



الأهلي ريت (1)  
AIAhli REIT (I)

SNB Capital

# 2023 Annual Report



[alahlireit.com](http://alahlireit.com)



Custodian of the Two Holy Mosques

**King Salman bin Abdulaziz Al Saud**

————— God save him —————



His Royal Highness

**Prince Mohammed bin Salman bin Abdulaziz Al Saud**

Crown Prince and Prime Minister

————— God save him —————



## Annual Report

Submitted to the unitholders of the AlAhli REIT Fund 1  
for the fiscal year ended 31 December 2023

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# Overview of the Fund Manager

SNB Capital Company (SNB Capital) is the largest Asset Manager in the Kingdom with more than SAR 246.2 billion of assets under management, and the largest Shariah-compliant assets company in the world. SNB Capital is licensed by the Capital Market Authority in the Kingdom to provide management, custody, arrangement, advice, underwriting and dealing in securities services as principal and agent.

SNB Capital is the investment banking and asset management arm of the Saudi National Bank, a regional powerhouse, and the largest financial institution in the Kingdom of Saudi Arabia.

**Stemmed from its principles of meeting the investment needs and aspirations of its clients, SNB Capital, the region's leading wealth manager and the largest asset manager in the Kingdom, provides its clients with the tools they need to make insightful and smart investment decisions.**





**01**

**Fund  
Manager's  
Statement**



# Fund Manager Statement



With immense pleasure, we present to you the annual report of AIAhli REIT Fund (1) for the year 2023G, which added distinctively to the Fund’s growth journey,

The Fund has committed to implementing its ambitious investment strategy, which aims to achieve profitable returns for our investors, and ensure that risks are mitigated by providing a diversified real estate investment portfolio, coupled with our pursuit to searching for the best real estate investment opportunities.

In this context, the Fund signed a contract with the management of Hilton International, to operate one of the assets owned by AIAhli REIT Fund (1), The hotel will be operated under the brand name “Double-Tree by Hilton” after introducing the proposed improvements, which are expected to be completed during 2024. AIAndalus Mall expansion project under the name “Alandalus Avenue” has also been completed, which will add a rental space estimated at (15,000 m<sup>2</sup>). Some tenants are expected to begin commercial activity in the coming months. The contract for the QIBC Plaza building with the Ministry of Municipal and Rural Affairs and Housing was also renewed for an additional period of three years.

We continued to maintain high occupancy levels within our portfolio, thanks to our proactive investment strategy and the development of our relationships with tenants in our owned various investment assets, which ensures the competitiveness of our real estate investment portfolio in the market.

On this special occasion, we would like to express our deep gratitude to our valued investors for the precious trust and continued support they have given us. We also express our commitment, which goes beyond providing added value and achieving attractive financial returns for our investors, but also extends to include our effective contribution to supporting and developing the community of which we are an integral part.

