

SEDCO Capital REIT Fund's Additional Offering 339% Oversubscribed

Jeddah, Saudi Arabia - 22 December 2021: SEDCO Capital, a global Shariah-compliant and ethically led asset management and investment advisory firm (or “the Company”), announced today that it has successfully completed the additional offering of SEDCO Capital REIT Fund (or “the Fund”). Through this additional offering, SEDCO Capital is increasing the fund’s total asset value by SAR 702 million, or 64%, to SAR 1.80 billion across in-kind and cash subscriptions and additional Shariah-compliant financing.

The Fund received 78,231 subscription requests from 227,192 individual and institutional investors. In addition, the Fund offered up to SAR 325 million through in-kind subscriptions. The successful offering resulted in a 339% oversubscription with a total value of SAR 848 million. The units will be allocated to the unitholders within a maximum of 15 business days from the closing date of the additional offering period in accordance with the allocation mechanism disclosed in the supplementary appendix of the Fund’s terms & conditions.

The proceeds from the additional capital raise will be used to acquire eight properties in the Education and Commercial sectors, located across Riyadh and Dammam. SEDCO Capital REIT Fund post acquisition portfolio is expected to generate a gross rental income of SAR 49.4 million per annum, which translates into a rental yield of 7.5%. The net targeted return in total asset value is expected to exceed 7.0%.

Samer Abu Aker, CEO of SEDCO Capital, commented: “We are very pleased with the result of the additional offering, reflecting the strong participation demand in the SEDCO Capital REIT Fund. This oversubscribed offering represents a robust vote of confidence by existing and new subscribers in our Saudi real estate investment strategy.”

Abdulwahhab Abed, Chief Business Development Officer of SEDCO Capital, added: “Since its inception, we have always managed the SEDCO Capital REIT Fund in a manner that provides investors with access to compelling real estate assets across key cities in Saudi Arabia. This additional offering increases the Fund’s exposure to income-generating properties in more diverse sectors across the Kingdom, including the Education sector. The Fund also aims to increase the percentage of long-term lease contracts with escalation in rents with credible tenants, which in our view contributes to achieving stability and growth and will enhance the Fund’s long-term risk-return profile, overall. We believe the oversubscription illustrates the appreciation that investors have for our investment approach.”

Launched in 2018, the SEDCO Capital REIT Fund is a closed-ended, Shariah-compliant real estate investment traded fund (REIT), which aims to achieve periodic cash distribution for unitholders by investing in high quality income-generating real estate assets across various sectors, including Hospitality, Commercial, Office, Residential and Education, to name a few. Investments are mainly focused in the main Saudi cities of Jeddah, Riyadh, and Dammam.

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About SEDCO Capital

SEDCO Capital is a global, Shariah-compliant, and ethically led asset management and investment advisory firm. Our investment philosophy is built on three pillars: Principles, Partnership, and Performance. We provide clients with responsible investment solutions through a dynamic asset allocation process across diversified asset classes that deliver strong risk-adjusted returns. By adopting a global view to investing while looking through the lens of our proprietary Prudent Ethical Investment (PEI) approach, an integration of Shariah-compliant and Responsible Investment principles, we provide our clients with unparalleled global access to investments across developed and emerging markets, including Saudi Arabia, in alignment with their investment objectives. In 2014 we proudly became the first Saudi company and the world's first Shariah-compliant asset manager to become signatory to the UN Principles of Responsible Investment (UNPRI) and we continue to be recognized for our commitment to responsible investments. SEDCO Capital oversees more than \$5 billion in total assets under management (AUM) and is headquartered in Jeddah with offices in Riyadh, Dubai, London, and Luxembourg. SEDCO Capital is licensed by the Capital Market Authority (License No. 11157-37).

Find out more at www.sedcocapital.com.

Disclaimer

SEDCO Capital REIT Fund is a closed-ended, Shariah-compliant real estate investment fund. The fund aims to acquire structurally developed real estate assets capable of achieving periodic rental income, and to distribute profits to unitholders of not less than 90% of the fund's net profits. The total value of the fund's assets as of December 31, 2020G is 1,075,204,378 Saudi Riyals. The term of the fund is 99 years from the date of the initial listing. The approval of the CMA was obtained for the initial offering of the fund on 4/12/2017G, and the approval to increase the total asset value of the Fund was obtained on 16/11/2021G. The fund manager is the Saudi Economic and Development Securities Company (SEDCO Capital) and its activities are according to the license granted by the Capital Market Authority No. 11157-37, in dealing, arranging, managing investments, and operating funds, advising and custody in securities. The additional portfolio that the fund manager intends to acquire is a portfolio currently managed by the fund manager through a private real estate investment fund. Prospect investors should read the terms and conditions of the fund and the supplementary appendix for the increase in the total asset value of the fund and what is mentioned regarding the related risks and the change in investment value very carefully before deciding to invest in the fund. This investment is not a deposit with a local bank. The value of the investment can rise or fall, and investors may lose the entire amount and any income generated from it. All investors wishing to invest must reach their decision in consultation with their financial and legal advisors and evaluate all the risks involved in the investment and its suitability for them. No guarantee can be given that the targeted and expected returns will be achieved. In addition, past performance does not guarantee the future performance of the Fund. The investor's investment in the fund is considered an acknowledgment of having read and accepted the terms and conditions of the fund and the supplementary appendix. The fund manager may invest in the fund from time to time, provided that any investment in the fund is disclosed at the end of each year in the financial disclosure summary. It is possible that the fund manager will subscribe in cash in the additional offering of the fund. Fees apply in the additional offering as mentioned in the supplementary appendix.

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