

SEDCO Capital REIT Fund
Closed Ended Real Estate Investment Traded Fund



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CMA License 11157-37

TERMS AND CONDITIONS

SEDCO CAPITAL REIT FUND

(a closed-ended Shariah-compliant real estate investment traded fund)

Fund Identity

0554-1-12-011

Fund Manager

Saudi Economics and Development Securities Company (SEDCO Capital)

SEDCO Capital is a capital market institution with a license No. 37-11157 issued by the Capital Market Authority in accordance with the provisions of the capital market institutions regulations issued by the CMA board

Custodian

Alinma Investment Company

The custodian is a financial institution licensed under the Market Institutions Regulations, the Capital Market Authority under license number 09134-37

Total fund size as on December 31, 2020: 1,090,000,000 Saudi riyals (one billion ninety million Saudi riyals)

Number of units offered: 60,000,000 units (sixty million units)

Total value of units: 600,000,000 Saudi riyals (six hundred million Saudi riyals)

Unit price when subtracting: 10 Saudi riyals (ten Saudi riyals)

Percentage of the value of the units offered from the fund size as of December 31, 2020: 55%

The Fund Manager accepts full responsibility for the accuracy of the information contained in these Terms and Conditions and confirms having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts excluded of which would render any statement herein misleading. The Capital Market Authority and the Saudi Stock Exchange (Tadawul) do not take any responsibility for the content of these Terms and Conditions, do not make any representations or warranties regarding their accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance on, any part of these Terms and Conditions. All investors must read the Terms and Conditions before Investing in the Fund. In case of any ambiguity, kindly seek financial advice from your financial advisor in order to determine the following:

- a. The suitability of investment in the Fund to achieve your investment objectives; and
- b. The capability of investors to withstand any potential loss of capital as a result of the risks associated with investment in the Fund.

Issuance Date 4/12/2017

Latest update 30/01/2022

Under this notice, we ensure the investors that the decision to invest in the Fund and the resulting risks will be their own responsibility.

Offering, registration and listing of REIT Units has been approved by CMA on 4-12-2017.

Disclaimer: This is a translated version of the original Terms & Conditions issued in Arabic language and is only meant to assist the users with barriers to understanding with regards to Arabic language. This version holds no legal value and the original version in Arabic stands as an official document. SEDCO Capital, its employees, and directors hold no responsibility in the unlikely event of any translation errors. In case of any discrepancy between the Arabic and the English translated version, the original Arabic version shall prevail

Financial Advisor



Co-Financial Advisor



Placement Agent



Receiving Bank



Receiving Bank



Receiving Bank



IMPORTANT NOTICE

These Terms and Conditions contain detailed information relating to SEDCO Capital REIT (the “Fund”) and the offering of units in the Fund (the “Units”). When submitting an application to subscribe for Units, investors will be treated as applying solely on the basis of the information contained in these Terms and Conditions, copies of which are available in the website of SEDCO Capital (the “Fund Manager”) (www.sedccapital.com), and the Saudi Stock Exchange (“Tadawul”) (www.tadawul.com.sa).

Prospective investors must read the entirety of these Terms and Conditions before purchasing Units in the Fund. An investment in the Fund involves certain risks and may not be suitable for all investors. Investors must be willing to assume the risks associated with an investment in the Fund, which are described in these Terms and Conditions.

These Terms and Conditions have been prepared by the Fund Manager, a Saudi Arabian joint stock company with Saudi commercial registration no. 4030194994, and a Capital market institution licensed by the Capital Market Authority (the “CMA”) under license No. 11157-37, in accordance with the provisions of the Real Estate Investment Funds Regulations issued by the Board of the CMA pursuant to Resolution No. 1–193-2006, dated 19/06/1427H (corresponding to 15/07/2006G) (the “Real Estate Investment Funds Regulations”) and the provisions of the Real Estate Investment Traded Funds Instructions issued by the CMA pursuant to its resolution number 6-130-2016 dated 23/1/1438H (corresponding to 24/10/2016G (the “REIT Regulations”).

These Terms and Conditions include information that has been presented in accordance with the requirements for registration and listing of the Units on Tadawul in accordance with the Real Estate Investment Funds Regulations and the REIT Instructions issued by the CMA.

NCB Capital Company has been appointed by the Fund Manager to act as its financial advisor and sole placement agent (“NCB Capital”, “Financial Advisor” or the “Placement Agent”) in relation to the offering of Units. As such, the Placement Agent is not acting for any other person, including any prospective investors, in relation to the transactions described in this document. It is noted that to the extent that Units are offered outside the Kingdom, the Placement Agent may appoint sub-placement agents in the relevant jurisdictions in which Units are offered.

The Fund Manager accepts full responsibility for the accuracy of the information contained in these Terms and Conditions, and affirms that according to the best of its knowledge and belief, and after making all possible reasonable enquiries, there are no other facts or omissions from these Terms and Conditions that would make any statement contained herein misleading. While the Fund Manager has made all reasonable enquiries as to the accuracy of the information contained in these Terms and Conditions as at the date hereof, a substantial portion of the information in these Terms and Conditions relevant to the real estate market and industry is derived from external sources. While the Fund Manager has no reason to believe that any of the market and industry information is materially inaccurate, the Fund Manager has not independently verified such information, and no representation or assurance is made with respect to the accuracy or completeness of any of this information.

The Placement Agent and the Fund Manager’s other advisors named in the Fund Directory (together, the “Advisors”) are not responsible for any of the information contained in these Terms and Conditions and therefore make no representations as to the accuracy or completeness of the information contained in these Terms and Conditions. None of the Advisors are liable for any consequences arising out of or in connection with the reliance on information contained in these Terms and Conditions nor have they independently verified any such information.

The CMA does not bear any responsibility for the contents of these Terms and Conditions and does not opine or provide any warranties regarding the accuracy or completeness of these Terms and Conditions. Further, the CMA shall not be responsible for any financial loss resulting from any provision contained in these Terms and Conditions or any reliance thereon.

These Terms and Conditions are not to be regarded as a recommendation on the part of the Fund Manager, its directors, the Placement Agent or the Advisors to participate in the offering. Moreover, information provided in these Terms and Conditions is of a general nature and has been prepared without taking into account individual investment objectives, financial situation or particular investment needs of the persons who intend to invest in the offered Units. Prior to making an investment decision, each recipient of these Terms and Conditions is responsible for obtaining independent professional advice from a CMA licensed financial advisor in relation to the offering and must rely on its own examination of the Fund and the appropriateness of both the investment opportunity and the information herein with regard to the recipient's individual objectives, financial situation and needs, including the merits and risks involved in investing in the Fund. An investment in the Fund may be appropriate for some investors but not others, and the prospective investors should not rely on another party's decision to invest or not to invest as a basis for their own examination of the investment opportunity and such investor's individual circumstances.

Subscription for Units is only made available to: (a) natural persons residing in Saudi Arabia or citizens of the other countries of the GCC; (b) corporations, companies, investment funds and other legal entities established in Saudi Arabia or other GCC countries. All recipients of these Terms and Conditions must inform themselves of any legal or regulatory restrictions relevant to this offering and the sale of the Units and to observe all such restrictions.

The information contained in these Terms and Conditions is current as of the date hereof but is subject to change. In particular, the value of the offered Units may be adversely affected by future developments, such as inflation, interest rates, taxation or other economic, political and any other factors, over which the Fund Manager has no control. Neither the delivery of these Terms and Conditions nor any verbal or written information in relation to the offered Units is intended to be, or should be construed as or relied upon in any way, as a promise, affirmation or representation as to future earnings, results or events.

In addition to publicly available market information, forecasts set forth in these Terms and Conditions have been prepared on the basis of assumptions based on the Fund Manager's information according to its market experience. Future operating conditions may differ from the assumptions used and 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, or may be deemed to 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 thereof or other variations of such terms or comparable terminology. These forward-looking statements reflect the current views of the Fund Manager with respect to future events but are not a guarantee of future performance. Many factors could cause the actual results, performance or achievements of the Fund to be significantly different from any future results, performance or achievements that may be expressed or implied by such 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. Should any of these risks or uncertainties materialize or any underlying assumptions prove to be incorrect or inaccurate, the Fund's actual results may vary materially from those described in these Terms and Conditions as anticipated, believed, estimated, planned or expected.

Fund Directory

Fund Manager	
<p>Saudi Economic and Development Securities Company ("SEDCO Capital") Sedco Holding Building, 2nd floor Red Sea Malls, King Abdulaziz Road Between gates 7 and 8 P.O.: 13396, Jeddah 21493 Saudi Arabia E-mail: info@sedcocapital.com Website: www.sedcocapital.com</p>	
Financial Advisor	
<p>NCB Capital Riyadh, Maather Building, Tower "B", Floor - 4 Al-Maather Street P.P. 22216, Riyadh 11495 Saudi Arabia Tel: +966 11 8747106 Fax: +966 11 4060049 E-mail: w.alkhatib@alahlicapital.com Website: www.ncb.com</p>	
Placement Agent	
<p>NCB Capital Riyadh, Maather Building, Tower "B", Floor - 4 Al-Ma'aad Street P.P. 22216, Riyadh 11495 Saudi Arabia Tel: +966 11 8747106 Fax: +966 11 4060049 E-mail: w.alkhatib@alahlicapital.com Website: www.ncb.com</p>	
Co-Financial Advisor	
<p>Saudi Economic and Development Securities Company ("SEDCO Capital") Sedco Holding Building, 2nd floor Red Sea Malls, King Abdulaziz Road Between gates 7 and 8 P.P.: 13396, Jeddah 21493 Saudi Arabia E-mail: info@sedcocapital.com Website: www.sedcocapital.com</p>	

<p>Administrator and Shariah Advisor</p>	
<p>Saudi Economic and Development Securities Company ("SEDCO Capital") Sedco Holding Building, 2nd floor Red Sea Malls, King Abdulaziz Road Between gates 7 and 8 P.P.: 13396, Jeddah 21493 Saudi Arabia E-mail: info@sedcocapital.com Website: www.sedcocapital.com</p>	
<p>External Auditor</p>	
<p>KPMG Professional Services. KPMG Tower Salah al-Din Street P.O.: 92876, Riyadh 11663 Saudi Arabia</p>	
<p>Legal Advisor</p>	
<p>Mohammed Ibrahim Al Ammar Legal Advisory Office (in collaboration with King & Spalding LLP) Kingdom Tower, 20th floor King Fahd Road, Riyadh, Saudi Arabia</p>	<p>THE LAW OFFICE OF MOHAMMAD AL-AMMAR In affiliation with King & Spalding LLP محمد ابراهيم العمار للاستشارات القانونية بالتعاون مع كينج اند سبيلدينج KING & SPALDING</p>
<p>Custodian</p>	
<p>Al-Inma Investment Co. Al-Anood Tower: 2nd, 20th floor King Fahd Road, Al-Alawiya 66333, Riyadh 11576 Saudi Arabia</p>	
<p>Saudi Stock Exchange (Tadawul)</p>	
<p>King Fahd Road - Al-Olaya 6897 Unit Number: 15 Riyadh 12211-3388 Saudi Arabia Tel: +966 11 218 9999 Fax: +966 118 218 9133</p>	
<p>Capital Market Authority (CMA)</p>	
<p>CMA headquarters King Fahd Road P.O. 87171 Riyadh 11642 Tel: 800 245 1111 E-mail: info@cma.org.sa Website: www.cma.org.sa</p>	

<p>Receiving Bank</p>	
<p>NCB King Abdulaziz Road P.O. 3555, Jeddah 21481 Saudi Arabia Tel: +966 12 6493333 +Fax: +966 12 6437426 E-mail: contactus@alahli.com Website: www.alahli.com</p>	
<p>Receiving Bank</p>	
<p>Al Rajhi Bank Al-Olaya Street Riyadh 11411 Saudi Arabia Tel: +966 11 462 9929 Fax: +966 11 462 4311 E-mail: contactcenter1@alrajhibank.sa Website: http://www.alrajhibank.com.sa</p>	
<p>Receiving Bank</p>	
<p>Samba Financial Group King Abdulaziz Road Riyadh 11476 Saudi Arabia Tel: +966 124 2000: +966 11 2177979 E-mail: contactus@customercare@samba.com Website: www.samba.com</p>	
<p>Real Estate Valuer</p>	
<p>Knight Frank Co. King Abdulaziz Road Riyadh, Saudi Arabia Tel: +966 112 890 776 Website: www.knightfrank.com</p>	
<p>Real Estate Valuer</p>	
<p>Jones Lang LaSalle Co., Ltd. Jamil Square, Prince Mohammed Bin Abdulaziz Street Saudi Arabia P.O.: 2091, Jeddah 8909-23326 Tel: +966 12 660 2555 Website: www.jll-mena.com</p>	

<p>Real Estate Valuer</p>	
<p>Esnaad real estate valuation company and its shareholder King Abdulaziz Road Jeddah, Saudi Arabia Al-Naim Neighborhood - Prince Sultan Street Phone: 920006511 Website: http://www.esnaad.com.sa</p>	
<p>Real Estate Valuer</p>	
<p>Valustrat Company 6th floor, South Tower King Faisal Foundation Building Al-Faisaliah Complex Riyadh - Saudi Arabia Website: http://valustrat.com</p>	
<p>Real Estate Valuer</p>	
<p>White Cubes Co. Riyadh - Saudi Arabia Website: http://white-cubes.com</p>	

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Definitions

Total Annual Rent	The total annual rent value according to a specific date for a specific property, which is an estimate that does not take into account the expiration and/or renewal dates of multiple contracts and the replacement periods for new contracts with new tenants.
Custodian	Al-Inma Investment Company, which is a closed Saudi joint stock company registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration No. 1010269764, and it is licensed as a "Capital market institution" under the Capital Market Authority license No. 09134-37.
Vacant Lands	It refers to "developed lands" in accordance with the law regulating the white lands and the 'vacant lands' who has been approved by the related authority.
Investment	Any real estate asset that the fund invests in.
White Lands	It is raw and undeveloped land that is subject to white land fees. According to the tax law regulating the white lands.
Capital Profits	The increase in the sale price of a property including the cost of selling compared to the acquisition price, including acquisition costs.
Insured Person	The Fund Manager, or any of the directors, officials, employees, agents' advisers of related companies and parties, custodian, placement agent, every developer, property manager, legal agent, members of the Shariah supervisory board and the board of directors of the fund.
Related Party	Any of the following: a) Fund Manager, b) custodian, c) A designated developer by the Fund Manager in relation to the fund, d) Any valuation company used by the fund to evaluate the fund's assets, e) The accountant of the fund, f) Every member of the fund's board of directors, g) Any unitholder owns more than 5% of the fund's units, h) Any person or entity that controls or is subordinate to any of the aforementioned parties, i) Any of the executives or any of the employees of the mentioned parties, j) Any of the Fund's advisers referred to in these Terms and Conditions.
Unit	One of the fund's units.
Offering	Public offering according to these Terms and Conditions.
Administrator	SEDCO Capital, a closed Saudi joint stock company with a commercial Registration no. 4030194994, and a Capital market institution licensed from the Capital Market Authority under license no. 37-11157.
External Auditors	KPMG Professional Services , or any other company as appointed by the Fund Manager.

Initial Portfolio	The assets owned by SEDCO Private Fund 1, which will be acquired by the Fund prior to the listing date, as described under Part I. The Fund Manager and related parties own units in SEDCO Capital Private Fund 1 as described in Part 1 of these Terms and Conditions.
Additional assets	Assets acquired by the Fund after the listing date through financing.
Financial Advisor	Refers to NCB Capital Company, a closed joint stock company with a commercial register No.1010231474, and a Capital market institution licensed from the Capital Market Authority under license No. 06046-37.
Temporary Investments	It means low-risk investments that can be converted into cash within one year, can be liquidated relatively quickly and are limited to Shariah-compliant, Murabaha agreements, deposit accounts, Sukuk and Money Market funds.
Placement Agent or NCB Capital	Refers to NCB Capital Company, a closed joint stock company with a commercial register No.1010231474, and a Capital market institution licensed from the Capital Market Authority under license No. 06046-37.
Shariah Advisor	SEDCO Capital (the Fund Manager) as the Shariah Supervisor of the Fund as indicated in the clause "Shariah Compliance".
Accounting Period	Any period the audited financial reports related to the fund are prepared.
CMA	Saudi Capital Market Authority.
Shariah Supervisory Board	The members consisting of three Shariah scholars who are well known in the field of Shariah, contemporary finance and investments.
Rental Units	Specific areas within leasable units With variety to its uses including offices, commercial (retail) or residential units, etc.
Termination Status	Refers to a situation that causes the fund to be terminated in accordance with the clause "Fund Termination".
Working Day	Any day when banks are open in Riyadh, Saudi Arabia.
Calendar Day	Any Hijri or Gregorian day, whether it is a working day or otherwise.
Valuation Day	The day on which the fund's assets are valued in accordance with the clause "Valuation of the Fund's assets".
Capital market institutions Regulations	The regulation issued by (CMA) Capital Market Authority in accordance with its resolution No.1-83-2005 dated 21\5\1426 H (corresponding to 06\28\2005) and its subsequent amendments.

Real Estate Investment Funds Regulations	Estate Funds	The regulation issued by the (CMA) Capital Market Authority in accordance with its resolution no. 2006-193-1 dated 19\6\1427 H (corresponding to 15\7\2006) and its subsequent amendments.
Unitholder		An investor who invests in one or more units of the fund.
Public Unitholders		It means any unitholder provided that it is not from the following: a) the unitholder who owns 5% or more of the units, b) the Fund Manager or any of his subordinates, c) or a member of the Board of Directors of the Fund.
Subscription Amount		The amount that the unitholder contributes to the fund during the offering period.
Fund Board of Directors		A board of directors consisting of 5 members according to the clause (Fund Board).
Fund Manager or SEDCO Capital		Saudi Economic and Development Securities Company, a closed Saudi joint stock company with a commercial registration No. 4030194994 and a CMA license No. 37-11157.
Fund Term		Refers to the fund's 99-year term from the date of listing, renewable for a similar period according to the Fund Manager discretion, and after obtaining the approval of the CMA.
Transactions		Transactions between the fund and its subsidiaries or with other entities in which SEDCO Capital owns direct or indirect rights. Which includes, transactions to provide specific services to the fund, such as a co-financial advisor managing director, property manager, developer, or broker, as indicated in the clause "Transactions related to related parties".
Subscription Form		Means the document that shows the amount of the unitholder's subscription, and which is a binding legal contract for the investor to buy units after the approval of the Fund Manager.
The Purchase Price of the Property		It is the acquisition price of the property plus any other costs or expenses related to the acquisition.
Feasible Returns		The targeted return that are equal to or greater than the returns of similar investments or other comparable investment, as the Fund Manager consider suitable.
Multi Tenants Properties		The real estate properties which consist of multiple units that are leased to a number of tenants with multiple and separate lease contracts and may vary in their terms and guarantees.
Single Tenant Properties		The real estate properties which may consist of a unit or multiple rental units, but they are all leased to a single tenant often with one contract, and the tenant has the right to sublease the real estate units with the approval of the owner, and it is often a net of all expenses for managing, operating and maintenance of the property where the tenant bears all of the costs and expenses.
Offering Period		It refers to the period during which the fund units are offered to investors.

Net Rental Value	<p>The total annual rent minus the property management costs, operating costs and service costs if anywhere property management costs depend on whether the property is single-tenant or multi-tenant, operating management costs and service costs depend on what has been agreed upon in each contract separately, It is an estimated value that does not take into account the expiration dates and / or renewal of multiple contracts and the replacement periods for new contracts with new tenants, and the costs raised from the total mentioned costs are estimated with regard to variable costs such as (and limited to) spare parts and consumables incurred during a certain period.</p>
Net Assets Value	<p>The net asset value of the fund's assets, which is defined as indicated in the clause "Valuation of the Fund's Assets".</p>
SED CO Private Fund (1)	<p>Means SED CO Capital Real Estate Income Fund 1, which is a private real estate fund managed by SED CO Capital.</p>
Property Value	<p>The property value is the average valuation which is prepared by two independent professional valuers, licensed by the Saudi Authority for Accredited Valuers.</p>
Saudi Riyal	<p>The official currency of the Kingdom of Saudi Arabia.</p>
Special Purpose Vehicle	<p>A limited liability company affiliated with the custodian to maintain the ownership of the fund's assets.</p>
Listing Date	<p>The date the fund units were listed in the market for trading.</p>
Closing Date	<p>The termination date of the offering period.</p>
Tadawul	<p>The Saudi Stock Exchange.</p>
Property Management Costs	<p>The costs of managing the property's lease and its contracts, tenant relations, rents collection, and supervising the operating manager, and is charged on the total income of the designated property and paid to the contracted property manager, and it is calculated as a fixed contractual percentage of the total lease proceeds, thus it is not a fixed amount but an estimated amount that changes with the change of the total rental value. And considering that the properties are divided between single-tenant properties and multi-tenant properties, the single-tenant properties are managed by the relevant tenant and a third party property manager is appointed in relation to the multi-tenant properties.</p>
Operating Management Costs	<p>The costs of managing the operation and maintenance of the property, it is charged to the total income of that particular property and is paid to a manager and / or contracted operating managers according to specialization for example, but not limited to maintenance of air conditioning and electricity, plumbing maintenance, maintenance of fire prevention, security services, cleaning, and maintenance of elevators, and part of it is contracted with fixed annual amounts and a part that changes according to consumption such as, spare parts and consumables, thus it is an estimated amount that changes according to the operational</p>

	<p>needs of the property and is estimated as a percentage of the total annual rent value of the property for the purpose of estimating the net rental income. To avoid any doubt, these costs are charged to the fund based on actual cost without any profit margins for the Fund Manager.</p>
<p>Services Costs</p>	<p>The costs of public services required to operate any particular property for example, and not limited to, electricity, water, and sewage expenses and / or any other costs and / or expenses imposed by the state, municipalities, or competent authorities such as, taxes, infrastructure services fees or fees for issuing operating licenses. To avoid any doubt, these costs are charged to the fund based on actual cost without any profit margins for the Fund Manager.</p>
<p>Shariah Guidelines</p>	<p>The Islamic Shariah guidelines of the fund approved by the Shariah Supervisory Board of SEDCO Capital, according to which the Fund determines the validity of the investments as mentioned in Appendix (B).</p>
<p>Average of two Independent Valuations</p>	<p>The total of the two valuations divided by their number, the first valuation plus the second valuation, divided by two.</p>
<p>Pledge</p>	<p>It is a pledge that entitles the creditors to keep the title deeds without any transfer to the property until the loan value is payed off.</p>

EXECUTIVE SUMMARY

SEDCO Capital REIT Fund is a closed-ended Shariah-compliant real estate investment traded fund. The Fund operates in accordance with the Real Estate Investment Funds Regulations issued by the CMA. Promptly following the Closing Date, the Fund shall be traded in accordance with the related rules and regulations. The term of the Fund is 99 years from the Listing Date, renewable at the discretion of the Fund Manager following CMA approval. The Fund will be established with an initial capital (the “Targeted Capital”) of up to SAR 600,000,000.

SEDCO Capital is a Saudi Arabian closed joint stock company licensed by the CMA as a “Capital market institution” under license number 11157-37 dated 23/04/1430H (corresponding to 19/4/2009). SEDCO Capital is headquartered in Jeddah, Saudi Arabia and offers wealth management, asset management, advisory, corporate finance and custody services to high net worth individuals, family offices and institutions. SEDCO Capital is a signatory to the United Nations Principles for Responsible Investment (UNPRI), which is a principle-based framework that aims to encourage the consideration of (ESG) environmental, social and governance related characteristics when investing and an investment risk analysis

Fund Summary

Fund Name and Type	SEDCO Capital REIT, a closed-ended Shariah-compliant real estate investment traded fund established under the laws and regulations of Saudi Arabia and regulated by the CMA.
Investment Objectives	Acquisition of structurally developed real estate to provide regular rental income and periodic distribution to unitholders of at least 90% of the fund's net profits during the fund's term within a period of 90 working days from the date of announcing the distributions. It is expected that the Fund Manager will announce the dividends, and the date of their distribution within 40 business days from the end of June and December of each calendar year, with the exception of the capital gains resulting from the sale of the real estate assets that are reinvested in a way that serves the interests of the unitholders.
Unit Price	SAR 10
Minimum Investment	SAR 500 Saudi riyals for 50 units.
Number of Units Offered to the Public	Between 18,000,000 units (eighteen million units) (representing 30% of the fund's size) to 60,000,000 units (sixty million units) (representing 100% of the fund's size).
Total Fund Capital After the Offering	SAR 600,000,000 (six hundred million Saudi riyals).
Maximum Subscription per Investor	SAR 100,000,000 (One hundred million Saudi riyals).
Fund Currency	Saudi Riyal.
Fund Manager and Co-Financial Advisor	SEDCO Capital, a Saudi Arabian closed joint stock company with commercial registration no. 4030194994, and it is a Capital market institution licensed by the CMA under license no. 11157-37.
Fund Term	The term of the Fund is 99 years from the Listing Date and can be renewed at the Fund Manager discretion after obtaining the CMA approval.
Risk Level	Medium. For more information see the risk disclosure of the Terms and Conditions.
Dividend Policy	The Fund Manager aims to distribute cash dividends to investors of not less than 90% of the fund's net profits within 90 days from the date of announcing the dividends. It is expected that the Fund Manager will announce the dividends and the date of their distribution within 40 business days from the end of June and December of each calendar year, with the exception of the capital gains resulting from the sale of real estate assets that are reinvested in a way that serves the interests of unitholders.
Target Distribution	The Fund Manager aims to distribute not less than 90% of the fund's net profit to unitholders annually according to the latest audited financials.

Shariah Compliance	The Fund investments will be in a manner that is compliant with the Shariah Guidelines in Schedule C.
Valuation Frequency	Once every six months at least, by two independent valuers licensed by the Saudi Authority for Accredited Valuers. The relevant valuations reflect the value of the fund's assets as of June 30 and December 31 of each calendar year.
Subscription Fees	The unitholders pay a subscription fee of 2.0% of the value of the subscription amounts, to be paid upon subscribing to units during the offering period.
Management Fees	1% of the total Net Asset Value per annum, paid to the Fund Manager in a semi-annual basis.
Performance Fees	If the fund distributed cash dividends exceeding 7% as net annual distributions, the fund pays the Fund Manager a performance fee of 20% of any amount in excess of 7%, which is paid annually. In addition to the amount due on the increase in the return, 10% of the value of the realized capital gains (including transaction costs, but not limited to brokerage fees, acquisition and sale fees) due upon selling the fund's assets.
Custody Fees	The Fund shall pay the Custodian a one-time set-up fee of SAR 30,000, payable on the Closing Date. Thereafter, the Custodian shall be paid an annual fee equal to 0.04% of the Net Asset Value, subject to a minimum of SAR 200,000, paid on a semi-annual basis.
Acquisition and Divestment Fees	The fund pays the Fund Manager a fee of 0.75% for the purchase or sale price of every real estate asset acquired or sold by the fund for its efforts in finding investment opportunities and completing the sale and purchase of the property of the fund. To avoid any doubt, these fees are due regardless of any realized increase in the fund's return and is not applicable on the initial investment portfolio.
Brokerage Fees	The fund pays the real estate broker a fee of up to 2.50% of the acquisition value of each investment, which is negotiated in accordance with market prices. To avoid any doubt, the Fund Manager or any related parties have the right to receive a percentage of the brokerage fee. These fees are not applicable on the initial investment portfolio.
Financing Arrangement Fees	The fund pays the Fund Manager a fee of 1.25% for every financing obtained for the fund or any special purpose company during the term of the fund (without any fees or profit margins), in return for his efforts in structuring and providing financing to the fund. These fees are payable upon completion of any financing deals. They cover arrangement fees owed to the lending bank, valuation fees, legal fees, and feasibility study fees related to financing.
Administrator Fees	The fund pays the administrator an annual fee of 0.05% annually of the fund's net asset value, to be paid semi-annually. These fees are due to the administrator for all administrative work, for example calculating the net asset value of the fund periodically and the activities relating to the operations of the fund on a daily basis, including the accounting and bookkeeping.
External Auditor Fees	The fund pays the Auditor an annual fees of SAR 85,000 Saudi riyals (eighty five thousand Saudi riyals), which may change from time to time according to the prevailing market prices and are disclosed according to the relevant requirements of the Capital Market Authority.

Property Management and Facility Management Fees	<p>It is negotiated according to the market prices and shall not exceed 7% of the total rental income of each property.</p>
Investment Structuring Fees	<p>If the fund carries out real estate development activities, the Fund Manager is entitled to a fee of 1.5% of the development value only and does not include the land value in every real estate development project in exchange for doing several things, including, but not limited to, arranging the deal, finding the right property, the appropriate tenant and overseeing the development process. To avoid any doubt, these fees do not apply to structurally developed properties.</p>
Developer Fees	<p>If the fund carries out real estate development activities, the developer is entitled to fees that are negotiated in accordance with the market prices without any minimum or maximum limit. To avoid any doubt, these fees do not apply to the structural developed properties. In the event that the fund carries out real estate development activities, the developer fees will be disclosed to the unitholders.</p>
Fund Board Fees	<p>The fund pays to the independent fund board members an amount of SAR 30,000 (thirty thousand Saudi riyals) annually for each member, and the fund's board fees will not exceed SAR 60,000 (sixty thousand Saudi riyals) annually, and to avoid any doubt, the fund will not pay any fees to non-independent members.</p>
Regulatory Fees	<p>The fund pays regulatory fees of SAR 7,500 (seven thousand five hundred Saudi riyals) annually, which are calculated cumulatively on each calendar day and paid on an annual basis.</p>
Publishing Fees	<p>The fund pays a fee of SAR 5,000 (five thousand Saudi riyals) annually, which is calculated cumulatively each calendar day and paid upon claim.</p>
Shariah Supervisory Fees	<p>The fund pays the Shariah advisors SAR 30,000 (thirty thousand Saudi riyals) annually, as agreed upon between the Fund Manager and the fund Shariah advisor. The mentioned fees are paid in equal instalments quarterly, and the fees are paid to the Shariah advisor, who is responsible for paying the amounts to the Shariah Supervisory Board and any other party in relation to any matters related to the Shariah.</p>
Depository Centre Fees (Unitholders Register fees)	<p>SAR 50,000 (fifty thousand Saudi riyals) in addition to SAR 2 (two Saudi riyals) for each unit holder, with a maximum of SAR 500,000 (five hundred thousand Saudi riyals) to be paid to the Saudi Stock Exchange (Tadawul) in exchange for establishing a register of Unitholders. SAR 400,000 (four hundred thousand Saudi riyals) annually in exchange for managing a register of unitholders, and it may change based on the value of the fund's total capital. The aforementioned fees are subject to modification as determined by the Saudi Stock Exchange (Tadawul).</p>
Listing Fees	<p>The following listing fees are to be paid from the fund: Initial Listing Fees: SAR 50,000 (Fifty Thousand Saudi Riyals) Initial Listing Fees; Listing fees: 0.03% of the market value of the fund, with a minimum of SAR 50,000 (fifty thousand Saudi</p>

<p>Other expenses</p>	<p>riyals), and a maximum of SAR 300,000 (three hundred thousand Saudi riyals). The mentioned fees are subject to modification as determined by Saudi Stock Exchange (Tadawul).</p> <p>There may be impacts on the fund, directly or indirectly fees including, but not limited to operating costs, service costs, insurance fees for the properties acquired by the fund, lawyers' fees, and zakat (if applied to real estate investment traded funds, and this does not include zakat for Unitholders. Municipal fees, government fees, evaluation fees, engineering consultant fees, surveyors' fees, architects and interior designers' fees. In all cases, only the actual fees and expenses related to the fund and its projects will be deducted after obtaining the approval of the fund's board of directors. It is expected that such expenses will not exceed 1% of the total assets value of the fund annually, according to the latest audited financial statements.</p>
<p>Zakat and tax</p>	<p>The Fund Manager will not calculate or pay zakat or tax as it is the responsibility of the unitholders.</p>
<p>Voting rights</p>	<p>Unitholders have the right to vote in the unitholder's meetings in accordance with any fundamental change to the Fund, which includes:</p> <ul style="list-style-type: none"> A significant change in the objectives or nature of the fund. A change that may have a negative and material impact on unit holders or their rights in relation to the fund. A change that has an impact on the risk of the fund. An increase in the total capital of the fund after the offering. the voluntary withdrawal of a Fund Manager from its position as the fund manager. <p>It usually causes unitholders to reconsider of their subscriptions in the closed-ended fund.</p> <ul style="list-style-type: none"> A change which results in any increased payments out of the assets of the closed-ended fund to a fund manager or any member of the fund board or an affiliate of either. A change which introduces any new type of payment out of the assets of the closed-ended fund. A change that materially increases other types of payment out of the assets of the closed-ended fund. Change in the maturity date or termination of the closed-ended Fund. Increase the total value of the ether fund assets by accepting cash or in-kind contributions, or both. any other cases determined by the Authority from time to time and reported to the Fund Manager.
<p>Restrictions on Transfer</p>	<p>The units in the fund are traded in the same way as the units of the real estate investment funds traded in the Saudi Stock Exchange (Tadawul). Unitholders may buy and sell units during daily trading hours through licensed financial brokers.</p>
<p>Risk Factors</p>	<p>There are certain risks related to an investment in the Fund. These risks are described in the Terms and Conditions and must be considered carefully by prospective investors prior to making an investment decision in relation to the offer Units.</p>

Governing Law

The Fund shall be governed by the laws of Saudi Arabia and the regulations implemented by the CMA.

Chapter 1- Overview of the Initial Investment Portfolio of the Fund

The fund's initial investment portfolio consists of seven real estate assets in different sectors in Saudi Arabia, as shown in the table below, and in more detail in the paragraph as indicated in Clause (1) Chapter Two "A description of the types of real estate assets in which the fund will invest". Note that the fund may acquire additional real estate in the future in line with the fund's investment strategies described below.

Property Name	Purpose	City
(1) Burj Al Hayat for Hotel Apartments	Hospitality	Riyadh
(2) Hyper Panda, Jeddah	Commercial	Jeddah
(3) Hyper Panda, Riyadh	Commercial	Riyadh
(4) Public Prosecution Building	Building\ Office	Jeddah
(5) Al-Jazeera Commercial Residential Compound	Residential Compound	Riyadh
(6) Al-Rawdah Business Center	Office\Commercial	Jeddah
(7) Al-Khalidiya Business Center	Office\Commercial	Jeddah

The fund acquired the initial investment portfolio from a private placement real estate investment fund that was managed by the Fund Manager, which is SEDCO Capital Real Estate Income Fund 1 ("SEDCO Private Fund 1"), a private real estate income generating fund. Offered as a private placement and the offering period was closed in December 2013. The fund raised SAR 330,600,000 subscription amounts from investors. The Fund Manager owns units in SEDCO Private Fund 1 representing 1.36%.

SEDCO Private Fund 1 acquired eight structurally developed real estate income generating assets in different sectors. The fund acquired seven properties from SEDCO Private Fund 1, as shown in the above table. For this purpose, the Fund Manager, on behalf of the fund (the buyer), entered into a binding and separate sale and purchase agreement for each property with the seller (SEDCO Private Fund 1). In this regard, the Fund Manager obtained the approval of all unitholders in SEDCO Private Fund 1 to sell the fund's initial investment portfolio.

The Fund Manager acquired additional properties ("additional assets") after completing the initial offering and acquiring the initial portfolio from SEDCO Capital Private Fund 1. Additional assets include the properties described below:

Property Name	Use	City
(8) Banque Saudi Fransi	Commercial	Dammam
(9) Hyper Panda -	Commercial	Dammam
(10) Al Hokair Time	Commercial	Dammam
(11) Ajdan Walk	Office /Commercial	Dammam

The Clause includes (A Description of the Types of Real Estate Assets in which the fund will invest in) includes a detailed description of the properties of the initial investment portfolio and additional assets obtained from the official title deeds approved by the notary public and other documents related to the properties. According to these documents, it is indicated that the custodian of the initial investment portfolio in SEDCO Private Fund 1 (which is SEDCO Capital) is the legal owner of the real estate assets. Currently, the initial portfolio title deeds are pledged for Riyadh Bank as specified in the Clause "Ownership Structure" on behalf of an in the interest of SEDCO Private Fund 1. The Fund's legal advisor has conducted the legal due diligence regarding each property of the initial investment portfolio. The legal advisor of the Fund Manager presented a report that the Fund Manager relied on for the purposes of making his decision to acquire the related properties.

The assets constituting the initial investment portfolio were evaluated based on two independent valuers licenced by the Saudi Authority for Accredited Valuers obtained by the Fund Manager. The following information for the properties of the initial investment portfolio as at the date of preparing this Terms and Conditions, which are subject to changes, especially those related to multi-tenant properties, as a result of the renewal and / or replacement of tenants.

This information should be read with reference to the definitions list provided in this document.

Target rental returns from the real estate assets of the initial portfolio for 2017:

Property Amounts in Saudi Riyals	Total purchase value of the property	Total Annual Rent	Rental Income	Total expenses for the property and the fund	Annual Net Rent	Targeted Net Return %
(1) Burj Hayat for hotel apartments	41,260,000	3,200,000	7.76%	(537,173)	2,662,827	6.45%
(2) Hyper Panda Jeddah	39,300,000	2,709,668	6.89%	(511,656)	2,198,012	5.59%
(3) Hyper Panda Riyadh	78,765,000	5,545,400	7.04%	(1,025,460)	4,519,940	5.74%
(4) Public Prosecution Building	63,015,000	5,500,000	8.73%	(1,460,407)	4,039,593	6.41%
(5) Al Jazeera Residential Compound	67,465,000	7,758,750	11.50%	(3,358,342)	4,400,408	6.52%
(6) Al-Rawda Business Center	126,495,000	10,754,292	8.50%	(3,146,868)	7,607,424	6.01%

(7) Khalidiya Business Center	148,645,000	12,335,611	8.30%	(3,835,244)	8,500,367	5.72%
Total	564,945,000	47,803,721	8.46%	(13,875,149)	33,928,572	6.01%

Target rental returns from the real estate assets of the initial portfolio for 2018:

Property Amounts in Saudi Riyals	The total purchase value of the property	Total Annual Rent	Rental Income	Total expenses for the property and the fund	Annual Net Rent	Targeted Net Return %
(1) Burj Al Hayat for Hotel Apartments	41,260,000	3,400,000	8.24%	(537,173)	2,862,827	6.94%
(2) Hyper Panda, Jeddah	39,300,000	2,845,151	7.24%	(511,656)	2,333,495	5.94%
(3) Hyper Panda, Riyadh	78,765,000	5,822,670	7.39%	(1,025,460)	4,797,210	6.09%
(4) Public Prosecution Building	63,015,000	5,500,000	8.73%	(1,460,407)	4,039,593	6.41%
(5) Al-Jazeera Residential Compound	67,465,000	8,000,000	11.86%	(3,358,342)	4,641,658	6.88%
(6) Al-Rawdah business Center	126,495,000	10,500,000	8.30%	(3,146,868)	7,353,132	5.81%
(7) Al-Khalidiya Business Center	148,645,000	12,250,000	8.24%	(3,835,244)	8,414,756	5.66%
Total	564,945,000	48,317,821	8.55%	(13,875,149)	34,442,672	6.10%

* The figures for the year 2017 are based on the current agreements, whereas 2018 figures are what the Fund Manager targets. The figures mentioned in the above table are subject to change as they are subject to market prices when renewing the lease contracts, as the Fund Manager seeks to renew contracts and marketing the vacant spaces on an ongoing basis. Chapter Two "A Description of the Types of Real Estate Assets in which the fund will invest" includes detailed information about each real estate in the initial investment portfolio.

** There are no real estate expenses for single-tenant properties, which are Burj Al Hayat for Hotel Apartments, Hyper Panda Jeddah and Hyper Panda Riyadh, whereas the tenant of these assets will bear all expenses as per the contractual lease agreement terms.

As for the property, the Public Prosecution building is a single rented property that is leased to a government agency and is therefore subject to the relevant law, where the owner (the fund) bears some of the property's expenses.

As for the expenses of the following properties, which are Al-Jazeera Residential Compound, Al-Rawdah Business Center and Al-Khalidiyah Business Center, they are higher than other real estate assets expenses as they are multi-tenant properties and the owner (the fund) bears the costs of the property management, operating costs and service costs.

Chapter 2 - TERMS AND CONDITIONS

Introduction

This document set out the Terms and Conditions of SEDCO Capital REIT, a closed-ended Shariah-compliant real estate investment traded fund. The Fund is managed by SEDCO Capital, a Capital market institution licensed by the CMA under license number 11157-37. These Terms and Conditions represent the contractual relationship between the Fund Manager and Unitholders to which the Fund is established.

After obtaining the approval of the CMA, the fund is launched and the ownership of the initial investment portfolio is transferred to the fund, and the fund is listed on the Saudi Stock Exchange (Tadawul) after obtaining the approval of the CMA and completing the other procedures outlined in these Terms and Conditions.

Terms & Conditions

a) Name and Type of Fund

The name of the fund is "SEDCO Capital REIT Fund", which is a closed-ended real estate investment fund established in the Kingdom under the Real Estate Investment Funds Regulations issued by the Capital Market Authority

b) Address of the Head Office of the Fund Manager

Address:	SEDCO Capital 2nd Floor Red Sea Mall Between Gates 7& 8 King Abdulaziz Road P.O. Box 13396 Jeddah, 21493 Kingdom of Saudi Arabia
Telephone:	+966 12 690 6555
Fax:	+966 12 690 6599
Website:	www.sedcocapital.com

c) Fund Term

The Fund Term is 99 (ninety nine) years as the date on which the Units are listed on the Tadawul (the "Listing Date") and become available for trading. The Fund Term is renewable at the discretion of the Fund Manager and the approval of the CMA.

d) Fund Objective

e) Description of the fund's purpose and investment objectives

Acquire developed and income-generating properties, and distribute a periodic income to unitholders with at least

90% of the fund's net profit during the fund's duration within 90 working days of the announcement date of distributions, and the Fund Manager is expected to announce the profits, maturity date and distribution date within 40 working days from the end of June and December of each calendar year, this excludes capital gains resulting from the sale of real estate assets that are reinvested in additional assets in the interests of unitholders.

The investment objective of the fund is to provide income to investors through investments in income-generating real estate assets located in the Kingdom of Saudi Arabia and abroad, with a main focus on those located inside Saudi Arabia.

Although the fund will invest primarily in structurally developed and periodically income generating assets, it may also invest in real estate development projects by no more than 25% of the fund's total assets value, according to the latest audited financial statements, whether the assets are owned by the fund or not, or in the renovation or redevelopment of real properties, provided that (a) the fund's investments are not less than 75% of the total value of the fund's assets in structurally developed real estate assets that can generate rental and periodic income, according to the latest audited financial statements; And (b) the fund should not invest in vacant lands.