May the Almighty bless you all



Fund Manager Statement



02

**Members of  
the Board of  
Directors**

“  
Leadership is the  
Essence of Premiership



# Members of the Board of Directors



**Abdul Rahman bin Mohammed Al-Rashed**  
Chairman of the Board of Directors



**Mohammed bin Omar Al-Ayidi**  
Board Member



**Mohammed bin Jaafar Al-Saqqaf**  
Board Member



**Firas bin Abdul Razzaq Houhou**  
Board Member



**Ahmed bin Abdul Rahman Al-Mousa**  
Board Member



**Fawaz bin Abdulaziz bin Huwail**  
Board Member



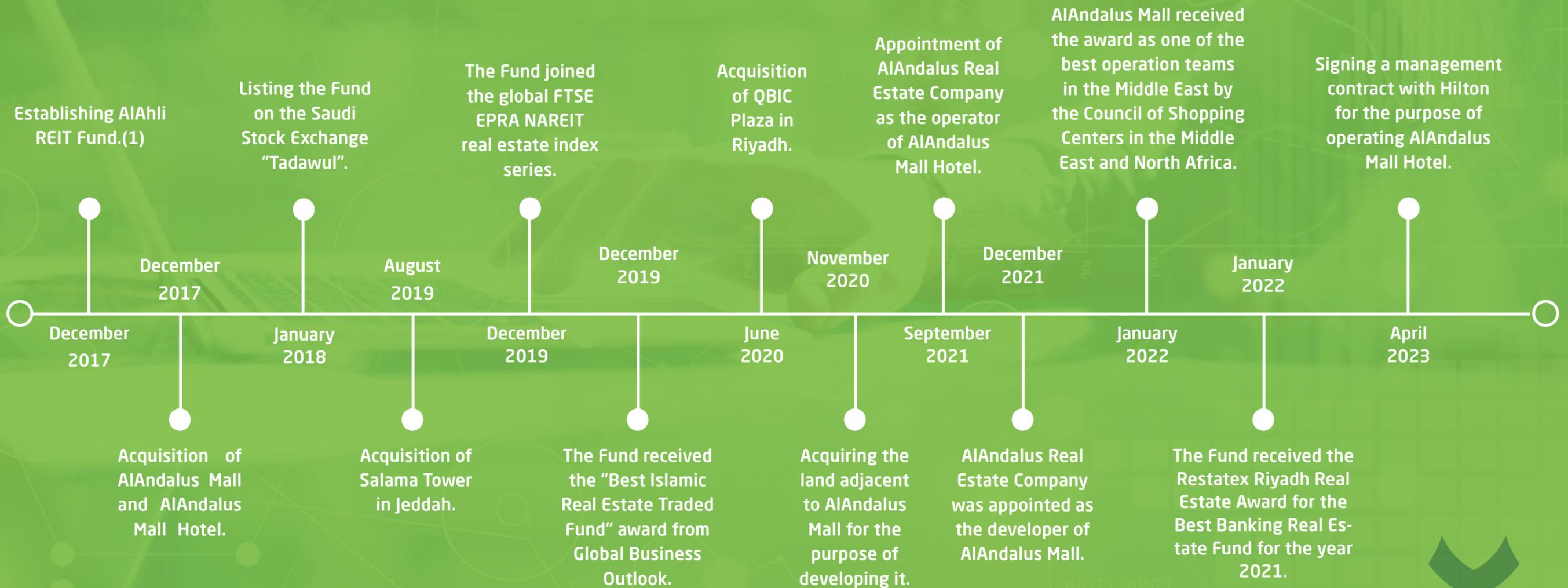
03

## Executive Summary

“  
Efficiency,  
strength and merit”

# Milestones in the Success Journey

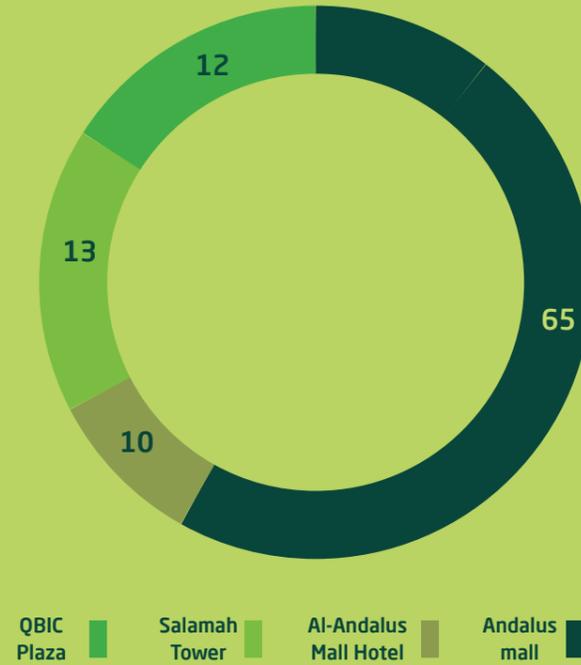
# 2017



# Geographic Presence



# Ratio of investments in Real Estate Assets



The data in the following table to be mirrored on a map of the Kingdom to show the geographical (distribution of the Fund's assets)

Assets	Location	Fair Value	Percentage
AlAndalus Mall	Jeddah	1,393,184,500	67%
AlAndalus Mall Hotel	Jeddah	145,595,500	7%
Salama Tower	Jeddah	272,795,500	13%
QBIC Plaza	Riyadh	267,367,500	13%
Total		2,078,943,000	100%

# AIAhli REIT 1

## Latest News



Signing a contract with the management of the "Hilton International" company, with the aim of operating AIAndalus Mall, to run the hotel under the brand name 'Doubletree by Hilton.



