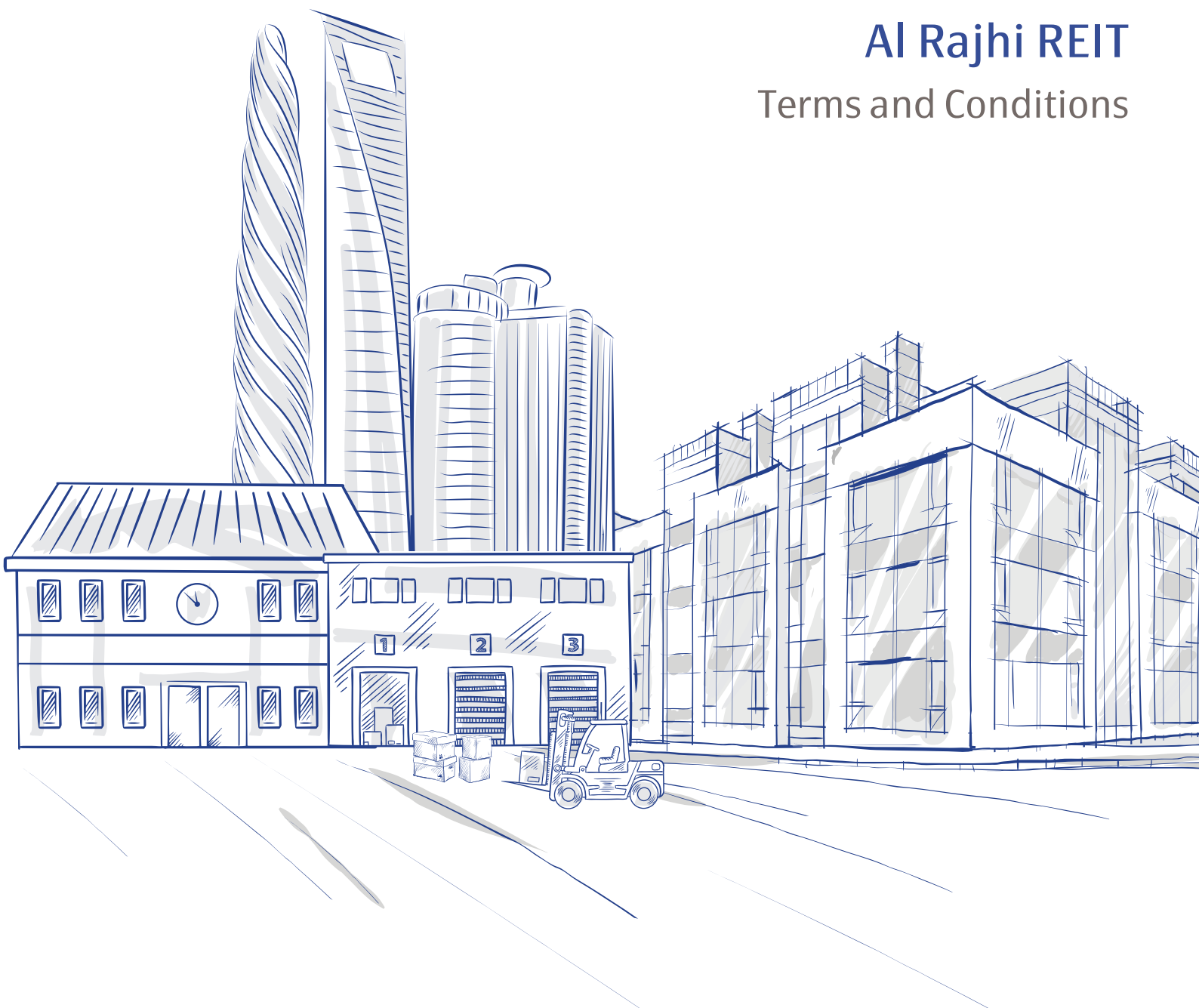




Al Rajhi REIT

Terms and Conditions



Public offering of Al-Rajhi REIT fund was approved by a resolution from the Capital Market Authority on 30/03/1439 AH (Corresponding to 18/12/2017 AD), and its terms and conditions were updated on (26/05/2022 AD).

Terms and Conditions

AL-RAJHI REIT FUND
 (A shariah-compliant close-ended traded real estate investment fund)

الراجحي المالية
 AlRajhi Capital 

Al-Rajhi Capital Company

Fund Manager

كسب المالية
 KASB Capital | كسب

Kasb Capital Company
 Custodian

Nominal value of fund at initial offering: 1,621,912,690 Saudi Riyal

The minimum total asset value of the target fund: 2,407,688,540 Saudi riyals.

The maximum total asset value of the target fund: 2,411,396,405 Saudi riyals.

Total number of additional units offered: 43,258,427 units

Additional units offered for in-kind subscriptions: (26,404,494) units

Additional units offered for cash subscriptions: A maximum of (16,853,933) units

Target unit price at offering: Average unit market price during the last 20 trading days before the Capital Market Authority approval (Offering target price for the additional units is to increase the total assets of the fund by offering additional units)

Fund Currency: Saudi Riyal

On (30/3/1439 AH) (corresponding to 18/12/2017 AD), and last update to the terms and conditions was made on 26/05/2022 AD

CMA does not provide any assurances regarding the accuracy or completeness of the information in this document, and the authority disclaims itself from any liability or any loss resulting from the contents of this document or reliance on any part of it. Those who wish to subscribe in the units offered under this document must read the whole of this document before purchasing units in the fund, as well as verify the related information to this offering. In case it is found difficult to understand this document, please refer to a licensed financial advisor.

Al-Rajhi REIT Fund has been approved as a Sharia compliant investment fund, in accordance with the Sharia criteria approved by the Sharia Counsel of the Fund.

Prospect investors must read this document in full, along with the subscription agreement before purchasing units of the fund.

Units will be issued at a nominal price of SAR 10 per unit. The target unit Price for subscription during the initial offering to increase the total assets of the fund, is the average unit price during the last 20 trading days before receiving the approval for offering from the Capital Market Authority. If the issue price was more than the nominal price, the difference shall be registered separately in the balance sheet under the net asset value of units held. If the issue price was less than the nominal price, the difference shall be registered as offering discount in the balance sheet under the net asset value of units held.

Important Notice

These terms and conditions cover details for Al-Rajhi REIT fund (the “Fund”), and offering of new units on the Fund. When applying to subscribe to the Fund, investors are considered to have submitted their applications according to the information contained in these terms and conditions, copies of which are available on the website of Al-Rajhi Capital (“Fund Manager”) (www.alrajhi-capital.com), or the website for the Capital Market Authority (the “Authority”) (www.cma.org.sa) or the website for The Saudi Stock Exchange (Tadawul) (www.tadawul.com.sa).

Prospective investors should carefully consider all information contained in this document before taking a decision with regard to investment in the fund as it is rated as a (High Risk) fund. Therefore, investing in the fund involves some high risks, and it is only suitable for investors who are fully aware of the investment risks and can bear such risks as described in Item 2 (f) of these terms and conditions.

These terms and conditions have been prepared by the Fund Manager (Al-Rajhi Capital), a closed Saudi joint stock company registered under Commercial Registry No. 1010241681, licensed as Capital Market Institution by the CMA under license no. 37-07068, issued on (10/03/1429 AH corresponding to 18/03/2008 AD), in accordance with the Real Estate Investment Funds Regulations issued by the Authority’s Board of Directors with Resolution No. 1-193-2006 dated 19/06/1427 AH (corresponding to 15/07/2006 AD) Authority Board of Directors Resolution No. 2-22-2021 dated 12/07/1442 AH corresponding to 24/02/2021 AD (“Real Estate Investment Funds Regulations”).

These terms and conditions also contain information that has been presented in compliance with the requirements for registration and acceptance of the listing of units in the Saudi financial market, in accordance with the Real Estate Investment Funds Regulations issued by the Board of Directors of the Saudi Capital Market Authority and the listing rules in the Saudi Stock Exchange (Tadawul).

The Fund Manager bears full responsibility for the accuracy and correctness of the information contained in the terms and conditions, and he also confirms, to the best of his knowledge and belief, and after conducting all possible studies to a reasonable extent, that there are no other facts, the omission of which would make any statement herein misleading. The Fund Manager has conducted all reasonable inquiries to ensure the accuracy of the information contained in these terms and conditions, and the fund’s board of directors has fulfilled all its duties and verified that the Fund Manager carries out his responsibilities in a way that serves the interest of the unit owners in accordance with the terms and conditions of the fund on the date of its issuance corresponding to 02/10/2019 AD. Funds and advisors have no guarantee of the accuracy or completeness of this information.

The Authority does not assume any responsibility for the contents of these terms and conditions and does not make any guarantees that these terms and conditions are correct or complete.

The Authority is not responsible for any financial loss arising from the application of any of these terms and conditions or due to reliance on them.

These terms and conditions have been prepared by the Fund Manager (Al-Rajhi Capital), a closed Saudi joint stock company registered under Commercial Registry No. 1010241681, licensed as a Capital Market Institution by the CMA under license no. 37-07068, issued on (10/03/1429 AH corresponding to 18/03/2008 AD), in accordance with the Real Estate Investment Funds Regulations issued by the Authority’s Board of Directors Resolution No. 1-193-2006 dated 19/06/1427 AH (corresponding to 15/07/2006 AD) as amended by the Authority Board of Directors Resolution No. 2-22-2021 dated 12/07/1442 AH corresponding to 24/02/2021 AD (“Real Estate Investment Funds Regulations”).

Anyone who receives these terms and conditions for the purpose of this investment must be aware of any legal or regulatory restrictions related to the offering and sale of units, and they also must observe those restrictions.

The information contained in these terms and conditions remains subject to change at the date of its issuance. Specifically, the value of units (including new units) may be negatively affected by future developments, such as inflation, changes in interest and tax rates, or any economic, political, or other factors, over which the Fund Manager has no control (for more details, please refer to Item (2)(f) Of the terms and conditions). These terms and conditions, or any oral or written information regarding the offered units, may not be considered as a guarantee for the investment profitability.

The forecasts contained in these terms and conditions have been prepared on assumptions based on the Fund Manager's information according to his market experience, in addition to the market information available to the public. Consequently, no affirmation, representation or warranty is made with respect to the accuracy or completeness of any of these forecasts.

Certain statements in these Terms and Conditions constitute "forward looking statements". Such statements can generally be identified by their use of forward looking words, such as "plans", "estimates", "believes", "expects", "anticipates", "may", "will", "should", "expected", "would be", or the negative forms, or other variation of such terms or comparable terminology. These forward-looking statements reflect the current views of the Fund Manager with respect to future events and are not a guarantee of future performance. There are many factors that could affect the actual performance, achievements or results of the Fund and cause them to be significantly different from what was expected, whether expressed or implied, in these forward-looking statements. Some of the risks and factors that could have such an effect are described in more detail in other sections of these Terms and Conditions (see Section (2)(f) of this document). Should any one or more of the risks or uncertainties materialize or any underlying assumptions prove to be inaccurate or incorrect, actual results may vary significantly from those described in these Terms and Conditions.

Declarations of the Fund Manager

1. The Fund Manager declares that the terms and conditions of the Al-Rajhi REIT Fund have been prepared in accordance with the Real Estate Investment Funds Regulations, issued by the Capital Market Authority.
2. The Fund Manager declares, after making all reasonable inquiries, and to the best of his knowledge and belief, that there are no other facts whose failure to include in this document would render any statement contained in it as misleading. The CMA and the Saudi Stock Exchange Company take no responsibility for the content of the terms and conditions.
3. The Fund Manager declares that the relevant real estate is free from any legalities that may prevent or cause non-utilization or operation, as well as technical safety of the real estate, and that it is free from any defects or major engineering mistakes that may prevent or cause it not to be used or operated, or could result in making costly major repairs and changes.
4. The Fund Manager acknowledge that there is no undeclared direct/indirect conflict of interest with any of the following:
 - Fund Manager
 - Manager(s) of relevant real estate to the fund.
 - Owner(s) of relevant real estate to the fund.
 - Tenant(s) of real estate assets whose returns constitute 10% or more of the fund's annual rental income.
 - The authorized resident appraiser.
5. The Fund Manager declares that he has taken the necessary due diligence to ensure that there is no direct / indirect conflict of interest between the property seller to the fund and the accredited appraisers.
6. The Fund Manager declares that all members of the Fund's Board of Directors have not been subjected to any bankruptcy, insolvency or liquidation procedures, and have not previously committed any fraudulent, dishonorable or fallacious acts, and have not previously committed any violations involving fraud or dishonesty, and are noted for their integrity and honesty, and that they have the skills and experience that qualify them to be members of the Fund's Board of Directors .
7. The Fund Manager declares that, the independent members comply with the definition of an independent member contained in the glossary of terms used in the regulations and instructions of the Capital Market Authority, and this will also apply to any independent member appointed by the Fund Manager during the term of the fund.
8. The Fund Manager declares that there are no business activities or other important interest for the members of the Board of Directors of the Fund Manager, "Al-Rajhi Capital," that may conflict with the fund's interests.
9. The Fund Manager declares that there are no incidents of conflict of interest that would affect the Fund Manager in performing his duties towards the fund.
10. The Fund Manager declares that there are no other fees than those mentioned in the schedule of fees and charges mentioned in Item (2)(k) (fees, services, commission and management fees) of these terms and conditions.
11. The Fund Manager declares that the new units will not be listed until the transfer of ownership of the targeted real estate is complete, as part of the process for increasing the total value of the fund's assets in favor of the fund or the transfer of its benefit, and in the event, it is not completed after the offering period stipulated in Item (2)(g), all subscription amounts will be refunded to subscribers within a period not exceeding (5) business days from the end of the offering period.
12. The Fund Manager declares that it is not permissible for any member of the Board of Directors to have a direct or indirect interest in the business and contracts made for the fund.

13. The Fund Manager also declares that all contracts and agreements related to the fund that may affect the investors' decisions to participate or trade in the fund have been disclosed in the fund's terms and conditions, and that there are no contracts or agreements other than those mentioned in these terms and conditions.
14. The Fund Manager declares that unitholders have the right to vote on issues raised to them in unitholders' meetings. Moreover, the approval of the unitholders via an ordinary or a special fund resolution (as appropriate in accordance with these terms and conditions), in regard to any "Significant Change" to the fund, which includes the following:
- Significant change in the objectives of the Fund, its nature or category.
 - A change that may have a negative and significant effect on unitholders or their rights in relation to the fund.
 - A change that may have an impact on the risk position of the fund.
 - Voluntary withdrawal of the Fund Manager from the position of the Fund Manager.
 - Any change that normally causes Unitholders to reconsider their participation in the Closed Fund.
 - A change that substantially increases the total payments made from the Closed Fund's Assets.
 - A change in the date of maturity or termination of the Fund.
 - An increase in the total value of the Fund's assets by accepting cash or in-kind contributions or both.
 - Any other cases decided by the Authority from time to time and reported to the Fund Manager.
15. The Fund Manager declares that he will take all necessary steps for the benefit of the unitholders according to his knowledge and belief, with due and reasonable diligence, and that, the Fund Manager, managers, officials, employees, agents and affiliated advisors, subsidiary companies, custodian, legal advisor and the Fund's Board of Directors will exert diligence and reasonable effort and act in good faith, in order to achieve the interests of the unit owners; however, the fund may suffer a loss in any way due to any unintended behavior by any of the aforementioned parties regarding their management of the fund. In such a case, these parties are not responsible for such loss, provided that they acted in good faith, and good faith is proven in the absence of any action, decision, or communication indicating prior knowledge of the negative consequences of doing such conduct, and that they acted in a manner that is believed to optimally serve the interests of the Fund, and that such a conduct does not involve gross negligence, fraud, or intentional misconduct.
16. The Fund Manager declares that he has indicated to the accredited appraiser that the scope of work on the evaluation reports must be fit to use with the Fund Manager's request, for the purpose of public offering and shall include the market rental value if different from the contractual rental value in lease contracts.



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List of Definitions in the Terms and Conditions

- **Property Transfer Fee:** refers to the meaning in Item (2) (k) of these Terms and Conditions.
- **Auditor:** means Ibrahim Ahmed Al –Bassam & Co Chartered Accountants, or any other company that includes international certified accountants, as appointed by the Fund Manager from time to time;
- **Capital Market Institutions Regulation:** means the regulation of the same name issued by the Capital Market Authority Board of Directors by Resolution No. 1-83-2005 dated 21-05-1426 AH corresponding to 28-06-2005 AD) according to the Capital Market Institutions Law issued by Royal Decree No. M/30 dated 02/06/1424 AH, as amended by the Authority's Board of Directors Resolution No. 2-75-2020 dated 22/02/1441 AH corresponding to 12/08/2020 AD.
- **Business Day:** means any day financial firms are open for business in Riyadh, Saudi Arabia.
- **Total value of the Fund's assets:** means the amounts collected from investors in the Fund in addition to any loans outstanding in the Fund.
- **The Capital Market Authority or The Authority:** means the Saudi Capital Market Authority.
- **Insured party:** refers to the meaning set out in Item (2)(k)(2)(4) of these terms and conditions.
- **Custodian:** means KASB Capital, a Saudi limited liability company registered under commercial register number 1010227520 and licensed as a "Capital Market Institution" under the Capital Market Authority License No. 37-07062 as the custodian of the Fund.
- **The fiscal year:** refers to the same meaning in Item (2)(t) of these terms and conditions.
- **Fund:** means the Al Rajhi REIT Fund, a sharia-compliant closed-ended real estate investment trust fund managed by the Fund Manager.
- **Fund Board:** means the Board of Directors of the Fund.
- **Fund Manager:** means Al Rajhi Capital, a closed Saudi joint stock company with commercial register no. 1010241681 and a Capital Market Institution by the CMA under license No. 07068-37 issued on (10/03/1429 AH corresponding to 18/03/2008 AD).
- **The Duration of the Fund:** refers to the meaning in Item (2)(c) of these terms and conditions.

- **Gulf Cooperation Council Countries:** refers to the countries of the Gulf Cooperation Council, which are the Kingdom of Saudi Arabia, the United Arab Emirates, Bahrain, Kuwait, Qatar and Oman.
- **The Current Investment Portfolio:** refers to the portfolio of assets held by the Fund as at the date of these terms and conditions as detailed in these terms and conditions.
- **The investment portfolio targeted at increasing the total value of the Fund:** refers to the portfolio of assets that the Fund aims to acquire in increasing the total value of the Fund as detailed in these terms and conditions.
- **Public Offering Period:** means the period during which new units are introduced into the Fund, and which lasts for 5 working days from (12/12/2019) to (18/12/2019).
- **New units:** refers to the meaning of Item (2)(G) of these terms and conditions.
- **Investment:** means any real estate asset acquired by the Fund.
- **Date of Listing:** means the date of listing of new units in trading.
- **Management fees:** means fees charged by the Fund Manager for his management of the Fund as set out in Item (2)(k)(a) of these terms and conditions
- **Net asset value:** means the net asset value of the Fund determined in accordance with Item (2)(i) of these terms and conditions.
- **Public Unitholder:** means any fund unit owner to whom the following applies: (A) Does not own 5% or more of the units in the Fund, (b) is not the Fund manager or any of its affiliates, and (c) is not a member of the Fund's Board of Directors.
- **Real Estate Investment Funds Regulations:** means the list bearing the same name issued by the Capital Market Authority Board of Directors by Resolution No. 1-193-2006 AD dated 19/06/1427 AH corresponding to 15-07-2006 AD according to the Capital Market Institutions Law No. (M/30) dated 02/06/1424 AH, as amended by the Authority Board of Directors Resolution No. 2-22-2021 dated 12/07/1442 AH corresponding to 24/02/2021 AD and its amendments from time to time.
- **Relevant party:** means any of the following: (A) The Fund Manager; (b) Custodian; (c) A real estate developer appointed by the Fund Manager in relation to the fund; (d) Any valuation company that the fund uses to evaluate the fund's assets; (e) an auditor; (f) Every member of the Fund's Board of Directors ; (g) Any unit holder who owns more than 5% of the fund's units; (h) Any person subordinate or controlling any of the mentioned persons; (i) Any of the executive directors or any of the employees of the mentioned parties;

- **Non-distributed income:** means the remaining amount of income of the Fund following the distribution of at least 90% of the net profit of the Fund, excluding profits from the sale of real estate and other investments of the unit holders.
- **Saudi Riyals:** means the official currency of Saudi Arabia.
- **Sharia Committee:** means the Sharia advisory committee of the Fund.
- **Standards of the Sharia Committee:** means the criteria of the Sharia committee of the Fund adopted by the Sharia committee and upon which the Fund determines the validity of investments, as set out in annex (b);
- **Special Purpose entity:** means a company with limited liability established by the custodian to maintain ownership of the assets of the Fund.
- **The subscription form:** means the agreement on which each investor proposes to acquire the units.
- **Terms and conditions:** mean these terms and conditions of the Fund
- **Unit:** means one of the fund's units.
- **Unit holder:** means an investor who invests in one or more units by owning them.
- **Ordinary fund resolution:** is a decision taken with the consent of the unit holders whose ownership accounts for more than 50% of the total number of units currently owned at the meeting of unit holders, whether their presence is in person or by modern means of technology.
- **Special fund resolution:** is a decision taken with the consent of unit holders whose ownership accounts for 75% or more of the total number of units currently owned at the meeting of unit holders, whether their presence is in person, by proxy or by modern means of technology.
- **Significant Changer:** means any of the following:
 1. A significant change in the objectives of the Fund, its nature or category.
 2. A change that may have a negative and significant effect on unitholders or their rights in relation to the fund.
 3. A change that may have an impact on the risk position of the fund.
 4. Voluntary withdrawal of the Fund Manager from the position of the Fund Manager.
 5. Any change that normally causes Unitholders to reconsider their participation in the Fund.

6. Any change that substantially increases the total payments made from the Fund Assets to the Fund Manager or any member of the Fund Board of Directors or any affiliate thereto.
 7. Any change that introduces a new type of payment made from the Fund Assets.
 8. Any change that substantially increases other payments types made from the Fund Assets.
 9. A change in the date of maturity or termination of the Fund.
 10. An increase in the total value of the Fund Assets by accepting cash or in-kind contributions or both.
 11. Any other cases decided by the Authority from time to time and reported to the Fund Manager.
- **Non-Significant Change:** means any change that is not significant.
 - **Evaluation day:** refers to the same meaning as in Item (2)(M)(2)(4) of these terms and conditions.
 - **Economies of scale:** means a broader base in terms of size for the loading and distribution of those costs and expenses, thus giving the Fund a differential bargaining position with the fund's various service providers.



Fund Guide

Fund Manager

Al-Rajhi Capital Company
King Fahd Road, Al-Rajhi Bank Tower, Al-Morouj District
P.O. Box: 5561
Riyadh ,11432
Kingdom of Saudi Arabia
Customer service center: +966920005856
Website: www.alrajhi-capital.com

الراجحي المالية
Al Rajhi Capital



Sub Administrator

Apex Mutual Fund Services (Dubai) Ltd.
Office 101, 1st floor, Jet Village
Dubai International Financial Center
P.O Box: 506534
Dubai, UAE
Website: www.apexfundsolutions.com



2wCustodian

KASB Capital Company
Al-Morouj District - Olaya main road
Across from Aziziya Mall
P.O. Box: 395737
Riyadh 11375
Customer Service: 920000757
Kingdom of Saudi Arabia
Website: www.kasbcapital.com

كسب المالية
KASB Capital





Auditor

Ibrahim Ahmed Al –Bassam & Co.
Certified Public Accountants and Auditors
Prince Muhammad bin Abdulaziz Road,
P.O. Box 69658
Riyadh 11557
Kingdom of Saudi Arabia
Website: www.pkfbassam.com



Legal Advisor

Mohammed Ibrahim Al Amar Legal Consulting Office (in cooperation with
King & Spalding LLP)
Kingdom Tower, 20th floor
King Fahd Road
P.O. Box: 14702
Riyadh 11434
Tel: +966 11 4669400
Kingdom of Saudi Arabia
Website: www.kslaw.com



Receiving banks

Al Rajhi Bank
King Fahd Road, Al-Rajhi Bank Tower, Al-Morouj District
Riyadh
12263-2743
Tel: +966920003344
Website: www.alrajhibank.com.sa



Al-Rajhi Capital Company
King Fahd Road, Al-Rajhi Bank Tower, Al-Morouj District
Riyadh
PO Box: 5561 Riyadh 11432
Tel: 920005856
Website: www.alrajhi-capital.com



The Capital Market Authority
King Fahd Road
P.O. Box: 87171
Riyadh 11642
Tel: +966 11 2053000
Kingdom of Saudi Arabia
Website: www.cma.org.sa

هيئة السوق المالية
Capital Market Authority 

Saudi Arabia's stock exchange "Tadawul"
King Fahad road, Olaya 6897
Unit number: 15
Riyadh 11-1223388
Tel: + 966 92000 1919
Kingdom of Saudi Arabia
Website: www.tadawul.com.sa

تداول
Tadawul 

Real Estate Appraisal
Valustrat
Al-Faysaliyah Complex
Sixth floor, south tower
Kingdom of Saudi Arabia
Contact Number: 011-2935127
Website: www.valustrat.com/

ValuStrat 

Barcode Company Ltd.
University road crossing with Othman bin Affan road
Riyadh
P.O. Box: 8832
Riyadh 11492
Kingdom of Saudi Arabia
Contact Number: 011-4000111
Website: <http://www.barcode-sa.com>

باركود
BARCODE  966 1 4000111



White Cubes Valuation Company
Building number 6427
Riyadh 13524
Kingdom of Saudi Arabia
Contact Number: 011-8101765
Website: www.whitecubesre.com



Olaat Development Company Ltd
P.O. Box: 62244
Riyadh 11585
Kingdom of Saudi Arabia
Tel: 0112178999
Website: www.olaat.com



Medad Alkhaer For Real Estate
Prince Turki Alawwal st, Al Mathar Ash Shamali
P.O. Box: 2373
Riyadh 12314
Kingdom of Saudi Arabia
Tel: 0114890700



Knight Frank Company
Al-Raed Digital City Building No. 14, first floor
Kingdom of Saudi Arabia
Tel: +971 4 4512000
Website: www.knightfrank.com.sa



Jones Lang LaSalle for Real Estate Valuation
Seventeenth floor, south tower, Ta'awuniyah towers
King Fahd Road
Kingdom of Saudi Arabia
Tel: +966 11 218 0308
Website: www.jll-mena.com





Fund Summary

Fund Name and Type

The name of the fund is the Al Rajhi REIT Fund, a closed public traded real estate investment fund complying with the standards of the Fund's Sharia committee, established under the laws and regulations in force in the Kingdom and is subject to the laws and regulations of the Capital Market Authority.

Fund Manager

Al Rajhi Capital is a Saudi closed joint stock company registered in the Commercial Register of Saudi Arabia under number 1010241681, licensed as a Capital Market Institution by the Authority under license no. 07068-37 issued on (10/03/1429 AH corresponding to 18/03/2008 AD).

Investment Objectives

The investment objective of the fund is to invest in completely developed real estates, capable of achieving periodic and rental income, and to distribute a specified percentage of not less than 90% of the fund's annual net profits in cash to the unit holders during the fund's term, on a semi-annual basis at the end of February and August of every calendar year. The current Fund's portfolio is composed of fourteen (14) completely developed and income generating real estates. The said profits are distributed excluding capital profits resulting from the sale of real estate assets, which are reinvested in additional assets in the interests of the unit holders and if they are not reinvested within six months of the sale, they will be distributed to the unit holders. The Fund intends to invest in the targeted investment portfolio in the process of increasing the total value of the Fund's assets, consisting of four (4) properties located in Riyadh and Dammam, to a total of eighteen (18) properties belonging to the Fund, and fund does not intend to acquire real estate outside the Kingdom as part of the process of increasing the fund's total assets value.

Fund Manager's Ownership

The Fund Manager owns 11,911,356 units in the fund, equivalent to 119,113,560 Saudi riyals based on the initial offering price when the fund was established. It is possible that the Fund Manager will participate in offering the new units as part of the process of increasing the total asset value of the fund.

Details	In the first scenario: The minimum offering increasing the total asset value of the fund	In the second scenario: The maximum limit of the offering increasing the total asset value of the fund
In-kind subscription (in Saudi Riyals)	232,359,547	232,359,547
Cash subscription (in Saudi Riyals) through the initial offering to increase the total value of the fund's assets	-	148,314,610
Funding *	454,961,167	302,938,692
Total amount*	687,320,714	683,612,849

* The difference in the amount is due to the percentage of financing structuring fees in accordance with the value of the financing facilities used to finance the acquisition plus the VAT.

- Based on the average price for 20 trading days prior to the authority's approval date, the price of 8.8 Saudi Riyals was multiplied by the number of units for each category of subscribers.



	Addition to the total value of the Fund's assets through the offering	The minimum amount to increase the total assets value of the fund	The maximum amount to increase the total assets value of the fund
	Number of units allocated for Al Khaleej Company - In kind subscription	26,404,494	26,404,494
	Number of units for public offering - Cash subscription	0	16,853,933
	Total number of new units *	26,404,494	43,258,427
	Nominal value of new units	264,044,940	432,584,270
Details of the total assets value of the Fund and the number of units, before and after the offering	Total value of the fund's assets as of the incorporation date	Minimum limit	Maximum limit
	Number of current units	122,200,609	122,200,609
	Total value of the fund's assets at the time of incorporation	1,621,912,690	1,621,912,690
	Total value of the Fund's assets after the offering	Minimum limit	Maximum limit
	Total number of units	148,605,103	165,459,036
	Total value of the Fund's assets**	2,407,688,540	2,411,396,405
	<p>* Units will be issued at a nominal price of 10 Saudi Riyals per unit. However, regarding the fund's subscription price during the offering period, to increase the fund's total assets value, the unit price will be determined based on the average unit price of the fund in the market for the last 20 trading days prior to the CMA approval date. If the issue price was more than the nominal price, the difference shall be registered separately in the balance sheet under the net asset value of units held. Otherwise, If the issue price was less than the nominal price, the difference shall be registered as offering discount in the balance sheet under the net asset value of the units held.</p> <p>** The average unit price of the Fund on the market for the last 20 trading days prior to the Capital Market Authority's approval date was SAR 8.8 per unit.</p>		
The public offering period to increase in the total value of the Fund's assets	Starts from (12/12/2019) and ends on (18/12/2019), i.e. equivalent to five (5) business days, and it may be extended for a similar period after the approval of the CMA. The offering period begins within a period not exceeding six (6) months from the date of the Authority's approval of the process of increasing the value of the Fund's assets.		
Qualified Investors	Subscription to units is only available for the following categories: (A) Natural persons who hold Saudi nationality or the nationality of one of the member states of the Gulf Cooperation Council; (B) Institutions, companies, investment funds and other legal entities existing in the Kingdom of Saudi Arabia and other Gulf Cooperation Council countries; (C) Foreigners residing in the Kingdom of Saudi Arabia; (D) Qualified foreign investors pursuant to the rules governing the investment of qualified foreign financial institutions in securities issued by the Authority's Board of Directors under Resolution No. 1-42-2015 dated 15/07/1436 AH (corresponding to 4/5/2015); (E) Other investors who are authorized by the Authority to own shares listed on the Saudi Stock Exchange.		
Currency of the Fund	Saudi Riyal.		
Duration of the fund	The fund's term is 99 years from the date of the fund's listing on 20/03/2018 and is renewable for a similar period at the discretion of the Fund Manager and after the approval of the Board of Directors of the Fund and after obtaining the approval of the CMA.		
Level of Risk	High Risk. For more information, please read Item (2)(F) of these terms and conditions.		



Dividend Policy	The Fund Manager aims to distribute cash dividends on a semi-annual basis to investors at the end of February and August of each calendar year, provided that the dividends are not less than 90% of the fund's annual net profits, with the exception of profits resulting from the sale of basic real estate assets, which are returned to be invested in other investment assets to serve the interests of the unit holders.
Evaluation	The Fund Manager evaluates the fund's assets by appointing two independent evaluators accredited by the Saudi Authority for Accredited Valuers, at least once every six months (June and December of each calendar year) (and such day is referred to as "Valuation Day"). For more details, refer to Item (2)(M) the evaluation of the fund's assets of these terms and conditions.
Funding	The Fund Manager may obtain funding that must be in compliance with the standards of the Fund's Sharia committee, where the financing percentage obtained shall not exceed (50%) of the total assets value of the fund, according to the most recent audited financial statements.
Compliance with the standards of the Sharia Committee	The Fund invests and deals in a manner that complies with the standards of the Fund's sharia committee.
Subscription Fee	The investor pays the Fund Manager a subscription fee equivalent to 2% of the amount shared and allocated, during the initial offering period or when any increase in the value of the fund's assets occurs, and in both cases it is paid by the investor as an additional amount on the subscription amount and these fees apply to the subscribers in kind ,and the new investors, and it does not include the current unit holders as of the date of the unit holders meeting.
Management fees	The fund pays the Fund Manager a management fee of 0.80% annually of the fund's total assets value after deducting the expenses, according to the latest valuation, calculated on a daily basis and paid every three months, starting from the date of listing. The first payment of management fees is made on a pro-rata basis, taking into account the days that have passed of the calendar quarter.
Custody Fees	The Fund pays an annual fee of 185,000 Saudi Riyals to the Custodian, which is calculated on a daily basis and paid quarterly.
Transfer Ownership Fees	The fund pays the Fund Manager an ownership transfer fee ("Transfer Ownership Fee") of 1% of the purchase or sale price for each property acquired or sold by the fund in exchange for the Fund Manager's efforts to acquire or sell any investment. Transfer fees are paid upon completion of each acquisition or sale of the real estate.
Debt Structuring Fees	The fund pays the Fund Manager a debt structuring fee equivalent to 2% of the amount drawn under any bank facilities in favor of the fund. These fees will not be applied to the current financing submitted by Al Rajhi REIT Fund.
Auditor Fee	The fund pays the auditor a fee of 55,000 Saudi Riyals annually, as a lump sum to be charged on the fund- on a daily basis and paid semi-annually.



The fund bears the property management fees for Al Andalus Center real estate in an annual amount equivalent to 1,176,000 Saudi Riyals in case the real estate's income is less than 14 million Saudi Riyals per year.

Paid to the independent property manager, Olat Development Limited.

The fees of Al-Andalus Center management will increase with the increase in income as follows:

- 1,356,000 Saudi Riyals annually if the total income reaches 14 million Saudi riyals, equivalent to 9.69% of the total income.
- Then the fees amount to 1,476,000 Saudi Riyals if the total income reaches 15 million Saudi riyals, equivalent to 9.84% of total income.
- Then the fees amount to 1,596,000 Saudi riyals if the total income reaches 16 million Saudi riyals, equivalent to 9.98% of total income.

The property management contract for the Andalus Center real estate with Olat Development Company Ltd. starts on August 1, 2017 and extends to three years.

The Fund also bears property management fees for the Jarir Bookstore real estate, in an annual amount equivalent to 480,000 Saudi Riyals, paid to the independent real estate manager of Olat Development Company Ltd. The property management contract for Jarir Bookstore property with Olat Development Company Ltd begins in the third quarter of 2018 and extends to two years. The contract is automatically renewed after the end of the basic period for a period of one calendar year, which can be renewed for similar periods unless one of the parties notifies the other of their unwillingness to renew before the end of the basic or renewed period from the contract, prior to at least 90 days.

The Fund also bears property management fees for Rama plaza and Anwar plaza which consist of 8% of collected rent, paid to the independent real estate manager Medad Alkhaer Real Estate. The property management contract begins in the first quarter of 2022 and extends to 1 year. The contract is automatically renewed after the end of the basic period for a period of one calendar year, which can be renewed for similar periods unless one of the parties notifies the other of their unwillingness to renew before the end of the basic or renewed period from the contract, prior to at least 90 days.

There are no property management fees for other fund assets at the present time as the tenant is currently performing the property management tasks, but a property management company may be appointed in case the need arises after obtaining the approval of the Fund's Board of Directors and disclosing the same to the unitholders, and the Fund Manager will ensure that the property managers' fees are negotiated on a purely commercial, independent and consistent basis with market rates.

Details of current leases:

Property Name	Tenant Name	Lease start date	Lease end date	Contract Duration	The real estate is managed by
Lulu Hypermarket - Riyadh	AlMutlaq Real Estate Company	1 December 2014	25 April 2029	14.4 years	The real estate is fully managed by the tenant
Narjes Plaza - Riyadh	Al Fouzan Trading & General Construction Company	24 June 2015	3 March 2025	10 AH years	
Al Faris International School- Riyadh	Al Faris International School	1 July 2011	27 June 2026	15 years	
Panda - Khamis Mushait	Panda Retail Company	24 March 2014	22 March 2029	15 years	
Hyper Panda - Al Marwa, Jeddah	Panda Retail Company	12 November 2013	10 November 2028	15 years	
Panda - Al Rawdah, Jeddah	Panda Retail Company	27 February 2014	25 February 2029	15 years	
Panda - Madain Al-Fahd, Jeddah	Panda Retail Company	4 September 2014	2 September 2029	15 years	
Blue Tower, Al Khobar	Rawaj Real Estate Company	11 March 2018	10 March 2023	5 years	
Al Louloua Warehouses, Riyadh	Rawaj Real Estate Company	6 March 2018	5 March 2023	5 years	
Lulu Central Warehouses	Saudi Lulu Hypermarket Company	16 December 2016	15 December 2031	15 years	
Anwar Plaza - Riyadh	A number of tenants	Multiple dates	Multiple dates	The current average lease term of contracts is 3.4 years	Medad Alkhaer for Real Estate
Rama Plaza - Riyadh	A number of tenants	Multiple dates	Multiple dates	The current average lease term of contracts is 6.3 years	
Al Andalus Center - Jeddah	A number of tenants	1 August 2017	1 August 2020	3 years	Olat Company (Independent property manager specialized in real estate management)
Jarir Bookstores- Riyadh	A number of tenants	The third quarter 2018	The third quarter 2020	Two years, renewable automatically	

Target properties

NMC Al-Salam Speciality Hospital	Al-Salam Medical Group Company	1 April 2018	31 December 2033	15.75 years	The real estate is fully managed by the tenant
Baraem Rowad AlKhaleej International School-Al Sahafa, Riyadh	Al Khaleej Training and Education Company	Not started and will start immediately after the real estate is emptied		15 years	
Baraem Rowad AlKhaleej International School-Al Magharzat, Riyadh	Al Khaleej Training and Education Company			15 years	
Rowad Alkhaleej International School	Al Khaleej Training and Education Company			15 years	

Property Management Fees



Sub Administrator Fee	The fund pays the sub-administrator of "Apex Mutual Fund Services (Dubai) Ltd." an annual fee of 51,200 US dollars, equivalent to 192,000 Saudi riyals, and the value of the fees will increase by 3.5% every calendar year starting from January 2020.
Real estate Evaluation Fees	It is negotiated according to the prevailing market prices and is calculated based on the actual cost and is disclosed to the unitholders. It is expected that the costs will reach a maximum of 0.05% of the total value of the fund's assets.
Capital Market Authority Regulatory Fees	The fund pays regulatory fees of 7,500 Saudi riyals annually, calculated on a daily basis and paid on an annual basis.
Publishing Information on the Saudi Stock Exchange website Fees	The fund pays regulatory fees of 5,000 Saudi riyals annually, calculated on a daily basis and paid on an annual basis.
Remuneration of Independent Board Members	Each independent Fund Board Member will receive an amount of 5,000 Saudi riyals for each meeting, and a maximum of 20,000 Saudi riyals annually for each independent fund board member to be paid at the end of each year or upon the end of the contract period, whichever is earlier.
Transaction Expenses	The fund bears all transaction expenses, for any asset, related studies and examination, and advisory and legal costs. These expenses do not include ownership transfer charges and are paid by the Fund to external parties based on the actual cost due and will be disclosed to the unit holders. It is expected that the total of these costs will reach a maximum of 0.10% of the total fund value.
Development fee	In the event the fund carries out real estate development activities, the developer is entitled to fees that are negotiated in accordance with recognized market practices without any minimum or maximum limit. For the avoidance of doubt, these fees do not apply to completely developed properties. In the event that the fund carries out real estate development activities, the development fees will be disclosed to the unit holders.
Brokerage commission	The fund bears the full amount of the brokerage commission, which is a maximum of 2.5% of the acquisition value of any real estate asset. These fees will not be applied to the acquisition of the real estate comprising in the target investment portfolio as part of the process of increasing the total value of the fund's assets.
Registration fees in the Saudi Stock Exchange (Tadawul)	The fund is expected to pay the following fees for registration in the Saudi Stock Exchange (Tadawul): <ul style="list-style-type: none"> • 50,000 Saudi riyals in addition to 2 Saudi riyals for each unit holder, with a maximum of 500,000 Saudi riyals paid to the Saudi Stock Exchange (Tadawul) in exchange for creating a register for unit holders; and • 400,000 Saudi riyals paid annually to the Saudi Stock Exchange (Tadawul) in exchange for managing a register of unit holders. These fees may change according to the prices of the service provided by the Saudi Stock Exchange (Tadawul).
Listing fees in the Saudi Stock Exchange (Tadawul)	The fund is expected to pay the Saudi Stock Exchange (Tadawul) the following listing fees: <ul style="list-style-type: none"> • 50,000 SAR initial listing fees; and • 0.03% of the fund's market value annually (with a minimum of SAR 50,000 and a maximum of SAR 300,000). These fees may change according to the prices of the service provided by the Saudi Stock Exchange (Tadawul).
Financing expenses	The Fund shall bear all financing costs during the financing term, the fees, expenses and the expenses related to the financing arrangement, which are paid only once when arranging the financing in accordance with the Islamic Sharia of the Fund.



