



A publicly traded closed ended real estate investment fund compliant with the laws of Shariah

The Capital Market Authority of the Kingdom of Saudi Arabia has approved the establishment of the Fund and offering of its units on 04\07\1439H (21\03\2018)

Fund size	SAR 1,628,811,000
Unit Price	SAR 10
Number of units offered to the public	65,152,440
Public Offering	SAR 651,524,400
Currency of the Fund:	Saudi Riyal

This is the amended version of the terms and conditions of Bonyan REIT Fund that reflects the following changes:

- allow non- Saudi investors to Subscribe in the fund units.

According to our letter sent to the Capital Market Authority on 06/04/1443 AH, corresponding to 11/11/2021 AD.

Terms and Conditions

The Fund Manager is responsible for the accuracy of the information contained in these Terms and Conditions and acknowledges that he has conducted all reasonable inquiries and according to his knowledge and belief that there is nothing in this document that may render any statement contained therein misleading. The CMA and the Saudi Stock Exchange do not assume any responsibility for the content of these terms and conditions, nor make any representations or warranties regarding its accuracy and completeness, and expressly disclaim any loss that may be caused by reliance on any part of these Terms and Conditions.

Important Information for Investors

Before making any investment decision, all prospective investors must read the terms and conditions. In case of lack of clarity, financial advice should be sought from a financial advisor licensed by the Capital Market Authority to indicate the following:




- A. The appropriateness of investment in the fund to achieve investment objectives;
- B. The tolerance of the investor to bear any of the risks associated with investing in the fund.

As a result of the investment decision, the investor is fully responsible for their investment in the fund.

Fund Guide

<p>Fund Manager & Offering Manager</p>	 <p>السعودي الفرنسي كابيتال Saudi Fransi Capital Distinguished Service, Outstanding Performance</p>	<p>Saudi Fransi Capital Head Office PO Box 23454 Riyadh 11426 Kingdom of Saudi Arabia 966 11 282 6666 www.sfc.sa</p>
<p>Property Manager</p>	 <p>بنیان السعودیة Säudi Bonyän للإستثمار العقاري Real Estate Investment</p>	<p>Saudi Bonyan Company King Fahd Road PO Box: 9102 Riyadh: 11413 Kingdom of Saudi Arabia http://www.saudibonyan.com.sa</p>
<p>Third-party accounting administrator</p>	 <p>APEX</p>	<p>Apex Investment Services (Dubai) Limited Apex Fund Services (Dubai) Limited Almakti 101, First Floor, Jet Village Dubai International Financial Center PO Box 506534 Dubai United Arab Emirates Website: www.apexfundservices.com</p>
<p>Custodian</p>	 <p>البلاد المالية Albilad Capital</p>	<p>AlBilad Capital Smart Tower – 1st Floor King Fahd Road PO Box: 036 Kingdom of Saudi Arabia www.albilad-capital.com</p>
<p>Legal Advisor</p>	 <p>مكتب سلمان متعب السديري للمحاماة</p>	<p>Salman Mutib ALSudairy Law Office Tatweer Tower 1 7th floor King Fahd Road PO Box: 17411 Riyadh: 11484 Kingdom of Saudi Arabia www.lw.com</p>

Feasibility Consultant		<p>Valustrat Sixth floor South Tower Faisaliah King Fahad Rd 966 11 293 5127 www.valustrat.com</p>
Auditor	 <p>العظم والسديري محاسبون قانونيون واستشاريون Al Azem & Al Sudairy CPA's & Consultants</p>	<p>Al Athem & Al Sudairy Certified Public Accountants - a member of Crowe Global Prince Muhammad bin Abdulaziz Road - Riyadh P.O Box 11, Riyadh 10504 Phone number: +966112175000 - Fax: +966112175000 Website: www.crowe.com/sa</p>

Real Estate Appraiser		<p>Knight Frank King Abdulaziz Rd Al Yasmeen District, Riyadh Kingdom of Saudi Arabia www.knightfrank.com.sa</p>
Real Estate Appraiser		<p>Valustrat Sixth floor South Tower Faisaliah King Fahad Rd 966 11 293 5127 www.valustrat.com</p>
Real Estate Appraiser	 <p>الشركة السعودية لتقييم وتممين الأصول Saudi Asset Valuation Company</p>	<p>Saudi Asset Valuation Company Kingdom of Saudi Arabia Almezan building 966 9200 0201 tathmen@tathmen.net</p>

Regulator	 <p>هيئة السوق المالية Capital Market Authority</p>	<p>Capital Market Authority King Fahd Road PO Box: 81717 Riyadh: 11642 Kingdom of Saudi Arabia www.cma.org.sa</p>
Listing Exchange	 <p>تداول Tadawul</p>	<p>Saudi Stock Market (Tadawul) Tawuniya North Tower King Fahd Road P.O.Box: 60612 - 11555 Riyadh Kingdom of Saudi Arabia www.tadawul.com.sa</p>

Fund Characteristics

Name of Fund	Bonyan REIT Fund is a publicly traded closed-ended real estate investment fund, compliant with the provisions of Islamic Shariah and has been established under the regulations and rules of the Kingdom of Saudi Arabia and the Capital Market Authority.
Currency of the Fund	Saudi Riyal
Level of risk of the Fund	Medium to High Risk Please read the risk section of these terms and Conditions "The main risks of investing in the fund"
Type of Fund	A publicly traded closed ended real estate investment fund that is compliant with Shariah laws and is established in the Kingdom of Saudi Arabia under the Real Estate Investment Funds Regulations and the Real Estate Investment Traded Funds Instructions
Duration of the Fund	The fund has a duration of ninety-nine (99) years from the date of inception of the Fund's units. The fund may be extended for a similar period after the approval of the Fund Board and the Capital Market Authority
Investment Objectives of the Fund	<p>The fund aims to invest in real estate in and out of Saudi Arabia. The objective is be able to achieve periodic rental income by investing in income generating real estate assets and to distribute at least 90% of the annual net profit of the fund at the end of the second quarter and the end of the fourth quarter of each Gregorian year. The fund will abide by the following conditions:</p> <ol style="list-style-type: none"> 1. Invest at least 75% of the assets of the fund in income generating properties 2. The Fund will not invest in white lands 3. The Fund's investments outside the Kingdom of Saudi Arabia will not exceed 25% of fund assets
Minimum Subscription	SAR 1,000
Maximum Subscription	SAR 81,000,000

Cash Distributions	The Fund will distribute at least 90% of annual net profits, semi-annually at the end of the second quarter and the end of the fourth quarter of each Gregorian year
Offering Period	The offering period will be for fifteen working days and will start from 29-07-1439 (15-04-2018) and end on 17-08-1439 (03-05-2018).
Offering Size of the Fund	The size of the fund is SAR 1,628,811,000 divided into 162,881,100 units with a value of 10 Riyals per unit. The fund Manager will offer 65,152,440 units to the public at a price of SAR 10 per unit, accounting for 40% of the fund's total units during the initial offering period
Qualified Investors	A) Natural persons who hold the Saudi nationality. B) Institutions, companies, investment funds and other legal entities and legal persons located in the Kingdom of Saudi Arabia. C) A qualified foreign investor is non-Gulf individuals who live outside the Kingdom and institutions registered outside the Gulf Cooperation Council countries that operate outside the Kingdom, and who are entitled to invest indirectly to obtain economic benefit from the fund units, based on the laws and regulations of the Capital Market Authority. and the law of Real Estate Ownership in Saudi Arabia.
Subscription Fees	None.
Structuring Fees	1.5% of fund size, payable to the fund manager immediately upon completion of the offering period and inception of the fund.
Management Fees	0.50% per annum of net asset value after deduction of all expenses.
Custody Fees	0.025% of net asset value of the fund per annum SAR 30,000 per annum for the Tax & Zakat certificate and financial statements. SAR 60,000 at inception of the fund to establish a Special Purpose Vehicle (one-time payment).

Fund Valuation	Two times a year - at the end of the first half of each Gregorian year and the end of the second half of each Gregorian year, which corresponds to the 30-June and 31st-December of each Gregorian year.
Unit Price at Subscription	10 SAR.
Borrowings	The fund may borrow in accordance with the provisions of Islamic Shariah. All borrowings must not exceed 50% of the gross value of the fund's assets, according to the latest audited financial statements.
Voting Rights	Unit Holders are entitled to vote at meetings of unit holders and to receive periodic reports. Unit holders have the right to approve any fundamental changes in the Fund. The following cases are considered a fundamental change: <ol style="list-style-type: none"> 1. Any significant change in the Fund's objectives; 2. Any change that would have a negative and substantive impact on the owners of the units or on their rights in the Fund; 3. Any change that would have an impact on the fund's risk profile; and 4. Any increase in the capital of the Fund
Value-Added Tax	All fees, receivables and payables of the Fund will be subject to the payment of VAT. Furthermore, all amounts payable under these Terms and conditions, where applicable, will also be subject to VAT
Trading	Real estate Investment Traded Funds (REITs) are traded in the same way as shares in the Saudi market ("Tadawul").

Declaration

1. The Director of the Fund acknowledges that the terms and conditions of the Bonyan 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 Saudi Capital Market Authority.
2. The Fund Manager, having conducted all reasonable inquiries, believes that there are no other facts other than those included in this document, which may make any statement contained therein misleading. The Capital Market Authority of Saudi Arabia and the Saudi Stock Exchange are not responsible for the content of these terms and conditions.
3. The Fund Manager acknowledges that the property is free of any irregularities that prevent or may result in the non-use of the property or its operations, as well as the safety of the property technically and free from any major engineering defects or defects that may prevent or may cause the building not to be used or operated or may cause In turn to make major repairs and major changes.
4. The Fund Manager also acknowledges that conflicts of interest have been disclosed in these terms and conditions in the Conflict of Interest Section, as follows:
 - There is no conflict of interest with the fund manager.
 - There is a conflict of interest between the property manager and the fund, as the seller of the initial real estate assets to the fund is the owner of the property management company.
 - There is a conflict of interest between the seller of the initial real estate assets associated with the fund who are also majority unitholders, as they are associated with the property manager, and the Fund Board has one of the shareholders of the selling entity, Mr. Sulaiman al-Rashid, and the Chief Financial Officer of the selling entity, Mr. Mohammed El Sayed, as members.
 - There is no tenant that account for 10% or more of the fund's annual rental income.
5. The Fund Manager acknowledges that all transactions with related parties have been made in a systematic, legal and fair commercial manner and will not adversely affect in any way the performance of the Fund and its unitholders.
6. The Fund Manager acknowledges that all members of the Fund Board are not subject to any bankruptcy, insolvency or liquidation proceedings, nor have they committed any fraudulent, dishonorable or fraudulent acts, nor have they committed any fraud or misconduct related to integrity and honesty, and have the necessary skills and expertise to qualify as board members.
7. The Fund Manager acknowledges that the two independent members are identical to the definition of the independent member included in the list of terms used in CMA regulations and rules, as well as to any independent member appointed by the Fund Manager throughout the lifetime of the Fund.
8. The Fund Manager acknowledges that no other business activities or interest of the Board of Directors of the Fund Manager "Saudi Fransi Capital" are likely to conflict with the interests of the Fund.
9. The Fund Manager acknowledges that no commissions, discounts, brokerage fees or any monetary or non-monetary compensation have been given to any of the parties in or outside the Fund other than as stated in the Terms and Conditions.
10. The Fund Manager acknowledges that there are no conflicts of interest that would affect the Fund Manager in the performance of his or her duties to the Fund.
11. The Fund Manager acknowledges that there are no fees other than those mentioned in the Schedule of Fees and Fees mentioned in Section 10 of these Terms and Conditions.
12. The Fund Manager acknowledges that the Fund will be listed only upon completion of the transfer of ownership of the Property in favor of the Fund. If this is not completed within the period stated in Paragraph 8 of these Terms and Conditions, the full amount of the subscription shall be returned to investors.

13. The Fund Manager acknowledges that no member of the Fund Board will vote where he has a direct or indirect interest in the business and contracts of the Fund.
14. The Fund Manager acknowledges that all contracts and agreements relating to the Fund have been disclosed which may affect the investors' decisions to participate in the Fund and that there are no contracts and agreements other than those mentioned in these Terms and Conditions.
15. The Fund Manager acknowledges that unit holders are entitled to vote on matters raised in the unit holders' meetings. In addition, the approval of a majority of the unit holders who own more than 50% of the value of the units in respect of any fundamental change to the Fund, which includes the following:
 - Significant change in Fund's objectives or nature;
 - the change that may have a negative and material impact on the unit holders or on their rights with respect to the Fund;
 - the change that may have an impact on the risk position of the Fund;
 - - Any increase in the Fund's capital
16. The Fund Manager acknowledges that he shall take all necessary steps for the benefit of the unit holders in accordance with all his knowledge, due diligence and reasonable consideration. The Fund Manager, Directors, Officers, Agents, Consultants, Affiliates, Custodian, Shariah Counsel and Fund Board Members shall endeavor to exercise reasonable diligence and act in good faith. Despite acting for the best interests of unit holders, the Fund may be at risk of loss in the event of any unintentional action by any of the said parties in connection with the management of the Fund. In such instances, such parties shall not be held liable for such loss provided that they have acted in good faith and prove good faith and the absence of any action, decision or correspondence indicating prior knowledge of the negative consequences of such conduct and in the manner believed to serve the interests of the Fund and that the act does not involve gross negligence, fraud or deliberate misconduct.
17. The Fund Manager acknowledges that all terms, conditions and information that may affect the decision to participate in the Fund and its investors have been disclosed.
18. The Fund Manager acknowledges that existing owners and tenants of properties are not subject to restrictions or actions on property or accounts.
19. The Fund Manager acknowledges that all the observations received in the report of the technical and legal due diligence were disclosed in the terms and conditions.
20. The Fund Manager acknowledges that there are no disputes over property, judicial proceedings, administrative proceedings, arbitration proceedings or investigations, whether pending, disposed of, or probable and which, combined or individually, would have a negative and substantive impact. The seller of initial real estate assets and the Fund Manager are bound to complete the sale and purchase of initial real estate assets in accordance with the terms of the sale agreements concluded between them and in accordance with the terms and conditions of the Fund and the regulations in force in Saudi Arabia.
21. The Fund Manager recognizes the soundness and solvency of the activities of the main tenants of the real estate assets.

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Definitions

Fund Board	A Board of Directors appointed by the fund manager, in accordance with the Real Estate Investment Funds Regulations to oversee the work of the fund manager and the functioning of the Fund.
Working day	Official business day when banks and financial markets are open for business in the Kingdom.
Total asset value/fund size	The total value of all assets in the most recent audited financial statements of the Fund including, but not limited to, cash, Shariah compliant money market placements, and the market value of real estate assets as appraised by Independent Evaluators.
Capital Market Authority or the 'Authority'	The Capital Market Authority in Saudi Arabia
Currency of the fund	The currency on which the fund's unit price is based, which is Saudi Riyal.
Real Estate Investment Funds Regulations	Real Estate Investment Funds Regulations issued by the Capital Market Authority by decision No. 1-193-2006, and any amendments made to it, on 19/06/1427 (15 July 2006)
Real Estate Investment Traded Funds Instructions	Real Estate Investment Traded Funds Instructions issued by the Capital Market Authority in accordance with its decision No. 2016-130-6, and any amendments made to it, on 23/10/1438 (24/10/2016).
Fund Manager	Saudi Fransi Capital Company
Kingdom	Kingdom of Saudi Arabia
Fund Management Fees	Fees charged by the fund manager for the management of the investment fund.
Net profit of the fund	The total revenue of the fund, including rental revenue, minus the total expenses incurred by the Fund, excluding the resulting capital gains on the sale of real estate assets that may be reinvested in order to acquire additional assets or to maintain and replenish the existing assets of the Fund.
Unit Price	The unit value of the fund, which is calculated by dividing the net asset value of the fund by the total number of existing units.
Shariah Board	A group of Shariah scholars appointed by the Fund Manager to advice on the compatibility of investment products with the provisions of Islamic law.
Subscription fees	There is no subscription fee for the fund's investors.
Subscriber/Unit Holder/Investor	Synonymous terms, each of which is used to refer to the person who owns units in the fund.
Fund	The Bonyan REIT Fund, a publicly traded closed-ended real estate investment Fund, which is Shariah Compliant, managed by the Fund Manager.
Appraiser	A person selected by the fund manager for the valuation of the assets of the Fund and has the necessary expertise to provide real estate valuation services and is licensed by the Saudi Authority for Accredited Valuers (Taqeem).
Tadawul	The Saudi Stock Exchange

Terms and Conditions

1. Fund Name & Type

Bonyan REIT is a publicly traded closed-ended real estate investment fund that is compliant with Islamic Shariah and is established in Saudi Arabia under the Real Estate Investment Funds Regulations and the Real Estate Investment Traded Funds Instructions issued by the Capital Market Authority.

2. Address of the Fund Manager

Saudi Fransi Capital Company

P.O. Box 23454

Riyadh 11426

Saudi Arabia

Tel: + 966 11 282 6666

Web site: www.sfc.sa

3. Duration of the Fund

The fund has a duration of ninety-nine (99) years from the date of listing of the Fund's units on Tadawul, and the duration of the fund can be extended for a similar period after the approval of the Fund Board and Capital Market Authority.

4. Fund Size

The Fund Size will amount to SAR 1,628,811,000 divided into 162,881,100 units with a value of SAR 10 per unit. The Fund Manager will offer 65,152,440 units to the public at a price of SAR 10 per unit representing 40% of the total units of the Fund and will raise a cash amount of SAR 651,524,400 from the public offering of the investment units.

5. Fund Objectives

The fund aims to invest in real estate in and out of Saudi Arabia. The objective is be able to achieve periodic rental income by investing in income generating real estate assets and to distribute at least 90% of the annual net profit of the fund at the end of the second quarter and the end of the fourth quarter of each Gregorian year. The fund will abide by the following conditions:

1. Invest at least 75% of the assets of the fund in income generating properties
2. The Fund will not invest in white lands
3. The Fund's investments outside the Kingdom of Saudi Arabia will not exceed 25% of fund assets

6. Description of the Fund's Investment Objectives

The fund aims to invest a minimum of 75% of the fund's total assets, according to the latest audited financial statements, in developed properties that provide current rental income. The fund aims to distribute at least 90% of the fund's annual net profits in cash to unitholders on a semi-annual basis, at the end of the second quarter and the end of the fourth quarter of each Gregorian year. The fund may invest up to 25% of the total value of the fund's assets, according to the latest audited financial statements, in real estate development projects but the fund will not invest in white lands.

The fund seeks to invest in income-generating real estate assets, whether commercial, residential, hotel or mixed-use assets, located in the Kingdom of Saudi Arabia. The fund may invest outside the Kingdom, provided these investments do not exceed 25% of the total value of the fund's assets according to the latest audited financial statements.

7. A summary of the strategies to be pursued by the Fund to achieve its objectives

The fund aims to create an initial portfolio of 10 diversified real estate assets by acquiring 9 assets and signing 1 usufruct agreement, all of which will generate current rental income generating returns on invested capital in line with the fund's investment strategy. The fund can invest its assets in real estate development projects, provided the assets are not white lands. The fund manager acknowledges that the fund's investments are free of any systemic irregularities, major engineering or other defects that may prevent or cause non-utilization or non-operation of the assets and affect the safety of the assets or cause any costly reforms and/or major changes.

Summary of the Fund Assets and Purchase Price

The purchase price will be SAR 1,604,740,000 and details are as follows:

<u>Property</u>	<u>Ownership Status</u>	<u>Property Status</u>	<u>Location</u>	<u>Purchase Price (SAR)</u>	<u>Conditional Amount¹ (40% of Asset Value)</u>	<u>Expected Annual Rent for 2018 (SAR)*</u>	<u>% of Fund</u>
<u>Residential Sector</u>							
AlRafiah Village	Owned	Developed	Riyadh	190,000,000	-	14,920,330	11.66%
AlMaather Complex	Owned	Developed	Riyadh	5,500,000	-	537,239	0.34%
City Walk Building 2B (69 units)	Owned	Developed	Dubai	273,000,000	-	10,247,473	16.76%
<u>Hospitality Sector</u>							
Courtyard Marriott	Owned	Developed	Jazan	90,000,000	-	6,309,944	5.52%
Residence Inn by Marriott	Owned	Developed	Jazan	55,500,000	-	3,998,153	3.41%
Alrashid Residences	Owned	Developed	Medina	42,600,000	28,400,000	7,078,426	2.62%
<u>Commercial Centers</u>							
Al Rashid Mall	Owned	Developed	Jazan	206,000,000	-	15,646,293	12.65%
Al Rashid Mega Mall	Owned	Developed	Medina	505,500,000	-	32,824,933	31.03%
Al Rashid Mall	Usufruct	Developed	Abha	223,200,000	148,800,000	34,583,966	13.70%
Al Rashid Strip Mall	Owned	Developed	Riyadh	13,440,000	8,960,000	1,642,957**	0.83%
Total				1,604,740,000	186,160,000	127,789,714***	98.5%
Capital structure fees				24,071,000			1.5%
Total size of fund				1,628,811,000			100%

*These are expected numbers based on the feasibility report done by Valustrat.

**There is no lease contract for this asset and the figure is an estimate based on the workings done by Valustrat.

***These figures include all profits of 2018 but the Fund will be entitled to these profits from the date of establishment of the Fund and the transfer of ownership of assets to the Fund.

¹The conditional amounts will be paid when certain agreed occupancy targets for the respective properties are met. The said assets are considered as new assets (only started in 2017) and hence do not have an operational history. The targets related to respective properties are as follows:

1. Al Rashid Mall Abha: The remaining amount of SAR 148,800,000 will be paid within 18 months after the occupancy rate of the mall has reached 90%.
2. Al Rashid Strip Mall: The remaining amount of SAR 8,960,000 will be paid within 18 months after the occupancy rate of the mall reaches 90%.
3. Al Rashid Residences: The remaining amount SAR 28,400,000 will be paid within 18 months after the occupancy rate reaches an average of 75% for a period of 6 consecutive months.

Further Illustration on Conditional Payment

In the event that the occupancy ratio of Al Rashid Mall in Riyadh City reached 90% on the date 1/1/2020, this will mean the fund manager will have 18 months from this date to pay the remaining amount to the seller of property and the conditional amount is fixed as per the sale agreement and the source of payment of such sums shall be either by way of acquiring loans or by utilizing the proceeds from the sale of an existing asset of the fund (only in the event that the sale may be in the interest of unitholders) since the fund contains a variety of assets and the fund manager may intend to retain some assets but sell some assets in future if the price rises.

The fund manager is also entitled to sell all of the fund's real estate assets after taking the necessary approvals, including all assets that have not been fully paid, and if any of these conditional assets were to be sold, the fund would be obligated to pay its remaining conditional amounts to the seller according to the amount agreed in the sales agreements. The seller is not entitled to rent any of the conditional assets, either directly or indirectly, in order to avoid future conflicts of interest.

