prior to the date of suspension. Investors who subscribe through their Bank's Wealth Management platform should contact their appointed Relationship Manager for further information.

We will notify investors and their advisers as soon as dealing in the Fund recommences.

6. How long will the Fund be suspended for?

It is currently unclear how long the suspensions will continue as it is linked to the ongoing effects of the COVID-19 and is not related to the liquidity of the TIME Investments Funds nor of the Rasmala Long Income Fund, which have been unaffected. However, until such time as the valuer confirms that material uncertainty in the valuation of the property assets no longer exists, each Fund will remain suspended. The decision whether to remain suspended will be under continuous review. It is the intention of the Investment Manager of the Rasmala Long Income Fund to recommence dealing once the valuers have removed the material uncertainty clause from the valuations of each of the underlying TIME Investments Funds.

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7. Will the independent valuers continue to value the property portfolios during the period of the suspension?

Yes. The independent valuers will continue to provide a valuation of each respective TIME Investments Funds' property portfolio at the end of each month. However, the valuers' reports will contain a material uncertainty clause in relation to the value of each TIME Investments Fund's property portfolio. Consequently, the Rasmala Long Income Fund will continue to provide an indicative NAV on a daily basis.

8. Do you have sufficient liquidity, and if not, are you selling properties?

The Rasmala Long Income Fund and the TIME Investments Funds have sufficient liquidity to meet their investment objectives and to manage its property portfolio and its financial commitments. TIME Investments Funds are not seeking to dispose of any properties within its portfolio at this time.

9. Will the TIME Investments Funds' investment objectives change during the period of suspension?

No. The Funds will continue to be managed through their defensive strategies in line with their investment objectives. The Funds will continue to be actively managed and we will report on performance and any updates as normal.

10. Will the suspension affect my income distributions?

No. The TIME Investments Funds should continue to collect rent from tenants. On this basis, the Rasmala Long Income Fund should continue to make distributions as usual in accordance with its Private Offering Memorandum. For those holders of income shares, the distribution will be paid in cash and for those holders of accumulation shares the distributions will be accumulated into the capital value of the shares, as usual.

11. Who made the decision to suspend dealing?

The Board of Directors of the Rasmala Long Income Fund made the decision upon being notified by the Investment Manager of the TIME Investments Funds.

12. Will the suspension affect the publication of the audited financial statements for the Funds?

No. PWC, the appointed auditors of the Rasmala Long Income Fund, are currently conducting the normal audit of the financial statements of the Fund and these are expected to be published in the coming months.

The TIME Investments Funds will continue to publish financial statements. The Funds' annual reports for the year to 31 March 2020 are scheduled to be published at the end of July 2020 and will capture the event occurred after the suspension of dealings.

13. Will switch or stock transfer instructions be permitted?

The Rasmala Long Income Fund does not consider at present the possibility of switching between share classes.

Stock transfers between shareholders will be allowed with the consent of the Board of Directors of the Fund.

14. Will you write to me to tell me the suspensions have been removed?

Yes. We will write to shareholders and their advisers to notify the lifting of the suspensions. We will also provide investors and their advisers with up to date information when available via the Rasmala's website.

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15. How can I find out the value of my investments in the Fund?

As always, the Rasmala Long Income Fund will continue to publish the values of all its share classes on Bloomberg and in on Rasmala website at <https://rasmala.com/our-funds/>, as well as other information about each Fund, as and when it is released.

16. How can I contact you to find out more about the Fund and the suspension?

For more information as it becomes available please visit our website www.rasmala.com or should you require any further assistance please do not hesitate to contact our Client Service Team on +9714 424 2700 or clientservice@rasmala.com.

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