Completing AIAndalus Mall expansion project under the name "AIAndalus Avenue", which will add an estimated rental space of 15,000 square meters.



Renewing the contract for QBIC Plaza building with the Ministry of Municipal and Rural Affairs and Housing for an additional period of three years.



# 2023

AIAhli REIT Fund  
Annual Report 2023

04

Fund  
Overview

“  
Sustainable  
Development

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# About the Fund

**AIAhli REIT (1) is a close-ended public traded real estate investment fund compatible with the provisions of Islamic Shariah. It aims to provide periodic rental income to unitholders by investing primarily in structurally developed real estate assets that generate income. The Fund Manager aims to distribute cash dividends twice a year of no less than 90% of the Fund’s annual net profits. The Fund has been approved as an investment fund compatible with Sharia principles approved by the appointed Shariah Board. The term of the Fund is ninety-nine years from its date of listing, which is extendable at the discretion of the Fund Manager and subject to the approval of the Capital Market Authority (CMA).**

## 1- AIAhli REIT Fund 1 Portfolio Summary

Particulars	Value
Number of assets	4
Net Value of real estate portfolio assets	1,237,875,777
Occupancy rate of the rental portfolio	93%
Number of tenants	360
Total leasable area	156,174
Total revenue	SAR 186,563,392
Fund Assets Size	SAR 1,985,321,053



# 05

## Fund Portfolio

“  
Growth with a promising  
strategic vision

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# Fund Portfolio

AIAhli REIT Fund 1 portfolio consists of four assets that are diversified, in a planned and thoughtful manner, according to sectors, in vital locations in the cities of Jeddah and Riyadh. Following are the holdings:

## 1. Alandalus Mall



### Location

The intersection of King Abdullah Road with Prince Majid Road, Al-Fayhaa District, Jeddah.



### Total land area

162,579 square meters



### Rentable space

105K square meters



### Operator and rental manager

AlAndalus Real Estate Company



### Purchase price

1,150,000,000 Saudi riyals



### Occupancy rate

95%



### Percentage of asset rents out of the collected Fund's total rents

66.61%

AlAndalus Mall includes a variety of the finest brands, and a variety of tenants in the sectors of fashion, restaurants and cafes, entertainment, indoor sports, etc. It is one of the largest commercial centers, as it includes more than 350 shops and a net leasable area of about 90,000 square meters.

Alandalus Mall is a favorite shopping destination for families, and the large number of visitors is the best evidence of that. In 2022, AlAndalus Mall received more than (8.2) million visitors. Its features an occupancy rate of up to 95%, which is one of the highest rates compared to similar commercial centers in Jeddah.

The expansion project of AlAndalus Mall complex, which was called "AlAndalus Avenue" has also been completed and will add a rental space estimated at 15,000 square meters, and it is expected that some tenants will begin commercial activity in the coming months.

**(90,000)**  
square meters

**+(350)**  
shops and a net

**(15,000)**

The expansion project of Alandalus Mall



## 2. Salama Office Tower



### Location

Medina Road, Al-Salamah District, Jeddah.



### Total land area

7,682 square meters



### Rentable space

29,921 square meters



### Operator and rental manager

Jabal Edsas Company



### Purchase price

255,000,000 Saudi riyals



### Occupancy rate

100%



### Percentage of asset rents out of the collected Fund's total rents

12.62%

Salama Tower is located in a vital area at Salama neighborhood on Medina Road near Hira Intersection. Downtown Jeddah, less than (10) minutes from the new King Abdulaziz International Airport in Jeddah. The tower consists of (13) floors above the ground, one basement floor, and one mezzanine floor. It also includes more than (109) offices, (8) showrooms, and two warehouses. The tower is occupied by a selection of prestigious international and local brands.