The fund aims to invest in real estate income generating assets mainly in the Kingdom of Saudi Arabia, the fund may invest in real estate assets outside the Kingdom of Saudi Arabia, provided that there is at least 75% of the total value of the fund's assets inside the Kingdom of Saudi Arabia, according to the latest audited financial statements. The Fund Manager aims to distribute semi-annual cash dividends to investors at least 90% of the fund's net profits within 90 working days from the date of announcing the dividends. It is expected that the Fund Manager will announce the profits, and the date of distribution within 40 business days after the end of June and December of each calendar year, with the exception of the capital gains resulting from the sale of real estate assets, which are reinvested in additional assets. In the event that no suitable investment opportunities are available within one year from the date of selling the assets, the capital gains resulting from the sale of the real estate assets shall be distributed to the unitholders. The Fund Manager has the right to make other distributions as appropriate if that is in the interest of the unitholders.

f) Summary of the Fund Strategies

The Fund intends to achieve its objectives and increase the value of investors capital by: (A) Investing in structurally developed real estate properties that generate periodical rental income; (B) Reinvesting the net annual retained income (10% of total annual income) and capital gains resulting from the sale of real estate assets in structurally developed real estate assets that generate rental and periodic income, after distributing at least (90%) of the annual net profit to the unit holders (C) Investing in low-performing but promising real estate as viewed by the Fund Manager, considering their locations or structural and design characteristics, with the aim of increasing their operational efficiency and raising their return by modifying one or some of the characteristics such as design, leasing strategies related to the mix of tenants and the rental price and indications for use; (D) Investing no more than (25%) of the total value of the fund's assets, according to the latest audited financial statements in real estate development projects, whether they are owned by the fund or not, or in their renewal and redevelopment.

1. Description of the Types of Assets the Fund will Invest In

Types of investment in which the Fund invests and the minimum and highest investment ratio:

Investment Type	Minimum	Maximum
- Developed and income-generating properties to achieve periodic income in Saudi Arabia	75%	100%
- Real estate development activities, renovation or redevelopment		
- Properties outside Saudi Arabia		
- Utility Contract		
- Cash		
- Temporary investments with any local bank subject to SAMA, public funds licensed by the CMA and managed by the Fund Manager or any other investment fund manager, and the rating for each Murabaha related party and the issuer with which the Fund deals shall not be less than A-3 from S&P, P-3 from Moody's, or F3 from Fitch.	0%	25%

General description of the real estate assets acquired by the Fund Manager includes the initial portfolio and additional assets:

SEDCO Capital REIT Fund consists of an investment portfolio distributed between Jeddah, Riyadh and the Eastern Region, which covers different real estate sectors. Below are the details of the current real estate acquired by the fund:

Property Name	Purpose	City
The Initial Portfolio		
(1) Burj Al Hayat for Hotel Apartments	Hospitality	Riyadh
(2) Hyper Panda, Jeddah	Commercial	Jeddah
(3) Hyper Panda, Riyadh	Commercial	Riyadh
(4) Public Prosecution Building	Building /Office	Jeddah
(5) Al-Jazeera Commercial Residential Compound	Residential	Riyadh

(6) Al-Rawdah Business Center	Office\Commercial	Jeddah
(7) Al-Khalidiya Business Center	Office\Commercial	Jeddah
Additional assets		
(8) Banque Saudi Fransi	Commercial	Dammam
(9) Hyper Panda	Commercial	Dammam
(10) Al Hokair Time	Commercial	Dammam
(11) Ajdan Walk	Office/ Commercial	Dammam

Detailed statement of the real estate assets managed by the fund Manager:

The Initial Portfolio

The initial portfolio consists of the assets shown below, whose lease contracts are summarized in the same tables.

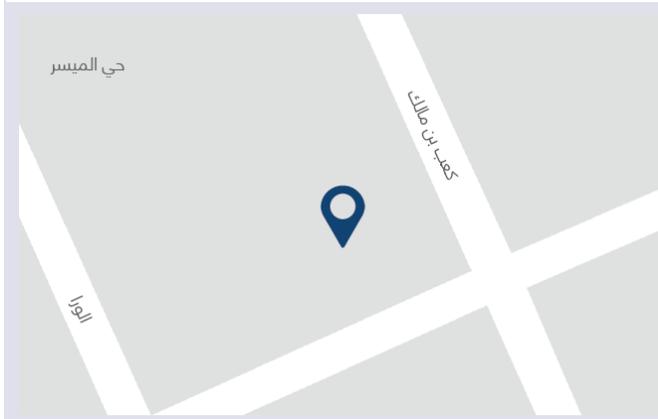
According to the information upon offering, noting that some information has changed after the offering period, for example, but not limited to (some information about the property such as the age of the property and some details of the lease contracts such as the most important tenants and the total rent value), According to the Fund Manager's assessment, there is no condition in the agreements or information about the real estate assets that may prevent a potential investor from investing in the fund, which has not been mentioned in these Terms and Conditions, and the following is a description of each property in the initial portfolio that was obtained from the title deeds that are approved by the notary public and other documents related to each property. According to these documents:

Property Details (1)	
Owner's name	Sedco Private Fund 1
Name of the property	Burj Al Hayat for Hotel Apartments
Type	Hospitality
Country/City	Kingdom of Saudi Arabia, Riyadh
Neighborhood/street	Kaab bin Malik Street, Al-Ma'a, Riyadh
Land area	1,494.75 square meters
Built-up area	6,574 sqm
Number of floors	7 floors
Type and Number of units	48 hotel apartments

Occupancy rate	100%	
Construction Completion	2000	
Age of the property	17 years	
Number of lease agreements	1 (single-tenant property)	
Purchase price	SAR 41,260,000 which is equal to the average of two independent valuations prepared by independent valuers certified by the Saudi Authority for Accredited Valuers	
Lease Contract Details		
Tenant's name	Dar Al-Masarat Arabia Co., Ltd.	
Use	Commercial	
Contract commencement	10/12/2014	
Contract term	10 years	
Rent Escalation	An increase of 6.25% with an annual rent of SAR 3,400,000 starting from 10/12/2017 and then an increase of 5.88% to SAR 3,600,000 starting from 10/12/2020	
Contract expiry date	09/12/2024	
The remaining period for the contract expiry	6 years and 11 months starting from 01/01/2018	
Total contract value	SAR 34,200,000	
Total annual rent	SAR 3,200,000	
Property management, operating management and service costs	The Fund does not bear any of these costs as the tenant bears the cost under the lease agreement.	
Net annual rent	SAR 3,200,000	
Annual return *	7.76% of purchase price	
Occupancy rate	100%	
Annual rent for the previous three years	Year	Rent value
	2016	SAR 3,200,000
	2015	SAR 3,200,000
	2014	This information is not available as the property was not owned by the fund in 2014.

Rental payment	One annual payment in advance
Tenant's guarantees	Promissory notes equal to the rental value of each remaining year which is seven (7) promissory notes Upon the contract execution, 9 promissory notes were issued for each rental year after the first year. Each promissory note is delivered to the tenant as soon as the annual rent is paid
Contract cancellation	The tenant has no right to cancel the contract and the lessor has the right to cancel the contract in the following cases: <ol style="list-style-type: none"> 1. If the tenant does not pay the rent on time 2. If the tenant violates his contractual obligations 3. If the tenant declares bankruptcy

Property Location



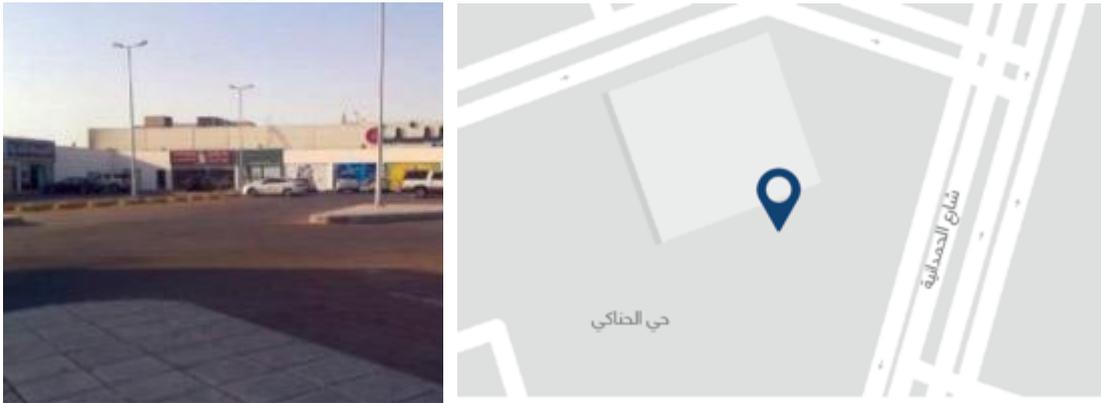
The Fund Manager acknowledges that, up to the date of these Terms and Conditions and to the best of his knowledge, there is no direct/indirect conflict of interests between:

1. Fund Manager.
2. Manager/managers of the real properties associated with the Fund
3. Owner/owners of the real properties associated with the Fund; (the Fund Manager is an investor in SEDCO Private Fund 1)
4. Lessee/lessees of real Assets whose returns account for 10% or more of the Fund's annual rental returns.

Property Details (2)

Owner's Name	Sedco Private Fund 1
Name of the property	Hyper Panda Jeddah - Al-Hanaki District
Type	Commercial

Country/City	Kingdom of Saudi Arabia- Jeddah
Location	Al-Hmadaniyah street Al-Hmadaniyah District, Jeddah
Land area	13,685 Sqm
Built-up area	5,858 Sqm
Number of floors	One floor
Type and Number of units	Hyper market and commercial centre
Occupancy rate	%100
Construction Completion	2013
Property age	4 years
Number of lease agreements	1 (single-tenant property)
Purchase price	SAR 39,300,000, which is equal to the average of two independent valuations prepared by independent valuers certified by the Saudi Authority for Accredited Valuers
Lease Contract Details	
Tenant's name	Azizia Panda United Company
Use	Hypermarket and commercial centre
Contract commencement	09/01/2013
Contract term	15 years
Rent Escalation	An increase of 5.00% for the annual rent to become SAR 2,845,151, starting from 01/09/2018, then an increase of 5.00%, for the annual rent to become SAR 2,988,845, starting from 01/09/2023
Contract expiry date	08/01/2028
Remaining period for the expiry of the contract	10 years and two months starting from 01/01/2018
Total contract value	SAR 42 ,492,514
Total annual rent	SAR 2 ,709,668
Property management costs, operating costs and service costs	The fund does not bear any of these costs as the tenant bears the cost under the lease agreement

Net annual rent	SAR 2,709,668	
Annual return *	6.89% of the purchase price	
Occupancy rate	100%	
Annual rent for the previous three years	Year	Rent value
	2016	SAR 2,709,668
	2015	SAR 2,709,668
	2014	SAR 2,709,668
Rental payment	Four quarterly payments to be paid in advance	
Tenant's guarantees	NA	
Contract cancellation	<p>The tenant has no right to cancel the contract and the lessor has the right to cancel the contract in the following cases:</p> <ol style="list-style-type: none"> 1. If the tenant does not pay the rent on time 2. If the tenant violates his contractual obligations 3. If the tenant declares bankruptcy 	
Property Location		
		

The Fund Manager acknowledges that, up to the date of these Terms and Conditions and to the best of his knowledge, there is no direct/indirect conflict of interests between:

1. Fund Manager.
2. Manager/managers of the real properties associated with the Fund
3. Owner/owners of the real properties associated with the Fund; (the Fund Manager is an investor in SEDCO Private Fund 1)
4. Lessee/lessees of real Assets whose returns account for 10% or more of the Fund's annual rental returns.

Property Details (3)

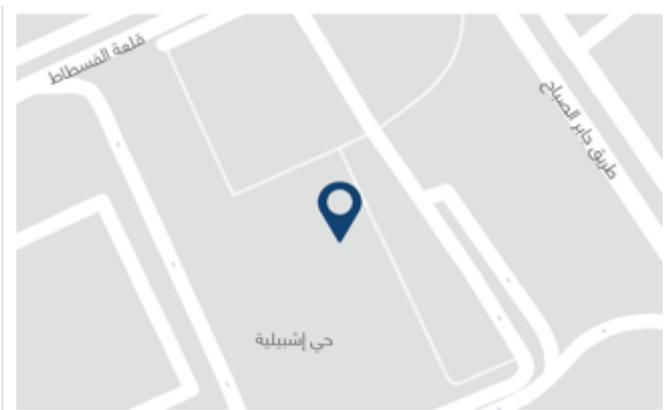
Owner name	SEDCO Private Fund 1
Name of the property	Hyper Panda Riyadh - Eshbilyah District
Type	Commercial building
Country/City	Kingdom of Saudi Arabia- Riyadh
Location	Sheikh Jaber Al Sabah Road, Eshbilyah District, Riyadh
Land area	23,604 sqm
Built-up area	10,784 sqm
Number of floors	One floor
Type and Number of units	Hyper market and commercial center
Occupancy rate	%100
Construction Completion	2013
Property age	4 years
Number of lease agreements	1 (single-tenant property)
Purchase price	SAR 78,765,000, which is equal to the average of two independent valuations prepared by independent valutors certified by the Saudi Authority for accredited Valuers

Lease Contract Details

Tenant's name	Azizia Panda United Co.
Use	Hyper market and commercial centre
Contract commencement	25/05/2013
Contract term	15 years
Rent Escalation	An increase of 5.00% for the annual rent to become SAR 5,822,670 starting from 25/05/2018 and then an increase of 5.00% to the annual rent to become SAR 6,116,250 starting from 25/05/2023.
Contract expiry date	04/05/2028

Remaining period for the expiry of the contract	10 years and six months starting from 01/01/2018								
Total contract value	SAR 86,959,483								
Total annual rent	SAR 5,545,400								
Property management costs, operating costs and service costs	The fund does not bear any of these costs as the tenant bears the cost under the lease agreement.								
Net annual rent	SAR 5,545,400								
Annual return*	7.04% of purchase value								
Occupancy rate	100%								
Annual rent for the previous three years	<table border="1"> <thead> <tr> <th>Year</th> <th>Rent Value</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>SAR 5,545,400</td> </tr> <tr> <td>2015</td> <td>SAR 5,545,400</td> </tr> <tr> <td>2014</td> <td>SAR 5,545,400</td> </tr> </tbody> </table>	Year	Rent Value	2016	SAR 5,545,400	2015	SAR 5,545,400	2014	SAR 5,545,400
Year	Rent Value								
2016	SAR 5,545,400								
2015	SAR 5,545,400								
2014	SAR 5,545,400								
Rental payment	Four quarterly payments to be paid in advance								
Tenant's guarantees	NA								
Contract cancellation	<p>The tenant has no right to cancel the contract and the lessor has the right to cancel the contract in the following cases:</p> <ol style="list-style-type: none"> 1. If the tenant does not pay the rent on time 2. If the tenant violates his contractual obligations 3. If the tenant declares bankruptcy 								

Property Location

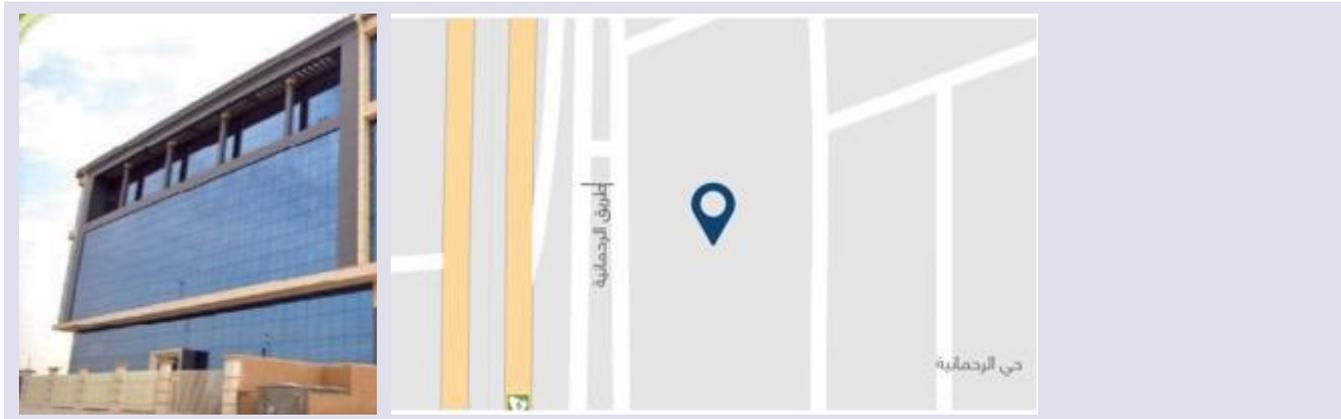


The Fund Manager acknowledges that, up to the date of these Terms and Conditions and to the best of his knowledge, there is no direct/indirect conflict of interests between:

1. Fund Manager.
2. Manager/managers of the real properties associated with the Fund
3. Owner/owners of the real properties associated with the Fund; (the Fund Manager is an investor in SEDCO Private Fund 1)
4. Lessee/lessees of real Assets whose returns account for 10% or more of the Fund's annual rental returns.

Property Details (4)	
Owner's name	SEDCO Private Fund 1
Name of the property	Public Prosecution Building - Jeddah
Type	Office Building
Country/City	Kingdom of Saudi Arabia- Jeddah
Location	Al-Rahmaniyah Road, Al-Rayyan District, Jeddah
Land area	4,767,25 sqm
Built-up area	14,574,81 sqm
Number of floors	7 floors
Occupancy rate	%100
Type and Number of units	Public Prosecution Offices
Construction Completion	2013
Age of the property	4 years
Number of lease agreements	1 (single-tenant property)***
Purchase price	SAR 63,015,000 which is equal to the average of two independent valuations prepared by independent valuers certified by the Saudi Authority for Accredited Valuers.
Lease Contract Details	
Tenant's name	The Bureau of Investigation and Public Prosecution (Public Prosecution)
Use	Public Prosecution Buliding
Contract commencement	01/05/2016 24/07/1437 H

Contract term	3 years	
Rent escalation	NA	
Contract expiry date	23/07/1440 H 30/03/2019	
Remaining period for the expiry of the contract	One year and three months starting from 1/01/2018	
Total contract value	SAR 16,500,000	
Total annual rent	SAR 5,500,000	
Property management costs, operating costs and service costs	SAR 640,000 Approximately	
Net annual rent	SAR4,860, 000	
Annual return *	7.71% of the purchase price	
Occupancy rate	100%	
Annual rent for the previous three years	Year	Rent Value
	2016	SAR 5,500,000
	2015	SAR 5,500,000
	2014	SAR 5,500,000
Rental payment	One annual payment in advance	
Tenant's guarantees	NA**	
Contract cancellation	The contract is automatically renewed for a similar period after the end of its term according to the related law and its implemented regulations of the real estate rental system, unless one of the parties inform the other via official letter prior to 180 days of contract expiration his willingness to not renew the contract, or via obtaining owner acknowledgment in regards of tenants and willingness to renew the contract.	
Property Location		



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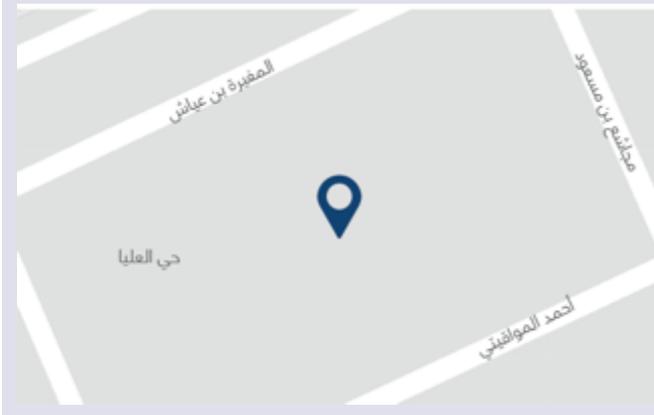
Property Details(5)

Owner's name	Sedco Private Fund 1
Name of the property	Al-Jazeera Residential Compound
Type	Residential Compound
Country/City	Kingdom of Saudi Arabia-Riyadh
Location	Mushaja Bin Saud Street, Sulaymaniyah District, Riyadh
Land area	20, 758 sqm
Built-up area	10,730 sqm
Number of floors	2 floors
Type and Number of units	52 housing units, 26 villas, and 26 apartments in addition to a restaurant, gym and women's salon
Occupancy rate	%94.1
Construction Completion	1990

Age of the property	27 years	
Number of lease agreements	52 lease contracts	
Purchase price	SAR 67,465,000 which is equal to the average of two independent valuations prepared by independent valuers certified by the Saudi Authority for Accredited Valuers.	
Lease Contract Details		
Tenant's name	Al-Toq Group, Carillion Saudi Arabia, Genetech Saudi Arabia, Siemens Saudi Arabia, and other people	
Use	Residential Compound	
Number and term of lease contracts	Contract term	Contracts number
	Lease contracts with a remaining period of more than five years	--
	Lease contracts with a remaining period between one and 4 years	--
	Lease contracts with a remaining period less than one year	52 lease contracts
The average remaining period for the expiry of the contract	6 months from 1/01/2018	
Total annual rent	SAR 7,758,750	
Property management costs, operating costs and service costs	SAR 2,480,000	
Net annual rent	SAR 5,278,751	
Annual return*	7.82% of the purchase value	
Occupancy rate	94.1%	
Annual rent for the previous three years	Year	Rent value
	2016	SAR 8,248,750
	2015	SAR 8,004, 500
	2014	SAR 8,189,500

Rental payment	One annual payment in advance or two semi-annual payments in advance or four quarterly payments paid in advance, according to the agreed terms with each tenant
Tenant's guarantees	NA**
Contract cancellation	The tenant has no right to cancel the contract, and the lessor has the right to cancel the contract if the tenant violates the terms of the contract

Property Location



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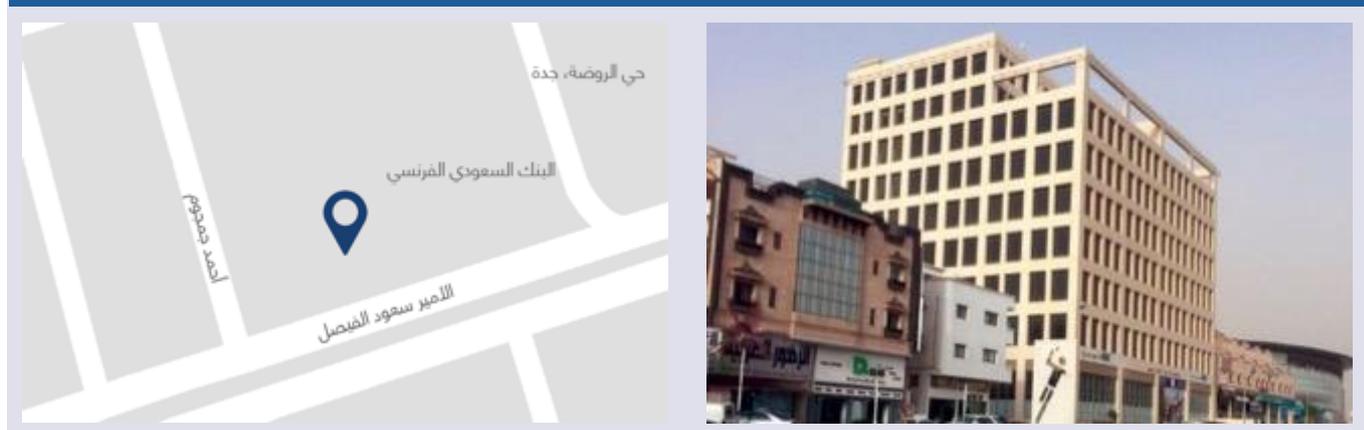
Property Details (6)

Owner's name	SEDCO Private Fund 1
Name of the property	Al-Rawdah Business Center
Type	Commercial Units / Offices
Country/City	Kingdom of Saudi Arabia-Jeddah
Location	Prince Saud Al-Faisal Street (formerly Al-Rawdah Street), Al-Rawdah District, Jeddah
Land area	2,462 sqm

Built-up area	13,335 sqm						
Number of floors	10 floors						
Type and Number of units	4 commercial centres, 20 offices and two offices, consisting of two floors.						
Occupancy rate	%93.23						
Construction Completion	2014						
Age of the property	3 years						
Number of lease agreements	16 lease contracts						
Purchase price	SAR 126,495,000, which is equal to the average of two independent valuations prepared by independent valuers certified by the Saudi Authority for Accredited Valuers.						
Lease Contracts Details							
Tenant's name	Ghassan Ahmed Al-Sulaiman Furniture Trading Company, Rubaiyat Advanced Furniture and Decoration Company (Rubaiyat), Al-Jouf Cement Company, Details International Trading Company Ltd. (Lomar), Banoub Decor Corporation.						
Use	Commercial units and administrative offices						
Number and term of lease contracts	<table border="1"> <thead> <tr> <th>Contracts duration</th> <th>Contracts number</th> </tr> </thead> <tbody> <tr> <td>Lease contracts with a remaining period of between one and four years</td> <td>10 lease contracts</td> </tr> <tr> <td>Lease contracts remaining on expiry of less than a year</td> <td>6 lease contracts</td> </tr> </tbody> </table>	Contracts duration	Contracts number	Lease contracts with a remaining period of between one and four years	10 lease contracts	Lease contracts remaining on expiry of less than a year	6 lease contracts
	Contracts duration	Contracts number					
Lease contracts with a remaining period of between one and four years	10 lease contracts						
Lease contracts remaining on expiry of less than a year	6 lease contracts						
The average remaining period for the expiry of the contract	One year and two months starting from 01/01/2018						
Total annual rent	SAR 10,754,292						
Property management costs, operating costs and service costs	SAR1 ,500,000 approximately						
Net annual rent	SAR 9,254,292						

Annual return	7.3% of the purchase price	
Occupancy rate	93.23%	
Annual rent for the previous three years	Year	Rent value
	2016	SAR 10,735,441
	2015	SAR 11,165,296
	2014	SAR 10,286,098
Rental payment	One annual payment in advance or two semi-annual payments in advance, according to the agreed terms with each tenant	
Tenant's guarantees	NA	
Contract cancellation	The terms of cancellation vary from one contract to another, but they often do not allow the tenant to cancel the contract, while the lessor has the right to cancel the contract if the tenant violates the terms of the contract	

Property Location



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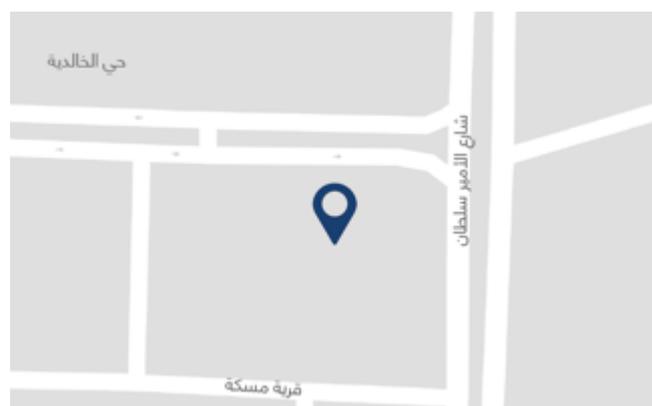
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Property Details (7)

Owner's name	SEDCO Private Fund 1	
Name of the property	Al-Khaldiya business center	
Type	Commercial\ Administrative	
Country/City	Kingdom of Saudi Arabia-Jeddah	
Location	Prince Sultan street, AL-khaldiya District, Jeddah	
Land area	7,903 sqm	
Built-up area	19,671,29 sqm	
Number of floors	5 floors	
Type and Number of units	10 commercial units and 54 offices	
Occupancy rate	%86.6	
Construction Completion	2008	
Age of the property	9 years	
Number of lease agreements	20 lease contracts	
Purchase price	SAR 148,645,000 which is equal to the average of two independent valuations prepared by two independent valutors certified by the Saudi Authority for Accredited Valuers.	
Lease Contracts Details		
Tenant's name	The Saudi British Bank (SABB Bank), Mobily Company, Arabia Entertainment Company Ltd., Saudi Credit House Company for Instalment Sale, Al-Ahly Takaful Company	
Use	Retail units, restaurants, and administrative offices	
Number and term of lease contracts	Contracts duration	Contracts number
	Lease contracts with a remaining period of more than five years	6 lease contracts
	Lease contracts with a remaining period between one and four years	12 lease contracts
	Lease contracts remaining on expiry of less than a year	2 lease contracts

The average remaining period for the expiry of the contract	Two years and nine months starting from 01/01/2018	
Total annual rent	SAR 12.335.611	
Property management costs, operating costs and service costs	SAR 1.900.000 approximately	
Net annual rent	SAR 10,435,611	
Annual return	7.02% of the purchase price	
Occupancy rate	86.6%	
Annual rent for the previous three years	Year	Rent value
	2016	SAR 12,190,104
	2015	SAR 12,419,282
	2014	SAR 11,465,022
Rental payment	One annual payment in advance or two semi-annual payments in advance, according to the agreed terms with each tenant	
Tenant's guarantees	NA	
Contract cancellation	The terms of cancellation vary from one contract to another, but they often do not allow the tenant to cancel the contract, while the lessor has the right to cancel the contract if the tenant violates the terms of the contract	

Property Location



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* The annual rate of return after deducting the management fees and before deducting the fund expenses

** emphasis on the rent collection to be in advance and without delays

*** The Public Prosecution building lease contract is subject to the related law and its implemented regulations of the real estate rental system rental system, where the lessor bears some of the property's expenses

**** Part of the fund's strategy is to make improvements to the Public Prosecution building and the Khalidiya Business Center building

Despite what was previously mentioned, there are two tenants in Al- Khalidiya Business Center who are considered related parties to the Fund Manager and contribute a total rental income of approximately 16% of the annual rental returns for Al- Khalidiya Business Center and 4% of the total annual rental returns for the fund, and they are: the entertainment company Arabia Ltd. and Al-Mahmal Facilities Services Company. Specifically, it is mentioned that the shareholders of the Arab Entertainment Company Ltd. are the same shareholders to the Fund Manager, and that an indirect shareholder to the Fund Manager is a controlling and direct shareholder in Al-Mahmal Facilities Services Company.

Additional assets

The additional assets consist of four properties that were acquired by the fund after the date of listing through financing, and they are the assets shown below, whose summary was clarified according to the semi-annual report of the SEDCO Capital REIT Fund for the year 2021 in the tables below:

Property Details (8)	
Property name	Banque Saudi Fransi building
Type	Administrative building
Country/City	Kingdom of Saudi Arabia, Dammam
Location	Imam Ali Bin Abi Talib Street, Al Rayyan District, Dammam
Land area	5,191 square meters
building area	879 square meters
number of floors	2 floors
Occupancy rate	100%

Property purchase price	27,250,000 SAR
Lease contract details	
Tenant name	Banque Saudi Fransi
Use	A branch of Banque Saudi Fransi
Contract start date	01/11/2015
Duration of the contract	10 years
rent increases	33% in the fifth year
Contract expiry date	10/31/2025
Total contract value	17,500,000 SAR
Total annual rent	2,000,000 Saudi riyals
Property management costs operating management costs and service costs	Fund Manager holds no responsibility with regards to costs, where the tenant holds the responsibility under the lease contract

Property location



Property Details (9)

Property name	Hyper Panda - Dammam
Type	commercial

Country/City	Kingdom of Saudi Arabia, Dammam
Location	Imam Ali Bin Abi Talib Street, Al Rayyan District, Dammam
Land area	18,145 square meters
building area	9,800 square meters
number of floors	1 floor
Occupancy rate	100%
Property purchase price	61,000,000 SAR
Lease contract details	
Tenant name	Azizia Panda United Company
Use	Hypermarkets and retail
Contract start date	04/03/2010AD
Duration of the contract	15 years
Rent increases	An increase of 6.67%, so the annual rent became 4,182,536 Saudi riyals, starting from 01/01/2012 AD, then an increase of 12.50%, so the annual rent became 4,705,353 Saudi riyals, starting from 01/01/2015 AD, then an increase of 5.56%, so the annual rent became 4,966,761 Saudi riyals starting from 01/01/2018, then an increase of 5.26%, so the annual rent becomes 5,228,170 Saudi riyals, starting from 01/01/2020
Contract expiry date	12/31/2024
Total contract value	70,580,293 SAR
Total annual rent	5,228,170 SAR
Property management costs operating management costs and service costs	Fund Manager holds no responsibility with regards to costs, where the tenant holds the responsibility under the lease contract
Property map location	



Property Details (10)

Property name	Al Hokair Time Center
Type	commercial building
Country/City	Kingdom of Saudi Arabia, Dammam
Location	Eastern Beach, Dammam
Land area	5,156 square meters
building area	3,326 square meters
number of floors	1 floor
Occupancy rate	100%
Property purchase price	33,250,000 SAR
Lease contract details	
Tenant name	Abdul Mohsen Al Hokair Group for Tourism and Development Company
Use	commercial complex
Contract start date	01/03/2017
Duration of the contract	20 years
Rent escalation	The rent increases by 13.6%, so the annual rent becomes 2,500,000 Saudi riyals, starting from 01/03/2027

Contract expiry date	08/31/2037
Total contract value	48,250,000 SAR
Total annual rent	2,200,000 SAR
Property management costs operating management costs and service costs	The Fund does not bear any of these costs as they are borne by the tenant under the lease contract

Property location



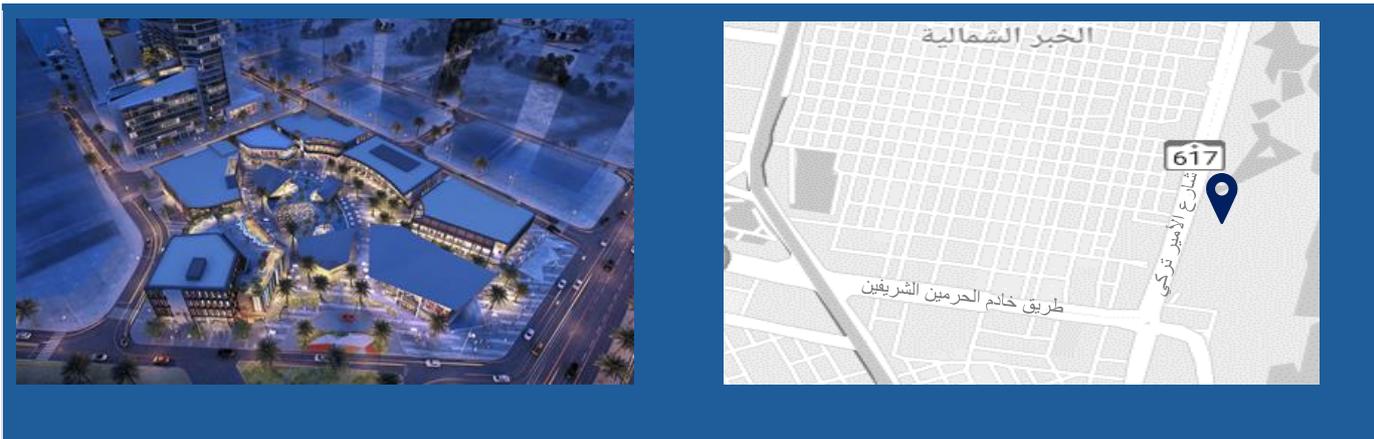
Property Details (11)

Property name	Ajdan Walk
Type	commercial building
Country/City	Kingdom of Saudi Arabia, Dammam
Location	Prince Turki Street, Al Khobar
Land area	16,966 square meters
building area	32,212 square meters
Number of floors	3 floors
Occupancy rate	100%
Property purchase price	345,000,000 Saudi riyals

Lease contract details

Tenant name	Aloula Real Estate Development Holding Company
Use	retail
Contract start date	01/01/2019
Duration of the contract	10 years
Rent increases	The rent increase of 5.00% to become the annual rent of 26,250,000 Saudi riyals, starting from 01/01/2024
Contract expiry date	12/31/2028
Total contract value	256,250,000 SAR
Total annual rent	25,000,000 SAR
Property management costs operating management costs and service costs	The Fund does not bear any of these costs as they are borne by the tenant under the lease contract

Property map location



* The purchase value of the property does not include acquisition costs and expenses

Additional assets acquired after increasing the fund's total assets value:

(Please refer to the supplementary appendix to the Fund's Terms and Conditions)

Although the fund will invest primarily in structurally developed periodically income generating real estate assets, it may also invest in real estate development projects of no more than 25% of the fund's total assets value, according to the latest audited financial statements, whether the properties are owned by the fund or not, or to renew or redevelop those real estate properties, provided that (a) the fund's investments are not less than 75% of the fund's total assets in structurally developed

real estate assets that generate rental and periodic income, according to the latest audited financial statements; And (b) the fund should not invest in vacant lands.

In addition, other real estate assets will be acquired in the future, which is in line with the fund's investment strategy. It is targeted to form a sectoral diversified real estate portfolio, including but not limited to the office, commercial, residential, hotel, educational and logistical sectors (as described in the summary Fund Strategies), by following the criteria below to select the target properties for investment, including adherence to the fund's strategy, which is its main focus:

- Acquisition of real estate properties generating current income at feasible rates of return compared to market rates of return or other investment assets.
- Acquisition of income generating real estate properties with relatively poor performance but promising returns due to its location or design with the aim of raising its rates of return to a feasible level compared to the market returns.
- Acquisition of real estate properties under development and / or vacant lands to develop real estate projects that generate feasible income, provided that the value of these investments does not exceed 25% of the fund's total assets value, according to the latest audited financial statements, in a manner that does not conflict with the Fund's investment strategy of the fund. To avoid any doubt, the fund intends to start the development processes immediately upon the acquisition of the property and the land.

In addition to the above, the Fund Manager adopts a vacancy plan that includes the following:

Multi-tenant real estate properties: property managers have been appointed for multi-tenant properties who analyse and monitor the market on an ongoing basis to identify similar vacancies and rental rates. Therefore, the appointed property managers consult with the Fund Manager on an ongoing basis to adjust pricing strategies and the tenants mix to achieve the best possible return for the benefit of investors.

Single-tenant real estate properties: Single-tenant properties are specialized-use properties (for example hotels, malls, offices), subject to long-term contracts. In order to ensure that any vacancies are occupied. The Fund Manager will initiate discussion discussions with the relevant tenant within the range month-year before the end of the contract period regarding whether or not the contract will be renewed and to look for an alternative tenant, in case the existing tenant is unwilling to renew the contract.

In general, the occupancy rate of any real estate property depends mainly on the level of supply and demand in any real estate sector (for example, commercial, office, hotel, residential ... etc.), and therefore, the possibility of a higher occupancy rate for one property over another depends mainly on the location of the property, the rental value and the general condition of the property. Based on the above, and despite the Fund Manager's efforts to follow the aforementioned plan, it is not possible to guarantee that the occupancy rate of the fund's properties will continue at the required levels.

2. Investment Concentration Policies

The fund invests according to the policies mentioned below:

- Investing of no less than 75% of the total value of the fund's assets, according to the latest audited financial statements, in structurally developed real estate properties generating rental and periodic income in the Kingdom of Saudi Arabia.
- Investing of no more than 25% of the total value of the fund's assets, according to the latest audited financial statements, in real estate properties located outside the Kingdom of Saudi Arabia, or in real estate development

activities for the real estate properties owned by the fund or not, or for the renewal and redevelopment of such properties.

- The fund cannot invest in vacant lands.
- The fund aims to invest in all the regions of Saudi Arabia, except for Mecca and Medina.

3. Previous and target rental returns for each of the fund's real estate assets:

Property Name	2018	2019	2020	2021	2022	2023
The Initial Portfolio						
(1) Burj Al Hayat for Hotel Apartments	3,400,000	3,400,000	2,676,281	1,500,000	1,500,000	1,500,000
(2) Hyper Panda, Jeddah	2,845,151	2,845,151	2,845,151	2,845,151	2,845,151	2,988,845
(3) Hyper Panda, Riyadh	5,822,670	5,822,670	5,822,670	5,822,670	5,822,670	6,116,250
(4) Public Prosecution Building	5,500,000	5,500,000	5,500,000	4,400,000	4,400,000	4,400,000
(5) Al-Jazeera Residential Compound	6,902,000	7,020,000	7,108,500	7,186,500	7,366,163	7,550,317
(6) Al-Rawdah Business Center	7,625,343	6,611,583	6,864,706	6,841,933	7,012,981	7,188,306
(7) Al-Khalidiya Business Center	11,388,410	10,459,770	9,068,618	10,405,437	10,665,573	10,932,212
Additional Assets						
(8) Banque Saudi Fransi Building	1,500,000	1,500,000	2,000,000	2,000,000	2,000,000	2,000,000
(9) Hyper Panda, Dammam	4,966,761	4,966,761	5,228,170	5,228,170	5,228,170	5,228,170
(10) Al Hokair Time	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
(11) Ajdan Walk	N/A	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Total	52,150,335	75,325,935	74,314,096	73,429,861	74,040,708	75,104,100

*Note: Please refer to the supplementary appendix of the fund's Terms and Conditions to view the additional properties after increasing the total value of the fund's assets.

4. Borrowing Rights

The Fund Manager has the right to obtain shariah-compliant financing. Such borrowing shall not exceed 50% of the Fund's total asset value. The amount of leverage incurred will depend upon (a) Results of the Fund Manager Studies including a study of the fund's cash flows (b) the specific facts in connection with a particular financing and (c) prevailing market conditions. The terms of any financing will be on a non-recourse basis to the Fund's Unitholders.

The Fund Manager may hedge any Shariah-compliant financing and hence the Fund shall be subject to the relevant risk

factor shown in “Limitations on Raising Funds for Future Acquisitions”.

5. Methods and Ways to Invest the Liquidity Available in the Fund

The Fund Manager has full authority in managing and investing the cash available in the fund for the interest of investors. Consequently, the Fund Manager may make temporary investments of the available cash in Murabaha investments that are Shariah-compliant for example, deposit accounts, sukuk instruments, money market funds, and other low-risk investments that can be converted into cash within one year and can be liquidated relatively quickly, provided that the percentage of real estate investments in structurally developed real estate is not less than 75% of the total value of the fund's assets, according to the latest audited financial statements and achieving rental and periodic income not less than 75% of the total value of the fund's assets, according to the latest audited financial statements.

In addition, the Fund Manager may use cash to rebalance the financing, prior to distribution to investors or investment in an asset. Temporary investments can be made with any local bank subject to the supervision of the Saudi Arabian Monetary Agency, or with public funds licensed by the Capital Market Authority and managed by the Fund Manager or any other investment Fund Manager. The percentage of these investments must not exceed 25% of the total value of the fund's assets (according to the most recent audited financial statements) and the rating of each party related to profits and the issuer with which the fund deals should not be less than A-3 from S&P or P-3 from Moody's or about F3 from Fitch.