Summary of the Fund Assets Acquired Post Initial Offering

<u>Property</u>	<u>Owners hip Status</u>	<u>Property Status</u>	<u>Location</u>	<u>Purchase Price (SAR)</u>	<u>Total Annual Rent (SAR)</u>	<u>Acquisition Date</u>
Office Centers						
Office Tower*	Owned	Developed	Riyadh	99,000,000	9,000,000	15/09/1442H corresponding to 27/04/2021G

*The Fund incurred a brokerage fees of 2.5% in respect of this acquisition

Fund Portfolio Summary

(a) Expected Returns

No.	Property Name	2018	2019	2020	2021
1	AlRafiah Village	14,920,330	14,830,213	14,737,844	15,569,415
2	AlMaather Complex	537,239	550,670	564,437	578,548
3	Al Rashid Strip Mall	1,642,957	1,642,867	1,832,776	1,832,683
4	Al Rashid Mall Jazan	15,646,293	16,385,308	16,643,401	16,907,878
5	Courtyard Marriott	6,309,944	6,558,660	7,340,264	7,617,121
6	Residence Inn by Marriott	3,998,153	4,236,956	4,280,744	4,674,680
7	Al Rashid Mega Mall Madinah	32,824,933	33,367,652	33,923,806	34,493,728
8	Al Rashid Residences	7,078,426	7,441,840	7,825,895	8,209,814
9	City Walk Residential Building 2B (69 units)	10,247,473	10,518,879	11,143,542	11,437,964
10	Al Rashid Mall Abha	34,583,966	39,451,337	40,686,766	41,399,109
Rental Income		127,789,714	134,984,383	138,979,474	142,720,939
Fund Expenses		9,596,141	9,607,001	9,618,578	9,630,552
Fund Expense Ratio (%)		0.59%	0.59%	0.59%	0.59%
Net income after deduction of all fund expenses		118,193,573	125,377,382	129,360,896	133,090,386
Gross return ratio before fund expenses (%)		7.85%	8.29%	8.53%	8.76%
Net return ratio after fund expenses (%)		7.26%	7.70%	7.94%	8.17%
Average net return on the fund for the 4 years		7.77%			

(b) Fund Portfolio Summary at Initial Offering

Description	Amount / Value
Total number of properties and usufruct agreement to be acquired	10
Number of properties to be fully owned	9
Number of properties to be under usufruct agreement	1
Number of developed properties	10
Number of properties under development	0
Proportion of income generating real estate assets	100%
Proportion of properties under development	0%
Total cost of real estate acquisitions (SAR)	SAR 1,604,740,000
Total cost of purchase of acquisitions without usufruct (SAR)	SAR 1,381,540,000
Total cost of usufruct agreement (SAR)	SAR 372,000,000 with an option to purchase the property during the first 5 years of signing the contract by paying an additional amount of SAR 110,000,000 The term of usufruct agreement is 20 years
Amounts to be collected from the public	SAR 651,524,400
Total size of fund (SAR)	SAR 1,628,811,000
Geographical distribution of the assets of the Fund	Saudi Arabia (Riyadh, Madinah, Abha, Jazan) and United Arab Emirates (Dubai)
Rents for the assets of the fund targeted within 12 months of 2018	SAR 127,789,714
Net income after deduction of all expenses for the year 2018	SAR 118,193,573
Net income ratio after deduction of all expenses for 2018	7.26%
Percentage of leased area	82.6%
Usufruct agreement as proportion of total fund size	13.70%
Proportion of real estate outside the Kingdom	16.76%


(c) Fund Portfolio Summary post Initial Offering (including new acquisitions)

Description	Amount / Value
Total number of properties and usufruct agreement to be acquired	11
Number of properties to be fully owned	10
Number of properties to be under usufruct agreement	1
Number of developed properties	11
Number of properties under development	0
Proportion of income generating real estate assets	100%
Proportion of properties under development	0%
Total cost of real estate acquisitions at Initial Offering	SAR 1,604,740,000
Total Conditional Amounts (related to Initial Offering assets)	SAR 186,160,000
Total cost of real estate acquisitions post Initial Offering*	SAR 99,000,000
Total cost of all acquisitions	SAR 1,889,900,000

*Financed by utilizing Fund's loan facility.

(d) Summary of real estate assets

Commercial Sector

Property 1 – Al Rashid Mega Mall Madinah (Owned)	Property Location
<p>A shopping mall in Madinah. The mall consists of 4 floors. The mall has more than 250 stores including clothing, food, beverages and other services such as entertainment as well as many restaurants. It features a hypermarket on 7,825 square meters. The main tenants include Carrefour, Abdul Mohsen Al Hokair, Abdul Mohsen Al Abdulkarim Company, Al Humaidhi for Watches And Jewelry, Damas Saudi Arabia Limited, Alshaya International Trading Company. It is the largest shopping mall in the city of Madinah.</p>	

Property Information

Property Name	Al Rashid Mega Mall Madinah
Property Type	Commercial Complex (Mall)
Location	Madinah, King Abdullah Road - Second Ring
Land Area*	A part of a land with a land area of 64,000 m ²
Built Up Area	115,795 m ²
Owner	Bonyan Real Estate Fund Company (limited liability) owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Completion Date**	March 2008
Date of Initial Operations	July 2008
Construction Age	9 Years from date on initial operations
Number of floors	4 floors
Purchase Price	SAR 505,500,000

*The asset to be acquired is located on land with an area of 64,000 m² and includes two real estate assets: Al Rashid Mega Mall Madinah and Al Rashid Residences.

**There is no building certificate for the real estate asset but the fund manager undertakes to extract it within the next 12 months and if he cannot the fund manager would be accountable to the Fund and to the unitholders in case of any damage caused by its non-availability

Lease Contracts (as of November 30 2017)

Current Leases	There are 240 leasing contracts.
Main Tenants	Carrefour, Abdul Mohsen Al Hokair, Abdul Mohsen Al Abdul Karim Company, Al Humaidhi Watches & Jewelry Co., Damas Saudi Arabia Ltd., H&M, Paris Gallery and Home Center. There are also many different brands that include clothing, food, beverages and other services.
Duration of Contracts	The average duration of leases is about 3 years with leases ranging from 1 year to 20 contractual years.
Sub-Leasing	The Lessee shall not be entitled to rent or give in whole or in part this contract to third parties.
Termination of Contracts	If the lessee wants to terminate the contract then they have to pay the full value of the lease. The parties may choose not to renew the contract as long as the other party is notified no later than 60 days before expiry of the lease. The owner may terminate all contracts with notice to the tenant in the case of violation by the tenant of the terms of the contract.
Applicable Law	Laws and regulations of the Kingdom of Saudi Arabia.

Details of Lease Contracts (as of November 30 2017)

Type of contract	Actual Rent (SAR)	Number of Contracts	Rental Area (m ²)	Price per meter (SAR)
Centers (large shops)	11,224,544	10	32,195	349
Restaurants	9,854,035	63	3,204	3,075
Line shops	21,785,379	120	11,937	1,825
Other Services (e.g. ATM, billboards)	6,347,000	47	-	-
Total current rents	49,210,958	240	47,637	
The maximum amount that the Fund Manager can obtain in case the property is fully leased	50,496,608			
Occupancy ratio	99.4%			

Long Term Lease Contracts (as of November 30 2017)

	More than 3 years	More than 10 years
Rental Area (m ²)	6,359	28,397
Percentage of rental area (m ²)	13%	60%
Number of contracts	16	10
Average duration of the contract from the beginning of the contract until the end (years)	5.0	13.3
Average duration remaining till end of contract (years)	3.0	6.1

* In respect of short-term contracts, these contracts are for 1 year and will be renewed automatically unless the parties wish not to renew

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Contract Details	<p>The property manager is responsible for the full management of the property which includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will also assist the property owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose.</p> <p>The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable the Property Manager to manage the property, including payments for improvements.</p> <p>The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract.</p> <p>The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager.</p> <p>The property manager is entitled to a fee of 5% of the net revenues for his services.</p>

Insurance Contracts

Insurance Company	Gulf General Cooperative Insurance Company	Wataniya Insurance Company	Gulf General Cooperative Insurance Company
Type of coverage	A - Building B - Air conditioning system C - Tools and equipment D - Electrical tools E - Furniture and fittings F - Computers and printers G - Inventory H - Loss of rent	A - Terrorism B - War C - Sabotage	A - General Liability

Rental Income for the last 3 years

	2015	2016	2017*
Rental income (SAR)	31,548,553	32,884,855	33,686,576


* The figures for the year 2017 are effective until November and the figures for December is a forecast, which was done by the independent feasibility study consultant (Valustrat).

Target Returns for the next 3 years*

	2018	2019	2020
Rental Income (SAR)	50,892,123	51,871,896	52,876,022
Net Operating income **	32,824,933	33,367,652	33,923,806
Net Operating Yield	6.49%	6.60%	6.71%

* Forecasted figures provided by the independent feasibility consultant (Valustrat).

**The real estate asset includes operating expenses, including but not limited to: employee salary expenses, electricity and water bills, security expenses, maintenance expenses, operating fees and property management fees. Therefore, such expenses are charged to the Fund as the owner of these assets.

Property 2 – Al Rashid Mall Abha (Usufruct)	Property Location
<p>It is a commercial complex (mall) in the city of Abha and is located on King Fahad Road. It consists of two floors. The mall has more than 200 stores of brands and specialty stores including clothing, food, restaurants, and other services as well as many fashion, perfumes and cosmetics brands. It also has a hypermarket on an area of 4,694 square meters. Major tenants include Azizia Panda United Company, Abdullah Al Othaim Company for Tourism and Entertainment, Alshaya International Trading Company, Kamal Osman Jamjoom Company and Landmark Arabia Company.</p> <p>The usufruct agreement with Abdulrahman Saad Al Rashid & Sons Company is valued at SAR 372,000,000 for a period of 20 years. An amount of SAR 223,200,000 will be paid at the establishment of the Fund while the conditional amount of SAR 148,800,000 will be paid within 18 months of the date when the mall reaches an occupancy rate of 90%. This arrangement is made because this is a new asset and has no operational history. The Fund Manager has the right to purchase the property during the first 5 years of signing of this contract for an amount of a SAR 110 million provided the real estate asset is on its own title deed. The commercial complex is located on a large piece of land (220,182.75 m²) which is currently under a single title deed.</p>	

Property Information

Property Name	Al Rashid Mall Abha
Property Type	Commercial Complex (Mall)
Location	Abha, King Fahd Road
Land Area	89,524 m ²
Built Up Area	147,967 m ²
Owner	Bonyan Real Estate Fund Company (limited liability) owned by Abdul Rahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Completion Date*	September 2017
Date of Initial Operations	November 2017
Construction Age	4 months from the date of initial operations
Number of floors	2 floors
Purchase Price	SR 223,200,000
Usufruct Agreement Details	The usufruct agreement is for 20 years and is purchased directly from the owner without any sublease. The agreement gives the Fund full use and benefit of the real estate asset.
Conditional Amount	The value of the usufruct agreement was determined by Saudi Fransi Capital Company to be SAR 372,000,000 but due to the asset being new with no operating history there is a conditional amount of SAR 148,800,000 that will be paid within 18 months from the date of the occupancy rate reaching 90%. In all cases, the Fund has full use of the asset from the date of establishment of the Fund.

*There is no building certificate for the real estate asset but the fund manager undertakes to extract it within the next 12 months and if he cannot the fund manager would be accountable to the Fund and to the unitholders in case of any damage caused by its non-availability

Lease Contracts (as of November 30 2017)

Current Leases	There are 193 leasing contracts.
Main Tenants	Al Azizia Panda United Co., Abdullah Al Othaim Tourism & Leisure Company, Alshaya International Trading Co., Kamal Othman Jamjoom Company, Land Mark Arabia Company. There are also many different brands that include clothing, food, beverages and other services.
Duration of Contracts	The average duration of leases is about 3 years with leases ranging from 1 year to 20 contractual years.
Sub-Leasing	The Lessee shall not be entitled to rent or give in whole or in part this contract to third parties.
Termination of Contracts	If the lessee wants to terminate the contract then they have to pay the full value of the lease. The parties may choose not to renew the contract as long as the other party is notified no later than 60 days before expiry of the lease. The owner may terminate all contracts with notice to the tenant in the case of violation by the tenant of the terms of the contract.
Applicable Law	Laws and regulations of the Kingdom of Saudi Arabia.

Details of Lease Contracts (as of November 30 2017)

Type of contract	Actual Rent (SAR)	Number of Contracts	Rental Area (m ²)	Price per meter (SAR)
Centers (large shops)	10,598,110	5	20,421	519
Restaurants	8,805,558	52	3,168	2,780
Line shops	22,060,396	110	15,902	1,387
Offices	827,458	2	1,425	581
Other Services (e.g. ATM, billboards)	2,990,000	24	-	-
Total current rents	45,281,522	193	55,722	-
The maximum amount that the Fund Manager can obtain in case the property is fully leased	55,877,747			
Occupancy ratio	77.6%			

Long Term Lease Contracts (as of November 30 2017)

	More than 3 years	More than 10 years
Rental Area (m ²)	16,491	13,174
Percentage of rental area (m ²)	31%	25%
Number of contracts	38	6
Average duration of the contract from the beginning of the contract until the end (years)	5.3	15.5
Average duration remaining till end of contract (years)	5.3	14.7

* In respect of short-term contracts, these contracts are for 1 year and will be renewed automatically unless the parties wish not to renew

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Contract Details	<p>The property manager is responsible for the full management of the property which includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will also assist the property owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose.</p> <p>The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable the Property Manager to manage the property, including payments for improvements.</p> <p>The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract.</p> <p>The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager.</p> <p>The property manager is entitled to a fee of 5% of the net revenues for his services.</p>

Insurance Contracts

Insurance Company	Gulf General Cooperative Insurance Company	Wataniya Insurance Company	Gulf General Cooperative Insurance Company
Type of coverage	A - Building B - Air conditioning system C - Tools and equipment D - Electrical tools E - Furniture and fittings F - Computers and printers G - Inventory H - Loss of rent	A - Terrorism B - War C - Sabotage	A - General Liability

Rental Income for the last 3 years

	2015	2016	From November 2017*
Rental income (SAR)	NA	NA	4,293,500


* The figures for the year 2017 are effective until November and the figures for December is a forecast, which was done by the independent feasibility study consultant (Valustrat).

Target Returns for the next 3 years*

	2018	2019	2020
Rental Income (SAR)	51,054,313	56,544,116	58,219,977
Net Operating income **	34,583,966	39,451,337	40,686,766
Net Operating Yield	9.30%	10.61%	10.94%

* Forecasted figures provided by the independent feasibility consultant (Valustrat).

**The real estate asset includes operating expenses, including but not limited to: employee salary expenses, electricity and water bills, security expenses, maintenance expenses, operating fees and property management fees. Therefore, such expenses are charged to the Fund as the owner of these assets.

Property 3 – Al Rashid Mall Jazan (Owned)	Property Location
<p>A shopping mall in Jazan. The mall consists of 3 floors. The mall has more than 200 stores including clothing, food, beverages and other services such as entertainment as well as more than restaurants. It features a hypermarket on 4,387 square meters and an indoor entertainment arena. The main tenants include Al Azizia Panda United Company, Abdul Mohsen Al Hokair Company for Tourism and Development, Arabian Oud Company, Kamal Osman Jamjoom Company, Dar Al Dhiyafa Food Services Company and United Foods Company.</p>	

Property Information

Property Name	Al Rashid Mall Jazan
Property Type	Commercial Complex (Mall)
Location	Jazan, Al-Rawdah District, King Fahd Road
Land Area*	Part of a land with a total area of 40,000 m ²
Built Up Area	50,000 m ²
Owner	Bonyan Real Estate Fund Company (limited liability) owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Completion Date**	June 2010
Date of Initial Operations	August 2010
Construction Age	7 Years from date on initial operations
Number of floors	3 floors
Purchase Price	SAR 206,000,000

*The asset to be acquired is located on land with an area of 64,000 m² and includes three real estate assets: Al Rashid Mall Jazan, Courtyard Marriott, Residence Inn

**There is no building certificate for the real estate asset but the fund manager undertakes to extract it within the next 12 months and if he cannot the fund manager would be accountable to the Fund and to the unitholders in case of any damage caused by its non-availability

Lease Contracts (as of November 30 2017)

Current Leases	There are 207 leasing contracts.
Main Tenants	Al Azizia Panda United Co., Abdul Mohsen Al Hokair Company for Tourism and Development, Arabian Oud Company, Kamal Osman Jamjoom Company, Dar Al Dhiyafa Food Services Company, United Foods Company, H&M. There are also many different brands that include clothing, food, beverages and other services.
Duration of Contracts	The average duration of leases is about 3 years with leases ranging from 1 year to 20 contractual years.
Sub-Leasing	The Lessee shall not be entitled to rent or give in whole or in part this contract to third parties.
Termination of Contracts	If the lessee wants to terminate the contract then they have to pay the full value of the lease. The parties may choose not to renew the contract as long as the other party is notified no later than 60 days before expiry of the lease. The owner may terminate all contracts with notice to the tenant in the case of violation by the tenant of the terms of the contract.
Applicable Law	Laws and regulations of the Kingdom of Saudi Arabia.

Details of Lease Contracts (as of November 30 2017)

Type of contract	Actual Rent (SAR)	Number of Contracts	Rental Area (m ²)	Price per meter (SAR)
Centers (large shops)	5,918,096	5	16,287	363
Restaurants	4,132,417	57	1,414	2,923
Line shops	16,832,735	124	10,444	1,612
Other Services (e.g. ATM, billboards)	1,647,000	21	-	-
Total current rents	28,530,248	207	28,145	-
The maximum amount that the Fund Manager can obtain in case the property is fully leased	29,011,335			
Occupancy ratio	98.9%			

Long Term Lease Contracts (as of November 30 2017)

	More than 3 years	More than 10 years
Rental Area (m ²)	4,288	14,522
Percentage of rental area (m ²)	15%	51%
Number of contracts	16	8
Average duration of the contract from the beginning of the contract until the end (years)	5.9	13.7
Average duration remaining till end of contract (years)	4.1	7.1

* In respect of short-term contracts, these contracts are for 1 year and will be renewed automatically unless the parties wish not to renew

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Contract Details	<p>The property manager is responsible for the full management of the property which includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will also assist the property owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose.</p> <p>The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable the Property Manager to manage the property, including payments for improvements.</p> <p>The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract.</p> <p>The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager.</p> <p>The property manager is entitled to a fee of 5% of the net revenues for his services.</p>

Insurance Contracts

Insurance Company	Gulf General Cooperative Insurance Company	Wataniya Insurance Company	Gulf General Cooperative Insurance Company
Type of coverage	A - Building B - Air conditioning system C - Tools and equipment D - Electrical tools E - Furniture and fittings F - Computers and printers G - Inventory H - Loss of rent	A - Terrorism B - War C - Sabotage	A - General Liability

Rental Income for the last 3 years

	2015	2016	2017*
Rental income (SAR)	15,640,455	14,964,361	16,725,453


* The figures for the year 2017 are effective until November and the figures for December is a forecast, which was done by the independent feasibility study consultant (Valustrat).

Target Returns for the next 3 years*

	2018	2019	2020
Rental Income (SAR)	28,455,168	29,532,713	30,111,515
Net Operating income **	15,646,293	16,385,308	16,643,401
Net Operating Yield	7.60%	7.95%	8.08%

* Forecasted figures provided by the independent feasibility consultant (Valustrat).

**The real estate asset includes operating expenses, including but not limited to: employee salary expenses, electricity and water bills, security expenses, maintenance expenses, operating fees and property management fees. Therefore, such expenses are charged to the Fund as the owner of these assets.

Property 4 – Al Rashid Strip Mall (Owned)	Property Location
<p>It is a commercial complex in the city of Riyadh in the Narjis District located on Othman bin Affan Road opposite the housing for the Institute of Public Administration. The complex consists of seven large stores/showrooms with and ATM and a parking lot.</p>	

Property Information

Property Name	Al Rashid Strip Mall
Property Type	Commercial Complex (Mall)
Location	Riyadh , Al Narjis District, Othman bin Affan Road
Land Area	5,100 m ²
Built Up Area	4,398 m ²
Owner	Bonyan Real Estate Fund Company (limited liability) owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Completion Date*	October 2017
Date of Initial Operations	Not yet
Construction Age	It was established on 18/09/1438, the age of the real estate is 10 months
Number of units	7 stores/showrooms
Number of floors	1 floor
Occupancy Rate**	0%
Purchase Price	SAR 13,440,000
Conditional Amount	The value of the usufruct agreement was determined by Saudi Fransi Capital Company to be SAR 22,400,000 but due to the asset being new with no operating history there is a conditional amount of SAR 8,960,000 that will be paid within 18 months from the date of the occupancy rate reaching 90%. In all cases, the Fund has full use of the asset from the date of establishment of the Fund.

*The building certificate was issued on 18/09/1438 with the number 4311/1438

**No contracts have been signed as of date and the fund manager does not guarantee renting the property to one or more tenants

Lease Contracts for 2018

Current Leases	There are currently no leases.
Main Tenants	
Annual rent	
Duration of Contracts	
Sub-Leasing	
Termination of Contracts	
Applicable Law	

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Contract Details	<p>The property manager is responsible for the full management of the property which includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will also assist the property owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose.</p> <p>The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable the Property Manager to manage the property, including payments for improvements.</p> <p>The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract.</p> <p>The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager.</p> <p>The property manager is entitled to a fee of 5% of the net revenues for his services.</p>

Insurance Contracts

Insurance Company	Gulf General Cooperative Insurance Company	Wataniya Insurance Company	Gulf General Cooperative Insurance Company
Type of coverage	A - Building B - Loss of rent	A - Terrorism B - War C - Sabotage	A - General Liability

Rental Income for the last 3 years

	2015	2016	2017*
Rental income (SAR)	NA	NA	NA


Target Returns for the next 3 years*

	2018	2019	2020
Rental Income (SAR)	1,900,000	1,900,000	2,100,000
Net Operating income **	1,642,957	1,642,867	1,832,776
Net Operating Yield	7.33%	7.33%	8.18%

* Forecasted figures provided by the independent feasibility consultant (Valustrat).

**The real estate asset includes operating expenses, including but not limited to: employee salary expenses, electricity and water bills, security expenses, maintenance expenses, operating fees and property management fees. Therefore, such expenses are charged to the Fund as the owner of these assets.