**(13)**

floors above the ground

**(109)**

offices

**(8)**

showrooms

**(2)**

warehouses



### 3. QBIC Plaza



#### Location

Northern Ring Road,  
Al-Ghadeer District, Riyadh.



#### Total land area

17,444  
square meters



#### Rentable space

21,253  
square meters



#### Purchase price

(250,000,000)  
Saudi riyals



#### Occupancy rate

100%



#### Percentage of asset rents out of the collected Fund's total rents

12.17%

**Completely rented to the Ministry of Municipal,  
Rural Affairs and Housing**

This luxurious office complex, consisting of (3) floors, is located only (170) meters north of the intersection of King Abdulaziz Road and the Northern Ring Branch Road, at Al-Ghadeer neighborhood in Riyadh. It is fully leased to the Ministry of Municipal, Rural Affairs and Housing for a period of (3) years, according to a contract renewable for the same period, by agreement of both parties.

**(3)**

It is fully leased to the  
Ministry of Municipal,  
Rural Affairs and Housing

**(3)**

Floors



## 4. AlAndalus Mall Hotel



### Location

The intersection of King Abdullah Road with Prince Majid Road, Al-Fayhaa District, Jeddah.



### Total land area

6,223 square meters



### Total leasable area

28,255 square meters



### Operator

Hilton



### Purchase price

200,000,000 Saudi riyals



### Percentage of asset rents out of the collected Fund's total rents

8.60%

The upscale hotel is distinctively located on King Abdullah Road, and is connected to AlAndalus Mall, which is considered one of the most popular shopping destinations in the city of Jeddah. It is also close to Dr. Sulaiman Al-Habib Hospital, which will be opened in the first quarter of 2024 and includes 164 rooms. The hotel is also located at 10-minute drive from several important educational, medical and entertainment landmarks, and from downtown Jeddah. It is also located 20 minutes from King Abdulaziz International Airport. The hotel has a rating of 8.3 on Booking.com. It is worth noting here that the Fund signed a contract with the management of Hilton International, with the aim of operating the hotel under the brand name "DoubleTree by Hilton" after introducing the proposed improvements, which are expected to be completed in 2024.





## Fund Service Providers



**Fund Manager**  
SNB Capital



**Custodian**



**Operator of AlAndalus Mall Hotel**



**Operator of AlAndalus Mall and Property Agent**



**Auditor**



**Fund Valuers**



06

**Risk management  
and business  
continuity**

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Efficiency of Sustainable  
Planning

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**Risk Score**

High

**Risk assessment date**

March 2024

# Risk Assessment



## Income distribution risk



### Description

- The Fund aims to provide periodic rental income to unitholders through its investments in income-generating properties. Any failure to perform its basic assets would expose the Fund to the risk of inability or failure to achieve periodic or targeted distribution obligations in the future in accordance with its terms and conditions.
- Moreover, according to the terms and conditions of the facilities provided to the Fund, the Fund must meet a number of conditions under the distribution test in order to be able to distribute profits to the unitholders. Any breach of these terms may result in the Fund being unable to make such distributions.
- Further, the Fund pays interest expenses, the Fund might be in a position where a big portion of the cash generated from operations is used to service the debt (interest) and hence impacting its ability to distribute dividends.

### Mitigation

- The Fund's approach to mitigating these risks is to ensure that the underlying assets are performing well and generating expected cash flows.
- Alandalus Mall: The Fund has entered into long-term contracts with major tenants, and is constantly looking for ways to ensure that the mall has a diverse range of tenants.
- AlAndalus Mall Hotel: The Fund Manager has entered into an agreement with Hilton to operate the hotel. This will ensure we attract guests on consistent basis.
- Salama Tower: The 18 floor office building is fully leased for 5 years to one primary tenant (Head lease with 0.7 years remaining).
- Qbic Building: The property is fully leased to one primary tenant (the Ministry of Municipal, Rural Affairs and Housing) The lease was renewed on similar terms for a term of 3 years starting 25 February 2023.
- Specific marketing strategies related to increasing demand for the Fund's properties are also being implemented property managers and/or operators..
  - The Fund Manager meets regularly with real estate agents and operators to closely monitor asset performance and take immediate action to ensure the Fund achieves its set objectives.
  - The Fund Manager closely monitors debt covenants to ensure that the Fund is complying with all covenants, including distribution testing.



