



KSA RESIDENTIAL COMPOUND FUND MANAZEL AL MAMLAKA

INFORMATION MEMORANDUM 2015



CONFIDENTIAL INFORMATION MEMORANDUM

Relating to private placement of shares in

Manazel Al Mamlaka

(A Cayman Islands exempted company with limited liability)

Established with the principal aim of acquiring indirect stakes in Residential Compounds in KSA

Minimum Subscription	SAR 1,000,000
Offering	Total Offering: Up to SAR 750 million ("mn")
(in Manazel Al Mamlaka)	<i>Seed Closing: SAR 12 mn</i>
	<i>First Closing: Up to SAR 375 mn</i>
	<i>Subsequent Closings: Up to SAR 363 mn</i>
Closing Date	<i>Target First Closing Date: 30 April 2015</i>
	<i>Target Final Closing Date: 31 December 2016</i>
Term	Three years with two one year extension options from the First Closing Date (at the discretion of the Fund Directors)
Seed Commitment (in the KSA holding company)	<i>Committed: SAR 112.5 mn (over and above the Offering)</i>
	circa SAR 75 mn by TFI and its parent company and circa SAR 37.5 mn by Investate Arabia
Investors returns	
Target Annualized IRR	14%-18%
Target Average Annual Dividends	7%-9%



Subsidiary of Barwa Bank

INVESTATE
A R A B I A

Fully owned by representatives of
Tanween W.L.L.

Local KSA Partner



Cornerstone Investor

**Fund Manager and
Lead Placement Agent**

FEBRUARY 2015

THIS INFORMATION MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SHARES IN MANAZEL AL MAMLAKA IN ANY JURISDICTION OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SALE. AN INVESTMENT IN THE FUND IS SPECULATIVE AND IS NOT INTENDED AS A COMPLETE INVESTMENT PROGRAMME.

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I. IMPORTANT NOTICE

THIS INFORMATION MEMORANDUM (THIS “MEMORANDUM”) IS FURNISHED ON A CONFIDENTIAL BASIS FOR THE PURPOSE OF EVALUATING AN INVESTMENT IN THE SHARES OF MANAZEL AL MAMLAKA (THE “FUND”), A CAYMAN ISLANDS EXEMPTED COMPANY WITH LIMITED LIABILITY. THE INFORMATION CONTAINED HEREIN IS INTENDED SOLELY FOR SELECTED SOPHISTICATED PERSONS HAVING THE NECESSARY EXPERTISE TO DETERMINE WHETHER TO ACCEPT THE RISKS INHERENT IN SUCH AN INVESTMENT. THIS MEMORANDUM IS NOT TO BE REPRODUCED OR REDISTRIBUTED WITHOUT THE PRIOR WRITTEN CONSENT OF THE FIRST INVESTOR, Q.S.C.C. (“TFI”).

THIS MEMORANDUM PROVIDES A SUMMARY OF INFORMATION RELEVANT TO INVESTING IN THE FUND. THE INFORMATION IN THIS MEMORANDUM RELATING TO THE ARTICLES OF ASSOCIATION AND OTHER CONSTITUTIVE DOCUMENTS OF THE FUND DOES NOT PURPORT TO BE COMPLETE AND THIS MEMORANDUM IS QUALIFIED BY REFERENCE TO THOSE DOCUMENTS.

THE SHARES OFFERED PURSUANT TO THIS MEMORANDUM ARE BEING OFFERED ONLY (A) TO NATURAL PERSONS WHO ARE CITIZENS AND RESIDENTS OF QATAR OR CORPORATIONS OR OTHER LEGAL ENTITIES ORGANISED UNDER THE LAWS OF QATAR; (B) TO NATURAL PERSONS WHO ARE CITIZENS AND RESIDENTS OF OTHER COUNTRIES WHICH ARE MEMBER COUNTRIES OF THE GCC AND CORPORATIONS AND OTHER LEGAL ENTITIES ORGANISED UNDER THE LAWS OF SUCH OTHER COUNTRIES; AND (C) TO OTHER NATURAL PERSONS AND LEGAL ENTITIES ACCEPTABLE TO TFI IN ITS ABSOLUTE DISCRETION AND TO WHOM TFI OFFER SUCH SHARES IN ACCORDANCE WITH APPLICABLE LAWS.

THE SHARES BEING OFFERED MAY NOT BE PURCHASED OR HELD BY, OR PURCHASED OR HELD FOR THE BENEFIT OF, ANY NON-QUALIFIED PERSONS AT ANY TIME. A “NON-QUALIFIED PERSON” MEANS:

PROSPECTIVE INVESTORS WHO WOULD NOT QUALIFY AS ACCREDITED INVESTORS (AS DEFINED IN THE GLOSSARY TO THIS MEMORANDUM);

A PERSON WHO IS (A) A RESIDENT OF THE UNITED STATES OF AMERICA (“US”) OR THE UNITED KINGDOM (“UK”), (B) A CORPORATION OR OTHER ENTITY ORGANISED OR CREATED UNDER THE LAWS OF THE US OR THE UK, ITS TERRITORIES, OR POSSESSIONS, OR (C) AN ENTITY CONTROLLED DIRECTLY OR INDIRECTLY BY ANY PERSON DESCRIBED IN CLAUSES (ii) (A) OR (ii) (B) HEREOF IN WHICH SUCH A PERSON HAS A BENEFICIAL INTEREST;

A PERSON WHO IS ENGAGED IN A TRADE OR BUSINESS IN THE US OR THE UK TO WHICH THE INVESTMENT IN THE FUND MAY BE DEEMED EFFECTIVELY CONNECTED; ANY TRUST, PARTNERSHIP OR FIDUCIARY IN WHICH ANY BENEFICIAL INTEREST IS HELD FOR THE BENEFIT OF ANY PERSON DESCRIBED IN CLAUSES (ii)(A) OR (ii)(B) ABOVE;

ANY INDIVIDUAL WHO WAS OR IS PRESENT IN THE US OR THE UK FOR 183 DAYS OR MORE DURING THE TAXABLE YEAR; OR

ANY PERSON TO WHOM A TRANSFER TO OR HOLDING BY SUCH PERSON OF SHARES WOULD:

BE IN BREACH OF ANY LAW OR REQUIREMENT OF ANY COUNTRY OR GOVERNMENTAL AUTHORITY IN ANY JURISDICTION WHETHER ON ITS OWN OR IN CONJUNCTION WITH ANY OTHER RELEVANT CIRCUMSTANCES;

RESULT IN THE FUND INCURRING ANY LIABILITY TO TAXATION WHICH THE FUND WOULD NOT OTHERWISE HAVE INCURRED OR SUFFERED; OR

CAUSE THE FUND TO BE REQUIRED TO APPLY FOR REGISTRATION OR TO COMPLY WITH ANY REGISTRATION REQUIREMENTS IN RESPECT OF ANY OF ITS SHARES, WHETHER IN THE US, THE UK OR ANY OTHER JURISDICTION.

A PROSPECTIVE INVESTOR SHOULD NOT TREAT THE CONTENTS OF THIS MEMORANDUM AS INVESTMENT, TAX OR LEGAL ADVICE. ALL PROSPECTIVE INVESTORS MUST MAKE THEIR OWN INVESTIGATION AND EVALUATION OF THE OPPORTUNITY TO INVEST IN THE SHARES OF THE FUND AND SHOULD CONSULT WITH THEIR OWN ADVISORS CONCERNING THE EVALUATION OF THE RISKS OF THE INVESTMENT AND ITS SUITABILITY FOR THEIR INDIVIDUAL REQUIREMENTS.

DUE DILIGENCE WAS EXERCISED BY THE DIRECTORS OF TFI IN PREPARING THIS MEMORANDUM. PROSPECTIVE INVESTORS SHOULD CONDUCT THEIR OWN ANALYSIS, AS THEY DEEM APPROPRIATE, WITH REGARD TO THEIR POSSIBLE INVESTMENT IN THE SHARES, SHOULD CONSULT WITH THEIR OWN ADVISERS CONCERNING THE EVALUATION OF THE RISKS INHERENT IN THE INVESTMENT AND THE SUITABILITY OF THE INVESTMENT IN VIEW OF THEIR FINANCIAL AND RISK PREFERENCES AND REQUIREMENTS AND SHOULD FULLY CONSIDER OTHER AVAILABLE INFORMATION. TFI ADVISE AND RECOMMEND THAT PROSPECTIVE INVESTORS OBTAIN INDEPENDENT PROFESSIONAL ADVICE IN RELATION TO THE PLACEMENT CONTEMPLATED BY THIS MEMORANDUM. THIS MEMORANDUM IS NOT INTENDED TO BE THE SOLE DOCUMENT UPON WHICH INVESTORS SHOULD RELY IN REACHING AN INVESTMENT DECISION.

IN MAKING AN INVESTMENT DECISION IN RELATION TO THE SHARES, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE SHARES AND THE TERMS OF THE PLACEMENT THEREOF, INCLUDING THE MERITS AND RISKS INVOLVED. INVESTMENT IN THE FUND WILL INVOLVE SIGNIFICANT RISKS DUE TO, AMONGST OTHER THINGS, THE NATURE OF THE FUND'S INVESTMENTS. INVESTORS SHOULD HAVE THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE RISKS AND LACK OF LIQUIDITY, WHICH ARE CHARACTERISTICS OF THE INVESTMENT DESCRIBED HEREIN. FURTHER, PROSPECTIVE INVESTORS ARE INFORMED THAT THERE WILL BE NO PUBLIC MARKET FOR THE SHARES.

NO PERSON HAS BEEN AUTHORISED TO GIVE ANY INFORMATION CONCERNING THE INVESTMENT IN THE FUND OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM, AND IF MADE OR GIVEN SUCH INFORMATION OR REPRESENTATIONS MAY NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY OR ON BEHALF OF THE FUND OR THE ADVISORS TO THE FUND. NO OFFERING LITERATURE OTHER THAN THIS MEMORANDUM, THE INVESTOR PRESENTATION, THE EXECUTIVE SUMMARY AND THE SUBSCRIPTION AGREEMENT WILL BE EMPLOYED IN THIS OFFERING OF THE SHARES.

THE DELIVERY OF THIS MEMORANDUM DOES NOT IMPLY THAT THE INFORMATION CONTAINED HEREIN IS CORRECT SUBSEQUENT TO THE DATE OF THIS MEMORANDUM. THIS MEMORANDUM CONTAINS CERTAIN "FORWARD-LOOKING" STATEMENTS AND INFORMATION RELATING TO THE FUND WHICH IS BASED ON THE BELIEFS OF THE FUND AND TFI AND THE PLACEMENT AGENT, AS WELL AS ASSUMPTIONS MADE BY AND INFORMATION CURRENTLY AVAILABLE TO THE FUND, TFI. WHEN USED IN THIS MEMORANDUM, THE WORDS "ANTICIPATE", "BELIEVE", "ESTIMATE", "EXPECT", "INTEND" AND WORDS OR PHRASES OF SIMILAR IMPORT, AS THEY RELATE TO THE FUND, ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS REFLECT THE CURRENT RISKS, UNCERTAINTIES AND ASSUMPTIONS RELATED TO CERTAIN FACTORS INCLUDING, WITHOUT LIMITATION, COMPETITIVE FACTORS, GENERAL ECONOMIC CONDITIONS, MARKET CONDITIONS, ONE TIME EVENTS, AND OTHER FACTORS DESCRIBED HEREIN, PARTICULARLY IN THE SECTION ENTITLED "RISK FACTORS". BASED UPON CHANGING CONDITIONS, SHOULD ANY ONE OR MORE OF THESE RISKS OR UNCERTAINTIES MATERIALISE OR SHOULD ANY UNDERLYING ASSUMPTIONS PROVE INCORRECT, ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE DESCRIBED HEREIN AS ANTICIPATED, BELIEVED, ESTIMATED, EXPECTED OR INTENDED. NEITHER THE FUND NOR TFI INTENDS TO UPDATE THESE FORWARD-LOOKING STATEMENTS.

NO PROFESSIONAL, FINANCIAL OR LEGAL ADVISOR OR ANY CAYMAN ISLANDS GOVERNMENT AUTHORITY IDENTIFIED HEREIN OR ANY OTHER INDEPENDENT PARTY HAS INDEPENDENTLY VERIFIED OR ADVISED ON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM, THE INFORMATION PRESENTED HEREIN, THE METHODS OF RAISING CAPITAL USED IN THIS MEMORANDUM, OR THE APPLICABLE LAWS OF ANY

JURISDICTION. NEITHER DO ANY OF THE ABOVE ASSUME ANY RESPONSIBILITY FOR THE CONTENTS OF THE MEMORANDUM OR THE PERFORMANCE OF ANY OBLIGATIONS OF THE FUND.

THE PHOTOGRAPHS DEPICTED IN THE MEMORANDUM, THE INVESTOR PRESENTATION, THE EXECUTIVE SUMMARY, AND THE SUBSCRIPTION AGREEMENT, ARE FOR ILLUSTRATIVE PURPOSES ONLY AND DO NOT REPRESENT IN ANY WAY WHATSOEVER ANY PROSPECTIVE INVESTMENT OPPORTUNITY, OR ASSETS, THAT THE FUND IS OFFERING TO INVESTORS FOR THE PURPOSES OF THIS PLACEMENT.

THIS DOCUMENT DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR THE PURPOSES OF, AN OFFER OR SOLICITATION BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH AN OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL OR UNAUTHORISED TO MAKE SUCH AN OFFER OR SOLICITATION. NO OFFERING SHALL BE MADE TO MEMBERS OF THE PUBLIC IN THE CAYMAN ISLANDS.

UNITED STATES OF AMERICA

THE SHARES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”) OR THE US INVESTMENT FUND ACT OF 1940, AS AMENDED (THE “1940 ACT”), UNDER THE SECURITIES LAWS OF ANY U.S. STATE OR UNDER THE SECURITIES LAWS OR LAWS OF SIMILAR SECURITIES IMPORT OF ANY OTHER COUNTRY OR JURISDICTION. ANY OFFER, SALE, RESALE OR DELIVERY OF ANY OF THE SHARES IN THE UNITED STATES OR TO ANY U.S. PERSON (AS DEFINED IN REGULATION UNDER THE ACT) WOULD CONSTITUTE A VIOLATION OF UNITED STATES LAW UNLESS MADE IN COMPLIANCE WITH THE REGISTRATION REQUIREMENTS OF THE ACT OR PURSUANT TO AN EXEMPTION THEREFROM.

UNITED KINGDOM

THIS MEMORANDUM IS NOT AN APPROVED PROSPECTUS FOR THE PURPOSES OF SECTION 85(7) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED (THE “FSMA”) IN THE UNITED KINGDOM AND NO APPLICATION HAS BEEN OR WILL BE MADE BY THE FUND OR TFI OR THE PLACEMENT AGENT (EACH AS DEFINED IN THIS MEMORANDUM) TO REQUEST THE ADMISSION OF THE SHARES TO TRADING ON A REGULATED MARKET SITUATED OR OPERATING IN THE UNITED KINGDOM. ACCORDINGLY, SHARES MUST NOT BE OFFERED OR SOLD TO ANY PERSON IN THE UNITED KINGDOM EXCEPT IN CIRCUMSTANCES WHICH HAVE NOT RESULTED OR WILL NOT RESULT IN AN OFFER OF TRANSFERABLE SECURITIES TO THE PUBLIC IN THE UNITED KINGDOM WITHIN THE MEANING OF THE FSMA AND THE REGULATIONS MADE THEREUNDER. THIS MEMORANDUM HAS NOT BEEN APPROVED AS A FINANCIAL PROMOTION FOR THE PURPOSES OF SECTION 21 OF THE FSMA AND, ACCORDINGLY, THIS MEMORANDUM AND ANY OTHER DOCUMENT IN CONNECTION WITH THE ISSUE

OR SALE OF THE SHARES MAY IN ANY EVENT ONLY BE COMMUNICATED, DISTRIBUTED OR ISSUED OR PASSED ON IN THE UNITED KINGDOM TO A PERSON WHO IS OF A KIND DESCRIBED IN ARTICLE 19 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED, OR TO A PERSON TO WHOM THIS DOCUMENT MAY OTHERWISE LAWFULLY BE COMMUNICATED, DISTRIBUTED OR ISSUED OR PASSED ON IN THE UNITED KINGDOM.

KINGDOM OF BAHRAIN

THE CENTRAL BANK OF BAHRAIN (CBB) HAS NO RESPONSIBILITY FOR REVIEWING OR VERIFYING ANY DOCUMENTS IN CONNECTION WITH THE SHARES OFFERED PURSUANT TO THIS MEMORANDUM. THE CBB HAS NOT APPROVED THIS DOCUMENT NOR TAKEN STEPS TO VERIFY THE INFORMATION SET OUT IN IT AND HAS NO RESPONSIBILITY FOR IT. THE SHARES OFFERED PURSUANT TO THIS MEMORANDUM MAY BE ILLIQUID AND/OR SUBJECT TO RESTRICTION ON THEIR RESALE. PROSPECTIVE INVESTORS SHOULD CONDUCT THEIR OWN DUE DILIGENCE IN RESPECT OF THE PLACEMENT. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS MEMORANDUM YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR. TFI REPRESENT AND AGREE THAT NO PUBLIC MARKETING OF THE FUND MAY TAKE PLACE IN BAHRAIN UNLESS THE SAME HAS BEEN DULY REGISTERED WITH THE CENTRAL BANK OF BAHRAIN.

DUBAI INTERNATIONAL FINANCIAL CENTRE

THIS MEMORANDUM RELATES TO A FOREIGN NON-DESIGNATED PROPERTY FUND WHICH IS NOT SUBJECT TO ANY FORM OF REGULATION OR APPROVAL BY THE DUBAI FINANCIAL SERVICES AUTHORITY ("DFSA"). THE DFSA HAS NO RESPONSIBILITY FOR REVIEWING OR VERIFYING THIS MEMORANDUM OR ANY OTHER DOCUMENT IN CONNECTION WITH THE FUND. ACCORDINGLY, THE DFSA HAS NOT APPROVED THIS MEMORANDUM OR ANY OTHER ASSOCIATED DOCUMENTS OR TAKEN ANY STEPS TO VERIFY THE INFORMATION SET OUT IN THIS MEMORANDUM, AND HAS NO RESPONSIBILITY FOR IT. THE SHARES TO WHICH THIS MEMORANDUM RELATES MAY BE ILLIQUID AND/OR SUBJECT TO RESTRICTIONS ON THEIR RE-SALE. INVESTORS SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE SHARES. IF ANY PROSPECTIVE INVESTORS DO NOT UNDERSTAND THE CONTENTS OF THIS MEMORANDUM, THEY SHOULD CONSULT AN AUTHORIZED FINANCIAL ADVISOR.

THIS MEMORANDUM IS ONLY BEING ISSUED TO A LIMITED NUMBER OF "PROFESSIONAL CLIENTS" AS DEFINED IN THE DFSA RULEBOOK: (A) UPON THEIR REQUEST AND CONFIRMATION THAT THEY UNDERSTAND THAT THE SHARES HAVE NOT BEEN APPROVED OR LICENSED BY OR REGISTERED WITH THE UNITED ARAB EMIRATES CENTRAL BANK OR ANY OTHER RELEVANT LICENSING AUTHORITIES OR GOVERNMENTAL AGENCIES IN THE UNITED ARAB EMIRATES INCLUDING THE DFSA AND (B) ON THE CONDITION THAT THE MEMORANDUM WILL NOT BE PROVIDED TO ANY PERSON OTHER THAN THE ORIGINAL RECIPIENT, IS NOT FOR GENERAL

CIRCULATION IN THE UNITED ARAB EMIRATES AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE.

KUWAIT

TFI REPRESENT AND AGREE THAT NO PUBLIC MARKETING OR SALE OF THE FUND MAY TAKE PLACE IN KUWAIT UNLESS THE SAME HAS BEEN DULY AUTHORISED BY THE KUWAIT MINISTRY OF COMMERCE AND INDUSTRY PURSUANT TO THE PROVISIONS OF LAW NO. 31/1990 AND THE VARIOUS MINISTERIAL REGULATIONS ISSUED THEREUNDER.

STATE OF QATAR

IN THE STATE OF QATAR, THE OFFER CONTAINED HEREIN IS MADE ON AN EXCLUSIVE BASIS TO THE SPECIFICALLY INTENDED RECIPIENTS THEREOF FOR PERSONAL USE ONLY AND SHALL IN NO WAY BE CONSTRUED AS A GENERAL OFFER FOR THE SUBSCRIPTION FOR SHARES TO THE PUBLIC OR AN ATTEMPT TO DO BUSINESS, AS A BANK, INVESTMENT COMPANY OR OTHERWISE IN THE STATE OF QATAR.

THE FUND IS NOT GOVERNED BY THE LAWS OF THE STATE OF QATAR AND IT IS NOT REGULATED BY THE QATAR CENTRAL BANK AND IT IS NOT SUBJECT TO THE OVERVIEW OF THE QATAR CENTRAL BANK. THE FUND IS NOT GOVERNED BY THE LAW NUMBER 25 OF 2002 (INVESTMENT FUNDS LAW) OF THE STATE OF QATAR. PROSPECTIVE INVESTORS SHOULD SATISFY THEMSELVES AS TO THE RISKS ASSOCIATED WITH INVESTING IN THE FUND, AS THE FUND IS AN UNREGULATED FUND WHERE THE RISKS MAY BE HIGHER THAN A REGULATED FUND.

SULTANATE OF OMAN ("OMAN")

THE SHARES, THIS DOCUMENT OR ANY OTHER OFFERING MATERIAL RELATING TO THE SHARES MAY NOT BE DISTRIBUTED TO ANY PERSONS IN OMAN WITHOUT PRIOR CONSENT OF THE CAPITAL MARKET AUTHORITY AND THEN ONLY IN ACCORDANCE WITH ANY TERMS AND CONDITIONS OF SUCH CONSENT.