Hospitality Sector

Property 1 – Courtyard Marriott Hotel (4 Stars) (Owned)	Property Location
<p>It is a four-star hotel located in the center of Jazan, close to the commercial district and Jazan Corniche. Courtyard Marriott is connected to Al Rashid Mall. It has 129 rooms, a health club with an indoor swimming pool, a fitness center and many services. There are meeting rooms for more than 170 people. This type of asset has an operator and is fully dependent on the daily occupancy rate and not on any specific tenant of the asset.</p>	

Property Information

Property Name	Courtyard by Marriott
Property Type	A four star hotel
Location	Jazan, Al-Rawdah District, King Fahd Road
Land Area*	Part of a land with a total area of 40,000 m ²
Built Up Area**	50,000 m ²
Owner	Bonyan Real Estate Fund Company (limited liability) owned by Abdulrahman Saad Al Rashid & Sons Company (Closed Joint Stock Company)
Completion Date*	October 2013
Date of Initial Operations	November 2013
Construction Age	4 Years
Number of rooms/units	129 rooms/units
Number of floors	6
Occupancy Rate***	39%
Purchase Price	SAR 90,000,000

*The asset to be acquired is located on land with an area of 40,000 m² and includes three real estate assets: Al Rashid Mall Jazan, Courtyard Marriot, Residence Inn

**There is no building certificate for the real estate asset but the fund manager undertakes to extract it within the next 12 months and if he cannot the fund manager would be accountable to the Fund and to the unitholders in case of any damage caused by its non-availability

***The Fund Manager states that this figure is based on a study conducted by the independent feasibility study consultant, Valustrat. The Fund Manager shall not guarantee the accuracy of this figure and this number is as of 30 November 2017.

Operating Contracts

Current Operating Contract	Luxury Hotels International Management Company BV - a subsidiary of Marriott International
Current Operator	The operator of the hotel is responsible for the management and operations of the hotel under a contract. The operator's responsibilities include recruitment, supervision of all employees and pricing of services provided by the hotel, the development of all policies and procedures for monitoring revenues and expenses, maintenance of hotel bank accounts, insurance of all stocks and assets, maintaining all accounting records, supervising all repairs and maintenance, providing risk management services related to loss prevention and insurance, provision of services, food and beverages, procuring and maintaining all operating licenses and statutory permits, negotiating leases and licenses for shops within the hotel, responsible for all other activities necessary to operate and manage the hotel
Duration of Contracts	The duration of the contract is 20 years, starting from August 29, 2010. After the expiration of the period, the period will automatically be renewed for two periods of 5 years each unless the owner or the operator notify in writing that they do not wish to renew it at least 300 days before the end of the initial period or renewal period
Assignment / Novation	Neither party may redraft or sell this Agreement without the prior consent of the other party, except under very specific circumstances as specified in the contract
Termination of Contract	Each party has the right to terminate the contract on the basis of a clear reason given to the other party
Applicable Law*	The Agreement is governed by the laws of the United Kingdom and any dispute arising through litigation will be heard at the London International Arbitration Center located at the Dubai Financial Center

*Refer to the laws of the United Kingdom and any dispute arising through the arbitration at the London International Arbitration Center located at the Dubai Financial Center. Any case shall be settled as applicable in the market in respect of international companies.

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Contract Details	<p>The property manager is responsible for the full management of the property which includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will also assist the property owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose.</p> <p>The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable the Property Manager to manage the property, including payments for improvements.</p> <p>The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract.</p> <p>The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager.</p> <p>The property manager is entitled to a fee of 1% of net operating income for his services.</p>

Insurance Contracts

Insurance Company	Gulf General Cooperative Insurance Company	Wataniya Insurance Company	Gulf General Cooperative Insurance Company
Type of coverage	A - Building B - Air conditioning system C - Tools and equipment D - Electrical tools E - Furniture and fittings F - Computers and printers G - Inventory H - Loss of profit - specific	A - Terrorism B - War C - Sabotage	A - General Liability

Rental Income for the last 3 years

	2015	2016	2017*
Rental income (SAR)	31,038,085	23,440,635	20,483,438
Operating Income (SAR)**	10,360.439	5,257,228	4,667,210
Operating Yield***	11.51%	5.84%	5.19%

* The figures for the year 2017 are effective until November and the figures for December is a forecast, which was done by the independent feasibility study consultant (Valustrat).

**Real estate asset includes operating expenses, but not limited to: the expenses of workers' salaries, bills of electricity and water, security expenses and maintenance expenses, as well as operating fees and property management fees.


*** The hotel occupancy rate was impacted by the political situation in the south of the Kingdom of Saudi Arabia.

Target Returns for the next 3 years*

	2018	2019	2020
Rental income (SAR)	25,142,457	26,559,315	28,731,110
Operating Income (SAR)**	6,309,944	6,558,660	7,340,264
Operating Yield***	7.01%	7.29%	8.16%

* Forecasted figures provided by the independent feasibility consultant (Valustrat).

**The real estate asset includes operating expenses, including but not limited to: employee salary expenses, electricity and water bills, security expenses, maintenance expenses, operating fees and property management fees. Therefore, such expenses are charged to the Fund as the owner of these assets.

Property 2 – Residence Inn by Marriott (4 Star Apartments) (Owned)	Property Location
<p>This is a 4-star apartment hotel located in the center of Jazan, close to the commercial district and Jazan Corniche. It is connected to Al Rashid Mall. It has 79 apartments, a health club with indoor swimming pool, fitness center and many services. There is also meeting rooms for more than 180 people with its own parking lot. This type of asset has an operator and is fully dependent on the daily occupancy rate and not on any specific tenant of the asset.</p>	

Property Information

Property Name	Residence Inn by Marriott
Property Type	Four-star apartment hotel
Location	Jazan, Al-Rawdah District, King Fahd Road
Land Area*	Part of a land with a total area of 40,000 m ²
Built Up Area**	50,000 m ²
Owner	Bonyan Real Estate Fund Company (limited liability) owned by Abdulrahman Saad Al Rashid & Sons Company (Closed Joint Stock Company)
Completion Date*	2014
Date of Initial Operations	November 2014
Construction Age	3 Years
Number of rooms/units	79 hotel apartments
Number of floors	6
Occupancy Rate***	60%
Purchase Price	SAR 55,500,000

*The asset to be acquired is located on land with an area of 40,000 m² and includes three real estate assets: Al Rashid Mall Jazan, Courtyard Marriot, Residence Inn

**There is no building certificate for the real estate asset but the fund manager undertakes to extract it within the next 12 months and if he cannot the fund manager would be accountable to the Fund and to the unitholders in case of any damage caused by its non-availability

***The Fund Manager states that this figure is based on a study conducted by the independent feasibility study consultant, Valustrat. The Fund Manager shall not guarantee the accuracy of this figure and this number is as of 30 November 2017.

Operating Contracts

Current Operating Contract	Luxury Hotels International Management Company BV - a subsidiary of Marriott International
Current Operator	The operator of the hotel is responsible for the management and operations of the hotel under a contract. The operator's responsibilities include recruitment, supervision of all employees and pricing of services provided by the hotel, the development of all policies and procedures for monitoring revenues and expenses, maintenance of hotel bank accounts, insurance of all stocks and assets, maintaining all accounting records, supervising all repairs and maintenance, providing risk management services related to loss prevention and insurance, provision of services, food and beverages, procuring and maintaining all operating licenses and statutory permits, negotiating leases and licenses for shops within the hotel, responsible for all other activities necessary to operate and manage the hotel
Duration of Contracts	The duration of the contract is 20 years, starting from August 29, 2010. After the expiration of the period, the period will automatically be renewed for two periods of 5 years each unless the owner or the operator notify in writing that they do not wish to renew it at least 300 days before the end of the initial period or renewal period
Assignment / Novation	Neither party may redraft or sell this Agreement without the prior consent of the other party, except under very specific circumstances as specified in the contract
Termination of Contract	Each party has the right to terminate the contract on the basis of a clear reason given to the other party
Applicable Law*	The Agreement is governed by the laws of the United Kingdom and any dispute arising through litigation will be heard at the London International Arbitration Center located at the Dubai Financial Center

*Refer to the laws of the United Kingdom and any dispute arising through the arbitration at the London International Arbitration Center located at the Dubai Financial Center. Any case shall be settled as applicable in the market in respect of international companies.

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Contract Details	<p>The property manager is responsible for the full management of the property which includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will also assist the property owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose.</p> <p>The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable the Property Manager to manage the property, including payments for improvements.</p> <p>The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract.</p> <p>The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager.</p> <p>The property manager is entitled to a fee of 1% of net operating income for his services.</p>

Insurance Contracts

Insurance Company	Gulf General Cooperative Insurance Company	Wataniya Insurance Company	Gulf General Cooperative Insurance Company
Type of coverage	A - Building B - Air conditioning system C - Tools and equipment D - Electrical tools E - Furniture and fittings F - Computers and printers G - Inventory H - Loss of profit - specific	A - Terrorism B - War C - Sabotage	A - General Liability

Rental Income for the last 3 years

	2015	2016	2017*
Rental income (SAR)	10,220,835	11,815,089	12,282,208
Operating Income (SAR)**	3,591,794	4,562,946	4,135,454
Operating Yield	6.47%	8.22%	7.45%

* The figures for the year 2017 are effective until November and the figures for December is a forecast, which was done by the independent feasibility study consultant (Valustrat).


**Real estate asset includes operating expenses, but not limited to: the expenses of workers' salaries, bills of electricity and water, security expenses and maintenance expenses, as well as operating fees and property management fees.

Target Returns for the next 3 years*

	2018	2019	2020
Rental income (SAR)	12,565,777	13,178,195	13,374,171
Operating Income (SAR)**	3,998,153	4,236,956	4,280,744
Operating Yield	7.20%	7.63%	7.71%

* Forecasted figures provided by the independent feasibility consultant (Valustrat).

**The real estate asset includes operating expenses, including but not limited to: employee salary expenses, electricity and water bills, security expenses, maintenance expenses, operating fees and property management fees. Therefore, such expenses are charged to the Fund as the owner of these assets.

Property 3 – Al Rashid Residences (5 Star Apartments) (Owned)	Property Location
<p>This is a 5-star apartment hotel in Madinah and connected to Al Rashid Mega Mall. It has 66 apartments, a health club with indoor swimming pool, fitness center and many services. This type of asset has an operator and is fully dependent on the daily occupancy rate and not on any specific tenant of the asset.</p>	

Property Information

Property Name	Al Rashid Residences
Property Type	Five-star apartment hotel
Location	Madinah, King Abdullah Road - Second Ring
Land Area*	A part of a land with a land area of 64,000 m ²
Built Up Area**	50,000 m ²
Owner	Bonyan Real Estate Fund Company (limited liability) owned by Abdulrahman Saad Al Rashid & Sons Company (Closed Joint Stock Company)
Completion Date*	July 2017
Date of Initial Operations	August 2017
Construction Age	less than one year
Number of rooms/units	66 hotel apartments
Number of floors	3
Occupancy Rate***	50 %
Purchase Price	SAR 42,600,000
Conditional Amount	The value of the usufruct agreement was determined by Saudi Fransi Capital Company to be SAR 71,000,000 but due to the asset being new with no operating history there is a conditional amount of SAR 28,400,000 that will be paid within 18 months from the date of the occupancy rate reaching 75% for a period of 6 consecutive months. In all cases, the Fund has full use of the asset from the date of establishment of the Fund.

*The asset to be acquired is located on land with an area of 40,000 m² and includes two real estate assets: Al Rashid Mega Mall Madinah, Al Rashid Residences

**There is no building certificate for the real estate asset but the fund manager undertakes to extract it within the next 12 months and if he cannot the fund manager would be accountable to the Fund and to the unitholders in case of any damage caused by its non-availability

***The Fund Manager states that this figure is based on a study conducted by the independent feasibility study consultant, Valustrat. The Fund Manager shall not guarantee the accuracy of this figure and this number is as of 30 November 2017.

Operating Contracts

Current Operating Contract	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Current Operator	The operator of the hotel is responsible for the management and operations of the hotel under a contract. The operator's responsibilities include recruitment, supervision of all employees and pricing of services provided by the hotel, the development of all policies and procedures for monitoring revenues and expenses, maintenance of hotel bank accounts, insurance of all stocks and assets, maintaining all accounting records, supervising all repairs and maintenance, providing risk management services related to loss prevention and insurance, provision of services, food and beverages, procuring and maintaining all operating licenses and statutory permits, negotiating leases and licenses for shops within the hotel, responsible for all other activities necessary to operate and manage the hotel
Duration of Contracts	The duration of the contract is 10 years, starting from August 24, 2017 of which the first 5 years are binding on both parties. Following this, the property manager may terminate the contract provided a 120-day notice is given to the owner and that the owner appoints an alternative property manager. After the end of the contract, it is renewed automatically for 5 years, with the ability to terminate the contract provided that the required notice is given at the end of the initial period or the renewal period.
Assignment / Novation	Not allowed
Termination of Contract	Each party has the right to terminate the contract on the basis of a clear reason given to the other party
Applicable Law	Laws and regulations of the Kingdom of Saudi Arabia

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Contract Details	<p>The property manager is responsible for the full management of the property which includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will also assist the property owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose.</p> <p>The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable the Property Manager to manage the property, including payments for improvements.</p> <p>The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract.</p> <p>The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager.</p>

Operating Contract & Property Management

Operating Contract	For both contracts combined, Saudi Bonyan Company will be entitled to receive a total of 5% of net revenues for its services.
Property Management Contract	

Insurance Contracts

Insurance Company	Gulf General Cooperative Insurance Company	Wataniya Insurance Company	Gulf General Cooperative Insurance Company
Type of coverage	A - Building E - Furniture and fittings C - Loss of profit - specific	A - Terrorism B - War C - Sabotage	A - General Liability

Rental Income for the last 3 years

	2015	2016	From August 2017*
Rental income (SAR)	NA	NA	1,420,187

* The figures for the year 2017 are effective until November and the figures for December is a forecast, which was done by the independent feasibility study consultant (Valustrat).


Target Returns for the next 3 years*

	2018	2019	2020
Rental income (SAR)	13,900,990	14,603,960	15,346,535
Operating Income (SAR)**	7,078,426	7,441,840	7,825,895
Operating Yield	9.97%	10.48%	11.02%

* Forecasted figures provided by the independent feasibility consultant (Valustrat).

**The real estate asset includes operating expenses, including but not limited to: employee salary expenses, electricity and water bills, security expenses, maintenance expenses, operating fees and property management fees. Therefore, such expenses are charged to the Fund as the owner of these assets.

Residential Sector

Property 1 – Citywalk Residential Building - Dubai (Owned)	Property Location
<p>The City Walk Residential Building 2B overlooking the Burj Khalifa, consists of 69 residential units ranging from 1 room to 4 room units with many services such as swimming pool, fitness center and places to relax and security services around the clock and parking for each residential unit.</p>	

Property Information

Property Name	City Walk Residential Building 2B – 69 Units
Property Type	Apartment Building
Location	Al Wasl, Dubai, United Arab Emirates
Land Area	12,085 m ²
Built Up Area	149,162 m ²
Owner	Artar Real Estate Development LLC owned by Abdulrahman Saad Al Rashid 99% and Sulaiman Abdul Rahman Al Rashid 1%
Completion Date*	February 2017
Date of Initial Operations	September 2017
Construction Age	The construction was completed in 2017
Number of units	69 apartments
Number of floors	8
Type of units	Apartments
Occupancy Rate	64 % (rented during the last two months only)
Purchase Price	SAR 273,000,000

* A building completion certificate issued by Dubai Municipality.

Lease Contracts

Current Leases	There are 44 leasing contracts for 44 units
Main Tenants	There are 40 contract signed with individuals and 4 contracts were signed with companies for their employees
Annual rent in 2018*	AED 7,892,671 including re for SAR 8,057,173*
Duration of Contracts	All contracts are annual contracts, renewable upon mutual agreement between the landlord and the tenant – all contracts are disclosed in Appendix 2 of these Terms and Conditions
Sub-Leasing	Not allowed
Termination of Contracts	The tenant may terminate the lease by paying two months rent, and the lessor may terminate the contract according to the regulations and laws in force by the Government of Dubai
Applicable Law	Dubai Land Department

* These figures will be reflected in the Fund's income for 2018

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Contract Details	<p>The property manager is responsible for the full management of the property for the fund even though duties may be carried out by a subcontractor. This includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will also assist the property owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose.</p> <p>The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable the Property Manager to manage the property, including payments for improvements.</p> <p>The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract.</p> <p>The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager.</p> <p>The property manager is entitled to a fee of 5% of the net revenues for his services.</p>

Insurance Contracts

Insurance Company	Royal & Sun Alliance Insurance Company*
Type of coverage	A – Building & Common Areas B - General Liability C – Personal accident D – Machinery failure

* Insurance contracts in the United Arab Emirates were signed with the company of Artar real estate development and transferred automatically to the owner in the case of sale, so the insurance will cover the assets after the transfer of ownership of the Fund

Rental Income for the last 3 years*

	2015	2016	2017
Rental income (SAR)	NA	NA	NA


* The original is new and was established in 2017 and has no operational history

Target Returns for the next 3 years*

	2018	2019	2020
Rental Income (SAR)	14,220,006	14,575,506	15,304,282
Net Operating income **	10,247,473	10,518,879	11,143,542
Net Operating Yield	3.75%	3.85%	4.08%

* Forecasted figures provided by the independent feasibility consultant (Valustrat).

**The real estate asset includes operating expenses, including but not limited to: employee salary expenses, electricity and water bills, security expenses, maintenance expenses, operating fees and property management fees. Therefore, such expenses are charged to the Fund as the owner of these assets.

Property 2 – Al Rafiah Village (Owned)	Property Location
<p>It is a residential complex located in the city of Riyadh in Al-Rafiah District near the Diplomatic Quarter in Riyadh and consists of 102 housing units that vary in size ranging from villas containing 1 to 4 rooms, in addition to some services such as the health club, swimming pool, tennis court, football court, squash court, basketball court, beauty salon and outdoor playgrounds.</p>	

Property Information

Property Name	Al-Rafiah Village
Property Type	Housing Compound
Location	Riyadh, Al-Rafiah District, Ibn al-Shirazi Street
Land Area	61,390.81 m ²
Built Up Area	20,572 m ²
Owner	Bonyan Real Estate Fund Company (limited liability) owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Completion Date*	June 2015
Date of Initial Operations	July 2015
Construction Age	Two years from the date of initial operations
Number of units	102 housing units
Number of floors	2
Type of units	Residential Villas
Occupancy Rate	100%
Purchase Price	SAR 190,000,000

*There is no building certificate for the real estate asset but the fund manager undertakes to extract it within the next 12 months and if he cannot the fund manager would be accountable to the Fund and to the unitholders in case of any damage caused by its non-availability

Lease Contracts

Current Leases	All 102 residential units were rented by King Fahad Medical City
Main Tenants	Government hospital
Annual rent in 2018	SAR 19,500,000
Duration of Contracts	The period of the initial contract was for a period of 3 years from 20/09/1436 to 20/09/1439 AH and was renewed for a similar period ending on 20/09 / 1442H. This contract is automatically renewed for a similar period after the end of its term unless one of the parties is not interested in the extension and gives 180 days notice before the end of the contract.
Sub-Leasing	Not allowed
Termination of Contracts	A lease may not be terminated unless the assets are unusable
Applicable Law	Under the regulation and laws in force in the Kingdom of Saudi Arabia

* These figures will be reflected in the Fund's income for 2018

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Contract Details	<p>The property manager is responsible for the full management of the property for the fund even though duties may be carried out by a subcontractor. This includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will also assist the property owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose.</p> <p>The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable the Property Manager to manage the property, including payments for improvements.</p> <p>The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract.</p> <p>The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager.</p> <p>The property manager is entitled to a fee of 5% of the net revenues for his services.</p>

Insurance Contracts

Insurance Company	Gulf General Cooperative Insurance Company	Wataniya Insurance Company	Gulf General Cooperative Insurance Company
Type of coverage	A - Building B - Air conditioning system C - Tools and equipment D - Electrical tools E - Furniture and fittings F - Computers and printers G - Inventory H - Loss of rent	A - Terrorism B - War C - Sabotage	A - General Liability

Rental Income for the last 3 years*

	2015	2016	2017*
Rental income (SAR)	6,691,549**	16,069,023	15,983,249

*2017 figures are considered effective until the month of November and December figures are forecasts provided by the independent feasibility consultant (Valustrat).


**In 2015 the leasing contract began in July (income for half a year) only

Target Returns for the next 3 years*

	2018	2019	2020
Rental Income (SAR)	19,500,000	19,500,000	19,500,000
Net Operating income **	14,920,330	14,830,213	14,737,844
Net Operating Yield	7.85%	7.81%	7.76%

* Forecasted figures provided by the independent feasibility consultant (Valustrat).

**The real estate asset includes operating expenses, including but not limited to: employee salary expenses, electricity and water bills, security expenses, maintenance expenses, operating fees and property management fees. Therefore, such expenses are charged to the Fund as the owner of these assets.

Property 2 – Al Maather Villas Complex (Owned)	Property Location
<p>It is a residential complex (compound) in the city of Riyadh in the neighborhood of Maather near King Faisal Specialist Hospital. It consists of 7 residential villas in addition to some services such as a common indoor pool.</p>	

Property Information

Property Name	Al Maather Villas Complex
Property Type	Housing compound
Location	Riyadh, Al-Maather District, Abi Al-Muzaffar Al-Mubarak Street
Land Area	1,923.6 m ²
Built Up Area	1,906 m ²
Owner	Bonyan Real Estate Fund Company (limited liability) owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Completion Date*	September 1999
Date of Initial Operations	September 2006**
Construction Age	18 years
Number of units	7 housing units
Number of floors	2
Type of units	Residential Villas
Occupancy Rate	100%
Purchase Price	SAR 5,500,000

*There is no building certificate for the real estate asset but the fund manager undertakes to extract it within the next 12 months and if he cannot the fund manager would be accountable to the Fund and to the unitholders in case of any damage caused by its non-availability

** The asset was purchased by the current owner in September 2006 and the owner does not know what date the asset was initially operated on.

Lease Contracts

Current Leases	There are 7 residential units rented by 4 tenants And have been disclosed in Annex 1 of these conditions and provisions as follows: <ul style="list-style-type: none">• 3 persons (individuals) under annual contracts• 4 contracts have been leased by the Specialized Medical Center under annual contracts
Main Tenants	4 residential units leased to the Specialized Medical Center under 4 contracts for its employees. 3 residential units leased to 3 individuals for residential use under 3 leases
Annual rent in 2018	SAR 635,000
Duration of Contracts	All contracts are renewable annual contracts based on mutual agreement between the owner and the tenant. For further details, please refer to Annex 1 of these terms and conditions.
Sub-Leasing	Not allowed
Termination of Contracts	The lessee may terminate the lease with the obligation to pay the full lease amount. The lessor may terminate the contract if the lessee fails to pay for 30 days after the payment due date or subleases the property without the consent of the lessor.
Applicable Law	Under the regulation and laws in force in the Kingdom of Saudi Arabia

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Contract Details	<p>The property manager is responsible for the full management of the property for the fund, which includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will also assist the property owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose.</p> <p>The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable the Property Manager to manage the property, including payments for improvements.</p> <p>The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract.</p> <p>The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager.</p> <p>The property manager is entitled to a fee of 5% of the net revenues for his services.</p>

Insurance Contracts

Insurance Company	Gulf General Cooperative Insurance Company	Wataniya Insurance Company	Gulf General Cooperative Insurance Company
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Type of coverage	A - Building B - Air conditioning system C - Tools and equipment D - Furniture and fittings E - Loss of rent	A - Terrorism B - War C - Sabotage	A - General Liability
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Rental Income for the last 3 years*

	2015	2016	2017*
Rental income (SAR)	493,089	532,146	555,886

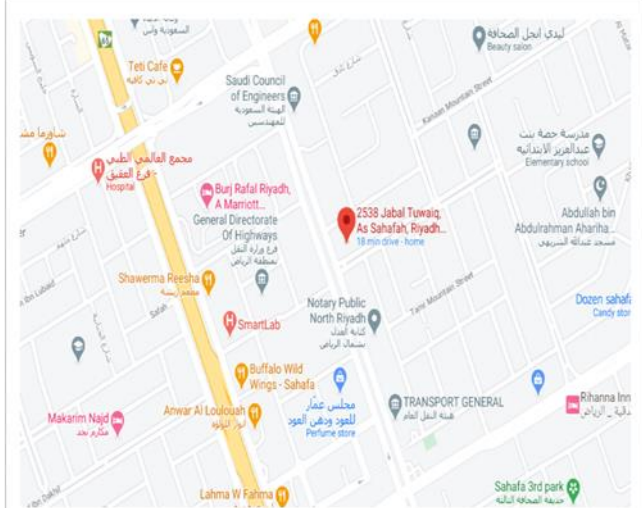
*2017 figures are considered effective until the month of November and December figures are forecasts provided by the independent feasibility consultant (Valustrat).

