

Al Mal Capital REIT receives SCA Approval for IPO on DFM

- UAE Securities & Commodities Authority (SCA) approves the 1st REIT IPO on DFM
- Al Mal Capital REIT intends to list all of its units on DFM in January 2021 post IPO completion
- Target offer size of AED 500mn to acquire a diversified portfolio of real estate assets, backed by secure long-term lease agreements
- The REIT is targeting a net dividend yield above 7.0%
- Managed by Al Mal Capital PSC - a leading investment advisory and asset management firm, and a subsidiary of Dubai Investments PJSC

Dubai, UAE, 26th October 2020: Al Mal Capital announced today that it has received the Securities and Commodities Authority of the UAE (“SCA”) approval to float its newly founded entity, Al Mal Capital REIT, a closed-ended real estate investment trust. Al Mal Capital REIT intends to list its units on the Dubai Financial Market (“DFM”) in January 2021.

Al Mal Capital REIT has a target offer size of AED 500 million. The proceeds of the offering will be utilized to invest in a diversified portfolio of income generating real estate assets, backed by secure long-term lease agreements. It will provide UAE and GCC investors access to an asset class with strong fundamentals, through a strategy focused on investing in high-performing UAE sectors, including healthcare, education and industrial assets, with a target annual return of 7%.

The Fund’s IPO subscription period is from 8th November 2020 to 19th November 2020, with a subscription price of AED 1.00 per Unit and a subscription fee of AED 0.02 per Unit and subscription will take place via FAB and DFM eIPO platform.

Khalid Bin Kalban, Chairman of Al Mal Capital PSC said *“In the current environment, investors are looking for secure long-term attractive returns. Al Mal Capital is confident that the REIT and DFM listing will meet investors’ needs, providing a liquid vehicle to access a sector with strong fundamentals.”*

Commenting on the IPO, Naser Al Nabulsi, Vice Chairman and CEO of Al Mal Capital said: *“Al Mal Capital is committed to promoting local and regional markets and creating investment products to enhance the international visibility of the regional market. SCA’s approval on Al Mal Capital REIT IPO is a breakthrough and the first of its kind in the UAE financial sector.”*

Sanjay Vig, Managing Director at Al Mal Capital said *“Al Mal Capital REIT aims to provide investors with secure returns distributing at least 80% of the fund’s net income, targeting Sharia compliant assets. The aim is to acquire strategic single-let, anchor assets preferably in the healthcare and education sectors that provide stable income, low volatility and long-term capital appreciation.”*

Al Mal Capital REIT is managed by Al Mal Capital, founded in 2005, a leading investment advisory and asset management firm regulated by SCA and UAE Central Bank, and a subsidiary of Dubai Investments PJSC.

Al Mal Capital REIT Highlights

- The REIT has a target portfolio of AED 500million. The proceeds of the offering will be utilized to acquire identified quality assets backed by strong credit counter party.
- Acquire real estate properties in the UAE and abroad with a focus on high growth sectors including healthcare, education and industrials.
- IPO offered shares shall have no lock-up period and will start trading on the DFM upon listing.
- Al Mal Capital REIT aims to maintain an optimal capital structure with max LTV of 50%.
- Dividend distribution of REITs has to be at least 80% of their net income as required by rules and regulations.
- The fund intends to invest in Shariah-compliant assets through Shariah financing structures
- The fund is targeting 7% returns from year one
- Al Mal Capital REIT will be the 1st SCA-regulated approved REIT on DFM
- As a local REIT, Al Mal Capital REIT can own onshore assets as well as free zone assets

The Offering and Subscription

- Retail Investors at the IPO stage: represents 20% of the total number of the Fund Units offered for subscription equivalent to 100,000,000. The minimum subscription amount for Units per Individual Investor of this tranche is AED 10,000 at par AED 1.00 per Unit in addition to the subscription fee of AED 0.02 per Unit
- Institutional Investors at the IPO stage: represents 80% of the total number of the Fund Units offered for subscription and it is equivalent to 400,000,000 Units. The minimum subscription amount for Units per Institutional Investor of this tranche is AED 500,000 at par AED 1.00 per Unit in addition to the subscription fee of AED 0.02 per Unit
- Both retail and institutional investors can subscribe through the receiving bank, First Abu Dhabi Bank (FAB)
- FAB is also offering subscription services through its electronic platform and through DFM eIPO platform

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