SAUDI ARABIA

THIS MEMORANDUM DOES NOT, AND IS NOT INTENDED TO, CONSTITUTE AN INVITATION OR AN OFFER OF SECURITIES OR OF AN INVESTMENT FUND IN THE KINGDOM OF SAUDI ARABIA AND ACCORDINGLY SHOULD NOT BE CONSTRUED AS SUCH. THIS MEMORANDUM IS BEING ISSUED OUTSIDE THE KINGDOM OF SAUDI ARABIA TO A LIMITED NUMBER OF INVESTORS (A) UPON THEIR REQUEST AND CONFIRMATION THAT THEY UNDERSTAND THAT: (I) THE OFFERING OF SHARES HAS NOT BEEN APPROVED, LICENSED, REGISTERED OR QUALIFIED AS AN EXEMPT OFFER OR A PRIVATE PLACEMENT BY OR WITH THE SAUDI ARABIAN CAPITAL MARKET AUTHORITY OR ANY OTHER RELEVANT LICENSING AUTHORITY OR GOVERNMENTAL AGENCY IN THE KINGDOM OF SAUDI ARABIA; (II) THE SHARES ARE NOT LISTED ON ANY STOCK MARKET IN THE KINGDOM OF SAUDI ARABIA; AND (III) PAST

PERFORMANCE IS NO GUARANTEE OF FUTURE RETURNS; AND (B) ON THE CONDITION THAT IT WILL NOT BE PROVIDED TO ANY PERSON OTHER THAN THE ORIGINAL RECIPIENT, IS NOT FOR CIRCULATION IN THE KINGDOM OF SAUDI ARABIA AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE.

UNITED ARAB EMIRATES (“UAE”)

THIS OFFER HAS NOT BEEN APPROVED OR LICENSED BY THE UAE CENTRAL BANK OR ANY OTHER RELEVANT LICENSING AUTHORITIES OR GOVERNMENTAL AGENCIES IN THE UAE. THIS DOCUMENT IS STRICTLY PRIVATE AND CONFIDENTIAL AND HAS NOT BEEN REVIEWED, DEPOSITED OR REGISTERED WITH ANY LICENSING AUTHORITY OR GOVERNMENTAL AGENCY IN THE UAE, AND IS BEING ISSUED TO A LIMITED NUMBER OF INVESTORS AND MUST NOT BE PROVIDED TO ANY PERSON OTHER THAN THE ORIGINAL RECIPIENT AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE. THE SHARES MAY NOT BE OFFERED OR SOLD DIRECTLY OR INDIRECTLY TO THE PUBLIC IN THE UAE. IT IS POSSIBLE THAT THE INVESTMENT THAT WILL BE MADE BY THE FUND COULD BE DESCRIBED AS "RELATIVELY HIGH RISK" OR EVEN "HIGH RISK". THE DECREASE IN VALUE OF THE INVESTMENT HELD BY THE FUND WOULD SUBSTANTIALLY AFFECT THE VALUE OF THE SHARES.

THE CAYMAN ISLANDS

THE SHARES ARE NOT OFFERED TO MEMBERS OF THE PUBLIC IN THE CAYMAN ISLANDS.

GENERAL

NO ACTION HAS BEEN TAKEN BY TFI THAT WOULD PERMIT A PUBLIC OFFERING OF THE SHARES, OR THAT WOULD PERMIT DISTRIBUTION OF THIS MEMORANDUM OR ANY OTHER OFFERING MATERIAL IN ANY COUNTRY WHERE SUCH ACTION FOR THAT PURPOSE IS REQUIRED.

NO PUBLIC OR OTHER MARKET IS EXPECTED TO DEVELOP FOR THE SHARES IN THE FUND. THE SHARES IN THE FUND OFFERED HEREBY MAY BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE DISPOSED OF ONLY UPON THE TERMS SET OUT IN THIS MEMORANDUM AND THE ARTICLES OF ASSOCIATION OF THE FUND WHICH INCLUDE THE REQUIREMENT TO OBTAIN THE PRIOR WRITTEN CONSENT OF THE DIRECTORS WHICH MAY BE WITHHELD WITHOUT THE PROVISION OF ANY REASONS.

TFI AND THE DIRECTORS RESERVE THE RIGHT TO MODIFY, WITHDRAW OR CANCEL ANY OFFERING MADE PURSUANT TO THIS MEMORANDUM AT ANY TIME PRIOR TO CONSUMMATION OF THE OFFERING AND TO REJECT ANY SUBSCRIPTION, IN WHOLE OR IN PART, IN THEIR SOLE DISCRETION.

THIS MEMORANDUM IS INTENDED SOLELY FOR USE ON A CONFIDENTIAL BASIS BY THOSE PERSONS TO WHOM IT IS TRANSMITTED BY THE FUND IN CONNECTION WITH

THE CONTEMPLATED PRIVATE PLACEMENT OF THE SHARES IN THE FUND. RECIPIENTS, BY THEIR ACCEPTANCE AND RETENTION OF THIS MEMORANDUM, ACKNOWLEDGE AND AGREE TO PRESERVE THE CONFIDENTIALITY OF THE CONTENTS OF THIS MEMORANDUM AND ALL ACCOMPANYING DOCUMENTS AND TO RETURN THIS MEMORANDUM AND ALL SUCH DOCUMENTS TO THE FUND OR TFI IF THE RECIPIENT DOES NOT PURCHASE ANY SHARES IN THE FUND.

NEITHER THE FUND NOR TFI ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR INVESTOR IN THE FUND REGARDING THE LEGALITY OF INVESTMENT BY SUCH OFFEREE OR INVESTOR UNDER APPLICABLE INVESTMENT OR SIMILAR LAWS.

NO INVITATION TO THE PUBLIC IN THE CAYMAN ISLANDS TO SUBSCRIBE FOR ANY SHARES IN THE FUND IS PERMITTED TO BE MADE, HAS BEEN MADE, WILL BE MADE OR IS BEING MADE. THIS MEMORANDUM SHOULD BE READ IN CONJUNCTION WITH THE ARTICLES OF ASSOCIATION OF THE FUND.

THE DISTRIBUTION OF THIS MEMORANDUM AND THE OFFER AND SALE OF THE SHARES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS AND TAX CONSEQUENCES WITHIN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE, DOMICILE AND PLACE OF BUSINESS WITH RESPECT TO THE ACQUISITION, HOLDING OR DISPOSAL OF SHARES, AND ANY FOREIGN EXCHANGE RESTRICTIONS THAT MAY BE RELEVANT THERETO.

III. DEFINITIONS

"Al Mejdaf"	Means Al Mejdaf Real Estate W.L.L. a company incorporated in Qatar, to hold the investment of TFI and its holding company (Barwa Bank) in Manazel Compounds, as well as hold the investment of the Investors in the Fund. The company shall be controlled by TFI through its nominee shareholders.
"Articles"	The Memorandum and Articles of Association of the Fund, as amended, substituted or supplemented from time to time.
"Asset Company" or "Asset Companies"	Any company which owns Compound(s) and is held by Manazel Compounds Real Estate LLC in any percentage of shareholding directly or indirectly.
"Asset Purchase Price"	Asset Purchase Price is the purchase price of the asset paid to the seller and does not include broker commissions, legal fees or any capitalized expenses, etc. The payment by the buyer can be in the form of cash or shares or any other instrument or mechanism and can be paid in stages.
"Barwa Bank" or "BB"	Barwa Bank, an Islamic bank in Qatar, licensed and regulated by the Qatar Central Bank and its principal office address at Barwa Bank Building, Grand Hamad Street, P.O Box 16034 Doha, Qatar.
"Business Day"	Means any day (other than (1) a Friday (2) a Saturday or (3) a day on which banks in KSA, are authorized or obligated to close) on which clearing banks in KSA are open for a full range of banking transactions.
"Closing Date"	Means any First Closing Date, subsequent closing date and Final Closing Date as determined by the Directors of the Fund.
"Co-Investment"	Co-Investment opportunity generally means an investment opportunity that is available because of certain investment limitations, lack of available capital, applicable law or the Fund's objectives (including diversification considerations) limit the amount the Fund would otherwise invest in such opportunity, as determined in good faith by the Board in its sole discretion.
"Cornerstone Investor(s)"	Warba Bank KSC (c) as they have committed up to SAR 37.5 million in the Fund during the Seed Closing.

"CPI"	Consumer Price Index of KSA.
"Directors" or "Fund Board" or "Board of Directors" or "Board"	Means the board of directors of the Fund. The board of directors of the Fund will initially consist of 2 members nominated by TFI. The board members could be increased to provide representation to Cornerstone Investors at the discretion of TFI.
"Exit Value" or "Gross Exit Value"	Exit Value as paid by the buyer to the seller and does not include any broker commissions, legal fees or any capitalized expenses, etc. The payment by the buyer can be in the form of cash or shares or any other instrument or mechanism and can be paid in stages.
"Final Closing Date"	Means the date upon which the final closing occurs. The final closing is targeted to occur by 31 December 2016.
"First Closing"	The first closing of the Fund targets to raise sum of up to SAR 375 mn in Manazel Al Mamlaka.
"First Closing Date"	The date of the first closing of the Fund is scheduled for 30 April 2015, and can be rescheduled at the sole discretion of the Directors.
"Fiscal Year"	In the case of the first fiscal year, the period beginning after the Seed Closing and ending on 31 December 2014, and in the case of subsequent financial years, the period beginning on 1 January of each year and ending on 31 December of that year, or such other period or periods as the Fund Manager may from time to time determine.
"Fund" or "MAM"	Manazel Al Mamlaka, a Cayman Islands exempted company with limited liability.
"Fund IRR" or "Target IRR" or "Investor IRR"	The net IRR to the Investors of the Fund based on their Investment after deduction of all fees, expenses and taxes, other than placement fees.
"Fund Manager(s)"	TFI or any other fund manager appointed by Manazel Al Mamlaka from time to time.
"Fund Term" or "Term"	The Fund Term is anticipated to be three (3) years from the First Closing Date, subject to the possibility of up to two one-year extensions at the discretion of the Fund Board. The Fund Board may further decide to extend or reduce the Term where the

Directors reasonably believe such change will lead to a more favorable distribution to the Investors or any other reasons as deemed fit.

"ft²" or "sq ft"	Square foot / Square feet.
"GCC" or "Gulf"	Means member countries of the Arabian Gulf Cooperation Council for the time being including the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the Sultanate of Oman, the State of Qatar, the State of Kuwait and the United Arab Emirates.
"GDP"	Gross Domestic Product.
"Gross Asset Value"	Gross Asset Value for Manazel Compounds is the sum total of the product of the percentage holding of Manazel Compounds in the Asset Companies with the market values of the property assets held by the respective Asset Companies in the investment structure. The market valuation will be conducted at least once every year, or at a higher frequency if decided by the Fund Manager, which will be the basis for the Gross Asset Value and will be conducted by an independent third party valuator.
"Gross Rental Income"	The rental revenues as received from the tenant(s) in the Compounds.
"Gross Rental Yield"	Gross Rental Income / Asset Purchase Price.
"Hurdle IRR "	Manazel Compounds IRR of 10%.
"IM/ Memorandum"	This confidential information memorandum as amended, substituted or supplemented from time to time.
"Internal Rate of Return" or "IRR"	Means percentage discount rate at which the present value of all amounts realized by the Investor from its investment (<i>as equity capital or Investors loans or any other financing instrument</i>) in a company equals the amount of consideration paid in relation to such investment calculated by using the XIRR function in Microsoft Excel.
"Investment(s)"	The investment in the fully paid-up Shares of the Fund.
"Investment Committee" or "IC"	The Investment Committee is a governing body of Manazel Compounds Real Estate LLC which shall be appointed by the

Manazel Compounds Board. The IC will consist of a minimum of three members and a maximum of five members.

"Investment Criteria"	Means the investment criteria defined in Section 5 of this Memorandum.
"Investor(s) " or "Subscriber(s)"	Those persons who are the registered holders of Shares according to the register of members of the Fund and are Sophisticated Persons.
"Investment Period"	The period beginning on the First Closing Date and ending 9 months after the Final Closing Date, subject to one 6-month extension at the Directors' sole discretion. The Investment Period may be terminated earlier, at the sole discretion of the Directors, at any time after the Fund is at least 75% invested, committed for investment, or reserved for additional investments in Fund investments. In case, there is no Subsequent Closing, the First Closing Date will be considered as the Final Closing Date for the Investment Period.
"Investate Arabia" or "IAB"	Investate Arabia, a limited liability company incorporated under the laws of the Kingdom of Saudi Arabia, having registered number 1010261224, whose address is Jarbou Tower, Dhahran Road, 8th Floor, Office 803, Al Khobar, Kingdom of Saudi Arabia. Investate Arabia is fully held through representatives of Tanween W.L.L., Qatar.
"Issue Price"	Means share price of Manazel Al Mamlaka as per the Subscription Agreement. The issue price for the shares will be SAR 100 per share during the First Closing. The share price during the Subsequent Closings will be determined later by the Fund Manager based on the direct or indirect stake of the Fund in Manazel Compounds Real Estate LLC on post money fair market value basis.
"KSA"	Kingdom of Saudi Arabia.
"Law"	The Companies Law (2011 Revision) of the Cayman Islands as amended from time to time.

"Lead Placement Agent"	TFI is appointed to privately place Shares in accordance with this Memorandum, the Articles, the Subscription Agreement and all applicable laws and regulations.
"Local KSA Partner" or "KSA Partner"	Investate Arabia LLC
"Management Share(s)"	The voting, non participating shares in the Fund to be held by TFI. The management shares carry the sole right to vote at general meetings, but carry no rights to participate in the profits or capital of the Fund.
"Manazel Compounds" or "Company"	Manazel Compounds Real Estate LLC, a company incorporated under the laws of the Kingdom of Saudi Arabia, with registration number 1010405267. Manazel Compounds will be holding the Asset Companies. Manazel Compounds will be initially owned by Al Mejdaf or any of its subsidiaries and the KSA Partner or any of their respective subsidiaries; and any other shareholders may be added at the discretion of Manazel Compounds Board.
"Manazel Compounds Board"	The initial board of directors of Manazel Compounds will be represented with 3 members from Al Mejdaf (which shall have one representative from Warba Bank) and 2 members from the Local KSA Partner. The board members can be increased up to a total of 6 members to represent any of the investors upon approval from Al Mejdaf and the Local KSA Partner.
"Manazel Compounds Investor IRR" or "Manazel Compounds IRR"	The anticipated IRR in Manazel Compounds calculated before deducting withholding taxes, structuring fees and placement fees (as defined in the section "Fees and Expenses"). The timing considered for investment for the purpose of calculation of the IRR will be the dates of deployment of funds by Manazel Compounds. Manazel Compounds will call for the funds during the Investment Period, the basis of which will be the amount needed relating to acquisition of the properties. The timing considered for distributions will be based on the date of instruction to the bank for transfer of actual payment of cash.
"Manazel Management" or "Facilities Manager"	Manazel Management Real Estate, LLC, a limited liability company incorporated under the laws of the Kingdom of Saudi Arabia, having registered number 1010405265. Manazel Management is established by TFI through Al Mejdaf, or any of TFI's subsidiaries,

and Local KSA Partner, for providing real estate facilities management services to Manazel Compounds. The company will be owned 50% by Al Mejdaf and 50% by the Local KSA Partner.

"Minimum Subscription"

Minimum subscription of SAR **1,000,000** or such other amount as may be determined by the Directors, in their sole discretion subject to any applicable law.

"NAV" or "Net Asset Value"

Net asset value as determined by the Fund from time to time.

"NOI Yield"

Net operating income, which equals Gross Rental Income less operating expenses and other direct asset expenses divided by the Asset Purchase Price.

"Offering"

In order to carry out its investment objective, the Fund, through its Placement Agents, is inviting prospective investors to subscribe for shares in the Fund.

Total Offering

The Fund, the Fund will seek up to SAR 750 mn which will comprise of subscriptions from the First Closing and the Subsequent Closings.

Seed Closing

The seed asset has been acquired by Manazel Compounds Real Estate LLC. The asset acquisition has been funded using equity from the Seed Commitment and Cornerstone Investor's Commitment and the remaining amount of debt. The funding has been as follows:-

- SAR 12 mn by Manazel Al Mamlaka out of Cornerstone Investor (Warba Bank's) commitment including structuring fees and any other applicable fees and expenses.
- SAR 108 mn out of the Seed Commitment including structuring fees and any other applicable fees and expenses.

[The remaining Seed Commitment and Cornerstone Investor Commitment shall be utilized in subsequent closings]

First Closing

The first closing will comprise of subscription of an aggregate for up to 3,750,000 Shares with an Issue Price of SAR 100 per share, totaling up to SAR 375 mn.

The Offering Period for the First Closing is anticipated to close on 30 April 2015 (the “First Closing Date”). The Directors may shorten or extend the offering period at their sole discretion.

Subsequent Closings

Subsequent closings by the Fund will seek up to SAR 363 mn in aggregate subscriptions. The Issue Price of such subsequent offering will be determined later by the Fund Manager based on the direct or indirect stake of the Fund in Manazel Compounds on the basis of post money fair market value. The Subsequent Closings will be done in a maximum of two additional rounds and the Offering Period will close on the Final Closing Date for the subscriptions which is targeted to be around 31 December 2016.

“Offering Documents” The offering documents include the Information Memorandum, the Executive Summary and the Subscription Agreement.

“Offering Period” The Offering Period is the period during which the shares of Manazel Al Mamlaka are offered for subscription for the First Closing and any Subsequent Closings.

First Closing

The Offering Period for the First Closing is anticipated to close on 30 April 2015 (the “First Closing Date”). The Directors may shorten or extend the offering period at their sole discretion.

Subsequent Closings

The Offering Period for the Subsequent Closings will be done in a maximum of two additional rounds and will close on the Final Closing Date which is expected to be around 31 December 2016.

“pa” or “p.a.” Per annum.

“Participating Share(s)” A non-voting participating share in the capital of the Fund of SAR 100 nominal or par value designated as a Participating Share and having the rights provided for such shares under the Articles.

“Placement”	The irrevocable offer to subscribe for the Shares on the terms set out in this Memorandum and the Subscription Agreement.
“Placement Agent(s)”	Any placement agent who is appointed by the Fund to privately place Shares in accordance with this Memorandum, the Articles, the Subscription Agreement and all applicable laws and regulations, including the Lead Placement Agent.
“Placement Fee(s)”	The placement fee to be paid to any Placement Agent, as set out in the Section 8 of this Memorandum headed, “Fees and Expenses.”
“Portfolio Size” or “Target Portfolio Size”	Manazel Compounds targets to have a portfolio size of approximately SAR 750 mn (US\$ 200 mn) using the funds from the First Closing and other forms of financing and Shariah compliant bank financing. The Portfolio Size could exceed SAR 2 billion subject to further funds raised in Subsequent Closings and other forms of financing and Shariah compliant bank financing sought at the asset level.
“Qatar”	Means the State of Qatar.
“QAR” or “QR”	The Qatari Riyal, the lawful currency of the State of Qatar.
“QCB”	Means Qatar Central Bank.
“Residential Compound” or “Compound”	Any residential compound as detailed in Section 4 which satisfies the Investment Criteria as defined in Section 5 and which is acquired by Manazel Compounds, directly or indirectly.
“SAR”	The Saudi Arabian Riyal, the lawful currency of the Kingdom of Saudi Arabia.
“Saudi Arabia”	Means the Kingdom of Saudi Arabia.
“SAMA”	Saudi Arabian Monetary Agency, the central bank of the Kingdom of Saudi Arabia, established in 1952.
"Seed Closing"	The seed asset has been acquired by Manazel Compounds Real Estate LLC. The asset acquisition has been funded using equity from the Seed Commitment and Cornerstone Investor's

Commitment and the remaining amount of debt. The funding has been as follows:-

- SAR 12 mn by Manazel Al Mamlaka out of Cornerstone Investor (Warba Bank's) commitment including structuring fees and any other applicable fees and expenses.
- SAR 108 mn out of the Seed Commitment including structuring fees and any other applicable fees and expenses.

[The remaining Seed Commitment and Cornerstone Investor Commitment shall be utilized in subsequent closings]

"Seed Commitment"

Seed Commitment exists for circa SAR 112.5 mn to invest in Manazel Compounds as below:

- TFI and its parent company (Barwa Bank) have seeded Manazel Compounds by committing circa SAR 30 million and SAR 45 million respectively, i.e. a total of SAR 75 mn through Al Mejdaf in the form of equity and shareholder loans.
- The Local KSA Partner has committed circa SAR 37.5 mn into Manazel Compounds.

The Seed Commitment provides great credibility to the KSA Residential Compounds strategy and provides opportunity to acquire the first asset with a combination of Shariah compliant bank financing, so as to enable execution of the Fund strategy while raising capital as part of the First Closing.

"Share(s)"

The Participating Shares and all references to the "Shares" herein shall be deemed to be the Participating Shares of any or all classes or series as the context may require.

**"Shariah Advisor" or
"Shariah Committee"**

Fund has retained a Shariah committee comprising scholars from Bait Al-Mashura Finance Consultations, namely Dr. Osama Qais Al-Dereai (Managing Director and CEO of Bait Al-Mashura Finance Consultations) and Dr. Walid bin Hadi

**"Sophisticated
Person(s)"**

Has the meaning given in the Securities Investment Business Law (2011 Revision) of the Cayman Islands.

"Sponsor"

TFI

**"Subscription
Amount"**

The total of Minimum Subscription of SAR 1,000,000 and any additional amounts subscribed by the Investor in multiples of SAR

100,000.

"Subscription Agreement"

The Subscription Agreement issued by the Fund from time to time for subscribing to the Shares.

"Subsequent Closings"

Post the First Closing, the Fund may target to raise an additional sum of up to SAR 363 mn to invest in Manazel Compounds through up to two additional rounds of capital raising. The investors in any Subsequent Closings will be invited based on the post money fair market value basis. Subsequent Closings may occur at the discretion of the Directors.

"TFI"

The First Investor Q.S.C.C. ("TFI"), a company incorporated under the laws of the State of Qatar and its principal office address at 5th Floor, Barwa Bank Building, Grand Hamad Street, P.O Box 16034 Doha, Qatar. TFI is a subsidiary of Barwa Bank.

"Transaction Value"

Asset Purchase Price or Exit Value

"US\$" or "US Dollar" or "USD"

Means the lawful currency of the US.

Capitalized terms used in this Memorandum and not otherwise defined in this Memorandum, have the meanings ascribed to them in the Articles.

1. SUMMARY OF PLACEMENT

This summary is qualified in its entirety by the more detailed information included, or referred to elsewhere, in this Memorandum, and it does not purport to be complete. Prospective Investors are urged to read this Memorandum in its entirety.

1.1. THE BACKGROUND

This Memorandum is an invitation to prospective Investors to subscribe for Shares in Manazel Al Mamlaka (the “Fund”); an exempted limited liability company incorporated under the provisions of the Law, and subject to the terms of this Memorandum and the accompanying Subscription Agreement. The Fund is promoted by The First Investor (“TFI”), and will indirectly own and operate a portfolio of income-producing compound properties within the KSA through Manazel Compounds (the “Company”).

