

Al Mal Capital REIT

Initial public offering of units of a public real estate investment fund (REIT) with a total of 500,000,000 units.

The questions and answers set out below are intended to be in general terms only, and as such, you should carefully read the terms and conditions of the offer included in the prospectus. It is recommended to take your financial advisor opinion before making an investment decision.

About the Real Estate Investment Trust (REIT)

1. What is a REIT?

- A real estate investment trust (“REIT”) is a fund that owns, operates or invests in income generating real estate assets. REITs first appeared in the U.S. in the 1960s to enable large and small investors alike to enjoy the rental income from commercial property

In simple terms, describe how REITs operate?



2. What distinguishes a REIT from a listed security?

- REITs distribute Majority of the net income they generate in the form of dividends to unitholders.
- REITs facilitate to retail and institutional investors access to a diversified portfolio of income generating real estate assets
- REITs also offer returns through capital gains when funds’ assets price/value appreciate
- Compared to other public securities, REITs have been described as investments targeting high yields and stable income

3. How many REITs are listed in the GCC region?

- The most developed markets for REITS in the GCC region are Saudi Arabia and the United Arab Emirates (UAE). Saudi Arabia witnessed an increase in REIT listings in the past decade, and currently has 17 listed REITs on the Saudi Stock Exchange (Tadawul); while the UAE has two REITs listed on Nasdaq Dubai

About Al Mal Capital REIT (the “Fund”)

4. What is Al Mal Capital REIT (the “Fund”)?

- It is a closed-ended REIT with a target fund size of AED 500 million at launch, allowing UAE and GCC investors the opportunity to access an asset class targeting stable returns over the long-term
- Al Mal Capital REIT intends to own a diversified portfolio of income generating real estate properties in the education, healthcare and industrial sectors spread across the UAE and abroad

- It will be the first REIT to be regulated by SCA-UAE (the Securities and Commodities Authority in the UAE) and the first REIT IPO on the Dubai Financial Market (DFM)
- All the fund units are intended to list and trade on the Dubai Financial Market (DFM) post IPO completion

5. Who is the promoter and fund manager of Al Mal Capital REIT?

- The REIT is managed by Al Mal Capital PSC, a leading investment advisory and asset management firm. It offers investment banking, private equity, and investment management services to the UAE and wider GCC region
- Al Mal Capital PSC is 66.7% owned by Dubai Investments PJSC; an investment company listed on the DFM with a market cap of AED 5 billion¹ and more than AED21 billion² in assets

6. Why should I invest in Al Mal Capital REIT?

- UAE and GCC nationals will be offered the opportunity to invest in a diversified portfolio of income generating real estate assets backed by long-term lease agreements and a strong credit profile
- The Fund will target acquiring single-let assets in fast growing sectors such as healthcare, education, and industrials
- The REIT will allow investors to access the real estate market in the UAE and abroad, while unlocking significant value through achieving capital gains in the long-term, achieved by maintaining high occupancy levels across all its assets, and ensuring optimal capitalization at all times
- The Fund is targeting to achieve net dividend yields of 7% (considering below notice) p.a. which is considered a key differentiator when compared to other REITs in the region
- The REIT is managed by an experienced team and a leading fund manager with a proven track record in real estate investments

Notice: The declared return of 7% is a target net return of 7%, on average, without any confirmation such return will be achieved. Please refer to the risk factors section in the Prospectus. Future data includes expectations, and the fund, the fund manager, or the receiving bank does not give any guarantee that such expectations will be achieved. Events or results may differ materially from the expected future results, whether explicitly or implicitly, referred to or indicated in future statements, due to risks, market conditions and uncertainties the fund and / or the fund manager could face.

7. What is the fund trying to achieve?

- Stable distributable income to its unit holders
- Capital appreciation and portfolio diversification

8. What is the investment policy/strategy for the Fund when it comes to direct investments in real estate properties?

- Acquiring high-quality real estate properties in high growth sectors
- Consistent stable income generation through proper structuring of secure long-term leases
- Managing financial and operational risks through diversification and maintaining an optimal capital structure
- Interactive management to achieve rental stability and operational efficiency

¹ As of September 2020

² As of June 2020

9. Who governs the Fund?

- The fund strictly follows the rules and regulations pertaining to investment funds and real estate investment funds as prescribed by the SCA-UAE
- The fund also adheres to DFM's listing market rules and regulations
- The fund manager, its board of directors and its management team
- An investment committee comprised of 5 members of the top investors which will oversee investment activities

10. how will the subscription proceeds be utilized?