Other Expenses	<p>The fund shall bear the other expenses and fees, which are expenses owed to other persons dealing with the fund, including, but not limited to, insurance fees, lawyers' fees, zakat, municipal fees, government fees, engineering consultant fees, surveyors' fees, architects and interior decorators, and the costs of members of the board of directors, including travel and actual accommodation incurred by each independent member according to the actual cost of attending the meetings.</p> <p>The fund shall bear all fees that may be imposed by the official authorities in the Kingdom of Saudi Arabia as a result of the fund's performing its obligations under these terms and conditions, and the fund will bear all marketing expenses for its products according to the best marketing offers approved by the Fund's Board of Directors.</p> <p>It is noteworthy that such fees are not paid to the Fund Manager and cannot be estimated in advance and will be deducted based on actual expenditures and disclosure. Details of those expenses can also be found in the financial disclosure summary listed in these terms and conditions. The fund does not intend to provide any deduction or waive the expenses, and it is expected that the total of these costs will reach a maximum of 0.25% of the total value of the fund's assets.</p>
Voting rights	<p>Unit holders have the right to vote at meetings of unit holders. In addition, approval must be obtained from the unit holders via a special or an ordinary fund resolution (as appropriate in accordance with these Terms and Conditions) to approve any "significant change" to the Fund pursuant to Item (2)(BB) of these Terms and Conditions.</p> <p>For the purposes of these terms and conditions, the term "fundamental change" means any of the following cases:</p> <ol style="list-style-type: none"> 1) A change which significantly changes the purposes, nature or category of the Fund. 2) A change that may have a negative and material effect on the Unitholders or their rights in relation to the Fund. 3) Change which alters the risk level of the Fund. 4) Voluntary withdrawal of the Fund Manager from the position of the Fund Manager. 5) Any change that normally causes Unitholders to reconsider their participation in the Fund. 6) Any change that substantially increases the total payments made from the Fund Assets to the Fund Manager or any member of the Fund Board of Directors or any affiliate thereto. 7) Any change that introduces a new type of payment made from the Fund Assets. 8) Any change that substantially increases other payments types made from the Fund Assets. 9) A change in the date of maturity or termination of the Fund. 10) An increase in the total value of the Fund Assets by accepting cash or in-kind contributions or both. 11) Any other cases decided by the Authority from time to time and reported to the Fund Manager.
Restrictions on transfers	<p>After listing, units in the fund are traded in the same way as real estate investment fund units in the Saudi Stock Exchange (Tadawul). Unitholders may sell and purchase units during daily trading hours through the market through licensed financial intermediaries.</p>
Reports	<p>The Fund Manager shall provide unitholders with annual reports containing the information required under the Real Estate Funds Regulation and other regulations of the Capital Market Authority.</p>
Risk factors	<p>There are some risks associated with investing in the Fund. Item (2)(f) of the terms and conditions includes examples of such risks, which the potential investor must carefully examine before deciding to invest in the Fund.</p>
Regulations in force	<p>The Fund is subject to the laws and regulations in force in Saudi Arabia issued by the Board of the Capital Market Authority or other relevant authorities.</p>

Terms and Conditions

(1) Introduction

This document sets out the terms and conditions for the inclusion of the units in the Al Rajhi REIT Fund, a closed public real estate investment fund compliant with Sharia. The fund is managed by Al Rajhi Capital, licensed as a Capital Market Institution by the CMA under license no. 37-07068, issued on (10/03/1429 AH corresponding to 18/03/2008 AD). These terms and conditions constitute the contractual relationship between the Fund Manager and the unit holders, under which the Fund was established. After obtaining the approval of the CMA and the Saudi Stock Exchange (Tadawul), the ownership of the target investment portfolio is transferred as part of the process of increasing the total value of the Fund's assets to the Fund and the inclusion of the new units in the Saudi Stock Exchange in Saudi Riyals.

(2) Terms and Conditions

A- Fund Name and Type

The name of the Fund is Al Rajhi REIT, a publicly traded real estate investment fund based in Saudi Arabia in accordance with the Real Estate Investment Funds Regulations and the laws and regulations in force in the Kingdom. The Fund is subject to the regulations and instructions of the Capital Market Authority and the rules for listing in the Saudi Stock Exchange (Tadawul).

B- Address of the Fund Manager's Headquarters and Website

Address: Al-Rajhi Capital Company
 Commercial Registration Number :1010241681
 King Fahd Road, Al-Rajhi Bank Tower,
 Al-Morouj District
 Customer service center: +966920005856
 PO Box: 5561 Riyadh 11432
 Kingdom of Saudi Arabia
 Website: www.alrajhi-capital.com

C- Duration of the fund

The Fund shall have a period of 99 years ("Fund period") beginning with the date of inclusion of units in the Saudi Stock Exchange (the "date of listing") and making them available for trading as of 20 March 2018. The duration of the Fund shall be renewable for a similar period at the discretion of the Fund Manager and upon approval by the Fund's Board of Directors and subsequent approval by the Capital Market Authority.

D- Description of the purpose and objectives of the Fund and the policy of distributing profits to unit holders.

The investment objective of the fund is to invest in - completely developed real estate, capable of achieving periodic and rental income, and to distribute a specified percentage not less than 90% of the fund's annual net profits in cash to the unit holders during the fund's term, on a semi-annual basis at the end of February and August of every calendar year. The aforementioned profits shall be distributed, excluding the capital gains resulting from the sale of real estate assets, which are reinvested in additional assets in the interest of the unit holders.

E- Summary of Fund's Strategies

The fund's main objective is to generate periodic cash dividends for investors from its investment in real estate assets in Saudi Arabia and abroad. The Fund also aims to increase the total value of the Fund's assets by: (a) Reinvesting undistributed income (remaining income after distributing at least 90% of the fund's net profit in accordance with the Real Estate Investment Funds Regulations, excluding profits from the sale of real estate and other investments to unit holders) and the proceeds from the sale of investments in real estate assets in the interests of the unit holders, with the exception period to be six months from the date of sale. After the elapse of the period of the Fund Manager must distribute this income after the exception period if it was not used, and after distributing a minimum of 90% of its net profit to unit holders; (b) potential increase in the value of the Fund's assets resulting from improved long-term returns; and (c) improving the best utilization of underutilized properties.

Since the Fund primarily invests in developed real estate assets that can generate rental and periodic income, it may also invest in real estate development projects at no more than 25% of the total value of the Fund's assets, depending on the latest financial statements, whether or not the real estate is owned by the Fund, or for the renovation or redevelopment of those properties, provided that (a) Fund's investments are at least 75% of the total value of the Fund's assets in developed real estate assets that can generate rental and periodic income, depending on the latest audited financial statements; and (b) the Fund may not invest in white lands.

The Fund also plans to increase value and returns to investors by improving net operating income, which is available given the size and diversity of its investments so as to provide a broader base for distributing costs and expenses and thus provide an economy of scale with the various service providers to the Fund. The Fund intends to adopt selective criteria after careful examination of each investment opportunity, taking into account the nature of the real estate sector, levels of supply and demand, geopolitical factors and the periodical fluctuations of the different categories of the real estate sector.



1. Investment areas in which the Fund invests

The Fund invests in several areas within the restrictions stipulated in the Real Estate Investment Funds Regulations, including but not limited to:

Investment type	Minimum Limit	Maximum Limit
Real estate investments (income-generating assets) in the commercial, office, educational, health, residential and warehouse sectors.	No less than 75% of the total value of the Fund assets, according to the latest audited financial statements.	100% of the total value of the Fund assets, according to the latest audited financial statements.
<p>Real estate development activities (including renovation and restoration works).</p> <ul style="list-style-type: none"> - Securities market instruments: The investment will be in low-risk securities market instruments that comply with the criteria of the Shariah Board of the Fund, directly through any of the banks subject to the supervision of the Saudi Arabian Monetary Agency, including Al-Rajhi Bank, at a minimum, as determined by one of the three international credit rating agencies. As follows: Standard & Poor's BBB- / Moody's Baa3/ Fitch BBB. Investments will not be made in Securities market instruments and/or with unrated counterparties, or through securities market funds licensed by the Capital Market Authority and offered publicly, including funds managed by the fund manager or any other investment fund manager after the fund manager has submitted its recommendation to the fund's board of directors to invest in securities market funds managed by any other investment fund manager in accordance with the criteria of the fund's Sharia board (after obtaining the approval of the fund's Sharia board) and based on the fund's performance, liquidity and risks. Knowing that investing in these funds will not bear subscription fees, but rather are subject to fees imposed at the level of the fund invested in. - Investing in real estate companies listed on the Saudi Stock Exchange (Tadawul). - Real estate investment traded funds (REITs) that comply with the criteria of the Shariah Board (after obtaining the approval of the fund's Shariah Board) and are listed on the Saudi Stock Exchange or public real estate funds licensed by the Capital Market Authority or Gulf and/or foreign regulatory bodies in accordance with the regulation of another country subject to at least equal regulation applied to investment funds in the Kingdom, including public real estate funds and securities market funds managed by the fund manager or its subsidiaries and licensed by the Capital Market Authority, while adhering to the Law of Real Estate Ownership and Investment by Non-Saudis. - Real estate investments outside the Kingdom of Saudi Arabia. 	0%	No more than 25% of the total value of the Fund assets, according to the latest audited financial statements.

2. Description of the sectors in which the Fund invests

The Fund generally seeks to acquire or invest in commercial, office, educational, residential, residential, income-generating stores or any other income-generating real estate assets located mainly in Saudi Arabia, with the exception of Mecca and Medina.

3. Detailed description of the Fund's assets:

Knowing that the fund will invest primarily in developed real estate assets that are built and capable of achieving periodic rental income, it may also invest in real estate development projects, provided that (a) the Fund invests in developed real estate assets that are capable of achieving periodic rental income, no less than 75% of the total assets value of the fund, according to the most recent audited financial statements; and (b) that the fund does not invest in white lands and the current investment portfolio consists of fourteen (14) fully developed and income-generating real estate assets, and includes the targeted investment portfolio as part of the process of increasing the total value of the fund's assets by four fully developed and income generating real estate assets, so that the total number of the fund's properties becomes 18 fully developed, income generating real estate assets.

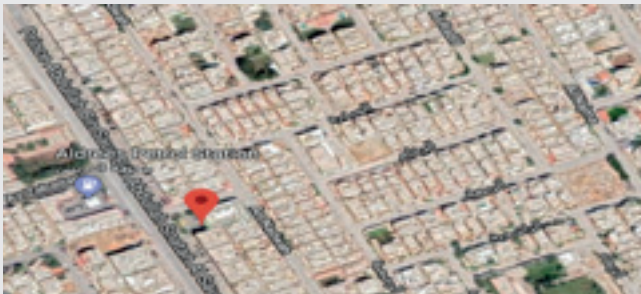
4. Information on Properties

List of real estates which composes the targeted investment portfolio target in the process of increasing the total value of the Fund's assets:



List of real estates which composes the targeted investment portfolio target in the process of increasing the total value of the Fund's assets:

Property (1)


Property Name	Baraem Rowad Al Khaleej International Schools
Owner / Owners information	Al Khaleej Training and Education Company
Type of property	Kindergarten school
State/City	Riyadh, Kingdom of Saudi Arabia
District/Street	Sahafa District, Riyadh
Location Map	
Age of the property	6 years
Deed number	710107020195 dated 16/3/1432 AH
Land Area	1,830 m2.
Construction area (As per the building permit)	2,549 m2.
Number of floors	Basement, ground, and first floors
Types and numbers of units	Baraem Rowad Al Khaleej International Schools has a capacity for 450 students. The school adopted a research based methodology and international best practices that applies Common Core Standards for teaching English and mathematics. The property contains a dedicated kindergarten facility that was built in 2013 in a residential area north of Riyadh in the Sahafa district. The property consists of a basement, ground and first floor, and contains a safe yard and parking area within a closed area.
Occupancy rate for the property	100%
Construction completion date for the building (according to the completion certificate)	Building completion certificate R 794/1435 dated 06/2/1435 AH Municipal permit No. 3901456 of 3/07/1439 AH
Cost of purchasing the property	20,000,000 Saudi riyals.
Overview of current leases	The lease period is 15 years, from the date ownership is transferred. Total Annual Rent Amount: 1,550,000 Saudi riyals. Rent payments: Semi-annual. Increment ratio for the annual rent: 7.5% every 5 years. The main tenant is obliged to manage the property and render periodic and maintenance for the property and its insurance. "Al-Makhazen Al-Mumayazah Al-Thaniyah" Company will acquire the property on behalf of the Fund, a special purpose entity (limited liability) by the custodian, established for the purpose of owning, preserving, recording, and investing the real estate on behalf of the Fund.
Income from the property for the last three years, if applicable	There is no prior income, as the property is managed by the owner and will be purchased from the owner and re-leased by him.



Any additional information	Sale and lease contract from the current owner, AlKhaleej Training and Education Company No brokerage fee on the transaction
	The total annual income of the property is 1,550,000 Saudi riyals.
	The net annual income of the property is 1,550,000 Saudi riyals.
	Percentage of total return on the value of the purchase of the property: 7.75% net return on total property purchase value: 7.75% Lease guarantee: There's no guarantee of rent.
	Blocking the Fund's in-kind subscription units to AlKhaleej Training and Education Company for three years from the date of listing of the vendor's exporting units
	Building permits No. 1433/7276 and 11/04/1433 AH Educational License No. 2597-520 of 02/09/2019 AD shall expire on 30/10/2019 AD. Municipal permit No. 3901456 of 03/07/1439 AH

The Fund Manager acknowledges that, according to his knowledge at the time of the fund offering, that there is no direct or indirect conflict of interest between the fund and the Fund Manager, the manager / managers of relevant properties to the fund, the owner / owners of properties associated with the fund, or the tenant/ tenants of real estate assets whose returns constitute 10% or more of the annual rental returns of the fund except what is stated in these terms and conditions.

Property (2)

Property Name	Rowad Al Khaleej International Schools
Owner / owners information	Al Khaleej Training and Education Company
Type of property	School
State/City	Riyadh, Kingdom of Saudi Arabia
District/Street	Magharzat, Riyadh
Location Map	
Age of the property	Two years.
Deed number	310114027150 dated 19/7/1435AH 810117030372 dated 12/5/1436AH
Land Area	15,960 m2.
Construction area (As per the building permit)	39,028 m2.
Number of floors	Basement, ground, first and second floors

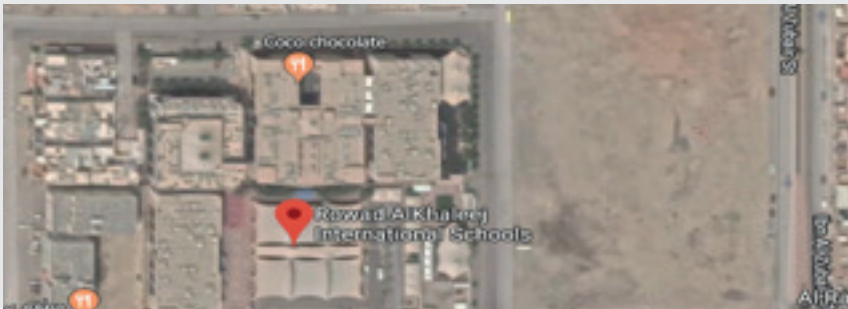


Types and numbers of units	Early and primary education for boys and girls (kindergarten through third grade)
	Middle and secondary school for girls (4th through 9th grades)
	Middle school for boys (4th through 6th grades)
	Rowad Al Khaleej Schools offer educational opportunities for Saudi and international students. The school consists of a boys' section and a girls' section and contains modern and advanced facilities. The school collaborated with AC Milan Football Academy to provide soccer training for both students from the school and students from the neighborhood. These training sessions take place weekly and are held on Esterford stadiums at the school. The property has a 3000 students capacity and consists of a school located in a residential area in northern Riyadh, in the Al-Mugharazat district. The property was built in 2015 and has a total construction space of 38627 square meters, built at the first basement level, second basement level, ground floor, first floor, second floor, and the roof level.
Occupancy rate for the property	100%
Construction completion date for the building (according to the completion certificate)	Building completion certificate No. 1439/2892 of 02/8/1439 AH Municipal permit No. 4002002 of 17/8/1440 AH
Cost of purchasing the property	210,000,000 Saudi riyals.
Overview of current leases	The lease period is 15 years, from the date ownership is transferred. Total Annual Rent Amount: 16,275,000 Saudi riyals. Rent payments: Semi-annual. Increment ratio for the annual rent: 7.5% every 5 years. The main tenant is obliged to manage the property and render periodic and maintenance for the property and its insurance. "Al-Makhazen Al-Mumayazah Al-Thaniyah" Company will acquire the property on behalf of the Fund, a special purpose entity (limited liability) by the custodian, established for the purpose of owning, preserving, recording, and investing the real estate on behalf of the Fund.
Income from the property for the last three years, if applicable	There is no prior income, as the property is managed by the owner and will be purchased from the owner and re-leased by him.
Any additional information	Sale and lease contract from the current owner, AlKhaleej Training and Education Company No brokerage fee on the transaction The total annual income of the property is 16,275,000 Saudi riyals The net income of the property is SAR 16,275,000.00, the gross return on the total purchase value of the property: 7.75% net return on total property purchase value: 7.75% Lease guarantee: There's no guarantee of rent. Blocking the Fund's in-kind subscription units to AlKhaleej Training and Education Company for three years from the date of listing of the vendor's exporting units Building permit No. 4252/1432 dated 22/02/1436 AH Municipal permit No. 4002002 of 17/08/1440 AH An educational license for boys and girls No. 520-2880, dated 02/09/2019 AD, expires on 30/10/2019 AD.

The Fund Manager acknowledges that, according to his knowledge at the time of the fund offering, that there is no direct or indirect conflict of interest between the fund and the Fund Manager, the manager / managers of relevant properties to the fund, the owner / owners of properties associated with the fund, or the tenant/ tenants of real estate assets whose returns constitute 10% or more of the annual rental returns of the fund except what is stated in these terms and conditions.



Property (3)

Property Name	Rowad Alkhaleej International School
Owner / Owners information	Al Khaleej Training and Education Company
Type of property	Four buildings that include a staff accommodation building, a boys' school, a girls' school, and an additional building for the girls' school expansion
State/City	Dammam, Kingdom of Saudi Arabia
District/Street	Anas Bin Malik Road, Dammam
Location Map	
Age of the property	7 years
Deed number	930111004905 dated 14/04/1433AH 330122001630 dated 12/6/1434AH 630111004907 dated 14/4/1433AH 430122001629 dated 12/6/1434AH
Land Area	20,213 m2.
Construction area (As per the building permit)	25,797 m2.
Number of floors	Basement, ground, first and second floors
Types and numbers of units	<p>Girls' School built in 2012. Boys' School built in 2014. Residential building built in 2015/2014 Girls' School built in 2016.</p> <p>Rowad Al Khaleej Schools offer educational opportunities for Saudi and international students. The school consists of two sections, one for boys and one for girls, made up of modern and advanced facilities. Dammam School has a capacity of 3,000 students and consists of four buildings including the staff accommodation building, a boys' school, a girls' school and an additional building for the expansion of the girl's school. The total area for the four buildings is 25,797 square meters and is surrounded by a concrete wall of approximately 2.5 meters high.</p>
Occupancy rate for the property	100%
Construction completion date for the building (according to the completion certificate)	Building Completion Certificate No. 113020322 on 19/07/2011 AD Municipal permit No. 3909265986 of 05/08/1440 AH
Cost of purchasing the property	244,500,000 Saudi riyals.



Overview of current leases	<p>The lease period is 15 years, from the date ownership is transferred.</p> <p>Total Annual Rent Amount: 18,948,750 Saudi riyals. Rent payments: Semi-annual. Increment ratio for the annual rent: 7.5% every 5 years.</p> <p>The main tenant is obliged to manage the property and render periodic and maintenance for the property and its insurance.</p> <p>"Al-Makhazen Al-Mumayazah Al-Thaniyah" Company will acquire the property on behalf of the Fund, a special purpose entity (limited liability) by the custodian, established for the purpose of owning, preserving, recording and investing the real estate on behalf of the Fund.</p>
Income from the property for the last three years, if applicable	<p>There is no prior income, as the property is managed by the owner and will be purchased from the owner and re-leased by him.</p>
Any additional information	<p>Sale and lease contract from the current owner, AlKhaleej Training and Education Company</p> <p>No brokerage fee on the transaction</p> <p>The total annual income of the property is 18,948,750 Saudi riyals.</p> <p>The net annual income of the property is 18,948,750 Saudi riyals.</p> <p>Percentage of total return on the value of the purchase of the property: 7.75%, net return on the value of the property purchase: 7.75%</p> <p>Lease guarantee: There is no guarantee of rent.</p> <p>Blocking the Fund's in-kind subscription units to AlKhaleej Training and Education Company for three years from the date of listing of the vendor's exporting units</p> <p>Building permit No. 1427/10348 of 06/11/1427 AH</p> <p>Municipal permit No. 3909265986 of 05/08/1440 AH</p> <p>An educational license for boys and girls No. 520-0719, dated 02/09/2019 AD, expires on 30/10/2019 AD.</p>

The Fund Manager acknowledges that, according to his knowledge at the time of the fund offering, that there is no direct or indirect conflict of interest between the fund and the Fund Manager, the manager / managers of relevant properties to the fund, the owner / owners of properties associated with the fund, or the tenant/ tenants of real estate assets whose returns constitute 10% or more of the annual rental returns of the fund except what is stated in these terms and conditions.

Property (4)

Property Name	NMC Al-Salam Specialty Hospital
Owner / Owners information	Nasser Al-Sihani
Type of property	Hospital
State/City	Riyadh, Kingdom of Saudi Arabia
District/Street	Sahafa District, Riyadh
Location Map	




Age of the property	3 years and 8 months
Deed number	310116026298 dated 4/8/1433AH 510104026736 dated 3/8/1433AH 710116026297 dated 4/8/1433AH 310116026296 dated 4/8/1433AH
Land Area	3,600 m2.
Construction area (As per the building permit)	17,568 m2.
Number of floors	Two basement floors, ground floor and six floors
Types and numbers of units	A modern, multispecialty hospital building with 100 beds is located in AlSalam district, Riyadh. The main specialties are gynecology, obstetrics, pediatrics, internal diseases, nose, ear, larynx and general surgery. It's a separate building with two ground floors + 6 floors.
Occupancy rate for the property	100%
Construction completion date for the building (according to the completion certificate)	Building completion certificate No. 1437/1696 of 10/03/1437 AH Ministry of Health license number 00036-012-010-101-014, dated 4/7/1437 AH, expires on 10/09/1441 AH.
Cost of purchasing the property	163,776,224 Saudi riyals.
Overview of current leases	The lease period was 15.75 years, started from 01/04/2018, and rent will be starting from the date of ownership transfer. Total Annual Rent Amount: 11,710,000 Saudi riyals consisting of (11,640,000 annually - the hospital; 70,000 Saudi riyals - leased showrooms and its retail activity) Rent payments: Semi-Annual. Increment ratio for the annual rent: 5 % every 5 years The main tenant is obliged to manage the property and render periodic and maintenance for the property, while the fund will cover the insurance. "Al-Makhazen Al-Mumayazah Al-Thaniyah" Company will acquire the property on behalf of the Fund, a special purpose entity (limited liability) by the custodian, established for the purpose of owning, preserving, recording and investing the real estate on behalf of the Fund.
Income from the property for the last three years, if applicable	Not available, as the property was operated by the seller during its first year after completion and operated thereafter by Al-Salam Medical Group Company with a lease beginning on the date of April 2018 AD With an Annual rent of 12,374,873 Saudi riyals.
Any additional information	The sale contract was signed with the seller Nasser Al-Sihani and the assignment of the current lease contract was signed by the previous owner to the interest of Al-Rajhi REIT Fund, and between the previous owner, Al-Rajhi REIT Fund and Al-Salam Medical Group Company. No brokerage fee on the transaction The total annual income of the property is 11,710,000 Saudi riyals. The net income of the property is 11,650,000 riyals (it was assumed that the insurance cost is 60,000 riyals annually) The mortgage for the property was canceled in exchange for financing provided by the Ministry of Finance, and the financing amount of was repaid and the mortgage released prior to the acquisition of the property. Percentage of total return on the value of the purchase of the property: 7.15%, net return on the value of the property purchase: 7.11% Lease guarantee: There is no guarantee of rent. Building permit No. 4972/1429 of 8/6/1432 AH Ministry of Health license number 00036-012-010-101-014, dated 4/7/1437 AH, expires on 10/09/1441 AH.

The Fund Manager acknowledges that, according to his knowledge at the time of the fund offering, that there is no direct or indirect conflict of interest between the fund and the Fund Manager, the manager / managers of relevant properties to the fund, the owner / owners of properties associated with the fund, or the tenant/ tenants of real estate assets whose returns constitute 10% or more of the annual rental returns of the fund except what is stated in these terms and conditions.



Current real estate list:


Property (5)

Property Name	Lulu Hypermarket - Riyadh
Owner / Owners information	Al-Rajhi Real Estate Income Fund
Type of property	A retail Commercial Center
State/City	Riyadh
District/Street	Al-Nahda District - Khurais Road
Location Map	
Land Area	19,428 m2
Construction area (As per the building permit)	37,539.36 m2
Number of floors	3 (basement + ground + first)
Types and numbers of units	First floor and commercial ground floor
Occupancy rate for the property	100%
Construction completion date for the building (according to the completion certificate)	08/02/1435 AH
Cost of purchasing the property	225,634,585 Saudi Riyal
Overview of current leases	- The lease began on 1 December 2014 AD and ends on 25 April 2029 AD. - The annual rent amount is 15,275,000 riyals, to be paid quarterly, (where the rent is payable on the first day in February, May, August and November), and raised by 7% to 16,344,252 riyals in the sixth year, then raised by 7% to 17,488,348 riyals in the eleventh year.
Income from the property for the last three years, if applicable	2018: 15,275,000 Saudi Riyal 2017: 15,275,000 Saudi Riyal 2016: 15,275,000 Saudi Riyal
Any additional information	The main tenant is obliged to manage the property and render periodic and maintenance for the property and its insurance. The net income of the property for 2019: 15,275,000 Saudi Riyal The net income of the property for 2019: 15,275,000 Saudi Riyal Percentage of total return on the value of the purchase of the property: 6.77%, net return on the value of the property purchase: 6.77% Lease guarantee: There's no guarantee of rent.

The Fund Manager acknowledges that, according to his knowledge at the time of the fund offering, that there is no direct or indirect conflict of interest between the fund and the Fund Manager, the manager / managers of relevant properties to the fund, the owner / owners of properties associated with the fund, or the tenant/ tenants of real estate assets whose returns constitute 10% or more of the annual rental returns of the fund except what is stated in these terms and conditions.




Property (6)

Property Name	Anwar Plaza – Riyadh
Owner / Owners information	Al-Rajhi Real Estate Income Fund
Type of property	A retail Commercial Center
State/City	Riyadh
District/Street	Al Rawda District, Khalid Bin Al Waleed Road
Location Map	
Land Area	9,981.76 m2
Construction area (As per the building permit)	4,812.42 m2
Number of floors	Ground floor
Types and numbers of units	23 commercial ground units
Occupancy rate for the property	45%
Construction completion date for the building (according to the completion certificate)	23/12/1429AH
Cost of purchasing the property	62,245,967 Saudi Riyal
Overview of current leases	After the termination of the standard tenancy contract as on the date of Muharram 1, 1443 AH. The lease contract for each tenant starts separately according to the date of the actual lease contract and is automatically renewed if both parties have no objection. The term of lease contracts varies from one year to 10 years. The property is managed by an independent and specialized company (Medad Alkhaer Real Estate), and it also consists of a limited number of commercial units.
Income from the property for the last three years, if applicable	2018: 4,423,305 Saudi Riyal 2017: 4,423,305 Saudi Riyal 2016: 4,435,424 Saudi Riyal
Any additional information	The Fund is responsible for managing the building (by appointing a competent property manager), cleaning, guarding, and main and periodic maintenance of the building's public facilities, electricity expenses for the building's public facilities (excluding the tenant units), and the costs of completely adapting the building and securing the building. The net income of the property for 2019: 4,423,305 Saudi Riyal The net income of the property for 2019: 4,423,305 Saudi Riyal Percentage of total return on the value of the purchase of the property: 7.11%, net return on the value of the property purchase: 7.11% Lease guarantee: There's no guarantee of rent.

The Fund Manager acknowledges that, according to his knowledge at the time of the fund offering, that there is no direct or indirect conflict of interest between the fund and the Fund Manager, the manager / managers of relevant properties to the fund, the owner / owners of properties associated with the fund, or the tenant/ tenants of real estate assets whose returns constitute 10% or more of the annual rental returns of the fund except what is stated in these terms and conditions.




Property (7)

Property Name	Narjes Plaza - Riyadh
Owner / Owners information	Al-Rajhi Real Estate Income Fund
Type of property	A retail Commercial Center
State/City	Riyadh
District/Street	Al Narjis District, Othman Bin Affan Road
Location Map	
Land Area	9,000 m2
Construction area (As per the building permit)	5,697.6 m2
Number of floors	2 (commercial ground floor, first office floor)
Types and numbers of units	15 commercial, 7 offices
Occupancy rate for the property	100%
Construction completion date for the building (according to the completion certificate)	20/07/1430AH
Cost of purchasing the property	61,289,083 Saudi Riyal*
Overview of current leases	<p>- The lease starts from 5 Ramadan 1436 AH and ends on 4 Ramadan 1446 AH.</p> <p>- The amount of the annual rent is SAR 4,160,000 paid semi-annually (the rental amount is due on the first day in each month of Muharram and Rajab), it rises by 8% to SAR 4,492,800 in the sixth Hijri year.</p>
Income from the property for the last three years, if applicable	<p>2018: 4,289,266 Saudi Riyal*</p> <p>2017: 4,289,266 Saudi Riyal*</p> <p>2016: 4,301,017 Saudi riyals.</p>
Any additional information	<p>The main tenant is obliged to manage the property and render periodic and maintenance for the property and its insurance.</p> <p>The net income of the property for 2019: 4,289,266 Saudi Riyal</p> <p>The net income of the property for 2019: 4,289,266 Saudi Riyal</p> <p>Percentage of total return on the value of the purchase of the property: 7%, net return on the value of the property purchase: 7%</p> <p>Lease guarantee: There's no guarantee of rent.</p>

The Fund Manager acknowledges that, according to his knowledge at the time of the fund offering, that there is no direct or indirect conflict of interest between the fund and the Fund Manager, the manager / managers of relevant properties to the fund, the owner / owners of properties associated with the fund, or the tenant/ tenants of real estate assets whose returns constitute 10% or more of the annual rental returns of the fund except what is stated in these terms and conditions.



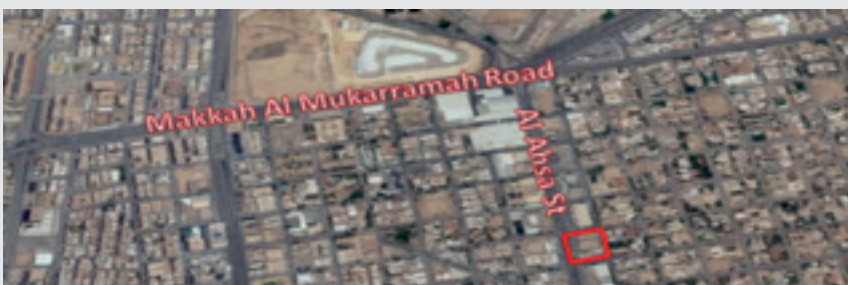
Property (8)

Property Name	Rama Plaza - Riyadh
Owner / Owners information	Al-Rajhi Real Estate Income Fund
Type of property	A retail Commercial Center
State/City	Riyadh
District/Street	Al-Nahda District, Abdulrahman Al-Nasser Street
Location Map	
Land Area	15,600 m2
Construction area (As per the building permit)	9,822.42 m2
Number of floors	2 (commercial ground floor, first floor for offices)
Types and numbers of units	30 retail outlets, 15 offices
Occupancy rate for the property	62%
Construction completion date for the building (according to the completion certificate)	07/05/1432AH
Cost of purchasing the property	69,403,268 Saudi Riyal
Overview of current leases	After the termination of the standard lease contract as on the date of Rajab 1, 1442 AH. The lease contract for each tenant starts separately according to the date of the actual lease contract and is automatically renewed if both parties have no objection. The term of lease contracts varies from one year to 20 years. The property is managed by an independent and specialized company (Medad Alkhaer Real Estate), and it also consists of a limited number of commercial units
Income from the property for the last three years, if applicable	2018: 4,691,384 Saudi Riyal 2017: 4,691,384 Saudi Riyal 2016: 4,704,237 Saudi Riyal
Any additional information	<p>The Fund is responsible for managing the building (by appointing a competent property manager), cleaning, guarding, and main and periodic maintenance of the building's public facilities, electricity expenses for the building's public facilities (excluding the tenant units), and the costs of completely adapting the building and securing the building.</p> <p>The net income of the property for 2019: 4,691,384 Saudi Riyal The net income of the property for 2019: 4,691,384 Saudi Riyal</p> <p>Percentage of total return on the value of the purchase of the property: 6.76%, net return on the value of the property purchase: 6.76%</p> <p>Lease guarantee: There's no guarantee of rent.</p>

The Fund Manager acknowledges that, according to his knowledge at the time of the fund offering, that there is no direct or indirect conflict of interest between the fund and the Fund Manager, the manager / managers of relevant properties to the fund, the owner / owners of properties associated with the fund, or the tenant/ tenants of real estate assets whose returns constitute 10% or more of the annual rental returns of the fund except what is stated in these terms and conditions.




Property (9)

Property Name	Jarir Bookstores- Riyadh
Owner / Owners information	Al-Rajhi Real Estate Income Fund
Type of property	Commercial Center and offices
State/City	Riyadh
District/Street	Rabwah District, Al-Ahsa Street
Location Map	
Land Area	4,953 m2
Construction area (As per the building permit)	9,162 m2
Number of floors	Retail outlets on the ground and first floors
Types and numbers of units	Retail outlets on the ground floor, and first floor
Occupancy rate for the property	100%
Construction completion date for the building (according to the completion certificate)	
Cost of purchasing the property	72,178,814 Saudi Riyal
Overview of current leases	<p>After the consolidated lease expired on 21 June 2018 AD, the lease of each tenant commenced separately according to the date of the actual lease and shall be automatically renewed in the event that the parties are not reluctant. The duration of leases varies from one to 25 years.</p> <p>The property is managed by an independent and specialized company (Olaat) and consist of a limited number of office and retail units, knowing that details of the largest tenants' leases will be later mentioned in these terms and conditions.</p>
Income from the property for the last three years, if applicable	<p>2018: 4,876,500 Saudi riyals.</p> <p>2017: 5,231,330 Saudi Riyal</p> <p>2016: 5,164,695 Saudi Riyal</p>
Any additional information	<p>The Fund is responsible for managing the building (by appointing a competent property manager), cleaning, guarding, and main and periodic maintenance of the building's public facilities, electricity expenses for the building's public facilities (excluding the tenant units), and the costs of completely adapting the building and securing the building.</p> <p>The net income of the property for 2019: 5,077,166 Saudi Riyal The net income of the property for 2019: 4,477,166 Saudi Riyal</p> <p>Percentage of total return on the property purchase value :7.03%, net return on the property purchase value: 6.20%</p> <p>Lease guarantee: There's no guarantee of rent.</p>

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Property (10)

Property Name	Al Faris International School- Riyadh
Owner / Owners information	Al-Rajhi Real Estate Income Fund
Property Type	School
State/City	Riyadh
District/Street	Al-Taawun district, Abi Saad bin Muhammad Street
Location Map	
Land Area	16,500 m2
Construction area (As per the building permit)	36,835 m2
Number of floors	4 (basement + ground floor + first floor + second floor)
Types and numbers of units	education classes
Occupancy rate for the property	100%
Construction completion date for the building (according to the completion certificate)	23/08/1431AH
Cost of purchasing the property	132,826,263 Saudi Riyal
Overview of current leases	The lease begins on 1 July 2011 and ends on 1 July 2026. The amount of the annual rent is 10,000,000 Saudi Riyal paid semi - annually. (The payment for rental amount is due on the first day of January and first day of July).
Income from the property for the last three years, if applicable	2018: 10,000,000 Saudi Riyal 2017: 10,000,000 Saudi Riyal 2016: 10,000,000 Saudi Riyal
Any additional information	The main tenant is obliged to manage the property and render periodic and maintenance for the property, while the fund will cover the insurance. The net income of the property for 2019: SR 10,000,000 The net income of the property for 2019: SR 9,955,800 Percentage of total return on the value of the purchase of the property: 7.53%, net return on the value of the property purchase: 7.50% Lease guarantee: There is no guarantee of rent.

The Fund Manager acknowledges that, according to his knowledge at the time of the fund offering, that there is no direct or indirect conflict of interest between the fund and the Fund Manager, the manager / managers of relevant properties to the fund, the owner / owners of properties associated with the fund, or the tenant/ tenants of real estate assets whose returns constitute 10% or more of the annual rental returns of the fund except what is stated in these terms and conditions.



Property (11)

Property Name	Panda - Khamis Mushait
Owner / Owners information	Al-Rajhi Real Estate Income Fund
Type of property	Commercial Center
State/City	Khamis Mushait
District/Street	Al-Naseem District, Prince Sultan Road
Location Map	
Land Area	19,000 m2
Construction area (As per the building permit)	5,456.27 m2
Number of floors	Ground floor
Types and numbers of units	Ground floor - supermarket
Occupancy rate for the property	100%
The date of issuance of the license to open a shop	7/11/1429AH
Cost of purchasing the property	47,993,565 Saudi Riyal
Overview of current leases	<p>The lease begins on 24 March 2014 and ends on 23 March 2029.</p> <p>The annual rent is S.R. 2,748,831, on quarterly basis (the rental amount is due on the first day in March, June, September, and December).</p> <p>It increases by 14.81% to 3,156,065 in year 6, and then by 12.90% to 3,563,299 in year 11.</p>
Income from the property for the last three years, if applicable	<p>2018: 3,156,065 Saudi Riyal</p> <p>2017: 2,748,831 Saudi Riyal</p> <p>2016: 2,748,831 Saudi Riyal</p>
Any additional information	<p>The total income of the property for 2019: 3,156,056 Saudi Riyal</p> <p>The net income of the property for 2019: 3,156,056 Saudi Riyal</p> <p>Percentage of total return on the value of the purchase of the property: 6.58%, net return on the property purchase value: 6.58%</p> <p>Lease guarantee: There is no guarantee of rent.</p>

The Fund Manager acknowledges that, according to his knowledge at the time of the fund offering, that there is no direct or indirect conflict of interest between the fund and the Fund Manager, the manager / managers of relevant properties to the fund, the owner / owners of properties associated with the fund, or the tenant/ tenants of real estate assets whose returns constitute 10% or more of the annual rental returns of the fund except what is stated in these terms and conditions.