Target Returns for the next 3 years*

	2018	2019	2020
Rental Income (SAR)	650,875	667,147	683,826
Net Operating income **	537,239	550,670	564,437
Net Operating Yield	9.77%	10.01%	10.26%

* Forecasted figures provided by the independent feasibility consultant (Valustrat).

**The real estate asset includes operating expenses, including but not limited to: employee salary expenses, electricity and water bills, security expenses, maintenance expenses, operating fees and property management fees. Therefore, such expenses are charged to the Fund as the owner of these assets.

Property 11 – Office Tower	Property Location
<p>It is an office tower located in AlSahafa district in the city of Riyadh on Olaya Street. It consists of 10.5 floors in total, which are categorized as follows: 8 office floors, 1 annex and 2 parking basements.</p>	

Property information:

Property Name	Office Tower
Property Type	Office Building
Location	Olaya Street, Al-Sahafa District, Riyadh
Land Area	3,330 m ²
Built Up Area	16,643 m ²
Owner	Bonyan Real Estate Fund Company (limited liability)
Completion Date	February 2020
Date of acquisition	27 April 2021
Construction Age	New
Number of floors	10.5 floors in total, which are categorized as follows: 8 office floors, 1 annex and 2 parking basements.
Type of units	Office Building
Occupancy Rate	100%
Purchase Price	SAR 99,000,000

Lease Contract

Current Lease	A triple net lease with one tenant, the tenant will cover all the operation cost on the asset except the insurance costs.
Main Tenants	Kingdom of Saudi Arabia Governmental Entity
Annual gross rent	SAR 9,000,000
Annual expected net rent*	SAR 8,700,000
Duration of Contract	Three years contract starting August 2021, and the renewal is done automatically - in accordance with the controls stipulated in the The Saudi State Properties General Authority (SPGA) for real estate and the executive regulations for the state's rental and evacuation system.

	The Fund will be eligible to receive rental income from this property starting August 2022 for a period of two years based on current lease contract.
Sub-Leasing	Not allowed
Termination of Contracts	The lessee may terminate the lease contract while obliging him to pay the full value of the lease contract, unless the property becomes unfit for use due to defects in construction, or if there is a risk in the place or if the public interest requires, then the lessor may not object and claim the fee for the remainder of the period following the date of eviction.
Applicable Law	The system and the laws in effect in the Kingdom of Saudi Arabia follow the state's rental and evacuation system issued by Royal Decree No. (M / 61) dated 9/18/1427 AH and the executive regulations.

**As this is a new property, the Fund Manager has estimated elevators' maintenance and insurance expense to be approximately SAR 300,000 per annum.*

Investment Concentration Policies

The fund aims to invest in real estate assets inside and outside the Kingdom of Saudi Arabia that can achieve current rental income and returns on invested capital. The Fund does not intend to concentrate on a specific sector but will be in all sectors and geographic regions of the Kingdom. The regions / cities with positive investment characteristics, growth in business activities, positive investment flow, growth in supply and demand, and good infrastructure, will be targeted after conducting a comprehensive feasibility study for these real estate assets either internally by the Fund Manager or using an external consultant to carry out the necessary studies. The Fund Manager use at least two independent appraisers, to be accredited by the Saudi Authority for Accredited Valuers.

The Fund's initial investments in these terms and conditions are 81.74% within the different regions of Saudi Arabia, and only one property is located in Dubai, United Arab Emirates, which equals 16.76% of the total value of the Fund's assets.

Investment Type	The minimum percentage of the Fund's total assets in accordance to the latest audited financial statements	The maximum percentage of the Fund's total assets in accordance with the latest audited financial statements
Income-producing real estate assets in the Kingdom of Saudi Arabia	75%	100%
Income-generating real estate assets outside the Kingdom of Saudi Arabia	0%	25%
Utility contracts	0%	25%
Real Estate Under Development	0%	25%

a. The Investment Decision-Making Mechanism of the Fund Manager

Making investment decisions for the Fund

All decisions relating to the Fund and any other decisions that are in any way affecting the unit holders and the value of units must be presented to the Fund Board. Such decisions include but are not limited to:

1. Approval of the Fund's initial objectives and target investment areas.
2. Approval of the appointment of the Fund's core service providers such as Custodian, Real Estate Developer, Property Appraisers and Real Estate Marketers.
3. Approval of Sharia Advisors, Property Manager, Auditor
4. Approve any new contracts within the normal operations of the Fund.
5. Approve the terms and conditions of the Fund.

6. Follow-up on work progress, completion rates and approval of financial payments.
7. Any process that may affect the performance of the Fund or the value of its units.

Description of the steps to make investment decisions

Real Estate Market Study:

Reliance on the fund management department of the Fund Manager and external consultants to conduct a periodic evaluation of the real estate sector.

The Fund Manager will continue to follow the trends and patterns in the real estate sector, in addition to market fundamentals and sector characteristics to take advantage of opportunities in the real estate market to meet the fund's long-term goals.

Acquisitions:

The decision to invest in real estate assets for the Fund will be made as follows:

1. The target property for acquisition is evaluated initially by the fund manager to verify its feasibility, considering the real estate in terms of location, income and quality as well as the quality of the tenants of the asset. The fund manager may use an external consultant, which specializes in analyzing the types of real estate in which the fund will invest.
2. The results of the preliminary evaluation shall be submitted to the Fund Board for approval by following up on the acquisition of the property.
3. The Fund Manager shall appoint independent appraisers to evaluate the property to arrive at the market value of the property.
4. The Fund Manager shall appoint a technical assessor to evaluate the property technically and geographically in order to ascertain the validity of the asset and its being clear of engineering and technical problems, which will enable the Fund to benefit from the asset in an ideal manner for the Fund and its unitholders.
5. In the event of ascertaining the feasibility of the property and achieving the objectives of the Fund, a bid shall be made to the seller and then approval sought from the Fund Board and the Capital Market Authority.
6. The property shall be owned in favor of the Fund and registered in the name of the SPV established by the Custodian.

b. Borrowing by the Fund

There are no loans or financing at the inception of the Fund. The Fund may seek financing subject to the approval by the Fund Board and the Fund's Shariah Committee. Financing shall not exceed 50% of the total value of the fund's assets as per the latest audited financial statements.

c. Investing available cash in the Fund

The Fund Manager has the right, at his discretion, to invest the available and unused liquidity whenever necessary (maximum 25% of the total value of the Fund's assets according to the latest audited financial statements) in one or more of the investments listed below:

Investment type	The minimum percentage of the fund's total value according to the latest audited financial statements	The maximum percentage of the fund's total value according to the latest audited financial statements
Cash	0 %	25 %
Islamic money market funds licensed by the Authority, including funds managed by the Fund Manager		
Murabaha transactions and Islamic short term deposits in Saudi Riyals		

with banks licensed by the Saudi Arabian Monetary Agency and operating in the Kingdom of Saudi Arabia.		
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d. Cash Dividend Policy

The Fund Manager shall distribute at least 90% semi-annually at the end of the second quarter and the end of the fourth quarter of each calendar year of the Fund's annual net profit. The Fund Manager may also distribute any additional cash in the Fund in the form of cash dividends.

8. The main risks of investing in the fund:

Introduction to Risk

Investment in the Fund involves multiple risks and is suitable only for investors who fully understand and are capable of bearing the risks of such an investment. Potential 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 potential 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 the fraud, gross negligence or misconduct of the Fund Manager as per the Real Estate Investment Funds Regulations and instructions.

Summary of Risks

This section deals with the most serious factors that may affect the work, operational processes and financial position of the Fund. It does not describe all the risks that apply to the Fund or to the sector in general or to the unit owners in a fund. In the event of any of the following risks or new risks that have not yet been identified, the fund may be adversely affected and the value of the fund's units may decline. Therefore, investment in the Fund does not imply a guarantee of profit or loss.

Risks related to the fund:

There is no guarantee that the investment in the fund will be profitable

There is no guarantee that the Fund will be able to generate returns to its investors or that the returns will be proportionate to the investment risks in the Fund. It is entirely possible that the value of the units may decline or investors may lose some or all of the invested capital. All figures and numbers shown in these terms and conditions are for illustrative purposes only and It is not possible to provide any assurance that the expected or targeted returns of the Fund will be realized. Actual returns of the Fund will differ from the statistics contained in these terms and conditions and this can adversely affect the profitability and value of investment units.

There is no operational history of the fund

The fund does not have an operational history through which potential investors can judge the performance and success of the Fund. The fund manager only has limited experience in managing REIT Funds given the regulations governing such funds have only recently been introduced in the Saudi Arabia. Hence, the nature of future investments in the Fund, as well as the nature of associated risks, may differ substantially from the investments and strategies previously undertaken by the fund manager; nor can the previous results of the fund manager necessarily be a function of the future performance of the Fund. The novelty of the product makes any predictions about the future value of units or about future distributions from the fund prone to error. In the event of an occurrence which was unknown to the fund manager or could not have been predicted, the owners of the units will be exposed to a decline in the value of units and it is possible that may lose their investment completely.

Risks of noncompliance with regulations

The fund may become ineligible as REIT fund under the regulations governing REITs . In the event this happens, it will have a negative impact on the liquidity of the Fund units and may adversely affect its value. Investors should note that there is no guarantee that the fund, once established as a REIT fund, will remain a REIT fund or will continue to be placed as a REIT fund in the Saudi market (Tadawul) which may happen if the fund fails to meet regulatory requirements. In the event that the Fund fails to meet any of the necessary regulatory requirements, the Capital Market Authority may suspend the trading of the units or cancel the listing of the fund on Tadawul. The inability to handle the fund's units in the Saudi financial market (Tadawul) will result in a negative impact on unit price and liquidity.

Risk of low market liquidity

The Fund intends to include its units for trading in the Saudi financial market (Tadawul). This should not be seen as a guarantee that there will be liquidity which will allow active trading in Funds units. In the absence of a liquid trading market or unavailability of sufficient liquidity for Funds units (which allows unit owners to trade their units on the basis of abundance of supply and demand), the value of the units and its market price will be negatively affected. In addition, a large proportion of the units will be issued to a limited number of investors, which may also adversely affect the existence of active market liquidity. Lastly, while the units will be listed on Tadawul, the market liquidity, in general of REIT fund, may be lower than the liquidity of the listed companies and this may adversely affect the value of the units.

Risks of price changes

There are many factors that may adversely affect the market price of the units, including the general movement in local and global equity markets, real estate markets, prevailing and foreseeable economic conditions, interest rates, financing costs, investor orientation and general economic conditions. The underlying market may be subject to fluctuations, and a lack of liquidity may result in a negative impact on the market value of the units. Accordingly, the purchase of these units is only suitable for investors who can withstand the risks associated with such investments.

Risks of change in interest rates and general economic conditions

Changes in economic conditions, including interest rates, inflation rates, working conditions, competition and tax laws, would have a negative impact on the existing business and opportunities of the Fund. In particular, the increase in interest rates may result in investors requiring higher yields to compensate for increased cash and opportunity costs. As a result, the attractiveness of the units as an investment opportunity may decline and a lower demand will adversely affect the market value of the units. As the fund may also take loans, any increase in interest rates in the debt markets would affect the Fund's funding requirements. Changes in interest rates may also affect assessments in the real estate sector in general.

The Funds units may trade at a price lower than the initial subscription price

The Funds units may trade at a price which is lower than the initial price at the time of the subscription and the unit owners may not be able to retrieve the full value of their investment. The units may be traded at a price below their value for several reasons, including unfavorable market conditions, weak investor expectations about the viability of the Fund's investment strategy and policy, and an increased supply of units in the market. Sales by large owners of a large number of units may also significantly reduce the unit's market price. Any sale of a large number of units in the market or the perception that such sales will occur can lead to a significant negative impact on the value and price of the units. Accordingly, the purchase of units is only suitable for investors who can withstand the risks associated with such investments, particularly as this may make it difficult for the investor to exit or leave from the fund at a value that is less than the market value of the fund's assets.

Risks of volatility in distributions

Although the fund is required to distribute at least 90% of its net income to unit holders on an annual basis, there are no guarantees for future distributions. The fund may not be able to make any distribution due to unforeseen events resulting in increased costs including large capital expenditures or renovation works which may become necessary or a reduction in income (as in the case of low levels of collection of rental income). The inability of the Fund to make annual distributions to unit owners will cause a decline in the value and the trading price of the Fund's units.

Reliance on key staff of the fund manager

The Fund will rely on management and consultancy services provided by the employees of the fund manager. It could become difficult to replace some key staff members, particularly in the senior management of the fund manager. In the event that one of these staff members leaves and the fund manager is unable to find an appropriate alternative, the performance of the Fund may be adversely affected. The absence of a successful fund management team can have a negative impact on the ability of fund to develop its real estate assets or in its ability to negotiate for the benefit of the fund which in turn will affect Fund's revenues and the value of its investment units.

Risks of the nature of investment

Investment in the Fund requires an obligation as set out in these terms and conditions, with no guarantees to achieve returns on the invested capital. There will be no guarantee that the Fund will be able to achieve positive returns on its investments in a timely manner or at any time at all. There is a possibility that the fund may not be able to sell or dispose of its assets when required or is able to sell them at a price that the fund manager believes is the fair value or is able to sell them within the time frame required by the Fund. Based on the above, the Fund may never be able to achieve any return on its assets.

Potential conflict of interest risk

The fund is subject to various conflicts of interest as the fund manager, its affiliates and their respective directors, directors and their affiliates may be involved in real estate and other business activities in a direct or indirect manner. There may be situations where the interests of one party are in conflict with the interests of the Fund. Any conflict of interest that limits the ability of the fund manager to perform his or her functions will adversely affect the Fund's investments, returns and distributions.

Risk of counterparty default and credit risk:

The Fund will be exposed to the 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.

Risks of unequal access to information

The fund will issue up to 60% of its units to the current owners of the property as an in-kind contribution. This group is also the parent company of the property manager of the Fund. The risk therefore arises that the current owners of the property or property manager will have access to substantial information that the fund manager may not have learned or may not realize is of material nature. In addition, they may have the ability to interpret information in a timely manner that the fund manager and other investors may not have the capacity to do so and may therefore affect other unit holders in the fund.

Risk factors related to the assets of the Fund

Risks of acquisition of initial real estate assets

The Fund expects to complete acquisition of the Initial Assets within 60 days from the Closing Date. Although the Memorandum of Understanding and Purchase Agreements are binding, if either party to the Purchase Agreements fails to perform under the Purchase Agreements, the acquisition of initial assets or part thereof may not occur within 60 days from the Closing 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. In case of not being able to do so, the Fund Manager shall liquidate the Fund and make procedures referred to in Termination of the Fund section in these Terms and Conditions.

Real estate Investment Risks

The fund will be subject to the conditions of the general real estate sector in Saudi Arabia, which in itself is influenced by many factors, including, but not limited to, macroeconomic growth, political stability, interest rates, supply and demand, availability of financing, investor orientation and liquidity, the legal and regulatory environment and other conditions in the kingdom. Which in turn will affect the price of the real estate property and the price of Fund's units.

Decline in Value of Real Estate

Real estate values are fluctuating and changing. The change in the indicators of the Saudi Arabian economy may lead to a reduction in the market value of the fund's investments, which in turn could lead to a decline in the fund's returns. This may prompt the fund manager to change its investment strategy and or to dispose of investments at a loss. In addition, investments in commercial and residential real estate are exposed to risks affecting the commercial and residential real estate sector in general, including seasonal variations, buyers' willingness to purchase a particular property, changes in economic conditions and business confidence. One or more of these factors may therefore have a negative impact on the results of the Fund's operations, financial situation, unit prices or all at once.

Property Valuation Risks:

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 or the independent valuers will only be an estimate of the worthiness 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 buyer and seller. The final verification of the property market value depends to a great extent on economic and other conditions beyond the control of the Fund. If the Fund were to liquidate its assets, the realized value may be more 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 value can be measured, the difference between the estimated value for a real estate asset and the ultimate 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.

Availability of Appropriate Investments in the Future

Some of the investments of the Fund have been selected by the Fund Manager as of the date hereof. 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 investments following the acquisition of the Initial Assets that meet the Fund's investment objectives, particularly in the current market environment. 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 growth in the market value of Units. In addition, delay in identifying, and acquiring the appropriate investments may adversely affect the periodic distribution of dividends, which shall negatively affect the price of the Unit.

Risks of tenants inability to meet their rental obligations

Real estate assets are leased by several tenants. The Fund is therefore at a significant risk when tenants are in breach of their obligations. In the event of a failure of a tenant to pay the payments due for one or more real estate assets, this may limit the ability of the fund manager to re-lease or lease the property on satisfactory terms. This would reduce the rental income from the property. Furthermore, the Fund may be forced to make major renovations to real estate in order to attract new tenants in the future on the best possible terms, which may temporarily affect the returns that are distributed to investors.

Risk of a single tenant for some real estate assets

The fund on its inception date and during its life, will acquire real estate assets which are leased to a single tenant. Such real estate assets are either equipped or remodeled by the lessee in a manner that serves the tenants interests, including for example some changes to the interior decoration of the real estate asset in a manner that reflects the tenant's identity and need. Therefore, if the tenant decides not to renew or terminate the relevant lease, the Fund Manager may find it difficult to re-lease the property to a new tenant who rents the entire real estate asset or the fund manager may be required to make modifications to the property. Therefore, any delay in finding alternative tenants or tenants requiring any internal adjustments to the real estate asset may result in significant capital expenditures or other liabilities that may have a material adverse impact on the business of the Fund, financial position, cash flows and operating results.

Risk of non-occupancy of properties for long periods

When a real estate unit becomes vacant for long periods as a result of the termination of the lease without renewal, or the lessee cannot pay and declares of bankruptcy, or cannot renew their contracts for any reason, the fund may suffer a decrease in returns, thus decreasing the cyclical distributions of investors. Moreover, because the value of a real estate depends heavily on the leasing contracts for that property, the value that can be derived from the sale of those properties that have not been leased either in part or in full for long periods may decrease, and therefore the returns that can be made to investors may decrease, which will affect fund's returns and distributions.

Investment risk outside Saudi Arabia

International investment (outside Saudi Arabia) involves many risks such as currency exchange rate, political and economic volatility, high investor costs and information security risks. While the fund manager shall endeavor to enter into investments under the same regulatory, control and supervisory requirements as at least for those applied by Saudi Arabia, the fund manager may not always have sufficient knowledge of these regulations and laws or new laws may be imposed in future. In the event of any of the above, this could affect the fund's profits and/or the valuation of its assets, which may adversely affect the price of its units.

Risks related to utility contracts

The Fund intends to acquire a real estate asset by transferring its utility to the Fund. These contracts do not imply the transfer of ownership of the asset to the fund but rather the transfer of the right of usufruct and may result in disputes or disagreements over ownership or the contract in general and, if they occur, will fundamentally affect the value of the real estate assets and, consequently, the value of the units in the fund.

Political risks in relation to assets located in the south of the Kingdom

The Kingdom of Saudi Arabia is subject to political conditions, particularly in the southern region, where these conditions have a significant impact on the assets and returns of the fund. If these conditions persist or increase, this will certainly affect the value of the real estate assets and the value of the units in the fund.

Risk of not being able to issue completion certificates for some of the assets:

The absence of completion certificates for some of the assets may expose the fund to the risk of inability to use the assets or the inability to rent or sell it as well, if that happens, the fund will be negatively affected and will affect the fund operations and the ability to distribute dividends to shareholders in case this risk happened, as a result of that it could cause the loss for unit owners and the fund, but the fund manager will try and issue these certificates over the next 12 months. If he is unable to do so, the fund manager will be accountable to the Fund and to the owners of the units in case any damage or loss occurs.

Default and Credit Risks of Other Counterparties

The Fund will be exposed to the 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.

Fluctuations in the Value of Real Estate and other General Real Estate Risks:

Investments will be subject to risks related to the ownership and / or lease of real estate and / or the development and / or redevelopment of its operations. These include, but are not limited to, the risks associated with the overall economy and real estate conditions, particularly in real estate supply and demand levels. Since the real estate market has experienced many fluctuations in the past, there is a possibility that the Fund will acquire properties whose value has subsequently deteriorated and the market value of the Fund's investments will be affected. There is no guarantee that there is a market ready to resell investments because real estate investments in general are considered to be non-liquid investments.

In addition, adverse changes in the operation of any property or in the financial position of any tenant may have a negative impact on the rental payments received by the Fund and therefore on the ability of the Fund to provide dividends to investors. From time to time, a tenant may be subject to financial difficulties, which may impair his or her financial position and lead to defaults on the payment of rental receivables when due. At any time, any tenant may seek protection against the bankruptcy or insolvency laws in force, which may lead to the refusal or termination of the lease or any other negative consequences, thereby reducing the Fund's distributable cash flow. It is not possible to provide assurance that tenants will not file claims for bankruptcy protection in the future, and if they do so, the rent will continue to apply.

Real Estate Expropriation Risks:

Certain government authorities in the Kingdom are entitled to expropriate real estates for the public benefit (for example, the construction of roads and public utilities). In practice, the compensation value of expropriated property is supposed to be equal to market value. However, this is not guaranteed, as the value of the compensation may be less than the market value of the property at the time of expropriation or the value paid for the purchase. In case of expropriation, a property is acquired after a period of notification not specified by law as it is adopted pursuant to a specific law. Although compensation may be paid, there is a risk that the compensation would not be adequate compared to the size of investment, lost profit or increase in the value of investment. If the expropriation risk materializes, the value of the

distributions to the Unitholders and the value and trading price of the units may decline. In addition, the Unitholders may lose all or part of their invested capital.