6. Acquisition of the initial investment portfolio and details of the use of the proceeds from the fund's offering

The Fund Manager, on behalf of the fund, entered into a purchase agreement for each property separately with SEDCO Private Fund 1, in order to acquire all the real estate assets that make up the initial portfolio, which are seven real estate properties owned by SEDCO Private Fund 1, with a total purchase price equivalent to SAR 564,945,000 (Five hundred and sixty four million nine hundred forty-five thousand Saudi riyals) according to the average of two valuations prepared by two independent valuers accredited by the Saudi Authority for Accredited Valuers. The aforementioned purchase price will be paid in full through a cash payment in favour of SEDCO Private Fund 1, the following is a summary of the sources and uses of the offering proceeds:

Statement	Amount (SAR)
Total capital of the fund	600,000,000
The value of the initial portfolio	564,945,000
The amount remaining after the acquisition of the initial portfolio	35,055,000

The remaining amount will be used to pay the other expenses of the fund as specified in the clause (“Fees”) and invest the surplus in temporary investments in a way that serves the interests of the unitholders, as described in clause (“Methods and Ways to Invest the Liquidity Available in the Fund”).

7. The percentage of in-kind subscriptions in the fund to the total value of the fund's assets

There are no in-kind subscriptions in the initial portfolio of the fund.

The following is a timetable showing the steps for offering units in the fund, allocating to unitholders, transferring ownership, and requesting registration for units and listing them in the Saudi Stock Exchange (Tadawul):

Procedure	The expected timeframe
Obtaining the approval of the Capital Market Authority	Rabi Al-Awwal 17, 1439H, corresponding to December 4, 2017
Preparing and coordinating with the receiving banks regarding offering the fund units	10 working days from the date of obtaining the approval of the Capital Market Authority for the fund offering
Offering period	14 days, from Jumada Al-Awwal 7, 1439H corresponding to January 24, 2018 and end on Jumada Al-Awwal 20, 1439H corresponding to February 6, 2018
Extension of the offering period (in case the fund is not covered)	14 days from Jumada Al-Awwal 21, 1439H, corresponding to February 7, 2018, and end on Jumada Al-Akhir 4, 1439H, corresponding to February 20, 2018
Accept or reject the subscription request	The placement agent and the receiving banks shall notify the Investor to confirm or reject his participation within five business days from the closing date of the offering Period.
The allocation of units by the Fund Manager	Ten business days from the closing date of the fund offering period or from the closing date of the extension period if necessary.
Refund the surplus from the subscription amount and the related subscription fees to the investor	Five working days from the date of allocating units
Acquisition and transfer of ownership of the initial portfolio assets and listing the fund units	sixty business days from the closing date of the fund offering period
Cancellation and refund	In case the offering is cancelled, all subscription amount and subscription fees will be refunded within five working days from the date of cancellation.

The total capital of the fund, which is SAR 600,000,000 (six hundred million Saudi riyals), consists of cash subscriptions. The SEDCO Capital REIT Fund will purchase the initial investment portfolio by the SEDCO Private Fund 1 for a total amount equal to SAR 564,945,000 (five hundred and sixty-four million nine hundred and forty-five thousand Saudi riyals), which is the average of the two valuations obtained by the Fund Manager. To avoid any doubt, the remaining amount will be used to pay the other expenses of the fund as specified in the clause "Fees" and to invest the surplus in temporary investments in a way that serves the interests of unitholders, as described in clause ("Methods and Ways to Invest the Liquidity Available in the Fund").

8. Active Management

The Fund will rely on SEDCO Capital's investment team and external advisors and consultants to regularly assess the most attractive sectors in the real estate market. The assets of the Fund will be managed by an experienced team of professionals specialized in real estate investments. The team will continuously examine the real estate cycles, market fundamentals and sector characteristics to capitalize on real estate market opportunities and sustain the Fund's long-term goals. The real estate assets subject of the fund's investment includes single-tenant and multi-tenant properties, single-tenant properties are managed by the relevant tenant while a third-party property manager is appointed in relation to multi-tenant properties.

9. Investment Decision Making Process

In pursuing possible new opportunities in the local real estate market, the Fund Manager will adopt an investment process to identify opportunities and efficiently execute transactions in accordance with a detailed internal policy developed by the Fund Manager's investment team.

Investment Approval Process

The Fund Manager will implement a full due diligence process for each potential investment consistent with the process outlined below:

- Transaction Origination

The Fund Manager will identify real estate investment opportunities for the Fund through its network of business relationships and joint venture shareholderships. This network comprises of (but is not limited to) affiliated companies, real estate specialists, brokerage firms, real estate developers, trusted advisors, high net worth individuals, and family offices. All investment opportunities identified will be closely scrutinized and selected to continue with further steps on the basis of the Fund's investment objectives and policies.

- Initial Review and Fact Sheet Approval

Once a potential investment opportunity has been identified, the Fund Manager will procure an initial review of the potential investment to understand the risks and value drivers of the deal in determining its suitability and compatibility with the Fund. The initial review entails an exhaustive analysis of the potential investment's underlying fundamentals, market conditions and outlook, regulatory environment, competitive landscape and growth drivers to allow the Fund Manager to have a business plan formulated and a financial model developed.

Based on a positive outcome of the initial review and the decision to pursue the selected opportunity, the Fund Manager will have a concept memorandum prepared for approval. The concept memorandum will outline the overall investment thesis covering the investment rationale and strategy, market analysis, exit strategy, risks and risk mitigation, projected returns, capital requirements and due diligence budget. This initial fact sheet approval will enable the Fund Manager to further negotiate with the vendor to secure the deal based on the approved investment parameters.

- Transaction Negotiation

At this stage, representatives of the Fund Manager will progress negotiations with the seller to agree the principal Terms and Conditions that define the relevant transaction in accordance with the approved investment parameters. The Terms and Conditions of the transaction will include commercial elements (such as pricing, payment terms, guarantees, lease agreements and management agreements) and contractual details (such as covenants, representations and warranties) that will form the basis of the transactional agreements.

As and when the Fund Manager and the seller agree to the principal Terms and Conditions of the transaction, both parties will enter into a binding preliminary agreement that consists of a list of conditions precedent as specified by the Fund Manager. The consummation of the transaction will be subject to the satisfaction of the conditions precedent through a comprehensive due diligence process to be undertaken by or on behalf of the Fund Manager during the exclusivity period (if applicable) pursuant to the preliminary agreement.

The Fund Manager will obtain two independent valuations of any asset proposed to be acquired by the Fund. The purchase price for any acquisition will not exceed the higher of the two independent valuations.

- **Due Diligence and Final Approval**

The Fund Manager will have a comprehensive due diligence process undertaken to verify and validate the critical elements of the business plan. The due diligence process will involve a detailed evaluation of the potential investment, supported by the appointment of independent professionals and industry experts, and will typically incorporate (but not limited to) the following areas:

- Financial analysis and funding;
- Legal and structuring;
- Taxation advice;
- Market research;
- Valuation;
- Environmental matters;
- Engineering and technical review; and
- Regulatory matters and planning.

Following a positive result of the due diligence process whereby the conditions precedent pursuant to the preliminary agreement have been satisfied, the investment team will have an investment memorandum prepared and submit it for approval by the Fund Manager. The investment memorandum will provide a full summary of due diligence results, a recommendation to proceed or not with the transaction, as well as the final steps and capital requirements to complete the transaction. The final approval will authorize the Fund Manager to consummate the transaction by proceeding to deal closing.

- **Transaction Closing**

In the transaction closing stage, the Fund Manager will consummate the investment by executing all transactional agreements (e.g. the sales and purchase agreement), implementing the transaction and financial structures, deploying

the required capital from the Fund in accordance to the agreed Terms and Conditions, and drawing down on the debt finance facility (if applicable).

- **Asset Management**

The purpose of the asset management stage is to achieve added value from all of the investments made by the Fund during the holding period. The Fund Manager, supported by the relevant property managers and other independent asset managers (where applicable), will be responsible for ongoing management and risk monitoring of the Fund's investment portfolio against the business plan, and developing value-adding strategies to maximize returns to Unitholders. Through a diligent and intensive investment monitoring program.

- **Investment Exit**

The Fund Manager will have potential exit routes identified and evaluated to maximize the divestment value based on the prevailing market conditions and the predefined exit strategy. The evaluation process takes into consideration the state of the current real estate market, the investment environment, marketability of the respective asset, maturity of asset cycle and any opportunistic disposals that will deliver outperformance to the Fund.

Once a divestment opportunity for an asset is identified, divestments of the Fund's assets may occur at any time during the Fund Term if the Fund Manager believes that such divestment will optimize the returns for the Fund.

10. Disposal of Investments

The Fund generally intends to hold Investments on a long-term basis. However, the Fund Manager will regularly evaluate every asset within the portfolio and recommend a strategy for each property, including disposition decisions in the short to medium term if such is deemed to be in the best interest of the Fund and Unitholders. This will be made after an in-depth analysis considering, but not limited to, the following factors:

- sale price with respect to potential income;
- the strategic fit of the property with respect to the overall portfolio;
- the strategic fit of the property with respect to the sector allocation strategy;
- deterioration in relevant market conditions; and
- existence of better alternative opportunities.

Prior to any disposal, the Fund Manager will seek valuations of the relevant asset from two independent accredited valuers and comply with the other requirements of the Real Estate Investment Funds Regulations and the REIT instructions issued by the CMA, including the requirement that at least 75% of the Fund's total assets to be invested in developed real estate properties which generate periodic income.

The Fund Manager will obtain two independent valuations of any asset proposed to be sold or disposed of by the Fund. The sale price may be for a price lower than the two independent valuations in accordance with the prevailing market condition.

11. Ownership Structure

The Fund has appointed the Custodian to take custody of the Fund's assets. The Fund's assets will be registered in the name of an SPV established by the Custodian in order to segregate the Fund's assets from the assets of the Custodian.

The assets of the initial portfolio are currently subject to a pledge in favor of Riyadh Bank under the financing facility for SEDCO Private Fund 1, however, the fund will acquire the seven real estate properties of the initial portfolio without any pledge or restrictions that may limit their disposal. In this regard, Riyadh Bank has confirmed that the title deeds of the assets will be returned upon completion of all the necessary requirements under the financing documents.

12. Risks of Investing in the Fund

Investment in the Fund involves significant risks and is suitable only for investors who fully understand and are capable of bearing the risks of such an investment. Prospective investors should carefully evaluate the considerations set out below, among others, in making their decision. Additional risks and uncertainties not presently known to the Fund Manager, or that it currently deems immaterial, may also have an adverse impact on the Fund's prospects and business. There can be no assurance that the Fund will be able to achieve its investment objective or that investors will receive a return of their capital.

An investment in the Fund does not entail any guarantee that such investment shall be profitable or that an investor shall not incur any loss. As such, each prospective investor shall take into account each of the aforementioned risk factors prior to purchasing units in the Fund. Each investor bears full responsibility for any financial loss resulting from an investment in the Fund unless such loss is due to fraud, negligence or misconduct of the Fund Manager as per the Real Estate Investment Funds Regulations.

i. Risk Factors Related to the Fund

No Assurance of Investment Returns: There is no assurance that the Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the Fund and the nature of the transactions described herein. It is possible that the Units may fall in value or that investors might lose some or all of the capital they have invested. There can be no assurance that projected or targeted returns for the Fund will be achieved. The figures and statistics set out in these Terms and Conditions are for illustrative purposes only and do not represent profit forecasts. Actual returns cannot be predicted and may differ from the illustrative statistics set out in these Terms and Conditions. Investing in the fund does not guarantee profit or loss.

Qualification Risk: The Fund may cease to qualify as a real estate investment traded fund under the relevant regulations, which would have adverse consequences for the Fund and to the basis on which it delivers returns to Unitholders. The requirements for maintaining the status of a real estate investment traded fund are untested and the governing regulations are new with no history of interpretation. Furthermore, there may be changes subsequently introduced (including a change in interpretation) to the requirements for maintaining the status of a real estate investment traded fund. Prospective investors should note that there is no guarantee that the Fund will, following its approval to become a real estate investment

traded fund, or continue to maintain such status (whether by reason of failure to satisfy regulatory requirements or otherwise). If the Fund fails to meet any of the regulatory requirements to maintain its status, the CMA may suspend the trading of Units or cancel the Fund's listing. The inability to maintain its listing on Tadawul could adversely impact the marketability and liquidity of the Units and their value.

Market Liquidity Risk: The Fund intends to apply for admission of the Units to trading on Tadawul. Admission should not be taken as implying that there will be a liquid market for the Units or that it will develop or, if it does develop, that it will be maintained indefinitely following admission. If a liquid trading market is not developed or maintained, the liquidity and trading price of the Units could be adversely affected. In addition, if such a market does not develop, relatively small transactions or intended transactions in the Units may have a significant negative impact on the price of the Units whilst transactions or intended transactions related to a significant number of Units may be difficult to execute at a stable price..

Changes in Price Risks: General movement in local and international stock markets and real estate markets, prevailing and anticipated economic conditions and profit rates, financing costs, investor sentiment and general economic conditions may all negatively impact the market price of the Units. The market for the Units may fluctuate and a lack of liquidity can have an adverse effect on the market value for the Units. Accordingly, the purchase of such Units is only suitable for investors who can bear the risks associated with such investments.

Trading at a Discount Risks: The Units may trade at a discount to the offered price and Unitholders may not retrieve the full value of their investment. The Units may trade at a discount to the offered price for a variety of reasons, including adverse market conditions, a deterioration in investors' perceptions of the merits of the Fund's investment strategy and investment policy, an excess of supply over demand in the Units.

Distributions Fluctuation Risks: Although the Fund is required pursuant to the relevant regulations to distribute to Unitholders at least 90% of its net profits, there can be no assurance as to the level and/or payment of any future distributions by the Fund. Furthermore, the declaration, payment and amount of any future dividends or distributions by the Fund over and above the minimum 90% of net profits are subject to the recommendation of the Fund Manager and will depend upon, among other things, the performance of the Fund, the Fund's financial position and cash requirements and the ability of the Fund to comply with the applicable legal requirements for paying distributions.

Substantial Sale of Unit Risks: Subsequent sales by the Unitholders of a substantial number of Units may significantly reduce the Unit's share price. Any sales of substantial amounts of Units in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Units.

Reflection of Underlying Value Risks: The market price of the Units may not reflect the value of the underlying investments of the Fund. Stock exchanges experience extreme price and volume volatility from time to time, and this, in addition to general economic, political and other conditions, may materially adversely affect the market price for the Units. As a publicly traded fund, the price at which the Units may be quoted will be influenced by a large number of factors many of which are outside the Fund's control, some specific to the Fund and its operations and some which affect investment property as a whole, or equity markets generally.

Limitations on Raising Funds for Future Acquisitions: Distribution requirements and leverage restrictions under the regulations governing real estate investment traded funds may limit the Fund's ability and flexibility to pursue growth through acquisitions. The Fund is required to distribute to Unitholders at least 90% of its net profits. Furthermore, in order to maintain its status as a real estate investment traded fund, the Fund's leverage must not exceed 50% of the total asset value of the Fund. As a result, the Fund has limited ability to make improvements to its property or pursue growth through acquisition of additional properties. In addition, and as part of obtaining financing for the Fund, the Fund Manager may hedge such financing which although provides additional certainty with respect to any returns to the Fund, it also exposes the Fund to additional interest rate payments.

Limited Operating History Risk: The Fund has no operating history based on which potential investors may evaluate its performance or any track record of success. Although the Fund Manager has extensive fund management experience (including management of the Initial Portfolio), the nature of and the risks associated with the Fund's future investments may differ substantially from those investments and strategies undertaken historically by the Fund Manager. Past results of the Fund Manager are not necessarily indicative of future performance.

Shariah Restrictions: The Fund's investments must be made in accordance with Shariah principles determined in accordance with the Shariah Guidelines. These principles apply both to the structure of the investments and, to a certain extent, to the activities of the Fund and the diversification of its investments. In order to comply with such principles, the Fund may be forced to divest an Investment, or part of an Investment if the Investment or the investment structure relating to that Investment violates relevant Shariah principles. Additionally, in complying with Shariah principles, the Fund may lose investment opportunities if a proposed investment is ultimately determined by Shariah Board not to adhere to Shariah principles and thus cannot be considered by the Fund. These factors may, under certain circumstances, have an adverse effect on the financial performance of the Fund or its Investments, as compared to results that might be obtained in the absence of the Fund's Shariah investment principles.

Conflict of Interest risk: The Fund Manager engages in a range of activities that include financial investments and advisory services. There may be cases where the interests of the Fund Manager conflict with the interests of the fund. Any conflict of interest limits the Fund Manager's ability to perform his duties objectively, which may negatively affect the fund's investments, returns and dividends.

Availability of Appropriate Investments: There can be no assurance that the Fund Manager will be able to identify investments following the acquisition of the Initial Portfolio that meet the Fund's investment objectives, particularly in the current market environment. The business of identifying and structuring investments suitable for the Fund is highly competitive and involves a high degree of uncertainty. The Fund Manager's inability to identify suitable investments may adversely affect the ability of the Fund to produce the desired returns.

Unspecified Use of Proceeds: Except for the Initial Portfolio, the Investments of the Fund which are intended to be made after the Listing Date have not been selected by the Fund Manager as of the date of these Terms and Conditions' completion and investors in the Fund will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding Investments.

Changes in Market Conditions: The future performance of the Fund would largely depend on changes in the supply and demand conditions of the real estate sectors, which may be affected by regional and local economic and political conditions, increased competition thereby a decline in the value of real estate, potential limited availability of mortgage funds or an increase in mortgage rates, and fluctuations of supply and demand.

Non-Participation in Management: Except as mentioned in these Terms and Conditions, investors will have no right or power to participate in the management of the Fund or to influence any of the Fund's investment decisions. All management responsibilities will be entrusted to the Fund Manager.

Dependence on Key Personnel: The Fund's successful development will principally depend on the success of its management team. The loss of the services of any of the members of its management team, in general (whether such loss is through resignation or otherwise), or the inability to attract and retain additional personnel, could materially affect the Fund's business and prospects.

ii. Risk Factors Related to the Fund's Assets

Acquisition of Initial Portfolio: The Fund entered into the Purchase Agreement with SEDCO Private Fund I to acquire the Initial Portfolio on the Listing Date. If either party fails to perform under the Purchase Agreement or if Riyad Bank, which currently has a lien over the properties in the Initial Portfolio, refuses to release the encumbrances over the properties, the acquisition may not occur on the Listing Date or at all. In such case, the Fund would need to identify and complete acquisitions of other assets before it could start producing dividends to Unitholders. While the Fund Manager expects the Fund would still provide the target returns to investors over the long term, in the immediate future, returns to investors would be reduced.

General Real Estate Risks: The Investments will be subject to the risks inherent in the ownership, leasing, operation development and/or re-development of real estate. These risks include but are not limited to, those associated with general and local economic climate, local real estate conditions, changes in supply of or demand for competing properties in an area (as a result, for instance of overbuilding), energy and supply shortages, various uninsured or uninsurable risks, natural disasters, government regulations (such as rent control), changes in real property taxes, changes in return rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, environmental liabilities, contingent liabilities on disposition of assets, terrorist attacks and war and other factors which are beyond the control of the Fund Manager. There is no assurance that there will be a ready market for the resale of the Investments because the Investments will generally not be liquid. Illiquidity may result from the absence of an established market for the Investments as well as legal contractual restrictions on their resale (including any restrictions placed on disposals by the financiers which have financed the acquisition of the relevant Investments).

In addition, adverse changes in the operation of any property, or the financial condition of any tenant, could have an adverse effect on the rent payments ultimately received by the Fund and, accordingly, on the Fund's ability to make distributions to investors. A tenant may experience, from time to time, a downturn in its business which may weaken its financial condition and result in its failure to make rental payments when due. At any time, a tenant may seek the protection of applicable bankruptcy or insolvency laws, which could result in the rejection and termination of such tenant's lease or

other adverse consequences and thereby cause a reduction in the distributable cash flow of the Fund. No assurance can be given that tenants will not file for bankruptcy protection in the future or, if they do, that their leases will continue in effect.

Concentration by Real Estate Sector: The Fund may invest in assets which are concentrated in one particular sector such as the commercial, office and/or warehousing real estate sectors. If the Fund concentrates its investments in one or more sectors this may expose the Fund to the risk of economic downturns to a greater extent than if the Fund's portfolio also included assets across one or more other sectors. As a result, such downturns could have a material adverse effect on the Fund's financial condition, results of operations, cash flow, and ability to make distributions to the investors.

Commercial Real Estate Market Risks: The Fund may acquire only commercial real estate properties, and if the Fund was dependent on the income streams derived from them, the Fund may become exposed to any downturn in such markets. The commercial real estate market is cyclical in nature and is affected by the condition of the economy as a whole. Deteriorating economic conditions adversely affect the value and liquidity of commercial real estate properties. In addition, negative economic conditions have also had, and may continue to have, a material adverse effect on the level, and effective collection, of rental revenues and the ability of tenants to make payments which may ultimately flow to the Fund. Commercial real estate properties have, until recently, been adversely impacted by the global economic slowdown and the after-effects of the banking crisis, with real estate values, including the value of commercial real estate, demonstrating substantial declines (albeit with significant recovery occurring recently). The value of real estate may drop further, and those reductions could be substantial. Declines in the performance of the commercial real estate markets could have a negative impact on rental levels, revenues and vacancy rates, which could as a result have a material adverse effect on the Fund's business and financial condition.

Risks of Dependence on Rental Income: The Fund may acquire Investments based on values derived from the income to be received from the tenants of the Investments. There can be no assurance that vacant spaces will be leased, expiring leases will be renewed or there will be rent increases over time. If a tenant experiences a downturn in its business or other type of financial distress, then it may be unable to make timely rental payments or renew its lease. Certain tenants may occupy significant portions of the relevant Investments and, accordingly, for so long as the Fund's Investments are concentrated in those assets its financial condition, results of operations, cash flow, and its ability to make distributions to the investors could be materially affected by any adverse conditions impacting those key tenants.

Availability of Appropriate Investments Risk: Some, but not all, of the investments of the Fund have been selected by the Fund Manager as of the date hereof, and investors in the Fund will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding future investments. There can be no assurance that the Fund Manager will be able to identify future investments that meet the Fund's investment objectives, particularly in the current market environment. The business of identifying and structuring investments suitable for the Fund is highly competitive and involves a high degree of uncertainty. The Fund's inability to identify suitable investments may adversely affect the ability of the Fund to produce the desired returns, hence reducing the dividends available to investors and/or the net asset value of the Fund.

Underlying Asset Liquidity Risks: As an asset class, real estate properties are relatively illiquid and, as such, it may be

difficult or impossible for the Fund to realize a property for a particular price at any particular time. The Fund's portfolio consists of real estate properties. It may be difficult for the Fund to sell its real estate properties (particularly at times of market downturn and specifically those assets that are categorized as larger real estate properties), and the price achieved on any such realization may be at a significant discount, especially if the Fund is forced to dispose of any of its assets in a short period of time. This may reduce the value of the Units and adversely impact the performance of the Fund.

Development Risks: While the Fund's portfolio will not consist of a large portion of development projects, the development of real estate projects in Saudi Arabia presents several specific risks. The risks in building and successfully marketing a new development include, but are not limited to: (i) delays in timely completion of works; (ii) cost overruns; (iii) inability to generate lease agreements to forecast levels; and (iv) force majeure resulting from factors beyond the Fund's control and which are specific to the construction industry (including adverse weather and environmental conditions and lack of building material in the market) which would hinder the completion of the development projects. New project commencement also carries other risks such as the receipt of zoning, occupancy and other required governmental approvals and permits and development costs in connection with projects that are not pursued to completion. The successful completion of such projects will have a direct and significant impact on the value of the Units and any failure to complete a project could reduce dividends and the net asset value of the Fund.

Leverage Risk: The assets of the Fund may be leveraged, which may adversely affect the income earned by the Fund or may result in a loss of principal. Increases and decreases in the value of the Fund's portfolio will be magnified when the Fund uses leverage. For example, leverage may cause greater swings in the Fund's net asset value or cause the Fund to lose more than it has invested. The use of leverage creates an opportunity for increased returns, but at the same time involves a higher degree of risk and may increase the exposure of the Fund and its investments to factors such as rising costs of leverage and downturns in the economy. Moreover, the assets of the Fund may be pledged to a lender for the sole benefit of the Fund and such lender may claim the assets upon an event of default (as specified in the financing documents) by the SPV, the Fund Manager or the Fund.

Actions by Competitors Risk: The Fund competes with other owners, operators and developers of real estate in Saudi Arabia, some of which may own properties similar to Fund's properties in the same submarkets. If the Fund's competitors lease commercial and/or residential space similar to the Fund's properties or sell assets similar to the Fund's properties at valuations below the Fund's valuations for comparable assets, the Fund may be unable to lease its commercial and residential space at favourable pricing or on favourable terms or at all. As a result, the Fund may incur additional costs and expenses for the purposes of maintaining the properties and also be exposed to loss of potential income due to underlying properties being vacant. As such, the projected income to Unitholders may be adversely affected.

Risks of Certain Dispositions: In connection with the disposition of Investments, the Fund may be required to make representations about the business and financial affairs of the Investment typical of those made in connection with the sale of any real estate property, and may be required to indemnify the purchasers of the Investments to the extent that any such representations are inaccurate. These arrangements may result in contingent liabilities, which might reduce the returns to Unitholders or ultimately have to be funded by the Fund. In addition, the governing documents of the Fund provide that the Fund will indemnify the Fund Manager, its affiliates, including their officers, directors, shareholders, employees, shareholders, members and other agents, for certain claims, losses, damages and expenses arising out of their activities on

behalf of the Fund. Such indemnification obligations could materially impact the returns to investors.

Potential Inability to Complete Divestitures on Advantageous Terms Risk: The Fund will divest itself of its properties and other assets when the Fund Manager believes it is the appropriate time to sell. The Fund's ability to dispose of properties on advantageous terms depends on factors beyond its control, including competition from other sellers and potentially the availability of attractive financing for potential buyers. If the Fund is unable to dispose of its assets on favourable terms or on the timing the Fund Manager would otherwise dispose of the assets, then its financial condition, results of operations, cash flow and ability to make distributions to the investors could be adversely affected.

Counterparty Default and Credit Risks: The Fund will be exposed to a credit risk of parties with whom it conducts business and may also bear risk of settlement default. The Fund will, in certain circumstances, be fully subject to the default of a counterparty, including the landowners, lending banks, property managers and/or contractors. Default by a counterparty by failing to pay any contractual dues to the Fund could reduce the income of the Fund and ultimately affect the returns to Unitholders.

Risk of Inability of Tenants to Meet Lease Obligations: The Fund's results would be adversely affected if a significant number of the Fund's tenants were unable to meet their lease obligations. If a tenant seeks the protection of bankruptcy, insolvency or similar laws, such tenant's lease may be terminated in the process and result in a reduction of cash flow to the Fund. In the event of a significant number of lease defaults and/or tenant bankruptcies, the Fund's cash flow and ability to make distributions to the investors would be adversely affected.

Risk of Possible Inability to Renew Leases or Re-let Space as Leases Expire: The Fund will derive most of its income from rent received from the tenants of the properties. Accordingly, the Fund's financial condition, results of operations, cash flow and its ability to make distributions to the investors could be adversely affected if it is unable to promptly re-let or renew expiring leases, or if the rental rates upon renewal or re-letting are significantly lower than expected. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to the Fund than the existing lease. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting the Funds investment may be incurred. Further, the Fund's ability to rent space and the rents that it can charge are impacted, not only by tenant demand, but by the number of other properties it has to compete with to appeal to tenants.

Risk of Uninsured Losses: The Fund will carry commercial liability, property and other types of insurance covering all the property that it owns and manages in types and amounts that it believes are adequate and appropriate given the relative risks applicable to the property, the cost of coverage and industry practice. Certain losses, such as those due to terrorism, windstorms, floods or seismic activity, may be insured subject to certain limitations, including large deductibles or co-payments and policy limits. The Fund may incur material losses in excess of insurance proceeds and may not be able to continue to obtain insurance at commercially reasonable rates. If the Fund experiences a loss that is uninsured or that exceeds its insured limits with respect to one or more of the properties, then it could lose the capital invested in the damaged properties, as well as the anticipated future revenue from those properties. Any such losses could adversely affect its financial condition, results of operations, cash flow and ability to make distributions to the investors.

Risk of Property Valuations: In addition to the valuations carried out by two independent valuers, the Fund Manager may use internal valuations in several contexts in relation to the Fund. The valuations performed by the Fund Manager will only be an estimate of the value of a property and are not a precise measure of the value that may be obtained in connection with a sale of that property which is based on negotiations between a willing buyer and seller. Ultimate realization of the market value of a property depends to a great extent on economic and other conditions beyond the control of the Fund and the Fund Manager, including, without limitation, general market conditions. Further, valuations do not necessarily represent the price at which a property could be sold given that market prices of the Fund's properties can only be determined by negotiation between a willing buyer and seller. If the Fund were to liquidate its assets, the realized value may be more than or less than the estimated valuation of such assets. In periods of economic volatility in which there is a perceived greater uncertainty as to value estimates and fewer comparable transactions against which to measure value, the difference between the concluded value for a real estate asset and the ultimate market value for that asset may increase. Further, relative uncertainty as to cash flows in a distressed market can adversely affect the reliability of property value estimates and the negotiations between a buyer and seller and hence final returns to Unitholders.

Non-Saudi Investments; Exchange Rate Risk: The Fund may invest a portion of its assets outside of Saudi Arabia. Non-Saudi Arabian investments may involve certain factors not typically associated with investing in Saudi Arabia, including risks relating to (i) currency exchange matters; (ii) differences between the Saudi Arabian and non-Saudi Arabian real estate markets; (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and different levels of government supervision and regulation; (iv) certain economic and political risks; and (v) the possible imposition of non-Saudi Arabian taxes on income and gains recognized with respect to such assets. Such factors may adversely affect the value of the Fund's non-Saudi Arabian investments and hence the overall value of the Units.

iii. Other Risk Factors

Legal Status Risk: The Fund is a contractual arrangement between the Unitholders and the Fund Manager. Such contractual arrangement is governed and supervised by the CMA. The Fund does not have its own legal personality as such and the extent to which a Saudi government agency or a Saudi court would uphold such distinction between the legal status of the Fund and that of the Fund Manager is unclear and to our best knowledge untested.

Legal, Tax and Regulatory Risks: The information in these Terms and Conditions is based on existing published legislation. Legal, tax, zakat and regulatory change in the investment environment in the Kingdom, or otherwise, may occur during the Fund Term which could have an adverse effect on the Fund or the Investments. The Fund may have limited legal recourse in the event of a dispute, and remedies might have to be pursued in the courts of the Kingdom. Enforcement of leases and other contracts through the judicial system in the Kingdom is a difficult and lengthy process, and outcomes are unpredictable. Additionally, governmental departments and agencies in the Kingdom, such as the Notary Public, exercise a great deal of discretion with regards to the application of existing legislation. Any changes to existing legislation or failure by governmental departments to apply such legislation may adversely affect the Fund. While investors in CMA regulated-funds in the Kingdom are not currently taxed, the local tax authorities maintain the rights to assess zakat tax on each Unitholder.

Income Tax Risks: An investment in the Fund involves varying tax risks, some of which apply to an investment in the Fund

itself and others that apply to particular facts and circumstances that may or may not be relevant to a particular Investor. The incurrence of any such tax by the Fund would reduce the amount of cash available for the Fund's operations as well as potential distributions to Investors. Taxes incurred by Investors would necessarily reduce the returns associated with an investment in the Fund. Prospective investors should consult their own tax advisors regarding the tax implications of investing, holding and disposing of Units.

Value-Added Tax (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 will be applied in Saudi Arabia by January 2018. Under the recently issued VAT executive regulations in the Kingdom, it is not expected that investment in the fund will be subject to VAT, but investors should seek advice regarding the impact of VAT in relation to their investment in the fund.

It is expected that the Fund Manager will be subject to VAT in relation to its own activities and businesses, and accordingly the payments due to the Fund Manager will be adjusted to take into account the value-added tax. Thus, it is not clear what the impact of VAT will be on the fund and the return to Unitholders.

Government and Municipality Approvals Risk: The Fund may fail to achieve its investment objective in case any applicable municipal approval or consent is denied or not granted on acceptable terms. In such case, the Fund may not be able to complete an investment or may not be able to complete the development of a real estate project.

Saudization Risk: The Saudi Arabian government may require the employment of a high percentage of citizens of the Kingdom in the development of the Kingdom's real estate sector (Saudization). It is unclear at this point to what extent the Fund and its investments will be required to implement Saudization policies. Saudization may require the hiring of additional employees or additional training and other costs which would entail higher operating costs than originally anticipated, which would be deducted from the Fund's net income and hence reduce the net profits available for distribution to Unitholders.

Third Party Litigation: The Fund may become involved in litigation by third parties. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would reduce the Fund's assets and cash available for distribution to Unitholders. The Fund Manager and others are entitled to indemnification by the Fund in connection with such litigation, subject to certain limitations.

Absence of Recourse; Indemnification: These Terms and Conditions limit the circumstances under which the Fund Manager, the Advisors and their respective affiliates, including their officers, directors, shareholders, employees, shareholders, members and other agents, can be held liable to the Fund. As a result, investors may have a more limited right of action in certain cases than they would have in the absence of such a limitation. In addition, the Terms & Conditions provide that the Fund will indemnify the Fund Manager and the Advisors for certain claims, losses, damages and expenses arising out of their activities on behalf of the Fund. Such indemnification obligations could materially impact the returns to Investors.

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

developments.

Distributions in Kind: Subject to compliance with regulatory requirements, the Fund may make in-kind distributions of real estate or shares in other companies in the context of winding up the Fund. In the event of in-kind distribution, Unitholders may receive shares in an asset or a company that are potentially illiquid, therefore converting it to cash could be more difficult.

Forward Looking Statements: These Terms and Conditions may contain forward-looking statements relating to future events or the future performance of the Fund. In some cases, forward-looking statements can be identified by terminology such as “anticipate,” “believe,” “continue,” “estimate,” “expect,” “intend,” “may,” “plans,” “projects,” “should,” “will,” the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. In evaluating these statements, investors should specifically consider various factors, including the risks outlined in this Clause 2(g). These factors may cause actual events or results to differ materially from any forward-looking statement. The Fund Manager is under no duty to update any of the forward-looking statements after the date of these Terms and Conditions to conform such statements to actual results or to changes in expectations.

The foregoing does not purport to be a complete or exhaustive explanation and summary of all the risk factors involved in an investment in Units in the Fund. It is strongly recommended that all potential investors seek independent advice from their own professional advisors.

5. Subscription

1. Public Offering for the initial Portfolio

The fund offers 60,000,000 (sixty million) units at a subscription price of SAR 10 to raise a capital not exceeding SAR 600,000,000. The units will be offered through a public offering in accordance with the real estate investment traded funds instructions and the Real Estate Investment Funds Regulations, during the offering period that starts from January 24, 2018 until February 6, 2018 (the closing date). This period is referred to as the “offering period”, As shown in the timeline in the Initial Portfolio Acquisition section in the Terms and Conditions. During the offering period, each unit will have a subscription price of SAR 10 for the unit. Subscription in the fund is through cash contributions collected through public offering, totalling SAR 600,000,000 (six hundred million Saudi riyals), which represents 100% of the total capital of the fund after the offering. Subscriptions for each investor in the fund are subject to a maximum amount equivalent to SAR 100,000,000 (one hundred million Saudi riyals).

2. In kind Subscription

There's no in kind subscription in the initial portfolio

3. Fund Manager Subscription

The Fund Manager will subscribe as an investor during the offering period with a cash share equivalent to 2,500,000 units, i.e SAR 25,000,000 representing 4.16% of the total fund capital and the trading of the allocated units to the Fund Manager will be prohibited for a period of six months from the date of listing. Note that the Fund

Manager has the right at his own discretion, to trade new units in the fund after listing provided that the Fund Manager discloses any investment, he has in the fund at the end of each fiscal year in the Financial Disclosure Summary.

4. Acknowledgment by the Fund Manager

The Fund and its investments shall at all times comply with the rules and regulations governing the ownership of real estate in the Kingdom, including the system of real estate ownership and investment by non-Saudis.

5. Minimum Subscription

During the offering period, investors must subscribe for at least 50 Units at a subscription price of SAR 10 (Ten Saudi riyal) per unit for a minimum total subscription amount of SAR 500 (Five Hundred Saudi Riyals).

6. Maximum subscription limit

During the offering period, investors are required to subscribe to 10,000,000 units with a maximum subscription price of SAR 10 (Ten Saudi Riyals) per unit and with a total subscription amount not exceeding SAR 100,000,000 (Hundred Million Saudi Riyals).

7. How to apply for subscription

Investors must subscribe to the units during the offering period by completing a subscription form in the form set out in Annex (D) of these Terms and Conditions and contributing the subscription amount. The subscription form will also be available on the website of the recipients: the National Commercial Bank (www.alahlinline.com) and Al-Rajhi Bank Group (www.alrajhibank.com) and Samba Financial Group. Each prospective investor must (a) submit a subscription form, in addition to any other documents required under the subscription application form, and (b) pay the full subscription amount for the units applied for in addition to the subscription fee. The amount is net of any deductions, expenses, bank charges, and currency exchange fees (for which the investor is responsible).

Those investors wishing to subscribe in the fund must submit the subscription form and make sure it is filled out and signed. The subscription cannot be cancelled after the investor has agreed to the Terms and Conditions. All subscription requests are subject to allotment in accordance with clause ("Allocation"). Please refer for detail in Appendix (C) of the subscription mechanism in the fund and the requirements of each client, where the subscription mechanism and general conditions for subscribing to the fund are clarified.

In the event that the target capital is not covered by the cash contributions during the offering period which

amounts to 600,000,000 Saudi riyals (six hundred million Saudi riyals), the Fund Manager may extend the offering period for a similar period as necessary to cover the target capital, after obtaining the approval of the Capital Market Authority.

8. Allocation

The placement agent informs each investor within five working days of the closing date of the offering period to accept or reject the subscription application. In the event that the subscription is accepted, confirmations are sent to the Unitholders that include the approved subscription amount and refund the surplus if found to the investor's current account (not deducted from any bank fees, bank transfers, or currency exchange fees incurred) within five working days from the date of allocating the units. In the event that the subscription amount is declined, the subscription amount and the related subscription fees will be refunded to the investor's current account (not deducted from any bank fees, bank transfers or currency exchange fees incurred) and shown in the subscription form.

Units will be allocated after the closing date according to the following:

- (a) If the total amount of subscriptions from all investors is less than SAR 600,000,000 (six hundred million Saudi riyals), all subscription amounts will be returned to the investors (without any deduction) within 5 working days from the closing date.
- (b) If the total amount of contributions from all investors is equal to SAR 600,000,000 (six hundred million Saudi riyals), then the full amount is accepted and the units are allocated for the full amount of the subscriptions.
- (c) If the total amount of subscriptions from all investors exceed SAR 600,000,000 (six hundred million Saudi riyals), the total units of the offering will be allocated and the remaining amount will be allocated as follows:
 - In the event that the number of applicants to subscribe in the fund is less than or equal to 1,200,000 investors (one million two hundred thousand investors), 50 units will be allocated to each investor and any additional units will be allocated on a pro-rata basis from the value of the subscription.
 - In the event that the number of applicants to participate in the fund exceeds 1,200,000 investors (one million and two hundred thousand investors), the units will be allocated equally and the Fund Manager would not guarantee the minimum subscription.

9. Increase the Total Assets Value of the Fund

The mechanism for increasing the total value of the fund assets will be subject to the set rules and regulations of the Capital Market Authority.

10. Cancellation and Refund

It is permissible to cancel the offering and refund all subscription amounts received to the investors in the following cases (unless the CMA decides otherwise):

- Inability to collect the target capital of SAR 600,000,000 (six hundred million Saudi riyals) after closing or extending the offering period after obtaining the approval of the Capital Market Authority, or
- If the number of Unitholders from the public is less than 50 (fifty), or
- If less than 30% of the units are subscribed to by the public, or
- If the Capital Market Authority does not approve the listing of units for any reason;

- The inability to transfer ownership of the assets that make up the initial portfolio in favour of the fund;
In case the offering is cancelled, all subscription amounts and subscription fees received will be refunded within 5 working days from the date of cancellation without deduction from the investors any commissions, fines or any other amounts from the subscription amounts.

11. Eligible Investors

Subscription for Units is made available to: (a) Saudi nationals; (b) non-Saudi nationals residing in Saudi Arabia; (c) corporations, companies, investment funds and other legal entities established in Saudi Arabia.

The Fund Manager shall take all necessary measures to ensure that the following criteria are met at all times:

- a) The Fund to have a minimum of 50 unitholders; and
- b) At least 30% of the Unitholders are public unitholders.

The Fund Manager is deemed to be authorized to carry out all steps necessary to ensure compliance with (a) and (b) above, so long as they are required by the CMA.

12. Registration and Listing

It is intended that the Units shall be registered and listed on Tadawul within 60 business days from the Closing Date, provided that:

- a) To collect a total of SAR 600,000,000 (six hundred million Saudi riyals) from cash subscriptions; and
- b) The number of Unitholders from the public shall not be less than 50 investors, holding at least 30% of the total fund units;
- c) To fulfill any other regulatory requirements determined by the CMA for this purpose

Trading in the Fund's units

Fund Termination and Cases in which the Fund is Suspended/Delisted

- Unitholders and investors may trade during normal trading hours on any working day through Tadawul licensed brokerage firms, when the fund units are traded in the same way as the shares of companies listed in the Saudi Stock Exchange (Tadawul).
- Purchasing units in the fund through the Saudi Stock Exchange (Tadawul) is an acknowledgment by the buyer that he has read these Terms and Conditions.
- Trading in the fund's units shall be subject to trading fees, and they shall be settled as prevailing in the market.
- After approval of the Capital Market Authority, the Fund Manager may suspend trading in the fund's units at any time or cancel their listing, after providing the specific reasons for requesting suspension or cancellation.
- According to the Real Estate Investment Traded Funds Instructions, the CMA may suspend trading in the fund's units at any time or cancel their listing as it deems appropriate.
- The Fund Manager declares that the fund will not be listed until to transfer the initial investment portfolio ownership to the fund.