Property (12)

Property Name	Hyper Panda - Al Marwa, Jeddah
Owner / Owners information	Al-Rajhi Real Estate Income Fund
Property Type	Commercial Center
State/City	Jeddah
District/Street	Al-Marwah District, Prince Miteb bin Abdulaziz Road
Location Map	
Land Area	38,641 m2
Construction area (As per the building permit)	15,247.72 m2
Number of floors	Ground floor
Types and numbers of units	Offices + Showrooms + Commercial
Occupancy rate for the property	100%
The date of issuance of the license to open a shop	24/8/1429AH
Cost of purchasing the property	217,604,099 Saudi Riyal
Overview of current leases	<p>The lease begins on November 12, 2013 and ends on November 11, 2028.</p> <p>The annual rent is 9,809,608 Saudi Riyal, paid quarterly (the rental amount is due on the first day in March, June, September, and December).</p> <p>It rises by 14.81% to SAR 11,262,883 in the sixth Hijri year.</p> <p>It rises by 12.90% to SAR 12,716,158 in the eleventh Hijri year.</p>
Income from the property for the last three years, if applicable	<p>2018: 11,262,883 Saudi Riyal</p> <p>2017: 9,809,608 Saudi Riyal</p> <p>2016: 9,809,608 Saudi Riyal</p>
Any additional information	<p>The Total income of the property for 2019: 11,262,883 Saudi Riyal</p> <p>The net income of the property for 2019: 11,262,883 Saudi Riyal</p> <p>Percentage of total return on the value of the purchase of the property: 5.18%, net return on the property purchase value: 5.18%</p> <p>Lease guarantee: There is no guarantee of rent.</p>

The Fund Manager acknowledges that, according to his knowledge at the time of the fund offering, that there is no direct or indirect conflict of interest between the fund and the Fund Manager, the manager / managers of relevant properties to the fund, the owner / owners of properties associated with the fund, or the tenant/ tenants of real estate assets whose returns constitute 10% or more of the annual rental returns of the fund except what is stated in these terms and conditions.




Property (13)

Property Name	Panda - Al Rawdah, Jeddah
Owner / Owners information	Al-Rajhi Real Estate Income Fund
Property Type	Commercial Center
State/City	Jeddah
District/Street	Al-Rawda District, Qasim Zina Street
Location Map	
Land Area	9,929.79 m2
Construction area (As per the building permit)	3,300.4 m2
Number of floors	Commercial ground floor
Types and numbers of units	Supermarket + 17 Showrooms + mezzanine
Occupancy rate for the property	100%
The date of issuance of the license to open a shop	11/10/1427AH
Cost of purchasing the property	67,443,000 Saudi Riyal
Overview of current leases	<p>Rent starts from February 27, 2014 and ends on February 26, 2029.</p> <p>The annual rent is 2,417,575 Riyals, paid quarterly (the rental amount is due on the first day in March, June, September, and December).</p> <p>It rises by 14.81% to SAR 2,775,734 in the sixth Hijri year.</p> <p>It rises by 12.90% to SAR 3,133,893 in the eleventh Hijri year.</p>
Income from the property for the last three years, if applicable	<p>2018: 2,775,734 Saudi Riyal.</p> <p>2017: 2,417,575 Saudi Riyal</p> <p>2016: 2,417,575 Saudi Riyal</p>
Any additional information	<p>The main tenant is obliged to manage the property and render periodic and maintenance for the property and its insurance.</p> <p>The Total income of the property for 2019: 2,775,734 Saudi Riyal</p> <p>The net income of the property for 2019: 2,775,734 Saudi Riyal</p> <p>Percentage of total return on the value of the purchase of the property: 4.12%, net return on the value of the property purchase: 4.12%</p> <p>Lease guarantee: There's no guarantee of rent.</p>

The Fund Manager acknowledges that, according to his knowledge at the time of the fund offering, that there is no direct or indirect conflict of interest between the fund and the Fund Manager, the manager / managers of relevant properties to the fund, the owner / owners of properties associated with the fund, or the tenant/ tenants of real estate assets whose returns constitute 10% or more of the annual rental returns of the fund except what is stated in these terms and conditions.




Property (14)

Property Name	Panda - Madain Al-Fahd, Jeddah
Owner / Owners information	Al-Rajhi Real Estate Income Fund
Property Type	Commercial Center
State/City	Jeddah
District/Street	Madain Al-Fahd District, Madain Al-Fahd Street
Location Map	
Land Area	11,873.92 m2
Construction area (As per the building permit)	3,838 m2
Number of floors	One floor
Types and numbers of units	11 Showrooms + a supermarket
Occupancy rate for the property	100%
The date of issuance of the license to open a shop	22/9/1427AH
Cost of purchasing the property	48,592,750 Saudi Riyal
Overview of current leases	<p>The lease begins on 4 September 2014 and ends on 3 September 2029.</p> <p>The annual rent is 2,529,370 Riyals, paid quarterly (the rental amount is due on the first day in March, June, September, and December).</p> <p>It rises by 14.81% to SAR 2,904,091 in the sixth year.</p> <p>It rises by 12.90% to SAR 3,278,813 in the eleventh year.</p>
Income from the property for the last three years, if applicable	<p>2018: 2,904,291 Saudi Riyal.</p> <p>2017: 2,529,370 Saudi Riyal</p> <p>2016: 2,529,370 Saudi Riyal</p>
Any additional information	<p>The main tenant is obliged to manage the property and render periodic and maintenance for the property and its insurance.</p> <p>The Total income of the property for 2019: 2,904,291 Saudi Riyal</p> <p>The net income of the property for 2019: 2,904,291 Saudi Riyal</p> <p>Percentage of total return on the value of the purchase of the property: 5.98%, net return on the value of the property purchase: 5.98%</p> <p>Lease guarantee: There's no guarantee of rent.</p>

The Fund Manager acknowledges that, according to his knowledge at the time of the fund offering, that there is no direct or indirect conflict of interest between the fund and the Fund Manager, the manager / managers of relevant properties to the fund, the owner / owners of properties associated with the fund, or the tenant/ tenants of real estate assets whose returns constitute 10% or more of the annual rental returns of the fund except what is stated in these terms and conditions.



Property (15)


Property Name	Al Andalus Center – Jeddah*
Owner / Owners information	Al-Rajhi Gulf Real Estate Fund
Property Type	A commercial tower that contains 133 offices and 12 showrooms
State/City	Jeddah
District/Street	Al-Ruwais District, Andalus Road
Location Map	
Land Area	9,565.85 m2
Construction area (As per the building permit)	33,426.34 m2
Number of floors	Ground + 8 floors + mezzanine + basement
Types and numbers of units	Commercial: 133 offices and 12 Showrooms
Occupancy rate for the property	Office occupancy rate (133) is approximately 92%. Occupancy rate for the (12) showrooms is approximately 60%. The balanced average occupancy ratio for the entire building is approximately 90%
Construction completion date for the building (according to the completion certificate)	-
Cost of purchasing the property	190,000,000 Saudi Riyal.
Overview of current leases	The lease contract for each tenant begins separately according to its actual date and is automatically renewed in the event that the parties are not reluctant. The duration of leases varies from one to 10 years. The estate is managed through a specialized company (Olaat) and consists of a large number of office and commercial units. For further details, please refer to a table (4. Information on leases for the Al-Andalus estate). The Center's rent for 2017 are expected to total 13,700,00.00 Riyals.
Income from the property for the last three years, if applicable	2018: 10,553,740 Saudi Riyal. 2017: 11,178,264 Saudi Riyal 2016: 11,164,813 Saudi Riyal
Any additional information	The total income of the property for 2019: 14,284,635 Saudi Riyal The net income of the property for 2019: 10,728,635 Saudi Riyal Percentage of total return on the value of the purchase of the property: 7.52%, net return on the value of the property purchase: 5.65% Lease guarantee: There is no guarantee of rent.

The Fund Manager acknowledges that, according to his knowledge at the time of the fund offering, that there is no direct or indirect conflict of interest between the fund and the Fund Manager, the manager / managers of relevant properties to the fund, the owner / owners of properties associated with the fund, or the tenant/ tenants of real estate assets whose returns constitute 10% or more of the annual rental returns of the fund except what is stated in these terms and conditions.

* The Fund Administrator acknowledges that the construction completion certificate for the Al Andalus-Jeddah estate is not available at the time of the launch of the Fund, but undertakes to provide it within more than 12 months from the date of the Fund's submission and to bear all financial fines, operational losses or legal costs directly resulting from the non-availability of the completion certificate.




Property (16)

Property Name	Blue Tower, Al Khobar
Owner / Owners information	Musa Bin Abdul Aziz Al Mousa and Sons Company
Property Type	A commercial tower contains showrooms and offices
State/City	Al khobar
District/Street	Al-Yarmouk district, King Faisal Road
Location Map	
Land Area	5,464 m2
Construction area (As per the building permit)	33,591.91 m2
Number of floors	12 floors
Types and numbers of units	12 showrooms + 96 offices + coffee shop
Occupancy rate for the property	100%
Construction completion date for the building (according to the completion certificate)	7/8/1432AH
Cost of purchasing the property	227,000,000 Saudi Riyal.
Overview of current leases	<p>Lease starts from the date of signing the purchase contract and transferring ownership (after establishing the fund) and extends to five years.</p> <p>The annual rent is 18,310,958 Saudi Riyal, to be paid quarterly.</p>
Income from the property for the last three years, if applicable	<p>2018: 18,310,958 Saudi Riyal</p> <p>2017: 18,310,958 Saudi Riyal</p> <p>2016: 20,589,580 Saudi Riyal</p>
Any additional information	<p>The main tenant is obliged to manage the property and render periodic and maintenance for the property and its insurance.</p> <p>The Total income of the property for 2019: 18,310,958 Saudi Riyal</p> <p>The net income of the property for 2019: 18,310,958 Saudi Riyal</p> <p>Percentage of total return on the value of the purchase of the property: 8.07%, net return on the property purchase value: 8.07%</p> <p>Lease guarantee: There is no guarantee of rent.</p>

The Fund Manager acknowledges that, according to his knowledge at the time of the fund offering, that there is no direct or indirect conflict of interest between the fund and the Fund Manager, the manager / managers of relevant properties to the fund, the owner / owners of properties associated with the fund, or the tenant/ tenants of real estate assets whose returns constitute 10% or more of the annual rental returns of the fund except what is stated in these terms and conditions.




Property (17)

Property Name	Al Louloua warehouses, Riyadh
Owner / Owners information	Musa Bin Abdul Aziz Al Mousa and Sons Company
Property Type	Warehouse complex
State/City	Riyadh
District/Street	Al-Masani District, Al-Ha'ir Road
Location Map	
Land Area	94,908.60 m2
Construction area (As per the building permit)	80,359.08 m2
Number of floors	Ground floor
Types and numbers of units	208
Occupancy rate for the property	100%
Construction completion date for the building (according to the completion certificate)	27/2/1427AH
Cost of purchasing the property	198,701,300 Saudi Riyal.
Overview of current leases	Lease starts from the date of signing the purchase contract and transferring ownership (after establishing the fund) and extends to five years. The annual rent is 13,616,639.5 Saudi Riyal, to be paid quarterly.
Income from the property for the last three years, if applicable	2018: 13,616,639 Saudi Riyal 2017: 13,616,639 Saudi Riyal 2016: 13,616,640 Saudi Riyal
Any additional information	The main tenant is obliged to manage the property and render periodic and maintenance for the property and its insurance. The Total income of the property for 2019: 13,616,639 Saudi Riyal The net income of the property for 2019: 13,616,639 Saudi Riyal Percentage of total return on the value of the purchase of the property: 6.85%, net return on the property purchase value: 6.85% Lease guarantee: There is no guarantee of rent.

The Fund Manager acknowledges that, according to his knowledge at the time of the fund offering, that there is no direct or indirect conflict of interest between the fund and the Fund Manager, the manager / managers of relevant properties to the fund, the owner / owners of properties associated with the fund, or the tenant/ tenants of real estate assets whose returns constitute 10% or more of the annual rental returns of the fund except what is stated in these terms and conditions.



Property (18)

Property Name	Lulu Central Warehouses
Owner / Owners information	Trading and echnical Services and Contracting Company (Tasra)
Property Type	Warehouses
State/City	Riyadh
District/Street	Al-Misfaah District, Al-Kharj Road, Industrial Gate City
Location Map	
Land Area	23,716.29 m2
Construction area (As per the building permit)	16,500 m2
Number of floors	One floor
Types and numbers of units	1
Occupancy rate for the property	100%
Construction completion date for the building (according to the completion certificate)	08/06/1437AH
Cost of purchasing the property	52,250,000 Saudi Riyal
Overview of current leases	The lease with Saudi Lulu Hypermarket is 15 years from 16 December 2016. The property entirely leased to Saudi Lulu Hypermarket for an annual rent of SAR 3,795 million and the annual rent increases by 12% every five years.
Income from the property for the last three years, if applicable	2018: 3,795,000 Saudi riyals. 2017: None 2016: None
Any additional information	The main tenant is obliged to manage and maintain the property periodically. The total income of the property for 2019: 3,795,000 Saudi Riyal The net income of the property for 2019: 3,682,230 Saudi Riyal Percentage of total return on the value of the purchase of the property: 7.26%, net return on the value of the property purchase: 7.05% Lease guarantee: There is no guarantee of rent.

The Fund Manager acknowledges that, according to his knowledge at the time of the fund offering, that there is no direct or indirect conflict of interest between the fund and the Fund Manager, the manager / managers of relevant properties to the fund, the owner / owners of properties associated with the fund, or the tenant/ tenants of real estate assets whose returns constitute 10% or more of the annual rental returns of the fund except what is stated in these terms and conditions.



5. Investment concentration policy:

The table below refers to the percentages of the Fund's investments in terms of the fund's total asset value:

Investment Type	Allocation Ratio
Real estate investments (income-generating assets) in the commercial, office, educational, health, housing and warehouse sectors	At least 75% of the total value of the assets of the Fund and up to 100% of the total value of the assets of the Fund, according to the latest audited financial statements.
<ul style="list-style-type: none"> - Real estate development activities (including renovation and restoration) - Financial market instruments that are low-risk and compliant with the standards of the Sharia committee of the Fund, directly through any of the banks subject to the supervision of the Central Bank, including Al-Rajhi Bank, at a minimum, as determined by one of the three international credit rating agencies as follows: Standard & Poor's BBB- / Moodys Baa3 / BBB Fitch. No investment will be made in cash market instruments and/or in unclassified counter parties, or through cash market funds that is licensed by the Capital Market Authority (CMA) and publicly offered for subscription, including funds managed by the Fund Manager or any other investment Fund Manager, will not take place after the Fund Manager makes his recommendation to the Board of Directors of the Fund to invest in cash market funds managed by any other investment Fund Manager in accordance with the standards the Fund's Sharia committee (after approval by the Fund's Sharia committee) and based on performance, liquidity and risk related to the Fund. It should be noted that investing in these funds will not incur the subscription fees but are subject to fees charged at the level of the invested fund. - Investing in real estate companies listed on the Saudi Stock Market - Real Estates Investment Traded Funds that conform to Sharia standards (After taking the approval of the Sharia Board of the Fund) listed in the Saudi Arabian financial market or public real estate funds licensed by the Capital Market Authority or Gulf and/ or foreign regulatory bodies in accordance with the regulation of another country subject to regulation that is at least equal to that applicable to investment funds in the Kingdom, including public real estate funds and cash market funds managed by the Fund's manager or subsidiary companies licensed by the Capital Market Authority, with compliance with the system of non-Saudi ownership and investment. - Real estate investments outside Saudi Arabia 	Not more than 25% of the total value of the Fund's assets, according to the latest audited financial lists.

In addition to the above, with regard to the geographical concentration of the Fund's investments, the Fund will seek locations in the cities of Saudi Arabia (except Mecca and Medina) with the possibility of enhancing return through investment outside Saudi Arabia when strategic opportunities arise, up to a maximum of 25% of the total value of the Fund's assets, depending on the latest audited financial statements.



The following is the title deeds information for the targeted properties:

Property	Title Deed No. and date
Property (1) Baraem Rowad Al Khaleej International Schools.	710107020195 dated 16/03/1432 AH
Property (2) Rowad Al Khaleej International Schools.	310114027150 dated 19/07/1435 AH 810117030372 dated 12/05/1436 AH
Property (3) Rowad Alkhaleej International School.	930111004905 dated 14/04/1433 AH 330122001630 dated 12/06/1434 AH 630111004907 dated 14/04/1433 AH 430122001629 dated 12/06/1434 AH
Property (4) NMC Al-Salam Specialty Hospital.	310116026298 dated 04/08/1433 AH 510104026736 dated 03/08/1433 AH 710116026297 dated 04/08/1433 AH 310116026296 dated 04/08/1433 AH

6. Annual past and targeted lease income per property

1-Current net and targeted lease net income per property:

Income from current properties:

Property Name	2016		2017		2018	
	Rental income (Riyal)	Percentage (rental income/ total rents for the same year)	Rental income (Riyal)	Percentage (rental income/ total rents for the same year)	Rental income (Riyal)	Percentage (rental income/ total rents for the same year)
Lulu Hypermarket – Riyadh	15,275,000	14.3%	15,275,000	14.6%	15,275,000	14.2%
Anwar Plaza - Riyadh (1)	4,435,424	4.2%	4,423,305	4.2%	4,423,305	4.1%
Narges Plaza - Riyadh (1)	4,301,017	4.0%	4,289,266	4.1%	4,289,266	4.0%
Rama Plaza - Riyadh (1)	4,704,237	4.4%	4,691,384	4.5%	4,691,384	4.4%
Jarir Bookstore - Riyadh (2)	5,164,695	4.8%	5,231,330	5.0%	4,876,500	4.5%
Al Faris International School - Riyadh	10,000,000	9.4%	10,000,000	9.6%	10,000,000	9.3%
Panda - Khamis Mushait	2,748,831	2.6%	2,748,831	2.6%	2,748,831	2.6%
Hyper Panda - Al Marwa, Jeddah	9,809,608	9.2%	9,809,608	9.4%	9,809,608	9.1%
Panda - Al Rawdah, Jeddah	2,417,575	2.3%	2,417,575	2.3%	2,417,575	2.3%
Panda - Madain Al-Fahd, Jeddah	2,529,370	2.4%	2,529,370	2.4%	2,529,370	2.4%
Al Andalus Center - Jeddah (3)	11,164,813	10.5%	11,178,264	10.7%	10,553,740	9.8%
Blue Tower, Al Khobar(4)	20,589,580	19.3%	18,310,958	17.5%	18,310,958	17.1%
Al Louloua warehouses, Riyadh (4)	13,616,640	12.8%	13,616,639	13.0%	13,616,639	12.7%
Lulu Central Warehouses	-	-	-	-	3,795,000	3.5%
Total	106,756,790	100%	104,521,530	100%	107,337,176	100%



Rental income for current and targeted real estates:

Property Name	2019		2020		2021	
	Total rental income for targeted real estate (Riyal)	Percentage (rental income/ total rents for the same year)	Total rental income for targeted real estate (Riyal)	Percentage (rental income/ total rents for the same year)	Total rental income for targeted real estate (Riyal)	Percentage (rental income/ total rents for the same year)
Lulu Hypermarket - Riyadh	15,275,000	12.5%	16,344,252	10.0%	16,344,252	10.0%
Anwar Plaza - Riyadh (1)	4,423,305	3.6%	4,879,040	3.0%	4,879,040	3.0%
Narges Plaza - Riyadh (1)	4,289,266	3.5%	4,460,836	2.7%	4,460,836	2.7%
Rama Plaza - Riyadh (1)	4,691,384	3.8%	4,600,237	2.8%	4,600,237	2.8%
Jarir Bookstore - Riyadh (2)	5,077,166	4.2%	5,077,166	3.1%	5,077,166	3.1%
Al Faris International School - Riyadh	10,000,000	8.2%	10,000,000	6.1%	10,000,000	6.1%
Panda - Khamis Mushait	3,156,065	2.6%	3,156,065	1.9%	3,156,065	1.9%
Hyper Panda - Al Marwa, Jeddah	11,262,883	9.2%	11,262,883	6.9%	11,262,883	6.9%
Panda - Al Rawdah, Jeddah	2,775,734	2.3%	2,775,734	1.7%	2,775,734	1.7%
Panda - Madain Al-Fahd, Jeddah	2,904,291	2.4%	2,904,291	1.8%	2,904,291	1.8%
Al Andalus Center - Jeddah (3)	14,284,635	11.7%	14,284,635	8.7%	14,284,635	8.7%
Blue Tower, Al Khobar(4)	18,310,958	15%	18,310,958	11.2%	18,310,958	11.2%
Al Louloua warehouses, Riyadh (4)	13,616,639	11.2%	13,616,639	8.3%	13,616,639	8.3%
Lulu Central Warehouses	3,795,000	3.1%	3,795,000	2.3%	3,795,000	2.3%
NMC Al-Salam Speciality Hospital	1,951,667	1.60%	11,710,000	7.1%	11,710,000	7.1%
Baraem Rowad Al Khaleej International Schools	258,333	0.2%	1,550,000	0.9%	1,550,000	0.9%
Rowad AlKhaleej International School-Al Magharzat, Riyadh*	2,712,500	2.2%	16,275,000	9.9%	16,275,000	9.9%
Rowad Alkhaleej International School , Dammam*	3,158,125	2.6%	18,948,750	11.6%	18,948,750	11.6%
Total	121,942,951	100.0%	163,951,486	100.0%	163,951,486	100.0%

*Rent was calculated over a period of two months only, assuming that the aforementioned properties were acquired in the beginning of November 2019



Rent per tenant percentage to total rent:

Tenant Name	Total income for 2020	Percentage to total
AlMutlaq Real Estate Company	16,344,252	10.0%
Al Fouzan Trading & General Construction Company	13,940,113	8.5%
Jarir Bookstore	5,077,166	3.1%
Al Faris International School	10,000,000	6.1%
Panda Retail Company	20,098,973	12.3%
Tenants at the property of Al-Andalus Center	14,284,635	8.7%
Rawaj Real Estate Company	31,927,597	19.5%
Saudi Lulu Hypermarket Company	3,795,000	2.3%
Al-Salam Medical Group Company	11,710,000	7.1%
Al Khaleej Training and Education Company	36,773,750	22.4%
Total	163,951,486	100.00%



Net income from current and targeted properties:

Net income less direct expenses of the property				
Property Name	Cost of purchasing the property (SAR)	2019	2020	2021
		Rental income for targeted real estate (Riyal)	Rental income for targeted real estate (Riyal)	Rental income for targeted real estate (Riyal)
Lulu Hypermarket - Riyadh	225,634,585	15,275,000	16,344,252	16,344,252
Anwar Plaza - Riyadh (1)	62,245,967	4,423,305	4,879,040	4,879,040
Narges Plaza - Riyadh (1)	61,289,083	4,289,266	4,460,836	4,460,836
Rama Plaza - Riyadh (1)	69,403,268	4,691,384	4,600,237	4,600,237
Jarir Bookstore - Riyadh (2)	72,178,814	4,477,166	4,477,166	4,477,166
Al Faris International School- Riyadh	132,826,263	9,955,800	9,955,800	9,955,800
Panda - Khamis Mushait	47,993,565	3,156,065	3,156,065	3,156,065
Hyper Panda - Al Marwa, Jeddah	217,604,099	11,262,883	11,262,883	11,262,883
Panda - Al Rawdah, Jeddah	67,443,000	2,775,734	2,775,734	2,775,734
Panda - Madain Al-Fahd, Jeddah	48,592,750	2,904,291	2,904,291	2,904,291
Al Andalus Center - Jeddah (3) (6)	190,000,000	10,728,635	10,728,635	10,728,635
Blue Tower, Al Khobar	227,000,000	18,310,958	18,310,958	18,310,958
Al Louloua warehouses, Riyadh	198,701,300	13,616,639	13,616,639	13,616,639
Lulu Central Warehouses	52,250,000	3,682,230	3,682,230	3,682,230
NMC Al-Salam Speciality Hospital	163,776,223	1,891,667	11,650,000	11,650,000
Baraem Rowad Al Khaleej International Schools	20,000,000	258,333	1,550,000	1,550,000
Rowad AlKhaleej International School- Al Magharzat, Riyadh*	210,000,000	2,712,500	16,275,000	16,275,000
Rowad Alkhaleej International School , Dammam*	244,500,000	3,158,125	18,948,750	18,948,750
Total	2,436,438,917	117,569,981	159,638,516	159,638,516

Please note that the net rent shown in the table above is net of expected direct operating expenses per-property.

*Rent was calculated over a period of two months only, assuming that the aforementioned properties were acquired in the beginning of November 2019



	2017	20 March 2018 through end of 2018	2019	2020	2021
Total annual income from the properties	104,521,530	92,099,709	121,942,951	163,951,486	163,951,486
Direct expenses	-	3,158,483	4,372,970	4,372,970	4,372,970
Total targeted indirect expenses (7)	-	1,853,683	2,342,500	1,792,500	1,792,500
Annual payment of the profit margin of the finance amount	-	13,883,005	19,907,663	29,920,163	29,920,163
Management fees	-	9,809,233	13,854,331	18,008,992	18,008,992
Net profit	75,209,011	63,395,305	81,465,486	109,856,861	109,856,861
Total return (5)	8.55%	9.62%	9.42%	9.91%	9.91%
Net return (5)	6.15%	6.16%	6.30%	6.64%	6.64%

* It is assumed that Al-Rajhi REIT Fund will issue a maximum of 43,258,427 new units through increasing the fund's assets value, and the net return for the period, for the years following, for the process of increasing the fund's assets value based on a maximum of 165,459,036 units

for the year 2019, the weighted average number of units was calculated as follows: The first 10 months of the year 122,200,609 units and assuming the offering was closed and the number of units increased as on the date of November 1, so the number of units became 165,459,036 after the process of increasing the value of the fund's assets and the weighted average number of units became 129,410,347 for the purpose of calculating Total and net return for the year 2019

- Management and financing expenses for 2019 were calculated on the assumption that the offering was closed and the value of the fund's assets increased on November 1, 2019 and therefore the value of management and financing expenses increased as a result of the increase in the value of the fund's assets after the closing date of the fund increase process.
 - For 2018, actual performance has been presented in accordance with the audited financial statements. The net return for 2018 was calculated based on a number of 122,200,609 issued units.
 - For 2017, Al-Rajhi REIT Fund was not offered during 2017, and therefore the gross and net income depend on income data for other funds acquired.
- (1) Rent is collected for Al Anwar Plaza, Al Narjes Plaza and Rama Plaza based on the Hijri calendar. During 2021, a settlement agreement was signed with the tenant to terminating the two lease contracts of Rama Plaza and Anwar Plaza.
 - (2) The property is managed by an independent manager from the beginning of the third quarter of 2018, and the total rental value may change according to the lease contracts with the tenants, as the lease contract for each tenant begins separately according to its actual date and is automatically renewed in the event that the parties do not object. The lease period varies from one year to 25 years, and the real estate is managed by a specialized company (Olaat), and it consists of a limited number of office and commercial units.
 - (3) The real estate is managed by an independent manager and the total rental value may change according to the amount actually collected. The real estate was acquired recently during the second half of 2017.



- (4) The rental amounts mentioned are the same as in the lease contracts, historical income data for the year 2016 has been provided from the seller.
- (5) Some of the returns and rents related to the fund mentioned in the above table are subject to change during the life of the fund, which results in a change in the target return. The net return was calculated by taking the net income after deducting all expenses and management fees and dividing it by the total number of actual fund units.
- (6) Real estate is a property consisting of several tenants and the rent numbers shown above are after deducting expected operating expenses. Any increase or decrease in the rental rate or operating expenses may have an impact on the expected rental income from these properties.
- (7) Total indirect expenses of real estate include general fund expenses, including but not limited to custody fees, auditor's fees, real estate appraisal fees, sub-administrative director, supervisory fees, independent directors' remuneration, trading fees, managing units register by the Saudi Stock Exchange Annual fees for listing on the Saudi Stock Exchange, other expenses.

The rental data source is as follows:

Lulu Hypermarket Jarir Bookstore Al Faris International School	All rental income data from 2016 to 2018 are actual. The lease term for Jarir property will expire in mid-2018, and the contract renewal has been assumed at the same value. The rental amounts mentioned for 2019, 2020 and 2021 are projected estimates.
Anwar Plaza, Al Narjes Plaza, and Rama Plaza	Income data for 2016, 2017 and 2018 are actual. The rental amounts mentioned for 2019, 2020 and 2021 are projected estimates.
Panda - Khamis Mushait Hyper Panda - Al Marwa, Jeddah Panda - Al Rawdah, Jeddah Panda - Madain Al-Fahd, Jeddah	Income data for 2016, 2017 and 2018 are actual. The rental amounts mentioned for 2019, 2020 and 2021 are projected estimates.
Al-Andalus Center	Income data for 2016 was provided by the previous owner. The income for 2017 was calculated on pro-rata basis, taking into account the date of acquisition of the real estate on 16/07/2017. Income data for 2018 are actual. The rental amounts mentioned for 2019, 2020 and 2021 are projected estimates.
Blue Tower Pearl Warehouses	Income data for 2016 and 2017 were provided by the seller. Income data for 2018 are actual The rental amounts mentioned for 2019, 2020, and 2021 are projected estimates as per the agreement
Lulu Central Warehouses	Income data for 2018 are actual The rent amounts mentioned for the year 2019, 2020 and 2021 are projected estimates as per the agreement



2- Lease contract information for each real estate *:

Real estate	The main tenant	Contract starting date	Contract End Date	Remaining period of the lease contract (years) From 1 July 2019
Lulu Hypermarket – Riyadh	Almutlaq Real Estate Investment Company	December 2014	April 2029	9.82
Narjes Plaza – Riyadh	Al-Fawzan Trading and Contracting Company	Ramadan 1436	Ramadan 1446	5.68

Summary of contract termination provisions

- The lessor has the right to terminate if the tenant fails to pay the dues to the lessor after receiving the first written notice and was unable to pay the indicated amount within fifteen (15) days, and he received the second written notice and was also unable to pay within fifteen (15) days after receiving the second notice.
- The lessor has the right to terminate if the tenant violates or does not implement any of the terms of this agreement or the service agent agreement and does not address this within thirty days. The lessor has the right to terminate the agreement when the tenant breaches it, as soon as a written notice is given and without reference to the court or any arbitration body, and possession of the real estate returns to the lessor. Without prejudice to any claim of the lessor towards the tenant under the terms of this agreement, the tenant is also obligated to bear any expenses incurred by the lessor to implement the tenant's tasks and obligations under this agreement.
- The lessor has the right to terminate if the tenant issues a decision regarding the conclusion of a voluntary arrangement to settle his debts or regarding a planned arrangement or submitted to the court or arbitration panel to appoint a liquidator for his assets under any applicable law.
- The lessor has the right to terminate if the tenant has a liquidator, guard or administrative guards.
- The lessor has the right to terminate if the court or the competent arbitration panel issues a final order for bankruptcy or liquidation of the tenant.
- The lessor has the right to terminate if the tenant issues a decision regarding his voluntary liquidation or the appointment of a liquidator or temporary guard for his business and assets.
- The lessor has the right to terminate if the tenant submits a petition for liquidation or a petition or request for an administrative order has been submitted against him or a liquidation decision is issued (other than voluntary liquidation upon bankruptcy for purposes of consolidation or reorganization that obtains the prior written approval of the lessor), or a call for a meeting of its creditors for the purpose Considering the decision to liquidate him voluntarily; Or the decision to submit his own liquidation petition, or to be liquidated, or to appoint a liquidator or temporary liquidator for him.
- The lessor has the right to terminate if the tenant for any reason ceases to maintain his legal presence.
- The lessor has the right to terminate if a bankruptcy petition has been filed against the tenant or if a judgment of bankruptcy is made.
- The lessor has the right to terminate if the tenant commits any act involving fraud or any other illegal or criminal act on or on the real estate.
- The tenant has the right to terminate if the lessor breaches or does not implement any of the provisions of this agreement and does not remedy this defect within sixty days of receiving written notice from the tenant or after a

longer period as may be agreed upon in writing between the parties.

- In the event of a breach by the lessor of the lease contract, the tenant has the right to terminate without the need for a court order or any arbitration body, by sending a written notice to the lessor. The contract shall be terminated as of the date specified in the notice, and at that time the tenant's obligation to pay the rent shall cease without prejudice to any claim that the tenant may have against the lessor for any breach of any of the terms and conditions of this agreement.
- In the event that the property is expropriated or assigned according to a public or quasi-public benefit agreement, then the contract becomes terminated without notice or notification.
- In the event that part of the property is expropriated during the contract period by a competent authority for the public or semi-public interest, or part of the ownership of the property is transferred for the public or semi-public interest according to statutory procedures or according to an agreement, then it continues. The agreement is in effect according to the tenant's reasonable commercial estimate, and the rent is reduced from the date of expropriation or the transfer of part of the ownership of that part of the property in proportion to the built part of the real estate that remains with the tenant.
- In the event that the agreement is terminated by the tenant due to the expropriation of the lessor, the lessor is obligated to return any rental amount or any other amounts paid in advance by the tenant under this agreement.

Real estate	The main tenant	Contract starting date	Contract End Date	Remaining period of the lease contract (years) From 1 July 2019
Al Faris International School- Riyadh	Al Faris International School	July 2011	July 2026	6.99

Summary of contract termination provisions

- If the tenant delays or fails to pay the rent on the specified date or breaches one of the terms of the contract, the lessor is deemed the contract automatically canceled without the need for a warning or judgment, and the lessor will be entitled to the penalty clause stipulated without any objection, and this includes if the lessor breaks the contract for a reason that relates to the tenant.
- If the tenant uses the place in a way that contradicts the terms of the contract, or occupies the leased property for a purpose other than the purpose it was leased for, or uses it in contravention of public regulations or morals, or if there is an amendment, change, demolition or construction without a previous written permission, then the contract is considered terminated automatically without need to a warning or a judicial order and the tenant shall be obligated to pay the rent for the remainder of the contract period.
- If the tenant uses the leased real estate for other than the agreed purpose, which is for educational purposes, the contract is considered terminated automatically and the lessor will have the right to confiscate the guarantee. The lessor may consider the contract terminated by his own will in the following cases:
 - > If the tenant fails to pay the rent for one week of the due rent.
 - > If he violates any of the conditions of this contract.
- If the second party, i.e. the tenant, breaches its obligations pursuant to this contract, it is considered terminated on its own without the need for a warning, or a judicial order.



Real estate	The main tenant	Contract starting date	Contract End Date	Remaining period of the lease contract (years) From 1 July 2019
Panda - Khamis Mushait	Panda	March 2014	March 2029	9.73
Hyper Panda - Al Marwa, Jeddah	Panda	November 2013	November 2028	9.37
Panda - Al Rawdah, Jeddah	Panda	February 2014	February 2029	9.67
Panda - Madain Al-Fahd, Jeddah	Panda	September 2014	September 2029	10.18

Summary of contract termination provisions

- The lessor has the right to terminate if the tenant fails to pay the dues to the lessor on its specified dates, after (17) working days from the date of the notification of non-payment of the necessary rent.
- The lessor has the right to terminate if the court issues an order or ruling to settle or dissolve the tenant.
- The lessor has the right to terminate if the tenant issues a decision regarding a voluntary arrangement to settle his debts, or his voluntary liquidation, or to appoint a liquidator or bankruptcy trustee on his business and assets.
- The lessor has the right to terminate if the tenant's commercial registry is removed from the records of the Ministry of Trade and Industry in the Kingdom of Saudi Arabia, or if it becomes non-existent by law.
- The lessor has the right to terminate if the tenant issues a decision to enter a settlement agreement or plan, or if he declares the cessation of his activity or a settlement contract with one of his creditors, or if a bankruptcy request has been filed against him or a judgment of bankruptcy has been issued, or a trustee for bankruptcy has been appointed over his assets or part of them.
- The lessor has the right to terminate if the tenant commits a statutory violation affecting the real estate or it is related to it and does not remedy the violation within (30) working days.
- The lessor has the right to terminate in the cases stipulated in the applicable regulations.
- The lessor has the right to terminate - at his absolute discretion - if the tenant does not fulfill his financial obligations after receiving the necessary notifications.
- In the event of expropriation of the property for the public or semi-public benefit, the contract becomes terminated and without notice.
- In the event of expropriation of the entire property or part of it, and this amount is greater than the value of the property, the owner will pay the tenant an amount equal to the percentage increase in the mentioned payment to the value of the real estate within twenty (20) business days from the date of receiving the mentioned amount.
- In the event that part of the property is expropriated during the contract period by a competent authority for the public or semi-public interest, or part of the ownership of the property is transferred for the public or semi-public interest according to or without regular procedures, the rent will be reduced. From the date of expropriation or transfer of part



of the ownership that part of the real estate in proportion to the built part of the real estate that remained with the tenant.

Real estate	The main tenant	Contract starting date	Contract End Date	Remaining period of the lease contract (years) From 1 July 2019
Blue Tower, Al Khobar	Rawaj Real Estate	11 March 2018	March 2023	3.68
Pearl Warehouse, Riyadh	Rawaj Real Estate	6 March 2018	March 2023	3.7

Summary of contract termination provisions

- When a case of failure of the tenant occurs, the lessor reserves the right to terminate this agreement without the need for a judicial order or any arbitration body- Cases of breach:
 - (A) If the tenant delays or refuses to pay any amount due to the lessor within a period not exceeding fifteen days from the due date despite his warning.
 - (B) Or in the event of a violation of one of the terms of this contract or a breach of any clause of the service agent agreement, or he did not implement it despite being warned for thirty days and not responding.
- The lessor shall have the right to terminate this agreement with immediate effect once written notice is given to the tenant, without the need for a court order or any arbitration tribunal, if:
 - (1) The tenant has issued a decision regarding entering into a voluntary arrangement to settle his debts or regarding a scheme arrangement or a request to the court or arbitration tribunal to appoint a liquidator for his assets under any applicable law
 - (2) The tenant has a liquidator, a guardian or guardians, and a manager appointed in relation to the tenant
 - (3) The competent court or arbitration panel has issued a final order declaring the tenant bankrupt or an order to liquidate or dissolve the tenant (except for purposes of merger or reconstruction)
 - (4) The tenant has issued a decision regarding his voluntary liquidation or the appointment of a liquidator or temporary guardian of his business and assets.
 - (5) The tenant has filed a petition for liquidation, or a petition or request has been filed for an administrative order against him or a liquidation decision (other than voluntary liquidation upon bankruptcy for purposes of consolidation or reorganization that obtains the lessor's prior written approval), or a call for a meeting of its creditors for the purpose of looking into the decision to liquidate him voluntarily; Or the decision to submit his own liquidation petition or to be liquidated or to appoint a liquidator or temporary liquidator for him;
 - (6) The tenant for any reason ceases to maintain his legal existence or otherwise cancel it.
 - (7) A bankruptcy petition has been filed against the tenant or if he is judged bankrupt.
 - (8) The tenant has committed any fraudulent or other illegal or criminal act in or on the real estate.
- If the lessor breaches or does not implement any of the provisions of this agreement and does not remedy that breach or failure in processing within sixty (60) days of receiving a written notice from the tenant, the tenant reserves the right to terminate this agreement without the need for a court order to issue a written notice to the lessor as of the date indicated in the notice.

The rent will be reviewed in the year 2020.



Real estate	The main tenant	Contract starting date	Contract End Date	Remaining period of the lease contract (years) From 1 July 2019
Lulu Central Warehouses	Saudi Lulu Hypermarket Company	16 December 2016	15 December 2031	12.47

Summary of contract termination provisions

- 1- In the event that the tenant is 15 days late in payment from the due date for payment, the lessor has the right to notify the tenant in writing of payment within 15 days, and in the event that the tenant does not pay within 15 days, the lessor may claim the tenant for the sum of the amounts due and imposing a fine of 25% on all amounts that have not been settled. The lessor shall have the (option) has the right to terminate the contract or keep it without any further notice.
- 2- In the event that any of the following occurs, the lessor may terminate the contract by notifying the tenant of this termination.
 - In the event that the competent court requests the liquidation or liquidation of the tenant. (Except in cases of mergers, acquisitions, or restructuring).
 - The (Tenant) Board of Directors issued a decision for liquidation or any other substantial action.
 - The tenant entered into any agreement or settlement with any of his creditors, or a financial default was executed or filed against him before the competent court, or a custodian was appointed over his assets or if he is prevented from disposing on the same.
 - If the tenant breaches any of his obligations stipulated in this contract for more than 30 days after being notified in writing, or he resolves the breach in an unsatisfactory manner.
 - The tenant shall indemnify the lessor for any damages or costs, including the costs of hiring a lawyer or any expert, in connection with his pursuit of re-possession from the tenant.