- The REIT will primarily focus on investing in income generating properties in high growth sectors including, but not exclusive to, education, health care, and industrials in the UAE and abroad in order to achieve a net dividend yield of +7% (considering notice mentioned under section 6 relating to targeted yield) p.a. to its unitholders

11. What is the fund manager charging for its services?

- Subscription fee: AED 0.02 (inclusive of VAT) upon subscribing to the IPO to cover expenses for fund incorporation and listing
- Management fee: 1.25% of Net Asset Value for managing the fund's activities post establishment
- Performance fee: 10% above 7% on the total return to investors calculated on the change in NAV per unit
- There shall be one-time fees on acquisition/disposal of assets and debt arrangement
- Please refer to the prospectus for more details on the fund manager's fee structure

12. Is the fund Sharia compliant?

- While the fund is not licensed as Sharia-compliant with the SCA-UAE, the intention is to obtain Shariah-compliant financing and invest in Sharia-compliant assets.

About the Fund Manager

13. Who is Al Mal Capital?

- Founded in 2005 and a subsidiary of Dubai Investments PJSC
- It is a private joint stock investment firm based in the UAE and regulated by the SCA-UAE and the UAE Central Bank .
- Al Mal Capital is a fully fledged financial services company providing direct investment, corporate advisory, asset management, brokerage, and investment banking services

14. What is Al Mal Capital Track record?

- Since its establishment in 2005, the fund manager raised more than AED 34 billion for local and international IPOs, its own funds, and for 3rd party products. Additionally, as of Q3 2020, its total assets under management reached AED 1.6 billion in the form of conventional and Islamic investments
- Al Mal capital has a substantial track record in real estate investments. Some of the landmark deals include the acquisition of Kent College-Dubai in 2017 and Poinsettia Plaza, a retail center in Ventura, California which was acquired in 2016. (For more on the fund manager's track record, please visit www.almalcapitalreit.com)

15. Who manages Al Mal Capital?

- Please visit www.almalcapitalreit.com to know more about the board of directors and senior management of the fund manager

The Initial Public Offering (IPO)

16. What is the target offering of the fund at launch?

- The fund is targeting a public offering of AED 500 million to UAE and GCC national investors in two Tranches as shown below
 1. Retail: 20% - AED 100 million
 2. Institutional: 80% - AED 400 million

17. What is the minimum subscription?

- Retail: AED 10,000 with multiples of AED 1,000
- Institutional: AED 500,000 with multiples of AED 50,000

18. What is offer price/unit?

- AED 1.00 + AED 0.02 subscription fee (inclusive of VAT) per unit

19. When is the Subscription Period?

- The Subscription Period will start at 8:00 am on 8th November 2020 and end at 1:00 pm on 8th December 2020.

20. What is the allocation policy?

- In the event that the target limit of the number of units offered for subscription is covered, the number of fund units will be 500,000,000 units, and in the event that the minimum number of units offered for subscription is covered, the number of fund units will be 350,000,000 units, and in the event that the maximum number of units offered for subscription is covered, the number of fund units will be 700,000,000 units.
- In case of over-subscription in any of the tranches (retail or institutional) and under-subscription in the other tranche, the Fund Manager may cover the subscription of undersubscribed tranche from the surplus in the other tranche. In the event of a subscription surplus after that in either of the tranches, the Units offered to the investors of that tranche will be proportionately allocated and the surplus from the subscription shall be refunded pursuant to the repayment mechanism of the subscription proceeds set out in the prospectus

21. How can I know the status of my National Investor Number (NIN)?

- To know the status of your DFM NIN, you need to contact the Dubai Financial Market Customer Service Center at +971 4 305 5555 or email customerservice@dfm.ae

22. Where and when will the fund units be listed?

- The fund aims to have all its units listed and traded on the Dubai Financial Market (DFM) in January 2021.

23. How can I Subscribe?

- Subscription Applications will be submitted in two ways:
 - a) FAB participating branches as listed in the prospectus;
 - b) E- Subscription via FAB Electronic subscription or DFM E- subscription; or

a) Subscription through FAB Participating Branches:

The subscription application must be duly submitted by the subscriber or any of his representatives to any of the receiving bank branches shown below, and the subscriber must provide a National Investor Number (NIN) issued by the DFM and a bank account number, in addition to paying the full amount for the units he wishes to subscribe for, which must be paid in one of the following methods:

- Manager cheque issued by an operating bank in UAE in the name of “Al Mal Capital REIT Fund – IPO”;
- Debit his account with the FAB (receiving bank)

b) E-Subscription – FAB:

Subscribers who choose FTS / SWIFT / FAB channels will be required to:

1. Transfer the subscription amount to the Al Mal Capital REIT IPO collection account as below:

- Bank Name: First Abu Dhabi Bank
- IBAN: AE31035403100000001041
- Beneficiary Name: Al Mal Capital REIT Fund – IPO
- Currency: AED
- Account No.: 4031000000001041
- SWIFT Code: NBADAEAASSD

While transferring the subscription Amount + Fee, please include the below details and ensure to remit full amount without any deductions such as Bank’s remittances charges or Foreign Bank charges.