## Exit risk

### Description

- The Fund invests in real estate assets that are illiquid in nature. This exposes the Fund to the risk of being unable to liquidate the underlying assets in a timely manner and in accordance with the Fund's strategy. These risks become more significant as the Fund approaches maturity.

### Mitigation

- The Fund has a long term to maturity (99 years, extendable) and the Fund's units remain tradable on the financial market, giving unit holders the ability to exit at a time of their choosing based on prevailing market prices.
- The Fund invests in real estate assets located in distinctive and central locations in a major city. These assets are characterized by high demand from investors, due to their quality and ease of liquidation compared to other real estate assets.



## Credit risk

### Description

- The risk is that one party to a financial instrument will cause a financial loss to the other party by not fulfilling its obligations. The Fund is also exposed to bank credit risks and lease receivables (receivables from tenants under operating lease contracts).

### Mitigation

- With regard to bank balances, the Fund's policy is to enter into contracts for financial instruments only with reputable counterparties.
- For outstanding rents, the Fund always seeks to enter into long-term rental agreements with established and reputable tenants. The mall also has a diverse and strong mix of tenants, which is considered the best strategy to mitigate tenant risks.



## Concentration risk

### Description

- **Portfolio concentration:** The Fund invested in 4 real estate assets, 3 of which are located in the city of Jeddah and one in the city of Riyadh. Although this portfolio concentration may increase the total returns of the unitholders, if a material loss results from any significant investment, the returns of the unitholders may be lower compared to if the Fund had invested in a diversified portfolio.
- **Concentration of clients and tenants:** The Fund is distinguished by its diversification in terms of its client base and adopts four properties, two of which are rented to one tenant: QBIC Plaza and Salama Tower. While having a single tenant may promote the stability of rental income streams over the long term, the risk is that a tenant defaults could cause the property to lose its entire rental income, putting the fund in the difficult position of finding a replacement in time and overcoming liquidity challenges.

### Mitigation

- As part of the Fund Manager's efforts to diversify the Fund's asset base, the Fund Manager completed several acquisitions in Jeddah and Riyadh. The distribution of the Fund's assets was as follows (percentage of the Fund's total revenues):

Assets	Revenue concentration/ concentration	
	2022G	2023G
Shopping Center	68 %	67 %
The hotel	8 %	9 %
Office center	12 %	12 %
Office tower	12 %	12 %

- The Fund Manager continues to explore additional options to diversify the portfolio and mitigate these risks, by searching for additional properties that meet the risk and return profile requirements to add to the portfolio contents.



## Valuation risk

### Description

- The risk that the Fund 's market value will fall significantly below its net asset value. This may be due to overvaluation of the underlying assets.

### Mitigation

- The Fund Manager manages these risks through:
- **Pre-acquisition:** Carrying out due diligence and evaluation procedures to ensure that the Fund does not pay too much upon acquisition.
- **Post-acquisition:** Focus on achieving long-term value for the unitholders, their ability to generate sustainable recurring rental income and long-term growth potential.
- To value its assets, the Fund relies on two independent valuations from two reputable real estate valuation companies (Deloitte and Esnad). These valuations are reviewed and examined internally by the Fund Manager to ensure that they do not exaggerate the fair value of the assets.
- The risk that the Fund 's units will be valued at less than net asset value also results from general market sentiment and opinions about the REIT sector and real estate in general. The Global Valuation Benchmarks study shows that REITs in most countries trade below net asset value.



## Liquidity risk

### Description

- Liquidity risk is the risk that the Fund will not be able to generate sufficient cash resources to settle its obligations (such as debt service, dividends, operating expenses, and capital expenditures) in full when they fall due, or that it will be able to settle such obligations on substantially unfavorable terms.