The lease term was calculated in the remaining years as of 1/7/2019



The five largest lease contracts for Al-Andalus Center, equivalent to 51.09% of the total real estate value as of July 2019 - Jeddah

Tenant	Number of contracts	The duration of the existing contracts	The current rental value (Yearly - SAR)	rental income from the total income of the real estate
Al Rajhi Bank	4 valid contracts	1) A 5-year contract that started from 1431 AH and is automatically renewed 2) A 5-year contract that started from 1431 AH and is automatically renewed 3) A 3-year contract that started from 1432 AH and is automatically renewed 4) A 3-year contract that started from 1431 AH and is automatically renewed	2,422,958 SAR total of the five contracts	16.21%
Saudi Engineering Union Company	Eight contracts are valid	1) A 2-year contract that started from 1429 AH and is automatically renewed 2) A 3-year contract that started from 1431 AH and is automatically renewed 3) A 3-year contract that started from 1432 AH and is automatically renewed 4) A two-year contract that started from 1428 AH and is automatically renewed 5) A 3-year contract that started from 1440 AH and is automatically renewed 6) A 2-year contract that started from 1440 AH and is automatically renewed 7) A 3-year contract that started from 1439 AH and is automatically renewed 8) A 2-year contract that started from 1440 AH and is automatically renewed	1,932,570 Real total of eight contracts	13.49%
Sara Holding Group	Three valid contracts	1) A 5-year contract that started from 1432 AH and is automatically renewed. 2) A 5-year contract that started from 1432 AH and is automatically renewed. 3) A 5-year contract that started from 1432 AH and is automatically renewed.	1,116,877 SAR total of the three contracts	7.79%
Dream Nights Restaurant	One valid contract	A 3-year contract that started from 1439 AH and is automatically renewed.	1,100,000	7.68%
Etihad Telecom Company - Mobily	One valid contract	A 5-year contract, started from 1426H, and automatically renewed.	850,000 Saudi Riyal	5.93%
The total income of the real estate				14,328,861

* All the information shown above was according to the last updated data on 18/07/2019AD corresponding to 15/11/1440 AH.



General provisions for termination

If the second party is late or refuses to pay the rent or part of the rent or service and maintenance fees for a maximum period of fifteen days from the due date, or in the event of a violation of one of the provisions of this contract, the first party has the right to stop the services and cancel this contract and the second party shall have no legal right in the leased property. Moreover, he must be obliged to evacuate as soon as he is notified without the need to issue a warning or take any judicial action or otherwise.

- The lessor may terminate the contract and require the tenant to vacate the real estate in the following cases:
 - 1) In the event of the second party's insolvency or bankruptcy, unless acceptable guarantees are presented to the first party at an appropriate date guaranteeing that he will be able to pay the rent that becomes due.
 - 2) If it is proven that the second party has used the leased property or allowed its use in a manner that is disturbing to comfort or annoying to others, or harmful to the safety of the building or public health, or for purposes contrary to public morals or against the rules, or used it in activities that do not comply with the provisions of Sharia.
- The lessor may terminate the contract and request the eviction of the real estate in the event that the tenant commits one of the following violations and does not respond after the lessor asks him to remove these violations:
 - > Introduce any modifications to the characteristics of the leased property.
 - > Dealing with the air-conditioners and their extension, either by himself or by technicians belonging to the contractor.
 - > Occupy the building's corridors, stairs, or put waste or litter in facilities and areas that are common with other tenants.
 - > Painting the external corridors or modifying them in any way, or placing prominent facades on them, goods, tents, shelves, or paintings.
 - > To place on the front of the leased property or within the stairway channel and in other than the place designated by the first party, any sign, billboard, or advertising medium that differs from the one licensed by the first party in writing.
 - > Disturbing or offending the neighbors or committing any acts in the rental property that are inconsistent with the morals, customs and traditions prevailing in the country.

The five largest lease contracts for the Jarir building, which account for 94.6% of the total real estate value as of July 2019 - Riyadh

Tenant	Number of contracts	The duration of the existing contracts	The current rental value (Yearly - SAR)	The percentage of rental income from the total income of the real estate
Jarir Bookstore - Riyadh	One valid contract	25-year contract started June 22, 2018	2,053,100.79	40.23%

General provisions for termination

- The contract came into effect on 22/06/2018, and the mandatory period, according to Item (3-4), is 13 years, until 22/06/2031.
- In the event that the tenant desires to terminate, he is not entitled to do so before (the date 22/06/2031 AD), and the tenant is obligated to notify the lessor in writing at the address of the lessor registered at the beginning of the contract within a period of no less than 6 months from the date of intending the termination after the end of the mandatory period.



The five largest lease contracts for the Jarir building, which account for 94.6% of the total real estate value as of July 2019 - Riyadh

Tenant	Number of contracts	The duration of the existing contracts	The current rental value (Yearly - SAR)	The percentage of rental income from the total income of the real estate
Schneider Electric	Five valid contracts	Various periods spanning two to three years. 1) A 3-year contract that started from 1430 AH and is automatically renewed 2) A 3-year contract that started from 1429 AH and is automatically renewed 3) A two-year contract that started from 1431 AH and is automatically renewed 4) A 2-year contract starting from 1438 AH 5) A 3-year contract, started from 1437 AH	1,508,976	29.56%

General provisions for termination

- The lessor party has the right to terminate the contract without the need for a warning or any judicial action, in any or all of the following cases:

- 1- If the tenant is 15 days late from the beginning of the rental year in paying the rent, the value of using the shared facilities, or any financial dues.
 - 2- If the tenant closes the leased property or if he or his employees are absent from it for 15 consecutive or intermittent days without an acceptable reason approved in writing by the first party, and the testimony of two persons suffices to prove that.
 - 3- If the tenant breaches any of his obligations in the contract and its attachments or amendments within 15 days from the date of his written notification
 - 4- If the tenant requests to cancel his contract or withdraw from the leased property after signing the contract.
- If the tenant is late in submitting the engineering and decoration plans for the leased property according to the time period specified by the lessor in his fax letters to the tenant.

The five largest lease contracts for the Jarir building, which account for 94.6% of the total real estate value as of July 2019 - Riyadh

Tenant	Number of contracts	The duration of the existing contracts	The current rental value (Yearly - SAR)	The percentage of rental income from the total income of the real estate
Al Rajhi Bank	One valid contract	A 5-year contract that started from 1432 AH and is automatically renewed	585,200	11.47%

General provisions for termination

- The lessor party alone has the right to terminate the contract without warning or any judicial action in all or any of the following cases:
 - 1- If the tenant is 15 days late from the beginning of the rental year in paying the rent, the value of using the shared facilities, or any financial dues.
 - 2- If the tenant closes the leased property or if he or his employees are absent from it for 15 consecutive or intermittent days without an acceptable reason approved in writing by the first party, and the testimony of two persons suffices to prove that.
 - 3- If the tenant breaches any of his obligations in the contract and its attachments or amendments within 15 days from the date of his written notification
 - 4- If the tenant requests to cancel his contract or withdraw from the leased property after signing the contract.
- If the tenant is late in submitting the engineering and decoration plans for the leased property according to the time period specified by the lessor in his fax letters to the tenant.

The five largest lease contracts for the Jarir building, which account for 94.6% of the total real estate value as of July 2019 - Riyadh

Tenant	Number of contracts	The duration of the existing contracts	The current rental value (Yearly - SAR)	The percentage of rental income from the total income of the real estate
Sara Holding Group	One valid contract	A two-year contract that started from 1424 AH and is automatically renewed	515,680	10.10%

General provisions for termination

- The lessor party has the right to terminate the contract for leasing the tenant all or part of the real estate or any internal spaces to another party without the prior approval of the lessor.

The five largest lease contracts for the Jarir building, which account for 94.6% of the total real estate value as of July 2019 - Riyadh

Tenant	Number of contracts	The duration of the existing contracts	The current rental value (Yearly - SAR)	The percentage of rental income from the total income of the real estate
Amro Farouk bin Abdul Rahman Murad	One valid contract	3) A two-year contract that started from 1430 AH and is automatically renewed	169,290	3.32%

General provisions for termination

- The lessor party has the right to terminate the contract without the need for a warning or any judicial action, in any or all of the following cases:
 1. If the tenant is 15 days late from the beginning of the rental year in paying the rent, the value of using the shared facilities, or any financial dues.
 2. If the tenant closes the leased property or if he or his employees are absent from it for 15 consecutive or intermittent days without an acceptable reason approved in writing by the first party, and the testimony of two persons suffices to prove that.
 3. If the tenant breaches any of his obligations in the contract and its attachments or amendments within 15 days from the date of his written notification
 4. If the tenant requests to cancel his contract or withdraw from the leased property after signing the contract.
 5. If the tenant is late in submitting the engineering and decoration plans for the leased property according to the time period specified by the lessor in his fax letters to the tenant.

The total income of the real estate

5,103,513.00

* All the information shown above was according to the last updated data on 18/07/2019 corresponding to 15/11/1440 AH

The Fund Manager also declares that all contracts and agreements related to the fund that may affect the investors' decisions to participate or trade in the fund have been disclosed in the fund's terms and conditions, and that there are no contracts or agreements other than those mentioned in these terms and conditions.

3- Contract information for target assets:

Real estate	The main tenant	Contract starting date	Contract End Date	Contract Duration
NMC Al-Salam Speciality Hospital	Al-Salam Medical Group Company	1 April 2018	31 December 2033	15.75 years

Summary of contract termination provisions

As stipulated in Article (10) of the contract, the provisions for termination are as follows:

- 1- If the real estate has been fully acquired, or proof has been issued (from the competent official authorities) indicating that it is not suitable for safe use for any purpose, or its ownership has been transferred either by confiscation or by any other procedure. Or the ownership of the real estate was transferred without notifying the other party.
- 2- The tenant has the right to terminate the contract before the end of its validity period by submitting a written notice to be given to the lessor within a period not less than 270 days prior to the termination date.
- 3- The tenant is only liable for rent payments on a pro-rata basis, from the previous date of paying the rent until the date of termination.



4- The tenant is obligated to deliver the leased property in good condition and free from defects as it was delivered to him at the beginning of the contract.

Real estate	The main tenant	Contract starting date	Contract End Date	Contract Duration
Baraem Rowad Al Khaleej International Schools	Al-Salam Medical Group Company	Not started and will start immediately after the real estate is transferred		سنة 15
Rowad Al Khaleej International Schools - Al Mughrizat, Riyadh	Al Khaleej Training and Education Company	Not started and will start immediately after the real estate is transferred		سنة 15
Rowad Alkhaleej International School, Dammam	Al Khaleej Training and Education Company	Not started and will start immediately after the real estate is transferred		سنة 15

Summary of contract termination provisions

- Clause 10.1: Any case of failure (the case of the tenant's failure) occurs in the event of the occurrence of any of the following events, each of which is independent and different:
 - If the tenant is unable to pay any amount due to the lessor on the due date and (1) he is unable to remedy the aforementioned non-payment case within fifteen (15) days after receiving a written notice from the lessor that shows the details of the mentioned non-payment (first notice of non-payment) And (2) he was unable to pay the aforementioned amount within fifteen (15) days of receiving a second written notice from the lessor, which the lessor may deliver in the event that the payment is not fully received within fifteen (15) days after the first notice of non-paying off; or
 - If the tenant breaches or does not implement any other clause of this agreement or breaches any clause of the service agent agreement or does not implement it and does not address that breach or failure to implement within thirty (30) days after receiving a written notice from the lessor (or for any longer period as to be agreed upon in writing between the parties).
- Clause 10.2: When a case of tenant breach occurs, the lessor reserves the right to terminate this agreement without the need for a court order or any arbitration body, by sending a written notice to the tenant as of the date indicated in the notice, then the tenant's right, ownership and interest in the property and in the possession and use of the property ends, and the lessor may In his absolute discretion, he regains possession of all or any part of the property, and he has the right to lease all or part of the property to others or to deal with the property in the manner that the lessor deems appropriate. The termination of this agreement does not prejudice any claim by the lessor against the tenant for any breach of any of the terms or provisions of this agreement or the lease and other amounts incurred, and which are due upon or before that termination and is subject to the provisions of clause 10.3 of the lease agreement as below. In addition, upon the occurrence of a case of a tenant's breach, the lessor may, either with or without terminating this agreement, undertake any obligation or action that the tenant did not undertake under the terms of this agreement. In this case, the tenant shall compensate the lessor, upon his request, for the costs that might have been incurred by the lessor for executing the tenants duties and obligations under this agreement and commitment to it, along with the daily costs that the lessor incurs as stipulated in this agreement. Any termination of this agreement does not affect the lessors right to collect the rent or other amounts due for the lease period preceding the termination.



3. Clause 10.3: Without prejudice to the preceding provisions to this provision 10.3 of the Lease Agreement, or as a limitation to it, the lessor shall have the right to terminate this agreement with immediate effect once written notice is given to the tenant, without the need for a court order or any arbitration body if: (1) The tenant has issued a decision regarding entering into a voluntary arrangement to settle his debts or regarding a scheme arrangement or a request to the court or arbitration panel to appoint a liquidator for his assets under any applicable law; (2) The tenant has a liquidator, management guard or management guards and a manager who is appointed in relation to the tenant; (3) The competent court or arbitration panel has issued a final order declaring the tenant bankrupt or an order to liquidate or dissolve the tenant (except for the purposes of merger or reconstruction); (4) The tenant has issued a decision regarding his voluntary liquidation or the appointment of a liquidator or temporary guardian of his business and assets; (5) The tenant has filed a petition for liquidation, or a petition or request has been filed for an administrative order against him or a liquidation decision (other than voluntary liquidation upon bankruptcy for purposes of consolidation or reorganization that obtains the lessor's prior written approval), or a call for a meeting of its creditors for the purpose of looking into the decision to liquidate him voluntarily; Or the decision to submit his own liquidation petition or to be liquidated or to appoint a liquidator or temporary liquidator for him; (6) The tenant for any reason ceases to maintain his legal presence or otherwise cancel it; Or (7) a bankruptcy petition has been filed against the tenant or if the tenant is judged bankrupt; Or (8) the tenant has committed any fraudulent or other illegal or criminal act on or in the property.
4. Clause 10.4: If the lessor terminates this agreement pursuant to clause 10.2 or 10.3 of the lease agreement, then no rent or other amounts under this agreement that have been paid in advance by the tenant to the lessor are required to be returned to the lessor, and notwithstanding this termination, the tenant continues to be liable to pay in full. The base rent, which is otherwise payable by the tenant under this agreement and is payable when it is due under this agreement, plus any amount equivalent to an amount: (1) The cost of retrieving possession of the real estate, (2) the cost of removing any property of the tenant or any other occupant that is present in the property, (3) any unpaid principal rent and other amounts incurred under this agreement on the date of termination, (4) the reasonable cost to attempt to re-rent or return the lease, including (without limiting) the cost of returning the property to the necessary position to lease the property at the rental price in the current market, (5) the cost of any brokerage fees or commissions payable by the lessor in connection with the re-leasing or attempted lease back, (6) The cost of any increase in insurance premiums caused by the termination of the tenant's possession of the property, and (7) any other money or damages payable from the tenant to the lessor under the law or under this agreement, from which any amounts received by the lessor will be deducted (minus) through any re-rent of the real estate. The lessor is required to take the necessary measures to limit the damages that may be caused to him under this agreement, and he is required to take reasonable commercial measures to re-rent the real estate as soon as possible. The tenant shall not be entitled to any excess amount obtained by re-renting and any amount in excess of the basic rent stipulated in this agreement. The lessor may file lawsuits to recover any amounts due under the terms of clause 10.4 from time to time.
5. Clause 10.6: The event of breach (the event of failure of the lessor) occurs if the lessor breaches or does not implement any of the provisions of this agreement and fails to remedy that breach or failure to remedy it within forty-five (45) days of receiving written notice from the tenant (or after a longer period as may be to be agreed upon in writing between the parties).
6. Clause 10.7: In the event of a breach of the lessor, as stipulated in the lease agreement, the tenant reserves the right to terminate this agreement without the need for a court order or any arbitration body, to issue a written notice to the lessor as of the date indicated in the notice. This agreement is terminated as of the date specified in the notice, at which time the tenant's obligation to pay the rent ceases. The termination of this agreement shall be without prejudice to any claim that the tenant may have against the lessor for any breach of any terms or provisions of this agreement or any treatment method or means of treatment stipulated or authorized by law.

7. The borrowing authorities of the fund and the policy of the Fund Manager in exercising those powers

The Fund Manager may obtain funding that complies with the standards of the Fund's Sharia committee, the percentage of financing obtained shall not exceed (50%) of the total assets value of the fund, according to the most recent audited financial statements. The amount actually obtained depends on (a) considerations related to the financing arrangement obtained in terms of the coverage ratio and other conditions required by the financing bank (b) the prevailing market conditions. The terms of any financing will be based on the absence of a right of recourse to the unit holders in the fund. According to the terms of any financing, the fund may have the right to issue any financing documents and mortgage the fund's main assets to one of the lenders or any of their subsidiaries, in accordance with the relevant regulations, instructions and circulars, provided that retaining ownership of the fund's assets is in the interest of the unitholders.

On April 9, 2015, Al-Rajhi Real Estate Income Fund, owner of some real estate components of the current investment portfolio, obtained Islamic financing facilities from Al-Rajhi Bank, with a basic amount of 399,906,600 Saudi riyals, payable in two installments, the first in 2020 AD in an amount of 259,382,201 Saudi riyals and the second installment in 2021 The amount is 148,194,481 Saudi riyals. Against the mortgage of the following real estate owned by the fund:

1. Jarir Bookstores
2. Lulu Hypermarket - Riyadh
3. Anwar Plaza
4. Al Narjis Plaza
5. Rama Plaza
6. Faris School.

This financing was transferred to Al-Rajhi REIT Fund according to the actual cost and without any additional expenses, as the annual interest rate is 3.78% fixed until the end of the financing period, paid in two annual installments. Al-Rajhi REIT Fund will bear the payment of these dues from the date of transferring the loan to the Fund and starting to benefit from this financing. Upon the expiry of the loan period, the loan amount is fully repaid by Al Rajhi REIT Fund.

On 01/10/2018 AD, Al-Rajhi REIT Fund announced that the fund had obtained financing facilities compatible with the provisions of Islamic Sharia, equivalent to 500 million Saudi riyals from Al-Rajhi Bank. During the period of validity of the financing facilities, the financing cost will be paid on a quarterly basis, with the full value of the financing facilities paid at the end of the contractual period, which is the end of the seventh year. The financing was obtained through the guarantee of a promissory note and a mortgage of real estate.

With regard to the financing facilities that were recently signed on 1/10/2018, the purchase of Lulu central warehouses was financed from the value of the financing in exchange for mortgaging the property of Lulu central warehouse and owned by the fund and at a cost is 57 million riyals and a profit rate equivalent to 1.5% + SIBOR 3 months. The profit rate is paid quarterly.


Details of the annual payments of the finance interest amount and the finance repayment amount:

Year	Annual payment of the profit margin of the finance amount	The ratio of the annual interest amount for the financing to the total target rent
2017	15,340,163	14.68%
2018	15,340,163	13.95%
2019	15,340,163	9.69%
2020	10,457,962	6.54%

Year	Amount of financing to be paid
2020	259,382,201
2021	148,194,481

New loan: (57,007,000 SAR with a variable profit rate equivalent to 1.5% + SIBOR 3 months, and the profit rate is paid quarterly)

Year	Annual payment of the profit margin of the finance amount	The ratio of the annual interest amount for the financing to the total target rent
30 October 2018	606,412	0.55%
28 January 2019	645,117	0.40%
14 May 2019	662,295	0.41%
18 August 2019	662,295*	0.41%
* The expected annual payment of a variable profit margin equivalent to 1.5% + SIBOR 3 months, and the profit rate is paid quarterly.		
1 October 2025	57,007,000	-

The total value of the financing facilities as of 30/06/2019 equals 456,913,600 Saudi Riyal.

8. Means and methods of invest the cash available in the fund.

The Fund Manager is keen to invest all cash balances of the fund in low-risk money market instruments that comply with the standards of the Sharia committee of the Fund, directly through any of the banks subject to the supervision of the Central Bank including Al-Rajhi Bank, at a minimum, as determined by one of the following three international credit rating is as follows: Standard & Poor's BBB- / Moodys Baa3 / BBB Fitch. No investment will be made in cash market instruments and/or in unclassified counter parties, or through cash market funds that is licensed by the Capital Market Authority (CMA) which are in public offering \, including funds managed by Fund manager or any other investment Fund Manager, after the Fund manager makes his recommendation to the Board of Directors of the Fund to invest in cash market funds managed by any other investment Fund Manager in accordance with the criteria of the Fund's Sharia Board and based on performance, liquidity and risk related to the Fund. Note that investing in these funds will not be charged subscription fees, but rather are subject to fees imposed at the level of the invested fund.



9. Disclosure of details of using the fund's offering proceeds.

100% of the proceeds from the offering of the new units will be used to acquire the target investment portfolio as part of the process of increasing the total value of the fund's assets.

Details	In the first scenario: The minimum limit of offering in increasing the total asset value of the fund	In the second scenario: The maximum limit of offering in increasing the total asset value of the fund
In-kind subscription (in Saudi Riyals)	232,359,547	232,359,547
Cash subscription (in Saudi Riyals) through the initial offering to increase the total value of the fund's assets	-	148,314,610
Financing *	454,961,167	302,938,692
Total amount*	687,320,714	683,612,849

* The difference in the amount is due to the percentage of financing structuring fees in accordance with the value of the financing facilities used to finance the acquisition plus the VAT.

- Based on the average price for 20 trading days prior to the CMA's approval date, the price of 8.8 Saudi Riyals was multiplied by the number of units for each category of subscribers.

The proceeds will be used for the following:

Details	The minimum limit of the offering in increasing the total asset value of the fund	The maximum limit of the offering in increasing the total asset value of the fund
Purchasing three schools from Al Khaleej Training and Education Company	474,500,000	474,500,000
NMC Al-Salam Speciality Hospital	163,776,224	163,776,224
Acquisition Expenses *	17,130,679	13,422,814
Value added tax **	31,913,811	31,913,811
The total amount	687,320,714	683,612,849

* Acquisition expenses are ownership transfer fees and debt structuring fees and are paid to the Fund Manager and also include real estate assessment expenses, technical inspection expenses, legal examination of property ownership and all related documents and fees for legal review for real estate agreements.

** The value of the added tax paid for the acquisition will be required to be returned later by the General Authority for Zakat and Income based on previous experience, and the process of returning the tax amount may take from three months to six months and there is no guarantee that it will be returned.



Table of the investor ownership structure in the fund before and after the process of increasing the offering of additional units:

	Case 1: Minimum limit for the offering		Case 2: Maximum limit for the offering	
	Units	Rate	Units	Rate
Investor ownership structure in the fund before the process of increasing the offering of additional units:				
Nonpublic	32,956,188	27%	32,956,188	27%
Public	89,244,421	73%	89,244,421	73%
Total	122,200,609	100%	122,200,609	100%
Investor ownership structure in the fund after the process of increasing the offering of additional units:				
Nonpublic	59,360,682	40%	59,360,682	36%
public	89,244,421	60%	106,098,354	64%
Total	148,605,103	100%	165,459,036	100%

10. Unitholders and the percentage of contributions in kind and cash in the process of increasing the fund's assets.

	Minimum limit	A percentage of the total number of new units	Maximum limit	A percentage of the total number of new units
Number of units for Al Khaleej Company - in-kind subscription *	26,404,494	100%	26,404,494	61%
Number of units for public offering - Cash subscription	0	0	16,853,933	39%
Total number of new units *	26,404,494	100%	43,258,427	100%

* The ban on selling units applied to Al Khaleej Training and Education Company extends for a period of three years from the date of listing its issued units.



Names of subscribers in the fund in kind in exchange for units issued in their favor as part of the value of real estate assets acquired during the initial offering when the fund was established:

Seller	Number of units	Units value (SR)	The percentage of ownership of each participant in the capital of the Al Rajhi REIT Fund
Al-Rajhi Real Estate Income Fund	60,530,479	605,304,790	49.53%
Al-Rajhi Gulf Real Estate Fund	19,000,000	190,000,000	15.55%
Total	79,530,479	795,304,790	65.08%

All percentages in the above table are according to the figures mentioned during the incorporation period of the fund. The following is the list of in-kind subscribers to the fund through their ownership of units in Al-Rajhi Real Estate Income Fund or Al-Rajhi Gulf Real Estate Fund during the initial offering of the fund:

Unitholders of Al-Rajhi Real Estate Income Fund		
Name	Ownership percentage in Al-Rajhi Real Estate Income Fund	The ownership percentage in the capital of Al-Rajhi REIT Fund after the offering
National Creativity Advanced Trading Company *	14.76%	7.31%
Al-Rajhi Capital Company *	11.07%	5.48%
Islamic Development Bank	11.07%	5.48%
The Saudi Stock Exchange (Tadawul)	7.38%	3.65%
Yamama Cement Company	7.38%	3.65%
Nasser Ali Nasser Al-Mubayrik	5.90%	2.92%
Fahd Abdulaziz Al-Sadhan	2.95%	1.46%
Omar Abdulaziz Al-Sadhan	2.95%	1.46%
Hamad Saud Ibrahim Al-Sayyari	2.95%	1.46%
Abdullah Abdulaziz Saleh Al-Rajhi	2.21%	1.10%
Saud Saleh Rajaa Al-Mwayshir	1.92%	0.95%
Mohammed Abdulrahman Hamad Al-Manea	1.77%	0.88%
Saudi Society for Organic Agriculture	1.48%	0.73%
Nisreen Abdullah Nasser Al-Wahaibi	1.48%	0.73%
Salah Ali Abdullah Aba Al-Khail *	1.48%	0.73%
Sultan Nasser Abdullah Al-Nasser	1.45%	0.72%



Noha Mahmoud Ibrahim Mayasi	1.23%	0.61%
Suleiman bin Fawzan bin Mohammed Al-Rabeeha	1.18%	0.58%
Ahmed Ali Omar Ahmed	1.11%	0.55%
Tariq Mohammed Abdullah Al-Fawzan	1.11%	0.55%
The National Company for Seed Production and Agricultural Services	1.11%	0.55%
Saud Abdul Rahman Al-Blehed	1.03%	0.51%
Nadia Abdulaziz Muhammad Al-Hilali	1.03%	0.51%
Abdullah Nasser Abdullah Al-Nasser	1.01%	0.50%
Faisal Saud Muhammad Al-Saleh *	0.89%	0.44%
Fouad Mohamed Nawawi Ghazali	0.89%	0.44%
Nawal Nasser Abdullah Al-Nasser	0.80%	0.39%
Huda Suleiman Abdulaziz Al-Rajhi	1.48%	0.73%
Ali Ibrahim Mohammed Al-Rubaishi	0.59%	0.29%
Abdulaziz Ali Mohammed Al-Munif	0.59%	0.29%
Majed Abdul Karim Ahmed Al Swailem	0.59%	0.29%
Dr. Hala Mohamed Sabry	0.55%	0.27%
Omar Muhammad Saad al-Din	0.55%	0.27%
Hana Muhammad Al-Mansouri	0.55%	0.27%
Abdullah Othman Al-Salamah	0.55%	0.27%
Saad Ibrahim Ali Al-Luhaidan	0.55%	0.27%
Hammoud Abdul-Rahman Taheeh Al-Hazmi	0.55%	0.27%
Ibtisam Mohammed Abdullah Al-Jomaih	0.55%	0.27%
Abdulrahman Saeed Abdullah Alsayed	0.55%	0.27%
Islamic Capitals and Cities Organization	0.55%	0.27%
Others	2.22%	1.10%



Unitholders of Al Rajhi Gulf Real Estate Fund		
Name	Ownership percentage in Al Rajhi Gulf Real Estate Fund	Ownership percentage in the capital of Al-Rajhi REIT Fund after the offering
Al-Rajhi Capital Company*	27.44%	4.27%
Nasser Ali Nasser Al-Mubayrik	16.24%	2.53%
Manal Mohammed Abdulaziz Al-Rajhi	11.17%	1.74%
Naglaa Mohammed Abdulaziz Al-Rajhi	11.17%	1.74%
Salah Ali Abdullah Aba Al-Khail *	4.06%	0.63%
Saleh Ali Saleh Al-Dawish	3.05%	0.47%
Mohammed Abdul Aziz Mohammed Al-Fayyad	3.05%	0.47%
Ayman Ibrahim Mubarak Al-Juweer	3.05%	0.47%
Laila Abdullah Abdulaziz Al-Rajhi	3.01%	0.47%
Mohamed Bin Abdulaziz Alrajhi Youth Marriage Endowment	1.62%	0.25%
Abdulrahman Abdullah Saleh Al-Shibl	1.52%	0.24%
Huda Suleiman Abdulaziz Al-Rajhi	2.28%	0.36%
Hussein Abdullah Hussein Almazid	1.52%	0.24%
Norah Suleiman Muhammad Al-Rasheed	1.42%	0.22%
Munira Abdullah Nasser Al-Wahaibi	1.24%	0.19%
Norah Abdul Rahman Moqbel Al Shamekh	1.02%	0.16%
Yousef Abdulrahman Ibrahim Al-Zamil	0.95%	0.15%
Abdulaziz Mohammed Abdullah Al-Hujailan	0.81%	0.13%
Randa Moutei Ali Al-Nono	0.81%	0.13%
Hessa Saleh Abdulaziz Al-Rajhi	0.76%	0.12%
Abdulaziz Ali Abdulaziz Al-Rajhi	0.76%	0.12%
Abdullah Abdulaziz Saad Al-Zaid	0.76%	0.12%
Faisal Saud Muhammad Al-Saleh *	0.76%	0.12%
Ali Saleh Ali Al Ghosoun	0.76%	0.12%
Abdulrahman Hassan Ayed Al-Thubaiti	0.76%	0.12%

* Has a direct relationship with the fund`

All percentages in the above table are according to the figures mentioned during the incorporation period of the fund.

Names of participants in the process of increasing the total assets of the fund through in-kind contribution:

	Case 1: Minimum subtraction The percentage of ownership out of the total number of units offered after increasing the fund's assets value	Case 2: Maximum subtraction The percentage of ownership out of the total number of units offered after increasing the fund's assets value
Al Khaleej Training and Education Company	17.77%	15.96%

The ban on selling units applied to Al Khaleej Training and Education Company extends for a period of three years from the date of listing its issued units.

11. Active management

The fund relies on the investment team of Al Rajhi Capital and external advisors to conduct a periodic assessment of the sectors in the real estate investment market. The fund's assets will be managed by a team in real estate investments. The team will continuously anticipate patterns and cycles in the real estate investment market, in addition to market fundamentals and sector characteristics, to take advantage of the opportunities available in the real estate market and maintain the fund's long-term objectives. In addition, Al Rajhi Capital or its subsidiaries may act as property manager for some leased properties.

12. The investment decision-making process

In the pursuit of new opportunities in the real estate market, the Fund Manager will adopt an active investment approach in order to identify opportunities and effectively execute deals in line with the investment policy followed by the investment team of the Fund Manager.

As part of the process of selecting the right real estate when buying or selling, the Fund Manager studies each real estate separately before comparing it to the real estate sector in general. The Fund Manager takes several factors into consideration, including the attractiveness of the real estate location, competitive advantages, levels of demand and cash liquidity in the real estate market, vacancy rates and other factors to reach a recommendation to the fund's board of directors to make a decision on each asset, and then the Fund Manager implements the decision and arranges all procedures required with third parties, whether they are providers of services to the fund, such as legal advisors and others, or the concerned government agencies. It may also rely on third-party advisors regarding technical and financial evaluation and legal services.

13. Exit from investments

The main objective of the fund is to provide investors with current income, which would require maintaining ownership of assets for a certain period of time. The Fund Manager will continuously monitor the market for opportunities to exit from one or more of its investments. Justifications for the exit include but are not limited to: (a) rebalancing the portfolio to include new assets commensurate with the fund's objectives, (b) deterioration in the fundamentals of the real estate asset or (c) negative expectations and outlook on the real estate market and sub-sectors that may affect the assets of the fund.

The fund intends to generally hold the investments for the long term. Note that the Fund Manager will evaluate each property owned by the fund every six months during June and December and propose specific strategies, including decisions to sell the real estate in the long and short term, if these decisions are found to be in the interest of the fund and unit owners.

The Fund Manager will obtain an evaluation of any real estate proposed to be sold by the fund from two independent evaluators approved by the Saudi Authority for Accredited Valuers.

14. Ownership structure

The Fund Manager appointed a custodian to retain ownership of the fund's assets. Subject to the conditions of any financial facilities obtained by the fund, the ownership of the assets is registered in the name of a Special Purpose entity established by the custodian for the purpose of separating the ownership of the assets owned by the fund and those owned by the custodian.

The fund may obtain financing from one or more financial institutions. In this case, the assets of the fund may be mortgaged for the benefit of the financier according to the terms and conditions of the financing documents, in accordance with the relevant regulations, instructions and circulars, provided that the ownership of the fund's assets is in the interest of the unitholders.

At the present time, Al-Rajhi Development Company, a limited liability company wholly owned by Al-Rajhi Bank, holds the assets of the mortgaged fund against the financing obtained by Al-Rajhi Real Estate Income Fund, as a guarantee for the facilities referred to above. Upon the termination of the loan and payment of the financing amount, the mortgage shall be released and the sukuk authenticated in the name of the Special Purpose Vehicle that will be established by the fund custodian to own the fund's properties for the benefit of the fund's unit owners.

In addition to the above, it is noteworthy that the Gulf Fund for Real Estate Development and Investment, a special-purpose company established by KASB Capital in its capacity as custodian, maintains Al-Andalus Center property that belongs to the Al-Rajhi Gulf Real Estate Fund. As mentioned earlier, the mortgaged assets have been returned to the Second Distinguished Warehouse Company on behalf of the Fund, which is a Special Purpose entity (a limited liability) affiliated to the custodian, established for the purpose of owning, preserving, registering and investing real estate on behalf of the fund.

15. Compliance with regulations

The Fund Manager is bound at all times by the rules and regulations governing real estate ownership in the Kingdom, including the system for non-Saudis' ownership and investment of property.

The Fund Manager has the right to refuse the participation of any investor in the fund if that investment conflicts with these terms and conditions, the real estate investment funds regulations, or any other regulations approved from time to time by the Capital Market Authority or the other concerned organizing bodies involved

F- Risks of investing in the fund

Investing in the fund is classified as (high risk). Therefore, investing in the fund involves many risks and it is only suitable for investors who are fully aware of the risks of investing and can bear those risks. Therefore, the Fund Manager has limited the risks included in the risk summary according to his knowledge and belief, and potential investors should read these risks carefully before participating in The fund, and the Fund Manager does not guarantee that other risks will not emerge in the future that they have overlooked, and there may be other risks that the Fund Manager does not know or factors that the Fund Manager believes are not important at present, while they may become important in the future due to changing market conditions and thus did not mention them in this Item. There is no guarantee that the fund will be able to achieve the investment objective or that investors will receive a return on their invested capital.

An investment in the fund does not mean any guarantee of profit or no losses, and therefore every potential investor must take the factors below into consideration before purchasing units in the fund. Investors are solely responsible for any material loss resulting from investing in the fund, unless it is a result of fraud, negligence or misconduct on the part of the Fund Manager in accordance with the Real Estate Investment Funds Regulations.

1. Summary of Key Risks

a. Risk factors associated with the fund.

Distribution risks from non-operating activities: In the event that the Fund Manager is unable to pay periodic rental returns to the shareholders from the operational activity of the fund, he may distribute part of the cash available in the fund if the distributions are due to the unit owners, as a commitment to the fund, which may negatively affect the fund's returns and distributions.

Risks of Competitive Supply: There will be many other properties located in the same areas as fund portfolio properties that will compete with fund portfolio properties in attracting tenants. The number of these competing properties will have an impact on the Fund's ability to lease its properties and the sums that it can collect as rents for these properties, which may lead to a decrease in the Fund's cash flows. The performance of the fund may be adversely affected in the event that new properties are built, or existing properties are improved and developed in the same locations as the fund's properties, which may force the fund to make capital improvements or developments on the properties it owns to maintain or create a competitive advantage, and thus, this will affect the periodic distributions carried out by the fund, which in turn may negatively affect the fund's returns and distributions.

No guarantee of investment returns: There is no guarantee that the fund will be able to achieve returns for its investors or that the returns will be proportional to the risks of investing in the fund and the nature of the transactions described in these terms and conditions. It is possible that the value of the units will decrease or investors may lose some or all of their invested capital. There can be no guarantee that the expected or targeted returns to the fund will be realized. All figures and statistics mentioned and shown in these terms and conditions are for illustrative purposes only and do not represent profit expectations. Actual returns cannot be expected, which may differ from the statistics contained in these terms and conditions.

Risks of non-existence of guarantees of tenants' fulfillment of lease payments: The lease contracts related to most of the properties subject to the fund's investment do not include any guarantees of payment for rents, which may affect the fund adversely if the tenants fail to fulfill their contractual leasing obligations. Thus, the fund's cash flows and the fund's ability to make distributions to unitholders will be negatively affected if tenants fail to fulfill their rental obligations in the absence of rental guarantees.

Risks of non-conformity of conditions: The fund may lose one of the qualifying conditions for real estate investment traded funds under the real estate investment funds regulations, which would have negative effects on the fund and on the basis on which it relies in achieving returns for unitholders. Requirements to maintain the fund's status as a traded real estate investment fund have not been tested, and the real estate investment funds Regulations are recently amended and have no previous explanations. In addition, subsequent changes (including a change in interpretation) may be made to the requirements to maintain the fund's status as a real estate investment traded fund. Prospective investors should note that there is no guarantee that the fund will maintain its capacity as a Traded real estate fund for an unlimited period (whether due to non-compliance with regulatory requirements or otherwise). In the event that the fund fails to fulfill any of the regulatory requirements necessary to maintain its status, the Capital Market Authority may suspend trading of units or cancel the listing of the fund. Consequently, this could negatively affect the units' marketability, liquidity and value.

Market Liquidity Risks: The fund intends to apply for the units to be accepted for trading in the Saudi Stock Exchange (Tadawul). The acceptance of this request should not be seen as a guarantee or an indication that there will be a highly liquid market for units or that it will develop. In the event that a highly liquid market does not emerge, unit trading prices may be adversely affected. In addition, in the event that such a market does not develop, relatively small transactions or prescribed dealings on units may have a significant negative impact on the unit price, and it may be difficult to carry out transactions related to a large number of units at a fixed price.

Risks of price changes: There are many factors that may negatively affect the market price of units, including general movement in the local and international stock markets, real estate markets, prevailing and expected economic conditions, interest rates, financing costs, investor trends, and general economic conditions. The ETF market may be exposed to fluctuations, and the lack of liquidity may have a negative impact on the market value of units. Therefore, participation in the fund is suitable only for investors who can bear the risks associated with these investments.

Risks of trading at a price lower than the IPO price: Units may trade at a lower price than the offered value, and unitholders may not be able to fully recover the value of their investment. The units may be traded at a lower price than their value for several reasons, including unfavorable market conditions, poor investor expectations about the feasibility of the strategy and investment policy of the fund and the increase in unit supply levels.

Distributions Volatility Risks: There are no guarantees regarding the amounts of future distributions that the fund will pay to the unitholders, it is possible that the fund will not be able to pay any dividends due to unforeseen events that result in an increase in costs (including, for example, capital expenditures in the case of carrying out renovation works in the assets of the companies in which the fund invests), or a decrease in revenue. (As in the case of non-collection of profits). Although the fund must distribute 90% of the fund's net profits annually, the fund may not be able to pay dividends to unitholders to avoid exposing the fund to certain obligations that may exacerbate the impact on its financial performance. Financial. Fund financiers may also prevent it from paying dividends to unit holders under the restricted conditions stipulated in financing agreements or otherwise, and they may, in certain circumstances (for example, after failure to fulfill any financing arrangements) have the right to get hold of Fund cash flows and use those cash flows to repay principal amounts due under the financing arrangements. Any stopping in the payment of dividends to unitholders or any decrease in their value could lead to a decrease in the market value of the units traded on the Saudi Stock Exchange (Tadawul).