Risks of operating companies and Property Management

The fund will use a company or companies specializing in operation and property management for the real estate assets on an exclusive basis and based on their expertise to operate and lease real estate. The performance of real estate assets rely heavily on the property manager to lease, collect rents and establish good relations with tenants. The operator may also make use of a number of contractors for the purpose of providing services such as security, cleaning, maintenance and other services. Therefore, any failure or defect in the level of service provided by the operator or by contractors for any reason or failure of the operator to manage the contractors with efficiency would have a direct and negative impact on the performance of the Fund, its financial situation and, consequently, the unit price.

Commercial real estate market risks

The Fund will invest in commercial real estate sector, 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 assets. 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 returns and the ability of lessees to make payments which may ultimately flow to the Fund. Declines in the performance of the commercial real estate markets could have a negative impact on rental levels and revenues and vacancy rates, and could as a result have a material adverse effect on the Fund's business and financial condition.

Residential Real Estate market risks

The Fund will invest in the residential real estate sector. The performance of investments in the residential real estate sector depends heavily on changes in demand and supply levels, which would be greatly affected by economic, political, security, regional and local factors, including increase in competition posed by other residential properties. The Fund's ability to earn net rental income as well as up-keeping the real estate value of the residential properties highly depends on the ability of the Fund's residential properties to effectively compete with similar properties. If similar residential real estate properties were able to attract lessees better than the Fund, then the net rental income from the Fund may diminish as a result of low demand by lessees. The decrease in the net rental income may reduce the yield distributions to the Unitholders and may cause the value and price of the Units to fall.

Hotel sector risks

The performance of the Fund will be affected by the hotel sector performance in general. These factors may include factors related to demand levels, including any economic factors, health restrictions factors, regulations factors (including those related to taxes and fees), interruption of local transport and communications services, or factors related to supply levels, including the increase in the supply of hotels either in general or in a particular sector or places. Economy and other factors may have a negative impact on employment and personal spending, resulting in lower occupancy rates and room prices and affecting the total value of real estate in the hotel sector. Thus, in case these factors occurred, the Fund may need to sell the assets for less than the cost of acquisition, resulting in financial loss and will affect the Fund returns.

Asset Liquidity Risks

As an asset class, real estate assets are relatively illiquid and, as such, it may be difficult or impossible for the Fund to sell a certain real estate asset for a particular price at any particular time. The Fund's assets consist of real estate assets. It may be difficult for the Fund to sell its real estate assets (particularly at times of market downturn and specifically those assets that are categorized as larger real estate assets), and the proposed price 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.

Real Estate development Risks

There is no real estate development project in the initial real estate assets. However, the development of real estate projects in Saudi Arabia presents several risks. The risks in building and 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; (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); and (v) issuance of any decisions related to increasing Saudization in the construction industry may affect the availability of labor to carry out development works, which would hinder the completion of development projects. New project commencement also carries other risks such as that of the obtainment of zoning, occupancy and other required governmental approvals and permits and development costs in connection with projects that are not pursued to completion. The Fund may fail to achieve its investment objective in case any required municipal approval or consent is denied or not granted on acceptable or reasonable terms. In such case, the Fund may not be able to complete the investment or the development of a real estate project which may negatively affect the value of Units as expected proceeds of development will not be earned on time. 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 Risks

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 the principal capital and accordingly, the market value of Units. Increases and decreases in the value of the Fund's real estate assets 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 itself.

Risks of Actions Taken by Competitors

The Fund competes with other owners, operators and developers of real estate in Saudi Arabia, some of which may own properties similar to those of the Fund in the same area in which the properties are. 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 favorable pricing, on favorable 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 and/or returns to Unitholders may be adversely effected.

Risks of Possible Inability to Renew Leases or Re-lease Spaces 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 distribute dividends to Unitholders could be adversely affected if it is unable to promptly re-lease properties or renew expiring leases, or if the rental rates upon renewal or re-lease 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 favorable to the Fund than the existing lease. In the event of default by a tenant, the lessor may experience delays or limitations in enforcing rights and incur substantial costs in protecting the Funds investment. Further, the Fund's ability to lease space and the rents that it can charge are impacted, not only by tenant demand

Risks of Application of Zakat, Fees and Taxes:

The information in these Terms and Conditions is based on existing published legislation at the time of issuing them. 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, its Investments or Unitholders. 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 regard 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, there is no assurance that the current applicable Tax Law in the Kingdom will not be changed. The local tax authorities maintain the rights to assess zakat tax on each Unitholder.

Income tax risk

Investment in the fund involves a variety of tax risks, some of which apply to investment in the fund itself and other to certain circumstances which may be relevant to a particular investor. The incurring of such taxes by the fund reduces the amount of cash that is available to the operate the Fund as well as the potential distributions of dividends to the unitholders. The taxes incurred by the unit owners would necessarily reduce the returns associated with the investment in the Fund and decrease the unit price. investors must consult with their tax advisors on the taxation, ownership and sale of units.

Risks of Government and Municipality Approvals:

The Fund may fail to achieve its investment objective in case any required approval or license is denied, which may negatively affect the Fund investments and value of Units.

New and future government organizations

The Kingdom of Saudi Arabia has recently witnessed many developments in government organizations from additional government fees to the increase of the Saudization in some sectors, as well as to force certain jobs for Saudis only, as well as for the new Ministry of commerce and the ministry of Labor or any organizations that may be established recently or in the future to regulate the sector, especially those that affect in the retail sector, in which the fund has approximately 60%. Of its origins in this sector, as these organizations may be the cause of loss of many tenants or the decline in annual rents. In addition the fund manager cannot predict any regulation that may occur in the retail or hotel and the residential sector, where the pace of change and development has become a challenge at any time, if any of the above happened the fund cannot achieve the expected return, in which may affect the unit price or the loss of part of the investment amount.

Risks of Third Party Litigation:

Given the nature of its activities, the Fund may become involved in legal proceedings with third parties. In such case, the expense of defending against claims by third parties and any amounts pursuant to settlements or judgments shall be incurred by the Fund, which would reduce the its 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.

Risk of in-kind Dividends

Subject to compliance with regulatory the requirements, the Fund may distribute in-kind dividends of real estate or interest in other companies in the context of winding up the Fund. In the event of distribution of in-kind dividends, Unitholders may receive interests in a company or property that is difficult to be realized. The distribution of in-kind dividends in the form of assets may create costs and administrative burdens which investors would not have incurred if the Fund distributed cash dividends. With excluding asset located in Madina AL Munawarah & Makkah from In-kind dividends.

Risk of Uninsured Losses:

The Fund Manager will ensure that there is insurance covering all the assets and properties of the Fund in types and amounts that it believes are adequate and appropriate given the relative risks applicable to the property with an appropriate cost of coverage and the application of best industry practices. Certain losses, such as those due to windstorms, floods or seismic activity, may be insured subject to certain limitations, including large deductibles or co-payments and policy limits in addition to delay in collecting claims. 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. Certainly, any such losses could adversely affect its financial condition, results of operations, cash flow and ability to distribute to the investors.

Risk of real estate valuation

For the purpose of estimating the value of the Fund's investment portfolio, these assets are valued by two independent valuers licensed by the Saudi authority for certified valuers. The fund manager's evaluations are only for the purpose of valuing the real estate, and are not an accurate measure of the value that can be obtained when the property is sold, since the final verification of the market value of the property depends to a large extent on the negotiations between the seller and the buyer that may be affected of economic and other conditions beyond the control of the Fund and the Fund's director, including, but not limited to, market conditions in general. If the fund decides to liquidate its assets, the realized value may be more than or less than the assessed value of these assets, which would affect the return to the unit owners.

Risks of Investing in Murabaha Funds, Listed Equity and Other Real Estate Funds:

The Fund may invest in SAR Murabaha transactions with local Saudi banks or in Shariah-compliant listed equity of real estate companies or other Shariah-compliant real estate investment funds. The value of these types of investments may

fall as they are not deposits in a bank. In addition, there are risks associated with Murabaha transactions arising from trading activities involving dealings in illiquid financial instruments, whose clearance and payments do not fall under a regulated clearing house or stock exchange, which may negatively affect cash distributions and the market value of Units

Risks of influencing government policies on the Saudi real estate market

The government has recently introduced charges on white land in Saudi Arabia, known as "white land taxes". These fees provide an incentive for other developers to develop unused land, but they can also lead to an increase in the levels of competition in the real estate sector market. Any future reduction in electricity and water subsidies in the kingdom, changes in the labor fees, taxes on expatriate workers and their families may reduce the levels of demand for the fund's real estate assets. Furthermore, any rent limits or values by the government may have a negative impact on real estate income and on the cash distributions and market value of the fund's units.

Risks of Cancellation of Listing / Suspension of Units:

There is a risk that CMA may cancel the listing or suspend Fund trading at any time if CMA deems it necessary to protect investors or maintain market regulation or believes that the Fund Manager or Custodian has failed substantially. CMA may also cancel or suspend the listing, if the Fund fails to meet the liquidity standards, as indicated by CMA under the Real Estate Investment Traded Funds Instructions: "The Fund's Units shall have sufficient liquidity as per the following: (a) at least 50 Unitholders from the public (b) at least 30% of the total REIT Units are owned by Unitholders from the public". In this case, it is likely to be outside the control of the Fund Manager. Therefore, this would limit the ability of Unitholders to dispose of their units in the Fund.

Risks of Concluding Long-Term Leases:

The Fund will conclude long-term leases with tenants. Such leases may, and may not, include increases in rent. In the event of any increase in operating costs, inflation rates, changes in exchange rates or increases in real estate prices while rental payments hold steady, the proceeds from rent will be reduced. Moreover, given the duration of the lease, the Fund may not be able to renegotiate the lease to reflect previous changes until its expiry. This would result in lower returns compared to those available in market and may also affect the original asset price and the price of the Fund's Units.

Risks of Fund Termination:

If the Fund is terminated, the Fund Manager shall initiate liquidation proceedings. This may lead to the sale of fund investments at un-ideal times, at a price that may not reflect fair market value or in a manner that may not be the best for their sale. All of these have significant adverse effects on fund returns, as well as the final price received by the Unitholder.

Other risk factors:

Geographic Concentration of Investment Risks:

Based on the fund's strategy, most of the fund's portfolio will be located within Saudi Arabia and will therefore be affected by the conditions, contractions and economic cycles that affect the region in general, which could negatively impact the Fund's investments and unit price, and the high concentration Of the Fund's portfolio in a given geographical area, or the fact that a large proportion of tenants work in a single sector or similar and interconnected sectors, would increase the effects of that geographical area or in that sector, which could adversely affect the Fund's returns and distributions.

Factors that influence the economic conditions in Saudi Arabia may include the following:

- The financial performance of the various economic sectors.
- Economic slowdown.
- Staff downsizing.
- Change business trends.
- Demographic factors change.
- Level of infrastructure quality.
- Real estate inflation or shrinking demand for real estate.
- Adoption of new legislation relating to ownership or lease and lease of real estate

Legal status Risks

The fund is an arrangement between the unit owners and the fund manager. This arrangement is governed and supervised by the capital Market Authority of Saudi Arabia. The fund does not have its own legal or corporate identity and therefore the Fund face difficulties from some of the Saudi governments parties or courts for the lack of clarity of the Fund's legal entity, which may expose the Fund to losses directly reflected in the market price of the fund's units.

Exchange Rate Risks:

The Fund's main currency is Saudi Riyals. However, the investments managed through the Fund may be undertaken in other currencies. Any change in the exchange rate of such currencies may adversely affect the value and price of the Fund's units. Unitholders whose basic currency is not Saudi Riyal shall be exposed to exchange rate fluctuation risks.

Risks of Liability and Indemnification Limitation:

These Terms and Conditions limit the circumstances under which the Fund Manager, and its shareholders, directors, officers, employees, advisors and affiliates, can be held liable to the Fund and Unitholders. As a result, the right of Unitholders to recourse and take any action against the Fund Manager in certain cases is limited compared to the cases in which such conditions are absent. In addition, the Fund may be liable for certain claims, losses, damages and expenses arising out of the actions of the Fund Manager; Custodian; Developers; Property Managers, and their directors, officers, employees, agents and affiliates; Shariah Board Members and Fund Board Members on behalf of the Fund, providing that they made such action in good faith and in a manner that is believed to be for the Fund's best interest and the action does not involve fraud, gross negligence or willful misconduct. Such indemnification obligations could negatively impact the returns to Unitholders.

Force Majeure

The Fund Manager will not be liable to Unitholders for any temporary or permanent loss of their investments either directly or indirectly due to any Force Majeure, including, but not limited to, government decisions, wars, civil strikes, civil disobedience, natural disasters, economic embargoes, trade boycotts, legislative decisions of markets, suspension of trading or inability to communicate with the market for any reason, such as a breakdown of the computer system or any other reason beyond the control of the Fund Manager or the funds in which it invests. In the event of a Force Majeure, any obligation under these Terms and Conditions on the Fund shall be deferred as the Force Majeure event requires. The Fund Manager will announce the Force Majeure event and it will be binding on all investors in the Fund.

Forward Looking Statements

These terms and conditions 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 statements reflect current opinions of the Fund Manager with respect to future events, but they are not a guarantee of future performance. There are many factors which may cause the actual results, performance or achievements of the Fund to be materially different from any future results, performance, achievements expressed or implied by such future assumptions. Some of these risks and factors that may create such influence are detailed in other sections of these Terms and Conditions (See Paragraph (G) of these Terms and Conditions for more details). Should any one of these risks or uncertainties materialize or any underlying assumptions prove to be incorrect or inaccurate, actual results of the Fund may vary materially from those described in these Terms and Conditions as predicted, estimated or planned.

The above-mentioned risks are not an adequate or exhaustive explanation and summary of all risk factors in investing in the units of the Fund. It is strongly recommended that all potential investors seek independent advice from their respective advisors.

Investment in the fund does not include any guarantee that the investment will be profitable or that the investor will not incur a loss, and therefore each potential investor must consider the factors below before purchasing units in the fund. Investors are solely responsible for any material loss resulting from investment in the fund unless it is the result of fraud, negligence or misconduct on the part of the fund manager in accordance with the Real Estate Investment Fund Regulations.

9. Subscription

Subscription period

The Fund Manager will issue 65,152,440 Units (Sixty Five million one hundred and fifty two thousand four hundred and forty units) at a price of SR 10 per unit representing 40% of the Fund's total units. The Fund Manager will raise a cash amount of SAR 651,524,400 (six hundred and fifty one million five hundred and twenty four thousand four hundred Saudi riyals) during the initial offering period. The Initial Offering Period shall be for a period of 15 working days from the date of 29/7 / 1439H corresponding to 15/4/2018 and continuing until the date of 17/8 / 1439H corresponding to 03/5/2018.

The following is a timetable showing the expected dates the date of commencement of units and until the commencement of trading units

Event	Time Frame
Start date of Subscription	from 2018***
End date of Subscription	from 2018**
Subscription period	15 working days
Acquisition of real estate assets. and listing of funds unit on Tadawul	90 calendar days from the closing date of the subscription
Refund of surplus after participation in the fund and allocation of units	Allocation of units (10 working days after the end of subscription)
Refund of participants ' funds if the minimum required is not collected	Refund of surplus funds (5 working days after allocation)

I) Public Offering:

(a) Subscription for the Fund through Saudi Fransi Capital

1-General conditions of subscribing in the fund by category

A. Individuals

It includes natural persons who hold Saudi nationality, citizens of the Gulf Cooperation Council, and natural persons residing in the Kingdom of Saudi Arabia under a resident identity, considering the system of non-Saudi ownership and investment of real estate.

Documents required for individuals are as follows:

- Valid ID.
- Having an active investment portfolio with a licensed person.
- Having an IBAN account number registered in the name of the subscriber, who wishes to subscribe for the Fund. The subscriber shall transfer the subscription amount from such account and receive the refund of the surplus on the same after allocation.
- Submit all subscription documents (Signed copy of the Terms & Conditions, signed subscription form, copy of the bank transfer, copy of ID signed by the investor)

Documents required for minors and incapacitated individuals:

- Individuals under the age of 18 Hijri years may subscribe through the guardian or trustee.
- For a minor under 18 Hijri years, a copy of the national ID or residence of the minor along with the ID of the guardian or trustee shall be provided.
- If the client is a Saudi national under 15 Hijri years, the family register in which the minor is added and the national ID of the guardian or trustee must be attached.
- If the client is under 18 years old and under trusteeship, a copy of the trusteeship deed issued by the competent court must be attached.
- An incapacitated person may subscribe through the guardian or trustee, provided that the incapacitated client has an investment portfolio with a licensed person.

(B). Entities:

Includes institutions, companies, investment funds, government agencies and other legal entities in the Kingdom of Saudi Arabia that are wholly owned by natural persons of Saudi Arabian nationality.

Documents required for companies:

- Copy of the commercial register with the company's seal.
- Copy of the Articles of Association and By-Laws with the company's seal.
- Copy of the authorized signatory's ID with the company's seal and signed by the authorized person.

Required documents for investment funds:

- Copy of the Fund Manager's commercial register with the company's seal.
- Copy of the Articles of Association and By-Laws of the Fund Manager with the company's seal.
- Copy of the business license of the Fund Manager.
- Copy of the Fund's Terms and Conditions.
- Copy of CMA's approval of the Fund.
- Copy of the authorized signatory's ID with the company's seal and signed by the authorized person.
- .

Required documents for investment portfolios:

- Copy of the ID of the investment portfolio holder.
- Copy of the Portfolio Manager's commercial register with the company's seal.
- Copy of the Articles of Association and By-Laws of the Portfolio Manager with the company's seal.
- Copy of the business license of the Portfolio Manager.
- Copy of the investment portfolio management agreement.
- Copy of the authorized signatory's ID with the company's seal and signed by the authorized person.

2- Subscription mechanism

First step – Obtaining the Terms and Conditions

Participants wishing to participate are required to obtain a copy of the terms and conditions by visiting the website of the fund manager or the website of the Capital Market Authority or the website of the Saudi Stock Exchange (Tadawul) or by visiting the office of the Saudi Fransi capital.

Step 2 – Fill out the subscription form

The subscriber shall fill out the full subscription form by visiting the website of Saudi Fransi Capital. Only one subscription form shall be filled by each subscriber who is subscribing for himself and his/her family members who are enrolled in the family register if the family members are to participate in the same number of units as the main joint application. It will result in the following:

- All units will be assigned to the main subscriber and the dependent investors will be registered in the name of the main subscriber.
- Surplus amounts for unallocated units will be refunded to the main subscriber and dependent subscribers.
- The prime subscriber will receive all dividends distributed in respect of the units allocated to himself and dependent sub-scribers (in case units are not sold or transferred).

Step 3 – Acceptance of terms and conditions

The Terms and Conditions shall be electronically approved and this shall be considered as a declaration of reading and acceptance thereof.

Step 4 – Transfer the subscription amount

A temporary bank account number (IBAN) will be sent by the fund manager to for each subscriber. The subscriber shall transfer the entire amount of before the end of the subscription period at the latest by 5 p.m.

Step 5 – Confirmation receipt of the subscription application

The fund manager will send the customer a confirmation of the subscription application via a text message to the registered mobile number or via e-mail.

Step 6 – Acceptance of subscription application

The subscription request will be reviewed within three working days from the date of receipt of the subscription request. If the subscription request is not complete or there are any feedback, the client will be notified through a text message or an e-mail to complete the applications within one working day.. If the application is complete, the customer will be notified of the acceptance of the subscription request.

The fund manager has the right to accept or reject the application for subscription. If the subscription is rejected, the relevant subscription amount shall be refunded to the subscribers investment portfolio within five (5) working days of the closing date (less any bank charges, bank transfers or currency exchange charges incurred).

Step 7 – Notice of Allocation

After closing the subtraction period and accepting contributions, the units will be allocated to the participants in accordance with the allocation mechanism specified in subsection (4) of this regulation. A notice to that effect will be

given to CMA and the results of the final offering and unit allocation will be declared through the Fund Manager's website within ten business days.

Step 8 – Refund of surplus amounts and listing

After the final allocation announcement, any surplus subscriptions will be refunded to subscribers without any deductions other than deducting the value of the assigned units. Allocated units will be assigned to subscribers investment portfolios within 10 working days.

(b). Participation in the Fund through other receiving agents:

It includes natural persons who hold Saudi nationality, citizens of the Gulf Cooperation Council, and natural persons residing in the Kingdom of Saudi Arabia under a resident identity, considering the system of non-Saudi ownership and investment of real estate.

1-Through Banque Saudi Fransi

An investor may subscribe, provided that he has a bank account with Banque Saudi Fransi and an active investment portfolio with any person licensed by CMA. The investor will subscribe only through the electronic channels of Banque Saudi Fransi after accepting the Terms and Conditions.

- The investor shall have a current account in the name of the prime subscriber with Banque Saudi Fransi (in the absence of an account, a current account must be opened with Banque Saudi Fransi).
- The investor shall have an investment portfolio in the name of the prime subscriber with any of the persons licensed by CMA.
- The investor shall review and accept the Terms and Conditions of the Fund through the Receiving Agent's website www.alfransi.com.sa.
- The investor shall, on any day during the offering period, submit an application for subscription for the Fund as of the beginning of the subscription period through the Bank's website www.alfransi.com.sa (the subscription page of "Bonyan REIT Fund") and filling the subscription form.
- It is not required to attach a copy of the national ID for individuals or the family register if the subscription includes dependents.
- A client will not be able to modify the data in the subscription form after filling it, but he can cancel the subscription by contacting the Receiving Agent before maximum 5 pm on the last day of the offering period.

2- Through Al Rajhi Bank

An investor may subscribe, provided that he has a bank account with Al Rajhi Bank and an active investment portfolio with any person licensed by CMA. The investor will subscribe only through the electronic channels of Al Rajhi Bank after accepting the Terms and Conditions.

- The investor shall have a current account in the name of the prime subscriber with Al Rajhi Bank (in the absence of an account, a current account must be opened with Al Rajhi Bank).
- The investor shall have an investment portfolio in the name of the prime subscriber with any of the persons licensed by CMA.
- The investor shall review and accept the Terms and Conditions of the Fund through the Receiving Agent's website www.alrajhi.com.sa.

- The investor shall, on any day during the offering period, submit an application for subscription for the Fund as of the beginning of the subscription period through the Bank's website www.alrajhi.com.sa (the subscription page of “Bonyan REIT Fund”) and filling the subscription form.
- It is not required to attach a copy of the national ID for individuals or the family register if the subscription includes dependents.
- A client will not be able to modify the data in the subscription form after filling it, but he can cancel the subscription by contacting the Receiving Agent before maximum 5 pm on the last day of the offering period.

3-Through National Commercial Bank

An investor may subscribe, provided that he has a bank account with NCB and an active investment portfolio with any person licensed by CMA. The investor will subscribe only through the electronic channels of NCB after accepting the Terms and Conditions.