TFI along with its parent company (Barwa Bank) have committed circa SAR 30 mn and circa SAR 45 mn respectively, i.e. a total of circa SAR 75 mn to seed the Company. IAB, the Local KSA Partner, has committed to invest circa SAR 37.5 million in the Company. Further, Warba Bank as the cornerstone investor has committed up to SAR 37.5 mn to the Fund. The Company in KSA aims to acquire a portfolio of Residential Compounds using a block building approach. The target is to create a portfolio size of income generating compounds of up to SAR 2 billion by a combination of debt and equity to enable the Company to gain size and do acquisitions.

Investors are invited to participate in Company’s business ventures through the purchase of shares in an offshore investment vehicle “Manazel Al Mamlaka” a Cayman Islands incorporated limited liability company. All capital raised through Manazel Al Mamlaka will be dedicated solely towards the acquisition and expansion of the Residential Compounds portfolio in KSA through a Shariah compliant investment structure. The Investors investing through Manazel Al Mamlaka shall reap the benefits of returns and cash flow from the income generating compounds.

The Company will aim to maximize value for the Investors through value enhancement activities on the Compounds by way of differentiating on service quality, professional management and brand value.

1.2. THE OPPORTUNITY

Saudi Arabia is a rapidly expanding market driven by oil wealth, a young and growing population, increased foreign investment and the significant economic stimulus plans implemented by the government to drive growth and facilitate diversification away from the country’s reliance on the oil industry.

It is poised for sustained economic growth and the need for professional business services and demand for both local and expatriate talent will continue to increase. While the overall growth of the economy will drive all sectors of the real estate market, the residential sector is best

positioned to benefit from the higher demand, leading to sustained rental growth and stronger capital values.

Within the real estate sector, Residential Compounds are particularly in high demand. This is primarily due to the fact that the housing needs for the expatriates are driven by their differing social customs, lifestyles, interests and practices from those locally observed. For this reason Residential Compounds have emerged as the preferred accommodation option for foreigners in Saudi Arabia, which provides them with a more familiar environment, as well as top-notch housing standards and services.

There is currently a wide gap between supply and demand. According to the global real estate advisor, Jones Lang LaSalle (JLL), by end of 2012 there were 28,350 expatriate compound units in Riyadh against a standing demand of 60,400 from the expatriate communities¹. The current demand for compound units in Riyadh, Jeddah and DMA currently stands at more than 200% of the current supply, thereby displaying strong opportunities for the compounds sector in the foreseeable future. Additionally, a broad variance in quality in the Residential Compounds and the services provided creates a compelling proposition to create a brand in the compounds market with high quality services.

Manazel Compounds is in the process of assembling a portfolio of real estate Residential Compounds that attract high income earning expatriates by providing enhanced compound maintenance and facilities management services. The business will be built by focusing on acquiring and aggregating a portfolio of operating compound properties that are capable of generating stable rental income over the course of the investment holding period of 3-5 years. It will focus on acquiring existing and newly developed compounds with running tenancies that have the attributes necessary to provide sustainable income, as well as seeking properties with upside potential through refurbishment and upgrade.

1.3. RETURNS

Based on the Fund's proposed investment strategy, the Fund will target a Fund IRR of 14%-18%.²

1.4. THE OFFERING

TFI is pleased to present an attractive Shariah compliant investment opportunity to participate in the investment in a Fund that will indirectly invest in a portfolio of income-producing Residential Compounds within KSA.

a. Offering of Shares

¹ Source: JLL Market Study, May 2013

² The Fund Manager does not guarantee the target return and prospective investors are advised to consider the risk factors set out in Section 9 of this Memorandum.

In order to carry out its investment objective, the Fund, through its Placement Agents, is inviting prospective investors to subscribe for shares in the Fund.

Total Offering

The Fund, will seek up to SAR 750 mn which will comprise of subscriptions from the First Closing and the Subsequent Closings.

Seed Closing

The seed asset has been acquired by Manazel Compounds Real Estate LLC. The asset acquisition has been funded using equity from the Seed Commitment and Cornerstone Investor's Commitment and the remaining amount of debt. The funding has been as follows:-

- SAR 12 mn by Manazel Al Mamlaka out of Cornerstone Investor (Warba Bank's) commitment including structuring fees and any other applicable fees and expenses.
- SAR 108 mn out of the Seed Commitment including structuring fees and any other applicable fees and expenses.

[The remaining Seed Commitment and Cornerstone Investor Commitment shall be utilized in subsequent closings]

First Closing

The first closing will comprise of subscription of an aggregate for up to 3,750,000 Shares with an Issue Price of **SAR 100** per share, totaling up to **SAR 375 mn**.

The Offering Period for the First Closing is targeted to close on 30 April 2015 (the "First Closing Date"). The Directors may shorten or extend the offering period at their sole discretion.

Subsequent Closings

Subsequent closings by the Fund will seek up to SAR 363 mn in aggregate subscriptions. The share price of such subsequent offering will be determined later by the Fund Manager based on the direct or indirect stake of the Fund in Manazel Compounds on the basis of post money fair market value. The Subsequent Closings will be done in a maximum of two additional rounds and the Final Closing Date for the subscriptions is targeted to be around 31 December 2016.

b. Subscription

Any subscription in the Fund must be for a minimum subscription of **One Million Saudi Riyals (SAR 1,000,000)**, subject to the discretion of the Directors to accept a lower amount (in accordance with the applicable law). The Directors reserve the right to raise or lower the minimum subscription amount subject to applicable law.

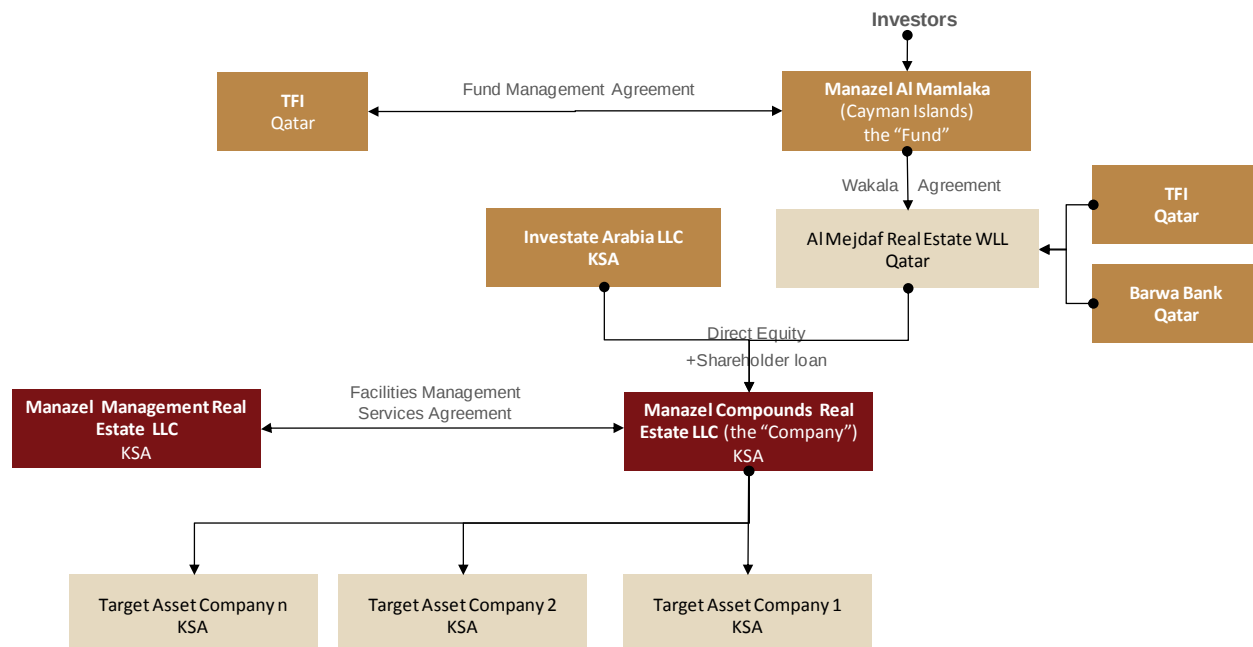
To subscribe during the Offering Period, each prospective investor must complete and execute the Subscription Agreement, return it, together with all Know Your Customer (“KYC”) documentation to the Fund Manager and ensure that the Subscription Amount (together with any Placement Fee) in cleared funds are received by the Fund Manager prior to 16:00 (4:00 PM), Qatar time, on or before the Closing Date.

The specific investor stake in the Fund is not redeemable at the option of the holder and have such rights as are set out in the Section headed **"Rights of the Shareholders"**.

The Directors may suspend or withdraw the Offering or close the Offering at any other Offering Size at any time at their sole discretion.

c. Investment Structure

The investment structure of the Fund is presented in the diagram below:



d. Fund Manager

The Fund will be managed by TFI who will be engaged by the Fund to provide strategic advice relating to the Fund’s overall investment management. The Fund Manager will be responsible for:

- incorporating the appropriate structure;
- inviting investors to participate in the Fund;
- investing the money indirectly in Manazel Compounds to acquire income generating expatriate Residential Compounds;

- recommending strategic actions to make appropriate investment actions on an ongoing basis with respect to the investment;
- supervising the implementation of the investment objective and strategies of the Fund subject to any investment restrictions; and
- managing the exit from the Fund, investor related reporting and overseeing Fund administration

e. Acquisitions and Management of Real Estate Properties

The sourcing of new acquisitions and management of real estate properties of Manazel Compounds will be performed by Manazel Management. Manazel Management intends to provide the below services through a real estate facilities management agreement with Manazel Compounds:

Deal Sourcing & Management

- Identify potential acquisitions
- Prepare financial and risk analysis for prospective real estate deals
- Submit real estate investment memoranda to Manazel Compounds' Investment Committee and Manazel Compounds' Board for their review and approval
- Negotiate real estate deal terms, secure financing for the Compound acquisitions, and manage third-party consultants during due diligence process
- Oversee closing and management of the portfolio of real estate assets according to business plan post-closing

Property Management

- Prepare appropriate leasing, marketing and branding strategies
- Prepare business plan
- Oversee operations, maintenance and facility management of the Compounds
- Procure refurbishment of Compounds, if required
- Organise the maintenance of the compound units and common areas
- Organise the collection of rents
- Liaison with Government authorities
- Create budgets and manage expenses
- Prepare accounts
- Prepare and execute exit strategies

f. Sponsors

The First Investor Q.S.C.C.

The First investor Q.S.C.C. ("TFI") is one of the leading Shariah compliant investment companies in Qatar. Regulated by the Qatar Central Bank and capitalised with QR 240million,

TFI is the largest closed shareholding investment firm in Qatar and a 100% wholly owned subsidiary of Barwa Bank, one of Qatar's fastest growing banks.

g. Local KSA Partner

Investate Arabia (IAB)

IAB is fully owned by representatives of Tanween. IAB has been established to replicate the success of Tanween in KSA. IAB has acted as development manager in villa development projects in KSA and is rapidly building up track record in KSA, through execution of various projects.

Tanween is a pioneer company specializing in integrated multi-disciplinary development management services in the Gulf Region and North Africa. Tanween was established in 2007 to act as the Development Management arm of Barwa Real Estate, Qatar. The company grew and is currently servicing several major clients with a large portfolio of properties under development, ranging from master planned communities to fully fledged integrated cities that are, and will, shape the future of Qatar and other countries. Tanween's unique approach covers all services within the real estate investment value chain from idea creation to project delivery and asset management.

Tanween's core services include:

- Strategic & Economic Advisory
- Investment Strategy & Management
- Property Consultancy & Market Research
- Business Planning & Financial Modeling
- Development & Project Management
- Marketing Strategy & Management
- Sales & Leasing Strategy & Management
- Asset Management

h. Seed Commitment

TFI and its parent company (Barwa Bank), have committed to invest circa SAR 30 mn and circa SAR 45 mn respectively, i.e. a total of circa SAR 75 mn directly or indirectly in Manazel Compounds for acquisition of residential expatriate compounds in KSA; and the Local KSA Partner has committed circa SAR 37.5 mn in Manazel Compounds. Significant seed commitments in the investment structure create strong alignment of interests for the investment, and along with bank finance will enable the acquisition of the first asset for the portfolio of Manazel Compounds.

i. Exit Strategy

The anticipated Term for this investment is three years from the First Closing Date, with two one-year extension options. Manazel Management will suggest the most valuable exit option such that it creates an optimal and achievable exit value within the stipulated Term of the Fund. The key target exit options to be explored will be:

- **Trade sale of the portfolio of compounds or individual asset basis:** This may refer to a strategic buyer who intends to grow his business or to a financial buyer who wants to generate a financial return on his invested capital at the time of exit, and shall enable an attractive exit cap rate due to the value perceived by the strategic buyer of the portfolio, the added diversification benefits, and perceived brand value of the assets as per the Fund strategy.
- **Buy back option at the time of acquisition:** Certain Compounds could be bought with an identified exit option in line with the Term of the Fund, with a view to manage the compounds so as to stabilize the compound operations, create brand value and enhance value through rental enhancements by value added strategy; which could then be bought back by the original owner for its enhanced value.
- **Listing Manazel Compounds subject to market conditions, listing requirements and relevant regulatory approvals:** This option can yield attractive exit valuations under favorable market conditions; the pricing, mechanics and viability of such an option will be explored near exit.
- **Sale of Manazel Al Mamlaka shares to another fund or set of strategic investors:** Setting up the Saudi investment structure along with income generating Saudi acquisitions requires time and effort. Further, a healthy track record and brand name, this exit can be an attractive proposition for new investors wishing to invest in the cash flow generating Residential Compounds in KSA. This could generate attractive valuations for the investors and could be an optimal exit strategy for the existing investors.

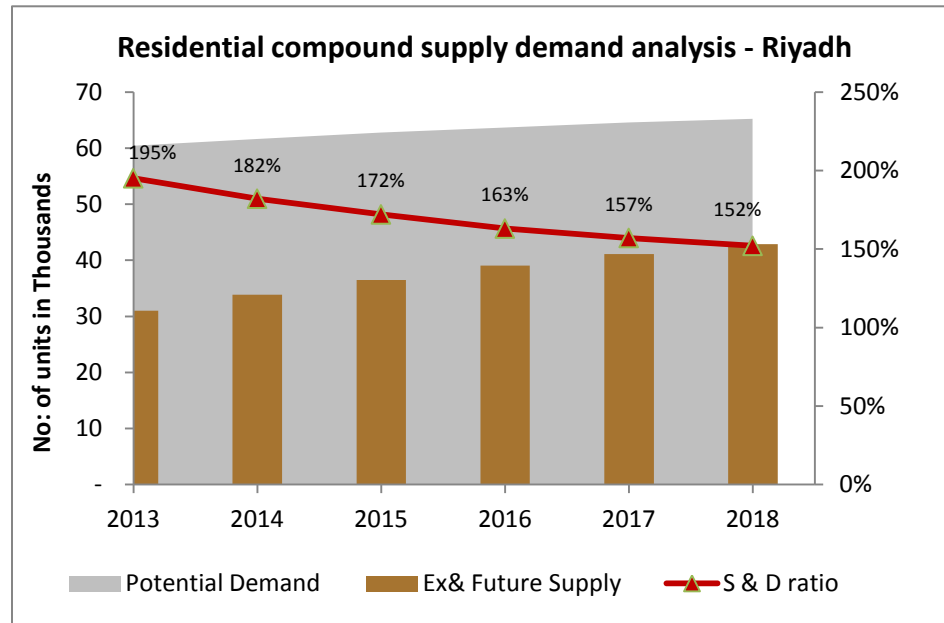
The above exit options along with any other appropriate exit strategy as deemed fit by Manazel Management would be explored. The final exit option or exit strategy would be recommended by the Investment Committee and approved by the Manazel Compounds Board, and would aim appropriate exit within the Term of the Fund.

The Fund will be required to wind down its activities in a reasonable and timely manner to aim achievement of exit for the investors within the target Term of the Fund.

1.5. MARKET OVERVIEW

The market for expatriate Residential Compounds is extremely undersupplied with a large supply-demand gap, making it one of the most attractive real estate segments in KSA.

- The supply-demand gap in the Residential Compound sector in Riyadh stands approximately 30,000 units as of 2013 (Source: JLL Report, April 2013). Although a number of new projects are coming up in short to medium term, the gap is expected to remain steady and is projected to be approximately 25,000 units by 2015.



Source: JLL Market Study, May 2013

- The demand for Residential Compound units is expected to remain healthy and increase along with the growth in population and disposable income. With the current waiting list exceeding 100%, the supply demand gap in the Residential Compound market is expected to stay for the medium term.
- The expatriate population in KSA is less transient, and has more limited housing options when compared to other GCC countries, which increases demand for Compounds and provides for longer-term stability within the sector.
- With limited competition in the market place due to lack of options and new supply, the existing Compounds are able to command high rents relative to the quality and services provided.
- The regulations for Compound development along with increased security needs, often from the Saudi military, are strong entry barriers for new players. The time required to complete a project from planning to occupancy is at least 3-4 years on average.
- The projects under construction or in advanced planning stages are set to deliver approximately 5,000 to 8,000 additional units to the market by 2015. These will be

largely positioned at the high end of the market and will represent 75-100% increase in the supply of Class A units.

- High population growth rates, including continued expatriate influx, coupled with a shortage of amenities and activities outside the compounds will sustain high occupancy levels.
- The strategy of Manazel Compounds is to accumulate a portfolio that provides the company with a critical mass in the residential compounds sector and benefits from economies of scale, creation of brand and leveraging the high demand in the sector.

1.6. INVESTMENT HIGHLIGHTS

a. High demand asset class

The KSA Residential Compound market is one of the few sectors within the GCC real estate market that exhibits a significant mismatch between supply and demand. The demand to supply ratio for compounds in Riyadh is estimated at approximately 200% (Source: JLL Report, May 2013). It is also one of the few attractive markets in GCC with continually rising land prices. This strong end-use demand for KSA residential compounds provides attractive rental yields, thereby providing the basis for high returns to investors underpinned by existing rental income.

b. Strong seed commitments

TFI, a subsidiary of Barwa Bank, one of the fastest growing Shariah compliant banks in Qatar along with its parent company (Barwa Bank), have made a capital commitment of circa SAR 30 mn and SAR 45 mn respectively, i.e. a total of circa SAR 75 mn in the Company. Further, IAB has committed to invest up to SAR 37.5 million in the Company.

Further, the global real estate investment management experience of TFI along with the strength of its parent company will aide in value enhancement of returns for the investors along with bringing expertise to cherry pick assets on a risk adjusted basis.

c. Attractive dividends and returns

The purpose of Manazel Al-Mamlaka is to provide immediate income-generation with dividend payouts on the back of secured leases.

- A pipeline of potential assets has been identified.
- Dividends: The Fund will target average yearly dividends in the range of 7%-9% (net of all fees and taxes) on Investment to the Investor over the Fund Term.
- Investment Returns: The Fund IRR is anticipated to be in the range of 14%-18% (net of all fees and taxes).
- The strategy of Manazel Compounds is to accumulate a portfolio that provides a critical mass in the residential compounds sector and benefits from economies of scale,

creation of brand and leveraging the high demand in the sector, which will provide a viable and value accretive exit for the investors.

1.7. TFI EXPERTISE AND EXPERIENCE

TFI is a wholly-owned subsidiary of Barwa Bank, one of Qatar's fastest growing financial institutions. TFI is a preferred real estate adviser, arranger, structurer and fund manager for leading Qatari and other Gulf based investors.

- Through its strong international network of relationships, and deep technical expertise, TFI can provide global reach to its clients in helping them formulate, deliver and manage their real estate strategies
- TFI has a strong track record in sourcing and executing global real estate transactions for Qatari and other Gulf based investors
- TFI has an experienced team of real estate professionals who possess expertise in the field of structuring and management of real estate funds worldwide

TFI's real estate investment services include:

- Advisory: from the creation of an investment strategy to the review of specific projects or real estate asset management activities
- Transactions: sourcing, financial structuring and execution, involving single assets, portfolios or joint ventures
- Fund Management: building its own range of specialist real estate funds for Shariah compliant investors investing globally

1.8. MANAGEMENT OF THE FUND

The Fund will be managed in accordance with this Memorandum by the Fund Manager with approvals by the Board of Directors of the Fund. The initial Directors of the Fund are expected to consist of 2 members nominated by TFI. The board members could be increased to provide representation to Cornerstone Investors at the discretion of TFI.

The Fund will invest in the Residential Compounds indirectly through Manazel Compounds. The decisions relating to investment/acquisition of the Manazel Compounds will be taken by the Manazel Compounds Board. Any Investment/disposal decisions by Manazel Compounds Board will be based on the recommendation from the Investment Committee of Manazel Compounds.

The Manazel Compounds Board will be initially represented by Al Mejdaf or its subsidiaries and it is expected they will retain their representation on the Manazel Compounds Board over the Fund Period. The Manazel Compounds Board will invest in line with the investment strategy of the Fund and the Investment Criteria. As a control mechanism, the Investment Committee will have majority of its members nominated by the Fund Board and which may include members from TFI and will recommend decisions in line with the Fund strategy, the Investment Criteria and as per the guidelines of this Memorandum.

All real estate activities of Manazel Compounds will be operated and managed through Manazel Management, a focused real estate facilities management service company. Manazel Management, through a real estate facilities management agreement with Manazel Compounds, will provide expert real estate advisory and asset oversight reporting directly to the Manazel Compounds Investment Committee and Board.

1.9. SHARIAH COMPLIANCE

The Fund will make its investments and conduct its affairs in a manner that is compliant with Shariah. The Fund has retained a Shariah committee comprising scholars from Bait Al-Mashura Finance Consultations, namely Dr. Osama Qais Al-Dereai (Managing Director and CEO of Bait Al-Mashura Finance Consultations) and Dr. Walid Bin Hadi. The Fund has obtained a fatwa approving the structure and terms of the Fund. The Fund will also be subject to annual Shariah auditing performed by the Shariah Committee and a fatwa will be sought each year to confirm the Fund's ongoing compliance with Shariah.

The Fund, Manazel Compounds, the Asset Companies, and other companies in the structure will comply with the principles of Islamic Shariah (please refer to Appendix).

1.10. TAXATION

Investors would be subject to taxation laws in their local jurisdiction. The overall investment structure would be subject to applicable taxation rules of KSA, Qatar and Cayman Islands. Please refer to Section 10, Certain Tax Considerations for further details.

1.11. RISK FACTORS

An investment in the Fund involves risks that prospective investors should consider before investing in the Fund. While TFI have a strong track record and operating history, the Fund itself will be a new entity with no track record or operating history. There can be no assurance that any rate of return will be realized or that significant capital losses will not occur.