Risks of increasing sales of units: Subsequent sales by unitholders of a large number of units may reduce the unit market price significant. Any offer or sale of a large number of units in the secondary market may negatively and significantly affect the market price of the units.

Risks of fundamental value reversal: The quoted market price of the units may not reflect the value of the fund's underlying investments. The money markets may be exposed to large fluctuations in prices and the volume of transactions from time to time, and this matter, in addition to economic, political and other conditions, leads to a negative and significant impact on the market price of units. As a public traded fund, the price of a single unit may be affected by a number of factors, many of which are outside the Fund Manager's control.

Risks of barriers in obtaining financing for future acquisitions: Distribution requirements and financing restrictions under the real estate investment funds regulations may limit the fund's flexibility and ability to grow through acquisitions. The fund intends to distribute at least 90% of its net profits to unitholders, which will reduce the cash available in the fund. In addition, in order to maintain the fund's status as a traded real estate investment fund, the financing ratios of the fund must not exceed 50% of the fund's total assets value, according to the latest audited financial statements. As a result, the fund has limited ability to improve its holdings or grow through additional acquisitions. In the event that the fund decides to increase the total value of its assets, it may resort to issuing priority rights in accordance with the regulations of the Capital Market Authority and the applicable Companies Law, and in this regard, it is indicated that increasing the total assets value of a traded real estate investment fund may take a long period of time due to the absence of similar prior experiences to benchmark against.

Sharia restrictions: The fund's investments must be made in accordance with the principles of Islamic Sharia as determined by the Sharia Board. These principles apply to the investment structure, the fund's activities and the diversity of its investments. In order to adhere to these principles, the fund may be forced to abandon the investment or part of it, or part of its income if the investment or investment structure is in violation of the standards of the Sharia Committee of the Fund. In addition, when adhering to the standard of the Sharia committee, the Fund may lose investment opportunities if the Sharia committee decides the existence of any proposed investment that is not complying with the provisions of Islamic Sharia and therefore the Fund cannot invest in it.

Changes in market conditions: The future performance of the Fund depends largely on changes in the levels of supply and demand in the real estate sector, which may be affected by regional and local economic and political conditions, increased competition that may result in a decrease in the value of real estate, the possibility of limited availability of mortgage funds or an increase in mortgage rates, and changes in supply levels and demand.

Non-participation in management: With the exception of what is mentioned in these terms and conditions, investors have no right or authority to participate in managing the fund or influence any of the fund's investment decisions. All management responsibilities are assigned to the Fund Manager.

Reliance on senior employees: The success of the fund's development depends mainly on the success of its management team. The loss of the services of any member of the fund management team in general (whether due to resignation or otherwise) or the inability to attract and appoint additional employees may affect the work of the fund and its system.

b. Risk factors related to the fund's assets.

Tenants in the specialized sectors: The fund invests in real estate operated and managed by other companies in the education and health care sectors. The activity of companies in the targeted sectors and their success depends on the number of specialists and professionals, their efforts, capabilities and experience. In addition, the operators operating in the targeted sectors are subject to licensing conditions and periodic reviews by the regulators. In the event that none of the licensing conditions are met, the official and regulatory authorities may suspend or cancel licenses or impose other restrictions on the operators. In addition, licensing requirements include compliance with many requirements, which increases the likelihood of exposure to compliance risks, and it is also not possible to predict what new licensing terms will be imposed in the future. To maintain their approvals and permits, operators must meet standards related to, among other things, performance, governance, institutional integrity, quality levels, personnel, management capacity, resources, and financial stability. Any negative effect on the operators' activity may limit their ability to fulfill their obligations towards the fund as the owner of many of the properties they occupy.

Ability to enroll new students and re-enroll existing students: Increasing student enrollment rates in the educational facility sector is critical to the financial performance of educational facilities. In the event of low levels of student registration or the inability to attract new students in the place of departing students, the financial performance of the educational facility may be affected by this matter, and thus will negatively affect the work, financial situation, results of operations, or the expectations of tenants working in the education sector and their obligations towards the fund.

Risks of changes in health care sector systems: The health care sector is subject to a number of laws, rules and regulations, including written and unwritten policies and regulations applied by the Ministry of Health, the Saudi Food and Drug General Authority and the like. These regulations are subject to change on a continuous basis, and the Fund does not have the ability to anticipate the amendments and developments that these laws and regulations may be subject to. The operators working in the target sectors are subject to many licensing requirements and periodic reviews by the licensing authorities. In the event that none of the license conditions are met, the competent authorities may suspend or cancel the licenses or impose restrictions and fines on the operators. Moreover, licensing requirements are usually complex, which leads to compliance risks and unpredictability of new licensing terms that may be applied or the potential impact of new license terms on operators. In order to maintain their approvals and permits, operators must meet various standards, including those related to performance standards, governance, institutional integrity, quality, employment, administrative capabilities, resources, and financial stability.

Risks of economic and seasonal variables: Health care operators may be affected from time to time by the general economic environment, as people seek to receive less medical treatment less in environments experiencing difficult economic conditions, especially for medical operations and procedures that are not covered by insurance. The inability of the real estate operating companies of the Fund to effectively mitigate these challenges could have a negative and significant effect on their business, financial position, expectations and results of their operations.

Risks of serious infectious diseases: Medical care providers deal with patients suffering from various infectious diseases. It is possible for healthy people to become infected with serious infectious diseases during their stay or visit to health care facilities. This could lead to compensation claims against operators, and as a result of reporting and press coverage, reputational damage could occur. In addition, these infectious diseases may affect the employees working for health care providers and thus reduce the ability to provide treatment and care significantly in the short, medium and long term. In addition to claims for compensation, any of these events could directly lead to restrictions on activities as a result of quarantines, the occasional closure of parts of hospitals for sterilization, and regulatory restrictions on, or withdrawing from permits and licenses. It may also indirectly lead to a decrease in capacity utilization rates due to loss of reputation. Any of these factors may have a material negative impact on the fund regarding their business, financial position, expectations and results of their operations.

availability of suitable investments: Investors will not have the opportunity to evaluate the economic, financial and other information related to the future investment opportunities of the fund. There can be no guarantee that the Fund Manager will be able to find future investments in line with the fund's investment objectives if the need arises, particularly in the current market environment. Determining and structuring the appropriate investments for the fund is competitive and highly unsecured. The Fund Manager's inability to identify suitable investments may negatively affect the fund's ability to achieve the desired returns.

Default risks of counterparty and credit risks: The fund may be exposed to credit risks related to third parties with whom the fund does business, including the risk of default. In addition, the fund may be exposed, in certain circumstances, to the risk of default by third parties, including landowners, real estate managers, lending banks and / or contractors. The failure of others to pay any contractual dues to the fund may lead to a decrease in the income of the fund and thus ultimately affect the returns of the unitholders.

Future investment risks: As specified in these terms and conditions, and with the exception of the current investments of the fund, the Fund Manager has not specified future investments to be made after the listing date. Investors in the fund will not have any opportunity to evaluate economic, financial and other relevant information related to investments.

General real estate risks: Investments will be subject to risks related to real estate ownership, leasing, development of their operations and / or redevelopment. These risks include, but are not limited to, those risks related to the general local economic climate, local real estate conditions, changes in the levels of supply and demand related to competing real estate in the region (as a result of excessive construction, for example), shortages in energy supplies, various uninsured risks or Uninsurable, natural disasters, government regulations and decisions (for example, rent control), changes in real estate taxes, changes in rates of return, availability of mortgage financing that may make selling or refinancing real estate difficult or impractical, environmental liabilities and potential liabilities associated with selling assets, terrorist attacks and wars - God forbid - and other factors that are outside the control of the Fund Manager . There is no guarantee that there will be a ready market for resale of investments, as the investments generally will not be liquid. One of the reasons for the lack of liquidity may be the lack of an existing market for investments, as well as the legal contractual restrictions imposed on reselling them (including any restrictions imposed on the sale of investments by financiers who have provided financing to acquire the related investments).

In addition, negative changes in the operation of any real estate or in the financial position of any tenant may have a negative impact on the rental payments received by the fund, and thus on the fund's ability to provide dividends to investors. Any tenant may be exposed, from time to time, to recession, which may weaken his financial position and lead to his failure to pay rental dues when they are due. At any time, any tenant may seek protection against applicable bankruptcy or insolvency laws, which may lead to the refusal or termination of the lease agreement or any other negative consequences, thus reducing the fund's distributable cash flow. There is no guarantee that the tenants will not file for bankruptcy protection in the future, and if they do that the lease will continue to be valid.

Risks of focusing on the real estate sector: The fund may invest in assets concentrated in specific cities (such as Riyadh, Jeddah, Khobar and Khamis Mushait as in the case of the current investment portfolio), and in specific sectors (such as the commercial real estate sector and / or the office real estate sector and / or the Warehouse sector). In the event that the fund concentrates its investments in certain regions or sectors, this matter may expose the fund to the risk of economic recession, more than if the fund's investment portfolio includes assets distributed over a larger number of sectors and cities. As a result, this recession may have a material negative impact on the financial position of the fund, the results of its operations, its cash flows, and its ability to provide dividends to investors.

Commercial real estate market risks: The fund may acquire commercial real estate assets only, and if the fund relies on the sources of income resulting from them, the fund may become exposed to any recession that occurs in this market. The nature of the commercial real estate market is that it is cyclical and influenced by the economic situation in general. Adverse economic conditions affect the value and liquidity of commercial real estate assets. Likewise, the decline in the performance of commercial real estate markets may have a negative impact on the levels of rent and its returns and the number of vacant properties. As a result, this matter may have a material negative impact on the Fund's work and its financial position.

Risks of relying on rental income: The fund may acquire investments based on the values derived from the revenue expected to be obtained from its tenants. There is no guarantee that the vacant space will be rented out, that the expired rents will be renewed, or that there will be an increase in the rents over time. In the event that one of the tenants suffers a financial crisis, he may become unable to pay the rental dues in a timely manner or to renew his lease contract. Some tenants may occupy large portions of related investments, and therefore, as long as the fund's investments are concentrated in those assets, the financial position of the fund, the results of its operations, its cash flows, and its ability to provide dividends to investors may be negatively affected by any negative circumstances that affect these major tenants.

Risks of Illiquidity of Underlying Assets: Real estate assets are relatively difficult to dispose of and convert into cash. Thus, it may be difficult or impossible for the fund to sell a particular real estate asset at the desired price at any given time. Since the fund's portfolio consists of real estate assets, it may be difficult for the fund to sell its real estate assets (especially in times of market downturn, especially those assets that are classified as large real estate assets). The proposed price may be subject to a large discount, especially if the fund is forced to sell any of its assets. During a short period of time for any reason, including the urgent need for cash to make additional investments. This may lead to a decrease in the value of the units and negatively affect the performance of the fund.

Risks associated with the residential real estate sector: The fund may invest in the residential real estate sector. The performance of investments in the residential real estate sector depends greatly on changes in the levels of supply and demand, which are greatly affected by economic, political and security conditions, regional and local factors, including an increase in the level of competition imposed by other residential real estate. The fund's ability to earn rental income and maintain the real estate's value depends to a large extent on the competitive level of the real estate in the market compared to similar properties. In the event that other properties attract better tenants than those attracted by the fund, this may reduce the net rental income for the fund as a result of lower demand from tenants. This may lead to a decrease in the dividend ratios to unitholders and the value and price of their trading.

Real estate development risks: Although real estate development projects will not constitute a large proportion of the fund's investment portfolio, real estate development activities may be exposed to many risks. The risks related to building and marketing a new real estate project include but are not limited to: (A) Late completion of works. (B) Increasing costs. (C) The inability to secure leases at expected levels of income; (D) Force majeure resulting from factors beyond the control of the fund, which are particularly related to construction and real estate development activities (including weather conditions, negative environmental conditions, and a shortage of building materials in the market), which would impede the completion of real estate development projects. It is noteworthy that starting a new project also carries other risks such as those related to the allocation of land use, occupancy rates, obtaining the required government approvals and permits and bearing development costs in relation to projects that have not been completed. The positive completion of such projects will have a direct and significant impact on the value of the units, and any failure to complete the project may reduce the profits and net asset value of the fund.

Funding Risks: It is possible that financing for the fund will be obtained in order to improve the percentage of returns that the fund reaps, and accordingly, any change in the cost of financing or financing conditions may negatively affect the performance of the fund or lead to the loss of the invested capital. For example, financing may cause random changes in the value of the fund's assets or may expose it to a loss greater than the amount of its investment. Whereas access to finance creates an opportunity to increase returns, but at the same time it carries a high degree of financial risk and may expose the fund and its investments to other factors such as high cost of financing and economic recession. Moreover, the fund's assets are usually mortgaged to the lender of the fund, and that lender can claim the assets as soon as any default occurs (as stipulated in the financing documents) by the Special Purpose entity or by the Fund Manager or The fund itself. In this regard, it is indicated that the fund will acquire all the real estate components of the targeted investment portfolio as part of the process of increasing the total value of the fund's assets without any mortgages. For example, the fund intends to acquire NMC Specialized Al Salam Hospital, which has been mortgaged by the seller in favor of the Saudi Ministry of Finance under the facilities provided by the ministry in favor of the seller, after paying the financing and releasing the mortgage on it, but it is possible that the procedures for releasing the mortgage in favor The ministry takes a long time to fulfill the conditions and requirements of the ministry before releasing the mortgage, which may affect the fund's acquisition of the aforementioned real estate. In addition, it is noteworthy that the real estate components of the targeted investment portfolio may be mortgaged as part of the process of increasing the total value of the fund's assets after transferring its ownership to the fund, which also exposes it to the financing risks mentioned in this Item. Consequently, returns owed to fund unit holders may be negatively affected in the event that Al-Rajhi Bank claims the pledged assets.



Risks of actions taken by competitors: The fund competes with other real estate owners, operators and developers in the Kingdom of Saudi Arabia, and some of them may own properties similar to those owned by the fund in the same range in which the properties are located. If the fund's competitors lease residential and / or commercial places similar to the real estate owned by the fund or sell assets similar to these properties owned by the fund at a value less than the fund's valuation of comparable assets, the fund may not succeed in leasing the commercial and residential space at prices or according to appropriate conditions or It might not work out at all. Consequently, the fund may incur additional costs and expenses for the purpose of maintaining the real estate and may incur a loss of potential income as a result of not leasing or exploiting the basic real estate. Accordingly, the expected income of unit holders may be negatively affected.

Risks of providing guarantees when selling an investment: When selling some of its investments, the fund may be required to provide guarantees about the business and financial conditions of the investment, such as those made in connection with the sale of any real estate, and it may be required to guarantee compensation to buyers for those investments to the extent that those guarantees are inaccurate. These arrangements may result in contingent liabilities, which may reduce the returns of unit holders or may eventually be requested to be financed by the Fund. In addition, the documents regulating the fund stipulate that the fund guarantees compensation to the Fund Manager and its subordinates, including its officials, directors, partners, employees, shareholders, members of its board of directors and other agents, for claims, losses, damages and expenses resulting from its activities on behalf of the fund, and these compensation obligations may affect in a way. Material to investor returns.

Risks of not being able to exit from the fund's investments on good and favorable terms: The fund will dispose of its real estate and other assets at the time the Fund Manager deems fit for sale. The Fund's ability to dispose of real estate on good terms depends on factors outside its control, including competition from other sellers and the availability of funding sources for potential buyers. In the event that the fund is not able to dispose of its assets according to appropriate conditions or in a suitable time, its financial position, results of operations, cash flow and its ability to distribute profits to unitholders may be negatively affected.

Risks of tenants being unable to fulfill their contractual obligations: The results of the fund may be negatively affected if there is a large number of tenants unable to fulfill their rental obligations. In addition, if a tenant turns to the protections provided under bankruptcy, insolvency or similar regulations, his lease may be terminated, and this results in a decrease in the cash flow of the fund. In the event of a large number of cases of breach of obligations and / or bankruptcy from tenants, the cash flow of the fund as well as the fund's ability to implement distributions to unitholders may be negatively affected, especially given the absence of guarantees or a warranty that guarantee the performance of tenants' obligations under the lease contracts.

Risks of the possibility of not being able to renew the lease contract or re-rent the rented space at the end of the contract period: The fund will derive most of its income from rental payments made by real estate tenants. Accordingly, the financial position of the fund, the results of operations and cash flow, as well as the fund's ability to implement distributions to investors may all be negatively affected in the event that the fund is not able to immediately re-rent the properties or renew the lease contracts, or if the rental value upon renewal or re-leasing is much lower than the expected. Upon expiry of any lease agreement, there is no guarantee that the contract will be renewed or that an alternative tenant will be found. The terms of any subsequent lease contract may have lower returns to the fund than the current lease agreement. In the event of default on the part of any tenant, the lessor may face delays or restrictions in implementing the rights and significant costs may be incurred to protect the fund's investments. Moreover, the fund's ability to lease the rental space and the rental value it receives are affected not only by the levels of demand on the part of tenants, but also by the number of other properties that compete with the fund's properties in attracting tenants.

Uninsured losses risk: The fund will maintain at its expense a commercial liability insurance, property insurance, and other types of insurance that cover all properties owned and managed by the fund in accordance with the standards of the Sharia Board, with the type and limits that are believed to be sufficient and appropriate in view of the relative risks that apply to the real estate, at an appropriate coverage cost, and prevailing practices in the sector. Appropriate coverage, and current practices in the sector. Some losses resulting from terrorist acts, storms, floods, or seismic accidents - God forbid - may be covered by insurance, only after imposing some restrictions, including large discounts or co-payments and insurance policy restrictions.

Therefore, the Fund may incur material losses that exceed the insurance proceeds and may not be able to continue obtaining insurance coverage at commercially reasonable rates. If the fund encounters an uninsured loss or a loss that exceeds its insurance limits in relation to the ownership of one or more real estate, it is likely that the fund will lose the capital invested in the damaged property, as well as the expected future returns from these properties. Certainly, any such loss is likely to negatively affect the position of the financial fund, the results of its operations, the resulting cash flows, and thus the fund's ability to provide dividends to investors.

Real estate valuation risks: In addition to the assessments conducted by two independent evaluators accredited by the Saudi Authority for Accredited Valuers, the Fund Manager will perform internal evaluations in many cases for the fund. The evaluation processes carried out by the Fund Manager will be for the purpose of estimating the value of a real estate only, and it is not an accurate measure of the value that can be obtained when selling that property, as the selling prices of the fund's properties can be determined only by negotiation between the buyer and seller. If the fund decides to liquidate its assets, the realized value may be more than or less than the estimated value of these assets. In periods of economic volatility, when there is greater uncertainty in relation to the value estimates, and less similar transactions in the market against which the value can be measured, the difference increases between the estimated value of a particular real estate asset and the final market value of that asset. Moreover, the relative uncertainty about cash flows in a distressed market could adversely affect the accuracy of real estate value estimates, negotiations between buyer and seller and thus the ultimate returns to unit owners.

Foreign investment risks: The fund may intend to make a number of investments, all of which may be in unstable countries or considered "emerging markets". The risks of "emerging markets" include the possibility of certain events that have a negative impact on the political or economic level, in addition to the presence of restrictions on currency exchange, the ownership system, the imposition of progressive taxes and localization, restrictions on the freedom of capital transfer and the prevention of borrowing from external sources. Some investments may require obtaining government approvals under the laws of companies, securities, foreign investments and other similar laws. In addition, government restrictions may impede the receipt of any dividends from investments or transfer of ownership with the aim of exiting.

c. Other risk factors:

Legal Status Risks: The fund represents a contractual arrangement between the unitholders and the Fund Manager. This contractual arrangement is governed and supervised by the Capital Market Authority. The fund does not have its own legal or legal personality and therefore the degree of support of any Saudi official or court for this difference between the legal status of the fund and the legal status of the Fund Manager is considered unclear.

Legal, regulatory and tax risks: The information contained in these terms and conditions is based on existing and announced legislation. Legal, tax, zakat and regulatory changes may occur in the Kingdom or elsewhere during the term of the fund, which could have a negative impact on the fund or its investments. The Fund's ability to resort to legal protection in the event of a dispute may be limited, and it may be necessary to resort to the courts of the Kingdom of Saudi Arabia or any courts in other countries where real estate owned in the Fund are under their jurisdiction in order to protect rights. The compulsory enforcement of leases and other contracts through the judicial system in the Kingdom is a long and difficult process with unpredictable results. In addition, government departments and agencies in the Kingdom, for example notaries public, enjoy a great deal of authority and freedom of judgment with regard to the application of existing legislation. Any changes in the existing legislation or the delay of government departments in implementing these legislations may negatively affect the fund. There are currently no taxes imposed on investment funds subject to the Capital Market Authority in the Kingdom of Saudi Arabia, and the government and local legislative and executive bodies reserve the right to estimate zakat tax on all unitholders.

Tax risks: Investing in the fund involves various tax risks that are currently not clearly known. The fund's tax payments reduce the cash available for the fund's operations as well as potential dividends to investors. Taxes incurred by investors will reduce the returns associated with investing in the fund. Prospective investors should consult with their tax advisors about the taxes involved in investing in, owning and selling units.

VAT risks: As of the date of these terms and conditions, investment in the fund is not subject to income tax, withholding tax, capital gains tax, or any other related tax, except that VAT has been applied in the Kingdom as of January 2018. According to the executive regulations of the value-added tax issued recently in the Kingdom, the fund calculates the value-added tax on the income received by the fund as well as on all the expenses of the fund. At the end of each month, tax returns containing the total income and expenses of the fund are deposited with the General Authority for Zakat and Income, and a set-off is made between the tax due on the income received to the fund and the expenses incurred from the fund, and the fund pays or receives the resulting amount as the case may be. In addition, the fund pays the value-added tax on the amounts paid for the acquisition of real estate of the fund, and these paid sums are reflected in the tax returns for the relevant month and are recovered from the General Authority for Zakat and Income and returned to the fund. It is possible that these tax transactions will change in the future according to any amendments to the relevant laws and regulations, which will have an impact on the fund and the amounts paid to the General Authority for Zakat and Income, and thus the income distributed to unitholders.

In light of the foregoing, investors should seek advice regarding the impact of the VAT on their investment in the fund.

Zakat risks: According to the interpretation of the laws and regulations issued by the General Authority for Zakat and Income, the fund may be required to register with the General Authority for Zakat and Income. Whereas, the General Authority for Zakat and Income has not, to date, imposed the supply of Zakat, but made it voluntarily on investment funds subject to the control and supervision of the Capital Market Authority or the investors of these funds, but this does not mean that the General Authority for Zakat and Income will not change its methodology and decide to apply Zakat to funds or investors in these funds in the future or retrospectively; This methodology can also lead to fines for late payment of Zakat. Imposing Zakat on the fund and the fund's rental income (or delay penalties imposed on it) may lead to a decrease in the value of cash available for fund operations and potential distributions to unitholders. In all cases, investors should seek advice regarding their zakat obligations on their investment in the fund in addition to the impact of imposing zakat on the fund on their investment position in general.

Government and municipal approvals risks: The fund may not succeed in achieving its investment objectives if any required municipal accreditation or approval is refused or granted on unacceptable terms. In such a case, the fund may not be able to complete an investment or complete the development of a real estate project.

Saudization risks: The government of the Kingdom of Saudi Arabia may stipulate the employment of a high percentage of the Kingdom's citizens in the real estate development sector in the Kingdom. It is unclear at this stage to what extent the fund and its investments will be required to implement Saudization policies. This is because Saudization may require hiring additional employees or providing additional training, and these additional costs may cause operating costs to be higher than what is originally expected, which will be deducted from the net income of the fund and thus the net profits available for distribution to unitholders may decrease.

Risks of litigation with others the real estate in which the fund invests is operating in various sectors such as education and health care. The companies operating these real estates may be exposed to lawsuits and court procedures on an ongoing basis, which may affect the financial performance of these companies and the return to the fund. For example, some companies operating in the health sector may be exposed to lawsuits or judicial procedures as a result of claims against medical errors and the like, so that the expenses of pleading, defending against claims and paying any amounts under any settlements or provisions reduce the company's ability to pay rent payments due to the fund. This affects the value of the fund's assets and the cash available for distribution to unitholders.

Risks of limitation of liability and compensation: These terms and conditions define the circumstances in which the Fund Manager, shareholders, directors, officials, employees and advisors of the fund, and members of the Fund's Board of Directors bear any liability towards the fund. As a result, investors' right to compensation may be limited in comparison to cases where such restrictive conditions are not stipulated. In addition, the terms and conditions stipulate that the fund will indemnify the Fund Manager and its subsidiaries for claims, losses, damages and expenses arising from their actions on behalf of the fund. These compensation obligations could materially affect investors' returns.

Sovereign and Political Risks: The value of the fund and its investments may be negatively affected by political and diplomatic developments, instability, changes in government policies, and other political and economic developments.

In-kind distributions: Subject to compliance with regulatory requirements, the fund may make in-kind distributions in the form of real estate or stakes in other companies upon dissolution of the fund. In the case of in-kind distribution, unitholders may receive stakes in a company or real estate that are difficult to dispose of and transfer them in cash. In-kind distribution of any assets may create costs and administrative burdens that investors would not have incurred had the fund distributed in cash.

Future data: These terms and conditions may contain future statements related to future events or the future performance of the fund. In some cases, future statements may be defined by terms such as: "We believe," "continue," "appreciate," "wait," "intend," "perhaps," "plans," "projects," "supposed," "will," or reflect these terms or other similar terms. These data refer to mere expectations only while actual events or results may differ materially. When evaluating this data, investors should specifically consider a number of different factors, among them the risks mentioned in Item (2) (g) of these terms and conditions as these factors may make actual events or results materially different from any of the Future data. The Fund Manager does not bear any responsibility for updating any future data after the date of these terms and conditions in order to match these data with actual results or changes in expectations.

Risks of investing in money market instruments and funds, listed stocks and other real estate investment funds: The fund may invest in money market instruments through local banks or in listed real estate companies or other real estate investment funds that comply with the standard of the Sharia committee of the Fund. The value of these investments may decrease as they are not considered a bank deposit. In addition, in the event that the fund's assets are invested in money market instruments or money market funds, there is a credit risk represented in the inability or ability of the other party to pay the dues or obligations incurred by him in the specified time or the inability to repay completely, which may negatively affect the cash distributions. And the market value of units, and it negatively affects the cash dividends and the market value of units.

The aforementioned risks are not an adequate or exhaustive explanation and summary of all risk factors in investing in the fund's units. Investing in the fund does not mean a guarantee of profit or non-loss, and it is highly recommended that all potential investors obtain independent advice from their specialized advisors.

Risks of not having government licenses and permits for the real estate in question: The building completion certificate for the real estate in Al-Andalus Center - Jeddah is not available as at the date of the fund launch, which may result in operational risks of stopping rental proceeds or financial violations. The Fund Manager undertakes to provide the building completion certificate for the property Al-Andalus Center - Jeddah within a period of no more than 12 months from the date of the fund's offering, but it has not yet been issued due to the length of the related procedures. He also undertakes to bear any financial violations, operational losses or legal costs, resulting directly from the unavailability of the building completion certificate.

Risks of imposing duties and taxes on foreign residents in the Kingdom: The government recently imposed some fees on foreign residents in the Kingdom, which led to the exit of a large number of foreigners from the Kingdom, which negatively affected the proportions of students in schools and the general level of demand in the sectors in which the properties of the Fund operate, including the educational and health sector, the residential and commercial real estate, which may result in a decrease in the demand for the fund's real estate, and consequently a decrease in rental income, which may affect the valuation of the fund's assets and the unit price in the market.



2. Investment in the Fund does not imply a guarantee of profit or no loss.

G- Subscription

1- Information about the subscription including the start and end date of the subscription.

The total value of the fund's assets upon offering is (1,621,912,690) Saudi riyals. The fund intends to increase the value of the target fund's assets by issuing (43,258,427) new units ("new units"). The new units will be offered at a target offering price equivalent to the average trading price of 20 trading days for the fund's units that precedes the date of the CMA's approval to increase the total value of the Fund assets and the approval of the terms and conditions for increasing the fund's total assets value. The average turnover is 8.8 riyals ("the target offering price"), the total asset value becomes a minimum (in case the entire value of the initial offering is not collected to increase the fund's assets value) 2,407,688,540 Saudi riyals and the maximum (In the event that the full value of the initial offering is collected to increase the size of the fund's assets) 2,411,396,405 Saudi riyals. It is planned to offer (16,853,933) new units for cash subscription, and (26,404,494) new units for in-kind subscription will be issued for the benefit of Al Khaleej Training and Education Company as part of the acquisition value of the new real estate that the fund intends to acquire in connection with increasing the total value of the fund's assets.

The new units will be offered in accordance with the procedures in force in accordance with the regulatory controls and procedures issued by the Saudi Capital Market Authority in addition to the regulation of real estate investment funds, and the rules for listing in the Saudi Stock Exchange (Tadawul), where participation is made in exchange for in-kind and monetary contributions as follows:

	The minimum number of units offered	As a percentage of the fund's total asset value after the increase	The maximum number of units offered	As a percentage of the fund's total asset value after the increase
Number of units for Al Khaleej Company - in-kind subscription	26,404,494	17.8%	26,404,494	16%
Number of units for public offering - Cash subscription	0	0	16,853,933	10%
The total number of units after increasing the total asset value of the fund through the offering	148,605,103	-	165,459,036	-

The ban on selling units applied to Al Khaleej Training and Education Company extends for a period of three years from the date of listing its issued units.

(a) In-kind subscription

In addition to the issuance of the new units through cash subscription, (26,404,494) units of the new units will be offered to sellers of the assets that make up the targeted investment portfolio as part of the process of increasing the total asset value of the fund. In particular, the fund will:

- The acquisition of (Baraem Rowad Al Khaleej International Schools - Al Sahafa) at a purchase price of (20,000,000) Saudi riyals, the equivalent of half of the acquisition value is paid by issuing (1,112,940) new units at a price equivalent to the average unit price in the market for the last 20 trading days before the approval of the Capital Market Authority. The remaining amount of the real estate acquired will be paid in cash;

- The acquisition of (Rowad Al Khaleej International Schools - Al Mughazazat) at a purchase price of (210,000,000) Saudi riyals, the equivalent of half of the acquisition value is paid by issuing (11,685,867) new units at a price equivalent to the average unit price in the market for the last 20 trading days before the approval of the Capital Market Authority. The remaining amount of the real estate acquired will be paid in cash.
- The acquisition of (Rowad Al Khaleej International Schools - Al Mughazazat) at a purchase price of (244,500,000) Saudi riyals, the equivalent of half of the acquisition value is paid by issuing (13,605,688) new units at a price equivalent to the average unit price in the market for the last 20 trading days before the approval of the Capital Market Authority. The remaining amount of the real estate acquired will be paid in cash.

In addition to issuing units against contributions in kind, the Fund Manager has the right to obtain financing facilities to acquire the above-mentioned assets.

(b) Cash subscription

(16,853,933) new units will be issued to registered fund unitholders on the day of the meeting of unitholders, designated to approve the process of increasing the total value of the fund's assets ("those entitled to allocation") and those wishing to participate in the new units as shown in the allocation mechanism below. At least 10% of the issued units shall be allocated in exchange for the cash subscription of institutional investors registered on the day of the meeting of the unitholders designated to approve the process of increasing the total value of the fund's assets according to eligibility.

In the event that unsubscribed units remained unsubscribed subsequent to the public offering period, the Fund Manager will allocate the remaining units to subscribing unitholders with additional units, including institutional unit owners, and return the surplus to all subscribers within a period not exceeding 15 business days from the end of the public offering period. The Fund Manager may also arrange for the sellers of the assets that make up the target investment portfolio within the process of increasing the fund's total asset value to increase the amount of in-kind contributions against cash contributions.

Concurrent with the acquisition of the real estate of Al-Khaleej Training and Education Company, (NMC Specialist Hospital Al-Salam) will be acquired at a purchase price of (163,776,224) Saudi riyals, to be paid in cash.

(c) The public offering period

The public offering period to increase the total value starts on (12/12/2019) and ends on (12/18/2019) with a period of (5) working days (the "public offering period") so that it equals five (5) business days, and it may be extended for a similar period after approval by the Capital Market Authority. The offering period begins within a period not exceeding six (6) months from the date of the Authority's approval of the process of increasing the total value of the fund's assets.

(d) Acceptance the subscription and refund the surplus

The Fund Manager will notify each investor within (15) business days from the date of receiving the subscription request of the acceptance or rejection of the subscription application, whether in whole or in part. The surplus cash subscriptions will be returned without any deduction, after deducting the value of the allocated units and the subscription fee within (15) business days from the date of the end of the offering period.

(e) Cancellation and refund

The offering of new units may be canceled, and all subscription amounts shall be refunded without deduction to investors in the following cases (unless the Capital Market Authority decides otherwise):

1. If the number of unitholders from among the public is less than two-hundred-unit owners.
2. If the number of unitholders from among the public is less than 30% of the total fund unit owners.
3. In the event that the ownership of the assets to be transferred to the fund has not been transferred.
4. In case the minimum amount is not collected for the process of increasing the fund assets
5. In the event that the offering of the new units is canceled, any received subscription amounts will be refunded to the investors within 10 working days from the date of cancellation without deduction.

(f) Qualified Investors

The Fund Manager will offer the new units in line with the system for non-Saudis' ownership and investment of real estate.

The Fund Manager has the right to refuse, in whole or in part, the participation of any investor in the fund if the subscription is in violation of these terms and conditions, the Real Estate Investment Funds Regulations, or any other regulations that are applied from time to time by the Capital Market Authority or any other. Another regulator.

The Fund Manager takes all reasonable measures that may be necessary to ensure at all times:

1. The number of unitholders from among the public should not be less than two-hundred-unit owners; And the
2. The ownership of unitholders from the public should not be less than 30% of the total fund units.

Subscription to units is only available for the following categories: (A) Natural persons who hold Saudi nationality or the nationality of one of the member states of the Gulf Cooperation Council; (B) Institutions, companies, investment funds and other legal entities existing in the Kingdom of Saudi Arabia and other Gulf Cooperation Council countries;

(C) Foreigners residing in the Kingdom of Saudi Arabia;

(D) Qualified foreign investors pursuant to the rules governing the investment of qualified foreign financial institutions in securities issued by the Authority's Board of Directors under Resolution No. 2015-42-1 dated 15/07/1436 AH (corresponding to 4/5/2015); (E) Other investors who are authorized by the Authority to own shares listed on the Saudi Stock Exchange.

Registration and listing

The Fund Manager has the right to refuse, in whole or in part, the participation of any investor in the fund if the subscription is in violation of these terms and conditions, the Real Estate Investment Funds Regulations, or any other regulations that are applied from time to time by the Capital Market Authority or any other. Another regulator.

Fund account

The fund will have a separate bank account (or more) in its name (and / or the Special Purpose entity) and all fund revenues will be deposited in this account. The fund may open additional operating accounts, and the expenditures due in connection with the operation and administration of the fund will be drawn from those accounts.

2- A detailed statement of information about the real estate owners who will participate in kind in the fund

The following table shows the percentage of all subscribers by increasing the total assets of the fund by offering additional units:

	Minimum limit	A percentage of the total number of new units	Maximum limit	A percentage of the total number of new units
Number of issued units for Al Khaleej Company - In kind subscription	26,404,494	100%	26,404,494	61%
Number of units for public offering - Cash subscription	0	0	16,853,933	39%
Total number of new units *	26,404,494	100%	43,258,427	100%

3- The value of the Fund Manager 's participation in the fund during the public offering period

The Fund Manager owns 11,911,356 units in the fund, equivalent to 119,113,560 Saudi riyals based on the initial offering price when the fund was established. It is possible that the Fund Manager will participate in offering the new units as part of the process of increasing the total asset value of the fund.

4- The Fund Manager undertakes to abide by the law governing non-Saudis ownership and investment of real estate.

5- The minimum and maximum limits for subscription to the fund

The minimum subscription amount.

The minimum for cash subscription is (113) units, equivalent to (1000) Saudi Riyal. This condition does not apply to in-kind subscription.

The maximum subscription limit.

The maximum limit for the cash subscription is (7,954,545) units equivalent to (70,000,000) Saudi Riyal, and this condition does not apply to the in-kind subscription.

6- How to apply for participation

Application to participate in the fund shall be made through the Fund Manager or the recipient bodies, as stipulated below.

7- How to subscribe to the fund

Through the Fund Manager - Al Rajhi Capital

Qualified investors can participate in increasing the total value of the fund's assets, provided that they have an active investment portfolio with any financial company licensed by the Capital Market Authority, and the qualified investor will participate through the electronic channels of the Fund Manager by visiting www.alrajhi-capital.com.

The first step: Prepare the following subscription requirements.

- An electronic copy of the valid national ID / residency
- Provide a bank account number (IBAN) in the name of the investor and ensure that there is a sufficient amount for the subscription amount and the subscription fee

The second step: Transfer the amount and the subscription fee

The entire subscription amount will be transferred in addition to the subscription fee at a rate of 2% of the subscription amount as an upper limit, and the Fund Manager has the right to reduce these fees according to the Fund Manager's internal policy related to reducing fees on products during the public offering period on the following account:

- Bank name:
- account name:
- account number:
- IBAN Number:

The entire subscription amount must be transferred from a bank account registered in the name of the qualified investor applying to invest in the fund, provided that the reference number for the transfer is added to the subscription application during the third step (below), in addition to attaching a copy of the national ID / residence. In the event that the subscription request does not match the amount of the attached transfer and the name of the subscriber, the Fund Manager has the right to reject the subscription request.

The third step: filling out the subscription application - the electronic subscription feature

The investor obtains the subscription request by visiting the Fund Manager's website www.alrajhi-capital.com. The investor must complete the subscription application completely and send it electronically after approval by using the electronic subscription feature. The investor also attaches all the required documents that are explained in the first and second steps.

Any application for subscription or bank transfer will not be accepted after the end of the public offering period. The investor will not be able to amend the data contained in the subscription application after sending it. It is possible to cancel the subscription and submit a new application, and the subscription cannot be canceled after approval and confirmation.

In all cases, investors must take into account the completion of subscription requirements and documents and upload them through the electronic subscription feature.

Fourth step: confirm receipt of subscription

The Fund Manager will send the confirmation of receipt of the subscription request in the fund to the customer via e-mail or by text message to the mobile number registered through the electronic subscription feature, within 3 working days from the date of receiving the subscription amount.

Fifth step: acceptance of the subscription application

The application will be reviewed within three working days. In the event that the subscription request does not meet all the requirements or there are any notes, the customer will be notified by e-mail or by text message to the registered mobile number through the electronic subscription feature to complete the requirements within a working day of the subscriber's notification, and if the application is complete, the investor will be notified by accepting the subscription request.

For corporate investors, investment funds and investment portfolios, refer to one of the branches of Al-Rajhi Capital.

Documents required from companies:

- A copy of the commercial registration with the company stamp.
- A copy of the incorporation and the articles of Association with the company stamp.
- A copy of the ID for the authorized signatory with the company stamp and signed by the authorized signatory.

Documents required for investment funds:

- A copy of the commercial registration of the Fund Manager with the company stamp.
- A copy of the Memorandum of Incorporation and Articles of Association of the Fund Manager with the company stamp.
- A copy of the license to practice activity for the Fund Manager.
- A copy of the fund's terms and conditions.
- A copy of the approval of the Capital Market Authority for the fund offering.
- A copy of the ID of the authorized signatory with the company stamp and signed by the authorized person.

Required documents for investment portfolios:

- A copy of the identity of the owner of the investment portfolio.
- A copy of the portfolio manager's commercial registry with the company stamp.
- A copy of the Articles of Incorporation and Articles of Association of the Portfolio Manager with the company stamp.
- A copy of the activity license for the portfolio manager.
- A copy of the investment portfolio management agreement.
- A copy of the identity of the authorized signatory with the company's stamp, signed by the authorized signatory.

Notes:

The customer must ensure the correctness of the recorded data and the documents submitted, and Al-Rajhi Capital is not responsible for any errors that may result.