Dividend Policy

The Fund Manager aims to distribute semi-annual cash dividends to unitholders of no less than 90% of the fund's net profits, within a period of 90 working days from the date of announcing the distributions, and the fund manager is expected to announce the profits, their due date and distribution date within 40 working days from the end of June and December of each calendar year, with the exception of the capital gains resulting from the sale of real estate assets, which are reinvested in additional assets to serve the interests of the unitholders. If there is lack of new investment opportunities within one year from the date of receipt of asset sale amount, the Fund Manager will distribute such amounts with the nearest dividend distribution. The Fund Manager has the right to make other distributions as he sees fit, if this is in the interest of the unitholders. It is expected that the amounts of the semi-annual dividends will increase during the term of the fund with the increase in the number of income-producing properties owned by the fund.

Termination and Liquidation of the Fund

- Without prejudice to what is stated in the Real Estate Investment Funds Regulations, the listing of the Fund's units shall be canceled upon its expiry.
- - The fund may be terminated if (a) the number of public unitholders in the fund is less than 50 owners within 12 months from the date of the fund manager's notification to the Authority of this, or (b) if all of its assets have been disposed of and all proceeds from these disposals have been distributed to the investors or (c) In the event of any change to the laws, regulations or other regulatory requirements or material changes to market conditions in the Kingdom of Saudi Arabia and the fund manager considers this a justified reason to terminate the fund or (d) in the event that an amount of six hundred million Saudi riyals (SAR 600,000,000) is not collected during the offering period or any extension thereof in accordance with these terms and conditions or (e) if a fund is required to be terminated in accordance with a decision of the Capital Market Authority or under its regulations (each a "termination case").
- Each case of termination of the fund requires the approval of the Fund's Board of Directors and the Capital Market Authority.
- In the event of termination of the fund, the listing of the units shall be canceled after submitting a written notification to the Capital Market Authority and announcing the expiry of the fund and a timetable for its liquidation on the website of the fund manager and the Saudi Stock Exchange. Subsequently, the procedures for liquidating the fund will be started, and the fund manager has the right to be the liquidator to conduct the work of ending the fund with the distribution of its assets to the unit owners, and the fund manager has the right to appoint another liquidator as he deems best for the fund. The fund's assets may be distributed to unitholders in kind in the event that it is impossible to dispose of the fund's assets or if the fund manager considers that this matter is in the interest of the unitholders.
- In the event of termination of the fund, the fund manager shall abide by all the requirements for ending and liquidating the fund in accordance with the requirements of the Real Estate Investment Funds Regulations and the fund termination mechanism mentioned in the regulations, which includes the following.
- Completing the sale of the fund's assets and distributing the dues to the unitholders before the end of the fund's term.
- The fund manager may extend the term of the fund in order to complete the asset sale stage or for any other circumstance in accordance with the provisions of the Real Estate Investment Funds Regulations.
- - Each case requires the approval of the fund's board of directors and the Capital Market Authority to terminate.

- For the purpose of terminating a fund, the fund manager must prepare a plan and procedures for the termination of the fund consistent with the unitholders interests, and must obtain the fund board of directors' approval on such plan prior to carrying out any action in this regard.
- The fund manager must notify the unitholders and the Authority, in writing, of the details of the plan and procedures for the fund termination at least (21) days prior to the intended date for terminating the fund, without prejudice to the fund's terms and conditions.
- The fund manager must comply with the plan and procedures for fund termination approved above.
- The Authority and unitholders must be notified in writing of the fund termination within 10 days from the end of the fund's term.
- If the terms and conditions of the fund provide that the fund will be terminated upon the occurrence of specified events, the fund manager must terminate the fund immediately upon the occurrence of such event and notify the Authority and unitholders in writing within (5) days from the occurrence of such event that required the termination of the fund.
- In the event of expiry of the fund's term and the fund manager has not completed the sale of the fund's assets before the expiry of its term, the fund manager must liquidate the fund's assets and distribute the unitholders' dues among them, within a maximum period of 6 months from the date of the expiry of the fund's term.
- For the purpose of liquidating a fund, the fund manager must obtain the fund board of directors' approval on the plan and procedures for the liquidation of the fund, prior to carrying out any action in this regard.
- The fund manager must comply with the plan and procedures for fund termination approved above.
- The Authority and unitholders must be notified in writing of the end of the fund liquidation, within 10 days from the end of the fund.
- The fund manager must immediately upon the end of fund's term or liquidation distribute the unitholders' dues among them, without delay and in a manner that does not conflict with the interest of unitholders and the fund's terms and conditions.
- The fund manager must disclose on its website and the Exchange's website or any other website available to the public according to the controls set out by the Authority (where applicable), the end of the fund's term or its liquidation period.
- The fund manager must provide the unitholders with the fund termination report within a period not exceeding (70) days from the date of completion of fund termination or liquidation, including the final audited financial statements of the fund for the period subsequent to the latest audited financial statements.

Fees, service charges, commissions and management fees

1. Fees

- **Subscription Fees**

Investors in the Fund shall pay a one-time subscription fee of 2.0% (the "subscription fee") of the subscription amount, payable upon purchasing units during the offering period only. The subscription fee in addition to the subscription amount shall be paid upon subscription in Units . For the avoidance of doubt, subscription fees are

calculated for the units actually allocated.

- **Management Fee**

The fund pays to the Fund Manager an annual management fee during the term of the fund in the amount of 1% of the net asset value, in return for managing the fund's assets and paying all the expenses of the fund. The fund bears the management fees, and they are calculated and paid in advance on a semi-annual basis, starting from the closing date. The first payment of management fees is made on a pro-rata basis, taking into account the days that have passed in the calendar year. In the event that the fund does not have sufficient liquidity available to pay the management fees on time, payment of fees will be postponed until sufficient liquidity is available in the fund.

- **Performance Fee**

The Fund Manager have the right to the following performance fees:

- In the event that the fund distributes cash dividends exceeding 7% as net annual distributions on the par value of one unit, the Fund Manager is entitled to incentive fees of 20% of any amount in excess of 7%, which is paid annually. Performance fees are calculated and are due on December 31 from each calendar year. For example, with regard to performance fees that are deducted from dividends. It is indicated that if the fund's return is 8% on the par value of one unit, the Fund Manager is entitled to a performance fee of 0.2% and the 7.8% will be distributed to the Unitholders. As for the fund's return of 7%, the Fund Manager is not entitled to any performance fees, as the return does not exceed 7%.

- The Fund Manager is also entitled to 10% of the capital profits realized from real estate including transaction costs for example: (brokerage fees and acquisition fees, and when selling the fund's real estate) on the date of selling any of the fund's assets.

If the fund does not have sufficient liquidity available to pay the performance fees to the Fund Manager, payment of the performance fees shall be delayed until sufficient liquidity is available in the fund.

- **Custody Fees**

The fund pays the custodian a one-time fee of SAR 30,000 (thirty thousand Saudi riyals) as incorporation fees. After that, the custodian is entitled to an annual fee of 0.04% of the net asset value, of no less than SAR 200,000, to be paid semi-annually.

The custodian is entitled to the above fees according to what was negotiated between the Fund Manager and the custodian in return for the services provided by him to retain ownership of the fund's assets, including establishing the special purpose company and carrying out all procedures to complete its registration in order to be able to retain ownership of the fund's assets.

- **Acquisition and Sale Fee**

The fund pays the Fund Manager a fee of 0.75% of the purchase or sale price of every real estate asset acquired or sold by the fund for its efforts to complete the sale and purchase of the property of the fund. For the avoidance of doubt, these fees are due regardless of any increase in the return of the fund and are not applicable for the transfer of ownership of the initial portfolio.

- **Brokerage Fees**

The fund pays the real estate broker a fee of up to 2.50% of the acquisition value of each investment which is negotiated according to the market prices. For the avoidance of doubt, the Fund Manager (and / or related parties) is entitled to receive a percentage of the fees. These fees are not applicable on the initial investment portfolio. In the event that any conflict of interest arises as a result of the payment of the brokerage fees to any related party, all the details related to the acquisition and the conflict of interest will be disclosed as mentioned in the clause “Conflict of Interest”.

- **Financing Arrangement Fees**

The fund pays the Fund Manager a fee of 1.25% of each amount obtained as financing for the fund or any special purpose company during the term of the fund (without any fees or profit margins), in return for his efforts in structuring and providing financing to the fund. These fees are payable upon completion of any financing deals. They include the arrangement fees owed to the bank, valuation fees, legal fees, and feasibility study fees related to the financing.

- **Administrator Fee**

The fund pays the administrator an annual fee of 0.05% annually of the fund's net asset value, to be paid semi-annually. These fees are due to the administrator for all administrative work, for example calculating the net asset value of the fund periodically and the activities relating to the operations of the fund on a daily basis, including the accounting and bookkeeping.

- **Auditor Fees**

The fund pays the auditor an annual fee of SAR 85,000 (eighty-five thousand Saudi riyals) which may change from time to time according to the prevailing market prices and are disclosed in accordance with the requirements and regulations of the Capital Market Authority.

- **Property Management Fee**

Property management fees are due to multi-tenant real estate properties, and any property management fees paid from the fund to any property manager appointed by the Fund Manager are negotiated according to the market prices. Any property management fees that the Fund Manager or any of its affiliates receives must be disclosed to the fund's board. For the avoidance of doubt, property management fees do not include operating expenses. Such fees are calculated as a fixed contractual percentage of the total rental proceeds. Therefore, it is not a fixed amount, but an estimated amount that changes with the change in the total value of the rent. Whereas, any property management fees paid from the fund to any property manager appointed by the Fund Manager are negotiated in accordance with market practices, but it does not exceed 7% of the rental income of the related property.

The property management fees for the initial investment portfolio upon offering are as follows:

Property Name	Property Management	Fees
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Al-Jazeera Residential Compound	Al-Mahmal Facilities Services Company *	5% of rent collected
Al-Rawdah Business Centre	Saqifat Al Safa Real Estate Development and Marketing Ltd.	3.5% of rent collected 5% of the first year rent in case the property manager leases the vacant spaces Performance fee of 1.5% of the total rental value for the first year in the event that the property manager is able to increase the rental value upon renewing a lease contract
Al-Khaldiyyah Business Centre	Saqifat Al Safa Real Estate Development and Marketing Ltd.	3.5% of rent collected 5% of the first year rent in case he leases the vacant spaces Performance fee of 1.5% of the total rental value for the first year in the event that the property manager is able to increase the rental value upon renewing a lease contract

* It is mentioned that an indirect shareholder of the Fund Manager is a controlling and direct shareholder in Al-Mahmal Facilities Services Company.

- **Investment Structuring Fees**

In case that the fund carries out real estate development activities, the Fund Manager is entitled to a fee of 1.5% of the development value only and does not include the value of the land in every real estate development project in exchange for arranging the real estate transaction, finding the right property and suitable tenants and the supervision of the development process. For the avoidance of doubt, these fees do not apply to structurally developed properties. In the event that a real estate development opportunity arises, the investment structuring fees are disclosed to unitholders.

- **Developer Fees**

The developer fees to be negotiated in accordance with recognized market prices in the event that the fund carries out real estate development activities. For the avoidance of doubt, these fees do not apply to structurally developed properties. In the event that a real estate development investment opportunity arises, the developer fees are disclosed to the unitholders.

- **The Fund Board of Directors Fees**

The fund pays to the independent fund board members an amount of SAR 30,000 (thirty thousand Saudi riyals) annually for each member, and the fund board fees will not exceed SAR 60,000 (sixty thousand Saudi riyals) annually. For the avoidance of doubt, the fund will not pay any fees to the non-independent members.

- **Regulatory Fees**

The fund pays regulatory fees of SAR 7,500 Saudi riyals (seven thousand five hundred Saudi riyals) annually, which are calculated cumulatively on each calendar day and paid on an annual basis.

- **Publication Fees**

The fund pays publication fees of SAR 5,000 (five thousand Saudi riyals) annually, which are calculated cumulatively on each calendar day and paid upon claim.

- **Shariah Advisor Fees**

The fund pays Shariah advisory fee, which is a lump sum amounting to SAR 30,000 (thirty thousand Saudi riyals) annually, as agreed upon between the Fund Manager and the Shariah advisor. The aforementioned fees are to be paid in equal instalments on a quarterly basis. Fees are paid to the Shariah advisor, who is responsible for paying the amounts to the Shariah Supervisory Board and any other authority in relation to any matters related to the provisions of Shariah.

- **Depository Centre Fees (fees for establishing Unitholder's register)**

The fund pays the following fees to register in the depository center at the Saudi Stock Exchange (Tadawul):

- SAR 50,000 (fifty thousand Saudi riyals) in addition to SAR 2 (two Saudi riyals) for each unitholder, with a maximum of SAR 500,000 (five hundred thousand Saudi riyals) paid to the Stock Exchange in exchange for creating a register for the unitholders.

- SAR 400,000 (four hundred thousand Saudi riyals) annually in order to manage the register of unitholders, and it may change based on the value of the fund's total capital.

The aforementioned fees are subject to change as determined by Tadawul.

- **Listing Fees**

The following listing fees are to be paid from the fund:

- Initial Listing Fees: SAR 50,000 (Fifty Thousand Saudi riyals).

- Listing fees: 0.03% of the fund's market value annually, with a minimum of SAR 50,000 (fifty thousand Saudi riyals) and a maximum of SAR 300,000 (three hundred thousand Saudi riyals).

The aforementioned fees are subject to change as determined by Tadawul.

- **Other Expenses**

The fund may entail direct or indirect fees including operating costs, service costs insurance fees on the property acquired by the fund, lawyers' fees, and Zakat (if applied to real estate investment traded funds, and this does not include zakat for Unitholders) and municipal fees, Government fees, appraisal fees, engineering consultant fees, surveyors fees, architects and interior designers fees. In all cases, only the actual fees and expenses related to the fund and its projects will be deducted after obtaining the approval of the fund's board of directors. It is expected that such expenses will not exceed 1% of the total assets value of the fund annually, according to the last audited financial statements.

- **TAX & Zakat**

The Fund Manager holds no responsibility with regards to Zakat or tax calculation or payments.

- **Summary of Financial Disclosure**

The fees, charges and expenses expected to be incurred by the Fund have been specified in the Financial Disclosure Summary contained in Appendix (A) of these Terms and Conditions.

- **Value-added Tax (VAT)**

All fees and expenses referred to these Terms and Conditions are an indication of that amount expressed on an exclusively VAT basis unless otherwise indicated. To the extent that VAT is due to be paid in relation to any supply made by any person to the fund or the Fund Manager who acts as the Fund Manager, the Fund Manager is obligated to pay an additional amount from the fund's assets for that supply, provided that the value of this additional amount equals the exclusive value of the added value tax (or the exclusive market value of VAT if any) multiplied by the value-added tax price applied to this supply (provided that a tax invoice is issued and received by the fund).

To the extent that these Terms and Conditions state that any person (including, for example, the insured party) is entitled to compensation for losses, costs, expenses or expenses incurred in connection with the fund, the amount of compensation must first be reduced by an amount equal to any input tax balance that is owed To the party receiving compensation in respect of that loss, cost, expense, or expense; After that, if the payment amount becomes consideration or part of the consideration for the taxable supply, it must be increased on the account of the value added tax according to the previous paragraph.

Cases or situations in which the Fund Manager has the right to waive or deduct any of the aforementioned fees:

None.

2. The following table outlines the fees associated with funds that has collected the total target value, which is 600,000,000 Saudi riyals (six hundred million Saudi riyals):

Fee Type	Percentage \ Amount	Calculation Method	Frequency
Subscription Fees	2.0%	From the subscription amount	One time when subscribed to the fund
Management Fees	1.0%	From the net asset value of the fund as it is evaluated according the most recent audited financial statements.	paid in advance semi-annually.
Performance Fees	20% of any amount exceeding the 7% return as net annual distributions on the par value of one unit	In case that the fund distributes cash dividends exceeding 7% as net annual distributions on the par value of one unit	Paid annually, performance fees are calculated and are due on December 31 of each calendar year.
	10% of the value of the capital gains made from the sale of the real estate	Capital gains from real estate sales (including transaction costs for example brokerage fees, acquisition and sale fees when selling the fund's real estate)	When selling the property
Custody Fees	SAR 30,000 (thirty thousand Saudi riyals) one-time fee upon the closing	Lump-sum	Paid once during fund inception

	<p>date of the offering period as incorporation fees</p> <p>The custodian is entitled to an annual fee of 0.04%, of no less than SAR 200,000 (two hundred thousand Saudi riyals).</p>	<p>From the net asset value of the fund according to the latest financial statements</p>	<p>It is calculated at the end of each year on the basis of the fund's net asset value according to the most recent audited financial statements</p>
<p>Acquisition Fees (Not applicable to the initial portfolio)</p>	0.75%	<p>From the price of buying or selling each real estate asset</p>	<p>Payable when buying or selling any real estate that is acquired or sold by the fund</p>
<p>Brokerage Fees (Not applicable to the initial portfolio)</p>	Up to 2.5%	<p>The value of the property's purchase price</p>	<p>It is payable upon vacating</p>
<p>Financing Arrangement Fees</p>	1.25%	<p>from the financing amount</p>	<p>Paid in advance as soon as the financing deals are completed</p>
<p>Administrator Fee</p>	0.05%	<p>The fund's net asset value according to the latest financial statements</p>	<p>Paid in advance semi-annually</p>
<p>Auditor Fees</p>	<p>SAR 85,000 (eighty-five thousand Saudi riyals), which may change from time to time according to the market prices, and the disclosure is made according to CMA requirements .</p>	<p>Lump-sum</p>	<p>Annually</p>
<p>Property Management Fees</p>	Not exceeding 7%	<p>From the real estate rental income</p>	<p>Payable when services are provided</p>
<p>Investment Structuring Fees</p>	1.5%	<p>From the development value only and does not include the land value of any real estate development project</p>	<p>Paid in advance when the fund invests in a development project</p>
<p>Developer fees</p>	<p>To be negotiated according to market prices and are disclosed in a way that</p>	<p>To be negotiated according to market prices and are disclosed in a way that serves the interests of unitholders</p>	<p>To be negotiated according to market prices and are disclosed in</p>

	serves the interests of unitholders		a way that serves the interests of unitholders
Independent Board Members Fees	SAR 30,000 (thirty thousand Saudi riyals) for each independent member	Lump-sum	Annually
Regulatory Fees	SAR 7,500 (Seven thousand five hundred Saudi Riyals)	Calculated semi-annually	At the end of the year
Publication Fees	SAR 5,000 (Five thousand Saudi riyals)	Calculated semi-annually	Paid upon claim
Shariah Advisor fees	SAR 30,000 (Thirty thousand Saudi riyals)	Lump-sum	Quarterly
Depository Centre Fees (Fees for Establishing Unitholders Register)	SAR 50,000 (fifty thousand Saudi riyals) in addition to SAR 2 (two Saudi riyals) for each unit holder, with a maximum of SAR 500,000 (five hundred thousand Saudi riyals) to be paid to the Saudi Stock Exchange in exchange for establishing a register of Unitholders. SAR 400,000 (four hundred thousand Saudi riyals) annually in exchange for managing a register of unitholders, and it may change based on the value of the fund's total capital. The aforementioned fees are subject to modification as determined by the Saudi Stock Exchange (Tadawul).		
Listing Fees	Initial listing fee: SAR 50,000 (fifty thousand Saudi riyals) Listing fees: 0.03% of the market value of the fund annually, with a minimum of SAR 50,000 (fifty thousand Saudi riyals) and a maximum of SAR 300,000 (three hundred thousand Saudi riyals). The aforementioned fees are subject to modification as determined by the Saudi Stock Exchange (Tadawul).		
Other Expenses	It is expected not to exceed 1%.	From the fund's net asset value according to the latest financial statements	It is paid and calculated upon providing the service and based on the nature of the expenses

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

3. Hypothetical investment for the unit holder:

A hypothetical example is shown in Appendix A - an example of calculating recurring charges.

- **Insurance**

The following is the insurance summary for the initial real estate portfolio and additional assets as of 30, June 2021:

Insurance Company	Policy Type	Properties under Insurance	The value of the insurance (VAT included)	Coverage
Wataniya Insurance	All risks (floods, natural disasters, earthquakes, burglaries, strikes, riots and liability of neighbours and tenants)	All properties of initial portfolio	SAR 175,552.32	SAR 508,763,908
Wataniya Insurance	Sabotage and Terrorism	All properties of initial portfolio	SAR 341,578.75	SAR 508,763,908

*Note: Please refer to the supplementary appendix of the Fund's Terms and Conditions to view the insurance information for additional properties after increasing the total value of the Fund assets.

- **Fund Assets**

- Registering the ownership of the fund assets

The ownership of the fund assets is registered by the name of a special purpose company established by the custodian.

Valuation Fund Assets

1. Accredited valuers of the Fund:

Accredited Valuers of the Fund Assets	Knight Frank Co.	Jones Lang Lasalle Co.,Ltd.	Esnad Real Estate Valuation Company and its Shareholder	AlKhabeer Real Estate Valuation	White Cubes Co.
Logo					
Address	5 th Floor, Building No. 2, Emaar Business Park, PO Box 487207, Dubai, United Arab Emirates	Tawuniya Towers, King Fahd Road, Riyadh 11683, Kingdom of Saudi Arabia	PO Box 7510, Jeddah 23615, Kingdom of Saudi Arabia	6 th Floor, South Tower, Riyadh, Kingdom of Saudi Arabia.	PO Box 2955, Riyadh 11461, Kingdom of Saudi Arabia

2. How to value the fund's real estate assets

The Fund Manager shall evaluate the Fund assets based on a valuation report prepared by two certified and independent real estate valuers approved by the fund's board of directors and licensed by the Saudi Authority for Accredited Valuers in accordance with the list of approved real estate evaluators described in the fund's Terms and Conditions. The Fund Manager has the right to change or appoint any new valuers for the fund without any prior notice to the Unitholders subject to obtaining the fund board approval. Such appointment will be made considering the Fund Manager's fiduciary responsibility to the Unitholders.

The unit price will be calculated by deducting the total liabilities of the Fund, including any finance liabilities, fees and expenses payable by the Fund during the calculation period (fixed liabilities will be deducted first, then variable liabilities), from Fund total assets, and the output will be divided by the number of the Fund Units for the same period. Such price shall be an indicative price of the Fund's units.

Total assets are the sum of all real estate properties, cash, accrued profits, and other receivables and the market value of all investments together with the current value of any other assets held. The Administrator shall exercise its reasonable judgment in determining the values to be attributed to assets and liabilities, provided it is acting in good faith in the interest of the Fund as a whole. For the purposes of determining the Net Asset Value, the Administrator shall use the average the two valuations (except in the case of error).

In case of discrepancy between the valuations prepared by the two independent valuers, the Fund Manager may appoint another valuer to evaluate the funds' assets after obtaining the fund board approval.

The assets constituting the initial investment portfolio were evaluated based on the average of two independent valuations obtained by the Fund Manager. The following are the information of the initial investment portfolio as at the date of preparing these Terms and Conditions and are subject to continuous change, especially in multi-tenant properties, as a result of renewal and / or replacement of tenants. This information should also be read with reference to the definitions list provided at the front of this document.

3. The valuation value of each asset in the initial portfolio upon offering

Property	Company Review (Jones Lang LaSalle) July2017 SAR	Company Review (Knight Frank) July2017 SAR	Value of the Property and the Purchase Price SAR
(1) Burj Al Hayat Hotel Apartments	39,700,000	42,820,000	41,260,000
(2) Hyper Panda, Jeddah	39,900,000	38,700,000	39,300,000
(3) Hyper Panda, Riyadh	80,000,000	77,530,000	78,765,000
(4) Public Prosecution Building	61,600,000	64,430,000	63,015,000
(5) Al-Jazeera Residential Compound	65,400,000	69,530,000	67,465,000
(6) Al-Rawdah Business Center	123,170,000	129,820,000	126,495,000
(7) Al-Khaldiya Business Center	154,600,000	142,690,000	148,645,000

The date of the above two valuations reports is October 24, 2017, and it is indicated that all the valuations are based on the income capitalization of each property.

4. Number and Timing of Valuation

The Fund Manager evaluates the fund's assets by appointing two independent valuers accredited by the Saudi Authority for Accredited Valuers, at least once every six months on June 30 and December 31 of each calendar year (and such day is referred to as "Valuation Date"). The Fund Manager may delay the valuation of the fund's assets after obtaining the approval of the CMA in accordance with Article (22) of the Real Estate Investment Funds Regulations.

5. How to announce the net asset value of one unit

The Fund Manager announces the net assets value per unit in accordance with the requirements of the Real Estate Investment Funds Regulations. Unitholders are notified of the valuation through periodic reports. This information will be available on the Saudi Stock Exchange (Tadawul) and the Fund Manager website

Board of Directors

1. Composition

The fund's board of directors will consist of five members appointed by the Fund Manager, two of whom are

independent. After obtaining the approval of the CMA, 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 (Tadawul) website.

The fund's board of directors consists of the following members:

- **Mr. Tariq Hussain Linjawi (Independent Member and Chairman of the Fund Board)**

Mr. Tariq Linjawi is the founder and CEO of Mashura United Group, and before that he held several managerial positions at the National Commercial Bank, the Arab National Bank and NCB Capital, including the appointment as CEO of NCB Capital, in addition to his previous position as Chairman of the Board of Investment Funds managed by NCB Capital, also he was a board member of the Investment Committee of NCB Capital. Mr. Tariq has obtained a master's degree in business administration with a focus on strategy and marketing from Cranfield University in the United Kingdom in 2003.

- **Mr. Ziyad Yousef Al-Aqeel (Independent Member)**

Mr. Ziyad Al-Aqeel has banking experience of more than sixteen years, during which he held several leadership positions, the last of which was the vice CEO of the Private Banking Services Group NCB, and is currently the CEO and founding shareholder of Dar Al-Wasal Marketing Company, which was established in 2003 as a specialized Saudi company in the field of real estate development, marketing and facility management. He held many board memberships, including: a founding shareholder and a member of the board of directors of Dar Al-Wasal Even Taj and Saber Financial Company in Texas, USA, a member of the Thuraya Real Estate Development Fund, a former member of the Banking Credit Committee of the Group of Companies (Samba Financial Group), and a former member of the Investment Products Committee at the National Commercial Bank. Mr. Ziyad obtained a bachelor's degree in business administration with a major in finance from the American University in Washington DC in 1992 and holds a certificate of the seventh category (Series 7 for trading in securities from the State of New York). As well as a financial and management consulting license from the Kingdom of Saudi Arabia, and holds advanced studies in comprehensive housing development planning science from Johns Hopkins University, USA, as well as an international qualification program for executives from INSEAD University in Paris. Washington DC in 1992 and holds a certificate of the seventh category (Series 7 for trading in securities from the State of New York)

- **Mr. Saeed Baarmah (non-independent member)**

Engineer Saeed Baarmah is a member and chairman of several boards of directors for different companies working in the fields of power generation, industrial construction, architecture, and real estate services. A holding company established more than 35 years ago and working in the same field. Engineer Saeed holds a Bachelor's degree in Architectural Engineering from Ohio State University, USA.

- **Mr. Samer Abu Aker (non-independent member)**

Mr. Samer joined the Saudi Economic and Development Company for Securities (SEDCO Capital) in 2011 after spending 4 years as the Chief Operating Officer of Al Burouj Securities Company in Abu Dhabi. He is a certified public accountant and has more than 16 years of experience in middle and executive management positions through his work with a number of international financial institutions and investment banks, including Lightspeed Management LLC and Bank of New York in Bermuda. He holds a Bachelor's degree in Accounting from Brock University in the Canadian province of Ontario. Mr. Samer is a member of the Investment Committee, the Product Development Committee, and the Risk, Compliance and Compliance Committee of the Saudi Economic and Development Securities Company (SEDCO Capital).

- **Mr. Abdulwahhab Abed (non-independent member)**

Mr. Abdulwahhab Abed holds the position of Head of Regional Business Development, Marketing and

Communications at SEDCO Capital, where his experience in the company spanned 14 years in which he held several managerial and leadership positions. Prior to his current position, Mr. Abdulwahhab held the position of Head of Corporate Finance Department as well as the position of Vice President of Private Equity as well as General Director of Joint Investments Department, where he was responsible for overseeing investments in funds and direct investments for more than 100 investments in private equity worldwide. With extensive experience in conducting due diligence studies, supervising and exiting investments. He is also a board member of SEDCO Capital Investment Committee, as well as the Chairman of its Investment Products Development Committee. Also Mr. Abdulwahhab is a board member of several real estate and public equity funds belonging to SEDCO Capital and also a member of the Board of Directors of the Saudi Chemical Company, as well as a member of its internal audit committee. He holds a Bachelor's degree with a dual major in Finance and Accounting as well as a Master's degree in Business Administration - Finance from the McCallam School of Business at Bentley University.

2. Compensation, Fees and Expense

The fund pays to the independent fund board members an amount of SAR 30,000 (thirty thousand Saudi riyals) annually for each member, and the fund board fees will not exceed SAR 60,000 (sixty thousand Saudi riyals) annually. For the avoidance of doubt, the Fund will not pay any fees to the non-independent members.

3. Responsibilities

The members of the Fund Board shall have the following responsibilities:

- Approving material contracts, decisions and reports involving the fund, including, but not limited to, contracts for the provision of fund management services, contracts for the provision of custody services but excluding contracts entered into pursuant to investment decisions regarding underlying investments made or to be made by the fund.
- Reviewing the report that includes assessment of the performance and quality of services provided by the parties involved in providing significant services to the fund, in order to ensure that the fund manager fulfils his responsibilities in the interest of unitholders in accordance with the terms and conditions of the fund and the provisions stipulated in these Regulations.
- Adopt a written policy regarding voting rights related to the Fund's assets.
- Supervision, and where appropriate, approval or ratification of any conflict of interest disclosed by the Fund Manager.
- Meeting at least twice a year with the Fund Manager's compliance committee or with the compliance officer to review the fund manager's compliance with all applicable rules, laws and regulations, including (without limitation) the requirements stipulated in these Regulations.
- Approve all changes stipulated in Articles (26) and (27) of these regulations prior to the fund manager obtaining the unitholders and the Authority's approval, or prior to notifying them (where applicable).
- Confirming the completeness and accuracy (complete, clear, accurate, and not misleading), and compliance with these Regulations, of the terms and conditions and any other document contractual or otherwise, that includes disclosures relating to the fund and/or the fund manager and its conduct of the fund. In addition to ensuring that

the foregoing complies with the provisions of these regulations.

- Ensuring that the fund manager carries out its obligations in the best interests of the unitholders, in accordance with these Regulations, the terms and conditions of the fund.
- Assessing the mechanism of the fund manager's handling of the risks related to the fund's assets in accordance with the fund manager's policies and procedures that detect the fund's risks and how to treat such risks.
- have a fiduciary duty to unitholders, including a duty to act in good faith, a duty to act in the best interests of the unitholders and a duty to exercise all reasonable care and skill; and
- taking minutes of meetings that provide all deliberations and facts of the meetings and the decisions taken by the fund board.
- Reviewing the report that includes all complaints and the measures taken to address them referred to in subparagraph (12) of paragraph (e) of Article (13) of these Regulations, in order to ensure that the fund manager fulfils its responsibilities in the interest of unitholders in accordance with the terms and conditions of the fund and the provisions stipulated in these Regulations.

The fund manager shall provide all necessary information related to the fund's affairs to all members of the fund's board of directors to assist them in carrying out the duties assigned to them.

4. Other Funds Managed by members of the Fund Board

The Fund Board members currently manage other investment funds in Saudi Arabia (including real estate investment traded funds), as per the following:

NAME OF MEMBER	FUND NAME	FUND MANAGER	POSITION
Mr. Tariq Hussain Linjawi	SEDCO Capital Built-to-Suit Real Estate Fund I	SEDCO Capital	Independent Fund Board
	SEDCO Capital Built-to-Suit Real Estate Fund II	SEDCO Capital	Independent Fund Board
	SEDCO CAPITAL REAL ESTATE INCOME FUND II	SEDCO Capital	Independent Fund Board
	SEDCO CAPITAL REAL ESTATE INCOME FUND II	SEDCO Capital	Independent Fund Board
Mr. Ziyad Yousef Al-Aqeel	Alinma AlThuraya Real Estate Development Fund	Alinma Investment	Independent Fund Board
	SEDCO Capital Built-to-Suit Real Estate Fund I	SEDCO Capital	Independent Fund Board
	SEDCO Capital Built-to-Suit Real Estate Fund II	SEDCO Capital	Independent Fund Board
	SEDCO CAPITAL REAL ESTATE INCOME FUND II	SEDCO Capital	Independent Fund Board
Mr. Saeed Baarmah	NA	-	-
Mr. Samer Abu Aker	NA	-	-
Mr. Abdulwahhab Abed	SEDCO Capital Built-to-Suit Real Estate Fund I	SEDCO Capital	Non-independent Fund Board
	SEDCO Capital Built-to-Suit Real Estate Fund II	SEDCO Capital	Non-independent Fund Board
	SEDCO CAPITAL REAL ESTATE INCOME FUND II	SEDCO Capital	Non-independent Fund Board
	SEDCO CAPITAL REAL ESTATE INCOME FUND II	SEDCO Capital	Non-independent Fund Board

5. Eligibility of members

The Fund Manager represents that in relation to each member of the Fund Board, such member:

- Is not subject to any bankruptcy or liquidation proceedings;
- Has not previously committed any fraudulent, dishonest or untrustworthy act; and
- has the requisite skills and expertise that would render him to qualify to be a member of the Fund Board.

The Fund Manager represents that each independent director is in compliance with the definition of an independent director as mentioned in the Glossary of defined terms used in the Regulations and Rules of the Capital Market Authority.

Responsibility

The Fund Manager, employees, agents and advisors affiliated with the fund, the subsidiaries and related parties, the custodian, the placement agent, every developer and property manager, the Shariah advisor, members of the Shariah supervisory board and the fund's board of directors (each of them is referred to as an "insured party") will not hold any liability towards the fund or any investor regarding any loss suffered by the fund due to any action taken by any of the aforementioned parties regarding their management of the fund's affairs. In this case, it is a condition for any aforementioned party that wants to rely on the provisions of this paragraph, that it has 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 negligence, fraud or intentional misconduct.

Fund Manager

1. Name and Address of the fund manager and the participating financial advisor

Name: SEDCO Capital
Address: SEDCO Building 2nd floor
Red Sea Mall
Between Gates 7& 8
King Abdulaziz Road
P.O. Box 13396
Jeddah, 21493
Kingdom of Saudi Arabia

Tel: +966 12 690 6555
Fax: +966 12 690 6599

Website: www.sedcocal.com

2. Fund Manager as a Capital market institution

The Fund Manager was incorporated as a closed joint stock company pursuant to the laws and regulations of the Kingdom, and licensed to operate as an "Capital market institution" under the Capital market institution Regulations issued by the Board of the CMA pursuant Resolution No. 1-83-2005 dated 21/05/1426H (corresponding to 28/06/2005G) under license number 11157 - 37 dated 23/04/1430H (corresponding to 19/4/2009G).

SEDCO Capital is a wealth management company headquartered in Jeddah, Saudi Arabia. The company offers asset management, advisory, corporate finance and custody services to high net worth individuals, family offices and institutions.

3. Fund Manager Services

The Fund Manager shall appoint an investment portfolio manager registered with the CMA in accordance with the Capital market institution Regulation issued by the CMA to overlook the management of the Fund assets.

The Fund Manager will provide management and other services to the Fund, including but not limited to the following:

- a) sourcing and executing acquisitions and dispositions for the Fund;
- b) setting out the decision-making procedures that should be followed when executing the business of the Fund;
- c) informing the CMA of any material event or development that might affect the Fund's business;
- d) complying with all laws and regulations valid in the Kingdom relating to the Fund's business;
- e) managing the Fund's assets for the benefit of the investors in accordance with the Terms and Conditions;
- f) ensuring the legality and validity of all contracts concluded for the benefit of the Fund;
- g) implementing the Fund's investment strategies described herein;
- h) arranging, negotiating and executing Shariah-compliant debt financing documentation on behalf of the Fund;
- i) appointing the Shariah Board and securing their approval that these Terms and Conditions are in compliance with Shariah guidelines;
- j) overseeing the performance of the Fund's contractual counterparties;
- k) arranging the liquidation of the Fund upon its termination;
- l) providing the Fund Board all necessary information relating to the Fund to enable the Fund Board members to perform their responsibilities completely; and
- m) consulting with the Fund Board to ensure compliance with the CMA's regulations and the Terms and Conditions.
- n) The Fund Manager shall be liable for any losses incurred by the Fund as a result of the Fund Manager's negligence or misconduct.

4. Fund Manager Duties

- set out decision making procedures that should be followed when executing technical and administrative issues of the Fund's businesses and projects.
- comply with all laws and regulations valid in the Kingdom related to the Fund's business.
- implementing a compliance monitoring program for every real estate fund under its manages, the fund manager must provide the Authority with the results of the implementation of the program upon its request.
- developing policies and procedures that detect risks effecting the fund's investments and ensure treatment of these risks as soon as possible. These policies and procedures must include conducting risks assessment, at least, once a year.
- cooperate with all persons concerned with the performance of tasks for the fund, including the custodian and the auditor. The fund manager must provide them with whatever necessary to perform their duties and tasks in accordance with these Regulation.
- prepare an annual report that includes an assessment of the performance and quality of services provided by the parties involved in providing material 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.

- To manage the Fund's assets in favor of the Unitholders benefit according to the Fund's Terms and Conditions.
- ensuring the legality and validity of all contracts concluded for the benefit of the Fund.
- The fund manager shall have the primary responsibility for compliance with these Regulations. Any delegation of the fund manager's responsibilities and duties to any other person pursuant to these Regulations shall not in any way limit, reduce or satisfy the fund manager's responsibilities under these Regulations and the Capital Market Institutions Regulations. The fund manager shall be responsible to unitholders for losses incurred by the investment fund which are caused by, fraud, negligence, misconduct or willful default of the fund manager.
- The fund manager must comply with the provisions of Annex (12) of these Regulations when applying for an approval from or notifying the Authority requests.
- The fund manager must comply with the fund's terms and conditions.
- The fund manager must prepare an annual report that includes all complaints and the measures taken to address them, and it shall submit such report to the Fund's board.
- The Fund Manager must comply with the Instructions for Investment Funds Announcements.

5. Removal or Replacement of Fund Manager

The Authority shall have the power to remove a Fund Manager in relation to a particular investment fund and to take any action it deems appropriate to appoint a replacement Fund Manager for that investment fund or to take any other measures it deems necessary in the event of:

- the fund manager ceasing from carrying on management activities without notifying the Authority under the Capital Market Institutions Regulations;
- the cancellation, withdrawal or suspension by the Authority of the Fund Manager's relevant authorisation(s) of carrying on management activities.
- a request by the Fund Manager to the Authority to cancel its relevant authorisation of carrying on management activities;
- the Authority believing that the Fund Manager has failed, in a manner which the Authority considers material, to comply with the Capital Market Law or its Implementing Regulations;
- the death, incapacity or resignation of the portfolio manager who manages the assets of the relevant real estate investment fund, if no other registered person employed by the fund manager can manage the assets of the relevant real estate investment fund or the assets of the funds managed by the portfolio manager;
- The Issuance of a special fund resolution by unitholders of a close ended fund requesting a removal of the Fund Manager;
- any other event determined by the Authority, on reasonable basis, to be of material importance.

Notice of any event described of this Article must be provided by the fund manager to the Authority within (2) days of its occurrence.

- the Authority shall directs the removed fund manager to call for a unitholders meeting within (15) days from the date of the Authority's removal decision, in order to appoint the custodian or other party, through an ordinary fund resolution, to find and negotiate with a replacement fund manager and specify the time limit for finding and negotiation.

- Upon removal of the fund manager in accordance with the case stipulated in subparagraph (6) of paragraph (a) of this Article, the fund manager must issue an ordinary fund resolution at the same meeting in which unitholders voted on the request to remove the fund manager, in order to appoint the custodian or other party, to find and negotiate with a replacement fund manager and specify the time limit for finding and negotiation.
- When any of the two cases stipulated in paragraphs (c) and (d) of this Article occurs, the Fund Manager must notify the Authority of the results of the unitholders meeting within two days of its convening.
- The fund manager must cooperate and provide the custodian or the party assigned to find and negotiate any documents required by it for the purpose of appointing a replacement fund manager within (10) days from the date of the request, and both parties must maintain the confidentiality of the information.
- The fund manager must, upon approval of the replacement fund manager to manage the fund and transfer of the fund management to it, send a written consent of the replacement fund manager to the Authority as soon as it is received.
- If the Authority exercises its power pursuant to paragraph (a) of this Article, the relevant fund manager shall cooperate fully in order to help facilitate a smooth transfer of responsibilities to the replacement fund manager during the initial (60) day period after the appointment of the replacement fund manager. The Fund Manager must where necessary, appropriate and at the Authority its absolute discretion, transfer all of the contracts relating to the relevant real estate investment fund to the replacement fund manager.
- Unitholders are entitled to request the liquidation of the fund by a special fund resolution in the event that a replacement fund manager has not been appointed within the period for search and negotiation stipulated in paragraphs (c) and (d) of this Article.

6. Material Conflicts of Interest

Potential conflicts between the Fund Manager and the Fund are set forth in Clause 2(s) herein.

The Fund Manager shall not have any interest in or claims against the Fund assets, except in its capacity as a Unitholder. Creditors of the Fund Manager shall not have any interest in any Fund assets.

7. Delegation to Third Parties

The Fund Manager shall be responsible for managing the Fund, and shall be liable for the appointment of any third party (including any of its affiliates) for carrying out any of the foregoing responsibilities. The Fund Manager may solicit the services of third parties (including providers of administrative services) in order to enhance the performance of the Fund.

The Fund Manager intends to appoint a developer on an arm's-length basis for all development projects of the Fund.