An investor should only invest in the Fund as part of an overall investment strategy, and only if the investor is able to withstand a total loss of its investment. Prospective investors should carefully consider each and every risk involved herein, and can find detailed profiles of each specific risk associated with investing in the Fund within the "Risk Factors" section of this Memorandum.

2. THE OFFERING

This product is available for Sophisticated Persons only and is not an offer of sale to the general public.

2.1. TERMS OF THE OFFERING

Legal Structure:	The Fund is a Cayman Islands exempted company with limited liability. The Fund is closed-ended and has an unlimited life.
Fund Manager:	TFI or any other fund manager appointed by Manazel Al Mamlaka from time to time.
Sponsors:	TFI.
Local KSA Partner:	IAB.
Seed Commitment:	Seed Commitment exists for circa SAR 112.5 mn to invest in Manazel Compounds as below: • TFI and its parent company (Barwa Bank) have seeded Manazel Compounds by committing circa SAR 30 mn and circa SAR 45 mn respectively, i.e. a total of circa SAR 75 mn through the Al Mejdaf in the form of equity and shareholder loans. • IAB has committed circa SAR 37.5 mn into Manazel Compounds. The Seed Commitment provides great credibility to the KSA Residential Compounds strategy and provides opportunity to acquire the first asset with a combination of Shariah compliant bank financing, so as to enable execution of the Fund strategy.
Real Estate Facilities Management Company:	Manazel Management Real Estate, LLC, a limited liability company incorporated under the laws of the Kingdom of Saudi Arabia, having registered number 1010405265. Manazel Management is established by TFI through Al Mejdaf, or any of its subsidiaries, and Local KSA Partner, for providing real estate facilities management services to Manazel Compounds. The company will be owned 50% by Al Mejdaf and 50% by the Local KSA Partner.

Investment Objective:

The Fund has been established with the principal objective to indirectly invest into Manazel Compounds, a sustainable, Shariah-compliant company whose purpose is to acquire and operate income-generating Residential Compound housing assets in KSA.

The Offering:

In order to carry out its investment objective, the Fund, through its Placement Agents, is inviting prospective investors to subscribe for shares in the Fund.

Total Offering

The Fund, the Fund will seek up to SAR 750 mn which will comprise of subscriptions from the First Closing and the Subsequent Closings.

Seed Closing

The seed asset has been acquired by Manazel Compounds Real Estate LLC. The asset acquisition has been funded using equity from the Seed Commitment and Cornerstone Investor's Commitment and the remaining amount of debt. The funding has been as follows:-

- SAR 12 mn by Manazel Al Mamlaka out of Cornerstone Investor (Warba Bank's) commitment including structuring fees and any other applicable fees and expenses.
- SAR 108 mn out of the Seed Commitment including structuring fees and any other applicable fees and expenses.

[The remaining Seed Commitment and Cornerstone Investor Commitment shall be utilized in subsequent closings]

First Closing

The first closing will comprise of subscription of an aggregate for up to 3,750,000 Shares with an Issue Price of **SAR 100** per share, totaling up to **SAR 375 mn**.

The Offering Period for the First Closing is anticipated to close on 30 April 2015 (the "First Closing Date"). The Directors may shorten or extend the offering period at their sole discretion.

Subsequent Closings

Subsequent closings by the Fund will seek up to SAR 363 mn in aggregate subscriptions. The share price of such subsequent offering will be determined later by the Fund Manager based on the direct or indirect stake of the Fund in Manazel Compounds on the basis of post money fair market value. The Subsequent Closings will be done in a maximum of two additional rounds and the Final Closing Date for the subscriptions is targeted around 31 December 2016.

The Subscription:

Any subscription in the Fund must be for a minimum subscription of **One Million Saudi Riyals (SAR 1,000,000)**, subject to the discretion of the Directors to accept a lower amount (in accordance with the applicable law). The Directors reserve the right to raise or lower the minimum subscription amount subject to applicable law.

To subscribe during the Offering Period, each prospective investor must complete and execute the Subscription Agreement, return it, together with all Know Your Customer ("KYC") documentation to the Fund Manager and ensure that the Subscription Amount (together with any Placement Fee) in cleared funds are received by the Fund Manager prior to 16:00 (4:00 PM), Qatar time, on or before the Closing Date.

The specific investor stake in the Fund is not redeemable at the option of the holder and have such rights as are set out in the Section headed "**Rights of the Shareholders**".

The Directors may suspend or withdraw the Offering or close the Offering at any other Offering Size at any time at their sole discretion.

The Fund intends to keep all cash in liquid Shari'ah compliant investments until such time as the capital is invested in the Manazel Compounds Real Estate LLC or returned to investors.

Closing Date:

The date of the first closing of the Fund is scheduled for 30 April 2015, and can be rescheduled at the sole discretion of the Directors.

Post the First Closing, the Fund may target to raise an

Fund Term:

additional sum of up to SAR 363 mn to invest in Manazel Compounds through Subsequent Closings (in no more than two additional rounds), which is targeted around 31 December 2016. The investors in any Subsequent Closings will be invited based on the post money fair market value basis. Subsequent Closings may occur at the discretion of the Directors.

The Fund will terminate three (3) years from the First Closing Date, with two one year extensions at the discretion of the Fund Board. The Fund Board may further decide to extend or reduce the Term where the Directors reasonably believe such change will lead to a more favorable distribution to the Investors or any other reasons as deemed fit.

Investment Period:

The period beginning on the First Closing Date and ending 9 months after the Final Closing Date, subject to one 6-month extension at the Director's sole discretion. The Investment Period may be terminated earlier, at the sole discretion of the Directors, at any time after the Fund is at least 75% invested, committed for investment, or reserved for additional investments in Fund investments. In case, there is no Subsequent Closing, the First Closing Date will be considered as the Final Closing Date for the Investment Period.

If within 3 months of the end of the Investment Period, any remaining capital which has not been invested or committed will be returned back to the Investors in their respective shareholding proportions.

Also, anytime during the Investment Period, if the Fund Manager realizes that there are no more attractive opportunities for investment or the prevailing market conditions do not present an investment scenario as per the Fund's investment strategy, then the Fund Board on the recommendation of the Fund Manager can decide to return back any uninvested amount to the Investors in their respective shareholding proportions.

Target Dividends:

The Fund is targeting average yearly dividends in the range of 7%-9% on the Investment over the Fund Term. The distributions by the Fund will be pro-rata based on the shares held by the investors in the Fund. The dividends will be based on the actual cash received by the Fund from the distributable proceeds from Manazel Compounds. The Fund does not

Targeted Returns:

intend to make any in-kind distributions to its investors. The decision for actual amount of distributions will be at the discretion of the Directors.

The Fund is expected to generate an **anticipated Investor IRR of 14%-18%** (net of all fees and expenses) over the Term by way of regular distributions during the Fund Term and capital growth at the time of exit.

Fees and Expenses:

The Fees and Expenses in connection with the Offering are set out in more detail in Section 8 headed, "**Fees and Expenses**".

In summary below are the fees paid at the Fund level:

Placement Fees

Placement Fee - Up to 3% of the Investors' Subscription in the Fund, over and above the Subscription Amount payable by the Investor to the Placement Agent

Fund Manager Fees and Expenses

Structuring Fee - 2% of the Investors' Subscription in the Fund payable to the Fund Manager by the Fund on the Closing Date

Financing Arrangement Fee - 1% of the financing amount arranged for any of the compounds, payable to the Fund Manager by the Company on the closing of the loan financing.

Pre-formation expenses

The Fund Manager will charge to the appropriate company(ies), the actual expenses in relation to establishment and structuring of the Fund. This amount will not exceed SAR 2,625,000 (approximately US\$ 700,000).

Manazel Management' Fees

The following fees will be paid by Manazel Compounds to Manazel Management for performing its real estate facilities management services. (For clarification, these are the indirect fees paid by the Fund and do not include the direct fees paid at the Fund level.)

Management Fee - An amount equal to 1% p.a. of the

Exit

Gross Asset Value

Transaction Fee - An amount equal to 1% of the Transaction Value (upon acquisition and disposal)

Performance Fee - An amount equivalent to 20% of excess profits over the Hurdle IRR of 10%.

The Term for this investment is anticipated to be three (3) years from the First Closing Date, subject to the possibility of up to two one-year extensions at the discretion of the Fund Board. Manazel Management will aim to recommend the most valuable exit option such that it creates optimal and achievable exit value within the stipulated Term of the Fund. The key target exit options to be explored will be:

- (i) Trade sale of the portfolio of compounds or on a individual compound basis;
- (ii) Buy back option at the time of acquisition; or
- (iii) Listing Manazel Compounds subject to market conditions, listing requirements and relevant regulatory approvals; or
- (iv) Sale of Fund shares to another fund or set of strategic investors.

The above exit options along with any other appropriate exit strategy as deemed fit by Manazel Management would be explored. The final exit option or exit strategy would be recommended by the Investment Committee and approved by the Manazel Compounds Board, for an appropriate exit within the Term of the Fund.

The Fund will be required to wind down its activities in a reasonable and timely manner to aim achievement of exit for the investors within the target Term of the Fund.

Fund Distribution Policy

Distributions from the Fund will be made to Investors pro rata based on their respective Subscription Amounts and will be calculated on a daily basis.

Redemptions & Transfers

The Shares are not redeemable at the option of any Investor. No Shares may be sold, transferred, assigned, exchanged, pledged, encumbered or disposed of without the prior written consent of the Directors or their authorized agents which may

be withheld in their absolute discretion.

Tax Considerations

Investors would be subject to taxation laws in their local jurisdiction. The overall investment structure would be subject to applicable taxation rules of KSA, Qatar and the Cayman Islands. Please refer to Section 10, Certain Tax Considerations for further details

Shariah Compliance

The Investments will comply with the principles of Islamic Shariah approved by the Shariah Advisor.

Reporting

Each Investor will receive semi-annual reports within 60 days after the end of each Half Year (Half Year ending will be 30 June and 31 December) which detail the Fund's indirect investments into Manazel Compounds and the performance of Manazel Compounds. Reporting will begin post the First Closing to the Investors as per the register of members of the Fund.

Removal of Fund Manager

The Fund Manager may be removed: upon a material breach by Fund Manager of the Fund Articles or for fraud, bad faith, gross negligence or wilful misconduct by Fund Manager or certain of its affiliates with regard to activities relating to the Fund upon written notice from Investors representing at least 75% of Investors who are not affiliates of the Fund Manager.

Indemnification

The Fund will indemnify the Directors, the Fund Manager, Al Mejdaf, Manazel Compounds and their respective affiliates including the Sponsors, the Local KSA Partner and the members, partners, shareholders, directors, officers, employees and agents of each of them, against actual claims, liabilities, costs and expenses arising out of or in connection with their activities related to the Fund, unless incurred as a result of their own gross negligence, wilful misconduct or fraud.

The Articles limit the circumstances under which the Directors and officers of the Fund can be held liable to the Fund. As a result, Investors may have a more limited right of action in certain cases than they would have in the absence of such a limitation.

Risks

This offering involves various risk factors. Please refer to Section 9, Risk Factors for further details.

THERE CAN BE NO ASSURANCE THAT THE FUND'S INVESTMENT STRATEGY WILL ACHIEVE PROFITABLE RESULTS. AS A RESULT OF INVESTMENT RISKS, AN INVESTOR MAY LOSE SOME OR ALL OF THE CAPITAL INVESTED IN THE FUND.

2.2. KEY TERMS FOR MANAZEL COMPOUNDS

The following key terms which will form the basis of acquisition and management of Manazel Compounds are listed below:

Investment Criteria

- Asset type: Residential Compounds
- Geography: KSA with a primarily focus on Riyadh, Jeddah and Eastern Province
- Asset Size: Asset Purchase Price in the range of SAR 50 mn to SAR 1,500 mn (for target acquisitions that exceed the upper threshold, Manazel Compounds would plan to seek co-investors.)
- All investments must be Shariah compliant

Target Portfolio Size:

Manazel Compounds targets to have a portfolio size of approximately SAR 750 mn (US\$ 200 mn) using the funds from the Initial Closing, the First Closing and other forms of financing and Shariah compliant bank financing.

The Portfolio Size could exceed SAR 2 billion subject to further funds raised in Subsequent Closings and other forms of financing and Shariah compliant bank financing sought at the asset level.

Manazel Compounds Board

It is expected that all investment decisions will be made by, and the legal structure and form of each investment will be determined by, the Manazel Compounds Board on a case-by-case basis by unanimous consent only after considering the investment recommendations given by the Investment Committee.

Manazel Compounds Capital Calls

The Manazel Compounds Board will issue capital calls to Al Mejdaf which will invest on behalf of the Fund acting as its Wakeel in Manazel Compounds. The Fund Board will have the discretion to withhold disbursements if the investment is not compliant with the Fund's investment strategy and this Memorandum or if the call exceeds the funds available to the Fund Board. The capital call will be issued on an as needed basis, in order to have funds available for any purpose for which Manazel Compounds is authorized, including making or increasing the investment in a particular investment, repaying indebtedness and paying fees and expenses.

Co-Investment

To the extent that a Co-Investment opportunity is available, as determined by the Manazel Compounds Board, the Manazel Compounds Board will notify its shareholders and lenders of such Co-Investment Opportunity. Manazel Compounds anticipates that the terms of a Co-Investment Opportunity will be substantially similar to the Fund, but reserves the right to adjust any fees or incentive compensation on a case-by-case basis at the sole discretion of the Manazel Compounds Board.

Target Financing Ratio:

Shariah compliant bank financing (from banks or other financial institutions) will be obtained at arms length and approved by the Board of Manazel Compounds, and will have the first charge to the asset. The target financing ratio at the asset level will be up to 70% of the asset value.

Manazel Compounds Distribution Policy

All distributable proceeds attributable to Manazel Compounds' share in the Asset Companies (after deducting all operating, property and Asset Companies related expenses attributable to such Asset Companies) ("Distributable Proceeds"), including net proceeds from the sale, other disposition, financing or refinancing of the underlying asset or the Asset Companies ("Sale Proceeds") will be distributed as follows:

- (i) first, all the fees, expenses, any taxes and any financing costs or expenses of Manazel Compounds will be paid;
- (ii) second, 100% to investors in Manazel Compounds until the distributions of Distributable Proceeds equal the sum of all Capital Contributions (equity and shareholder loans or any other form of unsecured financing from the investors to Manazel Compounds) of the investors in Manazel Compounds;
- (iii) third ("Preferred Return"), 100% to investors of Manazel Compounds until the distributions of Distributable Proceeds equal, at the time of such distribution, a 10% compounded annual rate of return ("Hurdle IRR") on the amount of the Capital Contributions (equity and shareholder loans or any other form of unsecured financing from the investors to Manazel Compounds) of the Manazel Compounds investors is achieved;
- (iv) thereafter, 80% is paid to the Manazel Compounds investors and 20% to Manazel Management.

All payments due to the Manazel Management under sub-paragraph (iv) above are referred to as the “Performance Fee”.

Sale Proceeds will be distributed to Investors as soon as practicable after receipt thereof, except that Manazel Compounds may reinvest (and not distribute) Sale Proceeds received during the Investment Period. All other Distributable Proceeds will be distributed to investors on a semi-annual basis, subject to the final discretion of the Manazel Compounds Board.

A portion of Distributable Proceeds may be retained by Manazel Management for the purpose of maintaining adequate reserves for expenses and other obligations/activities of Manazel Compounds, including provisions for the Management Fee, as well as any tax withholding requirements.

Clawback

At the end of the Term, the Manazel Management must return to the Manazel Compounds for distribution to the Manazel Compounds investors (i) the amount, if any, by which the Performance Fee paid till date to the Manazel Management exceeds 20% of the excess profits of Manazel Compounds over the Hurdle IRR or (ii) if each investor has not received the Preferred Return, the amount equal to the lesser of (A) all distributions of the Performance Fee the Manazel Management has received or (B) distributions of the Performance Fee to the extent necessary to provide each investor a return of its Capital Contributions and the Preferred Return.

Indemnification

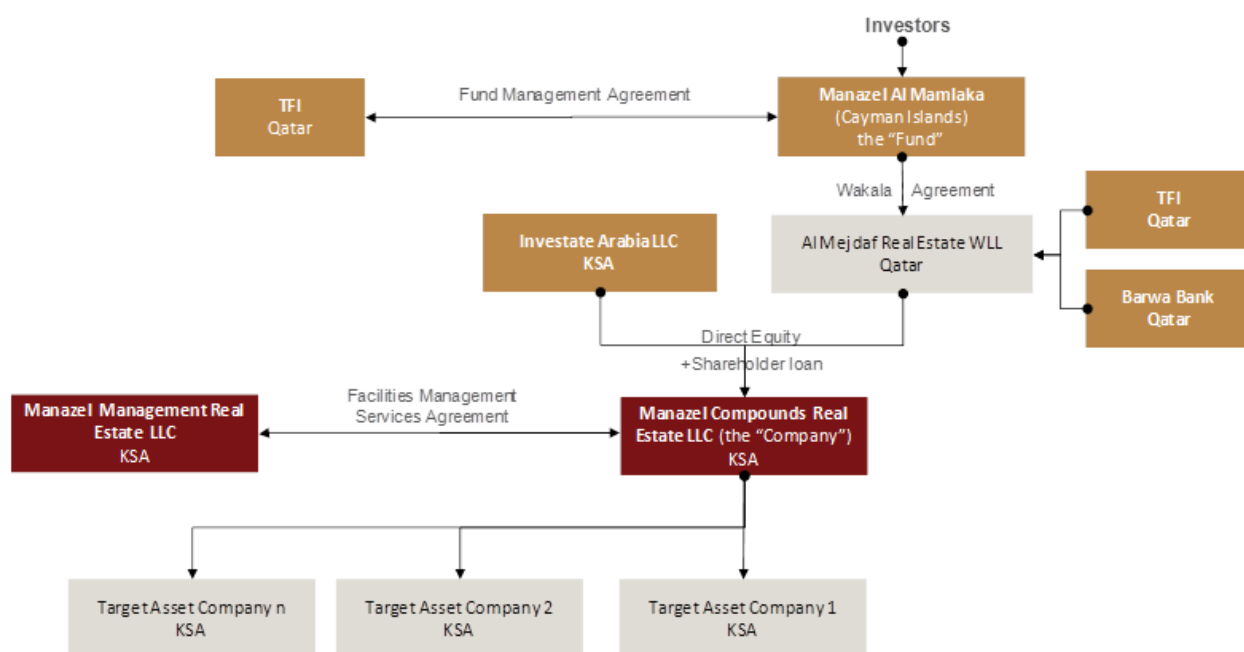
Manazel Compounds will indemnify the Manazel Compounds Board, Manazel Management and their respective affiliates, the Sponsors, the Local KSA Partner and the members, partners, shareholders, directors, officers, employees and agents of each of them, against actual claims, liabilities, costs and expenses arising out of or in connection with their activities related to Manazel Compounds, unless incurred as a result of their own gross negligence, wilful misconduct, negligent or fraudulent misrepresentation, willful material breach of their agreements or fraud. Members of the Investment Committee will also be entitled to indemnification from Manazel Compounds on the same basis.

Removal of Facilities Manager

Manazel Management may be removed: (i) if an insolvency event occurs for Manazel Management; or (ii) upon a material breach by the Manazel Management of the real estate facilities management agreement which has not been remedied within 60 Business Days of notice or (iii) for fraud of Manazel Management or certain of its officers with regard to activities relating to the Manazel Compounds subject to certain limitations and remedy periods.

2.3. INVESTMENT STRUCTURE

The investment structure of the fund is presented in the diagram below:



The Fund will invest indirectly in Manazel Compounds through the Al Mejdaf via a wakala agreement and Al Mejdaf will in turn be investing in Manazel Compounds in the form of share capital and shareholder loans. Pursuant to this structure, the Fund will secure an indirect contractual entitlement through a Shariah compliant wakala structure to the returns generated by Manazel Compounds.

The price at which the Shares of the Fund are being offered for sale hereunder has been unilaterally established by the Fund Manager. The Fund Manager has not taken independent advice to support the pricing of the Shares. Prospective Investors, on signing the Subscription Agreement acknowledge that they are in acceptance of this pricing mechanism.

Real Estate Facilities Management Agreement

A real estate facilities management agreement will be signed between Manazel Compounds and Manazel Management to provide real estate asset management related services. (see Section 6, Governance and Investment Process for further details).

2.4. GOVERNING LAW AND JURISDICTION

The Fund is incorporated in the Cayman Islands and would be governed by Cayman Islands law. All entities incorporated in Qatar are governed by Qatar law. All entities incorporated in KSA are governed by KSA law. Further, the Fund and its investments will comply with the principles of Islamic Shariah approved by the Shariah Advisor.

2.5. PROJECT ADVISORS

Legal Counsel: Trowers & Hamlins

Trowers & Hamlins is one of the few international law firms with a specialist focus on the Middle East with connections in the Middle East dating back to 1959. Trowers & Hamlins has offices in Bahrain, Dubai, Abu Dhabi, Egypt, and Oman. In addition they also have cooperation arrangements with local firms in Saudi Arabia as well as having lawyers with extensive experience of work in Saudi Arabia. They are often appointed by large-scale clients as their specialist regional counsel for the Middle East. Although such clients may maintain global legal firms on their panels who can provide standard transactional advice, if a particular deal has a Middle East or pan-regional focus, such clients often decide to instruct Trowers & Hamlins because of specific experience and connections in this part of the world.

Legal Counsel (Cayman Islands): Maples

The Maples Group comprises Maples and Calder, a leading international law firm, and Maples FS, a leading independent provider of specialized fiduciary and fund services. Formed in the Cayman Islands almost 50 years ago, Maples and Calder has grown to become a market leading international law firm advising on the laws of the Cayman Islands, Ireland and the British Virgin Islands.

Tax Advisor: KPMG

KPMG in Saudi Arabia is operating through its member-firm KPMG Al Fozan & Al Sadhan. The Firm is operating in the Kingdom of Saudi Arabia since 1977, one of the oldest KPMG firms established in the Gulf. KPMG is the fastest growing professional advisory firm in the Kingdom and are privileged to have many prestigious clients, including large multi-nationals, listed vehicles, large family-owned businesses and Government bodies. They have clients who operate in an array of industries including real estate, financial services, oil & gas, retail, investment banking, industrial and manufacturing, telecommunications, etc. KPMG has a current workforce of more than 400 people across the Kingdom, and operates out of three offices in Riyadh, Jeddah and Al-Khobar.