### Mitigation

- The Fund Manager monitors liquidity requirements by ensuring that sufficient funds are available to meet any obligations as they arise.
- The Fund has credit facilities that can be used to meet new acquisition requirements.



## Profit rate risk

### Description

- The risk that the value of the Fund 's assets and financial instruments will fluctuate due to negative changes in profit rates/interest rates.
- Since the Fund is financed using a variable interest rate facility (SIBOR rate + spread), any negative change in the SIBOR rate will lead to higher profit/interest expenses and thus lower total returns to the unitholders.
- Over the past year, the SIBOR rate has increased significantly and is expected to continue to rise in the coming years (in line with the direction of the US Federal Reserve), which will reflect negatively on the Fund .

### Mitigation

- The Fund Manager has obtained a very competitive profit rate and also reviews and renegotiates the loan terms on a regular basis. The Fund Manager also reviews economic factors and interest rate expectations, with a focus on SIBOR rate expectations and the US Federal Reserve's policy directions.
- The Fund Manager also negotiates the interest rate spread with the bank and also assesses the feasibility of entering into any interest rate hedges.



## Indebtedness risk

### Description

- This risk is that the Fund will not be able to generate the income necessary to service its debt, which will lead to default payment.
- The Fund loan facilities compatible with the provisions of Islamic Shariah to acquire income-generating properties. meanwhile these facilities contribute to diversifying assets and increasing the Fund 's ability to distribute cash and its total return, they may lead to an increase in potential losses in adverse scenarios.

### Mitigation

- The Fund Manager closely monitors liquidity requirements by ensuring that sufficient funds are available to meet any debt repayment obligations as they arise. In addition, the Fund Manager monitors debt pledges to ensure that they are all met.



## Fund Manager's risk

### Description

- Unit holders may not have the opportunity to participate in or control the day-to-day operations or decisions of the Fund , including investment decisions and actions taken by the Fund Manager, which may have an impact on the Fund 's performance.

### Mitigation

- The Fund Manager has set up systems and controls to ensure that the Fund adheres to regulations at all times and that risks in the Fund are managed accordingly.
- The Fund Manager relies on its highly experienced investment team to work for the benefit of the unitholders and to achieve the Fund 's aspirations for long-term growth.
- In the event that certain functions/activities are outsourced to a third-party service provider, the Fund Manager shall ensure that appropriate due diligence procedures have been completed for the third-party service provider, and that the latter accepts and adheres to the Fund Manager's terms of employment.



## Geographic risk

### Description

- risks of new government regulations, policies and taxes; or political and social instability, which may negatively affect the Fund 's performance and/or the Fund 's liquidity.

### Mitigation

- The Fund invests entirely in the Kingdom of Saudi Arabia.
- The Fund manages these risks by monitoring the regulatory/political/tax aspects in the Kingdom of Saudi Arabia and by anticipating and preparing for any potential change.



## Economic risk

### Description

- These risks are represented by the deterioration of the overall economic situation and its negative impact on the performance and value of the underlying assets and thus on the Fund .

### Mitigation

- The Fund Manager continues to closely monitor the overall macroeconomic situation and any specific development in the real estate sector to ensure appropriate decisions are taken accordingly.



## Risk of assets poor performance

### Description

- This is the risk that the underlying assets will perform less than expected due to special factors such as tenant delays, high capital expenditures or high vacancy rates.
- As of December 31, 2023, the Fund has a balance of recorded approximately SAR 23.48 million in provision for losses resulting from impairment of receivables associated with operating lease contracts. The property manager continues to monitor this to ensure that all amounts owed are recovered.

### Mitigation

- The Fund Manager has followed a number of risk mitigation strategies that include: - Signing long-term contracts with anchor tenants.
- Ensuring that the Mall has a strong and diverse mix of tenants.
- Continuously perform better evaluation
- Possible ways to operate the Hotel.
- Signing a long-term lease contract with a prestigious company for the Salama Office Tower and the QBIC Plaza.
- Diversifying the assets and tenants of the Fund .
- The Fund Manager also closely monitors the performance of the underlying assets and meets regularly with property managers and hotel operators to monitor any issues/events that may lead to poor performance of the Fund.