- The investor shall have a current account in the name of the prime subscriber with NCB (in the absence of an account, a current account must be opened with NCB).
- The investor shall have an investment portfolio in the name of the prime subscriber with any of the persons licensed by CMA.
- The investor shall review and accept the Terms and Conditions of the Fund through the Receiving Agent's website www.alahli.com.
- The investor shall, on any day during the offering period, submit an application for subscription for the Fund as of the beginning of the subscription period through the Bank's website www.alahli.com (the subscription page of “Bonyan REIT Fund”) and filling the subscription form.
- It is not required to attach a copy of the national ID for individuals or the family register if the subscription includes dependents.
- A client will not be able to modify the data in the subscription form after filling it, but he can cancel the subscription by contacting the Receiving Agent before maximum 5 pm on the last day of the offering period.

4-Through Riyadh Bank

An investor may subscribe, provided that he has a bank account with Riyadh Bank and an active investment portfolio with any person licensed by CMA. The investor will subscribe only through the electronic channels of Riyadh Bank after accepting the Terms and Conditions.

- The investor shall have a current account in the name of the prime subscriber with Riyadh Bank (in the absence of an account, a current account must be opened with Riyadh Bank).
- The investor shall have an investment portfolio in the name of the prime subscriber with any of the persons licensed by CMA.
- The investor shall review and accept the Terms and Conditions of the Fund through the Receiving Agent's website www.riyadbank.com.
- The investor shall, on any day during the offering period, submit an application for subscription for the Fund as of the beginning of the subscription period through the Bank's website www.riyadbank.com (the subscription page of “Bonyan REIT Fund”) and filling the subscription form.
- It is not required to attach a copy of the national ID for individuals or the family register if the subscription includes dependents.
- A client will not be able to modify the data in the subscription form after filling it, but he can cancel the subscription by contacting the Receiving Agent before maximum 5 pm on the last day of the offering period.

5- Through Samba bank

An investor may subscribe, provided that he has a bank account with Samba Bank and an active investment portfolio with any person licensed by CMA. The investor will subscribe only through the electronic channels of Samba Bank after accepting the Terms and Conditions.

- The investor shall have a current account in the name of the prime subscriber with Samba Bank (in the absence of an account, a current account must be opened with Samba Bank).
- The investor shall have an investment portfolio in the name of the prime subscriber with any of the persons licensed by CMA.
- The investor shall review and accept the Terms and Conditions of the Fund through the Receiving Agent's website www.samba.com.
- The investor shall, on any day during the offering period, submit an application for subscription for the Fund as of the beginning of the subscription period through the Bank's website www.samba.com (the subscription page of “Bonyan REIT Fund”) and filling the subscription form.
- It is not required to attach a copy of the national ID for individuals or the family register if the subscription includes dependents.
- A client will not be able to modify the data in the subscription form after filling it, but he can cancel the subscription by contacting the Receiving Agent before maximum 5 pm on the last day of the offering period.

Notes

The customer must confirm the accuracy of the data and the documents submitted. Saudi Fransi Capital is not liable for any errors.

If more than one application is made by the same person, the first subscription will be accepted.

(c) Minimum subscription

During the initial subscription period the minimum subscription shall be at least 100 units at a subscription rate of SAR 10 per unit.

(d) Maximum subscription limit

During the initial subscription period the maximum subscription shall be upto of 8.1 million units worth 10 riyals per unit equivalent to 81 million Saudi Riyals.

The fund manager will take all reasonable steps during the subscription period which may be necessary to ensure at all times:

- The fund should include a minimum number of 50 unit owners from the public.
- At least 30% of the units of the Fund are owned by public unitholders.

II) In-kind Participation:

The fund manager will issue 97,728,660 units in the fund (representing 60% of the fund's units) to the sellers of the initial real estate as an in-kind contribution in exchange for the payment of a portion of the value of the initial real estate assets.

III) Participation by the Fund Manager:

Neither the fund manager nor its affiliated companies will invest in the fund during the subscription period or after the listing of the Fund's units on Tadawul.

IV) Allocation mechanism:

The fund manager shall notify each participant within three working days from the date receipt of full application on the acceptance or refusal of the subscription request. If the subscription is accepted, confirmation will be sent to the participants, which will include the final subscription amount. If the contribution amount for a participant is rejected, the relevant contribution amount will be refunded to the participant's investment portfolio within fifteen working days from the closing date (less any bank charges, bank transfers or currency exchange charges). The fund manager will provide a statement of the results of the offering to CMA within 10 working days of the closing date.

Taking into account former subsection (2) on in-kind participation and subject to the updating of the registration and listing requirements as set out below. The units are allocated after the closing date according to the following:

- a) If the total amount of subscription from all participants (including the contribution in kind) is the lower than SAR 1,628,811,000, the fund will be terminated and all subscription amounts will be refunded to participants within five working days from the date of the cancellation (less any bank charges, bank transfers or currency exchange charges).
- b) If the total amount of subscription from of all participants (including in-kind contribution) is equal to the sum which is required to be collected (SAR 1,628,811,000); all offering units will be allocated as follows:
 - 1) Priority of issuance of units shall be for the existing owners of initial real estate who will be issued units in the fund for their in-kind subscription. The units issued to existing owners will be 60% of the total fund units.
 - 2) Upon completion of the allocation for the initial owners of real estate assets, units will be allocated to all participants, each subscriber by the amount of their contribution.
- c) if the total subscription amount from all participants (including in-kind contribution) exceeds the amount to be collected, which amounts to SAR 1,628,811,000 (that is after deduction of any applicable charges or fees), the allocation of units will be allocated as follows:
 - 1) Priority of issuance of units shall be for the existing owners of initial real estate who will be issued units in the fund for their in-kind subscription. The units issued to existing owners will be 60% of the total fund units.
 - 2) Upon completion of allocation to the owners of initial real estate assets, other subscriptions will be dealt with and the remaining value after the offering will be allocated as follows:
 - I. If the number of participants subscribing to the subscription is less than 651,524 subscribers, a number (100) units will be allocated to each subscriber, then the remaining units shall be allocated on a pro rata basis to the subscribers, and the surplus funds shall be refunded within maximum five (5) business days from the closing date of the offering period

- II. If the number of participants participating in the subscription equals 651,524 subscribers, the number of 100 units per subscriber shall be allocated, and the surplus funds shall be returned within (5) working days from the the closing date.
- III. If the number of participants participating in the subscription is more than 651,524 subscribers, the number of units below the minimum contribution will be allocated equally to all participants and the surplus funds shall be returned within 5 working from the closing date.

The Fund's unitholders waive the right of first refusal, and therefore any property of the fund will be sold according to the investment strategy of the Fund.

V) Cancellation and Refunds

The initial offering may be cancelled and all subscription amounts shall be refunded to investors in the following cases (unless otherwise is decided by CMA):

- a) inability to collect minimum subscription amounting to SAR 1,628,811,000.
- b) The number of public unit holders is less than 50.
- c) Less than 30% of the units have been subscribed to by the public.
- d) In the event of inability to transfer ownership of the initial assets to the fund.
- e) For another reason identified by the fund manager after approval by CMA.

If the offering is cancelled, all subscription amounts and subscription fees received will be refunded to the investment account of the subscriber within ten business days from the date of cancellation (less any incurred bank charges, bank transfers or currency exchange charges).

Fund Size

The size of the fund is SAR 1,628,811,000 (one billion , six hundred and twenty eight million eight hundred and eleven thousand Saudi Riyals), divided into 162,881,100 units of a value of 10 riyals (ten riyals) per unit.

Type of Subscription	Numbers of Units	Value of units (SAR)	Percentage of fund value
In-kind participation	97,728,660	977,286,600	60%
Cash Subscription	65,152,440	651,524,400	40%
Total fund Size	162,881,100	1,628,811,000	100%

Cash contribution

The fund manager will offer 65,152,440 units (sixty-five million, one hundred and fifty two hundred forty four units) at the price of SAR 10 per unit, accounting for 40% of the fund's total unit. The fund manager aims to raise a cash amount of SAR 651,524,400 (six hundred and fifty one million, five hundred and twenty four thousand four hundred Riyals) during the subscription period.

In-kind participation

The seller of real estate asset will participate in the fund during the initial offering through in kind units issued in the fund equal to 60% of the total size of the fund.

Seller	Number of Units	Value of units (SR)	Ownership ratio of each participant from the fund
Bonyan Real Estate Fund Company	97,728,660	977,286,600	60%

It should be noted that the Bonyan Real Estate Fund Company LLC belongs is owned by Abdul Rahman al-Rashed and Sons as follows:

Company Name	Ownership rate at the Bonyan Real Estate Fund Company (LLC)
Abdulrahman Saad al-Rashed & Sons Co. (Closed Joint Stock Company)	100%

Abdul Rahman Al Rashed & Sons Co. owns all assets through Bonyan Real Estate Company (Limited Liability), the seller of real estate assets. There is a period of prohibition on all units in kind for a calendar year from the date of commencement of trading units of the Fund and in respect of participation in kind is as follows:

Fund Unit Holder	Number of Units	Value of units (SR)	Ownership ratio of each participant from the fund
Abdulrahman Saad Al Rashed & Sons Co.	97,728,660	977,286,600	60%

Use of Subscription Proceeds

Item	SAR
Total cost of purchase of property	1,604,740,000
Capital Structuring Fees	24,071,000
Total Value of the Fund	1,628,811,000

10. Fees Charges and Commissions

All fees and charges listed below shall be borne by the Fund and shall be borne accordingly by the unit holders as follows:

1. Fees paid by unit owners upon participating in the fund.	
Subscription fees	There are no subscription fees for investors subscribing into the fund
2. Fees Payable to fund manager	
Management fees	<p>Management fees are calculated at 0.50% per annum of the total value of fund assets after deduction of expenses and is paid on a quarterly basis.</p> <p>The management fee of SFC will cover the cost related to Sub-Fund administration function that is outsourced by Fund Manager to (APEX).</p>
Capital Structuring Fee	The Fund will pay the Fund Manager an equity structuring fee (the "Structuring Fee") equal to 1.5% of the Subscription Amounts raised during the Initial Offering Period or on any subsequent equity raised by means of rights issue or in-kind contributions. The Equity Structuring Fee shall be payable once immediately upon the closing of any equity raising arrangement in return for the fund manager conducting the necessary investigation, negotiating the terms of purchase or sale and completing the process. The structuring fee is payable upon completion of the purchase or sale of each real estate asset and will be deducted from the fund and this fees will apply to the initial assets of the acquisition.
Transaction expenses	The fund will incur all transaction/transaction expenses such as sale, purchase, acquisition of assets and consultancy and legal costs. In addition, commissions may be paid for buying and selling or any other expenses or costs associated with purchases, sales or other transactions associated with the work and activities of the Fund, whether for other parties with contractual relationships to IFAD projects, related parties, governmental or official bodies, or service providers. Such expenses will be disclosed (if any) in the financial disclosure summary at the end of each year, but not exceeding 1% of the total value of the fund's assets.
3. Brokers fees	
Brokers Fees	None
4. For services provided by the Custodian	
Custody Fees	<p>0.025% per annum of the Fund's net assets</p> <p>SAR 30,000 per year for the Zakat certificate and financial statements</p> <p>SAR 60,000 for the establishment of a Special Purpose Vehicle (SPV) (one-time payment)</p>
5. For services provided by the Auditor	
Audit Fees	The auditor will receive a a total fees of SAR 140,000 per year
6. Commissions resulting from financial loans	
Financing expenses	The Fund shall bear all costs of financing including fees and expenses related to the arrangement and structure of the Fund's loans if any and interest payments on such loans at prevailing market rates.
7. Registration fees and other administrative services	

Property Manager Fees	Annual fees equal to 5% of the net revenue for real estate managed by the property manager where he/she is responsible for the management, marketing and maintenance of the property and for the search for an alternative tenant . In the case where real estate which has an operator, the property manager will earn a fee equivalent to 1% of net revenue of these properties as the operator will work on the management, maintenance and operation of the asset and the property manager shall work in collaboration with the operator.
Development fees	The Fund Manager will negotiate on development fees which will be borne by Fund and paid to developers on an arm's-length basis and in compliance with market rates with a maximum of 15% from the development cost. For the avoidance of doubt, the Fund has not incurred any development fees in relation to the Initial Real Estate Assets.
Fees for independent Real estate Appraisers	The Fund shall bear all the costs of real estate appraisers and according to the market price, and in any event only the actual fees and charges will be deducted in the future.
Fees for engineering and consultancy service providers	The Fund shall bear the actual expenses related to the technical and engineering services that may be required by the fund manager to ascertain the work of the property Manager/Developer/or any of the contractors, including, but not limited to: making sure the project is functioning, the quality of the business execution, the claims, etc. In any case, only actual fees and charges will be deducted and will be capped at 15% of the project establishment costs.
Remuneration of independent members of the Fund Board *	The independent members of the Fund Board will receive SAR 100,000 per annum, to be paid at the end of each year.
Listing and registration fees	The fund will be charged for services provided by the Tadawul, and the fees shall be as follows: <u>Registration Fees</u> <ul style="list-style-type: none"> – SAR 50,000, plus SAR 2 per Unitholder, subject to a maximum of SAR 500,000 shall be paid to Tadawul in return for setting up a register of Unitholders; and – SAR 400,000 shall be paid to Tadawul in return for managing the register of Unitholders. This fees can vary from time to time depending on the Fund's capital size <u>Listing Fees</u> <ul style="list-style-type: none"> – SAR 50,000 as initial listing fees; and – 0.03% of the market value of the Fund (subject to a minimum of SAR 50,000 and a maximum of SAR 300,000) annually.
Regulatory Fees	SAR 7,500 to be paid to CMA annually
Fees of publishing information on Tadawul's website	SAR 5,000 per annum is paid in exchange for the dissemination of information on Tadawul. The fees will be prorated for the number of days of the year, and the fees payable shall be paid annually.

8. Other fees and expenses.

Other expenses	<p>The Fund shall be liable for all costs and expenses attributable to the activities, investments and divestments of the Fund. Expenses related to third party services such as legal, advisory, accounting, asset valuation, governmental costs paid to regulators and the CMA, related insurance costs and other professional services in addition to income purifications costs (if any), bank charges including those relating to transfer charges between bank or investment accounts, or any other incidental expenses (including, but not limited to, the expenses and costs of establishing the Fund, expenses relating to the printing and distribution of the annual reports of the Fund and any other expenses or fees due to persons dealing with the Fund in respect of administrative and operational services, unit holder meeting expenses).</p> <p>These will not exceed 1% (1 per cent) of the gross value of the Fund's assets annually, and in all cases only the actual charges and fees shall be deducted.</p>
Zakat	<p>The fund bears annual zakat expenses in accordance with the rules and regulations of the General Authority of Zakat and Income, starting from the fiscal year 2019 AD, in return for completing the fund's registration with the General Authority of Zakat and Income for the purposes of Zakat.</p> <p>The fund manager will undertake all the requirements before the General Authority for Zakat and Income in accordance with the relevant laws and regulations, including providing it with the required declarations and is obligated to submit them and pay zakat until the end of the fund period.</p>
Value-Added tax	<p>All fees and charges mentioned herein and / or any related documents do not include VAT unless otherwise specified. If VAT is imposed or may be imposed on any service provided to the Fund, the Fund will pay the Service Provider (in addition to any other charges or expenses) a sum equal to the value of the VAT on the VAT invoice of the Service concerned. If VAT is imposed or may be imposed on any service provided by the Fund, the Customer will pay Fund (in addition to any other charges or expenses) a sum equal to the value of such VAT.</p>

Early redemption fees**Not applicable**

The fees, commissions and expenses due to Fransi Capital or other parties do not include VAT and the tax will be charged separately according to the prices set forth in the VAT system and its executive regulations. The Fund Manager also acknowledges that the fees mentioned in the above table are all fees charged to the Fund during the Fund's period without exception. The Fund Manager is fully responsible for the calculation of fees other than those mentioned in the above table.

Method of calculation of fees

Type of fee	Rate imposed	Amount charged (SAR)	Calculation method	Payment Terms
Management fees	0.50%	-	Calculated daily from the total asset value of the fund after deduction of expenses (net asset value X percentage)	Paid annually
Subscription fees	0%	-	No subscription fees for investors in the fund	-
Capital Structuring Fee	1.5%	-	Capital structuring fees are calculated when buying or selling a real estate asset (Total purchase or sale price for each real estate X percentage)	Paid once upon any purchase or sale
Custody Fees	0,025%	-	Calculated daily from the total asset value of the fund (total value of assets X per cent)	Paid annually
Custody Fees	-	30,000	Calculated on a daily basis, by dividing the fee proportionally by the number of days of the year	Paid annually
Custody Fees	-	60,000	Payment to Custodian for establishment of Special Purpose Vehicle	Paid once when the Fund is established
Auditor Fees	-	140,000	Calculated on a monthly basis, by dividing the fee proportionally by the number of days of the year	Paid as per the agreement signed with the auditor
Financing expenses	Such expenses will be disclosed in the financial disclosure summary at the end of the year.			
Property manager's fees where there is not real estate operator	5%	-	From net revenue for the real estate properties where property manager is responsible for the management, marketing and maintenance of the property and for the search for an alternative tenant	Paid annually
Property manager fees with a real estate operator	1%	-	From net operating income of real estate properties which are under the supervision of the property manager while another party is responsible for the management, marketing and maintenance of the property	Paid annually
Development fees	According to the market price, these expenses will be disclosed in the financial disclosure summary at the end of the year, if any.			
Fees for independent Real estate Appraisers	These charges will be disclosed in the financial disclosure summary at the end of the year.			
Fees for engineering and consultancy service providers	Such expenses will be disclosed in the financial disclosure summary at the end of the year, if any.			

Tadawul Annual Fees for maintaining Unitholder Register	-	400,000	Calculated on a daily basis, by dividing the fee proportionally by the number of days of the year	Paid annually
Registration fees at inception	-	50,000 – 500,000	Paid in advance and charged to unit owners	Paid Once upon establishment
Listing fees	0.03%	Up to a minimum of 50,000 Saudi Riyals and a higher capacity of SAR 300,000	Market value of the fund X percentage	Paid annually
Listing fees at inception	-	50,000	Paid in advance and charged to unit owners	Paid Once upon establishment
Remuneration of independent members of the Board of Directors	The remuneration paid to Independent members of the Fund Board will be SAR 100,000 (one hundred thousand Riyals) annually per member, regardless of number of meeting.			
Regulatory fees paid to CMA	-	7,500	Calculated on a daily basis, by dividing the fee proportionally by the number of days of the year	Paid annually
Fees for publishing information on Tadawul	-	5,000	Calculated on a daily basis, by dividing the fee proportionally by the number of days of the year	Paid annually
Value-Added tax	As stipulated in the value-added tax system and its implementing regulations issued by the General Authority for Zakat and Income	-	On all fund expenses if they are subject to added tax	When applicable
Other expenses	These expenses will be disclosed in the financial disclosure summary at the end of the year but up to a maximum of 1% of the total assets of the Fund			

The fund manager acknowledges that the fees listed in the above table are all the fees that will be charged to the fund during the fund period. The fund manager is fully responsible for calculating and charging the fees mentioned in the table above.

Hypothetical Example of how fees are calculated

Assuming a contribution of SAR 1,000 and a Fund Size of SAR 1 billion, the return on the funds unit after deduction of all expenses shall be as follows:

Type of Fees	Fee Amount	Fee Amount Per Unit
Custody Fees	0.025%	0.34
Audit Fees	140,000	0.14
Registration and listing fees	700,000	0.70
Regulatory fees	7,500	0.01
Publishing fees	5,000	0.01
Total investment value after deduction of expenses		998.80
Management fees	0.50%	4.99
Total of Recurring annual fees and charges		6.19
Net return on investment for one year (assuming a hypothetical 10% return for 1 year)		100
Net investment value for a year		1,093.81

11. Valuing Fund Assets:

How are fund's assets valued and frequency of Valuation

The Fund Manager shall value the Fund's real estate assets based on a valuation prepared by two independent valuers licensed by Saudi Authority for Accredited Valuers. The Fund Manager has the right to change or appoint any new valuator for the Fund without any prior notice to the Unitholders. Such appointment will be made considering the Fund Manager's fiduciary responsibility to the Unitholders.

The Net Asset Value of one Unit ("Unit NAV") will be calculated by deducting total liabilities of the Fund, including any liabilities, accrued fees, and expenses due by the Fund during the calculation period from Fund total assets, and the output will be divided by the number of the Fund Units for the same period. Such value shall be an indicative value of the Fund's unit. Valuation of the assets of the Fund may not be adequate to potential buyers in the event of liquidation or sale of real estate assets. Valuation conducted by the valuers of real estate assets is subject to assumptions used in valuations by each appraiser and is an indicative indicator of the value of real estate assets. Real estate assets may be sold at a higher or lower price as per the best demand price on the market when offering real estate assets for sale. However, the Fund Manager shall endeavor to sell any real estate asset at a price not less than the average valuation in accordance with the prevailing market conditions and the conditions of the real estate in the best interests of investors in the Fund. Total assets are the sum of all real estate assets, cash, accrued profits, and other receivables and the market value of all non-real estate investments together with the current value of any other assets held. The Fund Manager 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 purposes of determining the real estate assets Value, the Fund Manager shall use the average of the valuations conducted by two (or more) independent valuers licensed by the Saudi Authority of Accredited Valuers

The evaluation criteria are as follows:

1-Market Comparison Standard: This method provides indicators of value by comparing the asset that is evaluated with identical or similar assets for which the price information is available. The first step is to study recent transaction prices of similar assets in the market, and if the transactions that have taken place are few, it is also better to study the prices of the corresponding or similar assets listed or offered for sale. This information is should be clearly and objectively analyzed.

2-Cost Comparison Standard: This method provides indicators of value using the economic principle that the buyer does not pay for the purchase of an asset more than the cost of obtaining an asset that has the same benefit either by purchase

or construction and is based on the principle that the price paid by the buyer in the market will be no more than the cost of purchasing or creating an equivalent asset unless there are factors such as inappropriate timing and other risk factors.

3-Income Comparison Standard (Capitalization):

- This method provides indicators of value by discounting future cash flows into a single net present value.
- This method deals with the income earned by the asset during its productive life (life span) and the value is estimated through the capitalization process. Capitalization means converting the income into a capital amount using an appropriate discount rate. Income flows are generated under contracts or non-contractual arrangements based on the expected profit from the use or retention of the asset.
- The methods that fall under the income method, include capitalization by applying the risk factor or total capitalization to a single normal income period.

The total value of the fund's assets is the sum of all real and cash assets, accrued profits, receivables and market value of all non-real estate investments, as well as the present value of any other assets owned by the fund. For the purpose of valuing real estate assets, the fund manager shall use the average value obtained from two (or more) independent real estate appraisers licensed by the Saudi Authority Accredited Valuers.