8. Investment in the Fund

During the offering period, the Fund Manager will participate as an investor with a cash share equal to SAR 25,000,000, which is equivalent to 2,500,000 units (4.16% of the fund's total capital). The trading of the units allocated to the Fund Manager will be prohibited for a period of six months from the date of listing. Note that the Fund Manager has the right according to his own discretion, to trade new units in the fund after listing,

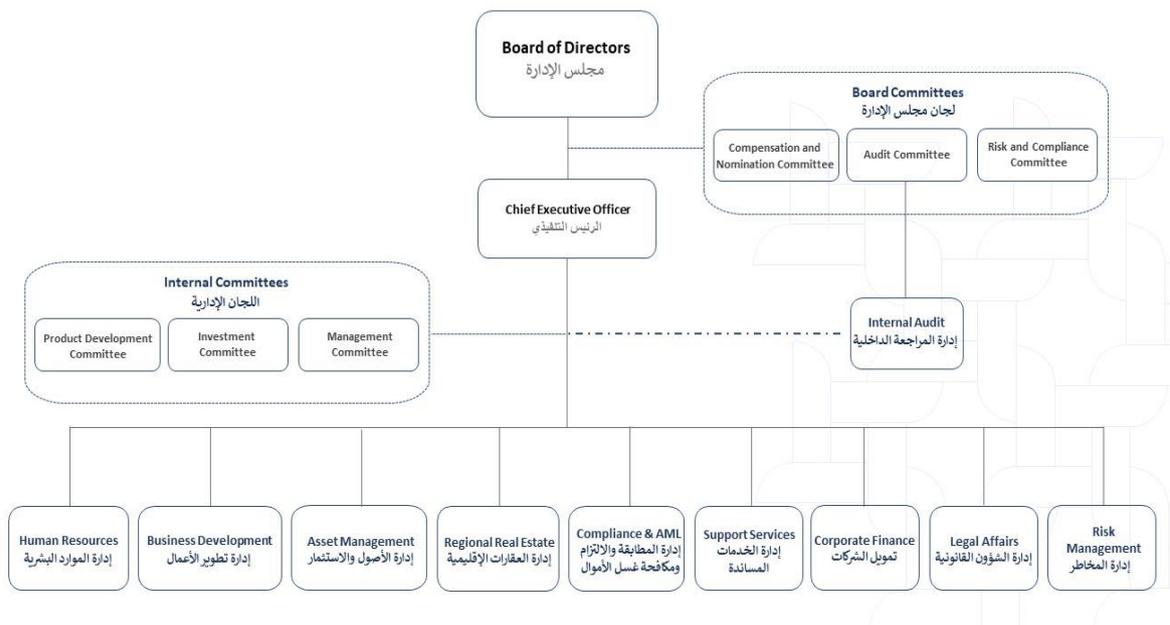
provided that the Fund Manager discloses any investment he has in the fund at the end of each fiscal year in the summary of financial disclosure.

In addition, related parties, employees, managers and agents of the Fund Manager, funds and private portfolios under his administration (with the exception of the Fund Manager's employees who are members of the fund's board of directors) are entitled to participate in the fund during the offering period and after listing, and to acquire units and

9. Assets Under Management (AUM)

Saudi Economic and Development Securities Company manages assets worth 20.2 billion Saudi riyals as of December 31, 2020.

10. The organizational Structure of the Fund Manager



- **Public Funds managed by Fund Manager**

Fund Type	Fund Name	Total value of fund's assets as of 31 December 2020
A close-ended Real Estate Traded Fund	SEDCO Capital REIT Fund	SAR 1,075,204,378

- The number of asset management employees of the Fund Manager as of December 2021 is 26 employees.

Custodian

1. The name and address of the custodian

Name: Alinma Investment Company
Address: Alanoud-2 Tower, 20th Floor

King Fahad Road
Olaya District
P.O. Box 66333
Riyadh 11576
Kingdom of Saudi Arabia
Website: www.alinmainvestment.com

The Custodian is licensed by the CMA as an “Capital market institution” pursuant to license no. 37-09134. The Custodian will form one or more Saudi Arabian limited liability companies (each an “SPV”) to hold the title deeds to the assets of the Fund. Such structure shall maintain tax efficiency and regulatory compliance and provide maximum legal protection for investors. The Custodian shall not have any interest in or claims against the Fund assets, except in its capacity as a Unitholder. Creditors of the Custodian shall not have any interest in any Fund assets.

2. The duties of the Custodian include the following;

- Registering the real estate assets of the Fund in the name of a subsidiary of the Custodian for the Fund or in the name of a subsidiary of an authorised financier that has provided financing for the Fund.
- Take all necessary procedures to separate the assets of the fund from any other assets independently, including the assets of the custodian.
- Keeping all necessary records and other documents that document the fulfilment of its contractual obligations.
- Comply with all requirements for custody the fund's assets and related documents in accordance with the Real Estate Investment Funds Regulations.

3. Delegating to others

The custodian shall be responsible if any party (including its affiliates) is appointed to carry out any of its aforementioned responsibilities.

4. Removal or Replacement of the custodian

The Authority shall have the power to remove the custodian which was appointed by the fund manager or take any other measures it deems appropriate, in the event of:

- The custodian ceasing to carry out custody activity without notification to the Authority under the Capital Market Institutions Regulations;
- The custodian ceasing to carry out custody activity without notification to the Authority under the Capital Market Institutions Regulations;
- A request by the custodian to the Authority to cancel its authorisation to carry out custody activity;
- The Authority believing that the custodian has failed, in a manner which the Authority considers material, to comply

- with the Capital Market Law or its Implementing Regulations;
- Any other event determined by the Authority – based on reasonable grounds- to be of sufficient significance.

If the Authority exercises its power pursuant to this Article, the relevant fund manager must appoint a replacement custodian to that investment fund in accordance with the Authority’s instructions, the fund manager as well as the removed custodian shall co-operate fully in order to facilitate a smooth transfer of responsibilities to the replacement custodian during the first (60) days of the appointing the replacement custodian. The custodian must transfer, where the Authority decides its necessary and applicable, all the contracts related to the relevant investment fund to the replacement custodian.

The fund manager may dismiss the appointed custodian if he reasonably considers that the dismissal of the custodian is in the interest of the unitholders, and the fund manager must notify the Authority and the unitholders of that immediately and in written. In addition, if the custodian is dismissed, the fund manager must appoint a replacement custodian within (30) days of the custodian receiving the written notification. The fund manager and the removed custodian must comply with the requirements mentioned in the Real Estate Investment Funds Regulations.

Property Managers

1. Details of the property managers of the initial portfolio upon offering:

Property Name	Property Managers Company Name	Property Managers Company Address
Al-Jazeera Residential Compound	Al-Mahmal Facilities Services Company	P.O. Box 19981, Jeddah 21445, Saudi Arabia
Al-Rawdah Business Center	Saqifat Al Safa Real Estate Development and Marketing Ltd.	P.O. Box 22149, Jeddah 21495, Saudi Arabia
Al-Khalidiyah Business Centre	Saqifat Al Safa Real Estate Development and Marketing Ltd.	P.O. Box 22149, Jeddah 21495, Saudi Arabia

2. Duties of Property Managers

The Fund Manager has the right to appoint a property manager for each property to be responsible for the administrative affairs of the properties. This includes setting up property management rules and policies. In addition to, follow-up of the property and the affairs of its tenants, collection of rents, periodic maintenance and use the property effectively to achieve the best returns. The Fund Manager has the right to change the property manager from time to time based on his performance. For the avoidance of doubt, the property manager is appointed after obtaining the approval of the fund's Board of Directors and notifying the unitholders thereof.

3. Investment of property Managers in the Fund

Property managers may subscribe in the fund by cash or in-kind, as mentioned in the clause (“Subscription”).

Auditor

1. Name and address

Name: KPMG Professional Services
Address: Zahran Business Centre
Tower A, 9th Floor
Prince Sultan Street
P. O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Website: www.kpmg.com.sa

The Fund Manager may change the Auditor from time to time with the approval of the Fund Board. Notice will be provided to all Unitholders and the CMA upon the replacement of the Auditor.

2. Duties of the Auditor

The Auditor will be responsible - but not limited to - for the following:

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

Administrator:

Name: SEDCO Capital
Address: SEDCO Building 2nd floor
Red Sea Mall
Between Gates 7& 8
King Abdulaziz Road
P.O. Box 13396
Jeddah, 21493
Kingdom of Saudi Arabia
Website: www.sedccapital.com

The Administrator shall be responsible for processing subscription applications and calculating the net asset value of the Fund. The Fund Manager may change the Fund's Administrator from time to time with the approval of the Fund Board. Notice will be provided to all Unitholders and the CMA upon the replacement of the Administrator.

Financial Statements and Reports

The fund's fiscal year starts on January 1 and ends on December 31 of each year, except for the first year of incorporation of the fund, and whose fiscal year begins on the closing date and ends on December 31, 2018.

The Fund Manager prepares the fund's financial statements and reviews them by the fund's auditor in accordance with the accounting and financial standards prevailing in the Kingdom of Saudi Arabia. The Fund Manager will make available the annual audited financial statements of the fund in accordance with the requirements of the Real Estate Investment Funds Regulations and the Real Estate Traded Investment Funds Instructions within a period not exceeding (3) months from the end of the fund's fiscal year. The Fund Manager will also make the preliminary examined financial statements available to Unitholders within (30) Days from the end of the initial period for which those lists are prepared. The first audited financial statements of the fund will be issued at the end of 2018, and the financial period for the fund's accounts will end on December 31 of each calendar year.

Conflicts of Interest

Taking into consideration the above, any dealings of the fund with any related party is considered a conflict of interest, and the Fund Manager must abide by the following:

- 1) Disclosure of any conflict of interest to the fund's board of directors.
- 2) Disclosure of any conflict of interest in the terms, provisions and periodic reports of the fund.
- 3) Disclose immediately of any conflicts of interest that may arise during the operation of the fund.

Based on the information to the knowledge of the Fund Manager as of the date of these Terms and Conditions there is currently no conflict of interest between the fund and any other party. Note that a conflict of interest may arise or occur from time to time between the fund and the Fund Manager or its subsidiary companies and its managers, officials, employees and agents from another party, 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 within a two-week period from the day on which the conflict becomes known to the Fund Manager. The Fund Manager and fund board of directors will try to resolve any conflict of interest by exercising prudent caution and good faith and taking into consideration the interests of the affected parties as a whole.

The Fund Manager has initially identified the following conflicts of interest:

1. Similar SEDCO Capital Investments

SEDCO Capital manages and expects to continue to manage its own proprietary account and other investments and accounts with objectives similar in whole or in part to those of the Fund, including other collective investment vehicles which may be managed or sponsored by SEDCO Capital or in which its affiliates may have an equity interest.

In addition, subject to the limitations set forth herein, SEDCO Capital and its affiliates may in the future sponsor or serve as Fund Manager, investment manager or general shareholder with respect to investment funds or other collective investments, one or more of which may invest in properties similar to those in the Fund's portfolio, provided that such other activity does not impair the success of the Fund.

2. Conflicts of Interest Regarding Transactions with the Fund Manager and its Affiliates

The Fund may engage in transactions with the Fund Manager or its affiliates or other entities in which SEDCO

Capital has a direct or indirect interest. For example, certain affiliates of SEDCO Capital may provide services to the Fund such as the administrator, property manager, developer, and broker to the Fund. All transactions between the Fund and the Fund Manager, its affiliates and entities in which SEDCO Capital holds a direct or indirect interest will be disclosed to the Fund Board. However, the Fund Manager and Fund Board shall use their good faith commercially reasonable efforts to cause the terms of the agreements between the Fund Manager and its affiliates, on the one hand, and the Fund, on the other hand, to be prepared on an arm's-length basis and be in line with market standard terms.

3. Fund Board

The Fund Board will oversee the resolution of conflicts of interests. As of the date of these Terms and Conditions, the Fund Board is composed of appointees of the Fund Manager. The members of the Fund Board have fiduciary duties to the investors under the Real Estate Investment Fund Regulations and will use their best efforts to resolve all conflicts by exercising their good faith judgment.

4. Related Party Transactions

The Fund may from time to time enter into transactions with Related Parties and affiliates to provide services to the Fund (including legal, advisory or consultancy services) or for a specific property. Such arrangements must be disclosed to the Fund Board and shall be on market standard terms. In case a Related Party or an affiliate, including another fund or collective investment vehicle established by the Fund Manager, wishes to enter into a transaction with the Fund, the Fund Manager will obtain the approval of the Fund Board. If the Fund will buy or sell assets to a Related Party or an affiliate, the purchase price paid or received by the Fund must be consistent with independent valuations.

5. Contribution of the Initial Portfolio from SEDCO Private Fund I

It is intended that the Initial Portfolio of the SEDCO Private Fund I, which is managed by SEDCO Capital, be contributed to the Fund to become part of the Fund's assets. In order to mitigate this conflict of interest, the Fund Manager has appointed two independent valuers to determine the average value of the Initial Portfolio based on which the purchase price shall be determined.

Reporting to Unitholders

1. Reportable Events

The Fund Manager shall report and disclose the following information to the CMA and Unitholders without any delay:

- a) any material development that is not public knowledge and may affect the Fund assets, liabilities, counterparties, financial position or general course of business of any other change that would result in the Fund Manager voluntarily resigning from its position as Fund Manager, and which reasonably may affect the Unit Price or have significant effect on the Fund's ability to meet its commitments in respect of debt instruments;

- b) any transaction to purchase, sell, lease or mortgage a Fund asset at a price equal to or greater than 10% of the Fund's total assets value in accordance with the latest reviewed interim financial statements or audited annual financial statements, whichever is more recent;
- c) any losses equal to or greater than 10% of the Fund's Net Asset Value; according to the latest reviewed interim financial statements or audited annual financial statements, whichever is more recent;
- d) any changes in the composition of the Fund Board or Fund committees (if any);
- e) any dispute including any litigation, arbitration or mediation where the value involved is equal to or greater than 5% of the Fund's Net Asset Value according to the latest reviewed interim financial statements or audited annual financial statements, whichever is more recent;
- f) any increase or decrease in the Fund's Net Asset Value equal to or greater than 10% according to the latest reviewed interim financial statements or audited annual financial statements, whichever is more recent;
- g) the increase or decrease in the gross profit of the Fund, equal to or greater than 10% according to the latest audited annual financial statements;
- h) any transaction between the Fund and a Related Party or any arrangement through which the Fund and a Related Party invest in any project or asset or provide financing therefor if this transaction or arrangement is equal to or greater than 1% of the Fund's gross revenue according to the latest audited annual financial statements;
- i) any interruption in the Fund's core activities equal to or greater than 5% of the gross revenues according to the latest audited annual financial statements;
- j) any change in the Fund's Auditor;
- k) an appointment of a replacement custodian for the Fund;
- l) the passing of any judgment, decision, order or declaration by a court or tribunal, whether at first instance or at appeal, which may adversely affect the Fund's utilisation of any portion of its assets which in aggregate value represents a value exceeding 5% of the Net Assets Value according to the latest reviewed interim financial statements or audited annual financial statements, whichever is more recent; and
- m) any suggested change to the Fund's capital.

2. Annual Reports

The fund manager shall prepare and disclose annual reports to unitholders through its website, within a period not exceeding (3) months from the end of the reporting period (including the audited annual financial statements). The annual reports include the following information:

- a) the underlying assets in which the Fund invests;
- b) the assets which the Fund is targeting to invest in;
- c) an illustration of the leased and unleased properties in relation to the total assets owned by the Fund;
- d) The percentage of the rent for each of the fund's assets out of the total rent 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 profits of the fund;
- f) A description of the benchmark (where applicable) and the website of the service provider;
- g) a comparative illustration covering the Fund's performance over the last three fiscal years (or since inception of the Fund) explaining the following:
 - the Net Asset Value of the Fund's assets at the end of each fiscal year;

- the Net Asset Value per Unit at the end of each fiscal year;
 - the higher and lower Net Asset Value per unit for each fiscal year;
 - the number of issued Units at the end of each fiscal year;
 - the distribution of income per Unit; and
 - the expense ratio of the Fund.
- Results of comparing the Fund's benchmark performance with the Fund's performance.
 - The ratio of borrowed assets out of the total assets value, the exposure period, and the maturity date.
- h) a performance record showing the following:
 - the total return for one, three and five years (or since inception of the Fund);
 - the annual total return for each year of the past ten years (or since inception of the Fund);
 - a table showing the fees and commissions incurred by the Fund in favour of third parties throughout the year. In addition, the record shall disclose any circumstances that would call for the Fund Manager to waive or reduce any fees.
 - i) if fundamental changes have occurred during the relevant period which affected the performance of the Fund;
 - j) the Fund Board's annual report that would include but not be limited to the topics discussed and decisions issued by the Fund Board, including the issues regarding the performance of the Fund and its achievement of its objectives;
 - k) a statement about the special commissions earned by the Fund Manager during the relevant period, stating clearly the purpose of the commissions and how they would be utilized.
 - l) Any amendments to the Terms and Conditions.
 - m) Risk Assessment Report.

3. Quarterly Statement

The fund manager publishes a summary of the financial disclosure on its website and the website of the Saudi Stock Exchange Company within a period not exceeding (10) days from the end of the relevant half or quarter.

The financial disclosure summary includes the following information:

- the unit price at the end of the quarter in accordance with the last valuation. Which is each of the unit's trading price in the Exchange (closing price), and the net asset value of the unit in the fund at the end of the relevant quarter, calculated by subtracting the total liabilities of the fund from its total assets and dividing the result by the number of fund units.
- the rental income on the unit price, if any, it is the Fund's net income from its investment in income-generating real estate only during the relevant quarter to the market value of the units.
- A table illustrating the total expenses, fees and charges incurred by the fund and its percentage of the most recent fund's total assets value, provided that it illustrates the cap limit of all expenses, by the end of the relevant quarter.
- The performance of the unit price in the Exchange (closing price) during the relevant quarter, in addition to the net asset value per unit in the fund for the same period.
- A list of names of all real estates consisting the fund's portfolio, and the percentage of the value of each property in the total assets, in addition to the occupancy percentage for each property as at the end of the relevant quarter.

- the fund's total assets value.
- the percentage of borrowing to the fund's total assets value, period for fulfilment and due date.
- the fund units' net assets value.
- the ratio of the fund's costs to the fund's total assets value.
- any fundamental or non-fundamental changes that affects the fund's function during relevant quarter (where applicable).
- a statement on the fund's dividends distributed to the unitholders, if any; by including the quarterly statement with details as follows:
 - a) Total dividends distributed in the relevant quarter.
 - b) The number of existing units for which distributions have been made during the relevant quarter.
 - c) The value of the dividends distributed during the relevant quarter for each unit.
 - d) The percentage of distribution from the fund's net asset value;
 - e) Eligibility for cash dividends distributed during the relevant quarter.

In addition to the above mentioned, the fund manager must disclose the previous sale or rent proceeds distributions for the same quarter of the previous year. Such disclosure shall enable the unitholders to view the fund's distributions and their number and size.

Unitholder Meetings

The Fund Manager can call for a meeting of unit holders upon his initiative.

The Fund Manager must call a meeting of unit holders within 10 working days of receiving a written request from the custodian. The Fund Manager must call a meeting of Unitholders within 10 working days of receiving a written request from one or more of the Unitholders who owns alone or collectively own at least 25% of the fund's units.

The Fund Manager calls for a meeting of Unitholders by announcing the invitation on his website and on the website of the Saudi Stock Exchange (Tadawul), and by sending a written notification to all Unitholders and the custodian with a deadline given not less than 10 working days and not more than 21 working days from the date the meeting takes place. The announcement and notification shall specify the date, place and time of the meeting, and the proposed agenda. The Fund Manager must, at the same time send the notification to the unit holders regarding any meeting, submit a copy of this notification to the CMA.

The fund manager shall call for a meeting of unitholders by announcing it on its website and any other website available to the public according to the controls set out by the Authority, and by sending a notice in writing to all the unitholders and the custodian giving not less than (10) days' notice before the meeting and no more than (21) days' notice before the meeting.

In case that the unitholders approve any of the decisions proposed at the unitholders' meeting, and this necessitates amending the fund's terms and conditions, the fund manager must amend the fund's terms and conditions according to the approved decision.

The fund manager must call for a meeting of unitholders within (10) days of receiving a written request from the custodian.

When preparing the agenda for the unitholders' meeting, the fund manager must take into consideration the topics that the unitholders want to include, unitholders who own at least (10%) of the fund units' value are entitled to add one or more topics to the agenda of the unitholders' meeting. Provided that the proposed topic does not overlap with the responsibilities and duties of the Fund Manager in accordance with the provisions of these regulations.

The quorum required to hold a meeting of Unitholders is verified by the number of Unitholders who collectively own at least 51% of the value of the fund's units. In the event that the necessary quorum is not achieved, the Fund Manager calls for a second meeting by announcing on his website and on the website of the Saudi Stock Exchange (Tadawul), and by sending a written notification to all Unitholders and the custodian with a deadline of not less than 5 working days from the date of the second meeting. During the second meeting, any number of Unitholders who own any number of units, present in person or through representatives, constitutes a quorum.

Each Unitholders has the right to appoint an agent to represent him at the unitholders meeting. It is permissible to hold meetings and deliberations of unitholders and vote on decisions through teleconference meetings, according to the conditions determined by the CMA. In addition, each unit owned by the unitholder represents one vote in the meeting of the Unitholders, and the decision of the unitholders shall be enforceable subject to the approval of the Unitholders who own more than 50% of the total units of the fund and who are present at the meeting either personally or through an agent or via the remote telephone meeting.

Unitholder Rights

Unitholders have the right to exercise all of their rights stipulated in the Terms and Conditions, including:

- Attend unitholders meetings and vote on decisions.
- Vote with respect to making any fundamental change to the Fund, which shall include the following:
- a material change in the nature of the Fund or its investment objectives;
 - a change that may have an adverse and material effect on the Unitholders or their rights with respect to the Fund;
 - a change that has an impact on the Fund's risk profile; and
 - the voluntary withdrawal of a Fund Manager from its position as the fund manager.
- It usually causes unitholders to reconsider of their subscriptions in the closed-ended fund.
 - A change which results in any increased payments out of the assets of the closed-ended fund to a fund manager or any member of the fund board or an affiliate of either.
 - A change which introduces any new type of payment out of the assets of the closed-ended fund.
 - A change that materially increases other types of payment out of the assets of the closed-ended fund.
 - Change in the maturity date or termination of the closed-ended Fund.
- Increase the total value of the ether fund assets by accepting cash or in-kind contributions, or both.
 - any other cases determined by the Authority from time to time and reported to the Fund Manager.

Shariah Compliance

SEDCO Capital will act as the Shariah advisor for the Fund. SEDCO Capital has a Shariah Monitoring Unit,

Internal Shariah Advisor (the “ISA”) and Shariah Supervisory Board (the “SSB”). As the Shariah Controller, SEDCO Capital will assume the responsibilities of Shariah monitoring activities which include:

- ensuring that the Fund investments are in compliance with SEDCO Capital’s Shariah Guidelines set forth in Schedule C of these Terms and Conditions;
- arranging for the Shariah audit to be conducted by an independent firm; and
- escalating any potential Shariah compliance irregularities to the ISA and the SSB.

The Shariah Controller has reviewed and approved these Terms and Conditions. The current composition of the SEDCO Capital Shariah Supervisory Board is set out on Schedule C of these Terms and Conditions.

The Fund shall be responsible for the remuneration and expenses of the Shariah related activities including the Shariah Supervisory Board, the Shariah auditors, Shariah monitoring operations, investments and financings of the Fund to ensure compliance with the Islamic principles of Shariah.

The Shariah Board has reviewed these Terms and Conditions and the Subscription Agreement and has approved the structure of the Fund and the offering of Units during inception of the fund. The Fund shall also comply with the approved Shariah Guidelines.

If any Investment proceeds or other amounts received by the Fund are not Shariah-compliant, the Fund shall arrange for such funds to be “purified” in accordance with a procedure to be determined by the Shariah Board from time to time. The Shariah Board shall specify the relevant purification percentage or amount. The Unitholder may, from time to time, request in writing from the Fund Manager to receive the amounts for purification that relates to his investment as the he sees appropriate.

Other Information

1. Property Manager

The Fund Manager appoints a manager for each property to be responsible for the administrative affairs of the real estate, including setting management rules and policies, permanent follow-up of the property and tenants’ affairs, following up on the collection of rents, following up on periodic maintenance and using the property effectively to achieve the best returns. The Fund Manager has the right to change the property manager from time to time based on his performance. To avoid any doubt, the Fund Manager has the right to be the property manager or to appoint a subsidiary company to be a property manager for one or more of the fund’s assets. And considering that the real estate subject of the fund’s investment is divided between single-tenant and multi-tenant properties, single-tenant properties are managed by the relevant tenant and a property manager is appointed from others in relation to multi-tenant properties.

2. Developers

The Fund Manager shall contract with a developer or more for each property in case there is a property developed by the Fund. The developer shall prepare the master plan for each project, secure and maintain all necessary approvals, contracts with design consultants and oversee the project’s design. On a case by case basis, the developer may be appointed to contract with the contractors required for the completion of the project in accordance with the project design approved by the Fund Board and take delivery of the completed project from the contractors and initiate the marketing and sales campaigns for the project. For the avoidance of doubt, the Fund Manager may appoint an affiliate as a developer for the Fund.

3. Other Service Providers

The Fund Manager may from time to time engage additional third party advisors, facility managers, consultants, and other service providers relating to one or more assets, including, but not limited to project managers, contractors, architects, designers, legal advisors, etc. Each such third party will be engaged pursuant to an agreement negotiated on an arm's-length basis. For the avoidance of doubt the Fund Manager may appoint an affiliate to provide such services to the Fund.

4. Complaint Proceedings

If, during the Fund Term, a Unitholder has any questions or complaints relating to the operations of the Fund, such Unitholder should send to the Fund Manager at Compliants@sedcocal.com. The Fund Manager will provide the full complaints handling procedures for Unitholders upon request.

Amendments to Terms & Conditions

The Fund Manager will modify the Terms and Conditions according to his assessment after obtaining the approval of the fund's board of directors and the approval of the unitholders, the CMA and the Shariah Board. Notify the unitholders of the important modifications before 30 business days from being in progress.

The Fund Manager shall submit to the Capital Market Authority and the custodian an amended copy of the Terms and Conditions within 10 working days from the date of making any change. The Fund Manager announces any details related to changes in Terms and Conditions on his website and on the website of the Saudi Stock Exchange (Tadawul) within 10 working days from the date of making any change, including annual updates on the fund's performance.

The Fund Manager announces any details related to basic changes in Terms and Conditions on his website and on the website of the Saudi Stock Exchange 10 working days before any change takes effect.

If these changes are fundamental, the approval of more than 50% of the Unitholders should be obtained on any proposed change that includes, but is not limited to, the following:

- The fundamental change in the objectives and nature of the fund.
- Any change that has a negative and material impact on Unitholders or their rights related to the fund.
- Any change that has an impact on the fund's risk.
- Increasing the capital of the fund after the offering.
-

The Fund Manager Declarations (as on the date of preparing the terms and conditions

- The Fund Manager declares that the terms and conditions of the "Fund Name" have been prepared in accordance with the Real Estate Investment Funds Regulations issued by the Capital Market Authority of Saudi Arabia.
- The Fund Manager declares that the property is free of any regulatory violations that prevent or may result in the non-utilization or operation of the building, and that the assets are technically

intact and free of any major engineering faults or defects that may prevent or may result in the non-utilization or operation of the building, or that may in turn cause costly repairs and major changes.

- The Fund Manager declares that there is no direct / indirect conflict of interests (other than what is disclosed) between any of the following:
 - a) Fund manager.
 - b) Manager(s) of properties associated with the fund.
 - c) Owner(s) of properties associated with the fund.
 - d) Tenant(s) of Real estate assets which their returns constitute 10% or more of the annual rental income of the fund.

Governing Law

The Real Estate Investment Fund and the Fund's manager are subject to the Capital Market Law and its implementing regulations as well as other relevant laws and regulations applicable in the Kingdom of Saudi Arabia. and that the competent judicial body to consider any dispute arising as a result of investing in a real estate investment fund is the Committee for Resolution of Securities Disputes.

These Terms and Conditions constitute a legally binding contract between the Fund Manager and each unitholder. Subscribing and purchasing units is considered an implicit agreement to 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 and its investments are bound at all times by the regulations governing the real estate ownership in the Kingdom, including the for the non-Saudis' ownership and investment of real estate.

These Terms and Conditions are in conformity with the provisions of the Real Estate Investment Funds Regulations issued by the CMA, and the Fund Manager acknowledges that these Terms and Conditions contain full and correct disclosure of all the material facts related to the Fund. The Fund Manager acknowledges that all fees, service charges, commissions and fees charged by him or by other parties have been disclosed.

Fund Manager Declarations (as of the T&C preparation date):

- The Fund Manager acknowledges that the Terms and Conditions of SEDCO Capital REIT Fund have been prepared in accordance with the Real Estate Investment Funds Regulations and the Real Estate Investment Traded Funds Instructions, issued by the Capital Market Authority.
- The Fund Manager acknowledges that according to the best of its knowledge and belief, and after making all possible reasonable enquiries, there are no other facts or omissions from these Terms and Conditions that would make any statement contained herein misleading. The Capital Market Authority and the Saudi Stock Exchange (Tadawul) are not responsible for the content of these Terms and Conditions.
- The Fund Manager acknowledges that the real estate properties are free from any legal violations that prevent or may cause the properties to be not utilized or operated, as well as the technical safety of the property and that it is free of any major engineering defects that may prevent or may cause the buildings to not be operated or utilized, and may in turn cause major repairs and major changes.

To consider the disclosures mentioned in these Terms and Conditions, the Fund Manager acknowledges the existence /

absence of direct / indirect conflicts of interest between (with the exception of the properties (1) the Public Prosecution Building, (2) Al-Jazeera Residential Compound, (3) Al-Rawdah Business Center and (4) (Al-Khalidiya Business Center, which were explained in the following paragraph:

1. Fund Manager.
2. Manager/managers of the real properties associated with the Fund
3. Owner/owners of the real properties associated with the Fund; (the Fund Manager is an investor in SEDCO Private Fund 1)
4. Lessee/lessees of real assets whose returns account for 10% or more of the Fund's annual rental returns.

1) Public Prosecution Building

Based on the information provided to the Fund Manager as of the date of these Terms and Conditions, there is no direct/ indirect conflict of interest between the following parties:

1. Fund Manager.
2. Manager/managers of the real properties associated with the Fund. However, Al-Mahmal Facilities Services Company has been appointed to manage the Public Prosecution building in Jeddah. It is noted that an indirect shareholder of the Fund Manager is a controlling direct shareholder in Al-Mahmal Facilities Services Company
3. Owner/owners of the real properties associated with the Fund; (the Fund Manager is an investor in SEDCO Private Fund 1)
4. Lessee/lessees of real Assets whose returns account for 10% or more of the Fund's annual rental returns.

2) Al-Jazeera Residential Compound

Based on the information provided to the Fund Manager as of the date of the issuance of the Terms and Conditions, there is no direct/ indirect conflict of interest between the following parties:

1. Fund Manager.
2. Manager/managers of the real properties associated with the Fund. However, Al-Mahmal Facilities Services Company has been appointed to manage the Al-Jazirah residential compound. It is mentioned that an indirect shareholder of the Fund Manager is a controlling and direct shareholder in Al-Mahmal Facilities Services Company.
3. Owner/owners of the real properties associated with the Fund; (the Fund Manager is an investor in SEDCO Private Fund 1)
4. Lessee/lessees of real Assets whose returns account for 10% or more of the Fund's annual rental returns.

3) Al-Rawdah Business Center

Based on the information provided to the Fund Manager as of the date of these Terms and Conditions, there is no direct/ indirect conflict of interest between the following parties

1. Fund Manager.
2. Manager/managers of the real properties associated with the Fund. However, Al-Mahmal Facilities Services Company has been appointed to manage Al-Rawda Business Center. It is mentioned that an indirect shareholder of the Fund Manager is a controlling and direct shareholder in Al-Mahmal Facilities Services Company.
3. Owner/owners of the real properties associated with the Fund; (the Fund Manager is an investor in SEDCO Private Fund 1)
4. Lessee/lessees of real Assets whose returns account for 10% or more of the Fund's annual rental returns.

4) Al-Khalidiya Business Center

Based on the information provided to the Fund Manager as of the date of these Terms and Conditions, there is no conflict of interest between the following parties, directly or indirectly:

1. Fund Manager.
2. Manager/managers of the real properties associated with the Fund. However, Al-Mahmal Facilities Services Company has been appointed to manage Al-Khalidiya Business Center. It is mentioned that an indirect shareholder of the Fund Manager is a controlling and direct shareholder in Al-Mahmal Facilities Services Company.

3. Owner/owners of the real properties associated with the Fund; (the Fund Manager is an investor in SEDCO Private Fund 1)
4. Lessee/lessees of real Assets whose returns account for 10% or more of the Fund's annual rental returns.
 - The Fund Manager acknowledges that all members of the fund's board of directors: have not been subject to any bankruptcy or liquidation proceedings, and have never committed any dishonourable or fraudulent acts, and have not previously committed any breach involving fraud or conduct that violates integrity and honesty. And they have the necessary skills and expertise that qualify them to be members of the fund's board of directors.
 - The Fund Manager acknowledges that the two independent members meet the definition of the independent member contained in the list of terms used in the Capital Market Authority's regulations and rules and this will also apply to any independent member appointed by the Fund Manager throughout the fund term.
 - The Fund Manager acknowledges that there are no business activities or other material interests for the Fund Manager "The Saudi Economic and Development Company for Securities (SEDCO Capital)" board of directors that might conflict with the fund's interests.
 - The Fund Manager acknowledges that there are no conflicts of interest that would affect the Fund Manager in carrying out his duties towards the fund.
 - The Fund Manager acknowledges that there are no fees other than those declared in the schedule of fees mentioned in the clause ("fees, services, commissions and management fees").
 - The Fund Manager acknowledges that all transactions with related parties have been duly and legally conducted on a proper and fair arm's length basis and will not negatively affect in any way the performance of the fund and the unitholders.
 - The Fund Manager acknowledges that no commissions, discounts, brokerage fees, or any monetary or non-monetary compensation have been awarded to any of the parties in or outside the fund other than what was mentioned in the Terms and Conditions.
 - The Fund Manager acknowledges that all terms, conditions and information that may affect the decision to invest in the fund have been disclosed.
 - The Fund Manager acknowledges that the fund will only be listed upon completion of the real estate ownership transfer process in favour of the fund, and if this is not completed within (60) business days from the closing date of the fund offering period, all subscription amounts will be transferred to the investors.
 - The Fund Manager acknowledges 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 concluded 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 such member does not participate in any vote on the decisions issued in this regard.
 - The Fund Manager acknowledges that all contracts and agreements related to the fund that may affect the investors' decisions to subscribe in the fund have been disclosed, and that there are no contracts and agreements other than those mentioned in these Terms and Conditions.
 - The Fund Manager acknowledges that unitholders have the right to vote on the issues raised to them in the Unitholders' meetings. In addition, a majority of more than 50% of unit holders must approve any fundamental change to the fund, which includes the following:
 - A significant change in the objectives or nature of the fund.
 - A change that may have a negative and material impact on unit holders or their rights in relation to the fund.
 - A change that may have an impact on the risk profile of the fund.
 - Any increase in the fund's capital.
 - The Fund Manager acknowledges that he shall take all necessary steps for the benefit of the Unitholders according to the best of his knowledge and belief, with due and reasonable care. The Fund Manager, Directors, Officers, personnel, Agents, Consultants, Affiliates, the Custodian, the Sharia Counsel and Fund Board shall endeavour to pay reasonable care and act in

good faith to serve the best interest of the Unitholders. However, the fund may suffer any losses whatsoever due to an unintentional act by any of the aforementioned parties in relation to their management of the fund's. Then such parties shall not be liable for such losses provided that they have acted in good faith. Good faith can be proven by the absence of any conduct, decision, or correspondence indicating prior knowledge of the negative consequences of such conduct. It can also be proven if the party acts in a way believed to serve the best interests of the Fund and if the conduct does not involve gross negligence, fraud, or wilful misconduct.

- The Fund Manager declares that property owners and tenants are not subject to seizure of their properties or accounts.



Appendix A - Financial Disclosure

Fund Type	SEDCO Capital REIT, a closed-ended Shariah-compliant real estate investment traded fund
Investment Objectives	Acquisition of structurally developed real estate to provide regular rental income, and carry out periodic distribution to unitholders of at least 90% of the fund's net profits during the fund's term within a period of 90 working days from the date of announcing the distributions. It is expected that the Fund Manager will announce the dividends, and the date of their distribution within 40 business days from the end of June and December of each calendar year, with the exception of the capital gains resulting from the sale of the real estate assets that are reinvested in a way that serves the interests of the unitholders.
Target Distribution	The Fund Manager aims to distribute not less than 90% of the fund's net profit to unitholders annually according to the latest audited financials.
Open-Ended/ Closed-Ended	Closed-ended fund
Fund Term	The term of the Fund is 99 years from the Listing Date and can be renewed by the Fund Manager following the approval of the CMA.
Fund Manager	SEDCO Capital
Custodian	Al-Inma Investment Company
Subscription fee	The investor pays the Fund Manager a subscription fee of 2.0% of the value of the allocated subscription amounts, to be paid upon subscribing to purchase units during the offering period.
Management Fees	1% of the total Net Asset Value per annum, paid semi-annually.
Performance Fees	If the fund distributed cash dividends exceeding 7% as net annual distributions, the fund pays the Fund Manager a performance fee of 20% of any amount in excess of 7%, which is paid annually. In addition to the amount due on the increase in the return, 10% of the value of the realized capital gains (including transaction costs, but not limited to brokerage fees, acquisition and sale fees) due upon selling the fund's assets.



Custody Fee	<p>The Fund shall pay the Custodian a one-time set-up fee of SAR 30,000, payable on the Closing Date. Thereafter, the Custodian shall be paid an annual fee equal to 0.04% of the Net Asset Value, subject to a minimum of SAR 200,000, paid on a semi-annual basis.</p>
Acquisition and Divestment Fee	<p>The fund pays the Fund Manager a fee of 0.75% of the purchase or sale price of every real estate asset acquired or sold by the fund for its efforts in finding investment opportunities and completing the sale and purchase of the property of the fund. For the avoidance of doubt, these fees are due regardless of any realized increase in the return to the fund and are not due in exchange for the transfer of ownership of the initial investment portfolio.</p>
Brokerage Fees	<p>The fund pays the real estate broker a fee of up to 2.50% of the acquisition value of each investment, which is negotiated in accordance with recognized market prices. For the avoidance of doubt, the Fund Manager or any related parties have the right to receive a percentage of the brokerage fee. These fees are not applicable on the transfer of ownership of the initial investment portfolio.</p>
Financing Arrangement Fees	<p>The fund pays the Fund Manager a fee of 1.25% of every amount obtained as financing for the fund or any special purpose company during the term of the fund (without any fees or profit margins), in return for his efforts in structuring and providing financing to the fund. These fees are payable upon completion of any financing deals. They cover arrangement fees owed to the lending bank, evaluation fees, legal fees, and feasibility study fees related to financing.</p>
Administrator Fees	<p>The fund pays the administrator an annual fee of 0.05% annually of the fund's net asset value, to be paid semi-annually. These fees are due to the administrator for all administrative work, for example calculating the net asset value of the fund periodically and the activities relating to the operations of the fund on a daily basis, including the accounting and bookkeeping.</p>
Auditor Fee	<p>The fund pays the Auditor an annual fees of SAR 85,000 Saudi riyals (eighty five thousand Saudi riyals), which may change from time to time according to the prevailing market prices and are disclosed according to the relevant requirements and regulations of the Capital Market Authority.</p>
Property Management Fee	<p>Property management fees are due to multi-tenant real estate properties, and any property management fees paid from the fund to any property manager appointed by the Fund Manager are negotiated according to the market prices. Any property management fees that the Fund Manager or any of its affiliates receives must be disclosed to the fund's board. For the avoidance of doubt, property management fees do not include operating expenses. Such fees are calculated as a fixed contractual percentage of the total rental proceeds. Therefore, it is not a fixed amount, but an estimated amount that changes with the change in the total value of the rent. Whereas, any property management fees paid from the fund to any property manager appointed by the Fund Manager are negotiated in accordance with market practices, but it does not exceed 7% of the rental income of the related property.</p>

Property Management Fees
Property Director



	Al-Jazeera Compound	Residential	Al-Mahmal Services Company	Facilities	3.5% of the rent collected
					3.5% of the rent collected
	Al-Rawdah Business Center		Saqifat Al Safa Real Estate Development and Marketing Ltd.		5% of the value of the first year rent in case the vacant space is rented A performance fee of 1.5% of the total rental value for the first year in the event that the property manager is able to increase the rental value upon renewing a lease contract
	Al-Khalidiyah Centre	Business	Saqifat Al Safa Real Estate Development and Marketing Ltd.		3.5% of the rent collected 5% of the value of the first year rent in case he leased the vacant space A performance fee of 1.5% of the total rental value for the first year in the event that the property manager is able to increase the rental value upon renewing a lease contract
Investment Structuring Fees	In case that the fund carries out real estate development activities, the Fund Manager is entitled to a fee of 1.5% of the development value only and does not include the value of the land in every real estate development project in exchange for arranging the real estate transaction, finding the right property and suitable tenants and the supervision of the development process. For the avoidance of doubt, these fees do not apply to structurally developed properties. In the event that a real estate development opportunity arises, the investment structuring fees are disclosed to unitholders.				
Development Fee	If the fund carries out real estate development activities, the developer is entitled to fees that are negotiated in accordance with the recognized market practices without any minimum or maximum limit. For the avoidance of doubt, these fees do not apply to structurally developed properties. In the event that the fund carries out real estate development activities, the developer fees will be disclosed to the unitholders.				



Fund Board Fees	The fund pays to the independent fund board members an amount of SAR 30,000 (thirty thousand Saudi riyals) annually for each member, and the fund's board fees will not exceed SAR 60,000 (sixty thousand Saudi riyals) annually, and to avoid doubt, the fund will not pay any fees to non-independent members.
Regulatory fees	The fund pays regulatory fees of SAR 7,500 (seven thousand five hundred Saudi riyals) annually, which are calculated cumulatively on each calendar day and paid on an annual basis.
Publishing Fees	The fund pays a fee of SAR 5,000 (five thousand Saudi riyals) annually, which is calculated cumulatively each calendar day and paid upon claim.
Shariah Supervisory Fees	The fund pays the Shariah advisors SAR 30,000 (thirty thousand Saudi riyals) annually, as agreed upon between the Fund Manager and the Shariah advisor of the fund. The aforementioned fees are paid in equal instalments quarterly, and the fees are paid to the Shariah advisor, who is responsible for paying the amounts to the Shariah Supervisory Board and any other party in relation to any matters related to the of Shariah.
Depository Centre Fees (Unit Holders Register fees)	<p>The fund pays the following fees to register in the depository center at the Saudi Stock Exchange:</p> <ul style="list-style-type: none"> - SAR 50,000 (fifty thousand Saudi riyals) in addition to SAR 2 (two Saudi riyals) for each unitholder, with a maximum of SAR 500,000 (five hundred thousand Saudi riyals) paid to the Stock Exchange in exchange for creating a register for the unitholders. - SAR 400,000 (four hundred thousand Saudi riyals) annually in order to manage the register of unitholders, and it may change based on the value of the fund's total capital. <p>The aforementioned fees are subject to modification as determined by the Tadawul.</p>
Listing Fees	<p>The following listing fees are to be paid from the fund:</p> <ul style="list-style-type: none"> - Initial Listing Fees: SAR 50,000 (Fifty Thousand Saudi riyals). - Listing fees: 0.03% of the fund's market value annually. With a minimum of SAR 50,000 (fifty thousand Saudi riyals) and a maximum of SAR 300,000 (three hundred thousand Saudi riyals). <p>The aforementioned fees are subject to modification as determined by Tadawul.</p>
Other expenses	There may be impacts on the fund, directly or indirect fees including, but not limited to operating costs, service costs, insurance fees for the property acquired by the fund, lawyers fees, and zakat (if applied to real estate investment traded funds, and this does not include zakat for Unitholders. Municipal fees, government fees, evaluation fees, engineering consultant fees, surveyors' fees, architects and interior designers' fees. In all cases, only the actual fees and expenses related to the fund and its projects will be deducted after obtaining the approval of the fund's board of directors. It is expected that such expenses will not exceed 1% of the total assets value of the fund annually, according to the latest audited financial statements.
Zakat and tax	The Fund Manager will not calculate or pay zakat or tax as it is the responsibility of the unitholders.