The customer must take into account that the value of the subscription request matches the executed bank transfers, and the subscription request will be rejected if there is any difference of increase or decrease.

Any amount transferred from an account other than the account registered with the Fund Manager when subscribing to the fund will be rejected / not accepted, and the bank account must be in the name of the customer.

If you have any inquiries, please contact us via phone number (920005856) or via e-mail (customerservice@alrajhi-capital.com).

Through the recipient parties (Al-Rajhi Bank):

The investor can subscribe provided that he has a bank account with Al-Rajhi Bank and an active investment portfolio, and the investor will participate through the bank's electronic channels or through its branches in the cities of the Kingdom of Saudi Arabia.

When subscribing, the following documents must be attached according to the investor category:

Documents required from all investors:

The subscription request (paper or electronic, as the case may be) signed and fully completed, making sure that there is sufficient balance for the subscription amount and the subscription fee.

Documents required from individuals:

A copy of the national identity for Saudi nationals or a copy of a valid resident identity card for residents.

8- The method for minors and dependents to participate in the fund.

Subscriptions of dependents and minors are accepted in the fund through the legal or subordinate guardian, and the following documents related to minors and dependents are submitted to the Fund Manager:

- Identity card for Saudi nationals or Gulf nationals or passport and residency for resident minors between the ages of 15 Hijri years to 18 Hijri years, or the family book (or equivalent proof of identity for non-Saudis) for minors under 15 Hijri years or dependents.

- The ID card for Saudi nationals or Gulf nationals, or the passport and residency for residents, for the legal guardian who is applying.

9- The mechanism that the Fund Manager will follow to allocate units to subscribers.

The offered monetary units were first allocated to the registered fund unitholders on the day of the meeting of the unitholders to agree to increase the total value of the fund's assets and those wishing to participate in the new monetary units, proportionately among themselves, and then the remaining monetary units (if any) are allocated to the remaining investors from Non-unitholders according to the Fund Manager's decision, and returning the surplus (if any) to all unitholders (by a certified check sent by regular mail to the address of the investor specified in the subscription application, or by bank transfer to his account specified in the subscription application), within a period not exceeding fifteen (15) business days from the end of the offering period for the additional units set forth in these terms and conditions, provided that the ownership of the property to be acquired is transferred to the interest of the fund and that the new units are listed in the market within a period not exceeding sixty (60) business days from the end of the public offering period .

10- Mechanism for increasing the total value of the fund's assets by accepting in-kind contributions or cash contributions, or both (if any)

The total value of the fund's assets can be increased by accepting contributions in kind or cash or both, according to the following mechanism:

- The Fund Manager must obtain the approval of the unitholders to offer additional units to the fund in exchange for in-kind or cash contributions or both, pursuant to article (26) of the real estate investment funds regulation.
- The Fund Manager must obtain the approval of the Authority to offer additional units to the fund in exchange for in-kind or cash contributions or both.
- The fund manager must start offering additional fund units within (6) months from the date of the Authority approval of the application. In the event that the fund manager fails to do so within the specified period, the approval of the Authority shall be rescinded.
- In the event that the total value of the fund's assets is increased by accepting cash or cash and in-kind contributions, the period for offering new units should not exceed sixty (60) working days.
- In the event that the value of the units meant to be offered, the offered units shall be first allocated to the registered fund unitholders on the day of the meeting of the unitholders and then the remaining units, if any, are allocated to the remaining participants and returning the surplus to all participants in cash, if any, during a period not exceeding (15) days from the end of the offering period for the additional units set forth in the fund terms and conditions, provided that the ownership of the property to be acquired is transferred to the interest of the fund within a period not exceeding sixty (60) days from the end of the offering period .
- In the event that the fund's total assets are increased by accepting in-kind contributions only, the additional units are allocated to the participants in kind immediately after the owners of the unit's referred to in paragraph (a) above agree, provided that the ownership of the property to be acquired is transferred in the interest of the fund within a period not exceeding sixty (60) business days from the date of approval of the unit holders.
- Subject to what was mentioned in sub-paragraph (c) above, and in the event of not collecting the minimum required to be collected as stated in the fund's terms and conditions, the fund manager must cancel the offering and return the subscribers' funds without any deduction within a period not exceeding (5) days from the end of the offering period.



- (h) The fund manager must submit an annexure to the fund's terms and conditions to the Authority for each process of increasing the total value of the fund's assets by accepting in-kind contributions, or by accepting cash contributions, or both in accordance with the requirements of Annex (14) of the Real Estate Investment Funds Regulation.
- (i) The fund manager must publish the annexure to the terms and conditions of the fund referred to in sub-paragraph (o) above on its website and the market's website or any other website available to the public according to the regulations set by the Authority (where applicable).

11- The expected time frame of the new units offering mechanism

Action	Time period
Obtaining the approval of the Capital Market Authority to increase the total asset value of the fund	02/10/2019 AD
Obtaining the approval of the unit holders	(10) business days from the date of obtaining the approval of the Capital Market Authority for the fund offering
Preparing and coordinating with the recipient authorities regarding offering the fund units	5 working days from the date of obtaining the approval of unitholders to increase the total value of the fund's assets
The public offering period	5 working days, which start from [12/12/2019] corresponding to [15/04/1441 AH] and end on [18/12/2019] corresponding to [21/04/1441 AH]
Extension of the public offering period (in case the fund is not covered)	5 working days, which start from [19/12/2019] corresponding to [22/04/1441 AH] and end on [25/12/2019] corresponding to [28/04/1441 AH]
Accept or reject the subscription request	The Offering Agent and the receiving entities shall notify the Investor to confirm or reject his participation within five (5) business days from the closing date of the Public Offer Period.
The allocation of units by the Fund Manager	15 business days from the closing date of the fund offering period or from the closing date of the public offering period extension, if necessary
Refund the surplus from the subscription amount and the related subscription fees to the investor	15 business days from the end of the offering period
Acquisition and transfer of ownership of assets and listing of fund units	Within a period of (60) business days from the closing date of the fund offering period
Cancellation and refund	In the event of canceling the offer, all subscription amounts and subscription fees will be refunded within five working days from the date of cancellation without deduction.

H- Trade the fund units

a. The method of trading the Fund's units

Upon listing, the fund's units may be traded in the same way as real estate investment funds traded on the Saudi Stock Exchange (Tadawul). Thus, unit holders and investors may trade during normal trading hours on any business day directly through the financial market or licensed brokerage firms.

The purchase of units in the fund through the Saudi Stock Exchange (Tadawul) is an acknowledgment by the buyer that he has read and agreed to these terms and conditions.

Trading in the fund's units shall be subject to trading fees that are settled as prevailing in the market. The owner of the units is responsible for the trading fees.

b. Cases in which the fund is suspended and/or the listing is cancelled

According to the real estate investment funds regulation, the Capital Market Authority may at any time suspend trading in the fund's units or cancel their listing as it deems appropriate, in any of the following cases:

- (1) If the Authority deems that the fund, its business, level of operations, or assets are no longer suitable for the continued listing of its units in the market.
- (2) If the Authority considers that the custodian has failed, to an extent that the Authority deems it essential with regards to abiding by the system, its implementing regulations, and the market rules.
- (3) When the auditor's report includes on the fund's financial statements an opposing opinion or a refusal to express an opinion until the opposing opinion is removed or the opinion is abstained.
- (4) If it deems it necessary to protect investors or to maintain an orderly market.
- (5) If the Fund Manager or the custodian fails, a failure the Authority deems it essential with regards to abiding by the rules and regulations issued by the Capital Market Authority.
- (6) If the number of unitholders from the public is less than two hundred, or if the ownership of unitholders from the public is less than 30% of the total fund units.

I- Dividend Policy

The Fund Manager aims to distribute cash dividends on a semi-annual basis to investors at the end of February and August of each calendar year, provided that the dividends are not less than 90% of the fund's annual net profits, with the exception of profits resulting from the sale of basic real estate assets, which are returned to be invested in other investment assets to serve the interests of the unit holders.

J- Fund Termination and Liquidation

1. Cases that lead to the termination of the fund

Without prejudice to what is stated in the Real Estate Investment Funds Regulations or any amendment to them, the listing of the Fund's units shall be canceled in one of the following cases:

- (a) The end of the specified period of the fund.
- (b) The purpose for which the fund was created has been fulfilled.
- (c) There is one of the following lapses:
 - In the event that all of its assets have been liquidated, and all proceeds from this liquidation have been distributed to unitholders after obtaining the approval of the Fund's Board of Directors and the Capital Market Authority.
 - In the event of any change of laws, regulations, or other regulatory requirements, or material changes to market conditions in the Kingdom of Saudi Arabia, and the Fund Manager considered that as a justifiable reason for terminating the fund.

- Taking bankruptcy or liquidation procedures against the Fund Manager after obtaining the approval of the Fund's Board of Directors.
- If the fund termination is requested according to a decision from the Capital Market Authority or according to its regulations.

When the Fund Manager wishes to terminate the fund in cases other than those described in these terms and conditions, after obtaining the approval of the Capital Market Authority.

It is necessary to notify the Authority and the unitholders when any of the cases referred to in Items (b and c) of this Item are fulfilled within thirty (30) business days for the date of such occurrence.

2. Procedures for the termination and liquidation of the fund and the time plan for liquidation

- The fund manager must complete the phase of selling the fund assets and distributing the dues to unitholders before the end of the fund term.
- The fund manager may extend the fund term to complete the assets sale phase or any other circumstance, according to the unitholders approval of the significant change in accordance with paragraph (2)(BB) of these terms and conditions.
- For the purpose of terminating the fund, the fund manager must prepare a plan and procedures for terminating the fund in the interest of the unitholders, and must obtain the approval of the fund board of directors on this plan before taking any action in this regard.
- The fund manager must notify the Authority in writing of the details of the fund termination plan and procedures no less than (21) working days prior to the date on which the fund is intended to be terminated, without prejudice to these terms and conditions. The fund manager must notify the unitholders of this by publishing on its website and Tadawul website.
- The fund manager must comply with the approved fund termination plan and procedures in accordance with subparagraph (d) above.
- The fund manager must notify the Authority in writing of the termination of the fund within (10) working days from the end of the fund term in accordance with the requirements set forth in paragraph (d) of Appendix (12) of the Real Estate Investment Funds Regulations. The fund manager must notify the unitholders of this by publishing on its website and Tadawul website.
- The fund manager must terminate the fund immediately upon the occurrence of any of the events mentioned in paragraph (2)(J)(1)(C) above and notify the Authority in writing within (5) working days of the occurrence of the event that requires the termination of the fund. The fund manager must notify the unitholders of this by publishing on its website and Tadawul website.
- In the event that the fund's term expires and the fund manager has not completed the sale of the fund assets during its term, the fund manager must liquidate the assets and distribute the dues to the unitholders within a period not exceeding (6) months from the date of expiry of the fund term.
- For the purpose of liquidating the fund, the fund manager must obtain the approval of the fund board of directors on the plan and procedures for liquidating the fund before taking any action in this regard.
- The fund manager must comply with the approved fund liquidation plan and procedures in accordance with subparagraph (i) above.

- (k) The fund manager must notify the Authority in writing of the end of the liquidation of the fund within (10) working days of the end of the liquidation of the fund in accordance with the requirements set forth in paragraph (d) of Annex (12) of the Real Estate Investment Funds Regulations. The fund manager must notify the unitholders of this by publishing on its website and Tadawul website.
- (l) The fund manager shall treat all unitholders equally during the process of terminating or liquidating the fund.
- (m) The fund manager must distribute the entitlements of the unit holders immediately upon the expiry of the fund term or its liquidation without delay and in a manner that does not conflict with the interest of the unitholders and these terms and conditions.
- (n) The fund manager must publish on its website and Tadawul website or any other website available to the public, according to the controls set by the Authority (where applicable), about the expiration of the fund term or the term of its liquidation.
- (o) The fund manager must provide the unitholders with a report on the termination of the fund in accordance with the requirements of Annex (13) of the Real Estate Investment Funds Regulations within a period not exceeding (70) working days from the date of completing the termination or liquidation of the fund, including the final audited financial statements of the fund for the subsequent period for the latest audited annual financial statements.
- (p) The Authority may dismiss the fund manager from the liquidation process if a special decision is issued for the fund by the fund unitholders, provided that the replacement liquidator is appointed at the same meeting at which the unitholders voted to dismiss the fund manager.
- (q) In the event the fund manager is dismissed from the liquidation process, the fund manager must cooperate fully in transferring the liquidation responsibilities to the appointed liquidator and transfer to it all documents related to the fund that enable it to complete the liquidation process within (20) working days from the issuance of the Authority decision to dismiss the fund manager and the appointment of a replacement liquidator.
- (r) The fund manager must notify the unitholders by publishing on its website and Tadawul website in the event the Authority issues a decision to dismiss the fund manager and appoint a replacement liquidator in accordance with subparagraph (p) above.
- (s) In all cases, the fund manager must notify the Authority in writing immediately and without any delay of any material events or developments during the fund liquidation period. The fund manager must notify the unit holders of this by publishing on its website and Tadawul website.



K- Fees, service charges, commissions and management fees

1. Fees, charges and fee calculating method

Fee type	Charges and Fees rate	Amount due. (Saudi Riyal)	Maximum charges	Payor	Payment method	Payment time
Subscription Fee	2% of the subscribed and allocated amount	NA	2% of the subscribed and allocated amount	Investor	The investor pays the Fund Manager a subscription fee equivalent to 2% of the amount subscribed to it and allocated as a maximum, during the initial offering period or upon any increase in the total value of the fund's assets. These fees apply to subscribers in return and new investors and do not include current unit holders as at the date of the unitholder's meeting, and in both cases, they are paid by the investor as an additional amount on the subscription amount. All the amounts mentioned in this item do not include value-added tax and are calculated as an additional amount as appropriate and when applicable.	One-time payment upon initial subscription to the fund or increasing the fund's total assets value
Management fees	0.80% of the total value of the fund's assets	NA	8% of the total value of the fund's assets	Fund	Annual fees charged to the fund on a daily basis from the total value of the fund's assets based on the last valuation after deducting the expenses calculated on a daily basis and paid every three months, starting from the date of listing. The first payment of management fees is made on a pro-rata basis, taking into account the days that have passed of the calendar quarter. In the event that the fund does not have sufficient cash liquidity available to pay the management fees at the beginning of the calendar quarter, payment of the fees can be postponed until sufficient cash liquidity is available with the fund. All the amounts mentioned in this item do not include value-added tax, and it is calculated as an additional amount as appropriate and when applicable.	paid every 3 months
Custody Fees	NA	185,000 SAR	185,000 SAR	Fund	The Fund pays an annual fee of 185,000 Saudi Riyals to the Custodian, which is calculated on a daily basis and paid quarterly. All the amounts mentioned in this item do not include value-added tax, and it is calculated as an additional amount as appropriate and when applicable.	paid every quarter



Transfer Ownership Fees	1% of the purchase or sale price for each property acquired or sold by the Fund	NA	1% of the purchase or sale price for each property acquired or sold by the Fund	Fund	The fund pays the Fund Manager an ownership transfer fee of 1% of the purchase or sale price for each real estate acquired or sold by the fund in exchange for the Fund Manager's efforts to acquire or sell any investment. Transfer fees are paid upon completion of each acquisition or sale of the real estate. All the amounts mentioned in this item do not include value-added tax, and it is calculated as an additional amount as appropriate and when applicable.	Paid once upon purchasing or selling the real estate
Structured Financing Fees	2% of the amount withdrawn via any banking facility in favor of the Fund	NA	2% of the amount withdrawn via any banking facility in favor of the Fund	Fund	The fund pays the Fund Manager a financing structuring fee equivalent to 2% of the amount withdrawn under any bank facilities in favor of the fund. These fees will not be applied to the current financing submitted by Al Rajhi REIT Fund in the IPO process. All the amounts mentioned in this item do not include value-added tax, and it is calculated as an additional amount as appropriate and when applicable.	Paid once upon receiving any banking facilities
Auditor Fee	NA	55,000 SAR	55,000 SAR	Fund	The fund pays the auditor a fee of 55,000 Saudi Riyals annually, as a lump sum calculated on the fund on a daily basis and paid semi-annually. All the amounts mentioned in this item do not include value-added tax, and it is calculated as an additional amount as appropriate and when applicable.	Paid semi-annually



Property Management Fees	<p>The fund bears the property management fees for Al Andalus Center real estate in an annual amount equivalent to 1,176,000 Saudi Riyals in case the real estate's income is less than 14 million Saudi Riyals per year.</p> <p>The fees of Al-Andalus Center management will increase with the increase in income as follows:</p> <ul style="list-style-type: none"> • 1,356,000 Saudi riyals annually if the total income reaches 14 million Saudi riyals, equivalent to 9.69% of the total income. • Then the fees amount to 1,476,000 Saudi Riyals if the total income reaches 15 million Saudi riyals, equivalent to 9.84% of total income. • Then the fees amount to 1,596,000 Saudi riyals if the total income reaches 16 million Saudi riyals, equivalent to 9.98% of total income. <p>The property management contract for Al- Andalus Center real estate with Olat Development Company Ltd. starts on August 1, 2017 and extends to three years.</p> <p>The Fund also bears property management fees for the Jarir Bookstore real estate, in an annual amount equivalent to 480,000 Saudi Riyals, paid to the independent real estate manager of Olat Development Company Ltd. The property management contract for Jarir Bookstore property with Olat Development Company Ltd begins in the third quarter of 2018 and extends to two years. The contract is automatically renewed after the end of the basic period for a period of one calendar year, which can be renewed for similar periods unless one of the parties notifies the other of their unwillingness to renew before the end of the basic or renewed period from the contract, prior to at least 90 days.</p> <p>The Fund also bears property management fees for Rama plaza and Anwar plaza which consist of 8% of collected rent, paid to the independent real estate manager Medad Alkhaer Real Estate. The property management contract begins in the first quarter of 2022 and extends to 1 year. The contract is automatically renewed after the end of the basic period for a period of one calendar year, which can be renewed for similar periods unless one of the parties notifies the other of their unwillingness to renew before the end of the basic or renewed period from the contract, prior to at least 90 days.</p> <p>There are no property management fees for other fund assets at the present time as the tenant performs property management tasks, but a property management company may be appointed in case the need arises after obtaining the approval of the fund's board of directors and disclosure to the unit holders, and the Fund Manager will ensure that the property managers' fees are negotiated on a purely commercial, independent and consistent basis with market rates. All the amounts mentioned in this item do not include value-added tax, and it is calculated as an additional amount as appropriate and when applicable.</p>				
	Property Name	Contract Starting Date	Contract Ending Date	Contract Duration	The real estate is managed by
	Lulu Hypermarket - Riyadh	1 December 2014	25 April 2029	14.4 years	The real estate is fully managed by the tenant
	Narjes Plaza - Riyadh	24 June 2015	3 March 2025	10 AH years	
	Al Faris International School- Riyadh	1 July 2011	27 June 2026	15 years	
	Panda - Khamis Mushait	24 March 2014	22 March 2029	15 years	
	Hyper Panda - Al Marwa, Jeddah	12 November 2013	10 November 2028	15 years	
	Panda - Al Rawdah, Jeddah	27 February 2014	25 February 2029	15 years	
	Panda - Madain Al-Fahd, Jeddah	4 September 2014	2 September 2029	15 years	
	Blue Tower, Al Khobar	11 March 2018	10 March 2023	5 years	
	Al Louloua Warehouses, Riyadh	6 March 2018	5 March 2023	5 years	
	Lulu Central Warehouses	16 December 2016	15 December 2031	15 years	
	Anwar Plaza - Riyadh	Multiple dates	Multiple dates	The current average lease term of contracts is 3.4 years	Medad Alkhaer Real Estate (Independent property manager specialized in real estate management)
	Rama Plaza - Riyadh	Multiple dates	Multiple dates	The current average lease term of contracts is 6.3 years	
	Al Andalus Center - Jeddah	1 August 2017	1 August 2020	3 years	Olat Company (Independent property manager specialized in real estate management)
	Jarir Bookstores- Riyadh	The third quarter 2018	The third quarter 2020	Two years, renewable automatically	
	Lulu Central Warehouses	1 April 2017	31 March 2032	15 years	The real estate is fully managed by the tenant
And those expenses will be disclosed in the summary of financial disclosure at the end of the year, if any					
Target assets					
	NMC Al-Salam Speciality Hospital	1 April 2018	31 December 2033	15.75 years	The real estate is fully managed by the tenant
	Baraem Rowad AlKhaleej International School-Al Sahafa, Riyadh	Not started and will start immediately after the real estate is emptied		15 years	
	Baraem Rowad AlKhaleej International School-Al Magharzat, Riyadh			15 years	
	Rowad Alkhaleej International School, Dammam			15 years	



Sub Administrator	The fund pays the sub-administrator "Apex Mutual Fund Services (Dubai) Ltd." an annual fee of 51,200 US dollars, equivalent to 192,000 Saudi riyals, and the value of the fees will increase by 3.5% every calendar year starting from January 2020.					
Real estate Evaluation Fees	It is negotiated according to the prevailing market prices and is calculated based on the actual cost and is disclosed to the unitholders. It is expected that the annual costs will reach a maximum of 0.05% of the total value of the fund's assets. All the amounts mentioned in this item do not include value-added tax, and it is calculated as an additional amount as appropriate and when applicable. Those expenses will be disclosed in the summary of financial disclosure at the end of the year, if any					
Capital Market Authority regulatory fees	NA	7,500 SAR	7,500 SAR	Fund	The fund pays regulatory fees of 7,500 Saudi riyals annually, calculated on a daily basis and paid on an annual basis. All the amounts mentioned in this item do not include value-added tax, and it is calculated as an additional amount as appropriate and when applicable.	Paid annually
Publishing Information on the Saudi Stock Exchange website Fees	NA	5,000 SAR	5,000 SAR	Fund	The Fund bears the payment of the publishing fees on the Saudi Stock Exchange website once a year, amounting to 5,000 Saudi Riyals, calculated on a daily basis and paid on an annual basis. All the amounts mentioned in this item do not include value-added tax, and it is calculated as an additional amount as appropriate and when applicable.	Paid annually
Remuneration of Independent Board Members	NA	5,000 Saudi Riyal for each of the Fund's Independent Board Member for each meeting	5,000 Saudi Riyal for each of the Fund's Independent Board Member for each meeting	Fund	Each independent fund board member will receive an amount of 5,000 Saudi riyals for each meeting, and a maximum of 20,000 Saudi riyals annually for each independent fund board member to be paid at the end of each year or upon the end of the contract period. All the amounts mentioned in this item do not include value-added tax, and it is calculated as an additional amount as appropriate and when applicable, and those expenses will be disclosed in the summary of financial disclosure at the end of the year, if any.	Paid at the end of each year or at the end of the contract period
Transaction Expenses	The fund bears all transaction expenses, for any asset and related studies and examination, and advisory and legal costs. It is expected that the total of these costs could reach a maximum of 0.10% of the total value of the fund's assets annually. These expenses do not include ownership transfer fees and are paid by the fund based on the actual cost due, and this will be disclosed to the unit holders. It is expected that the total of these costs will reach a maximum of 0.10% of the total fund value annually. And those expenses will be disclosed in the summary of financial disclosure at the end of the year, if any.					
Development fee	In the event the fund carries out real estate development activities, the developer is entitled to fees that are negotiated in accordance with recognized market practices without any minimum or maximum limit. For the avoidance of doubt, these fees do not apply to completely developed properties. In the event that the fund carries out real estate development activities, the development fees will be disclosed to the unit holders. All the amounts mentioned in this item do not include value-added tax, and it is calculated as an additional amount as appropriate and when applicable, and those expenses will be disclosed in the summary of financial disclosure at the end of the year, if any.					



Brokerage commission	2.5% of the acquisition value for each real estate asset.	NA	2.5% of the acquisition value for each real estate asset.	Fund	The fund bears the full amount of the brokerage commission, which is a maximum of 2.5% of the acquisition value of any real estate asset. These fees will not be applied to the acquisition of the real estate comprising in the target investment portfolio as part of the process of increasing the total value of the fund's assets.	Paid once upon purchasing the property
Registration fees in the Saudi Stock Exchange (Tadawul) These fees may change according to the prices of the service provided by the Saudi Stock Exchange (Tadawul)	NA	400,000 SAR	400,000 SAR	Fund	The fund bears the commission on a daily basis and paid annually. All the amounts mentioned in this item do not include value-added tax, and it is calculated as an additional amount as appropriate and when applicable.	Paid annually
		50,000 SAR In addition to 2 Saudi riyals for each unit holder, with a maximum of 500,000 units	50,000 SAR	Fund	The fund bears the fees and are paid once upon registering the fund in the Saudi Stock Exchange. All the amounts mentioned in this item do not include value-added tax, and it is calculated as an additional amount as appropriate and when applicable.	Paid once upon establishment
Listing fees on the Saudi Stock Exchange (Tadawul). These fees may change according to the prices of the service provided by the Saudi Stock Exchange (Tadawul).		50,000 SAR	50,000 SAR	Fund	The fund bears the fees and are paid once upon registering the fund in Tadawul. All the amounts mentioned in this item do not include value-added tax, and it is calculated as an additional amount as appropriate and when applicable.	Paid once upon establishment
	0.03% of the fund's market value annually (with a minimum of 50,000 and a maximum of 300,000 Saudi Riyals)	NA	300,000 SAR	Fund	The fund bears the fees which are paid annually. All the amounts mentioned in this item do not include value-added tax, and it is calculated as an additional amount as appropriate and when applicable.	Paid annually



Financing expenses	The Fund shall bear all financing costs during the financing term, the fees, expenses and the expenses related to the financing arrangement, which are paid only once when arranging the financing in accordance with the Islamic Sharia of the Fund. All the amounts mentioned in this item do not include value-added tax, and it is calculated as an additional amount as appropriate and when applicable. those expenses will be disclosed in the summary of financial disclosure at the end of the year, if any.
Other Expenses	The fund shall bear the other expenses and fees, which are expenses owed to other parties dealing with the fund, including, but not limited to, insurance fees, lawyers' fees, zakat, municipal fees, government fees, engineering consultant fees, surveyors' fees, architects and interior decorators, and the costs of members of the board of directors, including travel and actual accommodation incurred by each independent member according to the actual cost of attending the meetings. The fund shall bear all fees that may be imposed by the official authorities in the Kingdom of Saudi Arabia as a result of the fund's performing its obligations under these terms and conditions, and the fund will bear all marketing expenses for its products according to the best marketing offers approved by the Fund's Board of Directors. It is noteworthy that such fees are not paid to the Fund Manager and cannot be estimated in advance and will be deducted based on actual expenditures and disclosure. Details of those expenses can also be found in the financial disclosure summary listed in these terms and conditions. The fund does not intend to provide any deduction or waive the expenses, and it is expected that the total of these costs will reach a maximum of 0.25% of the total value of the fund's assets annually.
The ratio of fund costs to the fund's total assets	(0.56%) as of the end of June 2019 (semi-annual rate).

Recurring fees		Non-recurring fees	
Custody fees	185,000 annually	Subscription Fee	2% upon subscription
Financing expenses	Fixed amount for 2019: 15,340,163 Saudi Riyal +Changing amount of 2,280,280 Saudi Riyal*	Registration fees in the Saudi Stock Exchange	50,000 In addition to 2 Saudi riyals for each unit holder, with a maximum of 500,000
Auditor fees	55,000 annually	Initial listing fees	50,000 Saudi Riyal
Property Management Fees	1,176,000 paid to Al Andalus Center annually 480,000 annually to the Jarir Bookstore building	Transaction Expenses	It is expected that the total of these fees will reach a maximum of 0.10% of the fund asset's total value.
Real estate Evaluation Fees	Are calculated based on actual cost and disclosed to unit holders. It is expected that the fees will reach a maximum of 0.05% of the total value of the fund's assets.	Transfer Ownership Fees	1% of the selling or purchasing price of each property the fund purchases or sells
Sub administrator	192,000 Saudi Riyal annually	Structured Financing Fees	2% of the amount withdrawn under any bank facilities
Regulatory fees	7,500 annually	Development fee	negotiable
Remuneration of Independent Board Members	5,000 Saudi Riyal for each of the Fund's Independent Board Member for each meeting	Brokerage commission	A maximum of 2.5% of the acquisition value for any real estate asset
Tadawul fees	5,000 annually	-	-



Unit register management by Tadawul	400,000 annually	-	-
Annual fees for listing in Tadawul	0.03% of the fund's market value annually (with a minimum of 50,000 and a maximum of 300,000 Saudi Riyals).	-	-
Fund Management Fees	0.8% of the fund's total assets value after deducting expenses	-	-
Other Expenses	A maximum of 0.25% of the fund's total assets value	-	-
The ratio of the current fund's recurring costs to the total value of the fund's assets for the period ending in June 2019 is equivalent to 0.56%, which is in turn equivalent to 1.12% annually.			

* The expected annual payment of a variable profit margin, equivalent to 1.5% + SIBOR 3 months, and the profit rate is paid quarterly for the variable rate financing amount 57,007,000, noting that the profit rate on the loan was assumed to be 4% annually.

The Fund Manager declares that the fees mentioned in the above table are all fees imposed and calculated on the fund during the term of the fund without exception, and the Fund Manager is fully responsible for calculating fees other than those mentioned in the table above.

2. A table showing the hypothetical investment of the unitholder

1. A hypothetical table showing the method of calculating recurring and non-recurring fees and expenses based on hypothetical numbers within ten years:

An example describing the fee calculation mechanism above, assuming the following:

1- The total assets value of the fund as of 30.06.2019 is equivalent to 1,724,075,691 Saudi Riyal

2- The fund's asset value increase is 683,913,812 Saudi Riyal

3- The total asset value of the fund is 2,407,989,503 Saudi Riyal

4- Current financing amount is 456,913,600 Saudi Riyals.

5- The size of the new financing is 298,913,811 Saudi Riyals.

6- Nominal value of the unit is 10 Saudi Riyals.

7- Total number of withstanding units is 165,459,036 unit.

8- The invested amount is 1,000,000 Saudi Riyal

9- The number of units invested by the investor by assuming the 100,000 units above.

The percentage of units invested in the fund by the investor by assuming the 0.06% above.



Recurring fees and charges	First Year		Second Year (3)		Third Year and after (5)	
	On an annual basis	Fees imposed on the unitholder according to the above assumption	On an annual basis	Fees imposed on the unitholder according to the above assumption	On an annual basis	Fees imposed on the unitholder according to the above assumption
Auditor fees	35,000	21.2	35,000	21.2	35,000	21.2
Custody Fees	185,000	111.8	185,000	111.8	185,000	111.8
Sub Administrator fee	192,000	116.0	192,000	116.0	192,000	116.0
Insurance fees	156,970	94.9	156,970	94.9	156,970	94.9
Property management fees and maintenance expenses (6)	4,156,000	2,511.8	4,156,000	2,511.8	4,156,000	2,511.8
Annual fees for listing in Tadawul	300,000	181.3	300,000	181.3	300,000	181.3
Unit register management by Tadawul	400,000	241.8	400,000	241.8	400,000	241.8
Regulatory fees	7,500	4.5	7,500	4.5	7,500	4.5
Tadawul fees	5,000	3.0	5,000	3.0	5,000	3.0
Real estate Evaluation Fees	250,000	151.1	260,000	157.1	260,000	157.1
Remuneration of Independent Board Members	40,000	24.2	40,000	24.2	40,000	24.2
Finance expenses (1)	30,233,096	18,272.3	34,233,096.45	20,689.8	34,233,096	20,689.8
Fund Management Fees (2)	19,263,916	11,642.7	20,063,916.02	12,126.2	20,063,916.02	12,126.2
Other expenses 0.25%	6,019,974	3,638.3	6,269,973.76	3,789.4	6,269,973.76	3,789.4
Total recurring fees and expenses	61,244,456	37,015	66,304,456	40,073.0	66,304,456	40,073.0
The percentage of total recurring fees and expenses out of the fund's total asset value	2.54%	-	2.64%	-	2.64%	-
Non-recurring fees and expenses (4)						
The subscription fee is 2% of the subscription amount	-	20,000	-	-	-	-



Transfer Ownership Fees 1% of the selling or purchasing price of each property the fund purchases or sells	-	-	1,000,000	604.4	-	-
Transaction Expenses			2,507,990	1,515.8		
Structured Financing Fees 2% of the amount withdrawn under any bank facilities	-	-	2,000,000	1,208.8	-	-
Brokerage commission: A percentage of 2.5% of the acquisition value has been assumed for any real estate asset	-	-	2,500,000	1,510.9	-	-
Total non-recurring fees and expenses	-	20,000	8,007,990	4,839.9	-	-
The percentage of total non-recurring fees and expenses out of the fund's total asset value	0.0%	-	0.3%	-	0.0%	-
Total fees and expenses	61,244,456	57,015	74,312,446	44,913	66,304,456	40,073
The percentage of total recurring and non-recurring fees and expenses out of the fund's total asset value	2.54%	-	2.96%	-	2.64%	-

Notes

1. Assuming that the rate of profit on the loan is 4% of the annual financing amount. Any future changes in this rate will affect the amount of profit payable by the fund and thus the investor's share of fees and expenses.
2. Management fees are calculated on the total asset value of the fund.
3. In the second year, we assumed the purchase of a new property worth 100 million Saudi Riyal on the basis of a net lease contract financed by obtaining a new loan of 100 million Saudi Riyal. After this acquisition, the total assets of the fund will include the loan amount to 2.5 billion Saudi Riyal, and the total loan amounted to 855.82 million Saudi Riyal.
4. Non-recurring expenses relate to purchasing new assets in the second year.
5. We assumed that from year three onwards to year ten, we would not own any new asset and would maintain the same rate of fees and charges.



6. Currently there are two properties that have multi-tenants and are managed through a property manager. Any unexpected increase in maintenance expenditures in the future may increase the level of the fund's costs and thus the investor's share of fees and expenses. These amounts include electricity, water, security, cleaning and maintenance expenses of the property.

2. A hypothetical table showing the method of calculating fees and expenses based on hypothetical numbers within the first year:

An example describing the fee calculation mechanism above, assuming the following:

1. The invested amount is 100,000 Saudi Riyals.
2. The total assets value of the fund as of 30.06.2019 is equivalent to 1,724,075,691 Saudi Riyals.
3. The fund's asset value increase is 683,913,812 Saudi Riyals.
4. The total asset value of the fund is 2,407,989,503 Saudi Riyals.
5. The revenue achieved at the end of the fiscal year is equivalent to 10%.

First year expenses and fees	Fees and Expenses amount	Fees and expenses of the investor amounting to 100,000 Saudi Riyal
*Subscription Fees	2%	2,000
Auditor fees	35,000	1.5
Custody Fees	185,000	7.7
Sub Manager fee	192,000	8.0
Insurance fees	156,790	6.5
Property management fees and maintenance expenses	4,156,000	172.6
Annual fees for listing in Tadawul	300,000	12.5
Unit register management by Tadawul	400,000	16.6
Regulatory fees	7,500	0.3
Tadawul fees	5,000	0.2
Real estate Evaluation Fees	250,000	10.4
Remuneration of Independent Board Members	40,000	1.7
Finance expenses***	30,233,096	1,255.5
Other Expenses	4,310,189	179.0
Total expenses	-	1,672.4
Net investment amount before management fees	-	98,327.6
Fund Management Fees	0.80%	786.62



The investor's net investment before the return	-	97,541.01
10% default return	-	10,000
Net default return	-	107,541.01
Net profit for the investor****	-	7.54%

* The subscription fee is payable by the investor directly and is not included in the investment amount.

**A percentage of 0.03% paid annually for listing in Tadawul of the fund's market value annually (with a minimum of SAR 50,000 and a maximum of SAR 300,000).

*** financing expenses assuming it's similar to the current financing expenses of the fund

**** this percentage is based on a return of 10% and this is the highest return yield targeted for the fund.

3. The fund manager acknowledges that the fees and charges mentioned above include all fees imposed on the fund.

4. Responsibility

The Fund Manager, or any of its managers, officials, employees, agents and advisors, affiliated to it, the subsidiary companies and related parties, the custodian, and every real estate manager and developer (if any), the members of the Sharia committee and the Board of Directors of the Fund (referred to each of them as an "insured party") does not incur any liability towards the fund or any investor regarding any loss or compensation that the fund suffers, unless it involves gross negligence, fraud or intentional misconduct during their management of the fund's affairs. In this case, it is required for any aforementioned party that wants to rely on the provisions of this Item, that they have acted in good faith and in a manner that is believed to best serve the interests of the fund and that the behavior does not involve gross negligence, fraud or intentional misconduct.

5. Value added tax (VAT)

Unless otherwise indicated, all fees and expenses are indicated in these terms and conditions without calculating VAT, and therefore in the event that VAT is due on any service or commodity provided by a third party for the benefit of the fund or the Fund Manager in their capacity as the Fund Manager, the Fund Manager is obligated to take the tax receivables into consideration as the paid amount by the fund to the related service provider is increased by a value equivalent to the value added tax due on the fund.

Accordingly, investors should consider how VAT will be applied to the amounts owed to the fund or those due by the fund.

6. Financial disclosure Summary

The fees, charges and expenses expected to be incurred by the fund are specified in the Financial Disclosure Summary contained in Appendix (A) of these terms and conditions.



L- Insurance on the real estate assets of the fund

Property Name	Tenant Name	Insurance details
Lulu Hypermarket - Riyadh	AlMutlaq Real Estate Company	Property insurance is considered as one of the tenant's primary responsibilities
Anwar Plaza - Riyadh	Multiple tenants	Property insurance is the Lessor responsibility
Narjes Plaza - Riyadh	Al Fouzan Trading & General Construction Company	Property insurance is considered as one of the tenant's primary responsibilities
Rama Plaza - Riyadh	Multiple tenants	Property insurance is the Lessor responsibility
Jarir Bookstores- Riyadh	Multiple tenants	Property insurance is the Lessor responsibility
Al Faris International School- Riyadh	Al Faris International School	Property insurance is the Lessor responsibility
Panda - Khamis Mushait	Panda Retail Company	Property insurance is considered as one of the tenant's primary responsibilities
Hyper Panda - Al Marwa, Jeddah	Panda Retail Company	Property insurance is considered as one of the tenant's primary responsibilities
Panda - Al Rawdah, Jeddah	Panda Retail Company	Property insurance is considered as one of the tenant's primary responsibilities
Panda - Madain Al-Fahd, Jeddah	Panda Retail Company	Property insurance is considered as one of the tenant's primary responsibilities
Al Andalus Center - Jeddah	Multiple tenants	Property insurance is the Lessor responsibility
Blue Tower, Al Khobar	Rawaj Real Estate Company	Property insurance is considered as one of the tenant's primary responsibilities
Al Louloua warehouses, Riyadh	Rawaj Real Estate Company	Property insurance is considered as one of the tenant's primary responsibilities
Lulu Central Warehouses	Saudi Lulu Hypermarket Company	Property insurance is the Lessor responsibility
NMC Al-Salam Speciality Hospital	NMC Al-Salam Speciality Hospital	Property insurance is the Lessor responsibility
Baraem Rowad Al Khaleej International Schools	Al Khaleej Training and Education Company	Property insurance is considered as one of the tenant's primary responsibilities
Rowad Al Khaleej International Schools - Al Mughazazat, Riyadh	Al Khaleej Training and Education Company	Property insurance is considered as one of the tenant's primary responsibilities
Rowad Alkhaleej International School , Dammam	Al Khaleej Training and Education Company	Property insurance is considered as one of the tenant's primary responsibilities

M- The Fund's Assets:

1. Registration of the Fund's Assets Mechanism

Taking into account any financing that the fund obtains, which may include arranging any mortgages (or any concessions by way of foreclosure) that the fund establishes on its real estate assets for the benefit of its financiers, the fund's real estate assets are registered in the name of one (or more) of the custodian's special purpose companies.

2. Valuation of the Fund's Assets

The Fund Manager appoints two (2) independent real estate evaluators accredited by the Saudi Authority for Accredited Valuers for the purpose of assessing the fund's real estate assets. The Fund Manager has the right, at any time, to replace the evaluators with other independent evaluators accredited by the Saudi Authority for Accredited evaluators, and must undertake to change the evaluators every two (2) years maximum. The Fund Manager has the right to change or appoint any new valuers for the fund with the aim of evaluating a specific property without any prior notice to the unitholders. The aforementioned appointment shall be made by the Fund Manager, taking into consideration his fiduciary responsibility towards the unitholders.