Market Advisor: Jones Lang LaSalle

Jones Lang LaSalle is a financial and professional services firm specializing in commercial real estate services and investment management. They have more than 40,000 people in 1,000 locations in 70 countries that serve the local, regional and global real estate needs of clients. In response to changing client expectations and market conditions, they assemble teams of experts who deliver integrated commercial real estate services built on insight and foresight, sound market research and relevant knowledge.

3. MARKET OVERVIEW

KSA is a rapidly expanding market driven by oil wealth, a young and growing population, increasing foreign investment and economic stimulus plans by the government, and facilitation to diversify away from the country's reliance on the oil industry.

As a result, KSA is poised for sustained economic growth and the need for professional business services and demand for both local and expatriate talent will continue to increase. While the overall growth of the economy will drive all sectors of the real estate market, TFI believe the residential sector is best positioned to benefit from the higher demand, leading to sustained rental growth and stronger capital values.

3.1. MACRO ECONOMIC OVERVIEW

Investment Environment

The economy is open to foreign investment in most sectors, with the exception of select industries (e.g. upstream oil exploration) that are part of the gradually shrinking list of protected sectors. Saudi Arabia has taken great strides to ease regulatory restrictions and to reform the tax system, propelling it to a highly competitive position in the World Bank's annual Doing Business rankings. Saudi Arabia's key economic priorities are job creation and the diversification of its oil-based economy.

To this end, the Saudi Arabian General Investment Authority (SAGIA) is undertaking a multi-billion dollar development strategy centered on the building of Greenfield economic cities and industrial zones around the country. The cities are designed to attract foreign and domestic investment into the downstream energy, transport and knowledge-based sectors through various incentives. In addition to welcoming foreign investment, the government is 3 years into its latest 5-year strategic plan to spend US\$ 385 billion on infrastructure and human resource development from 2010 to 2014.

The KSA legal system, which is viewed as slow-moving and biased against foreign firms lacking strong local connections, is improving. Saudi Arabia has undertaken some legal reforms to meet conditions imposed upon its accession in 2005 to the World Trade Organization. According to the Ministry of Commerce and Industry, the number of new joint ventures with multinational companies increased from 189 in 2005 to 500 in 2008, an increase of over 160%.

Real Economy

Economic growth of 4-5% is anticipated in 2011-12 on the back of rising petroleum production alongside increased refinery and petrochemical output. **Oil reserves are sufficient to last another 90 years at current rates of production.** KSA has ample spare capacity to meet market shortfalls in production and it plans to raise capacity further to an estimated 15 mn barrels per day (mb/d).

The government plans to spend US\$ 375 billion from 2010-2014 on a variety of investments and infrastructure that ranges from investments in transportation (rail, air and sea ports), property construction, and water and power generation. High oil prices will help underpin these spending plans. The annual size of the government's spending plan is equivalent to about 15- 20% of GDP on an annual basis – or about 85% of 2010 GDP.

Monetary Policy

KSA's Consumer Price Index (CPI) is currently running at about 5.5% year on year, driven primarily by higher food costs. However the CPI is running at roughly double the pace of the past decade due to food price escalation. Furthermore, the government's massive planned spending programme will add to price pressures – limiting scope for a decline in inflation going forward. Foreign exchange reserves are currently estimated at about US\$ 115 billion. The central bank is expected to continue to maintain the Riyal peg to the US\$ at a rate of SAR 3.75 to US\$ 1.00 for the foreseeable future.

Fiscal policy

The fate of government revenues is tied directly to oil prices and production levels. This sector accounts for 85% of government revenues and 45% of GDP. Production slipped a notch in 2009 alongside weaker prices and 2010 witnessed only a moderate 3% rebound in production as prices snapped back 30%. However, both production and prices were weaker than the 2008 peak. Expenditures continued to advance – growing 5% last year on the back of growth ranging between 10-20% dating back to 2003. Against this backdrop, the budget surplus has been whittled back, but remains in a comfortable surplus position. Further recovery on the revenue side, notwithstanding the infrastructure spending plan, will mean that the surplus cushion continues to grow over the coming years. Government debt is not an issue currently and stands at 17% of GDP.

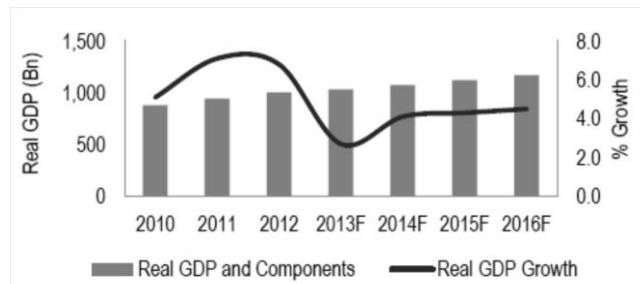
External sector

Crude and refined petroleum exports are a key driver of the trade and current account surplus. They account for about 85% of merchandise exports. Export performance, like government revenues will depend on the level of oil production and external sales and the price of oil. The outlook over the forecast horizon calls for continued gains in petroleum export earnings. Import growth remains linked to the intensity of capital imports tied to the investment activity and the more fixed component of food imports. Machinery and equipment account for about 30% of imports, while transportation equipment accounts for 18% and food and agricultural products accounts for 15% of imports. External debt levels are not excessive, at the moment.

Overall the outlook for KSA economy in the medium to long term is positive. The oil revenues will continue to finance government spending plans. The market will continue to attract foreign investments, thereby creating jobs and attracting expatriate as well as locals.

	2012	2013	2014	2015	2016
GDP growth, constant prices (%)	6.8%	4.4%	4.2%	4.4%	4.4%
GDP, current prices (in US\$ billions)	727.3	745.6	761.5	789.1	821.9
Inflation, average consumer prices (% change)	2.9%	3.7%	3.6%	3.5%	3.5%
Current account balance (% of GDP)	24.4%	19.2%	16.1%	13.9%	12.8%

Source: IMF estimates, 2011.



Source: IHS Global Insights January 2013.

3.2. RESIDENTIAL COMPOUND MARKET OVERVIEW

The demand for Residential Compounds is primarily driven by the expatriate population. The inflow of expatriates continues due to sustained economic growth and commitment to infrastructure development. This population of immigrants in KSA is heterogeneous, but what they do have in common is that they are generally very different from the Saudi population. The immigrants' incomes levels, household organization, social customs, lifestyles, interests, and often religious practices are different from and in many cases incompatible with the local population. The high income earning expatriates prefer to live in residential compounds, which create a segregation that enables people to live in a more familiar manner; alongside housing standards and services aligned with their needs. A broader segment of the expatriates working in Saudi are able to live in compounds as their incomes are rising.

Demand base is becoming broader for residential compounds as increased incomes allows a broader range of resident to opt for housing in compounds. Increasingly western and middle-eastern expats opt to live within compounds with comprehensive facilities and amenities provided.

3.3. SUPPLY CONSTRAINTS

- Large capital requirements to build and own compounds that are suitable for housing western and senior GCC expatriates;
- Escalating land prices and increasingly limited land plots within reasonable travel proximity to the support services and amenities of the expatriate communities (schools, embassies, shopping and friends);
- Restrictive permitting process and preference for smaller compound developments by local authorities, particularly for in-fill locations;
- Strict regulations and approval procedures due to security requirements and limited availability of suitable sites/areas that can adhere to security measures;

- Lack of motivation of existing compound owners to develop and expand new compounds due to the large capital expense and overexposure to the sector.

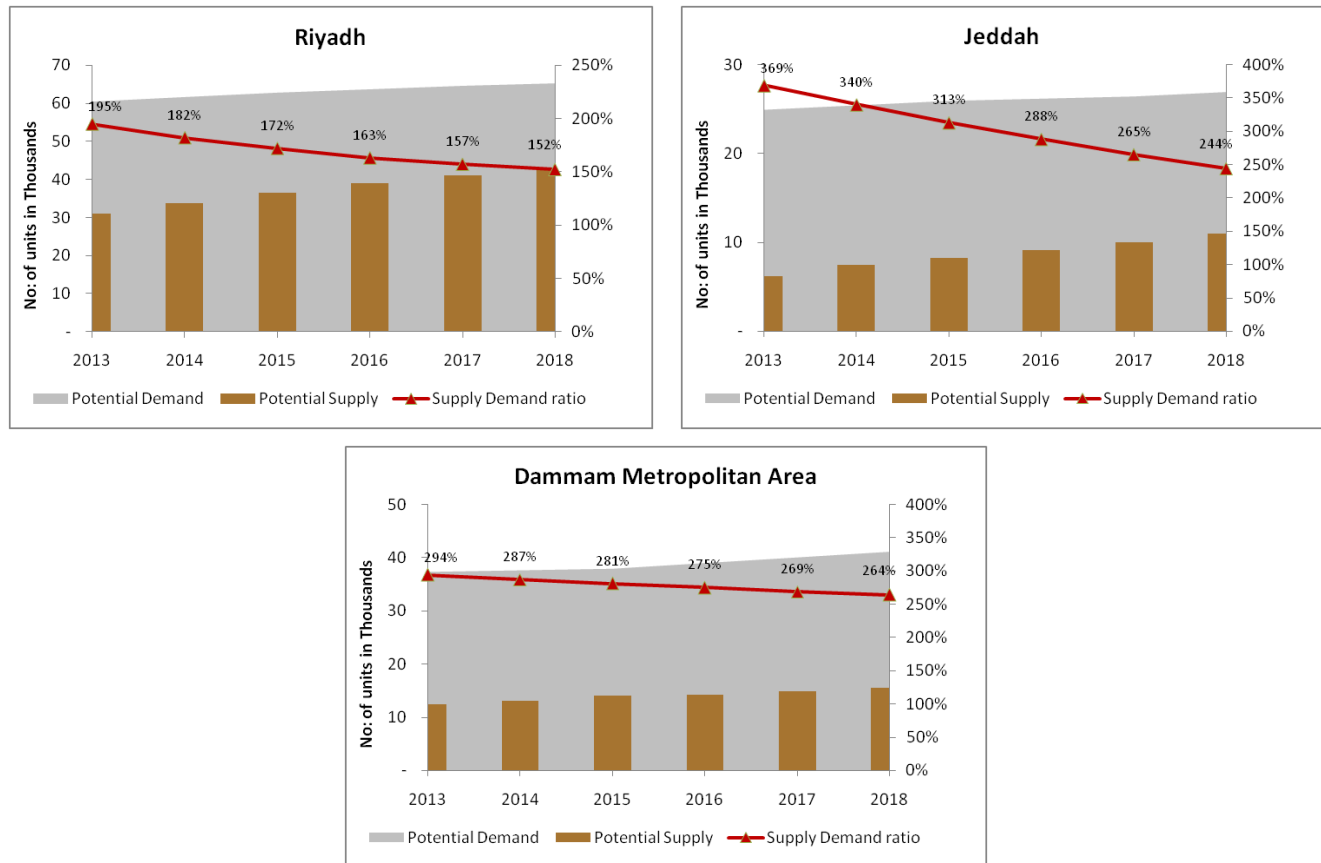
3.4. DEMAND DRIVERS

- Demand for skilled professionals continues to increase as KSA implements its economic stimulus packages that are heavily focused on infrastructure and built environment improvements.
- The cultural uniqueness limits the housing options of the professional expatriate community in terms of community support, recreational activities and general amenities, whereas compounds provide for a less conservative lifestyle for expats.
- The profile of professional expatriates in KSA is diverse and less transient when compared to other GCC countries due to the economic base of KSA. The employment base ranges from public services (medical, education), business sector (finance, banking), trading and industrial activities providing long-term employment for expatriates and therefore a more defined housing demand base.
- With limited competition in the marketplace due to lack of options and new supply, the largely family-owned and operated compounds are able to demand high rents (payable in advance) relative to the quality and services provided. This creates the opportunity for the Fund to differentiate itself over time through the provision of professional tenant services, quality design and improved amenities.

3.5. SUPPLY - DEMAND GAP

Despite the pent-up demand, a combination of several factors has caused a lag on the supply-side of the market providing a unique opportunity for a professionally-managed corporation to exploit the market dynamics, as well as to set the standard for the provision of Residential Compound housing in the market. The market is experiencing severe shortages in the residential compound supply market, with the current demand for compound units in Riyadh, Jeddah and Dammam currently stands at more than 200% of the current supply. Shortage of supply has led to increase in prices and long waiting lists for the tenants. Although new compounds are being developed, shortages are expected to be there for next 5-7 years, displaying strong opportunities for compound sector in future.

Supply Demand Analysis for Compound residential units (2013-2018)



Source: JLL Market Study, May 2013

Particulars	Riyadh	Jeddah	DMA
Current Stock (by end of 2012)	28,350 Units	6,200 Units	12,400 Units
Future Stock (by end of 2018)*	43,000 Units	11,000 Units	15,600 Units
Current Demand (by end of 2012)	60,400 Units	24,900 Units	37,400 Units
Future Demand (by end of 2018)*	65,200 Units	26,900 Units	41,200 Units
Current Supply Demand Ratio	1:2	1:4	1:3
Future Supply Demand Ratio*	1:1.5	1:2.4	1:2.6

Source: JLL Analysis

* Estimates

3.6. OCCUPANCY RATES

- Demand for the residential compounds tends to closely lag the economic cycle and is considered strong for at least the short to medium term (2 – 3 years). Most major compounds are operating at close to 100% occupancy and have long waiting lists.
- Any additional demand has historically been met by either reconfiguring existing units or extending existing compounds from surrounding land which have been held strategically or acquired specifically for the purpose.

- The newly opened compounds are witnessing demand from corporates and pre-booking it for their employees.

3.7. COMPOUND MARKET STRUCTURE

The current KSA market structure is highly fragmented:

- Developers – mid-scale developers of new operating compounds (5 years or less) interested to monetize their investment and reallocate capital to new development ventures.
- Family operated businesses – owners of a small portfolio of compound properties that are not their core business. The motivation to sell could be due to the need for ongoing capital expenditures and to reduce potential leasing risks – i.e. “sell one and keep the rest” attitude.
- End users or occupiers – corporations requiring new long-term facilities for their staff needs with special amenity and security requirements, i.e. “build-to-suit” transactions.
- Master plan developers – as part of the larger master plan and in order to create a dynamic community, speculative compounds are built with the intention of selling off as a long-term income play.

3.8. MARKET ATTRACTIVENESS SUMMARY

Market Assessment	
Expat Population	• High income earning expats (circa 3-4% of population) • Demand for familiar comfortable lifestyle • Further, expat population is less transient in KSA
Rental Yields	• High rental yields of 7%-10% pa • Compounds are highest land value use (Source: JLL Market Study)
Lease Structures	• Upfront annual rentals (no diplomatic clause) • 3-5 year corporate leases in case of single or anchor tenant and 1 year individual leases
Barriers to Entry	• Security needs and related approvals for certain compounds can create barriers to entry (Saudi military)
Supply-Demand	• Almost 100% wait list in compounds • Current demand for compound units in Riyadh, Jeddah and Dammam stands at more than 200% of the current supply

The attractiveness of the sector is leading to many new compound developments and it remains to be seen how the scenario unfolds in terms of licences and supply demand over the next 3-5 years. In the short term (1-3 years) the huge shortage is expected to continue and it will take time for the market to build inventory to cater to the demand.

In summary, the commercial attractiveness of the Residential Compound sector is likely to continue over the next 5 years.

4. RESIDENTIAL COMPOUNDS

Typically residential compounds are self-contained gated communities of apartments, villas, community facilities, with strictly-controlled entrances for pedestrians, bicycles, and automobiles, and often characterized by a closed perimeter of walls and fences. They usually consist of small residential streets and include various shared amenities, including restaurants, convenience stores, and recreational facilities. For smaller compounds this may be only a park or other common area. For larger ones, it may be possible for residents to stay within the compound for most day-to-day activities. There exists a huge supply demand gap due to the uniqueness of the expat compounds in KSA. (Please refer to Section 3)



4.1. WHY RESIDENTIAL COMPOUNDS IN KSA

Residential Compounds have emerged to be the preferred accommodation for expatriates as:

- They create a secured environment that enables people to live in a more familiar lifestyle.
- They also provide housing standards and services aligned with their requirements (ex. common facilities, school bus service, etc.).

4.2. FACILITIES AVAILABLE IN RESIDENTIAL COMPOUNDS

Typically the target compounds will have some of the following facilities:

- Swimming pool – indoor & outdoor
- Mini-market or department stores
- Fitness center (gym)
- Squash court(s)
- Sauna & steam room(s)
- Basketball / tennis / volleyball / football court(s)
- Coffee shop / restaurant(s)
- National Guard security (KSA)
- Bus service for schools and shopping
- Taxi service
- Fully-furnished interiors
- Fiber-optic internet connectivity
- Laundry services
- Maids quarters and accommodation for resident drivers
- Clinic / beauty salon / crèche(s)



4.3. REVENUE DRIVERS

The key component of revenue is lease rentals. Leasing contracts which form the basis of rentals are signed for individual units or in bulk, usually for 1 year or more depending upon the nature of the lease (corporate or individual tenant). The rentals are usually revised yearly according to the market rates, but depend on the nature of the tenant and the leasing terms. The current market practice is to collect the rentals in advance of 6 months to a year.

Further, depending on the facilities provided, there may be usage charges on some or all of the facilities. Some of the Residential Compounds charge the residents for usage of inter compound transport facilities, laundry services, internet connectivity, etc.

4.4. OPERATING COST DRIVERS

The key cost drivers for the compound operations are as below:

- Staff related expenses
- Utilities, tax, and insurance expenses
- Facility maintenance, landscaping, and admin expenses
- Security related expenses, etc.

For the purpose of maintaining the compound and its various common facilities, staffing is required for the following activities: Unit maintenance, rental collections, utilities payment, maintenance in facilities provided, cleaning, accounting, security (if necessary) and liaison with regulatory authorities.



4.5. PLANNING REQUIREMENTS

Below is an indicative list of authorities from where approvals might be needed for developing and/or operating the expat Residential Compounds (based on the type of Residential Compound):

- Building Permits: Ministry of Justice, Local Municipality, Local Development Authority
- Saudi Electricity Company for electricity room
- Security: Civil Defense (for National Guard)
- Operations: Municipality for registering property management contract

The above approval process creates barriers to entry and is a major driver to the current supply demand gap.

4.6. CRITICAL SUCCESS FACTORS

Following are some of the critical success factors in the Residential Compound sector:

- Location: Proximity to business district, shopping centers, educational institutions, etc.
- Lifestyle: Families lifestyle offering to the expat community.
- Facilities: Compounds with resort-like facilities (as highlighted in Section 4.2).
- Quality of finishes and furnishings: High quality furnishings and finishings in the compound.
- Security: if the compound has security provided by National Guard (KSA), then that would be an added advantage to the attractiveness of the compounds.

5. STRATEGY AND OPERATIONS

5.1. MISSION AND OBJECTIVE

The mission of the Fund is to indirectly invest in Manazel Compounds, an investment platform being established within the KSA to generate appropriate risk-adjusted returns for Investors. Manazel Compounds' investment objective is to acquire a portfolio of Residential Compound housing assets within the KSA (please refer to Section 4 Residential Compounds for further details). The platform will build upon significant Seed Commitments and leverage the skills and expertise provided by TFI, IAB or any of their respective subsidiaries.

5.2. STRATEGY

Investment strategy will be focused on acquiring and aggregating a portfolio of operating compound properties that are capable of generating stable rental income. It will focus on acquiring existing and newly developed compounds with running tenancies that have the attributes necessary to provide sustainable income, as well as seeking properties with upside potential through refurbishment and upgrade.

Strategy Plan

- Accumulate a portfolio of income generating assets via direct acquisition:
 - Asset(s) that are fully leased to high quality tenants (such as big corporate houses) so as to provide stable cash flows
 - Established operating compound assets in good physical condition and with good reputation among residents (i.e. wait-listed profile), predominantly multi-let to corporate and senior expatriates; or compounds with potential to refurbish and add significant value
- Achieve diversification of the portfolio in terms of location, age and tenant mix
- Establish brand through quality management of the compounds in services and maintenance/refurbishment
- Maximize exit value by creating a company with a strong track record and management personnel and establish a brand in compound operations.

5.3. INVESTMENT CRITERIA

In order to implement the strategy, the acquisitions made will follow the broad investment criteria (the "Investment Criteria") detailed below:

Asset Type	Residential Compounds
Geography	KSA, primarily Riyadh, Jeddah, and Eastern Province
Minimum Investment Size	SAR 50 mn per Compound
Maximum Investment Size	SAR 1,500 mn per Compound (for target acquisitions that exceed the upper threshold, Manazel Compounds would plan to seek co-investors.)

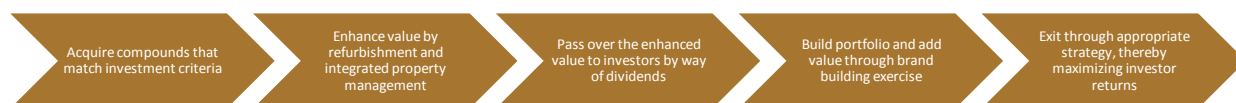
5.4. ACQUISITION APPROACH

To establish the investment principles stated above and in order to mitigate risk and ensure recurring distributions, Manazel will adopt a “block-building” approach as follows:

1. Manazel Compounds will initially acquire assets that are capable of providing stable and predictable cash flows, i.e. either majority leased to a corporate tenant or alternatively, a multi-let property in good physical condition and with a strong track record of high occupancy and tenant retention;
2. Subsequent acquisitions will target:
 - Established operating compound assets with good reputation among residents (i.e. wait-listed profile) that are predominantly multi-let to corporate and senior expatriates (European and GCC).
 - Newly developed compounds in strong locations. Manazel Compounds will target properties that are currently being developed by with clearly defined exit strategies. While Manazel Compounds does not intend to take on development risk, it may enter into arrangements whereby it can acquire newly completed properties in good locations and capitalize on favorable pricing where leasing risk is incurred.
 - The balance of acquisitions will be of an opportunistic nature providing for upside potential through value enhancement, e.g. older compounds that have strong reputations and where the leasing / refurbishment risks could justify the higher earning position.

5.5. REAL ESTATE ASSET MANAGEMENT APPROACH

The real estate asset management function will be performed by Manazel Management which will be established by TFI through Al Mejdaf or any other subsidiary of TFI jointly with the Local KSA Partner. Manazel Management will create a niche and add value to the investors through a structured brand building approach.