Attached to appendix A - Example of calculating recurring charges

Expenses that are charged to the fund based on the default subscription amount and assuming the net asset value of the fund is SAR 600,000,000.

Default Subscription Amount	1,000,000	SAR
Custody Fees (max 0.04%)	400	Annually
Administrator Fees (0.05%)	500	Annually
Auditor's fees SAR 85,000	142	Annually
Fund Board Members 'fees SAR 60,000 (30,000 Saudi riyals for each independent member)	100	Annually
Fees of the Shariah Advisor SAR 30,000	50	Annually
The listing fee in the Saudi Stock Exchange is 0.03% of the fund's market value	300	Annually
Other fees up to (0.1%)	1,000	Annually
Total annual recurring fees and expenses	12,492	Annually
Total annual recurring fees and expenses	٪1.25	
Expected total value of distributions based on the estimated rental yield after direct expenses of real estate assets 7.41%	74,100	SAR
Expected net distribution value based on an estimated rental income of 6.10%	61,000	SAR
Expected net distribution value based on an estimated rental income of 6.10%	6.10%	
Subscription Fees (2.0%)	20,000	Saudi Riyal - not transferred to the fund, and It's responsible by direct subscriber
Management Fees (1%)	10,000	Annually

Appendix B - Shariah Guidelines

1. The fund may not benefit from any conventional financing process, while it is permissible to deal only in forms of financing that are compatible with the provisions of Islamic Sharia.
2. It is not permitted to use traditional financial instruments such as futures contracts, options, swap contracts and the like in managing the fund.
3. The fund does not have the right to invest in real estate that includes tenants who provide traditional financial services (such as banks, brokerage firms, insurance companies), with the exception of those that operate under Sharia controls.
4. The fund does not have the right to invest in real estate that includes tenants participating in activities that are not compatible with the provisions of Islamic Sharia, such as music and others.
5. In the event of a real estate containing a tenant who is considered participating in the activities mentioned in paragraphs (3 or 4) above, and the contract related to it cannot be terminated, the total illegal revenue must not exceed 10% of that property's revenue. At the end of the contract, the renewal of that tenant does not take place and no lease contract is concluded with any other tenant who is not subject to the controls of the Sharia Fund.

The Shariah controller of the fund (the fund manager) calculates the purification amounts according to the methodology followed by the Sharia advisor, and the investors are periodically informed and the responsibility for taking them out is on the investors.

Shariah Supervisory Board's Members

Sheikh Dr. Muhammad bin Ali Elgari - Head, formerly professor of Islamic economics at King Abdulaziz University in Jeddah, and one of the most famous Islamic economists in the world, and he holds a PhD in economics from the University of California.

Dr. Muhammad Daoud Bakr - Member, and is currently chairing the Shariah advisory board of the Central Bank of Malaysia, the Securities Commission of Malaysia and the Financial Services Authorities in Labuan. He obtained his first academic qualification in 1988 from Kuwait University. Also, he obtained a PhD degree from the University of St Andrews in the United Kingdom in 1993. And Dr. Muhammad previously held the position of Vice President of the International Islamic University Malaysia. He is a member of many Sharia boards of financial institutions.

Dr. Abdulaziz bin Khalifa Al-Qassar - Member, and he is a professor at the Faculty of Shariah at Kuwait University, holds a PhD from Al-Azhar University, and holds the position of Assistant Professor in the Department of Comparative Jurisprudence and Sharia Policy, and he is a member of the Sharia Board of several other investment companies in the Gulf countries.

Appendix C - How to subscribe in the fund

General conditions for subscribing to the fund:

The investor must be a customer of the National Commercial Bank, Al-Rajhi Bank, or Samba Financial Group in order to be able to subscribe to the fund and that no change has occurred to the investor's information since his subscription to a recent offering. The customer signs the subscription form and the Terms and Conditions through the recipient bank's branch, which is mentioned above. He can also do it through alternative channels through the website www.alahlionline.com or www.alrajhibank.com or www.samba.com, or the ATM machines of the National Bank, Al-Rajhi Bank, the Samba Financial Group, the banking phone of the National Bank (920001000), the banking phone of Al-Rajhi Bank (114629922) or SAMBA Phone at the toll-free number (2000 124 800), So that the subscription amount or part of it, as the case may be, is deducted from the customer's account in addition to deducting the subscription fees.

Show a valid ID, such as the national identity card (for Saudis) or residency (for residents).

In the event that any of the dependents or minors participate, the guardian shall present the national identity of minors between (15) years - (18) years, or the family record in the case of minors less than (15) years old and the dependents in addition to the national identity card (for the Saudi guardian) Or residence (for the resident guardian).

Submit the complete subscription documents (signed Terms and Conditions + completed and signed subscription form plus a copy of the ID signed by the investor) as follows:

- a) If the investor is going to apply through the branch of one of the receiving entities, the subscription documents must be submitted in full (signed Terms and Conditions plus a completed and signed subscription form plus a copy of the identity signed by the investor) and delivered to the employee of one of the receiving entities.
- b) If the investor is going to submit a subscription through the website of one of the recipients, he must accept the Terms and Conditions by clicking on the box that he agrees and accepts the Terms and Conditions of the fund in addition to filling out the subscription form in full on the site.
- c) If the investor is to apply for the subscription through the ATMs of one of the receiving entities, he must accept the Terms and Conditions on the ATM according to the sequence of steps that will be explained by the ATM and fill out the subscription form completely at the ATM.
- d) If the investor is to apply for the subscription via the banking phone of one of the recipient parties, he must accept the Terms and Conditions by pressing the number that the bank phone will request from the customer and follow the steps that will be explained by the banking phone to fill out the subscription form.

Mechanism of subscribing to the fund through the placement agent:

First Step – Terms and Conditions

A copy of the Terms and Conditions can be obtained for anyone who wants to subscribe through:

- i) By visiting one of the receiving banks.
- ii) By visiting the website of the Fund Manager (SEDco Capital Company) www.sedcocal.com.

iii) **By visiting one of the receiving banks branches.**

Those who want to participate in the fund must review and agree to the Terms and Conditions of the fund as described in "General Conditions for Participation in the Fund (3. Submission of complete subscription documents)"

Second Step- Complete the Subscription Form

The investor obtains the subscription form through the branch of one of the receiving entities, the National Commercial Bank, Al Rajhi Bank, or Samba Financial Group, and he can do this through alternative channels through the website or the AMC machines of one of the receiving entities or the banking phone at one of the recipient parties. The investor must complete the subscription form in full, as described in "General Conditions for Participation in the Fund (3. Submission of complete subscription documents)". The subscription amount or part of it, as the case may be, will be deducted from the customer's account, in addition to the subscription fee.

No application for subscription or bank transfer will be accepted after the end of the last working day of the subscription days. The investor will not be able to amend the data contained in the subscription form after it is sent or delivered. 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 of all categories must take into account the submission and completion of subscription requirements and the required documents.

Third Step – Confirm Subscription Receipt

In case of subscribing online, one of the receiving entities will send a confirmation of receipt of the subscription request to the fund to the customer by text message to the mobile number registered through the electronic subscription feature. In the event of participation by submitting the documents on paper to the company's headquarters, the employee at one of the receiving agencies, who receives the subscription documents, will provide the investor with a paper confirmation of the subscription. Receipt of the application does not imply a confirmation of its acceptance.

Fourth Step – Accept the Subscription Application

The Placement Agent and the receiving party notify the investor to confirm or deny his subscription within five (5) working days, and in the event that the subscription request does not meet all 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 subscription feature. To complete the requirements within one working day of the subscriber's notification, and if the application is complete, the investor will be notified of the acceptance of the subscription application.

Fifth Step – Allocation Notice

After the closing of the offering period and the allocation of units to investors by the offering agent in accordance with the specified allocation mechanism within ten working days from the closing date of the offering period, the CMA will be notified and the final results of the offering and the allocation of units will be announced through the website of one of the recipient entities.

Sixth step – Return of Surplus and Listing

Five working days after announcing the final allocation, the surplus will be returned to the subscribers without any deduction after deducting the value of the allocated units and the subscription fees, provided that the allocated units are included in the subscribers' investment portfolios with the licensed brokerage company affiliated to one of the recipient entities through the Saudi Stock Exchange (Tadawul).

The following documents are attached according to the investor category:

Required Documents for all Investors:

A signed copy of the Terms and Conditions.

The subscription form signed and filled out completely.

Required Documents for Individuals:

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

Required Documents for Companies:

Copy of the commercial register with the company stamp.

A copy of incorporation contract and the article of association with the company stamp.

A copy of the identity of the authorized signatory with the company stamp, and signed by the Capital market institution .

Required Documents for investment funds interested to invest:

A copy of the commercial register of the Fund Manager who wants to invest with the company stamp.

A copy of incorporation contract and the article of association with the company stamp.

A copy of the license to practice the activity of the fund that wants to invest.

A copy of the Terms and Conditions of the fund that wants to invest.

A copy of the CMA's approval of the investment fund.

A copy of the identity of the authorized signatory with the company stamp, and signed by the Capital market institution.

Required Documents for Investments Portfolios

A copy of the identity of the owner of the investment portfolio.

A copy of the commercial register of the portfolio manager with the company stamp.

A copy of incorporation contract and the article of association with the company stamp.

A copy of the license to practice the activity of the portfolio manager.

A copy of the investment portfolio management agreement.

A copy of the identity of the authorized signatory with the company stamp, and signed by the Capital market institution.

Important Information

The customer must verify the authenticity of the recorded data and the documents provided, and the National Bank shall not be liable for any errors.

The customer must take into account the matching value of the subscription request with the bank transfers executed, and the application will be rejected in the event of any difference in the increase or decrease.

Any amount transferred from an account other than our registered account when you sign up for the fund will be rejected/will not be accepted, and the bank account must be in the customer's name.

If there are any questions, please contact one of the recipients by phone number or email.

Without taking into account the receipt of the signed subscription application form or any other requirements, the Fund Manager or receiving bank reserves the right to refuse any subscription in case of (1) that the participant is a prohibited person, (2) or that the investor's participation causes a violation of the regulations and regulations of the Saudi Arabian Monetary Agency the Fund or its director, the CMA regulations and its executive regulations or the regulations in force in the

Kingdom of Saudi Arabia or the Terms and Conditions of the other units or the fund. If the application for participation is rejected, the Fund Manager will refund the investor the contribution amount and the subscription fee. After the subscription, the investor does not receive a certificate of ownership of the investment units, but all investment units are registered in the deposit centre of the Saudi Stock Exchange (Tadawul)

Appendix D- Subscription Request Form

SEDCO Capital REIT Fund Subscription Form

SEDCO Capital REIT Fund Subscription Form					Unit Price: 10 SAR			
Closed-Real Estate Investment Fund Compliant with Shariah					Subscription Fees: 2%			
Reference Number:	Recipient Code: NCBK RJHISARI SAMBSARI	Branch Code:	Branch Name:	Licensed brokerage company code :	Date:			
For Individuals- Subscriber's information					Mechanism of Subscription			
First Name:	Father Name:	Grandfather Name:	Family Name:		<p>1-Subscription is for Saudi individuals, GCC citizens, residents, institutions, companies, investment funds and other entities and legal persons based in Saudi Arabia, under this form, which is available to all branches of the recipients (NCB, Al Rajhi Bank and Samba Financial Group)</p> <p>2-The minimum subscription per investor is 500 SAR .50 units</p> <p>3-The maximum subscription per investor is 100 million.</p> <p>4-The application is not accepted unless the following documents are attached to it according to the investor category: Required documents for all investors. The subscription form is fully signed and filled. Documents required for individuals/residents. A copy of the national identity of the Saudis and the family register in the case of the presence of dependents and a table is added to them under the subscription form boxes (name-relationship - ID) or a copy of the valid resident ID and a copy of the residence of his dependents.</p> <p>Required documents for companies: a) A copy of the commercial register certified by the company. b) A copy of the founding contract and the statute certified by the company. c) A copy of the identity of the authorized signature certified by the company, signed by the Commissioner.</p>			
Gender: Female () Male ()	Identity Type:	National Identity () Resident Identity () Family Register ()						
ID Number :	Birth Date:	Birth Place:	Nationality:					
Address:								
Mailbox:	City:	Post code:	Country:					
Phone Number:		E-mail:						
Family register that includes added family members		Kinship	ID Number					
1								
2								
3								
4								
5								
For Companies and Real Estate Funds								
اسم المشترك:		Name:						
ID Type: Commercial register: License: Investment Fund: Other:								
ID Number:		Issue Date:	Expiry Date:					
Mailbox:	City:	Post code:	Country:					
Phone Number:	Mobile Number:	E-mail:						
Subscription Information								
Details	Number	writing	Unit					

Units number:			unit	<p>Required documents for investment funds:</p> <p>a) A copy from the commercial register of the Fund Manager with a certified stamp from the company.</p> <p>b) A copy of the founding contract and the statutes of the Fund Manager certified by the company.</p> <p>c) A copy of the activity license of the Fund Manager.</p> <p>d) A copy of the Terms and Conditions of the fund.</p> <p>e) A copy of the CMA's approval of the fund's offering.</p> <p>f) A copy of the signature authorized ID certified by the company, signed by the Commissioner.</p>
Amount subscription:			SAR	
Subscription fees:			SAR	
Total:			SAR	
<p>Note: If the entered value varies in number and writing, the entered value will be approved in writing.</p>				<p>Required documents for investment portfolios:</p> <p>a) A copy of the owner's ID of the investment portfolio.</p> <p>b) A copy of the commercial register of the manager's portfolio certified by the company.</p> <p>c) A copy of the founding contract and the statutes of the portfolio manager certified by the company.</p> <p>d) A copy of the activity license for the portfolio manager.</p> <p>e) A copy of the investment portfolio management agreement.</p> <p>f) A copy of the identity of the authorized signature certified by the company, signed by the Commissioner.</p> <p>Important notice: Completing the form does not mean accepting the application for participation in the Fund, and accepting the subscription is subject to the discretion of the Fund Manager and fulfilling the provisions of the Fund's Terms and Conditions. The offering agent and recipients will notify each investor within 5 working days of the closing date of the subscription period to accept or reject the subscription request and the units that have been accepted in the case of individual customers will be allocated to the main office and in case of a surplus refund which represents the value of the units that have not been allocated plus the subscription fee for those units will be reversed to the subscribed account after the announcement of the final allocation by 5 working days.</p>
<p>Bank account information (the subscriber must be the owner of the same account)</p>				
Account owner's name:				
IBAN Bank Account Number:				
<p>In the case of the agency:</p>				
Agent Name:				
Agent's Civil Registry Number:		Agency Number:		
Mailbox:	City:	Post code:	Country:	
Phone number:	Mobile number:	E-mail:		
<p>Agreement</p> <p>SignedName.....</p> <p>I acknowledge the authenticity of the recorded data and the documents submitted to the recipient and i acknowledge that I/we have obtained a copy of the Terms and Conditions of the SEDCO Capital RIET Fund and its supplements, which i/we have reviewed, understood and accepted.</p> <p>If the client is not Saudi and resident in Saudi Arabia: I acknowledge that I do not have any investment portfolio with any person licensed by the CMA except NCB (Underwriting through NCB) Al Rajhi Financial (Underwriting through Al Rajhi Bank) /Samba Capital (Underwriting through Samba Banking Group).</p> <p>Note: The investor will not be able to modify the data contained in the subscription form after it is sent or delivered to the recipient.</p>				
Name\Agnt:		Date:	Signed:	
<p>Delegation</p> <p>I delegate the recipient to deduct the amount from my account (mentioned above) to subscribe to the fund.</p>				
Subscriber Name\Agent:		Subscriber\Agent signature:		
<p>Recipient</p> <p>We received from the subscriber an amount () SAR only</p> <p>Writing:</p>				
Discount from his account we have a number: it must be the same account number mentioned above		Deducted Date:		
The personal information of the subscriber (s) contained in the identity and instructions for this subscription has been reviewed.				
Signed:		Responsible Employee Name:		
The Recipient's stamp:				





SEDSCO Capital REIT Fund

A closed-end real estate investment fund

Supplementary Appendix to the Terms and Conditions for SEDSCO Capital REIT Fund

Increasing the Total Asset Value of the Fund

Fund Manager



The background is a complex, abstract geometric pattern composed of numerous overlapping triangles in various shades of blue, ranging from light to dark. A single, prominent yellow triangle is located on the right side of the image, providing a sharp contrast to the blue tones.

Contact us at:

SEDCO Building, 2nd Floor
Red Sea Mall
Between Gates 7 and 8
King Abdulaziz Road
PO Box 13396
Jeddah, 21493
Kingdom Saudi Arabia
Tel: +966 12 690 6555
Fax: +966 12 690 6599
Website: www.sedcocapital.com

Fund Manager

Saudi Economic and Development Securities Company (SEDCO Capital)

The Saudi Economic and Development Company for Securities is a legal person licensed under License No. 37-11157, issued by the Capital Market Authority in accordance with the provisions of the Capital Market Institutions Regulations issued by the Board of the Capital Market Authority.

Supplementary Appendix to the Terms and Conditions for Increasing the Total Asset Value of the Fund

صندوق سدكو كابيتال ريت (الصندوق) SEDCO CAPITAL REIT Fund

(A closed-end real estate investment fund that is compliant with Islamic Sharia regulations approved by the Sharia Controller)

Date of issuance of the Terms and Conditions: 04/12/2017 G

Date of the last update of the Terms and Conditions of the Fund: 11/10/2020 G

Date of issuance of the Supplementary Appendix of the Terms and Conditions to Increase the Total Asset Value of the Fund is 18/11/2021 G

The Fund Manager bears full responsibility for the accuracy of the information contained in these Terms and Conditions, and declares, after making all investigations, and to the best of Fund Manager's knowledge and belief, that there are no other facts whose non-inclusion in this document would make any statement contained therein misleading.

The Capital Market Authority shall not give any assurance regarding the accuracy or completeness of this document, and the Authority disclaims any responsibility or any loss arising from, or due to reliance on, any part of this document. Those wishing to participate in the securities offered under this document shall investigate the validity of the information related to the securities being offered. If they cannot understand the contents of this document, they shall take the advice of a licensed financial advisor. The SEDCO Capital REIT Fund is approved as a closed-end real estate investment fund that is Sharia-compliant and approved by the Sharia Controller.

Before investing in the Fund, all investors shall read the Terms and Conditions of the Fund and the Appendix related to the increase in the total value of the Fund's assets. In the event of uncertainty, investors shall obtain financial advice from a licensed financial advisor to indicate the following:

- (a) The suitability of investing in the Fund to achieve the investor's investment objectives.
- (b) The extent to which the investors are willing to bear any potential capital losses as a result of the risks associated with investing in the Fund.

In accordance with this alert, investors are assured that the decision to invest in the Fund and the risks arising from it will be made at their own risk.

Disclaimer: This is a translated version of the original Capital Increase Terms & Conditions which is issued in Arabic language. This version holds no legal value and the original version in Arabic stands as an official document. SEDCO Capital, its employees, and directors hold no responsibility in the unlikely event of any translation errors. In case of any discrepancy between the Arabic and the English translated version, the original Arabic version shall prevail.

Sultan Sukkar

Head of Compliance and Anti-Money Laundering,

Samer Abu Aker

Chief Executive Officer

Fund Guide

<p>Fund Manager</p>	
<p>Saudi Economic and Development Securities Company ("SED CO Capital") SEDCO Holding Building, 2nd floor Red Sea Mall, King Abdulaziz Road Between Gates 7 and 8 PO Box 13396, Jeddah 21493 Kingdom of Saudi Arabia E-mail: info@sedcocapital.com Website: www.sedcocapital.com</p>	
<p>Lead Manager</p>	
<p>Al Jazira Capital King Fahd Road - Riyadh PO Box 20438, Riyadh 11495, Kingdom of Saudi Arabia Website: https://www.aljaziracapital.com.sa</p>	
<p>Adminstrator and Sharia Controller</p>	
<p>Saudi Economic and Development Securities Company ("SED CO Capital") SEDCO Holding Building, 2nd floor Red Sea Mall, King Abdulaziz Road Between Gates 7 and 8 PO Box 13396, Jeddah 21493 Kingdom of Saudi Arabia E-mail: info@sedcocapital.com Website: www.sedcocapital.com</p>	
<p>Auditor</p>	
<p>KPMG Professional Consulting Riyadh Front, Airport Road PO Box 92876, Riyadh 11663 Kingdom of Saudi Arabia Website: https://home.kpmg/sa/en/home.html</p>	

<p>Legal Advisor</p>	
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<p>ValueStrat 6th Floor, South Tower King Faisal Foundation Building Al Faisaliah Complex Riyadh, Kingdom of Saudi Arabia Website: http://valustrat.com</p>	
<p>Real Estate Valuer</p>	
<p>White Cubes Riyadh, Kingdom of Saudi Arabia PO Box 2955 Website: http://white-cubes.com</p>	



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Summary of details of the increase in the total value of the Fund's assets

Clarification of the additional offering for the minimum limit, assuming the targeted subscription price:

Statement	Fund details at the initial offering	Minimum additional offering details*	Fund details after increasing the total value of the Fund's assets to the minimum
Total subscription value, assuming par value (SAR)	600,000,000	425,000,000	1,025,000,000
issue discount differences**	-	-	-
Total after settlement	600,000,000	425,000,000	1,025,000,000
Withdrawn finance amount (SAR)	490,000,000	276,951,750	766,951,750
Total fund size (SAR)	1,090,000,000	701,951,750	1,791,951,750
Number of units offered to the in-kind subscription (units)****	-	32,500,000	32,500,000
Number of units offered to cash subscription (units)****	60,000,000	10,000,000	70,000,000
Total number of fund units (unit)	60,000,000	42,500,000	102,500,000
Targeted subscription price for the unit during the offering period (SAR)**	10.00	10.00***	10.00***

Clarification of the additional offering for the maximum limit, assuming the targeted subscription price:

Statement	Fund details at the initial offering	Maximum additional offering details*	Fund details after increasing the total value of the Fund's assets to the upper limit
Total subscription value, assuming par value (SAR)	600,000,000	575,000,000	1,175,000,000
issue discount differences**	-	-	-
Total after settlement	600,000,000	575,000,000	1,175,000,000
Withdrawn finance amount (SAR)	490,000,000	126,951,750	616,951,750
Total fund size (SAR)	1,090,000,000	701,951,750	1,791,951,750
Number of units offered to the in-kind subscription (unit)	-	32,500,000	32,500,000
Number of units offered to cash subscription (units)****	60,000,000	25,000,000	85,000,000
Total number of fund units (units)****	60,000,000	57,500,000	117,500,000
Targeted subscription price for the unit during the offering period (SAR)**	10.00	10.00***	10.00***

Note:

- Determining the target unit price based on the par value (i.e. ten (10) SAR) or the closing price three (3) days before the start of the additional offering, minus 15%, whichever is lower, if the closing price was three (3) days before the start of the additional offering, minus 15% less than the par value price (i.e. ten (10) SAR). The target subscription price shall be less than the par value, and therefore the difference will be recorded as an issuance discount within the net asset value section of the unit holders in the financial statements. Note that, if the subscription price is less than the par value, it results in the issuance of a larger number of units. If the target subscription price is equal to the par value, there shall be no registration of any difference as a discount or share premium. The Fund Manager shall also update the two tables above to suit the target price, as detailed in the footnote (**) below.
- In general, it is noted that if the subscription price is less than the market value, there shall be an impact on the cost of the Fund and a greater compensation for the in-kind units, as the Fund Manager has adopted a unified pricing mechanism for the in-kind subscription and the cash subscription, as explained above.

*The minimum total increase in the value of the Fund's assets from the cash subscription is 100,000,000 Saudi Riyals, and the maximum total increase in the value of the Fund's assets from the cash subscription is 250,000,000 Saudi Riyals. Note that all the assumptions mentioned in the Appendix in general assume the minimum limit as a basis for calculating, unless otherwise stated.

** Determining the target unit price based on the par value (i.e. ten (10) SAR) or the closing price three (3) days before the start of the additional offering, minus 15%, whichever is lower. As described in the note above.

*** The subscription price after adding the subscription fees and related value-added tax is 10.23 SAR.

****The mechanism for allocating in-kind and cash units is subject to the Terms and Conditions set out in Paragraph 9.6 of this Supplementary Appendix.

Fund Summary

Fund name and type	The name of the Fund is "SEDCO Capital REIT Fund", which is a publicly traded closed-end real estate investment fund that is compliant with the provisions of Islamic Sharia, established according to the laws and regulations in force in the Kingdom of Saudi Arabia and is subject to the regulations and instructions of the Capital Market Authority.																											
Real estate assets that the Fund aims to acquire	<p>The real estate assets of the additional investment portfolio consists of eight properties that are used in several sectors in the Kingdom, as follows:</p> <table border="1"> <thead> <tr> <th>Property name</th> <th>Use</th> <th>City</th> </tr> </thead> <tbody> <tr> <td>Al Manahij Schools</td> <td>Educational complex</td> <td>Riyadh</td> </tr> <tr> <td>Dar Al Baraa Private Schools</td> <td>Educational complex</td> <td>Riyadh</td> </tr> <tr> <td>Extra Center</td> <td>Commercial Center</td> <td>Dammam</td> </tr> <tr> <td>Al Hamra Plaza Center</td> <td>Commercial Center</td> <td>Riyadh</td> </tr> <tr> <td>Olayya Private Schools</td> <td>Educational complex</td> <td>Riyadh</td> </tr> <tr> <td>Hyperpanda</td> <td>Commercial Center</td> <td>Dammam</td> </tr> <tr> <td>Amjad Qurtoba Private Schools</td> <td>Educational complex</td> <td>Riyadh</td> </tr> <tr> <td>Irqah Plaza Center</td> <td>Commercial Center</td> <td>Riyadh</td> </tr> </tbody> </table>	Property name	Use	City	Al Manahij Schools	Educational complex	Riyadh	Dar Al Baraa Private Schools	Educational complex	Riyadh	Extra Center	Commercial Center	Dammam	Al Hamra Plaza Center	Commercial Center	Riyadh	Olayya Private Schools	Educational complex	Riyadh	Hyperpanda	Commercial Center	Dammam	Amjad Qurtoba Private Schools	Educational complex	Riyadh	Irqah Plaza Center	Commercial Center	Riyadh
Property name	Use	City																										
Al Manahij Schools	Educational complex	Riyadh																										
Dar Al Baraa Private Schools	Educational complex	Riyadh																										
Extra Center	Commercial Center	Dammam																										
Al Hamra Plaza Center	Commercial Center	Riyadh																										
Olayya Private Schools	Educational complex	Riyadh																										
Hyperpanda	Commercial Center	Dammam																										
Amjad Qurtoba Private Schools	Educational complex	Riyadh																										
Irqah Plaza Center	Commercial Center	Riyadh																										
Unit price in additional offering	10.00 SAR																											
Minimum investment	500 SAR for 50 units																											
The number of units offered in the additional offering	42,500,000 units (assuming the minimum) 57,500,000 units (assuming the maximum)																											
The number of units offered for an in-kind subscription	32,500,000 units (assuming the minimum) 32,500,000 units (assuming the maximum)																											
The number of units offered for a cash subscription	10,000,000 units (assuming the minimum) 25,000,000 units (assuming the maximum)																											
The total value of the Fund's assets after additional offering	1,777,156,128 SAR (assuming the minimum) 1,791,156,128 SAR (assuming the maximum)																											
Total fund size after additional offering	1,791,951,750 SAR (assuming the minimum) 1,791,951,750 SAR (assuming the maximum)																											
Risk level	Medium																											
Real estate transaction tax	It is a tax that has been imposed in accordance with the executive regulations of the real estate transaction tax issued pursuant to Royal Order No. (A/84), dated 14-2-1442 AH, as of October 2020 AD, and in proportion to the value of the property that is intended to be sold or transferred, regardless of its condition or form. It includes the land and what is being structured, constructed or built on it. It is paid before or during real estate title registration or contract documentation. The tax is calculated based on the property value agreed upon between the Seller and the Buyer																											
Risk factors	There are some risks associated with investing in the Fund. Paragraph C includes examples of these risks, which a potential investor shall carefully study before making a decision to invest in the Fund																											

A. A description of the types of real estate assets to be acquired by increasing the total value of the Fund's assets

1. A detailed statement of the additional investment portfolio to be owned

The Fund intends to acquire a number of properties (the “Additional Investment Portfolio”) from a real estate investment fund, with special offering of its units, currently managed by the fund manager; it is SEDCO Capital Real Estate Income Fund 2 (the “Seller”), which is a private income-generating real estate investment fund, whose units are specially offered; its offering period closed on December 13, 2015. An amount of 445,400,000 SAR was collected as subscription amounts from investors (noting that the Fund Manager does not own units in the Private Fund) and Sharia-compliant banking facilities in the amount of 432,000,000 SAR were obtained. The Fund Manager studied the properties of the portfolio to be acquired and ensured their suitability to the current portfolio. He also checked and fulfilled the requirements of the Real Estate Investment Funds Regulations and the Regulations of Financial Market Institutions and has made due diligence, including, but not limited to (ensuring that the properties generated rental income during the past three years, obtained valuation of the properties from two valuers accredited by the Saudi Authority for Accredited Valuers, and ensured that the properties are ready for use).

The Fund Manager, on behalf of the Fund (the Buyer), has entered into a binding sale and purchase agreement to purchase a number of additional investment portfolio properties with the Seller (SEDCO Capital Real Estate Income Fund 2). It is noteworthy that the Special Purpose Company whose shares are owned by the Custodian of the SEDCO Capital Real Estate Income Fund 2 (which is the Saudi Economic and Development Company for the Real Estate Funds 2) is the legal owner of the properties of the additional investment portfolio, and it is indicated that the Special Purpose Company whose shares are owned by the Custodian of the Fund (which is the Saudi Economic and Development Company for Real Estate Funds) will become the legal owner of the additional investment portfolio real estate, where the ownership will be transferred to the Special Purpose Company whose shares are owned by the Custodian of the Fund (the Buyer).

In this regard, it is noteworthy that the Fund Manager obtained the approval of all unitholders in the SEDCO Capital Real Estate Income Fund 2 to sell the properties of the additional investment portfolio. The following is a summary of the most important terms of the Sale and Purchase Agreement:

The First Party: The Seller	(The Saudi Economic and Development Company for Real Estate Funds 2) on behalf of the SEDCO Capital Real Estate Income Fund 2
The Second Party: The Buyer	(The Saudi Economic and Development Company for Real Estate Funds) on behalf of SEDCO Capital REIT
The Third Party: Saudi Economic and Development Securities Company	In its capacity as the manager of SEDCO Capital REIT Fund and the SEDCO Capital Real Estate Income Fund 2
The Price	660,072,500 SAR*
Payment method	<ol style="list-style-type: none"> 1. The price will be paid by in-kind and cash payments as follows: 2. In-kind payment: Registering in-kind units in the Fund at the targeted subscription price for the benefit of unit holders in the SEDCO Capital Real Estate Income Fund 2 with a value of 325,000,000 SAR. 3. Cash payment: Payment of a cash amount of 335,072,500 SAR, which represents the remainder of the price, through the amount received from cash contributions and the financing amount.
Conditions that shall be met to complete the acquisition process	<ol style="list-style-type: none"> 1. The approval of the Authority and the Fund unit holders to increase the total value of the Fund assets and to offer and issue in-kind and cash payments. 2. The Buyer shall obtain financing from one of the banks licensed in Saudi Arabia to finance the cash payment. 3. The Buyer shall complete the process of collecting a cash amount of one hundred million SAR (100,000,000)** through the investors’ subscriptions to the Fund as a minimum to increase the total value of the Fund’s assets for the cash subscription. 4. The Seller shall provide the Buyer with an updated copy showing the release of the mortgage by Riyadh Bank on the title deeds pledged to Riyadh Bank related to real estate assets belonging to Dar Al Baraa Private Schools and Hyperpanda. The Fund Manager does not expect that the procedures for releasing the mortgage will require more than the period shown for the acquisition and transfer of the title deeds of the real estate of the additional

- investment portfolio and the inclusion of the additional units mentioned in the Clause of the Expected Timeline for the Additional Offering.
5. The Seller shall provide the Buyer with evidence that the lessees have waived their right to pre-emption agreed under the lease contracts that pertain to real estate assets related to Dar Al Baraa Private Schools and Hyperpanda.
 6. The Buyer entered into a property management agreement with the Unified Real Estate Development Company in relation to the Irqah Plaza Center. It is The Unified Real Estate Development Company is not a related party to the Fund Manager.

*The amount represents the value of real estate without calculating the real estate transaction tax and capital expenses shown in the additional offering proceeds, which are the acquisition and sale fees and other expenses that include the legal advisor’s fees, the lead manager’s fees, and the registration and listing fees for additional units (it is mentioned that the total value includes all expenses for the portfolio to be acquired is 701,951,750 SAR).

** Includes all capital expenses shown in the additional offering proceeds (fees, costs and initial non-recurring fees).

Clarification of the conflict of interest in the transaction:

The Fund Manager would like to clarify that the increase in the total value of the Fund's assets contains a conflict of interest, described below:

1. We would like to clarify that the Saudi Economic and Development Securities Company is the Fund Manager for both the SEDCO Capital REIT Fund and the acquired fund (SEDCO Capital Real Estate Income Fund 2). Accordingly, the Fund Manager confirms that he has taken the necessary measures to disclose this conflict, and to ensure that the interests of unitholders are taken care of at all the times. The Fund Manager studied the properties of the portfolio to be acquired and ensured their suitability to the current portfolio, and has made due diligence, including, but not limited to (ensuring that the properties generated rental income during the past three years, and obtaining a valuation of the properties from two valuers accredited by the Saudi Authority for Accredited Valuers, to ensure that the properties are ready for use).
2. The Fund Manager states that he has obtained the sale and acquisition fees, which are 0.75% (plus 15% value-added tax) of the purchase value of the real estate assets of the investment portfolio, which shall be obtained by the Fund Manager, who is a related party, in return for his efforts in completing the purchase and sale operations. These include due diligence, negotiating the terms of purchase, studying the compatibility of the real estate assets subject to the acquisition with the Fund's investment objectives, completing the process, and transferring ownership. The Fund Manager is also entitled to obtain these fees as shown in Appendix (A) - summary of the financial disclosure in the main Terms and Conditions and also shown in the fees and charges for services, commissions and management fees of the Supplementary Appendix. It is inclusive of value-added tax.

The Fund Manager also confirms his commitment to Article 19 (Conflict of Interests and Disclosure Thereof) of the Real Estate Investment Funds Regulations and Article 41 (Conflict of Interests) of the Capital Market Institutions Regulations.

2. An introductory summary of the properties of the additional investment portfolio

The properties of the additional investment portfolio consist of eight properties that are used in several sectors in the Kingdom. The following is an introductory summary of the properties of the additional investment portfolio:

Property name	Use	City
Al Manahij Schools	Educational complex	Riyadh
Dar Al Baraa Private Schools	Educational complex	Riyadh
Extra Center	Commercial Center	Dammam
Al Hamra Plaza Center	Commercial Center	Riyadh
Olayya Private Schools	Educational complex	Riyadh
Hyperpanda	Commercial Center	Dammam
Amjad Qurtoba Private Schools	Educational complex	Riyadh
Irqah Plaza Center	Commercial Center	Riyadh

3. Summary of the targeted returns for the additional real estate assets for the year 2021:

Property	Total property purchase value *	Total annual rent****	Rental yield %	Total expenses for the property and the Fund**	Annual net rent (after deducting the expenses of the property and the Fund)	Target net return %
Al Manahij Schools	55,220,000	4,000,000	7.24%	(1,388,025)	2,611,975	4.73%
Dar Al Baraa Private Schools	156,625,000	11,287,500	7.21%	(3,936,967)	7,350,533	4.69%
Extra Center	50,050,000	3,785,600	7.56%	(1,258,070)	2,527,530	5.05%
Al Hamra Plaza Center	67,395,000	5,432,000	8.06%	(1,694,059)	3,737,941	5.55%
Olayya Private Schools	60,245,000	4,752,400	7.89%	(1,514,334)	3,238,066	5.37%
Hyperpanda	66,285,000	4,975,500	7.51%	(1,666,157)	3,309,343	4.99%
Amjad Qurtoba Private Schools	115,500,000	8,328,394	7.21%	(2,903,239)	5,425,155	4.70%
Irqah Plaza Center ***	88,752,500	6,807,546	7.67%	(3,252,038)	3,555,508	4.01%
Total	660,072,500	49,368,940	7.48%	(17,612,889)	31,756,051	4.81%

*Excluding real estate transaction tax RETT and acquisition fees.

** The Fund total expenses have been distributed after the additional offering of real estate based on the percentage of the property value from the total portfolio after the additional offering, and there are no special expenses (property management fees and operating management fees) for all real estate because it is a single lessee except for Irqah Plaza Center.

*** There are special expenses for the Irqah Plaza Center, which are (property management fees and operating management fees).

****The total annual rent is according to the contracts signed for each property, except for the Irqah Plaza Center, which shows the lease contracts dated June 2021.

Summary of the targeted returns including acquisition expenses:

Property	Total purchase value of the property	Acquisition expenses*	Total purchase value of the property (including acquisition expenses)	Annual net rent (after deducting the expenses of the property and the Fund)	Target net return * %
Al Manahij Schools	55,220,000	3,175,150	58,395,150	2,611,975	4.47%
Dar Al Baraa Private Schools	156,625,000	9,005,938	165,630,938	7,350,533	4.44%
Extra Center	50,050,000	2,877,875	52,927,875	2,527,530	4.78%
Al Hamra Plaza Center	67,395,000	3,875,213	71,270,213	3,737,941	5.24%
Olayya Private Schools	60,245,000	3,464,088	63,709,088	3,238,066	5.08%
Hyperpanda	66,285,000	3,811,388	70,096,388	3,309,343	4.72%
Amjad Qurtoba Private Schools	115,500,000	6,641,250	122,141,250	5,425,155	4.44%
Irqah Plaza Center	88,752,500	5,103,269	93,855,769	3,555,508	3.79%
Total	660,072,500	37,954,171	698,026,671	31,756,051	4.55%

*Inclusive of all acquisition expenses (real estate transaction fees and acquisition fees, but not inclusive of value-added tax related to acquisition fees).

4. Detailed information about each property of the additional investment portfolio

The following tables contain a detailed description of each property of the additional investment portfolio, which were obtained from official and notary-approved title deeds and other documents related to the properties of the new investment portfolio. According to these title deeds and documents, it is indicated that the Special Purpose Company whose shares are owned by the Custodian of the SEDCO Capital Real Estate Income Fund 2 (which is the Saudi Economic and Development Company for Real Estate Funds 2) is the legal owner of the properties of the additional investment portfolio.