The valuation of the initial real estate assets is as follows:

Saudi Asset Valuation Company (Tathmeen)			
Name of Property	Property Value	Date of Evaluation	Valuation Method
Al-Rafiah Residential complex-Riyadh	180,000,000	25/01/2018	Income comparison method (Capitalization)
Al-Ma'ther complex-Riyadh	5,707,000	25/01/2018	Income comparison method (Capitalization)
Al Rashid Strip Mall Complex-Riyadh-	23,294,000	25/01/2018	Income comparison method (Capitalization)
Al Rashid Mall – Jazan	192,468,215	25/01/2018	Income comparison method (Capitalization)
Courtyard Marriott-Jazan	84,252,215	25/01/2018	Income comparison method (Capitalization)
Marriott Inn Residence-Jazan	52,308,459	25/01/2018	Income comparison method (Capitalization)
Al Rashid Mega Mall-Medina	505,920,854	25/01/2018	Income comparison method (Capitalization)
Al Rashid Residence-Medina	64,872,058	25/01/2018	Income comparison method (Capitalization)
Al Rashid Mall- Abha	457,590,000	25/01/2018	Income comparison method (Capitalization)
Office Tower, Riyadh	112,500,000	18/05/2021	Income comparison method (Capitalization)

Valustrat			
Name of Property	Property Value	Date of Evaluation	Valuation Method
Al-Rafiah Residential complex-Riyadh	190,000,000	10/12/2017	Income comparison method (Capitalization)
Al-Ma'ther complex-Riyadh	5,400,000	10/12/2017	Income comparison method (Capitalization)
Al Rashid Strip Mall Complex-Riyadh-	21,600,000	10/12/2017	Income comparison method (Capitalization)
Al Rashid Mall - Jazan	210,000,000	90/12/2017	Income comparison method (Capitalization)
Courtyard Marriott-Jazan	92,000,000	09/12/2017	Income comparison method (Capitalization)
Marriott Inn Residence-Jizan	57,000,000	09/12/2017	Income comparison method (Capitalization)
Al Rashid Mega Mall-Medina	496,000,000	10/12/2017	Income comparison method (Capitalization)
Al Rashid Residence-Medina	71,000,000	10/12/2017	Income comparison method (Capitalization)
Al Rashid Mall- Abha	482,000,000	10/12/2017	Income comparison method (Capitalization)
City walk building (2B)69 Units	273,293,700	10/12/2017	Income comparison method (Capitalization)
Office Tower, Riyadh	110,500,000	22/04/2021	Discounted cash flow method

Knight Frank Company			
Name of Property	Property Value	Date of Evaluation	Valuation Method
City walk building (2B)69 Units	265,964,857	31/12/2017	Income comparison method (Capitalization)

	<u>Average Fair Value (SAR)</u>	<u>Acquisition Price (SAR)</u>	<u>Conditional Payment (40% of Asset Value)</u>	<u>Difference Between Acquisition Price & Fair Value (%)</u>
<u>Residential Sector</u>				
Al-Rafiah High complex	185,000,000	190,000,000	-	2.70%
AlMa'ther high Complex	5,553,500	5,500,000	-	-0.96%
City Walkk apartment building (2b) 69 units	269,629,278.5	273,000,000	-	1.25%
<u>Hospitality Sector</u>				
Courtyard Marriott	88,126,108	90,000,000	-	2.13%
Marriott Residence Inn Apartments	54,654,285	55,500,000	-	1.55%
AlRashid residence	28,400,000	42,600,000	28,400,00	4.51%
<u>Commercial Centers</u>				
AlRashid Mall-Jazan	-	206,000,000	201,234,108	2.37%
AlRashid Mega Mall - MEDINA	-	505,500,000	500,960,427	0.91%
AlRashid Mall-Abha*	148,800,000	223,200,000	469,795,000*	-20.82%
Al Rashid Strip Mall Complex	8,960,000	13,440,000	22,447,000	-0.21%
<u>Office Center</u>				
**Al Sahafa Tower	111,500,000	99,000,000		11.21%

*This price is the price of the property as a whole as evaluated by the independent evaluator and not of the utility contract

Number and timing of ratings:

The assets of the Fund will be evaluated at least twice a year, specifically on 30 June and 31 December of each calendar year, through two independent appraisers accredited by the Saudi authority for certified residents and as required by regulations issued by the Capital Market authority. The fund manager may postpone the valuation after obtaining the approval of the financial Market Authority under article 22 of the real estate investment funds regulation. If there is a difference between the value of the two evaluators, the average of the two values will be used as the fair value of the property.

Declare the net asset value per unit:

The fund manager will announce the mid-year net asset value per unit within 30 days and 40 days for the end year net asset value per unit of the respective valuation day. The announcement will be made through the website of the Saudi Stock Exchange (Tadawul) and the website of the fund manager. The reports submitted to the unit owners will also contain the net asset value of the respective fund.

The fund manager will also publish the Fund's evaluation reports on its website and the website of the Saudi Stock Exchange (Tadawul) on a regular basis as required by the regulations issued by Capital Market Authority.

Trading units of the Fund:

Upon listing, the Units may be traded in the same way as trading listed companies shares on Tadawul. Therefore, Unitholders and investors may trade during the normal trading hours announced by Tadawul and through licensed persons.

Acquiring Units from Tadawul shall be considered an acknowledgment from a buyer that it has read and accepted these Terms and Conditions.

In line with the REIT Instructions, the CMA may at any time suspend the trading of the Fund Units or cancel its listing as it deems appropriate, in any of the following cases:

1. the CMA considers it necessary for the protection of investors or the maintenance of an orderly market.
2. The Fund Manager fails, in a manner which the CMA considers material, to comply with the Law and its Implementing Regulations.
3. Failure to fulfill liquidation requirements set out in sub-paragraph (2A) and subparagraph (2B) of paragraph (b) of Clause (IV) of REIT's instructions.
4. the CMA considers that the Fund does not have a sufficient level of operations or sufficient assets to warrant the con-tinued trading of its securities on the Tadawul.

12. Fund Termination:

The Fund may be terminated in any of the following cases:

1. At the end of the term of the fund;
2. If all Fund assets are disposed and all proceeds of such dispositions have been distributed to the Unitholders;
3. there is a change to the laws, regulations or other legal conditions or there are material changes to the market conditions in Saudi Arabia and the Fund Manager considered that a justified reason to terminate the Fund;
4. In accordance with a decision issued by the Capital Market Authority or by its regulations;
5. In the event the purchase of the real estate is not completed within ninety (90) days after the Fund Manager has acquired the real estate and successfully completed the Offering Period.
6. If the amount is raised but the asset is not acquired or if the asset is acquired but units are not listed in Tadawul.

Each case requires the approval of the Fund Board and the Capital Market Authority. Unitholders and the CMA will be notified within 30 days of the occurrence of a Termination Event.

In the event of termination of the Fund because of any of the above, the fund manager will immediately initiate the fund's liquidation procedures, without prejudice to the terms and conditions of the Fund. The Fund Manager will perform liquidation tasks by terminating the fund and distributing its assets to the unit owners, taking into account the interest of the unit owners.

13. Fund Board:

Composition of the Fund Board

The Fund Board will be composed of (5) members appointed by the Fund Manager, of whom two are independent. Any amendment to the composition of the Fund Board shall be notified to the Unitholders by an announcement on the Fund Manager's and Tadawul's websites.

The Fund Board comprises the following members:

1- Mr. Shahjahan Q. Mirza, CFA - Head of Asset Management at Saudi Fransi Capital (Chairman):

Over 15 years of experience in investment management having worked in research, portfolio management, investment advisory, product development & structuring in both local and international markets. Shahjahan became the Head of Asset Management at Saudi Fransi capital in 2015. He holds a bachelor's degree in Commerce & Finance from the University of Toronto (2001) and is a CFA charterholder.

2-Mr. Sulaiman Abdul Rahman Saad al-Rashed (non-independent member):

Mr. Rashid has several years of experience in the fields of real estate and finance. He began his career in the banking sector as a corporate banker at Banque Saudi Fransi. He has been the CEO of Abdul Rahman Saad al-Rashed & Sons Company since 2012. He holds a bachelor's degree in finance from Prince Sultan University in Riyadh.

3-Mr. Mohamed El Sayed (non-independent member):

Mr. Sayed has 13 years of experience in the fields of accounting and finance. He has held several positions in the financial sector since 2004. Mr. Sayed has been the Chief Financial Officer of Abdul Rahman Saad al-Rashed & Sons Company since 2013. He holds a bachelor's degree in accounting from Alexandria University in Egypt.

4-Faisal Mohammed Abdulrahman Al-Omran (Independent member):

Mr. Alomran has 11 years of experience in the banking and investment sectors in and outside the kingdom. Faisal Al-Omran began his career as a financial analyst at Banque Saudi Fransi in 2002 and then moved to SABB Bank where he worked as a relationship manager for 2 years. He continued his career with firms such as Investcorp until he became co-founded his own real estate advisory firm, Neo Capital, operating between London, Dubai and Saudi Arabia. He holds a bachelor's degree in accounting from King Saud University in Riyadh.

5- Hesham Abdulaziz Al Zaid (Independent member):

Mr. Hesham has a 10 years' experience in financial advisory, fund management, in addition to Real estate investment sector. Hesham Al-Zaid started his career as an analyst at KPMG Al-Fawzan & Partners in 2011 and then moved to Alinma Bank as an investment fund manager for two years, and continued his career until he became the general manager of Real estate investment department at Awqaf Investment Company. He holds a bachelor's degree in Finance from King Fahd University in the Eastern Province.

Total Remuneration to be paid to Independent members of the Fund Board

The remuneration paid to Independent members of the Fund Board will be SAR 100,000 (one hundred thousand Riyals) annually per member, regardless of number of meeting.

Qualifications of Fund Board Members

The fund manager acknowledges that all members of the Fund's board:

1. are not subject to any bankruptcy or liquidation proceedings
2. have not previously committed any fraudulent, dishonest or untrustworthy act; and
3. have the necessary skills and experience to qualify as members 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.

The nature of the services provided by the members of the Board of Directors

The responsibilities of the Fund Board:

The responsibilities of the fund board include but are not limited to the following:

1. ensuring that the Fund Manager carries out its responsibilities in a manner that would achieve the overall interest of Unitholders in accordance with these Terms and Conditions and the Real Estate Investment Funds Regulations and the REIT Instructions;
2. approving all material contracts, decisions and reports involving the Fund, including but not limited to development agreements, custody agreements, marketing agreements and valuation reports;
3. approving these Terms and Conditions and any amendments thereto;
4. ratifying any conflict of interests disclosed by the Fund Manager;
5. approving the appointment of the auditor nominated by the Fund Manager;
6. meeting at least twice annually with the compliance officer of the Fund Manager and AML/counter-terrorism reporting officer to ensure that the Fund Manager is in compliance with all applicable rules and regulations
7. ensuring that the Fund Manager discloses all material information to Unitholders and other stakeholders; and
8. working in good faith, reasonable care and diligence to achieve the overall interests of the Fund and Unitholders

The fund manager shall provide all necessary information relating to the Fund's matters to all members of the Board of the Fund to assist them in carrying out their duties.

Other Funds Represented by members of the Fund Board

Fund Board Member Name	Fund	Fund Manager	Membership Type
Shahjahan Mirza	Taleem REIT	Saudi Fransi Capital	Fund Board Chairman
Mohamed El Sayed	None		
Faisal AlOmran	None		
Sulaiman Al Rashed	None		
Hesham Al-Zaid	None		

Meetings of the Board of Directors of the Fund

The Fund Board shall hold a meeting upon the call of its chairman, which is expected to be at least twice every Year. The chairman may convene an urgent meeting of the Fund Board whenever he deems it necessary. The chairman must convene the board whenever so requested by the Fund Manager or any two (2) members of the Fund Board. The Fund

Board shall meet at least twice every year with the Compliance Officer of the fund manager. The Compliance and AML officer has the responsibility to ensure that the fund manager is committed to all governing regulations.

The Board meeting of the Fund shall only be valid only if it is attended by at least 3 members. The decisions of the Fund Board shall be issued with the consent of the majority of members. If votes are equal, the Chairman of the Fund Board shall have a casting vote.

The Fund Board may make resolutions in urgent matters by circulation, via fax or by email; provided that any such resolution shall be presented to the Fund Board in its first subsequent meeting for official documentation.

The Fund Board shall document its meetings, prepare minutes of deliberations and discussions, including the voting processes that are carried out. Such minutes shall be kept, organized and properly maintained for ease of reference.

A member of the Fund Board may not vote on any resolution of the Fund Board concerning any matter where said member has any interest, whether direct or indirect. Such interest must be disclosed to the Fund Board.

14. Fund manager:

Name and address of the fund manager

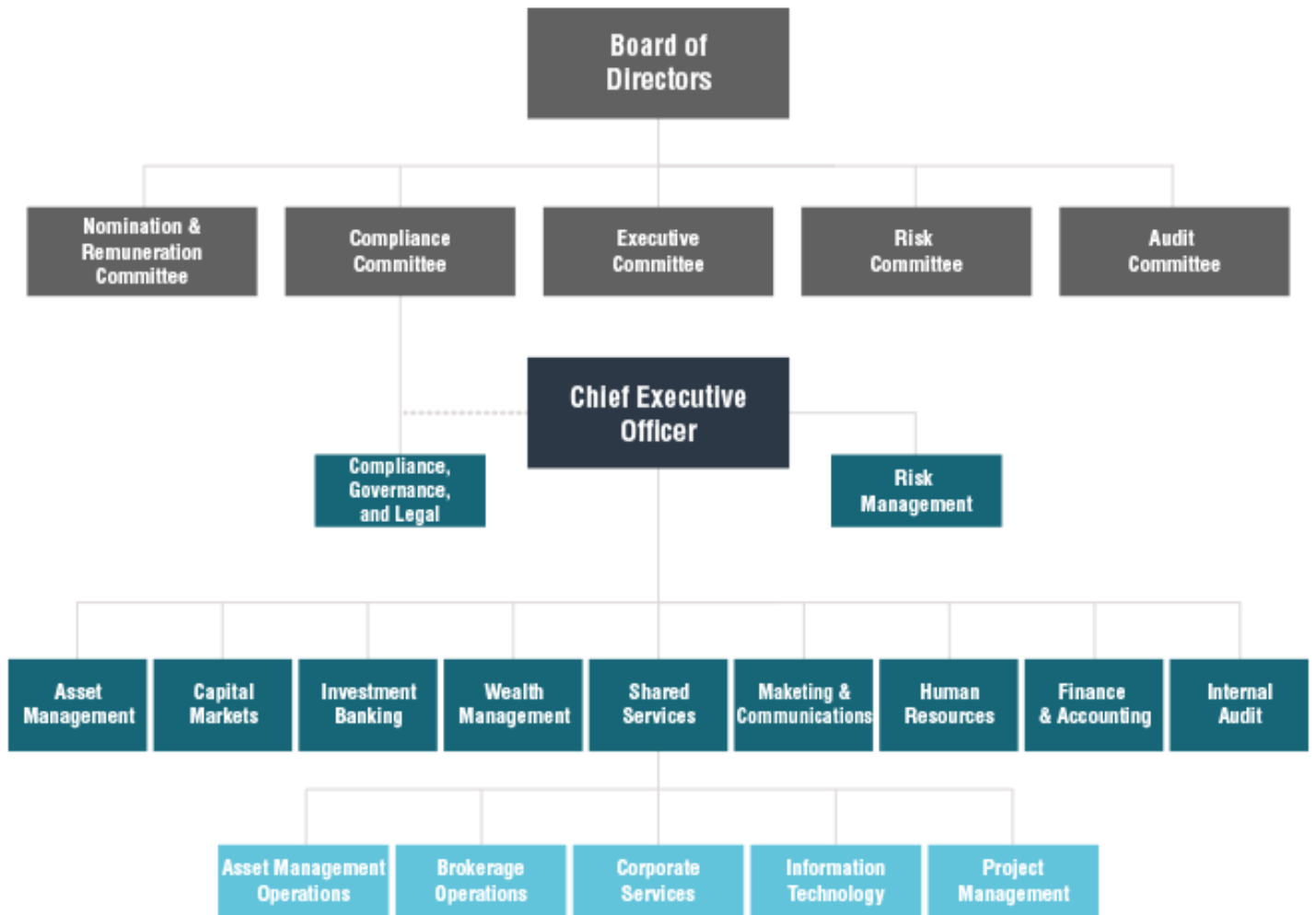
Saudi Fransi Capital

P.O. Box 23454 Riyadh 11426 Saudi Arabia

Phone: 966 11 2826666

Website: www.sfc.sa

Organizational Structure of the Fund Manager:



Organizational Structure of Asset Management Department:



There are 20 employees in the asset management department.

About the Company

Saudi Fransi Capital is the investment arm of Banque Saudi Fransi, established with a paid up capital of SAR 500 million as a closed joint stock company in the Kingdom of Saudi Arabia (converted from limited liability to CJSC on 29 Rabi Al Awwal, 1438). It is licensed by the Capital Market Authority to conduct the full range of investment activities including dealing, arranging, managing, advising and custody of securities. The head office of the company is in Riyadh but it has a network of branches distributed throughout the Kingdom of Saudi Arabia.

Fund Manager's License

Saudi Fransi Capital is licensed under the Authorized Persons Regulations and is under the supervision and control of the Capital Market Authority under license No. (37/11153) dated 26/02/1432 (30/01/2011).

Main types of Activities

Asset Management

Saudi Fransi Capital is one of the leading providers of managed investment solutions for individuals, corporations and institutions. The extensive range of products and services that are offered reflects our drive to satisfy each client's unique needs. Today, our range of products covers equity, fixed income, money markets, and alternative investments such as real estate, hedge funds, structured products, and private equity. The number of products currently stands at 54 covering all major asset classes. This number includes all our public and private funds but excludes our closed-ended private placements.

Investment Banking

Saudi Fransi Capital is actively involved in raising capital through the equity and debt capital markets and providing strategic and mergers and acquisitions advisory in the Kingdom of Saudi Arabia and the region. Our services include advising and arranging sukuk and bonds, initial public offerings, rights issues, private placements, mergers and acquisition, and capital and debt restructuring. We also provide advisory services for companies abroad that wish to cross list on the Saudi stock exchange.

Brokerage

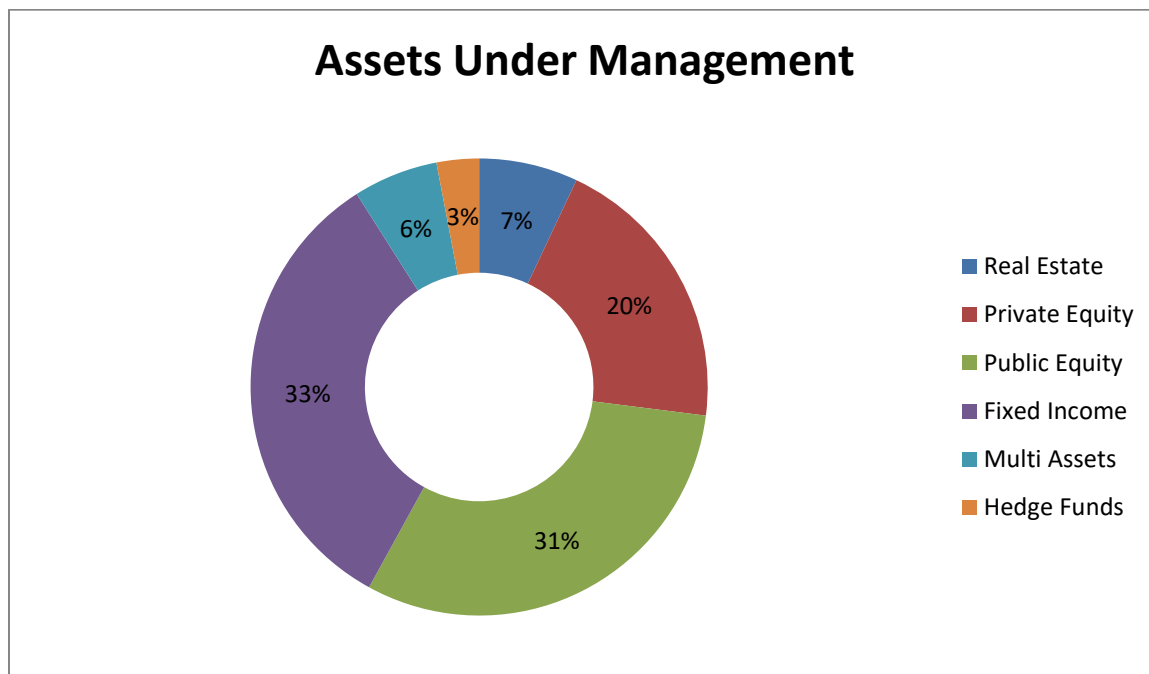
Saudi Fransi Capital's brokerage services is comprised of local, regional and global equity markets, swaps on equity, exchange traded funds, options, fixed income and margin lending facilities both conventional and Sharia compliant. We provide different interfaces for our trading platform whether the client requires in-person service, over the telephone, or through a web or smart device application.

Specialized Institutional Services

Saudi Fransi Capital attends to the needs of financial institutions by constantly developing new and innovative services in sales & trading, custody and sukuk agency services. Also, we facilitate access to the Saudi equity market for qualified financial institutions and provide them numerous services. Our clients include banks, mutual funds, pension funds, hedge funds, insurance companies, brokers and other financial institutions around the world.

Research

Through Saudi Fransi Capital's exclusive focus on Saudi equities, our research provides fundamentally driven investment ideas to a diverse range of users with coverage representing the overall market capitalization across major sectors. Research forms an integral part of our equity sales effort by highlighting key investment themes and uncovering tradable ideas. In addition, we issue strategy reports to assist sophisticated investors in navigating volatile markets. Reports are issued in English and Arabic.



These assets are managed through private investment portfolios (DPMs) or through public funds (15 funds), private funds and private placement managed by the Fund Manager

Fund manager Services

The Fund Manager shall appoint an investment portfolio manager registered with the CMA in accordance with the Authorized Persons Regulations issued by the CMA to oversee management of the Fund.

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

- Identifying investment opportunities and carrying out the sale and purchase of the Fund's assets;
- setting out the decision-making procedures that should be followed when executing the business and projects of the Fund;
- informing the CMA of any material event or development that might affect the Fund's business;
- complying with all laws and regulations valid in the Kingdom relating to the Fund's business;
- managing the Fund's assets for the benefit of the investors in accordance with the Terms and Conditions; ensuring the legality and validity of all contracts concluded for the benefit of the Fund;
- implementing the Fund's investment strategies described herein;
- arranging, negotiating and executing Shariah-compliant debt financing documentation on behalf of the Fund;
- appointing the Shariah Board and securing their approval that these Terms and Conditions are in compliance with Islamic Shariah;
- overseeing the performance of the Fund's contractual counterparties;

- arranging the liquidation of the Fund upon its termination;
- providing the Fund Board all necessary information relating to the Fund to enable the Fund Board members to perform their responsibilities completely; and
- providing the Fund Board all necessary information relating to the Fund to enable the Fund Board members to perform their responsibilities completely.

The fund manager is also responsible for any losses incurred by the Fund as a result of the fund manager's negligence or willful misconduct.

Material Conflicts of Interests

As of the date on which these Terms and Conditions are prepared, there are no transactions involving material conflicts of interests between the Fund, the Fund Board and any third parties. However, board members (i) Suleiman Saad Abdul Rahman al-Rashed and (ii) Mohammed Al Sayed are representative of the sellers of the real estate assets acquired by the fund and the Fund's property manager.