- **UAE FTS:**

For electronic transfer by following the steps of the UAE (FTS) / First Abu Dhabi Bank website / Mobile Banking Services - (within the UAE).

Please use the symbol (“IPO”) as the “Payment Purpose Code”.

Please indicate the (NIN), the name of the broker, the trading account number and the mobile phone number under the field “Transfer Instructions” or “Notes”.

- **SWIFT:**

Please select the payment message code (MT103)

Mention the following information in field 70: the (NIN), the name of the broker, the trading account number and the mobile phone number and No. of Units.

2. After transferring the funds to the FAB account as provided above, please access <https://www.bankfab.com/en-ae/cib/iposubscription> and download subscription application and fill- in all the details and affix signature and scan the subscription application and save.
3. Access <https://www.bankfab.com/en-ae/cib/iposubscription> Fill in the details in FAB web page and upload the subscription application and the relevant documents as listed below, as applicable.

In case you are not able to submit the webpage or upload documents, please send the full set of documents and subscription application to Email ID: IPO.online <IPO.online@bankfab.com>

4. Subscription application and Prospectus can also be downloaded from: www.almalcapitalreit.com

c) E-Subscription – DFM:

- To subscribe through DFM eIPO portal, please visit: <https://www.dfm.ae/investors/online-subscription-platform-eIPO>

24. What are the required documents for subscribing?

- For **individuals** who are UAE or GCC nationals:
 - DFM NIN
 - The original and a copy of a valid passport or Emirates identity card; and
 - In case the signatory is different from the Subscriber:
 - the duly notarized power of attorney held by that signatory or a certified copy by UAE-regulated persons/bodies, such as a notary public, or as otherwise duly regulated in the country;
 - the original passport of the signatory for verification of signature and a copy of the original passport; and
 - The copy of the original passport of the subscriber.
 - In case the signatory is a guardian of a minor, the following will be submitted:
 - Original and copy of the guardian’s passport for verification of signature;
 - Original and copy of the minor’s passport; and
 - If the guardian is appointed by the court, original and copy of the guardianship deed attested by the court and other competent authorities (e.g. notary public).
- For **corporate bodies** including banks, financial institutions, investment funds and other companies and establishments (Only UAE and GCC registered corporate bodies are eligible to apply):
 - DFM NIN

- Legal persons present in the United Arab Emirates or in one of the countries of the Cooperation Council for the GCC and are considered among the national companies or institutions in the country of their establishment:
 - An original and a copy of the commercial trade license or commercial register for the purpose of conformity or a certified copy by one of the authorized bodies/ persons in the state, such as a notary or otherwise any licensed body in the state;
 - An original and a copy of the document that authorizes the signatory to sign on behalf of the subscriber and represent him in submitting the application and agreeing to the terms and conditions of the prospectus and the terms and conditions of the subscription application.
 - Original and copy of signatory's passport.

Important Note:

- For more information and details about investing in Al Mal Capital REIT units, you should review the prospectus and the terms and conditions mentioned in it.
- In case of any technical issues please send an email to IPO.online@bankfab.com
- In the event the details provided are insufficient / incorrect and the payment is not received / partially received, the subscription will be rejected, and the subscriber notified, and the transferred amount, if any, will be refunded to the subscriber.
- The receiving bank will reject the requests in the event of payment by one of the following methods:
 - Cash, or
 - Personal cheque.

Important Dates:

1. Announcement Date: 26/10/2020
2. IPO Starting Date: 08/11/2020
3. IPO closing Date: 08/12/2020
4. Allotment Date: 15/12/2020
5. Listing Date: According to the prospectus (within a period not exceeding three months from the closing date of the subscription, unless it is terminated by the fund manager or SCA-UAE)

Important Contact Details:

- Al Mal Capital REIT Investor Relations: +971 4 360 1133

25. Which branches of Fist Abu Dhabi Bank (FAB) are participating in receiving subscriptions?

Participating Branches of the Sole Receiving Bank					
	Branch name	Branch Location-Area	Customer Timing	Proposed Timings	Branch Address
1	Business Park, Abu Dhabi	Abu Dhabi	08: am to 01:00 pm (Sat- Wed);	8 am to 12 pm - Sat - Thurs.	Khalifa Park Al Qurm, PO BOX:6316
			08:00 am to 12:00 pm (Thu)		
2	RAK (LNBAD)	RAK	08: am to 01:00 pm (Sat- Wed);	8 am to 12 pm - Sat - Thurs.	FAB RAK (LNBAD) Corniche Al Qawasim Road Near to NMC Royal Medical Center , RAK
			08:00 am to 12:00 pm (Thu)		
3	Fujairah	Fujairah	08: am to 01:00 pm (Sat- Wed);	8 am to 12 pm - Sat - Thurs.	Opposite to Plaza Theatre Hamdan Bin Abdulla street;PO BOX:79
			08:00 am to 12:00 pm (Thu)		
4	Sharjah	Sharjah	08: am to 01:00 pm (Sat- Wed);	8 am to 12 pm - Sat - Thurs.	Al Reem Plaza, Ground floor Buheira Corniche, Sharjah;PO BOX:1109
			08:00 am to 12:00 pm (Thu)		
5	Umm al-Quwain	UAQ	08: am to 01:00 pm (Sat- Wed);	8 am to 12 pm - Sat - Thurs.	Building No 211, King Faisal Road Al Maidan Area, Umm Al Quwain;Po BOX:733
			08:00 am to 12:00 pm (Thu)		
6	Oud Al Toubah	Al Ain - Abu Dhabi	08: am to 01:00 pm (Sat- Wed);	8 am to 12 pm - Sat - Thurs.	Al Ain Oud Al Touba (LFGB) PO BOX:18781
			08:00 am to 12:00 pm (Thu)		
7	FAB One Tower, Abu Dhabi	Abu Dhabi	08: am to 01:00 pm (Sat- Wed);	8 am to 12 pm - Sat - Thurs.	Intersection of Shaikh Khalifa street and Baniyas street,PO BOX:2993
			08:00 am to 12:00 pm (Thu)		
8	Al Batin	Abu Dhabi	08: am to 01:00 pm (Sat- Wed);	8 am to 12 pm - Sat - Thurs.	Street No. 9

			08:00 am to 12:00 pm (Thu)		Next to Bateen Bus Terminal and Al Bateen Mall; PO BOX:7644
9	Bur Dubai	Dubai	08: am to 01:00 pm (Sat- Wed);	8 am to 12 pm - Sat - Thurs.	Abdulla Al Rostamani Building, Khalid Bin Walid Road, Bur Dubai; PO BOX:115689
			08:00 am to 12:00 pm (Thu)		
10	Sheikh Zayed Rd.	Dubai	08: am to 01:00 pm (Sat- Wed);	8 am to 12 pm - Sat - Thurs.	ALQUZE NEXT TO GOLDEN DAIMOND ;PO BOX:52053
			08:00 am to 12:00 pm (Thu)		Next to Bateen Bus Terminal and Al Bateen Mall; PO BOX:7644
9	Bur Dubai	Dubai	08: am to 01:00 pm (Sat- Wed);	8 am to 12 pm - Sat - Thurs.	Abdulla Al Rostamani Building, Khalid Bin Walid Road, Bur Dubai; PO BOX:115689
			08:00 am to 12:00 pm (Thu)		
10	Sheikh Zayed Rd.	Dubai	08: am to 01:00 pm (Sat- Wed);	8 am to 12 pm - Sat - Thurs.	ALQUZE NEXT TO GOLDEN DAIMOND ;PO BOX:52053

Important Notice – Disclaimer:

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This Document should be used as a supplement, not as a substitute for the public Prospectus. Potential investors must read and understand the Document along with the Prospectus and the other public available material before making any decision relating to investment in the Fund.

Potential investors shall not deal with the contents of the Document or the Prospectus as an investment advice. All investors shall investigate and verify the opportunity and feasibility of investment in the Fund, with respect to the advantages and risks involved.

Investors are advised to consult their financial advisors, legal advisors and accountants regarding the purchase, retention and disposition of Fund Units.

Fees and expenses related to the Fund and mentioned in the Document do not include VAT (Value Added Tax) unless otherwise stated. Amount of taxes imposed or exemptions of them are subject to changes in the future.

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Prospective investors should read the entire Prospectus, and they should be aware that investing in the fund is speculative and carries a high degree of risk. Investors' attention should be drawn to the section contained in the Prospectus titled "Risk Factors", whereby potential investors should be aware of the risks of investing in investment funds through an offer linked to a listing for trading on a financial market, and they should not make an investment decision until after careful study. Before making any investment decision, potential investors must rely on their efforts to examine the fund and the terms of the offering contained therein, including its data and risks. Each investor must also consult his advisors regarding the legal, tax, commercial, financial and any other consequences arising from subscribing to or purchasing units.