1. Al Manahij Schools	
Property name	Al Manahij Schools
Property owner's name	SEDCO Capital Real Estate Income Fund 2
Property type	Educational complex
Country/City	Kingdom of Saudi Arabia/ Riyadh
Neighborhood/ Street	Al Ghadeer District, River Nile Street, Riyadh
Site plan (sketch)	
Website link	https://goo.gl/maps/xQW76FMYwMBuNbK29
Title deed	310106064702
Date of the Title deed	26/01/1442 AH
Land area	9,200 square meters
Building area (according to building permit)	12,388 square meters
Number of Floors	3-Floor

Unit types and numbers	Girls and Boys School (Kindergarten - Primary - Middle - Secondary)
Property occupancy rate	100%
Building completion date (according to the building completion certificate)	The building completion certificate is not available, and the building was completed in 2005 AD, according to the internal delivery documents. An operating license issued by the Ministry of Education, and a certificate of detection and validity of an educational facility issued by the Civil Defense are also available.
The cost of buying the property (excluding acquisition costs)	55,220,000 SAR, which is equal to the average of two independent valuations prepared by independent valuers accredited by the Saudi Authority for Accredited Valuers.
Total property purchase cost (including all acquisition expenses)*	58,395,150 SAR
Number of tenants	1 (Single-tenant)
About the lease agreement	
Lessee name	Nabaa Educational Company
Use	Girls and Boys School (Kindergarten - Primary - Middle - Secondary)
Contract start date	01/01/2018 G
Term of the contract	15 calendar years is binding according to the nature of the contract
Rent increases	6.7% in the third year (2020 G), followed by 6% every four years (i.e. starting from 2024 G)
Contract expiry date	31/12/2032 G
Remaining period before contract expiry	12 years starting from 2021
Total contract value	63,201,664 SAR (from the beginning of the contract to its end)
Total annual rent	4,000,000 SAR
Property management costs, operating management costs, and service costs	The Fund shall not bear any of these costs as they are borne by the tenant under the lease contract
Annual net rent	4,000,000 SAR
The annual total return on the cost of purchasing the property	7.24%

The annual net return percentage of the total property purchase cost	6.85%	
Rent payment method	Semi-annually	
Tenant commitment guarantees	Not available	
The most important conditions for canceling the contract	<p>The lessor may terminate the contract upon written notice to the tenant for a period of 60 days in the following cases:</p> <ol style="list-style-type: none"> 1. If the tenant rescinds the contract before the specified date without the lessor breaching the terms of the contract. 2. If the tenant fails to pay the annual rent and its payments on the specified dates. <p>The tenant may terminate the contract upon written notice to the lessor for 60 days if the lessor breaches its contractual obligations without taking any action to remedy this.</p>	
Annual rental income for the last three years	The year	Rent value
	2018	3,750,000 SAR
	2019	3,750,000 SAR
	2020	4,000,000 SAR

2. Dar Al Baraa Private Schools

Property name	Dar Al Baraa Private Schools
Property owner's name	SEDCO Capital Real Estate Income Fund 2
Property type	Educational complex
Country/City	Kingdom of Saudi Arabia/ Riyadh
Neighborhood/ Street	Al Narjis District, Al Sunbulah Street, Riyadh

Site plan (sketch)



Website link	https://goo.gl/maps/uES1SHDNgoJ2
Title deed	210120049362
Date of the Title deed	12/08/1440 AH
Land area	15,385 square meters
Building area (according to building permit)	35,000 square meters
Number of floors	2-floors
Unit types and numbers	Girls and Boys School (Kindergarten - Primary - Middle - Secondary)
Property occupancy rate	100%
Building completion date (according to the building completion certificate)	Building completion certificate issued on 29/06/1437 AH
The cost of buying the property (excluding acquisition costs)	156,625,000 SAR, which is equal to the average of two independent valuations prepared by independent valuers accredited by the Saudi Authority for Accredited Valuers
Total property purchase cost (including all acquisition expenses)*	165,630,938 SAR
Number of tenants	1 (Single-tenant)

About the lease agreement

Tenant name	Al-Masif Education Company
Use	Girls and Boys School (Kindergarten - Primary - Middle - Secondary)
Contract start date	20/07/2016 G
Term of the contract	25 calendar years are binding on both parties, according to what is expressly stated in the contract
Rent increases	7.5% every 3 years starting from 2019 G
Contract expiry date	19/07/2041 G
Remaining period before contract expiry	20 years starting from 2021 G
Total contract value	346,912,204 SAR (from the beginning of the contract to its end)
Total annual rent	11,287,500 SAR
Property management costs, operating management costs, and service costs	The Fund shall not bear any of these costs as they are borne by the tenant under the lease contract
Annual net rent	11,287,500 SAR
The annual total return on the cost of purchasing the property	7.21%
The annual net return percentage of the total property purchase cost	6.81%
Rent payment method	Semi-annually
Tenant commitment guarantees	24 promissory notes with a total value of 337,287,205 SAR from the second year until the end of the contract. The number of the remaining notes is 20 promissory notes with a total value of 293,712,204 SAR
The most important conditions for canceling the contract	<p>The lessor may, in the following cases, terminate the contract in the event that the lessee does not correct the violation indicated by the lessor upon written notice of 30 days:</p> <ol style="list-style-type: none"> 1. If there is non-payment by the tenant of the annual rent on the specified dates. 2. If the tenant fundamentally breaches any of his/her contractual obligations. 3. If the tenant uses the leased property for a purpose other than that agreed upon without obtaining the written consent of the lessor. 4. If the tenant assigns the contract completely to a third party without obtaining the written consent of the lessor. 5. If the tenant filed bankruptcy or became insolvent, or if his business is under liquidation. <p>Either party may terminate the contract if the property is damaged or destroyed (without the fault of the tenant) and the lessor is unable to return the property to its previous condition within 3 months from the date of the damage or destruction, noting that there is insurance on the entire portfolio assets.</p>

Annual rental income for the last three years	The year	Rent value
	2018	10,500,000 SAR
	2019	11,287,500 SAR
	2020	11,287,500 SAR

3. Extra Center

Property name	Extra Center – Dammam
Property owner's name	SEDCO Capital Real Estate Income Fund 2
Property type	Commercial Center
Country/City	Kingdome of Saudi Arabia / Dammam
Neighborhood/ Street	Aziziyah District, Gulf Road, Dammam



Website link	https://goo.gl/maps/cw4UKNqcWpq
Title deed	<ul style="list-style-type: none"> - First title deed: 430112019150 - Second title deed: 530108024450 - Third title deed: 330126000399
Date of the title deed	<ul style="list-style-type: none"> - First title deed: 19/02/1442 AH - Second title deed: 19/02/1442 AH - Third title deed: 19/02/1442 AH
Land area	8,258 square meters
Building area (according to building permit)	3,600 square meters
Number of Floors	One-Floor
Unit types and numbers	Commercial center

Property occupancy rate	100%
Building completion date (according to the building completion certificate)	The building completion certificate is not available, and the building was completed in 2008. A commercial activity license issued by the Ministry of Municipal and Rural Affairs is also available, expiring on 2024.
The cost of buying the property (excluding acquisition costs)	50,050,000 SAR, which is equal to the average of two independent valuations prepared by independent valuers accredited by the Saudi Authority for Accredited Valuers
Total property purchase cost (including all acquisition expenses)*	52,927,875 SAR
Number of tenants	1 (Single-tenant)

About the lease agreement

Tenant name	United Electronics Company
Use	Commercial Center
Contract start date	01/07/2015 G
Term of the contract	18 calendar years are binding on both parties, according to what is expressly stated in the contract
Rent increases	4.0% every three years (starting from 2018 G)
Contract expiry date	30/06/2033 G
Remaining period before contract expiry	12 years starting from 2021
Total contract value	69,646,242 SAR (from the beginning of the contract to its end)
Total annual rent	3,785,600 SAR
Property management costs, operating management costs, and service costs	The Fund shall not bear any of these costs as they are borne by the tenant under the lease contract
Annual net rent	3,785,600 SAR
The annual total return on the cost of purchasing the property	7.56%
The annual net return percentage of the total property purchase cost	7.15%
Rent payment method	Annual
Tenant commitment guarantees	17 promissory notes with a total value of 66,146,242 SAR from the second year until the end of the contract. The number of the remaining notes is 12 with a total value of 48,226,242 SAR.

The lessor may, in the following cases, terminate the contract if the tenant does not correct the violation indicated by the lessor by virtue of a 15-day written notice:

The most important conditions for canceling the contract

1. If the tenant does not pay the annual rent on the specified dates;
2. If the tenant breaches any of his obligations under the contract.
3. If the tenant uses the leased property for a purpose other than that agreed upon without obtaining the written consent of the lessor.
4. If the tenant assigns the contract completely to a third party without obtaining the written consent of the lessor.
5. If the tenant filed bankruptcy or became insolvent, or if his business is under liquidation.

	The year	Rent value
Annual rental income for the last three years	2018	3,640,000 SAR
	2019	3,640,000 SAR
	2020	3,640,000 SAR

4. Al Hamra Plaza Center

Property name	Al Hamra Plaza Center
Property owner's name	SEDCO Capital Real Estate Income Fund 2
Property type	Commercial Center
Country/City	Kingdom of Saudi Arabia/ Riyadh
Neighborhood/ Street	Al Mansoura District, Al Batha Street, Riyadh

Site plan (sketch)



Website link <https://goo.gl/maps/QwglH45K5LP2>

Title deeds

- First title deed: 310114050736
- Second title deed: 310122046342



- Third title deed: 410122046341
- Fourth title deed: 710114050739
- Fifth title deed: 410113086924

- Date of the title deeds**
- First title deed: 27/01/1442 AH
 - Second title deed: 26/01/1442 AH
 - Third title deed: 26/01/1442 AH
 - Fourth title deed: 27/01/1442 AH
 - Fifth title deed: 28/01/1442 AH

Land area 21,120 square meters

Building area (according to building permit) 9,651 square meters

Number of Floors One-Floor

Unit types and numbers 54 Commercial center units

Property occupancy rate 100%

Building completion date (according to the building completion certificate) Building completion certificate issued on 11/01/1431 AH, i.e. in the year 2009 G

The cost of buying the property (excluding acquisition costs) 67,395,000 SAR, which is equal to the average of two independent valuations prepared by independent valuers accredited by the Saudi Authority for Accredited Valuers

Total property purchase cost (including all acquisition expenses)* 71,270,213 SAR

Number of tenants 1 (Single-tenant)

About the lease agreement

Tenant name Unified Real Estate Development Company

Use Renting Al Hamra Plaza Center Units

Contract start date 07/01/2016 G

Term of the contract 10 calendar years are binding on both parties, according to what is expressly stated in the contract

Rent increases	12.0% in the sixth year (2021 G)	
Contract expiry date	06/01/2026 G	
Remaining period before contract expiry	5 years starting from 2021	
Total contract value	51,365,000 SAR (from the beginning of the contract to its end)	
Total annual rent	5,432,000 SAR	
Property management costs, operating management costs, and service costs	The Fund shall not bear any of these costs as they are borne by the tenant under the lease contract	
Annual net rent	5,432,000 SAR	
The annual total return on the cost of purchasing the property	8.06%	
The annual net return percentage of the total property purchase cost	7.62%	
Rent payment method	Annual	
Tenant commitment guarantees	9 promissory notes with a total value of 46,515,000 SAR from the second year until the end of the contract. The number of the remaining notes is 5 with a total value of 27,115,000 SAR	
The most important conditions for canceling the contract	<p>The lessor may, in the following cases, terminate the contract if the tenant does not correct the violation indicated by the lessor by written notice of 90 days:</p> <ol style="list-style-type: none"> 1. If there is non-payment by the tenant of the annual rent on the specified dates. 2. If the tenant has gross negligence in the maintenance of the mall. 3. If the tenant operates the center in a useless manner, which leads to the tenants, who occupy half of the rental areas of the center, leave. 4. If the tenant uses the leased property for a purpose other than that agreed upon without obtaining the written consent of the lessor. 5. If the tenant assigns the contract completely to a third party without obtaining the written consent of the lessor. 6. If the tenant filed bankruptcy or became insolvent, or if his business is under liquidation. 	
Annual rental income for the last three years	The year	Rent value
	2018	4,850,000 SAR
	2019	4,850,000 SAR

	2020	4,850,000 SAR
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5. Olayya Private Schools

Property name	Olayya Private Schools
Property owner's name	SEDCO Capital Real Estate Income Fund 2
Property type	Educational complex
Country/City	Kingdom of Saudi Arabia/ Riyadh
Neighborhood/ Street	Al Mursalat District, Abdulaziz Abu Hussain Street, Riyadh



Website link	https://goo.gl/maps/YNF6YQukZHL2
Title deed	310122046339
Date of the title deed	26/01/1442 AH
Land area	10,500 square meters
Building area (according to building permit)	14,349 square meters
Number of Floors	3-Floors
Unit types and numbers	Girls and Boys School (Kindergarten - Primary - Middle - Secondary)



Property occupancy rate	100%
Building completion date (according to the building completion certificate)	The building completion certificate is not available, and the building was completed in 2000 G, according to the internal delivery documents. A private school license issued by the Ministry of Education is also available.
The cost of buying the property (excluding acquisition costs)	60,245,000 SAR, which is equal to the average of two independent valuations prepared by independent valuers accredited by the Saudi Authority for Accredited Valuers.
Total property purchase cost (including all acquisition expenses)*	63,709,088 SAR
Number of tenants	1 (Single-tenant)
About the lease agreement	
Tenant name	Tadrees Co. Ltd.
Use	Girls and Boys School (Kindergarten - Primary - Middle - Secondary)
Contract start date	12/05/2015 G
Term of the contract	18 calendar years are binding on both parties, according to what is expressly stated in the contract
Rent increases	9% every three years (starting from 2018 G)
Contract expiry date	11/05/2033 G
Remaining period before contract expiry	12 years starting from 2021
Total contract value	90,280,014 SAR (from the beginning of the contract to its end)
Total annual rent	4,752,400 SAR
Property management costs, operating management costs, and service costs	The Fund shall not bear any of these costs as they are borne by the tenant under the lease contract
Annual net rent	4,752,400 SAR
The annual total return on the cost of purchasing the property	7.89%

The annual net return percentage of the total property purchase cost	7.46%	
Rent payment method	Semi-annually	
Tenant commitment guarantees	17 promissory notes with a total value of 86,280,014 SAR from the second year until the end of the contract. The number of the remaining notes is 12 bonds with a total value of 65,200,014 SAR	
The most important conditions for canceling the contract	<p>The lessor may, in the following cases, terminate the contract in the event that the tenant does not correct the violation indicated by the lessor upon written notice of 30 days:</p> <ol style="list-style-type: none"> 1. If there is non-payment by the tenant of the annual rent on the specified dates. 2. If the tenant breaches any of his obligations under the contract. 3. If the tenant uses the leased property for a purpose other than that agreed upon without obtaining the written consent of the lessor. 4. If the tenant assigns the contract completely to a third party without obtaining the written consent of the lessor. 5. If the tenant filed bankruptcy or became insolvent, or if his business is under liquidation. 	
Annual rental income for the last three years	The year	Rent value
	2018	4,360,000 SAR
	2019	4,360,000 SAR
	2020	4,360,000 SAR

6. Hyperpanda

Property name	Hyperpanda
Property owner's name	SEDCO Capital Real Estate Income Fund 2
Property type	Commercial Center
Country/City	Kingdome of Saudi Arabia / Dammam
Neighborhood/ Street	Al Noor District, King Saud Street, Dammam

Site plan (sketch)



Website link <https://goo.gl/maps/2mWcrifkjW6xdk8>

Title deeds

- Commerical center title deed: 330106026581
- Parking title deed: 330112019149

Date of the Title deeds

- Commercial center title deed: 30/10/1440 AH
- Parking title deed: 19/02/1442 AH

Land area 13,806 square meters

Building area (according to building permit) 5,248 square meters

Number of Floors One-Floor

Unit types and numbers Hypermarkets and commercial center

Property occupancy rate 100%

Building completion date (according to the building completion certificate) The building completion certificate is not available, and the building was completed in 2014, according to the internal delivery documents. A commercial activity license issued by the Eastern Province Municipality is also available.

The cost of buying the property (excluding acquisition costs) 66,285,000 SAR, which is equal to the average of two independent valuations prepared by independent valuers accredited by the Saudi Authority for Accredited Valuers

Total property purchase cost (including all acquisition expenses)* 70,096,388 SAR

Number of tenants	1 (Single-tenant)
About the lease agreement	
Tenant name	Al Azizia Panda United Company
Use	Commercial Center
Contract start date	<p>This property was rented under two lease contracts with the tenant, one for the commercial center and the other for the fair parking.</p> <p>With regard to the commercial center lease agreement: 01/10/2014 G</p> <p>With regard to the parking rental contract: 23/03/2015 G</p>
Term of the contract	<p>With regard to the commercial center lease agreement: 20 calendar years are binding on the lessor, and only the first 10 years are binding on the tenant, in accordance with what is expressly stated in the contract</p> <p>With regard to the parking rental contract: 19 calendar years and six months are binding on both parties, according to what is expressly stated in the contract</p>
Rent increases	<p>5.0% every 5 years for the trade fair (starting from 2019 G)</p> <p>7.5% every 5 years for parking lots (starting from 2020 G)</p>
Contract expiry date	30/09/2034 G
Remaining period before contract expiry	13 years starting from 2021 G
Total contract value	101,746,694 SAR (from the beginning of the contract to its end)
Total annual rent	4,975,500 SAR
Property management costs, operating management costs, and service costs	The Fund shall not bear any of these costs as they are borne by the tenant under the lease contract
Annual net rent	4,975,500 SAR
The annual total return on the cost of purchasing the property	7.51%
The annual net return percentage of the total property purchase cost	7.10%
Rent payment method	Quarterly

Tenant commitment guarantees

Not available

The most important conditions for canceling the contract

This property was rented under two lease contracts with the tenant, one for the commercial center and the other for the fair parking. With regard to the lease contract related to the fair, the lessor may terminate the contract if the tenant does not pay the annual rent on the specified dates, after being notified of that default in accordance with the terms of the contract.

Under both contracts, the lessor may terminate the contract if the tenant files bankruptcy, becomes insolvent, or if his business is under liquidation.

	The year	Rent value
Annual rental income for the last three years	2018	4,710,000 SAR
	2019	4,885,500 SAR
	2020	4,975,500 SAR

7. Amjad Qurtoba Private Schools

Property name	Amjad Qurtoba Private Schools
Property owner's name	SEDCO Capital Real Estate Income Fund 2
Property type	Educational complex
Country/City	Kingdom of Saudi Arabia/ Riyadh
Neighborhood/ Street	Qurtoba District, Raya Street, Riyadh

Site plan (sketch)



Website link	https://goo.gl/maps/VdXfhaMdUeTk6UKQ9
Title deed	710105058890
Date of the title deed	27/01/1442 AH
Land area	14,300 square meters
Building area (according to building permit)	33,286 square meters
Number of Floors	3-Floors
Unit types and numbers	Girls and Boys School (Kindergarten - Primary - Middle - Secondary)
Property occupancy rate	100%
Building completion date (according to the building completion certificate)	The building completion certificate is not available, and the building was completed in 2013, according to the internal delivery documents. A private school license issued by the Ministry of Education is also available.
The cost of buying the property (excluding acquisition costs)	115,500,000 SAR, which is equal to the average of two independent valuations prepared by independent valuers accredited by the Saudi Authority for Accredited Valuers
Total property purchase cost (including all acquisition expenses)*	122,141,250 SAR
Number of tenants	1 (Single-tenant)
About the lease agreement	
Tenant name	Amjad Cordoba for Educational Services Company
Use	Girls and Boys School (Kindergarten - Primary - Middle - Secondary)
Contract start date	01/02/2017 G
Term of the contract	15 calendar years is binding according to the nature of the contract
Rent increases	5% every year for the first three years (starting from 2018 G), followed by 7% every five years (starting from 2025 G)
Contract expiry date	31/01/2032 G

Remaining period before contract expiry	11 years starting from 2021 G	
Total contract value	128,059,958 SAR (from the beginning of the contract to its end)	
Total annual rent	8,328,394 SAR	
Property management costs, operating management costs, and service costs	The Fund shall not bear any of these costs as they are borne by the tenant under the lease contract	
Annual net rent	8,328,394 SAR	
The annual total return on the cost of purchasing the property	7.21%	
The annual net return percentage of the total property purchase cost	6.82%	
Rent payment method	Semi-annually	
Tenant commitment guarantees	Not available	
The most important conditions for canceling the contract	<p>The lessor may, in the following cases, terminate the contract if the tenant does not correct the violation indicated by the lessor by written notice of 60 days:</p> <ol style="list-style-type: none"> 1. If the tenant rescinds the contract before the specified date without the lessor breaching the terms of the contract. 2. If the tenant fails to pay the annual rent and its payments on the specified dates. <p>The tenant may terminate the contract upon written notice to the lessor for 60 days if the lessor breaches its contractual obligations without taking any action to remedy this.</p>	
Annual rental income for the last three years	The year	Rent value
	2018	7,554,098 SAR
	2019	7,931,803 SAR
	2020	8,328,394 SAR

8. Irqah Plaza Center

Property name	Irqah Plaza Center
Property owner's name	SED CO Capital Real Estate Income Fund 2
Property type	Commercial Center

Country/City Kingdom of Saudi Arabia/ Riyadh

Neighborhood/ Street Irqah District, Prince Mishaal bin Abdulaziz Street, Riyadh

Site plan (sketch)



Website link <https://goo.gl/maps/MDi3R1QgyNq>

Title deed 711908001254

Date of the title deed 28/01/1442 AH

Land area 14,269 square meters

Building area (according to building permit) 7,941 square meters

Number of Floors 3-Floors

Unit types and numbers 16 commercial center units and ATM

Property occupancy rate 97%

Building completion date (according to the building completion certificate) Building completion certificate issued on 14/08/1434 AH

The cost of buying the property (excluding acquisition costs) 88,752,500 SAR, which is equal to the average of two independent valuations prepared by independent valuers accredited by the Saudi Authority for Accredited Valuers

Total property purchase cost (including all acquisition expenses)* 93,855,769 SAR

Number of tenants	14 tenants	
About the lease agreement		
Most important tenants	Tamimi Markets, Maestro Pizza, Starbucks and Whites Pharmacy (equivalent to 67% of the total contracts)	
Use	Fairs and restaurants	
Number and terms of lease contracts	Terms of contracts (noting that the mandatory provisions of the contract term differ from one contract to another)	Number of contracts
	Lease contracts with more than five years remaining	3 lease contracts (equivalent to 69.5% of the total contract value)
	Lease contracts have a remaining term of between one and four years	9 lease contracts (equivalent to 23.2% of the total contract value)
	Lease contracts with less than one year to expiry	2 lease contracts (7.3% of the total contract value)
The average period remaining before the expiry of the contract	10 years from the date of June 30, 2021 G	
Total annual rent	6,807,546 SAR	
Property management costs and operating expenses (maintenance and facilities)	5% of revenue for property management 5% of revenue for operating expenses	
Annual net rent	6,126,791 SAR	
The annual total return on the cost of purchasing the property	6.90%	
The annual net return percentage of the total property purchase cost	6.53%	
Occupancy rate	97%	
Rent payment method	Paid in different ways, either as one annual payment in advance, two semi-annual payments in advance, or four quarterly payments paid in advance, according to the terms agreed with each tenant.	
Tenant commitment guarantees	Not available	

The most important conditions for canceling the contract

The terms of contract cancellation differ from one contract to another, and may change in the future according to the nature of the negotiations with the unit tenants. Below is a brief description of the terms of cancellation of existing lease contracts:

1. Seven (7) of the lease contracts contain a clause that gives the tenant the right to terminate the contract after providing a written notice within a period not exceeding six (6) months, with the tenant’s obligation to pay the full value until the end of the rental year, and the value of the following year in the event that the tenant has not committed to informing the lessor, in writing, within six (6) months.
2. One (1) of the lease contracts contains a clause that gives the tenant the right to terminate the contract after submitting a written notice within a period not exceeding four (4) months, with the tenant’s obligation to pay the full value until the end of the rental year, and the value of the following year in the event that the tenant fails to inform the lessor, in writing, within four (4) months.
3. One (1) lease agreement contains a clause giving the right to the tenant to terminate the contract after giving written notice within a period not exceeding six (6) months.
4. Five (5) lease agreements do not contain termination clauses.

	The year	Rent value
Annual rental income for the last three years	2018	6,722,939 SAR
	2019	6,158,726 SAR
	2020	6,451,111 SAR

* Inclusive of real estate transaction tax (5.00% of the property value) and acquisition fees (0.75% of the property value).

5. Previous and targeted rental returns for each property and its percentage of the total rental income

The tables below summarize the estimated rental returns from 2019 - 2023 G

Property	Rental returns for 2019	Percentage of total rental income for 2019*	Rental returns for 2020	Percentage of total rental income for 2020*	Target rental returns for 2021	Percentage of total rental income for 2021*	Target rental returns for 2022	Percentage of total rental income for 2022*	Target rental returns for 2023	Percentage of total rental income for 2023*
Al-Hayat Tower	3,516,646	4.51%	2,676,281	3.93%	1,500,000	1.22%	1,500,000	1.21%	1,500,000	1.21%
Hyperpanda - Riyadh	5,877,672	7.53%	5,822,670	8.55%	5,822,670	4.74%	5,822,670	4.71%	6,116,250	4.93%
Al Jazeera Compound	6,853,000	8.78%	7,108,500	10.44%	7,186,500	5.85%	7,186,500	5.81%	7,186,500	5.79%
Public Prosecution Building	5,500,000	7.05%	5,500,000	8.08%	4,400,000	3.58%	4,400,000	3.56%	4,400,000	3.55%
Khalidiya Business Center	10,997,566	14.09%	8,803,317	12.93%	10,405,437	8.47%	10,405,437	8.42%	10,405,437	8.39%
Hyperpanda - Jeddah	2,845,151	3.65%	2,845,151	4.18%	2,845,151	2.32%	2,845,151	2.30%	2,988,845	2.41%
Al Rawda Business Center	7,914,856	10.14%	6,651,652	9.77%	6,841,933	5.57%	6,841,933	5.53%	6,841,933	5.51%
Banque Saudi Fransi Building	1,841,075	2.36%	1,658,619	2.44%	2,000,000	1.63%	2,000,000	1.62%	2,000,000	1.61%
Hyperpanda - Dammam	5,154,902	6.60%	5,169,025	7.59%	5,228,170	4.26%	5,228,170	4.23%	5,228,170	4.21%
Al Hokair Time Center	2,367,199	3.03%	1,823,684	2.68%	2,200,000	1.79%	2,200,000	1.78%	2,200,000	1.77%
Ajdan Walk	25,185,333	32.26%	20,046,001	29.41%	25,000,000	20.38%	25,000,000	20.22%	25,000,000	20.15%
Additional investment portfolio:										
Al Manahij Schools	-	-	-	-	4,000,000	3.26%	4,000,000	3.24%	4,000,000	3.22%
Dar Al Baraa Private Schools	-	-	-	-	11,287,500	9.19%	12,134,063	9.81%	12,134,063	9.78%
Extra Center	-	-	-	-	3,785,600	3.08%	3,785,600	3.06%	3,785,600	3.05%
Al Hamra Plaza Center	-	-	-	-	5,432,000	4.42%	5,432,000	4.39%	5,432,000	4.38%
Olayya Private Schools	-	-	-	-	4,752,400	3.87%	4,752,400	3.84%	4,752,400	3.83%
Hyperpanda	-	-	-	-	4,975,500	4.05%	4,975,500	4.02%	4,975,500	4.01%
Amjad Qurtoba Private Schools	-	-	-	-	8,328,394	6.78%	8,328,394	6.74%	8,328,394	6.71%
Iraqah Plaza Center	-	-	-	-	6,807,546	5.54%	6,807,546	5.51%	6,807,546	5.49%
Total	78,053,400	100.00%	68,104,900	100.00%	122,798,801	100.00%	123,645,364	100.00%	124,082,638	100.00%

(*) of the Fund's total income

Note:

- The rental returns of the additional investment portfolio for 2019 and 2020 were not mentioned as they preceded the potential acquisition, and the rental returns for the previous three years were previously mentioned in the detailed information tables for each property of the additional investment portfolio.
- The targeted rental returns for 2021 AD for the additional investment portfolio are on an annual basis (full year rents).

6. Total and net targeted return before and after the increase in the Fund's total asset value

Statement	2019	2020	2021 (9 months) (January 1 to September 30)	2021 (3 months)** (October 1 to December 31)	2022	2023
Total annual income from property (SAR)	78,053,400	68,104,900	55,072,396	30,699,700	123,645,364	124,082,638
Total expenses for property and Fund (SAR)	(16,821,305)	(18,170,264)	(13,502,798)	(5,914,341)	(23,808,984)	(23,960,606)
Annual loan interest payment (SAR)	(21,413,212)	(17,195,688)	(11,943,750)	(6,231,483)	(24,925,932)	(24,925,932)
Net income (SAR)	39,818,883	32,738,948	29,625,848	18,553,876	74,910,448	75,196,100
Net return*	6.64%	5.46%	6.58%**	7.24%**	7.31%	7.34%

* The net return represents the Fund's achieved and target performance, which is the result of dividing the net income by the total value of the targeted subscription according to the minimum.

** The percentage of the net return for 2021 G on the basis of a full year period, as the target return for 9 months is before the increase in the total value of the Fund's assets and is calculated by dividing the net income by the total subscription value before the increase, divided by the number of months (9) multiplied by the number of months of the year (12). The target return for 3 months is what is calculated after the increase in the total value of the Fund's assets and is calculated by dividing the net income by the total subscription value after the increase, divided by the number of months (3), multiplied by the number of months of the year (12).

***After increasing the total value of the Fund's assets

Note: The net return, starting from October 1, 2021 G, is based on cash shares equivalent to the minimum (100,000,000 SAR), and in the event that the cash shares exceed the minimum, the net return is expected to decrease by approximately 50 basis points if the maximum is reached (250,000,000 SAR).

7. Valuation of real estate to be acquired

The additional portfolio properties are valued based on the average of two independent valuations obtained by the Fund Manager. The following is the basic data and information for the valuations of the properties of the additional investment portfolio, as of the date of preparing this Appendix. It is subject to continuous change, especially in multi-tenant properties, as a result of renewal and/or replacement of tenants.

First Valuer - White Cubes		
Valuation date	Date of the valuation report	Valuation method
13/10/2021 G	26\10\2021 G	- Capitalization of income - Cash flow discount
Second Valuer – ValueStrat		
Valuation date	Date of the Valuation report	Valuation method
10/10/2021 G	11/10/2021 G	- Cash flow discount

Note: There is a letter from the real estate valuers stating that the scope of work for the valuation reports is appropriate for the purpose of the Fund Manager's request and is valid for the purpose of a public offering. The real estate valuers also acknowledged that the contractual rental value in the rental contracts is within the market rental value in the event that the real estate generates income.

Average real estate valuation	Real estate purchase value	The percentage difference between the purchase value of the additional real estate asset and the average valuation of the additional real estate asset
660,072,500 SAR	660,072,500 SAR	0.00%

Property	Valuation of the White Cubes Company on October 13, 2021 SAR	Valuation method (White Cubes Company)	Valuation of ValueStrat on October 10, 2021 SAR	Valuation method (real estate appraisal expert)	Average valuation In SAR	Purchase price* In SAR	The percentage difference between the purchase price and the average valuation of the asset
Al Manahij Schools	57,140,000	Income capitalization	53,300,000	Cash flow discount	55,220,000	55,220,000	0.00%
Dar Al Baraa Private Schools	161,250,000	Income capitalization	152,000,000	Cash flow discount	156,625,000	156,625,000	0.00%
Extra Center	52,000,000	Income capitalization	48,100,000	Cash flow discount	50,050,000	50,050,000	0.00%
Al Hamra Plaza Center	69,290,000	Income capitalization	65,500,000	Cash flow discount	67,395,000	67,395,000	0.00%
Olayya Private Schools	62,290,000	Income capitalization	58,200,000	Cash flow discount	60,245,000	60,245,000	0.00%
Hyperpanda	68,570,000	Income capitalization	64,000,000	Cash flow discount	66,285,000	66,285,000	0.00%
Amjad Qurtoba Private Schools	119,000,000	Income capitalization	112,000,000	Cash flow discount	115,500,000	115,500,000	0.00%
Irqah Plaza Center	91,405,000	Cash flow discount	86,100,000	Cash flow discount	88,752,500	88,752,500	0.00%
Total	680,945,000		639,200,000		660,072,500	660,072,500	0.00%

* Excluding real estate transaction tax RETT and acquisition fees

B. Additional offering to increase the total value of the Fund's assets

1. The total value of the Fund's assets before and after the increase

The total value of the Fund's assets before the increase	1,075,204,378* SAR
The total value of the Fund's assets after the increase	1,777,156,128* SAR
Total Fund size after the increase	1,791,951,750 SAR

* According to the latest audited financial statements as of December 31, 2020, at fair value.

2. The number of units before and after the increase in the total value of the Fund's assets

The number of units before the increase in the total asset value of the Fund	60,000,000 units
The number of units after increasing the total value of the Fund's assets to the minimum	102,500,000 units
The number of units after increasing the total value of the Fund's assets to the maximum	117,500,000 units

3. Ownership of the public investors before and after increasing the total value of the Fund's assets

Clause	Public ownership
Public ownership before the Fund's total asset value increase*	51.90%
Public ownership after increasing the total value of the Fund's assets to the minimum**	56.76%
Public ownership after increasing the total value of the Fund's assets to the maximum**	66.94%

*As in the unitholders register on October 4, 2021 G, as of the end of trading on September 30, 2021 G.

** Assuming that all cash and in-kind contributions are from the public, provided that they are not listed below: (1) a unit holder who owns 5% or more; (2) the Fund Manager or any of its affiliates; (3) a member of the Fund's Board of Directors, with the exception of what was disclosed in the In-kind subscription clause.

4. Additional offering proceeds

The seller of the additional investment portfolio (SEDCO Capital Real Estate Income Fund 2) will acquire the units during the additional offering period in return for their in-kind contribution to the real estate of the additional investment portfolio, where the value of the new in-kind contribution is 325,000,000 SAR. The minimum cash offering value at the target price is 100,000,000 SAR, and the maximum is 250,000,000 SAR. The proceeds of the additional offering will be used to acquire the additional real estate assets and pay the initial non-recurring fees, costs and fees of the additional offering as shown in the following table:

Statement**	Amount (SAR)
The purchase price of the additional real estate portfolio	660,072,500
Real estate transaction tax	33,003,625
Acquisition and sale fees*	5,693,125
Other expenses (legal advisor fees - lead manager fees - registration and listing fees for additional units)	3,182,500
Total	701,951,750

* Acquisition and sale fees, which are 0.75% (plus 15% value-added tax) of the real estate purchase value of the investment portfolio, which will be obtained by the fund manager, who is a related party, in return for his efforts in completing the buying and selling operations, which is the necessary investigation, inspection and negotiation of the purchase terms, studying the compatibility of the real estate subject of the acquisition with the Fund's investment objectives, completing the process and transferring ownership. The Fund Manager is also entitled to obtain these fees as shown in Appendix (A) - summary of the financial disclosure in the main Terms and Conditions and also shown in the fees and charges for services, commissions and management fees of the Supplementary Appendix. It is inclusive of value-added tax.

** It is mentioned that neither the Fund Manager nor any other party shall receive brokerage fees from the additional investment portfolio subject of the acquisition.

5. Subscription of the Fund Manager during the additional offering period

The Fund Manager may invest in the Fund from time to time. The Fund Manager shall disclose any investment he has in the Fund at the end of each financial year in the financial disclosure summary. It is possible that the Fund Manager will participate in cash in offering the additional units as part of the process of increasing the total value of the Fund's assets through the additional offering.

6. In-kind subscription

The seller of the additional investment portfolio (SEDCO Capital Real Estate Income Fund 2) shall obtain units in return for his in-kind contribution to the additional investment portfolio in the Fund. The value of the new in-kind contribution at the target subscription price is 325,000,000 SAR. Therefore, the seller of the additional investment portfolio (SEDCO Capital Real Estate Income Fund 2) shall receive 32,500,000 units that shall be registered for the benefit of the 34 SEDCO Capital Real Estate Income Fund 2 unit holders, who are willing to participate in-kind, as follows:

In-kind property	Subscriber name*	Number of units	Units value at the targeted subscription price	Percentage of the total units after increasing the total assets of the Fund (the minimum)	Percentage of the total units after increasing the total assets of the Fund (the maximum)
All properties of the additional investment portfolio to increase the total value of the Fund's assets	The unitholders of SEDCO Capital Real Estate Income Fund 2, who are 34 subscribers	32,500,000 units	325,000,000 SAR	31.71%	27.66%

*In the event that the number of units subscribed in-kind to any unitholder of SEDCO Capital Real Estate Income Fund 2 exceeds the total value of the assets of the SEDCO Capital REIT Fund by 5% or more after the additional offering, trading of those units shall be banned for a period of one (1) year, starting from the date of listing the related units, and this shall only apply to some unitholder of SEDCO Capital Real Estate Income Fund 2, and in-kind subscribers, as mentioned in the table below.

The table below shows the names of the in-kind unitholders, who own more than 5% after the additional offering of the additional portfolio:

Investor's name	Ownership ratio assuming a minimum	Ownership ratio assuming a maximum
Human Resources Development Fund**	7.12%	6.21%
Alinma Bank**	5.34%	Not applicable

** Subject to a one-year ban period from the date of listing the issued units in case the ownership exceeds 5% after the additional offering

7. Minimum and maximum limit for the increase in the Fund's total asset value

The minimum limit for the increase in the Fund's total asset value	The maximum limit for the increase in the Fund's total asset value	
701,951,750	701,951,750	
Clause	Minimum	Maximum
In-kind subscription (in SAR)	325,000,000	325,000,000
Cash subscription (in SAR)	100,000,000	250,000,000
Loan	276,951,750	126,951,750
Total	701,951,750	701,951,750

8. Expected timeline for the additional offering

The following is a timetable showing the steps for offering additional units in the Fund, allocation to unitholders, transfer of ownership, and application for registration of units and their listing in the Saudi Stock Exchange:

Action	Expected duration
Obtaining the approval of the unitholders to increase the total value of the Fund's assets	A maximum of 20 business days from the date of obtaining the approval of the Capital Market Authority on the Supplementary Appendix
Preparing and coordinating with the receiving banks regarding the offering of additional units	20 business days from the date of obtaining the approval of the unitholders to increase the total value of the Fund's assets as a maximum
Additional offering period	5 working days starting from (08/05/1443 AH), corresponding to (12/12/2021 G) and ending on (12/05/1443 AH), corresponding to (16/12/2021 G)
Extension of the additional offering period	10 business days
Announcing the results of the additional offering	A maximum of 10 business days from the end of the additional offering period
Allocating the additional units (in-kind and cash) by the Fund Manager	A maximum of 15 business days from the end of the additional offering period
Surplus refund	A maximum of 15 business days from the end of the additional offering period
Acquisition and transfer of additional investment portfolio real estate and listing of additional units	Maximum 60 business days from the end of the additional offering period
Cancellation and refund	In the event of cancellation of the offering, all subscription amounts will be refunded - within a maximum of 5 business days from the end of the additional offering period

9. The mechanism for accepting subscriptions and allocating units to subscribers

9.1. Subscription

The Fund intends to increase the Fund's total assets by issuing additional in-kind and cash units as shown below. It is mentioned that the minimum value for the cash units is 100 million SAR and the maximum is 250 million SAR; the number of additional cash units will be determined depending on the coverage of subscriptions during the offering period, at a minimum of 100 million SAR and a maximum of 250 million SAR, or any amount in between, based on subscription coverage. The financing withdrawn to complete the acquisition process, in the case of the minimum amount is 276,951,750 SAR, and in the case of the maximum limit is 126,951.750 SAR, or any amount in between them based on the coverage of subscriptions.

Assuming the minimum limit:

The Fund intends to increase the total assets of the Fund by issuing additional units with the target subscription value, assuming a minimum of 42,500,000 additional units ("**Additional Units**"). Thus, the increase in the Fund's total assets is an amount of 425,000,000 SAR.

Based on the pricing mechanism of the additional units mentioned in Paragraph 9.2 (the par value of the unit has been approved as the target subscription price), and accordingly, the additional units shall be offered at the target subscription price of 10.00 SAR per unit ("**Target Subscription Price**"), and accordingly, the total value of the additional units at the target subscription price is 425,000,000 SAR; numbering 42,500,000 units, of which 32,500,000 are in-kind units and 10,000,000 are cash units.

In the event that the target subscription price **is less** than the par value, the difference shall be recorded as an issuance discount, under the Unitholders Net Assets section of the balance sheet.

It is intended to obtain the total value of the additional units, assuming a minimum, by:

- (a) Offering an additional 32,500,000 units for the SEDCO Capital Real Estate Income Fund 2 in exchange for its in-kind contribution, to be registered in favor of the unitholders in the SEDCO Capital Real Estate Income Fund 2, who wish to participate in-kind in the Fund, and whose approval was obtained, equivalent to 325,000,000 SAR at the targeted subscription price.
- (b) Offering an additional 10,000,000 units to investors in return for their cash contribution, equivalent to 100,000,000 SAR, at the target subscription price.

Thus, the total value of the Fund's assets after deducting the additional units becomes 1,777,156,128 SAR, and the total number of the Fund's units equals 102,500,000 units at the target subscription price.

Assuming the maximum limit:

The Fund intends to increase the total assets of the Fund by issuing additional units at the target subscription value, assuming a maximum of 57,500,000 additional units ("**Additional Units**"). Thus, the increase in the Fund's total assets is an amount of 575,000,000 SAR.

Based on the pricing mechanism of the additional units mentioned in Paragraph 9.2 (the par value of the unit has been approved as the target subscription price), and accordingly, the additional units shall be offered at the target subscription price of 10.00 SAR per unit ("**Target Subscription Price**"), and accordingly, the total value of the additional units at the target subscription price is 575,000,000 SAR; numbering 57,500,000 units, of which 32,500,000 are in-kind units and 25,000,000 are monetary units.

In the event that the target subscription price **is less** than the par value, the difference shall be recorded as an issuance discount, under the Unitholders Net Assets section of the balance sheet.

It is intended to obtain the total value of the additional units, assuming a maximum, by:

- (a) Offering an additional 32,500,000 units for the SEDCO Capital Real Estate Income Fund 2 in exchange for its in-kind contribution, to be registered in favor of the unit holders in the SEDCO Capital Real Estate Income Fund 2, who wish to participate in-kind in the Fund, and whose approval was obtained, equivalent to 325,000,000 SAR at the target subscription price.
- (b) Offering an additional 25,000,000 units to investors in return for their cash contribution, equivalent to 250,000,000 SAR, at the target subscription price.

Thus, the total value of the Fund's assets after deducting the additional units becomes 1,777,156,128 SAR, and the total number of the Fund's units equals 117,500,000 units at the target subscription price.

The additional units will be offered through the additional offering in accordance with the Real Estate Investment Funds Regulations, and the additional offering period will be 5 business days starting on (08/05/1443 AH), corresponding to (12/12/2021 G) until (12/05/1443 AH), corresponding to (16/12/2021 G) (the "**closing date for the additional offering**"), and it may be extended for a period of 10 business days. The offering period shall be 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.

It is noteworthy that if the cash contributions are not covered at the minimum target subscription price to increase the total value of the Fund's assets during the additional offering period, the Fund Manager may extend the offering period for a similar period, as necessary, to cover the increase in the total value of the Fund's target assets, after notifying the Capital Market Authority. In the event of failure to cover the cash contributions at the minimum, the additional offering shall be canceled, as described in Clause 9.5 (Cancellation and refund).

9.2. Additional unit pricing mechanism

To determine the targeted subscription price for the increase in the total value of the Fund's assets by offering additional units, the par value (i.e. ten (10) SAR) or the closing price based on three (3) days before the start of the additional offering, minus 15%, whichever is lower.

In the event that the target subscription price is less than the par value, the difference will be recorded as an issuance discount in the financial statements, which results in the issuance of a larger number of fund units, leading to an impact on the cost of the Fund and more units for the in-kind consideration. If the target subscription price is equal to the par value, no difference shall be recorded as a discount or share premium. Based on the target subscription price, the issuance discount value shall be determined after determining the size of the offering for the total increase in the value of the Fund's assets from the cash subscription.

The subscription price for the additional offering consists of two decimal places and is equal to 10.00 SAR per unit. The subscription price after adding the subscription fees and related value-added tax is 10.23 SAR. The offered subscription price (after adding the subscription fees and related value-added tax) shall be 10.23 SAR.

9.3. Mechanism of dealing with unit fractions (if any)

The Fund Manager shall collect the fractions of the additional units resulting from the increase in the total value of the Fund's assets and distribute them proportionally to those entitled to these fractions, after rounding them and converting them to integer numbers according to the ownership percentages of the unitholders.

9.4. Minimum and maximum subscription

During the additional offering period, investors shall subscribe for at least 50 units with a total subscription amount of at least 500 SAR at the target price, excluding subscription fees and the related value-added tax. Note that there is no maximum for subscription.

9.5. Cancellation and refund

The additional offering shall be canceled and all subscription amounts received to investors shall be refunded in the following cases (unless the Capital Market Authority decides otherwise):

- (a) Failure to collect the total value of the Fund's target assets after the closing date of the additional offering, or to extend it after notifying the Capital Market Authority; or
- (b) If the number of unit holders of the public is less than 200; or
- (c) If the ownership of the unit holders from the public is less than 30% at the time of listing; or
- (d) The Capital Market Authority has not approved the listing of units for any reason; or
- (e) The inability to transfer the ownership of the assets that make up the additional investment portfolio in favor of the Fund.