1. Names of accredited evaluators of the fund's assets

The Fund Manager evaluates the fund's assets based on a valuation prepared by two independent evaluators approved by the Saudi Authority for Accredited evaluators. According to the existing arrangements at the date of the fund's listing, the following companies have evaluated the real estate assets of the fund:

- Olaat company
- ValuStrat Company
- Barcode Company
- White Cubes Company
- Knight Frank
- Jones Lang LaSalle (JLL)

2. How to evaluate each asset owned by the fund

The price of one unit in the fund is calculated by deducting the fund's total liabilities, including any financing obligations, fees and expenses due on the fund during the calculation period, from the fund's total assets. The result is divided by the number of fund units for the same period. This price shall be the indicative price for the fund units.

The value of the fund's total assets shall be the sum of all real estate and cash assets, accumulated profits and other receivables and the market value of all investments in addition to the present value of any other assets owned by the fund. The Fund Manager exercises his reasonable discretion in determining the values that pertain to the fund's assets and liabilities, provided that he acts in good faith in the interest of the fund as a whole. For purposes of determining the net asset value, the Fund Manager calculates the average of the two valuations. As part of the annual audit, the Auditor reviews the valuation of the investments.



3. The valuation value of each asset belonging to the fund

Property Name	Valuation of the first valuer (SAR)	Valuation of the second valuer (SAR)	Average	Valuation date
Lulu Hypermarket - Riyadh	218,200,000	223,457,625	220,828,813	December 2018
Anwar Plaza - Riyadh	61,300,000	63,467,909	62,383,955	December 2018
Narjes Plaza - Riyadh	59,400,000	61,547,196	60,473,598	December 2018
Rama Plaza - Riyadh	65,000,000	69,235,706	67,117,853	December 2018
Jarir Bookstores- Riyadh	75,700,000	70,345,113	73,022,557	December 2018
Al Faris International School- Riyadh	142,900,000	138,787,710	140,843,855	December 2018
Panda - Khamis Mushait	39,300,000	47,573,656	43,436,828	December 2018
Hyper Panda - Al Marwa, Jeddah	209,000,000	204,599,134	206,799,567	December 2018
Panda - Al Rawdah, Jeddah	67,200,000	66,790,115	66,995,058	December 2018
Panda - Madain Al-Fahd, Jeddah	36,100,000	48,205,127	42,152,564	December 2018
Al Andalus Center - Jeddah	184,000,000	184,058,616	184,029,308	December 2018
Blue Tower, Al Khobar	244,100,000	231,409,003	237,754,502	December 2018
Al Louloua warehouses, Riyadh	181,600,000	198,380,059	189,990,030	December 2018
Lulu Central Warehouses	54,000,000	52,016,407	53,008,204	December 2018
Total	-	-	1,648,836,688	-

4. Number and timing of the evaluation

The Fund Manager evaluates the fund's assets by appointing two independent valuers accredited by the Saudi Authority for Accredited Evaluators, at least once every six months (June and December of each calendar year) (and such day is referred to as "Valuation Day") The Fund Manager may postpone the evaluation of the fund's assets after obtaining the approval of the Capital Market Authority in accordance with Article (22) of the Real Estate Investment Funds Regulations.

In the event of discrepancies and differences between the evaluations prepared by the two-independent evaluator, the Fund Manager depends on the average value between the two evaluations.



3. Announcing the fund's net asset value

The Fund Manager shall announce the net asset value for each unit in the fund within 30 business days of the relevant valuation day. Unitholders are notified of the net asset value through periodic reports. This information shall be available on the website of the Saudi Stock Exchange (Tadawul) and the Fund Manager's website.

4. Details of the real estate appraisal of the fund

1. The current valuation of the Fund's Initial Investment Portfolio at the initial public offering:

The first evaluation of the fund's properties using the investment return method (income)

Property Name	Name of the first valuer	Valuation of the first valuer (SAR)	Valuation date
Lulu Hypermarket - Riyadh	21 Century	218,214,290	September 2017
Anwar Plaza - Riyadh	Olaa	64,333,333	September 2017
Narjes Plaza - Riyadh	Olaa	62,170,666	September 2017
Rama Plaza - Riyadh	Olaa	69,222,535	September 2017
Jarir Bookstores- Riyadh	21 Century	74,250,628	September 2017
Al Faris International School- Riyadh	21 Century	135,719,125	September 2017
Panda - Khamis Mushait	21 Century	46,003,130	September 2017
Hyper Panda - Al Marwa, Jeddah	Colliers	138,000,000	September 2017
Panda - Al Rawdah, Jeddah	Colliers	40,000,000	September 2017
Panda - Madain Al-Fahd, Jeddah	Colliers	38,000,000	September 2017
Al Andalus Center - Jeddah	Olaa	196,760,000	September 2017
Blue Tower, Al Khobar	Olaa	230,000,000	September 2017
Al Louloua Warehouses, Riyadh	Olaa	174,561,039	September 2017


The second valuation of the fund's properties using the replacement value method (cost)

Property Name	Name of the second valuer	Valuation of the second valuer (SAR)	Valuation date
Lulu Hypermarket - Riyadh	Bussma	233,054,880	September 2017
Anwar Plaza - Riyadh	Bussma	60,158,600	September 2017
Narjes Plaza - Riyadh	Bussma	60,407,500	September 2017
Rama Plaza - Riyadh	Bussma	69,584,000	September 2017
Jarir Bookstores- Riyadh	Bussma	70,107,000	September 2017
Al Faris International School- Riyadh	Bussma	129,933,400	September 2017
Panda - Khamis Mushait	Bussma	49,984,000	September 2017
Hyper Panda - Al Marwa, Jeddah	Bussma	297,208,179	September 2017
Panda - Al Rawdah, Jeddah	Bussma	94,886,000	September 2017
Panda - Madain Al-Fahd, Jeddah	Bussma	59,185,500	September 2017
Al Andalus Center - Jeddah	Bussma	180,240,500	September 2017
Blue Tower, Al Khobar	Bussma	200,368,110	September 2017
Al Louloua warehouses, Riyadh	Bussma	216,489,226.5	September 2017



		First Valuation			Second Valuation			Average	Purchase price for REIT Fund
Property Name	Historical cost	First valuation	Company Name	Valuation type	Second valuation	Company Name	Valuation type		
Jarir Bookstore- Riyadh	74,345,774	70,107,000	Bussma	Replacement cost	74,250,628	Century 21	Income	72,178,814	72,178,814
Al Faris International School- Riyadh	130,484,722	129,933,400	Bussma	Replacement cost	135,719,125	Century 21	Income	132,826,263	132,826,263
Lulu Hypermarket - Riyadh	235,711,673	233,054,880	Bussma	Replacement cost	218,214,290	Century 21	Income	225,634,585	225,634,585
Narjes Plaza - Riyadh	64,234,563	60,407,500	Bussma	Replacement cost	62,170,666	Olaa Development Company Ltd	Income	61,289,083	61,289,083
Anwar Plaza - Riyadh	66,234,563	60,158,600	Bussma	Replacement cost	64,333,333	Olaa Development Company Ltd	Income	62,245,967	62,245,967
Rama Plaza - Riyadh	70,234,563	69,584,000	Bussma	Replacement cost	69,222,535	Olaa Development Company Ltd	Income	69,403,268	69,403,268
Hyper Panda - Al Marwa, Jeddah	161,236,390	297,208,179	Bussma	Replacement cost	138,000,000	Colliers	Income	217,604,090	217,604,099
Panda - Al Rawdah, Jeddah	39,653,488	94,886,000	Bussma	Replacement cost	40,000,000	Colliers	Income	67,443,000	67,443,000
Panda - Madain Al-Fahd, Jeddah	41,486,193	59,185,500	Bussma	Replacement cost	38,000,000	Colliers	Income	48,592,750	48,592,750
Panda - Khamis Mushait	45,083,914	49,984,000	Bussma	Replacement cost	46,003,130	Century 21	Income	47,993,565	47,993,565
Al Andalus Center – Jeddah*	190,000,000	180,240,500	Bussma	Replacement cost	195,790,185	Olaa Development Company Ltd	Income	188,015,343	190,000,000
Blue Tower, Al Khobar	227,000,000	200,368,110	Bussma	Replacement cost	230,000,000	Olaa Development Company Ltd	Income	215,184,055	227,000,000
Al Louloua warehouses, Riyadh	198,701,300	216,489,227	Bussma	Replacement cost	174,561,039	Olaa Development Company Ltd	Income	195,525,133	198,701,300
Total	-	1,721,606,896	-	-	1,486,264,931	-	-	1,603,935,913	1,620,912,692



For more transparency the Fund Manager sees the application of property valuation based on the average of each of the evaluation based on the principle of replacement cost and the valuation on the income principle in order to reflect the market value of the real estate asset at the time subject of the evaluation in terms of the principle of the cost of replacement as well as the value of the property based on the rental income as some property, the value of the asset is different compared to the rental income when applying the valuation according to the replacement cost and upon the expiry of the lease contract, this difference will be reflected in the market value of the property and thus on the fund unitholders.

*The Fund Manager declares that the initial evaluation was prepared by Olat Development Company Ltd, and Bussma Real Estate Appraisal Office (upon which the property of Al- Andalus Center was purchased) prior to the appointment of Olat Development Company Ltd. as a property manager under a property management contract concluded with the Fund Manager.

Details of the valuation of the properties targeted for acquisition during the process of increasing the fund's assets:

Property Name	First Valuation				Second Valuation				Average	Purchase price for REIT Fund
	First valuation	Company Name	Valuation Method	Valuation report date	Second valuation	Company Name	Valuation Method	Valuation report date		
NMC Al-Salam Speciality Hospital	164,910,000	Jones Lang LaSalle(JLL)	Investment (Return (income)	March 2019	167,290,000	The White Cube Company	Investment Return (income)	March 2019	166,100,000	163,776,224
Rowad Alkhaleej International School , Dammam	227,600,000	Knight Frank	Investment (Return (income)	April 2019	268,970,000	The White Cube Company	Investment Return (income)	February 2019	248,285,000	244,500,000
Rowad AlKhaleej International School-Al Magharzat, Riyadh	217,600,000	Knight Frank	Investment (Return (income)	April 2019	232,760,000	The White Cube Company	Investment Return (income)	February 2019	225,180,000	210,000,000
Baraem Rowad Al Khaleej International Schools	19,000,000	Knight Frank	Investment Return (income)	April 2019	22,670,000	The White Cube Company	Investment Return (income)	March 2019	20,835,000	20,000,000
Total	629,110,000	-	-	-	691,690,000	-	-	-	660,400,000	638,276,224



Property Name	Rental Income (SAR)	First Evaluator	Second Evaluator
NMC Al-Salam Speciality Hospital	11,710,000	Jones Lang LaSalle (JLL): Jones Lang LaSalle (JLL) confirms that comparative rental information for hospitals is limited due to its scarcity and the nature of the use of the property as rents represent a percentage of operational performance that is based on the operations of the specialized medical facility and its business model. Research by Jones Lang LaSalle (JLL) of hospitals operating on a stable basis indicates that rents are usually between 5 and 7% of total income. Taking into account the analysis in the report of the Jones Lang LaSalle (JLL) Company for this property and the agreed rental amount, Jones Lang LaSalle believes that the contracted rent is in line with what the market will pay for this property if the property is available for rent in the open market.	White Cubes: Due to the fact that transactions are very limited in the market (buying and selling activities) in addition to several other factors, the income approach cannot be applied using market prices for these properties due to the inability to lease them as separate or split units. For example, any educational or medical facility that is measured by the number of students and the number of beds per unit or per square meter. On the other hand, average price rates for properties similar in characteristics to medical properties were verified, taking into account the number of beds that the property could fit, space, specifications, services, and all other standards for the same characteristics. The White Cube Company believes that the actual rents of these properties do not exceed 35% to 40% of the proceeds expected and very acceptable for such business and in line with the market.
Baraem Rowad Al Khaleej International Schools	1,550,000	Knight Frank: Due to the limited information available regarding deals similar to this type of real estate in the real estate market, it is considered difficult to evaluate these assets using the comparison method. Therefore, the analysis of the general market dynamics in the educational sector, the operational performance and the life cycle of the asset was used to measure the rent that can be paid by each school. As can be seen in this case, the rental coverage coefficient (revenue divided by rent) is more than 2.5 times as soon as schools have a stable number of students.	White Cubes: Due to the fact that transactions are very limited in the market (buying and selling activities) in addition to several other factors, the income approach cannot be applied using market prices for these properties due to the inability to lease them as separate or split units. For example, any educational or medical facility that is measured by the number of students and the number of beds per unit or per square meter.
Rowad AlKhaleej International School-Al Magharzat, Riyadh	16,275,000	In this case, it means that schools can efficiently cover the rent.	On the other hand, average price rates for properties similar in characteristics to medical properties were verified, taking into account the number of students that the property, space, specifications, services and all other standards could fit into for the same characteristics. The White Cubes believes that the actual rents of these properties do not exceed 35% to 40% of the expected returns, very acceptable for such these works and are in line with the market.
Rowad Alkhaleej International School, Dammam	18,948,750		

N- The Fund's Board of Directors

The Fund Manager appoints a Board of Directors for the fund to ensure that the Fund Manager carries out their responsibilities in the interest of the unitholders in accordance with the fund's terms and conditions, in accordance with the Fund's Board of Director's responsibilities stipulated in the Capital Market Authority's regulations.

1. Board of Directors Formation Members, Names and Qualifications

The fund's Board of Directors consists of six members appointed by the Fund Manager, including independent members whose number is not less than two or one-third of the number of board members, whichever is more, and the fund's Board of Directors is currently consists of three independent members out of six members. After the Capital Market Authority approval, any amendment to the formation of the fund's board of directors will be announced on the Fund Manager's website and the Saudi Stock Exchange website (Tadawul).

The Fund's Board of Directors consists of the following members:

- Mr. Meshal Al-Shenaifi (Chairman of the Fund Board - Independent Member)

Mr. Meshal Al-Shenaifi holds the following positions:

- Founder and Member of the Board of Directors - Land Furniture Company Ltd., since 2017
- Founder and member of the Board of Directors, Osool Entertainment Investment Company, since 2016
- Founder and General Manager, Dar Al Tanmiyat Company Ltd., since 2012
- Founder and President of Bam Company since 2011

Mr. Meshal Al-Shenaifi previously worked in fund management at Union House Company and has more than 9 years of experience in the real estate field. He holds a bachelor's degree in administration sciences from King Saud University and a master's degree in financial engineering from New York University.

- Mr. Assem Tariq Raqban (Non-independent Board Member)

Aseem is the Director of Real Estate Investments Department at Al Rajhi Capital, and he joined Al Rajhi Capital in November 2020, where he leads a team specialized in managing investments and real estate funds.

Prior to joining Al Rajhi Capital, Assem worked as Senior Vice President at the General Administration of Real Estate Investments and Infrastructure at the Public Investments Fund, where he worked on establishing many investment and development projects and was a member of a number of committees and boards of directors representing the fund. He also worked before as a Director of Real Estate Development Department at Jabal Omar Development Company, in addition to his work as a Director of Investment Management at Methaq Investment Holding Company and Investment Manager at the Saudi Economic and Development Company (SEDCO) Holding, where he managed investment operations at the local and international levels for various types of investment assets.

Aseem holds a master's degree in investment and real estate finance from the University of Reading in the United Kingdom, and a master's degree in financial analysis and portfolio management from the University of Exeter in the United Kingdom, and a bachelor's degree in financial management from King Fahd University of Petroleum and Minerals.

- Mr. Ahmed bin Abdulrahman Al Mohsen (Non-independent Board Member)

Ahmed Al Mohsen holds the position of Chief Financial Officer at Al Rajhi Capital, and he joined Al Rajhi Capital in 2016. Before joining Al Rajhi Capital, he worked as Director of Financial Management at Al Rajhi Bank in Jordan. Ahmed has more than 15 years of professional experience in various financial and accounting jobs, specializing in banking and financial services. Ahmed Al Mohsen holds a bachelor's degree in accounting from King Saud University and a master's degree in business administration from Southeast Missouri State University. He also holds a Certified Public Accountant Certificate from the United States of America.

- Mr. Tariq Ibrahim Al-Suqair (Non-independent Board Member)

Tariq Al-Suqair is the Director General of Governance at Al Rajhi Capital, and he joined Al Rajhi Capital in 2016, before joining Al Rajhi Capital, Tariq worked for 9 years in the Capital Market Authority in several departments such as the Inspection Department and the Licensing Department, and before that he worked for 9 years at the Institute of Public Administration as a training staff member. Mr. Tariq holds a master's degree in business administration from Missouri State University in the United States of America and holds a bachelor's degree in accounting from King Saud University College of Economics and Management.

- Mr. Saud bin Muhammad bin Abdul-Ghani Sulaimani (independent board member)

Mr. Saud bin Muhammad bin Abdul-Ghani Al-Sulaimani is currently the head of the Planning and Market Research Department in the Tourism Development Fund at the Investment Department. Prior to joining the Tourism Development Fund, he worked as a partner and head of the Real Estate Evaluation and Consulting Department in the Kingdom of Saudi Arabia at Knight Frank, with more than 5 years of experience in the field of financial management, investment and advisory services. He holds a master's and bachelor's degree in financial management from the American University in Washington, a degree in economics and real estate finance from London School of Economics and Political Science, and a degree in strategic management from the Massachusetts Institute of Technology.

- Mr. Abdulaziz bin Saleh bin Abdulaziz Al-Omair (Independent board member)

Mr. Abdulaziz bin Saleh bin Abdulaziz Al-Omair is currently the CEO of Wasl Investment Trading Company, and since Mr. Abdulaziz is currently working to manage sales and major investors in Al-Rajhi Financial Company, he has experience since 2012, and before joining Wasl company, he worked as a President for more than 15 years in the field of corporate finance and investment services and marketing.

He is also a member of the Board of Directors of the Arab Insurance Cooperative Company, Bidaya Home Finance Company, and a number of commercial and industrial companies.

He holds a Bachelor's degree in Business Administration from Webster University in Geneva, Switzerland.

2. Total remunerations expected to be paid to Fund's Board members during the Fund term

Each independent Fund Board Member will receive an amount of 5,000 Saudi riyals for each meeting, and a maximum of 20,000 Saudi riyals annually for each independent fund board member to be paid at the end of each year or upon the end of the contract period, whichever is earlier.

3. A description of the nature of the services provided by the members of the fund's board of directors

The members of the Fund's Board of Directors shall assume the following responsibilities:

1. Approval of all substantial contracts, decisions and reports to which the fund is a party, including but not limited to: Approval of fund management services contracts, custody services contracts. This does not include contracts concluded in accordance with investment decisions, such as any investments made by the Fund or that the Fund will make in the future.
2. Reviewing the report that includes evaluating the performance and quality of services provided by the parties concerned with providing essential services to the fund referred to in subparagraph (6) of paragraph (e) of Article (13) of the Real Estate Investment Funds Regulations; this is to ensure that the fund manager carries out its responsibilities in the interest of the unitholders in accordance with the terms and conditions of the fund and what is stated in the Real Estate Investment Funds Regulations.
3. Adopt a written policy regarding voting rights related to the Fund's assets.
4. Supervising and - where appropriate - approving or adopting any conflict of interest disclosed by the Fund Manager.
5. Hold a meeting at least (twice) annually with the compliance officer of the Fund Manager or compliance committee to review the Fund Manager compliance with all applicable relevant rules and regulations, including without limitation, the requirements stipulated in the Real Estate Investment Funds Regulations.

6. Approval of all changes stipulated in Articles (26) and (27) of the Real Estate Investment Funds Regulations, before the fund manager obtains the approval of the unitholders and the Authority or their notification (where applicable).
7. Ensure the completeness and accuracy of the terms and conditions of the fund and any other document (whether it is a contract or otherwise) that includes disclosures related to the fund, the fund manager and its management of the fund, in addition to ensuring that the foregoing is consistent with the provisions of the Real Estate Investment Funds Regulations.
8. Ensure that the fund manager carries out its responsibilities in the interest of the unitholders in accordance with the provisions of the Real Estate Investment Funds Regulations and the fund's terms and conditions.
9. Evaluation of the fund manager's mechanism of dealing with risks related to the fund's assets in accordance with the fund manager's policies and procedures regarding monitoring risks related to the fund and how to deal with them.
10. Act in honesty, good faith, interest, skill, care and diligence in the interest of unitholders.
11. Recording the minutes of the meetings that include all the minutes of the meetings and the decisions taken by the Board of Directors of the Fund.
12. View the report that includes all complaints and the measures taken regarding them referred to in subparagraph (12) of paragraph (e) of Article (13) of the Real Estate Investment Funds Regulations; this is to ensure that the fund manager carries out its responsibilities in the interest of the unitholders in accordance with the terms and conditions of the fund and what is stated in the Real Estate Investment Funds Regulations.

The Fund Manager provides all necessary information related to fund matters to all members to help them carry out their duties.

4. Statement of any other investment fund supervised by any of the fund board members.

Fund board members currently supervise a number of other funds according to the following:

- Mr. Meshaal Al-Shenaifi (Chairman of the Fund Board - Independent Member)

None

- Mr. Aseem Tariq Raqban (Non-independent Board Member)

None

- Mr. Ahmed bin Abdulrahman Al Mohsen (Non-independent Board Member)

None

- Mr. Tariq Ibrahim Al-Suqair (Non-independent Board Member)

None

- Mr. Abdulaziz bin Saleh bin Abdualziz Al_Omair (independant board member)

None

- Mr. Saud bin Muhammad bin Abdul-Ghani Sulaimani (independent board member)

None

5. Members eligibility

The Fund Manager declares that all fund board members:

- a. Are not subject to any bankruptcy or liquidation procedures; and
- b. have never committed a violation involving fraud or dishonest conduct; and
- c. have the necessary skills and experience that qualify them to be members of the Fund's Board of Directors.

6. Independent Board Members

The Fund Manager declares that each of the independent members conforms to the definition of an independent member contained in the list of terms used in the regulations, instructions and rules of the Capital Market Authority. This will also apply to any independent member appointed by the Fund Manager throughout the fund's lifespan.

The Fund Manager declares that there are no business activities or other important interest for the members of the Board of Directors of the Fund Manager, "Al-Rajhi Capital," that may conflict with the fund's interests.

O- Fund Manager

1. Fund Manager Name and Address

Name: Al-Rajhi Capital Company

Address: King Fahd Road, Al-Rajhi Bank Tower,

Al-Morouj District PO Box: 5561 Riyadh 11432 , Kingdom of Saudi Arabia

Website: www.alrajhi-capital.com

2. Fund Manager as a capital market institution

Al-Rajhi Capital is a closed Saudi joint stock company registered in accordance with the Kingdom's regulations and is licensed by the Authority as a "capital market institution" the Capital Market Institutions Regulation, under license No. (07068-37) dated (10/3/1429 AH corresponding to 18/03/2008 AD).

3. Professional due diligence Report

The Fund Manager submitted the professional due diligence report in accordance with the Real Estate Investment Funds Regulations.

4. The Fund Manager's role, duties and responsibilities.

The Fund Manager shall appoint an investment portfolio manager registered with the Capital Market Authority in accordance with the Capital Market Institutions Regulation issued by the Capital Market Authority to oversee the management of the fund's assets.

The Fund Manager will provide the following administrative services and other services to the fund, including, without limitation, the following:

- a. Establishing the decision-making procedures that should be followed when carrying out the technical and administrative work of the Fund's business and projects.
- b. Compliance with all laws and regulations in force in the Kingdom of Saudi Arabia related to the operation of the fund.

- c. Implementing the Fund's compliance and monitoring program and providing the Authority with the results of implementation upon its request.
- d. Develop policies and procedures to monitor the risks that affect the investments of the Fund, and ensure timely handling of the same, provided that these policies and procedures include carrying out a risk assessment process at least annually.
- e. The fund manager must cooperate with all persons concerned with performing tasks for the fund, including the custodian and auditor, and provide them with all what is necessary to perform their duties and tasks in accordance with the Real Estate Investment Funds Regulations.
- f. Preparing an annual report that includes an evaluation of the performance and quality of services provided by the parties concerned with providing essential services to the fund - including the custodian, developer and property manager as applicable - and the fund manager must submit the report referred to in this paragraph to the fund's board of directors.
- g. Managing the fund's assets in a manner that achieves the interest of unitholders in accordance with the terms and conditions.
- h. Ensure the legality and validity of all contracts concluded in favor of the fund.
- i. The fund manager is responsible for complying with the provisions of the Real Estate Investment Funds Regulations, whether it performs its responsibilities and duties directly or assigns them to an external party under the provisions of the Real Estate Investment Funds Regulations and the Capital Market Institutions Regulation. The fund manager is responsible to the unitholders for the fund's losses resulting from its fraud, negligence, misconduct or willful negligence.
- j. The Fund Manager must comply with annex (12) of the Real Estate Regulation when applying for approval or notices to the Authority.
- k. The fund manager must comply with these terms and conditions.
- l. The fund manager must prepare an annual report that includes all complaints and the measures taken in regard to them, and the fund manager must submit the report to the fund's board of directors.
- m. The fund manager must abide by the instructions for investment fund announcements.

5. The provisions regulating the dismissal and replacement of the fund manager

The Authority may dismiss the fund manager in relation to a specific real estate investment fund and take any action it deems appropriate to appoint a replacement fund manager for that fund or take any other measure it deems appropriate in the event of any of the following cases:

- 1. The fund manager has ceased to practice the activity of managing investments and operating funds without notifying the Authority of that in accordance with the Capital Market Institutions Regulation.

2. Cancellation, withdrawal or suspension of the fund manager's license to practice the activity of managing investments and operating funds by the Authority.
3. Submitting a request to the Authority by the fund manager to revoke its license to practice the activity of managing investments and operating funds.
4. If the Authority considers that the fund manager has breached - in a manner that the Authority deems essential - to comply with the Law or its implementing regulations.
5. The death, disability, or resignation of the investment portfolio manager who manages the assets of the real estate investment fund, with no other person registered with the fund manager capable of managing the assets of the real estate investment fund or the assets of the funds managed by the investment portfolio manager.
6. Issuance of a special resolution of the fund by the unitholders of the closed fund requesting the Authority to dismiss the fund manager.
7. Any other case that the Authority deems, on reasonable grounds, to be of material importance.

The fund manager must notify the Authority of any of the cases mentioned in sub-paragraph (5) above within two working days from the date of their occurrence.

Upon dismissal of the fund manager in accordance with the cases provided for in subparagraphs (1), (2), (3), (4), (5) and (7) above, the Authority shall direct the dismissed fund manager to call a meeting of the unitholders within (15) working days from the date of issuing the authority's dismissal decision; in order to appoint a custodian or another entity through a fund Ordinary decision to search and negotiate with an alternative fund manager, and to determine the specific period of time for research and negotiation.

When a fund manager is dismissed in accordance with the situation provided for in sub-paragraph (6) above, the dismissed fund manager must issue an ordinary fund resolution at the same meeting at which the unitholders voted to dismiss the fund manager; in order to appoint a custodian or another party to search and negotiate with an alternative fund manager, and to determine the specific period of search and negotiation.

When either of the two cases stipulated in the above two paragraphs is achieved, the fund manager must notify the Authority of the results of the unitholders meeting within two working days from the date of its holding.

The fund manager must cooperate and provide the custodian or the designated authority authorized to search and negotiate any documents required for the purpose of appointing a replacement fund manager within (10) working days from the date of the request, and both parties must maintain the confidentiality of the information.

The fund manager must, upon the approval of the replacement fund manager to manage the fund and transfer the fund management to it, send the written approval of the replacement fund manager to the Authority upon receipt thereof.

If the Authority exercises any of its powers in accordance with any of paragraphs (1) – (7) above, the fund manager shall cooperate fully in order to help facilitate the smooth transfer of responsibilities to the replacement fund manager within a period of (60) working days from the appointment of the replacement fund manager. The dismissed fund manager shall, where necessary and appropriate and at the sole discretion of the Authority, transfer to the replacement fund manager all contracts related to the relevant real estate investment fund.

Unitholders have the right to request liquidation of the fund through a special resolution of the fund if a replacement fund manager is not appointed during the period specified for the search and negotiation referred to in subparagraphs (c) and (d) of this paragraph above.

6. Any business activity or other important interest of the members of the board of directors of the fund manager or the fund manager that may conflict with the interests of the fund

7. Cases of conflict of fundamental interests that would affect the fund manager's performance and implementation of its duties towards the fund

The Fund Manager has not identified any activities or interests of particular interest to the members of the Fund Manager's Board of Directors that could lead to a conflict of interest with the Fund. Potential conflicts of interest between the Fund Manager and the Fund have been identified in Item 2(U) of these terms and conditions.

It is noteworthy that the Fund Manager shall not have any interest in the fund's assets or the right to recourse to them, except to the extent that they own units in the fund. The creditors of the Fund Manager shall not have any interest in any of the fund's assets, and the Fund Manager declares that he is not aware of any conflict of interests between him and the fund that would affect the Fund Manager's management of the fund in line with the fund's terms and conditions and the relevant regulations.

In addition, and with the exception of what is expressly stated in these terms and conditions, the Fund Manager declares that there is no conflict of interest between the Fund Manager and any of the tenants or owners of the properties that compose the current investment portfolio of the fund and the related parties. In the event that there is any conflict of interest between the Fund Manager and any of the aforementioned persons, the Fund Manager must fully disclose the conflict to the fund's Board of Directors as soon as possible. The Fund Manager will try to resolve any conflict of interest through his own discretion based on good faith and taking the interests of the affected parties as a whole into consideration.

The Fund Manager also declares that he will take all necessary steps for the benefit of the unit owners, according to his knowledge and belief, with due and reasonable care. The Fund manager, together with all the Fund managers, persons in charge, employees, agents and consultants, as well as all the subsidiaries, the Custodian, the Sharia Board and the Board of directors, will exert reasonable care and efforts, and act in good faith, in order to achieve the interests of the unitholders. However, the fund may suffer a loss in any way due to any unintended behavior by any of the aforementioned parties regarding their management of the fund's affairs. In such a case, these parties are not responsible for such loss, provided that they acted in good faith, and good faith is proven in the absence of any action, decision, or communication indicating prior knowledge of the negative consequences of doing such conduct, and that they acted in a manner that is believed to optimally serve the interests of the Fund, and that such a conduct does not involve gross negligence, fraud, or intentional misconduct.

8. The tasks and powers related to the fund's work that the fund manager assigns to a third party

The Fund Manager is responsible for managing the fund and is responsible for appointing any party (including its affiliates) to carry out any of his aforementioned responsibilities. The Fund Manager may delegate others (including administrative service providers) to provide services in order to enhance the fund's performance.

9. The fund manager investment in the Fund units and the value of such investment

The Fund Manager owns 11,911,356 units in the fund, equivalent to 119,113,560 Saudi Riyal based on the initial offering price when the fund was established. It is possible that the Fund Manager will participate in offering the new units as part of the process of increasing the total asset value of the fund.



It is possible that the Fund Manager will participate in offering the new units as of the date of these terms and conditions, however the employees, managers and agents of the Fund Manager and the funds and private portfolios under his management, with the exception of the Fund Manager's employees who have membership in the fund's board of directors, are entitled to participate in the subscription, acquiring units in the fund and disposing of them from time to time, and the Fund Manager must disclose any investment he has in the fund at the end of each fiscal year in the summary of financial disclosure.

10. About the Fund Manager

Al-Rajhi Capital is one of the top five asset managers in the Kingdom of Saudi Arabia in terms of the assets under management. It provides a wide range of innovative investment products from all major asset classes, with different investment objectives and a willingness to take risks.

The sector manages global, regional and local investment funds, in addition to private portfolios as requested by clients, whether individuals or institutions. The main asset classes under this management include commodity Murabaha funds, equity funds (Local, GCC, Middle East and North Africa, and International), capital hedge funds, real estate funds, and various multi-asset funds.

The asset management activities of Al Rajhi Capital provide the capabilities and resources to implement an investment strategy or a variety of strategies it deems appropriate to meet clients' needs. It continuously strives to launch innovative products and customer-focused initiatives to increase value for investors. The investment team consists of experienced and qualified fund and portfolio managers, with diverse experiences and a proven track record of managing assets in several markets, who provide dedicated services to clients to meet their investment goals.

The Team:

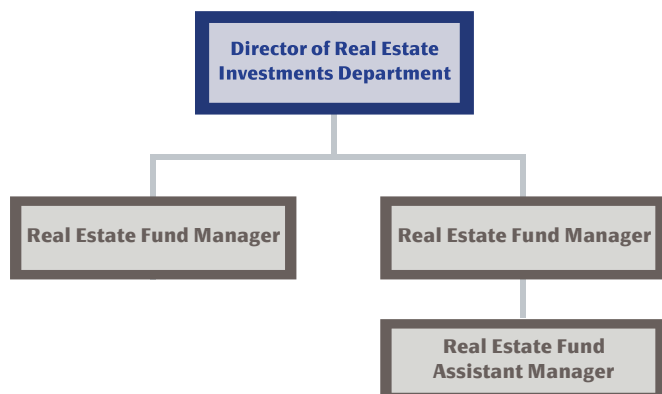
Mr. Aseem Tareq Raqban, Director of Real Estate Investments Department

Mr. Abhay Kadaskar, Real Estate Fund Manager

Mr. Abdulrahman bin Mohammad Al Salman, Real Estate Fund Manager

Mr. Abdulaziz bin Hamad Al Turki, Real Estate Fund Assistant Manager

Real Estate Asset Management Structure:



Value of total Assets under management (AUM):

The size of the current assets managed by the Real Estate Fund Management is estimated to be approximately 1.724 billion Saudi Riyal as at the end of June 2019.

Number of Funds and Public:

The number of current public real estate funds for the Fund Manager is one fund, which is Al Rajhi REIT Fund, with a value amounting to 1.724 billion Saudi Riyals as at the end of June 2019.

Details of other funds managed by the Fund Manager and their size:

Fund	Asset Size as of end of June 2019
Al Rajhi Saudi Equities Fund	321.448 million Saudi Riyals.
Al Rajhi Gulf Equities Fund	123.2 million Saudi Riyals.
Al-Rajhi Equity Fund of the Basic Materials Sector	29.66 million Saudi Riyals.
Al-Rajhi Capital Development and Profit Distribution Fund (MENA Equities)	58.67 million Saudi Riyals.
Al Rajhi REIT Fund Saudi shares of Income	142.25 million Saudi Riyals.
Al-Rajhi MSCI Saudi Arabia Multi-Factor Stock Index Fund	62.97 million Saudi Riyals.
Al Rajhi Global Equities Fund	43.84 million Saudi Riyals.
Al-Rajhi Sukuk Fund	72.62 million Saudi Riyals.
Al-Rajhi USD Merchandise Speculation Fund	555.66 million Saudi Riyals.
Al-Rajhi USD Merchandise Speculation Fund	8,818.24 million Saudi Riyals.
Al-Rajhi Multi-Asset Balanced Fund	136.69 million Saudi Riyals.
Al-Rajhi Multi-Asset Growth Fund	79.296 million Saudi Riyals.
Al-Rajhi Asset Conservative Fund	36.09 million Saudi Riyals.

Number of Employees for the Real Estate Assets Management Department:

The number of fund management personnel is 4 employees.

P- Legal Advisor

The legal advisor provides the Fund Manager with the representations and confirmations set out in Annex (C) of these terms and conditions.

Q- Custodian

1. The custodian's name, address and license number issued by the authority

Name: KASB Capital Company

Address: Al-Morouj District - Olaya main road Across from Aziziya Mall

P.O. Box: 395737 - Riyadh 11375 - Kingdom of Saudi Arabia

Website: www.kasbcapital.com

The custodian is licensed by the Capital Market Authority as a "Capital Market Institution" under license number 07062-37. The Custodian will establish one or more of the Saudi Limited Liability Companies (each of them constituting a "Special Purpose entity") to own the fund's assets, such a structure will maintain tax efficiency and regulatory compliance and provide maximum legal protection for investors. The custodian will not have any right of recourse or claim in the assets of the fund, except in his capacity as a potential holder of the units. The custodian's creditors will not have any right to any of the fund's assets.

2. Statement of the Duties, and Responsibilities of the Custodian

Taking into account the consequences of the financing, which may include arranging any mortgages (or any concessions by way of foreclosure) that the fund creates on its real estate assets for the benefit of its financiers, the fund's real estate assets are registered in the name of one (or more) special purpose entity affiliated with the custodian.

The securities pertaining to the fund (if any) shall be registered in the name of the custodian for the benefit of the fund. The custodian will take all necessary measures to separate the assets of the fund from any other assets independently, including the assets of the custodian.

The custodian shall keep all necessary records and other documents that support the performance of his contractual obligations.

3. The tasks assigned by the custodian to a third party

The custodian shall be responsible for performing his duties in accordance with these terms and conditions, bylaws and regulations issued by the Capital Market Authority, and shall be responsible for appointing any party (including his affiliates) to carry out any of the mentioned responsibilities.

4. A statement of the provisions for dismissal of the custodian

a. Dismissal of the custodian by the Authority

The Authority may dismiss the custodian appointed by the Fund Manager, in the event of any of the following cases:

1. In case the custodian stops practicing the custody activity without notifying the Authority pursuant to the Capital Market Institutions Regulation.
2. Cancellation, withdrawal or suspension of the custodian's license to practice custody activity by the authority.
3. Submit a request to the Authority from the custodian to cancel a license to granted to it to practice custody activity.
4. If the Authority deems that the custodian has violated - in a manner that the Authority deems substantive - to comply with the CMA and its implementing regulations.
5. Any other case that the Capital Market Authority deems on reasonable grounds that it is of fundamental importance.

If the authority exercises any of its powers in accordance with Clause (4) above, (dismissal of the custodian by the authority), the Fund Manager must appoint an alternate custodian in accordance with the authority's instructions, and the Fund Manager and the dismissed custodian must cooperate fully in order to help facilitate the ease transfer of responsibilities to the alternate custodian within the first sixty (60) days of the appointment of the alternative custodian.

b. Dismissal of the Fund Manager by the Authority

1. The Fund Manager may dismiss the custodian appointed by it by written notice if he reasonably believes that removing the custodian is in the interest of the unitholders, and the fund manager shall immediately notify the Authority and the unitholders of the same by announcing it on its website and (Tadawul) website.
2. If the custodian has been dismissed, the Fund Manager must appoint a replacement within (30) business days of the custodian receiving the written notice issued in accordance with this sub-clause (1) above. The dismissed custodian must cooperate fully with the Fund Manager to facilitate the smooth transfer of responsibilities to the replacement custodian. The dismissed custodian must transfer - where necessary and appropriate - to the replacement custodian all contracts related to the fund.

3. The Fund Manager shall announce the appointment of the alternate custodian by publishing on the Fund Manager's website and the market's website.

R- Companies that handle property management

1. The name and address of the company or companies that manage the properties

- **Olaa Development Company Ltd**

P.O. Box: 62244 - Riyadh 11585 - Kingdom of Saudi Arabia

Tel: 0112178999

Website: www.olaat.com

- **Medad Alkhaer For Real Estate**

P.O. Box: 2373

Riyadh 12314

Kingdom of Saudi Arabia

Tel: 0114890700

The Fund Manager has the right to change the property manager from time to time based on his performance. The Fund Manager also has the right to appoint a subsidiary company to be a property manager for one or more of the fund's assets. The fund can also appoint a property tenant to be the property manager.

2. A statement of the duties and responsibilities of the company that handles property management

The property managers are responsible for the administrative affairs of real estate (after making sure that they have obtained the necessary approvals and licenses to conduct their business and activities from the relevant government agencies), including setting up management rules and policies, permanent follow-up of the property and tenant affairs, following up on the collection of rents, and following up on periodic maintenance and use of the real estate effectively to achieve the best returns.

3. Disclosure of whether the company that handles property management intends to invest in the fund's units and the value of these investments

- There is no current investment for the Director of Property Management "Olaa Development Company Ltd." in the fund.
- There is no current investment for the Director of Property Management "Medad Alkhaer Real Estate." in the fund.

S- Auditor

1. Name and address of the auditor of the Fund

Name: Ibrahim Ahmed Al -Bassam & Co, Certified Public Accountants and Auditors

Prince Muhammad bin Abdulaziz Road, P.O. Box 69658 Riyadh 11557

Kingdom of Saudi Arabia

Website: www.pkfalbassam.com

The Fund Manager may change the auditor from time to time upon the approval of the Fund's Board of Directors and unitholders and the Capital Market Authority must be notified of the change.

