



# Risk Assessment Report Al Maather REIT Fund 2025

## Fund Risk Rating

				Impact		Probability									
				Impact	Probability			0	1	2	3	4	5	6	7
Related risks to the fund:															
1	Volatility in returns due to concentration risk arising from the fund's investments being focused within a limited geographic area	2.50	2.00	5.00											
2	Loss of key employees of the fund manager	2.00	2.00	4.00											
3	Inability to exit real estate investments within the fund in a timely manner	2.00	2.00	4.00											
4	Market volatility risk and the risk of trading at a price below fair value	2.50	1.50	3.75											
5	Risks of increasing the fund's capital and reducing the relative shares of unite holder	1.00	2.50	2.50											
6	Risks of not achieving operating or rental returns	3.00	0.25	0.75											
Related risks to the fund:															
7	Risks of economic downturn and stagnation of the real estate market in general	2.00	1.50	3.00											
8	The risk of rising interest rates and the impact of this on increasing the expected returns and the required rental returns on real estate assets and thus declining their value	2.00	0.50	1.00											
9	Possibility to challenge the Fund's ownership of the real estate assets or disqualify the Fund's assets instruments	3.00	0.25	0.75											
10	The possibility of increasing competition in the sectors in which the Fund invests (health, education, hospitality, offices, trade fairs)	1.50	1.50	2.25											
11	Risks of not being able to attract and retain suitable tenants and/or effectively manage real estate assets	3.00	0.50	1.50											
12	The possibility of declining operational returns as a result of bearing high fixed and operational costs without being associated with an increase in rental returns	2.00	1.00	2.00											
13	The fund's reliance on significant operational support from the property manager and the risk of the property manager not fulfilling its contractual obligations	2.00	2.00	4.00											
14	The negative impact of the lack of or non-compliance with regulatory approvals and licensing requirements on real estate assets	3.00	0.50	1.50											
15	The possibility of the real estate assets being subject to substantial damage due to natural disasters and other causes beyond the control of the fund manager and for which insurance (if any) may not be sufficient	3.00	0.50	1.50											
16	Risks of concentrating rental returns on some of the fund's properties with one tenant	1.50	1.50	2.25											
17	The risk of tenant defaults and its impact on the fund's operating flows	3.00	1.00	3.00											

18	The possibility of rescinding the utility contracts from their owners	2.50	1.00	0.50	
<b>Other Risks:</b>					
19	Macroeconomic risks and market dependence on oil prices, and the impact of any fundamental decline in oil prices on the real estate market	2.00	2.00	4.00	
20	The political, economic and legal environments continue to be subject to continuous changes	2.50	2.50	6.25	
21	Changes in regulatory legislation that may affect the fund's net rental cash flows, such as the imposition of taxes on rental values	1.50	0.50	0.75	
22	Regulatory changes involving the imposition of fees on vacant land and the suspension of rental increases	0.50	3.00	1.50	
23	Regulatory changes involving the imposition of fees on vacant units	2.00	3.00	6.00	

**The potential negative impact** in the event the risks materialize on the fund's total revenues as assessed by the Fund Manager on a scale of 1 to 3.

**Probability** The level of the Fund Manager's assessment and confidence regarding the likelihood of these risks occurring, on a scale of 1 to 3.

Based on the above table, which shows 23 factors of the three types of risks, which are risks related to the fund, risks related to the assets of the fund and other risks, the investment risks in the fund were evaluated based on three categories, as the evaluation mechanism was adopted on the extent of the influence of the factors and the number of times they occur "Frequency", and the three risk categories and their impact as follows:

1. Low Risk :Rating score less than 2
2. Medium Risk. :Rating score from 2 to 4
3. High Risk :Rating score higher than 4

### Fund risk Classification:

	Risks to the fund:	Impact	Probability		Value
1	Volatility in returns due to concentration risk arising from the fund's investments being focused within a limited geographic area	2.50	2.00	5.00	High Risk
2	Loss of key employees of the fund manager	2.00	2.00	4.00	Medium Risk
3	Risks of poor liquidity of the fund investments and the ability to quickly exit from the real estate investments in the fund	2.00	2.00	4.00	Medium Risk
4	Market volatility risk and the risk of trading at a price below fair value	2.50	1.50	3.75	Medium Risk
5	Risks of increasing the fund's capital and reducing the relative shares of unite holder	1.00	2.50	2.50	Medium Risk
6	Risks of not achieving operating or rental returns	3.00	0.25	0.75	Low Risk
	<b>Related risks to the fund:</b>				
7	Risks of economic downturn and stagnation of the real estate market in general	2.00	1.50	3.00	Medium Risk
8	The risk of rising interest rates and the impact of this on increasing the expected returns and the required rental returns on real estate assets and thus declining their value	2.00	0.50	1.00	Low Risk
9	Possibility to challenge the Fund's ownership of the real estate assets or disqualify the Fund's assets instruments	3.00	0.25	0.75	Low Risk
10	The possibility of increasing competition in the sectors in which the Fund invests (health, education, hospitality, offices, trade fairs)	1.50	1.50	2.25	Medium Risk
11	Risks of not being able to attract and retain suitable tenants and/or effectively manage real estate assets	3.00	0.50	1.50	Low Risk
12	The possibility of declining operational returns as a result of bearing high fixed and operational costs without being associated with an increase in rental returns	2.00	1.00	2.00	Medium Risk
13	The fund's reliance on significant operational support from the property manager and the risk of the property manager not fulfilling its contractual obligations	2.00	2.00	4.00	Medium Risk
14	The negative impact of the lack of or non-compliance with regulatory approvals and licensing requirements on real estate assets	3.00	0.50	1.50	Low Risk
15	The possibility of the real estate assets being subject to substantial damage due to natural disasters and other causes beyond the control of the fund manager and for which insurance (if any) may not be sufficient	3.00	0.50	1.50	Low Risk
16	Risks of concentrating rental returns on some of the fund's properties with one tenant	1.50	1.50	2.25	Medium Risk
17	The risk of tenant defaults and its impact on the fund's operating flows	3.00	1.00	3.00	Medium Risk
18	The possibility of rescinding the utility contracts from their owners	0.50	1.00	0.50	Low Risk
	<b>Other Risks:</b>				
19	Macroeconomic risks and market dependence on oil prices, and the impact of any fundamental decline in oil prices on the real estate market	2.00	2.00	4.00	Medium Risk
20	The political, economic and legal environments continue to be subject to continuous changes	2.50	2.50	6.25	High Risk
21	Changes in regulatory legislation that may affect the fund's net rental cash flows, such as the imposition of taxes on rental values	1.50	0.50	0.75	Low Risk
22	Regulatory changes involving the imposition of fees on vacant land and the suspension of rental increases.	0.50	3.00	1.50	Low Risk

23	Regulatory changes involving the imposition of fees on vacant units.	2.00	3.00	6.00	High Risk
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### Risk Assessment Report