## Operational risk

### Description

- Operational risk is the risk of direct or indirect loss arising from a variety of causes related to the operations, technology and infrastructure that support the Fund's activities, whether internal or external to the Fund's service provider, and from external factors such as natural disasters.

### Mitigation

- The Fund is managed by SNB Capital, a company with a proven track record and experience in asset management.
- To ensure compliance with best practices, some key activities requiring subject matter expertise have been outsourced to experienced and reputable service providers with a proven track record.
- Alandalus Real Estate Company was appointed as the operator of Alandalus Mall. The company is considered one of the most prominent shopping center management companies in the Kingdom of Saudi Arabia with a long and positive track record.
- Sama Tower and QBIC Plaza are leased under a triple net lease (NNN) to one anchor tenant each.
- In general, the Fund's goal is to manage operational risks to achieve a balance between limiting financial losses and damage to its reputation by achieving its investment objective.



## Compliance risk

### Description

- The Fund's failure to comply with laws, rules and regulations. These risks include: Legal, regulatory and Shariah compliance risks.

### Mitigation

- The Fund Manager continues to monitor the Fund's compliance with its regulations, terms and conditions and will take all necessary measures to meet these requirements.



## Risk of structural damages

### Description

- Structural damage resulting from adverse events, which can jeopardize the income-generating ability of the affected property.

### Mitigation

- The Fund Manager is keen to carry out preventive maintenance on a regular basis.
- Renting real estate under a triple net lease contract, annual inspection by the Fund Manager, or disclosure by the main tenant.
- Real estate insurance on all the Fund's assets.



07

# Financial Performance



Promising Facts  
and Figures

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## Historical comparison of the Fund's performance during the last five years

Historical comparison between 2020, 2021, 2022, and 2023

	2020	2021	2022	2023
Net asset value at the end of the year	1,320,470,000-	1,303,077,00	1,272,945,000	1,237,875,000
Net asset value of the unit at the end of the year (Cost/fair value)	9.90/9.60	9.69/9.48	9.26/10.47	9.00 / 10.28
Highest net asset value per unit (cost/fair value)	10.16/9.95	9.90/9.60	9.48/10.61	10.41/9.32
Minimum net asset value per unit (cost/fair value)	9.58/9.60	9.69/9.48	9.26/9.69	10.28/9.00
Highest closing price of the unit	10.2	14.24	12.94	10.12
Lowest closing price per unit	7.83	8.83	9.95	7.70
Number of Fund units	137,500,000	137,500,000	137,500,000	137,500,000
Total income distribution per unit in the period	0.45	0.675	0.7	0.55
Fund's performance vs. Benchmark	No Benchmark to compare the Fund's performance			
Total Expenses / Total Fund Assets Ratio	1.14%	1.19%	1.22%	1.24 %
Borrowing ratio of total assets	27.06%	28.85%	30.52%	33.34%
Remaining term of the loan	14 years	13 years	12 years	2 years
Due date	September 30, 2034	September 30, 2034	September 30, 2034	July 30, 2026



Cumulative total return			
	1 year	3 years	Since establishment
Based on net asset value (cost/fair value)	3.13%/3.44%	13.80%/23.28%	20.25%/33.05%
Based on the market price	-5.0%	23.79%	20.75%

Annual total return					
	2019	2020	2021	2022	2023
Based on net asset value ((cost/fair value)	4.85%/4.33%	1.87%/1.08%	4.70%/5.71%	15.28%/5.07%	3.13%/3.44%
Based on the market price	30.80%	-1.37%	35.37%	-5.26%	-5.0%

## Fund Performance during 2023

Particular	Value
Number of units issued	137,500,000
Value of the opening net asset at the beginning of the year	1,272,944,000
Value of the closing net asset at the end of the year	1,237,875,777
Opening net asset value per unit at the beginning of the year (cost/fair value)	9.26/10.47
Final net asset value per unit at the end of the year (cost/fair value)	9.00/10.28/9.00