2. Statement of the Duties, and Responsibilities of the Auditor

The auditor's responsibilities consist of, for example, but are not limited to:

- Reviewing the interim (semi-annual) financial statements of the fund.
- Auditing the annual financial statements of the fund.

T- Financial Statements

The fund's fiscal year begins on January 1 and ends on December 31 of each year (the "fiscal year"), with the exception of the first year of the fund's establishment, whose fiscal year begins from the date of listing and ends on December 31 of the same year.

The financial statements of the fund are prepared by the Fund Manager on a semi-annual basis (unaudited data) and annually (audited data) in accordance with the standards of the Saudi Organization for Certified Public Accountants. The annual financial statements are audited by the fund's auditor. The financial statements of the fund are reviewed by the fund's board of directors and are made available to the Capital Market Authority upon approval. They are made available to unitholders within a maximum of 30 days from the end of the period covered by the unaudited financial statements and three months from the end of the period covered by the audited financial statements, by means of publishing it on the Fund Manager's website and the Saudi Stock Exchange website "Tadawul" without fees for unitholders.

U- Conflict of Interests

A conflict of interest may arise or occur from time to time between the fund on the one hand and the Fund Manager or its subsidiary companies and its managers, officials, employees and agents on the other hand, and other funds that they sponsor or manage. If the Fund Manager has a material conflict of interest with the fund, he must fully disclose this to the fund's board of directors as soon as possible. The Fund Manager will try to resolve any conflict of interest through his own discretion based on good faith and taking the interests of the affected parties as a whole into consideration. The fund manager maintains the policies and procedures that will be followed to address the conflict of interest and any potential and/or actual conflict of interest, which are provided upon request without charge.

And Initially, the Fund Manager identified the following conflicts of interest:

1. Similar investments are managed by Al Rajhi Capital

Al-Rajhi Capital manages its own account and is expected to continue managing it, as well as managing investments with goals similar in one way or another to the fund's goals, among them other investment funds that can be managed or sponsored by Al-Rajhi Capital, or that Al-Rajhi Capital or one of its subsidiaries has a share of the capital.

In addition, subject to the restrictions stipulated in these terms and conditions, Al Rajhi Capital and its subsidiaries may, in the future, sponsor other funds or investments, or play the role of a Fund Manager, investment manager, or general partner in private investment funds or other group investments, it shall be permissible for one or more of them to invest in projects similar to those in the fund's portfolio, provided that this other activity does not harm the success of the fund.

2. Conflicts of interest regarding transactions with the Fund Manager and its subsidiaries

The fund may enter into transactions with the Fund Manager or its subsidiaries or with other entities in which Al Rajhi Capital owns direct or indirect stakes. For example, some subsidiaries of Al Rajhi Capital may provide specific services to the fund such as administrative services. All transactions between the fund and the Fund Manager, its subsidiaries and entities in which Al-Rajhi Capital owns direct or indirect rights shall be disclosed to the Fund's Board of Directors.

Nevertheless, the Fund Manager and the fund board of directors will make reasonable efforts in good faith to prepare the terms of the agreements between the Fund Manager and its subsidiaries on the one hand, and the fund on the other hand on an independent commercial basis and in line with the prevailing conditions in the market.

Currently, Al-Rajhi Bank is a major tenant of the Jarir Bookstore property - Riyadh, and Al-Rajhi Bank is one of the five largest tenants of Al Andalus Center property in Jeddah.

3. The Board of Directors

The Board of Directors oversees and resolves any conflict of interest. As of the date of these terms and conditions, the board of directors will be composed of members appointed by the Fund Manager. The members of the Board of Directors have the duty of due diligence towards the investors in the fund, according to the Real Estate Investment Funds Regulations, in addition to making every effort to resolve the conflict of interest in good faith, as they deem appropriate. The Fund Manager declares that it is not permissible for any member of the Board of Directors to have a direct or indirect interest in the business and contracts made for the fund. The Fund Manager will oblige the members of the board of directors to inform the board of their direct or indirect personal interests in the business and contracts that are made for the fund's account, provided that it is recorded in the minutes of the meeting. The Fund Manager will ensure that the member with conflict of interest does not participate in any vote on the decisions issued in this regard.

4. Dealings with Related Parties

The fund may, from time to time, enter into dealings with related parties and subsidiaries to provide services to the fund. These transactions must be disclosed to the fund's board of directors and based on prevailing market conditions. In the event that one of the related parties or a subsidiary company, including any other fund established by the Fund Manager, wishes to enter into a deal with the fund or the Fund Manager, then they must obtain the approval of the Fund's Board of Directors. In the event that the Fund Manager decides to acquire or sell a property from a related party or a subsidiary company, the purchase price paid or obtained by the fund must be consistent with independent evaluations.

5. Acquisition of assets from Al-Rajhi Gulf Real Estate Fund and Al-Rajhi Income Fund

The fund will acquire the assets that make up the current investment portfolio from Al-Rajhi Real Estate Income Fund and the Al-Rajhi Gulf Real Estate Fund to be managed by Al-Rajhi Capital, in exchange for units issued by the fund for the benefit of the two aforementioned funds. To reduce conflicts of interest in this regard, the purchase price is determined based on an evaluation prepared by two independent evaluators accredited by the Saudi Authority for Accredited Evaluators. The Fund Manager also took the necessary steps to ensure the completion of the due diligence examination, and to prepare the purchase arrangements on a purely commercial and independent basis.

6. Conflict of Interest Acknowledgment:

The Fund Manager acknowledges that, according to his knowledge at the time of the fund offering, that there is no direct or indirect conflict of interest between the fund and the Fund Manager, the manager/managers of relevant properties to the fund, or the owner/owners of properties associated with the fund, or the tenant/tenants of real estate assets whose returns constitute 10% or more of the annual rental returns of the fund except what is stated in these terms and conditions.

Therefore, we strongly recommend that all potential investors seek independent advice from their professional advisors licensed by the Capital Market Authority.

V. Reporting to Unitholders

1. Events that must be reported

The Fund Manager submits reports to the Capital Market Authority and unitholders and discloses the following information immediately and without any delay for any significant development (significant developments within the frame of its activities, the knowledge of which is not available to the general public, and may affect the fund's assets, liabilities, financial position, general course of business, or other change that may affect the position of the fund or lead to a voluntary resignation of the Fund Manager from the position of the Fund Manager, and may reasonably lead to a change in the listed unit price or may significantly affect the fund's ability to meet its obligations in respect of debt instruments.

- (a) Any transaction to buy, sell, lease, or mortgage any of the fund's assets at a price equal to or more than (10)% of the fund's total assets value according to the most recent examined interim financial statements or revised annual financial statements, whichever is more recent.
- (b) Any losses equal to or greater than (10)% of the net asset value of the fund according to the most recent initial examined financial statements or audited annual financial statements, whichever is more recent; and,
- (c) Any dispute, including any lawsuits, arbitration or mediation cases, where the value involved is equal to or more than (5)% of the net asset value of the fund according to the last examined initial financial statements or annual audited financial statements, whichever is more recent.
- (d) Any increase or decrease in the net asset value of the fund equal to or more than (10)% according to the last examined initial financial statements or audited annual financial statements, whichever is more recent.
- (e) Any increase or decrease in the total profits of the fund equal to or more than (10)% according to the most recent annual audited financial statements.
- (f) Any transaction between the fund and a related party or any arrangement whereby each of the fund and a related party invests in any project or asset or provides financing for it if this transaction or arrangement is equal to or more than (1)% of the fund's total income according to the most recent annual audited financial statements.
- (g) Any discontinuity in the fund's basic activities equal to or more than (5)% of the fund's total revenue according to the most recent annual audited financial statements.
- (h) The issuance of any ruling, decision, order or declaration by any court or judicial body, whether at the primary or appeals stage, which may negatively affect the fund's use of any part of its assets with a total value exceeding 5% of the net asset value according to the most recent examined initial financial statements or audited annual financial statements, whichever is more recent.

- (i) Any proposed change of the total value of the fund's assets.

2. Statement dissemination

The Real Estate Investment Traded Fund manager must disseminate a quarterly statement of the fiscal year, in accordance with the requirements of Annex (5) or Annex (6) of the Real Estate Investment Fund Regulations (as applicable), within a period not exceeding (10) working days from the end of the relevant quarter on its website, Tadawul's website, or any other website available to the public, according to the regulations set by the Authority, where applicable.

3. Quarter Annual Reports

The quarter annual report of the traded real estate funds should include the following information at least:

- (a) The unit price at the end of the quarter, according to the latest assessment, which is every six months: from the unit's market trading price (closing price) and the net asset value of the fund unit at the end of the relevant quarter, The fund's total liabilities are calculated from total assets and the output is divided by the number of units of the Fund.
- (b) The rental income over the unit price (if any), which is the fund's net income from investing income-generating real estate assets only during the relevant quarter to the market value of the units.
- (c) A table showing the total expenses and fees charged to the fund and their percentage of the most recent value of the fund's total assets, provided that it shows the maximum limit of all expenses, at the end of the relevant quarter.
- (d) The performance of the unit's market trading price (the closing price) during the relevant quarter, in addition to the net asset value of the fund unit for the same period.
- (e) A list of the names of all properties that make up the fund's portfolio, and the percentage of the value of each property out of the total assets, in addition to the occupancy rate for each property at the end of the relevant quarter.
- (f) The total value of the fund's assets.
- (g) The percentage of borrowing from the total value of the fund's assets, the period of its exposure, and its maturity date.
- (h) The net asset value of the fund's units.
- (i) The ratio of the fund's costs to the total value of the fund's assets.
- (j) Any significant, or none significant changes (as defined in the Real Estate Investment Funds Regulations) affecting the operation of the fund that occurred during the relevant quarter (as applicable).
- (k) Statement of profits distributed to unit owners (if any) through the inclusion of the following details in the quarter report:
 - 1) Total profits distributed in the respective quarter.
 - 2) The number of existing units to which the distribution was made during the relevant quarter.
 - 3) The value of the profit distributed during the relevant quarter for each unit.
 - 4) The distribution percentage of the fund's net asset value.
 - 5) The entitlement of the cash distributions distributed during the relevant quarter.

In addition to the abovementioned, the fund manager must disclose the distributions of previous proceeds from sale or lease up to the same quarter of the previous year, provided that the disclosure allows unitholders to view the fund's distributions, number and sizes.

4. Annual reports

The Fund Manager prepares annual reports and submit them to the unitholders, in line with Annex (4) of the Real Estate Investment Funds Regulations, including the following information:

- (a) The primary assets in which the fund invests.
- (b) The assets that the fund aims to invest in.
- (c) Clarification of the ratio of the value of the leased and non-leased real estate to the total real estate owned by the fund.
- (d) The percentage of the rent for each of the fund's assets out of the total income of the fund's assets.
- (e) The percentage of uncollected revenues of the total revenues and the percentage of non-cash expenses of the net profit of the fund.
- (f) A comparison table covering the performance of the fund over the last three fiscal years (or since the fund's establishment) explaining the following:
 - The fund's net asset value at the end of each financial year.
 - Net asset value per unit at the end of each fiscal year.
 - The highest and lowest net asset value per unit at the end of each fiscal year.
 - The number of units issued at the end of each fiscal year.
 - Income distribution per unit.
 - The percentage of the costs incurred by the fund to the total value of the assets.
 - The net asset value of the fund's units.
 - The percentage of expenses borne by the fund.
 - The percentage of borrowed assets out of the total assets value, their exposure period and their maturity date.
- (g) A performance record showing the following:
 - Total return for a period of one year, three years, and five years (or since the fund was established);
 - Annual total return for each of the past ten years (or since the fund was established);
 - A table showing the fees for services, commissions and fees paid by the fund to external parties throughout the year. In addition, the register discloses any circumstances in which the Fund Manager decided to exempt or reduce any fees.
- (h) If fundamental changes occurred during the period and affected the performance of the fund.
- (i) The annual report of the Fund's Board of Directors, which includes, for example, but not limited to, the issues discussed, and the decisions issued in this regard, including the fund's performance and the extent to which it achieves its objectives.
- (j) A statement about the special commissions that the Fund Manager received during the relevant period, stating specifically what they are and how they were benefited from them.
- (k) Risk assessment report.

W. Unitholder Meetings

1. Events in which a meeting of unitholders is called

- a) The Fund Manager may call for a meeting of unit holders on his own initiative.
- b) The Fund Manager must call for unit holders meeting within (10) working days of receiving a written request from the Custodian.
- c) The fund manager must call for a meeting of unitholders within (10) working days of receiving a written request from one or more unitholders who collectively or individually own at least (25%) of the value of the fund's units.

2. Procedures for calling a meeting of unitholders

- a) The fund manager may call for a meeting of unit holders on its own initiative, provided that the subject matter of the invitation does not conflict with the responsibilities and duties of the fund manager under the provisions of the Real Estate Investment Funds Regulations.
- b) The fund manager must call the unitholders' meeting within (10) days of receiving a written request from the custodian.
- c) The fund manager must call for a meeting of unitholders within (10) days of receiving a written request from one or more unitholders who collectively or individually own at least (25%) of the value of the fund's units, and the fund manager must stipulate the same in the terms and conditions of the fund.
- d) The invitation to hold a meeting of unitholders shall be made by announcing the same on the website of the Fund Manager and on the website of the Saudi Stock Exchange "Tadawul", and by sending a written notice to the custodian at least 10 working days before the date of the meeting and not more than 21 working days before the date of the meeting. The announcement and notice must specify the date, place and time of the meeting, and the proposed decisions. The Fund Manager must, upon sending the notice to the unit holders regarding any meeting, submit a copy of this notice to the Capital Market Authority.
- e) The Fund Manager must, upon preparing the unitholders meeting agenda, to take into consideration the items which the unitholders are willing to list in the meeting, and the unitholders who own at least (10) % of the fund's value may add one or more items to the agenda of the unitholders meeting, provided that the proposed topic does not interfere with the responsibilities and duties of the fund manager under the provisions of the Real Estate Investment Funds Regulations
- f) The fund manager may amend the agenda of the unitholders meeting during the announcement period referred to in paragraph (d) above, provided that it is announced on its website and any other website available to the public in accordance with the regulations set by the Authority, and by sending a written notice to all unitholders and the custodian at least (10) days before the meeting and no later than (21) days before the meeting.
- g) If the unitholders agree to any of the proposed decisions at the unitholders meeting, and this necessitates amending the terms and conditions of the fund, the fund manager must amend these terms and conditions in accordance with the approved decision.
- h) The unitholders meeting is not valid unless attended by a number of unit owners who collectively own at least 51% of the fund's units' value, unless the fund's terms and conditions specify a higher percentage.

- i) If the quorum stated in sub-paragraph (h) above is not met, the Fund Manager must call for a second meeting by announcing it on their website and the website of the capital company (Tadawul) and by sending a written notice to the custodian not less than 5 working days before the date of the second meeting. The second meeting shall be considered valid regardless of the percentage of ownership of the units represented in the meeting.
- j) Each unitholder may appoint an agent to represent him at the unitholders' meeting.

3. Unitholders voting method

- a) Each unitholder may cast one vote at the meeting of unitholders for each unit he owned at the time of the meeting.
- b) It is permissible to hold meetings of unitholders and participate in its deliberations and vote on its decisions by means of modern technology in accordance with the controls laid down by the Capital Market Authority.
- c) A large unitholder may not vote at the unitholders meeting on the decision relating to the acquisition of real estate assets owned or used by it.
- d) The decision shall be enforceable with the approval of the unitholders whose ownership percentage represents more than 50% or more than (75%) (as applicable) of the total units present owned by the owners in the unitholders meeting, whether they are present in person or by means of modern technology.

X. List of unitholder's rights

Except as expressly provided in this Item, unitholders do not have any rights in relation to the management of the fund.

The Fund Manager declares that unitholders have the right to vote on issues raised to them in unitholders' meetings. Moreover, the approval of the unitholders, via an ordinary or a special resolution of the fund, (as applicable) regarding any "fundamental change" to the fund

Y. Other information

1. Zakat

Due to the difference in investment periods in the fund from one owner to another, determining the capital of the year in which the zakat is due from each owner varies accordingly, and accordingly, the fund management will not pay the legal zakat on the funds contributed to the fund. Rather, it leaves it to every investor to extract his zakat himself. Nonetheless, the fund may, in the future, become obligated to register with the General Authority for Zakat and Income and to supply the amounts of Zakat in the event that this becomes mandatory according to the practices or regulations of the General Authority of Zakat and Income.

2. Real estate developers

The Fund Manager contracts with one or more developers for each property to carry out real estate development activities (including renewal or redevelopment). The developer prepares a master plan for each project, secures and maintains all necessary approvals, concludes contracts with design consultants, and oversees project design. Based on each case, the developer may be appointed to contract with sub-contractors to complete the project according to the approved project design, receive the completed project from the contractors, and initiate marketing and sales campaigns for the project. For clarification, the Fund Manager may appoint one of its subsidiaries as the project developer.

3. Other services providers

The Fund Manager may from time to time seek the assistance of additional consultants and other external service providers in relation to one or more assets, including, but not limited to, developers, property managers, project managers, contractors, architects, designers, legal consultants, and others. Any external party will be engaged under a convention negotiated on a purely commercial and independent basis.

4. Complaint procedures:

The Fund Manager receives investor complaints in the fund through the customer services unit at the toll-free number 8001245858 or by fax number 011/4600625 or through the investment centers. In the event that the competent judicial authorities or the Capital Market Authority request the results of any complaint issued by any investor in the fund, the Fund Manager must provide it with all documents related to the subject. The Fund Manager also provides investors with procedures for handling complaints, if requested. In the event that a settlement cannot be reached or a response is not received within 15 working days, the subscriber has the right to file his complaint with the Capital Market Authority - Investor Protection Department, and the subscriber has the right to file his complaint with the Committee for Resolution of Securities Disputes after the lapse of (90) calendar days from the date of Deposit the complaint with the CMA, unless the later notifies the complainant that it may be deposited with the committee before the expiration of the period.

5. Settlement of existing disputes

On March 29, 2016, a lawsuit was filed against the Fund Manager in relation to a claim whereby the plaintiff claims to be the appointed broker for the purchase of some real estate by the Fund Manager in favor of Al-Rajhi Real Estate Income Fund. The value of the claim initially amounted to 6,500,000 Saudi riyals before the value increased to 6,950,000 Saudi riyals during the first court session, in addition to 100,000 Saudi riyals for the plaintiff's attorney fees according to his claim and 250,000 Riyals for the fund's attorney fees.

A preliminary judgment was issued against the Fund Manager and the Fund Manager appealed the judgment within the statutory periods specified for appeal on 21/07/1440 AH corresponding to March 28, 2019, the Court of Appeal issued a decision to revoke the primary judgment issued in the interest of the plaintiff, and to refer the case to another judicial department if the plaintiff wishes to continue in their lawsuit.

The Fund Manager will bear all the due legal fees related to representing the fund before the court competent to hear the case, and in the event of a final judgment in support of the plaintiff, the Fund Manager will bear the results of this judgment, and the Al Rajhi REIT Fund will not be charged with any financial, legal or otherwise obligations regarding this lawsuit.

Z. Sharia Board

The Fund Manager intends to invest the fund and conduct its affairs in a manner consistent with the Standards for the fund's Sharia Board. The fund has appointed a Sharia body to undertake the tasks of supervising and controlling the fund's activities.

(a) The names and qualifications of the members of the Shariah Board

Sheikh Dr. Saleh bin Mansour Al-Jarbu` (President)

- Head of the Sharia Board - Al-Rajhi Company for Cooperative Insurance.
- Certified lawyer and arbitrator - Arbitration Center for the Arab Gulf States, Bahrain

Sheikh Dr. Suleiman bin Abdullah Al-Luhaidan (Member)

- Formerly an appeal judges in the Appeals Courts in Riyadh region and a former head of the Shariah Health Authority.

Sheikh Dr. Saad bin Turki Al-Khathlan (Member)

- Professor in the Department of Jurisprudence, College of Sharia, Imam Muhammad bin Saud Islamic University, Riyadh, President of the Saudi Jurisprudence Society and former member of the Board of Senior Scholars.

The Sharia Board reviewed the structure of the fund and its proposed method of operation, as shown in these terms and conditions.

(b) Roles and Responsibilities of the Sharia Board: The role of the Sharia Board is as follows:

1. Study and review the terms and conditions of the fund, its objectives and investment policies, to ensure its compliance with the provisions of Sharia.
2. Determine the Sharia standards and provisions that the Fund Manager must adhere to while managing the fund's investments.
3. Establishing a mechanism for the element that should be excluded from the fund - if any - and ensuring that it is excluded in terms of righteousness and goodness.
4. Monitor the Fund's investments and activities in accordance with the Sharia Board's specified standards, by conducting Sharia supervision activities by sharia controllers every 3 months and submitting periodic and annual monitoring reports to the Sharia Board.
5. Take the necessary action towards the supervisory notes that sharia controllers have some comments on, after discussing the same with the party concerned.

(c) Details of the remuneration of the members of the Shariah board

Not applicable.

AA. Units Specifications

All units are of one class, and their holders have equal rights and are treated equally by the fund manager, as each unit represents an equal common share in the fund's assets.

BB. Amendments to the terms and conditions
1) Fundamental changes

- a) The Fund Manager should obtain the approval of the unitholders in the relevant fund to the fundamental change proposed via an ordinary resolution of the Fund.
- b) As an exception to paragraph (a) above, the fund manager must obtain the approval of the unitholders for the proposed fundamental change through a special resolution for the fund.
- c) The fund manager must, after obtaining the approval of the unitholders in accordance with paragraphs (a) and (b) above, obtain the approval of the Authority on the proposed fundamental change for the fund.
- d) The fund manager must obtain the approval of the fund's board of directors before making any fundamental change.
- e) The fund manager must notify the unitholders and disclose the details of the fundamental changes on its website and ("Tadawul") website 10 working days before the change becomes effective.
- f) The details of the fundamental changes must be stated in the fund reports prepared by the fund manager in accordance with the Real Estate Investment Funds Regulations.

2) Non- fundamental changes

The fund manager must notify the Authority and disclose on the fund manager's website and any other website available to the public, according to the controls set by the Authority, of any non-fundamental changes to the fund (as defined in the Real Estate Investment Funds Regulations) 10 working days prior to the effective date of the change.

CC. Fund manager acknowledgments

Please review the fund manager's declarations set forth in the introduction to this document.

DD. Applicable Law

These terms and conditions constitute a legally binding contract between the Fund Manager and each unitholder. Subscribing in the units and purchasing them or taking any action on them is considered an implicit acceptance of these terms and conditions.

These terms and conditions are governed by and interpreted in accordance with the laws and regulations in force in the Kingdom.

The Fund Manager and each investor will seek an amicable solution to any dispute arising out of or in connection with these terms and conditions, and the issues mentioned in these terms and conditions. In the event of a dispute in which an amicable solution has not been reached, any party may refer this dispute to the Committee for Resolution of Securities Disputes established by the Capital Market Authority.

Annex A - Financial Statement Summary

Fund category	A closed public traded real estate investment fund.
Fund objectives	<p>The investment objective of the fund is to invest in completely developed real estate, capable of achieving periodic and rental income, and to distribute a specified percentage not less than 90% of the fund's annual net profits in cash to the unit holders during the fund's term, on a semi-annual basis at the end of February and August of every calendar year. The Fund's current portfolio consists of fourteen (14) fully developed and income-generating real estate assets. The aforementioned profits shall be distributed, excluding the capital gains resulting from the sale of real estate assets, which are reinvested in additional assets in the interest of the unitholders, and in the event that it is not reinvested within six months from the date of sale, it shall be distributed to the unit holders.</p> <p>The fund intends to invest in the targeted investment portfolio as part of the process of increasing the fund's total assets value, consisting of four (4) properties located in Riyadh and Dammam, bringing the total number of the fund properties to eighteen (18) properties, and the fund does not intend to acquire Real estate outside the Kingdom as part of the process of increasing the total asset value of the fund.</p>
Targeted distributions	90% annually of the fund's net profits excluding profits from selling investments.
Closed/ Unclosed	Closed fund.
Duration of the fund	99 years from the date of listing, renewable for a similar period at the discretion of the Fund Manager and after the approval of the Fund's Board of Directors, and then obtaining the approval of the Capital Market Authority.
Fund Manager	Al-Rajhi Capital Company.
Custodian	Kasb Capital Company.
Subscription Fee	The investor pays the Fund Manager a subscription fee equivalent to 2% of the amount subscribed to it and allocated as a maximum, during the initial offering period or upon any increase in the total value of the fund's assets. These fees apply to subscribers in return and new investors and do not include current unit holders as at the date of the unitholder's meeting, and in both cases, they are paid by the investor as an additional amount on the subscription amount.
Management fees	The fund pays the Fund Manager a management fee of 0.80% annually of the fund's total assets value after deducting the expenses, according to the latest valuation, calculated on a daily basis and paid every three months, starting from the date of listing. The first payment of management fees is made on a pro-rata basis, taking into account the days that have passed of the calendar quarter.
Custody Fees	The Fund pays an annual fee of 185,000 Saudi Riyals to the Custodian, which is calculated on a daily basis and paid quarterly.
Transfer Ownership Fees	The fund pays the Fund Manager an ownership transfer fee of 1% of the purchase or sale price for each real estate acquired or sold by the fund in exchange for the Fund Manager's efforts to acquire or sell any investment. Transfer fees are paid upon completion of each acquisition or sale of the real estate.
Debt Structuring Fees	The fund pays the Fund Manager a financing structuring fee equivalent to 2% of the amount withdrawn under any bank facilities in favor of the fund. These fees will not be applied to the current financing submitted by Al Rajhi REIT Fund.
Auditor Fee	The fund pays the auditor a fee of 55,000 Saudi Riyals annually, as a lump sum calculated on the fund on a daily basis and paid semi-annually.



The fund bears the property management fees for Al Andalus Center real estate in an annual amount equivalent to 1,176,000 Saudi Riyals in case the real estate's income is less than 14 million Saudi Riyals per year.

Paid to the independent property manager, Olat Development Limited.

The fees of Al-Andalus Center management will increase with the increase in income as follows:

- 1,356,000 Saudi Riyals annually if the total income reaches 14 million Saudi riyals, equivalent to 9.69% of the total income.
- Then the fees amount to 1,476,000 Saudi Riyals if the total income reaches 15 million Saudi riyals, equivalent to 9.84% of total income.
- Then the fees amount to 1,596,000 Saudi riyals if the total income reaches 16 million Saudi riyals, equivalent to 9.98% of total income.

The property management contract for the Andalus Center real estate with Olat Development Company Ltd. starts on August 1, 2017 and extends to three years.

The Fund also bears property management fees for the Jarir Bookstore real estate, in an annual amount equivalent to 480,000 Saudi Riyals, paid to the independent real estate manager of Olat Development Company Ltd. The property management contract for Jarir Bookstore property with Olat Development Company Ltd begins in the third quarter of 2018 and extends to two years. The contract is automatically renewed after the end of the basic period for a period of one calendar year, which can be renewed for similar periods unless one of the parties notifies the other of their unwillingness to renew before the end of the basic or renewed period from the contract, prior to at least 90 days.

The Fund also bears property management fees for Rama plaza and Anwar plaza which consist of 8% of collected rent, paid to the independent real estate manager Medad Alkhaer Real Estate. The property management contract begins in the first quarter of 2022 and extends to 1 year. The contract is automatically renewed after the end of the basic period for a period of one calendar year, which can be renewed for similar periods unless one of the parties notifies the other of their unwillingness to renew before the end of the basic or renewed period from the contract, prior to at least 90 days.

There are no property management fees for other fund assets at the present time as the tenant is currently performing the property management tasks, but a property management company may be appointed in case the need arises after obtaining the approval of the Fund's Board of Directors and disclosing the same to the unitholders, and the Fund Manager will ensure that the property managers' fees are negotiated on a purely commercial, independent and consistent basis with market rates.

Details of current leases:

Property Name	Contract Starting Date	Contract Ending Date	Contract Duration	The real estate is managed by
Lulu Hypermarket - Riyadh	1 December 2014	25 April 2029	14.4 years	The real estate is fully managed by the tenant
Narjes Plaza - Riyadh	24 June 2015	3 March 2025	10 AH years	
Al Faris International School- Riyadh	1 July 2011	27 June 2026	15 years	
Panda - Khamis Mushait	24 March 2014	22 March 2029	15 years	
Hyper Panda - Al Marwa, Jeddah	12 November 2013	10 November 2028	15 years	
Panda - Al Rawdah, Jeddah	27 February 2014	25 February 2029	15 years	
Panda - Madain Al-Fahd, Jeddah	4 September 2014	2 September 2029	15 years	
Blue Tower, Al Khobar	11 March 2018	10 March 2023	5 years	
Al Louloua Warehouses, Riyadh	6 March 2018	5 March 2023	5 years	
Lulu Central Warehouses	16 December 2016	15 December 2031	15 years	Medad Alkhaer Real Estate (Independent property manager specialized in real estate management)
Anwar Plaza - Riyadh	Multiple dates	Multiple dates	The current average lease term of contracts is 3.4 years	
Rama Plaza - Riyadh	Multiple dates	Multiple dates	The current average lease term of contracts is 6.3 years	
Al Andalus Center - Jeddah	1 August 2017	1 August 2020	3 years	Olat Company (Independent property manager specialized in real estate management)
Jarir Bookstores- Riyadh	The third quarter 2018	The third quarter 2020	Two years, renewable automatically	
Lulu Central Warehouses	1 April 2017	31 March 2032	15 years	The real estate is fully managed by the tenant

Target properties

NMC Al-Salam Speciality Hospital	Al-Salam Medical Group Company	1 April 2018	31 December 2033	15.75 years	The real estate is fully managed by the tenant
Baraem Rowad AlKhaleej International School-Al Sahafa, Riyadh	Al Khaleej Training and Education Company	Not started and will start immediately after the real estate is emptied		15 years	
Baraem Rowad AlKhaleej International School-Al Magharzat, Riyadh	Al Khaleej Training and Education Company			15 years	
Rowad Alkhaleej International School	Al Khaleej Training and Education Company			15 years	

Property Management Fees



Sub Administrator Fees	The fund pays the sub-administrator "Apex Mutual Fund Services (Dubai) Ltd." an annual fee of 51,200 US dollars, equivalent to 192,000 Saudi riyals, and the value of the fees will increase by 3.5% every calendar year starting from January 2020.
Real estate Evaluation Fees	It is negotiated according to the prevailing market prices and is calculated based on the actual cost and is disclosed to the unitholders. It is expected that the costs will reach a maximum of 0.05% of the total value of the fund's assets.
Capital Market Authority regulatory fees	The fund pays regulatory fees of 7,500 Saudi riyals annually, calculated on a daily basis and paid on an annual basis.
Publishing Information on the Saudi Stock Exchange website Fees	The fund pays regulatory fees of 5,000 Saudi riyals annually, calculated on a daily basis and paid on an annual basis.
Remuneration of the Independent Board Members	Each independent Fund Board Member will receive an amount of 5,000 Saudi riyals for each meeting, and a maximum of 20,000 Saudi riyals annually for each independent fund board member to be paid at the end of each year or upon the end of the contract period, whichever is earlier.
Transaction Expenses	The fund bears all transaction expenses, for any asset, related studies and examination, and advisory and legal costs. These expenses do not include ownership transfer fees and are paid by the fund based on the actual cost due, and this will be disclosed to the unit holders. It is expected that the total of these costs will reach a maximum of 0.10% of the total fund value.
Development fee	In the event the fund carries out real estate development activities, the developer is entitled to fees that are negotiated in accordance with recognized market practices without any minimum or maximum limit. For the avoidance of doubt, these fees do not apply to completely developed properties. In the event that the fund carries out real estate development activities, the development fees will be disclosed to the unit holders.
Brokerage commission	The fund bears the full amount of the brokerage commission, which is a maximum of 2.5% of the acquisition value of any real estate asset. These fees will not be applied to the acquisition of the real estate comprising in the target investment portfolio as part of the process of increasing the total value of the fund's assets.
Registration fees in the Saudi Stock Exchange (Tadawul)	<p>The fund is expected to pay the following fees for registration in the Saudi Stock Exchange (Tadawul):</p> <ul style="list-style-type: none"> • 50,000 Saudi riyals in addition to 2 Saudi riyals for each unit holder, with a maximum of 500,000 Saudi riyals paid to the Saudi Stock Exchange (Tadawul) in exchange for creating a register for unit holders; and • 400,000 Saudi riyals paid annually to the Saudi Stock Exchange (Tadawul) in exchange for managing a register of unit holders. <p>These fees may change according to the prices of the service provided by the Saudi Stock Exchange (Tadawul).</p>
Listing fees in the Saudi Stock Exchange (Tadawul)	<p>The fund is expected to pay the Saudi Stock Exchange (Tadawul) the following listing fees:</p> <ul style="list-style-type: none"> • 50,000 SAR initial listing fees; and • 0.03% of the fund's market value annually (with a minimum of SAR 50,000 and a maximum of SAR 300,000). <p>These fees may change according to the prices of the service provided by the Saudi Stock Exchange (Tadawul).</p>



Financing expenses	The Fund shall bear all financing costs during the financing term, the fees, expenses and the expenses related to the financing arrangement, which are paid only once when arranging the financing in accordance with the Islamic Sharia of the Fund.
Other Expenses	<p>The fund shall bear the other expenses and fees, which are expenses owed to other persons dealing with the fund, including, but not limited to, insurance fees, lawyers' fees, zakat, municipal fees, government fees, engineering consultant fees, surveyors' fees, architects and interior decorators, and the costs of members of the board of directors, including travel and actual accommodation incurred by each independent member according to the actual cost of attending the meetings. The fund shall bear all fees that may be imposed by the official authorities in the Kingdom of Saudi Arabia as a result of the fund's performing its obligations under these terms and conditions, and the fund will bear all marketing expenses for its products according to the best marketing offers approved by the Fund's Board of Directors.</p> <p>It is noteworthy that such fees are not paid to the Fund Manager and cannot be estimated in advance and will be deducted based on actual expenditures and disclosure. Details of those expenses can also be found in the financial disclosure summary listed in these terms and conditions. The fund does not intend to provide any deduction or waive the expenses, and it is expected that the total of these costs will reach a maximum of 0.25% of the total value of the fund's assets annually.</p>
The value of the Fund Manager's investment in the Fund	The Fund Manager owns an amount of 66,979,870 riyals according to the latest valuation of Al-Rajhi Real Estate Income Fund, also owns 52,133,685 riyals in Al-Rajhi Gulf Real Estate Fund. The total percentage of the Fund Manager's investment in the capital of the Al Rajhi REIT Fund will become 9.75% after the initial offering, equivalent to 119,113,555 Saudi riyals.

Annex B - Sharia Board Standards

The Fund Manager must adhere to the standards of the Sharia Board for Real Estate Investment issued by the Sharia Board, including:

1. The purchase and sale of real estate must be according to a formula approved by the Sharia Board and in accordance with the standards of the Sharia Committee of the sale contract.
2. The real estate is identified and known to both parties, and it must be taken for granted.
3. The Fund Manager does not lease the property until after it has completed its possession and has seized it for them or for their benefit.
4. The rental of real estate should be according to a formula approved by the Sharia Board and according to the standards of the Sharia Board for the lease contract, including:
 - a. That the rent for the real estate is known to both parties without any ignorance.
 - b. Real estate should not be rented to someone who practices a prohibited activity, for example: Tobacco and smoke, movies, advertising and advertisements contrary to Islamic law, publishing and distribution contrary to Islamic law, banks and financial companies and insurance companies (traditional), music activity, concerts, and other prohibited activities.
 - c. The tenant must bear the basic maintenance costs of the real estate (which are: Maintenance on which the benefit remains dependent), and it is permissible to agree that part of the rent amount will remain with the tenant to cover any expenses or expenses approved by the lessor related to the basic maintenance costs and this part of the rent is under the account.
 - d. The tenant should bear the operational maintenance costs of the property (which are: Maintenance that the object needs to maintain its utility according to custom or condition).
5. It is not permissible to lease the real estate from its owner at a deferred price, then lease it back to the owner at a price less than the deferred price, and it is not permissible to lease the real estate from its owner at a price immediately, and then return it to the owner at a deferred price more than the case to block the pretext of the forbidden rental sample.
6. Unitholders bear the basic expenses of the fund, (such as expenses related to marketing, transfers, remuneration of advisory bodies, accounting and auditing fees, registration fees, brokers' commissions, and so on) and the Fund Manager bears the expenses of managing the fund's business, (such as the salaries of its employees in the fund and the workplace rental and the expenses of equipment and machinery and their maintenance, and the like), and the Fund does not bear such expenses.
7. Fund units may be traded according to the following standards:
 - a. If the fund's assets are properties, benefits, services, or rights, then its units may be traded at all.
 - b. If the fund's assets are in cash (such as the period that occurs after the end of the fund's subscription and before the

purchase of real estate or during the fund liquidation period), then it is not permissible to trade its units without observing the provisions of exchange, which are:

- If the purchased fund units are in a currency similar to the currency of their assets: The settlement must occur at the contract session, and the two amounts must be similar.
 - If the purchased fund units are in a currency different to the currency of their assets: The settlement must occur in the contract session or place, only.
- c. If the fund's assets are debts (such as the period in which all the fund's properties are sold on credit to buyers) then it is not permissible to trade its units except with observance of the rules for disposing of debts, which are:
- If the fund's assets are commodity debts: Such as Salam debts, Istisna'a, and forward lease contract, so there is no objection to selling them for cash to a person other than the debtor, provided that they do not profit with what they do not guarantee.
 - If the fund's assets are cash debts: As Murabaha debts, it is not permissible to sell them for cash to anyone other than the creditor, at all.
- d. If the fund's assets are a mixture of properties, benefits, cash or debts, then it is permissible to trade in its units if the main purpose of issuing them is objects or benefits, and the money or debts are related to them, but if the main purpose of issuing them is money or debts, and the objects or benefits belong to them, then it is not permissible to trade in its units except by observing the rules for disposing of debts.

The fund is subject to periodic monitoring by the Sharia Supervisory Authority of the Sharia committee, it must provide the Authority with periodic reports on the fund's activities and its dealings.

Annex (c). Declarations and assurances of the Legal Advisor



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In cooperation with King & Spalding LLP**

Date: 17 Ramadan 1440
Corresponding: 22 May 2019

Gentlemen/Capital Market Authority ("the Authority")
Kingdom of Saudi Arabia

Subject: Raising the Capital of the Al Rajhi REIT Fund - Letter of the Legal Advisor

We, the undersigned, Mohammed Al Ammar Law Firm (in collaboration with King & Spalding LLP), as legal advisors to Al Rajhi Capital (" Fund Manager") in relation to the Fund Manager's request to list units of a closed real estate fund that complies with the provisions and principles of Sharia in the name of the Al Rajhi REIT Fund (" The Fund"), and its inclusion in "Tadawul" and increase the Fund's capital,

We refer to the amended terms and conditions regarding the Fund and its date 22/5/2019 ("Terms and Conditions"), in particular with regard to the application for the application of the fund's units and their inclusion in the market submitted to the Capital Market Authority (the "Authority"), and regarding the requirements of the financial market regulation and the list of reinvestment funds and Regulations for REAL ESTATE ETFs; in particular, we have advised the Fund Manager on the requirements that the legal sections of the terms and conditions must include, on the fulfillment of assets for all statutory requirements and the integrity of the instruments of those assets under acquisition and in this regard, we have conducted additional study and investigations that we consider appropriate in these circumstances and have also conducted a formal study of the necessary legal professional care in this regard.

As a consultant, we do not know of any substantive issue that constitutes a breach by the Fund Manager of his obligations to the requirements of the financial market regulation or the terms imposed under the Regulations for REITs and ETFs in relation to the application for and listing of the Fund's units, including requirements relating to the content of the terms and conditions as they are at the date of this letter.

Please accept with great respect and appreciation, ...

Mohammed Al Ammar's Office of Lawyers and Legal Advisor
(in collaboration with King & Spalding LLP)

(Signature)

(Mohammed bin Ibrahim bin Abdullah al-Ammar's office of legal advice stamp and license number 50/26)

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