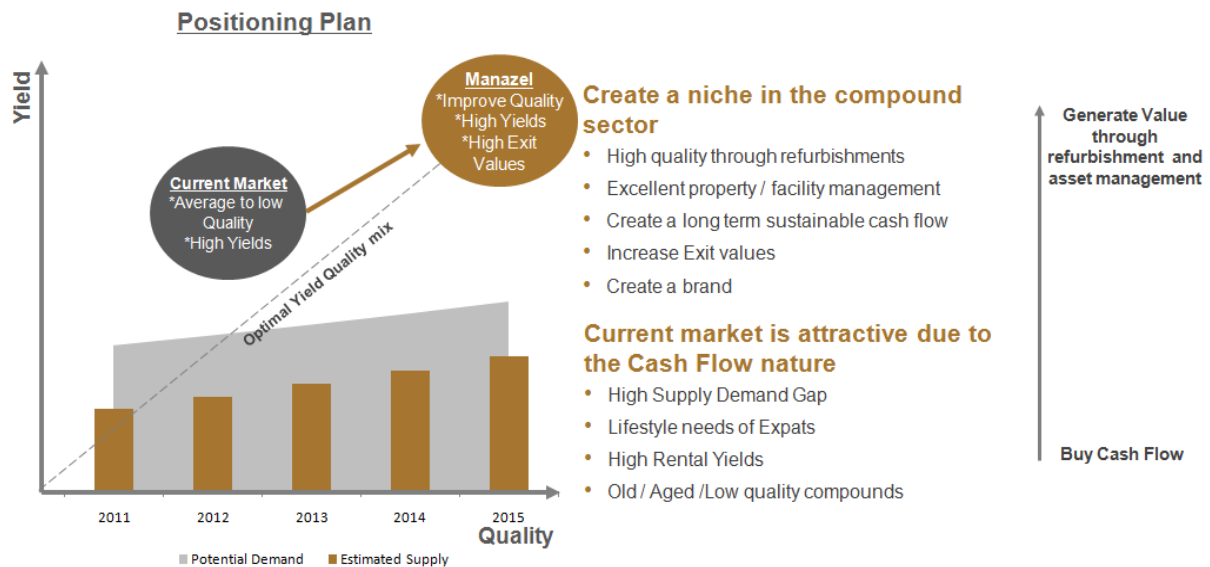


This will help to build the brand value and differentiate the position in the market.

Brand Positioning

Currently, there is a wide gap between supply and demand with no dominant players in the market. There are very few compounds with a strong brand in the market, and they have not yet

expanded their reach. The current market is a lessor's market. As the supply increases over the next couple of years, it will start to become a renter's market at which time the rental pricing will be driven by the quality, services, and brand of the compound. Our focus will be to create a niche and capture this unique position which is currently available in the Residential Compound asset class which will enable us to deliver superior returns to our investors and attractive exit values. (Please refer to Section 3 Market Overview for further details).



Brand Building Approach

Manazel Management aims to develop the brand by:

- Providing timely refurbishment and maintenance services
- Integrated property and facility management
- Adopting appropriate leasing strategies
- Adopting tenant retention strategies
- Creation of loyal customer base by appropriate customer relationship techniques such as client profiling (e.g. target senior corporate executives as tenants)



The creation of brand will help to maximise the returns to the investors, as well as create an attractive brand that can help in listing of Manazel Compounds or trade sale or other exit options, thus maximising the exit value.

5.6. OPERATIONS

In order to successfully implement the Manazel Compounds investment strategy, TFI and the Local KSA Partner have jointly established a KSA based facilities management services company that will provide the key local oversight functions and be responsible for execution of Manazel Compounds investment objectives. Manazel Management will enter into a real estate facilities management agreement with Manazel Compounds to provide the following services:

- Identification and screening of potential property acquisitions
- Perform due diligence and recommend property acquisitions opportunity to Manazel Compounds
- Source and arrange bank financing with local institutions.
- Oversee operations, maintenance and facility management of the Residential Compounds
- Assess value enhancement strategies and implement refurbishment programme as required
- Oversee property management (whether hired at the Asset Company or provided through third-party property management):
 - maintenance of the Residential Compound units and common areas
 - Landscaping
- Rent collection and reporting to Manazel Compounds
- Assess lease expirations and implement appropriate strategies to minimize leasing risks

- Identify and report appropriate strategy for exit from the real estate portfolio and also identify potential buyers.
 - Liaising with Government Authorities for regulatory requirements
 - Bill payments for utilities, taxes, insurance, and other services
- Establish cash management policies and procedures and ensure timely management

5.7. INVESTMENT HIGHLIGHTS

KSA remains one of the most attractive real estate markets within the GCC. While the global crisis has hit most of the world and regional real estate markets, KSA market has remained resilient and the real estate values have increased or remained stable in almost all real estate asset classes. Further, the Residential Compound asset class is one of the most attractive markets with a high supply-demand gap. The investment is also supported by strong backing by way of Seed Commitment, and the return potential makes the investment an attractive opportunity.

High Demand Asset Class

- Attractive yields in KSA Residential Compound market with high absolute returns upon exit.
- KSA is one of the few underserved residential markets in GCC, with substantial supply demand gap for Residential Compounds³.
- KSA is one of the few attractive markets in GCC with continually rising land prices.

Strong seed commitments, international and regional real estate investment management expertise and local market expertise

- Alignment of interest with capital seed commitment of circa SAR 75 mn by TFI and its parent company, and SAR 37.5 mn by IAB.
- Strong KSA network and local market knowledge, critical for successful KSA execution enabled through TFI and its group companies' and IAB real estate track record in KSA.
- TFI, a wholly owned subsidiary of Barwa Bank, a strong banking group in Qatar is **sponsoring the project, and brings its strong experience in managing real estate investments** for its investors within the GCC (KSA, Qatar) and globally (USA, Brazil, Russia).

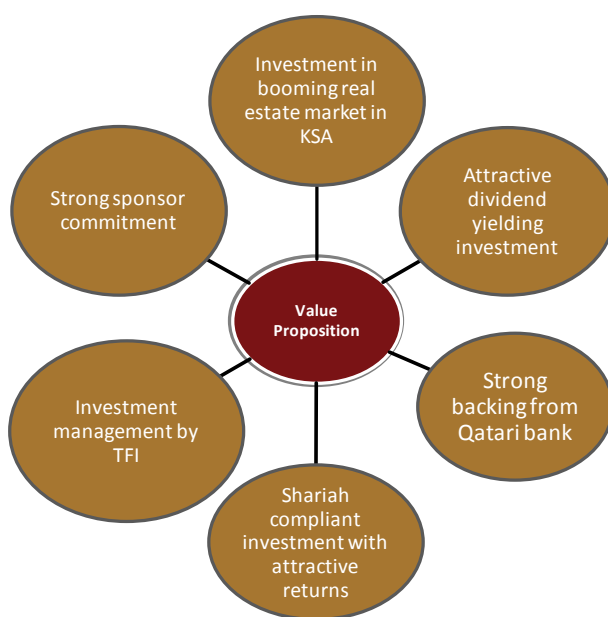
Attractive Dividends and Returns

- Immediate income generation with dividends on the back of secured leases.
- Potential returns of 14%-18% annualized IRR through regular distributions and capital growth.
- The strategy of Manazel Compounds is to accumulate a portfolio that provides a critical mass in the residential compounds sector and benefits from economies of scale, creation of

³ There exists a huge undersupply of expat Residential Compounds in KSA. The current demand to supply ratio in Riyadh, Jeddah and Dammam Metropolitan Area is approx. 200% (Source: JLL Market Study, May 2013).

brand and leveraging the high demand in the sector, which will provide a viable and value accretive exit for the investors.

The Fund successfully addresses the investor preferences by creating an investment vehicle to invest indirectly in income generating Residential Compounds in KSA.

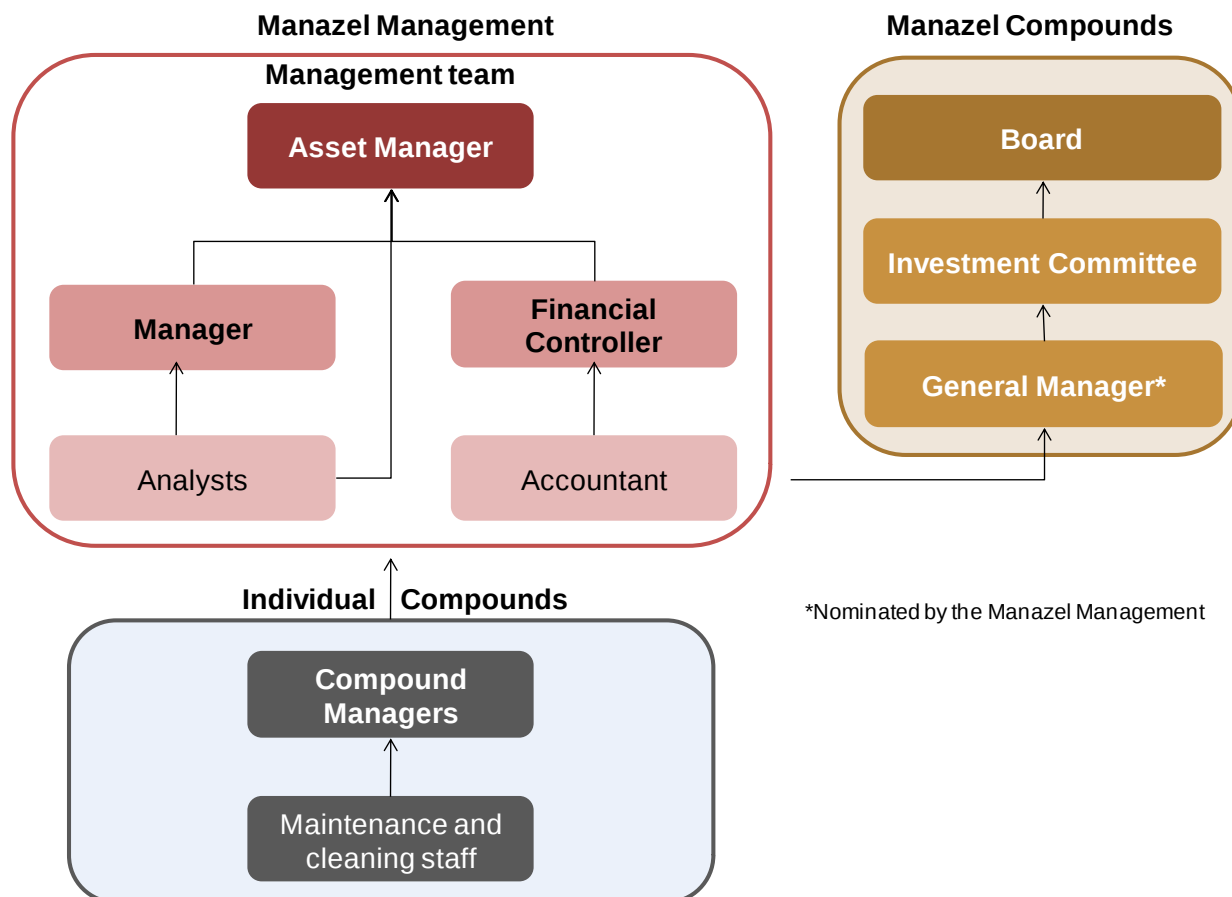


The Fund provides a unique opportunity to the Investors to participate in a diversified portfolio of lucrative assets.

6. GOVERNANCE AND INVESTMENT PROCESS

6.1 OPERATING STRUCTURE

Below is a detail on the key operations and governance process for implementing the residential compound investment strategy.



Compound managers

Each individual compound will have a compound manager. The compound manager will supervise the day to day operations of the compound, using the maintenance and cleaning staff. Existing compound managers for the acquired Residential Compounds are likely to be retained, although the compound management staff will be at optimum levels utilizing opportunities for sharing between the compounds, arising if any.

The compound management could be taken up by IAB if they possess the requisite and adequate skills, resources and expertise as needed for the particular compound, subject to section 6.3.

Management team

The compound managers will report to the Management team of Manazel Management. Manazel Management will be managed through secondments or appropriate hiring as necessary.

The management team will be responsible for the following:

1. **Operations and real estate asset management:** The team will oversee the compound management and maintenance and manage the utilities and facilities. They will also manage the financial accounts for the Compounds and will report to Manazel Compounds on a periodic basis.
2. **Asset sourcing, due diligence and exits:** Acquisition and disposition related activities like sourcing of the assets, identification of prospective buyers, due diligence, etc., would be carried out by the management team in line with the compound investment strategy.

Manazel Compounds Investment Committee

The Investment Committee is a governing body of Manazel Compounds and will have majority of its representatives as members from the Fund Board or nominated by the Fund Board. The Investment Committee will ensure the implementation of the investment strategy of the Fund.

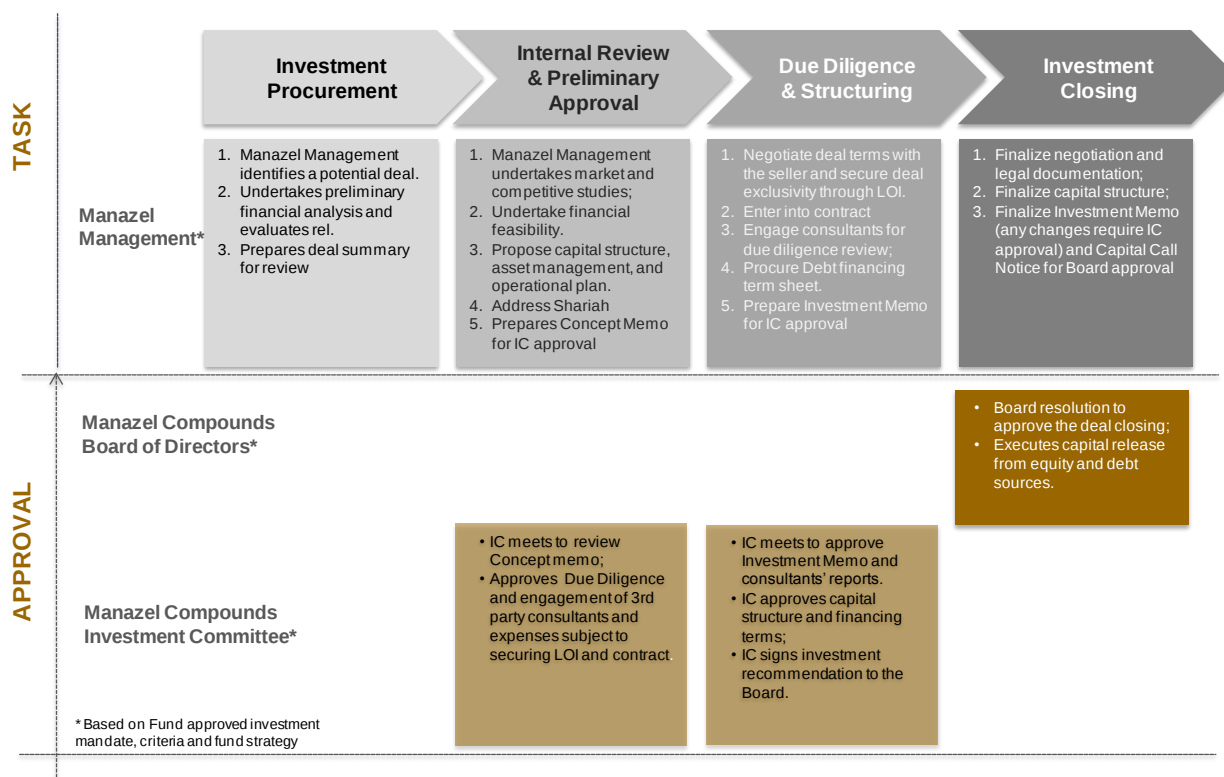
The key decisions of Manazel Compounds such as:

- the acquisition of an asset;
- the disposal of an asset;
- the appointment of third party consultants or advisors for due diligence or professional or technical services; and
- the business plan for Manazel Compounds

will be taken by Manazel Compounds Board only after the recommendation of the Investment Committee.

6.2 TRANSACTION PROCESS

The below process would be followed for executing the Fund strategy:



- Target opportunities within the Fund's investment mandate would be sourced by Manazel Management.
- Preliminary analysis of each target opportunity would be conducted and an initial draft investment report would be submitted to the Investment Committee (IC).
- If the opportunity is found to be suitable by the IC, Manazel Management would conduct a further detailed due diligence process covering technical, financial and legal aspects of the transaction with appropriate professional consultants.
- If the due diligence outcome is favorable, the opportunity and the structure are presented to the Shariah committee for its approval.
- If the Shariah committee approves the proposal, it is submitted formally to the IC, which if approved, makes a formal recommendation to the Manazel Compounds Board.
- The Manazel Compounds Board has the discretionary right to approve or reject recommendations from the IC.
- If the investment is approved by Manazel Compounds Board, the management team proceeds with the deal negotiation and completion of the transaction.
- If approved, a funding notice will be issued to Al Mejdaf for funding, which in turn will source the funding from the Fund. The Fund Managers will provide feedback to the Fund

Board on whether the acquisition meets the relevant investment criteria and investment strategy of the Fund; pursuant to which the Fund Board will release the funding to Al Mejdaf to be in turn provided to Manazel Compounds.

- The investment is then regularly monitored and reviewed by Manazel Management.
- Exit strategy is then formulated by Manazel Management, and it makes a formal recommendation to Manazel Compounds.
- The Manazel Compounds Board has the discretionary right to approve or reject a recommendation from the IC.
- If the exit is approved by the IC and Manazel Compounds Board, the management team proceeds with implementing the exit strategy and completing the transaction.

Identification of target assets

Manazel Management will use its own network, external consultants and gain access to a broad network of relationships for banking and finance in KSA.

Preliminary Analysis and Transaction Summary

Manazel Management will seek to identify opportunities within the investment mandate. Once a potential investment has been identified, Manazel Management will undertake a preliminary analysis of the opportunity. Once Manazel Management has concluded that the potential investment opportunity meets the criteria established in the annual business plan of Manazel Compounds and is approved by the IC for detailed diligence, Manazel Management will start the process of conducting due diligence in respect of the opportunity.

Due Diligence

The due diligence process identifies the risks associated with each investment and ensures that the risks are properly identified and appropriately mitigated. In this process, Manazel Management may appoint and consult reputed external legal counsel and technical advisers. The due diligence process will generally cover the following:

- **Financial Due Diligence:** (i) identifying and analyzing the cash position and all financial obligations of the target investment, (ii) analyzing historical, if any, and projected financial performance of the target investment and (iii) assessing the reasonableness and achievability of such financial projections by examining the key assumptions on which such projections are based.
- **Legal and Tax Due Diligence:** seeking the advice of internal and external legal counsel(s) to assist in the review of all legal agreements to which the target investment is a party. Internal and external legal counsel will also assess the regulatory framework affecting the target investment. The team may also seek professional advice on tax matters regarding the target investment and tax implications for the Fund and Manazel Compounds.

- **Technical Due Diligence:** seeking the advice of technical advisers to assist in the evaluation of the technical aspects of any real estate assets that are the subject of a potential investment by the Fund.
- **Structuring of Transaction:** the structure of the transaction will be studied to obtain the desired tax treatment as well as to maximize liquidity of the investment upon exit. This may require various structures to comply with Shariah guidelines.

Shariah Approval

Once Manazel Management has completed due diligence and has satisfactory results, the opportunity and the structure would be formally presented to the Shariah committee for review and approval. The Shariah committee will examine the potential investment and determine whether the underlying real estate assets and Manazel Compounds' proposed manner of investment therein is consistent with Shariah. In the event that the Shariah committee does not approve a potential investment, Manazel Compounds will discontinue all efforts to invest therein. In the event that the Shariah committee finds that the potential investment would comply with Shariah, the proposal will be submitted to the IC for its approval.

Approval of the IC

The IC will undertake a thorough review of the report with the recommendation of Manazel Management together with any supporting documents and will determine whether or not the proposed investment is consistent with the Fund's investment strategy, the previously approved annual business plan, and whether or not any identified risks are acceptable or should be mitigated.

Approval of Manazel Compounds Board

Manazel Compounds Board will undertake a thorough review of the report with the recommendation of the IC together with any supporting documents and will determine whether or not the proposed investment is consistent with the Fund's investment strategy, the previously approved annual business plan, and whether or not any identified risks are acceptable or should be mitigated. Manazel Compounds Board will have a discretionary right to approve or reject any such recommendations from the IC and/or to approve the transaction for execution.

Capital Investment

Once Manazel Compounds Board approval has been obtained, a funding notice will be issued to Al Mejdaf for funding, which in turn will source the funding from the Fund. The Fund Managers will provide feedback to the Fund Board on whether the acquisition meets the relevant investment criteria and investment strategy of the Fund; pursuant to which the Fund Board will release the funding to Al Mejdaf to be in turn be provided to Manazel Compounds. Manazel Management will then seek to close the transaction. The management team will ensure that all documentation required in connection with Manazel Compounds' investment will be structured and executed in accordance with Shariah and any applicable laws, rules and regulations.

Monitoring

Manazel Management will implement the business plan in respect of each investment and will report to the IC on a regular basis. The IC will closely monitor the investments and will seek to provide guidance and support for the purpose of preserving and enhancing the value of Manazel Compounds' investment therein.

Exit

Throughout the monitoring phase, the IC will periodically review the progress of Manazel Compounds' investment portfolio and shall recommend to Manazel Compounds any exit options which may be available from time to time. Manazel Compounds Board will have a discretionary right to approve or reject any such recommendations. If a particular exit option is approved by Manazel Compounds Board, the IC will proceed with implementing the exit and completing the transaction.

6.3 RELATED PARTY DEALS

If Fund, Manazel Compounds or any of the companies in the investment structure are presented with or seeks to

- a) acquire any asset; or
- b) dispose any asset; or
- c) provide any services

by any of the related parties (i.e. investors in the Fund or Manazel Compounds), then such appointments and/or related transactions will be done only with approval of the respective company board where the related party board members are disallowed to vote.

7. MANAGEMENT OF THE FUND

The Fund is incorporated as a Cayman Islands exempted company with limited liability. The Directors of the Fund have overall authority over, and responsibility for, the operations and management of the Fund subject to Memorandum and Articles of the Fund and any determination of Shariah Advisor. The Fund will however, delegate certain discretionary fund management decisions in respect of the Fund, its administration and investments to the Fund Manager.

7.1 DIRECTORS

The Directors of the Fund are currently Khaled Al-Subeai and Yousef Al-Obaidan and one nominee from Warba Bank as a Cornerstone Investor. Below is a brief resume of the current Directors of the Fund.