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

Potential for a substantial conflict that would affect the fund manager in the performance of his duties to the fund

Except for the conflicts disclosed in the section (Conflict of interest) of these terms and conditions, there is no material conflict of interest for the fund manager, either internally or with any other third party, which is likely to affect the performance of the fund manager's obligations to the Fund.

If any conflict of interest is to arrive in future, the fund manager commits to:

1. Disclose the conflict of interest to the Fund's board of directors
2. Disclose conflicts of interest in the terms and conditions of the Fund and its periodic reports
3. Immediately disclose the conflicts of interest that may arise during the operation of the Fund

Delegation to third parties

The fund manager has not assigned a third party to manage the fund.

Participation of the fund manager during the subscription period:

Neither the fund manager nor its affiliated companies will invest in the fund during the subscription period or after the listing of the Fund's units on Tadawul. Affiliates would mean any other legal person who may be under the direct or indirect control of the fund manager.

15. Profit Distribution policy:

The fund will distribute at least (90%) of the fund's annual net profits to the unit owners semi-annually at the end of October and at the end of April of each calendar year, except for unrealized capital gains that may come from the appreciation of real estate.

Capital gains from the sale of real estate assets will be invested money market instruments until suitable real estate assets are identified for acquisition by the fund. If no new investment opportunities are identified within one year of receipt of proceeds from the sale of an asset, fund manager will distribute such amounts with the upcoming dividend.

16. Mechanism for increasing the capital of the fund:

In the event that the fund manager decides to increase the capital of the fund, the fund manager will follow the procedures as stipulated in the regulations issued by the Capital Market Authority.

17. Meeting policy for unitholders:

1. The Fund Manager may, at its choice, call for a meeting of Unitholders.
2. The Fund Manager must call for a meeting of Unitholders within 10 days from receiving a written request to that effect from the Custodian.
3. The Fund Manager shall call for a meeting of Unitholders by announcing the invitation on its website and that of Tadawul, and by sending a notice in writing to all Unitholders and the Custodian giving a minimum of 10 days' notice and a maximum of 21 days' notice of the meeting. The announcement and notice must specify the date, place and time of the meeting and the proposed agenda. The Fund Manager must, at the time of sending a notice to Unitholders regarding any meeting, provide a copy of any such notice to the CMA.
4. The Fund Manager must call for a meeting of Unitholders within 10 days of receiving a written request from a Unitholder or more who individually or collectively hold at least 25% of the Fund Units.
5. The quorum required to hold a meeting of the Unitholders shall be such number of Unitholders holding collectively at least 25% of the value of the Fund Units.
6. If the quorum requirements set out in paragraph (e) above are not met, the Fund Manager shall call for a second meeting by announcement on its website and that of Tadawul and shall send a notice in writing to all Unitholders and the Custodian giving not less than 5 days' notice of the second meeting. At the second meeting, any number of Unitholders holding any number of Units present in person or represented by a proxy shall be deemed to satisfy the quorum.
7. Every Unitholder shall be entitled to appoint a proxy to represent such Unitholder at a meeting of the Unitholders.
8. Each Unit held by a Unitholder shall represent one vote at the meeting of Unitholders.
9. The Unitholders meetings and their deliberations and voting on decisions may be conducted through technology means in accordance with the controls set out by the CMA.
10. A resolution of the Unitholders shall be enforceable subject to the consent of Unitholders owning 50% of the total Fund Units attending the meeting whether in person, proxy or via technology means.

Decisions Requiring Approval from Unit holders

- 1) The fund manager must obtain the approval of the unit owners for any proposed fundamental change to the Fund.
- 2) The fund manager must take the approval of the unit owners in accordance with above paragraph and take the approval of the CMA on any fundamental change of of a fund, including:
 - a significant change in the objectives or nature of the fund.
 - a change that may have a negative and a material effect on the unitholder or their rights with respect to the fund.
 - a change which impacts the the risk profile of the fund.
 - an increase in fund's capital.

Procedures for convening a meeting of unitholders:

1. The Fund Manager shall call for a meeting of Unitholders by announcing the invitation on its website and that of Tadawul, and by sending a notice in writing to all Unitholders and the Custodian giving a minimum of 10 days' notice

and a maximum of 21 days' notice of the meeting. The announcement and notice must specify the date, place and time of the meeting and the proposed agenda. The Fund Manager must, at the time of sending a notice to Unitholders regarding any meeting, provide a copy of any such notice to the CMA.

2. The quorum required to hold a meeting of the Unitholders shall be such number of Unitholders holding collectively at least 25% of the value of the Fund Units.
3. If the quorum requirements set out in the above paragraph are not met, the Fund Manager shall call for a second meeting by announcement on its website and that of Tadawul and shall send a notice in writing to all Unitholders and the Custodian giving not less than 5 days' notice of the second meeting. At the second meeting, any number of Unitholders holding any number of Units present in person or represented by a proxy shall be deemed to satisfy the quorum.

Method of voting by unit owners and voting rights at unit owners meetings:

1. Every Unitholder shall be entitled to appoint a proxy to represent such Unitholder at a meeting of the Unitholders.
2. Each Unit held by a Unitholder shall represent one vote at the meeting of Unitholders.
3. The Unitholders meetings and their deliberations and voting on decisions may be conducted through technology means in accordance with the controls set out by the CMA.
4. A resolution of the Unitholders shall be enforceable subject to the consent of Unitholders owning 50% of the total Fund Units attending the meeting whether in person, proxy or via technology means.

18. Rights of unit owners:

Unitholders shall be entitled to exercise all their rights specified herein, including the following:

- 1) Attending Unitholders meetings and voting on decisions taken therein.
- 2) Voting in relation to any fundamental change to the Fund, which shall include the following:
 - an important change in the Fund's objectives or nature;
 - a change which 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
 - increase the Fund's capital;
- 3) Subscribing to rights issuances and accepting in-kind contributions related to increasing the Fund's Capital.
- 4) Receiving dividends according to these Terms and Conditions.
- 5) Receiving regular reports and updates according to these Terms and Conditions.

Except as expressly set forth in this paragraph, Unitholders shall not have any rights in relation to the management of the Fund.

19. Custodian:

Al-Bilad Investment Co.
Smart Tower-First floor
Tahlia Street intersection with King Fahd Road
P.O. Box 036
Saudi Arabia
Web site: www.albilad-capital.com

Title deeds of real estate assets owned by the fund will be registered under the name of an SPV owned by the Custodian. 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 potential capacity as a Unitholder. Creditors of the Custodian shall not have any interest in any Fund assets. The Fund may receive funding from one or more financial institutions. In this case, the assets of the Fund may be pledged for an entity financed under financing terms and conditions. The fund manager is entitled to change the custodian of the fund after securing the approval of the Fund Board and CMA.

20. Developer:

The Fund's Initial Assets do not consist of any real estate development activities or real estate assets currently under development. Accordingly, the fund has not appointed any party as a Developer. In the event the Fund undertakes a real estate development project, the Fund intends to appoint a developer on an arm's length basis. In such an event, the developer will be remunerated for supervising/ working on the development of the project, as a percentage of the project construction costs and according to the prevailing market rates but not more than 15% of the project construction costs.

21. Auditor

Al Athem & Al Sudairy Certified Public Accountants - a member of Crowe Global

Prince Muhammad bin Abdulaziz Road - Riyadh

P.O Box 11, Riyadh 10504

Phone number: +966112175000 - Fax: +966112175000

Website: www.crowe.com/sa

22. Financial statements:

Financial year of the Fund shall start on 1 January and ends on 31 December each year, except for the first year of the establishment of the Fund, from which the financial year shall start on the Date of Closing and ends on 31 December 2018G. Financial statements of the Fund will be prepared by the Fund Manager on both a semiannual basis (unaudited) and an annual basis (audited) in accordance with the applicable standards set by the Saudi Organization of Certified Public Accountants (SOCPA), and any amendments from time to time. The annual financial statements shall be audited by the Fund's auditor. Financial statements of the Fund will be reviewed by the Fund Board and made available to the CMA as soon as they are approved and made available to Unitholders within a maximum of 25 days from the end of the period covered by unaudited financial statements and 40 days from the end of the period covered by audited financial statements, by publishing them on the Fund Manager's and Tadawul's website.

23. Property Manager:

Saudi Bonyan Company King Fahd Road

P.O. Box: 9102

Riyadh, 11413

Saudi Arabia

<http://saudibonyan.com.sa>

The Fund Manager has signed property management contracts for ten years, renewable for a period of five years, with the Saudi Bonyan company. The property manager will be charging a fee of 5% of the net revenue on all properties except the Marriott Courtyard and the Marriott Residence Apartments (located in Jazan City in Saudi Arabia) where the property management fee will be 1% of the net operating income.

24. Conflict of Interest:

The conflict of Interest Section has been reviewed by the Legal Counsel of the Fund and our statement is as follows: The fund manager, its affiliates, managers, officials, staff, clients, managers, officials, staff, agents and members of the Fund's board of directors may participate in financial and other professional work that may lead to a conflict of interest with the fund. If the fund manager or any board member of the Fund has a fundamental conflict of interest with the Fund, the fund manager would disclose it appropriately as soon as possible, and the fund manager and the fund board would seek to resolve any such discrepancies by exercising its good faith and judgment considering the interests of all affected investors and related parties.

The fund manager identified the following conflict of interest points:

Similar investments managed by Saudi Fransi Capital Company

Saudi Fransi Capital manages, and is expected to continue to manage, its own proprietary account and other investments with objectives similar in any way to those of the Fund, including other investment funds which may be managed or sponsored by Saudi Fransi Capital or in which Saudi Fransi Capital or its affiliates may have an interest in their capital.

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

Conflict of interest with regard to transactions with the fund manager and affiliated companies

The Fund may engage in transactions with the Fund Manager or its affiliates or other entities in which Saudi Fransi Capital has a direct or indirect interest. For example, certain affiliates of Saudi Fransi Capital may provide certain services to the Fund such as administrative services. All transactions between the Fund and the Fund Manager, its affiliates and entities in which Saudi Fransi Capital holds a direct or indirect interest will be disclosed by the Fund Manager to the Fund Board. However, the Fund Manager and Fund Board shall use their reasonable efforts in good faith 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.

Fund Board

The Fund Board shall oversee the resolution of any conflict of interests. As of the date of these Terms and Conditions, the Fund Board shall be composed of members appointed by the Fund Manager. The members of the Fund Board shall have fiduciary duties to the investors under the Real Estate Investment Fund Regulations and shall use their best efforts to resolve all conflicts of interests in good faith as they deem fit.

It should be noted that Suleiman al-Rashed is an indirect shareholder in Saudi Bonyan Company which is the Fund's property manager and is also considered a seller of the Fund's assets and a non-independent board member of the Fund.

It should be noted that Mr. Mohamed El Sayed is the CFO of Abdul Rahman Saad al-Rashid and Sons Co which is the seller of the fund's assets and will become the largest unitholder of the fund and is a non-independent member of the fund's board

25. Disclosure to Unit Holders:

The fund manager is committed to disclosing the following to the CMA and unit holders:

- 1) any material developments in its sphere of activity which are not public knowledge and which may affect the Fund assets, its 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;

- 2) 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 unaudited semi-annual financial statements or audited annual financial statements, whichever is more recent;
- 3) any losses equal to or greater than 10% of the Fund's Net Asset Value; according to the latest unaudited semi-annual financial statements or audited annual financial statements, whichever is more recent;
- 4) any changes in the composition of the Fund Board or committees (if any);
- 5) 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 unaudited semi-annual financial statements or audited annual financial statements, whichever is more recent;
- 6) any increase or decrease in the Fund's Net Asset Value that is equal to or greater than 10% according to the latest unaudited semi-annual financial statements or audited annual financial statements, whichever is more recent;
- 7) the increase or decrease in the gross profit of the Fund, that is equal to or greater than 10% according to the latest audited financial statements;
- 8) 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 thereto in an amount equal to or greater than 1% of the Fund's gross revenue according to the latest audited annual financial statements;
- 9) 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;
- 10) any change in the Fund's Auditor;
- 11) any appointment of a replacement custodian for the Fund;
- 12) the passing of any judgment, decision, order or declaration by a court or judicial entity, whether at first instance or at appeal, which may adversely affect the Fund's utilization of any portion of its assets that represents in aggregate a value exceeding 5% of the Net Assets Value according to the latest unaudited semi-annual financial statements or audited annual financial statements, whichever is more recent; and
- 13) any suggested change to the Fund's capital.

27. Other information:

(a) Other fund contracts

Contract Type	Counter Party	
Independent Custodian	Al-Bilad Financial Company	Al-Bilad Investments is custodian of all fund assets, both inside and outside the kingdom. This entails a fee of 0025% per annum of the value of the Fund's assets. These charges are calculated cumulatively on a daily basis and deducted on a semi-annual basis. A one time fee of SAR 60,000 will also be paid for the establishment of a SPV and a fee of SAR 30,000 per annum for the Zakat certificate and financial statements. Any government fees applicable will be paid by the custodian from the Fund's expenses
Auditor	Al Athem & Al Sudairy Certified Public Accountants - a member of Crowe Global	The financial statements of the Fund will be audited by Al Athem & Al Sudairy Certified Public Accountants - a member of Crowe Global for a fee of SR.140,000 charged to the fund.
Independent Members of the Fund Board.	Independent Board Members and Mr. Faisal Al-Omran	The fund signed contracts for the members of the fund's board of directors and Mr. Faisal Al-Omran in exchange for an amount of 100,000 (one hundred thousand) Saudi riyals per annum. Regardless of number of meeting.

28. Procedures for handling complaints

When there are any complaints concerning the fund, the owner of the units must send the complainant to the customer service department of the fund manager, as described in these terms and conditions. The fund manager will provide full procedures for handling complaints to unit owners upon request.

If a settlement cannot be reached or a response is not received within (30) working days, the unit owner is entitled to file a complaint with the CMA Investor Protection Department, and the unit owner is entitled to lodge his complaint with the Securities Adjudication Committee after 90 calendar days of filing the complaint with CMA, unless the CMA notifies the complainant that it may be placed with the Committee before the expiry of the period.

29. Investment funds conforming to the provisions of the Islamic Shariah:

The Fund has been approved and is regularly reviewed by the Shariah Board of Banque Saudi Fransi. The Shariah board members are:

- 1) **Sheikh Abdullah Bin Suleiman Al-Mane'a:** Member of Senior Scholars Committee, Member of High Council of Awqaf, Head of the Financial Institutions Control Groups Committee, member of Islamic Fiqh Academy of the Islamic Countries Institution and Chief of Cassation Court (retired).
- 2) **Dr. Mohammed Ali El-Gari:** Professor of Islamic Economics, member of Shariah Board of Islamic institution Accountancy and Audit in Kingdom of Bahrain, Member Shariah Board in International Islamic Financial Markets, an expert in International Islamic Fiqh Academy and Member of Shariah Advisory board for several Banks.
- 3) **Sheikh Pr. Dr. Hisham bin Abdulmalik Al Sheikh:** Professor of Sharia Politics at the Higher Judicial Institute at Imam Muhammad bin Saud Islamic University, graduated from in the Shariah Board at Banque Saudi Fransi (Qudwa Al Hasana Program), a Shariah advisor in many agencies, he has many publications and printed research, and participated in the preparation and drafting of the Code of Shariah rulings in the aspect of financial transactions.
- 4) **Sheikh / Abdullah bin Muhammad Al-Mutlaq:** Member of the Council of Senior Scholars in Saudi Arabia Adviser at the Royal Court, Head of the Department of Comparative Jurisprudence, Imam Muhammad bin Saud Islamic University, Member of several Sharia boards in banks in the Kingdom of Saudi Arabia, Member of several Sharia boards such as the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

The fees of the Shariah Services will not be charged to the fund.

Shariah Policies for fund's investment in real estate assets:

Shariah Board believes that investment in real estate assets is permissible subject to the following guidelines:

1. the purchase and sale of the real estate assets shall be in the Shariah Board's approved form;
2. the invested real estate asset shall be accurately known with due diligence;
3. the price shall be known;
4. the Fund Manager shall not execute any lease contracts on a real estate asset until completion of the purchase of such asset; and
5. for the avoidance of non-Shariah compliant leasing, the property may not be rented from the owner for a deferred amount, and then re-leased to the owner for an actual amount that is less than the deferred amount, and the property may not be rented from the owner with a current payment, then re-leased to the owner for a deferred amount that is more than the current amount.

In case of direct investment by the fund in shares of other listed real estate companies or purchase of units in other real estate funds traded on the Saudi Stock Market (Tadawul), the fund may do so if it is compliant with Shariah guidelines and approved by the Shariah Board.

30. Amendment of the terms and conditions of the Fund.

The fund manager shall amend these Terms and conditions at its discretion after the approval of Fund Board and CMA provided that consent of the unitholders will be required in the event that the change is considered as fundamental in accordance with the paragraph 6 of the Real Estate Investment Traded Fund Instructions issued by CMA. The fund manager shall announce any details regarding fundamental changes in terms and conditions on its website and on Tadawul at least 20 working days prior to the change coming into effect.

The Fund Manager shall announce on its website and that of Tadawul any details regarding any fundamental changes to the Terms and Conditions of the Fund 10 days before the entry into force of the change.

The Fund Manager shall publish the amended copy of the Terms and Conditions on its website and that of Tadawul, and submit a copy thereof to the CMA and the Custodian within 10 days from any change or update, including the annual updates on the Fund's performance.

31. Governing Law & Dispute Regulation

These Terms and Conditions shall form a legally binding contract between the Fund Manager and each Unitholder. Subscribing for and purchasing Units in the Fund is deemed a consent to these Terms and Conditions. These terms and Conditions shall be governed by the laws and regulations applicable in the Kingdom of Saudi Arabia.

The Fund Manager and each investor will seek to resolve amicably any dispute arising out of or in connection with these Terms and Conditions and the matters contemplated herein. In the event that a dispute cannot be settled amicably, it may be referred by either party to the Committee for the Settlement of Securities Disputes established by the CMA.

32. Adherence to the Real Estate Fund regulation and instructions for real estate investment funds

The terms and conditions are in accordance with the provisions of the Real Estate Fund regulation and Real Estate Investment Traded Funds Instructions issued by the CMA. The fund manager acknowledges that these terms and conditions contain full and correct disclosure of all the fundamental facts which are relevant to the fund.

We have received a copy of the Fund Terms and Conditions and we have read, understood and accept these terms and conditions of Bonyan REIT Fund.

Customer Signature: _____

Date: _____

Appendix No. 1 (details of lease contracts for Maather Residential Complex)

Details of the lease contracts	Beginning of the contract	End of the contract	Contract duration	Contract Value* (SR)
Tenant # 1	10-07-2017	10-07-2018	One year	90,000.00
Tenant # 2	14-12-2017	14-12-2018	One year	90,000.00
Tenant # 3	01-03-2018	01-03-2019	One year	90,000.00
Tenant # 4	19-08-2017	19-08-2018	One year	95,000.00
Tenant # 5	20-05-2017	20-05-2018	One year	90,000.00
Tenant # 6	14-06-2017	14-06-2018	One year	90,000.00
Tenant # 7	20/4/1439	19/4/1440	One year	90,000.00

Appendix No. 2 (details of the lease contracts of the City Walk residential building)

Details of the lease contracts	Beginning of the contract	End of the contract	Contract duration	Contract Value* (SR)
Tenant # 1	16.09.17	16.09.18	One year	127,500
Tenant # 2	16.09.17	16.09.18	One year	137,700
Tenant # 3	09.09.17	09.09.18	One year	255,000
Tenant # 4	16.09.17	16.09.18	One year	132,600
Tenant # 5	16.09.17	16.09.18	One year	173,400
Tenant # 6	20.09.17	20.09.18	One year	130,968
Tenant # 7	16.09.17	16.09.18	One year	125,460
Tenant # 8	20.09.17	20.09.18	One year	125,460
Tenant # 9	16.09.17	16.09.18	One year	204,000
Tenant # 10	18.09.17	18.09.18	One year	163,200
Tenant # 11	21.09.17	21.09.18	One year	132,600
Tenant # 12	26.09.17	26.09.18	One year	173,400
Tenant # 13	01.10.17	01.10.18	One year	185,640
Tenant # 14	21.09.17	21.09.18	One year	127,500
Tenant # 15	28.09.17	28.09.18	One year	128,520
Tenant # 16	26.09.17	26.09.18	One year	143,820
Tenant # 17	15.10.17	15.10.18	One year	144,330
Tenant # 18	02.10.17	02.10.18	One year	179,010
Tenant # 19	25.09.17	25.09.18	One year	173,400
Tenant # 20	10.10.17	10.10.18	One year	257,415

Tenant # 21	02.10.17	02.10.18	One year	139,740
Tenant # 22	26.10.17	26.10.18	One year	238,680
Tenant # 23	20.10.17	20.10.18	One year	228,480
Tenant # 24	19.10.17	19.10.18	One year	204,000
Tenant # 25	01.12.17	01.12.18	One year	207,967
Tenant # 26	09.11.17	09.11.18	One year	236,477
Tenant # 27	15.11.17	15.11.18	One year	248,370
Tenant # 28	06.12.17	06.12.18	One year	196,207
Tenant # 29	12.11.17	12.11.18	One year	188,700
Tenant # 30	01.12.17	01.12.18	One year	204,000
Tenant # 31	10.11.17	10.11.18	One year	233,580
Tenant # 32	01.12.17	01.12.18	One year	169,861
Tenant # 33	14.12.17	14.12.18	One year	214,200
Tenant # 34	08.12.17	08.12.18	One year	167,280
Tenant # 35	01.12.17	01.12.18	One year	238,680
Tenant # 36	30.11.17	30.11.18	One year	188,700
Tenant # 37	11.12.17	11.12.18	One year	168,300
Tenant # 38	15.12.17	15.12.18	One year	168,504
Tenant # 39	05.12.17	05.12.18	One year	173,400
Tenant # 40	05.12.17	05.12.18	One year	239,700
Tenant # 41	14.12.17	14.12.18	One year	179,071
Tenant # 42	20.12.17	20.12.18	One year	172,584
Tenant # 43	17.12.17	17.12.18	One year	234,420
Tenant # 44	20.12.17	20.12.18	One year	188,700

* Prices vary due to the difference in rental spaces

Annex (1): Financial Disclosure

31 December 2019	
Gross income	123,070,185
Fund management fees	7,319,871
Custodian fees	430,833
Board of Directors' fees	105,000
Zakat provision	2,440,119
Depreciation expense on investment properties (non-cash expenses)	46,454,435
Reverse loss of real estate investments (non-cash income)	26,451,599
Provision for expected credit losses (non-cash expenses)	2,844,805
Other expenses	1,468,973
Net profit	88,457,748
Net assets / (ownership) attributable to unit holders	1,449,286,930
Net asset value per unit (book value)	8.8978
Distributed profit value	0.7350 riyals per unit

Nawaf bin Zabin AlOtaibi

Waleed bin Khaled Fattani

Head of Compliance

Chief Executive Officer