In the event of canceling the additional offering, all subscription amounts and subscription fees received to investors shall be refunded within 5 business days from the date of cancellation, without deduction from investors of any commissions, fines or any other amounts of subscription amounts.

9.6. Allocation

The receiving banks designated by the Fund Manager shall notify each investor, within a maximum of 10 business days from the closing date of the additional offering, of the acceptance or rejection, either in whole or in part, of the subscription application. If the subscription is accepted, confirmations shall be sent to subscribers, including the approved subscription amount, which may be subject to change after the final allocation of the additional units. In the event that an investor's subscription amount is rejected (whether in whole or in part) or reduced after the final allocation, the unacceptable part of the subscription amount shall be refunded to the investor's investment account, indicated in the subscription application form, within 10 business days from the date of allocation (without any returns, minus any bank charges, wire transfers or currency exchange fees incurred).

It is worth noting that all the in-kind units, amounting to 32,500,000 units, will be allocated to the owners of the additional portfolio (SEDco Capital Real Estate Income Fund 2), subject of the acquisition, in exchange for an in-kind contribution to the additional offering. Regarding monetary units, they shall be allocated according to the following:

- (a) The proposed cash units are allocated first to the Fund unitholders who are registered on the day of the unit holders meeting, held for approval of an increase in the total value of the Fund's assets and those wishing to participate in the additional cash units. The allocation shall be, at a maximum, proportional to the ownership percentage of each unit holders on the day of the meeting of unitholders, held to approve the increase in the total value of the Fund's assets.
- (b) The remaining 20%, after step (A) above, shall be allocated to institutional investors. In the event that it is not covered by them, it shall be allocated to the rest of the individual subscribers as described in Paragraph (C).
- (c) Then the remaining additional cash units (if any) are allocated to the rest of the registered and unregistered investors on the day of the meeting of the unitholders held to approve the increase in the total value of the Fund's assets.

These units are allocated after the closing date of the additional offering according to the following:

- (a) 50 units are allocated to each investor.
- (b) In the event of unallocated surplus units, the remaining units offered shall be allocated on a pro-rata basis from the total subscription amounts to each investor.

If the number of new subscribers is more than 200,000 subscribers in the case of the minimum, a number of units less than the minimum subscription may be allocated and, therefore, the Fund Manager shall not guarantee the allocation of the minimum subscription of 50 investment units.

In the event that the number of new subscribers is more than 500,000 subscribers in the case of the maximum, fewer units may be allocated than the maximum of subscription, and, therefore, the Fund Manager shall not guarantee the allocation of the minimum subscription of 50 investment units.

In the event that the total amounts of cash subscriptions submitted by all investors at the target subscription price is less than 100,000,000 SAR, the offering shall be canceled and all subscription amounts shall be refunded to the investors (without deduction) within 5 business days from the end of the additional offering period, and any extension thereof.

9.7. Qualified investors

Subscription to additional units during the additional offering period is available for the following categories: (a) Natural persons, (b) corporations, companies, investment funds and other legal entities based in the Kingdom of Saudi Arabia, and (c) other investors who are permitted to own shares listed on the Saudi Stock Exchange.

9.8. Additional units registration and listing

The additional units shall be registered and listed on the Saudi Stock Exchange within 60 business days from the closing date of the additional offering, provided that:

- (a) The total value of the target Fund's assets (the total value of the target subscription) is summed up; and
- (b) The number of unitholders from the public shall not be less than 200 investors, and they shall own at least 30% of the total units of the Fund; and
- (c) Any other regulatory conditions determined by the Capital Market Authority for this purpose shall be fulfilled.

10. Receiving Banks

- 1. Name:** Al Jazira Capital
Address: King Fahd Road - Riyadh
PO Box 20438, Riyadh 11495, Kingdom of Saudi Arabia
Website: <https://www.aljaziracapital.com.sa>

- 2. Name:** Al Rajhi Bank
Address: King Fahd Road
Riyadh 12263, Kingdom of Saudi Arabia
Website: <http://www.alrajhibank.com.sa>

- 3. Name:** Saudi National Bank
Address: King Abdullah Financial District
Riyadh 13519, Kingdom of Saudi Arabia
Website: www.alahli.com

C. Additional risks of increasing the Fund's total asset value

The level of risk in relation to investing in the Fund is average, as investing in the Fund involves many risks and is suitable only for investors who fully understand the risks of that investment and can bear those risks. Potential investors should carefully evaluate the considerations listed below, and other considerations when making their decision. There may be other risks and uncertainties that are not currently known to the Fund Manager, or that the Fund Manager may consider currently unimportant, but may have a negative impact on the Fund's perspectives and operations. No guarantee can be given that the Fund will be able to achieve the investment objective or that the investors will receive a return on their capital.

Investing in the Fund does not mean a guarantee of profit or no loss, and, therefore, every potential investor should 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 the result of fraud, negligence or misconduct by the Fund Manager, in accordance with the Real Estate Investment Funds Regulations and the instructions for Real Estate Investment Traded Funds.

Risks of acquiring the additional investment portfolio: The Fund entered into a binding purchase agreement with SEDCO Capital Real Estate Income Fund 2, in order to acquire the additional investment portfolio prior to the date of listing the additional units. In the event that either party fails to perform under the binding purchase agreement, the acquisition may not take place on the date of listing of the additional units or any date at all. In this case, the Fund shall need to identify and close acquisitions of other assets before it can begin making distributions to unit holders. Despite the Fund Manager's expectations that the Fund shall continue to provide target returns to investors in the long term, returns for investors may decline in the near future.

Risks of registering lease contracts: With reference to Cabinet Resolution No. 292, dated 16/5/1438 AH, which stipulates that non-registered lease contracts on the Ejar Network shall not be considered valid contracts that produce their administrative and legal effects. It should be noted that the majority of lease contracts related to the properties of the additional investment portfolio have not been registered. Despite the fact that the Fund, in cooperation with the Seller, is working to register all these contracts on the Ejar Network, the Fund cannot guarantee the completion of the registration of all contracts before or on the date of listing the additional units. Consequently, unregistered contracts may become subject to being considered as legally and administratively unenforceable, and this may result in a material negative impact on the Fund's business, financial position and cash flows.

Risks associated with real estate tax: The Kingdom of Saudi Arabia has imposed a tax on real estate transactions, according to the executive regulations for the real estate transaction tax issued pursuant to Royal Order No. (A/84), dated 14/2/1442 AH. According to this regulation, 5% of the property value shall be paid when making any acquisition or any legal transfer of ownership or benefit of the property, as a real estate transaction tax, to be paid to the Zakat, Tax and Customs Authority. According to this decision, real estate transactions are exempted from the 15% value-added tax, which is replaced by the aforementioned real estate transaction tax from the value of the real estate. Therefore, if the government of the Kingdom of Saudi Arabia decides to increase the rate imposed as real estate transaction tax, or if it decides to re-apply the value-added tax of 15%, this shall negatively affect the results, operations, financial position of the fund and future prospects. In addition, the real estate transaction tax is a non-refundable tax, and therefore this may limit the purchasing power of the Fund and thus may have a material negative impact on the Fund's business, financial position and cash flows.

Natural disasters: Real estate assets may be subject to physical damage from fire, storms, earthquakes or other natural disasters, or from other causes such as political unrest or health epidemics. In the event of any such occurrence, the Fund may lose the capital invested in the real estate assets, as well as the expected revenue. In addition, no guarantee can be given that the resulting losses (including loss of rental income) may be fully compensated under insurance coverage (if any). There are certain types of risks and losses (for example, losses due to political unrest, acts of war, or some natural disasters or health epidemics) that may not be economically or generally insured. In the event of any such occurrence, this may have a material negative impact on the Fund's business, financial position and cash flows.

Legal and regulatory risks regarding the regular use of real estate assets: The information contained in this Supplementary Appendix of the Terms and Conditions to increase the total value of the Fund's assets is based on the existing legislation and regulations announced at the stated date. There may be changes to the statutory requirements regarding the statutory licenses needed to use real estate assets. Therefore, if additional or different requirements are imposed that shall be met for the purpose of obtaining or keeping and maintaining licenses to use real estate assets, the Fund Manager and the Fund may encounter difficulty or may not be able to meet those requirements for the purpose of obtaining or keeping and maintaining these licenses, which may lead to inability to use the related real estate assets for the purpose for which they were acquired, which may adversely affect the Fund and its operations.

D. Fees, service charges, commissions and management fees

1. Fees

The following is a summary of all fees, service charges, commissions and management fees incurred by the Fund:

Fee type	Detail
Management fees	<p>In consideration of managing the Fund's assets and paying all general expenses of the Fund, the Fund shall pay to the Fund Manager an annual management fee ("Management Fee") during the term of the Fund in the amount of 1% of the net asset value.</p> <p>The management fees are borne by the Fund, which are calculated and paid in advance semi-annually, starting from the closing date. The first payment of management fees is paid on a pro-rata basis, taking into account the days that have passed in the calendar year. In the event that the Fund does not have sufficient cash available to pay the management fees on time, the payment of the fees shall be postponed until there is sufficient cash available to the Fund.</p>

<p>Subscription fees</p>	<p>Subscribers to invest in the Fund shall pay a one-time subscription fee of 2.0% of the subscription amount, to be paid when applying to purchase units during the offering period only (“Subscription Fees”). The subscription fees are paid in addition to the subscription amount when applying to subscribe to the Fund. For the avoidance of doubt, the subscription fees are calculated for the actually allocated units.</p> <p>The Fund Manager is entitled to receive a subscription fee of 2% of the subscription amounts for the cash and the in-kind units during the additional offering period of the Fund.</p>
<p>Performance fees</p>	<p>The Fund Manager is entitled to the following performance fees:</p> <ul style="list-style-type: none"> - In the event that the Fund achieves cash dividends exceeding 7% as a net annual distribution of the par value of one unit, the Fund Manager shall be entitled to an incentive fee of 20% of any amount exceeding the return of 7%, which is paid annually. The performance fees are calculated and fall due on December 31st of every calendar year. For example, with regard to performance fees that are deducted from cash distributions, it is indicated that if the Fund’s return is 8% on the par value of one unit, the Fund Manager is entitled to performance fees of 0.2%, and the 7.8% is distributed to unit holders. However, if the Fund's return is 7%, the Fund Manager shall not be entitled to any performance fees, as the return does not exceed 7%. - The fund manager is also entitled to 10% of the value of the capital gains realized from the sale of real estate (including transaction costs, for example, but not limited to brokerage fees, acquisition and sale fees when selling the Fund’s real estate) at the date of selling any of the Fund’s assets. <p>In the event that the Fund does not have sufficient cash available to pay the performance fees to the Fund Manager, the payment of the performance fees shall be postponed until there is sufficient cash in the Fund.</p>
<p>Custody fees</p>	<p>The Custodian is entitled to an annual fee of 0.04% of the net asset value, not less than SAR 200,000, paid semi-annually.</p> <p>The Custodian shall be entitled to the above fees as negotiated between the Fund Manager and the Custodian in exchange for the services provided by the same to retain the ownership of the Fund’s assets, including the establishment of a Special Purpose Company and to carry out all procedures to complete its registration, in order to be able to retain the ownership of the Fund’s assets.</p>
<p>Acquisition and sale fees</p>	<p>The Fund pays the Fund Manager a fee of 0.75% of the purchase or sale price of each real estate asset it acquires or sells, in return for the efforts in completing the buying and selling operations, which include due diligence, negotiating the terms of purchase, studying the alignment of the real estate subject of the acquisition to the Fund’s investment objectives, completing the process and transferring ownership. For the avoidance of doubt, these fees are accrued regardless of any increase in the return of the Fund and are not due in exchange for the transfer of ownership of the initial investment portfolio. These fees are applicable on the real estate assets that the Fund aims to acquire.</p>
<p>Brokerage fees</p>	<p>The Fund pays the real estate broker a fee of up to 2.50% of the acquisition value for each investment, which is negotiated according to recognized market practices. For the avoidance of doubt, the Fund Manager (and/or related parties) are entitled to receive brokerage fees. These fees are not due on the initial investment portfolio or the additional investment portfolio subject to acquisition, which consists of 8 properties, the details of which are mentioned in the Fund details above, in the real estate that the Fund aims to acquire. In the event that any conflict of interest arises as a result of paying brokerage fees to any related party, all details related to the acquisition and resolving the conflict of interest shall be disclosed as mentioned in Paragraph (“S” under Section Two “Conflict of Interest”) of the Fund’s Terms and Conditions.</p>
<p>Financing arrangement fees</p>	<p>The Fund shall pay to the Fund Manager a fee of 1.25% of each amount obtained as financing for the Fund or any Special Purpose Company during the term of the Fund (without any fees or profit margins), in return for its efforts in structuring and providing financing for the Fund. These fees are payable immediately upon completion of any financing transactions and cover arrangement fees payable to the lending bank, appraisal fees, legal fees and feasibility study fees related to the financing.</p>
<p>Administrative service fees</p>	<p>The Fund pays the administrator an annual fee of 0.05% annually of the Fund's net asset value, paid semi-annually. These fees are due to the administrator for all administrative work, for example, but not limited to, calculating the net asset value of the Fund on a regular basis, and managing the Fund's operations on a daily basis, including accounting operations and keeping account books.</p>
<p>Audit fees</p>	<p>The Fund pays the auditor an annual fee of 85,000 SAR (Eighty-five thousand SAR), which may change from time to time according to the prevailing market prices and is disclosed in accordance with the relevant requirements and regulations of the Capital Market Authority.</p>
<p>Property management fees</p>	<p>Property management fees are due on the multi-tenant property and any property management fees paid by the Fund to any property manager appointed by the Fund Manager will be negotiated in accordance with recognized market practice. Any property management fees received by the Fund Manager or any of its subsidiaries shall be disclosed to the Fund's Board of Directors. For the avoidance of doubt, the property management fees shall not include operating management costs. These fees are calculated as a fixed contractual percentage of the total rental proceeds, and, therefore, they are not fixed amounts, but an estimated amount that changes with the change in the total rental value. Any property management fees paid</p>

<p>Investment structuring fees</p>	<p>by the Fund to any property manager appointed by the Fund Manager are negotiated in accordance with recognized market practices, but they shall not exceed 7% of the rental income of the related property.</p> <p>The property management fees on the property of the Irqah Plaza Center shall be on the portfolio to be acquired, as shown in the Article on the Company that Handles the Property Management, Paragraph (F).</p> <p>In the event that the Fund carries out real estate development activities, the Fund Manager is entitled to a fee of 1.5% of the value of the development only, not inclusive of the value of the land in each real estate development project, in return for doing several things, including, but not limited to, arranging the real estate transaction, including finding the right property, the right tenant, and supervision of the management of development operations. For the avoidance of doubt, these fees do not apply to structurally developed properties. In the event that a real estate development investment opportunity arises, the unit holders shall disclose the investment structuring fees.</p>
<p>Developer fees</p>	<p>In the event that the Fund carries out real estate development activities, the developer shall be entitled to fees that are negotiated in accordance with recognized market practices, without any minimum or maximum thereof. For the avoidance of doubt, these fees do not apply to structurally developed properties. In the event that a real estate development investment opportunity arises, the developer fees are disclosed to the unitholders.</p>
<p>Fund Board Members' fees</p>	<p>The Fund pays fees to the Fund's independent Board Members, an amount of 30,000 SAR (Thirty thousand SAR) annually for each member, and the fees for the Fund's board of directors shall not exceed 60,000 SAR (Sixty thousand SAR) annually. For the avoidance of doubt, the Fund shall not pay any fees to non-independent members.</p>
<p>Regulatory fees</p>	<p>The Fund pays regulatory fees of 7,500 SAR (Seven thousand five hundred SAR) annually, cumulatively calculated on each calendar day and paid on an annual basis.</p>
<p>Publication fees</p>	<p>The Fund pays a publishing fee of 5,000 SAR (Five thousand SAR) annually, cumulatively calculated each calendar day and paid upon claim.</p>
<p>Sharia Controller fees</p>	<p>The fund pays Sharia supervision fees, which is a lump sum of 30,000 SAR (Thirty thousand SAR) annually as agreed upon between the Fund Manager and the Sharia Controller. The said fees are payable in equal installments on a quarterly basis. The fees shall be paid to the Sharia Controller, who shall be responsible for paying the amounts to the Sharia Supervisory Board and any other party in relation to any matters related to Sharia provisions.</p>
<p>Depository Center Fees (Unit Ownership Creation Fees)</p>	<p>The Fund pays the following fees for registration in the Depository Center at the Saudi Stock Exchange:</p> <ul style="list-style-type: none"> - 50,000 SAR (Fifty thousand SAR), in addition to 2 SAR (Two SAR) for each unit owner with a maximum of 500,000 SAR (Five hundred thousand SAR) to be paid to the Saudi Stock Market in exchange for creating a register of unit holders; and - 400,000 SAR (Four hundred thousand SAR) annually in exchange for managing a register of unit holders, and it may change based on the value of the Fund's total capital. <p>The mentioned fees are subject to modification as determined by the Saudi Stock Exchange.</p>
<p>Listing fees in the Saudi Stock Exchange</p>	<p>The following listing fees are paid from the Fund:</p> <ul style="list-style-type: none"> - Initial listing fee: 50,000 SAR (Fifty thousand SAR) an initial listing fee; and - Listing continuation fee: 0.03% of the Fund's market value annually. With a minimum of 50,000 SAR (Fifty thousand SAR) and a maximum of 300,000 SAR (Three hundred thousand SAR). <p>The mentioned fees are subject to modification as determined by the Saudi Stock Exchange.</p>
<p>Other expenses</p>	<p>The Fund may directly or indirectly incur fees and other fees, including but not limited to operating management costs, service costs, insurance fees on the property acquired by the Fund, lawyers' fees and Zakat (if they are applied to real estate investment traded funds, and this does not include the special Zakat of unit holders), municipal fees, government fees, appraisal fees, and the fees of engineering consultants, surveyors, architects and interior engineers. In all cases, only the actual fees and expenses related to the Fund and its projects shall be deducted after obtaining the approval of the Fund's Board of Directors. Such expenses shall not exceed 1% of the Fund's total assets value annually, according to the latest audited financial statements.</p>
<p>Zakat</p>	<p>The Fund Manager shall not calculate or pay Zakat or tax as it is the responsibility of the unitholders.</p>
<p>Value-added tax</p>	<p>All fees and charges mentioned in the Terms and Conditions and/or any related documents do not include VAT unless otherwise stated. In the event that VAT is or may be imposed on any service supplied to the Fund, the Fund shall pay to the service provider (in addition to any other fees or expenses) a sum equal to the value recorded for this tax on the value-added invoice imposed or may be imposed for any service provided by the Fund; the customer shall pay to the Fund (in addition to any other fees or expenses) a sum equal to the value of this tax.</p>
<p>Real estate transaction tax</p>	<p>The Fund is subject to real estate transaction tax according to the regulations and instructions of the relevant authorities.</p>

2. Fees calculation mechanism

Below is a table showing the mechanism for calculating fees:

Fee type	Charged percentage/Amount charged	Calculation method	Frequency of fee payment
Subscription fees	2.0%	From the subscription amount	Once, upon subscription
Management fees	1.0%	From the net asset value of the Fund as it is evaluated according to the latest assessment according to the latest audited financial statements.	Paid in advance, on a semi-annual basis
Performance fees	20% of any amount in excess of 7% return as net annual distributions on the par value of one unit	In the event that the Fund achieves cash dividends exceeding 7% as net annual distributions on the par value of one unit	It is paid annually, and the performance fees are calculated and fall due on December 31st of each calendar year
	The Fund is also entitled to 10% of the value of the capital gains realized from the sale of real estate	Capital gains realized from the sale of real estate (including transaction costs, but not limited to brokerage fees, acquisition and sale fees when selling the Fund's real estate)	When selling the property
Custody fees	The Custodian is entitled to an annual fee of 0.04%, amounting to no less than 200,000 SAR (Two hundred thousand SAR)	of the Fund's net asset value according to the latest financial statements of the Fund	Calculated at the end of each year based on the Fund's net asset value, according to the Fund's latest financial statements
Acquisition and sale fees*	0.75%	From the purchase or sale price of each real estate asset	Payable when buying or selling any property acquired or sold by the Fund
Brokerage fees**	Up to 2.5%	From the value of the purchase price of the property	Paid upon title registration
Financing arrangement fees	1.25%	From the financing amount	In advance, upon completion of financing transactions
Administrative service fees	0.05%	From the net asset value of the Fund according to the latest financial statements	Paid semi-annually in advance
Audit fees	85,000 SAR (Eighty-five thousand SAR), which may change from time to time according to the prevailing market prices, and disclosure is made in accordance with the	Lump sum	Paid annually

	relevant requirements and regulations of the Capital Market Authority		
Property management fees	Do not exceed 7%	of the rental income of the property	Paid when services are provided
Investment structuring fees	1.5%	of the development value only and does not include the value of the land for any real estate development project.	It is paid in advance when the Fund invests in a development project
Developer fees	They are negotiated in accordance with recognized market practices and disclosed in the interests of the unit holders	They are negotiated in accordance with recognized market practices and disclosed in the interests of the unit holders	They are negotiated in accordance with recognized market practices in the interests of the unit holders
Fees of independent Fund Board Members	30,000 SAR (Thirty thousand SAR) for each independent member	As a lump sum	Paid annually
Regulatory fees	7,500 SAR (Seven thousand five hundred SAR)	Calculated semi-annually	Paid by the end of the year
Publication fees	5,000 SAR (Five thousand SAR)	Calculated semi-annually	Payable on demand
Sharia controller fees	30,000 SAR (Thirty thousand SAR)	As a lump sum	Paid on a quarterly basis
Depository Center Fees (Unit Ownership Creation Fees)	50,000 SAR (Fifty thousand SAR), in addition to 2 SAR (Two SAR) for each unitholders with a maximum of 500,000 SAR (Five hundred thousand SAR) to be paid to the Saudi Stock Market in exchange for creating a register of unit holders; and 400,000 SAR (Four hundred thousand SAR) annually in exchange for managing a register of unit holders, and it may change based on the value of the Fund's total capital. The mentioned fees are subject to modification as determined by the Saudi Stock Exchange.		
Listing fees in the Saudi Stock Exchange	Initial listing fee: 50,000 SAR (Fifty thousand SAR) an initial listing fee; and Listing continuation fee: 0.03% of the Fund's market value annually, with a minimum of 50,000 SAR (Fifty thousand SAR) and a maximum of 300,000 SAR (Three hundred thousand SAR). The mentioned fees are subject to modification as determined by the Saudi Stock Exchange.		
Other expenses	Not exceeding 1%	of the Fund's total assets value annually, according to the latest audited financial statements	It is paid and calculated when the service is provided and based on the nature of the expenses

* This is in return for his efforts in completing the buying and selling operations, which are due diligence, negotiation of purchase terms, studying the alignment of the acquired properties with the Fund's investment objectives, completing the process and transferring ownership.

** It is mentioned that neither the Fund Manager nor any other party shall receive brokerage fees from the additional investment portfolio subject of the acquisition.

The Fund Manager acknowledges 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 above table.

The Fund Manager also may waive or deduct any of the aforementioned entitlements.

3. The proportion of costs to the total value of the Fund's assets

Ratio type	Cost ratio
The ratio of the Fund's recurring costs to the Fund's total asset value before the Fund's total asset value is increased	2.08%
The ratio of the Fund's recurring costs to the Fund's total asset value after increasing the minimum value of the Fund's total assets	2.13%
The ratio of the Fund's recurring costs to the total value of the Fund's assets after increasing the maximum of the Fund's total assets value	2.22%
Ratio of the Fund's non-recurring costs to the Fund's total asset value before increasing the Fund's total asset value	6.36%
Ratio of the Fund's non-recurring costs to the Fund's total asset value after increasing the minimum value of the Fund's total assets	6.31%
Ratio of the Fund's non-recurring costs to the total value of the Fund's assets after increasing the maximum of the Fund's total assets value	6.21%

4. Virtual investment for a unitholder

The following hypothetical example shows a client's investment in the amount of (100,000) SAR for a period of ten years "investment period":

- The Fund's net asset value is 500,000,000 SAR
- Withdrawn financing 500,000,000 SAR
- Total assets of the Fund 1,000,000,000 SAR
- The total income from rentals is 100,000,000 SAR annually (i.e. 10% of the total assets of the Fund)
- The financing cost is 17,500,000 SAR annually (i.e. 3.5% of the withdrawn financing)

Assuming the stability of the above data throughout the length of the investment period, and the achievement of the above-mentioned return from the first year to the tenth year of the additional offering, and assuming that the Fund shall distribute (100%) of the Fund's net returns annually and that all the Fund's expenses have not changed over the length of the investment period.

Accordingly, the following tables show the unit holder's share of recurring and non-recurring expenses and the net return on investment in SAR, based on the hypothetical example (for the purposes of this example, all amounts in SAR have been rounded to the nearest whole number):

Non-recurring fees:

Fee type (includes only non-recurring fees on the Fund)*	Fees applied to the Fund in the first year (SAR)	Fees applied to the unit holder in the first year (percent)	Amount to be borne by the unit holder in the first year (SAR)
Real estate transaction tax	50,000,000	10.00%	10,000
Sale and Acquisition fees**	7,500,000	1.50%	1,500
Financing arrangement fees	6,250,000	1.25%	1,250
Depository Center Fees (Unit Ownership Creation Fees)	500,000	0.10%	100

Total	64,250,000	12.85%	12,850
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*It is noted that neither the Fund Manager nor any other party shall receive brokerage fees from the additional investment portfolio subject of the acquisition.

** This is in return for his efforts in completing the buying and selling operations, which is due diligence, negotiation of the terms of purchase, studying the alignment of the acquired properties with the Fund's investment objectives, completing the process and transferring ownership.

Recurring fees:

Type of fees (includes only the recurring fees on the Fund, and the non-recurring fees are indicated below)	Fees applied to the Fund annually, starting from the first year until the tenth year of the additional offering (SAR)	Fees applied to the unit holder annually, starting from the first year until the tenth year of the additional offering (percent)	The amount borne by the unit holder annually, starting from the first year until the tenth year of the additional offering (SAR)
Management fees	5,000,000	1.00%	1,000
Custody fees	200,000	0.04%	40
Administrative service fees	250,000	0.05%	50
Audit fees	85,000	0.02%	17
Property management fees	7,000,000	1.40%	1,400
Fund Board Members' fees	60,000	0.01%	12
Regulatory fees	7,500	0.00%	2
Publication fees	5,000	0.00%	1
Sharia Controller fees	30,000	0.01%	6
Listing fees in the Saudi Stock Exchange	300,000	0.06%	60
Total other expenses	10,000,000	2.00%	2,000
Financing expenses	17,500,000	3.50%	3,500

Total	40,437,500	8.09%	8,088
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Summary of hypothetical investment returns for the unit holder with an investment amount of SAR 100,000:

Gross income	20,000
Financing expenses	(3,500)
Recurring fees (excluding finance expenses)	(4,588)
Net annual return	11,912
Default annual net return on investment	11.91%
Ratio of the Fund's recurring fees to the total asset value	4.04%
Ratio of the Fund's non-recurring fee of the total asset value	6.43%
The value of the Fund's non-recurring fees	12,850

Note: The non-recurring fund fees are not included in the calculation of the default annual net return on the investment as they are capital fees. For the purposes of applying this example, it has been assumed that the percentages and amounts of the Fund's recurring fees are fixed and have not changed, noting that this example is illustrative and does not reflect the Fund's activities.

E. Insurance

Here is the insurance summary for the additional real estate portfolio:

Insurance company	Policy type	Insured property	The value of the insurance contract (VAT included)	Coverage
Wataniya Insurance	All risks (floods, natural disasters, earthquakes, burglaries, strikes, riots and liability of neighbors and tenants)	All additional portfolio properties	151,287.18 SAR	438,430,200 SAR
Wataniya Insurance	Insurance against terrorist attacks	All additional portfolio properties	270,278.75 SAR	438,430,200 SAR

F. The property management company

Property name	Name and address of the property management company	Tasks, duties and responsibilities of the company that handles property management	The intention to invest in the units of the Fund and the value of the investment, if any	Property manager fees and operating expenses
Irqah Plaza	The Unified Real Estate Development Company, Riyadh 13512 - Kingdom of Saudi Arabia, which is not a related party.	<ol style="list-style-type: none"> 1- Conclusion of lease and leaseback contracts 2- Property management 3- Supervision and management of maintenance work 4- Rent collection and follow-up 	Not available	<p>5% of revenue for property management</p> <p>5% of revenue for operating expenses</p>

G. Other information

Not available

Annex 1 - Acknowledgments of the Fund Manager and the letter of the legal advisor



الموضوع: إقرارات مدير الصندوق (ملحق ٨)

إلى: هيئة السوق المالية

بصفتنا مدير صندوق سديكو كابيتال ريت فيما يخص زيادة إجمالي قيمة أصول صندوق استثمار عقاري متداول باسم سديكو كابيتال ريت وتسجيل وإدراج وحداته الإضافية في السوق المالية السعودية (تداول)، نحن الشركة السعودية للاقتصاد والتنمية للأوراق المالية (سديكو كابيتال) نؤكد، بحسب معرفتنا، وبعد القيام بالدراسة الواجبة وإجراء التحريات اللازمة على الصندوق، أن الصندوق قد استوفى جميع الشروط المطلوبة لتسجيل وحدات الصندوق الإضافية وإدراجها واستوفى جميع المسائل الأخرى التي تطلبها هيئة السوق المالية ("الهيئة") حتى تاريخ هذا الخطاب. وتؤكد الشركة السعودية للاقتصاد والتنمية للأوراق المالية (سديكو كابيتال) أنه بحسب علمها وحدود صلاحيتها مديراً للصندوق، قد قدمت إلى الهيئة جميع المعلومات والتوضيحات بحسب الصيغة وخلال الفترة الزمنية المحددة وفقاً لما طلبته الهيئة لتمكينها من التحقق من أن (مدير الصندوق) والصندوق قد التزما بنظام السوق المالية ولائحة صناديق الاستثمار العقاري.

وبصفة خاصة يؤكد (مدير الصندوق) ما يلي:

- أنه قد قدم جميع الخدمات ذات العلاقة التي تقتضيها لائحة صناديق الاستثمار العقاري بالعبارة والخبرة المطلوبة.
- أنه قد اتخذ خطوات معقولة للتحقق من أن أعضاء مجلس إدارة الصندوق يفهمون طبيعة ومدى مسؤولياتهم وفقاً لنظام السوق المالية ولوائحه التنفيذية.
- أنه قد توصل إلى رأي معقول، يستند إلى تحريات كافية وخبرة مهنية بأن:
 - الصندوق قد استوفى جميع المتطلبات ذات العلاقة باللائحة صناديق الاستثمار العقاري (بما في ذلك الأحكام المتعلقة بالشروط والأحكام).
 - جميع أعضاء مجلس إدارة الصندوق المرشحين تنطبق عليهم متطلبات التأهيل الواردة في لوائح هيئة السوق المالية وقواعدها وأن أعضاء مجلس الإدارة المستقلين ينطبق عليهم تعريف "عضو مجلس إدارة صندوق مستقل" الوارد في قائمة المصطلحات المستخدمة في لوائح هيئة السوق المالية وقواعدها واللوائح التنفيذية.
 - الأصول العقارية خالية من أي مخالفات نظامية تمنع أو قد تتسبب عدم الاستفادة من المباني أو تشغيلها وكذلك أن الأصول العقارية سليمة فنياً وخالية من أي خلل أو عيوب هندسية رئيسية قد تمنع أو قد تتسبب عدم الاستفادة من المباني أو تشغيلها أو قد تتسبب بدورها في إجراء إصلاحات وتغييرات رئيسية مكلفة.
 - النشاطات الرئيسية للمستأجرين الرئيسيين المحتملين للأصول العقارية سليمة وأنهم قادرين على الوفاء بالتزاماتهم للصندوق.
 - جميع المسائل المعلومة للشركة السعودية للاقتصاد والتنمية للأوراق المالية التي يجب على الهيئة أن تأخذها بعين الاعتبار عند دراستها لطلب الطرح قد أفصح عنها للهيئة.



الشركة السعودية للاقتصاد والتنمية للأوراق المالية

الموضوع: إقرارات مدير الصندوق (ملحق ١٠)

إلى: هيئة السوق المالية

- يقر مدير الصندوق بأن ملحق الشروط والأحكام لزيادة إجمالي قيمة أصول صندوق سدكو ريت قد أعد وفقاً لللائحة صناديق الاستثمار العقاري الصادرة عن هيئة السوق المالية السعودية.
- يقر مدير الصندوق، بعد أن أجرى التحريات المعقولة كافة، وبحسب علمه واعتقاده، أنه لا توجد أيّ وقائع أخرى يمكن أن يؤدي عدم تضمينها في هذه الوثيقة إلى جعل أيّ إفادة واردة فيها مضللة. ولا تتحمل هيئة السوق المالية وشركة السوق المالية السعودية أيّ مسؤولية عن محتوى الشروط والأحكام.
- يقر مدير الصندوق بخلو العقار من أيّ مخالفات نظامية تمنع أو قد تتسبب عدم الاستفادة من العقار أو تشغيله، وكذلك على سلامة العقار فنياً وخلوه من أي خلل أو عيوب هندسية رئيسية قد تمنع أو قد تتسبب في عدم الاستفادة من المبنى أو تشغيله أو قد تتسبب بدورها في إجراء إصلاحات وتغييرات رئيسية مكلفة.
- كذلك يقر مدير الصندوق بعدم وجود تعارض مصالح مباشر/ غير مباشر – غير ماهو موضح عنه – بين الآتي:
 - مدير الصندوق
 - مدير/مديري العقارات المرتبطة بالصندوق
 - مالك/مالك العقارات المرتبطة بالصندوق
 - مستأجر/ مستأجري أصول عقارية تشكل عوائدها (١٠%) أو أكثر من عوائد الإيجار السنوية للصندوق.
 - المقيم المعتمد.
- يقر مدير الصندوق بقيامه بالعناية اللازمة للتأكد من عدم وجود تعارض مصالح مباشر/غير مباشر بين بائع العقارات للصندوق والمقتمين المعتمدين.
- يقر مدير الصندوق بأنه جميع أعضاء مجلس إدارة الصندوق لم يخضعوا لأي دعاوى إفلاس أو إعسار أو إجراءات إفلاس أو تصفية، ولم يسبق لهم ارتكاب أي أعمال احتيالية ومخلة بالشرف أو تنطوي على الغش، ولم يسبق لهم ارتكاب أي مخالفة تنطوي على احتيال أو تصرف مخل بالنزاهة والأمانة، ويتمتعون بالمهارات والخبرات اللازمة التي تؤهلهم ليكونوا أعضاء بمجلس إدارة الصندوق.
- يقر مدير الصندوق بأنه الأعضاء المستقلين ينطبق عليهم تعريف "عضو مجلس إدارة مستقل" الوارد في قائمة المصطلحات المستخدمة لوائح هيئة السوق المالية وقواعدها وسيطبق ذلك على أيّ عضو مستقل يعينه مدير الصندوق خلال مدة الصندوق
- يقر مدير الصندوق بأنه لا توجد أي نشاطات عمل أو مصلحة أخرى مهمة لأعضاء مجلس إدارة مدير الصندوق (الشركة السعودية للاقتصاد والتنمية للأوراق المالية) يحتمل تعارضها مع مصالح الصندوق.
- يقر مدير الصندوق بأنه لا توجد حالات لتعارض في المصالح من شأنها أن تؤثر في أداء مدير الصندوق لواجباته تجاه الصندوق.
- يقر مدير الصندوق بأنه لا توجد أي رسوم أخرى غير الرسوم المذكورة في جدول الرسوم والأتعاب المذكور في الفقرة (د) من ملحق الشروط والأحكام لزيادة إجمالي قيمة أصول الصندوق.
- يقر مدير الصندوق أن الصندوق لن يدرج إلا عند إتمام عملية نقل ملكية العقار لصالح الصندوق أو نقل منفعته، وفي حال عدم اكتمال فترة الطرح الموضحة في الفقرة ("ب") من ملحق الشروط والأحكام لزيادة إجمالي قيمة أصول الصندوق، سترد كامل مبالغ الاشتراك للمشاركين.
- يقر مدير الصندوق بأنه لا يجوز لأي عضو من أعضاء مجلس الإدارة أن يكون له مصلحة مباشرة أو غير مباشرة في الأعمال والعقود التي تتم لحساب الصندوق.

- يقر مدير الصندوق بأنه قد أفصح عن جميع العقود والاتفاقيات التي لها علاقة بالصندوق والتي قد تؤثر على قرارات المستثمرين في الاشتراك أو التداول في الصندوق في ملحق الشروط والأحكام لزيادة إجمالي قيمة أصول الصندوق، وأنه لا توجد عقود واتفاقيات غير ما ذكر في ملحق الشروط والأحكام.
- يقر مدير الصندوق بأنه يحق لمالكي الوحدات التصويت على المسائل التي تطرح عليهم في اجتماعات مالكي الوحدات. وبالإضافة إلى ذلك، يتم الحصول على موافقة أغلبية مالكي الوحدات الذين يملكون ما نسبته أكثر من ٥٠% أو أكثر من ٧٥% حينما ينطبق من مجموع الوحدات الحاضر ملاكها، فيما يتعلق بإجراء أي تغيير أساسي على الصندوق، ويشمل التغيير الأساسي ما يلي:
 - التغيير المهم في أهداف الصندوق أو طبيعته أو فئته.
 - التغيير الذي قد يكون له تأثير سلبي وجوهري على مالكي الوحدات أو على حقوقهم فيما يتعلق بالصندوق المغلق.
 - التغيير الذي يكون له تأثير في درجة مخاطر للصندوق.
 - الانسحاب الطوعي لمدير الصندوق من منصب مدير الصندوق.
 - أي تغيير يؤدي في المعتاد إلى أن يعيد مالكي الوحدات النظر في مشاركتهم في الصندوق المغلق.
 - التغيير الذي يزيد بشكل جوهري إجمالي المدفوعات التي تسدد من أصول الصندوق المغلق.
 - التغيير في تاريخ استحقاق أو إنهاء الصندوق المغلق.
 - زيادة إجمالي قيمة أصول الصندوق المغلق من خلال قبول مساهمات نقدية أو عينية أو كليهما.
 - أي حالات أخرى تقرها الهيئة من حين لآخر وتبلغ بها مدير الصندوق.
- يقر مدير الصندوق بأنه سيتخذ جميع الخطوات اللازمة لمصلحة مالكي الوحدات وذلك بحسب علمه واعتقاده مع الحرص الواجب والمعقول، وسيعمل مدير الصندوق والمديرون والمسؤولين والموظفين والوكلاء والمستشارون التابعون له، والشركات التابعة وأمين الحفظ والمستشار الشرعي ومجلس إدارة الصندوق على بذل الحرص والجهد المعقول والتصرف بحسن نية، في سبيل تحقيق مصالح مالكي الوحدات، إلا أنه قد يتعرض الصندوق لخسارة بأي شكل من الأشكال بسبب القيام بأي تصرف غير متعمد يصدر عن أي من الأطراف المذكورة فيما يتعلق بقيامهم بإدارة شؤون الصندوق، فعندها لا يتحمل هؤلاء الأطراف مسؤولية عن تلك الخسارة بشرط أن يكون قد تصرف بحسن نية - ويثبت حسن النية في حال عدم وجود أي تصرف أو قرار أو مراسلات تدل على علم مسبق بالنتائج السلبية للقيام بذلك التصرف- وبشكل يعتقد أنه يخدم مصالح الصندوق بالشكل الأمثل، وأن يكون التصرف لا ينطوي على الإهمال القادح أو الاحتيال أو سوء التصرف المتعمد.
- يقر مدير الصندوق بأنه قد بين للمقيم المعتمد أن نطاق العمل على تقارير التقييم يجب أن يكون ملائماً لغرض طلب مدير الصندوق وصالحاً للاستخدام بغرض طرحه طرماً عاماً وتضمنين القيمة الإيجارية السوقية إذا كانت مختلفة عن القيمة الإيجارية التعاقدية في عقود إيجارات الصندوق.



الشركة السعودية للاقتصاد والتنمية للأوراق المالية



التاريخ ٣١ مايو ٢٠٢١ م
إلى هيئة السوق المالية
ص.ب. ٢٢٠٠٢٢
الرياض ١١٣١١
المملكة العربية السعودية

بصفتنا مستشاراً قانونياً للشركة السعودية للاقتصاد والتنمية للأوراق المالية ("مدير الصندوق") فيما يخص طلب مدير الصندوق بزيادة إجمالي قيمة أصول سدكو كابيتال ريت ("الصندوق")، وهو صندوق استثمار عقاري متداول مقفل وفقاً للأنظمة واللوائح والقواعد والتعليمات التي تصدرها هيئة السوق المالية ("الهيئة") وطرح وحدات صندوق إضافية وإدراجها في السوق.

نشير إلى الملحق التكميلي للشروط والأحكام المعد بخصوص زيادة إجمالي قيمة أصول الصندوق، وبصفة خاصة فيما يتعلق بطلب زيادة إجمالي قيمة أصول الصندوق وطرح وحدات صندوق إضافية وإدراجها في السوق المقدم إلى الهيئة، وحول متطلبات نظام السوق المالية ولائحة صناديق الاستثمار العقاري، وبصفة خاصة، فقد قدمنا المشورة إلى مدير الصندوق حول المتطلبات التي يجب أن تشمل عليها الأقسام القانونية من الملحق التكميلي للشروط والأحكام، وحول استيفاء الأصول لجميع المتطلبات النظامية وسلامة صكوك تلك الأصول محل الاستحواذ. وفي هذا الخصوص، قمنا بإجراء دراسة وتحريات إضافية نرى أنها ملائمة في تلك الظروف، وأجرينا كذلك دراسة رسمية للعناية المهنية اللازمة القانونية بهذا الخصوص.

وبهذه الصفة الاستشارية، نؤكد أننا لا نعلم عن أي مسألة جوهرية تشكل إخلالاً من قبل مدير الصندوق بالتزاماته لمتطلبات نظام السوق المالية أو بالشروط المفروضة بموجب لائحة صناديق الاستثمار العقاري بالنسبة إلى طلب زيادة إجمالي قيمة أصول الصندوق وطرح وحدات صندوق إضافية وإدراجها، بما في ذلك المتطلبات المتعلقة بمحتوى الملحق التكميلي للشروط والأحكام كما هي بتاريخ هذا الخطاب.

يزيد بن عبدالرحمن الطعيبي

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