Mr. Khaled Al-Subeai

Acting Chief Executive Officer, Barwa Bank QSC

Khalid graduated from the University of Arizona with a BA in Finance and has gone on to hold several key positions within the Finance sector in Qatar. Khalid has been Senior Financial Advisor at Qatar Petroleum (QP) for more than six years. As part of the Project Finance team, he was directly involved in the execution of over \$15 Bn in landmark debt capital market transactions for QP, its subsidiaries and the State of Qatar. Subsequent to this, he moved on to hold the position of Morgan Stanley Qatar Manager, where he was responsible for Qatar Client Coverage. Khalid then joined The First Investor in January 2013 as acting CEO and was then been appointed as the Acting Chief Executive Officer of Barwa Bank in February 2014.

Mr. Yousef Al-Obaidan

Acting Chief Executive Officer, The First Investor QSCC

Yousef holds the position of Acting Chief Executive Officer at The First Investor. He first joined TFI in November 2007, where he focused on post acquisition/investment area of Direct Strategic Investments (DSI), monitored and reported on such investments. Prior to joining TFI, Yousef was the Head of Customer Finance for four years at QAPCO. He serves on the following board of director: Waseef (Qatar), Smeef (Qatar), First Leasing Company (Qatar), and Nuzul Holdings (Bahrain). Yousef graduated with a Bachelor of Arts in Finance and a Master of Arts in Integrated Marketing & Communications from the California State University.

7.2 Manazel Compounds Board

The initial board of directors of Manazel Compounds will be represented with 3 members nominated by Al Mejdaf (with one of them being a representative from Warba Bank) and 2 members nominated by the Local KSA Partner. The board members can be increased up to a total of 6 members.

7.3 MANAZEL COMPOUNDS INVESTMENT COMMITTEE

The initial Investment Committee of Manazel Compounds is represented with 3 members by AL MEJDAF. The investment committee members can be increased up to a total of 5 members.

7.4 SPONSOR AND FUND MANAGER

The First Investor Q.S.C.C.

A wholly-owned subsidiary of Barwa Bank, one of Qatar's fastest growing financial institutions.

TFI is a preferred real estate adviser, arranger, structurer and fund manager and has a proven track record:

- Through its strong international network of relationships, and deep technical expertise, TFI can provide global reach to its clients in helping them formulate, deliver and manage their real estate strategies
- TFI has a strong track record in sourcing and executing global real estate transactions
- TFI has an experienced team of real estate professionals who possess expertise in the field of structuring and management of real estate funds worldwide

TFI's Real Estate Investment Services include:

- Advisory: from the creation of an investment strategy to the review of specific projects or asset management activities
- Transactions: sourcing, financial structuring and execution, involving either single assets, portfolios or joint ventures
- Fund Management: building its own range of specialist real estate funds for Shariah compliant investors investing globally



TFI Credentials

TFI Investra UK Property Income Fund  Co-Fund Manager £50 million 2013	Client Confidential  Real Estate Advisory mandate to identify, structure and advise on headquarters for a Qatari bank 2013	Client Confidential  Debt Arranger Affordable housing development in Saudi Arabia SR 65 million 2012	TFI US Real Estate Fund  Arranger, Structurer & Fund Manager US Real Estate Fund US\$650 million (QR2.37 billion) 2010	Brazil Real Estate Income Fund  Co-Fund Manager Brazil Real Estate Income Generating Fund US\$500 million (QR1.83 billion) In Progress	  Co-Financial Advisor Merger with Qatar Real Estate Investment Company US\$3.2 bn (QR11.6 bn) 2010
  Private Equity Fund & Capital Raising US\$120 million (QR440 million) 2009 & 2010	  Joint Venture Originator & Financial Advisor QR300 million 2010	  Founder & Sole Arranger Equity Placement US\$157 million (QR570 million) 2010	Emdad Equipment Leasing Company W.L.L.  Sponsor & Sole Arranger Capital Raising QR121 million 2010	Al-Shama Ready Mix  Buy Side Advisory Acquisition by SMEET W.L.L. Undisclosed 2010	Juman Village  Project Sponsor SR126 million 2010
  Financial Advisor, Sole Lead Arranger Capital Increase US\$411 million (QR1.5 billion) 2008	  Coordinating Financial Advisor Acquisition of Cegelec France Undisclosed 2008	  Sponsor, Financial Advisor, Sole Lead Arranger & Post Establishment Advisor Undisclosed 2007	Client Confidential  Mandated Lead Arranger Murabaha facility US\$700 million (QR2.6 billion) 2007	  Financing Arranger US\$275 million (QR1 billion) 2007	  Financial Advisor Establishment US\$274 million (QR1 billion) 2007

TFI has a strong investment team comprised of investment professionals with global experience who have managed money directly in international and regional markets, as well as advised both major institutional and private clients on investment strategy. TFI is a regional investment manager, and through its rigorous, consistent and disciplined investment process, TFI identifies investment opportunities within regional financial markets.

7.5 LOCAL KSA PARTNER

Investate Arabia (IAB)

IAB is fully owned by representatives of Tanween. IAB has been established to replicate the success of Tanween in KSA. IAB has acted as development manager in villa development projects in KSA and is rapidly building up track record in KSA, through execution of various projects.

Tanween is a pioneer company specializing in integrated multi-disciplinary development management services in the Gulf Region and North Africa. Tanween was established in 2007 to act as the Development Management arm of Barwa Real Estate, Qatar. The company grew and is currently servicing several major clients with a large portfolio of properties under development, ranging from master planned communities to fully fledged integrated cities that are, and will, shape the future of Qatar and other countries. Tanween's unique approach covers all services within the real estate investment value chain from idea creation to project delivery and asset management.

Development Management Services

As one of the region's premier property development management companies, Tanween converts ideas into reality, helping clients deliver the intended and required benefits from their investments by producing effective solutions to real business issues.

Tanween provides an independent, value-added service encompassing a complete in-house turnkey solution of the development process. Tanween undertakes due diligence, feasibility studies, strategic planning, design and implementation of a development, ensuring asset potential is maximized through rigorous management across all development phases.

- Due diligence
- Feasibilities and concept design
- Financing options
- Deal structuring
- Development strategies and sensitivity modeling
- Development program, procurement plan, implementation strategy
- Procurement and management of all third party consultants and contractors
- Design review and technical oversight of all consultants
- Marketing and leasing strategies and implementation
- Liaison with authorities Value engineering Commercial and contract management
- Asset management planning and implementation

Strategic Advisory

Developing the most appropriate services to meet the quantitative and qualitative objectives of the client, including organizational structuring and governance, strategic program management, quality management system development, strategic real estate advisory, business and economic advisory and PPP/PFI deal structuring.

- a) **Investment Strategy & Management:** offering a range of services covering the entire investment value chain including market forecasting, portfolio strategy and modeling, investment performance monitoring, direct and indirect real estate stock selection, asset appraisals, strategic asset evaluation and asset performance benchmarking.
- b) **Property Consultancy & Market Research:** providing clients with a complete range of services of reports and publications from national economic perspectives to property type-specific analyses at the market level, including desktop research, primary data collection, macro-economic research, real estate sector overviews, highest and best use advice, management of third party property valuation assignments, pre-feasibility studies, bankable business plans and investment memoranda and sophisticated financial modelling and analysis.
- c) **Marketing Strategy & Management:** competitively dominant marketing strategies are vital to achieve development success. Tanween supports clients by executing comprehensive marketing plans which deliver the client's business plan objectives by creating and sustaining superior investment value.

- d) **Sales & Leasing Strategy & Management:** providing cohesive strategies, aligned with the business plan and client objectives

Asset Management Services

Tanween's property and asset management business provides a customized suite of services to investors, property companies and developers. Our team of market leading international development experts provides superior performance to help Tanween consistently deliver the very best advice and results for client portfolios.

Tanween professionally manages every stage of the development process, adding asset value by creating a safe and healthy environment that supports occupant requirements and maintains/increases asset value throughout its life cycle.

Ensuring clients enjoy access to a full suite of asset management services; Tanween's professional solutions portfolio includes Customer Service Management, Tenancy Administration Management and Sales Administration Management. Tanween focuses on reducing operating and management costs to deliver superior ROI by leveraging Tanween's team of facility and asset management experts to deliver a "one stop" shop from inception/conception to operation leading into disposal.

- Investment Assessment
- Positioning Strategy
- Structuring and Financing
- Property Valuation
- Building Analysis
- Property Acquisition and Disposal
- Leasing and Brokerage
- Sales & Marketing Management
- Property Management services

Design & Engineering Management

From initial concept studies, management of the design consultants through to tender evaluation, construction and testing & commissioning, Tanween's engineering business line acts as a strong catalyst in adding value to investments by undertaking thorough and timely technical audits, reviews and overviews of project design and construction activities, at all times taking client requirements into account.

- Project scope definition
- Establishment of project goals
- Design team selection and management
- Municipal entitlement and design review processing
- Design review and value engineering
- Development budgeting
- Technical studies and assessments, including site reports
- Initial statement of requirements and design brief

- Preliminary design proposals for master plans, and buildings
- Preparation of RFP & SOW for procurement of consultants
- Tender administration and Evaluation
- Design management (Concept, Preliminary, Detailed Design)
- Value engineering
- Monitoring Project Managers performance
- Technical overview and audits (design and construction phases)

Project Management

As one of Qatar's largest and most trusted development management firms, Tanween's Project Management team delivers proactive, commercially focused project and development advice on both new and existing developments in sectors as diverse as offices, hotels, leisure, commercial and residential

Selected references



8. FEES AND EXPENSES

8.1 PLACEMENT FEES

Placement Fee

A Placement Fee of up to 3% of the Investors' Subscription in the Fund shall be payable by the Investor to the Placement Agent over and above the Subscription Amount immediately upon return of the executed Subscription Agreement.

8.2 FUND MANAGER FEES AND EXPENSES

The following fees will be charged by the Fund Manager to the Fund

Structuring Fee - An amount equal to 2% flat of the Investors' Subscription in the Fund, payable to the Fund Manager by the Fund on the Closing Date.

Financing Arrangement Fee - 1% of the financing amount arranged for any of the compounds, payable to the Fund Manager by the Company on the closing of the loan financing.

Pre-formation expenses - The Fund Managers would charge to the appropriate company(ies), the actual expenses in relation to establishment and structuring of the Fund. This amount will not exceed SAR 2,625,000 (approximately US\$ 700,000).

Note: The Fund will be charged fund administration and related expenses as incurred at actuals.

8.3 MANAZEL MANAGEMENT FEES

For performing the necessary real estate asset management and operations services, Manazel Management will charge the following fees to Manazel Compounds:

Management Fee

An amount equal to 1% per annum of the Gross Asset Value would be charged by Manazel Management to Manazel Compounds on a monthly basis.

Transaction Fee

An amount equal to 1% of the Transaction Value (upon acquisition and disposal) would be charged by Manazel Management to Manazel Compounds on successful completion of the transaction.

Performance Fee

An amount equivalent to 20% of excess profits over the Hurdle IRR would be charged by Manazel Management to Manazel Compounds.

9. RISK FACTORS

An investment in the Fund involves risks, which prospective investors should consider before participating in the Fund. There can be no assurance that any rate of return will be realized or that significant capital losses will not occur. An investor should only invest in the Fund as part of an overall investment strategy, and only if the investor is able to withstand a total loss of its investment. Prospective investors should carefully consider each and every risk involved herein, and all other information contained in this Memorandum. In considering participation in the Fund, an investor should be aware of certain considerations which include, but are not limited to, the following:

9.1 MARKET AND EXECUTION RELATED RISKS

1 Market Risk

The demand for Compounds may be affected from an increase in supply and/or decrease in demand. Currently there is an acute lack of available ready-to-occupy compound properties that offer comparable quality in accommodation and service standards of the targeted Compounds.

2 Leasing Risk

There could be potential risks in leasing and marketing the compounds as leases expire. A professional team is planned to aid the leasing and marketing process.

3 Financing Risk

It is possible that there might not be adequate financing support from the banks to implement its investment strategy. Initial discussions with banks provide comfort in execution of the strategy.

4 Deal Flow Risk

It is possible that the Fund may not acquire sufficient assets, or may not invest its committed capital or may not find suitable assets for the investment strategy.

5 Exit Risk

There can be no guarantee to exit from the investment at the end of the Term of the Fund.

9.2 INVESTMENT STRUCTURE RELATED RISKS

1 Sponsor or Local KSA Partner Exit or Default or Removal

Under certain circumstances a Sponsor or the Local KSA Partner may be forced to sell its interests in Manazel Compounds or Manazel Management or it may no longer be entitled to appoint members to the Investment Committee and Fund Board. While the Sponsor(s) do not foresee such circumstances developing, this could result in a material change to the governance structures of Manazel Compounds, Manazel Management and the Fund.

2 Profit Rate Risk

The secure financing to be obtained for acquiring Residential Compounds depends on the market conditions and as such the Fund's future returns may be affected by volatility in profit rates and availability of the financing as the market moves.

3 Investment Risk

An Investment in the Fund should be considered a risky investment. There is no assurance that the Fund will be able to invest its capital on attractive terms or generate returns for its Investors. Investors may lose some or all of the funds they invest.

4 Restrictions on Withdrawal and Transfer

An Investment in the Fund requires the financial ability and willingness to accept substantial risk and illiquidity. The Shares will not be redeemable at the option of the Investor and will not ordinarily be transferable. Investors may not be able to liquidate their investments prior to the end of the investment term.

5 No Guarantee

There is no guarantee that implementation of the investment objective or strategy with respect to the assets of the Fund will not result in losses to Investors.

6 Due Diligence Risk

The Fund and the structure adopted have complex technical, legal, tax, and structuring elements amongst others that need careful consideration. The Fund Manager relied on the advice of senior professionals and consultants during the due diligence process. Based on the extensive due diligence undertaken, the Fund Manager concluded that the investment strategy is attractive, the investment structure is appropriate and the Fund should proceed. No assurance or warranty is being or has been or will be provided to any Investor that all the due diligence was complete or accurate in all respects.

7 Currency Risks

The accounts of the Fund will be maintained and funds for the Fund will be raised in Saudi Arabian Riyals. Investors in the Fund may not have current holdings of Saudi Arabian Riyals and as such may need to convert their current currency holdings into Saudi Arabian Riyals. By the time Investors receive their distributions from the Fund the value of the Saudi Arabian Riyals may fall substantially as a result of currency fluctuations.

The Fund Manager does not have the intention to manage currency exposures into Saudi Arabian Riyals.

8 Fund Term Extension Risk

The anticipated Fund Term for the Investors is 3 years from the First Closing Date with an optional extension of two years. There can be no guarantees that the exit will be achieved within the Term of the Fund.

9 Tax Assumptions

The operations of the Fund will be out of the Cayman Islands. The Cayman Islands currently have no exchange control restrictions and no income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax applicable to the Fund or any holder of Shares. However, with-holding taxes and Zakat or Income tax regulations in KSA as applicable will apply at Manazel Compounds and/or Manazel Management levels. (As advised by KPMG)

Tax assumptions were prepared based on the laws, final, temporary and proposed regulations, and administrative and judicial interpretations in force as of 2012 insofar as they relate to particular issues associated with this investment. These assumptions are subject to any changes in applicable KSA or Cayman Islands tax laws / regulations or interpretations, or practice, or in the relevant double taxation agreements between those countries occurring after that date. The investment has been structured to provide the most efficient tax structure. The structure needs to be operationally managed so as to achieve maximum tax efficiency.

10 Legal Risk

Extensive legal advice was taken by the Fund in connection with the structure and acquisition of compound strategy. Any change in applicable laws or regulations may adversely affect the Project. There is always an element of legal and transactional risk in dealing in KSA due to the systems in place in KSA for implementing transactions and broad bureaucratic discretion with regard to the implementation of legalisation and regulation in practice.

9.3 MANAGEMENT RELATED RISK(S)

1 Management Risk

The Fund has no previous operating history. While the Fund intends to make the Investment which has estimated returns commensurate with the risks undertaken, there can be no assurance of success. The Fund will be managed by the Directors and the Fund Manager, and Investors will not be able to make investment or other decisions regarding the Fund. Accordingly, the success of the Fund will depend upon the ability of the individuals employed by the Directors and the Fund Manager to source, select, evaluate, complete and realize the Investments. The Directors and the Fund Managers are largely dependent upon the expertise of key individuals in providing advisory services with respect to the Investment. If the services of such key individuals were lost, the Fund could be adversely affected.

2 Indemnification of the Directors / Fund Manager and its Directors

The Articles limit the circumstances under which the Directors and officers of the Fund can be held liable to the Fund. As a result, Investors may have a more limited right of action in certain cases than they would have in the absence of such a limitation.

3 Conflicts of Interest Risks

Potential investors must be aware that the Directors are officers and potential Investors of TFI and / or Fund Manager will have ultimate decision making authority with respect to investment decisions made by the Fund Manager. The Directors may also act as directors of any other investor and the Fund Manager may act as manager to the same.

The Fund Manager and the Directors may from time to time act in a similar capacity to, or otherwise be involved in, other investments, funds or collective investment schemes, some of which may have similar investment objectives to those of the Fund. Thus, each may be subject to conflicting demands in respect of allocating management time, services and other functions between the activities each has undertaken with respect to the Fund and the activities each has undertaken or will undertake with respect to other investors, commodity pools, managed accounts and/or trading advisors. It is therefore possible that any of them may, in the course of their respective businesses, have potential conflicts of interest with the Fund or the Investors. Each will at all times have regard to its obligations to the Fund and/or the Investors and, in the event that a conflict of interest arises they will endeavor to ensure that such conflicts are resolved fairly quickly.

4 Third Party Performance Risk

The performance and liabilities of the Fund may be affected by a number of factors and may be affected by the performance or non-performance of third parties, including other professional advisors or service providers or governmental officials that are either not within the control of the Fund, Manazel Compounds, their respective directors or the Fund Manager or TFI or IAB.

THE FOREGOING LIST OF RISK FACTORS AND CONFLICTS OF INTEREST DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OF THE RISKS INVOLVED IN AN INVESTMENT IN THE FUND. PROSPECTIVE INVESTORS SHOULD READ THIS MEMORANDUM IN ITS ENTIRETY AND CONSULT WITH THEIR OWN ADVISORS BEFORE DECIDING TO SUBSCRIBE.

10. CERTAIN TAX CONSIDERATIONS

This section is for general information only and contains comments of a general nature based on current tax legislation and practice of tax authorities. It relates only to certain limited aspects of the taxation position of prospective investors and is not, nor intended to be, in any way exhaustive. Prospective investors should be aware that, as a result of changing law or practice as to how Investors will be regarded by tax authorities in different jurisdictions, the tax consequences for Investors may be other than as stated below.

This section does not under any circumstances purport to discuss all the tax consequences that may be relevant to an investment in the Shares and neither is it intended that the foregoing discussion be a substitute to careful and, where appropriate, professional, tax planning. It is the responsibility of all persons interested in purchasing Shares to inform themselves as to any tax consequences from their investing in the Fund and the Fund's operations or management, as well as any foreign exchange or other fiscal or legal restrictions applicable to the subscription for, and the holding or disposition of, the Shares in the countries of their citizenship, residence and domicile. Investors should therefore seek their own separate tax advice in relation to their holding of the Shares and accordingly the Fund, Manazel Management, Manazel Compounds and TFI shall not accept any responsibility for the taxation consequences of any investment into the Fund by an investor.

10.1 CAYMAN ISLANDS TAXATION

The Government of the Cayman Islands will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Fund or the Investors. The Cayman Islands are not party to a double tax treaty with any country that is applicable to any payments made to or by the Fund.

The Fund has applied for and can expect to receive an undertaking from the Governor-in-Cabinet of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Fund or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the shares, debentures or other obligations of the Fund or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the Fund to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the Fund.

10.2 KSA TAXATION

The tax implications for the investors into a Saudi resident company depend to a large degree on whether the investor is a Saudi, GCC or non-GCC investor. Zakat is levied at 2.5% on the

higher of Zakat base or adjusted net profits, whereas the corporate of income tax is 20% on adjusted net profits.

The Saudi tax authorities, as per the Saudi tax law, will look to the legal ownership to identify the Investors of a Saudi resident company. In practice, when a GCC entity invests into a Saudi resident company, the tax authorities will “look through” the entity and the related structure to identify the ultimate Investors and if any non-GCC Investors are identified, they would be subjected to corporate income tax at 20% on their proportional share of profits.

Whilst the GCC Investors would be subject to Zakat on their share of Zakat base or adjusted net profits whichever is higher, however, any payment made to them would still be subject to withholding tax at 5% to 20% depending on the nature of payments. Withholding tax of 5% is applicable on dividends and profit payments as per the current tax laws.

Source: KPMG Tax report, 2011

10.3 QATAR TAXATION

Based on the current law in Qatar, the Fund and proceeds from Manazel Compounds to AL MEJDAF will not be subject to tax on profits or capital gains in Qatar. There are currently no stamp duties that will be levied in Qatar in relation to the proposed investment structure. Furthermore, there is currently no income tax, withholding tax, corporate income tax, inheritance tax or estate tax applicable to a company holding assets in Qatar.

10.4 INVESTORS TAXATION

Prospective investors should ascertain from their professional advisors the consequences of acquiring, holding, transferring, or selling the Shares under the relevant laws of the jurisdictions to which they are subject, including any tax consequences and exchange control requirements.

11. RIGHTS OF THE SHAREHOLDERS

The Shares may only be purchased only by prospective investors who are Sophisticated Persons and are aware of the risks associated with the trading activities to be undertaken by the Fund, who do not require immediate liquidity from their investments and who are aware that there can be no assurance that the Fund or the Shares will be profitable or that the Fund will be able to meet its investment objective.

The rights and obligations of the holders of the Shares are governed by the Articles of Association of the Fund ("Articles"), the Memorandum, and the Subscription Agreement (the "Fund Documents"). Prospective Investors should examine the Fund Documents carefully and consult with their own legal counsel concerning their rights and obligations before subscribing for the Shares.

Copies of the Articles are available for inspection by an interested investor at the Fund Manager's office during normal business hours on any Business Day. The following statements and other statements in this Memorandum concerning the Articles and related matters are only a summary, do not purport to be complete, and in no way modify or amend the Articles.

11.1 THE FUND'S SHARE CAPITAL

The Fund's current authorized share capital is SAR 185,000 divided into 100 Management Shares of SAR 1 par value each and 18,490,000 Participating Shares of SAR 0.01 par value each. The Directors may issue the Shares in classes or series with such designations or classifications as the Directors may determine (and, subject to the Articles the Directors may rename or re-designate any issued class or series of the Share) without the consent of or a notice to existing Investors.