Particular	Value
Cash from operations (FFO)	73,034,000
Cash from operations for the unit	0.53
Total dividend distribution per unit	0.55
The highest closing price of the unit	10.12
The lowest closing price of the unit	7.7
Uncollected revenue/total revenue (%)	22.58%
Ratio of non-cash expenses/net fund profits (%)	19.28%
Fund fees and expenses for the year 2023	
Fund management fees	20,854,000
Professional fees	563,000
Board of Directors fees	100,000
Fees paid for trading	805,000
Asset custody fees	506,000
Shariah committee fees	24,000
Other expenses	1,712,000



## Most important decisions issued by the Board of Directors meetings during the year 2023G

## The Board of Directors held two meetings and issued the following decisions:

1. Updating the Board of Directors with developments on the fund's assets
2. Discussing the Fund's performance.
3. Discussing the performance of investments in the money market funds.
4. Reviewing Compliance Department's.
5. Evaluating the independence of the Fund's Board of Directors.
6. Evaluating the performance and quality of services provided to the Fund by service providers.
7. Reviewing the Fund's annual budget.
8. Approval of amendments of terms and conditions.
9. Approval of the semi -annual and annual Financial Statements.
10. Approval of cash dividends.
11. Approval of amending the financing agreement and increasing financing limit.
12. Approval of the management contract with Hilton for the purpose of running AlAndalus Mall Hotel.
13. Approval of appointing the valuers to real estate assets.
14. Approval to write some uncollectible receivables .



## Dividends

The dividend policy adopted by the Fund stipulates that at least 90% of the Fund's net annual profits shall be distributed as cash dividends to unitholders twice a year, with the exception of gains resulting from the sale of real estate assets, investments in capital market funds, and transactions that can be reinvested in additional assets of the Fund.

### Summary of dividends for the year 2023

Value	Particular
Total number of profits distributed for this period	75,625,000
Profit share per unit	0.55
Number of outstanding units	137,500,000
Nominal value of the unit (initial price)	10
Dividend payout/initial unit price ratio	5.50%
Dividend to Net Asset Value Ratio (Cost/Fair Value)	6.11%/5.35%
Net asset value as of December 31, 2023	1,237,875,000

# Disclosures

## Other investments

The Fund Manager invested the surplus cash balances in a Shariah-Compliant financial market instrument, namely the AIAhli Saudi Riyal Trading Fund.

## Special commissions

The Fund is exempted from paying management fees imposed on its investments in the financial market fund (i.e. AIAhli Saudi Riyal Trading Fund).

## Indebtedness

The Fund has an Islamic facilities agreement with the Saudi National Bank worth 760 million Saudi riyals, due for repayment in July 2026. The Fund has withdrawn from the facilities a total amount of 662 million Saudi riyals as of December 31, 2023.

## Material changes

None.

## Annual voting rights

None.

## Dividend

Dividends for the first half of the calendar year 2023 were distributed in August of the same year, while dividends for the second half of the same year were distributed in March 2024.

## Conflict of interest

None.

AIAhli REIT Fund  
Annual Report 2023



## Disclaimer

This report is intended only to provide general information and does not constitute an offer or solicitation for the sale or purchase of any securities. This document also does not take into account the needs of the recipient in terms of investment suitability.

Specifically, this report has not been shaped in accordance with the specific investment objectives of any person who may receive it, nor in accordance with his or her financial situation, risk appetite, or other needs.

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# Activities and Events

With the aim of supporting tenants, to attract the largest possible number of segments of their target audience, to raise their sales operations and increase the movement of shoppers in the mall, the management of Alandalus Mall worked to establish a wide range of activities and entertainment events during the year 2023 AD, including the following:

## Touring Bands



## Foundation Day event



## Science Day



## International Mother's Day event



## Ramadan season event



## Eid al-Fitr event



## An event to celebrate successful male and female students



## Puppet Theater



## Eid al-Adha event



## National Day event



## Children's Arts event



## Challenge games event



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# Financial Statements



Growth with a promising  
strategic vision

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# Financial Statements



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