

Audi Capital



CMA License 06017-37

ARED Fund **Audi Real Estate Development Fund**

Investment Objective

The fund aims to invest in selected high-end residential real estate development projects by a known developer Urjuan in the northern area of Riyadh.

Residential real estate markets in Saudi Arabia in general and in the northern area of Riyadh in particular show very strong demand against very limited supply. The fund's objective is to benefit from this strong imbalance.

Investment Highlights

Strong Market Fundamentals: According to various independent studies as well as a study commissioned by the fund manager, demand for residential units in the Kingdom of Saudi Arabia and more specifically in Riyadh is very high with insufficient supply.

Clear Market Intervention: The investment will be limited to high end residential villas in Riyadh, north of King Abdullah road. These will be built in a limited number of separate locations.

Sharia Compliant Investment: The investment will abide by the principles of the Sharia and will be supervised by a Sharia supervisory board.

CMA Compliant Investment: The investment fund was submitted and approved by the CMA. It was structured according to the Real estate Investment Fund Regulations (REIFR's).

Short Term Investment Life: The fund's lifetime is set at 4 years with two possible 1 year extensions under certain conditions.

High Liquidity Assets: High-end residential villas with areas ranging from 400 to 900sqm are most liquid of real estate assets in the already very liquid market of Riyadh's built properties.

Very Limited or No Leverage: The fund will not resort to leverage for purchasing the lands. It will only resort to limited leverage, if needed, to assist in the completion of the construction of the villas.

Full Control of the Investment: The fund manager will fully control the investment as the fund shall be the sole investor in the fund's projects.

Experienced Fund Manager: the fund manager has garnered ample experience in the real estate development process over the years and is involved in various real estate development projects in Riyadh and abroad.

Professional Real estate Developer: The developer has proven experience in the high-end residential development market in Riyadh and boasts a strong team of talented and highly professional individuals with impressive resumé's.

Strong alignment of Interest: The interests of the investors are well protected by a structure that promotes a strong alignment of interests between, developer and fund manager. Both make direct investments in the fund and are remunerated according to the fund's performance. Also, half of the developer's fees are paid in units of the fund; not cash.

Fund annual report: Subscribers may request a copy of the latest annual report by sending an email to Mr. Waleed Hayek (waleed.hayek@audicapital.com)