11.2 REGULATION

The Fund is not required to register or be regulated as a mutual fund under the Mutual Funds Law (2009 Revision) of the Cayman Islands. Neither the Cayman Islands Monetary Authority nor any other governmental authority in the Cayman Islands has commented upon or approved the terms or merits of this document. There is no investment compensation scheme available to investors in the Cayman Islands.

11.3 THE ARTICLES

The Articles of the Fund contain, inter alia, provisions with respect to the Shares to the following effect (defined terms set out in this section have the meaning given in the Articles).

Voting Rights

The Shares being issued pursuant to this Memorandum do not have the right to receive notice of, attend, speak or vote at general meetings of the Fund, but may vote at a separate class meeting convened in accordance with the Articles.

The Management Shares carry the sole right to vote at general meetings, but carry no rights to participate in the profits or capital of the Fund. All of the issued Management Shares are held by TFI.

Redemption

The Shares are not redeemable at the option of the Investors.

Subject to the Law and the Articles, the Fund may repurchase or redeem the Shares on a pro-rata basis, and each Shareholder shall receive pro-rata to the number of the Shares held, such price as the Directors may (in their discretion and acting reasonably and in good faith) determine.

Dividends

The Shares entitle the holder to participate in dividends legally available for distribution as the Directors may determine from time to time.

In liquidation, after the payment of the par value on the Management Shares, the assets available for distribution are to be distributed to the holders of the Shares pari passu in proportion to the Net Asset Value of Participating Shares held, subject to a deduction for any money due and owing on such Shares.

Transfers

No Shares may be sold, transferred, assigned, exchanged, pledged, encumbered or disposed of without the prior written consent of the Directors or their authorized agents which may be withheld in their absolute discretion. Subject as aforesaid, Shares are transferable by written instrument signed by the transferor, but transfers will not be effective until registered in the Register of Members of the Fund. Investors wishing to transfer the Shares must complete and sign the transfer in the exact name or names in which the Shares are registered, indicating any special capacity in which they are signing and supply the details to the Fund.

The Directors may in their absolute discretion decline to register any transfer of Shares without providing any reason therefore.

In the case of the death of a joint holder, the survivor, or in the case of a sole holder his or her legal representatives will be the only persons recognized by the Fund as having any title to a Share unless the principles of Shariah otherwise dictate. The transfer of Shares to Non-Qualified Person is prohibited.

Alteration of share capital

The Fund may by ordinary resolution of the holder of the Management Shares, increase its authorized share capital; or by a special resolution of the holder of the Management Shares, decrease its authorized share capital.

Modification of rights attaching to the Shares

The special rights attached to the Shares of any class or series may from time to time (whether or not the Fund is being liquidated) only be materially adversely varied or abrogated with the consent in writing of the holders of at least two thirds by par value of the issued Shares of the relevant class or series, or with the sanction of a resolution passed by the Investors holding at least two thirds of the votes cast at a separate meeting of the holders of such Shares.

All the provisions of the Articles as to general meetings of the Fund apply to every such separate meeting and, except that the necessary quorum at any such meeting shall be Investors at least twenty percent by par value of the issued Shares of the relevant class or series. At an adjourned meeting of the Investors those Investors who are present in person or by proxy shall constitute a quorum.

The rights attaching to the Shares shall be deemed not to be varied by, inter alia the creation, allotment or issue of further shares ranking *pari passu* with the Shares or ranking behind the Shares, or the redemption or repurchase of any Shares.

Subject to the Law and the Articles, authorized but unissued shares may be re-designated and/or issued at the discretion of the Directors and there are no pre-emption rights with respect to the issue of additional Shares or any other class of share.

Forfeiture of Shares

The Articles provide that if a call remains unpaid after it has become due and payable, the Directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any expenses incurred by the Fund by reason of such non-payment. The notice shall specify where payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited.

A person whose Shares have been forfeited shall cease to be a shareholder in the Fund and shall remain liable to pay to the Fund all monies which at the date of forfeiture were payable by him to the Fund in respect of those Shares, but his liability shall cease if and when the Fund shall have received payment in full of all monies due and payable by him in respect of those Shares.

11.4 PLACEMENT OF THE FUND

The Fund is being promoted by TFI. The price at which the Shares of the Fund are being offered for sale hereunder has been established by TFI. TFI have not taken independent advice to support the pricing of the Shares.

Prospective investors, on signing the Subscription Agreement acknowledge that they are in acceptance of this pricing mechanism.

11.5 PRINCIPAL DOCUMENTS

The information in this IM is derived in part from the full text of the Principal Documents relevant to the incorporation, establishment and management of the Fund, which are as follows:

- Memorandum and Articles of Association of the Fund
- Subscription Agreement

Copies of the Principal Documents are available for inspection at the principal offices of TFI.

12. PLACEMENT AND SUBSCRIPTION

PROCEDURE TO COMPLETE THE SUBSCRIPTION AGREEMENT

Important Notice: Before subscribing to the Fund, prospective investors should read and understand the Memorandum and in particular the risks mentioned in the Fund documents. Prospective investors should satisfy themselves as to the risks associated with investing in the Fund, as the Fund is an unregulated fund where the risks may be higher than a regulated fund. Investors are informed that the Fund is not governed by the laws of the State of Qatar and it is not regulated by the Qatar Central Bank nor by the regulatory authorities in the Cayman Islands. In particular, the Fund is not subject to the overview of the Qatar Central Bank (for more information please refer to the Important Notice section and the risks section of the prospectus of the Fund.)

12.1 SUBSCRIPTION FOR SHARES

The Shares are available for subscription during the Offering Period for issue on the Closing Date at the Issue Price.

12.2 SUBSCRIPTION DETAILS

The minimum subscription from each Investor is SAR 1,000,000. Further subscriptions can be in multiples of SAR 100,000 only. Subscriptions may only be made in SAR. The Directors may accept a lower minimum subscription subject to applicable law but in their sole discretion.

The Placement Fees as described in the "Fees & Expenses" section are payable upfront in addition to the Subscription Amount.

The acceptance of subscriptions during the Offering Period is subject to confirmation of the prior receipt of cleared funds (the Subscription Amount plus the Placement Fees) before the time set out below to the Fund's subscription account. Details of the account are set out in the Subscription Agreement. The Fund reserves the right to reject or accept subscriptions in its absolute discretion and without assigning any reason thereof.

Prospective investors will be required to complete and return a Subscription Agreement enclosed with this Memorandum. The completed Subscription Agreement should be sent to the address shown on the Subscription Agreement and must be received together with the Subscription Agreement and any Placement Fees in cleared funds together with all "know your client" information, no later than 4pm by the Closing Date (or such earlier or later date as determined by the Directors).

Subscription Agreements will (save as determined by the Fund Manager) be irrevocable and may be sent by facsimile at the risk of the applicant. The originals of any Subscription Agreement sent by facsimile should be sent immediately by post or by internationally recognized courier. Failure to provide the original Subscription Agreement may, at the discretion of the Fund Manager; result in the cancellation of the allotment of the Shares.

Confirmations will be sent to applicants on approval of their application as soon as practicable after the Closing Date; setting out details of the Shares they have been allotted.

The Shares will be issued only in registered form. The Fund Manager maintains the official register of the Shares of the Fund at its offices. Certificates representing the Shares will not be issued but successful applicants will be sent written confirmations of their investment and their shareholding in the Fund.

12.3 SUBSCRIPTION AGREEMENT AND CONDITIONS

Full details of the procedure to apply for Shares are contained in the Subscription Agreement and this IM. It should be noted that:

- The Subscription Agreement is irrevocable and may not be withdrawn;
- The Subscription Amount shall be payable in the manner determined by and at the time(s) set out in the Subscription Agreement and no Shares will be issued until the Subscription Amount in respect of the relevant Shares (together with the Placement Fees) has been paid in full;
- The Shares shall be issued to Investors by the Fund in accordance with the provisions of the Subscription Agreement, the IM and the Articles; and
- The Subscription Amount will initially be deposited in a Shariah compliant profit bearing account with the Fund or any duly appointed receiving agent (the “Closing Account”). If, for whatever reason, the whole or part of a prospective Investor’s Subscription Amount is not accepted, all affected Subscription amounts, together with the whole or part of the Placement Fee thereon (as the case may be) will be repaid to the prospective Investor.

The basis for allocating the Shares will be determined on a first come first serve basis and at the sole discretion of the Fund Managers. The Fund Managers also reserve the right to reject in whole or in part and/or scale down any application to subscribe for Shares or any part thereof, for any reason whatsoever and without being obliged to provide any reason and to terminate the Placement of the Shares at any time prior to the Closing Date (as amended). The right is also reserved to treat as valid any Subscription Agreement not properly completed (for example if the consideration for the subscription is for the wrong amount). Prospective Investors must recognize the risk that an application may not be accepted to the extent anticipated or at all. In the event of excess Subscription, subject to regulatory approvals and at the sole discretion of the Directors of the Fund, the Fund may increase the total issued share capital of the Fund. Further, Fund Managers as registrar and transfer agent will allot shares at its sole discretion and will refund excess subscriptions (if applicable) within 14 days from the Closing Date (as amended).

12.4 COMPLIANCE WITH ANTI-MONEY LAUNDERING REQUIREMENTS

The Fund may be subject to certain provisions of the USA PATRIOT Act of 2001 (the “Patriot Act”), including, but not limited to, Title III thereof, the International Money Laundering and

Abatement and Anti-Terrorist Financing Act of 2001 ("Title III"), certain regulatory and legal requirements imposed or enforced by the Office of Foreign Assets Control ("OFAC") and other similar laws of the United States. In response to increased regulatory concerns with respect to the sources of funds used in investments and other activities, the Fund may request that investors provide additional documentation verifying, among other things, such investor's identity and source of funds to be used to invest in the shares of the Fund. The Fund may decline to accept a subscription if this information is not provided or on the basis of the information that is provided. Requests for documentation and additional information may be made at any time during which an investors holds shares in the Fund. The Fund may be required to report this information, or report the failure to comply with such requests for information, to appropriate governmental authorities, in certain circumstances without informing an Investor that such information has been reported. The Fund will take such steps as it determines are necessary to comply with applicable law, regulations, orders, directives or special measures, including, but not limited to, those imposed or enforced by OFAC, the Patriot Act and Title III. Governmental authorities are continuing to consider appropriate measures to implement anti-money laundering laws, and at this point, it is unclear what steps the Fund may be required to take. However, these steps may include prohibiting an investor from purchasing additional shares and depositing all dividends or distributions to which such investor would otherwise be entitled (including redemption proceeds) into a "blocked account" in accordance with OFAC regulations.

12.5 ANTI-MONEY LAUNDERING - CAYMAN ISLANDS

In order to comply with legislation or regulations aimed at the prevention of money laundering the Fund is required to adopt and maintain anti-money laundering procedures, and may require subscribers to provide evidence to verify their identity and source of funds. Where permitted, and subject to certain conditions, the Fund may also delegate the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

The Fund, and the Administrator on the Fund's behalf, reserve the right to request such information as is necessary to verify the identity of a subscriber, unless in any particular case the Directors, or the Administrator on the Fund's behalf, are satisfied that an exemption applies under the Money Laundering Regulations (2010 Revision) of the Cayman Islands, as amended and revised from time to time (the "Regulations") or applicable law. Depending on the circumstances of each application, a detailed verification of identity might not be required where:

- a) the applicant makes the payment for their investment from an account held in the applicant's name at a recognized financial institution; or
- b) the applicant is regulated by a recognized regulatory authority and is based or incorporated in, or formed under the law of, a recognized jurisdiction; or
- c) the application is made through an intermediary that is regulated by a recognized regulatory authority and is based in or incorporated in, or formed under the law of a

recognized jurisdiction and an assurance is provided in relation to the procedures undertaken on the underlying investors.

For the purposes of these exceptions, recognition of a financial institution, regulatory authority or jurisdiction will be determined in accordance with the Regulations by reference to those jurisdictions recognized by the Cayman Islands Monetary Authority as having equivalent anti-money laundering regulations.

In the event of delay or failure on the part of the subscriber in producing any information required for verification purposes, the Fund, or the Administrator on the Fund's behalf, may refuse to accept the application, in which case any funds received will be returned without interest to the account from which they were originally debited.

The Fund, and the Administrator on the Fund's behalf, also reserve the right to refuse to make any redemption payment to a Shareholder if the Directors or the Administrator suspect or are advised that the payment of redemption proceeds to such Shareholder might result in a breach of applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or if such refusal is considered necessary or appropriate to ensure the compliance by the Fund or the Administrator with any such laws or regulations in any applicable jurisdiction.

If any person resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Law, 2008 of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher or the Financial Reporting Authority pursuant to the Terrorism Law, (2011 Revision) of the Cayman Islands if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

12.6 OTHER JURISDICTIONS

The Fund will comply with applicable UN regulations on anti-money laundering. In addition, many jurisdictions are in the process of changing or creating anti-money laundering, embargo and trade sanctions, or similar laws, regulations, requirements (whether or not with force of law) or regulatory policies and many financial intermediaries are in the process of changing or creating responsive disclosure and compliance policies (collectively "Requirements") and the Fund could be requested or required to obtain certain assurances from applicants subscribing for the Shares, disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. It is the Fund's policy to comply with Requirements to which it is or may become subject to and to interpret them broadly in favour of disclosure. Each applicant will be required to agree in the Subscription Agreement, and will be deemed to have agreed by reason of

owning any Shares, that it will provide additional information or take such other actions as may be necessary or advisable for the Fund (in the sole judgement of the Fund and/or Fund Manager) to comply with any Requirements, related legal process or appropriate requests (whether formal or informal) or otherwise. Each applicant by executing the Subscription Agreement consents and by owning Shares is deemed to have consent, to disclosure by the Fund and its agents to relevant third parties of information pertaining to it in respect of Requirements of information request related thereto. Failure to honour any such request may result in redemption by the Fund or a forced sale to another investor of such applicant's Shares.

APPENDIX: SHARIAH GUIDELINES AND COMMITTEE

1. Shariah Guidelines

The Shariah Investment Guidelines, as defined from time to time by the Shariah Advisor, prohibit investment in certain sectors considered harmful to mankind and the environment. These guidelines also prohibit investment in companies that have excessive interest bearing assets, liabilities or excessive interest as a percentage of revenue.

The Fund will make investments that do not violate the following restrictions and those set out elsewhere in this Memorandum. The Shariah Investment Guidelines as set out herein shall take precedence over any other criteria and may be modified from time to time by the Shariah Advisor as deemed appropriate. Where an investment is made by the Fund that initially complies with these guidelines but subsequently ceases to be so then the Fund Manager shall take steps to sell such investment as soon as reasonably practicable with due regard to Investors' interests and with the advice of the Shariah Advisor.

a. Sector Guidelines

The Fund shall not invest in companies whose activities are deemed harmful to mankind or the environment. Such harmful activities include:

- gambling;
- all activities that relate to pork;
- non-Islamic production or sale of meat and poultry products;
- the production or sale of intoxicating liquor, tobacco;
- conventional interest bearing structured banking, finance, investment or insurance business;
- all mediums that contain pornographic material such as cinema, broadcasting, videos, compact disks, etc;
- owning or operating hotels where the sale of intoxicating liquor, pork or gambling is permitted; and
- any entity that does not, for any reason, meet the Shariah Advisor's approval.

b. Financial Guidelines

The Fund or any of the companies in the investment structure will endeavor to hold all cash balances in Islamically-acceptable profit earning investment accounts only. Also, the Fund or any of the companies in the investment structure will endeavor to arrange for Shariah compliant financing only

- If the Fund or any of the companies in the structure may hold escrow or earnest money deposits in connection with the sale or purchase of any Investment, or a portion thereof, in conventional bank accounts (i.e., interest bearing accounts). However, any interest income accrued on such deposits shall not be used for the benefit of the Fund, but

rather, such income earned shall be donated to a charity designated by the Shariah Committee. 6. The profits, if any, that Fund or any of the companies in the investment structure earns from its Investments may be held in conventional bank accounts and at a later stage, at the discretion of the Fund Manager, may be distributed to investors. However, any interest income accrued such deposits shall not be used for the benefit of the Fund, but rather, such income earned shall be donated to a charity designated by the Shariah Committee.

- If the Fund arranges or obtains any financing in connection with the acquisition or ownership of a particular Investment, such financing, if obtained from conventional banks, shall be structured so as to be Islamically-acceptable, subject to the approval of the Shariah Committee.

c. Tenancy Guidelines

- In the case of multi-product tenants (e.g., supermarkets and restaurants), the rental income derived is permissible provided the core activity of the subject tenant is in compliance with Shariah.
- In respect of the overall portfolio of the Fund, if there are any Restricted Tenants, the following will apply:
 - a. up to 5% of overall Fund income derived from Restricted Tenants is permissible;
 - b. income above 5% of gross Fund income will be purified and/or donated to charity; and
 - c. considering clauses (a) and (b) above, there are no restrictions on the type of tenants who can occupy the premises.
- If a tenant is delinquent in the payment of rent or other sums due under its occupancy lease, such lease may charge the tenant an additional amount sufficient to cover the legal pursuance costs in connection therewith, as well as any administrative costs associated with legal action taken to recover such delinquency or to terminate such lease and remove the tenant there under from the property (collectively, "Remediation Costs"). Occupancy leases may also provide for late charges to be paid by delinquent tenants. If the aggregate amount of Remediation Costs and late charges actually received from any delinquent tenant exceed the total Remediation Costs for which such tenant is liable under its occupancy lease, such excess shall be donated to a charity designated by the Shariah Committee.

"Restricted Tenant" is defined as (a) a conventional bank, (b) a hotel, (c) any entity the primary business of which is the production, packaging, storage, sale or distribution of alcohol products, pork products, pornography or gambling products, (d) an operator of gambling casinos or (e) an operator of movie theaters.

d. Prohibited Transactions

The Fund may not:

- acquire preferred shares, units or warrants;
- lend its securities;
- acquire foreign currency by means of back-to back financing instruments;

- enter into any put, call, blended option, forward, futures and swap contracts related to foreign currencies, indices, financial instruments, commodities, precious metals, securities or certificates representative thereof;
- enter into hedging;
- engage in short selling;
- invest in non-Islamically structured interest-bearing debt instruments of whatever nature. Thus, non-Islamically structured bank deposits, treasury bills, bonds, zero coupons, floating rate notes, etc. are a non-exhaustive list of such prohibited debt instruments; and
- any other transaction that does not, for any reason, meet the Shariah Advisor's approval.

e. Permitted Transactions

The Fund may:

- invest in primarily in Shariah compliant real estate development opportunities based on investment strategy of the Fund.
- during periods of economic and political uncertainty, invest its assets in Islamic products such as Murabaha Accounts and/or Mudarabah Accounts approved by the Shariah Advisor in Islamic Financial Institutions.
- acquire foreign currency for the purpose of purchasing securities denominated in that currency and for the day-to-day operations of the Fund, but not for the purposes of hedging or entering into short positions, and may sell such foreign currencies if it does not give rise to short positions; and
- only acquire financing if it is Islamically structured and in compliance with Shariah principles.

2. Shariah Committee

The Fund will make its investments and conduct its affairs in a manner that is compliant with Shariah. The Fund has retained a Shariah committee comprising scholars from Bait Al-Mashura Finance Consultations (the "Shariah Committee"), namely Dr. Osama Qais Al-Dereai (Managing Director and CEO of Bait Al-Mashura Finance Consultations) and Dr. Walid Bin Hadi.

The ongoing compliance of the Fund and its investments with Shariah principles and the resolution of any Islamic investment issues that may arise will be monitored by the Shariah Committee comprised of eminent Islamic scholars. The Shariah Committee might review and approve the audited financial statements of the Fund. After detailed presentations and documentation, the Shariah Committee has approved this Offering and the Fund and provided the Fund with a fatwa. The Fund may also be subject to annual Shariah auditing performed by the Shariah Committee and a fatwa might be sought each year to confirm the Fund's ongoing compliance with Shariah.

The Shariah Committee is composed of the following members:

Dr. Osama Qais S. Al-Dereai

Dr. Al-Dereai is lecturer on the faculty of the Law and Humanities College at the International Islamic University Malaysia and a collaborating lecture with the Law College at Qatar University. He is General Manager and CEO of Bait Al-Mashura Finance Consultations and is a member of many Shariah supervisory committees for companies and funds, both in Qatar and elsewhere. Previously, Dr. Al Dereai served as the Head of Shariah Audit for First Finance Company. Dr. Al-Dereai holds a bachelor's degree in Hadith Science from Islamic University of Madinah al-Munawara in Saudi Arabia, a masters degree in Islamic Sciences from the International Islamic University Malaysia and a PhD in Islamic Economics from the University of Malaya in Kuala Lumpur, Malaysia, where he specialized in Islamic Finance Transactions.

Sheikh Dr. Walid Bin Hadi

Sheikh Dr. Bin Hadi is the head of the Shariah Supervision Committee for Q-Invest Company and a member of the Shariah supervisory committee for many other Islamic banks and organizations, including Qatar Islamic Bank, Al-Rayan Bank, Qatar International Islamic Bank, Qatar National Bank, European Finance House, Asian Finance House, Qatar-Syria International Bank and Arab Finance House. He holds a bachelor's degree in Shariah and Usuluddin from the Qatar University, a masters degree in Shariah and Law from Omdurman Islamic University in Sudan and a PhD in Shariah from Imam Muhammad Bin Saud al-Islamiyyah University in Riyadh, Saudi Arabia. He has written various books and articles on Islamic Faith, Hadith, Islamic Economy, Islamic Finance and Shariah Audit.

3. Shariah Certificate



Bait Al-Mashura Finance Consultations

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

January 10, 2013

The First Investor Q.S.C.C.
Barwa Bank Building – 5th Floor
Grand Hamad Street
P.O Box 16034
Doha, Qatar

Gentlemen:

The First Investor Q.S.C.C. ("TFI"), the Fund Manager of Manazel Al Mamlaka (the "Fund"), has presented to the Shari'ah Committee, an investment in the Fund which will indirectly invest in income generating residential compounds in the Kingdom of Saudi Arabia (the "Project").

After a review of the Offering Document(s) and consultation with the Fund Manager's management, we are of the opinion that the capital structure and the financing of the Project described in the offering document(s) will be in accordance with Islamic Shari'ah principles and rules.

We have instructed the Fund Manager to ensure that all future operational and financial requirements and activities of the Project comply with Shari'ah rules. We will monitor the activities of the Fund from time to time to ensure conformity to Shari'ah.

Sincerely,


Dr. Osama Qais Al-Dereal
On behalf of Manazel Al Mamlaka Shari'ah Committee



